

**ATTACHMENTS DISTRIBUTED UNDER SEPARATE COVER**

**CCL 23/06/2020 – EXHIBITION OF DRAFT LOCAL HOUSING  
STRATEGY**

|                 |                |                      |  |
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**ITEM-35**      **Attachment A:**      Draft Local Housing Strategy



Draft for Public Exhibition – June 2020

# Local Housing Strategy



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City of  
Newcastle

## Acknowledgment

City of Newcastle acknowledges that we operate on the grounds of the traditional country of the Awabakal and Worimi peoples.

We recognise and respect their cultural heritage, beliefs and continuing relationship with the land and waters, and that they are the proud survivors of more than two hundred years of dispossession.

City of Newcastle reiterates its commitment to address disadvantages and attain justice for Aboriginal and Torres Strait Islander peoples of this community.

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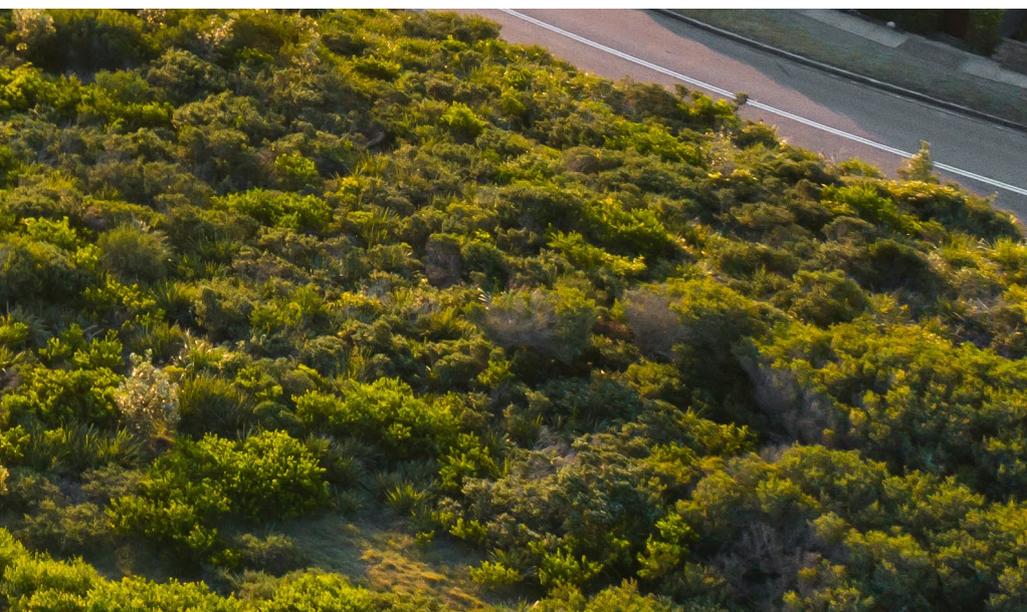


# Executive Summary

**The Local Housing Strategy 2020 (LHS) sets a framework for the provision of housing across the Newcastle Local Government Area (LGA) over the next 20 years.**

**The LHS has been developed in accordance with the Department of Planning, Industry and Environment's (DPIE) 'Local Housing Strategy Guideline' and includes consideration of demographic factors, local housing supply and demand, and land-use opportunities and constraints.**

**The first step in developing the LHS has been to establish the context and the evidence base to identify the requirements of the LHS, including housing supply gaps, specific needs and development capacity. The LHS is based on evidence from the Newcastle Housing Needs and Local Character Evidence Report (2019) and other sources referenced throughout the LHS.**



## Key findings

The population in the City of Newcastle (CN) is projected to increase by around 41,000 people between 2016 and 2041, from 160,900 to 202,050 people.

The number of new households is projected to increase by around 18,250 between 2016 and 2041. This growth is partly driven by population growth, and partly by household composition with an increase in one and two person households. Based on the projected population growth, future household composition, and the number of dwelling vacancies, it is estimated that there will be a demand for 19,450 new dwellings by 2041.

Based on collective insights from national research into housing preferences of Australians by both the Grattan Institute (2011) and the Australian Housing and Urban Research Institute (2019 a,b), it was found that households generally prefer to live in detached homes with backyards. However, many people cannot afford their ideal house in their preferred location and therefore must make trade-offs between different factors (size, location, etc.).

### Employment and Household Income

In CN, the proportion of unemployed and part-time workers has risen since 2011, while the number of full-time workers has declined. Furthermore, over one third of households in CN earn a very low to low income. This has resulted in a high proportion of CN's population being unable to afford to buy or rent a house, or experiencing housing stress, which indicates that there is strong demand for more affordable housing options to be provided locally.

### Household Composition

In CN, household sizes are expected to shrink over time as more people live alone or as a couple without children. This change in household composition will influence the future housing demand in relation to the number and size of new dwellings required.

### Demographics

Young adults tend to move to CN for tertiary education and employment, driving the demand for rental housing while studying and establishing a career. This makes the availability and affordability of rental accommodation an important consideration for urban planning.

CN's population is ageing slightly, as with much of Australia. The proportion of people in retirement age (65+) will increase from 15% in 2016 to 17% in 2041. It is therefore important that the housing needs of this growing cohort are identified and factored into our future planning. In addition, around 6% of CN's residents have a severe or profound disability and require assistance in their daily lives and housing to suit their specific needs.

There is a clear need for affordable, accessible and adaptable housing to suit the range of needs across the population.

### Housing Supply

#### Amount and type of current and planned housing stock

Between August 2016 and August 2019 there were 9,150 new dwellings in the supply pipeline in the Newcastle LGA, i.e. new dwellings that have recently been completed, are currently under construction, have been approved for construction, or are under assessment. Around 82% of these dwellings are in infill areas. Based on the supply pipeline, CN has already exceeded the number of dwellings required by 2021 and is also on track to meet the dwelling demand to 2026.

#### Capacity within the existing land use controls for additional housing

DPIE has estimated that, at mid-2017, the Newcastle Local Environmental Plan 2012 (NLEP 2012) had a theoretical capacity of 60,000 additional dwellings, of which 92% would be in 'infill' areas, and 8% in 'greenfield' areas. This theoretical capacity is over three times the total number of dwellings projected to be required within the LGA by 2041 (19,450 dwellings). However, the actual capacity for housing supply is likely to be lower, due to site-specific constraints, lack of development feasibility and some sites being withheld from development.

## Recommendations

A strategic and consistent approach is required for the delivery of future housing in the Newcastle LGA. More specifically, there is a need for policies, land-use provisions and other mechanisms that enable a more diverse mix of housing types that are affordable, sustainable and that meet the diverse needs and preferences of the community. The LHS aims to provide a strategic and consistent approach to housing in the Newcastle LGA.

The following housing priorities have been developed to respond to the key findings and to guide the future of housing in Newcastle:

**Housing Priority 1:** Maintain and encourage housing supply in the right locations

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**Housing Priority 2:** Diversify housing type and tenure across the LGA to provide for a range of housing needs

---

**Housing Priority 3:** Increase the availability of accessible and adaptable housing

---

**Housing Priority 4:** Increase the supply of affordable rental housing

---

**Housing Priority 5:** Ensure new housing and changes to existing housing reflect the desired future local character

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**Housing Priority 6:** Homes are designed to be ecologically sustainable and to reduce resource requirements through the life cycle of the dwelling.

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# Introduction

## About the Local Housing Strategy

The Local Housing Strategy 2020 (LHS) sets a framework for the provision of housing across the Newcastle Local Government Area (LGA) over the next 20 years.

The LHS is a local response to the housing actions within the Hunter Regional Plan (HRP), Greater Newcastle Metropolitan Plan (GNMP) and the Newcastle Local Strategic Planning Statement (LSPS).

The LHS considers housing in the context of affordability, accessibility and sustainability and will inform a future review of the Newcastle Local Environmental Plan 2012 and Newcastle Development Control Plan 2012.

The LHS:

1. Provides a history of housing supply and the different eras of housing development in Newcastle
2. Identifies the key drivers for housing supply and demand
3. Outlines the 20-year population projections and housing needs for Newcastle
4. Sets the priorities for the provision of housing for the next 20 years
5. Includes an Implementation Plan to achieve these housing priorities.

The LHS is informed by the *Newcastle Housing Needs and Local Character Evidence Report (2019)* and other sources referenced throughout the body of the Strategy. If not referenced otherwise, all figures in this report have come from the *Newcastle Housing Needs and Local Character Evidence Report (2019)*.



## Planning for housing during the Coronavirus

At the time of writing, the impacts of the Coronavirus on the Newcastle community and the built environment remain uncertain. Understanding the implications on employment, household incomes and the housing market will be an area for further work in the short to medium term.

As updated data becomes available, it will be used to supplement the findings of the *Newcastle Housing Needs and Local Character Evidence Report (2019)*.

Despite the uncertain circumstances, Housing Priorities for CN will remain the same, including our goal to increase the supply of affordable housing. The Implementation Plan linked to the LHS will be reviewed on an annual basis and will be updated to address the impacts of the Coronavirus on our community when the relevant data becomes available.

## Sustainable Development Goals and New Urban Agenda

The City of Newcastle is a United Nations City and has adopted the Sustainable Development Goals (SDGs) and the New Urban Agenda as cornerstones for planning. Achieving the SDGs and the New Urban Agenda requires partnerships between a range of stakeholders, including all levels of government, community, and the private sector. The LHS aligns with and contributes to the realisation of the following SDGs relating to housing:



## Planning Policy and Context

This LHS is set within State and Local Government legislation, strategies, plans and policies (refer to Figure 1).

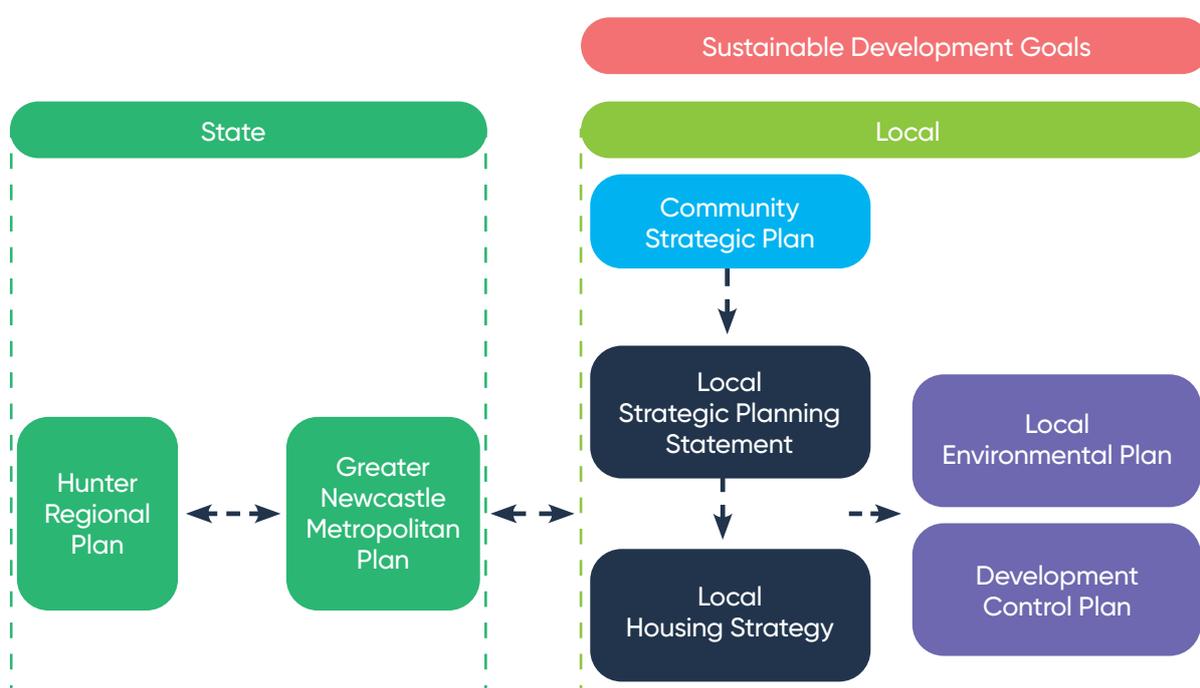


Figure 1: Planning and policy context

## State Environmental Planning Policies

State Environmental Planning Policies (SEPPs) are prepared by the State government and address planning matters of State or regional significance. SEPPs override local legislation and can prohibit or allow certain types of development in an area. The following SEPPs influence housing outcomes in CN.

### **SEPP 65 – Design Quality of Residential Apartment Development and associated Apartment Design Guide**

Aims to improve the design of apartments.

Sets minimum design quality principles and standards for apartments, including context and neighbourhood character, built form and scale, density, sustainability, landscaping, amenity, safety, housing diversity and social interaction, and aesthetics.

### **SEPP 70 – Affordable Housing (Revised Schemes)**

Enables councils to prepare and operate affordable housing contribution schemes, i.e. levying contributions from new development for affordable housing.

### **SEPP Affordable Rental Housing 2009**

Applies to boarding houses, secondary dwellings, group homes and other forms of housing.

Aims to improve the provision of lower-cost housing, while providing development concessions to increase their supply.

### **SEPP Exempt and Complying Development Codes 2008**

Identifies development types that do not require a development application.

Aims to make the application process faster, cheaper and more certain.

Sets provisions for different housing codes including the Housing Code, Inland Code, Low-Rise Medium Density Housing Code, Rural Housing Code, Greenfield Housing Code and the Housing Alterations Code.

### **State Environmental Planning Policy (Three Ports) 2013**

Restricts the residential use of land within the Port of Newcastle.

### **State Environmental Planning Policy (Housing for Seniors or People with a Disability) 2004**

Provides planning incentives for the provision of housing that meets the needs of seniors and people with a disability.

### **State Environmental Planning Policy No 9 – Group Homes**

Facilitates the establishment of group homes for people with a disability or people who are socially disadvantaged.

## Regional

Strategic planning at the local level is guided by the Hunter Regional Plan 2036 (HRP) and the Greater Newcastle Metropolitan Plan 2036 (GNMP). The LHS is a local response to these plans, aligning with the housing objectives and targets of the HRP and GNMP.

### Hunter Regional Plan 2036

The Hunter Regional Plan guides land use planning priorities and actions for the Hunter region over the next 20 years. The HRP provides a framework for the preparation of detailed land use plans, development proposals and infrastructure funding decisions at the Metropolitan and local level. The HRP includes four goals for the Hunter Region:

Goal 1: The leading regional economy in Australia

Goal 2: A biodiversity-rich natural environment

Goal 3: Thriving communities

Goal 4: Greater housing choice and jobs.

The specific directions relevant to housing in CN include:

promote housing diversity

create a compact settlement

grow strategic centres and renewal corridors.

The above directions underpin the priorities and actions identified in the LHS.

### Greater Newcastle Metropolitan Plan 2036

The GNMP provides a collaborative framework, which comprises strategies and actions that will drive sustainable growth across the five local government areas, including CN, that make up Greater Newcastle.

The GNMP aims to:

create a workforce skilled and ready for the new economy

enhance environment, amenity, and resilience for quality of life

deliver housing close to jobs and services

improve connections to jobs, services and recreation.

Overall, the GNMP aims to create great places across Greater Newcastle, and to deliver an integrated Metropolitan city. The five core elements that will shape Greater Newcastle into a dynamic, liveable and globally competitive Metropolitan city include the:

Metro Heart (Newcastle City Centre)

Metro Core (comprising around 60% of Greater Newcastle's homes and jobs)

Metro Frame (comprising various strategic regional centres)

economic trading hubs (Newcastle Port and Newcastle Airport)

iconic tourist destinations (e.g. National Parks, bushland and waterways).

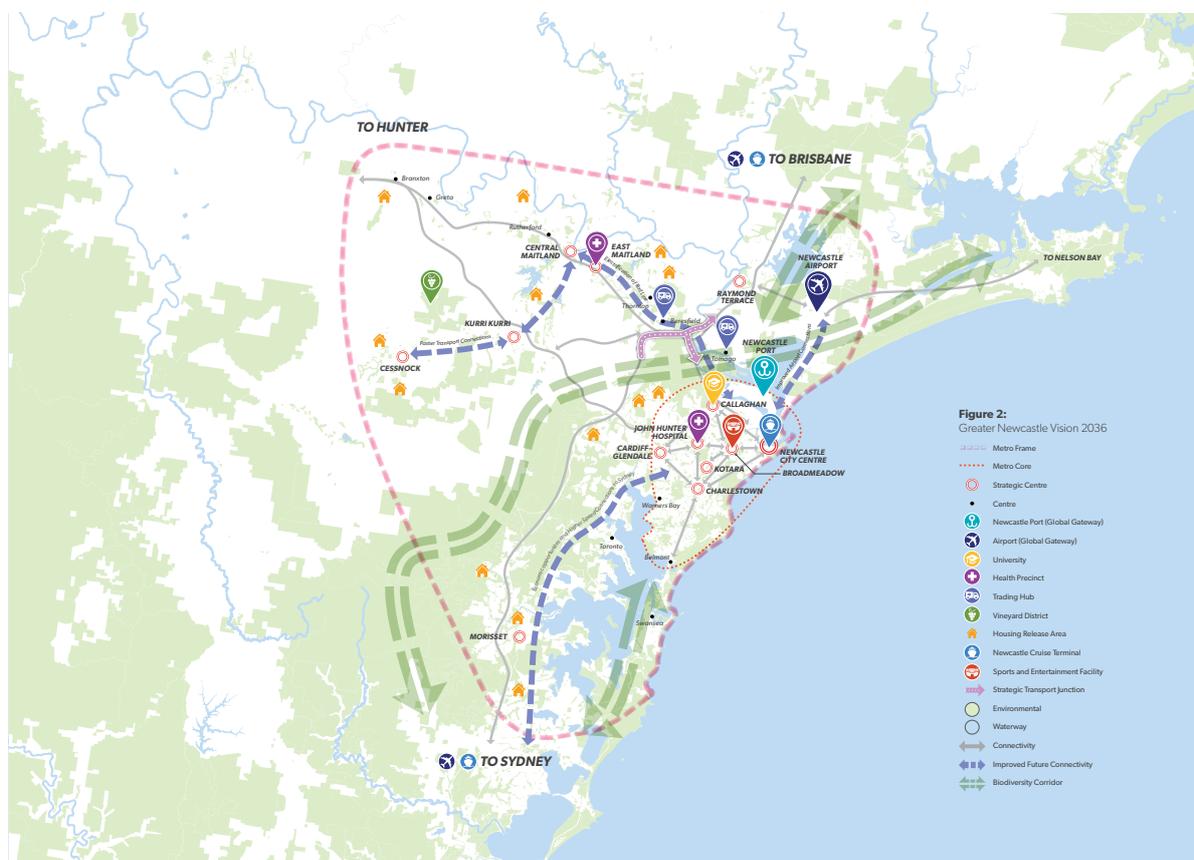


Figure 2: Overview of the Greater Newcastle Metropolitan Area

The main strategies of the GNMP that relate to housing in CN are:

Strategy 16: Prioritise the delivery of infill housing opportunities within existing urban areas

Strategy 17: Unlock housing supply through infrastructure coordination and delivery

Strategy 18: Deliver well-planned rural residential housing areas

Strategy 19: Prepare local strategies to deliver housing.

The GNMP prioritises the provision of additional housing in infill areas, aligned with the provision of infrastructure. The prioritised areas reflect those in the HRP, being Strategic Centres and Urban Renewal Corridors. In addition, the GNMP identifies seven Catalyst Areas within the Newcastle LGA, four of which will provide housing in mixed-use centres. The Catalyst Areas for which housing targets have been set are Newcastle City Centre, Broadmeadow, Callaghan and Kotara.

## Local

The LHS also aligns with local plans and strategies, including the Newcastle 2030 Community Strategic Plan and the Newcastle Local Strategic Planning Statement.

### Newcastle 2030 Community Strategic Plan

The Newcastle 2030 Community Strategic Plan is a shared community vision to inform actions over the next 10 years. The Plan identifies steps that Council can take in working towards the shared Newcastle 2030 community vision:

*"In 2030 Newcastle will be a Smart, Liveable and Sustainable City. We will celebrate our unique city and protect our natural assets. We will build resilience in the face of the future challenges and encourage innovation and creativity. As an inclusive community, we will embrace new residents and foster a culture of care.*

*We will be a leading lifestyle city with vibrant public places, connected transport networks and a distinctive built environment. And as we make our way toward 2030, we will achieve all this within a framework of open and collaborative leadership."*

The LHS implements the following priorities and objectives of the CSP:

### Protected Environment

2.1 Greater efficiency in the use of resources

---

2.2 Our unique natural environment is maintained, enhanced and connected

---

### Inclusive Community

4.1 A welcoming community that cares and looks after each other

---

4.2 Active and healthy communities with physical, mental and spiritual wellbeing

---

### Liveable built environment

5.1 A built environment that maintains and enhances our sense of identity

---

5.2 Mixed-use urban villages supported by integrated transport networks

---

5.3 Greater diversity of quality housing for current and future community needs

---

5.4 Sustainable infrastructure to support a liveable environment

---

### Smart and Innovative

6.2 A culture that supports and encourages innovation and creativity at all levels

---

### Open and Collaborative Leadership

7.1 Integrated, sustainable long-term planning for Newcastle and the Region

---

7.2 Considered decision making based on collaborative, transparent and accountable leadership

---

7.3 Active citizen engagement in local planning and decision-making processes and a shared responsibility for achieving our goals.

---

### **Newcastle Local Strategic Planning Statement**

The Newcastle Local Strategic Planning Statement (LSPS) will guide our land use planning over the next 20 years.

The LSPS implements priorities from our Community Strategic Plan, Newcastle 2030, and brings together land use planning priorities and actions in other CN adopted strategies.

The LSPS also gives effect to the State government strategic directions for the Hunter region, outlined in the HRP and the GNMP.

The LHS aligns with the planning priorities of the LSPS, of which the following are of relevance to future housing in CN:

Planning Priority 5: Protect and enhance our bushland, waterways and wetlands

---

Planning Priority 6: Reduce carbon emissions and resource consumption

---

Planning Priority 7: Plan for climate change and build resilience

---

Planning Priority 8: Plan for growth and change in Catalyst Areas, Strategic Centres, Urban Renewal Corridors and Housing Release Areas

---

Planning Priority 9: Sustainable, healthy and inclusive streets, neighbourhoods and local centres

---

Planning Priority 10: Development responds to the desired local character of our communities

---

Planning Priority 12: Sustainable, affordable and inclusive housing.

---

### **Newcastle Local Environmental Plan 2012**

The Newcastle Local Environmental Plan 2012 (NLEP 2012) gives effect to the land use planning vision in the LSPS by setting the legislative controls for land use throughout Newcastle. The NLEP 2012 contains provisions about how land can be used and the types and form of development throughout CN.

### **Newcastle Development Control Plan 2012**

The Newcastle Development Control Plan 2012 (NDCP 2012) provides detailed planning and design guidelines to support the planning controls in the NLEP 2012.

The NDCP 2012 includes general guidelines that apply to all development as well as development-specific and area-specific guidelines. There are, for example, specific controls for single dwellings and other forms of residential accommodation, as well as for Urban Renewal Corridors.

The LSPS and LHS will underpin future changes to the NLEP 2012 and NDCP 2012, which may include changes to land use provisions as outlined in each Strategy's action and implementation plan.



# LGA Snapshot

Geographic overview and role of CN regionally, nationally and internationally

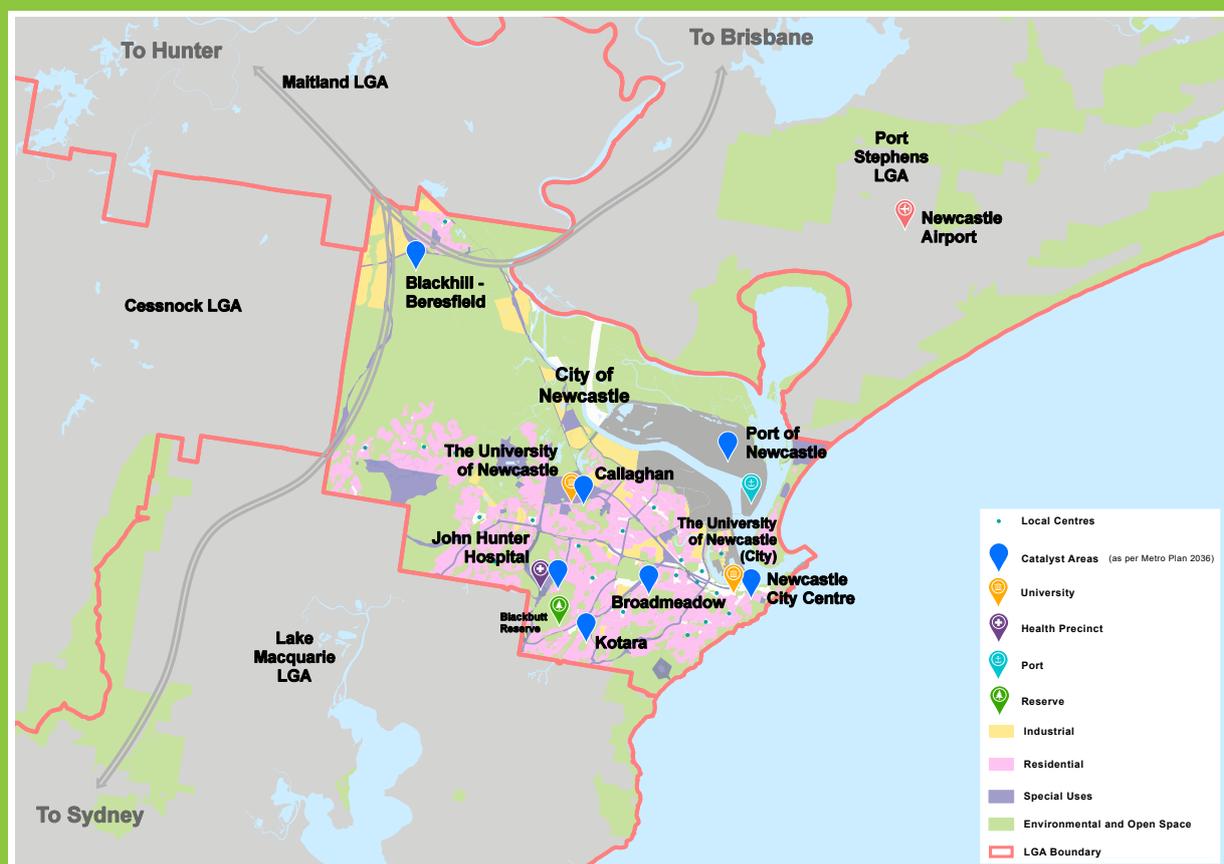


Figure 3: Regional Map

**CN has an area of 187km<sup>2</sup> at the heart of the Hunter Region of NSW, approximately 160km north of Sydney. In terms of population, the Newcastle metropolitan area is the largest regional centre in NSW and the second largest non-capital urban centre in Australia.**

CN is the service and administrative centre for the wider Hunter Region and has a major role in the regional economy. The John Hunter Hospital is a major employment centre that provides important services to the community of CN and the wider Hunter Region. CN also has an important manufacturing sector, which supports an estimated annual output of \$4.864 billion.

Furthermore, CN plays an important role nationally and internationally. It is home to the Port of Newcastle, which is a major international export port, and Australia's largest coal export port by volume and a growing multi-purpose cargo hub. CN also comprises world-class research centres, including the University of Newcastle, the CSIRO and the Hunter Medical Research Institute. CN is a key tourist destination with over 4 million visitors per annum due to its natural beauty, access to beaches and conservation areas and CN's unique character and heritage.



## Population and housing snapshot

As of 2018, the Newcastle LGA had a population of around 164,100 residents, including 3.5% being of Aboriginal and Torres Strait Islander descent, and 14% of people born overseas.

The median age in CN is 37 years old. There is a higher proportion of young people in CN, compared to the NSW average. However, like other parts of Australia, the population in CN is ageing. The proportion of people of retirement age (65+) will increase from 15% in 2016 to 17% in 2041.

Moreover, 3% of CN's residents are elderly (85 years or over) and are likely to require some level of assistance currently or in the near future. In addition, around 6% of CN's residents have a severe or profound disability and require assistance in their daily lives.

CN's population is growing. Between 2006 and 2018, the population has grown at a rate of around 1% per year, or an average of 1,450 new residents each year. Future projections estimate that CN's population will increase by around 41,150 new people between 2016 and 2041, or around 1,650 people each year.

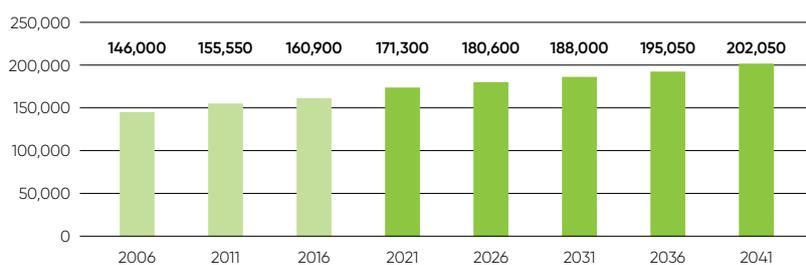


Figure 4: Historical and projected population for the Newcastle LGA (2016-2041)



## Socio-Economic Overview

### Employment type and participation

In 2016, 55% of CN's residents were employed full-time, 36% were employed part-time, and 7% were unemployed.

CN has a diverse economy offering jobs across a wide range of industries. The healthcare and tertiary education sectors employ the highest number of residents, with around 1 in every 5 residents working in healthcare and social assistance, and 1 in every 10 residents working in education and in retail. Education, healthcare and social assistance industries are growing and continue to provide new employment opportunities.

1 in every 11 residents are attending university or a tertiary institution, compared with 1 in every 20 people in NSW.

66% of CN residents work within CN and 15% in Lake Macquarie. The average work trip length is 15.7km<sup>1</sup>. More than 7 of every 10 residents in CN travel to work by car, with less than 1 in 10 residents taking public transport to work.

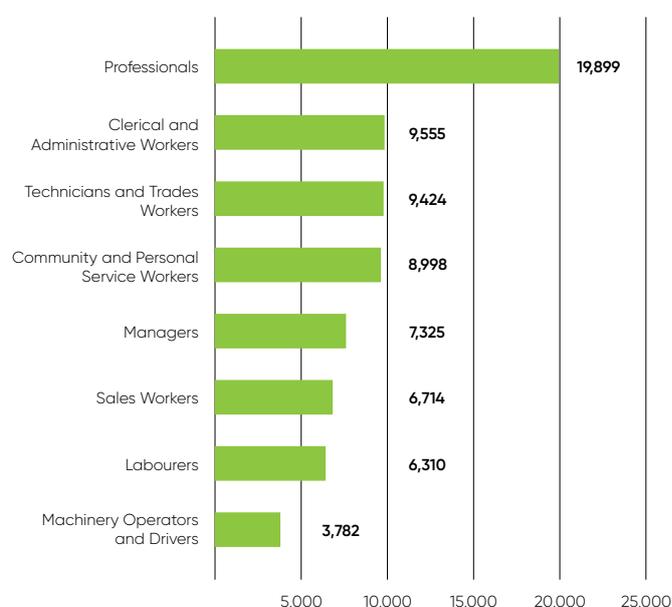


Figure 5: Top occupations of employment for Newcastle LGA residents (2016)

<sup>1</sup> Transport for NSW (2020). Household Travel Survey – Data by LGA. Retrieved 2020, from: <https://www.transport.nsw.gov.au/data-and-research/passenger-travel/surveys/household-travel-survey-hts/household-travel-survey-1>

## Household income

As of 2016, households in the Newcastle LGA were earning a median annual income of \$72,700. This is lower than the median annual household income for NSW (\$77,270) but higher than the median annual household income for Regional NSW (\$60,740). Over one third of households earn a very low to low income of less than \$48,590. The proportion of households with low and very low incomes varies widely across the LGA.

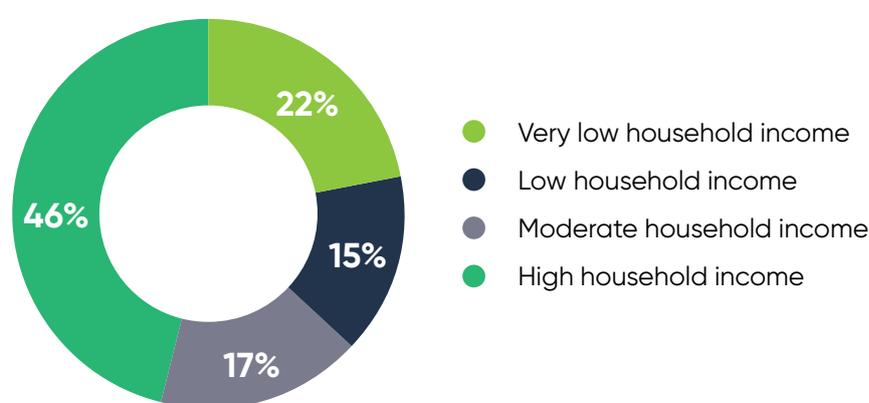


Figure 6: Weekly household income ranges in the Newcastle LGA

**Table 1: Distribution of very low to low income households across Newcastle (2016)**

| Areas with the highest % of very low to low income households | Areas with the middle % of very low to low income households | Areas with the lowest % of very low to low income households |
|---|--|--|
| Jesmond   | Waratah West   | Fletcher-Minni   |
| Waratah   | Stockton   | New Lambton Heights  |
| Hamilton South-Hamilton East                                  | Hamilton   | Merewether Heights   |
| Birmingham Gardens-Callaghan                                  | The Junction   | Adamstown Heights  |
| Mayfield  | North Lambton  | Maryland   |
| Shortland-Sandgate  | Mayfield East  | Kotara   |
| Beresfield-Tarro  | Elmore Vale  | Merewether   |
| Bar Beach   | Tighes Hill  | Rankin Park  |
| Wallsend  | Adamstown  | NER  |
| Mayfield West   | Warabrook  | Georgetown   |
| Lambton   | Broadmeadow-Hamilton   | Maryville-Wickham  |
| Carrington  | North  | Newcastle-Newcastle East-Newcastle West                      |
| Islington   | New Lambton  | The Hill   |
|   |  | Cooks Hill   |

## Housing stress and household income

Housing stress is widely used as a standard for assessing housing affordability. A household is defined as being under 'housing stress' if they are in the lowest 40% of incomes and are paying more than 30% of their household income on housing.

A very low income is described as those households earning less than 50% of the Regional NSW median income. People earning the minimum wage, those who are on an aged or disability pension or other government benefit and workers in areas such as retail or manufacturing, generally have a very low income.

Households earning between 50% and 80% of the Regional NSW median income are described as earning a low income. Generally, jobs such as a childcare worker, secretary or cleaner fall into this income category.

A moderate income is described as those people earning between 80-120 % of the Regional NSW median income. Generally, jobs such as teaching, policing or nursing, particularly people in earlier stages of their careers, fall into this income category.

A household on a high income is earning more than 120% of the Regional NSW median income.

People working in many of the jobs that have low to moderate incomes are described as key workers as they provide essential services to the community.

**Table 2: Household incomes in CN**

| Income band | %Median income <sup>#</sup> | Annual household income <sup>#</sup> | Weekly household income <sup>#</sup> | Households in CN in each income range <sup>#</sup> | % of households in rental stress <sup>*</sup> |
|-------------|-----------------------------|--------------------------------------|--------------------------------------|--|---|
| Very low    | 50% or less                 | \$30,370 or less                     | \$580 or less                        | 22%  | 95%   |
| Low         | 50%-80%                     | \$30,370 – \$48,590                  | \$580 – \$930                        | 15%  | 73%   |
| Moderate    | 80%-120%                    | \$48,590 – \$72,890                  | \$930 – \$1,400                      | 17%  | 33%   |
| High        | 120% or more                | \$72,890 or more                     | \$1,400 or more                      | 46%  | -   |

<sup>#</sup> pg 42 NLHNS, CPS, 2019

<sup>\*</sup>Pg 52 NLHNS, CPS, 2019

The consequences of housing stress can include:

living with unmanageable levels of debt

working longer hours to pay for housing

travelling long distances to work or to access essential services

living in overcrowded or substandard housing

going without essentials such as adequate food, heating, medication or education.

## Housing stress

Overall, 13% of households are experiencing 'housing stress'. In 2016, 31% of renting households were experiencing rental stress and 7.3% of households were experiencing mortgage stress. Housing stress varies across the LGA. 6% of households are unable to afford the cost of the private rental market and live in social housing.

**Table 3: Distribution of households experiencing rental stress by community profile areas (2016)**

| Highest % of rental stress (>30%)  | Moderate % of rental stress (30-25%) | Lowest % of rental stress (<25%)              |
|------------------------------------|--------------------------------------|---|
| Birmingham Gardens-Callaghan (52%) | Warabrook (30%)                      | Islington (24%)                               |
| Jesmond (43%)                      | Tighes Hill (30%)                    | Merewether (23%)                              |
| NER (42%)                          | Hamilton (29%)                       | The Hill (23%)                                |
| Shortland-Sandgate (39%)           | Bar Beach (28%)                      | Fletcher-Minmi (21%)                          |
| Beresfield-Tarro (38%)             | Maryland (28%)                       | Cooks Hill (21%)                              |
| Elernmore Vale (35%)               | Stockton (27%)                       | Adamstown Heights (21%)                       |
| Wallsend (34%)                     | Adamstown (27%)                      | New Lambton Heights (20%)                     |
| Rankin Park (33%)                  | New Lambton (27%)                    | Newcastle-Newcastle East-Newcastle West (18%) |
| Waratah West (32%)                 | Broadmeadow-Hamilton North (27%)     | Merewether Heights (0%)                       |
| Lambton (32%)                      | Hamilton South-Hamilton East (26%)   |   |
| Mayfield East (32%)                | Carrington (26%)                     |   |
| Mayfield West (32%)                | Maryville-Wickham (26%)              |   |
| Mayfield (32%)                     | The Junction (25%)                   |   |
| Kotara (31%)                       |                                      |   |
| North Lambton (31%)                |                                      |   |
| Waratah (31%)                      |                                      |   |
| Georgetown (31%)                   |                                      |   |



## Current Housing Stock

### Housing types

Detached dwellings currently make up 69% of the housing stock. However, since 2016 around 75% of all buildings approved were attached dwellings signalling a transition in the composition of the housing stock in CN. Medium density housing has been the fastest growing housing type since 2011. An additional 1565 medium density dwellings were constructed between 2011 and 2016 compared with 185 additional detached dwellings. Medium density dwellings now represent 22.5% of the housing stock.

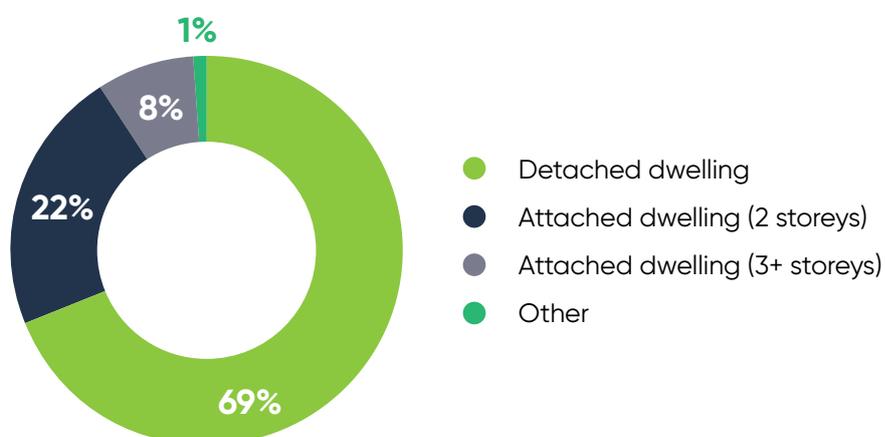


Figure 7: Proportion of dwelling types within the Newcastle LGA (2016)

Despite the predominance of detached dwellings across the LGA, there are some areas where it is not as prevalent. This tends to be in CN's inner suburban areas, particularly those with historic terraces, such as Newcastle East and Cooks Hill. Apartment blocks of three or more storeys are primarily concentrated within the Newcastle City Centre (the Newcastle – Newcastle East – Newcastle West area) and some inner suburban areas. CN's outer suburbs (both infill and greenfield areas) are predominantly low-density detached housing (80% or more) with limited housing diversity.

**Table 4: Housing stock in the Newcastle LGA, by community profile area (2016)**

| Area                                    | No. dwellings | Detached | Attached (1-2) | Attached (3+) |
|---|---------------|----------|----------------|---------------|
| Newcastle-Newcastle East-Newcastle West | 2,913         | 4%       | 18%            | 78%           |
| The Hill                                | 1,150         | 12%      | 48%            | 39%           |
| Cooks Hill                              | 2,009         | 19%      | 59%            | 22%           |
| Bar Beach-The Junction                  | 1,100         | 34%      | 42%            | 24%           |
| Maryville-Wickham                       | 1,358         | 47%      | 39%            | 9%            |
| Jesmond                                 | 1,269         | 47%      | 41%            | 12%           |
| Hamilton                                | 2,083         | 58%      | 34%            | 4%            |
| Hamilton South-Hamilton East            | 2,376         | 59%      | 20%            | 21%           |
| Carrington                              | 981           | 62%      | 35%            | 3%            |
| Merewether-Merewether Heights           | 5,521         | 63%      | 28%            | 9%            |
| Adamstown                               | 2,681         | 67%      | 28%            | 5%            |
| Georgetown-Waratah                      | 2,995         | 68%      | 28%            | 4%            |
| Islington-Tighes Hill                   | 1,726         | 71%      | 26%            | 3%            |
| Mayfield West-Warabrook                 | 1,630         | 72%      | 28%            | 0%            |
| Broadmeadow-Hamilton North              | 1,249         | 73%      | 24%            | 3%            |
| Lambton                                 | 2,227         | 74%      | 25%            | 1%            |
| Mayfield-Mayfield East                  | 5,217         | 75%      | 24%            | 1%            |
| Shortland-Sandgate                      | 1,815         | 78%      | 21%            | 1%            |
| Stockton                                | 1,820         | 79%      | 18%            | 1%            |
| Wallsend                                | 5,538         | 79%      | 20%            | 1%            |
| New Lambton-New Lambton Heights         | 4,776         | 80%      | 19%            | 1%            |
| Birmingham Gardens-Callaghan            | 984           | 82%      | 14%            | 4%            |
| Elmore Vale-Rankin Park                 | 2,760         | 83%      | 17%            | 0%            |
| North Lambton                           | 1,411         | 85%      | 15%            | 0%            |
| Waratah West                            | 1,144         | 89%      | 10%            | 1%            |
| Kotara                                  | 1,700         | 90%      | 10%            | 0%            |
| Beresfield-Tarro-NER                    | 2,406         | 91%      | 7%             | 2%            |
| Maryland                                | 2,838         | 92%      | 8%             | 0%            |
| Adamstown Heights                       | 1,718         | 96.5%    | 3.2%           | 0.2%          |
| Fletcher-Minmi                          | 1,850         | 98%      | 2%             | 0%            |

Many households live in three bedroom homes which made up nearly half of CN's housing stock in 2016. In recent years, there has been an increase in the number of one, four and five bedroom homes, and a decrease in the number of two and three bedroom homes.

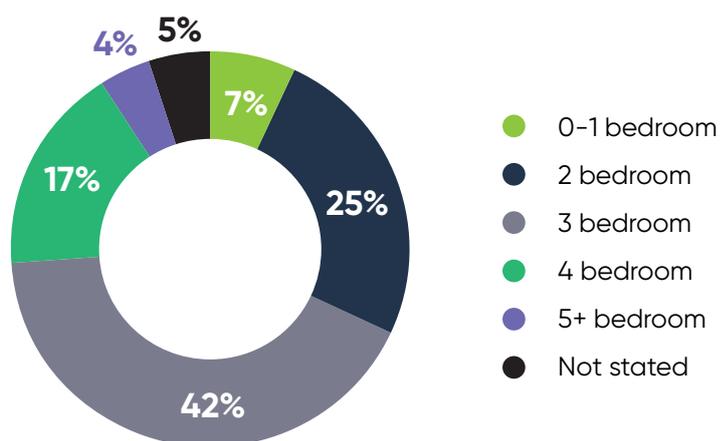


Figure 8: Proportion of dwelling sizes in Newcastle LGA (2016)

## Household composition

CN's household composition mostly consists of lone-person households, followed by family households with children, and couple households without children. 11% of households are single parent households. Compared to NSW, CN has a higher proportion of lone-person and group households and a lower proportion of family households with children. Household sizes are expected to shrink over time as more people live alone and as more couples without children become more common household types.

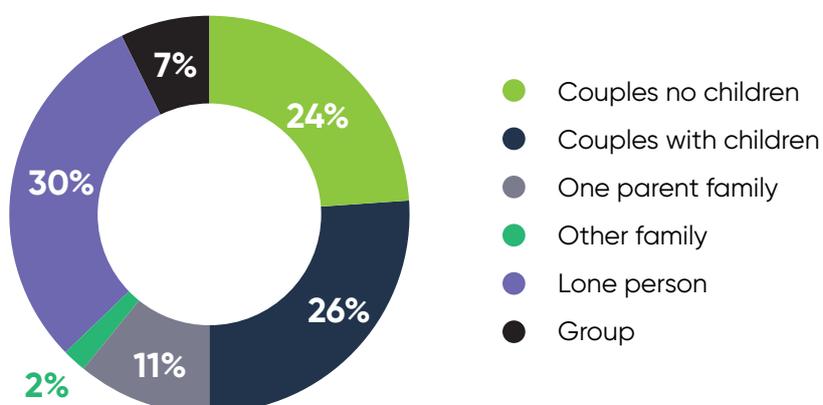


Figure 9: Household types in Newcastle LGA (2016)

## Housing tenure

While the cost of housing varies greatly between suburbs, as of 2018 the median weekly rent in CN was \$450 and the median home purchase price was \$580,000. An outcome of the increasing unaffordability of housing between 2011 and 2016 has been the increase in the number of households renting (up by 1.5%).

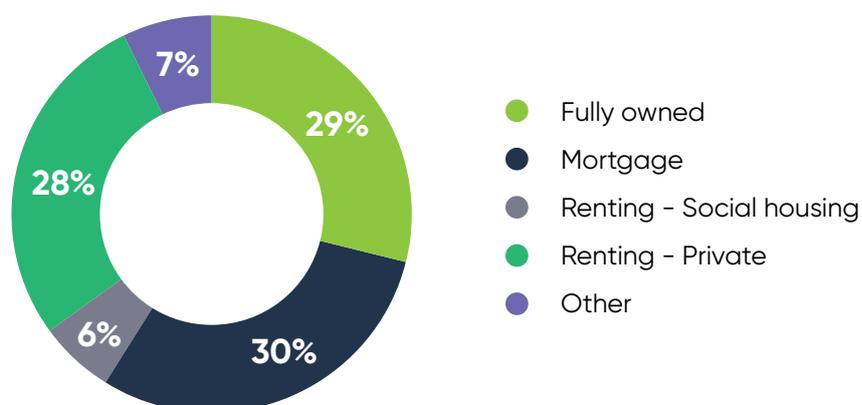


Figure 10: Housing tenure type in Newcastle LGA, 2016

## History of Housing in the City of Newcastle

Urban development in CN started in the early 1800s, as a result of the penal and coal mining settlement, and the exploitation of timber, salt and lime. The development of railways in the 1850s along with significant improvements to the port enabled the opening of new coal mines and industrial bases, which led to the establishment of new settlements in different parts of CN. The rise of the steel industry in the early 1900s compensated for the closure of the inner Newcastle collieries, and drove new subdivisions and more intensive development of older residential areas. The most rapid population growth occurred during this time and resulted in a physical merging of the townships to create a major urban centre.

Suburbs/townships that developed during the time between 1800 and 1910, referred to as the Pre-War era, include Adamstown, Broadmeadow, Carrington, Cooks Hill, Georgetown, Hamilton, Hamilton North, Hamilton South, Islington, Jesmond, The Junction, Lambton, New Lambton, North Lambton, Maryville, Mayfield, Mayfield East, Mayfield West, Newcastle East, Stockton, Tighes Hill, Waratah, Wallsend and Wickham.

Housing during the Pre-War era is generally characterised by workers cottages on small lots with minimal setback, as well as Early Victorian and Edwardian styles.



Figure 11: Example of an Early Victorian house, Coomes Consulting (2006)



Figure 12: Example of an Edwardian house, Coomes Consulting (2006)

During the following decades, between 1910 and 1950, referred to as the Inter-War era, the nature of the housing stock changed as several suburbs inspired by the 'garden suburb' concept were developed, including Birmingham Gardens, Beresfield, Hamilton East, Kotara and Tarro. In the 1930s and 1940s, waterside development occurred in Bar Beach and Merewether. In 1938, the amalgamation of the various local municipalities to form the City of Greater Newcastle was a historical landmark, as it established a city-wide approach to planning. During World War II, CN became a key industrial base for the production of a wide range of military items, and as a result, there was a marked increase in the population living in the region. Some of the suburbs that developed shortly after World War II include Adamstown Heights, Hexham, Kooragang, Merewether Heights, New Lambton Heights, Rankin Park, Sandgate, Shortland, The Hill, and Waratah West.

Houses built during this period display various styles, including Californian Bungalows, Spanish Mission, Art Deco and modern architecture.



Figure 13: Example of Californian Bungalow house style, Coomes Consulting (2006)



Figure 15: Example of Art Deco house style, Coomes Consulting (2006)



Figure 14: Example of Spanish Mission house style, Coomes Consulting (2006)



Figure 16: Mid 20th Century housing style, Coomes Consulting (2006)

By the 1970s, changes in manufacturing and technology led to a weakening of employment in the heavy industrial sector, with consequences for the preservation of the built environment. In 1989, CN was struck by an earthquake, which damaged and destroyed a significant part of the city. However, the earthquake also provided the opportunity for the revitalisation of the city and its suburbs.

Some of the suburbs that developed during the last few decades include Black Hill, Elernore Vale, Fletcher, Lambton, Lenaghan, Maryland, Minmi, Wallsend and Warabrook.

Houses built after the 1970s typically display front garages with large setbacks for driveways dominating the street, reflecting the increased use of cars. There has also been an emergence of large houses on large lots with large garages in new subdivisions, also known as 'McMansions'. New medium to high density dwellings are becoming more common. Medium density housing, such as town houses often display a mix of contemporary and traditional architectural features.



Figure 17: Example of contemporary house with large setback, driveway and garage, Coomes Consulting (2006)

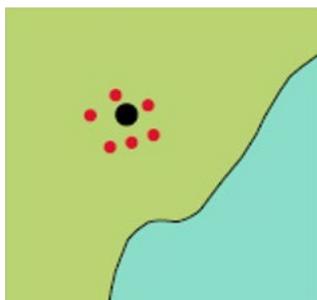


Figure 18: Example of large house on large lot ('McMansion'), Coomes Consulting (2006)

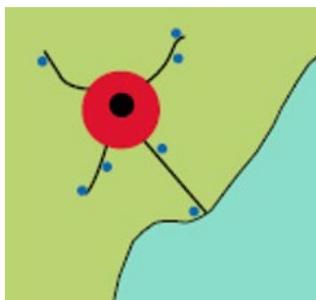


Figure 19: Example of medium density housing mixing contemporary and traditional architectural styles, Coomes Consulting (2006)

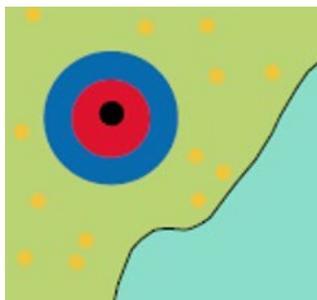
The historic urban development of CN has led to the current urban structure, which is characterised by a series of concentric rings around the original towns. As such, smaller lots and houses from the 1800s are found in and immediately around the town/village centres, and larger lots and houses from the 1900s and 2000s are found further out.



Historic town centres typically developed close to a port or waterway or in Newcastle's case, around mine heads, with smaller villages developing around it.



New settlements develop further out from the historic town centre as the railway developed.



Pockets of newer suburbs occur as the motor vehicle allows individuals to commute further.



Over time, as the population increases so does the demand for more housing, leading to infill and eventually individual town centres, villages and suburbs merging into one city.

Figure 20: Historic urban development of CN, Coomes Consulting (2006)

## Urban Structure

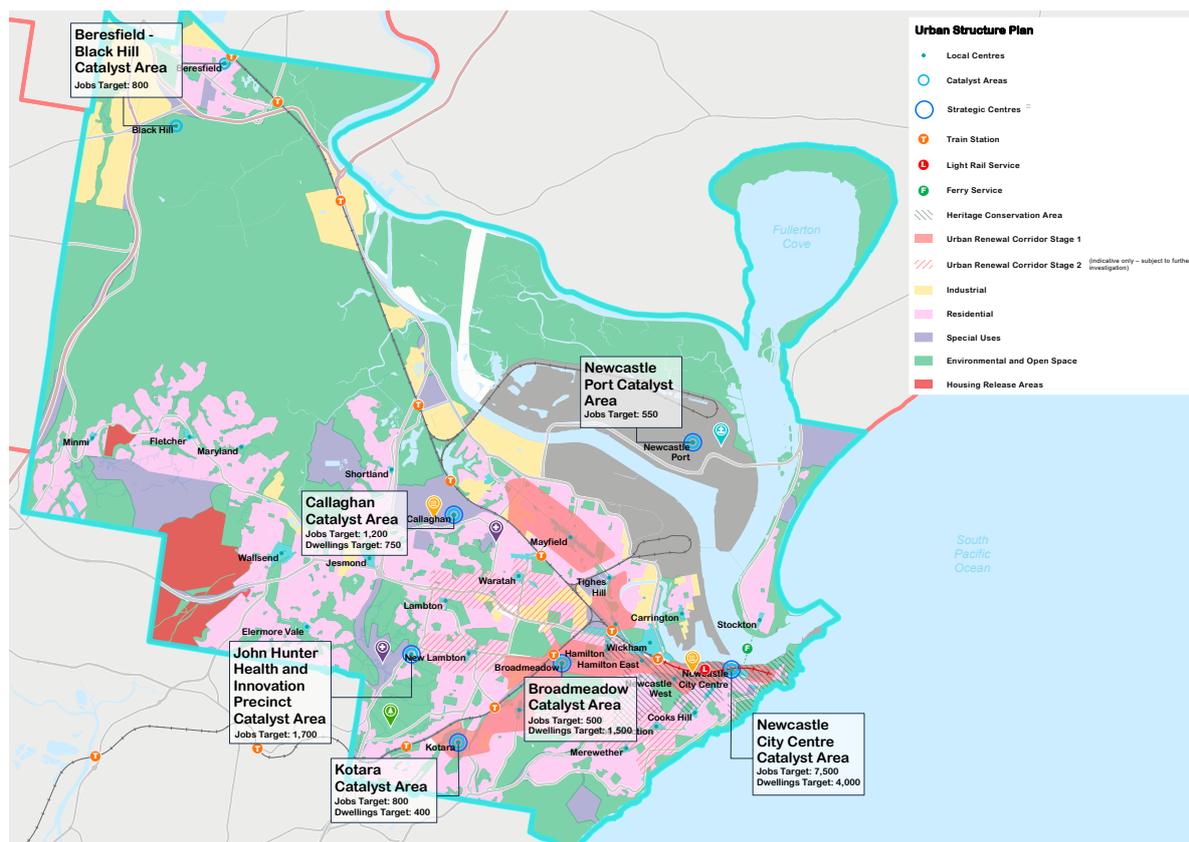


Figure 21: Urban Structure of Newcastle LGA

The current urban structure of CN is a result of historic urban development patterns that have evolved over the past 200–odd years and have included the establishment of a number of Local and Strategic Centres. Future urban development in CN will be focused in and around these Local and Strategic Centres, and in emerging Urban Renewal Corridors, Housing Release Areas and Catalyst Areas.

Urban Renewal Corridors, Housing Release Areas and Catalyst Areas are identified within Council and State Government strategies as a means of targeting areas for housing provision across CN in a strategic and coordinated approach.

## Urban Renewal Corridors

Urban Renewal Corridors are based along identified higher-frequency public transport routes and include several major local commercial centres and the areas between centres. Urban Renewal Corridors are identified as either Stage 1 or Stage 2 Corridors, and include:

Stage 1 Urban Renewal Corridors are already reflected in Council's LEP and DCP, and include:

Islington

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Mayfield-Tighes Hill

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Hamilton

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Broadmeadow

---

Adamstown.

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Stage 2 Urban Renewal Corridors are identified in the GNMP as areas for further investigation and planning, and include:

the A15 corridor (Hamilton to Lambton, including Georgetown and Waratah)

---

Russell Road corridor (Broadmeadow to New Lambton)

---

Glebe Road corridor (Merewether to The Junction).

---

Planning of Stage 2 Urban Renewal Corridors will include a range of background studies to identify appropriate land use and density controls to guide future redevelopment and attract private and public investment in delivering the necessary infrastructure to support increased growth.

## Housing Release Areas

Two remaining greenfield sites located in the western part of the LGA are identified as Housing Release Areas. These areas are anticipated to undergo significant change in the future to accommodate housing and associated services.

Land use and infrastructure planning is required for these areas to identify challenges and opportunities and to enable sustainable growth. Some of the key issues to be addressed in planning for these areas include:

conserving, protecting and managing significant habitats and areas of high biodiversity value (including riparian zones)

---

traffic impacts on existing roads and intersections

---

providing infrastructure and services including new road networks, public recreation, open space, and other community infrastructure

---

remediating areas of contamination

---

expanding and improving the Blue and Green Grids

---

providing affordable rental housing.

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## Catalyst Areas

Catalyst Areas identified in the GNMP are places of strategic significance, where substantial growth and change is anticipated to deliver new jobs and homes. The State Government is coordinating the planning for Catalyst Areas in collaboration with CN and key agencies through an overarching steering group that reports to the Joint Organisation of Hunter Councils (the JO).

Key Growth Drivers for each of the Catalyst Areas clarify the infrastructure and interventions required to target investment in specific sectors, thereby creating focused clusters of connected and collaborative uses. Each of the Catalyst Areas and corresponding Key Growth Drivers are listed below:

**Newcastle City Centre:** Regional Centre

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**Beresfield – Black Hill:** Leading freight and logistic hub

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**Broadmeadow:** Nationally significant sport and entertainment precinct

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**Callaghan:** Tertiary education, research and innovation cluster

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**John Hunter Health and Innovation Precinct:** Health cluster centre

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**Kotara:** Transit-oriented mixed-use development

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**Newcastle Port:** Growth and diversification of trade.

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Each Catalyst Area has a specific approach to achieving the desired future land use outcomes, targets for new jobs, and in four areas, additional housing targets, as outlined below:

### **Newcastle City Centre**

Dwellings: 4,000

Jobs: 7,750

### **Broadmeadow:**

Dwellings: 1,500

Jobs: 550

### **Callaghan**

Dwellings: 750

Jobs: 1,200

### **Kotara**

Dwellings: 400

Jobs: 800

A Newcastle Catalyst Areas Program Steering Group established by the Hunter and Central Coast Development Corporation supports the work of CN and key NSW government agencies in achieving the vision and outcomes of the Catalyst Areas.





## Existing and planned infrastructure

The projected population growth is expected to create demand for a range of new or updated infrastructure including recreational facilities, community and open spaces, local roads, cycle ways, foot paths, and stormwater infrastructure. Local infrastructure contributions are a means available to councils to fund the infrastructure required as a result of this new development. CN collects local infrastructure contributions from residential development to support the provision of appropriate local infrastructure across the LGA.

Other factors that are important to support population growth and new housing include well connected multi-modal transport networks, accessibility to employment opportunities, education and health services, and public open space and other recreational opportunities.

## Conservation of environmental values and management of natural hazards

### Areas of environmental significance

While significant areas of CN are urbanised, the LGA still has a diversity of natural areas including bushland areas, National Parks, Nature Reserves, beaches, creeks and Ramsar Wetlands. These areas are home to varied ecosystems supporting an array of flora and fauna. Natural areas contribute significantly to the character of CN, providing scenic landscapes that create a sense of place and enhance the wellbeing of Novocastrians, as well as provide important recreational opportunities.

Increased vegetation cover helps to keep the city cool by reducing the urban heat island effect i.e. the absorption and radiation of heat by the built environment. Conserving these natural areas is fundamental to ensuring a sustainable future for CN and protecting its diverse ecosystems, as well as its unique scenic landscapes that contribute to the sense of place and wellbeing.

From an environmental perspective, encouraging new housing in established urban areas (infill development) helps to protect natural areas, including bushland. It also provides a range of other environmental benefits, including lower CO<sub>2</sub> emissions due to higher urban density, which is associated with walkable distance to shops, jobs and services, and better access to public transport, thereby providing the opportunity to reduce car use.

Areas nominated for housing release outside the existing urban area represent a small portion of housing provision over the next 20 years. New housing release areas will be subject to comprehensive environmental assessment to ensure that existing biodiversity is protected appropriately in accordance with State legislation.

### Natural hazards

CN is at risk from various natural and other hazards including bushfire, flooding, coastal hazards, mine subsidence, and contamination, which can all present challenges to the provision of housing. Housing can still take place in some of these constrained areas subject to the implementation of effective management measures including buffers and planning and engineering controls.

### Flooding

Large areas of CN are at risk of flooding from the Hunter River and other tributaries, flash flooding and storm surges. The extent of flooding across CN and the unpredictability of flood patterns makes planning for flooding a complex issue.

Council supports the wise and rational development of flood prone land. However, some flood prone areas are not suitable for certain types of residential development such as seniors housing. Developing in moderate to high flood prone areas can also add substantial costs to development. Flood risk should continue to be considered and managed for areas where people already live, as well as for new housing development.

## Bushfire

Bushfire risk is a significant consideration when planning for new housing and urban growth in CN. Areas of bushland and any land within around 100 metres of that bushland are at risk of bushfires. These areas are concentrated in the western part of the LGA and in other bushland pockets including New Lambton, Callaghan and Merewether Heights. It is important to avoid locating high density residential development in these areas to minimise potential risk to human life and property and increase evacuation times in case of emergency. Most other established areas of CN have limited remaining bushland and therefore do not have the same level of bushfire risk.

New development on land mapped as bushfire prone is subject to additional planning controls to ensure that the development is designed to minimise bushfire hazard.

## Coastal hazards

CN's coastline stretches approximately 14km from Glenrock State Conservation Area in the south to Stockton Beach in the north. The Hunter River divides the coastline into two distinct coastal areas - the coast to the south is characterised by pocket beaches surrounded by tall coastal cliffs, while Stockton Bight located north of the river forms the longest stretch of sandy beach in NSW.

The coastline is subject to various coastal hazards, including cliff instability, beach erosion and recession, as well as coastal inundation and projected sea-level rise. Coastal management is therefore essential to reduce the risks of these hazards to people living on the coast.

CN's coast plays an important role in our sense of local identity and character. Therefore, sustainable management of the coastline is required to retain the environmental, social, cultural and economic values of our coast for the enjoyment of the community now and into the future.



## Mine subsidence

CN's coal mining history has left an extensive mosaic of underground coal mines throughout the LGA. In these areas the ground surface is at risk of collapsing (i.e. mine subsidence) due to the compromised structural integrity of remaining supporting infrastructure in historical underground mines. Mine subsidence can affect the feasibility of certain types of residential development across CN, particularly larger development and buildings over three storeys. While development can occur within mine subsidence affected areas, remediation works may be required to stabilise sites. This can be very costly.

Most of the Newcastle LGA is identified as being within a mine subsidence district including the Newcastle City Centre. However, many areas that are planned to accommodate higher density residential development are not affected by mine subsidence and include the Adamstown, Broadmeadow, Islington and Mayfield Urban Renewal Corridors.

Any development in a mine subsidence district needs to be completed in accordance with the requirements of the Subsidence Advisory NSW to help protect homes and buildings from potential subsidence damage.

## Contamination

Newcastle has a long history of light and heavy industry, including brickworks, collieries, foundries, gasworks, smelters, steelworks and incinerators, and many sites throughout the LGA are therefore potentially contaminated. The impacts of some activities are only temporary, whereas others carry the risk of leaving an unwanted legacy. In some instances, particularly when the land use has involved hazardous substances, that legacy may pose a risk to humans or the environment, and it may affect the current or future use of the land. However, not all contamination will affect the land in such a way that it cannot be used productively for residential or other purposes. While there are options to develop new housing on potentially contaminated land, the cost implications can make some remediation works prohibitively expensive. The cost of remediation works depends on the site and the level of contamination.

## Conservation of Heritage

Newcastle is rich in heritage and history, with many places and sites spread throughout the LGA with known or potential Aboriginal and European heritage significance. This includes Aboriginal objects and places, built and landscape heritage items, as well as archaeological sites and heritage conservation areas.

In order to ensure that CN's heritage sites and places are well managed and protected, all new housing developments on or adjoining heritage listed properties are required to consider the impact of the proposed works on the heritage significance of the building, streetscape, or area, and how these impacts are to be mitigated.

Heritage is a community asset and makes a positive contribution to an area's identity. It provides an insight into our history, past land uses and people and is an attractive point of difference in the market, which can add significant value to development and the City more broadly.

Adaptive re-use and renovation of heritage buildings rather than demolition is more environmentally sustainable as embodied energy is retained and less energy and materials are used during construction. Furthermore, many older buildings constructed of timber, concrete or brick, have lower operational costs owing to better thermal mass, verandahs, window and wall proportions, all of which support passive cooling and heating.

## Population and Housing Projections

### What are population projections?

*Population projections indicate how a population is expected to grow and change over time. Projections are modelled using data from the drivers of population change, which includes births, deaths, and people moving in or out of an area (immigration patterns). Population projections are one tool used to inform housing delivery within the area based on the expected capacity of land currently zoned for residential development.*

The main driver of historical population growth has been people moving to CN from other areas of NSW. The areas where people are moving from include the Central Coast, Mid-Coast and Singleton, and further afield from Port Macquarie–Hastings and Sydney’s Northern Beaches.

The most common age group moving to CN are 18 to 24-year olds, which may reflect young people arriving from nearby regional areas to pursue tertiary education and employment opportunities.

The most common age group moving out of the LGA has been 25 to 34-year olds, choosing to move to neighbouring Lake Macquarie, Maitland and Cessnock LGAs, all of which are within the same service/employment catchment. This may suggest one motivation for people leaving the LGA is to find affordable housing options, particularly as they start having children.

Net migration in favour of growth within the LGA is expected to remain strong, particularly to 2026.

Natural population changes due to births and deaths within the resident population have historically played a less significant role in overall growth. Population projections indicate a larger contribution from this driver from 2026.

Based on *Newcastle Housing Needs and Local Character Evidence Report* (the Evidence Report), CN’s population is projected to increase by around 41,000 between 2016 and 2041, from 160,900 to 202,050 people. The population is projected to grow faster in the first 10 years (2016–2026) at a rate of around 1,950 people per year, slowing between 2026–2041 to around 1,450 people per year.

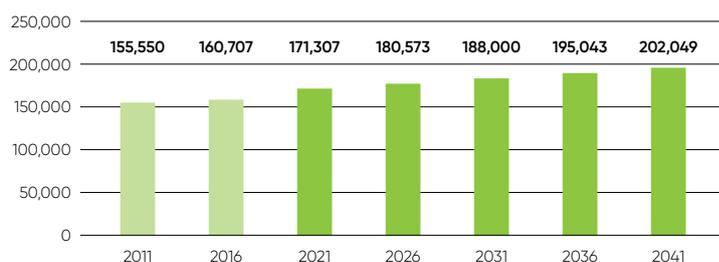


Figure 22: Historical and projected population for the City of Newcastle, source .id Profile

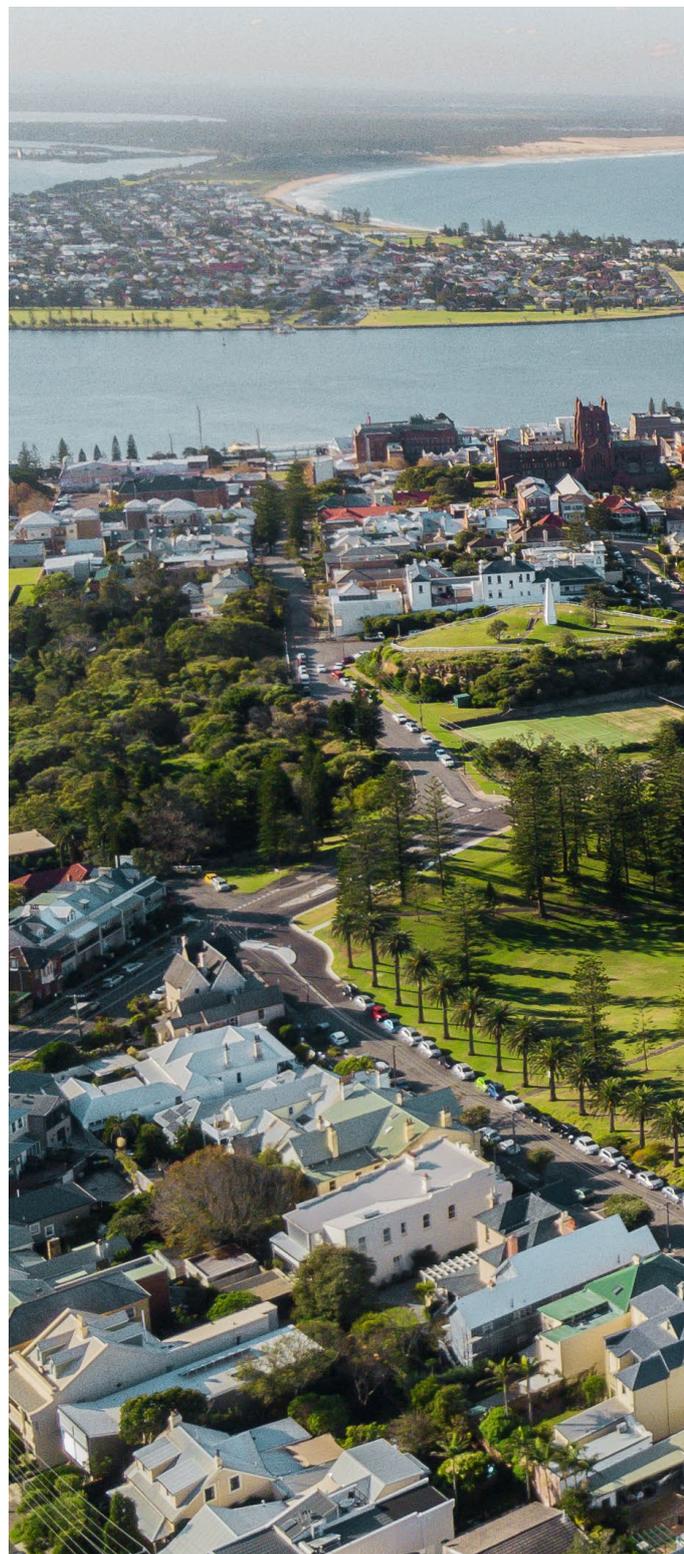
The number of new households is projected to increase by around 18,250 between 2016 and 2041. This growth is partly driven by population growth, but also by a change in household composition due to an increase in retirees and young people living alone or in two person households.

It is estimated that an additional 19,450 new dwellings will be required by 2041 to accommodate the 18,250 new households. More dwellings than households are required to account for the number of dwelling vacancies projected over this period. To accommodate higher levels of population growth between 2016 and 2026, around 875 new dwellings will need to be provided on average each year, slowing to around 710 new dwellings each year between 2026 and 2041.

In contrast, the Greater Newcastle Metropolitan Plan sets a projection for 16,800 dwellings to be delivered in the Newcastle LGA by 2036, from which 60% is to be in infill areas, and 40% in Greenfield areas.

The LHS seeks to meet the projected housing demand of 19,450 new dwellings by 2041 based on the Evidence Report as it is based on the latest available data. While this exceeds the Greater Newcastle Metropolitan Plan projections of 16,800 dwellings by 2036, it takes into account the five additional years of housing provision beyond 2036.

Should recent trends in development consents continue and considering existing planning controls, both projections will be exceeded.





## Housing Demand

Housing demand is influenced by a range of factors, including demographics, household composition, household income and housing affordability, as well as housing preferences, such as dwelling features, proximity to shops, services, amenity and employment.

### Factors influencing housing demand

The following factors affect specific housing demand in CN.

#### Housing Preferences and Trade-offs

Based on collective insights from national research into housing preferences of Australians by both the Grattan Institute (2011) and the Australian Housing and Urban Research Institute (2019 a,b), it was found that households generally prefer to live in detached homes with backyards. However, many people cannot afford their ideal house in their preferred location and therefore must make trade-offs between different factors (size, location, etc.). For example, there is an increasing demand for medium density housing, such as low-rise attached dwellings, which is influenced by various factors, including affordability, location and household composition.

#### Employment

Employment participation and the nature and location of jobs influence housing demand. Whether a person is working, and how often they work, can determine the type of housing they can afford. People are also attracted to cities or towns which have strong employment opportunities, fuelling further demand for new housing.

In CN, the proportion of unemployed and part-time workers has risen since 2011, while the number of full-time workers has declined. This is likely influencing the increased demand for more affordable housing options.

#### Household Income

Analysing the mix of household incomes across the Newcastle LGA provides an indication of local housing demand. A household's income generally determines what people can pay towards housing and other essential needs and will therefore influence the type and location of housing they choose. Very low to moderate income households have less choice in the type and location of housing that they can afford. Low to moderate income earners are increasingly unable to purchase a home in Newcastle. Low income households are unable to find housing they can afford to rent, particularly detached homes, sought after by families.

Median household income is also used as a measurement tool by the NSW Government to indicate the level of housing stress that a household is likely to experience. Households earning a very low to moderate household income are at higher risk of experiencing housing stress in the private housing market.

There is a high proportion of the population that cannot afford to buy or rent a house, or that is in housing stress, which indicates that there is strong demand for more affordable housing options to be provided locally.

#### Household Composition

Household composition is another driver of housing demand, even if no population growth occurs. Analysis of how residents form households, and how this is projected to change over time, gives some indication of future demand in relation to the number and size of new dwellings required, relative to population growth.

In CN, household sizes are expected to shrink over time as more people live alone or as a couple without children.

**Demographics (specific age groups, people with a disability/special needs)**

As people grow from children through to seniors, the type of housing and services that they need, or would otherwise expect, also changes. Analysis of the age structure of CN's population provides important considerations in planning to meet residents' housing needs at various life stages.

Young adults tend to move to CN for tertiary study and employment, driving the demand for rental housing while studying and establishing a career. This makes the availability and affordability of rental accommodation an important consideration in planning for housing.

CN's population is ageing slightly, as with much of Australia. Looking at historical trends, over the last ten years CN has gained a higher proportion of older adults aged 55-64 and early retirees aged 65-69. People over 65 also migrate to Newcastle from other areas in NSW. Over the next 10 years these residents will grow older which means that CN is projected to have a higher proportion of retirees aged 65-79. It is important that the housing needs of this growing cohort are identified and considered in CN planning.

Moreover, 3% of CN's residents are 85 years or over and are likely to need some level of assistance currently or in the near future. In addition, around 6% of CN's residents have a severe or profound disability and require help in their daily lives.

There is a clear need for affordable housing, as well as accessible and adaptable housing to suit the various needs of the population.

Housing supply will need to consider the factors that influence housing demand. Future housing supply should, for example, comprise a range of housing types and tenures to meet the range of preferences and needs of the population. In addition, there is currently a lack of affordable housing, which needs to be addressed in future housing supply.

## Housing Supply

Establishing housing supply within the LGA requires an analysis of the following factors.

### Amount and type of current and planned housing stock

The housing supply 'pipeline' estimates the number of new dwellings expected to become available in the marketplace. Estimating this supply draws on data to identify where new dwellings have recently been completed, are currently under construction, have been approved for construction, or are under assessment (and so may be constructed, subject to approval).

Analysing 'pipeline' housing supply provides insights as to where, when, and how many new dwellings are likely to be built. Between August 2016 and August 2019 there were 9,150 new dwellings in the supply pipeline in CN. Around 7,500 (82%) of these were in infill areas.

Of the pipeline supply, 4,600 dwellings were completed or under construction in August 2019, which means CN has already exceeded the number of dwellings required by 2021, based on underlying demand.

Based on the unconstructed pipeline supply (e.g. DA approved or under assessment), as of August 2019, CN is also on track to meet the underlying dwelling demand to 2026.

Recent building approvals indicate that the mix of dwelling types in Newcastle LGA is changing, with a much higher proportion of attached dwellings expected to be built compared with detached dwellings. For example, between 2016 and 2019, the number of new attached dwellings has generally been more than double the number of new detached dwellings.

### Capacity within the existing land use controls for additional housing

A Dwelling Potential Analysis completed by the Department of Planning, Industry and Environment (DPIE)<sup>2</sup> estimated that, at mid-2017, the planning controls applying in the Newcastle LGA would allow the market to, in theory, create 60,000 additional dwellings. Of this theoretical capacity:

92% is in 'infill' areas, and 8% in 'greenfield' areas

44% is assumed to be dual occupancy housing in the R2 Low Density Residential zone (see Figure 23 below).

This theoretical capacity is over three times the total number of dwellings projected to be required within the LGA (19,450 dwellings) by 2041, based on underlying demand. However, the actual capacity for housing supply is likely to be lower than the theoretical capacity, due to site-specific constraints, lack of development feasibility and some sites being withheld from development.

<sup>2</sup> NSW Department of Planning, Industry and Environment (DPIE, formerly DPE) (2017a). Hunter Region UFM Dwelling Potential Analysis: Economics and Land Use Forecasting.

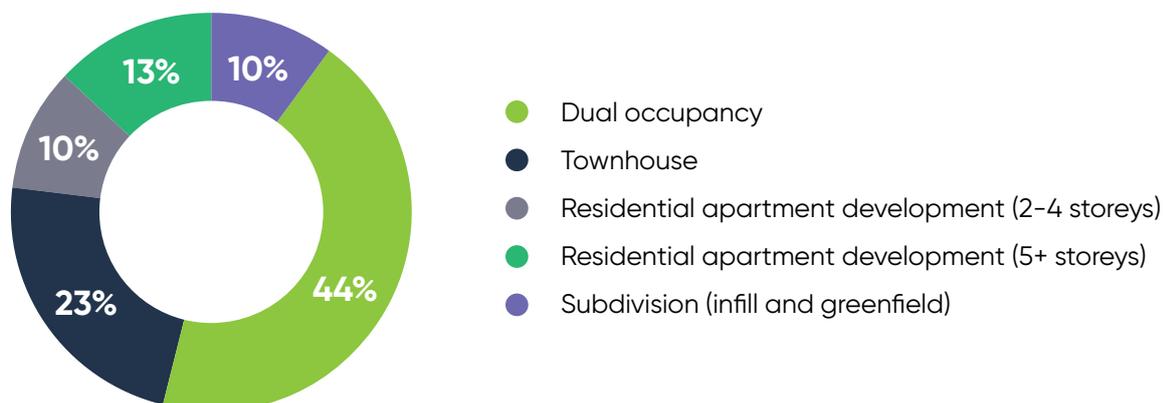


Figure 23: Estimated Dwelling Capacity In The Newcastle LGA By Development Type (2017)

### Rental and dwelling vacancies

Rental vacancy rates provide an indication of the available supply of rental housing in the private rental market. Nearly all suburbs across CN have vacancy rates below 3%, indicating an undersupply of rental housing in the private rental market. The only suburbs with a rental vacancy rate above 3% were Newcastle West (6%) and Shortland (3%), which either indicates that these areas have adequate supply of rental housing, or that the available rental housing in these areas is not meeting the needs of the market and people are choosing to rent elsewhere.

The dwelling vacancy rate is the supply of unoccupied housing in an area. 2016 Census data indicates that dwelling vacancy rates for the Newcastle LGA and broader NSW are similar at 9.4% and 9.3% respectively.

Dwellings can be vacant for a range of reasons, including being in poor (e.g. uninhabitable) condition, used as holiday home (personally or through short-term rental arrangements), or temporarily unoccupied whilst being listed for sale/rent.

Dwelling vacancy rates vary across the LGA. Most of the areas with a high rate of vacant dwellings are in the Newcastle City Centre and inner suburbs, which have seen a high rate of apartments constructed over the last five years. This suggests dwelling vacancy rates may, in part, be due to a proportion of stock being listed for sale or rent as new projects are completed.

# Housing Vision

*All residents of City of Newcastle will have access to housing that meets their needs, in a community where they have access to employment, facilities and services. As we plan for our growing community, what we love about our City will be maintained and improved for future generations.*



# Housing Priorities

The following section details each housing priority, the objectives of this priority and the rationale for its inclusion. Each housing priority is supported by actions which are detailed in the accompanying Implementation Plan.

## 1. Maintain and encourage housing supply in the right locations

### Objectives

Housing is located in areas with adequate infrastructure, close to jobs, services, public open space and reliable public transport.

The demand for more homes is balanced with the need for more jobs and sustainable economic growth, as well as with the creation of great places, and the retention of important ecological habitat.

Plan for a resilient city by reducing vulnerability to natural hazards at the planning stage.

### Rationale

As outlined under 'Housing Supply', the provision of housing over the next 20 years is likely to exceed the projected dwellings required. It is anticipated that current development trends will continue, with dual occupancies in established suburbs and residential apartment development in the City Centre contributing a significant proportion of housing supply. This can be attributed to the capacity under existing housing controls and the high amenity of these areas.

State and Local Government planning priorities identified in Regional, Metropolitan and Local strategic plans set the framework for determining areas for future housing provision. The Greater Newcastle Metropolitan Plan sets a target for 60% of new dwellings in Greater Newcastle Councils being in

infill areas. For the City of Newcastle, this projection is likely to be exceeded given limited availability of land release areas and the opportunities within existing controls and growth areas. This is supported by the fact that 82% of the pipeline supply is in infill areas. The only remaining opportunities in CN for rezoning to accommodate residential subdivisions are the E4 Environmental Living at Minmi and Black Hill.

The Catalyst Areas, Urban Renewal Corridors and Housing Release Areas included in the above strategic plans have been identified as the best areas to accommodate additional housing. As these areas grow and change, maintaining and improving their amenity, accessibility and liveability for both current and future residents will be particularly important.

Understanding the vulnerability of these areas to natural hazards will also be a key factor in determining the location and density of future housing, especially with the anticipated increase in occurrence and severity of natural hazards as a result of climate change.

Risk mapping will provide an evidence base for future land use planning decisions at the planning proposal and development application stage, helping improve our resilience and response to natural hazards.

## 2. Diversify housing type and tenure across the LGA to provide for a range of housing needs

### Objective

A mix of dwelling types, tenures and sizes are available to support a diverse community.

### Rationale

The demographic profile, household types and housing preferences of our city are continually evolving. Therefore, housing diversity is just as important as providing the volume of housing required over the next 20 years.

Understanding and anticipating these changes is complex given the many influencing factors. This complexity is demonstrated in the case of 'lone person households', which have historically increased the fastest and are projected to continue to increase the fastest, however, the average household size increased between 2006–2016.

The increasing average household size can be partly attributed to the increased cost of housing, which is also the reason why more households are living in rental accommodation or have a mortgage, as opposed to owning property outright.

The evidence highlights that providing housing for seniors, non-seniors with additional care needs and students has been particularly challenging, leading to significant shortages in suitable accommodation.

Investigating options to remove some of the barriers to entry will be an important first step and could include working with housing providers for different sectors, public private partnerships, or amendments to our local planning framework.

### Seniors housing

CN's population is ageing with around a quarter of our community being over the age of 55. As households age, household sizes typically shrink as children leave the nest, or adverse life events such as bereavement or marital breakdown occurs. Despite this, evidence suggests that many older people prefer to 'age in place' as opposed to downsizing into smaller dwellings or dedicated seniors housing. Areas with the highest proportion of older (aged 65+) couples without children include Rankin Park (19%), Adamstown Heights (17%) and Merewether Heights (15%). These areas are generally characterised by larger dwellings and less diversity of housing type compared to the middle and inner-ring suburbs.

As is shown in Table 5, the number of Independent Living Units is set to double, suggesting that the current supply of dedicated seniors housing appears to be keeping pace with projected growth. However, there may be unmet and growing demand for two and three bedroom attached dwellings, which enable local seniors to 'age in place'. Opportunities are available in the Catalyst Areas and Urban Renewal Corridors for dwellings to meet this need, these areas being well serviced and walkable locations in Newcastle's inner and middle suburbs.

**Table 5: Independent Living Units in Retirement Villages**

| Current                |                      | Future                                  |                          |                                  |
|------------------------|----------------------|---|--------------------------|----------------------------------|
| Existing number (2019) | Advertised Vacancies | Built/ Under Construction (units/rooms) | Approved (units / rooms) | Under assessment (units / rooms) |
| 400                    | 13                   | 410                                     | 34                       | 223                              |

**Non-seniors with additional care needs**

People with a disability or high care needs have a diverse range of highly specialised housing requirements. Broadly speaking, these can range from full-time managed care facilities, group homes, extensively modified housing and housing with minimal or no modifications.

An assessment of the number of beds in specialist disability accommodation and residential care facilities alone is unlikely to confirm if current demand is being met.

Working with disability providers to understand the housing needs across the spectrum of housing types will be critical in meeting the demand for the varied housing required.

**Students**

Demand for student housing is primarily associated with the University of Newcastle, which draws both domestic and international students. The University's 2018 Annual Report noted that 23,006 students are enrolled at the University's Callaghan campus, and 4,542 at the Newcastle City campus<sup>3</sup>.

The highest concentration of students is found in suburbs around the Callaghan campus and include Birmingham Gardens, Jesmond and Waratah West.

Purpose Built Student Accommodation (PBSA) is most common on campus in Callaghan. PBSA totalled 1,818 in CN in 2018. Given the number of students enrolled, PBSA only makes up a small portion of student's living arrangements.

The expansion of the University of Newcastle, in addition to Hunter TAFE and the future Nihon University campus, will increase the demand for PBSA, as well as alternative housing options for students.

Student housing needs are difficult to determine as they differ for international and domestic students, local and non-local students, undergraduate and postgraduate students. Those seeking student accommodation are more likely to require additional support services e.g. meal services, security, and staffed facilities. A range of options need to be made available to suit these varying needs, without compromising the costs of renting these accommodation types.

Rental stress is a concern with the average full-time student in regional NSW earning \$20,696 annually, placing many students in the very low income bracket, unable to afford nearly 90% of rental accommodation in CN.

There is more PBSA in the pipeline outside the Callaghan campus, either adjacent to the University or proposed for the city centre. It is anticipated that available beds for students in PBSA could be as high as 2,300 within a few years.

Student housing needs differ from other types of specialised housing (e.g. seniors, disability, single parent households) with an emphasis on function, affordability and accessibility of the housing to public transport, educational institutions and services being the key drivers of design.

<sup>3</sup>The University of Newcastle Australia (2018). Annual Report 2018, p.14. Retrieved 2020, from: <https://www.newcastle.edu.au/about-uon/our-university/annual-report>

### 3. Increase the availability of accessible and adaptable housing

#### Objective

Increased provision of adaptable and accessible housing that adopts universal housing design principles.

#### Rationale

With an ageing population and approximately 20% of the Australian population living with disability, the need for accessible and adaptable housing is expected to grow. Meeting this demand is challenging as the diversity of disabilities require a range of housing that meets those specific needs.

Accessible and adaptable housing enables people with disability and older people to live with independence and dignity, and age in place. Housing that is universally designed is more versatile and can better meet the changing needs of occupants, including families, over their lifetimes.

Currently, there are no building requirements for houses and townhouses to be accessible or adaptable. For apartment buildings, there are requirements for accessibility to communal areas, but no requirements for apartments themselves to be accessible.

Liveable Housing Australia offers formal accreditation of dwellings that comply with the three performance levels – Silver, Gold and Platinum – outlined in the Liveable Housing Design Guidelines for accessible and adaptable housing.

The Newcastle DCP requires all new medium and high density dwellings, aside from shop top housing to meet the Silver Level of the Liveable Housing Design Guidelines to ensure the future adaptability of the home. Silver Level certification includes basic features that should be included in all new homes and include requirements for an unobstructed path of travel to the dwelling entrance, internal doors wide enough to enable unimpeded movement and reinforced walls in the bathroom to support the later installation of grabrails. These Silver Level features enable someone using a wheelchair to visit the home while also facilitate the retrofitting of a home to meet the changing needs of the occupants.

Despite the benefits, the uptake of the Silver Level Liveable Housing Design Guideline in new dwellings in CN is currently unknown. An audit of recently completed dwellings will be undertaken to understand the uptake of the Guideline. The outcome of this audit will then guide an education program advocating for the benefits of adaptable design in all new dwellings and could lead to changes for our local planning controls.

### **Adaptable and Accessible Housing**

*Accessible Housing is any housing that can be used by people either with a disability or transitioning through their life stages.*

*Adaptable Housing is a dwelling that has been designed to accommodate lifestyle changes without the need to demolish or substantially modify structures. It allows, for example, larger family homes to be eventually divided into two smaller homes, enabling residents to continue living in a familiar environment. It can also be modified to become an accessible house. This type of purpose-built housing is becoming increasingly popular in Australia, supporting more people to continue living independently for longer.*



## 4. Increase the supply of affordable rental housing

### Objective

All households will be able to rent a dwelling that meets their needs and costs less than 30% of their gross household income.

Work with DPIE to ensure opportunities for the provision of affordable rental housing are required in the Catalyst Areas.

### Rationale

Both rental and private ownership of housing is becoming less affordable and the demand for social and affordable housing is increasing.

Buying a house has become unaffordable for most very low to moderate-income households. In 2017, for example, less than 2% of housing stock was affordable to very low-income households, 5% for low income households, and 25% for moderate income households.

With home ownership beyond the reach of moderate-income households in most suburbs, more households are turning to the rental market. As of 2018, 31% of households renting are experiencing housing stress, particularly those earning a low or very low income<sup>4</sup>. Most moderate-income earners are able to find affordable rental housing.

The impacts of increasing property prices are accentuated by the relatively low average household income in CN. The largest sectors of employment are industries that generally have very low to moderate incomes such as healthcare and social assistance and education and training.

There are currently 132 social and affordable housing (SAH) units in the pipeline, falling substantially short of the assumed underlying demand, in the order of 7,000 to 7,500 units. This is compounded by the possibility of the SAH units in the pipeline not being enough to replace the existing stock being lost. The current social housing stock is typically older and will therefore need to be retrofitted or replaced.

In addition, affordable housing units approved under existing SEPPs are required to be leased at 20% below the market rate for 10 years, with rents subsidised by National Rental Affordability Scheme (NRAS) funding. Funding under the NRAS is expected to be phased out, and no new funding mechanism has been identified that would facilitate the retention of existing stock beyond the 10-year obligation. It is reasonable to assume that as each affordable housing project reaches its ten year obligation, a large proportion of affordable housing units will be converted to full market price private rental dwellings. This indicates a significant supply gap that needs to be addressed.

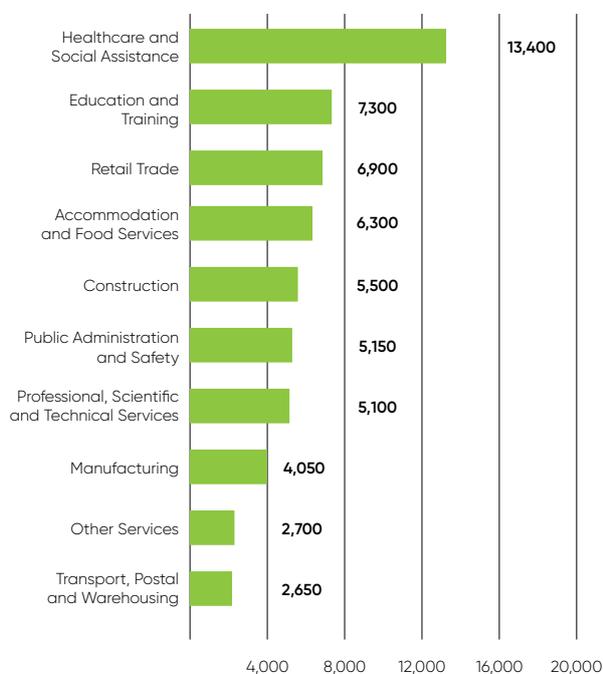


Figure 25: Top industries of employment for Newcastle LGA residents (2016)

<sup>4</sup> Maclennan et al, 2019, Strengthening Economic Cases for Housing, <https://cityfutures.be.unsw.edu.au/research/projects/strengthening-economic-cases-housing-productivity-gains-better-housing-outcomes/>

Households seeking SAH range from single person households to large families, and the accommodation being sought includes government-subsidised emergency shelters to unassisted home ownership. Therefore, a coordinated and effective response must be delivered through cooperation between Council, the State Government, Community Housing Providers and developers.

Locating SAH close to facilities, employment centres and public transport has direct benefits for the occupants, the economy and surrounding community<sup>5</sup>. Therefore, prioritising the provision of SAH in Catalyst Areas and Urban Renewal Corridors is a key priority. This can be achieved through the preparation of an Affordable Housing Contributions Scheme under SEPP 70 which will enable the levying of contributions for the provision of additional affordable housing in Newcastle.

Actions proposed to address the supply of affordable rental housing have been adapted from the Newcastle Affordable Living Plan (2018), amendments made to reflect a change in legislation.

### **Housing Affordability, Affordable Housing and Public Housing**

*Housing affordability refers to the relationship between expenditure on housing (prices, mortgage payments or rents) and household incomes. Housing is generally considered to be 'affordable' when households that are renting or purchasing can meet their housing costs and still have sufficient income to pay for other basic needs. As a rule of thumb, housing is usually considered affordable if it costs less than 30% of the gross household income (Newcastle Affordable Living Plan, 2018).*

*Affordable housing refers to housing that is provided with assistance from the NSW or Commonwealth Governments or a Community Housing Provider. It is generally managed like a private rental property, but at below market rates to make property affordable for very low, low or moderate-income households.*

*Public housing is heavily subsidised, secure and affordable rental housing available to households on a very low to low income that are unable to access suitable housing in the private rental market and that meet certain eligibility criteria.*

<sup>5</sup>Maclennan et al, 2019, Strengthening Economic Cases for Housing, <https://cityfutures.be.unsw.edu.au/research/projects/strengthening-economic-cases-housing-productivity-gains-better-housing-outcomes/>

## 5. Ensure new housing and changes to existing housing reflect the desired future local character of the area

### Objective

Develop robust urban planning controls to ensure the desired local character of an area is achieved.

Ensure new housing enhances and contributes to the future character of an area.

### Rationale

While the character of an area is distinct and closely tied to our understanding and memories of a place, it is very difficult to define. Character is made up of both the positive and negative attributes of an area and as the city continues to grow, we need to make sure that what is valued is complemented and enhanced by development in areas of change.

The preparation of Local Character Statements will be undertaken in close consultation with our community to help define what contributes to both current and desired future character for different areas with distinct local insights from residents.

There will be a staged approach to the preparation of Local Character Statements, prioritised in areas of distinctive local character that are earmarked for future growth and change.

*“Character is what makes a neighbourhood distinctive and is the identity of the place. It encompasses the way a place looks and feels. It is created by a combination of land, people, built environment, history, culture and tradition, both Aboriginal and non-Aboriginal, and it looks at how they interact to create an area’s distinctive character.”*

DPIE, 2019

## 6. Homes are designed to be ecologically sustainable and to reduce the resource requirements through the life cycle of the dwelling

### Objectives

Housing has a high level of amenity and supports the health and wellbeing of the community in an energy efficient way.

---

New housing contributes to our goal of achieving net zero emissions by 2050.

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### Rationale

Most of the housing stock in CN was built between 1860 and 1970, a period in which building efficiency and sustainability wasn't as advanced as today. The costs associated with heating and cooling housing accounts for up to 50% of Australia's energy use and causes considerable financial burden for households trying to maintain basic levels of comfort.

Increases in climate extremes, such as heatwaves and prolonged periods of drought, place higher demand on our homes and environment. Adopting more resilient and efficient designs and materials will produce housing that will withstand the extremes of our climate.

The technology, materials and awareness of passive design principles available today, allow greatly increased building efficiency at a fraction of the total cost of construction. Good housing design and efficient materials reduce the heating and cooling costs of buildings while maintaining high levels of comfort year-round. This contributes to a more sustainable use of our finite resources.

Further efficiencies and cost savings can be achieved by using locally sourced materials such as sustainably grown Australian timber, the use and re-use of recycled materials and the incorporation of energy, water and waste management initiatives and systems including solar electricity and hot water, rainwater tanks and composting.



# Implementation and Monitoring

The LHS complements our Local Strategic Planning Statement and Community Strategic Plan. Future review of the Local Housing Strategy will align with the scheduled review of the Local Strategic Planning Statement and Community Strategic Plan, which is undertaken every four years.

The LHS will be implemented through the actions outlined in the Implementation Plan, which is integrated with CN's other work practices, policies and programs. The Implementation Plan will be reviewed on an annual basis.

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**ATTACHMENTS DISTRIBUTED UNDER SEPARATE COVER**

**CCL 23/06/2020 – EXHIBITION OF DRAFT LOCAL HOUSING  
STRATEGY**

**ITEM-35 Attachment B:** Newcastle Housing Needs and Local Character





# Newcastle Housing Needs and Local Character Evidence Report

Prepared by City Plan Strategy & Development P/L  
on behalf of the City of Newcastle

OCTOBER 2019

## REPORT REVISION HISTORY

| Revision | Date Issued | Revision Description                         |                                   |  |   |
|----------|-------------|--|-----------------------------------|--|---|
| 01       | 4/10/19     | Draft for client review                      |                                   |  |   |
|          |             | <b>Prepared by</b>                           |                                   | <b>Reviewed by</b>                         |   |
|          |             | Jessica Veenhuyzen<br><i>Project Planner</i> | Robert Bisley<br><i>Associate</i> | Amanda Wetzel<br><i>Executive Director</i> |   |
| 02       | 13/11/19    | Exhibition Draft                             |                                   |  |   |
| 02a      | 14/11/19    | Final Report (re-issued)                     |                                   |  |   |
|          |             | <b>Prepared by</b>                           |                                   | <b>Verified by</b>                         | <b>Signed</b>   |
|          |             | Jessica Veenhuyzen<br><i>Project Planner</i> | Robert Bisley<br><i>Associate</i> | Amanda Wetzel<br><i>Executive Director</i> |  |

### Disclaimer

This report has been prepared by City Plan Strategy & Development P/L with input from a number of other expert consultants (if relevant). To the best of our knowledge, the information contained herein is neither false nor misleading and the contents are based on information and facts that were correct at the time of writing. City Plan Strategy & Development P/L accepts no responsibility or liability for any errors, omissions or resultant consequences including any loss or damage arising from reliance on information in this publication.

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## 1. INTRODUCTION AND BACKGROUND

### 1.1. Background

CPSD was engaged by the City of Newcastle (Council) to complete a Housing Needs and Local Character Study (the Study). This Report is a culmination of the Study.

Council last completed a comprehensive review of the local housing market and future housing needs over five years ago when preparing the Newcastle Local Planning Strategy (LPS), which was adopted in 2014. Since this time, many of Newcastle's residential areas have experienced growth and change resulting in a need to identify and address ongoing and emerging housing issues.

Additionally, the NSW Government has adopted a more strategic-led approach to planning across NSW and has introduced a suite of strategic changes over the last five years. These changes include:

- a new regional strategy for the Hunter (*Hunter Regional Plan 2036*);
- the first-ever metropolitan wide strategy for Greater Newcastle (*Greater Newcastle Metropolitan Plan 2036*);
- the requirement for Council to develop a Local Strategic Planning Statement for the Local Government Area (LGA) which sets out a 20-year land use vision to guide growth and change locally;
- the requirement for Council to develop a Local Housing Strategy to set a clear plan for housing in the area over the next 10 to 20 years; and
- the introduction of a local character framework which will require Council to elevate the consideration of local character in future strategic planning and decision making.

### 1.2. Purpose

The purpose of the Study was to establish a detailed understanding of Newcastle's local housing market including current and projected demographics, housing market supply and demand, and relevant opportunities and constraints. The Study was also to provide recommendations to achieve more affordable and diverse housing forms, complimentary to local character and heritage significance.

The outcomes of the Study, as outlined in the brief, were to provide Council with a comprehensive understanding of the opportunities and constraints for:

- the provision of housing that complements the desired local character within the different growth corridors and catalyst areas identified in the Greater Newcastle Metropolitan Plan and each residential growth precinct identified in the Newcastle Local Planning Strategy;
- achieving a broader mix of housing types across the City to meet the needs of the whole community, inclusive of all age groups, abilities and income brackets; and
- land use planning strategies to support housing growth and diversity whilst complementing desired local character and heritage.

The Study provides an evidence base to inform and guide the direction of subsequent planning for housing, including the preparation of Newcastle's Local Strategic Planning Statement and Local Housing Strategy.

## 1.4. Approach

The Study established a more comprehensive evidence base to assist with formulation of strategies and plans for housing across the Newcastle LGA over the next 10 to 20 years.

### 1.4.1. Background research, review and investigations

The Study was underpinned by research that considered current and projected demographic changes, the local housing market, and the planning policy framework for housing.

**Review of strategic planning framework:** A review of current State and local strategic planning documents applying to the LGA (e.g. plans, strategies and studies) to analyse the implications to planning for housing, and to understand the intent and effectiveness of current planning controls within this context.

**Demographic review:** Background research and analysis of demographic data provided by the Australian Bureau of Statistics (ABS), .id the population experts (.id), the Department of Family and Community Services (FACS) and the Department of Planning, Industry and Environment (DPIE) to gain a detailed understanding of current and projected demographic trends influencing housing need.

**Research/ best practice review:** A review of reference documents and studies prepared by key research institutions, such as the Australian Housing and Urban Research Institute (AHURI) and the Grattan Institute, as well as those prepared by specialty housing providers such as Evolve and Compass Housing. This was to understand the latest research into housing needs.

**Establishing 'pipeline' housing supply:** Detailed identification of recent and pipeline residential development activity in Newcastle to understand where, when and how many new homes are likely to be built. This reflects a review of all residential Development Applications (DA) and Complying Development Certificates (CDCs) through Council's DA Tracker and DPIEs Development and Planning Register.

**Local character assessment:** An investigation of selected 'local character precincts' that had been identified as having special local character in earlier strategic studies. This involved developing an assessment framework through which to guide a high-level desktop analysis of remaining character attributes within each local character precinct. The purpose of the investigation was to see if these precincts still retained elements that contribute to special local character and to identify priority areas for more detailed studies of local character.

**Spatial analysis:** A review of demographic and housing market trends, housing supply and opportunities and constraints across the LGA and at suburb level, where relevant.

### 1.4.2. Consultation

Selected stakeholders and community representatives were engaged as part of the Study to further explore key housing issues, opportunities and constraints, as well as to better understand current and future housing needs. This involved:

- One meeting with DPIE to confirm the Study's aims and objectives;
- phone meetings with community housing providers (Evolve and Compass Housing) to discuss social and affordable housing;
- phone meetings and various emails with University of Newcastle staff to discuss student housing and other housing models such as cooperative housing;
- phone meetings with residential developers (Doma and GWH) to discuss key housing issues, opportunities and constraints in both the City Centre and Newcastle's middle and outer suburbs;
- two community focus groups, facilitated by Mara consulting, with:
  - over 55s residents (3 September 2019) to discuss the housing issues and needs experienced by this age cohort. The focus group was facilitated by MARA Consulting; and
  - tertiary students attending the University of Newcastle (4 September 2019) to discuss the housing issues and needs experienced by this cohort. This focus group was facilitated by MARA Consulting; and

- regular discussions with Council's strategic planning staff to gain feedback on initial findings and Report structure.

These discussions provided invaluable insights to develop the evidence base presented in this Report.

## 1.5. Structure of this Report

This report is structured as follows:

**Section 3: Planning and Policy Framework** – reviews the range of State and local plans, strategies and studies relevant to planning and plan-making for housing. It identifies the recurring strategic focus areas to be investigated and addressed throughout the remainder of the Report.

**Section 4: Our Community Snapshot** – provides a brief snapshot of the key demographic factors that make up the Newcastle community.

**Section 5: Newcastle's Population Trends** – provides detailed analysis of current and projected population and demographic factors driving growth and demand for new housing in Newcastle.

**Section 6: Newcastle's Housing Demand** – provides insight into the likely demand for new housing across Newcastle including an analysis of the types of housing that people prefer and can afford to buy or rent.

**Section 7: Newcastle's Housing Supply** – provides analysis of what housing is currently available, and what is in the pipeline to be built within the LGA. This section also looks at the capacity and feasibility of new housing supply being delivered within the LGA over the next 20 years, based on Newcastle's current planning controls.

**Section 8: Housing for Specific Needs** - discusses cohorts that are considered most likely to experience barriers to accessing housing that meets their needs, based on existing evidence.

**Section 9: Integrated Planning Considerations-** provides an overview of the key land use opportunities and constraints that affect where housing can, and should, be built across the LGA.

**Section 10: Local Character** - discusses the key local character issues identified by Council and analyses how local character has currently been planned for to date. It also provides a high level assessment of Newcastle's local character areas and assesses planning mechanisms to address local character issues.

**Section 11: Planning for Housing Newcastle** - highlights the key issues emerging from evidence presented above and provides focused recommendations for future planning and plan-making for housing in the Newcastle LGA.

This Report should be read in conjunction with its **Appendices**, provided separately, which presents the Study's place-based analysis of new housing supply, and key issues, opportunities and constraints for each broad area. The areas considered include:

- Stage 1 Urban Renewal Corridors identified in Council's current planning framework;
- Catalyst areas identified in the Greater Newcastle Metropolitan Plan (GNMP);
- Stage 2 Urban Renewal Corridors identified in the GNMP;
- residential areas for infill development; and
- greenfield areas for residential development.

## 1.7. Technical Notes

The evidence base presented in this Report relied on population, demographic and residential development data produced by .id the population experts, based on ABS data. Additional data from reputable government sources has also been used in a supplementary capacity and is cited, where relevant.

Long-term planning and plan making relies on a consistent evidence base to monitor past trends and progress over time, and to provide a basis for modelling future change scenarios. Council consistently relies on .id data when developing strategic plans such as the Community Strategic Plan, Local Strategic Planning Statement and Local Planning Strategy. Drawing on this data to form the evidence base presented in this Report ensures that consistent data assumptions are used across the suite of Council's strategies and plans.

Key data assumptions and limitations are provided below.

- .id's population, demographic and residential development data was last updated in mid-2018.
- The 30 'community profile areas' utilised in the Study to disaggregate data and analysis to smaller areas, were established by .id and Council. These areas cover the whole of the Newcastle LGA and broadly align with established suburb boundaries, which rarely change, providing a long-term consistent basis for tracking population and dwelling data collected through the census. These boundaries are consistently used by Council and others for demographic analysis and forecasting.
- This Report considers housing needs from 2016 to 2041 to reflect the data produced by .id and at the request of Council.

Definitions for common terms referred to throughout this Report are provided below. Additional terms are also provided elsewhere in this Report for clarification, where relevant.

**Detached dwelling** includes all free-standing dwellings separated from neighbouring dwellings by a gap of at least half a metre;

**Attached (2 Storeys) dwellings** 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.

**Attached (3+ Storeys) dwellings** includes flats and apartments in 3 storey and larger blocks.

**Housing need** is the theoretical number of new homes required based on the projected number of households, without taking into account the household's ability to pay for housing, or the type and location of housing preferred. Housing need can also be referred to as underlying housing demand or implied dwelling demand.

**Housing demand** is the number of new homes expected to be required taking into account the household's ability to pay for housing and the size, type and location of housing preferred. Housing demand can also be referred to as effective demand.

**Housing supply** is the total supply of housing within a particular area. There are two sub-terms commonly used when discussing housing supply:

- **Current housing supply** is the number of dwellings that are already built and available within an area. Housing supply can also be referred to as housing stock; and
- **Planned housing supply** is new housing that is in the 'pipeline' to be built. It includes new dwellings under construction, new dwelling approved, and new dwellings under assessment. Planned housing is commonly referred to as 'pipeline' housing supply.

## 2. PLANNING AND POLICY FRAMEWORK

The Study included a review of the current planning and policy framework applying to the City of Newcastle to consider the implications of long-term stated goals on planning for housing needs and local character, and to evaluate the effectiveness of current controls within that context.

Long-term goals relevant to planning for housing needs and local character within the Newcastle LGA are set out at State and Local Government levels. Key documents included (but were not limited to):

- Hunter Regional Plan 2036;
- Greater Newcastle Metropolitan Plan 2036;
- Greater Newcastle Future Transport Plan 2056;
- Newcastle 2030 Community Strategic Plan;
- Newcastle Affordable Living Plan;
- Newcastle Heritage Strategy 2013-2017; and
- Newcastle Local Planning Strategy.

Three key recurring themes emerged from these documents as strategic focus areas important to planning for housing needs in the Newcastle LGA:

- The housing stock should be diverse, and reflective of the community's needs. This means that the types of housing delivered should meet the diverse needs of the community, including being affordable and accessible.
- Housing density should be concentrated around public transport and activity nodes. This means that the majority of new housing should be planned within and around existing centres that provide good public transport access, are walkable, and offer a range of services.
- New housing should complement local character. This means that housing should be well designed within the context of its surrounds and be of an appropriate mass and height.

A series of State-level guidelines have also recently been released to assist with identifying methods and evidence for planning. These included (but were not limited to):

- Local Housing Strategy Guideline and Template;
- Local Character and Place Guideline; and
- Newcastle City Wide Urban Design Guidelines.

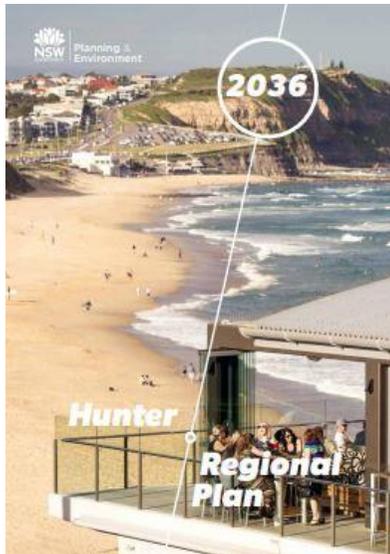
These documents were utilised to collate and review the evidence base for the Study. Where relevant, these also shaped methodologies used to analyse or supplement evidence as part of the Study.

The review considered several planning instruments and other guidelines that are relevant to evaluating the effectiveness of current controls. These included:

- State Environmental Planning Policy (Exempt and Complying Development Codes) 2008, including the associated Low Rise Medium Density Design Guides for Complying Development and Development Applications
- State Environmental Planning Policy No 70 – Affordable Housing (SEPP 70)
- State Environmental Planning Policy (Affordable Rental Housing) 2009
- State Environmental Planning Policy (Housing for Seniors or People with a Disability) 2004
- Newcastle Local Environmental Plan 2012
- Newcastle Development Control Plan 2012

## 2.1. Long-term goals for planning

### 2.1.1. Hunter Regional Plan 2036 (DPIE, 2016)



Ministerial Direction 5.10, made under Section 9.1(2) of the *Environmental Planning and Assessment Act 1979* (EP&A Act), requires Council to implement the *Hunter Regional Plan 2036*. This document sets out a high-level, 20-year vision to guide housing, employment and infrastructure growth across the Hunter to 2036.

A major priority of the *Hunter Regional Plan 2036* is to facilitate the delivery of greater housing choice. It aims to deliver 70,000 new dwellings across the Hunter over 20 years, or around 3,500 new dwellings each year.

Increasing housing supply and the diversity of housing available will be achieved through the following directions:

- Direction 3: Revitalise Newcastle City Centre
- Direction 21: Create a compact settlement
- Direction 22: Promote housing diversity
- Direction 23: Grow Centres and Renewal Corridors
- Direction 25: Monitor housing and employment supply and demand
- Direction 26: Deliver Infrastructure to support growth and communities

Key insights relevant to planning for housing in the City of Newcastle emerging from the Hunter Regional Plan 2036 are:

- Council must, at minimum, align planning controls to accommodate the dwellings projections stated in the Plan for the Newcastle LGA, which are 16,800 new dwellings by 2036, or around 840 new dwellings annually.
- Council's local housing strategy should facilitate infill housing supply, which will rely on small-scale renewal and redevelopment of larger sites. Residential densification should be encouraged in locations with established services and infrastructure.
  - The Plan specifically nominates Newcastle's City Centre, and the five established urban renewal corridors – Hamilton, Broadmeadow, Adamstown, Islington and Mayfield – as the main locations where planning efforts should be focused in the near term.
  - The Plan also supports planning investigations for new housing opportunities in and around centres at The Junction, Georgetown/Waratah, Adamstown, Lambton, New Lambton and Kotara.
  - Additional renewal corridors to support longer term growth should be investigated along the Newcastle-The Junction-Merewether corridor, the Broadmeadow-New Lambton-Lambton corridor and in Adamstown and Kotara.
- Densities within renewal corridors should be to a level that aligns with cost-effective public transport network improvements.
- Urban release areas identified within the Newcastle-Lake Macquarie Western Corridor are expected to remain the primary location for residential growth through greenfield development.
- Council's local housing strategy should respond to specific housing needs for social and affordable housing, student accommodation, and visitor accommodation.
- New housing development should respect the current or intended future character and landscape attributes within each area.

### 2.1.2. Greater Newcastle Metropolitan Plan 2036 (DPIE, 2018)

Ministerial Direction 5.10, made under Section 9.1(2) of the EP&A Act, requires Council to implement the *Greater Newcastle Metropolitan Plan 2036* (GNMP). This document outlines a metropolitan wide approach to delivering the vision and goals set out in the Hunter Regional Plan 2036. It applies to the Greater Newcastle LGAs of Cessnock City, Maitland City, Lake Macquarie City, Port Stephens and City of Newcastle.

The City of Newcastle is considered to form the heart of the Greater Newcastle metropolitan area.

A priority outcome for the GNMP is to deliver a diverse range of housing close to jobs and services, with access to public transport and open space.

Facilitating diverse and affordable housing supply close to jobs and services is expected to be supported through the delivery of:

- Strategy 16: Prioritise the delivery of infill housing opportunities within existing urban areas
- Strategy 17: Unlock housing supply through infrastructure coordination and delivery
- Strategy 19: Prepare local strategies to deliver housing

The GNMP sets a metropolitan-wide target to see 60% of new housing delivered in infill areas by 2036, with the remaining 40% to be delivered in greenfield areas. The Newcastle LGA has a significantly lower level of greenfield land supply when compared with the rest of the Greater Newcastle metropolitan area, which means it would need to contribute a higher proportion of infill development than the other LGAs. To support the metropolitan-wide target, the Newcastle LGA may need to support the delivery of around 80-90% of new housing in infill areas by 2036.



The GNMP identifies urban renewal corridors and catalyst areas as the preferred locations for accommodating the greatest intensification of housing and jobs. These areas tend to be along key transport routes and provide the highest level of public transport.

- The Stage 1 Urban Renewal Corridors broadly align with the five renewal corridors already incorporated into Council's planning controls (LEP and DCP).
- The series of Stage 2 Urban Renewal Corridors identified in the GNMP are nominated as the focus for future planning and investigation efforts.
- Several Catalyst Areas, which are places of metropolitan significance, have been nominated for a collaborative approach to plan for and deliver new development and associated infrastructure. Within the Newcastle LGA, those expected to provide direct opportunities for new housing delivery include:
  - Newcastle City Centre (4,000 new dwellings by 2036): includes Newcastle East, Newcastle, Newcastle West and Wickham;
  - Broadmeadow (1,500 new dwellings by 2036);
  - Callaghan (750 new dwellings by 2036): includes Callaghan and parts of Warabrook, Waratah and Jesmond; and
  - Kotara (400 new dwellings by 2036): includes Kotara and parts of Adamstown Heights.

These areas are considered in more detail in the *Appendices* to this Report.

Other Catalyst Areas, including those not located within the Newcastle LGA, may also have an influence on housing demands across the LGA, particularly as growth within these areas change the nature or location of jobs and services over time.

GNMP Action 19.1 requires Council to prepare a local strategy within two years (or by 2020) that is in accordance with the Greater Newcastle Metropolitan Plan. In doing so, Council must, at minimum, incorporate the following GNMP actions:

- Action 16.1: to focus new housing in existing urban areas, particularly within strategic centres and along urban renewal corridors.
- Action 16.2: to facilitate new housing in Stage 1 urban renewal corridors, and with assistance from DPIE:
  - amend local plans based on feasibility testing of housing types, built form and infrastructure capacity; and
  - achieve urban densities of 50-75 jobs and people per hectare to improve the viability of major public transport upgrades such as rapid bus or light rail.
- Action 16.3: to undertake an investigation of the renewal potential within Stage 2 urban renewal corridors and will ensure proposals do not prevent future redevelopment opportunities.

### Greater Newcastle Future Transport Plan 2056 (TfNSW, 2018)



The Greater Newcastle Future Transport Plan 2056 (GN Future Transport Plan) is a supporting plan to the State-wide *Future Transport Strategy 2056 for NSW*. The GN Future Transport Plan was developed concurrently with the GNMP to provide an integrated approach to future land use and transport development.



A key focus of the GN Future Transport Plan is to support and grow connections to, from, and within the strategic centres, urban renewal corridors and catalyst areas identified in the Hunter Regional Plan 2036 and the GNMP.

Aligning Council's Local Housing Strategy with the initiatives set out in the GN Future Transport Plan will support the delivery of new housing in a manner that makes best use of existing and planned transport infrastructure. Concentrating residential densities in strategic locations (centres and corridors) will be an important factor to supporting the viability of public transport upgrades.

In preparing the GN Future Transport Plan, Transport for NSW (TfNSW) investigated seventeen potential corridors across Greater Newcastle for investment in priority public transport over the next ten years. These corridors were investigated based on anticipated patronage growth and development. Of the seventeen priority corridors four were shortlisted for further investigation, and so are most likely to be the focus areas for a rapid bus program in Greater Newcastle. This suggests efforts for increasing residential densities as part of urban renewal efforts should be expedited along routes from Newcastle Interchange to:

- John Hunter Hospital;
- Wallsend;
- Mayfield; and
- Charlestown.

Other transport planning initiatives outlined GN Future Transport Plan that shaped the focus of the Study included (but were not limited to):

- **Greater Newcastle Place Plans (0-10 yrs):** Plan and deliver an integrated transport network within key precincts including catalyst areas.
- **Newcastle Inner City Bypass (0-10 yrs):** A 3.4km bypass between Rankin Park and Jesmond, to the west of John Hunter Hospital. Will provide a western entrance to John Hunter Hospital.
- **Newcastle Light Rail network extension (0-10 yrs):** In the future the light rail may be extended to locations such as Broadmeadow or John Hunter Hospital. At this stage there is no commitment from the State Government.
- **New suburban type rail service for Greater Newcastle (20+ yrs):** The development of the Lower Hunter Freight Corridor from Fassifern to Hexham may result in the potential for additional suburban rail services to operate in location along the corridor.

#### 2.1.4. Newcastle 2030 Community Strategic Plan (CN, 2018)

Council's Community Strategic Plan, Newcastle 2030, (CSP 2030) articulates the City of Newcastle's community priorities through a long-term vision, 7 strategic directions and 23 supporting objectives. It was developed through extensive consultation with the community.

CPS 2030's seven strategic directions are intended to underpin Council's overall decision-making process to create:

1. A connected city;
2. A protected and enhanced environment;
3. Vibrant and activated public places;
4. A caring and inclusive community;
5. A liveable and distinctive built environment;
6. A smart and innovative city; and
7. Open and collaborative leadership.

The key CSP 2030 objectives most relevant to planning for housing in the City of Newcastle are to facilitate:

- **5.1** A built environment that maintains and enhances our sense of identity;
- **5.2** Mixed-use urban villages supported by integrated transport network;
- **5.3** Greater diversity of quality housing for current and future community needs; and
- **5.4** Sustainable infrastructure to support a liveable environment.



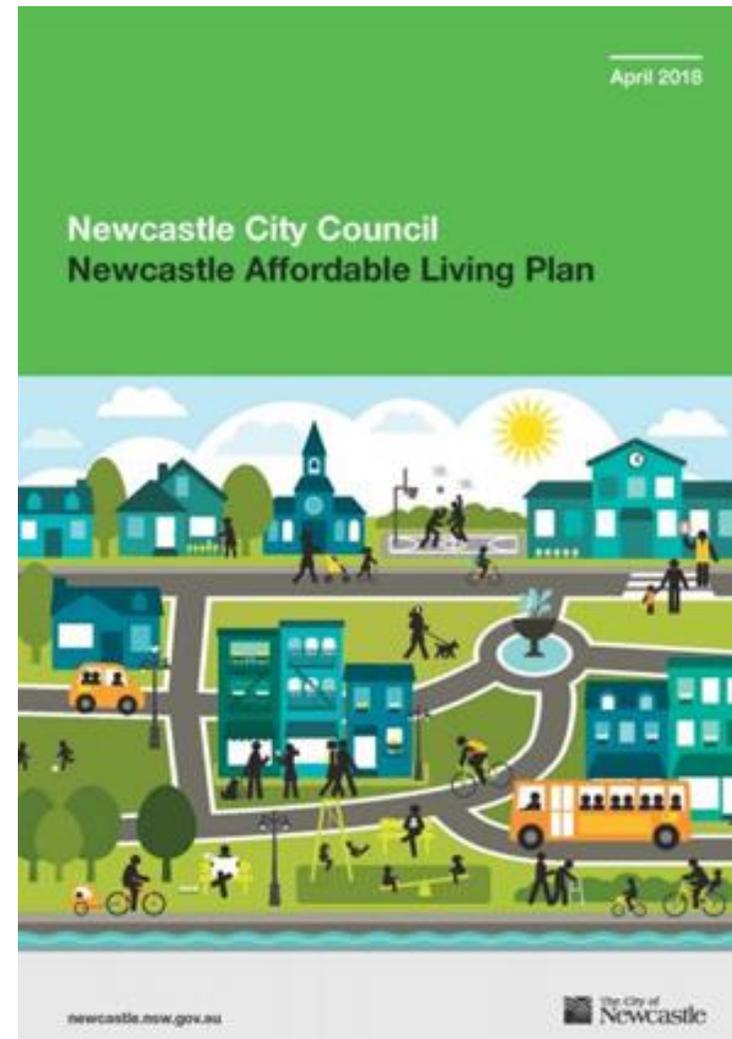
### 2.1.5. Newcastle Affordable Living Plan (CN, 2018)

The Newcastle Affordable Living Plan primarily looks at demographic factors influencing the demand for affordable housing in Newcastle and discusses what council can do to facilitate new opportunities for affordable living.

The Affordable Living Plan identifies key challenges to the delivery of affordable living in Newcastle which are:

- Supply of quality affordable housing
- Supply of diverse housing options
- Equitable access to transport and services
- Neighbourhoods that support health and wellbeing.

The Affordable Living Plan represents Council's existing commitment to increase opportunities for affordable living within the Newcastle LGA, which were considered in the Study. These included opportunities to increase affordable living in Newcastle, including through preparing a Local Housing Strategy, use of inclusionary zoning provisions, other LEP and DCP provisions, and other incentives or monitoring initiatives. These draw on examples of how some of these approaches have been applied in other LGAs.



### 2.1.7. Local Planning Strategy (CN, 2015)

Council's Local Planning Strategy (LPS) outlines how it will utilise land use planning initiatives to direct future growth and development across the LGA. It is the prevailing document underpinning the application of land use objectives and controls in the Newcastle Local Environmental Plan 2012 (NLEP).

The LPS was last updated in 2015, before the most recent update to Council's CSP 2030, and was prepared within the context of State level land use strategies that have since been superseded (e.g. the Lower Hunter Regional Strategy (2006) and the Newcastle Urban Renewal Strategy (2014)).

The LPS sets eight strategic directions to guide planning for residential lands, which are:

1. Ensure sufficient housing capacity for our future population.
2. Ensure sufficient housing diversity to meet community needs.
3. Encourage adaptable housing that can meet the needs of residents throughout the lifecycle to enable people to 'age-in-place' supporting more sustainable housing growth in our city.
4. Facilitate affordable living. Increasing the density of housing in existing urban areas can reduce housing costs because of savings in infrastructure, reduced lot sizes and greater choice in dwelling types.
5. Concentrate housing growth around transport and centres, where appropriate services and amenities exist.
6. Streets are the primary public spaces for access and exchange between people, and should be made safe, friendly, attractive and efficient.
7. Ensure permitted land uses are consistent with the zone directions.
8. Development will enhance the City's identify through consideration of the neighbourhood vision and objectives (set out in the LPS), and through compatible built form, landscaping and activation of public spaces.

<sup>1</sup> Council determined growth precinct boundaries based on 'SAFE' criteria, which is an acronym for four characteristics that describe the quality of a pedestrian route (Safe, Accessible, Friendly, and Efficient). Refer to Council's LPS, p. 29 for further information.

The LPS categorises all commercial centres throughout the LGA as a Regional City (Newcastle City Centre is the only centre in this category), a local centre (major or minor), a neighbourhood centre, or a specialised centre.

The LHS outlines a housing density regime around this centres hierarchy. This assigned all residential land into one of four categories:

- **Renewal Corridors**, which have high transport accessibility and are focussed in or between major local commercial centres. Five renewal corridors - Islington, Mayfield-Tighes Hill, Hamilton, Broadmeadow and Adamstown - were zoned to accommodate the highest residential density and have place-based controls already incorporated within Council's DCP.
- **Substantial Growth Precincts**, which are within a SAFE<sup>1</sup> ten-minute walk of major local centres or railway stations. These precincts partly overlap with the renewal corridors and State identified catalyst areas. An example of residential development forms expected in substantial growth precincts are apartment buildings up to 3 stories.
- **Moderate Growth Precincts**, which are within a SAFE five-minute walk of minor local centres or neighbourhood centres. These precincts also serve as transition areas between substantial growth and limited growth precincts. Medium density forms of housing such as townhouses and 2 storey apartments are expected in moderate growth precincts.
- **Limited Growth Precincts**, which are all the remaining areas. Residential development within these precincts is intended to be limited and remain suburban in character but may include some medium density development forms such as townhouses and villas.

The Study reviewed the LHS centres categorisations and housing density regime within the context for growth described in the Hunter Regional Plan and GNMP.

### 2.1.8. The City of Newcastle Heritage Strategy 2013-2017 (CN, 2014)

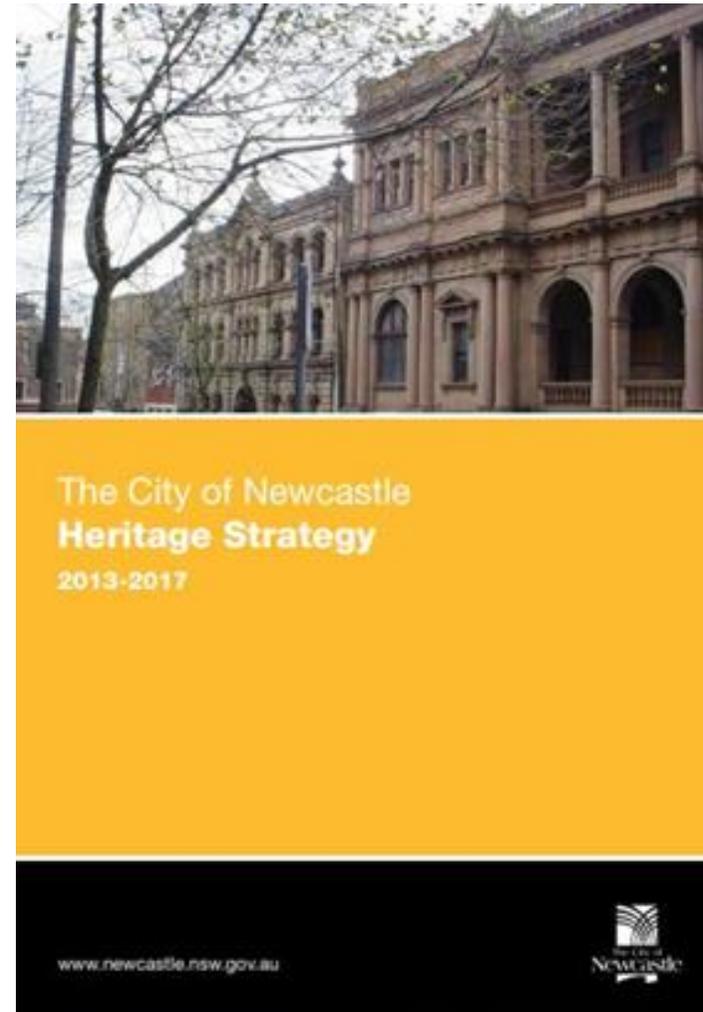
The historical development of Newcastle's urban areas means that there is a higher concentration of historic and heritage buildings in the centre of Newcastle's established suburbs. These are also the areas that are most suited to intensification of density due to their public transport access, available services and high amenity. Getting the balance right between protecting Newcastle's heritage and facilitating new residential development to meet the needs of the community in these areas is an ongoing challenge.

Council's Heritage Strategy provided a strategic framework to guide Council's management of heritage across the Newcastle LGA. The Strategy set out actions and an implementation framework underpinned by the strategic directions set out in the CSP 2030 applying at the time, and Heritage Policy (adopted 2013).

The Heritage Strategy demonstrates Council's fundamental commitment to understanding, protecting, supporting and promoting Newcastle's heritage.

The Heritage Strategy recognises and supports opportunities to recycle, refurbish, and upgrade heritage buildings to meet density targets and activate areas needing renewal.

Several studies underpinned the heritage management framework outlined in Council's Heritage Strategy, including the *Newcastle City Wide Heritage Study* (1996-1997), *Aboriginal Heritage Study* (2005), *Newcastle Archaeological Management Plan* (1997, reviewed 2013). Place-based studies have also been completed in the Newcastle CBD and surrounding heritage area. These were utilised as reference material throughout the Study.



## 2.2. Guidelines for planning and plan-making

### 2.2.1. Local Housing Strategy Guideline and Template (DPIE, 2018)

This guideline is intended to assist all Councils to prepare their Local Housing Strategies. It outlines a step-to-step process for producing a local housing strategy and includes a template strategy.

The Study generally followed the methodology outlined in the guideline and template, Particularly Section 2 – The Evidence, recognising the intent of the Study was to form the evidence base for Council's Local Housing Strategy. This requires the evidence base to provide a demographic overview, consider factors relevant to housing demand and supply, land use opportunities and constraints, and identify gaps in housing supply and areas with development capacity.

When preparing its Local Housing Strategy, Council will be required to follow the structure set out within the template provided by this guideline. If Council wishes to vary the structure, this will need to be agreed in consultation with DPIE. This may be relevant to the areas of the Study that examined issues that were either not described in the guideline or examined issues to a greater level of detail than required by the guideline. These include consideration of local character issues, and some of the housing considerations for specific needs groups.



### 2.2.3. Local Character and Place Guideline (DPIE, 2019)

This guideline outlines how local character considerations can be integrated into the NSW planning system and presents different approaches to including local character into the local planning framework. It provides, for the first time, a consistent, state-wide definition of 'local character' and 'place' to be used in land-use planning in NSW.

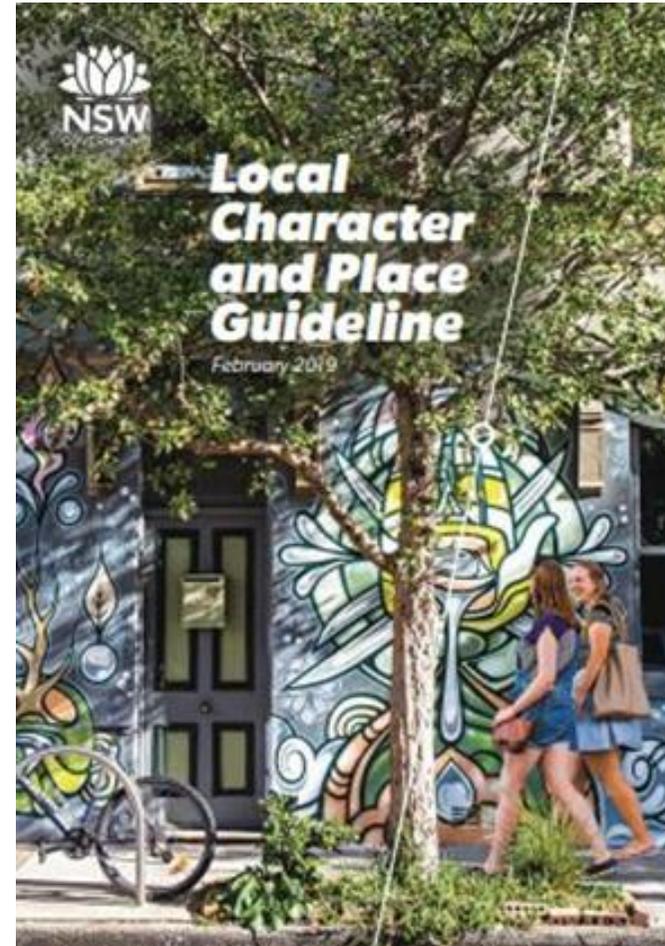
It also includes a Character Assessment Toolkit, which Council can use to define the local character of a place, produce a local character assessment, and set the desired future character for an area.

The State government outlines key strategies to ensure that local character is effectively considered in local plan making, which include:

- Communities will play a leading role in defining local character and shaping the desired future character of their local areas;
- Adopting a place-based, design-led approach to plan making which builds on the valued characteristics of local areas;
- Ensuring that the right tools (e.g. mapped controls in an LEP) are available in the planning system to enable the shared future vision for an area to be realised.

Supplementary documents released by the State government provide further guidance on local character, including the *Planning System Circular PS 18-001 Respecting and Enhancing Local Character in the Planning System*, *Local Character and Place Collection e-book*, and the *Discussion Paper – Local Character Overlays*.

The Study recognised that the existing and desired future character of an area is an important consideration when determining the location and form of new housing across the LGA. It found that many suburbs in Newcastle that do not have local character statements that can be used as a benchmark for considering the extent to which new development is complimentary. This guideline, and its supplementary documents, will be important references for Council when undertaking further local character studies for Newcastle's suburbs.



### 2.3.1. Newcastle City Wide Urban Design Guidelines (Coomes Consulting, 2006)

The Newcastle City Wide Urban Design Guidelines were prepared in response to the substantial increase of new development occurring throughout Newcastle's suburbs in the early 2000s. Some new developments were failing to respond to Newcastle's urban character and were seen to be degrading the overall character of specific localities. This remains an ongoing issue today.

The Urban Design Guidelines established basic urban design principles to apply across Newcastle's different areas, which seek to encourage appropriate urban design outcomes that respect established local character.

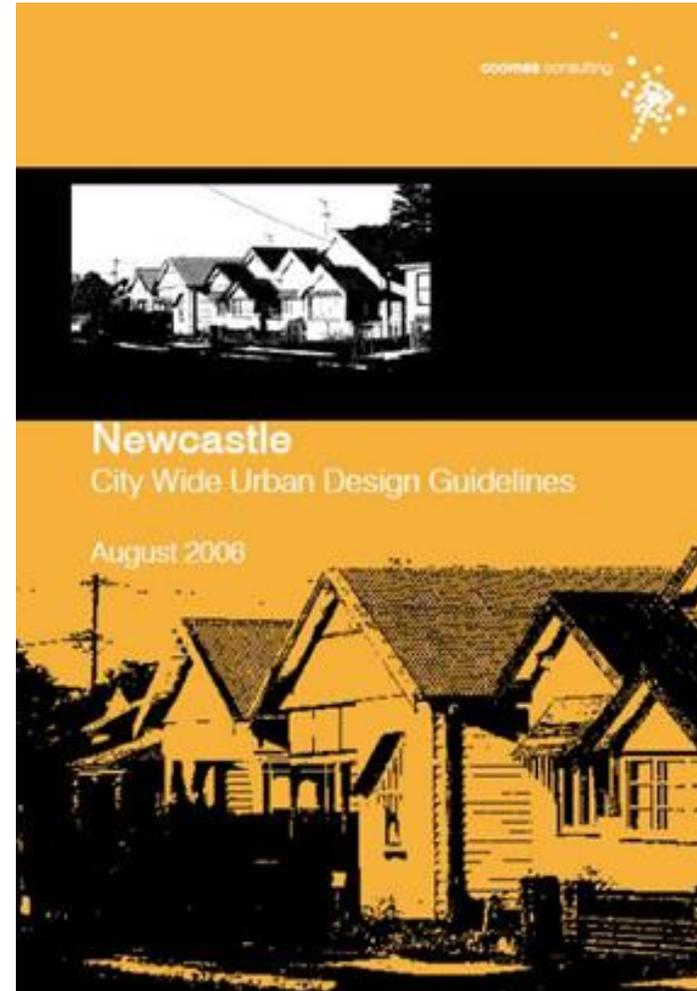
The Urban Design Guidelines identifies four urban form categories for the Newcastle LGA:

- Town/village centres
- Pre-War buildings and streets (1800s to 1910)
- Inter-War buildings and streets (1910 to 1950)
- Contemporary Buildings and Streets

For each category, the Urban Design Guidelines generally describe the existing urban structure, form and character, issues and threats to this character, and a desired future character.

The Urban Design Guidelines did not provide a local character assessment for any individual areas. Instead, it recommended a character analysis study is completed for neighbourhoods under immediate threat from inappropriate development. At the time, these were identified as Adamstown, Lambton, Mayfield, Waratah and Stockton. Additional amendments to Council's DCP were also suggested to consider local character.

The Study provided a basis for these actions to be completed.



## 2.4. Planning instruments and assessment guides

### 2.4.1. State Environmental Planning Policy (Exempt and Complying Development Codes) 2008 (Codes SEPP)

The Codes SEPP allows for certain low-impact residential development to be carried out as either exempt or complying development. This is essentially a fast-track approvals process, removing the need for a DA, provided that the proposed works comply with predetermined development standards specified within the Codes SEPP.

The Study primarily considered what residential development could be delivered within the Newcastle LGA as complying development through one of three codes:

- The **Housing Code**, which permits new 1 and 2 storey dwelling houses, alterations and additions to existing 1 and 2 storey dwelling houses, and attached and detached ancillary development as complying development, but does not permit secondary dwellings which are permitted under the ARHSEPP.
- The **Greenfield Housing Code**, which permits in greenfield areas new 1 and 2 storey dwelling houses, alterations and additions to existing 1 and 2 storey dwelling houses, attached and detached ancillary development as complying development, but does not permit secondary dwellings.
- The **Low Rise Medium Density Housing Code**, which was recently introduced in July 2018, and permits 1 and 2 storey dual occupancies, terraces and manor houses as complying development.

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<sup>2</sup> DPIE 2018c

### 2.4.2. Low Rise Medium Density Design Guides (DPIE, 2018)

The *Low Rise Medium Density Design Guide for Complying Development* and *Low Rise Medium Density Design Guide for Development Applications* were both published in July 2018. Collectively, these guides are designed to assist Council, private certifiers, and applicants in preparing and assessing Development Applications (DAs) and Complying Development Certificates (CDCs) for medium density housing types. These types are defined as detached and attached dual occupancies, manor houses, multi-dwelling housing (terraces, town houses and villas) up to two storeys.

The overall purpose of these guides is to ensure the design quality of medium density dwellings improves the liveability and amenity of the neighbourhoods in which development is occurring and that quality landscaping is delivered with new developments.

The *Low Rise Medium Density Design Guide for Complying Development* was released in conjunction with the introduction of the Low Rise Medium Density Housing Code under the Codes SEPP. This allows for the fast track approval of medium density housing types as complying development in the R1, R2, R3 and RU5 residential zones wherever medium density development is already permitted under Council's LEP<sup>2</sup>.

The new Code also introduces definitions for new housing types (manor houses and terraces) and allows these to be assessed as complying development or as a DA in cases where the proposal exceeds the development standards under the Code<sup>3</sup>.

The *Low Rise Medium Density Design Guide for Development Applications* is intended to assist Council when assessing DAs for medium density housing proposals.

<sup>3</sup> DPIE 2018c

The Design Guide for CDCs sets out specific objectives and best practice design standards for low rise medium density housing types that must be met in order to obtain a CDC under Part 3B of the Codes SEPP. The design standards address considerations for amenity and liveability such as layout, landscaping, private open space, light, natural ventilation and privacy.

The Design Guide for DAs similarly outlines objectives and best practice design standards for each of the low rise medium density housing types (one and two storey dual occupancies, manor houses, terraces, townhouses, and villas). All DAs for these housing types must be consistent with the relevant objectives and design standards outlined in the Guide until Council has incorporated appropriate design controls into its planning framework (LEP and DCP).

When developing appropriate design controls, Council has the flexibility to adopt the Design Guide for DAs in full, adopt parts of the Guides, or develop new controls that suit their local context. Once controls are in place, Council will no longer be required to consider the Design Guide for DAs<sup>4</sup>.

The Study found that the introduction of the new code has the potential to increase the supply of medium density housing over the long term, particularly through the complying development pathway. However, there are several other factors, such as the availability of land with appropriate lot sizes and market demand for these housing types that will influence the take up of this pathway locally.

### 2.4.3. State Environmental Planning Policy (Housing for Seniors or People with a Disability) 2004 (Seniors SEPP)

The Seniors SEPP was introduced in 2004 to increase the supply and diversity of housing for seniors and people with a disability.

It permits the development of seniors housing forms including a residential care facility (aged care), a hostel or a group of self-contained dwellings (independent living units) on land where it would otherwise be prohibited under a council's LEP.

The provisions of the Seniors SEPP require that a proposed seniors housing development first obtain a Site Compatibility Certificate (SCC) to ensure that the development is broadly compatible with surrounding land uses. The consent authority for a SCC is the applicable Regional Planning Panel. Subject to approval, a Development Application for the proposed development is then able to proceed.

Seniors housing must also comply with the predetermined development standards and design requirements under Seniors SEPP.

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<sup>4</sup> DPIE 2018c

#### 2.4.4. State Environmental Planning Policy No 70 – Affordable Housing (Revised Schemes) (SEPP 70)

One of the objectives of the EP&A Act is to promote the delivery and maintenance of affordable housing. Section 7.32 of the EP&A Act allows Council to levy contributions for affordable housing.

SEPP 70 provides the mechanism through which Council can develop an affordable rental housing contribution scheme and levy developer contributions for affordable housing. Schedule 2 of SEPP 70 also sets out affordable housing principles to guide the provision of affordable housing.

SEPP 70 has only been applicable to the Newcastle LGA since February 2019, when it was amended to include all Councils across NSW.

DPIE has also prepared an accompanying guideline to assist Council preparing an affordable housing contribution scheme. The guideline outlines the step by step process, as required under the EP&A Act and SEPP 70, to:

- Investigate affordable housing needs within the LGA;
- Identify the areas to which an affordable housing contribution scheme will apply;
- Determine a viable affordable housing contribution rate;
- Prepare an affordable housing contribution scheme;
- Amend the LEP through the planning proposal process to reference the affordable housing contribution scheme; and
- Apply consent conditions that require contributions for affordable housing.

Outside of SEPP 70, there are alternative mechanisms that Council can implement to support the delivery of affordable housing including through the ARHSEPP or provisions under Council's LEP.

#### 2.4.5. State Environmental Planning Policy (Affordable Rental Housing) 2009 (ARHSEPP)

The ARHSEPP was introduced in 2009 to increase the supply and diversity of affordable rental and social housing developments. It makes the development of affordable housing forms - including infill affordable housing, secondary dwellings (granny flats), boarding houses, group homes, social housing and supportive accommodation - permissible in certain residential and business land use zones, even if these uses are not permitted under Council's LEP.

Additional provisions under the AHSEPP to facilitate more affordable forms of housing include:

- Allowing secondary dwellings (granny flats) and group homes to be carried out as complying development if the proposed development meets the relevant development standards under the Affordable Housing SEPP and Codes SEPP.
- Providing development incentives, such as bonus FSR allowance.
- Requiring affordable housing (infill and residential flat buildings) to be used for the purpose of affordable housing for ten years and to be managed by a registered community housing provider.
- Requiring that some development applications make a contribution towards the provisions of new affordable housing if the proposed development will result in a reduction of existing low-cost rental dwellings in an area.

The provisions of the ARHSEPP do not affect the requirements for residential flat buildings to comply with *State Environmental Planning Policy No 65 – Design Quality of Residential Flat Development* (SEPP 65) or require the consent authority to consider compatibility with local character when assessing proposals.

#### 2.4.6. Newcastle Local Environmental Plan 2012

The Newcastle Local Environmental Plan 2012 (NLEP) was developed to make Council's controls consistent with the NSW Government's Standard Instrument LEP, as required by law. The NLEP is the most localised basis for Council's planning decisions for housing, through the application of land zones and other provisions.

Under the NLEP, most residential development occurs where housing is made permissible through the application of zones listed in **Table 1**. Low density housing is also permissible in environmental protection zones (E2, E3) under the NLEP.

Table 1. Land uses zones that permit residential development under the NLEP 2012

| Land Use Zoning               | Broad explanation of zone intent for residential development   |
|-------------------------------|--|
| R2 Low Density Residential    | Provides diverse housing in a low-density environment (1 to 2 storeys), and that respects local amenity, heritage and character.<br>All 'residential accommodation' except for rural workers dwellings is permissible with consent subject to meeting development controls.  |
| R3 Medium Density Residential | Provides diverse housing in a medium density environment (1 to 3 storeys) and that respects local amenity and character.<br>All 'residential accommodation' is permissible with consent subject to meeting development controls.   |
| R4 High Density Residential   | Provides diverse housing in a high density environment (3 storeys +) and balanced with other mixed use development. Also, to maximise redevelopment and infill opportunities along transport corridors and close to centres.<br>Attached dwellings, boarding houses, multi-dwelling housing, residential flat buildings and shop top housing are all permissible with consent. |
| B1 Neighbourhood Centre       | Provides for residential development in minor local centres that maintain active retail frontages.<br>Boarding houses, dwelling houses and shop top housing are permissible with consent.  |
| B2 Local Centre               | Provides for residential development in local centres that maintain active retail frontages.<br>Boarding houses, dwelling houses and shop top housing are all permissible with consent.  |
| B3 Commercial Core            | Allows for shop top housing in commercial town centres.  |
| B4 Mixed Use                  | Integrates residential uses with commercial and other uses in accessible locations to encourage active and public transport use.<br>Boarding houses, seniors housing and shop top housing are permissible with consent.  |

#### 2.4.7. Newcastle Development Control Plan 2012

The Newcastle Development Control Plan 2012 (DCP) is a non-statutory plan that supports the provisions of the NLEP by offering more detailed planning controls and design guidance.

The DCP provides locality-specific controls and design guidance for the following areas to facilitate development that meets the intended future use and character specific to these areas.

- Newcastle City Centre
- Wickham
- Islington Renewal Corridor
- Mayfield Renewal Corridor
- Hamilton Renewal Corridor
- Broadmeadow Renewal Corridor
- Adamstown Renewal Corridor
- Darby Street, Cooks Hill
- Beaumont Street, Hamilton
- Minmi

The DCP also contains housing density maps developed under the LPS, which clearly articulates residential areas for substantial growth, moderate growth and limited growth.

### 3. OUR COMMUNITY SNAPSHOT<sup>5</sup>



#### Population

Newcastle's population is growing. As of 2018, the Newcastle Local Government Area had a population of around 164,100 residents<sup>6</sup>.



#### Age

The median age in Newcastle is 37 years old, which is a little younger than the NSW median age of 38. There are a lot of young adults living in Newcastle, compared to NSW. The population is aging over time which means there will be more retirees living in the community.



#### University Students

1 in every 11 residents are attending university or a tertiary institution, compared with 1 in every 20 people in NSW. Another 1 of every 50 residents are attending TAFE.

Newcastle has a high number of people living in share houses (7%) compared to NSW (4%), this is likely a reflection of the large number of student households.



#### Special needs

There are some members in the community that have special needs and require extra assistance. Around 6% of Newcastle's residents have a severe or profound disability and require help in their daily lives. Another 3% of Newcastle's residents are elderly (85+) and are likely to require some level of assistance currently or in the near future.



#### Work

Around 1 in every 5 residents work in healthcare and social assistance, which is the largest employment industry locally. Another 1 of every 10 residents work in education and in retail.

Education, healthcare and social assistance industries are growing and continue to provide new employment opportunities.



#### Getting around

Most residents work locally within the Newcastle LGA (66%), or in neighbouring Lake Macquarie (15%).

More than 7 of every 10 residents in Newcastle travel to work by car, with only 1 in every 25 residents taking public transport to work.



#### Households

People living on their own is the most common way to live in Newcastle (30%), followed by family households with children (26%) and couple households without children (24%). 11% of households are single parent households. Compared to NSW, Newcastle has a higher proportion of lone person and group households and a lower proportion of family households with children. Household sizes are expected to shrink over time as more people live alone or as a couple without children.



#### Home-ownership

Around 30% of households own their own home, another 30% are paying off a mortgage and 35% of households are renting<sup>7</sup>. There is a higher proportion of renters in Newcastle compared to broader NSW (30%). As housing becomes more unaffordable more households are renting or paying off a mortgage and a fewer proportion of households are owning their own home outright.



#### Affordability

Many people find the cost of housing unaffordable, especially with increasing housing prices over the last 20 years. Around 6% of households are unable to access housing in the private rental market and live in social housing. Another 13% of households are experiencing 'housing stress' which occurs when low income households pay more than 30% of their income on housing costs.



#### Housing

Around 7 out of 10 houses are detached dwellings, in recent years there are more attached dwellings being built like townhouses and apartments. Many households live in 3 bedroom homes which made up nearly half of Newcastle's housing stock as of 2016. In recent years there has been an increase in the number of 1, 4 and 5 bedroom homes, and a decrease in the number of 2 and 3 bedroom homes.

<sup>5</sup> .id data for the City of Newcastle Local Government Area (LGA) was used to analyse the demographic profile of local residents, this data primarily relies on 2016 ABS census data. The benchmark area used for comparison is NSW as the Hunter Region SA4 Benchmark excludes both the Newcastle and Lake Macquarie LGAs making it less effective for comparison.

<sup>6</sup> 2018 ABS Estimated Resident Population (via .id Profile of the City of Newcastle)

<sup>7</sup> For the remaining 5% of households the tenure is not stated. .id profile 2018

## 4. NEWCASTLE'S POPULATION TRENDS

The previous section of this Report outlined the State and local policy framework which provides key strategic considerations for housing in the City of Newcastle.

Building on this, population trends have been assessed in this section to give an explanation of the demographic factors driving growth and demand for new housing in Newcastle. Demographic trends such as age structure, household size and income also provide insight into the likely demand for different dwelling types and the need for affordable housing.

### KEY INSIGHTS

- Newcastle's population is projected to increase by around 41,150 new people between 2016 and 2041, or around 1,650 people each year. The population is projected to grow faster in the first 10 years (2016 - 2026) at a rate of around 1,950 people per year. After (between 2026 - 2041), the population is projected to grow at a slower rate of around 1,450 new people per year.
- Newcastle has a much higher proportion of young adults (15-35 year olds) living in the LGA compared to broader NSW. Young adults are attracted to Newcastle for tertiary studies and new employment opportunities.
- Newcastle's population is aging slightly, as with much of Australia. The proportion of people of retirement age (65+) will increase from 15% in 2016 to 17% in 2041.
- Lone person households are the most common household type in the Newcastle LGA, followed by couples with children and then couples without children. The City Centre and Newcastle's inner suburbs have the highest percentage of lone person households, while Newcastle's outer suburbs have a higher percentage of couples with children households.
- The number of new households is projected to increase by around 18,250 new households between 2016 and 2041. This growth is partly driven by population growth, but also driven by an increase in retirees and young people living alone or in two person households.
- People living in the Newcastle LGA are most commonly employed locally as healthcare and social assistance professionals followed by education and training professionals and community and personal service workers. There are a high number of clerical and administrative workers working across a variety of industries.
- Households in the Newcastle LGA earn on average around \$72,700. This is higher than other regional areas in NSW (\$60,740) but lower than NSW as a whole (\$77,270). Over 1 in 3 households in the LGA earn a very low to low annual household income of less than \$48,590, limiting their ability to pay for housing.

## 4.1. Our Population Growth

### 4.1.1. Historical trends

As of 2018, the Newcastle LGA had a population around of 164,000 residents<sup>8</sup>. The population has grown at a rate of around 1% per year between 2006 and 2018, or an average of 1,450 new residents each year<sup>9</sup>. This rate of growth is slower than broader NSW which grew at a rate of 1.5% per year over the same period.

**Table 2** shows the five Community Profile Areas that have historically experienced the fastest population growth rates. These trends suggest population growth rates are highest in areas where new housing being delivered through a coordinated and deliberate approach.

Fletcher-Minmi has achieved a population growth rate substantially higher than anywhere else in the LGA. Here, residential growth is being delivered as a planned urban release area, where a handful of developers are releasing relatively large volumes of homes in quick succession.

The Birmingham Gardens - Callaghan area includes the University of Newcastle campus. Here, the University has recently built four new student accommodation buildings.

Residential growth in the Newcastle- Newcastle East- Newcastle West area encompasses Newcastle City Centre. Here, development is underpinned by an urban renewal framework, including the Honeysuckle development program led by the Hunter and Central Coast Development Corporation.

In the Jesmond and Islington areas, growth is not underpinned by an area-specific plan and appears to have occurred more organically.

Table 2. Historical population growth in the City of Newcastle (2006-2016)

| Community Profile Area                    | Residential growth 2006 - 2016 | Average annual growth rate (CAGR) |
|---|--------------------------------|-----------------------------------|
| Fletcher - Minmi                          | 3,100 residents                | 8.1%                              |
| Birmingham Gardens - Callaghan            | 1,250 residents                | 3.8%                              |
| Newcastle- Newcastle East- Newcastle West | 1,350 residents                | 3.3%                              |
| Jesmond                                   | 580 residents                  | 2.1%                              |
| Islington                                 | 350 residents                  | 2%                                |

(Source: .id community profile 2018)

<sup>8</sup> Measured using the Estimated Resident Population (ERP). The ERP is the official ABS estimate of the Australian population. It is based on the usual resident population and includes adjustments for ABS Census undercount.

<sup>9</sup> Based on the Compound Annual growth rate, as used by .id profile

### Population projections

DPIE and .id profile have separately released population projections for the Newcastle LGA, which are presented in **Table 3**<sup>10</sup>.

DPIE’s projections were released in 2016, and modelled to 2036. These utilise 2011 census data. Using the 2016 census data as a benchmark, Newcastle’s population has grown at a slower rate than DPIE projected between 2011 and 2016.

By comparison, .id profile’s projections were released in 2018 and modelled to 2041. These use 2016 census data.

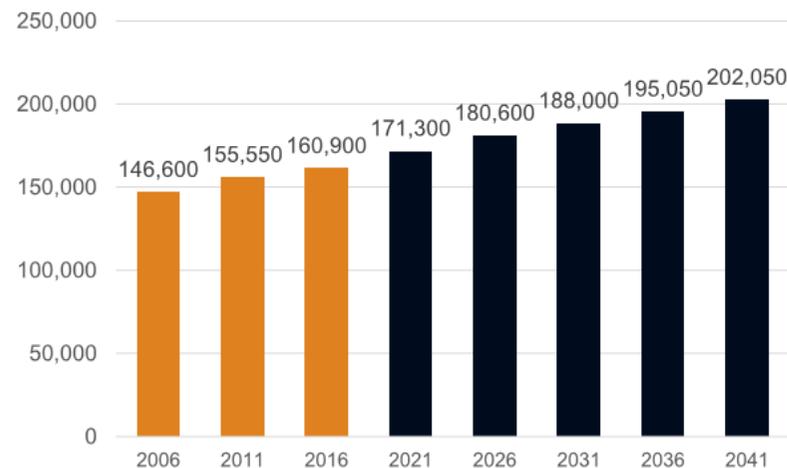
The Study utilised .id profile’s population, as these are based on the most recent census data and, over time, appear to be more consistent with historical trends.

Table 3. Future population estimates for the Newcastle LGA (2016-2036)

| Data source               | 2016    | 2021    | 2026    | 2031    | 2036    | Total change |
|---------------------------|---------|---------|---------|---------|---------|--------------|
| DPIE (2016) medium series | 165,050 | 174,400 | 183,450 | 192,250 | 198,350 | 33,300       |
| ID Profile (2018)         | 160,900 | 171,300 | 180,600 | 188,000 | 195,050 | 34,100       |

(Source: .id community profile 2018 and DPIE 2016)

Figure 1. Historical and projected population for the Newcastle LGA (2016-2041)



(Source: .id Profile 2018)

Table 4. Areas with the highest projected population growth in Newcastle (2016-2041)

| Community profile area                    | Projected population growth 2016 - 2041 | Average annual growth rate (CAGR) |
|---|---|-----------------------------------|
| Newcastle- Newcastle East- Newcastle West | 6,850 residents                         | 3.74%                             |
| Fletcher - Minmi                          | 7,150 residents                         | 3.18%                             |
| Maryville - Wickham                       | 2,650 residents                         | 2.83%                             |
| Broadmeadow- Hamilton North               | 2,000 residents                         | 2.29%                             |
| Elermore Vale- Rankin Park                | 4,900 residents                         | 2.15%                             |

(Source: adapted from .id community profile 2018)

<sup>10</sup> The table shows the years from 2016 up to 2036 as DPIE has not modelled to 2041 as .id profile have.

#### 4.1.2. Future population growth

Population projections indicate how a population is expected to change over time. Projections are modelled using data from the drivers of population change, which includes births, deaths, and people moving in or out of an area. These also consider the likely rate of new housing delivery within the modelled area based on assumptions made in relation to the capacity of land currently zoned for residential development.

**Figure 1** shows historical (to 2016) and projected (from 2021) population levels for the Newcastle LGA, between 2006 - 2041. Based on .id profile's projections, Newcastle LGA's population is expected to increase by around 41,150 new people between 2016 and 2041, or around 1,650 people each year.

The LGA's population is projected to grow faster in the first 10 years to 2026, at a rate of around 1,950 people per year. Between 2026 - 2041, the population growth rate is expected to slow to around 1,450 people per year.

The level and pace of growth is expected to vary by location. The community profile areas expected to achieve the highest levels of growth to 2041 are shown in

. This is generally consistent with historical trends, with the highest levels of growth occurring in areas underpinned by long-term plans.

The Fletcher-Minmi area is expected to remain one of the fastest growing areas, but the rate of growth will slow compared to previous years as there are limited parcels of land remaining.

Growth within the Maryville-Wickham area is linked with the Newcastle City Centre urban renewal framework, which now includes Council's Wickham Masterplan.

The Broadmeadow-Hamilton area is identified for growth under the GNMP and is already an identified urban renewal corridor under Council's LPS.

Projected growth within the Elernmore Vale-Rankin Park area would occur on larger pockets of undeveloped land currently zoned for residential development. There are no deliberate plans underpinning this growth.

By comparison, Maryland, Carrington, Merewether-Merewether Heights, Lambton and Waratah West community profile areas are projected to experience little to no population growth over the next 25 years. This is consistent with Council's existing land use planning framework<sup>11</sup>, which has categorised these areas as 'limited to moderate growth areas' and aligned planning controls accordingly.

Merewether, Lambton and Waratah West have recently been identified by the GNMP as locations where urban renewal should be supported. Recent development activity in Merewether and Lambton demonstrates the popularity of these suburbs. This suggests that population growth in these areas may be higher than projected, particularly where facilitated by a managed urban renewal strategy that would support increased residential densities.

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<sup>11</sup> Based on Council's residential growth framework mapped in the LPS and DCP

### 4.1.3. Population growth drivers

**Figure 2** illustrates the relative contributions of net migration and natural population increase to the Newcastle LGA’s population growth levels to 2041.

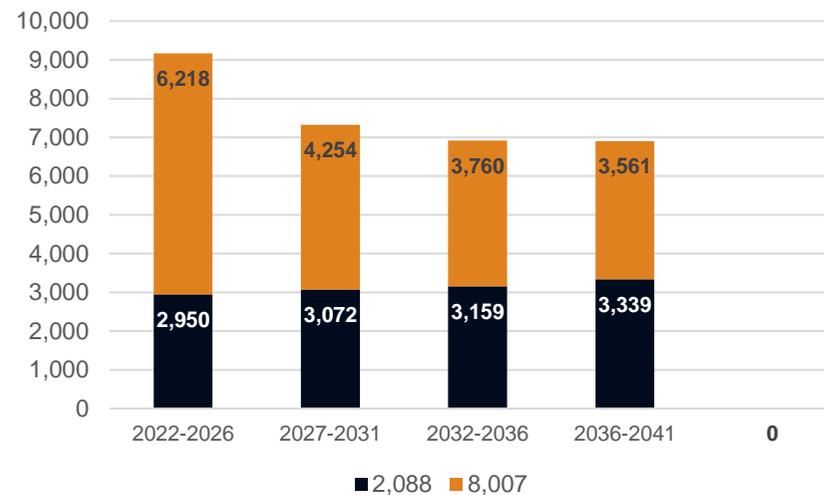
Historically, people moving to the Newcastle LGA from other locations in NSW has main driver population growth and change in the Newcastle LGA. People have most commonly relocated to Newcastle from nearby LGAs, including the Central Coast, Mid-Coast and Singleton, and further afield from Port Macquarie-Hastings and Sydney’s Northern Beaches. The most common age group moving to Newcastle are 18 to 24-year olds, which may be reflective of young people arriving from nearby regional areas to pursue tertiary education and employment opportunities.

The most common age group moving out of the LGA has been 25 to 34-year olds. When they left, residents were most likely to move to neighbouring Lake Macquarie, Maitland and Cessnock LGAs, all of which are within the same service / employment catchment. This may suggest one motivation for people leaving the LGA is to find affordable housing options, particularly as they start having children.

Net migration in favour of growth within the LGA is expected to remain strong, particularly to 2026.

Natural population changes due to births and deaths within the resident population have historically played less of a role in the overall growth level. Projections expect a larger contribution from this driver from 2026.

Figure 2. Projected drivers of population growth in the Newcastle LGA (2016-2041)



(Source: adapted from .id community profile 2018)

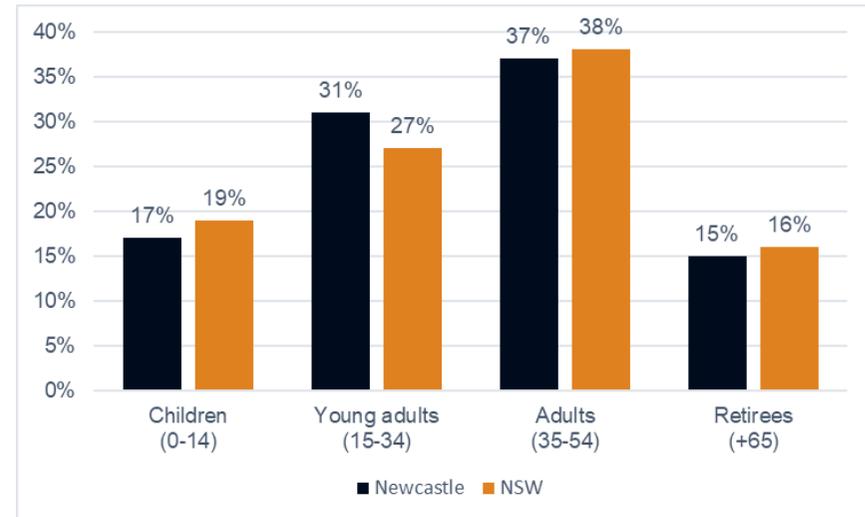
## 4.2. Our age structure

As people grow from children through to seniors, the type of housing and services that they need, or would otherwise expect, also changes. Analysis of the age structure of the Newcastle LGA’s population therefore provided important considerations for planning to meet residents’ housing needs at various life stages.

**Figure 3** shows the proportion of Newcastle’s residents who are children, are young adults, adults and retirees. Compared with the rest of NSW, Newcastle has a much higher proportion of young adults (15-35) living in the LGA, and a slightly lower number of children (0-14), adults (35-54) and retirees (65+).

Young adults tend to move to Newcastle for tertiary study and employment. Many young adults with family living locally are likely to live at home. Those relocating to Newcastle drive the demand for rental housing while studying and establishing a career, making the availability and affordability of rental accommodation an important consideration for planning.

Figure 3. Age structure of residents in the Newcastle LGA (2016)



(Source: adapted from .id community profile 2018)

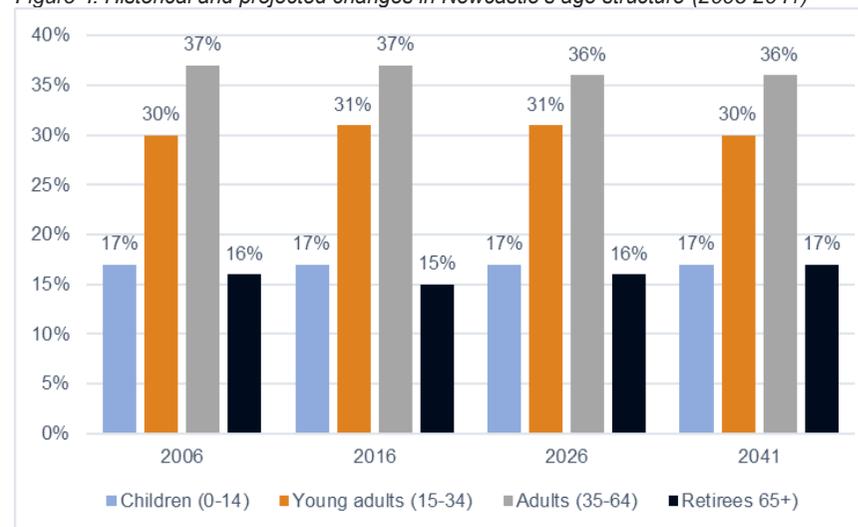
#### 4.2.1. Changes in age structure

Newcastle has maintained a consistent age structure over the last 10 years and is projected to continue over the next 25 years, as shown in **Figure 4**. While there are no major shifts in age structure, there are smaller trends that will influence housing needs across the LGA.

Newcastle’s population is aging slightly, as with much of Australia. Looking at historical trends, over the last ten years Newcastle has gained a higher proportion of older adults aged 55-64 and early retirees aged 65-69. Newcastle is noted as the top migrated to region in NSW for over 65s<sup>12</sup>. Over the next 10 years these residents will grow older which means that Newcastle is projected to have a higher proportion of retirees aged 65-79, than previously seen. It is important that the housing needs of this growing cohort are identified and planned for.

It is highly likely that the Newcastle LGA will continue to have a larger proportion of young adults compared to broader NSW. As UoN expands, and job opportunities in the health sector increase, it will be important to plan for housing options that meet young adults; budgetary needs.

Figure 4. Historical and projected changes in Newcastle’s age structure (2006-2041)



(Source: adapted from .id community profile 2018)

<sup>12</sup> AHURI 2018b

### 4.3. Our household structure

Household formation is another driver of housing demand, even if no population growth occurs. Analysis of how Newcastle LGA’s residents form households, and how this is projected to change over time, gives some indication of future demand in relation to the number and size of new dwellings required, relative to population growth.

In 2016, there were around 65,350 households in the Newcastle LGA<sup>13</sup>. **Figure 5** shows the breakdown of different household types at this time.

Lone person households were the most common household type, followed by couple families with children, and couples without children. The living arrangements of these household types can vary and should be considered when reviewing housing demand in more detail. For instance, people living alone can be any age from young adults through to elderly. Likewise, one parent families could include an adult child caring for an elderly parent, or a single parent caring for their young child.

When compared to broader NSW, the Newcastle LGA has a much lower proportion of couples with children households and a much higher proportion of lone person and group households.

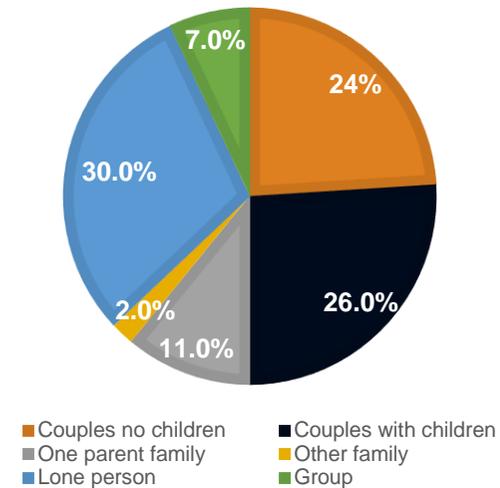
Household compositions vary greatly across the community profile areas.

Newcastle City Centre and adjoining suburbs, including Bar Beach, The Junction, The Hill and Cooks Hill, have a higher proportion of people living alone.

Middle and outer suburbs like Fletcher, Minmi, Maryland, Adamstown Heights and Kotara all have higher proportions of family households (couples or single parents with children, or other families), but very few lone person households.

Suburbs close to the University of Newcastle campuses such as Birmingham Gardens, Callaghan, Waratah West, Jesmond, Cooks Hill and The Hill have a higher proportion of group households, which are popular with students.

Figure 5. Household types (percentage) in the Newcastle LGA (2016)



(Source: adapted from .id community profile 2018)

13. id profile 2018

### Household projections data source

DPIE and .id profile have separately released household projections for the Newcastle LGA, which are presented in **Table 5**.

Household projections are not targets. They are outputs of population projection modelling, based on assumptions about future trends in births, deaths, migration, living arrangements and likely development activity<sup>14</sup>.

DPIE’s household projections were released in 2016 and were modelled to 2036 using 2011 census data. DPIE projected that household sizes would decline between 2011 and 2016 as the number of lone person households and couples without children increase. Using the 2016 census data as a benchmark, Newcastle’s household size instead remained consistent during the 2011-16 period.

By comparison, .id profile’s projections, released in 2018, were modelled using 2016 ABS Census data. The Study drew on .id’s household projections as they reflect the latest available census data and are therefore a more up to date projection of Newcastle’s future household change.

Table 5. Household projections for the Newcastle LGA (2016-2036)

| Data source                              | 2016   | 2021   | 2026   | 2031   | 2036   | Total change           |
|--|--------|--------|--------|--------|--------|------------------------|
| DPIE (2016) (medium series)              | 69,850 | 74,200 | 78,350 | 82,400 | 85,400 | 15,550<br>1.1%<br>AAGR |
| DPIE (2016) Average household size       | 2.30   | 2.29   | 2.28   | 2.27   | 2.25   | - 0.5                  |
| ID Profile (2018)                        | 65,350 | 69,450 | 73,550 | 77,100 | 80,350 | 15,000<br>1.1%<br>AAGR |
| ID Profile (2018) Average household size | 2.38   | 2.39   | 2.38   | 2.37   | 2.36   | -0.2                   |

(Source: DPIE 2016 and .id community profile 2018)

### 4.3.1. Household changes

The total number and mix of new housing required to accommodate growth and change over time is driven by changes in household formation, type and size.

.id’s 2018 household projections for the Newcastle LGA show that the number of households is projected to increase from **65,377** in 2016 to **73,550** in 2026, to **80,350** in 2036 and **80,350** in 2041.

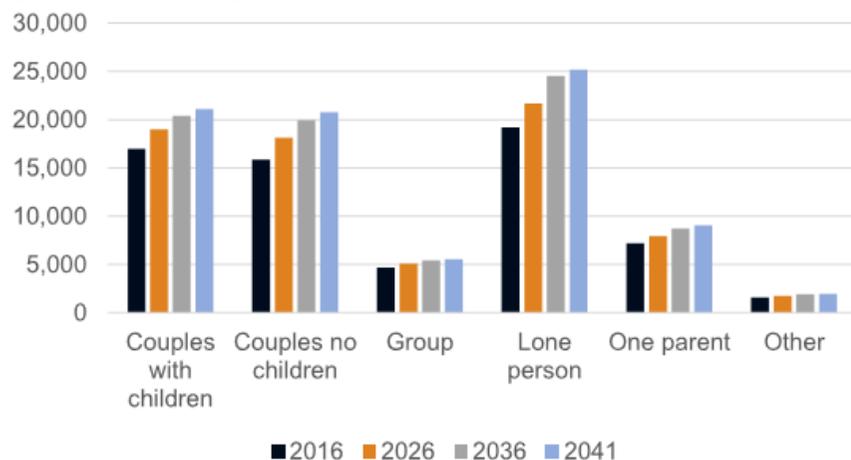
This indicates that Newcastle is estimated to gain around 18,250 additional households over the next 25 years (2016-2041), or 730 new households each year.

Looking at historical trends, Newcastle gained around 3,600 additional households over the last 10 years (2006-2016). This means that around 360 new households were forming each year.

Household projections expect the rate of new households forming to more than double to around 730 new households each year. This is driven by new people moving to Newcastle, as well as a trend towards smaller (lone person and couple with no children households) household types, as shown in **Figure 6**.

<sup>14</sup> DPIE 2019c

Figure 6. Projected change in household type (2016-2041)

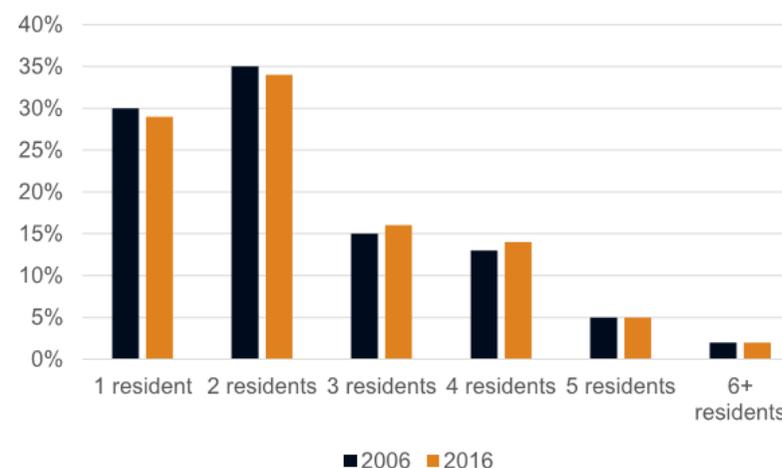


(Source: adapted from .id community profile 2018)

If household sizes become smaller, more houses would theoretically be needed to accommodate the same number of people.

In 2016, Newcastle had an average household size of 2.4 people per dwelling. Looking at historical trends, this reflects a marginal increase from 2.3 in 2006. This increase is likely a response to the cost of housing (for rent or purchase), as more people opt for affordable living arrangements like living at home for longer or shared accommodation. This trend is also evident across Sydney.

Figure 7. Number of residents per household in the Newcastle LGA (2006-2016)



(Source: adapted from .id community profile 2018)

**Figure 7** compares the number of residents per household in the Newcastle LGA in 2006 and 2016.

Looking at future projections, Newcastle's average household size is expected to remain at around 2.4 people per dwelling for the next 5 years. From 2021, Newcastle's household size is projected to decrease slightly to 2.35 average people by 2041. This would likely be driven by an increase in the proportion of smaller (lone person and couples without children) households.

Most community profile areas are projected to experience a decline in average household size over time. Exceptions to this include Adamstown Heights, Elernmore Vale-Rankin Park, Kotara, Jesmond, Mayfield-Mayfield East, and Shortland-Sandgate. These areas already have a high proportion of families with children and group households, and this trend is expected to continue.

### 4.5. Our Employment

Employment participation and the nature and location of jobs influence housing demand. Whether a person is working, and how often they work, can determine the type of housing they can afford. People are also attracted to cities or towns which have strong employment opportunities, fuelling further demand for new housing.

In 2016, 57% of Newcastle’s residents were employed full-time, 36% were part-time, and 7% were unemployed. Since 2011, the proportion of unemployed and part-time workers has risen, while the number of full-time workers has declined. This is likely to increase demand for more affordable housing options.

Most residents (66%) live and work locally. Those who do leave the LGA for work most commonly work in neighbouring Lake Macquarie LGA.

The Newcastle LGA has a diverse economy offering jobs across a wide range of industries, as shown in **Figure 8**. The healthcare and tertiary education sectors employ the highest number of residents, and growth in these industries is expected to continue. The John Hunter Hospital campus and University of Newcastle campuses at Callaghan and in Newcastle City Centre are key locations for employment in these industries.

Figure 8. Top industries of employment for Newcastle LGA residents (2016)



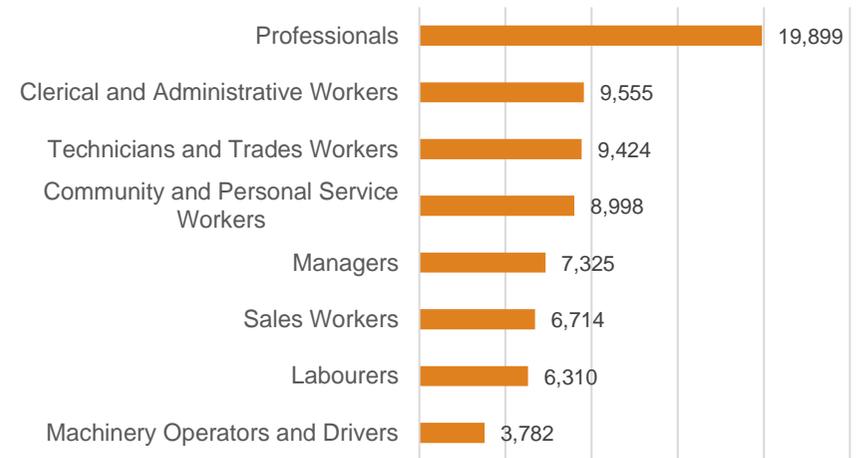
(Source: .id community profile 2018)

**Figure 9** shows the main areas of occupation for people living in the Newcastle LGA. The LGA has a higher percentage of residents employed as professionals and community and personal service workers when compared to broader NSW, which is due to the significant job opportunities in the healthcare and social assistance industry offered locally. These were also the fastest growing occupations between 2011 and 2016.

The number of ‘professionals’ is more than double the next highest area of occupation. Within this category, healthcare and social assistance professionals and education and training professionals make up the top two sub-categories, which again reflects the importance of these industries.

Several of top areas of occupation tend to attract lower wages and casualised working arrangements. This is likely to influence budgetary considerations with respect to housing.

*Figure 9. Top occupations of employment for Newcastle LGA residents (2016)*



*(Source: .id community profile 2018)*

### 4.6. Our Income

Analysing the mix of household incomes across the Newcastle LGA provided an indication of local housing demand. A household’s income generally determines what people can pay towards housing and other essential needs and will therefore influence the type and location of housing they choose.

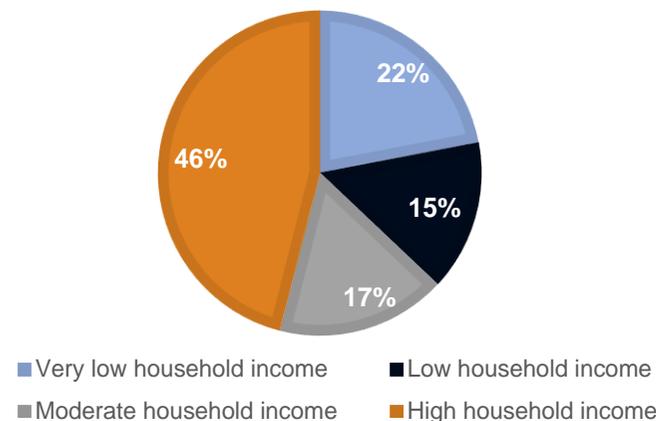
As of 2016, households in the Newcastle LGA were earning a median annual income of \$72,700. This is lower than the median annual household income for the whole of NSW (\$77,270) but is higher than the median annual household income for Regional NSW (\$60,740) which excludes Greater Sydney and Canberra.

Median household income is used as a measurement tool by the NSW Government to indicate the level of housing stress that a household is likely to experience. Households earning a very low to moderate household income are at higher risk of experiencing housing stress in the private housing market.

**Table 6** shows the income range for very low to high income households in the Newcastle LGA, as of 2016.

**Figure 10** shows the proportion of households in the Newcastle LGA that fall under each income range. Over one third of households in the LGA earn a very low to low household income of less than \$48,590. This appears to reflect the level of unemployment and is likely to be influenced by the lower wage-earning potential and casualised nature of several of the main occupations for the resident workforce (e.g. administration, retail, trades, and community services).

Figure 10. Weekly household income range in the Newcastle LGA (2016)



(Source: adapted from DPIE 2019c)

Table 6. Household income range for the Newcastle LGA (2016)

| Income band | % Median income <sup>15</sup> | Annual household income | Weekly household income |
|-------------|-------------------------------|-------------------------|-------------------------|
| Very low    | 50% or less                   | \$30,370 or less        | \$580 or less           |
| Low         | 50-80%                        | \$30,370 - \$48,590     | \$580 - \$930           |
| Moderate    | 80-120%                       | \$48,590- \$72, 890     | \$930 - \$1,400         |
| High        | 120% or more                  | \$72,890 or more        | \$1,400 or more         |

(Source: adapted from ABS 2016)

<sup>15</sup> The median used was the 2016 Regional NSW median annual household income of \$60,740 as calculated by the ABS.

Very low and low income households have less choice in the type and location of housing that they can afford. Analysing the locations across Newcastle LGA the highest proportion of very low income households can be an indicator of relative housing affordability. These areas are listed in **Table 7**.

**Table 7** also identifies areas that have the lowest proportion of very low and low income households. This may suggest a potential misalignment between the availability of affordable housing options areas that are conveniently located to major service or employment locations, which warrants further investigation. It also identifies middle and outer suburban areas, where the houses are generally larger detached dwellings, may be unaffordable to this cohort.

Table 7. Distribution of very low to low income households across Newcastle (2016)<sup>16</sup>

| Areas with the highest % of very low to low household incomes | Areas with the middle % of very low to low household incomes | Areas with the lowest % of very low to low household incomes |
|---|--|--|
| Jesmond   | Waratah West   | Fletcher-Minmi   |
| Waratah   | Stockton   | New Lambton Heights  |
| Hamilton South -Hamilton East                                 | Hamilton   | Merewether Heights   |
| Birmingham Gardens - Callaghan                                | The Junction   | Adamstown Heights  |
| Mayfield  | North Lambton  | Maryland   |
| Shortland -Sandgate   | Mayfield East  | Kotara   |
| Beresfield-Tarro  | Elernmore Vale   | Merewether   |
| Bar Beach   | Tighes Hill  | Rankin Park  |
| Wallsend  | Adamstown  | NER  |
| Mayfield West   | Warabrook  | Georgetown   |
| Lambton   | Broadmeadow-Hamilton North                                   | Maryville-Wickham  |
| Carrington  | New Lambton  | Newcastle-Newcastle East-Newcastle West                      |
| Islington   |  | The Hill   |
|   |  | Cooks Hill   |

(Source: adapted from .id social atlas 2018)

<sup>16</sup> .id social atlas provides data showing the distribution of low income households (households earning less than \$650 per week), it is based on an ABS rather than NSW Government income range.

## 5. NEWCASTLE’S HOUSING DEMAND

Demographic factors considerations like those discussed in the previous section are one component influencing demand for housing in an area. The Study also considered the influence of housing preferences and housing affordability on housing demand across the LGA. These factors are important in determining the size, type, and location of housing demand, based on what people are hoping or able to buy and rent.

This Section presents considerations for housing demand at a broad (population) level. Considerations for groups known to have specific housing requirements are considered in **Section 7**.

### KEY INSIGHTS

- Based on .id’s projections, the Newcastle LGA is estimated to grow by an additional 18,250 households over the next 25 years (2016-2041). The theoretical number of new homes required to accommodate this change is around 19,450.
- The theoretical number of new dwellings required to accommodate new households is larger predominately due to a higher vacancy rate of dwellings.
- To accommodate higher levels of population growth between 2016 and 2026, the theoretical rate of new homes needed will be around 875 new dwellings each year, slowing to around 710 new dwellings each year between 2026 and 2041.
- Research into housing preferences indicates that households overall, prefer to live in detached housing and, increasingly, medium density housing. There is less preference to live in high-density housing, except in high amenity areas with great access to jobs, education and services.
- Purchasing a home in Newcastle is generally unaffordable for very low to moderate income households. This is a likely cause of more households remaining in the rental market.
- 31% of renting households in the Newcastle LGA are experiencing housing stress. Generally, the market appears affordable for households earning a moderate income or above. Households earning a low income or below will struggle to find housing they can afford to rent, particularly if they are looking for a larger detached dwelling (typically sought by families with children).

## 5.1. Underlying Housing Demand

Underlying housing demand refers to the theoretical number of homes needed to accommodate the projected number of households. It can also be called *implied dwelling demand*.

The underlying dwelling demand projections modelled as part of the Study estimate an additional 19,450 new dwellings will be required to accommodate the 18,250 new households projected to form over the next 25 years (2016-2041). More dwellings than households are required to accommodate for the number of dwelling vacancies projected over this period. The vacancy rate for Newcastle is expected to remain relatively consistent at around 94% Dwellings can be vacant for a range of reasons, including, most commonly, where they are used as second homes.

The underlying housing demand is expected to vary from year to year in line with population growth and household formation. **Figure 11** shows the theoretical number of new homes projected to be required over each five-year period. Between 2016 and 2021 there is projected demand for an additional 4,450 new homes. As with population and household projections, the underlying dwelling demand is projected to slow somewhat from 2026 onward.



Figure 11: Five-yearly underlying housing demand (2016-2041)

17 DPIE 2019d

### Underlying dwelling demand projections

Underlying dwelling demand projections are modelled based on the projected number of households and the projected number of unoccupied dwellings. Modelling assumes that one household occupies one dwelling and an adjustment is made to account for the percentage of unoccupied dwellings as some households own more than one house, etc.<sup>17</sup>.

The Study recognised that DPIE modelled underlying dwelling demand projections for the Newcastle LGA, based on household projections. These are shown for context in **Table 8**, but did not form the basis for the Study.

Table 8. DPIE's projected underlying dwelling demand for the Newcastle LGA (2016-2036)

|                 | 2016   | 2021   | 2026   | 2031   | 2036   | Total change |
|-----------------|--------|--------|--------|--------|--------|--------------|
| Dwelling demand | 75,450 | 80,150 | 84,650 | 89,000 | 92,250 | 16,800       |

(Source: DPIE 2016)

For consistency, the Study instead modelled implied dwelling demand projections based on .id profile's household projections utilising .id profile's occupancy rate projections to 2041. The outputs of this modelling are shown in **Table 9**, and illustrated in **Figure 11**.

Table 9. CPSD implied dwelling demand projections for the Newcastle LGA (2016-2041)

| Totals:              | 2016   | 2021   | 2026   | 2031   | 2036   | 2041   | Total change |
|----------------------|--------|--------|--------|--------|--------|--------|--------------|
| Total households     | 65,400 | 69,450 | 73,600 | 77,100 | 80,350 | 83,650 | 18,250       |
| % occupied dwellings | 94.4%  | 94.2%  | 94.3%  | 94.3%  | 94.3%  | 94.3%  | - 0.1%       |
| Dwelling demand      | 69,050 | 73,500 | 77,800 | 81,450 | 84,950 | 88,450 | 19,450       |

(Source: CPSD modelling based on .id population projections 2018)

## 5.2. Effective Housing Demand

Effective housing demand builds on underlying housing demand to consider the demand for different types of housing, and in what locations. The Study considered household preferences and income in this regard.

### 5.2.1. Housing Preferences

The housing choices that households make are influenced by a number of complex factors, including dwelling price, dwelling features, proximity to shops and services, and distance from family and friends. Housing choice is also driven by 'external factors' which include things such as cultural norms (for example, the great Australian dream of the quarter acre block), economic policy and drivers (such as interest rate cuts and taxation policies like stamp duty), and planning policy (such as the push for higher density housing to be built along key transport corridors). Collectively these factors influence what houses people are able and willing to buy.

Evidence into housing preferences is limited, particularly at the local level. The Study drew on National research into housing preferences of Australians by both the Grattan Institute and the Australian Housing and Urban Research Institute (AHURI). Local research into housing preferences included a Council run community survey and two focus groups: one targeted at tertiary students, and the other at over 55s. Below is a summary of the collective insights from these studies, with more detailed considerations into housing preferences for particular needs discussed in **Section 7**.



**The ideal house:** If money was no object, many Australians would choose to live in larger detached dwellings with private open space, and close to services and amenities.



**Trade-offs:** Most people cannot afford their ideal house in their preferred location, so trade-offs must be made. Around half of the population would prefer to trade-off size and separation for their ideal location<sup>18</sup>.



**Preferences change:** Younger families, particularly those with children, rank house features as most important (e.g. the number of bedrooms). Older or single-person households prioritise proximity to friends and family, shops and health services<sup>19,20</sup>.



**Services and amenity:** Proximity to public open space, supermarkets, and health services were consistently rated as more important than proximity to employment and schools.



**Older households:** Overall, older households would like to age in their current home. Those wanting to move (around 10%), cite downsizing and easier maintenance as the main reasons<sup>21</sup>. Seniors housing, such as retirement villages, is unappealing to most older Australians.



**Younger households:** Housing choice for younger households (18-34 years) is highly constrained by income<sup>22</sup>. 18 to 24 year olds are choosing to remain living at home (66%) or live in group households (13%) to make study and travel more feasible<sup>23</sup>. Students living out of home prefer to live close to where they study. Younger households prefer living in inner suburbs<sup>24</sup>.

18 Grattan Institute 2011a  
19 Grattan Institute 2011a  
20 City of Newcastle 2018c  
21 AHURI 2019a,

22 AHURI 2019b  
23 AHURI 2019b  
24 AHURI 2019b

### 5.2.2. Ability to Purchase Housing

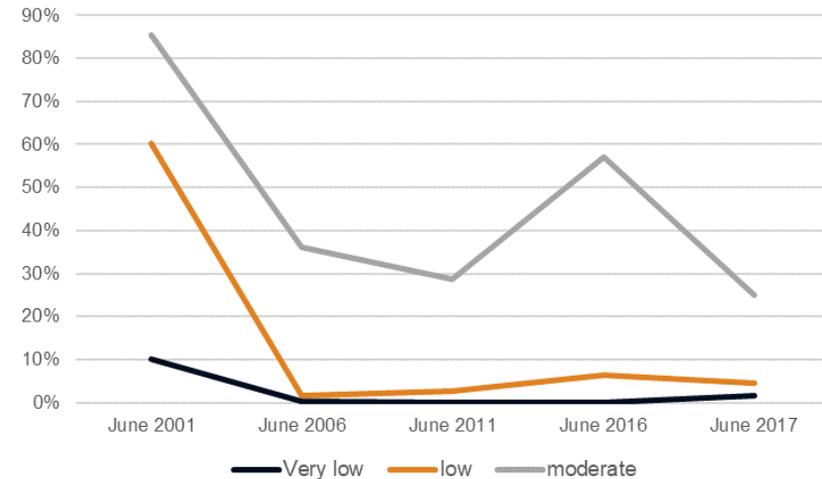
Housing choices are highly influenced by affordability. Compared to 20 years ago, housing in Australia, and NSW especially, is generally more unaffordable for very low to moderate income households, as illustrated in **Figure 12**. In 2017, less than 2% of housing stock was affordable for very low income households, 5% for low income households and 25% for moderate income households<sup>25</sup>.

Housing prices have increased significantly for a number of reasons, including high population growth, increasing construction costs and our appetite for investing in property. Wage growth has not kept pace, and the disparity between what households earn and the homes that they can afford to buy has increased.

More recently, housing prices across Australia have fallen from a peak in late 2017. Between June 2018 and June 2019 house prices in Newcastle and Lake Macquarie fell by 9%<sup>26</sup>. The cooling of house prices is allowing for more owner-occupiers to enter the market, particularly first home buyers. However, housing still remains unaffordable to purchase for very low to moderate income households.

Housing affordability in the Newcastle LGA varies between suburbs. The Study compared the affordability of housing in different suburbs by examining the ratio of dwelling prices to household income. This measure is often called the *price to income ratio* or *median multiple*. The key findings of the Study’s analysis are presented below for detached dwellings and, separately, townhouses and apartments. This recognises that size and separation are major trade-off factors when choosing a location.

Figure 12. Percentage of housing stock that is affordable to purchase for very low, low and moderate income households (Newcastle LGA)



(Source: FACS 2019a)

<sup>25</sup> FACS 2019a

<sup>26</sup> CoreLogic 2019

### Buying a detached dwelling

As of 2018, the median price for a detached dwelling in the Newcastle LGA was around 11 times the median household income<sup>27</sup>. The most unaffordable suburbs have a price to income ratio of 15 or above, meaning that the median detached dwelling price in these suburbs is over 15 times the median household income. These suburbs, listed in **Table 10**, are high amenity areas and have a lower proportion of detached dwellings compared to other suburbs. This suggests locational advantages, as well as the scarcity of this product, are both contributing factors to the unaffordability of the area.

The most affordable suburbs for detached dwellings have a price to income ratio between 5 and 8, meaning that the detached dwelling price in these suburbs is around 5 to 8 times the median household income. These suburbs tend to be in more outlying areas, and generally have a higher proportion of, or are entirely comprised of detached dwellings.

Table 10. Price to income ratio for detached dwellings, by suburb (2018)

| Top 10 least affordable suburbs to purchase a detached dwelling | Top 10 most affordable suburbs to purchase a detached dwelling |
|---|--|
| Newcastle East (24.2)   | Beresfield (5.4)   |
| Newcastle West (22.5)   | Tarro (5.5)  |
| The Junction (20.7)   | Shortland (6.2)  |
| Merewether (18.1)   | Jesmond (6.5)  |
| Hamilton East (17.6)  | Birmingham Gardens (6.6)                                       |
| The Hill (17.5)   | Wallsend (7.0)   |
| Newcastle (17.2)  | Maryland (7.0)   |
| Bar Beach (15.7)  | Waratah West (7.3)   |
| Cooks Hill (15.4)   | Minmi (7.6)  |
| Hamilton South (15.1)   | Mayfield West (7.8)  |

(source: CPSD, adapted from data provided by PRD Nationwide 2019)

<sup>27</sup> The median household income for the Newcastle LGA as of 2018 was \$73,300 it has been calculated based on 2016 ABS Census data and accounting for the inflation rate over two years.

### Buying an attached dwelling

Apartment and townhouse prices are slightly more affordable throughout the LGA, costing on average 7.4 times the median household income. The most expensive areas for townhouses and units, listed in **Table 11**, and are all areas with high amenity. The inner city areas of Newcastle, Newcastle East and Newcastle West have a high proportion of apartments and townhouses, which indicates the location may be a strong influence on affordability than simply the scarcity of dwellings.

The most affordable suburbs for attached dwellings have a price to income ratio between 2 and 6, meaning that the price in these areas is between 2 and 6 times the median annual household income. The most affordable suburbs for attached dwellings closely match those for detached dwellings also and tend to be Newcastle’s outer suburbs including those that surround the UoN Callaghan Campus. There is likely to be a high demand for low cost rental housing in these areas from students wanting to live close to where they study.

Table 11. Price to income ratio for detached dwellings, by suburb (2018)

| Top 10 least affordable suburbs to purchase townhouses + units | Top 10 most affordable suburbs to purchase townhouses + units |
|--|---|
| Newcastle East (17.3)  | Mayfield West (2.6)   |
| Maryville (11.9)   | Tarro (4.0)   |
| Carrington (11.3)  | Jesmond (4.5)   |
| The Junction (11.3)  | Beresfield (4.6)  |
| Bar Beach (10.4)   | Elernmore Vale (5.3)  |
| Adamstown Heights (10.2)                                       | Georgetown (5.7)  |
| Hamilton North (10.1)  | Shortland (5.7)   |
| Newcastle (9.2)  | Wallsend (5.7)  |
| Tighes Hill (8.7)  | Maryland (6.0)  |
| Newcastle West (8.4)   | Waratah (6.0)   |

(source: CPSD, adapted from data provided by PRD Nationwide 2019)

### In Newcastle’s least affordable suburbs...



If a household earning Newcastle’s median annual income of \$73,300 could only save 15% of their weekly earnings after other expenses, it would take them 20 years to save for a 20% deposit on a median priced house in Cooks Hill (\$1.27million).



For a household earning Newcastle’s median annual income and saving 15% of this income each year, it would take a household 15 years to save for a 20% deposit on a median priced townhouse or unit in The Junction (\$825,000).

### In Newcastle’s most affordable suburbs...



For a household earning Newcastle’s median annual income and saving 15% of this income each year, it would take the household over 7 years to save for a 20% deposit on a median priced house in Shortland (\$415,000).



For a household earning Newcastle’s median annual income and saving 15% of this income each year, it would take the household over 3 years to save for a 20% deposit on a median priced attached dwelling in Mayfield West (\$193,000).

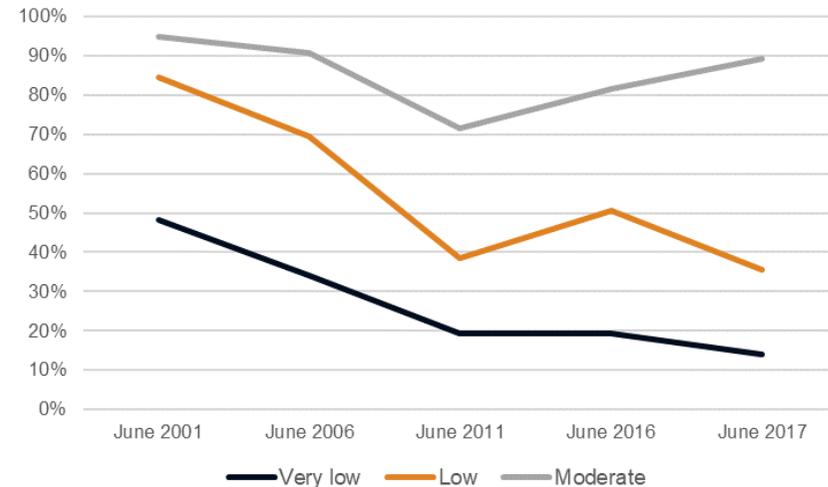
### 5.2.4. Ability to Rent Housing

With home ownership beyond the reach of moderate-income households in most suburbs, more households must secure housing through the rental market. Between 2011 and 2016, the number of households renting within the Newcastle LGA increased by 1.5%, while the number of households who owned their home either outright or with a mortgage decreased by 1.5%.

Housing is generally unaffordable to rent in Newcastle for very low to low-income households, but affordable for moderate income households, as illustrated in **Figure 13**. In 2017, 14% of housing stock was affordable for very low-income households, 36% for low-income households, and 82%, for moderate-income households.

Historically, rents have been tied to wage growth rather than property prices and have been a more affordable form of tenure for people on lower incomes. More recently, rents have increased at a faster rate than wage growth. Over the last 10 years rents across the Australia have increased by 76%. Between 2006 and 2016, the median weekly rent of the Newcastle LGA increased by 74% while household incomes have only increased by 55%.

Figure 13. Percentage of housing stock that is affordable to rent, by household income type (Newcastle LGA)



(Source: FACS 2019a)

The least affordable areas to rent in the Newcastle LGA in 2016, based on median weekly rental payments, are shown in **Figure 14**. These tend to relate to areas within or adjoining Newcastle’s City Centre, where land values are highest. This suggests the amenity of these areas are a major contributing factor to rental costs.

Notably, some of the least affordable areas surround the University of Newcastle’s campus in the City Centre, suggesting that students may struggle to find affordable rental housing close to where they study. This is also relevant for low-wage earners (e.g. retail, hospitality, and service staff) reliant on employment provided in the City Centre. This may push many these types of households into outlying areas and should be considered alongside planning for adjustments to public and active transport networks.

Some of the least affordable areas also include middle and outer suburbs with relatively cheaper land values compared to the City Centre. These areas tend to have fewer rental properties available (e.g. a higher proportion of owner-occupied dwellings), and limited diversity in the stock available (e.g. mostly detached dwellings). This suggests that limited housing types in these areas is affecting affordability.

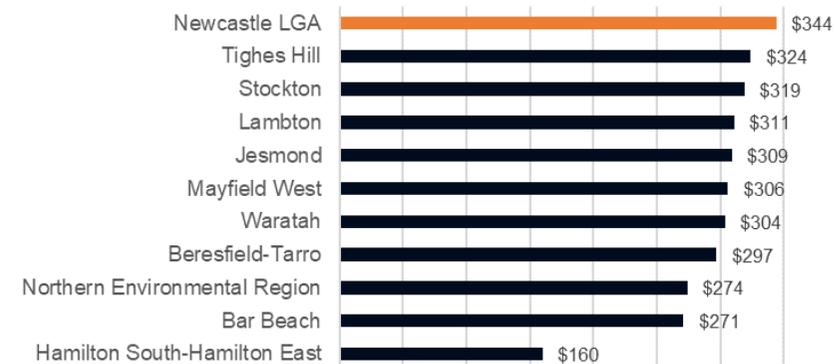
The most affordable rental areas, based on median weekly rental payments, are shown in **Figure 15**. These include inner suburban areas with a high proportion of social housing (Bar Beach and Hamilton South-Hamilton East). They also include Newcastle’s outer suburbs with older housing stock. This suggests that households on the lowest incomes are reliant on housing located in amenity-poor areas, and where rental products may be in poor condition.

Figure 14. Least affordable areas to rent in Newcastle, by community profile area (2016)



(Source: .id social atlas 2018)

Figure 15. Most affordable rental areas in Newcastle, by community profile area (2016)



(Source: .id social atlas 2018)

### Rental stress

The Study analysed the level of housing stress across the community to consider whether households are generally able to access appropriate and affordable housing within the LGA. This can also serve as an indicator of overall community wellbeing, as experiencing housing stress is likely to impact upon a person’s quality of life. A high level of housing stress can indicate that there is strong demand for more affordable housing options to be provided locally.

A household is defined as being under ‘housing stress’ if they are in the lowest 40% of incomes and are paying more than 30% of their household income on housing costs.

As of 2016, around 13% of households in the Newcastle LGA were experiencing housing stress. Housing stress is much more acute in renting households than mortgaged households. Less than 1 in 10 of Newcastle’s households with a mortgage were experiencing housing stress compared with nearly 1 in 3 renting households .This figure is higher than broader NSW which is around 1 in 4 renting households.

**Table 12** below shows the number of households in the very low to moderate income households experiencing rental stress. In 2016, 95% of very low income households, 73% of low income households and 33% of moderate income households were experiencing rental stress. This high level of housing stress indicates that there is significant demand for more affordable housing options including social and affordable housing products – discussed in **Section 7**.

Table 12. Very low, low and moderate income households experiencing rental stress (2016)

| Household income | No. of households in stress | % of households in stress | Total no. of households renting |
|------------------|-----------------------------|---------------------------|---------------------------------|
| Very low         | 3,128                       | 95%                       | 3,304                           |
| Low              | 2,567                       | 73%                       | 3,523                           |
| Moderate         | 1,255                       | 33%                       | 3,833                           |

(Source: FACS 2019c)

Rental stress is evident, to varying degrees, across all of Newcastle’s community profile areas. The exception to this is Merewether Heights, where, at 2016, there were no households recorded as being under rental stress. This suggests households that tend to experience rental stress may be entirely priced out of Newcastle’s most expensive rental suburb.

**Table 13** shows the distribution of renting households experiencing rental stress for every community profile area in the Newcastle LGA, as of 2016. These are categorised to illustrate where the highest proportion (more than 30%) of rental households are experience stress, and where the lowest proportion (fewer than 25%) is occurring.

In 2016, the proportion of renting households experiencing rental stress was highest in the Birmingham Gardens – Callaghan area (1 in 2 households) and lowest in the Newcastle City Centre area (1 in 5 households).

The areas with the lowest proportion of rental stress generally coincide with the areas that are least affordable to rent or purchase. This indicates that very low and low-income households are being ‘priced out’ of these areas. It suggests a likely unmet demand for more affordable housing options in these areas, particularly close to jobs and other services in and around Newcastle’s City Centre.

The areas with the highest proportion of rental stress generally reflect the areas that are most affordable to rent. This indicates that low-income households may be opting to rent in these areas, in part, based on their affordability. Several of these areas also surround the University of Newcastle’s Callaghan Campus, and likely reflect the higher number of students (on lower incomes) living in these areas.

Table 13. Distribution of households experiencing rental stress, by community profile area (2016)

| Highest % of rental stress (>30%)    | Moderate % of rental stress (30-25%) | Lowest % of rental stress (<25%)              |
|--------------------------------------|--------------------------------------|---|
| Birmingham Gardens - Callaghan (52%) | Warabrook (30%)                      | Islington (24%)                               |
| Jesmond (43%)                        | Tighes Hill (30%)                    | Merewether (23%)                              |
| NER (42%)                            | Hamilton (29%)                       | The Hill (23%)                                |
| Shortland -Sandgate (39%)            | Bar Beach (28%)                      | Fletcher-Minmi (21%)                          |
| Beresfield-Tarro (38%)               | Maryland (28%)                       | Cooks Hill (21%)                              |
| Elermore Vale (35%)                  | Stockton (27%)                       | Adamstown Heights (21%)                       |
| Wallsend (34%)                       | Adamstown (27%)                      | New Lambton Heights (20%)                     |
| Rankin Park (33%)                    | New Lambton (27%)                    | Newcastle-Newcastle East-Newcastle West (18%) |
| Waratah West (32%)                   | Broadmeadow-Hamilton North (27%)     | Merewether Heights (0%)                       |
| Lambton (32%)                        | Hamilton South - Hamilton East (26%) |   |
| Mayfield East (32%)                  | Carrington (26%)                     |   |
| Mayfield West (32%)                  | Maryville-Wickham (26%)              |   |
| Mayfield (32%)                       | The Junction (25%)                   |   |
| Kotara (31%)                         |                                      |   |
| North Lambton (31%)                  |                                      |   |
| Waratah (31%)                        |                                      |   |
| Georgetown (31%)                     |                                      |   |

(Source: .id social atlas 2018)

## 6. NEWCASTLE'S HOUSING SUPPLY

The Study considered a range of factors influencing housing supply across the Newcastle LGA. This included the collection of data to estimate what housing is already available, and what is already in the 'pipeline' for delivery. It also involved considering the housing supply from a longer-term perspective by looking at the capacity and feasibility of new housing supply being delivered within the LGA over the next 20 years, based on Newcastle's current planning controls.

Comparing current and future housing demand, with housing supply allowed for the identification of housing supply gaps recommended to be addressed in Council's Local Housing Strategy. This includes consideration for groups known to have specific housing needs, which are discussed in **Section 7**.

### KEY INSIGHTS

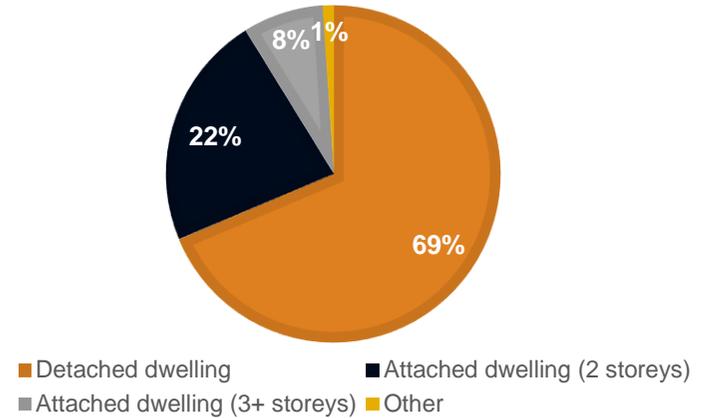
- Census data showed Newcastle had around 69,250 dwellings in 2016. The housing stock, at the time, was predominately made up of detached dwellings (69%), followed by attached dwellings (1-2 storeys) (22%) and attached dwellings (3+ storeys) (8%).
- ABS data suggests the composition of Newcastle's housing stock is changing quickly. Since 2016, around 75% of all buildings approved were attached dwellings.
- A study completed by DPIE estimated that, at mid-2017, the planning controls applying in the Newcastle LGA would allow the market to, in theory, create 60,000 additional dwellings. This is three times the number of dwellings expected to be required by 2041 based on current underlying demand projections. Of this theoretical capacity:
  - 92% is in 'infill' areas, and 8% in 'greenfield' areas.
  - 44% is assumed to be dual occupancy housing in the R2 Low Density Residential zone.
- Data prepared as part of the Study showed that between August 2016 (the Census date) and August 2019 there were 9,150 new dwellings in the supply pipeline. Around 7,500 (82%) of the pipeline supply is in infill areas.
- Of the pipeline supply, 4,600 dwellings were already built or were under construction at August 2019, which suggests the LGA has already exceeded the number of dwellings expected to be required by 2021, based on underlying demand.
- Based on the pipeline supply still considered unconstructed (e.g. DA approved or under assessment) as of August 2019, the LGA is also on track to meet the implied dwelling demand to 2026. However, the distribution of this supply shows some areas are growing faster than projections expected.

### 6.1. Current Housing Stock

In 2016, on Census night there were around 69,250 dwellings recorded in the Newcastle LGA<sup>28</sup>. This figure includes both private and public dwellings.

**Figure 16** shows the proportion of Newcastle’s housing stock by dwelling type. This highlights that the housing stock is currently dominated by detached dwellings, with over two-thirds being of this type. Of the attached dwelling types, the majority are attached up to 2 storeys, which is characteristic of ‘low rise medium density’ housing.

Figure 16. Proportion of dwelling types within the Newcastle LGA (2016)



(Source: .id profile 2018)

<sup>28</sup> ID Profile, Forecast Dwellings and Development May 2018 (uses ABS Census 2016 data and includes both private and public dwellings)

**Table 14** breaks down the housing stock by type for separate areas across the LGA. This illustrates that, despite the predominance of detached dwellings across the whole of the LGA, there are some areas where it is not as prevalent. This tends to be Newcastle's inner suburban areas, particularly those with historic terraces, such as Newcastle East and Cooks Hill. Apartment blocks of 3 or more storeys are primarily concentrated within Newcastle's City Centre (the Newcastle – Newcastle East – Newcastle West area) and some inner suburban areas.

Newcastle's outer suburbs (both infill and greenfield areas) offer a lower order of housing diversity. These typically consist of nearly all (80% or more) detached dwellings.

Table 14. Housing stock in the Newcastle LGA, by community profile area (mid-2016)

| Area  | No. dwellings | Detached | Attached (1-2) | Attached (3+) |
|---|---------------|----------|----------------|---------------|
| Newcastle – Newcastle East – Newcastle West | 2,913         | 4%       | 18%            | 78%           |
| The Hill                                    | 1,150         | 12%      | 48%            | 39%           |
| Cooks Hill                                  | 2,009         | 19%      | 59%            | 22%           |
| Bar Beach – The Junction                    | 1,100         | 34%      | 42%            | 24%           |
| Maryville - Wickham                         | 1,358         | 47%      | 39%            | 9%            |
| Jesmond                                     | 1,269         | 47%      | 41%            | 12%           |
| Hamilton                                    | 2,083         | 58%      | 34%            | 4%            |
| Hamilton South – Hamilton East              | 2,376         | 59%      | 20%            | 21%           |
| Carrington                                  | 981           | 62%      | 35%            | 3%            |
| Merewether – Merewether Heights             | 5,521         | 63%      | 28%            | 9%            |
| Adamstown                                   | 2,681         | 67%      | 28%            | 5%            |
| Georgetown - Waratah                        | 2,995         | 68%      | 28%            | 4%            |
| Islington – Tighes Hill                     | 1,726         | 71%      | 26%            | 3%            |
| Mayfield West - Warabrook                   | 1,630         | 72%      | 28%            | 0%            |
| Broadmeadow – Hamilton North                | 1,249         | 73%      | 24%            | 3%            |
| Lambton                                     | 2,227         | 74%      | 25%            | 1%            |
| Mayfield – Mayfield East                    | 5,217         | 75%      | 24%            | 1%            |
| Shortland - Sandgate                        | 1,815         | 78%      | 21%            | 1%            |
| Stockton                                    | 1,820         | 79%      | 18%            | 1%            |
| Wallsend                                    | 5,538         | 79%      | 20%            | 1%            |
| New Lambton – New Lambton Heights           | 4,776         | 80%      | 19%            | 1%            |
| Birmingham Gardens - Callaghan              | 984           | 82%      | 14%            | 4%            |
| Elermore Vale – Rankin Park                 | 2,760         | 83%      | 17%            | 0%            |
| North Lambton                               | 1,411         | 85%      | 15%            | 0%            |
| Waratah West                                | 1,144         | 89%      | 10%            | 1%            |
| Kotara                                      | 1,700         | 90%      | 10%            | 0%            |
| Beresfield – Tarro - NER                    | 2,406         | 91%      | 7%             | 2%            |
| Maryland                                    | 2,838         | 92%      | 8%             | 0%            |
| Adamstown Heights                           | 1,718         | 96.5%    | 3.2%           | 0.2%          |
| Fletcher - Minmi                            | 1,850         | 98%      | 2%             | 0%            |

(Source: Adapted from .id community profile 2018)

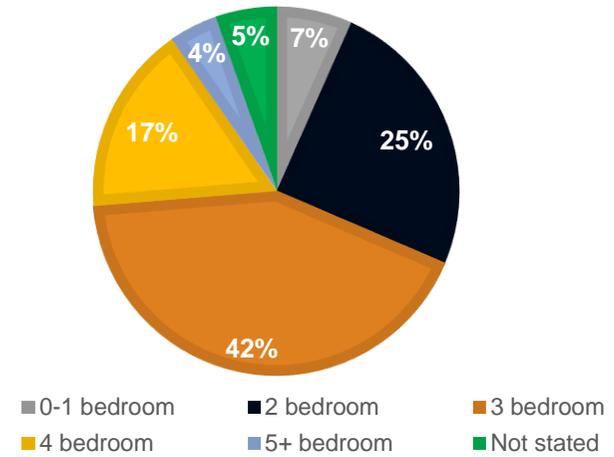
### 6.1.1. Available Number of Bedrooms

**Figure 17** identifies the typical size of dwellings available within the current housing stock by number of bedrooms. This indicator was chosen as it is known to be an important deciding factor for households when choosing a home.

In 2016, the Newcastle LGA’s housing stock was predominantly made up of larger dwellings, with around two-thirds of homes having 3 or more bedrooms.

Comparing this with historic data showed that, between 2006 and 2016, the proportion of 4 and 5-bedroom dwellings increased, while the proportion of 2-bedroom dwellings decreased. This change is partly attributed to the large number of ‘family houses’ constructed in outer greenfield suburbs such as Fletcher-Minmi over that time period. Other factors contributing to this spike in larger dwelling sizes also include additions to existing 2 and 3 bedroom homes in established suburbs such as Merewether and New Lambton for family housing, and also in areas around the University of Newcastle such as Birmingham Gardens, Waratah West and Jesmond for student housing.

Figure 17. Proportion of dwelling sizes within Newcastle (2016)



(Source: .id community profile. 2018)

### 6.1.2. Rental Vacancy Rates

Rental vacancy rates provide an indication of the available supply of rental housing in the private rental market. As a benchmark, a vacancy rate of 3% is generally reflective of a good balance between supply and demand. A vacancy rate below 3% indicates an undersupply.

Rental vacancy rates as of mid-2018 across the Newcastle LGA generally suggest an undersupply, with nearly all suburbs experiencing a rental vacancy rate below 3%. These figures only account for dwellings within the private rental market and do not account for short-term (e.g. holiday) rentals.

Those suburbs with the lowest rental vacancy rates are illustrated in **Table 15**, the vacancy rates indicate a chronic undersupply of available rental housing in these areas. The only suburbs with a rental vacancy rate above 3% were Newcastle West (6%) and Shortland (3%), which either indicates that these areas have adequate supply of rental housing, or that the available rental housing in these areas is not meeting the needs of the market and people are choosing to rent elsewhere.

Table 15. Rental vacancy rates by suburb in the Newcastle LGA (mid-2018)

| Suburbs with the lowest rental vacancy rate<br>(1 - 1.4%) | Suburbs with the middle rental vacancy rate<br>(1.5 - 1.9%) | Suburbs with the highest rental vacancy rate<br>(2 - 6%) |
|---|---|--|
| Carrington  | Kooragang   | Maryville - Wickham                                      |
| New Lambton   | Mayfield -Mayfield East                                     | Georgetown - Waratah                                     |
| New Lambton Heights                                       | Mayfield North  | Waratah West   |
| Hamilton  | Mayfield West - Warabrook                                   | Islington  |
| Hamilton South  | Sandgate  | Bar Beach  |
| Hamilton East   | Broadmeadow   | Cooks Hill   |
| Adamstown   | Hamilton North  | Newcastle  |
| Adamstown Heights   | Beresfield - Tarro  | Newcastle East   |
| Kotara  | NER   | The Hill   |
| Merewether  | Tighes Hill   | Jesmond  |
| Merewether Heights  | Stockton  | Lambton  |
| The Junction  | Birmingham Gardens  | North Lambton  |
|   | Elmore Vale - Rankin Park                                   | Shortland  |
|   | Fletcher – Minmi  | Newcastle West   |
|   | Maryland  |  |
|   | Wallsend  |  |

(Source: PRD Nationwide 2019)

### 6.1.3. Dwelling Vacancy Rates

The dwelling vacancy rate is the supply of unoccupied housing in an area on Census night. Comparing the 2016 Census night dwelling vacancy rate of the Newcastle LGA (9.4%) and NSW (9.3%) indicates that the Newcastle LGA has a similar vacancy rate to broader NSW.

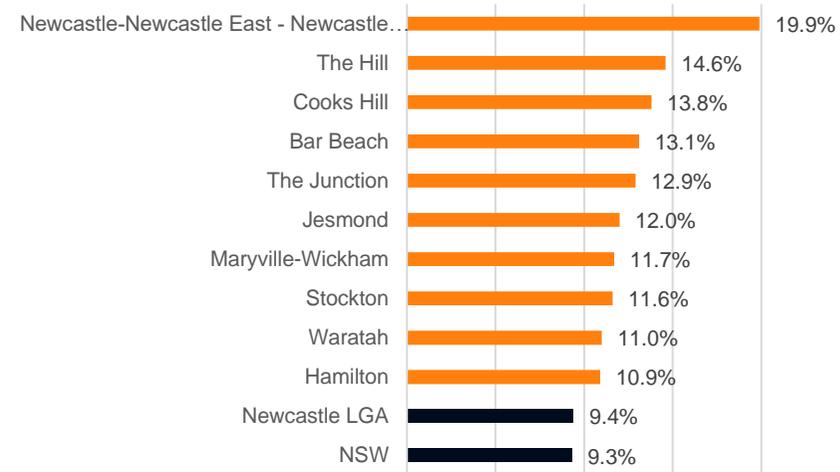
Dwellings can be vacant for a range of reasons, including being in poor (e.g. uninhabitable) condition, used as holiday home (personally or through short-term rental arrangements), or temporarily unoccupied whilst being listed for sale/rent.

Dwelling vacancy rates vary across Newcastle’s community profile areas. **Figure 18** lists the 10 areas with the highest dwelling vacancy rates as of 2016. Dwelling vacancy rates in these areas remained high throughout 2018 and 2019.

Most of the areas with a high rate of vacant dwellings are in Newcastle’s City Centre and inner suburbs, which have seen a high rate of apartments constructed over the last five years. This suggests dwelling vacancy rates may, in part, be due to a proportion of stock being listed for sale or rent as new projects are completed.

These areas also tend to have a higher level of amenity, which suggests a significant proportion of apartments in these areas may be occupied part-time, but not used as a primary residence. This appears to be substantiated by availability of short-term (holiday) rentals, with over 300 listings in these areas on popular holiday-rental websites as of 2019.

Figure 18. Areas in the Newcastle LGA with the highest dwelling vacancy rates (mid-2016)



(Source: Adapted from .id social atlas 2018)

## 6.2. Housing Capacity

In mid-2017, DPIE completed a modelling exercise to estimate the theoretical capacity for additional dwellings in the Newcastle LGA under planning controls applying at the time<sup>29</sup>. This found that the Newcastle LGA had the potential to, in theory, create around 60,000 additional dwellings, or 15% of the entire Hunter region’s total dwelling capacity.

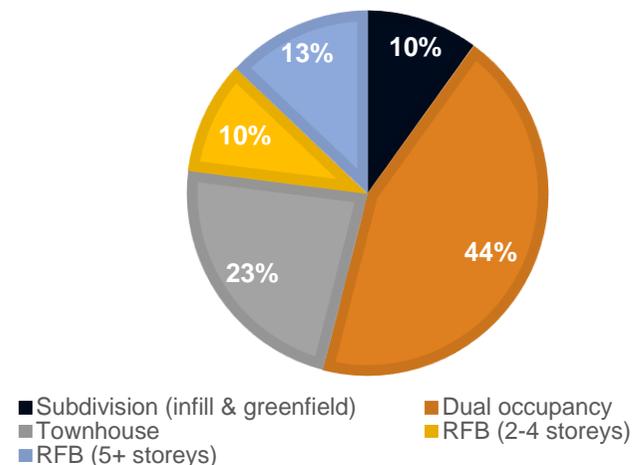
This theoretical capacity is also over three times the total number of dwellings projected to be required within the LGA (19,450 dwellings) by 2041, based on underlying demand.

DPIE’s study assumed the market would deliver the ‘best and highest’ residential use available within each zone. This generally assumed residential growth would predominantly occur through:

- The creation of new residential lots through subdivisions in urban release areas and, to a lower level areas zoned R2 Low Density Residential;
- Intensification through dual occupancy lot developments in the R2 Low Density Residential zone exclusively;
- Townhouse developments in the R3 Medium Density Residential zone exclusively; and
- Residential flat building developments in the R4 High Density Residential zone and Business zones.

**Figure 19** breaks down the total estimated housing capacity by dwelling type, based on these assumptions. This highlights the heavy reliance of this capacity on the delivery of dual occupancy housing in areas zoned R2 Low Density Residential (44% of the theoretical capacity) and townhouses in the R3 Medium Density Residential zone (22% of the theoretical capacity).

Figure 19. Estimated dwelling capacity in the Newcastle LGA by development type (mid-2017)



(Source: adapted from DPIE 2017b)

<sup>29</sup> DPIE 2017b

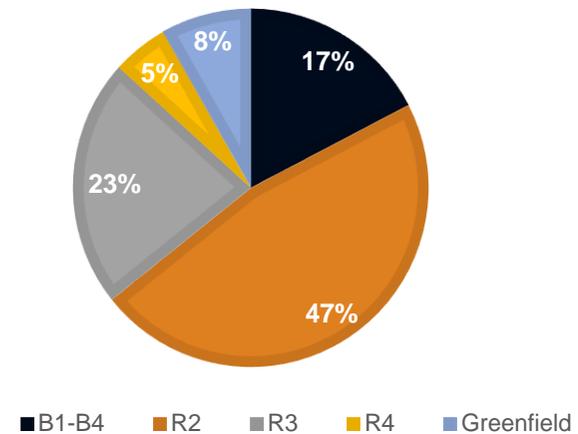
DPIE’s study also considered whether development was likely to occur as infill or greenfield development. The study defined ‘greenfield’ as land identified as an ‘Urban Release Area’ under Council’s LEP. This may have resulted in the development capacity of areas typically considered to be greenfield (e.g. previously undeveloped for any urban use) to be counted as infill.

**Figure 20** presents DPIE’s estimations of the dwelling capacity for greenfield (urban release area) areas and infill areas (by zone). This found the primary source of additional dwelling capacity (92% of all additional dwellings modelled) to be infill areas, with a theoretical potential to provide around 55,250 new dwellings. Achieving this level of growth would rely on half of all residential growth in infill areas occurring as attached dwellings, and nearly half (44%) of the remaining growth occurring as dual occupancy in the R2 Low Density Residential zones.

DPIE found Newcastle’s greenfield (urban release areas) areas had the theoretical potential to deliver around 5,000 dwellings, or 8% of the total estimated dwelling capacity. This supply is assumed to be exclusively delivered through residential subdivisions for, presumably, detached dwellings.

On review, the Study found that, although DPIE’s modelling suggests the Newcastle LGA has the theoretical capacity to deliver three times its projected dwelling requirements to 2041, the likelihood of achieving this level of growth in full relies on the ability and appetite of the market to deliver medium and higher density projects in established areas.

Figure 20. Estimated dwelling capacity in the Newcastle LGA for greenfield areas and infill areas (by zone) (mid-2017)



(Source: adapted from DPIE 2017b)

### 6.3. Housing Supply in the ‘Pipeline’

The housing supply ‘pipeline’ estimates the number of new dwellings expected to become available in the marketplace. Estimating this supply draws on data to identify where new dwellings have recently been constructed, are currently under construction, have been approved for construction, or are under assessment (and so may be constructed, subject to approval).

Analysing ‘pipeline’ housing supply provides insights as to where, when, and how many new dwellings are likely to be built. While some pipeline supply data was available for the Newcastle LGA, the Study identified there was no reliable data at the suburb level. This limited the extent to which spatial analysis could be undertaken. This information is necessary to track whether new housing supply is likely to meet the implied demand for new dwellings, as discussed in **Section 5.1** of this Report.

To fill this gap, the project team completed a housing supply audit in early-August 2019. This involved a review of Development Applications (DAs) approved or under assessment since August 2014, noting most approvals are afforded a 5-year timeframe to commence construction. Complying Development Certificates (CDCs) were reviewed dating back to 2016 noting these are more likely to proceed to construction within a year or so. The audit relied on desktop methods to identify where new dwellings had been constructed since mid-August 2016, to align with the Census date when the number of dwellings in each suburb was recorded, and which has been used as the basis for current population and household projections.

**Table 16** presents the findings of this audit.

#### Housing supply audit approach

The supply audit reviewed all DAs and CDCs listed on Council’s online DA Tracker and the NSW Planning Panels online Development and Planning Register. Dwellings built or under construction were determined by analysing current aerial imagery available on NearMap.

Dwellings were categorised as:

- **Built/ under construction**, where DA consent had been granted since August 2014 and they either appeared to have been built since 2016 or appeared to be under construction at the time of the audit (mid-August 2019). Dwellings that were approved to be demolished were subtracted from the number of dwellings approved to be created.
- **DA approved**, where DA consent had been granted since August 2014, but no construction activities were apparent. Dwellings that were approved to be demolished were subtracted from the number of dwellings approved to be created.
- **Under assessment**, where a DA was lodged, but not determined as of August 2019. Dwellings that would be demolished, subject to approval, were subtracted from the number of dwellings proposed to be created.
- **CDC Approved**, where a CDC has been issued between August 2016 and August 2019. This included dwellings that had been approved and those that appeared to have been built or were under construction.

Each new dwelling was attributed to its relevant community profile area (.id area) to provide consistency in comparing data with other population and housing data or projections.

Table 16. Pipeline housing supply in the Newcastle LGA (August 2016 - August 2019)

| .id area                       | Built / Under Construction | DA Approved | DA under Assessment | CDC Approved | Total |
|--------------------------------|----------------------------|-------------|---------------------|--------------|-------|
| Adamstown                      | 105                        | 262         | 16                  | 6            | 389   |
| Adamstown Heights              | 25                         | 33          | 0                   | 3            | 61    |
| Bar Beach – The Junction       | 5                          | 13          | 15                  | 1            | 34    |
| Beresfield – Tarro - NER       | 42                         | 28          | 4                   | 6            | 80    |
| Birmingham Gardens - Callaghan | 53                         | 27          | 1                   | 9            | 90    |
| Broadmeadow – Hamilton North   | 78                         | 40          | 86                  | 1            | 205   |
| Carrington                     | 6                          | 5           | 0                   | 0            | 11    |
| Cooks Hill                     | 34                         | 2           | 65                  | 0            | 101   |
| Elernmore Vale – Rankin Park   | 321                        | 105         | 55                  | 7            | 488   |
| Fletcher - Minmi               | 327                        | 16          | 0                   | 212          | 555   |
| Georgetown – Waratah           | 87                         | 113         | 7                   | 8            | 215   |
| Hamilton                       | 103                        | 27          | 57                  | 1            | 188   |
| Hamilton South – Hamilton East | 7                          | 6           | 0                   | 1            | 14    |
| Islington – Tighes Hill        | 98                         | 71          | 0                   | 3            | 172   |
| Jesmond                        | 8                          | 142         | 6                   | 5            | 161   |
| Kotara                         | 36                         | 27          | 18                  | 2            | 83    |

| .id area                                    | Built / Under Construction | DA Approved  | DA under Assessment | CDC Approved | Total        |
|---|----------------------------|--------------|---------------------|--------------|--------------|
| Lambton                                     | 39                         | 26           | 1                   | 11           | 77           |
| Maryland                                    | 31                         | 3            | 4                   | 5            | 43           |
| Maryville - Wickham                         | 552                        | 293          | 232                 | 0            | 1,077        |
| Mayfield – Mayfield East                    | 216                        | 142          | 67                  | 6            | 431          |
| Mayfield West - Warabrook                   | 10                         | 9            | 0                   | 2            | 21           |
| Merewether – Merewether Heights             | 72                         | 32           | 12                  | 6            | 122          |
| New Lambton – New Lambton heights           | 93                         | 36           | 6                   | 4            | 139          |
| Newcastle – Newcastle East – Newcastle West | 1545                       | 1028         | 369                 | 0            | 2942         |
| North Lambton                               | 214                        | 20           | 1                   | 2            | 237          |
| Shortland - Sandgate                        | 281                        | 46           | 33                  | 12           | 372          |
| Stockton                                    | 37                         | 17           | 1                   | 2            | 57           |
| The Hill                                    | 3                          | 1            | 172                 | 0            | 176          |
| Wallsend                                    | 165                        | 142          | 246                 | 26           | 579          |
| Waratah West                                | 11                         | 9            | 1                   | 11           | 32           |
| <b>TOTAL</b>                                | <b>4,604</b>               | <b>2,721</b> | <b>1,475</b>        | <b>352</b>   | <b>9,152</b> |

(Source: CPSD utilising data from CN 2019 DA Tracker, DPIE Development and Planning Register 2019 and NearMap)

The audit estimated that around 4,600 new dwellings had been built since August 2016 or were under construction as of August 2019. This suggests the Newcastle LGA has already delivered the total number of additional dwellings expected to be required by 2021, based on current projections (discussed in **Section 5.1**).

An additional 4,500 dwellings are estimated to remain in the pipeline (e.g. DA approved or under assessment). While there is less certainty about the delivery of this supply, it does suggest the LGA is on track to achieving its implied dwelling demand to 2026. If current construction and approval rates continue, this demand could also be exceeded earlier than projections had expected.



### 6.3.1. Greenfield vs Infill Housing Supply in the Pipeline

It is widely recognised that the Newcastle LGA has a limited availability additional greenfield land that would be suitable for urban / residential rezoning, particularly when compared the other Greater Newcastle LGAs (Cessnock, Lake Macquarie, Maitland, and Port Stephens). This means that the majority of Newcastle’s residential growth will be reliant on supply emerging within established suburbs and existing (already zoned) urban release areas.

The Study’s housing supply audit estimated around 18% (1,650) of the pipeline supply was, or will be, new dwellings being delivered in greenfield areas. The remaining 82% (7,500) of pipeline supply was, or will be, be new dwellings in existing infill areas. This ratio far exceeds the metropolitan-wide target identified within the Greater Newcastle Metropolitan Plan for 60% of new housing to be delivered through infill.

#### Housing supply audit approach

The housing supply audit categorised an area as ‘greenfield’ if it was a parcel of land that had not previously been subject to urban development (e.g. residential, commercial, or industrial). The suburbs of Fletcher and Minmi were generally categorised greenfield suburbs. Larger parcels of residential-zoned land in areas such as Elernmore Vale, North Lambton, Shortland and Wallsend were also recognised as greenfield areas. Smaller subdivisions (fewer than 5 dwellings) were not considered greenfield

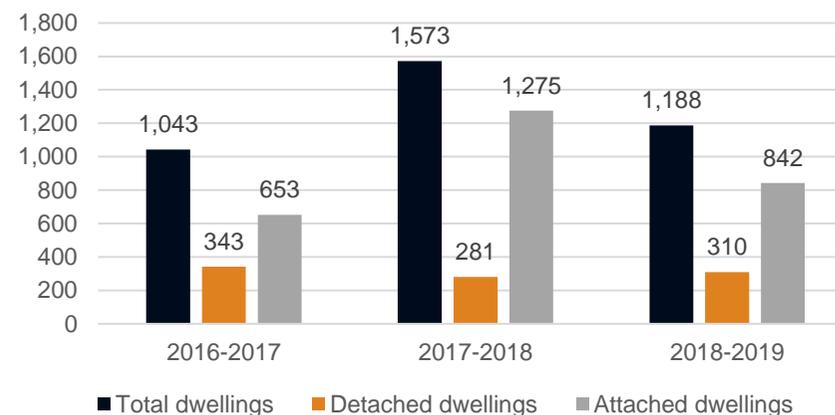
### 6.3.3. Dwelling Types in the Pipeline

The Study's housing supply audit did not distinguish between dwelling types, although this data could be supplemented in future.

Based on building approvals data (presented in **Figure 21**), the mix of dwelling types in the Newcastle LGA is changing, with a much higher proportion of attached dwellings expected to be built compared with detached dwellings. Between 2016-2019, the number of new attached dwellings has generally been more than double the number of new detached dwellings. This was particularly relevant in 2017-2018, when Newcastle experienced an 'apartment boom' in and around the City Centre. Over the last year, apartment approvals have slowed in line with a national downturn in the property market and, in part, due to the introduction of more restrictions to accessing finance. The proportion of lower risk developments such as detached dwellings and attached dual occupancies has remained relatively consistent.

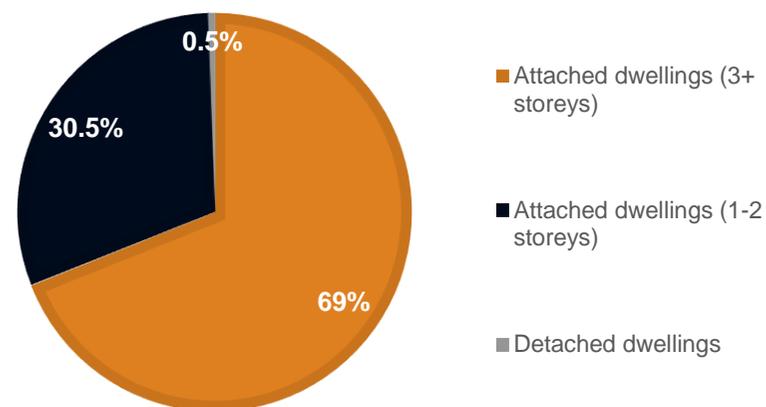
DPIE's completed an audit of infill housing pipeline supply for the whole of the LGA in April 2018. This found that 69% of infill housing supply was being delivered through attached dwellings (3+ storeys), 30.5% through attached dwellings (1-2 storeys), and only 0.5% through detached dwellings as shown in **Figure 22**<sup>30</sup>. This reinforces the likelihood that detached dwelling supply is expected to dwindle, particularly as greenfield land in the Newcastle LGA is exhausted.

Figure 21. Building approvals in the Newcastle LGA (June 2016-June 2019)



(Source: ABS Building Approvals, 2017, 2018, 2019)

Figure 22. Proportion of infill housing supply in the pipeline (April 2018)



(Source: adapted from DPIE 2018b)

<sup>30</sup> DPIE 2018b, Greater Newcastle's Infill Development p. 12

## 6.4. Housing Supply Over the Long Term

Underlying dwelling demand projections (presented in **Section 5.1**) provide an estimate of how many dwellings are likely to be needed to accommodate population and household changes. Residential development forecasts provide an estimate of the likely number of new dwellings that will be built, based on the current rate of development activity, dwelling approvals and the potential for residential infill and greenfield development.

Forecasting the future level of residential development over the long term is complex. It is influenced by multiple factors, including the capacity of land use controls, development feasibility, housing market conditions, the achievable rate of development activity (e.g. approvals and constructions), and population growth drivers influencing underlying housing demand.

The Study relied on residential development forecasts prepared by .id, in consultation with Council’s planners, which provided an indication of new housing supply over the long term. These estimate around 19,500 new dwellings will be built in the Newcastle LGA between 2016 and 2041, which broadly aligns with the theoretical demand for 19,450 new dwellings over this same period.

Comparing this data with the Study’s housing supply audit findings, provided insight into how development activity (approvals and construction) across the Newcastle LGA is tracking against forecasted residential development. A summary of this comparison for each area in the Newcastle LGA is shown in **Table 16**. These forecasts also provided an indication of where new residential development is expected to be sustained at current rates (e.g. Wickham and Newcastle - Newcastle East - Newcastle West), take off (e.g. Adamstown and Jesmond), or slow down (Fletcher - Minmi and North Lambton).

Overall, residential development forecasts expect, on average, around 900 new dwellings to be built each year between 2016 and 2021. The Study’s housing supply audit suggests that the residential development activity is occurring at over 1,000 new dwellings per annum, which is substantially higher than forecasted.

### Comparing pipeline supply with residential development forecasts

Housing supply audit data for Built/Under Construction and CDC Approved dwellings were combined to identify the estimated total number of ‘supplied dwellings’ for comparison with residential development forecasts.

To clarify, a ‘supplied dwelling’ identified in **Table 17** was counted

- where DA consent had been granted since August 2014 and they either appeared to have been built since 2016 or appeared to be under construction at the time of the audit (mid-August 2019). Dwellings that were approved to be demolished were subtracted from the number of dwellings approved to be created; or
- where a CDC has been issued between August 2016 and August 2019. This included dwellings that had been approved and those that appeared to have been built or were under construction.

Dwellings counted as ‘additional pipeline supply’ in **Table 17** combine housing supply audit data for:

- **DA approved**, where DA consent had been granted since August 2014, but no construction activities were apparent. Dwellings that were approved to be demolished were subtracted from the number of dwellings approved to be created.
- **Under assessment**, where a DA was lodged, but not determined as of August 2019. Dwellings that would be demolished, subject to approval, were subtracted from the number of dwellings proposed to be created.

Table 17. Comparison of housing supply audit data with residential development forecasts

| .id area                       | Supplied dwelling (2016- 2019) | .id new dwellings forecast 2016 to 2041 | Difference | Additional pipeline supply) |
|--------------------------------|--------------------------------|---|------------|-----------------------------|
| Adamstown                      | 111                            | 940                                     | 829        | 278                         |
| Adamstown Heights              | 28                             | 98                                      | 70         | 33                          |
| Bar Beach – The Junction       | 6                              | 205                                     | 199        | 28                          |
| Beresfield – Tarro - NER       | 48                             | 253                                     | 205        | 32                          |
| Birmingham Gardens - Callaghan | 62                             | 106                                     | 44         | 28                          |
| Broadmeadow – Hamilton North   | 79                             | 974                                     | 895        | 126                         |
| Carrington                     | 6                              | 50                                      | 44         | 5                           |
| Cooks Hill                     | 34                             | 259                                     | 225        | 67                          |
| Elermore Vale – Rankin Park    | 328                            | 1,716                                   | 1,388      | 160                         |
| Fletcher - Minmi               | 539                            | 2,376                                   | 1,837      | 16                          |
| Georgetown – Waratah           | 95                             | 326                                     | 231        | 120                         |
| Hamilton                       | 104                            | 406                                     | 302        | 84                          |
| Hamilton South – Hamilton East | 8                              | 230                                     | 222        | 6                           |
| Islington – Tighes Hill        | 96                             | 314                                     | 218        | 71                          |
| Jesmond                        | 13                             | 72                                      | 59         | 148                         |

| .id area                                    | Supplied dwelling (2016- 2019) | .id new dwellings forecast 2016 to 2041 | Difference    | Additional pipeline supply) |
|---|--------------------------------|---|---------------|-----------------------------|
| Kotara                                      | 38                             | 467                                     | 429           | 45                          |
| Lambton                                     | 50                             | 102                                     | 52            | 27                          |
| Maryland                                    | 36                             | 141                                     | 105           | 7                           |
| Maryville - Wickham                         | 552                            | 1,430                                   | 878           | 525                         |
| Mayfield – Mayfield East                    | 222                            | 1,368                                   | 1,146         | 209                         |
| Mayfield West - Warabrook                   | 12                             | 50                                      | 38            | 9                           |
| Merewether – Merewether Heights             | 78                             | 356                                     | 278           | 44                          |
| New Lambton – New Lambton heights           | 97                             | 477                                     | 380           | 42                          |
| Newcastle – Newcastle East – Newcastle West | 1,545                          | 4,467                                   | 2,922         | 1397                        |
| North Lambton                               | 216                            | 255                                     | 39            | 21                          |
| Shortland - Sandgate                        | 293                            | 464                                     | 171           | 79                          |
| Stockton                                    | 39                             | 150                                     | 111           | 16                          |
| The Hill                                    | 3                              | 75                                      | 72            | 173                         |
| Wallsend                                    | 191                            | 1,319                                   | 1,128         | 388                         |
| Waratah West                                | 22                             | 56                                      | 34            | 10                          |
| <b>Total</b>                                | <b>4,951</b>                   | <b>19,502</b>                           | <b>14,551</b> | <b>4,194</b>                |

**Table 18** provides a comparison of areas where residential development appears to be happening faster or slower than forecasts expected, based on recent (2016-19) supply rates. This comparison is also illustrated on the maps provided in **Figure 23** and **Figure 24**.

Most of the areas tracking furthest ahead of forecasted levels are in Newcastle’s established outer suburbs. Areas within or surrounding Newcastle City Centre are also tracking ahead of forecasted levels, which is reflective of the popularity of these high amenity areas.

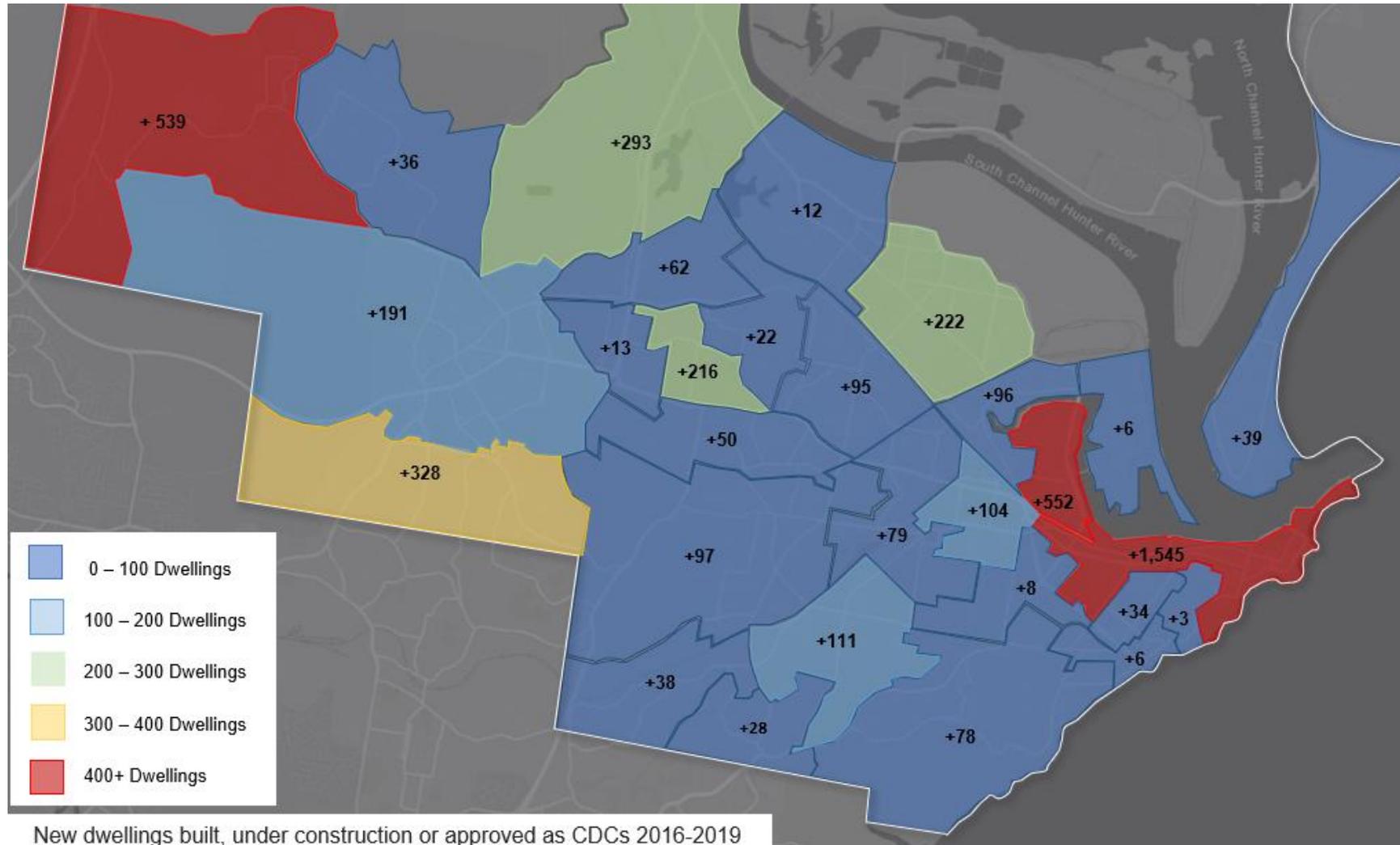
Further investigation is warranted for areas tracking below their forecasted levels, particularly where these have achieved 15% or less of their total forecasted supply. The lower level of supply may indicate a persistent or unforeseen blockage.

Table 18. Comparison of new housing supply and residential development forecasts by areas in the Newcastle LGA (2016-2019)

| Areas with significantly more residential development than forecast   | Areas with a slightly higher level of residential development than forecast   | Areas with a similar level of residential development than forecast   | Areas with a lower level of residential development than forecast  |
|---|---|---|--|
| 35%+ of 25 year residential development forecast  | 25% - 35% of 25 year residential development forecast   | 20% - 25% of 25 year residential development forecast   | Less than 20% of 25 year residential development forecast  |
| North Lambton (84%)<br>Shortland – Sandgate (63%)<br>Birmingham gardens – Callaghan (58%)<br>Lambton (49%)<br>Waratah West (39%)<br>Maryville - Wickham (38%) | Newcastle- Newcastle East - Newcastle West (34%)<br>Islington -Tighes Hill (30%)<br>Georgetown - Waratah (29%)<br>Adamstown Heights (28%)<br>Stockton (26%)<br>Hamilton (25%)<br>Maryland (25%) | Mayfield West - Warabrook (24%)<br>Fletcher - Minmi (22%)<br>Merewether - Merewether Heights (21%)<br>New Lambton - New Lambton heights (20%) | Elermore Vale - Rankin Park (19%)<br>Jesmond (18%)<br>Beresfield - Tarro - NER (18%)<br>Mayfield - Mayfield East (16%)<br>Wallsend (14%)<br>Cooks Hill (13%)<br>Carrington (12%)<br>Adamstown (11%)<br>Broadmeadow - Hamilton North (8%)<br>Kotara (8%)<br>The Hill (4%)<br>Hamilton South - Hamilton East (3%)<br>Bar Beach 2 The Junction (2%) |

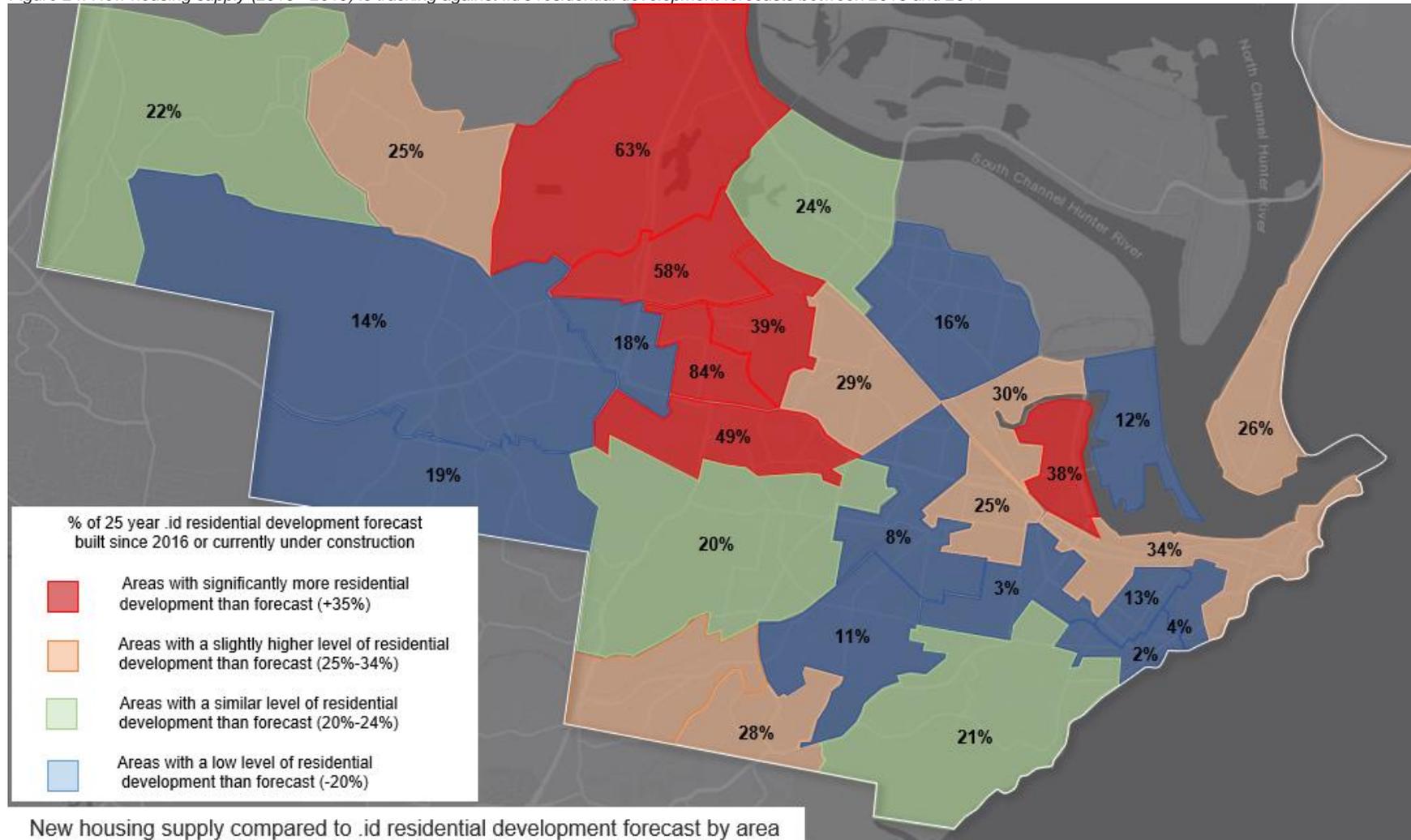
(Source: CPSD housing supply audit 2019 and .id population forecast 2018)

Figure 23. Map of 'supplied dwellings' by community profile area (August 2016- August 2019)



(Source: CPSD housing supply audit 2019)

Figure 24. How housing supply (2016 - 2019) is tracking against .id's residential development forecasts between 2016 and 2041



(Source: adapted from CPSD housing supply audit 2019 and .id population forecast 2018)

## 7. HOUSING FOR SPECIFIC NEEDS

An aim for planning is to ensure all residents within the Newcastle LGA should have access to housing that meets their specific needs. This includes considerations for affordability, tenure, integrated services, and/or design. This section discusses cohorts that are considered most likely to experience barriers to accessing housing that meets their needs, based on existing evidence. This includes separate considerations for housing specifically catering for:

- Very low to moderate income households (social and affordable housing as defined below);
- Seniors, including those with additional care needs;
- Non-seniors with additional care needs; and
- Students.

The purpose of this discussion is to consider pathways to alleviating the instance of housing stress (defined previously in this Report) within the LGA. Groups most likely to be under housing stress include people who are unemployed/underemployed, students, seniors on a pension, and residents with a disability. Many of the community’s key workers (people who work in essential services required by a community such as a nurse or childcare workers) also fall into the low to moderate income brackets and experience housing stress including those employed in healthcare and social assistance, retail, hospitality, cleaning and other similar services.

There may be other cohorts of the community that were not included in the scope of this Study but would benefit from a focused consideration of their housing needs. This includes but is not necessarily limited to: Aboriginal and Torres Strait Islanders; people seeking temporary, emergency, or supported crisis accommodation; and people seeking lower-cost or lower-impact forms of housing such as cooperative/communal housing or tiny homes. CPSD recommend these groups are considered in future studies to inform strategic planning and plan-making.

### KEY INSIGHTS

- There is a significant unmet need for social and affordable housing units within the LGA. The Housing Strategy will need to consider suitable mechanisms to address this supply gap, particularly in locations accessible to relevant jobs, services and public transport.
- The current pipeline supply of dedicated seniors housing appears to be keeping pace with projected growth. However, there may be unmet and growing demand for two and three bedroom attached dwellings, which local seniors prefer to ‘age in place’. The Housing Strategy should consider opportunities to encourage this type of housing, particularly in well-serviced and walkable locations in Newcastle’s middle and outer suburbs.
- Further investigation is required to better understand and quantify the housing requirements to support younger (non-senior) residents with additional care needs. The Housing Strategy should consider the range of opportunities that would support residents to live as independently as possible given their level of care needs. This may include living at home with a carer, living independently (or partly assisted), or living in a managed group home or care facility.
- There is likely to be an unmet demand for more affordable student accommodation options. This also requires further investigation to quantify, particularly given the recent growth in tertiary education and university services within Newcastle City Centre. The Housing Strategy should consider opportunities to encourage affordable student housing in locations that are walkable or otherwise readily accessible by public transport to both Newcastle City Centre and the university campus at Callaghan.

## 7.1. Limited Income Households

### KEY TERMS

**Social housing** is secure and affordable rental housing available to households on a very low or low income that are unable to access suitable accommodation in the private rental market.

Social housing encompasses:

- Public housing, which is funded and delivered by government;
- Community housing, which is subsidised by government but delivered and managed by not-for-profit housing organisations; and
- Aboriginal housing, which is owned by the Aboriginal Housing Office.
- Social housing rents are heavily subsidised to allow very low and low income households to access rental housing below market rates.

**Affordable housing** is secure and affordable housing available to a broader range of household incomes (very low to moderate) that struggle to access suitable housing in the private rental market. This is sometimes the case for “key workers” who are required to live in areas where private rents may be prohibitive in order to be close to their place of work.

Affordable housing is managed more like private rental property, but there are eligibility requirements as with social housing. Affordable housing stock is generally managed by not-for-profit community housing providers and rents are often set at a discount of the market rent (between 20% to 25%) below market prices of an area.

Household income categories for Newcastle LGA relate to the NSW median income, which is updated each year.

- **Very low income** (<50% median) tends to include people working at minimum wage or reliant on government benefits.
- **Low income** (51-80% median) tends to include jobs such as childcare workers, secretaries or cleaners.
- **Moderate income** (80-120% median) may include teachers, police, or nurses, particularly those in the early stages of their career.

### 7.1.1. SAH demand considerations

Limited income households tend to rely on rented properties. Depending on their level of income, these households may be eligible for a range of housing assistance products. These can include direct subsidies that would help alleviate rental stress or provide access to private rental housing that would otherwise be cost-prohibitive. This section considers the number of households influencing demand for dedicated Social or Affordable Housing (SAH) units.

Demand for SAH in Newcastle arises from three main cohorts:

- Households currently living in SAH, but requiring different arrangements (e.g. re-location or size of unit);
- Households who are currently classified as homeless, and have been unable to access any form of housing in the private rental market; and
- Households who are experiencing rental stress, being those in the lowest 40% of incomes, who are paying more than 30% of their gross weekly income on rent.

**Table 19** provides underlying demand considerations for SAH arising from these three cohorts, noting:

- The NSW Housing Register lists approved applicants waiting for social housing only. Individual community housing providers may have additional applicants for social housing that have not been registered.
- Individual community housing providers also have approved applications for affordable housing. That information was not collected as part of this Study.
- Some homeless or rental stress households may be eligible for housing assistance options or products other than SAH units (e.g. private rental subsidies, affordable student accommodation, or affordable seniors’ accommodation, etc.).

Table 19. Underlying demand considerations for SAH within the Newcastle LGA

| Social Housing                  |                               |                            | Affordable Housing                  |            | Homeless (2018) | Rental stress (2016) |
|---------------------------------|-------------------------------|----------------------------|-------------------------------------|------------|-----------------|----------------------|
| Living in social housing (2016) | Priority HR applicants (2019) | Other HR applicants (2019) | Living in affordable housing (2016) | Applicants |                 |                      |
| 3,907                           | 52                            | 1,190                      | 206                                 | Unknown    | 652             | 6,674                |

(Source: adapted from .id community profile 2018, ABS Homelessness Estimate 2018, NSW Housing Register 2019)

A conservative estimate of between 15-20% of homeless or rental stress households meeting the eligibility for SAH units suggests an underlying demand in the order of 7,000 to 7,500 SAH units.

### 7.1.2. SAH supply considerations

#### Existing supply

Newcastle’s existing SAH supply is predominantly provided under the National Rental Affordability Scheme (NRAS). In 2016, Newcastle had 3,907 social housing (combined public housing, community housing, and Aboriginal housing) units and 206 affordable housing units available under the NRAS<sup>31</sup>.

While the current SAH supply is broadly dispersed throughout the Newcastle LGA, some suburbs have a higher proportion of SAH dwellings and other suburbs have very few or none. Areas with the highest proportion of SAH, are generally those areas with historic public social housing estates, such as Hamilton South-Hamilton East (493 units), Wallsend (430 units), Mayfield-Mayfield East (340 units), Georgetown-Waratah (275 units), and Cooks Hill (212 units)<sup>32</sup>.

Suburbs with the fewest SAH dwellings are Fletcher-Minmi (6 units), Kotara (7 units), Birmingham Gardens-Callaghan (8 units), The Hill (40 units) and Carrington (47 units).

<sup>31</sup> Australian Government 2019

<sup>32</sup> .id community profile 2018 & Australian Government 2019

The current supply of social housing is understood to be entirely occupied. Expected wait times for approved applications (priority and non-priority) are shown in **Table 20**, indicating a minimum wait time of two years for any form of social housing and in excess of 10 years for larger properties.

Table 20. Social housing wait times in the Newcastle LGA

| Dwelling type              | Expected waiting time |
|----------------------------|-----------------------|
| Studio/ 1 bedroom property | 2 to 5 years          |
| 2 bedroom property         | 5 to 10 years         |
| 3 bedroom property         | 5 to 10 years         |
| 4+ bedroom property        | 10+ years             |

(Source: FACS 2019b)

The age and quality of the existing social housing stock may mean it is not entirely suitable to meet current applicants' needs. For example, as of 2014, two thirds of public housing stock in Newcastle was above ground floor which is prohibitive for tenants with certain physical or mobility limitations<sup>33</sup>. Some of Newcastle's social housing estates are also perceived as 'troubled complexes', and those on social housing waiting lists are known to forego housing in these complexes due to safety concerns<sup>34</sup>.

Subsidised affordable housing under the NRAS only exists in the following selected areas: Wallsend (61 units), Newcastle-Newcastle East-Newcastle West (35 units), Islington-Tighes Hill (32 units), Waratah (28 units), Mayfield (22 units), Adamstown (18 units), Lambton (6 units) and Jesmond (4 units)<sup>35</sup>.

### Pipeline supply

Information on pipeline SAH supply is limited to what was revealed through CPSD's pipeline housing supply audit. This information should be supplemented through direct engagement with SAH providers, including NSW Family and Community Services. Compass Housing, Ecclesia, Hume and Pacific Link are also known to be active within the LGA and may have proposed projects.

Our pipeline housing supply audit did not identify any new social housing development projects within the Newcastle LGA. Given the age of the current social housing supply and the predominance of publicly owned stock, it is reasonable to assume the social housing supply will reduce in coming years.

CPSD's pipeline housing supply audit did identify 112 new affordable housing dwellings in the pipeline. The proposed developments, which have all been approved, are in Adamstown (50 units), Wickham (16 units) and Newcastle (30 units) and Wallsend (16 units). An additional 20 units are also proposed in Mayfield under the NRAS (subject to a future DA).

Affordable housing units approved under existing State Environmental Planning Policies are required to be leased at 20% below the market rate for 10 years, with rents subsidised by NRAS funding. Funding under the NRAS is expected to be phased out, and no new funding mechanism has been identified that would facilitate the retention of existing stock beyond the 10-year obligation. It is reasonable to assume that as each affordable housing project reaches its 10-year obligation, a large proportion of affordable housing units will be converted to full market price private rental dwellings.

The 132 SAH units in the pipeline fall substantially short of the assumed underlying demand (in the order of 7,000 to 7,500 units). This is compounded by the possibility of reduced SAH stock in coming years. This indicates a significant supply gap that will need to be addressed in future Strategies.

33 Compass 2014 p. 16  
34 Compass 2014 p. 16

35 Australian Government 2019

### 7.1.3. Other SAH planning considerations

Locating SAH in areas that are within walking distance or otherwise well-served by public transport to relevant jobs and services can provide additional benefits by reducing the overall cost of living, particularly transport.

The biggest local industries employing very low to moderate income earners in Newcastle are healthcare and social assistance, education, retail & accommodation, childcare, and food & hospitality services. It is important for workers in these industries to live close to where they work, as they may be required to work irregular shifts or respond to emergency situations.

The main centres that provide the largest sources of employment for key workers include:

- The John Hunter Hospital (including Newcastle Private Hospital and HRMI), which provides employment for nurses, other low-paid health professionals, cleaners and hospitality workers;
- The Calvary Mater Hospital in Waratah, which also provides employment for nurses, other low-paid health professionals, cleaners and hospitality workers
- Kotara Shopping Centre and Homemaker Centre, which provides employment for retail and hospitality workers;
- Newcastle City Centre (Newcastle – Newcastle East – Newcastle West), which provides many sources of employment for a range of key workers including retail, hospitality, health and social assistance, cleaning and accommodation and includes Marketown Shopping Centre; and
- Charlestown Centre, which, although in the neighbouring Lake Macquarie LGA, is a key source of employment for retail, hospitality and health workers living in the Newcastle LGA.

Future strategic work should focus on identifying mechanisms to encourage and expedite the delivery a higher level of SAH within, or within walking distance to these major centres, or on direct public transport routes.

There are also several smaller centres that are important sources of services and employment, particularly for the retail and hospitality sector, including:

- Darby Street shopping strip, Cooks Hills;
- Beaumont Street, Hamilton;
- The Junction Village and Junction Fair;
- Broadmeadow Shopping Centre;
- Waratah Village;
- Stockland Jesmond Shopping Centre;
- Wallsend Village; and
- The University of Newcastle Campus at Callaghan/ Shortland which provides employment for hospitality, cleaning and administration staff.

With the exception of Hamilton and Broadmeadow, these smaller centres are not generally well-served by public transport, which may suggest a strong focus should be given to identifying opportunities for SAH in walking distance to each.

#### 7.1.4. Key implications for SAH

There is already a substantial supply gap for SAH, compounded by anticipated reductions to the current stock over the next 10 years. The Housing Strategy will need to consider appropriate mechanisms to address this, focusing on opportunities to expedite supply in locations with good access to jobs, services and public transport.

Development opportunities for SAH are discussed in **Section 10.2** and include the possibility of an affordable housing contribution scheme.

## 7.2. Living with a Disability or High Care Needs

### KEY TERMS

**Residential care facility** is a special-purpose facility that provides accommodation along with some form of assistance with day-to-day living, intensive forms of care (including 24-hour nursing care), and/or other support towards independent living to residents. While residents tend to be frail and elderly, younger people with highly complex care needs may also rely on placements in residential care facilities, either temporarily or permanently, if alternative accommodation is not available.

**Specialist Disability Accommodation (SDA)** is housing that has been specially designed to suit the needs of people who have a severe functional impairment or highly complex support needs. SDA may include special designs for people with very high needs or may provide a location or feature that make it feasible to provide complex or costly supports for independent living. It may include built-for-purpose apartments, townhouses, detached dwellings or group home / assisted living environments.

**Accessible Housing** is any other type of built-for-purpose housing that has been constructed or modified to enable independent living for people with a disability.

### Demand considerations

Estimating the underlying demand for housing to accommodate people living with a disability or high care needs is challenging. Disability can come in many forms, and drives demands for a diverse range of highly specialised housing requirements that suit individuals' specific needs. Broadly speaking, this can range from full-time managed care facilities, to group homes, to extensively modified housing, to housing with minimal or no modifications. It can relate to large facilities or individual homes (rented or owned).

In 2016, there were approximately 9,222 people or 6% of Newcastle's population that reported needing help in their daily lives to care for themselves due to a disability<sup>36</sup>. This figure does not capture all people living with a disability in Newcastle, only those most in need of assistance due to a severe or profound disability.

Newcastle's aging population is also a key factor contributing to the demand for appropriately designed homes to support aging in place, or care facilities to assist older people with higher care needs. The likelihood of living with a disability increases with age. One third of 55 to 64 year olds are living with a disability, this figure jumps to nine in ten people for people aged 90 and over<sup>37</sup>.

The National Disability Insurance Scheme (NDIS), was recently introduced across Australia to provide individualised support to eligible people with a disability, regardless of age or means. The NDIS assessment considers the level of home modification required to suit the individual's need. Under the Scheme, Specialist Disability Accommodation (SDA) funding can be provided for capital works and will create a marketplace for built-for-purpose facilities. Those who are not eligible for SDA may also receive funding for some form of modification (accessible housing), whether in private rental accommodation, managed by a specialist housing provider or living with family.

The Commonwealth Home Support Program (CHSP, commonly referred to as 'My Aged Care') provides access to support services for people as they

<sup>36</sup> .id community profile 2018

<sup>37</sup> City of Newcastle 2016 p. 8

age. This may include the provision of in-home care or support services. It may also provide access to funding for placements in residential aged care facilities. To qualify for CHSP assessment, an individual must be aged 65 or older (50 or over for Aboriginal or Torres Strait Islander people), or 50 years or older (45 years or older for Aboriginal and Torres Strait Islander people) and on a low income, homeless, or at risk of being homeless. In some cases, younger people with high and complex care needs may be referred through the NDIS for assessment under this programme for placement in a residential aged care facility where alternative (age-appropriate) care is not available.

In addition to government-funded placements, individuals may choose to self-fund home modifications or placements in SDA or aged care facilities.

### **Residential care facilities**

Demand for residential aged care placements in Newcastle is expected to increase, reflective of the aging population.

### **SDA**

While there is no cap on the number of SDA places the NDIS will fund in 2011, the Productivity Commission estimated that only around 6% of NDIS participants will require SDA funding at full scheme<sup>38</sup>. That suggests around 432 people are expected to be eligible for SDA funding in the Newcastle and Lake Macquarie SA4 area.

Prior to the introduction of the NDIS, there were around 674 people living in SDA across the Newcastle and Lake Macquarie SA4 area. This indicates the likely demand for SDA in Newcastle and Lake Macquarie (SA4 area) may be higher than the 6% estimation.

### **Accessible Housing**

Council requires new housing to include universal design features to promote flexible housing for all residents. The *Liveable Housing Design Guidelines* set out basic design standards for key features of a house to facilitate liveable housing design. Council's DCP requires new housing to be designed to Silver level for universal design features. This will help to meet the needs of some people with a disability but will not meet the needs of those with higher mobility needs, who require housing designed to Platinum Level under the *Liveable Housing Design Guidelines*.

Further research is required to consider the take-up of this requirement.

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<sup>38</sup> NDIA 2018

### 7.2.1. Supply considerations

#### Residential care facilities

The most common form of residential care facilities in Australia are for elderly residents (Residential Aged Care). According to independent search websites, the existing supply currently consists of around 2,000 beds in 23 residential aged care facilities across the Newcastle LGA.

Our pipeline housing supply audit identified 127 beds in the later stages of completion. This, along with the low vacancy rate of existing facilities suggests a supply shortfall that will need to be addressed in the Housing Strategy.

Table 21. Existing residential aged care housing in the Newcastle LGA

| Type                  | No. of facilities | No. of units/ beds | Advertised Vacancies |
|-----------------------|-------------------|--------------------|----------------------|
| Residential aged care | 23                | 2,021              | 12                   |

(Source: DPS Publishing Aged Care Guide 2019)

Table 22. New residential aged care housing in the Newcastle LGA (2016-2019)

| Type                  | Built/ Under Construction (units/ rooms) | Approved (units/ rooms) | Under assessment (units/ rooms) |
|-----------------------|--|-------------------------|---------------------------------|
| Residential aged care | 127                                      | 0                       | 0                               |

(Source: CN DA Tracker 2019)

#### SDA

Across Australia, the most common types of SDA are apartments and group homes. A 2019 study on SDA supply across Australia suggests that Newcastle and Lake Macquarie (SA4 area) currently has the largest supply of SDA in NSW relative to the number of estimated NDIS-funded places<sup>39</sup>. The Newcastle and Lake Macquarie area also has the largest supply of SDA in the pipeline compared to all other regions in NSW<sup>40</sup>.

<sup>39</sup> Summer Foundation 2019 p. 37

Table 23. Existing and new SDA housing supply in the Newcastle LGA

| Pre-NDIS SDA residents | Estimated NDIS-funded residents | Difference in pre-NDIS / estimated | New supply (pipeline) | Modelled SDA shortfall |
|------------------------|---------------------------------|------------------------------------|-----------------------|------------------------|
| 674                    | 432                             | -242                               | 191                   | -433                   |

As modelled, the 2019 study appears to suggest an oversupply of SDA in Newcastle and Lake Macquarie (SA4 area). We note this modelling assumes a reduction in the number of SDA placements based on an estimation of NDIS-funding eligibility, rather than the true assessed need or broader needs individuals. Further investigation will be required to identify what, if any, shortfall is expected.

SDA is a built-for-purpose produce that is designed to suit a specific user's needs. That means existing SDA stock may not be suitable for re-use by a new user without further modification.

#### Accessible housing

There is currently no evidence base available to measure the current or future supply of accessible dwellings in the Newcastle LGA.

### 7.2.2. Other considerations

Future development is unlikely to adequately deliver accessible, or adaptable housing without some form of intervention via the planning framework. Newcastle's DCP 2012 requires that new housing should be designed to the Silver level for universal design features under the Liveable Housing Design Guidelines. This may meet the needs of some people with a disability, however for housing to be fully accessible and provide support for people with higher mobility needs housing must be designed to Platinum Level under the Liveable Housing Design Guidelines.

<sup>40</sup> Summer Foundation 2019 p. 37

### 7.2.3. Key implications

There is currently insufficient evidence to confidently establish the underlying demand for built-for-purpose residential care placements, SDA units, or Accessible Housing units. Future planning and plan-making could be supported through more detailed evidence collected from NDIS and CHSP, and engagement with local providers.

SDA supply under the NDIS only meets the needs of a fraction of Newcastle's residents with a disability. Further consultation with these residents, their carers and the broader industry is needed to better understand the available supply of other forms disability housing in Newcastle, and the unmet demand for housing to meet their varied needs.

### 7.3. Retirement accommodation

#### KEY TERMS

**Senior** is currently defined in Planning Instruments and other legislation as someone:

- aged 55 or more years, or
- (regardless of age) who is resident at a facility that provides residential care, or
- (regardless of age) who has been assessed as eligible to occupy housing for aged persons provided by a social housing provider.

**Seniors housing:** is housing that is intended to be permanently used to accommodate seniors, as described above. It may include:

- **Residential aged care facility**, where managed personal care and/or nursing services are provided on-site;
- **Hostels or group homes**, which are managed (staff on-site) and provide some shared services for residents such as meals, laundry or cleaning; or
- **Independent living units**, where seniors live relatively self-sufficiently.

**Adaptable Housing** is a dwelling that has been designed to accommodate lifestyle changes without the need to demolish or substantially modify structures. It allows, for example, larger family homes to be eventually divided into two smaller homes, enabling residents to continue living in a familiar environment. It can also be modified to become an accessible house. This type of purpose-built housing is becoming increasingly popular in Australia, supporting more people to continue living independently for longer.

#### 7.3.1. Demand considerations

As of 2016, there were 42,920 people aged over 55 living in the Newcastle LGA – around a quarter of the population - and the proportion of the population classified as a ‘senior’ is expected to grow.

As households age, household sizes tend to shrink as children leave the nest, or adverse life events such as bereavement or marital breakdowns occur. As of 2016, there were 5,251 couple households (aged 65+) without children, and another 6,822 lone person (aged 65+) households living in the Newcastle LGA, collectively these households make up nearly 20% of Newcastle’s households and therefore account for one fifth of Newcastle’s total housing demand<sup>41</sup>.

Although there is a common assumption that older households will downsize into smaller private market dwellings or dedicated seniors housing (e.g. retirement villages or aged care facilities), evidence suggests this is not often the case. The average age of residents entering a retirement village is 75 years, and the average age of residents living in retirement villages is 81 years<sup>42</sup>.

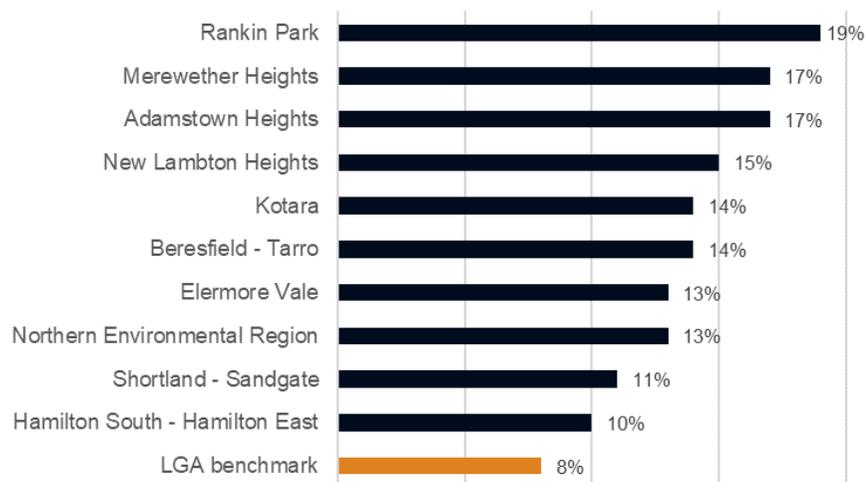
While some older households are choosing to downsize or take up dedicated seniors housing options, many older households are choosing to age in place, either in their own home or a privately rented home<sup>43</sup>. The proportion of older Australians living in four or five bedroom homes increased between 2006 and 2016, while the proportion living in two or three bedroom homes has decreased<sup>44</sup>.

This trend is evident in the Newcastle LGA. Areas with the highest proportion of older (aged 65+) couples without children are located in Newcastle’s outer suburbs, as illustrated in **Figure 25**, which are typically characterised by larger dwellings and less diversity of housing options compared to the middle and inner ring suburbs.

<sup>41</sup> .id profile 2018  
<sup>42</sup> PwC & Property Council 2018

<sup>43</sup> AHURI 2019a  
<sup>44</sup> AHURI 2019a

Figure 25. Suburbs with the highest proportion of couple without children households aged 65+ (2016)



(Source: adapted from .id profile 2018)

Recent research by AHURI looked at the housing preferences of older Australians, providing the following insight into the housing needs of this age group<sup>45</sup>:

- The housing most preferred by older Australians is a three bedroom house in the middle and outer suburbs of a city.
- Most older Australians aspire to stay in their current home and age in place, primarily due to the feeling of home. Those living in a house are largely happy with their current dwelling and their housing aspiration gap is minimal.
- For the 10% that wanted to move, downsizing was cited as the main reason for moving.
- Those living in two and three bedroom homes are the most satisfied, and those living in larger or smaller sized houses would prefer to live

in three bedroom and to a lesser extent two bedroom homes however there are limited options available to reduce dwelling size.

- For older Australians living in social housing, there is unmet demand for larger social housing dwellings.
- Less than half of older Australians living in an apartment are happy with their dwelling, however they have chosen an apartment due to its better access to amenities and the cheaper price compared to a house. Older households would prefer to be living in a house in the same location.
- Seniors housing, such as retirement villages, is unappealing to a large range of older Australians due to the leasehold nature of the dwelling and the high entry and exit fees. These high fees also often restrict seniors living in private rental or social housing dwellings.
- Current patterns of housing supply are not meeting the diverse needs of older Australians with too many apartments and large separate dwellings and not enough mid-sized product.
- A growing number of older Australians are falling out of home ownership and are renting into retirement. A supply of subsidised rental housing is essential to meet demand as Commonwealth Rental Assistance is not enough to make housing affordable.

Newcastle's aging population is also a key factor contributing to the demand for appropriately designed homes to support aging in place, as discussed previously in this Report.

<sup>45</sup> AHURI 2019a

### 7.3.3. Supply considerations

According to independent search websites, the existing supply currently consists of around 400 ILUs in 15 retirement villages across the Newcastle LGA<sup>46</sup>. As of August 2019, these showed a very low vacancy rate.

Most ILU's were two-bedroom villas or units with some one bedroom dwellings. There were very few three bedroom dwellings, which suggests there may be a shortfall in the type size of dwelling most seniors prefer.

Prices for ILUs ranged from \$260k to over \$660k with the majority in the \$400k to \$500k range.

Table 24. Known number of seniors housing in the Newcastle LGA (2019)

| Seniors housing type     | No. of facilities | No. of units/ beds | Advertised Vacancies |
|--------------------------|-------------------|--------------------|----------------------|
| Retirement Village (ILU) | 15                | 406                | 13                   |

(Source: DPS Publishing Aged Care Guide 2019)

Our pipeline audit identified 667 ILUs currently in the pipeline in the Newcastle LGA, with nearly one third already built or under construction. Once complete the Newcastle LGA will have doubled the supply of ILU's. An additional 148 ILUs are currently under consideration as part of a Site Compatibility Certificate proposal.

The number of new non-seniors dwellings in the pipeline that are designed to support aging in place is unknown.

Table 25. Seniors housing in the supply pipeline in the Newcastle LGA (2019)

| Seniors housing type     | Built/ Under Construction (units/ rooms) | Approved (units/ rooms) | Under assessment (units/ rooms) |
|--------------------------|--|-------------------------|---------------------------------|
| Retirement Village (ILU) | 410                                      | 34                      | 223                             |

(Source: CN DA Tracker 2019)

<sup>46</sup> These findings were based on an internet search of both ILU and aged care facilities in Newcastle, therefore it may not have captured all ILUs and nursing homes. The number of units and rooms were found for all facilities.

### 7.3.4. Other considerations

The supply of housing in the Newcastle LGA that has been designed to support aging in place is unknown, however planning controls under the Newcastle DCP 2012 require that universal design features are included in new dwellings to promote flexible housing for all dwellings. The benchmark for dwellings that are not a seniors housing development to be designed to the Silver Level for universal design features under the Liveable Housing Design Guidelines.

### 7.3.5. Key Implications

The analysis of current and future housing demand and supply for seniors indicates that there is a steady supply of dedicated seniors housing in the pipeline for the Newcastle LGA. However, housing preferences of seniors indicate that there is an unmet demand for well-designed two and three bedroom attached dwellings in high amenity locations which are walking distance to shopping, health services and public transport.

The housing strategy should consider how to facilitate this type of housing in the right locations to meet the current and future needs of the Newcastle LGA's growing seniors population.

## 7.4. Student accommodation

### KEY TERMS

**Purpose Built Student Accommodation (PBSA)** is housing that is specifically built for occupation by students and is designed to meet their specific needs. PBSA is a form of residential accommodation and the specific dwelling type can vary. It can include Residential Flat Buildings (RFB) featuring self-contained units. PBSA can also be in the form of a boarding house which may have shared facilities and is not required to provide private kitchen or bathroom facilities. PBSA can be supplied by universities or by private providers off campus.

**Informal student accommodation** involves students occupying dwellings that have not been built as student accommodation and can include shared houses or living in the family home

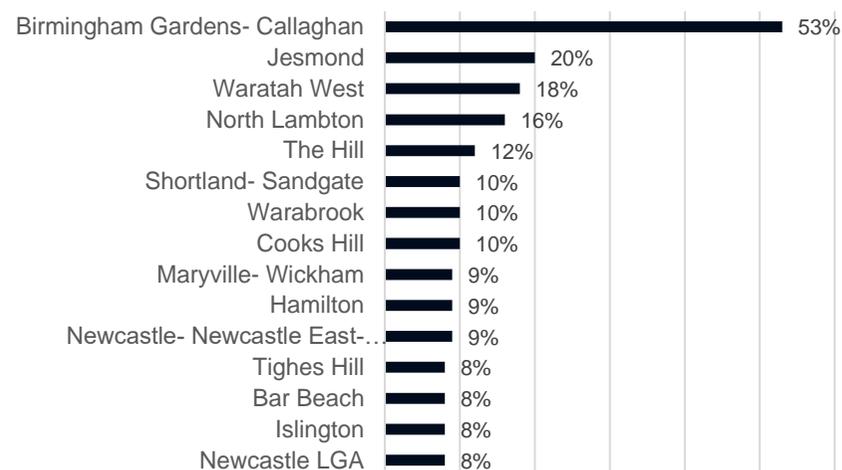
### 7.4.1. Demand considerations

The demand for student accommodation is driven predominantly by the availability of enrolled places in tertiary education and university institutions. The student population within the Newcastle LGA is largely associated with the University of Newcastle and TAFE NSW. In 2016, students made up around 10% of the LGA's population, with around 12,600 people living in Newcastle attending University and another 3,550 residents attending TAFE.

The location of institutional and other student facilities plays a key role in where demand for student accommodation arises. At present, students attend University of Newcastle at Callaghan and City Centre (Civic and Honeysuckle) campuses. TAFE offers three campuses within the LGA in the City Centre (Hunter Street), City Centre West (Parry Street), and Tighes Hill. This is associated with a high demand for student accommodation in and around these suburbs, or along direct public transport routes as

illustrated in **Figure 26**. Newcastle's outer suburbs and 'heights' (Adamstown Heights, Merewether Heights and New Lambton Heights) have the lowest proportion of student residents.

Figure 26. Newcastle's suburbs with the highest proportion of people attending University (2016)



(Source: adapted from .id community profile 2018)

Demand for student accommodation is expected to increase consistently over the next 10 years, noting:

- Full-time student numbers at the University of Newcastle campuses in the Newcastle LGA grew by around 4% between 2016 and 2017.
- The University of Newcastle will continue to expand in the City Centre and at Callaghan, increasing the offering of courses and student numbers.
- Discussions with the University of Newcastle staff has also revealed that they have strong aspirations to grow the number of international students across their Newcastle Campuses.
- New institutions, such as Nihon University, are also establishing within the LGA.
- The general location of higher-education campuses (irrespective of provider) is expected to remain primarily focused around the City Centre and Callaghan.

There appears to be unmet demand for affordable student accommodation in Newcastle. This acknowledges that students are likely to make up a proportion of the households experiencing rental stress due to their limited and inconsistent income, along with the coincidence of high levels of rental stress in areas where a higher proportion of residents are students (refer to **Section 0**). Further investigation is required to quantify this demand.

### STUDENT ACCOMMODATION: BROAD TRENDS

Research into regional student accommodation undertaken by Urbis looked at the key drivers affecting students housing choice. These include price, location, access to public transport and security/support which are discussed below<sup>47</sup>:

**Price:** is often the primary factor for students seeking housing. The average income of a full-time university student in Regional NSW is \$398 per week which means for housing for be ‘affordable’ a student can only spend \$120 on rent per week<sup>48</sup>. Students unable to live at home and in the private rental market will therefore choose the cheapest possible option which is often renting a room in a share-house.

**Location:** students overwhelmingly choose to live close to where they study, therefore on-campus accommodation and suburbs surrounding the Callaghan and City Centre campuses are likely to be the most in demand and logical areas for new student housing.

**Public transport access:** for students not living within walking distance to campus, available public transport options is a key consideration. This is likely to be more important for students studying in the City Centre campuses which will have limited car parking.

**Security and support:** Younger and first year students will often choose on-campus accommodation as there is a higher level of support, meals can be catered, and there is likely to be an increased level of security. Older or locally based students often choose to live in private accommodation or remain living with their parents.

<sup>47</sup> URBIS 2018

<sup>48</sup> URBIS 2018 p. 30

### 7.4.2. Supply considerations

There are currently 1,818 known PBSA rooms within the Newcastle LGA as shown in **Table 26** below. This equates to an average of 8.2 full time students per bed based on 2016 enrolment numbers<sup>49</sup>. As of 2017 this accommodation was effectively full. Most of these rooms are located on Campus at the University of Newcastle’s Callaghan Campus.

There is no known PBSA within the Newcastle City Centre or surrounding suburbs servicing the University of Newcastle’s City Campus.

Table 26. Known number of PBSA in the Newcastle LGA (2018)

| PBSA Supplier    | No. of Facilities | No of Beds   |
|------------------|-------------------|--------------|
| University Owned | 5                 | 1,691*       |
| Private          | 4                 | 127          |
| <b>Total</b>     | <b>9</b>          | <b>1,818</b> |

(Source: Urbis 2018, \*revised number based on discussion with University of Newcastle staff 2019)

In addition to PBSA there are several boarding houses located throughout the LGA that offer accommodation to students. As of 2019, there were 64 registered boarding houses within the Newcastle LGA. While boarding houses are a form of affordable accommodation available to the wider community, there are some boarding housing which are marketed as solely offering student accommodation. The 4 boarding houses located in Tighes Hill opposite the TAFE are known as student accommodation, and the 10 boarding houses surrounding the University of Newcastle Callaghan Campus located in Birmingham Gardens, Jesmond and Waratah provide student accommodation.

The remainder of student accommodation is provided in the private rental market. A search of available properties listed on the University of Newcastle’s preferred partner for off-campus accommodation provider indicated that 70 ‘student housing’ properties were available for rent, and

most were located in Birmingham Gardens, Jesmond and Waratah. Only one was available in the Newcastle City Centre and surrounding suburbs.

### Pipeline student housing supply

The University of Newcastle provided 778 new PBSA beds within the Callaghan Campus in 2015 and currently has no plans for further student accommodation at the Callaghan Campus.

There is student accommodation (off-campus) in the pipeline in the suburbs surrounding the Callaghan Campus. Larger developments include a RFB development providing 155 dwellings and a multi-dwelling development providing 27 dwellings. These are both currently under construction directly opposite the Callaghan campus. Smaller infill development in the suburbs surround the campus will also continue to increase student housing supply.

There is also student accommodation in the pipeline close in the City Centre. The University of Newcastle are currently in the planning process to develop PBSA with around 300 beds on the site of their future Honeysuckle Campus. An 11-room boarding house targeted at student accommodation has also been approved on King Street in Newcastle.

<sup>49</sup> URBIS 2018

### 7.4.3. Key Implications for Student Housing

There is a clear market opportunity for student accommodation in Newcastle, with the resident student population expected to continue growing in the coming years. The largest unmet demand appears to be in the City Centre (Newcastle-Newcastle East-Newcastle West) and surrounding suburbs of Cooks Hill, The Hill, Hamilton and Wickham. This coincides with substantial investment by University of Newcastle, TAFE NSW, and other providers to provide additional institutional and student facilities on new or expanding campuses. The Housing Strategy should consider new opportunities for PBSA in these areas, particularly within 500 metres of the University of Newcastle City Campuses or along a key public transport routes.

The affordability and other aspects of student accommodation requires further investigation to ensure it is relevant to the types of students taking up enrolments within the LGA. This recognises the distinct needs and expectations of, for example, first year versus postgraduate students, or Australian versus international students.

## 8. INTEGRATED PLANNING CONSIDERATIONS

Planning for housing within the Newcastle LGA will be influenced by other locational factors. These include considerations for the accessibility of new homes to jobs, education and health services, transport networks, and opportunities for recreation or leisure. Residential development opportunities may also be limited by, or require more careful consideration in response to, a range of environmental factors.

The Study considered these at a broad level to identify where specific locations or circumstances may warrant further investigation when preparing Council's Local Housing Strategy.

### 8.1. Employment and education centres

Increasing residential densities in and around key employment and education centres will allow more residents to live close to where they work or study. This can, in turn, put a downward pressure of the overall cost of living, particularly where travel costs can be substantially reduced.

Key employment centres within the LGA include the Newcastle City Centre, The John Hunter Hospital in New Lambton which employs around 3,000 full time staff, The Calvary Mater Hospital in Waratah which employs around 1,000 full time staff, Westfield Shopping Centre in Kotara, and Beresfield Business Park. Other smaller employment centres including Broadmeadow, Adamstown, Mayfield, Wallsend, The Junction, among others.

Key education centres, which are also employment centres, include the University of Newcastle Callaghan Campus, the recently built NeW Space Campus in the City Centre, the proposed Honeysuckle Campus in the City Centre and TAFE campuses in the City Centre, Hamilton, and Tighes Hill. Many of these education centres are growing, which will drive an increase in student number and the demand for affordable housing.

Many employment centres, such as Kotara and New Lambton currently offer limited housing diversity to suit the needs of local workers. In Kotara

for example, 90% of the housing stock is detached dwellings, and over 80% are 3 or more bedroom homes<sup>50</sup>. The limited dwelling types offer few affordable housing options for local workers to live in the area.

### 8.2. Transport networks

Access to public and active forms of transport is a critical factor when planning for new housing, particularly when increasing residential densities in established urban areas. The planned areas to accommodate the most growth in residential housing (urban renewal corridors and catalyst areas) have already been identified in large part due to their public transport accessibility.

These existing areas are also the proposed focus locations for future public transport investment including the expanded light rail network to Broadmeadow and the John Hunter Hospital in New Lambton. Transport for NSW has not yet released the Light Rail Extension 'Business Case' study it is working on. Council should continue to work with Transport for NSW to identify and protect future public transport corridors as more information becomes available.

In the meantime, higher densities in renewal corridors and catalyst areas will increase the feasibility of delivering new and more frequent public transport servicing these areas including the potential for a rapid bus program.

There is clear community demand to provide better cycling networks between Newcastle's strategic centres. Some areas already have established cycling networks such as through Maryville, Islington and Wickham, whereas other areas, particularly the Newcastle City Centre have insufficient cycling networks. Improvements to the cycling network, particularly from high density residential areas to employment and education centres, such as the University of Newcastle campuses, will increase amenity in residential areas and provide more affordable transport options.

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<sup>50</sup> .id profile 2018

### 8.3. Open space and recreation

Walkable (within 400m) access to public open space will become increasingly important as more people choose to live in medium and high density forms of housing with limited open space. High density housing should be prioritised in renewal corridors and catalyst areas with walkable access to public open space such as the Islington and Adamstown Renewal Corridors. Opportunities to deliver new public open space should be investigated in renewal corridors and catalyst areas with limited public open space such as Newcastle West and the Mayfield Urban Renewal Corridor.

Nearby schools and health services, while important, are not always a defining factor in the location of new housing in infill areas as these services are readily dispersed throughout the Newcastle's established suburbs and people are willing to travel further to access these services as opposed to public open space. However, as the population ages proximity to local health services will become a more important factor.

## 8.4. Environmental factors

### 8.4.1. Biodiversity

While most of Newcastle is urbanised the LGA still has a high diversity of natural areas including bushland areas, wetlands and creeks. These areas are home to varied ecosystems supporting an array of plants and animals. Natural areas also contribute to the character of Newcastle, provide important recreational opportunities and help keep the city cool. Conserving these areas is fundamental to protecting the diverse habitat of plants and animals and ensuring a sustainable future.

Encouraging new housing in already established urban areas helps to lessen the impact on Newcastle's remaining bushland areas. Some new housing is likely to be developed outside of Newcastle's existing urban areas. In these areas, new housing that proposes to impact on biodiversity values will be subject to an environmental assessment against the relevant

legislation including the EP&A Act and the *Biodiversity Conservation Act 2016*.

### 8.4.2. Contamination

Newcastle has a long history of sustaining light and heavy industry and many sites throughout the LGA are potentially contaminated, the most obvious sites being those previously used for industrial activity, as service stations, or for landfill. While there are options to develop new housing on potentially contaminated land, the cost implications can make some remediation exercises prohibitively expensive. Contaminated sites may require higher densities in order to make development financially feasible.

### 8.4.3. Natural hazards

The Newcastle LGA is at risk of a number of natural hazards including bushfire, mine subsidence and flooding which can all act as considerable constraints to building new housing in affected areas.

#### Flooding

Large areas of Newcastle are flood affected which can occur from the flooding of the Hunter River, flash flooding from other local catchments and ocean flooding from very high tides<sup>51</sup>. The vast extent of flooding across Newcastle and the unpredictability of flood patterns makes planning for flooding a complex issue.

In the past, some floodway areas of Newcastle such as Wallsend have been developed despite being at high risk of flash flooding affecting the property and safety of residents. In these areas Council, who is responsible for managing flood risk, may need to fund flood mitigation measures including the acquisition of high risk flood land.

Council supports the wise and rational development of flood prone land, however some flood prone areas are not suitable for certain types of residential development such as seniors housing. Developing in moderate to high flood prone areas can also add substantial costs to development. Future planning for new housing should continue to consider these

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<sup>51</sup> City of Newcastle 2015b

constraints as well as continuing to manage flood risk in areas where people already live.

### **Mine Subsidence**

Mine subsidence is a significant natural hazard affecting the feasibility of certain types of residential development across Newcastle. Newcastle's coal mining history has left an extensive mosaic of underground coal mines throughout the LGA. In these areas the ground surface is at risk of collapsing as a result of the failings of remaining supporting infrastructure in historical underground mines.

Subsidence Advisory NSW has identified and mapped areas that may be affected by mine subsidence, which are known as Mine Subsidence Districts. Any new development proposed within a Mine Subsidence District must be referred to Subsidence Advisory NSW for investigation and approval.

The presence of mine subsidence particularly affects the feasibility of residential development over three storeys or those with larger structures. While these types of development can occur within areas affected by mine subsidence remediation works such as pumping 'grout' underground may be required to stabilise the site and can be prohibitively expensive.

Most of the Newcastle LGA is identified as being within a Mine Subsidence District including the Newcastle City Centre. However, many areas that are identified focus areas for higher density residential development are not affected by mine subsidence and include the Adamstown, Broadmeadow, Islington and Mayfield Urban Renewal Corridors.

### **Bushfire**

Bushfire is another natural hazard that must be considered and planned for when building new housing. Areas in Newcastle identified as being at risk of bushfire are remaining areas of bushland and land within 100 to 30 metres of these areas. These areas are concentrated in the west of the LGA and in other bushland pockets including New Lambton, Callaghan and Merewether Heights. It is important to avoid locating high density residential development in these areas to minimise potential risk<sup>52</sup>. Most other established areas of Newcastle have limited remaining bushland and are therefore do not face the same level of bushfire risk.

New development on land mapped as bushfire prone land is subject to additional planning controls to ensure that the development is designed to minimise bushfire hazard. It is important that bushfire prone land mapping is regularly updated as areas develop to avoid unnecessary bushfire assessment.

#### **8.4.4. Incompatible uses**

Heavy and light industry remains a significant land use across the LGA, particularly around Newcastle Port, which is recognised as a State significant industrial precinct, and extending along the Hunter River up to Hexham. Other industrial areas are located in Beresfield, Mayfield, Broadmeadow, Lambton and Kotara.

Balancing the competing demands of industry and residential uses in these areas is needed to ensure that residential development is not affected by amenity issues (noise, dust, odour and light) and that the continued growth of industry is not affected by residential encroachment. This is particularly important around Beresfield and Black Hill to ensure that adequate land is available over the long term to support the expansion of industry in Newcastle.

Mixed use areas enable the co-location of a range of land uses including residential, shops and services to support day and night-time activities. There are many benefits to mixed use areas including walkability and activation however some land uses can end up incompatible if not designed

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<sup>52</sup> City of Newcastle 2015b

well. A primary example would be pubs that provide live music adjacent residential development which can result in land use conflict over noise. As Newcastle's mixed use areas grow and develop, it is important that these potential land use conflicts are considered and that planning controls adequately seek to reduce impacts.

#### 8.4.5. Heritage

Newcastle's rich history means that the LGA contains many sites of both Aboriginal and non-Aboriginal heritage significance. These sites include specific places, buildings, structures, and objects as well as archaeological sites, landscapes and conservation precincts.

The presence of heritage can act as a major constraint to development on a site depending on the level of heritage significance and the specific site constraints. All new housing developments are required to consider and address any potential impacts upon heritage through the development approvals process.

Heritage items and areas are protected and managed through National, State and local legislation, strategies and plans. Aboriginal heritage is generally managed by the Office of Environment and Heritage (OEH) under the *National Parks and Wildlife Act 1974*, and through planning controls in Council's LEP and DCP.

Non-Aboriginal heritage is also managed at a state level by OEH under the *Heritage Act 1977*, and at a local level through planning controls under Council's LEP and DCP and supporting strategies and guidelines.

Council's LEP lists non-Aboriginal heritage items of local or state significance and development that is likely to impact upon these heritage items is subject to additional planning controls under the NLEP and NDCP to ensure these impacts are mitigated.

There are also eight heritage conservation areas (HCAs) located within the Newcastle LGA. They are particularly located within the City Centre and Newcastle's inner suburbs and are listed below:

- Cooks Hill HCA;

- Glebe Road Federation Cottages HCA;
- Hamilton Business Centre HCA;
- Hamilton Residential Precinct HCA;
- Hamilton South 'Garden Suburb' HCA;
- Newcastle City Centre HCA;
- Newcastle East HCA; and
- The Hill HCA

Substantial growth and change in these areas will generally be limited to protect the heritage significance, which can not only include buildings but also the subdivision patterns and tree canopies. The exception is the Newcastle City Centre where substantial growth and change is encouraged but in a way that respects the heritage significance, for instance the adaptive reuse of existing heritage buildings.

#### 8.4.6. Local Character

Some of Newcastle's existing suburbs have unique local characteristics which may limit the level or form of infill development. Local character is discussed in more detail detail in **Section 9**.

## 8.5. Essential Services

Established areas of Newcastle are generally serviced with appropriate infrastructure including water, sewer, telecommunications and electricity to support infill housing. Council has in place a *Newcastle Local Infrastructure Contributions Plan 2019* which sets out development contributions requirements to support the cost of new and upgraded local infrastructure across the LGA. Any new development with an estimated cost of over \$100,000 is required to pay an infrastructure levy ranging from 0.5% to 3%, building a single dwelling on a single lot is exempt from paying the levy, as are alterations and additions.

How development contributions will be spent is provided in the *Newcastle Local Infrastructure Contributions Plan 2019* and includes new and upgraded community facilities, social infrastructure, open space and recreation, public domain and public transport works, extension of the bicycle network, and local centre, library and pool upgrades<sup>53</sup>.

New housing development in greenfield areas has additional infrastructure requirements as these areas are not serviced. New greenfield residential development will be required to pay an infrastructure levy under the proposed *Hunter Region Special Infrastructure Contribution Plan (SIC)* to fund new State and regional infrastructure including roads, schools, health and emergency services. The SIC is currently at the draft stage but proposes that a levy of \$9,857 will be required per lot for residential development<sup>54</sup>.

Key State infrastructure currently planned for the Newcastle LGA includes the proposed Newcastle Inner City Bypass between Rankin Park and Jesmond and the redevelopment of the John Hunter Hospital. Both of these projects however are still in the early planning and inception stages. Council should continue to work with the State Government to ensure that planning for future housing aligns with future planned infrastructure.

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<sup>53</sup> City of Newcastle 2019b

<sup>54</sup> Environmental Planning and Assessment (Special Infrastructure Contribution – Hunter Region) Determination 2018

## 9. LOCAL CHARACTER

Local character is an important consideration when planning for new housing. Council staff identified a concern that, in some circumstances, planning controls are not directing new infill development to where it is intended which is causing local character in some areas of Newcastle to be compromised.

This section presents the Study’s findings in response to key local character issues identified by Council staff and considers how local character has been considered through the planning process to date. It also provides a high level assessment of Newcastle’s local character areas as a basis for directing future planning and plan-making.

### 9.1. What is Local Character?

***“Character is what makes a neighbourhood distinctive and is the identity of a place. It encompasses the way it looks and feels. It is created by a combination of land, people, the built environment, history, culture and tradition including aboriginal and non-aboriginal, and looks at how they interact to make a distinctive character of an area.”***

- - DPIE, 2019a, p. 7

The concept of ‘local character’ is not new, but the State Government is currently implementing a framework to place a stronger focus on local character when planning for places. This responds to increasing community concern that the planning system is creating development that is negatively impacting upon neighbourhood character and amenity.

The key to understanding local character is to consider the features of a place holistically and how they come together to form ‘character’. This relies on understanding the human, social, environmental and economic factors influencing an area, and how these are reflected in terms of land use and built form. A place’s recognised heritage features are relevant to, but are not the only evidence of, local character.

The NSW Government Architect’s Office developed an advisory note providing guidance for undertaking place analyses, which offers a useful reference point for the range of features that contribute to local character<sup>55</sup>.

DPIE has recently published a *Local Character and Place Guideline, Planning System Circular PS 18-001 Respecting and Enhancing Local Character in the Planning System*, a *Local Character and Place Collection e-book*, and the *Discussion Paper – Local Character Overlays*. These collectively suggest the introduction of local character overlays (through Council’s LEP) as a planning mechanism to address local character concerns.

Under the new local character framework for NSW, local character should be considered when preparing new long-term strategies and plans. An important feature of Council’s Local Housing Strategy, for instance, will be to identify where new housing will be built to accommodate a growing community, while also encouraging housing that respects and enhances local character.

<sup>55</sup>The Advisory Note: Place analysis is found at the back of the Local Character and Place Guideline (DPIE 2019a).

## 9.2. Planning for Local Character in Newcastle

Newcastle’s urban form and character is continually evolving. It has been shaped by growth and development as a penal colony, coal mining settlement, and later steel making centre. It has experienced changes in technology, a decline in manufacturing, a severe earthquake, and a shift away from shopping strips to shopping centres. More recently, Newcastle is now evolving into a modern city at the heart of a wider metropolitan area, with opportunities in the thriving creative industries, health and education sectors.

These larger shifts have influenced the character of Newcastle’s suburbs at the local level. For instance, Newcastle’s older neighbourhoods were established before the advent of the car. In these areas, houses are closer to the street and are on smaller lots. By comparison, neighbourhoods built since cars became the dominant mode of transport have a much different urban form, typically featuring houses set back further from the street and fronted with garages<sup>56</sup>.

Newcastle’s suburbs will continue to change to accommodate population growth respond to cultural, social, economic and environmental shifts. Most new housing will continue to be built in well-established suburbs, given the limited opportunities for greenfield development. If managed well, new housing can enhance the local character of existing neighbourhoods whilst providing for the needs of a growing community.

Over the years, Newcastle Council has completed several studies and introduced planning control mechanisms aimed at identifying and protecting local character, which are briefly summarised below.

These studies generally recommended more detailed local character analysis was warranted for specific areas. To date, most of these more detailed analyses have not been completed. To fill this gap, the Study has collated local character issues and completed a preliminary assessment of local character for areas throughout the LGA.

<sup>56</sup> Coomes Consulting 2006 p. 53

## The Newcastle City Wide Heritage Study 1996/1997

***“The essential challenge is to identify those things which are special to Newcastle and to form planning, building and conservation policy to retain the special character whilst supporting growth and change.”***

- Suters Architects, 1997 p. 5/14

The City Wide Heritage Study recognised the importance of retaining local character in Newcastle’s different suburbs, and local characters role in providing amenity. It identified a list of ‘local character precincts’, which had obvious historic character contributing to their amenity. This study recommended Council prepare guidelines for each these precincts that described the current and desired future character and provided development guidelines so that new development would be compatible with the desired character<sup>57</sup>.

Detailed character assessments of each of these precincts has not been undertaken to date, but some precincts have been included within Heritage Conservation Areas, such as the Hamilton residential area between Donald, Gordon and Tudor Streets.

The local character precincts recommended in this study form the basis of the preliminary local character assessment as part of the Study, and are discussed in **Section 9.4** of this Report.

<sup>57</sup> Suters Architects 1997 p. 6/4

## Newcastle City Wide Urban Design Guidelines 2006

This document provides general guidelines to encourage new development to be sited and designed in a manner that respects local character. A summary of the Guidelines has already been provided in **Section 2.3.1** of this Report.

Community consultation undertaken to prepare the guidelines provided insight into local character across Newcastle's suburbs and the preferred direction for future development.

***“Participants considered that in order to maintain and enhance Newcastle’s distinctive features, developments should be concentrated around rail stations, city centres, along main roads, neighbourhood centres, new residential areas and the University area. New development in these areas will minimise the impact on existing neighbourhood features that are appreciated by residents and are considered important to local character.”***

- Coomes Consulting, 2006, p. 28

Newcastle's current residential growth framework broadly aligns with the expectations of the community in that higher densities are facilitated by planning controls within the City Centre, around rail stations and along key transport routes.

The guidelines recommend character analysis studies are prepared for Adamstown, Lambton, Mayfield, Waratah, Stockton as these suburbs were considered most at threat from poor development. The recommendations also suggest that increased densities should be investigated in in Hamilton North, Kotara, Waratah West/North Lambton, Broadmeadow, and Wickham/ Maryville.

## Newcastle LEP and DCP 2012

The Standard Instrument LEP allows Council to include additional local objectives to address major land use issues that are not otherwise covered by the core objectives. The Newcastle LEP has included additional zone objectives in the residential zones (R2, R3, R4) to require the consideration of local character in development assessment.

A Council's DCP can provide more detailed design and planning requirements, including to address local character. DCPs provide guidance only, which means that there is a greater level of flexibility in the assessment process, and variations can be made, where justified, in determining a Development Application.

The Newcastle DCP does include locality-specific provisions that address local character for the Newcastle City Centre including Wickham, the five Urban Renewal Corridors, and for selected areas such as Darby Street Cooks Hill, Beaumont Street Hamilton and the Royal Newcastle Hospital Site.

Many of Newcastle's inner suburban areas including Cooks Hill, The Hill, Newcastle East, the Newcastle City Centre and Hamilton are mapped as Heritage Conservation Areas (HCAs) under the NLEP with locality specific provisions in the DCP. HCAs are areas that have been identified as having cultural heritage significance. While local character and heritage are distinctly different, heritage significance of an area can often be a defining element of local character (e.g. rows of historical terraced housing are consistent in building type, subdivision pattern and architectural style also creating a distinctive local character). HCA overlays are therefore somewhat effective in managing built form and, in some cases, vegetation elements that contribute to local character.

### 9.3. Local Character Issues

Many of Newcastle's suburbs are experiencing a high level of development activity. While new development can enhance the local character it also has the potential to negatively impact upon unique features of these suburbs.

Council has noted that development in some areas of Newcastle has raised concerns with residents that it is inconsistent with local character. Key issues include:

- Permissible land uses in residential zones that are inconsistent with zone objectives, for instance the R2 Low Density Residential zone is an 'open zone' in that it permits nearly every type of residential development including multi-dwelling housing and residential flat buildings, which can be incompatible with the limited growth intent of the zone.
- Loss of private open space and tree canopy due to infill development in existing suburbs.
- Small lot housing controls, as the LEP allows for subdivision of lots down to 200m<sup>2</sup> with the addition of a new attached or detached dwelling in all residential zones. This can facilitate medium density housing in intended low density areas.
- Development occurring that is not consistent with the heritage significance of Heritage Conservations Areas (HCA), in cases where an R3 Medium Density Residential zone applies over a HCA.
- Other general controls such as the suitability of floor space ratios.

A recent court case concerning multi dwelling housing in the R2 Low Density Residential zone highlighted the need to review the land uses and development standards in residential zones to better respond to local character and amenity<sup>58</sup>. Council has previously allowed for a wide range of residential land uses in the zones to encourage housing diversity across the LGA. However, as the findings of the court case demonstrate, housing that is not consistent with the intended character of particular areas can be developed under the current controls.

<sup>58</sup> Fleetqueen Pty Ltd v Newcastle City Council [2018] NSWLEC 1105.

The Local Housing Strategy will provide an opportunity to address local character concerns, potentially through further local character analysis and a review of residential planning and design controls. **Sections 9.4 and 0** provide a preliminary assessment of local character and present an analysis of potential options available to respond to local character concerns.

#### **Court Case Summary: Fleetqueen Pty Ltd v Newcastle City Council [2018] NSWLEC 1105<sup>59</sup>**

- Council refused an application for multi-dwelling housing (8 dwellings) in an R2 Low Density Residential zone on the basis of inconsistency with the zone objectives, not exhibiting best qualities of urbanism, and issues raised by residents that establish unreasonable amenity impacts.
- The developer appealed the refusal through the Land and Environment Court and the appeal was upheld allowing the developer to proceed with the development.
- Key reasons for approval were that the proposed development met all of the standards and controls of the NLEP 2012 and NDCP 2012 and that the development did not contradict the aims and principles of Council's Local Planning Strategy 2015.
- The Commissioner noted that if the intention is to limit or restrict this form of development in certain areas a strategic review of the current controls should be undertaken, and the review should consider the balance between the different public and private interests for this type of development (i.e. more housing diversity vs retaining local character)

#### **Implications for Local Housing Strategy**

There is a need to undertake a strategic review of the current residential development controls, particularly in the R2 Low Density Residential zone, considering the implications for both local character and encouraging housing diversity.

<sup>59</sup> Fleetqueen Pty Ltd v Newcastle City Council [2018] NSWLEC 1105.

### 9.4. Preliminary Assessment of Local Character

The Study included a high-level, preliminary assessment of selected local character precincts that had been identified for further investigation in the Newcastle City Wide Heritage Study. The purpose of this assessment was to consider whether the contributing attributes of local character within the identified precincts are still evident today. These findings can inform whether further analysis of specific local character of any of the previously identified precincts is warranted.

The Study approach was to build upon existing local character work rather than reinvent the wheel. However, the Newcastle City Wide Heritage Study only identifies the local character precincts recommended for further study and not the attributes that contribute to local character. To address this gap, the Study methodology developed five questions to underpin evaluations of built form and landscape attributes in each of the nominated local character precincts<sup>60</sup>. These are summarised in **Table 27**. These were applied through a desktop analysis of each of the local character precincts.

These questions focused only on the built form and landscape elements of local character, recognising that planning controls are predominantly tethered to measurable, physical planning outcomes.

It is expected that further analysis work into local character will consider additional cultural, economic and environmental factors and will be informed by community views through consultation.

**Table 28** shows the results of the high-level character assessment for each nominated precinct.

Table 27. Local character assessment methodology questions

| Consideration  | Reason  |
|--|---|
| <b>The precinct has not been subject to substantial redevelopment?</b> | Substantial redevelopment affects the 'look and feel' of an area resulting in a change to local character. New buildings are often constructed in contemporary materials and are not of the style, era and scale of existing buildings, this detracts from local character. In areas where substantial redevelopment has not occurred a consistent character is likely to be more evident.  |
| <b>Is the existing subdivision pattern still evident?</b>              | Areas developed over a single period generally have a consistent subdivision and street frontage pattern. Subdivision pattern is one of the most basic elements that contribute to local character as the width of the lot determines the type and size of dwellings that can be built and the appearance of street frontages. In areas where lots have been subdivided or amalgamated resulting in differing street frontages local character is likely to be impacted.                        |
| <b>Are building types within the precinct consistent in character?</b> | An area with uniform house types and form creates a cohesiveness which contributes to the local character of the place. In areas where new building types are introduced with a built form that does not respect existing built form, local character is impacted.  |
| <b>Does the built form contain a consistent architectural style?</b>   | Areas developed during a single period also generally have a consistent architectural approach which contributes to the distinctiveness and character of the area. Newcastle has various architectural styles reflecting the City's historical development including Pre-War (1800s-1910), Inter-War (1911-1950), Contemporary styles (1951+). New development that does not respect to the surrounding architectural style can threaten the distinctiveness and result in a loss of character. |
| <b>Does the precinct have a definable tree canopy or streetscape?</b>  | Tree canopies contribute significantly to the overall feel of streetscapes. Larger houses on smaller lots means that many trees are being lost which negatively impacts on the character and environmental quality of an area <sup>61</sup> .   |

(Source: CPSD 2019)

<sup>60</sup> The questions were informed by Council's previous studies on local character to date (discussed in Section 9.2), to build on the important work already undertaken and not to reinvent the wheel.

<sup>61</sup> Coomes Consulting 2006

Table 28. Local character assessment of local character precincts nominated by Council

| Local Character Precincts   | The precinct has not been subject to substantial redevelopment? | Is the existing subdivision pattern still evident? | Are building types within the precinct consistent? | Does the built form contain a consistent architectural approach? | Does the precinct have a definable tree canopy or streetscape? |
|---|---|--|--|--|--|
| <b>Adamstown Brunker Road</b> - between Olney Road and Lockyer Streets, Glebe Rd between Bryant and Date St       | ✓   | ✓  | ✓  | X  | X  |
| <b>Adamstown</b> - between Lockyer, Teralba, Glebe and Fellows Streets  | ✓   | ✓  | ✓  | X  | X  |
| <b>Bar Beach</b> - between Darby, Nesca and Memorial Drive  | ✓   | ✓  | ✓  | X  | X  |
| <b>Birmingham Gardens</b> - between Sandgate, Moore and Wilkinson St  | ✓   | ✓  | ✓  | ✓  | X  |
| <b>Broadmeadow</b> - Belford St between Chatham and Samdon Street Lambton Rd between Chatham and the Railway      | X   | X  | X  | X  | X  |
| <b>Carrington Cowper Street</b> - between Robertson Street and Darvall Street                                     | ✓   | ✓  | X  | ✓  | ✓  |
| <b>Carrington</b> - area between Darvall Street and Hargraves Street  | ✓   | ✓  | X  | ✓  | ✓  |
| <b>Hamilton Denison St</b> - between Dumaresq, Beaumont, Denison and Chatham St                                   | ✓   | ✓  | X  | ✓  | ✓  |
| <b>Hexham</b> - Old Maitland Road along riverbank   | ✓   | ✓  | X  | X  | ✓  |
| <b>Islington</b> - Maitland Road between May St and the railway, Beaumont St between Maitland Road and railway    | X   | X  | X  | X  | ✓  |
| <b>Kotara</b> - north of the Railway including Gregory and Grinsell St  | ✓   | ✓  | ✓  | X  | ✓  |
| <b>Lambton</b> - between Croudace, Newcastle, Lloyd and Howe  | ✓   | ✓  | ✓  | X  | ✓  |
| <b>Maryville</b> - west of Hannell Street to Throsby Creek  | ✓   | ✓  | X  | ✓  | ✓  |
| <b>Mayfield Maitland Road</b> - between Silsoe and Tourle   | X   | X  | X  | X  | X  |
| <b>Mayfield</b> - area north of Maitland Road from approximately Woodstock Street to Industrial Drive             | ✓   | ✓  | ✓  | X  | ✓  |
| <b>Merewether</b> - Between Curry, Frederick and Merewether   | X   | ✓  | X  | X  | ✓  |
| <b>Merewether Glebe</b> - Wilton, Selwyn and Morgan Streets   | X   | X  | X  | X  | X  |
| <b>Merewether Railway Street</b> - Railway Street between Gordon Avenue and Lingard Street, and parts of Glebe Rd | X   | ✓  | X  | X  | X  |

| Local Character Precincts  | The precinct has not been subject to substantial redevelopment? | Is the existing subdivision pattern still evident? | Are building types within the precinct consistent? | Does the built form contain a consistent architectural approach? | Does the precinct have a definable tree canopy or streetscape? |
|--|---|--|--|--|--|
| <b>New Lambton Alma Road</b> - between Regent St and Wallarah St, Rugby Rd to Evescourt Rd, Regent St between Alma Rd and Avondale Rd            | ✓   | ✓  | ✓  | X  | X  |
| <b>New Lambton</b> - between Alma, Bridges, Queen and Evescourt Roads  | ✓   | ✓  | ✓  | X  | ✓  |
| <b>Stockton</b> - between Hereford Street and the foreshore  | ✓   | ✓  | X  | X  | ✓  |
| <b>Stockton Garden Suburb</b> - North of Flint Street  | X   | ✓  | ✓  | X  | X  |
| <b>Tarro</b> - between Northern, Southern, Eastern and Western Avenues   | ✓   | ✓  | ✓  | ✓  | ✓  |
| <b>The Junction</b> - Glebe Rd between Farquhar and Bruce St, Union Street between Glebe Rd and Kemp St, Kenrick St between Union and Glebe Road | X   | ✓  | X  | X  | ✓  |
| <b>Tighes Hill Maitland Road</b> - between Ferndale and Tighes Terrace, Elizabeth Street between Maitland Road and William Street                | ✓   | ✓  | X  | X  | X  |
| <b>Tighes Hill</b> - area east of Maitland Road from Throsby Creek to the Railway and Industrial Drive   | ✓   | ✓  | ✓  | ✓  | ✓  |
| <b>Waratah Hanbury Street</b> - Hanbury Street between Sunderland Street and the Railway   | X   | ✓  | ✓  | ✓  | X  |

(Source: adapted from Suters Architects 1997, CPSD 2019)

Many of the precincts identified in the 1997 Newcastle City Wide Heritage Study still retain character attributes that create a distinctive local character. Those precincts with the most character attributes remaining are listed in the very high-high column. Some precincts have experienced substantial redevelopment or change since 1997, and fewer of their character attributes remain. These precincts are listed in the moderate or low-very low columns.

The assessment also considered the likelihood of development activity within each precinct over the next five to ten years, drawing on data utilised to examine the LGA’s housing demand and supply. **Table 29** presents the findings of this comparison. This is intended to assist with prioritising the timing of completing more detailed assessments and making relevant adjustments to Council’s planning controls.

**Hamilton, Lambton, New Lambton, Birmingham Gardens, Maryville, Mayfield, Tighes Hill** and **Tarro** are considered the highest priority areas as they have remaining character attributes and are already experiencing high to moderate levels of development pressure. Areas that have significant remaining character attributes but are not experiencing as much development activity, such as **Carrington** and **Kotara (north of the railway)**, can be considered less of a priority.

Areas experiencing high levels of development activity, but have fewer identifiable local character features, such as **Adamstown, Islington, Merewether, Broadmeadow** and **Waratah**, should be also prioritised, as communities within these areas are likely to be concerned with how new development will affect their local area.

Table 29. Local character and development assessment matrix

| Likely development activity | Remaining character attributes   |  |  |                |
|-----------------------------|--|--|--|----------------|
|                             |  | Very high – high   | Moderate   | Low – very low |
| High                        | Hamilton - Denison Street<br>Lambton<br>New Lambton<br>New Lambton - Alma Road             | Adamstown - Bruncker Road<br>Adamstown<br>Waratah – Hanbury Street | Islington<br>Mayfield - Maitland Road<br>Merewether<br>Merewether Glebe<br>Merewether - Railway Street<br>Tighes Hill – Maitland Road, Elizabeth Street<br>Broadmeadow |                |
| Moderate                    | Birmingham Gardens<br>Maryville<br>Mayfield<br>Tighes Hill – east of Maitland Rod<br>Tarro | Stockton   | Stockton Garden Suburb<br>The Junction   |                |
| Low                         | Carrington - Cowper Street<br>Carrington<br>Kotara – north of railway                      | Bar Beach<br>Hexham – Old Maitland Road                            |  |                |

(Source: CPSD 2019)

## 9.5. Mechanisms to address local character issues

There are several planning mechanisms that Council can explore to respond to the local character issues identified in **Section 9.3**. Below is a high-level analysis of potential options available to Council for consideration to strengthen the role of local character in the planning process.

### 9.5.1. Completing a local character study

The State Government is currently reviewing the NSW planning framework to ensure that local character is recognised and enhanced through the planning process. It is likely that all councils will eventually be required to produce local character statements that identify features contributing to the existing character of an area and set expectations for desired future character.

To date, previous studies have identified several areas that may qualify as having extraordinary character in the Newcastle LGA and have recommended further strategic work to prepare and implement future local character studies.

CPSD recommends that Council prepare a local character study to provide the strategic basis for amending LEP and DCP residential controls to enhance local character across the LGA. A local character study would also serve as a reference document to assist Council's development assessment officers in interpreting residential land use zone objectives that require consideration of local character. The study would also provide greater certainty to the local community and developers as to the desired future character of Newcastle's residential neighbourhoods.

The study should draw on the policy considerations set out by the NSW Government Architect's office and be informed by community consultation. It should enable the creation of locality specific controls to encourage new housing that respects the current and intended future character.

For the Local Character Study to be effective and provide clear guidance to amend LEP and DCP controls it would likely need to provide the following for each identified local character area:

- Description of the existing local character
- Desired future character statement
- Key character elements that contribute to the distinctive local character (e.g. summary of material and form, setbacks, height, landscaping, car storage, street layout etc.)
- Objectives and design requirements that respond to character elements

### 9.5.2. Introducing a local character overlay with locality specific controls

The State Government is considering introducing a local character overlay and supporting clause in the Standard Instrument LEP (SI LEP). If introduced it could provide an additional mechanism for Council to manage local character issues through the planning framework.

At present, there is limited opportunity in the SI LEP, other than through the establishment of HCAs, to strengthen consideration of character. Relying solely on character controls in the DCP may not ensure effective consideration of character as DCPs are non-statutory and controls can be applied flexibly. The option to apply local character overlays within the LEP accompanied by additional assessment requirements would provide statutory weight to ensure that local character controls are considered and implemented effectively.

If introduced by the State Government, Council could consider applying local character overlays to specific areas where they and the community feel that the broader zone objectives are not adequate to manage change while supporting local character. Specific locations that may be suitable locations for local character overlays are areas of **Hamilton, Lambton, New Lambton, Birmingham Gardens, Maryville, Mayfield, Tighes Hill** and **Tarro** as discussed in **Section 9.4** of this Report. This recommendation

would need to be substantiated through a local character study and community consultation.

Local character overlays are intended for areas with significant or exceptional character values. Therefore, each local character area should be supported by desired future character statements and clear and measurable development controls within the DCP to ensure that development proposals can be meaningfully assessed.

### 9.5.3. Review of permissible residential land uses in the NLEP

The R2 Low Density Residential zone currently allows a wide range of residential land uses such as multi-dwelling housing and residential flat buildings (RFBs). Council has identified that some new multi-dwelling housing developments do not respect the intended low density character of the R2 zone, as per the objectives of the zone.

Council could consider prohibiting multi-dwelling housing and RFBs in the R2 zone to ensure that permissible land uses better reflect the low density residential character of the zone. However, it is important to understand the implications of this action on new housing supply and housing diversity.

An analysis of the Study’s housing supply audit (presented in **Section 6.2**) suggests that this mechanism, if implemented in isolation, would significantly impact upon future housing supply both in terms of volume and diversity. The Study’s housing supply audit found that multi-dwelling housing in the R2 zone accounts for around 16% (748 new dwellings) of all new dwellings built or under construction between mid-2016 and mid-2019. The number of RFBs built over this same period was less than, 10 indicating that they are currently having little impact upon local character.

**Table 30** provides a comparison of new multi-dwelling housing supply in each of the residential zones and all new housing supply in the Newcastle LGA between August 2016 and August 2019. These findings show that over 80% of multi-dwelling housing development is occurring in the R2 zone.

*Table 30. Multi-dwelling housing supply in Newcastle LGA between Aug-2016 and Aug-2019*

| Area                                   | Built/ under construction | Approved | Under assessment | Total |
|--|---------------------------|----------|------------------|-------|
| New multi-dwellings in R2              | 748                       | 381      | 65               | 1,194 |
| New multi-dwellings in R3              | 100                       | 121      | 6                | 227   |
| New multi-dwellings in R4              | 11                        | 8        | 6                | 25    |
| All new dwellings in the Newcastle LGA | 4,604                     | 2,721    | 1,475            | 8,800 |

(Source: CPSD housing supply audit 2019)

**Table 31** shows where the highest, middle and lowest levels of multi-dwelling development activity is occurring. Areas with the highest level of multi-dwelling development activity (Elernmore Vale, North Lambton, Wallsend and Shortland) are suburbs that have not previously been identified as having extraordinary local character. Multi-dwelling housing in these areas is likely to be providing more affordable and diverse housing options in the outer suburbs.

However, a high to moderate level of multi-dwelling development activity is also occurring in areas that have been identified as having a distinctive local character (Mayfield, New Lambton, Birmingham Gardens, Maryville, Adamstown and Lambton). New multi-dwelling housing in these areas may be impacting upon local character. Substantial multi-dwelling development activity is also occurring in Kotara, although not in the area identified as having distinctive local character north of the railway line.

Based on these findings, prohibiting multi-dwelling housing in the R2 zone is likely to be effective in managing impacts on local character in some residential areas, but would simultaneously reduce housing diversity and supply by a substantial degree across R2 Low density residential areas.

To better manage these competing outcomes, CPSD recommends that Council explore this approach in conjunction with the introduction of the R1 General Residential zone under the NLEP (discussed below).

*Table 31. Geographical distribution of multi-dwelling housing supply (built/under construction, approved, under assessment) in the R2 zone between mid-2016 and mid-2019*

| Areas where new multi-dwelling housing supply is highest (41 or more) | Areas where new multi-dwelling housing supply is in the middle (11 to 40) | Areas where new multi-dwelling housing supply is the lowest (10 or less) |
|---|---|--|
| Elernmore Vale-Rankin Park (236)                                      | Maryville - Wickham (35)  | Bar Beach - The Junction (0)   |
| North Lambton (207)   | Adamstown (33)  | Cooks Hill (0)   |
| Wallsend (182)  | Merewether - Merewether Heights (33)                                      | Hamilton - Hamilton South (0)  |
| Shortland - Sandgate (86)   | Jesmond (31)  | Newcastle - Newcastle East - Newcastle West (0)                          |
| Mayfield - Mayfield East (68)   | Lambton (29)  | The Hill (0)   |
| Kotara (54)   | Maryland (21)   | Islington - Tighes Hill (5)  |
| New Lambton (49)  | Georgetown - Waratah (19)   | Stockton (5)   |
| Birmingham Gardens (43)   | Adamstown Heights (18)  | Waratah West (5)   |
|   |   | Beresfield - Tarro (6)   |
|   |   | Broadmeadow - Hamilton North (8)   |
|   |   | Fletcher - Minmi (9)   |
|   |   | Mayfield West -Warabrook (10)  |

(Source: CPSD housing supply audit 2019)

### 9.5.5. Introducing an addition residential zone: R1 General Residential

Planning controls within the R2 Low Density Residential zone currently allow for a wide range of dwelling types to be built across Newcastle's residential areas, including those identified for limited growth and with special local character.

As the R2 zone is applied widely across the Newcastle LGAs residential areas, removing dwelling types that are out of character with limited growth areas such as multi-dwelling housing will negatively impact on housing supply. There are also moderate growth areas within the R2 zone, and limited growth areas with fewer local character constraints where multi-dwelling housing is appropriate.

CPSD recommends that Council consider introducing the R1 General Residential zone in conjunction with prohibiting multi-dwelling and RFBs in the R2 Low Density Residential zone. The R1 zone could be introduced in moderate and limited growth areas with few character constraints and that have suitable access to transport, shops and services. While the R2 zone, with multi-dwelling housing and RFBs prohibited, could apply to limited and moderate growth areas with special local character or with poor accessibility to transport, shops and services.

The application of the R1 and R2 zones should be underpinned by a local character study that identifies areas of special local character where multi-dwelling housing is not consistent with the desired future character. Council should also consider zone application based on the concept of 'Newcastle Urbanism' and the SAFE Criteria framework set out in the Local Planning Strategy. This framework has been used to identify boundaries for residential growth based on walking distance to transport, shops and services.

This approach would geographically limit housing types that are having the largest impact on local character and amenity, while continuing to encourage housing diversity in limited and moderate growth residential

areas that are less constrained. It would also more clearly identify to the community and developers where Council want development to happen, and is less discretionary than other potential planning mechanisms such as reducing floor space ratio and site coverage.

### 9.5.6. Review of residential land use standards and controls in the NLEP and NDCP

Standards and controls established in the NLEP and NDCP such as height, floor space ratio (FSR), setbacks, landscaping and private open space are intended to support the achievement of 'harmony' in the built environment and to ensure that the character of the surrounding area is 'respected'<sup>62</sup>.

The existing standards and controls regulating residential development within the R2 Low Density Residential zone are currently allowing new development to occur that is not in 'harmony' with the existing built environment and that does not 'respect' the character of the surrounding area. Particular issues raised by the community include the visual intrusion of building bulks and loss of tree canopy and private open space in areas intended for limited growth.

An alternative to prohibiting multi-dwelling housing in the R2 zone is for Council to tighten existing standards and controls within the NLEP and NDCP to address character and amenity issues identified. CPSD recommends Council consider a review of FSR standards of the R2 zone within the NLEP and storey limit, rear setback and landscaping controls for multi-dwelling housing within the NDCP. Each of these approaches are discussed below.

**Reducing FSR standards:** maximum FSRs in the R2 zone currently range between 0.6:1 in limited growth precincts and 0.75:1 in moderate growth precincts. These maximum FSRs are considered high for intended low density residential areas and are more characteristic of medium density residential areas<sup>63</sup>. It is generally accepted by the planning profession that open suburban character is most easily maintained when the FSR of

<sup>62</sup> Fleetqueen Pty Ltd v Newcastle City Council [2018] NSWLEC 1105.

<sup>63</sup> This conclusion is based on CPSDs professional experience and a review of FSR controls within the following LEPs: Byron LEP 2014, Canada Bay LEP 2013, Hunters Hill LEP 2012, Mosman LEP 2012, Randwick LEP 2012, Shellharbour LEP 2013 and Wollongong LEP 2009.

buildings does not exceed 0.5:1<sup>64</sup>. CPSD recommends Council consider reducing the maximum FSR to 0.5:1 in limited growth precincts and 0.6:1 in moderate growth precincts to encourage new dwellings that are compatible with the existing low density character and amenity within these areas.

**Storey limit at rear:** In addition to reducing maximum FSRs within the R2 zone, Council could introduce a development control that places a storey limit on multi-dwelling housing within the R2 zone. An increasing number of multi-dwelling developments within the R2 zone are built to 2 storeys both at the front and rear of the site fully utilising the building envelope. This can create developments of a mass and bulk that are not compatible with the low density character of R2 zoned residential areas. Council could consider introducing a development control that restricts the storey limit for multi-dwelling housing to single storey for dwellings at the rear, this would concentrate bulk and massing to the front of the lot which is more in character with existing low density suburbs.

This approach has been applied by Canterbury-Bankstown City Council with the following development control within Section 7 of the Bankstown DCP 2015:

*“7.1 The storey limit for multi-dwelling housing is 2 storeys for front dwellings facing the street and single storey for the remaining dwellings at the rear.”*

**Increasing landscaping, open space and rear setback controls:** A key local character issue identified by the community is the loss of tree canopy associated with infill residential development. Reducing FSRs and limiting storeys at the rear is unlikely to have a positive impact on site coverage and tree retention. CPSD recommends that Council consider a review of landscaping, open space and rear setback controls for multi-dwelling housing to encourage the retention of existing trees and planting of new trees at the rear of the site. Council could consider a rear setback requirement of 4 to 5 metres for multi-dwelling housing to be used as communal open space and for deep soil planting.

Reviewing standards and controls for multi-dwelling housing, such as those discussed, will help address key local character issues identified by the

community and will better support the achievement of ‘harmony’ in the built environment.

Importantly, Council should review standards and controls in conjunction with a review of the controls required by the Low Rise Medium Density Housing Code. Currently there is little developer take up of multi-dwelling housing delivered as complying development through the Code. However, tightening standards and controls under the NLEP and NDCP may encourage further take up of the complying development approvals pathway. If this occurs the community and Council will have limited input in addressing local character and amenity outcomes of multi-dwelling housing.

#### **9.5.7. Undertake an investigation of Heritage Conservation Areas within the R3 Medium Density Residential zone**

Council has noted that development is occurring within HCAs that does not respect the heritage significance of the area, this is particularly the case in areas where an R3 Medium Density Residential zone applies over a HCA. This issue has previously been identified in Council’s Local Planning Strategy which includes the following strategic action for heritage:

*“Evaluate the extent of R3 Medium Density zone within heritage conservation areas where identified desired character is inconsistent with zone objectives” – City of Newcastle, 2015a, p. 74*

CPSD recommends that Council pursue this investigation to address this ongoing issue. A review of the R3 zone boundary within HCAs may also be considered in conjunction with other mechanisms including a review of DCP controls for HCAs.

CPSD notes that a previously suggested approach to address this issue is to strengthen the consideration of heritage within the R3 zone objectives. However, this is likely to have little effect as Clause 5.10 of the NLEP already requires consideration of heritage significance.

<sup>64</sup> Refer to the current planning principle for FSR compatibility in a suburban context:

Salanitro-Chafei v Ashfield Council [2005] NSWLEC 366 at 23-28

## 10. PLANNING FOR HOUSING IN NEWCASTLE

This section highlights the key issues emerging from evidence presented above to provide focused recommendations for future planning and plan-making for housing in the Newcastle LGA. This recognises that the available evidence indicates that the LGA has a sufficient supply of land available to accommodate the forecasted housing requirements in sheer numbers, but that additional efforts are required to ensure that the new housing that is delivered is meeting the community's needs and expectations.

Discussion in this section focuses on where additional strategic planning efforts and policy development are required to:

- Establish a consistent and commonly-understood spatial planning framework that can be used to review and update land use and development controls, and otherwise guide investment to support residential development;
- Improve planning and policy for the largest 'supply gaps', particularly with respect to housing products for cohorts with specific needs; and
- Enhance the 'lived experience' of Newcastle's residents, with considerations for enhancing the quality and liveability of housing as this relates to human and population health, overall cost of living, and local character.

Recommendations are also provided in each sub-section for improvements to assist with improving and monitoring the local housing 'evidence base' to inform future strategic planning initiatives.

### 10.1. Spatial planning

Long-term planning and plan making relies on a consistent evidence base to monitor past trends and progress over time, and to provide a basis for modelling future change scenarios. Aligning data-collection and reporting within a common spatial framework is fundamental to this process.

The current spatial framework to plan for housing in Newcastle includes several elements that have been inherited from previous strategy work completed separately by the NSW State Government and Council. These include:

- Thirty **community profile areas**, which are individual suburbs (or combinations thereof) covering the whole of the LGA. These are currently used for ongoing demographic analysis and forecasting (.id profile) and were the basis for neighbourhood-level visions and objectives in Council's Local Planning Strategy.
- Seven **catalyst areas**, which were identified in the GNMP as places of metropolitan significance that need a collaborative approach to support the delivery of new jobs and homes. The higher-level of change anticipated in each of these areas will influence housing demand and supply throughout the LGA. Four of these areas have also been assigned specific residential growth delivery targets.
- A series of **urban renewal corridors**, which were most recently described in the GNMP as locations that will develop into high amenity areas with frequent and accessible transport, with the potential to be home to more people if planned well. Five corridors have been identified in previous regional and local strategies and incorporated into Council's DCP, which includes strategic targets for a desired number of additional dwellings. The GNMP identifies three additional broad areas as a focus for further investigation and planning as urban renewal corridors.
- A series of **residential growth precincts**, identified by category (e.g. substantial, moderate, or limited), in Council's Local Planning Strategy which have been mapped and incorporated into the DCP. Precinct categorisations are used to establish form-based guidelines for the design of residential developments as relevant to each category (e.g. limited, moderate or substantial growth), regardless of location (e.g.

suburb). In their current form, these precincts are not assigned growth targets in relation to a desired number of additional dwellings.

Currently, the spatial planning framework for housing provides a complex basis for plan-making. This sub-section provides recommendations to improve the spatial planning framework for Council to consider when preparing its LSPS and Local Housing Strategy, with the aim of better aligning metropolitan and local-level planning in a way all stakeholders can readily understand.

#### **10.1.1. Housing planning and profile areas**

Long-term planning and plan making relies on a consistent evidence base to monitor past trends and progress over time, and to provide a basis for modelling future change scenarios. Aligning data-collection and reporting within a common geographical framework is fundamental to this process. This overarching framework should encompass the whole of the LGA to account for changes to residential development boundaries (e.g. re-zonings or up-zonings) that may occur over time.

At present, 30 'community profile areas' covering the whole of the Newcastle LGA are used by Council and others for the purpose of ongoing demographic analysis and forecasting. These broadly align with established suburb boundaries, which rarely change, providing a long-term consistent basis for tracking population and dwelling data collected through the census.

These 'community profile areas' were recently utilised in Council's Local Planning Strategy to describe neighbourhood-level planning outcomes (vision, objectives, and forecasted changes relevant to residential development). They were also utilised in this Study to disaggregate data and analysis to smaller areas, including our audit of the housing supply pipeline.

Alternative approaches to establishing housing profile and planning areas have been utilised elsewhere in NSW. These tend to define smaller areas based on people's preferred search locations when looking for a new home to buy or rent (utilising migration data and surveys), and/or broad infrastructure catchment boundaries. This approach could provide a more

meaningful basis for considering gaps in the supply of certain types of housing to ensure people have a range of options available to them within their preferred local area for the whole of their lives, and for aligning infrastructure planning and funding mechanisms to better align with growth and change.

Recommendations for establishing and monitoring housing planning and profile areas:

1. Continue utilising the 30 established community profile areas covering the whole of the Local Government Area as a basis for establishing dwelling forecasts and monitoring growth against these. This should include identifying opportunities to automate Development Application and Complying Development Certificate information as it comes in to keep the supply pipeline information up to date.
2. In the longer term, review the suitability of the current 'community profile areas' in the context of planning for future housing, and related infrastructure needs. Refer to studies completed by SGS for the Lower Hunter for more information on areas previously considered.

### 10.1.2. Catalyst Areas

The GNMP identifies 7 Catalyst Areas within the Newcastle LGA, which are expected to be the focus of future place-based planning. Refer to **Appendix 3** for a more detailed review of each Catalyst Area's role in delivering housing and a summary of current residential development activity.

Three Catalyst Areas predominantly relate to employment-generating uses. While these Catalyst Areas are not expected to be locations for significant residential growth, the provision of jobs and services in these locations will have a spatial implication for planning for housing across the LGA.

- Newcastle Port – 500 additional jobs;
- John Hunter Hospital – 1,700 additional jobs; and
- Beresfield-Black Hill – 800 additional jobs.

Four Catalyst Areas have been assigned specific targets for residential growth in the GNMP, which will form the basis for future planning and plan-making.

- Newcastle City Centre - 4,000 additional dwellings, 7,750 additional jobs, and a major destination for visitors;
- Broadmeadow - 1,500 additional dwellings; 550 additional jobs, and a major destination for sporting and events;
- Callaghan - 750 additional dwellings, 1,200 additional jobs, and a major destination for students; and
- Kotara - 400 additional dwellings, 800 additional jobs, and a major destination for retail.

The GNMP describes a collaborative approach between State and Local Governments to plan for growth in Catalyst Areas. This is expected to involve new studies such as masterplanning to support land use and development controls changes, and business development cases to attract private and public investment<sup>65</sup>.

The delivery of residential growth to achieve the dwellings targets assigned to each of the Catalyst Areas will rely heavily on private-sector investment. The expectation of changes to land use and development controls will influence investment decisions in these locations. Providing greater certainty to the market as to the timing of these changes, and interim procedures for considering land use changes in the meantime, can facilitate better outcomes to catalyse supply.

As the preferred location for metropolitan-level jobs and services, each Catalyst Area is also a focus area for the provision of specialised forms of residential development, including social and affordable housing, specialised disability housing, student accommodation, etc. Identifying desired outcomes for these types of products, supported by suitable policies and guidelines can also assist with providing greater certainty for investment.

Recommendations for Catalyst Areas:

3. Utilise the Catalyst Area dwelling targets identified in the Greater Newcastle Metropolitan Plan to provide further guidance as to the preferred types and mix of dwellings. This should include considerations for social and affordable housing, housing for people with a disability or high care needs, and student accommodation.
4. Prepare a policy and implementation program for considering changes to land use and development controls in Catalyst Areas. This should identify interim processes available for consideration of changes in advance of comprehensive (whole-of-area) studies.

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### 10.1.3. Urban Renewal Corridors

The GNMP identifies a series of Urban Renewal Corridors across the Newcastle LGA and describes a two-stage approach to planning for these areas, based on established (Stage 1) and investigation (Stage 2) corridors.

#### Established (Stage 1) Urban Renewal Corridors

Five Urban Renewal Corridors have been identified through previous plans or strategies, with clearly defined boundaries and controls already incorporated into Council's LEP and DCP. These are expected to be the focus for Council to amend local plans based on feasibility testing, and the GNMP broadly encourages Council to identify strategies to achieve urban densities of 50-75 jobs and people per hectare.

**Appendix 2** provides a more detailed review of each Established (Stage 1) Urban Renewal Corridor. This review did not reveal any significant constraints to development arising from environmental factors. Planning controls within several precincts within these corridors do appear to limit growth potential, warranting further investigation.

Feasibility also appeared to be a limiting factor to the take-up of medium-density residential development across several of the Established (Stage 1) Urban Renewal Corridors, based on anecdotal evidence. This was described as relating to lower and more volatile land values in each of the corridors.

The higher take-up in the Adamstown corridor has been described as resulting from high-risk investment decisions by specific investors rather than a result of coordinated planning efforts. Advice from the development industry indicates private investment is stimulated by public investment and expenditure in renewal areas. This is evidenced by the success of urban renewal in Newcastle City Centre, where there has been a strong focus of public sector investment and expenditure in the public domain and public transportation.

In recent years, Council has focused investment in public domain planning and capital works in Newcastle City Centre and selected Local Centres. To date, eight Local Centres have been the subject of Public Domain Planning,

none of which are located in an Established (Stage 1) Urban Renewal Corridor.

#### Recommendations for Established (Stage 1) Urban Renewal Corridors

5. Review and update planning controls for each established (Stage 1) Urban Renewal Corridor, drawing on the information presented in Appendix 2, and the guidelines provided in this Report
6. Prepare public domain plans for each established (Stage 1) Urban Renewal Corridor to provide a focus for public sector investment and renewal.
7. Align data-collection and reporting mechanisms to track the following for each established (Stage 1) Urban Renewal Corridor:
  - Residential development approvals
  - Residential development completions
  - Development of different housing types (detached, attached 1-2 storeys, attached 3+ storeys)

## Investigation (Stage 2) Urban Renewal Corridors

The GNMP identifies three broad areas as a focus for further investigation and planning as Urban Renewal Corridors. These are:

- The A15 corridor (Hamilton to Lambton, including Georgetown and Waratah); and
- Russell Road corridor (Broadmeadow to New Lambton); and
- Glebe Road corridor (Merewether to The Junction).

Much like the Catalyst Areas, future planning for the Investigation (Stage 2) Urban Renewal Corridors will rely on new studies to support land use and development controls changes, and other mechanisms to attract private and public investment. The expectation of changes to land use and development controls will influence investment decisions in these corridors. Providing greater certainty to the market as to the timing of these changes, and interim procedures for considering land use changes in the meantime, can facilitate better and more cost-effective supply outcomes.

Recommendations for Investigation (Stage 2) Urban Renewal Corridors:

8. Prepare a policy and implementation program for considering changes to land use and development controls in investigation (Stage 2) Urban Renewal Corridors. This should identify interim processes available for consideration of changes in advance of comprehensive (whole-of-corridor) studies.
9. Investigate each (Stage 2) Urban Renewal Corridor to:
  - consider its role and function within the broader network of centres and urban renewal;
  - define the boundary of properties expected to be the focus of new development;
  - identify growth targets, including additional dwellings and/or jobs as a basis for establishing land use and development controls;
  - within these targets, identify desired outcomes for, at minimum, social and affordable housing, housing for people with a disability or high care needs, and student accommodation.

#### 10.1.4. Residential growth in and around Local Centres

Residential development will continue to occur in locations outside the Catalyst Areas and Urban Renewal Corridors identified by the GNMP. Council's current approach is to encourage growth in locations that are readily accessible to a major Local Centre or railway station (e.g. walkable within 10 minutes). This is understood to be the basis for the residential growth precincts that are most recently reflected in Council's Local Planning Strategy and have been mapped and incorporated into the DCP.

Commercial Centres across the LGA have been defined and categorised in Council's Local Planning Strategy. The City Centre is identified as the Regional City. Other categories include Major Local, Minor Local, Neighbourhood, and Specialised Centres.

Several of the Centres already fall within the geographical scope of a Catalyst Area or Urban Renewal Corridor, and land use and development controls would be reviewed in conjunction with these. Planning controls for other Centres should also be reviewed to provide opportunities for greater residential densities in areas that either already or may in future benefit from convenient access to jobs and services. This may rely on the re-categorisation of some centres to Major Local Centres, to provide a common understanding of the future role and function of the locality.

**Table 32** provides preliminary recommendations for centres that could be investigated to identify controls or other mechanisms that may facilitate greater residential densities. This identifies centres that are not currently considered Major Local Centres within areas but are expected to experience growth pressures, either as a result of deliberate urban renewal efforts or through other drivers. This suggests Council may need to identify specific projects (outside initiatives for Catalyst Areas and Urban Renewal Corridors) to review planning controls for centres in:

- Existing neighbourhoods like Cooks Hill and Stockton, recognising their easy accessibility to Newcastle City Centre.
- Greenfield areas like Fletcher and Maryland, where a high rate of growth is already occurring. These areas will rely on the establishment of controls ahead of growth to ensure higher residential densities can be achieved in future years.

Planning and plan-making for each of these centres should consider the capacity for residential growth, the need for targets to support specific housing needs (described later in this Report), and improvements to the public domain.

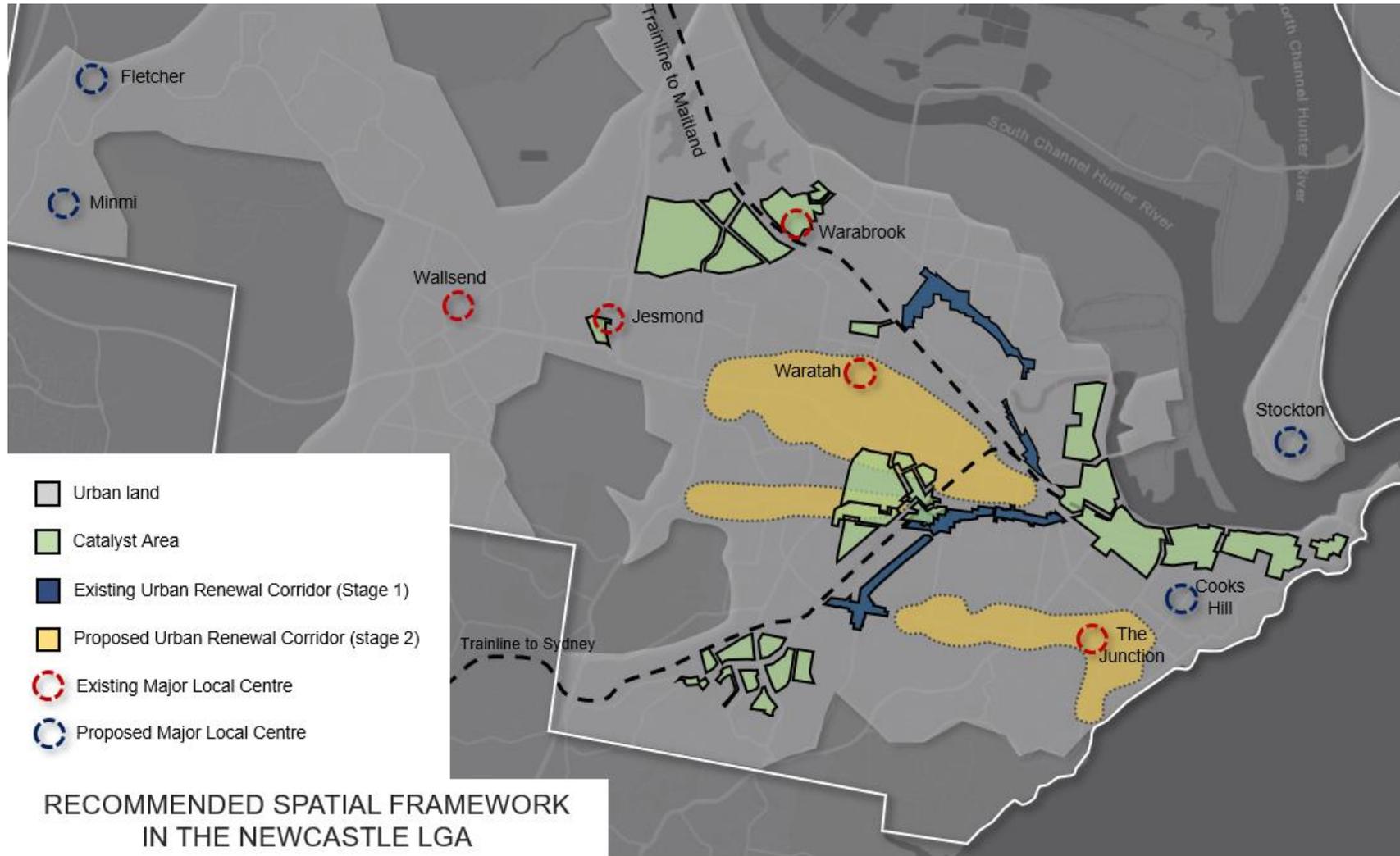
Recommendations for residential growth in and around centres:

10. Review the current hierarchy of centres within the LGA to consider re-categorising centres in areas planned for higher levels of growth as Major Local Centres, as a basis for reviewing land use and development planning controls. Refer to **Table 32** for preliminary considerations. This should also include a review of Appendix C of Council's Local Planning Strategy to determine if the recommended future zonings are still appropriate.

Table 32. Recommended Spatial Framework for Local Centres in the Newcastle LGA

| Recommended Spatial framework category assignment        | Established Major Local Centre<br>As per Council's Local Planning Strategy  | Recommended for investigation as a Major Local Centre or Urban Renewal Corridor  |
|--|---|--|
| <b>Catalyst Area</b>                                     | <ul style="list-style-type: none"> <li>▪ Broadmeadow</li> <li>▪ Kotara</li> <li>▪ Warabrook</li> </ul>  | N/A  |
| <b>Urban Renewal Corridor</b><br>Established (Stage 1)   | <ul style="list-style-type: none"> <li>▪ Adamstown (Brunker Rd)</li> <li>▪ Hamilton (Tudor St)</li> <li>▪ Islington</li> <li>▪ Mayfield</li> </ul>                                  |  |
| <b>Urban Renewal Corridor</b><br>Investigation (Stage 2) |   | <b>A15 corridor</b> <ul style="list-style-type: none"> <li>▪ Hamilton (Beaumont St)</li> <li>▪ Waratah (Station St)</li> <li>▪ Georgetown</li> </ul> <b>Russell Rd corridor</b> <ul style="list-style-type: none"> <li>▪ Lambton</li> <li>▪ New Lambton</li> </ul> <b>Glebe Rd corridor</b> <ul style="list-style-type: none"> <li>▪ Merewether</li> </ul> |
| <b>Major Local Centre</b>                                | <ul style="list-style-type: none"> <li>▪ Waratah (Kmart)</li> <li>▪ Beresfield/Tarro</li> <li>▪ Jesmond</li> <li>▪ The Junction</li> <li>▪ Wallsend</li> <li>▪ Warabrook</li> </ul> | <b>Infill</b> <ul style="list-style-type: none"> <li>▪ Cooks Hill (Darby St)</li> <li>▪ Stockton</li> </ul> <b>Greenfield</b> <ul style="list-style-type: none"> <li>▪ Fletcher</li> <li>▪ Maryland</li> </ul>   |

Figure 27. Recommended spatial framework for Major Local Centres in the Newcastle LGA



## 10.2. Needs-based planning

Meeting the housing needs and expectations of some groups within the community requires a greater planning effort. This Study addressed ongoing concerns in relation to four main groups:

- People with limited incomes, relying on social and affordable housing;
- People living with a disability, including frail elderly people, relying on SDA and residential care facilities;
- Students; and
- Retired people.

Discussion in this section focuses on where additional strategic planning efforts and policy development are required to:

- Improve planning and residential development outcomes for the four main groups described above; and
- Identify and accommodate other needs-based groups that may emerge over time.

With the exception of SAH, there is limited opportunity to mandate or otherwise levy for the provision of the residential products upon which these groups rely. The approach described seeks to establish needs-based targets in relevant locations as a signal to the market, and support this with suitable policy mechanisms that facilitate or incentivise development to stimulate supply.

### 10.2.1. Social and affordable housing

Evidence discussed in **Section 7.1** suggests a significant supply gap in social and affordable housing in the Newcastle LGA. At 2016, this related to an existing underlying demand in the order of 7,000 to 7,500 SAH units, and supply of 3,907 social housing (combined public housing, community housing, and Aboriginal housing) units and 206 affordable units. Our pipeline audit did not identify any new social housing development projects, and the 132 SAH units in the pipeline fall substantially short of the assumed underlying demand.

Council has committed to increasing the supply of SAH in Newcastle and has been working with community housing providers and the State Government to deliver new SAH projects across the LGA. However, existing projects are expected to contribute less than 2% of SAH needs as currently estimated.

In the coming years, the demand for SAH in the Newcastle LGA is expected to increase, driven by the in-migration of students, an aging population, and the creation of lower-wage jobs. Without substantial intervention, the supply of SAH is simultaneously expected to diminish as the current supply of publicly owned social housing reaches the end of its functional life, and NRAS funding (subsidising below-market-rent units) is discontinued.

This issue is not unique to Newcastle. There is a need, Australia wide for significant investment in SAH<sup>66</sup>. SAH Policy and delivery mechanisms currently available in NSW are highly complex, and subject to ongoing review.

Council has the opportunity to impose development requirements, including through:

- The collection of development levies or requirement of works-in-kind (e.g. through conditions of consent, or Planning Agreements); or
- On-site requirements (e.g. percentage of units must be SAH)

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<sup>66</sup> AHURI 2018

Four separate models to leverage SAH funding or direct provision through the planning approvals process are considered in **Table 33**. Each of these would only be effective in specific locations or circumstances. Identifying these locations and circumstances as early as possible and advocating for SAH through the planning process will assist with delivery over time.

Table 33. Models for Social and Affordable Housing

| Model  | Principle  | Levy examples                           | Suitable locations or circumstances  |
|--|--|---|--|
| User pays  | Proponents pay according to a share of usage of planning infrastructure  | Section 7.11 plans                      | None currently<br>This model requires establishment of a nexus between additional development and SAH.   |
| Impact mitigation  | Proponents contribute 100% of the cost based on the creation of additional or reduction of existing SAH.   | Conditions of consent                   | Re-development of existing SAH.<br>Other circumstances would rely on establishment of a nexus between additional development and SAH   |
| Value sharing (by site/project)                                      | Proponents share part of the uplift in land facilitated by spot re-zoning or DA approval (development standard variation under clause 4.6)         | Planning Agreements                     | Where planning controls are already established and not expected to change within 5 years.<br>Catalyst areas (City Centre, Callaghan)  |
| Value sharing (by precinct)<br>Also known as Inclusionary provisions | Proponents share a part of the uplift in land by meeting on-site development obligations or payment of levies incorporated into planning controls. | Affordable Housing Contribution Schemes | Where an area is expected to be up-zoned<br>Catalyst areas (Kotara and Broadmeadow), Urban Renewal Corridors, other Local Centres identified as preferred growth locations (e.g. Hamilton) |

(Source: SGS Economics & Planning n.d.)

Council can also support the delivery of SAH by partnering with community housing providers or otherwise facilitating partnerships between private developers and community housing providers. This recognises the challenges community housing providers face when trying to deliver projects in higher-value areas like the City Centre. It relates to their ability to access finance, higher cost of construction, etc.

Support for community housing providers can be achieved through various mechanisms, including:

- Advocating for the including of SAH to new development projects during pre-lodgement discussions with applicants;
- ‘Gifting’ or heavily subsidising access to Council-owned land for the use of SAH;
- Waiving or discounting development levies where SAH forms part of a development;
- Discounting on-site requirements (e.g. car parking) where SAH forms part of a development.

These types of incentives must be signalled to the market in some way, such as through the introduction of a Council policy or signposting in LGA-wide plans and strategies.

### Selected locational considerations for SAH

**Newcastle City Centre (including Wickham):** The City Centre is expected to remain the largest destination for jobs, services and visitors. It is readily accessible by public transport. Planning controls for the area are relatively well-established and there is already a considerable amount of development already in the pipeline. A Planning Agreement policy that enables new projects to access 'bonus provisions' in exchange for SAH provisions on-site or cash-in-lieu payments would be most suitable in this area.

**Broadmeadow and Kotara:** As Catalyst Areas, Broadmeadow and Kotara are nominated as focus areas for residential growth in the long-term. Broadmeadow, in particular, is readily accessible to public transport (rail, bus and potentially light rail). This location is immediately suitable for a Planning Agreement SAH policy approach and would be suitable for Inclusionary Provisions in line with anticipated broadscale changes to land use and development controls.

Kotara may be a suitable location for increased residential densities over the long-term in conjunction with inclusionary provisions for SAH. However, more detailed investigation is needed to define Kotara's role as a catalyst area. Further investigations should assess potential for increasing residential densities against Kotara's future role in the employment land hierarchy, and the viability of improving access to Kotara Train Station.

**Hamilton:** This Local Centre is readily accessible by public transport (rail and bus) and is well-served by local amenities (e.g. supermarket, open space, etc.) Subject to further investigation, specific sites north or south of the rail line within 800m of Hamilton railway station may be suitable for increased residential density over the long-term, which would enable the implementation of Inclusionary Provisions in line with any broadscale changes to land use and development controls. Areas of Hamilton are within a Heritage Conservation Area or have distinctive local character which will require consideration at the investigation stage.

Recommendations relating to Social and Affordable Housing:

11. Further investigate supply and demand considerations for social and affordable housing in the Newcastle Local Government Area, in consideration with social and affordable housing providers.
12. Incorporate investigations for social and affordable housing into the review of land use and development controls for all Catalyst Areas and Urban Renewal Corridors, including the preparation of Affordable Housing Contribution Schemes that underpin inclusionary provisions.
13. Establish a Council policy that identifies the locations and circumstances in which Council would consider Planning Agreements as a mechanism to re-zonings and development application approvals where projects incorporate social and affordable housing funding or on-site provision.
14. In the long term, review the potential of establishing a nexus between additional development and social and affordable housing to enable, for example, Section 7.11 funding or conditions of consent to support additional social and affordable housing.

### 10.2.3. SDA and Residential Care Facilities

Evidence presented in **Section 7.2** suggests more detailed research is required to better understand and quantify needs for people needing in-home modifications or residential care facilities in the Newcastle LGA in order to establish a suitable policy response. The information that is currently available suggests that the SDA and residential aged care facilities within the LGA already have a high occupancy rate, and there are very few projects in the pipeline.

The number of households or individuals requiring SDA, other in-home modifications, or placements in residential care facilities is expected to grow. The most dominant driver being an increase in the number of people over the age of 75 (residential aged care). However, there is also expected to be a growing market for SDA accommodation as additional public funding becomes available through the NDIS.

While SDA and residential care facilities are privately-driven markets, they cater for some of the most vulnerable people in our community. The availability and location of this type of accommodation is also relevant to users' level of care and lived experience. Council can support this by encouraging facilities to locate in areas that already have a higher level of access to health or other support services, and a public domain that safely accommodates all mobility levels. The approach for doing this would be similar to that recommended for SAH.

The preferred model of care is to support people with a disability or declining health to continue living independently for as long as possible. This will rely on the up-take of more adaptable forms of housing through new development projects. Better understanding the effectiveness of the current DCP requirements (Silver-level universal design features) will assist with future policy development in this regard. It may be appropriate to identify an Adaptable Housing Target in locations where a higher level of development activity is occurring or expected, to enable more residents to age-in-place in coming decades.

Recommendations to support people with a disability or high care needs:

15. Further investigate supply and demand considerations for specialist disability accommodation and residential care facilities in the local government area, in consultation with disability and carer support service providers.
16. Identify policy mechanisms to facilitate the incorporation of specialist disability accommodation or residential care facilities in locations with a higher level of accessibility.
17. Identify the level of take-up of Silver Level universal design features through recent approvals.
18. Consider establishing an 'adaptable housing target' in select locations to support longer-term opportunities for people to age-in-place.

#### 10.2.4. Student accommodation

Tertiary education is one of Newcastle's fastest growing sectors, and evidence relating to student accommodation was discussed in **Section 0** of this Report. This suggests that purpose-built student accommodation options are only catering for a fraction of the student population in Newcastle, which means students are heavily reliant on the private rental market. The correlation between suburbs with higher student populations and suburbs with higher proportions of households in rental stress suggests a lack of affordable student housing across the LGA.

Further research is required to better understand student housing needs and expectations based on the likely mix of students living in the LGA in future. This recognises the diversity of needs, depending on the stage of education (e.g. first year or postgraduate), cultural background (e.g. international students) and family situation (e.g. living at home or supporting a family of their own).

There is limited opportunity to mandate the or otherwise levy for the provision of student accommodation through the planning approvals process. That means Council will need to rely on other mechanisms, including advocacy and incentivisation to stimulate supply. Establishing Student Housing Targets in suitable locations will assist in this regard. This would be immediately appropriate for the City Centre, where substantial growth of tertiary institutions is already occurring, and surrounding suburbs with existing rail or future light rail connections to both the City Centre and Callaghan (e.g. Wickham, Hamilton, and Mayfield).

The process for assessing student accommodation DAs may also warrant review. This recognises that there is currently no land use definition for student accommodation under NSW planning legislation. Consequently, student housing is typically approved as another type of residential accommodation; most commonly boarding house, residential flat building, or dwelling housing. There may be advantages to preparing a DCP to specifically address development and design considerations for student housing.

Finally, students may need additional assistance to find appropriate accommodation, particularly if they are new to the local area. This is especially relevant for students from CALD backgrounds. Council may have a role to play working with education providers to advocate for improvements in this regard.

Recommendations for student housing,

19. Work with education providers to further investigate supply and demand considerations for student accommodation in the Local Government Area to better characterise the anticipated future student population.
20. Work with education providers to consider establishing a 'student housing target' in select locations as a signal to the market. This should be supported by suitable policy mechanisms that enable Council to advocate for and incentivise the provision of student housing.
21. Consider preparing a DCP to specifically address development and design considerations for student housing.
22. Work with education providers to identify opportunities to provide or otherwise advocate for services or technologies that can better assist students to find accommodation.

### 10.2.5. Retirement living

People’s housing requirements and expectations change when they retire. This is reflective of the change in lifestyle that occurs as they transition out of the workforce. The type home they eventually choose is influenced by a range of factors, including financial means, health considerations, and family / social ties.

The proportion of retired people living in the Newcastle LGA is expected to grow, including as the resident population ages and as more retired people choose the area as their preferred location to settle. Increasing the supply of housing that allows people to age-in-place and allows households to downsize as they shrink in size can create greater efficiencies across the whole of the housing market.

The current trend in retirement living involves larger dedicated seniors housing developments, such as retirement villages, which may or may not include residential aged care facilities. This type of development is a defined use for the purpose of applying planning controls. Seniors housing is generally permissible with consent in any urban zone through State-level planning instruments.

Within Newcastle, challenges may arise where seniors housing is proposed:

- **On the ground floor of a building in a commercial zone**, which may require seniors housing developments within the City Centre or other Local Centres to be delivered as mixed-use or buildings or shop-top housing. The requirement for ground-floor commercial uses may affect the financial feasibility of some projects, particularly in urban renewal corridors.
- **On non-urban zoned land**, which tends to relate to privately-run recreational clubs or sites adjoining greenfield residential subdivisions. Where eligible, these proposals rely on an additional level of assessment to secure a Site Compatibility Certificate from the State Government, which introduces a higher level of risk at the planning stage.

Seniors’ housing needs are diverse and retirement village living only caters to a proportion of seniors, particularly those who are over 75 and are expecting to require increasing levels of care. Local evidence suggests most retired residents living in the Newcastle LGA prefer to remain in their family home for as long as possible, and only re-locate to a more accessible low/maintenance home when they must (e.g. for financial or health reasons).

There appears to be limited options available for seniors that accommodate their housing needs and are in their preferred locations, which means this group often makes a large trade-off when choosing a new home. While there is an existing pipeline of apartment and resort-style products, early consultation indicates there may be an unmet demand for 2-3 bedroom units (attached or detached) that are single storey, adaptable, on flat land, with a small garden to maintain and within walking distance to shops, medical facilities and public transport. Facilitating new opportunities for this style of housing will be important to help meet the housing needs of Newcastle’s aging population. This could be supported by encouraging more:

- Low-rise medium-density housing in suitable locations; and
- Single dwellings with adaptable floor plans that allow them to be eventually divided into smaller housing units over time.

Recommendations to support retired people:

23. Further investigate the housing preferences of seniors currently living in the community as well as the expectations of residents expected to reach retirement age within the next 10 years to incorporate a longer-term perspective in forward planning.
24. Review the controls for seniors housing in Catalyst Areas, Urban Renewal Corridors and Local Centres to consider locations or circumstances where this would be acceptable as a ground-floor use.
25. Review the permissibility of seniors housing on non-urban zoned land and consider introducing this as an additional use, permissible with consent, in suitable locations.
26. Review, at suburb level, the extent to which the Low-Rise Medium Density Housing Code is applicable within the Local Government Area to determine whether additional policy development is required to stimulate supply in suitable locations.

#### 10.2.6. Other needs-based groups

While this Study focused on four main groups that have specific housing needs, we recognise there are other groups that may also benefit from greater consideration through future planning and plan-making. Early considerations are presented below, noting this is not intended to be exhaustive.

The Awabakal Local Aboriginal Land Council has substantial landholdings across the LGA. Part of its service delivery includes the provision of housing for eligible Aboriginal households. It currently manages a portfolio of 33 social housing properties. There may be underlying demand for additional housing, noting the current Housing Waiting List is identified as approximately 5-7 years. There may also be additional opportunities for the LALC to offer private-market properties (to Aboriginal and non-Aboriginal households) through the development of land within its broader holdings. Further consultation would be required to support policy development.

A greater proportion of households are facing financial difficulty, making it increasingly difficult to become or remain homeowners. This trend is not unique to Newcastle and expected to continue. Cooperative housing and tiny home models have been suggested as an attractive form of housing for first-time homebuyers, couple households without children, students and seniors, as they can provide a more affordable housing option. Some may also offer both private and communal space to encourage a higher level of social interaction. The suitability of existing controls to cater for these emerging projects is currently uncertain.

Recommendations to consider other needs-based groups:

27. Engage with Awabakal Local Aboriginal Land Council to review opportunities that would increase the supply of their social housing portfolio and consider the development potential of their broader land holdings within the Local Government Area.
28. Further research emerging residential products such as cooperative housing or tiny homes and consider a partnership model to deliver pilot projects.

## 10.4. Enhanced quality and liveability

People's lived experience is an important determinant of their quality of life. This is strongly influenced by the quality of the built environment around them, and the extent to which they are impacted by and identify with their local neighbourhood.

Discussion in this section focuses on where additional strategic planning efforts and policy development are required to improve the quality and liveability of residential areas across the LGA, with considerations for:

- Local character;
- People's health and wellbeing; and
- Other cost-of-living considerations.

The concepts introduced in this section draw on emerging evidence bases and may rely heavily on Council leadership to assist with raising people's awareness as to their relevance and importance.

### 10.4.1. Local character

The importance of local character in the Newcastle LGA context is discussed in **Section 9** of this Report. This recognises the historical efforts made to identify and describe areas across the LGA where local character is strongly reflected in the built environment. Protecting and enhancing these features through the progressive densification of neighbourhoods or large-scale re-developments will continue to be a key challenge for planners.

Our review identified that people are most likely to experience a loss of local character where new housing is of a bulk and scale that is inconsistent with surrounding development. The impact to the streetscape is particularly noticeable where development occurs at the rear of a lot and the tree canopy is removed.

Planning controls currently allow for a wide range of dwelling types to be built across Newcastle's residential areas, including those expected to experience limited growth. This approach may facilitate new housing that is not in keeping with local character, including attached or multi dwelling developments in the least-walkable or otherwise under-serviced areas. This is already considered a major concern for residents across the LGA and inconsistent with the outcomes for limited growth precincts identified in Council's LPS.

The State Government is currently reviewing the NSW planning framework to ensure that local character is recognised and enhanced through planning. It is likely that all Councils will eventually be required to undertake local character studies and incorporate standards and controls within their LEP or DCP to strengthen the consideration of local character in plan-making and development assessment. Previous studies have identified several areas that may qualify as having extraordinary character. These should be reviewed to determine whether they may be eligible for enhanced LEP or DCP controls, drawing on the assessment provided in **Section 9.4** of this Report.

Recommendations to strengthen the role of Local Character in the planning process:

- 29. Prepare a local character study to provide the strategic basis for amending LEP and DCP standards and controls to enhance local character across the LGA. This should draw on the policy considerations set out by the NSW Government Architect’s office. It should enable the creation of local character statements and locality specific controls to encourage new housing that respects the current and intended future character of residential areas.
- 30. Further investigate and identify the preferred planning mechanisms to strengthen the consideration of local character in the planning framework, drawing on the assessment of various planning mechanisms presented in **Section 0** of this Report.
- 31. Further investigate any design or local character issues with the Low Rise Medium Density Housing Code and update controls within the DCP accordingly. The investigation should consider the identification of areas with special local character suitable for exclusion from the Code.

#### 10.4.2. People’s health and wellbeing

How we plan for, and deliver new residential developments, and manage residential areas, strongly influences people’s health and overall wellbeing. This includes factors such as (but not limited to):

- Air quality. Air quality within the home is influenced by several factors. Housing construction can heavily influence the extent to which people are exposed to mould, internal pollutants and allergens associated with heating/cooling, cooking (e.g. gas or oils), or pets, or external pollutants (e.g. car or industrial emissions, wood smoke, coal dust, etc.).
- Noise. Noise levels in the home may come from inside (e.g. home appliances) or outside (e.g. transport, construction, pedestrian traffic, animals, etc.). Exposure can lead to auditory injuries, or non-specific stressors that can affect people’s physical and mental health (e.g. through lack of sleep, or annoyance).

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<sup>67</sup>WHO 2018

- Temperature. Over-exposure to high or low temperatures can affect people’s respiratory and cardiovascular health. In extreme cases, this can result in death.

The Newcastle LGA population snapshot suggests further investigation is warranted to consider the extent to which housing conditions may already be contributing to or otherwise exacerbating poor health outcomes for residents. This recognises that, in 2018, the LGA had higher rates of asthma, chronic obstructive pulmonary disease, and circulatory disease than the NSW average. The population also showed much poorer mental health outcomes than the NSW average, relating to high or very high psychological distress, chronic mental and behavioural problems, and hospitalisation rates for intentional self-harm.

Each of the above factors are strongly influenced by how homes are built and maintained, with structural deficiencies, lack of insulation and air tightness, and lack of heating/cooling systems being major contributors to poor health outcomes<sup>67</sup>. There are opportunities to strengthen considerations for these types of factors through the planning process, and through other Council policies and programs (e.g. enforcement and education). This would rely on establishing a stronger evidence base to support decision making.

Recommendations to strengthen considerations for people’s health and wellbeing in the planning process:

- 32. Establish a local evidence base for Housing and Health, drawing on the World Health Organisation guidelines.
- 33. Consider incorporating development standards to improve thermal and acoustic outcomes within all new residential developments (e.g. requirements for double-glazed windows, etc.) into the DCP.

### 10.4.3. Other cost-of-living considerations

In addition to health considerations, other factors associated with residential development and the quality of the built environment in residential neighbourhoods can also influence the overall cost of living. This can often be a more important consideration than the price of a house when determining whether an area is affordable. Key factors generally include (but are not limited to):

- Energy and Water. The ability for people to minimise or offset the cost of energy required to run their households.
- Transport. The ability for people to walk or cycle to meet their daily needs, including getting to work, the supermarket, and places to relax or socialise.

Positive initiatives to reduce the cost-of-living tend to be associated with investment in 'green infrastructure', such as increased tree canopy cover (assists with thermal control inside the home), walking/cycle path networks, renewable energy technologies, and water storage/re-use systems. These are relevant to the planning process both in terms of residential construction and broader urban design and public domain considerations.

Some consideration for building sustainability is mandated through the Building Sustainability Index (BASIX) for all new residential development, which aims to deliver equitable, effective water and greenhouse gas reductions across the state. Opportunities may exist to encourage people to achieve sustainability standards beyond this, where they choose to do so. This would rely on community education programs.

Council plays a key role in planning for and managing the public domain in residential areas. Strengthening considerations for a 'green infrastructure' network can assist with reducing the cost of living.

Recommendations to strengthen considerations for cost of living in the planning process:

34. Consider preparing a 'green infrastructure' plan to support policy development for energy-reducing and active transport initiatives.
35. Investigate incentives to achieve 6 star green energy buildings in Urban Renewal Corridors and Catalyst Areas
36. Consider a community education initiative that would raise people's awareness of residential building sustainability considerations, and advocate for these considerations in pre-application discussions.

Table 34: Summary of recommendations

| Focus area   | Recommendations   |
|--|---|
| <b>Spatial planning (Section 11.1)</b>                     |   |
| <b>Housing planning and profile areas (Section 11.1.1)</b> | <ol style="list-style-type: none"> <li>1. Continue utilising the 30 established community profile areas covering the whole of the Local Government Area as a basis for establishing dwelling forecasts and monitoring growth against these. This should include identifying opportunities to automate Development Application and Complying Development Certificate information as it comes in to keep the supply pipeline information up to date.</li> <li>2. In the longer term, review the suitability of the current 'community profile areas' in the context of planning for future housing, and related infrastructure needs. Refer to studies completed by SGS for the Lower Hunter for more information on areas previously considered.</li> </ol>  |
| <b>Catalyst Areas (Section 11.1.2)</b>                     | <ol style="list-style-type: none"> <li>3. Utilise the Catalyst Area dwelling targets identified in the Greater Newcastle Metropolitan Plan to provide further guidance as to the preferred types and mix of dwellings. This should include considerations for social and affordable housing, housing for people with a disability or high care needs, and student accommodation.</li> <li>4. Prepare a policy and implementation program for considering changes to land use and development controls in Catalyst Areas. This should identify interim processes available for consideration of changes in advance of comprehensive (whole-of-area) studies.</li> </ol>  |
| <b>Urban Renewal Corridors (Section 11.1.3)</b>            | <ol style="list-style-type: none"> <li>5. Review and update planning controls for each established (Stage 1) Urban Renewal Corridor, drawing on the information presented in Appendix 2, and the guidelines provided in this Report.</li> <li>6. Prepare public domain plans for each established (Stage 1) Urban Renewal Corridor to provide a focus for public sector investment and renewal.</li> <li>7. Align data-collection and reporting mechanisms to track the following for each established (Stage 1) Urban Renewal Corridor: <ul style="list-style-type: none"> <li>▪ Residential development approvals</li> <li>▪ Residential development completions</li> <li>▪ Development of different housing types (detached, attached 1-2 storeys, attached 3+ storeys)</li> </ul> </li> <li>8. Prepare a policy and implementation program for considering changes to land use and development controls in investigation (Stage 2) Urban Renewal Corridors. This should identify interim processes available for consideration of changes in advance of comprehensive (whole-of-corridor) studies.</li> <li>9. Investigate each (Stage 2) Urban Renewal Corridor to:</li> </ol> |

|   |   |
|---|---|
|   | <ul style="list-style-type: none"> <li>▪ consider its role and function within the broader network of centres and urban renewal corridors</li> <li>▪ define the boundary of properties expected to be the focus of new development</li> <li>▪ identify growth targets, including additional dwellings and/or jobs as a basis for establishing land use and development controls</li> <li>▪ within these targets, identify desired outcomes for, at minimum social and affordable housing, housing for people with a disability or high care needs, and student accommodation</li> </ul> |
| <b>Residential growth in and around Local Centres (Section 11.1.4)</b>  | <b>10.</b> Review the current hierarchy of centres within the LGA to consider re-categorising centres in areas planned for higher levels of growth as Major Local Centres, as a basis for reviewing land use and development planning controls. Refer to <b>Table 32</b> for preliminary considerations. This should also include a review of Appendix C of Council’s Local Planning Strategy to determine if the recommended future zonings are still appropriate.   |
| <b>Needs-based planning (Section 11.2)</b>  |   |
| <b>Social and affordable housing (Section 11.2.1)</b>   | <b>11.</b> Further investigate supply and demand considerations for social and affordable housing in the Newcastle Local Government Area, in consideration with social and affordable housing providers.  |
|   | <b>12.</b> Incorporate investigations for social and affordable housing into the review of land use and development controls for all Catalyst Areas and Urban Renewal Corridors, including the preparation of Affordable Housing Contribution Schemes that underpin inclusionary provisions.  |
|   | <b>13.</b> Establish a Council policy that identifies the locations and circumstances in which Council would consider Planning Agreements as a mechanism to re-zonings and development application approvals where projects incorporate social and affordable housing funding or on-site provision.   |
|   | <b>14.</b> In the long term, review the potential of establishing a nexus between additional development and social and affordable housing to enable, for example, Section 7.11 funding or conditions of consent to support additional social and affordable housing.   |
| <b>Specialist disability accommodation and residential care facilities (Section 11.2.3)</b>   | <b>15.</b> Further investigate supply and demand considerations for specialist disability accommodation and residential care facilities in the local government area, in consultation with disability and carer support service providers.  |
|   | <b>16.</b> Identify policy mechanisms to facilitate the incorporation of specialist disability accommodation or residential care facilities in locations with a higher level of accessibility.  |
|   | <b>17.</b> Identify the level of take-up of Silver Level universal design features through recent approvals.  |
| <b>18.</b> Consider establishing an ‘adaptable housing target’ in select locations to support longer-term opportunities for people to age-in-place. |   |
| <b>Student accommodation</b>  | <b>19.</b> Work with education providers to further investigate supply and demand considerations for student accommodation in the Local Government Area to better characterise the anticipated future student population.   |

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| <b>(Section 11.2.4)</b>                                   | <b>20.</b> Work with education providers to consider establishing a ‘student housing target’ in select locations as a signal to the market. This should be supported by suitable policy mechanisms that enable Council to advocate for and incentivise the provision of student housing.   |
|   | <b>21.</b> Consider preparing a DCP to specifically address development and design considerations for student housing.   |
|   | <b>22.</b> Work with education providers to identify opportunities to provide or otherwise advocate for services or technologies that can better assist students to find accommodation.  |
| <b>Retirement living<br/>(Section 11.2.5)</b>             | <b>23.</b> Further investigate the housing preferences of seniors currently living in the community as well as the expectations of residents expected to reach retirement age within the next 10 years to incorporate a longer-term perspective in forward planning.   |
|   | <b>24.</b> Review the controls for seniors housing in Catalyst Areas, Urban Renewal Corridors and Local Centres to consider locations or circumstances where this would be acceptable as a ground-floor use.   |
|   | <b>25.</b> Review the permissibility of seniors housing on non-urban zoned land and consider introducing this as an additional use, permissible with consent, in suitable locations.   |
|   | <b>26.</b> Review, at suburb level, the extent to which the Low-Rise Medium Density Housing Code is applicable within the Local Government Area to determine whether additional policy development is required to stimulate supply in suitable locations.  |
| <b>Other needs-based groups<br/>(Section 11.2.6)</b>      | <b>27.</b> Engage with Awabakal Local Aboriginal Land Council to review opportunities that would increase the supply of their social housing portfolio and consider the development potential of their broader land holdings within the Local Government Area.   |
|   | <b>28.</b> Further research emerging residential products such as cooperative housing or tiny homes and consider a partnership model to deliver pilot projects.  |
| <b>Enhanced quality and liveability (Section 11.4)</b>    |  |
| <b>Local Character<br/>(Section 11.4.1)</b>               | <b>29.</b> Prepare a local character study to provide the strategic basis for amending LEP and DCP standards and controls to enhance local character across the LGA. This should draw on the policy considerations set out by the NSW Government Architect’s office. It should enable the creation of local character statements and locality specific controls to encourage new housing that respects the current and intended future character of residential areas. |
|   | <b>30.</b> Further investigate and identify the preferred planning mechanisms to strengthen the consideration of local character in the planning framework, drawing on the assessment of various planning mechanisms presented in <b>Section 0</b> of this Report.   |
|   | <b>31.</b> Further investigate potential design or local character issues with the Low Rise Medium Density Housing Code and update controls within the DCP accordingly. The investigation should consider the identification of areas with special local character suitable for exclusion from the Code.   |
| <b>People’s health and wellbeing<br/>(Section 11.4.2)</b> | <b>32.</b> Establish a local evidence base for housing and health, drawing on the World Health Organisation guidelines.  |
|   | <b>33.</b> Consider incorporating development standards to improve thermal and acoustic outcomes within all new residential developments (e.g. requirements for new double glazed windows, etc.) into the DCP.   |

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|--|---|
| <b>Other cost-of-living considerations<br/>         (Section 11.4.3)</b> | <b>34.</b> Consider preparing a ‘green infrastructure’ plan to support policy development for energy-reducing and active transport initiatives.   |
|  | <b>35.</b> Investigate incentives to achieve 6 star green energy buildings in Urban Renewal Corridors and Catalyst Areas.   |
|  | <b>36.</b> Consider a community education initiative that would raise people’s awareness of residential building sustainability considerations, and advocate for these considerations in pre-application discussions. |

## 11. ABBREVIATIONS

ABS – Australian Bureau of Statistics

CDC – Complying Development Certificate

DA – Development Application

DCP – Development Control Plan

DPIE – Department of Planning Industry and Environment

ERP – Estimated Resident Population

FACS – Family and Community Services

FSR – Floor Space Ratio

GNMP – Greater Newcastle Metropolitan Plan

HCCDC – Hunter and Central Coast Development Corporation

LEP – Local Environmental Plan

LHS – Local Housing Strategy

LPS – Local Planning Strategy

NDIS – National Disability Insurance Scheme

NER – Northern Environmental Region (includes the localities of Black Hill, Fullerton Cove, Hexham, Kooragang, Lenaghan, Mayfield North and the eastern part of Tighes Hill)

RFB – Residential Flat Building (e.g. apartment)

SAH – Social and Affordable Housing

SI LEP – Standard Instrument

SDA – Specialist Disability Accommodation

TfNSW – Transport for New South Wales

UoN – University of Newcastle

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# Newcastle Housing Needs and Local Character Evidence Report: Appendices

Prepared by City Plan Strategy & Development P/L  
on behalf of the City of Newcastle

OCTOBER 2019

## REPORT REVISION HISTORY

| Revision    | Date Issued | Revision Description                             |  |   |
|-------------|-------------|--|--|---|
| 01 0- Draft | 4/10/19     | Draft for client review                          |  |   |
|             |             | <b>Prepared by</b>                               | <b>Verified by</b>                         | <b>Signed</b>   |
|             |             | Jessica Veenhuyzen<br><i>Project Planner</i>     | Amanda Wetzel<br><i>Executive Director</i> |   |
|             |             | Robert Bisley<br><i>Associate</i>                |  |   |
| 02          | 13/11/19    | Exhibition Draft                                 |  |   |
| 02a         | 14/11/19    | Final Report (re-issued)                         |  |   |
| 02b         | 27/11/19    | Final Report (minor clarification to Appendix 5) |  |   |
|             |             | <b>Prepared by</b>                               | <b>Verified by</b>                         | <b>Signed</b>   |
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|             |             | Robert Bisley<br><i>Associate</i>                |  |   |

### Disclaimer

This report has been prepared by City Plan Strategy & Development P/L with input from a number of other expert consultants (if relevant). To the best of our knowledge, the information contained herein is neither false nor misleading and the contents are based on information and facts that were correct at the time of writing. City Plan Strategy & Development P/L accepts no responsibility or liability for any errors, omissions or resultant consequences including any loss or damage arising from reliance on information in this publication.

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## FIGURES

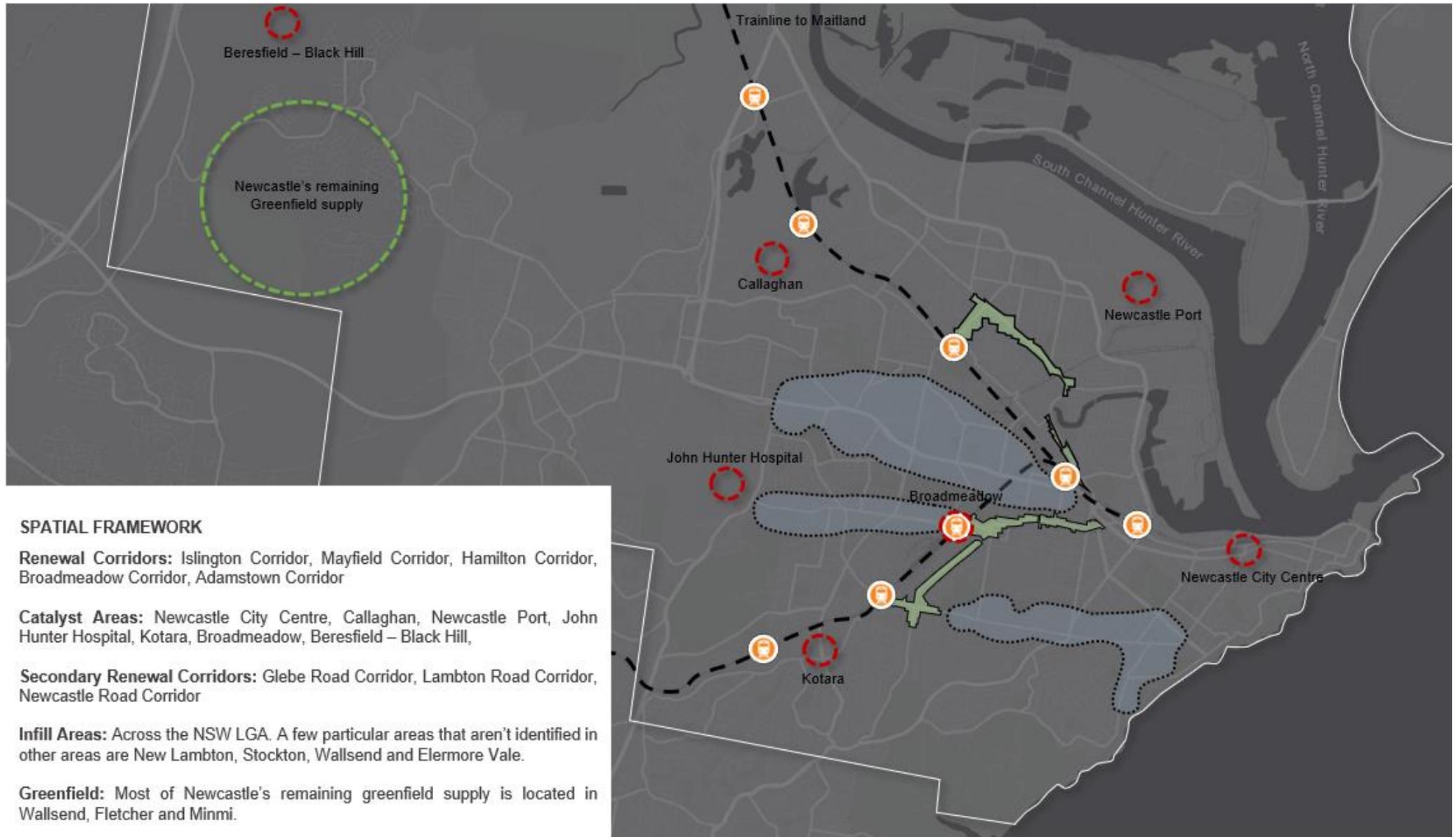
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# APPENDIX 1: SPATIAL FRAMEWORK

Figure 1. Spatial framework to plan for housing in the Newcastle LGA



# APPENDIX 2: STAGE 1 URBAN RENEWAL CORRIDORS

The Hunter Regional Plan, Greater Newcastle Metropolitan Plan (GNMP) and Newcastle Local Planning Strategy (LPS) all propose continued focus of significant additional housing in Newcastle's urban renewal corridors. These areas provide links between the major local centres of Islington, Mayfield, Hamilton, Broadmeadow and Adamstown and offer the highest level of public transport accessibility.

Medium dwelling prices in 2018 across the five corridors (PRD data 2019):

- Islington, dwellings \$665,000 and unit/townhouse \$608,750
- Mayfield \$600,000 and unit/townhouse \$472,000
- Hamilton \$786,000 and unit/townhouse \$461,000
- Broadmeadow \$612,500 and unit/townhouse \$585,000
- Adamstown \$720,000 and unit/townhouse \$583,750

The following are the 2018 average square metre land values for the five renewal corridors (PRD data 2019):

- Islington \$1,635
- Mayfield \$901
- Hamilton \$1,663
- Broadmeadow \$1,192
- Adamstown \$1,193

Based on an 400sqm average sized lot, which is typical for the Islington, Mayfield and Hamilton corridors, and the average square metre prices listed above, the price of buying a detached dwelling for infill redevelopment is roughly:

- Islington \$654,000
- Mayfield \$360,400
- Hamilton \$665,200

Due to historical settlement patterns, average lots sizes within Broadmeadow and Adamstown renewal corridors are generally closer to 500sqm, meaning the price of buying a detached dwelling for infill redevelopment is roughly:

- Broadmeadow \$596,000
- Adamstown \$596,500

From discussions with local property developers, it was indicated that part of the reason infill development hasn't seen significant take up rates is due to low land values. Specifically, based on Newcastle's current market factors, developers require the value of land to be over \$700,000, or to find specifically viable sites, to undertake medium density infill development.

The following pages show:

- 1) A snapshot of each corridor and current development currently occurring;
- 2) A constraints map showing the key opportunities and constraints for each renewal corridor; and
- 3) A table identifying the status of each precinct and details of how each is progressing

Figure 2. Stage 1 Urban Renewal Corridors in the Newcastle LGA

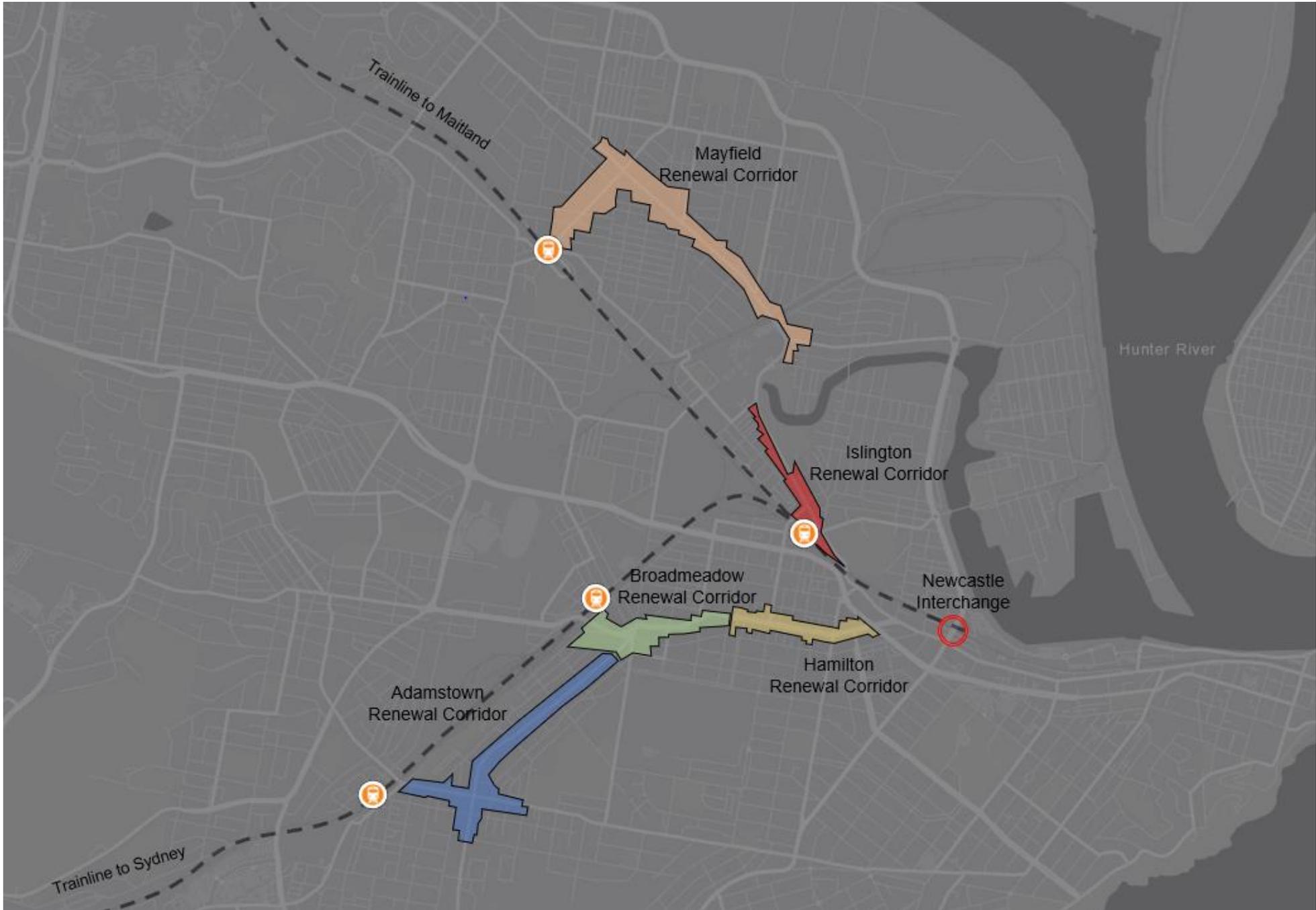


Figure 3. New housing supply (2016 - 2019) in the Islington Urban Renewal Corridor

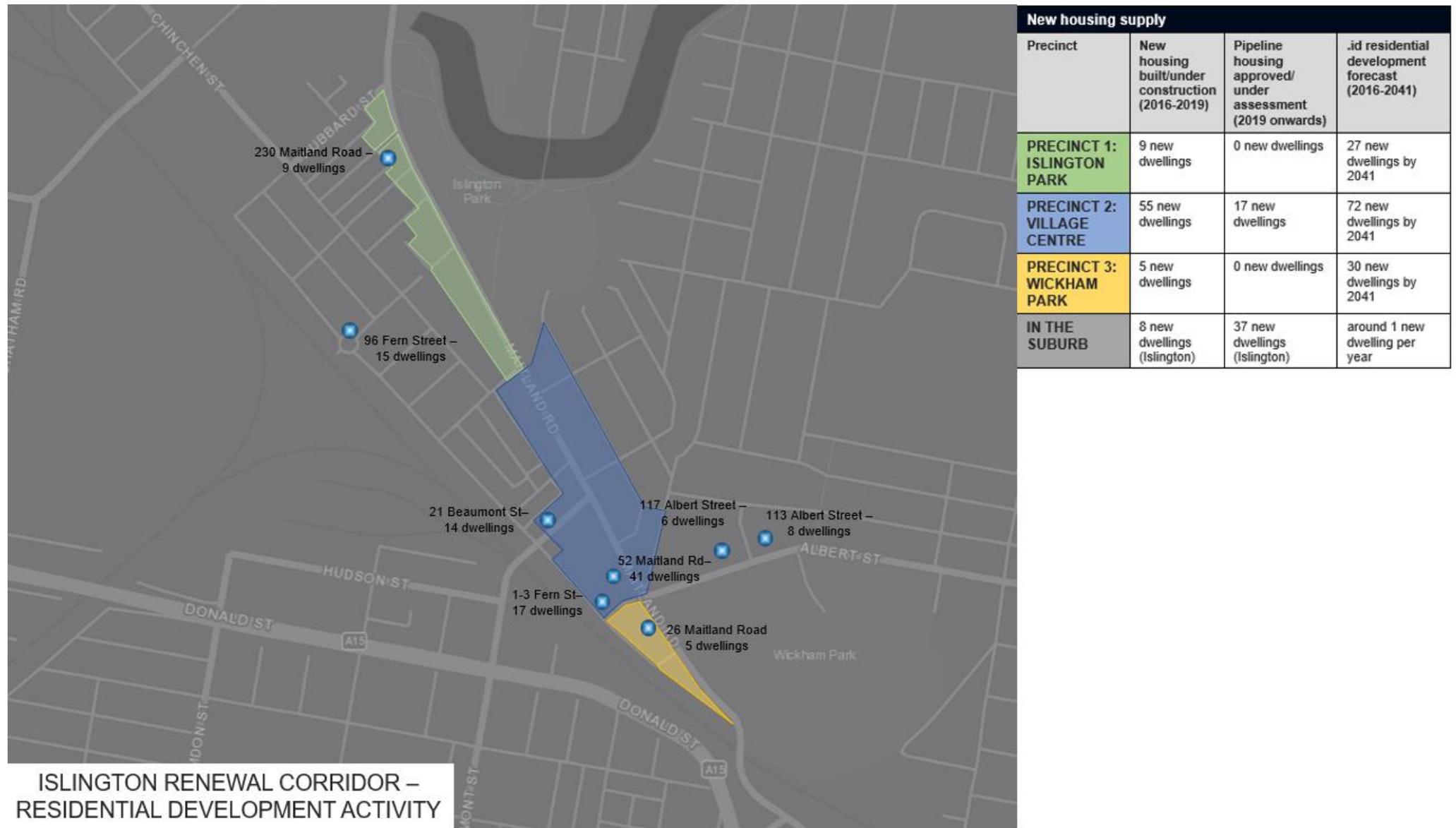


Figure 4. Opportunities and constraints of the Islington Urban Renewal Corridor

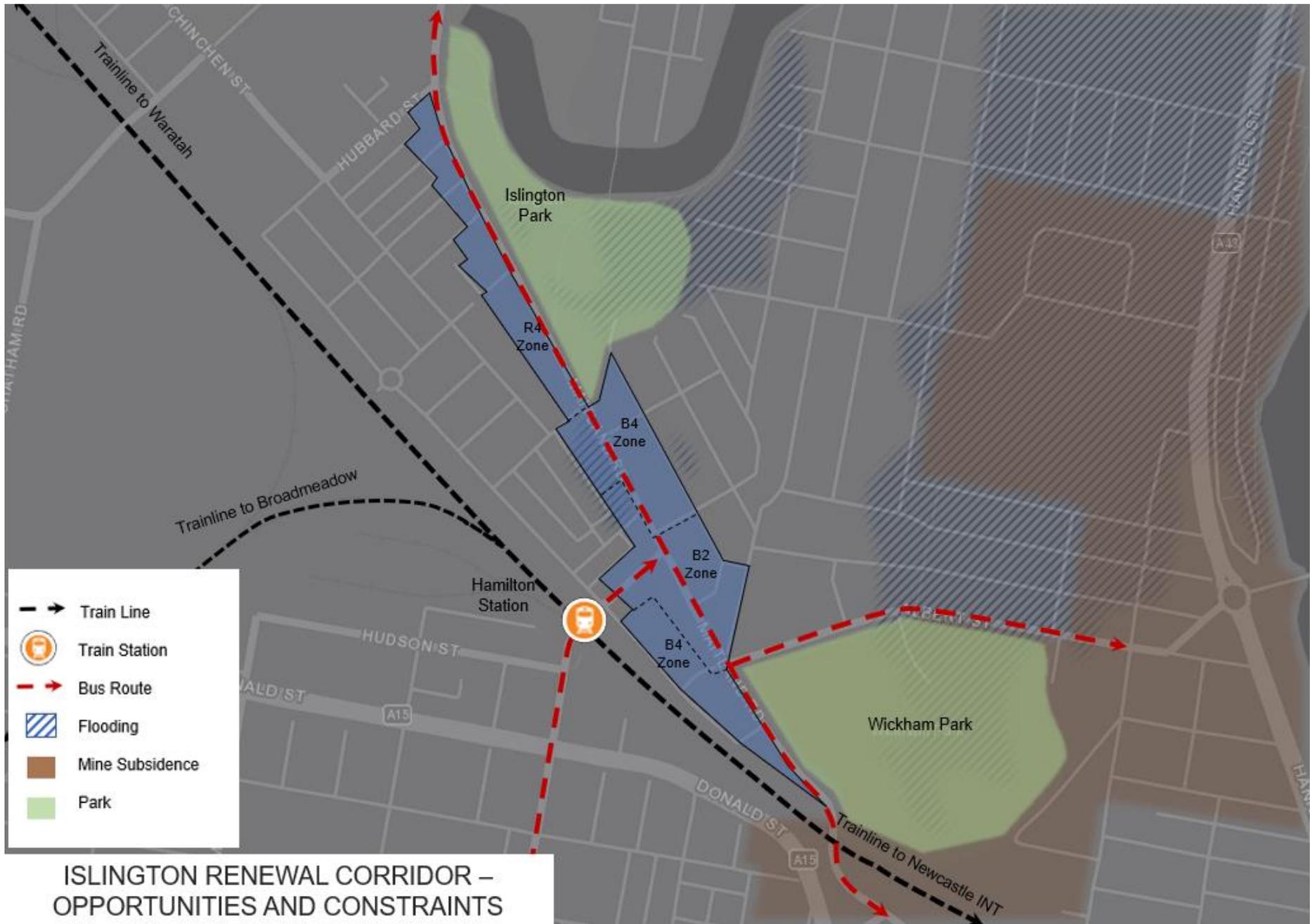


Table 1. Analysis of the Islington Urban Renewal Corridor

| Precinct                       | Status   | Development in pipeline  | Forecasted development  | Opportunities   | Constraints  | Controls  |
|--------------------------------|--|--|---|---|--|---|
| Islington Park<br>(Precinct 1) | Existing land use is primarily commercial. Lots along Maitland Rd are large in nature. A number of sites are currently vacant.   | 9 new dwellings are currently under construction.  | .id forecasts 27 dwellings to be built by 2041.   | High degree of transport servicing and access to amenity at Islington Park.<br><br>Large lot sizes present opportunity to accommodate higher density residential accommodation. | Several prime sites are occupied as industrial or service station. Remediation would be required for residential development.<br><br>Several community uses exist (e.g. a church)        | Existing development is well below the height and FSR controls.   |
| Village Centre<br>(Precinct 2) | Commercial is the predominant use. Most development is 1 -2 storeys. Small number of detached and shop top housing.<br><br>Several residential flat buildings are occurring close to Hamilton Station.<br><br>Existing buildings are relatively old. | Take up, with residential flat buildings, occurring in the southern part of the precinct.<br><br>- 55 new dwellings have been built since 2016 or are currently under construction.<br><br>- 17 additional new dwellings have been approved or are currently under assessment. | .id forecasts 72 dwellings to be built by 2041. The current dwellings in the pipeline will meet .id's forecast.<br><br>The current number of new dwellings in the pipeline is 72, indicating that more residential development is occurring here than forecast. | High degree of transport servicing and amenity.<br><br>The northern B4 zoned component of the precinct has opportunity for low-rise apartments.                                 | B2 zoning limits residential development to shop top housing.<br><br>Part of the precinct is Low Risk of flooding.<br><br>Most larger lots are occupied by active commercial businesses. | Most of this precinct is zoned B2 to ensure shops and services are available to residents locally. The zoning is suitable for this precinct.<br><br>Existing development is well below the height and FSR controls. |
| Wickham Park<br>(Precinct 3)   | Mix of residential and commercial buildings.<br><br>Small total site area.<br><br>Only 16 properties within this whole precinct.   | 5 new dwellings are currently under construction.  | .id forecasts 30 dwellings to be built by 2041.   | High degree of transport servicing and access to amenity at Wickham and Wickham Park.   | Very small lot sizes.<br><br>Due to location between a main road and train line, would require a design solution to overcome environmental impacts.                                      | Existing development is well below the height and FSR controls.   |

Figure 5. New housing supply (2016 - 2019) in the Mayfield Urban Renewal Corridor

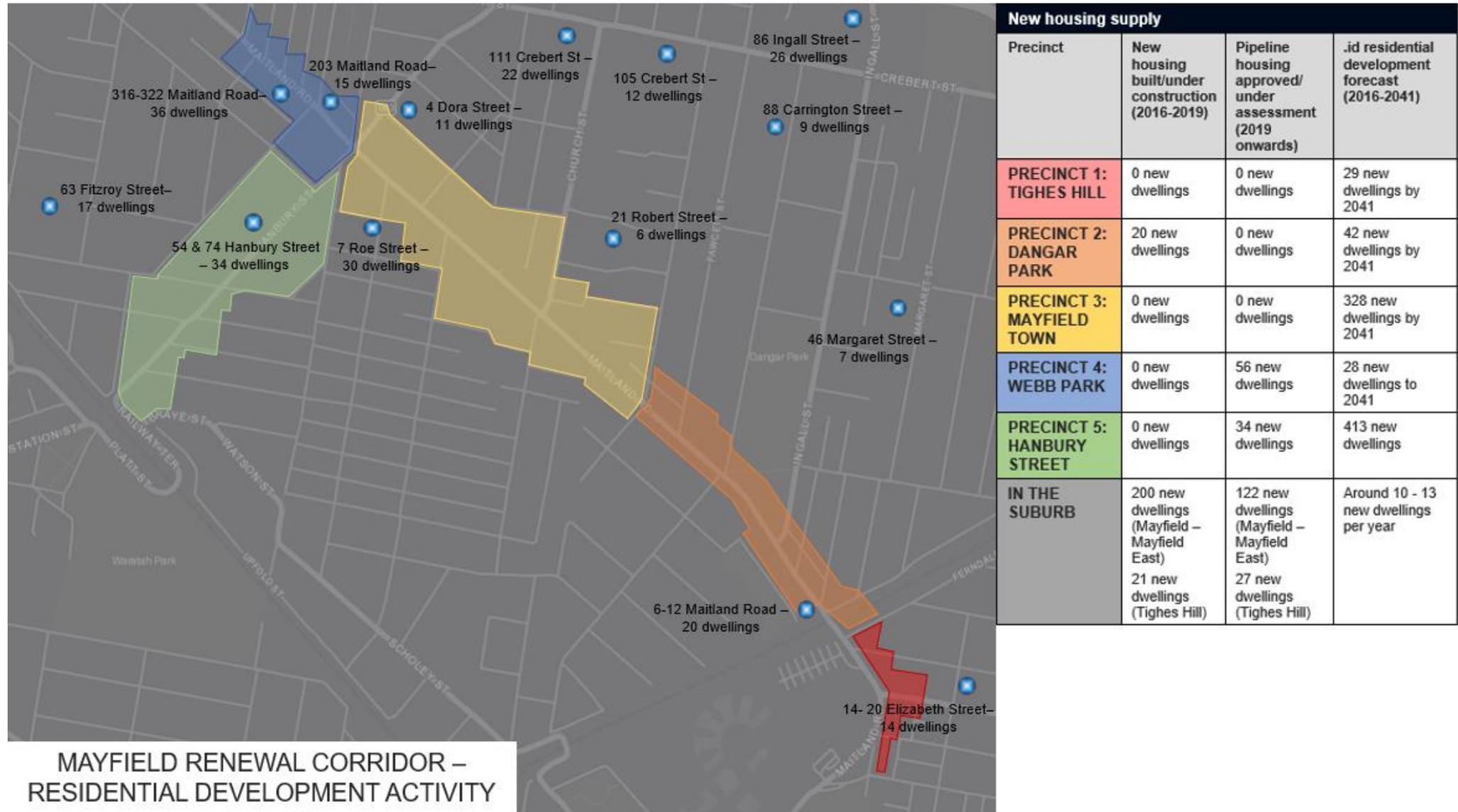


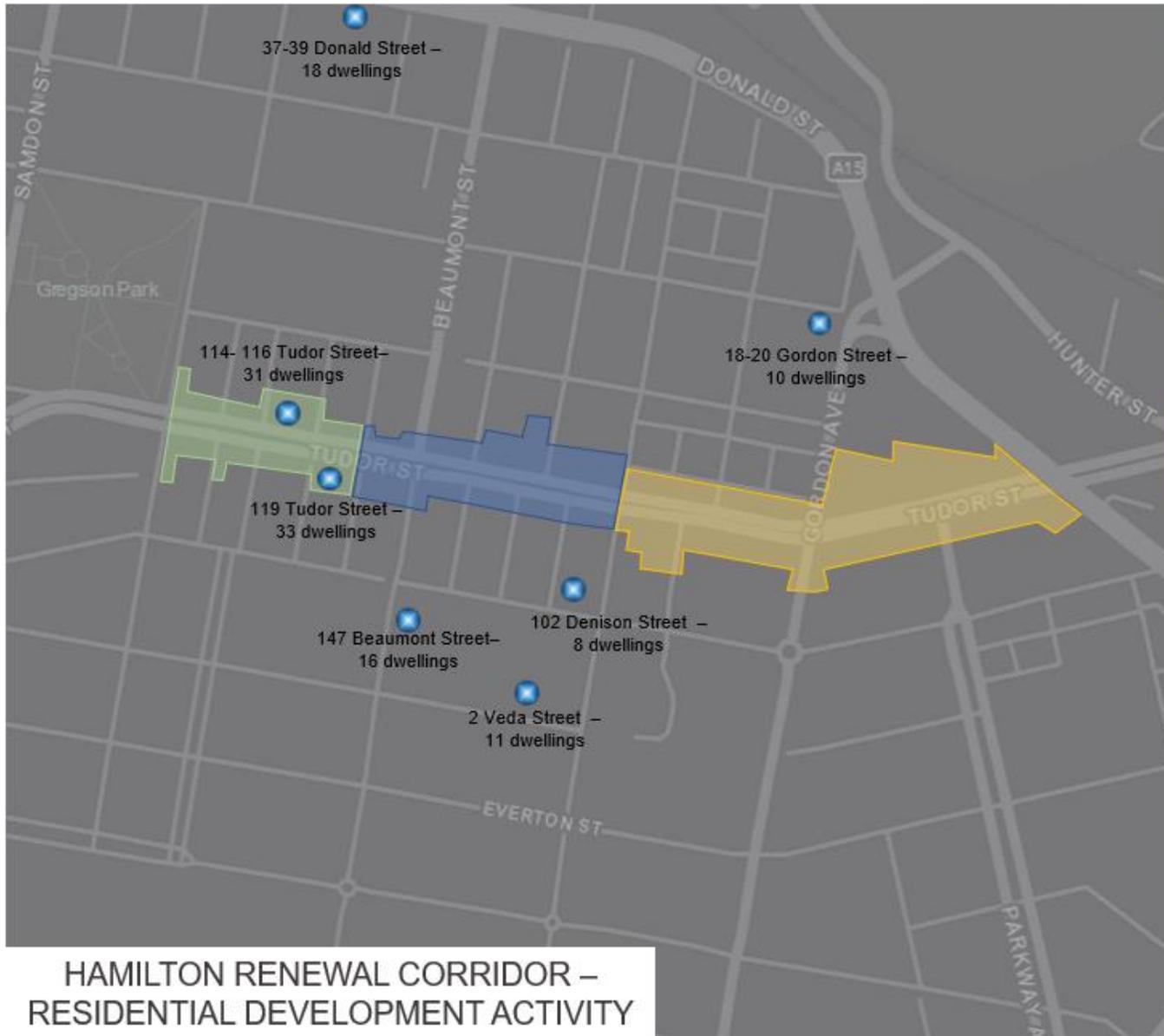
Figure 6. Opportunities and constraints of the Mayfield Urban Renewal Corridor



Table 2. Analysis of the Mayfield Urban Renewal Corridor

| Precinct                          | Status   | Development in pipeline   | Forecasted development   | Opportunities  | Constraints  | Controls   |
|-----------------------------------|--|---|--|--|--|--|
| Tighes Hill (Precinct 1)          | Mix of land uses from medium density housing and commercial buildings along Maitland Rd.<br><br>Predominantly detached dwellings off the main road.<br><br>Medium density residential development occurring. | No development assessment applications for dwellings currently in the pipeline.   | .id forecasts 29 dwellings to be built by 2041.  | Limited opportunity for residential development, however lot sizes in the area are quite large, presenting opportunity for low-rise medium density development.  | The precinct has significant flooding constraints.<br><br>Not much opportunity for larger scale residential development along Maitland Rd due to the existing uses (e.g registered clubs, boarding houses)   | The B1 zoning is accurate for the precinct. The height and FSR controls allow significant uplift to occur, pending feasibility.  |
| Dangar Park (Precinct 2)          | Primarily single story industrial development fronting Maitland Rd.<br><br>Several detached dwellings and townhouses.  | 20 new dwellings have been built since 2016 or are currently under construction.  | .id forecasted 42 dwellings to be built by 2041.<br><br>Opportunity to deliver more dwellings than forecasted by .id within this precinct.   | Most buildings are single storey and well below the 11m building height. Building in the area are quite old and there is opportunity for renewal.<br><br>High degree of transport servicing and amenity.   | The precinct has significant flooding and mine subsidence constraints.<br><br>Industrial lots are narrow.  | The 11m building height for the R4 zoned area is quite low. The 11m height control provides limited opportunity to achieve the high density zoning objectives.   |
| Mayfield Town Centre (Precinct 3) | Predominantly low rise retail premises fronting Maitland Rd.<br><br>Several supermarkets and supermarket car parking take up largest parcels within the precinct.  | There have been a number of non-residential developments occurring within this corridor.<br><br>No development assessment applications for dwellings currently in the pipeline. | .id forecasts 328 dwellings within Precinct 3 to be built by 2041.<br><br>With the number of competing large scale commercial land uses, this forecast will be difficult to achieve. | A number of vacant former vehicle sales premises provide opportunity for residential flat buildings.<br><br>Some opportunity for amalgamation and redevelopment of smaller lots containing stand-alone dwellings that are not adjoining Maitland Rd. | Limited opportunity due to well established existing commercial operations. Unlikely to see the commercial buildings transition into residential opportunity.<br><br>The supermarket operations require large car parking spaces to support patronage. | Controls allow development at a much higher and denser rate than what exists. Constraints are limiting development occurring near the control limits.<br><br>Due to the constraints, it is unlikely the Profile ID forecasted dwelling numbers for the precinct will be delivered. |
| Webb Park (Precinct 4)            | Mostly commercial development with a few townhouses, detached dwellings and open space.  | There has been no recent residential development activity, however 56 new dwellings have been approved or are currently under assessment.                                       | .id only forecasted 42 new dwellings to be built by 2041.<br><br>Opportunity to deliver more dwellings than forecasted by .id within this precinct.                                  | Limited opportunity as commercial premises are well established.   | Limited opportunity due to well established existing commercial operations. Unlikely to see the commercial buildings transition into residential opportunity.  | Controls allow development at a much higher and denser rate than what exists. Constraints are limiting development occurring near the control limits.  |
| Hanbury Street (Precinct 5)       | Primarily single story detached dwellings, Mayfield Ex-Services Club and carpark, and a few medium density attached dwellings.   | There has been no recent residential development activity, however 34 new dwellings have been approved or are currently under assessment.                                       | .id forecasts 413 dwellings within Precinct 5 to be built by 2041.<br><br>The rate of new development in this precinct is occurring slower than forecast.                            | Area with the most opportunity within the Mayfield Renewal Corridor. Amalgamation of a few lots could allow redeveloped for residential flat buildings.  | Corridor is partly constrained by flooding.  | Existing development is well below controls. Controls do not appear to be restricting development opportunity.   |

Figure 7. New housing supply (2016 - 2019) in the Hamilton Urban Renewal Corridor



| New housing supply                   |   |   |   |
|--------------------------------------|---|---|---|
| Precinct                             | New housing built/under construction (2016-2019)                | Pipeline housing approved/under assessment (2019 onwards)       | .id residential development forecast (2016-2041)  |
| <b>PRECINCT 1: TUDOR STREET WEST</b> | 64 new dwellings  | 0 new dwellings   | 16 new dwellings by 2041  |
| <b>PRECINCT 2: BEAUMONT STREET</b>   | 0 new dwellings   | 0 new dwellings   | 27 new dwellings by 2041  |
| <b>PRECINCT 3: TUDOR STREET EAST</b> | 0 new dwellings   | 0 new dwellings   | 75 new dwellings by 2041  |
| <b>IN THE SUBURB</b>                 | 39 new dwellings (Hamilton)<br>6 new dwellings (Hamilton South) | 84 new dwellings (Hamilton)<br>7 new dwellings (Hamilton South) | around 6 -12 new dwellings per year (Hamilton)<br>around 5-10 new dwellings per year (Hamilton South-Hamilton East) |

**HAMILTON RENEWAL CORRIDOR – RESIDENTIAL DEVELOPMENT ACTIVITY**

Figure 8. Opportunities and constraints of the Hamilton Urban Renewal Corridor

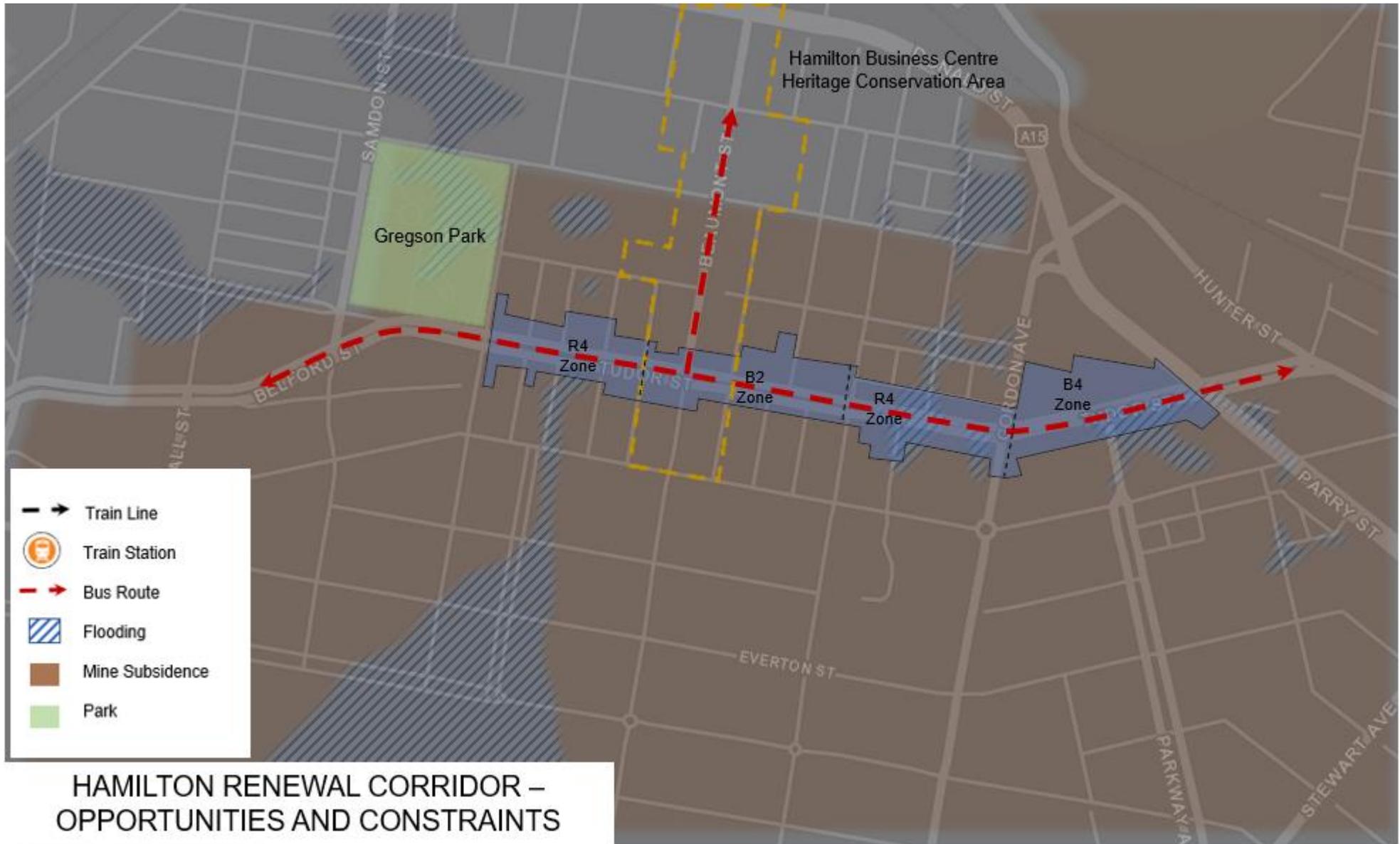


Table 3. Analysis of the Hamilton Urban Renewal Corridor

| Precinct                       | Status   | Development in pipeline  | Forecasted development  | Opportunities   | Constraints  | Controls   |
|--------------------------------|--|--|---|---|--|--|
| Tudor Street West (Precinct 1) | Predominantly low (1-2 storey) commercial premises. A few residential flat buildings.<br><br>Commercial buildings mostly occupied. | 64 new dwellings have been built since 2016 or are currently under construction. | .id forecasts 16 dwellings within Precinct 1 to be built by 2041.<br><br>The number of new dwellings built recently have exceeded .id's forecast. Opportunity to deliver more dwellings within this precinct. | Close to open space at Gregson Park and entertainment along Beaumont St. Walking distance to Newcastle Interchange and fronts a bus routes along Tudor Street.  | Very few lots that could accommodate residential development.<br><br>Precinct is subject to mine subsidence and flooding.  | Controls allow development at a much higher and denser rate than what exists.  |
| Beaumont Street (Precinct 2)   | Mix of residential flat buildings and commercial development.<br><br>Commercial buildings mostly occupied.                         | No development assessment applications for dwellings currently in the pipeline.  | .id forecasts 27 dwellings within Precinct 2 to be built by 2041.   | Close to open space at Gregson Park and entertainment along Beaumont St. Walking distance to Newcastle Interchange and fronts a bus routes along Tudor Street.  | Very few lots within this precinct that do not serve a cultural purpose or have not been subject to a DA within the last 10-15 years.<br><br>Precinct is subject to the Hamilton Business Centre Heritage Conservation Area and mine subsidence.   | The precinct has a B2 zoning which provides for shops, services and shop top housing. The zoning aligns with local character and heritage provisions.  |
| Tudor Street East (Precinct 3) | Majority of this precinct is comprised of operational Vehicle Sales or Hire Premises.  | No development assessment applications for dwellings currently in the pipeline.  | .id forecasts 75 dwellings within Precinct 3 to be built by 2041.   | Close to open space at Gregson Park and entertainment along Beaumont St. Walking distance to Newcastle Interchange and fronts a bus routes along Tudor Street.<br><br>The Vehicle Sales or Hire Premises are located on lots with a large area. | There are a number of successful Vehicle Sales or Hire Premises located on land suitable for residential development.<br><br>Incompatible land uses (a DA for a petrol station) have occurred due to the flexibility of the B4 zoning.<br><br>Precinct is subject to mine subsidence and flooding. | Controls allow development at a much higher and denser rate than what exists.<br><br>Over time, additional height may be appropriate in the B4 component of the Precinct as development progresses on the eastern side of Donald/Parry St. |

Figure 9. New housing supply (2016 - 2019) in the Broadmeadow Urban Renewal Corridor

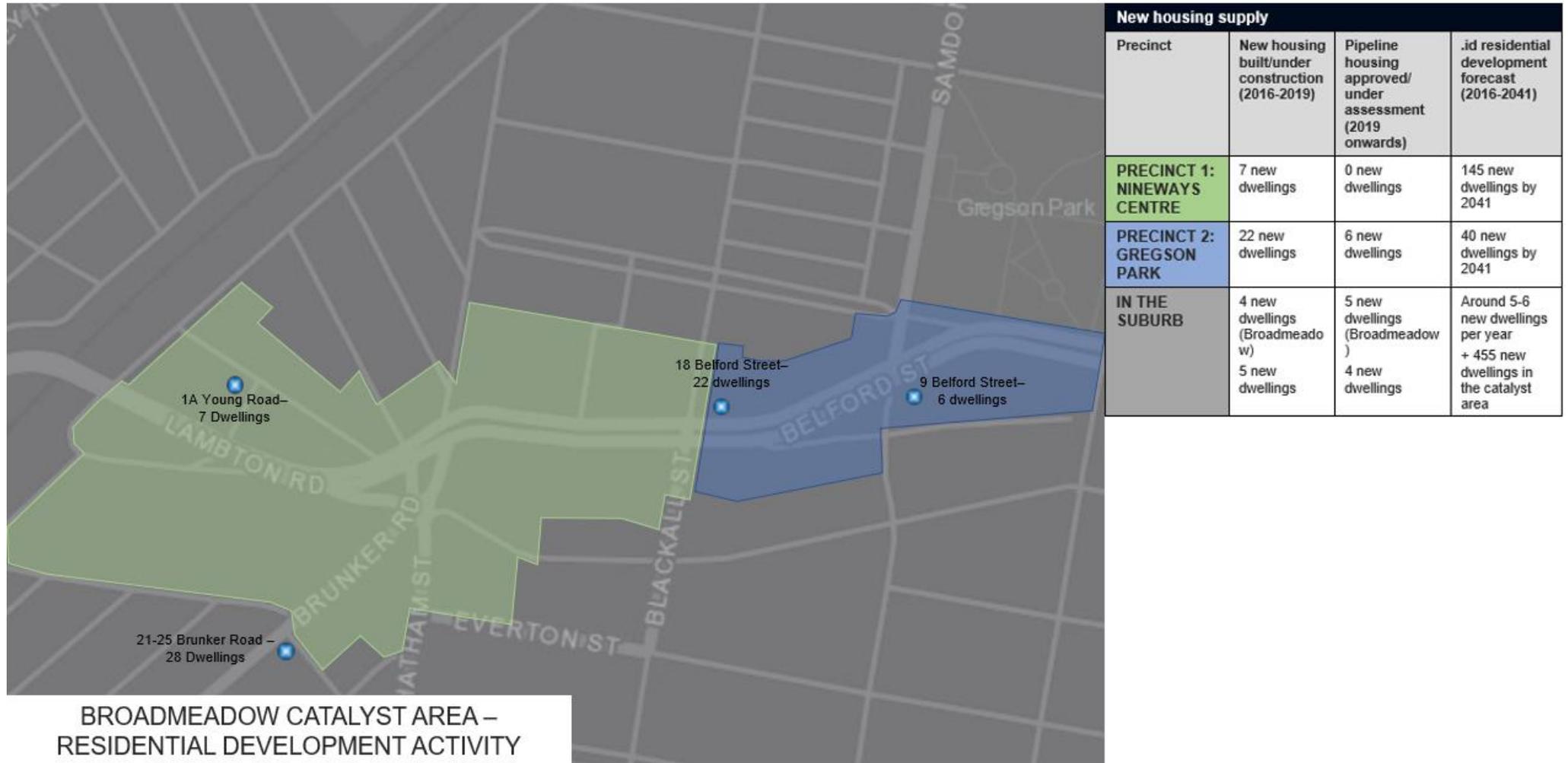


Figure 10. Opportunities and constraints of the Broadmeadow Urban Renewal Corridor

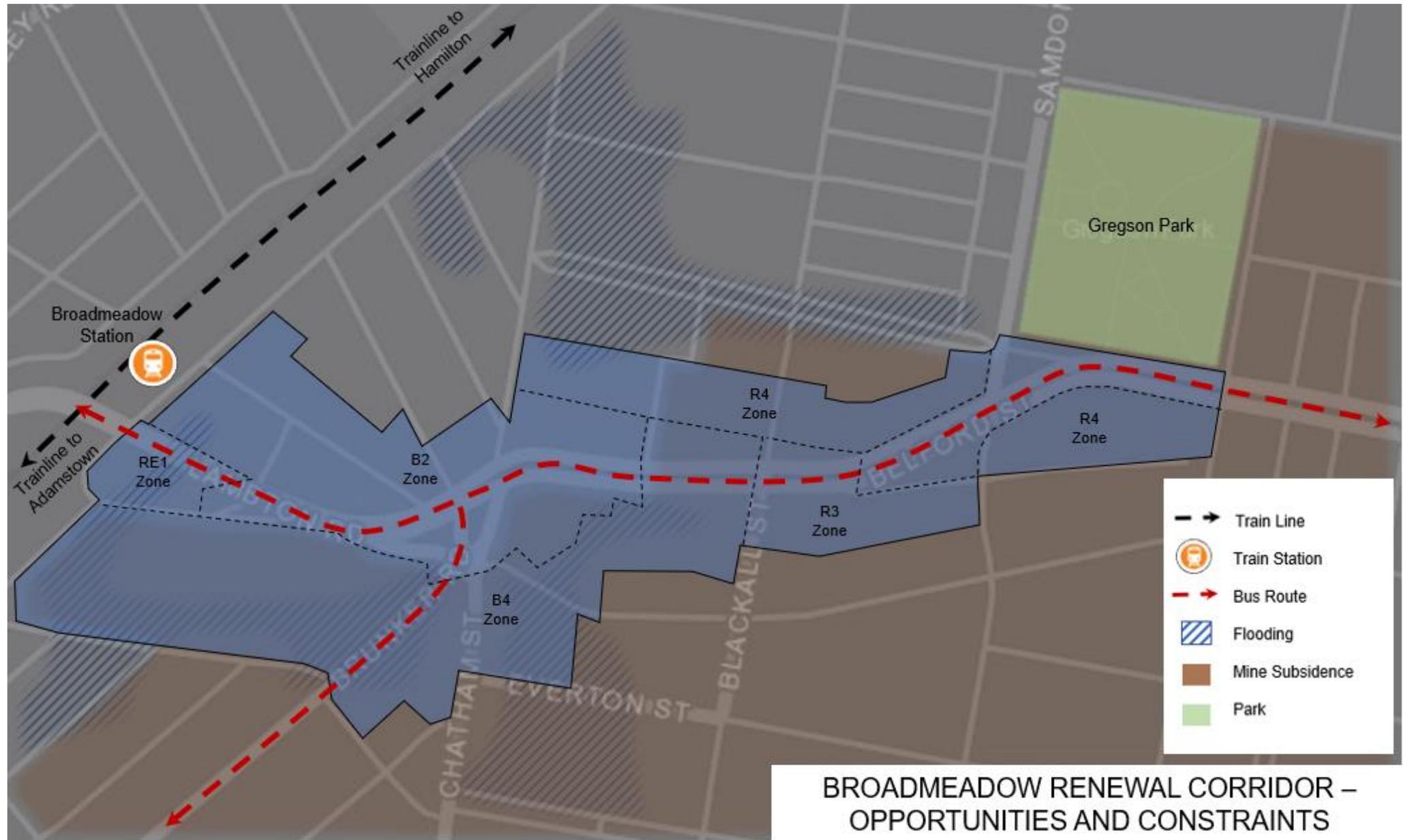
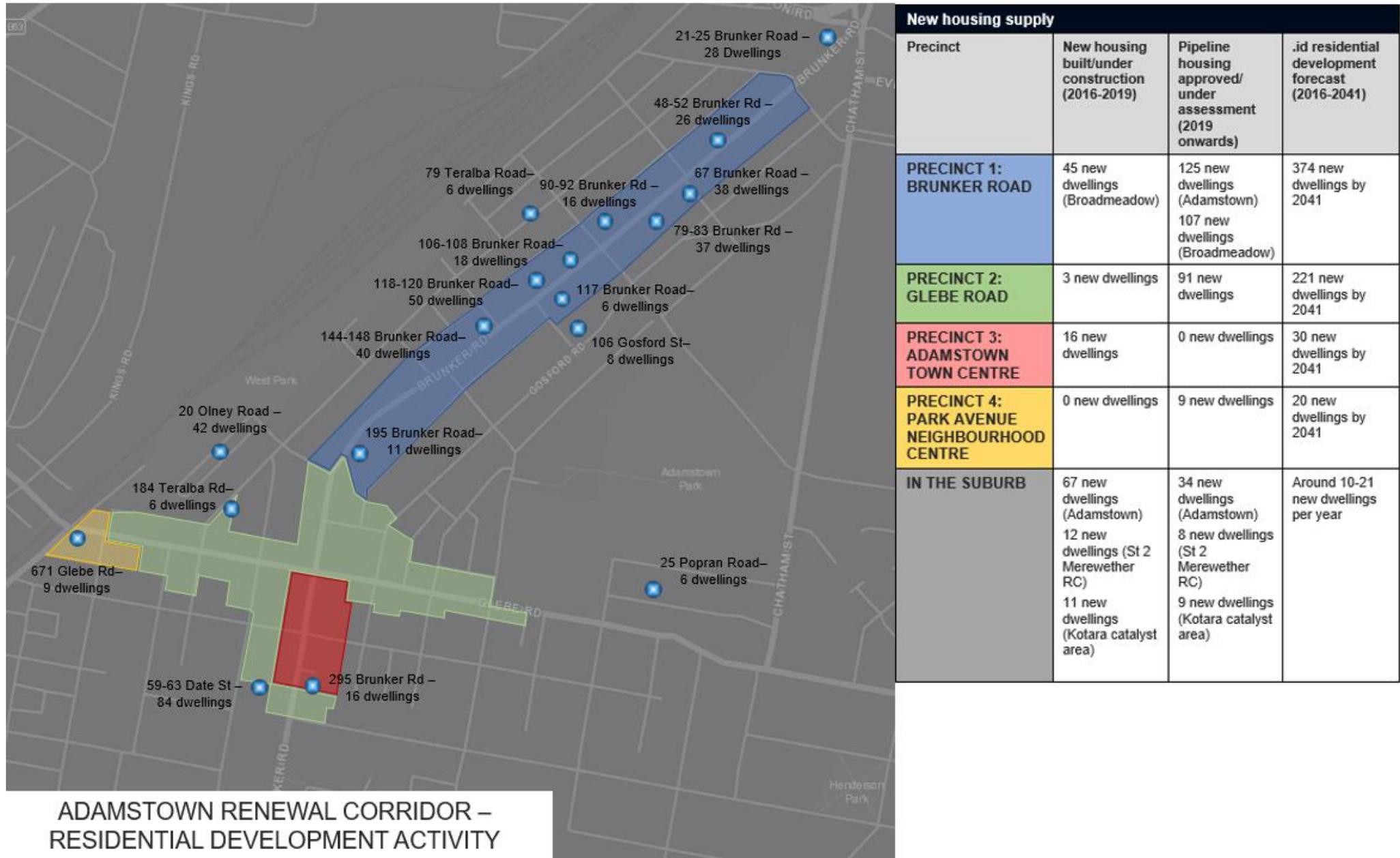


Table 4. Analysis of the Broadmeadow Urban Renewal Corridor

| Precinct                     | Status  | Development in pipeline  | Forecasted development  | Opportunities   | Constraints  | Controls  |
|------------------------------|---|--|---|---|--|---|
| Nineways Centre (Precinct 1) | <p>Covers a large area and a large range of uses. This ranges from open spaces, detached dwellings, smaller commercial operations, bulky goods premises, pubs, petrol stations.</p> <p>The primary land use present within the precinct is higher density residential development.</p> <p>A few vacant buildings along Lambton Rd, mostly tenanted.</p> | <p>7 new dwellings have been built since 2016 or are currently under construction.</p>   | <p>.id forecasts 145 dwellings within Precinct 1 to be built by 2041.</p> <p>Substantial new residential development will need to occur to meet the .id forecast.</p> | <p>Highly serviced by rail at Broadmeadow Station and buses along Lambton Rd and Brunner Rd to Newcastle CBD.</p>                               | <p>The land between Lambton Road and Broadmeadow station is zoned B2, which restricts new residential development to shop top housing.</p> <p>Precinct is subject to mine subsidence and flooding.</p> | <p>Much of this precinct is zoned B2 to allow for shops and services with a local centre. The zoning is appropriate for the precinct.</p> <p>Increased height or FSR controls may be appropriate to encourage density close to Broadmeadow Station.</p> |
| Gregson Park (Precinct 2)    | <p>A mix of detached dwellings, commercial premises and Hamilton Public School.</p> <p>Many of the detached dwellings contain heritage features.</p>  | <p>22 new dwellings have been built since 2016 or are currently under construction.</p> <p>An additional 6 dwellings have been approved or are currently under assessment.</p> | <p>.id forecasts 30 dwellings within Precinct 2 to be built by 2041.</p> <p>.id predicts very little growth within Precinct 2.</p>                                    | <p>Highly serviced buses along Lambton Rd to Newcastle CBD.</p> <p>Close to open space at Gregson Park and entertainment along Beaumont St.</p> | <p>Precinct is subject to mine subsidence and flooding.</p>  | <p>The controls only support minimal height and density above what exists. Current controls unlikely to see much uplift or redevelopment.</p>   |

Figure 11. New housing supply (2016 - 2019) in the Adamstown Urban Renewal Corridor



**ADAMSTOWN RENEWAL CORRIDOR – RESIDENTIAL DEVELOPMENT ACTIVITY**

Figure 12. Opportunities and constraints of the Adamstown Urban Renewal Corridor

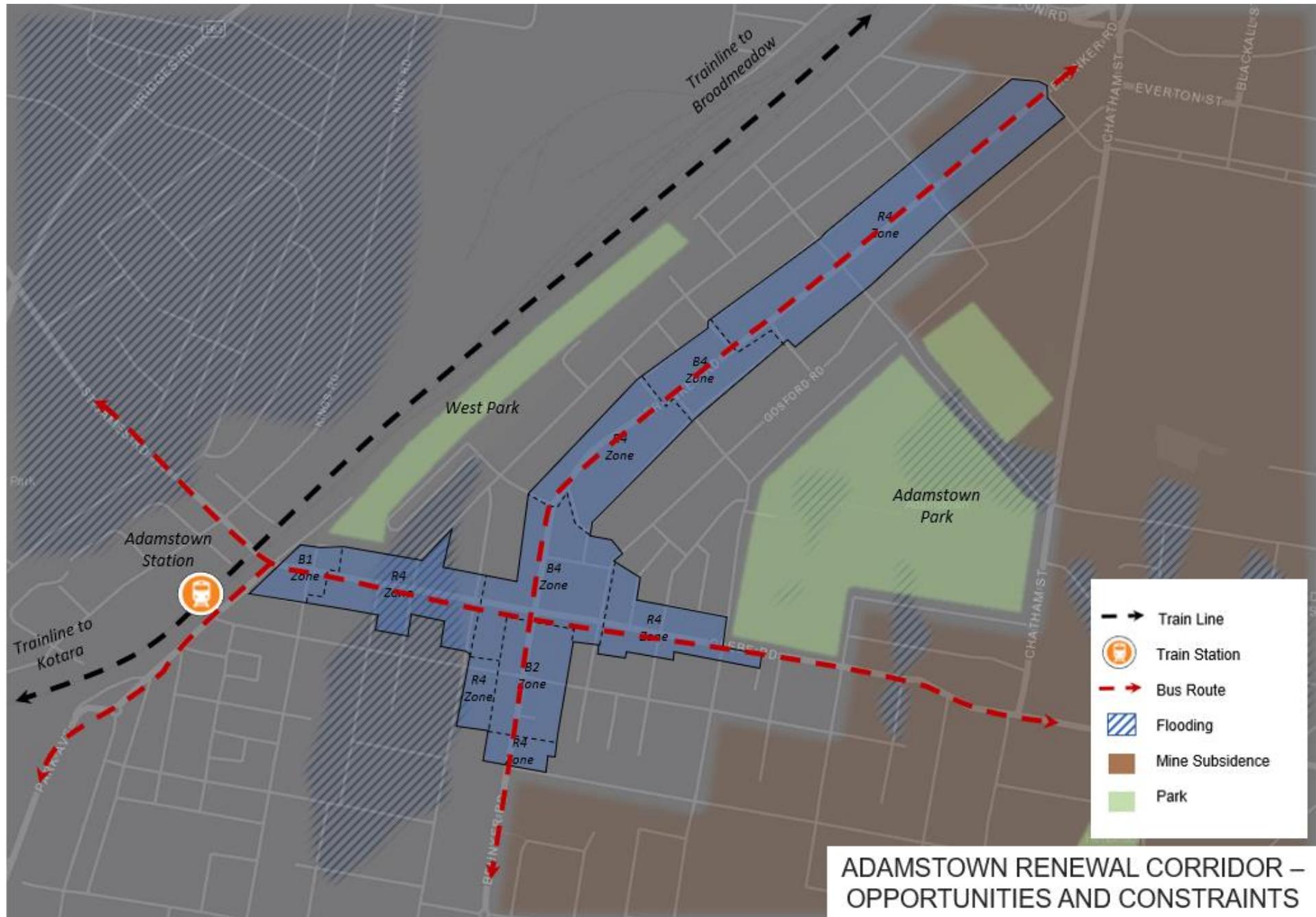


Table 5. Analysis of the Adamstown Urban Renewal Corridor

| Precinct                                      | Status   | Development in pipeline   | Forecasted development  | Opportunities   | Constraints  | Controls  |
|---|--|---|---|---|--|---|
| Brunker Road (Precinct 1)                     | <p>A lot of variety in the precinct, ranging from detached dwellings to residential flat buildings, and small shop fronts to larger commercial operations.</p> <p>Several new residential flat buildings have been built over the past few years towards the northern end of the precinct.</p>             | <p>There is substantial new development activity in the pipeline, making this Precinct one of the most successful precincts in all of the Urban Renewal Corridors.</p> <p>45 new dwellings have been built since 2016 or are currently under construction.</p> <p>An additional 232 dwellings have been approved or are currently under assessment.</p> | <p>.id forecasts 374 dwellings within Precinct 1 to be built by 2041.</p> <p>Based on the current rate of development activity, it is likely .id's forecast will be met, and most likely exceeded.</p>            | <p>A number of residential flat buildings have already been built within the corridor. Infrastructure services (such as bus routes) have already been established.</p> <p>Many of the detached dwellings are prime candidates for amalgamation and more concentrated land uses.</p> | <p>Northern portion of the precinct is subject to mine subsidence.</p> <p>Due to the number of residential flat buildings and shop top houses coming online, there may be limited opportunity to find appropriate sites.</p> | <p>The R4 zoning, FSR and Height controls appear to be facilitating substantial development. No changes to the controls are necessary.</p>  |
| Glebe Road (Precinct 2)                       | <p>The most common land use is detached residential dwellings on small to mid-sized lots. Also has several community facilities (post office and church) and a school.</p> <p>Several attached dwellings and small scale residential flat buildings have been built west of the Adamstown Town Centre.</p> | <p>3 new dwellings have been built since 2016, or are currently under construction.</p> <p>An additional 91 new dwellings have been approved.</p>   | <p>.id forecasts 221 dwellings within Precinct 2 to be built by 2041.</p> <p>There is opportunity for additional new dwellings .id's forecasts as development progresses along Brunker Rd over the long term.</p> | <p>There is opportunity for the detached dwellings along Glebe Road to amalgamate and transition into medium density housing. Streets set back from Glebe Rd (e.g. Victoria St) have been subject to medium density development.</p>  | <p>A western component of the precinct is flood prone.</p>   | <p>Glebe road has potential to accommodate higher density development. The controls (and market) do not appear to be facilitating redevelopment. After Brunker Rd is nears saturation, similar height controls could be applied to Precinct 2 to encourage redevelopment.</p> |
| Adamstown Town Centre (Precinct 3)            | <p>Primarily small scale shop front commercial activities with a few community facilities. Very few vacancies.</p>   | <p>16 new dwellings have been built since 2016 or are currently under construction.</p> <p>There are no additional new dwellings in the pipeline.</p>   | <p>.id forecasts 30 new dwellings within Precinct 3 to be built by 2041.</p>  | <p>Limited opportunities for shop top housing due to small scale shop fronts.</p>   | <p>The controls provide limited opportunity for redevelopment for shop top housing.</p>  | <p>The B2 zoning provides opportunity for shop top housing, however the 11m height limit provides limited opportunity to develop much beyond the existing built form.</p>   |
| Park Avenue Neighbourhood Centre (Precinct 4) | <p>Predominantly smaller commercial shop front businesses and a pub. Several of the commercial shop fronts are vacant.</p>   | <p>There has been no recent residential development activity, however 9 new dwellings have been approved or are currently under assessment.</p>   | <p>.id forecasts 20 dwellings within Precinct 3 to be built by 2041.</p>  | <p>Adamstown Station upgrades (completed) and the upcoming Glebe/Park Road upgrades will improve vehicle and pedestrian movements.</p>  | <p>Limited number of sites within this corridor and a large component of this precinct is the pub which is a long-standing establishment.</p>  | <p>There is limited opportunity to alter controls to deliver addition dwellings due to the size of this precinct. Controls appear sufficient.</p>   |

## APPENDIX 3: CATALYST AREAS

The Greater Newcastle Metropolitan Plan identified several Catalyst Areas. The Catalyse Areas will underpin new job opportunities, including health, defence and education industries. Some locations will also provide for new homes and help to meet the expected demand for diverse housing options close to jobs and services. There are seven catalyst areas located within the Newcastle local government area. The Newcastle City Centre, Callaghan, Kotara and Broadmeadow catalyst areas will play a role in delivering Newcastle's housing.

### 1. Newcastle City Centre

- Targeted to deliver 4,000 dwellings by 2036 with its desired role in Greater Newcastle:
- Business district with significant commercial floor space;
- Metropolitan civic, recreation and cultural facilities, and major events;
- Education and innovation precinct;
- Urban renewal precinct, meeting demand for medium and high-density housing that contributes to the heritage character of the city.

#### Newcastle City Centre catalyst area's role for housing delivery

- In Newcastle – Newcastle East – Newcastle West 96% of the current 2,913 dwelling stock is medium or high density.
- In Maryville – Wickham, 50% of the current 1,358 dwelling stock is medium or high density.
- Within the catalyst area there is currently 4,271 dwellings (Source: Adapted from ID Profile 2018)
- From Council DA tracker and the Department of Planning, Industry and Environment's Development and Planning Register, there is currently 4,019 dwellings in the pipeline.
- Although not all of the 4,019 dwellings will be built, it is an indication that the Newcastle City Centre catalyst area is capable of achieving the 4,000 dwelling target established in the Greater Newcastle Metropolitan Plan. Furthermore, the Department of Planning, Industry and Environment and Council may wish to consider increasing the dwelling target to encourage additional development in Newcastle's primary employment hub and most serviced precinct.

### 2. Callaghan

- Targeted to deliver 750 dwellings by 2036 with its desired role in Greater Newcastle:
- Tertiary education, research and innovation cluster based around the University of Newcastle;
- Emerging mixed use centre that utilises Warabrook Station and bus routes, and acts as a catalyst for renewal of surround areas and centres.

#### Opportunities and role in delivering housing

- It is noted that with the growth of Newcastle's City Centre campus, future dwellings/student accommodation provided by the university is likely to occur in the Newcastle City Centre rather than at the Callaghan campus. The Student Accommodation Precinct contains a large volume of dwellings, however there has been no indication by the university to building additional dwelling accommodation within this precinct for the short-medium future.
- The suburb of Jesmond, within the Callaghan Catalyst area is already experiencing renewal with 3 approved development applications accounting for 10% of the 2036 dwelling target (77 dwellings).
- Within the Waratah precinct, development applications are in the pipeline for a boarding house for 29 dwellings and an aged care facility for 47 dwellings.
- There is currently no substantial dwelling applications within the pipeline for the Warabrook precinct.
- When discounting areas within the catalyst area covered by the university and employment lands, the main precinct likely to see dwelling growth is the Jesmond, Warabrook and Waratah Centres precinct. It is likely that the 750 dwelling target identified in the Greater Newcastle Metropolitan Plan will be incrementally delivered over time through mid-sized redevelopments. It is unlikely that intervention is needed to meet the dwelling target.
- It is recognised that future dwelling within this precinct, particular Jesmond, need to be supportive of the future dwelling needs of students as this catalyst area is a key area for student accommodation.

### 3. Kotara

- Targeted to deliver 400 dwellings by 2036 with its desired role in Greater Newcastle:
- Diverse employment centre with mixed-use and high density; residential connected to frequent public transport services.

#### Opportunities and role in delivering housing

- Above 90% of the current housing stock within the Kotara area are detached dwellings.
- From Council's DA tracker, Kotara currently isn't seeing a significant volume of infill occurring. Most development within the pipeline is in the form of dual occupancy development or small scale multi dwelling housing.
- Kotara's current dwelling pipeline trajectory is unlikely to deliver the targeted 400 dwellings by 2036 without significant intervention.
- The Greater Newcastle Metropolitan Plan identifies the current home maker centre as the future Town Centre Precinct. It identifies that realignment of local plans and masterplanning will also need to occur to support the redevelopment of the large format retail to a mixed-use town centre. The shop top housing within the town centre will be a key component to deliver the catalyst area dwelling targets.
- Due to its location to employment and transport serviceability, it is recommended that Council explore additional GFA provisions to encourage the delivery of affordable and social housing within the new town centre Kotara precinct and also the Kotara Residential Precinct. These provisions could work similarly to those currently in place within the Wickam Master Plan (once the Wickham Master Plan provisions have successfully been introduced and evaluated).
- Should delivery of the Town Centre precinct see delays, Council will need to explore how medium density housing can be encouraged within the Kotara Residential Precinct to meet the dwelling targets.

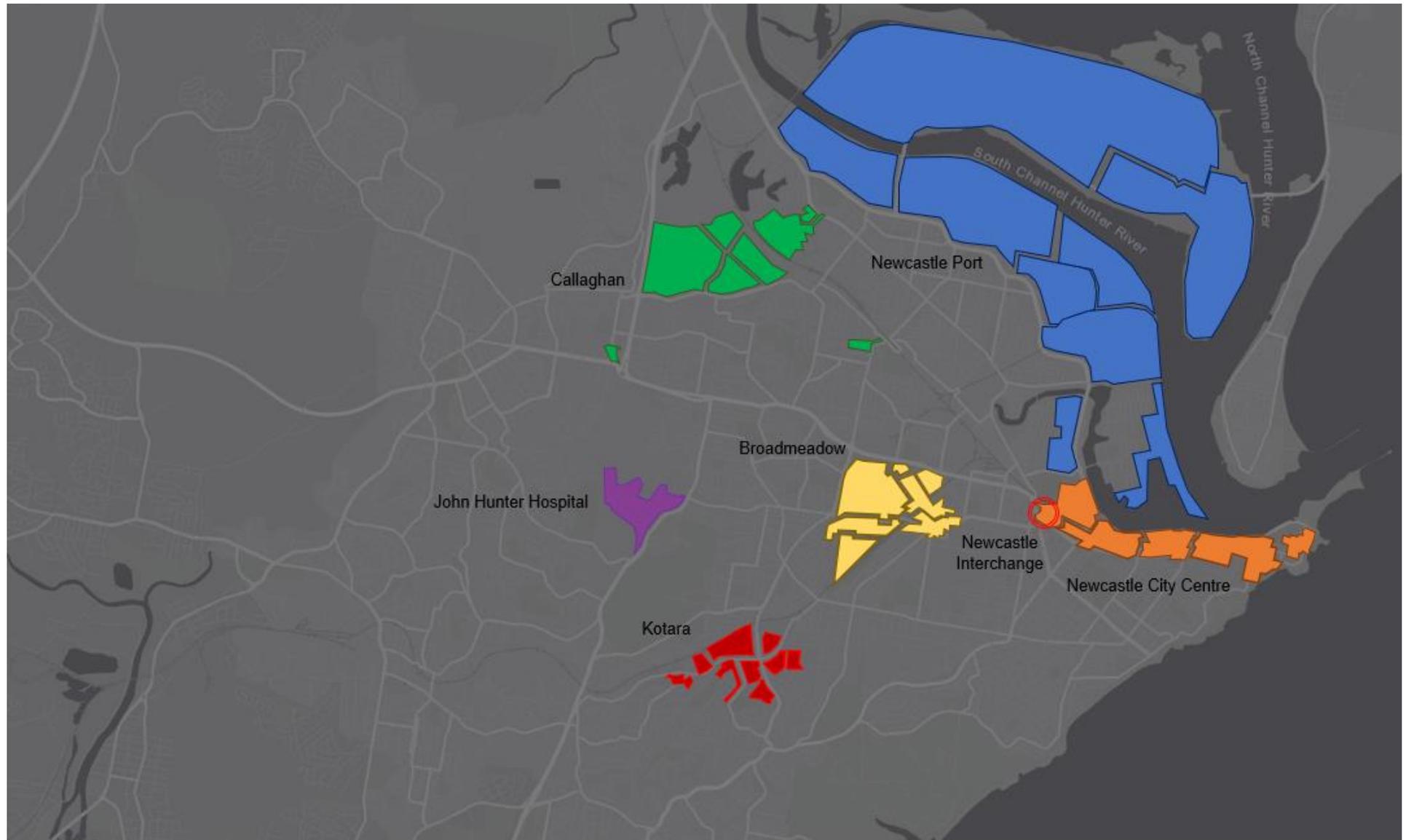
### 4. Broadmeadow

- Targeted to deliver 1,500 dwellings by 2036 with its desired role in Greater Newcastle:
- Nationally significant sport and entertainment precinct; and
- Providing a mix of uses that facilitates growth and change in surrounding centres and residential areas.

#### Opportunities and role in delivering housing

- Outside of the Newcastle City Centre, the Broadmeadow catalyst area has been identified for the largest dwelling increasing out of all the catalyst areas and renewal corridors. With access to bus and train transport options and close proximity to the city centre, Broadmeadow presents itself as one of Newcastle's most appropriate areas for higher residential developments.
- The Greater Newcastle Metropolitan Plan highlights the need to facilitate medium to higher density housing within the Nineways, Lambton Road, Broadmeadow Station, Broadmeadow Road and Locomotive Depot Precincts.
- At present, much of the redevelopment within the wider Broadmeadow area has been along the Brunner Road, outside of the Broadmeadow catalyst area. At present there are very few development applications for development within the Broadmeadow catalyst area, none of which contain substantial volumes of dwelling delivery. Amongst the development industry, there hasn't been notable interest to undertake infill development within the Broadmeadow catalyst area.
- To deliver the 1,500 dwellings target, as part of the actions identified within the Greater Newcastle Metropolitan Plan, Council will need to master plan the Broadmeadow precinct. This master planning process will also need to evaluate the feasibility of medium to high density development and consider if adjustments to the planning controls are required to deliver the dwelling targets.
- Similar to the Kotara catalyst area, the provision of future housing within the Broadmeadow area provides Council with an opportunity to deliver affordable and social housing to meet shortfalls within the Newcastle LGA.

Figure 13. Residential Catalyst Areas in the Newcastle LGA



# APPENDIX 4: STAGE 2 URBAN RENEWAL CORRIDORS

The Greater Newcastle Metropolitan Plan (GNMP) identified three Stage 2 Urban Renewal Corridors within the Newcastle LGA. Action 16.3 within the GNMP identifies that Council will undertake an investigation of renewal potential and ensure proposals do not prevent future redevelopment opportunities.

The three Stage 2 Urban Renewal Corridors are:

- **Newcastle Rd – Griffiths Rd – Donald St Corridor.** This corridor plays a role in providing entertainment (the showground, Harness Racing Club and McDonald Jones Stadium), employment (primarily light industrial) and residential (detached dwellings). There has been very little residential renewal over the past few years within this corridor. This corridor is also Newcastle's primary East-West road link between Newcastle CBD and the M1 Motorway and future opportunities within the corridor will need to consider traffic impacts.
- **Lambton Rd – Russell Rd Corridor.** This corridor will be a westerly extension of the Hamilton and Broadmeadow Urban Renewal Corridors. The eastern component of this corridor is comprises primarily light industrial and commercial land uses. The middle component of the corridor is predominantly residential transitioning into small scale commercial activities at New Lambton shops. The corridor has not seen much intense residential development and future uses within the corridor will need to be sympathetic with the local character of the area.
- **Glebe Road – Watkins St Corridor.** This corridor is largely comprised of residential detached dwelling land uses with a few medium density residential uses and smaller commercial operations. This corridor is located close to employment opportunities within the CBD. Future activation of the corridor will need to ensure transport and infrastructure are aligned to ensure additional residents within this corridor can be adequately serviced.

Once the Stage 2 Urban Renewal Corridors have been defined, Council can further consider how these corridors can contribute to the delivery of Newcastle dwelling requirements and play a role in delivering housing supply.

Figure 14. Stage 2 Urban Renewal Corridors in the Newcastle LGA



# APPENDIX 5: GREENFIELD AREAS

The Greater Newcastle Metropolitan Plan identifies that for Greater Newcastle, in 2017, 50% of new dwellings will be delivered through greenfield development. This will transition to 40% of new dwellings being delivered as greenfield development in 2036.

Due to the interaction between the existing urban boundary, the LGA boundary and environmental constraints, Newcastle has little remaining opportunity to deliver substantial volumes of development through greenfield development. Due to Newcastle's historical growth patterns, within the urban boundary Fletcher-Minmi area is one of the last opportunities for greenfield development for Newcastle LGA.

When considering urban zoned greenfield pipeline development for Fletcher-Minmi, that being, residential zoned subdivision lots under assessment (1,186), approved subdivision lots (616), vacant lots (110), lots with dwelling construction (58), multi-dwelling lots (71), there is potential for the delivery of almost 2,000 dwellings through zoned land (this is inclusive of the 144 Woodford Street, Minmi application that is currently under assessment for 962 additional lots).

If all of the 2,000 greenfield pipeline dwellings were developed over the next 25 years to 2041, they would only contribute 9.7% of Newcastle's dwelling delivery.

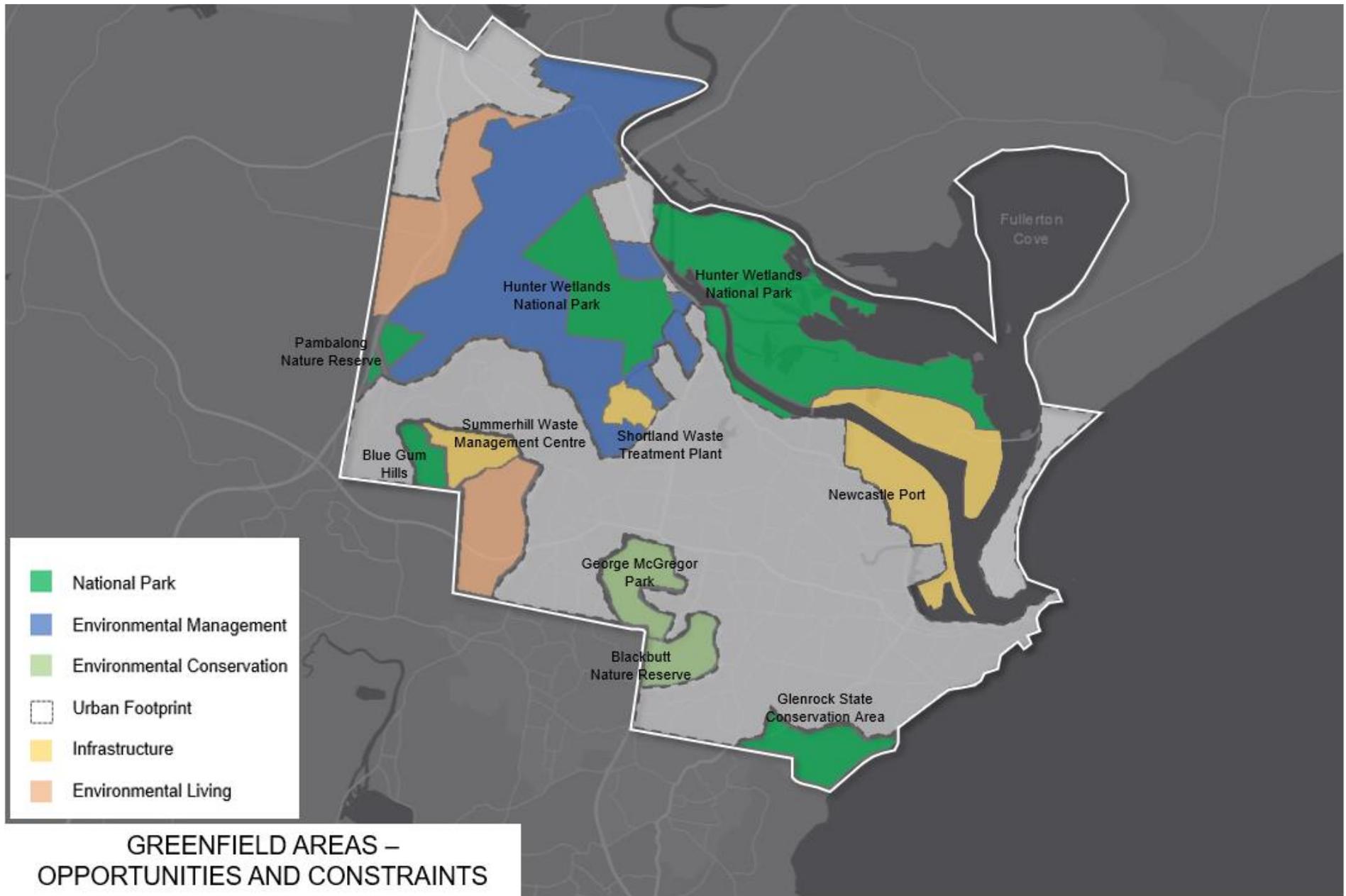
Further to the zoned lots within the subdivision pipeline, there is only a few possible opportunities remaining within the Newcastle LGA for rezoning to

accommodate large scale additional greenfield development. Once urban zoned land, National Parks and Environmental Management areas are discounted, there are only the two notable areas that could accommodate additional dwelling capacity, that being the land currently zoned E4 Environmental Living at Minmi and Black Hill.

The Minmi environmental living area is one of the largest bushland areas in proximity of Newcastle City. Any future development will be highly constrained by the site's bushfire and biodiversity environmental impacts. When considering the future of the site, Council will need to think about the future importance of the trees in mitigating Newcastle's future heat island impacts and if the land is important as a biodiversity corridor.

The Black Hill environmental living area is divided by the M1 Pacific Motorway. Land to the east of the M1 has been subject to larger lot settlement patterns and large lot residential development. There is currently limited opportunity to accommodate greater residential densities east of the M1 due to servicing constraints. Land to the west of the M1 is currently utilised for agricultural purposes or otherwise vacant. This area forms part of the 'emerging Black Hill precinct' within the Black Hill Catalyst Area and is expected to be subject to Council-led masterplanning initiative (jointly with Cessnock Council). Council should consider the suitability of land west of the M1 for rural residential subdivision through the preparation of its Local Housing Strategy to inform any future masterplanning initiatives.

Figure 15. Opportunities and constraints for greenfield areas in the Newcastle LGA



# APPENDIX 6: INFILL AREAS

Although Council and the State Government have established centres for growth through the Urban Renewal Corridors and Catalyst Areas, smaller scale infill will also occur organically throughout the existing urban footprint. General infill development outside of the existing Urban Renewal Corridors and Catalyst Areas will play an important role in contributing to Newcastle's dwelling requirements.

The infill development map identifies several established centres that have not been identified as Urban Renewal Corridors or Catalyst Areas but are still likely to experience considerable infill development under current controls. Since August 2016, Wallsend, New Lambton, Merewether, Cooks Hill and Stockton have seen considerable interest in infill development:

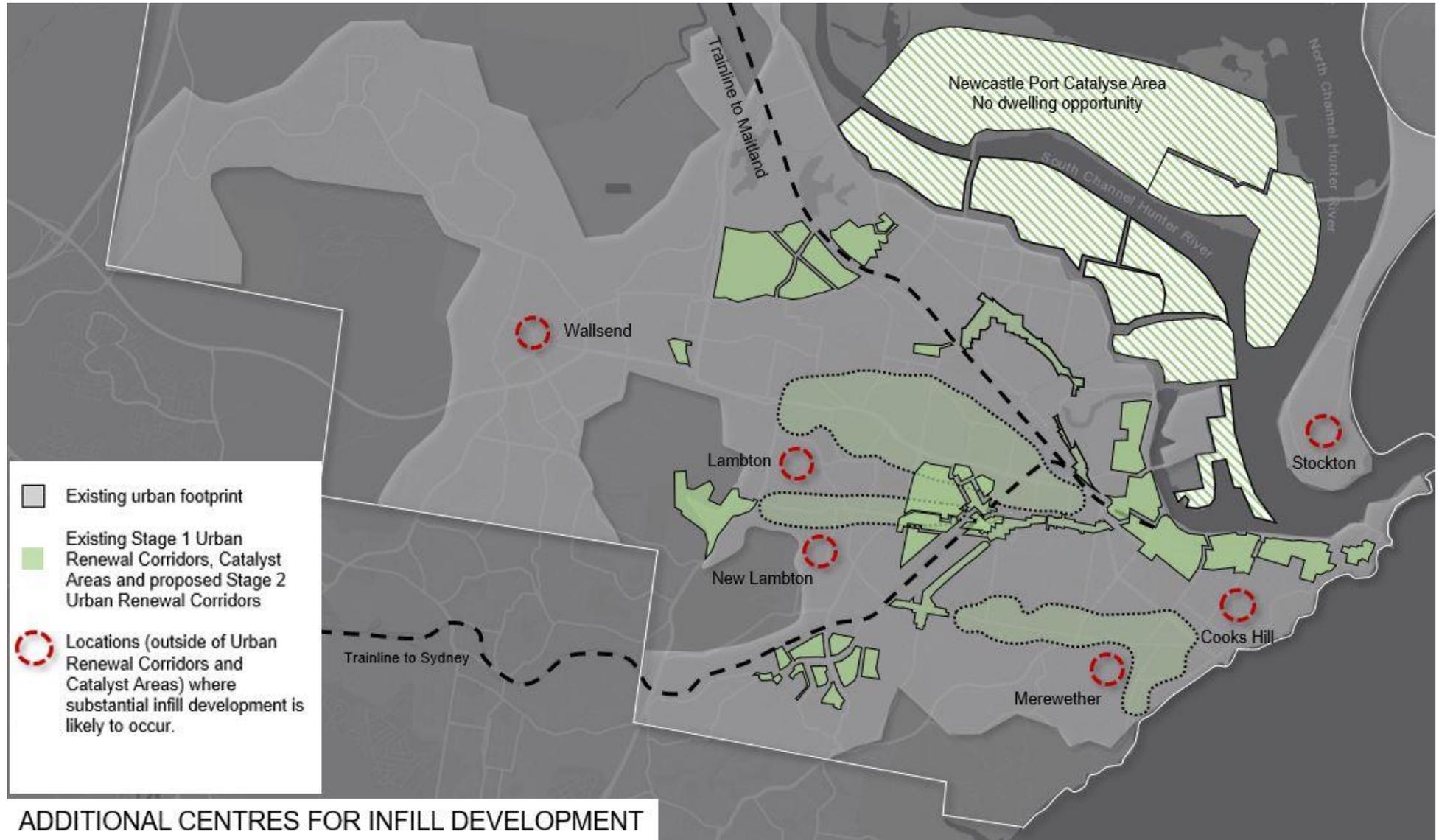
- Wallsend received 98 development applications in the pipeline for 330 dwellings;
- New Lambton received 46 applications in the pipeline for 129 dwellings;
- Merewether received 61 applications in the pipeline for 114 dwellings;
- Cooks Hill received 14 applications for 101 dwellings;
- Lambton received 25 applications in the pipeline for 66 dwellings; and
- Stockton received 43 applications in the pipeline for 55 dwellings.

The demand for infill residential development within these areas has generally been driven by a mixture of large lot sizes, infrastructure, serviceability and a desirable local character. Cooks Hill is an exception with smaller lot sizes and heritage constraints, however, most new dwelling activity is proposed as mixed-use and shop top housing along Darby Street where there are larger lot sizes and fewer heritage constraints.

Existing suburbs that have experienced little infill development and will continue to be low or no growth areas due to heritage and other constraints include Carrington, Hamilton South-Hamilton East and The Hill. The exception is the former NBN site at The Hill which is zoned for substantial redevelopment with a current application for 172 dwellings.

The infill development map on the following page also reinforces the need for Council and the State Government to align and clarify the spatial framework for residential growth. Overlaying the Stage 1 Urban Renewal Corridors, Catalyst Areas and Stage 2 Urban Renewal Corridors comprises about 1/3 of Newcastle's urban footprint and currently provides little certainty to the community as to the focus of future residential growth.

Figure 16. Additional areas for infill development within the Newcastle LGA



**ATTACHMENTS DISTRIBUTED UNDER SEPARATE COVER**

**CCL 23/06/2020 – EXHIBITION OF DRAFT LOCAL HOUSING  
STRATEGY**

**ITEM-35 Attachment C:** Draft Local Housing Strategy Implementation Plan



# Draft Local Housing Strategy Implementation Plan



City of  
Newcastle

## Acknowledgment

City of Newcastle acknowledges that we operate on the grounds of the traditional country of the Awabakal and Worimi peoples.

We recognise and respect their cultural heritage, beliefs and continuing relationship with the land and waters, and that they are the proud survivors of more than two hundred years of dispossession.

City of Newcastle reiterates its commitment to address disadvantages and attain justice for Aboriginal and Torres Strait Islander peoples of this community.

## Enquiries

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# Introduction

The Local Housing Strategy is the housing component of our Integrated Planning and Reporting Framework (IP&R). The priorities and actions of the Local Housing Strategy are aligned with the Local Strategic Planning Statement and the Community Strategic Plan (CSP) and will be reviewed concurrently every four years.

Implementation of the actions identified in the Local Housing Strategy will be monitored through the IP&R Framework. To align actions with the framework, actions are identified as commencing within one year to four years.

The Implementation Plan will be reviewed every 12 months as actions are completed and to reflect changes in Federal, State or Local priorities as well as resources and budgets.

## Key

### Timeframe



Short: 1 year



Medium: 2-3 years



Long: 4+ years



Control



Influence

Core business  
Statutory requirements  
Direct decision making and action is necessary

Areas which council has a partial or shared responsibility or influence  
Advocacy, lobbying, education and communication are possible  
Action may be possible in collaboration

## Housing Priority 1: Maintain and encourage housing supply in the right locations

| Objective   | Action  | CN Role  | Timeframe |  |
|---|---|--|-----------|--|
| <ul style="list-style-type: none"> <li>Housing is located in areas with adequate infrastructure, close to jobs, services, public open space and reliable public transport.</li> </ul>   | 1.1. Actively collaborate with State Government agencies through the Greater Newcastle Metropolitan Plan Catalyst Area Steering Group, to advocate for the provision of infrastructure, services and reliable public transport required to support targeted housing growth that meets the future needs of the community in areas supported by emerging centres of employment and economic activity.   |  |           |  |
|   | 1.2. Undertake a review of the Stage 1 Urban Renewal Corridors against their intended outcomes outlined in the DCP and GNMP, to determine: <ul style="list-style-type: none"> <li>new developments are achieving target densities, envisaged built form and urban design outcomes</li> <li>a range of housing types, sizes and price ranges are provided that meet the needs and expectations of the community.</li> </ul>  |  |           |  |
| <ul style="list-style-type: none"> <li>The demand for more homes is balanced with the need for more jobs and sustainable economic growth, as well as with the creation of great places, and the retention of important ecological habitat.</li> </ul> | 1.3. Commence investigations for the Stage 2 Urban Renewal Corridors to determine: <ul style="list-style-type: none"> <li>potential capacity of the land to deliver the envisaged land uses and residential densities</li> <li>development standards and controls that address area-specific opportunities and challenges and deliver built form outcomes aligned with desired future character</li> <li>potential triggers for sequencing the implementation of measures required to deliver each corridor</li> <li>measures for monitoring the provision of social and affordable housing, housing for people with a disability or high care needs, and other social groups identified as vulnerable to experiencing housing stress.</li> </ul> |  |           |  |
|   | 1.4. Review the LEP to ensure land uses and densities reflect both desired future character and land capacity for the Village Hub Precinct of the Wickham Master Plan.  |  |           |  |
|   | 1.5. Consider landowner-led initiatives to reduce the minimum lot size in the E4 Environmental Living zone in Black Hill west of the M1 to enable ongoing management of the environmental attributes of the land.   |  |           |  |
|   | Plan for a resilient city by reducing vulnerability to natural hazards at the planning stage.   | 1.6. Review the LEP and DCP to improve resilience and adaptation to natural hazards and risks factoring in the potential impacts of extreme events.  |           |  |
|   |   | 1.7. Investigate opportunities to incorporate recommendations from other Council policies that address resilience planning, natural hazards and climate change into our planning for future housing. |           |  |

**Key** Short: 1 year Medium: 2-3 years Long: 4+ years Control Influence

## Housing Priority 2: Diversify housing type and tenure across the LGA to provide for a range of housing needs

| Objective  | Action   | CN Role   | Timeframe   |
|--|--|---|---|
| A mix of dwelling types, tenures and sizes are available to support a diverse community. | 2.1. Develop an Affordable Housing Policy that considers housing needs of students, seniors and investigates alternative residential models.   |  |  |
|  | 2.2. Investigate regional response with Hunter Councils, NDIS and disability providers to the provision of specialist disability accommodation and residential care facilities in highly accessible locations. |  |  |

## Housing Priority 3: Increase the availability of accessible and adaptable housing

| Objective  | Action  | CN Role   | Timeframe   |
|--|---|---|---|
| Increased provision of adaptable and accessible housing that adopts universal housing design principles. | 3.1. Audit recently completed developments to determine the level of compliance with the DCP requirements for 'Silver Level' universal design features of multi-dwelling developments.          |  |  |
|  | 3.2. Review the DCP to identify opportunities to improve controls relating for adaptable and accessible housing ensuring they align with best practice for universal housing design principles. |  |  |
|  | 3.3. Promote the benefits of adopting universal housing design principles for new housing.  |  |  |

Key  Short: 1 year  Medium: 2-3 years  Long: 4+ years  Control  Influence

## Housing Priority 4: Increase the supply of affordable rental housing

| Objective   | Action   | CN Role   | Timeframe   |
|---|--|---|---|
| <ul style="list-style-type: none"> <li>All households will be able to rent a dwelling that meets their needs and costs less than 30% of their gross household income.</li> <li>Work with DPIE to ensure opportunities for the provision of affordable rental housing are required in the Catalyst Areas.</li> </ul> | 4.1. Prepare an Affordable Housing Contributions Scheme to apply to all: <ul style="list-style-type: none"> <li>Catalyst Areas with proposed residential accommodation</li> <li>Stage 2 Urban Renewal Corridors</li> <li>any other locations where an increase in residential density will occur as a result of rezoning.</li> </ul> |  |  |
|   | 4.2. Prepare an Affordable Housing Policy to identify the locations and circumstances in which CN will consider a Planning Agreement to provide social and affordable housing.   |  |  |
|   | 4.3. Explore alternative affordable housing solutions, such as collaborating with Community Housing Providers, The Department of Planning and other industry bodies.   |  |  |

## Housing Priority 5: Ensure new housing and changes to existing housing reflect the desired future local character of the area

| Objective   | Action  | CN Role   | Timeframe   |
|---|---|---|---|
| <ul style="list-style-type: none"> <li>Develop robust urban planning controls to ensure the desired local character of an area is achieved.</li> <li>Ensure new housing enhances and contributes to the future character of an area.</li> </ul> | 5.1. Prepare Local Character Statements to ensure development positively contributes to desired future character, commencing with the following areas: <ul style="list-style-type: none"> <li>Tighes Hill</li> <li>Denison Street, Hamilton</li> <li>Kotara.</li> </ul> |  |  |
|   | 5.2. Review and update the LEP and DCP in accordance with the findings of the Local Character Statements, where relevant.   |  |  |
|   | 5.3. Review land use tables of residential zones and residential development DCP controls to ensure permitted land uses and development are consistent with zone objectives.  |  |  |
|   | 5.4. Review the LEP and DCP to ensure the zone objectives, heritage conservation provisions and controls within the R3 Medium Density Zone are responsive to items of heritage significance and heritage conservation areas.  |  |  |

**Key**  Short: 1 year  Medium: 2-3 years  Long: 4+ years  Control  Influence

## Housing Priority 6: Homes are designed to be ecologically sustainable and to reduce the resource requirements through the life cycle of the dwelling

| Objective  | Action   | CN Role   | Timeframe   |
|--|--|---|---|
| <ul style="list-style-type: none"> <li>Housing has a high level of amenity and supports the health and wellbeing of the community in an energy efficient way.</li> <li>New housing contributes to our goal of achieving net zero emissions by 2050.</li> </ul> | 6.1. Investigate provisions in the LEP and DCP that: <ul style="list-style-type: none"> <li>facilitate greater efficiencies of energy and water use than current minimum standards in new dwellings</li> <li>facilitate the reduction, reuse and recycling of building material and building waste.</li> </ul> |  |  |
|  | 6.2. Investigate incentives to achieve high sustainability performance targets in Urban Renewal Corridors and Catalyst Areas.  |  |  |
|  | 6.3. Develop a community education initiative to raise awareness of residential building sustainability considerations, and advocate for these in pre-application discussions.   |  |  |

Key



Short: 1 year



Medium: 2-3 years



Long: 4+ years



Control



Influence

[newcastle.nsw.gov.au](http://newcastle.nsw.gov.au)