

DRAFT

Shoalhaven

Affordable Housing

Strategy

Prepared by HillPDA
For Shoalhaven City Council

File: 1625E/4

Version: Draft for Public Consultation

Exhibition: Wednesday 12 June – Friday 12 July 2024



Shoalhaven 2030

Affordable Housing Strategy

Prepared for
Shoalhaven City Council

[Date of publication]

CONTENTS

Acknowledgement of Country	4
Message from the Mayor and Chief Executive Officer	5
Executive summary	6
Glossary	8
1.0 Introduction	11
1.1 The purpose of Shoalhaven 2030 Affordable Housing Strategy	11
1.2 Strategic directions of this strategy	11
1.3 Guiding principles	12
2.0 Understanding affordable housing	13
2.1 Defining affordable housing.....	13
2.2 Benchmarks and income thresholds.....	14
2.3 Benefits of affordable housing.....	15
2.4 Contemporary affordable housing need.....	16
2.5 Key challenges and issues	16
3.0 The need for affordable housing in Shoalhaven	17
3.1 The technical need for affordable housing	17
3.2 Existing social and affordable housing stock.....	19
3.3 Boarding houses.....	19
3.4 Estimated affordable housing need	19
3.5 Summary	21
4.0 Key actions and timeframes.....	22
4.1 Short-term actions	24
4.1.1 Direct government delivery	24
4.1.2 Indirect market delivery	25
4.1.3 A supportive and innovative framework.....	25
4.1.4 Advocating and raising awareness.....	26
4.2 Medium-term actions	27
4.2.1 Direct Government delivery.....	27
4.2.2 Indirect market delivery	28
4.2.3 A supportive and innovative framework.....	30
4.2.4 Advocating and raising awareness.....	31
4.3 Long-term actions	32
4.3.1 Direct Government delivery.....	32
4.3.2 Indirect market delivery	33
5.0 Monitoring and review	34
APPENDIX A : Stakeholder engagement	35

APPENDIX B :	Demographic Profile	36
APPENDIX C :	Research papers.....	45
APPENDIX D :	Strategic context.....	46
APPENDIX E :	Key challenges and issues with affordable housing	51
APPENDIX F :	Annual report template	54
APPENDIX G :	Desktop audit of Shoalhaven City Council's landholdings.....	56

Tables

Table 1: Relevant affordable housing income and cost benchmarks.....	14
Table 2: Rest of New South Wales affordable housing benchmarks.....	17
Table 3: Shoalhaven Local Government Area technical affordable housing need	18
Table 4: Shoalhaven Local Government Area estimated affordable housing need	20
Table 5: Affordable housing actions.....	23
Table 6: Key performance indicators	34
Table 7: Forecast population growth in selected districts.....	36
Table 8: Shoalhaven income and house prices at 2021 Census	40
Table 9: Relative incomes of the top five employment industries in Shoalhaven.....	41
Table 10: Top five areas of raw forecast dwelling growth (2021 – 2041) with households	42
Table 11: Selected tenure by selected households in 2021	44
Table 12: Homelessness estimate	44

Figures

Figure 1: Affordable housing continuum.....	13
Figure 2: Income per worker per week by industry of employment.....	15
Figure 3: Percentage change in median income, rent and sale price in the Illawarra-Shoalhaven Region	16
Figure 4: Percentage of households paying less than 30%, 40% and 50% of their income on rent	18
Figure 5: Percentage of households paying over 30% of income on rent by weekly income	20
Figure 6: Shoalhaven Local Government Area rent growth since the 2021 Census	21
Figure 7: Shoalhaven age-sex pyramid 2021	37
Figure 8: Shoalhaven international and domestic visitor nights	38
Figure 9: Shoalhaven household forecasts.....	39
Figure 10: Shoalhaven household by weekly income.....	40
Figure 11: Shoalhaven employment industries 2021	41
Figure 12: Shoalhaven implied dwelling demand.....	42
Figure 13: Shoalhaven tenure mix.....	43
Figure 14: Trade-offs inherent in affordable housing contributions	51

Quality Assurance

Report Contacts

Henry Black

Consultant

UNSW Bachelor of City Planning (1st Class Honors), MPIA

Henry.Black@hillpda.com

Supervisor

Sarah Sheehan

Associate

UNE Bachelor of Urban and Regional Planning, MPIA

Sarah.Sheehan@hillpda.com

Quality Control

This document is for discussion purposes only unless signed and dated by a Principal of HillPDA.

Reviewer

Signature

[Signature]

Dated

[Date]

Report Details

Job Number

V23063

Version

DRAFT

File Name

Shoalhaven 2030 Affordable Housing Strategy

Date Printed

[Date]

ACKNOWLEDGEMENT OF COUNTRY

We acknowledge the traditional owners and custodians of this country and their continuing connection to the land through culture and community. We pay our respects to Elders past, present and future.

DRAFT

MESSAGE FROM THE MAYOR AND CHIEF EXECUTIVE OFFICER

[To be inserted at a later date]

DRAFT

EXECUTIVE SUMMARY

The affordability of housing is an important and complex problem within the Shoalhaven Local Government Area and around New South Wales, causing numerous social and economic impacts on communities. Having housing which is affordable not only benefits individual households which find themselves able to finance their preferred lifestyle, but also provides employees for local communities, reduces the environmental impact of transport, increases discretionary spending in other parts of the economy and supports the social fabric of communities, amongst other benefits.

Recognising this, the *Shoalhaven 2030 Affordable Housing Strategy* has been created to:

1. Define affordable housing as a specific housing type, including the benchmarks, benefits, challenges and issues with it;
2. Calculate the affordable housing needs of very low, low and moderate income households across the Shoalhaven Local Government Area;
3. Protect existing affordable housing within the Shoalhaven Local Government Area;
4. Identify and advocate for improved housing affordability through actions in this Strategy;
5. Identify actions Shoalhaven City Council can take to increase the supply of affordable housing and diverse low-cost market housing to improve affordability outcomes directly and more generally; and
6. Create a monitoring and review framework to report on the impact of the strategy to 2030.

Affordable housing

Affordable housing relates to housing that is developed under an environmental planning instrument for households with very low, low, or moderate incomes. For this housing type, mortgage repayments and rents are priced so households can still afford to meet other essential living costs, such as food, clothing, transportation, medical care, and education.

The *State Environmental Planning Policy (Housing) 2021* defines households eligible for affordable housing in Section 13(1)(a)(i). The criteria are as follows:

- Very low income household – a household with a gross income lower than 50% of the median household income for Greater Sydney or the Rest of NSW
- Low income household – a household with a gross income between 50% and 80% of the median household income for Greater Sydney or the Rest of NSW
- Moderate income household – a household with a gross income between 80% and 120% of the median household income for Greater Sydney or the Rest of NSW.

Need

Through a needs analysis based on the 2021 Census it was estimated that the Shoalhaven Local Government Area is experiencing a true shortfall of roughly 3,300 affordable dwellings which need to be delivered to secure rental affordability for the area.

As first quartile rents, the statistic which lines up best with very low and low income household rents, rose 13% since the 2021 Census was undertaken, it is assumed that this shortage of affordable dwellings has also increased. This prompts a need for further action on Council's part to facilitate the delivery of affordable housing dwellings with the LGA and address this need.

Actions

Action	Description
Short-term actions	
1.1	Complete a desktop audit of Council-owned land to identify opportunities for future affordable housing utilisation
1.2	Implement an affordable housing contributions scheme
1.3	Consider planning and development controls to facilitate manufactured home estates closer to urban centres
1.4	Develop strategic principles for affordable housing
1.5	Create a collaboration agreement with preferred CHPs
1.6	Continue advocacy to the NSW Government around tiny homes and their potential in Shoalhaven
1.7	Advocate for meanwhile uses on NSW and Federal government land
Medium-term actions	
2.1	Investigate a shared equity or joint venture development model with a CHP
2.2	Investigate meanwhile uses on identified Council land
2.3	Consider targeted bonuses in planning controls to encourage the supply of affordable or higher density housing
2.4	Consider adjusting planning controls to increase densities in strategic centres, new release areas and existing residential areas
2.5	Investigate the potential for co-living housing near town and village centres
2.6	Provide dwelling assessment support to affordable and high density housing development applications
2.7	Facilitate opportunities for home owners and manufactured home estate operators to deliver tiny homes
2.8	Run an education campaign about the benefits of affordable, medium and high density housing
Long-term actions	
3.1	Dedicate Council-owned land to innovative affordable housing developments
3.2	Investigate pilot projects of exemplary diverse and affordable housing types to increase market confidence
3.3	Introduce guidelines to increase dwelling diversity in greenfield developments

Monitoring and review

Shoalhaven City Council intends to monitor and review the *Shoalhaven 2030 Affordable Housing Strategy* on an annual basis with 12 key performance indicators. At the end of each calendar year following the implementation of the strategy, Shoalhaven City Council will prepare a short report outlining the progress towards each action and estimated completion year by the end of the year listed.

GLOSSARY

Affordable housing is defined by the *Environmental Planning and Assessment Act 1979* as housing for very low income households, low income households and moderate income households, being such households as are prescribed by the regulations or as are provided for in an environmental planning instrument.

In the context of the Shoalhaven Local Government Area, the *State Environmental Planning Policy (Housing) 2021* defines very low, low and moderate income households in the following way:

- Very low income household — a household with a weekly income which is 50% or less of the Rest of New South Wales median income (\$0 – \$716 per week)
- Low income household – a household with a weekly income which is between 50% and 80% of the Rest of New South Wales median income (\$717 – \$1,146 per week)
- Moderate income household – a household with a weekly income which is between 80% and 120% of the Rest of New South Wales median income (\$1,147 – \$1,720 per week)

Affordable housing can be for purchase or rent, however it is not the same as social housing (see separate definition for “social housing” below).

Community Housing Providers (CHPs) are not-for-profit organisations that construct and manage properties for a social good. These properties can include social housing, affordable housing, co-operative housing, transitional housing, crisis accommodation and others. CHPs generally prefer to hold and manage their own properties, however they often manage properties owned by government bodies (such as local councils) and private actors. These properties are rented out at various levels (with addition services provided as needed) to people on very low, low or moderate incomes.

Diverse low-cost market housing is a general term used to describe privately constructed and owned housing which by dint of its location, size or finish is rented out at below-average rate that is affordable to those on lower incomes. Common types include privately-owned secondary dwellings (also known as granny flats), co-living housing, manufactured home estates, tiny homes and high density dwellings.

Housing stress refers to a situation where a household pays more than 30% of its gross income on housing costs such as rental payments and mortgage repayments.

Key workers as defined by the Australian Housing and Urban Research Institute are employees in services that are essential to a city’s functioning, but who earn low to moderate incomes. Their roles generally require people being physically present at a work site rather than being able to work from home. Additionally, for key workers in roles such as healthcare, emergency services and some community and welfare support roles, living closer to the workplace is particularly important in order for workers to cover shifts, quickly respond to increases in service demand and attend emergency situations. Despite their importance to the functioning of cities, key workers are often paid lower wages and may need affordable housing to live close to their place of employment.

Low income household means a household with a gross income between 50% and 80% of the median Rest of New South Wales household income.

Moderate income household means a household with a gross income between 80% and 120% of the median Rest of New South Wales household income.

Social housing, sometimes called “public housing”, is secure and affordable rental housing provided by the Homes NSW for people on lower incomes who are unable to access suitable accommodation in the private rental market. Social housing includes public, Aboriginal and community housing.

State Environmental Planning Policy (Housing) 2021 (Housing SEPP) is a State-wide policy introduced by the NSW Government that combined a number of previous State Environmental Planning Policies relating to

housing into one overarching policy. The Housing SEPP generally aims to facilitate the supply of diverse and affordable housing options across New South Wales. Included are provisions for boarding houses, build-to-rent housing, seniors housing, caravan parks and manufactured home estates, group homes, retention of existing affordable rental housing, secondary dwellings, social and affordable housing, short-term rental accommodation and the design quality of residential apartment development.

Very low-income household means a household with a gross income lower than 50% of the median Rest of New South Wales household income.

DRAFT

AFFORDABLE HOUSING STRATEGY

1.0 INTRODUCTION

1.1 The purpose of Shoalhaven 2030 Affordable Housing Strategy

The purpose of the *Shoalhaven 2030 Affordable Housing Strategy* (this Strategy) is to:

1. Define affordable housing as a specific housing type, including the benchmarks, benefits, challenges and issues with it;
2. Calculate the affordable housing needs of very low, low and moderate income households across the Shoalhaven Local Government Area;
3. Protect existing affordable housing within the Shoalhaven Local Government Area;
4. Identify and advocate for improved housing affordability through actions in this Strategy;
5. Identify actions Shoalhaven City Council can take to increase the supply of affordable housing and diverse low-cost market housing to improve affordability outcomes directly and more generally; and
6. Create a monitoring and review framework to report on the impact of the strategy to 2030.

This Strategy is the latest product of Council's long-standing commitment to providing adequate housing to Shoalhaven's current and future residents. As such, this Strategy has been prepared to align with Council's existing vision as laid out in the *Shoalhaven 2032 Community Strategic Plan* and *Shoalhaven 2040 Local Strategic Planning Statement*.

For reference, Council's vision for the future of the LGA in the *Shoalhaven 2032 Community Strategic Plan* was:

- "We will work together in Shoalhaven to foster a safe & attractive community for people to live, work, stay & play; where sustainable growth, development & environmental protection are managed to provide a unique & relaxed lifestyle."

Additionally, Council's vision for land use in the LGA within the *Shoalhaven 2040 Local Strategic Planning Statement* was that:

- "A range of housing is provided throughout the City in well-serviced locations to meet the needs and lifestyles of residents. Affordable and accessible homes are available in the right locations."

Social housing and homelessness are related to affordable housing and housing affordability, however they are generally located outside the direct remit of Shoalhaven City Council (Council) and as such are not dealt with in this Strategy. Notwithstanding this, Council collaborates with the Homes NSW and community housing providers (CHPs) to address social housing issues in the LGA. Additionally, Council coordinates its efforts to address homelessness with local services and organisations through its Homelessness Advisory Committee which supported the preparation of a *Shoalhaven Community Led Plan for Homelessness* in 2022.

Council's vision is for affordable housing to be suitably located within its communities and foster a safe and attractive community for people to live, work, stay and play regardless of household income.

1.2 Strategic directions of this strategy

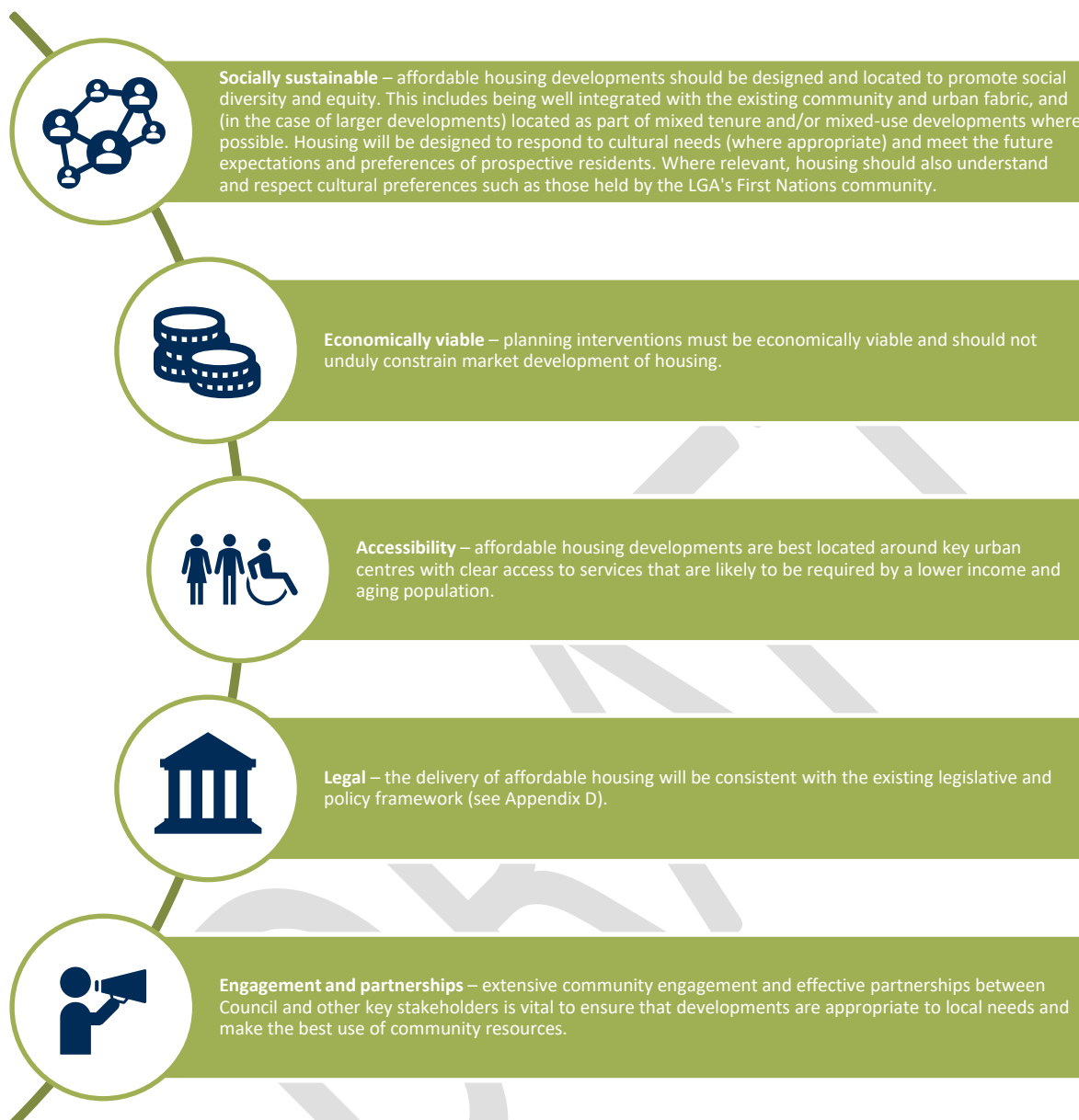
To guide this Strategy and facilitate the supply of affordable housing and diverse low-cost market housing throughout Shoalhaven, four strategic directions were conceptualised and pursued. They broadly titled as:

- Direct delivery on Government land;
- Indirect market delivery;
- A supportive and innovative framework; and
- Advocating and raising awareness.

The later actions housed within Section 4.0 of this Strategy are grouped under the above strategic directions.

1.3 Guiding principles

Building on these strategic directions, the following principles were developed to guide the preparation of this Strategy and affordable housing in Shoalhaven generally.



2.0 UNDERSTANDING AFFORDABLE HOUSING

2.1 Defining affordable housing

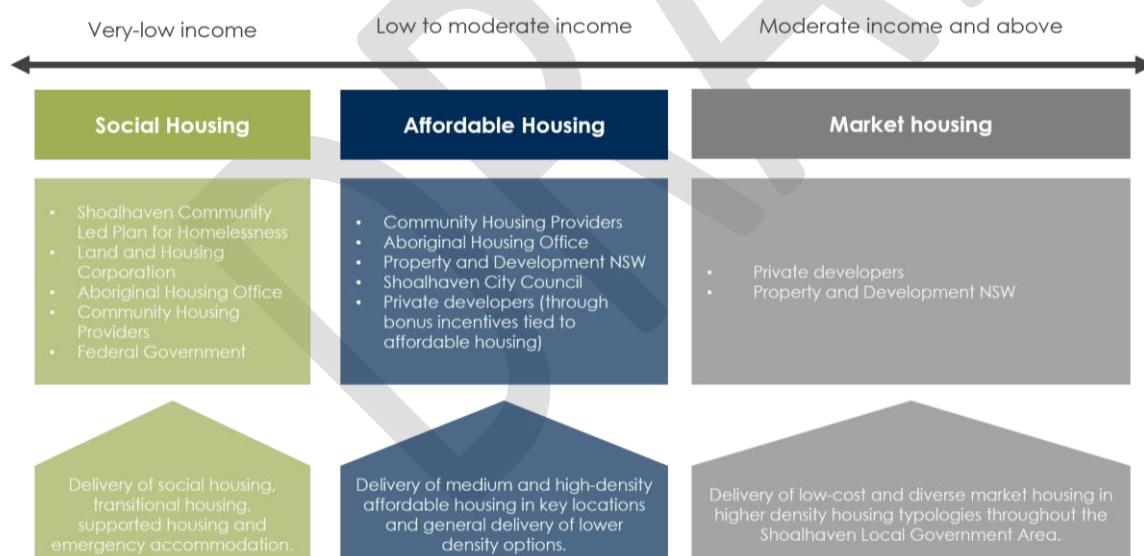
As a specific housing product, the legal definition of “affordable housing” relates to housing that is developed under an environmental planning instrument for households with very low, low, or moderate incomes. For this housing type, mortgage repayments and rents are priced so households can still afford to meet other essential living costs, such as food, clothing, transportation, medical care, and education. The *State Environmental Planning Policy (Housing) 2021* (Housing SEPP) provides specific criteria for what households are eligible for affordable housing which are detailed in Section 2.2.

There is a common misconception that affordable housing is the same as social housing (also titled public or community housing), however this is not the case. Many residents in need of affordable housing within the Shoalhaven LGA are those who earn a steady income but are still unable to meet their housing needs. This includes younger residents looking to move out of home, key workers, people with disability, single parents and elderly residents looking to downsize. Given that the needs and preferences of occupants differ within, and between, each resident group and change over time, diversity in the affordable housing sector is essential.

Another area of confusion is between “affordable housing” and “housing affordability”. While affordable housing is a specific type of housing, housing affordability is a general term for how affordable housing is for rent or purchase. A commonly used metric is whether households spend over 30% of their gross income on rent or mortgage payments, signifying rental or mortgage stress. This metric is included in the Housing SEPP. If households spend under 30% of their income on these payments, their housing is considered affordable.

As shown in Figure 1, affordable housing is part of a wider “housing continuum” ranging from subsidised social housing on one end, to completely unsubsidised market housing/home ownership on the other. People may move back and forth along the spectrum throughout their lifetime depending on circumstances, aspirations, and market capacity. For some people, affordable housing provides a stepping-stone to market housing, while for others it provides an essential safety net during challenging times.

Figure 1: Affordable housing continuum



Source: HillPDA 2023

2.2 Benchmarks and income thresholds

The Housing SEPP defines households eligible for affordable housing in Section 13(1)(a)(i). The criteria are as follows:

- Very low income household – a household with a gross income lower than 50% of the median household income for Greater Sydney or the Rest of NSW
- Low income household – a household with a gross income between 50% and 80% of the median household income for Greater Sydney or the Rest of NSW
- Moderate income household – a household with a gross income between 80% and 120% of the median household income for Greater Sydney or the Rest of NSW.

Since the Shoalhaven LGA is located outside the boundaries of Greater Sydney, the Rest of NSW income is used. Additionally, as laid out in Section 13(1)(a)(ii) of the Housing SEPP, for households to be in affordable housing, they should not spend more than 30% of the gross household income on rent.

Table 1 provides criteria and benchmarks for affordable housing relevant to this Strategy.

Table 1: Relevant affordable housing income and cost benchmarks

Measure	Very low income household	Low income household	Moderate income household	Rest of New South Wales Median Household
Income criteria	Less than 50% of the gross median Rest of NSW household income	50% – 80% of the gross median Rest of NSW household income	80% – 120% of the gross median Rest of NSW household income	N/a
Rent criteria	30% of gross income on rent	30% of gross income on rent	30% of gross income on rent	N/a
Income benchmark (weekly)	\$0 – \$716	\$717 – \$1,146	\$1,147 – \$1,720	\$1,434
Rent benchmark (weekly)	\$0 – \$214	\$215 – \$343	\$344 – \$515	\$430
Affordable purchase benchmark*	\$202,740	\$324,384	\$486,576	N/a

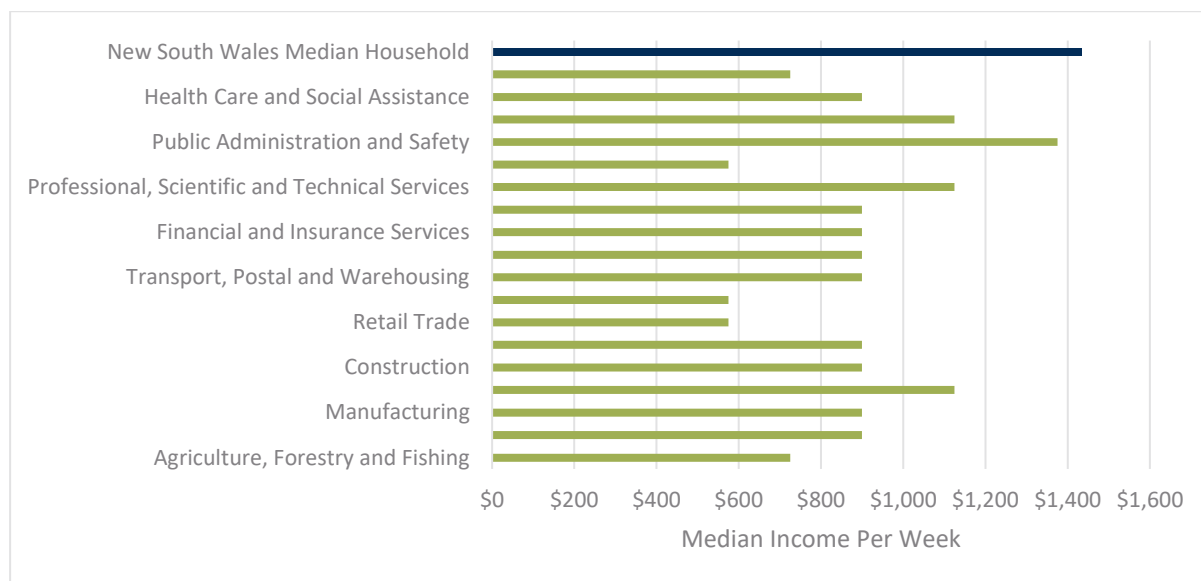
Source: HillPDA 2023 and .id Informed Decisions 2023

* Based off data from June 2022 to June 2023 for households in the Shoalhaven LGA under relevant income bands

According to internal analysis undertaken by HillPDA on the 2021 Census, of all eligible renting households in Shoalhaven, 2,788 households are classified as very low income, 1,765 households are classified as low income and 1,578 households are classified as moderate income households. This is discussed further in Section 3.1.

For reference, Figure 2 below shows the median weekly income by industry of workers in Shoalhaven.

Figure 2: Income per worker per week by industry of employment



Source: HillPDA 2023

Note: Income was provided in band format so the median income was calculated as being the middle of the relevant income band (e.g. \$500-\$649/week is equal to \$575/week)

Housing stress is often talked about in the same breath as housing affordability and covers households spending more than 30% of their gross income on housing costs such as rental payments and mortgage repayments. While households spending more than 30% of their gross income on mortgage repayments (also called mortgage stress) is an important issue, this Strategy is focussed on renting households since those who possess a mortgage are unlikely to need affordable housing dwellings, preferring the security of home ownership to selling their dwelling and resuming renting, even for an affordable housing lease.

2.3 Benefits of affordable housing

Affordable housing provides numerous social and economic benefits, both to its inhabitants and to the community at large.

Whether for purchase or rent, affordable housing provides flexibility for lower income households and individuals to choose where to reside within the Shoalhaven LGA. At the individual level, this prevents the displacement of long-term residents from communities which would otherwise decrease social cohesion, lower engagement with community activities (such as volunteering) and increase isolation from family support networks. At the community level, affordable housing can increase a sense of community identity as residents choose to locate in an area out of preference rather than economic necessity, creating close-knit, mutually supporting networks of residents.

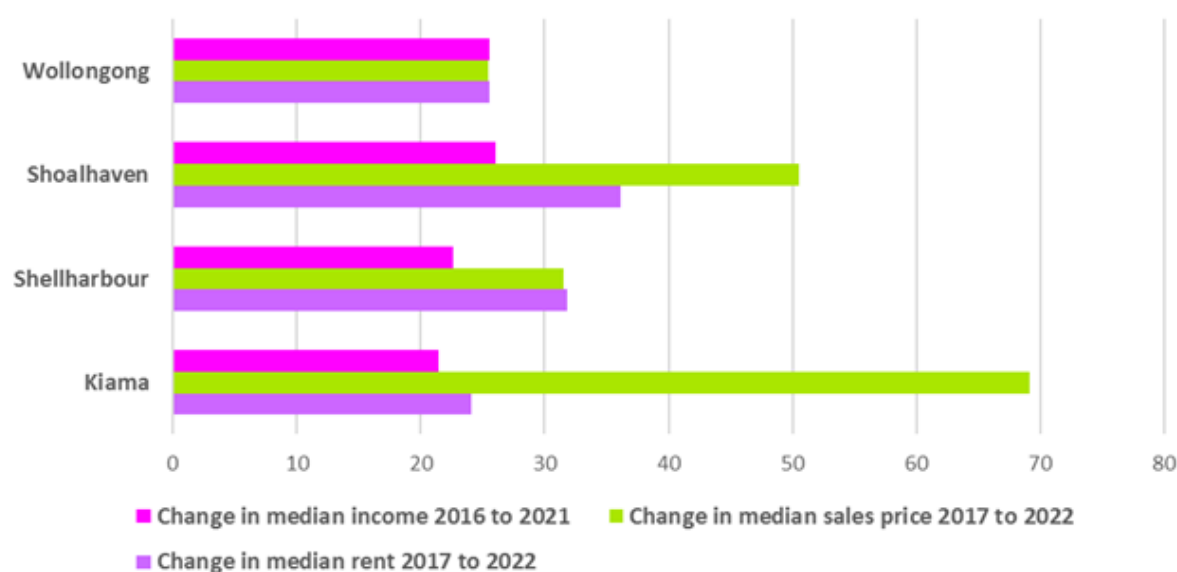
Economically, affordable housing also allows individuals and families on reduced incomes to meet other essential living costs, such as food, clothing, transportation, medical care, and education. Where affordable housing is not available, households have to make a decision to meet these other essential living costs or move to a more affordable area, often further away from their places of employment. This can reduce the availability of workers for lower paid essential service jobs such as childcare, aged services, health care, tourism, hospitality, and emergency services (key workers) as they have either to undertake long commutes, or seek alternative employment. Such a reduction in worker availability can adversely affect local economies and is contributing to labour shortages in some regions of NSW.

Affordably priced housing is thus an important form of infrastructure that supports individuals, communities and Shoalhaven at large socially and economically.

2.4 Contemporary affordable housing need

Analysis undertaken in Section 3.0 of this Strategy indicates that Shoalhaven is experiencing an estimated shortfall of roughly 3,300 affordable dwellings at the 2021 Census which need to be delivered to secure rental affordability in the LGA. Additionally, as the population of Shoalhaven has grown and rents have risen faster than income, it is assumed that this shortage of affordable dwellings has also increased, prompting a greater need for the delivery of affordable housing. Figure 3 shows how median income, rents and dwelling sale prices have changed from 2016 and 2017 to 2022 in the Illawarra-Shoalhaven Region.

Figure 3: Percentage change in median income, rent and sale price in the Illawarra-Shoalhaven Region



Source: Department of Communities and Justice 2023

2.5 Key challenges and issues

Key challenges and issues associated with the delivery and management of affordable housing in Shoalhaven include:

- Liquidity, building and sales risk reducing the viability of affordable housing and diverse low-cost market housing projects;
- High demand for smaller dwelling sizes and limited existing supply;
- Negative community sentiment around affordable housing and higher density development;
- The balancing act between securing a high-amenity location for affordable housing and high land values inherent in such locations;
- Ownership and management preferences for affordable housing dwellings held by developers and CHPs;
- State and national affordable housing policies outside the influence of Council; and
- High construction costs.

These key challenges are analysed and expanded upon in Appendix E.

3.0 THE NEED FOR AFFORDABLE HOUSING IN SHOALHAVEN

An analysis of the supply of, and demand for, affordable housing dwellings within the Shoalhaven LGA was analysed using HillPDA internal modelling informed by the 2021 Census, Family and Community Services' Rent and Sales Report, NSW Fair Trading's Boarding House Register and Cordell Connect's Construction Database. This process identified need by income, located supply gaps and informed the suggested actions included in Section 4.0 of this Strategy.

Applying the data from the 2021 Census, the most recent Census as of the writing of this Strategy, to the eligibility criteria from the Housing SEPP, the following incomes and rents are identified:

Table 2: Rest of New South Wales affordable housing benchmarks

Household type	Household income (weekly)	30% of household income spent on rent (weekly)
Very low income	\$0 – \$716	\$0 – \$214
Low income	\$717 – \$1,146	\$215 – \$343
Moderate income	\$1,147 – \$1,720	\$344 – \$515

Source: HillPDA 2023 and Australian Bureau of Statistics 2023

For reference, the median weekly household income for Shoalhaven City Council residents in 2021 was \$1,250 and the median weekly rent for a detached house was \$460 (36.8% of median income) and \$340 for a unit (27.2% of median income).

To understand this Section, a number of assumptions should be understood:

- The analysis of affordable housing is based on renting households since those who own their homes outright or have a mortgage are unlikely to need the housing product, preferring the security of home ownership to selling their dwelling and resuming renting;
- The Australian Bureau of Statistics (ABS) data includes small random adjustments to protect the confidentiality of data which influences calculations and totalling;
- Households which recorded "Negative income", "Not applicable", "Nil income" and "All incomes not stated" for their income in the 2021 Census are excluded from the analysis due to a lack of information. Similarly, households which recorded "Not applicable" and "Not stated" for their weekly rental payments were also excluded; and
- Census data on weekly incomes is provided in ranges so numbers were rounded to the nearest range where required, for example households with a weekly income in the range of \$1,500 - \$1,750 were classified as moderate income even though the band technically stops at a weekly income of \$1,720.

While these assumptions may cause minor variations in the analysis when compared to the real world, the overall picture which can be formed remains accurate.

3.1 The technical need for affordable housing

In 2021, 72% of the total occupied dwellings in the LGA (30,063) were owned outright or with a mortgage, with 45% owned and 27% holding a mortgage respectively. 10,355 households were renting, making up 24% of the total occupied dwellings. Finally, 1,729 dwellings had other tenure types or did not state tenure type, encompassing the final 4%.

Households currently renting privately would comprise the vast majority of the pressing demand for affordable housing, as those already in public housing do not require an affordable housing dwelling, and those who own part, or all of their home would most likely seek to secure the benefits of home ownership rather than resume renting.

Combining a count of the number of privately renting households in the LGA in the 2021 Census with reported rents and weekly household income, HillPDA estimates that there were **6,131 households eligible for affordable housing in the Shoalhaven LGA. These are households renting and in the income bands. Of those households, 4,139 are paying unaffordable rent with most of the shortfall occurring for families in the very low and low income brackets (2,569 and 1,223 respectively).**

These 4,139 households are termed the “technical affordable housing need” as while they are in the eligible income bands and pay unaffordable rents, affordable housing dwellings may not be the most suitable to meet their housing needs. Section 3.4 analyses this technical need to estimate the true need for affordable housing in the LGA.

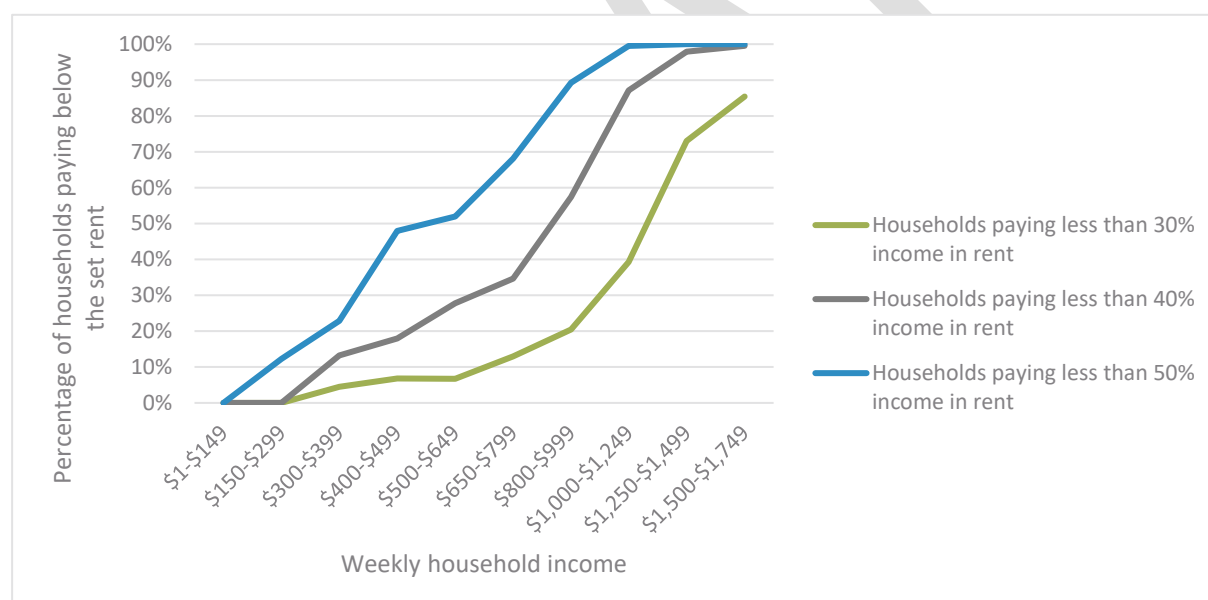
When looking the figures, it should be noted that the need for affordable housing fluctuates in response to general housing affordability. As housing affordability drops, the need for affordable housing will rise and vice versa. Examples of factors influencing housing affordability include housing supply, housing demand, wage growth, demographics, interest rates, speculation and taxation policy.¹

Table 3: Shoalhaven Local Government Area technical affordable housing need

Household type	Number of households in need of affordable housing	Total number of households in the category	Percentage of households in need of affordable housing who are eligible
Very low income	2,569	2,788	92%
Low income	1,223	1,765	69%
Moderate income	347	1,578	22%
All eligible households	4,139	6,131	68%

Source: HillPDA 2023 and Australian Bureau of Statistics 2023

Figure 4: Percentage of households paying less than 30%, 40% and 50% of their income on rent



Source: HillPDA 2023 and Australian Bureau of Statistics 2023

As shown in Figure 4, the rental market within the Shoalhaven LGA is affordable for moderate income households, earning between \$1,250 and \$1,749 per week, with 78% of households assessed paying affordable rent and 99% of households spending below 40% of their weekly income on rent. For the majority of very low

¹ <https://www.parliament.nsw.gov.au/researchpapers/Pages/housing-affordability.aspx#>

and low income households however, housing remains unaffordable, representing a need for additional investment in affordable housing stock or general housing affordability measures. Of note is that low income households also experience rental stress, although there is an internal division between low income households on lower incomes (\$800 to \$999 per week), with 80% of households experiencing stress, and those on higher incomes (\$1,000 to \$1,249 per week), with 61% of households experiencing rental stress.

3.2 Existing social and affordable housing stock

Social and affordable housing are currently rare forms of housing tenure within the Shoalhaven LGA, accounting for roughly 3% of households in the 2021 Census (1,563 households) and reflecting the limited presence of the NSW Government and CHPs in the area.

When examining the location of social and affordable housing, the following suburbs were found to have the highest number of rental dwellings owned by a “State or territory housing authority” or “Community housing provider” and rented out on Census night²:

- Nowra: 676 dwellings (15% of total dwellings in the suburb);
- Bomaderry: 243 dwellings (8% of total dwellings in the suburb);
- Ulladulla: 208 dwellings (6% of total dwellings in the suburb);
- Worrige: 83 dwellings (4% of total dwellings in the suburb);
- North Nowra: 81 dwellings (3% of total dwellings in the suburb);
- South Nowra: 45 dwellings (4% of total dwellings in the suburb);
- Sanctuary Point: 33 dwellings (1% of total dwellings in the suburb);
- West Nowra: 31 dwellings (5% of total dwellings in the suburb); and
- Huskisson: 27 dwellings (4% of total dwellings in the suburb).

The remaining suburbs contained less than 25 dwellings which were rented by a State Housing Authority or CHP.

When households leave the private rental market and become social housing tenants, they leave their previous property roughly suited to their income range. This has a two-fold effect, increasing the supply of rental properties suited to a particular income range, pushing down rents, and also freeing up existing affordable housing for new residents to move into. As such, social housing possesses a symbiotic relationship with affordable housing where increased social housing investment greatly benefits housing affordability in the local area.

3.3 Boarding houses

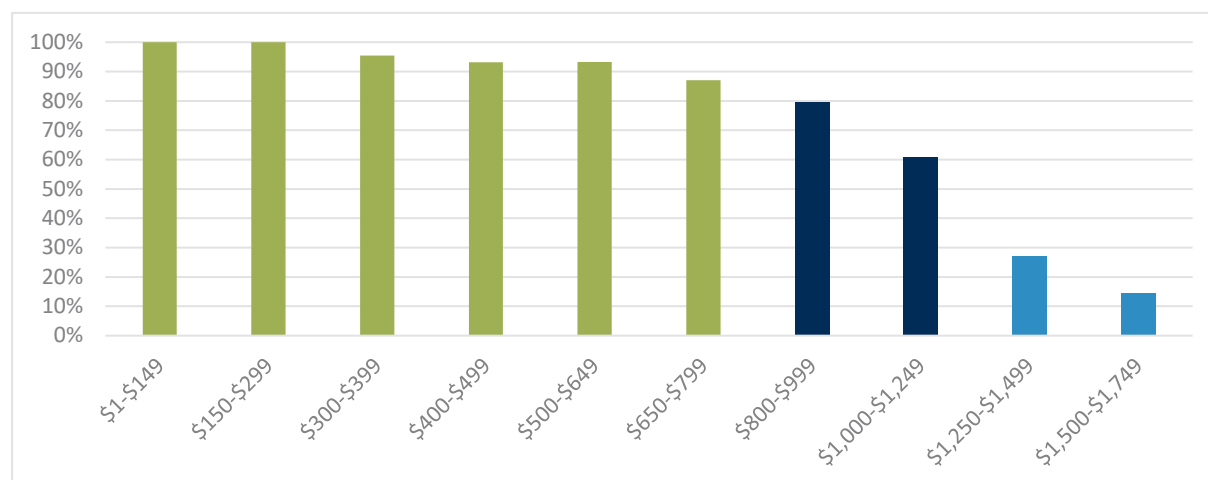
According to data from NSW Fair Trading, there are currently 7 registered boarding houses operating within the LGA, all but one of which are classed as General Registerable Boarding Houses. Typically, these are situated close to centres or transport nodes.

3.4 Estimated affordable housing need

The need for affordable housing investment exists in all eligible household income brackets from \$1 to \$1,750, where over 10% of the households in each bracket are experiencing rental stress. This can be seen in Figure 5 below.

² The Census provides TENLLD Tenure and Landlord Type which can be used to find the number of rented social and affordable housing dwellings on census night. A limitation of this data is that social and affordable housing dwellings cannot be separated out.

Figure 5: Percentage of households paying over 30% of income on rent by weekly income



Source: HillPDA 2023 and Australian Bureau of Statistics 2023

While a need exists in all of these brackets for more affordable rents, equating to a technical shortfall of 4,139 dwellings, affordable housing is not necessarily the correct method of solving their issues.

For households earning under \$400 a week, affordable housing is unlikely to completely solve their rental issues as the rents charged in a semi-commercial environment may still exceed what can be considered affordable. For these households, their needs are better solved through social housing. On the other hand, households earning above \$1,250 (the median weekly income of the LGA), but still experiencing rental stress likely have the option to move to a cheaper property and pay an affordable rent but are not choosing to do so for personal reasons. As such, the analysis of the true affordable housing needs within the Shoalhaven LGA will be based off the household income brackets in the \$400 to \$1,249.

Table 4: Shoalhaven Local Government Area estimated affordable housing need

Household income	Number of households in affordable housing	Total number of households in the income band	Shortfall in affordable housing
\$400 – \$499	42	617	575
\$500 – \$649	58	864	806
\$650 – \$799	103	796	693
\$800 – \$999	164	802	638
\$1,000 – \$1,249	378	963	585
Total	745	4,042	3,297

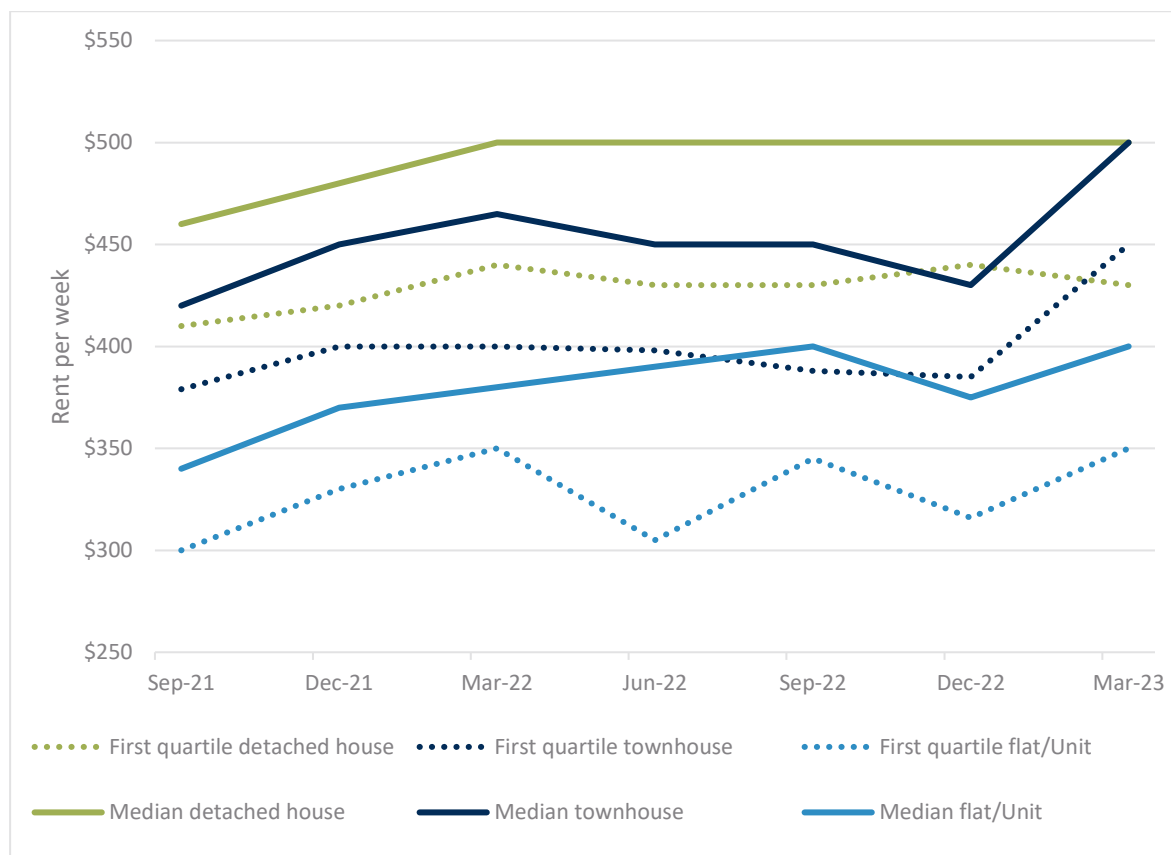
Source: HillPDA 2023 and Australian Bureau of Statistics 2023

Using the above methodology, we estimate that the Shoalhaven LGA is experiencing a shortfall of roughly 3,300 affordable housing dwellings.

In 2021, 10,335 households were renting in the Shoalhaven LGA, public, privately and otherwise. The affordable housing need represents 32% of renting households or 6% of the total households in the LGA.

In the future, it is expected that the need for affordable housing will increase in line with broader trends affecting the Illawarra-Shoalhaven region and the Rest of NSW as a whole. As shown in Figure 6, the Shoalhaven LGA has experienced a steady increase in rents since the Census in August 2021 with median weekly rents rising an average of \$60/week and first quartile rents rising \$47/week, or a rise of 15% and 13% respectively. This rise in rents, particularly the 13% rise in first quartile rents which lower income households are paying will most likely increase the number of households suffering rental stress, raising the affordable housing demand.

Figure 6: Shoalhaven Local Government Area rent growth since the 2021 Census



Source: Australian Bureau of Statistics 2023 and HillPDA 2023

3.5 Summary

The 2021 Census indicated that there was a technical shortfall of 4,139 affordable dwellings primarily affecting families on the very low and low income brackets. **Through a needs analysis based on the 2021 Census it was estimated that the Shoalhaven LGA is experiencing a true shortfall of roughly 3,300 affordable dwellings which need to be delivered to secure rental affordability for the area.** The true shortfall was calculated by excluding households which would be better served by other housing types along the housing continuum such as social and market housing. For households earning under \$400 a week, affordable housing rents charged in a semi-commercial environment may still exceed what can be considered affordable meaning they require social housing. For households earning above the median weekly income of the LGA and still experiencing rental stress, they likely have the option to move to a cheaper property and pay an affordable rent but are not choosing to do so for personal reasons meaning market housing would cater to their needs.

As first quartile rents, the statistic which lines up best with low and very low income household rents, rose 13% since the Census was undertaken, it is assumed that this shortage of affordable dwellings has also increased. This prompts a need for further action on Council's part to facilitate the delivery of affordable housing dwellings with the LGA and address this need.

4.0 KEY ACTIONS AND TIMEFRAMES

Owing to a combination of increasingly unaffordable housing prices and a general shortage of housing, many local councils, including Shoalhaven City Council, are taking steps towards increasing the supply of affordable housing in their LGAs. Local governments can do this through strategic planning, the regulation of housing supply and its form, infrastructure planning and pricing policies, rate setting and community service delivery³.

Local government's requirement to take action on affordable housing is located in the *Environmental Planning and Assessment Act 1979* (EP&A Act). Section 1.3(d) identifies as an objective of the Act "to promote the delivery and maintenance of affordable housing." Therefore, Council has an obligation to both create more and preserve affordable housing in its LGA.

This Section presents a total of 18 actions that Council intends to implement from 2024 to 2030 to promote the supply of affordable housing and diverse low-cost market housing options in the Shoalhaven LGA. These actions are focused around the four strategic directions discussed in the introduction, being:

- **Direct government delivery** encompasses actions undertaken by Council to either directly deliver affordable housing and diverse low-cost market housing or support the delivery of affordable housing through avenues such as grants and loans, utilisation of Council-owned land and leaseback and build-own-operate-transfer (BOOT) schemes.⁴ These actions can be undertaken solely by Council or in partnership with key stakeholders such as CHPs, developers and government agencies.
- **Indirect market delivery** encompasses actions undertaken by Council to facilitate the delivery of affordable housing and diverse low-cost market housing through the private development industry. Owing to the size of the private development industry in Shoalhaven, these actions seek to leverage the industry to achieve Council's objectives. These actions would be undertaken through amendments to Council's regulatory framework made up of the *Shoalhaven Local Environmental Plan 2014* and *Shoalhaven Development Control Plan 2014*.
- **A supportive and innovative framework** encompasses actions undertaken by Council to ensure affordable housing is responsive to the needs of Shoalhaven's residents and is delivered as needed.
- **Advocating and raising awareness** actions represent opportunities for Council to support the delivery of affordable housing and remove any associated stigmas by influencing the State and Commonwealth Government and other key stakeholders.

Most actions identified in this section are proposed to be completed within the next six years from the publication of this plan (2024), including:

- Short-term actions completed within 2 years;
- Medium-term actions completed within 2 to 4 years; and
- Long-term actions completed within 4 to 6 years.

The actions have been designed to be meaningful and measurable.

³ <https://www.ahuri.edu.au/analysis/brief/what-role-can-local-government-play-delivering-affordable-housing>

⁴ Build-own-operate-transfer schemes are a project delivery mechanism where a Council provides a private party with land and/or equity to construct and operate a development on the site for a set period of time before the site and development are returned to the private party.

Table 5: Affordable housing actions

Action	Description
Short-term actions	
1.1	Complete a desktop audit of Council-owned land to identify opportunities for future affordable housing utilisation
1.2	Implement an affordable housing contributions scheme
1.3	Consider planning and development controls to facilitate manufactured home estates closer to urban centres
1.4	Develop strategic principles for affordable housing
1.5	Create a collaboration agreement with preferred CHPs
1.6	Continue advocacy to the NSW Government around tiny homes and their potential in Shoalhaven
1.7	Advocate for meanwhile uses on NSW and Federal government land
Medium-term actions	
2.1	Investigate a shared equity or joint venture development model with a CHP
2.2	Investigate meanwhile uses on identified Council land
2.3	Consider targeted bonuses in planning controls to encourage the supply of affordable or higher density housing
2.4	Consider adjusting planning controls to increase densities in strategic centres, new release areas and existing residential areas
2.5	Investigate the potential for co-living housing near town and village centres
2.6	Provide dwelling assessment support to affordable and high density housing development applications
2.7	Facilitate opportunities for home owners and manufactured home estate operators to deliver tiny homes
2.8	Run an education campaign about the benefits of affordable, medium and high density housing
Long-term actions	
3.1	Dedicate Council-owned land to innovative affordable housing developments
3.2	Investigate pilot projects of exemplary diverse and affordable housing types to increase market confidence
3.3	Introduce guidelines to increase dwelling diversity in greenfield developments

Source: HillPDA 2024

4.1 Short-term actions

4.1.1 Direct government delivery

Action 1.1 - Complete a desktop audit of Council-owned land to identify opportunities for future affordable housing utilisation

Basis for action

Council's prior approach to stimulating affordable housing delivery in the Shoalhaven LGA is to dedicate Council-owned land to CHPs for affordable housing purposes. Completing an audit of Council-owned land will identify lots surplus to requirements and suitable for utilisation, whether through dedication to CHPs or involvement in Council's own affordable housing actions, described in more detail in Action 2.2, 3.1 and 3.2.

This also provides Council with a clear roadmap of future affordable housing locations and delivery opportunities in the LGA.

Principal delivery task

Complete a desktop audit of Council-owned land. For monitoring purposes, the results of the desktop audit will be published on Council's website and included in Appendix G of this Strategy once completed.

Action 1.2 – Implement an affordable housing contributions scheme

Basis for action

Implementing an affordable housing contributions scheme within the Shoalhaven LGA will levy affordable housing contributions on the development industry in identified areas. These contributions can be provided to Council in the form of affordable housing dwellings, monetary contributions or dedicated land. This will enable a base line delivery of affordable housing within the LGA, keeping roughly in line with housing delivery.

The contributions received can be utilised by Council, whether to directly deliver and manage affordable housing dwellings, or to provide resources to CHPs to undertake development.

Principal delivery task

Pursue the recommendations of the *Shoalhaven Affordable Housing Feasibility and Development Contribution Scheme* Research Paper prepared by HillPDA, being to introduce an affordable housing contributions scheme which will:

- Institute a general contribution rate of 1% of development gross floor area across the Shoalhaven LGA with an implementation delay of 3 years from announcement. Avenues for monetary and land equivalents will also be included;
- Investigate the potential for incremental increases of the general contribution rate to a final cap of 3% 5 years after the scheme is introduced;
- Institute a specific 5% contribution rate for greenfield subdivision development in the LGA with an implementation delay of 3 years from announcement. The contributions will be provided as an in-kind contribution through land dedication of serviced lots; and
- Review the viability of high density development 3 years after the introduction of the scheme to consider the potential for a specific contribution rate for high density development.

4.1.2 Indirect market delivery

Action 1.3 – Consider planning and development controls to facilitate manufactured home estates closer to urban centres

Basis for action

Currently, manufactured homes are limited in their application and largely restricted to tourist, semi-rural and rural locations. Through preparing planning and development controls to facilitate manufactured home estates, Council can encourage greatly needed low-cost housing options near urban centres. This is particularly important near centres with expensive housing costs.

To ensure these manufactured home estates are high quality, Council can introduce controls to identify appropriate or suitable locations, maintain neighbourhood character and amenity and require minimum servicing requirements. Mechanisms can also be included to secure the estates as temporary forms of development which can be later replaced with higher quality homes as centres expand.

Principal delivery task

Consider the expected impact of facilitating manufactured home states near urban areas. This would include a consideration of likely take-up of the provisions, impact on local dwelling supply and affordability along with amenity impacts.

4.1.3 A supportive and innovative framework

Action 1.4 – Develop strategic principles for affordable housing

Basis for action

The development of strategic principles for affordable housing will allow Council to coordinate the delivery of affordable housing dwellings throughout the LGA by setting out Council's expectations and goals, such as the preferred size, quality and typology of dwellings. The principles would sit within the local strategic planning statement and be utilised as a source of 'best practice' to guide the design and delivery of affordable housing dwellings and affordable housing developments.

Principal delivery task

Draft, develop, and deliver strategic principles for affordable housing to guide development applications, planning proposals and planning agreements which involve affordable housing in the LGA. These principles will be embedded within the local strategic planning statement.

Action 1.5 – Create a collaboration agreement with preferred CHPs

Basis for action

Feedback from the community housing sector noted challenges in the delivery of affordable housing due to lengthy assessment times and the requirement for numerous expert reports. The creation of a collaboration agreement with preferred CHPs will align expectations for affordable housing development and allow for the provision of additional council support such as waived development application fees, planning, engineering or design advice and joint ventures (subject to further review). Opportunities will also be created for media and communications activity as well as community education efforts to overcome negative perceptions of affordable housing.

Council currently has a collaboration agreement with the Homes NSW which identifies cooperation priorities and opportunities for social housing delivery in the local government area. This agreement can be utilised as a base and expanded upon for non-government community housing providers.

Principal delivery task

Create a collaboration agreement with preferred CHPs to align the future delivery of affordable housing in the LGA and open avenues for further Council support.

4.1.4 Advocating and raising awareness

Action 1.6 – Continue advocacy to the NSW Government around tiny homes and their potential in Shoalhaven

Basis for action

While tiny homes present a unique opportunity to increase the supply of affordable and diverse low-cost housing choices in Shoalhaven, they also can also cause significant amenity issues for occupants and neighbours. Currently, tiny homes exist in a regulatory space primarily controlled by the *Local Government Act 1993* (administered by the NSW Government).

Council can advocate for continued NSW government intervention in tiny homes which will have the dual benefits of strategic support for the housing typology and the potential for state and local government partnerships. As the legislative framework surrounding tiny homes is complex, strategic-level support from the NSW Government can provide certainty to Council, owners and builders, ensuring tiny homes are correctly located and built to standard. Advocacy can also raise the potential for a pilot project or partnership where the NSW Government supports affordable housing delivery through tiny homes in Shoalhaven.

Principal delivery task

Continue advocacy with NSW Government for further work and innovation in the tiny homes space.

Action 1.7 – Advocate for meanwhile uses on NSW and Federal government land

Basis for action

NSW and Federal government land in the Shoalhaven LGA is often left underdeveloped and held for long-term purposes. Recognising this, temporary social, affordable or market housing can be placed on these parcels of land until the land is required for its ultimate use. This process is called instituting a meanwhile use.

Vacant or underused buildings can also be retrofitted to deliver necessary affordable housing.⁵

Principal delivery task

Advocate to the NSW and Federal Government to allow meanwhile uses on well-located government land in the Shoalhaven LGA to deliver affordable or diverse low-cost market housing.

4.2 Medium-term actions

4.2.1 Direct Government delivery

Action 2.1 – Investigate a shared equity or joint venture development model with a CHP

Basis for action

Consultation revealed that a significant barrier to CHP development was a lack of liquid (cash) funding. While the provision of land enabled some development, high construction costs and limited returns from affordable housing development meant that even if land is provided, some projects could not begin due to a lack of liquid funds.

A shared equity or joint venture model could provide an avenue for Council to provide liquid funding to a CHP in return for a share in the development, enabling construction and increasing Council's affordable housing portfolio.

The action is expected to be funded by proceeds from the affordable housing contribution scheme.

Principal delivery task

Discuss the potential for a shared-equity or joint venture development model with community housing providers and if interest is apparent, investigate the potential for the model in the Shoalhaven LGA by answering the following questions:

- Would the affordable dwellings be sold to residents or rented?
- What development type would be pursued (detached house, townhouse, flat building etc.)?
- What the estimated construction cost and required Council contribution would be ?
- What cost is not recoverable and how much equity is held?
- What is the expected lifecycle of the asset?

⁵ The NSW Parliament Committee on Community Services released a report "Options to improve access to existing and alternate accommodation to address the social housing shortage" in 2022 which provides case studies. Case studies include Beecroft House, Addison Project, Arncliffe Estate, Pathways Home and Georges River Council's crisis accommodation centre.

Action 2.2 – Investigate meanwhile uses on identified Council land

Basis for action

As the affordable housing industry in Shoalhaven has limited capacity for concurrent developments, land identified in the desktop audit (Action 1.1) but not slated for use in the short- or medium-term can be utilised for meanwhile uses. On these pieces of land, Council can investigate meanwhile uses such as affordable tiny homes to gain a greater social (and potential economic) return than their current use. These meanwhile uses could take place on the land for a set period of time, such as 5 or 10 years, or until the land is needed for Council purposes.

Due to their size, tiny homes are generally suitable for lone person households and couples without children. According to population projections released by the Department of Planning, Housing and Industry, these two household types are the most common households in Shoalhaven and are expected to remain so to 2041. Meanwhile uses proposing tiny homes would therefore be an effective method of providing affordable accommodation to Shoalhaven's growing population.

Approaches such as the Gosford Hospital Pilot Project and BackTrack Armidale Project present successful case studies of tiny homes and meanwhile uses.

Principal delivery task

Investigate the cost, return and administration framework of meanwhile uses (such as affordable tiny homes or alternative approaches) on Council land identified by the desktop audit. If found to be feasible and beneficial, Council is to pursue such uses.

4.2.2 Indirect market delivery

Action 2.3 – Consider targeted bonuses in planning controls to encourage the supply of affordable or higher density housing

Basis for action

The supply of affordable and higher density dwellings by the private market is currently lacking due to numerous issues, including the financial feasibility of development. Targeted bonuses in planning controls can be introduced and tied to development type in specific areas to encourage the supply of affordable housing or diverse low-cost market housing.

The height and floor-space-ratio controls which apply to land dictate the building form (gross floor area) which can be built, providing other supplementary controls such as solar access or setbacks are also met. As developers make their ultimate profit from selling gross floor area (in the form of dwellings), increasing the size of the building form achievable theoretically increases the profits available to developers. This happens because developers are able to deliver additional floor area at a lower cost than they can sell it for.

Where Council has identified land suitable for affordable or diverse low-cost market housing delivery that is not being developed by the private sector, additional height or floor-space-ratio can be provided on the site to enable viable development. While Council will not be able to directly initiate development on the site, development feasibility analysis can be undertaken to inform Council of the targeted bonus required to incentivise developers to construct.

As opposed to a general bonus across the Shoalhaven LGA as in the Housing SEPP, it is proposed that the application of the bonus, and the bonus itself, be strategically identified and tested with the community. Additionally, steps should be taken to minimise any increase land cost from targeted bonuses which has the potential to blunt any gains in development viability.

Principal delivery task

Council to consider the implementation of targeted bonuses to encourage the supply of affordable or higher density housing in specific locations.

Action 2.4 – Consider adjusting planning controls to increase densities in strategic centres, new release areas and existing residential areas

Basis for action

Understanding the significant need for higher density dwellings within Shoalhaven to cater for smaller household sizes, Council can consider an adjustment of planning controls to increase densities in strategic centres, new release areas and existing residential areas. Through adjusting planning controls in favour of density where appropriate, not only will the supply of dwellings increase from larger developments, but the dwellings delivered by these developments will also be cheaper on case-by-case basis as high density dwellings are generally cheaper to deliver than low-density.

As there are many varied influences affecting the planning of strategic centres and desired development outcomes, opportunities to increase density will be considered in broader strategic work including community testing. Adjustments in new release areas can be achieved through land use zone selection rather than specific planning controls and should be limited to low-scale medium-density outcomes noting the local level of shops and services likely to be provided in these areas. The exercise of considering increased densities in existing residential areas must be tested with the community, consider local/neighbourhood character and environmental risks. Not all settlements can accommodate increased densities or have values sensitive to change

Principal delivery task

Consider adjustments to increase densities in strategic centres, new release areas and existing residential areas through an extensive process of strategic planning and community consultation.

Action 2.5 – Investigate the potential for co-living housing near town and village centres

Basis for action

Boarding houses are a type of housing which utilise small dwellings, shared facilities and are managed by a CHP in perpetuity to provide affordable housing dwellings. This is a legally defined housing typology. Co-living housing utilises small dwellings and shared facilities to provide dwellings at a cheaper rate (to both build and rent) than traditional high-density accommodation like a boarding house, however they are a private form of housing. As such, they can be owned and managed by private individuals or companies and have no affordability requirement.

Instead of directly providing affordable housing, co-living housing provides diverse low-cost market housing in areas where it traditionally would not be available. For example, in areas such as Bangalee – Cambewarra Village – Tapitallee & Surrounds and West Nowra – South Nowra – Nowra Hill & Surrounds with a rapidly growing population (3.7% and 2.4% annually to 2051), co-living houses can provide rental accommodation to lower income households when sufficient market dwellings have not been delivered, reducing the gap between supply and demand, and by extension the rent.

Strong incentives currently exist for boarding housing owing to their social benefits. Council can investigate an expansion of the incentives for boarding housing to co-living housing (provided the development meets the standards laid out in the Housing SEPP) to increase market delivery of the typology and associated diverse low-cost market dwellings. This can be done through the LEP.

For early career essential workers moving out of home, co-living housing can provide affordable rental accommodation in areas which would otherwise be unavailable. These workers would be on lower incomes (for example, the average income of a retail trade worker is \$650-\$799 a week) however they would also need to locate close to their places of employment, often in higher cost city and town centres.

Principal delivery task

Investigate the potential for incentives to co-living housing similar to those provided to boarding houses. To ensure high-quality outcomes, the incentives can be tied to standards laid out in the Housing SEPP.

4.2.3 A supportive and innovative framework

Action 2.6 – Provide dwelling assessment support to affordable and high density housing development applications

Basis for action

Council has to balance the need for a reasonably-thorough development application assessment to ensure good planning outcomes and reduce unacceptable amenity and environment risks with the need to deliver efficient and timely decisions in identified timeframes. As stewards of the built and natural environment, Council possesses a regulatory and policy responsibility to ensure that developments are beneficial to the current and future nature of the LGA. On the other hand, the development industry prefers efficient and timely decisions to reduce the risk associated with development and the amount of time interest is charged on loans.

While Council does its best to balance the competing needs of the development application process, this job is made harder with vacancies in development assessment roles and limited planners in the market. Increased support in the process would reduce development risk and timeframes, and by extension increase the number of affordable and high density projects considered feasible. Possible interventions to increase the efficiency of development applications include:

- Hiring additional development assessment planners (if possible);
- Providing examples of Clause 4.6 variations which were considered to be of a high quality by Council;
- Designating specific officers responsible for assessing affordable or higher density development applications; and
- Providing a list of locations where high density development is supported by strategic documents.

Principal delivery task

Council will investigate and provide additional assessment support to reduce the development risk incurred by developers and CHPs for affordable and high density housing.

Action 2.7 – Facilitate opportunities for home owners and manufactured home estate operators to deliver tiny homes

Basis for action

Tiny homes are a type of small freestanding dwellings which can be pursued with a relatively low investment compared to traditional dwellings. Similarly to co-living housing, tiny homes increase diversity and provide a lower-cost market housing option but do not have a specific affordable housing requirement.

Tiny homes exist in an uncertain regulatory environment with numerous interpretations and no clear legislative definition. Due to this, many home owners and manufactured home estate operators who want to install tiny homes are yet to do so. In this space, Council can play a facilitating role and provide necessary information to the Shoalhaven community to support interested parties and ensure tiny homes meet relevant regulations and are properly installed.

To facilitate opportunities for tiny homes, Council can create a fact sheet for interested parties in the Shoalhaven LGA, creating a source of truth for questions such as the relevant regulations and how to rent them out. Midcoast Council, Coffs Harbour Council and Lake Macquarie City Council all possess tiny homes fact sheets which residents can look at to clearly see the approval requirements and avenues for further information. Having such a fact sheet for Shoalhaven would clearly state relevant controls for tiny homes, reducing the burden placed on owners for having to navigate the complex regulatory framework themselves.

Council can also create a private register of tiny homes in the LGA. The register would include information such as the location of the tiny home, when it was installed, what approval or exemption applied to it was and any complaints. New homes could be added to the register through three methods, being Council additions (for tiny homes approved through Council), owner additions (for tiny homes installed through an exemption) and community additions (for tiny homes installed through an exemption where the owner hasn't added it to the register and a neighbour noticed it). This would increase the amount of information available to inform decision making.

Principal delivery task

To facilitate opportunities for tiny homes across the Shoalhaven LGA, Council can:

- Create a tiny homes fact sheet; and
- Create a private register of installed tiny homes in the LGA.

4.2.4 Advocating and raising awareness

Action 2.8 – Run an education campaign about the benefits of affordable and diverse low-cost market housing

Basis for action

Housing affordability is essential to the functioning of Shoalhaven, providing numerous economic and social benefits to local communities. Having affordable homes to rent or purchase allows young people, key workers and those suffering financial hardship to stay within communities, working in local jobs and contributing to the community fabric. Additionally, with separate houses comprising 87.2% of dwelling stock in Shoalhaven in 2021 and lone person households being the second most popular household type, affordable and higher density housing is needed to prevent over housing where households prefer a smaller dwelling than they currently inhabit.

Raising community awareness about the nature of these benefits along with the controls put in place by Council to ensure developments reflect and contribute to the local character can reduce the potential for protracted and contentious development approvals which can significantly impact development viability. For instance, an affordable housing development might be viable when an application is first submitted, however after a lengthy approval process and potentially a court case, the cost of this extra work and weakening market conditions might mean the development is abandoned when finally approved.

An element of the education campaign would also include a collaboration between Council and a CHP to inform community members of the nature of affordable housing and its occupants, dispelling historic notions of low-quality, overcrowded housing.

Principal delivery task

Run a program to educate the community about affordable housing (for rent or purchase), medium density housing and high-density housing in order to diffuse stigma and increase general community support.

4.3 Long-term actions

4.3.1 Direct Government delivery

Action 3.1 – Dedicate Council-owned land to innovative affordable housing developments

Basis for action

Land presents a significant cost to development, often taking up around 30% of costs, as identified in consultation. To stimulate the delivery of affordable housing products in desired locations, Council can dedicate pieces of land identified in the desktop audit (Action 1.1) for the purposes of affordable housing delivery. As a condition of dedication, Council can consider including a requirement to deliver a certain type of innovative housing (e.g. mixed-tenure, develop/sell, manufactured home estates or next generation boarding houses) provided it is viable under current market conditions.

Council can also undertake a competitive tender process with the open market (including CHPs) to ensure the most innovative and effective approaches to affordable housing are pursued.

Principal delivery task

Run a competitive tender process with the open market for an affordable housing development of Council-owned land identified in the desktop audit. In this competitive process, Council will consider a number of criteria including social outcomes, architectural design, amenity impacts, financial return and innovation.

If the process was successful, Council to consider running additional tenders for other identified land.

Action 3.2 – Investigate pilot projects of exemplary diverse and affordable housing types to increase market confidence

Basis for action

A key element of development is managing risk, as riskier projects require a higher profit to offset the risk, and consequently a lower risk projects can afford a lower profit. One key element of risk identified in Shoalhaven, particularly in diverse low-cost market dwellings, is a lack of existing market evidence. While Nowra, Huskisson and Ulladulla have a local market of high density dwellings, other locations throughout Shoalhaven have few, if any, existing high density dwellings. For a prospective developer, or bank lending to a developer, this lack of a local market means they cannot accurately gauge achievable sale or rental figures and in turn cannot accurately predict the overall revenue of the project, greatly increasing risk.

To support diverse low-cost market dwellings in locations outside of the traditional townships, Council can create market confidence through pilot projects, either wholly funded by Council or done through a joint-venture. In these projects, Council can show the private development sector that there is market appetite for these dwelling types along with evidence of achievable sale and rental figures. Importantly, these dwellings should be sold or rented at market rates to provide accurate evidence for the private sector.

Borrowing from the Gosford Hospital Pilot Project and the Armidale Youth Project, Council can also investigate a pilot tiny homes project in Nowra to provide social or affordable housing to residents in the city. Compared a traditional social housing development, the tiny homes will require a lower investment from Council and is able to be relocated if Council wishes to use the site for a different purpose. Compared to a private tiny homes project, having Council as the developer and a CHP as the manager means that residents will be provided with certainty and amenity impacts on surrounding properties can be minimised.

Principal delivery task

Council to investigate the potential for pilot projects on Council land identified in the desktop audit (Action 1.1).

4.3.2 Indirect market delivery

Action 3.3 – Introduce guidelines to increase dwelling diversity in greenfield developments

Basis for action

Greenfield developments represent significant dwelling delivery within the Shoalhaven LGA and deliver large amounts of detached three and four bedroom dwellings. While this is much-needed housing supply, diverse low-cost market housing options are limited within the new suburbs, especially for lone person households. Introducing guidelines for greenfield developments to provide local dwelling diversity within the suburb, as well as across the LGA can help shift Shoalhaven's dwelling stock away from an overwhelming predominance of detached dwellings (87.2% of dwellings in 2021 which is 21.6% higher than the New South Wales average) and provide diverse and lower cost housing options.

The guidelines can be embedded within the local strategic planning statement. This would guide future strategic planning work, planning proposals and future planning in Shoalhaven. Solutions can then be implemented for the specific local planning documents to guide the delivery of release areas

Principal delivery task

Introduce guidelines in the local strategic planning statement to encourage greenfield subdivision to be undertaken in such a way that delivers increased dwelling diversity.

5.0 MONITORING AND REVIEW

Council intends to monitor and review this Strategy on an annual basis on the following 12 key performance indicators (KPIs). At the end of each calendar year following the implementation of this Strategy, Council will prepare a short report outlining the progress towards each action (not started/underway/completed/continual) and estimated completion year by the end of the year listed (e.g 2026 means the action is expected to be completed by 31/12/2026). It will also list each KPI against figures from when this Strategy was first released and the previous issued report. Appendix F shows an estimated annual report from 2025 showing what Council would prepare. As a note, the figures used in Appendix F are from 2023 where available, and where not available a dummy number has been inserted.

Following the completion and release of the 2026 Census, an in depth review of this Strategy will be undertaken with new census data comparing to the 2021 Census.

As a note, KPIs based off the Census were not utilised as they will only change every five years.

Table 6: Key performance indicators

#	Monitoring indicator	Source
1	Number of affordable housing dwellings delivered and managed by a CHP on the collaboration agreement	Community housing providers
2	Number of affordable sales of 1 bedroom dwellings for very low, low and moderate income households	Housing.id
3	Affordable sales of 2 bedroom dwellings for very low, low and moderate income households	Housing.id
4	Affordable sales of 3+ bedroom dwellings for very low, low and moderate income households	Housing.id
5	Affordable rental listings of 1 bedroom dwellings for very low, low and moderate income households	Housing.id
6	Affordable rental listings of 2 bedroom dwellings for very low, low and moderate income households	Housing.id
7	Affordable rental listings of 3+ bedroom dwellings for very low, low and moderate income households	Housing.id
8	Secondary dwelling, dual occupancy, townhouse, co-living housing and residential flat building approved dwellings	Planning portal
9	Funds, land and dwellings collected through affordable housing contributions scheme	Council records
10	Number of boarding houses approved within 600 meters of a town or village centre	Council records
11	Median weekly rental price for a flat/unit, detached house and townhouse	Department of Family and Community Services
12	Median sale price for a strata and non-strata property	Department of Family and Community Services

Source: HillPDA 2023

Monitoring of KPIs over time should see a general increase in affordable housing and low-cost market housing throughout the LGA resulting in lower entry house and unit prices and rental figures.

APPENDIX A : STAKEHOLDER ENGAGEMENT

[To be inserted at a later date]

DRAFT

APPENDIX B : DEMOGRAPHIC PROFILE

This Strategy was supported by an analysis of demographics in the Shoalhaven LGA.

B.1 Introduction

Although Shoalhaven has historically been an affordable area, sustained trends affecting the LGA over the medium-term combined with the short-term impacts of the Covid-19 pandemic have steadily decreased housing affordability for current and future residents.

Generally speaking, Shoalhaven's residents can be divided into two broad categories, being couples (with or expecting children) looking for larger apartments, detached dwellings and townhouses, and elderly, couples without children and younger persons looking for more affordable, smaller dwellings such as one and two bedroom apartments and townhouses. Development undertaken by the private market has mainly catered to the first group, delivering the majority of new dwellings in the LGA as detached housing. This trend has been somewhat replicated by the Government as the majority of social and affordable housing in the LGA are larger detached dwellings catered to families, with three bedroom social housing cottages exceeding the current demand. For the second group however, especially those on very low and low incomes, their preferred housing choice is underrepresented within the LGA. Unit completions have remained low for a number of years leading to a chronic undersupply of new, available rentals as many of the existing rentals are already under long-term lease. In the first quarter of 2023, there were less than 10 new rental bonds signed for 1 bedroom apartments and only 35 new bonds signed for 2 bedroom apartments.

B.2 People

Owing to its unique culture and natural environment, the Shoalhaven LGA has proved an attractive destination for new residents and is adept at retaining existing ones, with an average population growth of 1.2% per year from 2006 compared to the Regional NSW average of 0.9%. From 2023, Shoalhaven's population growth is expected to spike to 1.7% in 2026 before calming to an average growth of 0.8% in the years to 2051.

The majority of this population growth is expected to occur in the Bangalee - Cambewarra Village - Tapitallee and Surrounds District and West Nowra - South Nowra - Nowra Hill and Surrounds District, achieving an average annual growth rate of 3.7% and 2.4% respectively. These areas are highlighted in Council's urban release area planning activities and were chosen to accommodate a large amount of the LGA's future growth.

Table 7 below shows the top and bottom three districts in terms of forecast average annual population growth.

Table 7: Forecast population growth in selected districts

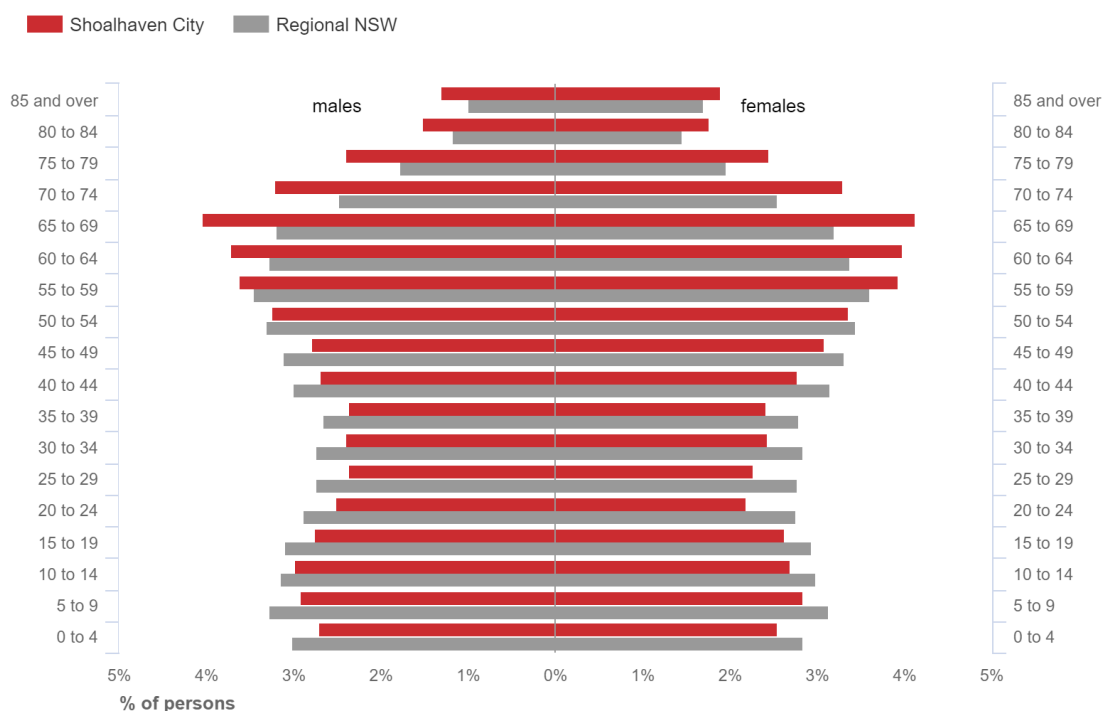
District	2021	2051	Total change	Average annual growth
Bangalee - Cambewarra Village - Tapitallee & Surrounds	3,136	9,266	+6,130	3.7%
West Nowra - South Nowra - Nowra Hill & Surrounds	7,111	14,514	+7,403	2.4%
Coastal Mid	2,755	3,826	+1,071	1.1%
Shoalhaven Heads	3,231	3,596	+365	0.4%
Sanctuary Point	7,872	8,745	+873	0.4%
Rural Balance	2,928	3,130	+202	0.2%

Source: .id Forecasting 2023

This population growth is expected to cause affordability issues in the medium- and long-term unless land within the LGA can be efficiently serviced to unlock it for residential development or high-density redevelopment can occur within town centres.

The median age in Shoalhaven was 48 in 2021 compared to 43 in Regional NSW, reflecting a population structure which is generally older than the regional average. As shown in Figure 7 below, Shoalhaven is generally older than Regional NSW with the inflection point at 55 to 59 where the LGA starts having a larger percentage of elderly residents than Regional NSW.

Figure 7: Shoalhaven age-sex pyramid 2021



Source: .id Forecasting 2023

Forecast to 2051, this population structure is expected to broadly remain the same with minor adjustments in the proportion of population in certain age groups such as 85 and overs. This elderly population, some of which will be on very low, low and moderate incomes, will likely look to downsize and move into smaller dwellings. This will place a two-fold pressure on housing affordability as many households will choose to rent instead of committing to purchase a new home, reducing supply, and many elderly households will stop working and experience a reduced household income, relying on the pension, superannuation and Commonwealth rent assistance, increasing demand for affordable dwellings.

Shoalhaven has been, remains, and will likely continue to be, a popular tourist destination for international and domestic visitors. Since 2010/11, visitor nights remained around 4 million however from 2016/17, the number of visitor nights grew to around 5 million. The data from 2019/20 to 2021/22 fluctuated due to the Covid-19 pandemic which heavily influenced travel. In the future it is expected that tourist numbers will recover to around 5 million, placing pressure on existing rental stock due to the use of short-term rental accommodation.

Figure 8: Shoalhaven international and domestic visitor nights



Source: .id Forecasting 2023

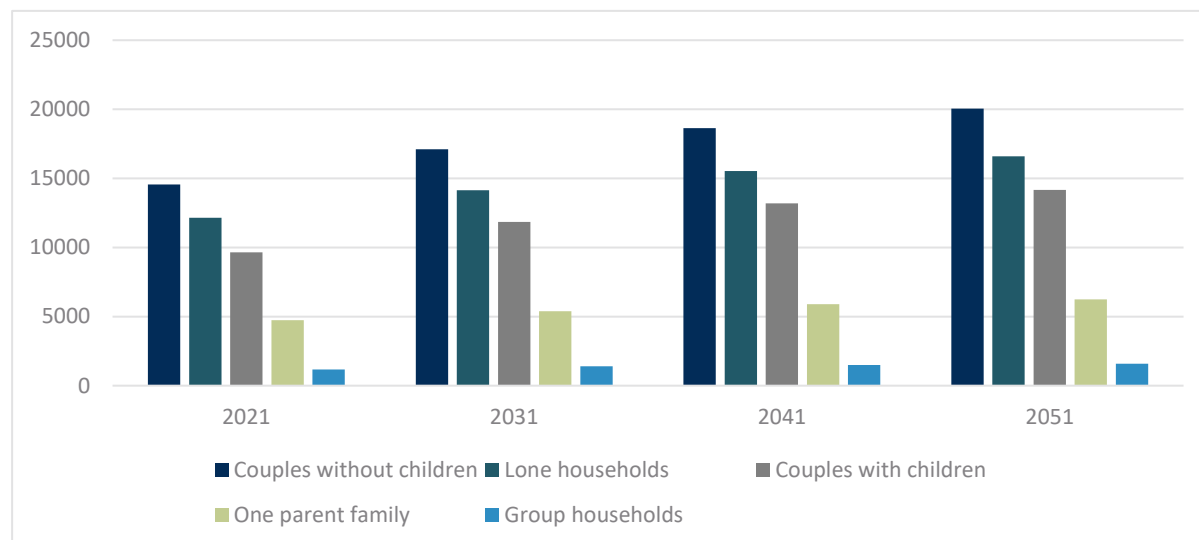
In 2021 the five largest ancestries in Shoalhaven were English, Australian, Irish, Scottish and Australian Aboriginal. This is broadly in line with Regional NSW. From 2016 to 2021 the ancestries in Shoalhaven did not change significantly however the number of people identifying as Australian decreased by 2.8% and the number of people identifying as Australian Aboriginal increased by 5.2%.

With 6.5% of Shoalhaven's population identifying as Aboriginal, there is an identified need for culturally appropriate affordable housing opportunities for Aboriginal people in the Shoalhaven community.

B.3 Households

The primary household type in Shoalhaven are couples without children followed by lone person households and couples with children. These three household types have remained the top household types in the LGA since 2001 and are forecast to be the top household types into the future. This composition is significant as the vast majority of households only have one or two occupants which does not match up with the primary dwelling type of separate dwelling, meaning there is likely a strong underlying demand for smaller dwellings which has not been observed due to insufficient supply.

Figure 9: Shoalhaven household forecasts



Source: NSW Government 2023

At a more in-depth level, for the 14,396 households with children in Shoalhaven, the largest group are couples and single parents with young children, making up 7,002 households, followed by couples and single parents with older children making up 5,397 households. This data expresses the dual character of Shoalhaven where most of the demand is for larger separate dwellings however there is also an unrealised demand for smaller dwellings to allow younger people to move out.

In 2021 the average household size in the Shoalhaven LGA was 2.3 which is the same as in 2016. By 2041, the Department of Planning and Environment predicts that the average household size will reduce to 2.19. This decrease in household size reflects the changing demographics of the LGA and necessitates a wider variety of housing offerings. In terms of affordable housing, the decreasing household size means affordable housing offerings will need to cater to a wider range of household types.

In 2021 the median weekly household income in Shoalhaven was \$1,250 (\$65,000 annually), compared to the Regional NSW median of \$1,434 (\$74,568 annually). Applying the income eligibility criteria for affordable housing (where households are eligible if their gross household income is between 0% and 120% of the Rest of NSW median household income), 26,442 households in Shoalhaven meet the income criteria for affordable housing. As a percentage of total households this is 60% which is higher than Regional NSW average of 54% pointing to the specific challenges facing Shoalhaven.

Figure 10: Shoalhaven household by weekly income



Source: Australian Bureau of Statistics 2023

Table 8: Shoalhaven income and house prices at 2021 Census

Median annual household income	Median non-strata price*	Median non-strata price to annual earning ratio	Median strata price*	Median strata price to annual earnings ratio
\$65,000	\$927,000	14.3x	\$544,000	8.4x

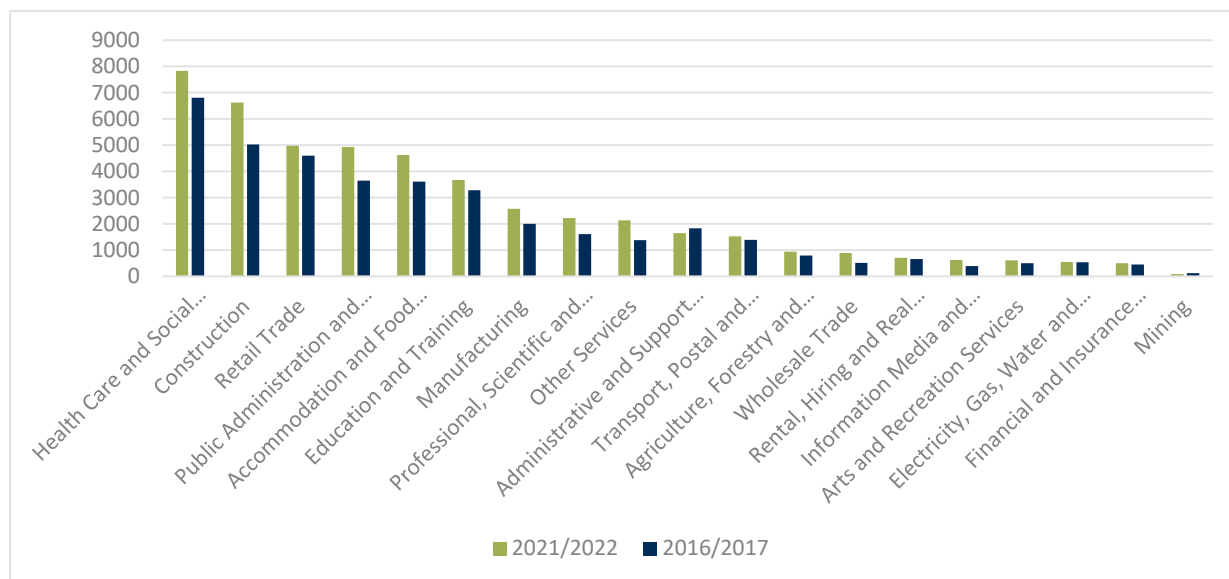
Source: HillPDA 2023

*Using sales statistics from September 2021, the closest quarter to the 2021 Census held on 10 August.

B.4 Employment

In 2021 the largest employer in Shoalhaven was the health care and social assistance industry employing 7,838 residents followed by the construction industry at 6,629 employees. This is similar to the figures in the 2016 Census. For blue collar workers, such as health care and construction, residing close to places of employment is important due to reduced potential for working remotely. For apprentices and first year workers, often moving out of home for the first time, having access to affordable housing opportunities throughout the LGA is of vital importance.

Figure 11: Shoalhaven employment industries 2021



Source: HillPDA 2023 and Australian Bureau of Statistics 2021

Table 9: Relative incomes of the top five employment industries in Shoalhaven

Employment industry	25 th percentile income (weekly)	Average income (weekly)	75 th percentile income (weekly)
Health Care and Social Assistance	\$650-\$799	\$1,000-\$1,249	\$1,500-\$1,749
Construction	\$650-\$799	\$1,000-\$1,249	\$1,500-\$1,749
Retail Trade	\$400-\$499	\$650-\$799	\$1,000-\$1,249
Public Administration and Safety	\$1,000-\$1,249	\$1,500-\$1,749	\$2,000-\$2,999
Accommodation and Food Services	\$300-\$399	\$500-\$649	\$800-\$999

Source: HillPDA 2023 and Australian Bureau of Statistics 2021

As can be seen from the above analysis of employment industries and relative incomes, the majority of Shoalhaven's workforce is made up of essential workers which are needed to support the operation of businesses within Shoalhaven and the Shoalhaven LGA itself. It can be seen that workers in these industries will struggle to afford housing as a sole income household even if they are in the 75th percentile income bracket (excluding public administration and safety workers). This impacts households as they may be forced into becoming a dual income households, if possible, or have to live in low-cost market accommodation in undesirable locations further away from their place of work.

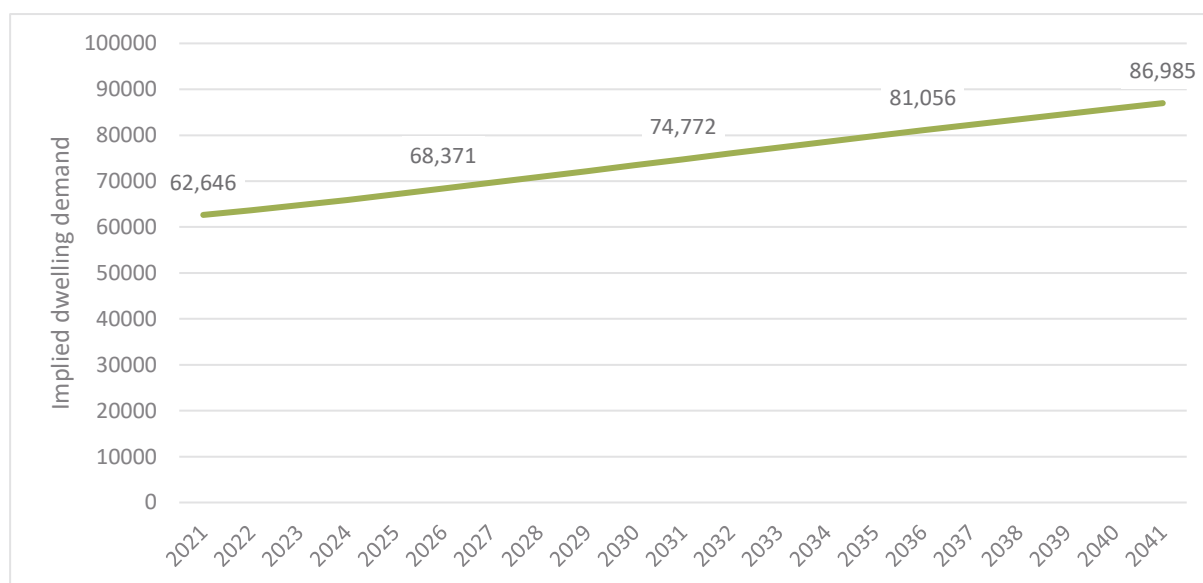
Retail trade and accommodation and food services are the third and fifth largest industry in Shoalhaven (encompassing 9,602 workers), representing a significant portion of Shoalhaven's workforce employed in metropolitan centres and requiring accommodation close to work. For workers in these industries, even if they are in a dual income household earning average salaries, they will find themselves eligible for affordable housing and potentially requiring it due to a shortage of low-cost housing in metropolitan centres.

Within Shoalhaven, 11.9% of workers lived outside the LGA and commuted into work. While part of this may be due to personal preference, it is assumed that a lack of affordable housing near workplaces plays some role. In 2016, 83.1% of resident workers were employed in the region however in 2021 this number had dropped to 81.5% reflecting changes in dwelling location, whether voluntary or forced by affordability concerns.

B.5 Dwellings

From 2021 to 2041, Shoalhaven is expected to experience an increased implied dwelling demand of 24,339 equating to an average annual compound growth rate of 1.65%. This increased demand is expected to be created primarily from migration which is forecast to consistently outpace births by a factor of roughly 1.6:1. Future affordable housing delivery needs to be in line with this implied dwelling demand and recognise the importance of migration in Shoalhaven's future.

Figure 12: Shoalhaven implied dwelling demand



Source: NSW Government 2023

Table 10: Top five areas of raw forecast dwelling growth (2021 – 2041) with households

Area	Raw dwelling growth (percentage)	Lone person household growth (percentage)	Couples without dependents growth (percentage)	Couple families with dependents growth (percentage)
Shoalhaven LGA	9,648 (16.4%)	2,629 (20.4%)	3,136 (20.2%)	3,010 (29.5%)
West Nowra - South Nowra - Nowra Hill & Surrounds	2,070 (90.2%)	479 (104.1%)	520 (88.3%)	575 (76.1%)
Bangalee - Cambewarra Village - Tapitallee & Surrounds	1,384 (117.8%)	138 (100.0%)	412 (98.6%)	608 (143.1%)
Milton - Mollymook - Mollymook Beach - Narrawallee & Surrounds	648 (14.7%)	275 (32.9%)	256 (20.7%)	125 (20.2%)
Ulladulla	610 (16.5%)	81 (8.2%)	125 (12.4%)	206 (33.4%)

Source: Australian Bureau of Statistics 2021 and .id (informed decisions) 2023

An analysis of the Table 10 reveals a clear split in character of future dwelling delivery in Shoalhaven, with existing semi-rural and lower density areas such as West Nowra - South Nowra - Nowra Hill & Surrounds and Bangalee - Cambewarra Village - Tapitallee & Surrounds expected to receive significant growth over the next 20 years, likely in the form of greenfield development. In contrast, more established areas such as Milton - Mollymook - Mollymook Beach - Narrawallee & Surrounds and Ulladulla are expected to have a more steady, although high in raw numbers, dwelling growth likely in the form of infill and urban fringe development.

Shoalhaven, similar to the Illawarra-Shoalhaven Region as a whole, has a clear preference for separate houses with this housing type accounting for over 86% of all dwellings since 2001. Regional NSW mirrors this preference to a lesser extent with separate houses accounting for roughly 81% of total stock since 2001. While this marked

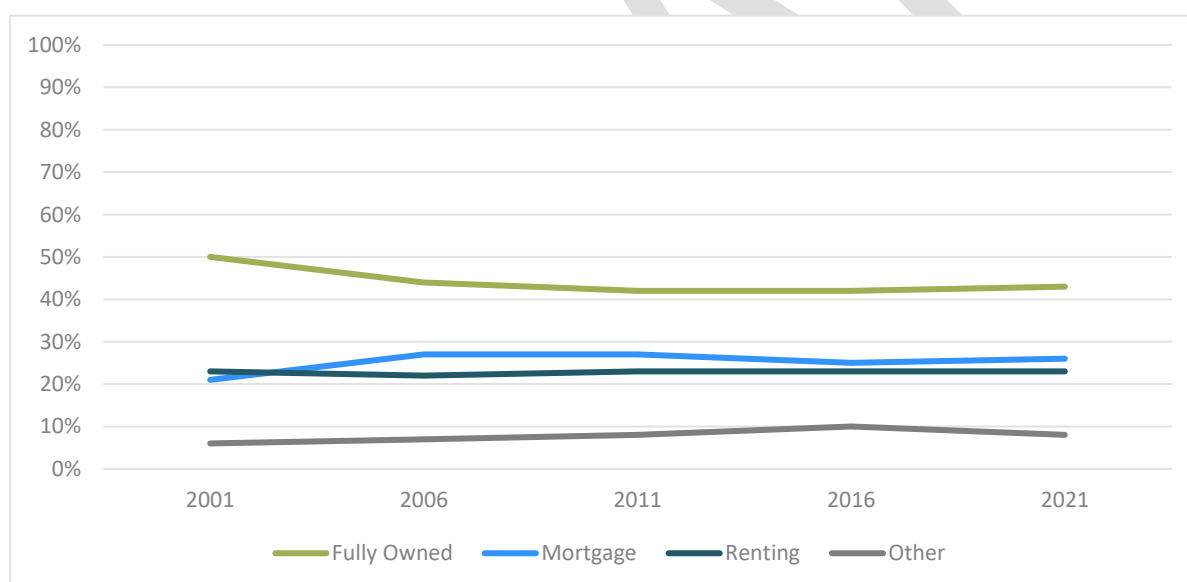
preference exists, the demand and supply for medium-density dwellings has been slowly growing with the share of medium-density increasing from 7.5% in 2001 to 10.2% in 2021. The household structure in Shoalhaven is not expected to change from 2021 to 2051, with couples without dependents remaining the dominant type followed by lone person households and couples with dependents. As such, separate houses are expected to be the dominant housing type, although medium-density may play a larger role in the future.

Reflecting the predominance of separate houses in the LGA, 34,563 dwellings in Shoalhaven - 75% of the total stock - have three or more bedrooms, catering mainly to families and couples who are looking to gain dependents in the future. While these dwellings do cater to the predominant demographics of Shoalhaven, as the LGA continues to grow opportunities are needed for residents to downsize or young people to move out, necessitating an increase in the number of smaller dwellings. As of the 2021 census, only 8,661 dwellings had two or fewer bedrooms, making up 18% of the total stock. Importantly however, only 1,602 dwellings had one bedroom, an increase of only 75 net dwellings from 2001, meaning options for young people moving out and elderly residents who want to greatly downsize are severely limited. These one bedroom units often represent the bottom of the property ladder, providing an important first rung for young people and minimum maintenance for elderly residents. This lack of one bedroom dwellings is expected to be a primary driver of housing unaffordability and 'over housing' in Shoalhaven.

B.6 Tenure

The primary tenure type in Shoalhaven is home ownership with 68.6% of dwellings owned outright or with a mortgage. This is roughly in line with NSW however the percentage of homes owned outright is substantially higher than Regional NSW and Greater Sydney at 42.8%, compared to 36.3% and 27.8% respectively. For those renting in the LGA, the most common landlord is private at 19.5%, followed by social housing at 3.5%. Since 2001 the proportion of households who fully own their dwelling has decreased by around 7.4%, reflecting increasing housing costs within the LGA.

Figure 13: Shoalhaven tenure mix



Source: HillPDA 2023 and Australian Bureau of Statistics 2023

Table 11: Selected tenure by selected households in 2021

Tenure	Lone person households	Group household	One family household
Owned outright	6,261	388	12,148
Owned with a mortgage	1,713	170	9,302
Purchased under a shared equity scheme	40	5	41
Rented	3,257	548	6,405

Source: Australian Bureau of Statistics 2021 and HillPDA 2023

Most demand for affordable housing in the Shoalhaven LGA comes from very low income households, including smaller (one or two person) households. Affordable rentals are particularly important for these groups; however, the evidence indicates that the private rental market is not providing sufficient supply or diversity in terms of available stock. There is evidence of growing local homelessness and an inability to respond effectively to this problem largely due to a lack of appropriate, affordable housing options.

In 2021 it was estimated that there were 701 people homeless or technically homeless in Shoalhaven.

Table 12: Homelessness estimate

Status	Estimate
People in other improvised dwellings	11
People in other temporary lodgings	23
People in supported accommodation for the homeless	137
People living in 'severely' crowded dwellings	84
People living in boarding houses	4
People living in improvised dwellings, tents or sleeping out	67
People living in other crowded dwellings	148
People staying temporarily with other households	111
People who are marginally housed in caravan parks	116

Source: Homelessness NSW 2023

As at the 2021 Census there were 8,783 persons who needed assistance to reside in the community, making up 8% of the LGA's population. This figure is an increase of 1,129 residents from 2016 and 3,573 from 2006 displaying the effect of Shoalhaven's ageing population. This number of residents is only expected to increase as Shoalhaven ages, meaning sufficient housing diversity and accessible affordable dwellings are required to cater to the growing subgroup.

APPENDIX C : RESEARCH PAPERS

To support the preparation of this Strategy, Council commissioned HillPDA to develop the following research papers available on Council's website:

- Development feasibility testing ([hyperlink](#));
- Dwelling diversity ([hyperlink](#));
- Short term rental accommodation ([hyperlink](#)); and
- Tiny homes ([hyperlink](#)).

DRAFT

APPENDIX D : STRATEGIC CONTEXT

This Strategy was developed in the context of a wide range of local, regional and State legislation and policies as summarised below.

D.1 Environmental Planning and Assessment Act

One of the key objectives of the *Environmental Planning and Assessment Act 1979 No 203* (the Act) is to promote the delivery and maintenance of affordable housing.⁶ Under the Act, Council:

- May introduce provisions into its LEP to provide, maintain and retain, and regulate any matter relating to, affordable housing⁷;
- Must consider certain matters when determining development applications, including the likely social impacts of the development and the public interest⁸; and
- May enter into a planning agreement with a developer as part of a planning proposal or development application⁹ requiring dedication of land free of cost, to pay a monetary contribution, or provide any other material public benefit, or any combination of them, to be used for or applied towards a public purpose. A public purpose includes the provision of affordable housing.¹⁰

D.2 Housing 2041: NSW Housing Strategy

Housing 2041 is a whole-of-government approach that establishes a 20-year vision for better housing outcomes in NSW, focusing on supply, affordability, diversity and resilience. Within *Housing 2041*, it is recognised that there is a strong desire and need for more, and improved, social and affordable housing around NSW.

To directly deliver affordable housing, the NSW Government lists a series of options including “considering the development of appropriate government-owned land for affordable housing, innovative planning and development projects that encourage build-to-rent, new communal living models, or encouraging incentives to build affordable housing in mixed-tenure communities.” Reflecting the interconnected public-private nature of affordable housing development, this Strategy follows these options by stating that good outcomes can be achieved by working with community partners and the private sector to achieve outcomes beyond what could be achieved purely by government intervention.

D.2.1 Housing 2041 Vision

People and communities have: access to housing security, diversity and support, irrespective of whether they live in metropolitan or regional areas; choices that enable them to afford a home without compromising on basic needs; support and opportunity in differing circumstances, including people in crisis, social housing residents, private rental tenants and those who aspire to home ownership.

Homes in NSW are accessible and suitable for different stages of life or changing circumstances; connected to local facilities, jobs and social networks, with infrastructure, services and spaces that people need to live sustainably; designed to support human wellbeing and respond to the environment, maximise technology and support local character and place.

⁶ Cl. 1.3(d) of the Act.

⁷ Cl. 3.14(d) of the Act

⁸ Cl. 4.15(b) and (e) of the Act

⁹ Under cl. 7.32(3)(b) of the Act, a council may only impose a condition of consent requiring land or contribution for affordable housing if it has an affordable housing contributions scheme in place and the scheme is referenced in the council's LEP.

¹⁰ Cl. 7.4(2)(b) of the Act

D.2.2 NSW Housing System Pillars:

The NSW Housing Strategy acknowledges that simply increasing the supply of housing is not enough. To meet community needs, housing strategies must focus on all 4 pillars, being:

- **Supply**—housing supply delivered in the right location at the right time;
- **Diversity**—housing is diverse, meeting varied and changing needs of people across their life;
- **Affordability**—housing that is affordable and secure; and
- **Resilience**—housing that is enduring and resilient to natural and social change.

D.3 State Environmental Planning Policy (Housing) 2021

Part 1 of Chapter 2 of the *State Environmental Planning Policy (Housing) 2021* (Housing SEPP) identifies the need for affordable housing across the State and sets out requirements that a local council, as a consent authority, must consider before imposing an affordable housing condition on a development consent in accordance with clause 7.32 of the Act. As discussed below, Council may only impose a condition of development consent requiring affordable housing contributions if it has an affordable housing contributions scheme in place that is authorised by its LEP.

Chapter 2 of the Housing SEPP contains planning provisions to promote the delivery of diverse and affordable housing options across the state, including affordable infill housing (attached dwellings, dual occupancies, dwelling houses, manor houses, multi dwelling housing, residential flat buildings, semi-detached dwellings and shop top housing) and boarding houses.

As a separate and distinct mechanism to facilitate the delivery of affordable housing, Part 2, Division 1 of Chapter 2 of the Housing SEPP provides voluntary inclusionary zoning incentives. That is, a floor space ratio (FSR) bonus and other non-discretionary development standards to offset the costs of on-site delivery of affordable infill housing.

The bonus FSR provisions are voluntary and currently only apply to development that proposes to use a minimum 20% of the total floor space as affordable housing. Larger floor space bonuses are available as the percentage of affordable floor space increases, with bonuses capped for developments that include at least 50 per cent of gross floor area (GFA) as affordable housing. The nominated affordable housing dwellings must be used for affordable housing and managed by a registered CHP for a minimum 15 years.

In June 2023, the NSW Government announced that the Housing SEPP's bonus provisions will be revised to provide further incentives for developers to provide affordable housing on-site. This will likely include height and density bonuses of up to 30% for developments that propose at least 15% affordable and social housing to be used for that purpose for at least 10 years. Developments with a capital investment value of at least \$75 million may also be determined as State Significant Development.

Across NSW, there has been low uptake of the Housing SEPP's voluntary inclusionary zoning provisions¹¹ which is likely to persist in certain areas despite the proposed further incentives. This is particularly the case for areas with relatively low end sale values, including Shoalhaven LGA. Key impediments include:

- Difficulties in accommodating the full FSR bonus while complying with development standards and other local council controls such as those relating to height of building, setbacks and landscaping, and uncertainty around the application of clause 4.6 to vary development;
- The availability of other local environmental plan bonuses (for example, design excellence provisions) that offer additional FSR without the requirement to deliver affordable housing; and

¹¹ *Explanation of Intended Effects: Proposed amendments to the in-fill affordable housing, group homes, supportive accommodation and social housing provisions of the State Environmental Planning Policy (Housing) 2021* (DPE, November 2022)

- Financing limitations due to the requirement that affordable housing floor space must be used for that purpose for a minimum 15 years and managed by a CHP.

In general, there are a range of barriers to delivering infill development¹², including:

- Higher construction costs for medium- and high-density dwellings compared with those for detached dwellings, including land acquisition and demolition costs for infill;
- Difficulties aggregating and preparing land for construction;
- Delays in securing development finance;
- Lengthy and sometimes uncertain planning and development assessment processes;
- Securing legal title for high-density residential projects; and
- Community opposition to infill and to medium- to high-density dwellings.

D.3.1 The Six Cities Region Discussion Paper

The *Six Cities Region Discussion Paper* was released in 2022 to stimulate conversation about the best way to plan the future of the Six Cities Region, encompassing the Lower Hunter and Greater Newcastle, Central Coast, Illawarra-Shoalhaven, Western Parkland, Central River and Easter Harbour cities. The paper includes six region shapers, of which housing supply diversity and affordability is the most relevant shaper to affordable housing in the Shoalhaven LGA.

To increase the supply of diverse and affordable housing, the Greater Cities Commission (GCC) proposes the introduction of five, 10 and 20 year housing targets for each LGA which include resilient, adaptable, affordable and diverse housing. To help achieve these targets, it is proposed that 25% of new housing should be high-density near strategic and transport centres, a 10% affordable housing target should be applied for new rezonings where there will be a housing uplift and 30% of dwellings on Government land should be social and affordable housing.

D.4 The Six Cities Region Discussion Paper: What We Heard Report

The *Six Cities Region Discussion Paper: What We Heard Report* was released in June 2023 and conveyed the feedback received by the Greater Cities Commission on their six Region Shapers, the most relevant of which is Region Shaper 3: housing supply, diversity and affordability. At a high level, the GCC noted “feedback was received that safe and secure housing is fundamental to a better quality of life. Concern was expressed about the cost-of-living, housing affordability, rental competition and homelessness. Across many parts of the multi-city region the critical role of infrastructure delivery to support housing supply was emphasised.”

Within the report, numerous comments and pieces of feedback were reported by the GCC from stakeholders such as Local Councils, Government Agencies, Industry, Advocacy and Associations, Not-for-profits, Housing Providers and Regional Shaper Roundtables. Included in this feedback were calls for all housing to meet minimum accessibility standards, the introduction of a minimum affordable housing target of 10%, a lowering of the short-term rental accommodation cap, the provision of more support for affordable housing contribution schemes and ways to increase affordable housing availability, accessibility and longevity.

D.5 Illawarra-Shoalhaven Region Plan 2041

The *Illawarra Shoalhaven Regional Plan 2041* is a 20-year land use plan released in May 2021 which aims to protect and enhance the Illawarra-Shoalhaven Region’s assets and plan for a sustainable future. Representing the importance of affordable housing in the region, Objective 19 of the plan is to “deliver housing that is more diverse and affordable.”

¹² National Housing Supply Council

The approach to affordable housing in this plan is a two-fold one, focused on indirectly increasing the general affordability of the region through increased housing diversity (Strategy 19.1) and directly delivering increasing the supply of affordable housing dwellings (Strategy 19.2 and Action 8).

D.6 Shoalhaven Community Strategic Plan

As part of the exhibition of the draft *Shoalhaven 2032 Community Strategic Plan*, housing affordability was identified as one of the community's top concerns, along with ensuring balanced development outcomes that protect the character and amenity of the LGA and maximize community benefits. The community told Council that their key priorities are:

- **Resilient, safe, accessible, and inclusive communities** – including delivery of a variety of affordable housing options, reduction of households experiencing housing stress (11.1% baseline) and safer, more resilient and connected neighbourhoods;
- **Sustainable and liveable environment** – including managing the growth and development with respect for environmental and community values, environmentally sound and climate resilient development and collaborative planning to address future population changes;
- **Thriving local economies** – including Increased investment and new businesses and enhanced opportunities for a diverse sustainable visitor economy; and
- **Effective, responsible, and authentic leadership** – including efforts to inform and engage with the community about the decisions that affect their lives.

D.7 Shoalhaven 2040: Our Strategic Land-use Planning Statement

The *Shoalhaven 2040: Our Strategic Land-use Planning Statement* (LSPS) identifies the strategic planning and related actions Council needs to undertake to identify and meet the communities' needs over the next 20 years. The LPSP has two directions, being managing economic growth and natural and built environment and lifestyles, with 16 associated planning priorities. However, the majority of actions and activities relevant to affordable housing are located within Planning Priority 1 – Providing homes to meet all needs and lifestyles.

Collaboration Activity 1.2 of the LSPS is to work with community housing providers and others to increase the supply of affordable rental housing and Action 1.3 is to continue to investigate and consider where appropriate the development of an affordable housing development contribution scheme requiring significant new developments to provide or pay for affordable rental housing.

D.8 Other Council documents

D.8.1 Shoalhaven Local Environmental Plan 2014

The *Shoalhaven Local Environmental Plan 2014* (LEP) details the rules and guidelines for the management and control of development in Shoalhaven through land zoning and development standards. It specifies what development types are permissible in each zone, including their legal definitions, and sets out the key development standards and provisions to address local land constraints.

The LEP does not specifically mention affordable housing, however one of the plan's aims is "(b) to facilitate the social and economic wellbeing of the community." If an affordable housing contributions scheme is implemented, the legal clauses to enable it would be located within the LEP.

D.8.2 Shoalhaven Development Control Plan 2014

The *Shoalhaven Development Control Plan 2014* (DCP) provides detailed guidance and provisions for the use of land including the criteria for the assessment of development applications. Every development application needs to consider and respond to the DCP provisions that are applicable to the land use and/or land.

The DCP does not include a specific chapter related to affordable housing at this stage.

D.8.3 Shoalhaven Contributions Plan 2019

The *Shoalhaven Contributions Plan 2019* allows Shoalhaven City Council or an accredited certifier to levy contributions on development consents (or complying development certificates) issued for land within the City of Shoalhaven. These contributions are collected and then applied to provide community infrastructure or additional infrastructure to meet demand created by this development. Specifically, the plan levies Section 7.11 contributions which are a set charge per 'equivalent tenement' created by development.

Affordable housing is not directly dealt with under the contributions plan and will be dealt with under an affordable housing contributions scheme, if implemented. The contributions plan and affordable housing contributions scheme would run parallel to each other and both apply to development.

D.8.4 Shoalhaven Community Led Plan for Homelessness 2022

The *Shoalhaven Community Led Plan for Homelessness 2022* provides a background on the experience of homelessness in Shoalhaven, and includes focus areas, actions, desired outcomes, and resources brought together by the collaborative efforts of the homelessness sector. The plan helps Council direct its community efforts to identified areas of concern that are in much need of support. The four focus areas of the plan are:

- Early intervention and collaborative support;
- Community awareness and education;
- Advocacy and lobbying; and
- Housing and accommodation.

Affordable housing is beyond the scope of the community led plan as it deals with more informal forms of housing. As previously stated however, when households leave the private rental market and become social housing tenants, they leave their previous property roughly suited to their income range. This has a two-fold effect, increasing the supply of rental properties suited to a particular income range, pushing down rents, and also freeing up existing affordable housing for new residents to move into.

APPENDIX E : KEY CHALLENGES AND ISSUES WITH AFFORDABLE HOUSING

E.1 Economic feasibility

The Housing SEPP and *Shoalhaven Local Environmental Plan 2014* (SLEP 2014) contain planning provisions that seek to facilitate the delivery of diverse and affordable housing options; however, there has been a slow uptake of provisions due to challenges associated with delivering medium- and high-density developments, as discussed in Appendix D Section D.3. In particular, the following risks have been observed and felt by developers:

- Liquidity risk created through smaller bank loan values
- Building risk created through inflation, supply and skills shortages, material costs and building standards
- Sales risk created through waning consumer confidence and budgets.

These risks combine to reduce the viability of developments generally resulting in a thinner active development pipeline. This results in fewer applications being submitted and fewer approved applications being completed, squeezing supply at both ends.

Detached housing is somewhat isolated from these risks due to smaller project sizes and strong local demand resulting in consistently high detached dwelling completion numbers. In comparison, developers often find that the marginal (per dwelling) cost of delivering medium- or high-density housing in Shoalhaven can overcome the marginal (per dwelling) revenue of selling the dwelling limiting development opportunities.

Provided that the legislative groundwork is undertaken, Council has the ability under the *Environmental Planning and Assessment Act 1979 No 203* (the Act) to levy affordable housing contributions on development applications and negotiate for affordable housing contributions as part of rezonings where there is residential uplift; however, there needs to be balance between levying on development without impacting on feasibility. Figure 14 shows the balancing act required in levying contributions.

Figure 14: Trade-offs inherent in affordable contributions



Source: HillPDA 2023

E.2 Market factors

Housing supply, in particular for affordable housing, is influenced by a series of micro- and macro-economic factors affecting development at the individual, LGA, State and National scale. These changes have generally increased housing demand and may continue to do so, reducing availability and pushing up house prices and rental costs.

Market factors have encouraged a predominance of detached dwellings in Shoalhaven with 87.2% of total dwellings being separate houses compared to the Rest of NSW average of 82.3%, showing a dominance in this housing type even among other rural LGAs. This benefits certain household types such as families and multi-generation households but limits housing choice for others like seniors looking to downsize, students, key

workers, young people and lone persons. A lack of existing medium- and high-density dwellings in the LGA also limits future supply as developers will be uncertain about achievable sale and rental rates, preferring to stick to detached dwellings with a lower perceived risk (and therefore required profit) from development.

Key drivers of demand and a lack of supply for housing in Shoalhaven include:

- Changes in regional migration in response to the COVID-19 pandemic and lockdowns, with more people relocating to Shoalhaven temporarily and more people staying in Shoalhaven permanently
- Increased ability to work from home in locations away from traditional employment centres (Greater Sydney and Nowra), often on higher salaries associated with metropolitan-based jobs
- Increases in domestic tourism linked to COVID-19 and its aftereffects
- Associated demand for, and increased investment in, short-term rental accommodation and government financial schemes/incentives making it easier to buy homes.

E.3 Community concerns

Increasing housing affordability is one of the community's top priorities and necessary for the future of Shoalhaven. Saying this, the community also wants housing developments which protect the character and amenity of the LGA and maximise community benefits. As such, high-quality development, whether diverse market housing or affordable housing, needs to be encouraged and pursued throughout the LGA. It is vital that the community is involved in planning and decision making for affordable housing so that it responds appropriately to their needs and aspirations.

While coastal and rural communities may have a shortage of smaller dwellings for those wishing to downsize or move out of home, the 'lifestyle' character of such communities within the LGA means residents may resist small dwellings, smaller lot sizes or medium- and high-density development as they go against the prevailing character of the area. While this may be the case for poor developments, or developments pursued through the complying development process, Council can play a role in the development assessment process to ensure that developments respond to their surroundings and contribute to the community rather than detract from it.

Education around affordable housing, its typology, and its tenants can alleviate concerns held by community members that development will not integrate with the community or will function similar to poorly planned social housing developments.

E.4 Location

To maximise social equity and sustainability, affordable housing must be provided in suitable locations, close to existing services and facilities, especially transport. Locating housing in these areas reduces transportation costs which can be a significant imposition on very low, low and moderate income households, benefits the environment and increases the integration of key resident groups, such as those with a disability and the elderly, with the community. It also allows for a reduced provision of parking which can be especially expensive for medium- and high-density developments.

Town and village centres are ideal locations for such housing, allowing it to integrate with the community and providing amenity for residents. For these locations however, infill development can run into challenges as the ideal location raises land values and increases site amalgamation costs limiting development potential.

Clause 15C of the Housing SEPP identifies the location for infill development, being land within 800 meters of land zoned E1 Local Centre, MU1 Mixed Use, B1 Neighbourhood Centre, B2 Local Centre and B4 Mixed Use. While suitable, the proximity of this land to town centres also increase the cost of affordable housing development, creating a trade-off between location and cost.

E.5 Ownership and management

Affordable housing can be delivered or owned by private developers, investors, governments, charitable organisations, and not-for-profit community housing providers (CHPs). While some affordable housing dwellings are owner-occupied, in most cases they are leased and managed by a CHP. Each interest group has different preferences for the ownership and management of affordable housing however all groups generally prefer to own the affordable housing unit and manage it (if permitted by legislation) to secure a stable, ongoing return for the organisation.

Council's preference is for affordable housing dwellings to be owned and managed by CHPs. It is their core business, they are protected from financial failure, have access to necessary government funding initiatives, and can link to the services potentially required by residents. CHPs also ensure that affordable housing is provided in perpetuity (bettering the timeframes required by the housing SEPP), securing supply and protecting stock.

E.6 Policy framework

Considering the importance of affordable housing to the wider functioning of society, numerous critical economic and housing policies are set by the State and Federal Government. Examples of which include the Housing SEPP and Commonwealth Rent Assistance. While this creates greater consistency across New South Wales and Australia, it also means that key levers to affect affordable housing are outside of Council's control. This limits the range of actions which can be undertaken by Council.

E.7 Construction costs

The delivery of affordable housing has run into feasibility challenges with substantial cost pressures on the construction industry. The Tender Price Index (TPI) demonstrates historical and forecasted movements in construction costs and escalation on an annual basis in key cities. The Sydney TPI has increased by 15% since COVID-19 as a result of material shortages, wage increases, and supply issues. These pressures are forecast to ease in the coming year with Rawlinson's and Rider Levett Bucknall (RLB) TPI forecast easing price escalations.

The construction industry continues to be challenged with the highest level of insolvencies on record in the June 2023 quarter. In addition, increased costs, and delays have reduced cashflows resulting in further insolvencies. The RBA Liaison program records weakness in demand for detached dwellings, with significant buyer uncertainty.

Residential construction is challenged with finishing trades such as tilers and painters, but other labour pressures have eased as the level of residential construction has declined. It is anticipated that completion times will return to normal levels over the next year, which would help start to normalise cost escalation. Rawlinson has reported that the construction industry continues to experience labour and material shortages, and while there has been an easing in the labour market and material prices have stabilised, additional pressure has been felt through increasing energy and transport costs. These cost increases have been accelerated by global pressures, in particular the ongoing war in Ukraine.

As affordable housing projects operate on reduced profit margins, construction costs present a particularly-important barrier to delivery.

APPENDIX F : ANNUAL REPORT TEMPLATE

This annual monitoring report for this Strategy has been prepared for 2025 to monitor the impacts of this Strategy on Shoalhaven. The report lists the progress Shoalhaven City Council (Council) has made towards each action outlined in this Strategy and the performance of 12 key performance indicators (KPIs).

Following the completion and release of the 2026 Census, an in depth review of this Strategy will be undertaken with new census data comparing to the 2021 Census.

1. Action audit

Description	Status	Estimated Completion Year
Short-term actions		
Action 1.1 Complete a desktop audit of Council-owned land to identify opportunities for future affordable housing utilisation	Completed	2025
Action 1.2 Implement an affordable housing contributions scheme	Underway	2026
Action 1.3 Consider planning and development controls to facilitate manufactured home estates closer to urban centres	Underway	2026
Action 1.4 Develop strategic principles for affordable housing	Completed	2025
Action 1.5 Create a collaboration agreement with preferred CHPs	Underway	2026
Action 1.6 Continue advocacy to the NSW Government around tiny homes and their potential in Shoalhaven	Continual	2030
Action 1.7 Advocate for meanwhile uses on NSW and Federal government land	Continual	2030
Medium-term actions		
Action 2.1 Investigate a shared equity or joint venture development model with a CHP	Underway	2027
Action 2.2 Investigate meanwhile uses on identified Council land	Underway	2027
Action 2.3 Consider targeted bonuses in planning controls to encourage the supply of affordable or higher density housing	Not started	2027
Action 2.4 Consider adjusting planning controls to increase densities in strategic centres, new release areas and existing residential areas	Not started	2028
Action 2.5 Investigate the potential for co-living housing near town and village centres	Not started	2028
Action 2.6 Provide dwelling assessment support to affordable and high density housing development applications	Not started	2028
Action 2.7 Facilitate opportunities for home owners and manufactured home estate operators to deliver tiny homes	Not started	2028
Action 2.8 Run an education campaign about the benefits of affordable, medium and high density housing	Continual	2030
Long-term actions		
Action 3.1 Dedicate Council-owned land to innovative affordable housing developments	Not started	2030
Action 3.2 Investigate pilot projects of exemplary diverse and affordable housing types to increase market confidence	Not started	2030
Action 3.3 Introduce guidelines to increase dwelling diversity in greenfield developments	Not started	2028

Note: The progress and estimated completion year of the actions are for illustrative purposes only

2. Key performance indicators

#	Key performance indicator	2025 result	Change since previous year	Change since 2025
1	Number of affordable housing dwellings delivered and managed by a CHP on the collaboration agreement	78	+78 (100%)	N.a
2	Number of affordable sales of 1 bedroom dwellings for very low, low and moderate income households	10	+10 (100%)	N.a
3	Affordable sales of 2 bedroom dwellings for very low, low and moderate income households	36	+36 (100%)	N.a
4	Affordable sales of 3+ bedroom dwellings for very low, low and moderate income households	45	+45 (100%)	N.a
5	Affordable rental listings of 1 bedroom dwellings for very low, low and moderate income households	87	+87 (100%)	N.a
6	Affordable rental listings of 2 bedroom dwellings for very low, low and moderate income households	435	+435 (100%)	N.a
7	Affordable rental listings of 3+ bedroom dwellings for very low, low and moderate income households	828	+828 (100%)	N.a
8	Approved secondary dwellings	1	+1 (100%)	N.a
	Approved dual occupancy dwellings	2	+2 (100%)	N.a
	Approved townhouse dwellings	4	+4 (100%)	N.a
	Approved co-living housing dwellings	32	+32 (100%)	N.a
	Approved residential flat building dwellings	60	+60 (100%)	N.a
9	Funds collected through the affordable housing contributions scheme	\$37,153	+\$37,153 (100%)	N.a
	Land collected through the affordable housing contributions scheme	0.2ha	+0.2ha (100%)	N.a
	Dwellings collected through the affordable housing contributions scheme	2 dwellings	+2 dwellings (100%)	N.a
10	Number of boarding houses approved within 600 meters of a town or village centre	2	+2 (100%)	N.a
11	Median weekly rental price for a flat/unit	\$360	+\$360 (100%)	N.a
	Median weekly rental price for a townhouse	\$495	+\$495 (100%)	N.a
	Median weekly rental price for a detached house	\$520	+\$520 (100%)	N.a
12	Median sale price for a strata property	\$660,000	+\$660,000 (100%)	N.a
	Median sale price for a non-strata property	\$800,000	+\$800,000 (100%)	N.a

Note: Real figures were recorded on 08/03/2024 for key performance indicators 2, 3, 4, 5, 6, 7, 11 and 12.

APPENDIX G : DESKTOP AUDIT OF SHOALHAVEN CITY COUNCIL'S LANDHOLDINGS

DRAFT

Disclaimer

1. This report is for the confidential use only of the party to whom it is addressed ("Client") for the specific purposes to which it refers and has been based on, and takes into account, the Client's specific instructions. It is not intended to be relied on by any third party who, subject to paragraph 3, must make their own enquiries in relation to the issues with which this report deals
2. HillPDA makes no representations as to the appropriateness, accuracy or completeness of this report for the purpose of any party other than the Client ("Recipient"). HillPDA disclaims all liability to any Recipient for any loss, error or other consequence which may arise as a result of the Recipient acting, relying upon or using the whole or part of this report's contents
3. This report must not be disclosed to any Recipient or reproduced in whole or in part, for any purpose not directly connected to the project for which HillPDA was engaged to prepare the report, without the prior written approval of HillPDA. In the event that a Recipient wishes to rely upon this report, the Recipient must inform HillPDA who may, in its sole discretion and on specified terms, provide its consent
4. This report and its attached appendices are based on estimates, assumptions and information provided by the Client or sourced and referenced from external sources by HillPDA. While we endeavour to check these estimates, assumptions and information, no warranty is given in relation to their reliability, feasibility, accuracy or reasonableness. HillPDA presents these estimates and assumptions as a basis for the Client's interpretation and analysis. With respect to forecasts, HillPDA does not present them as results that will actually be achieved. HillPDA relies upon the interpretation of the Client to judge for itself the likelihood of whether these projections can be achieved or not
5. Due care has been taken to prepare the attached financial models from available information at the time of writing, however no responsibility can be or is accepted for errors or inaccuracies that may have occurred either with the programming or the resultant financial projections and their assumptions
6. This report does not constitute a valuation of any property or interest in property. In preparing this report HillPDA has relied upon information concerning the subject property and/or proposed development provided by the Client and HillPDA has not independently verified this information except where noted in this report
7. This report is expressly excluded from any reliance for mortgage finance purpose or any lending decisions. Furthermore, this report is not intended to be relied upon for any joint venture or acquisition / disposal decision unless specifically referred to in our written instructions.
8. HillPDA makes no representations or warranties of any kind, about the accuracy, reliability, completeness, suitability, or fitness in relation to maps generated by HillPDA or contained within this report.

Liability limited by a scheme approved under the Professional Standards Legislation



SYDNEY

Level 3, 234 George Street
Sydney NSW 2000
GPO Box 2748 Sydney NSW 2001
t: +61 2 9252 8777
f: +61 2 9252 6077
e: sydney@hillpda.com

MELBOURNE

Suite 114, 838 Collins Street
Docklands VIC 3008
t: +61 3 9629 1842
f: +61 3 9629 6315
e: melbourne@hillpda.com

WWW.HILLPDA.COM