

SOCIO-ECONOMIC ASSESSMENT REPORT

'ABBOTSFORD' PROPERTY, FAIRLEYS ROAD & ABBOTSFORD ROAD, PICTON, PLANNING PROPOSAL

PREPARED FOR BERTEN PTY LTD

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APPENDIX A – Demographic Data

ACCOMPANYING REPORTS

Agricultural Land Capability Study – Harvest Scientific Services Pty Ltd, 27 February 2013

Curtilage Study – NBRS + Partners, June 2013

Flood Assessment Report – Floodmit Pty Ltd, February 2013

Biodiversity Study – ACS Environmental Pty Ltd, June 2013

Bushfire Risk Assessment – ACS Environmental Pty Ltd, June 2013

Geotechnical Study – Harvest Scientific Services Pty Ltd, 23 January 2013

Aboriginal Cultural Heritage Assessment – Tharawal Local Aboriginal Land Council,

Onsite Wastewater Feasibility and Water Quality Study – Harvest Scientific Services Pty Ltd, 14 February 2013

Contaminated Land Study – Harvest Scientific Services Pty Ltd, 18 June 2013

Site Specific Urban Salinity Study – Harvest Scientific Services Pty Ltd, 8 March 2013

Potential Impacts of Mine Subsidence – MSEC, 1 May 2013

Traffic & Transport Study – Thompson Stanbury Associates, July 2013

Wollondilly Transportation Model Traffic Impact – Gabites Porter, October 2012

State & Regional Context Report – Mike George Planning Pty Ltd, July 2013

State & Local Infrastructure Assessment Report – Mike George Planning Pty Ltd
June 2013

1.0 EXECUTIVE SUMMARY

This report forms part of a suite of studies required to support a Planning Proposal to rezone part of Lot 1, DP 1086066 situated adjacent to the intersection of Fairleys Road and Abbotsford Road Picton, to enable up to 40 rural residential allotments. The planning proposal also involves rezoning a section of the site that is proposed to be dedicated to Council, to RE1 Public Recreation. It is further envisaged that part of the site may be rezoned E3 Environmental Management.

The site also contains the “Abbotsford Group” of buildings, which is included on the State Heritage Register. It is intended that a Conservation Management Plan be prepared for this group at the development application stage. Adaptive re-use options are to be explored at that stage. This outcome is not contingent on the Planning Proposal.

The site study area comprises approximately 66.56 ha of land currently zoned RU2 Rural Landscape, and subject to a minimum lot size of 40 ha. (Wollondilly LEP 2011 – the “LEP”). The LEP contains a series of provisions which require the consent authority to be satisfied that essential infrastructure that is required for development is either available or subject to adequate arrangements, before development consent can be granted.

The Planning Proposal is the product of the set of site attributes, in the context of an identified latent demand for rural living opportunities. The site has limited agricultural potential, notwithstanding its history; is adjacent to Picton Township and readily accessible to town facilities, and is flanked by existing small holdings developments. It is able to be developed without impact on any agricultural use in the vicinity, or on those parts of the site with environmental values. The pattern of settlements adjoined by large lot residential/rural small holdings land use is a distinctive characteristic of the wider locality, and underpins the Council’s vision of “Rural Living”.

The implications of up to 40 new dwellings in terms of potential community services and facilities demand and funding is conditioned on a number of factors-

- Large lot residential development is likely to attract the more affluent end of the market, where there is likely to be a lower than average demand for community services and facilities. Large lot residential households will also tend to be more self-sufficient in meeting recreational demands on site, because part of the market is to meet needs for large gardens, horses, etc.
- Demographic data extracted for the purposes of this report identifies a range of differences in the characteristic of the town population and the rural areas (including large lot residential development) around it, again suggesting a lower than average demand for community services and facilities.
- Picton and adjacent townships have been the subject of a variety of planning proposals for urban and large lot residential development, which have involved investigation of infrastructure and services. Reports identify that existing community services are generally adequate, and that there were no demands readily able to be funded by charges on development. The cumulative effects of a number of planning proposals do not necessarily limit that conclusion being more widely applied, particularly given the likely staging of new development in response to the market

The particular circumstances of the proposal indicate that potential development is unlikely to require any public expenditure on community services. The dedication of land adjacent to the Council's sporting complex site represents a significant benefit in terms of the supply of recreation space, and goes beyond any reasonable provision that might have otherwise been attributed to an additional 40 allotments. The site has ready access to an array of services and facilities in Picton. The proposal would have the positive effect of boosting the Picton town economy in the face of the potential impact of proposed development at Wilton.

In terms of the specific issues raised by the brief –

- The subject area has an extremely limited current role in agricultural production, and that is unlikely to change. Its historical agricultural function

reflects circumstances that have long been overtaken. The proposed large lot residential development is capable of generating a degree of diverse agricultural production.

- While demand for large lot residential is difficult to quantify, it is noted that opportunities within 1-1.5 hours of Central Sydney have been largely exhausted, and demand has spilled over the Blue Mountains, into the Hunter Valley and beyond Wingecarribee Shire. Local real estate agents stated that they had no stock in the 4000m² range and expressed confidence that a stock of 30-40 lots at any one time, would sell readily.
- Large lot residential is not an affordable housing product. Unless there is a subsidy, affordable housing relies on small areas of land and small dwellings. To the extent that a significant part of potential demand is from locals seeking housing upgrades or lifestyle change, the proposal can make some contribution to affordable housing by freeing up existing local housing.
- The proposal is unlikely to create any material demand for community facilities and services or open space, given the limited scale of change and likely demographic characteristics. The proposed dedication of land as part of Council's sporting fields complex, the re-alignment and raising the level of Abbotsford Road would more than satisfy any reasonable s94 contribution..

2.0 STUDY BRIEF

The study brief is set out below -

Output

A social and economic impact analysis for the proposed rezoning from rural to an appropriate zone to permit rural/residential housing.

Objectives

To identify the socio-economic impacts associated with the proposed development.

Tasks/Methodology

- 1. Analysis of the socio-economic impact, if any, of the loss of rural land on the local and regional economy compared to both the 'do nothing scenario' and the change to an appropriate zone to permit R5, Large Lot Residential.*
- 2. Quantify the demand for rural/residential housing in the area.*
- 3. Investigate options and assess the feasibility for achieving affordable and diverse housing with reference to the Housing NSW's analysis for Wollondilly Shire and their publication Housing Market Analysis - Explanatory Notes and Fact Sheets. Liaise with the Department of Housing in this regard.*
- 4. Examine the need for additional community facilities, open space and services which may arise as a result of the change to an appropriate zone.*

A separate study brief addresses the question of utilities and other similar infrastructure and the implications of the proposal for infrastructure of that type are addressed there.

3.0 POTENTIAL SITE DEVELOPMENT

3.1 Planning Proposal

The Planning proposal would create the potential for up to 40 large residential allotments on the site as well as expand the area of public open space being developed for sporting facilities, and funding improvements to Fairleys Road.

This would involve applying an R5 Large Lot Residential zone to that part of the site proposed to be developed, and an RE1 Public Recreation Zone to the land to be dedicated. The Lot Size map is proposed to be amended to provide for a minimum area of 4000m² over the land to be zoned R5. The heritage precinct curtilage supplements and refines the current heritage listing, but does not require any statutory planning amendment.

The studies carried out for this Proposal have identified parts of the site that might warrant consideration for inclusion in an Environment Protection zone (e.g. E3), but that is not essential at this time. That land is unaffected by the zoning change sought by the Planning Proposal.

3.2 Potential Development Characteristics

Implementation of the planning proposal would lead to the opportunity for an additional 40 or so allotments that represent a variation on the theme established by the existing planning controls in areas surrounding Picton and other townships. That is, dwellings on allotments that are substantially larger than suburban lots and which cater for a variety of particular market needs. Dwellings will tend to be separated from others and the locality would have a semi-rural character. That outcome is assisted by the context provided by the site topography, with the area of proposed change being below and framed by an undeveloped ridgeline, and bordering an open space precinct along the creek-line to the east.

It is intended to re-align and raise the level of Abbotsford Road, which will have the benefit of reducing erosion risk, and to service the potential subdivision from existing

and realigned roads as well as relatively short lengths of new road. The single land ownership will be conducive to the staged development of the land in accordance with the market..

Large lot residential development is likely to attract the more affluent end of the market, where there is the capacity to greater self-sufficiency in managing infrastructure demand. Large lot residential households will also tend to be more sufficient in meeting recreational demands on site, because part of the market is to meet needs for large gardens, horses, etc.

Forty (40) allotments would potentially house around 100-110 people, at the typical occupancy rate for the locality of 2.8.

Demographic data for the locality reproduced in Appendix A, indicates that the existing residents of the rural areas around the townships and including the study area, have the following characteristics –

- Higher household incomes compared to the adjoining township and NSW average
- Substantially fewer households in need of various forms of government assistance
- Higher proportions of married couples
- Higher rates of car ownership
- Higher rates of attendance at non-government schools
- Higher proportions of larger (4 bedroom) houses
- A demographic structure suggesting higher proportions of families with young children and a low proportion of older age groups

It is reasonable to expect that the future population would have similar characteristics.

4.0 KEY ISSUES

4.1 Loss of Rural Land

The planning proposal documentation includes an Agricultural Land Capability Study prepared by Harvest Scientific Services Pty Ltd. Based on this study, it is apparent that the proposed rezoning will not have any negative socio-economic implications in terms of loss of agricultural land. The study confirms that the land is of low agricultural value, and its size effectively rules out commercial agriculture. The study notes that the proposed rezoning will have the positive economic effect of reducing pressure for fragmentation of agricultural land of higher production potential.

4.2 Demand for Large Lot Residential

There is a significant and definable sub-market for large lot residential land related to lifestyle choices, preferences for space and separation, requirements associated with lifestyle or business (eg keeping horses) and the like. The market typically is part of the upper price bracket, which is often manifested in the construction of large dwellings. Over the past 20-30 years this demand has been pushed further out from the Sydney region, as existing or potential large lot areas have been consumed for urban or other purposes. Opportunities in the Central Coast and Southern Highlands have been largely taken up, and there has been limited opportunity in the Blue Mountains and Illawarra. Improvements in Highway access have enabled wider areas to be exploited while remaining within reasonable driving time from Sydney. Rural residential development has extended to Cessnock and Lithgow Council areas and beyond Wingecarribee Shire.

It is difficult to quantify demand in this context, and to a degree demand has been supply led. The project manager for this planning proposal has consulted local real estate agents (Ray White Picton, Elders Picton and LJ hooker Picton) producing the following general responses –

- The general consensus is that they have no stock of Torrens Title 4000 m² allotments. Sale prices for non community title schemes range from \$360,000 to low \$400,000s. Although this type of lot is not at the affordable end of the market and first home buyers are not eligible for the \$15,000 government subsidy, there is still a good demand for well presented allotments.

- The consensus was that a general supply in the order of 30-40 lots would be appropriate at any one time, and would allow exclusive listing with several of the local real estate agents;

- There is a strong demand for residential allotments up to 1000m² sq. m. Many established locals are looking to sell their smaller town allotments and to move up to a larger 4000m² allotment, but are denied by the absence of any supply. The buyers of 4000m² typically are looking to build their dream home and have plenty of space for boats, caravans and cars. They tend to be second, third and fourth home buyers and are looking for relatively level clear building sites that are not affected with severe bushfire threat, site constraints etc and are not in community title or strata title schemes. Community title schemes have been the principal source of this type of development in the past (Nangarin estate in Picton) but there still is buyer resistance to this form of title.

- Other characteristics of buyers include –
 - quite a large percentage are upper management or professional people who do not see driving distance from the metropolitan area as prohibitive. Flexibility in work hours and use of broadband internet allows many professional people to work effectively from home.
 - Local buyers include successful trades people who have outgrown the residential allotment, semi to full time retirees, as well as parents following their children who children have moved to the area for cheap housing.

- Buyers tend to be equally split between local and non-local. The locals are people trading up and the non-locals are looking for a lifestyle change.
- A high proportion of non-locals come from southern and south-western Sydney suburbs. They are generally not from country areas or interstate except when following children.

In summary, there is a high probability of a strong market for potential allotments on the site. The single ownership, and the ability to use existing access roads, would enable the staging of production, if warranted by market conditions.

4.3 Opportunity for Diverse and Affordable Housing

Large lot residential is not an affordable housing product. The demographic data in Appendix A indicates that affordable housing is not a characteristic related to the existing population of rural areas surrounding Picton. Unless there is a subsidy, affordable housing relies on small areas of land and small dwellings. To the extent that a significant part of potential demand is from locals seeking housing upgrades or lifestyle change, the proposal can make some contribution to affordable housing by freeing up existing local housing. In the particular circumstances, this part of the study brief is of limited assistance to the rezoning question.

4.4 Need for Additional Community Facilities and Services

This issue is also addressed in the accompanying report on infrastructure. On the reasonable basis that the future population of the study area demonstrates similar characteristics to the existing population, there is likely to be little demand for community facilities and services, particularly those directed at lower income households and people requiring various forms of assistance. Future households are likely to be in higher income brackets, less dependant on assistance and able to achieve a high degree of self sufficiency, particularly in providing for their recreational needs.

An increased population is likely to add to an increased demand for local hospital services, but that is more a current district-wide issue than one that relates particularly to the subject planning proposal, which in any event does not involve a significant increased population (100-110 people).

The Infrastructure Study (Treglowan Consulting, January 2007) carried out for the Council's planning proposal for urban rezoning of land in the Picton-Tahmoor-Thirlmere area includes a comprehensive assessment of social infrastructure needs and concludes that the projected urban growth does not require any additional facilities than those addressed under s94. A similar conclusion applies in the subject case, noting that demand for social services and facilities is likely to be lower in the study area because of the more robust projected demographic profile. The proposal has no apparent implications or requirements for new community infrastructure, but may reasonably be subject to a contribution for facilities in place. That is a routine administrative exercise that can be addressed in parallel with rezoning, taking into account the material public benefits provided by the proposal, including dedication of land for recreational purposes and road realignment.

To the extent that the market for allotments in the study area includes retirees seeking lifestyle change, there may be potential implications in the longer term for various services for the aged. However, this involves a relatively minor shift in the geographic location of demand for those services, involving people likely to have a greater financial capacity to relocate or import services as necessary.

5.0 CONCLUSION

This study is in response to an apparent pro forma brief, that overlaps other required studies. It raises specific questions that, in the particular set of circumstances, have simple available answers that have no material bearing on the assessment of the substance of the planning proposal. The response to the issues raised by the brief are-

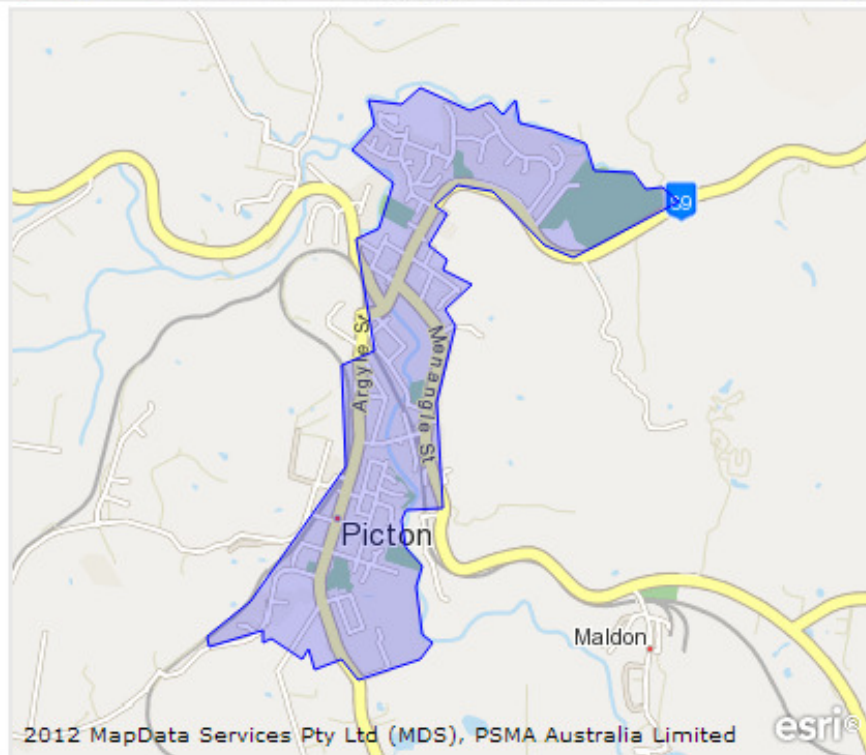
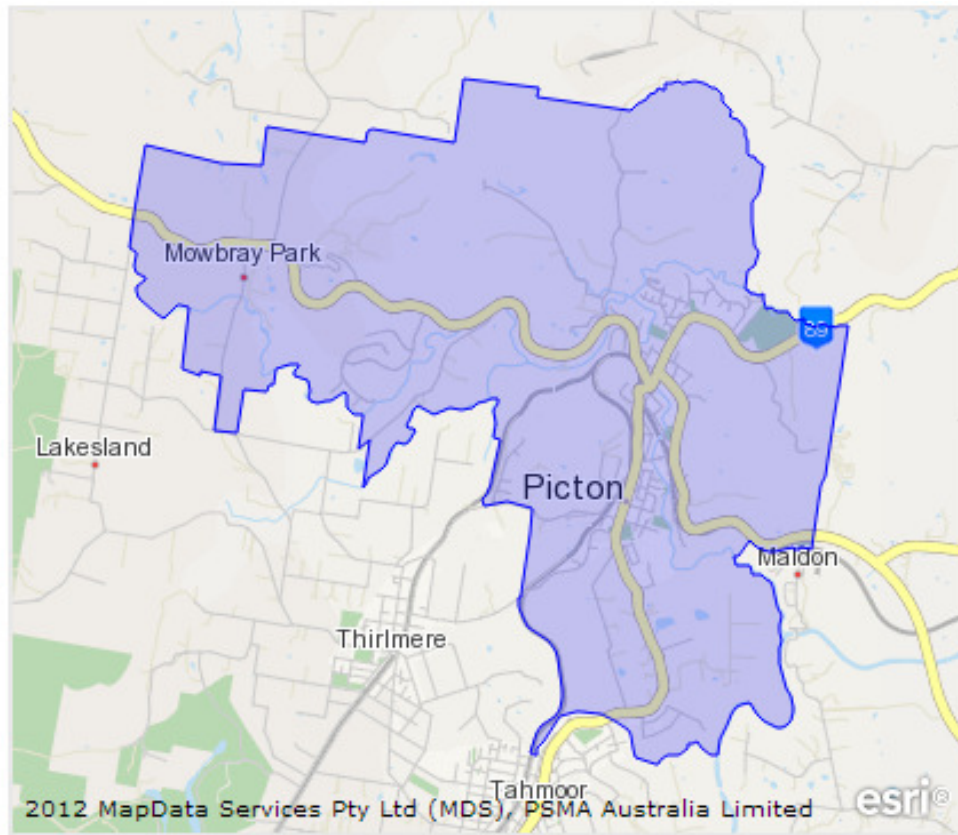
- The planning proposal has no adverse socio-economic implications related to the loss of rural land. The land is of small in area and of limited potential for commercial agriculture. The planning proposal will act to relieve pressure for fragmentation of more productive rural land
- There is significant unmet demand for allotments of the size sought by the planning proposal. The market will comfortably accommodate the production of allotments that may be staged given market conditions and opportunities associated with other current similar planning proposals.
- Affordable housing is irrelevant in the circumstances, except to the extent the proposal is likely to allow the freeing up of existing urban land.
- The proposal is likely to lead to a more wealthy and robust demographic profile in the area, which is unlikely to produce any significant demand for community services and facilities. The proposal involves significant benefits in terms of the dedication of land for open space and road realignment works, which should preclude the need for any s94 contributions.

APPENDIX A

DEMOGRAPHIC DATA

Demographic Characteristic	Picton Urban Centre/ Locality	Picton suburb (non-urban) 2011	Greater Sydney	NSW (2011)
Total Persons	3146	1449	4 391 674	6 917 658
Age groups:				
0-4 years	255 (8.1%)	116 (8.0%)	298,900 (6.8%)	458,735 (6.6%)
5-14 years	441 (14.0%)	265 (18.2%)	544,315 (12.4%)	873,776 (12.6%)
15-19 years	236 (7.5%)	121 (8.3%)	275,786 (6.3%)	443,416 (6.4%)
20-24 years	203 (6.4%)	77 (5.3%)	307,257 (6.9%)	449,687 (6.5%)
25-34 years	331 (10.5%)	95 (6.5%)	676,894 (15.4%)	941,496 (13.6%)
35-44 years	466 (14.8%)	255 (17.6%)	653,490 (14.8%)	971,629 (14.0%)
45-54 years	446 (14.1%)	247 (17.0%)	594,978 (13.5%)	950,451 (13.7%)
55-64 years	385 (12.2%)	145 (10.0%)	475,608 (10.8%)	810,290 (11.7%)
65-74 years	229 (7.2%)	86 (5.9%)	298,140 (6.8%)	541,687 (7.8%)
75-84 years	116 (3.6%)	38 (2.6%)	185,238 (4.2%)	336,756 (4.8%)
85 years +	38 (1.2%)	4 (0.2%)	81,067 (1.8%)	139,735 (2.0%)
NESB Persons ¹ :				
(i) No. born overseas in a non-English speaking country	125 (3.9%)	65 (4.5%)	1 189 873 (27.1%)	1 329 098 (19.2%)
(ii) No. speaking languages other than English at home	122 (3.5%)	58 (4.0%)	1 425 534 (32.5%)	1 554 333 (22.4%)
In need of assistance	115 (3.6%)	43 (2.9%)	192 325 (4.4%)	338 362 (4.9%)
Own own home	331 (29.7%)	113 (26.5%)	462 150 (30.3%)	820 006 (33.2%)
Home mortgaged	479 (43.1%)	255 (29.8%)	529 907 (34.8%)	824 293 (33.3%)
Private rental	231 (20.8%)	43 (10.9%)	411 561 (27.0%)	634 209 (25.6%)
Public housing	39 (3.5%)	10 (2.3%)	69 047 (4.5%)	180 841 (4.4%)
Separate house	961 (80.2%)	427 (94.2%)	926 062 (22.6%)	1717 701 (62.7%)
Semi detached	76 (6.3%)	-	194 169 (4.7%)	263 926 (9.6%)
Flat/unit	63 (5.3%)	-	391 889 (9.5%)	465 188 (16.9%)
One parent households with dependent children ⁴	102 (11.9%)	23 (5.8%)	113 013 (9.8%)	669 019 (36.5%)
Median weekly household income	\$1377	\$1433	\$1447	\$1237
Married	1254 (51.4%)	655 (61.6%)	176 414 (49.7%)	2758 853 (49.3%)
4 bedroom household	362 (32.5%)	208 (48.7%)	342 180 (22.5%)	576 410 (23.3%)
Car Ownership				
0	72 (6.5%)	8 (1.8%)	184 242 (12.1%)	258 152 (10.4%)
1	348 (31.4%)	73 (17%)	584 187 (38.3%)	933 952 (37.8%)
2	425 (38.5%)	176 (41.1%)	500 581 (32.9%)	840 655 (34.0%)
3	150 (13.5%)	87 (20.3%)	140 633 (10.4%)	245 018 (9.9%)
4+	93 (8.4%)	70 (16.3%)	66 229 (4.3%)	115 058 (4.6%)
Average household size	2.7	2.8	2.7	2.6
Infants School				
Catholic	58 (20.0%)	48 (26.3%)	72 693 (21.2%)	115 727 (21.0%)
Other Non-Govt	42 (14.6%)	31 (17.0%)	42 513 (12.4%)	61 544 (11.2%)
Secondary School				
Catholic	50 (20.7%)	21 (17.9%)	73561 (25.9%)	109 409 (24.2%)
Other Non-Govt	26 (10.8%)	36 (30.7%)	50945 (17.9%)	71 341 (15.7%)

Picton State Suburb



Picton Urban Centre/Locality