

# 1 Appendix A: Sales Data, 1 January 2020 – April 2021

## 1.1 Overview

A search of recent sales data (all sales since 1 January 2020) was conducted using the EAC Redsquare Database for strata sales and for other sales. Sales where land size exceeded 1,000 m<sup>2</sup> were excluded, as were sales where there were multiple dwellings purchased in one sale, industrial and commercial sales and sales to related parties.

The following tables show a breakdown of findings by type of sale (strata or deposited plan including vacant land) and bedroom number, by suburbs in Bega Valley. Strata prices include both units and multi dwelling housing.



Table 1.1: Strata sale prices as reported by **Redsquare** by quartile for properties for sale in suburbs in Bega Valley LGA (\$ ,000)

**STRATA**

Locality	0-1 Bedroom				2 Bedrooms				3 Bedrooms				All in LGA and All in Locality			
	1st	Median	3rd	No.	1st	Median	3rd	No.	1st	Median	3rd	No.	1st	Med.	3rd	No.
ALL LGA	159	250	278	7	275	324	392	133	389	470	575	65	285	350	459	242
Bega and surrounds	-	-	-	-	-	303	-	2	-	260	-	1	234	264	352	4
Bermagui	-	218	-	2	286	430	520	5	451	571	662	4	304	440	588	12
Eden and surrounds	-	-	-	-	274	328	544	12	350	419	650	7	286	395	550	19
Merimbula and surrounds	162	250	283	5	263	298	345	82	382	453	541	38	276	328	420	148
Pambula and surrounds	-	-	-	-	309	325	358	10	425	535	575	3	309	331	403	14
Rural	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tathra	-	-	-	-	348	429	605	5	-	575	-	1	300	395	515	11
Tura Beach	-	-	-	-	339	407	448	16	466	536	626	10	388	450	495	32
Wallaga Lake	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Source: www.redsquare.com.au, JSA calculation 2021

Very low	Low	Moderate	Higher income
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Table 1.2: House sale prices as reported by **Redsquare** by quartile for properties for sale in suburbs in Bega Valley LGA (\$ ,000)

SEPARATE HOUSES																
Locality	2 Bedroom				3 Bedrooms				4 Bedrooms				All in LGA and All in Locality			
Quartiles	1st	Median	3rd	No.	1st	Median	3rd	No.	1st	Median	3rd	No.	1st	Med.	3rd	No.
<b>ALL LGA</b>	324	398	580	40	420	515	623	186	513	623	778	96	400	530	674	436
<b>Bega and surrounds</b>	345	458	578	7	416	516	652	48	469	611	791	18	399	537	693	104
<b>Bermagui</b>	-	484	-	3	471	531	678	22	429	605	693	9	420	530	625	43
<b>Eden and surrounds</b>	345	388	561	6	370	440	595	19	446	570	893	10	385	464	598	46
<b>Merimbula and surrounds</b>	313	375	605	9	448	550	620	38	559	655	712	18	423	565	655	81
<b>Pambula and surrounds</b>	-	334	-	3	418	524	635	14	471	623	864	13	420	527	745	47
<b>Rural</b>	-	-	-	-	473	528	825	5	558	648	824	4	473	600	703	13
<b>Tathra</b>	-	440	-	2	435	515	675	11	611	718	910	6	458	570	679	26
<b>Tura Beach</b>	309	383	589	8	370	460	785	23	503	600	795	17	370	495	750	63
<b>Wallaga Lake</b>	-	498	-	2	391	533	612	6	-	1,000	-	1	388	529	600	13

Source: www.redsquare.com.au, JSA calculation 2021

Very low	Low	Moderate	Higher income
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Table 1.3: Land sale prices as reported by **Redsquare** by quartile for properties for sale in suburbs in Bega Valley LGA (\$ ,000)

LAND				
Locality	All in LGA and All in locality			
Quartiles	1st	Med.	3rd	No.
ALL LGA	180	239	300	71
Bega and surrounds	117	120	150	9
Bermagui	235	245	277	9
Eden and surrounds	193	214	264	6
Merimbula and surrounds	190	260	288	17
Pambula and surrounds	186	210	375	9
Rural	-	134	-	2
Tathra	389	465	560	6
Tura Beach	224	299	333	9
Wallaga Lake	193	265	430	4

Source: [www.redsquare.com.au](http://www.redsquare.com.au), JSA calculation 2019

Very low	Low	Moderate	Higher income
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# 1 APPENDIX B: Potential Council and Publicly Owned Partnership Sites

## 1.1 Overview

A number of sites were assessed for potential use as mixed tenure developments including as affordable housing partnership developments. These included Council owned sites, public housing sites and Crown Land. Potential developments scoped included multi dwelling housing, residential flat buildings, boarding houses, seniors housing and caravan parks.

Based on comments from Council, the following sites are suggested for further investigation. Sites are listed in order of preliminary assessment of suitability under each heading:

### **Caravan Park or MHE opportunities**

1. Bega Showground Site (Caravan Park or MHE)
2. Stevenson St, Bega (Caravan Park or MHE)
3. Watson St, Bega (Caravan Park or MHE)
4. 16 Fairview St, Bega (Caravan Park or MHE)
5. Gipps St Carpark (near park) (Caravan Park or MHE)

### **Opportunities for Boarding house, Residential Flat Building, Seniors Housing including multi tenure development**

1. 22 Monaro St, Pambula (Seniors housing)
2. West St, Eden (Boarding house, Shop top housing, dwelling houses)
3. South Pambula Site (Seniors housing)
4. Clark Lane, Bega (Boarding house, Shop top housing)
5. Bennet Lane Pambula (Boarding house, Shop top housing)
6. Alice St, Merimbula (Boarding house, Shop top housing)
7. Road reserve, Merimbula (Boarding house, Shop top housing)
8. 77-79 Auckland St, Bega (Boarding house, Shop top housing, Seniors housing)
9. Chandos St, Eden (Boarding house, Shop top housing)
10. 16 Church St, Bega (Boarding house, Shop top housing)
11. 112-116 Imlay St, Eden (Boarding house, Shop top housing, Multi dwelling housing, Seniors housing)
12. Cabarita Place, Merimbula car park (Boarding house, Shop top housing)
13. Gipps St Carpark (near Civic Precinct) (Boarding House, Shop top housing)

### Sites where a Planning Proposal is required for rezoning or conversion to operational land

1. 45 Belmore St, Bega (Boarding house, Multi dwelling housing, seniors housing, Residential flat building)
2. 448 Tathra Rd, Kalaru (Caravan Park or MHE)
3. Arthur Kane Drive Pambula (Boarding house, Multi dwelling housing, seniors housing)
4. Corner Tathra Road and Sapphire Coast Drive, Kalaru (Boarding house, Multi dwelling housing, seniors housing, Residential flat building, Dwelling houses)

## 1.2 Lot 3200 DP1036584

- Location: East Street, Bega
- Ownership: Bega Valley Shire Council
- Zoning: RE1 Public Recreation
- Area: 25.2 Ha
- Constraints: Community Land – this site is not feasible as it is flood prone.
- Current use: Old Bega Race Course
- Accessibility: 500 metres to Bega B2 zone.
- Allowable relevant uses: Caravan Parks.
- Options: Not usable.



Figure 1-1: Lot 3200 DP1036584

## 1.3 LOT 1 DP 667563, LOTS 1-2 DP 744052, LOT 1 SEC 49 DP 758076, LOT 50 DP 1012050

- Location: Upper Street, Bega
- Ownership: Bega Agricultural Pastoral & Horticultural Society
- Zoning: RE1 Public Recreation
- Area: 4.4 ha
- Constraints: Not known
- Current use: Bega Showground.
- Accessibility: 200 metres to Bega Town Centre
- Allowable relevant uses: Caravan Parks.
- Options: Discussions could be undertaken with the owners with regard to providing a caravan park within the reserve. This would be very well located, could be delivered in a short time frame, and would provide affordable accommodation to both those who can purchase a van or manufactured dwelling or, if a community housing provider or other agency was prepared to invest in stock, could rent.



Figure 1-2: 1.3 LOT 1 DP 667563, LOTS 1-2 DP 744052, LOT 1 SEC 49 DP 758076, LOT 50 DP 1012050

## 1.4 Lot 13 DP813625

- Location: Taronga Crescent, Bega
- Ownership: Bega Valley Shire Council
- Zoning: SP2 Infrastructure
- Area: 3.9 Ha
- Constraints: Operational land. Rezoning required. Development is not feasible as this site is required for future expansion of the Sewage Treatment Plant
- Current use: Vacant land as part of Sewage Treatment Plant
- Accessibility: 1.2 km to Bega B2 zone
- Allowable relevant uses: Nil
- Options: Not suitable



Figure 1-3: Lot 13 DP813625

## 1.5 Part Lot 7 DP1067346

- Location: Lloyd St South Pambula
- Ownership: Bega Valley Shire Council
- Zoning: R2 Low Density Residential
- Area: 4.9 Ha
- Constraints: Operational land, bushfire hazard
- Current use: Vacant land
- Accessibility: 3.1 km to Pambula B2 zone by bus
- Allowable relevant uses: Seniors Housing
- Options: The site is somewhat isolated, however this is mitigated to some extent by public transport access. There may be fire concerns, however the size of the site would enable construction of APZs. The site would be suitable for a seniors housing development, and this could be delivered in the medium term, as rezoning is not required.



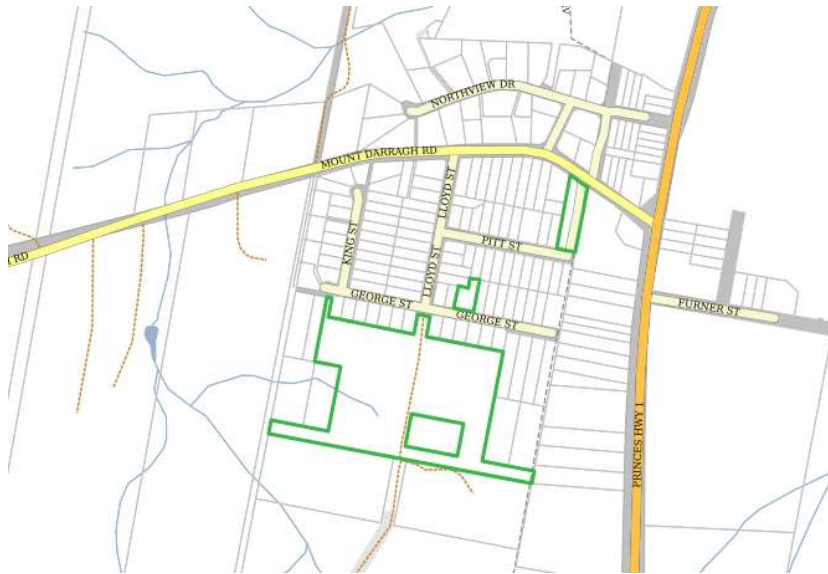


Figure 1-4: Lot 7 DP1067346

## 1.6 Lot 6 DP778154

- Location: 448 Tathra Rd, Kalaru
- Ownership: Bega Valley Shire Council
- Zoning: RE1 Public Recreation
- Area: 5.9 Ha
- Constraints: Community Land
- Current use: Evans Park
- Accessibility: 3.8 km to Tathra B2 zone by bus
- Allowable relevant uses: Caravan Parks.
- Options: Currently in use as a sports field, but could be used for a caravan park, particularly if not all the site is used for sporting fields. While isolated, a bus service is available. Usage may require conversion in part to operational land.



Figure 1-5: Lot 6 DP778154

## 1.7 Lots 1,2 & 3 DP248175; Lot 92 DP565914; Lot 102 DP576466; & Lot 8 DP1102222.

- Location: 16 Church St Bega
- Ownership: Bega Valley Shire Council
- Zoning: B2 Local Centre
- Area: 4,400 m<sup>2</sup>
- Constraints: Operational Land
- Current use: Gipps Street Car Park
- Accessibility: Within Bega B2 zone
- Allowable relevant uses: Boarding Houses, Shop Top Housing.
- Options: Council could construct a multi level car park and use the freed up space for construction of a boarding house or residential flat building with rezoning. Preliminary economic modelling suggests that sale of two thirds of dwellings would be required to support such an approach, so if the parking is currently heavily utilised and needs to be replaced, development may not be viable.



Figure 1-6: Lots 1,2 & 3 DP248175; Lot 92 DP565914; Lot 102 DP576466; & Lot 8 DP1102222

## 1.8 Lot 7 DP735877; & Lots 8 & 9 DP1103241.

- Location: 77-79 Auckland St Bega
- Ownership: Bega Valley Shire Council
- Zoning: B4 Mixed Use
- Area: 2,506 m<sup>2</sup>
- Constraints: Operational Land
- Current use: Vacant land
- Accessibility: 100 metres to Bega B2 zone
- Allowable relevant uses: Boarding Houses, Seniors Housing, Shop Top Housing.
- Options: Council could construct a multi level car park and use the freed up space for construction of a boarding house or residential flat building. Preliminary economic

modelling suggests that sale of two thirds of dwellings would be required to support such an approach, so if the parking is currently heavily utilised and needs to be replaced, development may not be viable.

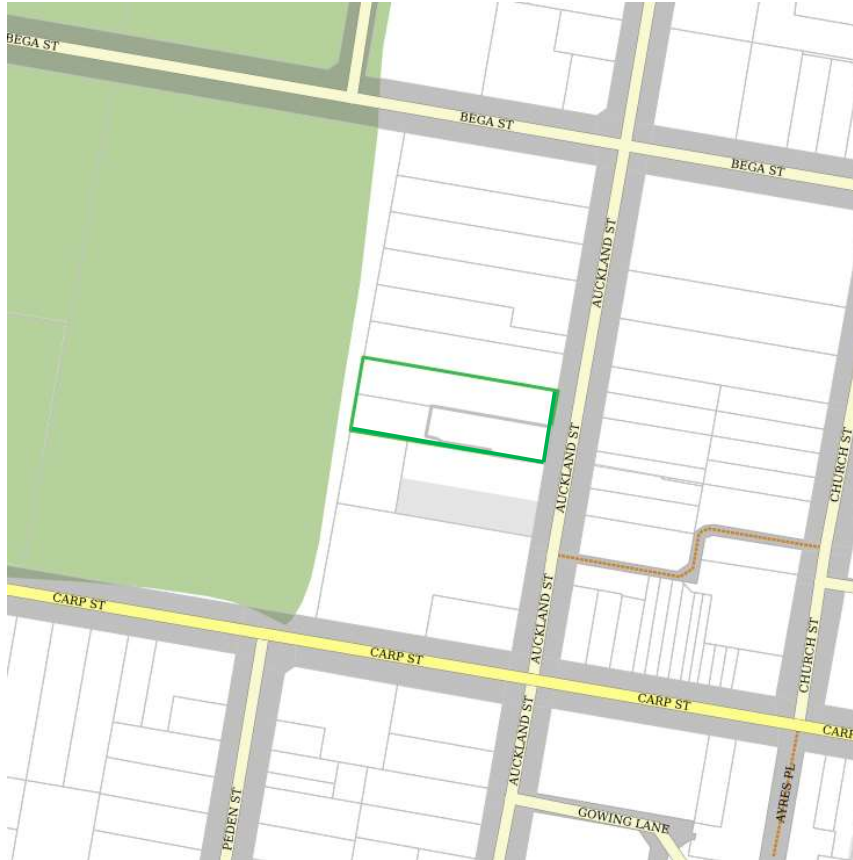


Figure 1-7: Lot 7 DP735877; & Lots 8 & 9 DP1103241

## 1.9 Lot 145 DP623646.

- Location: Clark Lane Bega
- Ownership: Bega Valley Shire Council
- Zoning: B2 Local Centre
- Area: 1,931 m<sup>2</sup>
- Constraints: Operational Land
- Current use: SW Corner Coles Car Park
- Accessibility: Within Bega B2 zone
- Allowable relevant uses: Boarding Houses, Shop Top Housing.

- Options: Site is understood to be surplus to Council's needs. Currently used for parking.



Figure 1-8: Lot 145 DP623646

## 1.10 Gipps St Car Park.

- Location: Zingel Place Bega
- Ownership: Crown Land
- Zoning: RE1 Public Recreation
- Area: 6,000 m<sup>2</sup>
- Constraints: Operational Land
- Current use: Car Park and Park
- Accessibility: Within Bega B2 zone
- Allowable relevant uses: Caravan Park.
- Options: No comments received from Council. Council could construct a multi level car park and use the freed up space for construction of a boarding house or residential flat

building. Preliminary economic modelling suggests that sale of two thirds of dwellings would be required to support such an approach, so if the parking is currently heavily utilised and needs to be replaced, development may not be viable. A planning proposal would be required. Site could be used for a caravan park without a planning proposal, but this may not be compatible with the civic precinct.



Figure 1-9: Gipps St Car Park

## 1.11 Gipps St Car Park.

- Location: Off Upper St Bega
- Ownership: Bega Valley Shire Council
- Zoning: B2 Local Centre
- Area: 2,700 m<sup>2</sup>
- Constraints: Operational Land
- Current use: Car Park
- Accessibility: Within Bega B2 zone
- Allowable relevant uses: Boarding Houses, Shop Top Housing.
- Options: No comments received from Council. Part site used for at grade car park. Council could construct a multi level car park and use the freed up space for construction of a boarding house or residential flat building. Preliminary economic modelling suggests that sale of two thirds of dwellings would be required to support such an approach, so if

the parking is currently heavily utilised and needs to be replaced, development may not be viable.



Figure 1-10: Lot 145 DP623646

## 1.12 Lot 1 DP930183 & Lot 8 DP932433.

- Location: 45 Belmore St Bega
- Ownership: Bega Valley Shire Council
- Zoning: SP2 Infrastructure
- Area: 2,175 m<sup>2</sup>
- Constraints: Operational Land. Rezoning required.
- Current use: Reservoir
- Accessibility: 230 metres to Bega B2 zone



- Allowable relevant uses: Nil.
- Options: The site is well located and under utilised, noting that a planning proposal would be required for development.



Figure 1-11: Lot 1 DP930183 & Lot 8 DP932433

## 1.13 Lot 35 DP20943

- Location: Watson St Bega
- Ownership: Bega Valley Shire Council
- Zoning: RE1 Public Recreation
- Area: 1,515 m<sup>2</sup>
- Constraints: Operational Land
- Current use: Watson Street Reserve
- Accessibility: 500 metres to Bega B2 zone
- Allowable relevant uses: Caravan Parks



- Options: Well located and could be developed as a caravan park or MHE.



Figure 1-12: Lot 35 DP20943

## 1.14 Lot 35 DP813396

- Location: Stevenson St Bega
- Ownership: Bega Valley Shire Council
- Zoning: RE1 Public Recreation
- Area: 6,356 m<sup>2</sup>
- Constraints: Operational Land
- Current use: Drainage Reserve

- Accessibility: 400 metres to Bega B2 zone
- Allowable relevant uses: Caravan Parks
- Options: Well located and could be developed as a caravan park or MHE.



Figure 1-13: Lot 35 DP813396

## 1.15 Lot 4 DP594349

- Location: 16 Fairview St Bega
- Ownership: Bega Valley Shire Council
- Zoning: RE1 Public Recreation
- Area: 3,364 m<sup>2</sup>
- Constraints: Operational Land
- Current use: Reserve
- Accessibility: 600 metres to Bega B2 zone

- Allowable relevant uses: Caravan Parks
- Options: Well located and could be developed as a caravan park or MHE.



Figure 1-14: Lot 4 DP594349

## 1.16 Land near Narregol Street Pambula

- Location: Arthur Kane Drive Pambula
- Ownership: Bega Valley Shire Council
- Zoning: R3 Medium Density Residential
- Area: 931 m<sup>2</sup>
- Constraints: Community Land
- Current use: Reserve
- Accessibility: 100 metres to Pambula B2 zone
- Allowable relevant uses: Boarding Houses, Multi Dwelling Housing, Seniors Housing
- Options: A small site and relatively isolated.

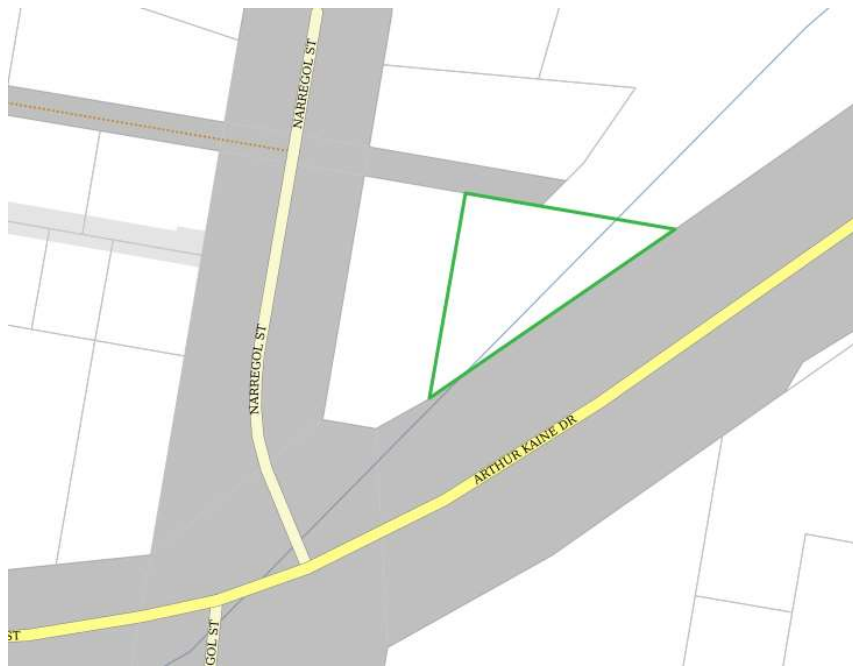


Figure 1-15: Land near Narregol Street Pambula

## 1.17 Lot 30 DP861207 & Lots 7 & 8/33/DP758825

- Location: Bennet Lane Pambula
- Ownership: Bega Valley Shire Council
- Zoning: B2 Local Centre
- Area: 7,800 m<sup>2</sup>
- Constraints: Operational Land
- Current use: Car Park, community garden, playground
- Accessibility: Within Pambula B2 zone
- Allowable relevant uses: Boarding Houses, Shop Top Housing.
- Options: No comments received from Council.



Figure 1-16: Lot 30 DP861207 & Lots 7 & 8/33/DP758825

## 1.18 Lot 18 DP1247734

- Location: 22 Monaro St Pambula
- Ownership: Bega Valley Shire Council
- Zoning: RU2 Rural Landscape
- Area: 9,292 m<sup>2</sup>
- Constraints: Operational Land, adjoins R2 and R3 land
- Current use: Vacant land
- Accessibility: 200 metres to Pambula B2 zone
- Allowable relevant uses: Serviced Self Care Housing under SEPP (Housing for Seniors and People with a Disability).
- Options: Not currently used. Could be developed in part for seniors housing.



Figure 1-17: Lot 18 DP1247734

## 1.19 Lot 2 DP1090625

- Location: Alice St Merimbula
- Ownership: Bega Valley Shire Council
- Zoning: B2 Local Centre
- Area: 3,326 m<sup>2</sup>
- Constraints: Operational Land
- Current use: Alice Street Car Park
- Accessibility: Within Merimbula B2 zone
- Allowable relevant uses: Boarding Houses, Shop Top Housing.
- Options: Site used for at grade car park. Council could construct a multi level car park and use the freed up space for construction of a boarding house or residential flat building. Preliminary economic modelling suggests that sale of two thirds of dwellings would be required to support such an approach, so if the parking is currently heavily utilised and needs to be replaced, development may not be viable.



Figure 1-18: Lot 2 DP1090625

## 1.20 Road Reserve Park St Merimbula

- Location: Park St Merimbula
- Ownership: Bega Valley Shire Council
- Zoning: B2 Local Centre
- Area: 3,100 m<sup>2</sup>
- Constraints: Operational Land
- Current use: Palmer Street Car Park

- Accessibility: Within Merimbula B2 zone
- Allowable relevant uses: Boarding Houses, Shop Top Housing.
- Options: No comments received from Council. Part site used for at grade car park. Council could construct a multi level car park and use the freed up space for construction of a boarding house or residential flat building. Preliminary economic modelling suggests that sale of two thirds of dwellings would be required to support such an approach, so if the parking is currently heavily utilised and needs to be replaced, development may not be viable.



Figure 1-19: Road Reserve Park St Merimbula

## 1.21 Lot 9 DP258146

- Location: 5-9 Cabarita Place Merimbula
- Ownership: Bega Valley Shire Council
- Zoning: B2 Local Centre
- Area: 1,082 m<sup>2</sup>
- Constraints: Operational Land
- Current use: Car Park
- Accessibility: Within Merimbula B2 zone
- Allowable relevant uses: Boarding Houses, Shop Top Housing.
- No comments received from Council. Part site used for at grade car park. Council could construct a multi level car park and use the freed up space for construction of a boarding house or residential flat building. Preliminary economic modelling suggests that sale of two thirds of dwellings would be required to support such an approach, so if the parking is currently heavily utilised and needs to be replaced, development may not be viable.





Figure 1-20: Lot 9 DP258146

## 1.22 Lot 1 DP44354 & Lots 1 & 2 DP623695

- Location: West St Eden
- Ownership: Bega Valley Shire Council
- Zoning: R2 Low Density Residential and E2 Environmental Conservation
- Area: 3.4 ha
- Constraints: Operational Land
- Current use: Old Sewerage Treatment Plant
- Accessibility: 700 metres to Eden B2 zone
- Allowable relevant uses: Boarding Houses, Seniors Housing.
- Options: Somewhat isolated but could be used for a boarding house or seniors housing. Could also be used for dwelling houses.



Figure 1-21: Lot 1 DP44354 & Lots 1 & 2 DP623695

## 1.23 Lot 1 DP1037443 & Lots 19 & 20/25/DP758379

- Location: 112-116 Imlay St Eden
- Ownership: Bega Valley Shire Council
- Zoning: B2 Local Centre and R3 Medium Density Residential
- Area: 3.4 ha
- Constraints: Operational Land
- Current use: Community Access Centre and Car Park
- Accessibility: Within Eden B2 zone
- Allowable relevant uses: Boarding Houses, Shop Top Housing, Multi Dwelling Housing, Seniors Housing.
- Options: Part site used for at grade car park. Council could construct a multi level car park and use the freed up space for construction of a boarding house or residential flat building. Preliminary economic modelling suggests that sale of two thirds of dwellings would be required to support such an approach, so if the parking is currently heavily utilised and needs to be replaced, development may not be viable.



Figure 1-22: Lot 1 DP44354 & Lots 1 & 2 DP623695

## 1.24 Lot 4 DP225627

- Location: 38-40 Maling St Eden
- Ownership: Bega Valley Shire Council
- Zoning: B2 Local Centre
- Area: 1,854 m<sup>2</sup>
- Constraints: Community Land
- Current use: Log Cabin Library
- Accessibility: Within Eden B2 zone
- Allowable relevant uses: Boarding Houses, Shop Top Housing.
- Options: Not suitable



Figure 1-23: Lot 4 DP225627

## 1.25 Chandos St Car Park

- Location: Between Chandos St, Bass St, Imlay St and Calle Calle St Eden
- Ownership: Bega Valley Shire Council
- Zoning: B2 Local Centre
- Area: ????
- Constraints: Operational Land
- Current use: Town Centre Car Park
- Accessibility: Within Eden B2 zone
- Allowable relevant uses: Boarding Houses, Shop Top Housing
- Options: Site used for at grade car park. Council could construct a multi level car park and use the freed up space for construction of a boarding house or residential flat building. Preliminary economic modelling suggests that sale of two thirds of dwellings would be required to support such an approach, so if the parking is currently heavily utilised and needs to be replaced, development may not be viable.



Figure 1-24: Chandos St Car Park

## 1.26 Corner Tathra Road and Sapphire Coast Drive

- Location: To the south east of the intersection of Tathra Road and Sapphire Coast Drive
- Ownership: Bega Valley Shire Council
- Zoning: E3 Environmental Management
- Area: 11.5 ha
- Constraints: Operational Land
- Current use: unused

- Accessibility: 3.8 km to Tathra B2 zone by bus
- Allowable relevant uses: none
- Options: An investigation area for residential development. Options for affordable housing may exist depending on the proposed zoning controls.



Figure 1-25: Lot 2 DP 1245874

## 1.27 Public Housing Potential Redevelopment Sites

The following list shows land in Bega and Eden that is in public housing ownership.

241 Auckland St	BEGA	15 Girraween Cres	BEGA	4 Laws Dr	BEGA
7 Blomfield Ave	BEGA	17 Girraween Cres	BEGA	11 Laws Dr	BEGA
1 Bunyarra Dr	BEGA	19 Girraween Cres	BEGA	37 Meringo St	BEGA
3 Bunyarra Dr	BEGA	21 Girraween Cres	BEGA	46 Meringo St	BEGA
6 Bunyarra Dr	BEGA	23 Girraween Cres	BEGA	48 Meringo St	BEGA
8 Bunyarra Dr	BEGA	29 Girraween Cres	BEGA	68 Meringo St	BEGA
10 Bunyarra Dr	BEGA	31 Girraween Cres	BEGA	70 Meringo St	BEGA
12 Bunyarra Dr	BEGA	33 Girraween Cres	BEGA	74 Meringo St	BEGA
14 Bunyarra Dr	BEGA	23 Glebe Ave	BEGA	77 Meringo St	BEGA
15 Bunyarra Dr	BEGA	29 Glebe Ave	BEGA	78 Meringo St	BEGA
25 Bunyarra Dr	BEGA	35 Glebe Ave	BEGA	79 Meringo St	BEGA
27 Bunyarra Dr	BEGA	2 Gowing Ave	BEGA	82 Meringo St	BEGA
1 Dandar Rd	BEGA	4 Gowing Ave	BEGA	88 Meringo St	BEGA
3 Dandar Rd	BEGA	9 Hart Cres	BEGA	157 Newtown Rd	BEGA
5 Dandar Rd	BEGA	33 Howard Ave	BEGA	162 Newtown Rd	BEGA
6 Dandar Rd	BEGA	35 Howard Ave	BEGA	171 Newtown Rd	BEGA
10 Dandar Rd	BEGA	37 Howard Ave	BEGA	173 Newtown Rd	BEGA
13 Dandar Rd	BEGA	39 Howard Ave	BEGA	12 Peden St	BEGA
14 Dandar Rd	BEGA	45 Howard Ave	BEGA	12 Peden St	BEGA
16 Dandar Rd	BEGA	53 Howard Ave	BEGA	8 Prospect St	BEGA
21 Dandar Rd	BEGA	55 Howard Ave	BEGA	91-93 Ravenswood St	BEGA
104 East St	BEGA	57 Howard Ave	BEGA	103 Ravenswood St	BEGA
108 East St	BEGA	2 Kielpa Pl	BEGA	105 Ravenswood St	BEGA
110 East St	BEGA	3 Kielpa Pl	BEGA	6 Spindler St	BEGA
112 East St	BEGA	4 Kielpa Pl	BEGA	Banks St	EDEN
114 East St	BEGA	6 Kielpa Pl	BEGA	1 Banks St	EDEN
116 East St	BEGA	7 Kielpa Pl	BEGA	3 Banks St	EDEN
120 East St	BEGA	8 Kielpa Pl	BEGA	8 Barclay St	EDEN
122 East St	BEGA	9 Kielpa Pl	BEGA	3 Botany St	EDEN
124 East St	BEGA	10 Kielpa Pl	BEGA	4 Botany St	EDEN
126 East St	BEGA	11 Kielpa Pl	BEGA	5 Botany St	EDEN
130 East St	BEGA	12 Kielpa Pl	BEGA	7 Botany St	EDEN
132 East St	BEGA	13 Kielpa Pl	BEGA	9 Botany St	EDEN
136 East St	BEGA	14 Kielpa Pl	BEGA	13 Botany St	EDEN
142 East St	BEGA	15 Kielpa Pl	BEGA	39 Bungo St	EDEN
15 Fairview St	BEGA	16 Kielpa Pl	BEGA	79 Bungo St	EDEN
1 Game Cres	BEGA	17 Kielpa Pl	BEGA	18 Calle Calle St	EDEN
2 Game Cres	BEGA	18 Kielpa Pl	BEGA	20 Calle Calle St	EDEN
4 Game Cres	BEGA	19 Kielpa Pl	BEGA	1 Clare Cres	EDEN
5 Game Cres	BEGA	1 Koolgarra Dr	BEGA	3 Clare Cres	EDEN
Girraween Cres	BEGA	5 Koolgarra Dr	BEGA	9 Clare Cres	EDEN
13 Girraween Cres	BEGA	11 Koolgarra Dr	BEGA		

15 Clare Cres	EDEN	4 Emblen St	EDEN	25 Moorhead St	EDEN
8 Cook Dr	EDEN	6 Emblen St	EDEN	27 Moorhead St	EDEN
12 Cook Dr	EDEN	10 Emblen St	EDEN	28 Moorhead St	EDEN
13 Cook Dr	EDEN	14 Emblen St	EDEN	29 Moorhead St	EDEN
14 Cook Dr	EDEN	17 Emblen St	EDEN	30 Moorhead St	EDEN
15 Cook Dr	EDEN	21 Emblen St	EDEN	31 Moorhead St	EDEN
17 Cook Dr	EDEN	1 Endeavour Ct	EDEN	32 Moorhead St	EDEN
18 Cook Dr	EDEN	2 Endeavour Ct	EDEN	34 Moorhead St	EDEN
22 Cook Dr	EDEN	3 Endeavour Ct	EDEN	70 Princes Hwy	EDEN
24 Cook Dr	EDEN	4 Endeavour Ct	EDEN	72 Princes Hwy	EDEN
25 Cook Dr	EDEN	27A Flinders St	EDEN	1 Rodd St	EDEN
26 Cook Dr	EDEN	102 Imlay St	EDEN	3 Rodd St	EDEN
29 Cook Dr	EDEN	151 Imlay St	EDEN	6 Rodd St	EDEN
31 Cook Dr	EDEN	37 Mitchell St	EDEN	8 Rodd St	EDEN
33 Cook Dr	EDEN	41 Mitchell St	EDEN	10 Rodd St	EDEN
37 Cook Dr	EDEN	4 Moorhead St	EDEN	12 Rodd St	EDEN
39 Cook Dr	EDEN	6 Moorhead St	EDEN	14 Rodd St	EDEN
41 Cook Dr	EDEN	8 Moorhead St	EDEN	16 Rodd St	EDEN
45 Cook Dr	EDEN	10 Moorhead St	EDEN	21 Rodd St	EDEN
47 Cook Dr	EDEN	14 Moorhead St	EDEN	3 Rose Ct	EDEN
4 Curalo St	EDEN	16 Moorhead St	EDEN	4 Rose Ct	EDEN
6 Curalo St	EDEN	17 Moorhead St	EDEN	7 Rose Ct	EDEN
8 Curalo St	EDEN	18 Moorhead St	EDEN	3 Young St	EDEN
10 Curalo St	EDEN	19 Moorhead St	EDEN	5 Young St	EDEN
12 Curalo St	EDEN	20 Moorhead St	EDEN	6 Young St	EDEN
13 Curalo St	EDEN	21 Moorhead St	EDEN		
34 Curalo St	EDEN	22 Moorhead St	EDEN		



# Appendix C: Economics of Redevelopment

## Overview

This section investigates planning and economic constraints to the development of Residential flat buildings, Multi dwelling housing and New Generation Boarding Houses within and around in the three major urban centres of Bega, Eden and Merimbula.

The following provides a summary of findings, followed by a detailed examination of opportunities within B2, B4 and R3 zones within and around these urban centres.

### B2 Zoned Land

Generally zoning is quite liberal, with apartment construction permissible with consent in all town centre areas, typically within walking distance of B2 zones and reduced setbacks in town centre areas.

Based on recent sales, there are few opportunities for redevelopment for shop top housing in Bega, Merimbula and Eden B2 zones due to high levels of development providing few opportunities for value uplift through redevelopment, noting there are likely to be some remaining low value sites which are developable. The situation in Eden is further confounded by the low value of commercial space, and whether high apartment sales price reflect sales in Eden CBD. Consequently, this zoning would not be expected to provide a significant number of apartments.

### B4 Zoned Land

B4 zoning provides opportunities for the development of Shop top housing, Multi dwelling housing and Residential flat buildings, as these are permissible with consent in this zone. However, development is constrained by clause 4.1A of BVLEP2013, which requires 250 m<sup>2</sup> of site area per dwelling in the B4 zone.<sup>1</sup> This reduced yield effectively excludes Residential flat buildings in the zone, noting that there appear to be a lack of this type of development despite our economic analysis indicating that it would be otherwise viable.

Development may also be hindered by the DCP requirement<sup>2</sup> that each dwelling at ground level must provide 50 m<sup>2</sup> of private outdoor space and each other dwelling must have 20 m<sup>2</sup> of communal open space. This is likely to be appropriate for two storey Multi dwelling housing, as for an FSR of 0.6:1 with a typical dwelling footprint of 50 m<sup>2</sup>, the proportion of the lot for dwelling and yard would be 60%, leaving 40% for setbacks, internal roads and at grade parking. However, these provisions are likely to adversely impact on apartment and villa development, due to the greater demand for parking from a higher density development. We would recommend that the DCP rely on the provisions of the Apartment Design Guide (noting that these are quite generous by comparison with traditional three storey walk-ups) and on setback requirements rather than provide more these more onerous requirements.

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<sup>1</sup> Assuming two-bedroom apartments of 70 m<sup>2</sup>, this is equivalent to an FSR of 0.28.

<sup>2</sup> Clause 3.4.

There appears to be a good quantity of developable B4 land in Bega. Merimbula B4 zoning lacks opportunities for development and consideration could be given to extending the B4 zones into the adjacent R3 zoned areas within 400 metres of the B2 zone, noting that once older housing in R3 zones is redeveloped for Multi dwelling housing, it will effectively be quarantined from development as Residential flat buildings in the future due to the high uplift required to support redevelopment. Alternatively controls in the R3 zone could be amended to increase the viability of Residential flat buildings, as discussed below.

While there are development sites in Eden, the extent of B4 zoning is limited, and again consideration could be given to extending the B4 zones into the adjacent R3 zoned areas within 400 metres of the B2 zone, or amending controls in the R3 zone, to increase supply and to avoid quarantining against future development for Residential flat buildings.

### R3 Zoned Land

Development for Multi dwelling housing in R3 zones is supported by economic modelling, and there appears to be a good supply of developable land in Bega, Merimbula and Eden. Modelling has not been carried out for Residential flat buildings, but the economics will be similar to the town houses modelled, and would also likely be viable. It is noted that the modelling conducted did not include the more limiting LEP and DCP controls outlined above, but used a 30% footprint to allow for set backs and open space requirements as well as a existing height limits and FSR (where appropriate).

As discussed above, development is constrained by clause 4.1A of BVLEP2013, which requires 250 m<sup>2</sup> of site area per dwelling in the R3 zone and the DCP open space requirements will adversely impact on the economics of villas and Residential flat buildings. There may also be excessive cost imposts from requirement that each dwelling at ground level must provide 50 m<sup>2</sup> of private outdoor space and each other dwelling must have 20 m<sup>2</sup> of communal open space.

The other major impediment to development is parking, due to high cost imposts and/or reduction in developable area, noting that the Bega DCP provides for reduced parking in town centre areas of one space per dwelling, without considering the varying household size and vehicle ownership in different sized apartments. The parking provision adversely impacts on smaller dwellings as yields on a block are maximised by delivering larger apartments due to greater amortisation of parking.

A lesser provision **based on actual vehicle ownership for smaller dwellings**, with a further discount for town centre location would be appropriate. Actual vehicle ownership in Bega Valley Shire for households in bedsits and one bedroom apartments is 0.7 vehicles, and a further reduction to 0.5 vehicles would be appropriate for town centre locations and provide an incentive for the development of such accommodation. For those in two bedroom apartments the actual rate is 1.0 vehicles per dwelling, and for three bedroom apartments the actual rate is 1.3 vehicles. As such, a more equitable provision would be 0.5 spaces for one bedroom apartments, 1 space for two bedroom apartments and 1.5 spaces for three bedroom apartments, which is likely to have the same net effect with regard to total spaces.

This is looked at in more detail below.

## Bega B2 zoning

Based on preliminary modelling, the B2 zoning in Bega does not support redevelopment for Shop top housing due to:

- High levels of onsite parking required for retail; and
- The relatively high value (and/or likely high level of development) of existing commercial space in Bega.

The Bega B2 zoned area is shown in the figure below.

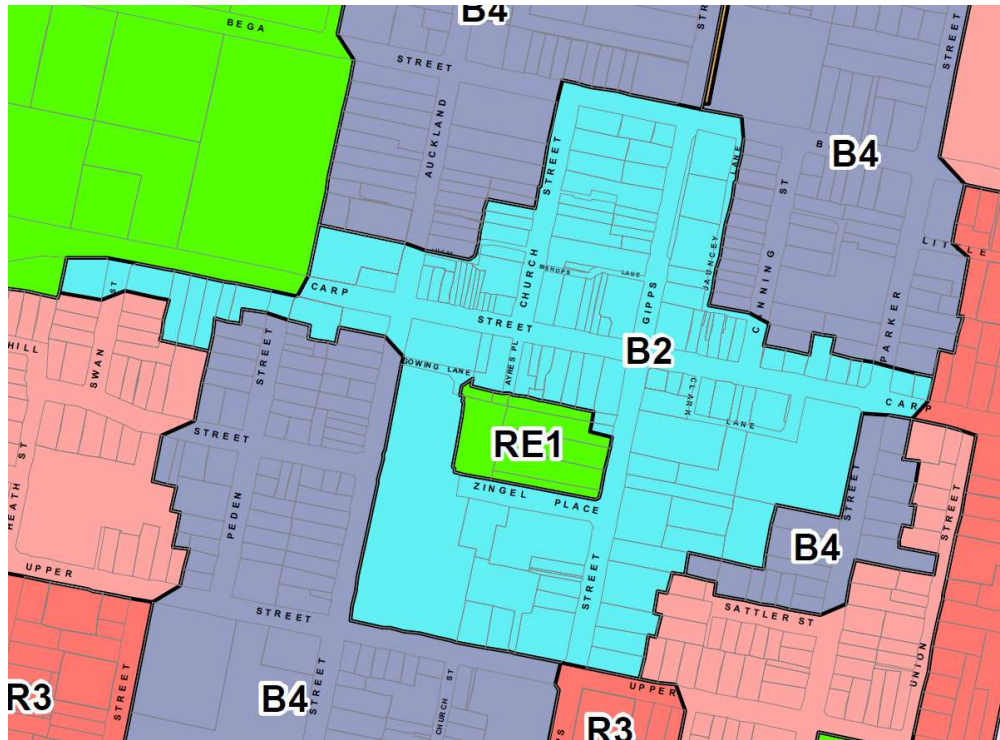


Figure 0.1: Bega B2 zoned area

Source: Bega Valley LEP 2013

Permissible residential uses in the zone are Boarding houses and Shop top housing. Residential flat buildings are prohibited.

The table below shows sales in the B2 zone for the last two years.

Table 0.1: Sales in Bega B2 zone since January 2020

Address	Sale price	Area	Price/m <sup>2</sup>
2 Swan St	\$5,650,000	1,856 m <sup>2</sup>	\$3,044
192 Carp St	\$1,865,000	410 m <sup>2</sup>	\$4,549
88 Gipps St	\$800,000	898 m <sup>2</sup>	\$891

Address	Sale price	Area	Price/m <sup>2</sup>
101 Carp St	\$375,000	405 m <sup>2</sup>	\$926
127 Carp St	\$460,000	405 m <sup>2</sup>	\$1,136
203 Carp St	\$425,000	193 m <sup>2</sup>	\$2,202
219 Carp St	\$400,000	310 m <sup>2</sup>	\$1,290

Source: EAC RedSquare Data Base, JSA calculation

The average price is \$2,005/m<sup>2</sup> with a standard deviation of \$1,268.

The only relevant development control is building height, which is typically 13 metres (three stories) and 16 metres (four stories) in selected areas.

Relevant DCP controls include setbacks (Figure 2.3), including a requirement for a 5 metre front setback above the first floor; and car parking (Table 5.5).

The following preliminary calculations assess the development viability of a case study site.<sup>3</sup>

### **88 Gipps St Bega**

Site is 20 metres X 45 metres deep with frontage to Gipps St and rear lane access from Clark Lane. This site is ideal for development as the rear lane simplifies the provision of car parking and contributes to the rear set back.

Zero setback is allowable on all frontages. Clarke Lane is about 6 metres wide and Gipps Street is about 20 metres wide.

Height is 13 metres (three stories).

The major constraint on development is the provision of parking. Allowing at grade parking at the rear of the lot, development would be limited to single storey commercial on 44% of the lot, or a commercial area of 400 m<sup>2</sup> requiring 16 parking spaces.

Higher levels of development would require construction of a parking station. Allowing for development across 50% of the lot:

Commercial 450 m<sup>2</sup>, 18 parking spaces

Residential two floors, 800 m<sup>2</sup>, 9 two bedroom apartments at 70 m<sup>2</sup>, 9 parking spaces.

Expenditure:

Site purchase \$ 800,000

Construction residential 630 m<sup>2</sup> @ \$4,000<sup>4</sup> \$ 2,520,000

<sup>3</sup> A more detailed calculation would require preparation of architectural plans and Quantity Surveyor costings.

<sup>4</sup> Using rates from Rawlinsons plus 50% allowance for GST, holding costs, financing, profit etc., medium standard, lifted.

Construction retail 450 m <sup>2</sup> @ \$1,500 <sup>5</sup>	\$ 675,000
Car Park 27 spaces at \$28,500	<u>\$ 769,500</u>
Total Cost	<u>\$ 4,764,500</u>
Income:	
Commercial 450 m <sup>2</sup> @ \$2,300 <sup>6</sup>	\$1,035,000
Residential 9 @ \$392,000 <sup>7</sup>	<u>\$3,528,000</u>
Total income	<u>\$4,563,000</u>
Margin: -4%	

It can be seen that the development is not viable. Major impacts include the high cost of providing car parking (16% of the cost estimate), and any reduction in parking requirements would improve viability, as would construction on a lower cost site or increased yield.

The calculation below assesses viability at a preliminary level if Residential flat buildings were permissible in the zone.

Residential three floors, 1,250 m<sup>2</sup>, 14 two bedroom apartments at 70 m<sup>2</sup>, 14 parking spaces (assumes at grade parking).

Expenditure:

Site purchase	\$ 800,000
Construction residential 980 m <sup>2</sup> @ \$4,000 <sup>8</sup>	\$ 3,920,000
Car Park 14 spaces at \$4,500	<u>\$ 63,000</u>
Total Cost	<u>\$ 4,783,000</u>
Income:	
Residential 14 @ \$392,000 <sup>9</sup>	<u>\$5,488,000</u>
Total income	<u>\$5,488,000</u>
Margin: 15%	

It can be seen that viability is sensitive to the inclusion of retail space due to the high parking demand, and the provision of at grade parking instead of a parking station.

The calculation below assesses viability at a preliminary level if four stories were allowable.

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<sup>5</sup> Using rates from Rawlinsons plus 50% allowance for GST, holding costs, financing, profit etc. Cost is for a retail shell ready to fit out.

<sup>6</sup> Based on sale of 192 Carp St, FSR around 2.0.

<sup>7</sup> Using median sales price for LGA due to lack of sales in Bega.

<sup>8</sup> Using rates from Rawlinsons plus 50% allowance for GST, holding costs, financing, profit etc., medium standard, lifted.

<sup>9</sup> Using median sales price for Bega adjusted to third quartile pro rata from LGA sales data.

Commercial 450 m<sup>2</sup>, 18 parking spaces

Residential three floors, 1,150 m<sup>2</sup>, 13 two bedroom apartments at 70 m<sup>2</sup>, 13 parking spaces.

Expenditure:

Site purchase	\$ 800,000
Construction residential 910 m <sup>2</sup> @ \$4,000 <sup>10</sup>	\$ 3,640,000
Construction retail 450 m <sup>2</sup> @ \$1,500 <sup>11</sup>	\$ 675,000
Car Park 31 spaces at \$28,500	<u>\$ 883,500</u>
Total Cost	<u>\$ 5,998,500</u>

Income:

Commercial 450 m <sup>2</sup> @ \$2,300 <sup>12</sup>	\$1,035,000
Residential 13 @ 392,000 <sup>13</sup>	<u>\$5,096,000</u>
Total income	<u>\$5,806,000</u>

Margin: 2%

Again, there is an improvement in viability by going to four stories, due to relative reductions in parking and greater amortisation of the purchase cost.

The following calculation assesses a Boarding House option. A building foot print of 50% is assumed, with parking in a parking station. Rooms are "New Generation" with self contained bathroom and kitchen.

Residential three floors, 1,250 m<sup>2</sup>, 35 self contained rooms at 25 m<sup>2</sup>, 18 parking spaces.

Expenditure:

Site purchase	\$ 800,000
Construction residential 1,250 m <sup>2</sup> @ \$4,000 <sup>14</sup>	\$ 5,000,000
Car Park 18 spaces at \$28,500	<u>\$ 513,000</u>
Total Cost	<u>\$ 6,313,000</u>

Annual Income:

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<sup>10</sup> Using rates from Rawlinsons plus 50% allowance for GST, holding costs, financing, profit etc., medium standard, lifted.

<sup>11</sup> Using rates from Rawlinsons plus 50% allowance for GST, holding costs, financing, profit etc.

<sup>12</sup> Based on sale of 192 Carp St, FSR around 2.0.

<sup>13</sup> Using median sales price for Bega adjusted to third quartile pro rata from LGA sales data.

<sup>14</sup> Using rates from Rawlinsons plus 50% allowance for GST, holding costs, financing, profit etc.,

Rental 35 rooms @ \$200 per week <sup>15</sup>	\$ 364,000
Less 20% for management and operation	<u>\$ 72,800</u>
Annual income	<u>\$ 291,200</u>
Rate of return	4.6%

Based on a current business investment loan rate of 4.8%, a boarding house is likely to be marginal. Costs could be reduced by allowing for lower amenity, reducing size and allowing at grade parking.

### Bega B4 zoning

Based on preliminary modelling disregarding minimum lot size per dwelling and open space requirements, the B4 zoning in Bega supports redevelopment for residential flat buildings and boarding houses due to an apparent supply of lower priced land, probably reflecting low levels of development in the zone. Development of residential flat buildings will be constrained by the requirement for the 250m<sup>2</sup> of site per dwelling in the LEP and the 50 m<sup>2</sup> of private open space per dwelling at ground level and 20 m<sup>2</sup> for other dwellings in the DCP. Extension of the zone would be likely to provide additional opportunities, noting that if areas zoned R3 are developed for multi dwelling housing, this would effectively quarantine the area from construction of residential flat buildings if it is later upzoned to allow residential flat buildings.

The Bega B4 zoned area is shown in the figure below. There is vacant B4 zoned land between Bega Street and Lagoon Street. We have assumed this land has not been developed as it is adjacent to the river and hence flood prone. The B4 zoned land is generally within 400 metres of the town centre, and so is within easy walking distance.

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<sup>15</sup> 80% of one bedroom median



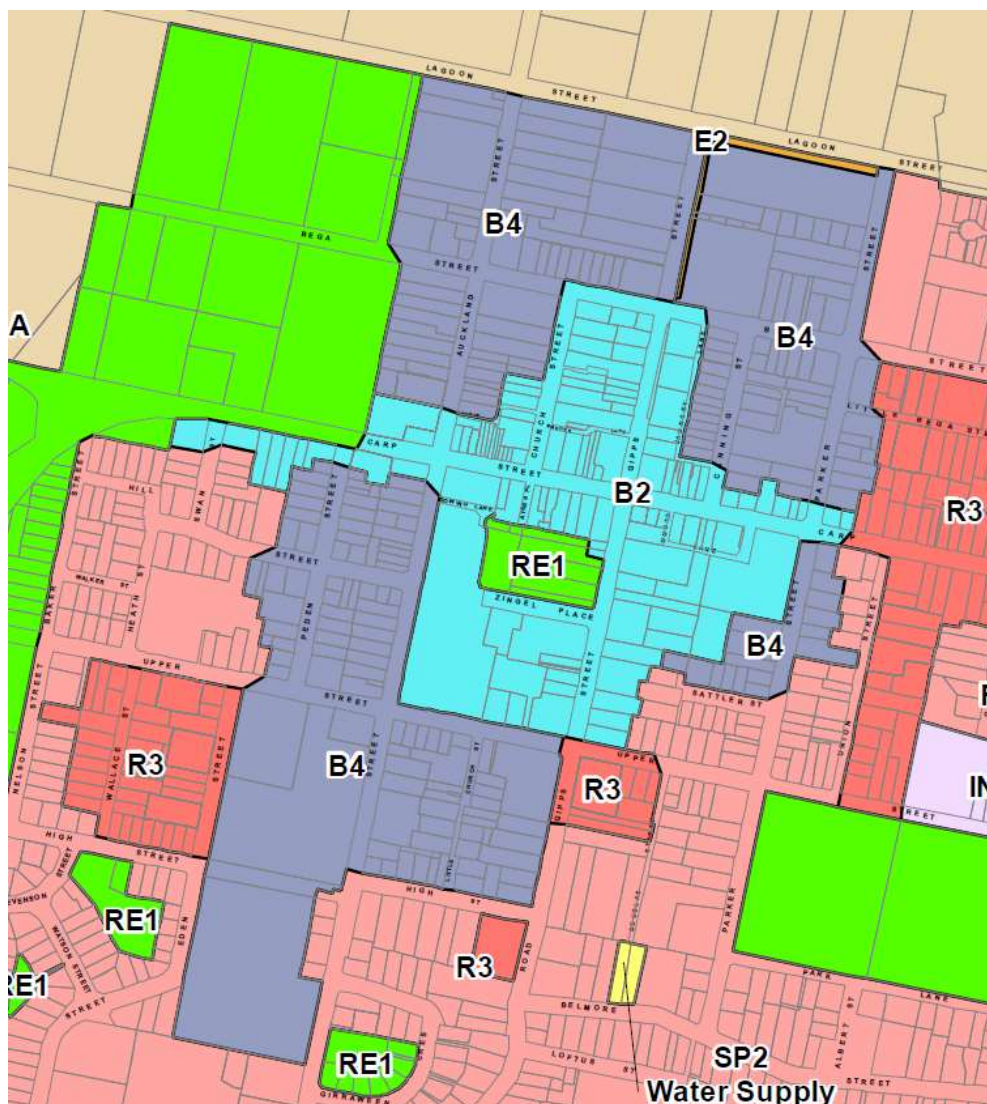


Figure 0.2: Bega B4 zoned area

Source: Bega Valley LEP 2013

Permissible residential uses in the zone are Boarding houses, Seniors housing and Shop top housing; as well as Residential flat buildings and multi dwellings housing by virtue of being an innominate use.

The table below shows sales in the B4 zone for the last year.

Table 0.2: Sales in Bega B4 zone since January 2020

Address	Sale price	Area	Price/m <sup>2</sup>
37 Auckland St	\$850,000	2,023 m <sup>2</sup>	\$420
51 Auckland St	\$330,000	1,385 m <sup>2</sup>	\$238



Address	Sale price	Area	Price/m <sup>2</sup>
83 Bega St	\$334,000	474 m <sup>2</sup>	\$704
77 Bega St	\$485,000	594 m <sup>2</sup>	\$816
71 Bega St	\$285,000	481 m <sup>2</sup>	\$592
5 Canning St	\$440,000	468 m <sup>2</sup>	\$940
44 Bega St	\$750,000	1,126 m <sup>2</sup>	\$666
25 Parker St	\$330,000	613 m <sup>2</sup>	\$538
27 Parker St	\$325,000	546 m <sup>2</sup>	\$595
37 Parker St	\$790,000	1,043 m <sup>2</sup>	\$757
36 Parker St	\$580,000	849 m <sup>2</sup>	\$683
34 Parker St	\$465,000	799 m <sup>2</sup>	\$582
52 Parker St	\$460,000	905 m <sup>2</sup>	\$508

Source: EAC RedSquare Data Base, JSA calculation

The average price is \$618/m<sup>2</sup> with a standard deviation of \$171/m<sup>2</sup>. Relevant development controls are building height, which is typically 13 metres (three stories) and 250m<sup>2</sup> of site area per dwelling.

Relevant DCP controls include a 3 metre setback to side, rear and front (Figure 2.3); and car parking (Table 5.5).

The following preliminary calculations assess the development viability of a case study site.<sup>16</sup>

#### **44 Bega St Bega**

Site is 30 metres X 40 metres deep with frontages to Bega Street and Parker Street. We have assumed a 30% site foot print for the building and that at grade parking can be provided at the rear of the development. Open space requirements are not considered.

Height is 13 metres (three stories).

Allowing for development across 30% of the lot:

**Residential three floors, 1,013 m<sup>2</sup>, 11 two bedroom apartments at 70 m<sup>2</sup>, 11 parking spaces.**

Expenditure:

<sup>16</sup> A more detailed calculation would require preparation of architectural plans and Quantity Surveyor costings.

Site purchase	\$ 750,000
Construction residential 770 m <sup>2</sup> @ \$3,300 <sup>17</sup>	\$ 2,541,000
Car Park 11 spaces at \$4,500	\$ <u>49,500</u>
Total Cost	<u>\$ 3,340,500</u>
Income:	
Residential 11 @ \$392,000 <sup>18</sup>	<u>\$4,312,000</u>
Total income	<u>\$4,312,000</u>
Margin: 29%	

Based on the assumptions above, redevelopment for residential flat buildings in B4 areas is likely to be feasible, and the estimate above would support higher quality development, including lifts and covered parking. Returns would be increased on a lower cost site.

The calculation below considers higher quality lifted apartments with covered parking.

**Residential three floors, 1,013 m<sup>2</sup>, 11 two bedroom apartments at 70 m<sup>2</sup>, 11 parking spaces.**

Expenditure:

Site purchase	\$ 750,000
Construction residential 770 m <sup>2</sup> @ \$4,000 <sup>19</sup>	\$ 3,080,000
Car Park 11 spaces at \$28,500	\$ <u>313,500</u>
Total Cost	<u>\$ 4,143,500</u>
Income:	
Residential 11 @ \$397,000 <sup>20</sup>	<u>\$4,312,000</u>
Total income	<u>\$4,312,000</u>
Margin: 4%	

The modelling suggests that a higher quality development is likely to be feasible.

The following calculation assesses a Boarding House option. A building foot print of 30% is assumed, with at grade parking.

**Residential three floors, 1,013 m<sup>2</sup>, 28 self contained rooms at 25 m<sup>2</sup>, 14 parking spaces.**

---

<sup>17</sup> Using rates from Rawlinsons plus 50% allowance for GST, holding costs, financing, profit etc., three storey walkups.

<sup>18</sup> Using median sales price for Bega adjusted to third quartile pro rata from LGA sales data.

<sup>19</sup> Using rates from Rawlinsons plus 50% allowance for GST, holding costs, financing, profit etc.,

<sup>20</sup> Using median sales price for Bega adjusted to third quartile pro rata from LGA sales data.

Expenditure:

Site purchase	\$ 750,000
Construction residential 1,013 m <sup>2</sup> @ \$3,300 <sup>21</sup>	\$ 3,342,900
Car Park 14 spaces at \$4,500	<u>\$ 63,000</u>
Total Cost	<u>\$ 4,155,900</u>
Annual Income:	
Rental 28 rooms @ \$200 per week <sup>22</sup>	\$ 291,200
Less 20% for management and operation	<u>\$ 58,240</u>
Annual income	<u>\$ 232,960</u>
Rate of return	5.6%

Based on a current business investment loan rate of 4.8%, a Boarding house is likely to be viable.

### Bega R3 zoning

The Bega R3 zoned area is shown in the figure below. The R3 zoned land is generally within 400 metres of the town centre, and so is within easy walking distance.

Based on the modelling below, redevelopment for multi dwelling housing in the R3 zone is feasible, and there appears to be an adequate stock of developable land.

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<sup>21</sup> Using rates from Rawlinsons plus 50% allowance for GST, holding costs, financing, profit etc.,

<sup>22</sup> 80% of one bedroom median

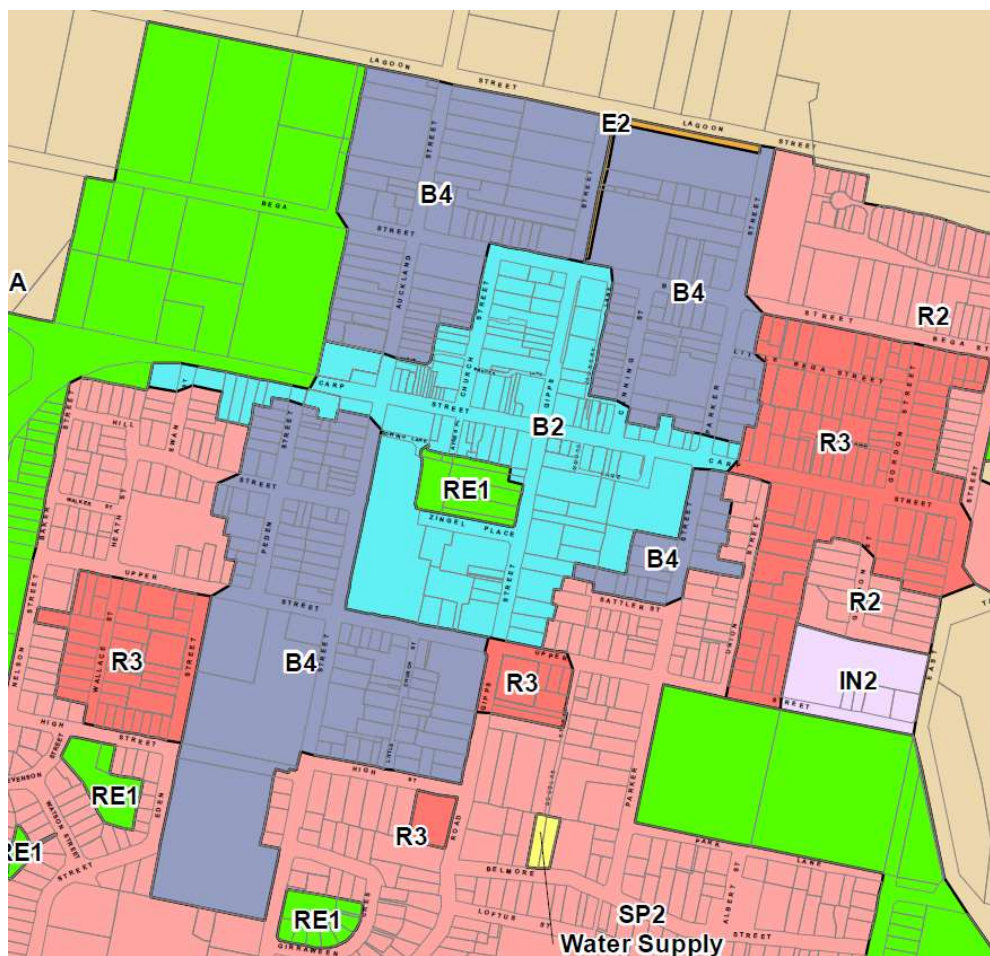


Figure 0.3: Bega R3 zoned area

Source: Bega Valley LEP 2013

Permissible residential uses in the zone are Boarding houses and Multi dwelling housing. Residential flat buildings are permissible by virtue of being an innominate use.

The table below shows sales in the R3 zone for the last year.

Table 0.3: Sales in Bega R3 zone since January 2020

Address	Sale price	Area	Price/m <sup>2</sup>
6 Bega St	\$510,000	531 m <sup>2</sup>	\$960
8 Bega St	\$439,000	708 m <sup>2</sup>	\$620
16 Gordon St	\$305,000	651 m <sup>2</sup>	\$469
27 Carp St	\$380,000	544 m <sup>2</sup>	\$699
2 Elliot Lane	\$497,000	2,191 m <sup>2</sup>	\$227
57 Carp St	\$425,000	1,594 m <sup>2</sup>	\$267

Address	Sale price	Area	Price/m <sup>2</sup>
42 Carp St	\$440,000	1,006 m <sup>2</sup>	\$437
18 Union St	\$297,000	1,110 m <sup>2</sup>	\$268
64 Upper St	\$540,000	594 m <sup>2</sup>	\$909
108 Upper St	\$275,000	626 m <sup>2</sup>	\$439

Source: EAC RedSquare Data Base, JSA calculation

Relevant development controls are FSR of 0.6:1, building height of 10 metres, 250 m<sup>2</sup> of site per dwelling<sup>23</sup> and minimum lot size of 1,000 m<sup>2</sup>.

Relevant DCP controls include 50 m<sup>2</sup> of open space at ground level; a 6 metre setback to front; and car parking (Table 5.5).

The following preliminary calculations assess the development viability of a case study site.<sup>24</sup>

#### **42 Carp St Bega**

Site is 17 metres X 60 metres deep with frontage to Carp Street. We have assumed a 30% site footprint for the building and town house construction with one parking space as a garage and the other provided as at grade.

Height is 10 metres, and the FSR allows for two stories.

Allowing for development across 30% of the lot:

Residential area, 600 m<sup>2</sup>, 5 three bedroom townhouses at 120 m<sup>2</sup> including garage, 7 external parking spaces.

Expenditure:

Site purchase	\$ 440,000
Construction residential 600 m <sup>2</sup> @ \$3,300 <sup>25</sup>	\$ 1,980,000
Car Park 7 spaces at \$4,500	\$ 31,500
Total Cost	<u>\$ 2,451,500</u>

Income:

Residential 5 @ \$575,000 <sup>26</sup>	<u>\$2,875,000</u>
Total income	<u>\$2,875,000</u>

Margin: 17%

<sup>23</sup> Not considered in modelling

<sup>24</sup> A more detailed calculation would require preparation of architectural plans and Quantity Surveyor costings.

<sup>25</sup> Using rates from Rawlinsons plus 50% allowance for GST, holding costs, financing, profit etc., medium standard town house.

<sup>26</sup> Using third quartile sales price for the LGA.

Based on the assumptions above, redevelopment for townhouses in R3 areas is likely to be feasible, noting that the assumption of third quartile sales price might be optimistic as the price is influenced by higher value coastal areas. Returns would be increased on a lower cost site.

The following calculation assesses a Boarding House option. A building foot print of 30% is assumed, with at grade parking. There is bonus FSR under SEPP (Affordable Rental Housing) allowing for full use of the 10 metres height.

Residential three floors, 1,013 m<sup>2</sup>, 28 self contained rooms at 25 m<sup>2</sup>, 14 parking spaces.

Expenditure:

Site purchase	\$ 440,000
Construction residential 905 m <sup>2</sup> @ \$3,300 <sup>27</sup>	\$ 2,986,500
Car Park 14 spaces at \$4,500	<u>\$ 63,000</u>
Total Cost	<u>\$ 3,489,500</u>

Annual Income:

Rental 28 rooms @ \$200 per week <sup>28</sup>	\$ 291,200
Less 20% for management and operation	<u>\$ 58,240</u>
Annual income	<u>\$ 232,960</u>
Rate of return	6.7%

Based on a current business investment loan rate of 4.8%, a Boarding house is likely to be viable.

## Merimbula B2 zoning

The Merimbula B2 zoned area is shown in the figure below.

There appear to be limited opportunities for residential development in the Merimbula B2 zone, due to high land values, probably reflecting a high level of development. One lower value site was identified which could be developable.

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<sup>27</sup> Using rates from Rawlinsons plus 50% allowance for GST, holding costs, financing, profit etc.,

<sup>28</sup> 80% of one bedroom median

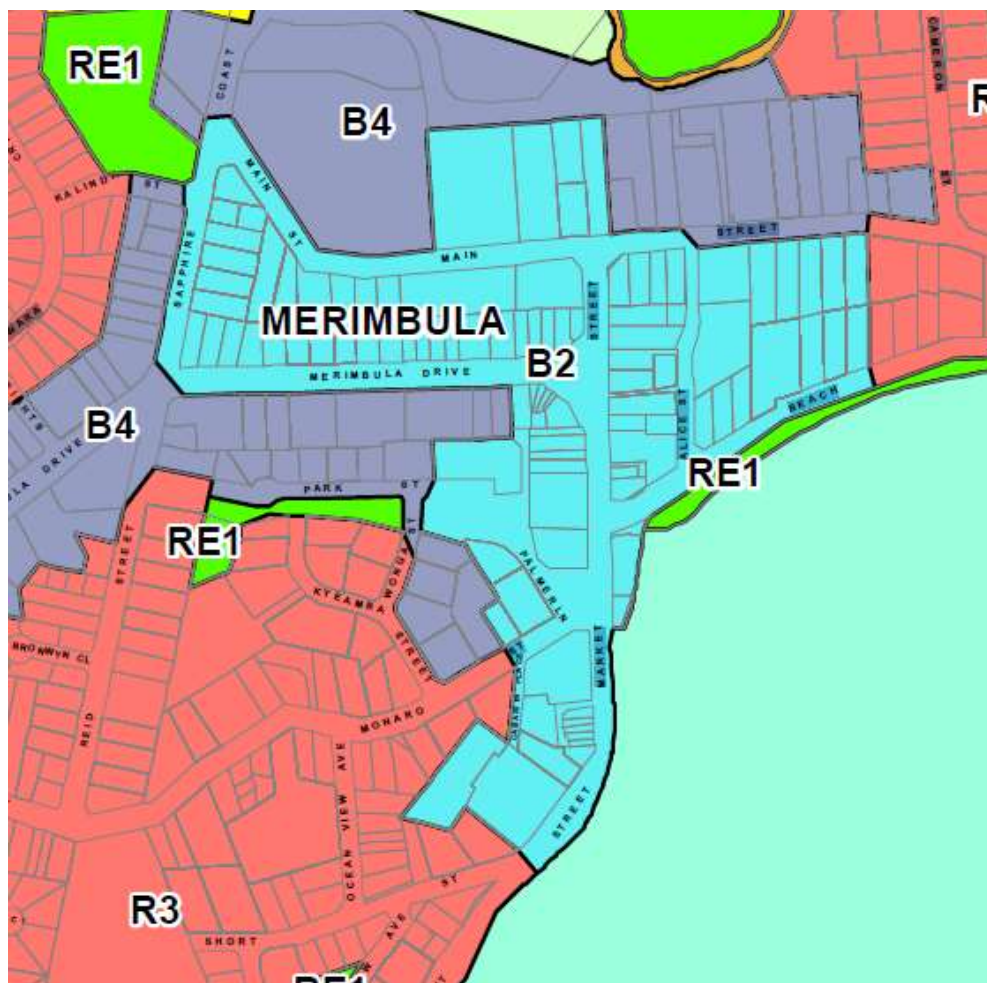


Figure 0.4: Merimbula B2 zoned area

Source: Bega Valley LEP 2013

Allowable residential uses in the zone are boarding houses and shop top housing. Residential flat buildings are not permitted.

The table below shows sales in the B2 zone for the last two years.

Table 0.4: Sales in Merimbula B2 zone since January 2020

Address	Sale price	Area	Price/m <sup>2</sup>
10 Sapphire Coast Drive	\$420,000	1,012 m <sup>2</sup>	\$415
27 Merimbula Drive	\$1,100,000	765 m <sup>2</sup>	\$1,438
17 Merimbula Drive	\$1,000,000	1,033 m <sup>2</sup>	\$968
56 Market St	\$1,065,000	904 m <sup>2</sup>	\$1,178

Source: EAC RedSquare Data Base, JSA calculation

The average sales price is \$1,000/m<sup>2</sup> with a standard deviation of \$376/m<sup>2</sup>.

The only relevant development control is building height, which is typically 13 metres (three stories) and 10 metres in foreshore areas.

Relevant DCP controls include setbacks (Figure 2.8), including a requirement for a 5 metre front setback above the first floor; and car parking (Table 5.5).

The following preliminary calculations assess the development viability of a case study site.<sup>29</sup>

### **17 Merimbula Drive, Merimbula**

Site is 26 metres X 40 metres deep with frontage to Merimbula Drive.

Zero setback is allowable on all frontages.

Height is 13 metres (three stories).

The major constraint on development is the provision of parking. Allowing at grade parking at the rear of the lot, development would be limited to single storey commercial on 50% of the lot, or a commercial area of 500 m<sup>2</sup> requiring 20 parking spaces.

Higher levels of development would require construction of a parking station. Allowing for development across 50% of the lot:

#### **Commercial 500 m<sup>2</sup>, 20 parking spaces**

Residential two floors, 870 m<sup>2</sup>, 10 two bedroom apartments at 70 m<sup>2</sup>, 10 parking spaces.

Expenditure:

Site purchase	\$ 1,000,000
Construction residential 700 m <sup>2</sup> @ \$4,000 <sup>30</sup>	\$ 2,800,000
Construction retail 500 m <sup>2</sup> @ \$1,500 <sup>31</sup>	\$ 750,000
Car Park 30 spaces at \$28,500	<u>\$ 855,000</u>
Total Cost	<u>\$ 5,405,000</u>

Income:

Commercial 500 m <sup>2</sup> @ \$1,700 <sup>32</sup>	\$ 850,000
Residential 10 @ \$345,000 <sup>33</sup>	<u>\$3,450,000</u>
Total income	<u>\$4,300,000</u>

Margin: -21%

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<sup>29</sup> A more detailed calculation would require preparation of architectural plans and Quantity Surveyor costings.

<sup>30</sup> Using rates from Rawlinsons plus 50% allowance for GST, holding costs, financing, profit etc., medium standard, lifted.

<sup>31</sup> Using rates from Rawlinsons plus 50% allowance for GST, holding costs, financing, profit etc. Cost is for a retail shell ready to fit out.

<sup>32</sup> Based on sale of 17 Merimbula Drive, two storeys, footprint scaled at 300 m<sup>2</sup>.

<sup>33</sup> Using third quartile sales price for Merimbula.



It can be seen that the development is unlikely to be viable, probably because of the higher value or level of development of commercial property in Merimbula.

The calculation below assesses viability at a preliminary level if four stories were allowable.

**Commercial 500 m<sup>2</sup>, 20 parking spaces**

Residential three floors, 1,260 m<sup>2</sup>, 14 two bedroom apartments at 70 m<sup>2</sup>, 14 parking spaces.

Expenditure:

Site purchase	\$ 1,000,000
Construction residential 980 m <sup>2</sup> @ \$4,000 <sup>34</sup>	\$ 3,920,000
Construction retail 500 m <sup>2</sup> @ \$1,500 <sup>35</sup>	\$ 750,000
Car Park 34 spaces at \$28,500	<u>\$ 969,000</u>
Total Cost	<u>\$ 6,639,000</u>

Income:

Commercial 500 m <sup>2</sup> @ \$1,700 <sup>36</sup>	\$ 850,000
Residential 14 @ \$345,000 <sup>37</sup>	<u>\$4,830,000</u>
Total income	<u>\$5,680,000</u>

Margin: -16%

There is a slight improvement in viability by going to four stories, due to relative reductions in parking and greater amortisation of the purchase cost.

The following calculation assesses a Boarding House option. A building foot print of 50% is assumed, with parking in a parking station. Rooms are “New Generation” with self contained bathroom and kitchen.

**Residential three floors, 1,370 m<sup>2</sup>, 38 self contained rooms at 25 m<sup>2</sup>, 19 parking spaces.**

Expenditure:

Site purchase	\$ 1,000,000
Construction residential 1,370 m <sup>2</sup> @ \$4,000 <sup>38</sup>	\$ 5,480,000
Car Park 20 spaces at \$28,500	<u>\$ 541,500</u>
Total Cost	<u>\$ 7,021,500</u>

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<sup>34</sup> Using rates from Rawlinsons plus 50% allowance for GST, holding costs, financing, profit etc., medium standard lifted.

<sup>35</sup> Using rates from Rawlinsons plus 50% allowance for GST, holding costs, financing, profit etc. Cost is for a retail shell ready to fit out.

<sup>36</sup> Based on sale of 17 Merimbula Drive, two storeys, footprint scaled at 300 m<sup>2</sup>.

<sup>37</sup> Using third quartile sales price for Merimbula.

<sup>38</sup> Using rates from Rawlinsons plus 50% allowance for GST, holding costs, financing, profit etc.,

Annual Income:

Rental 40 rooms @ \$200 per week <sup>39</sup>	\$ 395,200
Less 20% for management and operation	\$ 79,040
Annual income	\$ 316,160
Rate of return	4.5%

Based on a current business investment loan rate of 4.8%, a boarding house is likely to be marginal. Costs could be reduced by allowing for lower amenity, reducing size and allowing at grade parking.

### Merimbula B4 zoning

The Merimbula B4 zoned area is shown in the figure below. The B4 zoned land is generally within 400 metres of the town centre, and so is within easy walking distance.

The economic modelling shows redevelopment for residential flat buildings is supported,<sup>40</sup> however there appears to be a lack of developable sites. Consideration could be given to expanding the B4 zoning into the adjacent areas zoned R3.

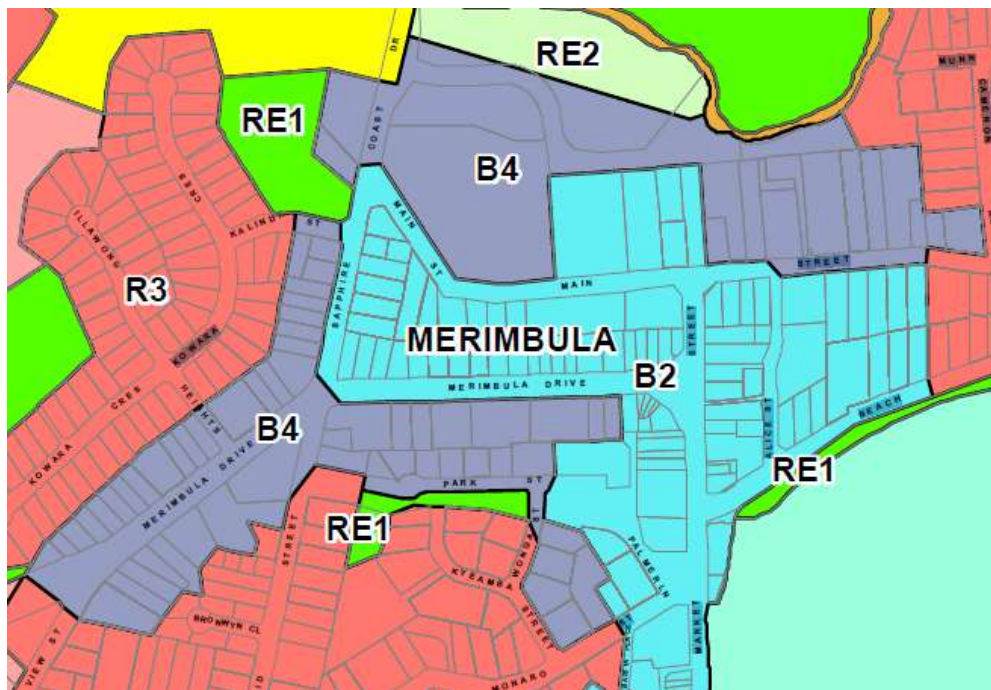


Figure 0.5: Merimbula B4 zoned area

Source: Bega Valley LEP 2013

Allowable residential uses in the zone are boarding houses and shop top housing. Residential flat buildings are an innominate use.

The table below shows sales in the B4 zone for the last year.

<sup>39</sup> 80% of one bedroom median

<sup>40</sup> Disregarding minimum lot size per dwelling and open space requirements.

Table 0.5: Sales in Merimbula B4 zone since January 2019

Address	Sale price	Area	Price/m <sup>2</sup>
69 Merimbula Drive	\$480,000	746 m <sup>2</sup>	\$643

Source: EAC RedSquare Data Base, JSA calculation

Many of the lots are strata title, so that it is likely that much of the area has been extensively redeveloped for multi dwelling housing, residential flat buildings or shop top housing.

Relevant development controls are building height, which is typically 13 metres (three stories) and 250m<sup>2</sup> of site area per dwelling.

Relevant DCP controls include a 3 metre setback to side, rear and front (Figure 2.3); and car parking (Table 5.5).

The following preliminary calculations assess the development viability of a case study site.<sup>41</sup>

#### **69 Merimbula Drive Merimbula**

Site is 11 metres X 50 metres deep with frontage to Merimbula Drive. We have assumed a 30% site foot print for the building and that at grade parking can be provided at the rear of the development.

Height is 10 metres (two stories).

Allowing for development across 30% of the lot:

**Residential two floors, 450 m<sup>2</sup>, 5 two bedroom apartments at 70 m<sup>2</sup>, 5 parking spaces.**

Expenditure:

Site purchase	\$ 480,000
Construction residential 350 m <sup>2</sup> @ \$3,300 <sup>42</sup>	\$ 1,155,000
Car Park 5 spaces at \$4,500	<u>\$ 22,500</u>
Total Cost	<u>\$ 1,657,500</u>

Income:

Residential 5 @ \$345,000 <sup>43</sup>	<u>\$1,725,000</u>
Total income	<u>\$1,725,000</u>

<sup>41</sup> A more detailed calculation would require preparation of architectural plans and Quantity Surveyor costings.

<sup>42</sup> Using rates from Rawlinsons plus 50% allowance for GST, holding costs, financing, profit etc., three storey walkups.

<sup>43</sup> Using third quartile sales price for Merimbula.

Margin: 4%

Based on the assumptions above, redevelopment for residential flat buildings in B4 areas is likely to be feasible, and the development uplift is reflected in pricing of land sales.

The following calculation assesses a Boarding House option. A building foot print of 30% is assumed, with at grade parking.

**Residential two floors, 450 m<sup>2</sup>, 13 self contained rooms at 25 m<sup>2</sup>, 7 parking spaces.**

Expenditure:

Site purchase	\$ 480,000
Construction residential 450 m <sup>2</sup> @ \$3,300 <sup>44</sup>	\$ 1,485,000
Car Park 7 spaces at \$4,500	<u>\$ 31,500</u>
Total Cost	<u>\$ 1,996,500</u>
Annual Income:	
Rental 13 rooms @ \$200 per week <sup>45</sup>	\$ 135,200
Less 20% for management and operation	<u>\$ 27,040</u>
Annual income	<u>\$ 108,160</u>
Rate of return	5.4%

Based on a current business investment loan rate of 4.8%, a Boarding house is likely to be viable.

### Merimbula R3 zoning

The Merimbula R3 zoned area is shown in the figure below. The R3 zoned land is generally within 400 metres of the town centre, and so is within easy walking distance.

Generally, development for townhouses is likely to be viable, and underlying land values suggest that this value uplift has been factored into land prices.

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<sup>44</sup> Using rates from Rawlinsons plus 50% allowance for GST, holding costs, financing, profit etc.,

<sup>45</sup> 80% of one bedroom median

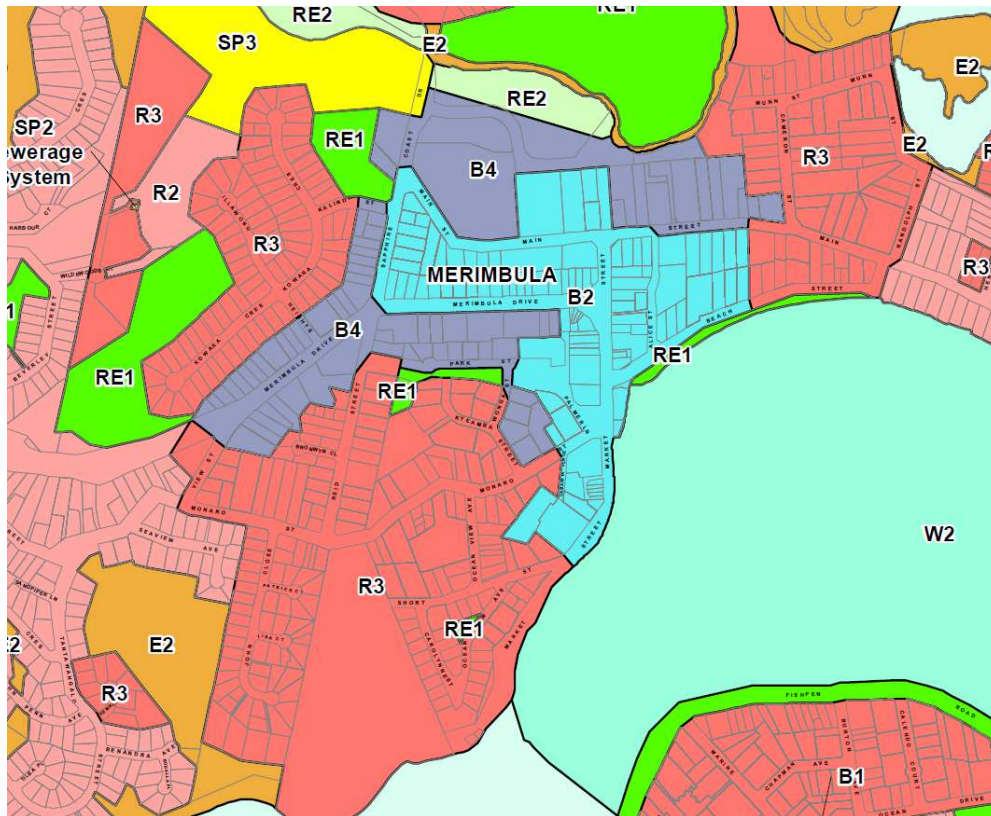


Figure 0.6: Merimbula R3 zoned area

Source: Bega Valley LEP 2013

Permissible residential uses in the zone are Boarding houses and Multi dwelling housing. Residential flat buildings are permissible by virtue of being an innominate use.

The table below shows sales in the R3 zone for the last year.

Table 0.6: Sales in Merimbula R3 zone since March 2020

Address	Sale price	Area	Price/m <sup>2</sup>
36 Munn St	\$610,000	1,569 m <sup>2</sup>	\$389
5a Beach St	\$1,100,000	290 m <sup>2</sup>	\$3,793
16 Munn St	\$915,000	1,707 m <sup>2</sup>	\$536
40 Kowara St	\$525,000	778 m <sup>2</sup>	\$675
52 Kowara St	\$212,500	759 m <sup>2</sup>	\$280
55 Kowara St	\$725,000	986 m <sup>2</sup>	\$735
19 Illawong Heights	\$529,000	1,284 m <sup>2</sup>	\$411

Address	Sale price	Area	Price/m <sup>2</sup>
31 Monaro St	\$750,000	2,276 m <sup>2</sup>	\$330
8 Ocean View Ave	\$715,000	734 m <sup>2</sup>	\$974
7 Short St	\$1,032,000	765 m <sup>2</sup>	\$1,349
4 Short St	\$375,000	601 m <sup>2</sup>	\$624
11 Ocean View Ave	\$800,000	923 m <sup>2</sup>	\$867
16 Monaro St	\$867,500	728 m <sup>2</sup>	\$1,192
30 Monaro St	\$780,000	746 m <sup>2</sup>	\$1,046
21 John Close	\$260,000	705 m <sup>2</sup>	\$369
35 John Close	\$1,045,000	976 m <sup>2</sup>	\$1,071
5b Lisa Close	\$595,000	381 m <sup>2</sup>	\$1,562

Source: EAC Redsquare Data Base, JSA calculation

The average sales price is \$953/m<sup>2</sup> with a standard deviation of \$800/m<sup>2</sup>.

Relevant development controls are FSR of 0.6:1, building height of 10 metres, 250 m<sup>2</sup> of site per dwelling<sup>46</sup> and minimum lot size of 1,000 m<sup>2</sup>.

Relevant DCP controls include 50 m<sup>2</sup> of open space at ground level; a 6 metre setback to front; and car parking (Table 5.5).

The following preliminary calculations assess the development viability of a case study site.<sup>47</sup>

### **55 Kowara Street, Merimbula**

The site has a frontage to Kowara Street. We have assumed a 30% site foot print for the building and town house construction with one parking space as a garage and the other as at grade.

Height is 10 metres, and the FSR allows for two stories.

Allowing for development across 30% of the lot:

**Residential area, 592 m<sup>2</sup>, 5 three bedroom townhouses at 120 m<sup>2</sup> including garage, 7 external parking spaces.**

Expenditure:

Site purchase \$ 725,000

<sup>46</sup> Not considered in modelling

<sup>47</sup> A more detailed calculation would require preparation of architectural plans and Quantity Surveyor costings.

Construction residential 592 m <sup>2</sup> @ \$3,300 <sup>48</sup>	\$ 1,953,600
Car Park 7 spaces at \$4,500	\$ <u>31,500</u>
Total Cost	<u>\$ 2,710,100</u>
Income:	
Residential 5 @ \$541,000 <sup>49</sup>	<u>\$2,705,000</u>
Total income	<u>\$2,705,000</u>
Margin: 0%	

Based on the assumptions above, redevelopment for townhouses in R3 areas is likely to be feasible, and the development uplift is reflected in pricing of land sales. Returns would be increased on a lower cost site.

The following calculation assesses a Boarding House option. A building foot print of 30% is assumed, with at grade parking. There is bonus FSR under SEPP (Affordable Rental Housing) allowing for full use of the 10 metres height.

**Residential three floors, 887 m<sup>2</sup>, 25 self contained rooms at 25 m<sup>2</sup>, 13 parking spaces.**

Expenditure:	
Site purchase	\$ 725,000
Construction residential 887 m <sup>2</sup> @ \$3,300 <sup>50</sup>	\$ 2,927,100
Car Park 13 spaces at \$4,500	\$ <u>58,500</u>
Total Cost	<u>\$ 3,710,600</u>
Annual Income:	
Rental 25 rooms @ \$200 per week <sup>51</sup>	\$ 260,000
Less 20% for management and operation	\$ <u>52,000</u>
Annual income	<u>\$ 208,000</u>
Rate of return	5.6%

Based on a current business investment loan rate of 4.8%, a boarding house is likely to be viable.

## Eden B2 zoning

The Eden B2 zoned area is shown in the figure below.

Based on preliminary modelling, development for Shop top housing is viable, although the third quartile sales price is quite high and may overstate values in Eden CBD. Using the LGA third

<sup>48</sup> Using rates from Rawlinsons plus 50% allowance for GST, holding costs, financing, profit etc., three storey walkups.

<sup>49</sup> Using third quartile sales price for the suburb.

<sup>50</sup> Using rates from Rawlinsons plus 50% allowance for GST, holding costs, financing, profit etc.,

<sup>51</sup> 80% of one bedroom median



quartile sales price of \$392,000, the margin is close to zero, and this margin would suggest that value uplift is built into the sales price of land. The feasibility of redevelopment for mixed use development is adversely impacted by the apparent low value of commercial floor space in Eden, with sales barely recouping construction cost.

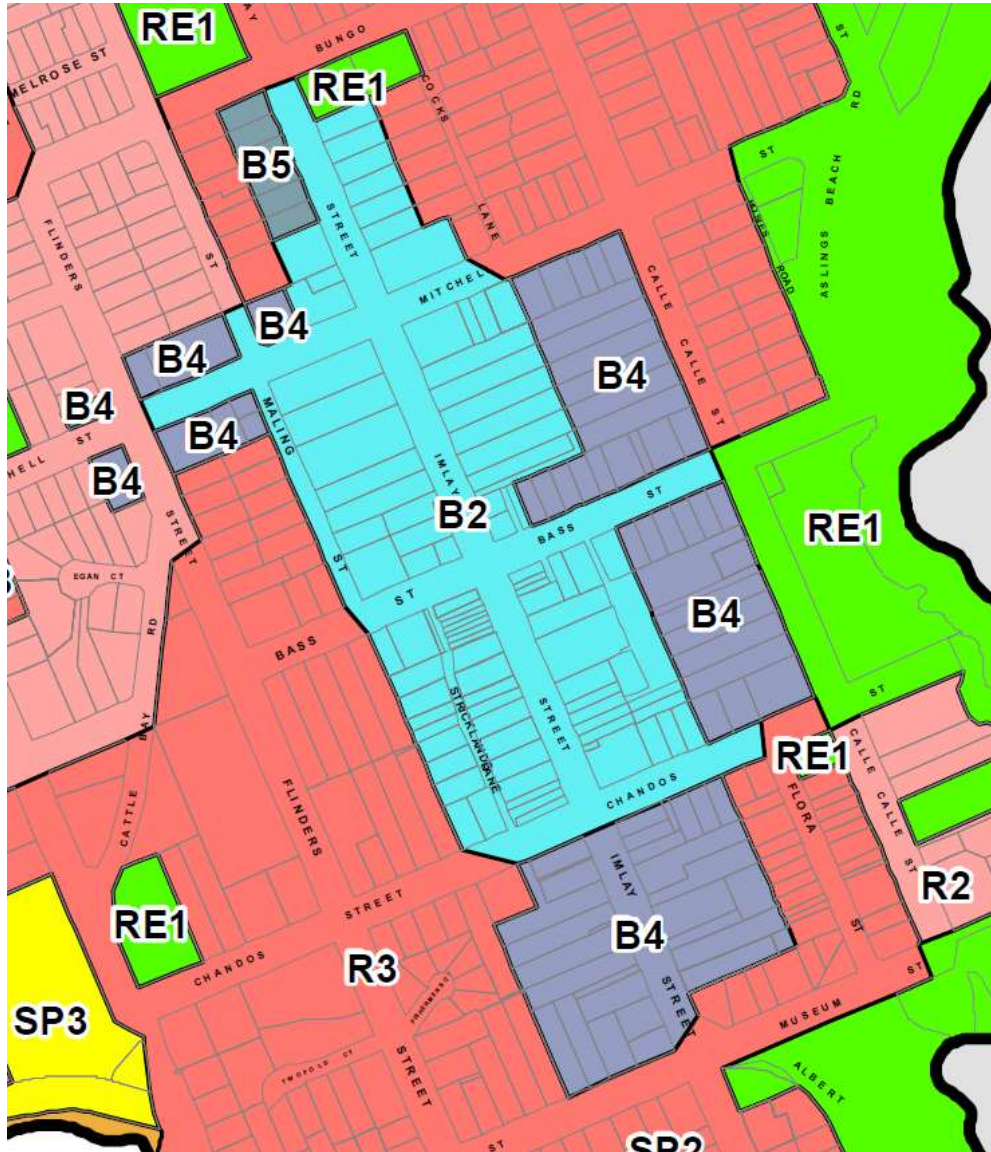


Figure 0.7: Eden B2 zoned area

Source: Bega Valley LEP 2013

Allowable residential uses in the zone are boarding houses and shop top housing. Residential flat buildings are not permitted.

The table below shows sales in the B2 zone for the last two years.



Table 0.7: Sales in Eden B2 zone since March 2020

Address	Sale price	Area	Price/m <sup>2</sup>
189 Imlay St	\$350,000	202 m <sup>2</sup>	\$1,733
181 Imlay St	\$420,000	409 m <sup>2</sup>	\$1,027
157 Imlay St	\$470,000	1,581 m <sup>2</sup>	\$297
136 Imlay St	\$1,400,000	854 m <sup>2</sup>	\$1,639
142 Imlay St	\$150,000	2,886 m <sup>2</sup>	\$52
156 Imlay St	\$5,000,000	2,023 m <sup>2</sup>	\$2,472

Source: EAC RedSquare Data Base, JSA calculation

The average sales price is \$1,203/m<sup>2</sup> with a standard deviation of \$842/m<sup>2</sup>.

The only relevant development control is building height, which is typically 13 metres (three stories).

Relevant DCP controls include setbacks (Figure 2.4), including a requirement for a 5 metre front setback above the first floor; and car parking (Table 5.5).

The following preliminary calculations assess the development viability of a case study site.<sup>52</sup>

### **157 Imlay St, Eden**

Site is 25 metres X 50 metres deep with frontage to Imlay Street and Mitchell Street. This site is ideal for development as the side access simplifies the provision of car parking and contributes to the set back requirements of the Apartment Design Guide.

Zero setback is allowable on all frontages.

Height is 13 metres (three stories).

The major constraint on development is the provision of parking. Allowing at grade parking at the rear of the lot, development would be limited to single storey commercial on 55% of the lot, or a commercial area of 750 m<sup>2</sup> requiring 30 parking spaces.

Higher levels of development would require construction of a parking station. Allowing for development across 50% of the lot:

Commercial 790 m<sup>2</sup>, 32 parking spaces

**Residential two floors, 1,230 m<sup>2</sup>, 14 two bedroom apartments at 70 m<sup>2</sup>, 14 parking spaces.**

<sup>52</sup> A more detailed calculation would require preparation of architectural plans and Quantity Surveyor costings.

Expenditure:

Site purchase	\$ 470,000
Construction residential 980 m <sup>2</sup> @ \$4,000 <sup>53</sup>	\$ 3,920,000
Construction retail 790 m <sup>2</sup> @ \$1,500 <sup>54</sup>	\$ 1,185,000
Car Park 46 spaces at \$28,500	<u>\$ 1,311,000</u>
Total Cost	<u>\$ 6,886,000</u>

Income:

Commercial 790 m <sup>2</sup> @ \$1,700 <sup>55</sup>	\$1,343,000
Residential 14 @ \$544,000 <sup>56</sup>	<u>\$7,616,000</u>
Total income	<u>\$8,959,000</u>

Margin: 30%

Development is viable, although the third quartile sales price is quite high and may overstate values in Eden CBD. Using the LGA third quartile sales price of \$392,000, the margin is close to zero, and this margin would suggest that value uplift is built into the sales price of land.

The following calculation assesses a Boarding House option. A building foot print of 50% is assumed, with parking in a parking station. Rooms are “New Generation” with self contained bathroom and kitchen.

**Residential three floors, 2,020 m<sup>2</sup>, 57 self contained rooms at 25 m<sup>2</sup>, 29 parking spaces.**

Expenditure:

Site purchase	\$ 470,000
Construction residential 2,020 m <sup>2</sup> @ \$4,000 <sup>57</sup>	\$ 8,080,000
Car Park 29 spaces at \$28,500	<u>\$ 826,500</u>
Total Cost	<u>\$ 9,376,500</u>

Annual Income:

Rental 57 rooms @ \$200 per week <sup>58</sup>	\$ 592,800
Less 20% for management and operation	<u>\$ 118,560</u>
Annual income	<u>\$ 474,240</u>

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<sup>53</sup> Using rates from Rawlinsons plus 50% allowance for GST, holding costs, financing, profit etc., medium standard lifted.

<sup>54</sup> Using rates from Rawlinsons plus 50% allowance for GST, holding costs, financing, profit etc. Cost is for a retail shell ready to fit out.

<sup>55</sup> Based on sale of 189 Imlay St, FSR around 1.0.

<sup>56</sup> Third quartile sales price for Eden.

<sup>57</sup> Using rates from Rawlinsons plus 50% allowance for GST, holding costs, financing, profit etc.,

<sup>58</sup> 80% of one bedroom median

Rate of return

5.1%

Based on a current business investment loan rate of 4.8%, a boarding house is likely to be marginal. Costs could be reduced by allowing for lower amenity, reducing size and allowing at grade parking.

### **Eden B4 zoning**

The Eden B4 zoned area is shown in the figure below. The B4 zoned land is generally within 400 metres of the town centre, and so is within easy walking distance.

Economic modelling supports redevelopment for Residential flat buildings in this zone. Development of residential flat buildings will be constrained by the requirement for the 250m<sup>2</sup> of site per dwelling in the LEP and the 50 m<sup>2</sup> of private open space per dwelling at ground level and 20 m<sup>2</sup> for other dwellings in the DCP. Extension of the zone would be likely to provide additional opportunities, noting that if areas zoned R3 are developed for multi dwelling housing, this would effectively quarantine the area from construction of residential flat buildings if it is later upzoned to allow residential flat buildings.

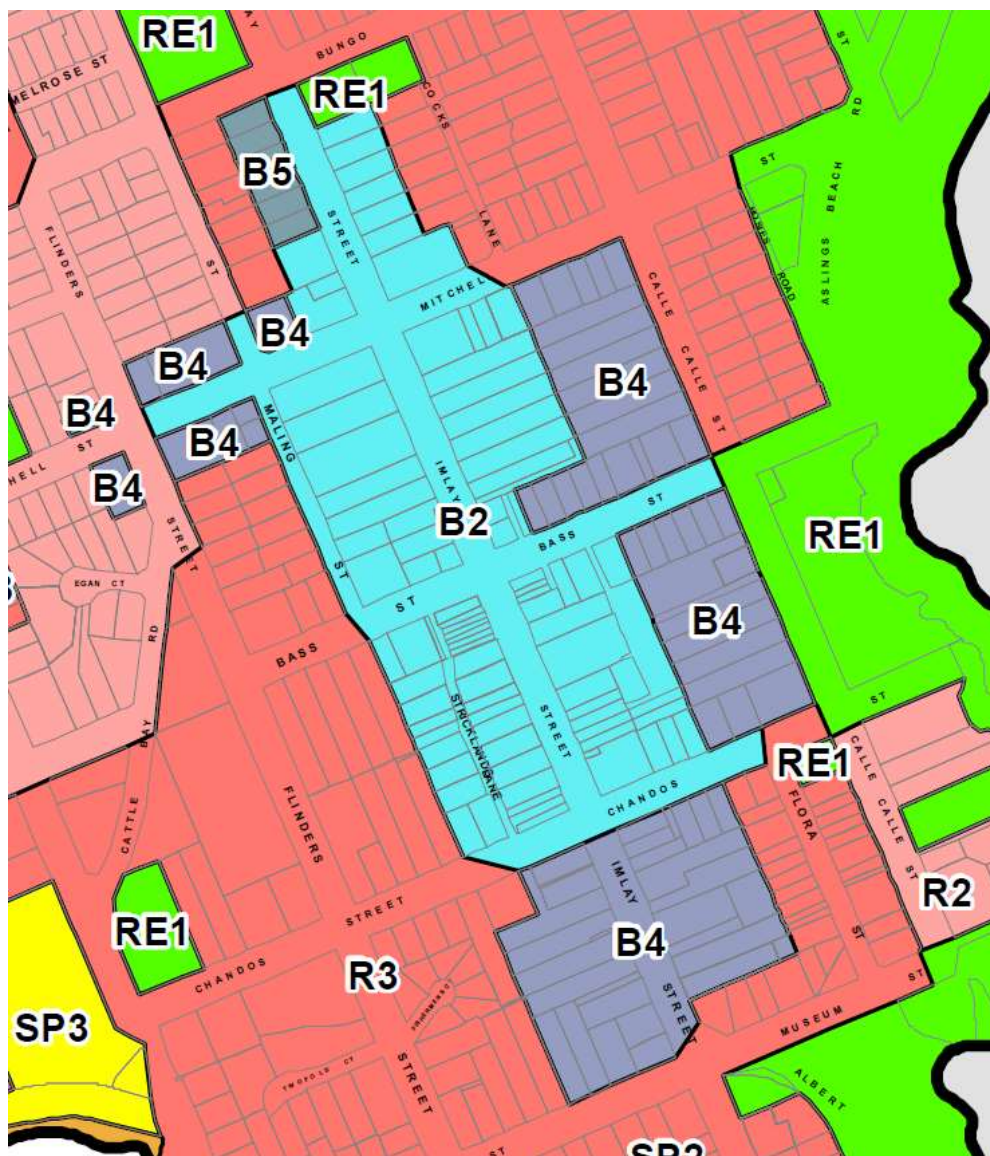


Figure 0.8: Eden B4 zoned area

Source: Bega Valley LEP 2013

Allowable residential uses in the zone are boarding houses and shop top housing. Residential flat buildings are an innominate use.

The table below shows sales in the B4 zone for the last year.

Table 0.8: Sales in Eden B4 zone since March 2019

Address	Sale price	Area	Price/m <sup>2</sup>
55b Calle Calle St	\$800,000	2,971 m <sup>2</sup>	\$269
24 Mitchell St	\$800,000	2,023 m <sup>2</sup>	\$395
22 Mitchell St	\$369,000	809 m <sup>2</sup>	\$456

Address	Sale price	Area	Price/m <sup>2</sup>
4 Mitchell St	\$745,000	613 m <sup>2</sup>	\$1,215
3 Bass St	\$900,000	1,461 m <sup>2</sup>	\$616
6 Bass St	\$600,000	677 m <sup>2</sup>	\$886

Source: EAC RedSquare Data Base, JSA calculation

The average sales price is \$640/m<sup>2</sup> with a standard deviation of \$322/m<sup>2</sup>.

Relevant development control are building height, which is typically 13 metres (three stories) and 250m<sup>2</sup> of site area per dwelling.

Relevant DCP controls include a 3 metre setback to side, rear and front (Figure 2.4); and car parking (Table 5.5).

The following preliminary calculations assess the development viability of a case study site.<sup>59</sup>

### **3 Bass St Eden**

Site is 28 metres X 41 metres deep with frontage to Flora Street. We have assumed a 30% site foot print for the building and that at grade parking can be provided at the rear of the development.

Height is 13 metres (three stories).

Allowing for development across 30% of the lot:

**Residential three floors, 1,315 m<sup>2</sup>, 13 two bedroom apartments at 70 m<sup>2</sup>, 13 parking spaces.**

Expenditure:

Site purchase	\$ 900,000
Construction residential 910 m <sup>2</sup> @ \$3,300 <sup>60</sup>	\$ 3,003,000
Car Park 13 spaces at \$4,500	\$ 58,500
Total Cost	<u>\$ 3,961,500</u>

Income:

Residential 13 @ \$392,000 <sup>61</sup>	<u>\$5,096,000</u>
Total income	<u>\$5,096,000</u>

Margin: 29%

<sup>59</sup> A more detailed calculation would require preparation of architectural plans and Quantity Surveyor costings.

<sup>60</sup> Using rates from Rawlinsons plus 50% allowance for GST, holding costs, financing, profit etc., three storey walkups.

<sup>61</sup> Third quartile sales price for LGA.

Based on the assumptions above, redevelopment for residential flat buildings in B4 areas is likely to be feasible, and the estimate above would support higher quality development, including lifts and covered parking. Returns would be increased on a lower cost site.

The following calculation assesses a Boarding House option. A building foot print of 30% is assumed, with at grade parking.

**Residential three floors, 1,315 m<sup>2</sup>, 37 self-contained rooms at 25 m<sup>2</sup>, 19 parking spaces.**

Expenditure:

Site purchase	\$ 900,000
Construction residential 1,315 m <sup>2</sup> @ \$3,300 <sup>62</sup>	\$ 4,339,500
Car Park 19 spaces at \$4,500	<u>\$ 85,500</u>
Total Cost	<u>\$ 5,325,000</u>

Annual Income:

Rental 37 rooms @ \$200 per week <sup>63</sup>	\$ 384,800
Less 20% for management and operation	<u>\$ 76,960</u>
Annual income	<u>\$ 307,840</u>
Rate of return	5.8%

Based on a current business investment loan rate of 4.8%, a boarding house is likely to be viable.

### Eden R3 zoning

The Eden R3 zoned area is shown in the figure below. The R3 zoned land is generally within 400 metres of the town centre, and so is within easy walking distance.

Based on the modelling below, current land values support redevelopment in this zone.

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<sup>62</sup> Using rates from Rawlinsons plus 50% allowance for GST, holding costs, financing, profit etc.,

<sup>63</sup> 80% of one bedroom median



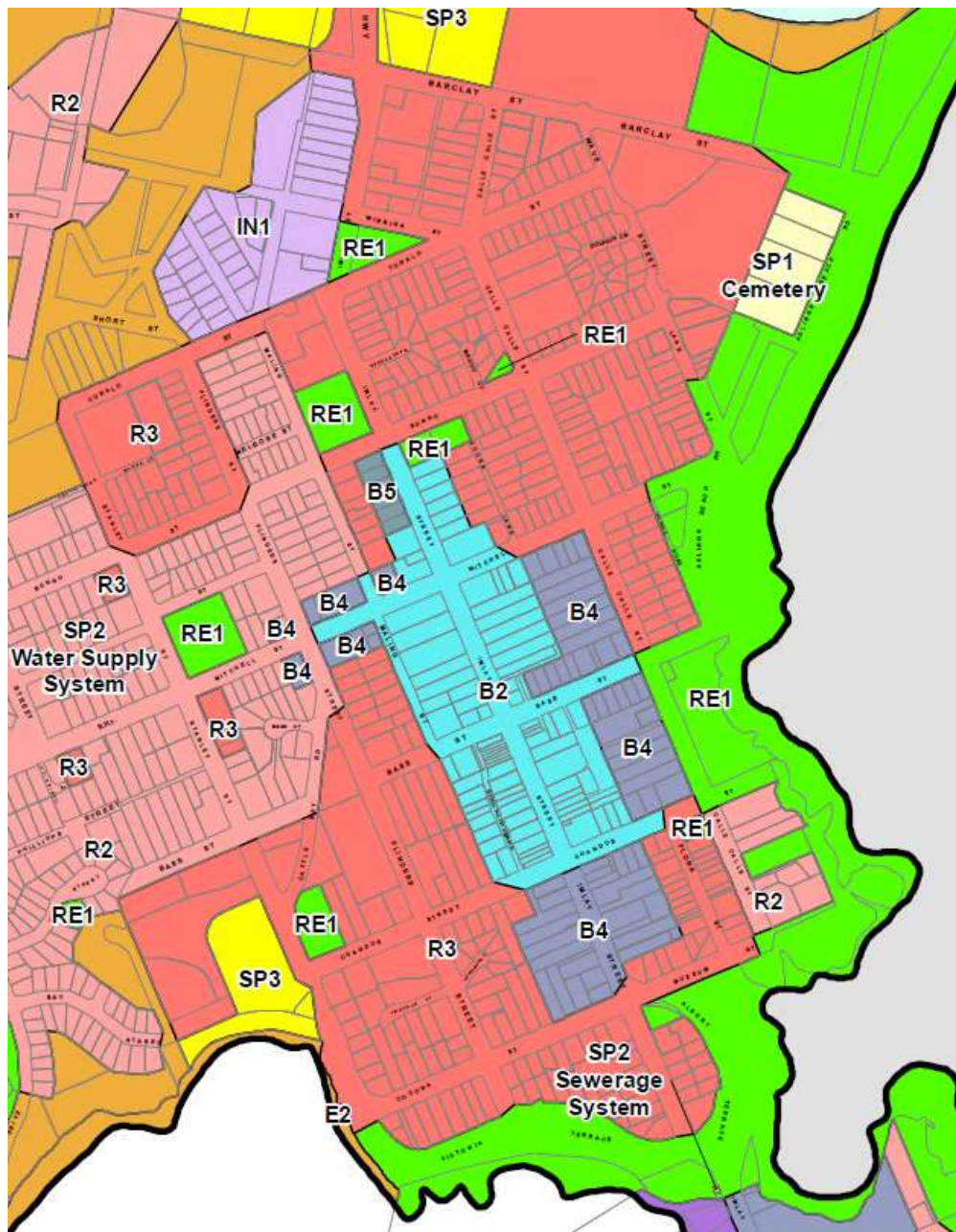


Figure 0.9: Eden R3 zoned area

Source: Bega Valley LEP 2013

Permissible residential uses in the zone are Boarding houses and Multi dwelling housing. Residential flat buildings are permissible by virtue of being an innominate use.

The table below shows sales in the R3 zone for the last year.

Table 0.9: Sales in Eden R3 zone since March 2020

Address	Sale price	Area	Price/m <sup>2</sup>
1 Flora St	\$233,400	491 m <sup>2</sup>	\$475
15 Flora St	\$400,000	727 m <sup>2</sup>	\$550
14 Cocora St	\$675,000	698 m <sup>2</sup>	\$967
3 Fishermans Ct	\$480,000	605 m <sup>2</sup>	\$793
1 Fishermans Ct	\$570,000	581 m <sup>2</sup>	\$981
33 Cocora St	\$460,000	961 m <sup>2</sup>	\$479
11 Cattle Bay Rd	\$425,000	2,587 m <sup>2</sup>	\$164
26 Bass St	\$495,000	2,036 m <sup>2</sup>	\$243
65 Bungo St	\$460,000	1,561 m <sup>2</sup>	\$295
32 Curalo St	\$345,000	816 m <sup>2</sup>	\$423
30 Curalo St	\$550,000	1,170 m <sup>2</sup>	\$470
14 Bungo St	\$800,000	3,377 m <sup>2</sup>	\$237
5 Hosiers Rd	\$720,000	1,024 m <sup>2</sup>	\$703
7 Hosiers Rd	\$980,000	1,039 m <sup>2</sup>	\$943
70 Calle Calle St	\$1,080,000	621 m <sup>2</sup>	\$1,739

Source: EAC Redsquare Data Base, JSA calculation

The average sales price is \$631/m<sup>2</sup> with a standard deviation of \$396/m<sup>2</sup>.

Relevant development controls are FSR of 0.6:1, building height of 10 metres, 250 m<sup>2</sup> of site per dwelling<sup>64</sup> and minimum lot size of 1,000 m<sup>2</sup>.

Relevant DCP controls include 50 m<sup>2</sup> of open space at ground level; a 6 metre setback to front; and car parking (Table 5.5).

The following preliminary calculations assess the development viability of a case study site.<sup>65</sup>

<sup>64</sup> Not considered in modelling

<sup>65</sup> A more detailed calculation would require preparation of architectural plans and Quantity Surveyor costings.



### **30 Curalo Street Eden**

Site is 17 metres X 68 metres deep with frontage to Curalo Street. We have assumed a 30% site foot print for the building and town house construction with one parking space as a garage and the other as at grade.

Height is 10 metres, and the FSR allows for two stories.

Allowing for development across 30% of the lot:

Residential area, 702 m<sup>2</sup>, 6 three bedroom townhouses at 117 m<sup>2</sup> including garage, 8 external parking spaces.

Expenditure:

Site purchase	\$ 550,000
Construction residential 702 m <sup>2</sup> @ \$3,300 <sup>66</sup>	\$ 2,316,600
Car Park 8 spaces at \$4,500	<u>\$ 36,000</u>
Total Cost	<u>\$ 2,902,600</u>

Income:

Residential 6 @ \$575,000 <sup>67</sup>	<u>\$3,450,000</u>
Total income	<u>\$3,450,000</u>

Margin: 19%

Based on the assumptions above, redevelopment for townhouses in R3 areas is likely to be feasible.

The following calculation assesses a Boarding House option. A building foot print of 30% is assumed, with at grade parking. There is bonus FSR under SEPP (Affordable Rental Housing) allowing for full use of the 10 metres height.

Residential three floors, 1,053 m<sup>2</sup>, 29 self contained rooms at 25 m<sup>2</sup>, 15 parking spaces.

Expenditure:

Site purchase	\$ 550,000
Construction residential 1,053 m <sup>2</sup> @ \$3,300 <sup>68</sup>	\$ 3,474,900
Car Park 15 spaces at \$4,500	<u>\$ 67,500</u>
Total Cost	<u>\$ 4,092,400</u>

Annual Income:

Rental 29 rooms @ \$200 per week <sup>69</sup>	\$ 301,600
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<sup>66</sup> Using rates from Rawlinsons plus 50% allowance for GST, holding costs, financing, profit etc., three storey walkups.

<sup>67</sup> Using third quartile sales price for LGA.

<sup>68</sup> Using rates from Rawlinsons plus 50% allowance for GST, holding costs, financing, profit etc.,

<sup>69</sup> 80% of one bedroom median

Less 20% for management and operation	<u>\$ 60,320</u>
Annual income	<u>\$ 241,280</u>
Rate of return	5.9%

Based on a current business investment loan rate of 4.8%, a boarding house is likely to be viable.

Bega Valley Affordable Housing  
Strategy:

Affordable Housing Case Studies

Judith Stubbs & Associates

# Introduction

A range of case studies are provided as examples of the types of support and engagement that local government can have with affordable housing needs and issues at the local level.

The focus of the case studies is on practical ways that Council can address the need for affordable housing that are most likely to be effective and within its power as a local authority. Most case studies have involved some form of partnership with the community and/or the private sector, and also include practical ways that Council can support affordable housing through the planning and development process.

Specifically, the case studies include:

- Affordable housing development and/or management partnerships where Council has been proactive
- Innovative and genuinely affordable 'New Generation' Boarding House models for various target groups
- Mixed tenure developments including private owner occupied and rented housing, as well as social and affordable ('key worker') housing as well as a component of housing for formerly homeless people
- The use of Voluntary Planning Agreements to capture a reasonable share of land value uplift
- Developments that include a proportion of shared equity arrangements to facilitate affordable purchase for low to moderate income households.

# Development & Management Partnerships on Council Land

## Introduction

Council can enter into a long term development and/or management partnership with a community housing provider (CHP), where the CHP has 'preferred partner' status. Alternately, Council may decide to enter into a partnership on a case by case basis, subject to a competitive tendering or EOI process for each development.

Different councils have also taken varying approaches to partnering arrangements, ranging from making land available at no cost or at a discount rate to direct construction and ownership of the development themselves, with a range of options between these two positions available.

Examples of a few different approaches taken by councils that are active in the direct development of affordable housing are provided below. At one end of the spectrum is **City of Perth**, which provided both land and financing for an affordable housing (mainly 'key worker') development on an under-utilised Council car park, took all of the risk on the project, and engaged a local community housing provider to manage the development after its completion.

Using two different approaches, in 2010, **Shoalhaven City Council** sold land at a very low cost to a local CHP, Southern Cross Community Housing (SCCH). SCCH then partnered with another CHP with extensive development experience, capital resources and access to Federal funding to develop a low density affordable and social rental housing development at **East Nowra**. A further partnership development is currently in the planning process at **Bomaderry**. This will see Council take on a more active role in its partnership with SCCH on Council-owned land in a mixed tenure development.

In these two approaches by Shoalhaven City Council, we also see its growing engagement with an increasingly serious local issue, noting that in late 2017 Council unanimously adopted its first Affordable Housing Strategy that includes the dedication of several sites for the purpose of affordable housing partnerships.

A range of partnering arrangements is possible, depending on a council's preference, asset base, desired rate of return, and appetite for risk.

# City of Perth Case Study

In 2009, City of Perth adopted its first *Affordable Housing Strategy*<sup>1</sup>, which included a commitment to proactively develop well-located affordable housing on under-utilised Council land. The research for the *Strategy* had identified 16 Council car parks with the potential for mixed use development, including commercial or community uses, affordable housing and replacement of car parking spaces. Council resolved to dedicate three of these high value, but financially under-utilised assets, to affordable housing.

**Fig 1:** City of Perth Affordable and Social Housing Development, managed by Access Housing



**Fig 2:** A City of Perth Car Park identified for a future Affordable Housing Development

In 2012/13, it undertook the redevelopment of the first of these car parks to construct 48 units of affordable housing, mainly allocated to locally-employed 'key workers' at discount market rent (around 70% of market rent for that precinct). Four of these units were initially allocated to social housing, where very low income households pay around 25% of their income in rent, with more units planned to be dedicated to social housing as debt is retired.

In this case, Council used its own resources to construct the housing in anticipation of short-term cash flow and longer-term return on capital. As well as income and other criteria applied to tenancies, there is a time limit on the occupancy period for the 'affordable housing' units so as to provide a 'stepping stone' for workers into the private market. Access Housing Australia was successful in a competitive EOI process as the housing/tenancy manager, and looks after all maintenance and tenancy issues on a fee-for-service basis.

## SCCH Social and Affordable Housing Development at East Nowra

In 2009, Shoalhaven City Council sold land at a very low cost to a local CHP, Southern Cross Community Housing (SCCH) for the purpose of a low to medium density affordable and social housing development on the outskirts of **East Nowra**, and opposite a relatively new private development. However, the development application process was not easy. The proposed development received very strong opposition from local private residents, who were angry at the loss of the lightly wooded open space area on which the development would be built, as well as fears about devaluation of their properties and the 'type of people' who would move into their community. Despite having sold SCCH the land, Council refused the development.

SCCH appealed Council's refusal in the NSW Land and Environment Court, which upheld the appeal in 2010.<sup>ii</sup> The development was completed in 2014, and provides homes to around 50 diverse people who are working

parents, families with young children, aged couples and people living with a disability who meet the affordable or social housing eligibility criteria. The East Nowra development (pictured below) has since gained a high degree of community acceptance and support from Council, and is reported to have a high level of satisfaction among tenants.<sup>iii</sup>

SCCH also engaged BlueCHP, a community housing association with considerable experience in construction of affordable housing and capital raising capacity, to construct the development. The development was also supported by NRAS credits from the Federal Government. The development includes 26 dwellings including 21 freestanding homes, 1 cluster-housing group of 3 dwellings and 1 dual occupancy. Most dwellings are 2 bedroom, single storey with a single garage and a driveway, with a few larger family homes. SCCH is the tenancy manager for the development.







## Shoalhaven City Council Future Affordable Housing Development at Bomaderry

In late 2017, Shoalhaven City Council unanimously adopted its first ***Affordable Housing Strategy***<sup>v</sup> that includes the dedication of several sites for the purpose of affordable housing partnerships. The *Strategy* was based on extensive research on the state of the local housing market, local housing need and the most effective ways of meeting this need. Although a relatively low cost regional housing market, the Shoalhaven experiences higher levels of housing stress among local renters than the Sydney average due to the constrained supply of social and private rental housing and smaller dwellings, high vacancy rates and holiday lettings, loss of long-term caravan parks sites, pressure from the Sydney market, and the relatively low incomes of the resident population.

**Fig 3:** Council Site at Bomaderry ear-marked for Affordable Housing

The **direct creation of affordable and social housing** was found to be one of the most effective strategies that Council could pursue given the nature of need and the ability of the market to respond. Mechanisms such as value capture and development incentives are not generally feasible, at least in the short- to medium-term.

A **land audit of suitable Council sites** was conducted based on a number of key criteria, including the size and zoning of the site, its proximity to transport and services, existing uses on the site, and whether there were any significant environmental or heritage constraints. On this bases, a range of sites were short-listed and assessed by the consultants. In close consultation with Council, a number of these sites were subjected to financial feasibility analysis based on several development options that sought to maximise yield without 'over-developing' the site, and to house those most in need (very low income renters who were effectively excluded from the

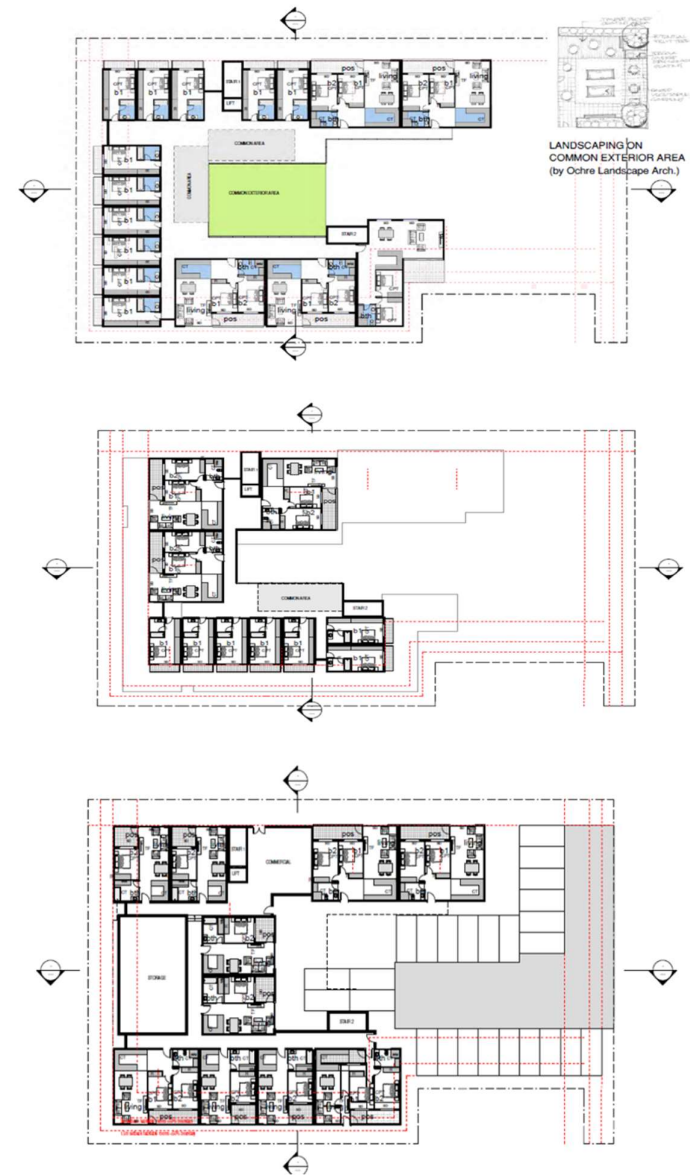
private rental market but unlikely to gain access to social housing due to very long waiting lists, and including some who were at risk of homelessness).

The first site selected currently has two older fibro dwellings on it that have reached the end of their economic life. It is also near a high frequency train station with links to Wollongong and Sydney CBD, is proximate to service and facilities, and has good yield potential.

Following the preliminary financial feasibility analysis, Council then initiated a '**co-design**' process between a private sector peak body (PCA), SCCH, local resident association, as well as pro bono input from a local architecture firm, a local developer, and council engineers, property officers, and quantity surveyor. A further workshop on doing a '**DA in Day**' was also conducted to identify any further opportunities and constrains to the site and the proposed development (pictured below).



A Concept Design Plan (CDP) was produced and 'ground-truthed' during this process, with a somewhat yield higher than that initially envisaged from the feasibility analysis. This CDP currently incorporates 18 New Generation Boarding House rooms, 6 x one-bedroom apartments, 12 x two-bedroom apartments, a ground floor commercial space and 25% under-croft parking (see draft concept plans for 3 storey building at right). All dwellings will be affordable to very low and low income households. At the time of writing, planning for an EOI process are currently underway, as is an application for SAHF by SCCH and Council.



## Many partnering options are possible...

Councils around Australia have also pursued other options in the development and management of affordable housing partnership developments.

Some Councils have entered into development and management partnerships on Council owned land. Some councils have put out an EOI with performance criteria, for example, the type of land uses to be included in development; the number and type of anticipated units; the expected rate of return on capital; tenant selection criteria; and cost/income/asset/risk sharing arrangements between Council and the Community Housing Provider, and selects its preferred partner on the basis of their ability to meet these criteria or to otherwise add value.

There are also a range of preferred partnering approaches, for example, where Council pre-qualifies the preferred Community Housing Provider based on demonstrated capacity, cultural alignment and the like, and negotiates all aspects of development, management, cost/income sharing with them as the long-term preferred partner rather than go through a case by case competitive selection process.

There are many possible types of arrangements, depending on a council's preference, asset base, desired rate of return, and appetite for risk.

# 'New Generation' and Supported Boarding Houses

## Introduction

Increasingly, Boarding Houses, particularly New Generation Boarding Houses using the provisions of *SEPP Affordable Rental Housing 2009* are providing affordable accommodation to diverse very low and low income households. These are likely to fill an important affordable housing gap for a range of very low and low income retirees, workers, and other singles and couples without an asset who are otherwise likely to struggle to find anything 'affordable' in many local housing markets.

Boarding Houses are often permissible with consent under local planning schemes in a wide number of zones, including R1, R2, R3, B1, B2 B3, B4 and B5, consequently there are limited planning restrictions on the development of Boarding Houses, and the SEPP is likely to take precedence over a local DCP to the extent of any inconsistencies in controls.

However, Boarding Houses are often unpopular with local residents, generally due to intensification of land use in lower density environments, and misconceptions about the 'type of people' who will live there. Councils also sometimes have concerns that privately developed Boarding House are not likely to genuinely 'affordable' in higher value markets, and about the internal amenity of design in this context. Incompatibility with 'local character' is often used as a grounds for refusal.

Some of these concerns can be addressed through a negotiated development approval process if a local authority has clear ideas and /or guidelines on preferred design, rents and management. There is also a

considerable advantage in having the Boarding House developed and/or managed by a Community Housing Provider with a long-term interest in the building, strong links to the local community and appropriate rent-setting and tenancy management policies and procedures. Moreover, rates of return on capital are often favourable for Boarding Houses, and they are becoming more popular.

Several examples of genuinely affordable New Generation Boarding Houses are provided below. The first is one developed by North Sydney Council on Council-owned land in **Wollstonecraft** in partnership with Link Community Housing for very low income households in one of Sydney's most expensive housing market.

The second is a privately constructed Boarding House in Sydney's **Inner West** that is managed by Hume Community Housing, and genuinely affordable to smaller low-income working households.

The third is one constructed under the **Abbeyfield model** for older low-income people with low to moderate support needs in a regional area of South Australia.

The future development at Bomaderry on Shoalhaven Council land provides a further example of the potential to combine this form of accommodation with other housing types and tenures.

Each of these examples could be readily adapted to the Bega Valley context.

## Wollstonecraft Boarding House Development

The development of the **Wollstonecraft 'New Generation' Boarding House** is an example of a strong partnership between a community housing provider, Link Housing, with a proved track record in the local area, and North Sydney Council, a local government authority with a long-term commitment to maintaining at least *some* affordable housing and income diversity in one of Sydney's most expensive housing markets.



Once the home of many very low and low income people, including in more than 100 older boarding houses, North Sydney has been gentrifying for many years. It has lost most of its low cost flats buildings and all but 20 of its low cost boarding houses over the past two decades, despite the provisions of SEPP 10 (Now SEPP ARH) that aims to protect such stock. Amid this serious decline, Council has been able to expand the amount of stock it owns that is dedicated to affordable and social housing through a range of strategies and its strong commitment and leadership.

The site of the new Wollstonecraft Boarding House previously contained an older two-storey single family home that was part of Council's affordable housing portfolio (pictured left). The cottage had been rented to social housing tenants, and managed by Link Housing, for many years. North Sydney Council identified the site as a good place to grow the local supply of affordable housing and increase the efficient use of land under its **Strategic Asset Management Plan** by replacing the house with something that would meet the needs of more than just one household. This approach was also supported by Council's **North Sydney Council Affordable Housing Strategy 2008; and 2015.**<sup>v</sup>

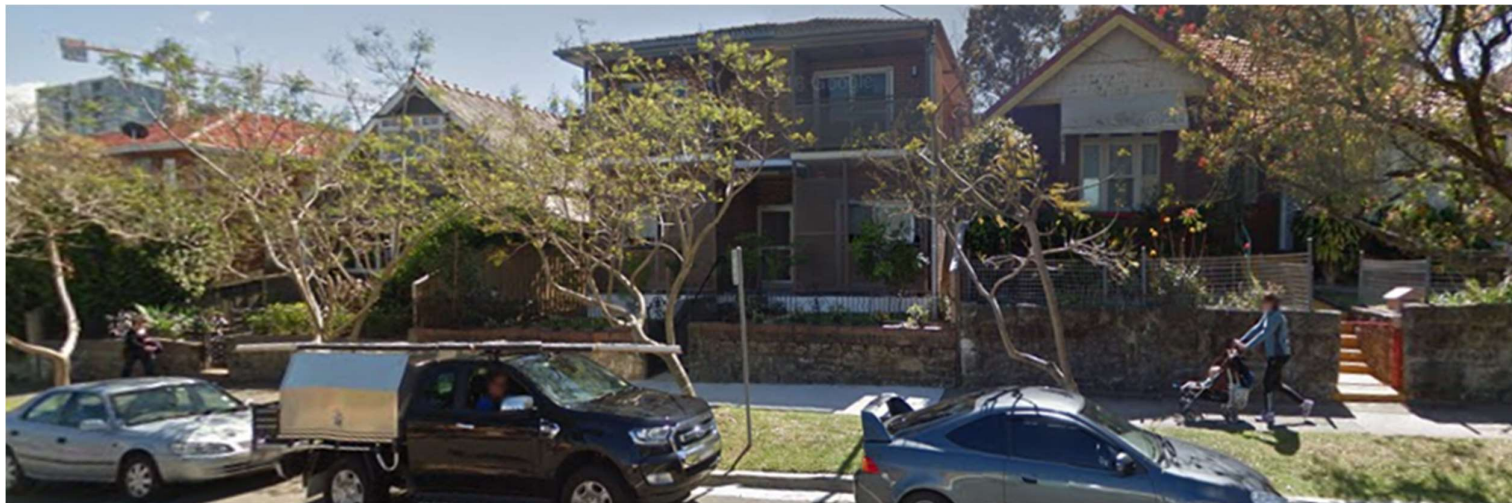
Council utilised provisions in the SEPPARH to develop the new two-storey Boarding House. As part of the planning and design process, North Sydney Council and Link Housing **pro-actively engaged with neighbours**, providing information on the project prior to lodging the application and an opportunity to comment early on the design.



Once the DA was lodged and a few concerns were raised by neighbours about overlooking and privacy, the proponents took these concerns on board and found an architectural solution to the problem. When Link Housing fielded a few calls from neighbours with concerns about ***“who might be living there?”***, neighbours were satisfied when Link Housing advised that the new tenants would be ***“people similar to those who have been renting the home previously”***.

In 2016, Link Housing and North Sydney Council successfully completed the **seven-room Boarding House**. Up to fourteen very low income tenants can now call this Boarding House home.

The strong partnership between Link Housing and North Sydney Council has made the growth of quality affordable housing for very low income households in an exceptionally unaffordable part of Sydney a reality.



**Fig 4:** New Generation Boarding House developed by Council and Link Housing in 2016 (2<sup>nd</sup> from the right)

## Hume Community Housing ‘New Generation’ Boarding House

The ‘New Generation’ Boarding House at Pembroke Street, Ashfield is an example of a private sector development that is genuinely affordable in an expensive housing market due to its management by Hume Community Housing. The Boarding House (pictured below) offers a high quality external and internal finish throughout at an affordable rental price, mainly to low income working single people and couples. The Boarding House is in an area that was once affordable to low income people, but is now one of the most rapidly gentrifying areas in NSW.<sup>vi</sup>

However, the early days of its development were not without their problems. The SEPPARH DA was refused by the then Ashfield Council. Council had received at least 50 submissions from neighbours opposed to the proposal, with particular issues raised including incompatibility with the ‘character of the local area’ and unacceptable privacy impacts on neighbouring properties.

The applicant appealed the refusal to the NSW Land and Environment Court. After a conciliation conference, it was agreed that all of the relevant development standards contained in SEPPARH had been met, with the remaining issue being whether the development met the ‘character test’. The LEC concluded that the development as designed was appropriate in its context and sufficiently compatible with ‘local character’ to be

approved. More covert issues were also raised about the ‘type of people’ who would be living there.

In 2014, the private developer successfully completed the development of the 20 room ‘New Generation’ boarding house in Summer Hill. It is managed to a high standard by Hume Community Housing and their on-site manager. Hume Community Housing is proactively managing the property with regular inspections, block meetings and customer wellbeing visits as well as the provision of an on-site manager.

**Fig 5:** Pembroke Street, Ashfield (pictured below)



Each room features well-appointed living areas, with a fitted fridge/freezer, washing machine and tumble dryer as well as having fitted air conditioning. The 16-20m<sup>2</sup> rooms offer a good-sized bedroom area with built in robes and well-appointed bathroom and kitchen. They each have their own balcony or courtyard, and there is also a common area lounge and a common area garden.



**Fig 6:** Inside one of the New Generation Boarding House Rooms

To be eligible for accommodation, prospective residents must meet a number of allocation criteria, including being in full or part time work, having links to the local area, being on a low income, having no children, and being prepared to enter into a 12 month lease, with options to renew.

A recent study found that the residents of the Summer Hill Boarding House are very satisfied with the quality of the internal design and fit out and standard of management and maintenance. The rent is genuinely affordable to low income working singles and couples.

Despite initial opposition raised by neighbours, it appears that quality design and good management matters, with the overall sentiment of neighbours towards the project post-occupancy much improved. There have been no complaints to Council, and post-occupancy neighbour relationships are reported to be 'very good'.



## Supported Boarding House for Older People ('Abbeyfield' Model)



'New Generation' Boarding House-style accommodation can also be provided with varying levels of support to frail aged people or those with a disability who have no, or very limited, capital base. Such developments often have a live-in manager/housekeeper, visiting support staff such as personal care workers, in-home meals, cleaning etc. This can be provided from tenant rents augmented by FACS or other government funding, through HACC Community Aged Care Packages or other funding programs.

One example is the **Abbeyfield Housing Model**, which offers a community-based group housing option for very low income frail aged people and people with a disability who are in need of housing and some degree of support.

**Fig 7:** Abbeyfield House, Williamstown, South Australia

The developments are generally initiated, developed and managed by volunteers from local communities in partnership with Abbeyfield Australia. They are well-integrated into the streetscape and are non-institutional in design and operation, and usually accommodate no more than 10 people. Residents are encouraged to be active and involved in the

running of the house and in the life of the community. The operation of the houses is supported by a formal legal and administrative framework linking the local and national levels; and support funding for a live-in housekeeper. As noted, visiting support staff can be incorporated through different funding programs.



# Mixed Tenure Housing Developments that include Social and Special Needs Accommodation

## Introduction

Mixed tenure developments, when **well designed and managed**, can promote housing affordability for a range of income groups and social inclusion for low income people and for more marginalised groups within mainstream housing in the general community.

Increasingly, mixed tenure developments in Australia includes a mix of private rented and owned occupied housing, affordable rental housing for low income working households, as well as social rental housing. Some relatively 'up market' mixed tenure developments, like those in **Adelaide** and **Melbourne** described below, also successfully incorporate special needs accommodation for formerly homeless people.

Despite community concerns, research has shown that developments that incorporate a wide range of income and lifecycle groups **do not**

**adversely affect** property values or marketability, or lead to social problems such as anti-social behaviour provided they are well-designed, well managed by a community housing provider, and are 'tenure blind' (that is tenures are indistinguishable from the outside, and there is good opportunity for casual social interaction between tenure groups through access to common entrance ways, streets and public open space areas).

Although the case studies below were partnerships between relevant state governments, the private sector, community housing providers and other NGOs, on a smaller scale, these could readily translate to sites owned by Council or another public authority in the local area. However, a reasonable level of public investment was required in the case of these developments in order to incorporate housing for those most socially marginalised and to ensure they are appropriately supported.

## The Nicholson at East Coburg, Melbourne



The Nicholson Apartments in East Coburg (pictured left) is a mixed use/tenure development of 199 apartments and eight ground floor commercial spaces on the site of a former government tram depot.

The redevelopment was led by the State Government (Places Victoria), which engaged a private sector developer under a competitive tendering process. **Launch Housing** is the owner and manager of the social and affordable housing dwellings, which were funded through government grants, their own borrowings and private sales. **Urban Communities Ltd** is contracted as the on-site place manager, providing body corporate services, tenancy management for privately rented apartments and other services across the site.

Of the 199 new apartments, 45% are social and affordable housing and 55% are private housing. Decisions about **'tenure mix'** related to contractual requirements and commercial considerations, mainly how Integrated on-site place management is provided by community housing provider, **Urban Communities Ltd**, which is contracted by the Owners' Corporation (OC) to provide OC management, building and facilities management, tenancy management, and maintenance services for some private rental units. **Launch Housing**, another community housing provider, provides tenancy management and maintenance for their social and affordable housing tenants.

many units would be needed to be privately sold to fund the project when grant funding and debt equity was considered.

Importantly, 18 of the social housing tenants are **formerly homeless people** with high support needs. Urban Communities is able to get to know people, and are attuned to residents' needs and issues. They are able to 'softly' intervene to avoid or de-escalate conflict should it occur. They can also develop relationships across tenures and ensure integrated services are provided promptly and to a high standard.



**Tenure configuration** is in a 'quasi-core' layout:

Residential floors are laid out around a central courtyard, accessible to all tenures (pictured left);

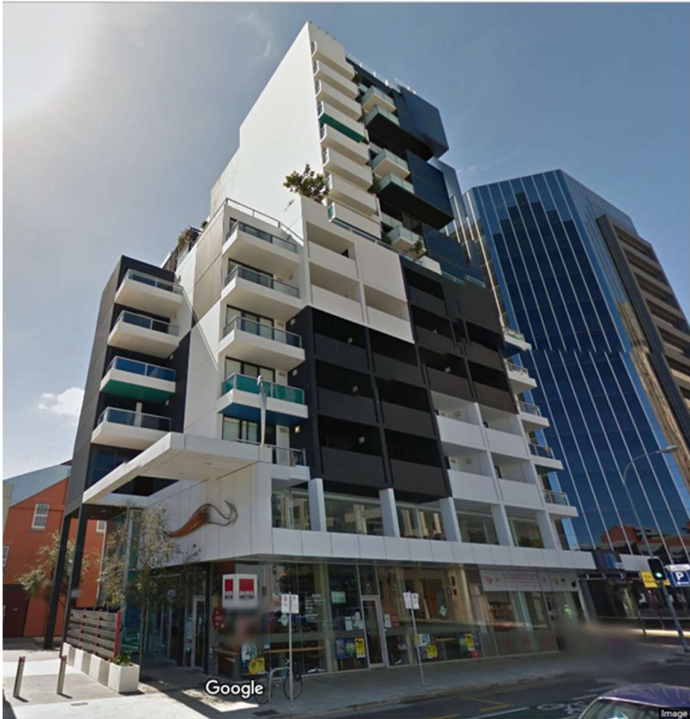
There are two separate entrances but access is available across each floor;

The 58 social housing units are on one side (72% of units on that side), so tenants collect their mail and generally enter the building through that entrance;

All units are of the same high quality design externally, although there are some optional extras provided in the internal fitout of private units.

The Nicholson was highly regarded at the time of construction for its innovative design and use of modular construction, and has **won a number of awards** including UDIA (Victoria) Award for Excellence in 2011; and was a finalist in the 2012 Property Council of Australia/Rider Levett Bucknall Innovation and Excellence Awards.

## UNO Apartments in Adelaide



UNO Apartments is an **award winning urban intensification project** comprising 146 apartments in a 17 storey development. The units are in a 'clustered' and 'pepper potted' layout (generally all tenures mixed across each floor throughout the building, apart from the top three floors. with:

- 30 studios and offices for a youth crisis service in one 'core';
- 116 mixed tenure units in one 'core':
- 27 social housing units
- 27 NRAS rental (private)
- 28 AH ownership (private)
- 34 private market units

The lead agency was the SA Department for Communities and Social Inclusion, which contracted with a private developer to construct the development, and with Urban Communities Ltd (a CHP) to provide integrated site management (tenancy management for the social housing dwellings, on-site place management and to be the owners corporation manager). St Johns Youth Services is the youth crisis accommodation manager.

Interestingly, UNO was the **highest priced and best-selling apartment building in Adelaide** at the time it was sold, with the mixed tenure reportedly having no bearing on the value of the units sold. UNO Apartments shows that **'affordable housing' does not mean 'lower quality' housing**. The development teams was particularly committed to achieving as high a quality a finish and design as possible on every floor,

regardless of tenure mix. This is particularly important for parties with a long-term investment in the development – for the apartment owner, and for those with long-term responsibility for building management and maintenance. Government also sought to maximise its return through the sale of the private dwellings, and providing a high standard that all tenures could enjoy ensured this.



A reasonable amount of **public investment was initially required**, noting that the project's aim was first and foremost to create youth crisis accommodation. Additional funding, debt financing and sale of private apartments made a much larger and innovative project possible. There was also reported to be a considerable amount of political will and risk taking to make a project with the type of tenure mix proposed happen.

It is also important to note that strata subdivision need not be an impediment to mixing tenures within a building and across floors – even if a higher level of integration is desired. As noted, the configuration of tenures in UNO Apartments is partly clustered in cores and separate floors, and partly 'pepper potted across floors'. Key features of UNO Apartments in this regard are:

- Secondary titling is used to create a quasi-core of private units on upper three floors to increase marketability and maximise return to government;
- Indistinguishable amenity and finishes to other floors containing mixed private and affordable housing;
- Communal entry and lifts for all tenures in the mixed 'core';
- Provides owners on the 3 upper floors with more choice for upgrades to finishes in future, and capacity to charge differential service fees, which is important to contain costs for community housing providers who own/manage other apartments in the complex.

# 'Pop-Up' Models of Transitional or Temporary Accommodation

## Pop-up shelter for homeless women uses Sydney building awaiting demolition

With no end in sight to Australia's homelessness crisis, one charity is taking an innovative approach to housing people in need - a pop-up shelter. Uniting Care has repurposed one of its out-of-use aged care homes that is awaiting demolition into a temporary home for women aged 45 and over, who are making up a growing proportion of the homeless population.

Uniting's director of property and housing, Simon Furness, said the inner-Sydney building would otherwise be lying vacant while awaiting demolition, planned for early next year.

"We've all seen pop-ups all over the place — pop-up bars, pop-up restaurants and clothes outlets and shoe outlets," he said. "Those are pop-ups for a commercial purpose, why not have pop-ups for a social purpose? 'Really, anybody can do this'".

Mr Furness said it did not take too much work to make 30 rooms in the building fit for use. They just needed a good clean and for the utilities to remain connected. They were furnished using second-hand items from a major hotel chain that was having a cleanout.

"We knew the building was going to be here for probably a year to two years while we do all the DAs and engage contractors, so it occurred to us that it's an empty building and a lot of people

need homes, so we decided to reopen the building as temporary housing for older women," he said.

He urged others with empty buildings to consider whether they could do the same with their properties, which he said were often vacant for months or years during the development application and planning control period before redevelopment.

"Really, anybody can do this," he said. "I would strongly encourage any property developer or owner-operator like ourselves to look at their building portfolio and their development plans and if there are buildings that are going to be empty, think about what they can be used for."

Former general manager for Frasers Property Australia, Robert Pradolin, said he believed there were thousands of empty buildings around Australia that could be used for temporary housing with the support of not-for-profit housing providers.

"Well over a decade ago, we used to throw away good food," he said. "Then we changed the laws because it did not make ... sense to discard such a valuable resource. Existing buildings sitting there empty while people are homeless on our streets does not make sense. We need to change the



laws to allow society to help people with the fundamental human need of shelter."

Liz Yeo, CEO of Newtown Neighbourhood Centre said that housing options for women like Anne were often unsafe, male-dominated boarding houses. She said the homelessness crisis was worsening and needed innovative solutions to solve.

"We know we're not going to suddenly, magically have government be able to produce the hundreds of thousands of new homes that are needed," she said.

"So, we need organisations like Uniting and other housing providers to take these initiatives and provide appropriate housing for people."

Anne (not her real name) is one of the 30 women who have lived in the pop-up shelter while seeking permanent housing. The 54-year-old lost her home in March after suddenly becoming unemployed, and has since been living in her car and in temporary accommodation.

"I'd lost my job after 18 years of work, and I wasn't able to pay my rent because I live on my own," she told AM.

Anne was concerned that if she stayed in the property and was unable to pay rent, she would lose her good tenancy record.

"You never think you're going to lose your job," she said. "I didn't have any extra in the bank [as] savings. I was on a minimum wage, so I gave the

key, gave them notice, and I went to stay with a friend."

Anne said the women living in the pop-up shelter were finding support among each other, lending one another blankets, sharing meals. She said even though she feared for the future, she felt lucky to have a roof over her head as there were so many people without one.

"If there is other buildings that are going to go under demolition and they can opt to help people for three to six months, a year [they, should]," she said. "This is a good place, and we all feel safe — it's a safe haven for us."



**Pictured above:** A lot of the furniture used in the pop-up homeless shelter was donated by a large hotel chain

# Value Capture Mechanisms

## Introduction

The provision of additional development potential through the rezoning of land to higher uses or a variation to controls that would normally apply creates additional value or profit to the developer. Such additional value or profit has not been 'earned' by the developer, but is a result of the operation of the planning system. It is also not equitable – the owners of an adjacent block of land or precinct that is *not* subject to up zoning or beneficial variations will *not* receive additional value or profit, and may in fact experience a devaluation of their asset in certain circumstances.

Further, the up zoning or variations to controls will often result in diminished amenity for others in the community, for example, where there is significantly higher density in a low density precinct that is in transition. In international jurisdictions like the USA and Great Britain, it is common practice to capture a reasonable share of the 'unearned portion' of land value uplift (LVU) to use for a community benefit, in particular, the creation of affordable rental housing.

The creation of affordable rental housing in redeveloping precincts is both reasonable and appropriate, as such redevelopment generally results in an increase in land and housing values and gentrification, leading to the displacement of historical populations. Seeking to retain at least some of those who would otherwise be displaced through the

creation of affordable housing as part of new mixed tenure developments has been described in a number of the case studies above.

Two mechanisms for capturing a reasonable share of land value uplift created through the planning and approvals process in NSW are described below.

The first is generally negotiated between a consent authority and developer in the form of a **Voluntary Planning Agreement** under s7.4 of the Act (formerly s94F). Various NSW councils use this provision differently, and two examples (**Byron Shire Council** and **Inner West Council**) are provided below.

The second is implemented as **mandatory affordable housing contributions** under s7.32 (formerly s94F) of the Act or other enabling legislation. In NSW, this is operationalised under *SEPP 70 – Affordable Housing*, which has **recently been amended to include all council areas in NSW**, provided they can demonstrate need and economic viability.

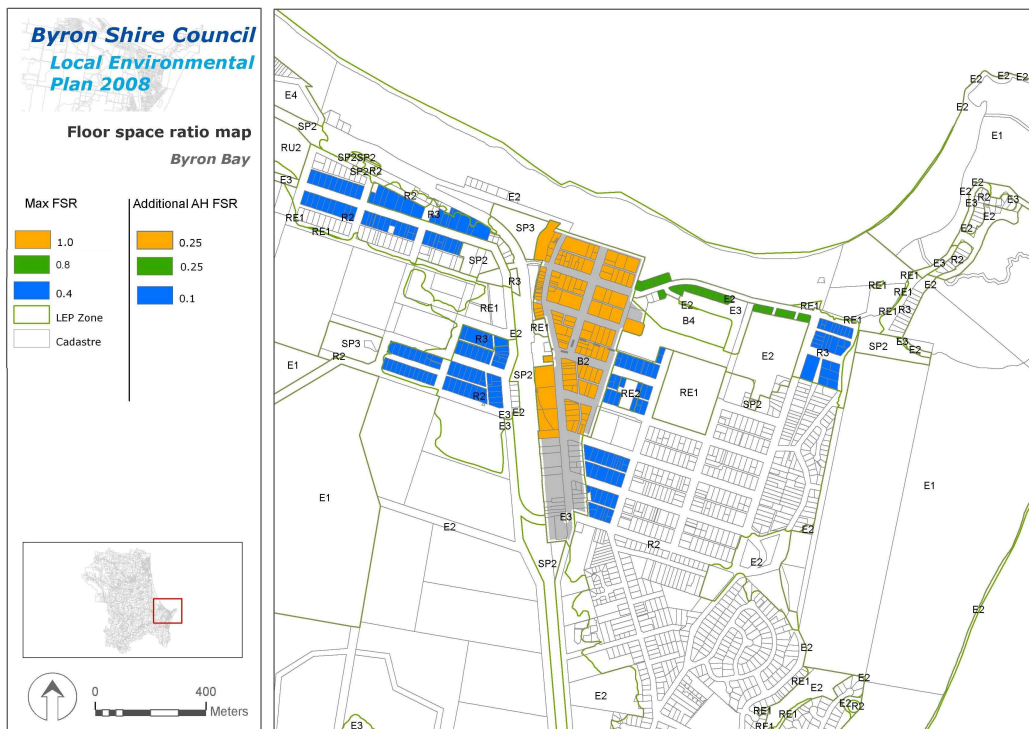
In each case, the additional affordable rental units created from the cash or in-kind contributions are **created in perpetuity** and rented through a community housing provider.



# Voluntary Planning Agreements

## Byron Shire Council

**Byron Shire Council**, one of the least affordable regional areas in Australia, adopted its *Affordable Housing Strategy* in early 2009,<sup>vii</sup> and its *Voluntary Planning Agreements Policy – Affordable Rental Housing*,<sup>viii</sup> soon after. Under the *Policy*, planning incentives in the form of density bonuses or other variations to planning controls such as height or parking may be granted where a developer agrees to make a contribution, in cash or in-kind, to Council's affordable housing program in perpetuity.



Byron Shire Council's *Policy* is supported by detailed research, economic analysis and mapping of relevant precincts. The affordable housing contribution is **50% of additional profit on additional floor space/units created**. Other councils, such as **Waverley Council**, have long-established density bonus programs, and have generated hundreds of units over some 30 years.

The mechanism is most effective in precincts where land values are high, and/or where there is significant redevelopment pressure, and where there are sufficient redevelopment opportunities to make implementation worthwhile.

The adjacent map shows the precinct-based approach and the variations apply under the *Policy* in Byron Bay town centre (JSA 2008).

## Inner West Council

After extensive demographic and housing market research, and a detailed economic analysis of the quantum of affordable housing contributions that would be reasonable in the local context, **Inner West Council** adopted its *Affordable Housing Policy* in late 2017.<sup>ix</sup>

Among other things, the Policy provides for a voluntary contribution toward affordable housing based on the nature and the quantum of the proposed re/development. In the case of **rezonings**, the **preferred**

**contribution is 15% of total Gross Floor Area** of the new development where the development results in 1700m<sup>2</sup> or more of total floor area. The calculations that support this take into account all costs to the developer, including land, dwelling construction and 10% normal profit, and a substantial margin on costs that favours the developer. The remaining profit is then assumed to be divided evenly between Council and the developer.



The very high rate of land value uplift in the LGA's main redevelopment areas (for example, along the Sydenham to Bankstown Corridor) would justify even higher rates of contribution. For example, a factory site valued at \$4.0 million before rezoning sold for around \$48.0 million post-rezoning. However, the Council decided on a uniform rate that is effectively an LGA-wide average. It is noted that this type of uplift is unusually high, and that Councils in areas where uplift is far more modest have also implemented this type of mechanism.

A **variable rate of affordable housing contribution** also applies to sites already zoned for residential or commercial uses, where the developer is applying for a variation to the normal controls. In this case, average affordable housing contributions have been calculated on a precinct by precinct basis, and is supported by a contributions table appended to the *Policy*.

**Fig 8:** Older industrial area in Sydenham in Inner West Council area.

## Mandatory Affordable Housing Contributions

Inner West Council was one of a handful of additional councils **included under the provisions of SEPP 70 – Affordable Housing** in late 2017. This means that Council will be able to levy mandatory affordable housing contributions rather than use Voluntary Planning Agreements in the case of major rezonings. Since then, All Council areas in NSW are able to levy affordable housing contributions provided they can demonstrate need and economic viability, which is likely in the Bega Valley context in certain areas.

# Shared Equity Purchase Arrangements

## Introduction

One of the only ways that many low and moderate income purchasers can enter the home purchase market is through some form of shared equity arrangement. This is particularly the case those needing a family home.

Typically, a purchaser will enter shared equity arrangement with a community housing provider where the purchaser will own 25-75% of the equity in the home.

Generally, there is a covenant on title or other similar legal arrangement that provides that the purchaser will sell the home back to the housing provider if they wish to exit the arrangement to regain their equity as well as an agreed share of any capital gain that has accrued, Under some schemes, the purchaser can increase their share of equity over time.

This ensures that the home stays as affordable purchase in perpetuity, and that the first purchaser does not obtain a windfall profit from the sale of a home where there has been a public subsidy (as is often the case in

more standard subsidised home purchase arrangements). Partnering with a community housing provider rather than a bank or private sector developer tends to keep costs lower for the purchaser, and keep the housing stock in the 'affordable housing' market.

This type of arrangement is not generally as well-developed in NSW as it is in some other Australian and international jurisdictions, and there are no government supported schemes in NSW. However, it is likely to work well in the local context in either a higher density or Greenfield development, and a scheme similar to ones that operate in other jurisdictions could be developed by a local community housing provider, potentially in partnership with a financial institution, and/or on Council-owned land.

Share equity arrangements on some dwellings could work well as part of a mixed tenure development, like those described earlier.

## Tweed Shire Council/Horizon Housing Partnership



A development in NSW using a partnership approach to shared equity purchase is between Tweed Shire Council and Horizon Housing (a local community housing provider) on a Greenfield site near Murwillumbah on the far north coast. The Commonwealth Government, Stockland and Bank Australia have also been involved as partners to increase the scope of the project.

Federal funding, obtained by Tweed Shire Council through the Building Better Regional Cities program, has seen Horizon Housing partner with Stockland to fund the delivery of infrastructure works in their Hundred Hills Estate, Murwillumbah (pictured).

The infrastructure works will allow the delivery of fully serviced lots throughout various stages of the development, of which Horizon Housing will receive 52 lots within the total development area. As infrastructure works have been progressively completed, Horizon Housing has been constructing 3 and 4 bedroom houses on the designated lots.

A majority of dwellings in the estate will be for private market sale, and the balance to be retained and rented to locals at an affordable rate by Horizon Housing. An innovative feature of the development is the option of more affordable purchase. This is provided through the development subsidy from the BBRC funding, and the ability of low and moderate income purchasers to defer 25% of their mortgage cost until the sale of the property through the Horizon Housing-Australia Bank partnership as a form of shared equity.

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ii Southern Cross Community Housing Ltd v Shoalhaven City Council [2010] NSWLEC 1306.

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vii Prepared by Judith Stubbs and Associates from 2008-09, including detailed Background Reports.

viii Prepared for Byron Shire Council by JSA (2009), and available with the Planning Agreement Template and calculations on the website of Byron Shire Council

ix Developed for Inner West Council by Judith Stubbs and Associates. Policy at: <file:///C:/Users/judy.jsa/Downloads/Affordable%20Housing%20Policy.pdf>