

LET'S THRIVE



ACKNOWLEDGEMENT

Lake Macquarie City Council acknowledges the Awabakal People, the traditional custodians of the land over which this document was prepared. We pay respect to knowledge holders and community members of the land, and acknowledge and pay respect to Elders, past, present and future.

Contents

4	MESSAGE FROM THE MAYOR
5	SUMMARY
6	CITY AND HOUSING VISION
9	ABOUT THIS HOUSING STRATEGY
12	LOCAL GOVERNMENT AREA SNAPSHOT
14	COMMUNITY AND HOUSING SNAPSHOT
16	HOUSING STRATEGY PRIORITIES IN BRIEF
18	OUR HOUSING NEEDS
29	MEETING HOUSING NEEDS
37	WHAT IS COUNCIL'S ROLE FOR HOUSING?
43	WHAT ARE THE PRIORITIES FOR THE HOUSING STRATEGY
43	Priority 1: facilitating housing supply and infrastructure coordination
44	Priority 2: increasing diversity and choice in housing
46	Priority 3: facilitate efficient opportunities for housing close to jobs and services
47	Priority 4: increase affordable rental housing and home ownership
49	Priority 5: facilitate housing design for innovation and sustainability
51	IMPLEMENTATION AND DELIVERY
52	MONITORING
54	APPENDICES
54	Appendix 1: Implementation Plan
60	Appendix 2: Focus for housing – Local Strategic Planning Statement
65	GLOSSARY



Message from the Mayor

I am pleased to present the Lake Macquarie City Housing Strategy, which provides a long-term approach to the design and delivery of quality housing in and around our centres and neighbourhoods of Lake Macquarie.

We are a very ambitious City, and recently Council set a goal to become one of the most productive, sustainable and liveable places in Australia. One area that will help us fulfil this vision is to ensure a diversity of housing across our City, which will not only drive economic growth, but also ensure our housing meets people's needs into the future.

We have a growing and vibrant community of 205,000 people and where we live is important. We all want to live in communities where we feel safe, connected and enriched. This means building neighbourhoods that provide easier access to services, jobs, schools, hospitals and recreation.

More than 86,000 dwellings are scattered across our City, located predominately in our economic centres. However, more than 80 per cent of these dwellings are separate houses, and we know that across the country, and in our community, there is growing pressure on housing affordability.

The Housing Strategy looks to address these issues taking a consistent approach to addressing housing needs, affordability and the diversity of supply by identifying where growth will occur and changes to planning controls to facilitate medium density housing and infill development.

I encourage you to read the Lake Macquarie City Housing Strategy to find out how we will ensure that as our City grows, our neighbourhoods and housing options are well-planned, socially inclusive places of vibrancy, connected and sustainable.

Councillor Kay Fraser
Mayor

Summary

Lake Macquarie City requires more housing to meet the needs of the population. Our community and households are changing, and so the types of housing needed are diversifying. The City is projected to grow by almost 30,000 people by 2036, or 14 per cent. This population growth projection is a likely scenario if Council continues with business as usual. This growth would generate demand for an additional 13,700 dwellings.

The Lake Macquarie City Economic Development Strategy aims to actively facilitate unlocking potential growth over and above this business as usual projection. The housing strategy is therefore planning for a range of possible growth scenarios including a higher growth scenario of up to 388,000 people.

It is important to ensure we use land efficiently, and that our neighbourhoods and centres support the community's visions and values for the City. That is, a place that strikes a balance between our cherished environments, our need for great places to live and visit, smart transport options and a thriving economy that adapts and strives to be fair to all.

On average over the past decade, Lake Macquarie required almost 600 additional dwellings each year to accommodate population growth. Between 2006 and 2016, Lake Macquarie produced an average of 776 dwellings each year (REMPAN, 2017). Lake Macquarie has not experienced the same housing supply pressures as other parts of NSW.

Currently, most new housing in NSW falls into two categories – traditional freestanding homes or strata-titled apartments. What is missing is low-rise, medium sized homes, like terraces, villas, dual occupancies, manor homes or townhouses. This strategy aims to address the full range of housing needs, with a focus on areas where there are gaps in the housing market.

Lake Macquarie needs to increase the diversity in the types of housing available to give people more choice, provide an interesting and vibrant built environment, ensure housing supply caters for the needs of changing demographics into the future and ensure we have affordable housing solutions. We also need to cater for housing affordability, to ensure housing is attainable for all.

The proportion of people aged over 65 years is 20.5 per cent in Lake Macquarie, compared to 16.3 per cent across NSW. From 2006 – 2016 a decline was experienced in the previously steady growth of the 5-9, 10-14, and 15-19 year age groups. The 55+ age group

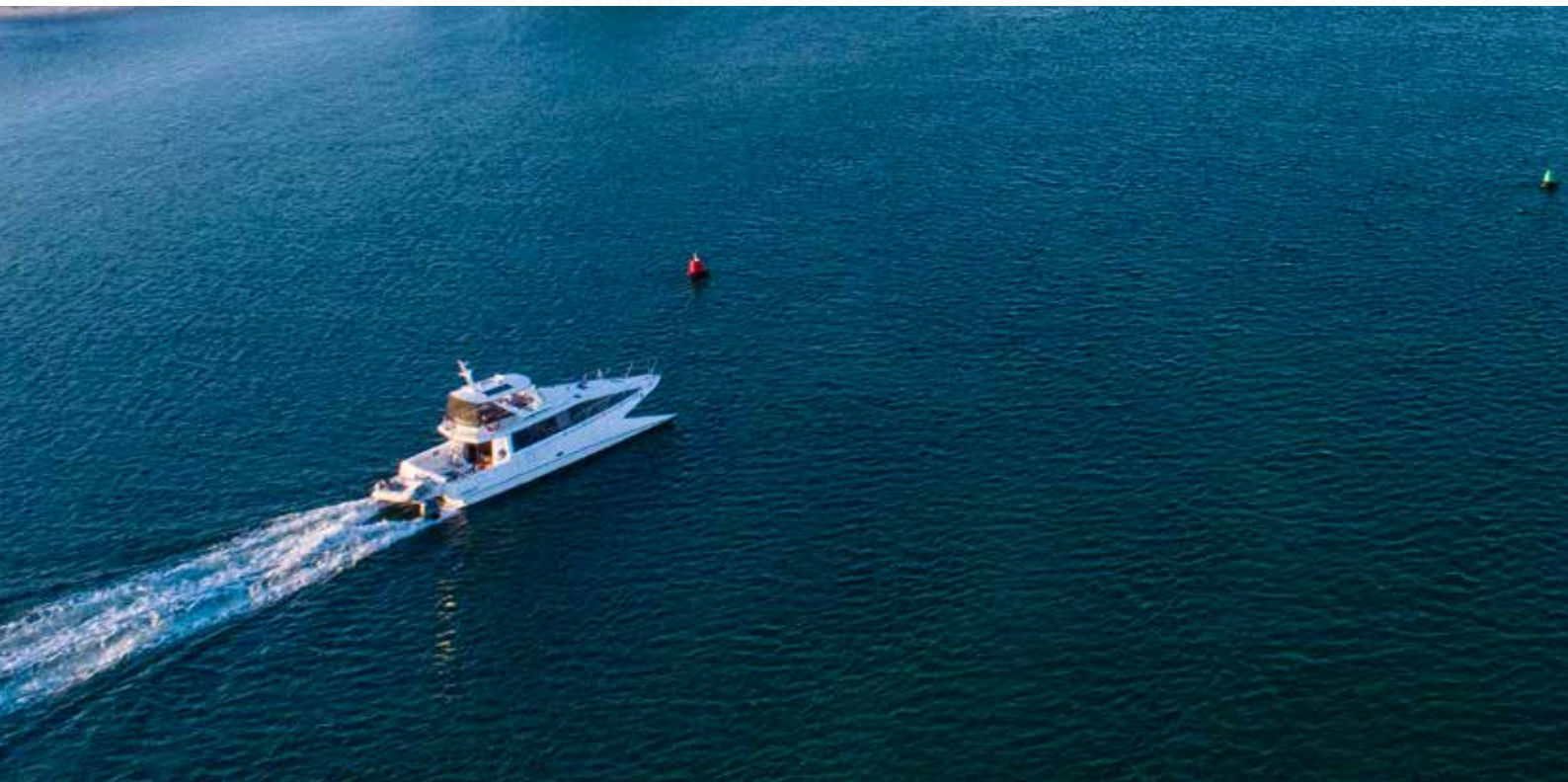
increased, with the 65-69 year age group having the highest growth over this 10-year period, increasing by 45 per cent to 3849 people.

We need to act strategically, putting policies in place to enable the more diverse mix of housing types needed for the future. The community requires a housing market that provides homes that meet their needs and preferences, and that they can afford.

The Housing Strategy is developed to ensure a consistent approach to the design and delivery of quality housing in and around the centres and neighbourhoods of Lake Macquarie. In particular, it addresses the housing market gap for smaller dwellings and low-rise medium density housing and ensures Lake Macquarie is a liveable place for all.

The Housing Strategy:

- Caters for the increased housing needs of a growing population,
- Identifies where the housing growth will occur, aiming for a healthy mix of greenfield and infill development,
- Seeks to diversify housing supply,
- Facilitates growth close to our centres,
- Seeks to support other strategic direction such as our economic and transport strategies, and
- Aims to be able to respond to a range of growth scenarios from low to high without causing a shortage or surplus of land for housing.



City and housing vision

The Lake Macquarie Housing Strategy aims to support the vision and values of the community, providing goals and actions for housing that will contribute to fulfilling these aspirations.

CITY VISION AND VALUES

Lake Macquarie is a City with a lake at its heart encircled by distinctive town centres. We balance our cherished environments with our need for great spaces to live and visit, smart transport options and a thriving economy, which adapt and strive to be fair for all.

To help attain this vision, housing is focused close to our existing centres, aiming to improve liveability for our current and future residents, and making Lake Mac a more vibrant place to be.

We value our unique landscape

a place where the natural environment (bushland, coast, lake and mountains) is protected and enhanced, where our existing urban centres are the focus of our growth, maintaining their unique characteristics.

We value lifestyle and wellbeing

a place that encourages safe, active and social opportunities.

We value mobility and accessibility

effective transport systems that provide choices to conveniently move people, goods and services.

We value a diverse economy

which is resilient and adaptable to change, making the best use of the unique advantages of our location and lifestyle.

We value connected communities

that support and care for all and provide a sense of belonging.

We value creativity

working together with creative process and outcomes that bring together history, culture, knowledge and expertise that supports new technologies and ways of thinking.

We value shared decision-making

Lake Macquarie communities continue shared responsibility for governance.

Lake Macquarie's vision for housing is summarised in the statement:

“ The Housing Strategy supports a housing market that meets the diverse and changing needs of the Lake Macquarie community. It enables a sustainable supply of housing for everyone, at all income levels, that is close to jobs and services, and that respects Lake Macquarie's unique landscape. ”

HOUSING VISION

The community's priorities and aspirations for housing in the LGA over the next 20 years were developed following consultation about what people envisage for housing in the City.

What the community told us: a housing strategy should address population growth while also protecting the unique environment we love, without a strong focus on big apartment blocks.

What the housing industry told us: a housing strategy should allow flexibility and address barriers to medium density housing developments by improving Council planning controls and processes.

What Community Housing Providers told us: a housing strategy should cater for and support affordable housing in various forms, with clear direction to help meet Lake Macquarie's social and community housing needs.

The large and small communities of Lake Macquarie's centres and neighbourhoods mean we have a diverse range of settings for our housing, including beachside, city, rural, natural and suburban settings. In line with most Australian communities, Lake Macquarie's household types are diversifying. Unfortunately, the

types of housing available are not diversifying to match this.

Council seeks to grow housing diversity, particularly close to our centres that have good transport accessibility, better access to work opportunities and that can maintain affordability into the future. We wish to ensure that, as the City grows, our neighbourhoods are well-planned, socially inclusive places of vibrancy, connected and sustainable.

The Housing Strategy aims to facilitate infill housing that is well located, and that responds to the changing population, ensuring our housing meets people's needs into the future by carefully monitoring and responding to change.

To improve housing affordability for the whole city Council aims to collaborate with the affordable housing sector and removing barriers to an affordable housing supply.

Where we live is important, as it provides us with a sense of place. We want to live in communities where we feel safe, connected and enriched. This means building neighbourhoods that make the link between location, housing and amenity, so that people have access to services, jobs, schools, hospitals and recreation.



About this housing strategy

WHAT IS THE HOUSING STRATEGY?

The Housing Strategy guides the decisions that Council and the private sector will make to deliver a greater diversity of housing to accommodate population growth and demographic change. The housing strategy also guides the design and location of housing into the future.

A number of studies informed the Housing Strategy, providing data on the current and likely future state of housing in Lake Macquarie, demographics, housing supply, housing preference, feasibility and affordability. These studies include:

- Lake Macquarie Housing Study 2018 and Appendices A-G
- Infill Design Solutions (Appendix H)
- Population, Demographic and Housing Forecast Modelling
- Housing Supply Potentials in Lake Macquarie City
- A Study of Housing Affordability
- Housing Preferences Survey and Choice Modelling Analysis

WHY DO WE NEED A HOUSING STRATEGY?

Lake Macquarie is aware that for some time our housing stock is lacking in diversity, with about 90 per cent of the City's residents living in low density detached housing. As demographics change, and demand increases for different housing types it is important to have a strategy to ensure that housing stock meets housing needs and that housing design and affordability are addressed.

The strategy will provide a framework to monitor and review our progress and identify any changes that are needed to meet the community's housing needs in to the future.

COUNCILS ROLE IN HOUSING PROVISION

The *Hunter Regional Plan* and *Greater Newcastle Metropolitan Plan* require Council to prepare a 20 year local plan to address particular housing issues. As Council does not develop housing generally, we need to work with the community and housing industry to address housing needs in a way that is sustainable. This involves:

- being aware of demographic changes and mega trends that influence housing needs
- monitoring and responding well to keep a healthy supply of land for housing in a way that values the unique landscape and character of its places

WHAT WILL THE HOUSING STRATEGY DO?

The strategy actions will largely direct changes to our Local Environmental Plans and Development Controls. Based on Council's responsibilities relating to the objects of the Environmental Planning and Assessment Act 1979, and within the context of State and regional plans and policies for housing, the Lake Macquarie Housing Strategy aims to use our Lake Macquarie Local Environmental Plan and Development Control Plan to help deliver the community's housing needs.

HOW DOES THE HOUSING STRATEGY FIT IN WITH OTHER LOCAL, REGIONAL AND STATE DIRECTIONS?

The local plans and strategies that support the Housing Strategy are numerous, however the strategic document that places the Housing Strategy in context to ensure the coordination of its delivery with transport, jobs and the environment is the Local Strategic Planning Statement.



Imagine Lake Mac – Our Plan to 2050 and Beyond

Imagine Lake Mac was the high-level, long-term strategy guiding the City's growth and change. It seeks to create vibrant centres and opportunities for substantial growth in new housing, including a greater mix of housing types. *Imagine Lake Mac* identified the areas where we expected to see growth and change. This has been used to inform the Local Strategic Planning Statement.

Local Strategic Planning Statement (LSPS)

The LSPS contains planning priorities and actions for the City, striving for Lake Macquarie to be one of the most productive, adaptable, sustainable and liveable places in Australia. The LSPS plans for:

A city to call home – where diverse housing options cater to everyone's needs.

The Principles supporting this planning priority are:

- Work with industry to:
 - unlock more housing close to jobs, services, public transport, social and recreational spaces, within and around centres to meet residents' day-to-day needs
 - deliver future housing growth through infill development in and around centres and train stations and new housing areas in the North West and South West growth areas
 - and government agencies to ensure future housing is well serviced with infrastructure
- Implement policy to facilitate the supply of diverse housing that is sustainable, affordable and caters for a variety of life stages, lifestyles, demographics, and enables social inclusiveness
- Ensure new growth areas are highly liveable and well serviced
- Improve the pedestrian environment to support access to neighbourhood destinations with a diversity of services and social purposes
- Collaborate with other levels of government to align plans for infrastructure to support the focus of development and activity in and around existing centres and identified housing release areas
- Ensure future rural residential housing is located where land is unlikely to be needed for more intensive urban purposes or rural production, is feasible to service with infrastructure and maintain high conservation values.

The LSPS includes an action to implement the Housing Strategy, including LEP and DCP amendments to support infill housing.

Regional Directions

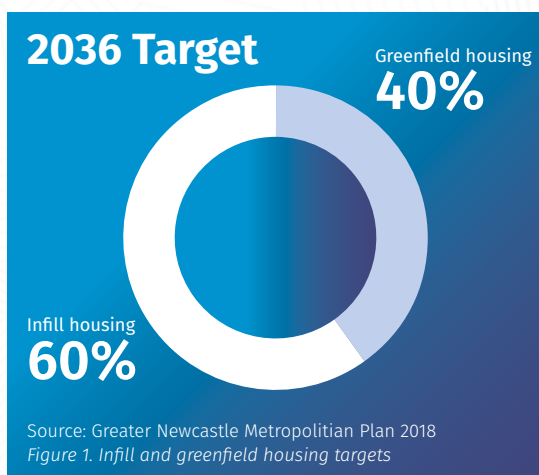
The Greater Newcastle Metropolitan Plan (GNMP) aims to deliver housing close to jobs and services, improve connections to jobs, services and recreation, to enhance the environment, amenity and resilience for quality of life. This Plan includes strategies relating to housing as follows:

- Prepare local strategies to deliver housing, integrating land use and transport plans
- Prioritise the delivery of infill housing opportunities within existing urban areas
- Unlock housing supply through infrastructure coordination and delivery
- Protect the amenity of rural areas, and deliver well-planned rural residential housing
- Create better buildings and great places
- Enhance the Blue and Green Grid and the urban tree canopy
- Plan for a Carbon Neutral Greater Newcastle by 2050

The GNMP identifies an additional 13,700 dwellings necessary to meet Lake Macquarie's housing needs to 2036. It recognises the North West Catalyst Area as significant for growth and provides specific infill and greenfield targets.

The GNMP requires a local strategy that will:

- prioritise infill housing opportunities and identify new residential release areas if housing supply is under a 15-year supply,
- achieve a minimum residential density of 15 dwellings per hectare in housing release areas, with 25 per cent of lots able to provide small lot/ multi dwelling housing types,
- ensure the social and affordable housing requirements for Aboriginal people and low and very low incomes are met.
- include targets that contribute to realising the 40 per cent greenfield and 60 per cent infill housing split across the Greater Newcastle area by 2036.



The Hunter Regional Plan seeks to create compact settlements and focus urban redevelopment and renewal in existing centres with established services, infrastructure and public transport. It recognises the role of the Newcastle–Lake Macquarie Western Corridor and the emerging growth area around Cooranbong, Morisset and Wyee. It promotes housing diversity, and requires councils to prepare Local Strategies that respond to housing needs, including social and affordable housing. It identifies strategic centres at Charlestown, Morisset and Cardiff–Glendale, and local centres at Belmont, Toronto, Cardiff, Warners Bay, Swansea and Mount Hutton.

State Environmental Planning Policies (SEPPs)

State policies of particular relevance to housing include:

- SEPP (Exempt and Complying Development Code) 2008, which allows complying development for dwellings, one and two storey dual occupancies, manor houses and terraces for proposals that comply with the requirements of the SEPP.
- SEPP 70 - Affordable Housing (Revised Schemes), which promotes the delivery and maintenance of affordable housing through an affordable housing contribution scheme.
- SEPP (Affordable Rental Housing) 2009, that aims to increase the supply and diversity of affordable rental and social housing in NSW, including in-fill affordable housing, secondary dwellings (granny flats), boarding houses, group homes, social and supported housing.
- SEPP 65 – Design Quality of Residential Apartment Development guides the design of apartment buildings through a design guide and panel.



Local government area snapshot

Lake Macquarie City is located in the Lower Hunter Region of NSW about 90 minutes from Sydney on the M1 motorway and within a short journey of Hunter Valley Wine Country, Newcastle Airport and the Port of Newcastle. The LGA extends over 750km², with a lake almost twice the size as Sydney Harbour at its heart.

Lake Macquarie has a population of about 205,000. Over 60,000 people work in the City, many in health care and social assistance, retail trade, and construction. There are also about 40,000 workers that travel out of the LGA for work.

Economic activity generated by the Lake Macquarie economy is more than \$19 billion or 20 per cent of the Hunter economy. About 1.2 million tourists visit Lake Macquarie City each year, and over \$1 billion worth of development applications were approved in the City in 2017-18.

The unique setting of Lake Macquarie is created by a strong physical landscape. The forested Mount Sugarloaf Range and Watagans form a visual backdrop including 13 forests. To the east lie 32km of sandy beaches and rocky headlands. This varied environment means biodiversity is an important consideration.

In many places, the lake's foreshore is protected by public reserves and parks, with several of the town centres on the lake edge, as well as smaller settlements and residential areas. Many parts of the City are affected by flooding, sea level rise and bushfire risk.

The City's strategic centre of Charlestown is located well away from the lake on the main north-south Pacific Highway route. Similarly, Cardiff-Glendale and Morisset are identified as strategic centres. A number of localities and centres like Warners Bay, Toronto, Cardiff, Glendale, Windale and Belmont also enjoy good access to transport, employment areas and neighbourhood services and facilities.



Community and housing snapshot

Our City



Population
204,914
people

Size over **750km²**

Population growth
30,000 by 2036



Lake Mac generates
19 billion
that's **20%** of the
Hunter Region economy

Unique

9 economic centres

50+ neighbourhood centres

Tourism
about
1.2 million
tourists



visit each year



13,700

New dwellings
by 2036



0.6%
growth rate

Our people

Median
age is

42

30%

of households are
couples with children



28%

of households are
couples without children



Older
population

60+

6.1% higher than NSW average



6.6%
of people
have a
disability

and need assistance, higher than
NSW average and increasing



Over 70%



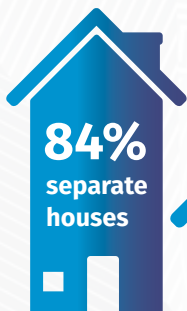
travel to
work by car

Our housing

86,397 dwellings



with **80,700** households



84%
separate
houses



10% attached
houses

71.5%

home ownership



22% homes
being rented



70%
three and four
bedroom houses

Housing affordability



13.2% Households need social or affordable housing in Lake Mac

Compared with: **15%** in the Lower Hunter and **17%** in the Greater Sydney Area



6346 rental stress households **3946** social housing households



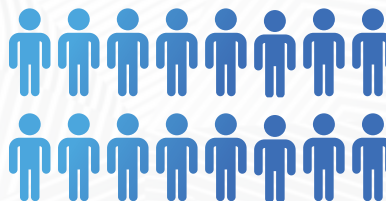
Higher proportion of lower-household incomes than NSW



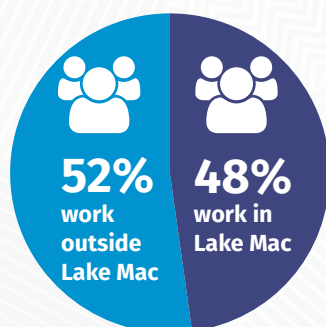
Employment and education



61,601 jobs



5.4% unemployment rate – slightly higher than NSW average



Most common occupation is professionals, then trades and technicians, and community and personal service workers



Most common level of education is a certificate (**32%**), followed by bachelor degree (**14.6%**) and diploma qualifications (**10.8%**).

Housing strategy priorities in brief

This City's five housing priorities and supporting objectives are summarised below. The priorities give effect to the strategies, objectives and actions of the Hunter Regional and Greater Newcastle Metropolitan Plans. They are informed by evidence-based analysis, and technical reports and studies. The priorities for housing over the next 15-20 years are supported by the actions outlined in further detail later in this strategy.

1	2	3	4	5
FACILITATE EFFICIENT HOUSING SUPPLY & INFRASTRUCTURE CO-ORDINATION	INCREASE DIVERSITY & CHOICE IN HOUSING	FACILITATE INFILL OPPORTUNITIES FOR HOUSING NEAR JOBS AND SERVICES	INCREASE AFFORDABLE RENTAL HOUSING AND HOME OWNERSHIP	FACILITATE HOUSING DESIGN FOR INNOVATION AND SUSTAINABILITY
STRATEGY OBJECTIVES				
Provide land and housing development opportunities to meet demand. Maintain a healthy land and housing development pipeline. Release an appropriate mix of greenfield land for housing to support a 40 per cent greenfield to 60 per cent infill housing split for the City. Focus new greenfield housing only where it is well located near existing centres and transport nodes. Identify priority release areas annually, align infrastructure delivery and review future growth areas as required to meet the 15 year development pipeline. Achieve a minimum density of 15 dwellings / ha and 25 per cent small lot or multi-dwelling housing in priority release areas, urban renewal corridors and strategic centers. Investigate the potential of providing a greenbelt.	Provide a diverse mix of housing types and choices to meet the needs of the whole community. Provide land and housing development opportunities to meet demand for a range of housing options. Maintain a healthy land and housing development pipeline, particularly for infill development. Facilitate innovative design and delivery mechanisms that support a diversity of housing types. Implement changes to planning controls and streamline the planning and development process to facilitate this planning objective. Promote and support a broader range of housing types such as tiny homes, manor houses, boarding house development.	Prioritise the delivery of housing within areas mapped as having a high liveability rating and within the existing urban footprint. Identify infill housing opportunities to deliver the overall 40 per cent greenfield to 60 per cent infill housing split across the local government area. Review Development Contribution Plans to ensure adequate funding is available to supply and service the increasing resident population in infill areas and to ensure contributions charged are commensurate. Provide housing supply, choice and affordability, in areas with more access to jobs, services and public transport. Ensure infill development is sensitive to the character of existing places.	Establish mechanisms for affordable housing contributions through the planning system. Investigate ways of supporting affordable housing opportunities. Collaborate with Community Housing Providers in the provision of affordable and social housing. Advocate for planning policy tools for inclusionary zoning. Ensure Council processes support streamlined approval for housing, particularly accessible housing, special needs housing and social and affordable housing. Undertake community engagement to reduce stigma associated with housing other than detached housing e.g. boarding house development.	Provide clear guidance on potential design solutions to meet the needs of the community for the types of housing missing from the housing market and community housing preferences. Amend Council's Local Environmental and Development Control Plans to enable relevant site specific changes to enable the design solutions to be realized. Encourage well designed, accessible and environmentally sustainable housing. Advocate on key housing issues to the NSW government, e.g. through submissions to planning policy reviews, inquiries and urban renewal master planning processes. Co-ordinate planning for housing with the Council's urban forestry strategy to increase urban tree canopy in streets and parks of Lake Macquarie.

Table 1: Housing priorities and strategies for the Lake Macquarie area



Our housing needs

The Housing Strategy works to balance the need for more homes, more jobs, space for infrastructure, sustainable economic growth and the creation of great places. The Greater Newcastle Metropolitan Plan indicates changes in household structure will lead to increased demand for smaller dwellings including medium and high density housing options in the future.

Housing needs are determined by projected population growth, analysis of likely trends in

demographics, including household types, household size, age cohorts and an understanding of housing preferences. *Council's Local Strategic Planning Statement* identified three growth scenarios. Scenario 1 represents current trends, Scenario 2 sees a greater recognition of the role of Lower Hunter region as a preferred place to live and work, and Scenario 3 foresees Lake Macquarie City within the reach of the expanding global city of Sydney. To ensure a healthy balance between demand and supply, Council will use regular tracking, monitoring and reporting.

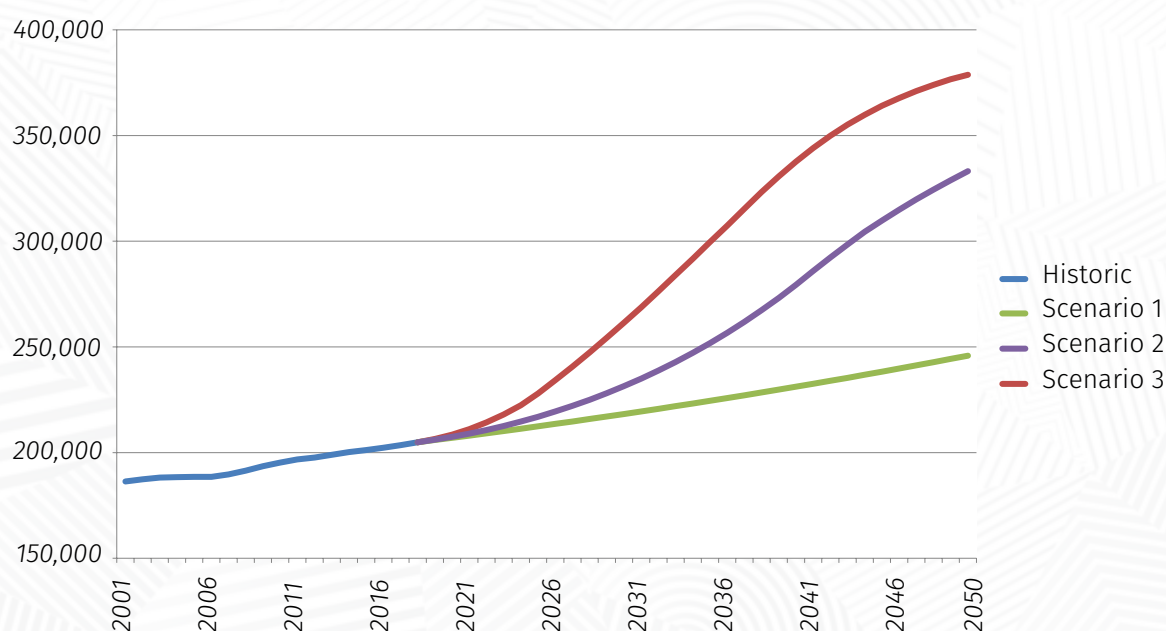


Figure 2: Population Scenarios to 2050

POPULATION AND CHANGE

Under Scenario 1, the population of Lake Macquarie is expected to grow from 202,850 in 2016 to 226,750 by 2036, an annual growth rate of 0.56 per cent (SGS 2018). This suggests demand for an additional 13,700 dwellings to 2036 based on current growth rates. Housing demand to 2036 requires an additional 7800 detached dwellings, 4150 semi-detached dwellings and 1,750 apartments, based on the existing split of housing types in the City (SGS 2018). This demand for housing is aligned with Council's 'Low' growth Scenario 1, and in line with State population projections. Council's survey into housing preferences found more people would be interested in semi-attached housing if there was more available, Council will need to monitor this latent demand over time.

Households Types

In 2016, the top three household types in Lake Macquarie made up 80 per cent of household types in the LGA. This was dominated by couples with children (30 per cent) couples (28 per cent), and lone person households (23 per cent). The trends to 2036 for these household types show lone person and couple only family households are projected to exceed the number of households of couples with children. Growth is also expected in the one parent family and 'other' household types over this period. Figure 3 (right) shows the forecast number of households by family type from 2016 to 2036, this has important implications as an increase in housing would be needed even if the population did not increase.

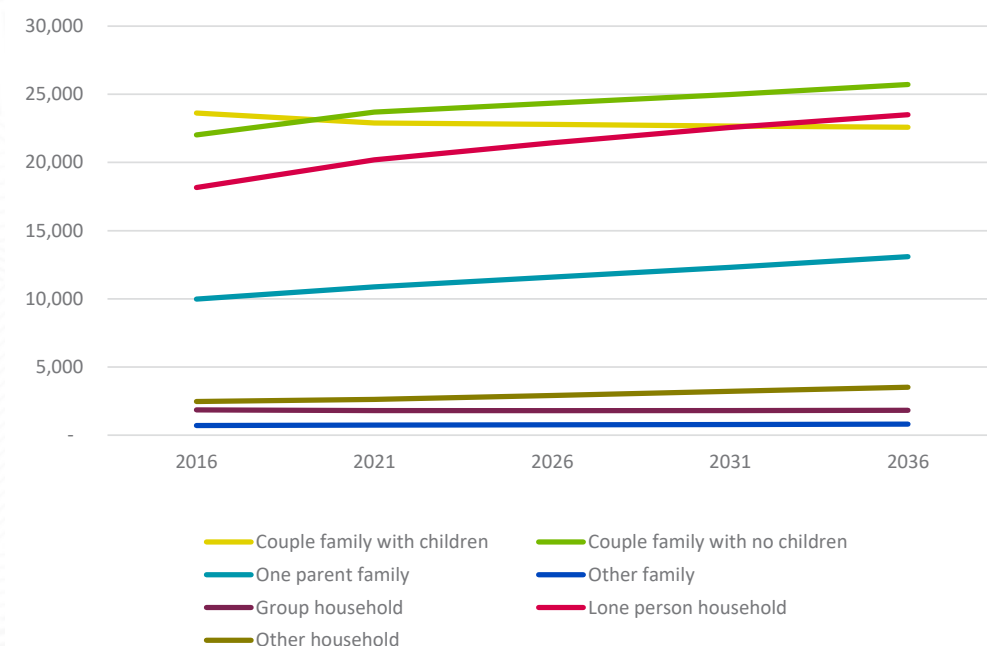


Figure 3: Household Numbers by Family Type from 2016- 2036
Source: ABS, DPE 2016 with SGS 2017 calculations

Dominant Age Groups

Over the last ten years, the 55-59 years age group has increased in population by over 1,000 people to become the most populous age group. By 2036, the population is forecast to continue ageing with the 75-79 (37 per cent), 80-84 (63 per cent) and 85 years and above (74 per cent) age groups experiencing the greatest growth.

Forecasts suggest an increase in smaller household types. Couple families without children (17 per cent growth), lone person households (29 per cent growth) and one parent families (30 per cent) are expected to experience the greatest growth by 2036 compared to other household types. The type of dwelling smaller households want to live in is changing. The type of dwellings that smaller households prefer (particularly the ageing population) are currently in low supply.

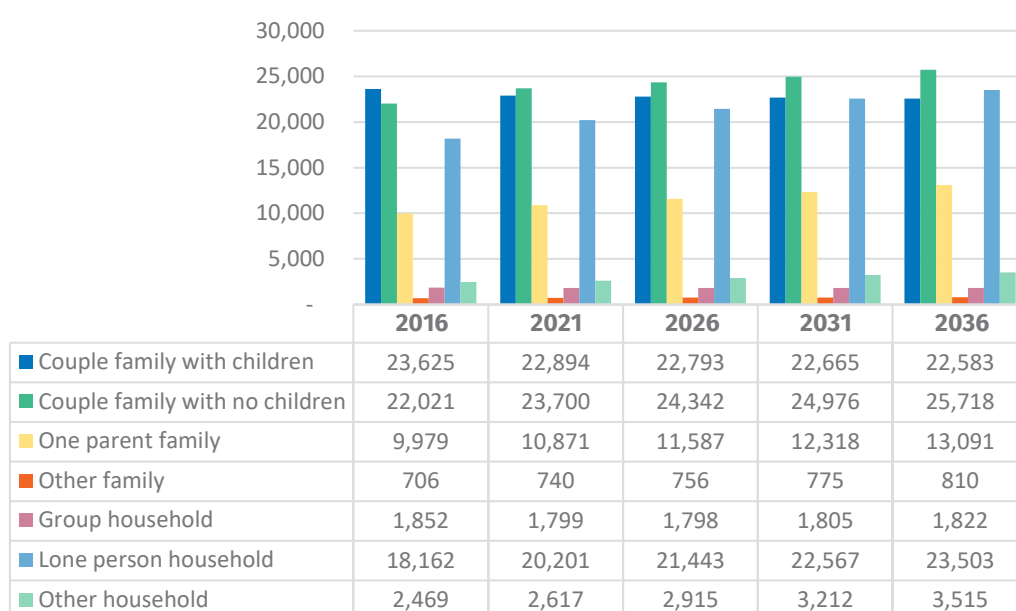


Figure 4. Count of population by family type 2016-2036

Lake Macquarie's ageing population is reflective of wider trends in Australia. Older age groups as a share of the total population are projected to increase, meaning that the proportion of younger residents will decrease. The changing nature of the City's demographic composition indicates a shift in housing preferences to reflect a diverse range of ages and household types. In particular, a substantial increase in the number of 75 to 85+ year olds (14,564) suggests that the City will need to investigate diverse housing types for retirees.

Households by dwelling type

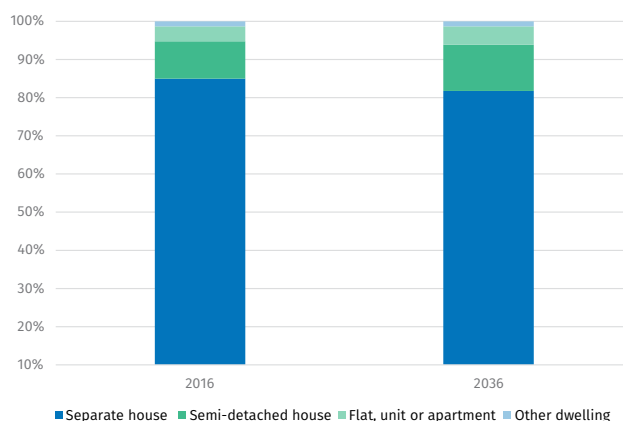


Figure 5: Shifts in Housing Types

Source: DPE 2016 and SGS 2018

ACCESSIBLE HOUSING

Liveable, sustainable and prosperous communities need a range of well-designed housing, connected to transport and employment opportunities, services such as health and childcare, and open space. Safe, stable, affordable and accessible housing is critical to enabling people to live independently, improving life opportunities related to relationships, work, education, recreation and other pursuits. Diverse housing that meets changing needs allows communities to stay intact and social networks to grow. When particular housing needs aren't met, vulnerable groups are more likely to experience homelessness and overcrowding. This results in increased barriers to education and employment opportunities.

The age structure of the population influences migration trends, household formation and housing need. A large aged cohort is likely to mean greater need for adaptable and accessible housing, while a large young population with low employment opportunities may imply a vulnerable group who require rent assistance.

HOW AFFORDABLE IS HOUSING IN LAKE MACQUARIE

Lake Macquarie historically provided relatively affordable home ownership and rental opportunities, in a location with good amenity and reasonable access to jobs in Newcastle. In 2016, of the 75,444 households in Lake Macquarie, there were 11,238 were experiencing stress. This is dominated by the 6,786 households in rental stress.

Total households 2016

75,444

Source: ABS Census, 2016.

Households in housing stress

11,238 (14.9%)

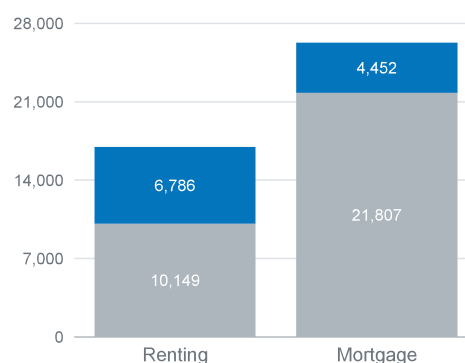
Figure 6: The dominant type of housing stress

Source: ABS Census 2016, id and CoreLogic

What is the dominant type of housing stress?

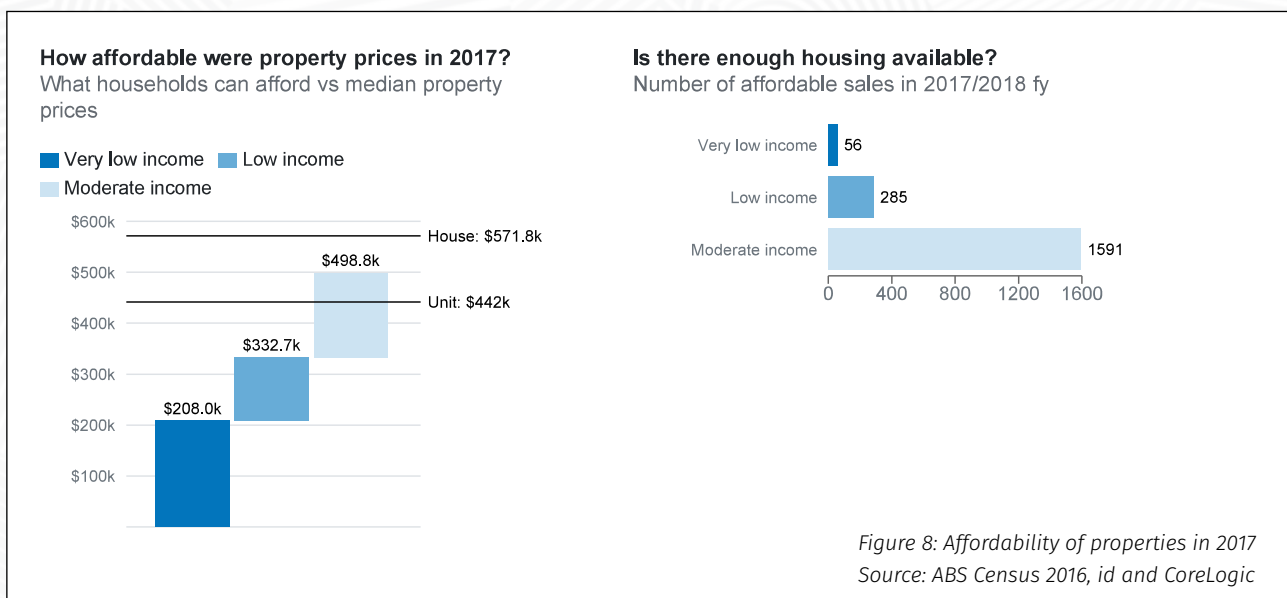
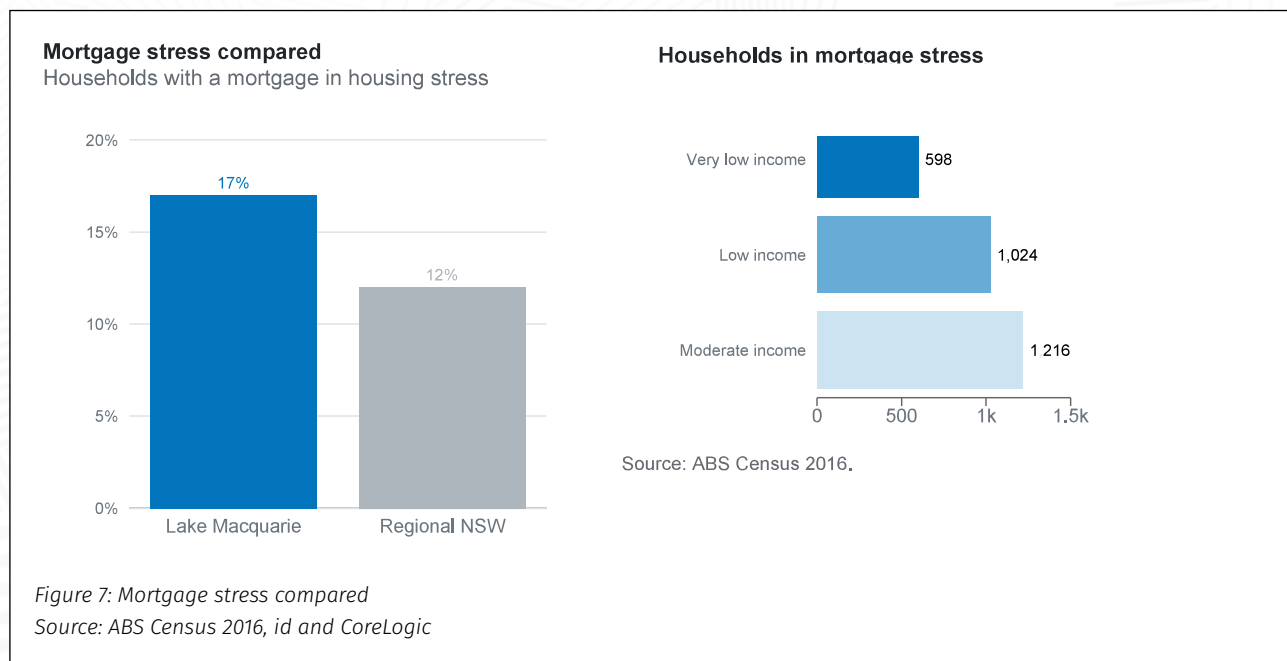
Households in housing stress

■ Not in housing stress ■ In housing stress



Rental affordability in Lake Macquarie has declined in recent years with most parts of the LGA becoming 'moderately unaffordable.' Over the period of 2006 – 2016, Lake Macquarie experienced a growing number of low income renters (6,000) and a declining supply of affordable rental housing stock. Rental vacancy rates are tight and there has been a reduction in the proportion of rental housing affordable for lower income households.

Almost a quarter of households in Lake Macquarie rent in both private and public tenures. Rental residential vacancy rates are low and demand for rental accommodation is high. This increase in demand for rental accommodation is a challenge, placing pressure on price points in the rental market.



Increasing the amount of affordable rental housing available for lower income households is an urgent priority for many Sydney councils but it is also important in Lake Macquarie where even a five per cent increase in rent would have a significant effect on rental stress in the whole of the Lake Macquarie area.

Current demand in Lake Macquarie is driven by the 6,346 households experiencing rental stress, of which

2,284 are experiencing severe rental stress. The 3,946 households currently living in social housing also contributes to the higher expressed demand. The highest proportion of very low-income households are lone person households, followed by couples with no children. Lone person households created the most demand for social and affordable housing, accounting for 1,864 of households in need (or 47.2 per cent).

What is housing affordability and affordable housing?

Housing is considered affordable where the cost of rent or paying the mortgage does not absorb more than 30 per cent of the gross income of a very low to moderate income household. Very low, low and moderate income households are defined in legislation, with the income ranges published annually.

The terms 'affordable housing' and 'affordable rental housing' are used to describe housing that is owned by government or a registered community housing provider, and rented to a mix of very low to moderate income households, collectively referred to in this Strategy as 'lower income households'.

Concern for housing 'key workers' or 'essential workers' is often raised. These refer to a range of

professions that make a positive contribution to the city e.g. child care workers, cleaners, nurses, artists, administration staff, tradespersons, retail workers, wait staff, police etc are essential to the efficient functioning and the vibrancy of the city. These terms refer to households that typically fall inside the definition of low or moderate incomes households, being households that are not eligible for social housing.

There is a difference between government priorities and actions that seek to "increase housing affordability" versus seeking an "increase in the amount of affordable housing". The former is a reference to reducing the overall cost of buying or renting a home relative to income or capacity to pay for housing. The latter is a reference to providing targeted housing solutions for those with the highest identified need (see Figure 9 that shows the Housing Continuum).

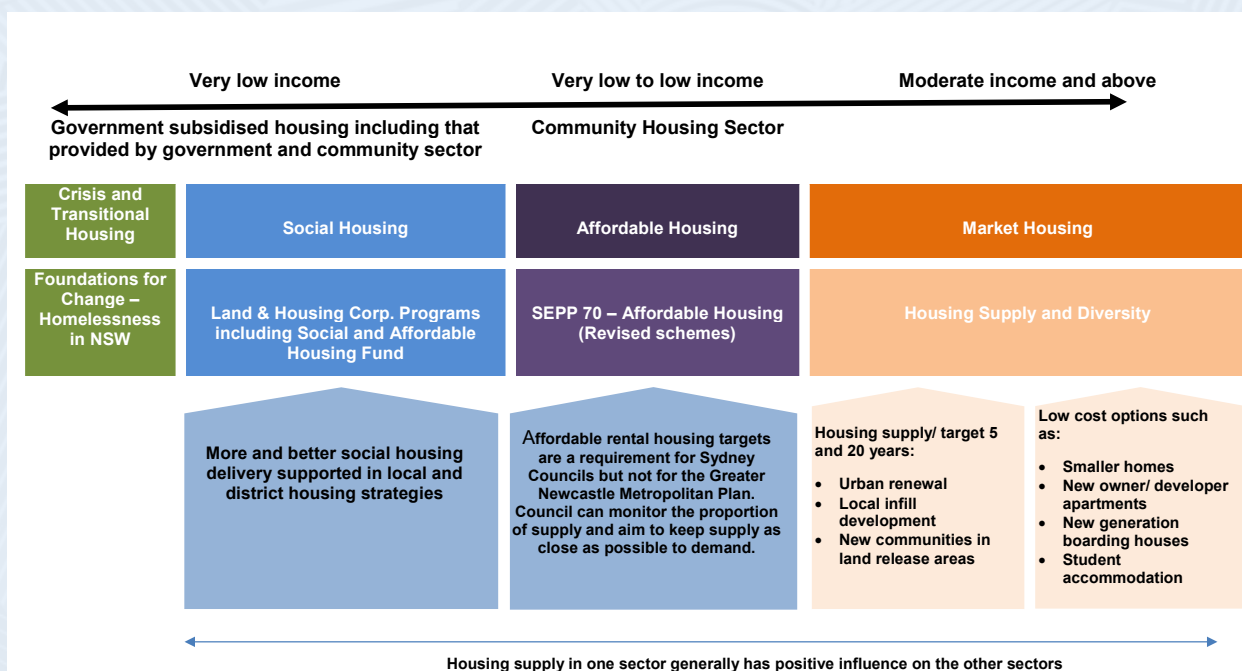


Figure 9: Housing Continuum

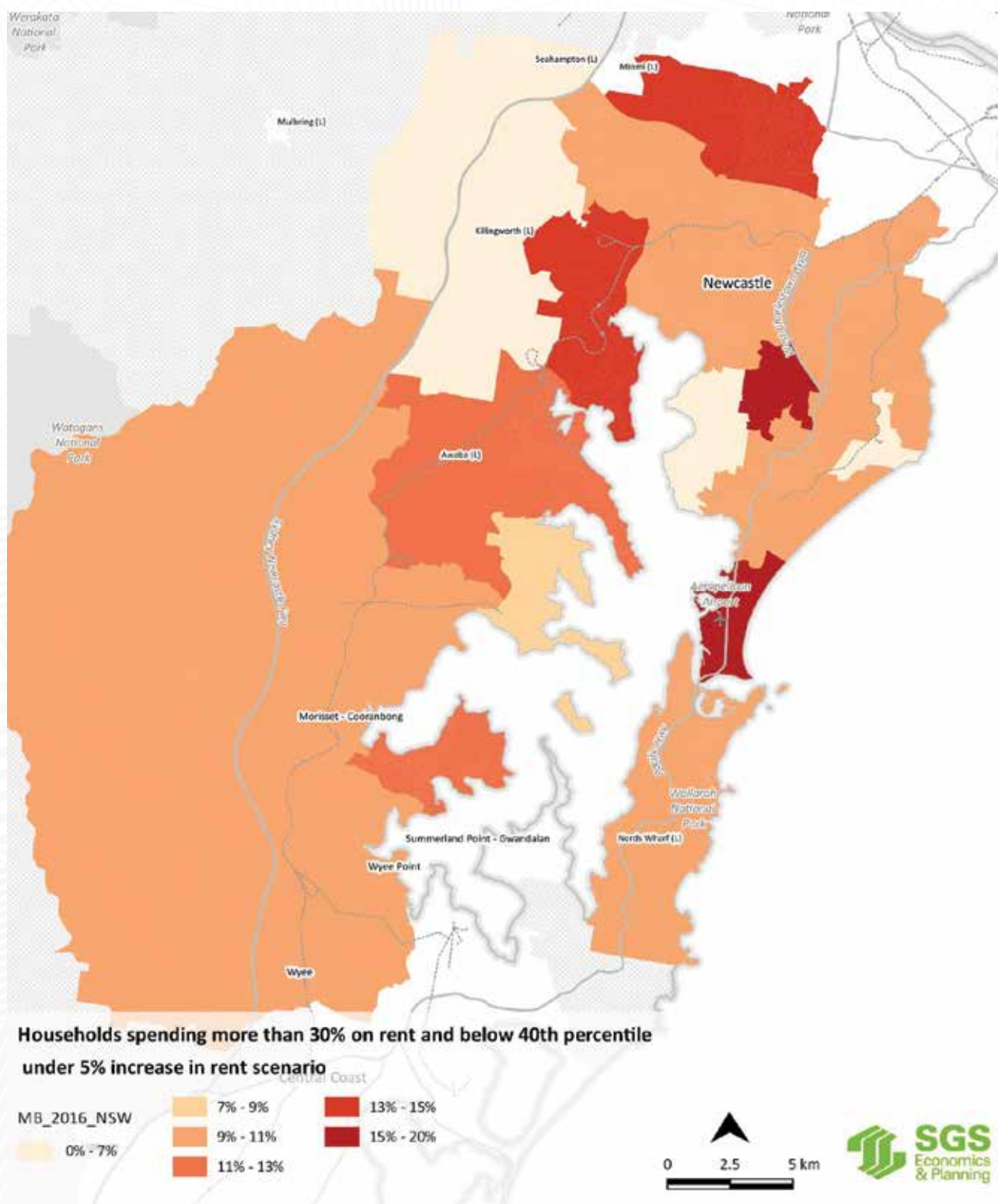


Figure 10: Household spending more than 30 per cent on rent Source: SGS Economics and Planning, 2018

Household type	Homeless	Living in Social Housing	Severe Rental Stress ¹	Moderate rental stress	Total Demand for SAH	Total Households	Demand % of Total households
Couple family with children	0	447	182	658	1,287	25,189	5%
Couple family with no children	0	547	265	759	1,571	24,061	7%
Group household	0	87	66	211	364	1,800	20%
Lone person household	403	1,864	1,087	1,154	4,509	19,803	23%
One parent family	0	941	660	1,052	2,653	9,400	28%
Other family	0	59	24	44	127	750	17%
Total	403	3,946	2,284	3,878	10,510	81,003	13%

Table 2: Total demand for social and affordable housing assistance in Lake Macquarie, by household type
Source: ABS Census 2016, ABS Homelessness Estimate (Cat. 2049.0), SGS Economics and Planning 2018

In terms of housing stress for households that are purchasing a home, in 2018 there was 9.5 per cent of households in the Lake Macquarie area experienced mortgage stress. This is similar to that for the Greater Capital City Statistical Area of Sydney (10 per cent).

Almost a quarter of households in Lake Macquarie LGA rent (24 per cent) in both private and public tenures. Residential vacancy rates are low and demand for rental accommodation is high. Increasing demand for rental accommodation is a challenge as it places pressure on price points in the rental market. Rental affordability is a significant issue in Lake Macquarie, with low supply of affordable rental housing relative to demand. A total of 10.7 per cent of households spend more than 30 per cent of income on rent, and 9.7 per cent of low and very low income households spend more than 30 per cent of gross income on rent. Belmont South-Blacksmiths, Mount Hutton-Windale and Wallsend-Elmore Vale exhibited the highest proportions of households in rental affordability stress. Similarly, 9.5 per cent of households are experiencing mortgage stress.

FUTURE DEMAND FOR AFFORDABLE HOUSING

The decline in housing affordability, and the inability for everyday people to access housing that is affordable, is having an increasingly detrimental impact on socio-economic diversity, which underpins the City's rich social fabric. The ongoing loss of people who cannot afford to live close to where they need and want to be, whether it be close to family, employment or services, is also a concern.

Over the 20-year period from 2016 to 2036, Lake Macquarie is expected to accommodate approximately 30,000 additional people or 5.6 per cent of the regional NSW population. This in turn drives demand for social and affordable housing. Demand for social and affordable housing is expected to grow by 1825 households. This represents an average annual growth rate of 0.8 per cent, compared to an annual growth of 1.5 per cent across NSW.

Not everybody in all parts of their life will have the same access to the human essential need of a roof over their head and a place to call home. Often people face homelessness through no fault of their own – loss of job, relationship breakdown, domestic violence or mental illness. We need to assist these people to find security and a place to call home so they can rebuild their lives.

It is expected that the total demand of housing for Aboriginal and Torres Strait Islander households in the LGA will increase from 4436 households in 2018 to 6926 households in 2031. This represents an increase of up to 56 per cent of households.

The issue of housing affordability can have implications for who can afford to live in an area. For example, people essential to employment sectors, to fill vacancies and staff shifts. It can also hamper business productivity and by extension the wider economic growth of Lake Macquarie. For people on lower incomes, affordable rental housing provides a critical alternative to private market housing, providing some opportunity to live in the City. It also

¹ Moderate, low or very low-income households only. Other higher income households may be in rental stress, but the relative levels of household income would exceed Income eligibility criteria.

acts as a release valve to social housing, easing the pressure on demand for an undersupplied system. For some, affordable rental housing is simply a stepping stone to private rental or ownership, but for others it may be longer term.

WHAT HOUSING DO PEOPLE PREFER?

In 2019, the housing preferences of 400 residents of Lake Macquarie were surveyed. And, although 73 per cent of

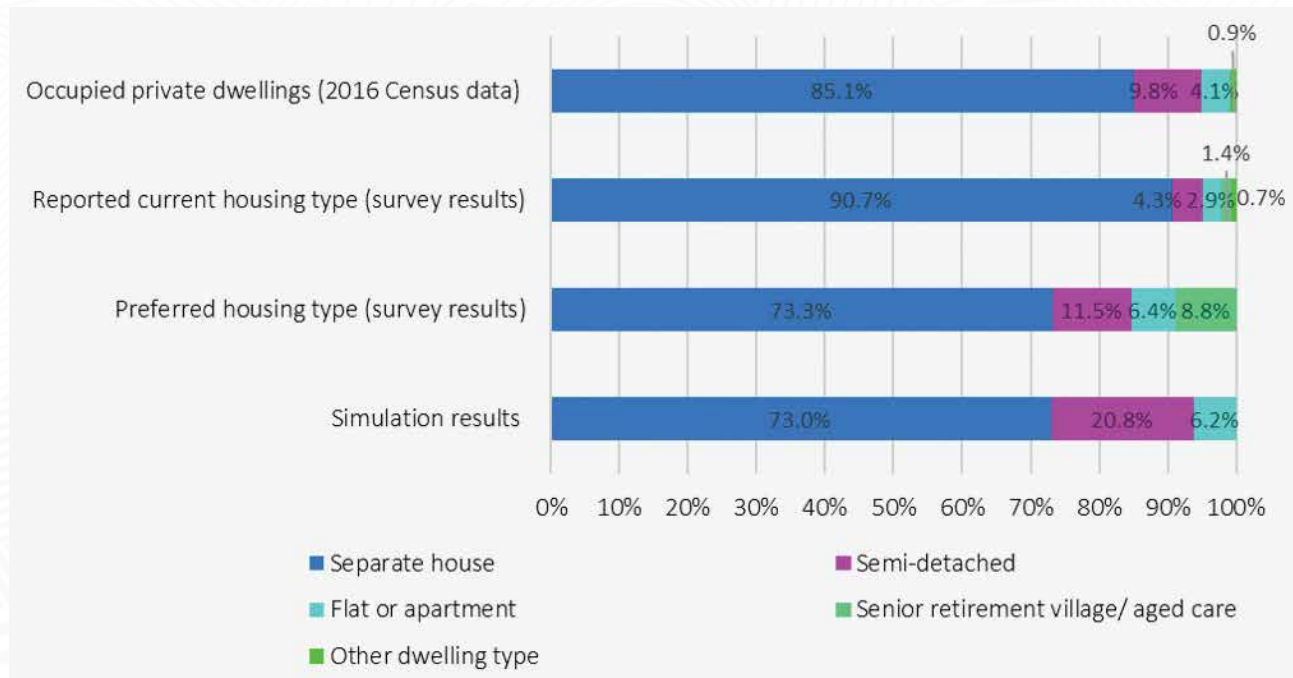
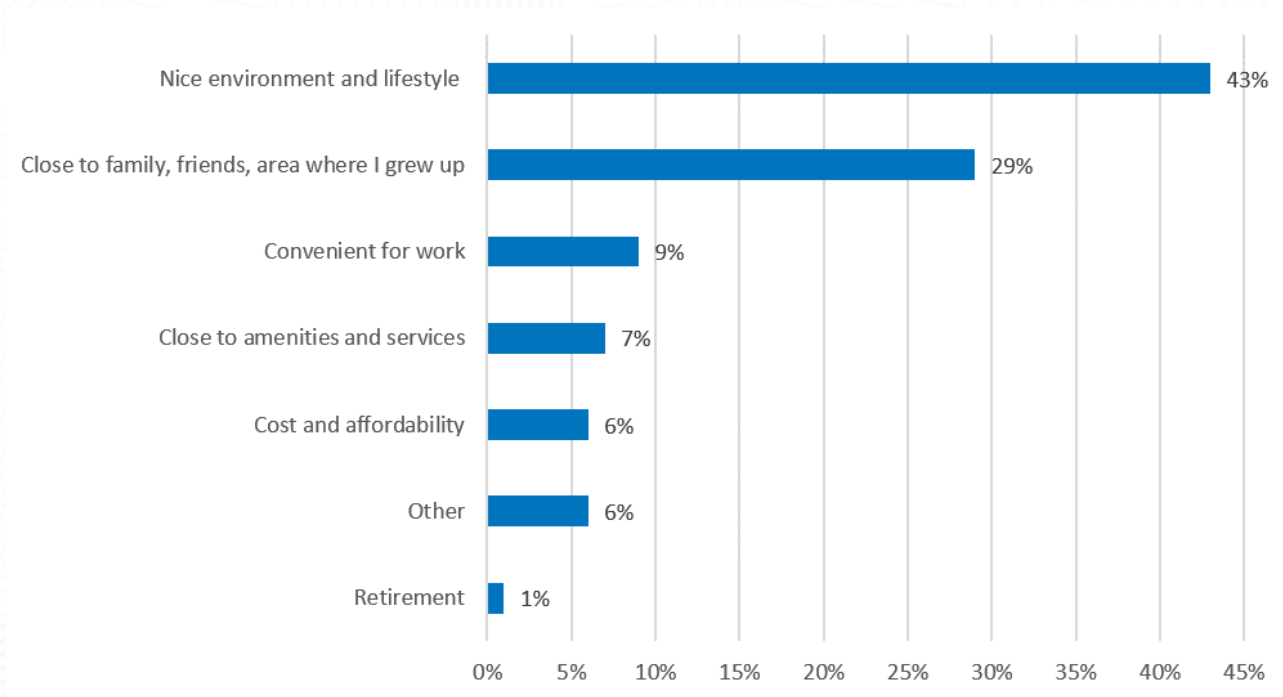


Figure 11: Preferred Dwelling Type Compared to Actual Housing Stock

To further identify the types of housing people want, an analysis of housing choice explored the influence of specific housing attributes. This aimed to determine the attributes influencing housing choice, and how these affect the property a household chooses to move to. This analysis found:

- Clear divergence between the expressed preferences and the supply of housing in Lake Macquarie.
- A house on a separate lot was the most popular housing type in the market simulation, preference survey and current supply (2016 Census)
- Most people chose a house in their preferred location due to its desirable environment and lifestyle.
- The area's character (i.e. town centre, suburbs or rural), garden size and size of rural lots were found to be the least influential attributes in decision-making.
- The choice model indicated that 'dwelling type' is the most influential attribute in decision-making followed by geographic location, number of bedrooms, price and number of car parking spaces.
- A greater proportion of households would choose semi-detached, villa or duplex homes if more stock was available.
- Flat, unit or apartment developments demonstrated similar patterns.
- Price/affordability in desired location is seen as the biggest barrier for participants (37 per cent), followed by not enough availability of preferred housing type (19 per cent).



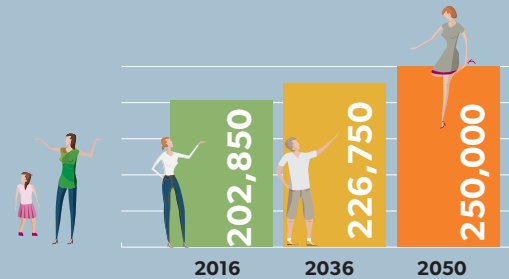
residents preferred a detached house, 90 per cent of residents are actually living in detached dwellings. To meet the needs of changing households, a diversity of housing types is required. However, the housing market is slow to change, as newly developed housing is a small proportion of total housing stock. Council surveyed housing preferences to better understand the appetite for different housing types.



Population growth

Our population is expected to grow from **200,000** to **250,000** by the year 2050.

We need to plan for this increase and the potential for higher growth scenarios.

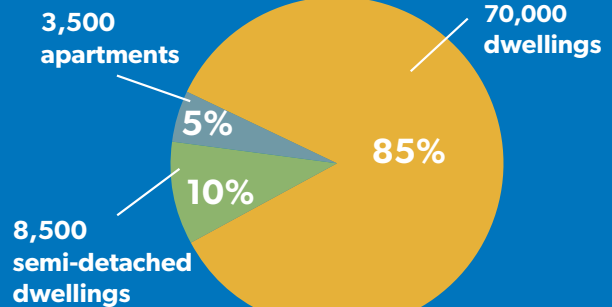


Current housing supply

Our current housing market is dominated by standard residential dwellings.

In 2016 there was a total of **82,000** dwellings

Housing stock



Household changes

Only **15%** of people live within a **10-minute** walk of our centres.



Almost **50%** of households will have only one to two people living in them by 2036.

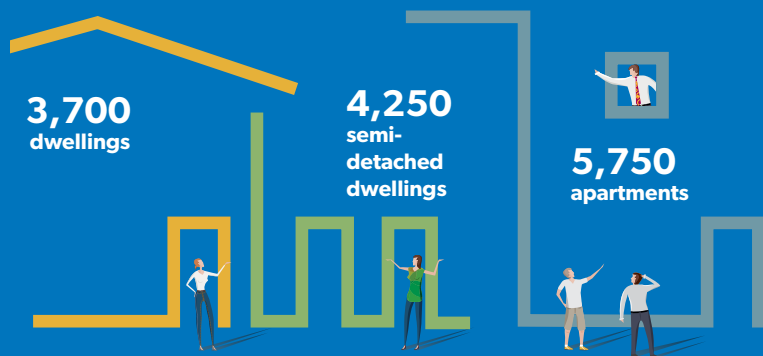


We will need **6,800** more one and two bedroom dwellings by 2036



Future housing scenario based on housing preference

We will need an extra **13,700** dwellings by 2036 including:





Meeting housing needs

One of the key responsibilities of councils in NSW is to plan for sustainable urban development. The City's Local Strategic Planning Statement LSPS provides the City's long-term vision for how the local area will grow and change over the next 20 years. Council's LSPS recognises the importance of increasing housing supply in a sustainable way and in the right places.

Matching demand and supply requires an understanding of not only projected needs based on past use, but also likely future trends that will influence future needs.

CURRENT HOUSING SUPPLY

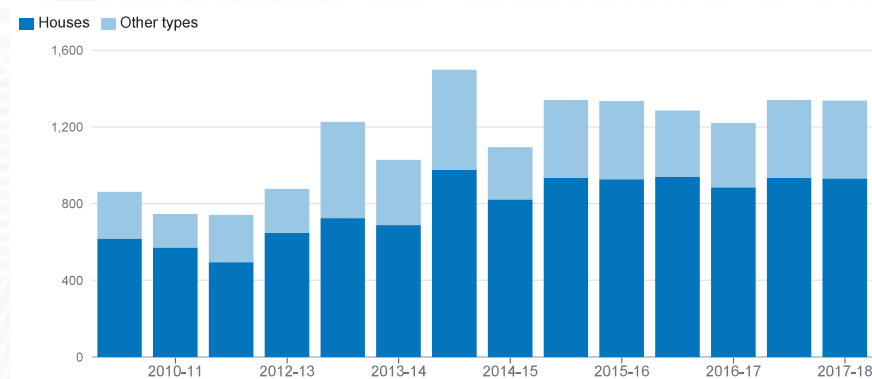
Lake Macquarie's current housing supply consists of 82,000 dwellings, of which nine per cent are unoccupied. Fewer than one per cent were non-private dwellings. The existing current housing stock is predominantly detached (84 per cent) with attached dwellings (semi-detached and row or terrace house, townhouse) accounting for only 10 per cent of total private dwellings, 4 per cent apartment and the remaining housing being aged care facility and manufactured housing estates. Three and four bedroom dwellings make up almost 70 per cent of all private dwellings, with much smaller supplies of one and two bedroom dwellings (3 and 15 per cent respectively).

Over the 10-year period from 2007 to 2018, there was approximately 11,156 dwellings approved in Lake Macquarie. Of those, there were 7837 detached dwellings and 3319 multi-dwelling developments. The detached housing has been predominantly in Cameron Park, Cooranbong, and Morisset. Multi-dwelling housing has predominantly occurred in Charlestown and Cardiff.

To date new housing has predominantly been detached houses, with multi-dwelling units comprising a small proportion of overall housing.

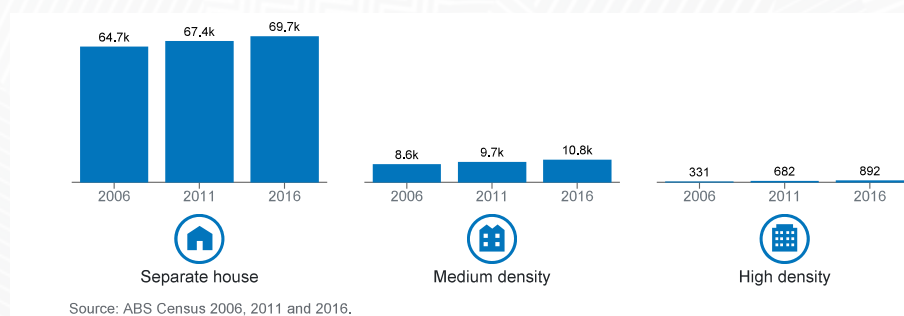
Meeting people's housing needs has wider economic, social and environmental impacts. A lack of appropriate and affordable housing contributes to the cost of labour, and puts economic growth and competitiveness at risk. At regional and local levels, offering more housing choices helps labour markets function, for example by improving labour mobility and ensuring sufficient workers are available to support local businesses.

Dwellings incorporating accessible design features and group homes enable older people and people with disabilities to stay in their local community or to find housing close to relatives and support networks. Barriers to, and gaps in, provision of appropriate and affordable housing for the whole community vary with location.



Source: ABS Building Approvals.

Figure 14: Residential Development Approvals in Lake Macquarie



Source: ABS Census 2006, 2011 and 2016.

Figure 15: Dominant Housing Type in Lake Macquarie

The graphs below compare housing released in Lake Macquarie to that released elsewhere in the Lower Hunter.

Council supports greenfield and infill residential development, and development opportunities will not become more constrained in the 11–20 year period if infill development shifts to be a more dominant supply. Shifting the main focus from developing greenfield sites to supporting more infill development upholds Council’s Local Strategic Planning Statement’s priorities and the objectives of the Greater Newcastle Metropolitan Plan. This shift aims to ensure the best use of land and infrastructure, for robust local economies, jobs creation and sustainability.

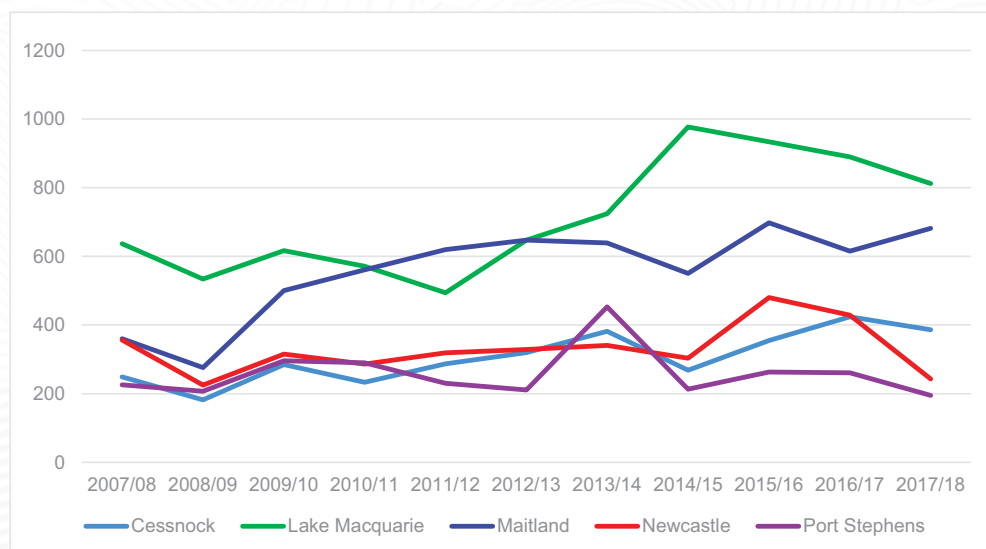


Figure 16: New Detached Dwelling Approvals by LGA 2008 to 2018
Source: Hunter Region Urban Development Program

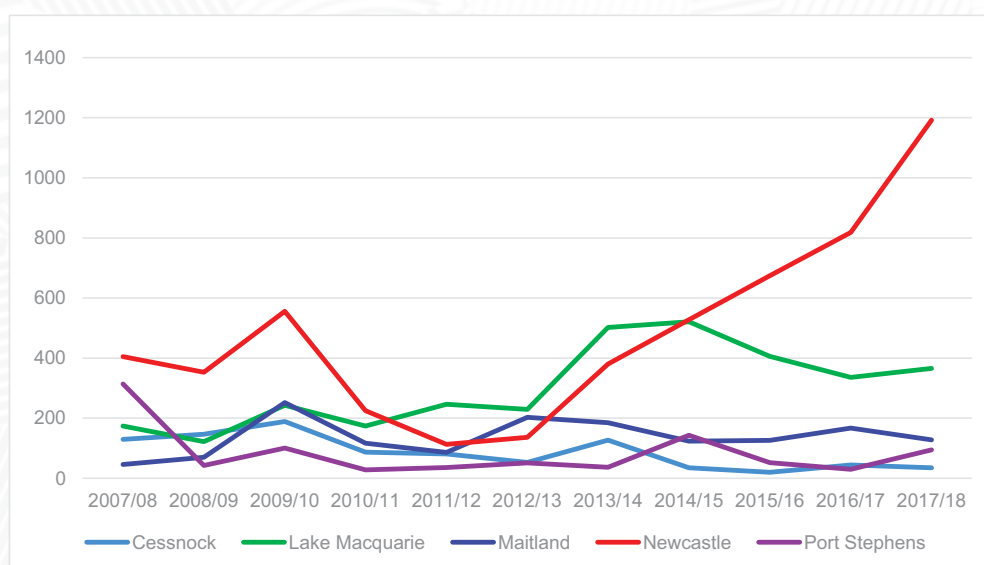


Figure 17: New Multi-Unit Approvals in Lake Macquarie
Source: Hunter Region Urban Development Program

Figures 16 and 17 demonstrate that while Lake Macquarie has frequently released the highest number of detached dwellings over the past 10 years (Figure 16), it is well behind Newcastle in the multi-unit approvals. The past 10 years has seen large greenfield subdivisions in Cooranbong, West Wallsend, Cameron Park, Catherine Hill Bay, Wallarah Peninsula, Nords Wharf, Morisset and Wyee. This sort of development needs to be supported by infill development. To meet the Greater Newcastle Metropolitan Plan of 60 per cent infill development there needs to be a significant change, and shift towards infill development.

RESIDENTIAL DEVELOPMENT ACTIVITY IN THE PIPELINE

Residential development 'in the pipeline' refers to submitted and determined development applications and projects under construction. Lake Macquarie is starting to see the delivery of a more diverse range of housing, with 719 medium density dwellings (predominantly townhouses) in the pipeline. The suburbs of Cameron Park, Cardiff and Charlestown have been the focus for this type of development. There have also been 1124 apartments in projects focused in local centres, including Cardiff, Charlestown and Warners Bay.

There are also approximately 4785 detached dwellings in the five-year development pipeline, predominantly in the suburbs of Boolaroo, Cameron Park and Cooranbong.

Table 3 identifies development activity in the 10 suburbs with the greatest amount in the pipeline. Apartments and medium density development will comprise 30 per cent of this new growth, with the remaining 70 per cent being detached dwellings. This demonstrates a slight shift in the right direction, that is, towards more housing diversity. The proportion of detached dwellings is currently about 84 per cent of all dwellings.

	Detached dwellings	Medium density dwellings	Apartments	Total	% of LGA Total
Boolaroo	907	0	21	928	14%
Cameron Park	1127	117	0	1244	18%
Cardiff	25	127	155	307	4%
Charlestown	46	120	203	369	5%
Cooranbong	717	0	64	781	11%
Edgeworth	627	0	12	639	9%
Dora Creek	251	0	0	251	4%
Mount Hutton	48	113	142	303	4%
Speers Point	260	0	0	260	4%
Warners Bay	36	49	205	290	4%
Other suburbs	741	193	548	1482	22%
Total	4785	719	1350	6854	100%
% of LGA Total	70%	10%	20%	100%	

Table 3: Development activity in the pipeline – submitted and determined development applications and projects in construction
Source: SGS Economics and Planning (2018) Lake Macquarie Housing Study sourced from Cordell Connect

HOUSING CAPACITY ANALYSIS

An analysis of Lake Macquarie City's capacity for new dwellings in infill and greenfield areas estimated capacity for 17,000 new dwellings in greenfield areas, and between 16,000 and 35,000 new dwellings in established areas.² This range of capacity in established areas recognises the variation in potential housing densities, from low to high density for new infill developments.

Based on Council's Urban Development Program, most greenfield areas are likely to be released in the next 15 years. A significant proportion of this supply is in West Wallsend, Cardiff-Glendale and Morisset.

The analysis for infill capacity included only lots larger than 1000 sqm in area, assumed no amalgamation and development potential based on current development controls such as minimum lot size requirements. Due to these criteria the estimated development capacity of between 16,000 and 35,000 new dwellings in established areas is a conservative estimate².

Housing supply is anticipated to provide 3240 -21,982 dwellings above the projected demand level (depending on growth scenarios) as shown in Figure 18.

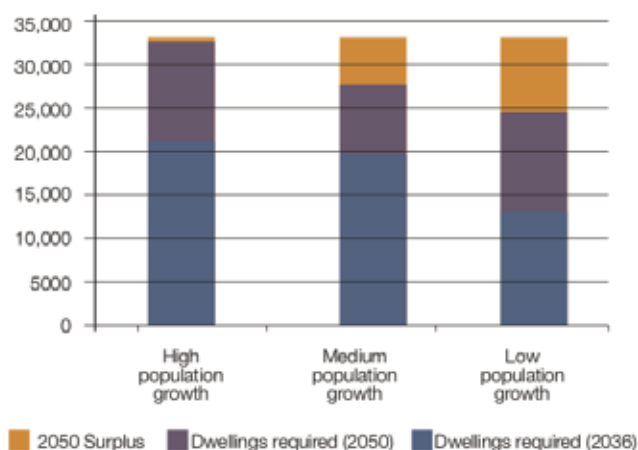


Figure 18: Predicted Housing Supply and Demand to 2036 and 2050 and Surplus Supply

Source: Lake Macquarie City Council (2018) Housing Supply

The total capacity for new dwellings in both greenfield and infill locations is in the range of 33,000 to 52,000 additional dwellings. Infill capacity is highest in the northern and north eastern suburbs. Greenfield capacity is the highest in the south and north western suburbs. See Figure 19 showing the distribution of greenfield housing land supply.

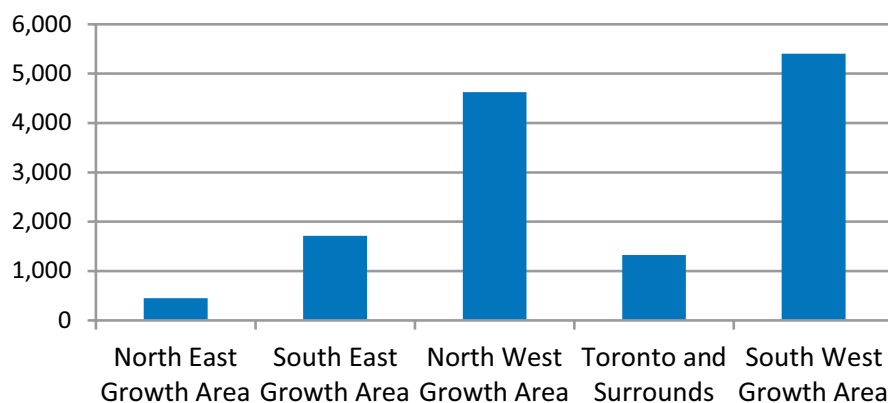


Figure 19: Greenfield Housing Supply - Spatial Distribution

This conservative estimate shows that supply can meet demand to 2040. Infill development has the strongest supply potential, with infill having the potential to provide 63-76 per cent of housing supply, representing significant shifts from current housing supply. A summary of the areas identified for new growth, for infill and greenfield is provided in Figure 20.

² Lake Macquarie City Council (2017) Draft Housing Supply Potentials in Lake Macquarie City Council: An estimate of the infill development potential by the year 2050

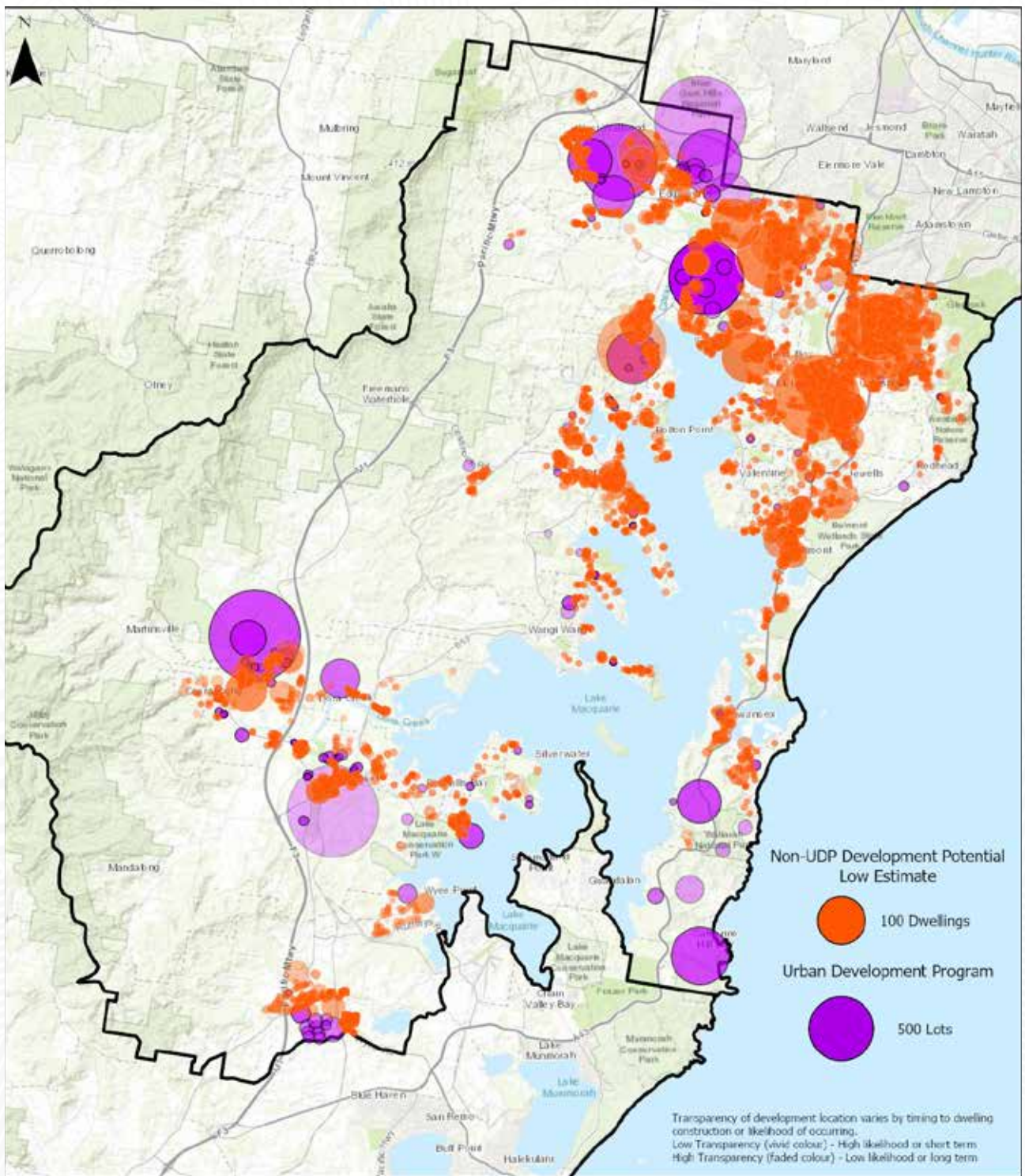


Figure 20: Urban development potentials in Lake Macquarie
 Source: Housing Supply Potentials Supply in Lake Macquarie City (2018)



The graph below shows the higher population growth, Scenario 3 (red line) is shown with current approvals (black and grey) and capacity (blue).

To make best use of the land and infrastructure available, and to facilitate an increasing demand for greater housing diversity, the Strategy provides for changes to the Council's planning controls. The changes will aim to assist in realizing housing capacity. These changes will also aim to a built form that responds better to the surrounding context and

creates a better urban environment. Measures such as adjusting height limits and built form planning controls will enable sensitive infill development to proceed. This will help realise the full potential of available land supply (over 15 years).

Council can fulfil a range of roles to influence the supply of housing generally, the diversity of housing, and social and affordable housing. Council's role is discussed in the following section.

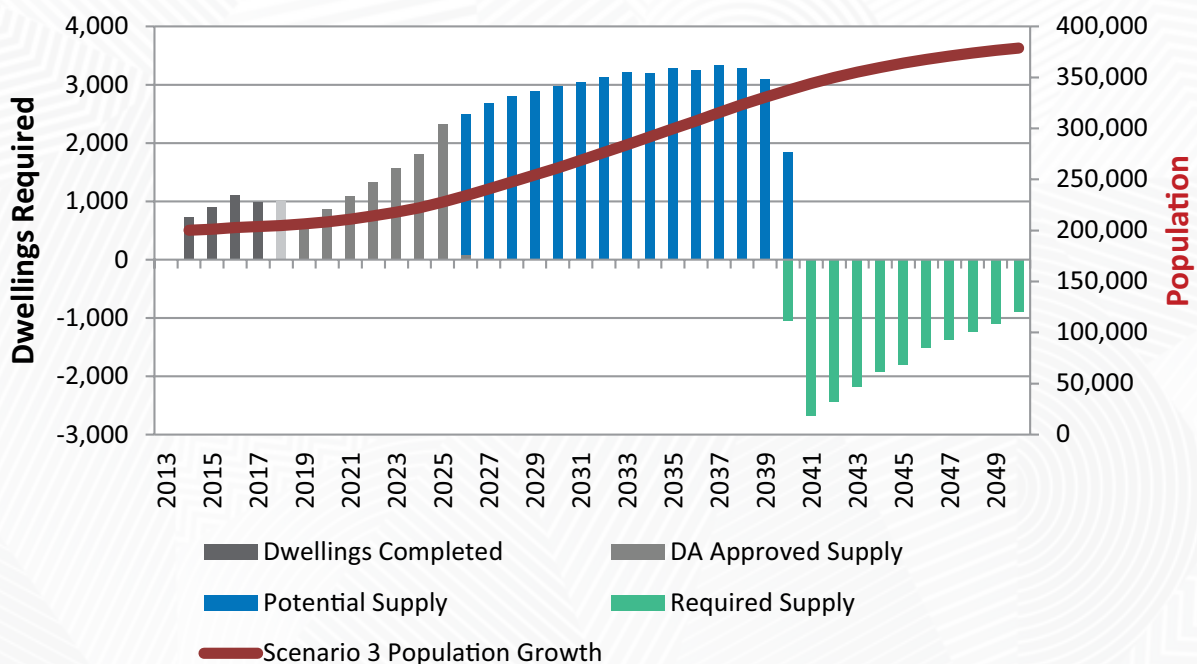


Figure 21: Readiness for Capacity to Meet Demand
Source: Presentation: Lake Macquarie City Council, 2019



LIVEABILITY

Housing affordability extends beyond the cost to buy or rent a dwelling. It includes transport costs to access services and facilities, as well as the costs of operating a dwelling. Affordable living and 'liveability' recognise the financial and infrastructure efficiency gains on offer by supporting more housing close to services and facilities to enable people to meet their day-to-day needs conveniently, and to minimise additional expenses for households. The Housing Study identified that locations with the best 'liveability' are those locations in and around core activity areas, which have superior access to urban amenities.

Focusing housing in highly liveable areas with access to existing services, community facilities and infrastructure eases the pressure for costly new infrastructure, typical for greenfield housing. Everyone deserves to have a safe and affordable place to live. The Housing Strategy recognises the need for all forms of housing and aims to provide homes for all household groups and budgets. The focus is on:

- delivering housing that is more affordable and maximises opportunities for home ownership or rent, to reduce housing stress, and
- facilitating and, where appropriate, delivering affordable rental housing (whether or not in partnership with State Government or other providers) managed or owned by registered Community Housing Providers for very low to moderate income households.

Placing people closer to where they work and recreate means people can move around more easily, with better access to existing amenities, resulting in more cost-efficient housing. Council undertook an assessment of liveability, taking into account how people live, work, recreate and move through the local area and broader region. The assessment looked at the wellbeing of a community and creating places where people would want to live both now and in future. This assessment considered access to a wide range of factors associated with liveability, such as access to employment, retail services, community facilities and open spaces.

Overall, the areas ranked most liveable were:

- the suburbs in northern Lake Macquarie, having greater access to services, employment opportunities and transport options.
- economic centres of Belmont, Cardiff, Glendale, Charlestown, Toronto and Warners Bay scored well in the liveability ranking,
- smaller centres of Teralba, Speers Point, Booragul and Windale.

Other suburbs with high visual and natural amenity did not score as highly due to more limited access to services.

The areas that ranked as highly liveable (mapped as green areas) will be the focus of changes to planning controls to help facilitate greater rates of infill and medium density development as priority areas.

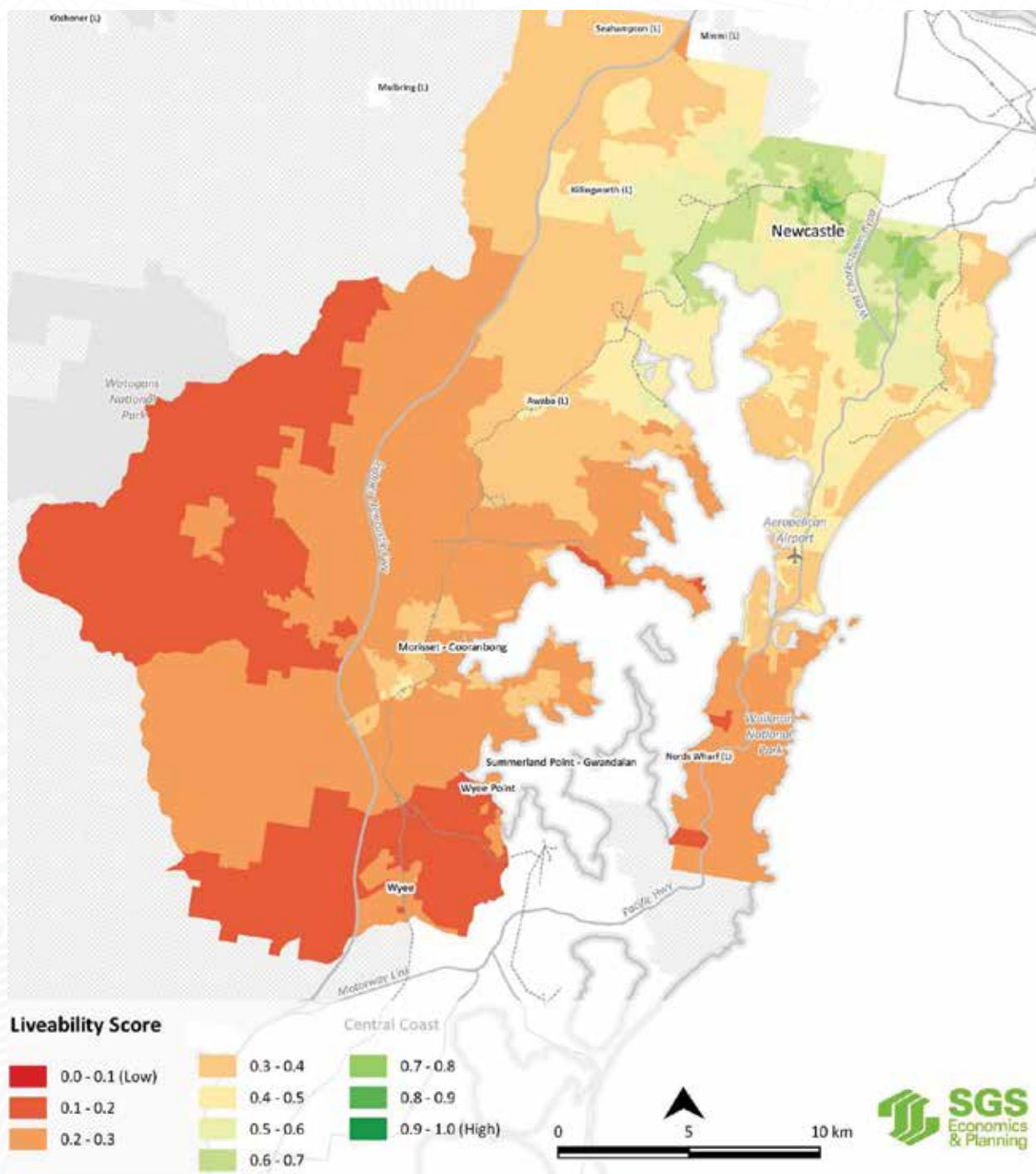


Figure 22: Liveability Rating for Lake Macquarie - LM Housing Study – Appendices A to G – (2018)

What is Council's role for housing?

It has traditionally been the role of the state and federal governments to address housing affordability through the provision of housing assistance. Local government is not generally equipped nor expected to take that over. Despite that, Council has considerable scope to influence housing.

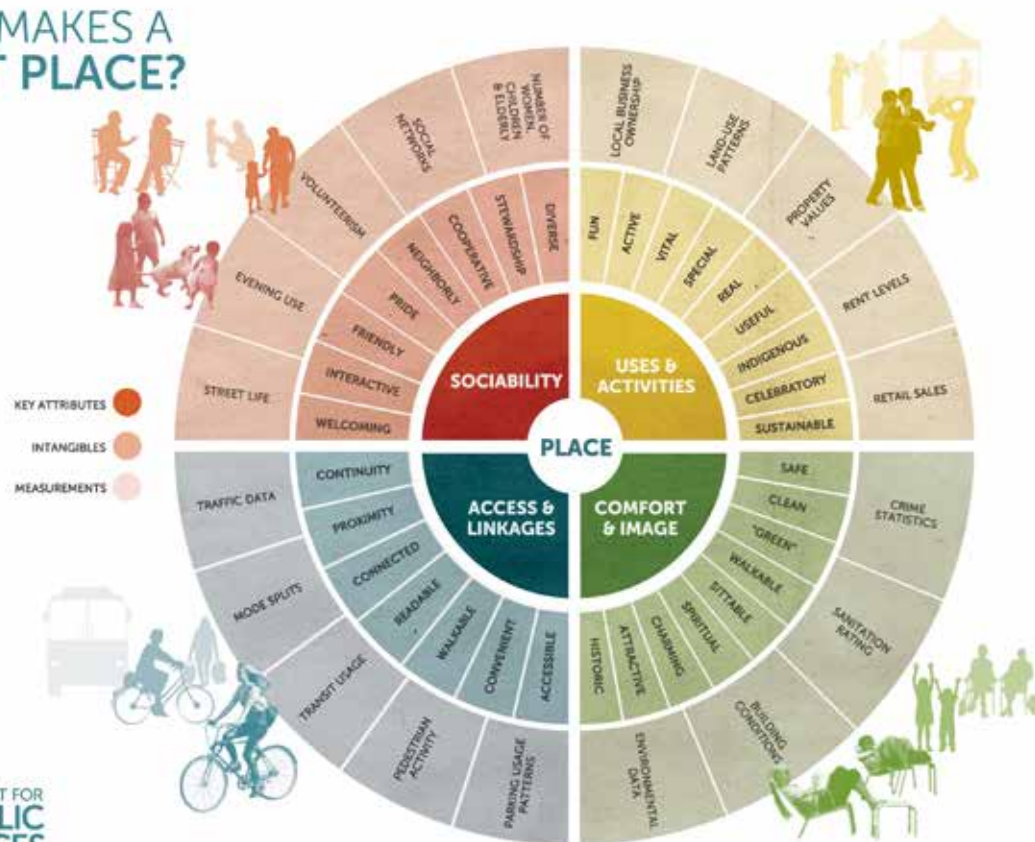
Council has a strong role setting and implementing strategic land use planning, and setting planning controls that regulate housing supply and form and infrastructure planning. Combined with rate setting and community service delivery Council guides the form of housing in response to needs.

To date, Council's focus has aimed to facilitate an efficient housing market so the supply side of the housing market can respond as smoothly as possible to local demand. This is a basic and unchanged obligation of councils to their community, but a level of focus needs to be maintained to ensure it is achieved.



Photo: Paul Downton

WHAT MAKES A GREAT PLACE?



FINDING THE BALANCE

A key objective for the Housing Strategy is to maintain a healthy land and housing development pipeline. The challenge though, is more complex than just achieving a dwelling target.

That said, Lake Macquarie residents repeatedly say they choose to live in this area because they are attracted to the environment, its unique landscape and the lifestyle that comes with it. So, a very real concern is the impact of sprawl on the environment and the lifestyle that comes with it. The challenge is to find the balance between the need to house a growing population, environmental impacts, and the enduring settlement pattern. Travelling further for daily needs adds to the cost of living, it can be isolating, and increases car dependency and congestion.

Housing diversity, location, affordability and livability for existing and future residents all need to be balanced along with the complex natural environment that makes Lake Macquarie the place it is. The environment is complex and planning needs to consider the physical environment including flooding, biodiversity, bushfire and climate change.

To date, new urban release areas have dominated housing provision in Lake Macquarie. In the past 10 years Council and the state government have approved the development of new residential lots on land primarily in greenfield areas. This is not sustainable in



the longer term. Consequently, Lake Macquarie needs to shift so that more housing is provided in infill areas rather than newly cleared greenfield areas.

Some planning regimes clearly delineate the extent to which growth can occur into the natural environment, by providing a green belt or growth boundary. This is to ensure that the land taken up by growth is used efficiently and that no further growth extends beyond that boundary. To date Lake Macquarie has not provided this, however it may be necessary to find a balance.

It is important for Council to work with the housing industry to remove unnecessary barriers to infill development, and to ensure it is a realistic and feasible alternative to greenfield development. Council will aim to ensure that in this planning process, infill development is sensitive to the character of existing places.

photo from AIA website: Photo by Dillon Diers Photography



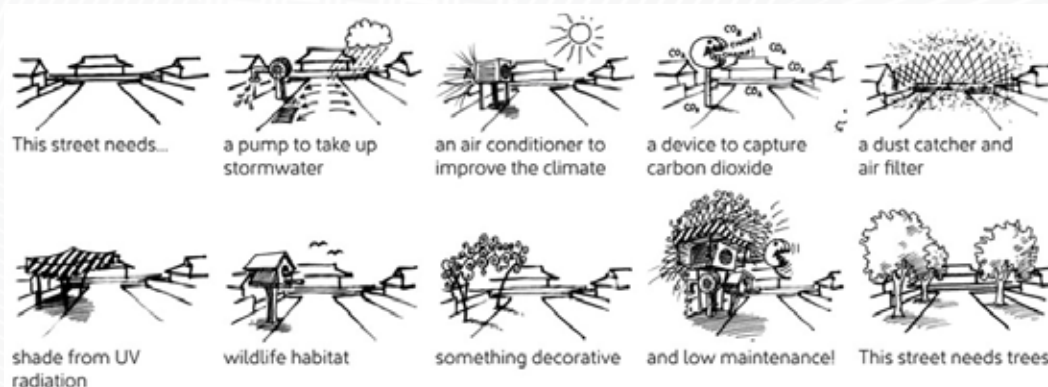
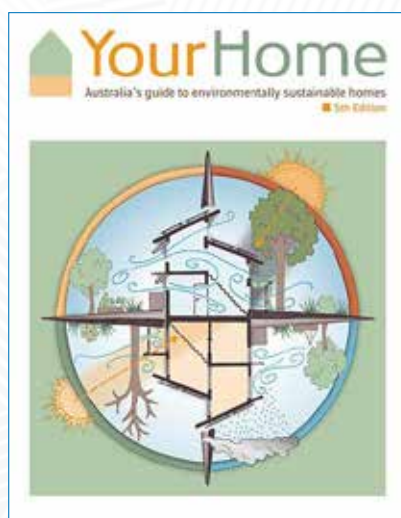
HOUSING DESIGN FOR INNOVATION AND SUSTAINABILITY

Council began looking at how overall housing affordability could be reduced in the Lake Macquarie Housing Study 2018. It investigated the design of housing types needed, but that were found to be under represented in the housing market. This work will be further developed in 2020 to form a suite of designs to help address this gap in the housing market for low rise medium density housing such as semi-attached villa or duplex housing. The aim is to support infill development close to jobs and services. Council's survey of housing preferences also found latent demand for this type of housing.

To meet the community's future housing needs, more opportunities for a wider range of dwelling types in a variety of locations is required (SGS 2018). Council's LSPS focusses growth in and around service centres. Co-locating housing with services improves accessibility and convenience for residents. It also reduces car dependency, while also making better use of existing infrastructure. This wider range of housing is important to support the broadening range of needs of the community, it includes semi-detached dwellings, villas and low rise medium density development, manor houses and could be expanded to tiny homes and co-living.

Planning for housing also needs to be mindful of the places created as a result of densifying. Co-ordinating housing with other supporting strategies is essential and Lake Macquarie's Local Strategic Planning Statement aims to bring these elements together. For example, the co-ordination of new housing supply and Council's urban forestry strategy that aims to increase urban tree canopy in the streets and parks of Lake Macquarie.

Council will continue to work with the community and housing industry to facilitate design for innovation and sustainability in housing development. In addition, the "YourHome" website provides a guide to environmentally sustainable homes by the Australian Government. It includes information on passive design, materials, energy, water and adaptability and resilience.



Picture: Paul Downton
This Street Needs

AFFORDABLE HOUSING

While local government has not typically been involved in the broader aspects of housing policy, in practice, the City is increasingly asked to respond to housing affordability and homelessness challenges, through direct action, collaboration and advocacy.

Council can fulfill a range of roles to influence the supply of social and affordable housing. These range from ensuring the efficient operation of the local housing market to forming relationships and partnerships with local affordable housing providers.

Council can seek developer contributions for affordable housing via voluntary planning agreements (VPA) and/or State Environmental Planning Policy (SEPP) 70 - Affordable Housing (Revised Scheme). A policy would be required to allow Council to collect affordable housing contributions via a VPA. And similarly, a contributions scheme would be necessary (approved by the DPIE). These would usually be applied at rezoning stage.

The VPA would need to provide clear advice on issues such as:

- when the policy will be applied
- how value uplift will be calculated
- how much value uplift will be captured for public benefits
- how much uplift will be directed to affordable housing contributions.

Currently, SEPP 70 precludes broad-based affordable housing contributions through what might be described as an 'inclusionary zoning' policy. This curtails the ability of councils that do not rezone land to seek such contributions. Council could advocate for a planning policy mechanism to allow for inclusionary zoning policy, based on a relatively low rate (e.g. 1 per cent) of the floor space of all new development. This may be a more practical and equitable approach, given the supply of land currently means that rezoning new land to residential or a higher density residential zone would provide very limited contribution.



photo from AIA website: Photo by Michael Walmsley

Local government's role in affordable housing involvement are described in the three tiers illustrated below:

Tier 1: Facilitating an efficient housing market including ensuring the diversity and location of housing respond to changing community needs. This tier impacts housing supply and affordability, as distinct from supplying targeted, subsidised affordable housing.

Tier 2: Facilitate affordable housing supply by, for example, establishing mechanisms for affordable housing contributions through the planning system, and/or brokering partnership deals between developers, local providers and community-based groups. Within this tier, Council has both facilitation and advocacy roles.

Tier 3: Direct investment to provide affordable housing. Most councils eschew direct spending on social housing, seeing this as redistributive responsibilities of other spheres of government and reflecting their limited mandate and fiscal autonomy. Others regard social mix, diversity and inclusion as part of the defining environmental characteristics of their community and are not prepared to leave their support entirely to the vagaries of policy-making at State and Federal level. These councils have carved out a role, notwithstanding governance or financial constraints.



SHARED COMMUNAL
NOTICEBOARDS + SERVICES

SHARED SPACE FOR
ROOFTOP GARDEN
+ LAUNDRIES

Nightingale 1.0
Breathe Architecture

UTILISING OPPORTUNITIES
FOR INTEGRATED ARTWORK
RATHER THAN BLANK WALLS
ON COMMON BOUNDARIES



What are the priorities for the housing strategy?

This strategy prioritises new housing in areas that rate more highly for liveability by placing people closer to where they work and recreate, with better access to existing amenities. It also prioritises the types of housing expected to increase in demand due to demographic changes, especially if the type is not well represented in the housing market.

The focus for housing and growth opportunities is illustrated in Appendix 2 as identified in Lake Macquarie Council's Local Strategic Planning Statement.

PRIORITY 1: FACILITATE EFFICIENT HOUSING SUPPLY & INFRASTRUCTURE COORDINATION

The City's local environmental and development control plans direct where and how the City will grow over the next 20 years. Council estimates capacity for an additional 16,866 dwellings in greenfield areas. Most of this land is likely to be released in the next 15 years, based on Council's Urban Development Program. This demonstrates sufficient opportunity under current planning controls to meet the City's housing needs to 2036, without including the opportunities available as infill development.

Planning a highly liveable city and shaping our town centres to become vibrant spaces relies on the coordination of public and private infrastructure. It is important for Council to plan for a city supported by infrastructure. This is challenging for the City given its geography and existing settlement pattern.

Objectives:

- Provide land and housing development opportunities to meet demand.
- Maintain a healthy land and housing development pipeline.
- Release an appropriate mix of greenfield land for housing to support a 40 per cent greenfield to 60 per cent infill housing split across the City.
- Focus new greenfield housing only where it is well located near existing centres and transport nodes.
- Achieve a minimum density of 15 dwellings/ha in housing release areas and deliver 25 per cent of lots for small lot or multi-dwelling housing.
- Identify priority release areas annually, align infrastructure delivery and review the need for future growth areas as required to meet a 15-year development pipeline.
- Investigate the potential of providing a greenbelt.



Actions:

1. Actively investigate removing barriers for infill land development in the City, particularly in areas identified for growth.
2. Track new greenfield housing to ensure a combination of medium density and standard residential housing to achieve a 15 dwellings/ha supply.
3. Review Development Contribution Plans to ensure commensurate contributions are charged for greenfield development.
4. Advocate and work with NSW Government agencies to align their asset management plans with planned housing growth to ensure delivery of adequate State infrastructure and services.
5. Ensure Council can provide the community infrastructure support needed for planned growth.
6. Actively support and pursue housing in the North West Lake Macquarie Catalyst Area including the West Wallsend urban intensification corridor.
7. Facilitate community and housing industry discussions on opportunities for residential development.
8. Investigate the benefits of a greenbelt as a policy used in land use planning to retain the unique landscape of Lake Macquarie.

Indicators:

1. Report on land and property trends published each year including:
 - Current baseline data for housing supply and changes to this on an annual basis.
 - Current demand and trends in changes over time reported annually against supply.
 - Land released and proportion of greenfield and infill housing reported to Council/DPIE, including how it is tracking.
 - Establish baseline measures for the 15 dwellings/ha requirement (GNMP).
 - Targets reported to Council via an annual Housing Monitoring Report.
2. Ensure planning proposals are consistent with the Housing Strategy and the Greater Newcastle Metropolitan Plan.
3. Amend Local Environmental and Development Control Plans to remove unnecessary barriers for infill development.

PRIORITY 2: INCREASE DIVERSITY AND CHOICE IN HOUSING

A sustainable city needs a healthy mix of housing types to meet the needs of the whole community. Lake Macquarie's household types are changing, and the population is becoming more diverse.

A total of 90 per cent of Lake Macquarie's population live in detached low density housing. However, in a recent housing preference survey, only 73 per cent of respondents preferred to live in this housing type. In line with the rest of Australia, households are changing. There is a steady increase in lone person households and couples without children. Changing demographics indicate a greater need for housing diversity. The housing preference survey indicated a greater appetite exists for a more diverse mix of housing types. Of the additional 13,700 dwellings required by 2036, based on the low population growth scenario we will need 4250 semi-detached and 5750 apartments. About 6800 of these should be one or two-bedroom dwellings.

Planning for housing diversity would have knock-on effects that influence housing affordability. Council has been working towards providing and facilitating small-scale and compact alternative housing types, working with the housing industry to better understand unnecessary barriers to residential development in our area.

In planning for the types of new homes residents will need in the future, the challenge for the City is to support social and cultural diversity through increasing housing diversity and choice. This includes retaining and attracting residents on lower incomes, those who identify as Aboriginal or Torres Strait Islander, families with children, people with disability, older residents, long-term renters, students, people living alone, shared households and more. All these people should be able to find a suitable home in the City.

The City has a rich supply of detached dwellings, and a growing supply of apartments, but there is a gap in the smaller low-rise medium-density housing supply. Council aims to provide a suite of design solutions and complimentary change to the LEP and DCP to facilitate an increase in housing diversity. It is crucial that the local character and housing diversity in these areas are preserved as we look to having more densely populated centres.

Objectives

- Provide a diverse mix of housing types and choices to meet the needs of the whole community.
 - Provide land and housing development opportunities to meet demand for a range of housing options.
 - Maintain a healthy land and housing development pipeline, particularly for infill development.
 - Facilitate innovative design and delivery mechanisms that support a diversity of housing types.
 - Implement changes to planning controls and streamline the planning and development process to facilitate this planning priority.
 - Promote and support a broader range of housing types such as tiny homes, manor houses, boarding house development.
3. Ensure Council controls do not rule out new and emerging housing types such as styles that support Council's strategic goals and objectives, but may not be possible under current controls and or financial institutions.
 4. Ensure the review of the Urban Development Program includes consideration of the timing of greenfield estates compared to infill development, with the aim of supporting a variety of housing types and urban environments, and ensuring the release of greenfield land does not compromise infill development.

Actions

1. Continue to monitor Council's Urban Development Program to ensure infill development opportunities cater to the shift in changing needs and respond accordingly.
2. Investigate and implement amendments to Council's Local Environmental Plan and Development Control Plan to facilitate more diverse housing options including encouraging:
 - Smaller dwellings.
 - Accessible Housing
 - Secondary dwellings.
 - Continuation of work on small-scale infill and compact alternative housing types.
 - Identification and implementation of planning changes to facilitate greater housing diversity.

Indicators

1. Annual Reporting tracks housing typologies in the LGA, including the proportion of housing types against bedroom numbers (in particular the percentage of one and two-bedroom dwellings).
2. Annual reporting tracking trends in housing typologies embeds a trigger to review planning controls for improvement where necessary.
3. Amended planning controls for smaller lots in strategic locations.



PRIORITY 3: FACILITATING INFILL OPPORTUNITIES FOR HOUSING CLOSE TO JOBS AND SERVICES

The provision of services and infrastructure is particularly important in achieving liveable higher-density environments. Such neighbourhoods require access to integrated transport, including reliable public transport, walking and cycling infrastructure. Public open space, facilities and services, cultural and social infrastructure are also important to maintain liveability and quality of life.

Concentrating infill development in existing centres provides better proximity to services and jobs, improving liveability. It is also better use of existing infrastructure and protection of our natural assets.

Infill capacity is highest in the northern and north eastern suburbs of Lake Macquarie, and can supply around 70 per cent of our future housing supply to 2050, with the potential capacity of an additional 16,000-35,000 lots (based on low and high estimated yields). Council needs to ensure planning controls are appropriate to unlock this potential.

Objectives

- Prioritises the delivery of housing in areas mapped as having a high liveability rating, and that are within the existing urban footprint.
- Identify infill housing opportunities to deliver the overall 40 per cent greenfield to 60 per cent infill housing split across the local government area.

- Review Development Contribution Plans to ensure adequate funding is available to supply and service the increasing resident population in infill areas and to ensure contributions charged are commensurate.
- Provide housing supply, choice and affordability in areas with more access to jobs, services and public transport.
- Ensure infill development is sensitive to the character of existing places.

Actions:

1. Annual Urban Development Program reporting to monitor the supply of infill and greenfield development and supply capacity to ensure 15 years of land supply.
2. Review Development Contribution Plans to:
 - ensure commensurate contributions are charged for infill development compared to greenfield development,
 - consider the use of funds collected for infill development near town centres to be used for improving the amenity of those centres, and
 - ensure adequate funding is available to supply and service the increasing resident population in infill areas.
3. Investigate and implement changes to Council's Local Environmental and Development Control Plans to remove barriers to infill and medium density development in highly liveable locations through:
 - Reviewing minimum lot sizes to allow smaller lots in liveable locations,



- Reviewing Council's DCP to facilitate infill development, including reviewing controls such as setbacks, width and lot size controls,
 - Investigation of a new infill development section within the DCP, with greater flexibility for this type of development,
 - Promotion of greater flexibility of residential uses in the R2 Low Density Residential and R3 Medium Density Residential Zone,
 - A reduction of car parking rates for residential development within and in close proximity to town centres to improve commercial viability of medium density development and shifts in transport patterns,
 - A review of Clause 7.10 – Residential development in certain business zones to improve the feasibility of stand-alone residential in the B4 Mixed Use zone, excluding Cardiff Town Centre,
 - Increasing height limit for the R3 Medium Residential zone and B1 Local Centre zone to better accommodate residential flat buildings,
 - A review of small lot housing controls to promote greater uptake of this type of development,
 - A review of town centres and transport nodes to identify opportunities for further growth, and
 - Investigation of a new R4 High Density Residential zone into the LEP.
4. Continue to improve Council's development application process to help facilitate infill development and explore incentives for infill development.
 5. Work with industry, agencies and the community to deliver future housing growth through infill development in and around centres and train stations and new housing areas in the North West and South West growth areas.
 6. Identify primary production small lot zoned land that is not required for primary production purposes and is well located to town centres for future investigation for urban release.
 7. When increasing density potentials recognise the character of the place to ensure infill is sensitive to that character.

Indicators

1. Increased percentage of infill and medium density housing supply.
2. Mix of dwelling types, tenures and sizes to support a diverse community.

PRIORITY 4: INCREASING AFFORDABLE RENTAL HOUSING AND HOME OWNERSHIP

Current demand for affordable housing in Lake Macquarie is driven by the 6346 households experiencing rental stress, of which 2284 are experiencing severe rental stress. The 3946 households currently living in social housing also contribute to the demand.

The highest proportion of very low-income households are lone-person households, followed by couples with no children. Lone-person households created the most demand for social and affordable housing, accounting for 1864 of households in need, or 47.2 per cent.

To plan for future housing needs, Council has obligations to facilitate an efficient housing market that responds smoothly to local demand, and aims to provide housing to meet a full range of housing needs, including affordable housing. This can be done by establishing mechanisms for affordable housing contributions through the planning system and/or via partnership arrangements between developers, local providers and community-based groups.

Objectives

- Establish mechanisms for affordable housing contributions through the planning system.
- Investigate ways of supporting affordable housing opportunities.
- Collaborate with community housing providers (CHPs) in planning of affordable and social housing.
- Advocate for planning policy tools for inclusionary zoning.
- Ensure Council processes support streamlined approval for housing, particularly accessible housing, special needs housing and social and affordable housing.
- Undertake community engagement to reduce stigma associated with housing other than detached housing such as boarding houses.

Actions

1. Facilitate efficient housing markets that meet all housing needs, including addressing any gaps in the market, particularly in the area of affordable and social housing.
2. Develop and adopt a clear policy for affordable housing contributions including:
 - via voluntary planning agreements.
 - potential affordable housing contributions to green-field areas prior to any rezoning.

3. Investigate ways to support affordable housing opportunities through collaboration and/or partnership arrangements between Council, developers, state government, CHPs, and community-based groups.
4. Advocate to NSW Planning for SEPP 70 to enable broad-based affordable housing contributions via an 'inclusionary zoning' policy, based on a low rate (e.g. 1 per cent) of the floor space of all new development.
5. Encourage small and low cost homes by reducing contribution fees for secondary dwellings.
6. Implement changes to Council's planning controls (LEP and DCP) to encourage the supply of more affordable housing by exploring incentives for these developments such as increased height, less car parking etc.
7. Work with CHPs to facilitate the supply of affordable and social housing by:
 - Providing targeted advice and support
 - Investigating current appetite for lower- scale developments by CHPs for opportunities to redevelop sites.
 - Facilitating discussions with CHPs to best understand any barriers and needs for the provision of affordable housing.
8. Ensure overall housing affordability
9. Collaborate and/or partner with State Government to:
 - ensure sufficient supply of social and affordable housing and no net loss while demand exceeds supply,
 - assist where practicable in consulting residents of social and affordable housing in significant transition, and
 - investigate the renewal of Housing Corporation land to provide social housing in Windale and other areas with high proportions of social housing and ensure highly liveable housing supply.
10. Work with Aboriginal Land Councils to ensure housing needs of the Aboriginal community are met.
11. Continue to advocate and support the campaign Everybody's Home, which includes seeking support for first home buyers, a national housing strategy, a better deal for renters, immediate relief for Australians in chronic rental stress and a plan to end homelessness by 2030.

Indicators

1. Annual monitoring report on housing stock for affordable and social housing needs.
2. Regularly meet with the Community Housing Providers and State Government to keep track of housing stock that exists in Lake Macquarie to better track change and any likely gaps in the market.
3. Set a target for affordable and social housing with the aim of at least retaining any housing stock in the Lake Macquarie area, and report on this annually.
4. A reduction in homelessness in the City.
5. Decreased percentage of households for which rental or mortgage payments are 30 per cent or more of household income.





PRIORITY 5: FACILITATING AND GUIDING HOUSING DESIGN FOR SUSTAINABILITY AND INNOVATION

The provision of well-designed infill housing is critical to achieving the City's vision.

With the view of facilitating quality infill housing and innovation in the Lake Macquarie area, Council commissioned a housing study that would use a place-based and design led approach. Opportunities for infill housing were identified, aiming to meet a gap in the housing market for the area rather than being limited by meeting current planning requirements.

The emphasis of the Study was on identifying new opportunities for infill housing in our more accessible areas rather than the development of forms already possible. This involved a three step process, the identification of areas where new development is desirable; design of housing forms suited to those particular locations, the pattern of subdivision in particular; and development of planning controls that would allow these designs.

A series of design solutions were developed that include a mix of dwelling types and configurations and a range of design strategies were employed. Council is currently working with the Department of Planning, Industry and Environment to refine these designs to assist Council in implementing them.

This work will direct changes to Council's Local Environmental and Development Control Plans to facilitate the take-up by the industry. Council will then work with and assist the community and housing

industry by providing potential design solutions that encourage a broader mix of housing types and facilitate innovation in the housing area.

The housing issues relevant to Lake Macquarie are not restricted to our local government area. Neighbouring councils share many of the same concerns, including:

- housing needs that change more quickly than housing supply can respond,
- funding and providing infrastructure, and
- the high cost of housing and how that impacts the community.

Objectives:

- Provide clear guidance on the potential design solutions to meet the needs of the community for the types of housing missing from the housing market, that are also housing preferred by the community.
- Amend Council's Local Environmental and Development Control Plans to enable relevant site-specific changes to enable the design solutions to be realised.
- Encourage well designed, accessible and environmentally sustainable housing.
- Advocate key housing issues to the Australian and NSW Governments.
- Coordinate planning for housing with the Council's urban forestry strategy to increase urban tree canopy in the streets and parks of Lake Macquarie.

Actions:

1. Facilitate demonstration projects that showcase innovative, inclusive, diverse housing options through different mechanisms.
2. Consider different occupancy and ownership models including the applicability of community title models for cooperative housing developments.
3. Facilitate innovative design and delivery mechanisms.
4. Review controls and processes to ensure they enable a variety of occupancy and ownership models including the use of models for cooperative housing developments.
5. Advocate the state government to include the boarding houses in State Environmental Planning Policy 65 to ensure better urban development outcomes particularly where these developments include no affordable or social housing options.
6. Provide a suite of design solutions to encourage well designed, accessible and environmentally sustainable housing.
7. Advocate key housing issues to the Australian and NSW Governments, including submissions to planning policy reviews, inquiries and urban renewal master planning processes.
8. Respond and advocate for new and emerging housing types that meet changing household needs. Such housing may reflect Council's strategic goals and objectives but may not be already supported by Council's controls and/or financial institutions.
9. Work with the housing industry, academic institutions and other councils and community to keep informed of new innovative designs and ensure that Council's controls keep up to date with these changes.
10. Work with the housing industry to recognise any significant barriers to the housing types the City needs and work to or advocate for change to remove those barriers.
11. Work towards creating great places by assisting in the coordination of planning controls for housing and Council's Urban greening strategy to increase urban tree canopy in the streets and parks of Lake Macquarie.

Indicators:

1. Evidence of a broader range of housing types monitored annually.
2. An amended Development Control Plan 2014 to facilitate the *Infill Housing Design Solutions 2018* investigated by SGS and SHAC.
3. A completed Planning Proposal that amends the Local Environmental Plan 2014 to facilitate the design solutions described above.



Implementation and delivery

The priorities of the Housing Strategy need to be further detailed during the implementation of the Strategy. A working Implementation Plan is included in Appendix 1. The City's priorities and objectives for housing will be implemented through:

Strategic planning - Council will work with the NSW Government towards planning controls that can deliver well located, diverse housing options of quality design.

Community and industry engagement – Council will provide information, customer service, community consultation and stakeholder engagement to raise awareness and encourage an ongoing exchange of ideas and involvement in local housing issues.

Leadership - Council will lead by example by supporting innovative and collaborative approaches to the delivery of diverse housing supply in the right locations.

Policy development – Council will address housing issues by developing policies, strategies and action plans that draw on evidence-based research and analysis, best practice and innovative approaches.

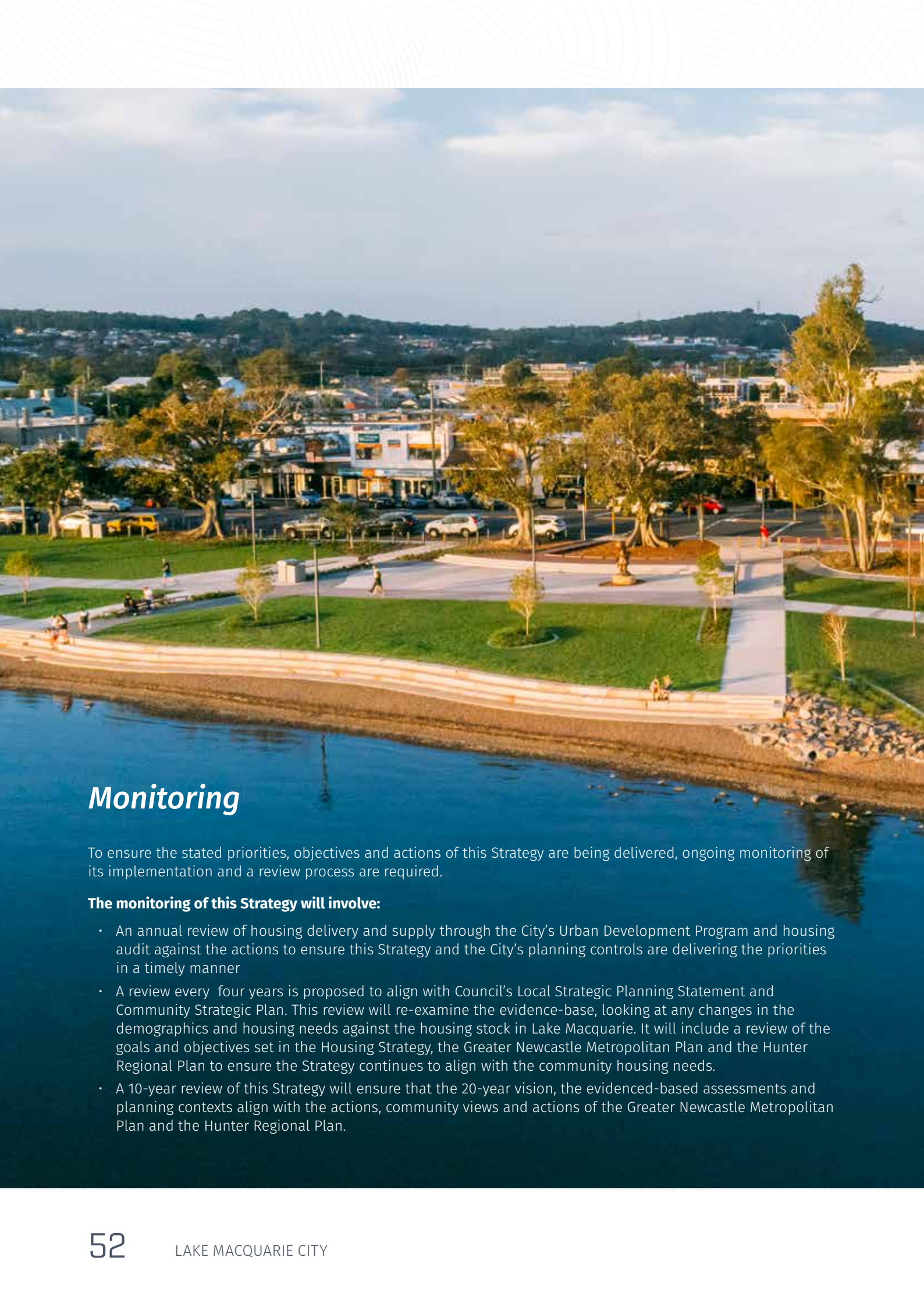
Collaboration – Council will work with neighbouring councils, agencies, business and community organisations through formal and informal partnerships to deliver initiatives and advocate for change.

Facilitation – Council will facilitate and leverage social and affordable rental housing in the City.

Infrastructure Support – Council will facilitate supportive infrastructure for growth including its social programs and services for individuals and families facing housing issues in the City.

Capacity-building – Council will provide information, education and resources to develop internal capacity and to support capacity-building in the community sector.





Monitoring

To ensure the stated priorities, objectives and actions of this Strategy are being delivered, ongoing monitoring of its implementation and a review process are required.

The monitoring of this Strategy will involve:

- An annual review of housing delivery and supply through the City's Urban Development Program and housing audit against the actions to ensure this Strategy and the City's planning controls are delivering the priorities in a timely manner
- A review every four years is proposed to align with Council's Local Strategic Planning Statement and Community Strategic Plan. This review will re-examine the evidence-base, looking at any changes in the demographics and housing needs against the housing stock in Lake Macquarie. It will include a review of the goals and objectives set in the Housing Strategy, the Greater Newcastle Metropolitan Plan and the Hunter Regional Plan to ensure the Strategy continues to align with the community housing needs.
- A 10-year review of this Strategy will ensure that the 20-year vision, the evidenced-based assessments and planning contexts align with the actions, community views and actions of the Greater Newcastle Metropolitan Plan and the Hunter Regional Plan.



Appendices

APPENDIX 1

LAKE MACQUARIE HOUSING STRATEGY - IMPLEMENTATION PLAN (WORKING DOCUMENT)

HOUSING PRIORITY 1: FACILITATE HOUSING SUPPLY AND INFRASTRUCTURE COORDINATION

PRIORITY ONE OBJECTIVES

- Provide land and housing development opportunities to meet demand.
- Maintain a healthy land and housing development pipeline.
- Release an appropriate mix of greenfield land for housing to support a 40% greenfield to 60% infill housing split across the City.
- Focus new greenfield housing only where it is well located near existing centres and transport nodes.
- Achieve a minimum density of 15 dwellings per hectare in housing release areas and deliver 25% of lots for small lot or multi-dwelling housing.
- Identify priority release areas annually, align infrastructure delivery and review the need for future growth areas as required to meet a 15 year development pipeline.
- Investigate the potential of providing a greenbelt

PRIORITY ONE ACTIONS	TIMEFRAME*	RESPONSIBILITY**
1.1 Actively investigate removing barriers for infill land development in the City, particularly in areas identified for growth	Short	Integrated Planning (IP) Development Assessment and Compliance (DAC), Development Contributions, Asset Management, DoPIE, Development Industry, Community
1.2 Track new greenfield housing to ensure a combination of medium density and standard residential housing to achieve a 15 dwellings/ha supply	Short	IP, DoPIE, Housing Industry
1.3 Review Development Contribution Plans to ensure commensurate contributions are charged for greenfield development.	Medium	Development Contributions, IP Development Industry, DoPIE
1.4 Advocate and work with NSW Government agencies to align their asset management plans with planned housing growth to ensure delivery of adequate state infrastructure and services.	Medium	IP DoPIE, RMS, Hunter Water, Ausgrid, Dept of Ed & NSW Health, Asset Management, Development Industry, Development Contributions
1.5 Ensure council can provide the community infrastructure support needed for planned growth.	Medium	Development Contributions, IP, Assets, Community, State Government Agencies incl. Roads and Maritime Service, Hunter Water, Ausgrid,
1.6 Actively support and pursue housing in the North Western Lake Macquarie Catalyst Area and the West Wallsend urban intensification corridor	Short and ongoing	IP
1.7 Facilitate community and housing industry discussions on opportunities for residential development	Short and ongoing	IP Housing Industry, community
1.8 Investigate the benefits of a greenbelt as a policy used in land use planning to retain the unique landscape of Lake Macquarie.	Medium	IP, Environmental Systems

HOUSING PRIORITY 2: INCREASE DIVERSITY AND CHOICE IN HOUSING

PRIORITY TWO OBJECTIVES

- Provide a diverse mix of housing types and choices to meet the needs of the whole community.
- Provide land and housing development opportunities to meet demand for a range of housing options.
- Maintain a healthy land and housing development pipeline particularly for infill development.
- Facilitate innovative design and delivery mechanisms that support a diversity of housing types.
- Implement changes to Council's planning controls and streamline the planning and development process to facilitate this planning objective.
- Promote and support a broader range of housing types such as tiny homes, manor houses, and boarding house development.

PRIORITY TWO ACTIONS	TIMEFRAME*	RESPONSIBILITY**
2.1 Monitor via Council's Urban Development Program to ensure infill development opportunities can cater for the shift in changing needs of the community	Short and ongoing	IP DoPIE, Development Industry, Community
2.2 Investigate and implement amendments to Council's Local Environmental Plan and Development Control Plan to facilitate more diverse housing options including encouraging: • Accessible housing • Smaller dwellings • Secondary dwellings • Continuation of work on small-scale infill and compact alternative housing types. • Identify and implement planning change needed to	Short	IP DoPIE, Development Industry
2.3 Ensure Council controls do not rule out new and emerging housing types such as styles that support Council's strategic goals and objectives but may not be possible under current controls and or financial institutions	Short	IP Development Industry, DoPIE
2.4 Ensure the review of the Urban Development Program includes consideration of the timing of greenfield estates compared to infill development, with the aim of supporting a variety of housing types and urban environments, and ensuring the release of greenfield land does not compromise infill development.	Short	IP DoPIE, Development Industry

*Timeframe **Short:** 1yr (2020-21) **Medium:** 4yr (2021-2025) **Long:** (5+yr)

**Primary Responsibility in Bold, Secondary Responsibilities not in bold

HOUSING PRIORITY 3: FACILITATE INFILL OPPORTUNITIES FOR HOUSING IN PROXIMITY TO JOBS AND SERVICES

PRIORITY THREE OBJECTIVES

- Prioritise the delivery of housing within areas mapped as having a high liveability rating and that are within the existing urban footprint.
- Identify infill housing opportunities to deliver the overall 40% greenfield to 60% infill housing split across the local government area.
- Review Development Contribution Plans to ensure adequate funding is available to supply and service the increasing resident population in infill areas and to ensure contributions charged are commensurate.
- Provide housing supply, choice and affordability in areas with access to jobs, services and public transport.
- Ensure infill development is sensitive to the character of existing places.

PRIORITY THREE ACTIONS	TIMEFRAME*	RESPONSIBILITY**
3.1 Annual Urban Development Program reporting to monitor the supply of infill and greenfield development and supply capacity to ensure 15 years of land supply.	Short	IP , DoPIE, Development Industry
3.2 Review Development Contribution Plans to: • ensure commensurate contributions are charged for infill development compared to greenfield development, • consider the use of funds collected for infill development near town centres to be used for improving the amenity of those centres, and • ensure adequate funding is available to supply and service the increasing resident population in infill areas.	Medium	IP DoPIE, Development Industry
3.3 Investigate and implement changes to Council's Local Environmental and Development Control Plans to remove barriers to infill and medium density development in highly liveable locations through: • Reviewing minimum lot sizes to allow smaller lots in liveable locations • Reviewing Council's Development Control Plan to facilitate infill development including reviewing controls such as setbacks, width and lot size controls • Investigation of a new infill development section of the DCP with greater flexibility for this type of development • Promote greater flexibility of residential uses in the R2 Low Density Residential and R3 Medium Density Residential Zone • A reduction of car parking rates for residential development within and in close proximity to town centres to improve commercial viability of medium density development and shifts in transport patterns • Review Clause 7.10 - Residential development in certain business zones to improve the feasibility of stand alone residential businesses in the B4 Mixed Use zone, excluding in Cardiff Town Centre • Increasing height limit for the R3 Medium Residential zone and B1 Local Centre zone to better accommodate residential flat buildings • Review small lot housing controls to promote greater uptake of this type of development • A review of town centres and transport nodes to identify opportunities for further growth • Investigation of a new R4 High Density Residential zone in the LEP	Short	IP, DAC DoPIE, Development Industry

*Timeframe **Short:** 1yr (2020-21) **Medium:** 4yr (2021-2025) **Long:** (5+yr)

**Primary Responsibility in Bold, Secondary Responsibilities not in bold

PRIORITY THREE ACTIONS	TIMEFRAME*	RESPONSIBILITY**
3.4 Continue to improve Council's Development Application process to help facilitate infill development and explore incentives for infill development	Short	IP, DAC Development Industry, Environmental Systems
3.5 Work with industry, agencies and the community to deliver future housing growth through infill development in and around centres and train stations and new housing areas in the North West and South West Growth areas.	Short and ongoing	IP DoPIE, RMS, Hunter Water, Ausgrid, Dept of Ed & NSW Health, Development Industry, Development Contributions
3.6 Identify primary production small lot zoned land that is not required for primary production purposes and is well located to town centres for future investigation for urban release.	Medium	IP State Government Agencies
3.7 When increasing density potentials recognise the character of the place to ensure infill is sensitive to that character.	Short to Medium	IP, DAC Community, Development Industry

HOUSING PRIORITY 4: INCREASE AFFORDABLE RENTAL HOUSING AND HOME OWNERSHIP

PRIORITY FOUR OBJECTIVES

- Establish mechanisms for affordable housing contributions through the planning system.
- Investigate ways of supporting affordable housing opportunities
- Collaborate with community housing providers (CHPs) in planning of affordable and social housing
- Advocate for planning policy tools for inclusionary zoning
- Ensure Council processes support streamlined approval for housing, particularly accessible housing, special needs housing and social and affordable housing.
- Undertake community engagement to reduce stigma associated with housing other than detached housing such as boarding houses.

PRIORITY FOUR ACTIONS	TIMEFRAME*	RESPONSIBILITY**
4.1 Facilitate efficient housing markets that meet all housing needs including addressing any gaps in the market particularly in the area of affordable and social housing	Short and ongoing	IP DAC, DoPIE, Community
4.2 Develop and adopt a clear policy for affordable housing contributions including: • via voluntary planning agreements, • potential affordable housing contributions to green-field areas prior to any rezoning	Medium	IP, Development Contributions DoPIE, Development Industry

*Timeframe **Short:** 1yr (2020-21) **Medium:** 4yr (2021-2025) **Long:** (5+yr)

**Primary Responsibility in Bold, Secondary Responsibilities not in bold

PRIORITY FOUR ACTIONS	TIMEFRAME*	RESPONSIBILITY**
4.3 Investigate ways to support affordable housing opportunities through collaboration and/or partnership arrangements between Council, developers, state government, CHPs, and community-based groups	Short	IP, Council's Property Dept., CHPs, Development Contributions Development Industry, DoPIE,
4.4 Advocate to NSW Planning for SEPP70 to enable broad-based affordable housing contributions via an 'inclusionary zoning' policy, based on a low rate e.g. 1% of floor space of all new development.	Short and ongoing	IP DoPIE, Development Industry, Development Contributions
4.5 Encourage small and low cost homes by a reduction of contribution fees for secondary dwellings	Short and ongoing	IP Development Contributions
4.6 Investigate and implement changes to planning controls (LEP and DCP) to encourage the supply of more affordable housing through exploring incentives for these developments such as increased height, reduced carparking or lot size etc	Medium	IP Developer Contributions, Assets, CHPs, Council's Property Department
4.7 Work with CHPs to facilitate affordable and social housing supply by: • Providing targeted advice and support • Investigating the appetite for lower-scale developments by CHPs for opportunities to redevelop sites. • Facilitating discussions with CHPs to best understand any barriers and needs for the provision of affordable housing	Short and ongoing	IP, CHPs, and NSW Land and Housing Corporation
4.8 Work towards overall housing affordability	Short and ongoing	IP , Housing Industry, CHPs, community
4.9 Collaborate and/or partner with State Government to: • Ensure sufficient supply of social and affordable housing, and no net loss while demand exceeds supply • Assist where practicable in the consultation of residents of social and affordable housing in significant transition • Assist in the renewal of Housing Corporation land to provide social housing in Windale and other areas that have a high proportion of social housing to ensure highly liveable housing	Short and ongoing	IP, NSW Land and Housing Corporation
4.10 Work with Aboriginal Land Councils to ensure housing needs of the Aboriginal community are met	Short	IP, Aboriginal Land Councils
4.11 Continue to advocate and support the campaign Everybody's Home, which includes seeking support for first home buyers, A National Housing Strategy, a better deal for renters, immediate relief for Australians in chronic rental stress and a plan to end homelessness by 2030	Short	IP

*Timeframe **Short:** 1yr (2020-21) **Medium:** 4yr (2021-2025) **Long:** (5+yr)

**Primary Responsibility in Bold, Secondary Responsibilities not in bold

HOUSING PRIORITY 5: FACILITATE AND GUIDE HOUSING DESIGN FOR INNOVATION AND SUSTAINABILITY

PRIORITY FIVE OBJECTIVES

- Provide clear guidance on potential design solutions to meet the needs of the community for the types of housing missing from the housing market, and that is needed by the community.
- Amend Council's Local Environmental and Development Control Plans to enable relevant area specific changes to enable design solutions to be realised
- Encourage well designed, accessible and environmentally sustainable housing.
- Undertake community engagement to reduce stigma associated with boarding house development
- Advocate key housing issues to the Australian and NSW Governments.
- Co-ordinate planning for housing with the Council's urban greening strategy to increase urban tree canopy in the streets and parks of Lake Macquarie

PRIORITY FIVE ACTIONS	TIMEFRAME*	RESPONSIBILITY**
5.1 Facilitate and encourage well designed demonstration housing projects that showcase innovative, diverse housing options through different mechanisms.	Medium	IP, Council's Property Department Development Assessment and Compliance (DAC), Development Contributions, DoPIE, Development Industry, Community
5.2 Provide a suite of design solutions to encourage well designed and environmentally sustainable housing.	Medium	IP, DoPIE, Development Industry, Environmental Systems
5.3 Facilitate innovative design and delivery mechanisms by supporting and advocating for new and emerging housing types e.g. Nightingale style that may reflect Council's strategy goals and objectives but may not be already supported by Council's controls and or financial institutions	Short	IP, DAC Housing Industry and Community
5.4 Investigate a variety of occupancy and ownership models including the applicability of community title models for cooperative housing developments,	Medium	IP
5.5 Review controls and processes to ensure they enable a variety of occupancy and ownership models including the use of models for cooperative housing developments.	Medium	Integrated Planning, NSW Land and Housing Corporation, Financial institutions
5.6 Advocate the state government to include the boarding houses in State Environmental Planning Policy 65 to ensure better urban development outcomes particularly where these developments include no affordable or social housing options	Short	IP
5.7 Encourage well designed, accessible and environmentally sustainable housing by providing a suite of design solutions	Short	IP, Environmental Systems
5.8 Work with the housing industry and community to be informed of new innovative designs and ensure Council's controls keep up to date with these changes	Short	IP, Housing Industry, DAC
5.9 Work with the housing industry to recognise any significant barriers to the housing types the City needs and work to or advocate for change to remove those barriers.	Medium	IP, DAC
5.10 Work towards creating great places by assisting the coordination of planning controls for housing and Council's Urban Forestry strategy to increase urban tree canopy in the streets and park of Lake Macquarie	Short and ongoing	IP, Environmental Systems, DAC

*Timeframe **Short:** 1yr (2020-21) **Medium:** 4yr (2021-2025) **Long:** (5+yr)

**Primary Responsibility in Bold, Secondary Responsibilities not in bold

APPENDIX 2

FOCUS FOR HOUSING – LOCAL STRATEGIC PLANNING STATEMENT

Priority Housing Areas

The information in this section details how Lake Macquarie will change over time and our priority growth areas.

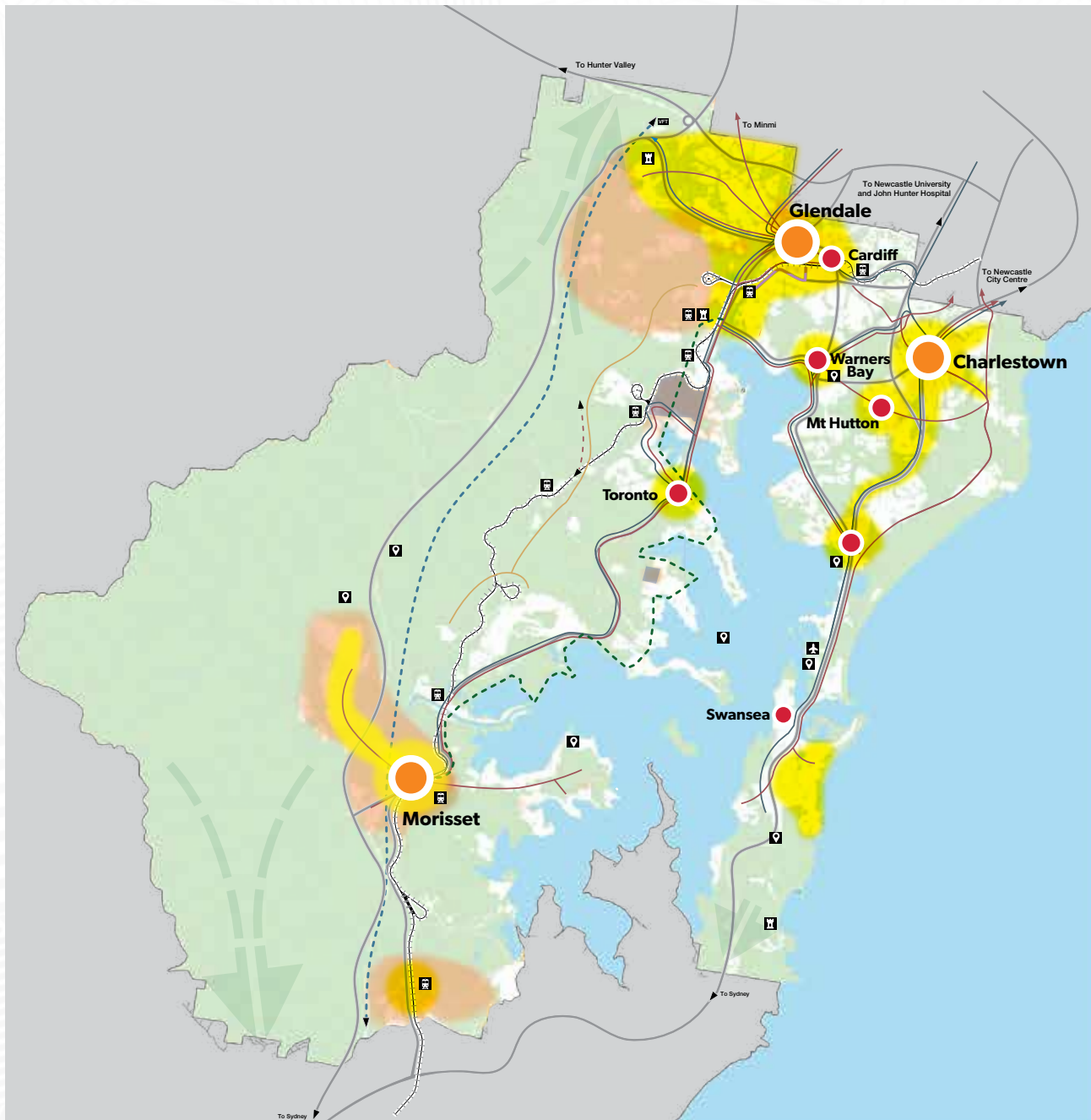
Nine centres around the lake anchor each of the areas that will be a focus for change and growth. These areas include three strategic economic centres at Charlestown, Glendale and Morisset. In the future, they will play an even greater role in the broader region. The strategic economic centres are complemented by economic centres at Belmont, Cardiff, Mount Hutton, Swansea, Toronto and Warners Bay as well as numerous local centres that will be the focal point of each corresponding neighbourhood.

The areas in and around these centres will experience increased development and change. A limited number of other areas between centres present opportunity for change if appropriately investigated and managed. These areas will require a cooperative locality-wide approach to their planning and development for infrastructure and services along with biodiversity and heritage conservation.

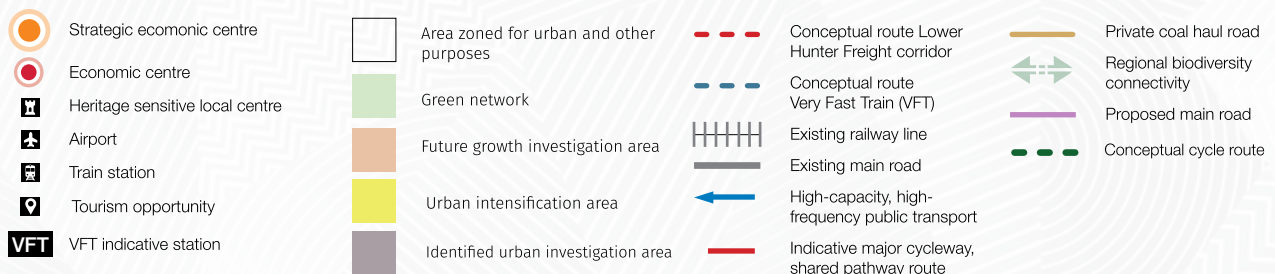
These areas are highlighted on the following maps as:

- strategic economic centres and economic centres - focus of change and growth:
- urban intensification areas – developed areas that will evolve to include an increased density of housing, employment zones and relevant infrastructure
- future growth investigation areas – where Council will explore opportunities for future development.

These areas will be a focus for new housing supply opportunities and help Lake Mac grow and have the capacity to supply 33,042 (low yield) to 51,784 (high yield) dwellings by 2050 comprising both greenfield and infill supply. Infill development will represent the strongest supply potential with infill providing from 63 to 76 per cent of housing supply, representing significant shifts from current housing supply. There will be a strong focus on growing our centres and increasing the amount of housing within established urban areas.



CITY STRUCTURE AND OPPORTUNITY MAP



North East Growth Area

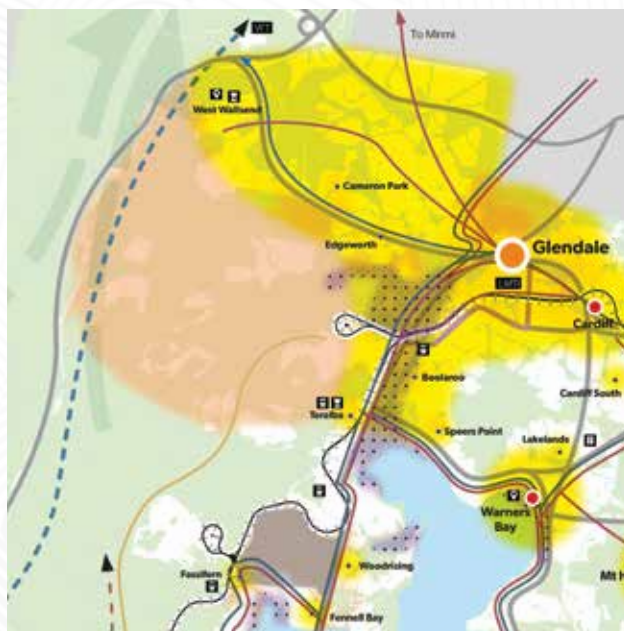
- Higher density growth in the strategic centres of Charlestown, Warners Bay and Belmont
- Medium density and infill opportunities around Mount Hutton and surrounding supporting local centres such as Cardiff South, Windale, Kahibah, Whitebridge, Dudley, Redhead and Jewells



North West Growth Area

The north-west growth area is recognised by the Greater Newcastle Metropolitan Plan as a focus area for new growth.

- High and medium density infill opportunities in Glendale and Cardiff.
- Transformational development of the North West Lake Macquarie Catalyst area.
- Infill medium density opportunities in Boolaroo, Speers Point, Edgeworth, Teralba, Fassifern, Fennell Bay and Woodrising
- Investigation of Fennell Bay rezoning site, former mining land west of Teralba and New Wallsend Colliery site
- Completion of residential housing release areas in Edgeworth, Cameron Park and West Wallsend area



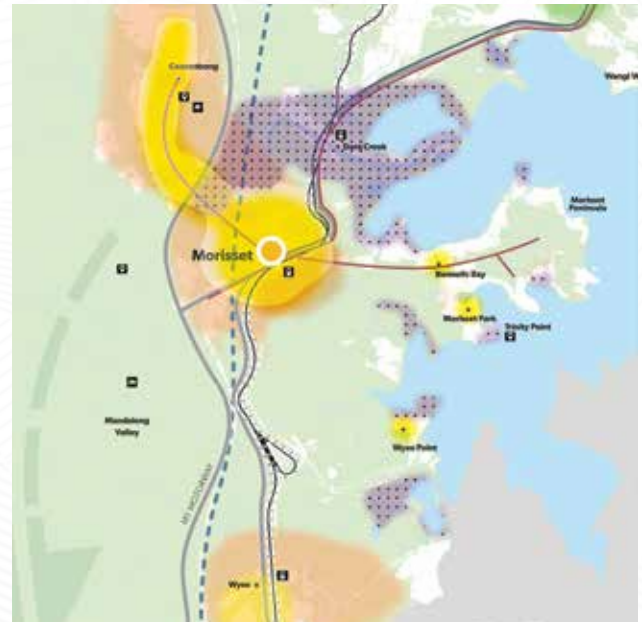
Toronto and surrounds

Housing and mixed-use redevelopment occurs adjacent to the public transport and active transport corridors from Toronto to Fassifern, especially around the Blackalls Park centre and Fassifern train station



South West Growth Area

- Investigation of areas south of Morisset town centre
- Medium and higher density opportunities for Morisset
- Housing releases area around Cooranbong and Wyee are completed.
- Some infill opportunities in supporting local centres



South East Growth Area

- Intensification of housing in the Caves Beach area, along with increased tourism potential
- Adaptation planning for Swansea and low lying areas
- New residential housing in the North Wallarah area and completion of the Murrays Beach and Nords Wharf developments
- Sensitive development within the Catherine Hill Bay area



KEY TO MAPS

	Strategic economic centre		Area zoned for urban and other purposes		Existing railway line
	Economic centre		Green network		Existing main road
	Local centre		Future growth investigation area		High-capacity, high-frequency public transport
	Train station		Adaptation planning area		Major cycleway, shared pathway
	Hospital		Belmont Wetlands State Park		
	Hillsborough Road Business Park and Recreation/Entertainment Area		Urban intensification area		



Glossary

Accessible housing	is any housing with features that enable use by people with disability including those transitioning through life stages. An accessible house meets Australian Standard AS 1428.1-2001: Design for access and mobility, and is able to accommodate wheelchair users in all areas of the dwelling
Adaptable housing	is housing designed so that it can be modified easily when required in the future to become accessible to the resident with disabilities without requiring costly and intensive alterations". (https://www.accessarchitects.com.au/adaptable-housing)
Affordable housing	is housing for very low and low-income households where rent or mortgage payments are below 30 per cent of gross household income or the household is eligible to occupy rental accommodation under the national rental affordability scheme.
Greenfield	is a new housing development in an area that has not been previously developed or used for other urban purposes.
Housing choice	refers to the types of housing available to meet the current or future needs of the community. Housing choice is driven by factors such as the make-up of the population, affordability and lifestyle trends.
Housing density	is one of several measures that describe how intensively an urban area is developed. It is normally measured as the number of dwellings in a given area.
Housing types	are forms of housing such as single dwellings, boarding houses, dual occupancies, group homes, hostels, multi -dwelling housing, residential flat buildings, secondary dwellings, semi-detached dwellings, seniors housing and shop top housing.
Infill housing	is the development/redevelopment of sites in areas already used for urban purposes. Specifically the reuse of a site within the existing urban footprint for new housing, business or other urban development.
Local centres	are centres of local importance within the Greater Newcastle area as identified in the local government area narratives of the Hunter Regional Plan 2036 or a local planning strategy endorsed by the NSW Department of Planning, Industry and Environment.
Nightingale housing	is an example of a new and innovative housing model that is cutting edge. The nightingale housing model is a set of systems and processes for housing provision. It aims to deliver sustainable, affordable, liveable homes that connect its residents with the community and has been developed for use by architects and others to deliver triple bottom line apartments at cost.
Social housing	is rental housing provided by not-for profit, non-government or government organisations to assist people who are unable to access suitable accommodation in the private rental market. Social housing includes public and community housing, as well as other services and products.
Strategic centres	are centres of strategic importance within the Greater Newcastle area (as identified in the Hunter Regional Plan 2036).

For more information

 lakemac.com.au  [lakemaccity](https://www.facebook.com/lakemaccity)  [ourlakemac](https://www.instagram.com/ourlakemac)  [lakemac](https://twitter.com/lakemac)  02 4921 0333

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Ms Morven Cameron
Chief Executive Officer
Lake Macquarie City Council
PO Box 1906
HUNTER REGIONAL MAIL CENTRE NSW 2310

Attention: Shane Cahill

Dear Ms Cameron

Lake Macquarie City Housing Strategy

I refer to Council's correspondence of 16 April 2020 regarding the *Lake Macquarie City Housing Strategy 2020* (the Strategy). Thank you for your patience while we resolve the process for endorsement of these Strategies. Lake Macquarie is the first housing strategy for our region and only the second in regional NSW.

I wish to congratulate Council on the completion of the Strategy and Council's ongoing commitment to delivering a strategic, evidence-based planning framework for your community.

I am particularly pleased with Council's intention to promote greater flexibility in its planning controls and remove barriers to infill land development in areas identified for growth. I expect the implementation of this approach will involve limited planning proposals for site specific provisions and a more strategic approach to the amendment of planning controls within the local government area.

The important characteristics of the Lake Macquarie are well recognised in the Strategy and supported by the actions proposed. The intention to investigate a 'greenbelt', as a policy for land use planning in order to retain the unique landscape, is noted. The Department would be keen to work with Council on the delivery of this work to ensure it aligns with strategic intent of the *Hunter Regional Plan 2036* and *Greater Newcastle Metropolitan Plan 2036*.

I agree the Strategy meets the requirements of Action 19.1 of the *Greater Newcastle Metropolitan Plan 2036*.

Please accept this correspondence as my conditional endorsement of the Strategy. Due to the additional investigation required before site-specific or policy planning proposals can be prepared, this endorsement cannot be used to justify any inconsistency with section 9.1 Ministerial directions.

This endorsement is also conditional upon:

- recognition state environmental planning policy on housing diversity, design and place is evolving and any future planning proposals will need to respond to the relevant policies in place at the time;
- acknowledgement there is no commitment to changes to state environmental planning policies advocated by Council;
- future investigation into affordable housing contributions is consistent with the Department's *Guideline for Developing an Affordable Housing Contribution Scheme*; and
- further work is to be undertaken on the future growth areas, noting the existing land supply and the complex existing uses on parts of this land.

Please make a copy of this endorsement letter publicly available to your community.

Should you have any further enquiries about this matter, I have arranged for Ms Katrine O'Flaherty, Manager, Central Coast and Hunter Region to assist you. Ms O'Flaherty can be contacted on 4904 2710.

Yours sincerely



23/11/2020

Dan Simpkins
Director, Central Coast and Hunter Region
Planning and Assessment