

2. Supply and Demand Analysis

To determine the ability of existing settlements to accommodate expected growth, it is important to understand the supply and demand for various land uses within the LGA.



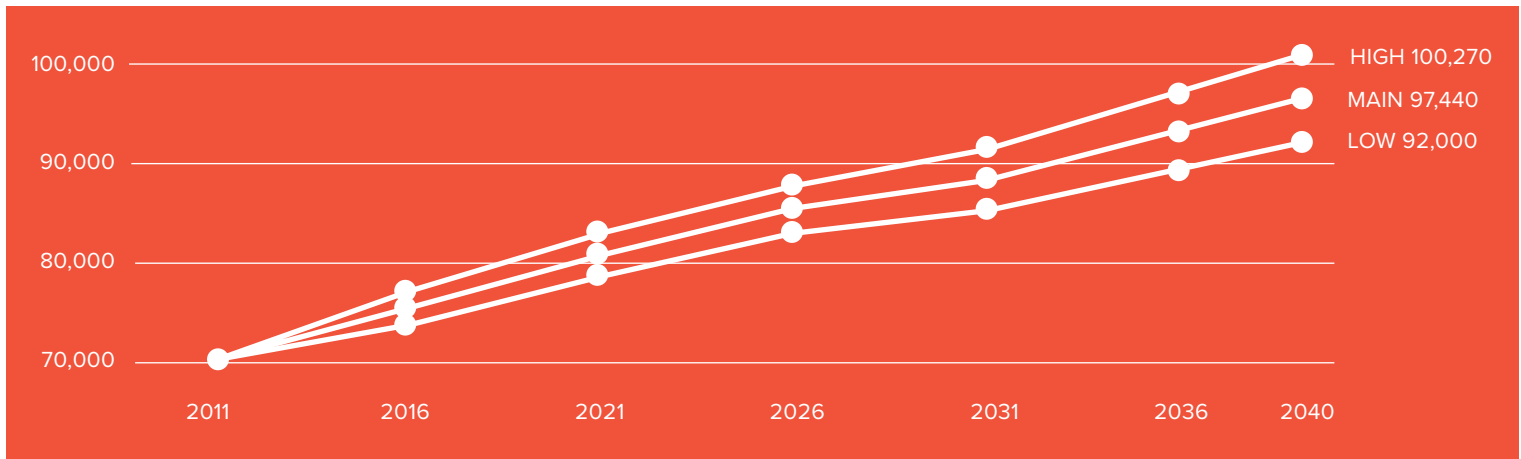


Figure 2.1 DPIE scenario population forecasts for Coffs Harbour LGA

DPIE Population and Household Projections and Implied Dwelling Requirements 2016. Note: The population projections are not targets. Projections are based on assumptions that take into account trends for births, deaths and migration.

2.1 Residential Demand Analysis

In order to estimate demand for residential dwellings, it is imperative that the projected population growth to 2040 be as accurate as possible. The following analysis estimates the demand for residential dwellings and considers whether there is sufficient land with capacity to meet future needs.

To do so, the analysis draws on:

- population projections and dwelling demand projections;
- the current capacity of land, based on up-to-date information regarding development controls, planning proposals, subdivision and infrastructure planning, and development approvals;
- infill and renewal projections supplemented by dwelling projections for already identified urban expansion areas; and
- housing trends.

This analysis provides the basis for recommendations for actions and sequencing in chapters 4 and 7 of this Strategy. The demand analysis draws on three sources of dwelling projections, utilising different methodologies.

Extrapolated Population and Dwelling Growth to 2040

Department of Planning, Industry and Environment

It is predicted by 2040, Coffs Harbour's population will increase by 22,770, bringing our total population to 97,440. This population projection is based on a 'main growth scenario' developed by the Department of Planning, Industry and Environment (DPIE) with an average annual population increase of 1.1%.

The three main factors influencing change in Coffs Harbour are internal migration gain, overseas migration and an ageing population (DPIE 2017). DPIE's low, main and high forecasts for growth are set out in Figure 2.1. The DPIE projections have been extrapolated to 2040.

The expected changes in age structure of the LGA is provided in Figure 2.2. The extrapolated data projections suggest that the working age population of Coffs will continue to decline to 2040, while the over 65 demographic will grow. Despite this, a number of mitigation measures have been included in this Strategy to directly attract working age people (millennials) to Coffs Harbour, to

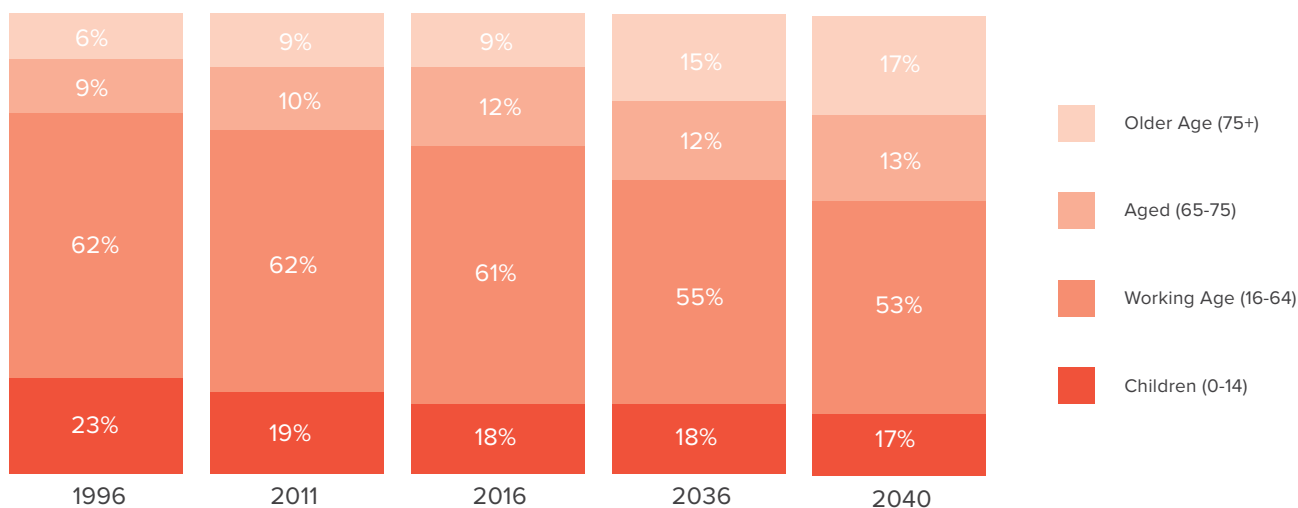


Figure 2.2 Forecast change in age structure, Coffs Harbour LGA 1996 to 2040

Source: 2016 DPIE Population and Household Projections

Table 2.1 Extrapolated population data derived by dwelling growth analysis based on ARUP assessment*

Zone	Dwelling Growth				Extrapolated population growth			
	2017	2026	2036	2040	2017	2026	2036	2040
Boambee East	2153	2296	2361	2415	5232	5579	5737	5863
Bonville - Bundagen - Boambee	1694	2064	2765	3057	4116	5016	6719	7428
Coffs Harbour (Central North)	2566	2619	2707	2749	6235	6364	6578	6680
Coffs Harbour (Central)	2818	2927	3072	3880	6848	7113	7465	7680
Coffs Harbour (North East)	2986	3345	3683	3840	7256	8128	8950	9332
Coffs Harbour (South East)	1275	1870	2273	2573	3098	4544	5523	6252
Coffs Harbour (West)	2362	2855	3530	3810	5740	6938	8578	9258
Korora - Sapphire Beach	2019	2522	2811	3043	4906	6128	6831	7395
Moonee Beach	748	1008	1588	1824	1818	2449	3859	4481
North Boambee Valley	740	950	1261	1397	1798	2309	3064	3393
Northern Beaches	2266	2514	2891	3050	5506	6109	7025	7411
Rural West	1919	2035	2148	2202	4663	4945	5220	6318
Sandy Beach - Emerald Beach	1873	2099	2512	2698	4551	5101	6104	6556
Sawtell	1955	2073	2185	2243	4751	5037	5310	5452
Toormina	2769	2831	2937	2967	6729	6879	7137	7209
Woolgoolga	2419	2697	3448	3729	5878	6554	8379	9062
Total	32,562	36,705	42,172	45,477	79,126	89,193	102,478	109,770

*Preliminary land use forecasts developed for the Coffs Harbour Bypass Environmental Impact Statement and concept design are subject to planning approval. NSW Roads and Maritime Services makes no representation or warranty in relation to the accuracy and completeness of this information.

Table 2.2 Forecast change in dwellings between 2016 and 2040

Source	Dwelling baseline	Number of dwellings projected at 2040	Population projection 2040	Additional dwellings	Average dwellings per year
DPIE	34,650 (2016 forecast)	45,300	97,440	+10,650	444
ARUP	32,210 (2016 forecast)	45,477	109,770	+13,267	553
profile.id	32,493 (2016 ERP)	44,688	102,958	+12,195	508

North Coast Regional Plan based on 2016 DPIE Projections; ARUP Population and Employment Forecasting prepared for RMS in 2017; 2017 profile.id forecasts.

influence the future demographic profile for the LGA. This is discussed more in Chapter 7 of this Strategy.

ARUP

Detailed investigations by ARUP to inform the Coffs Harbour bypass have further outlined the changes that are likely to occur in the Coffs Harbour LGA based on dwelling development analysis.

This has been extrapolated (Table 2.1) using the current average household size for Coffs Harbour (Profile.ID) to give a population estimate of 109,770 in the LGA by 2040. However, it should be noted that household sizes have had a downward trend in the LGA and this is likely to continue.

profile.id

The Coffs Harbour population is forecast to grow from 74,670 in 2016 to 102,958 by 2040 with a 24% change. Note that the profile.id forecast to 2036 has been extrapolated to 2040.

Over the next 10 years, the age structure forecasts for Coffs Harbour by profile.id indicate a 16.0% increase in population under working age, a 28.7% increase in population of retirement age, and a 6.9% increase in population of working age.

Extrapolating the 2036 profile.id forecast to 2040 demonstrates that an additional 12,195 dwellings are required for Coffs Harbour, taking the total number to 44,688, with an average of 508 dwellings per year.

The largest forecast increase to 2040 in household type is expected to be 'Couples without dependents'.

Conclusion

It can be assumed that anywhere between a 97,440 to 109,770 population to 2040 is a reasonable indicator of future growth for the Coffs Harbour LGA. This has provided the basis for residential demand in this Local Growth Management Strategy.

Density in Coffs Harbour LGA

Only a very small portion (3% according to profile.id) of Coffs Harbour LGA's housing market is made up of high density housing, defined by profile.id as flats and apartments in three storey and larger blocks. The setting, context and low-key character of the majority of the Coffs Harbour LGA does not generally lend itself to high density living other than in the City Centre; for tourist and visitor accommodation uses in certain well-located areas; and potentially some select strategic sites such as Park Beach and the Jetty.

With growth in single person households and a growing population of over 65s, demand for smaller dwellings is likely to increase. The community has made it clear to Council that they would like to keep future development to the existing urban footprint.

To accommodate growth within the existing urban footprint, it will be important to encourage higher density developments and smaller lot sizes for new sites and infill in existing suburbs, and to ensure that they include outdoor living space, trees and landscaping.

The State Government has developed a Low Rise Medium Density Design Guide (2018) that would enable medium and lower density housing typologies to be approved under *State Environmental Planning Policy (Exempt and Complying Development Codes) 2008* where permitted in the zone. At present, this has been deferred in the Coffs Harbour LGA.

The *North Coast Regional Plan 2036* also identifies a housing priority to enhance the variety of housing options available by increasing the number of homes in and around the Coffs Harbour City Centre, Coffs Harbour Jetty and Park Beach.

Dwelling demand projections and residential capacity

This analysis draws on dwelling projections from DPIE, ARUP and profile.id, set out in Table 2.2.



ARUP relied on 2011 Census data to develop their projections, whereas DPIE and profile.id relied on 2016 Census data. These projections have been extrapolated to 2040.

ARUP's forecast relied on land use inputs that take into account planned changes to the LEP, including recent land use zoning changes. DPIE and profile.id's forecasts are based on population change and demographic assumptions, and profile.id also considers building activity and demolitions.

DPIE projections (extrapolated to 2040), are projecting a lower population but a higher proportion of dwellings by 2040 than other projections. DPIE has assumed an average household size of 2.29 persons compared with profile.id's 2.38.

The average number of new dwellings required per year over the next 20 years is forecast between 444 and 553. By comparison, the rate of dwelling growth between 2011 and 2016 was 353 dwellings per annum (profile.id).

Between 10,650 – 13,267 dwellings will be required to meet projected growth by 2040. To meet the DPIE target of delivering 40% of new dwellings as multi-dwelling housing, 4,260 – 5,306 dwellings will be required to be in the form of townhouses, villas, manorhouses, and apartments, as well as attached and secondary dwellings (Table 2.3).

2.2 Residential Supply Analysis 2018

A residential supply analysis has been undertaken to demonstrate that there is sufficient land within the Coffs Harbour LGA to match the estimated dwelling demand over the planning period (2040).

The land that will supply most of the residential dwellings required by the LGA up to 2040 and beyond, (and the mechanism for this), is identified on the maps in Chapter 4 of this Strategy. The North Coast Regional Plan 2036 identifies Corindi Beach, Woolgoolga, North Boambee Valley and Bonville as key investigation areas for urban land for delivery of further housing.

Methodology for Residential Supply Analysis

Dwelling yield is based on the development opportunities in individual precincts and sites (refer to Chapter 4 Compact City Program).

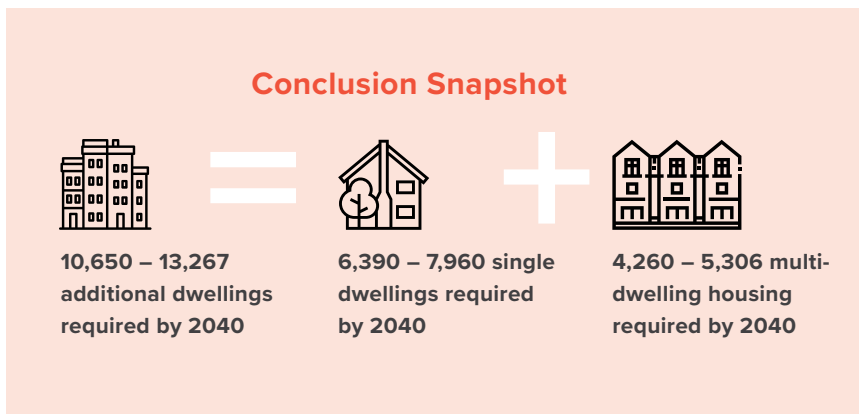
The categories of land assessed are:

- "Infill" - land that is zoned to permit residential development and may (or may not) be currently developed for residential purposes;
- "Renewal" - land that is zoned to permit residential development and is used for that purpose but for a variety of reasons may be suitable for redevelopment at a higher density;
- "Growth" – land that is not yet zoned for residential development but is in an existing urban investigation area.

The following steps were undertaken (as relevant to each site) to assess dwelling capacity:

- Confirm the area of each locality in hectares (this is usually a gross area inclusive of roads, etc). Gross areas typically discounted by 20 to 50% to account for roads, infrastructure, open space, environmental areas and otherwise constrained land.
- Confirm the existing Local Environmental Plan land use zone, Floor Space Ratio and Building Height controls.
- Confirm Development Control Plan residential density controls.
- Check if there are any planning proposals affecting dwelling yield that are in progress or soon to commence.
- Check for precinct specific estimates of vacant land and/or non strata land or lots. It is assumed that non strata land is more likely to redevelop than strata lots.
- Check Coffs Harbour City Council mapping for constraints including flooding, Pacific Highway corridor and noise buffer, native vegetation and koala habitat, European and cultural heritage, land contamination and coastal hazards.
- Check air photos and cadastre for prevailing lot size or other issues such as horticulture.
- Check for water/sewer availability or likelihood of supply.

Table 2.3 Additional dwellings required in Coffs Harbour LGA by 2040



- Check if Council contributions planning have identified a specific lot or dwelling capacity (typically Growth sites). If these are available, they are used as estimates.
- Check last ten years of approvals for residential development types per locality to assess trends in residential density for that locality.
- Review any site specific studies where available.
- Where buildings over 8.5 metres are anticipated by the Local Environmental Plan, determine likely Gross Floor Area per storey, likely number of storeys and dwelling yield based on 75m² per dwelling.
- For Coffs Harbour City Centre, estimate yields based on findings from the Review of Building Heights and Built Form in the Coffs Harbour CBD (Coneybeare Morrison 2018).
- Assume a conservative net area for development or conservative lot count to establish an area of potential residential development.
- Assume a conservative conversion rate of developable land up until 2040. Range is zero to 100%. Conversion rate is the percentage of the land that is likely to be developed up until 2040. Some sites are likely to be fully developed by 2040 while others are likely to have capacity beyond 2040.
- If land is not currently in an urban zone then a zero conversion rate is assumed unless information on planning proposals suggests otherwise. This is

due to the difficulty in rezoning land and the long lead times to transfer land from rural to urban and then ultimately to develop for dwellings.

- For zoned residential land not included in an infill or renewal area, a pro rata yield based on the last ten years of approvals is assumed to account for secondary dwelling and duplex development in established residential neighbourhoods.

Conclusion

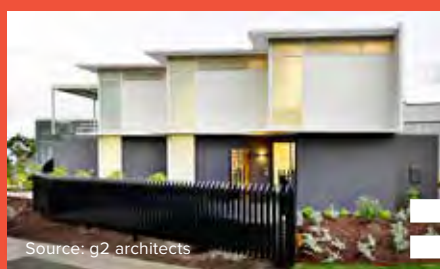
Coffs Harbour LGA has a wide range of residential land opportunities from north to south, including significant infill and renewal of urban zoned land as well as growth opportunities. Some of the infill areas such as the Coffs Harbour City Centre, Coffs Jetty and Park Beach have significant capacity for residential dwellings in the form of medium and high density that will come to fruition over a long time frame. Some growth areas will also yield dwellings in the long term as infrastructure is provided and constraints are resolved.

However, the LGA is estimated to have sufficient land to provide about 14,345 dwellings up to 2040.

2.3 Balancing Residential Demand and Supply

Demand for residential dwellings arising from population growth and demographic change up to 2040 is forecast to be between 10,650 and 13,267 dwellings. The residential supply analysis shows that the LGA has the capacity based on urban zoned land (infill and renewal) and realistic growth areas to supply about 14,345 dwellings up to 2040. Achieving the DPIE target of delivering 40% of new dwellings as multi-dwelling housing is realistic given the opportunities provided by infill and renewal localities.

A summary of the dwelling demand balanced against supply is for the LGA is presented in Figure 2.3.



TOTAL DWELLINGS REQUIRED
10,650 – 13,267 additional dwellings required by 2040

DWELLINGS THAT CAN BE DELIVERED
14,345 by 2040

UP TO
3,760 above the 2040 target



SINGLE DWELLINGS REQUIRED
6,390 – 7,960 by 2040

SINGLE DWELLINGS THAT CAN BE DELIVERED
8,670 by 2040

UP TO
2,280 above the 2040 target



MULTI-DWELLINGS REQUIRED
4,260 – 5,306 by 2040

MULTI-DWELLINGS THAT CAN BE DELIVERED
5,740 by 2040

UP TO
1,480 above the 2040 target

Figure 2.3 Snapshot of the residential dwelling supply and demand analysis for the Coffs Harbour LGA up to 2040