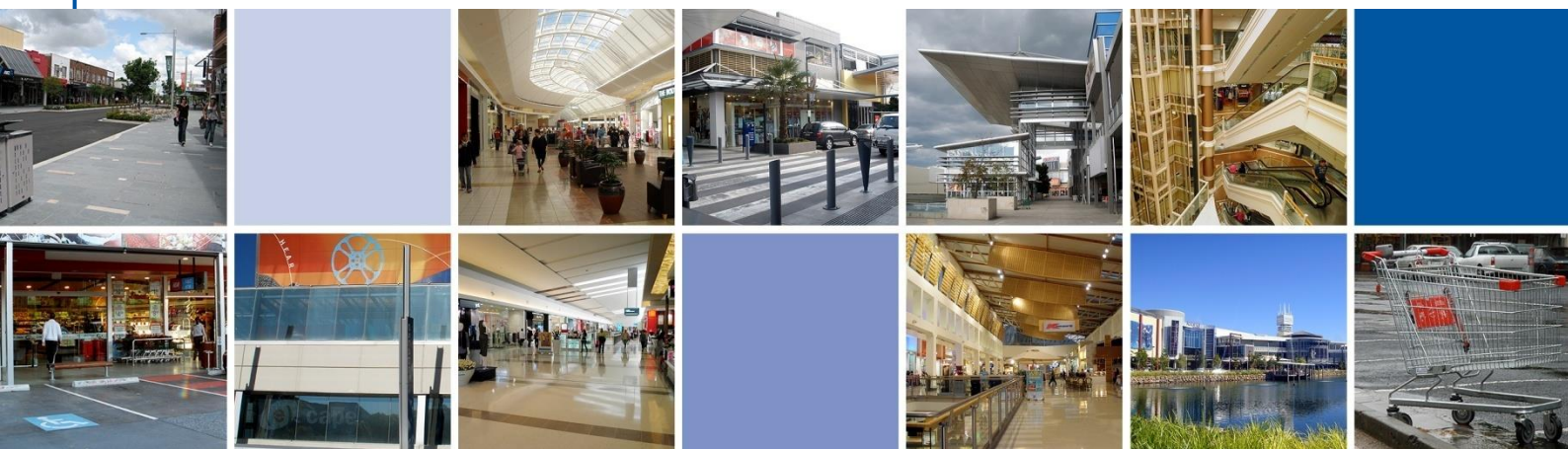


Wilton Junction

Housing & Population Projections

May 2014



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Table of Contents

Executive Summary	6
Introduction	9
Project Background	9
Study Area	10
Land Ownership	13
Vision for Wilton Junction	15
Delivering the Vision and Project Description	15
Demographic Trends and Housing Need	16
SEPP Study Requirements	19
Section 1: Population Characteristics & Forecasts	20
1.1 Sample New Estates	20
1.2 Lot Production Rates	21
1.3 Dwelling Completions	23
1.4 Household Composition	24
1.5 Age Composition	29
1.6 Dwelling Structure Composition	31
1.7 Occupancy Rates	32
1.8 Expected Population Profile	33
1.9 Ageing Intensification	34
Section 2: Housing Market Trends & Implications	37
2.1 Market Observations	37

2.2	Lot Sizes	38
2.3	Implications for Housing Typology at Wilton Junction	43
2.4	Housing Shift	44
2.5	The Ageing Influence	45
2.6	Housing Delivery	47
2.7	Conclusion – Key Findings	49

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Executive Summary

MacroPlan Dimasi has prepared this report to inform the SEPP-based rezoning of Wilton Junction. Specifically our report seeks to establish the likely demographic characteristics and housing needs of the new township of Wilton Junction. In doing so, the report specifically addresses the Director General's Requirements (DGRs) for the SEPP-based rezoning, as outlined by the Department of Planning & Infrastructure (DPI).

Our analysis of forecast dwelling production suggests that a total resident population of 34,955 persons can be expected for Wilton Junction by 2041. This result has been generated based on a development outcome of 11,900 dwellings.

We anticipate that Wilton Junction will largely attract young families (new home buyers) as evidenced in other new estate regions. However, having regard for the ageing nature of our population and the attractiveness of 'down-sizing' opportunities for retirees, our population projections for Wilton Junction incorporate a higher degree of representation from residents aged 65 years and over, i.e. relative to that observed in other new estate locations.

Having regard for projected development rates, household composition and the rate of household formation and the population tendencies of other exemplar locations, a future 'base' population by age profile has been generated.

Wilton Junction Resident Population Projections by Age (2020-2041)

Period	Total Population (persons)				
	2020	2025	2030	2035	2041*
0-19	2,287	4,444	6,695	8,936	10,645
20-34	1,469	2,907	4,407	5,902	7,041
35-49	1,597	3,035	4,535	6,029	7,169
50-64	1,147	2,441	3,792	5,137	6,162
65+	595	1,458	2,358	3,254	3,938
Total	7,095	14,285	21,786	29,259	34,955

* Extended one year to include completion year

Additionally, there is a case for more intensified ageing at Wilton Junction, based on recent demographic trends. Accordingly, we provide an alternative population forecast for the new town. This series has been prepared for sensitivity testing purposes. This forecast is unlikely to impact on the projected housing typology for the area but is relevant to the provision of employment and social services.

Based on our demographic analysis and current market trends a likely housing typology for Wilton Junction has been developed. Detached housing is expected to account for 90% of total dwelling production in 2016, before decreasing to 84% by 2041.

Projected Housing Typology (dwellings), Wilton Junction

	2016	2021	2026	2031	2036	2041
Dwellings (number)						
Detached	576	2,216	4,479	6,769	8,884	9,996
Other*	64	274	611	1,011	1,446	1,904
Total	640	2,490	5,090	7,780	10,330	11,900
Proportion (%)						
Detached	90%	89%	88%	87%	86%	84%
Other*	10%	11%	12%	13%	14%	16%
Total	100%	100%	100%	100%	100%	100%

** Includes townhouse, villa, apartment and shop-top housing*

Source: MacroPlan Dimasi

Whilst detached housing is predicted to be the predominant housing form, small lot housing is expected to assist in the delivery of housing product that meets cross-market segment needs and helps to achieve a range of housing densities. Other housing formats are also expected to be delivered in and around the various activity centres.

In summary, our analysis of demographic trends and housing need for Wilton Junction suggests:

- A future population of 34,955 at Wilton Junction by 2041, including a contribution from the existing Wilton township and approved and future dwellings at Bingara Gorge;
- A potential for greater market share to be achieved from a master-planned community offering;
- A similar age profile to south-west Sydney but with a higher representation of residents aged 50+, reflecting anticipated Wollondilly characteristics and broader regional demographic trends;
- A dominance of family households, with a marginally greater representation of couple families without children when compared to south-west Sydney; and
- A broader trend toward smaller lots across Sydney's south-west;
- A growing interest in new estate locations from retirees seeking to down-size; and
- A likely dominance of detached housing at Wilton Junction, but with an increasing proportion of smaller lots to meet consumer demand for affordable product.

Introduction

Project Background

In November 2011, the State Government invited landowners with large properties in suitable locations to nominate sites which might be able to deliver additional housing to address Sydney's housing supply shortfall. Walker Corporation, Governors Hill, Bradcorp and Lend Lease responded to the Program and nominated landholdings of more than 100ha in Wollondilly Shire, surrounding the Hume Highway-Picton Road intersection for consideration. This area has subsequently become known as Wilton Junction, and is the subject of this application.

Following a Wollondilly Shire Council resolution in May 2012, four major landowners (collectively known as the Wilton Junction Landowners' Group) signed an agreement to work cooperatively with Council in the preparation of a high level master plan for Wilton Junction. The master plan aims to deliver high quality new housing, jobs close to home, supporting social and utilities infrastructure and services, and a range of complementary land uses.

A high level Master Plan and a Preliminary Infrastructure Requirements Report were considered by Wollondilly Shire Council on 17th December 2012, with Council resolving to give in-principle support to the proposal. Council also resolved to request that the rezoning be a state driven process.

Subsequently, the NSW Government decided to coordinate the statutory planning process, led by the Department of Planning and Infrastructure (now the Department of Planning and Environment, DP&E). The Minister for Planning and Infrastructure (now the Minister for Planning and Environment) proposed to prepare a State Environmental Planning Policy (SEPP), as per Section 24 of the *Environmental Planning and Assessment Act 1979* (EP&A Act), which identifies that a SEPP is an Environmental Planning Instrument, and Section 37 of the EP&A Act, which relates to the making of a SEPP for State or regional significant

development. This was done with a view to rezone the land through an amendment to the Wollondilly Local Environmental Plan 2011 (LEP) to facilitate the early delivery of housing and infrastructure, linked to an agreed Infrastructure, Servicing and Staging Plan.

The Department of Planning and Infrastructure issued Key Study Requirements (KSRs) to the Proponents (Walker Corporation, Bradcorp and Governors Hill) to guide the planning investigations for a new town at Wilton Junction. The KSRs set the criteria for carrying out environmental investigations across the Study Area (excluding both Bingara Gorge and the existing Wilton village which will not be affected by any proposed amendments to their current zoning and planning provisions). The investigations examine the potential for the Wilton Junction Study Area to be rezoned under a SEPP.

The Department of Planning and Infrastructure has issued specific Director-General's Requirements (DGRs) to guide planning investigations for a new town at Wilton Junction. The DGRs set the criteria for carrying out environmental investigations across the site.

MacroPlan Dimasi has prepared this report to inform the SEPP-based rezoning of Wilton Junction. Specifically our report seeks to establish the likely demographic characteristics and housing needs of the new township of Wilton Junction. In doing so, the report specifically seeks to address the DGRs that have been issued to guide the necessary planning investigations.

Study Area

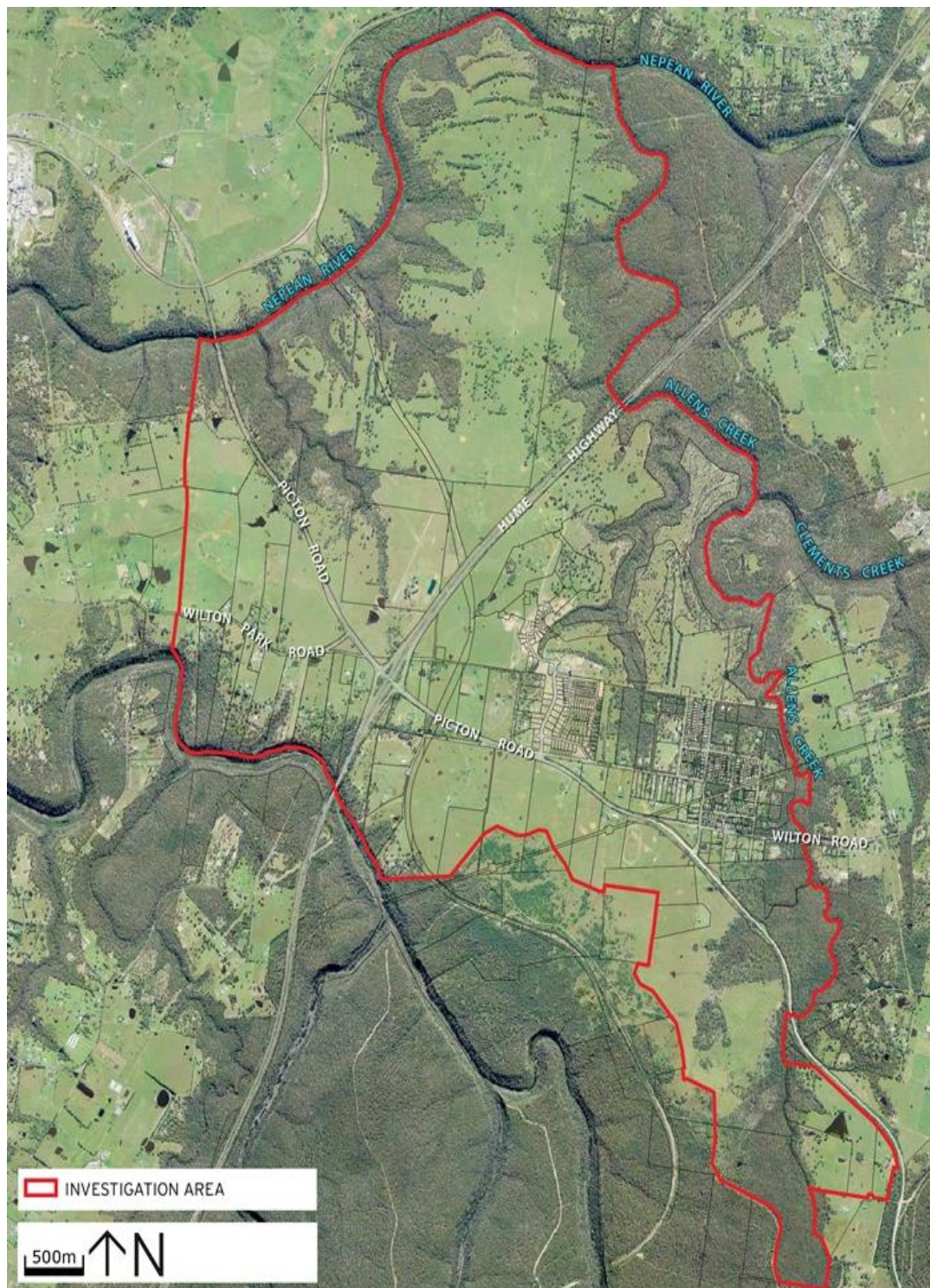
Wilton Junction is located within Wollondilly Shire Council and is approximately 80km from Sydney Central Business District, and 30km west of Wollongong. The study area includes the existing village of Wilton and the adjacent Bingara Gorge estate.

The area is strategically located around the Hume Highway/Picton Road interchange and represents the next potential major town along this transport corridor south of Campbelltown – Macarthur.

Wilton Junction has the distinct advantage of a consolidated land ownership of nearly 2,700ha in the control of recognised developers, with the resources and capability to expedite housing delivery, roll out enabling infrastructure, deliver social services and provide local employment.

Wilton Junction presents a good opportunity to address significant housing supply shortages and affordability pressures in Sydney. The new town will provide housing choice through a variety of dwelling sizes and locations. It will also provide a new 'district' level retail and commercial focus for the people of Wollondilly, deliver social infrastructure and provide jobs and services for the local population.

Figure 1. Study Area



Source: Connor Holmes (2014)

Land Ownership

There are four major landowners within the Investigation Study Area:

- Bradcorp Pty Ltd (land at Wilton West)
- Walker Corporation (land south of Picton Road and east of the Hume Highway)
- Governors Hill (land including the Wilton Aerodrome and land on both sides of Picton Road west of the Hume Highway)
- Lend Lease (land to the north-west of the Hume Highway-Picton Road intersection; but is excluded from the study requirements)

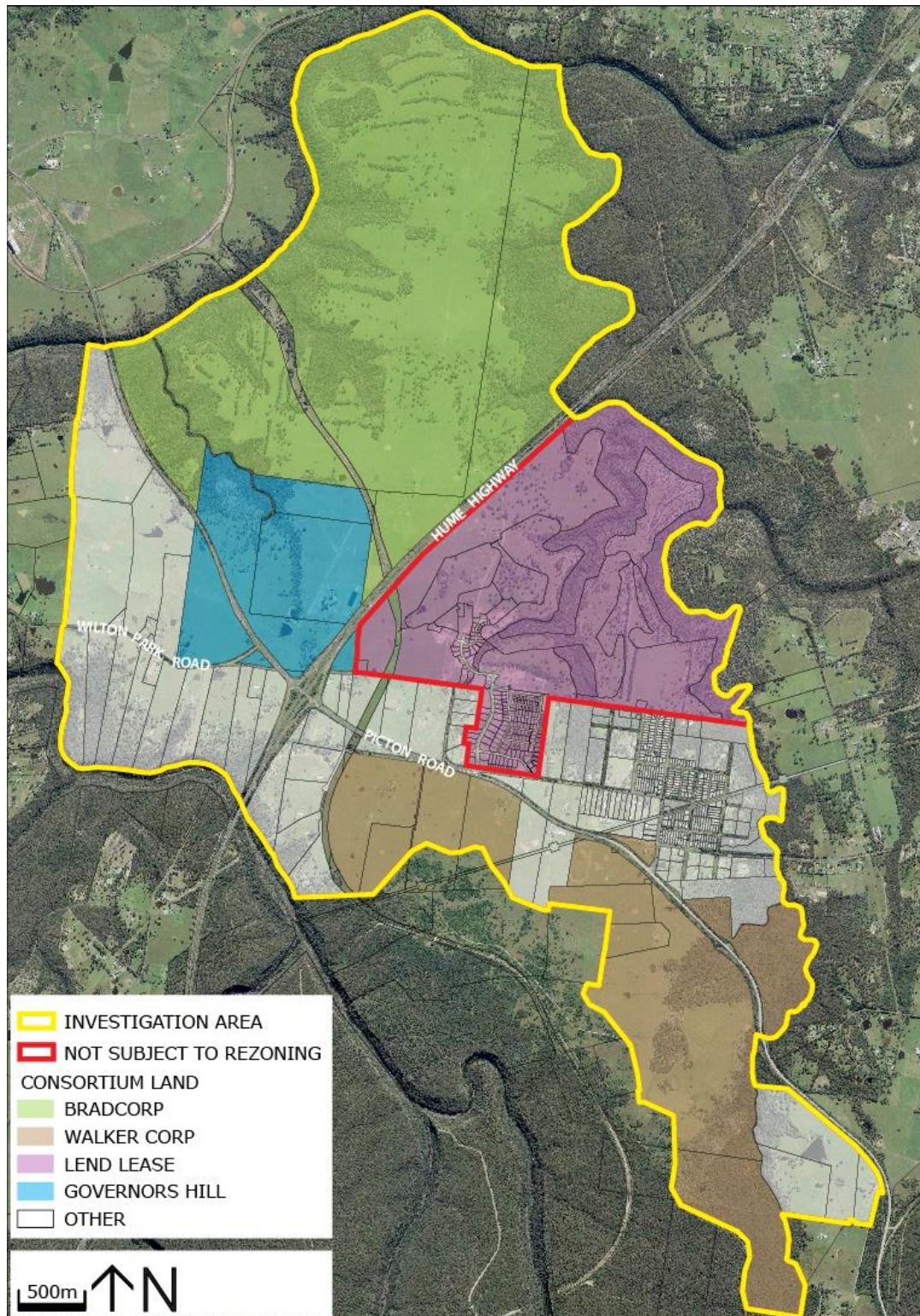
The Investigation Study Area includes the proponents' land and other land held by individual private owners, as outlined in the table below. A plan of the extent of ownership is provided below.

Land Owner	Gross area (ha)	Net Developable Area (ha)
Lend Lease	455.0	240.0
Bradcorp	872.4	458.7
Governors Hill	175.3	123.5
Walker Corporation	405.2	230.3
Other land owners**	572.3	489.2
Total	2,480.2	1,541.7

*** This comprises 113 other private landowners, excluding the new Bingara Gorge estate and the existing Wilton village which will not be affected by any proposed amendments to the existing Wollondilly Shire Council planning provisions.*

For the purpose of this rezoning application, the Proponents include Walker Corporation, Governors Hill and Bradcorp. Lend Lease will continue with the planning and delivery of its Bingara Gorge community at Wilton, which is already zoned for residential development. Lend Lease is working with the proponents to plan and deliver the new town at Wilton Junction and its associated infrastructure.

Figure 2. Land Ownership



Source: Connor Holmes (2014)

Vision for Wilton Junction

The Proponents have a vision for the proposed rezoning of land at Wilton Junction, which is:

Wilton Junction is a new community cradled in a unique landscape characterised by bushland, rivers, creeks, lakes and ridges set against the backdrop of the Razorback Range. By design, the place and the lives of its people are intertwined with the bush.

The community respects the location's rich bushland setting, engages with surrounding water features and embraces sustainability.

Inclusive and welcoming of diversity, it's a place to nurture relationships, grow a family - to put down roots.

Founded on a 21st century interpretation of timeless "Garden City" principles, Wilton Junction combines the best features of our most loved country towns with the facilities, services and technologies found in Australia's most successful, edgy, and vibrant town centres.

A safe place to visit – a healthy place to live – a great place to learn - a rewarding place to work – the local community takes pride in the strength of its cultural and civic life and the role of their town in Wollondilly Shire and the region.

Delivering the Vision and Project Description

The vision will be delivered through the creation of a new town with between 11,000 and 13,000 new homes and 11,000 jobs. Residential neighbourhoods will be created around green spaces to provide a range of housing choice and to facilitate healthy lifestyles options for residents.

A new town, comprising of approximately 17ha, will be established within the north-west quadrant of the study area and will be surrounded by employment generating uses for business, bulky goods and light industry. It will comprise of approximately 120-130ha of land.

Smaller neighbourhood centres will be created within the residential neighbourhoods to cater for convenient daily shopping choices. Social and physical infrastructure will also be provided facilitating the creation of a new

community. Existing significant environmental features and heritage items will be preserved commemorating the natural and historical setting of the study area.

The proposed Master Plan will be informed by the following key principles:

- **Employment and commercial drivers.** The delivery of approximately 11,000 jobs focused around a new town centre and in close proximity to the Hume Highway & Picton Road.
- **Housing.** Providing between 11,000 and 13,000 new dwellings across the precinct, inclusive of the 1,165 already approved at Bingara Gorge.
- **Community facilities.** Providing a diverse range of high quality community facilities including a range of schools, a library, a community centre and three neighbourhood centres.
- **Environment.** Conserving ecological features and biodiversity and establishing a Trust to rehabilitate and manage approximately 630 ha of bushland.
- **Place making.** Delivering a high quality and connected network of streets, spaces and squares throughout the development.
- **Activity centres.** Focusing on the delivery of a new town centre and three smaller neighbourhood centres with a diverse mix of retail, commerce, business & light industry.
- **Traffic and transport.** Providing strategic motorway and bus access to surrounding areas and legible movement throughout the development.
- **Infrastructure.** Integrating water, waste water and stormwater management systems and access to all other utilities including gas and NBN.

Demographic Trends and Housing Need

This report forms part of a series of studies required to be undertaken to meet the Director Generals' Study Requirements outlined by the NSW DPI to inform SEPP-based rezoning process.

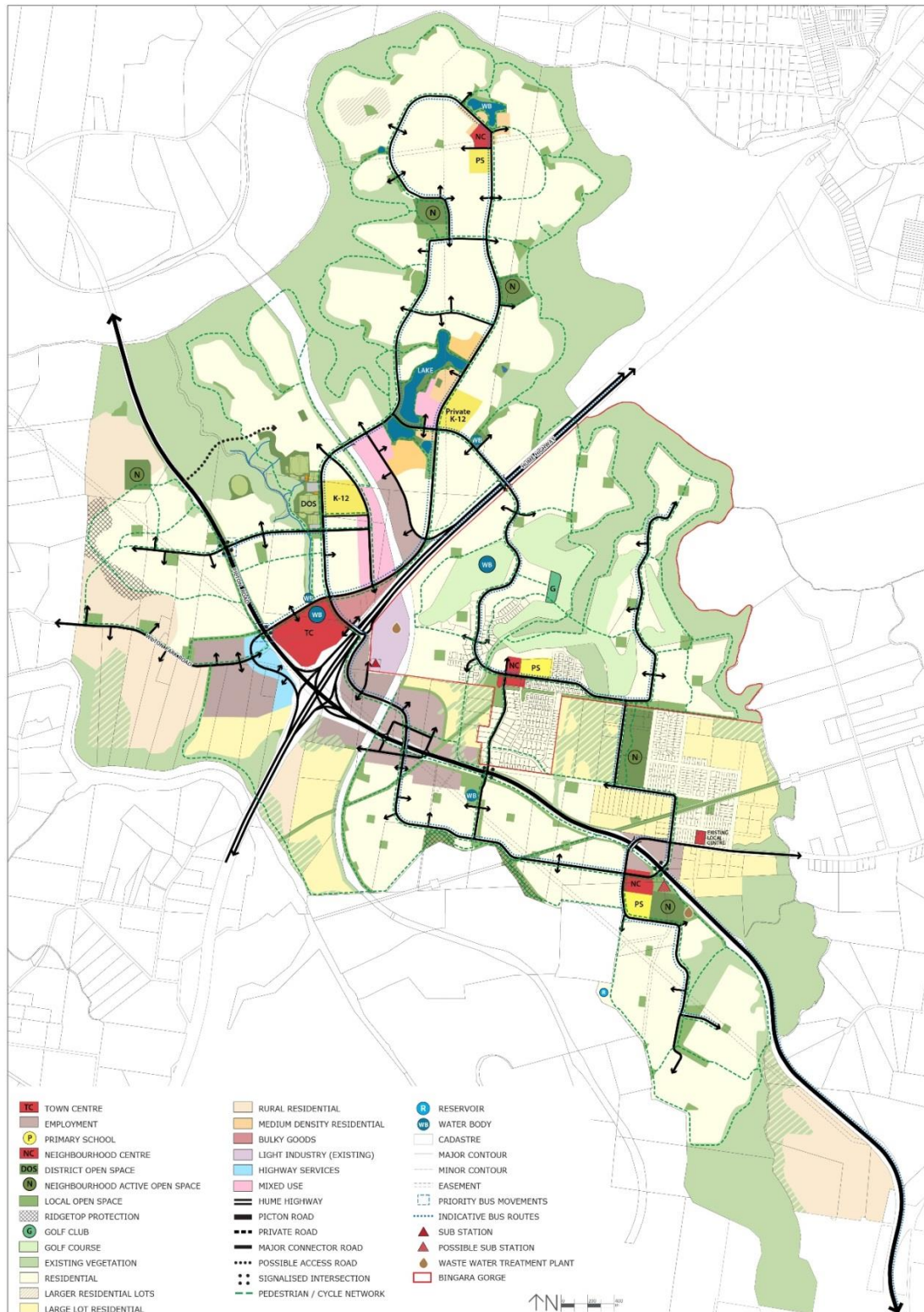
Our report focuses on the population and housing needs of Wilton Junction and considers the characteristics and forces that will drive the likely housing outcomes for the township.

We assess need through our analysis of recent ABS Census 2011 data and by examining prevailing local and regional market forces as well as, where appropriate, the experiences of other 'like' locations.

The report's outcomes and findings have informed the development and preparation of a Master Plan for Wilton Junction.

The derived Master Plan is indicated below.

Figure 3. Wilton Junction Master Plan



SEPP Study Requirements

In preparing our report, MacroPlan Dimasi has considered the specific Director-General's Requirements (DGRs) pertaining to the investigation of 'Demographic Profile and Social Infrastructure' for Wilton Junction.

The schedule below provides a concise response to each specific DGR item addressed in this report.

DGR Item	Response
<i>Prepare a demographic analysis of the projected population of the Precinct as a potential sub-regional centre, including implications for infrastructure and services.</i>	<ul style="list-style-type: none"> ▪ We have considered the quantity and character of the future Wilton Junction resident population, based on our understanding of demographic trends and observations from other areas. ▪ Our forecast dwelling production suggests that a total resident population of 34,955 persons can be expected for Wilton Junction by 2041. This result has been generated based on a development outcome of 11,900 dwellings. ▪ Our population projections for Wilton Junction demonstrate support for services and employment facilities befitting of a sub-regional centre.
<i>Projections should address broader market demand and growth patterns and socio-economic profiles in the South-West Sub-Region, including affordable housing demand and supply.</i>	<ul style="list-style-type: none"> ▪ Our population and housing projections consider growth and housing demand trends from south-west Sydney but present a distinct age and household composition for Wilton Junction based on our understanding of broader trends that will influence the region. ▪ Our projections imply a skew to young families and a greater representation from 65+ persons relative to other new estate locations – a consequence of a broader ageing population dynamic. ▪ The demand for affordable housing is currently being achieved in south west Sydney through the provision of a mix of housing typologies and the production of smaller land lots. ▪ The development of Wilton Junction will increase the stock of land available and will compete directly with the suburban offer of the South West Growth Centre, promoting price competition and affordability. A full range of housing formats, including small lot provisions, will facilitate housing choice and promote affordability.

Section 1: Population Characteristics & Forecasts

The process of deriving precise population forecasts for new towns or land release areas is somewhat iterative, involving an initial assumption of potential dwelling production and 'working back' once more specific information is known about the amount of developable land that is available, the nature of other constraints and the format of expected housing product delivery.

Deriving the expected age and household composition for Wilton Junction has involved a two stage process; first, an initial composition is created based on Census 2011 data for other developed new estate regions in South West Sydney. Secondly, this composition is then adjusted to reflect expected demographic shifts that have or are expected to unfold in the region.

Market demand, land lot size and price levels will also have a large bearing on the types of households attracted to the area and, by implication, the age profile of future residents of Wilton Junction.

In this section of our report we deal specifically with expected population outcomes and the characteristics of such. In latter sections we consider housing market trends and their implications for the provision of new housing formats at Wilton Junction.

1.1 Sample New Estates

MacroPlan Dimasi has examined the profiles of developed or active new estate locations in south-west Sydney. Whilst we consider Wilton Junction likely to function as a stand-alone township, its proximity to the metropolitan outreaches of Camden, Campbelltown and the South West Growth centre cannot be ignored for the purpose of projecting its population make-up, as these locations present as the most likely local alternative competitive housing offer.

We also draw on demographic profiles of persons relocating to new estate locations in the Camden LGA which presents as a suitable proxy given its active development front and its rate of new estate development. Allowing for contextual differences, these representative locations have been used as a reference point for Wilton Junction.

The sample new estate SA2 regions utilised in our assessment are presented in the table below.

Table 1. Sample New Estate Regions (SA2)

SA2 region	ABS Code
Green Valley-Cecil Hills	127011507
Prestons-Lurnea	127031526
Hoxton Park-Horningsea Park	127011508
Macquarie Fields- Glenfield	123021442
Elderslie - Harrington Park	123011434

Source: ABS

For means of comparison and context, we also make reference to broader geographical regions such as Wollondilly LGA and South West Sydney. Our analysis of these regions has enabled the identification of relevant emerging demographic shifts.

1.2 Lot Production Rates

An indicative lot development schedule has been prepared for Wilton Junction, having regard for the multi-front capacity of the land offering and the various landowner contributions. A development yield of 11,900 lots has been generated, with production forecast to be completed by 2039. The lot production figures are:

- Generated on the basis of Wilton Junction being rezoned by early 2014 (i.e. with lot production starting in 2014)
- Inclusive of existing Wilton town dwellings (321 private dwellings¹) and those approved at Bingara Gorge (1,165 dwellings)

¹ 2011 Census (Wilton UCL)

Progressive lot production quantities in five-yearly instalments are provided below.

Table 2. Lot Production – 2031, 2036 & 2039*

	Cumulative lots	Lot additions
2016	1,230	1,230
2021	3,530	2,300
2026	6,130	2,600
2031	8,880	2,750
2036	11,230	2,350
2039*	11,900	670

Source: Connor Holmes

Overall, an average lot production rate of 380 lots per annum between 2008 and 2039 for Wilton Junction is suggested.

Recent dwelling approvals data in Sydney's south-west suggests that the predicted rate of lot production is achievable. In the first ten months of 2013/14, dwelling approvals have increased and are on track to reach an annualised quantum of between 2,000-2,400 dwellings; a level last observed in south-west Sydney in the early 2000's.

Similar rates of production have also recently been achieved at other outer Sydney new estate locations, e.g. The Ponds at Kellyville (in Sydney's north-west), where land lot sales have averaged around 400 per annum over the three years to 2011. Despite significant competition, Oran Park (in Sydney's south-west) has also achieved elevated sales rates of approximately 300 lots per annum over the past three years.

With the preparation of individual master plans for each of the major landholdings, Wilton Junction presents an opportunity for a multi-front delivery of housing lots.

We note that the rate of land sales at master-planned estates (involving a staged and integrated offering of housing lots, open space and access to community facilities) are typically higher than for non-planned land and housing offerings.

Higher market shares are also typically achieved at such estates (around 40%), as demonstrated in the following assessment of master-planned estates from across Australia. The master-planned nature of new estate offerings in Sydney (e.g. at The Ponds and Oran Park is a key to their market success.)

Table 3. Master Planned Community Market Share and Sale Rates

Master Planned Community	Catchment Market Share	Average Sales per Month	Average Sales per Annum
Dalyellup (WA)	50%	24	293
Ellenbrook (WA)	30%	33	397
Springfield Lakes (QLD)	52%	40	478
North Lakes (QLD)	37%	36	428
Mawson Lakes (SA)	47%	23	276
The Ponds (NSW)	52%	34	403
Oran Park (NSW)	22%	22	259
Master Planned Community Average	41%	30	362

Source: RP Data, MacroPlan Dimasi

Other considerations, however, outside the scope of production capacity may impact the rate of new estate development and take-up e.g. the timeliness of service infrastructure. Our projections assume that service provision will be co-ordinated and managed to facilitate the suggested rate of development.

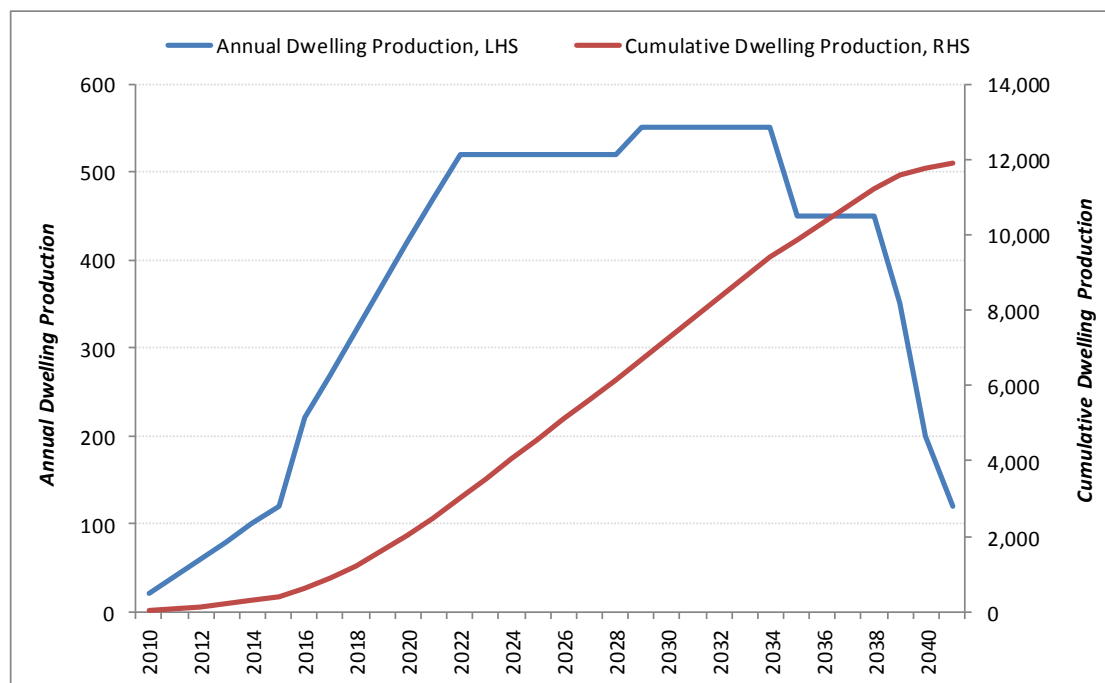
1.3 Dwelling Completions

Notably, the above build-out rates are for lot production and not dwelling completions.

As population increments are realised at the point of dwelling completion, our population projections are based on dwelling completions. Using the above build-out assumptions, we assume a two-year lag between lot production and actual dwelling development. This allows for the actual timing of construction (6-12 months) and for a range in development/construction circumstances, e.g. where lots are purchased and developed by home building companies and/or where lots are purchased by individuals and developed at a latter point in time, following the appointment of project architects and builders.

The anticipated rate of dwelling completions is illustrated below.

Figure 4. Annual & Accumulated Dwelling Completions – 2031, 2036 & 2041



Source: Connor Holmes

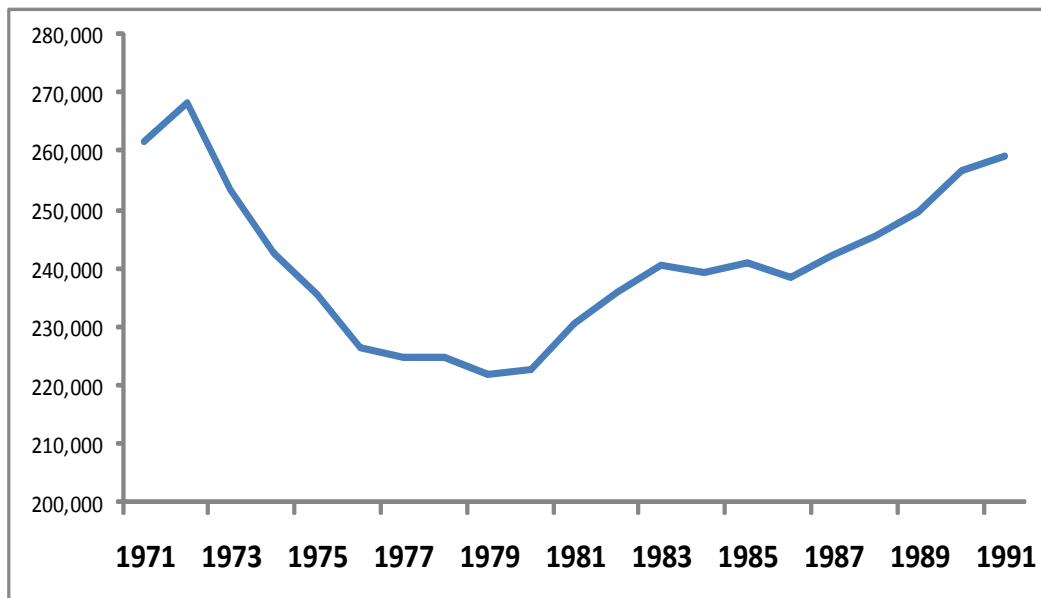
1.4 Household Composition

Traditionally, new estate regions are synonymous with young family households and first home buyers (FHBs). The opportunity to enter the market at an affordable price point relative to other established locations and the attraction of a master-planned community in a new town setting, as well as the premise of employment opportunity, are expected to underpin FHB demand for new dwellings at Wilton Junction.

We note also the importance of demographic cycles in determining housing market make-up and have examined the fundamentals of FHB demand from this perspective. We note, for instance, an increase in the birth rate during the 1980s, which occurred universally across Australia. Australia's birth rate had decreased during the 1970's, as a rising proportion of women entered the workforce and/or delayed having children. During the 1980's, our national birth rate increased

again, with those born in this period representing future FHBs. The trend is demonstrated graphically below.

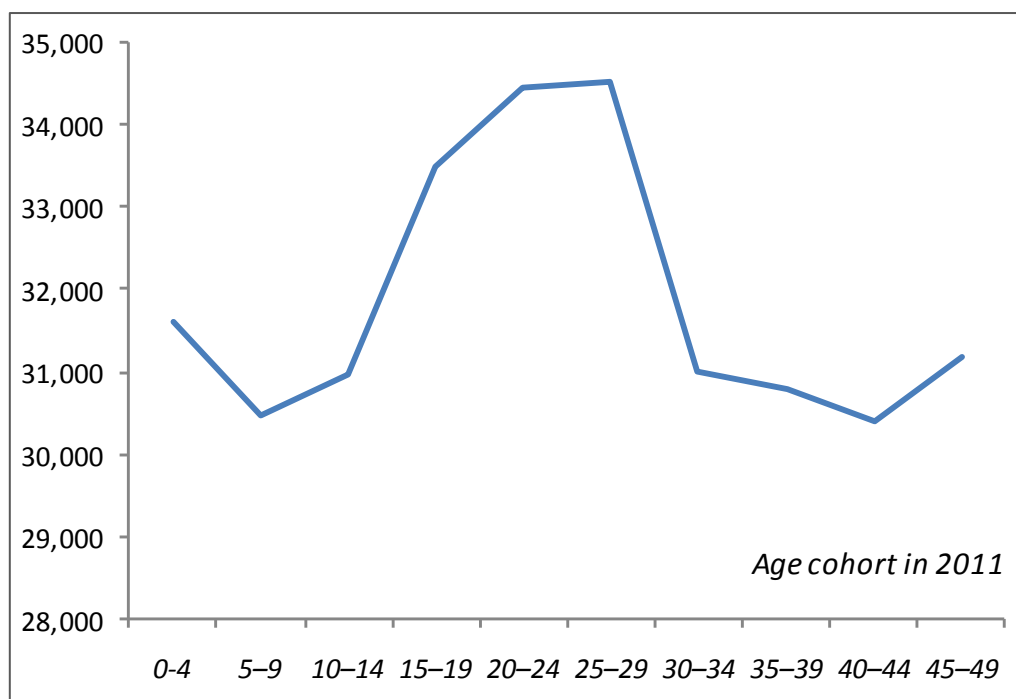
Figure 5. National Birth Rate (per annum), 1971 to 1991



Source: ABS; MacroPlan Dimasi

Even allowing for a significant outflow of young adults to other locations, the sheer magnitude of 15-29 year olds in the South West Sydney is expected to support higher FHB activity over the next 5-10 years.

Figure 6. FHB Wave - Liverpool, Fairfield & Campbelltown LGAs



Source: ABS, MacroPlan Dimasi

Having regard for widespread and fundamental demographic drivers, the development mix at Wilton Junction is expected to primarily accommodate both young families and retiree households i.e. households that are sensitive to housing affordability. This does not mean, however, that other market segments and age cohorts will not be represented. For instance, representation from 34-50 year olds (typically property up-graders) is also expected to be material.

From our analysis of other new estate regions, families present as the most dominant household type. As at Census (2011), family households accounted for 82% of all households in sample new estate areas from south-west Sydney. Couples with children were the dominant family type, making up 51% of all households. Couple families without children accounted for 16% of the household mix.

Table 4. Household Type of New Estate SA2 Sample Regions (%)

Household Type	Greater Sydney 2011	Sample New Estate Regions 2011	Wilton Junction 2041
Families			
Couples with no children	23%	16%	25%
Couples with children	35%	51%	44%
One parent families	11%	15%	15%
Families			
Lone persons households	21%	13%	15%
Group households	4%	1%	1%
Other	5%	4%	0%
Total	100%	100%	100%

Source: Census 2011

Overall, the household composition at Wilton Junction is expected to be broadly consistent with exemplar new estate regions in south west Sydney, except for greater representation from couple families without children, i.e. 25% compared to 16%. This is expected to be supported by higher number of retiree households, and will result in fewer couples with children compared to other new estate regions (44% at Wilton Junction v. 51% for new estate regions). While marginal, greater representation in lone person households is also expected to eventuate.

Australia's population is ageing and the evidence of this demographic shift is undeniable. Low fertility levels, increased life expectancies and the effect of the 'baby boomer' generation moving through older age cohorts has contributed to the number and proportion of people aged over 65 years. This shift will become more prevalent in years to come.

An immediate impact of ageing is a decrease in household occupation rates, as more housing is used by less people e.g. when a family becomes a two person household or when a couple household becomes a sole person household. Together with other demographic changes it is typical that an ageing population will require a higher number of houses to accommodate its population.

In absolute terms, there are wide variations in the rate of population ageing. The following tables show the population growth by age cohort for Greater Sydney and for Wollongong.

Table 5. Annual Population Change by Age Cohort ('000s), Greater Sydney (2001-11)

Age Cohort	2001	2011	Annual Change
0-19	1,095	1,147	5.2
20-34	975	1,080	10.5
35-49	931	999	6.8
50-64	639	796	15.7
65+	489	585	9.6
Total	4,128	4,606	47.8

Source: 3235.0 – Population by Age and Sex, Regions of Australia, 2011

Table 6. Population Change by Age Cohort, Wollongong SA4 (2001-11)

Age Cohort	2001	2011	Annual Change
0-19	29,759	30,320	56
20-34	26,301	28,712	241
35-49	24,980	25,349	37
50-64	18,301	22,273	397
65+	17,445	19,565	212
Total	116,786	126,219	943

Source: 3235.0 – Population by Age and Sex, Regions of Australia, 2011

Of the annual change over the ten years to 2011 in Greater Sydney, people aged 50+ represented 53% of the growth over the period, while in Wollongong the proportion was much higher at 65%. People already aged 65+ represented the third largest annual change in the two regions, meaning growth is already apparent in this age cohort.

A consistent theme across these two regions is that growth in the 50-64 year group has been solid over the last decade. It is growth in this age cohort over the past decade that transcends into growth in the 65+ age cohort beyond 2020.

In Wollondilly LGA, the contribution from people aged 50+ years to population growth over the 2001-2011 period totalled 69%, demonstrating the current impact of ageing in the locality. Elevated representation from retiree households in Wollondilly will result in demand for localised provision at Wilton Junction.

Further, the national experience of the last decade is that as the magnitude of retiree numbers has increased, so too has the need for additional labour

resources to meet their needs (i.e. growth in health jobs) and to supplement pending labour shortages that arise from a retiring worker population. This shortage has been managed through the migration of skilled workers.

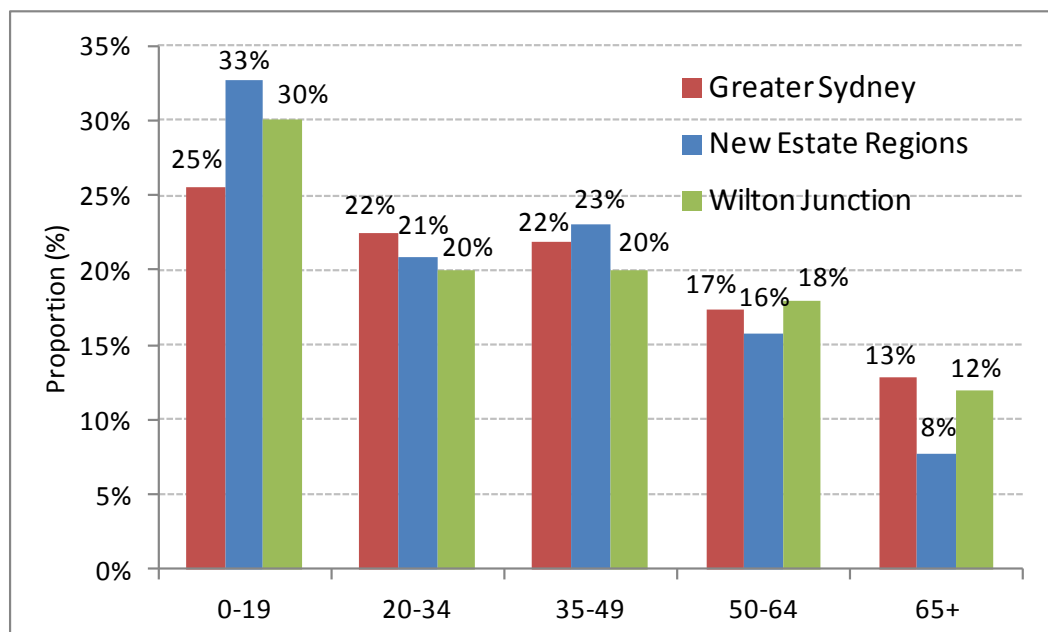
While migration to Wilton Junction is not expected to reach levels observed in major capital cities, labour shortages and growth in industries that are more labour intensive (such as health care) are expected to support some inward migration of local and overseas skilled workers to the region, and to contribute to housing demand.

1.5 Age Composition

Our investigation of the age profiles of exemplar new estate regions has revealed a skew to persons below the age of 50 years. On average, the 0-49 year cohort accounted for 77% of total populations, which is considerably higher than that observed for established regions in Metropolitan Sydney (69%). This suggests that developed greenfield areas around Sydney are characterised by 'younger' populations.

MacroPlan Dimasi anticipates that representation amongst residents aged 49 years and below in Wilton Junction will largely resemble that observed in new estate regions. The attraction of a stand-alone township and affordable housing choices, as well as the premise of employment opportunity are expected to entice working age residents to Wilton Junction. Based on our forecasts, approximately 70% of Wilton Junction residents will be aged below 50 years; slightly below that observed for the sample of new estate regions.

Figure 7. Age Composition - New Estate SA2 Regions & Wilton Junction



Source: Census 2011, MacroPlan Dimasi

Disparity between new estate locations and the Wilton Junction township is expected to be most evident in the retiree cohort. Compared to the sample of comparable new release areas (8%), the proportion of 65+ residents in Wilton Junction is estimated to account for 12% of total population (at completion). This divergence is attributable to the expected general rise in the number of 65+ persons.

The opportunity to 'trade-down' from established areas, to live near family and to relocate to a region of high amenity and accessibility is likely to attract 65+ aged residents to Wilton Junction.

This trend has already been observed in other new release regions in Sydney. In the Blacktown North-Marayong Park SA2 region, the number of 65+ residents increased in the order of 2.5% per annum between 2006 and 2011, compared to just 1.4% per annum over the five years to 2006. Increases have also been observed at Rouse Hill and Camden, two other prominent greenfield growth areas.

1.6 Dwelling Structure Composition

As at 2011, detached dwellings presented as the dominant dwelling format, accounting for 95% of total dwelling stock in the Wollondilly LGA.

Table 7. Dwelling Composition, Wollondilly LGA (2011)

Wollondilly LGA	Number	Proportion
Separate house	14,537	95%
Other dwellings	807	5%
Total	15,344	100%

Source: ABS, MacroPlan Dimasi

The dwelling composition observed for Wollondilly LGA is similar to other regional or non-metropolitan Sydney LGAs. Traditionally, new estate development regions entail a large share of detached dwellings, albeit at varying lot sizes. For instance, in Camden LGA, which is a new estate location, new detached dwelling approvals have accounted for 97% of total activity over the twelve months to June 2012.

However, as a region evolves and becomes 'established', housing typology tends to shift toward a greater share of medium and high density formats. The LGAs of Blacktown, Penrith and Campbelltown all exhibit this trend.

Table 8. Dwelling Structure Composition (2011)

	Separate house	Other dwellings
Blacktown LGA	83%	17%
Campbelltown LGA	80%	20%
Penrith LGA	81%	19%
Average	81%	19%
Camden LGA	92%	8%

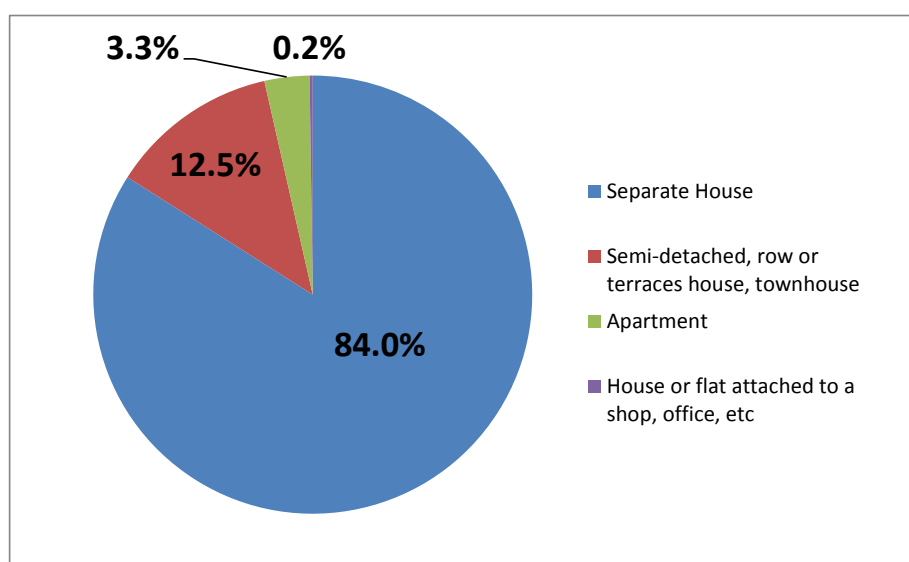
Source: ABS, MacroPlan Dimasi

Market appetite for higher density development (apartments) at Wilton Junction is expected to be relatively contained. This is evidenced by recent weak high density dwelling development in Wollondilly LGA - just 27 high density dwellings have been approved since 2007.

As Wilton Junction evolves its dwelling composition will change to reflect a maturing market demand. Additionally, higher representation amongst price-sensitive retirees and first home buyers is expected to support some medium density product in or around the town centre, such that the configuration of housing stock will ultimately resemble what is being achieved in other established new estate LGAs.

Detached dwellings are anticipated to account for around 84% of total dwelling stock, with the remaining 16% being 'other' dwellings (including villas, townhouses and some shop top housing).

Figure 8. Future Dwelling Structure Composition, Wilton Junction (2041)



Source: MacroPlan Dimasi

This estimate of housing typology is further examined in Section 2 of this report, having regard for housing market trends.

1.7 Occupancy Rates

The rate at which households are formed varies from region to region and by housing typology. In order to determine a range of potential occupancy rates for Wilton Junction, MacroPlan Dimasi has examined household formation rates of other south-west Sydney new estates. Summary results are presented below.

Table 9. Occupancy Rate Ranges by Dwelling Typology

Density	New Estate Regions	Wollondilly LGA	Wilton Junction
Low	3.0-3.4	2.8	2.8-3.2
Other	2.0-2.8	1.6	2.0-2.6

Source: Census 2011, MacroPlan Dimasi

In the sample of new estate areas, low density dwellings entail approximately 3.2 occupants, while observed occupancy rates for medium density dwellings (semi, attached, terrace house and villas) average approximately 2.4 persons per dwelling.

Compared to other new estate areas, occupancy rates in Wilton Junction are expected to be marginally lower. A higher share of young couples (a good proportion yet to have children) and more retiree households will collectively drive down the average number of occupants per dwelling across all housing typologies. An average occupancy rate of 2.93 persons per dwelling is anticipated across all housing forms for Wilton Junction.

1.8 Expected Population Profile

Having regard for housing typologies, projected development rates, household composition and the rate of household formation, a future population by age profile has been generated for Wilton Junction.

Estimated resident population profiles at five year intervals are presented in the table below.

Table 10. Wilton Junction Resident Population Projections by Age (2020-2041)

Period	Total Population (persons)				
	2020	2025	2030	2035	2041*
0-19	2,287	4,444	6,695	8,936	10,645
20-34	1,469	2,907	4,407	5,902	7,041
35-49	1,597	3,035	4,535	6,029	7,169
50-64	1,147	2,441	3,792	5,137	6,162
65+	595	1,458	2,358	3,254	3,938
Total	7,095	14,285	21,786	29,259	34,955

* Extended one year to include completion year

Source: MacroPlan Dimasi

By project end, the resident population at Wilton Junction is forecast to total 34,955 persons. 60% of the anticipated population is expected to be living in the area by 2031, with the remaining 40% expected over the ten years to 2041. For the purpose of further assessments within this report, the above population profile is taken as our 'base' case and is used for other forecasting purposes.

1.9 Ageing Intensification

There is a case for more intensified ageing at Wilton Junction based on the clear aged demographic shift that is occurring throughout Sydney.

To illustrate the increase in magnitude that could be anticipated under such a scenario we have examined usual place of residence in 2006 for existing residents in Camden LGA and compared it with age composition as at 2011. Camden LGA has been used as an exemplar given the dominance of new estate development since 2006.

Census 2011 'movers' data suggests that retirees have accounted for a larger share of new estate take up since 2006. While first home buyers remain the dominant cohort, the volume of retiree households (in composition terms) moving to new estate locations has increased considerably over the last five years.

From the table below, it is evident that the two main market flows into Camden LGA are from FHBs (20-34 years) and up-graders (35-49 years). Combined, these

two groups accounted for approximately 47% of the total inflow over the five years to 2011. Of all age groups, retirees had accounted for the smallest share.

However, when compared to the age composition as at 2011, a higher contribution from 20-34 and 65+ persons has been observed. This suggests higher ongoing representation in new estate locations from these cohorts.

Table 11. Age Composition (2011) and Contribution to Migration (2006-2011)

Age Cohort	Inward	Outward	Net Change	Composition of Change*	2011 Composition
0-19	3,350	1,841	1,509	20%	32%
20-34	4,514	2,498	2,016	26%	21%
35-49	3,485	1,854	1,631	21%	23%
50-64	2,322	938	1,384	18%	15%
65+	1,542	423	1,119	15%	9%
Total	15,213	7,554	7,659	100%	100%

* For the period 2006 to 2011

Source: ABS Census (2011)

Based on these trends an alternate 'intensified ageing' population growth scenario has been generated for Wilton Junction.

While the overall population result is congruent with our base projections (as the quantity of dwellings, the occupancy rate and timing of development remains constant), the distribution amongst age cohorts has changed i.e. retirees have been adjusted to now account for 18% of the total population compared to 12% in our base forecast. Based on projections presented in the table below, the 65+ age cohort is estimated to total approximately 5,990 persons by 2041.

The intensified ageing scenario is presented for information purposes. It is not used in this report for forecasting housing need or in other work undertaken by MacroPlan Dimasi for employment projections. It does serve as a reminder however that new estates and townships can develop in different ways, and that the monitoring of development over time is prudent.

Table 12. Intensified Ageing Population Outcome

Period	Total Population (persons)				
	2020	2025	2030	2035	2041*
0-19	2,146	4,154	6,251	8,340	9,931
20-34	1,420	2,783	4,208	5,626	6,706
35-49	1,453	2,817	4,239	5,657	6,737
50-64	1,133	2,283	3,483	4,678	5,590
65+	943	2,249	3,605	4,957	5,990
Total	7,095	14,285	21,786	29,259	34,955

* 5-yr period extended by one year to include completion of all dwellings

Source: MacroPlan Dimasi (2013)

Section 2: Housing Market Trends & Implications

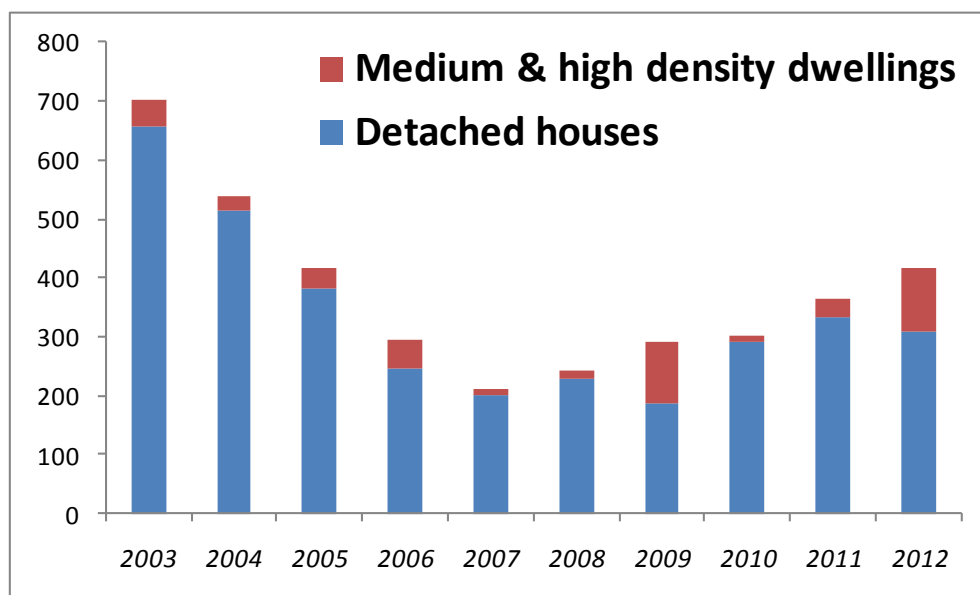
The purpose of our high level housing market assessment is to identify the range of product types to match the needs of each market segment and to assess the likely depth of each of these markets based on current and forecast demographic trends. We do this by considering broader regional (south-west Sydney) trends and by inferring specific outcomes that are likely to manifest at Wilton Junction.

2.1 Market Observations

Residential development in south-west Sydney suffered a structural decline from 2001 to 2008. Demand in the Liverpool and Camden LGAs rebounded in 2009 and 2010, as generous FHB incentives created a pull-forward of demand. The level of recovery has been more limited in Campbelltown.

Land sales in the Wollondilly LGA had tracked the number in Campbelltown up to 2009, but demand has moderated from 2010 to 2012. This divergence sets Wollondilly apart from trends in the other LGAs.

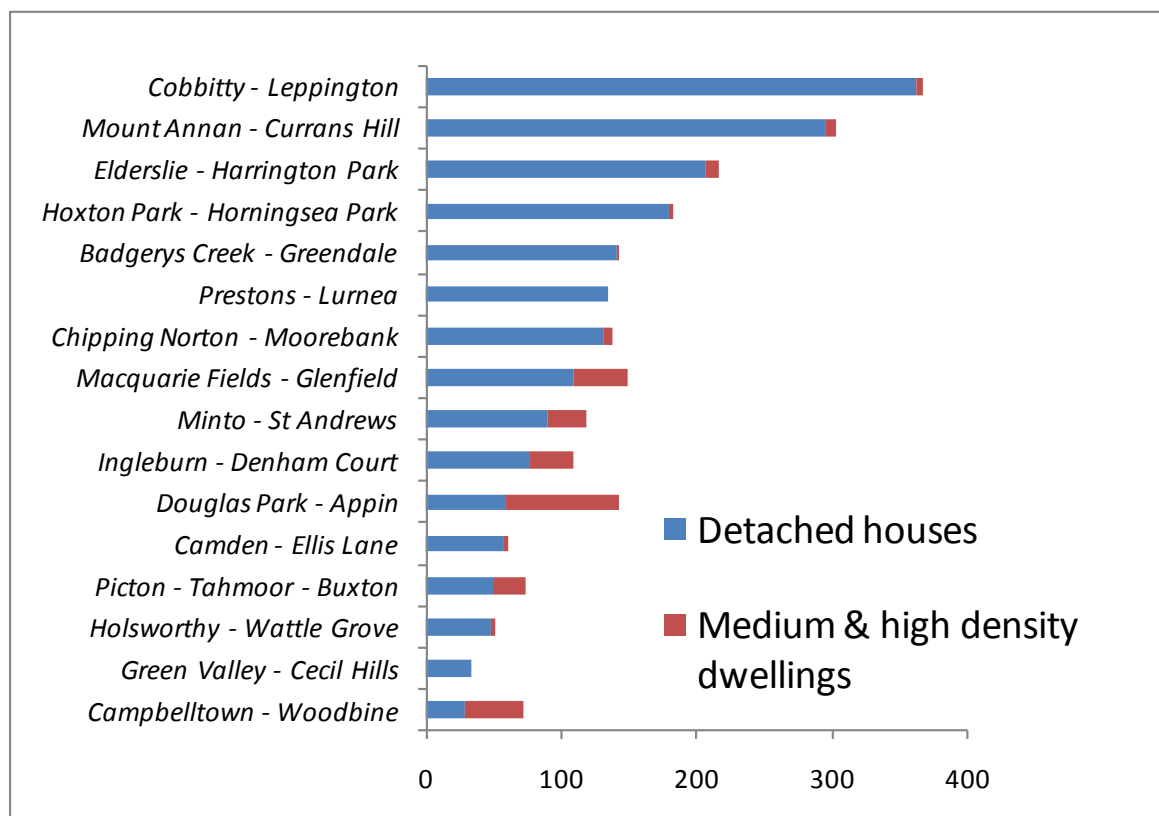
Figure 9. Dwelling Building Approvals, Wollondilly LGA



Source: RP Data, MacroPlan

In 2011/12, the dominant location for detached house approvals in south-west Sydney was the Cobbitty-Leppington SA2 region, which includes Oran Park and Gregory Hills.

Figure 10. Dwelling Approvals (number), South-west Sydney SA2 regions, 2011/12



Source: ABS, MacroPlan Dimasi

2.2 Lot Sizes

Developers in south-west Sydney have offered an increasingly greater proportion of land lots sized below 450m², allowing for lower price points. In 2009 & 2010, 14% of lots sold were sized below 450m², but during 2012 the share had risen to 25%.

Figure 11. Annual House Approvals, South-west Sydney (2006-11)

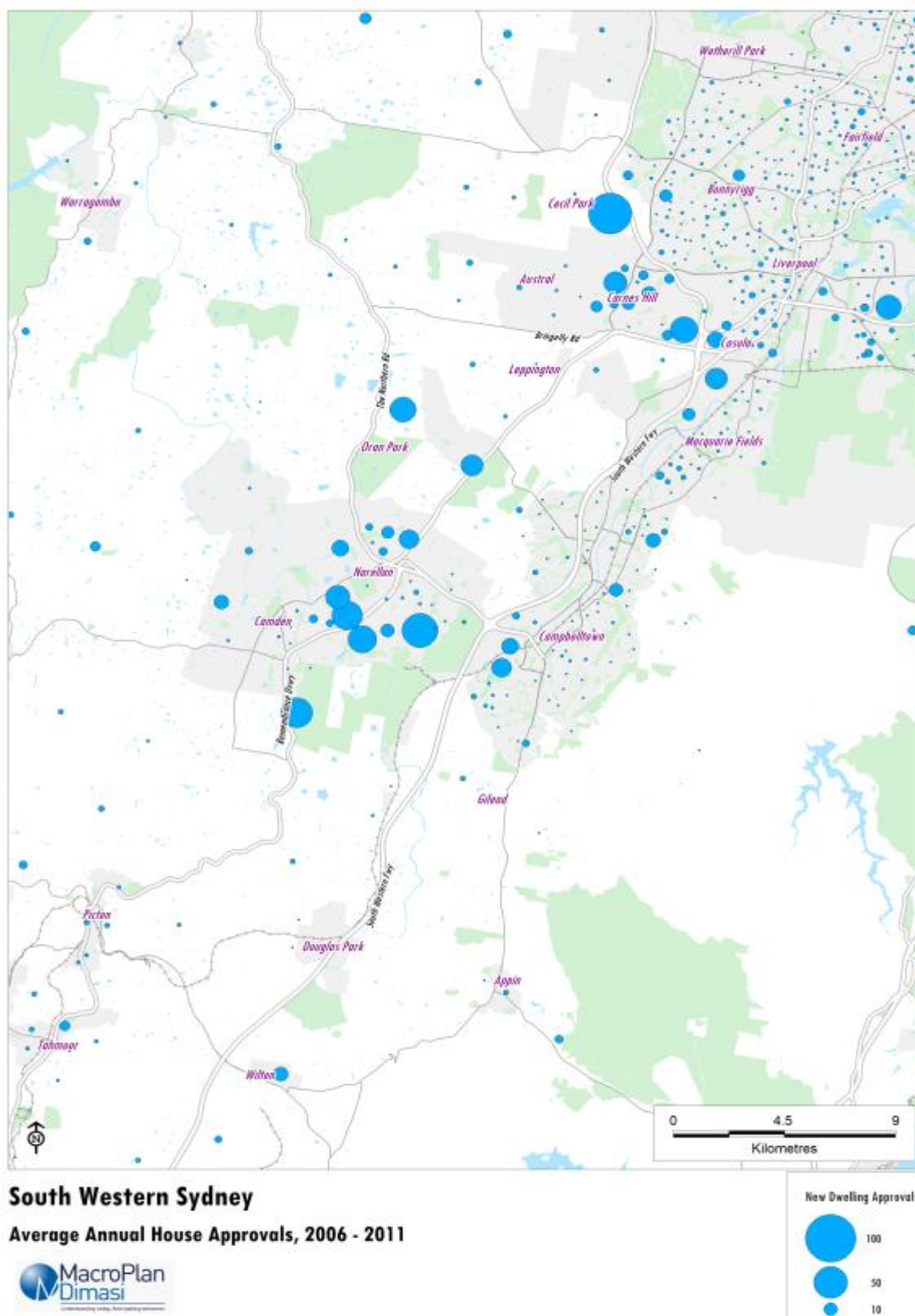
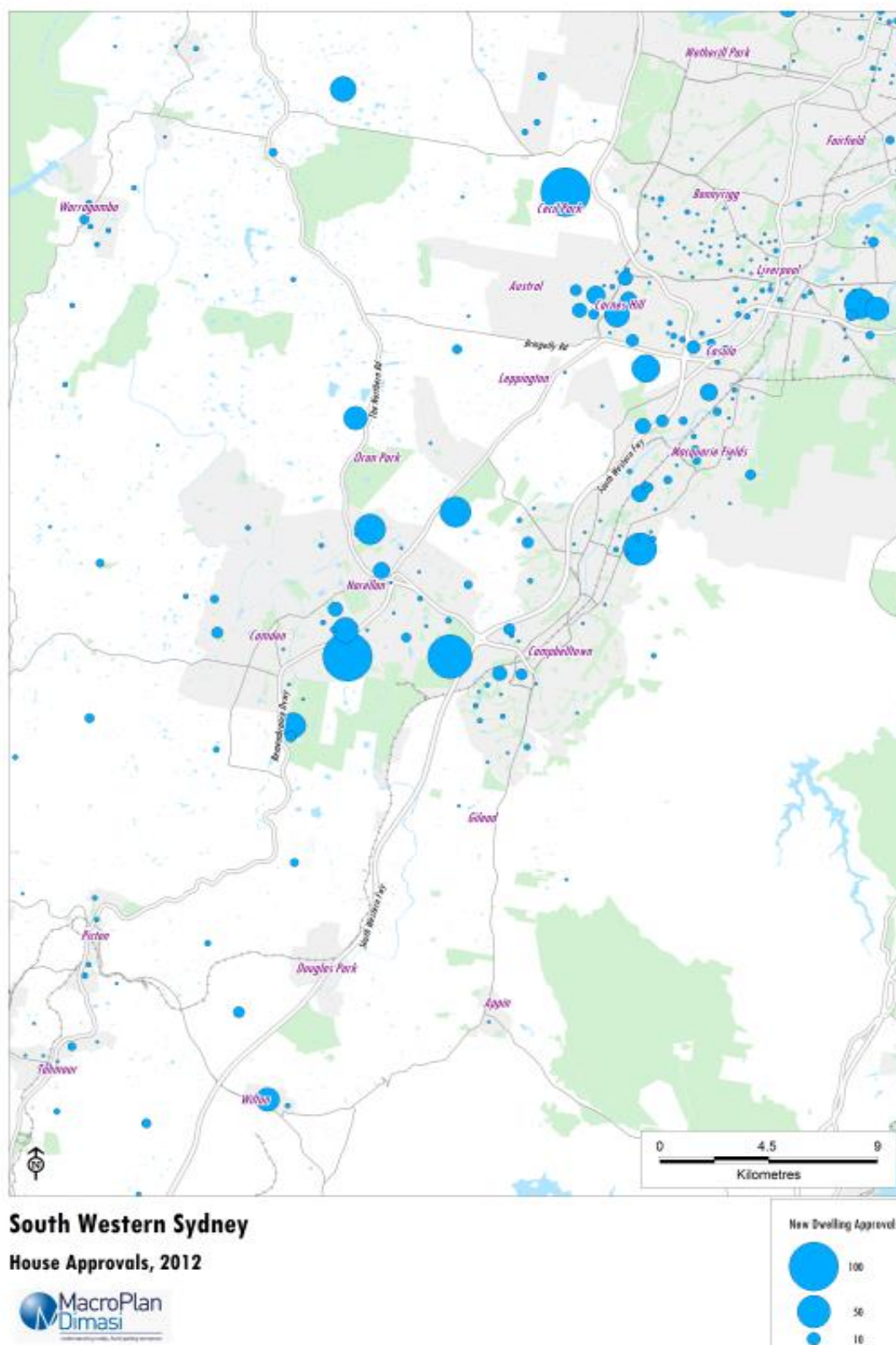


Figure 12. House Approvals, South-west Sydney (2012)



Source: MacroPlan Dimasi (2013)

This trend towards smaller lots has occurred even though recent population growth in relevant areas (Oran Park, Spring Farm) has been skewed to older 'up-grader' households (persons aged 45-64).

Within a given region, first home buyers (FHBs) and retirees will tend to target new housing that is more affordable, and that a movement outward is a means of achieving this outcome. We note that new housing in west Liverpool or Oran Park/Gregory Hills is comparable in price to established house prices in adjacent established suburbs. Smaller lots, however, have provided an edge on affordability.

For retirees, there is less imperative to purchase a new dwelling. The motivation is more likely to be financial (by trading down to a smaller dwelling), and it can also be aligned with property maintenance & services. Retirement living villages represent a blending of these motivations. There are numerous retirement villages located in the Camden & Campbelltown areas.

Table 13. Count of Independent Living Units (ILUs) by LGA (2006-2011)

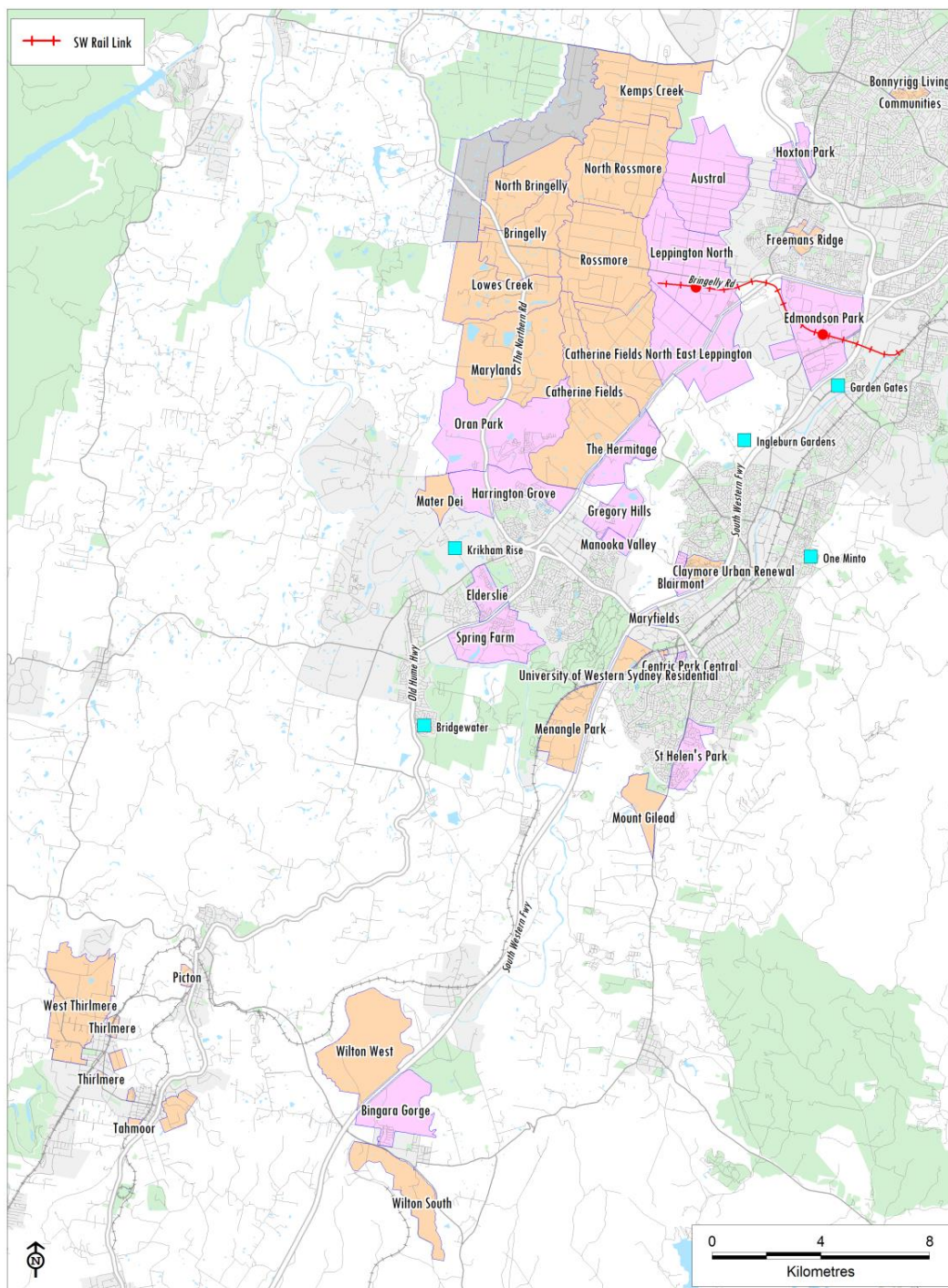
LGA	2006	2011
Camden	442	492
Campbelltown	203	395
Total	645	887

Source: ABS, MacroPlan Dimasi

The potential retiree demand for small lot housing or medium density housing is more difficult to gauge. The regional property market was in poor shape for most of the 2000's, which greatly limited the financial benefits from selling the family home and purchasing a new dwelling.

More recently, development activity has increased across a number of new estates, providing regional competition in price and estate attributes. The location of these estates is shown below.

Figure 13. Residential Estates, South-west Sydney (2013)



South Western Sydney

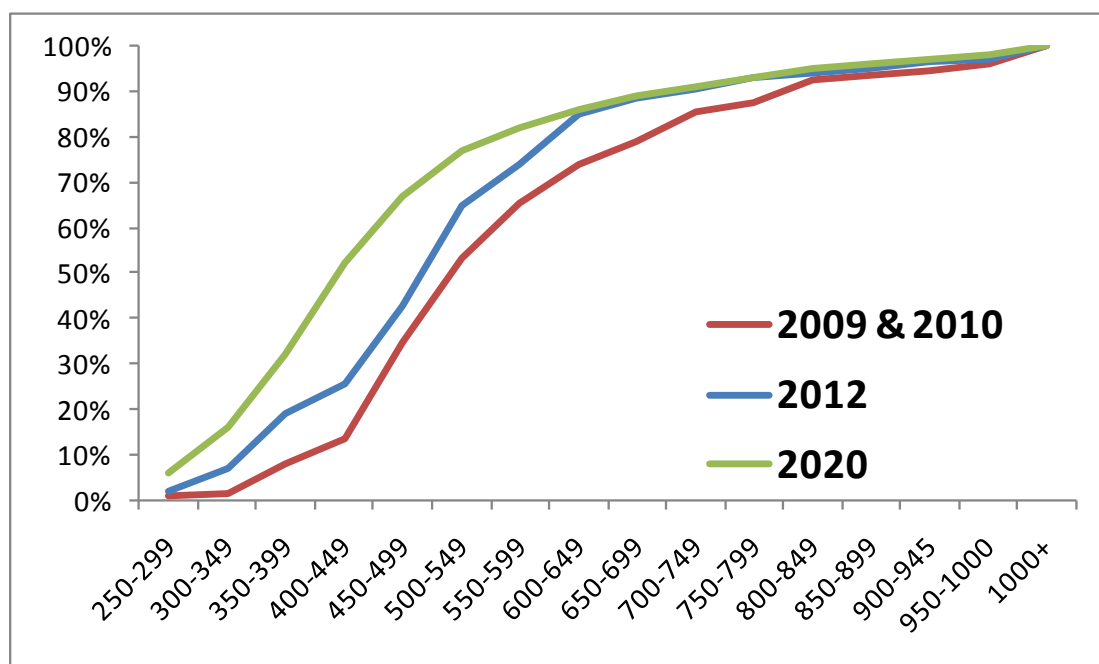
Residential Estates & Developments



Source: ABS, MacroPlan Dimasi

As the chart below shows, there has been a clear shift in the composition of sales across the Camden and Campbelltown LGAs. Lots below 400m² accounted for 19% of sales in 2012 in comparison to just 6% in 2009/2010. We project that the median lot size will continue to decrease over the short-medium term.

Figure 14. Distribution of Lot Sales by Size, Camden and Campbelltown LGAs



Source: RP Data, MacroPlan Dimasi

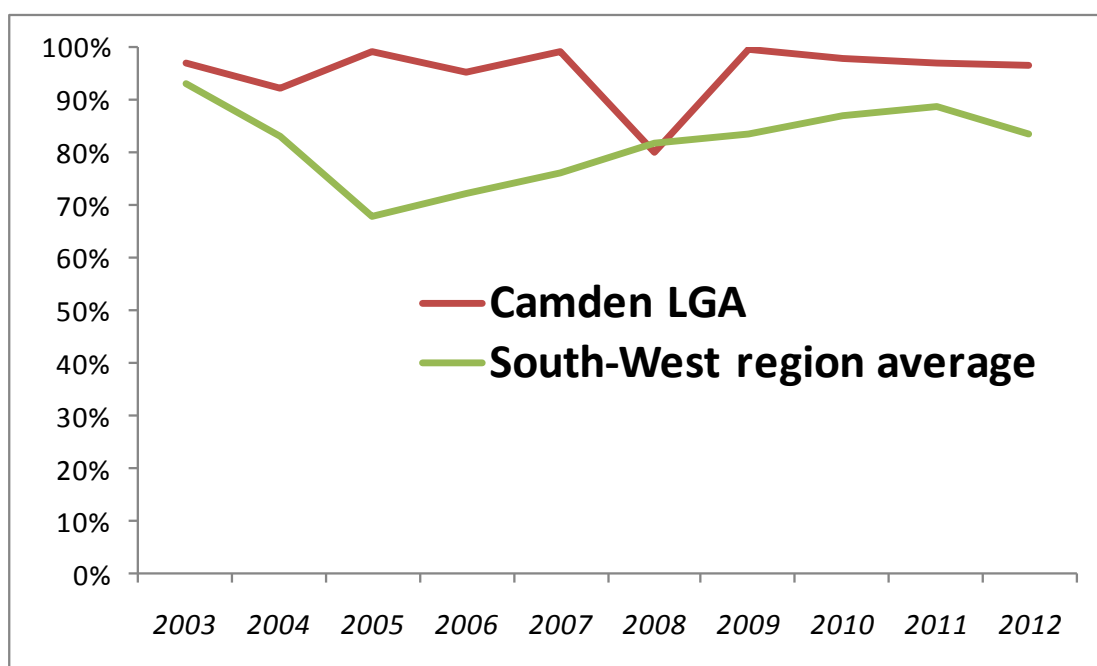
The shift towards smaller lots reflects a blurring of the traditional distinction between dwelling types. Some detached houses are being built on lots that are only modestly larger than a semi-detached product. Conversely, duplex structures can have the outward appearance of a detached house. The common factor is that households are seeking to achieve more affordable price points, and are increasingly demanding smaller land areas. There is clear evidence that estate developers are responding to this type of demand.

2.3 Implications for Housing Typology at Wilton Junction

The composition of the dwelling stock at Wilton Junction will evolve over time. Historical experience shows that detached houses tend to be the dominant product type in the earlier stages of new estate development. This trend is

reflected in the chart below, which shows that detached houses in the developing Camden LGA comprised close to 95% of all building approvals over the decade to 2011/12.

Figure 15. Detached Houses, Share of Total Dwelling Approvals



Source: RP Data, MacroPlan

The skew to detached housing reflects the predominance of first home buyers and up-graders as the initial buyers of new dwellings. Over the entire south-west region, the average level of detached housing was 83% for the past decade, and close to 85% over the past five years.

Given the maturity of this aggregate area, a proportion of around 85% for detached houses appears to be a sensible aim for the long-term composition of the dwelling stock at Wilton Junction.

2.4 Housing Shift

The dominant housing shift over the 2006-2011 period came from a greater occupation of the rental stock. This trend, coupled with an extremely low rate of residential building activity, has led to the majority of Sydney's population growth

being housed in existing dwellings. Subsequently, a tight market has provided the basis for the high growth in rentals.

This trend provides young adults with a greater incentive to become an owner-occupier, and small lot new houses are an attractive choice given the current nature of government incentives.

2.5 The Ageing Influence

A separate demographic trend is emerging through the rapid growth in older persons aged 60 years or more.

Part of this dynamic comes from ageing of the current resident population. However, the scale of increase in outer Sydney during the 2006-2011 period exceeds the contribution from ageing alone, which indicates that there is greater inwards migration from older persons.

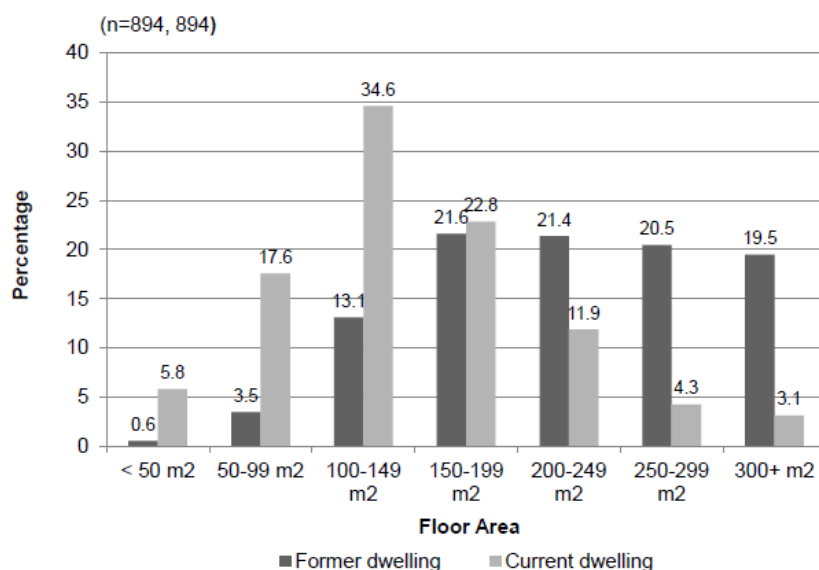
We explore the attributes of this cohort as a potential source of demand for new housing. Research by AHURI² provides some guidance on the scope of retiree downsizing behaviour.

Based on the 2011 Census data, AHURI found that 25% of all retiree households moved home during the previous five years. This number indicates that approximately 5% of all retiree households move each year. 75% are aged between 65 and 80, and this group represents the likely cohort in terms of new dwellings.

The survey had also found that close to 50% of households that downsize move to a detached house, generally with a floor area of less than 200m² (as shown in the chart below).

² 'Downsizing: Motivations, Processes and Outcomes for Older Australians', Bruce Judd, Catherine Bridge, Hazel Easthope and Edgar Liu, Australian Housing Researchers Conference Fremantle WA, 2013.

Figure 16. AHURI - Downsizing Household Survey



Source: AHURI

It is unclear as to how many of these retiree households purchase a new dwelling. If the proportion is just 20%, then based on these figures, approximately 0.4% of all retiree aged households might seek to downsize to a new detached house each year.

Across Sydney, this would equate to approximately 1,200 new houses in 2011 (annual total). By 2016, the annual total would rise to 1,600 per annum, due to expansion in the age cohort. Given that the overall detached house approvals in new subdivisions were approximately 6,000 in 2012, this increase of 400 per annum is significant.

Given the ageing demographic, there is expected to be a trend growth in the share of retirement living projects within the overall mix of residential development.

These projects are likely to comprise a significant proportion of medium and high density dwellings, in the form of duplexes and villa units. In some planning processes, medium and high density dwellings are often zoned around town centres, so as to leverage off public transport and retail services.

However, many retirement villages do not need to cluster around town centre locations to provide access to public transport (as retirees do not generally commute). Instead, retirement villages often gravitate to positions away from town centres due to the attraction of more affordable land.

This element of housing demand is important to the distribution of dwelling types across Wilton Junction, as it suggests that areas adjacent to town centres need not specifically be set aside for medium & high density housing to accommodate aged residents. The shift toward small lot product in new estates also suggests that housing densities are likely to be achieved in formats other than medium-high density apartment buildings.

Traditionally, retirement village developments across Sydney were lower in density, featuring individual villas arranged around a community centre. These retirement village formats tend to occupy large sites. However, changing households preference (more lifestyle focused), a scarcity of large sites in established residential areas and residents being more accustomed to higher-density style living have started to alter retirement village formats.

Zoning flexibility is therefore likely to be required to allow a mix of densities and building heights for retiree accommodation, but not necessarily adjacent to town centres.

The growing demand for healthcare in both the retirement housing industry subsectors, i.e. aged care and retirement living, will influence locational choice and the design of the new housing facilities, with the likely possibility of incorporating mobile health care to form one integrated service.

2.6 Housing Delivery

Based on our demographic analysis in previous sections and on our understanding of current market trends the table below presents a likely housing typology for Wilton Junction.

The delivery of housing is broken into 5-year periods, with detached housing anticipated to account for 90% of total dwelling production in 2016, before decreasing to 84% by 2041.

Table 14. Projected Housing Typology (dwellings), Wilton Junction

	2016	2021	2026	2031	2036	2041
Dwellings (number)						
Detached	576	2,216	4,479	6,769	8,884	9,996
Other*	64	274	611	1,011	1,446	1,904
Total	640	2,490	5,090	7,780	10,330	11,900
Proportion (%)						
Detached	90%	89%	88%	87%	86%	84%
Other*	10%	11%	12%	13%	14%	16%
Total	100%	100%	100%	100%	100%	100%

* Includes townhouse, villa, apartment and shop-top housing

Source: MacroPlan Dimasi

We note that the population profiles suggested in the previous section of this report have presented a base population and an 'intensified ageing' scenario for the Wilton Junction township. Under both scenarios the total population remains the same although the proportional contribution of the various age cohorts differs.

Given the blurred distinction between building formats evident in new housing delivery in outer Sydney, i.e. where small lot housing is achieving higher density outcomes (and providing a selection of price points), it is likely that the split between detached housing and other formats suggested in the above table will hold for either of the population profiles that have been presented. The different profiles therefore are more likely to impact the delivery of social services and employment outcomes than housing typologies.

2.7 Conclusion – Key Findings

Our analysis of likely demographic trends and housing need for Wilton Junction has demonstrated:

- A future population of 34,955 at Wilton Junction by 2041, including a contribution from the existing Wilton township and approved and future dwellings at Bingara Gorge;
- A potential for greater market share to be achieved from a master-planned community offering;
- A similar age profile to south-west Sydney but with a higher representation of residents aged 50+, reflecting anticipated Wollondilly characteristics and broader regional demographic trends;
- A dominance of family households, with a marginally greater representation of couple families without children when compared to south-west Sydney;
- A broader trend toward smaller lots across Sydney's south-west;
- A growing interest in new estate locations from retirees seeking to down-size; and
- A likely dominance of detached housing at Wilton Junction, but with an increasing proportion of smaller lots to meet consumer demand for affordable product.

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