West Schofields

Housing Market Analysis

April 2018

MacroPlanDimasi

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Executive Summary

MacroPlan Dimasi has been engaged by Calibre Consulting Pty Ltd and the NSW Department of Planning & Environment (DPE) to undertake a housing market assessment of the West Schofields precinct in the North West Growth Area (NWGA). This report provides an estimate of the size of the market and demand for particular housing types based on consumption and demand data, and provides recommendations for housing delivery within the precinct.

This report forms part of a suite of technical documents that are being prepared as part of the master planning for the West Schofields precinct.

Our report is structured as follows:

1. Strategic setting analysis
2. Market demand analysis
3. Historical residential supply trends and market size overview
4. Housing recommendations
5. Impacts on proposed developments
6. Delivery analysis
7. Timing and subdivision

Based on current take-up rates and market appetite, our report finds that there is sufficient demand for up to 5,750 dwellings in West Schofields to be brought to market. Over a ten year horizon, the production of 5,750 dwellings would account for almost 13% of total take-up for the NWGA.

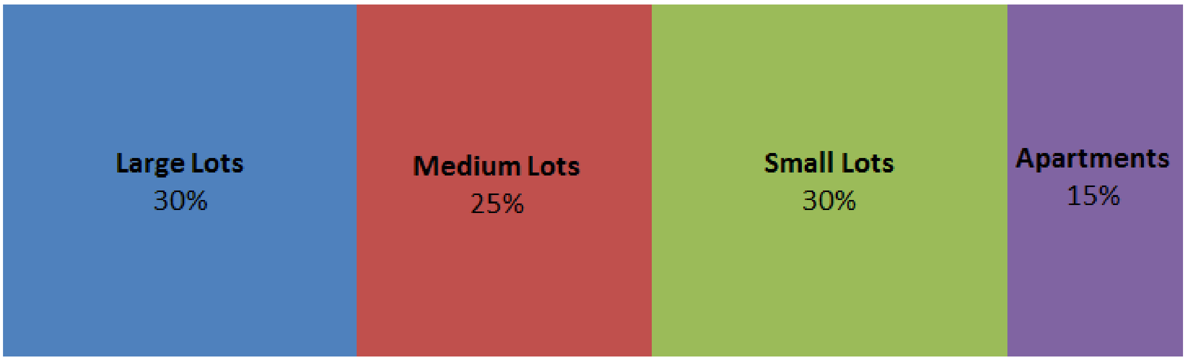
Projected Housing Demand in the North West (2021 – 2031)

Dwelling Typology	West Schofields	Growth Centre	Proportion
Apartments	865	8,000	10.8%
Up to 350m² (small)	1,725	13,750	12.5%
350-450m² (medium)	1,435	19,250	7.5%
450m² + (large)	1,725	22,000	7.8%
Total	**5,750**	**45,000**	**12.8%**

Source: MacroPlan (2017)

Other relevant findings include:

- There were an average of 3,316 vacant lot sales, 10,054 house sales and 1,926 apartment sales in Blacktown and The Hills Shire between 2010 and 2017.
- We anticipate annual dwelling growth in the NWGA to be in the order of 4,500 p.a. over the next five years and expect this to flat-line to 3,800 dwellings from 2021-2031.
- The median price of a house in Schofields has increased from $317,000 in 2006 to $840,000 in 2017 (including older dwellings). A new house in Schofields now sells for $750,000 to $900,000 (depending on the number of bedrooms). A townhouse ranges from $700,000 - $800,000 and apartments are currently on the market for $450,000 to $680,000.
- We note that the sale of other dwelling stock (i.e. apartments and town houses) in the catchment is gaining momentum. Notably, all one bedroom apartments at the currently offered project at 279 Railway Terrace, Schofields have sold out.
- We recommend the following housing mix for the West Schofields precinct:



Source: MacroPlan (2017)

Having regard for market competition in each size cohort, the subject precinct would be able to achieve average annual sales of 575 lots[1].

Smaller lots are expected to achieve the greatest sales rate at West Schofields. We also envisage strong market appetite for apartments with increased downsizing activity and favourability among young working couples.

[1] Projection is based on historical dwelling approvals in proxy area

Introduction

This report has been prepared in accordance with instructions received from Calibre Consulting, the lead consultants managing the PAP submission, as well as the NSW Department of Planning and Environment (DP&E), which outlined and authorised the scope of works for the housing assessment.

This report is presented in eight sections as follows:

1. **Strategic Setting Analysis** - our assessment will consider the range of key planning and land supply strategies that are expected to drive development in the region. We will provide a high level policy summation to inform future opportunities particularly in relation to the type and quantum of expected development and the nature and timing of competitor releases in the area.

2. **Market Demand Analysis** - Based on demographic and socio-economic indicators (e.g. ABS 2016 census data), MacroPlan Dimasi will identify current and future levels of land and housing demand for the area. This assessment will also identify a range of product demand opportunities by demographic sub-markets and examine inter-urban migration demand.

3. **Historical residential supply trends and market size overview** - Analysis of current residential land supply including detailed commentary on function; residential development context; dwelling approvals and recent sales history; median house price by dwelling type; and dwelling stock by type for each release area LGA.

4. **Housing Recommendations** - Based on the demand and supply analysis provide advice and recommendations in relation to the appropriate mix of dwelling types and densities, taking into consideration housing affordability and maximisation of commercial viability in the Part Precinct.

5. **Impacts on proposed developments** - Indicate whether the scale or staging of advised development is likely to impact on the quantum and timing of provision of any social infrastructure, including community facilities and open space, as well as traffic generation.

6. **Delivery Analysis** - Examine the positioning of the proposed land releases within the context of future trends, other developments and surrounding centres; and the implications of such on the development feasibility of various residential densities and housing types.

7. **Timing and subdivision** - Based on the above analysis provide a detailed outlook in regards to housing type within the Part Precinct. We will provide recommendations as to the likely rates of subdivision and dwelling construction in line with consultations with the infrastructure master planning services provider and identify potential stages/sequencing of development.

Section 1: Market Context

Greater Metropolitan's Sydney population increased at an annual average rate of 1.6% over the ten years to 2016. Over this period, population growth was principally supported by net overseas migration, of which a significant proportion went to Sydney and Melbourne.

Sydney's housing markets reached peak levels during 2015, with a corresponding house price surge across Sydney, which is still rippling out into Newcastle and Wollongong. Concurrently, the rate of apartment construction is unprecedented.

The north-west region has enjoyed strong population growth in the past five years and is expected to further accelerate. An extended upturn in jobs growth is overlapping with extensive housing shortages to create an outlook of recovery in the residential building activity. Population growth has been prominent but has not reached its full potential as precinct planning has been a constraint on growth in recent years.

There are still a handful of precincts that are yet to be rezoned[2] within the NWGA that once done will lead to accelerated growth in the short and medium term. Suburbs earmarked for major residential development going forward include Box Hill, Marsden Park, Riverstone and Schofields. Collectively, DP&E has planned for an additional 92,400 residents over the next 10 years (equating to 33,000 additional dwellings) to 2031.

Along with major housing estates, the North West Rail Link (NWRL) corridor is set to encompass 50,000 new dwellings by 2036 (DP&E), with major growth expected in Castle Hill, Kellyville and Bella Vista. Utilising a conservative average household size of 2.8[3] (*as of 2016, the average household size in Blacktown and The Hills Shire was 3.2 for detached house owners*), 50,000 new dwellings will equate to an additional 140,000 residents along the rail corridor alone.

Across the north-west, the development of the NWRL has already accelerated housing growth in proximity to future train stations. Our reconnaissance of development in the

[2] The following precincts are still unzoned: West Schofields, Marsden Park North, Shane's Park, Riverstone East Stage 3, and Vineyard Stage 2

[3] i.e. the anticipated average household size for all typology (detached, semi-detached, and apartments).

pipeline has revealed 41 major apartment projects are in the early planning phase or have been approved along the NWRL corridor.

Additionally, the major housing estate 'The New Rouse Hill' is set to encompass 1,750 new dwellings (5,000 persons), whilst multiple housing estates in Kellyville (i.e. Foxall Road subdivision, The North Village and Bella Vista Waters) will add a significant number of dwellings and residents to the region.

Dwelling construction and growth in the North West can be attributed to:

- Pent-up demand for housing which will support sales over the next five years.
- Price bands for new dwellings when compared against older houses and the delivery of product to suit retiree demand. An ageing population will accelerate downsizing activity.
- Rental growth has exceeded price growth over the past decade, creating a greater impetus being first home buyer demand, and also attracting interest from investors.
- The relative affordability of a house in the Rouse Hill catchment vs an apartment in Parramatta.

Having regard for major apartment projects along the NWRL, approximately 9,000 dwellings, culminating in an additional 25,200 residents will eventuate in The Hills Shire and parts of Blacktown over the next decade. Importantly, this growth is associated with major apartment projects along the rail corridor alone and does not factor in other residential growth (i.e. housing estates and sporadic development).

With significant development occurring in the Blacktown LGA (i.e. Elara Estate, Clydesdale Estate and Skyland Estate), it is our belief that future development will be dominated further north-west of Sydney, particularly in the following SA2 regions:

1. Riverstone – Marsden Park (location of West Schofields)
2. Parklea- Kellyville Ridge
3. Rouse Hill – Beaumont Hills
4. Baulkham Hills – Bella Vista
5. Carlingford
6. Castle Hill

We anticipate that the north-west corridor is a more attractive proposition for retirees and young families (relative to the Parramatta area), presenting a greater value for money. A land and house package in the north-west is comparable to an apartment in Parramatta and is more suited to families.

Section 2: Strategic Setting

This section of the report considers the range of key planning and land supply strategies that are expected to drive development in the region. We will provide a high level policy summation to inform future opportunities particularly in relation to the type and quantum of expected development and the nature and timing of competitor releases in the area. Relevant policy documents that are considered include:

1. Greater Sydney Region Plan (2018)
2. Central City District Plan (2018)
3. North West Land Use & Infrastructure Implementation Plan (LUIIP) (2017)
4. State Environmental Planning Policy: Sydney Region Growth Centres (2006)
5. Growth Centres Development Code (2006)
6. Blacktown City 2031 Community Strategic Plan (2013)

2.1 Greater Sydney Region Plan (2018)

Released by the Greater Sydney Commission (GSC) in March 2018, The 'Greater Sydney Region Plan' will be used as a cornerstone reference for land-use planning decisions going into the future.

The purpose of the draft Plan is to:

- Set a 40-year vision (up to 2056) and establish a 20-year plan to manage growth and change for Greater Sydney in the context of economic, social and environmental matters;
- Inform district and local plans and the assessment of planning proposals;
- Assist infrastructure agencies to plan and deliver for growth and change and to align their infrastructure plans to place-based outcomes;
- Inform the private sector of the vision for Greater Sydney and infrastructure investments required to manage growth;
- Inform and engage the wider community so the draft Plan can best reflect the values and aspirations of all.

Essentially, the plan presents a strategy for accommodating Sydney's future population growth. It balances the need for more housing, but also cultivates the creation of strong and resilient communities within a highly-liveable city whilst protecting the natural environment and biodiversity.

New housing will be located close to jobs, public transport, community facilities and services. It acknowledges the need to offer choice in housing location, size and typologies, to better suit our lifestyles and budgets. Most importantly, more intensive housing development across the city will be matched with investment in infrastructure and services, culture and the arts, a 'green-grid' of open spaces and renewed bushland to support healthy lifestyles and community life.

With specific reference to the NWGA, the plan highlights the need to retain and manage the growth area. As such, the plan suggests that all existing industrial and urban services and land should be safeguarded from competing pressures, being retained for economic activities required for Greater Sydney's future growth and operation. In achieving this, a mix of economic outcomes that support employment, the city and its population would be desirable. The further management of these lands should accommodate evolving business practices and changes in needs for urban services from the surrounding community and businesses.

Furthermore, The NSW Government has identified demand for 725,000 homes to meet growth over the next 20 years and the draft Plan sets out a process to deliver a steady pipeline of supply to meet this forecast housing demand and to improve Greater Sydney's housing affordability. To this end, housing targets have been established to support the creation of supply for delivery over the next ten years and to create capacity for the longer term. Key actions include the preparation of housing strategies and the development of housing targets across the greater metropolitan area for each of the Districts and each local government area.

In the case of the subject precinct, which is located in the Central City District, the 0-5 year (2016-2021) housing supply target and the 20-year (2016-2036) strategic housing target is 53,500 and 207,500 dwellings, respectively. This equates to an average annual supply of 10,375 dwellings, or approximately one in four of all new homes in Greater Sydney over the next 20 years, across the entire District.'

2.2 Central City District Plan (2018)

The Greater Sydney Commission (GSC) issued its first District Plan in March 2018. The Plan looks to bridge regional and economic planning to allow for sustained economic, social and environmental development within Greater Sydney.

Under the Central City District Plan, the NGA is recognised as one of the largest growth areas along with the South West and Wilton Growth Areas and the southern part of the Greater Macarthur Growth Area.

The GSC envisages the Central City be the fastest growing District over the next 20 years, potentially accommodating up to 207,500 dwellings. There is no specific mention of the dwelling targets/yield for the NWGA, nor West Schofields in the District Plan.

Marsden Park (Strategic Centre) is identified as the largest centre in the NWGA and other 'local centres' are identified at Riverstone, Schofields. A train link/investigation corridor is identified extending from Cudgegong Road through to Marsden Park.

2.3 North West Land Use and Infrastructure Implementation Plan (LUIIP) (2017)

Since 2006, nearly two-thirds of the growth area have been rezoned (under the North West Structure Plan 2006) with five precincts yet to be rezoned.

In May 2017, the LUIIP replaced the North West Structure Plan (2006) and sets the overarching strategic plan for the NWGA five remaining precincts. In doing so, it guides the Precinct Planning and rezoning process that confirms land uses, street patterns, environmental and heritage protection, and detailed infrastructure requirements.

Under the LUIIP, the NWGA could ultimately provide up to an additional 20,000 dwellings than was anticipated in the 2006 Structure Plan (90,000 dwellings in total). Furthermore, the plan seeks to facilitate the supply of 18,000 new homes by 2021 and 33,000 new homes by 2026.

West Schofields is one of the projects which will be rezoned under the guidelines of the Implementation Plan. There are numerous assumptions that will be taken into consideration with regards to rezoning, including:

- Land use opportunities adjacent to the Outer Sydney Orbital
- Local infrastructure requirements, such as school and open space
- Local and regional connectivity with respect to bike paths, pedestrian paths and the Green Grid.

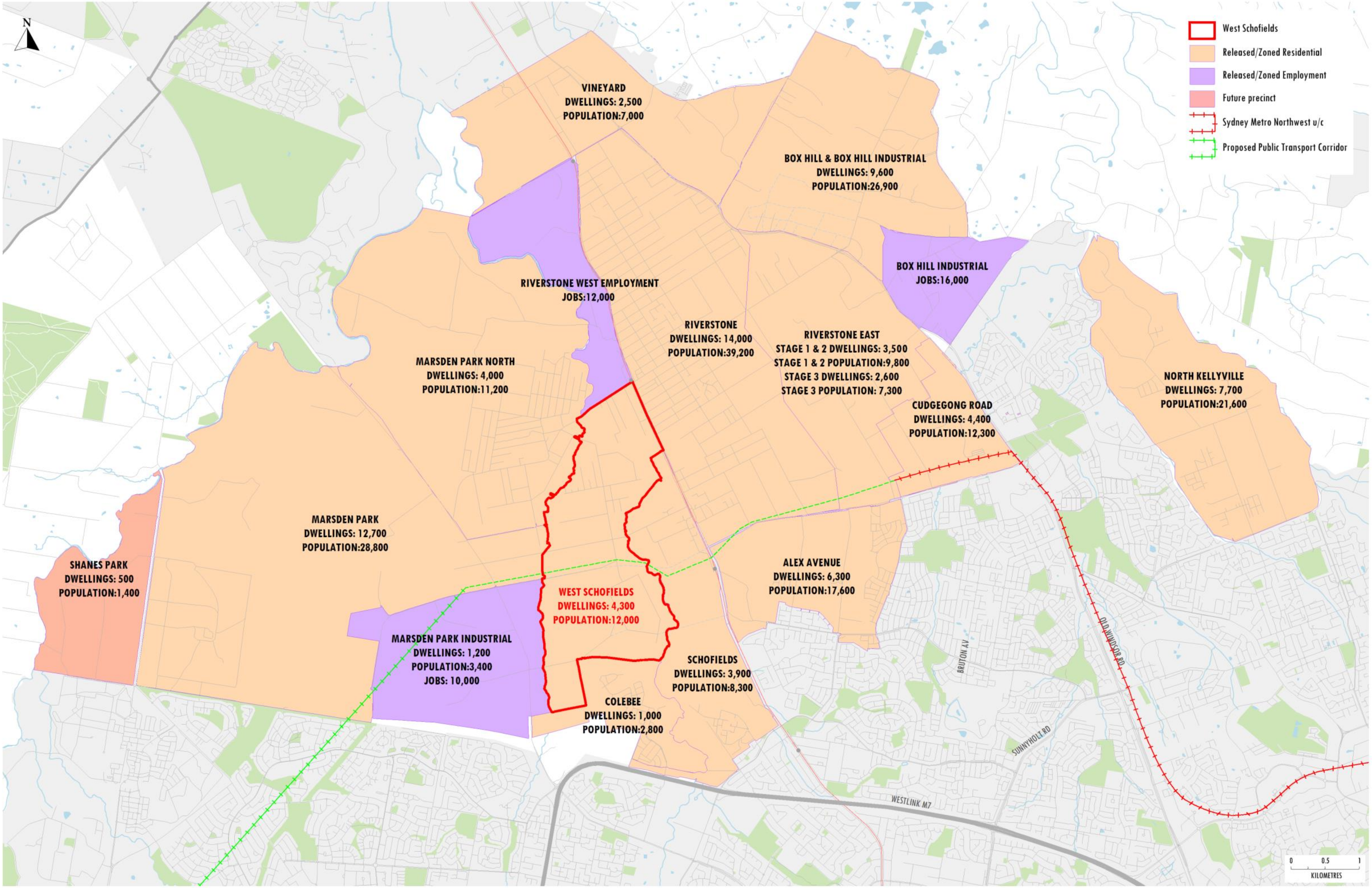
An Overview of the North West Growth Area (still under review by DP&E)

An Overview of the North West Growth Centre								
Status	**Growth Precincts**	**Suburb**	**Dwellings**	**Population**	**Area (ha)**	**Density**	**Jobs**	**Year Zoned**
Released or undergoing precinct planning	Alex Avenue	Alex Avenue	6,300	17,600	420	42	-	2010
	Box Hill	Box Hill	13,200	37,000	96	385	16,000	2013
	Box Hill Industrial	Box Hill	-	-	7	-		2013
	Colebee	Colebee	1,000	2,800	191	15	-	2005
	Cudgegong Road Station	Rouse Hill	4,400	12,300	245	50	-	2011
	Marsden Park (Industrial)	Marsden Park	1,200	3,300	247	-	10,000	2010
	Marsden Park	Marsden Park	12,700	35,500	1,800	20		2013
	North Kellyville	North Kellyville	7,700	21,600	707	31	-	2008
	Riverstone*	Riverstone	14,000	39,000	975	40		2010
	Riverstone East (Stage 1 & 2)	Riverstone	3,500	9,800	656	15	12,000	2016
	Riverstone West	Riverstone	-	-	285	-		2009
	Schofields	Schofields	3,900	11,000	465	24	-	2012
In the process of being rezoned	West Schofields	West Schofields	4,300	12,000	-	-	-	-
	Marsden Park North	Marsden Park	4,100	11,500	-	-	-	-
	Vineyard (stage 1)*	Vineyard	2,500	7,000	-	-	3,000	-
	Riverstone East (Stage 3)	Riverstone East	2,600	7,300	-	-	-	-
	Shanes Park	Shanes Park	500	1,400	-	-	-	-
Total			**81,900**	**229,100**	**-**	**-**	**-**	**-**

Source: DP&E (2017), MacroPlan (2017)

* Average Residential Density (persons/ha)

** These figures are from the superseded North West Structure Plan (2006). Dwelling projections are subject to change.



Map 2.1: North West Growth Area

North West Growth Area: Overview (2017)

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2.4 Growth Centres Development Code (2006)

Developed in conjunction with the North West Structure Plan (2006) and the State Environmental Planning Policy (Growth Centres) 2006 is the Growth Centres Development Code. This Development Code was produced by the Growth Centres Commission to guide the planning and urban design in the North West Growth Centre. It provides the basis for planning and design of precincts and neighbourhoods and is intended to provide a guide to best practice.

Objectives of the development code with regard to housing include:

- Quality design of new communities
- Investment in infrastructure that provides for the staging of development
- A diversity in housing types that suits the community
- Walking scale access to shops that serve the daily needs of residents
- Accessible local centres
- The right mix of land-uses that that provide for the community in relation to employment, shopping, recreation and open space.

Notably, the code states that "the actual net residential density that an individual neighbourhood will aim to achieve can be higher or lower than the target set out in the Structure Plan, provided the aggregate net residential densities of neighbourhoods within a precinct achieves the targets set by the Structure Plan" (P.g. A-5).

2.5 SEPP: Sydney Region Growth Centres (2006)

SEPP (Sydney Region Growth Centres) 2006 is the statutory planning framework that governs new release areas within the Growth Centres. It provides broad planning controls for development. Relevant objectives include:

- Enable the establishment of vibrant, sustainable and liveable neighbourhoods that provide for community well-being and high quality local amenity
- Provide controls for the protection of land that has conservation value
- Provide for the orderly and economic provision of infrastructure.

2.6 Blacktown City Council Studies and Policies (2013)

The Blacktown Community Strategic Plan his plan identifies the main priorities of our community and aspirations for the City over the next 17 years and beyond. Strategic directions of the plan are outlined below.

- A Vibrant and Inclusive City
- A Clean and Sustainable Environment
- A Smart and Prosperous Economy
- **A Growing City Supported By Infrastructure**
- A Sporting and Active City
- A Leading City

With regard for housing delivery, the strategy cites that

> *"New residential developments are well designed and display a strong sense of identity. These communities offer quality design and innovation in housing as well as in the public domain. Services such as transport, child care and community facilities are provided for residents moving into new communities" (P.g. 35).*
>
> *And …*
>
> *"Housing needs are met in safe, liveable, affordable and sustainable neighbourhoods" (P.g. 35)*

To achieve these goals, Blacktown City Council has implemented eight focus areas. Focus areas associated with housing delivery are as follows:

- Incorporate the principles of quality design, sustainability and innovation in the building of safe and liveable residential communities.
- Pursue improved State Government housing stock and estates for social housing.
- Pursue the provision of more affordable housing for the City.

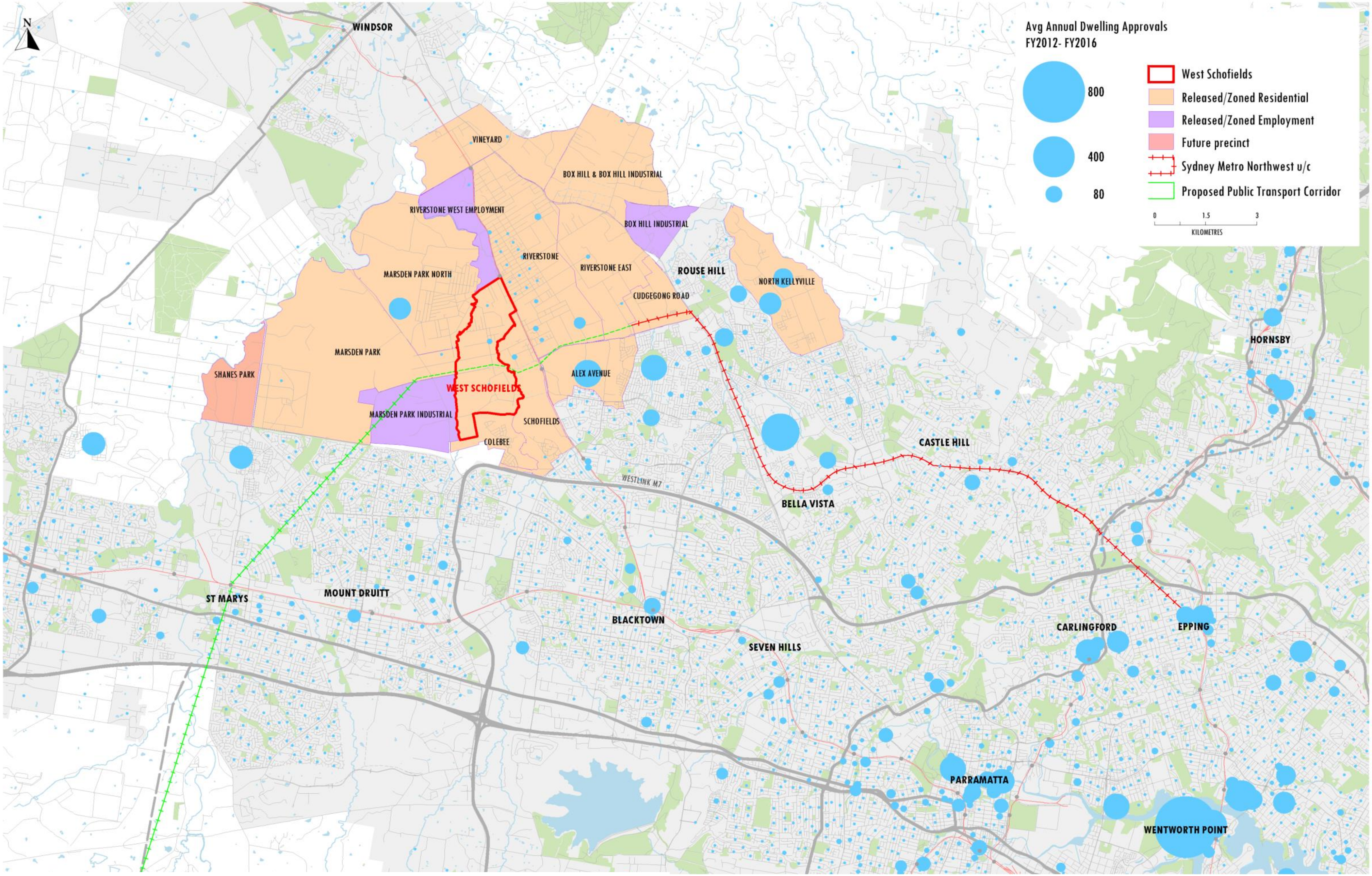
We have also considered policies and approaches from Councils in the SWGC and the NWGC. References include:

- Blacktown Draft Section 94 Contributions Plan No.21 – Marsden Park Industrial Precinct
- Box Hill Demographics and Social Infrastructure Assessment, Urbis, 2011
- Community Facilities and Open Space Assessment, Marsden Park Industrial Precinct, Elton 2009
- Blacktown Section 94 Contributions Plan No.20 – Riverstone & Alex Avenue
- Camden Contribution Plan 2011
- Oran Park and Turner Road Section 94 Plan
- Liverpool Contributions Plan 2008 Edmondson Park

2.7 Summary

A focus on housing supply (including diversity in housing) has already manifested itself, particularly in Kellyville, North Kellyville, Rouse Hill and the Alex Avenue precinct. ABS dwelling approvals at a small area level (SA1 and SA2) show an increase in housing approvals as well as an increased number of apartments and townhouses.

We illustrated average annual dwelling approvals over the three years to FY 2016, as shown in Map 2.2 overleaf.



Map 2.2: West Schofields

Average Annual Dwelling Approvals 2012-17

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Section 3: Market Demand Analysis

Based on demographic and socio-economic indicators (ABS 2016 Census), MacroPlan has assessed current and future levels of land and housing demand for the area. This assessment also identified a range of product demand opportunities by demographic sub-markets and examines inter-urban migration demand.

The ABS 2016 Census has been released since June 2017, it is important to note that the demographic structure of the north-west region is likely to have changed since 2011.

We use the following ABS defined SA2 regions to provide a more detailed indication of demand (hereafter known as the North West Growth Centre):

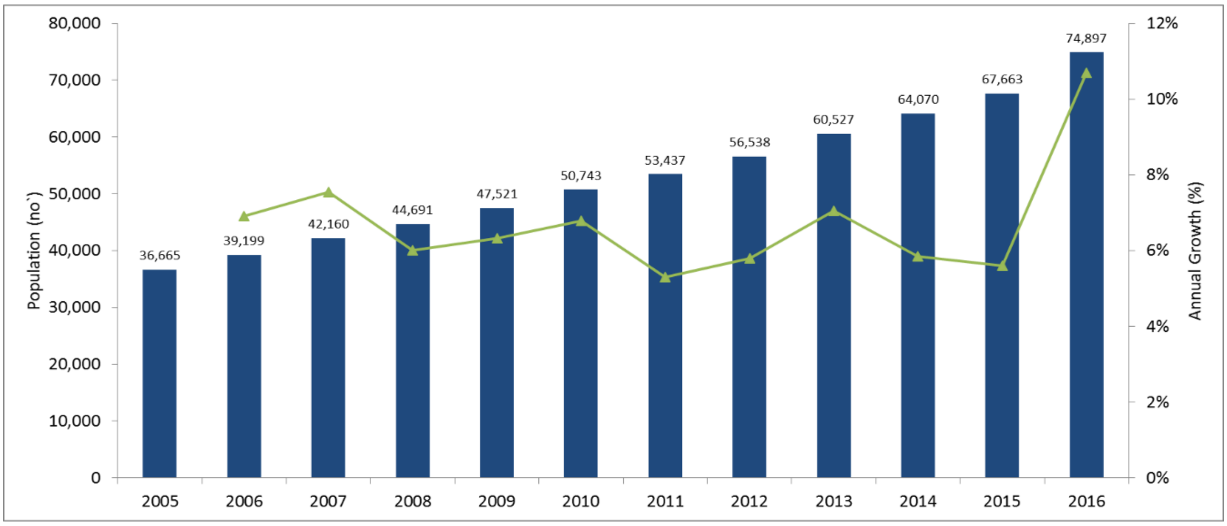
- Rouse Hill – Beaumont Hills
- Riverstone – Marsden Park
- Parklea – Kellyville Ridge

We also use a proxy area consisting of the areas around Stanhope Gardens, The Ponds and Rouse Hill to understand the likely socio-demographic profile of West Schofields.

3.1 Population Characteristics and Change

As at 2016, the population of the North West Growth Centre was 74,897 persons.

Population Growth, North West Growth Centre (2005-2016)



Source: ABS Regional Population Growth (2016)

According to the ABS, population growth in the region has been solid, expanding at an average rate of 6.7% (35,600 persons) over the ten years to 2016 – significantly greater than the Greater Sydney average of 1.5% per annum. In level terms, this equates to an average increase of 3,560 residents per year.

Population by Age Cohort

Using available data, we see that, over the ten year period to 2016, population growth in the NWGA has been dominated by young families. There has also been prominent growth in the number of retirees (i.e. persons aged 60+).

Population Growth by Age Cohort, North West Growth Area (2006-2016)

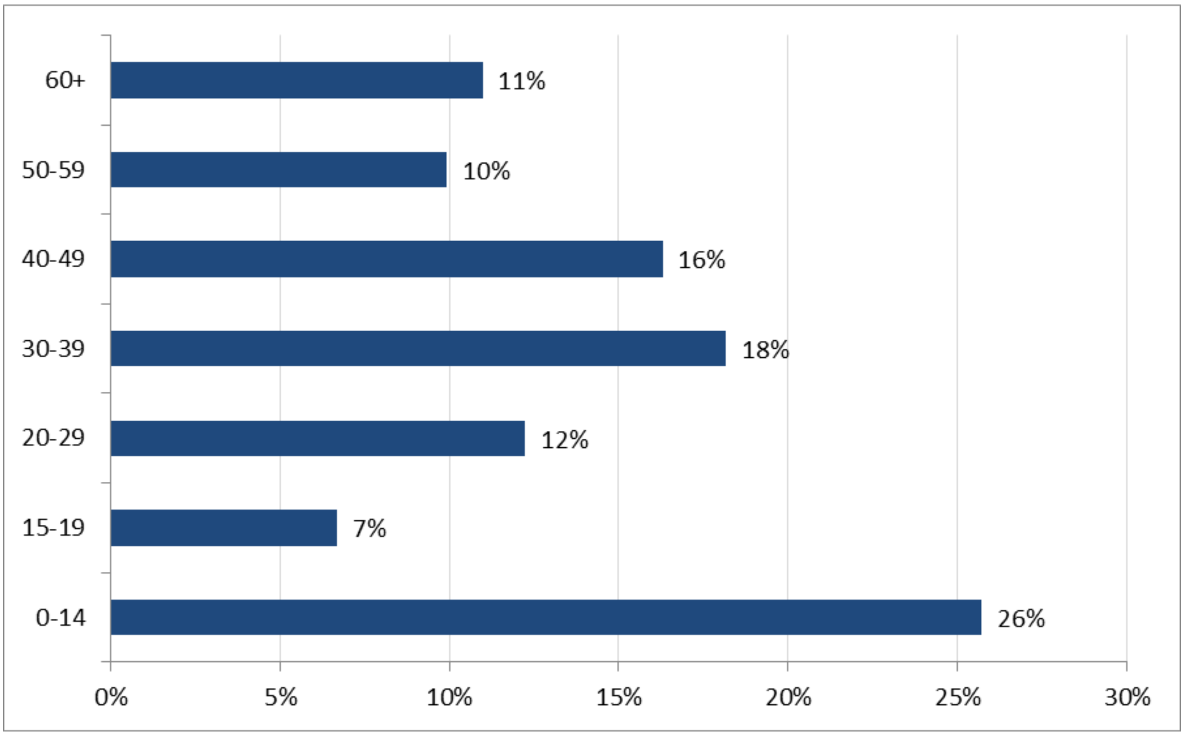
Age Cohort	2006	2016	Annual Change	CAGR (%)
0-14	10,039	19,259	922	6.7%
15-19	2,550	4,993	244	7.0%
20-29	5,432	9,168	374	5.4%
30-39	7,922	13,608	569	5.6%
40-49	5,623	12,206	658	8.1%
50-59	3,988	7,432	344	6.4%
60+	3,645	8,231	459	8.5%
Total	**39,199**	**74,897**	**3,570**	**6.7%**

Source: ABS Regional Population Growth (2016)

Using our proxy defined area we gain a more reliable understanding of the potential population base of West Schofields in the future. As at 2016, almost 26% of the population comprised of children aged 0-14.

This is followed by persons aged 30-39 (18%) and persons aged 40-49 (16%). Evidently the north-west is an attractive proposition for young families.

Age Composition – Proxy Area (2016)



Source: ABS Census (2016)

Net Migration

Over the five year period to 2016 there were 20,522 inward migrants to the North West Growth Area and 10,546 outward migrants, resulting in net inward migration of 9,976 persons. This figure does not include inter migration between the three SA2 regions in the NWGA. Whist inward migration provides an indication of likely demand; outward migration does not reflect the local market as these residents were in the region before significant change occurred in the north-west.

The largest source of **net inward migration** came from the following SA2 regions:

1. Quakers Hill - Acacia Gardens (1,608 persons net)
2. Kellyville (1,301 persons net)
3. Glenwood (1,142 persons net)
4. Blacktown (East) - Kings Park (629 persons net)
5. Lalor Park - Kings Langley (547 persons net)
6. Baulkham Hill East (518 persons net)
7. Blacktown (North) – Marayong (510)
8. Doonside – Woodcroft (488 persons net)
9. Hassall Grove – Plumpton (444 persons net)
10. Dural – Kenthurst – Wisemans Ferry (424 persons net)
11. Northmead (409 persons net)

Net outward migration occurred to the following regions:

1. Kellyville (721 persons net)
2. Pitt Town – McGraths Hill (681 persons net)
3. Dural – Kenthurst – Wisemans (518 persons net)
4. Kurrajong Heights - Ebenezer (484 persons net)
5. Quakers Hill (420 persons net)
6. Windsor – Bligh Park (334 persons net)
7. Baulkham Hills (West) – Bella Vista (203 persons net)
8. Glenwood (202 persons net)
9. Richmond - Clarendon (194 persons net)
10. Castlereagh - Cranebrook (153 persons net)

Net Migration by Age Cohort

Net inward migration over the five years to 2016 has largely comprised of families and young workers (consistent with our population growth by age cohort findings). Over the period, 83% of net inward migration consisted of persons aged 0-49. In contrast, only 5% of net inward migration encompassed persons aged 65+.

Net Inward Migration by Age Cohort (2011-2016)

Indicator	0-19	20-34	35-49	50-64	65+
Inward	4,991	6,018	6,179	2,346	988
Outward	2,297	2,641	2,439	1,125	645
Net	2,694	3,377	3,740	1,221	343
Proportion	**24%**	**29%**	**30%**	**11%**	**5%**

Source: ABS Census (2011 & 2016)

Place of Birth

The proportion of local born residents in the proxy region is approximately equal to that of Greater Sydney (59.9%). According to the Census (2016):

- 60.1% of the proxy region is born in Australia;
- 5.5% of the population is born in India or Sri Lanka;
- 4.8% of the population is born in The Philippines; and
- 3.1% of the population is born in the United Kingdom.

Population Projections

According to the BTS (2016), the resident population of the North West Growth Area is expected to reach approximately 222,500 by 2031, equating to an increase of 7,044 persons (6.9% growth per annum).

Consistent with historical findings, growth is expected to be prominent amongst young families and persons aged 65+. We also see notable growth in the young working population (i.e. 20-34).

Population Projections by Age Cohort – North West Growth Area (2016-2031)

Age Cohort	2016	2021	2026	2031	Annual Increase	CAGR (%)
0-19	26,154	39,946	53,722	67,423	2,063	6.5%
20-34	16,524	24,609	32,521	42,455	1,297	6.5%
35-49	20,274	30,103	38,872	46,381	1,305	5.7%
50-64	11,785	19,712	28,895	38,682	1,345	8.2%
65+	6,822	12,431	19,171	27,508	1,034	9.7%
Total	**81,559**	**126,800**	**173,180**	**222,449**	**7,044**	6.9%

**BTS data is consistent with DP&E population projections at the LGA level*

Source: BTS (2016)

The DP&E have also provided population projections for the growth centre in its entirety. According to the growth centres website, the NWGA can accommodate around 250,000 residents.

3.2 Housing Market Overview

Household Composition

Traditional families (i.e. couples without children) are the most prevalent household type in the proxy area, accounting for 63.3% of households, well above the Sydney average of 48.2% of households. Compared with the Sydney average, the proxy area includes low proportions of couples without children (13.2% vs 20.1%) and lone person households (3.7% vs 9.0%).

Average Household Size

The average household size in the proxy area is 3.3 (Census 2016), well above the Greater Sydney average of 2.8.

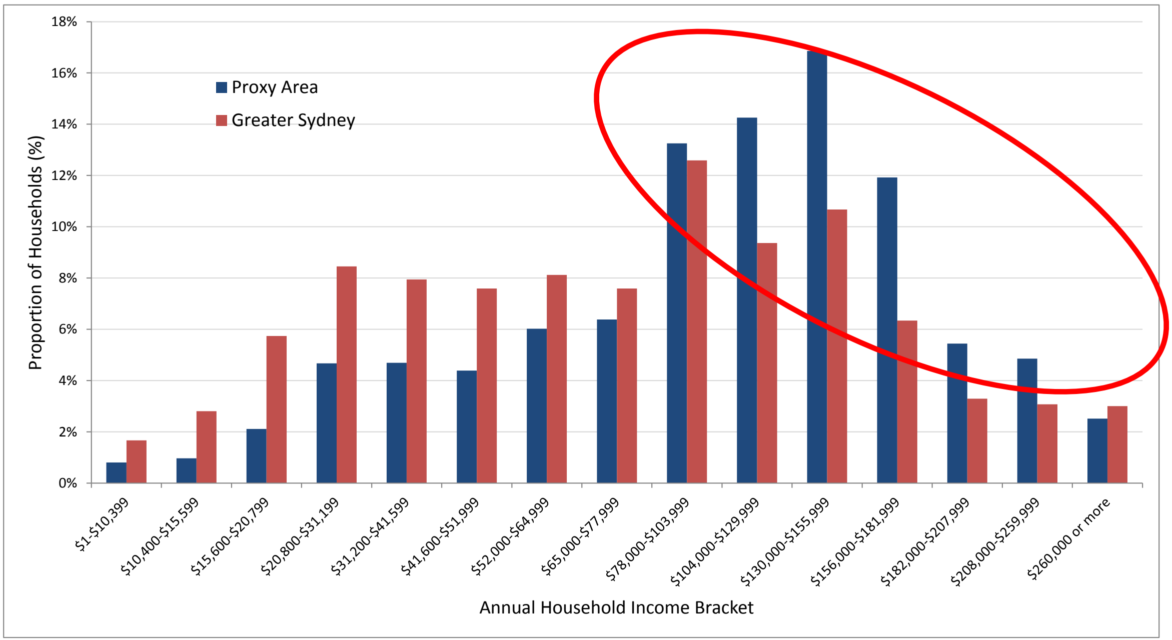
Occupancy Rates

The occupancy rate of dwellings within the proxy regions is relatively high. On average, 95% of all private dwellings are occupied compared with an average of 93% in Greater Sydney.

Household Income and Distribution

Household income distribution in the proxy area is skewed towards higher income bracket. As at 2016, almost 70% of households earned more than $78,000 per annum in the proxy area, compared with 63% in Greater Sydney.

Household Income – Proxy Area vs Greater Sydney (2016)



Source: ABS Census (2016)

Housing Tenure

As at 2016, over 70.1% of dwellings in the proxy region were either owned outright (29.2%) or were subject to a purchase mortgage (41.2%). Relative to Greater Sydney (62.1%), home ownership in the proxy region is higher. Conversely, the proportion of dwellings occupied by renting households is lower (27.3%) in the proxy area compared to Greater Sydney (34.1%).

Housing Affordability

The proportion of income spent on mortgage repayments and rent is marginally less than the Greater Sydney average. As at 2016, 28.2% and 23% of household income was contributed toward mortgage repayments and rent, respectively, in the proxy area. By comparison, 30.9% and 25.1% of income was attributed to mortgage repayments and rent in Greater Sydney. Evidently, the cost of housing is more affordable in the NWGA and is an attractive proposition for higher income earners.

Housing Affordability Indicators - Proxy Area vs Greater Sydney (2016)

Indicators	Proxy Area		Greater Sydney	
	Annual Average	*Proportion of Income (%)*	*Annual Avergae*	*Proportion of Income (%)*
Mortgage Repayments	$30,225	28%	$28,137	30.1%
Rent	$24,492	23%	$22,880	25.1%
Household Income	$105,768	100%	$91,100	100%

Source: ABS Census (2016)

3.3 Key Findings

Key take-outs from the overview presented in this chapter are outlined below:

- As at 2016, the NWGA estimated resident population was 74,897 persons.
- The region's population growth over the decade to 2016 (at 6.7%) was driven primarily by young families and young workers. Average annual growth of 3,570 persons was achieved over the ten year period.
- The north-west's median annual household income is higher than that for Greater Sydney. Around 70% of households earned more than $78,000 per annum in the proxy area, compared with 64% in Greater Sydney.
- Australian born residents account for 60.1% of the proxy area's population, which is generally in line with the Sydney average. However, the region includes a higher than average proportion of Asian born residents (17.3%) and a lower proportion of European born residents (6.8%) than the Sydney benchmark.
- Traditional families (i.e. couples without children) are the most prevalent household type in the proxy area, accounting for 63.6% of households, well above the Sydney average of 48.2% of households.
- The region's resident population is expected to expand by 140,890 persons between 2016 and 2031, reaching approximately 220,000 persons. We note that average annual growth of almost 7,000 is anticipated, greater than that registered over the ten years to 2015 (3,600).
- About 63% of this growth will be taken up by families and young workers (persons aged 0-34).
- The home ownership level of the proxy population, at 70.1%, is significantly higher than the Sydney average of 62.3%, with most homeowners in the process of buying their homes (i.e. paying off a mortgage).

Our view is that the north-west region has enjoyed strong population growth in the past five years and growth is now starting to accelerate. An extended upturn in jobs growth (civil activity across Sydney) is overlapping with extensive housing shortages to create an outlook of recovery in the residential building activity. Population growth has been prominent but has not reached its full potential as precinct planning has been a constraint on growth in recent years.

There are still a handful of precincts that are yet to be rezoned[4] within the NWGA that once done will lead to accelerated growth in the short and medium term. Suburbs earmarked for major residential development going forward include Box Hill, Marsden Park, Riverstone and Schofields. Collectively, DP&E has planned for an additional 92,400 residents over the next 10 years (equating to 33,000 additional dwellings) to 2031.

Dwelling growth going forward should have consideration for the following demographic and housing indicators:

- Pent-up demand for housing which will support sales over the next five years.
- Price bands for new dwellings when compared against older houses and the delivery of product to suit retiree demand. An ageing population will accelerate downsizing activity.
- Rental growth has exceeded price growth over the past decade, creating a greater impetus behind first home buyer demand, and also attracting interest from investors.
- The relative affordability of a house in the north-west vs an apartment in Parramatta.

It is our view that housing growth in the region should consider the needs of families (detached dwellings) but also consider the need of downsizers and first home buyers through the provision of more affordable medium and high density housing. Diversity in housing stock will also enable families who cannot afford to buy a detached home to instead buy a more affordable semi-detached dwelling with a backyard.

[4] The following precincts are still unzoned: West Schofields, Marsden Park North, Shane's Park, Riverstone East Stage 3, and Vineyard Stage 2

Section 4: Residential Supply and Market Overview

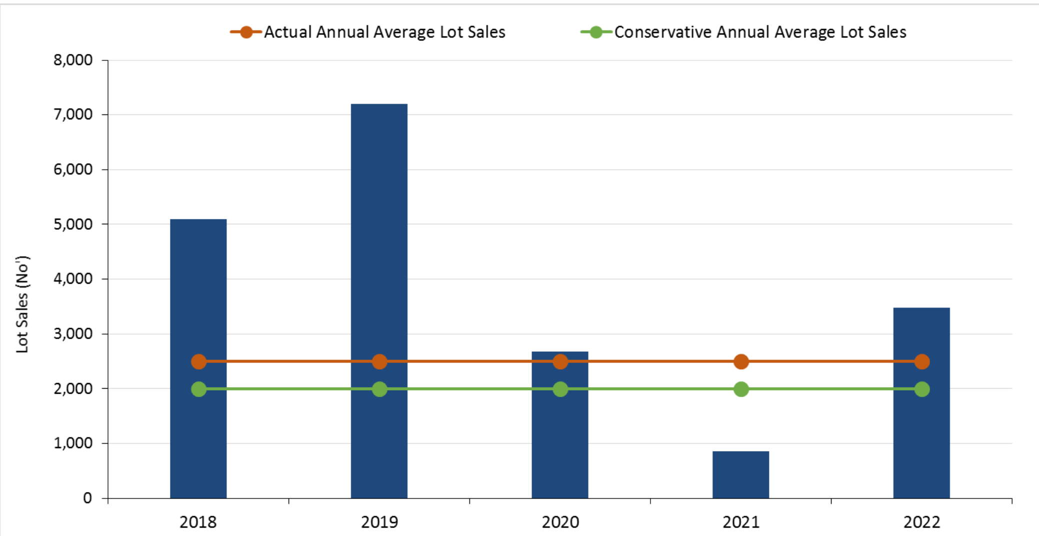
This section of the report provides analysis of current residential land supply including detailed commentary on the quantum of supply, mix including dwelling stock by type for each release area, dwelling approvals, and median house price growth by dwelling type and recent sales history.

4.1 Supply

Our desktop reconnaissance has revealed that there are significant quanta of housing lots in the development pipeline in the NWGA. Overall, fifty-three major housing estate projects have been identified, to be developed in stages over the next decade. Equating to an additional 15,240 dwellings, the population is expected to increase by approximately 50,000 persons from housing estate development alone (**using an average household size of 3.2**[5])

A visual depiction of lot/dwelling sales over the short term is provided below. We have determined that an average of almost 2,000 dwellings will be sold per annum over the next six years from publically known housing estate development. Importantly, however, this does not take into consideration development that is in the very early development stage as well as mooted development. As such, this estimate is likely to be closer to 2,500 per annum.

Projected Lot Sales - North-West Growth Area (2016-2022)



Source: Cordell Connect (2017), MacroPlan (2017)

[5] Blacktown Council advises flat rate of 3.2 people per dwelling for homeowners (i.e. detached housing).

A comprehensive list of housing estate development in the pipeline is provided below.

Housing Estate Projects in Development Pipeline – Blacktown and The Hills

Development	Dwellings	Residents	Expected Completions
THE GABLES	4000	12800	2019
THE NEW ROUSEHILL	1748	5594	2022
CLYDESDALE ESTATE	892	2854	2019
SKYLAND ESTATE	840	2688	2019
FAIRWATER ESTATE	751	2403	2022
WOORANG PARK	647	2070	2022
STONECUTTERS RIDGE - RESIDENTIAL SUBDIVISION	516	1651	2020
ALTROVE ESTATE	500	1600	2020
RICHMOND ROAD RESIDENTIAL SUBDIVISION PRECINCT	400	1280	2020
ELARA	309	989	2018
KALINA, THE PONDS	300	960	2018
RIVERSIDE OAKS	300	960	2022
ALDERTON DRIVE RESIDENTIAL SUBDIVISION	286	915	2018
MT CARMEL ESTATE	271	867	2020
WINTEN HILLS PRECINCT 5 RESIDENTIAL SUBDIVISION	266	851	2021
FOXALL ROAD SUBDIVISION	260	832	2020
BELLA VISTA WATERS	225	720	2020
TOWNSON ROAD RESIDENTIAL SUBDIVISION	213	682	2020
PARKLAND ESTATE	192	614	2019
MCCULLOCH STREET SUBDIVISION	178	570	2019
HAMBBLEDON ROAD SUBDIVISION	177	566	2019
SCHOFIELDS ESTATE	165	528	2018
TERRY ROADS RESIDENTIAL SUBDIVISION	155	496	2020
GARFIELD ROAD EAST SUBDIVISION	145	464	2018
RIVERSTONE SCHEDULED LANDS STAGE A2	135	432	2019
LE WINDSOR	106	339	2018
VINE ST & GRANGE AV SUBDIVISION	88	282	2019
BOUNDARY ROAD SUBDIVISION	80	256	2019
MEMORIAL AVENUE DWELLINGS	80	256	2019
BURDEKIN RD SUBDIVISION	79	253	2019
VINE STREET RESIDENTIAL SUBDIVISION	79	253	2018
MACKILLOP RIDGE ESTATE	77	246	2019
BLIGH STREET INTEGRATED HOUSING	69	221	2020
RIVERSTONE ROAD & BRIGHTON STREET DWELLINGS	69	221	2020
SIGNATURE ON EDMUND	65	208	2019
TERRY RD SUBDIVISION - KILLARNEY	63	202	2018
THE ORCHARD	60	192	2018
EDMUND ST SUBDIVISION	50	160	2019
TALLAWONG ROAD SUBDIVISION	47	150	2019
BELLE VUE ESTATE	46	147	2018
MASON ROAD RESIDENTIAL SITE	46	147	2019
WITHERS RD SUBDIVISION	45	144	2018
PITT TOWN ROAD SUBDIVISION	44	141	2018
CRITERION CR DWELLINGS	43	138	2019
SILVERSTONE STREET RESIDENTIAL	42	134	2019
RICHMOND RD & GRANGE AV SUBDIVISION	40	128	2018
CRANBOURNE STREET RESIDENTIAL SUBDIVISION	39	125	2018
CROWN ST RESIDENTIAL SUBDIVISION	38	122	2018
WRIGHTS RD SUBDIVISION	34	109	2022
WITHERS ROAD RESIDENTIAL SUBDIVISION	32	102	2019
CONRAD RD RESIDENTIAL DEVELOPMENT	31	99	2019
QUAKERS ROAD SUBDIVISION	31	99	2018
HEZLETT ROAD RESIDENTIAL SUBDIVISION	30	96	2019
Total	**15,424**	**49,357**	-

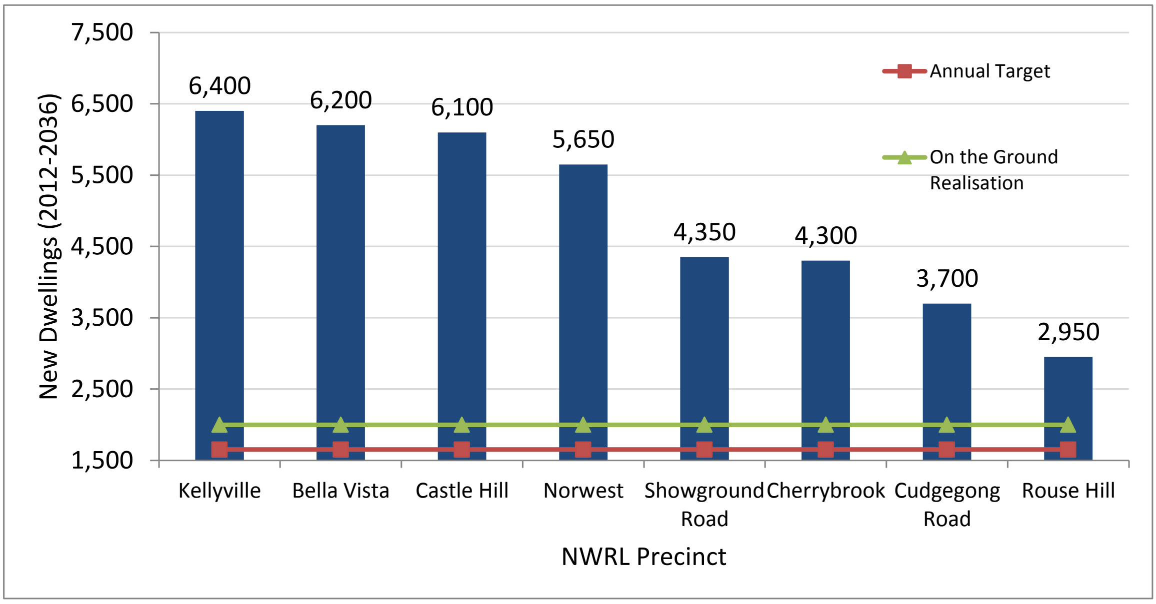
**Residents are derived using an average household size of 3.2*

Source: Cordell Connect, Desktop Research, MacroPlan (2017)

In addition to housing estate development, significant apartment development is in the pipeline in the north-west, particularly along the NWRL corridor in The Hills Shire and segments of the Blacktown LGA. Overall, 41 major apartment projects (greater than 100 dwellings) have been identified for development along the NWRL corridor alone. Equating to 12,447 dwellings, this could potentially equate to an increase of 29,850 persons over the next five to ten years (**using an average household size of 2.4**[6]).

Although now somewhat outdated, the North West Rail Link Corridor Strategy (2013) has outlined dwelling targets between 2012 and 2036. Overall, the Government would like to see an additional 39,650 dwellings along the rail corridor (an average annual increase 1,650). On-the-ground evidence suggests that these targets are being realised. In fact, an annual average of approximately 2,000 dwellings are planned to be developed over the next five years alone along the rail corridor.

Dwelling Targets and Dwellings in the Development Pipeline – NWRL Corridor



Source: Cordell Connect (2017), MacroPlan (2017), DP&E

Dwelling growth is expected to be most prominent in Kellyville, Bella Vista and Castle Hill. Residential growth in these precincts is already prominent. Notably, Rouse Hill is planned to have relatively subdued dwelling growth, however, development in the pipeline suggests otherwise. A list of apartment projects in the planning and development stage is provided overleaf. We also provide a visual representation of dwelling targets and on-the-ground development along the rail corridor on Map 4.1.

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[6] MacroPlan anticipates that Apartment residents, especially in relation to homeowners, tend to be younger, of smaller household size.

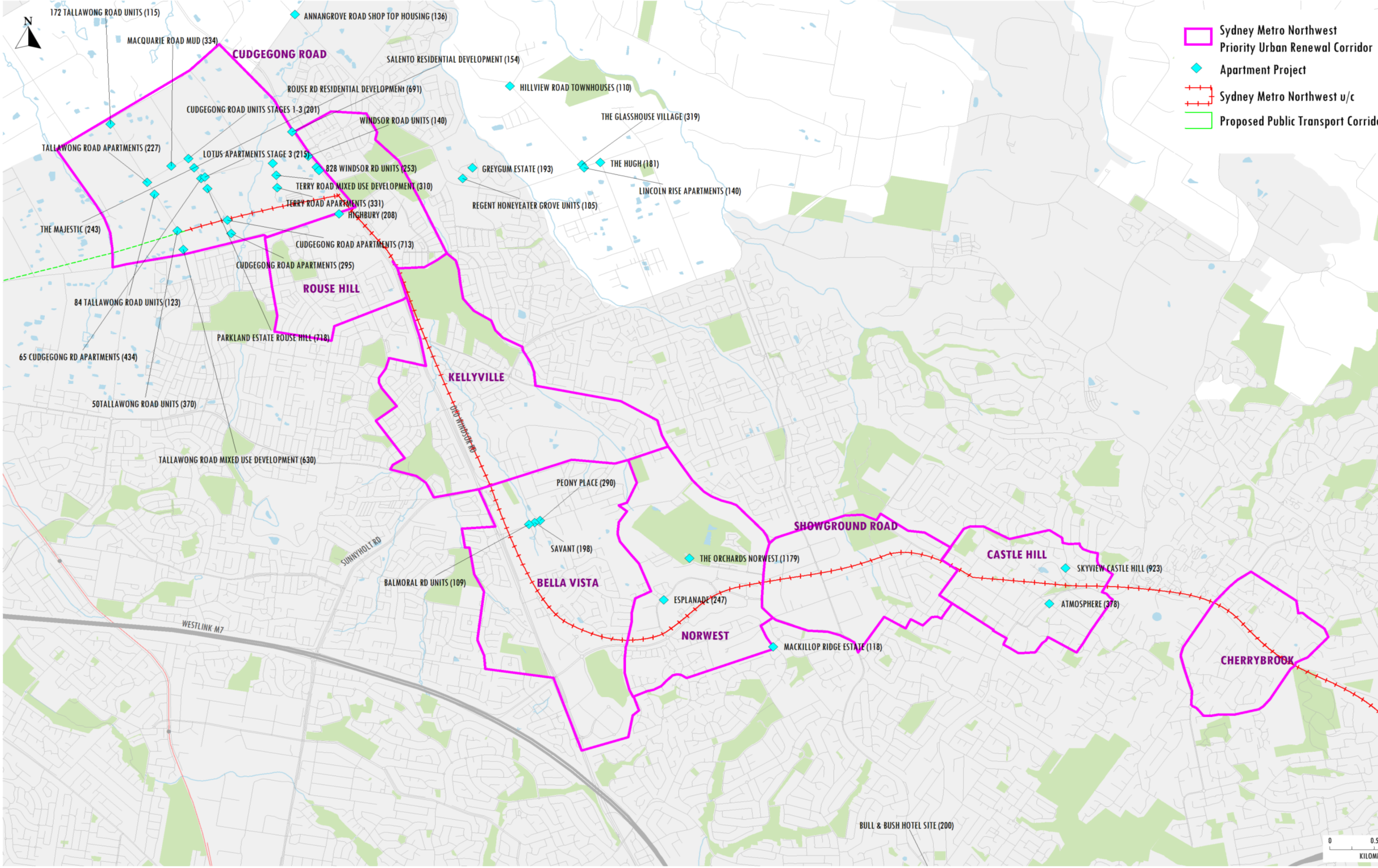
Residential Development in the Pipeline along the Rail Corridor (100+ dwellings)

Project Title	Project Address	Project City	Completion Date	Status	Units
SPURWAY DRIVE RESIDENTIAL DEVELOPMENT - THE ORCHARDS NORWEST	47 Spurway Dr	BAULKHAM HILLS	27/11/2026	Possible	1179
MIXED USE DEVELOPMENT NORWEST LAKE - ESPLANADE	11-13 (Lot 5074) Solent Circuit (DP1003042)	BAULKHAM HILLS	31/12/2020	Possible	247
WINDSOR & SEVEN HILLS RDS MIXED DEVELOPMENT - MODENA	346-350 Windsor Rd, 2 Seven Hills Rd & 27 Yattenden Cr	BAULKHAM HILLS	16/02/2018	Firm	233
BULL & BUSH HOTEL SITE	360-378 Windsor Rd (Lots 1 & 2 DP783941)	BAULKHAM HILLS	29/05/2022	Early	200
SPURWAY DRIVE UNITS - THE ORCHARDS NORWEST - IMPERIAL	47 Spurway Dr (Lots 32-33 DP247442, Lot 101 DP1176747)	BAULKHAM HILLS	28/12/2018	Commenced	121
MACKILLOP DR RESIDENTIAL DEVELOPMENT - MACKILLOP RIDGE ESTATE	64 (Lot 2) Mackillop Dr (DP817696)	BAULKHAM HILLS	21/02/2020	Early	118
OLD CASTLE HILL RD APARTMENTS - SKYVIEW CASTLE HILL	51-53 Old Castle Hill Rd	CASTLE HILL	31/12/2020	Possible	923
CRANE ROAD PRECINCT - ATMOSPHERE	299-309 Old Northern Rd, cnr Crane Rd & Terminus St	CASTLE HILL	26/01/2018	Commenced	378
THE GLASSHOUSE VILLAGE	2-4 Barry Rd	KELLYVILLE	12/04/2021	Possible	319
BALMORAL RD UNITS - PEONY PLACE	17 (Lot 38) Balmoral Rd (DP10702)	KELLYVILLE	31/10/2019	Commenced	290
BALMORAL RD APARTMENTS - SAVANT	19 (Lot 39) Balmoral Rd (DP10702)	KELLYVILLE	27/03/2020	Possible	198
SWIFT PARROT CLOSE UNITS - GREYGUM ESTATE	Lots 42-45 Swift Parrot Cl (DP1171547)	KELLYVILLE	23/08/2019	Possible	193
HEZLETT RD UNITS - THE HUGH	182-186 (Lot 2) Hezlett Rd (DP1180345)	KELLYVILLE	18/10/2019	Firm	181
HEZLETT RD UNITS	227-241 Hezlett Rd & Lords Bvd	KELLYVILLE	6/03/2020	Possible	150
WITHERS RD UNITS - LINCOLN RISE APARTMENTS	16-20 Withers Rd	KELLYVILLE	29/11/2019	Firm	140
HILLVIEW ROAD TOWNHOUSES	1 Hillview Rd (Lot 101 DP1199554)	KELLYVILLE	30/06/2020	Possible	110
BALMORAL RD UNITS	21 Balmoral Rd	KELLYVILLE	30/09/2019	Possible	109
REGENT HONEYEATER GROVE UNITS - GREYGUM ESTATE - THE GROVE	23 (Lot 39-41) Regent Honeyeater Gr (DP1171547)	KELLYVILLE	23/02/2018	Commenced	105
PARKLAND ESTATE ROUSE HILL - 0VERALL CONCEPT PLAN	60 Cudgegong Rd, 99 & 107 Rouse Rd	ROUSE HILL	2/02/2018	Early	718
CUDGEGONG ROAD APARTMENTS	44-56 Cudgegong Rd (Lots 117-118 DP208203)	ROUSE HILL	30/12/2022	Possible	713
ROUSE RD RESIDENTIAL DEVELOPMENT - MASTERPLAN	96 Cudgegong Rd & 88-104 Rouse Rd	ROUSE HILL	27/09/2019	Possible	691
TALLAWONG ROAD MIXED USE DEVELOPMENT	34-42 Tallawong Rd (Lots 68 & 69 DP30186)	ROUSE HILL	13/09/2022	Possible	630
CUDGEGONG RD APARTMENTS	65 (Lot 75) Cudgegong Rd (DP208203)	ROUSE HILL	30/11/2019	Possible	434
TALLAWONG ROAD UNITS	50 Tallawong Rd (Lot 67 DP30186)	ROUSE HILL	30/12/2022	Possible	370
MACQUARIE ROAD MIXED USE DEVELOPMENT	25 Macquarie Rd (Lot 61 DP30186)	ROUSE HILL	28/02/2022	Possible	334
TERRY ROAD APARTMENTS	41 Terry Rd (Lot 211 DP208203)	ROUSE HILL	28/02/2020	Possible	331
TERRY ROAD MIXED USE DEVELOPMENT	25 Terry Rd (Lot 210 DP208203)	ROUSE HILL	31/12/2021	Possible	310
CUDGEGONG ROAD APARTMENTS	38 Cudgegong Rd (Lot 119 DP208203)	ROUSE HILL	25/12/2020	Possible	295
TERRY RD UNITS - EVERGRAND	9 (Lot 209) Terry Rd (DP208203)	ROUSE HILL	18/09/2020	Firm	256
WINDSOR RD UNITS	828 (Lot 4) Windsor Rd (DP135883)	ROUSE HILL	26/10/2018	Commenced	253
ROUSE ROAD RESIDENTIAL DEVELOPMENT - THE MAJESTIC	96 Cudgegong Rd & 88-104 Rouse Rd	ROUSE HILL	30/06/2021	Possible	243
TALLAWONG ROAD APARTMENTS	95 Tallawong Rd (Lot 34 DP30186)	ROUSE HILL	23/06/2021	Possible	227
LOTUS APARTMENTS STAGE 3	90 & 107 Rouse Rd & 60 Cudgegong Rd (Lots 116, 121-122 DP208203)	ROUSE HILL	29/03/2021	Possible	215
SCHOFIELDS RD UNITS - HIGHBURY	103 (Lot 8) Schofields Rd (DP1190434)	ROUSE HILL	30/10/2020	Possible	208
CUDGEGONG ROAD UNITS STAGES 1-3	105 Cudgegong Rd (Lot 80 DP208203)	ROUSE HILL	27/06/2022	Possible	201
EVERGREEN APARTMENTS	822 Windsor Rd (Lot 205 DP660230)	ROUSE HILL	28/02/2020	Possible	156
SALENTO RESIDENTIAL DEVELOPMENT	876 Windsor Rd (Lot 3 DP135890)	ROUSE HILL	9/06/2021	Possible	154
WINDSOR ROAD UNITS	848 Windsor Rd (Lot 100 DP1049793)	ROUSE HILL	19/06/2020	Possible	140
ANNANGROVE ROAD SHOP TOP HOUSING	332-334 Annangrove Rd (Lot 13 DP833069)	ROUSE HILL	31/05/2019	Possible	136
TALLAWONG ROAD UNITS	84 Tallawong Rd (Lot 63 DP30186)	ROUSE HILL	9/10/2021	Possible	123
TALLAWONG ROAD UNITS	172 Tallawong Rd (Lot 53 DP30186)	ROUSE HILL	18/12/2020	Possible	115
Total					**12,447**

Source: Cordell Connect (2017)

**Excludes deferred and abandoned projects*

Note – these projects are in the early planning phase and dwelling estimates are subject to change.



Map 4.1: Sydney Metro NW Rail Corridor

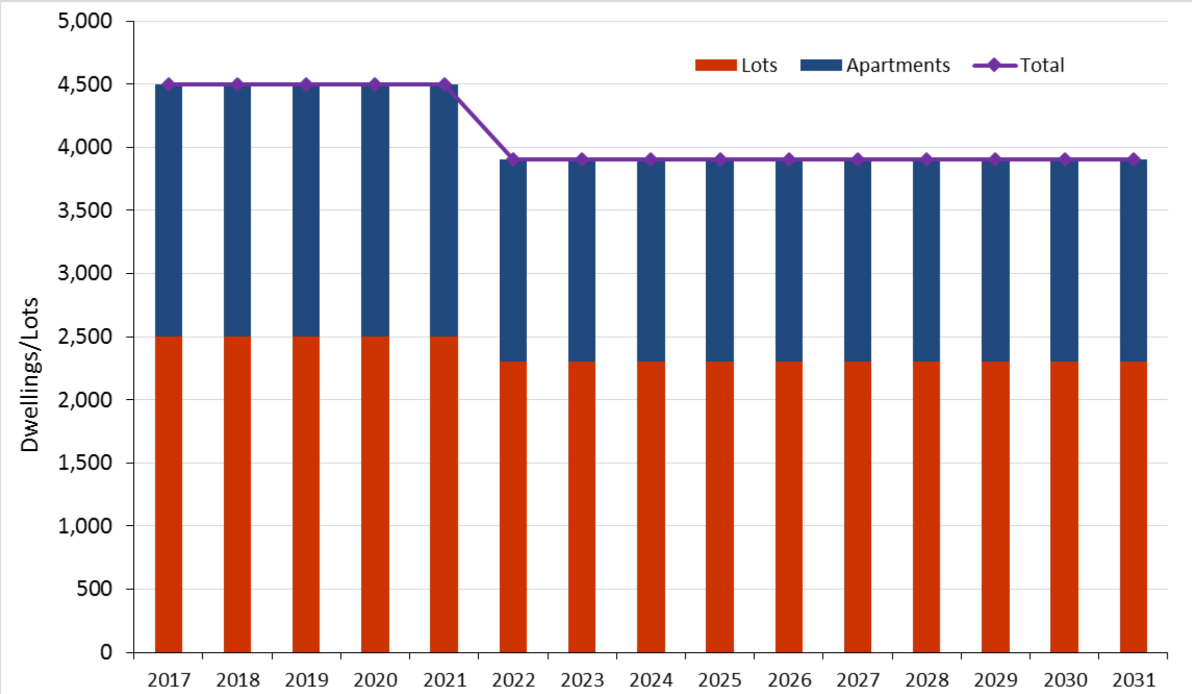
Dwelling Targets & Current Developments

*U/C – Under Construction

MacroPlan

Having regard for the before-mentioned indicators we anticipate annual dwelling growth in the order of 4,500 per annum over the next five years which is expected to flat line to 3,800 dwellings in the years following (2021-2031).

Dwelling Growth – North West Growth Area (2017-2031)



Source: Cordell Connect (2017), MacroPlan (2017)

4.2 Sales Evidence

The following historical data over the five years to 2017 provides an indication of take-up, supporting the prospect for residential development at West Schofields. Overall there has been an average of:

- 878 and 2,438 vacant lot sales in The Hills Shire and Blacktown LGAs, respectively.
- 4,367 and 5,687 detached house sales in The Hills Shire and Blacktown LGAs, respectively.
- 787 and 1,139 apartment sales in The Hills Shire and Blacktown LGAs, respectively.

Although the geographic spread of The Hills Shire and Blacktown includes areas outside of the defined North-West Growth Area boundary, the data helps to mount a strong argument that take-up will in-fact be strong in West Schofields.

Historic Lot and Dwelling Sales – The Hills Shire and Blacktown (2010-2017)

Type	LGA	2010	2011	2012	2013	2014	2015	2016	2017	Annual Average
Vacant Lots	The Hills Shire	659	711	749	1,182	1,028	845	868	982	878
	Blacktown	2,695	2,231	2,622	3,178	4,375	1,329	1,245	1,832	2,438
	Total	**3,354**	**2,942**	**3,371**	**4,360**	**5,403**	**2,174**	**2,113**	**2,814**	**3,316**
House Sales	The Hills Shire	4,328	4,114	4,260	5,058	5,003	4,181	3,892	4,101	4,367
	Blacktown	4,943	5,628	5,172	6,571	6,947	5,774	5,324	5,134	5,687
	Total	**9,271**	**9,742**	**9,432**	**11,629**	**11,950**	**9,955**	**9,216**	**9,235**	**10,054**
Apartment Sales	The Hills Shire	834	808	904	902	810	680	720	638	787
	Blacktown	1,061	1,089	1,019	1,433	1,370	1,003	1,131	1,003	1,139
	Total	**1,895**	**1,897**	**1,923**	**2,335**	**2,180**	**1,683**	**1,851**	**1,641**	**1,926**

Source: RP Data (2017), MacroPlan (2017)

4.3 Dwelling Mix

The majority of existing housing estate development comprises of medium to large sized dwelling lots. As a reference point, a list of indicative lot sizes by housing type (published in the Growth Centres Development Code 2006) is provided below.

Indicative Lot Size

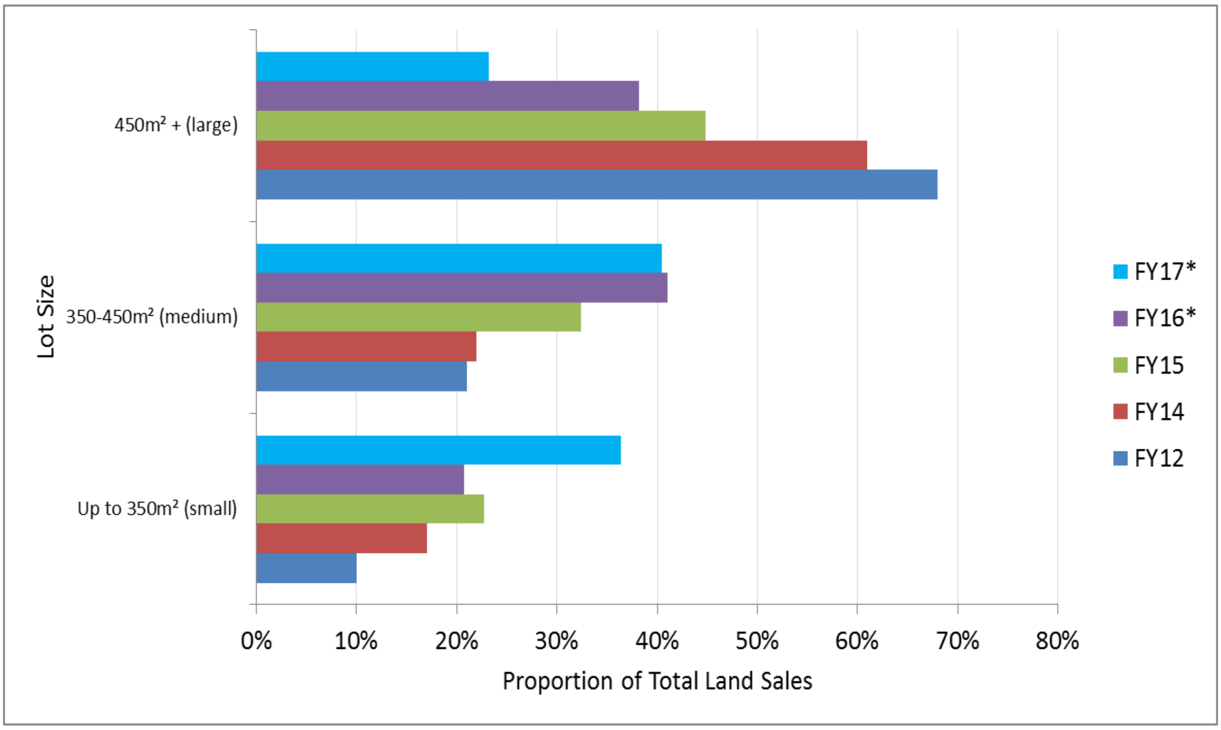
Housing Type	Indicative Lot Size
Apartments	n.a.
Townhouses, semi-detached and detached small dwellings	Up to 350m²
Detached medium dwellings	350-450m²
Detached large dwellings	450m² +

Source: Growth Centres Development Code (2006)

Notably, a shift to smaller sized dwellings is occurring in the region. In FY12, 10% of lots were sized below 350m² (i.e. town houses or small detached dwellings). In FY14 this had grown to 17% and FY17 saw this rate increase to 36% of all land sales. Although not as large, medium sized lots have also increased in popularity. In 2012 21% of all sales were medium sizes, expanding to 40% in 2017.

The growth in small and medium sized lots is gaining momentum at the expense of large lots; particularly as large lot affordability continues to deteriorate. A small and medium sized lot is favourable as it provides an affordable, suitable living option for families, particularly compared with the proposition of an apartment. Although smaller in total area, townhouses generally have three to four bedrooms (the equivalent of a detached dwelling).

Land Sales by Lot Size – North West Land Market (FY12 – FY17)



**Comprising of suburbs (Schofields, Rouse Hill, Kellyville, Marsden Park, Colebee, Riverstone, The Ponds)*

Source: RP Data, MacroPlan (2017)

Notably, the popularity of small and medium sized lots is more pronounced in The Hills Shire relative to the Blacktown LGA. This reflects the relative affordability of lots in respective LGAs.

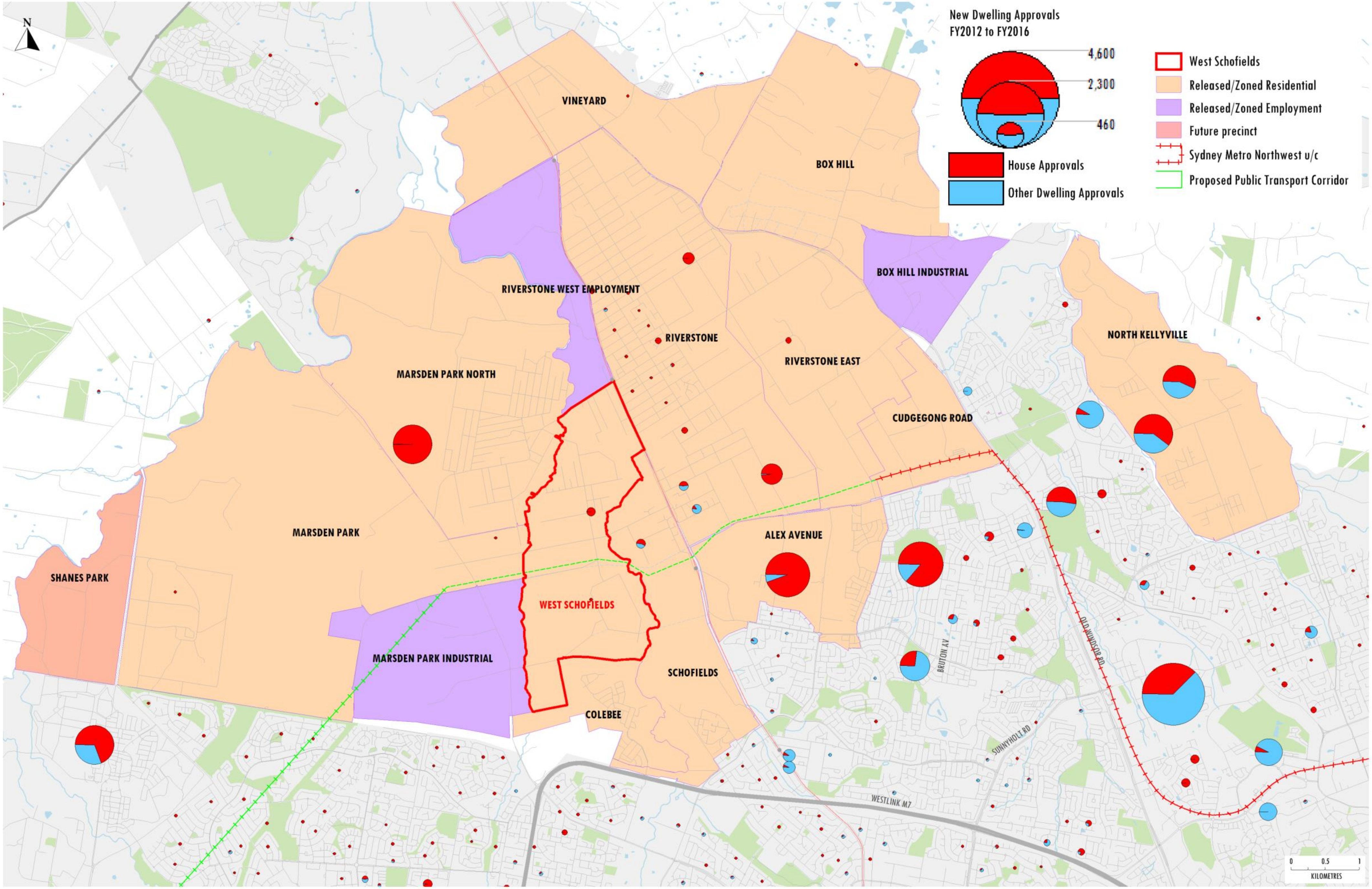
A major project in the pipeline comprising wholly of small lots and apartments is Skyland Estate in Schofields. The development encompasses a total of 840 dwellings with 280 small lots and 560 apartments.

There is also, a greater quantum of mixed use and apartment development coming on to the market. Whilst still in the early planning phase, Clydesdale Estate in Marsden Park is planned to encompass 650 apartments and 242 small residential lots. Significant apartment development is occurring at the Cudgegong Road precinct and in Rouse Hill including the following projects:

- Evergrand
- Phoenix Apartments
- Rouse Hill Town Centre developments

A visual representation of dwelling approvals between 2012 and 2017 by dwelling type is provided overleaf on Map 4.2. Major approvals have occurred in the following precincts:

- Alex Avenue
- Balmoral Road (consisting primarily of apartments and townhouses)
- North Kellyville (major apartment and townhouse development)
- Rouse Hill (apartment development)



Map 4.2: North West Sydney Land Market

Dwelling Approvals 2012-17

MacroPlanDimasi

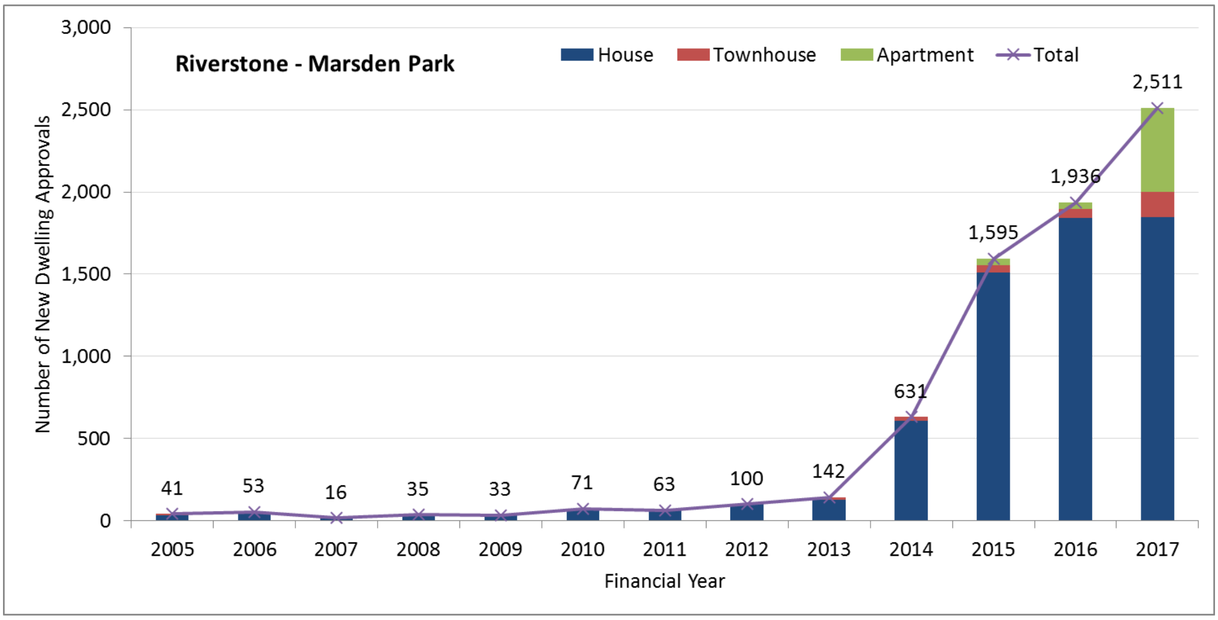
4.4 Dwelling Approvals

Graphs outlining dwelling approvals over the twelve years to FY 2017 in Riverstone – Marsden Park, Kellyville and Rouse Hill – Beaumont Hills are provided below.

Interestingly, the number of dwellings approvals in the Riverstone – Marsden Park SA2 region has increased markedly (location of West Schofields); however, the type of dwellings has consisted mainly of detached dwellings. This reflects distance to the North West Rail Line (NWRL), government policy, housing affordability (relative to an apartment) and market appetite. Current State Government policy has a focus on higher residential densities around public transport nodes.

However, it is our view that apartments and medium density dwellings will gain momentum in the short to medium term; already reflected in the growing number of townhouse and apartment approvals in the SA2 region. As housing becomes more unattainable and unaffordable; families, first home buyers and downsizers will seek more affordable, suitable dwelling typologies.

New Dwelling Approvals – Riverstone/Marsden Park SA2 Region (2005-2017)

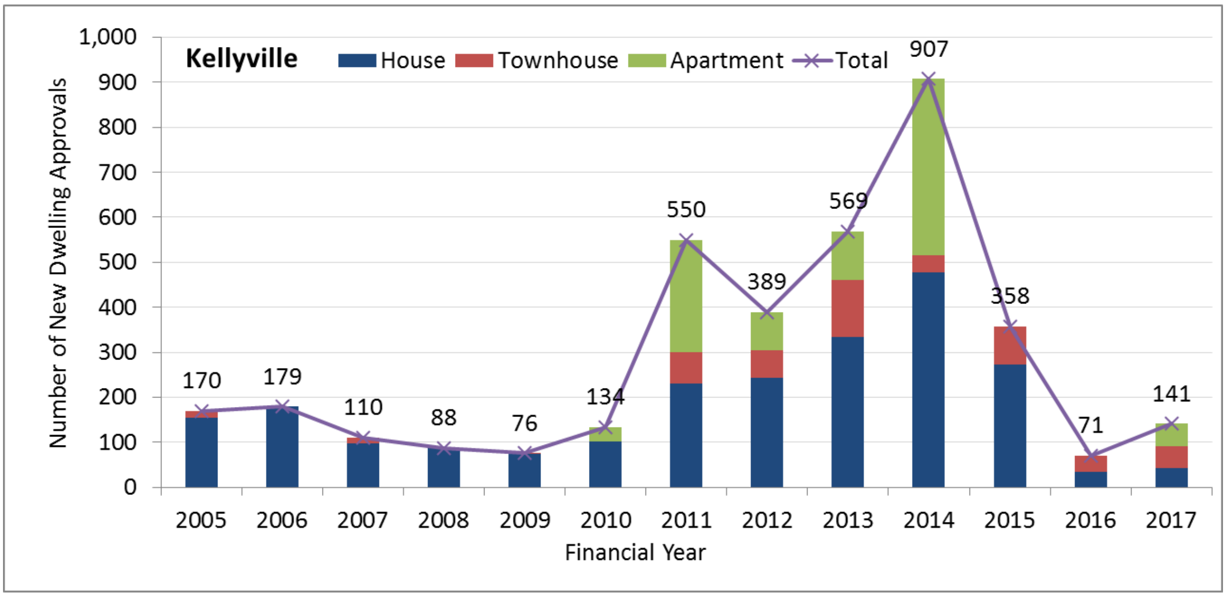


**Includes Alex Avenue, Schofields West, Schofields and Marsden Park*

Source: ABS Dwelling Approvals (2017)

As a point of comparison, the Kellyville and Rouse Hill SA2 regions which are situated along the NWRL have had a significant increase in the number of medium and high density dwelling approvals (particularly apartments). This proposition along the rail network (to be complete by 2024) is particularly attractive to first home buyers, downsizers and families that seek a more affordable way to stay in The Hills Shire LGA.

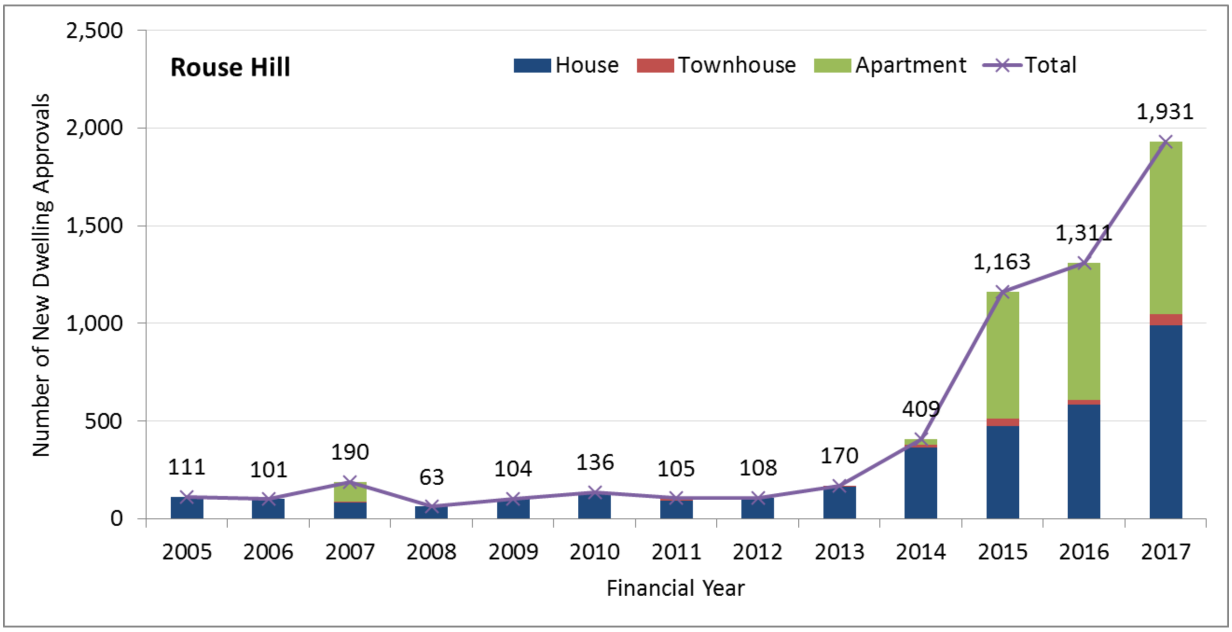
New Dwelling Approvals – Kellyville SA2 Region (2005-2017)



**Includes Kellyville*

Source: ABS Dwelling Approvals (2017)

New Dwelling Approvals – Rouse Hill/Beaumont Hills SA2 Region (2005-2017)



**Includes North Kellyville*

Source: ABS Dwelling Approvals (2017)

4.5 Median Lot Price Growth

A comprehensive list of prices associated with small, medium and large lots in the north-west region is provided below. Median prices are higher in suburbs of The Hills Shire relative to the Blacktown LGA. Lot values in Beaumont Hills are the highest, followed by The Ponds and Rouse Hill. Marsden Park is the most affordable suburb, followed by Riverstone.

Median Lot Price by Size (2016-2017)

Suburb	Small		Medium		Large	
	Price	Price/m²	Price	Price/m²	Price	Price/m²
Beaumont Hills	N/A	N/A	N/A	N/A	$710,000	$1,574
Kellyville	$430,000	$1,470	$585,183	$1,468	$560,000	$1,244
Rouse Hill	$475,934	$2,018	$547,000	$1,391	$612,000	$1,299
Colebee	$440,000	$1,290	$499,000	$1,277	$565,000	$1,125
Marsden Park	$354,563	$1,250	$442,000	$1,143	$478,000	$1,044
Riverstone	$398,462	$1,258	$464,000	$1,186	$499,000	$1,017
Ropes Crossing	N/A	N/A	N/A	N/A	N/A	N/A
Schofields	$398,800	$1,382	$515,688	$1,300	$580,136	$1,196
The Ponds	$512,000	$1,555	$525,780	$1,373	$672,500	$1,110

Source: RP Data (2017)

We also provide price points in 2013/14 to determine changes in value ($/m²). It appears that small lots have increased by the largest amount of all lot types (50% overall). Large lots have also increase substantially (48.3%) in all select suburbs. In contrast, medium sized dwelling have increased by a more subdued rate of 36%. Price variances reflect market appetite for certain product.

Median Lot Price by Size (2012-2013)

Suburb	Small		Medium		Large	
	Price	Price/m²	Price	Price/m²	Price	Price/m²
Beaumont Hills	377,000	1,047	390,000	944	413,750	745
Kellyville	360,000	1,259	395,000	955	475,000	779
Rouse Hill	335,000	946	365,000	936	611,500	683
Colebee	300,000	909	342,000	842	386,000	759
Marsden Park	295,000	843	374,500	880	390,000	523
Riverstone	288,500	824	291,500	756	299,000	593
Ropes Crossing	211,000	748	248,000	611	269,625	525
Schofields	306,900	968	324,450	831	368,900	752
The Ponds	211,667	748	370,000	957	400,000	776

Source: RP Data (2017)

Price Growth (2012/13 – 2016/17)

Suburb	Small		Medium		Large	
	Price	Price/m²	Price	Price/m²	Price	Price/m²
Beaumont Hills					71.6%	111.2%
Kellyville	19.4%	16.8%	48.1%	53.8%	17.9%	59.7%
Rouse Hill	42.1%	113.2%	49.9%	48.7%	0.1%	90.3%
Colebee	46.7%	41.9%	45.9%	51.7%	46.4%	48.3%
Marsden Park	20.2%	48.3%	18.0%	29.9%	22.6%	99.8%
Riverstone	38.1%	52.6%	59.2%	56.8%	66.9%	71.6%
Ropes Crossing						
Schofields	29.9%	42.7%	58.9%	56.5%	57.3%	58.9%
The Ponds	141.9%	107.9%	42.1%	43.4%	68.1%	43.1%

Source: RP Data (2017)

4.6 Median Dwelling Price Growth

Median detached dwelling price growth over the eleven years to 2017 has been most prominent in Colebee – growth of 13.2% per annum. This is followed by The Ponds (12.4%) and Ropes Crossing (10.1%).

Subdued growth was experienced in Beaumont Hills (7%), Schofields (Kellyville 7.1%) and Rouse Hill (7%). Slow growth can be attributed to the notion that these suburbs already had a relatively high median sale price in 2006.

Median House Price Growth ($) – North West Growth Corridor (2006-2017)

Suburb	2006	2017	Annual Growth (%)
Colebee	240,000	940,000	13.2%
The Ponds	270,000	1,000,000	12.6%
Ropes Crossing	229,000	660,000	10.1%
Schofields	317,500	840,000	9.2%
Marsden Park	345,000	837,000	8.4%
Riverstone	335,000	780,000	8.0%
Rouse Hill	492,250	1,075,000	7.4%
Kellyville	540,000	1,150,000	7.1%
Beaumont Hills	545,000	1,150,000	7.0%

Source: RP Data (2017)

Information regarding apartments is less reliable as apartment construction has been limited over the last decade in the north-west. None-the-less, we provide apartment information for suburbs where there has been high density development, particularly around the NWRL. Note - we provide this information over the seven years to 2017, however there was little development before then and there have been few apartment sales in 2017.

Price growth has been notable in Cherrybrook, Castle Hill and Rouse Hill. Price growth has been less prominent in Bella Vista, Kellyville Ridge and Kellyville. It appears that apartment growth has been greater in fairly established areas. Bella Vista (i.e. Norwest) is a fairly new proposition. Once the train line nears completion, price growth will increase more substantially.

We note that apartment development is starting to occur in housing estate locations. General data is scarce. We consider more specific apartment price growth in these locations in the next section.

Apartment Price Growth ($) - North West Growth Corridor (2006-2017)

Suburb	2010	2017	Annual Growth (%)
Cherrybrook	528,000	1,050,000	10.3%
Rouse Hill	422,500	820,000	9.9%
Castle Hill	510,000	890,000	8.3%
Kellyville Ridge	375,000	640,000	7.9%
Bella Vista	538,000	840,000	6.6%
Kellyville	515,000	770,000	5.9%

Source: RP Data (2017), MacroPlan (2017)

4.7 Sales Evidence

We use Schofields as a reference point as it provides a comparable market to that of West Schofields (location and amenity).

Dwelling Type	Address	Suburb	Bedrooms	Bathrooms	Car Spaces	Lot/Apartment Size	Advertised Price ($)	Price /m² ($)
House	Lot 707 Parrington Street	Schofields	5	3	2	411	900,000	2,190
	45 Gordon Road	Schofields	4	2	1	300	830,000	2,767
	19 Giselle Street	Schofields	4	2	2	414	925,000	2,234
	37 Boundary Street	Schofields	3	2	1	310	770,000	2,484
	Lot 8 Gordon Road	Schofields	3	2	2	290	800,000	2,759
Townhouses	7106 Rosetta Street	Schofields	3	2	1	168	750,000	4,464
	83 Hambledon Road	Schofields	4	2	2	193	750,000	3,886
	200 Bridge Street	Schofields	3	2	2	229	797,000	3,480
Apartment	27 Schofields Road	Schofields	1	1	1	58	451,000	7,776
	28 Schofields Road	Schofields	2	2	1	78	580,000	7,436
	29 Schofields Road	Schofields	3	2	2	103	680,000	6,602
	22 Boundary Road	Schofields	2	1	1	79	560,000	7,089
	Block C Sanctuary Point	Schofields	1	1	1	61	462,000	7,574

Source: realestate.com.au (as at Nov 2017)

4.8 Key Take-Outs

- We anticipate annual dwelling growth in the North-West Growth Area to be in the order of 4,400 per annum over the next five years which is expected to flat line to 3,800 dwellings in the years following (2021-2031).
- There is historic sales evidence to support take-up in West Schofields. There were an average of 3,316 vacant lot sales, 10,054 house sales and 1,926 apartment sales in Blacktown and The Hills Shire between 2010 and 2017.
- The majority of existing housing estate development comprises of medium to large sized dwelling lots. Smaller sized lots, however, are gaining momentum, particularly as relative affordability continues to deteriorate. For example, a small and large lot in Schofields is in the order of $390,000 and $465,000, respectively. The price variance is even more pronounced in The Hills Shire. A small and large lot in Rouse Hill is $446,000 and $615,000, respectively.
- The proportion of lot sales characterised as small expanded from 10% in 2012 to 23% in 2015. Medium lot sales increased from 22% to 33%, whilst large lot sales declined from 68% to 45% over the same time period.
- Apartment development is also gaining momentum, particularly in the Kellyville and Rouse Hill SA2 regions, owing to proximity to the NWRL. A small quantum of apartment development is in the sales phase in Schofields and in the Cudgegong Road precinct (Phoenix Apartments).
- The median price of a house in Schofields has increased from $317,000 in 2006 to $840,000 in 2017 (including older dwellings). A new house in Schofields now sells for $750,000 to $900,000 (depending on the number of bedrooms). A townhouse ranges from $700,000 - $800,000 and apartments are currently on the market for $450,000 to $680,000. Notably, all one bedroom apartments at 279 Railway Terrace, Schofields have sold out.

According to 'Sydney's e-Zoned Box Hill In Demand By Developers: CBRE' (April 2016):

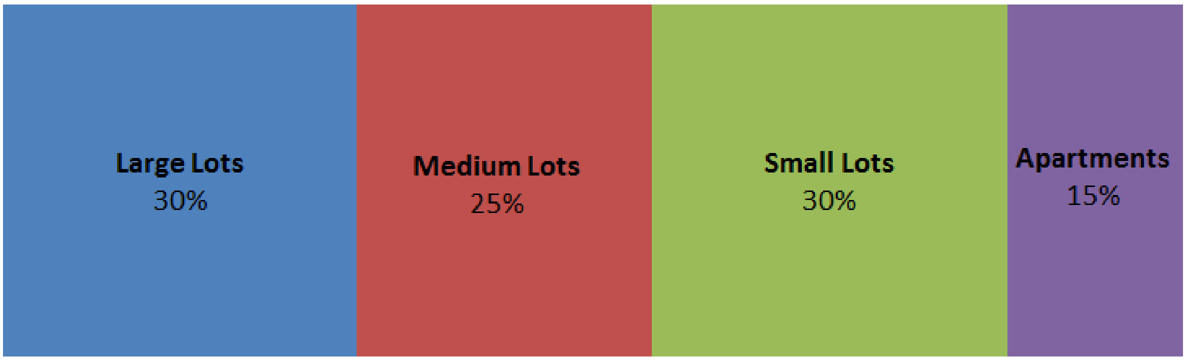
> *"Demand for the Box Hill area has been exceptionally strong since the rezoning in 2013, which released over 950 hectares of land for urban development. Despite the high-supply and softening market conditions currently experienced in the Box Hill region, developers continue to have confidence in the long-term potential of the market."*

> *"There remains a high amount of faith in subdivision development stock, as land subdivisions traditionally sell well off the plan in all market conditions, making it a safer investment than apartment stock" – Alex Ugarte (CBRE April 2016).*

After analysis of current market trends, we recommend the facilitation of small to medium sized lots with the potential for some apartment development at West Schofields.

Our recommended mix is provided below.

Recommended Residential Land Mix – West Schofields



Source: MPD (2017)

Based on current take-up rates and market appetite, there is sufficient demand for up to 5,750 dwellings in West Schofields to be brought to market. Over a ten year horizon, the production of 5,750 dwellings would account for almost 13% of total take-up for the NWGA.

Section 5: Gap Assessment

This section of the report provides a high level gap assessment to inform recommendations in relation to the appropriate mix of dwelling types and densities. Our analysis takes into consideration housing affordability and maximisation of commercial viability in the part precinct.

5.1 Current Status

The DP&E anticipate that the NWGA has capacity for 90,000 dwellings. According to the LUIIP, 33,000 homes will be provided over the next ten years. Utilising a 10 year horizon, approximately 3,300 dwellings are forecast to be built per annum which will help accommodate the expected 92,400 people.

5.2 Supply in the Pipeline

Our reconnaissance of housing estate development in the pipeline (excluding apartments along the NWRL) has revealed that approximately 2,500 housing estate lots and dwellings will be constructed over the next 5 years (to 2022). This projected supply is below the target set by the DP&E.

However, developable land will become increasingly scarce without the rezoning and servicing of additional land. As a result, it is our view that lot development will recede to 2,000 dwellings between 2023 and 2031.

5.3 Gap Assessment

The delivery of up to 350 dwellings per annum in the West Schofields Precinct will contribute to government dwelling targets, particularly given an undersupply of up to 325 dwellings per annum is likely to occur in the medium term (without additional development).

Annual Dwelling Targets vs MPD Estimate (2017-2031)

Time Frame	Supply*	Demand**	Shortage
2017-2022	2,300	2,325	25
2023-2031	2,000	2,325	325

**MPD estimate **DP&E Target*

Source: DP&E (2015) & MPD (2017)

Section 6: Impact on Local Infrastructure

This section of the report provides a high level overview of social infrastructure requirements based on anticipated population growth by age. Items include open space, schools, aged care, day care and other community infrastructure.

1.1 Social Infrastructure Need

MacroPlan Dimasi has developed a table outlining different community facilities and associated population estimates to 2031. The population estimates derived from this report will inform community infrastructure need in the long term.

Community Infrastructure Need

TYPE OF FACILITY	AGE COHORT	POPULATION ESTIMATE
EDUCATION		
Public Primary School	5-12	1,800
Public High School	12-18	1,500
Tertiary	Varies	
HEALTH AND SOCIAL WELFARE		
Community Health Centre	All Age Cohorts	13,000
Hospital	All Age Cohorts	13,000
Aged Care:		
Aged Care Housing	70+	1,200
Youth Centres	10-19	1,900
Community Service Centre	All Age Cohorts	13,000
Childcare Facility	0-4	1,000
After School Care Facility	5-12	1,800
CULTURE		
Branch Library	All Age Cohorts	13,000
District Library	All Age Cohorts	13,000
Performing Arts/Cultural Centre	All Age Cohorts	13,000
EMERGENCY SERVICES		
Ambulance	All Age Cohorts	13,000
Fire Station	All Age Cohorts	13,000
Police Station	All Age Cohorts	13,000
COMMUNITY CENTRES		
Local	All Age Cohorts	13,000

Source: MPD (2017)

Section 7: Delivery Analysis

This section of the report examines the positioning of the proposed land releases within the context of future trends, other developments and surrounding centres; and the implications of such on the development feasibility of various residential densities and housing types.

7.1 Development in the North West Growth Area

The NWGA is expected to accommodate significant new retail development in the future to support the significant future population including new town centres, smaller local centres and expansions to existing centres.

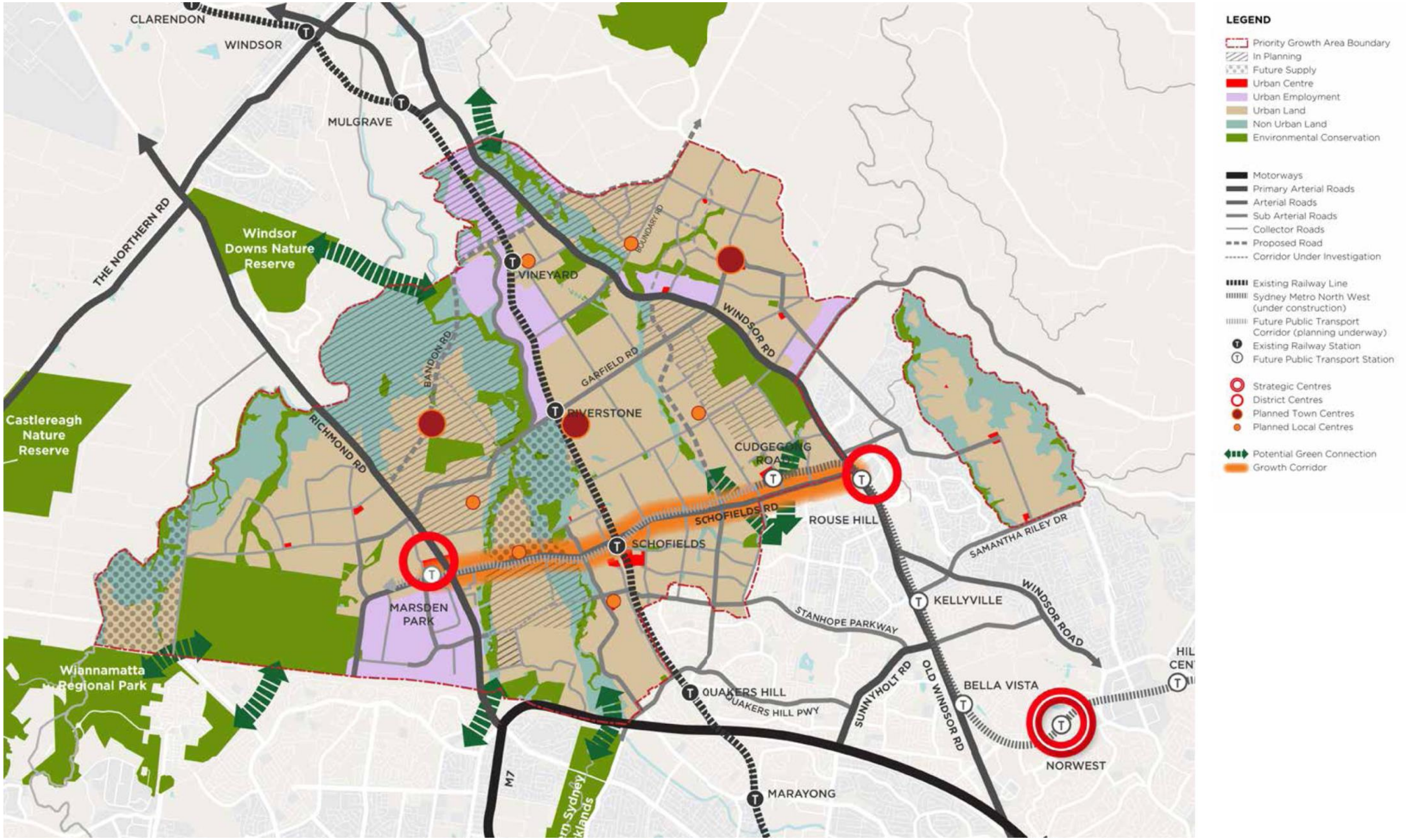
According to the North West LUIIP, approximately 90,000 dwellings are planned for the area. Specifically within the next ten years, 33,000 new homes will be provided and the growth area will be home to around 92,400 people.

Given the notion that major lot development will occur all over the NWGA, development in the Precinct will compete with major development in various locations.

However, apartment development is not as widespread. Major apartment development is planned for Rouse Hill, Marsden Park (Clydesdale Estate) and Schofields. There is scope for the subject precinct to capture a greater proportion of apartment sales.

Furthermore, given that the majority of development comprises of large lot, there is also scope to facilitate the development of small and medium sized lots.

The Implementation Plan identifies the overarching land uses in NWGA, as well as the remaining precincts which have yet to be rezoned, mapped on figure 7.1 below.



Map 7.1: North West Growth Area

Land Use Plan

MacroPlanDimasi

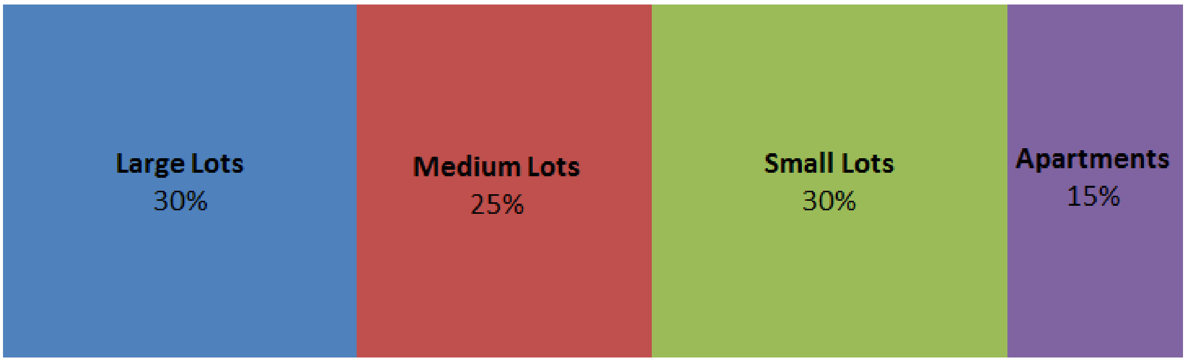
Section 8: Timing and Subdivision

Based on the previous analysis, we provide a detailed outlook with regard to housing type within the Precinct. We will provide recommendations as to the likely rates of subdivision and dwelling construction in line with consultations with the infrastructure master planning services provider and identify potential stages/sequencing of development.

8.1 Sale rates

For sales rates, obviously the more competitive the pricing of lots are, the greater the sales rate. Assuming competitive pricing is adopted (i.e. similar to Skyland Estate at Schofields) we anticipate the subject precinct could secure 13% of total land sales within the NW Sydney region (over a ten year horizon).

Recommended Residential Land Mix – West Schofields



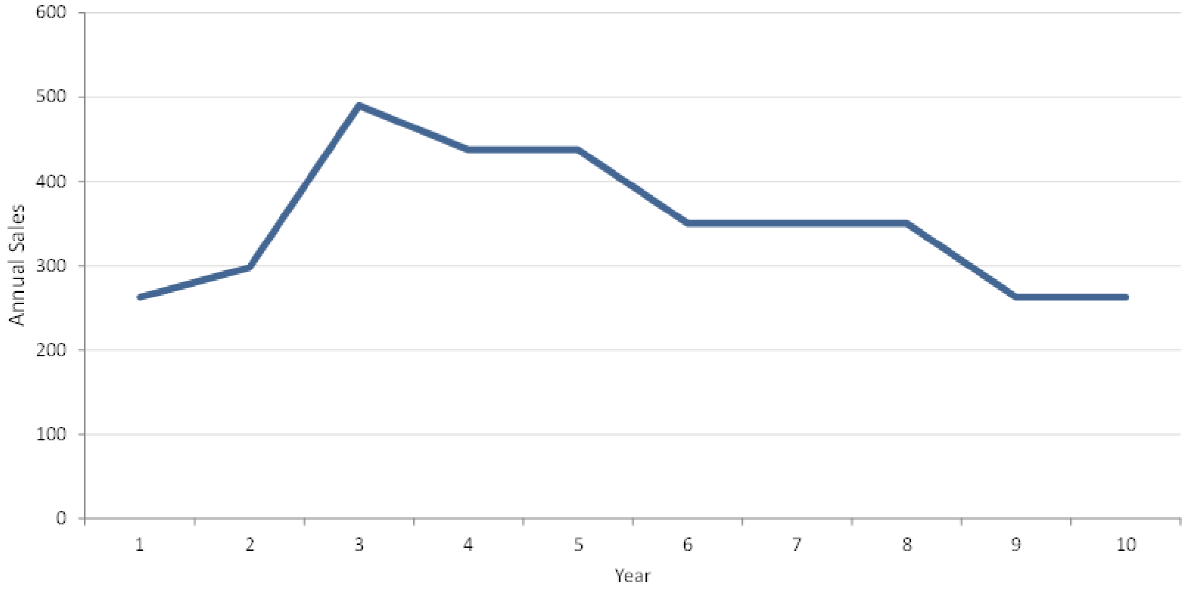
Source: MPD (2017)

Our economic outlook for the north-west of Sydney is positive, owing to relative affordability and the availability of land. Over a ten year horizon, annual recommended sales volumes are provided overleaf.

Having regard for market competition in each size cohort, the subject precinct would be able to achieve average annual sales of 350 per year (490 at the peak).

Smaller lots are expected to achieve the greatest sales rate at West Schofields. We also envisage strong market appetite for apartments, given increased downsizing activity and its favourability among young working couples.

Annual Sales – West Schofields



Source: MacroPlan (2017)

8.2 Price Points

Having regard for current and future market forces and the composition of demand, the table below entails the suggested price structure for the subject precinct. The price projections are in current dollars (i.e. no escalation is applied).

Given the favourability of smaller sized lots within the NW land market, the 875 lots at West Schofields which are sized below this will achieve a substantial premium as there is a lack of competing sized lots.

Recommended Lot Prices – West Schofields

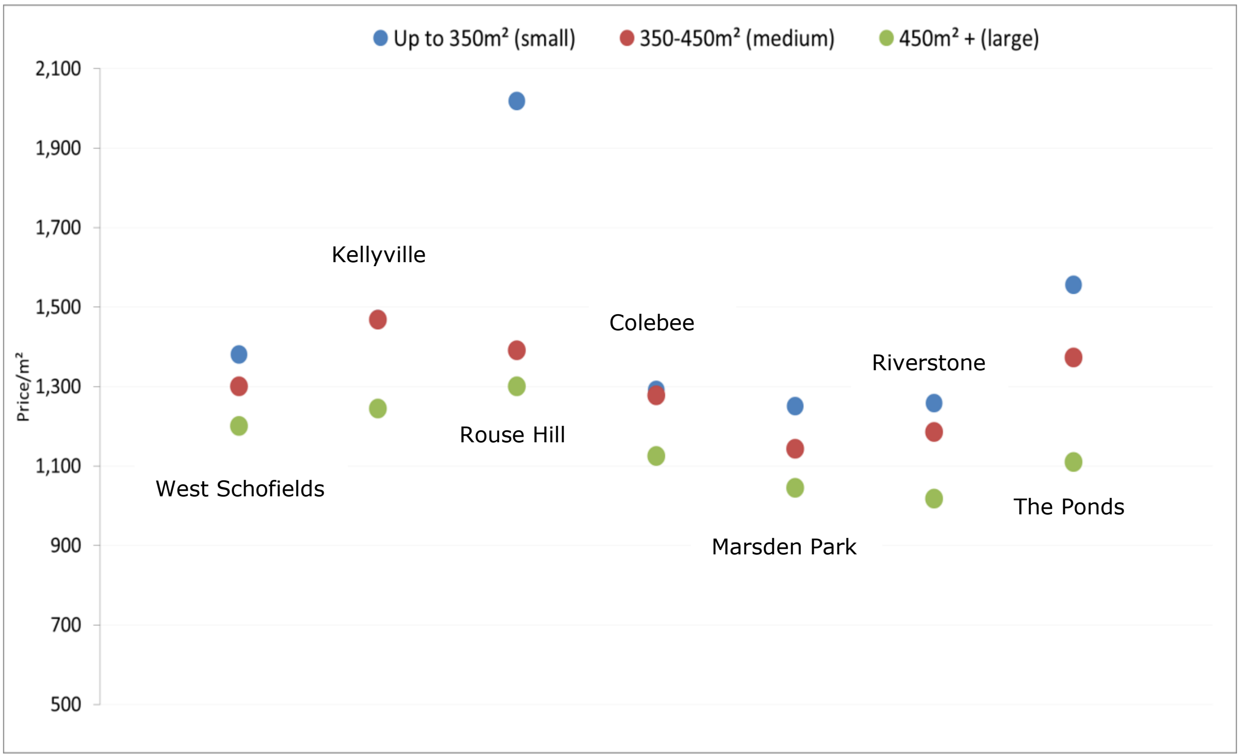
Lot Size	Price/m²
Up to 350m² (small)	1,380
350-450m² (medium)	1,300
450m² + (large)	1,200

Source: MacroPlan (2017)

In real terms, this equates to the following price points:

- $480,000 for small sized lots
- $540,000 for medium sized lots
- $600,000 for large sized lots

Lot Prices at West Schofields relative to the North West Growth Centre



Source: RP Data (2017), MacroPlan (2017)

With regard to apartments, we estimate that West Schofields could achieve a price point between $460,000 to $700,000, depending on its size and quality.

Recommended Apartment Pricing – West Schofields

Bedrooms	Internal Area (m^2)	Price ($)	Price per m^2
One	60	466,800	7,780
Two	80	595,200	7,440
Three	105	693,000	6,600

Source: MacroPlan (2017)