

Clarence Valley Local Housing Strategy – For Adoption

July 2024



ACKNOWLEDGEMENT OF COUNTRY

Council acknowledges the *Bundjalung*, *Gumbaynggirr* and *Yaegl* people as the Traditional Owners of the land on which we live and work.

We honour the First Nations peoples' culture and connection to land, sea, and community. We pay our respects to their Elders past, present, and emerging.

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GLOSSARY AND ABBREVIATIONS

Term	Description
Adaptable housing	Housing that is designed and built to allow future modification to suit occupants with specific needs (e.g. mobility impairments)
Affordable housing	Housing for very low-income, low income, or moderate income households
CHP	<i>Community Housing Provider</i>
Council	<i>Clarence Valley Council</i>
CVLEP	<i>Clarence Valley Local Environmental Plan 2011</i>
DA	An application for consent under Part 4 of the <i>EP&A Act</i> to carry out development
DCP	<i>Development Control Plan</i>
Detached dwelling	A residential dwelling that does not share common walls with other structures (also termed separate house)
DPHI	<i>NSW Government Department of Planning, Housing, and Infrastructure</i>
DSP	<i>Development servicing plan</i>
EP&A act	<i>Environmental Planning and Assessment Act 1979</i> (NSW)
FSR	<i>Floorspace ratio</i>
Greenfield development	Development of land outside the existing developed urban area
HCA	<i>Heritage Conservation Area</i>
Housing density	How intensively a residential area is developed
Housing diversity	The mix of types of housing in an area (e.g. detached dwellings, residential flat buildings, dual occupancies etc)
Infill development	Development of land within the existing developed urban area
LALC	<i>Local Aboriginal Land Council</i>
LEP	<i>Local Environmental Plan</i>
LGA	<i>Local Government Area</i>
LHS	<i>Local Housing Strategy</i>
LSPS	<i>Local Strategic Planning Statement</i>
MHE	<i>Manufactured home estate</i>
Mixed-use	A building, place, or area that facilitates a mixture of different land uses
NCRP	<i>North Coast Regional Plan 2041</i>
Planning proposal	A document and supporting information that explains the intended effect and justification of a proposed LEP or amendment to an LEP
SEPP	<i>State Environmental Planning Policy</i>
Social housing	Rental housing provided by government or other organisations (such as CHPs) to households unable to access accommodation in the private rental market (including public and community housing)
STRA	<i>Short-term residential accommodation</i>
URA	<i>Urban Release Area</i>
VPA	<i>Voluntary Planning Agreement</i>
Zone	Land use zone under CVLEP

EXECUTIVE SUMMARY

Clarence Valley Council (Council) is open to exploring new ideas and investment opportunities that help provide housing to meet the diverse needs of our growing population, while protecting our stunning natural environment and local character. The Clarence Valley is in a strategic location with enviable accessibility, natural assets and lifestyle. Council's collaborative approach to supporting business and community aspirations means we are well placed for future prosperity.

This Local Housing Strategy (LHS) provides an evidence base to progress with actions to better provide more diverse housing types and new forms of housing to respond to demographic and socioeconomic needs of our community. It will also help achieve Council's vision for the Clarence Valley to be a *Community of Opportunity*, with a focus on core community expectations around jobs and housing.

This LHS and draft Affordable Housing Policy, including its supporting evidence base in the annexures, examines the issues and opportunities associated with housing in the Clarence Valley. It has been prepared to give effect to Action 4.4 of the *Clarence Valley Local Strategic Planning Statement*. In line with this action, the form and content of the LHS is consistent with the NSW Department of Planning, Housing and Infrastructure's *Local Housing Strategy Guideline 2018* and incorporates liveability principles. Together with Clarence Valley's *Employment Land Strategy*, *Rural Land Strategy* and *Green Infrastructure Strategy* (and our Development Servicing Plans), the LHS will inform future land use planning and decision making for growth management to guide sustainable development to 2041 and beyond.

Key findings

The LHS establishes the demographic, housing and affordability context to gain an understanding of local housing needs. Key findings are summarised below:

- In recent years, we have experienced greater than expected housing demand resulting in a lack of housing availability and increasing housing costs, and this is likely to continue in the coming decades.
- There is sufficient residential zoned land in the Clarence Valley LGA to accommodate forecast demand, but not all land that is currently zoned for housing can or will be developed. There are issues with activating latent zoned supply to bring housing 'to market' due to barriers such as infrastructure provision and servicing, development feasibility, land-banking and environmental constraints.
- There is a mismatch between the housing that is needed by our diverse population and what is provided in existing and new housing. There is a growing need for more diverse and affordable housing to better meet current and future needs, including smaller homes and housing for students, older people, and key workers, but delivery of diverse and affordable housing is a significant challenge. It is unlikely that the market alone will adequately respond to the challenge.
- Most local housing continues to be delivered in the form of large, detached dwellings of three or more bedrooms, on large blocks. The lack of smaller dwellings means one or two person households have few options, whilst the low supply of rental housing and tight vacancy rates mean some households cannot find a home. This situation places certain residents at risk of homelessness or forces them to live in substandard housing, including dwellings that are overcrowded.

- A lack of housing diversity in terms of housing types, size, tenure and price, is a serious issue that will worsen over time if the types of housing that are supplied, predominantly large detached houses, do not change to meet changing housing needs.
- Smaller, accessible dwellings that are located close to centres and services are needed to house the Clarence Valley's ageing population and to provide appropriate accommodation for smaller households, including our key workers, and students. There are also broader environmental, social and economic benefits of minimising urban sprawl in favour of more compact growth patterns.
- Despite the high and growing need for diverse housing including smaller dwellings and higher densities, external factors and market demand is resulting in continued development of large single dwellings in the Clarence Valley. There is also ongoing demand for rural residential housing which needs to be balanced with the need to manage environmental constraints and protect agricultural productivity.
- Prioritising infill development in existing areas such as Grafton, South Grafton, Maclean, and Yamba could improve the efficiency of infrastructure and service delivery and support improved housing diversity and affordability. However, to date, current planning policies and mechanisms to encourage diverse and affordable infill housing have had limited impact due to market forces.
- Recent events have highlighted that many people's needs are not being met by the private housing market, particularly the rental market. This situation is exacerbated by short term rental accommodation reducing availability of longer-term rentals.
- The LGA's housing market is vulnerable to spikes in demand caused by seasonal or temporary workers and tourism. While both are important for the local economy and productivity, these can negatively impact on housing supply and affordability.

Opportunities to increase the supply of diverse, affordable and well-located housing

Chapter 3 of this LHS outlines Council's priorities and actions for housing and how we plan to achieve these priorities. The priorities will be used to guide planning, delivery and management of housing supply and supporting infrastructure over the next five to twenty years and beyond.

In terms of the overall land use planning approach, it is anticipated that new development (greenfield housing) in the Clarence Valley will continue as the dominant form of new housing. However, increasing the share of housing that occurs in the established urban areas (infill development) is also important, as this will maximise the use of existing infrastructure and provide access to a range of existing services and facilities.

In the short to medium term, encouraging compatible and resilient infill housing in Grafton, South Grafton, Yamba, Maclean, and Iluka can provide more housing options with good access to public transport, parks, shopping, schools and important social infrastructure and services. This can encourage a greater diversity of housing products, including townhouses, dual occupancies, secondary dwellings and apartments above shops. These can provide housing forms suitable for the ageing population, key workers, households seeking to 'downsize' or locate close to employment opportunities and entry points for young people and families to enter the housing market.

The LHS identifies opportunities to amend local planning controls to create capacity for an additional 1,730 dwellings in the Clarence Valley LGA, with capacity for 1,025 additional dwellings in the upper Clarence area (59 per cent) and capacity for 705 additional dwellings in the lower Clarence area (41 per cent) (former Maclean Shire area).

The LHS is the first step in delivering more housing, in the right places, to meet the needs of the Clarence Valley community at every stage of life. Successful implementation of the LHS will require collaboration and coordination across governments, and consultation with the community. Any proposed changes to planning controls would also require a planning proposal to be prepared and approved by the NSW Government. Further detail regarding this process and indicative timeframes is provided in Section 4.3 of the LHS.

Investigation areas

Council is aware that, in addition to the intervention opportunities identified in Chapter 4 and Annexure 4, other areas may be suitable to accommodate additional housing in the future, to meet longer term demand. Prior to determining an approach for any such areas, further investigations and planning would be required, and demand would need to be demonstrated.

Annexure 4 of the LHS identifies one investigation area, which includes certain land at James Creek. The James Creek investigation area has been included in this LHS as it is identified in the *North Coast Regional Plan* as an urban land investigation area.

It is envisioned that Council would only pursue rezoning and development of investigation areas following the development of other priority areas identified in this LHS. Future reviews of the LHS will consider whether additional investigation areas are required, and will determine if, when, and how the rezoning of any investigation area(s) may progress.

Any future investigation areas would need to demonstrate consistency with the strategic planning framework and policy context and that they are suitable to accommodate residential land uses, taking into consideration a wide range of social, economic, environmental factors, along with infrastructure and servicing considerations. They would also need to be included within the urban growth area boundary of the *North Coast Regional Plan*, or provide adequate justification for their development, including an assessment against the *North Coast Regional Plan's* Urban Growth Area Variation Principles.

Factors inhibiting housing supply

The Clarence Valley has a relatively large supply of land that is zoned for residential purposes, and this land is mostly serviced and ready for development. However, there are a range of factors that inhibit housing supply and the actual number of dwellings delivered in the Clarence Valley over the coming decades is likely to be considerably less than the ‘theoretical capacity’ of zoned residential land identified in this LHS.

One of the factors that affects housing supply in the Clarence Valley is the presence of environmental constraints (particularly flood, bush fire, biodiversity, heritage conservation, and land identified as important farmland). However, environmental constraints are not the only factor, and there is still a considerable amount of land available to accommodate future housing after environmental constraints are taken into account.

Critically, housing will only be delivered where there is both planning capacity and market capacity. The main risk factors limiting new housing development at present are market based, given the current economic climate, including:

- building risk – pressures from inflation, supply and skill shortages, building standards bonds, lack of competition in the tendering process, inability to secure fixed-price contracts;
- liquidity risk – financing costs, which have increased from 3 - 4 per cent to 6.5 - 7.5 per cent, due to the RBA increasing the cash rate; loan to value ratios increasing, meaning developers need their own equity; increased pre-sales covenants; and
- sales risk – demand for off the plan sales remains subdued and alternative forms of housing (smaller houses, townhouses, units and higher density) are viewed as higher risk than traditional housing product (detached dwellings of three or more bedrooms).

The LHS notes that the market cycle has historically pushed the property development industry through boom-bust phases. The current bust phase is a perfect storm with risk spread over many different factors. The recovery will therefore be complex and most likely extended.

With the continued interest in housing supply and affordability, solutions cannot be limited to land supply solutions. Building costs, certainty, productivity, development liquidity, and consumer confidence must also be addressed.

The LHS provides a range of actions to improve planning processes and infrastructure delivery, but there is also a range of initiatives outside of the planning system that need to be leveraged to ensure community needs and expectations for good quality housing are provided for.

1.0 INTRODUCTION

This section identifies the planning and policy context within which this Strategy was developed; provides an overview of the Clarence Valley in its regional context; and establishes Council's long-term housing vision for the local area.



1.1. Planning policy and context

This LHS was developed in the context of:

- Commonwealth and State legislation covering environmental protection, environmental planning and assessment, development, and heritage.
- State Environmental Planning Policies (SEPPs) that apply across NSW, including in the Clarence Valley, covering a range of matters including housing, building design and development controls.
- Strategic plans, including the *NSW Housing Strategy 2041* and associated Action Plan, and the *North Coast Regional Plan 2041*.

At the local level, the LHS will sit alongside the *Clarence Valley Employment Lands Strategy*, *Rural Lands Strategy* and *Green Infrastructure Strategy*, the *Clarence Valley Community Strategic Plan*, and the *Clarence Valley Local Strategic Planning Statement (LSPS)*. An overview of relevant plans is shown in Figure 1.

Together, these plans and strategies will inform future reviews of the *Clarence Valley Local Environmental Plan 2011 (CVLEP)* and Council's Development Control Plans.

Strategic directions

Based on a review of the strategic planning framework and policy context in Annexure 1, the LHS needs to be consistent with and give effect to the strategic directions summarised in Table 1 below.

Table 1: Strategic directions

Strategic directions	Response
<i>Ensure housing diversity</i>	<ul style="list-style-type: none"> - Increase supply of multi-dwelling and small lot housing (<400m²). - Investigate opportunities for shop-top housing in Grafton.
<i>Encourage infill housing</i>	<ul style="list-style-type: none"> - Concentrate housing growth in Grafton, South Grafton, Maclean, and Yamba. - Target 40 per cent infill housing in suitable locations across the LGA.
<i>Respond to housing affordability challenges</i>	<ul style="list-style-type: none"> - Increase the supply of a mix of affordable and low-cost market housing and located close to employment opportunities.
<i>Enhance liveability</i>	<ul style="list-style-type: none"> - New housing to be sympathetic to character and amenity of the area. - New or infill development to be supported by infrastructure, including green infrastructure.
<i>Protect natural environments</i>	<ul style="list-style-type: none"> - Encourage growth on already zoned land. - Locate most new urban release areas and rural residential areas away from the coastal strip, avoiding land with high environmental value and important farmland.
<i>Plan to reduce impact of natural disasters</i>	<ul style="list-style-type: none"> - Adapt to climate change and reduce exposure to natural hazards. - Locate urban release areas away from areas of known high bushfire risk, flood and coastal hazard areas.

State



Regional



Local



Figure 1: Strategic planning context

1.2. LGA snapshot

The Clarence Valley is located approximately 600 kilometres north of Sydney and 300 kilometres south of Brisbane. It is the largest LGA in Coastal NSW and is a linking Council between the Northern Rivers and the Mid North Coast sub-regions (Figure 2).

Grafton, the largest city in the Clarence Valley, is within an hour drive of Coffs Harbour. Maclean is just over an hour south of Lismore and Ballina.

The shorter and safer drive offered by the upgrade to the M1 Motorway is strengthening the economic and functional links between the Clarence Valley and south-east Queensland, with easy access to Brisbane and the Gold Coast. For our freight and logistics, forestry, fisheries and agricultural products, which are key economic drivers, the Clarence Valley is within a 12 hour drive of almost 13 million people, representing 97 per cent of New South Wales and Queensland's 2020 population.

Although the Clarence Valley is defined as part of the Mid North Coast sub-region under the North Coast Regional Plan, it has strong ties with the Northern Rivers sub-region as part of:

- the Northern NSW Local Health District
- the Northern Rivers according to Regional Development Australia
- one of the seven LGAs covered by North Coast Community Housing (NCCH)
- the Northern Rivers for Tourism and marketing purposes
- Clarence Valley Council's active participation on the Northern Rivers Joint Organisation for Councils.

The Clarence Valley's large areas of national park and the coast are key features and contributors to its lifestyle and tourist attraction. The links to the

heritage of the Bundjalung, Gumbaynggirr, and Yaegl nations, provide a platform for understanding the rich history and culture of its first peoples.

The growing agriculture, forestry and fishing sector is a key economic driver in the region, along with construction, manufacturing and health and aged care. Marine industry in the lower Clarence is a specialist and growing industry. Investment of \$264 million in the Grafton Base Hospital and in the development of Grafton Private Hospital will further reinforce the importance of Grafton as the region's service centre and the centre of a growing aged care sector.

Urban development and employment opportunities are concentrated in the centres of Grafton, Maclean and Yamba along the Clarence River. The coastal and hinterland areas include dispersed settlements which place pressure on infrastructure provision, expose communities to natural hazards and increased costs of living pressures and rising travel costs.





Figure 2: Clarence Valley in its regional context

1.3. Housing vision

Whilst Council doesn't control the supply of housing and can only facilitate the types of housing through regulatory controls, this LHS sets out ways that we could work with the private sector, government, and the community to achieve a vision so that the Clarence Valley is a **Community of Opportunity**, and our residents:

- have access to safe, secure, diverse and affordable housing that meets their needs at every stage of life.
- can afford a safe and comfortable home to live in, without compromising on basic needs.
- live in an area of their choice, connected to local services, jobs, and social networks.
- have a range of housing choices available to them, no matter what their life circumstances – whether they are experiencing a crisis, living in social housing, renting in the private market or aspiring to home ownership.

Housing in the Clarence Valley is:

- appropriately located, to reduce the risk of natural hazards, optimise the use of existing infrastructure, and minimise environmental and amenity impacts.
- designed to be consistent with the desired character of the area, ecologically sustainable and resilient to natural hazards.
- diverse, affordable and adaptable to respond to the diverse demographics of our community, including young people, key workers, seniors, and particular groups in need.



2.0 THE EVIDENCE

This section establishes the demographic, housing, and affordability context of the Clarence Valley to gain an understanding of local housing needs.



2.1 Demographics

This section draws on the demographic analysis in Annexure 2 to identify the key demographic trends that need to be considered in planning for housing.

Population growth has been higher than anticipated in the past 5 years.

The Clarence Valley's population has grown faster in the five years between 2016 and 2021, increasing at an average of 1.4 per cent per annum, compared to previous periods when growth averaged 0.4 per cent per annum. This is driven by an acceleration of people moving to the LGA for the lifestyle, movement associated with the COVID-19 pandemic and the relative affordability of the area.

This extent of growth has been largely unanticipated by government and statutory planning documents. The NSW Department of Planning, Housing, and Infrastructure (DPHI) forecast indicated that the LGA's population would reach 54,352 people by 2041, whilst the 2021 Census recorded a population of 54,115 people resident in the LGA.

The population forecast prepared by demographers .id suggests that the population in 2041 is likely to reach 64,121 people, representing an average growth rate of 0.8 per annum.

The Clarence Valley is attractive to households seeking lifestyle changes.

A shift in lifestyle preferences, with households seeking a slower pace of life, escape from the stress and congestion of cities, proximity to the ocean, rural or semi-rural areas, stronger sense of

community and a greater connection with nature has led to households moving for a 'sea change' or 'tree change'.

Increasing levels of remote working creates opportunities for households to relocate from cities and larger towns. Housing affordability when compared with larger cities and a range of diverse housing opportunities including rural properties and retreats have also been drivers behind the sea change and treechange movement, including movements to the Clarence Valley.

Almost 7,500 people moved to the area between 2016 and 2021, with many relocating from Greater Sydney, Coffs Harbour, overseas, Gold Coast, Brisbane, Tweed and the Central Coast. This has contributed to pressure on the availability and affordability of housing.

The population is ageing.

From 2016 to 2021, the largest change in the age structure of the population was an increase in people aged over 60 years from 27 per cent of the population to 36 per cent of the population. The housing needs of this group will change over time, and it will be important to ensure that there are appropriate housing options for this group.

Household size is decreasing.

From 2011 to 2021, the average number of persons per household in the Clarence Valley marginally decreased from 2.4 to 2.3. This corresponds with the ageing population, and the notable recorded increase in older couples without children and older lone person households. This trend is being experienced across NSW.

Labour force participation and wages are lower than other parts of NSW.

Currently, the Clarence Valley has a smaller labour force than elsewhere in NSW, with fewer

full-time workers and more part time workers. This is largely reflective of the age structure.

Residents generally had lower incomes than elsewhere in regional NSW, with a higher proportion of very low-income earners. A large proportion of residents receive their main income from government benefits and allowances, and fewer from employee wages or salary, compared to elsewhere in regional NSW.

There is a lack of employment opportunities in the Clarence Valley for higher-income earners, although opportunities for remote or hybrid work have increased. The largest industries providing employment opportunities locally include health care and social assistance, followed by retail trade, and construction. This suggests that there is a high number of 'key workers' in the LGA.

Many residents own their own home.

Compared to other parts of NSW, a much smaller proportion of dwellings are rented in the Clarence Valley compared to NSW, whilst far more households own their dwelling outright.

Housing costs are increasing rapidly in the Clarence Valley, but at a lower rate than elsewhere in the North Coast region.

The Clarence Valley's median dwelling sale price in 2022 was \$605,000. This represents a doubling of median dwelling sale prices over the past six years, with strong growth recorded over the past three years. It is noted that dwellings sales prices are generally higher in locations such as Yamba (lower Clarence) and lower in locations such as Grafton (upper Clarence).

Most LGAs in the North Coast region have shown high growth rates in their median sales price. Compared to other LGAs, the Clarence Valley's median price has increased at a lower proportional rate than Ballina (124%) and Byron Bay (120%), and at a rate similar to Tweed Shire (100%) and Coffs Harbour (103%).

Similarly, average weekly rentals have increased in the Clarence Valley over the past six years by an average of 40 per cent from \$323 per week in

2016 to \$443 per week in 2022. The proportionate increase was relatively consistent over all dwelling types and dwelling sizes.

These increases in housing costs have occurred despite an increase in the number of dwellings in the LGA. This can be attributed to increasing demand from a growing population and smaller average household sizes, and a reduction in the number of available dwellings through increased use of dwellings for short-term rental accommodation. There were over 900 short-term rental accommodation listings in the LGA in 2021, most of which were to rent the entire dwelling.

Rental stress is high in the Clarence Valley.

According to 2021 Census data, 23 per cent of households lived in rented dwellings. Of these households, 43 per cent experienced rental stress, with weekly rent payments exceeding 30 per cent of their household income, higher than both regional NSW and NSW as a whole.

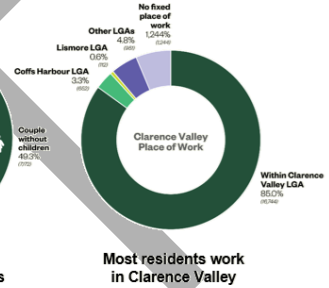
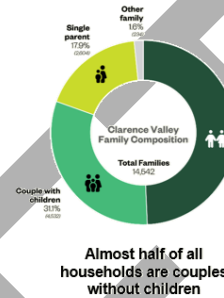
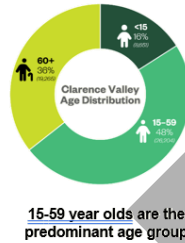
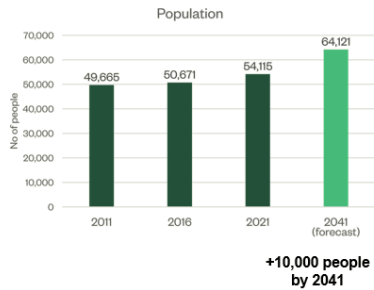
On the other hand, 14 per cent of households with mortgages experienced mortgage stress, with mortgage repayments exceeding 30 per cent of their household income. This is slightly lower than the NSW average but higher than the rest of NSW at 13 per cent. Households with mortgages represented 27 per cent of households in 2021.

Housing stress can contribute to an increased demand for social and affordable housing, as households facing affordability challenges often rely on government housing assistance programs.

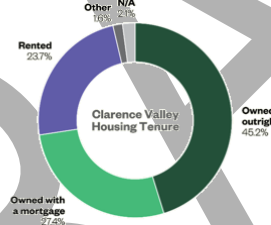
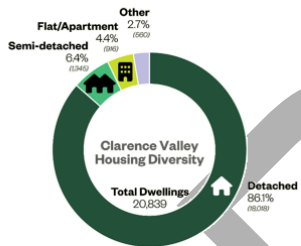


Clarence Valley at a glance

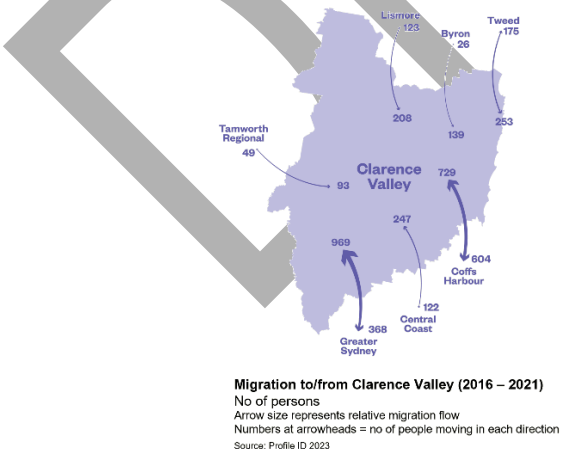
Demographic Profile



Housing profile



Median Weekly Rent \$310 NSW Average: \$420	Median Monthly Mortgage Payment \$1,378 NSW Average: \$2,167
Rental Stress > 30% of household income 43.4% NSW Average: 35.5%	Mortgage Stress > 30% of household income 14.1% NSW Average: 17.3%
Median Weekly Household Income \$1,123 NSW Average: \$1,829	Average Household Size 2.3 NSW Average: 2.6



2.2 Housing demand

This section draws on the housing demand analysis in Annexure 2 and the outcomes of community engagement activities in Annexure 3 to identify current and projected demand for housing.

Housing demand will be greater than previously anticipated.

Based on data sourced from demographers *.id*, by 2041, the Clarence Valley requires 3,729 additional dwellings, which equates to 190 additional dwellings per year.

According to NSW DPHI's dwelling projections, the Clarence Valley requires only 2,088 additional dwellings (or 105 dwellings per year) by 2041.

This LHS adopts the higher growth scenario given that population growth over the past five years has been greater than previously anticipated and is likely to continue at a higher rate.

As outlined in Sections 2.3 to 2.6, while the LGA is on track to meet this demand in terms of overall numbers, the type and location of housing is unlikely to meet the needs of the community, and there are a range of factors that could impact the timing or ability of the housing to be delivered.

There is growing demand for diverse housing options, including smaller dwellings.

Based on an analysis of demographic trends in Section 2.1, there is high and growing theoretical demand for more diverse housing options including compact apartments, townhouses and small lot housing.

By 2041, it is projected that the Clarence Valley will have an additional 1,800 to 2,000 small households comprising only one or two people. These households would consist of a mixture of lone person households, single parent households, and couple with no children households.

Providing a diverse range of dwellings is important to cater to the needs of these households, and to provide low-cost market solutions for people on lower incomes.

Despite this, market demand is predominately for large single dwellings. This is demonstrated by the residential development applications for a total of 1,948 dwellings lodged over the past three years.

Between 2021 to 2023, single dwellings dominated development applications, totalling 1,176 dwellings (60 per cent of total dwelling development applications). In comparison, medium density housing development applications accounted for 756 dwellings (39 per cent of total dwelling development applications).

There is high and growing demand for social and affordable housing.

As at the 2021 Census, 2,034 households were identified as needing cheaper rental housing; most of which were low or very low-income households. It is likely that this situation has worsened in the wake of rental affordability trends in the period since the Census.

The NSW Department of Communities and Justice (DCJ) waitlist reflects the demand and urgency for social and affordable housing.

As at 30 June 2022, the total number of applications for social housing across the Lower Clarence Valley and Grafton allocation zones was 471 households, with 60 households identified as priority households.

As of 30 June 2022, the wait time for all dwelling types in the Grafton allocation zone were consistently 5 to 10 years, while the Lower Clarence Valley allocation zone exhibited significantly longer wait times of over 10 years for 1-bed and 4-bed dwellings. The significant wait time of the DCJ waitlist for the Clarence Valley highlights the scarcity of available social and affordable housing options and the need for

increased investment and support in addressing housing affordability issues.

The UNSW City Futures Research Centre's *Housing Need Dashboard* forecasts an 8.6 per cent annual growth of current social housing required to meet the projected demand by 2041 in the Clarence Valley.¹

Targeted housing solutions for First Nations residents are important.

As at the 2021 Census, around 8 per cent of the Clarence Valley's population was of Aboriginal and/or Torres Strait Islander origin, compared to 7 per cent across all of Regional NSW. The areas with the highest percentages were Grafton (11 per cent) and Maclean (10 per cent).

Indigenous households are particularly over-represented in the social housing sector due to difficulties experienced in accessing private rental accommodation. These include challenges of meeting criteria for properties, intergenerational trauma, racial discrimination within the rental markets or lack of good quality housing.² This emphasises the critical need for targeted housing solutions.

Adaptable housing is needed to meet the needs of seniors and people with disability.

There is growing demand for adaptable housing to meet the needs of the elderly and people with disability.

A greater proportion of Clarence Valley residents require assistance with core activities compared with other parts of NSW. This includes people requiring assistance with self-care, mobility, and communication due to a long-term health condition, a disability, or through old age. Given the LGA's age structure, it is likely that old age is the dominant factor.

Between 2011 to 2021, the number of Clarence Valley residents requiring assistance with core activities increased from 7.6 per cent to 8.5 per cent. It is expected that this trend will continue.

Council's *Affordable Housing Policy* encourages the delivery of 'adaptable housing' to meet the needs of seniors and people with disability.

¹ UNSW City Futures Research Centre (2022): Housing Need Dashboard, <https://cityfutures.ada.unsw.edu.au/cityviz/housing-need-dashboard/>

² Moskos M, Isherwood L, Dockery M, Baker E and Pham A (2022): 'What works' to sustain Indigenous tenancies in Australia, AHURI Final Report No. 374, Australian Housing and Urban Research Institute Limited, Melbourne, <https://www.ahuri.edu.au/research/final-reports/374>

The community recognises the need to increase the supply of diverse, affordable, and well-located housing.

As outlined in Annexure 3, the Clarence Valley community was invited to give feedback on their housing needs and preferences as part of the preparation of this LHS. A selection of key findings are summarised below:

- Few respondents believed they could find a new home (either to rent or purchase) in the Clarence Valley if they had to.
 - Almost all respondents support housing that is resilient, well-built, suited to the climate, flood free and with adequate car parking.
 - High level of support for housing located close to services and amenities, such as work, shops, parks and social infrastructure.
 - Despite the high and growing number of smaller household sizes, there is high and continued demand for detached dwellings in the LGA, both for rent and purchase.
 - Many young people are unable to move out of home and/or remain in the area due to a lack of affordable or suitably sized dwellings.
- Some older people may be interested in downsizing or moving out of more remote parts of the LGA but cannot afford to do so.
 - The community recognises that there is latent demand for smaller, well-located dwellings in the region, as evidenced by downsizers moving into manufactured home estates.
 - When asked what type of housing they would like to live in, there was:
 - A positive response for detached dwellings and duplexes;
 - A neutral response for granny flats, low rise apartments, and townhouses; and
 - A somewhat negative response for high and medium rise apartments.
 - When asked what types of housing they would support being delivered in their area, there was:
 - A positive response for granny flats and detached houses;
 - A positive response for townhouses, duplexes, and low-rise apartments; and
 - A somewhat negative response for high and medium rise apartments.

2.3 Housing supply

This section draws on the analysis of housing supply data in Annexure 2 to identify whether the housing supply pipeline is sufficient to meet projected demand. It also considers some of the factors that affect the supply of housing, including environmental constraints, ownership patterns, the practice of land banking, infrastructure funding and delivery, and external market factors.

The Clarence Valley is on track to meet projected dwelling demand in terms of total numbers.

According to 2021 Census data, the total number of private dwellings in the Clarence Valley on Census night was 26,060, reflecting a 6.4 per cent increase from the 24,487 dwellings recorded in 2016. Over this period, there was a 10 per cent increase in the number of dwellings across NSW. The number of households in the LGA increased by 5.4 per cent between 2016 and 2021, whilst total population increased by 6.8 per cent.

Table 2 provides an estimate of the supply pipeline based on analysis of dwelling approvals, completion trends and subdivision approvals. As new applications are approved, these will add to the supply pipeline.

Table 2: Current housing supply pipeline (estimated)

Timeframe	Estimated housing supply
Short-term (0-5 years)	1,320 dwellings (including MHEs)
Medium term (5-10 years)	1,080 dwellings
Long term (10+ years)	1,000 dwellings

Housing is concentrated mostly in the LGA's main centres.

As a result of the *Clarence Valley Settlement Strategy 1999*, most (55%) of housing is concentrated around the LGA's three key settlements: Grafton, Yamba and Maclean. These areas have relatively good access to services and facilities, particularly the Strategic Centre of Grafton. The remaining 11,202 (or 45%) LGA residents reside in smaller towns and villages, dispersed throughout the LGA, with varying levels of access to services and facilities and transport.

Since 2019, the top five locations for dwelling approvals are Yamba (30%), Grafton (22%), Gulmarrad (6%), Woombah, (5%) and South Grafton (4%).

Housing supply is predominantly single dwellings.

In the Clarence Valley, housing overwhelmingly consists of large (three and four bedroom) standalone houses, with only a small portion of semi-detached or apartment housing available.

Analysis reveals that 86 per cent of all dwellings consisted of separate houses. Medium density dwellings, including semi-detached, terrace, or townhouses, accounted for six per cent of the total, while apartment-style dwellings constituted four per cent of dwellings. Other dwelling types comprised three per cent of the overall count.

Of these private dwellings, 12 per cent (3,127 dwellings) were recorded as unoccupied on Census night. This is higher than the rate of unoccupied dwellings across NSW. This may reflect the prevalence of short-term rental accommodation across the LGA as well as a level of investment in investment properties and holiday homes.

Housing is not affordable for households on low incomes.

Housing in the Clarence Valley is not affordable for households on low incomes and a high and growing number of rental households are experiencing housing stress.

According to the *Rental Affordability Snapshot 2023*, on the snapshot weekend of 18 March 2023, private rentals listings on realestate.com.au were surveyed in the North Coast to assess the affordability for varying types of households on low incomes.

Out of 100 listings in the Clarence Valley, only 30 properties were suitable for couples with two children on minimum wage and supported by other income sources. This data highlights the significant challenges faced by families in securing adequate and affordable housing options in the region.

Within the Clarence Valley, there are a total of 194 community housing properties, comprising 170 general housing types, 23 crisis accommodation units, and one dedicated affordable housing unit. North Coast Community Housing is the leading Community Housing Provider (CHP), managing a significant portfolio of 155 dwellings. The other notable CHP is Anglicare North Coast (34 dwellings).³

There is growing demand for suitable rental accommodation across the LGA.

Most rental houses in the LGA are large standalone houses, with only a small amount of semi-detached or apartment dwellings available for rent. Further, most rental dwellings in the LGA are limited to Grafton, with few options in other areas.

Despite Grafton having the largest amount of rental housing, rental vacancy rates in the area are very low, suggesting an unmet demand for rental housing.

Overcrowding is an emerging issue.

Between 2016 and 2021, people living in compromised dwelling conditions increased by 10 per cent. This is being driven by the combination of high rental prices, low incomes and lack of appropriate rental supply. Severe overcrowding can contribute to homelessness by exacerbating housing shortages and affordability issues.⁴

Some progress has been made in delivering First Nations housing.

The Birrigan Gargle Local Aboriginal Land Council (LALC) operates from Yamba and Ngaru Village accommodates one of the largest Indigenous communities in the Clarence Valley.

The LALC are currently progressing two residential developments, in Iluka and Yamba. Whilst the larger-scale project in Iluka ('Birrigan Iluka Beach') is being developed as open market housing, the smaller development in Yamba ('Ngaru Village') is intended to provide First Nations housing. Whilst the mechanism for delivering this First Nations housing is unclear at the time of preparing this LHS, it demonstrates that the LALC is able to progress such projects.

Further engagement and a collaborative approach is needed to identify options to address housing needs, particularly aged care. A focus on specific needs of First Nations communities also presents opportunities to improve skills across the local community, better achieve economic self-determination and flow on benefits for community wellbeing.

³ Anglicare Australia (2023): Rental Affordability Snapshot Regional Reports

⁴ Brackertz N, Davison J, Borrowman L and Roggenbuck C (2019): Overcrowding and severe overcrowding: an analysis of literature, data, policies and programs, AHURI <https://www.ahuri.edu.au/sites/default/files/migration/documents/overcrowding-and-severe-overcrowding-report.pdf>

Manufactured home estates are plugging part of the gap in the housing market.

Manufactured Home Estates (MHEs) are becoming an increasingly popular housing choice for Clarence Valley residents. In August 2023, there were four MHEs in the LGA, providing 520 dwellings. A further three estates with a total of 525 dwellings have been approved since 2021, of which two are under construction. Of these seven MHEs, five are located in Yamba. At the time of writing this LHS, Council is assessing a DA for an additional 216-dwelling MHE.

Under the Housing SEPP, MHEs are generally permitted wherever caravan parks are permitted. The SEPP contains provisions that seek to ensure that MHEs:

serve as a contemporary form of medium density residential development that provides an alternative to traditional housing arrangements,

contribute to the supply of affordable housing in well-designed estates,

are situated only in suitable locations and not on land having important resources or having landscape, scenic or ecological qualities that should be preserved,

are adequately serviced and have access to essential community facilities and services,

minimise impacts on the environment, and

provide security of tenure for residents.

MHEs operate in a similar way to a caravan park, wherein the resident purchases or constructs a relocatable home on a site rented from the

operator. These estates are marketed as 'lifestyle' or retirement estates.

These homes are especially attractive to older households experiencing constrained housing choices as they do not have significant housing equity. They are generally lower priced than housing in surrounding areas. In Grafton, a dwelling in an estate is in the range of \$350,000,⁵ whilst in Yamba the advertised price range is between \$400,000 and \$500,000 for a two bedroom dwelling.⁶ This price reflects the price of the dwelling only.

While these MHEs can provide a more affordable housing alternative and are financially attractive for operators, they are not without challenges. MHEs require approval under the *Local Government Act 1993* and the Housing SEPP, and operate under the *Residential (Land Lease) Communities Act 2013* and its associated regulations. They fall outside the local planning framework and can be located on land which has not been identified for residential development.

They can also be developed in locations which are not proximate to medical and retail facilities or have access to these facilities. As the majority of residents of these estates tend to be reliant on the Commonwealth Age Pension and Commonwealth Rent Assistance, the costs of travel to access services is a further drain on the limited finances of residents.

In late 2023-early 2024, DPHI exhibited proposed changes to the Housing SEPP that may address some of the issues with MHEs. This includes a proposal to prohibit permanent MHE sites on flood-prone land in caravan parks. Short-term sites would continue to be permitted on

⁵ https://mckimms.com.au/listings/residential_sale-3293322-grafton/ (accessed 10/06/2023)

⁶ <https://www.realestate.com.au/project/clifton-yamba-600036371> (accessed 10/06/2023)

flood-prone land and the changes will not impact existing sites. Additional flood requirements for new MHE developments are also proposed, including minimum flood levels for habitable rooms.

At the time of writing this LHS the proposed changes are still under consideration, along with further changes that have not yet been exhibited. It is anticipated that MHEs will be removed from the *Local Government Act 1993* and its associated Regulations and would instead be managed under the *Home Building Act 1989* and the *Building Code of Australia (BCA)*.

This would mean that MHEs would require a construction certificate and occupation certificate from a registered certifier, and would need to comply with the performance requirements of the BCA. This may help to address some of the issues associated with this form of housing in terms of safety issues and built form outcomes.

It is anticipated that the amendments will be adopted in 2025, requiring subsequent amendments to the *EP&A Act* and *Local Government Act 1993*. NSW DPHI advises that broader changes will be progressed later in 2024, relating to issues of definitions and permissibility, with the intent of removing barriers posed by the planning system regarding the use of manufactured homes outside parks and estates.



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2.4 Theoretical dwelling capacity

The *Clarence Valley Local Strategic Planning Statement* and the *North Coast Regional Plan (NCRP)* identify Clarenza, Junction Hill, James Creek, and West Yamba as priority urban release areas that are intended to accommodate future housing growth.

Consistent with the NCRP, Council also seeks to encourage infill housing in select urban centres and villages. This will help to achieve much needed housing diversity outcomes, maximise the use of existing infrastructure and allow people to live close to jobs, services and facilities, and public transport.

Theoretical dwelling capacity

This section provides an estimate of the *theoretical* quantity of dwellings that could potentially be delivered under existing zoning and planning controls. This estimate is based on the modelling of approved release areas and planned urban release areas in Annexure 2.

Overall, it is estimated that there is theoretical capacity for an additional 9,229 new dwellings across the LGA under existing zoning controls. Table 3 and Table 4 provide a breakdown of theoretical capacity by location, and these areas are mapped in Figure 3.

Table 3: Capacity for new housing under existing planning controls (upper and lower Clarence)

Location	Theoretical capacity (dwellings)
Upper Clarence Valley	5,754
Lower Clarence Valley	3,474
Total capacity	9,229

* Note: The boundary delineating the upper Clarence and lower Clarence area is shown in Figure 6

Table 4: Capacity for new housing under existing planning controls (URAs, R5 and urban centres and villages)

Location	Theoretical capacity (dwellings)
Capacity within Urban Release Areas	3,185
R5 Large Lot Residential areas*	1,366
Urban centres and villages	4,678
Total capacity	9,229

* Note: Large lot residential locations include R2 zoned land in these locations, as shown in Figure 3 (Source: Mecone GCOM modelling)

The actual number of new dwellings delivered in the coming decades is likely to be considerably lower than the theoretical capacity due to a range of factors that affect housing supply, which are discussed in Section 2.5 of this LHS.

Urban Release Areas and R5 Large Lot Residential Areas

The Urban Release Areas (URAs) and R5 Large Lot Residential areas offer the greatest opportunity for additional housing within the LGA. The URAs offer opportunity for 'greenfield' subdivision and development. Development of R5 land is often subdivision of large remaining lots to offer large lot rural lifestyle lots.

Together these areas contain 46 per cent of the remaining housing capacity (with a combined total of approximately 4,551 dwellings) as indicated in Table 5 and Table 6 below. This is based on the capacity of land which is not subject to constraints such as flooding, high biodiversity values, and bushfire (detailed further in Section 2.5). Details of the modelling methodology is provided in Annexure 2.

Figure 3 indicates the geographic distribution of theoretical dwelling capacity across the LGA.

Table 5: Urban Release Areas – remaining theoretical capacity

Urban Release Area	Theoretical capacity (dwellings)
<i>Clarenza</i>	613
<i>Gulmarrad</i>	368
<i>James Creek</i>	331
<i>Junction Hill</i>	1,088
<i>West Yamba</i>	784
Total	3,185

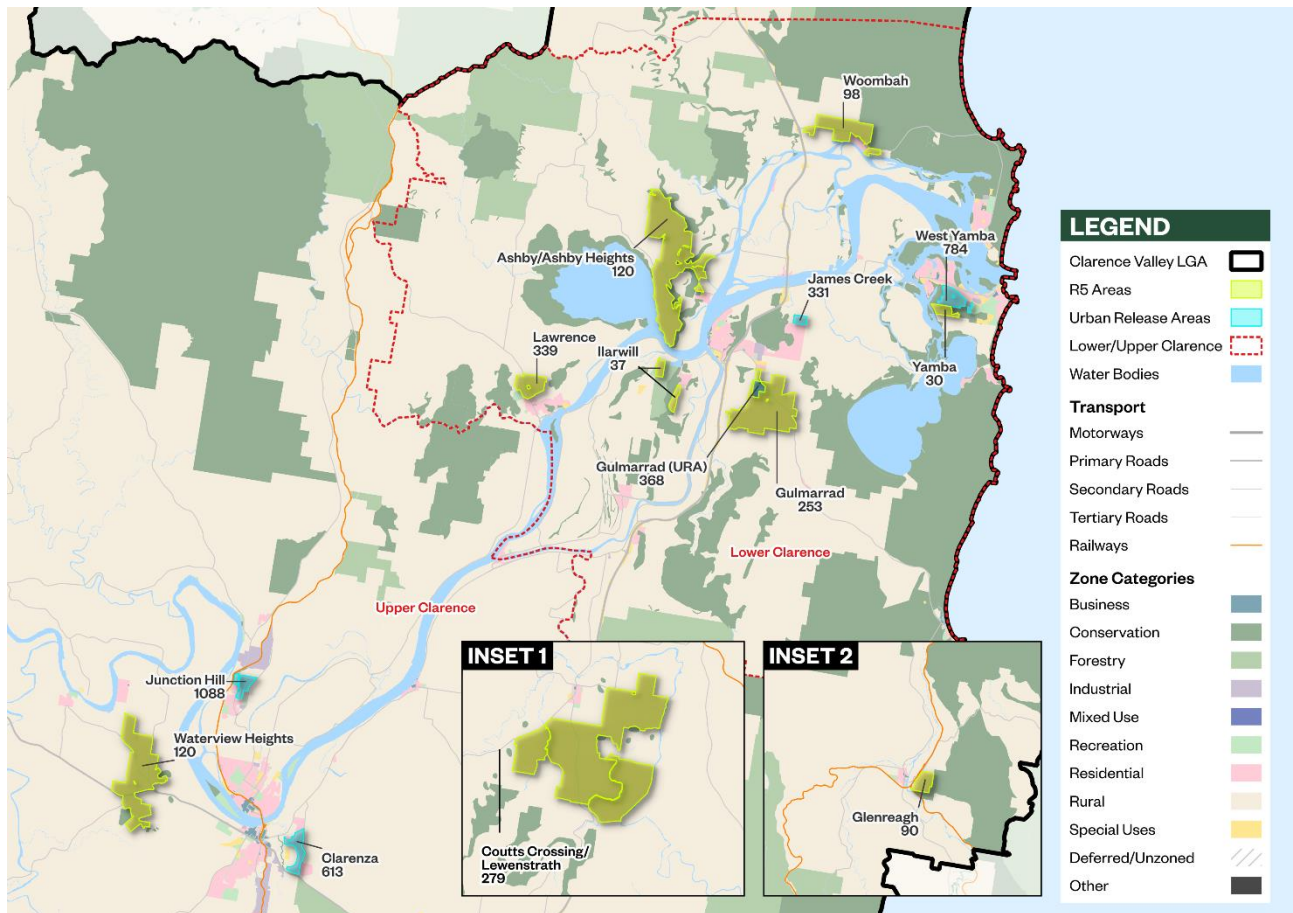
Source: Mecone GCOM modelling, 2023

Table 6: R5 Large Lot Residential – remaining theoretical capacity

R5 Large Lot Residential area	Theoretical capacity (dwellings)
<i>Coutts Crossing / Lewenstrath</i>	279
<i>Gulmarrad</i>	253
<i>Waterview Heights</i>	120
<i>Ashby/Ashby Heights</i>	120
<i>Woombah</i>	98
<i>Glenreagh</i>	90
<i>Ilarwill</i>	37
<i>Yamba</i>	30
<i>Lawrence (R5 zoned land only)</i>	339
Total	1,366

Source: Mecone GCOM modelling, 2023

Figure 3: Theoretical dwelling capacity, by location



Note: R5 areas shown are those with additional capacity.

2.5 Factors affecting supply

Whilst there is a sufficient amount of residential zoned land in the Clarence Valley LGA to accommodate forecast demand, not all land that is currently zoned for housing can or will be developed. There are issues with activating latent zoned supply to bring housing 'to market' due to barriers such as land banking, infrastructure provision and servicing, development feasibility, and environmental constraints. These matters are discussed below.

A large proportion of the Clarence Valley LGA is affected by environmental constraints.

The unique natural environment of Clarence Valley is its biggest asset. However, this presents challenges when planning for housing, since large parts of the LGA are identified as bush fire prone and the floodplain along the Clarence River from Grafton to the Clarence River mouth is prone to flooding.

The Clarence Valley experienced compounding disasters from 2019-2022. Between July 2019 and January 2020, 548,698 hectares, or 59 per cent of the Clarence Valley was burnt. The fires directly impacted 1,500 rural residents, with a total of 168 houses lost in the southern and western parts of the LGA.

In February to April 2022, heavy rainfall caused major flooding of towns along the Clarence River including Grafton and Maclean. Meanwhile, residents in Yamba, Iluka, Wooli, and surrounding areas were cut off by floodwaters for six days.

Figure 4 shows the extent of constrained land in the Clarence Valley LGA. It is noted that the map identifies land already approved for subdivision as 'constrained' to give an indication of what is remaining for potential development. Further detail regarding how constraints were considered

is provided in Annexure 2 (Table 33), whilst the figures on the following pages highlight selected development constraints including fire (Figure 5), flood (Figure 6), and biodiversity (Figure 7).

Large parts of the Clarence Valley are protected as National Parks and other areas contain important fauna and flora.

Parts of the Clarence Valley have been identified as areas of regional koala significance as part of the NSW Saving our Species Koala Project, a state-wide program to secure the koala in the wild in NSW for 100 years. Koala hubs – significant areas of koala habitat with small, localised populations – have been identified across the LGA, and a Koala Plan of Management has been prepared for land around Ashby.

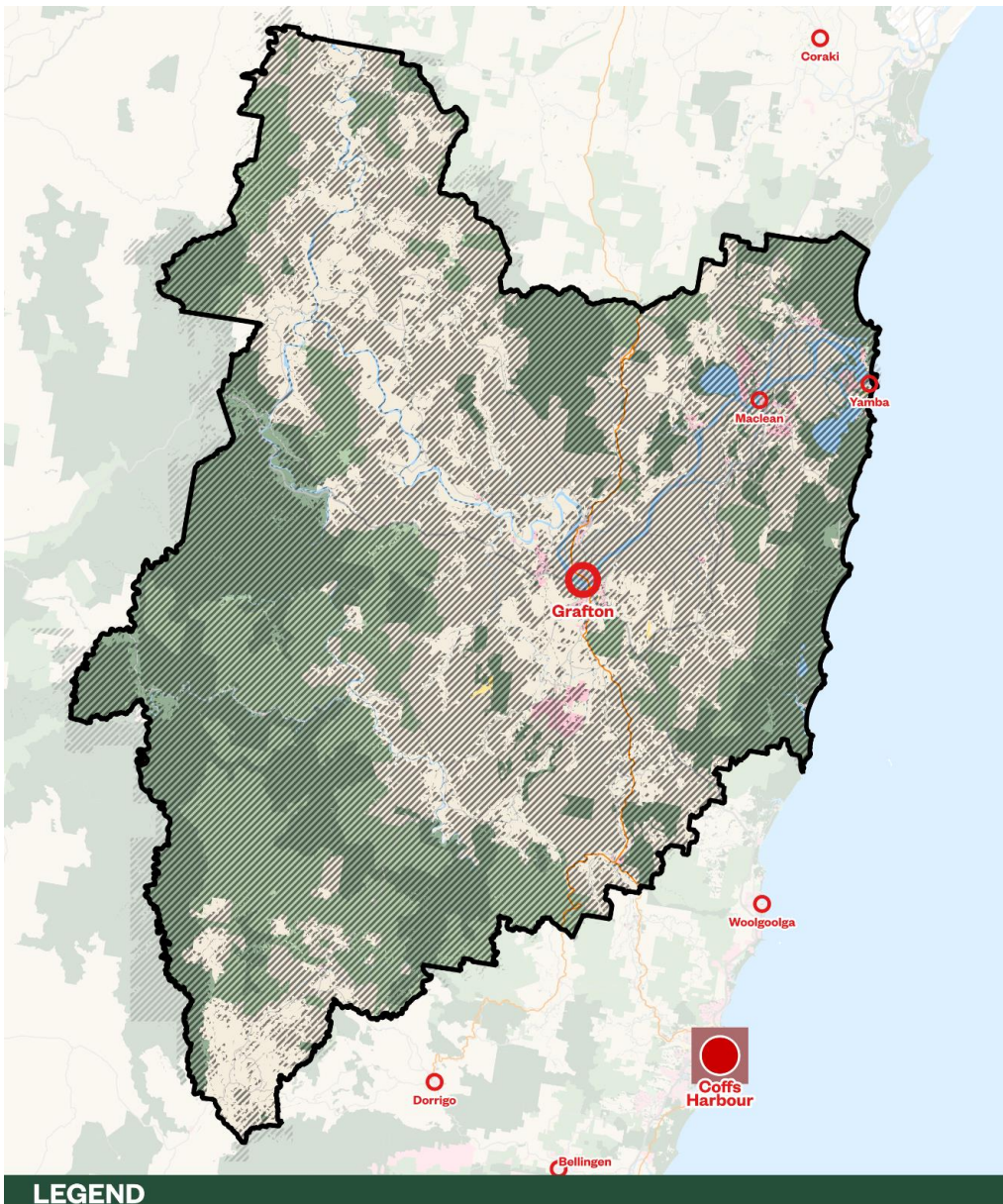
Future development in areas of important biodiversity will require careful consideration.

Heritage conservation areas apply to a large portion of areas that are suitable for housing.

CVLEP has an extensive schedule of identified heritage items and nominates areas as Heritage Conservation Areas (HCAs). Conservation and management of the heritage significance of these areas is enabled through the application of Clause 5.10 of CVLEP and Part F of the *Residential Zones DCP 2011*. The DCP outlines requirements for development within HCAs.

HCAs apply to large areas of Grafton, South Grafton, Yamba, and Maclean, as well as to smaller villages across the LGA. These controls can increase uncertainty, risk, and costs for developers, thereby serving as a deterrent.

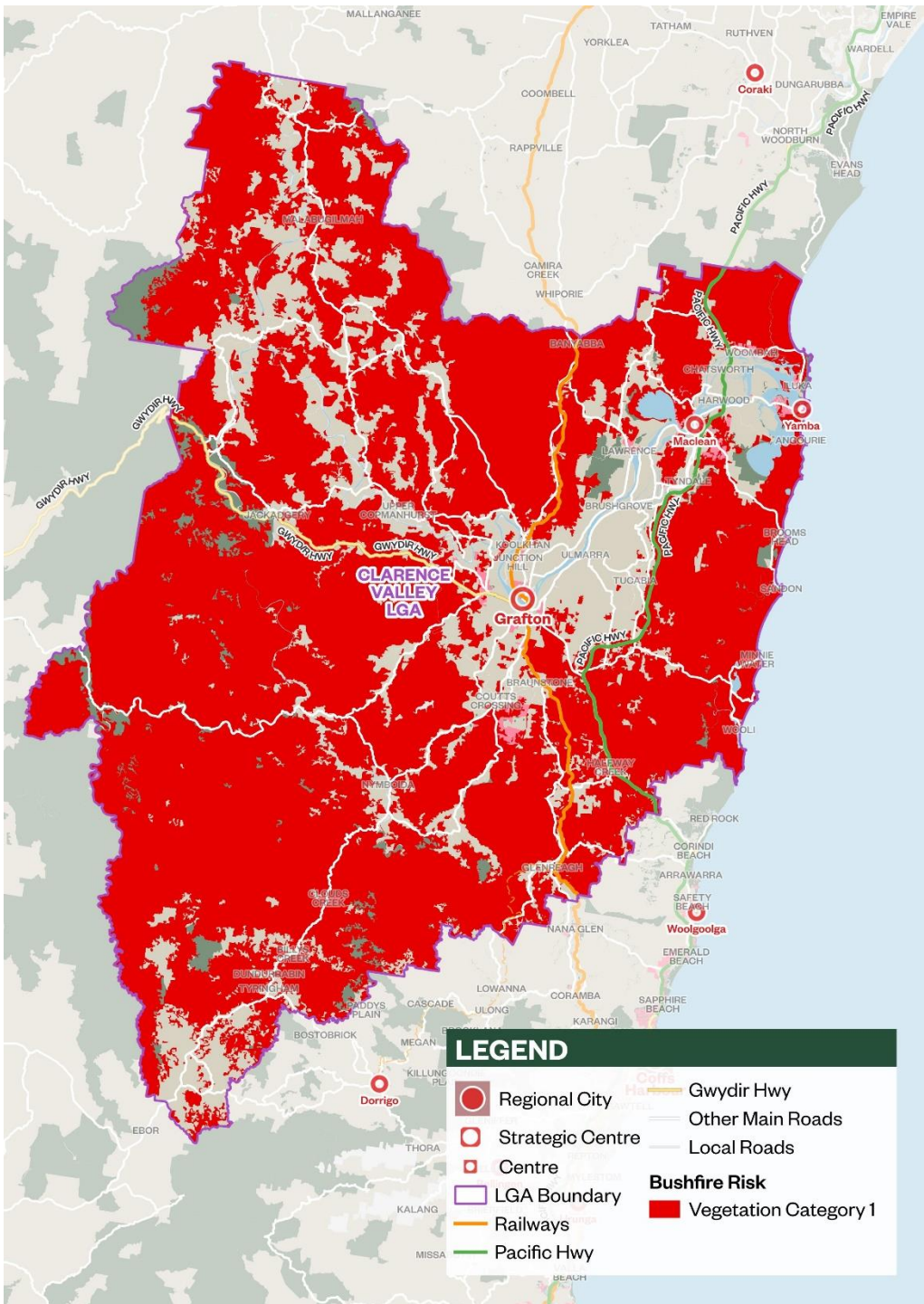
Figure 4: Constraints mapping overview



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- | | | | | |
|---------------------|------------------|-------------|------------------|------------------|
| Clarence Valley LGA | Secondary Roads | Forestry | Special Uses | Strategic Centre |
| Constraints | Tertiary Roads | Industrial | Deferred/Unzoned | Centre |
| Water Bodies | Railways | Mixed Use | Other | |
| Transport | Land Uses | Recreation | Centres | |
| Motorways | Business | Residential | Regional City | |
| Primary Roads | Conservation | Rural | | |

Figure 5: Bush fire prone land map



“Note: The figure shows updated draft bushfire mapping (June 2023) as used in the constraints modelling (refer to “planning capacity modelling methodology”) As at the time of preparing this LHS, the draft bushfire mapping has not yet been certified by the NSW RFS Commissioner.”

Figure 6: Flood risk map

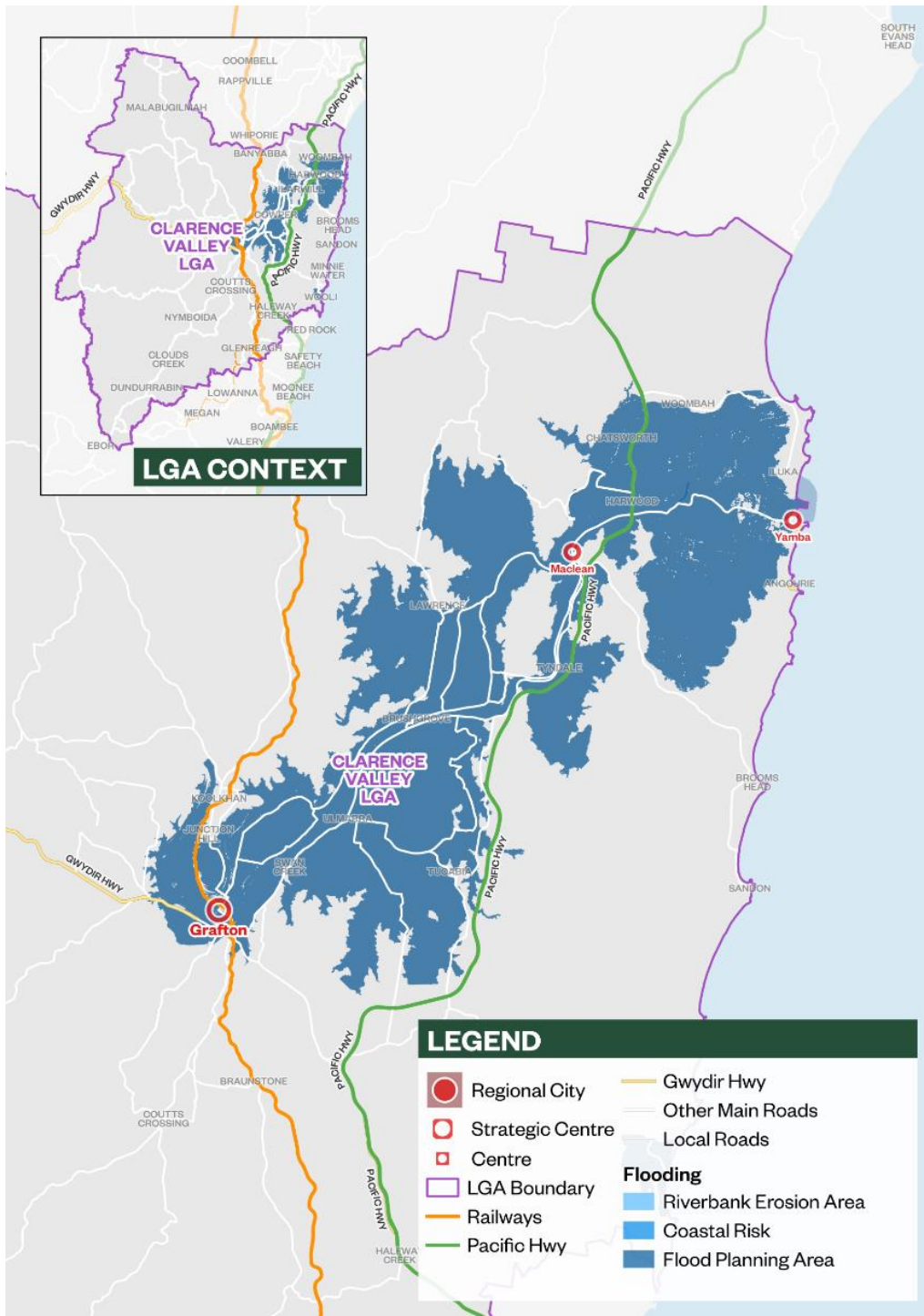
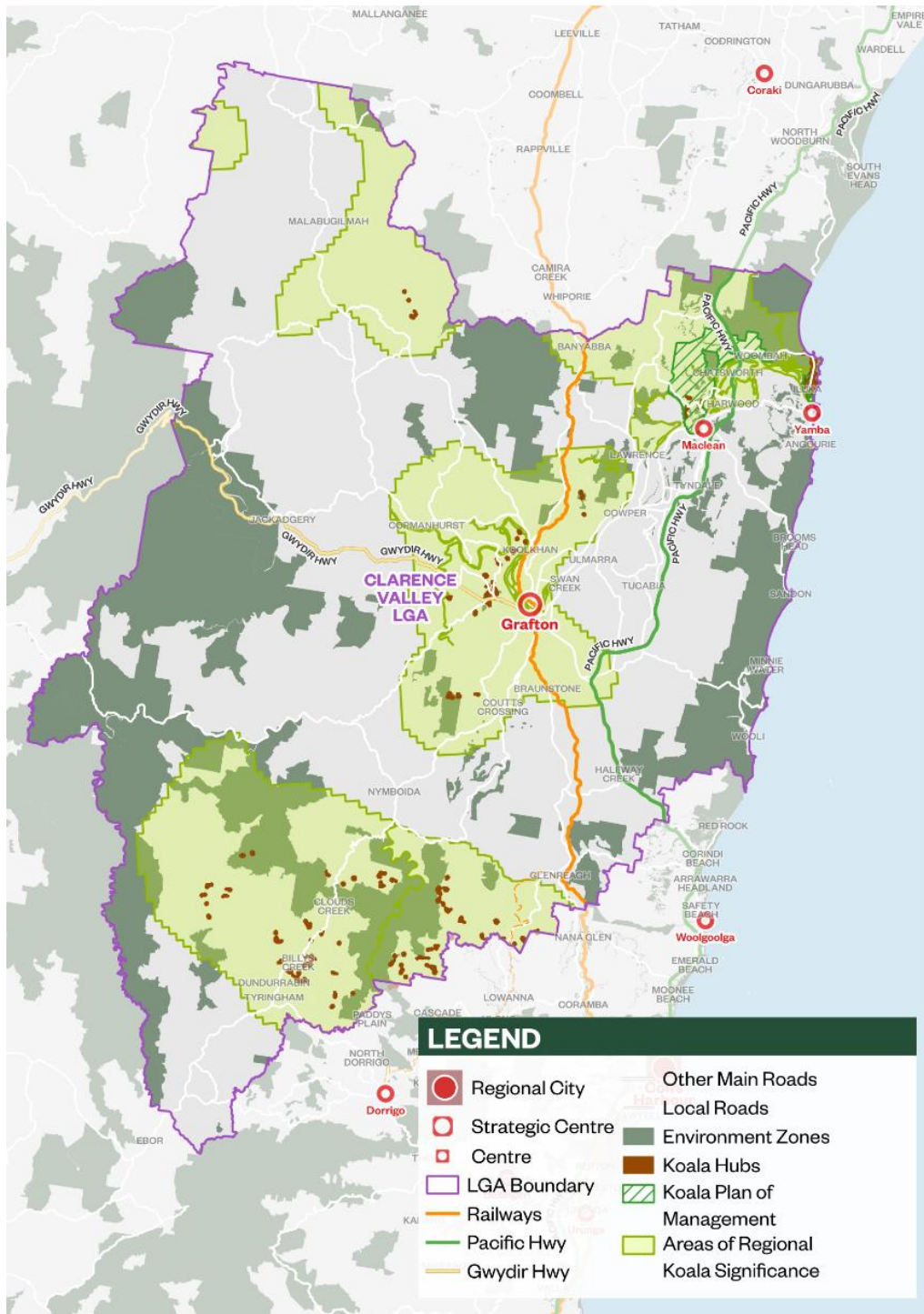


Figure 7: Biodiversity and conservation map



Promoting the supply of diverse and affordable housing is a significant challenge, particularly in regional NSW.

The planning system is one mechanism that can influence the supply of diverse and affordable housing. The role of the NSW planning system as outlined in the objects of the *Environmental Planning and Assessment Act 1979* (EP&A Act) includes the promotion of the orderly and economic use of land and development and the delivery and maintenance of affordable housing, with these objectives balanced against other considerations such as ecologically sustainable development, environmental protection, the management of built and cultural heritage, and the promotion of amenity, design, and construction quality.

There are other key factors influencing the supply of diverse and affordable housing. These include population growth and mobility, financial and taxation settings, interest rates, economic growth, Federal and State housing policy (including housing assistance), and construction activity.

There are a range of State Government policies and mechanisms to promote diverse and affordable housing.

In recent years the NSW Government has introduced various planning policies and mechanisms to facilitate housing supply, improve the design and sustainability of new dwellings, and encourage development of affordable and diverse housing types. These include:

- Planning incentives and expanded permissibility for targeted housing types

- Inclusionary zoning (*Housing SEPP*)

- Fast-tracked assessments (*Codes SEPP*, including the Housing Code; Rural Housing

- Code; Low Rise Housing Diversity Code; Greenfield Housing Code)

- Improved built form standards (*SEPP 65* and *BASIX*)

- Dedicated approvals framework for alternative accommodation (*Housing SEPP*)

- Regulation of short-term rental accommodation (*Housing SEPP*) including a 180-day limit for non-hosted accommodation in the Clarence Valley and other select areas.

State-wide planning controls for diverse and affordable housing

Part 1 of Chapter 2 of the *Housing SEPP* identifies the need for affordable housing across the State and sets out requirements that a local council, as a consent authority, must consider before imposing an affordable housing condition on a development consent in accordance with clause 7.32 of the Act. It is noted that Council may only impose a condition of consent for affordable housing if it has an Affordable Housing Contributions Scheme in place.

Chapter 2 of the *Housing SEPP* contains planning provisions to promote the delivery of diverse and affordable housing options across the state, including affordable infill housing (attached dwellings, dual occupancies, dwelling houses, manor houses, multi dwelling housing, residential flat buildings, semi-detached dwellings and shop top housing) and boarding houses.

In the Clarence Valley, the infill affordable housing provisions under the *Housing SEPP* only apply to residential developments within 800 metres of certain business (or equivalent) zones. In certain instances, this potentially limits opportunities to deliver diverse and affordable housing on sites that do not strictly meet the locational requirements of the SEPP but are otherwise

suitable. More flexibility is needed to apply the SEPP provisions where appropriate.

Fast track approval processes

The Low-Rise Housing Diversity Code contained in Part 3B of the *State Environmental Planning Policy (Exempt and Complying Development Codes) 2008* (the Codes SEPP) aims to increase the range of market housing available in NSW by making it quicker and easier to build homes that offer an alternative to apartments and freestanding houses. It allows dual occupancies, manor houses and terraces (up to two storeys) to be built under fast-track complying development approval.

To benefit from the fast-track approval processes, both the development and the site must meet certain requirements in Part 1 of the *Codes SEPP*. The land-based requirements significantly reduce the scope for infill housing to be assessed as complying development in the Clarence Valley given the extensive bushfire or flooding affectations in the local area. Expanding on Council's existing fast-track approval processes for smaller infill developments may help to increase the supply of diverse housing types.

Voluntary inclusionary zoning

As a separate and distinct mechanism to facilitate the delivery of affordable housing, Part 2, Division 1 of Chapter 2 of the *Housing SEPP* provides voluntary inclusionary zoning incentives. That is, a floor space ratio (FSR) bonus and other non-discretionary development standards to offset the on-site delivery of affordable infill housing.

The bonus FSR provisions are voluntary and currently only apply to development that proposes to use a minimum 20 per cent of the total floor space as affordable housing. Larger floor space bonuses are available as the percentage of affordable floor space increases, with bonuses

capped for developments that include at least 50 per cent of gross floor area (GFA) as affordable housing. The nominated affordable housing dwellings must be used for affordable housing and managed by a registered CHP for a minimum 15 years. In any case, it is noted that the CVLEP does not apply an FSR control to the identified areas.

In June 2023, the NSW Government announced that the *Housing SEPP*'s bonus provisions will be revised to provide further incentives for developers to provide affordable housing on-site. This will likely include height and density bonuses of up to 30 per cent for developments that propose at least 15 per cent affordable and social housing to be used for that purpose for at least 10 years. Developments with a capital investment value of at least \$75 million may also be determined as State Significant Development.

Across NSW, there has been low uptake of the *Housing SEPP*'s voluntary inclusionary zoning provisions which are likely to persist in certain areas despite the proposed further incentives.⁷ This is particularly the case for areas with relatively low land values. Key impediments include:

- difficulties in accommodating the full FSR bonus while complying with development standards and other local council controls such as those relating to height of building, setbacks and landscaping, and uncertainty for development applications that seek to vary development standards.
- the availability of other LEP bonuses (for example, design excellence provisions) that offer better incentives which allow for additional FSR without the requirement to deliver affordable housing.
- financing limitations due to the requirement that affordable housing must

⁷ *Explanation of Intended Effects: Proposed amendments to the in-fill affordable housing, group homes, supportive accommodation and social housing provisions of the State*

Environmental Planning Policy (Housing) 2021 (DPHI, November 2022)

be used for that purpose for a minimum of 15 years and managed by a CHP.

In general, there are a range of barriers to infill development, including:

higher construction costs for medium and high-density dwellings compared with those for detached dwellings, including land acquisition and demolition costs for infill.

difficulties aggregating and preparing land for construction.

delays in securing development finance.

lengthy and sometimes uncertain planning and development assessment processes.

securing legal title for high density residential projects.

community opposition to infill and to medium to high-density dwellings.⁸

There are a range of policies and mechanisms that can be implemented at the local level to promote diverse and affordable housing

Following amendments to the *EP&A Act* in 2017, local strategic plans have a statutory role, and these can be implemented through local environmental plans, development control plans and other local policies.

Clarence Valley LEP 2011

This is a statutory document that provides for the delivery of a range of housing options across the LGA, including affordable housing and low-cost market housing options. Clause 4.6 of the CVLEP provides a merit-based assessment process that can allow for the justified variation to existing development standards to realise floor space

bonuses available under the in-fill affordable housing provisions of the Housing SEPP.

Affordable Housing Policy

The *Clarence Valley Affordable Housing Policy*, adopted by Council in 2015, seeks to encourage the delivery of affordable housing as part of development applications and planning proposals (spot-rezonings). The Policy defines affordable housing, identifies target groups, proposes aims, identifies suitable zones, suggests amendments to planning instruments, describes public benefit and promotes the use of Voluntary Planning Agreements (VPAs) to capture land value uplift arising from spot re-zonings and bonus provisions to increase development yield.

The Policy requires updating to reflect the current evidence base regarding the need for affordable housing in the LGA and to reflect the current framework for affordable housing contributions, as discussed below.

Affordable housing contribution scheme

Under the current system, Council may only impose an affordable housing condition of development consent if it has an Affordable Housing Contributions Scheme (AHCS) in place, and the AHCS is authorised by Council's LEP.⁹ This means that without an AHCS, the Policy may only be applied to planning proposals, not development applications. This significantly limits the scope of the Policy.

While there is currently no legislative requirement for a council to adopt an AHCS, this is one potential mechanism to expand the supply of much-needed affordable housing in the Clarence Valley. There are, however, two key

⁸ National Housing Supply Council

⁹ *Environmental Planning and Assessment (Planning Agreements) Direction 2018*

limitations to this mechanism, which are explained below:

- Viability assessment would be required for the development of such a scheme in accordance with DPHI's *Guideline for Developing an Affordable Housing Contribution*. Given the already high cost of developing land in the Clarence Valley for housing, as outlined in Section 2.5, applying an affordable housing contribution may render developments unfeasible.

An upzoning is normally required to enable affordable housing contributions to be applied. There may be limited opportunity for land to be upzoned in the Clarence Valley given the amount of zoned residential land that is yet to be developed, as identified in Section 2.4 above.

If an AHCS is developed for the Clarence Valley LGA or the wider region, Council would be able to impose conditions on development consents requiring contributions towards affordable housing for proposed development on land identified under the AHCS.

The data gathering, and analysis undertaken as part of the preparation of this LHS, including affordable housing data, demographic analysis and needs analysis, can be used to inform the viability assessment that must be carried out if Council is to consider developing an AHCS.

Voluntary planning agreements

VPAs are a flexible and innovative way for local infrastructure to be negotiated and provided as part of a new development. However, they can be challenging, costly and time consuming to negotiate, and create an ongoing administrative burden for Council.

Since the Policy was introduced some 8 years ago, no affordable housing VPAs have been negotiated or executed in the Clarence Valley LGA. Anecdotal evidence suggest that this is primarily due to issues of feasibility. Many developers claim that delivering affordable housing on-site would render their development unfeasible. Similarly, many claim that they do not have adequate cash flow to make a monetary contribution towards affordable housing off-site (this is commonly required prior to the issue of a construction certificate stage).

Under the NSW contributions systems, VPAs are voluntary, and Council cannot refuse to progress a planning proposal on the basis that the developer refused to enter into a VPA.¹⁰

Providing the right infrastructure at the right time is key to supporting housing supply.

Water and sewer

As the water and sewer provider for the LGA, Council is responsible for servicing new development.

Development servicing plans (DSPs) for the LGA were last updated in 2017, with more recent updates completed for the West Yamba URA. Land use projections in the 2017 DSP (of demand in 'equivalent tenements' or ET) utilised 2011 Census data, and the same growth rate as from 2011.

The DSP assumes 825 water ET since 2015 and 589 sewer ET since 2015. Completions data shows that 1,331 dwellings have been delivered since 2015. ET loads from the 2017 plans have likely been exceeded by stronger than expected development take up.

The LGA's sewage treatment plants (STPs), (excluding Woodford Island STP) and Shannon Creek Dam (SCD) were designed with sufficient capacity for ultimate development (at the time the

¹⁰ Part 2.1, *Planning Agreements Practice Note* (DPHI, February 2021)

DSP were adopted). The DSPs therefore do not provide for any additional capital works to provide capacity for future growth.

Due to per person water consumption (and therefore sewer generation) decreasing compared to when the infrastructure was designed, the STPs and SCD have capacity to service a higher population than the original designs. Woodford Island STP, which services Maclean, Lawrence, Townsend, Ilarwill, James Creek, and Gulmarrad, was designed to be increased in treatment capacity by 33 per cent (when required) to accommodate James Creek and Gulmarrad. Timing for this augmentation is not identified in the 2017 DSP, but will likely be identified when the Sewer DSP is next reviewed.

Power and roads

Based on data from Essential Energy, new urban areas have adequate access to 22kv lines, some with access to 33kv and 66kv. No data on zoned substation capacity was publicly available, but it is assumed the network has adequate capacity to support further development.

A range of state road upgrades have been identified to service traffic generation from new developments. New and upgraded local roads are to be provided as part of a subdivision development application.

Housing will only be delivered where there is both planning capacity and market capacity.

Planning capacity refers to the physical and legal ability of land to be developed, taking into account planning permissibility, environmental and infrastructure constraints.

Market capacity relates to whether development is financially feasible in the local market, based on input and development costs and achievable yields. There may be demand for housing in the

local market, however, if development is not financially feasible to undertake, the demand will remain unmet.

Research and discussion with the development industry as part of the preparation of this Strategy suggests that, assuming planning capacity is secured, the main risk factors for development viability are:

- Building risk
- Liquidity risk; and
- Sale risk.

These are discussed below.

Building risk – high construction costs and certainty in delivery

Building risk includes pressures from inflation, supply and skill shortages, building standards, building bonds, lack of competition in the tendering processes, and the inability to secure a fixed-price contract.

The high level of construction across the nation, particularly in the metropolitan centres has increased the demand for labour and materials. Combined with the reconstruction work in the Northern Rivers Region, this has resulted in increasing difficulties in attracting construction trades to and sourcing materials for regional areas.

The cost of construction materials has risen at its fastest pace since the early 1970s, while labour costs are rising at a more modest rate. Increasing costs affect the feasibility of projects and can lead to delays in commencement or projects not progressing.

Constructors may consider solutions to address building risk such as design-led solutions with value engineering, early contractor involvement, pre-agreed price adjustment processes for

variations, adjustments that reflect cost increases beyond contractor control, a risk-sharing contract to help reduce contingency provisions and reduced time to collect the final drawing for construction to improve tendering and ordering of materials.

Across the construction industry, we expect that the price increases will moderate after the significant correction over the past few years, reducing building risk going forward.

Liquidity risk – it is becoming harder to finance development and proceed

Financing costs are a relatively small part of the overall dwelling production cost (generally around five to seven per cent). However, financing is a critical precondition to any development proceeding.

Construction funding provided by major Australian banks is the primary source of funding for the industry. The rate is typically a fixed rate (three to four per cent) over the Bank Bill Swap Bid Rate (known as the BBSY). The BBSY moves with the cash rate set by the Reserve Bank of Australia (RBA). As the RBA has continually increased the cash rate, this has moved the rate of a construction loan from 3-4 per cent to 6.5-7.5 per cent. Whilst higher than typical pre-pandemic rates, this is not higher than has been experienced over the last 30 years.

More importantly, banks have been making attempts to better manage their risks through tightening lending criteria. Two critical changes include reduced loan to value ratios (LVRs), and increased presales covenant requirements.

LVRs have reduced from 65-75 per cent of the total project value to 50-60 per cent. This means that developers need to use their own equity or accept mezzanine debt to fund a greater portion of their development. Returns on equity are approximately 20 per cent and mezzanine finance is charged at approximately a 7-8 per cent premium on construction loans. This means finance is more expensive and fewer projects may

be able to proceed. For a typical development, the weighted average cost of capital has approximately increased from 6.8 per cent to 11 per cent.

Banks have increased presales covenant requirements. Previously developers would have needed between 55 per cent and 60 per cent of the total construction loan to be covered by presales, this has increased from 100 per cent to 120 per cent of presales recently. This has increased the amount of time needed for projects to progress from development approval to construction, raising exposure to cost escalation. Loans allowing commencement with 55 per cent to 60 per cent of the initial loan are no longer available. This may lead to developers discounting presales more aggressively to achieve loan conditions.

The combined impact of these changes is that it is harder for developers to secure funding from banks.

Non-bank lenders are under significant pressure to meet the financing shortfall however their portfolios tend to be less diversified, making them more susceptible to downturns and delays. The capital turnover of these lenders has been affected by construction delays impacting their ability to fund new projects or raise additional capital as they wait for returns on the existing projects. Furthermore, the availability of capital across broader financial markets has reduced, which means that the access to capital of non-bank lenders has also decreased.

The drop in the number of presales (discussed below) has further amplified the risks outlined above. Addressing these challenges would require either a market upturn in line with the market cycle or targeted interventions that would improve liquidity in the sector. This could include:

- Increased dwelling demand from increased migration
- Increased wage growth
- Increased rental growth activity

- Improved productivity in the construction sector
- 'In-time' dwelling approval and infrastructure delivery
- Subsidies for essential worker housing with industry-assisted mortgaged and developer product discounts.

Sales risk – demand for off-the-plan sales remains subdued

Effective demand is the actual demand for the product which is indicated by transactions. While underlying demand may increase as a result of population growth and dwelling sizes, effective demand may be stagnant or decrease. Factors that influence effective demand include wages, interest rates, price expectations, and individual preferences.

During the COVID-19 pandemic, from March 2020 to March 2022, there was a significant increase in detached dwelling values of approximately 21 per cent, accompanied by less substantial apartment price growth of 6 per cent. In the twelve months between March 2022 and March 2023, detached dwelling prices have fallen by 12 per cent and apartment prices by 13 per cent. When buyers purchase off-the-plan, the sale price is locked-in at the time of the transaction and then settled when the building is complete. Therefore, when prices are falling, prospective purchases will delay off-the-plan purchases on the expectation that prices will decline. This has amplified the liquidity risk, occurring as pre-sales requirements have increased. Through consultation, we have heard that completed housing products are continuing to sell well.

Since the announcement from the Building Commissioner regarding building quality not being up to standard, buyers have become hesitant to

buy directly off-the-plan without physically inspecting and reviewing the end product. The Building Commissioner's response to re-establish trust in the process is highlighting this concern. However, the Building Commissioner's findings, recommendations and remedies, such as decennial insurance, cannot be implemented overnight. It will take time for buyers' confidence to be restored. The implementation of initiatives such as the Independent Construction Industry Star-Rating Tool rating system may help to establish quality developers, builders and trustworthy players in the industry.

Purchasers are concerned about construction industry delays and insolvencies. Supply chain pressures have resulted in increased costs, delays in construction and labour shortages. This has led to high-profile insolvencies and delays in development completion. Off-the-plan purchasers are particularly sensitive to these delays as they are vulnerable to market movements between the time they have exchanged contracts and when settling. Furthermore, some buyers may be concerned that the development may not be complete, particularly where the developer is unable to secure liquidity to commence construction in time. Delays in liquidity coupled with increased construction costs can render otherwise feasible development unfeasible. In consultation, we heard that there was a preference for newly-completed apartments, or apartments that were nearing completion, due to perceived higher trust that they would be completed.

In combination, the above factors have made off-the-plan sales more difficult and slowed the rate of apartment sales. Along with financing concerns, this increases the challenge of delivering new housing. To secure funding for the development, a developer must mitigate the sales risk by ensuring that they sell a high portion of the apartments off-

the-plan. However, to do this in a more price-competitive market, sale values are usually being discounted to ensure funding is achieved. Over time, we expect demand and sale values to recover due to underlying demand growth, but there are no easy solutions to rebuilding consumer confidence.

The market cycle has historically pushed the property development industry through boom-bust phases. The current bust phase is a perfect storm with risk spread over many different factors. The recovery will therefore be complex and most likely extended.

With the Government's interest in continued house supply and affordability, housing solutions cannot be limited to land supply solutions. Building costs, certainty, productivity, development liquidity and consumer confidence must be addressed too.

Short term rental accommodation removes housing stock from the market.

In recent years, the popularity of short-term rental accommodation (STRA) has surged, particularly for coastal properties with scenic views and beach access. As of May 2023, a search of Airbnb accommodation listings in the Clarence Valley revealed a total of over 900 available listings within the LGA, with most listings in Yamba, Iluka and Grafton-Clarenza. These are homes that may otherwise be available for long-term rentals.

According to the Clarence Valley *Regional Economic Development Strategy* 2023 update, visitor expenditure in 2021 amounted to approximately \$290 million, demonstrating a year-on-year growth of +2.1% from 2011 to 2020. Notably, the growth in the visitor economy occurred despite substantial interruptions from the COVID-19 pandemic, coupled with the lingering effects of the drought and bushfires.

We understand that NSW DPHI is undertaking a review of STRA regulations in NSW (as of early 2024). The outcomes of this review may drive

changes to the planning policy and regulatory framework for STRA.

Stakeholders highlighted some of the challenges in meeting demand for diverse and affordable housing.

To inform our understanding of the factors affecting housing supply in the Clarence Valley, we undertook targeted stakeholder engagement. Stakeholders included local real estate agents, developers, planning consultants, government agencies and social housing providers (see Annexure 3). Below is a summary of key feedback regarding factors that affect housing supply and what can be done to address the key issues.

- Demand for affordable and social housing has grown rapidly since the floods. Whilst the planning system in the Northern Rivers is generally supportive of innovative ideas and is not seen to be impeding housing delivery, more could be done to support affordable and social housing providers.
- Construction costs in regional areas are essentially the same as in Sydney, but sale values are far lower. This has a negative impact on project feasibility.
- Due to the relatively low cost of land in the Clarence Valley it is generally more feasible for developers to deliver larger, detached dwellings.
- Feasibility issues are often the key limitation in delivering diverse housing (such as townhouses, apartments, and smaller dwellings). The market may not be able to deliver sufficient diversity in regional areas.
- Land owned by Council (or other governments) should be leveraged for housing delivery (including affordable or social housing, or innovative pilot projects).

- More affordable housing is needed for key workers and to support local industry struggling to attract or retain staff.
- Build to rent and other options that can contribute to housing affordability should be considered.

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2.6 Key findings

In recent years, the Clarence Valley LGA has experienced greater than expected housing demand resulting in lack of housing availability and increasing housing costs, and this is likely to continue in the coming decades.

While there is sufficient residential zoned land in the Clarence Valley to accommodate forecast demand, not all land that is currently zoned for housing can or will be developed. There are issues with activating latent zoned supply to bring housing 'to market' due to barriers such as land-banking, infrastructure provision and servicing, development feasibility, and environmental constraints.

There is also a mismatch between the housing that is needed and what is provided in existing and new housing. There is a growing need for more diverse and affordable housing to better meet current and future needs, including smaller homes and housing for students, older people, and key workers, but delivery of diverse and affordable housing is a significant challenge. It is unlikely that the market alone will adequately respond to the challenge.

Most local housing continues to be delivered in the form of large, detached dwellings. The lack of smaller dwellings means one or two person households have few options, whilst the low supply of rental housing and tight vacancy rates mean some households cannot find a home. This situation places certain residents at risk of homelessness or forces them to live in substandard housing, including dwellings that are overcrowded. The lack of housing diversity in terms of housing types, size, tenure and price, is a serious issue that will worsen over time if the types of housing that are supplied, predominantly large, detached houses, do not change to meet changing housing needs.

Smaller, accessible dwellings that are located close to centres and services are needed to house the Clarence Valley's ageing population, key workers, students and to provide appropriate accommodation for smaller households. There are also broader environmental, social and economic benefits of minimising urban sprawl in favour of more compact growth patterns.

Despite the high and growing need for diverse housing including smaller dwellings and higher densities, external factors and market demand is resulting in continued development of large single dwellings in the Clarence Valley. There is also ongoing demand for rural residential housing which needs to be balanced with the need to manage environmental constraints and protect land for agricultural activity.

Prioritising infill development in existing areas such as Grafton, South Grafton, Maclean and Yamba could improve the efficiency of infrastructure and service delivery and support improved housing diversity and affordability. However, to date, current planning policies and mechanisms to encourage diverse and affordable infill housing have had limited impact, often due to a lack of feasibility.

Recent events have highlighted that many people's needs are not being met by the private housing market, particularly the rental market. This situation is exacerbated by short term rental accommodation reducing availability of longer-term rentals. The LGA's housing market is vulnerable to spikes in demand caused by seasonal or temporary workers and tourism. While both are important for the local economy and productivity, these can negatively impact on housing supply and affordability.

3.0 THE STRATEGY

The section outlines Council's priorities for housing and how we plan to achieve these priorities. The priorities will be used to guide planning, delivery and management of housing supply and supporting infrastructure over the next 20 years and beyond.

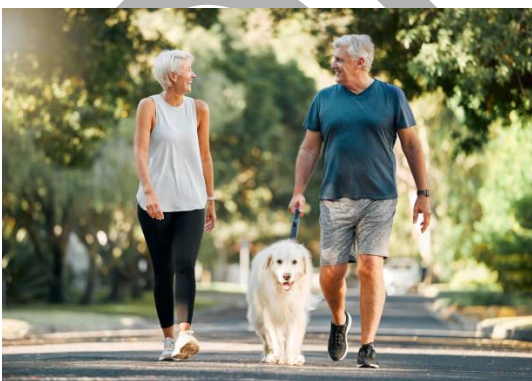


3.1 Priorities and actions

Priority 1: Accelerate the supply of development-ready land in suitable locations supported by infrastructure and services

The coordination and delivery of infrastructure to support housing delivery is a major barrier to the provision of new housing. Infrastructure planning, delivery, and coordination must be improved to ensure the right type of infrastructure is delivered at the right time to enable housing supply and support growth.

It is vital to holistically plan infrastructure delivery for priority urban release areas including prioritisation, staging, and coordination. These areas need to be planned and released in a way that allows infrastructure provision, delivery, and funding. In addition to water, sewer, and road connections, infrastructure provision also includes social infrastructure and active transport infrastructure (such as walking and cycling paths).



Actions to accelerate the supply of development-ready land in suitable locations supported by infrastructure and services

- 1.1 Increase awareness of Council's development servicing plans that outline the infrastructure and servicing requirements for residential and employment land across the LGA.
- 1.2 For priority urban release areas (particularly Clarenza), prepare structure plans and development controls, including preferred densities and infrastructure servicing strategies to illustrate how land can be feasibly serviced. This should include aligning infrastructure and capital works programs, and existing social/green infrastructure and active transport strategies.
- 1.3 Undertake specific technical studies to investigate the viability of rezoning targeted planning intervention areas.
- 1.3 In priority investigation areas identified for future growth, carry out detailed studies (e.g. environmental, heritage, traffic and access) to determine the suitability and capacity of land for residential purposes.
- 1.4 Support NSW DPHI's efforts in maintaining the North Coast Housing and Land Monitor by providing relevant data for the Clarence Valley LGA, including details of new development applications, subdivisions, and dwelling completions.
- 1.5 Collaborate with the NSW Reconstruction Authority to support housing delivery for flood impacted residents including land identified in the final *Resilient Lands Strategy*.

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Priority 2: Encourage a diverse range of housing options in well-located areas, to meet community needs

The predominance of large, detached dwellings in the Clarence Valley LGA provides options in a range of locations for many households in our community. However, the existing balance of housing options offers little choice in the market for households. More diverse housing options are required to respond to the changing needs of households, including those of smaller households and households with special housing needs.

Consistent with the *North Coast Regional Plan*, Council seeks to facilitate the delivery of diverse housing options in existing urban areas. A wider range of housing types and sizes, in different locations throughout the Clarence Valley, would allow people to stay in their communities and neighbourhoods through different stages of their life, or as their circumstances change. Ensuring we have a diverse range of housing options also improves the overall utilisation of our housing stock, as households can choose their home based on their needs rather than having to compromise on size, type, location, or affordability. This will also help to maximise the use of new and existing infrastructure and provide greater access to jobs, services and lifestyle opportunities, and to reduce pressure on greenfield release areas, agricultural land, and areas with high biodiversity value.

Housing diversity includes a mix of lot sizes, number of bedrooms, tenure, or whether housing is suitable for special needs groups, including seniors, students, people with disability, and/or is culturally responsive to the needs of First Nations communities.

To give effect to the *North Coast Regional Plan*, this LHS seeks to prioritise new infill development in select urban centres and delivery of a range of lot sizes in new release areas to assist in meeting the Region's overall 40 per cent multi-dwelling / small lot housing target.

As discussed in previous sections, there are a range of barriers to infill development, many of which are beyond the sphere of influence of planning policy. Key barriers include: higher construction costs for medium and high-density dwellings compared with those for detached dwellings, including land acquisition and demolition costs for infill redevelopments; difficulties aggregating and preparing land for construction; delays in securing development finance; lengthy and sometimes uncertain planning and development assessment processes; securing legal title for high density residential projects; and community opposition to the development of infill and/or medium and high-density dwellings.

Examples of diverse infill housing



Dual occupancy – two dwellings on one lot but does not include a secondary dwelling. Can be attached or detached, with parking at front or rear.



Terrace houses – two-storey dwellings in a traditional terrace style, formed in a row. Parking may be at the front, rear or basement.



Manor house – three or four dwellings in a two-storey building. This building type contains two dwellings on the ground floor and two located directly above.



Shop-top housing – one or more dwellings located above ground floor retail premises or business premises.



Townhouse – multiple dwellings that may be attached or detached, which are generally strata titled.



Secondary dwelling – a smaller, self-contained dwelling, often located to the rear of a shared lot behind a main detached dwelling (a 'granny flat').

Actions to encourage a diverse range of housing options in well-located areas, to meet community needs.

- 2.1 Encourage compatible and resilient infill housing (including townhouses and apartments above shops) in Grafton, South Grafton, Yamba, Maclean, and Iluka on sites with good access to public transport, parks, shopping, schools, and important social infrastructure.
Recommended targeted planning control amendments are presented in Annexure 4.
-
- 2.2 Update DCPs to include objectives and requirements to encourage diversity in new residential development, including lot sizes (including smaller lots under 400m²); minimum site areas; dwelling types; dwelling sizes/number of bedrooms; and to encourage adaptable housing with adequate parking arrangements.
-
- 2.3 Expand on Council's Accelerated DA processes and apply *Housing SEPP* provisions (in combination with other Council strategies).
-
- 2.4 Consider opportunities to partner with DPHI and LALCs to identify areas that may be appropriate for culturally responsive housing on Country.
-
- 2.5 Identify suitable Council and government-owned land and pursue a pilot project to demonstrate a well-designed and well-located housing development offering a range of dwelling types and sizes, with a focus on building market confidence in such developments, including affordable housing and key worker housing.
-
- 2.6 Update local planning controls to ensure MHEs are located only in areas that have access to social infrastructure and services and ensure there are controls in place to minimise potential interface issues with surrounding land, including agricultural land use conflicts.
-

Priority 3: Support the delivery of affordable housing in accessible locations

Access to affordable, appropriate, and secure housing is a basic human right. It is also essential for creating a prosperous and thriving community that is socially, economically, and environmentally sustainable in the long-term. Consistent with the *North Coast Regional Plan*, Council seeks to encourage and support the delivery of affordable and low-cost market housing in areas that are well-served by supporting infrastructure and services.

What is affordable housing?

Affordable housing is separate and distinct from social housing. The statutory definition of affordable housing specifically relates to housing that is developed under an environmental planning instrument for households with very low, low, and moderate incomes. Mortgage repayments or rents for such housing are priced so these households can meet their other essential living costs, such as food, clothing, transportation, medical care, and education.

Affordable housing can be delivered or owned by private developers, investors, governments, charitable organisations, and not-for-profit community housing providers (CHPs). While some affordable housing dwellings are owner-occupied, in most cases they are leased and managed by a CHP or private investor.

Occupants of affordable housing may include younger residents looking to move out of home, key workers, people with a disability, single parents, or older residents looking to downsize. Given that the needs and preferences of occupants differ within and between each group, and change over time, diversity in this sector is essential.

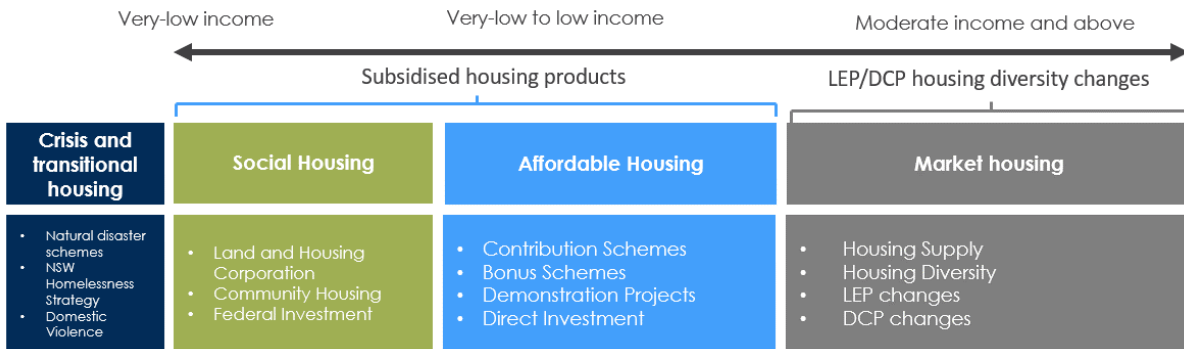
Affordable housing is part of a wider 'housing continuum', which ranges from homelessness and fully subsidised crisis housing at one end to completely unsubsidised market housing/home ownership at the other. People's housing needs may be met at different points along the housing continuum at different points in their lives, depending on their circumstances, aspirations, and capacity. For some people, affordable housing provides a stepping-stone to market housing. For others, it provides an essential safety net during challenging times so they can continue to fully participate in society.



Council's role

Figure 8 below shows where affordable housing fits on the housing continuum, along with the key mechanisms and policy levers available to Council to support the delivery of affordable housing for very low to low-income earners.

Figure 8: Housing continuum



Council can influence housing affordability either directly or indirectly through land use zoning, development controls, the timing of land release, location of services and facilities and the levying of rates, development contributions and application fees, as depicted in Figure 9.

Figure 9: Affordable housing policy levers



Actions to support the delivery of affordable housing in accessible locations

3.1 Work with other councils across the region to advocate for investment in and increased supply of social, affordable, and community housing by all sectors (private, public and community).

3.2 To allow Council to impose conditions of consent requiring contributions towards affordable housing, undertake a viability assessment for an Affordable Housing Contributions Scheme (AHCS), and if deemed feasible, progress the preparation of a local (or regional) AHCS and update CVLEP to authorise the Scheme.

3.3 Finalise and adopt the draft *Affordable Housing Policy* and prepare a VPA Policy and a VPA Guideline to outline the processes, procedures, and general requirements for negotiating and preparing VPAs, calculating the value of contributions, and assessing feasibility.

Investigate opportunities for affordable housing on Council-owned land delivered through public-private partnerships using a competitive tender process.

3.4

- Potential sites to investigate include:
- Grafton Library carpark (airspace above)
- Car park between Victoria and Fitzroy Streets in the Grafton CBD (airspace above)
- Woolli Street, Yamba - Library and Community Hall
- Vacant residential land at Coutts Crossing

3.5 Review Council staff delegations to determine all affordable housing development applications by CHPs.

Review existing Council fees, charges and local developer contributions and consider the merit of waiving certain fees and charges for certain applications or applicants. For example, DAs lodged by CHPs and others to directly deliver social/affordable housing within the LGA.

3.6 As part of the review, consider the adequacy of charges for development applications for MHEs, noting that there may be merit in increasing these charges to better reflect the impact of such developments on infrastructure demand and servicing.

Developing an Affordable Housing Contribution Scheme

NSW DPPI's *Guideline for Developing an Affordable Housing Contribution Scheme* sets out the process for developing an AHCS and includes an AHCS template.

In developing an AHCS, Council would need to reach an agreement on the following:

- What **location** should the scheme apply to?
- What **type** of development should be levied?
- What should the **rate** be based off?
- What should the **contribution** look like?
- What will the **ownership** structure be?
- Who will be responsible for the **management** of the affordable housing properties?

The *AHCS Guideline* requires affordable housing contributions to be set at a viable rate that does not impact development viability and overall housing supply.

If an AHCS is prepared and endorsed by Council, Council would then be required to prepare and progress a planning proposal to amend CVLEP to reference and authorise the AHCS.

Policy options

Two options for AHCS are shown below, with potential partnership approaches and policy examples compared in on the following page, in Table 7 and Table 8, respectively.



Table 7: Potential affordable housing partnerships, objectives, and risks

Partner	Objective of partnership	Potential risks
Community Housing Providers	Management and co-delivery	<ul style="list-style-type: none"> Capacity to deliver Monetary contribution not spent in LGA
Other councils (regional approach)	Regional coordination	<ul style="list-style-type: none"> Coordination and governance risks Monetary contribution not spent in LGA
NSW Government (Landcom, DPPI, LAHC)	Potential development partner	<ul style="list-style-type: none"> Governance risks Alignment of objectives Guarantee of 'buy-in'
Private developers	Potential development partner	<ul style="list-style-type: none"> Limited certainty of quality of stock, provision of maintenance Subject to feasibility

Table 8: Comparison of selected affordable housing policy options

Approach	Description	Comment
Precinct Uplift – AHCS Guideline (Government)	<ul style="list-style-type: none"> Uplift based on precincts (growth areas). Dependent on a planning proposal. 	<ul style="list-style-type: none"> Could only be applied to areas that have not yet been subject to a planning proposal for uplift. Rate would likely be low due to relatively low land values, high construction costs, and low returns.
Inclusionary Zoning	<ul style="list-style-type: none"> Applies a broad-based approach to all development in the area. 	<ul style="list-style-type: none"> Would apply to the whole LGA as an additional contribution. Makes development viability more challenging, relying on house price growth and market movements instead of planning uplift.
Western Sydney Planning Partnership Approach	<ul style="list-style-type: none"> Applies a broad-based inclusionary approach and uplift based on precincts as a combination on both approaches. A higher rate applies to growth area. 	<ul style="list-style-type: none"> Would apply to the whole LGA as an additional contribution. Development feasibility for the inclusionary areas relies on housing price growth as opposed to planning uplift.
Latest DPPI Feedback Approach (Newcastle)	<ul style="list-style-type: none"> Uplift based on precincts. Additional contributions based on uplift (LGA wide) outside of growth areas. 	<ul style="list-style-type: none"> All areas that have uplift will be required to pay a contribution (regardless of planned area or not). Develops a broad-based contribution while minimising reliance on market movements and land-banking for development viability.

Feasibility assessment

Once Council decides on its approach, feasibility testing will be conducted to determine the financial implications. This is vital to ensure that contribution rates are set at a reasonable level that facilitates delivery of affordable housing, without placing an unacceptable level of financial burden on developers and stymying development. An AHCS should only be pursued in the Clarence Valley if it can be demonstrated that it would not unreasonably impact on development feasibility.

The image below shows that low contribution rates would likely have less of an impact on the total number of affordable housing dwellings delivered, whereas higher contribution rates may decrease the total number of developments but deliver more affordable dwellings per development.



Case studies

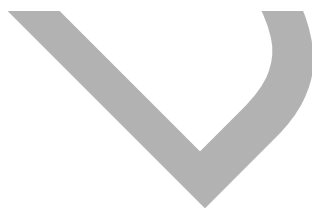
An overview of existing AHCS case studies is provided below. At the time of preparing this LHS, a limited number of councils have implemented AHCS. The only other council in the North Coast Region with an AHCS in place is Byron Shire.

Byron Shire has much higher land values and return on investment compared to the Clarence Valley, and therefore its contribution rates are considerably higher than other areas. These are not recommended to be adopted in the Clarence Valley due to potential impacts on feasibility. It is noted that Coffs Harbour Council determined not to proceed with an AHCS due to likely unacceptable impacts on feasibility and pursued an Affordable Housing Strategy as an alternative.

There may be merit in testing the feasibility of a relatively low contribution rate to be levied on all development across the Clarence Valley LGA, with the analysis focusing on typical markets in the LGA and key typologies. Adopting this method would enable effective and efficient testing of viability in all areas across the LGA. The analysis would look at applying a contribution rate and applying it to the point that the residual land value recovers, so there is not an impact on viability – or rather it is clear that factors other than the affordable housing contribution were impacting viability. This would help avoid the need for continuous feasibility testing across the LGA as market conditions change.

Scheme	Description
<p>Byron Shire Affordable Housing Contributions Scheme (Byron Shire Council, 2020)</p>	<p>The scheme applies to Byron Bay, Mullumbimby and Bangalow. The contribution rates are:</p> <ul style="list-style-type: none"> • <u>On-site</u>: 20% of the area of residential lots in the development must be provided as an affordable housing contribution. • <u>Monetary</u>: 20% of the area of residential lots in the development must be provided as an affordable housing contribution monetised. • <u>Other in-kind (dwellings)</u>: 20% of the area of residential lots in the development must be provided as an affordable housing contribution, as in-kind (dwellings) of equivalent value. • <u>Combined</u>: 20% of the area of residential lots in the development must be provided as an affordable housing contribution, in kind and monetised. <p>Where an affordable housing contribution is made in the form of land or dwellings, the land or dwelling/s will be owned by Council and retained as affordable housing in perpetuity. The dwellings provided under Byron Shire’s Affordable Housing Implementation and Delivery Program will be owned and/or managed by a Community Housing Provider nominated by Council.</p>

<p>City West Affordable Housing Program (City of Sydney, 2010)</p>	<p>This scheme applies to residential and non-residential development, with exclusions, within Ultimo-Pyrmont. The contribution rates are:</p> <ul style="list-style-type: none"> • 0.8% of the total residential floor area (\$34.61/sqm). • 1.1% of the total non-residential floor area (\$49.73/sqm). <p>Once contributions are received, the City of Sydney retains ownership of all dedicated dwellings and provides all monetary contributions to the City West Housing community housing provider. The City of Sydney has allocated City West Housing as the manager for all their affordable housing units.</p>
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Scheme	Description
Kensington and Kingsford Town Centres Affordable Housing Plan (Randwick City Council, 2019)	<p>This scheme applies to residential development, with exclusions, in the Kensington and Kingsford Town Centers. The contribution rates are:</p> <ul style="list-style-type: none"> • 3% of total residential floor area (\$324.38/sqm) applying from 13 August 2020 to 13 August 2022. • 5% of total residential floor area (\$593.75/sqm) applying after 13 August 2022. <p>Once contributions are received, Randwick retains ownership of all dedicated dwellings and monetary contributions. Randwick will elect a chosen community housing provider to manage their entire portfolio for a set period of time.</p>
Glenmore Park and Orchard Hills North Affordable Rental Housing Contributions Scheme (Penrith City Council, 2023)	<p>This scheme applies to residential accommodation development, with exclusions, in the Glenmore Park and Orchard Hills greenfield areas. The contribution rates are as follows:</p> <ul style="list-style-type: none"> • 1% per ha net developable area (\$76,000/ha) in Glenmore Park from 2024. • 3% per ha net developable area (\$228,000/ha) in Glenmore Park from 2027. • 1% per ha net developable area (\$76,000/ha) in Orchard Hills from 2024. • 2% per ha net developable area (\$152,000/ha) in Orchard Hills from 2027. <p>Penrith does not have a preference for contributions and will transfer everything received to a chosen community housing provider after a tender process.</p>
Waverley Affordable Housing Contributions Scheme (Waverley Council, 2020)	<p>This scheme applies to developments that deliver apartments across the entire LGA. The value per square meter of the contribution differs based on the suburb the development is located in. The rates are as follows:</p> <ul style="list-style-type: none"> • 1% of the gross floor area of new residential apartment development (\$14,000/sqm to \$21,000/sqm). • 10% of the gross floor area of sites receiving uplift through planning controls (\$14,000/sqm to \$21,000/sqm). <p>Waverley's preference is for monetary contributions however they can accept dwellings. Once contributions are received, Waverly retains ownership of all contributions. Affordable housing units will be managed by a community housing provider on a case-by-case basis.</p>

Priority 4: Deliver resilient, liveable, and sustainable communities

Resilience refers to the capacity to absorb, adapt to, and recover from shocks or disturbances. In housing, resilience involves the design, construction, and maintenance of homes to withstand and recover from various shocks like floods, bushfires, or public health crises like the COVID-19 pandemic.

Resilient housing reduces physical damage, protects inhabitants, enables quicker recovery, contributes to community stability, and presents long-term economic benefits. Managing these stresses involves combining effective design and construction, land use planning, building codes, emergency planning, and community education.

Mitigation measures

Key mitigation measures include elevated building design to protect against floods, the use of fire-resistant construction materials for resilience against bushfires and enforcing building codes and standards to ensure overall housing resilience. For existing homes, retrofitting, which can involve structural reinforcements or protective additions such as installing flood doors and fire sprinklers and using flame-retardant paint can significantly enhance resilience. Incorporating climate-adaptive design principles, such as passive cooling and heating or efficient water management systems, can help homes withstand climate change-induced extreme weather events.

Proper land use planning to avoid building in high-risk areas, along with resilient infrastructure, ensures homes can function during and after disaster events. Critically, the recommendations from the flood and bushfire inquiries highlight the need for a risk-based approach to planning for natural hazards and include prioritising and encouraging new development in safe areas and ensuring evacuation routes are available and of sufficient capacity where new development is permitted in disaster-likely areas.

Educating homeowners on disaster preparedness and promoting the adoption of such measures, like emergency kits and evacuation plans, can greatly contribute to housing and community resilience.

Resilient Homes and Resilient Lands Program

The Resilient Homes and Resilient Lands Program are NSW Government programs delivered by the NSW Reconstruction Authority who were established to proactively reduce the impact of future disasters across NSW and to help communities recover from them faster.

Resilient Homes Program provides financial assistance to homeowners in the Northern Rivers region, enabling them to enhance the flood resilience of their properties through retrofitting and promoting safer construction practices, ultimately creating resilient living spaces.

The Resilient Lands Program employs a place-based approach, combining strategy, policy and planning to empower Northern Rivers communities in their reconstruction efforts and bolster resilience.

This program has recently released the draft *Northern Rivers Resilient Lands Strategy*. The draft strategy identifies 22 short, medium and long-term sites for redevelopment across the local government areas to

facilitate the construction of flood-resistant housing in the Northern Rivers region. One site at Junction Hill, north of Grafton, has been identified as a priority site.

Together, these initiatives form a comprehensive framework for fostering resilience and supporting the recovery and reconstruction efforts in the region.

Liveable and sustainable communities

To promote liveable and sustainable communities, the land use planning approach in Section 3.2 (and the LHS more broadly) encourages:

New housing to be delivered on land that is already zoned for residential uses, prioritising areas that are well-served by existing services and facilities.

New housing in both greenfield and infill locations is supported by infrastructure, including social and green infrastructure.

New urban release and rural residential to be located in areas away from the coastal strip.

Protect and enhance the unique character of the LGA's towns and villages and incorporate a placemaking approach to create sustainable and liveable communities.

Amendments to planning controls to provide for targeted infill on key sites in Grafton, South Grafton, Maclean, and Yamba, where suitable land is above the flood planning level.

Actions to deliver resilient, liveable, and sustainable communities

- | | |
|------------|--|
| 4.1 | For key centres identified for targeted planning interventions in Action 2.1 and Annexure 4 (Grafton, South Grafton, Yamba, Maclean, and Iluka), prepare precinct plans and/or desired character statements (as appropriate) to apply placemaking principles to these areas prior to amending existing planning controls. |
| 4.2 | Protect areas of high environmental value, employment productivity, and strategic agricultural importance by avoiding new rezoning applications involving residential or rural-residential development in areas not identified in strategic planning documentation and/or with limited strategic merit. |
| 4.3 | Protect life and property by limiting rezoning applications for residential or rural-residential development in areas affected by environmental hazards such as flooding, bushfire, or coastal erosion/inundation. |
| 4.4 | Review the application of development application requirements and processing practices for developments in HCAs in key centres to ensure that processes protect heritage, while also allowing a reasonable level of development in these areas to meet community needs. |
| 4.5 | Incorporate best-practice resilience measures (including flood resilient building guidance) into DCPs. |
| 4.6 | Review land use zones (and other relevant planning controls) for remote villages; areas that have historic village type subdivision plans and undeveloped rural-residential areas.
Consider environmental and other constraints, existing and neighbouring land uses, and suitability for residential development, and apply suitable planning controls (where deemed appropriate). |

3.2 Land use planning approach

Residential development on land outside the existing urban footprint (often termed 'greenfield housing') is anticipated to continue as the dominant form of new housing delivered in the Clarence Valley. However, increasing the share of housing that occurs within the existing urban footprint (or 'infill development') is also important, as this will maximise the use of existing infrastructure and provide access to a range of existing services and facilities. Table 9 sets out the types of infill housing that will be encouraged in selected centres to meet the needs of dominant household groups and life stages.

Table 9: Infill housing types, locations and target groups

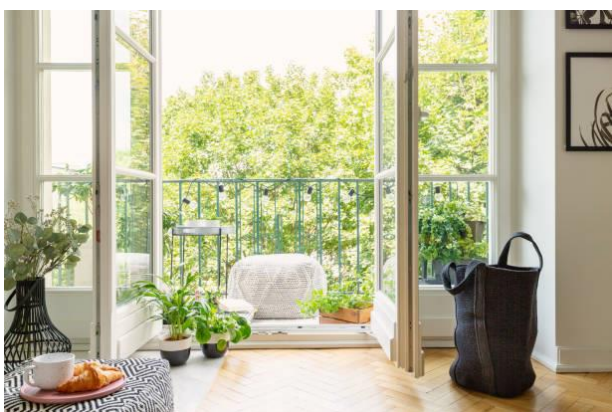
	Townhouse	Apartments
Description	Dwellings attached by a common wall with each dwelling on its own lot of land, each with access at ground level and private open space.	Smaller and more generally affordable dwellings in a central location. These can suit smaller households in a range of incomes and/or needing easy access to services, facilities, and employment opportunities. Some premium developments may deliver luxury fittings and amenity inclusions aimed at downsizers and professionals.
Life stage	Older couples and singles, young singles and couples, small families.	Older couples and singles, young singles and couples, students, and key workers.
Target dwelling size	Mixed. Primarily two- and three- bedrooms.	Mixed. Should include studio, one- and two-bedroom dwellings.
Focus areas	Grafton, South Grafton, Yamba, Maclean, Iluka.	Grafton CBD and waterfront, South Grafton centre, Yamba centre.

In the short to medium term, encouraging compatible and resilient infill housing in Grafton, South Grafton, Yamba, Maclean and Iluka can provide more housing options with good access to public transport, parks, shopping, schools and important social infrastructure. This can encourage a greater diversity of housing products, including townhouses and apartments above shops. These can provide housing forms suitable for the ageing population, households seeking to 'downsize' or locate close to employment opportunities and entry points for young people and families to enter the housing market.

A detailed review of local planning controls was undertaken (provided in Annexure 2), which found that the CVLEP and Council's DCPs have planning provisions that support a mix of housing types, including provisions for dual occupancies and secondary dwellings (granny flats) in all residential zones. Specific opportunities identified in centres to encourage diversity are detailed in Annexure 4.

Collectively, the planning intervention opportunities identified in Annexure 4 could create capacity for approximately 1,700 additional dwellings in the Clarence Valley LGA, with capacity for 1,025 additional dwellings in the upper Clarence area (60 per cent) and capacity for 680 additional dwellings in the lower Clarence area (40 per cent). These dwellings are in addition to the theoretical dwelling capacity of 9,229 under existing planning controls.

Future opportunities for housing identified for investigation in the mid-to-long term include the investigation area at James Creek identified in the *North Coast Regional Plan*.



4.0 IMPLEMENTATION

This section outlines the actions required to implement the Local Housing Strategy. This includes an implementation and delivery plan, potential future planning proposals, and monitoring and review of the Strategy.



4.1 Implementation and delivery plan

This section summarises the priorities and actions outlined in Section 3.1 and provides an indication of the timeframe in which Council will implement each of these. It also includes commentary on the rationale for including each action and indicates the party responsible for its implementation.

The figure below provides an overview of the process of developing and implementing the LHS.



The timeframes referred to in this implementation and delivery plan are shown in the table below.

Action timeframe	Description
Ongoing	Works have commenced
Immediate	To be actioned within 1-2 years of LHS adoption
Short-term	To be actioned within 2-5 years of LHS adoption
Medium-term	To be actioned within 5-10 years of LHS adoption
Long-term	To be actioned within 10-20 years of LHS adoption

Priority 1: Accelerate the supply of development ready land in suitable locations supported by infrastructure and services

No	Action	Rationale	Responsibility	Timeframe
1.1	Increase awareness of Council's development servicing plans that outline the infrastructure and servicing requirements for residential and employment land across the LGA.	Align growth with the timely delivery of supporting infrastructure.	Council	Immediate
1.2	For priority urban release areas (particularly Clarenza) prepare structure plans and development controls, including preferred densities and infrastructure servicing strategies, to establish whether land can be feasibly serviced, including alignment of infrastructure and capital works programs, and existing social/green infrastructure and active transport strategies.	Facilitate housing supply delivery by minimising barriers to development. Ensure future housing supply is supported by infrastructure, well-located, and diverse.	Council	Short-term to long-term (dependent on specific area – refer to Annexure 4 for details)
1.3	Undertake specific technical studies to investigate the viability of rezoning targeted planning intervention areas. In priority areas identified for future growth, carry out detailed studies (e.g. environmental, heritage, traffic and access) to determine the suitability and capacity of land for residential purposes.	Improve understanding of land capability and critical issues to be resolved as part of rezoning and/or future development.	Council Private sector	Short-term to long-term (dependent on specific area – refer to Annexure 4 for details)
1.4	Support NSW DPHI's efforts in maintaining the North Coast Housing and Land Monitor by providing data for the Clarence Valley LGA, including details of new development applications, subdivisions, and dwelling completions.	Improve data availability and transparency for housing supply and delivery information.	Council NSW DPHI	Ongoing
1.5	Collaborate with the NSW Reconstruction Authority to support housing delivery for flood impacted residents, including land identified in the final <i>Resilient Lands Strategy</i> .	Ensure new housing is delivered in suitable locations. Accelerate housing delivery.	Council NSW DPHI NSW Reconstruction Authority	Ongoing

Priority 2: Encourage a diverse range of housing options in well-located areas, to meet community needs

No	Action	Rationale	Responsibility	Timeframe
2.1	<p>Encourage compatible and resilient infill housing (including townhouses and apartments above shops) in Grafton, South Grafton, Yamba, Maclean, and Iluka on sites with good access to public transport, parks, shopping, schools, and important social infrastructure.</p> <p>Recommended targeted planning control amendments are presented in Annexure 4.</p>	Encourage supply of diverse housing options in key centres.	Council	Short-term to long-term (dependent on specific area – refer to Annexure 4 for details)
2.2	Update DCPs to include objectives and requirements to encourage diversity in new residential development, including lot sizes (including smaller lots under 400m ²); minimum site areas; dwelling types; dwelling sizes/number of bedrooms; and to encourage adaptable housing with adequate parking arrangements.	Encourage supply of diverse housing options in greenfield areas.	Council	Short-term
2.3	Expand on Council's Accelerated DA processes and apply <i>Housing SEPP</i> provisions (in combination with other Council strategies).	Improve certainty and timeliness of development approvals.	Council	Ongoing
2.4	Consider opportunities to partner with DPHI and LALCs to identify areas that may be appropriate for culturally responsive housing on Country.	Provide culturally appropriate housing.	Council NSW DPHI LALCs	Ongoing
2.5	Identify suitable Council and government-owned land and pursue a pilot project to demonstrate a well-designed and well-located housing development offering a range of dwelling types and sizes, with a focus on building market confidence in such developments, including affordable and key worker housing.	Direct delivery of diverse and affordable housing.	Council NSW Government agencies CHPs	Short-Term
2.6	Update local planning controls to ensure MHEs are located only in areas that have access to social infrastructure and services and ensure there are controls in place to minimise potential interface issues with surrounding land, including agricultural land use conflicts	Encourage diverse and affordable housing in appropriate locations.	Council NSW DPHI	Short-term

Priority 3: Support the delivery of affordable housing in accessible locations

No	Action	Rationale	Responsibility	Timeframe
3.1	Work with other councils across the region to advocate for investment in and increased supply of social, affordable, and community housing by all sectors (private, public and community).	Advocate for affordable housing.	Council	Ongoing
3.2	To allow Council to impose conditions of consent requiring contributions towards affordable housing, undertake a viability assessment for an Affordable Housing Contributions Scheme (AHCS), and if deemed feasible, progress the preparation of a local (or regional) AHCS and update CVLEP to authorise the Scheme.	Support delivery of affordable housing as part of new developments.	Council	Short-term
3.3	Finalise and adopt the draft <i>Affordable Housing Policy</i> and prepare a VPA Policy and a VPA Guideline to outline the processes, procedures, and general requirements for negotiating and preparing VPAs, calculating the value of contributions, and assessing feasibility.	Support delivery of affordable housing as part of new developments.	Council	Immediate
3.4	Investigate opportunities for affordable housing on Council-owned land delivered through public-private partnerships using a competitive tender process. Potential sites to investigate include: <ul style="list-style-type: none"> Grafton Library carpark (airspace above) Car park between Victoria and Fitzroy Streets in the Grafton CBD (airspace above) Wooli Street, Yamba - Library and Community Hall Vacant residential land at Coutts Crossing 	Direct delivery of affordable housing.	Council Private developers CHPs	Short-term
3.5	Review Council staff delegations to determine all affordable housing development applications by CHPs.	Support the delivery of affordable housing by reducing timeframes and increasing certainty.	Council	Immediate

No	Action	Rationale	Responsibility	Timeframe
3.6	<p>Review existing Council fees, charges and local developer contributions and consider the merit of waiving certain fees and charges for certain applications or applicants. For example, DAs lodged by CHPs and others to directly deliver social/affordable housing within the LGA.</p> <p>As part of the review, consider the adequacy of charges for development applications for MHEs, noting that there may be merit in increasing these charges to better reflect the impact of such developments on infrastructure demand and servicing.</p>	Support delivery of affordable and social housing.	Council	Immediate

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Priority 4: Deliver resilient, liveable, and sustainable communities

No	Action	Rationale	Responsibility	Timeframe
4.1	For key centres identified for targeted planning interventions in Action 2.1 and Annexure 4 (Grafton, South Grafton, Yamba, Maclean, and Iluka), prepare precinct plans and/or desired character statements (as appropriate) to apply placemaking principles to these areas prior to amending existing planning controls.	Encourage diverse housing in accessible locations.	Council	Short-term to long-term (dependent on specific area – refer to Annexure 4 for details)
4.2	Protect areas of high environmental value, employment productivity, and strategic agricultural importance by avoiding new rezoning applications involving residential or rural-residential development in areas not identified in strategic planning documentation and/or with limited strategic merit.	Ensure residential development is appropriately located.	Council	Ongoing
4.3	Protect life and property by avoiding rezoning applications for residential or rural-residential development in areas affected by environmental hazards such as flooding, bushfire, or coastal erosion/inundation.	Ensure residential development is appropriately located.	Council	Ongoing
4.4	Review the application of development application requirements and processing practices for developments in HCAs in key centres to ensure that processes protect heritage, while also allowing a reasonable level of development in these areas to meet community needs.	Balance the need for housing supply and heritage protection.	Council	Immediate
4.5	Incorporate best-practice resilience measures (including flood resilient building guidance) into the DCPs.	Increase housing resilience.	Council	Short-term
4.6	Review land use zones (and other relevant planning controls) for remote villages; areas that have historic village type subdivision plans and undeveloped rural-residential areas. Consider environmental and other constraints, existing and neighbouring land	Ensure residential development is appropriately located.	Council NSW DPHI	Medium-term

No	Action	Rationale	Responsibility	Timeframe
	uses, and suitability for residential development, and apply suitable planning controls (where deemed appropriate).			

4.2 Stakeholders

Council will work with internal and external stakeholders to support the delivery of housing and essential growth infrastructure. Key stakeholders include:

- Council's professional planning staff, other internal technical experts (for example, water cycle, engineering experts) and elected Councillors
- Clarence Valley residents
- Development industry
- Relevant State agencies, including NSW DPHI and NSW Reconstruction Authority
- Community housing providers.

Any major changes to the Clarence Valley's planning controls, or to its key strategies and policies would require Council to undertake community consultation.

4.3 Planning proposal

Whilst there is sufficient theoretical capacity (9,229 dwellings) in the Clarence Valley's existing zoned land to meet housing targets, not all land currently zoned for housing will be developed due to a number of factors including environmental constraints, development feasibility, land banking, and infrastructure provision and servicing. Changes to planning controls are required to facilitate the delivery of the right type of housing in the right locations.

Implementing the identified land use planning approach will require amendment to local planning controls contained in CVLEP and Council's DCPs, with potential for an additional 1,730 dwellings (should all recommended interventions be implemented).

A Council-initiated planning proposal would be required to amend the following CVLEP controls identified for each precinct in Section 3.2 and Annexure 4:

- Zone
- Height of Building
- Minimum Lot Size.

The above changes to the CVLEP would need to be supported by amendments to Council's DCPs to achieve the desired design outcomes. Some of these controls were considered in the review of planning

controls undertaken in Annexure 2, however, a more detailed and site-specific review will be required to achieve the desired outcomes of the LHS and the interventions outlined in Annexure 4.

Selected DCP provisions and relevant considerations are shown in the table below.

Provision	Comment
Building height	DCPs include various limits to the height of the top plate of buildings that are more restrictive than the CVLEP Height of Building control relevant to the area. In some places – such as those where topography is undulating – this additional limitation may be appropriate to reduce the visual impact of new development. In other areas, these more restrictive limits may be unreasonably preventing development that aligns with Council’s housing vision.
Minimum site area	Minimum site area controls apply to residential development of different types and in different CVLEP Zones. In R1 General Residential areas and R3 Medium Density Residential areas, minimum site area provisions should be reviewed to ensure they are appropriate and do not unreasonably limit supply of diverse housing.
Parking	DCP controls for parking provision impact development feasibility. In particular, required parking provisions in well-serviced areas such as Grafton and Yamba may be reduced, enabling lower development costs and more housing options in walkable areas.

Further changes to planning controls will be required following further investigations and precinct planning. We expect to complete this work by the next five-year review.

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The rezoning process

Any future rezoning of land in the Clarence Valley to facilitate the delivery of new housing would require changes to the CVLEP, which must be approved by NSW Government. Changes to LEPs are made through planning proposals, and must follow the processes set out in the *NSW Environmental Planning and Assessment Act 1979* and NSW DPHI's *Local Environmental Plan Making Guideline*.

A planning proposal describes the proposed amendments to an LEP, and may be initiated by Council, or by private landowners or developers. As well as describing the proposed amendments, a planning proposal must also identify the rationale for and intended outcomes of the proposed changes, as well as considering any potential impacts that may arise.

The land use planning changes proposed in this LHS would require the preparation of a planning proposal. The *Local Environmental Plan Making Guideline* describes this as a six stage process, from pre-lodgement through to finalisation. The stages and the 'standard' benchmark timeframe for each are:

- **Stage 1:** Pre-lodgement (50 days)
- **Stage 2:** Planning Proposal (95 days)
- **Stage 3:** Gateway determination (25 days)
- **Stage 4:** Post-gateway (50 days)
- **Stage 5:** Public exhibition and assessment (95 days)
- **Stage 6:** Finalisation (55 days).

Benchmark timeframes for a 'standard' developer-led rezoning proposal are also shown. However, timeframes vary depending on the scale and complexity of the proposal, the nature and extent of any issues that must be overcome, and the level of support from the community and other key stakeholders. As part of its commitment to reducing assessment timeframes, DPHI has a target of 380 working days (maximum) for the assessment of planning proposals, which is measured from Stage 3 to Stage 6.

Figure 10 on the following page shows an excerpt from the *Local Environmental Plan Making Guideline*, providing further detail on the six stages of the LEP-making process.

Figure 10: Overview of the LEP-making process



Source: NSW DPHI *Local Environmental Plan Making Guideline*

4.4 Monitoring and review

To ensure its ongoing improvement and relevance, the LHS will be monitored and reviewed on an annual, five- and ten-yearly basis, consistent with NSW DPHI's *Local Housing Strategy Guideline*.

Review type	Description
Annual review	<p>Annual reviews will consider annual housing delivery and supply against the implementation and delivery plan to ensure that the LHS and the CVLEP are delivering the LHS objectives in a timely manner.</p> <p>The annual review provides an opportunity to monitor and identify trends which will help to inform and be considered as part of the five-year review.</p>
Five-yearly review	<p>Five-yearly reviews will consider the evidence base and housing stock against the broader aims of the <i>North Coast Regional Plan</i> to ensure that the LHS is aligned with identified housing needs.</p> <p>The five-yearly review will also include a review of the policies to influence the supply and demand for housing in the local area.</p>
Ten-yearly review	<p>The ten-yearly review will ensure that the 20-year vision statement, the evidence base, and the strategic and planning contexts of the LHS are aligned with the goals of the community, the broader aims of regional plans, and the LHS's implementation and delivery plan.</p>

In addition to the planned review schedule shown above, whenever regular monitoring identifies considerable changes in the housing supply or demand, or demographic, economic or environmental conditions, Council will consider undertaking a holistic review of the LHS. Further, Council will review and (as necessary) update the LHS upon finalisation of studies underway pertaining to flood risk and coastal vulnerability in the LGA.

ANNEXURE 1 – PLANNING AND POLICY CONTEXT

State context

NSW Housing Strategy

Published by the NSW Department of Planning, Housing and Infrastructure (DPHI) in March 2021, *Housing 2041: NSW Housing Strategy* (the NSW Housing Strategy) envisions that by 2041, “NSW will have housing that supports security, comfort, independence, and choice for all people at all stages of their lives.”

The *NSW Housing Strategy* acknowledges that housing is a key contributor to the socio-economic wellbeing and health of individuals and communities. To meet the diverse needs of the local communities at every stage of life, it is not enough to simply increase the supply of housing. People’s circumstances, lifestyle and culture influence their needs, and where and how they choose to live is about more than just the dwelling itself. In recognition of this, the NSW Housing Strategy provides a range of actions, focused around the following four ‘housing pillars’:

supply: housing supply delivered in the right location at the right time.

diversity: housing is diverse, meeting varied and changing needs of people across their life.

affordability: housing that is affordable and secure.

resilience: housing that is enduring and resilient to natural and social change.

Housing SEPP

The NSW Government introduced the *State Environmental Planning Policies (Housing) 2021* (the Housing SEPP) in November 2021, which repealed and replaced the following SEPPs:

- *Affordable Rental Housing SEPP 2009*
- *Housing for Seniors and People with a Disability SEPP 2004*
- *SEPP 70 – Affordable Housing (Revised Schemes)*
- *SEPP 21 – Caravan Parks*
- *SEPP 36 – Manufactured Home Estates.*

The Housing SEPP contains planning provisions, including bonus incentives, to encourage the delivery of diverse and affordable housing in the right locations, to meet the diverse needs of communities at every stage of life.

Codes SEPP

The *State Environmental Planning Policy (Exempt and Complying Development Codes) 2008* (Codes SEPP) aims to streamline development that is considered to have minimal environmental impacts. Works can either be carried through exempt or complying development to enable a faster approval and construction process. Regarding complying development, there are four key codes that enable a Principal Certifying Authority (PCA) to approve certain types of residential development, subject to compliance with relevant statutory controls, including:

- **Part 3 Housing Code** applies to land not applicable under the Greenfields Housing Code or zoned for rural or environmental protection purposes.
- **Part 3A Rural Housing Code** applies to land zoned for rural purposes or R5 Large Lot Residential.
- **Part 3B Low Rise Housing Diversity Code** which sets development standards and permissibility for certain medium density housing types.

Regional context

North Coast Regional Plan 2041

In December 2022, DPHI published the *North Coast Regional Plan 2041* (the Regional Plan) which sets the strategic vision for 12 LGAs, including the Clarence Valley. Table 10 summarises key goals and priorities identified in the Regional Plan in relation to housing.

Table 10: Relevant goals/priorities for the North Coast Region

Goal/priority	Objective(s)
Goal 1: Liveable, sustainable and resilient	<ul style="list-style-type: none"> ▪ Objective 1: Provide well-located homes to meet demand <ul style="list-style-type: none"> ▪ Strategy 1.1: A 10 year supply of zoned and developable residential land is to be provided and maintained in Local Council Plans endorsed by the Department of Planning, Housing and Infrastructure ▪ Strategy 1.2: Local Council plans are to encourage and facilitate a range of housing options in well located areas. ▪ Strategy 1.3: Undertake infrastructure service planning to establish land can be feasibly serviced prior to rezoning. ▪ Strategy 1.4: Housing strategies must prioritise new infill development to assist in meeting the region's overall 40% multi-dwelling / small lot housing target and are encouraged to work collaboratively at a subregional level to achieve the target. ▪ Strategy 1.5: New rural residential housing is to be located on land which has been approved in a strategy endorsed by the Department of Planning, Housing and Infrastructure and is to be directed away from the coastal strip. ▪ Strategy 1.6: Councils and LALCs can partner to identify areas which may be appropriate for culturally responsive housing on Country.
	<ul style="list-style-type: none"> ▪ Objective 2: Provide for more affordable and low-cost housing <ul style="list-style-type: none"> ▪ Several policy frameworks support the delivery of affordable housing, including infill affordable housing and boarding house provisions in the Housing SEPP. ▪ Councils can also consider providing for low cost dwelling types in their local strategies and plans to assist housing affordability. Low cost housing types remain in perpetuity, unlike some affordable housing dwellings which revert to market rates after a set period.

Goal/priority	Objective(s)
	<ul style="list-style-type: none"> ▪ Councils can encourage diversity of housing types through a range of mechanisms such as: Bonus development provisions, where a percentage of affordable housing is included in a proposal; Reduced contributions or other development incentives that may boost construction of secondary dwellings as alternative affordable housing. ▪ Council must have an affordable housing contributions plan in place to impose a condition of consent to require contributions towards affordable housing. ▪ Objective 5: manage and improve resilience to shocks and stresses, natural hazards, and climate change <ul style="list-style-type: none"> ▪ Strategy 5.1 When preparing local strategic plans, councils should be consistent with and adopt the principles outlined in the Strategic Guide to Planning for Natural Hazards. ▪ Strategy 5.2 Where significant risk from natural hazard is known or presumed, updated hazard strategies are to inform new land use strategies and be prepared in consultation with emergency service providers and Local Emergency Management Committees (LEMCs). Hazard strategies should investigate options to minimise risk such as voluntary housing buy back schemes. ▪ Strategy 5.3 Use local strategic planning and local plans to adapt to climate change and reduce exposure to natural hazards. An example of this is locating urban release areas away from areas of known high bushfire risk, flood and coastal hazard areas to reduce the community's exposure to natural hazards.
Goal 3: Growth, change, and opportunity	<ul style="list-style-type: none"> ▪ Objective 18: Plan for sustainable communities <ul style="list-style-type: none"> ▪ Strategy 8.1 Local planning should protect and maintain agricultural productive capacity in the region by directing urban, rural residential and other incompatible development away from important farmland.
Regional priorities	<ul style="list-style-type: none"> ▪ Develop Grafton's importance and role in the region through placemaking improvements, growing the economy and providing job opportunities, housing and services.
Liveable and resilient	<ul style="list-style-type: none"> ▪ Provide adaptation and mitigation strategies in response to natural hazards, including climate change. ▪ Retain and enhance the unique heritage values of the built environment, through well-designed development in historic centres. ▪ Support environmentally sustainable development that is responsive to natural hazards.
Housing and place	<ul style="list-style-type: none"> ▪ Enable appropriate housing development throughout the LGA, including at Grafton, Clarenza, James Creek, Junction Hill and West Yamba. ▪ Explore opportunities to provide more affordable housing near supporting infrastructure and services. ▪ Provide a diverse range of housing types with access to facilities and services that meet population and demographic needs. ▪ Protect and enhance the unique character of the LGA's towns and villages. ▪ Incorporate a placemaking approach to create sustainable and liveable communities.

Source: NSW DPHI (2022)

Resilient Lands Strategy

The NSW Reconstruction Authority (RA) is responsible for the Resilient Lands Program, which aims to deliver a sustainable supply of suitable land for housing in the Northern Rivers and develop a *Northern Rivers Resilient Lands Strategy* (the *Resilient Lands Strategy*). The strategy will identify land suitable for residential development and providing flood-affected residents with options for relocation within the region.

As at the time of drafting this LHS, the RA has released a draft summary report of the *Resilient Lands Strategy*, which identifies the Clarence Valley as a 'high risk area'.

According to the draft summary report, the *Resilient Lands Strategy* identifies 22 sites across the Northern Rivers region, with the potential to deliver up to 10,300 dwellings. This includes one site within the Clarence Valley LGA, located to the north of Grafton (within the existing locality of Junction Hill), the Junction Hill urban release area (URA). The draft summary report identifies this site as 'C1' and classifies it as a short-term site that is both able to be serviced and not subject to flood risk; with capacity for between 850 and 1,270 dwellings. This site is discussed further in the *Housing supply* section of Annexure 2.

Development of the sites identified in the strategy will be supported by \$100 million in funding – available under the Resilient Lands Program – to support feasibility, enabling infrastructure, pilot programs, social and affordable housing, land acquisition, and government-led residential development.

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Local context

Clarence Valley Local Strategic Planning Statement

Published by Clarence Valley Council in July 2020, the *Clarence Valley Local Strategic Planning Statement* (LSPS) gives effect to the North Coast Regional Plan and establishes a long-term strategic vision for land use planning in the Clarence Valley LGA based on local needs and aspirations. Key priorities and actions relating to housing in the LSPS are summarised in Table 11.

Table 11: Relevant priorities and actions for the Clarence Valley

Priority 1: Take a proactive place making approach to create great places to live, work and play, suitable for our climate, culture and social aspirations
<ul style="list-style-type: none">▪ Action 1.1: Prepare a Local Growth Management Strategy for the Clarence Valley.
Priority 3: Plan for a growing population and provide safe, resilient and sustainable places for communities to grow
<ul style="list-style-type: none">▪ Action 3.2: Undertake a strategic housing needs assessment study to inform the development of our local growth management strategy for the Clarence Valley, in collaboration with our community, other Councils and state agencies.▪ Action 3.4: Investigate measures to encourage a wide range of smaller homes in appropriate locations of our existing centres to help achieve a target of 40% infill housing across the Clarence LGA.
Priority 4: Provide housing choice to meet community needs, including social and affordable housing
<ul style="list-style-type: none">▪ Action 4.1: Provide for a planning framework and processes that enable more dual occupancies, townhouses, villas and smaller dwellings within appropriately planned areas, where these provide for safe housing sympathetic to the character and amenity of the area.▪ Action 4.2: Monitor levels of social and locational disadvantage, in order to provide targeted support and services such as the ageing population and delivering programs aimed at providing opportunities for young people, and affordable housing.▪ Action 4.3: Investigate whether there are planning impediments to the establishment and operation of not-for-profit community service providers to ensure key community services can be delivered as effectively as possible.▪ Action 4.4: Develop a Housing Strategy in line with the DPIE Local Housing Strategy Guideline 2018 (and a particular emphasis on integrating liveability principles), to sit alongside a local growth management strategy.
Priority 5: Provide for healthy, safe and well connected communities, particularly providing for social infrastructure
<ul style="list-style-type: none">▪ Action 5.1: Work with Department of Planning, Industry and Environment to establish social infrastructure benchmarks, minimum standards and social impact assessment frameworks for local planning.▪ Action 5.2: Deliver Crime Prevention Through Environmental Design (CPTED) outcomes through the planning process, particularly strategic planning, rezoning and development applications.
Priority 6: Preserve and enhance the local character of and heritage of our diverse places and communities
<ul style="list-style-type: none">▪ Action 6.1: Work with Department of Planning, Industry and Environment to update the North Coast Design Guidelines and ensure new development adheres to the principles and expected outcomes.▪ Action 6.2: Work with local communities to prioritise and then develop site specific Local Character Statements or Character Narratives for all existing and proposed Heritage Conservation Areas and associated development controls for coastal communities such as Yamba, Angourie, Brooms Head, Sandon, Minnie Water, Diggers Camp and Wooli.▪ Action 6.4: Encourage appropriate re-use of Grafton gaol with regard to local character and vitality of the Grafton CBD.

Priority 7: Coordinate local and state funded infrastructure delivery with land use planning

- **Action 7.1:** Ensure the development of a Local Growth Management Strategy (LGMS), housing strategies and other plans strategies are informed by and co-ordinated with infrastructure delivery and funding. This includes social infrastructure, as well as active travel infrastructure (such as walking and cycling paths).

Priority 17: Plan for safer, more disaster resilient communities

- **Action 17.1:** Ensure that decision making helps create safer, more disaster resilient communities, with particular regard to the long-term social and economic costs of the potential effects of natural hazards, and issues relating to risk to life and evacuation capacity.
- **Action 17.5:** Promote the use of flood resilient building practices for development in areas at risk of flooding in the Clarence up to Probable Maximum Flood and explore the economic feasibility and implications of planning controls.
- **Action 17.8:** Incorporate new knowledge on regional climate projections and related cumulative impacts in local plans for new urban development, including to consider the regional systems transition model as outlined in NERA Report 2019.

Priority 18: Promote a low-carbon community

- **Action 18.1:** Update relevant planning controls to ensure that areas for investigation for urban or employment land must also consider energy efficiency, infrastructure efficiency and sustainability impacts through the planning process.

Priority 19: Promote a low-carbon community

- **Action 19.1:** Plan for the development of the regions natural, mineral and forestry resources, and direct land uses such as residential development, urban roads and infrastructure that are sensitive to impacts from noise, dust, vibration and light to suitable locations.

Source: Clarence Valley Council (2020)

Clarence Valley Local Environmental Plan 2011

The *Clarence Valley Local Environmental Plan 2011* (CVLEP) is the local environmental planning instrument for the Clarence Valley LGA. It has been revised and amended numerous times since commencement, including changes to the supply of land for housing. A review of planning controls can be found in the *Review of planning controls* section of Annexure 2.

Clarence Valley Development Control Plans

There are five Development Control Plans (DCPs) that Council has developed and implemented for the LGA. Each DCP relates to development in a particular category of zone, therefore where residential development is permitted in a zone, the DCP is relevant to this LHS. The relevant DCPs are:

- *Business Zones Development Control Plan 2011*
- *Residential Zones Development Control Plan 2011*
- *Rural Zones Development Control Plan 2011.*

Clarence Valley Affordable Housing Policy

In 2015, Council adopted version three of its *Affordable Housing Policy*. Under the current framework for affordable housing, Council may only impose a condition of consent requiring contributions towards affordable housing if it has a local or regional Affordable Housing Contributions Scheme in place. This means the only other mechanism available to Council to directly influence the supply of affordable housing under the policy is the use of voluntary planning agreements as part of spot-rezonings.

While planning agreements can be a useful tool to ensure developers contribute towards local infrastructure to support growth, there are certain limitations that must be acknowledged. Developers often refuse to enter into a planning agreement to deliver affordable housing on the basis that it is not financially feasible to do so.

Under the current system, planning agreements are voluntary, and Council cannot refuse to progress a planning proposal on the basis that the developer does not offer to enter into one.

Other local plans and strategies

Council has also developed a range of other strategic planning strategies, including the recently adopted *Employment Lands Strategy*, *Rural Lands Strategy*, and *Green Infrastructure Strategy*. These strategic planning activities and the development of this LHS have been informed by *The Clarence 2032*, Council's Community Strategic Plan, which was developed through wide community consultation and outlines a shared vision for the LGA.

The actions within this LHS, along with those of the aforementioned strategies (and others, as relevant), will be incorporated into an overarching implementation plan to assist Council in managing, actioning, and prioritising its strategic planning activities.

DRAFT

ANNEXURE 2 – THE EVIDENCE

Demographic trends

This section analyses demographic data and information to identify changes and trends within the population, and to understand the housing need of the future population.

The demographic analysis contained within this chapter generally pertains to the Clarence Valley LGA as a whole. Where relevant, data from other areas has been presented to enable comparative analysis and provide further context. The comparator areas used in this chapter are:

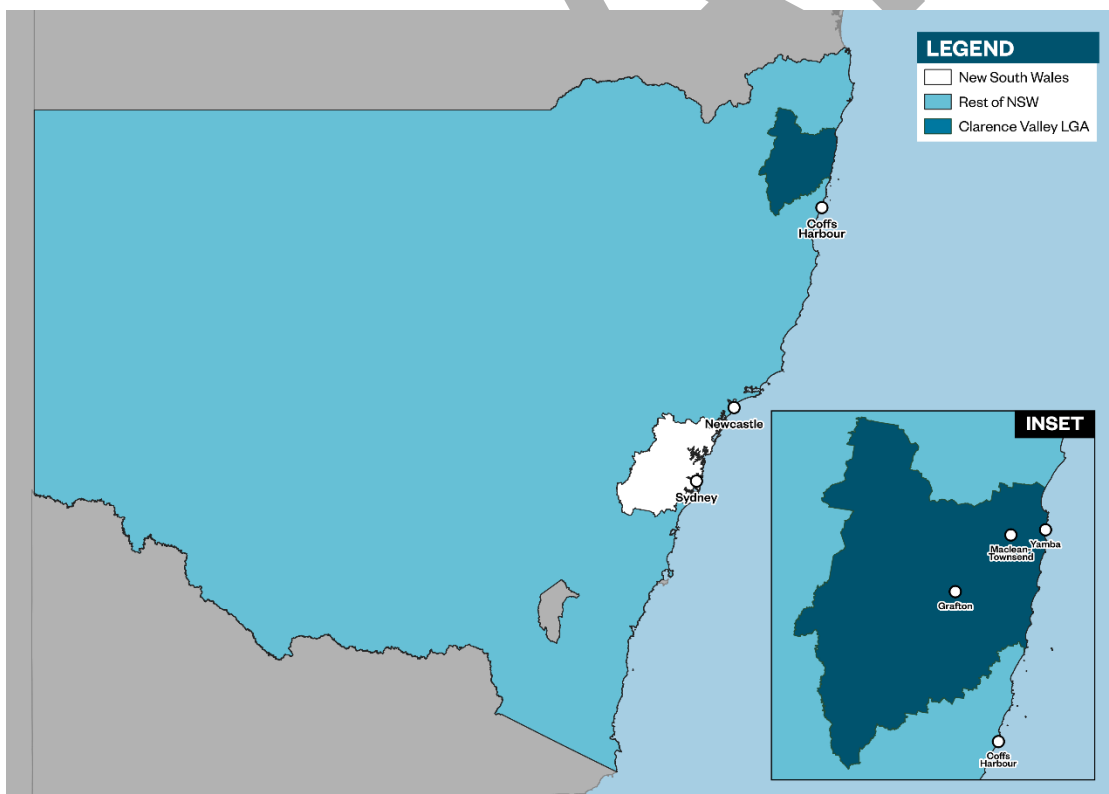
New South Wales (the entire State)

Rest of New South Wales (the entire State excluding Greater Sydney).

These are shown in Figure 11.

In addition, smaller areas have been utilised in some sections to enable differences across demographic variables between parts of the Clarence Valley LGA to be examined. These areas are identified and shown as necessary in the relevant section.

Figure 11: Demographic study areas: Clarence Valley LGA, Rest of NSW, and NSW



Source: Mecone

Population change

Historic population profile

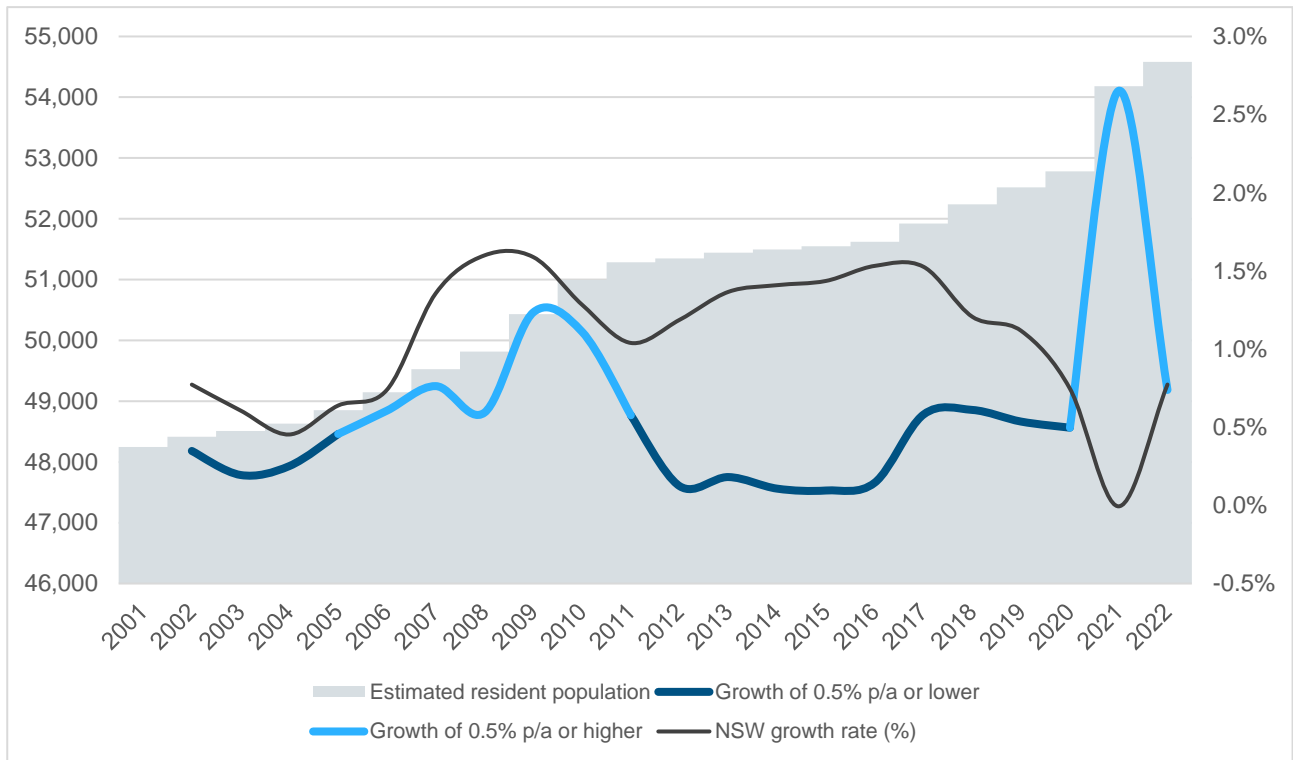
As at the 2021 Census, the Clarence Valley LGA had a total population of 54,115 persons. The most recent available data for the LGA (for 2022) shows an additional increase, to a total estimated resident population of 54,580 persons.

Figure 12 shows the estimated resident population for the Clarence Valley LGA over the period 2001 to 2022, along with the annual growth rate. The annual growth rate shows distinct phases of minimal or slow population growth (2001-2004, 2012-2020) interjected by relatively rapid population growth (2005-2011, 2020-2022).

Overall, across the period 2001 to 2022, the Clarence Valley LGA grew by over 6,300 people. A wide range of factors are likely to have contributed to this, including an acceleration of people moving to the LGA for the lifestyle, including in-migration associated with the COVID-19 pandemic, which was largely unanticipated. The relative affordability of the area is likely to be another important attractor.

The Clarence Valley LGA is also home to a significant and growing First Nations population. As at the 2011 Census, over 2,800 people in the LGA (just below six per cent of the overall population) identified as Aboriginal and/or Torres Strait Islander. At the most recent 2021 Census, this figure had risen to almost 4,400 people, or more than eight per cent of the overall population.

Figure 12: Historic population growth and growth rates, Clarence Valley LGA and NSW (2001-2022)



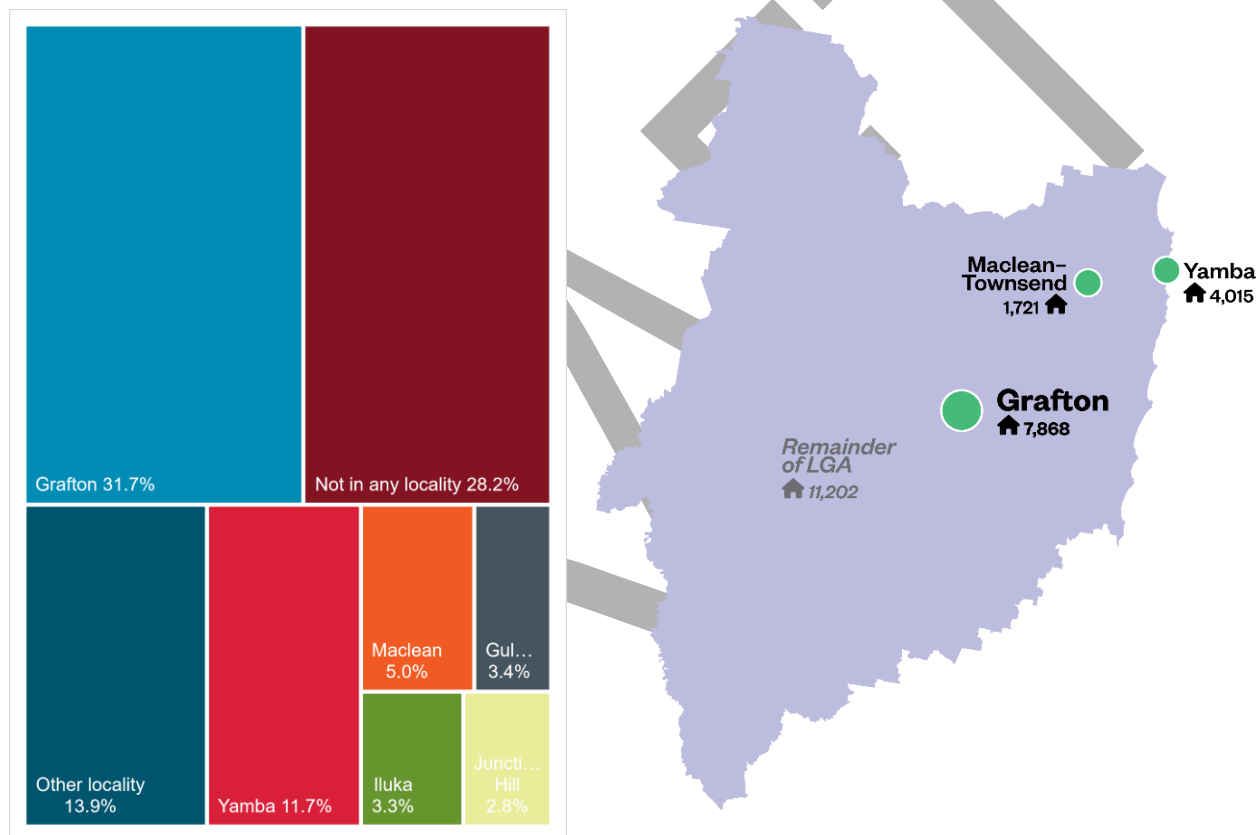
Source: ABS Regional Population (2023)

Figure 12 also shows the population growth rate recorded across NSW for the same period. Between 2002 and 2011, the Clarence Valley LGA's population growth rate was generally similar to that of NSW. Following this period, NSW maintained a significantly higher population growth rate than the Clarence Valley LGA for around a decade. Between 2020 and 2022, the Clarence Valley LGA's population growth rate soared, whilst the opposite occurred across NSW. In 2021, the Clarence Valley LGA's annual population growth rate was 2.5 per cent whilst NSW grew by 0 per cent. This likely reflects exurban migration trends associated with the onset and peak of the COVID-19 pandemic in Australia.

The Clarence Valley LGA's population is distributed unevenly across its area, as shown in Figure 13. Grafton and Yamba are the main centres of the LGA, with nearly a third of the entire Clarence Valley LGA's 2021 population residing in Grafton alone, and over ten per cent in Yamba. The next largest settlement by share of population is Maclean, with less than half of Yamba's share (five per cent of the total LGA population).

Most settlements in the LGA are concentrated along or near the Clarence River. The LGA's urban centres – and therefore, more than half of Clarence Valley LGA residents (57.9 per cent) – are exclusively located along or near the Clarence River, with only a selection of the smaller and less populated localities being significantly separated from the watercourse.

Figure 13: Settlements by proportion of Clarence Valley LGA population (2021)



Source: HillPDA, ABS TableBuilder (2023)

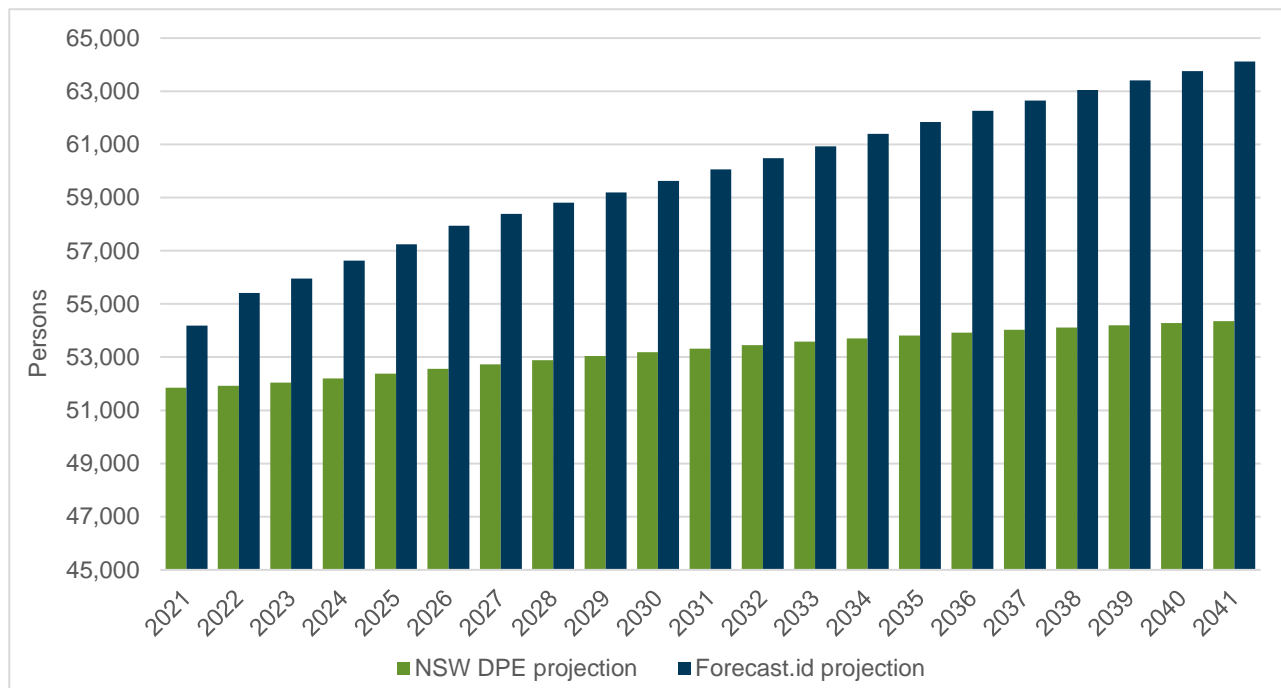
Projected population profile

DPHI's projections estimate that the Clarence Valley LGA will reach 54,352 people by 2041. Whilst this would have represented steady population growth from the starting point used for those projections, ABS estimates of the resident population indicate that this figure was surpassed in 2022. Conversely, .id projects

that the Clarence Valley LGA’s population will grow to 64,121 people by 2041, representing an average growth rate of 0.8% per annum.

Over the period 2021-2041, DPHI’s projections now effectively anticipate zero population growth, whilst .id projects almost 10,000 additional Clarence Valley residents by 2041. This is shown in Figure 14.

Figure 14: Population projections comparison, Clarence Valley LGA (2021-2041)



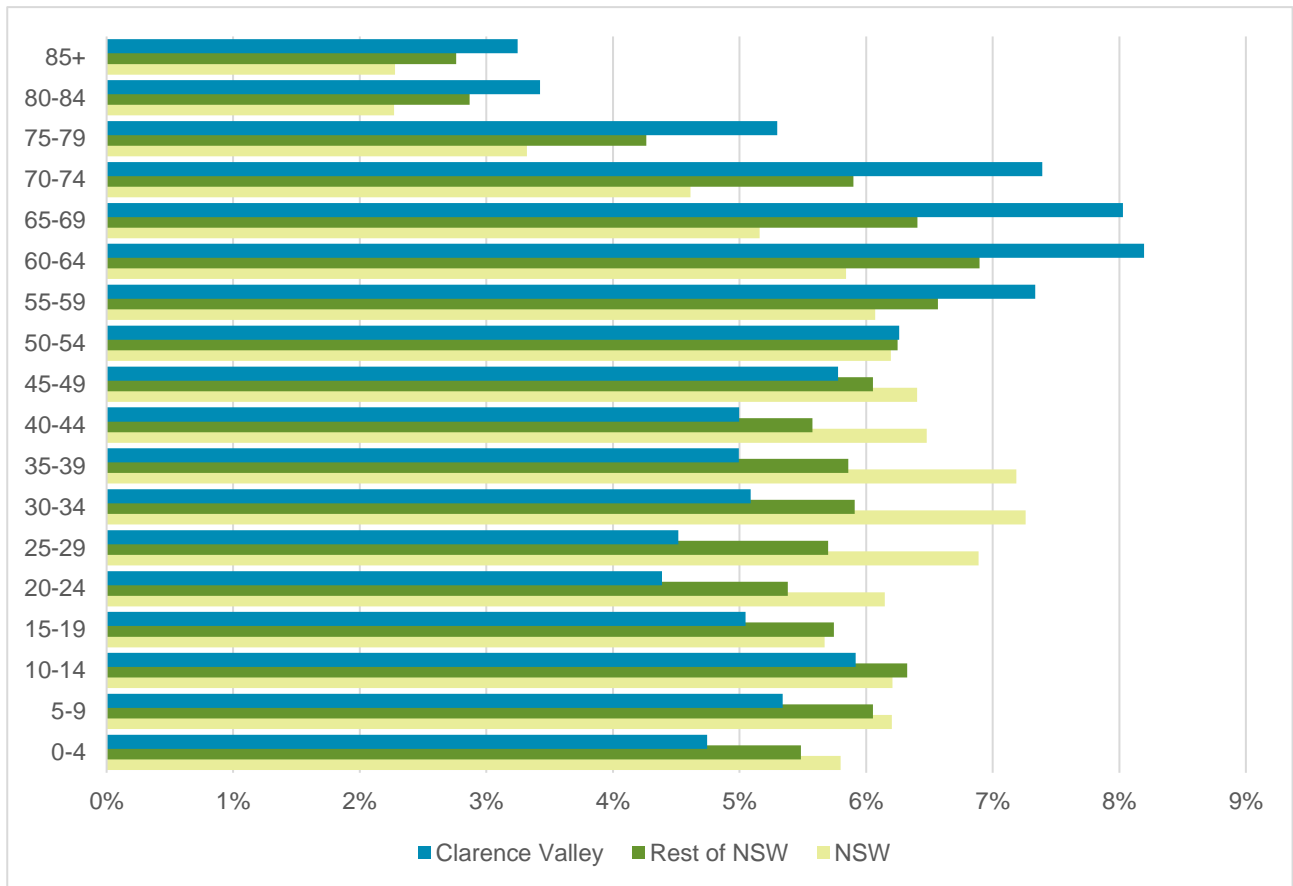
Source: NSW DPHI (2022), .id (2023)

Age structure

Historic age structure

As at the 2021 Census, the median age in the Clarence Valley LGA was 49 years, significantly older than that recorded across the Rest of NSW (43 years) and NSW as a whole (39 years), reflecting a population with proportionally few young people. This is illustrated in Figure 15.

Figure 15: Population age structure, Clarence Valley LGA and comparator areas (2021)



Source: HillPDA, ABS Table Builder (2023)

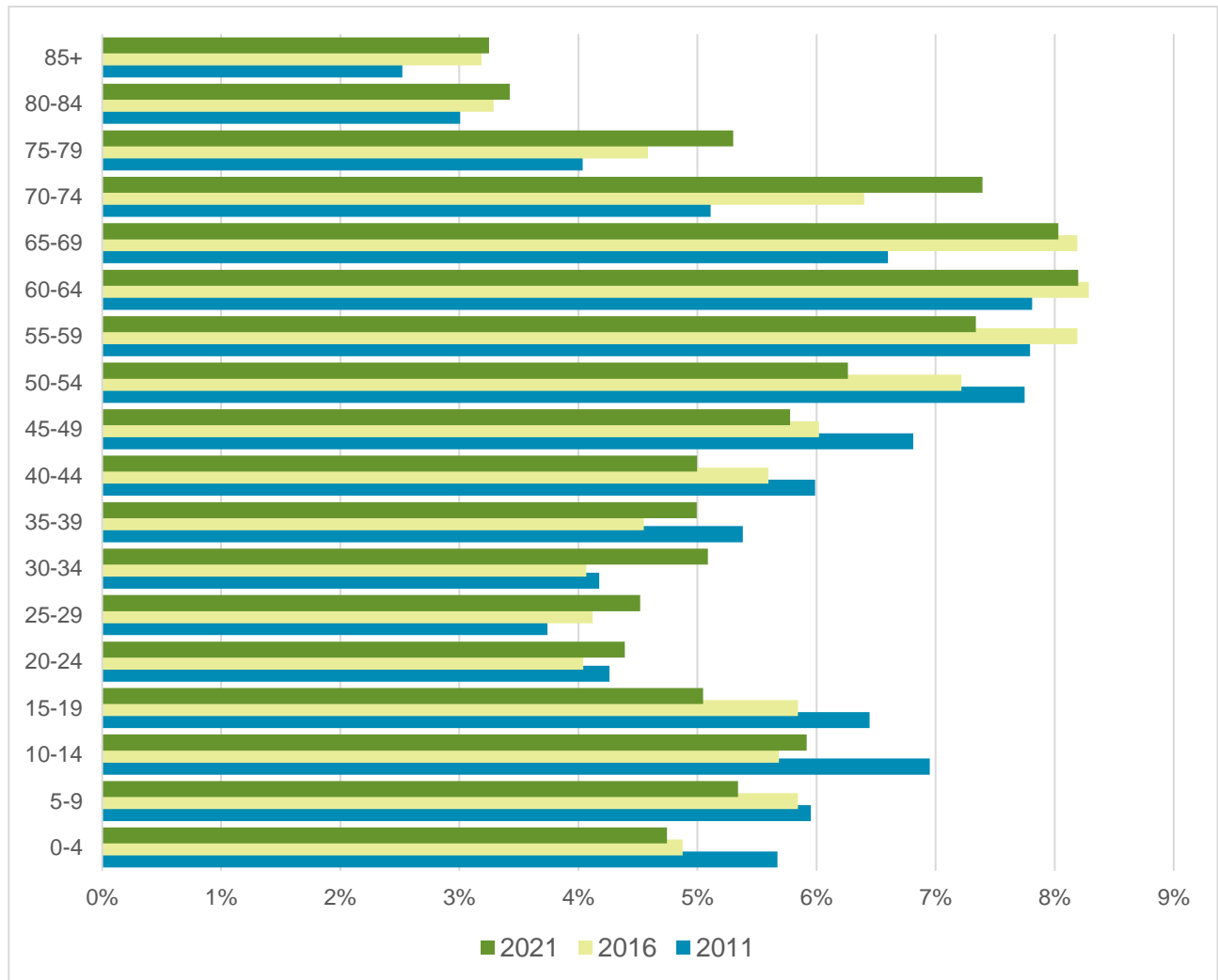
For all five year age groups below 50 years of age, there were proportionally fewer residents in the Clarence Valley LGA compared to the comparator areas, whilst the opposite is true for five year age groups over 50 years of age.

The most significant difference can be seen in young adult age groups (20-39 years of age), which collectively constitute slightly less than one fifth of the Clarence Valley LGA’s population, much lower than the same figure for the Rest of NSW (around 23 per cent) or NSW (around 28 per cent). The Clarence Valley LGA however, has a far higher proportion of residents aged over 55 years (around 43 per cent) compared to the Rest of NSW or NSW (roughly 36 and 30 per cent respectively).

Figure 16 shows how the LGA’s age structure has changed over the ten year period between 2011 to 2021. Compared to in 2011, the Clarence Valley LGA in 2021 had proportionally less children and teenagers, as well far fewer adults aged between 35 and 54 years. Interestingly, the high proportion of residents aged 10-19 years old at the 2011 Census has not been reflected in the 2021 Census results for the corresponding age group (20-29 years). This may be indicative of (at least during the ten year period from 2011 to 2021)

young people departing the LGA. In 2016 and 2021, the Clarence Valley LGA showed proportionally far higher numbers of older adults, aged 60 and over. In particular, residents aged 65 to 79 years made up much more of the LGA's population in 2021.

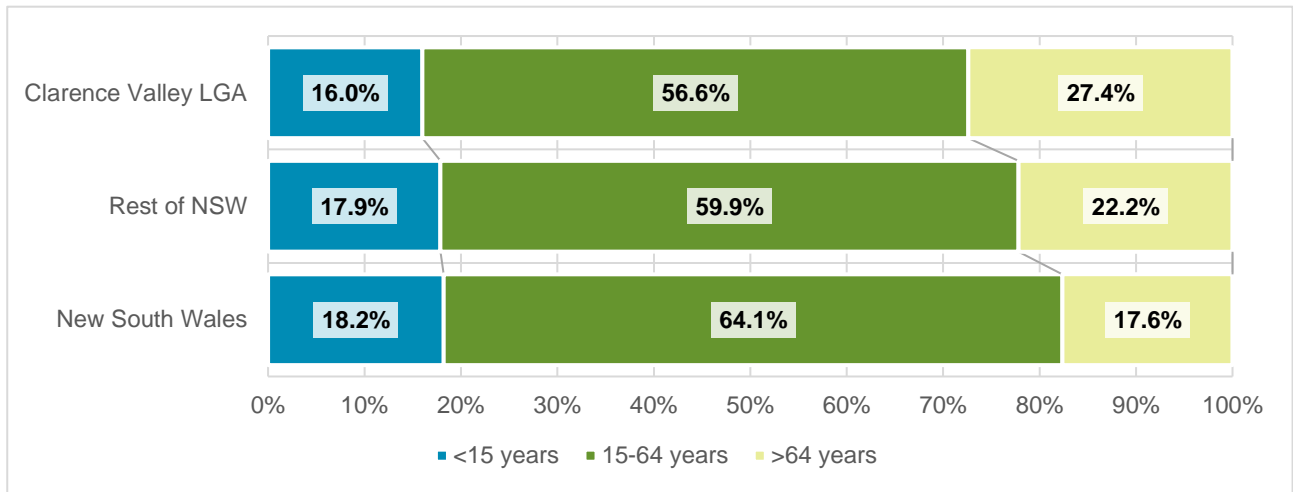
Figure 16: Comparative population age structure Clarence Valley LGA (2011-2021)



Source: HillPDA, ABS TableBuilder (2023)

Clarence Valley’s working aged population (aged between 15 and 64 years at the time of the Census) was lower than other parts of NSW in 2021 (Figure 17).

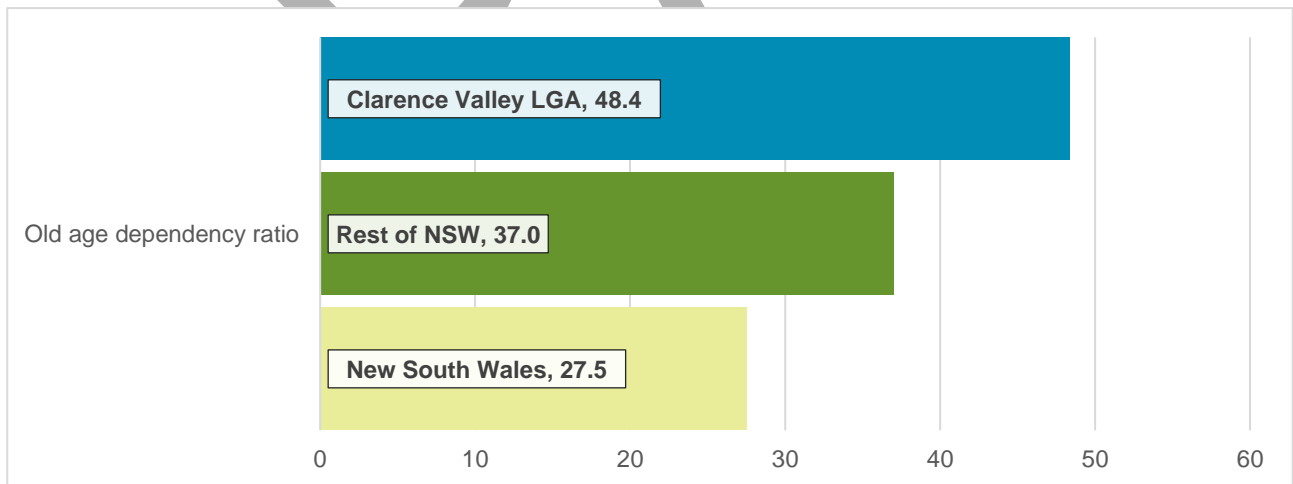
Figure 17: Working age population, Clarence Valley LGA and comparator areas (2021 Census)



Source: HillPDA, ABS TableBuilder (2023)

This relationship between working age and older than working age residents can be described using an ‘old age dependency ratio’. In 2021, the Clarence Valley LGA had almost fifty residents above working age per one hundred working age residents. This was much higher than that seen across the Rest of NSW (37 per 100) and NSW (around 28 per 100) (Figure 18).

Figure 18: Old age dependency ratio, Clarence Valley LGA and comparator areas (2021)



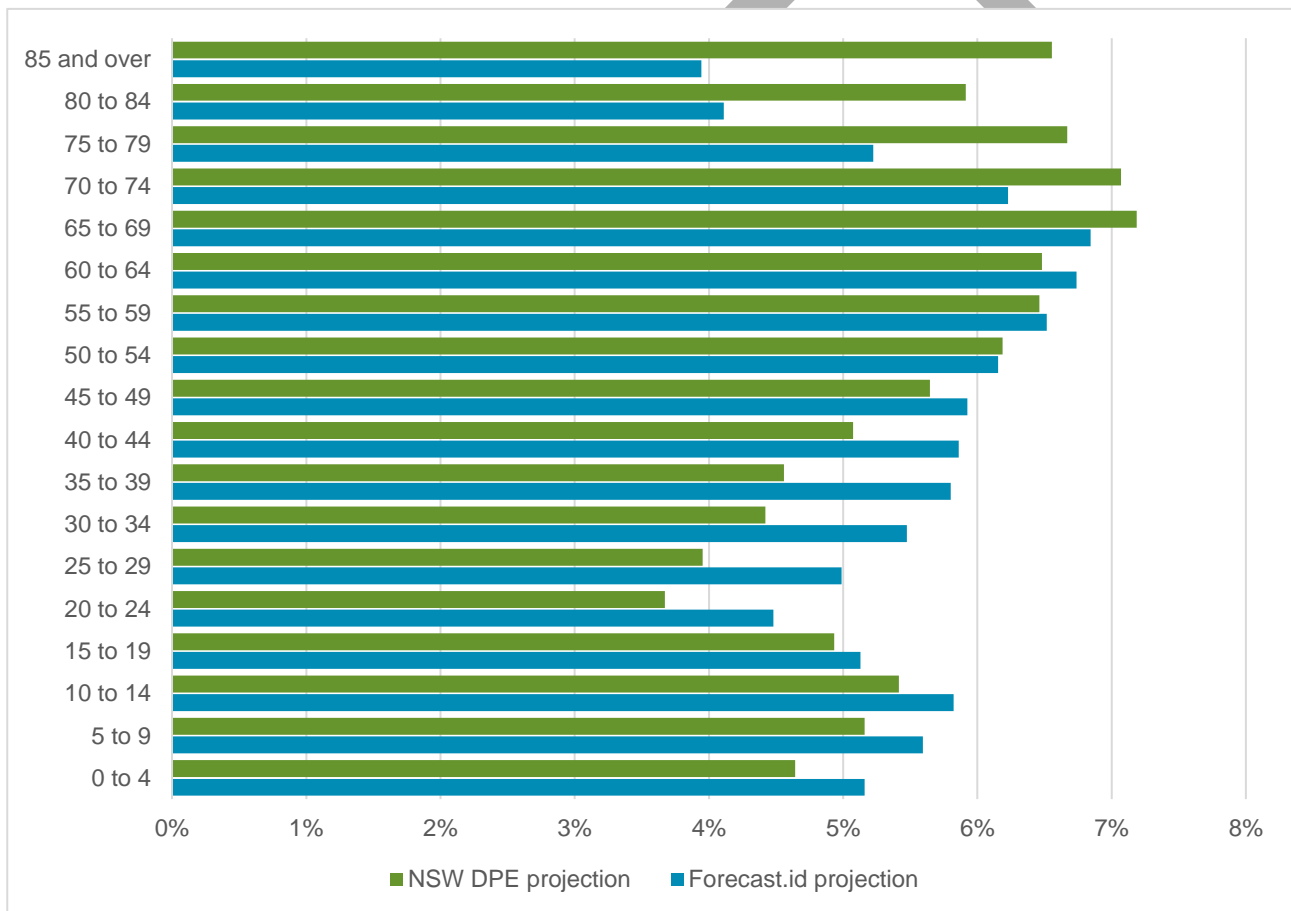
Source: HillPDA, ABS TableBuilder (2023)

Age projections

NSW DPHI and .id project population by age structure, shown in Figure 19. As noted previously, DPHI's projections are informed by older data, and as such project a continuation of existing trends observed in the Clarence Valley LGA, resulting in a significantly older population, with a projected median age of around 52 years.

.id's projections however, anticipate a reversal of past trends. Their projected 2041 age structure for the LGA includes a much higher proportion of adults aged between 20 and 44 years, as well as a somewhat higher proportion of children. .id projects that a far lower proportion of residents aged 65 years or older in the Clarence Valley by 2041, though it is noted that with the large number of additional residents projected by .id overall, this lower proportion of older residents remains significant in number.

Figure 19: Projected population age structure, Clarence Valley LGA (2041)



Source: NSW DPHI (2022), .id (2023)

Households

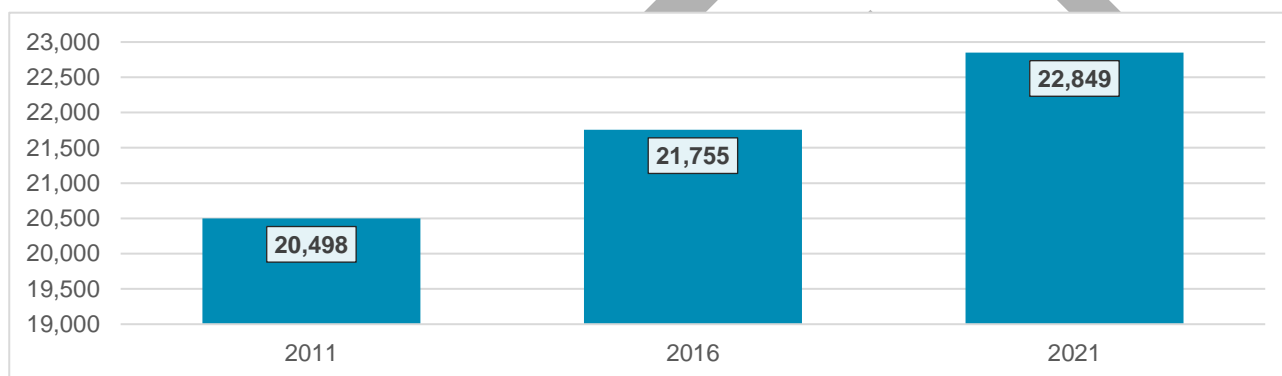
Historic number of households

As at the 2021 Census, there were almost 23,000 households recorded in the Clarence Valley LGA.

This equates to an increase of over 2,300 households since the 2011 Census. Between the 2011 and 2016 Censuses, the number of households in the Clarence Valley LGA increased by around 1,250, whilst between the 2016 and 2021 Censuses, a slightly smaller increase of around 1,100 households was recorded.

These findings are shown in Figure 20.

Figure 20: Number of households, Clarence Valley LGA (2011-2021)

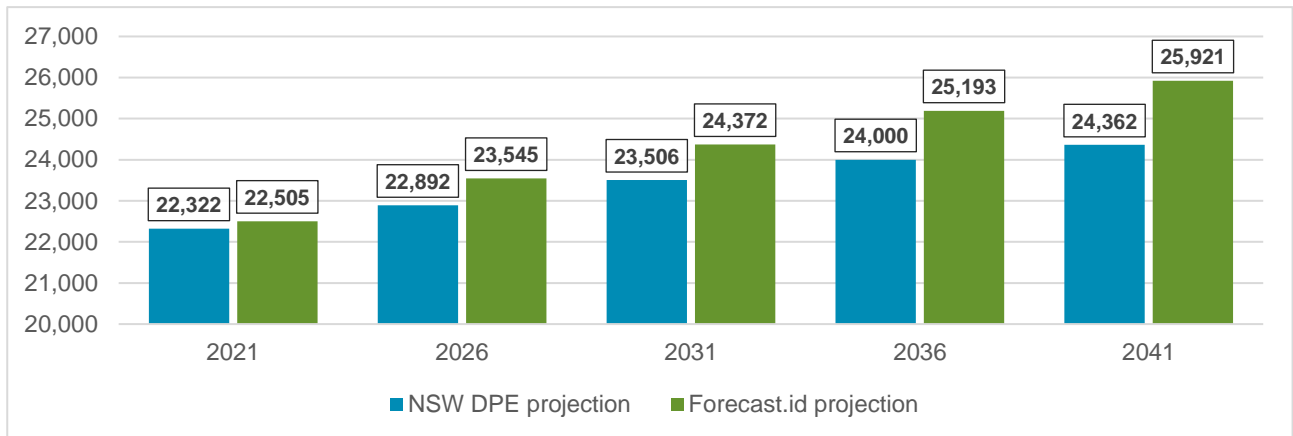


Source: ABS Time Series Profile (2022)

Projected number of households

By 2041, the Clarence Valley LGA will be home to around 24,350 households according to DPFI's projection, and almost 26,000 households according to .id's projection. This is shown in Figure 21.

Figure 21: Projected count of households, Clarence Valley LGA (2021-2041)

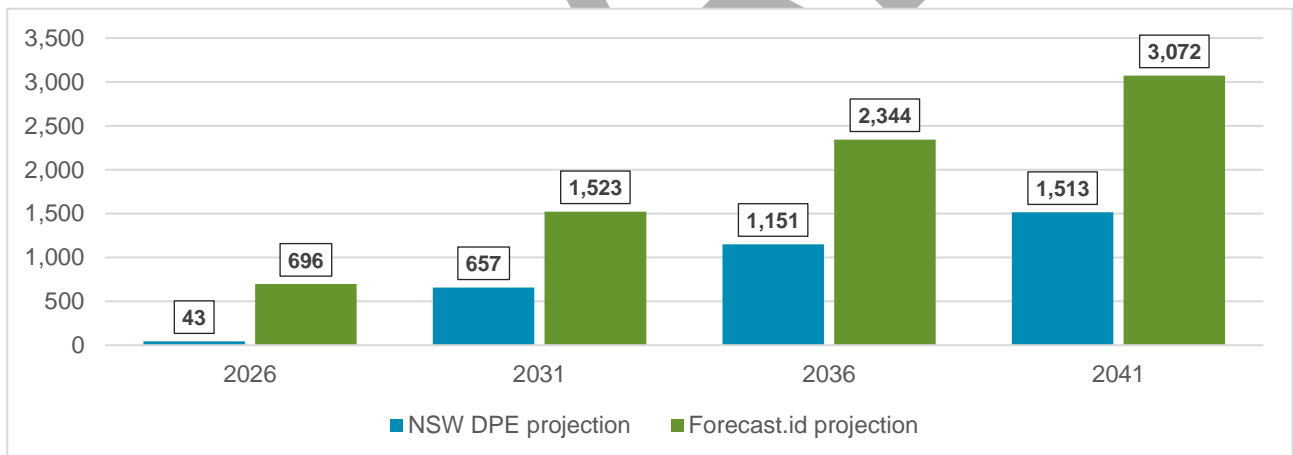


Source: NSW DPHI (2022), .id (2023)

Figure 22 shows the above projections by the count of additional households over that recorded at the 2021 Census. Under DPHI's projection, the Clarence Valley LGA will have approximately 650 additional households by 2031, and around 1,500 additional households by 2041.

Under .id's projection, the Clarence Valley LGA will have around 1,500 additional households by 2031, and close to 3,100 additional households by 2041.

Figure 22: Projected count of additional households, Clarence Valley LGA (2026-2041)



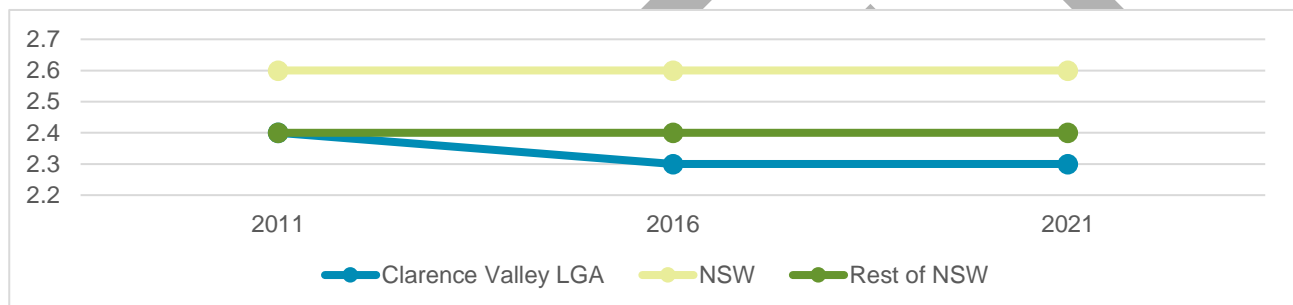
Source: ABS QuickStats (2022), NSW DPHI (2022), .id (2023)

Average household size

Historic household size

As at the 2021 Census, the Clarence Valley LGA recorded an average household size of 2.3 persons. This figure remained steady across the 2016 and 2021 Censuses, but has decreased slightly since the average of 2.4 persons per household recorded at the 2011 Census. Across both the Clarence Valley LGA and the Rest of NSW, average household size is lower than that of NSW as a whole (as shown in Figure 23). This has been steady over the period 2011 to 2021, with both the Rest of NSW and NSW as a whole recording the same average household size in each Census (2.4 persons and 2.6 persons respectively).

Figure 23: Average household size, Clarence Valley LGA and comparator areas (2011-2021)

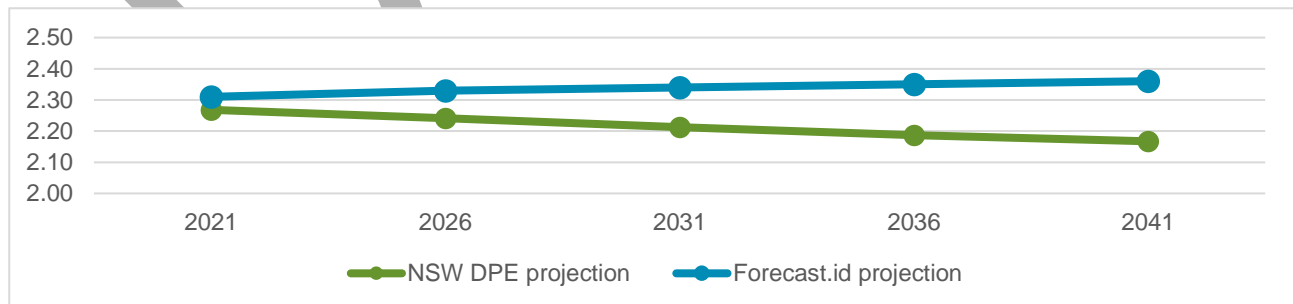


Source: ABS QuickStats (2022)

Projected household size

Overall, average household size projections from both DPHI and .id project only a very minor change to 2041. DPHI projects a reduction from just below 2.3 to just below 2.2 persons per household, and .id project an increase from around 2.3 persons per household to closer to 2.4 persons per household (Figure 24).

Figure 24: Average household size projections, Clarence Valley LGA (2021-2041)



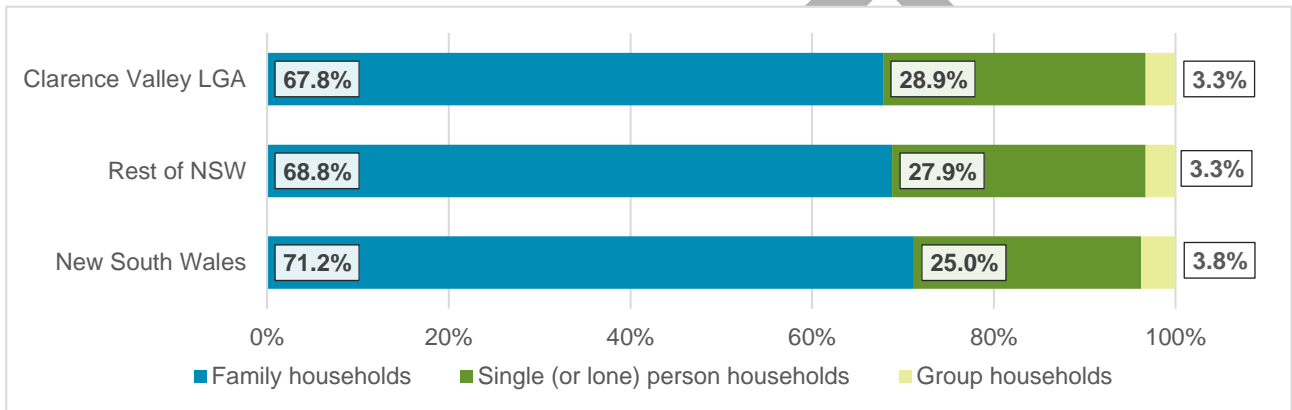
Source: NSW DPHI (2022), .id (2023)

Household types and family composition

Household composition in the Clarence Valley LGA was found to be similar to the Rest of NSW. At the time of the 2021 Census, slightly over two thirds consisted of family households, a very small proportion of group households, and the remainder made up of lone person households (Figure 25)

The Clarence Valley LGA has a higher proportion of lone person households and a correspondingly smaller proportion of family households compared to other parts of NSW. This reflects the dominance of older age groups in the LGA.

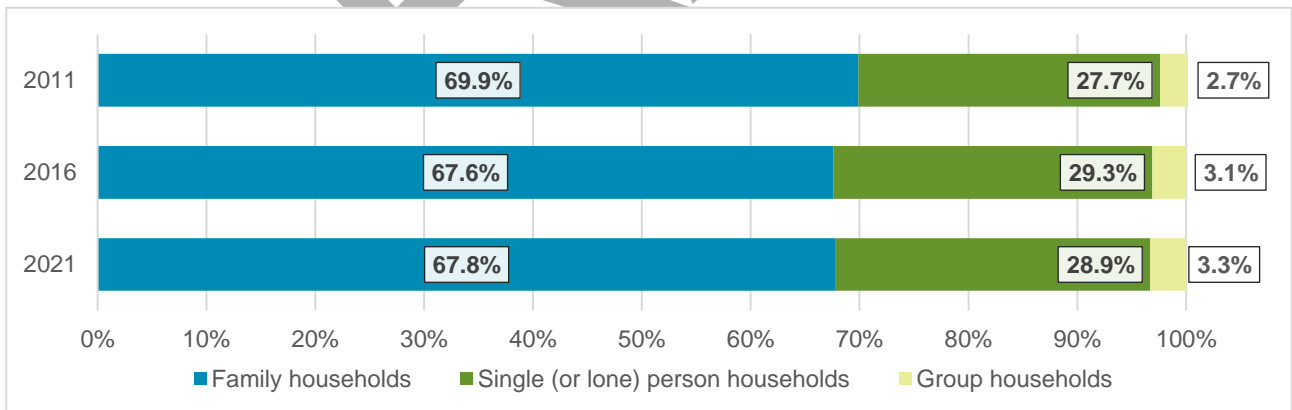
Figure 25: Household composition, Clarence Valley LGA and comparator areas (2021)



Source: ABS QuickStats (2022)

Between 2011 and 2021, the proportion of both lone person households and group households has increased and, during the same period, the proportion of family households decreased from around 70 per cent to slightly below 68 per cent (Figure 26).

Figure 26: Household composition, Clarence Valley LGA over time (2011-2021)



Source: ABS QuickStats (2022)

As per the previous section, in 2021, family households constituted around two thirds of households in the Clarence Valley LGA. A breakdown of family households by type across the Clarence Valley LGA and comparator areas is shown in Figure 27. The Clarence Valley LGA has a much higher proportion of couple families without children, and a much lower proportion of couple families with children compared to the Rest of NSW, and even more so compared to NSW as a whole.

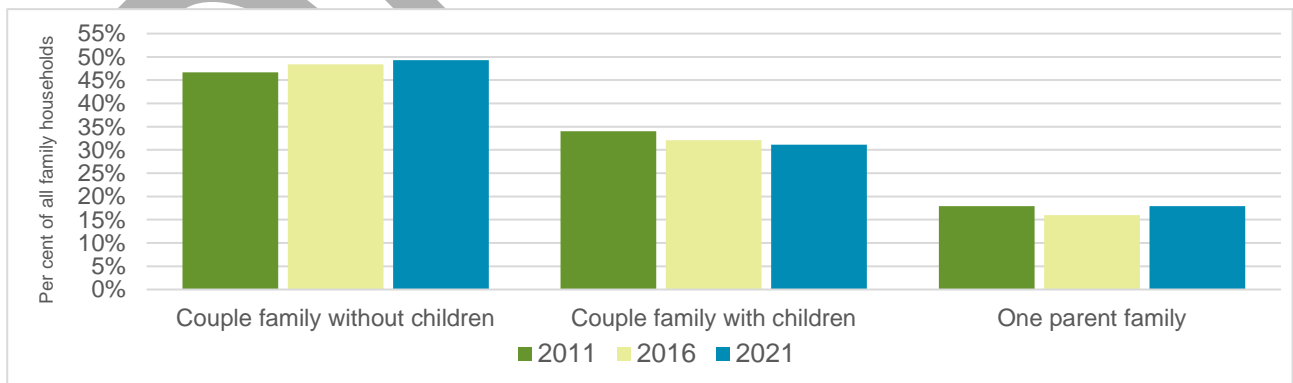
Figure 27: Families by composition, Clarence Valley LGA and comparator areas (2021)



Source: ABS QuickStats (2022)

Figure 28 shows how the proportion of families by composition has changed in the Clarence Valley LGA over the period 2011 to 2021. Whilst there has not been a large degree of change over the period, there is a clear trend toward more couple families without children and fewer couple families with children. Overall, in 2021, couple families without children constitute around 2.6 per cent more of all family households in the Clarence Valley LGA compared to in 2011, whilst couple families with children constitute around three per cent less.

Figure 28: Families by composition, Clarence Valley LGA (2011-2021)

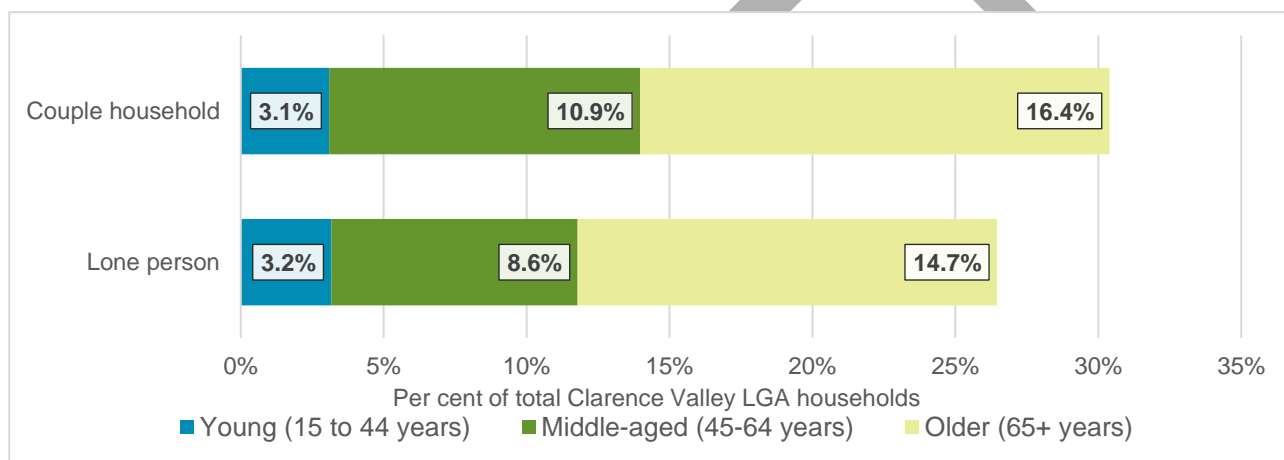


Source: ABS QuickStats (2022)

To consider families without children in more detail, Figure 29 shows households without children by age cohort. For couple households, the age cohort is based on the age of the 'household reference person' when the Census is completed. In total, roughly 60 per cent of Clarence Valley households did not include children, compared to around 57 per cent for the Rest of NSW, and 52 per cent across NSW. In other words, well over half of Clarence Valley LGA households consist of two people or less.

The prevalence of smaller households with no children is significant, as these households are likely to have different needs compared with families, especially as they age. Young couple households without children, for example, may be planning to expand their family in the near future and may have purchased or rented a larger dwelling than they currently require, in anticipation of future need. In contrast, older lone person or couple households without children are more likely to desire a smaller dwelling with lower maintenance requirements, and/or that occupies a single level.

Figure 29: Households without children, by type and age group, Clarence Valley LGA (per cent of total households, 2021)



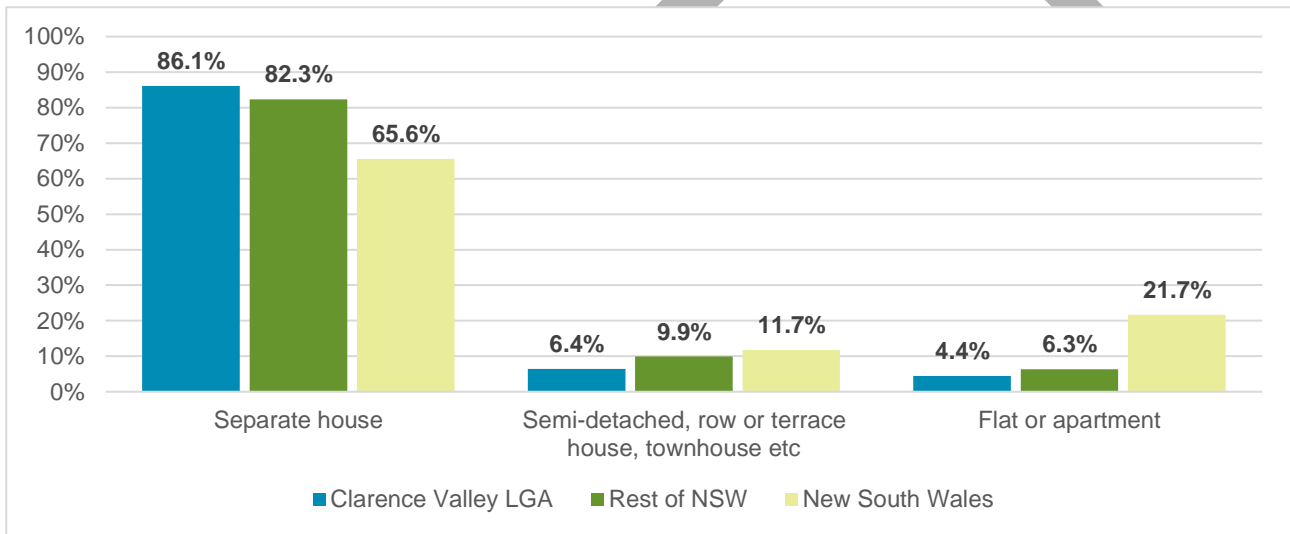
Source: ABS Census (2021), compiled by profile.ID (2023)

Dwelling structure

Dwellings in the Clarence Valley LGA are overwhelmingly separate houses,¹¹ as shown in Figure 30. As at the 2021 Census, over 85 per cent of dwellings in the LGA were separate houses, over 20 per cent higher than the proportion of separate houses across NSW as a whole. This figure was also higher than the proportion recorded across the Rest of NSW, by around four per cent.

Though a small proportion of the difference between the Clarence Valley LGA and NSW arises from having a lower proportion of semi-detached dwellings (around five per cent less), the majority is due to having proportionally far fewer flat or apartment dwellings. In 2021, less than five per cent of Clarence Valley dwellings were flat or apartment dwellings, compared to around 22 per cent of NSW dwellings.

Figure 30: Occupied private dwellings by dwelling structure, Clarence Valley LGA and comparator areas (2021)

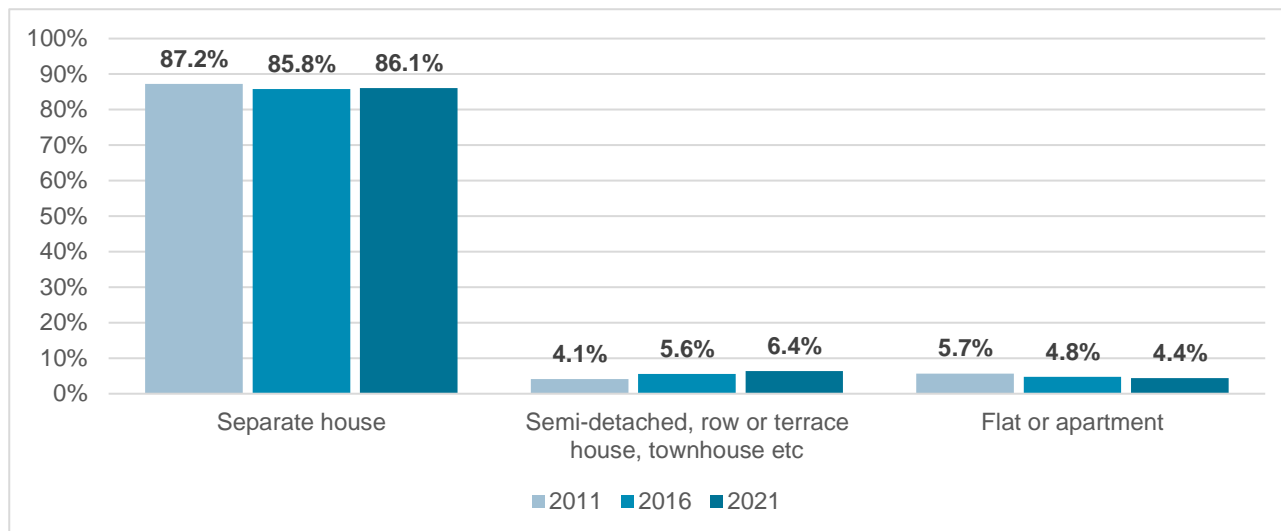


Source: ABS QuickStats (2022)

¹¹ The ABS Census uses the term 'separate house' in its data. This has been reflected in this Annexure 2 to ensure consistency with data sources, however, it is generally understood to be interchangeable with the term 'detached dwelling' used elsewhere in this LHS.

Figure 31 shows how this has changed over the period 2011 to 2021. Overall, the proportion share of different dwelling types has largely remained steady. Despite this, the proportion of separate house dwellings has decreased slightly, as have flat and apartment dwellings. The proportion of semi-detached dwellings has increased slightly over the same period, by just over two per cent.

Figure 31: Occupied private dwellings by dwelling structure, Clarence Valley LGA (2011-2021)

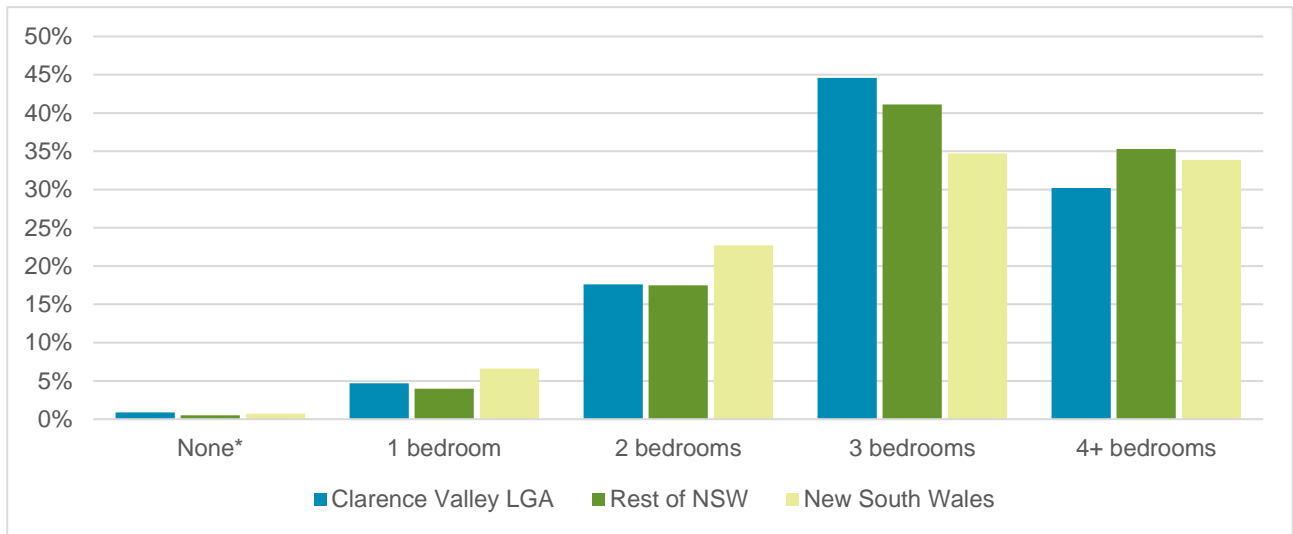


Source: ABS QuickStats (2022)

Number of bedrooms

As at the 2021 Census, dwellings in the Clarence Valley LGA were generally similar in number of bedrooms to those across the Rest of NSW and NSW, as shown in Figure 32. The main exception to this was seen in three bedroom dwellings, which constituted a much larger proportion of dwellings in the Clarence Valley compared to the other areas. Two and four bedroom dwellings, meanwhile, constituted a smaller proportion of dwellings in the LGA than across the Rest of NSW and NSW.

Figure 32: Occupied private dwellings by number of bedrooms, Clarence Valley LGA and comparator areas (2021)



Source: ABS QuickStats (2022) * 'None' includes studios and bedsits

Figure 33 displays the proportion of dwellings by number of bedrooms in the Clarence Valley LGA over the period 2011 to 2021. Studio, bedsit, and one bedroom dwellings have remained proportionally static over the period, whereas two and three bedroom dwellings have decreased by around one and two per cent, respectively. Four bedroom dwellings, have increased in proportion by around three per cent, and constituted almost a third of dwellings in the LGA as at the 2021 Census.

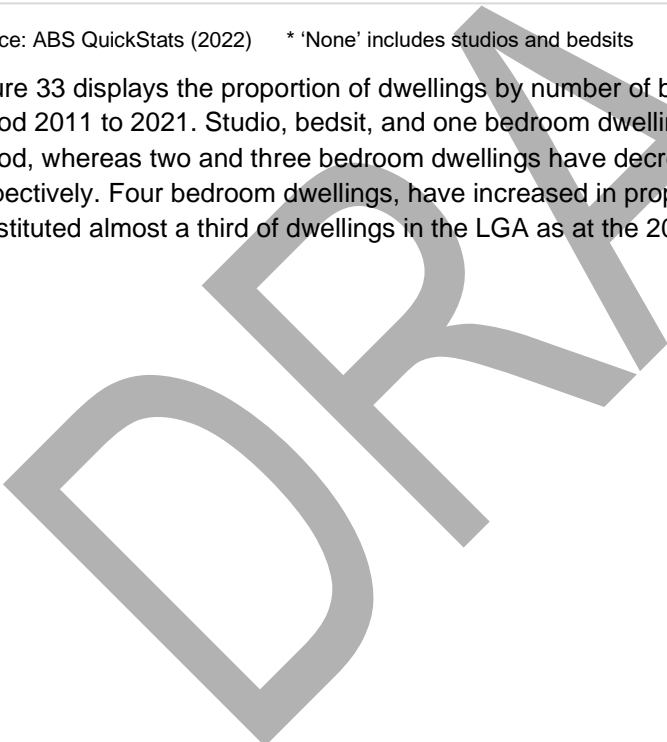
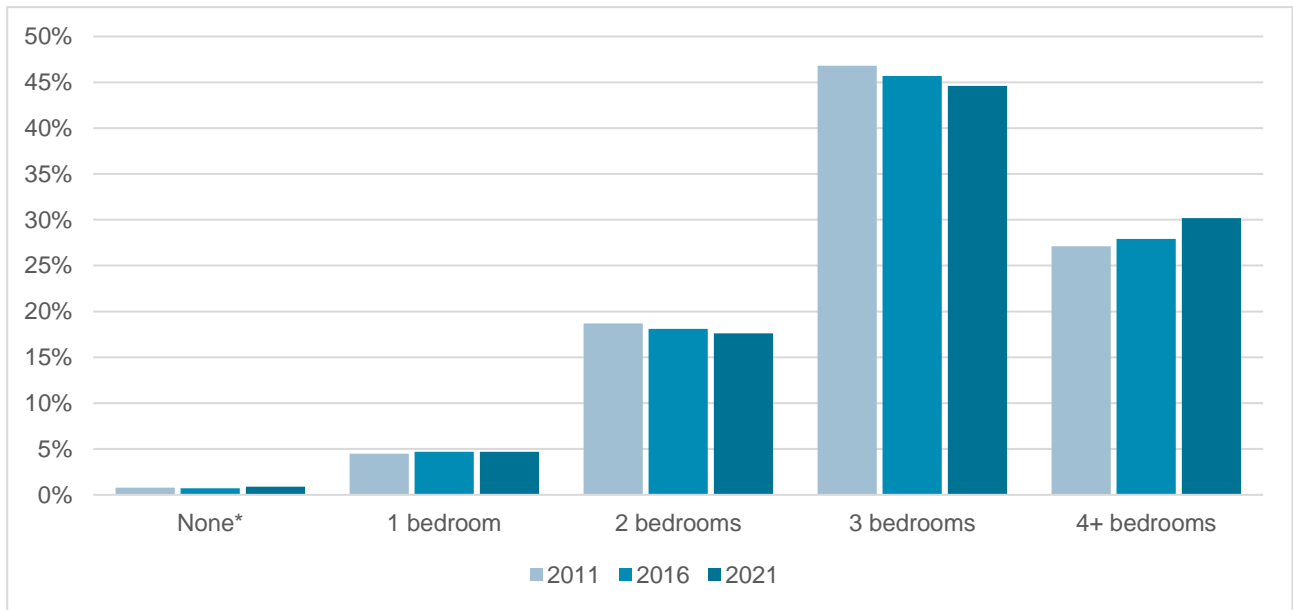


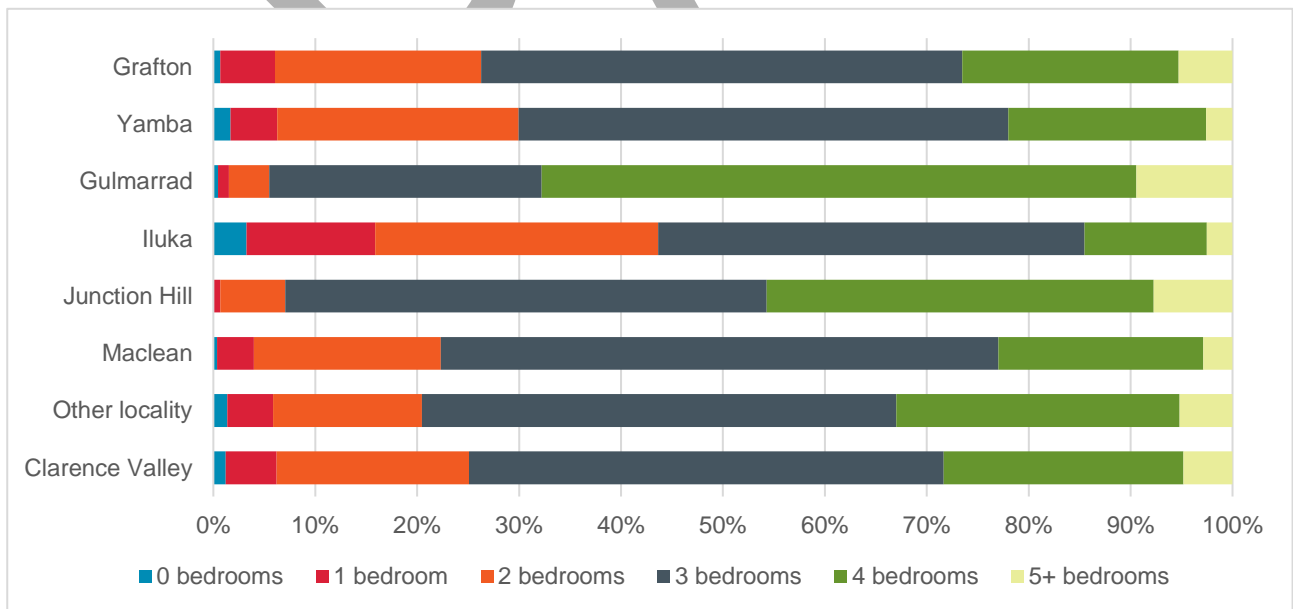
Figure 33: Occupied private dwellings by number of bedrooms, Clarence Valley LGA (2011-2021)



Source: ABS QuickStats (2022) * 'None' includes studios and bedsits

Figure 34 shows dwellings by number of bedrooms across different localities within the Clarence Valley LGA, as at the 2021 Census. The larger dwelling size in Gulmarrad and Junction Hill is clearly visible in the figure, which almost exclusively consist of three and four bedroom dwellings. Grafton, Yamba, Iluka, and Maclean have a higher proportion of dwellings with two or fewer bedrooms, though only in Iluka does this approach one third of the total number of dwellings.

Figure 34: Occupied private dwellings by number of bedrooms, selected Clarence Valley LGA localities (2021)

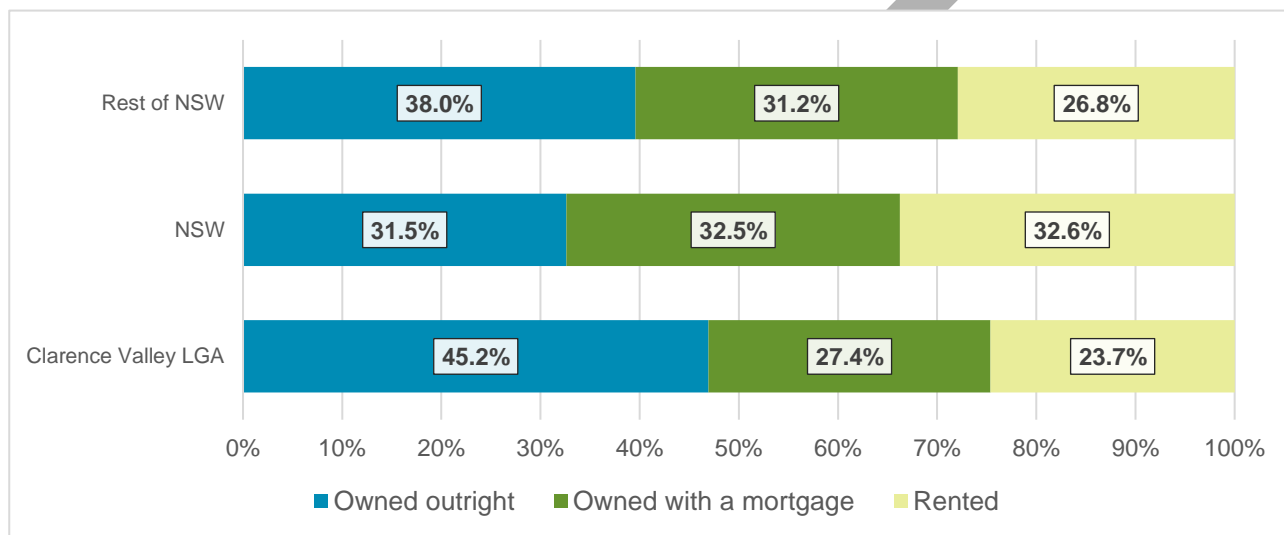


Source: HillPDA, ABS TableBuilder (2023)

Tenure and landlord type

Tenure refers to the arrangement under which a property such as a dwelling is held or occupied. Figure 35 shows households in the Clarence Valley LGA and comparator areas by tenure type, as at the 2021 Census.

Figure 35: Households by proportion of tenure type, Clarence Valley LGA and comparator areas (2021)



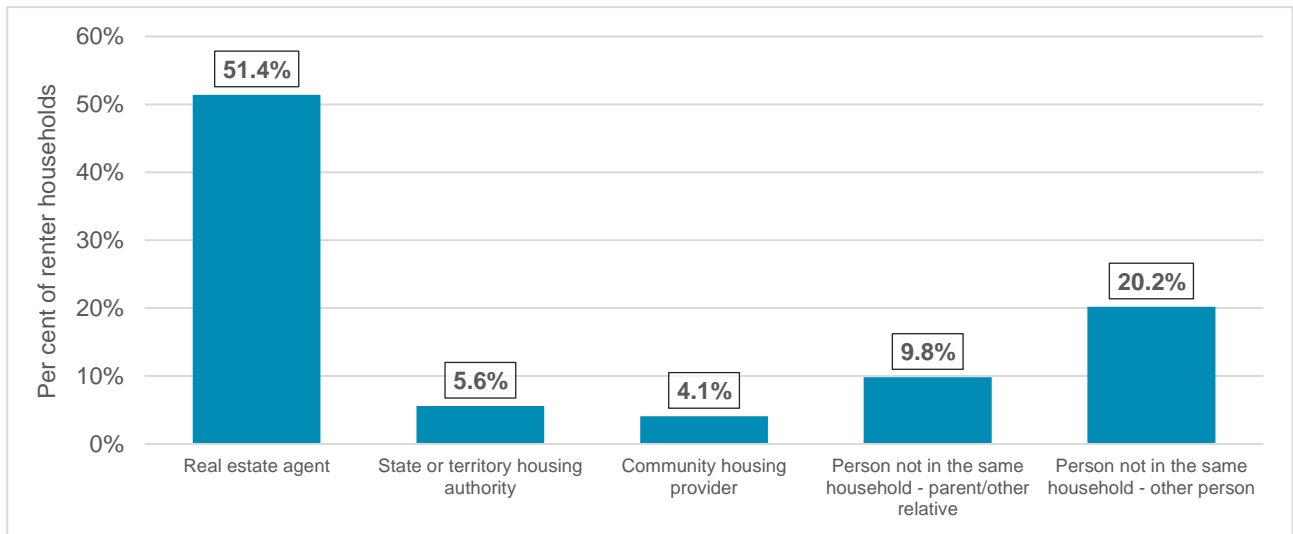
Source: ABS QuickStats (2022)

As at the 2021 Census, the distribution of households by tenure type in the Clarence Valley LGA was notably different from both NSW and the Rest of NSW. There were far fewer renter households in the Clarence Valley LGA, particularly compared to NSW (a near 10 per cent difference in proportion). Almost three quarters of Clarence Valley LGA households (around 73 per cent) owned their dwelling, either with or without a mortgage, a far higher share than in NSW or Rest of NSW (64 per cent and around 69 per cent, respectively).

Also notable is the discrepancy seen in the proportion of households owned outright between the Clarence Valley LGA and the comparator areas. Whilst less than a third of NSW households, and around 38 per cent of Rest of NSW households owned their dwelling outright, closer to half of Clarence Valley LGA households were owned outright (45.2 per cent).

Figure 36 shows renter households in the Clarence Valley LGA proportionally by landlord type as at the 2021 Census. Real estate agents constitute the overwhelming majority of landlords for Clarence Valley renters, at over half the total. Around 30 per cent of renters rent directly from a person outside their household, around ten per cent of which rent directly from a parent or other relative. Slightly less than ten per cent of renter households rented from a state or territory housing authority or community housing provider.

Figure 36: Clarence Valley LGA renter households by landlord type (2021)



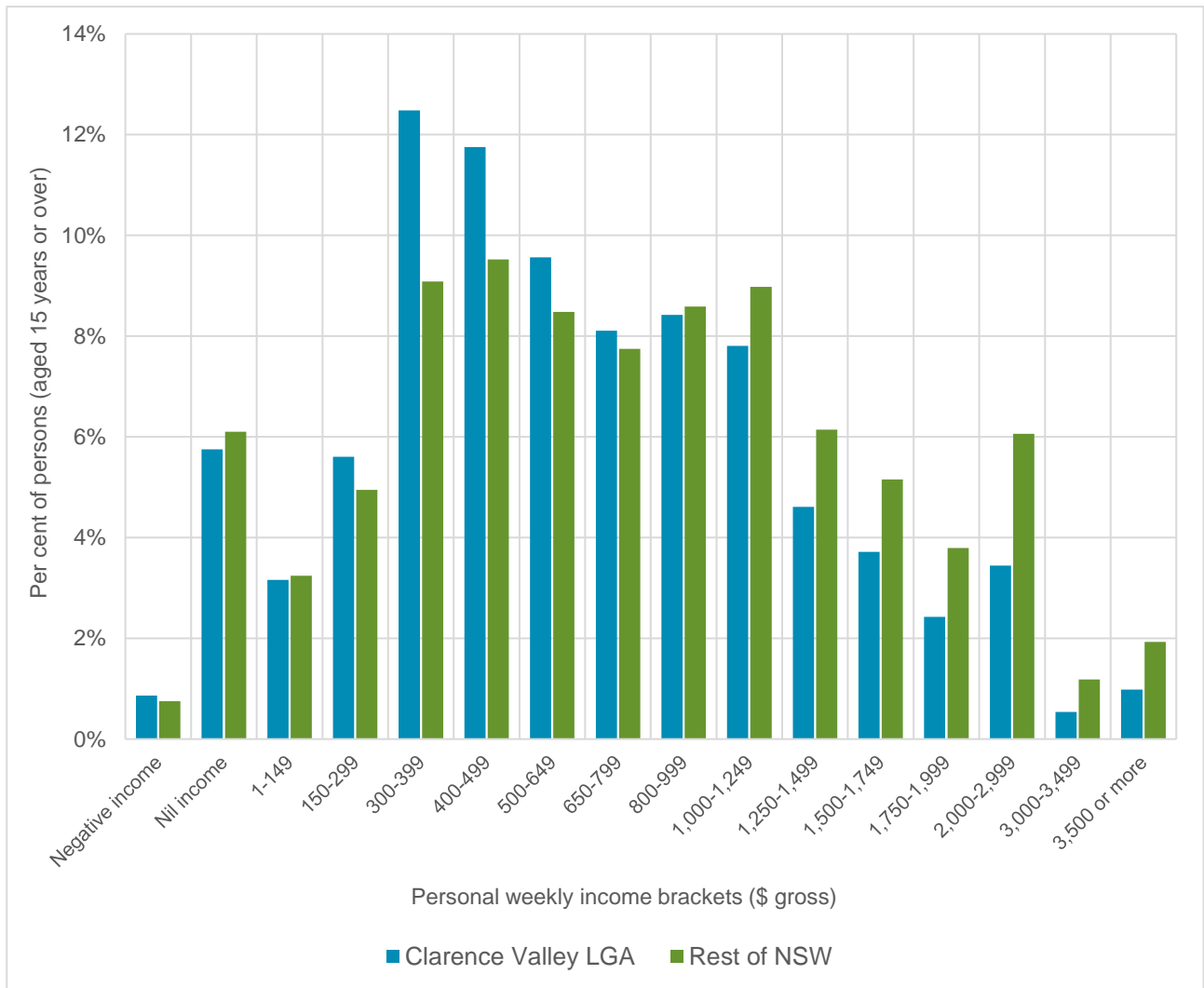
Source: HillPDA, ABS TableBuilder (2023)

Household income

In general, Clarence Valley LGA residents were more likely to have lower incomes than across the Rest of NSW. Figure 37 shows how the distribution of residents across income brackets differs between the two areas. Whilst the proportion of Clarence Valley residents who fall into the lower and middle income brackets (from negative income to \$299 per week and from \$500 per week to \$1,249 per week) is roughly similar to that of the Rest of NSW, the lower-middle and higher income brackets represent areas of significant difference. Far more Clarence Valley LGA residents earned between \$300 and \$499 per week, whilst far fewer earned between \$1,250 and \$3,500 or more per week compared to the Rest of NSW.

This is indicative of the high proportion of (particularly older) residents receiving government benefits and allowances (explored further below). Additionally, the comparative lack of high income earners suggests a lack of job opportunities in specialist fields or for late-career roles.

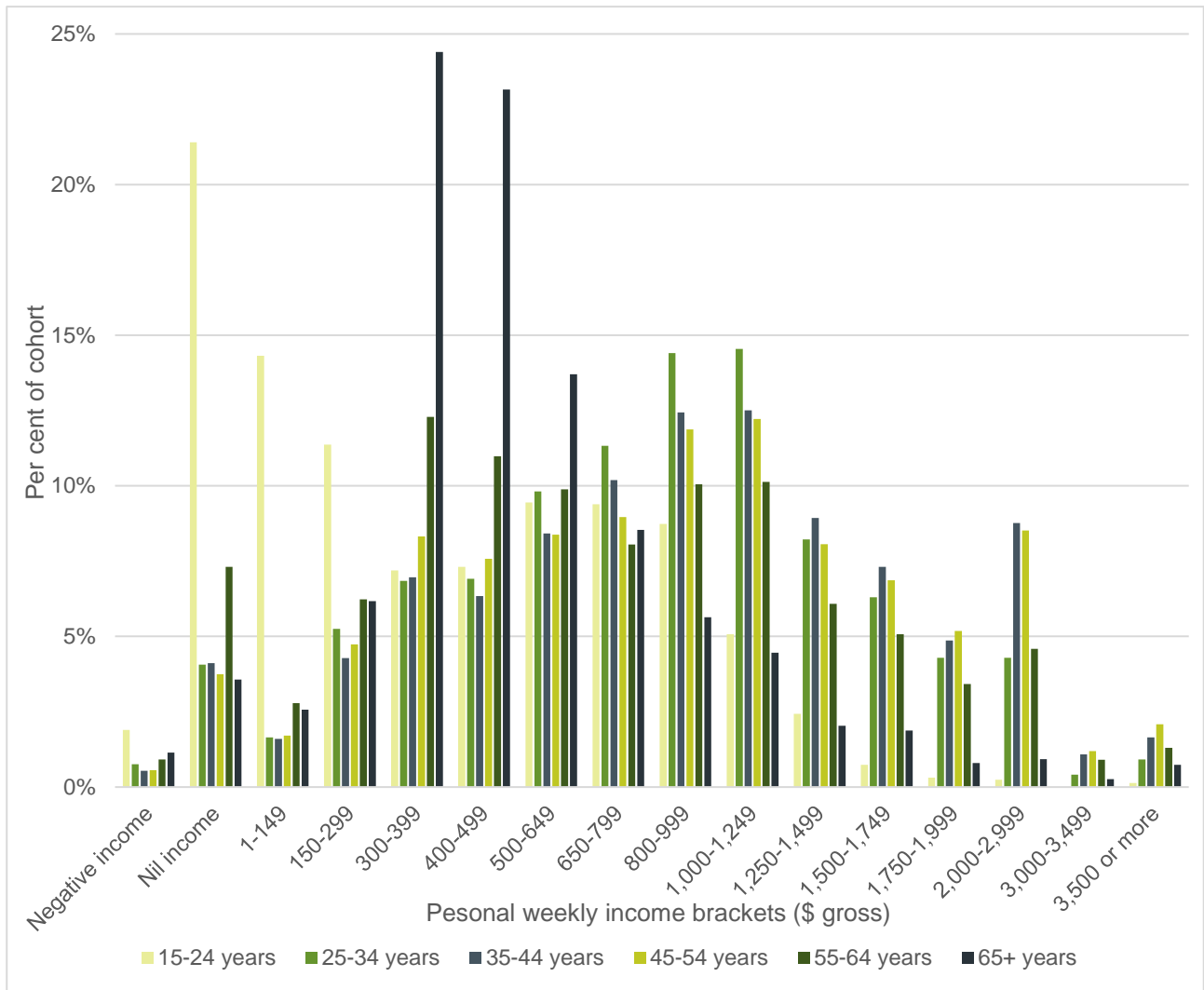
Figure 37: Gross weekly personal income brackets, Clarence Valley LGA and Rest of NSW (2021)



Source: HillPDA, ABS TableBuilder (2023)

This is explored further in Figure 38, which shows weekly income brackets by age cohort. It is clear that the largest proportion of older residents in the Clarence Valley LGA receive a fairly limited income, with nearly three quarters earning less than \$650 per week. Around three quarters of Clarence Valley residents aged between 15 and 24 also earned less than \$650 per week, though this is inclusive of a large number of residents aged between 15 and 19 who earned nil income – likely full time students living at home. Considering only 20 to 24 year old residents, almost half (47.9 per cent) earned less than \$650 per week.

Figure 38: Gross weekly income by age cohort, Clarence Valley LGA (2021)



Source: HillPDA, ABS TableBuilder (2023)

Figure 39 compares the Clarence Valley LGA and the Rest of NSW by their residents' main source of personal income as at the 2021 Census. The major difference between the two areas is in the proportion of residents whose main income is employee wages or salary and government allowances or benefits. Across the Rest of NSW, a significantly higher proportion of residents receive wages or salary than in the Clarence Valley, whilst correspondingly fewer receive government allowances or benefits as their main source of income.

Figure 39: Main source of personal income, Clarence Valley LGA and Rest of NSW (2021)



Source: HillPDA, ABS TableBuilder (2023)

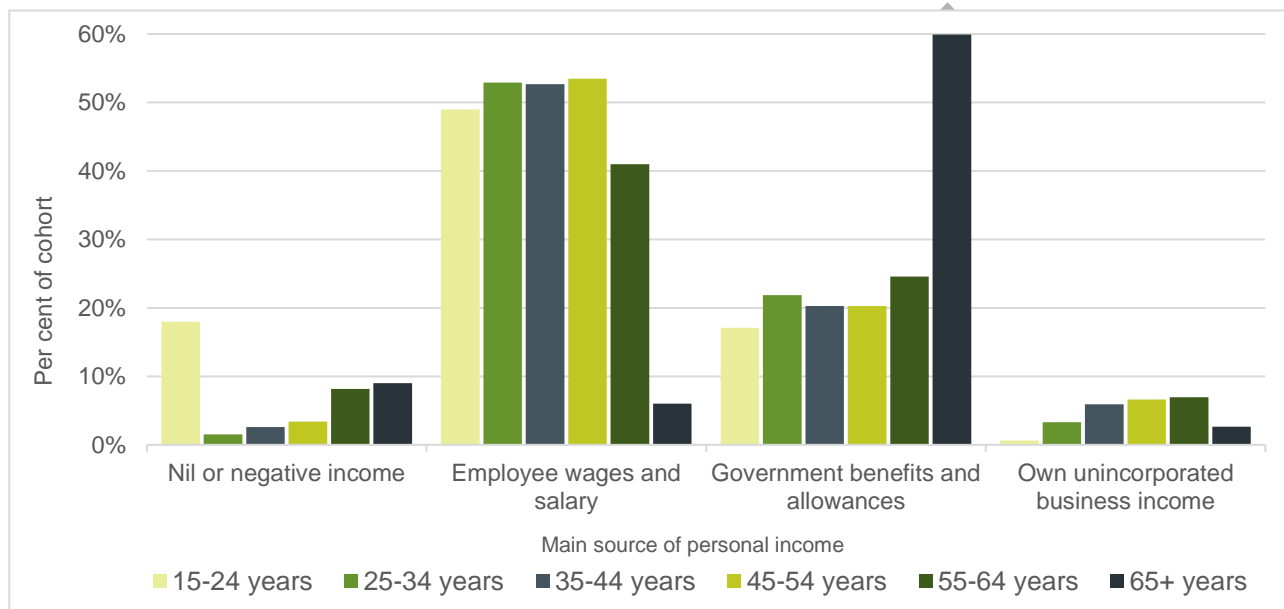
Grafton, Gulmarrad, Junction Hill, and those parts of the LGA not included in any locality have proportionally more residents with wages or salary from employment as their main income source. This is also true across the LGA as a whole. Yamba, Maclean, and especially Iluka, however, have proportionally more residents receiving government benefits or allowances as their main source of income.

This is detailed further in Figure 40, which shows Clarence Valley LGA residents by their main source of personal income by age group. The figure clearly shows the significance of the over 65 year old cohort, the vast majority of which receive government benefits or allowances as their main source of income. The other

significant finding from the below figure is the proportion of residents across the age cohorts under 65 years that receive their main income from government benefits and allowances – around 20 per cent.

This is an important finding, as many people receiving government benefits or allowances as their main source of income would experience a hard limit on the amount of money they have available to spend on housing, even if their rent or mortgage payments were to increase.

Figure 40: Main source of personal income (by age cohort), Clarence Valley LGA (2021)



Source: HillPDA, ABS TableBuilder (2023)

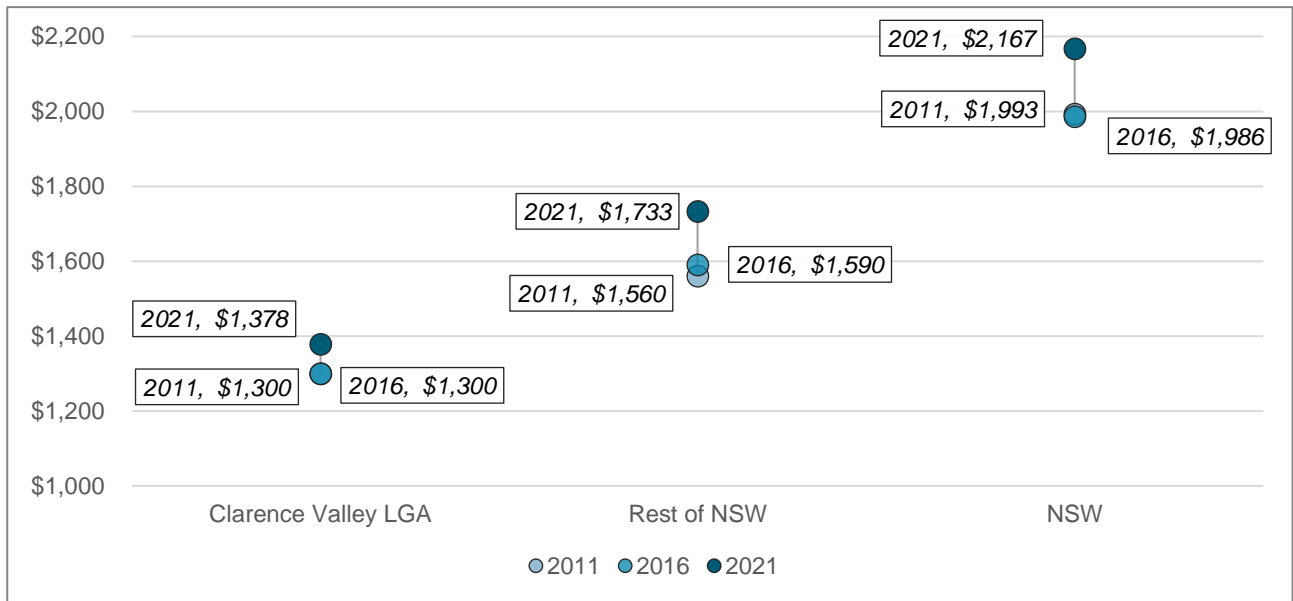
Rental and mortgage stress

Mortgage stress

At the time of the 2021 Census, there were around 15,700 owner and owner with a mortgage households in the Clarence Valley LGA. This represented almost 70 per cent of dwellings in the LGA, a much higher proportion than that of NSW as a whole, though roughly similar to that recorded across the Rest of NSW.

Figure 41 shows how the median monthly mortgage payment has changed in the Clarence Valley and comparator areas from 2011 Census to the 2021 Census. Compared to the Rest of NSW and NSW as a whole, there has been significantly less movement in median monthly mortgage payments in the Clarence Valley LGA, with payments remaining stable over the 2011 and 2016 Censuses, and adding less than \$100 per month at the 2021 Census.

Figure 41: Median monthly mortgage repayments over time, Clarence Valley LGA and comparator areas (2011-2021)

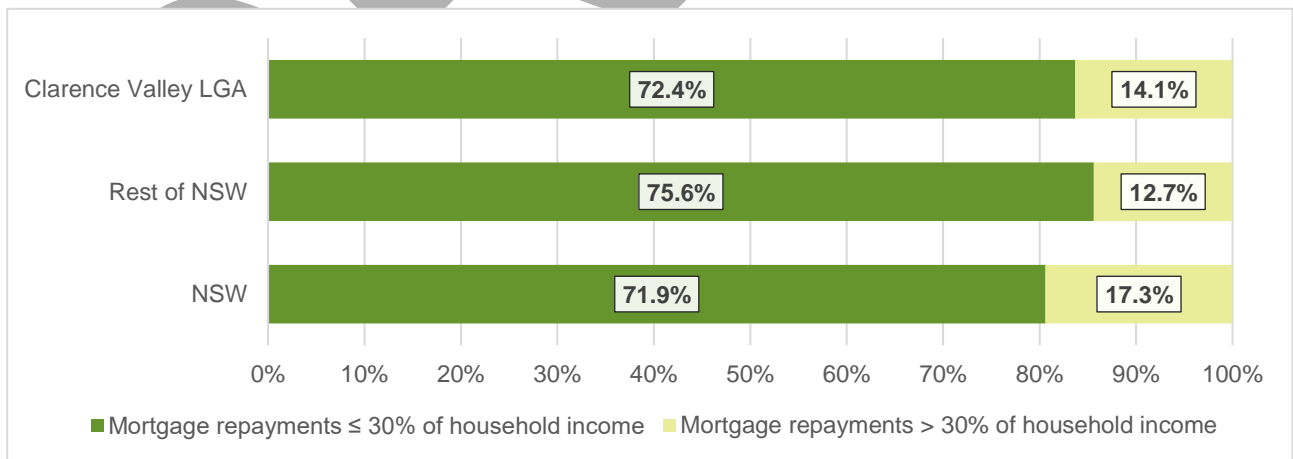


Source: ABS QuickStats (2022)

Figure 42 shows the proportion of mortgagee households in the Clarence Valley LGA and comparator areas experiencing mortgage stress as at the 2021 Census.

Overall, fewer mortgagee households in the Clarence Valley LGA experienced mortgage stress as at the 2021 Census compared to NSW as a whole, though the Rest of NSW recorded an even lower overall proportion.

Figure 42: Mortgagee households experiencing mortgage stress, Clarence Valley LGA and comparator areas (2021)



Source: ABS QuickStats (2022)

Table 12 shows the monthly mortgage repayment quartiles for NSW from the 2011 to the 2021 Census, which enables comparisons to be made between mortgagee households in the Clarence Valley LGA and the Rest of NSW.

Table 12: NSW mortgage repayment quartile ranges (2011-2021)

Mortgage quartile ranges (NSW)	2011	2016	2021
Lowest group	\$0 to \$1,266	\$0 to \$1,263	\$0 to \$1,381
Medium lowest	\$1,267 to \$1,995	\$1,264 to \$1,989	\$1,382 to \$2,123
Medium highest	\$1,996 to \$2,853	\$1,990 to \$2,865	\$2,124 to \$3,203
Highest group	\$2,854 and over	\$2,866 and over	\$3,204 and over

Source: ABS Census (2021), compiled by profile.ID (2023)

The above mortgage quartile ranges have been applied to mortgagee households in the Clarence Valley LGA and the Rest of NSW, as shown in Table 13.

Overall, mortgage repayments in the Clarence Valley LGA differ significantly from NSW as a whole, as well as the Rest of NSW. At the 2021 Census, over 80 per cent of mortgagee households in the Clarence Valley LGA were within the lowest and medium lowest quartile, that is, within the bottom half of all mortgages across NSW. Slightly more than ten per cent of mortgages were in the medium highest quartile, whilst only around five per cent were in the highest quartile.

The distribution of Clarence Valley LGA mortgagee households across the NSW mortgage quartiles has not seen significant or drastic change over the period 2011 to 2021. However, there has been a steady trend toward the lowest mortgage repayment quartile over the period, which constituted nearly fifty per cent of all mortgagee households at the 2021 Census.

This is likely due to the significant differences in dwelling and land value between the Clarence Valley LGA and Greater Sydney and NSW as a whole. Clarence Valley LGA mortgagees would therefore be more likely to have comparatively smaller mortgages. The older age profile of the LGA may contribute to this difference, as mortgagee households with older owners would be more likely to have paid off a higher proportion of their home loan.

Table 13: Mortgage repayment quartile distribution, Clarence Valley LGA and Rest of NSW (2011-2021)

Mortgage quartiles (NSW)	Clarence Valley LGA			Rest of NSW		
	2011	2016	2021	2011	2016	2021
Lowest group	46.7%	46.5%	49.8%	35.8%	34.3%	35.9%
Medium lowest	32.4%	35.0%	33.7%	30.7%	32.3%	32.1%
Medium highest	13.7%	12.7%	11.4%	20.8%	21.3%	20.6%
Highest group	7.2%	5.9%	5.1%	12.7%	12.1%	11.5%

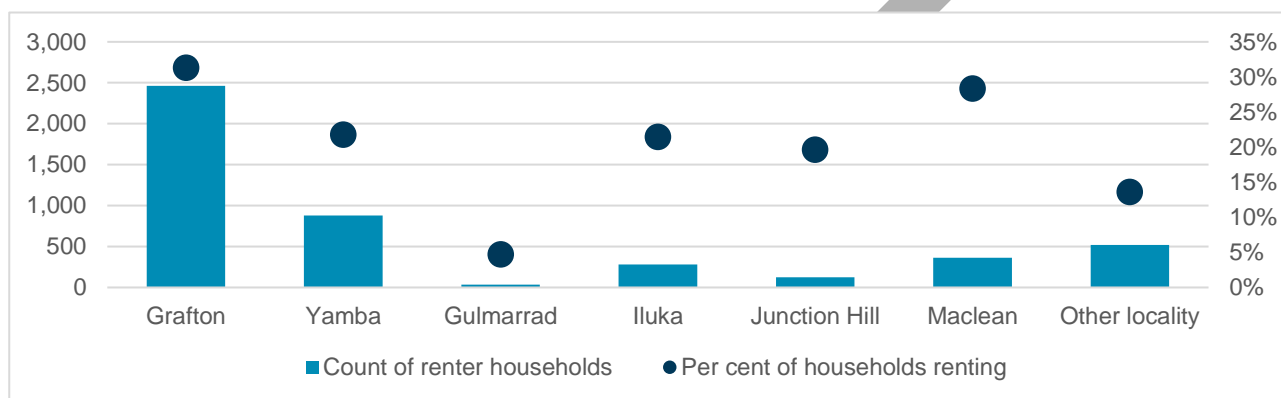
Source: ABS Census (2021), compiled by profile.ID (2023)

Rental stress

At the time of the 2021 Census, there were around 5,200 renter households in the Clarence Valley LGA. Around 23 per cent of dwellings in the LGA were rented, a much smaller proportion than that of the Rest of NSW or NSW as a whole. Figure 43 shows Clarence Valley LGA localities by count and proportion of renter households, showing that the vast majority of renter households are located in Grafton, with Yamba, Maclean, and Iluka hosting a large proportion of the remainder.

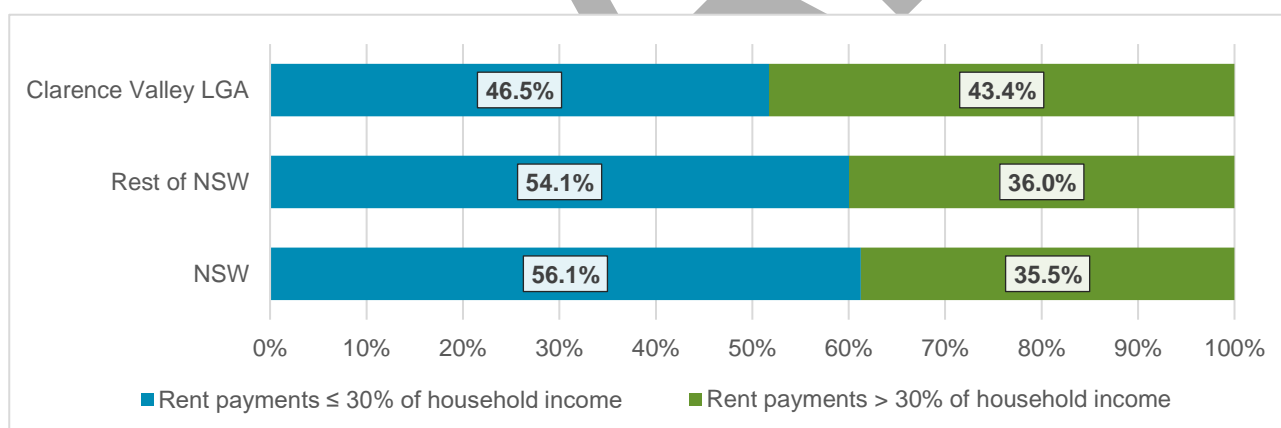
Figure 44 shows the proportion of renter households in the Clarence Valley LGA and comparator areas experiencing rent stress as at the 2021 Census. 'Rent stress' is a term used to indicate where a household's expenditure on housing is likely to impact on their ability to afford other essentials such as groceries, bills, or transport. Typically, a household is considered to be experiencing rent stress when rental payments exceed 30 per cent of household income.

Figure 43: Proportion and count of renter households, Clarence Valley LGA localities (2021)



Source: HillPDA, ABS TableBuilder (2023)

Figure 44: Renter households experiencing rent stress, Clarence Valley LGA and comparator areas (2021)



Source: ABS QuickStats (2022)

Overall, more Clarence Valley renter households experienced rent stress as at the 2021 Census than households across the Rest of NSW or NSW as a whole, with around 43 per cent of renter households recording rent payments equal to or greater than 30 per cent of their household incomes. Across the Rest of NSW and NSW, this figure was around 36 per cent of renter households.

Table 14 shows the weekly rental payment quartiles for NSW from the 2011 to the 2021 Census. Weekly rental payments across NSW at each Census are distributed from lowest to highest and divided into four

equal groups, or rental quartiles. This enables comparisons to be made between renter households in the Clarence Valley LGA and across the Rest of NSW.

Table 14: NSW rental quartile ranges (2011-2021)

Rental quartile ranges (NSW)	2011	2016	2021
Lowest group	\$0 to \$202	\$0 to \$266	\$0 to \$314
Medium lowest	\$203 to \$311	\$267 to \$391	\$315 to \$432
Medium highest	\$312 to \$421	\$392 to \$529	\$433 to \$562
Highest group	\$422 and over	\$530 and over	\$563 and over

Source: ABS Census (2021), compiled by profile.ID (2023)

In Table 15, the rental quartiles have been applied to renter households in the Clarence Valley LGA and the Rest of NSW. Compared to 2011 and 2016, a significantly lower proportion of 2021 renter households in the LGA were within the medium highest and highest rental quartiles. At the same time, however, the LGA retains a significant proportion of households within the lowest rental quartile, almost half.

Overall, the changes in the Clarence Valley LGA's rental quartile distribution reflect those recorded across the Rest of NSW. The Rest of NSW has recorded a shift mainly from the medium lowest quartile to the highest quartile, whilst the Clarence Valley LGA has recorded a shift from the medium lowest quartile to all other quartiles.

Table 15: Rental quartile distribution, Clarence Valley LGA and Rest of NSW (2011-2021)

Rental quartiles (NSW)	Clarence Valley LGA			Rest of NSW		
	2011	2016	2021	2011	2016	2021
Lowest group	39.0%	47.7%	46.5%	40.4%	46.4%	43.0%
Medium lowest	46.5%	42.6%	36.4%	35.8%	35.3%	30.9%
Medium highest	11.6%	6.9%	12.7%	17.7%	13.8%	17.7%
Highest group	3.0%	2.8%	4.4%	6.1%	4.6%	8.4%

Source: ABS Census (2021), compiled by profile.ID (2023)

Vacancy rates vary across the Clarence Valley, as indicated in Table 16. A vacancy rate of three per cent is generally considered to reflect a balance between supply and demand. A lower vacancy rate suggests a shortage of rental properties. The postcode 2460 area, which includes the Grafton area, has experienced a tight rental market for some time, with the vacancy rate at the end of July 2023 recorded as 0.8 per cent. Vacancy rates in the lower Clarence Valley and in the coastal villages are high and increasing.

Table 16: Vacancy rates, selected Clarence Valley postcodes (as at end July 2023)

Area	Postcode	Vacancy rate (%)
Macleay	2463	5.4%
Tucabia – Minnie Water	2464	5.2%
Upper Clarence Valley (Grafton)	2460	0.8%
Yamba/Iluka	2466	3.1%

Source: SQM Research

At the end of July 2023, there were 107 dwellings advertised online as available to rent in the Clarence Valley. The majority of these properties were in the three key main centres of Grafton, Yamba and Maclean-Townsend, as shown in Table 17.

Table 17: Dwellings available to rent, by location (as at end July 2023)

Location	Dwellings available to rent
Yamba	34
Grafton	22
South Grafton	10
Maclean	10
Brooms Head	7
Iluka	6
Townsend	4
Wooloweyah	4
Other	10
Total	107

Source: Domain (2023)

Detached houses were the most common form of dwelling for rental, representing almost 60 per cent of advertised dwellings. Duplexes (dual occupancies) and apartments (units) constituted 16 per cent and 15 per cent of available rental properties respectively.

Almost 45 per cent of properties advertised for rent were three bedroom dwellings, while 28 per cent of properties advertised were two bedroom dwellings. The two bedroom dwellings were mainly apartments, dual occupancies and multi-dwelling housing.

As a general rule, where a household spends less than 30 per cent of its household income on housing, it is considered 'affordable'. Affordable housing enables households to access other essential goods and services such as groceries and transport, as well as providing less tangible benefits such as contributing to personal wellbeing and providing a sense of security.

To indicate the level of affordable housing need present in the Clarence Valley LGA, we have assessed 2021 Census data for household incomes and rental expenditure. Table 18 shows how households have been categorised based on their income and capacity to rent affordable housing.

Table 18: 2021 Census affordable housing types

Household type	Household income (weekly)	30% of household income spent on rent (weekly)
Very low income	Up to \$717	Up to \$215
Low income	\$718 - \$1,147	\$216 - \$344
Moderate income	\$1,148 - \$1,721	\$345 - \$516

Source: HillPDA, ABS Census (2022)

The above categories have been applied to the Clarence Valley LGA, as shown in Table 19.

Table 19: Clarence Valley LGA affordable housing need (2021)

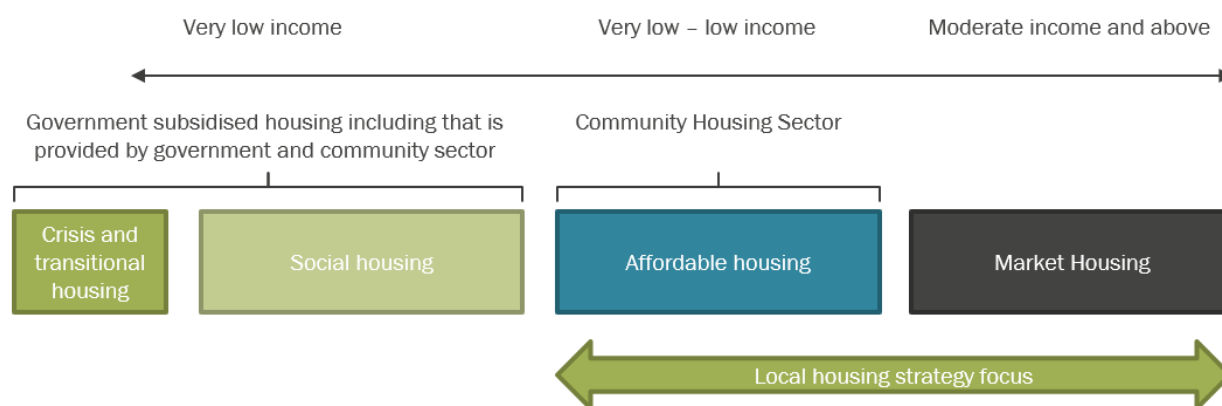
Household type	Households in category	Households not in affordable housing	Proportion in need of affordable housing
Very low income	1,606	1,371	85%
Low income	964	573	59%
Moderate income	679	90	13%
Total eligible for affordable housing	3,249	2,034	63%

Source: HillPDA, ABS Census (2022)

This suggests that some low-income households and most moderate-income households are able to access affordable housing in the Clarence Valley, though a significant number of very low-income households were not in affordable housing as at the 2021 Census. In total, there was a shortfall of over 2,000 affordable rental houses. This is of high importance considering the large increase in median rents observed over recent years, much of which has occurred after the 2021 Census was undertaken. Therefore, it is likely that the affordable housing shortfall is higher still.

In terms of affordable housing, this LHS is focused on the parts of the housing supply continuum that Council can most impact. This includes affordable and low-cost market housing to meet the needs of very low, low and moderate income households, as shown in Figure 45.

Figure 45: LHS housing supply continuum

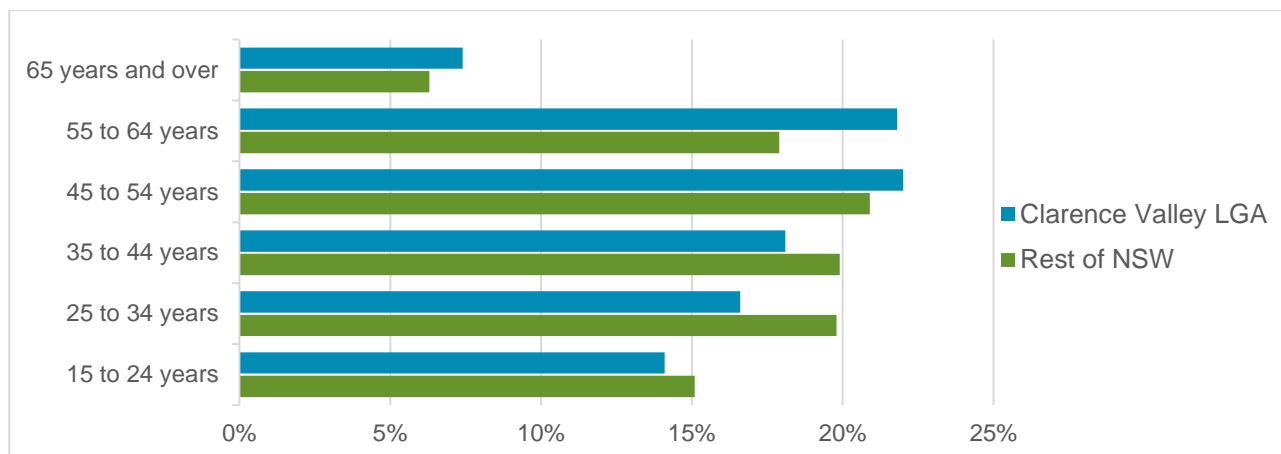


Employment and local or key workers

As at the 2021 Census, less than half of Clarence Valley LGA residents aged over 15 were recorded as being in the labour force (46.4 per cent). This was over ten per cent lower than that recorded across the Rest of NSW and NSW as a whole (56.4 per cent and 58.7 per cent, respectively).

Clarence Valley LGA residents who were in the labour force at the time of the 2021 Census were generally older than the Rest of NSW's labour force. The LGA's labour force is weighted more toward workers aged 45 and over, with significantly fewer workers aged between 25 and 44. This is shown in Figure 46.

Figure 46: Residents in the labour force by ten year age group, Clarence Valley LGA and Rest of NSW (2021)



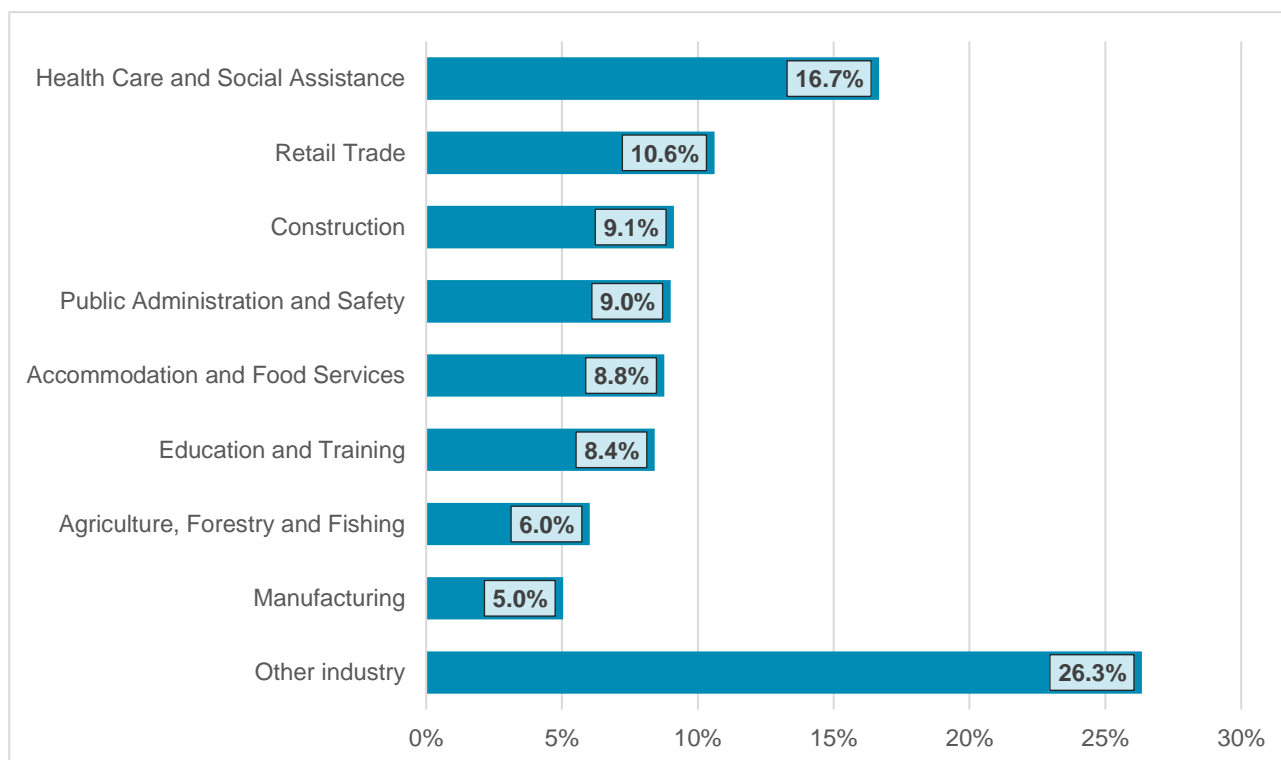
Source: ABS Census (2021), compiled by profile.ID (2023)

As at the 2021 Census, just over half (50.7 per cent) of the Clarence Valley LGA's labour force worked full time. Over a third (36.7 per cent) worked part time, whilst 6.8 per cent were away from work and 6.2 per cent reported being unemployed. These figures were broadly similar to those recorded across the Rest of NSW and NSW as a whole, however, a smaller proportion of the Clarence Valley LGA's labour force worked full time. This was accompanied by a correspondingly higher proportion of part-time workers.

Compared to the same figures recorded at the 2011 Census, the Clarence Valley labour force is made up of proportionally more full and part time workers, the total share of which has risen by around two per cent. Fewer residents in the labour force reported being unemployed at the 2021 Census, with this figure decreasing from around nine per cent to around six per cent.

The Clarence Valley LGA labour force is employed in a variety of fields. Employment is concentrated in particular industries, however, and eight industries accounted for (approximately) 1,000-plus resident workers. Of these, only *Health Care and Social Assistance* and *Retail Trade* account for more than 10 per cent of the total workforce. This is shown in Figure 47.

Figure 47: Industries of employment by proportion of total resident workers, Clarence Valley LGA (2021)



Source: ABS Census (2021), compiled by profile.ID (2023)

Compared to NSW as a whole, significantly fewer Clarence Valley LGA resident workers are employed in industries including *Financial and Insurance Services* and *Professional, Scientific and Technical Services*, and *Information Media and Telecommunications*.

Significantly more Clarence Valley workers are employed in industries including *Agriculture, Forestry and Fishing*, *Retail Trade*, *Accommodation and Food Services*, *Public Administration and Safety*, and *Health Care and Social Assistance* compared to NSW overall.

Housing demand

This section analyses the demand for new housing to identify the type and level of housing needed to support the local government area.

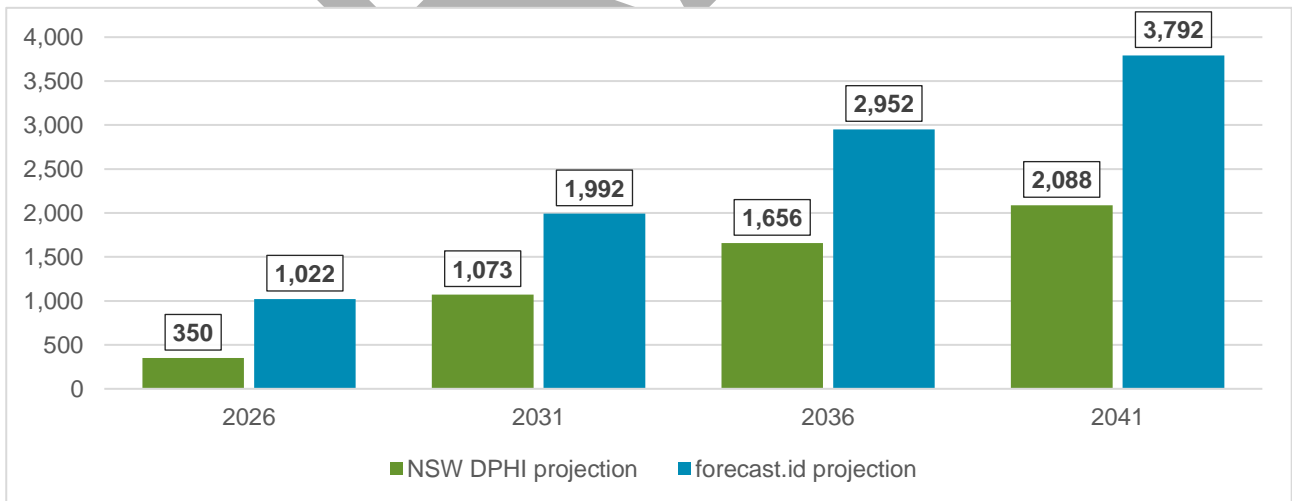
Dwelling projections

Two projection scenarios have been considered to prepare this LHS, the first of which is from the NSW Department of Planning, Housing and Infrastructure (DPHI), whilst the second is sourced from demographers .id. This is because, at the time of writing, DPHI's most up to date projections were based on estimated resident population data from June 2020, and therefore do not capture much of the significant change arising from the drivers and trends associated with or accelerated by the COVID-19 pandemic. In contrast, .id's projections were updated in late 2022 and therefore account for more up to date population estimates and other demographic factors. Though NSW DPHI's projections indicate little population growth, both DPHI and .id project significant additional demand for dwellings over the period to 2041.

Count of additional dwellings

Figure 48 shows the cumulative number of additional dwellings anticipated to be required to 2041 under each projection scenario, calculated from the figure recorded at the 2021 Census. These figures represent the total number of dwellings, inclusive of both occupied and unoccupied dwellings.

Figure 48: Additional private dwellings required to 2041 (cumulative)



Source: HillPDA, NSW DPHI (2022), .id (2023)

DPHI's dwelling projections estimate that the number of dwellings required to house the projected population in the Clarence Valley LGA will increase to 28,153 by 2041. This change represents an increase of 2,088 dwellings over that recorded at the 2021 Census, or around eight per cent, representing an annual growth rate of 0.39 per cent.

In contrast, .id's dwelling projections estimate that the number of dwellings required in the Clarence Valley LGA will increase to 29,857 by 2041. This would equate to 3,729 additional dwellings above the figure recorded at the 2021 Census, or around 14.5 per cent, representing an annual growth rate of 0.68 per cent.

Over the 20 year forecast period, across the Clarence Valley LGA, DPHI's forecast would require around 105 additional dwellings per year, whilst .id's forecast would require around 190 additional dwellings per year.

Household and dwelling type projections

This section combines the above projections with an analysis of household, dwelling, and tenure types over the period 2011 to 2021. By applying this bespoke housing propensity model, we can predict the types of housing that are likely to be in demand over the period to 2041, based on trends observed over the past decade. The findings of the housing propensity model are reliant on existing trends that are observable in the Census data during the study period (2011 to 2021). They therefore represent a 'status quo' scenario that assumes all trends will continue, and are not able to capture significant recent changes that have occurred outside the study period.

Table 20 shows how the projected additional dwelling demand would be distributed between different dwelling types according to the housing propensity model, for both projections. Under the DPHI projection, slightly under 2,000 separate houses are anticipated to be required by 2041, whilst the .id projection indicates a need for over 3,200 such dwellings. Both models project a high level of growth for semi-detached dwellings, although this is calculated from a low baseline, and would only total slightly over 300 dwellings by 2041 in either scenario.

Table 20: Additional dwellings by dwelling structure (2021-2041)

Dwelling type	Dwellings 2021		Dwellings 2041		Change '21-'41	
	Count	% of total	Count	% of total	#	%
DPHI projection						
Separate house	22,095	85.8%	24,006	85.3%	1,911	8.7%
Semi-detached	1,675	6.5%	1,976	7.0%	301	18.0%
Flat or apartment	1,154	4.5%	1,255	4.5%	102	8.8%
Other dwelling	699	2.7%	766	2.7%	67	9.6%
DPHI total	25,746	100.0%	28,153	100.0%	2,407	9.3%
.id projection						
Separate house	22,425	86.0%	25,658	85.9%	3,233	14.4%
Semi-detached	1,671	6.4%	1,913	6.7%	328	19.7%
Flat or apartment	1,146	4.4%	1,237	4.1%	91	7.9%
Other dwelling	702	2.7%	811	2.7%	109	15.6%
.id total	26,067	100.0%	29,857	100.0%	3,790	14.5%

Source: HillPDA, NSW DPHI (2022), .id (2023)

Table 21 shows how the proportion of household types in the Clarence Valley is anticipated to change under the projection scenarios. Under the DPHI projection, the vast majority of the roughly 2,000 additional

households anticipated across the LGA would be couple only, one parent family, and lone person households. The .id projection projects approximately 3,400 additional households across the LGA, with couple only, couple with children, and lone person household types constituting roughly 1,000 additional households each.

Whilst the .id projection may be indicative of continuing demand for larger, separate dwellings more likely to be desired by family with children households, both scenarios project significant numbers of couple only and lone person households – DPHI projects around 1,800, whilst .id projects around 2,000 additional households. These households consist of one or two people only, and whilst many may seek a larger dwelling than required, this is indicative of a high need for smaller dwellings.

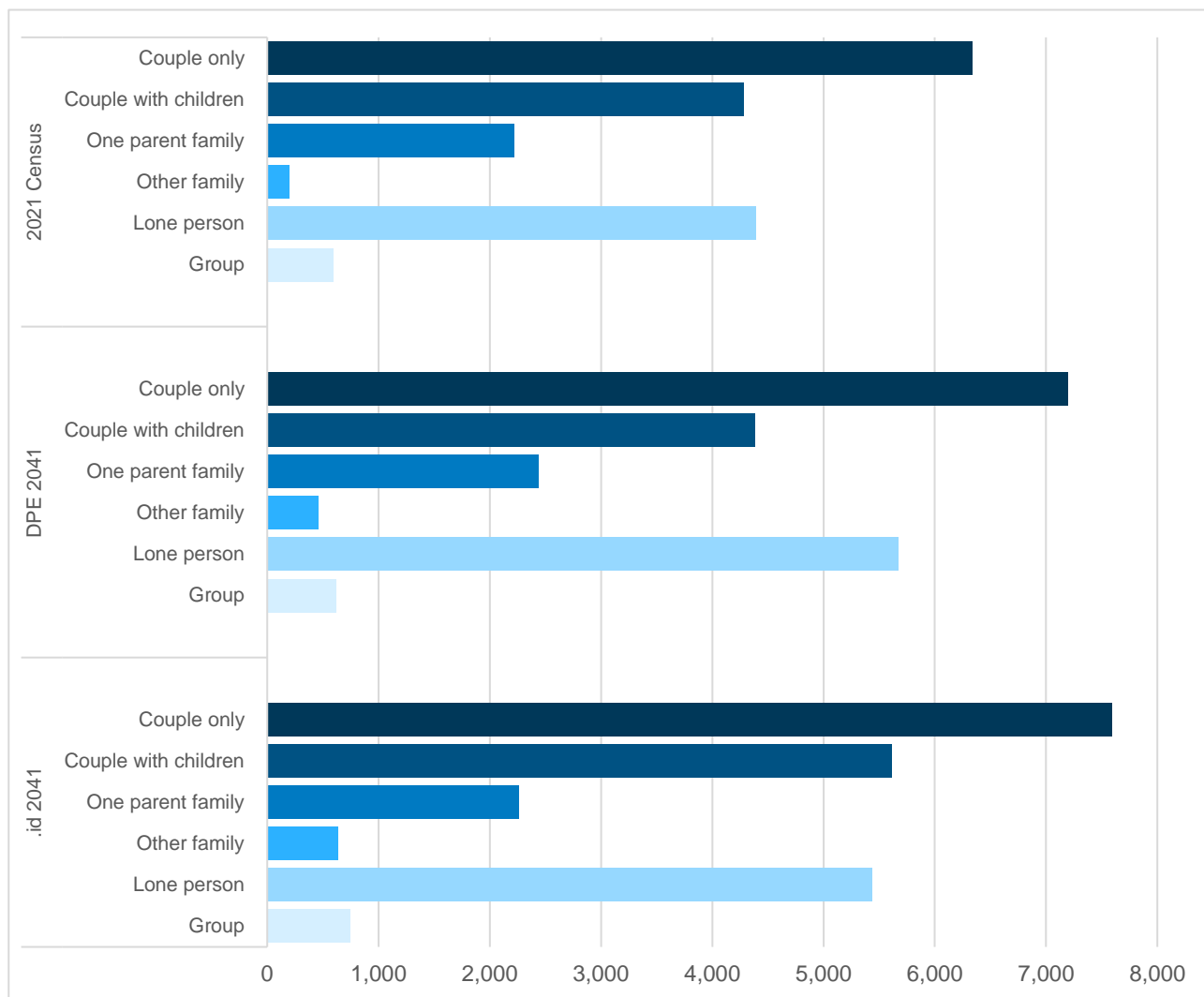
Table 21: Household type projections, Clarence Valley LGA (2021-2041)

Household type	DPHI 2041			.id 2041		
	#	%	Change '21-'41	#	%	Change '21-'41
Couple only	7,880	32.3%	-0.2%	8,315	32.1%	-0.6%
Couple with children	4,588	18.8%	-1.7%	5,889	22.7%	+1.4%
One parent family	2,748	11.3%	-0.1%	2,541	9.8%	-1.3%
Other family	537	2.2%	-0.2%	749	2.9%	+0.2%
Lone person	7,764	32.9%	+2.3%	7,440	28.7%	+0.2%
Group	719	2.9%	-0.2%	855	3.3%	+0.0%
Total	24,362	100.0%	0.0%	25,921	100.0%	0.0%

Source: HillIPDA, NSW DPHI (2022), .id (2023)

Figure 49 combines the above dwelling structure and household type projections to present the anticipated demand for separate houses by household type for LGA. Both projection scenarios indicate significant additional demand for separate houses, though under the DPHI 2041 scenario, this is almost exclusively from couple only and lone person households, whereas under the .id 2041 scenario, additional demand is also anticipated from couple with children households.

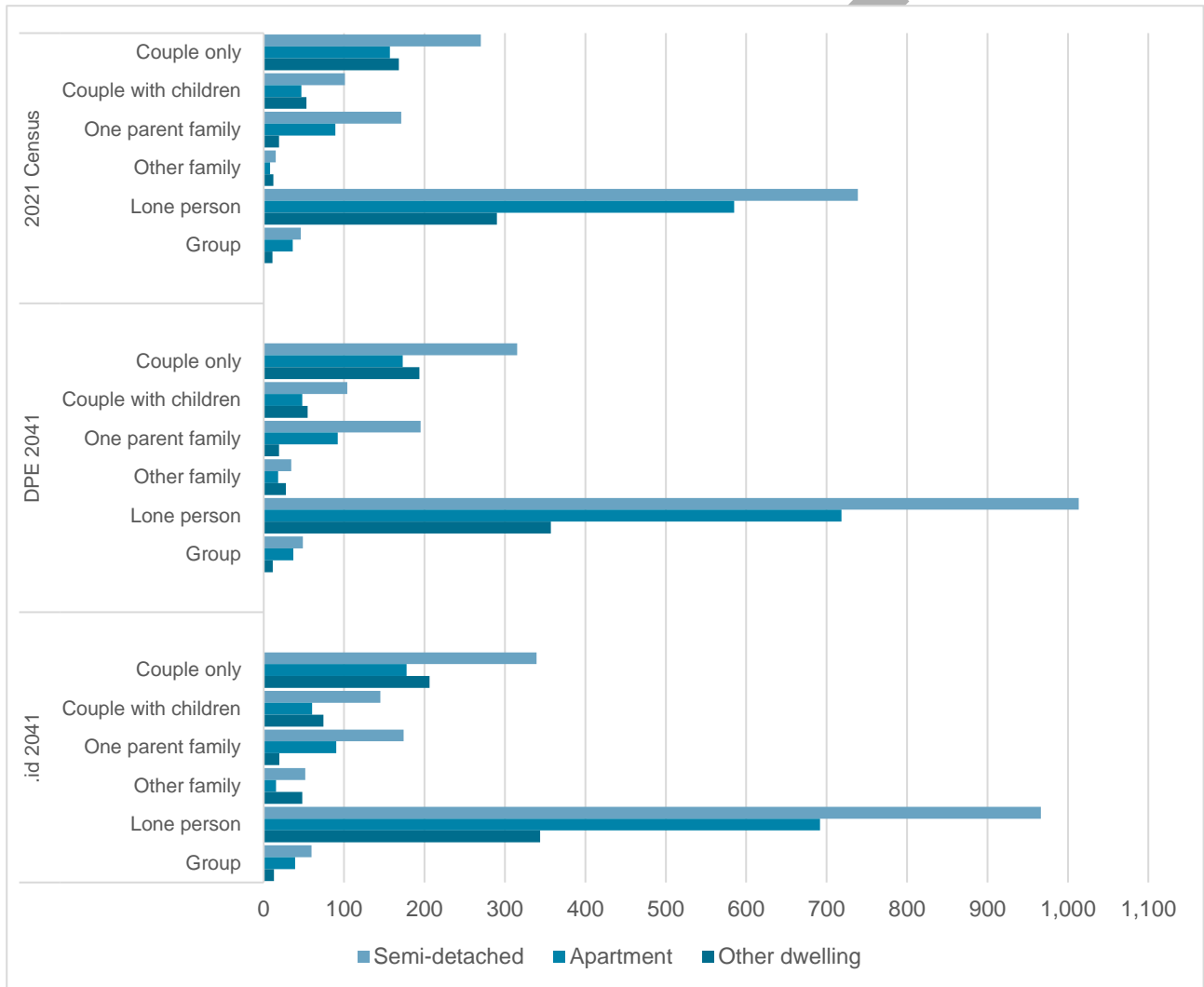
Figure 49: Separate house household types, Clarence Valley LGA, 2021 Census and 2041 projection scenarios



Source: HillPDA, ABS TableBuilder (2023), NSW DPHI (2022), .id (2023)

Figure 50 shows the 2021 Census results and the above scenarios for the remaining dwelling types. The two projections anticipate very similar distributions of households between dwelling types. The most significant point of difference is that .id's projection anticipates more couple only and couple with children households residing in semi-detached dwellings, and far fewer lone person households overall.

Figure 50: Other household types, Clarence Valley LGA, 2021 Census and 2041 projection scenarios



Source: HillPDA, ABS TableBuilder (2023), NSW DPFI (2022), .id (2023)

Tenure type

Trends in tenure type have also been considered and projected, including across dwelling types, as shown in Table 22. Under both scenarios, a gross increase in households is anticipated for almost all tenure types to 2041. Both scenarios anticipate that mortgagees will constitute a smaller proportion of total households, with more households owning their dwelling outright. Both models also project proportionally fewer households renting through social housing, and more households renting through the private market, however, the DPHI scenario projects a slightly higher increase in private market renter households.

Under the .id scenario, by 2041, the Clarence Valley LGA would have almost 2,500 additional households that own their dwelling, with or without a mortgage, with only around 800 additional renter households. Under the DPHI scenario, only around 1,400 additional owner households and slightly less than 600 additional renter households are anticipated by 2041.

Table 22: Households by tenure type, 2041 projections

Tenure type	DPHI				.id			
	2021	2041	Change		2021	2041	Change	
			#	%			#	%
Owned outright	10,170	11,490	1,320	+1.6%	10,267	12,291	2,024	+1.8%
Owned with a mortgage	6,244	6,313	69	-2.1%	6,306	6,751	445	-2.0%
Rented (private market)	4,615	5,293	678	+1.1%	4,638	5,560	921	+0.8%
Rented (social housing)	580	473	-107	-0.7%	581	484	-97	-0.7%
Total	22,322	24,362	2,040	0.0%	22,505	25,921	3,416	0.0%

Source: HillIPDA, NSW DPHI (2022), .id (2023)

Table 23 shows projected tenure types by dwelling type. There are only marginal differences between the two in terms of proportional changes, with the most notable being that the .id projection anticipates that a slightly higher proportion of dwellings will be owned, compared to the DPHI projections.

Under both scenarios, the rental household market is concentrated within separate house dwellings. Housing diversity across the LGA has been shown to be limited, and the below table suggests that few diverse dwellings are on the rental market. This may contribute to affordability issues, with renter households being limited to larger, standalone dwellings, with few semi-detached or apartment dwellings available for rent.

Table 23: Tenure type by dwelling type projections, Clarence Valley LGA (2041)

Tenure type	Separate house		Semi-detached		Apartment		Other	
	DPHI	.id	DPHI	.id	DPHI	.id	DPHI	.id
Owned outright	43.0%	43.3%	3.1%	3.1%	2.0%	2.0%	1.4%	1.4%
Owned with a mortgage	22.9%	23.0%	1.7%	1.6%	1.1%	1.1%	0.7%	0.7%
Rented - private market	19.2%	19.0%	1.4%	1.4%	0.9%	0.9%	0.6%	0.6%
Rented - social housing	1.7%	1.6%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Total	86.8%	87.0%	6.3%	6.2%	4.1%	4.0%	2.8%	2.8%

Source: HillIPDA, NSW DPHI (2022), .id (2023)

Implied demand by location

It is estimated that, across the Clarence Valley LGA, between 2,090 and 3,790 additional dwellings will be required by 2041, as indicated in Table 24. This is also shown in Figure 51.

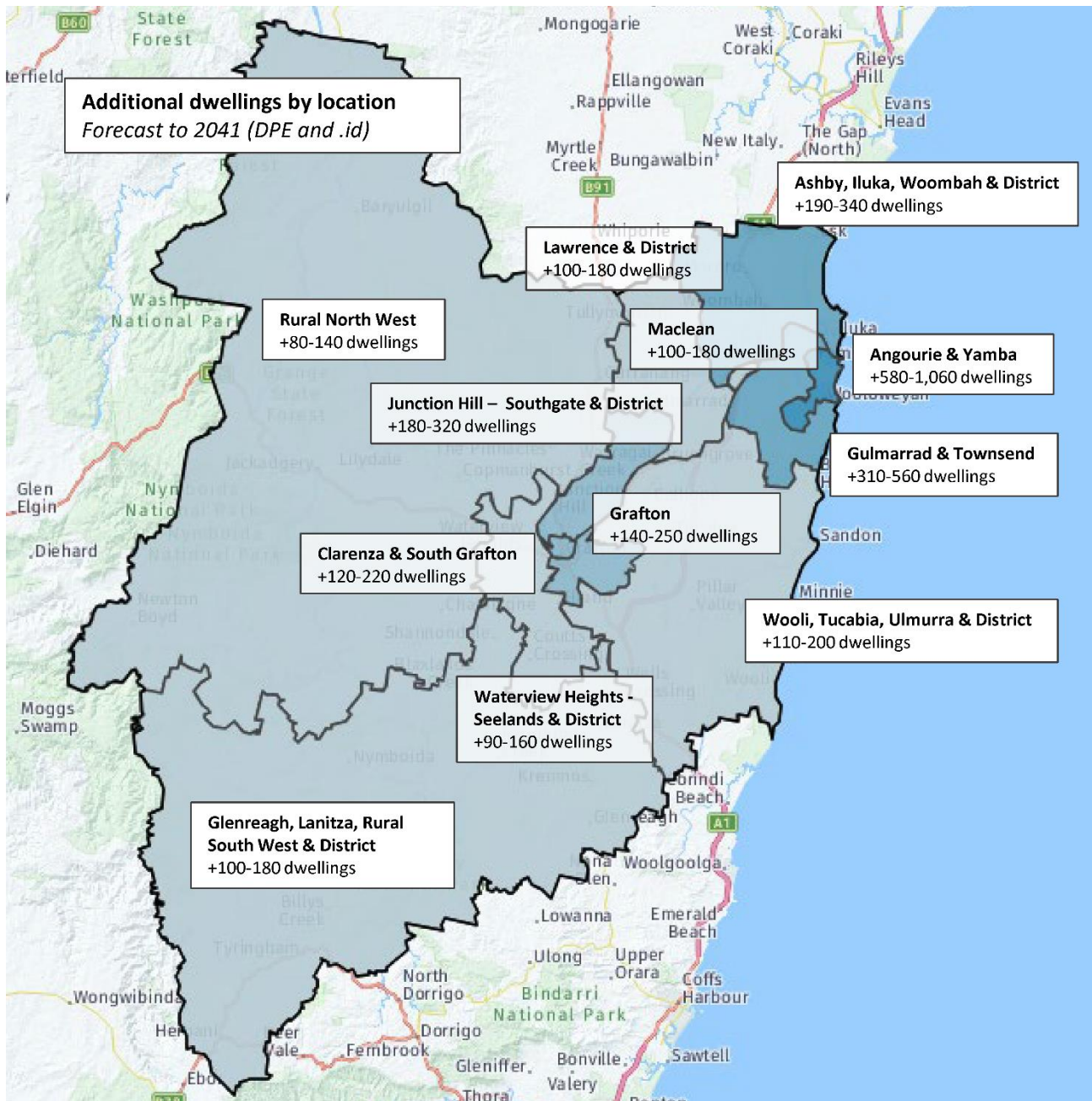
Table 24: Overall demand assessment

Area	Additional dwellings, 2041		
	DPHI	.id	% of total
Angourie & Yamba	580	1,060	28.0%
Ashby, Iluka, Woombah & District	190	340	9.0%
Clarenza & South Grafton	120	220	6.0%
Glenreagh, Lanitza, Rural South West & District	100	180	5.0%
Grafton	140	250	6.5%
Gulmarrad & Townsend	310	560	15.0%
Junction Hill - Southgate & District	180	320	8.5%
Lawrence & District	100	180	5.0%
Maclean	100	180	5.0%
Rural North West	80	140	3.5%
Waterview Heights - Seelands & District	90	160	4.5%
Wooli, Tucabia, Ulmarra & District	110	200	5.5%
Total	2,090	3,790	100.0%

Source: HillPDA, NSW DPHI (2022), .id (2023)

Note: figures have been rounded

Figure 51: Implied dwelling demand (ranges) by location, 2041



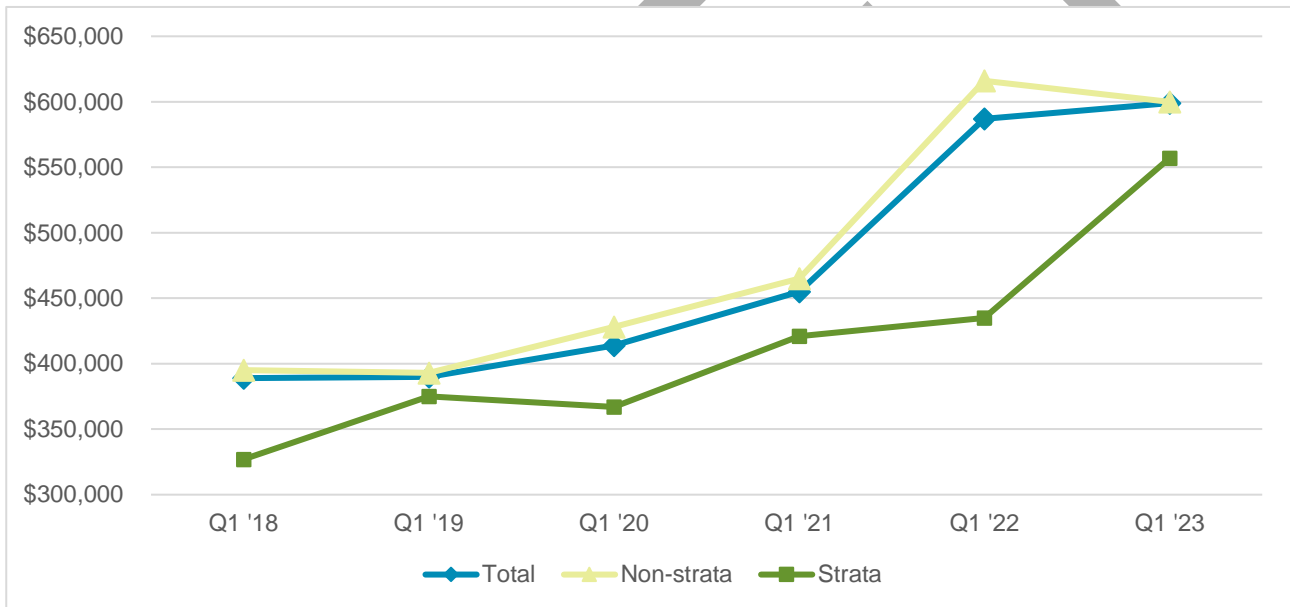
Source: HillPDA, NSW DPHI (2022), .id (2023)

Rent and sales prices

Sales prices

Figure 52 shows median dwelling sale prices in the Clarence Valley LGA by dwelling strata status for the five year period to March 2023. As with rental prices, a step change clearly differentiates the period up to 2020 and the period from 2022 on. In the earlier period, median sale prices for non-strata dwellings were around \$400,000, whilst for strata dwellings, sale prices were around \$350,000. For the period from 2022 on, the median sale price for non-strata dwellings was above \$600,000, whilst for the March 2023 quarter, the median sale price for strata dwellings exceeded \$550,000.

Figure 52: Median sale price by dwelling type, Clarence Valley LGA (Q1 2018 to Q1 2023)

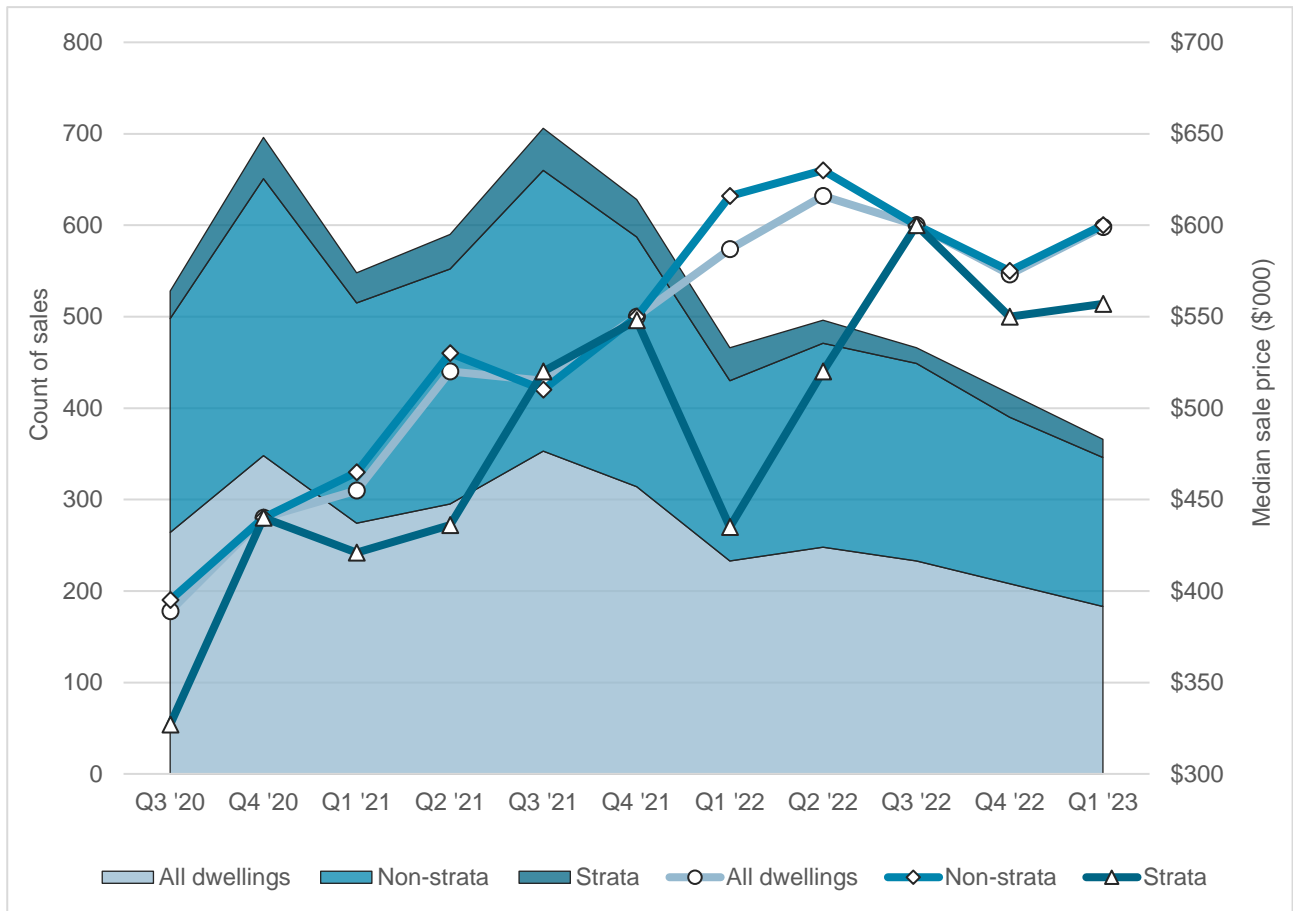


Source: NSW Department of Communities and Justice (2023)

Figure 53 shows the total count of sales alongside median sale price for the Clarence Valley LGA over the period Q3 2020 to Q1 2023. The figure shows the fast rise in median sale price across all dwellings from late 2020 to mid-2022, with similar growth in sale volume. Overall median sale prices in late 2020 were around \$400,000, with quarterly sales totalling around 250 dwellings.

A plateau in median sale prices appears from around late 2022, with a reduction to around \$600,000 from well above this figure. This decrease occurred after a significant decrease in sale volume from early 2022 onwards, with strata and non-strata quarterly sale volume peaking in Q3 2021 at 38 and 307 dwellings, respectively. By the first quarter of 2023, these figures had nearly halved, with 163 non-strata sales and 20 strata sales.

Figure 53: Count of sales and median sale price, Clarence Valley LGA (Q3 2021 to Q1 2023)



Source: NSW Department of Communities and Justice (2023)

In terms of sale prices, the Clarence Valley's median dwelling sale price in December 2022 was \$573,000 (NSW Department of Communities and Justice, 2023). This represents a significant increase in median dwelling sale prices over the past five years, with the median sale price in the December 2017 quarter being \$370,000. Dwelling sale prices vary across the Clarence Valley with areas of higher demand and amenity such as Yamba having higher prices.

Most LGAs in the North Coast region have shown high growth rates in their median sales price. When compared with other LGAs, the Clarence Valley's median price has increased at a lower proportional rate than Ballina (+124 per cent) and Byron Bay (+120 per cent), and at a rate similar to Tweed Shire (100 per cent) and Coffs Harbour (103 per cent). However, dwellings in the Clarence Valley are relatively more affordable than elsewhere in the North Coast region. This is shown in Table 25.

Table 25: Median dwelling sale price by dwelling title type (selected LGAs), quarter to March 2023

LGA	Strata sales		Non-strata sales		All sales	
	Median price	Sales	Median price	Sales	Median price	Sales
Ballina	\$715,000	53	\$1,010,000	79	\$945,000	132
Coffs Harbour	\$550,000	76	\$835,000	173	\$765,000	249
Richmond Valley	\$580,000	15	\$460,000	54	\$460,000	69
Clarence Valley	\$557,000	20	\$600,000	163	\$599,000	183

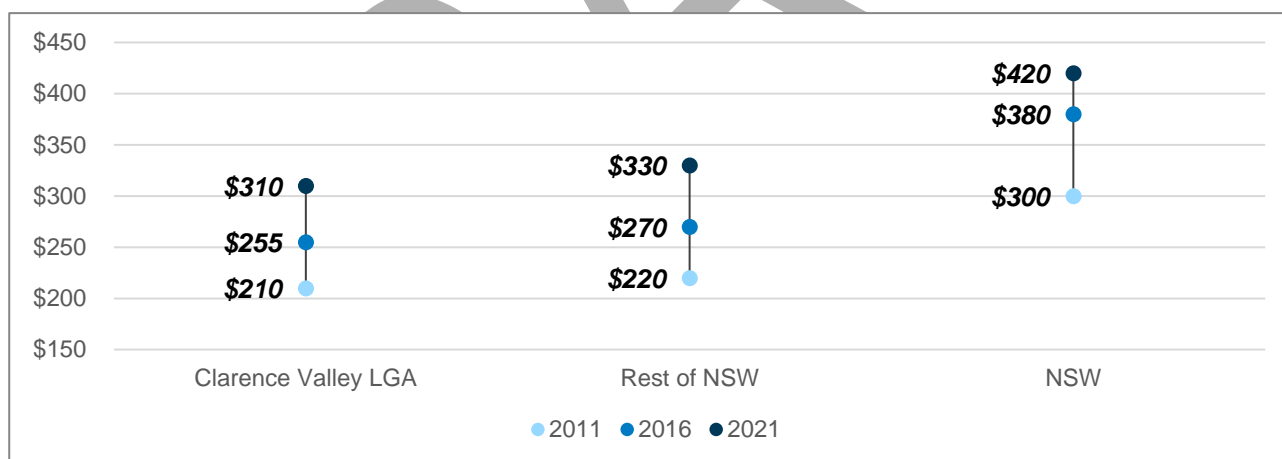
Source: NSW Department of Communities and Justice (2023)

At the end of July 2023, there were 313 properties listed for sale in the Clarence Valley (Domain, 2023). Analysis based on property listings suggested that 261 properties were in the residential zones. From available information, the majority of the listed properties were detached houses (66 per cent). 70 properties were vacant lots (27 per cent).

Rent prices

Figure 54 shows how the median weekly rent has changed over the period 2011 to 2021 in the Clarence Valley LGA and comparator areas. In alignment with the Rest of NSW, the LGA experienced a significant increase (over 25 per cent) in median rent from 2016 to 2021, though median weekly rent in the Clarence Valley remains slightly lower than across the Rest of NSW.

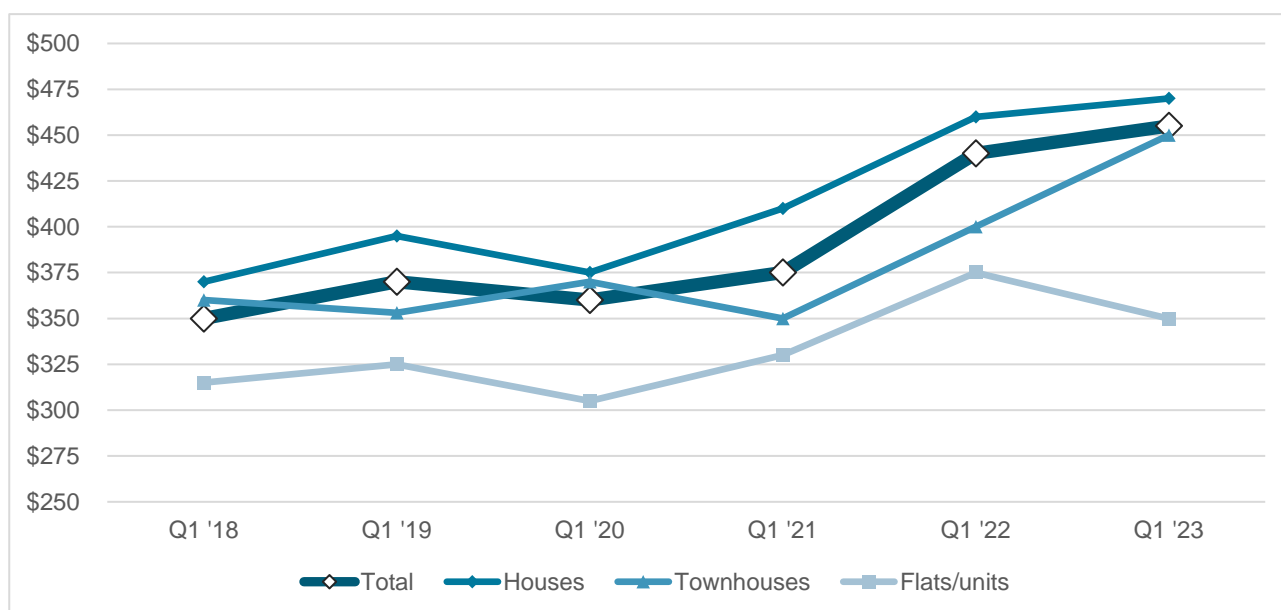
Figure 54: Median weekly rent over time, Clarence Valley LGA and comparator areas (2011-2021)



Source: ABS QuickStats (2022)

Figure 55 shows median weekly rent in the Clarence Valley LGA by dwelling type, as per newly lodged rental bonds, for the five year period to March 2023. This therefore provides a better indicator of the present rental market, and shows that median weekly rents for houses and townhouses have completed a step change in price, increasing from around \$350 to \$400 per week prior to 2020, to around \$450 to \$475 per week by 2023. Weekly rental prices for units have also increased over the period, but to a lesser degree.

Figure 55: Median weekly rents (new bonds) by dwelling type, Clarence Valley LGA (Q1 2018 to Q1 2023)



Source: NSW Department of Communities and Justice (2023)

Table 26 shows median weekly rental data for new bonds as at the quarter to March 2023 for the Clarence Valley and neighbouring Northern Rivers coastal LGAs. This suggests general parity in rental prices between the Clarence Valley and Richmond Valley markets. Coffs Harbour rents were slightly higher, and Ballina rents were significantly higher.

Table 26: Median weekly rent (new bonds) by dwelling type (selected LGAs), quarter to March 2023

LGA	Houses		Townhouses		Units		All dwellings	
	\$/w	#	\$/w	#	\$/w	#	\$/w	#
Ballina	\$690	270	\$640	n/a	\$520	69	\$650	367
Coffs Harbour	\$600	415	\$550	66	\$450	160	\$550	710
Richmond Valley	\$480	98	n/a	n/a	\$300	n/a	\$460	128
Clarence Valley	\$470	275	\$450	n/a	\$350	72	\$450	372

Source: NSW Department of Communities and Justice (2023)

Social housing wait times

Social housing allocation zones are areas within which the NSW Government (through Families & Community Services (FACS)) provides social housing. There are two allocation zones within the Clarence Valley LGA:

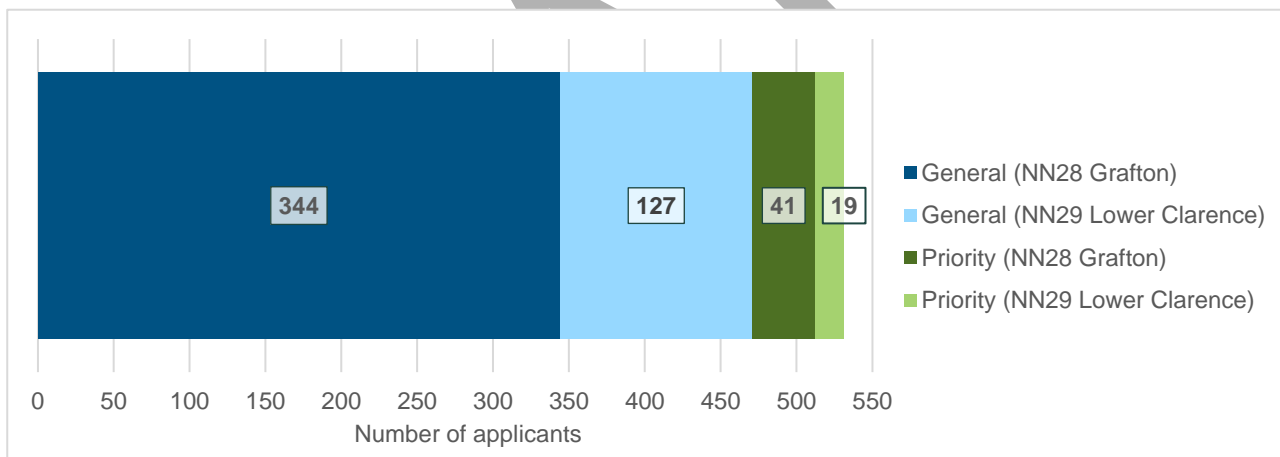
 NN28 Grafton, which includes Grafton and its surrounds.

 NN29 Lower Clarence (includes Yamba, Iluka, Maclean and surrounds).

As at 30 June 2022, both Clarence Valley LGA allocation zones had a large number of applicants on their respective waitlists, as shown in Figure 56. Overall, there were 531 applicants on waitlists for social housing in the Clarence Valley LGA, consisting of 471 general applicants and 60 priority applicants.

The waitlist for social housing in the NN28 Grafton allocation zone reported the most applicants, totalling 385, with 344 general applicants and 41 priority applicants. In contrast, there were less than half that number of applicants on the waitlist for social housing in the NN29 Lower Clarence allocation zone, which recorded 146 applicants, consisting of 127 general applicants and 19 priority applicants.

Figure 56: Social housing waitlist by location and applicant type, Clarence Valley LGA allocation zones (as at 30 June 2022)



Source: NSW Department of Family and Community Services (2023)

FACS also provides information for applicants on the length of time they should expect to wait for a social housing property to become available in an allocation zone (as at 30 June 2022). Table 27 shows this guidance for each of the Clarence Valley LGA allocation zones, by dwelling type. The minimum expected waiting time for almost all categories of social housing dwelling in the Clarence Valley LGA was reported as 5-10 years. Two exceptions to this guidance were reported for studio or one bedroom dwellings and four or more bedroom dwellings in the NN29 Lower Clarence allocation zone which were 10 plus years.

Table 27: Expected social housing waiting times (for general applicants) by dwelling size (as at 30 June 2022)

Type of dwelling	NN28 Grafton	NN29 Lower Clarence
Studio/1 bedroom	5-10 years	10+ years
2 bedroom	5-10 years	5-10 years
3 bedroom	5-10 years	5-10 years
4+ bedroom	5-10 years	10+ years

Source: NSW Department of Family and Community Services (2023)

Overall, just two per cent of all dwellings in the Clarence Valley LGA (or 530 dwellings) were tenured under non-market arrangements at the 2021 Census. Of these, slightly more were rented from a state or territory housing authority (1.2 per cent) than those rented from a community housing provider (CHP) (0.9 per cent). Altogether, households renting from a state or territory housing authority or a CHP accounted for just under ten per cent of all renter households in the LGA (5.6 per cent and 4.1 per cent respectively).

The total number of social and affordable renter households in the LGA is approximately equal to the total number of persons on the latest FACS social housing waitlist.

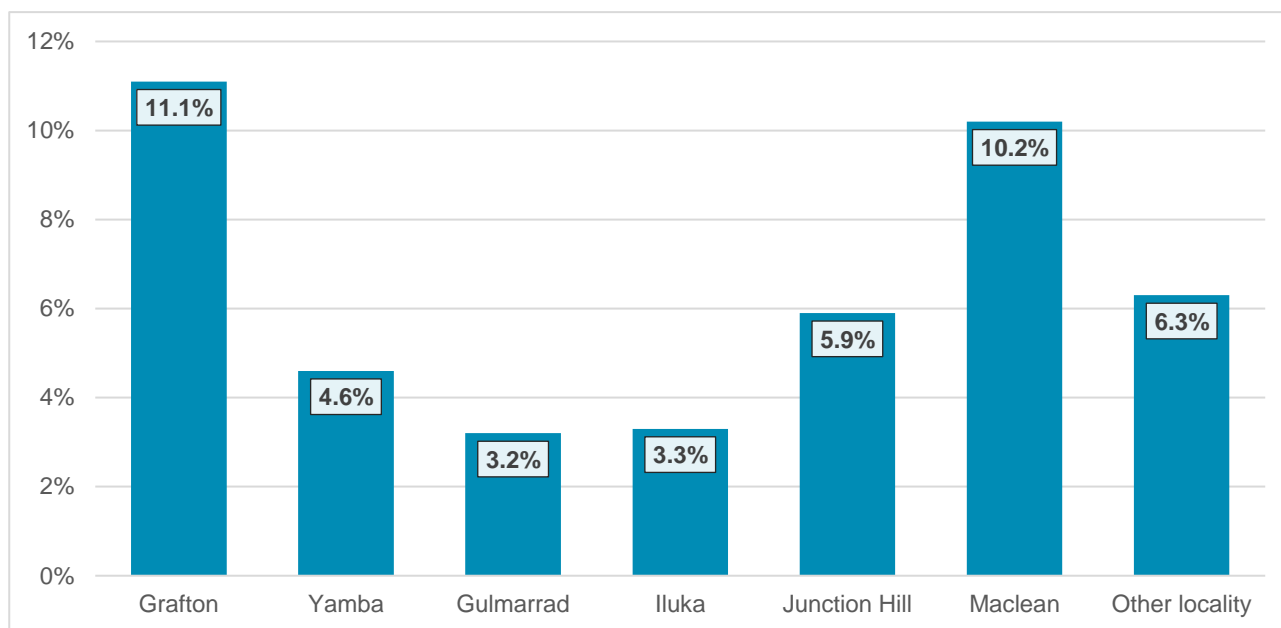
Whilst no centralised waitlist exists to consider the above in terms of community-provided housing, engagement undertaken by HillPDA with representatives of the community housing sector in the Clarence Valley LGA and the Northern Rivers more broadly indicated high and growing levels of demand for affordable housing in the area. Housing providers reported that there was significant unmet demand for housing at below market rates in the LGA, further noting that demand for affordable housing was now coming from segments previously able to access market housing (e.g. 'working family' households).

Housing for particular needs

Housing for First Nations populations

The Clarence Valley LGA is home to a relatively large First Nations population of almost 4,400 people or 8.1 per cent of the LGA's population, as at 2021. Figure 57 shows the First Nations population as a proportion the total population for selected Clarence Valley localities. Grafton and Maclean have the highest proportion of First Nations residents by a significant margin, whereas Yamba, Gulmarrad, and Iluka have proportionally very small First Nations populations.

Figure 57: First Nations population (as proportion of total population) by Clarence Valley LGA locality (2021)



Source: HillPDA, ABS TableBuilder (2023)

First Nations households are often overrepresented in the social housing sector due to difficulties experienced in accessing private rental accommodation. Whilst the reasons for these difficulties are unique and varied, they may include challenges of meeting criteria for properties, intergenerational trauma, racial discrimination within rental markets or a lack of suitable housing.¹² It is important that housing policy addresses First Nations housing solutions where relevant.

Compared to the overall population of the LGA, First Nations residents were typically much younger, with a median age of 25 (compared to 49 for the overall population), and lived in larger households, with an average of 3.1 people per household (compared to 2.3). Almost 150 First Nations dwellings in the Clarence Valley LGA were identified as requiring one or more extra bedrooms at the 2021 Census, representing around eight per cent of all First Nations dwellings in the LGA.

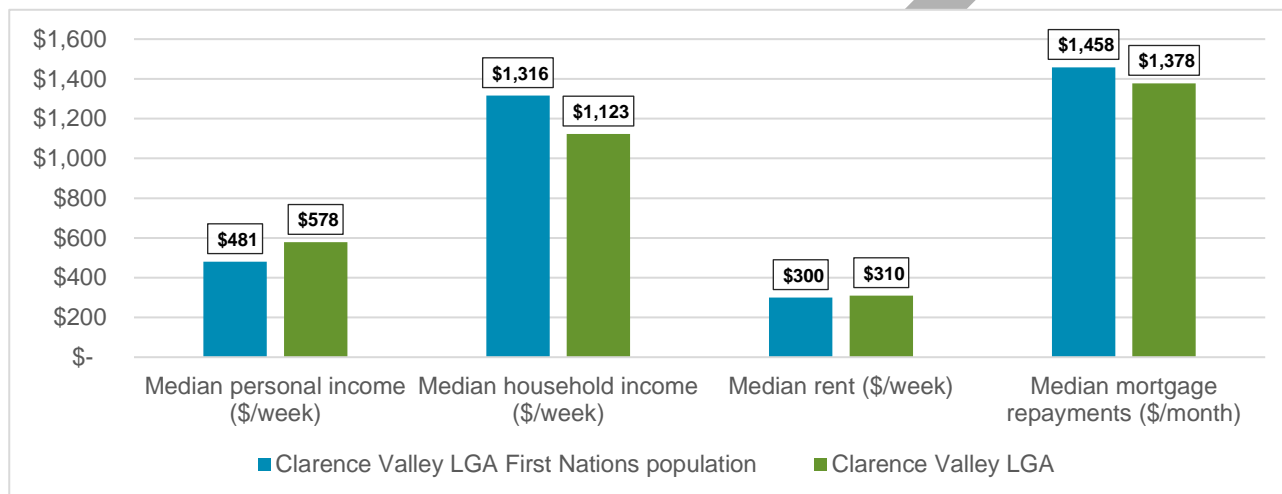
As shown in Figure 58, First Nations residents of the Clarence Valley also recorded lower median personal incomes (\$481 per week) compared to the overall LGA (\$578 per week), though their median household incomes were higher (\$1,316 per week compared to \$1,123 per week). Contributing factors to this may include the larger household size resulting in additional income earners per household, and the rest of the

¹² Moskos, M., Isherwood, L., Dockery, M., Baker, E. and Pham, A. (2022) 'What works' to sustain Indigenous tenancies in Australia, AHURI Final Report No. 374, Australian Housing and Urban Research Institute Limited, Melbourne, <https://www.ahuri.edu.au/research/final-reports/374>, doi: 10.18408/ahuri3122901.

Clarence Valley LGA's households being more likely to have older residents that are earning only through a government benefit or allowance.

First Nations households were paying approximately equivalent amounts in median rent as all households (\$300 per week compared to \$310 per week), and significantly more per month in median mortgage payments (\$1,458 compared to \$1,378). This may indicate that affordability is an issue for First Nations households.

Figure 58: Housing costs and income, Clarence Valley LGA First Nations residents and overall residents (2021)



Source: ABS QuickStats (2022)

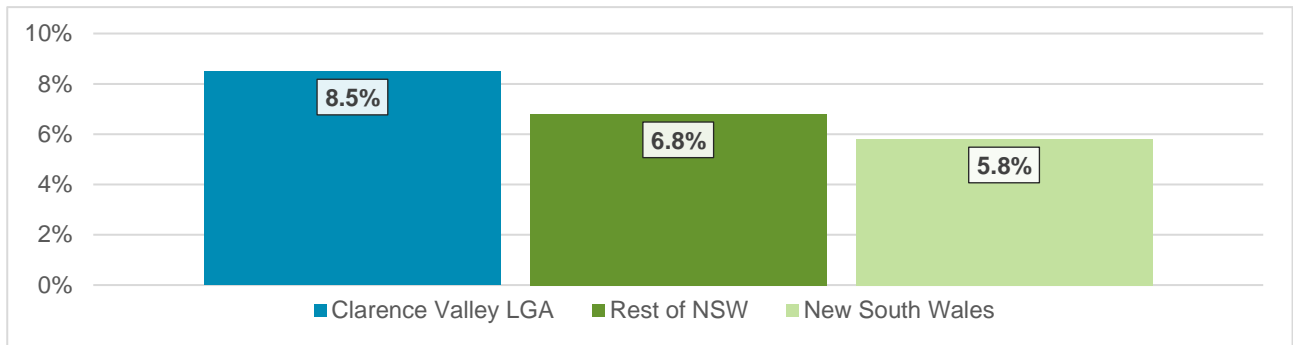
First Nations households were significantly more likely to be renter households (around 46 per cent of households) compared to the LGA as a whole (around 24 per cent of households), with around 46 per cent of households. First Nations households owned with a mortgage at a slightly higher rate than LGA households in general (28.3 per cent compared to 27.4 per cent), though a far smaller proportion owned their dwelling outright (around 20 per cent compared to around 45 per cent).

Housing for people with special needs

As discussed in previous sections, residents of the Clarence Valley LGA are significantly older overall compared to NSW as a whole. This may be a significant contributing factor in the high proportion of people who require assistance with core activities. This Census metric consists of people that require assistance with one or more of three areas: self-care, mobility, and communication; either through having a long term health condition, a disability, or through old age.

As at the 2021 Census, around 8.5 per cent of Clarence Valley LGA residents required assistance with core activities, higher than the rate recorded across both the Rest of NSW and NSW overall. This is shown in Figure 59.

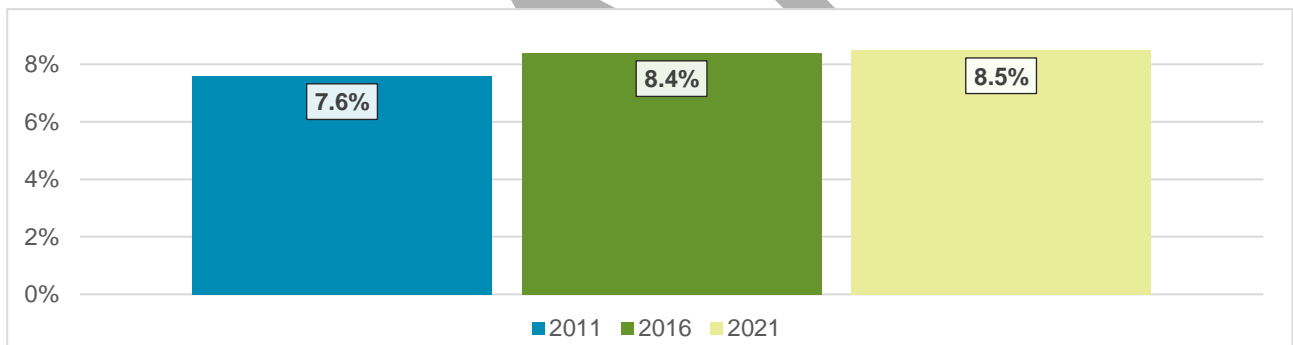
Figure 59: Persons needing assistance with core activities, Clarence Valley LGA and comparator areas (2021)



Source: ABS Census (2021), compiled by profile.ID (2023)

Figure 60 shows how this metric has changed over time in the Clarence Valley LGA. The proportion of residents requiring assistance with core activities has grown by roughly one per cent over the period 2011 to 2021, reflecting the changing population age structure.

Figure 60: Persons needing assistance with core activities over time, Clarence Valley LGA (2011-2021)

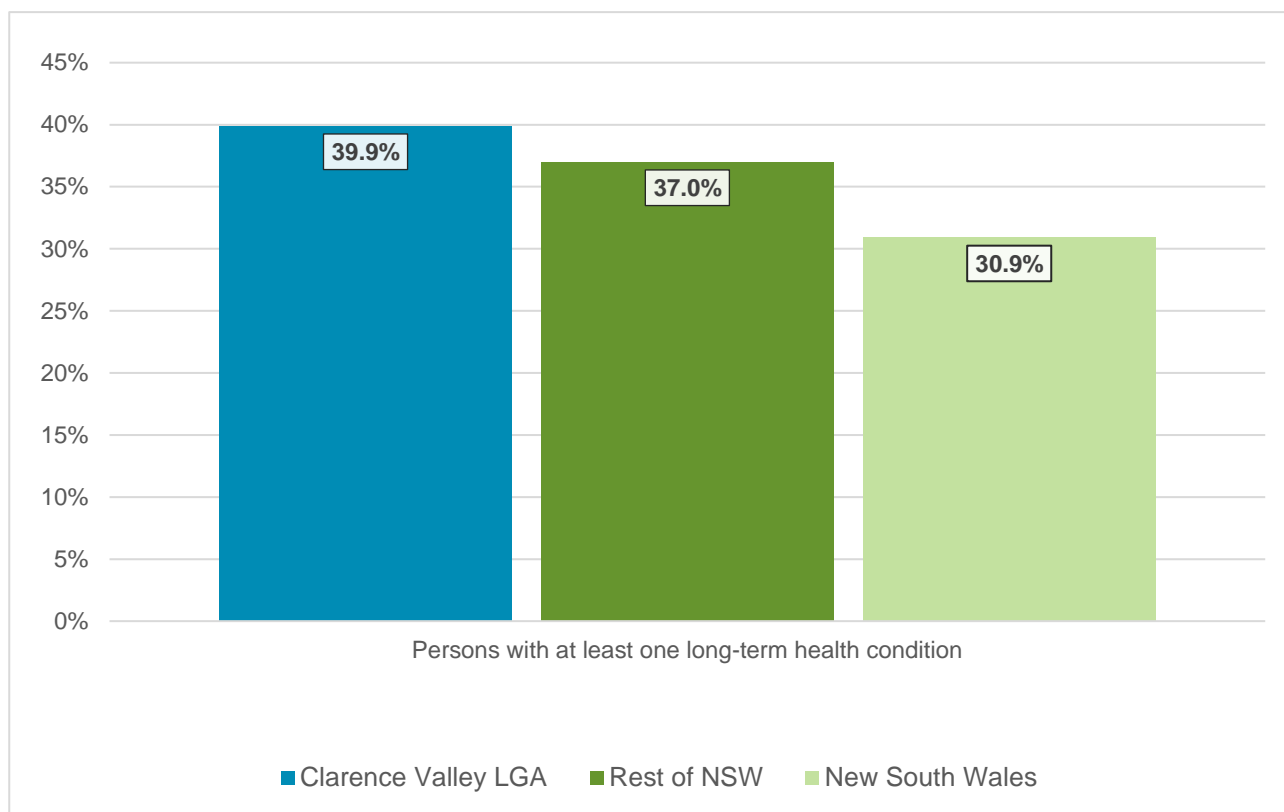


Source: ABS Census (2021), compiled by profile.ID (2023)

Finally, Figure 61 shows the proportion of Clarence Valley LGA residents with at least one long-term health condition. The proportion of residents with at least one long-term health condition is somewhat higher than the rate recorded across the Rest of NSW, and significantly higher than the rate across NSW as a whole, by almost ten per cent.

These findings are indicative of a strong and potentially unmet need for housing that is suitable for residents with reduced mobility in the LGA.

Figure 61: Persons with at least one long-term health condition, Clarence Valley LGA and comparator areas (2021)



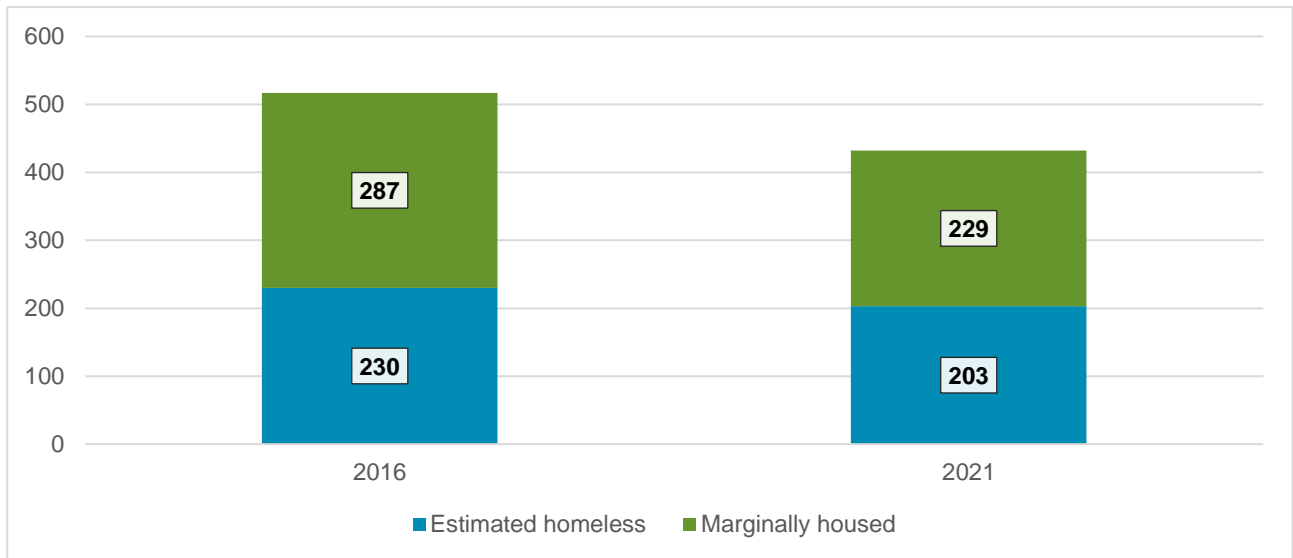
Source: ABS Census (2021), compiled by profile.ID (2023)

Homelessness

Homelessness is a complex issue, with a wide range of determinant factors as well as difficulties in measuring its extent. In general terms, however, housing availability and affordability likely contributes significantly to changes in the number of homeless people in an area.

ABS Census estimates of homelessness and marginally housed people show a small decrease in the Clarence Valley LGA from 2016 to 2021, as shown in Figure 62.

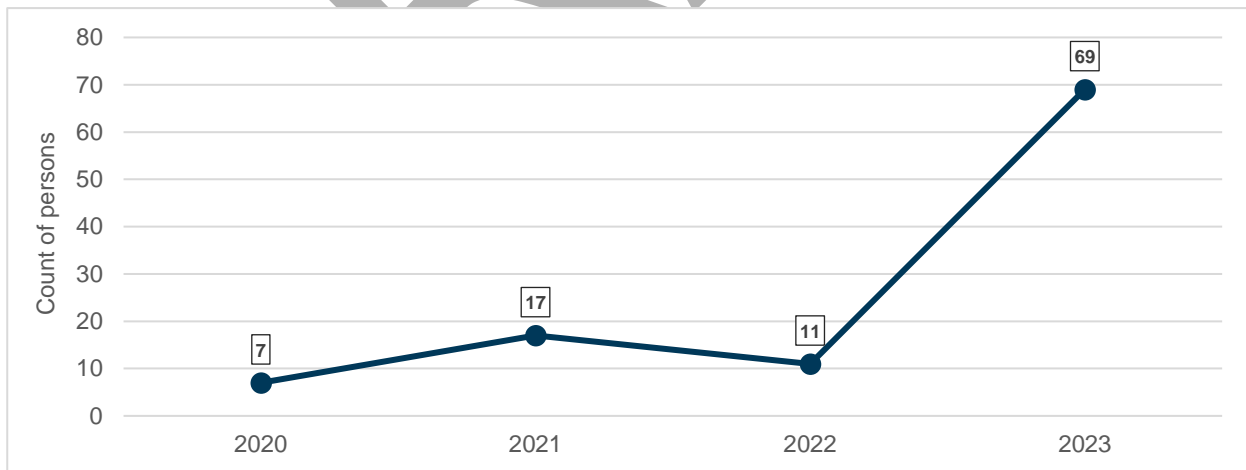
Figure 62: Estimated homelessness, Clarence Valley LGA (2016-2021)



Source: *Estimating Homelessness*, ABS (2018, 2023)

The findings of the NSW Statewide Street Count, an observational survey undertaken annually by the NSW Government, showed a marked uptick in the count of observed homeless persons in the Clarence Valley LGA in 2023 (to almost 70 persons), following relatively steady figures of under 20 persons from 2020 to 2022 (Figure 63). It is noted that the Statewide Street Count has improved its methodology over time, and that 2022 surveys were impacted by flooding in the Northern Rivers. Therefore, the increase in observed homeless persons may be less sharp than indicated below.

Figure 63: Count of observed homeless persons, Clarence Valley LGA (2020-2023)



Source: *NSW Statewide Street Count*, NSW Government Department of Communities and Justice (2020-2023)

Housing supply

This section analyses the supply of housing, the capacity and feasibility of the existing planning controls, and other sources of new housing.

Number and location of existing dwellings

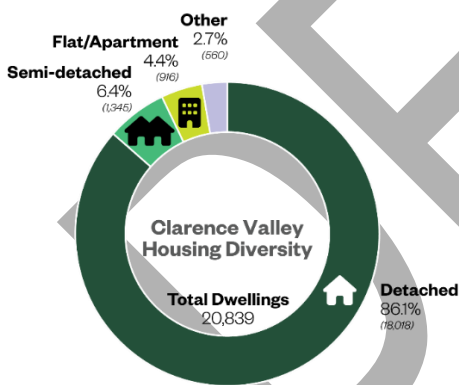
According to ABS 2021 Census data, the total number of private dwellings in the Clarence Valley on Census night was 26,060. Almost 55 per cent of the housing in the Clarence Valley is located in and around the main centres of Grafton, Maclean-Townsend, and Yamba. Almost one third of the LGA's housing is in Grafton.

Of these private dwellings, 12 per cent were recorded as unoccupied on Census night. This is higher than the rate of unoccupied dwellings across NSW. This may reflect the prevalence of short-term rental accommodation across the LGA as well as a level of investment in investment properties.

Housing types

The predominant housing form is single detached houses, representing 86 per cent of housing stock. Medium density dwellings, including semi-detached, terrace, or townhouses, accounted for 6 per cent of the total, while apartment-style dwellings constituted 4 per cent of dwellings. Other dwelling types comprised 3 per cent of the overall count. These include cabins and caravans.

Figure 64: Housing typologies, Clarence Valley LGA (2021)



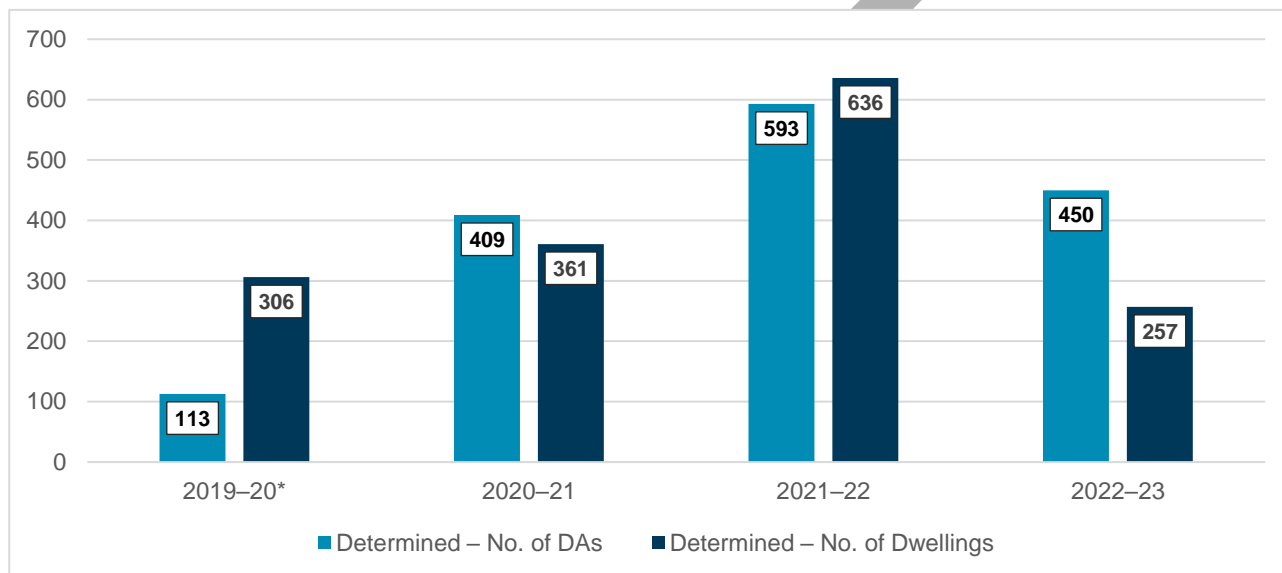
Source: ABS Census (2022)

Dwellings are generally large, with three and four bedroom dwellings comprising 75 per cent of dwellings. Two bedroom dwellings represent 18 per cent of all dwellings. Rental stock represents 24 per cent of dwellings in the Clarence Valley LGA.

Dwelling approvals

In the four years between 2019 to 2023, a total of 1,560 residential dwellings were approved, as indicated in Figure 65. This represents an average of 390 dwelling approvals per year. However, these dwellings were not necessarily constructed, as discussed in the following section entitled 'dwelling completions'.

Figure 65: Residential development approvals in the residential zones (2019-2023)



Note: Residential zones include R1, R2, R3, R5, SP3, E1, E2 and E3 zones.

Source: NSW Planning Portal (2023)

Single dwellings dominated, comprising a total of 1,176 dwellings or 55 per cent of all dwellings forming part of residential development applications. In comparison, medium density housing accounted for 27 per cent of approved dwellings. Dwelling approvals were concentrated in Yamba and Grafton as shown in Table 28.

Table 28: Top five locations for dwelling approvals, Clarence Valley LGA (2019-2023)

Location	Dwellings approved	Share of total dwelling approvals
Yamba	476	30%
Grafton	343	22%
Gulmarrad	154	6%
Woombah	78	5%
South Grafton	62	4%

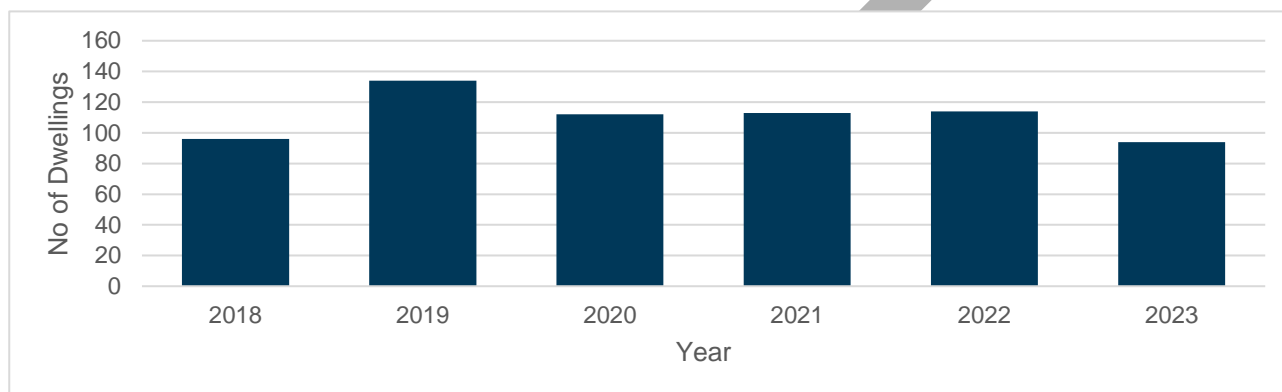
Source: NSW Planning Portal (2023)

Note: totals exclude records which did not include a geolocation field.

Dwelling completions

Over the past five years, a total of 662 dwellings have been constructed in the Clarence Valley, as shown in Figure 66. Some of these represent replacement of dwellings lost in fires and floods, while others are dwellings in the rural, non-urban and R5 Large Lot Residential Zone on lots with dwelling entitlements that would otherwise expire at the end of 2021. A total of 148 dwellings were constructed in the rural and non-urban zones.

Figure 66: Dwelling completions (2018-2023)



Source: Mecone, Clarence Valley Council (2023)

The top ten locations by number of new dwellings (between 2018 and 2023) are identified in Table 29. Over 80 per cent of new dwellings were single dwellings.

Table 29: Top ten locations for new dwelling completions (2018-2023)

Location	New dwelling completions
Yamba	88
Grafton	82
Gulmarrad	69
Townsend	31
Macleay	31
Junction Hill	29
Lawrence	23
Woombah	22
Mountain View	20
Glenreagh	14

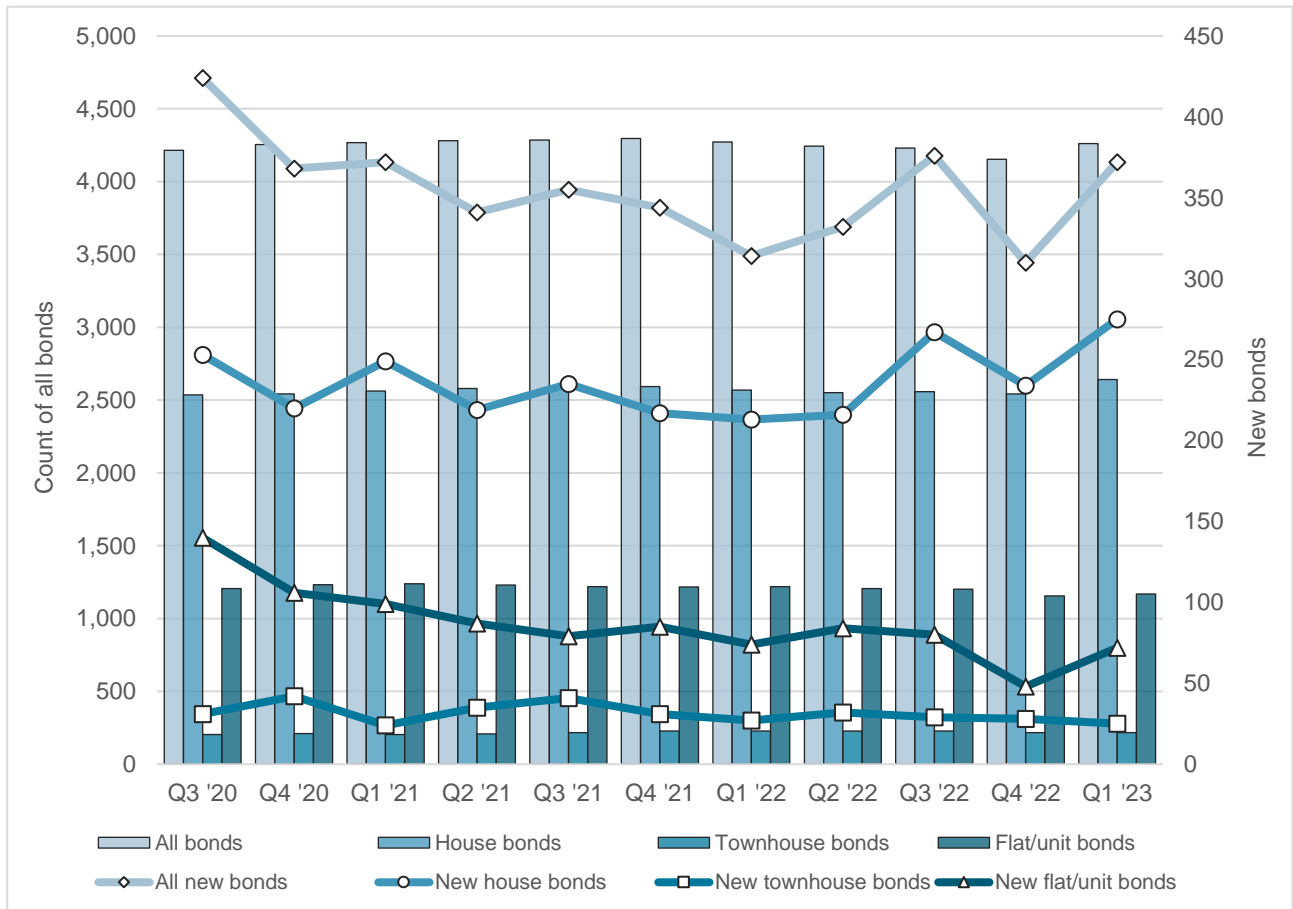
Source: Mecone, Clarence Valley Council (2023)

Rental vacancies

Figure 67 shows the total count of all rental bonds and count of new rental bonds for the Clarence Valley LGA, quarterly, by dwelling type. Over the period Q3 2020 to Q1 2023, the number of new bonds per quarter remained steady overall for houses (around 400), but generally decreased for townhouses and flats. The overall count of total bonds was steady for townhouses and flats over the period, though the

total number of flat bonds dipped toward the end of 2022. For houses however, the period saw an increase of around 100 rental bonds in total, from around 2,550 in late 2020 to around 2,650 in early 2023.

Figure 67: Count of total and new rental bonds by dwelling type, Clarence Valley LGA (Q3 2020 to Q1 2023)

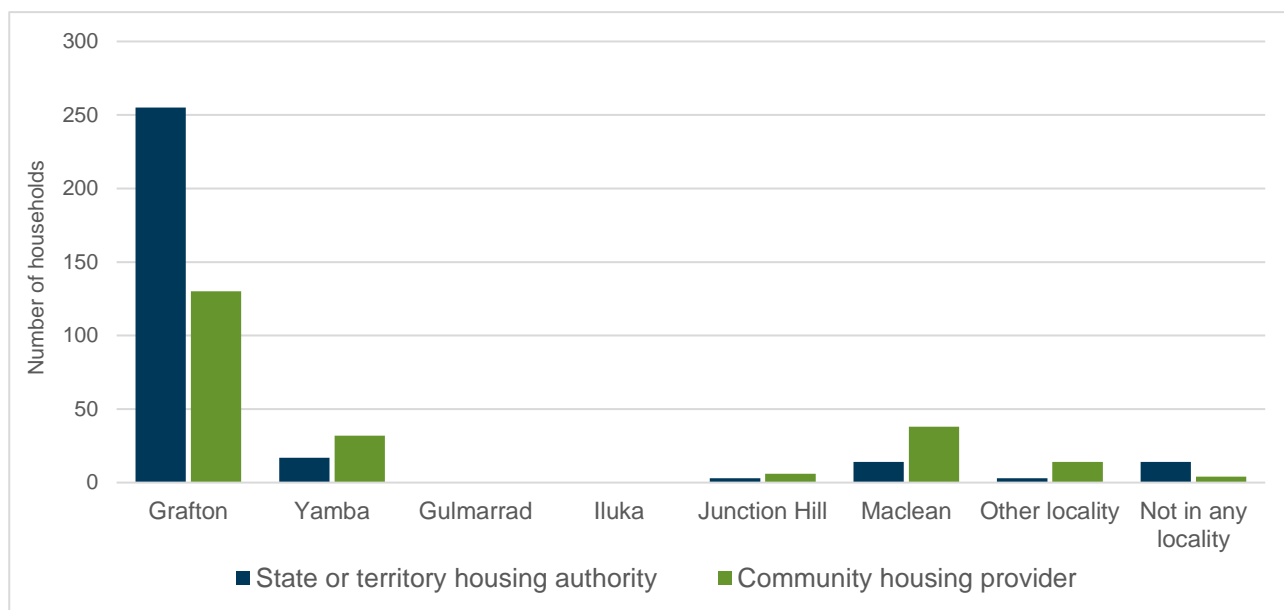


Source: NSW Department of Communities and Justice (2023)

Social housing count

Figure 68 shows the number of housing authority and CHP tenant households in the Clarence Valley by locality, as at the 2021 Census. Grafton, Maclean, and Yamba have the highest concentration of these households, though the vast majority are in Grafton. In terms of proportion of all renter households, Grafton and Maclean recorded the highest share of non-market renters, with around ten per cent of all renter households in Grafton renting from a state or territory housing authority, whilst a similar proportion of Maclean renter households rented from a CHP.

Figure 68: Count of non-market renter households by locality, Clarence Valley LGA (2021)



Source: HillPDA, ABS TableBuilder (2023)

Overall, of the roughly 530 dwellings with non-market tenure in the LGA, representing approximately 2 per cent of total housing stock in the LGA. At the 2021 census, nearly all social housing dwellings were in Grafton (75 per cent of all non-market rental households) followed by Maclean and Yamba (9 per cent of all non-market renter households in each of these areas). The lack of supply of social housing reflects and contributes to long wait times for social housing in the LGA and increases the risk of homelessness.

Short-term rental accommodation

Short-term rental accommodation (STRA) is a term that refers to dwellings used to provide accommodation on a commercial basis, for a temporary or short-term period, often facilitated through online booking platforms, such as Stayz or Airbnb.

The success of online booking platforms has seen a surge in the number of STRAs in NSW. This has led to local governments and other groups raising concerns with NSW DPPI, particularly in regional communities with smaller housing markets. A Parliamentary Inquiry into the regulation of STRAs was undertaken in 2015 and 2016, with a final report published in October 2016. In response, in 2021, the NSW Government made changes to the relevant legislation and planning policy.

These changes included the creation of an STRA policy and register, as well as adopting definitions and standards relating to STRA. The register requires STRAs to register their dwellings and ensure compliance with safety standards. The policy defines 'hosted' and 'non-hosted' STRAs, whereby a hosted STRA has a host reside on the relevant premises whilst accommodation is provided, and non-hosted STRAs do not.

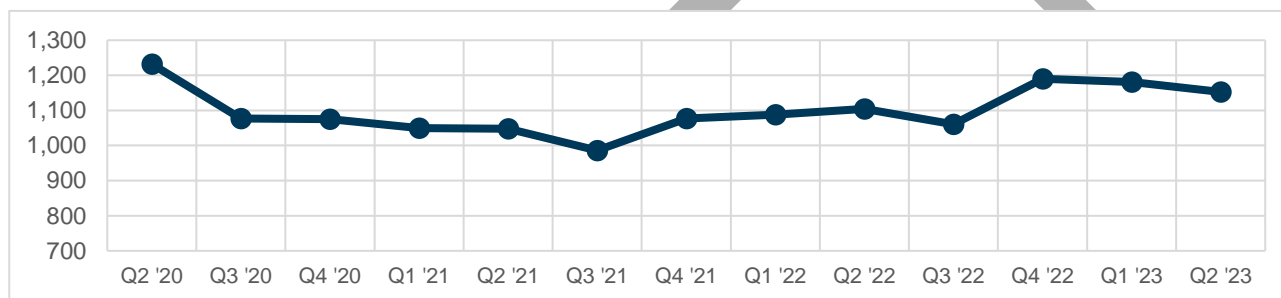
The STRA Register, whilst not publicly available, can be accessed by planning authorities and includes the number of STRA properties in an LGA, including whether they are hosted or non-hosted, and their status (registered, de-registered, or blocked). A STRA registration must be renewed every year. Where a

registration is not renewed, it is held for three months, during which the STRA is blocked from accepting bookings from online platforms. After three months, the property is de-registered and a new property registration must be completed.

In early 2024, NSW DPHI published a discussion paper on STRA regulations in NSW. The discussion paper was placed on public exhibition across February and March 2024. As of May 2024, we understand that NSW DPHI is reviewing the submissions received. This review may result in changes to the NSW State planning policy and regulatory framework for STRA.

A review of STRA aggregator AirDNA showed that, as at August 2023, there were over 900 active listings within the Clarence Valley LGA. Whilst this represented a slight decrease on the roughly 1,150 active listings recorded 12 months ago, no obvious trend is indicated in the available data (as shown in Figure 69).

Figure 69: STRA listings by quarter, Clarence Valley LGA (2020-2023)



Source: AirDNA (2023)

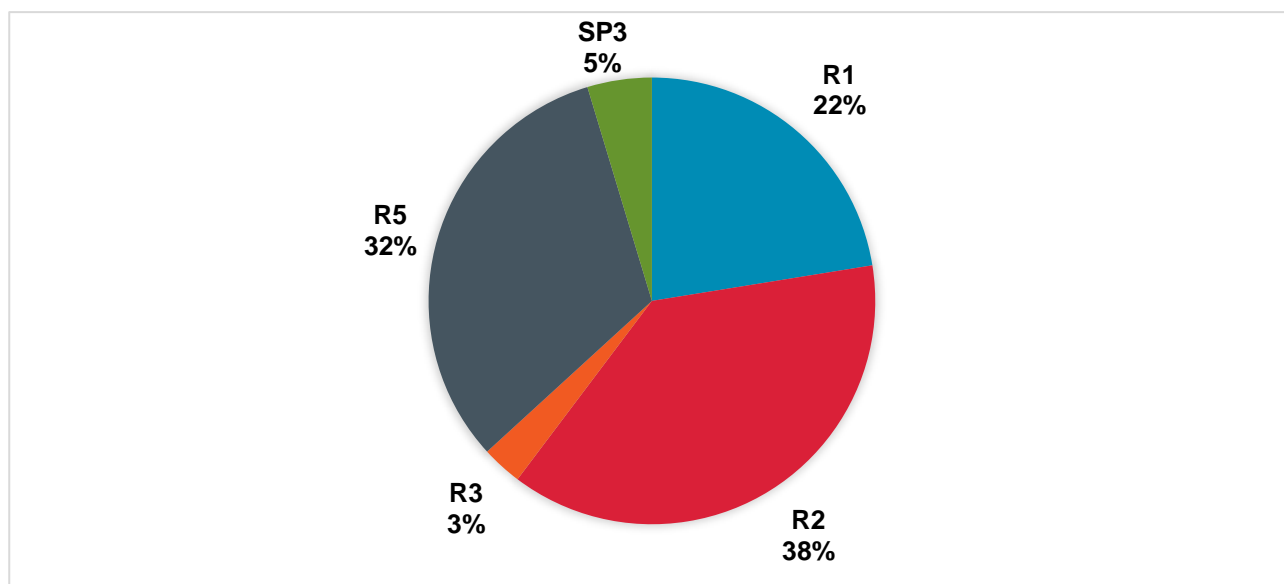
As per the most recent available AirDNA findings, 96 per cent of the 900+ STRA listings in the Clarence Valley LGA were to rent the entire dwelling (as opposed to a room within a larger dwelling). Further, around 70 per cent of the total listings were two and three bedroom dwellings. This constitutes a significant number of dwellings that are not in the long-term rental market and that are not available for residents to live in. This is particularly noteworthy considering the large proportion of listings for two bedroom dwellings (around 34 per cent of listings), with such smaller dwellings in short supply across the LGA.

Recent subdivisions

Over the past five years, there have been 213 approved residential subdivision applications, resulting in a total of 729 new lots. Not all of these lots have been registered or released to the market.

Thirty-two of these have been applications in the rural and non-residential zones. Within the towns and villages, a total of 611 new lots have been created. Just over half the new lots are in the R2 Low Density Residential zone.

Figure 70: Distribution of additional approved residential lots by zone (2018-2023)



In the past five years, a total of 579 additional residential lots have been created (registered) in the residential zones. New registered lots are concentrated in Yamba (20 per cent), Townsend (17 per cent), Gulmarrad (17 per cent), Iluka (13 per cent) and Grafton (12 per cent). Table 30 summarises the largest residential subdivision approvals in the past 5 years.

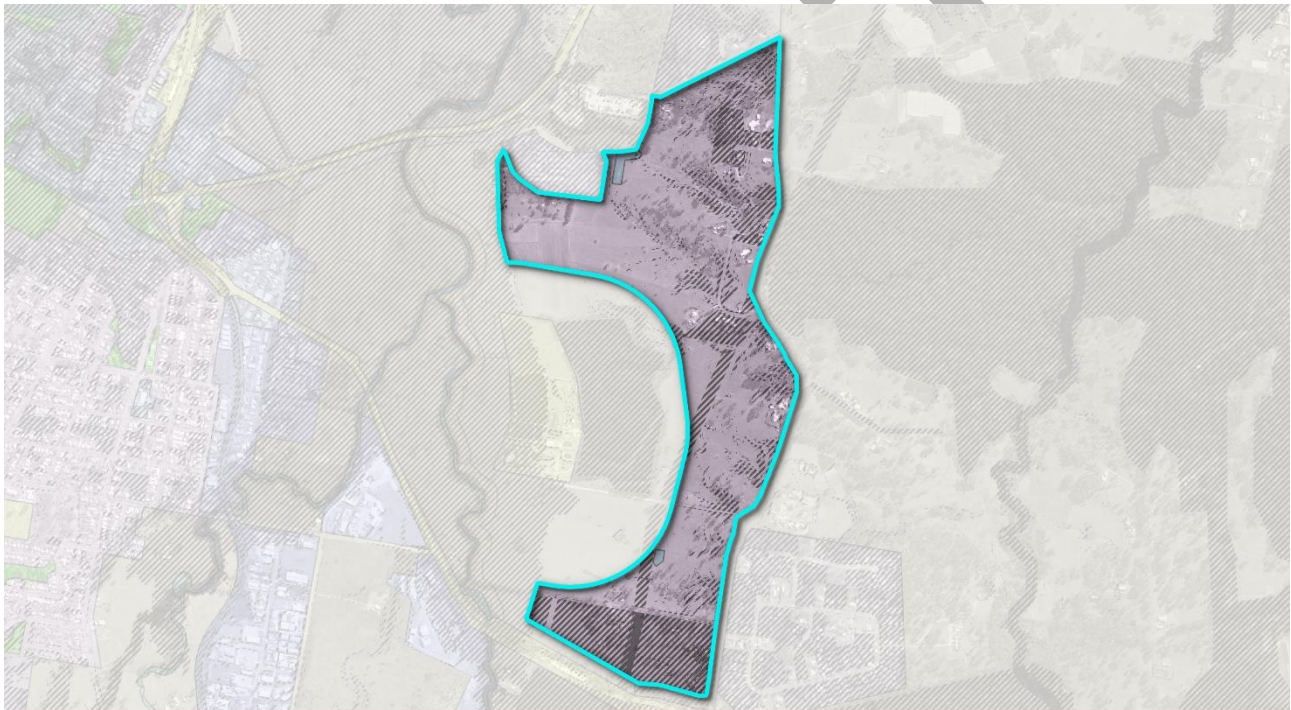
Table 30: Largest residential subdivisions (2018-2023)

Location	Zone	Application ID	Address	Lots	Status
Iluka	R2	SUB2015/0034	Hickey Street	141	Approved 68 lots registered
Junction Hill	R1	SUB2019/0025	Summerland Way	70	Approved
Yamba	R1	SubCt2021/0054	22 Carrs Drive	56	Registered
Waterview Heights	R5	SUB2019/0034	Old Glen Innes Road	39	Approved
Yamba	R2	SUB2022/0017	4 Cameron Street	35	Approved
Townsend	R2	SUB2019/0024	21 Jubilee Street	32	Approved
Townsend	R2	SubCt2018/0033	Scullin Street	31	Registered
Mountain View	R5	SubCt2020/0005	Mountainview Circuit	20	Registered

Planned urban release areas

Clarence Valley's *Local Strategic Planning Statement* identifies Clarenza, Junction Hill, Gulmarrad, James Creek, and West Yamba as priority urban release areas (URAs). This section provides an overview of each of these URAs.

Clarenza URA



Legend - Clarenza Urban Release Area

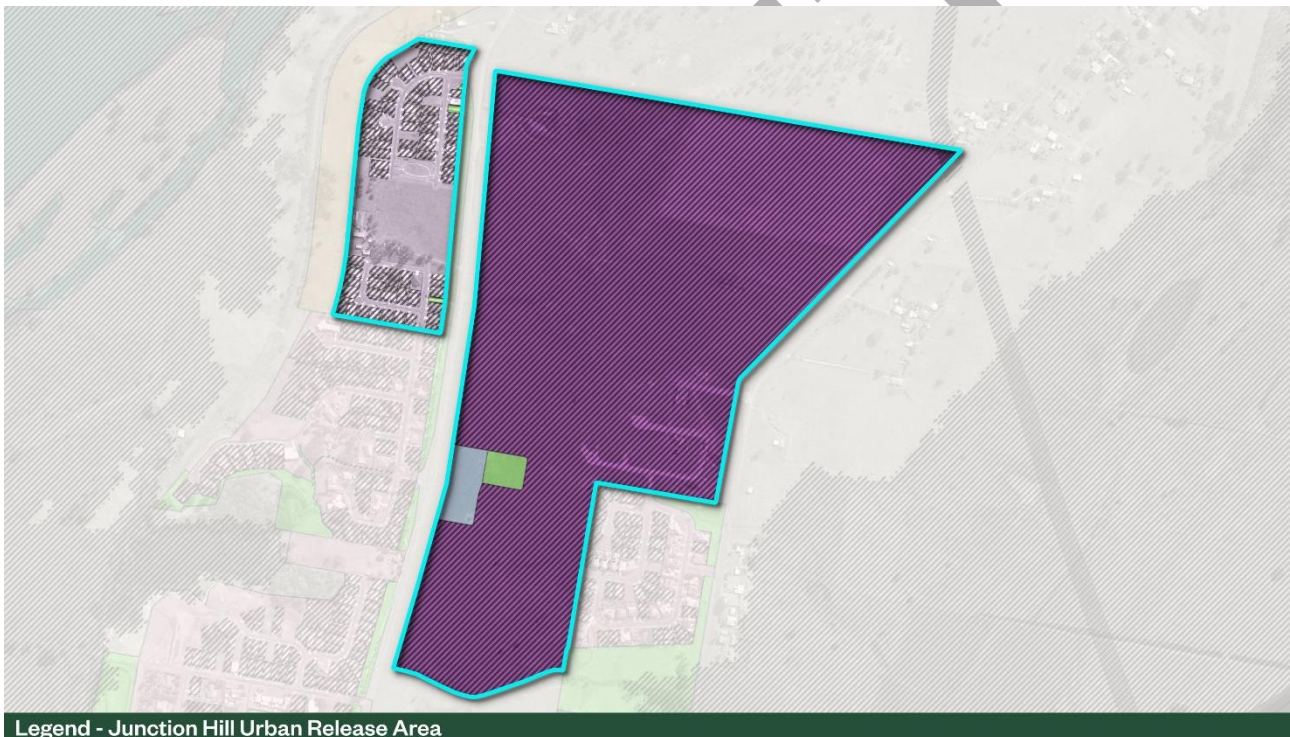
Urban Release Areas	Zoning	E3 - Productivity Support	RE1 - Public Recreation	SP2 - Infrastructure
Constraints	C1 - National Parks & Nature Reserves	E4 - General Industrial	RE2 - Private Recreation	SP3 - Tourist
Subdivision Plan (Overrides Constraints)	C2 - Environmental Conservation	R1 - General Residential	RU1 - Primary Production	W1 - Natural Waterways
	C3 - Environmental Management	R2 - Low Density Residential	RU2 - Rural Landscape	W2 - Recreational Waterways
	E1 - Local Centre	R3 - Medium Density Residential	RU3 - Forestry	W3 - Working Waterways
	E2 - Commercial Centre	R5 - Large Lot Residential	SP1 - Special Activities	W4 - Working Waterfront

The Clarenza URA is located on the eastern side of South Grafton. It consists of 124.9 hectares, the majority of which is zoned R1 General Residential. Approximately 6,500 m² is zoned E1 Neighbourhood Centre, located within 200 metres of McAuley College. Existing development can be characterised as large lot residential, with single dwellings on large lots along Centenary Drive. There are existing approvals for subdivision of individual lots within the area.

Parts of this area are constrained by environmental conditions, including bushfire and slope, as well as by north-south aligned utility easements. The unconstrained land area has a theoretical dwelling capacity of approximately 600 dwellings (under current planning controls).

Council is currently developing a DCP to guide future development of this area. Additional housing supply in this area would require the on extension of water infrastructure, and construction and extension of sewer infrastructure. These costs would be borne by the developer. Other supporting infrastructure requirements would include intersection upgrades, the construction of stormwater infrastructure, and the provision of footpaths and open space.

Junction Hill URA



Legend - Junction Hill Urban Release Area

Urban Release Areas	Zoning	E3 - Productivity Support	RE1 - Public Recreation	SP2 - Infrastructure
Constraints	C1 - National Parks & Nature Reserves	E4 - General Industrial	RE2 - Private Recreation	SP3 - Tourist
Subdivision Plan (Overrides Constraints)	C2 - Environmental Conservation	R1 - General Residential	RU1 - Primary Production	W1 - Natural Waterways
	C3 - Environmental Management	R2 - Low Density Residential	RU2 - Rural Landscape	W2 - Recreational Waterways
	E1 - Local Centre	R3 - Medium Density Residential	RU3 - Forestry	W3 - Working Waterways
	E2 - Commercial Centre	R6 - Large Lot Residential	SP1 - Special Activities	W4 - Working Waterfront

The Junction Hill URA is located to the north of Grafton, along Summerland Way. It encompasses an 83.6 hectare lot on the east of the road and an area on the western side of the road.

Development in this area is not constrained by environmental conditions. The land on the eastern side of the road is vacant, except for some agricultural use in the north-eastern corner. Land on the western side of Summerland Way has been subdivided and is being developed.

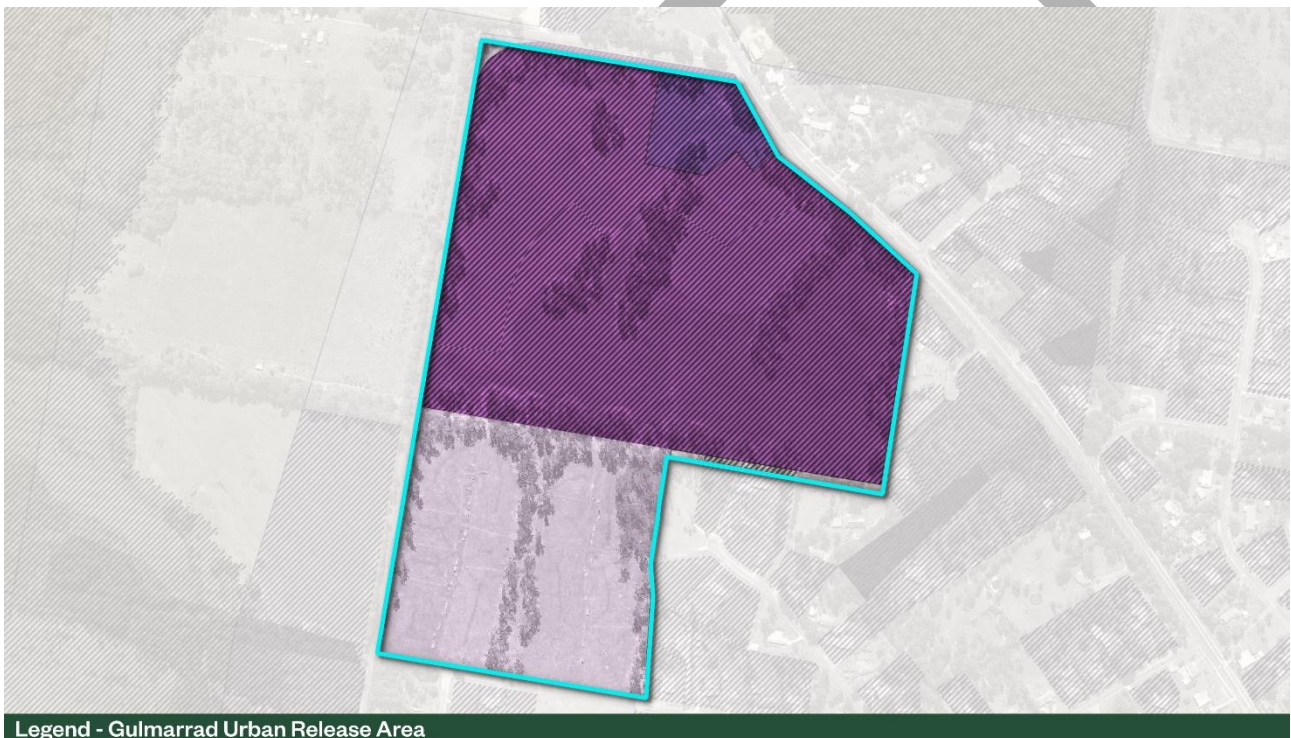
There is staged approval and concept masterplan for the development of 1,000 lots on the eastern lot. The masterplan includes general residential lots and seniors housing. The first stage, a 70 lot subdivision, is

located immediately to the north of the R2 Low Density Residential land along Trenayr Road, and is currently under construction.

To enable additional housing supply to be delivered in this area, a roundabout would have to be constructed on Summerland Way. Extension of the water infrastructure and extension and construction of sewer infrastructure would also be required for future stages. Other supporting infrastructure requirements would include the construction of stormwater infrastructure, and the provision of footpaths and open space.

The *Draft Northern Rivers Resilient Lands Strategy* identified Junction Hill as an immediate short-term development opportunity to advance the existing development approval.

Gulmarrad URA



Legend - Gulmarrad Urban Release Area

Urban Release Areas	Zoning	E3 - Productivity Support	RE1 - Public Recreation	SP2 - Infrastructure
Constraints	C1 - National Parks & Nature Reserves	E4 - General Industrial	RE2 - Private Recreation	SP3 - Tourist
Subdivision Plan (Overrides Constraints)	C2 - Environmental Conservation	R1 - General Residential	RU1 - Primary Production	W1 - Natural Waterways
	C3 - Environmental Management	R2 - Low Density Residential	RU2 - Rural Landscape	W2 - Recreational Waterways
	E1 - Local Centre	R3 - Medium Density Residential	RU3 - Forestry	W3 - Working Waterways
	E2 - Commercial Centre	R6 - Large Lot Residential	SP1 - Special Activities	W4 - Working Waterfront

The Gulmarrad URA is located in the north western corner of Gulmarrad. The URA is 44.4 hectares in area, and is not constrained by environmental conditions. It is predominantly zoned R1 General Residential, with

an area zoned E1 Local Centre on the corner of Brooms Head Road and Sheehans Lane. The land is currently vacant.

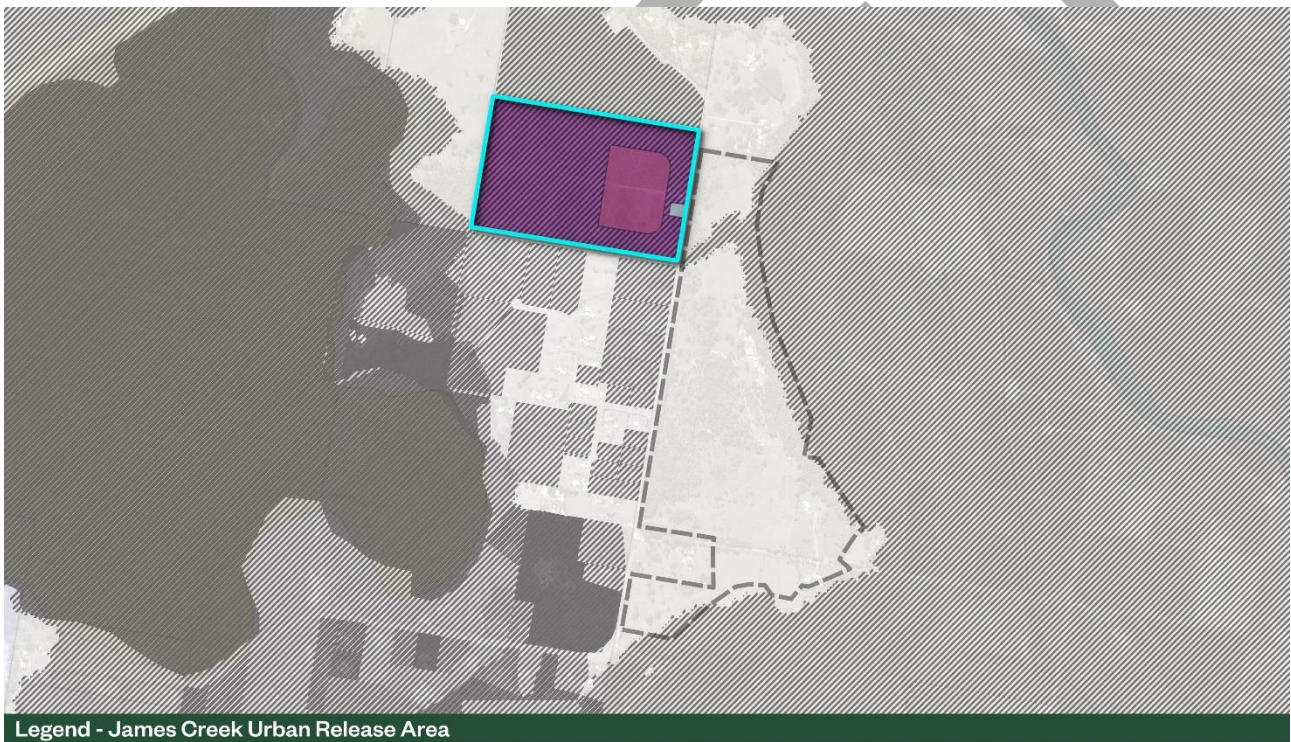
Uptake of the development potential has recently commenced:

A 250 home Manufactured Home Estate is under construction.

A subdivision application which would yield 70 lots and a shopping complex has been approved, however, construction is yet to commence.

To enable additional housing supply to be delivered in this area, water and sewer infrastructure extensions would be required (including over one kilometre of sewer extension), as well as intersection upgrades. Other supporting infrastructure requirements would also include the construction of stormwater infrastructure, and the provision of footpaths and open space.

James Creek URA



Legend - James Creek Urban Release Area

Urban Release Areas		Zoning		Other Zoning	
	Urban Release Areas		C1 - National Parks & Nature Reserves		E3 - Productivity Support
	Constraints		C2 - Environmental Conservation		E4 - General Industrial
	Subdivision Plan (Overrides Constraints)		C3 - Environmental Management		R1 - General Residential
	James Creek Investigation Area		E1 - Local Centre		R2 - Low Density Residential
			E2 - Commercial Centre		R3 - Medium Density Residential
					R5 - Large Lot Residential
					RE1 - Public Recreation
					RE2 - Private Recreation
					SP2 - Infrastructure
					SP3 - Tourist
					W1 - Natural Waterways
					W2 - Recreational Waterways
					W3 - Working Waterways
					W4 - Working Waterfront

The James Creek URA is located in James Creek, northeast of Townsend. It consists of 33.2 hectares, and is predominantly zoned R1 General Residential, with six hectares zoned R3 Medium Density Residential, and a small component (approximately 2,000 m², along James Creek Road) zoned E1 Local Centre.

The land is currently vacant. Although the site is not constrained by environmental conditions, future development would be required to consider flood evacuation and potential land use conflict with the surrounding agricultural land.

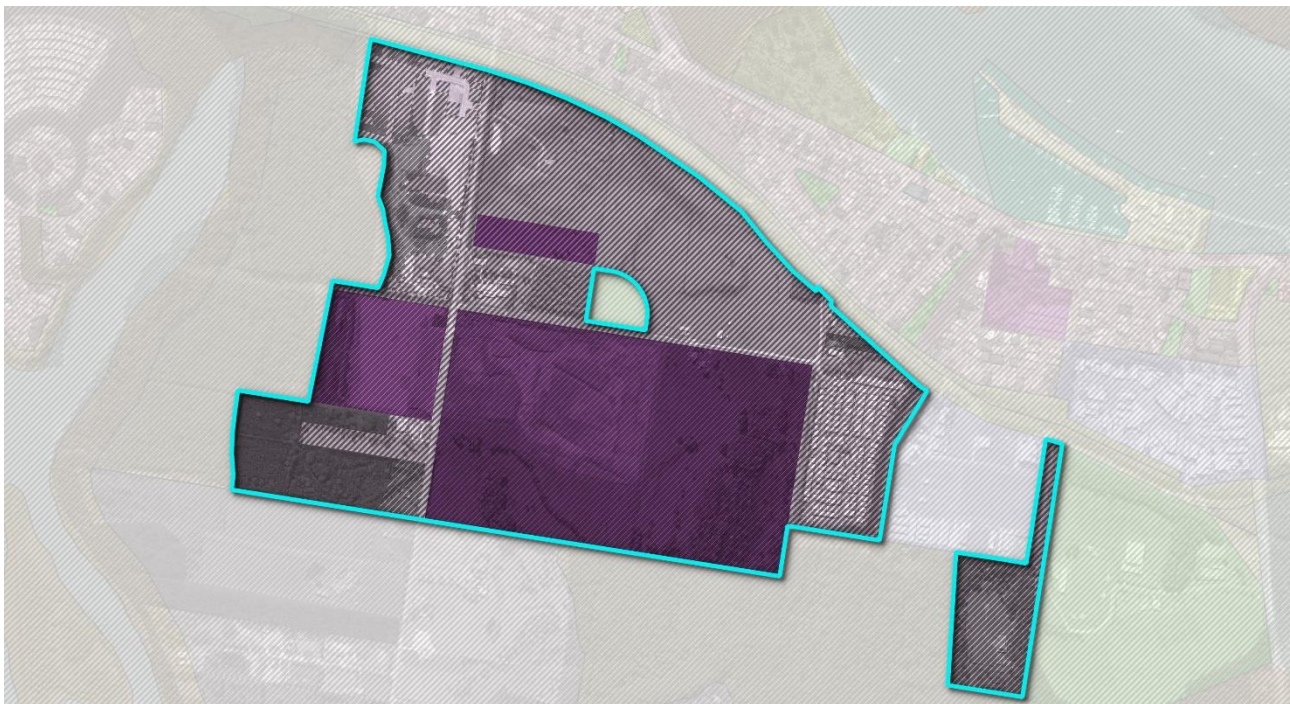
Recently, a development application to subdivide the site for 330 lots has been refused by the Northern Regional Planning Panel. The proponent has remade a development application over a smaller part of the site, totalling 290 lots (including a childcare centre).

To enable additional housing supply to be delivered in this area, new sewer infrastructure would need to be constructed, and multiple roads and intersections would require upgrade. Supporting infrastructure that would be required includes the extension of water infrastructure, construction of stormwater infrastructure, and the provision of footpaths and open space.

The land to the east of the URA has been identified in the *North Coast Regional Plan* as an investigation area. This is indicated in the figure above. The investigation area land is currently zoned RU1 Primary Production. Whilst the investigation area has not been included within the URA, it has been identified as a suitable long-term option for future housing supply, and it would be beneficial to consider the investigation and the URA as a whole in future structure planning activities. Annexure 4 includes further details on this area.

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West Yamba URA



Legend - West Yamba Urban Release Area

Urban Release Areas	Zoning	E3 - Productivity Support	RE1 - Public Recreation	SP2 - Infrastructure
Constraints	C1 - National Parks & Nature Reserves	E4 - General Industrial	RE2 - Private Recreation	SP3 - Tourist
Subdivision Plan (Overrides Constraints)	C2 - Environmental Conservation	R1 - General Residential	RU1 - Primary Production	W1 - Natural Waterways
	C3 - Environmental Management	R2 - Low Density Residential	RU2 - Rural Landscape	W2 - Recreational Waterways
	E1 - Local Centre	R3 - Medium Density Residential	RU3 - Forestry	W3 - Working Waterways
	E2 - Commercial Centre	R5 - Large Lot Residential	SP1 - Special Activities	W4 - Working Waterfront

The West Yamba URA is located to the west of Yamba's centre. It totals 127.4 hectares and is zoned R1 General Residential.

Development in this area is subject to Schedule X1 of the Clarence Valley Council *Residential Zones DCP*. Among other matters, this requires development of the URA to consider environmental constraints, including flood, bushfire and threatened species/biodiversity values. A high level review of the flood modelling for this area has recently been undertaken.

There has been strong uptake of the development potential of this area, with the following underway:

Yamba Parklands, with Stages 1-3 underway, delivering 160 residential lots.

Manufactured home estate of 200 homes under construction.

Manufactured home estate for 210 homes currently under assessment.

Application for a 284 lot subdivision currently under assessment. This includes 277 low density residential lots and one medium density residential lot.

Established manufactured home estate with 149 dwellings (36 Golding Street).

Application for 16 townhouses currently under assessment (30 Golding Street).

Together, these projects could provide for around 1,060 dwellings in the area.

To enable housing supply to be delivered in this area, a range of infrastructure upgrades are required, including intersection and roundabout upgrades, extension of sewer and water infrastructure, construction of stormwater infrastructure, and the provision of footpaths and open space.

There are both water and sewer DSPs and a developer contributions plan specific to this URA to facilitate the delivery of these services and works.

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R5 Large Lot Residential

There is a large amount of land zoned R5 Large Lot Residential in the Clarence Valley. Current housing supply in these areas reflects a combination of the location, applicable minimum lot size, and environmental constraints applicable to each area. These areas are unsewered.

An overview of these areas is shown in Table 31.

Table 31: R5 Large Lot Residential areas in the Clarence Valley

Location	Unconstrained area	Commentary
Grafton	18.7 ha	The R5 land around Earl Street, North Street, and Carr Street is mostly developed.
South Grafton / Elland	47.4 ha	The eastern parts of this land are mostly developed, with some vacant land remaining along Rushforth Road.
Clarenza	67.7 ha	The new estate subdivision Clarenza Rise Estate is approved on this land, and lots have been released. Dwelling construction has commenced on released lots. Parts of this area are subject to environmental constraints (flooding and bushfire). The unconstrained R5 area south-east of the URA reflects the minimum lot size for this area and is almost fully developed.
Gulmarrad	591.3 ha	The Gulmarrad R5 area reflects a mix of developed large lot subdivisions and remaining large lots. Some of the remaining large lots have been recently subdivided e.g. Bloodwood Grove but development on these lots is yet to occur. Future development of some remaining large lots is limited by environmental constraints (biodiversity and bushfire). Future development will be reliant on onsite sewer management.
James Creek	118.3 ha	The western extent of the R5 land is subject to environmental constraints (flooding and bushfire). The north eastern corner is relatively unconstrained and is developed with a mix of lot sizes.
Yamba	3.87 ha	Land south of the West Yamba Urban Release area is zoned R5. Part of the land has environmental constraints (flooding, bushfire and HEV) and some parts have been recently subdivided.
Ashby / Ashby Heights	407.1 ha	This is an extensive area of R5 land, but is highly constrained due to bushfire and its biodiversity and ecological significance.
Coutts Crossing / Lewenstrath	1,819.0 ha	This is an extensive area of R5 land, with development along Burragan Road. The area is largely constrained due to environmental factors (bushfire and HEV).
Ilarwill	55.9 ha	The R5 land south of Ilarwill is highly constrained (bushfire and biodiversity). The area to the east of the golf course is characterised by dwellings along Golf Links Road.

Location	Unconstrained area	Commentary
		Although some of the land is constrained (flooding and bushfire), there are some areas of vacant land.
Lawrence	118.3 ha	The R5 land lies to the north west of Lawrence. A small subdivision lies in the centre, with the remaining land sparsely developed on large lots. The area has some capacity for more dwellings with consideration of local koala population.
South Arm	44.5 ha	Development is concentrated on the western side of South Arm School Road. Parts of the area are affected by environmental constraints (flooding and bushfire).
Tyndale	5.2 ha	This R5 land is undeveloped as it is highly constrained (bushfire and biodiversity).
Glenreagh	41.7 ha	Highly constrained area in the southern part of the LGA (bushfire, biodiversity and slope).
Taloumbi	0.1 ha	A small area of R5 land along Brooms Head Road. There is limited capacity for additional development.
Seelands	60.0 ha	Development is concentrated in the northern portion along Whiting Drive. The eastern edge is affected by environmental constraints (bushfire and biodiversity).
Waterview Heights	614.6 ha	The area is largely developed as large lot residential. There are remaining large lots on the northern, western and southern edges of the R5 land. The area has potential for more intense development but would require investment in sewer infrastructure and consideration of koala population.
Woombah	223.9 ha	The R5 land lies to north and west of Woombah. The land immediately adjacent to the R2 zone has been developed at the minimum lot size. Much of the remaining undeveloped land is affected by environmental constraints (bushfire and HEV).

While these areas meet the current market demand for large residential lots, there is capacity within some of these areas for future housing development. Investment in enabling infrastructure will be required to support this.

Supply pipeline summary

The housing supply pipeline represents housing currently under construction and approvals which have not yet been turned into housing completions. Approved dwellings and dwellings where construction has commenced can generally be assumed to complete within 1-2 years, except for larger scale development such as residential flat buildings. This represents the short-term supply pipeline.

Large subdivision approvals for multiple lots can take longer to yield completed dwellings, especially where enabling infrastructure is not yet in place, as is the case in the Clarence Valley's URAs.

Smaller subdivision plans which are not associated with the same demand for enabling infrastructure can deliver dwellings more quickly, depending on market take-up. The larger subdivisions of this category have been identified in the R5 Large Lot Residential zone. These are contributors to the medium-term supply pipeline.

The timing of the realisation of housing supply associated with subdivisions can be influenced by interventions to deliver enabling and supporting infrastructure, and external factors influencing the broader housing market. This can include demographic shifts, growth or new employment opportunities etc.

Table 32 below provides an estimate of the supply pipeline based on analysis and synthesis of the available dwelling approvals, completion trends and subdivision approvals in the Clarence Valley LGA. As new applications are approved, these will add to the supply pipeline.

Table 32: Housing supply pipeline

Timeframe	Estimated housing supply
Short-term (0-5 years)	1,320 dwellings*
Medium term (5-10 years)	1,080 dwellings
Long term (10+ years)	1,000 dwellings

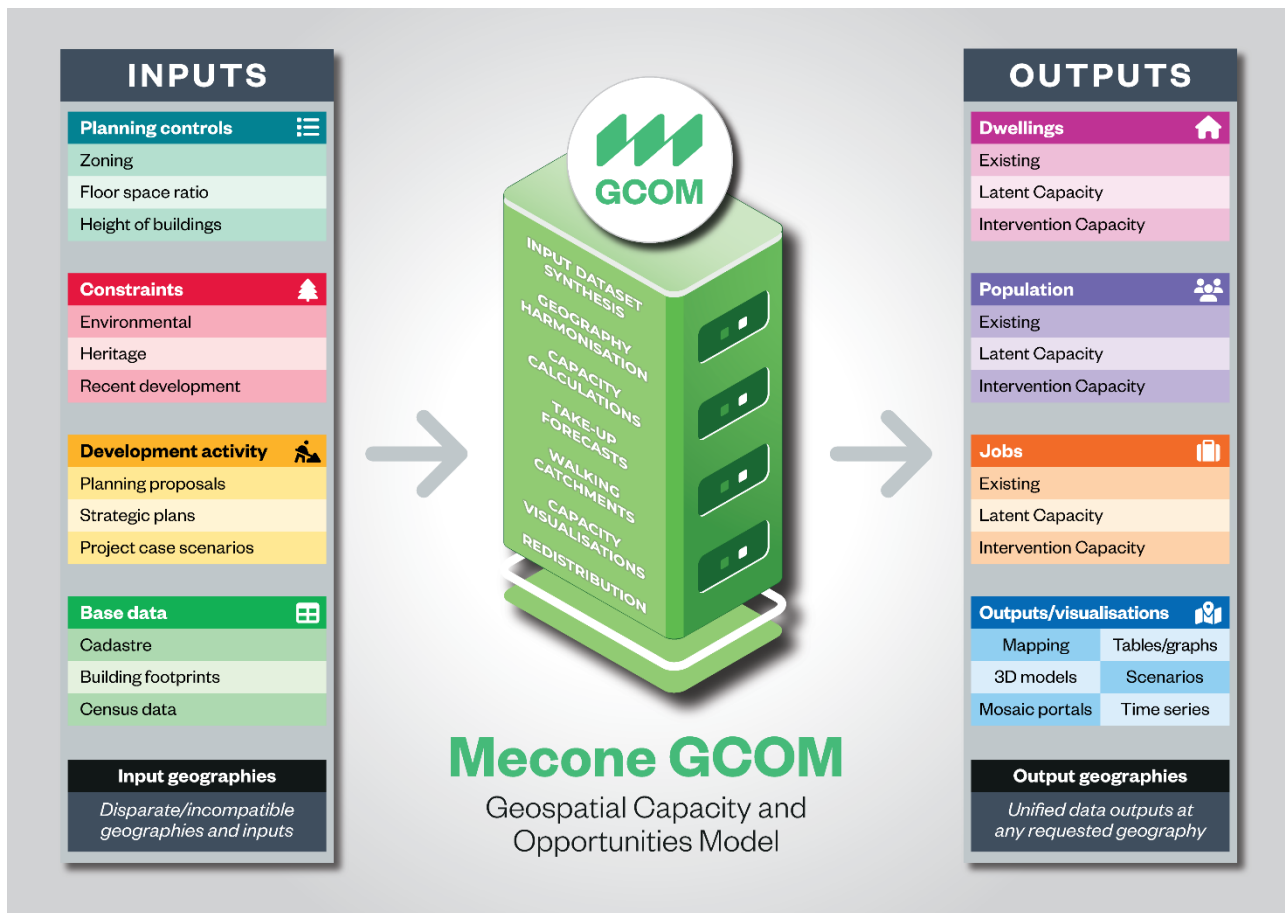
* Includes MHEs.

Planning capacity modelling methodology

Planning capacity (also referred to as theoretical capacity) refers to the physical ability of land to be developed, taking into account permissibility and development standards under the planning framework.

To inform our understanding of the Clarence Valley's theoretical capacity, modelling was undertaken using Mecone's Geospatial Capacity and Opportunities (GCOM) model. A diagram showing the GCOM model is provided in Figure 71.

Figure 71: Overview of Mecone’s Geospatial Capacity and Opportunities Model (GCOM)



Source: Mecone

In calculating the theoretical capacity for the Clarence Valley, urban zones which permit residential land use have been included in the model. This includes land zoned R1 General Residential, R2 Low Density Residential, R3 Medium Density Residential, R5 Large Lot Residential, E1 Local Centre, E2 Commercial Centre, E3 Productivity Support, and SP3 Special Purposes Tourist.

Land which is subject to defined environmental constraints has been excluded from the calculations. In addition, land subject to recent development has been excluded. The identification and application of constraints for the purposes of this modelling was determined in collaboration with Council, and are set out in Table 33. These constraints have been consistently applied to all capacity calculations, including theoretical capacity and additional capacity.

The total area of residentially zoned land affected by these constraints is approximately 3,445 hectares. This represents 57 per cent of land where residential development is permitted.

Table 33: Housing capacity constraints

Constraint	Land excluded from additional capacity calculations	Data source
Bushfire	All land identified as Category 1 Bush Fire Prone Land.	Bush Fire Prone Land Map (updated map provided by Clarence Valley Council, June 2023)
Flood	All land below 1% AEP, except for land in the West Yamba URA and North Grafton.	Clarence Valley Council (August 2023)
Riverbank erosion	All land identified as subject to riverbank erosion.	Clarence Valley LEP 2011
Coastal planning risk	All land identified as subject to coastal risk.	Clarence Valley LEP 2011
Slope	Land with slope greater than 15 per cent.	Clarence Valley Council and Mecone analysis
Biodiversity	<p>Land identified as 'high biodiversity value', including:</p> <ul style="list-style-type: none"> ▪ coastal wetlands and littoral rainforest ▪ core koala habitat identified in an approved koala plan of management ▪ declared Ramsar wetlands ▪ land containing threatened species or threatened ecological communities identified as having potential for serious and irreversible impacts ▪ biodiverse riparian land ▪ high conservation value grasslands or groundcover ▪ old growth forest identified in mapping developed under the <i>National Forests Policy Statement</i> ▪ rainforest identified in mapping developed under the <i>National Forests Policy Statement</i> ▪ declared areas of outstanding biodiversity value ▪ Council nominated areas with connectivity or threatened species habitat recommended to the Minister ▪ any other land that in the opinion of the Environment Agency Head is of sufficient biodiversity value to be included. 	NSW Biodiversity Values mapping
Infrastructure corridors	Main infrastructure corridors/easements.	Clarence Valley Council
Heritage	Identified heritage items. Heritage conservation areas (yields reduced by 10 per cent).	Clarence Valley LEP 2011 Mecone analysis
Recent development	All lots with residential completions within the last five years.	Clarence Valley Council data
Proposed development	All lots with approved subdivisions which have not been registered or developed.	Clarence Valley Council data
Strata property	Properties which have three or more strata titles.	NSW Valuer General
Schools	Land on which schools are located.	NSW Spatial Services POI dataset

Heritage conservation areas are considered a 'soft constraint' on development as they do not prevent development. Rather, they act as a limitation on development. For the purposes of calculating capacity, a reduction factor of ten per cent has been applied to the yield in these areas.

Theoretical capacity has been calculated considering the minimum lot size for subdivision, the most likely housing typology for the lot size and the minimum lot area required for each form of development as set out in Table 34. For vacant land, it has been assumed that 25 per cent of the land area will be used for roads, drainage, parks, and other required non-housing functions.

Table 34: Theoretical capacity assumptions by locality and zone

Locality	Applicable zone	Assumption(s)
West Yamba URA	R1 General Residential	1 dwelling per 450sqm on remaining vacant land
Gulmarrad URA	R1 General Residential	10 dwellings per hectare (gross)
	E1 zoned land	No dwellings
James Creek URA	R1 General Residential	10 dwellings per hectare (gross) across total URA
	R3 Medium Density Residential	
Clarenza URA	E1 Local Centre	No dwellings
	R1 General Residential	1 dwelling per 800sqm
Junction Hill URA	E1 Local Centre	No dwellings
	R1 General Residential	There is an approved concept Masterplan for the land on the eastern side of Casino Road. This is taken as the capacity for this portion. For the land west of Casino Road: 1 dwelling per 600sqm.
R5 land	R5 Large Lot Residential	Apply minimum lot size as per CVLEP Assume 1 dwelling per lot
R2 land	R2 Low Density Residential	1 dwelling per 400sqm (based on DCP control for minimum site area for development). This rate was also applied to identified land in the R5 zone in Lawrence.

The calculation of additional capacity has similarly been based on zoning and the application of the same constraints. The additional capacity reflects the increased capacity due to changes in housing typology resulting from the proposed planning control changes.

It is a commercial reality that not all sites will be developed to their planning capacity. Market reasons for this are many, but include:

- Land is not in the location where there is market demand for housing
- The type of housing permissible is not the product that the market wants
- Financial feasibility
- Availability and costs of infrastructure and servicing
- Landowner strategies on land release.

Review of planning controls

The *Clarence Valley Environmental Plan 2011* (CVLEP) is the primary planning instrument. It contains the planning standards for development, including land use zoning, permissibility, height of building and minimum lot size. CVLEP also has specific provisions relevant to identified URAs.

The *Clarence Valley Residential Zones Development Control Plan 2011* provides finer grain development controls for development within the R1 General Residential, R2 Low Density Residential, R3 Medium Density Residential and R5 Large Lot Residential zones.

Controls for residential development in the SP3 Special Purposes Tourist zone and the business zones are contained in the *Clarence Valley Development in Environmental Protection, Recreation and Special Use Zones DCP 2011* and *Clarence Valley Business Zones DCP 2011* respectively.

The controls in the CVLEP and DCPs are closely intertwined and work together to encourage well designed, high quality residential development within the Clarence Valley.

Land use zoning

Land use zoning is set in CVLEP and controls the type of housing permitted in the Clarence Valley's residential zones.

Table 23: Dwelling permissibility (CVLEP)

Land use zone	Low density housing	Medium density housing	High density housing
R1 General Residential	Dwelling houses Secondary dwellings	Attached dwellings Dual occupancies Multi dwelling housing Semi-detached dwellings	Residential flat buildings Shop top housing
R2 Low Density Residential	Dwelling houses Secondary dwellings	Dual occupancies Semi-detached dwellings	Shop top housing
R3 Medium Density Residential	Dwelling houses Secondary dwellings	Attached dwellings Dual occupancies Multi dwelling housing Semi-detached dwellings	Residential flat buildings
R5 Large Lot Residential	Dwelling houses Secondary dwellings	Dual occupancies	-
E1 Local Centre	Dwelling houses Secondary dwellings	-	Shop top housing
E2 Commercial Centre	-	-	Shop top housing
E3 Productivity Support	Dwelling house	-	Shop top housing
SP3 Special Purposes Tourist	Dwelling house Secondary dwelling	Attached dwellings Dual occupancy Multi dwelling housing Semi-detached dwelling	Residential flat buildings

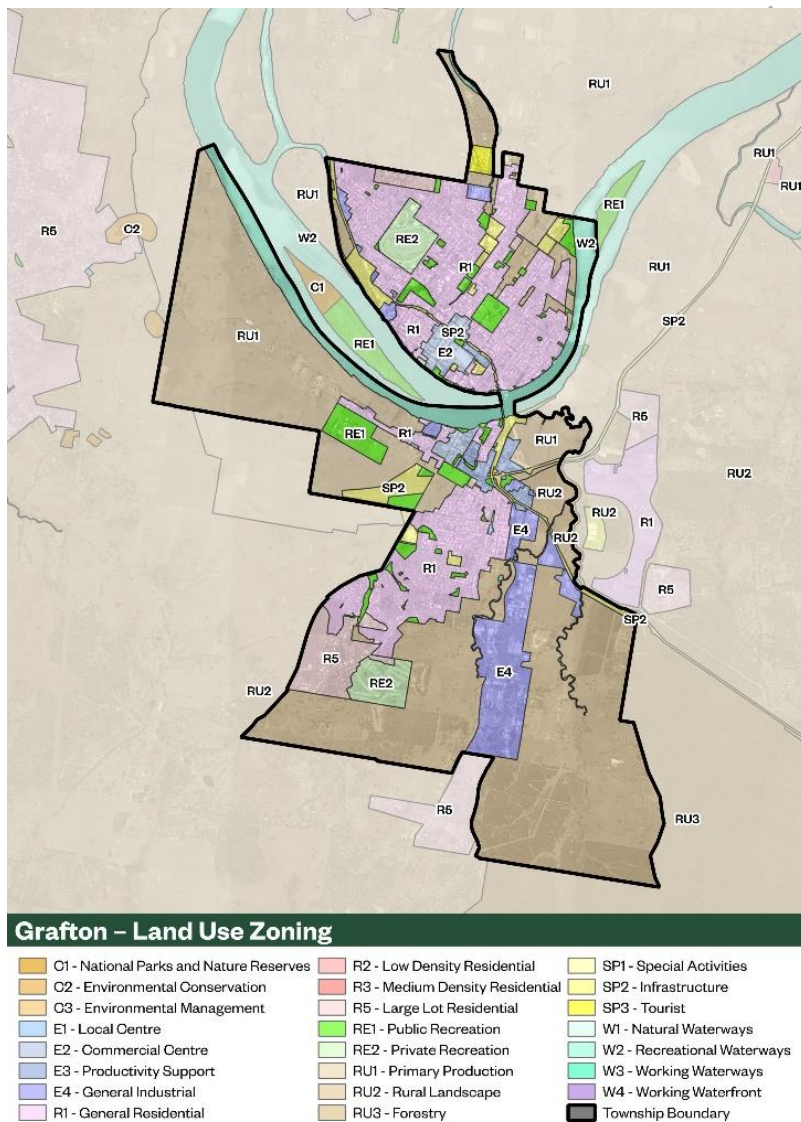
The residential zones are applied to the towns and villages in the LGA:

- R1 General Residential zone applies to Grafton, South Grafton and the identified Urban Release areas.
- R2 Low Density Residential zone generally applies to the towns e.g. Iluka, Maclean, Townsend, Yamba, and smaller villages e.g. Angourie, Ulmarra, and Lawrence.
- R3 Medium Density Residential zone applies to small precincts in Maclean, Yamba, and Iluka.

- R5 Large Lot Residential zone applies to large areas of land which are close to the larger centres and smaller villages.
- SP3 Special Purposes Tourist applies to specific lots in some towns, especially Yamba.
- E1 Local Centre precincts in the larger towns and urban release areas.
- E2 Commercial Centre applies to the Grafton CBD, South Grafton CBD.
- E3 Productivity Support zone is applicable to land on the edge of the Grafton and South Grafton CBDs.

For illustrative purposes, an example of land use zoning in the Clarence Valley is shown in Figure 72.

Figure 72: Illustrative example of land use zoning – Grafton and South Grafton



Urban Release Areas

Part 6 of the CVLEP and the Urban Release Area Map designate three areas as Urban Release Areas:

Clarenza

Junction Hill

West Yamba.

Development of these areas for urban purposes can only occur if there are arrangements for the provision of designated State public infrastructure, public utilities and a development control plan has been prepared for the land.

Minimum lot size

Minimum lot sizes for subdivision are established by Clause 4.1 of CVLEP and the accompanying Minimum Lot Size map. The R5 Large Lot Residential zone is the only residential zone which has a minimum lot size. In the LGA's R5 Large Lot Residential areas (and in rural zoned land), a lot must be above the minimum lot size to be eligible for a dwelling entitlement. The minimum lot size varies from 4,000 square metres to 4 hectares, depending on location.

Minimum site areas for specific forms of residential development

Minimum site areas for specific forms of residential development are set out in the Clarence Valley's DCPs and summarised in Table 35.

Table 35: Minimum site area for specific forms of residential development

Land use zone	Dwelling house	Dual occupancy Semi-detached dwelling	Attached dwelling Residential flat building Multi dwelling housing
R1 General Residential	400m ² Must be possible to accommodate a rectangle suitable for building measuring 10m x 15m behind the building line	600m ² in Grafton and South Grafton 800m ² in unsewered localities	600m ² in Grafton and South Grafton
R2 Low Density Residential	400m ² Must be possible to accommodate a rectangle suitable for building measuring 10m x 15m behind the building line	800m ² (check sewerage and unsewered)	N/A

Land use zone	Dwelling house	Dual occupancy Semi-detached dwelling	Attached dwelling Residential flat building Multi dwelling housing
R3 Medium Density Residential	400m ² Must be possible to accommodate a rectangle suitable for building measuring 10m x 15m behind the building line	500m ² in Grafton and South Grafton No minimum in: Angourie Iluka Maclean Townsend Yamba	400m ² in Yamba Hill 500m ² in Grafton and South Grafton No minimum in: Angourie Iluka Maclean Townsend Yamba (except Yamba Hill)
R5 Large Lot Residential	-	-	-
E1 Local Centre	-	-	-
E2 Commercial Centre	-	-	-
E3 Productivity Support	-	-	-
SP3 Special Purposes Tourist	Must be possible to accommodate a rectangle suitable for building measuring 10m x 15m behind the building line		400m ² in Yamba Hill No minimum elsewhere

Height of buildings

The maximum height of buildings under the CVLEP is set by Clause 4.3 and the Height of Building Map. Clarence Valley's DCPs provide further design guidance regarding the expression of these heights. These controls are summarised in Table 36.

The maximum height of buildings in the residential zones is nine metres, although there are some locality-specific provisions. Combined with the controls on the height of the top plate of buildings, this generally permits a two-storey dwelling with a pitched roof.

Table 36: Summary of building height controls

Land use zone	Maximum height of buildings (CVLEP)	Maximum height of top plate of building (DCP)	Building height for rear dwellings and on internal lots (DCP)
R1 General Residential	9m	6.5m	6.5m max height 4m to top plate
R2 Low Density Residential	9m 10m in Angourie 6.5m on land behind coastal dunes at Diggers Camp, Minnie Water, Sandon and Wooli	6.5m 6.5m 4m	6.5m max height 4m to top plate

Land use zone	Maximum height of buildings (CVLEP)	Maximum height of top plate of building (DCP)	Building height for rear dwellings and on internal lots (DCP)
R3 Medium Density Residential	9m 10m in Angourie 12m in Yamba Hill, except land on eastern side of Ocean and Pilot Streets where HOB is 6.5m	6.5m 6.5m 9.5m, except where HOB is 6.5m then 4m	6.5m max height 4m to top plate
R5 Large Lot Residential	-	-	-
E1 Local Centre	12m in Yamba CBD and Yamba Hill 10m in Angourie 9m elsewhere	9.5m in Yamba CBD and Yamba Hill 6.5m elsewhere	
E2 Commercial Centre	14m Grafton CBD		
E3 Enterprise Support	9 m	6.5m	
SP3 Special Purposes Tourist	6.5m 9m 12m	4m 6.5m 9.5m	6.5m max height 4m to top plate

Design controls

The DCPs also set out design controls for residential development. A summary of the key design controls is provided in Table 37.

Table 37: Summary of DCP design controls

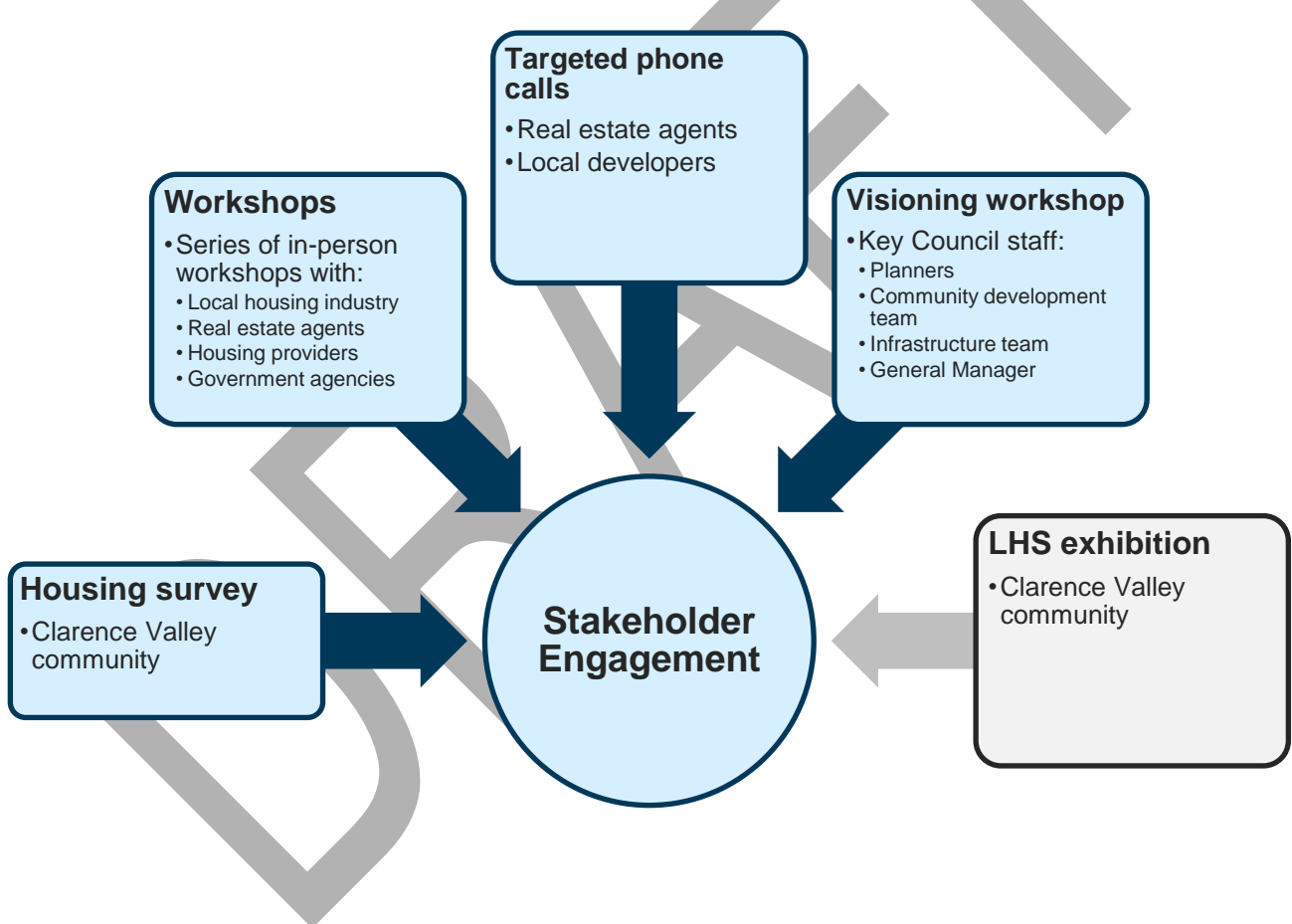
Design consideration	R1 zone	R2 zone	R3 zone	SP3 zone	R5 zone	E zones
Front setbacks	6m	6m	6m	6m	10m	Nil setback
Side and rear setbacks	900mm up to 6.5m height 1.5m over 6.5m height up to 9m 3m over 9m				3m	900mm along a boundary adjoining a residential zone
Secondary frontage setbacks	3.5m	3.5m	3.5m	3.5m	6m	-
Setbacks to levee walls	1.5m	1.5m	1.5m	-	3.5m	1.5m
Setback to canals and waterways	Locally specific controls			-	40m	-

Design consideration	R1 zone	R2 zone	R3 zone	SP3 zone	R5 zone	E zones
Minimum landscaping requirements	45%	45%	35%	35%	-	-
Private open space	50m ² except for Secondary dwellings – 24m ² Residential flat building - 15m ² balcony	50m ² except for Secondary dwellings – 24m ²	50m ² except for Secondary dwellings – 24m ²	50m ² except for Secondary dwellings: 24m ² Residential flat building: 15m ² balcony	50m ² except for Secondary dwellings: 24m ²	15m ²
Parking spaces per dwelling*	Attached dwellings, dwelling house, semi- detached dwelling, secondary dwelling: 1 covered space Dual occupancy: 1 covered space behind the dwelling line.					
Parking spaces per dwelling*	Multi dwelling housing and residential flat building - 1 space for 1 & 2 bedroom units; 1.5 spaces per 3 bedroom units; 2 spaces per 4 bedroom units. 1 visitor car space per 2 units or part thereof.					Residential flat building: 1 space for 1 & 2 bedroom units; 1.5 spaces per 3 bedroom units; 2 spaces per 4 bedroom units. 1 visitor car space per 2 units or part thereof.

* Specific parking controls apply to Yamba Hill to all dwellings (except dwelling houses): 2 car spaces for 1 and 2 bedroom dwellings, and 3 car spaces for 3 and 4 bedroom dwellings.

ANNEXURE 3 – STAKEHOLDER ENGAGEMENT

Engagement activities



Engagement findings

Workshops and targeted engagement

During the preparation of the LHS, HillPDA and Mecone attended a number of workshops with Council and various stakeholders. The workshops were designed to offer stakeholders the opportunity to discuss housing matters in detail, and each workshop pertained to a specific theme, including social and affordable housing, development and construction, and opportunities and constraints for housing.

We also undertook a visioning workshop with Council staff to discuss potential interventions and generate and test ideas. Finally, we also completed targeted engagement with selected local real estate and development industry representatives to provide detailed and specific local insights regarding perceived barriers to the development of new housing supply (including diverse and affordable housing) in the Clarence Valley, to further inform our findings.

Some of the key findings to arise from these workshops were:

- There is high and consistent demand for detached dwellings in the LGA, both for rent and purchase
- Many young people are unable to move out of home and remain in the area due to a lack of affordable or suitably-sized dwellings
- Some older people may be interested in downsizing or moving out of more remote parts of the LGA but cannot afford to do so
- There is general consensus that there is latent demand for smaller, well-located dwellings in the region, as evidenced by downsizers moving into MHEs
- Demand for affordable and social housing has grown rapidly since the floods
- The planning system in the Northern Rivers is generally supportive of innovative ideas and is not holding back housing delivery, but could do more to support affordable and social housing providers
- Construction costs in regional areas are essentially the same as in Sydney, but sale values are far lower
- Feasibility and land value factors mean that in most parts of the Clarence Valley, developers will generally deliver larger, detached dwellings that have been a reliable housing product in the local market
- Feasibility issues are often the key limitation in delivering housing diversity – the market may not be able to deliver sufficient diversity in regional areas
- Council and government owned land should be leveraged for housing delivery (including affordable or social housing, or innovative pilot projects).

Survey

We conducted a survey to improve our understanding of how Clarence Valley residents feel about housing in the LGA at present and what their preferences would be for future housing delivery.

Over the survey period, we received a total of over 80 responses. The responses provided to demographic questions in the survey showed that:

- Most respondents were Yamba or Grafton residents.
- The vast majority of respondents were older, with well over half aged over 55 years. Fewer than ten respondents were aged under 35 years, and only two people aged 24 years or younger participated in the survey.
- Over 70 respondents indicated that they had lived in the Clarence Valley for five years or more, and of these, almost 40 claimed to have lived here for over 20 years.
- Around 80 per cent of respondents indicated that they owned their home (with a mortgage or outright), with most of the remaining one fifth indicating that they were renters.
- Nearly all respondents indicated that their current dwelling was a house. Of these, around two thirds were houses located in an urban setting, and one third were houses located in a rural setting.
- Almost half of respondents were retirees, whilst around one third were employed full time or self-employed. Most of the remainder of respondents indicated that they were employed part-time, and a small number of respondents indicated that they were full time students, or were not currently working or studying.

Whilst the survey respondents provide a good indication of community sentiment in many ways, the demographic profile of respondents is not representative of the whole Clarence Valley community. As such, the findings in this section should be considered a starting point, but cannot be relied upon as a holistic picture of the LGA.

Values

We asked questions about the type of housing people live in at present, what they consider when choosing a new place to live, and what their beliefs were in relation to housing in general.

Some of the most significant findings were:

Comparatively few respondents believed they could find a new home (to rent or purchase) in the Clarence Valley if they had to

Near-universal strong support for

Resilient, well-built housing suited to its climate

Diverse housing

Affordable housing

Adequate car parking

Flood-free housing

There was also a good level of support for housing being located close to services and amenities, such as work, shops, parks and social infrastructure.

Housing typologies

We also included a section in the survey that asked residents to provide their opinion on different types of housing. We provided participants with information on a range of different 'housing typologies' and asked questions about each of them, such as whether a respondent would like to live in a dwelling of a certain typology, or to what degree they would support more development of a certain housing typology in their local area.

Some of the most significant findings were:

When asked what type of housing they would like to live in, there was:

A positive response for detached dwellings and duplexes

A generally neutral response for granny flats, low rise apartments, and townhouses; and

A somewhat negative response for high and medium rise apartments.

When asked what types of housing they would support being delivered in their area, there was:

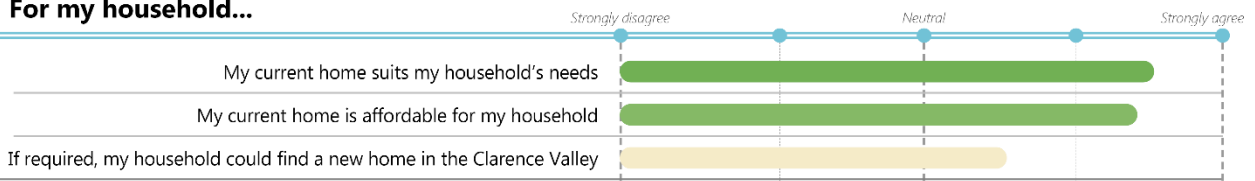
A strongly positive response for granny flats and detached houses

A generally positive response for townhouses, duplexes, and low rise apartments; and

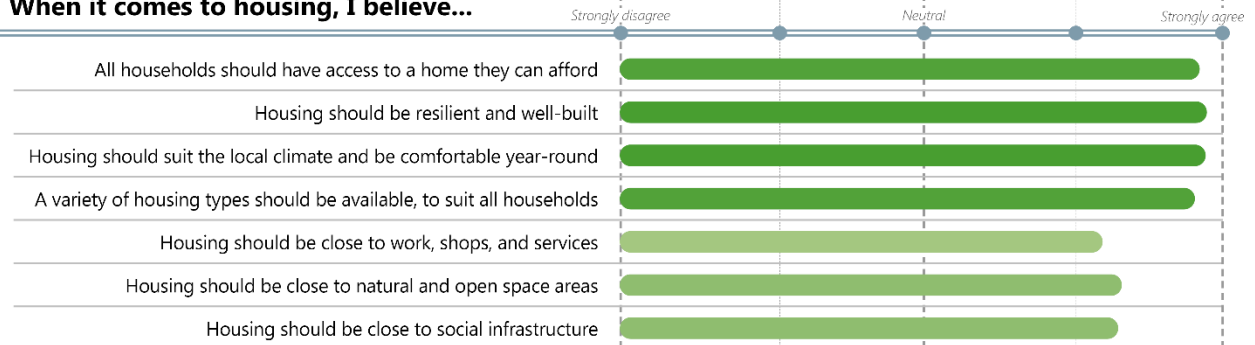
A somewhat negative response for high and medium rise apartments.

A visual overview of the survey results is shown on the following pages.

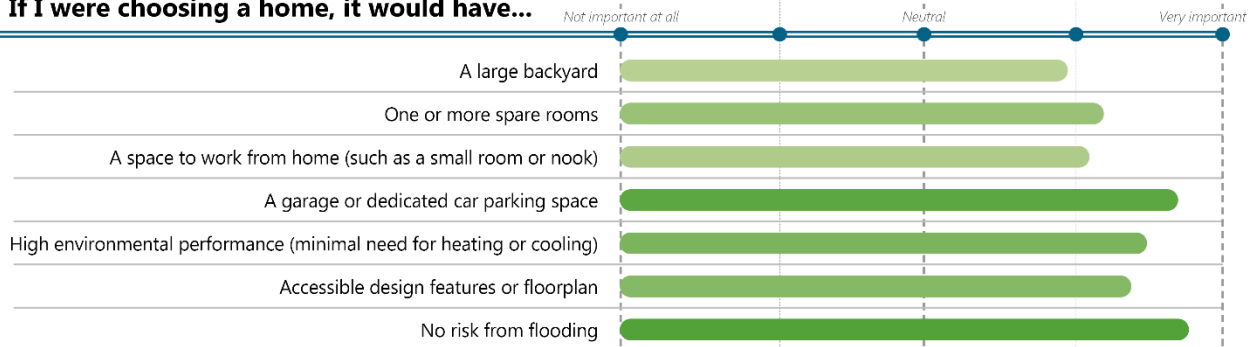
For my household...



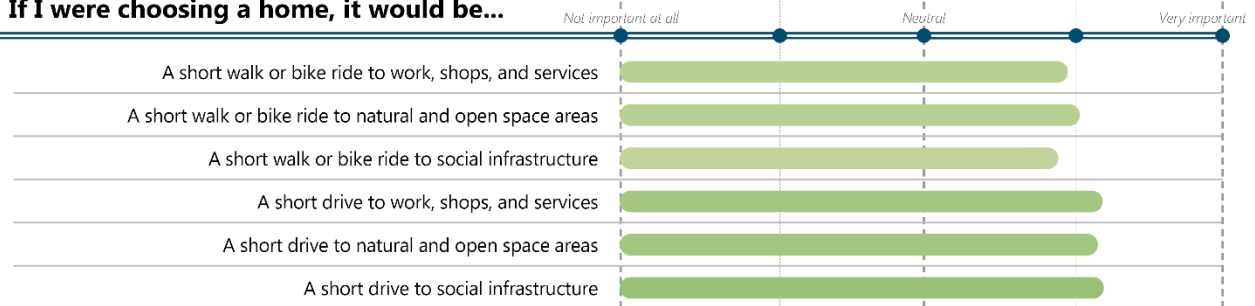
When it comes to housing, I believe...



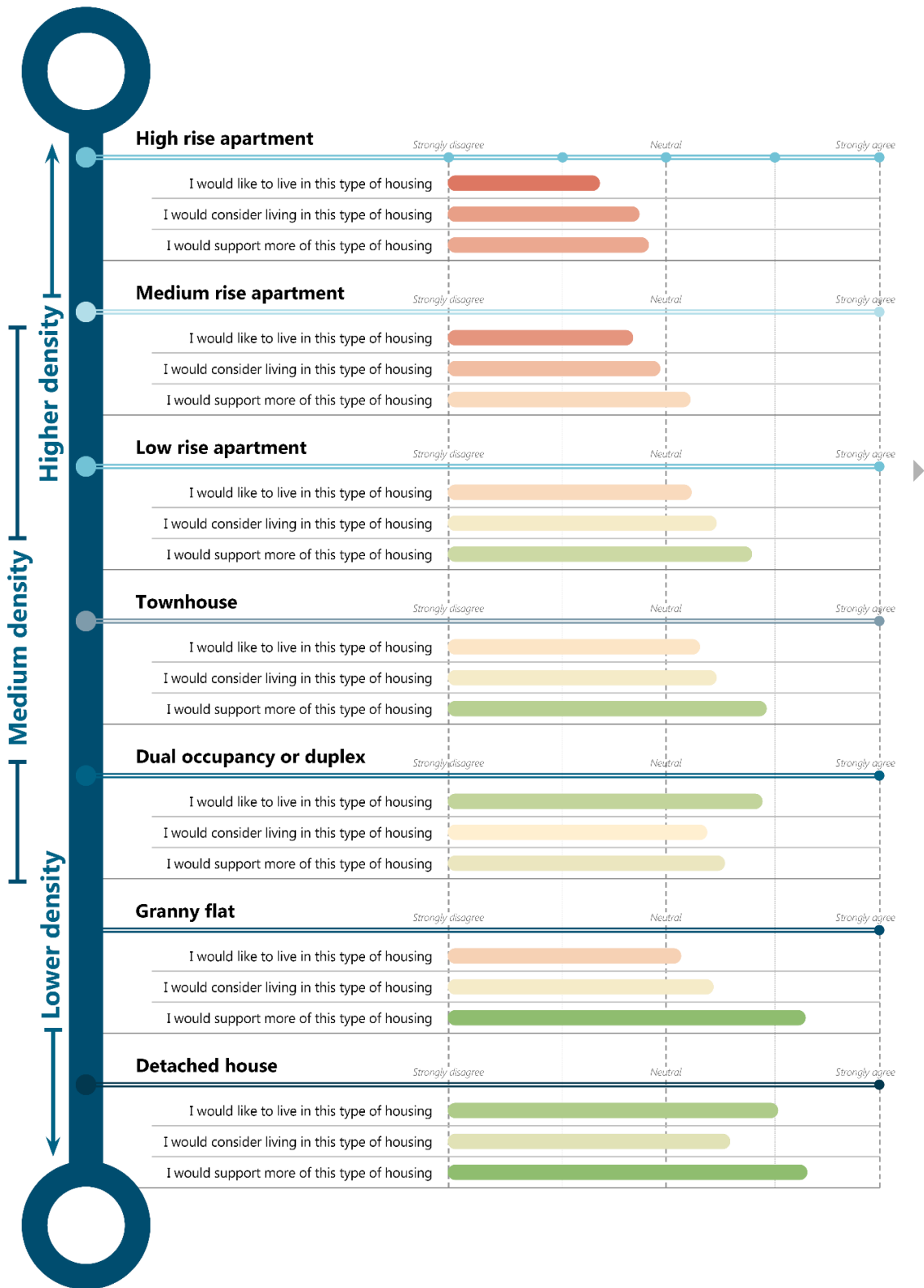
If I were choosing a home, it would have...



If I were choosing a home, it would be...



Source: HillPDA



Source: HillPDA

ANNEXURE 4 – PLANNING INTERVENTIONS

This Annexure provides details of the planning interventions identified to achieve the housing vision established in this LHS. The proposed interventions would enable and encourage diverse and resilient infill housing in Grafton, South Grafton, Yamba, Maclean, and Iluka.

Collectively, the opportunities identified in this Annexure could create capacity for approximately 1,700 additional dwellings in the Clarence Valley LGA. Of this additional capacity, around 60 per cent (1,025 dwellings) would be enabled in the upper Clarence, whilst the remaining 40 per cent (680 dwellings) would be enabled in the lower Clarence.

As established in Section 4.3 of the LHS, these changes would require a planning proposal to amend the CVLEP. The planning proposal process and timeline is outlined in that section. Such a planning proposal would require a wide range of detailed studies to be undertaken, as well as community consultation. Any changes would be required to demonstrate consistency with relevant state and regional planning provisions, including the *North Coast Regional Plan 2041*, relevant SEPPs, and any relevant Local Planning Directions issued under Section 9.1 of the EP&A Act.

Further, intervention areas that are within the probable maximum flood, or areas that are accessed by roads mapped as flood prone under the *Lower Clarence Flood Study Update 2022* will also need to demonstrate consistency with the *NSW Flood Prone Land Policy*, as set out in the *Flood Risk Management Manual 2023* and supporting guidelines, including *Support for Emergency Management Planning*. In addition, any land proposed for future housing that is permanently or periodically inundated with water, has marine vegetation and/ or waterways will need to comply with the *Fisheries Management Act 1991*.

The timeframes referred to in this Annexure reflect those in Section 4 of the LHS, and are shown below.

Anticipated delivery timeframe	Description
Immediate	To be actioned within 1-2 years of LHS adoption
Short-term	To be actioned within 2-5 years of LHS adoption
Medium-term	To be actioned within 5-10 years of LHS adoption
Long-term	To be actioned within 10-20 years of LHS adoption

Planning interventions

Grafton

Interventions proposed for Grafton would increase theoretical capacity by an additional **334 dwellings**. Planning interventions for Grafton are proposed across the following two areas, which are detailed below:

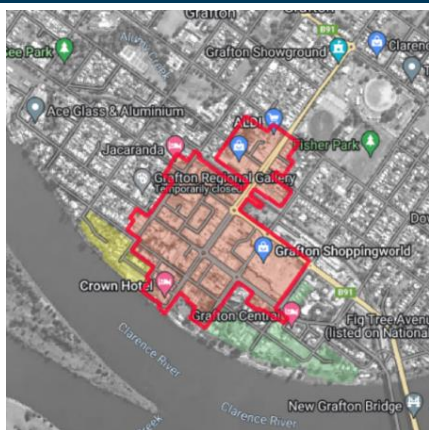
1. **Grafton Waterfront**
2. **Grafton Centre.**

1. Grafton Waterfront



Opportunity	Townhouses and mixed density development in a high-amenity environment.
Current zone(s)	R1 General Residential and RE2 Private Recreation
Proposed zone(s)	R3 Medium Density Residential
Current height of building	9 metres
Proposed height of building	20 metres
Specific DCP controls	Undercroft parking for flood resilience Reduced parking provision
Matters requiring investigation to inform planning proposal	<ul style="list-style-type: none"> • Precinct planning – urban design study • Flood risk and emergency evacuation • Impact on the heritage significance and setting of items and the HCA • Traffic and transport assessment, including green infrastructure and active transport • Contamination and acid sulphate soils assessment • Infrastructure and servicing
Anticipated delivery timeframe	Short-term
Intervention trigger(s)	Development of precinct plan to provide greater clarity on appropriate locations within the intervention area that considers impacts to collective heritage values and streetscapes.

2. Grafton Centre



Opportunity	Well located shop-top housing which can encourage vibrancy into the city centre and contribute to and enhance the heritage streetscape.
Current zone(s)	E2 Commercial Centre
Proposed zone(s)	Nil change
Current height of building	14 metres
Proposed height of building	20 metres
Specific DCP controls	Reduced parking provision Non-residential ground floor uses
Matters requiring investigation to inform planning proposal	<ul style="list-style-type: none"> • Precinct planning – urban design study • Flood risk and emergency evacuation • Impact on the heritage significance and setting of items and the HCA • Traffic and transport assessment, including green infrastructure and active transport • Contamination and acid sulphate soils assessment • Infrastructure and servicing
Anticipated delivery timeframe	Short-term
Intervention trigger(s)	Development of precinct plan to provide greater clarity on appropriate locations within the intervention area that considers impacts to collective heritage values and streetscapes.

South Grafton

Interventions proposed for South Grafton would increase theoretical capacity by an additional **338 dwellings**. Planning interventions for South Grafton are proposed across three areas:

3. South Grafton Waterfront
4. South Grafton medium density infill
5. South Grafton Centre.

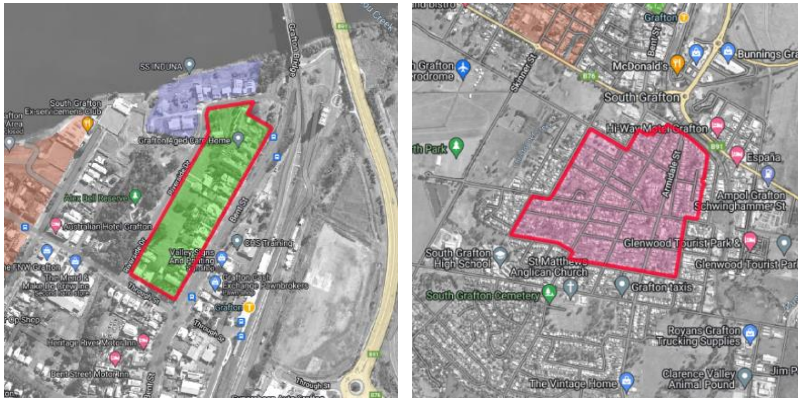
The proposed interventions are shown below.

3. South Grafton Waterfront



Opportunity	Townhouses and mixed density development in a high-amenity environment.
Current zone(s)	R1 General Residential and E4 General Industrial
Proposed zone(s)	R3 Medium Density Residential
Current height of building	9 metres
Proposed height of building	14 metres
Specific DCP controls	N/A
Matters requiring investigation to inform planning proposal	<ul style="list-style-type: none"> • Precinct planning – urban design study • Impact on the heritage significance and setting of items and the HCA • Flood risk and emergency evacuation • Traffic and transport assessment, including green infrastructure and active transport • Contamination and acid sulphate soils assessment • Infrastructure and servicing
Anticipated delivery timeframe	Medium-term
Intervention trigger(s)	Development of precinct plan to provide greater clarity on appropriate locations within the intervention area that considers impacts to collective heritage values and streetscapes.

4. South Grafton medium density infill



Opportunity	Mixed density in locations with good access to amenities, shops, services, entertainment, and leisure opportunities.
Current zone(s)	R1 General Residential
Proposed zone(s)	R3 Medium Density Residential
Current height of building	9 metres
Proposed height of building	Nil change
Specific DCP controls	N/A
Matters requiring investigation to inform planning proposal	<ul style="list-style-type: none"> • Precinct planning – urban design study • Flood risk and emergency evacuation • Impact on the heritage significance and setting of items and the HCA • Traffic and transport assessment, including green infrastructure and active transport • Contamination and acid sulphate soils assessment • Infrastructure and servicing • Slope assessment (Riverside Drive)
Anticipated delivery timeframe	Medium-term
Intervention trigger(s)	<p>Development of precinct plan(s) and/or desired character statement(s) to provide greater clarity on appropriate locations within the intervention area that considers impacts to collective heritage values and streetscapes.</p> <p>Water and sewer upgrade assessment completed and any required enabling works undertaken.</p>

5. South Grafton Centre



Opportunity	Well located shop-top housing in easy walking distance of amenities, shops, services, entertainment and leisure.
Current zone(s)	E2 Commercial Centre
Proposed zone(s)	Nil change
Current height of building	9 metres
Proposed height of building	20 metres
Specific DCP controls	Reduced parking provision Non-residential ground floor uses
Matters requiring investigation to inform planning proposal	<ul style="list-style-type: none"> • Precinct planning – urban design studies • Flood risk and emergency evacuation • Impact on the heritage significance and setting of items and the HCA • Traffic and transport, including green infrastructure. • Contamination and acid sulphate soils assessment • Infrastructure and servicing
Anticipated delivery timeframe	Short-term
Intervention trigger(s)	Development of precinct plan and/or desired character statement to provide greater clarity on appropriate locations within the intervention area that considers impacts to collective heritage values and streetscapes.

Yamba

The intervention proposed for Yamba would increase theoretical capacity by an additional **152 dwellings**. A planning intervention for Yamba is proposed in one area, and is detailed below:

6. Yamba Hill medium density infill.

6. Yamba Hill medium density infill



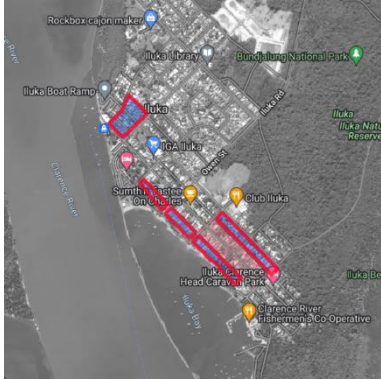
Opportunity	Townhouses and mixed density development
Current zone(s)	R2 Low Density Residential
Proposed zone(s)	R3 Medium Density Residential
Current height of building	9 metres
Proposed height of building	Nil change
Specific DCP controls	N/A
Matters requiring investigation to inform planning proposal	<ul style="list-style-type: none"> • Precinct planning – urban design study • Traffic and transport, including green infrastructure and active transport • Contamination and acid sulphate soils assessment • Stormwater • Coastal design guidelines assessment checklist
Anticipated delivery timeframe	Immediate – short-term
Intervention trigger(s)	Development of desired character statement to provide greater clarity on appropriate locations within the intervention area that considers impacts to nearby heritage items and streetscapes.

Iluka

The intervention proposed for Iluka would increase theoretical capacity by an additional **15 dwellings**. The planning interventions for Iluka are proposed across one discontinuous area, as shown below:

7. Iluka medium density infill.

7. Iluka medium density infill



Opportunity	Townhouses and mixed density development
Current zone(s)	R2 Low Density Residential
Proposed zone(s)	R1 General Residential / R3 Medium Density
Current height of building	9 metres
Proposed height of building	Nil change
Specific DCP controls	<p>Reduce minimum site area for dual occupancies and semi-detached dwellings</p> <p>Review maximum top plate height limit and overshadowing controls</p>
Matters requiring investigation to inform planning proposal	<ul style="list-style-type: none"> • Precinct planning – urban design study • Flood risk and emergency evacuation • Bushfire • Impact on the significance and the setting of heritage items • Traffic and transport • Contamination and acid sulphate soils assessment • Infrastructure and servicing • Stormwater • Coastal design guidelines assessment checklist
Anticipated delivery timeframe	Medium - long-term
Intervention trigger(s)	<p>Substantial development of existing zoned land (existing R3 Medium Density Residential land in Iluka).</p> <p>Development of a desired character statement to provide greater clarity on appropriate locations within the intervention area.</p>

Maclean

Interventions proposed for Maclean would increase theoretical capacity by an additional **58 dwellings**. Planning interventions for Maclean are proposed across the following two areas, which are detailed below:

8. Stanley, Grafton, Church, and River streets precinct

9. Fishermen's Co-op site.

8. Stanley, Grafton, Church, and River streets precinct



Opportunity	Location within walking distance of amenities, shops, services, entertainment, and leisure opportunities.
Current zone(s)	R2 Low Density Residential
Proposed zone(s)	R3 Medium Density Residential
Current height of building	9 metres
Proposed height of building	12 metres
Specific DCP controls	Local character statement
Matters requiring investigation to inform planning proposal	<ul style="list-style-type: none"> • Precinct planning – urban design study • Impact on the heritage significance and setting of items and the HCA • Traffic and transport • Contamination and acid sulphate soils • Infrastructure and servicing • Stormwater • Slope assessment
Anticipated delivery timeframe	Medium-term
Intervention trigger(s)	Development of a desired character statement to provide greater clarity on appropriate locations in the intervention area.

9. Fishermen's Co-op site



Opportunity	Well located 'shop-top' or medium density housing that respects the surrounding character.
Current zone(s)	SP1 Special Activities
Proposed zone(s)	R3 Medium Density Residential / MU1 Mixed Use
Current height of building	9 metres
Proposed height of building	12 metres
Specific DCP controls	Limited habitable uses at ground floor due to flooding
Matters requiring investigation to inform planning proposal	<ul style="list-style-type: none"> • Urban design study • Flood risk and emergency evacuation • Heritage assessment (nominated for heritage listing in the Maclean Heritage Study, however not officially listed) • Traffic and transport • Contamination and acid sulphate soils assessment • Infrastructure and servicing
Anticipated delivery timeframe	Short-term
Intervention trigger(s)	Completion of heritage assessment and concept plan for the site to provide greater clarity on appropriate future use and guide redevelopment.

Clarenza

Interventions proposed for Clarenza would increase theoretical capacity by an additional **353 dwellings**. Planning interventions for Clarenza are proposed across two areas:

10. McAuley College precinct

11. Duncans Road.

The proposed interventions are shown below.

10. McAuley College precinct



Opportunity	Mix of medium density housing forms within walking distance of close to education and future centre.
Current zone(s)	R1 General Residential
Proposed zone(s)	R3 Medium Density Residential
Current height of building	9 metres
Proposed height of building	12 metres
Specific DCP controls	To be considered in a site-specific Clarenza DCP
Matters requiring investigation to inform planning proposal	<ul style="list-style-type: none"> • Clarenza DCP and structure plan • Technical reports (Traffic and transport, green infrastructure, stormwater, sewer, and water) • Flood risk and emergency evacuation • Slope assessment • Social and community needs assessment
Anticipated delivery timeframe	Immediate – short-term
Intervention trigger(s)	Planning proposal to coincide with Clarenza DCP.

11. Duncans Road



Opportunity	Extension of R1 General Residential for mixed density development close to high school and E1 Local Centre zoned land.
Current zone(s)	RU2 Rural Residential and R5 Large Lot Residential
Proposed zone(s)	R1 General Residential
Current height of building	N/A
Proposed height of building	9 metres
Specific DCP controls	N/A
Matters requiring investigation to inform planning proposal	<ul style="list-style-type: none"> • Flood risk and emergency evacuation • Slope assessment • Traffic and transport assessment • Contamination and acid sulphate soils assessment • Infrastructure servicing strategy • Land Use Conflict Risk Assessment • Environmental and ecological assessment • Aboriginal Cultural Heritage Assessment • Social and community needs assessment
Anticipated delivery timeframe	Medium-term
Intervention trigger(s)	Clarenza DCP finalised and existing R1 General Residential land in Clarenza has subdivision approval. Completion of site-specific DCP and/or precinct/master plan.

Gulmarrad

Interventions proposed for Gulmarrad would increase theoretical capacity by an additional **437 dwellings**. Planning interventions for Gulmarrad are proposed across the following two areas, which are detailed below:

12. West of Sheehans Lane

13. Boundary Road.

12. West of Sheehans Lane



Opportunity	Mix of residential forms opposite a developing Urban Release Area
Current zone(s)	RU1 Primary Production, C3 Environmental Management, and R5 Large Lot Residential
Proposed zone(s)	R1 General Residential
Current height of building	N/A
Proposed height of building	9 metres
Specific DCP controls	N/A
Matters requiring investigation to inform planning proposal	<ul style="list-style-type: none"> • Flood risk and emergency evacuation • Bushfire risk assessment • Environmental and ecological assessment • Traffic and transport assessment • Contamination and acid sulphate soils assessment • Infrastructure servicing strategy • Land Use Conflict Risk Assessment • Coastal design guidelines assessment checklist • Aboriginal Cultural Heritage Assessment • Stormwater

12. West of Sheehans Lane

Additional matters for consideration	The land is located within the coastal strip and is not identified in the NCRP Urban Growth Area Boundary (UGAB). Any future proposals to rezone land outside the UGAB will need to confirm consistency with NCRP 2041 Urban Growth Area Variation Principles or await an amendment to the UGAB in the next Regional Plan review before a planning proposal to rezone land can be undertaken.
Anticipated delivery timeframe	Medium-term – long-term
Intervention trigger(s)	<p>Construction commenced in existing R1 General Residential and R3 Medium Density Residential zoned land in James Creek and Gulmarrad.</p> <p>Completion of site-specific DCP and/or precinct/master plan, including consideration of appropriate buffers to mapped important agricultural land, and integration with Gulmarrad URA and other surrounding development.</p> <p>Establishment of services at Gulmarrad neighbourhood centre.</p>

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13. Boundary Road



Opportunity	Extension of existing R5 Large Lot Residential area
Current zone(s)	RU2 Rural Landscape Note: current minimum lot size (4,000m ²) is equivalent to existing R5 Large Lot Residential land in Gulmarrad)
Proposed zone(s)	R5 Large Lot Residential
Current height of building	N/A
Proposed height of building	N/A
Specific DCP controls	N/A
Matters requiring investigation to inform planning proposal	<ul style="list-style-type: none"> • Environmental and ecological assessment • Traffic and transport assessment • Contamination and acid sulphate soils assessment • Infrastructure servicing strategy • Land Use Conflict Risk Assessment • Bushfire risk assessment • Coastal design guidelines assessment checklist • Aboriginal Cultural Heritage Assessment

13. Boundary Road

NCRP 2041 Strategy 1.5 requires new rural-residential housing to be located on land which has been approved in a strategy endorsed by DPHI and is to be directed away from the coastal strip.

This intervention is inconsistent with the NCRP, however, the inconsistency is justified based on the following criteria:

Additional matters for consideration

- The proposed R5 Large Lot Residential land is of minor significance as it is only a minor and contiguous variation to the existing R5 zoned area, adjacent and between development along Boundary Road to the south, Parklands Drive to the west, and Armstrong Road to the north-west.
- Delivery of infrastructure to service the proposed R5 area is physically and economically feasible at no cost to State or Local Government.
- The site is highly disturbed by past logging and quarrying activities.
- The site has emerging regrowth vegetation containing a few remnant habitat trees, and much requires remediation under the consents to extract gravel and sand.
- DA2010/734 to erect and establish a childcare centre on part of the lot has been commenced, which is compatible with rural-residential development.
- The site is mapped bushfire prone land, however can easily be established and managed to withstand bushfire risk as R5 Large Lot Residential with adequate evacuation options.
- The site is located above the 2022 Flood Study Probable Maximum Flood levels.

Anticipated delivery timeframe	Medium-term
Intervention trigger(s)	Completion of preliminary biodiversity and contamination assessment to determine general suitability of the land for future rural residential use.

Palmers Island

Interventions proposed for Palmers Island would increase theoretical capacity by an additional **11 dwellings**.

14. Palmers Island rural residential

14. Palmers Island rural residential



Opportunity	Rural residential living adjacent to Palmers Island village
Current zone(s)	RU2 Rural Landscape
Proposed zone(s)	R5 Large Lot Residential
Current height of building	N/A
Proposed height of building	N/A
Specific DCP controls	Palmers Island Village Controls
Matters requiring investigation to inform planning proposal	<ul style="list-style-type: none"> • Flood risk and emergency evacuation • Riverbank erosion vulnerability assessment • Environmental and ecological assessment • Traffic and transport assessment • Contamination and acid sulphate soils assessment • Infrastructure servicing strategy • Land Use Conflict Risk Assessment • Coastal design guidelines assessment checklist • Aboriginal Cultural Heritage Assessment • Impact on the heritage significance and setting of items
Additional matters for consideration	<p>NCRP 2041 Strategy 1.5 requires new rural-residential housing to be located on land which has been approved in a strategy endorsed by DPHI and is to be directed away from the coastal strip.</p> <p>A development approval (DA2015/0373 and MOD 2018/0053) exists for a 109 site caravan park in 3 stages on the site.</p> <p>Heritage Item I337 “Palmers Island Village Site”.</p>

14. Palmers Island rural residential

Anticipated delivery timeframe	Short – medium term
Intervention trigger(s)	Scoping report and pre-lodgement meeting with relevant NSW Government agencies. Completion of preliminary riverbank erosion vulnerability assessment to determine general suitability of the land for future rural residential use.

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Investigation area

James Creek

An area adjoining the James Creek URA has been included as an 'investigation area'. The James Creek investigation area totals more than 60 hectares and is currently zoned RU1 Primary Production.

Specific planning interventions have not yet been considered for the area and would require detailed investigations and consideration of a wide range of matters prior to determining an approach. The investigation area represents an opportunity to provide a long-term supply of residential land that can be integrated with the adjacent James Creek URA and existing residential development.

Indicative considerations, timeframes, and trigger points for the area are shown below:

14. James Creek Investigation Area



Opportunity	Mixed-density residential housing
Current zone(s)	RU1 Primary Production
Proposed zone(s)	To be determined based on investigations and consultation
Current height of building	N/A
Proposed height of building	9 metres
Specific DCP controls	Site-specific DCP to be developed as part of any future planning proposal.

14. James Creek Investigation Area

Matters requiring investigation to inform planning proposal

- Agricultural capability and sustainability assessment to be undertaken prior to progressing further investigations due to vicinity of mapped Important Farmland
- Environmental and ecological assessment
- Aboriginal Cultural Heritage Assessment
- Flood and risk assessment, including emergency and evacuation
- Traffic and transport assessment
- Contamination and acid sulphate soils assessment
- Infrastructure servicing strategy
- Social and community needs assessment
- Land Use Conflict Risk Assessment
- Bushfire risk assessment
- Coastal design guidelines assessment checklist

Land will be required to be mapped as an 'urban release area' under the CVLEP, to ensure that adequate arrangements are made for the provision of infrastructure, and that a DCP is prepared to guide future development.

Anticipated delivery timeframe

Medium-to-long-term

Intervention trigger(s)

Analysis undertaken to justify the need and timing for future residential zoned land in this location, considering current residential zoned land in the lower Clarence and across the LGA.

Construction commenced in existing R1 General Residential and R3 Medium Density Residential zoned land in James Creek and Gulmarrad.

Preparation of structure plan that considers integration of the investigation area with the James Creek URA and other surrounding development.

Completion of site-specific DCP and precinct/master plan, including consideration of appropriate buffers to mapped important agricultural land.

Establishment of services at Gulmarrad neighbourhood centre.