Urban Development Program

2011

Regional Residential Report

City of Warrnambool

State Government Victoria
Department of Planning and Community Development

ACKNOWLEDGEMENTS

This Urban Development Program was undertaken by Spatial Economics Pty Ltd, and commissioned by the Department of Planning and Community Development.

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Telephone (03) 9208 3799

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Authorised by Matthew Guy, 1 Spring Street Melbourne Victoria 3000.

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The Urban Development Program for Regional Victoria provides an analysis of supply and demand for residential and industrial land across parts of regional Victoria. The initial municipalities covered were Ballarat, Greater Bendigo, Latrobe and Wodonga. This round of land supply assessments is for the municipalities of Wangaratta, Greater Shepparton, Warrnambool, Horsham and Mildura. This component provides information on residential supply and demand for the City of Warrnambool.

The following residential land supply assessment was undertaken by Spatial Economics Pty Ltd and commissioned by the Department of Planning and Community Development in conjunction with the City of Warrnambool.

It draws on important information and feedback obtained through a number of comprehensive consultations with key council officers, and Department of Planning and Community Development regional officers undertaken through the course of the project.

Note that the reporting of 'suburbs' are derived from Australian Bureau of Statistics 'Suburb Boundaries'.

RECENT ACTIVITY

From 2005-06 to 2010-11 residential building approval activity within the City of Warrnambool has averaged 240 dwellings per annum. The amount of building approval activity as measured on an annual basis has been relatively consistent. However, approvals peaked at 284 in 2009-10 and troughed at 213 in 2007-08.

The majority of building approvals (90%) since 2005-06 have been separate houses, 9% semi-detached dwellings and 1% units/apartments.

Total residential lot construction for the period 2005-06 to 2010-11 averaged 282 per annum. In comparison to the annual volume of residential building approvals, residential lot construction varies considerably. Residential lot construction was the lowest in 2010-11 at 88 lots and 'peaked' in 2009-10 at 662 lots.

The majority (70%) were broadhectare lots, 18% were minor infill, 7% major infill and 5% non urban.

The majority (87%) of residential lot construction activity was located within Warrnambool (suburb), with relatively minor activity located in Dennington (20 lots per annum) and Woodford (12 lots per annum).

PROJECTED DEMAND

Projected dwelling requirements sourced from *Victoria in Future 2012* indicate that from 2011 to 2026 a total of 4,254 additional dwellings (or on average 284 per annum) will be required to house the projected population for the City of Warrnambool.

IDENTIFIED RESIDENTIAL LAND SUPPLY

In total there is a residential lot supply of approximately 5,733. This is comprised of:

- 1,025 zoned broadhectare lots (18% of supply);
- 210 major infill lots (less than 4% of supply);
- 173 vacant non urban residential lots (3% of supply); and
- 4,325 designated future residential (unzoned) lots (75% of supply).

As at July 2011, there was a zoned residential lot capacity within broadhectare areas of approximately 1,025*, of which 973 lots are located in the suburb of Warrnambool (suburb) and 52 lots in Dennington.

It is estimated that over the next five years an average 186 lots per annum will be constructed within existing zoned broadhectare areas, since 2005-06 – 196 broadhectare lots per annum were constructed.

In total there is an estimated lot potential within Future (unzoned) Residential areas of approximately 4,325*.

YEARS OF RESIDENTIAL LAND SUPPLY

It is estimated, based on the identified supply and *Victoria in Future 2012* demand projections, there are sufficient land stocks to satisfy **4 years*** of future demand across the municipality. (Refer to footnote below).

In terms of future (or unzoned) residential land supply stocks, there is sufficient land to satisfy **15+ years*** of projected demand.

MINOR INFILL LOT SUPPLY

In addition, the minor infill lot supply of 628 lots also constitutes around **2.2 years** of vacant land.

POTENTIAL LOT CONSTRUCTION ACTIVITY

Based on existing planning permits, recent construction activity and Council feedback it is anticipated that over the next five years, on average 366 lots per annum will be constructed within existing zoned broadhectare and major infill areas.

This rate of anticipated lot construction is similar to the rates of recent lot construction; therefore the level of anticipated construction is likely to be achieved. Based on anticipated lot construction activity over the next five years 88% of the zoned residential broadhectare and major infill stock will be consumed.

**Note that since the preparation of this report, Amendment C69 to the City of Warrnambool Planning Scheme was approved; which rezoned around 250 hectares of land referred to as 'North of the Merri River Structure Plan', to a Residential 1 Zone. This provides additional zoned land with the potential of 2,100 lots, or around 9 to 10 years supply.*

Conclusion and Current Actions

In summary there is an adequate stock of zoned residential land to meet Victoria in Future and trend based consumption rates across the City of Warrnambool. Consumption of residential land, however, should continue to be monitored to ensure there are sufficient land stocks to meet future demand, and identify any impediments to the delivery of allotments in the short-term.

Based on *Victoria in Future 2012* projections, the City of Warrnambool currently has around 14 years supply of zoned residential land stocks across the municipality. This follows on from the gazettal in April 2012 of Amendment C69 to the City of Warrnambool Planning Scheme, which rezoned around 250 hectares of land for residential purposes. A further three amendments are expected to be exhibited during 2013, which proposes to rezone a further 250 hectares of land for residential purposes.

Warrnambool City Council is also preparing a Housing Strategy to address long term housing requirements across the municipality, as well as reviewing potential areas for longer term residential development.

1.0 INTRODUCTION

1.1 PURPOSE AND CONTEXT

The Urban Development Program was set up in 2003 to assist in managing the growth and development of metropolitan Melbourne and the Geelong region, and help ensure the continued sustainable growth of these areas in order to maintain their high levels of liveability.

The primary purpose of the Urban Development Program is to improve the management of urban growth by ensuring that government, councils, public utilities and the development industry have access to up-to-date and accurate information on residential and industrial land availability, development trends, new growth fronts, and their implications for planning and infrastructure investment.

To achieve the primary purpose the Urban Development Program provides accurate, consistent and updated intelligence on residential and industrial land supply, demand and consumption. This in turn assists decision-makers in:

- maintaining an adequate supply of residential and industrial land for future housing and employment purposes;
- providing information to underpin strategic planning in urban centres;
- linking land use with infrastructure and service planning and provision;
- taking early action to address potential land supply shortfalls and infrastructure constraints; and
- contributing to the containment of public sector costs by the planned, coordinated provision of infrastructure to service the staged release of land for urban development.

The information contained and reported within the Urban Development Program enables early action to be taken in areas where land shortfalls have been identified.

1.2 PROGRAM CONTEXT

During 2009-10, the Urban Development Program was expanded across key provincial areas across regional Victoria. Initially, this included the municipalities of Ballarat, Greater Bendigo, Latrobe and Wodonga. The next round of completed land supply assessments include the municipalities of Wangaratta, Greater Shepparton, Warrnambool, Horsham and Mildura.

In addition, land supply assessments for the following municipalities are near completion, these include: Mount Alexander, Mitchell, Macedon, Moorabool, Baw Baw, Bass Coast, South Gippsland, Moyne, Murrindindi, Colac-Otway and Golden Plains.

The expanded Urban Development Program into regional Victoria will build local and regional data bases and, importantly, provide a platform for mapping and spatial analysis in each region. This will in turn allow councils and other key stakeholders in the planning and development sectors to make more informed decisions on the growth and investment in these key areas across regional Victoria.

The industrial and residential land supply assessments for the municipalities of Wangaratta, Shepparton, Warrnambool, Horsham and Mildura were undertaken by Spatial Economics Pty Ltd, and commissioned by the Department of Planning and Community Development in conjunction with the associated councils.

These areas form the initial expansion of the Urban Development Program across regional Victoria. Other areas will be incorporated into the Urban Development Program in the future.

1.3 2011 URBAN DEVELOPMENT PROGRAM REPORTS

The 2011 Urban Development Program Reports for Wangaratta, Greater Shepparton, Warrnambool, Horsham and Mildura, as well as the 2011 Urban Development Program Report for metropolitan are available online at www.dpcd.vic.gov.au/urbandevelopmentprogram

Interactive online maps are also available. MapsOnline enables users to search for specific projects, generate reports and print or download maps and statistical reports. It allows users to search for specific land supply areas by region or municipality, estate name, Melway reference, street address or lot number.

To access the Regional Urban Development Program MapsOnline visit www.land.vic.gov.au/udp

For more information about the Urban Development Program, email the Department of Planning and Community Development at urbandevelopment.program@dpcd.vic.gov.au

2.0 APPROACH AND METHODOLOGY

The following provides a brief outline of the major methodologies and approach in the assessment of recent residential lot construction, residential land supply, projections of demand and determining adequacy of land stocks. In addition, key definitions of terms used within the following assessment are detailed in the glossary of terms at the end of this report.

Information is presented at both a Statistical Local Area (SLA) and suburb (Australian Bureau of Statistics definition) level. A map highlighting the location of these boundaries is located within the data appendices. The report retains ABS terminology for the geographic areas, however it is appreciated that the term 'suburbs' includes urban and rural areas.

Note that for the purposes of this report the regional component of the expanded Urban Development Program is referred to as the 'Regional Urban Development Program'.

ESTIMATING FUTURE DWELLING REQUIREMENTS

The Population and Household Projections 2011-2031 for Victoria and Its Regions, released by the Department of Planning and Community Development and outlined in *Victoria in Future 2012*, are used by the Regional Urban Development Program as the basis for determining projected demand for residential allotments. Demand information is assessed at both a municipal level and by the component Statistical Local Areas (SLAs).

RESIDENTIAL LAND

In the following land supply assessments residential lot construction and land supply have been designated by differing supply types, namely:

Minor Infill: Undeveloped land within the existing urban area, zoned for residential development, and parent lot or existing lot less than 1ha.

Major Infill: Undeveloped land or sites identified for redevelopment within the existing urban area, zoned for residential development, and parent lot or existing lot greater than 1ha.

Broadhectare: Undeveloped land generally located on the urban fringe, zoned for residential development (no previous urban development activity), and the parent lot greater than 1ha.

Future Residential: Land identified by the relevant municipal authority for future residential development where the current zoning is not supportive of 'normal' residential development. Land which has an 'Urban Growth Zone' applied but where a precinct structure plan has not yet been approved falls into this category.

Non Urban: Land zoned Low Density Residential (LDRZ) or Rural Living (RLZ)or identified for future LDRZ or RLZ.

RESIDENTIAL LOT CONSTRUCTION

Residential lot construction has been determined via the processes established within the State Governments Housing Development Data project. It involves the extensive cleaning of the residential cadastre and the application of this cadastre to the land supply types identified above.

A constructed lot is defined by the year of construction and the finalisation of certificate of title.

Construction activity has been assessed on an annual basis as at July of each year from 2005 to 2011.

LOT YIELDS

Lot yields have been established on a parcel by parcel basis for the following land supply types: major infill, broadhectare and future residential.

In establishing the lot yield for each individual land parcel the following information was used: incidence and location of native vegetation, zoning, natural features such as creeks, old mineshafts, escarpments, floodways, localised current/recent market yields and existing studies such as structure plans and municipal strategic statements.

In addition to site specific issues, 'standard' land development take-outs are employed, including local and regional. The amount/proportion of such take-outs are dependent on the site of the land parcel i.e. a 1ha site will have less take-outs than say a 50ha site. This approach has been utilised by both the residential and industrial land supply assessments since 2004 in the metropolitan Urban Development Program.

Further intelligence and verification is sourced from local council planning officers.

A small number of supply sites have been allocated a zero lot yield due to a number of varying factors, these include but not limited to:

- unlikely to be developed over the next 15 years due to issues such as significant ownership fragmentation on relatively small parcels of land;
- subdivision restricted until sewerage is provided;
- the site is within an area of low demand and is unlikely to be developed within the foreseeable future; and
- potential/likely lot density could be low.

Sites with a zero lot yield have been identified and are summarised by location and area.

DEVELOPMENT TIMING

Staging for lot construction or development timing has been established for five broad time periods, namely:

- 1 to 2 years (2011-12 to 2012-13)
- 3 to 5 years (2013-14 to 2015-16)
- 6 to 10 years (2016-17 to 2020-21)
- 11 years or more (2021 and beyond)
- No timing

Land identified for development over the next 2 years is available for residential purposes, and the required permits to subdivide the land generally exist and are being implemented.

Land parcels identified for development in 3 to 5 years are normally zoned, or may have rezonings finalised or approaching finalisation. They may also have permits to subdivide the land. Some degree of confidence can be applied to the timing and staging of these developments.

Confidence about lot yields and staging declines for developments proposed beyond 5 years as it is industry practice to regard developments beyond this period with less certainty in terms of exact staging, timing and yields.

A no timing category has been established for potential residential development sites that are within low demand areas (generally small outlying settlements). These sites typically in addition are allocated a zero potential lot yield. They are identified as potential and are measured by area.

Where land has been identified as 'Future Residential' there are no associated timings, as these cannot be confidently applied until such time the land is zoned to allow residential

development to occur. Similarly, land which is within an Urban Growth Zone, where a precinct structure plan has not been approved, falls into a similar category. At such time a precinct structure plan has been prepared and approved, potential timings of residential development associated to these areas can be applied with a higher degree of confidence.

It should also be noted that timing of lot construction is cyclical, and highly dependent on underlying demand, economic cycles and industry capacity. This can mean that stated development intentions will vary from on-the-ground construction activity over time and by location. However, it is highly accurate in terms of the general direction and amount of growth.

Development timings have only been established for both Major Infill land supply stocks and broadhectare land.

Anticipated development timings are primarily sourced from existing planning permits, historic and current market activity, knowledge of industry capacity, projected demand and most importantly intelligence from local council staff.

NON URBAN

Non Urban residential allotments have been established via the assessment of the cadastre and zoning information. All allotments zoned either Rural Living (RLZ) and Low Density Residential (LDRZ) are included. Custom technology as described above was utilised to establish the stock of vacant low density allotments, this was subsequently verified via a manual process in conjunction with aerial imagery. The assessment is undertaken on the date of the latest aerial imagery.

YEARS OF SUPPLY FOR RESIDENTIAL LAND

A key purpose of the Regional Urban Development Program is to identify if sufficient residential land is available to meet projected dwelling requirements within the relevant municipality. Sufficient stock of residential land is required to maintain an ongoing supply to the market and to contribute to:

- adequate competition in the land development market to avoid unnecessary upward pressure on land prices and housing affordability; and
- sufficient lead times for planning and service provision agencies to undertake appropriate strategic and infrastructure planning activities.

For the purpose of reporting on the the years of supply of residential stocks, the Regional Urban Development Program assesses the existing stock of residential land (major Infill, broadhectare and future residential) relative to projected demand.

In assessing the number of years of broadhectare, major infill and designated future (unzoned) residential land supply, only a component of the total projected demand is apportioned to estimate future demand for broadhectare and major infill supply. The remainder is apportioned for future demand for other forms of residential supply such as low density and rural living.

Projected demand for the Warrnambool residential land supply assessment utilises the dwelling requirements contained within *Victoria in Future 2012*.

The projections are discounted by the historic average of total broadhectare and major infill lot construction relative to total residential lot construction activity.

3.0 OVERVIEW

Warrnambool is a coastal city with the fastest growing economy and population centre in south-western Victoria. The city provides support for the region in the fields of commerce, governance, social services, health, education, culture, the arts and recreation. In addition, Warrnambool is a major tourist hub, attracting tourists travelling along routes such as the Great Ocean Road. It is also a rail passenger and freight hub. A number of wind and gas energy projects are being developed around Warrnambool.

This report covers the trends and shifts in building activity across the municipality of Warrnambool, and provides an insight into proposed future residential development activity.

The information in this section has been compiled from a number of comprehensive consultations with key representatives from the Warrnambool City Council. It is supported by datasets from the Australian Bureau of Statistics.

4.0 RECENT ACTIVITY

This section of the report details the recent activity of residential lot construction and dwelling approvals across the City of Warrnambool. Residential lot construction activity is detailed from 2005-06 to 2010-11 and is presented at a suburb and municipal level. Residential lot construction is further analysed by supply type/location, namely:

- Minor Infill;
- Major Infill;
- Broadhectare; and
- Non Urban.

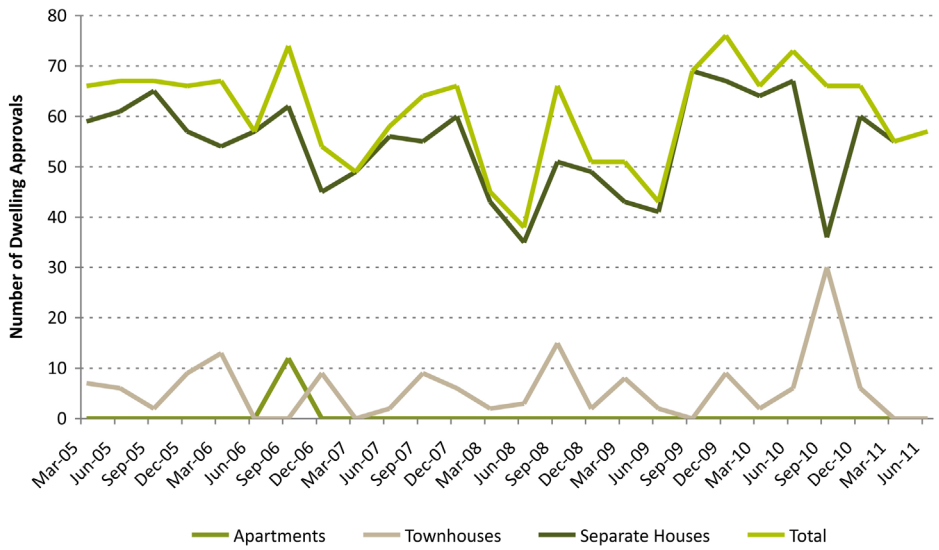
4.1 RESIDENTIAL BUILDING APPROVALS

As measured from 2005-06 to 2010-11 residential building approval activity within the City of Warrnambool has averaged 240 dwellings per annum, the amount of building approval activity as measured on an annual basis has been relatively consistent. However, approvals peaked at 284 in 2009-10 and troughed at 213 in 2007-08.

Graph 1 illustrates the amount of building approval activity by dwelling type on a quarterly basis for the City.

The vast majority of building approvals (90%) since 2005-06 have been separate houses, 9% semi-detached dwellings and 1% units/apartments.

Graph 1: Number of Quarterly Residential Building Approvals by Type, 2005-06 to 2010-11



Source: Australian Bureau of Statistics, Catalogue No.8731.0

4.2 RESIDENTIAL LOT CONSTRUCTION

Analysis has been undertaken to determine on a lot by lot basis the location and amount of residential lot construction activity from 2005-06 to 2010-11. Lot construction activity has been classified into distinct supply types and or supply locations as defined above.

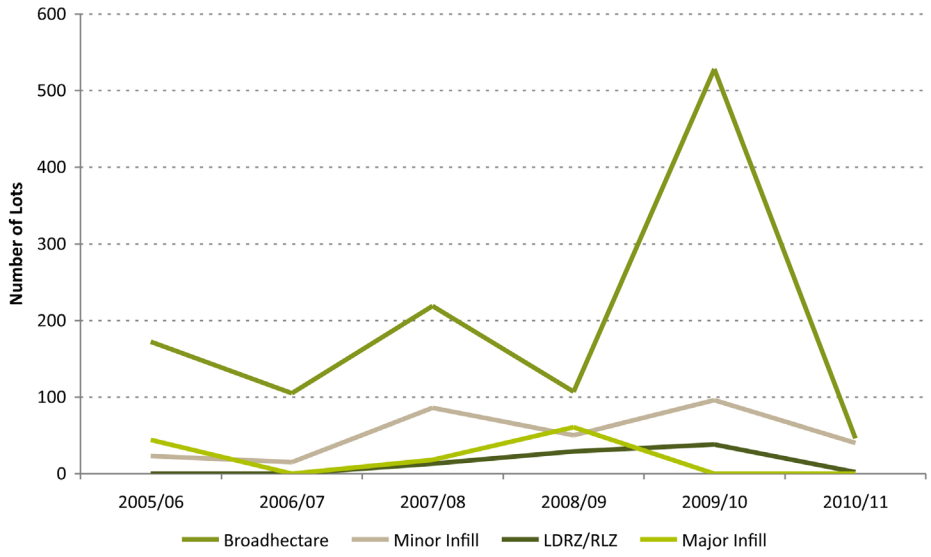
Graph 2 summarises the amount of residential lot construction by supply type for the City of Warrnambool. From 2005-06 to 2010-11 there was an average annual residential lot construction of 282. The majority (70%) were broadhectare lots, 18% were Minor Infill, 7% Major Infill and 5% Non Urban.

In comparison to the annual volume of residential building approvals, residential lot construction varies considerably. Residential lot construction peaked in 2009-10 at 662 lots, followed by a lower rate of 88 lots in 2010-2011. Lot construction variance over-time is a typical trend in the land development industry and in many instances does not indicate any significant supply or policy issues. However, during 2010 to 2011 there was limited supply available within the municipality which likely affected construction rates at this time.

Graph 3 illustrates the average annual volume of all residential lot production by suburb. The vast majority (87%) of residential lot construction activity was located within Warrnambool (suburb), with relatively minor activity located in Dennington (20 lots per annum) and Woodford (12 lots per annum).

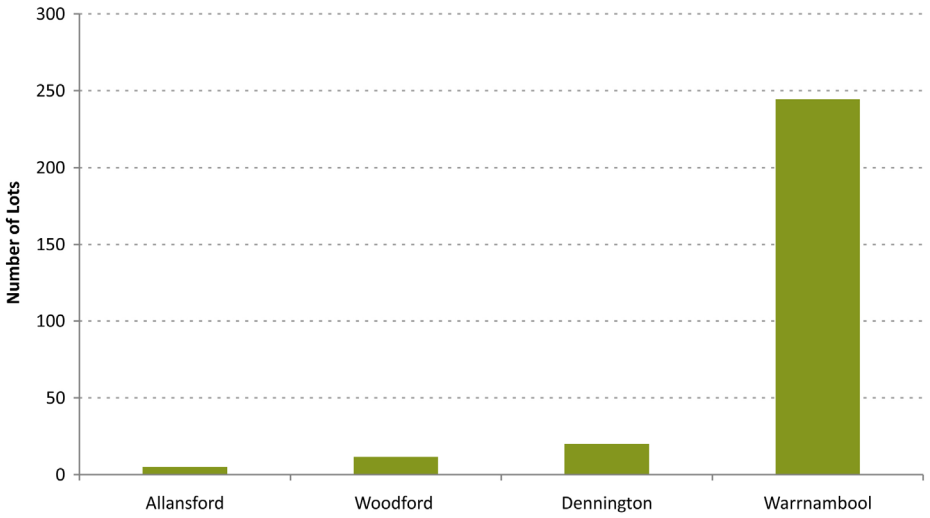
Lot construction and residential building approval activity as measured from 2005-06 to 2010-11 broadly aligns in terms of the identified volume at 282 and 240 respectively per annum.

Graph 2: Number of Residential Lots Constructed by Supply Type, 2005-06 to 2010-11



Source: Spatial Economics Pty Ltd and Department of Planning and Community Development 2011

Graph 3: Average Annual Number of Residential Lots Constructed by Suburb, 2005-06 to 2010-11



Note: Includes – broadhectare, major infill, minor infill and non-urban lot construction.

Source: Spatial Economics Pty Ltd and Department of Planning and Community Development 2011

4.2.1 MINOR INFILL LOT CONSTRUCTION

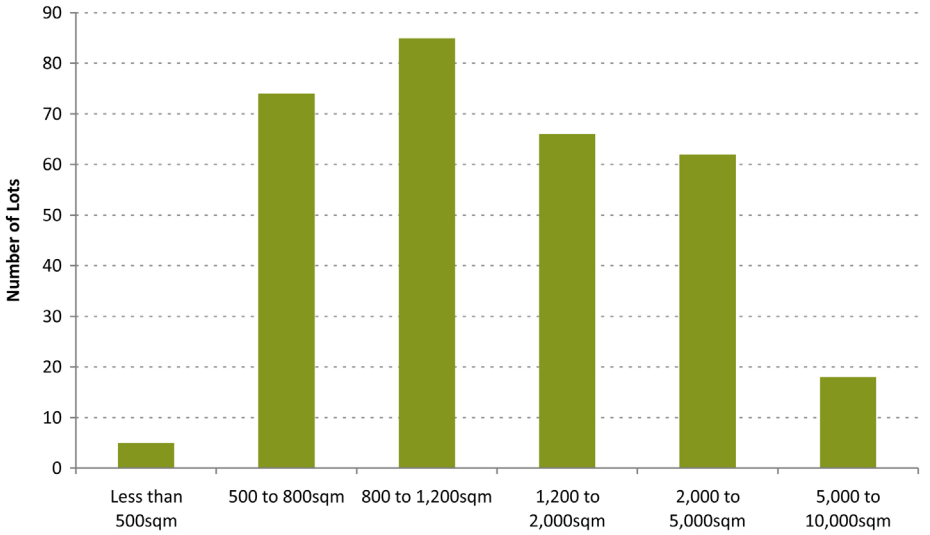
Minor infill lot construction activity as measured from 2005-06 to 2010-11 across the City of Warrnambool averaged 52 lots per annum. This represents 18% of all residential lot construction activity across the municipality.

Minor infill lot construction activity was concentrated within the established urban area of Warrnambool.

As measured annually from 2005-06 to 2010-11, the amount of minor infill lot construction activity has varied significantly. In 2009-10 there were approximately 96 minor infill lots constructed, whereas in 2006-07 there were only 15 lots constructed. In 2010-11 there were 40 minor infill lots constructed.

Of the 310 minor infill lots constructed 53% were constructed on 'parent' lots sized less than 1,200sqm, there were five lots constructed on 'parent' lots less than 500sqm. There were 62 lots constructed (20%) on parent lots sized from 2,000 to 5,000sqm. Graph 4 summarises the volume of minor infill lot construction by 'parent' lot size cohorts.

Graph 4: Parent Lot Size of Minor Infill Lot Subdivision, 2005-06 to 2010-11



Note: Parent lot size refers to the size of the allotment prior to subdivision.

Source: Spatial Economics Pty Ltd and Department of Planning and Community Development 2011

4.2.2 MAJOR INFILL LOT CONSTRUCTION

Major infill lot construction activity as measured from 2005-06 to 2010-11 across the City of Warrnambool averaged 20 lots per annum. This represents 7% of all residential lot construction activity across the municipality. All major infill lot construction was located within the suburb of Warrnambool.

As measured annually from 2005-06 to 2010-11, the amount of major infill lot construction activity has varied significantly. In 2008-09 there were approximately 61 major infill lots constructed – these were located in three developments in Thomas Place (33 lots). Saywell Court (14 lots) and Schomberg Place (14 lots). There was no major infill lot construction in 2009-10.

4.2.3 BROADHECTARE LOT CONSTRUCTION

Broadhectare lot construction activity as measured from 2005-06 to 2010-11 across the City of Warrnambool averaged 196 lots per annum. This represents 70% of all residential lot construction activity across the municipality.

Virtually all broadhectare lot construction activity was located within the suburb of Warrnambool. In total there were 118 lots constructed in Dennington and six lots in Allansford.

As measured annually from 2005-06 to 2010-11, the amount of broadhectare lot construction activity has varied significantly. In 2006-07 and 2008-09 there was 105 and 107 lots constructed respectively. Broadhectare lot production rapidly increased to 528 in 2009-10 and declining rapidly to only 46 lots constructed in 2010-11, possibly due to dwindling stocks of residential land available for development at that time.

4.2.4 NON URBAN LOT CONSTRUCTION

Non urban lot construction activity as measured from 2005-06 to 2010-11 across the City of Warrnambool has averaged 14 lots per annum. This represents 5% of all residential lot construction activity across the municipality.

Of this lot construction activity – 96% was zoned Rural Living (RLZ). The majority of this subdivision activity was located in the suburb of Woodford.

From 2005-06 to 2010-11 there was an average annual residential lot construction of 282. The majority (70%) were broadhectare lots, 18% were minor infill, 7% major infill and 5% non urban.

As measured from 2005-06 to 2010-11 residential building approval activity within the City of Warrnambool has averaged 240 per annum. The vast majority of building approvals (90%) since 2005-06 have been separate houses, 9% semi-detached dwellings and 1% units/apartments.

Analysis of the amount of building approvals and residential lot construction indicates a functioning residential land market within Warrnambool.

However, broadhectare lot construction activity should continue to be monitored in order to identify any increasing lot production trends, and identify any impediments to the delivery of allotments in the short-term.

5.0 RESIDENTIAL LAND SUPPLY

This section of the report details the stock (measured in lots) of residential land across the municipality of Warrnambool as at July 2011. Residential lot stock/supply is presented at a suburb, Statistical Local Area (SLA) and municipal level. Residential land supply is further analysed by supply type/location, namely:

- Minor Infill;
- Major Infill;
- Broadhectare;
- Future Residential; and
- Non Urban.

For both major infill and broadhectare land supply areas, anticipated lot construction timing is presented. This refers to the likely timing of lot construction, not dwelling construction.

Table 1 details the residential land supply, measured in potential lot yields, by supply type across the City of Warrnambool as at July 2011. In total (excluding minor infill) there is a residential lot supply of approximately 5,733. This is comprised of:

- 1,025 zoned broadhectare lots (18% of supply);
- 210 major infill lots (4% of supply);
- 173 vacant non urban residential lots (3% of supply); and
- 4,325 designated future residential lots (75% of supply).

Each of the supply types are further detailed below, including maps of each of the supply type, including the location of recent residential lot construction activity.

Table 1: Residential Lot Potential by Supply Type, 2011

SLA/Suburb/LGA	Broad Hectare	Future Residential (Unzoned)	Major Infill	Non Urban	Total
Warrnambool (C)	**1,025**	**4,325**	**210**	**173**	**5,733**
Allansford	0	0	48	36	**84**
Dennington	52	0	0	16	**68**
Warrnambool	973	4,325	162	41	**5,501**
Woodford	0	0	0	80	**80**
Warrnambool LGA	**1,025**	**4,325**	**210**	**173**	**5,733**

Source: Spatial Economics Pty Ltd and Department of Planning and Community Development 2011

Note: Non-urban supply refers to vacant (as at 2009) LDRZ and RLZ zoned allotments.

5.1 MINOR INFILL SUPPLY

A parcel by parcel assessment was undertaken to identify minor infill supply, specifically zoned vacant allotments sized less than one hectare. The assessment is based on the latest aerial imagery of December 2009. The identification of vacant allotments sized less than one hectare does not provide an estimated dwelling yield. Rather it simply identifies the vacant allotment by lot size and location.

Dwelling yields on such allotments can vary significantly, examples range from:

- 800sqm vacant allotment within a broadhectare estate typically would yield one dwelling;
- 800sqm vacant allotment within the urban centre, could typically range from one to four dwellings; and
- 5,000sqm allotment within a township zone (un-sewered) one dwelling compared with anything from five plus dwellings within a larger urban settlement.

As at December 2009, there was 628 minor infill lots identified. Of these lots, 566 were sized less than 1,200sqm or 89% of the identified lots. In addition there were:

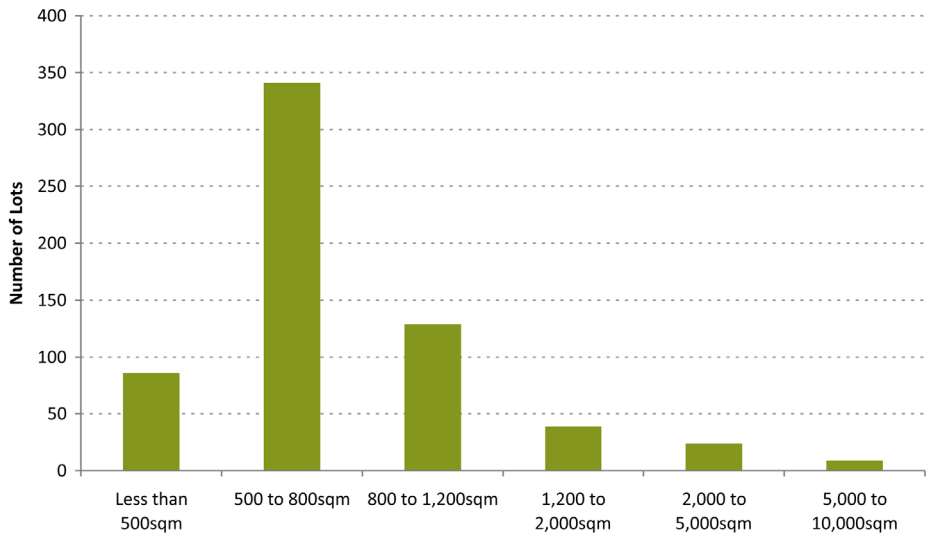
- 39 vacant lots sized between 1,200 to 2,000sqm;
- 24 lots sized from 2,000sqm to 5,000sqm; and
- 9 lots sized from 5,000 to 10,000sqm.

Graph 5 summarises the size distribution of identified minor infill supply.

All of these allotments have potential to yield multiple lots post subdivision. As noted previously 18% of lot construction activity across Warrnambool was minor infill, and of this lot construction, 53% was from parent lots sized 1,200sqm or less.

All of the minor infill supply is located in the suburb of Warrnambool.

Graph 5: Minor Infill Supply – Number of Vacant Zoned Residential Allotments, by Lot Size Cohort, 2011



Source: Spatial Economics Pty Ltd and Department of Planning and Community Development 2011

5.2 MAJOR INFILL SUPPLY

As at July 2011, there was a residential lot capacity within major infill sites of approximately 210. It is anticipated that 162 of these lots will be constructed over the next five years.

Table 2: Anticipated Lot Construction Activity – Major Infill, 2011

SLA/LGA	Development Timing (lots/dwellings)				Total Lot/ Dwelling Potential
	1-2 years	3-5 years	6-10 years	11+ years	
Warrnambool LGA	39	123	48	0	**210**

Source: Spatial Economics Pty Ltd and Department of Planning and Community Development 2011

Major infill lot potential represents 4% of the total existing zoned residential land supply across the City of Warrnambool. There are seven major infill sites across the municipality.

5.3 BROADHECTARE SUPPLY

As at July 2011, there was a residential lot capacity within broadhectare areas of approximately 1,025, of which 973 lots are located in the suburb of Warrnambool and 52 lots in Dennington. Table 3 identifies the lot yield and estimated development timing of zoned broadhectare lot stock.

Table 3: Anticipated Lot Construction Activity – Broadhectare, 2011

SLA/LGA	Development Timing (lots)			Total Zoned Lot Potential
	1-2 years	3-5 years	6-10 years	
Warrnambool LGA	603	328	94	**1,025**

Source: Spatial Economics Pty Ltd and Department of Planning and Community Development 2011

Broadhectare lot potential represents 73% of the total existing zoned residential land supply across the City of Warrnambool.

Based on existing planning permits, recent construction activity and Council feedback it is anticipated that over the next five years, on average 186 lots per annum will be constructed within existing zoned broadhectare areas (close to the recent average broadhectare construction rates of 196 lots per annum).

Over the 6-10 year period only 94 lots in total are anticipated to be constructed, this is primarily due to the stock of zoned broadhectare land being effectively depleted over the next five – seven years.

5.4 FUTURE RESIDENTIAL LAND SUPPLY

Analysis has been undertaken in conjunction with council planning officers to identify the location and associated lot yield of future residential land stocks. Future residential land stocks are identified by the Warrnambool City Council, and contained within various municipal planning policy and strategy planning documents.

Future residential land stocks are not zoned to support immediate 'normal' residential development, and rezoning and structure planning processes are required before normal residential development proceeds.

Locations which face natural hazards (such as fire, flood and landslide) need to be assessed as part of the decision making associated with a proposed rezoning change.

Within the municipality, there is an estimated lot potential within Future Residential (unzoned) areas of approximately 4,325 lots.

5.5 NON URBAN ALLOTMENTS

The stock of both occupied and vacant non-urban residential allotments have been determined on a lot by lot basis as at December 2009. A low density residential allotment is defined as all allotments that are zoned Low Density Residential (LDRZ) and Rural Living (RLZ). Occupied is defined as evidence of a 'habitable' dwelling and vacant is defined as no evidence of a habitable dwelling via the interpretation of aerial imagery.

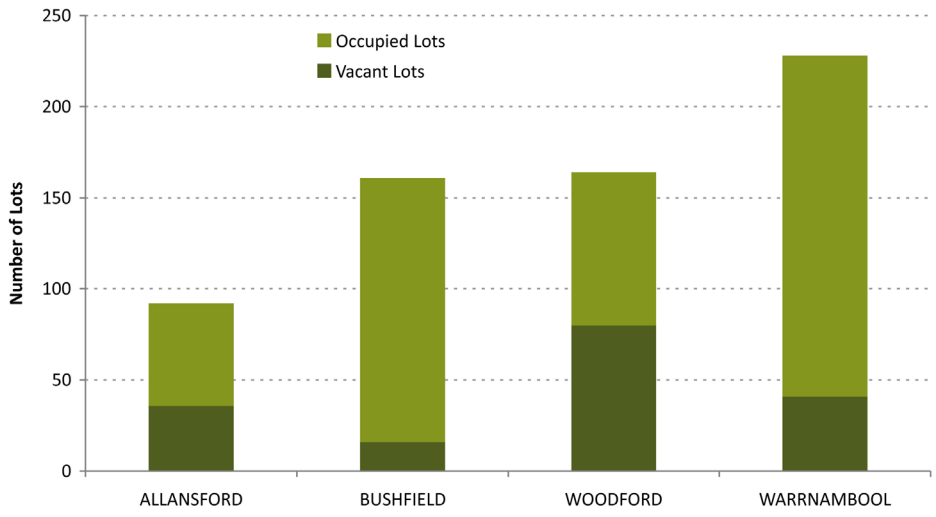
As at December 2009 across the municipality of Warrnambool there were a total of 645 non-urban allotments. Of these, 173 lots were vacant, a lot vacancy rate of 27%. Graph 6 summarises the stock of both occupied and vacant non-urban residential allotments by suburb.

By zone type, as at December 2009 there were 196 Low Density Residential (LDRZ) allotments, of which 52 were vacant across the municipality, a lot vacancy of 27%. In comparison, there were a total of 449 Rural Living (RLZ) zoned allotments, of which 121 were vacant – a lot vacancy rate again of 27%.

The location of the non-urban lots across the municipality includes:

- Warrnambool – total 228 lots (lot vacancy of 18%);
- Woodford – total 164 lots (lot vacancy of 49%);
- Bushfield – total 161 lots (lot vacancy of 10%); and
- Allansford – total 92 lots (land vacancy of 39%).

Graph 6: Stock of Vacant and Occupied 'non-urban' Allotments, 2009



Source: Spatial Economics Pty Ltd and Department of Planning and Community Development 2011

In total (excluding minor infill) there is a residential lot supply of approximately 5,733. This is comprised of:

- 1,025 zoned broadhectare lots (18% of supply);
- 210 major infill lots (4% of supply);
- 173 vacant non urban residential lots (3% of supply); and
- 4,325 designated future residential lots (75% of supply).

As at December 2009, there was 628 minor infill lots identified. Of these lots, 556 were sized less than 1,200sqm or 89% of the identified lots. Minor infill accounted for 18% of lot construction activity across Warrnambool, and of this lot construction, 53% was from parent lots sized 1,200sqm or less.

As at July 2011, there was a residential lot capacity within major infill sites of approximately 210. It is anticipated that 162 of these lots will be constructed over the next five years.

As at July 2011, there was a residential lot capacity within broadhectare areas of approximately 1,025. Based on existing planning permits, recent construction activity and Council feedback it is anticipated that over the next five years, on average 186 lots per annum will be constructed within existing zoned broadhectare areas. Over the 6-10 year period only 94 lots are anticipated to be constructed, this is primarily due to the stock of zoned broadhectare land being effectively depleted over the next five years.

Within the City of Warrnambool, there is an estimated lot potential within Future Residential areas of approximately 4,325.

6.0 PROJECTED DEMAND

This report incorporates the most recently available demand figures to project dwelling requirements and compare with 'years of supply' of residential land. These figures currently use the *Victoria in Future 2012* projections as the basis for demand, which are updated in line with state population and household projections.

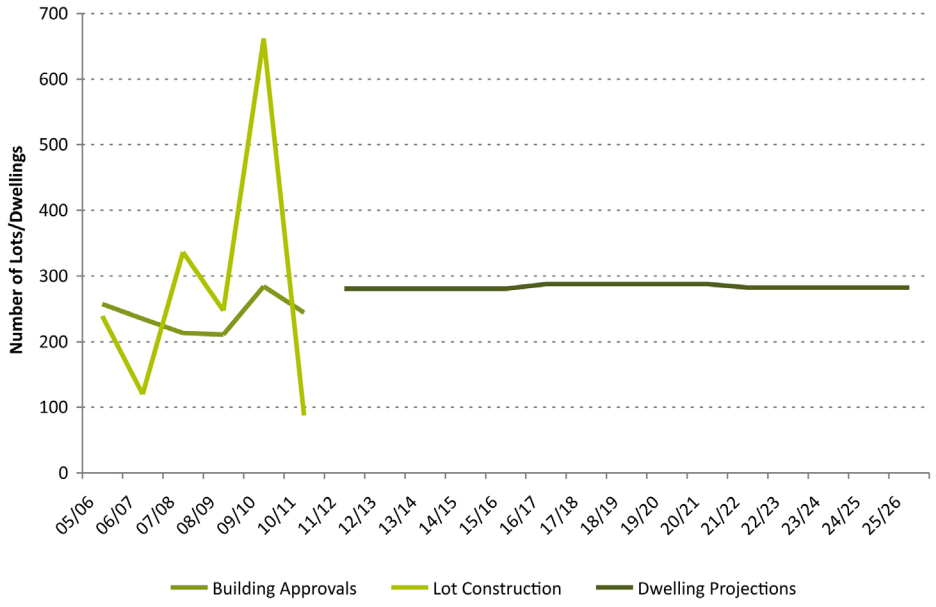
Victoria in Future 2012 is the Victorian Government's official population and household projections. Information is provided for state-wide, regional and metropolitan areas as well as local government areas. *Victoria in Future 2012* reflects the latest available trends such as changes to levels of immigration or economic conditions, or changes to policy affecting population growth locations and levels, and subsequent demand for housing.

Graph 7 summarises the projected demand for residential dwellings for the City of Warrnambool. In addition, it highlights historic 'expressed' demand for residential dwellings in the form of residential building approvals and lot construction.

Projected dwelling requirements sourced from *Victoria in Future 2012* indicate that from 2011 to 2026 a total of 4,254 additional dwellings (or on average 284 per annum) will be required to house the projected population for the City of Warrnambool. For specific time cohorts average annual dwelling requirements include:

- 2011 to 2016 – 281;
- 2016 to 2021 – 288; and
- 2021 to 2026 – 282.

Graph 7: Historic and Projected Demand for Residential Dwellings, 2006 to 2026



Source: Department of Planning and Community Development Victoria in Future 2012
Australian Bureau of Statistics, Catalogue No.8731.0
Spatial Economics Pty Ltd

Projected dwelling requirements sourced from *Victoria in Future 2012 i*ndicate that from 2011 to 2026 a total of 4,254 additional dwellings (or on average 284 per annum) will be required to house the projected population for the City of Warrnambool. For specific time cohorts average annual dwelling requirements include:

- 2011 to 2016 – 281;
- 2016 to 2021 – 288; and
- 2021 to 2026 – 282.

7.0 YEARS OF SUPPLY – RESIDENTIAL LAND

Analysis has been undertaken to estimate the years of residential land supply by Statistical Local Area. In estimating the years of residential land supply only major infill, zoned broadhectare and future residential land supply types are considered. In assessing the estimated years of supply, the demand component for the above supply types are estimated via the assessment of historic consumption.

The Population and Household Projections 2011-2031 for Victoria outlined in *Victoria in Future 2012*, are used by the Regional Urban Development Program as the basis for determining projected demand for residential allotments. Demand information is assessed at both a municipal level and by the component Statistical Local Areas (SLAs).

Based on historic (July 2005 to July 2011) lot construction activity it is estimated that across Warrnambool 77% of dwelling requirements were for broadhectare/ major infill allotments.

Table 4 summarises the estimated years of supply by demand scenario for major infill and broadhectare stocks combined.

YEARS OF SUPPLY – *VICTORIA IN FUTURE 2012* DEMAND

In terms of zoned broadhectare and major infill residential land stocks it is estimated based on the identified supply and projected demand, there are sufficient land stocks to satisfy **4 years** of future demand.

In terms of future (unzoned) residential land supply stocks, there is sufficient land to satisfy an additional **15+ years** of projected demand.

Potential Lot Construction Activity

Based on existing planning permits, recent construction activity and Council feedback it is anticipated that over the next five years, 88% of the existing zoned major infill and broadhectare stocks will be depleted. This rate of consumption is comparable to recent historical levels.

Table 4: Estimated Years of Residential Broadhectare and Major Infill Land Supply, 2011

SLA/LGA	Zoned Stocks	Unzoned Stocks	Total Stocks
Warrnambool LGA	4	15+	**15+**

Source: Spatial Economics Pty Ltd and Department of Planning and Community Development 2011

In total, there is **4 years*** supply of zoned stock based on Victoria in Future 2012 projections.

In terms of future (unzoned) residential land stocks, in total there is sufficient supply to satisfy **15+ years*** of demand.

The potential level of lot construction activity (by proposed timing of subdivision) indicates 88% of zoned stock will be consumed over the next five years, which broadly aligns with recent construction trends.

***Note that since the preparation of this report, Amendment C69 to the City of Warrnambool Planning Scheme was approved; which rezoned around 250 hectares of land referred to as 'North of the Merri River Structure Plan', to a Residential 1 Zone. This provides additional zoned land with the potential of 2,100 lots, or around 9 to 10 years supply.**

8.0 RESIDENTIAL TABLES

Table 5: Minor Infill Lot Construction Activity, 2005-06 to 2010-11

SLA/Suburb/LGA	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	Average Lots Constructed
Warrnambool (C)	**23**	**15**	**86**	**50**	**96**	**40**	**52**
Allansford	0	0	6	4	2	5	**3**
Dennington	1	0	1	0	2	0	**0.7**
Warrnambool	22	15	79	46	92	35	**48**
Warrnambool LGA	**23**	**15**	**86**	**50**	**96**	**40**	**52**

Source: Spatial Economics Pty Ltd and Department of Planning and Community Development 2011

Table 6: Parent Lot Size of Minor Infill Lot Construction, 2005-06 to 2010-11

	Parent Lot Size Area Sqm					
SLA/Suburb/LGA	Less than 500sqm	500 to 800sqm	800 to 1,200sqm	1,200 to 2,000sqm	2,000 to 5,000sqm	5,000 to 10,000sqm
Warrnambool (C)	**5**	**74**	**85**	**66**	**62**	**18**
Allansford	0	0	2	2	9	4
Dennington	0	3	1	0	0	0
Warrnambool	5	71	82	64	53	14
Warrnambool LGA	**5**	**74**	**85**	**66**	**62**	**18**

Source: Spatial Economics Pty Ltd and Department of Planning and Community Development 2011

Table 7: Major Infill Lot Construction Activity, 2005-06 to 2010-11

	Lots/Dwellings Constructed						
SLA/Suburb/LGA	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	Average Lot Production
Warrnambool (C)	**44**	**0**	**18**	**61**	**0**	**0**	**21**
Allansford	0	0	0	0	0	0	**0**
Warrnambool	44	0	18	61	0	0	**21**
Warrnambool LGA	**44**	**0**	**18**	**61**	**0**	**0**	**21**

Source: Spatial Economics Pty Ltd and Department of Planning and Community Development 2011

Table 8: Broadhectare Lot Construction Activity, 2005-06 to 2010-11

SLA/Suburb/LGA	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	Average Lot Production
Warrnambool (C)	**172**	**105**	**219**	**107**	**528**	**46**	**196**
Allansford	6	0	0	0	0	0	**1**
Dennington	0	21	10	41	0	46	**20**
Warrnambool	166	84	209	66	528	0	**176**
Warrnambool LGA	**172**	**105**	**219**	**107**	**528**	**46**	**196**

Source: Spatial Economics Pty Ltd and Department of Planning and Community Development 2011

Table 9: Low Density Residential Lot Construction Activity, 2005-06 to 2010-11

SLA/Suburb/LGA	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	Total Lots Constructed
Warrnambool (C)	**0**	**0**	**0**	**0**	**1**	**2**	**3**
Allansford	0	0	0	0	0	2	**2**
Bushfield	0	0	0	0	1	0	**1**
Warrnambool LGA	**0**	**0**	**0**	**0**	**1**	**2**	**3**

Source: Spatial Economics Pty Ltd and Department of Planning and Community Development 2011

Table 10: Rural Living Lot Construction Activity, 2005-06 to 2010-11

SLA/Suburb/LGA	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	Total Lots Constructed
Warrnambool (C)	**0**	**0**	**13**	**29**	**37**	**0**	**79**
Bushfield	0	0	0	5	1	0	**6**
Warrnambool	0	0	0	2	0	0	**2**
Woodford (Vic.)	0	0	13	22	36	0	**71**
Warrnambool LGA	**0**	**0**	**13**	**29**	**37**	**0**	**79**

Source: Spatial Economics Pty Ltd and Department of Planning and Community Development 2011

Table 11: Minor Infill (vacant lots) Supply by Lot Size Cohort, Dec 2010

SLA/Suburb/LGA	Less than 500sqm	500 to 800sqm	800 to 1,200sqm	1,200 to 2,000sqm	2,000 to 5,000sqm	5,000 to 10,000sqm	Total Lots
Warrnambool (C)	**86**	**341**	**129**	**39**	**24**	**9**	**628**
Warrnambool	86	341	129	39	24	9	**628**
Warrnambool LGA	**86**	**341**	**129**	**39**	**24**	**9**	**628**

Source: Spatial Economics Pty Ltd and Department of Planning and Community Development 2011

Table 12: Major Infill Lot Potential and Anticipated Development Timing (lots), 2011

	Development Timing (lots/dwellings)				Total Lot/ Dwelling Potential
SLA/Suburb/LGA	1-2 years	3-5 years	6-10 years	11+ years	
Warrnambool (C)	**39**	**123**	**48**	**0**	**210**
Allansford	0	0	48	0	**48**
Warrnambool	39	123	0	0	**162**
Warrnambool LGA	**39**	**123**	**48**	**0**	**210**

Source: Spatial Economics Pty Ltd and Department of Planning and Community Development 2011

Table 13: Broadhectare Lot Potential and Anticipated Development Timing (lots), 2011

SLA/Suburb/LGA	Development Timing (Lots)			Total Zoned Lot Potential	Future Residential (Unzoned)	Total Lot Stock
	1-2 years	3-5 years	6-10 years			
Warrnambool (C)	**603**	**328**	**94**	**1,025**	**4,325**	**5,350**
Dennington	52	0	0	52	0	**52**
Warrnambool	551	328	94	973	4,325	**5,298**
Warrnambool LGA	**603**	**328**	**94**	**1,025**	**4,325**	**5,350**

Source: Spatial Economics Pty Ltd and Department of Planning and Community Development 2011

Note: The no timing status identifies potential broadhectare land stocks but do not attempt to estimate potential yield and development timing. This potential is primarily is located in low demand areas where there has been historically minimal to no subdivision activity.

Table 14(a): Occupied and Vacant Low Density Residential Zoned Lot Numbers, 2010

SLA/Suburb/LGA	Vacant	Occupied	Vacancy Rate (%)	Total Lots
Warrnambool (C)	**52**	**144**	**27%**	**196**
Allansford	18	29	38%	**47**
Bushfield	5	63	7%	**68**
Warrnambool	8	13	38%	**21**
Woodford	21	39	35%	**60**
Warrnambool LGA	**52**	**144**	**27%**	**196**

Source: Spatial Economics Pty Ltd and Department of Planning and Community Development 2011

Table 14(b): Occupied and Vacant Rural Living Zoned Lot Numbers, 2010

SLA/Suburb/LGA	Vacant	Occupied	Vacancy Rate (%)	Total Lots
Warrnambool (C)	**121**	**328**	**27%**	**449**
Allansford	18	27	40%	**45**
Bushfield	11	82	12%	**93**
Warrnambool	33	174	16%	**207**
Woodford	59	45	57%	**104**
Warrnambool LGA	**121**	**328**	**27%**	**449**

Source: Spatial Economics Pty Ltd and Department of Planning and Community Development 2011

Table 15(a): Estimated and Projected Population, 2010 to 2026

SLA /LGA	Estimated Resident Population				
	2010	2011	2016	2021	2026
Warrnambool LGA	33,922	34,454	36,988	39,416	41,740

Source: Department of Planning and Community Development Victoria in Future 2012

Table 15(b): Estimated and Projected Number of Dwellings, 2010 to 2026

SLA /LGA	Structural Private Dwellings				
	2010	2011	2016	2021	2026
Warrnambool LGA	13,735	14,008	15,413	16,851	18,262

Source: Department of Planning and Community Development Victoria in Future 2012

Table 15(c): Projected Average Annual Change in the Number of Persons and Dwellings, 2011 to 2026

SLA /LGA	Estimated Resident Population				Structural Private Dwellings			
	2011 to 2016	2016 to 2021	2021 to 2026	2011 to 2026	2011 to 2016	2016 to 2021	2021 to 2026	2011 to 2026
Warrnambool LGA	507	486	465	486	281	288	282	284

Source: Department of Planning and Community Development Victoria in Future 2012

Table 15(d): Projected Average Annual Percentage Change in the Number of Persons and Dwellings, 2011 to 2026

SLA /LGA	Estimated Resident Population				Structural Private Dwellings			
	2011 to 2016	2016 to 2021	2021 to 2026	2011 to 2026	2011 to 2016	2016 to 2021	2021 to 2026	2011 to 2026
Warrnambool LGA	1.4%	1.3%	1.2%	1.3%	1.9%	1.8%	1.6%	1.8%

Source: Department of Planning and Community Development Victoria in Future 2012

LOCATION OF SUBURBS AND STATISTICAL LOCAL AREAS – WANGARATTA

GLOSSARY OF TERMS

BROADHECTARE LAND

Undeveloped land generally located on the urban fringe, zoned for residential development (no previous urban development activity), and the parent lot greater than 1ha.

CONSTRUCTED LOT

For the purposes of the Urban Development Program, a lot is created when land has been subdivided ('constructed') whether or not a separate title has been issued.

DWELLING

A building used as a self-contained residence, may include house, apartment, student accommodation, retirement or aged care facilities or a mobile dwelling such as a caravan.

FUTURE RESIDENTIAL LAND

Land identified by the relevant municipal authority for future residential development and current zoning not supportive of 'normal' residential development. Land which is has an 'Urban Growth Zone' applied, and a precinct structure plan has not yet been approved, falls into this category.

LOCAL GOVERNMENT AREA (LGA)

A geographical area that is administered by a local council.

LOT

For the purposes of the Urban Development Program, a lot is created when land has been subdivided ('constructed') whether or not a separate title has been issued.

MAJOR INFILL

Undeveloped land within the existing urban area, zoned for residential development, and parent lot or existing lot greater than 1ha. Major infill projects include residential redevelopment projects that are proposed to be converted or redeveloped for residential purposes and that will yield 10 or more dwellings.

MAPSONLINE

An interactive online program that gives users the ability to search for specific projects, generate reports, and print or download maps and statistical reports. It also allows the user to search for specific land supply areas by region or LGA, estate name, Melway reference, street address or lot number, and contains mapping and statistical information sourced through the Urban Development Program. Registered users can also make site-specific feedback on-line.

MINOR INFILL

Undeveloped land within the existing urban area, zoned for residential development, and parent lot or existing lot less one hectare. This includes vacant residential lots.

NON-URBAN LAND

Land zoned Low Density Residential (LDRZ) or Rural Living (RLZ).

PRECINCT STRUCTURE PLANS

In the Urban Growth Zone (UGZ), the precinct structure plan (PSP) is the key document that triggers the conversion of non-urban land into urban land. A precinct structure plan is a long-term strategic plan that describes how a precinct or a series of sites will be developed.

SUBURB (AUSTRALIAN BUREAU OF STATISTICS)

This is a census-specific area where Collection Districts are aggregated to approximate suburbs.

STATISTICAL LOCAL AREA (SLA)

A geographical area created by the Australian Bureau of Statistics for statistical purposes. Victoria is divided into 200 SLAs. SLAs may be the same as an LGA or in most cases several SLAs aggregate to form LGAs.