

HOBART

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H. Clement, B. SURV. (Tas.), M.SSSI (Director)
M.S.G. Denholm, B. GEOM. (Tas.), M.SSSI (Director)
T.W. Walter, Dip. Surv & Map; (Director)
D. Panton, B.E. F.I.E. AUST., C.P.ENG. (Consultant)
A. Collins, Ad. Dip. Surv & Map, (Senior Associate)
L.H. Kiely, Ad. Dip. Civil Eng, Cert IV I.T., (Associate)
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KINGSTON

A.P. (Lex) McIndoe, B. SURV. (Tas.), M.SSSI. (Director)

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J.W. Dent, OAM, B. SURV. (Tas.), M.SSSI. (Director)
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BURNIE/DEVONPORT

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Our Ref: V975UH

Your Ref: Doc/21/53191

26 May 2021

Tasmanian Planning Commission

Via email: tpc@planning.tas.gov.au

Attention: Karen Fyfe – Planning Advisor

Dear Karen

Re: Huon Valley Interim Planning Scheme 2015 - Draft amendment PSA -2-2017 and permit SUB-36-2017

Thank you for your correspondence dated 12 May 2021, which included the invitation to provide additional information via submission.

While it is recognised that land supply and demand analysis is traditionally based on market research, population estimates and trends, upon reviewing some of the collated data, I thought it would be beneficial to provide the panel with current evidence related to real time land demand (sales, enquiries and waiting list information) for residential land in Cygnet.

The supporting documentation submitted as part of this submission includes two letters provided by property consultants Nick Bond of Harcourt's Huon Valley and Mark Direen of First National Kingston

Of particular note, I bring to your attention the following statements provided within those letters:

Nick Bond: Harcourts Huon Valley

" We are about to release the last remaining approved residential lots in the Cygnet township of a small development on Thorpe Street that we already have a list of 22 registered buyers wanting lots and only 11 lots to sell and we have not begun any marketing for the site yet"

" A recent subdivision in Huonville that we released in December sold out in 5 weeks off the plan with 27 lots selling in a time that would usually be around 6 to 12 months due to the lack of available land South of Hobart due to Kingston, Margate, Snug, and Ranelagh residential zoned land almost all been exhausted. The pressures on Huonville and Cygnet are going to be at an all-time high for the next decade."

OFFICES ALSO AT:

- | | | | |
|--|----------------|------------------------------------|----------------|
| • 6 Freeman Street, Kingston, 7050 | (03) 6229 2131 | • 16 Emu Bay Road, Deloraine, 7304 | (03) 6362 2993 |
| • 10/16 Main Street, Huonville, 7109 | (03) 6264 1277 | • 6 Queen Street, Burnie, 7320 | (03) 6431 4400 |
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| • 3/23 Brisbane Street, Launceston, 7250 | (03) 6331 4099 | | |

Mark Direen: First National, Kingston

"We are writing to you today to inform you that we have been dealing with in excess of 20 potential purchasers so far, who all have expressed interest in purchasing within your proposed estate development."

In addition to these statements provided by property sales professionals, our client has physically conducted the following site inspections (24/25 of May 21) of the last four subdivisions released in Cygnet and provides the following data:

Dorgans Court comprising 29 lots (all sold), 2 remain undeveloped.

Devereaux Court comprising 19 lots (8 sold and developed – and 8 are retained by owner and not available for sale.)

Lourdes Rise comprising 27 lots (all sold), 3 remain undeveloped.

Dances Road comprising 8 lots (all sold). 4 remain undeveloped.

We are currently seeing an unprecedented level of housing stress throughout the State, which is particularly concentrated in the South, related to the settlement pattern of 50% of the State's population. The Southern Regional Land Use Strategy (RLUS) indicates at SRD 2.7 that the distribution of residential infill growth across existing urban areas is concentrated in the Local Government Areas of Glenorchy, Hobart, Clarence, Brighton and Kingston and at SRD 2.3 greenfield land is identified to be provided again within those same LGA's.

However, the current median property price in Hobart, including those surrounding LGA's, is \$782,500, whereas the median prices for regional Tasmania are \$358,415 (www.realestate.com.au data analysis tool - extracted 26/5/21).

Due to unforeseen and unprecedented demand leading to price increases in property (dwellings and land) since the RLUS were drafted, it is not unreasonable to state that SRD 2.3 and SRD 2.7 are now potentially in conflict with SRD 2.11, which requires that residential land supply considers affordability and locational options.

With the information provided by professional property consultants, we can demonstrate that there is increasing demand for land in Cygnet due to affordable pricing, desirable lifestyle choices and access to growing flexible working options. As land-use planners, we urgently need to re-evaluate the hypothesis used to formulate the RLUS so as not to stifle much needed affordable housing options, which, demonstrated in this application, can be developed in a sustainable and serviceable manner.

We would ask that the panel consider this additional information when reviewing the supply and demand component of the application.

Yours faithfully



Justine Brooks
Senior Planning Consultant
MEnvPlg MPIA

26 May 2021

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Harcourts

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Dear Hugh

The current supply of land in the Cygnet and general Huon Valley market is at all time lows right now while purchaser demand is high.

We are about to release the last remaining approved residential lots in the Cygnet township of a small development on Thorpe Street that we already have a list of 22 registered buyers wanting lots and only 11 lots to sell and we have not yet begun any marketing for the site.

Cygnet has now ranked the highest searched suburb every month for over a decade in the Huon Valley and Channel region and is one of the most searched regional towns in Tasmania.

On our search data from Domain.com.au and Realestate.com.au we see higher demand from NSW buyers for Cygnet than other areas.

Cygnet has seen a 50% to 70% interstate purchaser percentage for the past decade and as the popularity of the township grows the challenges of the moderate growth selected for Cygnet in the southern land use strategy is likely to put upward pressure on prices in Cygnet compared to other areas south of Hobart due to the increased demand and lack of supply.

Examples of this are the Thorp Street subdivision where we are looking at prices \$50,000 per lot higher than 10 months ago.

Recently a block of land sold for \$250,000 in Devereaux Court that would have had a fair market value of \$175,000 due to no land being available to purchase. While this is an extreme example, the frustration in the market is becoming difficult for buyers in the market.

With most of the remaining supply of residential zoned land owned by the council and church groups the likely use of these titles will be higher density unit or nursing home type developments while the demand for residential subdivision land is continuing to grow.

Due to the type of demographic attracted to Cygnet, a more environmentally friendly subdivision design could be considered by council with more trees and gravel pathways would be in even higher demand than traditional concrete paving and no trees preferred by the local council.

A recent subdivision in Huonville that we released in December sold out in 5 weeks off the plan with 27 lots selling in a time that would usually be around 6 to 12 months due to the lack of available land south of Hobart due to the Kingston, Margate, Snug and Ranelagh residential zoned land almost all been exhausted. The pressures on Huonville and Cygnet are going to be at all time highs for the next decade.

In the next 12 months we are expecting less than 30 of the DA approved blocks of land to come to market in the Huon Valley mainly due to the workload of engineering firms and delays in road design along with time to approve and RFI from councils. The time frame has more than doubled in recent years meaning the government needs to have double the amount of residential land available to be developed to allow normal supply levels.

The bulk of the land supply for the Huon Valley is in one subdivision at the moment which has been held up by funded pipeline and bypass projects that are likely to continue holding up that development again putting pressure on all of the other sites, townships and prices.

The heightened global demand for regional markets is continuing to grow from the COVID-19 outbreak and as demographers are predicting more demand for urban single dwelling homes, pressure on regional markets is likely to continue growing until solutions for highrise living with issues such as lifts and air conditioning. This may see the land reserved in particular purpose zones need to be re-zoned general residential now with the interim planning scheme still in place and the new scheme not being implemented.

As most towns and cities grow, the bayside locations have higher demand and develop faster than areas away from the water. In Cygnet this is the same where we have many buyers wanting to live along the Esplanade and Lymington Road to the Yacht club where walking access to the town and access to the bay are available.

Yours sincerely



Nick Bond

Owner/Property Consultant

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25th May 2021

Dear Mr Rowe,

We are writing to you today to inform you that we have been dealing with in excess of 20 potential purchasers so far, who have all expressed interest in purchasing within your proposed estate development.

I believe that once civil works commenced on your property and, with the appropriate marketing, we would be overwhelmed with interest and feel there would be many contracts/offers made subject to the issue of title. Given the fact that there is little to no land available in the local vicinity for the two main target demographics.

1. Young families wishing to remain within the area where they grew up with family and friends close by, wanting to raise their children and contribute to the local community of which they are already a part. Many of this age group are tradespeople, highly in demand in the local area.
2. The second main target demographic will be the older generation needing to downsize but have currently held off on this decision based on the severe housing shortage in their preferred position, near family and in the location in which they have spent much of their lives.

These demographics will very strongly support the local shops/cafés, the schools and service providers. It is our opinion that this land release will contribute to not only providing much needed essential housing for the community but it will enable the release of the big family homes on larger properties that are currently occupied by retired couples, no longer in a position to put this valuable resource land to its highest and best use.

Please feel free to contact us at any time if we can assist in this matter further.

Kind regards,

Jamie Bantick

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Mark Direen

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