From: "Phil Gartrell" <phil@ireneinc.com.au>
Sent: Fri, 20 May 2022 15:22:12 +1000
To: "Huon Valley Council" <hvc@huonvalley.tas.gov.au>
Subject: Representation - Huon Valley Draft LPS
Attachments: Representation - Lot 500, Huonville.pdf

Good afternoon,

Please see attached revised submission on behalf of our client Mr. Miller, for is property at Lot 500 Main Street, Huonville.

Phil Gartrell
Senior Planner
ireneinc PLANNING & URBAN DESIGN
49 Tasma Street
North Hobart TAS 7001
Tel 044-888-5997
Office 6234-9281
Email phil@ireneinc.com.au
Web www.ireneinc.com.au

ireneinc

PLANNING & URBAN DESIGN

28th April 2022

Mr. Browne
General Manager - Huon Valley Council
40 MAIN STREET, HUONVILLE
TAS, 7109

Dear Mr. Browne

REPRESENTATION – LOT 500, MAIN STREET - HOUNVILLE

Ireneinc Planning & Urban Design have been engaged to prepare a representation to the Tasmanian Planning Scheme - Huon Valley Draft Local Provisions Schedules, in relation to the property identified as Lot 500 Main Street, Huonville.

The intent of this submission is to request that the property be considered for rezoning to General Residential.

SITE AND SURROUNDS

The site is located at Main Street, Huonville (now accessed via Ashy Way) and comprises of the following title:

- CT 178529/500

The site is primarily zoned Particular Purpose – Urban Growth, with a small area on the north-western boundary zoned General Residential. The site is set to transition to the Future Urban zone under the Draft Huon Valley Local Provisions Schedules.

The surrounding area is comprised of a number of different zones. The immediately adjoining land to the north-west and south-west is zoned a mix of General Residential and Particular Purpose – Urban Growth.

The site currently comprises a single title with a site area of approximately 9.4ha. The site is largely vacant, except for a cul-de-sac which extends into the site from the immediately adjoining residential area to the north-west, which has been subdivided and recently constructed.

It is noted that the site directly adjoins existing Significant Agricultural zoned land to the north-west, which supports existing agricultural operations. However, it is also clear that relateively recent subidvisions have occurred on the immediately adjoining site to the north-west, which also shares a common boundary with the agricultural land to the north-east.

smithstreetstudio | ireneinc
49 Tasma St, North Hobart, TAS 7000
Tel (03) 6234 9281
Fax (03) 6231 4727
Mob 0418 346 283
Email planning@ireneinc.com.au
ABN 78 114 905 074

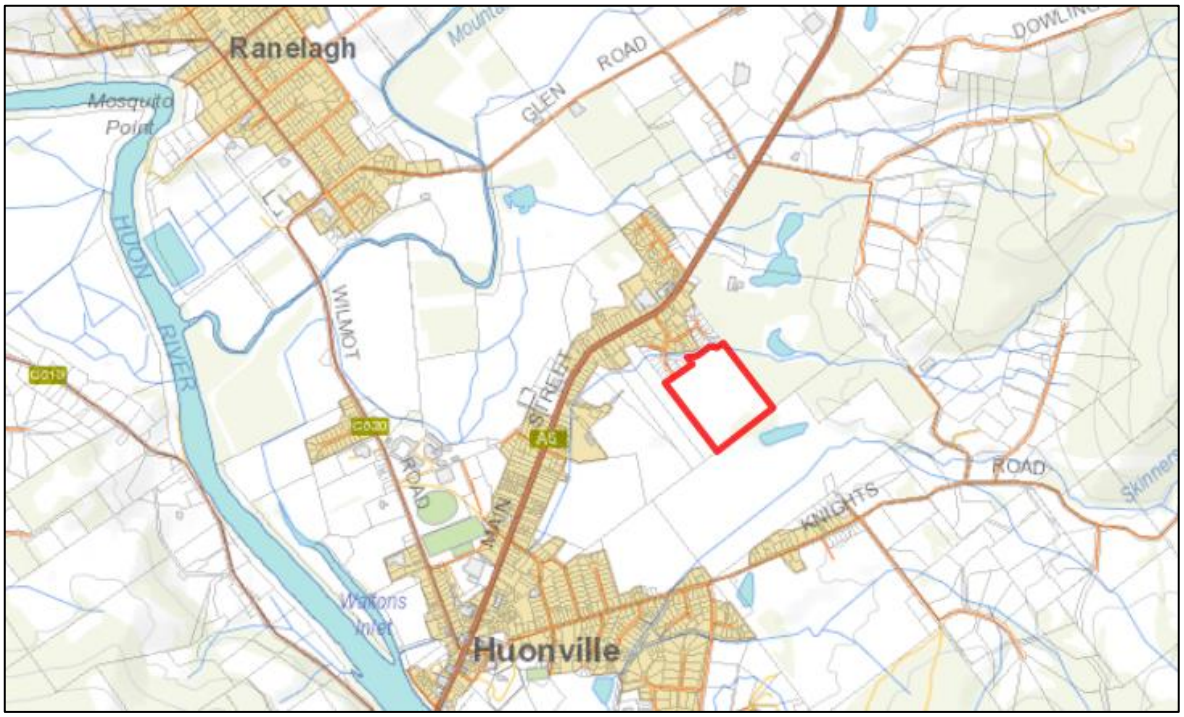


Figure 1: Site location (source: www.thelist.tas.gov.au © the State Government of Tasmania)

Given the ongoing feasibility studies regarding the highway bypass, which is earmarked to run along the north-eastern boundary of the site, it is anticipated that if this were to go ahead, it would provide an appropriate buffer from the orchard on the adjoining property to the north-east.

CODES AND OVERLAYS

NATURAL ASSETS CODE

This code applies to the site and includes consideration of natural values and waterway protection – as illustrated in the following figure.

Figure 2: Extent of the waterway and coastal protection area overlay (blue) and priority vegetation area (green) across the site (source: www.thelist.tas.gov.au © the State Government of Tasmania)

The extent of the overlay to the north, which cuts across the northern corner of the site has been managed through existing drainage channels provided through the subdivision on the adjacent property to the north.

With regard to the priority vegetation, TASVEG mapping indicates there are areas containing Eucalyptus Obliqua forest. These areas do not encompass a large area and it may be possible for some of that vegetation to be retained as part of subsequent staged subdivisions.

EXISTING ZONING

The site currently falls within the Particular Purpose – Urban Growth Zone under the Huon Valley Interim Planning Scheme 2015.

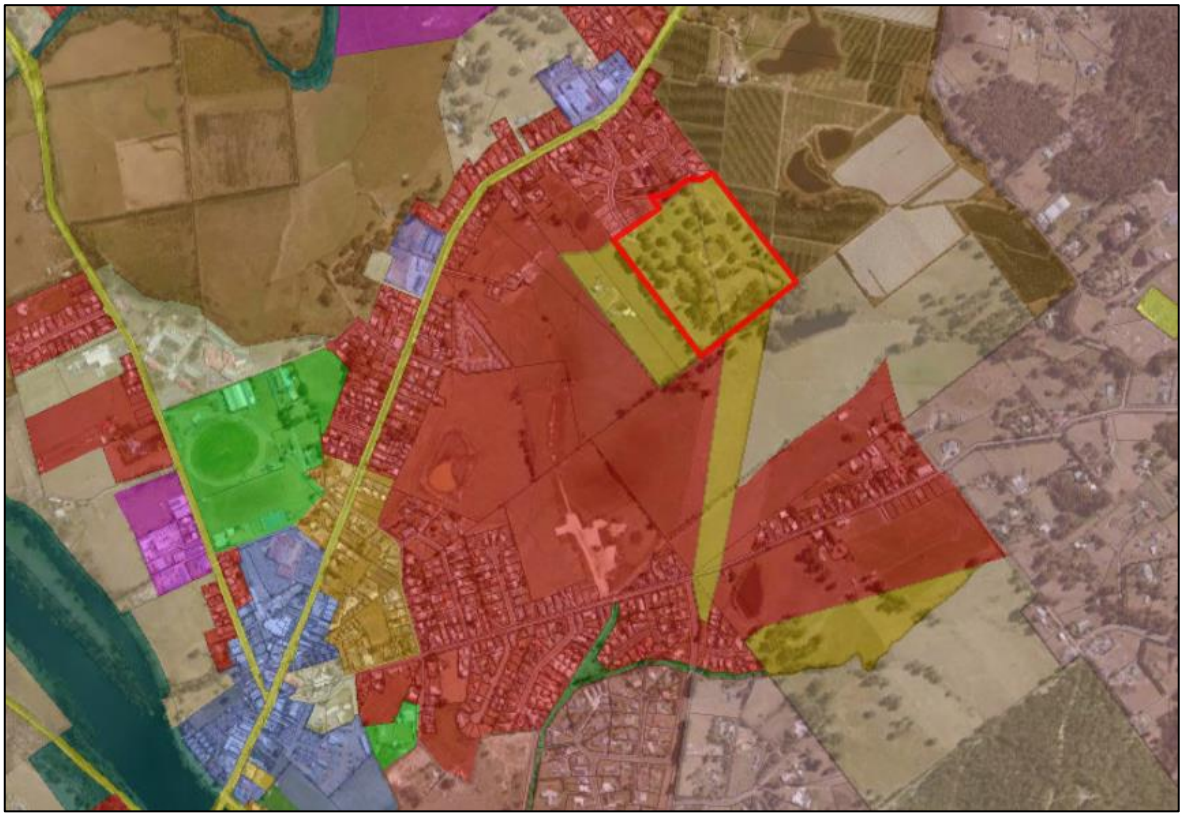


Figure 3: Site zoning and surrounds (source: www.thelist.tas.gov.au © the State Government of Tasmania)

The site has been earmarked for further residential growth for quite some time, with previous subdivisions having occurred immediately adjoining the site.

Whilst there is a substantial amount of general residential land within the locality, up-take rates vary substantially, and according to the Huon Valley Draft LPS Supporting Report, some landowners are not interested or willing to allow further subdivision of their land to meet supply.

It is recongised that two adjoining properties to the south-west at 174 and 164 Main Road are also within the Urban Growth Zone. However, it is not known whether these landowners are also seeking rezoning – although a brief analysis of those properties indicate that the narrow nature of those lots would limit their subdivision potential in terms of allowing sufficient room for vehicle access and future road connections.

ZONING UNDER THE DRAFT LPS

Under the Huon Valley Draft LPS, the site is earmarked for Future Urban Zoning, which is a partial translation from the existing Particular Purpose – Urban Growth Zone.

INTENDED ZONING

To enable residential subdivision of the site, a change from the proposed Future Urban zoning to General Residential is requested, to facilitate future subdivision and provide additional residential lots given demonstrated demand and lack of supply.

STRATEGIC ANALYSIS

As specified under Section 34(e), any amendment must address the requirements of the Regional Land Use Strategy, which in this case is the Southern Tasmanian Regional Land Use Strategy (STRLUS). A brief overview of the STRLUS is detailed below.

SOUTHERN TASMANIA REGIONAL LAND USE STRATEGY

The STRLUS is a high-level strategic document providing objectives and regional policies to guide use and development in Southern Tasmania. It is a requirement of the *Land Use Planning and Approvals Act 1993*, that amendments demonstrate consistency with relevant state or regional policies contained within the STRLUS.

The following is in response to relevant strategic directions.

> ***13.3 Land Use and Transportation Integration***
>
> > ***LUTI 1.4** – Consolidate residential development outside of Greater Hobart into key settlements where the daily and weekly needs of residents are met.*[1]

Under the Activity Centre Hierarchy, Huonville is described as a Rural Services Centre. The role of which is to:

> *To provide predominantly nonurban communities with a range of goods and services to meet their daily and weekly needs. Trips to larger Primary and Principal Activity Centres only required occasionally.*[2]

The site is within close proximity to these services and directly adjoins areas already developed for residential.

> ***19.1 Settlement and Residential Development***

With respect growth strategies and growth senarios, Huonville is also considered a Major District Centre, for which the growth strategy identified within the STRLUS is *High*, whilst the growth scenario is *mixed*, allowing for a 20% – 30% increase in the number of potential dwellings. The mixed growth scenario indicates that residential growth should come from newly zoned and/or infill properties – allowing consideration for expansions to the residential zones.

Notwithstanding the above, the STRLUS growth scenarios do not reflect the substantial increase in demand for housing, particularly over the last 5 years. As a result, there has been a demonstrated need to re-evaluate the provision of future residential land.

[1] STRLUS 2010-2035 (amended 2021, p: A-15)
[2] STRLUS 2010-2035 (amended 2021, p: 77-78)

This has been acknowledged recently, with the Minister for Planning issuing an intent to provide avenues for existing urban growth boundaries to be modified within the Greater Hobart extent (provided certain criteria can be met).

This is supported by the accompanying Huonville Residential Supply and Demand Analysis prepared by SGS Economics, which indicates that the demand for housing is outpacing forecast growth senarios. This will be detailed further in the following sections.

In addition, Huon Valley Council has sought support for a planning scheme amendment, to allow greater flexibility in rezoning land for residential purposes, in the absence of a review of the STRLUS.

Whilst Huonville doesn't form part of Greater Hobart, there are still some parallels which can be drawn out of the regional policies that are relevant for residential growth across Southern Tasmanian as a whole.

For example, the STRLUS outlines the following regional policies:

> ***SRD 2** - Manage residential growth for Greater Hobart on a whole of settlement basis and in a manner that balances the needs for greater sustainability, housing choice and affordability.*
>
> > ***SRD 2.8** - Aim for the residential zones in the planning scheme to encompass a 10 to 15 year supply of greenfield residential land when calculated on a whole of settlement basis for Greater Hobart.*

The key point within SRD 2, is affordability. It is clear that over the last 5 years, housing demand has skyrocketed along with costs. It is now very difficult to find land and housing within Greater Hobart that is affordable, which is pushing many people out into more suburban areas and rural centres.

As will be outlined further in this report, the demand for housing and land, along with the inflated market, requires additional residential land to be provided in areas where it is more affordable. The proposed rezoning of the land at Lot 500 Main Street will assist in catering for this demand and requirement, which will provide greater housing choice and affordability within the close proximity to existing services, facilities and infrastructure.

The site is also in close proximity to a future road corridor, which if developed, will provide an alternative link to the eastern side of Huonville and have the potential to serve as a buffer from the existing orchard on the adjoining property to the north.

This would serve to reduce any potential conflicts between the existing agricultural operations on the adjoining property – notwithstanding the fact that the adjoining land to the north-west has already been rezoned to General Residential and developed, whilst having the same proximity to the agricultural operations.

Generally, residential growth in areas outside of the UGB are managed at a more local level, through municipal level settlement strategies, such as the Huon Valley Land Use & Development Strategy, which will be addressed below.

HUONVILLE LAND USE & DEVELOPMENT STRATEGY

The Land Use and Development Strategy is relatively outdated now, having been prepared in 2014. It does not identify the subject site as being within the urban growth boundary, however it is

significant to note that the immediately adjoining land to the north-west is also not included, but nonetheless, has been zoned General Residential and has been recently subdivided.

There are also other instances where additional land has been rezoned to General Residential outside of the urban growth boundary illustrated within the strategy.

HUONVILLE RANELAGH STRUCTURE PLAN

The Structure Plan was prepared in 2012 and specifically identifies that the site at Lot 500, Main Street should be zone General Residential, as illustrated below:

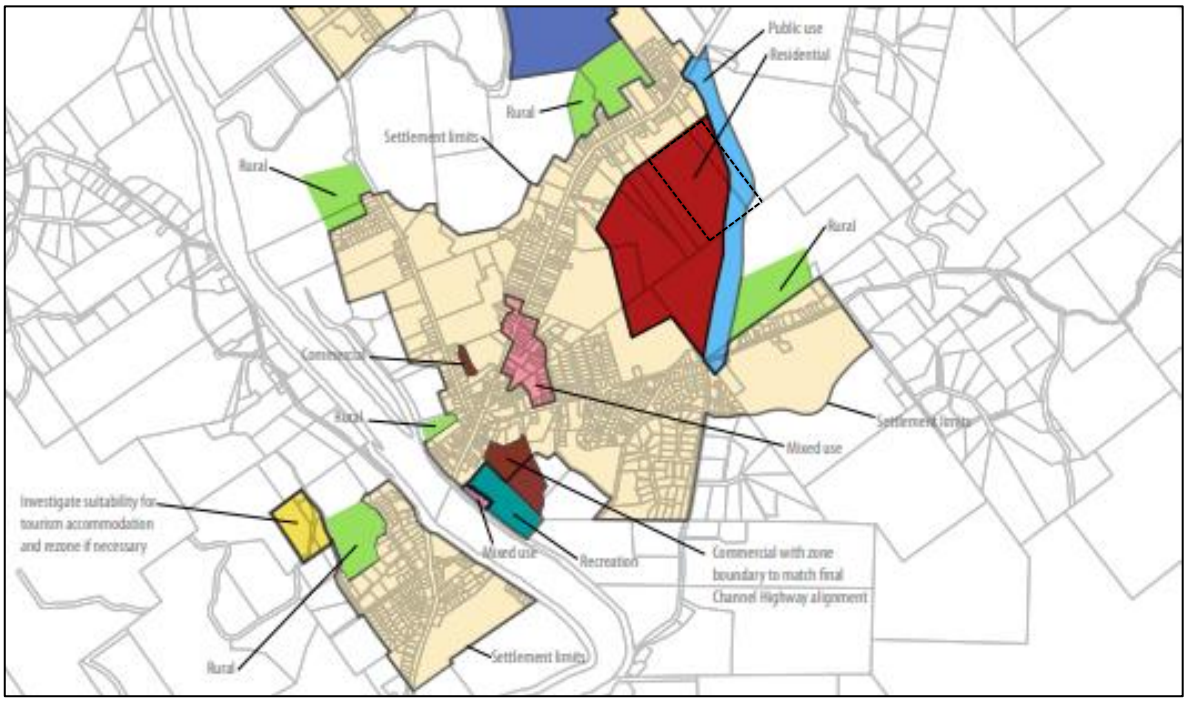


Figure 4: Extract from the Structure Plan – subject site in black (source: Huonville Ranelagh Structure Plan 2012, p 57).

Whilst the Structure Plan is also relatively outdated, additional more up-to-date documents have been prepared which continue to support the need for additional residential land.

HUONVILLE / RANELAGH MASTERPLAN

The Masterplan was amended in 2019 and acknowledges potential bottlenecks in land release due to limited ownership, which affects the release of land. In addition, the Masterplan states that many areas identified for future growth are not serviced or require access upgrades, which also makes the release of land problematic.

However, the site at Lot 500 Main Street directly adjoins a moderate/large subdivision which is serviced and is owned by our client, who wishes to rezone the land to allow for further subdivision. The Masterplan also acknowledges that supply/demand for housing in Greater Hobart is pushing people further out into more regional areas looking for more affordable housing – which may affect growth strategies and the amount of available land.

The masterplan states that:

> *The Particular Purpose Zone Urban Growth Zone should remain, noting that this is an appropriate location for future residential growth. The future rezoning of this land to allow for development should not occur until it is required to provide for a 15-year residential land supply. The supply includes all land that is zoned for residential purposes.*

The Masterplan recongises that the site is suitable for residential purposes when demand requires a further release of residential land. It is clear that there are substantial bottlenecks which are inhibiting the release of residential land to meet demand (in both the Residential Supply/Demand Analysis and the Draft LPS Supporting Report).

Therefore, the site should be considered for rezoning – to provide additional supply which can be subdivided in stages, to manage the use/development of the land.

HUONVILLE RESIDENTIAL SUPPLY AND DEMAND ANALYSIS – SGS 2022

The accompanying SGS report states that:

> *Assuming 80% of housing demand in the Huon Valley is accommodated in Huonville, which is desirable from a sustainable planning perspective, demand for housing in Huonville is 996 and 1,151 over a fifteen year period.*[3]

The report provides a detailed assessment of housing capacity within Huonville, applying several different realisation rates.

The assessment indicates that up to 2026, the housing capacity for Huonville/Ranelagh is 96-176 dwellings. In the medium term, there is greater capacity due to greenfield sites. Notwithstanding, the analysis indicates that there is a short-term capacity shortfall to 2026.

As outlined in the report:

> *The current settlement pattern in the Huon Valley is low density. It is also known that the Huon Valley community appreciates their gardens. It is therefore likely that both low density development and low realisation rates for infill development persist. In addition, population growth may continue to track above the high scenario.*
>
> *On the other hand, due to high land value and high population growth patterns, there will be increased pressure to develop at higher density, while more property owners may be willing to subdivide and lose some of their gardens.*
>
> *In addition to this gap analysis, the ownership patterns of vacant residential land in Huonville needs to be considered. There are currently five large vacant land holdings by four owners that represent approximately 69 to 74% of total vacant capacity. The rational behaviour of landowners is to maximise returns by releasing land at a slow pace. Given the fact there are very few landowners, there is a significant likelihood that land release will not keep pace with actual demand.*

The SGS report goes on to further state that to optimise the residential market and support affordability, there is a need to start rezoning land identified for future residential use.[4]

With specific regard to existing/proposed land to be zoned Future Urban under the Draft LPS, the subject site at Lot 500, Main Street (off Ashy Way), represents approximately 9.2ha. The SGS report indicates that the rezoning of this site, along with three other properties currently earmarked for

[3] Huonville Residential Supply and Demand Analysis, *SGS Economics* (2022, p: 6)
[4] Huonville Residential Supply and Demand Analysis, *SGS Economics* (2022, p: 10)

Future Urban, will provide sufficient capacity to accommondate the demand for housing in the short and long term.

SUMMARY

The rezoning of the property at Lot 500, Main Street to General Residential would provide additional residential land to meet the growing demand (as outlined in the accompanying SGS Report) and mitigate the ongoing bottleneck caused by existing landowners with General Residential land, who are not willing to allow further subdivision.

The site has already been identified as suitable for residential zoning and directly adjoing a recent subdivision, accessed via Ash Way.

The site is also relatively free of any substantial hazard overlays, thereby substantially reducing risk to future development. Providing additional residential development within the subject site would also provide additional justification for the potential road bypass from Main Road onto Knights Road.

SGS Economics & Planning

HUONVILLE RESIDENTIAL CAPACITY AND DEMAND ANALYSIS

FINAL
08/04/2022

Prepared for
David Miller

Independent insight.

SGS Economics and Planning Pty Ltd
ACN 007 437 729
www.sgsep.com.au
Offices in Canberra, Hobart, Melbourne, Sydney

TABLE OF CONTENTS

LIST OF FIGURES

LIST OF TABLES

1. INTRODUCTION

This report assesses the demand for housing in the Huonville township against the supply of suitable residential land to understand the need for additional housing capacity. The key study area identified for this analysis is the Huonville – Franklin Statistical Area Level 2 (SA2) and the Huon Valley Local Government Area (LGA) – refer to Figures 2 and 3 for a visual reference of these areas. A range of other factors are also considered, including government policy, affordability, and household composition to draw conclusions on the suitability of expedited land release for dwellings in Huonville.

The report contains four chapters:

1. Documentation and results of housing demand modelling for Huonville
2. Estimation of capacity for new housing in Huonville (Huonville – Franklin SA2) and the Huon Valley LGA and assessment as to whether the proposed subdivision would respond to forecast demand
3. The strategic case for releasing more residential land
4. Findings and conclusion

Housing demand

SGS has calibrated its in-house housing demand model for the Huon Valley. The model includes the following inputs:

- Population projections age
- Household composition preference
- Housing type preferences (separate, semi-detached and apartment)

Housing capacity

SGS has reviewed vacant residential land supply and historic uptake data collected by David Miller. For each parcel of land identified as vacant and suitable for housing, SGS categorised it based on its likely timeframe to be development ready and available to the market.

Housing demand is then compared to housing capacity by timeframe to understand housing market alignment and identify potential gaps or surplus over time. Population forecasts are made based on the number and type of dwellings anticipated for the area and assumptions about future land supply.

Strategic alignment

Population forecasting for the Huonville – Franklin area is further strengthened through a review of key relevant strategic planning documents. As part of the housing demand and capacity analysis, SGS has reviewed the Southern Tasmania Regional Land Use Strategy, the Huon Valley Land Use and Development Strategy and the Huonville-Ranelagh Structure Plan. Further, SGS has used data from our award-winning Rental Affordability Index to comment on housing affordability in the study area.

The strategic document review and application of the Rental Affordability Index are used to evaluate whether the expedited release of land for housing in Huonville is supported by policy and trends.

Findings and recommendations

Conclusions and recommendations are drawn concerning the need for a planning amendment to rezone the subject land to enable residential subdivision.

2. HOUSING DEMAND

2.1 Introduction and purpose

An assessment of population and demographic trends has been undertaken to develop an understanding of the underlying forces which are driving population growth and demand for dwellings in the Huon Valley LGA and Huonville. Beyond population and housing projections, this section also considers typology and housing choice.

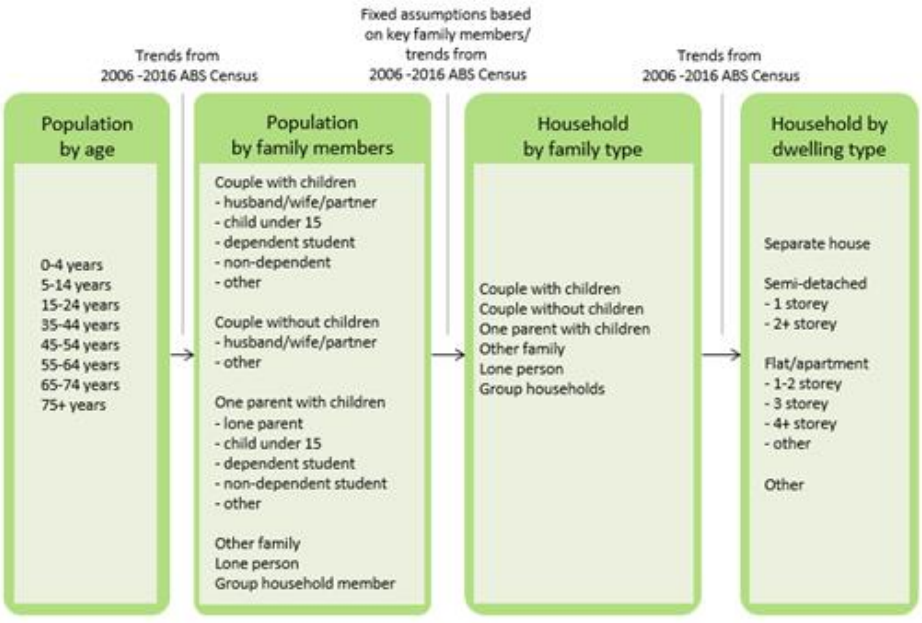
The purpose of the analysis is to forecast housing demand in Huonville to the year 2041.

2.2 Approach

The analysis in this section draws upon a range of datasets, mostly from the Australian Bureau of Statistics (ABS) census data and the Tasmanian Government Department of Treasury and Finance LGA population projections (2019). Inputs include population by age and family household composition. The datasets are key inputs into the modelling process to help determine the change in the number of households requiring housing in Huonville. These core demographic components combine to help understand the drivers for housing demand in Huonville presently and into the future.

SGS has applied its in-house and tested Housing Demand Model to forecast housing demand by number of dwellings, dwelling type and family household composition. The diagram of the model below shows the various outputs of the Housing Demand Model. Note that 'semi-detached' dwelling type refers to attached dwellings, terraces, and townhouses.

FIGURE 1: SGS HOUSING DEMAND MODEL METHOD



Source: SGS Economics and Planning

Demand for different dwelling types can shift throughout an individual's lifespan and is influenced by income levels, household composition and dwelling preferences. To that end, changing demographics and the changing relationship between household composition and

dwelling types will influence future housing choices. In regional areas like the Huon Valley, preferences regarding dwelling type are strongly skewed towards separate houses, but an assumption can be made that the ageing of the population will likely drive a slight increase in demand for units/flats/apartments.

The model's base scenario is formed by historically observed household and dwelling compositions in the LGA – generating a 'business as usual' forecast of the future if there are no major shifts in population/demographic trends or supply/capacity constraints.

The model is calibrated at the LGA level (proportions are taken from the LGA data and applied to the SA2 data) as this is the statistical level that population projections are made available from the Tasmanian Government's Department of Treasury and Finance (2019). In addition to demand in the LGA, a smaller area analysis is used to model localised demand in the Huonville-Franklin SA2. Using the outputs for the Huon Valley LGA, the housing demand for Huonville-Franklin SA2 was calculated with trends adjusted to reflect the on-the-ground experience.

2.3 Study area

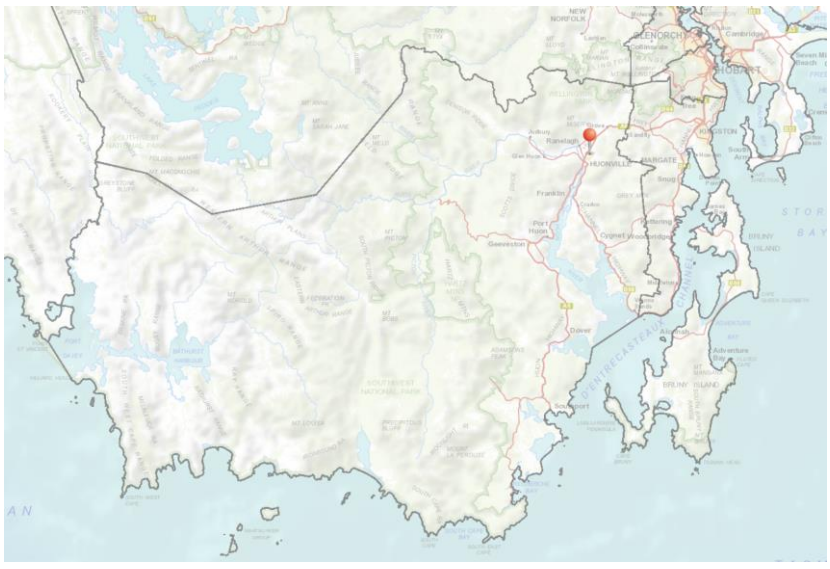
Huonville is the regional centre of the Huon Valley and provides for a range of higher end services as well as day-to-day services including a major supermarket, diverse retail outlets, commercial services, regional health services, library, government services, primary and secondary education, sports and recreation facilities. It is also the main population centre. Other smaller towns in the Huon Valley have limited residential growth capacity under current planning conditions and/or are outside of a commutable distance from Hobart. Franklin and Cygnet have limited growth capacity. Dover and small settlements south are generally too far to travel to Hobart on a regular basis. As a result, most projected demand for housing in the Huon Valley will need to be accommodated within Huonville[1] (note: in this report, Huonville is used interchangeably with the area defined as Huonville – Franklin SA2).

We have assessed the residential demand for the following statistical areas:

- Huonville – Franklin SA2 (as defined in the ABS geographic areas)
- Huon Valley LGA

Refer to the figures below for the maps of these statistical areas.

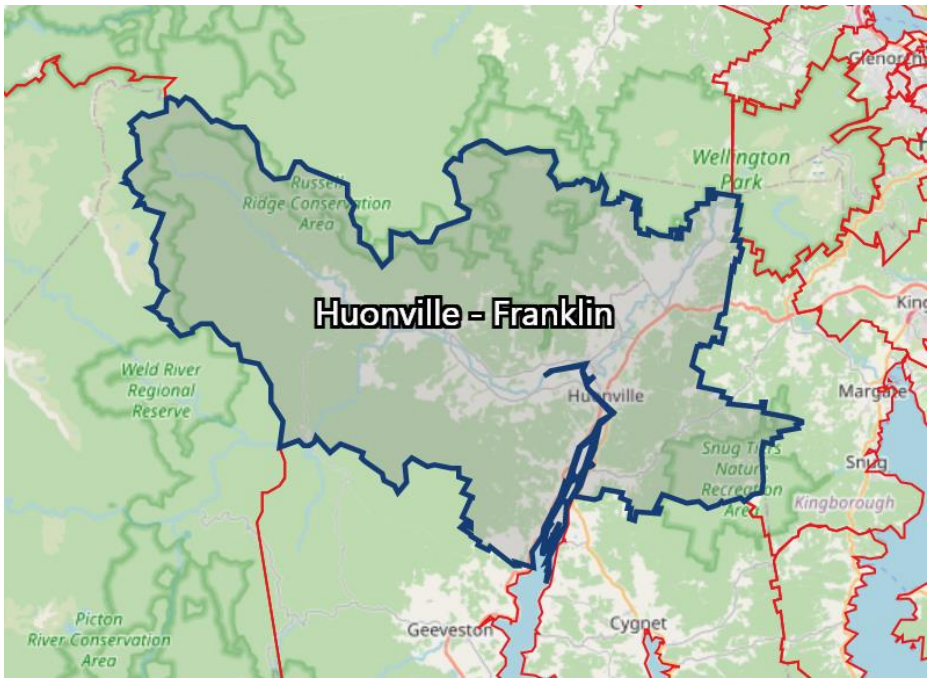
FIGURE 2: HUON VALLEY LGA BOUNDARY



Source: Tasmanian Government – Land Information System Tasmania (2021)

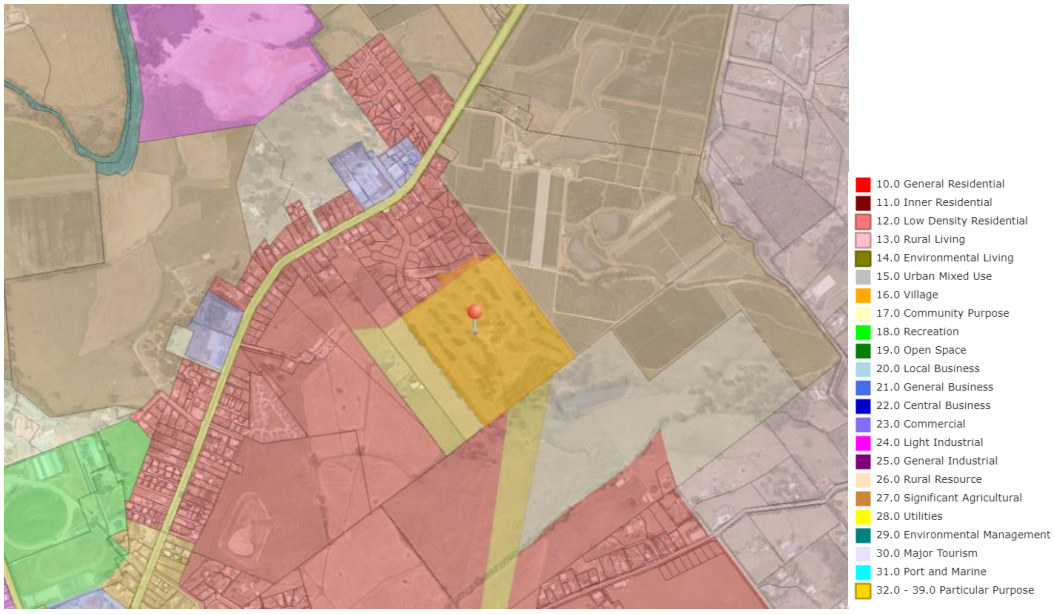
[1] Ranelagh is included in this definition.

FIGURE 3: HUONVILLE – FRANKLIN SA2 BOUNDARY



Source: ABS (2021)

FIGURE 4: AERIAL VIEW OF THE SUBJECT SITE WITH ZONING (TASMANIAN INTERIM PLANNING SCHEME)



Source: Tasmanian Government – Land Information System Tasmania (2021)

2.4 Population growth

The Tasmanian Department of Treasury and Finance (2019) has prepared population projections for Tasmania's Local Government Areas for a 25-year timeframe, between 2017 to 2042[2]. Table 1 below shows population projections for Huon Valley LGA and Huonville – Franklin SA2 region. The latter is based on the population at the 2016 census and the population growth rates for the Huon Valley LGA from the Tasmanian Government's projections.

The Tasmanian Government's projections have three series, based on different population growth assumptions - high, medium and low. The medium and high series are shown here.

TABLE 1: POPULATION GROWTH – COMPARISON OF DIFFERENT SERIES, LGA AND SA2

Statistical Area	Series	2016	2021	2026	2031	2036
Huon Valley LGA	High	16,199	17,957	19,128	20,220	21,189
	Medium	16,199	17,807	18,671	19,398	19,974
Huonville – Franklin SA2	High	8,310	9,082	9,572	10,011	10,377
	Medium	8,310	9,006	9,343	9,604	9,782

Source: SGS Economics and Planning 2021 using ABS (2021) SA2 and Tasmanian Government (2019) LGA census data

Table 2 shows the assumptions used by the Tasmanian Government to estimate the population projections by scenario. State level assumptions were disaggregated and applied at the LGA level.

TABLE 2: ASSUMPTIONS FOR POPULATION GROWTH SERIES (STATE LEVEL ASSUMPTIONS)

Series	Fertility (total fertility rate)	Mortality (life expectancy at birth)	Net Interstate Migration	Net Overseas Migration	Average annual growth rate (AAGR)
High	Increasing from 1.96 babies per woman in 2017, to 2.10 babies per woman by 2028 then remaining constant thereafter.	To reach 86.0 years for males and 88.5 years for females by 2067.	Net gain of 1,200 persons per year to Tasmania (+0.3% to population in 2017).	Net gain of 2,100 persons per year to Tasmania (+0.4% to population in 2017).	0.77% per annum from 2017 to 2036 0.62% per annum to 2067
Medium	Constant rate of 1.96 babies per woman.	To reach 82.4 years for males and 85.2 years for females by 2067.	Zero net interstate migration.	Net gain of 1,800 persons per year to Tasmania. (+0.34% to the population in 2017).	0.40% per annum from 2017 to 2036 0.20% per annum from 2017 to 2067

Source: Tasmanian Government (2019) Tasmania (state) projections

[2] https://www.treasury.tas.gov.au/economy/economic-data/2019-population-projections-for-tasmania-and-its-local-government-areas

The average annual growth rate (AAGR) for Huon Valley LGA between 2017 to 2019 using the Tasmanian Government's projected high growth series is 1.75%.

Table 3 below provides a comparison to the above population growth assumptions in Table 2. It uses the estimated resident population (ERP) data for Huon Valley LGA and Huonville (SA2), taken from the ABS (2021). This table shows that projected growth in the Huon Valley LGA (AAGR 2017-19: 2.02%) has been trended well above the high growth scenario from the Tasmanian Government's projections for the Huon Valley LGA (AAGR 2017-19: 1.75%).

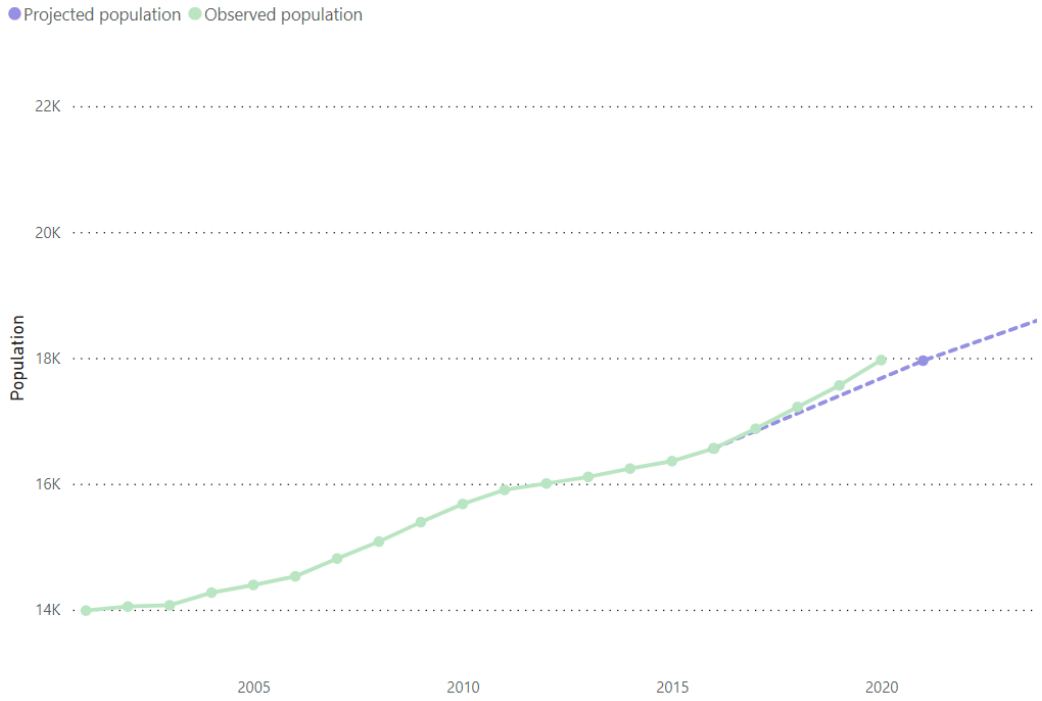
TABLE 3: ESTIMATED RESIDENT POPULATION DATA 2017 - 2019, LGA AND SA2

Statistical Area	Fertility (total fertility rate)	Mortality (life expectancy at birth)	Net Interstate Migration	Net Overseas Migration	Average annual growth rate (AAGR)
ERP in Huon Valley LGA 2017 to 2019	A natural increase in the population of 132 (547 births and 415 deaths), indicating a replacement rate of 0.96.	Not available	Net interstate migration of +675 persons over three years (+0.44% per annum). This is equivalent to the high series for Tasmania.	Net overseas migration of +200 persons over three years (+0.13% per annum). This is below the high and medium series for Tasmania.	2.02% per annum from 2017 to 2019. This is well above the high series for Huon Valley LGA.
ERP in Huonville - Franklin 2017 to 2019	A natural increase in the population of 106 (325 births and 219 deaths), indicating a replacement rate of 1.2.	Not available	Net interstate migration of +233 persons over three years (+0.30% per annum). This is equivalent to the high series for Tasmania.	Net overseas migration of +83 persons over three years (+0.11% per annum). This is below the high and medium series for Tasmania.	1.65% per annum from 2017 to 2019. This is equivalent to the high series projections for Huon Valley LGA.

Source: SGS Economics and Planning 2021 using ABS (2021) Estimated Resident Population by components, LGA and SA2

As stated in the Huon Valley Economic Development Strategy 2015-2020, the Huon Valley is influenced significantly by its relative proximity to Tasmania's capital city Hobart and the neighbouring municipal area, Kingborough. The proximity to these two denser populated areas, coupled with lower average house prices, means that to first homeowners and other low-medium income earners, Huonville offers considerable appeal. This explains the higher-than-expected population growth in the Huon Valley.

FIGURE 5: OBSERVED POPULATION GROWTH IN THE HUON VALLEY COMPARED TO THE TREASURY'S HIGH SERIES



Source: ABS (2021) estimated residential population

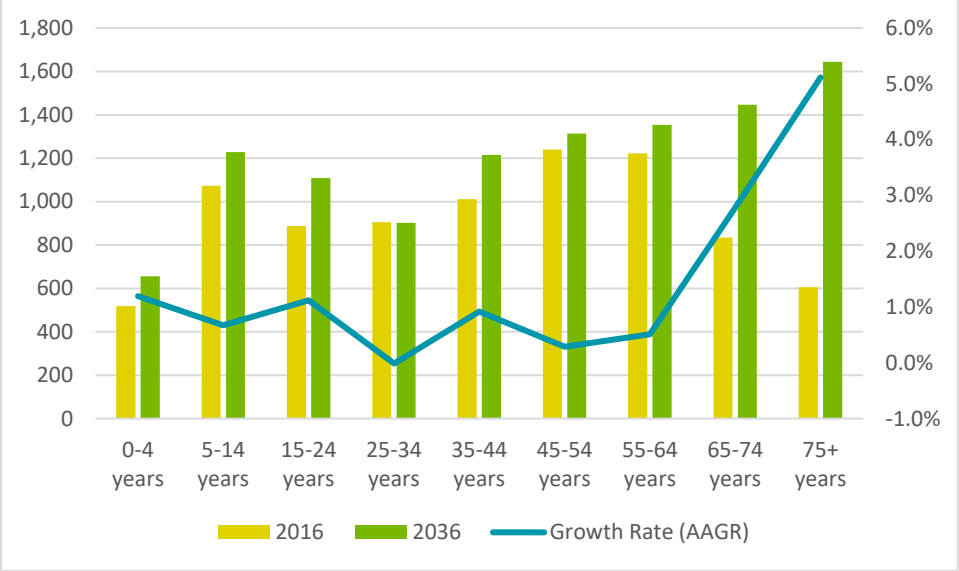
The above comparison of the high population projections with the ABS Estimated Resident Population shows that population growth per annum in the Huon Valley LGA has been higher than what is projected under the high growth series. Overall, the projected population growth for the Huonville – Franklin SA2 region that is taken from the ABS (2021) ERP data is equivalent to the growth rate of the Tasmanian Government's high growth series. Based on these findings, it is appropriate to apply high series projections to the Huonville – Franklin SA2 area. The ERP data for Huon Valley LGA are well above the high series projections, and it is therefore noted that the population projections for the LGA (based on the high scenario by Treasury) provide a conservative estimate of future growth.

Age distribution

The age profile of Huonville's population is projected to change, as shown in Figure 7 below. It shows that the dominant age groups in Huonville will continue to be between 50 and 64 years. Significant growth is projected for the 65-74 and 75 years and over age cohorts, indicating an ageing population, where people are growing older and remaining healthy and independent for longer. Figure 8 shows a similar trend for the LGA area.

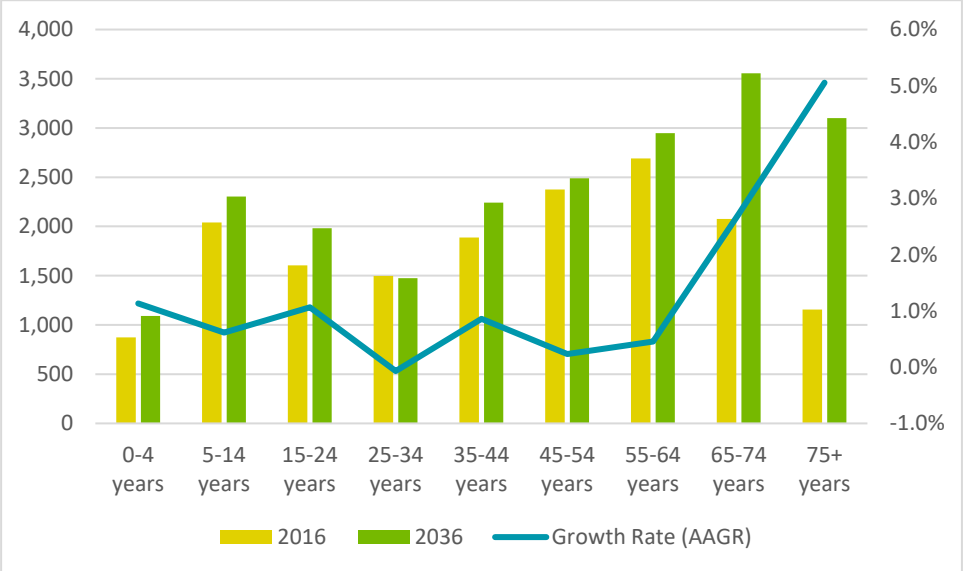
This change in the age structure influences housing preferences. Older people are less likely to have dependent children living with them, and therefore more likely to occupy small dwellings, if supply was there.

FIGURE 6: CURRENT AND PROJECTED POPULATION AND GROWTH RATE, BY AGE GROUP, HUONVILLE - FRANKLIN SA2



Source: SGS Economics and Planning 2021 using ABS (2021) SA2 and Tasmanian Government (2019) LGA projections

FIGURE 7: CURRENT AND PROJECTED POPULATION AND GROWTH RATE, BY AGE GROUP, HUON VALLEY LGA

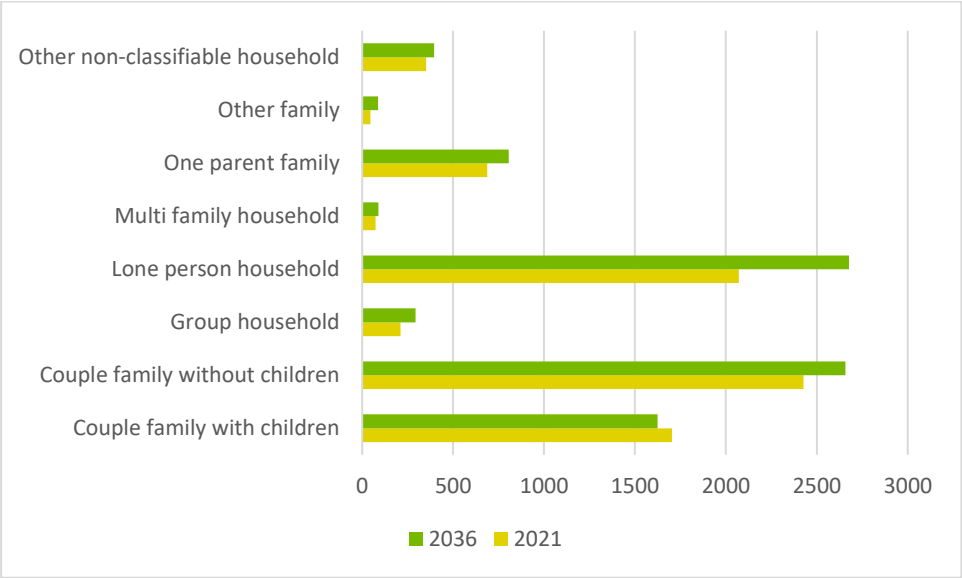


Source: SGS Economics and Planning 2021 using ABS (2021) SA2 and Tasmanian Government (2019) LGA projections

Household composition

The following graph show the projected changes in household composition in the Huon Valley (Figure 8). As the population is ageing, there will be a marked increase in single and other households without children. While couple families with children are projected to decrease by 4.58 per cent, couple families with no children and lone person household types are expected to grow considerably, by 9.52 and 29.15 per cent respectively (from 2021 to 2036).

FIGURE 8: NUMBER OF HOUSEHOLDS BY COMPOSITION 2021 AND 2036, HUON VALLEY LGA



Source: SGS Economics and Planning 2021 using Housing Demand Model outputs for LGA

2.5 Projected dwelling demand

Housing demand model results

Table 5 and 5 summarise the results of the Housing Demand Modelling completed by SGS for the SA2 and LGA areas. The results are derived from ABS Census data patterns in demographics and housing types from 2006 to 2016 and population projections to 2036 for Huonville – Franklin SA2 and Huon Valley LGA.

In Huonville, the outputs of the model indicate that while the highest growth rate between 2021 and 2036 will be for flat, unit or apartment (5.5 per cent per annum between 2021 and 2036), the dwelling mix in Huonville will still be significantly dominated by separate houses (detached dwellings). The model also shows decreasing demand for attached dwellings, which is expected to decrease by 0.9 per cent per year between 2021 and 2036.

The changes in propensities to occupy types of dwellings, are determined by a few factors: preferences, affordability and availability of dwelling types. With affordability decreasing, and households increasingly consisting of one or two persons, there should be a strong future market for medium density housing including semi-detached, units and apartments.

The preference for separate houses in Huonville will drive demand for 620 residential lots to 2036. The projected demand for attached dwellings and flat, unit or apartment housing types will add to the demand by an additional total of 143 dwellings to 2036. It is noted that the potential development of these housing types may or may not occur on strata-titled lots.

For a housing and land market to function adequately, there should be at least fifteen years of residential land supply available at any one time[3]. In addition, Huonville-Ranelagh is the main regional settlement and intended to accommodate the majority of housing demand in the LGA.

Looking at both the fifteen-year timeframe between 2021 and 2036, and the twenty-year timeframe from 2021 to 2041, the following results appear (Table 4 and Table 5):

- Demand for housing in Huonville is between 773 (Huonville-Franklin SA2) and 1,245 (Huon Valley LGA) dwellings between 2021 and 2036.

[3] With population growth currently tracking above the high scenario, the twenty year period should be used as a secondary indicator.

- Demand for housing in Huonville is between 983 and 1,439 dwellings between 2021 and 2041. This demand may already be reached by 2036 if current population growth patterns continue.
- Assuming 80% of housing demand in the Huon Valley is accommodated in Huonville, which is desirable from a sustainable planning perspective, demand for housing in Huonville is 996 and 1,151 over a fifteen-year period.

TABLE 4: DWELLING DEMAND FORECAST 2016 TO 2041, **HUON VALLEY LGA** (SGS HOUSING DEMAND MODEL OUTPUT)

Dwelling type	2021	2026	2031	2036	2041	Change 2021-2036	Change 2021-2041
Attached dwelling	132	152	170	183	193	51	**61**
Flat, unit or apartment	87	77	66	68	71	-19	**-16**
Separate house	8,515	9,016	9,415	9,696	9,873	1,181	**1,358**
Other	215	230	241	247	251	32	**36**
Total	**8,949**	**9,475**	**9,892**	**10,194**	**10,388**	**1,245**	**1,439**
Additional demand		526	417	302	194		
80% targeted for Huonville		421	334	242	155	996	1,151

Source: SGS Housing Demand Model (2021)

Interestingly, demand for housing in the Huonville-Franklin SA2 picks up in the longer term, from 2036 to 2041 (the additional demand at LGA level is 194 for this period, while it is 210 for the SA2). This is likely due to the rest of the LGA ageing at a more rapid pace, and population growth slowing, while the Huonville-Franklin SA2 continues to grow. This is a relevant observation, as housing demand in the Huonville area is projected to remain strong in the long term (beyond 15 years).

TABLE 5: DWELLING DEMAND FORECAST 2016 TO 2041, **HUONVILLE – FRANKLIN SA2** (SGS HOUSING DEMAND MODEL OUTPUT)

Dwelling type	2021	2026	2031	2036	2041	Change 2021-2036	Change 2021-2041
Attached dwelling	82	80	76	72	68	-10	-14
Flat, unit or apartment	117	168	214	260	304	143	187
Separate house	3,710	3,984	4,161	4,330	4,496	620	786
Other	100	111	116	120	124	20	24
Total	**4,009**	**4,343**	**4,568**	**4,782**	**4,992**	**773**	**983**
Additional demand		334	225	214	210		

Source: SGS Housing Demand Model (2021)

3. HOUSING CAPACITY

3.1 Introduction and purpose

This chapter identifies available vacant residential land in Cygnet ready for development in the immediate, medium and longer-term.

The purpose of the analysis is to reveal the capacity for new housing in Huonville to 2036. A gap analysis will be undertaken to compare the capacity to demand to ascertain whether there is a need to expand the supply of residential land.

Key to meeting population demand as forecast will be to ensure land supply is consistent and stable, properly located and readily developable.

3.2 Housing capacity

Method

To estimate the housing capacity of Huonville, SGS relied upon the vacant land as identified by David Miller.

Parcels of land were sorted into four different groups:

- Development ready lots (immediate supply)
- Land that is serviced with water and sewage, but not sub-divided (medium-term supply)
- Land that is not sub-divided nor fully serviced (long term supply)

In addition, dwelling densities and realisation rates (what share of lots would realistically be developed) were allocated. The theoretical capacities[4] of vacant residential land were estimated based on the following assumptions for two scenarios, low and high, with the higher scenario assuming greater densities[5]:

- Greenfield parcels of land were allocated:
    - A dwelling density of 9 dwellings per hectare for the low scenario. This assumes that lots will be the maximum lot size of the General Residential zone (1,000sqm) plus 10% (1,1000 sqm).
    - A dwelling density of 15 dwellings per hectare for the higher density scenario. This equates to a minimum lot size in the General Residential zone of 450 sqm plus allowances for additional size and infrastructure to 665 sqm[6]. This higher dwelling capacity is typically applied by SGS in our housing capacity work in Melbourne and Sydney for low-density residential areas. In the Tasmanian context, this density would be regarded as medium density.
- Infill parcels of land are larger parcels with the ability to subdivide. Not all property owners will want to subdivide. Therefore, two different realisation rates were applied to infill.
    - For the low scenario, it is assumed that 50 per cent of the theoretical capacity will be realised[7]. Many landowners will not sub-divide their land preferring to keep the whole parcel intact for their own use. There are also

[4] Estimated by applying density assumptions to total lot area
[5] though compared to major cities the density in the high scenario remains low
[6] We know from experience and existing lot sizes that the average lot size is typically larger.
[7] PDA also assumes that 50% of the infill lots will be developed in their assessment in the 43A application. The PDA assumption is deemed very plausible by SGS

cost constraints if new access ways or infrastructure must be provided and planning constraints such as flood risks exist on some sites.

- For the higher scenario, it was optimistically assumed 70 per cent of the capacity was realised.

Housing development capacity in Huonville

Table 6 and Table 7 below shows the results of the above assumptions for Huonville. The results suggest that up to 2026 the housing capacity for Huonville-Ranelagh is 96 to 176 dwellings. In the medium term, the capacity is likely stronger, as there is the capacity of some significant Greenfield land to become available (as developments are being approved and lots slowly released to market[8]). The housing capacity in the medium term (2026 to 2031) is likely to be between 269 and 465 dwellings. After 2031, housing capacity in Huonville tapers off to 193 to 339 dwellings to 2036, and only 25 to 59 dwellings to 2041.

TABLE 6 LOWER DENSITY RESIDENTIAL CAPACITY SCENARIO, 2021-2041

	2026	2031	2036	2041	Total
Infill (50% realisation)	25	25	25	25	102
Infill (70% realisation)	36	36	36	36	143
Greenfield	70	243	168		481
Total (with 50%)	**96**	**269**	**193**	**25**	**583**
Total (with 70%)	**106**	**279**	**203**	**36**	**624**

TABLE 7 HIGHER DENSITY RESIDENTIAL CAPACITY SCENARIO, 2021-2041

	2026	2031	2036	2041	Total
Infill (50% realisation)	42	42	42	42	170
Infill (70% realisation)	59	59	59	59	238
Greenfield	117	405	279		802
Total (with 50%)	**159**	**448**	**322**	**42**	**972**
Total (with 70%)	**176**	**465**	**339**	**59**	**1,040**

The total likely housing capacity in Huonville is between 583 and 1,040 dwellings (Table 8).

TABLE 8 TOTAL RESIDENTIAL CAPACITY ESTIMATES UNDER FOUR ASSUMPTIONS, TOTAL CAPACITY

	Lower density	Higher density
Total (50% realisation)	583	972
Total (70% realisation)	624	1,040

[8] It is anticipated 136-138 Main Street (Not Approved) and Knights Road (Smith) would become available in the medium term.

4. HOUSING GAP ANALYSIS AND RECOMMENDATIONS

The gap analysis identifies the gap between demand for housing and housing capacity. The table below shows the results of the gap analysis for the different demand and supply scenarios (i.e. a) Huonville accommodating 80% of housing demand in the LGA versus Huonville accommodating demand for the SA2 only, b) a realisation rate of subdividable infill land of 50% versus 70%, and c) a low and a high density growth pattern).

The results show there is a short-term capacity shortfall to 2026 among all scenarios. Then, in the medium term with a few larger subdivisions likely being released, there may continue to be a shortfall if development continues at a low-density pace. However, there would not be a shortfall for about five to ten years from 2026 to 2036 if higher densities are achieved and/or only demand from within the SA2 is considered). Of course, this all depends on two subdivisions actually going ahead.

Last, in the longer term, supply shortages are expected to increase again, with all scenarios identifying a shortfall for the longer term from 2036 to 2041. Again, as mentioned before, with population growth currently tracking above the high growth series, the identified shortfalls may occur sooner, and be more severe.

TABLE 9 HOUSING CAPACITY GAP ANALYSIS BY FIVER YEAR INTERVAL AND TOTAL

	Realisation rate infill	2026	2031	2036	2041	2021-2036	2021-2041
LGA (80%) LOW	50%	325	65	49	130	438	568
	70%	**315**	**55**	**39**	**119**	**408**	**527**
SA2 LOW	50%	238	-44	21	185	215	400
	70%	228	-54	11	174	185	359
LGA (80%) HIGH	**50%**	**262**	**-114**	**-80**	**113**	**67**	**180**
	70%	245	-131	-97	96	16	112
SA2 HIGH	50%	175	-223	-108	168	-156	12
	70%	158	-240	-125	151	-207	-56

* The gap analysis results show the difference between demand and supply. Positive results indicate a demand that exceeds supply, ie a supply shortfall.

There are a number of factors that support the likelihood of supply shortfalls to eventuate. The current settlement pattern in the Huon Valley is low density. It is also known that the Huon Valley community appreciates their gardens. It is therefore likely that both low density development and low realisation rates for infill development persist. In addition, population growth may continue to track above the high scenario.

On the other hand, due to high land value and high population growth patterns, there will be increased pressure to develop at higher density, while more property owners may be willing to subdivide and lose some of their gardens.

In addition to this gap analysis, the ownership patterns of vacant residential land in Huonville needs to be considered. There are currently five large vacant land holdings by four owners that represent approximately 69 to 74% of total vacant capacity. The rational behaviour of landowners is to maximise returns by releasing land at a slow pace. Given the fact there are very few major landowners, there is a significant likelihood that land release will not keep pace with actual demand. There are two consequences of this:

- Demand for housing cannot be accommodated within the existing settlement of Huonville (and possibly other settlements), thereby putting additional pressure on housing being developed in rural zones and outside urban growth boundaries. This leads to unconsolidated urban growth, increased demand on infrastructure provision and maintenance, and higher exposure to natural hazards, particularly bushfire. With climate change, the likelihood and severity of natural hazards will increase, leaving more people exposed (often in uninsurable or high premium properties). Also, demand for housing may leak into other LGAs.
- Further deteriorating housing affordability due to high land prices. The number of households living in housing stress has increased dramatically in Tasmania over the last five years. With land being released at a slow pace (to create maximum profit margins), the cost of housing will increase further. In addition, households may instead choose to live more remote in more affordable areas, further away from jobs and services. This in return, will increase the cost of living as a result of increased travel times, travel costs and poorer job opportunities (i.e. lower income).

From a strategic planning perspective, it is most desirable to accommodate most housing demand in Huonville as the main regional centre. That means the LGA 80% scenarios represent what Council should aim for. On that basis, it must be concluded that there are projected housing capacity shortfalls in Huonville in the short and the long term. These shortfalls may be more severe if vacant land is released to the market at a constrained rate, and population growth continues to track above the high scenario.

To optimise the residential market and support affordability, there is a need to start rezoning land identified for future residential use.

Future Urban Growth

The next logical question that arises, is when the land in the particular purpose zone Future Urban Growth needs to be rezoned to address projected shortfalls.

The land currently in the Future Urban Growth zone consists of four main lots delivering a total capacity of between 171 and 286 lots (Table 10). It is most likely this land will be developed at a density of fifteen dwellings per hectare, or a capacity of 286 dwellings.

TABLE 10 HOUSING CAPACITY OF URBAN GROWTH LAND IN HUONVILLE

	Zone	Land area (ha)	Housing capacity (9 p/ha)	Housing capacity (15 p/ha)
Ashy Way (Miller)	PP Urban Growth	9.24	83	139
174 Main Street	PP Urban Growth	1.94	17	29
164 Main Street	PP Urban Growth	2.18	20	33
Knights Road (Smith)	PP Urban Growth	5.68	51	85
Total		**19.04**	**171**	**286**

This land provides sufficient capacity to accommodate future growth under higher density scenarios.

Conclusion

The land currently zoned Particular Purpose Urban Growth is sufficient meet demand for housing in the short and long term (assuming current vacant land will be released as described earlier and assuming population growth will not continue to track above the high series).

Future development will likely occur at a higher density of 15 dwellings per hectare on these large subdivisions.

There is a risk of the reserved land in the Urban Growth zone not being sufficient to meet demand, if population growth continues to track above the high scenario. It is therefore necessary to periodically update and review projections as soon as new population estimates (ABS Census 2021) and/or projections (Treasury Tasmania) are being made available.

It is recommended to allow rezoning of PP Urban Growth to residential in the short term. It is also recommended to:

- Commence strategic planning for more future urban growth land
- Periodically monitor population growth in the Huon Valley
- Periodically monitor efforts undertaken to subdivide and develop large lots of vacant residential land

This will help inform the urgency and timing of the strategic planning task.

SGS Economics & Planning

Contact us

CANBERRA
Level 2, 28-36 Ainslie Place
Canberra ACT 2601
+61 2 6257 4525
sgsact@sgsep.com.au

HOBART
PO Box 123
Franklin TAS 7113
+61 421 372 940
sgstas@sgsep.com.au

MELBOURNE
Level 14, 222 Exhibition St
Melbourne VIC 3000
+61 3 8616 0331
sgsvic@sgsep.com.au

SYDNEY
209/50 Holt St
Surry Hills NSW 2010
+61 2 8307 0121
sgsnsw@sgsep.com.au