CELEBRATING 30 YEARS 1989-2019

urban enterprise planning economics+tourism

CAMPERDOWN, COBDEN & TERANG RESIDENTIAL LAND REVIEW

CORANGAMITE SHIRE COUNCIL | AUGUST 2021

AUTHORS

Todd Ainsaar (Director)

Tayler Neale (Consultant)

Nancy Yoo (Consultant)

Reviewed by: Matt Ainsaar (Managing Director)

FILE	CCT_Residential_Land_Review_August_2021_Final.docx
VERSION	3
DISCLAIMER	Neither Urban Enterprise Pty. Ltd. nor any member or employee of Urban Enterprise Pty. Ltd. takes responsibility in any way whatsoever to any person or organisation (other than that for which this report has been prepared) in respect of the information set out in this report, including any errors or omissions therein. In the course of our preparation of this report, projections have been prepared on the basis of assumptions and methodology which have been described in the report. It is possible that some of the assumptions underlying the projections may change. Nevertheless, the professional judgement of the members and employees of Urban Enterprise Pty. Ltd. have been applied in making these assumptions, such that they constitute an understandable basis for estimates and projections. Beyond this, to the extent that the assumptions do not materialise, the estimates and projections of achievable results may vary.
COPYRIGHT	© Copyright, Urban Enterprise Pty Ltd, 2021 This work is copyright. Apart from any uses permitted under Copyright Act 1963, no part may be reproduced without written permission of Urban Enterprise Pty Ltd.

L1 302-304 Barkly St, Brunswick VIC 3056

+61 3 9482 3888 urbanenterprise.com.au

CONTENTS

EXECUTIVE SUMMARY **1**

1. INTRODUCTION **7**

1.1. BACKGROUND 7

1.2. PURPOSE 7

1.3. SCOPE 7

1.4. TOWNSHIP OVERVIEW 8

2. STRATEGIC CONTEXT **9**

2.1. INTRODUCTION 9

2.2. LOCAL POLICY 9

2.3. DISCUSSION 13

3. RESIDENTIAL LAND SUPPLY REVIEW **14**

3.1. INTRODUCTION 14

3.2. CAMPERDOWN 15

3.3. OTHER AREAS OF INVESTIGATION 19

3.4. COBDEN 20

3.5. OTHER AREAS OF INVESTIGATION 24

3.6. TERANG 25

3.7. OTHER AREAS OF INVESTIGATION 29

3.8. RURAL RESIDENTIAL SUPPLY 30

3.9. KEY ISSUES AND CONSIDERATIONS 32

4. RESIDENTIAL MARKET ASSESSMENT **36**

4.1. INTRODUCTION 36

4.2. POPULATION 37

4.3. HOUSEHOLDS 41

4.4. DWELLINGS 42

4.5. PRICING 43

4.6. TRANSACTIONS 45

4.7. BUILDING PERMITS FOR DWELLINGS (GRZ) 46

4.8. SUBDIVISONS PERMITS 48

4.9. RENTAL HOUSING 49

4.10. HOUSING DEMAND DRIVERS 50

4.11. HOUSING MARKET SEGMENTS 51

4.12. KEY ISSUES AND CONSIDERATIONS 53

5. ADEQUACY OF SUPPLY **55**

5.1. INTRODUCTION 55

5.2. DEMAND SUMMARY 55

5.3. ADEQUACY OF SUPPLY 55

6. RECOMMENDATIONS **57**

6.1. INTRODUCTION 57

6.2. RECOMMENDATIONS 57

APPENDICES **61**

APPENDIX A STRUCTURE PLANS 61

APPENDIX B ACRONYMS 62

FIGURES

F1. TOWNSHIPS 8
F2. GREENFIELD AND STRATEGIC INFILL DEVELOPMENT SITES [CAMPERDOWN] 16
F3. GREENFIELD AND STRATEGIC INFILL DEVELOPMENT SITE CONSTRAINTS [CAMPERDOWN] 18
F4. BOWYER STREET, CAMPERDOWN 19
F5. GREENFIELD AND STRATEGIC INFILL DEVELOPMENT SITES [COBDEN] 21
F6. GREENFIELD AND STRATEGIC INFILL DEVELOPMENT SITE CONSTRAINTS [COBDEN] 23
F7. AREAS SOUTH OF EXISTING URBAN AREA 24
F8. GREENFIELD AND STRATEGIC INFILL DEVELOPMENT SITES [TERANG] 26
F9. GREENFIELD AND STRATEGIC INFILL DEVELOPMENT SITE CONSTRAINTS [TERANG] 28
F10. INVESTIGATION AREAS 29
F11. HISTORICAL & FORECAST POPULATION 38
F12. VICTORIA IN FUTURE - POPULATION FORECAST 38
F13. SERVICE AGE GROUPS - 2016 39
F14. FORECAST CHANGE IN SERVICE AGE GROUPS (2016-2026) 40
F15. HOUSEHOLDS FORECAST (2016-2036) 41
F16. MEDIAN HOUSE PRICES (2010-2020) 43
F17. DWELLING PERMITS – CAMPERDOWN – GRZ AND LDRZ 47
F18. DWELLING PERMITS – COBDEN – GRZ AND LDRZ 47
F19. DWELLING PERMITS – TERANG– GRZ AND LDRZ 47
F20. CAMPERDOWN NEW LOTS AND GRZ DWELLING PERMITS 48
F21. PRIVATE RENTAL PROPERTIES – COUNT AND MEDIAN WEEKLY RENT – CORANGAMITE SHIRE 49
F22. CAMPERDOWN STRUCTURE PLAN 61
F23. COBDEN STRUCTURE PLAN 61
F24. TERANG STRUCTURE PLAN 62

TABLES

T1. ADEQUACY OF SUPPLY SUMMARY 4
T2. CAMPERDOWN VACANT GRZ LOT SUPPLY AND LOT CAPACITY 15
T3. SUMMARY OF DEVELOPMENT SITE CONSTRAINTS (CAMPERDOWN) 17
T4. COBDEN VACANT RESIDENTIAL LOT SUPPLY AND LOT CAPACITY 20
T5. SUMMARY OF DEVELOPMENT SITE CONSTRAINTS [COBDEN] 22
T6. TERANG VACANT RESIDENTIAL LOT SUPPLY AND LOT CAPACITY 25
T7. SUMMARY OF DEVELOPMENT SITE CONSTRAINTS (COBDEN) 27
T8. UNOCCUPIED LOTS AND LAND RLZ AND LDRZ (2019) 30
T9. UNOCCUPIED HA AND LAND RLZ AND LDRZ (2019) 30
T10. RELEVANT RECOMMENDATIONS 31
T11. FUTURE LDRZ / RLZ LAND SUPPLY RECOMMENDATIONS (HA) 32
T12. SUMMARY OF MARKET READY GREENFILED & STRATEGIC INFILL SUPPLY 34
T13. RESIDENTIAL MARKET SNAPSHOT 36
T14. POPULATION FORECAST 38
T15. HOUSEHOLDS FORECASTS (2016-2036) 41
T16. DWELLINGS FORECAST 42
T17. AVERAGE GENERAL RESIDENTIAL ZONE HOUSE PRICES 44
T18. RURAL LIFESTYLE DWELLINGS AVERAGE PRICE 2009-2014 & 2015-2020 44
T19. TRANSACTIONS SUMMARY 45
T20. BUILDING PERMITS FOR DWELLINGS GRZ 46
T21. TENURE – RENTED PROPERTIES 2011 AND 2016 49
T22. MEDIAN RENT 2011 AND 2016 49
T23. SUMMARY OF HISTORICAL DWELLING DEMAND 55
T24. SUMMARY OF LAND SUPPLY 55

EXECUTIVE SUMMARY

OVERVIEW

Urban Enterprise was engaged by Corangamite Shire Council to prepare a residential land review for the towns of Camperdown, Cobden and Terang.

Camperdown, Cobden and Terang are located in the central area of the Shire, approximately 10-20 minutes' drive from one another. Camperdown is the largest town within the Shire. It is the main commercial and administrative centre and home to an estimated 3,355 residents. Terang is the second largest of the three towns and is within commuting distance to Warrnambool. Cobden is located on a landing above the rural hinterland and provides stunning views into the valleys, supporting an estimated population of 1,926 residents.

Corangamite Shire has a strong focus on economic development and facilitating population growth and retention. The Council Plan 2021-2025 commits to creating a connected and thriving community through delivery of infrastructure and services that support population growth and new opportunities for residential subdivision and growth.

The purpose of the study is to understand existing residential land supply across the three towns with a specific focus on greenfield and strategic infill sites within the General Residential Zone (GRZ). The study seeks to understand current capacity for housing growth, constraints and barriers to land development and housing supply and provide recommendations and strategic directions to support the delivery of future residential housing opportunities in the townships.

SUPPLY ASSESSMENT FINDINGS

There are a number of barriers and constraints to housing development common to the three towns. These are outlined below:

Land ownership is constraining new supply

A willing landowner or developer is required to bring new lots to market. Analysis shows that over half of candidate development sites have been within the same ownership for over ten years and that the majority of larger candidate sites have generally been in the same ownership for over 10 years. Development sites that have transacted more recently and at a higher rate are those properties where there is typically an existing dwelling on site and/or sites that are within the Development Plan areas of Camperdown and Terang.

A landowner is not obliged to sell or develop their land and there are many reasons as to why a landowner would not sell (e.g. the land is being used for a productive purpose, the financial gain doesn't provide enough impetus to offload property, the land provides rural character etc.).

Analysis of subdivision data shows that the majority of new lots that have been created over the past 5 years are a result of two lot subdivisions, meaning that the bulk of new vacant land supply is as a result of small subdivisions, not subdivision of larger strategic parcels of land.

The highest amount of recent subdivision activity has occurred in Camperdown. Here, new dwelling permits have outpaced new lot creation. This suggests that historical demand has been filled by existing vacant infill opportunities and that supply has potentially been constraining demand.

There have been very limited subdivisions in Cobden and Terang over the previous 5 years. This is reflected in the number of vacant land transactions, which show very limited vacant residential transactions have occurred over the previous 10 years.

This may suggest the constrained availability of vacant land has impacted the rate of demand.

Services and other enabling infrastructure needs

Consultation with services authorities regarding infrastructure capacity of candidate development sites shows that many sites require services infrastructure upgrades to facilitate development.

The requirement for services infrastructure provides a barrier to development, with high upfront costs providing a disincentive to development as well as impacting development viability.

A common identified barrier was sewer and water infrastructure limitations. Consultation with Wannon Water indicating that a new sewer pump to service development can typically cost in the order of $150,000 - $200,000, plus additional cost for rising mains (at around $250 per metre). This can pose a significant cost barrier, particularly for smaller subdivisions when having regard to achievable land and house prices.

In addition, the requirement for upfront delivery of other forms of enabling infrastructure such as roads to specified standards can have a similar effect in providing a disincentive to development and/or impacting development viability.

Key development areas subject to the DPO

The Development Plan Overlay (DPO) is applied to key areas of potential supply in Camperdown (Site 2) and Terang (Site 1). Unconstrained, the DPO8 area in Camperdown would have the potential for approximately 242 lots, whilst the area covered by DPO6 in Terang would provide potential for approximately 166 lots. These areas both have approved Development Plans, which were prepared by Council on behalf of landowners in 2009.

The DPO and the resulting Development Plan is required to guide the orderly development of land and to ensure future development opportunities are not compromised by other development. In the context of Camperdown and Terang, a number of issues are present, including:

- The DPO is applied in areas of highly fragmented ownership, requiring willing landowners, co-operation between owners and/or consolidation of sites.
- The stipulated minimum and average lot sizes may be too onerous, limiting development flexibility and constraining yield, which could improve viability.
- Large amounts of zoned land supply are effectively locked out from being developed unless in sequence development occurs, due to services and infrastructure needs.
- There is no mechanism for the apportionment of infrastructure delivery costs, such as a Development Contributions Plan Overlay (DCPO) or a Section 173 agreement between landowners, thereby creating a situation where infrastructure costs are not equitably allocated.

There is limited availability of market ready land supply

Consequently, as a result of these factors, market ready land supply is heavily impacted. Market ready land supply generally refers to land that can be readily developed for housing (that is, there are no significant site constraints or barriers that would impede its development and the bringing of new housing to the market).

On face value, there appears to be significant supply of zoned and vacant residential land across Camperdown, Cobden and Terang. However, analysis of constraints suggests that only 30% of zoned supply and 31% of potential lot capacity is considered market ready. Current market ready supply being equivalent to approximately 4.8% of dwellings in Camperdown, 10.6% of dwellings in Cobden and 5.3% of dwellings in Terang.

Further, if land ownership poses a barrier to subdivision of what are considered market ready lots, then land supply is likely even at more critical levels. For example, the bulk of market ready land supply in Camperdown is associated with one major site (site 1). If these landowners were not considering development in the near term, the market ready lot capacity would reduce to 8 lots, which would be considered infill supply.

MARKET ASSESSMENT FINDINGS

An assessment of the residential housing market and key demand indicators relevant to each of the three towns provides the following findings:

Historical low population growth environments

Population growth is a typical indicator of housing demand where markets are operating effectively. Camperdown, Cobden and Terang have historically been low population growth environments. .id forecasts predict a growing population, albeit that the rate of growth is still relatively subdued (Camperdown at 0.26% p.a., Cobden at 0.65% p.a. and Terang at 0.19% p.a. to 2036). Historically subdued population growth may create uncertainty in the market and a limited willingness to accept development risk due to limited clarity on demand and take up rates. It is also apparent that supply limitations may have historically impacted population growth and could also constrain future population growth if not addressed.

There are a number of key housing market drivers

Key drivers of the housing market include population growth, the impact of COVID-19 and the changes in lifestyle and housing preferences, recent government stimulus (including the Home Builder Scheme and stamp duty concession), low interest rates, major infrastructure projects, key worker housing and affordability.

These drivers will remain relevant to the towns over the short to medium term.

There has been an uplift in demand in recent years

Recent measures of demand (i.e. excluding population growth), such as building permit data, housing transaction data and dwelling price data suggest there has been an increase in activity in the housing market over the previous 5 years, as compared to the 5 years prior. This may suggest there has been a step change in the level of activity in the housing market, for which COVID-19 has likely further accelerated.

Anecdotal evidence from local real estate agents and Council, as well as preliminary review of house price data for 2021 suggest that the housing market has performed strongly through the second half of 2020 and early 2021, largely reflecting broader trends across regional Australian housing markets.

The shift in lifestyle preferences and working behaviours (including a greater ability to work remotely) has resulted in an uplift in migration to regional areas.

It remains unclear as to whether this spike in demand will be transitory or permanent, however, it would be prudent to plan for an expected increased rate of demand over and above historical performance so as to not constrain potential population and economic growth.

The supply of rental housing is becoming more constrained

Available data and anecdotal evidence suggests that the supply of rental housing has been declining, whilst pricing has increased, impacting the availability of housing opportunities for key and temporary workers.

House prices are below regional Victoria but following a similar trend

Median house prices in Camperdown, Cobden and Terang have been following the growth trend occurring across regional Victoria. The median house price in Camperdown, Cobden and Terang is also below the regional Victorian average, making it a relatively affordable location for housing.

However, achievable house prices can also impact on development viability. There are a number of development costs that are generally similar regardless of location, this includes delivery of infrastructure such as internal roads, services infrastructure, housing construction costs, service authority fees, planning fees and some taxes and charges (e.g. land tax, stamp duty, GST). Therefore, in some instances upfront infrastructure costs, coupled with other fixed costs could impact development profitability and the willingness of some landowners to develop.

Housing choices for different market segments

There are a number of market segments operating across Camperdown, Cobden and Terang. There is a need to provide adequate diversity of housing stock to cater to market preferences. Land in the General Residential Zone, is likely to cater primarily to young families and home builders, those looking to downsize into smaller dwellings and the rental market (including key and temporary workers).

All three towns are expected to experience an ageing of the population. It is important that appropriate housing opportunities are available to enable residents to age in place. This includes opportunities for downsizing, retirement and/or assisted living. This would also assist in providing new opportunities for buyers to enter the market, for people to transition between housing types and to allow for ageing in place.

Constraints to land supply are likely impacting demand

The assessment of land supply constraints, coupled with a review of demand data suggest that supply is constraining demand. That is, as new supply is created or it comes to market, it is consumed, however, generally there has been a lack of new supply created leading to supply constraints. Further, all new supply created in the previous 5 years has been the result of small subdivisions (primarily 2 lot subdivisions), which slows the rate of new supply coming to market and constrains demand. It also provides evidence of the barriers in subdividing and bringing larger greenfield and strategic infill land supply to market.

ADEQUACY OF EXISTING SUPPLY

At high level review, there appears to be a large amount of zoned land supply across all three towns when assessed against total lot capacity and historical rates of demand. However, when assessed against market ready lot capacity, the number of years supply is substantially reduced. The historical demand range has also been constrained by supply issues, meaning the projected future years supply is likely lower than shown in Table 1.

Further, when accounting for potential land ownership barriers, market ready supply is likely to be at critical levels in Camperdown, Terang and Cobden.

The results show that strategic interventions may be required to facilitate land development and to bring new housing to market. The unintended consequences of not addressing these issues could result in a reduction of housing affordability, the stifling of population retention and growth and limit the functioning of the economy through reduced investment in the housing sector and providing homes for key workers.

T1. ADEQUACY OF SUPPLY SUMMARY

	Camperdown	Cobden	Terang
Historical Demand Range (GRZ))	5 - 10	2 - 5	2 - 4
Estimated Lot Capacity (GRZ)	411	157	166
Years Supply	41 - 82 years	31 - 78 years	42 - 83 years
Market Ready Lot Capacity(GRZ)	78	90	57
Years Supply	8 - 16 years	18 - 45 years	14 - 29 years

RECOMMENDATIONS

The following summarises key recommendations for Council's consideration to assist in addressing market ready land supply and bringing new housing to market. Further details on recommendations are provided in Section 6.

Planning Interventions

- Engage with key landowners to ascertain development intentions. This could include establishment of a register of landowner intentions for key sites, which would provide a baseline for Council to consider how it could further assist landowners and facilitate development and/or use the information to further inform strategic planning work and advocacy to State Government.
- Utilise the findings of the study to inform future strategic planning work, with a focus on:
  - Encouraging development of existing zoned land;
  - Identifying opportunities to provide housing to support key housing segments;
  - Revisit the DPO and revise it where applicable, including identifying appropriate mechanisms to apportion infrastructure costs to areas impacted by the DPO.

  - Identify future growth areas, where there are limited constraints to development.
  - Identify publicly owned sites that provide development opportunities,
- Investigate potential for short term strategic opportunities to rezone land suitable for housing development where there is evidence of significant constraints to market ready land supply and where sites meet select criteria, including:
  - A willing and engaged landowner.
  - The site has access to services infrastructure and can be readily developed.
  - Limited physical constraints to development of the site.
  - No restrictive overlays that would negate development for residential purposes.
  - The land is no longer required under its current zone and rezoning away from existing land use will not cause any negative externalities.
  - The site is within the settlement boundary.
  - The site is appropriately located for residential development.
- Review and revise the approved Development Plans (and DPO where required) to account for development sequencing and infrastructure needs, reduced minimum and average lot sizes, land ownership patterns and infrastructure delivery and cost apportionment.

Development Interventions

- Consider mechanisms to deliver enabling infrastructure to facilitate development, including how infrastructure might be financed and delivered on the basis that it facilitates development. This could include low or no interest loans to developers, direct funding contributions, leveraging existing funding sources, and advocacy to State and/or Federal Government to assist in catalyst infrastructure delivery. Consideration of providing assistance for infrastructure delivery to developers and landowners should have regard to meeting key criteria and the process should be equitable.
- Work with specialised service providers such as Cobden Health to determine development opportunities on vacant land for assisted living units or aged care housing.
- Continue to provide assistance to landowners in bringing land to market, including providing information to potential interested landowners/developers on the planning and development process, service infrastructure considerations, planning application assistance and potential available grant funding or infrastructure funding assistance programs. This could include a series of online or in person information sessions or workshops with interested residents/landowners.

Homes for Key Workers

- Progress relevant actions for Camperdown, Cobden and Terang from the Key and Essential Worker Housing Supply Action Plan (2020) and others strategies to increase the availability of homes for key workers, including:
  - Review strategic planning and statutory controls for medium density developments.
  - Seek affordable housing contributions from developments and rezonings.
  - Investigate reducing or waiving development contributions, planning charges and/or Council rates for affordable housing.
  - Create a Community Land Trust and contribute Council land for projects.
  - Directly invest in supplying key worker housing (this may include consideration of direct Council investment).
  - Facilitate and assist to coordinate specialist seasonal workforce housing.
  - Work with existing home-owners to establish a temporary housing register for seasonal and temporary workers.
  - Notify community of upcoming major projects where demand for seasonal and temporary workers will increase.

Advocacy

- Continue to advocate State Government for assistance in addressing regional housing supply barriers including advocating for grants for enabling infrastructure, advocate for fast track planning scheme amendments to rezone land for residential development (when meeting specific criteria), advocate for concessions to taxes and charges in areas where Council is trying to stimulate housing growth and development (including the recently proposed Windfall Gains Tax where sites are rezoned as part of the 2021/22 State Budget).

1. INTRODUCTION

1.1. BACKGROUND

Urban Enterprise was engaged by Corangamite Shire Council to prepare a residential land review for the towns of Camperdown, Cobden and Terang.

Corangamite Shire Council is seeking to facilitate population growth and support housing development to support a liveable community and strong local economy. However, there are existing challenges in regard to bringing new housing supply to market including land supply, planning constraints, physical and ownership characteristics, servicing requirements and associated infrastructure costs as well as issues around development viability.

1.2. PURPOSE

Council is seeking to understand existing residential land supply in Camperdown, Cobden and Terang to identify current capacity for housing growth and constraints to development. The review will consider development options and support the delivery of future residential housing opportunities in the townships over the next 15 years.

With a focus on designating Camperdown, Coben and Terang as the primary residential towns of Corangamite Shire, the project will provide strategic directions and recommendations that assist in:

- Supporting a proactive approach to future residential development, including Council intervention options.
- Addressing current and future land supply and development constraints.
- Identify options for future residential development, including potential growth areas.
- Consider changes to planning controls, including Development Plan Overlay (DPO) requirements to facilitate residential development in an integrated and co-ordinated manner.
- Consider options for rezoning and development of land in the short and long-term, including 'quick wins'.
- Support and leverage private sector investment in residential development by making land 'development ready'.
- Identify available funding opportunities to leverage the efficient delivery of available land and housing supply.

1.3. SCOPE

The scope of work includes the following key elements:

- Assessment of existing residential land supply, including identifying strategic infill and greenfield development sites;
- Assessment of the residential property market across the three key towns;
- Consult with service authorities to discuss services infrastructure requirements/constraints;
- Identify issues, barriers and constraints to housing supply;
- Provide recommendations, strategies and actions to address housing needs.

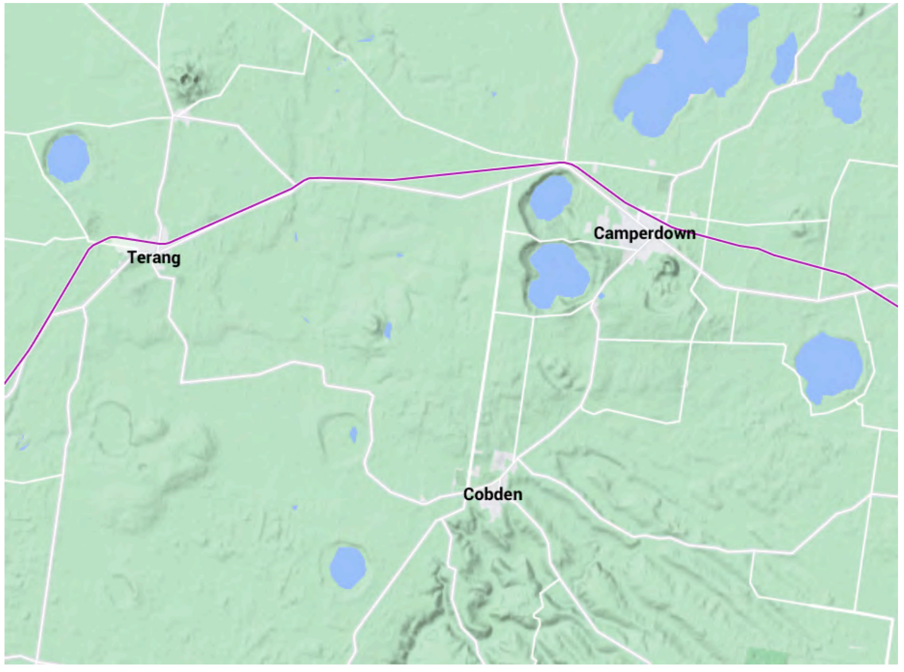
This assessment is primarily focused on an assessment of strategic infill and greenfield development sites within the General Residential Zone (GRZ1). Council completed a Rural Living Strategy in 2019, which investigated demand and the supply of land within the Low Density Residential Zone (LDRZ) and the Rural Living Zone (RLZ). This report has regard to the findings of the Rural Living Strategy.

1.4. TOWNSHIP OVERVIEW

Corangamite Shire covers an area of 4,600 square kilometres and is approximately 180 kilometres south-west of Melbourne in the Great South Coast region. It lies between the Glenelg Highway to the north and the Great Ocean Road in the south.

Corangamite is comprised of a series of townships, including Camperdown, Terang, Timboon, Port Campbell, Cobden, Lismore, Derrinallum, Skipton, Princetown, Simpson, Noorat and Darlington. Camperdown is the largest township within the Shire, followed by Terang and Cobden.

F1. TOWNSHIPS



The Corangamite Planning Scheme provides the following overview and relevant directions for each of the three towns.

Camperdown

Camperdown is the largest town within the Shire and is the main commercial, industrial and administrative centre. It is one of Victoria's most important heritage towns and is enhanced by its dramatic topographical setting. Camperdown has the potential for further residential, commercial and industrial growth, that can be accommodated within the existing settlement boundary. Council seeks to promote Camperdown as the Shire's main commercial and community centre, protect the landscape setting of the town and facilitate infill development and subdivision that respects the scale and character of the existing neighbourhoods and streetscape.

Cobden

Cobden is located on a landing above the rural hinterland providing spectacular views into the valleys skirting the town from the east to the south-west. Cobden has a number of historic buildings dating from the mid-19th to early 20th centuries and an open character with wide, tree lined streets, recreation reserves, parks and an attractive lake. Cobden's population is aging at a greater rate than the State and regional average, giving rise to service, access and accommodation issues. Council seeks to support a variety of housing types to accommodate an aging population.

Terang

Terang is the second largest town in the Shire. Owing to its proximity to Warrnambool, Terang is attractive as a commuter town, offering affordable housing and services such as health care and education. The volcanic heritage of the area is showcased by craters forming lakes and mounds across the landscape. Terang also has numerous heritage buildings and one of the oldest avenues of English Oak trees in the district.

Council seeks to promote Terang as a key residential and service centre in the Shire, expand recreational, cultural and tourism opportunities and protect heritage places and highlight local culture.

2. STRATEGIC CONTEXT

2.1. INTRODUCTION

The following provides a summary of policy and strategic reports relevant to residential land and housing within Corangamite Shire and the towns of Camperdown, Cobden and Terang.

2.2. LOCAL POLICY

CORANGAMITE PLANNING SCHEME

Clause 02.02 – Vision

Work for sustainable development including through orderly development of urban areas, with the strategic growth of towns and new residential development directed to existing urban centres and towns.

Clause 02.03-1-Settlement

Council seeks to:

- Maintain the viability of townships and rural communities in the face of declining population.
- Support a compact form of urban townships.
- Encourage infill residential development within township boundaries in a manner that provides reticulated infrastructure and does not prejudice or limit the agricultural use of land around township areas.
- Maintain a separation between urban and rural land uses.
- Provide for population growth within township areas, in a manner that supports the increased viability of community services and facilities.

Relevant extracts specific to Camperdown, Cobden and Terang are outlined below.

Camperdown – Promote Camperdown as the Shire's main commercial and community centre and facilitate infill development and subdivision that respects the scale and character of the existing neighbourhoods and streetscape.

Cobden – Support a variety of housing types to accommodate an aging population.

Terang – Promote Terang as a key residential and service centre in the Shire.

Clause 02.03-6-Housing

There is a need to provide well-located and accessible housing in the region to accommodate demand and attract new residents. Council seeks to:

- Facilitate sufficient, well-located and accessible housing development to accommodate current demand and attract new residents.
- Facilitate housing for an ageing population.
- Support rural residential development adjacent to existing townships to sustain population levels and communities and provide efficient infrastructure delivery.
- Avoid rural residential development in farming areas, as it can lead to the inefficient use of land.

Clause 11.03-6L-Camperdown

The residential objective for Camperdown is to increase the diversity of housing types and ensure new residential use and development is compatible with the built form of the town.

Residential strategies include:

- Provide for a range of residential development options, including low density and rural residential land surrounding the town.
- Maintain the cohesive nature of the township by respecting neighbourhood character in new building design and subdivision patterns.
- Support infill development within existing residentially zoned land.

- Support co-ordinated residential subdivision of under-developed land within the General Residential Zone.

The Camperdown Township Structure Plan is provided at Appendix A.

Clause 11.03-6L-Cobden

Relevant strategies include:

- Facilitate the construction of a variety of housing types to meet the needs of the community, including infill, aged housing, large lot and rural residential.
- Encourage residential development in the area marked B on the Township Structure Plan (shown at Appendix A).
- Support low maintenance, compact housing suitable for retirees and older people located within walking distance of the town centre.
- Encourage infill and multi-unit development close to the commercial centre and services.

The Cobden Township Structure Plan is provided at Appendix A.

Clause 11.03-6L-Terang

Relevant strategies include:

- Support residential development that provides a variety of housing types including small and large lots, housing to suit retirees and an aging population, and tourist accommodation.
- Facilitate urban development in growth corridors in the following manner:
    - Infill residential development before allowing any further rezoning of land for future residential development.
    - Vacant land to the east of town to be retained for future residential use, subject to supply of water and sewerage.
- Avoid residential development on land:
    - Between the Noorat Road, the railway line and the Pejark Drain.
    - In the vicinity of the industrial and Commercial 2 zoned land to limit potential future land use conflict.
    - Immediately south of the dry lake to preserve the rural aspect.
- Encourage the development of a retirement village on the saleyards site or accommodation suitable for older persons on underutilised commercial land off the main street.

The Terang Township Structure Plan is provided at Appendix A.

Corangamite Council Plan 2021-2025

The Council Plan provides a blueprint to achieve Council's strategic priorities and directions over the next four years.

The key relevant themes within the Plan include 'a connected community' and 'a thriving community'. Relevant objectives and actions within each theme include:

- Infrastructure and services that deliver population growth and new housing:
    - Advocate for the funding and delivery of infrastructure and services to support new residential development.
    - Breakdown barriers and costs for residential development.
- More housing and subdivision to cater for population growth:
    - Develop a strategic plan to identify priority locations for residential development.
    - Undertake a proactive role delivery and development of residential land to increase population and new housing.
    - Ensure the Corangamite Planning Scheme supports new residential development and growth.
    - Implement local and regional actions from the Key Worker Housing Action Plan.

Annual Action Plan 2021-2022

The Annual Action Plan sets out the actions from the Council Plan that are set to be completed in the current financial year. Relevant actions are listed below:

- Complete investigation of rezoning and residential development surplus Council owned Timboon Transfer Station land.

- Complete and implement residential land supply review for Camperdown, Coben and Terang (current project).
- Complete implementation of positioning Simpson and Timboon (incorporating Simpson Structure Plan).
- Prepare Cobden Structure Plan.
- Partner with regional Great South Councils for funding to implement Key Worker Housing Action Plan.
- Implement population attraction and migration program.

Economic Development Strategy 2017-2021

The Economic Development Strategy 2017-2021 sets out a five-year vision for the Corangamite Shire, providing economic development guidance for both Council and stakeholders. The relevant themes within the strategy include:

- Maintain Leadership in Economic Development;
- Promote Population Retention and Growth; and
- Grow the Visitor Economy.

Within the economic leadership theme, the strategy identifies the need to ensure the planning framework, infrastructure and availability of zoned land supports industry attraction and rural living.

Key and Essential Worker Housing Supply Action Plan (2020)

The Key and Essential Worker Housing Supply Action Plan was developed by the Councils of the Great South Coast and Barwon regions, including Glenelg, Moyne, Surf Coast, Corangamite, Colac Otway and Southern Grampians Shires, as well as the Victorian Planning Authority. These stakeholders identified the need to improve the quality and quantity of affordable and appropriate housing for key workers.

The purpose of the Action Plan is to increase the supply of low- to high-end rental and ownership accommodation for permanent and seasonal key workers from a range of industries across the Great South Coast and Barwon regions.

The plan identified a range of relevant key issues within the Corangamite Shire that are applicable to Camperdown, Cobden and Terang, including:

- The region has experienced minimal growth in housing stock and housing prices.
- The decrease in the number of available rental properties means that key workers are less likely to be able to access suitable rental properties within the region. Together with the increase in median rent, this indicates a lack of supply for rental properties across the region.
- A portion of each Barwon South West LGA's workforce is travelling large distances for employment.
- The cost of developing land and buildings is such that it does not allow for commercial returns.

The plan identifies the key housing needs as higher quality large dwellings, medium density dwellings and dwellings for temporary workers.

Relevant actions within the plan include:

- Facilitate the provision of relocatable dwellings for temporary workers via direct investment in dwellings, the provision of land and/or facilitation of "temporary villages".
- Investigate reducing or waiving development contributions, planning charges and/or Council rates for affordable housing.
- Seek affordable housing contributions from developments and rezonings.
- Create a Community Land Trust and contribute Council land for projects.
- Directly invest in supplying key worker housing.
- Facilitate and assist to coordinate specialist seasonal workforce housing.
- Review the strategic planning and statutory controls for medium density developments – this includes identifying infill development opportunities in Camperdown and residential development opportunities in Terang and Cobden.

The key workers and housing needs identified for Camperdown include to support key and essential workers (healthcare and social assistance, education and manufacturing/labour).

Corangamite Rural Living Strategy (2019)

The Rural Living Strategy was prepared by Myers Planning Group in 2019, and provides a land use framework to guide current and future management of rural residential land throughout the Shire.

The report finds that there is theoretically sufficient land available to meet the current demand for rural residential development within the Shire beyond 20 years. However, a large quantum of this supply is constrained by environmental, infrastructure and land use conflicts and has not been developed. Further, the supply of land available for rural residential opportunities is not located in higher demand areas along the coast or optimised to current local market preferences for lot size and infrastructure.[1]

The report makes a number of recommendations in regard to future LDRZ and RLZ land supply, including opportunities to rezone land to the RLZ in Camperdown and Terang. No additional RLZ or LDRZ land is recommended for Cobden.

Further information regarding the findings of the Rural Living Strategy (2019) is provided in Section 3.5.

Camperdown Strategic Development Plan 2001-2010

The Camperdown Strategic Development Plan provided a strategic framework for the development of the town to 2010.

Relevant principles, objectives and strategies within the Plan include:

- Retain the existing scale and size of the town.
- Retain, protect and enhance existing features and character of the town.
- Improve liveability and encourage community development.
- Prevent development adjacent to volcanic lakes and craters.

Cobden Strategic Development Plan 2001-2010

The Cobden Strategic Development Plan provided a strategic framework for the development of the town to 2010.

[1] Corangamite Shire, Rural Living Strategy, 2019, p.2

Relevant principles, objectives and strategies within the Plan include:

- Ensure that future development, including tourism development, does not detract from the existing charm of Cobden.
- Develop town infrastructure and economic sustainability.

Terang Strategic Development Plan 2001-2010

The Terang Strategic Development Plan provided a strategic framework for the development of the town to 2010.

Relevant principles, objectives and strategies within the Plan include:

- Improve commercial and residential infrastructure.
- Develop a retirement village.
- Provide additional accommodation.

2.3. DISCUSSION

The Corangamite Planning Scheme is supportive of population growth and the delivery of a range of housing choices in Camperdown, Cobden and Terang to cater to different segments of the population, including older people and retirees and those seeking rural lifestyle properties.

The Planning Scheme is highly supportive of development of existing zoned land, prior to rezoning further land for development.

The Corangamite Shire Council Plan supports population growth and encourages new housing development. There is a marked interest in providing a faciliatory role to remove barriers to housing development, including implementing actions from the Key Worker Housing Action Plan (2020).

The Key Worker Housing Action Plan (2020) identifies a number of challenges relevant to this study, including:

- The region has experienced minimal growth in housing stock and housing prices.
- A lack of supply of rental properties across the region.
- Some workers are travelling long distances for employment.
- The cost of developing land and buildings is such that it does not allow for commercial returns.

The plan identifies the key housing needs as higher quality large dwellings, medium density dwellings and dwellings for temporary workers.

The Rural Living Strategy is the most recent available residential study specifically relevant to Camperdown, Cobden and Terang. The Strategy finds that despite a theoretically sufficient level of land supply for rural residential development, a significant amount of this land faces development barriers, including environmental, infrastructure and a mismatch between supply and demand.

3. RESIDENTIAL LAND SUPPLY REVIEW

3.1. INTRODUCTION

This section provides analysis of residential land supply in Camperdown, Cobden and Terang, focusing on larger greenfield and infill parcels within the General Residential Zone (GRZ), within the township settlement boundaries.

The purpose of this assessment is to understand current residential zoned land supply, and more pertinently identify the availability of "market ready" land supply.

Market ready land supply generally refers to land that can be readily developed for housing (that is, there are no significant site constraints or barriers that would impede its development and the delivery of new housing to the market).

Understanding the availability of market ready land supply as opposed to only assessing total zoned land supply is a critical element when considering housing needs.

APPROACH

The supply assessment relates to GRZ1 zoned sites that generally appear vacant, available for development and can be subdivided. The assessment does not have regard to minor infill development opportunities. However, general site observations and commentary from Council and real estate agents suggest that infill opportunities are limited and overall are a less significant component of available land supply.

The land supply assessment does not include analysis of land in the Low Density Residential Zone (LDRZ) or Rural Living Zone (RLZ), however, the assessment makes reference to the findings of the Corangamite Shire Rural Living Strategy (2019).

There are no other previous supply assessments regarding residential land in the townships of Camperdown, Cobden and Terang that have been made available.

Greenfield and strategic infill development sites have been identified through review of Council's most recent aerial photography (2019), with identified sites verified by Council and through site visits.

The supply assessment for each town is presented under the following categories:

- **Development site lot capacity** – provides an estimate of lot capacity for identified sites. High level assumptions have been made in regard to potential physical site development constraints (such as topography and vegetation), development efficiency (taking into consideration factors such as need for access and internal roads, lot layout etc) and an indicative average lot size, which results in identification of potential unconstrained lot supply.
- **Development site constraints assessment** – Provides an overview of general site constraints (e.g. access, topography, planning, any known ownership issues) and services infrastructure constraints, obtained through consultation with the following services authorities:
  - Wannon Water (sewer and water services infrastructure);
  - APA (gas);
  - Powercor (electricity).

  A summary of constraints is provided for each site, with a grading system used to provide a summary of the extent of development constraints, as shown below. A conclusion is then provided on market ready supply based outcomes of the constraints assessment.

Limited Constraints	There are generally limited issues or barriers to development.
Medium Constraints	Some presence of constraints that would impede development, however, constraints can be addressed with relative ease.
High Constraints	A high degree of site constraints that would impede development. Major works or infrastructure generally required to enable development.

3.2. CAMPERDOWN

3.2.1. DEVELOPMENT SITE LOT CAPACITY

Seven vacant greenfield and strategic infill sites were identified in Camperdown which provide potential for residential subdivision. These sites are identified in the map on the following page and in Table 2. There is estimated to be 72.1ha of GRZ1 supply in greenfield and strategic infill sites across Camperdown, providing potential for approximately 411 lots.

T2. CAMPERDOWN VACANT GRZ LOT SUPPLY AND LOT CAPACITY

Site	Total Zoned Supply	Potential Area Constrained	Development Efficiency	Net Developable Area	Indicative Lot Size	Estimated Lot Yield
Site 1 - Clarke St	13.6	1.9	60%	7.0	1,000sqm	70
Site 2 - Gnotuk Rd, Bowen Street and Park Ave	40.3	0	60%	24.2	1000sqm	242
Site 3 - Frederick St	5.7	1.6	60%	2.5	1000sqm	25
Site 4 - Talbot St	5.7	0.3	60%	3.2	1,000sqm	32
Site 5 - Holden St	4.5	3	80%	1.2	1000sqm	12
Site 6 - Fenton St	1.3	0	100%	1.3	600sqm	22
Site 7 - Barkly St (Uniting Church)	1	0.5	100%	0.5	600sqm	8
Total	72.1	7.3		39.9		411

*subject to physical land constraints (i.e. vegetation, topography, planning), does not include areas associated with services infrastructure limitations.

F2. GREENFIELD AND STRATEGIC INFILL DEVELOPMENT SITES [CAMPERDOWN]

JUNE 2021

3.2.2. DEVELOPMENT SITE CONSTRAINTS ASSESSMENT

Residential development site constraints are summarised in Table 3 and in the map on the following page.

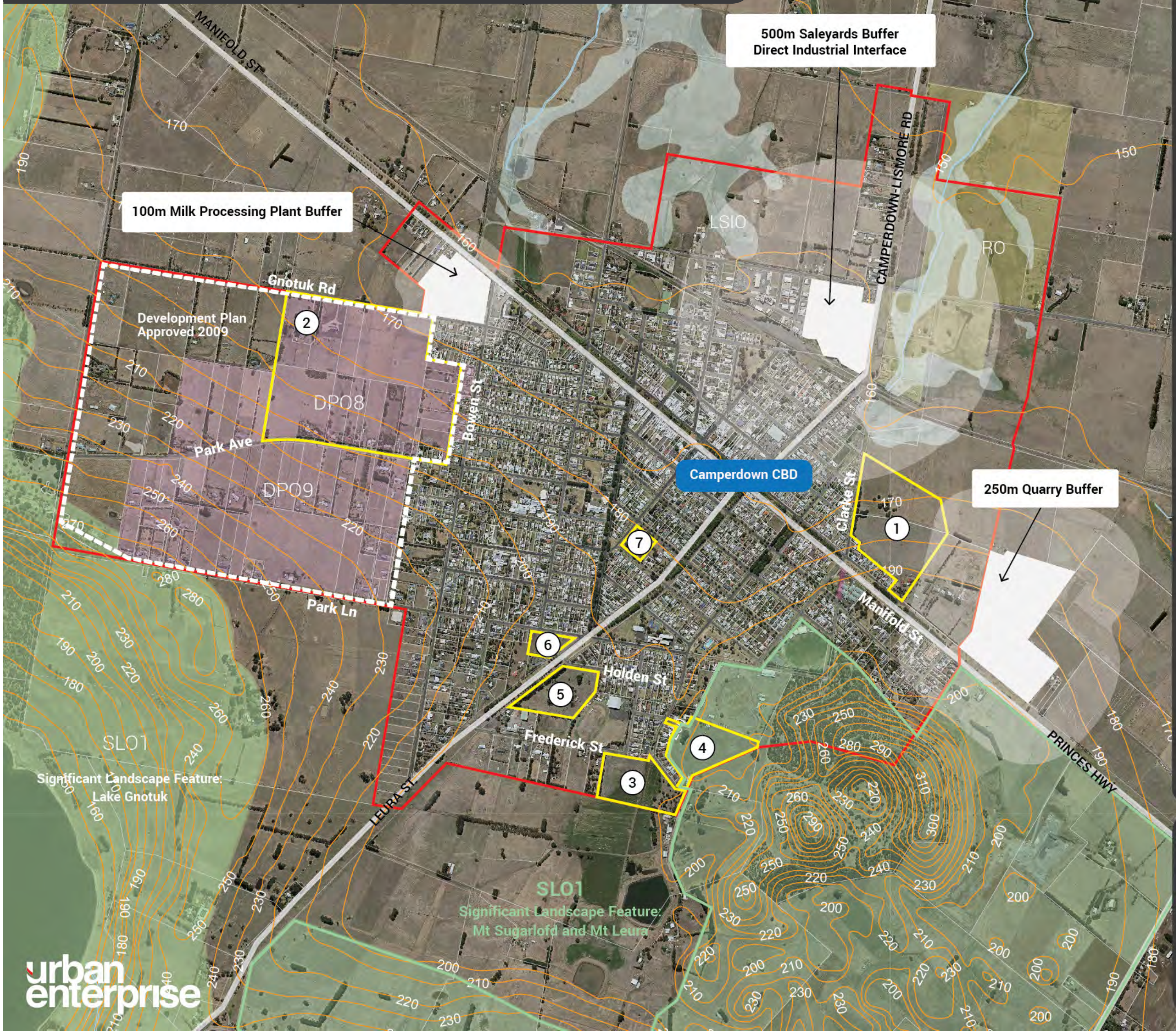
T3. SUMMARY OF DEVELOPMENT SITE CONSTRAINTS (CAMPERDOWN)

Site	General Constraints	Services Constraints	Comment
Site 1 - Clarke St	Limited	Limited	Sloping site from south-east to north-west. Existing dwelling onsite (access via Manifold Street). Some existing vegetation on site. Far eastern end of site subject to Quarry Buffer. Limited services constraints, with development sequencing preferred from west to east. Site is privately owned over two parcels.
Site 2 - Gnotuk Rd, Bowen Street and Park Ave	High	Medium	Major development site, with fragmented ownership over a number of parcels. The site is covered by a DPO and subject to an approved Development Plan prepared by Council in 2009. Subdivision requires a minimum lot size of 800sqm with a general average of 1,000sqm, internal roads, drainage reserve and open space reserves. Areas to the east may present shorter term opportunity to provide market ready lots due to lesser services constraints, however, the existing approved Development Plan may require revising. Larger service infrastructure upgrades (sewer/water) may be required to service development of the whole site (progressing west).
Site 3 - Frederick St	Medium	High	Potential for access via Frederick Street, however, would require new internal road. Some areas of vegetation and slope to the east may constrain some development. Development would require a sewer pump station (including servicing other lots south of Frederick Street). Site appears to be in private ownership as part of a larger parcel, which includes farming land.
Site 4 - Talbot St	High	High	Sloping site which is within the Significant Landscape Overlay (SLO) area of Mt Leura. The SLO is likely to place limitations on development. The site is also likely to be difficult to service for development, with poor access to sewer and water.
Site 5 - Holden St	Medium	High	Whole site subject to Heritage Overlay (HO). No access to south side of property. Some vegetation on the site. Potential for lots fronting Holden Street, however, sewer pump may be required to feedback into rising mains.
Site 6 - Fenton St	Limited	High	Site earmarked for social housing development. May require a sewer pump station.
Site 7 - Barkly St (Uniting Church)	Limited	Limited	Site located to the west of the Camperdown Uniting Church. The site appears relatively flat and unconstrained apart from some existing vegetation. Fragmented ownership.

Limited constraints	Medium constraints	High constraints

F3. GREENFIELD AND STRATEGIC INFILL DEVELOPMENT SITE CONSTRAINTS [CAMPERDOWN]

JUNE 2021



COMMENTS

1. Site Area: 13.6ha
Sloping site from south-east to north-west. Existing dwelling onsite (access via Manifold Street). Some existing vegetation on site. Far eastern end of site subject to Quarry Buffer. Limited services constraints, with development sequencing preferred from west to east. Site is privately owned over two parcels.

2. Site Area: 40.3ha
Major development site, with fragmented ownership over a number of parcels. The site is covered by a DPO and subject to an approved Development Plan prepared by Council in 2009. Subdivision requires a minimum lot size of 800sqm with a general average of 1,000sqm, internal roads, drainage reserve and open space reserves. Areas to the east may present shorter term opportunity to provide market ready lots due to lesser services constraints, however, the existing approved Development Plan may require revising. Larger service infrastructure upgrades (sewer/water) may be required to service development of the whole site (progressing west).

3. Site Area: 5.7ha
Potential for access via Frederick Street, however, would require new internal road. Limited areas of vegetation and slope to the east may constrain some development. Development would require a sewer pump station (including servicing other lots south of Frederick Street). Site appears to be in private ownership as part of a larger parcel, which includes farming land.

4. Site Area: 5.7ha
Sloping site which is within the Significant Landscape Overlay (SLO) area of Mt Leura. The SLO is likely to place limitations on development. The site is also likely to be difficult to service for development, with poor access to sewer and water.

5. Site Area: 4.5ha
Whole site subject to Heritage Overlay (HO). No access to south side of property. Some vegetation on the site. Potential for lots fronting Holden Street, however, sewer pump may be required to feedback into rising mains.

6. Site Area: 1.3ha
Site earmarked for social housing development. May require a sewer pump station.

7. Site Area: 1.0ha
Site located to the west of the Camperdown Uniting Church. The site appears relatively flat an unconstrained apart from some existing vegetation. Fragmented ownership.

LEGEND

- Potential Broadhectare Greenfield Development Site
- Property Cadastre
- DPO6 Development Plan Overlay
- 100 Contour 10m
- Main Road
- Waterway
- Settlement Boundary

3.2.3. CONCLUSION ON MARKET READY GRZ SUPPLY IN CAMPERDOWN

The land supply assessment shows that there is limited "market ready" GRZ1 land supply available in Camperdown. Relevant barriers to market ready land supply include:

- Services infrastructure constraints;
- The Development Plan Overlay (DPO) / approved Development Plan;
- Land ownership constraints; and
- Other planning overlays (including the Heritage Overlay and Significant Landscape Overlay).

Further discussion on key constraints is provided at Section 3.9.

There are two key sites which appear to be relatively unconstrained, including Site 1 (Clarke Street) and Site 7 (Barkly Street / Uniting Church). Site 1 would offer significant supply potential (approximately 70 lots), however, development would require a willing landowner to subdivide and brings the lots to market. Site 7, adjacent to the Camperdown Uniting Church also appears to be market ready and awaiting investment, providing potential for approximately 8 lots. These sites were sold around 2017 but remain undeveloped.

These sites could yield a combined estimated 78 lots, equating to approximately 19% of total estimated lot capacity. Therefore, approximately 81% of current land supply is not considered "market ready". Landowner intentions have the potential to further constrain supply. Strategic interventions are likely required to create further "market ready" supply as well as facilitating development of housing on "market ready" land.

3.3. OTHER AREAS OF INVESTIGATION

As part of the investigations into existing land supply, Council noted a site on Bowyer Street in Camperdown which could be considered for future residential land supply. A preliminary review of the site was undertaken to provide baseline considerations for any future Strategic Planning work, such as preparation of a Structure Plan.

The site is located north-east of the Town Centre, with access via Bowyer Street or Kilmaley Street. The site is approximately 4ha in size and is zoned C2Z. The parcel would provide opportunity for the extension of existing residential development front to the east of the site. The western portion of the site would be constrained from development due to a drainage reserve, which could form a buffer between the Commercial 2 Zone land further west. The north-west corner is also subject to the Land Subject to Inundation Overlay (LSIO), which may constrain development. The south-west of the site is also close to the industrial land buffer from the Milk Processing Plant. This would need to form part of investigations if the land were to be considered for residential purposes. Consultation with service authorities suggested that the eastern areas of the site (i.e. outside the drainage reserve) would be readily serviceable. A map of the site is provided below.

The site would have potential to yield in the order of 17-20 lots, at an average of 800sqm per lot.

F4. BOWYER STREET, CAMPERDOWN

Source: Nearmap

3.4. COBDEN

3.4.1. DEVELOPMENT SITE LOT CAPACITY

Nine vacant greenfield and strategic infill sites were identified in Cobden which provide potential for residential subdivision. These sites are identified in the map on the following page and in Table 4. There is estimated to be 21.7ha of GRZ1 supply in greenfield and strategic infill sites across Cobden, providing potential for approximately 157 lots.

T4. COBDEN VACANT RESIDENTIAL LOT SUPPLY AND LOT CAPACITY

Site	Total Zoned Supply	Potential Area Constrained	Development Efficiency	Net Developable Area	Indicative Lot Size	Estimated Lot Yield
Site 1 - Golf Club	1	0.1	80%	0.7	1,000sqm	7
Site 2 -Bond St	5.9	0.8	80%	4.1	1,000sqm	41
Site 3 - Smiths Rd	2.5	0.16	80%	1.9	1,000sqm	19
Site 4 - Roberts Rd	2.3	0	80%	1.8	1,000sqm	18
Site 5 - Cobden Health	2	0.1	70%	1.3	600sqm	22
Site 6 - Clarke St	1.3	0.3	70%	0.7	800sqm	9
Site 7 - Blandford St (south)	1.6	0	80%	1.3	1,000sqm	13
Site 8 - Blandford St (south)	0.8	0	80%	0.6	1,000sqm	6
Site 9 – Lavers Hill-Cobden Rd	4.3	1.2	70%	2.2	1,000sqm	22
Total	21.7	2.66		14.6		157

F5. GREENFIELD AND STRATEGIC INFILL DEVELOPMENT SITES [COBDEN]
JUNE 2021

urban enterprise

3.4.2. DEVELOPMENT SITE CONSTRAINTS ASSESSMENT

Residential development site constraints are summarised in Table 5 and in the map on the following page.

T5. SUMMARY OF DEVELOPMENT SITE CONSTRAINTS [COBDEN]

Site	General Constraints	Services Constraints	Comment on Market Readiness
Site 1 - Golf Club	Medium	Limited	Site looks readily serviceable for gas, water and sewer through extension of services. Augmentation works would be required for power. Bond Street is an unmade road and may require sealing. The site is owned by Cobden Golf Club who are considering its use as a free camping site.
Site 2 -Bond St	Medium	Limited	Site looks readily serviceable for gas, water and sewer through extension of services. Augmentation works would be required for power. Development would be best sequenced from east to west. Bond Street is an unmade road and may be required to be sealed to facilitate development. Internal access roads required for subdivision of entire site. Site appears to be in private ownership in one parcel.
Site 3 - Smiths Rd	Limited	Limited	Existing dwelling on site. Site appears readily serviceable. Power upgrades may be required. Site would require internal roads for subdivision. Site appears to be in private ownership over two parcels.
Site 4 - Roberts Rd	Limited	Limited	Site appears readily serviceable. Power upgrades may be required. Site would require internal roads for subdivision. Site appears to be in private ownership over three parcels.
Site 5 - Cobden Health	Limited	Limited	Majority of the site owned by Cobden Health, who have earmarked the site for potential future aged care development. Part of the site was subdivided and sold recently. Site appears readily serviceable.
Site 6 - Clarke St	Limited	Limited	Existing dwelling on site. Site appears readily serviceable, however, internal access road or 'cul-de-sac' would be required from Clarke Street to service new lots. Site appears to be in private ownership used for residential purposes across one parcel.
Site 7 - Blandford St (south)	Medium	High	Generally vacant site. Significant services constraints, including requirement for a sewer pump upgrade, potential water upgrades and extension of road along Blandford Street. If further development south is proposed, a services plan for the entire precinct should be prepared.
Site 8 - Blandford St (south)	Medium	High	Requires extension of road along Blandford Street to provide access to property. Potential services capacity for minor subdivision, however, significant services constraints for regular subdivision. Site appears in private ownership over two parcels.
Site 9 – Lavers Hill-Cobden Rd	Limited	Limited	Site appears generally vacant. Services available via extension of existing network. South of site is highly constrained, including services, topography and DPO. Potential to sequence development from northwest to east. Access road required to service subdivisions. Site appears to be in private ownership over one parcel.

Limited constraints	Medium constraints	High constraints

F6. GREENFIELD AND STRATEGIC INFILL DEVELOPMENT SITE CONSTRAINTS [COBDEN]

JUNE 2021

COMMENTS

1. Site looks readily serviceable for gas, water and sewer through extension of services. Augmentation works would be required for power. Bond Street is an unmade road and may require sealing. The site is owned by Cobden Golf Club who are considering its use as a free camping site.

2. Land Area: Approx. 5.9ha
Site looks readily serviceable for gas, water and sewer through extension of services. Augmentation works would be required for power. Development would be best sequenced from west to east. Bond Street is an unmade road and may be required to be sealed to facilitate development. Internal access roads required for subdivision of entire site. Site appears to be in private ownership in one parcel.

3. Land Area: Approx. 2.5ha
Existing dwelling on site. Site appears readily serviceable. Power upgrades may be required. Site would require internal roads for subdivision. Site appears to be in private ownership over two parcels.

4. Land Area: Approx. 2.3ha
Site appears readily serviceable. Power upgrades may be required. Site would require internal roads for subdivision. Site appears to be in private ownership over three parcels.

5. Site owned by Cobden Health, who have earmarked the site for potential future aged care development. Site appears readily serviceable.

6. Land Area: Approx. 1.3ha
Existing dwelling on site. Site appears readily serviceable, however, internal access road or 'cul-de-sac' would be required from Clarke Street to service new lots. Site appears to be in private ownership across one parcel.

7. Land area: Approx. 1.6ha
Generally vacant site. Significant services constraints, including requirement for a sewer pump upgrade, potential water upgrades and extension of road along Blandford Street. If further development south is proposed, a services plan for the entire precinct should be prepared.

8. Land area: Approx. 0.8ha
Requires extension of road along Blandford Street to provide access to property. Potential services capacity for minor subdivision, however, significant services constraints for regular subdivision. Site appears in private ownership over two parcels.

9. Land area: Approx. 4ha
Site appears generally vacant. Services available via extension of existing network. South of site is highly constrained, including services, topography and DPO. Potential to sequence development from northwest to east. Access road required to service subdivisions. Site appears to be in private ownership over one parcel

LEGEND

- Potential Broadhectare Greenfield Development Site
- Approved Property
- Proposed Property
- DPO6 Development Plan Overlay
- 100 Contour 10m
- Main Road
- Waterway
- Settlement Boundary

3.4.3. CONCLUSION ON MARKET READY GRZ SUPPLY IN COBDEN

A number of potential development sites in Cobden are not considered to be “market ready” due to key constraints, including:

- Services infrastructure constraints, including Sites 7 and 8 requiring significant sewer upgrades. Sites 1 and 2 requiring augmentation works for power supply.
- Access upgrades. Sites 1 and 2 requiring a sealing of the unmade road (Bond Street) and Sites 7 and 8 requiring an extension of Blandford Street.
- Land ownership constraints.

Further discussion on key constraints is provided at Section 3.9.

However, there are a number of sites that present potential development opportunities. Sites 3, 4, 5, 6 and 9 appear to have the most limited constraints. Sites 1 and 2 also have development potential, however, would require Bond Street to be sealed and services extended, with development of site 2 sequenced from east to west.

Sites 3 and 4 present potential for a combined estimated 37 lots (at 1,000sqm per lot), over approximately 5 parcels.

Site 5 is owned by Cobden Health and a private land owner and presents potential for approximately 22 lots (at 600sqm per lot). Cobden Health have indicated to Council that aged care housing is being considered for the site.

Site 6 presents a strategic infill opportunity for approximately 9 lots (at 800sqm per lot), however an access road would be required to service development as well as a willing landowner.

Site 9 presents opportunity for approximately 22 lots (at 1,000 sqm per lot) within close proximity to the Cobden Town Centre.

These sites could yield a combined estimated 90 lots, equating to approximately 57% of total estimated lot capacity. Therefore, approximately 43% of current land supply is not considered “market ready”. Strategic interventions are likely required to create further “market ready” supply as well as facilitating development of housing on “market ready” land.

3.5. OTHER AREAS OF INVESTIGATION

As part of the investigations into existing land supply, discussions were undertaken with Services Authorities on the potential for future residential expansion to the south of the existing urban area in Cobden (south of Blandford Street) (Figure 7), in order to provide baseline information for any future Strategic Planning work, such as preparation of a Structure Plan.

Consultation with services authorities suggested that there would be potential challenges in developing areas further south of the existing urban area, including a need for sewer pump station, rising mains, extension of the gas network and power grid. Wannon Water suggested if this area was going to be contemplated for growth, there would be a need to prepare a precinct servicing plan, which considered the type and location of infrastructure to service development and potential staging.

F7. AREAS SOUTH OF EXISTING URBAN AREA

Source: Nearmap (indicative areas shown)

3.6. TERANG

3.6.1. DEVELOPMENT SITE LOT CAPACITY

Two vacant greenfield and strategic infill sites were identified in Terang which provide potential for residential subdivision. These sites are identified in the map on the following page and in Table 6. There is estimated to be 24.6ha of GRZ1 supply in greenfield and strategic infill sites in Terang, providing potential for approximately 166 lots.

T6. TERANG VACANT RESIDENTIAL LOT SUPPLY AND LOT CAPACITY

Site	Total Zoned Supply	Potential Area Constrained	Development Efficiency	Net Developable Area	Indicative Lot Size	Estimated Lot Yield
Site 1 – McCrae St	19.0	0	70%	13.3	1,000sqm	133
Site 2 – Princes Highway	5.6	0.8	70%	3.4	1,000sqm	34
Total	24.6	0.8		16.6		166

*Development Plan for McCrae Street, Terang (Nov, 2009)

F8. GREENFIELD AND STRATEGIC INFILL DEVELOPMENT SITES [TERANG]
JUNE 2021

3.6.2. DEVELOPMENT SITE CONSTRAINTS ASSESSMENT [TERANG]

Residential development site constraints are summarised in Table 7 and in the map on the following page.

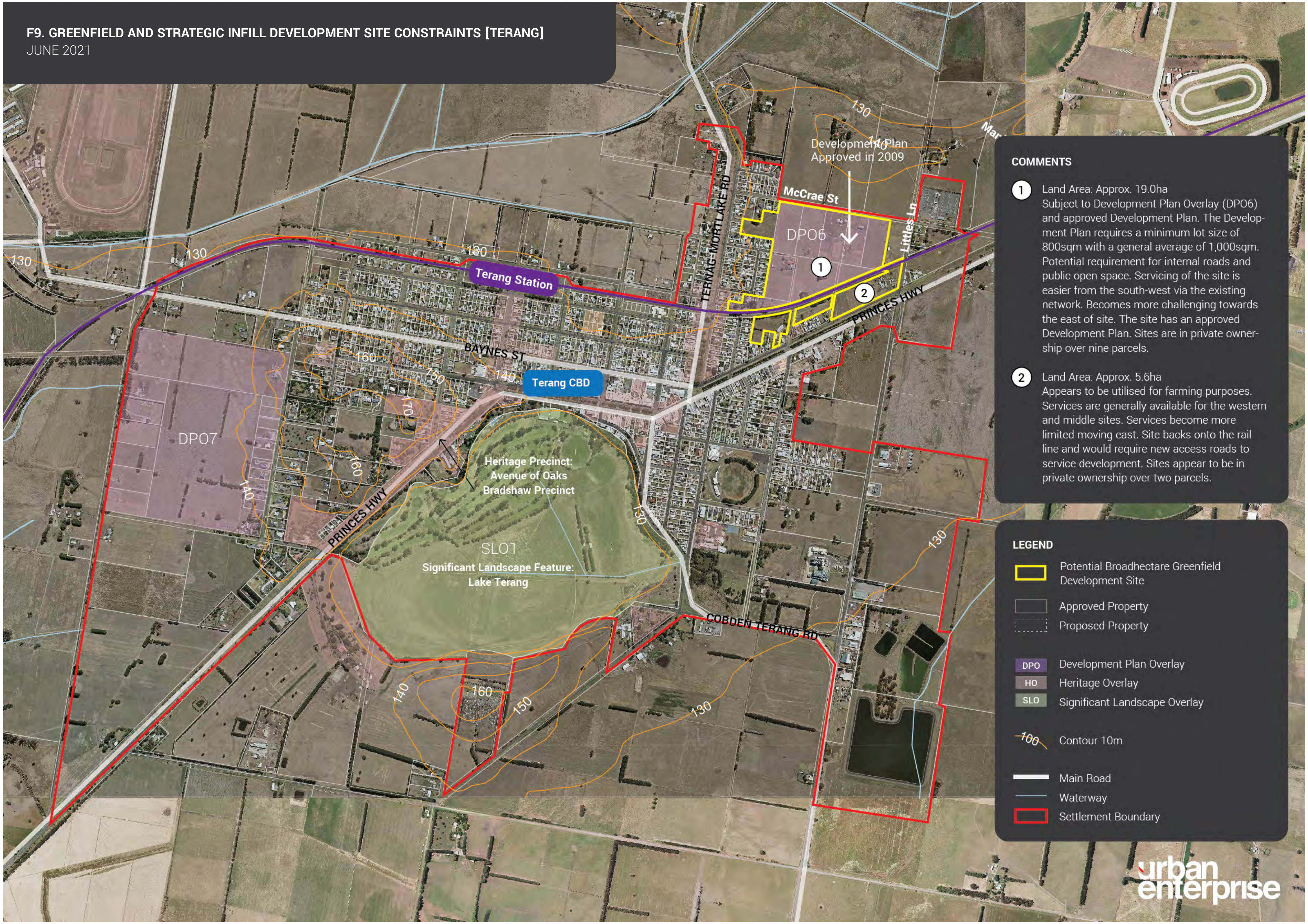
T7. SUMMARY OF DEVELOPMENT SITE CONSTRAINTS (COBDEN)

Site	General Constraints	Services Constraints	Comment on Market Readiness
Site 1 – Mccrae St	Medium	Limited (western areas of the site)	Subject to Development Plan Overlay (DPO6) and approved Development Plan. The Development Plan requires a minimum lot size of 800sqm with a general average of 1,000sqm. Potential requirement for internal roads and public open space. Servicing of the site is easier from the south-west via the existing network. Becomes more challenging towards the east of site. Sites are in private ownership over nine parcels.
Site 2 – Princes Highway	Medium	Limited (western areas of the site)	Appears to be utilised for farming purposes. Services are generally available for the western and middle sites. Services become more limited moving east. Site backs onto the rail line and would require new access roads to service development. Sites appear to be in private ownership over two parcels.

Limited constraints	Medium constraints	High constraints

F9. GREENFIELD AND STRATEGIC INFILL DEVELOPMENT SITE CONSTRAINTS [TERANG]

JUNE 2021



COMMENTS

1. Land Area: Approx. 19.0ha
Subject to Development Plan Overlay (DPO6) and approved Development Plan. The Development Plan requires a minimum lot size of 800sqm with a general average of 1,000sqm. Potential requirement for internal roads and public open space. Servicing of the site is easier from the south-west via the existing network. Becomes more challenging towards the east of site. The site has an approved Development Plan. Sites are in private ownership over nine parcels.

2. Land Area: Approx. 5.6ha
Appears to be utilised for farming purposes. Services are generally available for the western and middle sites. Services become more limited moving east. Site backs onto the rail line and would require new access roads to service development. Sites appear to be in private ownership over two parcels.

3.6.3. CONCLUSION ON MARKET READY GRZ SUPPLY IN TERANG

There are two key GRZ greenfield / strategic infill areas in Terang that present potential for development.

Site 1 provides potential for an estimated 133 lots (at an average of 1,000 sqm per lot). It is the primary area of land supply in Terang. The site is covered by the DPO and has an approved Development Plan (2009). Discussions with Council suggest there are landowners within this area that are considering development, however, an extension of services infrastructure and access roads would be required to facilitate development. Discussions with services authorities suggest that areas to the west and south-west should be readily serviceable, however, there may be increased challenges in servicing land to the east with sewer and water upgrades required.

Assuming the parcels to the west and south-west are “market ready”, these sites could yield an estimated 42 lots (at an average of 1,000 sqm).

Site 2 fronts the railway line. Discussions with services authorities suggest the western parcels would be more readily serviceable, with greater challenges to the east. These parcels would yield an estimated 15 lots (at an average of 1,000 sqm per lot), subject to a willing landowner.

Combined, the “market ready” areas of these sites could yield a combined estimated 57 lots, equating to approximately 35% of total estimated lot capacity. Therefore, approximately 65% of current land supply is not considered “market ready”. Strategic interventions are likely required to create further “market ready” supply as well as facilitating development of housing on “market ready” land.

3.7. OTHER AREAS OF INVESTIGATION

As part of the investigations into existing land supply, discussions were undertaken with Services Authorities on two potential future residential expansion areas in Terang, in order to provide baseline information for any future Strategic Planning work, such as preparation of a Structure Plan. Areas included sites to the west of the town centre on the corner of Baynes Street and Cameron Street and areas north of the railway line.

Wannon Water noted potential servicing constraints associated with the investigation area to the west. Specifically, there would be a need for a sewer pump station and rising mains. The length of the rising mains would be subject to the extent of development of the site.

Areas north of the train station would have good access to sewer infrastructure, with a deep sewer main running to the north of Black Street. Access to water may be more problematic. Drainage may also pose a constraint as the land is relatively low lying. There would likely be a need for incorporation of a drainage reserve if this area were to be considered for residential development. Areas north of the station were also noted in the Rural Living Strategy as providing potential for rural living land.

F10. INVESTIGATION AREAS

Source: Nearmap (indicative areas shown)

3.8. RURAL RESIDENTIAL SUPPLY

Rural residential (land in the Low Density Residential Zone and the Rural Living Zone) is a significant and important component of residential land supply in Camperdown, Cobden and Terang.

The Rural Living Strategy was prepared by Myers Planning Group in 2019, and provides a land use framework to guide current and future management of rural residential land throughout the Shire.

The Strategy found that there was a total of 70 unoccupied lots (121.62ha) in Camperdown available for development, 22 unoccupied lots (17ha) in Cobden and 20 unoccupied lots (65ha) in Terang (See Table 8 and 9).

T8. UNOCCUPIED LOTS AND LAND RLZ AND LDRZ (2019)

Location	LDRZ			RLZ	Total
	1	2	3		
Camperdown (lots)	48	2	14	6	70
Cobden (lots)	22	-	-	-	22
Terang (lots)	15	-	-	5	20

Source: Corangamite Shire, Rural Living Strategy, 2019, p.33

T9. UNOCCUPIED HA AND LAND RLZ AND LDRZ (2019)

Location	LDRZ			RLZ	Total
	1	2	3		
Camperdown	44.6	8	31	38	121.62
Cobden	17	-	-	-	17
Terang	23	-	-	42	65

Source: Corangamite Shire, Rural Living Strategy, 2019, p.33

Key findings relevant to the study include:

- Requirements for infrastructure in rural residential development were cost-prohibitive to developers;
- The presence of existing accessible road infrastructure was consistently identified as the key determinant of a rural residential property's development potential;
- High demand for one-hectare and two-hectare properties within the rural residential market, driven by suburban based investors looking for rural residential property to relocate to, with interest focused mainly on the peripheries of Camperdown, Timboon and Port Campbell.
- Take up of existing rural residential land should be a priority prior to rezoning of further land for rural residential development.

Key drivers of change included:

- Land fragmentation – Historical subdivision policies have resulted in fragmentation of rural land and have left significant legacy of small rural lots less than 2ha.
- Housing growth – A requirement for an additional 702 new houses to be provided through infill and greenfield development across all residential and rural residential zones, meaning an average of 39 new dwellings need to be constructed per annum between 2018 and 2036.
- Tourism investment – Increased demand for housing as a result of major tourism investments during the construction phase, as well as seasonal and permanent ongoing pressure to housing supply.
- Optimisation of rural residential land – potential for further residential development among existing supply, however much of it is constrained (i.e. flooding, buffers, infrastructure requirements, lot types to meet market preferences).
- Rural residential – using rural residential land as an opportunity to attract population and/or investment

The report notes that the market has demonstrated a preference for developed rural residential lots between 2-3.5ha and vacant lots between 3-5ha. Between 2013-2016, rural residential property market comprised 20% of residential property sales.

The report concludes that, "theoretically, there is sufficient land available to meet the current demand for rural residential development within the Shire beyond 20 years. However, a large quantum of this supply is constrained by environmental, infrastructure and land use conflicts and has not been developed. Further, the supply of land available for rural residential opportunities is not located in higher demand areas along the coast or optimised to current local market preferences for lot size and infrastructure."[2]

The report also finds that there appears to be a deficiency in the market for larger rural lots and an 'over supply' of allotments below 1ha. Enquiries for these lots come from retiring farmers and rural lifestyle seekers from Melbourne and along the coast seeking affordable rural residential land to pursue a combination of sustainable living and rural lifestyle pursuits (i.e. small scale adjustment and light animal husbandry).

A summary of the relevant recommendations for Camperdown, Cobden and Terang are provided in Table 10.

T10. RELEVANT RECOMMENDATIONS

Town	Relevant recommendations
Camperdown	An extension of the Development Plan Overlay to some Low Density Residential Zoned land in Camperdown, as well as the introduction of a schedule to the DPO to require minimum lot sizes.
	Rezoning of land north of Gnotuk Road and west of Park Road (in Camperdown) from Farming Zone to Rural Living Zone
	Identify land bound by the Princes Highway and Park Road as the preferred direction for future long-term residential growth, following take up of existing and planned rural residential land stocks
Cobden	Support the retention and uptake of existing Low Density Residential Zone land
	Council to develop a Rural Residential Property Investment Guide in consultation with local real estate agents and developers
Terang	Introduce and apply Rural Living Zone Schedule specifying a 2ha minimum lot size for subdivision to existing Rural Living Zone land in Terang
	Rezone land north of Black Street and adjoining the unmade road reserve adjoining Terang-Mortlake Road from the Farming Zone to the Rural Living Zone (2ha minimum lot size for subdivision) subject to detailed drainage investigation

Source: Corangamite Rural Living Strategy, 2019

[2] Corangamite Shire, Rural Living Strategy, 2019, p.2

Additional land supply recommendations are shown in Table 11. An additional 88 hectares of RLZ land was recommended for Camperdown, with areas to the west of Park Road and north of Gnotuk Road identified as potential areas of future supply.

An additional 60 hectares of RLZ land was recommended for Terang, with areas north of the train station identified as a future site for rezoning.

No additional land in the LDRZ or RLZ was recommended for Cobden.

T11. FUTURE LDRZ / RLZ LAND SUPPLY RECOMMENDATIONS (HA)

Location	LDRZ			RLZ	Total
	1	2	3		
Camperdown	-	-	-	88	88
Cobden	-	-	-	-	-
Terang	-	-	-	60	60

Source: Corangamite Shire, Rural Living Strategy, 2019, p.33

The provision of land for rural living is an important component of the residential land use mix for the towns of Camperdown, Cobden and Terang. Opportunities for rural living should be continued to be provided where appropriate, alongside more traditional forms of residential land within the General Residential Zone.

3.9. KEY ISSUES AND CONSIDERATIONS

A number of key issues and considerations that have been identified through the analysis relevant to the residential land assessment. These are discussed below:

Barriers to market ready land supply

A number of key barriers are inhibiting market ready land supply. These are outlined below:

Land Ownership

Land ownership poses a substantial barrier to bringing housing to market. Although land may be available and ready to be developed, it does not guarantee that the land will be brought to market. A willing landowner or active developer is required to bring land to market.

An assessment of key development sites in Camperdown, Cobden and Terang against transactions data shows that majority (50%+) of potential development sites that are considered as supply have been within the same ownership for ten years or more. Further, the overwhelming majority of larger development sites have been in the same ownership for 10+ years. The properties that are transacting at a higher rate are generally those that are smaller parcels, have an existing dwelling and/or are covered under the DPO. Further, ownership within the DPO areas is highly fragmented, with a mix of sites which have been in the same ownership for over ten years and others which have been transacted more recently. This suggest that significant consolidation of sites within the DPO area has not been occurring.

There are many reasons why a landowner would choose either not to develop or sell their land for development (e.g. using the land for alternative purposes, the potential financial benefit does not outweigh other factors, the landowner is not a developer and it is not of interest, the vacant portion of the site provides rural residential character and amenity etc.) however, the fact that sites aren’t making it to market shows how significant this is as a barrier to promoting new housing supply.

If current owners are not in a position to or willing to develop their land, this can have significant impact on availability of market ready land supply. For example, the bulk of market ready land supply in Camperdown is associated with one major site (site 1), providing capacity for approximately 70 lots. If these landowners were not considering development in the near term, the market ready lot capacity of Camperdown would reduce to 8 lots, which would be considered infill supply.

There is a need to engage with landowners where sites offer development potential to gauge development interest and determine pathways to facilitate development and/or consider bringing new land to market by working with active developers to address critical supply issues.

Service Infrastructure Requirements and Costs

Many sites require services infrastructure upgrades to facilitate development. The requirement for services infrastructure provides a barrier to development, with high upfront costs providing a disincentive to development as well as impacting development viability.

The need for sewer infrastructure upgrades were generally noted as a common barrier. Consultation with Wannon Water suggested that a new sewer pump station could cost in the order of $150,000 to $200,000, plus additional costs of around $250 per square metre for rising mains.[3] For smaller subdivisions, this can pose a significant cost barrier, particularly when compared with land and house values (the median house price in Camperdown in 2020 was $259,183 – see Section 4.4). Therefore, for small subdivisions, upfront costs to deliver a sewer pump station could render development unviable.

Rising land and house prices in recent times is likely to have favourably impacted development viability, however, large upfront costs for infrastructure delivery are likely to pose an ongoing issue. Larger subdivisions, where developers may have greater capacity to absorb upfront infrastructure costs may somewhat alleviate this issue, however, in the context of Camperdown, Cobden and Terang, these sites are generally more limited (unless consolidation occurs or existing landowners partner with one another).

[3] Costs are indicative and based on consultation with Wannon Water. Actual costs would be dependent on site conditions and extent of infrastructure required

General Infrastructure Requirements

The upfront cost to deliver infrastructure such as access roads, can pose a barrier to development, particularly for smaller subdivisions. Consultation with agents and Council has suggested that some landowners are hesitant to bring their land to market due to upfront infrastructure costs. General observations of recent development suggest a number of smaller residential subdivisions have occurred on sites with existing road frontages or access, with new access roads generally being provided in instances where larger subdivisions have occurred: Two examples in Camperdown including:

- Lakeview Avenue - accessed via Bowen Street, including approximately 32 lots with a variety of sizes, but generally ranging from between 650sqm to 1,000sqm.
- Kilmaley Street – accessed via Meiklejohn Street, including approximately 12 lots of a variety of lot sizes, but generally ranging between 800sqm to 1,000sqm.

Providing assistance in the delivery of enabling infrastructure may assist in bringing new land to market.

Approved Development Plans

The Development Plan Overlay (DPO) is applied to key areas of potential supply in Camperdown (Site 2) and Terang (Site 1). These areas both have approved Development Plans, which were prepared by Council on behalf of landowners in 2009.

Council has been approached by landowners within the sites affected by DPO8 in Camperdown and DPO6 in Terang interested in development, however, the approved Development Plan, coupled with the need for some services infrastructure upgrades and minimum lot sizes may be limiting the ability for these landowners to bring new lots to market.

The Development Plan aims to guide the orderly development of land and to ensure future development opportunities are not compromised by other development. Any proposed development is required to generally align with the approved Development Plan. In the context of Camperdown and Terang. A number of issues are present:

- The DPO is applied in areas with fragmented ownership (particularly in Camperdown). Although this is a necessity in order to facilitate orderly development, it requires willing landowners, the sale and consolidation of properties or for landowners to collaborate with one another to bring land to market. This can pose a significant barrier to development.
- Minimum and average lot sizes potentially placing constraint on development viability. DPO8 (Camperdown) stipulates a general average lot size of 1,000sqm, with the approved Development Plan noting a minimum lot size of 800sqm with a general average of 1,000sqm. DPO6 (Terang) does not stipulate an average lot size, however, the approved Development Plan notes a minimum lot size of 800sqm, with an average of 1,000sqm should be achieved. Recent examples of subdivision show that this may be too onerous, with many recently subdivided lots as part of the Lakeview Avenue subdivision (located south-east of the DPO8 area) in Camperdown being around 650sqm.
- The requirement for sequencing of services and access infrastructure to unlock land supply.
- The apportionment of infrastructure delivery costs, with the potential for the most significant costs to be burdened by those landowners / developers who are first in sequence.

A review of the approved Development Plans (and the DPO where required) in these areas could be considered which takes into account willing landowners, potential for development phasing, infrastructure sequencing potential (so as to not compromise short term development opportunities or long term development potential) and minimum average lot sizes.

Limited availability of market ready land supply

On face value, there appears to be significant supply of vacant greenfield and strategic lots within the General Residential Zone across Camperdown, Coben and Terang. However, a more detailed assessment reveals that much of the current zoned supply is constrained for development, limiting market ready supply.

Across the three towns there is estimated to be 35.2ha of zoned greenfield and strategic infill market ready land supply, providing potential for 225 lots. This represents approximately 30% of total zoned supply and 31% of total lot capacity.

The estimated lot capacity for market ready sites represents a limited proportion of total dwellings, indicating a constrained supply environment. In Camperdown, estimated market ready lot capacity is equivalent to 4.8% of total dwellings, 10.6% in Cobden and 5.3% in Terang. [4]

Market ready land supply appears to be most critical in Camperdown and Terang, whilst in Cobden there appear to be more existing market ready opportunities to support residential development, albeit subject to landowner interest.

Although there are a number of sites zoned and available for residential development in Camperdown, only two sites have been assessed as having relatively limited constraints that would hinder developability. Whilst in Terang, zoned land supply is limited to two key sites within the broader DPO6 area.

T12. SUMMARY OF MARKET READY GREENFIELD & STRATEGIC INFILL SUPPLY

Town	Market Ready Greenfield and Strategic Infill		
	Sites	Hectares	Estimated Lots
Camperdown	2	14.6	Approximately 78 lots
Cobden	5	12.4	Approximately 90 lots
Terang	2*	8.2	Approximately 57 lots
Total	9	35.2	225 lots
% of Total		30% of zoned supply	31% of lot capacity

*Parcels within sites 1 and 2

[4] Dwelling Numbers Based on ABS Census, 2016

Larger greenfield and strategic infill sites provide the bulk of land supply within the GRZ1 zone. As a total of only 30% of land supply has been assessed as being market ready (subject to landowner intentions), there is a priority to first consider how existing zoned land supply can be unlocked for development. Following this, consider rezoning development ready land (including with willing landowners) to support residential development opportunities.

Constraints to Land Supply may be Impacting Demand

Overall, there are a number of issues with existing land supply and barriers to bringing new residential lots to market. This is likely to be constraining potential demand and therefore is not evidenced in historical indicators of demand data.

Demand Side Issues

In addition to supply side barriers, there are a number of interrelated demand side issues. These can include uncertainty regarding demand, the potential to achieve the required sales pricing to justify infrastructure delivery and a willingness to assume risk.

These issues are explored further in Section 4.

4. RESIDENTIAL MARKET ASSESSMENT

4.1. INTRODUCTION

The following section provides an overview of the residential market and housing demand in Camperdown, Cobden and Terang. This includes a review of population and housing data and draws on commentary from local real estate agents and Council.

Table 13 provides a snapshot of key metrics relevant to Camperdown, Cobden and Terang. Further detailed analysis follows.

T13. RESIDENTIAL MARKET SNAPSHOT

	Camperdown	Cobden	Terang
Population (2016)	3,338 residents	1,847 residents	2,283 residents
Forecast Population (2036)	3,518 residents	2,104 residents	2.372 residents
Forecast Growth 2016-2036	0.26% p.a.	0.65% p.a.	0.19% p.a.
Households (2016)	1,488 households	771 households	985 households
Households (2036)	1,666 households	849 households	1,087 households
Forecast Household Growth p.a. (2016-2036#)	9 p.a.	4 p.a.	5 p.a.
Dwellings (2016)	1,634 dwellings	848 dwellings	1,076 dwellings
Dwellings (2036)	1,836	944	1,207
Forecast Dwelling Growth p.a. (2016-2036#)	10	5	7
Average House Price (GRZ1) (2020)	$279,506	$236,742	$240,902
Price growth p.a. 2011-2015	1.9%	-1.2%	-0.3%
Price growth p.a. 2015-2020	6.5%	3.2%	3.5%
Average Transaction Growth 2016-2020	7.25%	8.95%	6.94%
Average Annual Building permits (2011-2015)	5.4	1.8	2.5
Average Annual Building permits (2015-2020)	10.6	3.2	3.6
Rented Properties (2011-2016)	Down 7%	Up 5%	Down 14%
Rental Price Growth 2011-2016	4.6% p.a.	2.4% p.a.	4.3% p.a.

Source: Various sources

4.2. POPULATION

The historical and forecast population for each town is shown in Table 14 and Figures 11 and 12.

Camperdown is the largest of the three towns and serves as the primary social, retail and service centre for the municipality's central hinterlands. Despite a reduction in population between 2011 and 2016, id. forecast that there will be an additional 180 residents between 2016 and 2036 (+0.26% per annum), or approximately 9 new residents per annum.

Terang also experienced a slight decline in population between 2011 and 2016 but is forecast to experience modest population growth over the forecast period. The town's population is forecast to expand by 178 people (or 12 people per annum) between 2021 and 2036 at an average annual rate 0.59%.

Cobden's population is the smallest of the three towns, however, is forecast to have the strongest population growth at 257 residents (or 13 residents per annum) between 2016 and 2036, to reach 2,104 people by 2036.

Combining the three towns into a sub-region and benchmarking it as a proportion of the entire municipality's population, the sub-region is forecast to increase its share of Corangamite's population from 46% to 48% by 2036. This reflects broader trends across the Shire, with some towns expected to grow, with other smaller, more rural based towns expected to experience population decline.

The forecasts prepared by .id were prepared before the COVID-19 pandemic and thus do not take the impacts of COVID-19 into account. The pandemic has resulted in a change in typical migration patterns, with Greater Melbourne experiencing a net loss of 8,500 people in the December 2020 quarter, the highest since 2001. Approximately 50% of this net losses were people moving intrastate to the regions and 50% interstate.[5] There is potential that Camperdown, Cobden and Terang will experience population growth over and above existing forecasts, given recent demand increases for housing in Victoria's regions.

Further, as has been previously discussed, supply is likely constraining demand, which could be impacting the population forecasts.

Victoria in Future (VIF) forecasts from 2019 are also provided in Figure 12. These forecasts show a declining population for both the Camperdown-Lismore sub-region and the Cobden-Port Campbell sub-region. The VIF forecasts have not been relied on for this assessment as they encompass a wider region than the study area and were prepared in 2019.

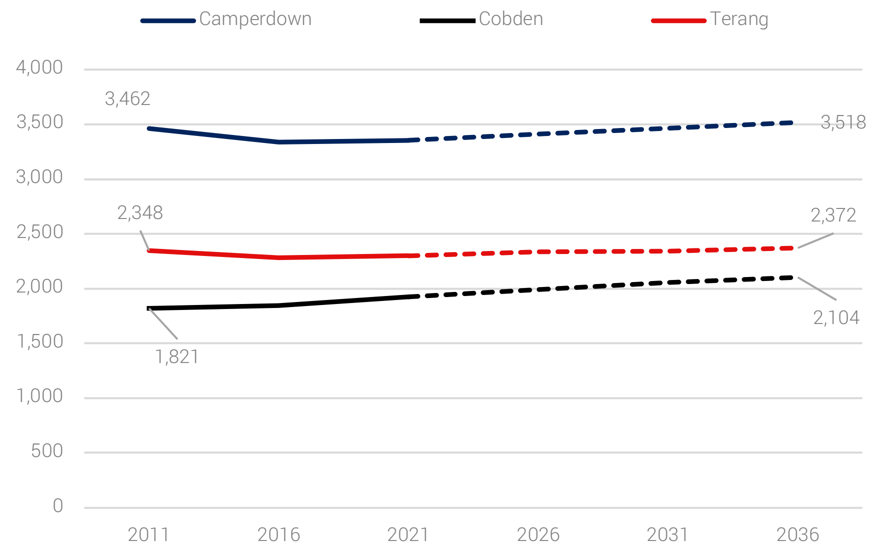
[5] ABS, Regional Internal Migration Estimates (provisional) 4 May 2021

T14. POPULATION FORECAST

Population Forecast	2016	2021	2026	2031	2036	AAGR % 2016-2036	Forecast Change 2016-2036	Forecast Change Per Annum
Camperdown	3,338	3,355	3,411	3,465	3,518	0.26%	180	9
Cobden	1,847	1,926	1,991	2,058	2,104	0.65%	257	13
Terang	2,283	2,300	2,336	2,342	2,372	0.19%	89	4
Sub-Region Total	7,468	7,581	7,738	7,865	7,994	0.34%	413	28
Sub-Region % of Corangamite	46%	47%	47%	48%	48%			
Corangamite Shire	16,135	16,239	16,395	16,520	16,574	0.13%	439	29

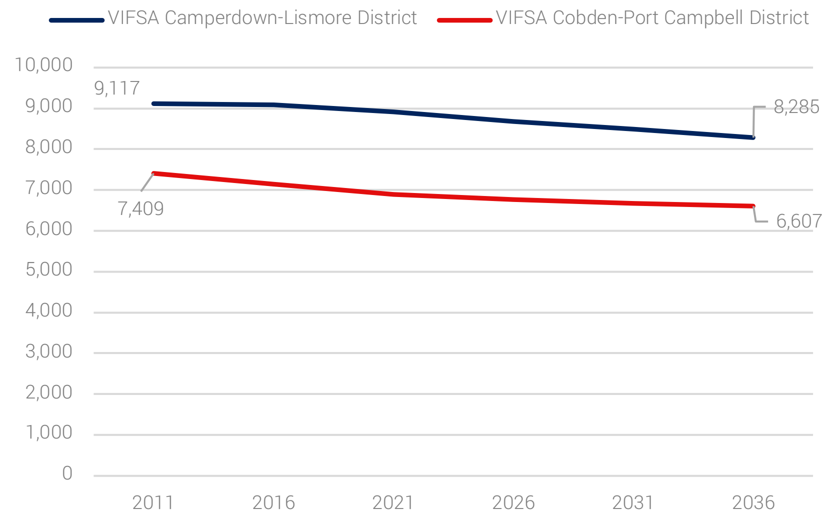
Source: .id, Corangamite Shire, 2021

F11. HISTORICAL & FORECAST POPULATION



Source: Profile id, 2021

F12. VICTORIA IN FUTURE - POPULATION FORECAST



Source: Victoria in Future, 2019

SERVICE AGE GROUPS

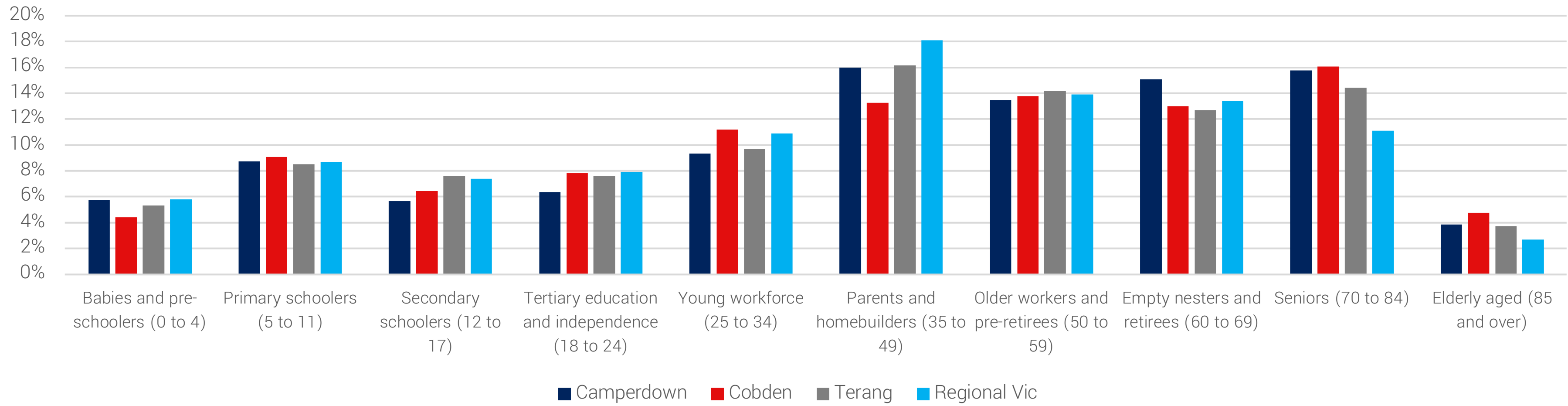
Figure 13 shows the age profile of the populations of Camperdown, Cobden and Terang as of 2016 based on categorisation into service age groups. The towns generally have an older population when compared with regional Victoria, which is most pronounced within the seniors age cohort (70 to 84 years).

Of the three towns, Camperdown had the highest proportion of parents and home builders (aged 35 to 49 years), as well as a higher proportion of empty nesters and retirees.

Cobden had a slightly higher proportion of those aged in the young workforce (25 to 34 years), when compared with Camperdown and Terang.

Across all three towns, the primary housing market segments are parents and homebuilders, older workers and pre-retirees, empty nesters, retirees and seniors. There is a need to provide a diversity of housing choices within the market to support these segments of the population. There is also a need to ensure enough housing choice is available to enable a fluid housing market, providing new opportunities for buyers to enter the market, for people to transition between housing types and to allow for ageing in place.

F13. SERVICE AGE GROUPS - 2016



Source: ABS, Census of Population and Housing 2011 and 2016 via profile .id (informed decisions).

Ten year forecasts (2016-2026) prepared by .id shows that the population is expected to continue to age, with the majority of population growth occurring in the 60+ year age segments.

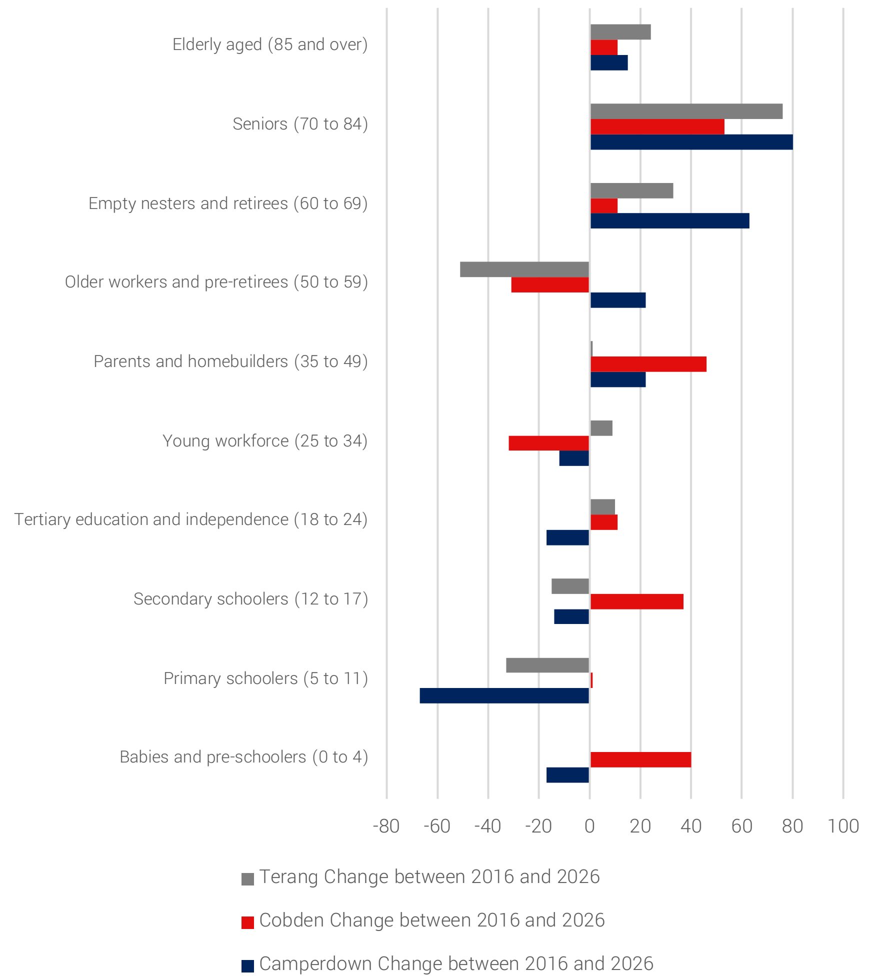
Camperdown is expected to experience the most significant growth in those aged over 60 years, followed by Terang and Cobden.

Parents and homebuilders (35 to 49 years) are expected to be a key growth market segment in Cobden to 2026, followed by Camperdown.

The forecasts also show an expected decline in those aged between 50 to 59 years in Cobden and Terang.

Future housing provision should be cognisant of the expected demographic changes and the impacts to the housing market. All three towns are expected to experience an ageing of the population. It is important that appropriate housing opportunities are available to enable residents to age in place. This includes opportunities for downsizing, retirement and/or assisted living. Sufficient diversity in the housing market will assist in maintaining population levels, support local jobs and free up housing stock for other segments of the market.

F14. FORECAST CHANGE IN SERVICE AGE GROUPS (2016-2026)



Source: ABS, Census of Population and Housing 2011 and 2016. Forecasts by profile .id (informed decisions).

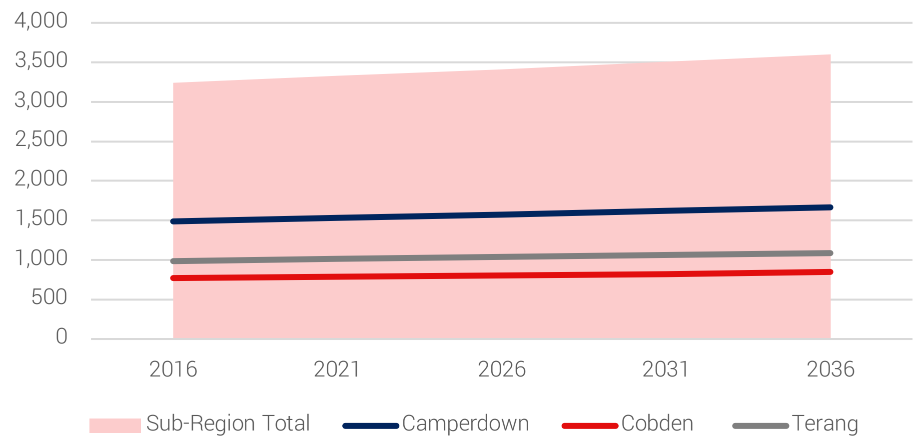
4.3. HOUSEHOLDS

The historical and forecast number of households in each town and Corangamite Shire are provided in Figure 15 and Table 15. These forecasts broadly align to the population forecasts, with relatively modest growth projected across each town albeit at a slightly higher rate than the municipality.

Camperdown is forecast to grow by 178 households (or nine households per annum) over the next 20 years to reach 1,666 households by 2036. Terang is forecast to grow by 102 households (or five per annum) over the forecast period while Cobden is expected to grow by 78 households (or four households per annum) between 2016 and 2036.

The proportion of total households across Corangamite Shire located in the sub-region (including all three towns) is expected to increase slightly to 2036 to 49%.

F15. HOUSEHOLDS FORECAST (2016-2036)



Source: .id, Corangamite Shire, 2021

T15. HOUSEHOLDS FORECASTS (2016-2036)

Households Forecast	2016	2021	2026	2031	2036	AAGR % 2016-2036	Forecast Change 2016-2036	Forecast Change Per Annum
Camperdown	1,488	1,530	1,572	1,620	1,666	0.57%	178	9
Cobden	771	787	803	824	849	0.48%	78	4
Terang	985	1,011	1,040	1,063	1,087	0.49%	102	5
Sub-Region Total	3,244	3,328	3,415	3,507	3,602	0.52%	274	18
Sub-Region % of Corangamite	48%	48%	48%	49%	49%			
Corangamite Shire	6,775	6,915	7,054	7,194	7,333	0.40%	558	37

Source: .id, Corangamite Shire, 2021

4.4. DWELLINGS

The historical and forecast number of dwellings in each town and Corangamite Shire are provided in Table 16.

Camperdown is forecast to grow by 202 dwellings (or 10 dwellings per annum) over the 20 year period to reach 1,836 dwellings by 2036. Terang is forecast to grow by 96 dwellings (or seven dwellings per annum) over the forecast period while Cobden is expected to grow by 96 dwellings (or five dwellings per annum) between 2016 and 2036.

The proportion of total dwellings across Corangamite Shire located in the sub-region (including all three towns) is expected to be maintained at 46% to 2036.

T16. DWELLINGS FORECAST

	2016	2021	2026	2031	2036	AAGR % 2016-2036	Forecast Change 2016-2036	Forecast Change p.a. 2016-2036
Camperdown	1,634	1,681	1,730	1,783	1,836	0.58%	202	10
Cobden	848	868	888	914	944	0.54%	96	5
Terang	1,076	1,109	1,145	1,176	1,207	0.58%	131	7
Sub-Region Total	3,558	3,658	3,763	3,873	3,987	0.57%	329	22
Sub-Region % of Corangamite	46%	46%	46%	46%	46%			
Corangamite Shire	7,812	8,004	8,199	8,394	8,588	0.47%	776	52

Source: .id, Corangamite Shire, 2021

4.5. PRICING

The following provides an assessment of housing prices in Camperdown, Cobden and Terang drawing on median house price data from Valuer General Victoria and based on analysis of housing transaction data provided by Council.

Valuer General Victoria reported a median house price of $280,000 for Camperdown as of 2019, a median price of $237,000 in Cobden and $190,000 for Terang (See Figure 16). Please note, 2020 data is based on a preliminary number of sales.

Historically, median house values in Corangamite Shire have been below that of regional Victoria, however have followed growth trends. The median price reported for regional Victoria as of 2020 was $426,908.

Analysis of Council's transactions data for 2020, for housing located in the General Residential Zone (GRZ) shows an average price of $279,506 in Camperdown, $236,742 in Cobden and $240,902 in Terang. Apart from Cobden, these prices are above median prices reported by the Valuer General.

The relative affordability of these towns can act as a driver of increased demand for housing, however, it can also inhibit new housing supply being brought to market if impacting development viability or limited margins to compensate for risk.

Between 2010 and 2020, the average price of dwellings in the GRZ in Camperdown increased at a rate of 4.4% per annum, followed by Cobden (1.23% p.a.) and Terang (1.81% p.a.). However, price growth has been stronger over recent years. Between 2015 and 2020, the average price in Camperdown grew at a rate of 6.5% per annum, 3.5% per annum in Terang and 3.2% per annum in Cobden.

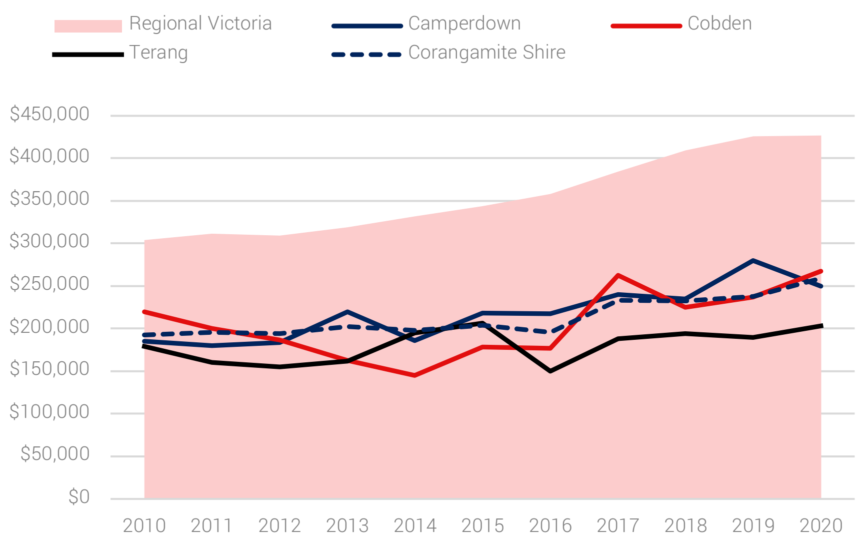
The average price of rural lifestyle dwellings has also increased over the same period, with housing and associated land attracting a higher average price compared to dwellings in the GRZ.

The higher rate of growth over recent years, coincides with the increase in population growth over the same period, compared to a lower population growth environment prior to 2015.

This data also does not reflect most recent activity and sales. Consultation with local real estate agents has indicated significant price growth over the past 12 months, with estimates of price growth ranging from between 10-30%. This is believed to be driven by low interest rates, a lack of supply, the impacts of COVID-19 on people's housing and living choices and the strength of the local agriculture industry.

Discussions with Council and agents, suggest that the recent price growth has come with increased interest from landowners and developers to deliver new housing as margins increase and development becomes a more feasible proposition.

F16. MEDIAN HOUSE PRICES (2010-2020)



Source: Valuer General Victoria, A Guide to Property Values, 2020

*2020 data is based on a preliminary number of sales

T17. AVERAGE GENERAL RESIDENTIAL ZONE HOUSE PRICES

	General Residential Zone – Average Price		
	Camperdown	Cobden	Terang
2011	$189,658	$212,078	$205,032
2012	$197,171	$170,167	$184,025
2013	$235,013	$157,000	$172,348
2014	$190,222	$193,786	$198,722
2015	$204,152	$202,021	$202,635
2016	$227,769	$182,341	$171,463
2017	$242,054	$238,655	$190,764
2018	$226,900	$182,833	$189,872
2019	$240,066	$213,192	$193,348
2020	$279,506	$236,742	$240,902
AAG (2011-2020)	4.40%	1.23%	1.81%
AAG (2015-2020)	6.5%	3.2%	3.5%
AAG (2011-2015)	1.9%	-1.2%	-0.3%

Source: Corangamite Shire Council, 2021

T18. RURAL LIFESTYLE DWELLINGS AVERAGE PRICE 2009-2014 & 2015-2020

	2009-2014	2015-2020	Growth
Camperdown	$339,583	$407,483	+$67,899
Cobden	$198,861	$307,633	+$108,773
Terang	$200,771	$285,003	+$84,232

Source: Corangamite Shire Council, 2021. 5 year average due to low transaction sample size

4.6. TRANSACTIONS

Council's residential property transaction data has been analysed for Camperdown, Cobden and Terang.

The data has been analysed for dwelling and vacant land sales in the GRZ and the LDRZ/RLZ.

There has been a significant uplift in property transactions in the past 5 years, compared to the 5 years prior.

In Camperdown and Terang, transactions have almost doubled. Between 2011 and 2015, there was an average of 43 dwelling transactions per annum in Camperdown in the GRZ. This increased to an average of 80 transactions per annum between 2016 and 2020.

Dwelling transactions in Terang increased from an average of 24 per annum to 44 per annum, whilst in Cobden there was an increase from 17 per annum to 27 per annum.

There have been limited transactions of vacant land within the GRZ, which may indicate constrained supply of vacant lots. Although transactions are limited, the data suggests that there has also been growth in the average number of transactions of vacant land in the GRZ. Transactions of vacant land in Camperdown increased from an average of only 0.6 per year between 2011 and 2015 to 6.6 per year between 2016 and 2020. The average number of vacant land transactions in Cobden increased from 0.2 per annum to 1.8 per annum, with Terang increasing from 0 to 1.4 per annum.

There has also been an increase in dwelling and vacant land transactions on low density and rural living sites.

An increase of vacant land transactions could signal increased vacant land consumption and therefore a reduction in vacant land supply for new housing. This was supported through site visits, which evidenced a number of new dwellings and/or dwellings under construction on previously vacant infill sites in Camperdown (and to a lesser extent in Cobden and Terang). Local real estate agents in Camperdown also commented on the recent increase in new building activity occurring on vacant lots when land is available.

As market ready vacant land supply is consumed and it is not replaced with new market ready supply, this can lead to higher prices and a constrained housing market.

There needs to be adequate availability of market ready land supply to address the recent increase in demand and longer term growth of the towns.

T19. TRANSACTIONS SUMMARY

	Average 2011-2015 p.a.	Average 2016-2020 p.a.	AAGR % 2016-2020*
Dwellings (General Residential Zone)			
Camperdown	43	80	7.25%
Cobden	17	27	8.95%
Terang	24	44	6.94%
Vacant Land (General Residential Zone)			
Camperdown	0.6	6.6	-
Cobden	0.2	1.8	-
Terang	0.0	1.4	-
Dwellings (Low Density / Rural Living Zones)			
Camperdown	3.2	6.2	-
Cobden	0.6	1.6	-
Terang	2.3	3.2	-
Vacant Land (Low Density / Rural Living Zones)			
Camperdown	0.4	2.4	-
Cobden	0.0	0.2	-
Terang	0.8	2.2	-

Source: Corangamite Shire Council, 2021

*Growth rate excluded from low transactions

4.7. BUILDING PERMITS FOR DWELLINGS (GRZ)

The following provides an analysis of Council's building permit data between 2011 and 2020. The data has been filtered to only include "construction of new dwelling" and any associated new garage and/or verandah, within the GRZ.

Between 2011 and 2020, there was a total of 96 dwelling permits issued for Camperdown, Cobden and Terang within the GRZ. Camperdown made up the majority of permits (64%), followed by Cobden (20%) and Terang (17%).

There has been a general upward trend in new permits issued over the ten years.

The average number of permits issued in Camperdown between 2011-2015 was 5.2 per year, this increased to an average of 7 per year between 2016 and 2020.

The same scenario is true of Cobden and Terang. Cobden attracted an average of 1.2 permits per annum between 2011 and 2015, increasing to 2.6 per annum between 2016 and 2020. Terang attracted an average of 1.2 permits per annum between 2011 and 2015, increasing to 2 permits between 2016 and 2020.

T20. BUILDING PERMITS FOR DWELLINGS (GRZ)

	Camperdown	Cobden	Terang
2011	1	0	0
2012	1	1	1
2013	9	2	3
2014	5	1	1
2015	10	2	1
2016	9	1	2
2017	6	2	0
2018	4	2	4
2019	8	5	2
2020	8	3	2
Total	61	19	16
Average 2011-2015	5.2	1.2	1.2
Average 2016-2020	7	2.6	2

Source: Corangamite Shire Council, analysed by Urban Enterprise, 2021

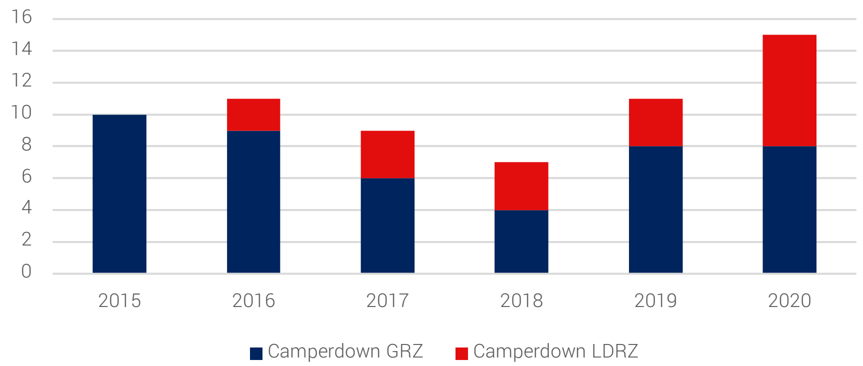
DWELLING PERMITS GRZ AND LDRZ

Dwelling permits within the GRZ1 make up approximately 72% of dwelling permits, with the remaining 28% issued in the LDRZ across the three towns. The proportion of permits in the GRZ was 75% in Camperdown, 78% in Cobden and 57% in Terang.

Figures, 17, 18 and 19 show dwelling permits in the GRZ and LDRZ in Camperdown, Cobden and Terang.

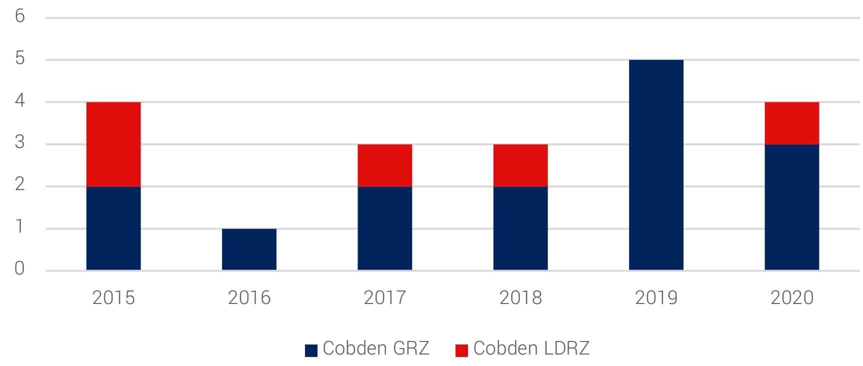
The data suggests that dwelling permits issued can be lumpy, however, it may also further reinforce that supply is constraining demand, with fluctuations between the proportion of permits issued within the GRZ and LDRZ,

F17. DWELLING PERMITS – CAMPERDOWN – GRZ AND LDRZ



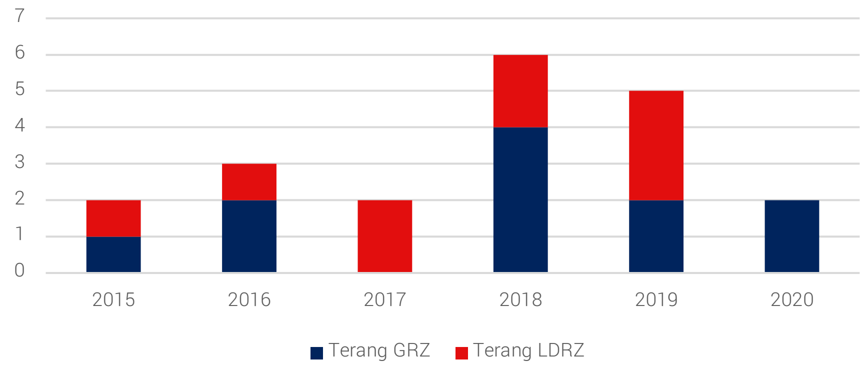
Source: Corangamite Shire Council, analysed by Urban Enterprise, 2021

F18. DWELLING PERMITS – COBDEN – GRZ AND LDRZ



Source: Corangamite Shire Council, analysed by Urban Enterprise, 2021

F19. DWELLING PERMITS – TERANG– GRZ AND LDRZ



Source: Corangamite Shire Council, analysed by Urban Enterprise, 2021

4.8. SUBDIVISION PERMITS

The following provides analysis of Council's subdivision data, from 2015 to 2020. The data was filtered by permits issued within the GRZ1.

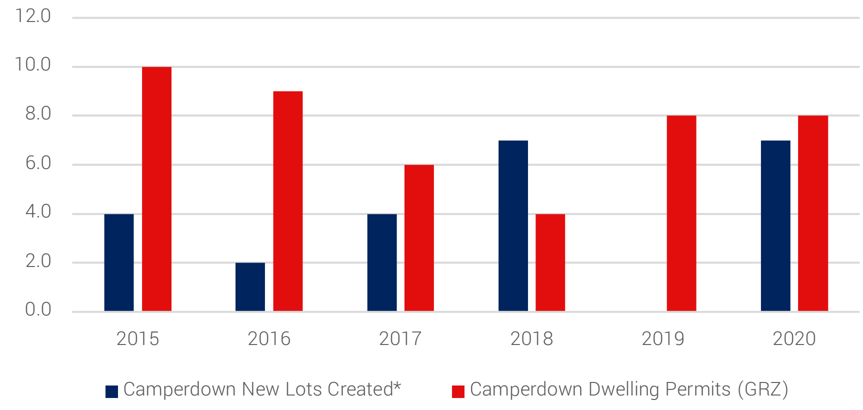
CAMPERDOWN

Figure 20 shows the estimated number of new lots created in Camperdown and the number of dwelling permits issued within the GRZ. The estimate of new lots created is based on the existing use and proposed use. Where the existing use was classified as vacant and the permit issued is for a two lot subdivision, it is assumed this creates 2 vacant lots for development. Where the existing use was residential, and a permit is issued for a two lot subdivision, it is assumed this would create one new lot.

The average size of subdivision permits issued over the previous 5 years was 2. This shows that the bulk of new vacant land supply is being created through small lot subdivisions, where there is typically an existing dwelling on a lot.

The data shows that new dwelling permits have historically exceeded new lot creation. This would suggest that the historical demand has been filled by existing supply within the market or redevelopment of sites with an existing dwelling. This would suggest that unless new subdivisions are progressed, that supply is likely becoming highly constrained.

F20. CAMPERDOWN NEW LOTS AND GRZ DWELLING PERMITS



Source: data provided by Corangamite Shire, analysed by Urban Enterprise, 2021

* Estimate of new lots created is based on total lots and the existing and proposed use.

COBDEN AND TERANG

Review of subdivision data for Cobden shows that only two permits were issued for subdivisions within the GRZ1. Both permits were two lot subdivisions. One permit was issued in 2015 and the other in 2020.

Similarly to Cobden, only two subdivision permits were issued in Terang, in 2016 and 2017. One was for a 3 lot subdivision and the other a 2 lot subdivision.

This further indicates a lack of new supply coming to market and partly explains the low number of vacant land transactions that have occurred in these two towns.

The lack of new lots being created suggests that new vacant land is not coming to market, which is likely constraining demand.

4.9. RENTAL HOUSING

The number of households renting in Camperdown and Terang decreased between 2011 and 2016, both in total households and as a proportion of total households. The number of households renting in Cobden increased by 10 between 2011 and 2016 (see Table 21).

Across Corangamite Shire, there is a lower proportion of rental properties compared with Regional Victoria.

The median rental price increased for all three towns between 2011 and 2016. Camperdown had the highest rate of growth at 4.6% per annum followed by Terang (4.3% p.a.) and Cobden (2.4% p.a.) (see Table 22).

Across Corangamite Shire, the number of private rental properties has been trending down, whilst the median price has been trending up. As of September 2020, there was a reported 70 dwellings available to the rental market, at a median price of $280 per week.

This data reflects commentary from local real estate agents and Council in regard to increasing pressure on the availability and affordability of rental properties, including housing for key workers.

Agents commented that limited rental availability has been exacerbated in recent years due to higher demand (including residents relocating from Geelong and Colac) reducing available rental supply.

The lack of rental properties leads to an increase in rental prices, decreasing stock and affordability for key workers.

Further, as the population ages, the demand for key workers in the community and personal service industries will increase, requiring greater access to housing to to meet expected demand.

There is a need to support a healthy rental market to ensure the affordable access to housing for key workers. This includes supporting relevant recommendations and actions of the Key and Essential Worker Housing Supply Action Plan, to facilitate delivery of rental housing in key locations.

T21. TENURE – RENTED PROPERTIES 2011 AND 2016

	2011		2016	
	Number of Households	% of Households	Number of Households	% of Households
Camperdown	323	23.1%	301	21.5%
Cobden	157	21.4%	165	22.7%
Terang	213	23.3%	183	20.7%
Corangamite Shire	1,406	22.0%	1,361	21.0%
Regional Vic	-	24.1%	-	23.9%

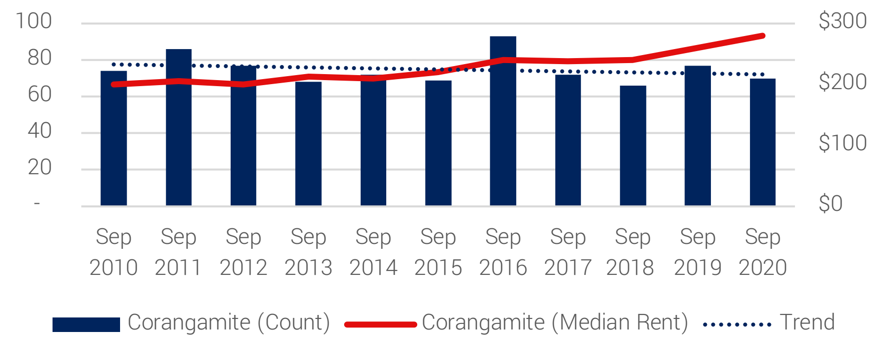
Source: .id, Corangamite Shire Community Profile, ABS Census, 2016 and 2011

T22. MEDIAN RENT 2011 AND 2016

Median Weekly Rent	2011	2016	AAG (%)
Camperdown	$160	$200	4.6%
Cobden	$160	$180	2.4%
Terang	$150	$185	4.3%

Source: ABS, Census, 2011 and 2016

F21. PRIVATE RENTAL PROPERTIES – COUNT AND MEDIAN WEEKLY RENT – CORANGAMITE SHIRE



Source: Department of Health and Human Services, Quarterly Median Rents by Local Government Area, YE September 2020

4.10. HOUSING DEMAND DRIVERS

There are a number of factors impacting demand for housing within the three towns, key drivers are summarised below:

- **Population Growth** – Camperdown, Cobden and Terang have all experienced uplift in population growth in recent years, which has outstripped historical Victoria in Future population projections. Actual population estimates are only available for 2016, however, more recent and available data such as building permits, transaction data and house price data indicates greater activity in the housing market, which likely signals increased population growth. Although population forecasts are modest for the three towns, there is potential for growth to outstrip forecasts due to a number of factors, which are outlined below.
- **The Impact of COVIC-19 on Regional Housing Markets** – The COVID-19 pandemic and the significant lockdowns that have ensued across Greater Melbourne and Victoria, coupled with the shift in working from home behaviours has resulted in an uplift in migration to regional areas with select markets seeking the benefits afforded by home based lifestyles over city amenity. This has likely impacted the towns of Camperdown, Cobden and Terang with local agents commenting on a recent surge in the housing market. The question is to what extent this trend will continue into the future. There are a number of outcomes that may eventuate, including being a temporary shift in demand; setting a new baseline of demand; or a combination of both. In any case, the housing market should be flexible enough to accommodate changes in demand cycles in the property market, so as to not artificially constrain demand.
- **Government Stimulus** – In response to the COVID-19-induced recession, state and federal government stimulus packages have been implemented to support the construction industry. These packages, including HomeBuilder Scheme and stamp duty concessions, have been a significant driver of activity within the local housing market. Although the stimulus measures are temporary, township observations and anecdotal evidence suggest that this has resulted in take up and construction of new dwellings on remaining vacant infill lots, putting further short term constraints on the local land supply.
- **Low Interest Rates** – Australia is experiencing a record low interest rate environment which has played a significant role in driving demand for housing. Based on the Reserve Bank of Australia's (RBA) forward guidance, interest rates are expected to remain at 0.1% until 2024.[6]
- **Major Infrastructure Projects and Investments** – There are a number of major infrastructure projects and investments into the energy sector either planned or underway in the region which are likely to have an impact on housing demand, including for temporary workers. Key projects include:
    - Berrybank Wind Farm;
    - Warrnambool Train Line Upgrade;
    - Camperdown Dairy Milk Processing Facility;
    - Fonterra Milk Factory Cobden;
    - Camperdown Compost Expansion and Upgrade;
    - Proposed Bookaar Solar Farm;
    - Proposed Terang Battery Energy Storage;
    - Proposed Cobden and Bostocks Creek Solar Farms.

  These and future projects will create ongoing demand for short term housing options for temporary workers, as well as more permanent housing needs for those workers that relocate to the region on a more permanent basis.
- **Demand for Key Workers** – The following characteristics and housing needs are identified for Camperdown, Cobden and Terang (alongside Mortlake and Portland) in the Key and Essential Housing Supply Action Plan (2020):
    - Low population growth;
    - A need to support investment in higher quality large dwellings and medium density dwellings to attract key workers from sectors including health care, education and public administration.
    - Housing for temporary workers; and

[6] RBA / CBA Property Price Analysis, February 2021

- Key workers sectors being Healthcare and Social Assistance, Education and Manufacturing and Labour.

The study identifies that across the Barwon South West region there are around 4,000 jobs in key industry sectors within the region that are filled by workers who live outside of the region. In addition, 2,610 jobs are projected to be created in key worker industries to 2024.[7]

The study notes that if even 20-30% of key workers would prefer to live within the region that they work then the current shortfall and projected demand for permanent workers in the Barwon South West region to 2024 is to the order of 2,600.[8]

Some of this anticipated demand is likely to be apportioned to Camperdown, Cobden and Terang.

- Affordability – In comparison to regional Victoria, Camperdown, Cobden and Terang is a relatively affordable housing market compared with Regional Victoria. The median house price in Corangamite Shire was approximately $90,000 cheaper compared to the median across regional Victoria. Affordability can be a key driver of demand, particularly as regions compete for population growth.

[7] Key and Essential Housing Supply Action Plan, VPA, 2020, p. 15

4.11. HOUSING MARKET SEGMENTS

The following provides a summary of housing market segments and their applicability to the towns of Camperdown, Cobden and Terang.

FIRST HOME BUYERS

Typically a younger segment of the market, aged between 25-34 years of age. Affordability is a key concern for these buyers. This market is expected to undergo limited growth across the three towns, however, agents commented there was some recent growth in demand from this market.

YOUNG FAMILIES/HOME BUILDERS

This market segment is typically aged between 35-49 years of age. This cohort is forecast to experience relatively moderate growth across each town, with Cobden forecast to see the highest increase. These buyers typically have young families and a preference for dwellings that will accommodate a growing family (3+ bedrooms), either in the GRZ or rural living properties. Proximity to schools, services and employment is typically important to these buyers.

LIFESTYLE CHANGERS AND EMPTY NESTERS

Prior to the COVID-19 pandemic, this market segment was typically associated with older demographics seeking a lifestyle change. There is forecast to be moderate growth in the population aged between 60-69 years across the three towns, with Camperdown forecast to see the highest increase. Since the pandemic, local real estate agents have commented that there has been an increase in younger segments of the population seeking lifestyle properties. This segment is typically seeking a change from city lifestyle and includes those migrating from Geelong, Colac, Ballarat, as well as Melbourne. These buyers often have a preference for larger rural lifestyle properties. Agents also commented that a portion of this market includes farmers seeking to downsize from farming properties to rural living lots. This was reflected in the Rural Living Strategy (2019).

[8] Key and Essential Housing Supply Action Plan, VPA, 2020, p. 15

DOWNSIZERS AND SENIORS

Seniors are those aged between 70-84 years, with strong population growth forecast for this cohort across all towns. This market segment is typically seeking low-maintenance/smaller housing such as units, townhouses, semi-detached dwellings etc in close proximity to services, including health. There is currently limited supply of this style of housing within the three towns, presenting a potential constraint to ensuring appropriate housing opportunities exist for this market segment to age in place.

AGED CARE

This market segment is typically aged 85 years and over and is forecast to undergo low to moderate growth. This market segment also has a strong preference for access to key services, particularly health services. The housing sought by this market segment is highly specialised and is typically delivered by health care and social service providers.

TEMPORARY WORKERS

This market segment is typically associated with those who work in industries such as construction, tourism, agriculture and mining and relates to major projects and investments occurring in the region.[9] These workers' length of stay in the region is directly linked to the duration of an infrastructure project or a tourism/agriculture season and can range from 3-6 months. Demand from this segment has the potential to fluctuate, however, given there are a number of infrastructure and energy projects in the pipeline throughout the region this market is expected to grow over the medium term. This market segment typically has varied housing needs due to the variety of circumstances that can lead to these workers being located in the region. The dwellings sought by this market are typically associated with housing in the GRZ.

[9] Key and Essential Housing Supply Action Plan, VPA, 2020,

KEY WORKERS

Key workers are typically a young/middle aged cohort who work in industries such as Healthcare and Social Services, Education, Manufacturing, Labour and Energy. They are expected to comprise a growing share of the property market if appropriate housing is available. Currently this market is underserviced, with a significant number of these workers currently living outside the region due to housing constraints.

The Key Worker Housing Supply Action Plan (2020), identifies a need for higher quality large dwellings and medium density dwellings that are typically associated with housing in the GRZ.[10]

HOLIDAY HOME OWNERS

Holiday home owners are not a key market for the three towns. These buyers are typically associated with coastal destinations such as Port Campbell and the coastal hinterland town of Timboon. There is expected to be low growth and demand from this market for each of the three towns.

[10] Key and Essential Housing Supply Action Plan, VPA, 2020,

4.12. KEY ISSUES AND CONSIDERATIONS

The following are key issues and considerations relevant to the residential land review:

Low Population Growth Environment

Population growth is a typical indicator of demand. Camperdown, Cobden and Terang have historically been low population growth environments. In between 2011 and 2016, Census reported a population decline in Camperdown and Terang. Victoria in Future also forecast a continued population decline across the broader region. Although .id forecasts predict a growing population, the rate of growth is still relatively subdued. Constraints to land supply and new lot creation may also be impacting on population growth, which would be reflected in population forecasts. Forecasts of low population growth may create uncertainty in the market and a limited willingness to accept development risk.

Recent demand indicators suggest growth

More recent measures of demand, including building permit data, housing transaction data and dwelling price data suggest there has been an increase in activity in the housing market over the previous 5 years.

Further, the barriers to bringing land supply to market may be artificially inhibiting growth. This can translate to an unreliable picture of demand if relying on historical data.

The data also does not take into account the impacts of COVID-19 on the local housing market, which anecdotally has resulted in an uplift in demand.

COVID-19 has increased demand but is this transitory or permanent

Anecdotal evidence from local real estate agents and Council, as well as preliminary review of house price data for 2021 suggest that the housing market has performed strongly through the second half of 2020 and early 2021.

The shift in lifestyle preferences and working behaviours (including a greater ability to work remotely) has resulted in an uplift in migration to regional areas.

It remains unclear as to whether this spike in demand will be transitory or permanent, however, it would be prudent to plan for an increased rate of demand over and above historical performance so as to not constrain potential population and economic growth.

Limited supply and access to rental housing

Available data and anecdotal evidence suggests that the supply of rental housing has been declining, whilst pricing has increased. This is an issue being experienced across the broader region, as outlined in the Key Worker Housing Action Plan (2020).

Anecdotally, rental housing has become increasingly occupied by owner occupiers, which has reduced available supply and restricted access by key and temporary workers, which limits population growth and the functioning of the economy.

House prices below regional Victoria but following a similar trend

Median house prices in Camperdown, Cobden and Terang have been following the growth trend occurring across regional Victoria. The median house price in Camperdown, Cobden and Terang is also below the regional Victorian average, making it a relatively affordable location for housing.

However, achievable house prices can also impact on development viability.

There are a number of development costs that are generally similar regardless of location, this includes delivery of infrastructure such as internal roads, services infrastructure, housing construction costs, service authority fees, planning fees and some taxes and charges (e.g. land tax, stamp duty, GST).

Therefore, in some instances upfront infrastructure costs, coupled with other fixed costs could impact development profitability and willingness to develop and/or assume risk.

Anecdotally, the recent increase in house prices over 2020 and the first half of 2021, coupled with low interest rates has improved development viability.

There are a diversity of market segments

There are a number of market segments operating across Camperdown, Cobden and Terang. There is a need to provide adequate diversity of housing stock to cater to market preferences. Land in the General Residential Zone, is likely to cater primarily to young families and home builders, those looking to downsize into smaller dwellings, retirement living and the rental market (including key and temporary workers).

All three towns are expected to experience an ageing of the population. It is important that appropriate housing opportunities are available to enable residents to age in place. This includes opportunities for downsizing, retirement and/or assisted living. This would also assist in providing new opportunities for buyers to enter the market, for people to transition between housing types and to allow for ageing in place.

Available land supply is likely constraining demand

Review of demand data, coupled with understanding the land supply constraints suggest that supply is constraining demand. That is, as new supply is created or it comes to market, it is consumed, however, generally there has been a lack of new supply created leading to supply constraints. Further, all new supply created in the previous 5 years has been the result of small subdivisions (primarily 2 lot subdivisions), which slows the rate of new supply coming to market and constrains demand. It also provides evidence of the barriers in bringing larger greenfield and strategic infill land supply to market.

5. ADEQUACY OF SUPPLY

5.1. INTRODUCTION

The following provides an assessment of the adequacy of land supply in Camperdown, Cobden and Terang based on the proceeding analysis.

5.2. DEMAND SUMMARY

The supply and demand assessment indicates that expressed demand has likely been restricted by a lack of supply. That is, the historical demand rate, has been constrained by a lack of supply. In addition, the availability of rental housing has generally been in decline, whilst demand is increasing including for key workers. Further, the changes in the housing market as a result of the impact of COVID-19 has the potential to trigger increased demand over the short to medium term, which would impact the dwelling demand range. These factors suggests that there may be latent demand in the market, which is not being evidenced in historical data.

Key historical indicators of overall dwelling demand in Camperdown, Cobden and Terang are noted in Table 23.

T23. SUMMARY OF HISTORICAL DWELLING DEMAND

	Camperdown	Cobden	Terang
New Residential Building Approvals GRZ 2015-2020 (Indicative Range)	5 - 10	2 - 5	2 - 4

5.3. ADEQUACY OF SUPPLY

Table 24 provides a comparison of existing land supply against historical demand. The analysis includes consideration of total lot capacity and market ready lot capacity in GRZ greenfield and strategic infill sites.

The analysis shows that on the face on it, it appears there is a large amount of zoned land supply across all three towns when assessed against total lot capacity and historical rates of demand. However, when assessed against market ready lot capacity, the number of years supply is substantially reduced. Further, the historical demand range has been constrained by supply issues, meaning projected future years supply of market ready land is likely lower than what is shown.

In addition, when accounting for potential land ownership barriers, market ready supply is likely to be at more critical levels in Camperdown, Terang and Cobden.

T24. SUMMARY OF LAND SUPPLY

	Camperdown	Cobden	Terang
Historical Demand Range	5 - 10	2 - 5	2 - 4
Estimated Lot Capacity GRZ	411	157	166
Years Supply	41 - 82 years	31 - 78 years	42 - 83 years
Market Ready Lot Capacity GRZ	78	90	57
Years Supply	8 - 16 years	18 - 45 years	14 - 29 years

Camperdown's market ready supply is limited to two key sites. If ownership constraints development of these sites in the immediate term, available market ready land supply is likely to be at critical levels.

With five sites considered market ready in Cobden, market ready land supply appears to be at less critical levels. However, subdivision data, low transactions of vacant land and commentary from agents suggest that available land is not being bought to market. Therefore, if land ownership continues to act as a barrier to development, alongside other development barriers, then available years supply may be at critical levels.

In Terang, there is estimated to be between 14 and 29 years market ready capacity based on both demand scenarios. There are only two key known parcels of land that could be considered market ready. Development of these sites would need to progress as a matter of urgency in order to provide housing supply to market.

The analysis suggests that current market ready zoned GRZ greenfield and strategic infill supply may be reaching critical levels in Camperdown, Cobden and Terang.

Broadly, the results show that strategic interventions may be required to facilitate land development and to bring new housing to market. The unintended consequences of not addressing these issues could result in a reduction of housing affordability, the stifling of population retention and growth and limit the functioning of the economy through reduced investment in the housing sector and providing homes for workers.

6. RECOMMENDATIONS

6.1. INTRODUCTION

The assessment of residential land supply as shown that there are a number of existing barriers to housing development. On the face of it, there appears to be a healthy supply of zoned land supply, however in reality available market land supply that can be readily developed is likely at critical levels.

The following provides a number of recommendations, which Council can consider in order to assist in addressing market ready land supply and bringing housing to market.

6.2. RECOMMENDATIONS

PLANNING INTERVENTIONS

Engage with key landowners to ascertain development intentions

As a priority, Council should consider how existing zoned land supply can be unlocked for development, prior to rezoning further land. Key landowners should be engaged to ascertain plans and development intentions. A register of landowner intentions for key sites could be established which would provide opportunity for Council to assist potential developers where possible in bringing land to market.

If the sites identified in this report as market ready are not being considered for development by landowners in the short term and other existing zoned land is too heavily constrained to bring to market, there may be a need to consider providing additional land supply.

Some initial investigation areas for future land supply have been noted as part of this study, with both opportunities and challenges identified. The investigation site in Camperdown at Bowyer Road, presents the highest potential for a readily serviceable development. There is a need to assess and compare other options for land supply through any future strategic planning work for the three towns (such as Structure Plans).

If additional land supply is considered for rezoning, land should be as 'market ready' as achievable, having regard to the considerations above.

Potential rezoning could also be utilised as a strategic opportunity to work with landowners to achieve key residential housing objectives, such as affordable housing and homes for key workers. This is noted as part of the Key and Essential Housing Supply Action Plan (2020). Where an agreement is reached that the rezoning is contingent on providing an affordable housing contribution, the new zone and/or overlay schedules can refer to this as a requirement.

Utilise findings to inform future strategic planning work

The outcomes of this study should be used to inform any future strategic planning work for the towns of Camperdown, Cobden and Terang. In particular, there should be a focus on:

- Encouraging development of existing zoned residential land;
- Identifying opportunities to support development of housing for key market segments, including infill opportunities for medium density housing, smaller dwellings and/or retirement and aged care living close to township services and amenities;
- Maintain opportunities for rural lifestyle living as per the directions of the Rural Living Strategy;
- Removing any relevant planning barriers (e.g. such as revising the DPO where required);
- Identifying and investigate future sites for residential growth that have limited infrastructure constraints and barriers to development;

- Identify any publicly owned sites that provide opportunity for Council to partner with the private sector to deliver housing, including providing homes for key workers;
- Identifying appropriate mechanisms to apportion infrastructure costs to areas impacted by the DPO.

Strategic planning work could also investigate opportunities for strategic infrastructure delivery such as roads and/or streetscape improvements that would unlock development opportunities and catalyse private sector investment.

No strategic plans or Structure Plans have been prepared for Camperdown, Cobden or Terang for a number of years. Strategic planning work could identify candidate areas for rezoning and this could be communicated to the market place to ascertain development interest.

Investigate potential for short term strategic opportunities to rezone land suitable for housing development

Where there is evidence of significant constraints to market ready land supply, Council may wish to investigate the potential to rezone sites for residential development that would facilitate the short-term creation of housing. Short-term rezoning's may precede the preparation of broader strategic plans, such as structure plans, therefore sites would need to meet a range of criteria to be considered, such as:

- A willing and engaged landowner.
- The site has access to services infrastructure and can be readily developed.
- Limited physical constraints to development of the site.
- No restrictive overlays that would negate development for residential purposes.
- The land is no longer required under its current zone and rezoning away from existing land use will not cause any negative externalities.
- The site is within the settlement boundary.
- The site is appropriately located for residential development.

For example, the site located at Bowyer Street in Camperdown (currently zoned C2Z) may be a possible candidate site if there is a landowner willing to engage in this process and other key criteria can be met.

Review and revise approved Development Plans (and the DPO where required)

Review the approved Development Plan in Camperdown and Terang to account for development sequencing and infrastructure needs, minimum and average lot sizes and land ownership patterns. In the case of Camperdown, the DPO may need to be revised to enable changes to be made to the minimum and average lot sizes.

Currently, the DPO stipulates a minimum lot size of 800 square metres with a general average of 1,000 square metres and this is reflected in the approved Development Plans.

The review should consider reducing the minimum and average lot size to provide greater market flexibility and enable greater yields to be achieved, which may assist in improving development viability.

Recent examples of residential subdivision in Camperdown not affected by a DPO, show a variety of lot sizes generally ranging between 650 square metres and 1,000 square metres.

There should be a greater focus on development phasing and sequencing. Consultation with Service Authorities generally noted a preferred development sequencing and identified that service infrastructure challenges can differ across sites. For example, within the DPO8 area in Camperdown, sites along the eastern section (Bowen Street) are more readily serviceable when compared with areas located further west. There should be regard to an appropriate mechanisms for the apportionment of infrastructure costs, such as a Development Contributions Plan, Section 173 Agreements or conditions on planning permits.

DEVELOPMENT INTERVENTIONS

Consider mechanisms to deliver enabling infrastructure to facilitate development

Infrastructure barriers are a key constraint to development and the creation of market ready land supply. Strategic interventions may be required in some instances to assist in bringing land to market. There are a number of potential actions that could be taken, including:

- Investigate how infrastructure might be financed on the basis that it facilitates development. This could include:
  - Low or no interest loans to developers to deliver enabling infrastructure.
  - Direct funding contributions for enabling infrastructure.
  - Leverage existing funding sources to deliver enabling infrastructure. For example, this may include existing funding provided through the Local Roads and Community Infrastructure Program, where the infrastructure investment is warranted and delivers a net community benefit. This would also be dependent on whether there are any existing conditions tied to grant funding.
  - Advocacy to State and/or Federal Government to deliver catalyst infrastructure.
- Assistance for infrastructure delivery could be considered in in circumstances where:
  - It responds to a specific market need;
  - There is a willing landowner/developer;
  - Land is expected to be brought to market in a timely manner;
  - The infrastructure provides future benefits (e.g. it unlocks sites/opportunities for future development).
- There would need to be consideration given to ensuring any process of contribution of government funds for infrastructure delivery is independently managed, is above board and is an equitable process. A scheme similar to Council's Retail Area Façade Improvement Program could be considered, where there are eligibility criteria, including potential for co-contributions.

Work with specialised service providers to determine development opportunities

There is opportunity for Council to work with specialised service providers, such as Cobden Health, to determine the potential to facilitate development of specialised housing such as assisted living units or aged care housing on vacant land.

Provide assistance to landowners/developers in bringing land to market

Council already undertakes a proactive role in assisting developers and landowners. This role should be continued, with key support services including:

- Providing information to potential interested landowners/developers on the planning and development process, including development lead times and planning considerations. This could include a series of online or in person information sessions or workshops with interested residents/landowners.
- Provide landowners/developers with information regarding service infrastructure considerations.
- Provide assistance to landowners/developers through the planning application process, including relevant information to assist in bringing land to market.
- Providing information to landowners/developers regarding potential available grant funding or infrastructure structure funding assistance programs (TBC).

HOMES FOR KEY WORKERS

Progress relevant actions for Camperdown, Cobden and Terang from the Key and Essential Worker Housing Supply Action Plan (2020)

Key actions from the Plan include:

- Review strategic planning and statutory controls for medium density developments.
- Seek affordable housing contributions from developments and rezonings.
- Investigate reducing or waiving development contributions, planning charges and/or Council rates for affordable housing.
- Create a Community Land Trust and contribute Council land for projects.
- Directly invest in supplying key worker housing, including considering direct Council investment.
- Facilitate and assist to coordinate specialist seasonal workforce housing.

Other possible strategies that could be investigated include:

- Work with existing home owners to establish a temporary housing register for seasonal and temporary workers; and
- Notify community of upcoming major projects where demand for seasonal and temporary workers will increase.

ADVOCACY

Continue to advocate State Government for assistance in addressing regional housing supply barriers

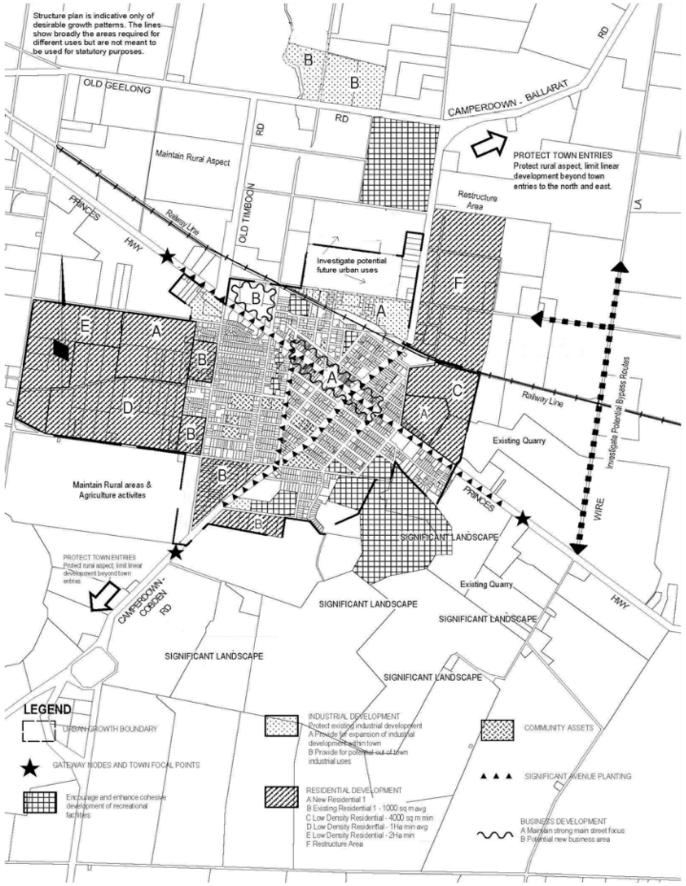
Council is currently partnering with other regional Councils to advocate for assistance in addressing regional housing supply barriers. This could include:

- Advocating for grants for enabling infrastructure such as services infrastructure and roads.
- Advocate for fast track planning scheme amendments to rezone land for residential development, where supply is constrained, and new land can readily be brought to market (e.g. within existing township boundaries, limited infrastructure and environmental constraints and willing landowners).
- Advocate for concessions to taxes and charges in areas where Council is trying to stimulate housing growth and development (including the recently proposed Windfall Gains Tax applied to rezonings as part of the 2021/22 State Budget).

APPENDICES

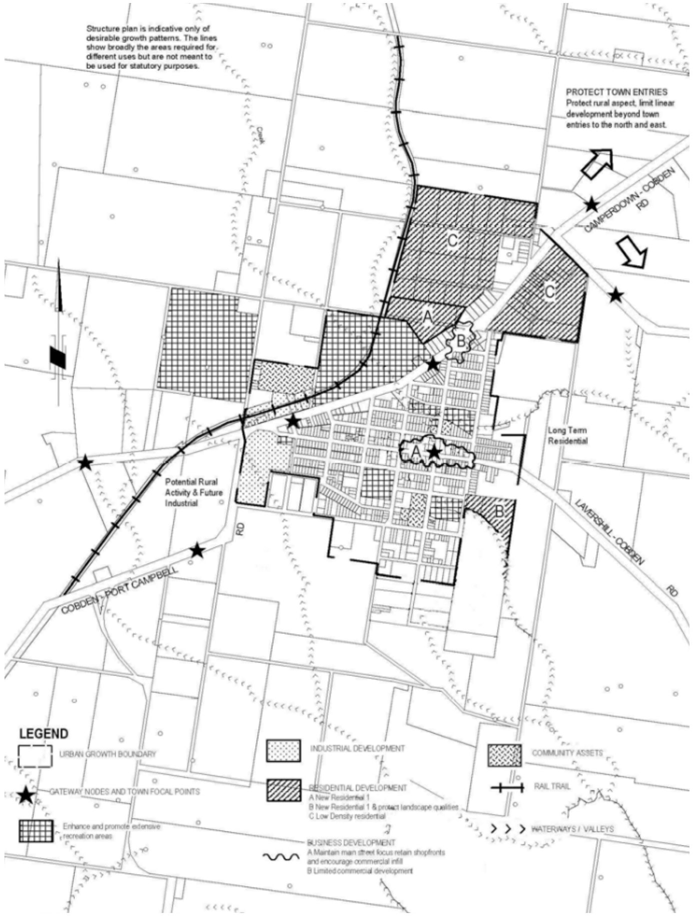
APPENDIX A STRUCTURE PLANS

F22. CAMPERDOWN STRUCTURE PLAN



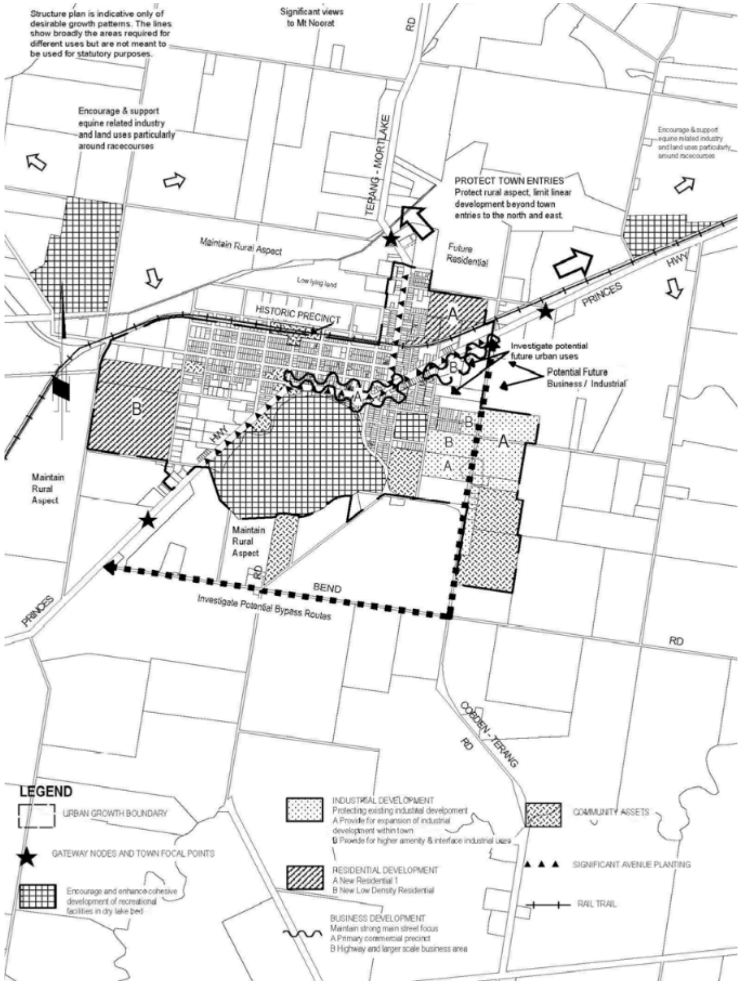
Source: Corangamite Shire Planning Scheme, Clause 11.03-6L

F23. COBDEN STRUCTURE PLAN



Source: Corangamite Shire Planning Scheme, Clause 11.03-6L

F24. TERANG STRUCTURE PLAN



Source: Corangamite Shire Planning Scheme, Clause 11.03-6L

APPENDIX B ACRONYMS

AAG	Average Annual Growth
DPO	Development Plan Overlay
GRZ	General Residential Zone
HA	Hectares
HO	Heritage Overlay
LDRZ	Low Density Residential Zone
LSIO	Land Subject to Inundation Overlay
RLZ	Rural Living Zone
SLO	Significant Landscape Overlay
SQM	Square Metre