PROJECTS JSA

May 26, 2022

GLEN INNES SEVERN COUNCIL

GLEN INNES LGA SEVERN LOCAL GOVERNMENT AREA

HOUSING ASSESSMENT

GLEN INNES LGA SEVERN GISC

Summary

Housing is a key part of the local economy and a high value potential source of new local jobs and economic growth in **Glen Innes Severn Local Government Area (Glen Innes LGA).**

Despite pessimistic state population predictions, it's clear that Glen Innes LGA currently has a relatively stable population that may either decline or grow slightly in the coming decades depending on net migration. Ageing and outmigration drives the risk of decline with positive recent net migration trends working in the opposite direction.

Currently land supply is constrained in Glen Innes LGA by a lack of subdivision activity. Dwelling construction is constrained by a small local workforce that is mainly engaged in building new housing for existing residents and renovation of existing stock. This provides limited opportunity for the needs of renters and new residents to be met through the provision of new dwellings.

In the last four years, the rate of subdivisions and dwelling approvals has contracted significantly, contributing to a tightening market for houses and rentals. The recent rise in demand for regional living has flowed through to increased demand for houses and rentals in Glen Innes LGA. This is improving the case for investment but stretching affordability and availability for vulnerable residents. Most new residents come from nearby areas with some migration from Brisbane also a factor.

To ensure community well-being and economic development, there is a need for additional housing supply. Developments targeting the specific needs older residents and expanding social housing and key worker accommodation should be a priority. Development of new 1–2-bedroom properties as well as potentially some executive level accommodation for doctors and other key professionals is the main point of need.

A need for an increased supply of temporary worker and visitor accommodation may also arise depending on renewable energy project and tourism development outcomes in the area.

To support future housing needs, this assessment identifies a series of priorities for GISC to consider in the development of 2041 Housing Strategy.

These include:

- **Intervening to ensure a supply of new housing lots in Glen Innes LGA through GISC led or facilitated developments if subdivision activity does not increase in the short term;**
- **Working with partners to develop priority new housing types; and**
- **Encouraging sustainability, particularly by looking for funding or partnership opportunities that will enable the installation of renewable energy and insulation on older local housing stock.**

Table of Contents

Introduction

Glen Innes Severn GISC (GISC) is preparing the area for a potential upwards shift in population growth, driven by people moving to regional communities because of the COVID pandemics impact on lifestyle preferences and working arrangements.

Housing supply is crucial to facilitating population growth. A good mix of housing types that matches the needs of the existing and new residents in a community will underpin sustainable growth. If local supply does not keep up with or is poorly matched to demand it will limit the movement of workers and new residents to the region and create affordability and well-being issues for the community.

In addition to ensuring conditions support the provision of new housing across the Shire, there are several specific housing challenges that need to be understood and accounted for in the assessment and resulting strategy.

These include ensuring:

- The housing mix is attractive to and supports the liveability of the region for existing residents and newcomers alike;
- The availability of appropriate housing and residential facilities to support the ageing population and workforce that supports them;
- Local benefits from major projects are maximised by providing for the permanent and temporary housing needs of project workforces; and
- Adequate social and affordable housing availability.

Through implementation of a housing strategy GISC can potentially influence the future of the local housing supply and housing mix by:

- Amending and advocating for changes to land zoning to provide additional land that can be developed for housing and changes to minimum lot sizes;
- Creating a development environment that attracts interest and investment by being responsive to developer inquires, processing applications quickly and minimising costs and charges;
- Investing in enabling infrastructure by adding or improving roads, upgrades to housing related infrastructure, and improving the attractiveness of community space;
- Adjusting GISC rates to encourage living in certain areas; and
- Advocating for funding or using GISC resources to directly invest in land development and/or new housing.

This assessment provides a foundational evidence base and supporting analysis for GISC to consider how it will use some or all these potential areas of influence to meet community housing needs.

Key areas considered in the assessment include:

- **A review of key population, demographic and economic trends and their influence on future housing needs**
- **A review of current and recent historical housing market conditions**
- **Land supply, subdivision and dwelling construction trends and potential future demand**
- **Consideration of the local links between housing and economic development, community well-being and sustainability**

Glen Innes LGA Population Trends and Contribution of Housing to the Local Economy

This section brings together foundational information drawn from existing GISC reports and a range of government data and other sources. This baseline information will assist in making strategic judgements about the current and future housing needs for Glen Innes LGA Severn Shire.

Key points:

- **The population in Glen Innes LGA has stabilised since 2001 between 8,800 and 9,000 people. In this environment of low growth, changing household characteristics, shifting lifestyle preferences and the ageing of existing stock will drive the need for new housing;**

- **Net migration in Glen Innes LGA has been positive since 2014, driven by positive internal migration. If this increases in line with recent trends it will drive additional land and new housing demand;**

- **The population is older and ageing, with the stability in overall population size being supported by growth in the over 65 age cohort. Older people require a different mix of housing to younger populations;**

- **With an average income of $841/week and many local incomes tied to government payments, the on-going availability of affordable housing is crucial to community well-being; and**

- **Residential housing is amongst the most significant contributors to local economic activity in Glen Innes LGA Severn. Increased housing activity will create new high value jobs and local economic activity. Currently the sector is working at capacity which is a constraint on local economic growth.**

Current Population and Future Trends

Glen Innes LGA population is estimated by the Australian Bureau of statistics to be 8873 people.[1] Population in the region has experienced a marginal decline of 14 residents on average over the last 24 years.

The future of the Glen Innes LGA Severn population is a source of contention. Available forecasts and local ambitions provide three perspectives on what the population could look like in 2041.

The upside ambition expressed in the area is to grow the population of Glen Innes LGA towards 10,000 people by 2041. This would require the trend to shift from the historical net

[1] ABS Region Summary Data Glen Innes Severn Council, downloaded from abs.gov.au on 11/9/21

decline of 14 persons per year to a net annual growth of around 50 people per year. If the current macro trend toward increased positive city to regional internal migration translates into increased migration to the area, then this is possible. However, at this early stage it is unclear whether this will occur.

The median future forecast is a continuation of the trend from the last two decades as captured in a recent set of projections completed by REMPLAN[2]. These forecasts an annual average decline of 19 residents between 2019 and 2041, resulting in a projected a 2041 population of 8453.

The pessimistic view on the future population of Glen Innes LGA is captured in the latest NSW DPIE population projections[3]. Modelled from a 2016 base, REMPLAN noted in its assessment that these projections require a sharp short-term decrease (which is larger than the decrease over the last 24 years) to reach their 2021 figures. The latest ABS figures indicate that this is not expected to have occurred and the area remains on or close to its long-term historical trend.

The view taken by GISC on this overall population trajectory has important implications for the housing strategy. On balance a baseline expectation of continuation of recent trends, whilst providing the flexibility for growth in response to increased internal migration seems the most appropriate perspective for the housing strategy. There is no evidence as yet that the significant decline projected by DPIE is in fact occurring.

The key demographic factor for Glen Innes LGA is the age of the population now and its projected future age profile. The local population is already older, with the 55-59, 60-64 and 65-69 age groups making up the largest cohorts [4]. While the population remains relatively stable, the recent historical trend is for the over 65 age group to grow while younger cohorts experience a slow decline.

As noted in the preparation of the economic development strategy, the aging of the Glen Innes LGA population can drastically change the nature, structure and shape of the community (and the economy). Currently two out of every five people is over the age of 55. If the current trends continue, by 2041, more than one out of every two people (half the population) will be aged 55+.[5]

Migration to the region from other parts of Australia or overseas is the other key demographic factor which is both influenced by housing and a driver of the market. Glen Innes LGA attracts people to the area primarily from surrounding regions, with Clarence Valley, Coffs Harbour, Armidale, Inverell as well as Brisbane being important sources of new residents.[6] The area has experienced positive net migration in recent years.

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[2] Bullock-Smith T and Kelly A 2020, 2019 Glen Innes Severn DPIE Population Projection Independent Review, REMPLAN, Robina QLD
[3] Source https://www.planningportal.nsw.gov.au/population/
[4] GISC Economic Development Strategy Background Report
[5] Regional Australia Institute 2021, Glen Innes Severn Future Factors Data Assessment

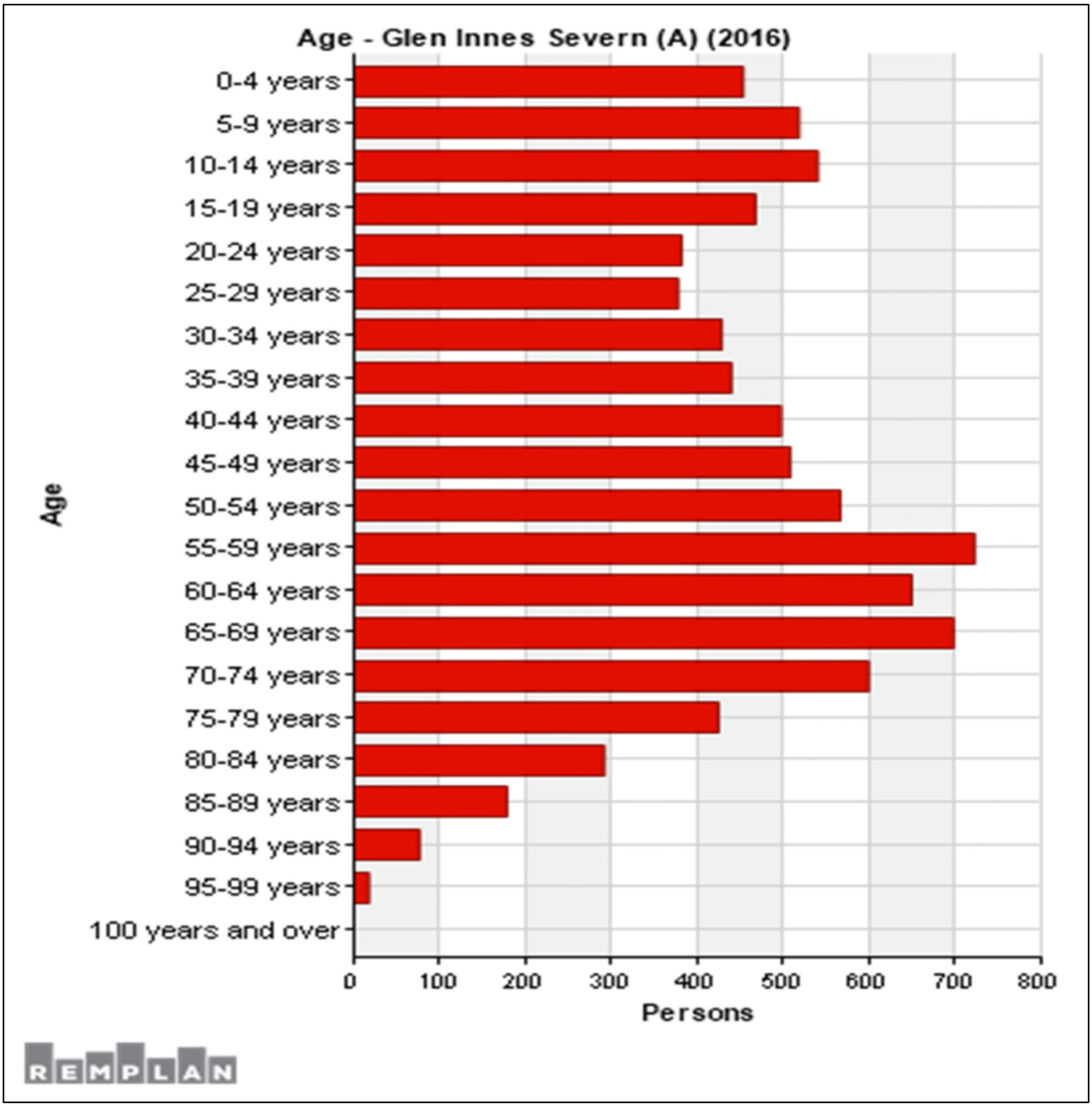


Figure 1: GISC Population Age Profile (Source: REMPLAN)

Overseas migration has also been an important contributor to recent migration as the 2018-19 figures below indicate in Table 1.

Oversees Migration	ERP at 30 June 2019	ERP change		Components of population change 2018-19		
		2018-2019		Natural increase	Net internal migration	Net overseas migration
Local Government Area	no.	no.	%	no.	no.	no.
Glen Innes LGA Severn (A)	8871	-29	-0.3	-48	7	12
Regional NSW	3,120,653	24915	0.8	7435	3922	13558

Table 1: Components of population change 2018-19 Source: Regional Australia Institute analysis of ABS data

The implications of this demographic change are significant for the housing strategy. An older population requires different housing to a younger age profile. Households are smaller - more couple and single person households and fewer family groups – whose needs are best met by a larger share of 1–2-bedroom houses that provide for the accessibility and support needs of older people who live independently.

Incomes

Incomes are another important determinant of local housing needs. The average household income in Glen Innes LGA in 2016 was $841/week, with most local households earning $52,000 or less a year (**Error! Reference source not found.**).

With a significant proportion of the population reliant on government payments (pension, unemployment, or family benefits) for part or all their incomes, a long-term supply of affordable housing is important to community well-being.

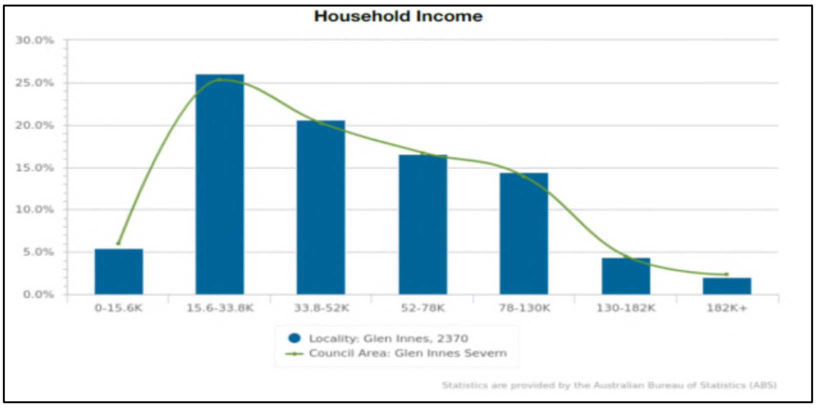


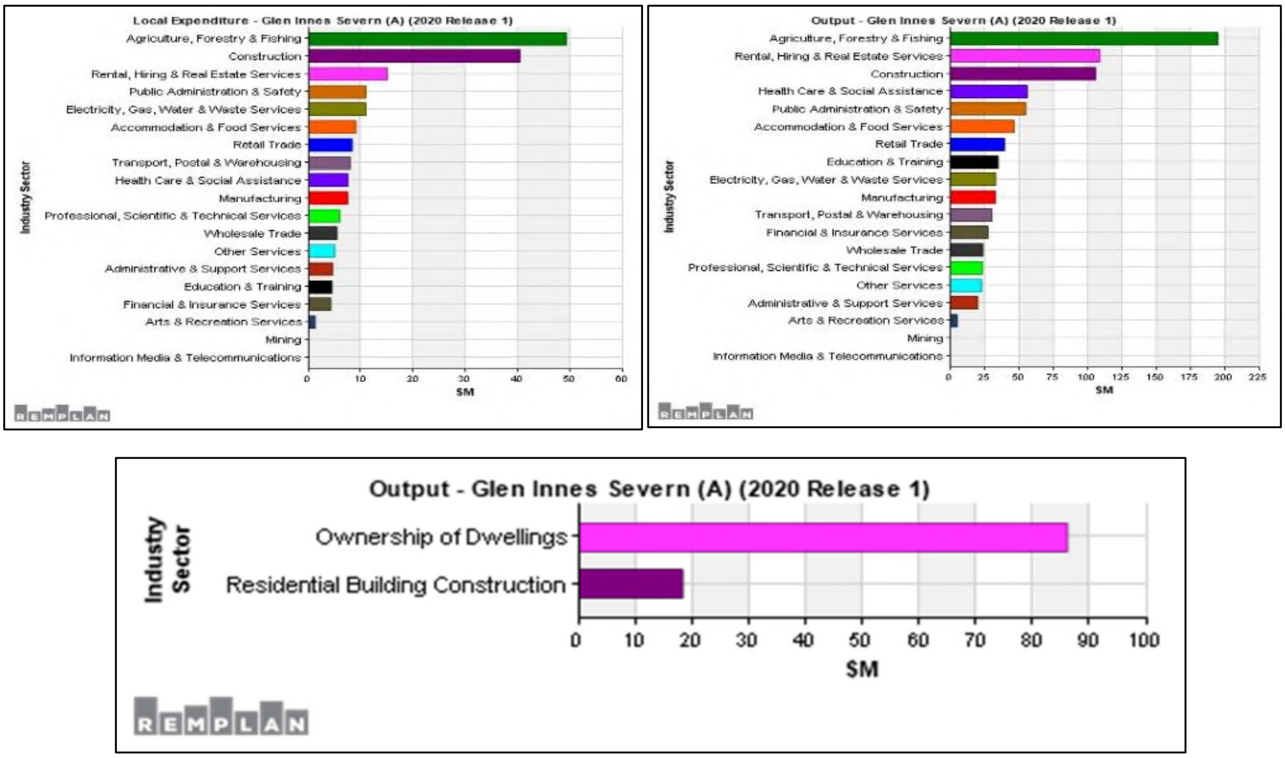
Figure 2: Glen Innes LGA Household Incomes

Contribution of Housing to Local Economic Activity

Real Estate and Construction are crucial sectors of the Glen Innes LGA Economy (**Error! Reference source not found.**)[7]. Construction and rental hiring and real estate sectors are the second and third most important sectors in the GISC economy in terms of output and local expenditure. [7] The Residential Building Construction sector contributes $18.158 million (2.1%) of total output in the economy. When combined with the contribution of ownership of dwellings, the sector accounts for $104 million (12.1%) of total output.

The combined output of rental, hiring and real estate services and construction is more important to the local economy than agriculture (Figures 3). This also true for local expenditure. Construction is also a key driver of the economy in terms of locally sourced goods and services, exports beyond the region and value added to the economy. Real estate is also a crucial source of value added to the economy.[8]

Nurturing the local housing sector to support increased investment, construction activity and local expenditure is therefore an important way in which GISC can support endogenous local economic development in the area.



Figure's 3: GISC Sector Contributions - Local Expenditure (top left), Output (top right, bottom) Source: REMPLAN Contribution to Employment

[6] All data sourced from REMPLAN
[7] Noting that not all of the activity captured in these sectors is directly attributable to local housing.
[8] REMPLAN Key Propulsive Sectors Report for Glen Innes Severn Shire

Contribution to Employment

Agriculture, healthcare, and retail trade are the key sectors in the local economy (

Figure 1). The contribution of housing related sectors to employment is also important, although relative to the wider region, and NSW as a whole, these sectors are relatively less important to the Glen Innes LGA economy (

Table 2).

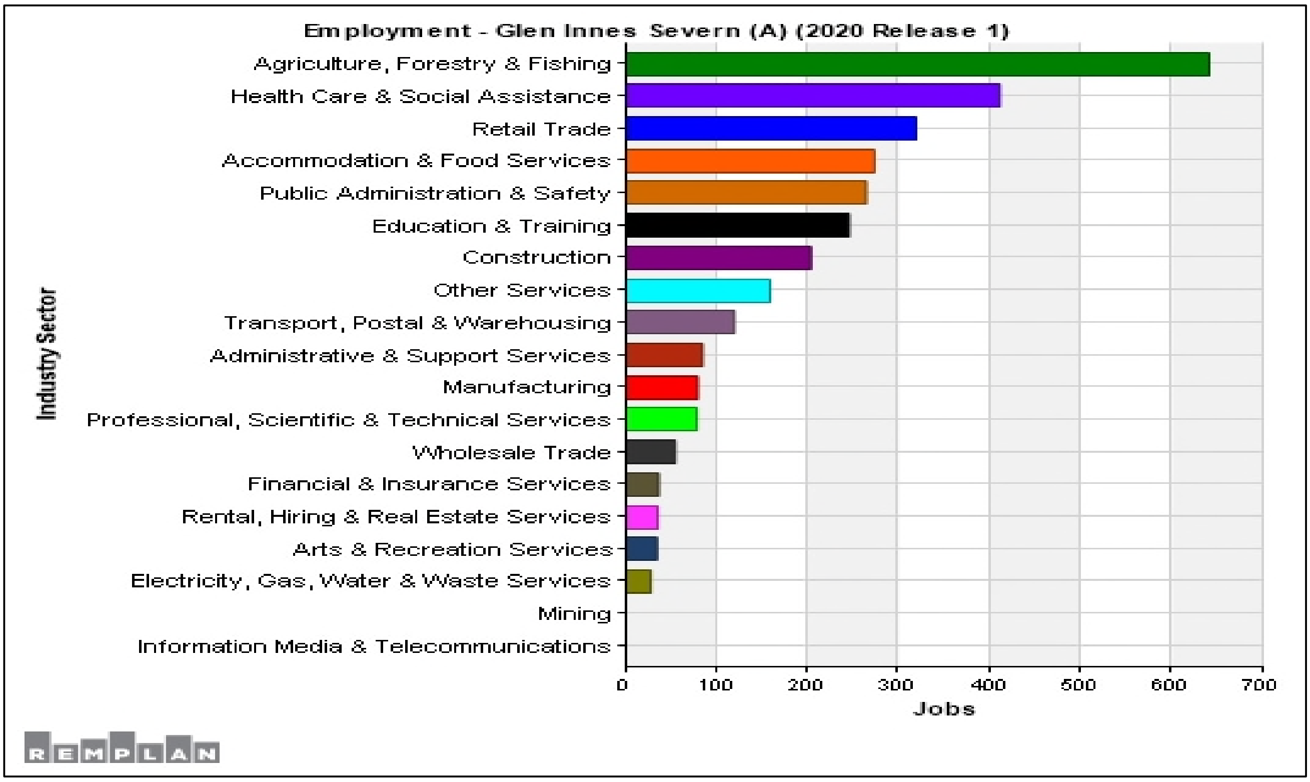


Figure 1: Glen Innes LGA Severn Employment by Sector

	Glen Innes LGA Severn (A)		RDA Northern Inland		New South Wales (State)	
Industry Sector	**Jobs**	**%**	**Jobs**	**%**	**Jobs**	**%**
Construction	203	6.60%	5,258	6.90%	294,461	8.80%
Rental, Hiring & Real Estate Services	35	1.10%	898	1.20%	62,233	1.90%
Total	**3,060**	**7.70%**	**76,681**	**8.10%**	**3,358,119**	**10.70%**

Table 2: Comparison of contribution of key housing sectors to local employment

Residential building construction is estimated to directly employ 31 people in Glen Innes LGA with the closely related construction services employing 124 people. Real estate employed 28. Other sectors such as cleaning and pest control, insurance and finance will also be supported by activity in the sector.

Housing can create high value jobs for the local economy. Ten additional construction jobs in Glen Innes LGA would be estimated to contribute an additional $7.5m, while ten new jobs in rental hiring and real estate would contribute $8.9m. In contrast, agriculture is associated with a $3.5m addition, retail $1.8, accommodation and food services $2.2m and health care $1.6.

Sector	Direct Change Jobs	Direct Effect ($M)	Supply-Chain Effect ($M)	Consumption Effect ($M)	Total ($M)
Agriculture, Forestry & Fishing	10	$3.039	$0.461	$0.066	$3.566
Construction	10	$5.204	$2.215	$0.128	$7.547
Retail Trade	10	$1.235	$0.201	$0.416	$1.852
Accommodation & Food Services	10	$1.699	$0.151	$0.354	$2.204
Rental, Hiring & Real Estate Services	10	$6.519	$1.116	$1.256	$8.891
Health Care & Social Assistance	10	$1.361	$0.016	$0.269	$1.646
TOTAL	**60**	**$19.057**	**$7.542**	**$3.751**	**$30.350**

Table 3: Relative contribution of additional jobs to the Glen Innes LGA economy (Source: REMPLAN)

With the value of local housing increasing to levels which are more likely to support investment and migration to the area, there should be an opportunity for Glen Innes LGA to expand local employment in the sector.

A key risk is that increased activity is met by labour being imported from outside the region. Emphasising this risk, consultation with the local building sector identified that local businesses are at capacity but not yet looking to expand their employment base to respond to market conditions.

Local Housing Market Conditions

Housing market conditions – as measured by prices, sales of houses and land, houses available in the market over time, rents, and vacancy rates – provide an important indication of how well available local stock is meeting demand. Unless otherwise stated, data within this analysis is as of September 2021. The Regional Australia Institute identifies Glen Innes LGA as a stable housing market[9].

Key points:

- Glen Innes LGA has a housing shortage which is being exacerbated by recent demand;
- Glen Innes LGA has seen significant price growth in the last 12 months, with median values rising 25% to $250,000;
- Sales per annum have increased in the last four years relative to the decade average, with the number of properties available declining from around 300 to around 150;
- The number of land sales has declined significantly; and
- Rental availability has tightened, and average rents have risen around 10% or from $250 to $280 for a three-bedroom house.

Housing Value and Availability in the Market

The median value of houses in Glen Innes LGA has risen 25% in the last 12 months. This is a part of significant house price growth which is occurring across regional communities as demand for regional living increases.

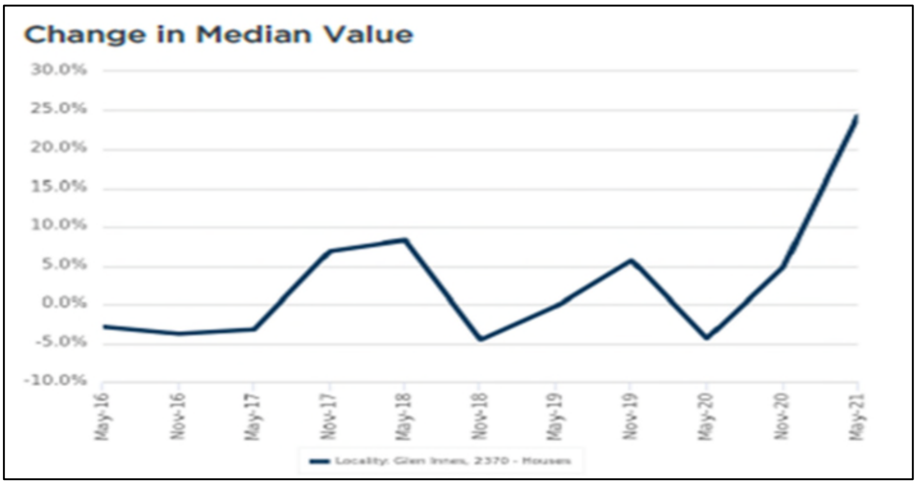


Figure 2: Change in median house values Source: RP Data

[9] Building the Good Life: Foundations of Regional Housing (2022). Canberra, The Regional Australia Institute.

Consultation identified the importance of migration from the coast in driving recent housing market demand. Local sources identify that this is often older people seeking to reduce debt, create a base for a lifestyle where they spend most of the time engaged in domestic travel or to live in a cooler climate.

However local factors are important as well. In the years prior to this recent rise in prices, property on the market has been steadily falling from a peak in 2015 (Figure 3), returning to levels not seen in a decade. Most recent sales are now occurring in less than six months. Sales per annum have risen around 25% since 2018 (Figure 4), an indication of the increased demand driving this trend.

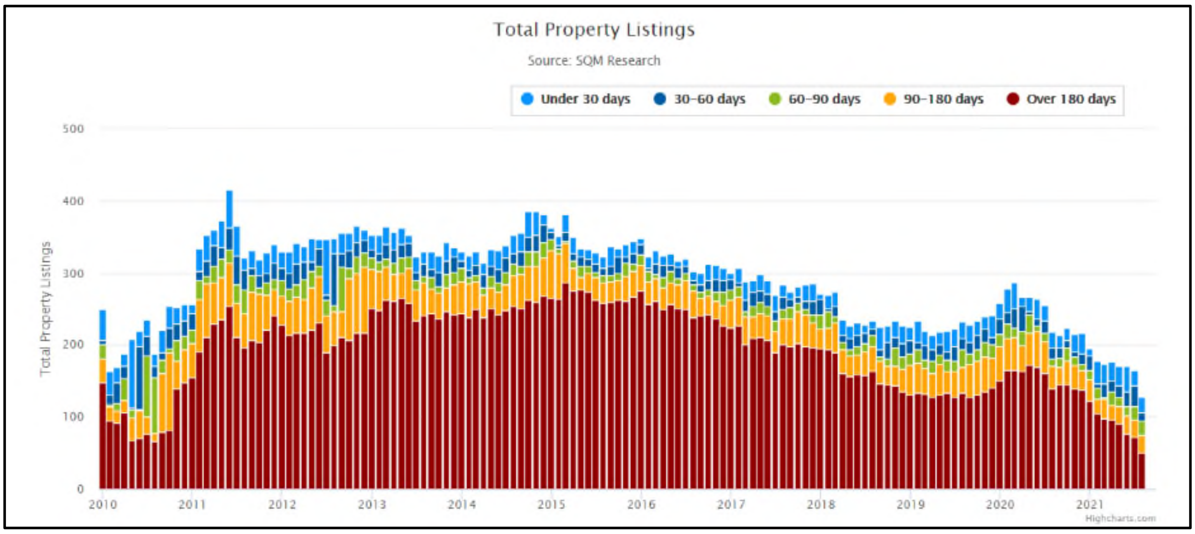


Figure 3: Glen Innes LGA Property Listings Source: SQM Research

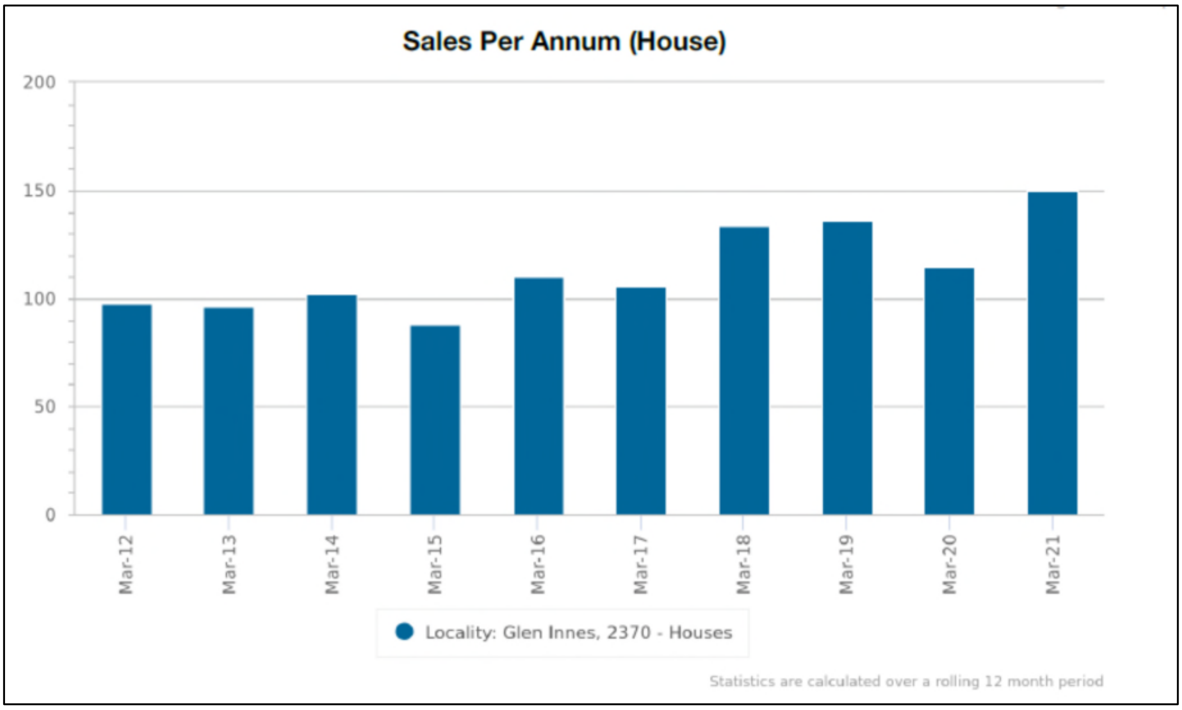


Figure 4: Glen Innes LGA House Sales per Annum Source: RP Data

Reinforcing these indicators or limited local supply, Glen Innes LGA and the wider region including Tenterfield and Inverell was identified by recent national analysis as having a significant housing shortage (Figure 5: Housing Shortage in Australia 2017).

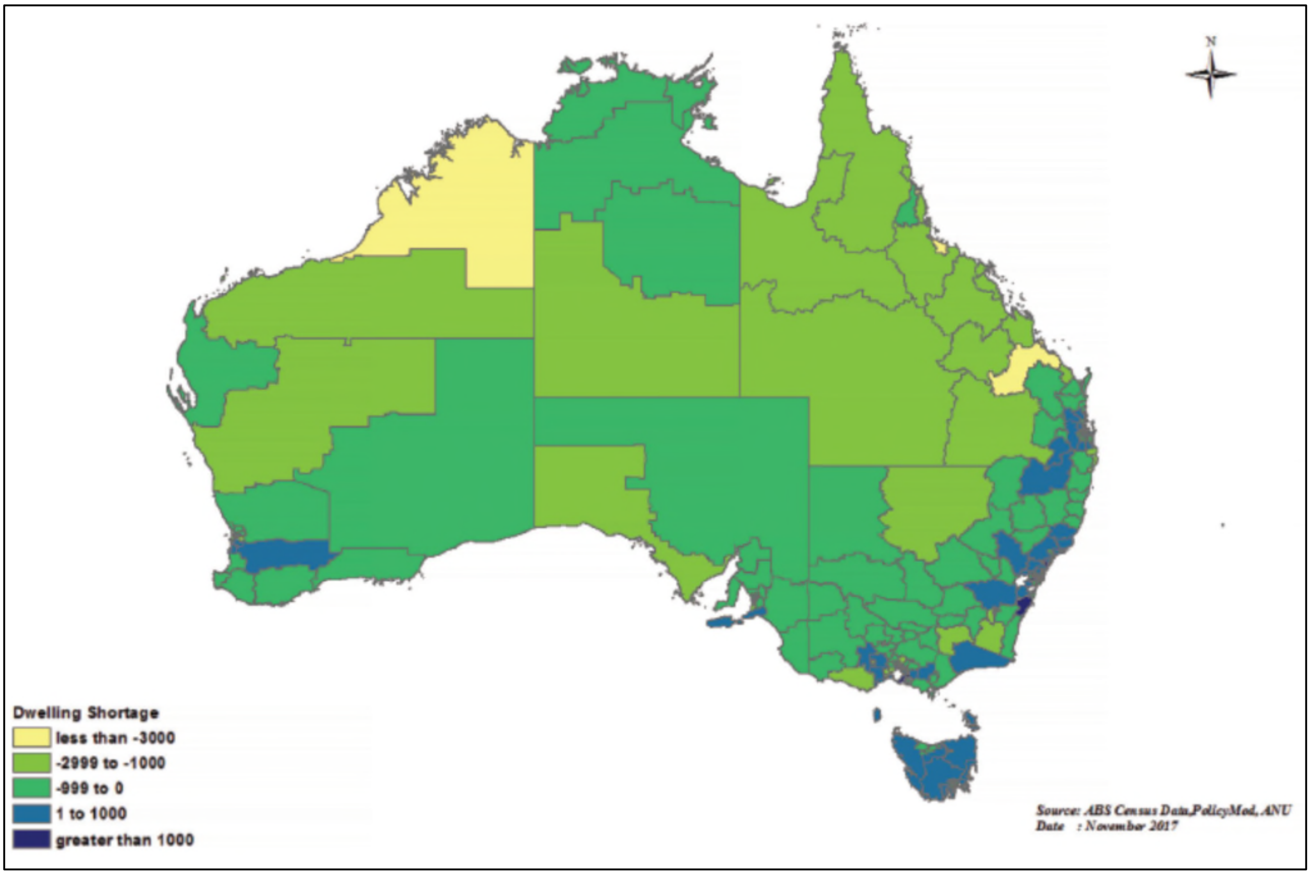


Figure 5: Housing Shortage in Australia 2017[10]

Land Sales and Value

At the same time as more houses have begun to sell and houses in the local market have become scarcer, land sales have declined (Figure 6). In contrast to house prices, land prices have remained stable at an average of $60,000 (Figure 7) over the last 12 months.

[10] Phillips B and Joseph C 2017, Regional Housing Supply and Demand in Australia, CSRM Working Paper No.1/2017, ANU Centre for Social Research & Methods, Canberra

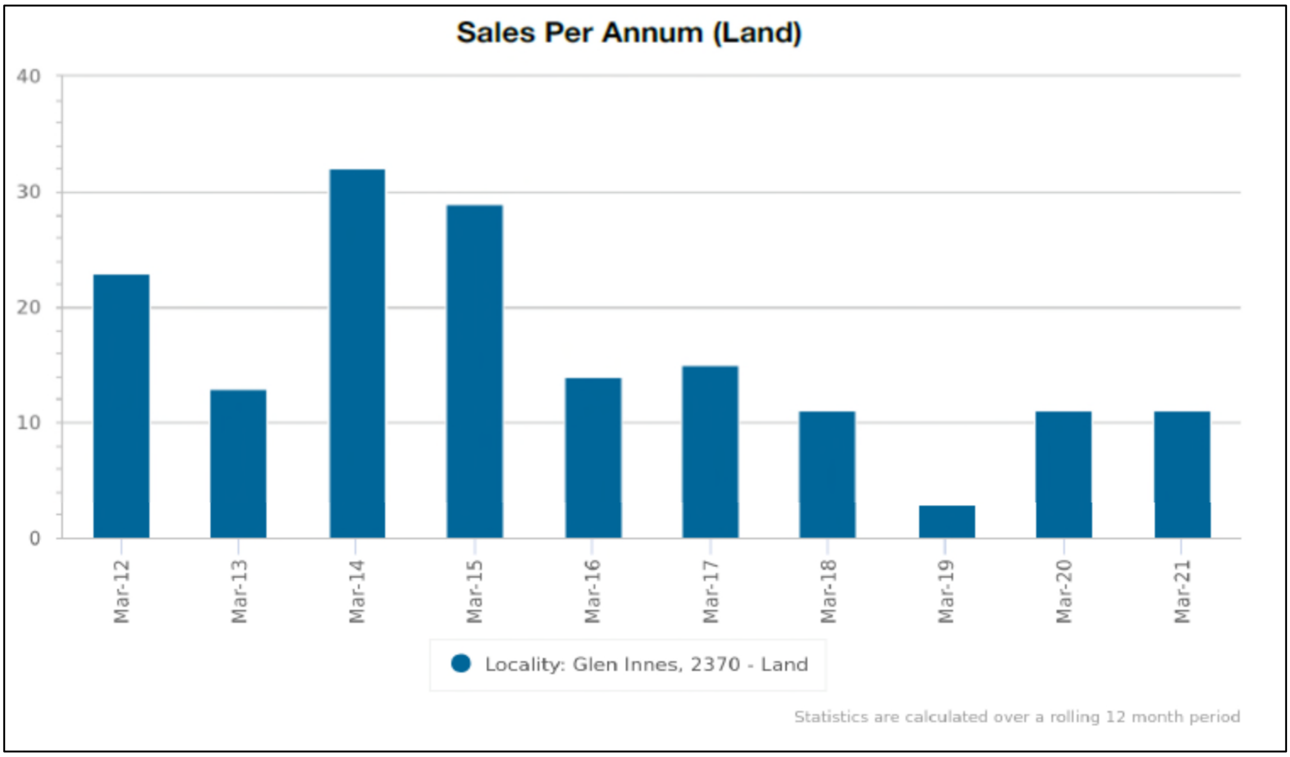


Figure 6: Land sales per annum Source: RP Data

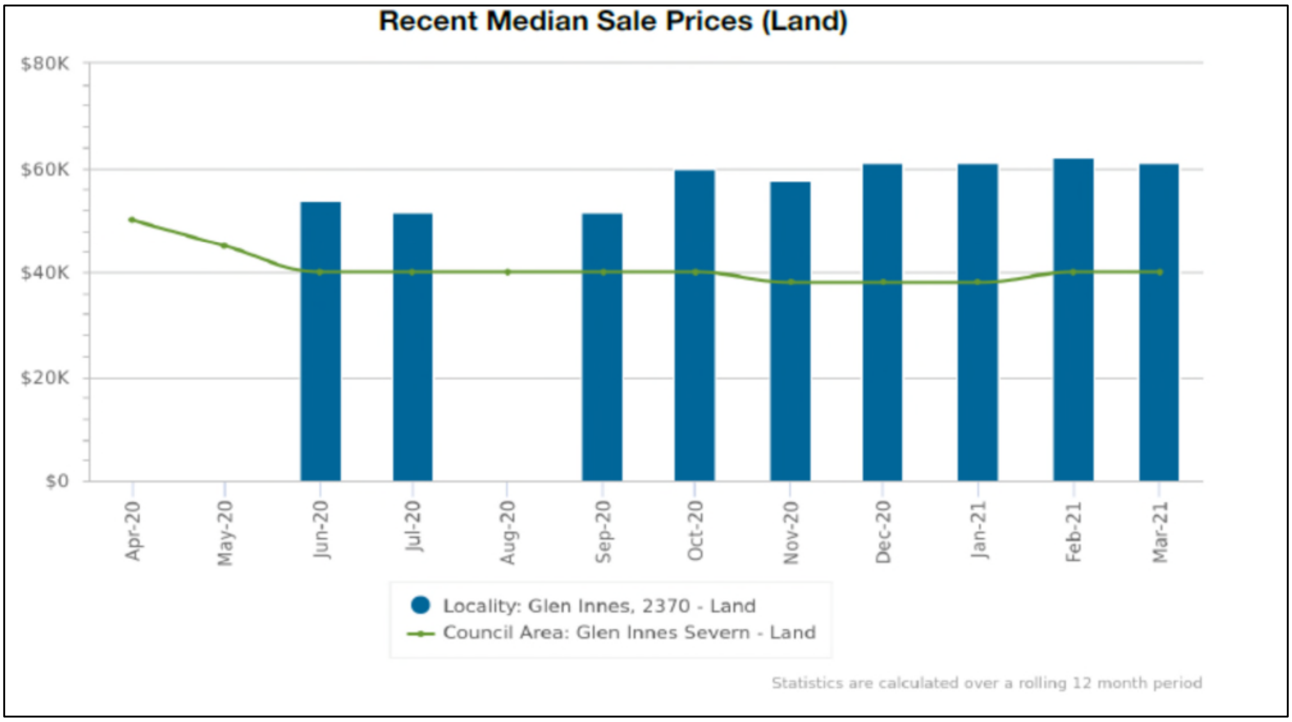


Figure 7: Land prices in 2020-21 Source: RP data

Long Term Rental Availability and Prices

As the housing market has tightened so has rental availability in Glen Innes LGA. In the last 12 months the market has moved below 2% vacancies, which is the level at which a market is generally considered to be undersupplied (Figure 8). Rents are also increasing, with 3-bedroom house rents moving from a stable average of $250 towards $300/week (Figure 9).

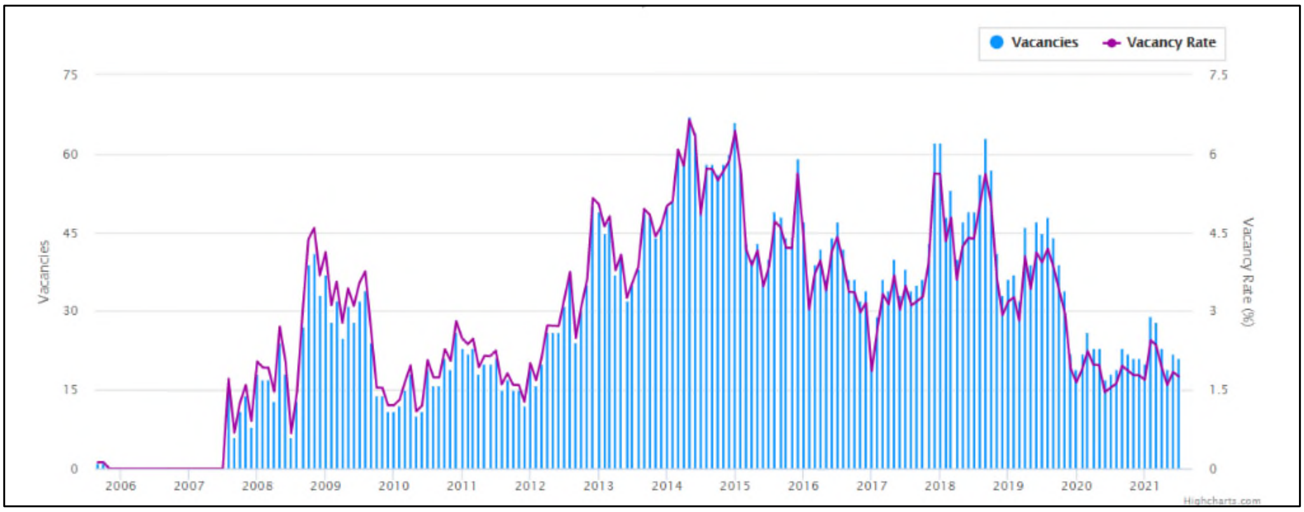


Figure 8: Glen Innes LGA Residential Vacancy Rates Source: SQM Research

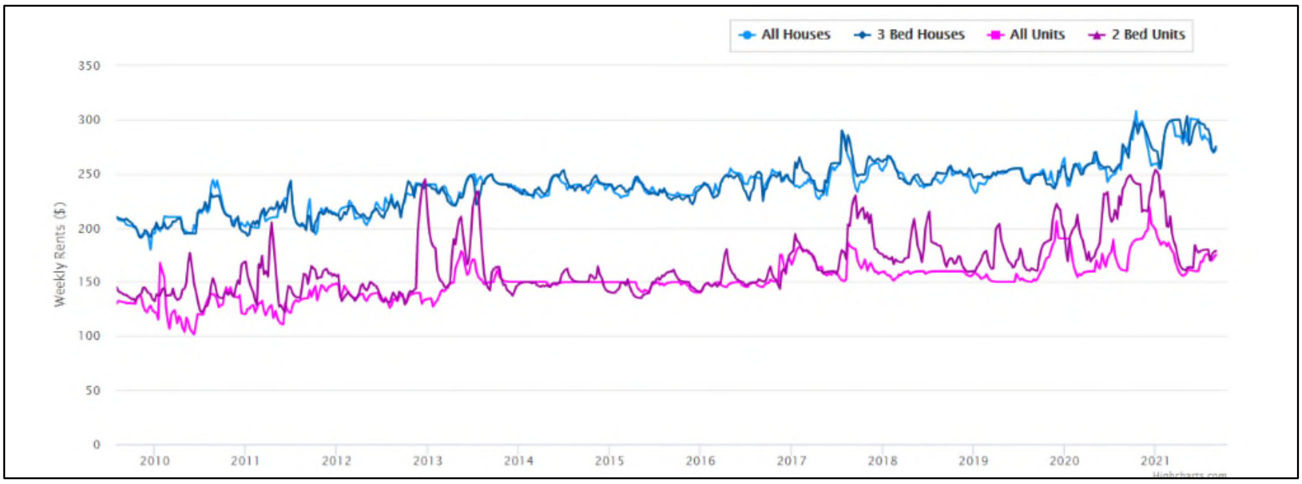


Figure 9: Glen Innes LGA Weekly rents Source: SQM research

Short Term Rental Availability and Prices

As tourists seek alternatives to traditional accommodation, short term rentals (Airbnb's) have become an important source of demand for established housing in many rural and regional communities. In some communities with high levels of tourism, a significant proportion of rental accommodation can shift to the short-term market, causing or exacerbating long term rental shortages.

Currently, Glen Innes LGA has a low level of demand for housing as short-term rentals. As of 11 September 2021, a total of 35 properties were listed on the Airbnb website, with seven listed on Stayz.com.au. A significant proportion of available properties are outside of Glen Innes LGA key towns in rural areas, providing a useful option for the use of surplus farm housing. Median prices per room were $90/night.

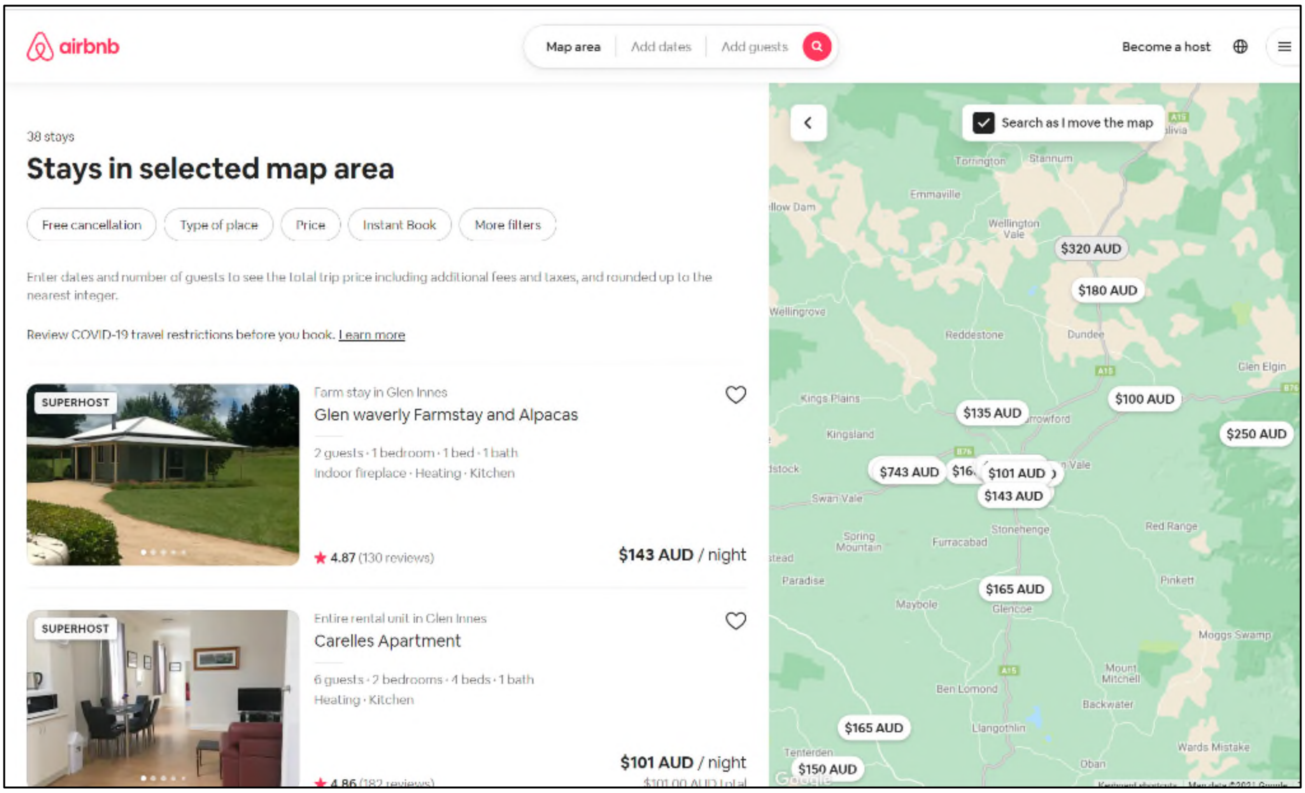


Figure 10: Glen Innes LGA on Airbnb, September 2021

Assessment of Local Land Supply and Development Activity

Land supply and the facilitation of development are two of the fundamental ways in which local governments influence housing in their area.

This section considers available evidence on local subdivision and dwelling development activity as well as land supply in Glen Innes LGA, Glencoe, Emmaville, and Deepwater.

Key points:

- **Subdivision, lot creation and dwelling approval activity has declined significantly since 2015 and building approvals have been significantly outstripping lot creation; and**
- **The assessment of developable land available for housing in Glen Innes LGA and major villages indicates that there is sufficient potential future supply if development occurs on available parcels of land.**

Subdivision and Dwelling Development Activity

Figure 11 provides recent dwelling approval data for Glen Innes LGA Severn Shire. Over the last 10 years an average of 29 approvals have been made annually.

However, within this time, annual approvals have nearly halved from an average of 36 per annum to 2014-15 to an average of 19 over to 2018-19.

This drop in approvals for development has coincided with the increase in local housing activity and decline in availability noted above in the market condition section.

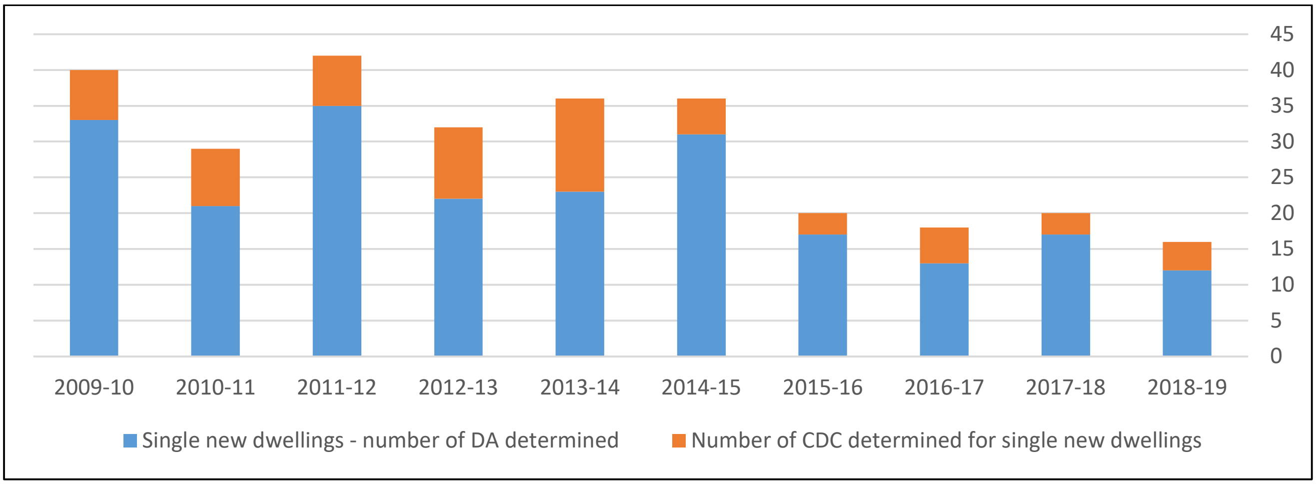


Figure 11: Glen Innes LGA Dwelling approvals Source: NSW Department of Planning, Industry and Environment

Approval activity in the multi-unit and seniors living category has been sporadic with eight multi-living approvals and three seniors living approvals identified in the recent data (Figure 13).

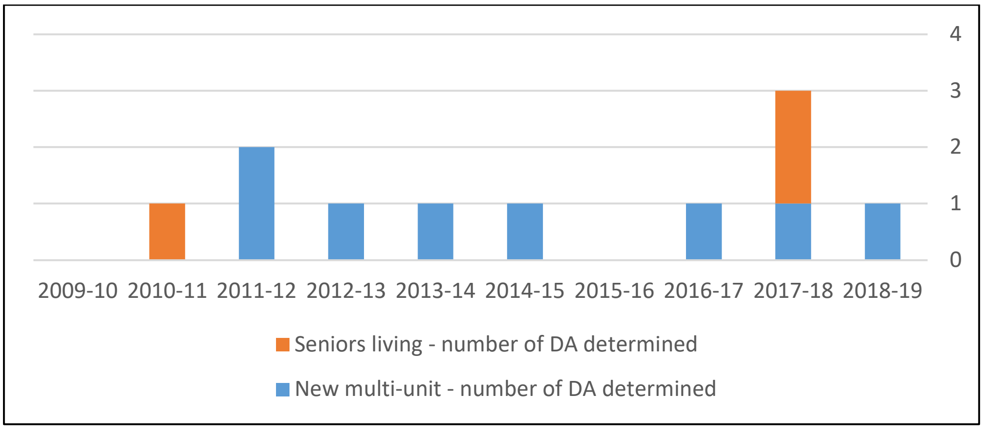


Figure 12: Multi-dwelling and seniors living approval Source: NSW Department of Planning, Industry and Environment

Similar to dwelling approvals, the annual level of subdivision activity has declined since 2014-15 (Figure 16).

In recent years only 1-4 residential subdivisions are occurring annually compared to 8-12 earlier in the decade (

Table 4). Within all GISC subdivision activity:

- 33% of subdivision activity occurred in the R1 zone;
- 3% was in the large lot residential zone (R5);
- 7% in village (RU5); and
- 51% of subdivision occurred in primary production zone (RU1).

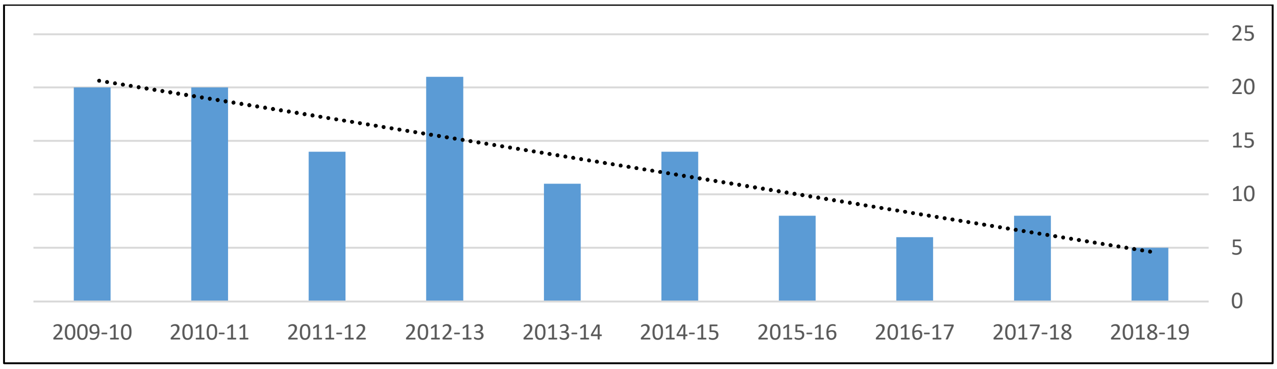


Figure 16: Total subdivisions in Glen Innes LGA Severn Source: NSW Department of Planning, Industry and Environment

Financial Year	Residential	Low Density Residential	Large Lot Residential	Village	Primary Production	Town Centre	General Industrial	Total	Residential Total
	R1	R2	R5	RU5	RU1	B2	IN1		
2009-10	7	0	1	0	4	3	0	15	8
2010-11	5	0	1	3	19	0	0	28	9
2011-12	7	0	1	1	10	2	0	21	9
2012-13	9	1	0	2	6	0	0	18	12
2013-14	4	0	0	0	3	0	0	7	4
2014-15	5	0	0	2	1	1	0	9	7
2015-16	2	0	1	0	6	0	0	9	3
2016-17	3	0	0	1	3	0	0	7	4
2017-18	1	0	0	1	4	0	0	6	2
2018-19	2	0	0	0	9	0	0	11	2
2019-20	3	0	0	1	4	0	0	8	4
2020-21	1	0	0	0	6	0	1	8	1
Total	**49**	**1**	**4**	**11**	**75**	**6**	**1**	**147**	**65**
%	**33%**	**1%**	**3%**	**7%**	**51%**	**4%**	**1%**	**100%**	**44%**
Average	**4.1**	**0.1**	**0.3**	**0.9**	**6.3**	**0.5**	**0.1**	**12.3**	**5.4**
Median	**3.5**	**0**	**0**	**1**	**5**	**0**	**0**	**9**	**4**

Table 4: Subdivision Activity by Zone Source: ProjectsJSA analysis of GISC data

Alongside subdivision, lot creation activity has declined with 78 additional residential lots created in the R1 zone between 2009-10 and 2020-21. Over 15 years the predicted demand from this historical data is 68-98 lots in the R1 zone (Table 5).

In the R5 zone, no lot creation activity has occurred since 2011-12, with only 13 new lots created since 2008-09. Over 15 years, the predicted demand is for an additional 0-16 lots to be required.

In the RU5 village zone, a total of 28 lots have been created since 2008-09, with a predicted 15-year demand of 15-35 new lots.

Financial Year	Residen-tial	Low Density Residen-tial	Large Lot Residen-tial	Village	Primary Production	Town Centre	General Industrial	Total	Residential Total
	R1	R2	R5	RU5	RU1	B2	IN1		
2009-10	12	0	5	0	14	7	0	38	17
2010-11	8	0	2	6	44	0	0	60	16
2011-12	16	0	6	2	20	4	0	48	24
2012-13	13	5	0	5	2	0	0	25	23
2013-14	10	0	0	0	5	0	0	15	10
2014-15	2	0	0	9	2	0	0	13	11
2015-16	2	0	0	0	17	0	0	19	2
2016-17	5	0	0	2	7	0	0	14	7
2017-18	2	0	0	4	11	0	0	17	6
2018-19	4	0	0	0	41	0	0	45	4
2019-20	2	0	0	0	6	0	0	8	2
2020-21	2	0	0	0	4	0	5	11	2
Total	**78**	**5**	**13**	**28**	**173**	**11**	**5**	**313**	**124**
Average	**6.5**	**0.4**	**1.1**	**2.3**	**14.4**	**0.9**	**0.4**	**26.1**	**10.3**
Median	**4.5**	**0**	**0**	**1**	**9**	**0**	**0**	**18**	**8.5**
15YR (Av)	**98**	**6**	**16**	**35**	**216**	**14**	**6**	**391**	**155**
15YR (Med)	**67.5**	**0**	**0**	**15**	**135**	**0**	**0**	**270**	**127.5**

Table 5: Lot creation activity in Glen Innes LGA Severn Shire Source: ProjectsJSA analysis of GISC data

Potential Lot and Dwelling Supply and Demand Assessment

The NSW Government has developed household demand projection based on its population forecasts for Glen Innes LGA Severn. In line with pessimistic population projections, a significant decline in local households is projected to 2041.

However, given these population forecasts do not accurately align to recent population statistics and projections aligned to these trends, these do not form a sound basis for the future housing strategy.

A more reasonable basis is the expectation that recent population trends will continue and that similar household trends will persist, making recent dwelling and land supply statistics a good baseline reference point for the future.

These suggest that the Glen Innes LGA Severn GISC LEP should provide at a minimum for:

- An average of 5-10 additional residential lots to be created annually;
- An average of 30 lots to be built upon each year, mostly for additional single dwellings; and
- The significant majority of this demand will occur in and around Glen Innes LGA township.

The gap between subdivision and residential construction activity is creating a situation where an increase in lot creation similar to that seen from 2008-09 to 2012-13 is needed to provide sufficient land for future residential housing development in Glen Innes LGA.

Land Supply in Glen Innes LGA

Glen Innes LGA is the main population area in the Shire and as the main focus for development activity. Local zoning provides for housing in three main zones (Figure 17):

- R1 general residential (the majority of the existing town)
- R2 low density residential (restricted to one identified future development area)
- R5 large lot residential (areas to the south and north of town)

Consultation identifies a general view that there is a shortage of available residential land in the town that is impacting upon future growth and housing supply.

An assessment of available land supply identifies that future housing needs are currently to be met by:

- An estimated 107 vacant lots suitable for single dwellings within the existing R1 zone;
- 77 potential lots with existing rear laneway access that are able to subdivided to create additional lots;

- The Hunter Street development area zoned low density residential (this area is currently the subject of a Development Application with a potential for 104 lots to be created);
- 12 broad hectare parcels (greater than 4000m2) within the R1 zoning that could yield a potential 344 additional lots; and
- 10 subdividable blocks in the large lot residential (R5) zoned area that could potentially yield up to 140 additional lots.

This suggests that there is significant land available for development that is not yet being brought to market to support new residential construction demand.

While in practice, there is currently very limited land available lots to support additional residential construction within Glen Innes LGA, there is sufficient developable land to meet future supply needs.

As such there is not yet a strong case for the zoning of additional land to the key R1 or R5 zones. GISC could however consider the benefits of zoning of a specific area for medium density residential development close to town centre given the growing need for this kind of housing.

The sustained lack of local lot creation activity should however cause GISC to consider a GISC led development of new residential lots, either through purchase of parcels of privately held developable land or through conversion of underutilised areas of green space (such as the field on the corner of Lang and Abbot St) into residential development.

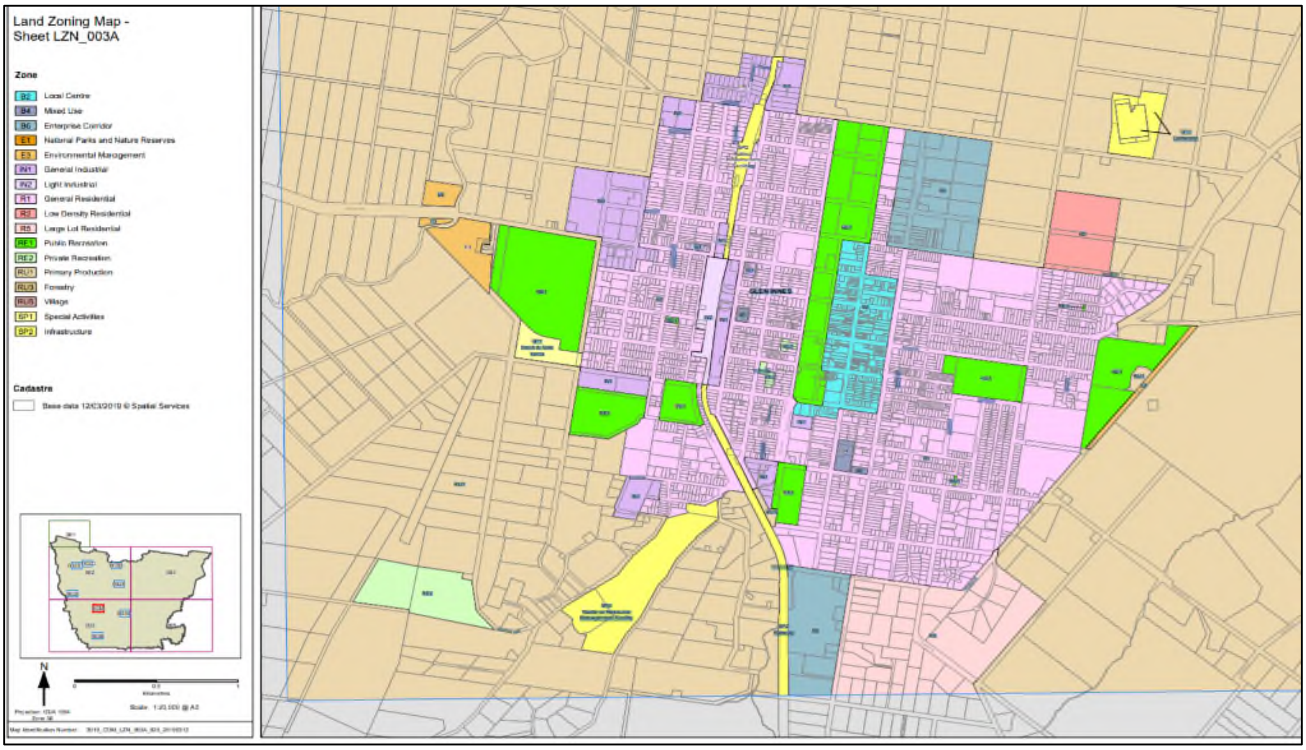


Figure 17: Glen Innes LGA Zoning Map

Land Supply in Emmaville

Emmaville is a former mining town in the north-west of Glen Innes LGA Shire which is home to around 350 people. It has a local health facility serving the local community and surrounding areas as well as a pre-school and central public school.

A review of RP Data and a visual inspection of the current village satellite maps identifies 49 vacant housing lots, including a recent subdivision which is mostly yet to be built upon. Additionally, there are a significant number of larger parcels of land within the existing residential zoning area that provide a pathway for the creation of a significant number of new lots to meet any growth in future housing needs (Figure 18).

Based on this evidence, land supply in Emmaville appears adequate for the foreseeable future.

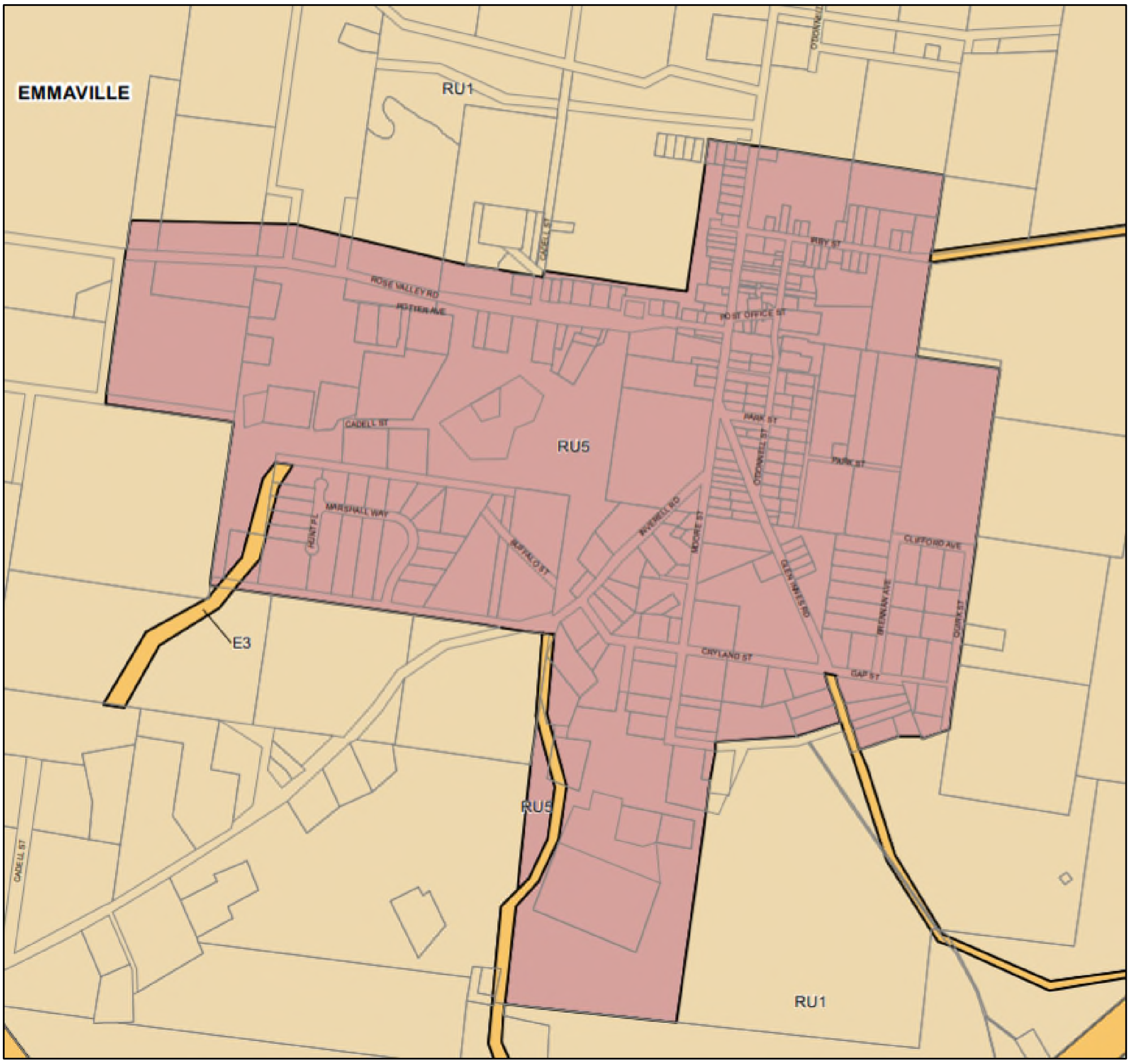


Figure 18: Emmaville Zoning Map

Land Supply in Deepwater

Deepwater is on the New England Highway to the north of Glen Innes LGA. The village has a significant local employer and consultation identifies it as having proven an attractive location for 'grey nomads' looking to establish a low-cost base to support a travelling lifestyle.

A review of RP Data and a visual inspection of the current village satellite maps identifies 63 vacant lots within the existing village structure (Figure 19). There are also three areas with large undeveloped blocks in the north, west and south of the village within the existing residential zoning footprint that are estimated to have a potential yield of up to 61 2000m2 lots.

Based on this evidence, land supply in Deepwater appears adequate for the foreseeable future.

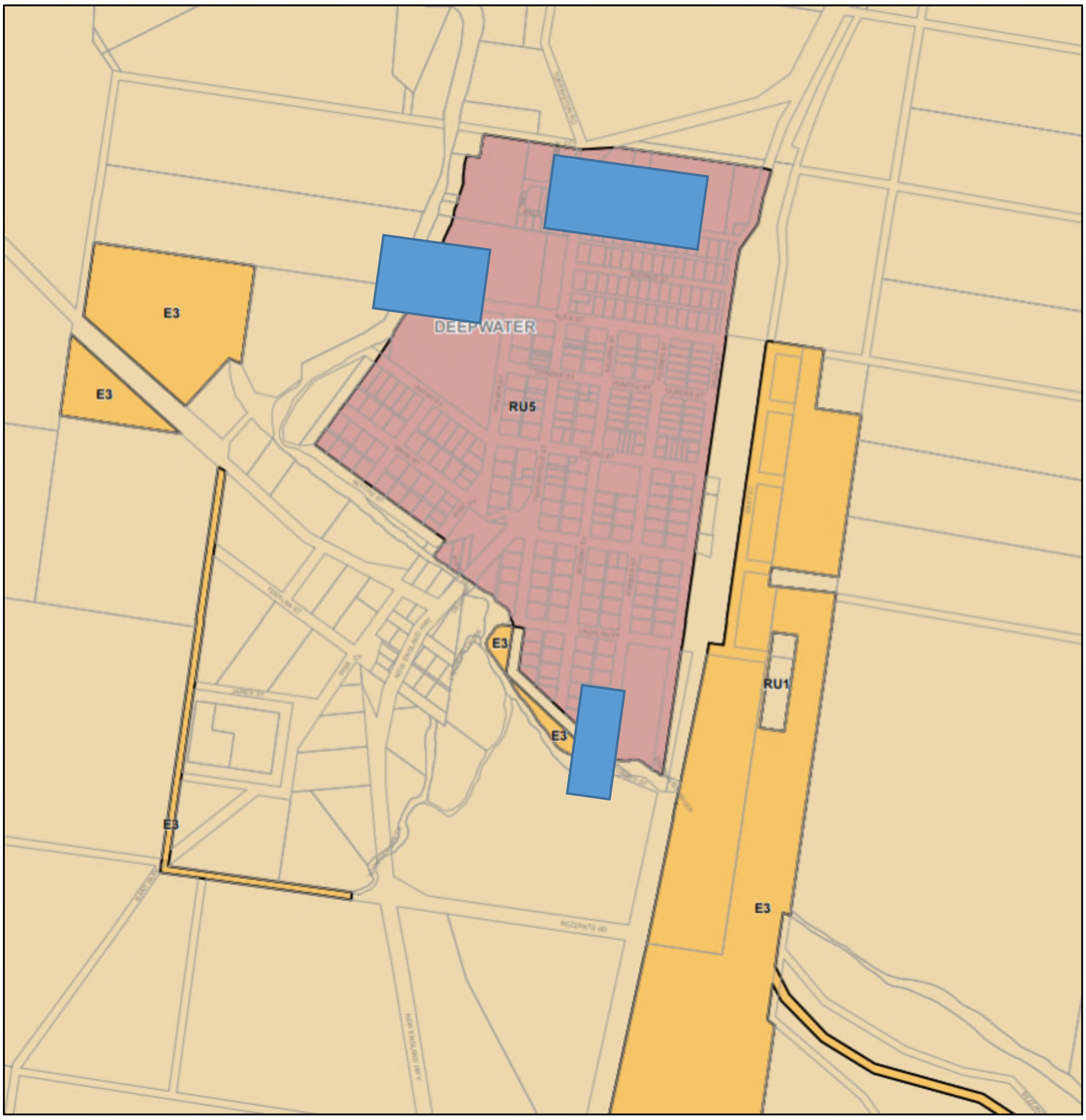


Figure 19: Deepwater Zoning and Lot Map showing developable areas within the existing footprint

Land Supply in Glencoe

Glencoe is a small village on the New England Highway between Glen Innes LGA and Guyra.

A review of available land based on information from RP Data and visual review of the latest satellite images (Figure 20) of the village identifies that there are currently approximately 28 vacant existing lots which could provide for further housing development. There is also significant capacity to subdivide these lots further with the minimum permissible lot size in villages set at 500m2, although in practice this is unlikely to occur.

A more likely pathway for any needed expansion is within the lots already zoned for residential development to the south of town.

Overall, there appears to be adequate zoned land available to support future housing development in Glencoe.

Figure 20: Glencoe Satellite View with Zoning Boundaries (Source: SIX Maps)

Housing and Economic Development in Glen Innes LGA Severn

Housing is crucial to economic development for Glen Innes LGA Severn GISC. Glen Innes LGA is focussed on tapping into its endogenous growth potential, leveraging its existing assets and key sectors to drive population and economic growth.

Housing and a proactive housing development strategy can play a significant role in implementing economic development actions and realising local growth opportunities.

Table *6* below identifies the links between the new strategy and development of housing as a fundamental pillar for the local economy.

Key Opportunities for Growth	EDS Action Priorities	How housing strategy contributes
Local Jobs Renewable Energy	Local Jobs Program and Clean Jobs Plan	Increased activity in the local housing sector will contribute to additional local jobs, particularly in the building and construction industry. Workforce housing to support renewable energy can enable Glen Innes LGA to capture more local employment and economic activity from the pipeline of renewable energy investments expected in the region.
The Visitor Economy	Encourage people to Visit, Live & Invest New England Rail Trail – Glen Innes LGA to Ben Lomond	An increased demand for short-term rental accommodation is likely to occur with an increase in visitation, particularly as the construction of the rail trail is completed.
Population Growth	Deliver a 100-year vision for our town and villages ‘Movers Attraction Policy’ Attract additional healthcare professionals to the LGA/Regions	The supply of housing influences the opportunities for population increase through migration. Adequate housing supply will assist Glen Innes LGA to attract internal migrants or influence their choice of residential location. Specific housing initiatives for healthcare professionals will be important in supporting the quality services that enable population growth.
Investment and Business Attraction	Deliver an 'open for business' approach Advocate to attract aged care facilities and services Design and deliver an ‘Investment Attraction Policy’	An open for business approach in relation to land and housing development is crucial to supporting housing supply and attracting additional investment. The investment attraction policy should prioritise housing. Housing to support the workforce needed for new investment in aged care facilities will be an important consideration.

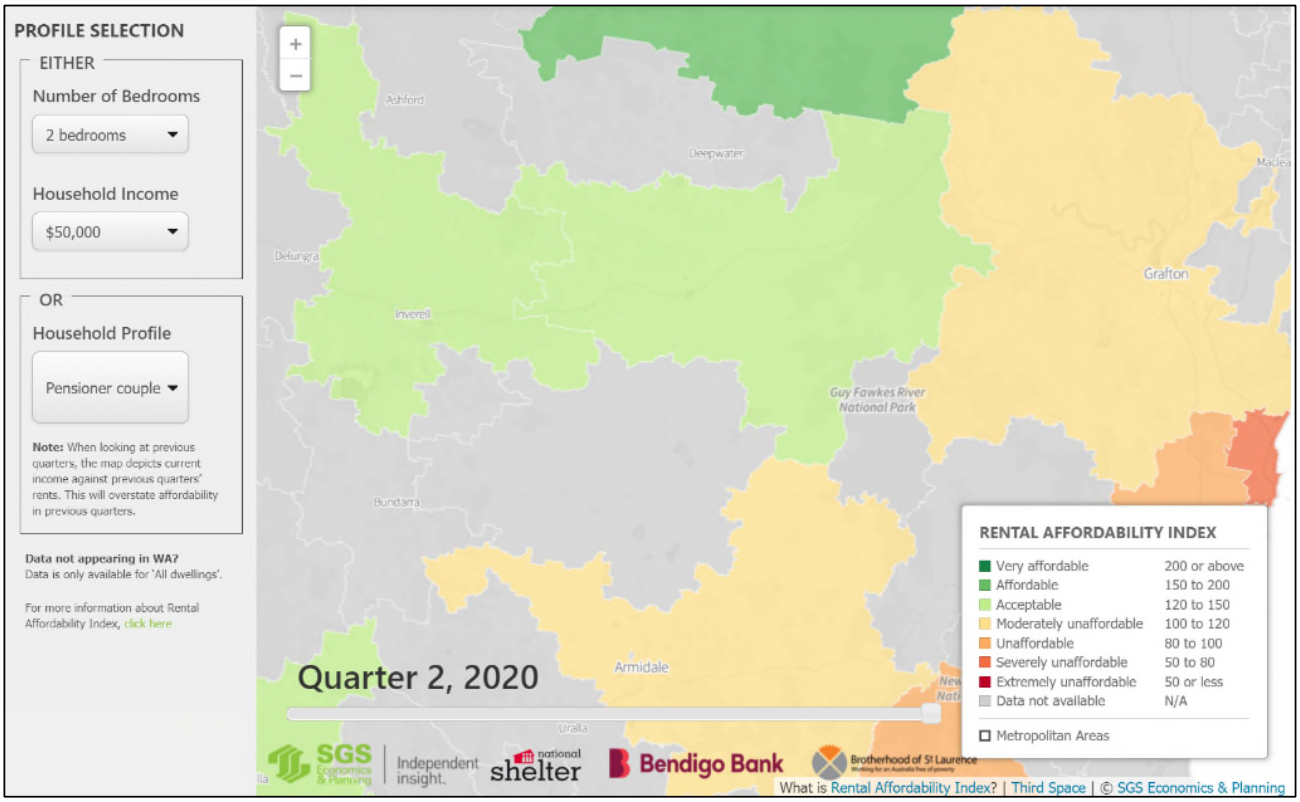
Table 6: Economic Development Strategy (EDS) and Housing in Glen Innes LGA

Housing and Community Well-Being

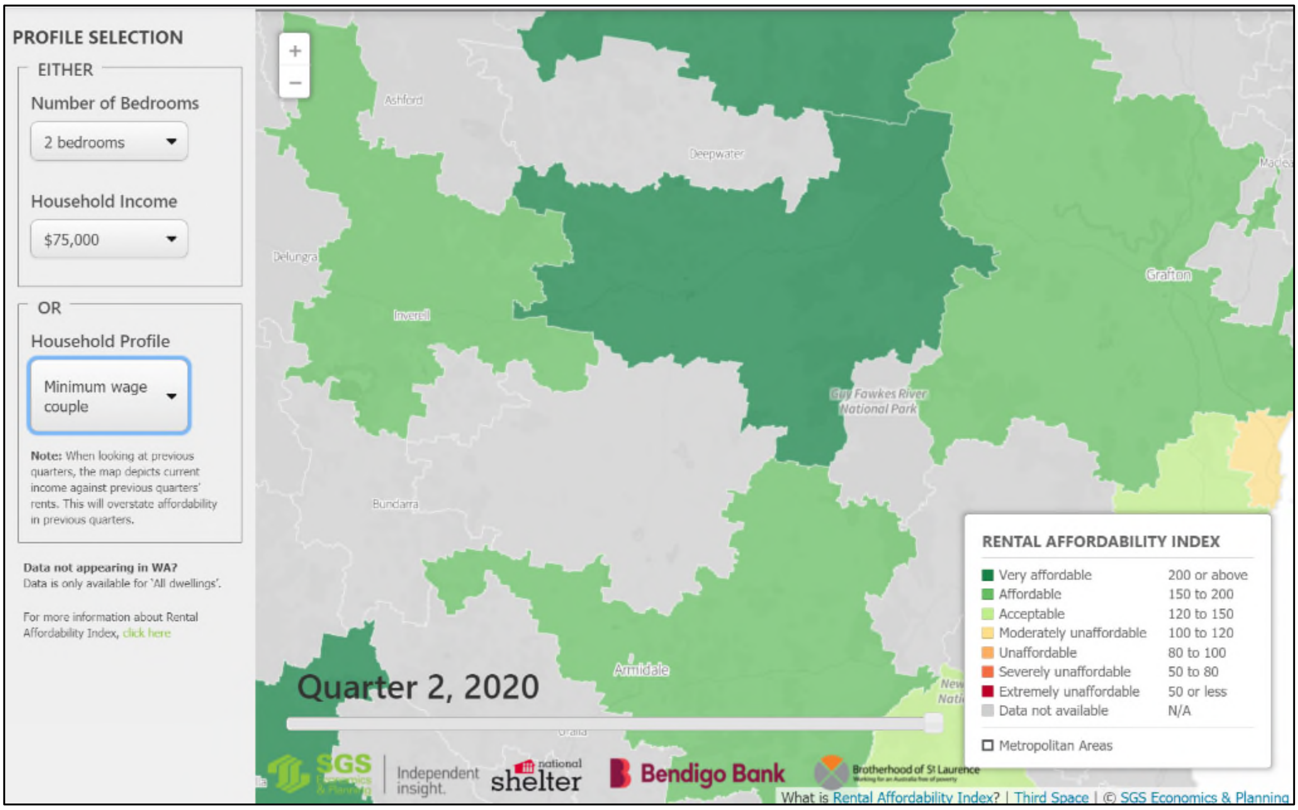
Housing is a key contributor to community well-being in every area. For the Glen Innes LGA community, which is older and includes a significant group of people dependent on fixed incomes and government benefits, the availability of sufficient social housing, affordable housing and housing suited to the needs of older residents is crucial to community well-being.

Availability of Affordable and Social Housing

Prior to the most recent rental rises, Glen Innes LGA was identified as being an area which was affordable for dual pensioners and very affordable for couples on minimum wage (Figures 21 and 22).



Figure's 21: Rental Affordability Index Dual Pensioner Couples and Couples on Minimum Wage (Source: https://www.sgsep.com.au/projects/rental-affordability-index)



Figure's 22: Rental Affordability Index Dual Pensioner Couples and Couples on Minimum Wage (Source: https://www.sgsep.com.au/projects/rental-affordability-index)

Consultation identified that, while generally affordable, rising house and rental prices and a trend for rental properties to be sold to owner-occupiers is placing pressure on low-income rentals.

Homes North also identifies that limited new social housing has been built in Glen Innes LGA in the last 10 years and there is a significant need for additional 1–2-bedroom social housing properties to provide access to housing for members of the community in need.

The community centre has noted an increase in people becoming homeless or living in temporary arrangements (couch surfing) as prices have risen.

Housing for the Aged

Glen Innes LGA is home to an older population, and it is older migrants that have become the key source of population growth in recent years. Older people have diverse needs in relation to housing:

- A variety of mainstream housing including large and small houses, town houses and units, rural residential, private rental and social housing that meets lifestyle preferences and capacity to pay;
- Independent housing designed for older persons; and
- Retirement Homes.

Previous reviews of regional and rural housing have identified a broad need for more purpose-built aged accommodation (and related social and community services which can be in short supply. The need for more appropriate housing was often the reason behind a departure from the region as older people moved to larger centres to meet their housing needs.[11]

Consultation identified a significant need for 1–2-bedroom properties designed to meet the needs of older residents who are not at the stage where nursing home accommodation is appropriate. Many of these people are reported to be living in older three-bedroom properties.

Housing Suitability

Recent census data shows that many residents in Glen Innes LGA are living in houses with 2-3 spare bedrooms and that there were few families identified as needing additional bedrooms (Figure 23).

This reinforces feedback during consultation that many older and social housing residents are living in three-bedroom houses when they would be better suited to 1–2-bedroom accommodation.

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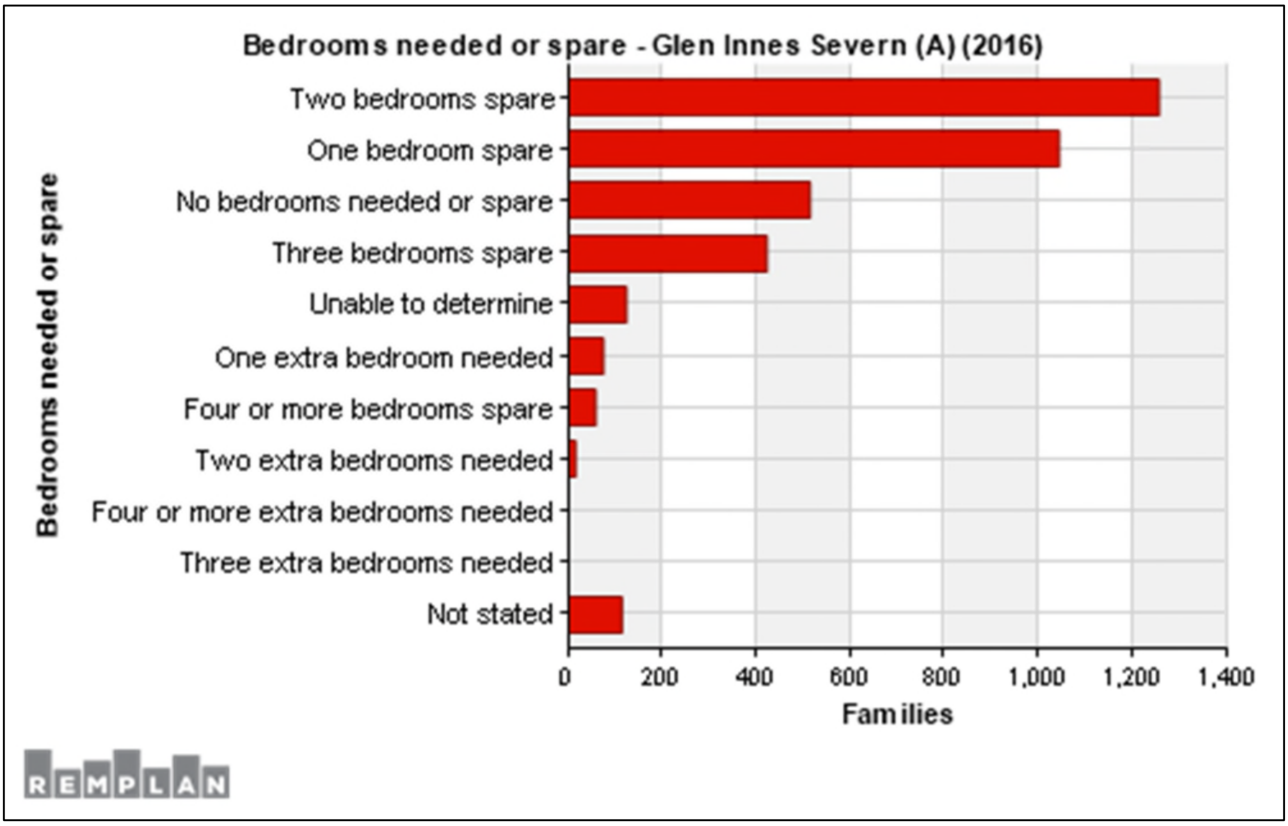

Figure 23: Bedrooms needed or spare in Glen Innes LGA

This change in housing need is a long-term trend, driven by local and national demographic change. Between 2006 and 2016, the proportion of one to two person households increased, while households of four or more people became less common in the community (Figure 24).

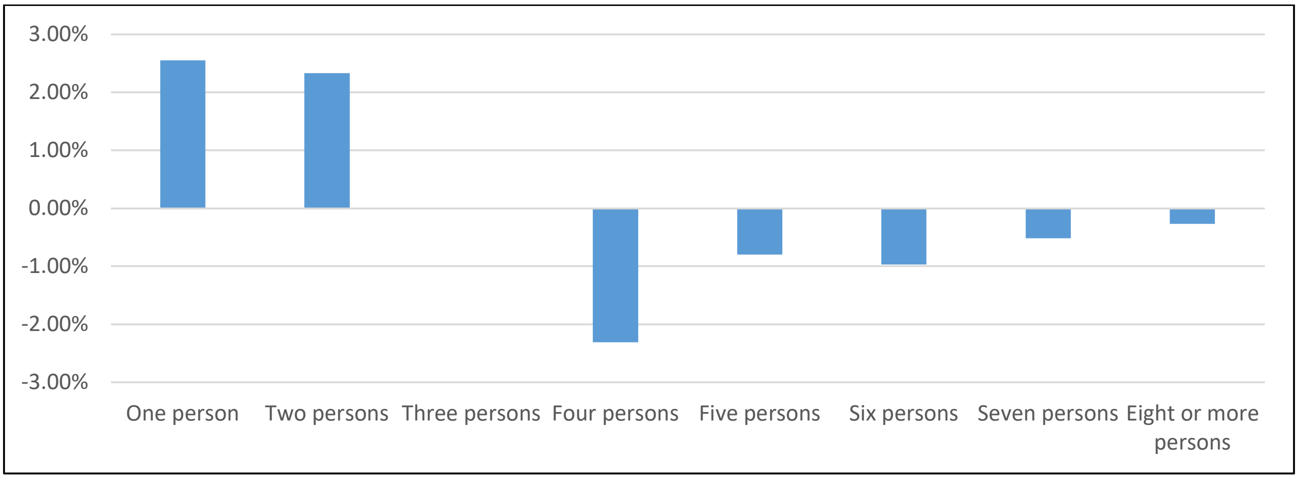

Figure 24: Percentage change in number of residents usually residing in dwelling 2006-16 Source: ABS Census

Housing and Sustainability in Glen Innes LGA

Homes currently generate around 13 per cent of Australia's greenhouse gas emissions and are also a source of large amounts of waste.

A sustainable home is one that requires less energy to heat and cool, and so is cheaper to run and are more resilient to climate and weather extremes.[12] Sustainability also involves optimising the use of land and using materials that are reusable or recyclable (Figure 25).

Housing is an important contributor to sustainability of the Glen Innes LGA Severn Shire. Glen Innes LGA is a lower income community and so sustainability requirements need to ensure they reduce rather than add to the cost of constructing and living in local housing.

Key opportunities to increase the sustainability of local housing include[13]:

- Optimising local land utilisation (e.g. use of infill sites) to utilise existing services and infrastructure footprints
- Use of sustainable building materials and modular production
- Building or retrofitting for effective energy use (e.g. insulation)
- Demolition/refurbishing of existing buildings, and
- Installation of renewable energy generation and storage on existing and new housing.

[12] CRC for Low Carbon Living, Growing the market for sustainable homes: Industry roadmap
[13] PWC 2021, Building a more circular Australia: the opportunity of transitioning to a circular economy

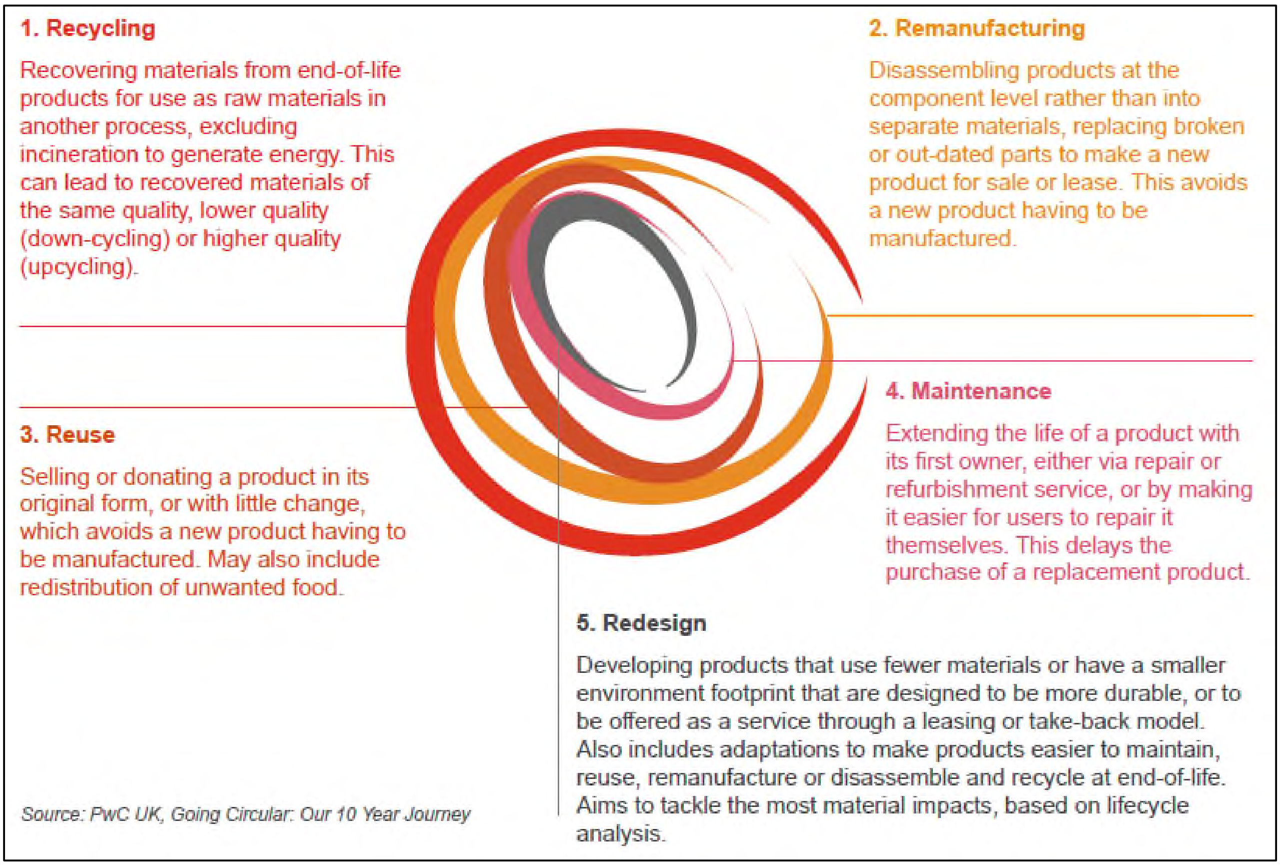

Figure 2513: The Circular Economy Concept

As well as the benefits to the local environment and community well-being, there are significant economic opportunities associated with housing and sustainability, with the right approaches saving GISC and residents from unnecessary future expenditure and generating local employment during construction and installation.

Key Issues and Strategic Priorities for the Future

For stable housing markets such as in Glen Innes LGA Severn, the Regional Australia Institute[14] recommends that housing strategy focus on the constraints emerging due to population growth. Increasing the supply of development ready land is a key priority. Achieving greater diversity in the local housing mix to support older people and younger professionals and paraprofessionals is also crucial. Finally, GISCs need to go beyond a reliance on planning instruments to achieve greater housing supply. Glen Innes LGA Severn needs, and priorities align well to these observations from a national review of options for regional housing markets.

Firstly, despite pessimistic state population predictions, it's clear that Glen Innes LGA has a relatively stable population that may either decline or grow depending on net migration. Ageing and outmigration drives the risk of decline, positive net migration can drive growth.

Currently land supply is constrained in Glen Innes LGA by a lack of subdivision activity. Dwelling construction is constrained by a small local workforce that is mainly engaged in building new housing for existing residents and renovation of existing stock. This provides limited opportunity for the needs of existing renters and new residents to be met.

In the last four years, the rate of subdivisions and dwelling approvals has contracted significantly, contributing to a tightening market for houses and rentals. The recent rise in demand for regional living has flowed through to increased demand for houses and rentals in Glen Innes LGA which is improving the case for investment but stretching affordability and availability for vulnerable residents. Most new residents come from nearby areas on the Coast with some migration from Brisbane also a factor.

To ensure community well-being and economic development, there is a need for additional housing supply. Developments targeting the specific needs older residents and expanding social housing and key worker accommodation are a priority. Development of new 1–2-bedroom properties as well as potentially some executive level accommodation for doctors and other key professionals is the main point of need.

The need for an increased supply of temporary worker and visitor accommodation may also grow depending on renewable energy project and tourism development outcomes in the area.

To support future housing needs, this assessment identifies a series of priorities for GISC to consider in the development of 2041 Housing Strategy. These include:

- Intervening to ensure a supply of new housing lots in Glen Innes LGA through GISC led or facilitated developments

- Working with partners to develop priority new housing types, and

[14] Building the Good Life: Foundations of Regional Housing (2022). Canberra, The Regional Australia Institute.

- Encouraging sustainability, particularly via the installation of renewable energy and insulation to increase comfort and reduce long term costs.