Latrobe City Council

Residential and Rural Residential Land Assessment

Assessment of Future Residential and Rural Residential Land

Requirements for Selected Precincts in Latrobe

Prepared for

Latrobe City Council

By

Essential Economics Pty Ltd

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Authorship

Report stage	Author	Date	Review	Date
Draft report	Nick Brisbane	23/06/2008	Matthew Lee	01/07/2008
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Final report – amended for Rural Living Precincts	Nick Brisbane	03/02/2009		

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Contact details

For further details please contact:

Essential Economics Pty Ltd
96 Pelham Street
Carlton
Victoria 3053
Australia
PH 61 3 9347 5255
FAX 61 3 9347 5355
EMAIL mail@essentialeconomics.com
WEB www.essentialeconomics.com

ABN 38 894 627 397

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EXECUTIVE SUMMARY

Introduction

This report has been prepared by Essential Economics for Latrobe City Council, and presents an analysis of the demand and supply of residential and rural residential land in the municipality as a whole, and in the following 11 precincts:

- Traralgon;
- Morwell;
- Moe/Newborough;
- Churchill;
- Toongabbie;
- Glengarry;
- Tyers;
- Yallourn North;
- Yinnar;
- Boolarra; and
- Traralgon South.

An assessment of the supply and demand for rural residential land in the rural living precincts of Hazelwood North and Yinnar South has also been undertaken.

The findings of this assessment are intended to provide input to the preparation of revised Small Town Structure Plans and future strategic work resulting from the review of the Latrobe Municipal Strategic Statement.

Economic Context

Latrobe is currently going through a period of economic recovery after the significant economic shock that occurred during the 1990s as a result of economic restructure and general recession throughout the Victorian and national economies. The poor performance of the local and regional economy during this period is illustrated by population decline, loss of employment, and lack of investment in housing and other building projects.

Whereas other regional centres rebounded strongly during the late 1990s and into the 21st century, Latrobe has continued to experience relatively low population growth during this period. To the extent that population growth has occurred in more recent years, this has been mainly due to strong growth in Traralgon.

There are various reasons which explain why economic conditions in Latrobe have improved, but a fundamental factor is the re-emergence of major investment in the energy industry and other sectors of the economy. Significant investment has been committed for the short-term in sectors including energy, agriculture, manufacturing, residential development and the public sector, with other major

development projects in the pipeline. A number of government policies at the local, regional and state level highlight the importance of attracting new residents to the region who can bring skills that are in demand and which can support industry development.

Population Trends

Latrobe experienced population decline for much of the 1990's; however in recent years Latrobe has experienced a recovery in terms of population growth, with the municipality's population increasing by 0.4% pa between 2001 and 2006. In 2006, Latrobe had a resident population of approximately 72,900 persons.

Over the last 15 or more years, the Traralgon statistical local area (SLA) has been the only SLA in Latrobe which has experienced any significant population growth. Between 1996 and 2001, the Traralgon SLA increased from approximately 25,540 residents to approximately 26,200 residents, a growth rate of +0.5% pa during a time when all other SLAs in Latrobe experienced population decline. More recently, Traralgon SLA's population has increased at a rate of 1.5% pa between 2001 and 2006 when both the Moe SLA and Morwell SLA continued to experience a declining population; population remains relatively stable in the Balance SLA.

Population Growth Forecasts

Three population forecasts have been prepared which present differing levels of economy driven population growth and are based on various data sources. According to these three scenarios, population growth in Latrobe over the period 2008 to 2023 is forecast as follows:

- Low growth scenario: Growth of approximately 3,970 residents between 2008 and 2023 at an average of approximately 270 residents per annum (or 0.4% pa).
- Moderate growth scenario: Growth of approximately 8,560 residents between 2008 and 2023 at an average of approximately 570 residents per annum (or 0.7% pa).
- High growth scenario: Growth of approximately 11,630 residents between 2008 and 2023 at an average of approximately 780 residents per annum (or 1.0% pa).

These forecasts are the basis for analysing future residential dwelling demand.

Residential Land Trends

Residential property and land prices in Latrobe have historically been below the medians for regional Victoria and neighbouring municipalities.

Compared with the other precincts examined in this study, Traralgon has been the focus for the majority of recent residential development. Over the period March 2006 to April 2008, Traralgon accounted for approximately 70% of the total residential development that occurred in the eleven precincts examined in this study (based on a field survey conducted by Essential Economics). Over this period Traralgon had an annual development rate estimated at 246 dwellings pa, with the next most developed precinct over this period being Morwell with a significantly lower development rate of 44 dwellings per annum (or 12.5% of all dwellings developed in the subject precincts).

Local real estate agents are generally optimistic about the future of residential markets in Latrobe, particularly in the larger towns of Traralgon, Churchill, Morwell and Moe. Agents considered the very recent slow-down in activity to be related to external factors such as interest rates and increases in cost

of living. A number of agents were anticipating new residential estates in these townships to come onto the market in the near future and are expecting this to stimulate demand.

Residential Dwelling Demand

For each of the three different population scenarios, it is estimated that the following levels of residential dwelling demand will occur in Latrobe over the next 15 years:

- Low Growth Scenario: forecast demand for approximately 5,370 additional dwellings, at a rate of approximately 360 dwellings per annum.
- Moderate Growth Scenario: forecast demand for approximately 7,760 additional dwellings, at a rate of approximately 520 dwellings per annum.
- High Growth Scenario: Represents an aspiration scenario where forecast residential demand for additional dwellings over the next 15 years (between 2008 and 2023) will amount to approximately 9,310, at a rate of approximately 620 dwellings per annum.

Residential Demand by Township (Precinct) and Zone

Forecasts of residential demand in Latrobe have been distributed across the 11 precincts and the rural living precincts on the basis of each precinct's contribution to recent development rates and new dwelling building approvals. Forecast demand for each precinct has then been distributed between residential and rural residential zones and compared against the supply of land which is currently available for development, and the total lot potential in these areas.

The analysis provides a basis by which to examine the forecast residential and rural residential zoned land requirements for each precinct. Recommendations arising from the analysis are presented in each of the residential market assessments for the precincts (Chapters 5 to 16), while Chapter 17 presents a summary of the main findings of each residential land assessment.

Recent Economic Downturn

This report was commissioned in December 2007, with the majority of work undertaken in the first half of 2008. At this time global economic conditions were relatively buoyant, with substantial economic growth forecast for Australia. The main macro-economic issues facing Australians were increases in the costs of food and petrol, rising wages, and rising interest rates as the Reserve Bank of Australia attempted to curb inflationary pressures. Official target cash rates peaked at 7.25% in March 2008, and were still at 7.00% in September 2008. Despite these conditions, residential markets throughout Australia remained relatively steady.

Since this time, the financial crisis has led to a significant downturn in the real global economy. Australia has experienced a reduction in investment and a sharp increase in unemployment. Both of these effects have consequences for household finances and demand for residential land. Nonetheless, support from the federal and State governments in the form of first home buyer grants, coupled with lower interest rates (now at 3.25% as at March 2009), have meant that this segment of the residential market is still active. Importantly, the Latrobe housing market does not appear to be have "over-heated", with house prices tending to be below the averages for other parts of Victoria. Moreover, prospects for employment growth associated with the energy sector (and other major projects) have potential to insulate the region from major increases in unemployment.

The forecasts presented in this report have been prepared to reflect long-term trends and, while some of the commentary does not reflect the current economic circumstances, the findings still represent a good basis upon which to undertake long-term planning of residential land in the identified precincts.

INTRODUCTION

Background

This report has been commissioned by Latrobe City Council and presents an assessment of the residential and rural residential land markets in the following eleven townships (or precincts):

- Traralgon
- Morwell
- Moe/Newborough
- Churchill
- Toongabbie
- Glengarry
- Tyers
- Yallourn North
- Yinnar
- Boolarra
- Traralgon South

An assessment of the supply and demand for rural residential land in the rural living precincts of Hazelwood North and Yinnar South has also been undertaken.

The residential assessment takes into account the following zones which accommodate residential development:

- Residential 1 Zone (R1Z)
- Township Zone (TZ)
- Low Density Residential Zone (LDRZ)
- Rural Living Zone (RLZ 1- 6)
- Small Farm Zoned (FZ) allotments less than 5 hectares in size.

The findings of this assessment are intended to provide input to the preparation of revised Small Town Structure Plans and future strategic work resulting from the review of the Latrobe Municipal Strategic Statement.

While an analysis of the demand and supply of residential and rural residential land in each precinct has been completed, this report does not recommend particular locations for future provision of such land.

Note that the initial scope of the assessment was to examine the eleven township precincts and their future requirements for residential and rural residential land. As the study progressed, the scope of the project was expanded to include an assessment of the rural living precinct comprising Hazelwood North and Yinnar South.

Objective

The objective of this report is to prepare forecasts of the future residential and rural residential land requirements in each of the identified precincts and for each type of residential zone over the next 15 years to 2023.

This Report

This report is presented in the following chapters:

1 **Study Context**: Provides the context for the assessment including identifying the study precincts, policy context and study methodology.

2 **Economic Context**: Presents an overview of the economic trends in Latrobe and indicates how these trends might affect the future demand for residential land in the municipality.

3 **Population Trends and Projections**: Presents population forecasts at a Statistical Local Area (SLA) level, based on three different scenarios.

4 **Latrobe Residential Land Trends**: Presents an overview of demand and supply of residential land in the Latrobe municipality and in the study precincts.

5-16 **Residential Market Assessments for each Precinct**: These chapters present detailed residential demand and supply assessments and provide a basis by which to analyse the future residential and rural residential land requirements for each precinct.

17 **Summary of Main Findings**: Presents a summary of the main findings of the residential market assessments for each precinct.

1 STUDY CONTEXT

1.1 Introduction

This chapter provides the context in which this study has been undertaken. It identifies the study precincts and nearby rural living precincts, explains the methodology that has been adopted, and provides an overview of the policy context, including the notion that all the townships located in Latrobe City form part of a '*Networked City*'.

1.2 Study Precincts

The precincts analysed in this report are shown in Figure 1.1, and include the following main towns which are expected to account for the majority of residential activity over the next 15 years:

- Traralgon,
- Moe/Newborough (including Moe South),
- Morwell, and
- Churchill.

The precincts which contain these main townships account for an estimated 82% of Latrobe's population and 82% of jobs in Latrobe, and are the locations for 93% of population growth that occurred between 2001 and 2006.

The small towns which are also the subject of this assessment tend to have a more limited range of town centre facilities and services and, as a result, residents are obliged to travel to the main townships for regular service needs. The small townships provide residents with a mix of residential products in a rural setting from where people can commute to the main employment districts in Latrobe. The selected small towns comprise:

- Glengarry,
- Tyers,
- Boolarra,
- Traralgon South,
- Toongabbie,
- Yinnar, and
- Yallourn North.

In addition, Yinnar South and Hazelwood North are two rural living precincts which provide for large rural living allotments.

Figure 1.1: Study Precincts

Produced by Essential Economics using MapInfo and StreetPro

1.3 Study Methodology

A number of estimates presented in this report provide the basis for the recommendations on future residential land provision in the study precincts:

- Residential lot supply in March 2006
- Existing residential lot supply in April 2008 (existing lot supply for the rural living precincts is current at December 2008)
- Residential lots available for development
- Total residential lot potential
- Development rates between March 2006 and April 2008 (and between March 2006 and December 2008 for rural living precincts)
- Demand for residential lots by zone
- Forecast residential land requirements by zone.

An explanation of these terms and the methodology by which they have been derived is presented in the following paragraphs. In addition, an explanation of the limitations and the base data used to form the analysis is also provided.

Residential and Rural Residential Lot Supply in March 2006

Latrobe City Council provided the consultants with aerial photographs of the municipality which were taken in March 2006, in addition to information on property boundaries, property titles and planning zones. All of this information was provided in GIS format and enabled the identification of vacant residential lots by zone to be undertaken as a desktop analysis utilising mapping software (MapInfo).

Existing Residential Rural Residential Lot Supply in April 2008

In order to obtain an up-to-date estimate of residential lot supply in each of the subject precincts, a field trip was undertaken by the consultants in April 2008 to 'ground proof' and update the estimated lot supply from March 2006. The field trip involved visiting each of the vacant lots identified in the desktop analysis, and checking whether these lots were still vacant or had been developed in the intervening period March 2006 to April 2008. Consultation with Latrobe City Council officers assisted in identifying and categorising residential and rural residential lot supply.

In regard to the rural living precincts, the existing rural residential lot supply refers to the supply in December 2008.

The vacant parcels of land for each of the planning zones which are considered in this assessment (R1Z, LDRZ, TZ, RLZ and FZ allotments of less than 5 ha) were defined according to the following categories and sub-categories:

- **Lots Available for Development**: This is the vacant lot potential which could be developed in the near future. *Lots available for development* includes the following sub-categories:
    - Vacant lots: These are vacant residential lots which contain only one land title and which according to the minimum subdivision size for the applicable zone cannot be further subdivided. For R1Z land, Council identified the minimum vacant lot size as 2,000m^2 which

takes into consideration land required for the provision of roads and other essential infrastructure.

- Lots in approved subdivisions: A listing of subdivisions with planning approval has been prepared for this study, which includes the number of residential lots to be created as a result of the subdivision. A listing of planned subdivisions which are currently being assessed was also provided; as these subdivisions had not gained planning approval they were included in the *vacant land with subdivision potential* category.

- **Total Vacant Lot Potential**: This category provides an estimate of the total lot potential on land which is currently vacant and which has the potential to be developed in the near future. This category includes the *Lots available for development* category and adds the following sub-category of land:

  - Vacant land with subdivision potential: These comprise vacant lots which could potentially be subdivided into at least two lots based on the minimum subdivision size of the applicable zone. For R1Z and TZ land, this represents vacant lots which are at least 2,000m2. Overall, this is a broad-based assessment and does not take into account environmental constraints or infrastructure requirements.

- **Additional Lot Potential on Occupied Lots**: This category comprises land which is currently occupied by a dwelling (in most cases), or is occupied by a business but located on residential zoned land, and where there is potential for the land to accommodate additional residential lots in the future. The likelihood of these additional lots becoming available varies for a number of reasons, which are discussed in the description of the following sub-categories of land which combine to make up land identified as *Additional lot potential on occupied lots*:

  - Vacant parcels of land that are part of a larger occupied allotment: These are vacant titles of land which form part of a larger property which contains a dwelling. As these lots contain their own title, potential exists for this vacant land to become available for development in the future; however, it is unlikely this will occur for all lots identified under this category. For example, many of these lots are used as an extended yard.

  - Occupied lots with subdivision potential: These are lots which are occupied by a dwelling but are large enough to be subdivided into at least two lots based on the minimum subdivision size for the corresponding zone. For R1Z land, this category includes lots which are at least 2,000m^2 and the potential is based on a residential lot density which is similar to existing residential subdivision patterns in the precinct.

  Overall, this is a broad-based assessment and does not take into account environmental constraints or infrastructure requirements.

  The likelihood of the lot potential identified under this category becoming available over the next 15 years depends upon local factors. For instance, in some areas this may include very large allotments which have already been identified as having subdivision potential either in Structure Plans or master/development plans, and are located in areas where significant subdivision has occurred in recent years. For these parcels of land there is significant potential that they may be subdivided over the coming years, and therefore add to the overall residential lot supply in the precinct. In other precincts, this may represent R1Z lots which are marginally above the 2,000m^2 size limit and are aimed at a particular market. If these lots have been recently developed, it is unlikely they will be subdivided in the near future, and therefore will not contribute to the overall residential supply of the precinct.

A number of factors could inhibit the future development of the potential residential lots. For example, the land may be low-lying and prone to flooding, or other factors may exist such as environmental constraints relating to native flora or fauna, lack of infrastructure such as water and sewerage,

development cost constraints which make the development of the land unviable, or simply the preferences and choices of the owner of the land. These factors have not been taken into consideration in this assessment, and a future assessment of these constraints would be required in order to provide a precise estimate of residential lot supply.

A summary of the categories and sub-categories of residential and rural residential land supply analysis used in this assessment is presented in Table 1.1.

Table 1.1: Residential and Rural Residential Supply Categories

Land Type	Explanation	Composition of Categories
(A) Vacant lots	Vacant R1Z and TZ lots which are less than 2,000m2; vacant FZ lots which are less than 5 ha; and vacant LDRZ, RLZ which cannot be further subdivided according to relevant minimum subdivision sizes.	na
(B) Lots in approved subdivisions	Lots which have planning approval to be subdivided	na
(C) Lots available for development	**An estimate of the number of lots which could be developed with no further subdivision approval required by Latrobe City Council**	**A + B**
(D) Vacant land with subdivision potential	Vacant lots which could potentially be subdivided into at least two lots based on the minimum subdivision size of the corresponding zone. For R1Z and TZ land, this consists of vacant lots which are at least 2,000m^2.	na
(E) Total vacant lot potential	**An estimate of the total lot potential on land which is currently vacant and which has the potential to be developed in the near future.**	**C + D**
(F) Vacant parcels of land that are part of a larger occupied allotment	Vacant land titles which form part of a larger property which contains a dwelling.	na
(G) Occupied lots with subdivision potential	Lots which are occupied by a dwelling but are large enough to be subdivided into at least two lots based on the minimum subdivision size for the corresponding zone. The lot potential for these properties is based on the minimum subdivision size, taking into account the existing dwelling on the property. For R1Z land, this category includes lots which are at least 2,000m^2, and the lot potential is based on a residential lot density which is similar to existing residential subdivision patterns in the precinct	na
(H) Additional lot potential on occupied allotments	**Land which is currently occupied but has the potential to accommodate additional lots in the future. The extent of this potential varies.**	**F + G**

Source: Essential Economics
Note: na – not applicable

Development Rates between March 2006 and April 2008

The recent development rate for each precinct by zone was estimated on the basis of the field work undertaken in April 2008 and in December 2008 for the rural living precincts. All lots which were identified as vacant from the aerial photographs taken in March 2006 and which were at least at the stage of a concrete slab being prepared for the dwelling by the time of the field visit were considered to be developed.

The aggregate number of these developed lots provides an indication of the number of lots developed between March 2006 and April 2008 (and December 2008 for the rural living precincts) by precinct and by zone; annual development rates have then been derived from this information. The annual development rates were verified by comparison against recent building permit data for the townships.

Demand for Residential Lots by Precinct and Zone

A forecast of the residential dwelling demand by precinct and zone has been undertaken using a top-down methodology which was checked against data at a local level, including building permit data for the townships and recent development rates for each precinct. The steps taken in forecasting residential demand are as follows:

1 Forecast residential population at a Statistical Local Area (SLA) level based on the low growth, moderate growth and high growth scenarios.

2 Prepare forecasts of total dwelling demand at an SLA level based on:

   a Population forecasts for each scenario;

   b Changes in average household size by SLA as projected by DSE in *Victoria in Future 2004*, with an allowance for updated figures resulting from the ABS 2006 Census;

   c An assumption that dwelling occupancy rates will remain at the 2006 levels shown by ABS Census data; and

   d An assumption that residents in non-private dwellings (such as hospitals, nursing homes, boarding house, prisons, etc) will remain at the levels shown in ABS 2006 Census data.

3 Prepare forecasts of residential land demand at a precinct level by assigning an estimated share of the forecast demand the precinct will contribute to residential demand within the corresponding SLA. This share is based on various data sources including building permit data, recent residential development rates, and population growth; it also takes into account the potential role each precinct might play in accommodating residential development, and the factors which may have constrained residential demand in the past.

4 Forecasts of residential land demand for each type of zone within each precinct have been prepared by assigning a share of forecast residential development which is to occur in each applicable zone. This share has been derived from recent development which has occurred in each zone, and takes into consideration the fact that demand for land in certain zones may have been constrained in recent years due to lack of supply.

Forecast Land Residential Requirements by Precinct

The forecast land requirements for each town has been estimated by assessing the forecast short-fall (if any) of the total lot potential by zone in each of the precincts over the next 15 years. Where there is a forecast short-fall of supply, the forecast land requirements are based on future development achieving residential densities which are consistent with the surrounding areas for R1Z and TZ land.

For land in the LDRZ the appropriate minimum subdivision size for each zone has been adopted, plus an allowance of 20% for internal roads. The minimum subdivision size for the RLZ schedule which is most prevalent in each precinct has been adopted, although no allowance has been made for internal roads in RLZ. The amount of land required in each precinct will vary if alternative RLZ schedules are applied.

Forecast Precinct Populations

The forecast precinct populations presented in this report are only intended to provide a broad indication of the potential population changes arising from the different residential demand forecasts. These forecasts take into account predicted changes in the average household size, and assume the number of persons living in non-private accommodation and dwelling occupancy rates remain constant at 2006 levels (based on ABS 2006 Census data).

Limitations

The analysis contained in this report contains a number of limitations associated with factors such as the method of information collection, the methodology and assumptions used in the analysis, and so on.

For this reason, the recommendations and findings presented in the report are only intended to provide a broad indication of the future residential and rural residential land requirements in each of the study precincts.

The particular limitations are described in the following paragraphs:

- The supply analysis shown in this report does not take into account land which is zoned for residential development, but may not be able to be developed as a result of development constraints upon the land. These constraints may include environmental constraints (native flora and fauna, flood-prone land, heritage areas, etc), infrastructure constraints (inability to provide roads, sewer, water, electricity, etc), development cost constraints or simply the preferences and choices of land owners. Therefore, it is unlikely the entire supply of residential and rural residential land shown in this report could be developed. Further studies which investigate the development potential of land identified in this report may need to be undertaken to ascertain the amount of land which could be developed for residential purposes.

- The analysis has been based on land which is currently available and does not take into account land which may have been identified by Council or other parties as having the potential to accommodate residential development in the future. Consideration has been given to land which has been identified in the 2007 Structure Plans for Traralgon, Moe, Morwell and Churchill and this is discussed in the residential market assessment for each of these precincts.

- Assumptions have been made in the analysis relating to the share of dwelling demand in a precinct which is likely to be for dwellings in particular zones. These estimates have been based on a number of factors, one of which is the location of development which occurred between March 2006 and April 2008. Limitations are involved in basing an analysis on a survey conducted over a limited timeframe. For instance, over the two years of the survey, very few development opportunities have been available on LDRZ and RLZ throughout the municipality, and therefore the survey indicates limited development rates on such land. In order to account for this issue, assumptions have been made in the analysis of forecast dwelling demand for land by zone; however, these forecasts are provided as an indication of demand by zone only.

- Due to the number of local areas which have been assessed, this assessment has been based on a top-down methodology. Forecasts have been prepared at a Statistical Local Area (SLA) level, which have then been distributed across various local areas according to the expected share of development these local areas are likely to accommodate. Typically, when undertaking a residential assessment for a local area, the analysis is conducted at a local level which allows for a more flexible analysis, and also allows for the analysis to cater for specific situations which may arise within each local area. In summary, there are limitations when preparing assessments at a local area based on a top-down methodology.

- Latrobe experienced a significant economic shock during the 1990s, which occurred as a result of the confluence of economic restructure and general recession throughout the Victorian and national economies (refer Chapter 2). The practice of preparing forecasts for regions which have experienced significant economic shocks, such as Latrobe, can be difficult as the extent and duration of the recovery can be reliant on a number of economic and related factors, and varies between different regions.

Information Used in the Analysis

The following information and data sources have been used as a basis for the analysis presented in this report:

- ABS, 'Regional Population Growth', Cat No. 3218.0
- ABS Census 2001 and 2006 (usual resident profile)
- Building Commission of Victoria building permit data, 1998 to 2007
- Department of Sustainability and Environment, *A Guide to Property Values*, annual
- Residential and rural residential land supply as estimated by Essential Economics (refer discussion earlier in this chapter)
- Recent development rates as estimated by Essential Economics (refer discussion earlier in this chapter).

1.4 Policy Context

The following paragraphs present a summary of the planning policy context which has led to the engagement of Essential Economics to undertake this residential land assessment for Latrobe City Council.

Latrobe 2021: The Vision for Latrobe (Second Edition 2006) is Latrobe City Council's strategic document that sets out the Council's and community's vision for the region and describes a series of policy objectives. The vision for Latrobe in relation to the economic, natural and built environment is:

> "T*o promote the responsible and sustainable care of our diverse built and natural environment for the use and enjoyment of the people who make up the vibrant community of Latrobe Valley. To provide leadership and to facilitate a well connected, interactive economic environment in which to do business.*"

An integrated planning framework has been created by Latrobe City Council to ensure that all of Council's ongoing actions work towards meeting the visions outlined in *Latrobe 2021*, including the one quoted above.

Latrobe 2021 presents a series of main town and small town structure plans that describe the broad framework for the future of these communities. The Latrobe City *Council Plan 2007-2011* identifies the need to undertake a review of the small town structure plans in 2008/2009. The residential and rural land assessment is intended to provide input to this review.

Structure Plans for the small townships were completed in 2004; however, they have since been revisited due to a lack of strategic direction and a number of other concerns including a lack of evidence to support future levels of residential land within each township.

Structure Plans for the larger townships of Traralgon, Morwell, Moe/Newborough and Churchill were completed in August 2007 as part of the *Latrobe Main Town Structure Plan Project*. These plans were adopted by Council in October 2007 and were supported by residential land assessments conducted by Beca and Essential Economics.

More recently, Traralgon has been the subject of a Panel investigation into the desired location of the future Traralgon Bypass. The options included two possible routes to the south of Traralgon. The southern-most route would have allowed for the urban area of Traralgon to continue to expand in a southerly direction for some years to come, and was the route preferred by Latrobe City Council. The northern-most route protects a greater area of coal resources and minimises Traralgon's residential development opportunities.

The Panel findings were handed down in July 2007 and concluded the following:

- The protection of coal for future use is the primary planning consideration when seeking to resolve competing land use needs.
- The Panel found that there was an immediate need for additional vacant residential zoned land in Traralgon and that the potential supply of land that is yet to be zoned and made available for residential development will cater for the town's medium term needs. This land can be provided without the need to sterilise coal resources.

The Panel ruled that the northern-most route for the Traralgon Bypass be adopted, therefore limiting the extent to which future residential land requirements in Traralgon can be met by expanding the township to the south.

1.5 A Networked City

The towns of Moe, Morwell, Traralgon and Churchill are recognised as being part of a 'networked city' as well as being places with unique characteristics which contribute to the local sense of place and provide diversity. Each town has developed its own role and function with Moe as a service centre; Morwell as a centre for government offices and industry; Traralgon as a commercial centre; and Churchill as a university town. Notwithstanding the 'networked city concept', it remains Latrobe City Council policy that each town grow in its own right and maintain their own 10 to 15 year urban land supply. (Latrobe City Council, Revised MSS, Clause 21.04-2).

Latrobe City Council envisages the municipality to be a *Networked City*, whereby the main towns and the smaller towns are linked by virtue of their proximity to employment and lifestyle opportunities. A Networked City would be able to attract residents via a combination of employment opportunities and a variety of housing markets ranging from standard suburban living to large allotments in a rural township.

The analysis in Table 1.2 shows that 71% of Latrobe's labour force work in the main towns of Traralgon, Morwell, Moe/Newborough or Churchill, while analysis of recent development rates shows that between March 2006 and April 2008 these precincts accounted for 96% of residential development in all of the study precincts (refer Chapter 4.3).

It is evident that the main townships will continue to be the location for the majority of residential development in the future; however, there may be potential for some transfer of demand away from the larger townships towards the smaller townships as a result of factors such as:

- Supply constraints in the main townships,
- Improvements in infrastructure provision, and
- The release of residential land in the smaller townships which meets the needs of Latrobe employees seeking a lifestyle change.

Table 1.2: Percentage of Residents Working in Latrobe, 2006

SLA of Residence	Workplace Location								
	Churchill	Moe	Morwell	Traralgon	Sub-total	Elsewhere in Latrobe	Total Latrobe	Elsewhere	Total
Moe	0.8%	39.7%	16.1%	12.4%	**69.1%**	12.2%	**81.3%**	18.7%	100.0%
Morwell	5.4%	4.5%	39.2%	21.4%	**70.5%**	16.7%	**87.2%**	12.8%	100.0%
Traralgon	1.4%	2.5%	16.5%	52.5%	**73.0%**	14.5%	**87.5%**	12.5%	100.0%
Balance	4.2%	3.8%	22.3%	26.0%	**56.4%**	31.8%	**88.2%**	11.8%	100.0%
Total Latrobe	**2.6%**	**11.7%**	**23.2%**	**33.1%**	**70.6%**	**15.4%**	**86.0%**	**14.0%**	**100.0%**

Source: ABS Census 2006 Journey to Work data by workplace destination

1.6 Conclusion

This residential land assessment has been undertaken as part of a wider Council review of the Latrobe Planning Scheme and the structure plans that have been prepared or are underway for townships in the municipality. Although there are limitations to the analysis, this assessment is intended to provide an indication of the future residential and rural residential land requirements in each of the identified precincts.

In undertaking the residential assessment, it is important to be aware that Latrobe has adopted the concept of *A Networked City*, in which the main towns in the municipality and the smaller townships are intended to provide a wide array of employment and living options for existing and future residents in Latrobe. Despite this, it is envisaged that each town will grow in its own right and maintain a 10 to 15 year urban land supply within each township boundary.

It is evident that the main townships will continue to accommodate the majority of residential development in the future; however, there may be opportunities for the smaller towns to accommodate an increasing share of residential growth, providing that improvements are made in infrastructure delivery and that there is sufficient residential land which meets the needs of prospective residents.

2 ECONOMIC CONTEXT

2.1 Introduction

This Chapter presents a contextual description of the historical pattern of economic growth and settlement in Latrobe over the last three decades, and identifies the main reasons which explain the decline in the economy and population for much of the period since 1991.

The analysis also considers more recent trends, and identifies a number of factors which have led to a recovery in the economy and a higher rate of population growth in recent years.

A summary of economic development initiatives relevant for the region is also presented in order to provide a broad policy context in which the residential development needs to be considered.

2.2 Municipal Population Growth Trends

Up until the late 1980s Latrobe experienced significant population growth, at a rate more than double that which occurred in Victoria as a whole at the time. Table 2.1 shows that population growth over the period 1976 to 1986 for the municipalities that now comprise the City of Latrobe occurred at an average rate of approximately 2.2% per annum, compared with an average rate of 0.9% per annum in Victoria as a whole.

Much of this growth can be explained by a number of large resource investment projects that were initiated in the Latrobe Valley during that time, including the construction of the Thomson River Dam and the Loy Yang Power Station. These projects had a significant employment stimulus effect, drawing new workers and residents to the region, thereby driving up population levels. There is evidence that this trend is now reoccurring, with population and job growth occurring in recent years and significant investment planned for Latrobe.

Since 1991, the municipality of Latrobe has generally experienced a declining population level, accompanied by poor economic performance, although with some recent recovery as discussed later in this Chapter.

Over the period 1991 to 2006 the resident population declined by approximately 3,175 persons overall, representing an average rate of -0.3% pa. This is in contrast to positive growth rates experienced throughout Victoria as a whole over the same period, and which averaged 1.0% pa.

Table 2.1: Estimated Resident Population, 1976 – 2006

	1976	1981	1986	1991	1996	2001	2006
Latrobe (former LGAs)	59,530	65,220	74,380	-	-	-	-
Latrobe City (LGA)	-			75,250	71,120	70,640	72,075
Population growth pa	-	+1,140	+1,830	-	-830	-100	290
Average annual growth	**-**	**+1.8%**	**+2.7%**	**-**	**-1.1%**	**-0.1%**	**+0.4%**
Victoria	3,810,400	3,946,900	4,160,860	4,420,370	4,560,150	4,804,730	5,128,310
Population growth pa	-	27,300	42,790	51,900	27,960	48,910	64,720
Average annual growth	**-**	**+0.7%**	**+1.1%**	**+1.2%**	**+0.6%**	**+1.1%**	**+1.3%**

Source: ABS Census Data; ABS Regional Population Australia; Essential Economics. Figures rounded.

Latrobe's population decline can be largely explained by the significant economic shock that accompanied the restructure and privatisation of the utilities industry, which in turn led to substantial loss of employment and stagnation in building investment throughout the City. The rationalisation of this industry occurred in the context of the general national recession in the early 1990s and, together, led to the out-migration of Latrobe residents to other locations in order to secure employment.

As an indication of the scale of the industry restructure, data from the ABS Census shows that the number of employed residents in the City of Latrobe declined by approximately 4,130 persons over the period 1986 to 2001. The job losses occurred in a number of important industries:

- *Electricity, gas and water*: This had been the largest employment sector with over 8,000 employed residents in 1986, but employed just 1,780 persons in 2001, representing a decline of around 75%, or a loss of 6,250 jobs.
- *Agriculture, forestry and fishing*: Employment decline as a result of restructuring of the dairy industry, among other factors.
- *Mining*: Rationalisation of the utilities sector, leading to a 50% reduction in employment in mining over the period 1991 to 1996.
- *Construction*: Lack of investment in building development as a result of poor investment confidence and population decline.

These concurrent effects serve to highlight the significance of the adverse economic situation for Latrobe during the 1990s.

2.3 Regional Benchmark Comparisons

Victoria's regional cities, with the exception of Latrobe, all experienced population growth over the period 1991-2001, at rates ranging from +0.3% pa (Wangaratta) to +1.6% pa (Wodonga). The average growth rate during this period for the combined regional cities (excluding Latrobe) was +0.8% pa, compared with population decline of -0.6% pa experienced in Latrobe.

Since 2001, Latrobe has experienced a recovery in terms of population growth, increasing at +0.4% pa between 2001 and 2006; however, growth has still been below the average for Victoria's regional cities (excluding Latrobe) of +1.0% pa.

This information is summarised in Table 2.2 below and indicates the level of population decline in Latrobe during the 1990s and the extent to which it has recovered in recent years.

Table 2.2: Regional Cities, Estimated Resident Population, 1991 – 2006

Municipality	1991	1996	2001	2006	Change 1991-2001	Average Growth pa	Change 2001-2006	Average Growth pa
Ballarat (C)	79,120	79,110	83,600	88,440	4,480	0.6%	4,840	1.1%
Greater Bendigo (C)	81,290	84,520	90,450	96,740	9,160	1.1%	6,290	1.4%
Greater Geelong (C)	181,280	183,730	194,480	205,930	13,200	0.7%	11,450	1.2%
Greater Shepparton (C)	52,800	54,180	58,150	59,200	5,350	1.0%	1,050	0.4%
Horsham (RC)	17,800	17,940	18,590	19,100	790	0.4%	510	0.5%
Mildura (RC)	44,590	45,810	49,620	51,820	5,030	1.1%	2,200	0.9%
Wangaratta (RC)	25,970	26,040	26,660	27,320	690	0.3%	660	0.5%
Warrnambool (C)	26,280	27,370	29,630	31,500	3,350	1.2%	1,870	1.2%
Wodonga (RC)	27,820	30,200	32,460	34,500	4,640	1.6%	2,040	1.2%
Total	**536,950**	**548,900**	**583,640**	**614,550**	**46,690**	**0.8%**	**30,910**	**1.0%**
Latrobe (C)	**75,250**	**71,120**	**70,640**	**72,080**	**-4,610**	**-0.6%**	**1,440**	**0.4%**

Source: ABS Regional Population Growth (Cat no. 3218.0)

2.4 Latrobe's Economic Recovery

Trends in a number of economic indicators suggest that the Latrobe regional economy is currently entering a recovery phase. Recent population growth has been positive for the municipality as a whole, and this has been accompanied by positive trends in:

- Jobs growth,
- Construction investment,
- Major projects, and
- Transport infrastructure.

A discussion of these aspects is presented in the following paragraphs.

Jobs Growth

The number of jobs in Latrobe increased by 3.9% pa between 2001 and 2006, which is approximately half the rate of jobs growth experienced in Victoria of 8.0% pa.

Total jobs increased by approximately 980 over this period, with growth driven by the *Construction* industry which experienced an increase of approximately 670 jobs (or 46.0%). Other growth industries included *Government Administration and Defence* with an increase of approximately 530 jobs (or 45.2%), *Health and Community Services* with an increase of approximately 390 jobs (or 13.1%) and *Retail Trade* with an increase of approximately 330 jobs (or 7.7%).

The traditional industries of Latrobe continue to experience loss of employment. The *Electricity, Gas and Water Supply* sector has experienced a loss of approximately 430 jobs over the period 2001 to 2006, while *Mining* experienced a loss of approximately 170 jobs. A shift is apparent in the employment structure in Latrobe, away from these traditional primary sectors towards more service-related sectors. Thus, in 2001 *Electricity, Gas and Water Supply* and *Mining* accounted for 9.7% of all jobs in Latrobe, but in 2006 it accounted for 7.0%.

Table 2.3: Jobs Growth in Latrobe, 2001 to 2006

Industry	2001	2006	Change, 2001-2006	% change, 2001-2006
Growth Industries, 2001 to 2006				
Construction	1,453	2,122	669	46.0%
Government Administration and Defence	1,177	1,709	532	45.2%
Health and Community Services	2,991	3,383	392	13.1%
Retail Trade	4,309	4,642	333	7.7%
Communication Services	309	400	91	29.4%
Education	2,323	2,345	22	0.9%
Transport and Storage	556	560	4	0.7%
Declining Industries, 2001 to 2006				
Personal and Other Services	907	883	-24	-2.6%
Wholesale Trade	882	851	-31	-3.5%
Agriculture, Forestry and Fishing	646	605	-41	-6.3%
Finance and Insurance	749	695	-54	-7.2%
Manufacturing	2,880	2,825	-55	-1.9%
Cultural and Recreational Services	407	351	-56	-13.8%
Property and Business Services	1,843	1,773	-70	-3.8%
Accommodation, Cafes and Restaurants	949	819	-130	-13.7%
Mining	355	183	-172	-48.5%
Electricity, Gas and Water Supply	2,050	1,621	-429	-20.9%
Non-Classifiable Economic Units	140	187	47	33.6%
Industry not stated	76	31	-45	-59.2%
Total Industry	**25,002**	**25,985**	**983**	**3.9%**

Source: ABS Census Journey to Work Data, 2001 and 2006

Construction Investment

The construction industry has been a major contributor to Latrobe's recent economic recovery, with particularly strong investment in the domestic housing sector. While being a driver of growth in its own right, the construction industry is also a good indicator of the general health in the economy, and shows confidence in the business sector to invest in property and plant, as well as indicating growth in new residential households and in-migration.

Information from the Building Commission shows that the total value of all building work in the municipality has increased from $97m in 1998 to $196m in 2007, representing average annual growth of 7.3% pa.

Over the same period the value of domestic building work (ie houses, apartments and units) has increased from $38m to $95m, at an average growth rate of 9.6% pa. Domestic building work accounted for 48% of the value of all building work in 2007, compared to just 39% in 1998. The recent importance of domestic residential building investment is indicative of a general increase in confidence in Latrobe's economy, and its ability to attract new jobs and residents to the region.

A summary of building investment trends is presented in Table 2.4.

Table 2.4: Value of Building Work ($'000), Latrobe, 1998-2007

Building Type	1998		2007		Average Growth
	$ 000	% share	$ 000	% share	% pa
Domestic	37,960	39%	94,720	48%	**9.6%**
Residential	2,060	2%	3,310	2%	**4.9%**
Commercial	8,060	8%	14,140	7%	**5.8%**
Retail	5,930	6%	17,040	9%	**11.1%**
Industrial	12,090	12%	14,460	7%	**1.8%**
Hospital/healthcare	24,680	26%	30,090	15%	**2.0%**
Public buildings	6,000	6%	22,270	11%	**14.0%**
Total	**96,780**	**100%**	**196,030**	**100%**	**7.3%**

Source: Building Commission of Victoria (figures rounded)

When Latrobe's share of building investment is examined over time, it is clear there has been a noticeable recovery over the past four to five years.

For example, in 2000 Latrobe was ranked 45th among Victoria's municipalities in terms of total building investment, and was 14th when compared against other non-metropolitan municipalities. Since then, Latrobe's building investment ranking has steadily improved and by 2007 Latrobe was positioned 32nd in Victoria, and 5th among non-metropolitan municipalities.

In 2007 the only regional municipalities with higher levels of building investment were Geelong, Mornington Peninsula, Ballarat and Bendigo.

Table 2.5: Latrobe's Building Investment Ranking, 1998-2007

Year	Victoria Ranking	Rural Victoria Ranking
2000	45	14
2001	42	11
2002	36	6
2003	37	7
2004	32	4
2007	32	5

Source: Building Commission of Victoria

Major Projects

Major project investment has also aided Latrobe's economic recovery. According to information provided by Latrobe City Council, a number of major projects are underway, about to commence or have recently been completed. These projects are listed in Table 2.6 and have an investment value of more than $1.3 billion, with most of the projects expected to be completed within the next two to three years. This high level of investment is indicative of the increased level of confidence in the underlying economic conditions in Latrobe.

The majority of investment is from the private sector. However, significant public sector investment is also evident in a number of projects, including joint ventures, and this follows recent public investment in the Latrobe Regional Hospital precinct, the Justice Precinct and other major public infrastructure projects in recent years.

Major projects include the Australian Paper Pulp Mill Project, the Hazelwood Mine Extension and the Gippsland Water Factory development. These and the other projects on the list will directly generate significant employment during their construction stages, as well as generating indirect or flow-on effects through the employment multiplier. In many cases the projects will also provide substantial new permanent employment opportunities for local residents.

Table 2.6: Committed and Recently Completed Major Projects, Latrobe

Project	Cost	Commencement	Completion	Public / Private
Latrobe Regional Airport Industrial Precinct	$2 m	2005	Ongoing	Private
Aged Care Facilities – Querencia Moe	$15 m	2005	2007	Private
Macquarie Bank/Midway Wood Products Plantation Development	$300 m	2006	Unknown	Private
International Power Hazelwood Mine Extension	$400 m	2006	2010	Private
Australian Paper Pulp Mill Project	$258 m	2006	2008	Private
Gippsland Water Factory Development	$174 m	2006	2008	Private/public
Aged Care Facility _ Maryvale Crescent Morwell	$8 m	2006	2007	Private
Aged Care Facility – Gould Street Newborough	$10 m	2006	2007	Private
Dalkeith Aged Care	$6 m	2006	2007	Private
Franklin Street, Traralgon (office development)	$1 m	2007	2007	Private
Kiel Factory Extension	$4 m	2006	2007	Private
Mechanical Thermal Expression Facility, Loy Yang	$ 6 m	2006	2007	Private
Volvo Truck Centre, Traralgon	$3 m	2007	2008	Private
Buckley Street, Morwell (Latrobe Community Health Services)	$21 m	2009	2009	Private/Public
Seymour Street Car Park and Shop Development	$5 m	2007	2008	Private/Public
Shakespeare Street Childcare Centre, Traralgon	$1 m	2007	2008	Private
55-59 Grey Street, Traralgon (office development)	$2 m	2007	2008	Private
St Pauls Grammar School redevelopment	$1 m	2007	2008	Private/public
Churchill Shopping Centre Redevelopment	$4.5 m	2008	2009	Private
International Power Hazelwood Retro-fit	$54 m	2008	2010	Private
Churchill Intergenerational Hub Community Facility	$3.5 m	2008	2009	Public
Mid Valley Shopping Centre Redevelopment	$9 m	2008	2009	Private
Retirement/Lifestyle Village Traralgon	$35 m	2008	2009	Private
4.5 Star Hotel Traralgon	$2.5 m	2008	2009	Private
Commercial Office Traralgon	$1.5 m	2008	2009	Private
Industrial Complex Moe	$3 m	2008	2010	Private
Total Committed Investment	**$1,330 m**			

Source: Latrobe City Council (as of June 2008)

In addition to these committed projects, a number of major public and privately funded projects may also eventuate over the coming years. These projects are across a range of sectors, with a number of exciting opportunities for major energy-related investment, such as the Monash Energy project. Other proposed projects include a $2 billion urea plant adjacent to the Loy Yang power station and a new $750 million clean power station.

Latrobe's ability to secure these major projects will be dependent on a number of factors, including:

- Trends in the energy industry, including regulatory change that may promote/encourage energy projects related to clean coal burning technology;
- The availability of low cost industrial and commercial land to accommodate major projects;

- The availability of a skilled workforce to support business expansion and diversification;
- Lifestyle factors such as the cost and quality of housing; and
- Other factors which are important in attracting new workers, such as a diversity of housing stock, proximity to services and jobs, perception of the attractiveness of the townships as residential locations, and so on.

Improved Transport Infrastructure

Future investment prospects in Latrobe have also been enhanced by the completion of major regional transport projects in the south-east of metropolitan Melbourne, as well as the announcement of new projects. The main transport improvements of relevance include:

- EastLink and southern extension in Dandenong South (opening 29 June, 2008);
- Monash-Westgate improvement project;
- Regional Fast Rail services to Traralgon;
- Construction of a third rail track between Dandenong and Caulfield;
- Pakenham by-pass;
- Proposed intermodal freight facility in Morwell; and
- Study to investigate an intermodal freight facility at Dandenong.

These projects will improve access to markets for Latrobe businesses and boost the attractiveness of Latrobe as a potential business location, particularly for businesses in south-eastern Melbourne seeking to relocate to a more cost-effective operating environment.

The construction phase of those projects already underway has generated employment and business benefits to a range of industries, particularly the construction sector, and has assisted in Latrobe's economic recovery.

2.5 Regional Economic Policy Context

Several State and local government policy initiatives are aimed at increasing investment, employment and population growth in regional Victoria, and these are relevant in the context of preparing population growth forecasts for Latrobe. These policy initiatives include:

- Moving Forward in Provincial Victoria (June 2008): Sets out State Government policies for state and regional development. The overriding aim is to increase migration to regional centres such as Latrobe in order to enhance population and employment levels and support economic growth.

  Specific areas of assistance are highlighted in a number of actions, two of which are of particular relevance to residential development in Latrobe. These include:

  - *Action 3: Attracting more people to live, work and invest in provincial Victoria*
  - *Action 4: Managing Growth in Regional Communities* – including support provided to councils to manage and plan for growth (by addressing community, social, infrastructure and environmental impacts of growth) and assistance in planning for industrial land.

In relation to Latrobe, these initiatives offer strategic support for population growth arising from in-migration, and emphasise the need for industry development, workforce skills enhancement and supporting infrastructure improvements. The strategy outlines a number of specific projects which will assist the Latrobe region, including:

- new TAFE training packages for regional facilities (including Morwell) to boost skill development;
- improved bus connections;
- refit of V/Line trains serving the region; and
- $15 million investment for the Centre for Energy and Greenhouse Technologies.

- Transit Cities: Transit Cities advocates for business, residential and recreational development to be focused around public transport facilities in those centres identified as Transit Cities. The policy is intended to reduce the need for residents to commute and thus improve their lifestyle choices. The policy aims to assist in revitalising metropolitan and regional centres by making them economically stronger and better places to live and work, and is part of the *Melbourne 2030* long-term plan to manage population growth over the next 25 years.

  Only four transit cities have been identified in rural Victoria as part of the program, and Latrobe is one of them. As Table 2.7 on the following page shows, the percentage of the total workforce working and living in the same SLA (provided as a measure of local employment sustainability) is less than the Regional Victoria average for all four transit cities (Ballarat, Greater Bendigo, Greater Geelong and Latrobe). However, of the four regional transit cities, Latrobe has the highest level of employment sustainability, based on the share of the workforce who live and work in the same area.

  Moe, Morwell, and Traralgon have been identified as the Transit Cities for Latrobe, as they are the main population hubs in the Valley and have established links to the Regional Fast Rail network. The Transit Cities policy encourages mixed-use, higher-density development based around these key centres, noting that by focusing development around train stations, urban growth can be co-ordinated and the local character protected. Of the Latrobe transit cities, Moe and Traralgon have almost 60% of the workforce living and working in the same SLA, while just 41% of the workforce in Morwell lives in the Morwell SLA.

- Gippsland Regional Development Strategy: The Gippsland Regional Development Strategy provides a cohesive approach for the region aimed at attracting population, visitation, business investment and improved infrastructure which is beneficial for Gippsland's townships, including those located in Latrobe. The Regional land use/ growth strategy forms parts of the Gippsland Regional Development Strategy.

- Latrobe Economic Development Strategy 2004-2008: The Economic Development Strategy (EDS) recommends that the Economic Development Unit should actively identify opportunities to facilitate inbound investment. Specifically, efforts should be made to attract new public and private sector investment in targeted sectors and enabling sectors. The economic sustainability indicators, as outlined in Latrobe 2021, are reiterated in the EDS including the desire to achieve long-term population growth rates that are in excess of other regional Victorian cities, and a long-term target to match employment growth rates achieved by other Australian regional cities.

Table 2.7: Regional Cities, % who live and work in the same SLA, 2006

Municipality	Employed in Same SLA	Share of Total Workforce	Total Workforce
Ballarat (C) (Transit City)	14,830	39%	37,910
Gr. Bendigo (C) (Transit City)	10,990	30%	36,510
Greater Geelong (C) (Transit City)	8,080	22%	37,010
Gr. Shepparton (C)	18,960	76%	25,050
Horsham (RC)	6,050	74%	8,230
Mildura (RC)	17,450	96%	18,220
Wangaratta (RC)	1,800	73%	2,460
Warrnambool (C)	11,050	82%	13,440
Wodonga (RC)	9,780	82%	11,890
Regional Victoria	**304,880**	**62%**	**491,310**
Latrobe (C) – Moe	2,810	59%	4,780
Latrobe (C) – Traralgon	6,920	59%	11,810
Latrobe (C) – Morwell	4,380	41%	10,740
Latrobe (C) Bal	210	75%	280
Latrobe (C) (Transit City)	**14,320**	**52%**	**27,610**

Source: ABS Journey to Work (2006)

2.6 Implications for Future Residential Demand

This analysis of historical patterns of economic development in Latrobe identifies the following main issues of relevance to the future demand for residential land in Latrobe:

1 Latrobe experienced a significant economic shock during the 1990s, which occurred as a result of the confluence of economic restructure and general recession throughout the Victorian and national economies.

2 The poor performance of the local and regional economy during this period is illustrated by population decline, loss of employment, and lack of investment in housing and other building projects.

3 Whereas other regional centres rebounded strongly during the late 1990s and into the 21st century, Latrobe by comparison has continued to experience low population growth during this period. Population growth which has occurred in recent years has been a result of the strong population growth that is occurring in Traralgon.

4 Various reasons explain why economic conditions in Latrobe have improved, but a fundamental factor is the re-emergence of major investment in the energy industry and other sectors of the economy. Information from Council indicates significant investment has been committed for the short-term in sectors including energy, agriculture, manufacturing, residential development and the public sector, with other major development projects in the pipeline.

5 A number of government policies at the local, regional and state level highlight the importance of attracting new residents to the region who can bring skills that are in demand and which can support industry development.

The level of employment-generating investment which has been committed in Latrobe, along with positive population and significant investment in the residential housing stock, provides a positive outlook for future demand for residential land in Latrobe.

3 POPULATION TRENDS AND PROJECTIONS

3.1 Introduction

This chapter provides an analysis of recent population trends, as well as population projections in Latrobe for its component statistical local areas (SLAs). These forecasts form the basis for the residential demand assessment at a municipal level and at a precinct level.

3.2 Recent Population Trends

Municipal growth trends for Latrobe have been broadly discussed in Chapter 2 and show that Latrobe has experienced population decline for much of the 1990s; however, in recent years Latrobe has experienced somewhat of a recovery in terms of population growth, with the municipality's population increasing by +0.4% pa between 2001 and 2006. In 2006, Latrobe has a resident population of approximately 72,900 persons.

Over the last 10 years or more, Latrobe (C) - Traralgon has been the only SLA in Latrobe which has experienced any significant population growth. Between 1996 and 2001, the Traralgon SLA increased from approximately 25,540 residents to approximately 26,200 residents, a growth rate of +0.5% pa, when all other SLAs in Latrobe experienced population decline.

More recently, population in the Traralgon SLA has increased at a rate of +1.5% pa between 2001 and 2006; this has been in a period during which both the Moe SLA and Morwell SLA continued to experience a declining population, while population remained relatively stable in the Balance SLA.

Table 3.1: Recent Population Trends in Latrobe by Statistical Local Area, 1996 – 2006

Statistical Local Area	1996	2001	2006	Average Annual Growth Rate (No.)		Average Annual Growth Rate (%)	
				1996-2001	2001-2006	1996-2001	2001-2006
Latrobe (C) - Moe	18,840	18,780	18,690	-12	-18	-0.1%	-0.1%
Latrobe (C) - Morwell	24,010	23,030	22,480	-196	-110	-0.8%	-0.5%
Latrobe (C) - Traralgon	25,540	26,200	28,260	132	412	0.5%	1.5%
Latrobe (C) Balance	2,730	2,640	2,640	-18	0	-0.7%	0.0%
Latrobe (C) – Total	**71,120**	**70,650**	**72,070**	**-94**	**284**	**-0.1%**	**0.4%**
Bass Coast (S)	21,540	25,630	27,520	818	378	3.5%	1.4%
Baw Baw (S)	34,470	36,400	38,480	386	416	1.1%	1.1%
South Gippsland (S)	25,490	26,160	26,680	134	104	0.5%	0.4%
Wellington (S)	41,550	41,460	41,590	-18	26	0.0%	0.1%
Regional Victoria	*1,276,880*	*1,333,100*	*1,383,940*	*11244*	*10168*	*0.9%*	*0.8%*

Source: ABS Regional Population Growth, Cat. No. 3218.0

3.3 Population Projections

Population projections for individual SLAs have been prepared with reference to the analysis presented in Chapter 2, recent population trends, and population projections prepared by the then Department of Sustainability and Environment in *Victoria in Future 2004.*

An analysis of how DSE's projections for Latrobe fared against the official estimated resident population figures from the ABS has been undertaken, with the main findings summarised below:

- Traralgon SLA: Between 2001 and 2006 DSE projected Traralgon SLA to increase by approximately 1,130 residents (or approximately 230 residents pa), compared to actual growth over the same period of approximately 2,060 residents (or approximately 410 residents pa). DSE's population projection represents a conservative low estimate, with the actual population growth being 82% higher than that forecast by DSE.

- Morwell SLA: Between 2001 and 2006 DSE projected Morwell SLA's population to decline by approximately 940 residents (or approximately 190 residents pa), compared to an actual decline of approximately 550 residents (or approximately 110 residents pa) as shown by ABS data. DSE's population projection for Morwell SLA represents a conservatively low projection, with the actual population decline being 42% less than that forecast by DSE.

- Moe SLA: Between 2001 and 2006 DSE projected Moe SLA's population to decline by approximately 390 residents (or approximately 80 residents pa), compared to an actual decline of approximately 90 residents (or approximately 20 residents pa) as shown by ABS data. DSE's population projection for the Moe SLA represents a conservatively low projection, with the actual population decline being 77% less than that forecast by DSE.

- Balance SLA: Between 2001 and 2006 DSE projected the Balance SLA population to decline by approximately 10 residents (or 2 residents pa), which correlates with the actual population recorded by the ABS with reference to Census data.

DSE's projections, developed in 2004, were based on recent trends at that time and did not account for state or local government policies aimed at achieving population growth within any particular municipality or region. Consequently, DSE's population growth projections for Traralgon, Moe and Morwell SLAs represent conservatively low growth estimates (and for Morwell and Moe they over-estimate the expected decline in population), while the projections for the Balance SLA correlate well with the level of growth that has actually occurred.

For the purpose of this report, three population growth scenarios have been prepared which will inform estimates of future demand for residential housing in the subject precincts. In broad terms, these scenarios can be described as follows:

1 Low Growth Scenario: This scenario represents the continuation of recent growth trends. The Low Growth Scenario has been calculated using DSE's population growth projections with an allowance made for how these projections fared against actual growth. For instance, DSE's year-on-year projections of the Traralgon SLA have been inflated by approximately 80% to reflect the differential between DSE's forecasts and the actual growth which occurred between 2001 and 2006.

2 Moderate Growth Scenario: This scenario reflects a scenario where population growth occurs in the SLAs of Morwell and Moe, compared to a declining population over recent years. A moderate increase in population growth compared to the low growth scenario has been forecast for the Traralgon and Balance SLAs. This scenario applies average annual growth rates which are approximately 0.5 percentage points above those forecast in the low growth scenario for Moe, Morwell and Balance SLAs, while Traralgon growth rates have been inflated by 0.25 percentage points.

3 High Growth Scenario: This scenario reflects a municipal-wide growth rate which is similar to recent growth which has occurred in other regional cities in Victoria of approximately 1% pa to reflect a key objective of Latrobe 2021.

A summary of the population growth projections are described below and summarised in Table 3.2.

Low Growth Scenario

Under the low growth scenario, Latrobe's population is projected to increase from an estimated 72,650 residents in 2008 to approximately 76,620 residents by 2023, representing a growth rate of +0.4% pa or approximately 270 residents per annum.

Traralgon will continue to be the SLA which generates the majority of Latrobe's population growth; while Morwell and Moe SLAs will experience slight declines in population, and the population in the Balance SLA will increase only slightly.

Population growth between 2008 and 2023 by SLA is summarised below:

- Traralgon SLA: population growth of approximately 5,320 residents at +1.1% pa (or approximately 360 residents pa);
- Morwell SLA: population decline of approximately 1,120 residents at -0.4% pa (or approximately 80 residents pa);
- Moe SLA: population decline of approximately 270 residents at -0.1% pa (or approximately 20 residents pa); and
- Balance SLA: population growth of approximately 130 residents at +0.3% pa (or approximately 10 residents pa).

Moderate Growth Scenario

Under the moderate growth scenario, Latrobe's population is projected to increase from an estimated 72,650 residents in 2008 to approximately 81,210 residents by 2023, representing a growth rate of +0.7% pa or approximately 570 residents per annum.

While Traralgon will continue to be the SLA which generates the majority of population growth, Morwell and Moe SLAs will arrest the population decline and will contribute to the municipality's population growth to a greater extent than has occurred in recent years.

Population growth between 2008 and 2023 by SLA is summarised below:

- Traralgon SLA: population growth of approximately 6,620 residents at +1.4% pa (or approximately 440 residents pa);
- Morwell SLA: population growth of approximately 430 residents at +0.1% pa (or approximately 30 residents pa);
- Moe SLA: population growth of approximately 1,160 residents at +0.4% pa (or approximately 80 residents pa); and
- Balance SLA: population growth of approximately 350 residents at +0.8% pa (or approximately 20 residents pa).

High Growth Scenario

Under the High Growth Scenario, Latrobe's population is projected to increase from an estimated 72,650 residents in 2008 to approximately 84,280 residents by 2023, representing a growth rate of +1.0% pa or approximately 780 residents per annum.

Population growth between 2008 and 2023 by SLA is summarised as follows:

- Traralgon SLA: population growth of approximately 7,960 residents at +1.6% pa (or approximately 530 residents pa);
- Morwell SLA: population growth of approximately 1,300 residents at +0.4% pa (or approximately 90 residents pa);
- Moe SLA: population growth of approximately 1,910 residents at +0.7% pa (or approximately 130 residents pa); and
- Balance SLA: population growth of approximately 460 residents at +1.1% pa (or approximately 30 residents pa).

Table 3.2: Population Growth Scenarios, 2001-2023

Statistical Local Area	Actual		Projections				Average Annual Growth (%)		Average Annual Growth (No.)	
	2001	2006	2008	2013	2018	2023	'01-'06	'08-'23	'01-'06	'08-'23
Latrobe (C) - Traralgon										
Low Growth Scenario	26,200	28,260	29,080	30,980	32,800	34,400	1.5%	1.1%	412	355
Moderate Growth Scenario	26,200	28,260	29,080	31,360	33,620	35,700	1.5%	1.4%	412	441
High Growth Scenario	26,200	28,260	29,080	31,750	34,460	37,040	1.5%	1.6%	412	531
Latrobe (C) - Moe										
Low Growth Scenario	18,780	18,690	18,650	18,570	18,470	18,380	-0.1%	-0.1%	-18	-18
Moderate Growth Scenario	18,780	18,690	18,650	19,040	19,420	19,810	-0.1%	0.4%	-18	77
High Growth Scenario	18,780	18,690	18,650	19,280	19,910	20,560	-0.1%	0.7%	-18	127
Latrobe (C) - Morwell										
Low Growth Scenario	23,030	22,480	22,270	21,830	21,420	21,060	-0.5%	-0.4%	-110	-81
Moderate Growth Scenario	23,030	22,480	22,270	22,390	22,520	22,700	-0.5%	0.1%	-110	29
High Growth Scenario	23,030	22,480	22,270	22,670	23,090	23,570	-0.5%	0.4%	-110	87
Latrobe (C) Bal										
Low Growth Scenario	2,640	2,640	2,650	2,700	2,750	2,780	0.0%	0.3%	0	9
Moderate Growth Scenario	2,640	2,640	2,650	2,770	2,890	3,000	0.0%	0.8%	0	23
High Growth Scenario	2,640	2,640	2,650	2,800	2,960	3,110	0.0%	1.1%	0	31
Latrobe (C) - Total										
Low Growth Scenario	70,650	72,070	72,650	74,080	75,440	76,620	0.4%	0.4%	284	265
Moderate Growth Scenario	70,650	72,070	72,650	75,560	78,450	81,210	0.4%	0.7%	284	571
High Growth Scenario	70,650	72,070	72,650	76,500	80,420	84,280	0.4%	1.0%	284	775

Source: DSE, Victoria in Future 2004; ABS, Regional Population Growth (Cat. No. 3218.0); Essential Economics

For the purpose of planning for the future residential and rural residential land requirements in Latrobe, it would be prudent to plan for at least the moderate growth scenario and potentially the high growth scenario in selected precincts. A number of indicators suggest that these growth scenarios are more likely to prevail than the low growth scenario, particular having regard for the significant level of recent investment in Latrobe, and the recent upturn in population growth throughout the municipality.

Planning for the moderate or high growth scenarios would provide Latrobe with a choice in residential land options and would provide additional flexibility in terms of accommodating growth in demand for residential and rural residential land.

3.4 Conclusion

The analysis presented in this chapter provides an information base for the residential demand assessment for Latrobe and the individual precincts which are the subject of this study. Population growth between 2008 and 2023 in Latrobe for each scenario is forecast as follows:

- Low growth scenario: Growth of approximately 3,970 residents between 2008 and 2023 at an average of approximately 270 residents per annum (or 0.4% pa).
- Moderate growth scenario: Growth of approximately 8,560 residents between 2008 and 2023 at an average of approximately 570 residents per annum (or 0.7% pa).
- High growth scenario: Growth of approximately 11,630 residents between 2008 and 2023 at an average of approximately 780 residents per annum (or 1.0% pa).

The low growth scenario is based on recent trends and represents a scenario where the majority of population growth will occur in Traralgon, reflecting the trends over recent years.

The moderate and high growth scenarios reflect situations where the Moe and Morwell SLAs will experience population growth as opposed to the decline which has occurred recently, while the Traralgon SLA will continue to experience strong population growth. In order for these scenarios to eventuate it is likely there will need to be additional employment and residential development opportunities created in these areas so as to encourage future population growth, particularly in the SLAs of Moe and Morwell.

There is evidence that future population growth in Latrobe may be in excess of recent trends and, therefore, that the moderate or high growth scenario should be adopted for the purpose of planning for the future residential and rural residential land requirements in Latrobe. These scenarios reflect the significant level of investment that has been committed in the region, and the expectation that this might stimulate substantial employment and population growth.

4 LATROBE RESIDENTIAL LAND TRENDS

4.1 Introduction

This chapter presents an overview of the residential property market in Latrobe, and includes:

- An analysis of residential property sales and prices;
- A review of the field survey identifying the locations where residential development has occurred;
- An analysis of building permit data; and
- A summary of comments made by local real estate agents in relation to local trends in residential land demand.

This information is used as a basis for preparing an overview of the forecasts of residential land demand for each precinct, and summarising the existing supply of residential land.

Detailed analysis of the residential markets in each of the subject precincts is provided in the subsequent chapters; this chapter is intended to provide an overall description of the residential market in Latrobe.

4.2 Residential Property Trends

In recent years, residential property prices in Latrobe have been below the median prices for regional Victoria and the neighbouring municipalities of Wellington, Baw Baw and South Gippsland. For instance, in 2007 the median house price in Latrobe was $163,000, almost 30% below the regional Victorian median of $232,000. Similarly, in 2001 the median house price in Latrobe was $70,000, which was more than 40% below the regional Victorian median of $121,000.

Prior to 2001, Latrobe and other municipalities in eastern regional Victoria experienced limited growth in median property prices. Between 1996 and 2001, median house prices in Latrobe increased at 1.3% pa compared to the average for regional Victoria of 7.2% pa; over the same period median unit/apartment prices in Latrobe actually declined by 1.6% pa.

However, since 2001 Latrobe and neighbouring municipalities have experienced strong growth in residential property values. Although property values throughout the state grew strongly during the property boom of 2001 to 2004, growth in the value of residential properties in Latrobe outpaced the average for regional Victoria. This trend was also experienced in neighbouring municipalities. Between 2001 and 2004, median house prices in Latrobe increased by 25.8% pa, compared to 19.3% pa for regional Victoria.

More recently, although growth in property prices has slowed throughout the state, median property values in Latrobe continue to outpace the average for regional Victoria.

Table 4.1 summarises median house and unit/apartment prices between 1996 and 2007 for Latrobe and neighbouring municipalities.

Table 4.1: Median Property Prices for Selected Municipalities, 1996-2007

Municipality	1996	2001	2004	2006	2007	Average Annual Growth 1996-2001	2001-2004	2004-2006	2006-2007
Median House Prices									
Latrobe	**$65,500**	**$70,000**	**$133,000**	**$156,000**	**$163,000**	**1.3%**	**23.9%**	**8.3%**	**4.5%**
Wellington	$75,000	$82,000	$157,250	$175,000	$186,000	1.8%	24.2%	5.5%	6.3%
Baw Baw	$90,000	$122,500	$198,000	$215,000	$235,000	6.4%	17.4%	4.2%	9.3%
South Gippsland	$75,500	$93,000	$182,500	$205,000	$218,000	4.3%	25.2%	6.0%	6.3%
Regional Victoria	$85,500	$121,000	$194,000	$222,000	$232,000	7.2%	17.0%	7.0%	4.5%
Latrobe variation from regional Victoria	*-23.4%*	*-42.1%*	*-31.4%*	*-29.7%*	*-29.7%*	*na*	*na*	*na*	*na*
Median Unit/Apartment Prices									
Latrobe	**$63,000**	**$58,000**	**$115,500**	**$142,000**	**$142,750**	**-1.6%**	**25.8%**	**10.9%**	**0.5%**
Wellington	$62,000	$65,500	$138,250	$165,500	$158,000	1.1%	28.3%	9.4%	-4.5%
Baw Baw	$85,000	$97,500	$169,500	$205,000	$205,000	2.8%	20.2%	10.0%	0.0%
South Gippsland	$79,000	$92,000	$179,000	$202,500	$204,500	3.1%	24.8%	6.4%	1.0%
Regional Victoria	$82,000	$103,500	$175,000	$192,500	$199,000	4.8%	19.1%	4.9%	3.4%
Latrobe variation from regional Victoria	*-23.2%*	*-44.0%*	*-34.0%*	*-26.2%*	*-28.3%*	*na*	*na*	*na*	*na*

Source: Department of Sustainability and Environment, *A Guide to Property Values,* (annual)

In 2007, the median price of a vacant residential lot in Latrobe was $91,000, or 9.0% below the regional Victorian median of $100,000. Unlike residential property, vacant residential land did not experience limited price growth prior to 2001, with growth of 5.0% pa occurring between 1996 and 2001. Since this time, growth in the median price for vacant land in Latrobe has been strong, as it has been in other areas of regional Victoria. Between 2001 and 2004 land prices increased by 20.9% pa, with growth slowing to 12.3% pa between 2004 and 2006 and to 11.0% between 2006 and 2007.

Table 4.2 summaries median vacant residential land prices for Latrobe and neighbouring municipalities.

Table 4.2: Median Vacant Land Prices for Selected Municipalities, 1996-2007

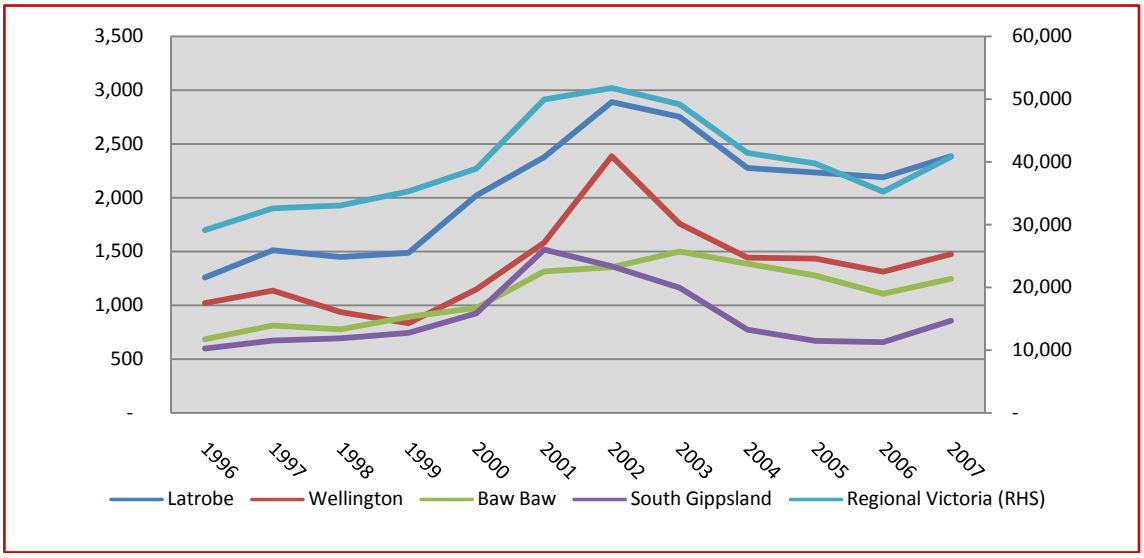
Municipality	1996	2001	2004	2006	2007	Average Annual Growth 1996-2001	2001-2004	2004-2006	2006-2007
Latrobe	**$28,750**	**$36,750**	**$65,000**	**$82,000**	**$91,000**	**5.0%**	**20.9%**	**12.3%**	**11.0%**
Wellington	$12,250	$17,000	$54,500	$60,000	$70,000	6.8%	47.5%	4.9%	16.7%
Baw Baw	$36,000	$43,500	$71,000	$80,000	$85,000	3.9%	17.7%	6.1%	6.3%
South Gippsland	$20,000	$22,000	$73,625	$80,000	$88,250	1.9%	49.6%	4.2%	10.3%
Regional Victoria	$33,500	$44,000	$75,000	$92,000	$100,000	5.6%	19.5%	10.8%	8.7%
Latrobe variation from regional Victoria	*-14.2%*	*-16.5%*	*-13.3%*	*-10.9%*	*-9.0%*	*na*	*na*	*na*	*na*

Source: Department of Sustainability and Environment, *A Guide to Property Values,* (annual)

Compared to neighbouring municipalities, there is considerably more depth in the residential market in Latrobe, which has had nearly 60% more sales of houses, units/apartments and vacant residential land over the past five years than Wellington, more that 80% more sales than Baw Baw, and almost three times more sales than South Gippsland.

Figure 4.1 shows the number of house, unit/apartment and vacant residential land sales for Latrobe and neighbouring municipalities, and illustrates the extent of the recent residential property cycle. The number of residential property sales in Latrobe peaked in 2002 and consequently declined until 2007,when there was a moderate increase in the number of residential property sales. This trend was also evident in the number of residential property sales in regional Victoria and neighbouring municipalities.

Figure 4.1: Number of House, Unit/Apartment and Vacant Land Sales for Selected Municipalities, 1996-2007



Source: Department of Sustainability and Environment, *A Guide to Property Values,* (annual)

4.3 Location of Residential Development

The majority of recent residential development in Latrobe has occurred in Traralgon, which accounted for nearly 70% of recent residential development, according to field surveys conducted by Essential Economics.

Over this period Traralgon had an annual development rate of 246 dwellings, with the next most developed precinct over this period being Morwell, with a significantly lower development rate of 44 dwellings per annum (or 12.2% of all dwellings developed in all of the subject precincts). A number of factors explain why Traralgon has been the dominant location in regards to residential development in the Latrobe residential market:

- Traralgon is the regional and business centre of the Latrobe Valley;
- In recent years a significant amount of residential land has been released to the market in estates on the fringes of Traralgon; and
- Traralgon has not suffered to the same extent as other towns in Latrobe from perceived issues associated with local image.

Together, the major townships of Traralgon, Moe/Newborough and Morwell account for 92% of recent residential development in the study precincts.

Table 4.3 shows the extent to which recent residential development has occurred in each of the precincts.

Table 4.3: Recent Residential Development by Precinct, March 2006 to April/December2008

Precinct	No. of Dwellings Developed (Mar 06 to April 08)	Annual Development Rate (Mar 06 to April 08)	Percentage of Annual Development Rate
Traralgon	513	246.2	68.0%
Morwell	92	44.2	12.2%
Moe/Newborough	68	32.6	9.0%
Churchill	25	12	3.3%
Traralgon South	9	4.3	1.2%
Yinnar	8	3.8	1.1%
Boolarra	7	3.4	0.9%
Yallourn North	1	<1	0.1%
Tyers	2	1	0.3%
Glengarry	3	1.4	0.4%
Toongabbie	7	3.4	0.9%
Rural Living Precinct - Hazelwood North *	25	9.1	2.5%
Rural Living Precinct - Yinnar South *	1	<1	0.1%
Total	**761**	**362.3**	100.0%

Note: * Timeframe for development for rural living precincts was March 2006 to December 2008
Source: Essential Economics Field Survey, April 2008 and December 2008; Aerial photos from Latrobe City Council March 2006

A summary of the assessment of the residential zones which have accommodated recent residential development in the study precincts is provided in Table 4.4.

The analysis shows that the R1Z accommodated the majority of recent residential development, accounting for approximately 337 new dwellings pa between March 2006 and April 2008 out of the total of 362 dwellings pa. This represents 93% of the total annual development rate in the study precincts.

The majority of development in the R1Z has occurred in new and developing estates located on the fringes of the major townships. These estates account for a total of 76% of all recent development and have a development rate of 275 dwellings per annum.

The balance of recent residential development has occurred in other residential zones, comprising TZ, LDRZ, RLZ and the FZ on land less than five hectares in size.

RLZ and LDRZ accounted for an annual development rate of approximately 20 dwellings pa which includes approximately 10 dwellings per annum in the rural living precincts of Hazelwood North and Yinnar South. Although this may indicate that there is limited demand for larger rural lifestyle lots, it is likely that the limited supply of RLZ and LDRZ which was available for development over the reference period has contributed to the low level of recent development in these zones. This is illustrated by relatively strong rates of development in the rural living precinct of Hazelwood North which has experienced a release of land in the RLZ to the market as a result of Amendment C7 to the Latrobe Planning Scheme.

In addition, economic factors such as rising petrol prices and interest rates over this period may have also contributed to limited demand for such properties over the reference period.

The Panel Report for the Latrobe Planning Scheme Amendment C7, which sought to rezone land to RLZ land, estimated the demand for larger rural lots (including RLZ and LDRZ) over the period 1995 to 2002 to be in the vicinity of 40 to 50 lots per annum based on Council's building approvals data. The Panel also found that demand for rural lots was greater in areas which were in closer proximity to the major towns than those further away.

These findings indicate that, although there may be limited demand for larger rural living allotments, standard residential development within precincts has been, and most likely will continue to be, the main form of residential development in Latrobe. The limited amount of development which has occurred in zones which accommodate lower density development may be due to a combination of the following:

- The demand for larger lots in rural surroundings in Latrobe as a result of changing lifestyle trends has not been as significant as previously thought. However, these trends may gain momentum in the future.
- The supply of such land over the reference period (between March 2006 and April 2008) has either not matched demand, or it is not meeting the preferences of those seeking such properties.

Maps illustrating the location of recent residential development within each of the precincts are provided in the following chapters.

Table 4.4: Recent Residential Development by Zone, March 2006 to April/December 2008

Zone	No. of Lots Developed	No. of Dwellings Developed	Annualised Development Rate	Percentage of Annual Development Rate
R1Z				
Developing estates	572	573	275.0	75.9%
Elsewhere	99	129	61.9	17.1%
R1Z - Total	**671**	**702**	**337.0**	**93.0%**
TZ	**9**	**9**	**4.3**	**1.2%**
LDRZ	**5**	**5**	**2.4**	**0.7%**
RLZ*	**43**	**43**	**17.6**	**4.9%**
FZ (less than 5ha)	**2**	**2**	**1.0**	**0.3%**
Total	**730**	**761**	**362.3**	**100.0%**

Note: * RLZ land takes into consideration recent development in the rural living precinct which was measured between March 2006 and December 2008

Source: Essential Economics Field Survey, April 2008 and December 2008; Aerial photos from Latrobe City Council March 2006

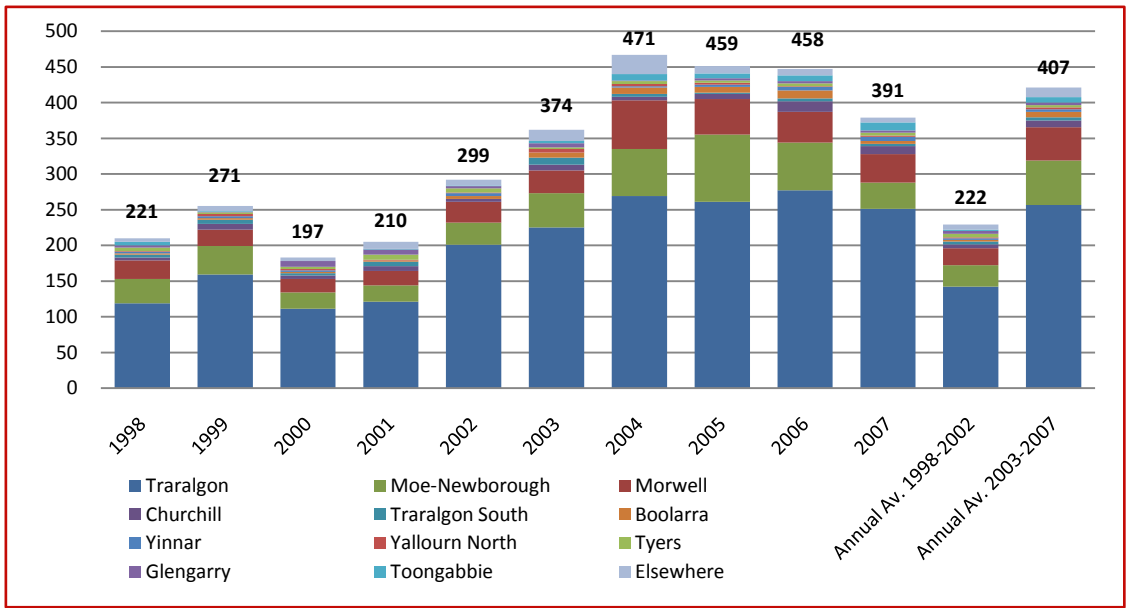
Having regard for the development rates shown in Table 4.4, the findings of the Amendment C7 Panel Report, and discussions with local real estate agents, it is likely that standard residential development in the major towns will continue to be the main form of residential development. However, potential exists for future development rates in the LDRZ and RLZ to be greater than those which have occurred recently, due to supply constraints and the potential for changes in lifestyle choices and the macro-economic environment. This is illustrated by the level of development activity which is occurring in Hazelwood North on land which has recently been rezoned to accommodate rural residential living.

4.4 Residential Building Permits

The number of new dwellings resulting from domestic building permits provides an indication of the longer-term trends in the construction of new dwellings in Latrobe. Figure 4.2 illustrates the trends in the number of new dwellings resulting from domestic building permits in Latrobe over the period 1998 and 2007.

Strong growth in approvals for new dwellings occurred between 2001 and 2004, which corresponded with strong growth in the residential property market throughout Victoria. Since 2004, the number of new dwelling approvals has remained relatively stable. As an illustration of the strong growth of approvals in Latrobe, the average number of new dwellings approved for development between 2003 and 2007, at approximately 430 new dwellings, is nearly twice that of the previous five years, when there was an average of approximately 240 new dwellings approved.

Figure 4.2: Domestic Building Permits, New Dwellings, 1998 to 2007



Source: Building Commission of Victoria

As with recent development rates analysed in Section 4.3, the majority of new dwelling permits in Latrobe were located in Traralgon. Between 2003 and 2007, Traralgon accounted for 60% of new dwelling permits and averaged approximately 260 new dwelling permits per annum.

Moe/Newborough and Morwell were the next most popular locations after Traralgon, accounting for 15% and 11% of new dwellings between 2003 and 2007, respectively. Over this period, approximately 60 new dwelling permits were issued per annum in Moe/Newborough, while the average for Morwell was approximately 50 new dwellings per annum.

All the other study precincts averaged less than 10 new dwelling permits per annum between 2003 and 2007.

Table 4.5 summarises the number of new dwellings created from building permits in Latrobe between 1998 and 2007.

Table 4.5: New Dwelling Building Permits (Number of Dwellings), 1998 to 2007

Precinct	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	Annual Av. '98-'02	Annual Av. '03-'07	Share of New Dwellings, '03-'07
Traralgon	119	159	111	121	201	225	269	261	277	251	142	257	59.6%
Morwell	26	23	19	20	29	32	68	50	43	40	23	47	10.8%
Moe-Newborough	34	40	23	23	31	48	66	94	67	37	30	62	14.5%
Churchill	4	8	5	7	4	8	5	7	15	11	6	9	2.1%
Traralgon South	4	6	3	6	0	10	4	2	4	3	4	5	1.1%
Boolarra	2	2	2	2	4	7	9	8	11	4	2	8	1.8%
Yinnar	2	3	2	0	4	0	2	3	5	6	2	3	0.7%
Yallourn North	1	3	2	1	1	5	3	3	1	2	2	3	0.7%
Tyers	5	2	3	7	6	2	4	3	4	4	5	3	0.8%
Glengarry	3	1	8	7	3	6	1	3	3	3	4	3	0.7%
Toongabbie	5	1	0	1	1	3	9	7	8	11	2	8	1.8%
Sub-total	**205**	**248**	**178**	**195**	**284**	**346**	**440**	**441**	**438**	**372**	**222**	**407**	**94.6%**
Hazelwood North	10	16	12	5	5	9	2	7	8	10	10	7	1.7%
Yinnar South	1	0	2	0	2	3	2	1	3	2	1	2	0.5%
Sub-total - Rural Living Precincts	**11**	**16**	**14**	**5**	**7**	**12**	**4**	**8**	**11**	**12**	**11**	**9**	**2.2%**
Elsewhere	5	7	5	10	8	16	27	10	9	7	7	14	3.2%
Total Latrobe	**221**	**271**	**197**	**210**	**299**	**374**	**471**	**459**	**458**	**391**	**240**	**431**	**100.0%**

Source: Building Commission of Victoria

4.5 Consultation with Real Estate Agents

Six real estate agents (Keith Williams Real Estate, Ray White in Traralgon, Reiner Real Estate and Stockdale & Leggo in Moe, Traralgon, and Morwell) who operate throughout Latrobe were interviewed in order gain on-the-ground insights into the different residential markets in Latrobe. The following paragraphs provide a summary of the main issues that were raised in relation to the Latrobe residential market, and do not necessarily reflect the views of the consultant:

- The market has slowed recently: In general, the real estate agents interviewed had noticed a slow-down in the various residential markets in recent months after steady growth being recorded over the past few years, particularly in Traralgon. Rising interest rates and increases in cost of living (particularly petrol prices) were reasons provided for the slow-down in the market. The top end of the market has experienced a significant slow-down in the number of sales in recent months.

- Drivers of residential demand: Changes in family structures in Latrobe are understood to be a driver for demand for residential properties, with families seeking larger houses and properties. Views regarding commuters and demand from beyond the Valley varied between agents, with some stating that the influence of these factors is minimal, while others stating they were contributing factors. One Moe agent has noticed that there has been an increase in demand from Melbourne residents since the Pakenham bypass was completed; however, they did not think this segment of the market had reached the eastern end of the Valley.

- Rental market drivers: Increasing investment from Melbourne residents being attracted by better returns has contributed to the rental market, which has always been strong in Latrobe.

- Demand strong for new residential lots and houses: Compared with the re-sale market, the demand for new residential lots and houses has been strong. Higher-density developments have not proven popular in Latrobe, with younger residents tending to seek relatively spacious properties.

- Limited demand for lifestyle lots: The demand for larger lifestyle lots had been popular in recent years, particularly among young families. However, demand for this type of product has slowed significantly in recent months. A number of agents identified increasing petrol prices as a key factor for the slow-down in demand for such lots, commenting that the younger families who seek these properties tend to feel the pressure associated with increases in costs of living more.

- Residential markets in small towns: Sales activity in the smaller towns in Latrobe has slowed significantly, as they tend to do whenever there is a slow-down in the residential markets of Traralgon, Moe and Morwell. The view is that the proximity of the smaller towns to the larger towns is a key determinant to market activity, with one agent noting that demand for properties in Glengarry is significantly higher than Toongabbie for example. This agent noted that Glengarry acted almost as a suburban extension to Traralgon.

- Supply is a considerable constraint: Limited supply of new residential estates was considered to be a constraint to residential activity in Traralgon, Moe, Morwell and Churchill.

- Future outlook: In general, the agents interviewed were relatively optimistic about the future of residential markets in Latrobe, particularly in the larger towns of Traralgon, Churchill, Morwell and Moe. Agents considered the recent slow-down in activity to be related to external factors such as interest rates and increases in cost of living. A number of agents are anticipating new residential estates in these townships to come onto the market in the near future which will stimulate demand.

4.6 Forecast Residential Dwelling Growth in Latrobe

Forecast Residential Demand by SLA

Forecast residential dwelling growth by SLA is presented in Table 4.6 and is based on the following inputs:

- Resident population projections as described in Chapter 3.3;
- Projected changes in average household size by SLA as forecast by DSE in *Victoria in Future 2004*, and with an allowance for updated figures derived from the *ABS 2006 Census*;
- An assumption that dwelling occupancy rates will remain at 2006 levels based on ABS 2006 Census data; and
- An assumption that residents residing in non-private dwellings (such as hospitals, nursing homes, boarding house, prisons, etc) will remain constant at 2006 levels based on ABS 2006 Census data.

Under the Low Growth Scenario the forecast is for approximately 5,370 additional dwellings over the next 15 years (between 2008 and 2023), at a rate of approximately 360 dwellings per annum. This compares to the average number of new dwelling permits of 315 per annum between 1998 and 2007, and recent development of approximately 350 dwellings per annum in the study precincts between March 2006 and April 2008. Despite declining forecast populations in the Moe and Morwell SLA, there will be demand for additional dwellings as a result of declining average household sizes.

The Traralgon SLA will account for 72% of dwelling demand in Latrobe under the low growth scenario, with the Moe SLA accounting for 15%, the Morwell SLA accounting for 9%, and the Balance SLA accounting for 3%.

Under the Moderate Growth Scenario the forecast is for approximately 7,760 additional dwellings over the next 15 years (between 2008 and 2023), at a rate of approximately 520 dwellings per annum. Under this scenario, population growth is projected in the Moe and Morwell SLAs, and so the Traralgon SLA is forecast to accommodate a lower share of total forecast residential dwelling growth compared to the low growth scenario. The Traralgon SLA is forecast to account for 58% of dwelling demand in Latrobe (down from 72% under the low growth scenario), the Moe SLA is forecast to account for 20% (up from 15%), the Morwell SLA is forecast to account for 18% (up from 9%), and the Balance SLA is forecast to account for 4%.

The High Growth Scenario represents an aspirational scenario where an additional 9,310 dwellings are forecast over the next 15 years (between 2008 and 2023), at a rate of approximately 620 dwellings per annum. The Traralgon SLA will account for 56% of dwelling demand in Latrobe, the Moe SLA will account for 21%, the Morwell SLA will account for 20%, and the Balance SLA accounting for 3%.

As mentioned earlier in the report, planning for future residential and rural residential land requirements should take into consideration dwelling demand as forecast under at least the moderate growth scenario.

Table 4.6: Forecast Residential Dwelling Growth in Latrobe by Scenario, 2008-2023

Scenario	Total Dwelling Demand				Average Annual Dwelling Demand			
	'01-'08	'08-'18	'18-'23	Total '08-'23	'01-'08	'08-'18	'18-'23	Total '08-'23
Low Growth Scenario								
Latrobe (C) - Traralgon	1,270	2,640	1,250	**3,890**	181	264	250	**259**
Latrobe (C) - Moe	140	550	250	**800**	20	55	50	**53**
Latrobe (C) - Morwell	240	340	160	**500**	34	34	32	**33**
Latrobe (C) Bal	20	120	60	**180**	3	12	12	**12**
Latrobe (C) - Total	**1,670**	**3,650**	**1,720**	**5,370**	**239**	**365**	**344**	**358**
Moderate Growth Scenario								
Latrobe (C) - Traralgon	1,270	3,030	1,500	**4,530**	181	303	300	**302**
Latrobe (C) - Moe	140	1,040	530	**1,570**	20	104	106	**105**
Latrobe (C) - Morwell	240	910	470	**1,380**	34	91	94	**92**
Latrobe (C) Bal	20	190	90	**280**	3	19	18	**19**
Latrobe (C) - Total	**1,670**	**5,170**	**2,590**	**7,760**	**239**	**517**	**518**	**517**
High Growth Scenario								
Latrobe (C) - Traralgon	1,270	3,420	1,760	**5,180**	181	342	352	**345**
Latrobe (C) - Moe	140	1,300	670	**1,970**	20	130	134	**131**
Latrobe (C) - Morwell	240	1,210	630	**1,840**	34	121	126	**123**
Latrobe (C) Bal	20	220	100	**320**	3	22	20	**21**
Latrobe (C) - Total	**1,670**	**6,150**	**3,160**	**9,310**	**239**	**615**	**632**	**621**

Source: ABS Census 2001 and 2006; ABS, *Regional Population* Growth (annual); DSE, *Victoria in Future 2004*; Essential Economics

Forecast Residential Demand by Precinct

As mentioned in Section 1.3, forecasts of dwelling demand for each individual precinct have been prepared by assigning an estimated share of the forecast demand within each SLA that will be accommodated in each precinct. This share is based on various data inputs including building permit trends, recent residential development rates, and population growth. The estimate also takes into consideration the potential role each precinct could play in terms of accommodating residential development in the future, and the factors which may have constrained residential demand in the past. The particular shares assigned to each precinct are discussed in Chapters 5 to 15.

Table 4.7 shows the forecast demand for residential and rural residential dwellings by precinct over the next 15 years and compares these to recent development rates and the number of new dwelling building permits. The forecasts of residential dwelling demand for each precinct are summarised as follows:

- Traralgon is forecast to continue to be the main location for residential demand as residents seek to be close to employment and services. Over the period 2008 to 2023 dwelling demand is forecast to be approximately 270 to 310 dwellings per annum under the moderate and high growth scenarios; this compares with recent development between March 2006 and April 2008 of approximately 250 dwellings and an average of approximately 260 new dwelling permits per annum between 2003 and 2007.
- Under the low growth scenario demand for residential dwellings in Morwell is forecast to be approximately 20 dwellings per annum over the next 15 years. With growth forecast under the moderate and high scenarios, residential demand is forecast to increase to approximately 60 to 80 dwellings per annum. In order to achieve these higher rates of dwelling demand, policies should be implemented to promote population growth, for example by facilitating investment, encouraging employment growth in the town, and promoting good quality residential developments/subdivisions.
- Residential demand in Moe/Newborough is forecast to be approximately 100 to 120 dwellings per annum under the moderate and high growth scenarios. This is significantly above the level forecast under the low growth scenario (approximately 50 dwellings per annum), and is also substantially higher than the average of new dwelling building permits over the past five years of approximately 60 dwellings per annum, and recent development rates of approximately 30 dwellings per annum.
- Churchill is forecast to experience residential dwelling demand of approximately 15 to 20 dwellings per annum under the moderate and high growth scenarios, which compares to a recent development rate of approximately 10 dwellings per annum and an average of approximately 10 new dwelling permits per annum between 2003 and 2007.
- The seven smaller precincts (excluding the rural living precincts) are forecast to experience relatively low residential demand compared to the larger townships, with the forecasts for individual precincts generally below 10 dwellings per annum. Forecasts for Glengarry take into consideration the potential for Glengarry to accommodate demand associated with its close proximity to Traralgon, and the supply constraints which have limited development in the town in recent years; therefore, forecasts for Glengarry are above recent trends in development and new dwelling permits. In general, forecast for the other small precincts are in-line with recent trends.
- Rural residential demand in the rural living precincts of Hazelwood North and Yinnar South is forecast to be between approximately 10 to 20 dwellings per annum collectively. The majority of demand is forecast to occur in the Hazelwood North Precinct due to its proximity to the major townships of Traralgon and Morwell, and because there is currently land available for

development. By comparison, Yinnar South is further away from major townships and has limited opportunities for new rural residential development.

Table 4.7: Forecast Residential Dwelling Growth by Precinct, 2008-2023

Precinct	Total dwelling demand, 2008-2023			Annual dwelling demand, 2008-2023			Recent development rate	Av. New dwelling building permits, 2003-2007
	Low Growth Scenario	Moderate Growth Scenario	High Growth Scenario	Low Growth Scenario	Moderate Growth Scenario	High Growth Scenario		
Traralgon	3,500	4,075	4,660	233	272	311	246	257
Morwell	340	930	1,240	23	62	83	44	47
Moe/Newborough	760	1,490	1,870	51	99	125	33	62
Churchill	95	250	330	6	17	22	12	9
Toongabbie	60	70	80	4	5	5	3	8
Glengarry	95	115	130	6	8	9	1	3
Tyers	40	45	50	3	3	3	1	3
Traralgon South	65	75	85	4	5	6	4	5
Yallourn North	20	45	55	1	3	4	0	3
Yinnar	25	70	90	2	5	6	4	3
Boolarra	25	70	95	2	5	6	3	8
Sub-total	**5,025**	**7,235**	**8,685**	**335**	**482**	**579**	**353**	**407**
Hazelwood North	130	180	205	9	12	14	9	7
Yinnar South	35	70	85	2	5	6	0	2
Sub-total - Rural Living Precincts	**165**	**250**	**290**	**11**	**17**	**19**	**9**	**9**
Balance	185	275	320	12	18	21	na	14
Total Latrobe	**5,375**	**7,760**	**9,295**	**358**	**517**	**620**	**na**	**431**

Source: ABS Census 2001 and 2006; ABS, *Regional Population* Growth (annual); DSE, *Victoria in Future 2004*; Essential Economics

Note: Total dwelling demand figures rounded to nearest 5 and vary to figures in Table 4.6 due to rounding

4.7 Supply of Residential and Rural Residential Land in Subject Precincts

An assessment of the supply of land for residential and rural residential development in each of the identified study precincts is summarised in Table 4.8 and is based on the following supply categories (refer Chapter 1.3 Methodology for more detailed description):

- Lots Available for Development: This is the vacant lot potential which could be developed in the near future, and provides an estimate of the number of lots which could be developed with no further subdivision approval required by Latrobe City Council. Lots available for development includes existing vacant lots and lots in approved subdivisions.

- Total Vacant Lot Potential: This category provides an estimate of the total lot potential on land which is currently vacant and which has the potential to be developed in the near future. This includes lots available for development and vacant land with subdivision potential.

- Additional Lot Potential on Occupied Lots: This category comprises land which is currently occupied by a dwelling (in most cases), or is occupied by a business but located on residential zoned land, and where there is potential for the land to accommodate additional residential lots in the future. The likelihood of these additional lots becoming available varies for a number of reasons, which are discussed in Chapter 1.3.

The following paragraphs provide summaries of the supply of residential and rural residential lot supply and potential for each zone type.

R1Z Land

- Lots Available for Development: Approximately 1,700 R1Z lots are available for development in the study precincts. The majority of these are located in the larger precincts of Traralgon (900 lots), Morwell (200 lots), Moe/Newborough (330 lots) and Churchill (140 lots). These precincts account for 92% of R1Z lots available for development.

- Total Vacant Lot Potential: There is a supply of total vacant lot potential of approximately 4,500 R1Z lots in the study precincts, and this includes approximately 1,530 lots in Traralgon, approximately 980 lots in Moe/Newborough, approximately 730 lots in Morwell, approximately 550 lots in Yinnar and approximately 480 lots in Churchill.

- Additional Lot Potential on Occupied Lots: Assuming all lots identified in the study precinct as being larger occupied lots with the potential to be subdivided can be subdivided, there is potential supply of approximately an additional 3,220 lots. This would represent an increase in supply of approximately 70% of total lot potential **if** these lots were to eventuate. However, as discussed in Chapter 1.3, the likelihood of these lots becoming available for development is unknown and varies between each precinct. Discussion is provided in the residential market assessments for each precinct relating to the likelihood of these lots becoming available for development over the next 15 years. In the majority of precincts, it is not recommended that these lots contribute to the total residential lot supply as they are unlikely to become available for development; therefore they would not provide a true indication of the amount of land which is available to the market.

TZ Land

- Lots Available for Development: Approximately 30 TZ lots are available for development in the study precincts with these located in Traralgon South, Tyers and Toongabbie.

- Total Vacant Lot Potential: There is a supply of total vacant lot potential of approximately 40 TZ lots in the study precincts, with these located in Traralgon South, Yinnar, Tyers, Boolarra, Glengarry and Toongabbie.

- Additional Lot Potential on Occupied Lots: Assuming all lots identified in the study precinct as being larger occupied lots with the potential to be subdivided can be subdivided, there is potential supply of approximately an additional 10 lots on TZ land in the study precincts.

LDRZ Land

- Lots Available for Development: A limited supply of LDRZ is available for development, and is estimated to be approximately 50 lots in the study precincts. The majority of these lots are located in Traralgon.

- Total Vacant Lot Potential: A supply of total vacant lot potential of approximately 240 LDRZ lots exists in the study precincts, and this includes approximately 110 lots in Boolarra, approximately 70 lots in Churchill, and approximately 60 lots in Traralgon.

- Additional Lot Potential on Occupied Lots: Assuming all lots identified in the study precinct as being larger occupied lots with the potential to be subdivided can be subdivided, potential supply of approximately an additional 260 lots in the study precinct exists. **If** these lots were to eventuate it would more than double the total lot potential. However, as discussed in Chapter

1.3, the likelihood of these lots becoming available for development is unknown and varies between each precinct. Discussion is provided in the residential market assessments for each precinct relating to the likelihood of these lots becoming available for development over the next 15 years. In the majority of precincts, it is not recommended that these lots contribute to the total residential lot supply as they are unlikely to become available for development; therefore, they would not provide a true indication of the amount of land which is available to the market.

RLZ Land

- Lots Available for Development: A supply of approximately 230 RLZ lots available for development exists in the study precincts. Morwell and Yinnar are the only precincts which do not provide RLZ land. The rural living precinct of Hazelwood North comprises 65 RLZ lots available for development, which is the largest supply of all precincts.

- Total Vacant Lot Potential: A supply of total vacant lot potential of approximately 320 RLZ lots exists in the study precincts.

- Additional Lot Potential on Occupied Lots: Assuming all lots identified in the study precinct as being larger occupied lots with the potential to be subdivided can be subdivided, potential supply of approximately an additional 310 lots exists. This would nearly double the total lot potential if these lots were to eventuate. However, the likelihood of these lots becoming available for development is dependent on the preferences of the property and is unknown. It is not recommended these lots contribute to the total lot potential**.**

Note: The lot supply and potential identified in this chapter does not take into consideration factors which may inhibit the development of land such as environment constraints, infrastructure constraints, development cost constraints and the preferences and choices of land owners. Refer to Chapter 1.3 Methodology for more detail.

Table 4.8: Residential and Rural Residential Lots Supply and Potential in Study Precincts, 2008

Precinct	R1Z	TZ	LDRZ	Total Residential Zoned Land	RLZ	FZ (< 5 ha)	Total Rural and Farm Zone (< 5ha)
Lots Available for Development							
Traralgon	900	na	36	**936**	20	8	**28**
Morwell	201	na	na	**201**	na	na	**na**
Moe/Newborough	328	na	na	**328**	27	14	**41**
Churchill	136	na	-	**136**	29	7	**36**
Toongabbie	18	3	na	**21**	5	24	**29**
Glengarry	13	-	na	**13**	4	1	**5**
Tyers	na	6	2	**8**	12	6	**18**
Traralgon South	na	15	na	**15**	13	7	**20**
Yallourn North	3	na	na	**3**	17	2	**19**
Yinnar	72	-	na	**72**	na	na	**na**
Boolarra	32	4	12	**48**	22	8	**30**
Sub-total	**1,703**	**28**	**50**	**1,781**	**149**	**77**	**226**
Hazelwood North*	na	na	na	**na**	65	na	**65**
Yinnar South*	na	na	na	**na**	13	na	**13**
Sub-total: Rural Living Precincts*	**na**	**na**	**na**	**na**	**78**	**na**	**78**
Total of Study Precincts	**1,703**	**28**	**50**	**1,781**	**227**	**77**	**304**
Total Vacant Lot Potential							
Traralgon	1,534	na	57	**1,591**	42	8	**50**
Morwell	730	na	na	**730**	-	-	**-**
Moe/Newborough	976	na	na	**976**	39	14	**53**
Churchill	477	na	75	**552**	56	7	**63**
Toongabbie	72	3	na	**75**	5	24	**29**
Glengarry	21	3	na	**24**	4	1	**5**
Tyers	na	6	2	**8**	19	6	**25**
Traralgon South	na	15	na	**15**	23	7	**30**
Yallourn North	82	na	na	**82**	17	2	**19**
Yinnar	554	13	na	**567**	na	na	**na**
Boolarra	58	4	106	**168**	25	8	**33**
Sub-total	**4,504**	**44**	**240**	**4,788**	**230**	**77**	**307**
Hazelwood North*	na	na	na	na	74	na	74
Yinnar South*	na	na	na	na	15	na	15
Sub-total: Rural Living Precincts*	**na**	**na**	**na**	**na**	**89**	**na**	**89**
Total of Study Precincts	**4,504**	**44**	**240**	**4,788**	**319**	**77**	**396**
Occupied Lots with Subdivision Potential							
Traralgon	279	na	211	**490**	24	-	**24**
Morwell	772	na	na	**772**	na	na	**na**
Moe/Newborough	868	na	na	**868**	49	2	**51**
Churchill	93	na	48	**141**	89	-	**89**
Toongabbie	192	-	na	**192**	8	23	**31**
Glengarry	296	-	na	**296**	5	2	**7**
Tyers	na	7	3	**10**	8	1	**9**
Traralgon South	na	-	na	**-**	1	4	**5**
Yallourn North	356	na	na	**356**	7	1	**8**
Yinnar	315	-	na	**315**	na	na	**na**
Boolarra	47	-	1	**48**	17	-	**17**
Sub-total	**3,218**	**7**	**263**	**3,488**	**208**	**33**	**241**
Hazelwood North*	na	na	na	na	42	na	42
Yinnar South*	na	na	na	na	26	na	26
Sub-total: Rural Living Precincts*	**na**	**na**	**na**	**na**	**68**	**na**	**68**
Total of Study Precincts	**3,218**	**7**	**263**	**3,488**	**276**	**33**	**309**

Note: *Supply for Rural Living Precincts is as of December 2008; the supply for all other precincts is as of April 2008
Source: Essential Economics Field Survey, April and December 2008; Aerial photos (Mar-06) provided by Latrobe CC

4.8 Conclusions

The main conclusions arising from the residential market assessment of Latrobe City are summarised below:

- In general, residential property and land prices in Latrobe have traditionally been below the median prices for regional Victoria. For instance, the median house price in Latrobe of $163,000 in 2007 was 30% below that of regional Victoria ($232,000).
- Residential price growth in Latrobe in recent years has been marginally above that of regional Victoria and neighbouring municipalities.
- Traralgon has been the location of the majority of residential development and accounted for approximately 68% of recent residential development which occurred in the precincts which are subject to this study. In addition, Traralgon was the location of approximately 60% of new dwelling building permits in Latrobe.
- Morwell and Moe are the secondary residential markets in Latrobe and combine to account for approximately 21% of recent residential development in the subject precincts and 25% of Latrobe's new dwelling building permits.
- The majority of recent development has been located in developing estates on the periphery of the larger townships. These areas accounted for approximately 76% of recent residential development.
- The rural living zones accounted for approximately 5% of recent development in the subject precincts.
- Consultation with local real estate agents has indicated that:
    - The market in general has slowed in recent months with rising interest rates and petrol prices contributing to the slow-down;
    - Changes in family structure in Latrobe is considered to be a major driver for residential demand, with families seeking larger allotments and houses;
    - Demand is strongest for new residential allotments and houses, and limited for larger lifestyle lots;
    - Residential markets in the smaller townships have slowed and tend to follow the cycles of the larger townships.
- Forecast demand exists for additional residential dwellings in Latrobe of between approximately 5,370 new dwellings (low growth scenario) and approximately 9,310 new dwellings (high growth scenario) over the next 15 years. This equates to between approximately 360 and 620 new dwellings per annum, and compares to an average of approximately 430 new dwelling permits per annum for Latrobe between 2003 and 2007.
- Total vacant lot potential in the study precincts is estimated at approximately:
    - 4,500 lots on R1Z land;
    - 40 lots on TZ land;
    - 240 lots on LDRZ land; and
    - 320 lots on RLZ.

A share of these lots may not be able to be developed due to environment constraints, infrastructure constraints, development cost constraints and the preferences and choice of land owner.

5 TRARALGON RESIDENTIAL MARKET ASSESSMENT

5.1 Introduction

This chapter provides a residential market assessment for the Traralgon precinct and includes recommendations for the future supply of residential and rural residential zoned land based on an assessment of recent and forecast property trends.

5.2 Precinct Overview

Traralgon is the regional, business and employment centre for the Latrobe Valley and is the largest township in the municipality. Traralgon is situated on the Princes Freeway and is approximately 140 kilometres, or a 2-hour drive from central Melbourne.

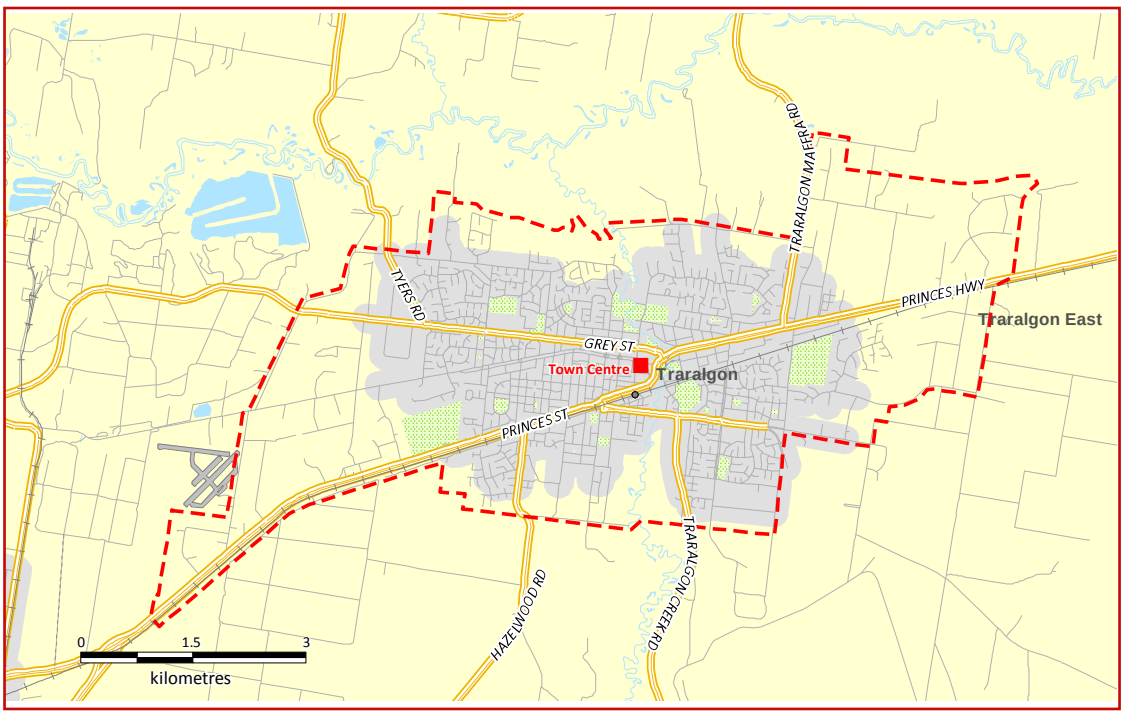
In recent years, the substantial amount of residential development on the fringes of Traralgon has driven population growth in the township and region, with other parts of the municipality experiencing stagnant or declining population levels.

The town centre in Traralgon serves a mix of retail, business and civil functions. The town centre comprises the Stockland Traralgon Shopping Centre and street-based retailing, and is the regional shopping and business centre serving the entire Latrobe Valley and beyond.

Traralgon is the main employment destination in Latrobe and is the place of approximately 10,500 jobs, and the town accounts for 38% of all jobs in Latrobe, having regard for ABS 2006 Journey to Work data. .

Figure 5.1 illustrates the location of the Traralgon Precinct.

Figure 5.1: Traralgon Precinct



Prepared by Essential Economics using MapInfo and StreetPro

5.3 Residential Property Trends

The Traralgon property market has been relatively buoyant in recent years, although it is understood through discussions with local real estate agents that activity has slowed in recent months, as it has throughout Victoria.

According to real estate agents and an analysis of recent development activity (refer Figures 5.4 and 5.5), the location of a number of new residential estates on the periphery of Traralgon are driving the level of residential activity in Traralgon, with new houses and standard residential blocks between 800m^2 and 1,000m^2 proving to be popular. Approximately 88% of new residential development in Traralgon over the past two years has occurred in these areas.

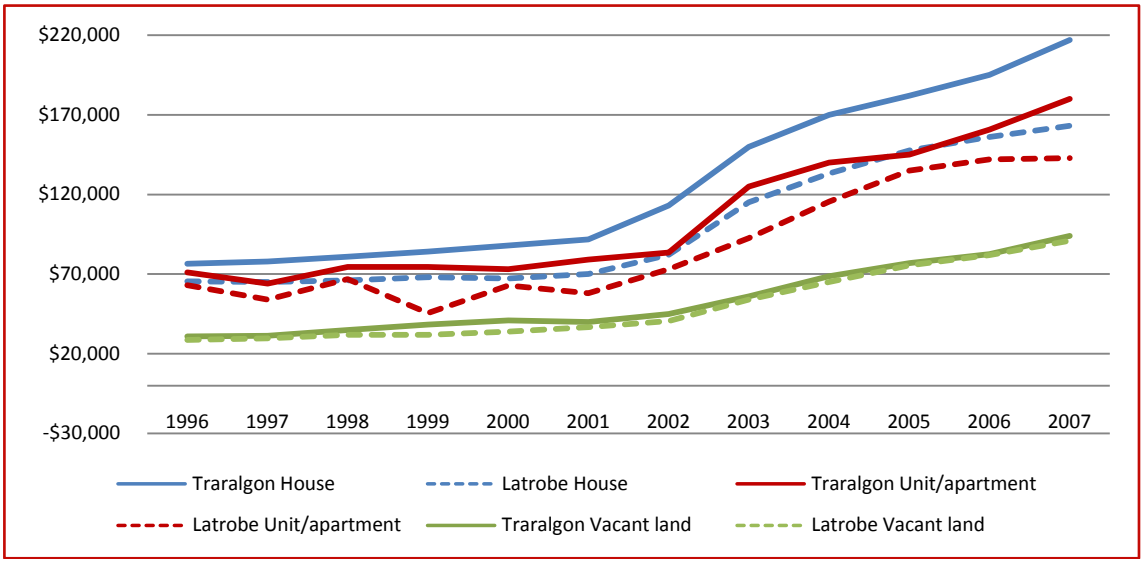
Table 5.1 and Figure 5.2 illustrate the growth in median property values in recent years. Traralgon's property prices are higher than elsewhere in Latrobe and have experienced strong price growth compared to median prices throughout regional Victoria in recent years. As with other locations throughout Victoria, Traralgon experienced significant growth in property prices between the years of 2001 and 2004, with growth in residential property prices slowing in more recent years.

Table 5.1: Median Property Values in Traralgon, 1996-2007

Property Type	1996	2001	2004	2006	2007	Average Annual Growth Rate			
						1996-2001	2001-2004	2004-2006	2006-2007
Traralgon House	$76,500	$91,750	$170,000	$195,000	$217,000	3.7%	22.8%	7.1%	11.3%
Traralgon Unit/apartment	$71,000	$79,000	$140,000	$160,750	$180,000	2.2%	21.0%	7.2%	12.0%
Traralgon Vacant land	$31,000	$40,000	$68,750	$82,500	$94,000	5.2%	19.8%	9.5%	13.9%
Latrobe House	$65,500	$70,000	$133,000	$156,000	$163,000	1.3%	23.9%	8.3%	4.5%
Latrobe Unit/apartment	$63,000	$58,000	$115,500	$142,000	$142,750	-1.6%	25.8%	10.9%	0.5%
Latrobe Vacant land	$28,750	$36,750	$65,000	$82,000	$91,000	5.0%	20.9%	12.3%	11.0%

Source: Department of Sustainability and Environment, *A Guide to Property Values*, annual

Figure 5.2: Median Property Values in Traralgon, 1996-2007



Source: Department of Sustainability and Environment, *A Guide to Property Values*, annual

5.4 Socio-Economic Trends

As the centre of growth in Latrobe, Traralgon has consolidated its position both in terms of incomes and house prices, both of which steadily increased between the 2001 and 2006 inter-censual period to remain above the averages for Latrobe.

A summary of the socio-economic trends of Traralgon residents between the 2001 and 2006 ABS Census is provided in Table 5.2, with the main trends and points from the analysis summarised below:

- Age Structure: Traralgon has a younger age structure than both Moe and Morwell. The 45 to 64 year age cohort, which comprises the baby boomers, has been the most significant age cohort in terms of growth between 2001 and 2006.
- Income: Traralgon's per capita and household incomes are above the median incomes of Latrobe. Growth in incomes has been comparable to the growth experienced throughout Latrobe.
- Average household size: Traralgon's average household size has declined from 2.51 persons in 2001 to 2.46 person in 2006. Although it has declined, it has not declined at the same rate as other locations in Latrobe and remains slightly above the average household size for Latrobe.
- Dwelling Structure: Strong growth has occurred in the total dwelling stock based on ABS Census data, with nearly double the annual growth of Latrobe as a whole. The higher density structures have shown a slight increase, with semi-detached and unit dwellings increasing their combined share from 12.9% in 2001 to 13.6% in 2006. The majority of occupied dwellings in Traralgon continue to be detached dwellings (85.8% in 2006). Traralgon has a relatively high occupancy rate of 91.4% in 2006.
- Home Ownership: Traralgon has experienced a large increase in the proportion of homes being purchased, with this now being the main ownership arrangement. This trend is being driven by young families moving to a new house, or building on land in the developing estates on the periphery of the township.
- Housing Costs: The growth in house prices has led to an associated increase in the median loan repayment, and slightly increased the service burden. The share of median household incomes which is directed to home loan repayments in Traralgon is 23.5%, which is below the average for Latrobe of 25.5%.

Table 5.2: Socio-Economic Trends of Traralgon Residents, 2001-2006

Indicator	2001	2006	Percentage Point Change	Latrobe City 2006	Latrobe Percentage Point Change
Age Structure					
0-14 years	23.3%	22.0%	-1.3%	20.7%	-2.2%
15-24 years	13.9%	14.1%	+0.2%	14.1%	+0.5%
25-44 years	29.8%	27.7%	-2.1%	25.2%	-2.5%
45-64 years	21.2%	23.5%	+2.3%	25.8%	+2.7%
65 years and over	11.9%	12.8%	+1.0%	14.1%	+1.5%
Total Population	20,221	22,254	+9.1% change	69,328	+2.3% change
Median age (years)	33	36	+7.2% change	38	+7.5% change
Occupation					
Managers & professionals	23.3%	24.0%	+0.6%	22.1%	-0.8%
Clerical & sales workers	14.0%	13.6%	-0.4%	15.1%	+0.2%
Technicians & trades workers	31.7%	31.3%	-0.4%	31.4%	-0.1%
Machinery operators & drivers	18.6%	18.9%	+0.3%	18.6%	+0.5%
Labourers & related workers	12.4%	12.2%	-0.2%	12.9%	+0.3%
Income					
Median individual income (annual)	$18,661	$23,273	+4.5% (aagr)	$19,607	+4.9% (aagr)
Variation from Latrobe LGA	20.8%	18.7%			
Median household income (annual)	$37,961	$49,870	+5.6% (aagr)	$40,602	+4.4% (aagr)
Variation from Latrobe LGA	15.9%	22.8%			
% of h'holds earning $2,000pw or more	5.4%	14.2%	+8.8% change	11.7%	+7.4% change
Household Composition					
Couple family with no children	23.8%	24.5%	+0.7%	25.2%	+1.3%
Couple family with children	32.1%	29.1%	-3.0%	28.3%	-3.3%
One Parent Family with children	11.5%	11.9%	+0.4%	12.6%	+0.2%
Other Family	3.0%	5.6%	+2.6%	4.5%	+1.2%
Lone Person Household	26.5%	26.1%	-0.4%	26.7%	+0.7%
Group Household	3.1%	2.8%	-0.3%	2.6%	-0.0%
Average household size	2.51	2.46	-2.0% change	2.44	-3.5% change
Dwelling Structure					
Detached	85.6%	85.8%	+0.1%	88.2%	-0.7%
Semi-detached	6.4%	3.2%	-3.3%	2.9%	-1.1%
Flat/unit or apartment	6.5%	10.4%	+3.9%	8.4%	+2.2%
Other	1.4%	0.6%	-0.8%	0.6%	-0.3%
Occupancy rate	91.4%	91.4%	-0.0%	89.9%	+0.3%
Total private dwellings	8,355	9,037	+1.6% (aagr)	29,188	+0.7% (aagr)
Home Ownership					
Fully owned	39.7%	33.9%	-5.8%	39.0%	-5.9%
Being purchased	34.8%	39.9%	+5.1%	35.4%	+4.4%
Renting	24.1%	25.7%	+1.7%	25.0%	+2.0%
Other	1.5%	0.5%	-0.9%	0.6%	-0.4%
Housing Costs					
Median housing loan repayment (monthly)	$633	$976	+9.0% (aagr)	$863	+9.7% (aagr)
Median loan repayment as % of median h'hld income	20.0%	23.5%	+3.5%	25.5%	+5.6%
Median rental payment (weekly)	$112	$150	+6.0% (aagr)	$130	+6.3% (aagr)
Median rent as % of median h'hld income	15.3%	15.6%	+0.3%	16.6%	+1.5%
Median House Price	$91,750	$196,000	+16.4% (aagr)	$155,500	+16.4% (aagr)

Source: ABS Census 2001 and 2006 (Usual resident profile)
Note: aagr: Average Annual Growth Rate

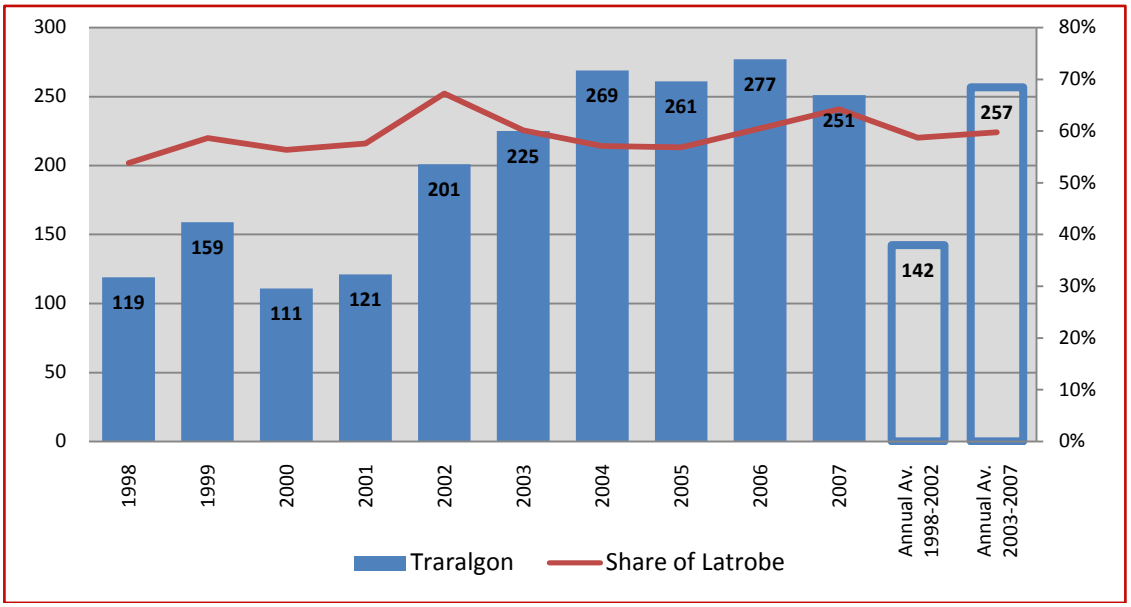
5.5 Analysis of Building Permits

In 2007, building permits in Traralgon accounted for 64% of new dwelling permits in Latrobe, with approximately 250 new dwelling permits. This illustrates the dominance of Traralgon in the Latrobe residential development market.

Since 2003, building permits in Traralgon have averaged approximately 260 new dwellings per annum, and this is significantly above the average of approximately 140 new dwellings per annum between 1998 and 2002.

Figure 5.3 summarises the new dwellings as a result of domestic building permits in Traralgon as sourced from the Building Commission of Victoria.

Figure 5.3: Traralgon Building Permits (number of dwellings), 1998-2007



Source: Building Commission of Victoria

5.6 Recent Development Rates

The importance of Traralgon in the Latrobe residential market is emphasised in data relating to recent development of residential and rural residential land, as presented in Table 5.3. The location of recent development in Traralgon is shown in Figures 5.4 and 5.5.

Between March 2006 and April 2008, approximately 510 dwellings were developed in Traralgon, and this accounted for 70% of all residential development in the study precincts. The annual development rate for Traralgon over this period was 246 dwellings per annum, which closely resembles building permit data shown in Figure 5.3.

The majority of development occurred in the developing estates on the fringes of Traralgon in R1Z land. These areas accounted for 88% of residential development in Traralgon.

In total, the development rate of R1Z land in Traralgon was 243 dwellings per annum, which included 217 dwellings in developing estates. The median lot size of development which occurred on R1Z land between March 2006 and April 2008 was approximately 860m^2.

Land zoned for lower-density development in Traralgon has only played a small role in the development of Traralgon in recent years, with approximately two dwellings per annum being developed on LDRZ land and one dwelling per annum of RLZ land. Limited availability of LDRZ and RLZ land for development over the reference period is likely to have contributed to the lower development rates.

Table 5.3: Recent Residential Development by Zone in Traralgon, March 2006 to April 2008

Zone	No. of Lots Developed	No. of Dwellings Developed	Annual Development Rate	Percentage of Dwellings Developed	Percentage of Total Dwellings Developed in Study Precincts	Median Lot Size
R1Z						
Developing estates	451	451	216.5	87.9%	78.7%	860**m^2**
Elsewhere	43	56	26.9	10.9%	43.4%	910**m^2**
R1Z - Total	**494**	**507**	**243.4**	**98.8%**	**72.2%**	**860m^2**
LDRZ	**4**	**4**	**1.9**	**0.8%**	**80.0%**	**5,480m^2**
RLZ	**2**	**2**	**1.0**	**0.4%**	**11.8%**	**24,140m^2**
Total	**500**	**513**	**246.2**	**100.0%**	**69.8%**	**860m^2**

Source: Essential Economics Field Survey, April 2008; Aerial photos from Latrobe City Council March 2006

5.7 Supply of Residential Land

An assessment of the supply of residential and rural residential land available for development in Traralgon was conducted in April 2008. A description of the supply categories referred to in this analysis is provided in Table 5.4, with further explanation provided in Chapter 1.3 Methodology.

The estimated supply of residential and rural residential lots presented in this chapter does not take into consideration a number of factors which could limit the number of actual developable lots, such as environmental constraints (eg. flood-prone) or infrastructure constraints. It is likely that the number of lots which could eventually be developed will be somewhat smaller than the estimates presented in the analysis below.

Land zoned for residential development in Traralgon comprises R1Z and LDRZ land, while rural residential living is accommodated by RLZ2, RLZ3, RLZ4 and a number of FZ allotments of less than 5 ha. There is no TZ land in Traralgon. A summary of the residential and rural residential lot supply is provided in Table 5.5 and is discussed below.

Table 5.4: Residential and Rural Residential Supply Categories

Land Type	Explanation	Composition of Categories
(A) Vacant lots	Vacant R1Z and TZ lots which are less than 2,000m2; vacant FZ lots which are less than 5 ha; and vacant LDRZ, RLZ which cannot be further subdivided according to relevant minimum subdivision sizes.	na
(B) Lots in approved subdivisions	Lots which have planning approval to be subdivided	na
(C) Lots available for development	**An estimate of the number of lots which could be developed with no further subdivision approval required by Latrobe City Council**	**A + B**
(D) Vacant land with subdivision potential	Vacant lots which could potentially be subdivided into at least two lots based on the minimum subdivision size of the corresponding zone. For R1Z and TZ land, this consists of vacant lots which are at least 2,000m^2.	na
(E) Total vacant lot potential	**An estimate of the total lot potential on land which is currently vacant and which has the potential to be developed in the near future.**	**C + D**
(F) Vacant parcels of land that are part of a larger occupied allotment	Vacant land titles which form part of a larger property which contains a dwelling.	na
(G) Occupied lots with subdivision potential	Lots which are occupied by a dwelling but are large enough to be subdivided into at least two lots based on the minimum subdivision size for the corresponding zone. The lot potential for these properties is based on the minimum subdivision size, taking into account the existing dwelling on the property. For R1Z land, this category includes lots which are at least 2,000m^2, and the lot potential is based on a residential lot density which is similar to existing residential subdivision patterns in the precinct	na
(H) Additional lot potential on occupied allotments	**Land which is currently occupied but has the potential to accommodate additional lots in the future. The extent of this potential varies.**	**F + G**

Source: Essential Economics

Supply of R1Z Land

The supply of R1Z land in Traralgon consists of:

- Lots available for development: Approximately 900 R1Z lots are available for development in Traralgon, and this comprises approximately 460 existing vacant lots and approximately 440 lots which will be created by approved subdivisions. The majority of these lots are located in estates on the periphery of Traralgon.
- Total vacant lot potential: Total vacant lot potential in Traralgon is estimated at approximately 1,530 lots; this includes approximately 900 lots available for development and approximately 630 lots which could be generated by subdivision of large vacant lots. This estimate is based on larger vacant lots achieving a lot density of 10 lots per hectare. Additional vacant lot potential could be created if a greater lot density were to be achieved.
- Occupied lots with subdivision potential: Approximately 114 occupied R1Z lots are greater than 2,000m^2 in size. Assuming they could be developed at a density of approximately 10 lots per hectare, approximately an additional 280 lots could be created. However, the majority of these lots are less than 0.5 ha in size and are located in relatively new areas of Traralgon where larger residential lots are commonplace and are meeting the needs of a particular market. It is unlikely these lots would become available for subdivision over the next 15 or so years. Nine occupied lots in Traralgon are greater than 0.5 ha in size (and only three greater than 1 ha in size) which have the potential to create approximately an additional 100 lots if they were to be subdivided.

Due to the majority of these lots meeting the needs of a particular market which are seeking large properties and are unlikely to become available for further development in the near future, it is not recommended that these lots be considered as part of the potential residential land supply.

Supply of LDRZ Land

The majority of LDRZ land in Traralgon is located in the western part of the precinct, while there is a small parcel located in the south-eastern part the precinct. A summary of the supply of LDRZ land is provided below:

- Lots available for development: A total of 36 LDRZ lots are available for development in Traralgon, and these comprise approximately 23 existing vacant lots which have no potential to be subdivided based on the minimum subdivision size of 4,000m^2, and an additional 13 lots which would be created as a result of approved subdivisions.
- Total vacant lot potential: Total vacant LDRZ lot potential in Traralgon is estimated at 57 lots, which includes 36 lots available for development and 21 lots which could be created by the subdivision of large vacant lots.
- Occupied lots with subdivision potential: The majority of LDRZ lots in the western part of Traralgon are occupied and are large enough (8,000m^2 or greater) to be subdivided in the future. Assuming these lots can be subdivided at the minimum subdivision size of 4,000m^2, there is potential for approximately an additional 210 lots to be created. Although it is difficult to estimate how much of this potential could be realised over the next 15 years, there is evidence to suggest that additional LDRZ lots are likely to be created in this area in the near future, with a number of recently approved subdivisions having occurred.

Note that a proportion of LDRZ land to the west of the township has been identified in the Traralgon Structure Plan (August 2007) as having the potential to be rezoned to R1Z.

Supply of RLZ Land

The supply of rural living zones in Traralgon (RLZ2, RLZ3and RLZ5) consists of:

- Lots available for development: A total of 20 vacant RLZ lots have no potential to be subdivided based on the minimum subdivision size of the corresponding RLZ schedule. There are no approved subdivisions on RLZ land.
- Total vacant lot potential: Total vacant RLZ lot potential in Traralgon is estimated at approximately 40 lots, and this figure includes approximately 20 lots available for development, and approximately 20 lots which could be created by the subdivision of large vacant lots.
- Occupied lots with subdivision potential: Potential exists for approximately 25 additional lots to be created by the subdivision of larger occupied RLZ lots or vacant parcels of land which are part of a larger occupied property becoming available for development. The majority of larger lots would only have the potential to create one additional lot; therefore the likelihood of a large number of these lots becoming available for development in the next 15 years is limited.

Supply of FZ lot of less than 5 ha

There is a total supply of eight vacant FZ lots of less than 5 ha in size.

Table 5.5: Residential Lot Supply and Potential in Traralgon, April 2008

Zone	Lots Available for Development	Vacant Land with Subdivision Potential	Total Vacant Lot Potential	Total Occupied Lots with Subdivision Potential (lot potential)
R1Z	**900**	**634**	**1,534**	**279**
TZ	na	na	na	na
LDRZ	36	21	57	211
Total Residential Zoned Land	**936**	**655**	**1,591**	**490**
RLZ	20	22	42	24
FZ (less than 5 ha)	8	0	8	0
Total Rural and Farm Zone (less than 5ha)	**28**	**22**	**50**	**24**

Source: Essential Economics Field Survey, April 2008; Aerial photos from Latrobe City Council March 2006

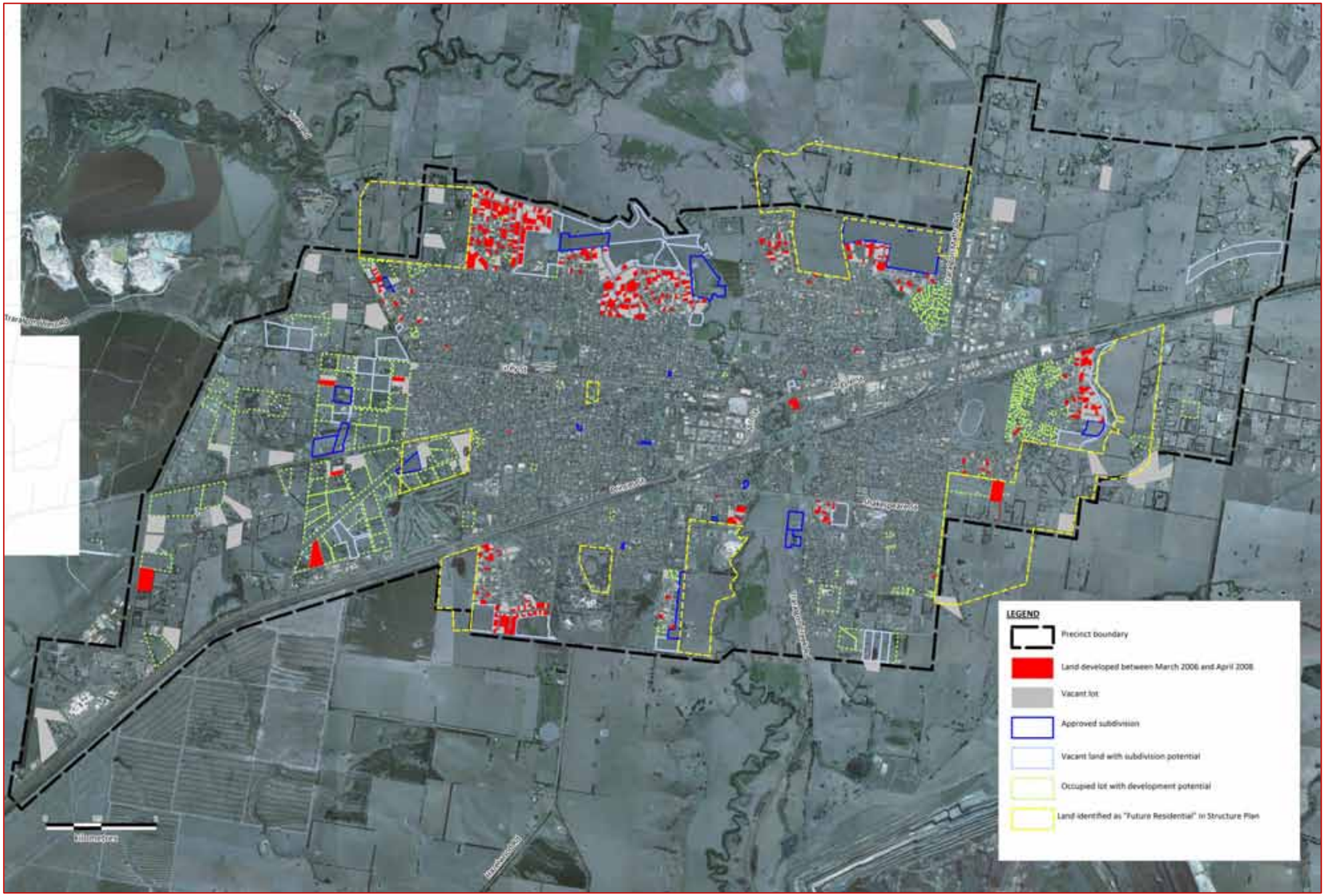
Traralgon Structure Plan 2007

The Traralgon Structure Plan identifies a number of areas as *Future Residential* which has the potential to be rezoned to R1Z, or to provide for residential development if already zoned R1Z; these areas are identified in Figures 5.4 and 5.5. Analysis of the residential potential of these areas has been undertaken with consideration of:

- The amount of land contained in these areas, estimated at approximately 496 ha
- An estimated lot density of 10 lots per hectare
- The existing number of lots contained within these areas, estimated at approximately 110 lots.

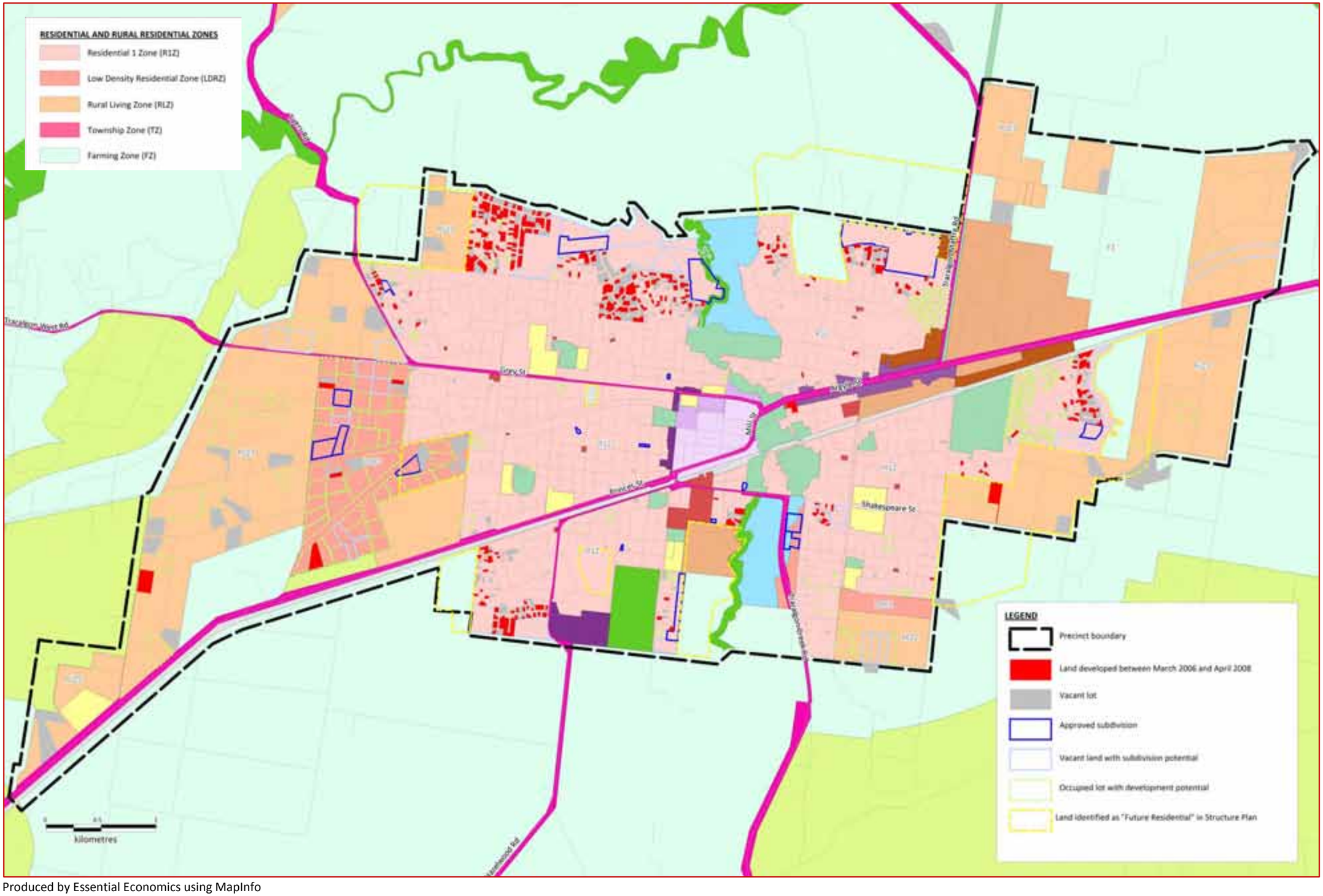
Based on the above, those areas identified in the Traralgon Structure Plan as *Future Residential* have the potential to accommodate an estimated 4,900 additional lots. If a lot density of 12 lots per hectare could be achieved in these areas, the total lot potential would increase to approximately 5,900 additional lots.

Figure 5.4: Traralgon Land Supply and Recent Development (Aerial photo), April 2008



Produced by Essential Economics using MapInfo

Figure 5.5: Traralgon Land Supply and Recent Development (Zoning map), April 2008



Produced by Essential Economics using MapInfo

5.8 Residential Dwelling Demand Forecasts

Forecast Total Dwelling Demand in Traralgon

An estimate of dwelling demand in Traralgon over the next 15 years is based on the Traralgon precinct capturing a share of total dwelling demand as forecast for the Traralgon SLA in Section 4.6 (Table 4.6).

Based on analysis of population growth, new dwelling building permits and recent residential development in the Traralgon precinct and Traralgon SLA, it is likely the Traralgon precinct will continue to accommodate the majority of dwelling demand in the SLA, compared with other smaller townships located in the SLA of Toongabbie, Glengarry, Tyers and part of Traralgon South. It is assumed that the Traralgon precinct would accommodate approximately 90% of dwelling demand in the Traralgon SLA.

Based on this assumption, forecast demand for new dwellings in the Traralgon precinct by scenario is as follows:

- Low growth scenario: There is a forecast demand for approximately an additional 2,400 new dwellings over the next 10 years (annual demand of approximately 240 new dwellings) and approximately 3,500 new dwellings of the next 15 years (annual demand of approximately 230 new dwellings).
- Moderate growth scenario: There is a forecast demand for approximately an additional 2,700 new dwellings over the next 10 years (annual demand of approximately 270 new dwellings) and approximately 4,100 new dwellings of the next 15 years (annual demand of approximately 270 new dwellings).
- High growth scenario: There is a forecast demand for approximately an additional 3,100 new dwellings over the next 10 years (annual demand of approximately 310 new dwellings) and approximately 4,700 new dwellings of the next 15 years (annual demand of approximately 310 new dwellings).

Table 5.6 summarises forecast dwelling demand in the Traralgon precinct.

Table 5.6: Traralgon Dwelling Demand, 2008-2023

Category	2008-2018			2008-2023		
	Low Growth Scenario	Moderate Growth Scenario	High Growth Scenario	Low Growth Scenario	Moderate Growth Scenario	High Growth Scenario
Forecast residential dwelling demand in Traralgon SLA (refer Table 4.6)	2,640	3,030	3,420	3,890	4,530	5,180
Estimated share of dwelling demand for Traralgon precinct	90%	90%	90%	90%	90%	90%
Forecast residential dwelling demand in Traralgon	**2,375**	**2,725**	**3,080**	**3,500**	**4,075**	**4,660**
Forecast annual residential dwelling demand in Traralgon	**238**	**273**	**308**	**233**	**272**	**311**

Source: Essential Economics

Dwelling Demand in Traralgon by Zone

Between March 2006 and April 2008 R1Z accounted for 98.8% of all residential development in Traralgon, LDRZ accounted for 0.8% of development and RLZ accounted for 0.4% of development (refer Table 5.3). Although only minimal development has occurred in LDRZ and RLZ in Traralgon, potential exists for development rates within these zones to increase in the future, provided that suitable land is available for development; nevertheless, the majority of development in Traralgon is likely to continue to occur in R1Z land.

An assessment of the forecast dwelling demand by zone has been undertaken assuming each zone will accommodate the following share of dwelling demand in Traralgon, which takes into consideration limited potential for an increase in the share of development which is to occur on RLZ and LDRZ land:

- R1Z will account for 98% of dwelling demand;
- LDRZ will account for 1% of dwelling demand; and
- RLZ will account for 1% of dwelling demand.

There is no TZ land in Traralgon and the level of demand for FZ land of less than 5 ha is expected to be minimal.

Based on the above, forecast dwelling demand by zone in Traralgon is as follows:

- R1Z land:
  - Low growth scenario: Forecast demand for approximately 2,330 additional dwellings over the next 10 years and approximately 3,430 dwellings over the next 15 years.
  - Moderate growth scenario: Forecast demand for approximately 2,670 additional dwellings over the next 10 years and approximately 3,990 dwellings over the next 15 years.
  - High growth scenario: Forecast demand for approximately 3,020 additional dwellings over the next 10 years and approximately 4,570 dwellings over the next 15 years.
- LDRZ land:
  - Low growth scenario: Forecast demand for approximately 25 additional dwellings over the next 10 years and approximately 35 dwellings over the next 15 years.
  - Moderate growth scenario: Forecast demand for approximately 25 additional dwellings over the next 10 years and approximately 40 dwellings over the next 15 years.
  - High growth scenario: Forecast demand for approximately 30 additional dwellings over the next 10 years and approximately 50 dwellings over the next 15 years.
- RLZ land:
  - Low growth scenario: Forecast demand for approximately 25 additional dwellings over the next 10 years and approximately 35 dwellings over the next 15 years.
  - Moderate growth scenario: Forecast demand for approximately 25 additional dwellings over the next 10 years and approximately 40 dwellings over the next 15 years.
  - High growth scenario: Forecast demand for approximately 30 additional dwellings over the next 10 years and approximately 50 dwellings over the next 15 years.

Table 5.7: Traralgon Dwelling Demand by Zone, 2008-2023

Period	Low Growth Scenario	Moderate Growth Scenario	High Growth Scenario
Estimated share of demand by zone			
R1Z land	98%	98%	98%
LDRZ land	1%	1%	1%
RLZ Land	1%	1%	1%
Total	100%	100%	100%
2008-2018			
Total forecast dwelling demand in Traralgon	2,375	2,725	3,080
Dwelling demand by zone			
R1Z land	2,328	2,671	3,018
LDRZ land	24	27	31
RLZ Land	24	27	31
2008-2023			
Total forecast dwelling demand in Traralgon	3,500	4,075	4,660
Dwelling demand by zone			
R1Z land	3,430	3,994	4,567
LDRZ land	35	41	47
RLZ Land	35	41	47

Source: Essential Economics
Note: Figures may not add due to rounding

5.9 Implications for Residential Land Supply

Based on the analysis presented in this chapter, there is an insufficient supply of R1Z land to meet forecast demand over the next 10 years. Based on the low growth scenario, only a 4-year supply of lots is available for development, and only a 7-year supply of total vacant lot potential in R1Z land in Traralgon. If the high growth scenario prevails, there is only a 5-year supply of total vacant lot potential in R1Z land. Additional R1Z land will need to be identified in Traralgon in order to meet demand for the next 10 and 15 years, and we note that this has been identified in the Traralgon Structure Plan.

Sufficient supply exists in terms of total vacant lot potential in RLZ and LDRZ to meet the planning timeframe of the next 15 years, although some land which is already zoned may need to be released for development.

Table 5.8 summarises the adequacy of residential zoned land in Traralgon as of April 2008.

Table 5.8: Adequacy of Residential Land Supply – Traralgon Precinct, April 2008

Zone	Low Growth Scenario	Moderate Growth Scenario	High Growth Scenario
Supply of Lots Available for Development			
R1Z land	3.9 years	3.4 years	3.0 years
LDRZ land	15.4 years	13.3 years	11.6 years
RLZ Land	8.6 years	7.4 years	6.4 years
Supply of Total Vacant Lot Potential			
R1Z land	6.7 years	5.8 years	5.0 years
LDRZ land	24.4 years	21.0 years	18.3 years
RLZ Land	18.0 years	15.5 years	13.5 years

Source: Essential Economics

Assuming a lot density of 10 lots per hectare (gross) will occur in the future development of R1Z land in Traralgon, demand is forecast for approximately an additional 250 hectares of zoned R1Z land to meet forecast demand over the next 15 years under the moderate growth scenario. This figure increases to approximately 300 hectares under the high growth scenario. These figures are in addition to the total vacant lot potential which exists within existing R1Z land. This land would also have to be released to the market.

Approximately 940 hectares of land are currently zoned R1Z in the Traralgon township; therefore, a significant increase in this supply of between 20% (low growth scenario) to 32% (high growth scenario) is required in order to meet forecast requirements for the next 15 years. Table 5.9 summarises the forecast R1Z land requirement in Traralgon over and above existing zoned land. If a greater lot density can be achieved, or there are significant infill development opportunities, then less land would be required.

As mentioned in Section 5.7, the land identified as *Future Residential* in the Traralgon Structure Plan has the potential to accommodate approximately 4,900 lots based on achieving a density of 10 lots per hectare. This land is sufficient to accommodate forecast demand for R1Z land in Traralgon over the next 15 years, based on the high growth scenario.

The majority of rural living land in Traralgon is in the RLZ3, which has a minimum subdivision size of 2 ha. Taking this into consideration, there is a forecast requirement for approximately an additional 10 ha of RLZ in Traralgon to meet forecast demand over the next 15 year period under the high growth scenario. There is sufficient supply of RLZ land to meet forecast demand over the next 15 years under the moderate growth scenario.

Table 5.9: Residential Land Requirements – Traralgon (over and above total vacant lot potential), April 2008

Zone	Low Scenario	Moderate Scenario	High Scenario
2008-2018 – R1Z Land			
Short-fall in supply of R1Z land	790	1,140	1,480
Assumed lot density per hectare (gross)	10	10	10
R1Z land requirements to meet 10 year supply	79 ha	114 ha	148 ha
2008-2023 – R1Z Land			
Short-fall in supply of R1Z land	1,900	2,460	3,030
Assumed lot density per hectare (gross)	10	10	10
R1Z land requirements to meet 15 year supply	190 ha	246 ha	303 ha
2008-2023 – RLZ Land			
Short-fall in supply of RLZ land	na	na	5
Land required per lots, based on minimum subdivision size of 2 ha (RLZ3) and no allowance for internal roads	na	na	2
RLZ land requirements to meet 15 year supply	na	na	10 ha

Source: Essential Economics
Note: Figures rounded

5.10 Implications on Township Population Growth

Forecasts of the Traralgon precinct's population are presented in Table 5.10 and are based on the forecast demand for residential land presented in this chapter. Between 2001 and 2006 the population in Traralgon increased from approximately 21,100 residents to approximately 23,140 residents at a rate of 1.9% pa (or 410 residents pa).

By 2018, Traralgon's population is forecast to increase to approximately 27,750 residents under the low growth scenario (at a growth rate of 1.5% pa over the next 10 years), to approximately 28,600 residents under the moderate growth scenario (1.8% pa) and to approximately 29,500 residents under the high growth scenario (2.1% pa).

Table 5.10: Forecast Residential Population in Traralgon Precinct, 2001-2018

Year	Low Scenario	Moderate Scenario	High Scenario
2001	21,100	21,100	21,100
2006	23,140	23,140	23,140
2008	23,970	23,970	23,970
2018	27,750	28,620	29,500
Average Annual Growth (%)			
2001-2006	1.9%	1.9%	1.9%
2006-2008	1.8%	1.8%	1.8%
2008-2018	1.5%	1.8%	2.1%
Average Annual Growth (No.)			
2001-2006	410	410	410
2006-2008	420	420	420
2008-2018	380	470	550

Source: ABS Census 2001 and 2006; Essential Economics

5.11 Recommendations

Under all forecast growth scenarios, there is an insufficient supply of R1Z land to meet forecast demand for such land. For planning purposes, it would be prudent to plan for at least the moderate growth scenario for Traralgon, with consideration given to the high growth scenario if future population growth reached these expectations. Therefore, the main recommendations in regards to the future requirements of residential zoned land in Traralgon are as follows:

1. R1Z land

a. Where existing R1Z land can be released to the market, this should be encouraged, as there is only a 3.4 year supply of R1Z available for development (under the moderate growth scenario).

b. Under the moderate growth scenario there is an estimated supply of approximately 6 years of total vacant lot potential.

c. Approximately an additional 110 hectares of R1Z land should be identified in order to meet demand for such land over the next 10 years, and approximately 250 additional hectares should be identified in order to meet demand over the next 15 years (based on the moderate growth scenario).

d. Land identified in the Traralgon Structure Plan as *Future Residential* and which has the potential to be rezoned to R1Z, or to provide for residential development if already zoned R1Z, is sufficient to accommodate forecast demand for R1Z over the next 15 years and beyond based on the high growth scenario.

e. There may be opportunities to reduce the amount of R1Z land required in Traralgon and these should be encouraged by way of Council policy and may include:

- Increasing residential densities by encouraging smaller lot sizes in developing estates;
- Encouraging infill development which increases the number of dwellings; and
- Potential to rezone land to allow for residential development on land where existing uses are becoming redundant or inappropriate.

2. LDRZ Land

a. There is a sufficient total vacant lot supply of LDRZ land in Traralgon with an estimated supply of 21 years based on the moderate growth scenario. The supply of LDRZ lots available for development is estimated at 13 years; therefore there is potential to encourage the release of LDRZ land to the market.

3. RLZ Land

a. There is a sufficient total vacant lot supply of RLZ land in Traralgon with an estimated supply of 15 years based on the moderate growth scenario. The supply of RLZ lots available for development is estimated at 7 years; therefore there is potential to encourage the release of RLZ land to the market.

6 MOE/NEWBOROUGH RESIDENTIAL MARKET ASSESSMENT

6.1 Introduction

This chapter provides a residential market assessment for Moe/Newborough and includes recommendations on the future supply of residential and rural zoned land based on an assessment of recent and forecast property trends.

6.2 Precinct Overview

Moe and Newborough are adjoining suburbs on the western edge of the Latrobe municipality, and are situated to the north and south of the Princes Freeway, approximately 120 kilometres, or a less than a 2-hour drive from central Melbourne.

Population in Moe/Newborough has remained relatively stable in recent years, and this is illustrated in the lower levels of residential development compared to the other major townships in Latrobe, namely Traralgon and Morwell. Moe/Newborough is an area which has suffered from a negative image over the years.

The town centre in Moe provides a mix of retail and business functions and primarily serves the western part of Latrobe and neighbouring areas in the Baw Baw municipality.

Moe/Newborough is a major employment destination in Latrobe and is the location for approximately 4,000 jobs based on ABS 2006 Journey to Work data, and this accounts for 14% of all jobs in Latrobe.

Figure 6.1 illustrates the location of the Moe/Newborough precinct. Moe/Newborough is located in the Moe Statistical Local Area (SLA).

Figure 6.1: Moe/Newborough Precinct

Prepared by Essential Economics using MapInfo and StreetPro

6.3 Residential Property Trends

According to local real estate agents the residential property market in Moe/Newborough has experienced steady growth in recent years; however, it has plateaued in recent months. More affordable properties in the $90,000 to $150,000 range continue to sell well, with sales of properties in the $150,000 to $200,000 range slowing and more expensive properties slowing even further.

Only a limited number of new subdivisions exist in Moe/Newborough and this situation is understood to have constrained demand. There is an expectation that there will be significant activity in terms of

demand once developer interest in Moe progresses to the point where actual residential product is "on the ground".

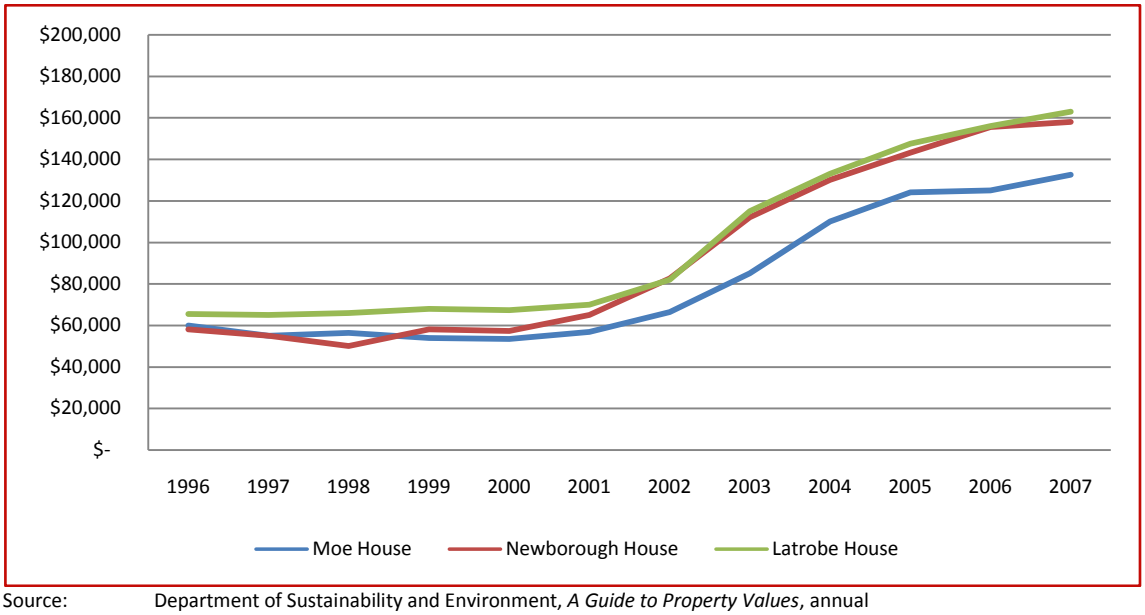
Table 6.1 and Figure 6.2 illustrate the growth in median property prices in recent years. Median house prices in Newborough are higher than those in Moe and have in general experienced stronger growth, although Moe outperformed Newborough in terms of price growth over the past year. Vacant land prices in Moe have experienced strong growth in recent years of 20.8% pa between 2004 and 2006, and this compares to 10.9% pa for Latrobe. Only a small number of vacant land sales have been recorded in Newborough.

Table 6.1: Median Property Values in Moe and Newborough, 1996-2007

Property Type	1996	2001	2004	2006	2007	Average Annual Growth Rate			
						1996-2001	2001-2004	2004-2006	2006-2007
Moe House	$59,950	$56,865	$110,000	$125,000	$132,500	-1.1%	24.6%	6.6%	6.0%
Moe Unit/Apartment	$41,000	$52,500	$87,500	4160,750	$180,000	5.1%	18.6%	35.5%	12.0%
Moe Vacant Land	$29,000	$34,250	$50,000	$73,000	$78,250	3.4%	13.4%	20.8%	7.2%
Newborough House	$58,000	$65,000	$130,000	$155,500	$158,000	2.3%	26.0%	9.4%	1.6%
Newborough Unit/Apartment	$75,000	$57,500	$122,500	$140,000	$120,250	-5.2%	28.7%	6.9%	-14.1%
Newborough Vacant Land	$29,000	$34,250	$50,000	$41,000^	na	3.4%	13.4%	-9.4%	na
Latrobe House	$65,500	$70,000	$133,000	$156,000	$163,000	1.3%	23.9%	8.3%	4.5%
Latrobe Unit/Apartment	$63,000	$58,000	$115,500	$142,000	$142,750	-1.6%	25.8%	10.9%	0.5%
Latrobe Vacant Land	$28,750	$36,750	$65,000	$82,000	$91,000	5.0%	20.9%	12.3%	11.0%

Source: Department of Sustainability and Environment, *A Guide to Property Values*, annual
Note: ^ denotes less than 10 sales

Figure 6.2: Median House Values in Moe and Newborough, 1996-2007



Source: Department of Sustainability and Environment, *A Guide to Property Values*, annual

6.4 Socio-Economic Trends

In general, Moe/Newborough is characterised as having a slightly older demographic with lower socio-economic characteristics such as income and property values compared with the balance of the municipality.

A summary of the socio-economic trends of Moe/Newborough residents between the 2001 and 2006 ABS Census is provided in Table 6.2, with the main trends and points from the analysis summarised as follows:

- Age Structure: Moe/Newborough has a slightly older demographic with 17.9% of residents in 2006 aged 65 years or over compared to 14.1% for Latrobe. This characteristic is also illustrated in the high proportion of lone-person households which is the largest household type with 30.6% of the population in 2006 compared to the average of 26.7% for Latrobe.
- Occupation: Moe/Newborough's labour force is characterised as largely 'blue-collar' with 67% of employed residents working as technicians/tradespersons, machinery operators/drivers and labourers; this compares with the average for Latrobe of 63%.
- Income: Median individual incomes ($17,664) are approximately 10% below that of Latrobe ($19,607). Incomes have experienced steady growth comparable to that of Latrobe over the past five years.
- Dwelling Structure: Although detached dwellings continue to account for the majority (85.8%) of dwellings in Moe/Newborough, there has been an increase in the number and shares of medium density dwellings with the semi-detached and units/apartments increasing from 12.4% in 2001 to 14.0% in 2006.
- Home Ownership: Home ownership remains strong in Moe/Newborough with 40.9% of residents fully-owning their property compared to the average of 39.0% for Latrobe. The proportion of dwellings being rented is slightly above the Latrobe average (Moe/Newborough: 27.7%; Latrobe: 25.0%), while the share of houses being purchased is significantly below the Latrobe average (Moe/Newborough: 30.7%; Latrobe: 35.4%).
- Housing Costs: Both median rental and home-loan repayments have increased in-line with the balance of Latrobe. The burden of servicing home loans and rental payments is slightly above the average for the municipality. 27.7% of household income is consumed by home loan repayments, this compares to 25.5% for the municipality.

Table 6.2: Socio-Economic Trends of Moe/Newborough Residents, 2001-2006

Indicator	2001	2006	Percentage point change	Latrobe LGA 2006	Latrobe Percentage point change
Age Structure					
0-14 years	22.1%	20.0%	-2.0%	20.7%	-2.2%
15-24 years	12.5%	13.0%	+0.4%	14.1%	+0.5%
25-44 years	25.8%	23.9%	-1.9%	25.2%	-2.5%
45-64 years	23.2%	25.2%	+2.0%	25.8%	+2.7%
65 years and over	16.5%	17.9%	+1.4%	14.1%	+1.5%
Total Population	16,457	16,421	-0.2% change	69,328	+2.3%
Median age (years)	37	39	+5.3% change	38	+7.5% change
Occupation					
Managers & professionals	18.4%	17.5%	-0.9%	22.1%	-0.8%
Clerical & sales workers	16.2%	15.7%	-0.6%	15.1%	+0.2%
Technicians & trades workers	33.7%	32.5%	-1.2%	31.4%	-0.1%
Machinery operators & drivers	17.8%	20.0%	+2.1%	18.6%	+0.5%
Labourers & related workers	13.8%	14.3%	+0.5%	12.9%	+0.3%
Income					
Median individual income (annual)	$14,368	$17,664	+4.2% (aagr)	$19,607	+4.9% (aagr)
Variation from Latrobe LGA	-7.0%	-9.9%			
Median household income (annual)	$25,870	$32,615	+4.7% (aagr)	$40,602	+4.4% (aagr)
Variation from Latrobe LGA	-21.0%	-19.7%			
% of h'holds earning $2,000pw or more	2.5%	8.0%	+5.5% change	11.7%	+7.4% change
Household Composition					
Couple family with no children	23.6%	24.0%	+0.4%	25.2%	+1.3%
Couple family with children	27.6%	25.2%	-2.4%	28.3%	-3.3%
One Parent Family with children	13.8%	14.1%	+0.4%	12.6%	+0.2%
Other Family	2.7%	4.0%	+1.3%	4.5%	+1.2%
Lone Person Household	29.9%	30.6%	+0.7%	26.7%	+0.7%
Group Household	2.5%	2.1%	-0.4%	2.6%	-0.0%
Average household size	2.41	2.34	-2.9% change	2.44	-3.5% change
Dwelling Structure					
Detached	87.4%	85.8%	-1.6%	88.2%	-0.7%
Semi-detached	5.3%	2.9%	-2.4%	2.9%	-1.1%
Flat/unit or apartment	7.1%	11.1%	+4.0%	8.4%	+2.2%
Other	0.3%	0.2%	-0.1%	0.6%	-0.3%
Occupancy rate	88.8%	89.4%	+0.6%	89.9%	+0.3%
Total private dwellings	7,258	7,299	+0.1% (aagr)	29,188	+0.7% (aagr)
Home Ownership					
Fully owned	47.5%	40.9%	-6.6%	39.0%	-5.9%
Being purchased	26.6%	30.7%	+4.1%	35.4%	+4.4%
Renting	24.8%	27.7%	+2.9%	25.0%	+2.0%
Other	1.1%	0.7%	-0.5%	0.6%	-0.4%
Housing Costs					
Median housing loan repayment (monthly)	$473	$760	+9.9% (aagr)	$863	+9.7% (aagr)
Median loan repayment as % of median h'hldincome	21.9%	27.9%	+6.0%	25.5%	+5.6%
Median rental payment (weekly)	$82	$118	+7.6% (aagr)	$130	+6.3% (aagr)
Median rent as % of median h'hld income	16.5%	18.9%	+2.4%	16.6%	+1.5%
Median House Price	$56,865	$125,000	+17.1% (aagr)	$155,500	+16.4% (aagr)

Source: ABS Census 2001 and 2006 (Usual resident profile)
Note: aagr - Average Annual Growth Rate

6.5 Analysis of Building Permits

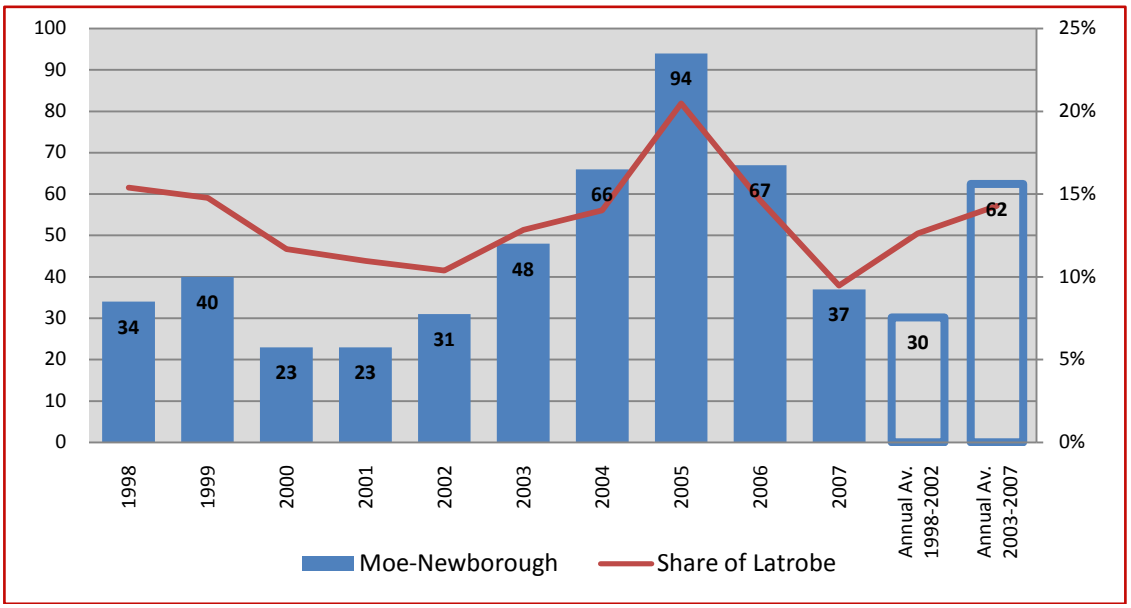
The number of new dwellings resulting from building permits in Moe/Newborough peaked at 94 in 2005 as a result of one building permit which resulted in 57 new dwellings. Excluding this building permit, a total of 37 new dwellings resulted from building permits in 2005.

Nevertheless, the past five years has seen an increase in the number of new dwellings compared to the previous five years. Between2003 and 2007 Moe/Newborough averaged 62 new dwellings per annum (51 excluding the aforementioned building permit in 2005) compared to an average of 30 new dwellings per annum between 1998 and 2002.

In 2007, only 37 new dwellings from domestic building permits were recorded in Moe/Newborough, which was less than 10% of all new dwellings from building permits in Latrobe.

Figure 6.3 summarises the number of new dwellings as a result of domestic building permits in Moe/Newborough as sourced from the Building Commission of Victoria.

Figure 6.3: Moe/Newborough Building Permits (number of dwellings), 1998-2007



Source: Building Commission of Victoria

6.6 Recent Development Rates

A summary of recent residential development in Moe/Newborough is presented in Table 6.3, while the location of development is shown in Figures 6.4 and 6.5.

Between March 2006 and April 2008, approximately 70 dwellings were developed in Moe/Newborough, making this precinct the third most of all study precincts (only Traralgon and Morwell had more development) and accounted for 9% of all residential development in these areas. The annual development rate for Moe/Newborough over this period was 33 dwellings per annum, which closely resembles building permit data for 2007 shown in Figure 6.3.

The majority of development occurred in R1Z land. R1Z land accounted for 94% of development in Moe/Newborough and accounted for 31 dwellings per annum, with these evenly divided between new estates and existing residential areas. The median lot size of development which occurred on R1Z land between March 2006 and April 2008 was approximately 720m^2; development which occurred in new estates had a larger median lot size of approximately 970m^2.

Only limited land is available in Moe/Newborough which is zoned for lower density residential development; as a result there has been limited low density residential development in recent years,

with a development rate of 2 dwellings per annum on RLZ land. No LDRZ land exists in Moe/Newborough.

Table 6.3: Recent Residential Development by Zone in Moe/Newborough, March 2006 to April 2008

Zone	No. of Lots Developed	No. of Dwellings Developed	Annual Development Rate	Percentage of Dwellings Developed	Percentage of Total Dwellings Developed in the Study Precincts	Median Lot Size
R1Z						
Developing estates	29	30	14.4	44.1%	5.2%	970 m^2
Elsewhere	24	34	16.3	50.0%	26.4%	600 m^2
R1Z - Total	**53**	**64**	**30.7**	**94.1%**	**9.1%**	**720 m^2**
RLZ	**4**	**4**	**1.9**	**5.9%**	**23.5%**	**21,650 m^2**
Total	**57**	**68**	**32.6**	**100.0%**	**9.3%**	**740 m^2**

Source: Essential Economics Field Survey, April 2008; Aerial photos from Latrobe City Council March 2006

6.7 Supply of Residential Land

An assessment of the supply of residential and rural residential land available for development in Moe/Newborough was conducted in April 2008. A description of the supply categories referred to in this analysis is provided in Table 6.4, with further explanation provided in Section 1.3 Methodology.

The estimated supply of residential and rural residential lots presented in this chapter does not take into consideration a number of factors which could limit the number of actual developable lots, such as environmental constraints (eg. flood-prone) or infrastructure constraints. It is likely that the number of lots which could eventually be developed would be somewhat smaller than the estimates presented in the analysis below.

Table 6.4: Residential and Rural Residential Supply Categories

Land Type	Explanation	Composition of Categories
(A) Vacant lots	Vacant R1Z and TZ lots which are less than 2,000m2; vacant FZ lots which are less than 5 ha; and vacant LDRZ, RLZ which cannot be further subdivided according to relevant minimum subdivision sizes.	na
(B) Lots in approved subdivisions	Lots which have planning approval to be subdivided	na
(C) Lots available for development	**An estimate of the number of lots which could be developed with no further subdivision approval required by Latrobe City Council**	**A + B**
(D) Vacant land with subdivision potential	Vacant lots which could potentially be subdivided into at least two lots based on the minimum subdivision size of the corresponding zone. For R1Z and TZ land, this consists of vacant lots which are at least 2,000m^2.	na
(E) Total vacant lot potential	**An estimate of the total lot potential on land which is currently vacant and which has the potential to be developed in the near future.**	**C + D**
(F) Vacant parcels of land that are part of a larger occupied allotment	Vacant land titles which form part of a larger property which contains a dwelling.	na
(G) Occupied lots with subdivision potential	Lots which are occupied by a dwelling but are large enough to be subdivided into at least two lots based on the minimum subdivision size for the corresponding zone. The lot potential for these properties is based on the minimum subdivision size, taking into account the existing dwelling on the property. For R1Z land, this category includes lots which are at least 2,000m^2, and the lot potential is based on a residential lot density which is similar to existing residential subdivision patterns in the precinct	na
(H) Additional lot potential on occupied allotments	**Land which is currently occupied but has the potential to accommodate additional lots in the future. The extent of this potential varies.**	**F + G**

Source: Essential Economics

Land zoned for residential development in Moe/Newborough comprises R1Z, while rural residential living is accommodated by RLZ3, RLZ4, RLZ5 and RLZ6 and a number of FZ allotments of less than 5 ha. There is no LDRZ or TZ land in Moe/Newborough. A summary of the residential and rural residential lot supply is provided in Table 6.5 and is discussed below.

Supply of R1Z Land

The supply of R1Z land in Moe/Newborough consists of:

- Lots available for development: There are approximately 330 R1Z lots available for development in Moe/Newborough, which comprises approximately 170 existing vacant lots and approximately 160 lots which will be created by approved subdivisions.
- Total vacant lot potential: Total vacant lot potential in Moe/Newborough is estimated at approximately 980 lots, which includes approximately 330 lots available for development and approximately 650 lots which could be created by subdivision of large vacant lots. This estimate is based on large vacant lots achieving a density of 10 lots per hectare. Additional vacant lot potential could be created if a greater density were to be achieved.
- Occupied lots with subdivision potential: There are approximately 110 occupied R1Z lots which are greater than 2,000m^2. Assuming they could be developed at a density of approximately 10 lots per hectare, it is estimated an additional 850 lots would be created. The majority of these lots are smaller than 0.5 ha and are unlikely to become available for development in the next 15 years; however, there are a number of large properties located to the north-west of Moe which have the potential to become available for development in the near future. There are four

occupied parcels of land in this area which have the potential to accommodate approximately an additional 420 lots. This area has been identified in the Moe and Newborough Structure Plan as an 'existing residential opportunity'.

In addition, there are approximately 20 lots which are vacant parcels of land which are part of a larger occupied allotment.

Unlike Traralgon, significant potential exists for additional lots to be created via subdivision of large occupied lots in the Moe/Newborough precinct. Assuming up to 50% of total occupied lots with subdivision potential become available for development over the next 15 years, this would equate to approximately 430 additional lots.

Supply of RLZ Land

The supply of rural living zones in Moe/Newborough (RLZ3, RLZ4, RLZ5, RLZ6) consists of:

- Lots available for development: 27 vacant RLZ lots have no potential to be subdivided based on the minimum subdivision size. There are no approved subdivisions on RLZ land.
- Total vacant lot potential: Total vacant RLZ lot potential in Moe/Newborough is estimated at 39 lots, and this figure includes 27 lots available for development, and 12 lots which could be created by the subdivision of large vacant lots.
- Occupied lots with subdivision potential: Potential exists for approximately 50 additional lots to be created by the subdivision of larger RLZ lots, or vacant parcels of land which are part of a larger occupied allotment becoming available for development. The majority of larger lots would only have the potential to create one additional lot; however, there is one parcel of RLZ3 land which if subdivided would create an additional 19 lots. The likelihood of this parcel of land and the other smaller parcels of land becoming available for development over the next 15 years is unknown. It is not recommended that these lots be considered as part of the potential residential land supply in Moe/Newborough.

Supply of FZ lot of less than 5 ha

There is a total supply of 14 vacant FZ lots of less than 5 ha in size.

Table 6.5: Residential Lot Supply and Potential in Moe/Newborough, April 2008

Zone	Lots Available for Development	Vacant Land with Subdivision Potential	Total Vacant Lot Potential	Total Occupied Lots with Subdivision Potential
R1Z	**328**	**648**	**976**	**868**
TZ	na	na	na	na
LDRZ	na	na	na	na
Total Residential Zoned Land	**328**	**648**	**976**	**868**
RLZ	27	12	39	49
FZ (less than 5 ha)	14	0	14	2
Total Rural and Farm Zone (less than 5ha)	**41**	**12**	**53**	**51**

Source: Essential Economics Field Survey, April 2008; Aerial photos from Latrobe City Council March 2006

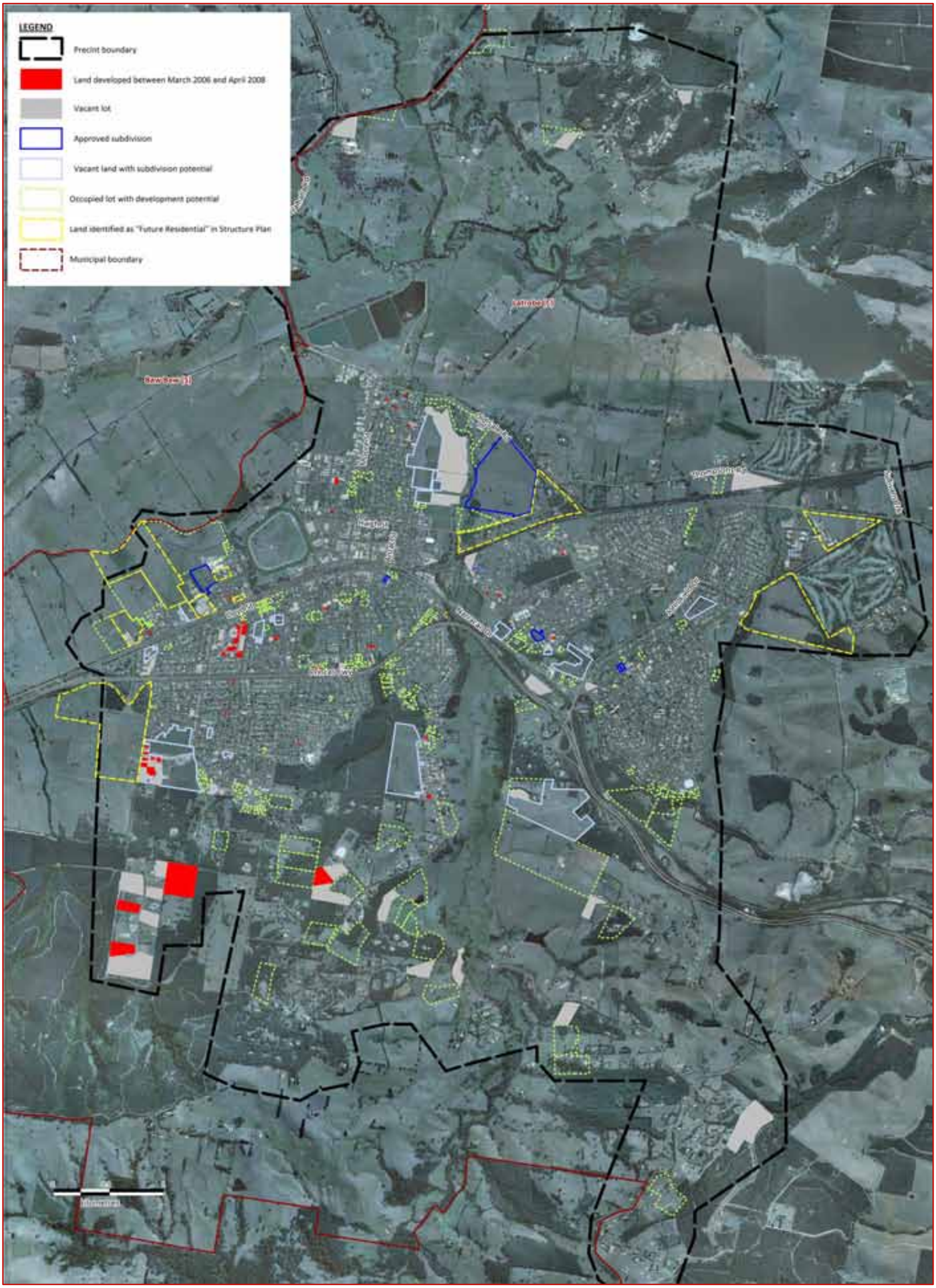
Moe and Newborough Structure Plan 2007

The Moe and Newborough Structure Plan identified a number of areas as *Future Residential* and which have the potential to accommodate residential development in the future; these areas are identified in Figures 6.4 and 6.5. Analysis of the residential potential of these areas has been undertaken with consideration of:

- The amount of land contained in these areas, estimated at approximately 147 ha
- An estimated density of 10 lots per hectare
- The existing number of lots contained within these areas, estimated at approximately 15 lots.

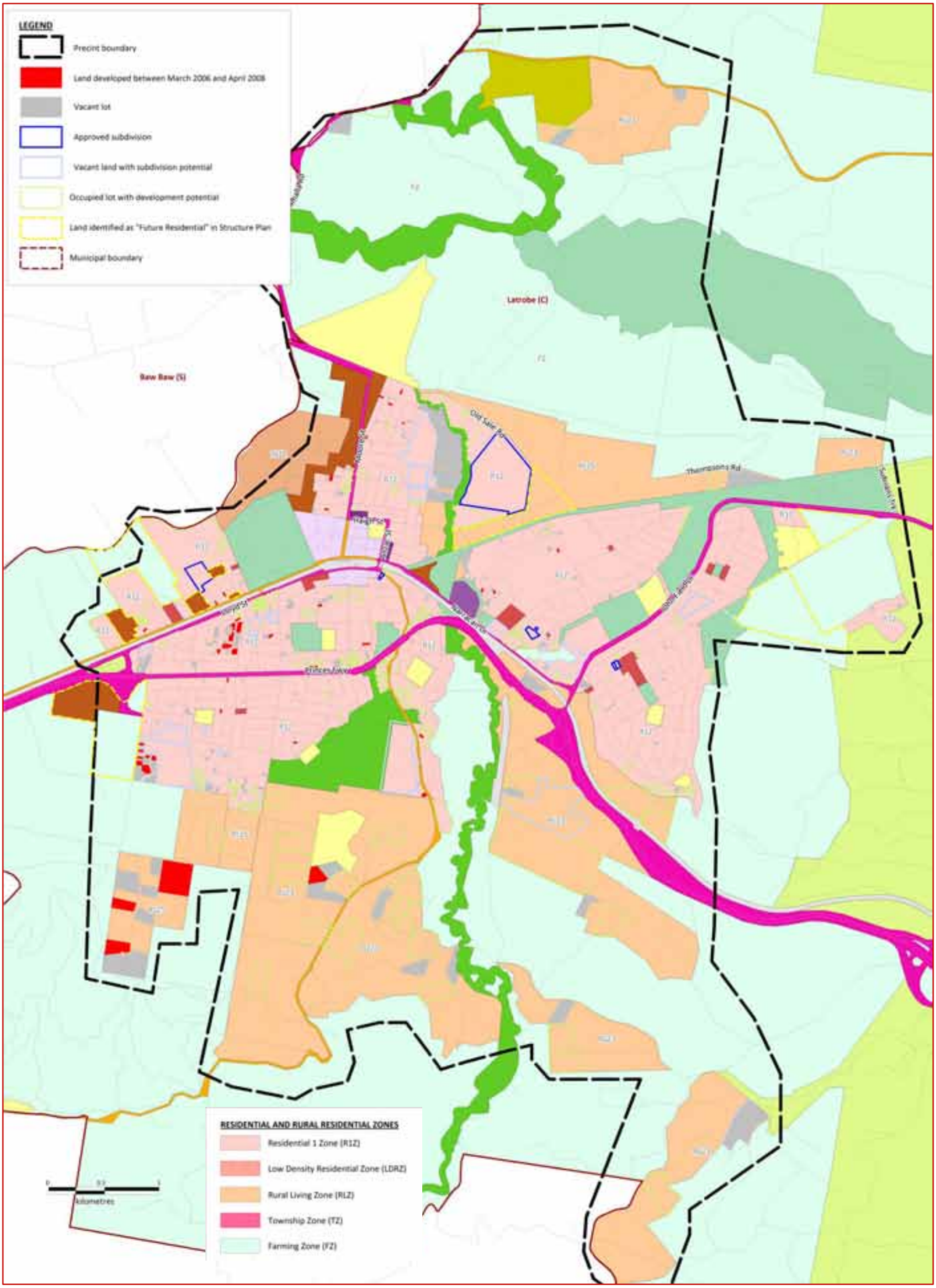
Based on the above, those areas identified in the Moe and Newborough Structure Plan as *Future Residential* have the potential to accommodate an estimated 1,460 additional lots. If a density of 12 lots per hectare could be achieved in these areas, the total lot potential would increase to approximately 1,750 additional lots.

Figure 6.4: Moe/Newborough Land Supply and Recent Development (Aerial photo), April 2008



Produced by Essential Economics using MapInfo

Figure 6.5: Moe/Newborough Land Supply and Recent Development (Zoning map), April 2008



Produced by Essential Economics using MapInfo

6.8 Residential Dwelling Demand Forecasts

Forecast Total Dwelling Demand in Moe/Newborough

An estimate of dwelling demand in Moe/Newborough over the next 15 years is based on the Moe/Newborough precinct capturing a share of total dwelling demand as forecast for the Moe SLA in Section 4.6 (Table 4.6).

Based on analysis of population growth, new dwelling building permits and recent residential development in the Moe/Newborough precinct and the Moe SLA, it is likely the Moe/Newborough precinct will continue to accommodate the majority of dwelling demand in the SLA, compared with the western part of Yallourn North and the balance of the SLA. It has been assumed that the Moe/Newborough precinct would accommodate approximately 95% of dwelling demand in the Moe SLA.

Based on this assumption, forecast demand for new dwellings in the Moe/Newborough precinct by scenario is as follows:

- Low growth scenario: Demand is forecast for approximately an additional 525 new dwellings over the next 10 years (annual demand of approximately 55 new dwellings) and approximately 760 new dwellings of the next 15 years (annual demand of approximately 50 new dwellings).
- Moderate growth scenario: Demand is forecast for approximately an additional 990 new dwellings over the next 10 years (annual demand of approximately 100 new dwellings) and approximately 1,490 new dwellings of the next 15 years (annual demand of approximately 100 new dwellings).
- High growth scenario: Demand is forecast for approximately an additional 1,235 new dwellings over the next 10 years (annual demand of approximately 125 new dwellings) and approximately 1,870 new dwellings of the next 15 years (annual demand of approximately 125 new dwellings).

Table 6.6 summarises forecast dwelling demand in Moe/Newborough.

Table 6.6: Moe/Newborough Dwelling Demand, 2008-2023

Category	2008-2018			2008-2023		
	Low Growth Scenario	Moderate Growth Scenario	High Growth Scenario	Low Growth Scenario	Moderate Growth Scenario	High Growth Scenario
Forecast residential dwelling demand in Moe SLA (refer Table 4.6)	550	1,040	1,300	800	1,570	1,970
Estimated share of dwelling demand for Moe/Newborough precinct	95%	95%	95%	95%	95%	95%
Forecast residential dwelling demand in Moe/Newborough	**525**	**990**	**1,235**	**760**	**1,490**	**1,870**
Forecast annual residential dwelling demand in Moe/Newborough	**53**	**99**	**124**	**51**	**99**	**125**

Source: Essential Economics

Dwelling Demand in Moe/Newborough by Zone

Between March 2006 and April 2008 R1Z accounted for 94.1% of all residential development in the Moe/Newborough forecast and RLZ accounted for 5.9% of development (refer Table 6.3). Currently, no

opportunities exist for residential development on LDRZ in the Moe/Newborough precinct, which has impacted on the shares of development which occurred in each of the residential zones shown in Table 6.3.

An assessment of the forecast dwelling demand by zone has been undertaken assuming that LDRZ land is made available for development and assumes each zone will accommodate the following shares of dwelling demand in the Moe/Newborough precinct:

- R1Z will account for 92% of dwelling demand;
- LDRZ will account for 4% of dwelling demand; and
- RLZ will account for 4% of dwelling demand.

There is no TZ land in the Moe/Newborough precinct, and the level of demand for FZ land of less than 5 ha is expected to be minimal.

Based on the above, forecast dwelling demand by zone in the Moe/Newborough precinct is as follows:

- R1Z land:
  - Low growth scenario: Forecast demand for approximately 480 additional dwellings over the next 10 years and approximately 700 dwellings over the next 15 years.
  - Moderate growth scenario: Forecast demand for approximately 910 additional dwellings over the next 10 years and approximately 1,370 dwellings over the next 15 years.
  - High growth scenario: Forecast demand for approximately 1,140 additional dwellings over the next 10 years and approximately 1,720 dwellings over the next 15 years.
- LDRZ land:
  - Low growth scenario: Forecast demand for approximately 20 additional dwellings over the next 10 years and approximately 30 dwellings over the next 15 years.
  - Moderate growth scenario: Forecast demand for approximately 40 additional dwellings over the next 10 years and approximately 60 dwellings over the next 15 years.
  - High growth scenario: Forecast demand for approximately 50 additional dwellings over the next 10 years and approximately 75 dwellings over the next 15 years.
- RLZ land:
  - Low growth scenario: Forecast demand for approximately 20 additional dwellings over the next 10 years and approximately 30 dwellings over the next 15 years.
  - Moderate growth scenario: Forecast demand for approximately 40 additional dwellings over the next 10 years and approximately 60 dwellings over the next 15 years.
  - High growth scenario: Forecast demand for approximately 50 additional dwellings over the next 10 years and approximately 75 dwellings over the next 15 years.

Table 6.7: Moe/Newborough Dwelling Demand by Zone, 2008-2023

Period	Low Growth Scenario	Moderate Growth Scenario	High Growth Scenario
Estimated share of demand by zone			
R1Z land	92%	92%	92%
LDRZ land	4%	4%	4%
RLZ Land	4%	4%	4%
Total	100%	100%	100%
2008-2018			
Total forecast dwelling demand in Moe/Newborough	525	990	1,235
Dwelling demand by zone			
R1Z land	483	911	1,136
LDRZ land	21	40	49
RLZ Land	21	40	49
2008-2023			
Total forecast dwelling demand in Moe/Newborough	760	1,490	1,870
Dwelling demand by zone			
R1Z land	699	1,371	1,720
LDRZ land	30	60	75
RLZ Land	30	60	75

Source: Essential Economics
Note: Figures may not add due to rounding

6.9 Implications for Residential Land Supply

It is evident from the analysis that limited development opportunities have been available in Moe/Newborough, and this is illustrated in the supply of R1Z land which is available for development being significantly below 10 years under each of the three growth scenarios. In terms of planning for the future requirement for residential land in Moe/Newborough, it would be prudent to plan for at least the moderate growth scenario which would accommodate for limited population growth. In the event that this scenario does no eventuate, at least the release of residential zoned land will provide for a greater level of housing choice in Moe/Newborough. In addition, providing for LDRZ in the precinct will also contribute to additional housing choice.

Based on the analysis presented in this chapter, there is an insufficient supply of R1Z land (total vacant lot potential) to meet forecast demand over the next 15 years under the moderate growth scenario, and there is a requirement for existing R1Z land to be made available for development. Based on the moderate growth scenario, only a 3.6-year supply of R1Z lots is available for development, and approximately an 11-year supply of total vacant lot potential. There is potential for additional large occupied lots to be subdivided over the next 15 years; assuming half of these lots were to become available for development, this would add up to an additional 5-year supply. The Moe and Newborough Structure Plan encouraged these lots to be released for development.

Based on the moderate growth scenario there is a 7-year supply of RLZ lots available for development and 10 year supply of total vacant lot potential.

As mentioned earlier, currently no LDRZ land is available in Moe/Newborough and providing for this zone would contribute to creating additional housing choice in the precinct.

Table 6.8 summarises the adequacy of residential zoned land in Moe/Newborough as of April 2008.

Table 6.8: Adequacy of Residential Land Supply – Moe/Newborough, April 2008

Zone	Low Growth Scenario	Moderate Growth Scenario	High Growth Scenario
Supply of Lots Available for Development			
R1Z land	7.0 years	3.6 years	2.9 years
LDRZ land	No supply	No supply	No supply
RLZ Land	13.3 years	6.8 years	5.4 years
Supply of Total vacant Lot Potential			
R1Z land	20.9 years	10.7 years	8.5 years
LDRZ land	No supply	No supply	No supply
RLZ Land	19.2 years	9.8 years	7.8 years

Source: Essential Economics

Assuming a lot density of 10 lots per hectare (gross) will occur in the future development of R1Z land in Moe/Newborough, there is a forecast demand for approximately an additional 40 hectares of zoned R1Z land to meet forecast demand over the next 15 years, based on the moderate growth scenario. This figure increases to approximately 75 hectares under the high growth scenario. These figures are in addition to the total vacant lot potential which exists within existing R1Z land. This land would also have to be released to the market.

As mentioned in Section 6.7, the land identified as *Future Residential* in the Moe and Newborough Structure Plan has the potential to accommodate approximately 1,460 lots, based on achieving a density of 10 lots per hectare. This land is sufficient to accommodate forecast demand for R1Z land in Moe and Newborough over the next 15 years based on the high growth scenario. In addition, potential exists for large occupied lots on existing R1Z land to be subdivided over the next 15 years and become available for development.

The majority of rural living land in Moe/Newborough is in the RLZ3 zone, which has a minimum subdivision size of 2 ha. Taking this into consideration there is a forecast requirement for approximately an additional 40 ha of RLZ in Moe/Newborough to meet forecast demand over the next 15 year period under the moderate growth scenario.

Under the moderate growth scenario, there is a forecast requirement for approximately 30 ha of LDRZ land in the Moe/Newborough precinct.

Table 6.9 summarises the forecast R1Z and RLZ land requirement in Moe/Newborough over and above existing zoned land. Land requirements will vary depending on the desired lot densities.

Table 6.9: Residential Land Requirements – Moe/Newborough (over and above total lot potential), April 2008

Zone	Low Scenario	Moderate Scenario	High Scenario
2008-2023			
Short-fall in supply of R1Z land	sufficient supply	395	744
Assumed lot density per hectare (gross)	na	10	10
R1Z land requirements to meet 15 year supply	na	39 ha	74 ha
Short-fall in supply of RLZ land	sufficient supply	21	36
Land required per lot, based on minimum subdivision size of 2 ha (RLZ3) and no allowance for internal roads	na	2 ha	2 ha
RLZ land requirements to meet 15 year supply	na	41 ha	72 ha
Short-fall in supply of LDRZ land	30	60	75
Assumed lot density per hectare (gross)	2	2	2
RLZ land requirements to meet 15 year supply	15 ha	30 ha	37 ha

Source: Essential Economics

6.10 Implications on Township Population Growth

Forecasts of Moe/Newborough's population are presented in Table 6.10 and are based on the forecast demand for residential land presented in this chapter. Between 2001 and 2006 the population in Moe/Newborough declined from approximately 17,170 residents to approximately 17,070 residents at a rate of -0.1%% pa (or -20 residents pa).

By 2018, the Moe/Newborough population is forecast to experience limited growth under the low growth scenario to approximately 17,110 residents. It is forecast to increase to approximately 18,010 residents under the moderate growth scenario (at a growth rate of +0.6% pa over the next 10 years) and to approximately 18,490 residents under the high growth scenario (+0.8% pa over the next 10 years).

Table 6.10: Forecast Residential Population in Moe/Newborough, 2001-2018

Year	Low Scenario	Moderate Scenario	High Scenario
2001	17,170	17,170	17,170
2006	17,070	17,070	17,070
2008	17,030	17,030	17,030
2018	17,110	18,010	18,490
Average Annual Growth (%)			
2001-2006	-0.1%	-0.1%	-0.1%
2006-2008	-0.1%	-0.1%	-0.1%
2008-2018	0.0%	+0.6%	+0.8%
Average Annual Growth (No.)			
2001-2006	-20	-20	-20
2006-2008	-20	-20	-20
2008-2018	10	+100	+150

Source: ABS Census 2001 and 2006; Essential Economics

6.11 Recommendations

It would be prudent to plan for at least the moderate growth scenario for Moe/Newborough which provides for moderate population growth, with consideration given to the high growth scenario if future population growth reached these levels.

The main recommendations in regards to the future requirements of residential zoned land in Moe/Newborough are:

1. R1Z land

a. Where existing R1Z land can be released to the market, this should be encouraged, as there is only a 4-year supply of R1Z available for development (based on the moderate growth scenario).

b. There is a large supply of R1Z land with the potential to be subdivided in the future, including both vacant and occupied parcels of land. The subdivision of these parcels of land should be encouraged.

c. Approximately an additional 40 hectares of R1Z land should be identified in order to meet demand for such land over the next 15 years based on the moderate growth scenario.

d. Land identified in the Moe and Newborough Structure Plan as *Future Residential* is sufficient to accommodate forecast demand for R1Z over the next 15 years and beyond based on the high growth scenario.

e. There may be opportunities to reduce the amount of R1Z land required in Moe/Newborough and these should be encouraged by way of Council policy and may include:

   i. Increasing residential densities by encouraging smaller lot sizes in developing estates;

   ii. Encouraging infill development which increases the number of dwellings; and

   iii. Potential to rezone land to allow for residential development on land where existing uses are becoming redundant or inappropriate.

2. LDRZ Land

a. There is currently no LDRZ in Moe/Newborough. Providing for LDRZ will contribute to additional housing choice in the precinct.

b. Based on the moderate growth scenario, there is potential demand for up to approximately 30 ha of LDRZ over the next 15 years.

3. RLZ Land

a. Approximately an additional 50 hectares of RLZ land should be identified in order to meet demand for such land over the next 15 years, based on the moderate growth scenario and additional land being RL3Z land.

4. Other Considerations

a. Demand for residential land in Moe/Newborough appears to have been constrained by a lack of supply and choice in the market. Policies which encourage additional choice should be encouraged, such as providing for LDRZ land.

b. The creation of new employment opportunities in Moe/Newborough would stimulate demand for residential housing in the precinct. The moderate growth scenario assumes this will occur in the future and will contribute to population growth in the area. Policies

which encourage investment and employment in the precinct will assist in generating residential demand.

c. Facilitating infill development and/or the rezoning of under-utilised industrial or business zoned land would lead to a lower requirement for new land zoned for residential development.

7 MORWELL RESIDENTIAL MARKET ASSESSMENT

7.1 Introduction

This chapter provides a residential market assessment for Morwell and includes recommendations on the future supply of residential and rural residential zoned land based on an assessment of recent and forecast property trends.

7.2 Precinct Overview

Morwell is located on the Princes Freeway between Traralgon and Moe/Newborough and is approximately 140 kilometres, or approximately a two-hour drive, east from central Melbourne.

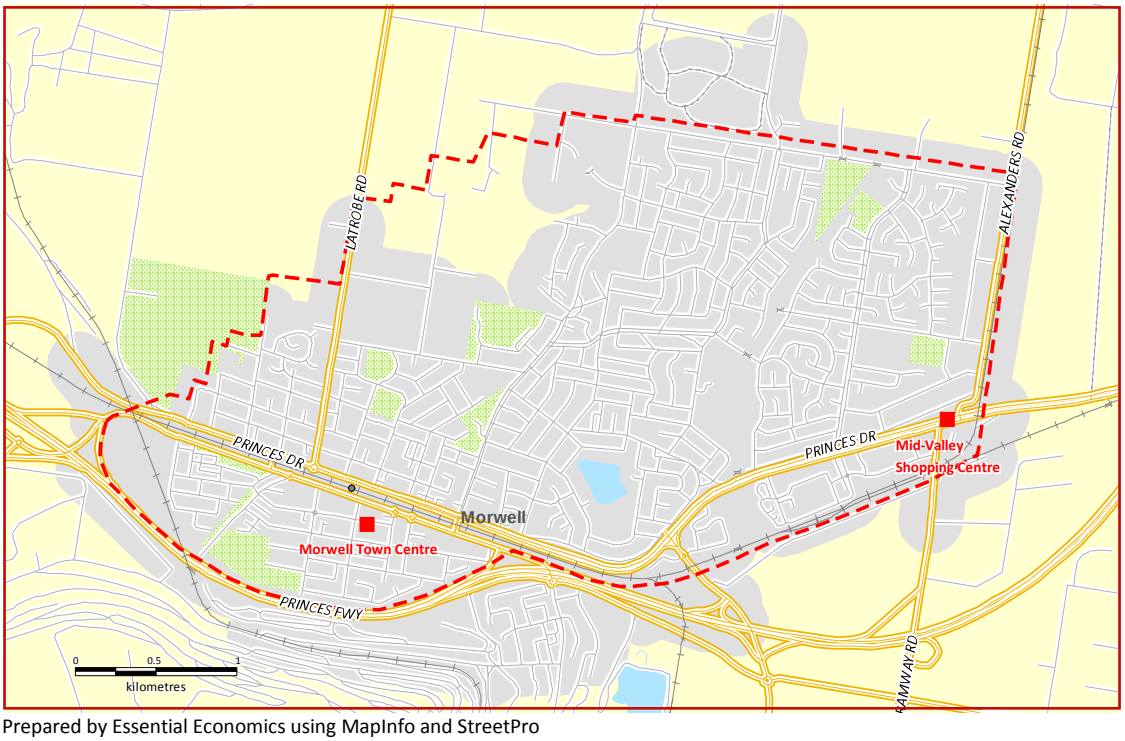
In recent years the Morwell region has experienced a decline in its population level and, as with Moe/Newborough, is characterises by the lower socio-economic profile of its residents.

Morwell provides a mix of retail and business services with retail activities split between the Morwell Town Centre and the Mid-Valley regional shopping centre located in the eastern part of the town. Morwell is a major employment destination in Latrobe and is the location for approximately 7,400 jobs which account for 27% of all jobs in Latrobe, based on ABS 2006 Journey to Work data.

There is limited choice in residential property in Morwell, with R1Z being the only type of residential zoned land.

Figure 7.1 illustrates the location of the Morwell Precinct.

Figure 7.1: Morwell Precinct



Prepared by Essential Economics using MapInfo and StreetPro

7.3 Residential Property Trends

According to discussions with local real estate agents, limited supply of residential land has constrained demand in Morwell for some time, although established houses have been selling quite well. It is understood there is a demand for lower density housing in Morwell based on recent sales activity.

Median house prices in Morwell are 21% below the Latrobe median, with a 2007 median house price of $128,000 compared to the median for Latrobe of $163,000. Median unit prices and vacant land prices are also below the medians for Latrobe.

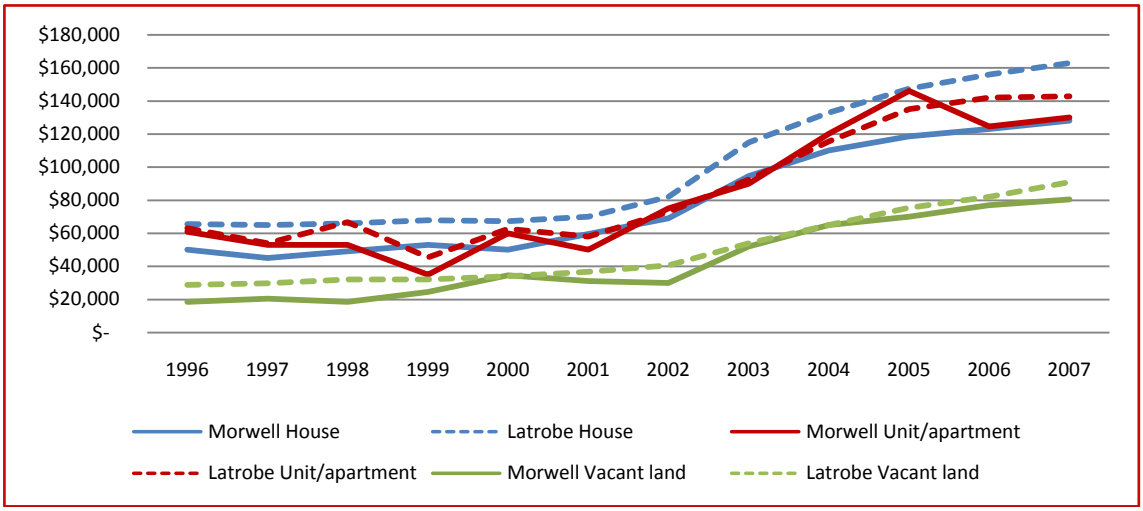
Property prices in Morwell experienced strong growth between 2001 and 2004, particularly prices for units; however, property prices have experienced only moderate growth since that time. Median house prices increased by 5.7% pa between 2004 and 2006 compared to 8.1% pa for Latrobe and 6.6% pa for regional Victoria. Table 7.1 and Figure 7.2 illustrate the growth in median property values in recent years.

Table 7.1: Median Property Values in Morwell, 1996-2007

Property Type	1996	2001	2004	2006	2007	Average Annual Growth Rate			
						1996-2001	2001-2004	2004-2006	2006-2007
Morwell House	$50,000	$59,500	$110,000	$123,000	$128,000	3.5%	22.7%	5.7%	4.1%
Morwell Unit/apartment	$61,000	$50,000	$120,000	$124,500	$130,000	-3.9%	33.9%	1.9%	4.4%
Morwell Vacant land	$18,500	$31,000	$65,000	$77,000	$80,500	10.9%	28.0%	8.8%	4.5%
Latrobe House	$65,500	$70,000	$133,000	$156,000	$163,000	1.3%	23.9%	8.3%	4.5%
Latrobe Unit/apartment	$63,000	$58,000	$115,500	$142,000	$142,750	-1.6%	25.8%	10.9%	0.5%
Latrobe Vacant land	$28,750	$36,750	$65,000	$82,000	$91,000	5.0%	20.9%	12.3%	11.0%

Source: Department of Sustainability and Environment, *A Guide to Property Values*, annual

Figure 7.2: Median Property Values in Morwell, 1996-2007



Source: Department of Sustainability and Environment, *A Guide to Property Values*, annual

7.4 Socio-Economic Trends

In general, the Morwell township is characterised as having a slightly older demographic, a lower than average share of families, and an above average share of renters compared with the average for Latrobe.

A summary of the socio-economic trends of Morwell residents between 2001 and 2006 is provided in Table 7.2, with the main points identified as follows:

- Age Structure: Morwell has a slightly older demographic with an above average share of residents aged 65 years or over and a below average share of residents aged 14 years or younger.
- Occupation: Morwell's labour force is characterised as largely 'blue-collar' with 65.4% of employed residents working as technicians/tradespersons, machinery operators/drivers and labourers (this compares with the average for Latrobe of 62.9%).
- Income: Median incomes in Morwell are 13% below the median for the municipality. Growth in individual and household incomes between 2001 and 2006 has been below the average growth for Latrobe.
- Household Composition: Compared to the average for Latrobe, Morwell has a lower share of couple families, a higher share of one-parent families, and a higher share of lone person households.
- Dwelling Structure: Detached dwellings continue to account for the majority (84.9%) of dwellings in Morwell, although there has been a slight increase in the number and share of medium density dwelling, with semi-detached and units/apartments increasing from 13.3% in 2001 to 14.7% in 2006.
- Home Ownership: Real estate agents have characterised Morwell by its strong rental market, with renting being the second-most popular tenure type; 31.2% of dwellings are rented in Morwell compared to the average for Latrobe of 25.0%. Between 2001 and 2006 home-ownership has declined from 47% to 41%, which led to an increase in rental properties and a slight increase in properties being purchased.
- Housing Costs: The median home loan repayment and rental payment for Morwell are below the medians for Latrobe; however, this is not reflected in the share of household income directed to housing costs. In 2006, an estimated 27.3% of household income of Morwell residents is directed to home loan repayments compared to the Latrobe average of 25.5%.

Table 7.2: Socio-Economic Trends of Morwell Residents, 2001-2006

Indicator	2001	2006	Percentage Point Change	Latrobe LGA 2006	Latrobe Percentage Point Change
Age Structure					
0-14 years	21.2%	18.9%	-2.3%	20.7%	-2.2%
15-24 years	13.0%	14.2%	+1.1%	14.1%	+0.5%
25-44 years	27.1%	24.1%	-2.9%	25.2%	-2.5%
45-64 years	22.8%	24.9%	+2.1%	25.8%	+2.7%
65 years and over	16.0%	17.9%	+2.0%	14.1%	+1.5%
Total Population	13,839	13,566	-2.0% change	69,328	+2.3% change
Median age (years)	37	39	+6.2% change	38	+7.5% change
Occupation					
Managers & professionals	17.7%	17.4%	-0.2%	22.1%	-0.8%
Clerical & sales workers	17.0%	17.1%	+0.2%	15.1%	+0.2%
Technicians & trades workers	30.7%	30.7%	+0.0%	31.4%	-0.1%
Machinery operators & drivers	19.5%	19.8%	+0.3%	18.6%	+0.5%
Labourers & related workers	15.1%	14.9%	-0.2%	12.9%	+0.3%
Income					
Median individual income (annual)	$14,308	$17,059	+3.6% (aagr)	$19,607	+4.9% (aagr)
Variation from Latrobe LGA	-7.4%	-13.0%			
Median household income (annual)	$26,222	$31,470	+3.7% (aagr)	$40,602	+4.4% (aagr)
Variation from Latrobe LGA	-20.0%	-22.5%			
% of h'holds earning $2,000pw or more	2.5%	7.1%	+4.6% change	11.7%	+7.4% change
Household Composition					
Couple family with no children	23.2%	23.9%	+0.7%	25.2%	+1.3%
Couple family with children	25.3%	21.9%	-3.4%	28.3%	-3.3%
One Parent Family with children	13.9%	14.4%	+0.5%	12.6%	+0.2%
Other Family	4.4%	4.2%	-0.2%	4.5%	+1.2%
Lone Person Household	30.5%	32.8%	+2.3%	26.7%	+0.7%
Group Household	2.7%	2.8%	+0.1%	2.6%	-0.0%
Average household size	2.39	2.28	-4.5% change	2.44	-3.5% change
Dwelling Structure					
Detached	86.5%	84.9%	-1.6%	88.2%	-0.7%
Semi-detached	3.0%	5.0%	+2.1%	2.9%	-1.1%
Flat/unit or apartment	10.3%	9.7%	-0.6%	8.4%	+2.2%
Other	0.2%	0.3%	+0.1%	0.6%	-0.3%
Occupancy rate	87.7%	87.8%	+0.1%	89.9%	+0.3%
Total private dwellings	6,159	6,336	+0.6% (aagr)	29,188	+0.7% (aagr)
Home Ownership					
Fully owned	46.6%	40.9%	-5.7%	39.0%	-5.9%
Being purchased	25.8%	27.4%	+1.6%	35.4%	+4.4%
Renting	26.9%	31.2%	+4.3%	25.0%	+2.0%
Other	0.7%	0.5%	-0.1%	0.6%	-0.4%
Housing Costs					
Median housing loan repayment (monthly)	$469	$716	+8.8% (aagr)	$863	+9.7% (aagr)
Median loan repayment as % of median h'hld income	21.5%	27.3%	+5.8%	25.5%	+5.6%
Median rental payment (weekly)	$88	$121	+6.4% (aagr)	$130	+6.3% (aagr)
Median rent as % of median h'hld income	17.5%	20.0%	+2.4%	16.6%	+1.5%
Median House Price	$59,500	$123,000	+15.6% (aagr)	$155,500	+16.4% (aagr)

Source: ABS Census 2001 and 2006 (Usual resident profile)
Note: aagr - Average Annual Growth Rate

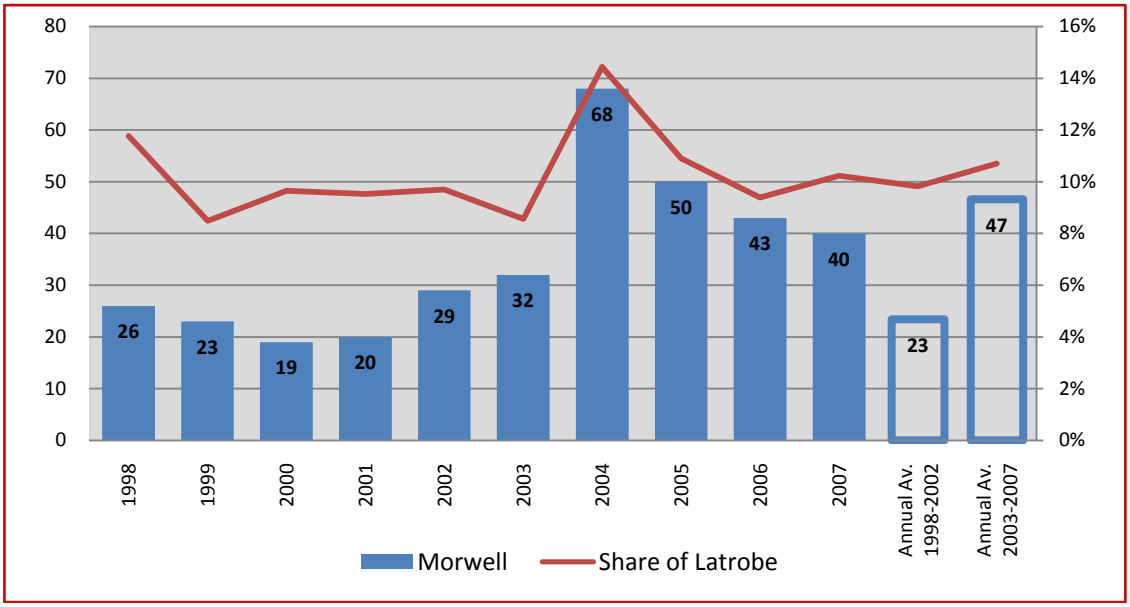
7.5 Analysis of Building Permits

The number of new dwellings resulting from building permits in Morwell peaked at 68 in 2004, having increased from a relatively low base of 19 new dwellings in 2000. However, since 2004 the number of new dwellings from building permits has declined to 40 new dwellings in 2007.

Between 2003 and 2007 there has been an average of 47 new dwellings per annum in Morwell from building permits, having increased by just 23 new dwelling per annum between 1998 and 2002. Over the past five years, Morwell has accounted for 11% of new dwelling building permits in Latrobe.

Figure 7.3 summarises the new dwellings as a result of domestic building permits in Morwell as sourced from the Building Commission of Victoria.

Figure 7.3: Morwell Building Permits (number of dwellings), 1998-2007



Source: Building Commission of Victoria

7.6 Recent Development Rates

A summary of recent residential development in Morwell is presented in Table 7.3, while the location of development is shown in Figures 7.4 and 7.5.

R1Z is the only zone specifically designated for residential development in Morwell; therefore, it is the only zone which has accommodated residential development in recent years. Between March 2006 and April 2008, there were approximately 90 dwellings developed in Morwell, only behind Traralgon in terms of the most development in the study precincts.

The development rate for Morwell over this period was 44 dwellings per annum, which closely resembles building permit data for 2007 shown in Figure 7.3. The majority of this development has occurred in new residential estates on the northern fringes of the township, with these estates accounting for a development rate of 35 lots per annum, with a median lot size of approximately 900m^2.

Table 7.3: Recent Residential Development by Zone in Morwell, March 2006 to April 2008

Zone	No. of Lots Developed	No. of Dwellings Developed	Annual Development Rate	Percentage of Dwellings Developed	Percentage of Total Dwelling Developed in the Study Area	Median Lot Size
R1Z						
Developing estates	73	73	35.0	79.3%	13%	900
Elsewhere	11	19	9.1	20.7%	15%	420
R1Z - Total	**84**	**92**	**44.2**	**100.0%**	**13%**	**820**

Source: Essential Economics Field Survey, April 2008; Aerial photos from Latrobe City Council March 2006

7.7 Supply of Residential Land

An assessment of the supply of residential and rural residential land available for development in Morwell was conducted in April 2008. A description of the supply categories referred to in this analysis is provided in Table 5.4, with further explanation provided in Chapter 1.3 Methodology. The estimated supply of residential and rural residential lots presented in this chapter does not take into consideration a number of factors which could limit the number of actual developable lots, such as environmental constraints (eg. flood-prone) or infrastructure constraints. It is likely that the number of lots which could eventually be developed will be somewhat smaller than the estimates presented in the analysis below.

Table 7.4: Residential and Rural Residential Supply Categories

Land Type	Explanation	Composition of Categories
(A) Vacant lots	Vacant R1Z and TZ lots which are less than 2,000m2; vacant FZ lots which are less than 5 ha; and vacant LDRZ, RLZ which cannot be further subdivided according to relevant minimum subdivision sizes.	na
(B) Lots in approved subdivisions	Lots which have planning approval to be subdivided	na
(C) Lots available for development	**An estimate of the number of lots which could be developed with no further subdivision approval required by Latrobe City Council**	**A + B**
(D) Vacant land with subdivision potential	Vacant lots which could potentially be subdivided into at least two lots based on the minimum subdivision size of the corresponding zone. For R1Z and TZ land, this consists of vacant lots which are at least 2,000m^2.	na
(E) Total vacant lot potential	**An estimate of the total lot potential on land which is currently vacant and which has the potential to be developed in the near future.**	**C + D**
(F) Vacant parcels of land that are part of a larger occupied allotment	Vacant land titles which form part of a larger property which contains a dwelling.	na
(G) Occupied lots with subdivision potential	Lots which are occupied by a dwelling but are large enough to be subdivided into at least two lots based on the minimum subdivision size for the corresponding zone. The lot potential for these properties is based on the minimum subdivision size, taking into account the existing dwelling on the property. For R1Z land, this category includes lots which are at least 2,000m^2, and the lot potential is based on a residential lot density which is similar to existing residential subdivision patterns in the precinct	na
(H) Additional lot potential on occupied allotments	**Land which is currently occupied but has the potential to accommodate additional lots in the future. The extent of this potential varies.**	**F + G**

Source: Essential Economics

Land zoned for residential development in Morwell comprises of R1Z only. There is no LDRZ or RLZ land in Morwell. A summary of the residential and rural residential lot supply is provided in Table 7.5 and is discussed below.

Supply of R1Z Land

The supply of R1Z land in Morwell consists of:

- Lots available for development: Approximately 200 R1Z lots are available for development in Morwell, comprising approximately 150 existing vacant lots and approximately 50 lots which will be created by approved subdivisions.
- Total vacant lot potential: Total vacant lot potential in Morwell is estimated at approximately 730 lots, which includes approximately 200 lots available for development and approximately 530 lots which could be created by the subdivision of large vacant lots. This estimate is based on larger vacant lots achieving a lot density of 10 lots per hectare. Additional vacant lot potential could be created if a greater lot density were to be achieved.
- Occupied lots with subdivision potential: There are approximately 40 occupied R1Z lots which are greater than 2,000m^2. Assuming they could be developed at a density of approximately 10 lots per hectare, approximately an additional 750 lots would be created. All of these lots are located in the north-western part of Morwell and an evaluation of the medium and long-term development opportunities of this land has been recommended in the Morwell Structure Plan. There is significant potential for additional lots to be created via subdivision of large occupied lots in the north-west area of Morwell. In addition, there are approximately 20 lots which are vacant parcels of land which are part of a larger occupied allotment.

Table 6.5: Residential Lot Supply and Potential in Morwell, April 2008

Zone	Lots Available for Development	Vacant Land with Subdivision Potential	Total Vacant Lot Potential	Total Occupied Lots with Subdivision Potential
R1Z	201	529	730	772
TZ	na	na	na	na
LDRZ	na	na	na	na
Total Residential Zoned Land	**201**	**529**	**730**	**772**
RLZ	na	na	na	na
FZ (less than 5 ha)	na	na	na	na
Total Rural and Farm Zone (less than 5ha)	**na**	**na**	**na**	**na**

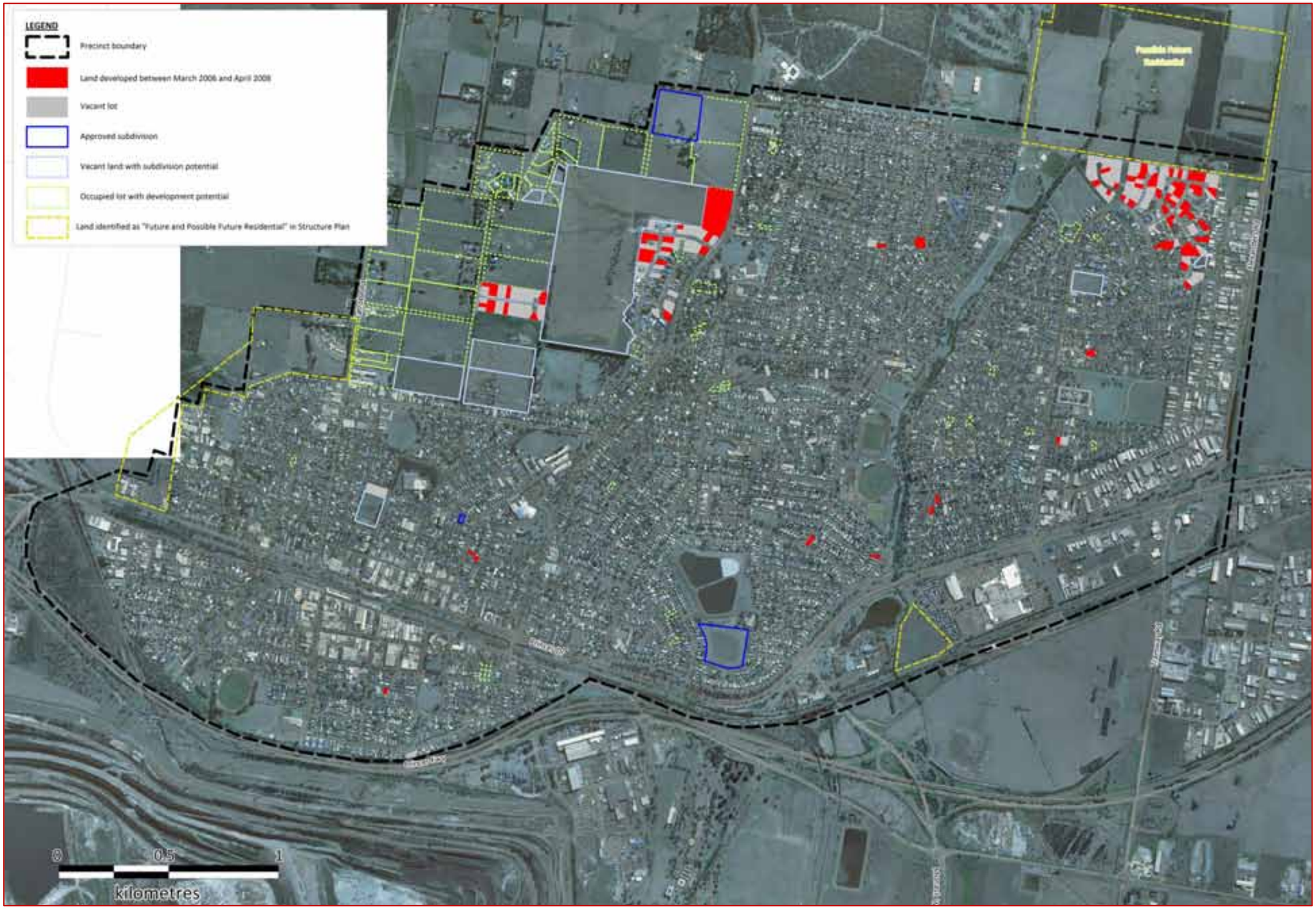
Source: Essential Economics Field Survey, April 2008; Aerial photos from Latrobe City Council March 2006

Morwell Structure Plan 2007

The Morwell Structure Plan recommends that the medium and long term development opportunities in area to the north-west of the township be evaluated and that infrastructure provision issues in this area be resolved.

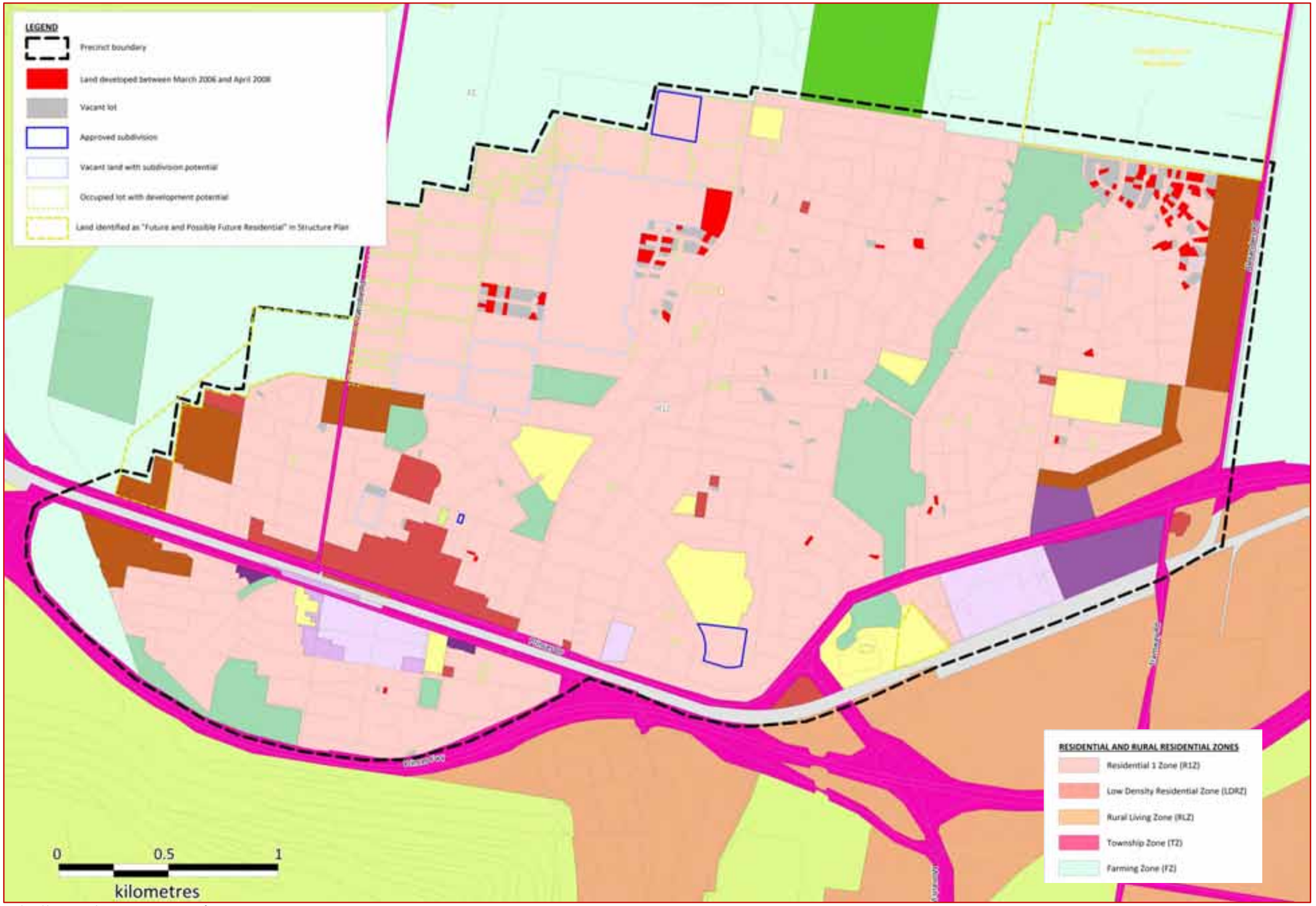
The Structure Plan identifies land as *Future Residential* and *Possible Future Residential* which may have the potential to accommodate residential development in the future. Combined, this land comprises approximately 100 ha of land and could accommodate approximately 1,000 additional lots if a density of 10 lots per hectare was achieved. Approximately 1,200 lots could be created if a density of 12 lots per hectare was achieved. The location of vacant residential land and recent development is shown in Figures 7.4 and 7.5.

Figure 7.4: Morwell Land Supply and Recent Development (Aerial photo), April 2008



Produced by Essential Economics using MapInfo

Figure 7.5: Morwell Land Supply and Recent Development (Zoning map), April 2008



Produced by Essential Economics using MapInfo

7.8 Residential Dwelling Demand Forecasts

Forecast Total Dwelling Demand in Morwell

An estimate of dwelling demand in Morwell over the next 15 years is based on the Morwell precinct capturing a share of total dwelling demand as forecast for the Morwell SLA in Chapter 4.6 (Table 4.6).

Based on analysis of population growth, new dwelling building permits and recent residential development in the Morwell precinct and the Morwell SLA, it is likely the Morwell precinct will continue to accommodate the majority of dwelling demand in the SLA, compared with other precincts located in the Morwell SLA including Churchill, Yinnar, Boolarra and the eastern part of Yallourn North. It has been assumed that the Morwell precinct would accommodate approximately 67.5% of dwelling demand in the Morwell SLA.

Based on this assumption, forecast demand for new dwellings in the Moe/Newborough precinct by scenario is as follows:

- Low growth scenario: There is a forecast demand for approximately an additional 230 new dwellings over the next 10 years (annual demand of approximately 25 new dwellings) and approximately 500 new dwellings of the next 15 years (annual demand of approximately 25 new dwellings).
- Moderate growth scenario: There is a forecast demand for approximately an additional 615 new dwellings over the next 10 years (annual demand of approximately 60 new dwellings) and approximately 1,380 new dwellings of the next 15 years (annual demand of approximately 60 new dwellings).
- High growth scenario: There is a forecast demand for approximately an additional 1,210 new dwellings over the next 10 years (annual demand of approximately 80 new dwellings) and approximately 1,840 new dwellings of the next 15 years (annual demand of approximately 85 new dwellings).

Table 7.6 summarises forecast dwelling demand in Morwell.

Table 7.6: Morwell Dwelling Demand, 2008-2023

Category	2008-2018			2008-2023		
	Low Growth Scenario	Moderate Growth Scenario	High Growth Scenario	Low Growth Scenario	Moderate Growth Scenario	High Growth Scenario
Forecast residential dwelling demand in Morwell SLA (refer Table 4.6)	340	910	1,210	500	1,380	1,840
Estimated share of dwelling demand for Morwell precinct	67.5%	67.5%	67.5%	67.5%	67.5%	67.5%
Forecast residential dwelling demand in Morwell	**230**	**615**	**815**	**340**	**930**	**1,240**
Forecast annual residential dwelling demand in Morwell	**23**	**62**	**82**	**23**	**62**	**83**

Source: Essential Economics

Dwelling Demand in Morwell by Zone

There is limited choice in residential zones in Morwell, with supply constrained to R1Z land; consequently, all recent development has occurred on R1Z land. Although potential exists for demand for lower-density development in zones such as LDRZ and RLZ, the physical constraints of expansion of Morwell may be a constraint to providing lower density residential zones in Morwell in the future.

For the purpose of this analysis, it is assumed future demand will be restricted to development in the R1Z, as it has been in the past; however, consideration may be given to providing opportunities for lower-density residential development if permissible, as it will provide Morwell with a level of choice in terms of residential development it has not been able to benefit from in the past.

Therefore, forecast demand for R1Z land is outlined above in Table 7.6.

7.9 Implications for Residential Land Supply

It would be prudent to plan for at least the moderate growth scenario when considering the future residential land requirement in Morwell. This scenario assumes demand for approximately 60 dwellings per annum over the next 15 years, although this does not necessarily correlate to positive population growth in the precinct due to declining household sizes (refer Chapter 7.10). Consideration should be given to the high growth scenario should population growth eventuate.

Based on the analysis presented in this chapter, there is an insufficient supply of R1Z land (total vacant lot potential) to meet forecast demand over the next 15 years based on the moderate and high growth scenarios, and a certain amount of R1Z land which is not currently available for development will be required to be released to the market. Based on the moderate growth scenario, there is only a three year supply of lots available for development and a 12 years supply of total vacant lot potential.

Potential exists for additional large occupied lots to the north-west of Morwell to be subdivided over the next 15 years, assuming all of these lot were to become available for development, this would add up to an additional 12 years of supply based on the moderate growth scenario, and approximately 9 years supply based on the high growth scenario. The Morwell Structure Plan encouraged these lots to be released for development.

Table 7.7 summarises the adequacy of residential zoned land in Morwell as of April 2008.

Table 7.7: Adequacy of Residential Land Supply – Morwell, April 2008

Zone	Low Growth Scenario	Moderate Growth Scenario	High Growth Scenario
Supply of Lots Available for Development			
R1Z land	8.1 years	3.2 years	2.4 years
Supply of Total Vacant Lot Potential			
R1Z land	More than 30 years	11.8 years	8.8 years

Source: Essential Economics

Provided that all the large occupied lots to the north-west of Morwell are subdivided and are made available for development, there is no requirement for additional R1Z land in Morwell to meet forecast demand for the next 15 years under either the moderate or high growth scenarios.

However, the Morwell Structure Plan indicates that the opportunity to develop this land is restricted by fragmented land-ownership and infrastructure constraints. Therefore, additional land may need to be identified in order to meet forecast land requirements over the next 15 years.

Based on the moderate growth scenario, there is a forecast requirement of approximately 20 ha of additional R1Z land needed to meet forecast demand over the next 15 years. This figure increases to approximately 50 ha under the high growth scenario. These estimates assume a lot density of 10 lots per hectare. The Morwell Structure Plan identifies land which has the potential to accommodate future residential development.

Table 7.8 summarises the forecast R1Z land requirement in Morwell over and above existing zoned land. Land requirements will vary depending on the desired lot densities.

Table 7.8: Residential Land Requirements – Morwell (over and above total lot potential), April 2008

Zone	Low Growth Scenario	Moderate Growth Scenario	High Growth Scenario
2008-2023			
Short-fall in supply of R1Z land	sufficient supply	200	510
Assumed lot density per hectare (gross)	na	10	10
R1Z land requirements to meet 15 year supply	**na**	**20 ha**	**51 ha**

Source: Essential Economics

Due to the constraints facing Morwell in terms of expanding the township boundaries, forecast requirements for RLZ or LDRZ have not been assessed. However, discussions with local real estate agents indicate that there is a demand for such land. Allowing for such land to be rezoned in Morwell would generate opportunities to create additional housing choice. However, the location of such land should be carefully considered as such a rezoning has the potential to create an additional constraint to the expansion of the Morwell township. Typically such land is located on the periphery of townships and therefore tends to create a boundary in regards to the outer limits of residential development.

7.10 Implications on Township Population Growth

Forecasts of Morwell's population are presented in Table 7.9 and are based on the forecast demand for residential land presented in this chapter. Between 2001 and 2006 the population in Morwell declined from approximately 14,440 residents to approximately 14,100 residents at a rate of -0.5%% pa (or 70 residents pa).

By 2018, the Morwell population is forecast to decline under the low growth scenario to approximately 13,340 residents. Although under the moderate growth scenario additional demand for residential dwellings is forecast, population numbers are still expected to decline slightly to approximately 13,850 residents by 2018, at a rate of -0.1% pa. This is due to forecast declining household sizes. Under the high growth scenario, Morwell's population is forecast to increase to approximately 14,210 at a growth rate of +0.2% pa over the period.

Table 7.9: Forecast Residential Population in Morwell, 2001-2018

Year	Low Growth Scenario	Moderate Growth Scenario	High Growth Scenario
2001	14,440	14,440	14,440
2006	14,100	14,100	14,100
2008	13,960	13,960	13,960
2018	13,160	13,850	14,210
Average Annual Growth (%)			
2001-2006	-0.5%	-0.5%	-0.5%
2006-2008	-0.5%	-0.5%	-0.5%
2008-2018	-0.6%	-0.1%	0.2%
Average Annual Growth (No.)			
2001-2006	-70	-70	-70
2006-2008	-70	-70	-70
2008-2018	-80	-10	30

Source: ABS Census 2001 and 2006; Essential Economics

7.11 Recommendations

It would be prudent to plan for at least the moderate growth scenario for Morwell and consideration may be given to the high growth scenario if future population growth reached these expectations.

The main recommendations in regard to the future requirements of residential zoned land in Morwell are:

1. R1Z land

a. Where existing R1Z land can be released to the market, such as the large allotments to the north-west of the township, this should be encouraged as there is only a 3.2 year supply of R1Z available for development (under the moderate growth scenario).

b. Provided that all the large occupied lots to the north-west of Morwell are subdivided and are made available for development, there is no requirement for additional R1Z land in Morwell to meet forecast demand for the next 15 years under both the moderate and high growth scenarios.

c. The Morwell Structure Plan indicates that the opportunity to develop land to the north-west of the township is restricted by fragmented land-ownership and infrastructure constraints. Therefore, additional land may need to be identified in order to meet forecast land requirements over the next 15 years. Not including occupied lots in this area, there is an estimated supply of total vacant lot potential in Morwell of approximately 12 years, based on the moderate growth scenario.

d. Based on the moderate growth scenario, there is a forecast requirement of approximately 20 ha of additional R1Z land needed to meet forecast demand over the next 15 years. This figure increases to approximately 50 ha under the high growth scenario. These estimates assume a lot density of 10 lots per hectare. The Morwell Structure Plan identifies land which has the potential to accommodate future residential development.

2. RLZ and LDRZ Land

a. Currently, there is no LDRZ or RLZ in Morwell; however, based on discussions with local real estate agents, there is a potential demand for lower density residential development in Morwell. Allowing for such land to be rezoned in Morwell would generate opportunities to create additional housing choice.

b. The location of any new LDRZ or RLZ land should be carefully considered as such a rezoning has the potential to create an additional constraint to the expansion of the Morwell township.

3. Other Considerations

a. Demand for residential land in Morwell appears to have been constrained by a lack of supply and choice in the market. Policies which encourage additional choice should be encouraged.

b. The creation of new employment opportunities in Morwell would stimulate demand for residential housing in the precinct. The moderate growth scenario assumes this will occur in the future and will contribute to population growth in the area. Policies which encourage investment and employment in the precinct will assist in generating residential demand.

c. Facilitating infill development and/or the rezoning of under-utilised industrial or business zoned land would lead to a lower requirement for new land zoned for residential development.

8 CHURCHILL RESIDENTIAL MARKET ASSESSMENT

8.1 Introduction

This chapter provides a residential market assessment for Churchill and includes recommendations on the future supply of residential and rural residential zoned land based on an assessment of recent and forecast property trends.

8.2 Precinct Overview

Churchill is a mid-sized township containing an estimated population of approximately 4,900 residents in 2006. Located approximately 10 km south of Morwell, Churchill contains a small shopping centre and the Churchill Monash University Campus. The presence of Monash University ensures student population is an important component in the township.

The Churchill precinct also contains RLZ land in Jeeralang Junction to the south of the Churchill, and is illustrated in Figure 8.1 on the following page.

8.3 Residential Property Trends

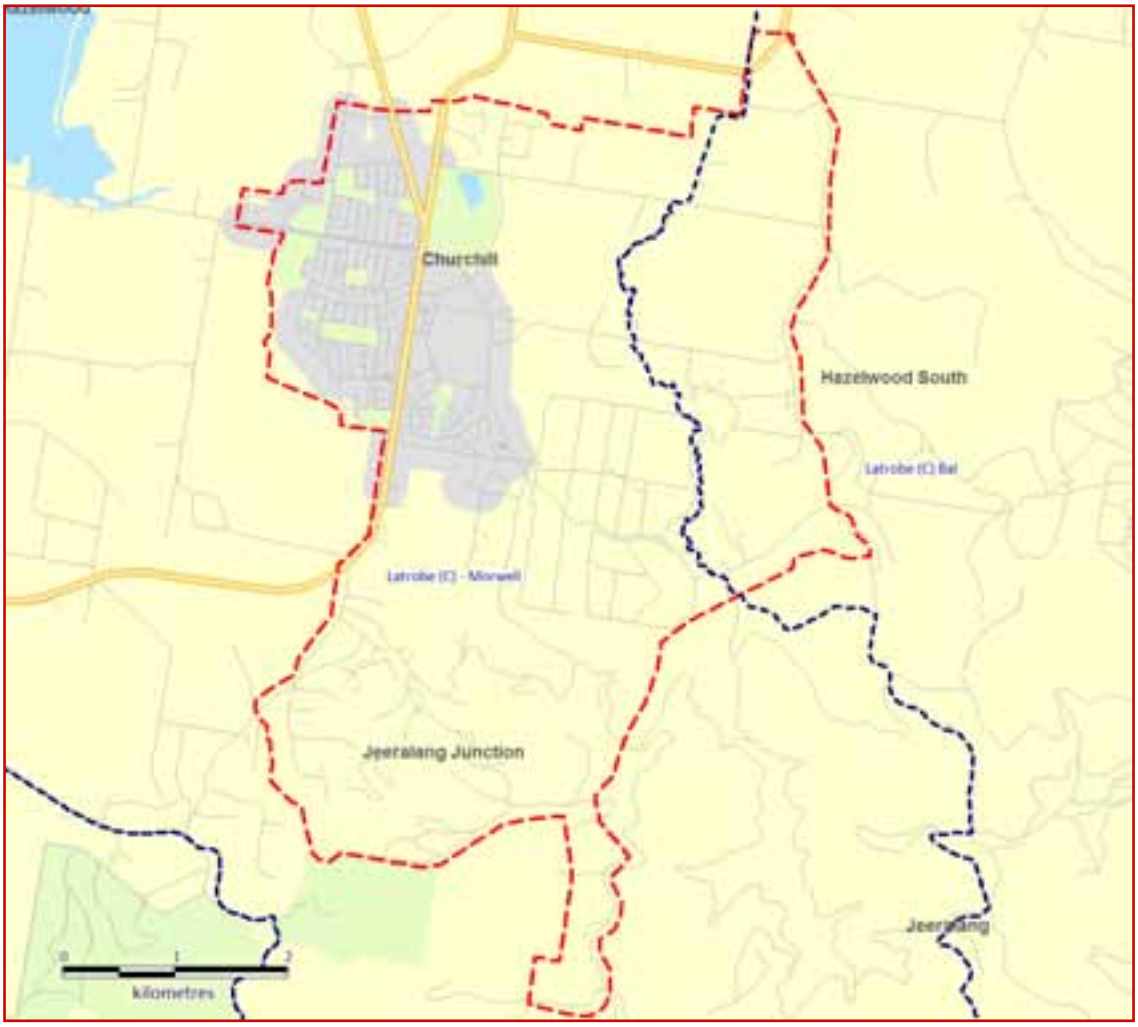
Only limited development has occurred in Churchill in recent years; however, according to local real estate agents this is a result of limited supply as there are only few opportunities for new residential development. It is understood that ¾ to 1 acre lots are the type of product which is in demand in Churchill, with sales of larger lots (around 5 acres) slowing.

Churchill provides an affordable residential option for those seeking to enter the property market, with the median 2007 house price of $129,750 well below that of Latrobe ($163,000). Real estate agents indicate that the affordability of Churchill property is attracting residents who are priced out the Traralgon property market. Median house price growth in Churchill since 2004 has been below the average price growth in Latrobe, with the median house price in Churchill increasing by 3.4% pa between 2004 and 2006, and 3.8% pa between 2006 and 2007.

Some optimism exists regarding the future of the residential market in Churchill, with a proposal to expand the town centre and with residential supply constraints in Traralgon and Morwell understood to be factors which could contribute to increasing demand for residential property in Churchill.

Table 8.1 and Figure 8.2 illustrate the growth in median property values in recent years.

Figure 8.1: Churchill Precinct



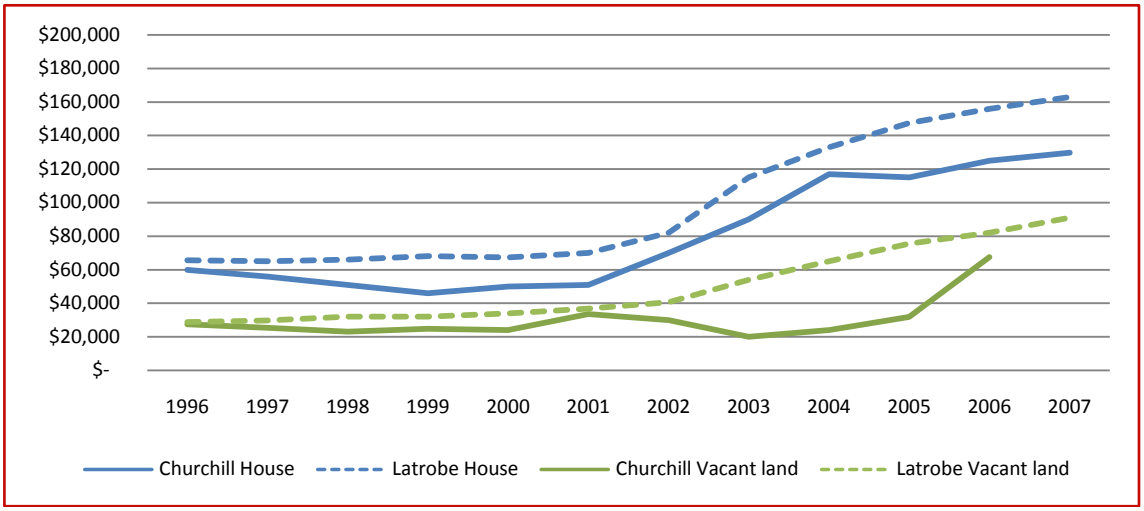
Prepared by Essential Economics using MapInfo and StreetPro

Table 8.1: Median Property Values in Churchill, 1996-2007

Property Type	1996	2001	2004	2006	2007	Average Annual Growth Rate			
						1996-2001	2001-2004	2004-2006	2006-2007
Churchill house	$60,000	$51,000	$117,000	$125,000	$129,750	-3.2%	31.9%	3.4%	3.8%
Churchill vacant land	$27,500	$33,500	$24,000	$67,500	na	4.0%	-10.5%	67.7%	na
Latrobe house	$65,500	$70,000	$133,000	$156,000	$163,000	1.3%	23.9%	8.3%	4.5%
Latrobe vacant land	$28,750	$36,750	$65,000	$82,000	$91,000	5.0%	20.9%	12.3%	11.0%

Source: Department of Sustainability and Environment, *A Guide to Property Values*, annual

Figure 8.2: Median Property Values in Churchill, 1996-2007



Source: Department of Sustainability and Environment, *A Guide to Property Values*, annual

8.4 Socio-Economic Trends

Population decline in Churchill has occurred in recent years. Young families moving away from Churchill has been a contributing factor. The Churchill population contains a large share of students associated with the Churchill Monash University Campus, and this is illustrated in the high share of residents in the 15 to 24 year age cohort and above-average shares of group and renting households.

A summary of the socio-economic trends of Churchill residents between 2001 and 2006 is provided in Table 8.2 based on the ABS 2006 Population and Housing Census, with the main points as follows:

- Age Structure: Churchill has a large share of residents in the 15 to 24 year age cohort, reflecting the presence of a student population associated with the Churchill Monash University Campus. Between 2001 and 2006 significant declines have occurred in the shares of population in the 0 to 14 years and 25 to 44 years age cohorts, suggesting an exodus of young families from the township.
- Income: While individual income has experienced growth in recent years it continues to be below the Latrobe median. This is not the case for household income which is in line with Latrobe due to the above-average household sizes in Churchill.
- Household Composition: Although a decline has taken place in the share of couple families with children (from 35.2% in 2001 to 27.5% in 2006), this family type, together with couple family without children (27.1% in 2006), remain as the dominant family types in Churchill. This is illustrated in the above-average household size of 2.53 persons in 2006 compared to 2.44 persons for Latrobe; however, the decline in families with children has resulted in a strong decline in the average household size in Churchill.
- Home Ownership: The home ownership structure in Churchill has remained relatively constant between 2001 and 2006, with only a slight decline in full home ownership and slight increases in renting and houses being purchased. Compared to the average for Latrobe, Churchill comprises an above-average share of dwellings being rented (Churchill: 28.7%; Latrobe: 25.0%).
- Housing Costs: Churchill's housing costs have exhibited below-average growth since 2001 compared to the average growth experienced in Latrobe. Both loan servicing and rental burdens are lower than the Latrobe benchmark. Home loan repayments are significantly lower than the

median for Latrobe and this is reflected in a lower share of household income directed to home loans (Churchill: 18.8%; Latrobe: 25.5%).

Table 8.2: Socio-Economic Trends of Churchill Residents, 2001-2006

Indicator	2001	2006	Percentage Point Change	Latrobe LGA 2006	Latrobe Percentage Point Change
Age Structure					
0-14 years	22.6%	18.9%	-3.7%	20.7%	-2.2%
15-24 years	21.0%	20.7%	-0.2%	14.1%	+0.5%
25-44 years	26.1%	23.2%	-2.9%	25.2%	-2.5%
45-64 years	24.6%	28.5%	+3.9%	25.8%	+2.7%
65 years and over	5.7%	8.6%	+2.9%	14.1%	+1.5%
Total Population	4,998	4,754	-5.1% change	69,328	+2.3% change
Median age (years)	29	33	+9.6% change	38	+7.5% change
Occupation					
Managers & professionals	21.7%	21.0%	-0.7%	22.1%	-0.8%
Clerical & sales workers	13.3%	15.4%	+2.1%	15.1%	+0.2%
Technicians & trades workers	31.0%	30.0%	-1.1%	31.4%	-0.1%
Machinery operators & drivers	20.7%	19.1%	-1.5%	18.6%	+0.5%
Labourers & related workers	13.4%	14.5%	+1.1%	12.9%	+0.3%
Income					
Median individual income (annual)	$14,799	$17,318	+3.2% (aagr)	$19,607	+4.9% (aagr)
Variation from Latrobe LGA	-4.2%	-11.7%			
Median household income (annual)	$35,611	$43,798	+4.2% (aagr)	$40,602	+4.4% (aagr)
Variation from Latrobe LGA	+8.7%	+7.9%			
% of h'holds earning $2,000pw or more	5.2%	12.7%	+7.5% change	11.7%	+7.4% change
Household Composition					
Couple family with no children	21.5%	27.1%	+5.6%	25.2%	+1.3%
Couple family with children	35.2%	27.5%	-7.6%	28.3%	-3.3%
One Parent Family with children	15.1%	14.7%	-0.3%	12.6%	+0.2%
Other Family	4.4%	4.7%	+0.3%	4.5%	+1.2%
Lone Person Household	18.8%	20.3%	+1.5%	26.7%	+0.7%
Group Household	5.1%	5.7%	+0.6%	2.6%	-0.0%
Average household size	2.73	2.53	-8.1% change	2.44	-3.5% change
Dwelling Structure					
Detached	97.0%	96.2%	-0.9%	88.2%	-0.7%
Semi-detached	1.4%	1.0%	-0.4%	2.9%	-1.1%
Flat/unit or apartment	1.6%	2.8%	+1.2%	8.4%	+2.2%
Other	0.0%	0.0%	+0.0%	0.6%	-0.3%
Occupancy rate	89.7%	90.6%	+0.9%	89.9%	+0.3%
Total private dwellings	1,864	1,863	-0.0% (aagr)	29,188	+0.7% (aagr)
Home Ownership					
Fully owned	38.6%	36.4%	-2.2%	39.0%	-5.9%
Being purchased	33.7%	34.3%	+0.6%	35.4%	+4.4%
Renting	27.1%	28.7%	+1.6%	25.0%	+2.0%
Other	0.5%	0.6%	+0.1%	0.6%	-0.4%
Housing Costs					
Median housing loan repayment (monthly)	$479	$688	+7.5% (aagr)	$863	+9.7% (aagr)
Median loan repayment as % of median h'hld income	16.1%	18.8%	+2.7%	25.5%	+5.6%
Median rental payment (weekly)	$105	$128	+4.0% (aagr)	$130	+6.3% (aagr)
Median rent as % of median h'hld income	15.3%	15.2%	-0.1%	16.6%	+1.5%
Median House Price	$51,000	$125,000	+19.6% (aagr)	$155,500	+16.4% (aagr)

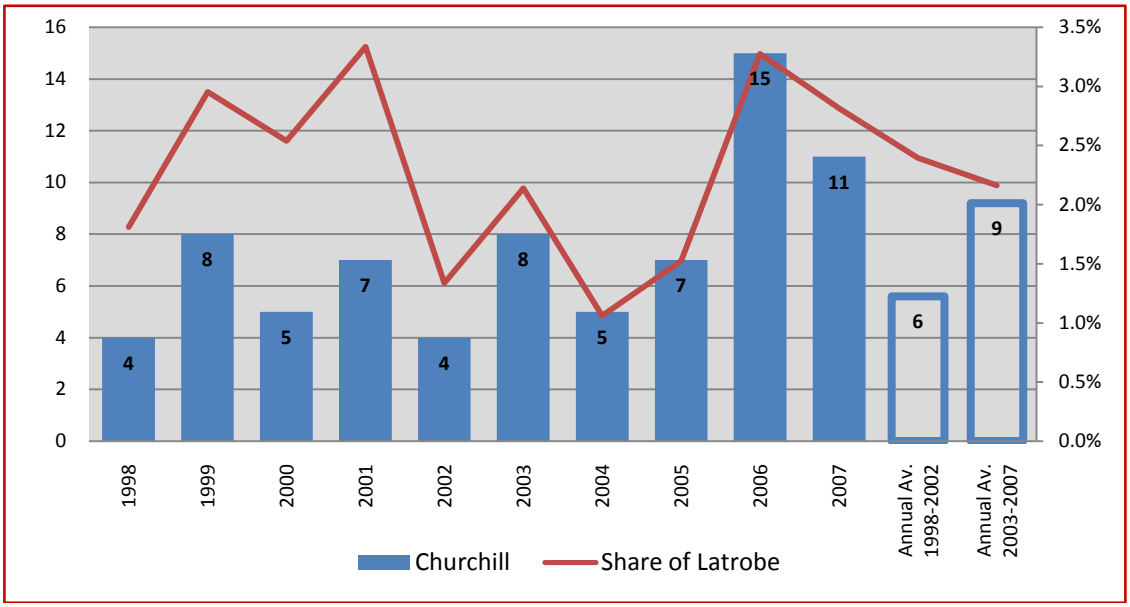
Source: ABS Census 2001 and 2006 (Usual resident profile)
Note: aagr - Average Annual Growth Rate

8.5 Analysis of Building Permits

In recent years there has been minimal building permit activity in Churchill, with the annual number of new dwellings ranging from four in 1998 and 2000 to 15 in 2006; in 2007 11 new dwellings resulted from building permits. Over the past five years, an average of nine new dwellings per annum have resulted from domestic building permits, which accounts for 2.2% of all new dwelling permits in Latrobe.

Figure 8.3 summarises the new dwellings as a result of domestic building permits in Churchill as sourced from the Building Commission of Victoria.

Figure 8.3: Churchill Building Permits (number of dwellings), 1998-2007



Source: Building Commission of Victoria

8.6 Recent Development Rates

A summary of recent development of residential land in Churchill is presented in Table 8.3, while the location of development is shown in Figures 8.4 and 8.5.

Between March 2006 and April 2008, 25 dwellings were developed in Churchill, including 24 on R1Z land and one on RLZ. This equates to a development rate of 12 dwellings per annum, which closely resembles building permit data for 2007 shown in Figure 8.3.

The majority of development in Churchill has occurred in new residential estates on the southern fringes of the township, with these estates accounting for a development rate of nine lots per annum, with a median lot size of approximately 820m^2.

No LDRZ land was available for development over the reference period, and therefore no development was recorded in this zone.

Table 8.3: Recent Residential Development by Zone in Churchill, March 2006 to April 2008

Zone	No. of Lots Developed	No. of Dwellings Developed	Annual Development Rate	Percentage of Dwellings Developed	Percentage of Total Dwelling Developed in the Study Area	Median Lot Size (m^2)
R1Z						
Developing estates	19	19	9.1	76.0%	3.3%	820
Elsewhere	5	5	2.4	20.0%	3.9%	730
R1Z - Total	**24**	**24**	**11.5**	96.0%	3.4%	**800**
RLZ	**1**	**1**	**0.5**	4.0%	**5.9%**	**16,110**
Total	**25**	**25**	**12.0**	100.0%	**3.4%**	**810**

Source: Essential Economics Field Survey, April 2008; Aerial photos from Latrobe City Council March 2006

8.7 Supply of Residential Land

An assessment of the supply of residential and rural residential land available for development in Churchill was conducted in April 2008. A description of the supply categories referred to in this analysis is provided in Table 8.4, with further explanation provided in Chapter 1.3 Methodology.

The estimated supply of residential and rural residential lots presented in this chapter does not take into consideration a number of factors which could limit the number of actual developable lots, such as environmental constraints (eg. flood-prone) or infrastructure constraints. It is likely that the number of lots which could eventually be developed will be somewhat smaller than the estimates presented in Table 8.4 below.

Table 8.4: Residential and Rural Residential Supply Categories

Land Type	Explanation	Composition of Categories
Vacant lots (A)	Vacant R1Z and TZ lots which are less than 2,000m2; vacant FZ lots which are less than 5 ha; and vacant LDRZ, RLZ which cannot be further subdivided according to relevant minimum subdivision sizes.	na
Lots in approved subdivisions (B)	Lots which have planning approval to be subdivided	na
Lots available for development (C)	**An estimate of the number of lots which could be developed with no further subdivision approval required by Latrobe City Council**	**A + B**
Vacant land with subdivision potential (D)	Vacant lots which could potentially be subdivided into at least two lots based on the minimum subdivision size of the corresponding zone. For R1Z and TZ land, this consists of vacant lots which are at least 2,000m^2.	na
Total vacant lot potential (E)	**An estimate of the total lot potential on land which is currently vacant and which has the potential to be developed in the near future.**	**C + D**
Vacant parcels of land that are part of a larger occupied allotment (F)	Vacant land titles which form part of a larger property which contains a dwelling.	na
Occupied lots with subdivision potential (G)	Lots which are occupied by a dwelling but are large enough to be subdivided into at least two lots based on the minimum subdivision size for the corresponding zone. The lot potential for these properties is based on the minimum subdivision size, taking into account the existing dwelling on the property. For R1Z land, this category includes lots which are at least 2,000m^2, and the lot potential is based on a residential lot density which is similar to existing residential subdivision patterns in the precinct	na
(H) Additional lot potential on occupied allotments	**Land which is currently occupied but has the potential to accommodate additional lots in the future. The extent of this potential varies.**	**F + G**

Source: Essential Economics

Land zoned for residential development in the Churchill precinct comprises R1Z and LDRZ land, while rural residential living is accommodated by RLZ3, RLZ4, RLZ6 and a number of FZ allotments of less than 5 ha. There is no TZ land in Churchill. A summary of the residential and rural residential lot supply is provided in Table 8.5 and is discussed below.

Supply of R1Z Land

The supply of R1Z land in the Churchill precinct consists of:

- Lots available for development: A total of 136 R1Z lots are available for development in Churchill, which comprises of approximately 124 existing vacant lots and 12 lots which will be created by approved subdivisions. The majority of these lots are located in the southern parts of the Churchill township.
- Total vacant lot potential: Total vacant lot potential in Churchill is estimated at approximately 480 lots, which includes approximately 140 lots available for development and approximately 340 lots which could be created by the subdivision of large vacant lots. This estimate is based on larger vacant lots achieving a lot density of 10 lots per hectare. Additional vacant lot potential could be created if a greater lot density were to be achieved.
- Occupied lots with subdivision potential: An estimated 12 occupied R1Z lots are greater than 2,000m^2. Assuming they could be developed at a density of approximately 10 lots per hectare, an estimated 90 lots could be created. The majority of these lots are located in the northern part of the township and it is unknown whether these would become available for development over the next 15 years. The majority of these lots have been identified in the Churchill Structure Plan as

'existing residential opportunity'. It is not recommended these lots be considered in the total residential supply for Churchill.

Supply of LDRZ Land

LDRZ land in Churchill comprises of two large parcels of land located to the east of the township. A summary of the supply of LDRZ land is provided below:

- Lots available for development: Currently, no LDRZ lots are available for development in Churchill.
- Total vacant lot potential: One large parcel of land exists which is currently vacant and has the potential to be subdivided into an estimated 75 lots based on a minimum subdivision size of 4,000m^2. This parcel of land has been identified in the Structure Plan as having potential to be R1Z land in the future.
- Occupied lots with subdivision potential: One large parcel of occupied land exists which, if subdivided, has the potential to create an additional 48 lots based on a minimum subdivision size of 4,000m^2. The likelihood of this lot being subdivided in the future is unknown.

Supply of RLZ Land

The supply of rural living zone lots in Churchill (RLZ3 and RLZ4) consists of:

- Lots available for development: A total of 29 vacant RLZ lots have no potential to be subdivided based on the minimum subdivision size of the corresponding RLZ schedule. There are no approved subdivisions on RLZ land.
- Total vacant lot potential: Total vacant RLZ lot potential in Churchill is estimated at 56 lots, which includes 29 lots available for development, and an estimated 27 lots which could be created by the subdivision of large vacant lots based on the minimum subdivision size.
- Occupied lots with subdivision potential: Potential exists for approximately 90 additional lots to be created by the subdivision of larger RLZ lots or vacant parcels of land which are part of a larger occupied allotment becoming available for development. The majority of larger lots would only have the potential to create one additional lot; however, there is one parcel of RLZ3 land which if subdivided at the minimum subdivision size would create an additional 28 lots. The likelihood of this parcel of land and the other smaller parcels of land becoming available for development over the next 15 years is unknown. It is not recommended that these lots be considered as part of the existing potential residential land supply of RLZ land in Churchill.

Supply of FZ lot of less than 5 ha

There is a total supply of 7 vacant FZ lots of less than 5 ha in size.

Table 8.5: Residential Lot Supply and Potential in Churchill, April 2008

Zone	Lots Available for Development	Vacant Land with Subdivision Potential	Total Vacant lot Potential	Total Occupied Lots with Subdivision Potential
R1Z	**136**	**341**	**477**	**93**
TZ	na	na	na	na
LDRZ	0	75	75	48
Total Residential Zoned Land	**136**	**416**	**552**	**141**
RLZ	29	27	56	89
FZ (less than 5 ha)	7	0	7	0
Total Rural and Farm Zone (less than 5ha)	**36**	**27**	**63**	**89**

Source: Essential Economics Field Survey, April 2008; Aerial photos from Latrobe City Council March 2006

Churchill Structure Plan 2007

The Churchill Structure Plan encourages the development of existing land zoned for residential development.

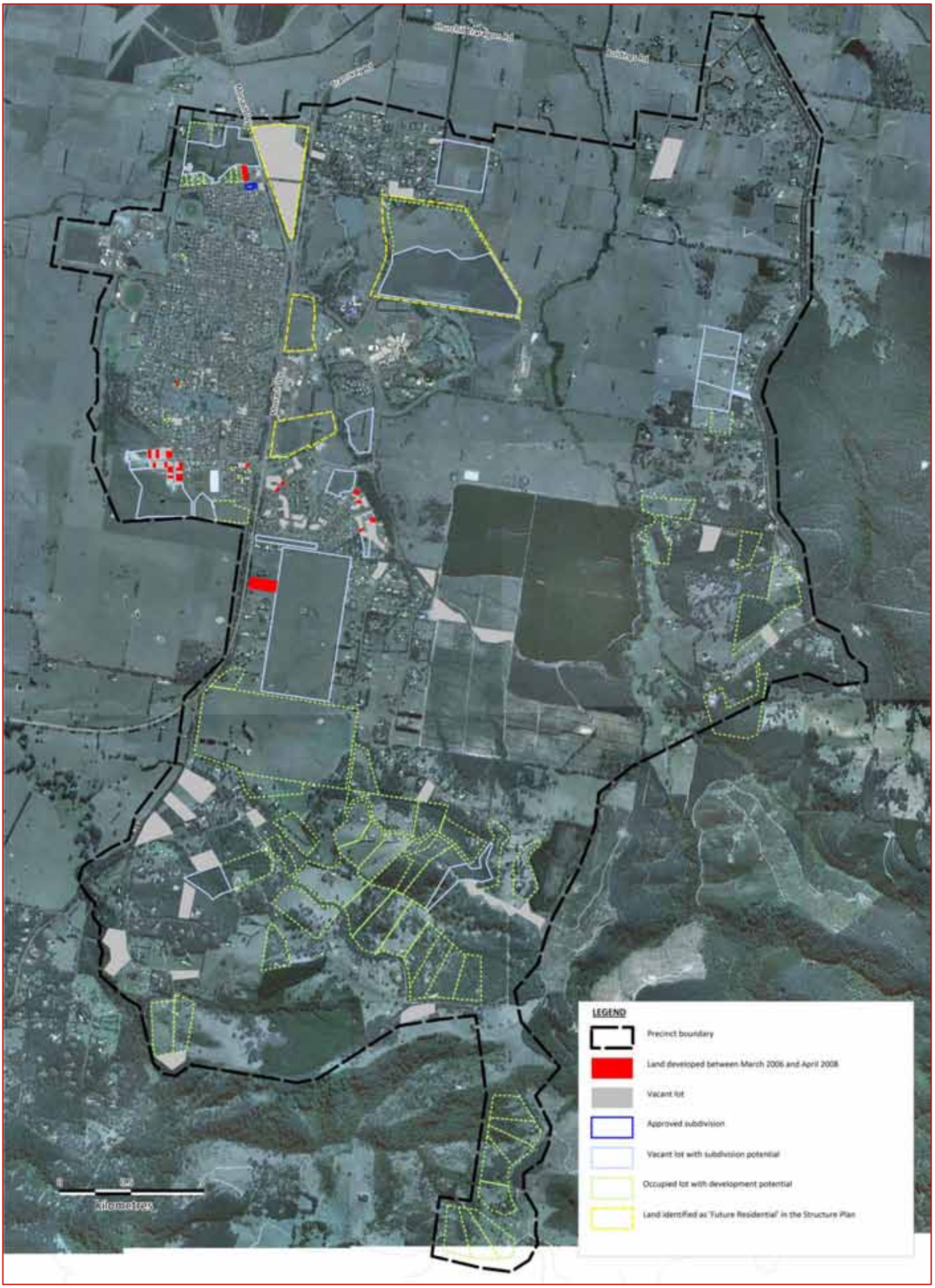
The Structure Plan also identifies an area of B5Z land located to the south of the town centre as a priority for residential development. No permit is required for the construction of a dwelling on B5Z land. This land comprises an estimated 9 ha (approximately) and could accommodate approximately 90 additional lots if subdivided at a density of 10 lots per hectare. The likelihood of this land being developed for residential purposes over the next 15 years is unknown.

In addition, a further three parcels of land where identified as *Future Residential*. These included land zoned as B2Z (located to the north of the township), LDRZ (to the east of the township) and RLZ6 (to the north of the township). Assuming these parcels of land containing a total of approximately 81 ha, were to be rezoned to R1Z and achieved a density of approximately 10 lots per hectare, approximately an additional 800 lots would be created taking into consideration existing dwellings on these sites.

In total, land identified as *future Residential* in the Structure Plan could support approximately an additional 890 residential lots.

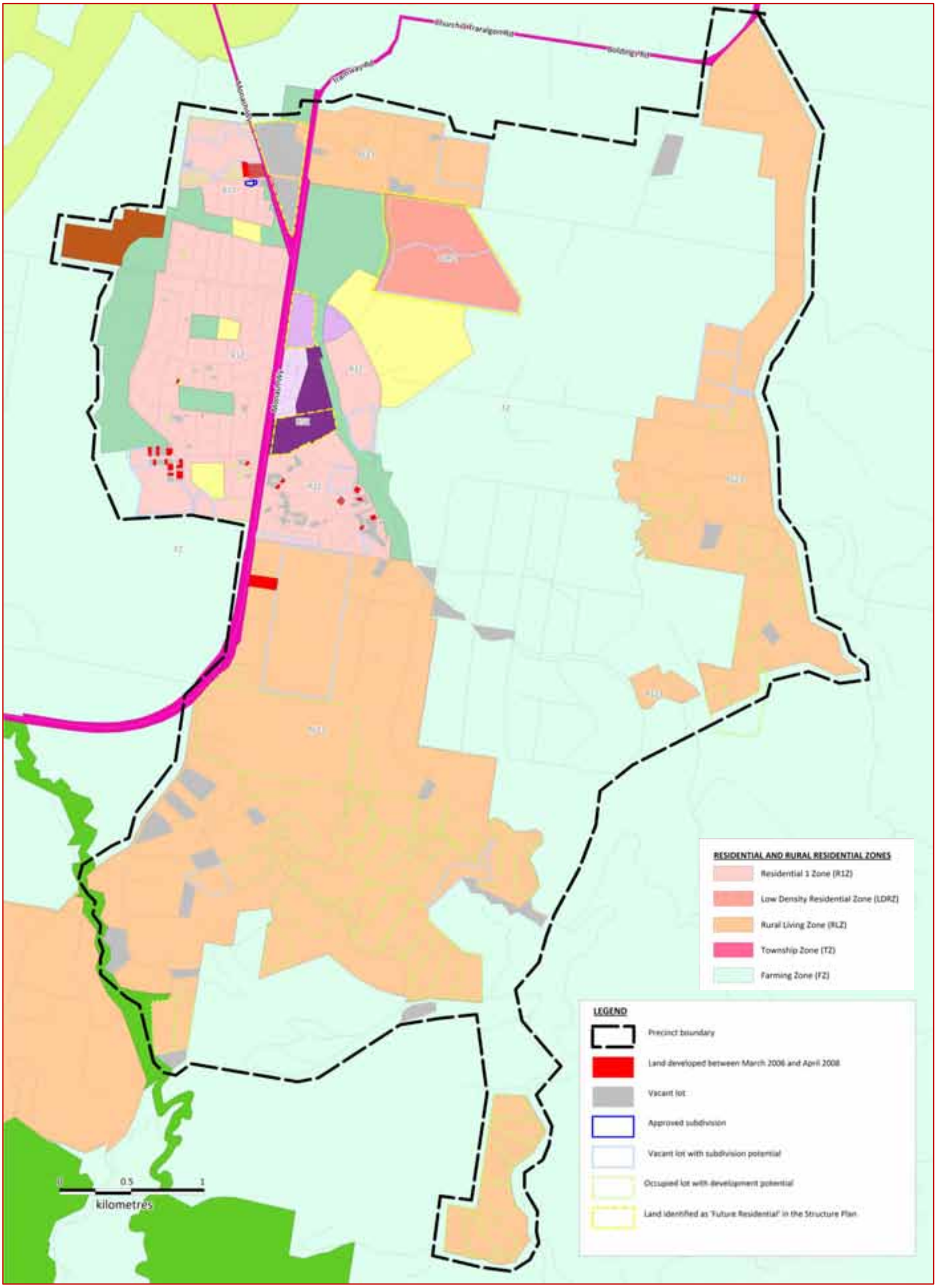
The location of residential land supply and recent development is shown in Figures 8.4 and 8.5.

Figure 8.4: Churchill Land Supply and Recent Development (Aerial photo), April 2008



Produced by Essential Economics using MapInfo

Figure 8.5: Churchill Land Supply and Recent Development (Zoning map), April 2008



Produced by Essential Economics using MapInfo

8.8 Residential Dwelling Demand Forecasts

Forecast Total Dwelling Demand in Churchill

An estimate of dwelling demand in the Churchill precinct over the next 15 years has been based on the Churchill precinct capturing a share of total dwelling demand as forecast for the Morwell and Balance SLAs in Chapter 4.6 (Table 4.6). The Churchill precinct is dissected by SLA boundaries, with the Churchill township and rural living areas to the south included in the Morwell SLA, and the rural living areas in the eastern part of the precinct located in the Balance SLA.

Based on analysis of population growth, new dwelling building permits and recent residential development in the Churchill precinct and the Morwell and Balance SLAs, it has been assumed that the Churchill precinct would accommodate approximately 17.5% of dwelling demand in the Morwell SLA and 3% of dwelling demand in the Balance SLA.

Based on these assumptions, forecast demand for new dwellings in the Churchill precinct by scenario is as follows:

- Low growth scenario: Forecasts show demand for approximately an additional 60 new dwellings over the next 10 years (annual demand of approximately 6 new dwellings) and approximately 90 new dwellings of the next 15 years (annual demand of approximately 6 new dwellings).
- Moderate growth scenario: Forecasts show demand for approximately an additional 165 new dwellings over the next 10 years (annual demand of approximately 17 new dwellings) and approximately 250 new dwellings of the next 15 years (annual demand of approximately 17 new dwellings).
- High growth scenario: Forecasts show demand for approximately an additional 215 new dwellings over the next 10 years (annual demand of approximately 22 new dwellings) and approximately 330 new dwellings of the next 15 years (annual demand of approximately 22 new dwellings).

The moderate (17 dwellings per annum) and high growth (22 dwellings per annum) scenarios reflect an increase in development rates when compared to the development rate in Churchill between March 2006 and April 2008 (12 new dwellings) and the average new dwelling building permits between 2003 and 2007 (nine dwellings per annum). These forecasts take into consideration the potential expansion of facilities in the Churchill town centre and the potential for residential demand being created due to supply constraints and price points in the Traralgon and Morwell.

Table 8.6 summarises forecast dwelling demand in the Churchill precinct.

Table 8.6: Churchill Dwelling Demand, 2008-2023

Category	2008-2018 Low Growth Scenario	2008-2018 Moderate Growth Scenario	2008-2018 High Growth Scenario	2008-2023 Low Growth Scenario	2008-2023 Moderate Growth Scenario	2008-2023 High Growth Scenario
Forecast residential dwelling demand in Morwell SLA (refer Table 4.6)	340	910	1,210	500	1,380	1,840
Estimated share of dwelling demand for the western part of the Churchill precinct	17.5%	17.5%	17.5%	17.5%	17.5%	17.5%
Forecast residential dwelling demand in Churchill from the Morwell SLA	**59**	**159**	**211**	**87**	**241**	**322**
Forecast residential dwelling demand in Balance SLA (refer Table 4.6)	120	190	220	180	280	320
Estimated share of dwelling demand for the eastern part of the Churchill precinct	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Forecast residential dwelling demand in Churchill from Balance SLA	**3**	**5**	**6**	**5**	**8**	**9**
Forecast residential dwelling demand in Churchill	**62**	**164**	**217**	**92**	**249**	**331**
Forecast annual residential dwelling demand in Churchill	**6**	**16**	**22**	**6**	**17**	**22**

Source: Essential Economics

Dwelling Demand in Churchill by Zone

Between March 2006 and April 2008 R1Z accounted for 96% of all residential development in the Churchill, while RLZ land accounted for the balance of 4%. Over the reference period, no LDRZ land was available for development.

An assessment of the forecast dwelling demand by zone in the Churchill precinct has been undertaken assuming that LDRZ is made available for development, either by existing zoned land being subdivided or new LDRZ land becoming available for development via rezoning. The assessment assumes each zone will accommodate the following share of dwelling demand in Churchill:

- R1Z will account for 90% of dwelling demand;
- LDRZ will account for 5% of dwelling demand; and
- RLZ will account for 5% of dwelling demand.

There is no TZ land in Churchill and the level of demand for FZ land of less than 5 ha is expected to be minimal.

Based on the above, forecast dwelling demand by zone in Churchill is as follows:

- R1Z land:
  - Low growth scenario: Forecast demand for approximately 55 additional dwellings over the next 10 years and approximately 80 dwellings over the next 15 years.
  - Moderate growth scenario: Forecast demand for approximately 150 additional dwellings over the next 10 years and approximately 225 dwellings over the next 15 years.

  - High growth scenario: Forecast demand for approximately 195 additional dwellings over the next 10 years and approximately 300 dwellings over the next 15 years.

- LDRZ land:
  - Low growth scenario: Forecast demand for approximately 3 additional dwellings over the next 10 years and approximately 5 dwellings over the next 15 years.
  - Moderate growth scenario: Forecast demand for approximately 8 additional dwellings over the next 10 years and approximately 13 dwellings over the next 15 years.
  - High growth scenario: Forecast demand for approximately 11 additional dwellings over the next 10 years and approximately 17 dwellings over the next 15 years.
- RLZ land:
  - Low growth scenario: Forecast demand for approximately 3 additional dwellings over the next 10 years and approximately 5 dwellings over the next 15 years.
  - Moderate growth scenario: Forecast demand for approximately 8 additional dwellings over the next 10 years and approximately 13 dwellings over the next 15 years.
  - High growth scenario: Forecast demand for approximately 11 additional dwellings over the next 10 years and approximately 17 dwellings over the next 15 years.

Recent development of RLZ land in Churchill (between March 2006 and April 2008, refer Table 8.3) amounted to 0.5 dwellings per annum, under the moderate growth scenario the forecast development rate of RLZ and LDRZ is forecast at 1.7 dwellings per annum, with this increasing to 2.2 dwellings per annum under the high growth scenario.

Table 8.7: Churchill Dwelling Demand by Zone, 2008-2023

Period	Low Growth Scenario	Moderate Growth Scenario	High Growth Scenario
Estimated share of demand by zone			
R1Z land	90%	90%	90%
LDRZ land	5%	5%	5%
RLZ Land	5%	5%	5%
Total	100%	100%	100%
2008-2018			
Total forecast dwelling demand in Churchill	60	165	215
Dwelling demand by zone			
R1Z land	54	149	194
LDRZ land	3	8	11
RLZ Land	3	8	11
2008-2023			
Total forecast dwelling demand in Churchill	90	250	330
Dwelling demand by zone			
R1Z land	81	225	297
LDRZ land	5	13	17
RLZ Land	5	13	17

Source: Essential Economics Note: Figures may not add due to rounding

8.9 Implications for Residential Land Supply

Based on the analysis presented in this chapter, a sufficient supply of R1Z, LDRZ and RLZ land (total vacant lot potential) exists to meet forecast demand over the next 15 years; however, depending on which growth scenario prevails, a certain amount of zoned R1Z land which is not currently available for development will be required to be released to the market. In terms of planning for the future residential land supply in Churchill, it would be prudent to plan for at least the moderate growth scenario.

An estimated nine year supply of R1Z land is available for development in Churchill under the moderate growth scenario, with this figure decreasing to seven years under the high growth scenario.

Based on this assessment, there is more than a 20 year supply of RLZ land available for development in Churchill; however, there is no supply of LDRZ land which is currently available for development. There is more than sufficient amount of total lot potential in the LDRZ; however there will be a demand for LDRZ land to be released for development.

Table 8.8 summarises the adequacy of residential zoned land in Churchill as of April 2008.

Table 8.8: Adequacy of Residential Land Supply – Churchill, April 2008

Zone	Low Growth Scenario	Moderate Growth Scenario	High Growth Scenario
Supply of Lots Available for Development			
R1Z land	more than 25 years	9.1 years	6.9 years
LDRZ land	No supply	No supply	No supply
RLZ Land	more than 30 years	more than 30 years	more than 20 years
Supply of Total Vacant Lot Potential			
R1Z land	more than 50 years	more than 30 years	more than 20 years
LDRZ land	more than 50 years	more than 50 years	more than 50 years
RLZ Land	more than 50 years	more than 50 years	more than 30 years

Source: Essential Economics

Based on this assessment, no further rezoning of residential land is required in Churchill. However, as noted earlier, potential may exist for increased residential demand to be directed to Churchill as a result of Council policy and market forces encouraging residential development in Churchill; if this were to eventuate, there may be potential for additional residential land to be identified, such as that identified in the Structure Plan.

The existing total vacant lot potential of R1Z land in Churchill of approximately 480 residential lots would provide approximately a 15-year supply of R1Z land if a 30 lot per annum development rate were to eventuate (this is above the forecast development rate of R1Z of approximately 20 lots per annum as forecast under the high growth scenario). This is more than double the development rate which occurred between March 2006 and April 2008.

The Churchill Structure Plan identifies Churchill's greatest challenges are to create a vibrant town centre, to overcome isolation from the other main towns, and to restore a positive perception within the residential market that Churchill is a great place to live. The Plan recommends the promotion of liveability attributes of Churchill to developers and the regional population; if these challenges can be met, then there is potential for increased residential demand.

It is therefore recommended that no further rezoning of residential land is required in Churchill at this stage; however, should residential market conditions in Churchill change in the future, it is recommended that any planning documentation relating to Churchill should identify land for future residential development. The Churchill Structure Plan does this.

8.10 Implications on Township Population Growth

Forecasts of Churchill's population are presented in Table 8.9 and are based on the forecast demand for residential land presented in this chapter. Between 2001 and 2006 the population in Churchill declined from approximately 5,210 residents to approximately 4,940 residents at a rate of -1.1%% pa (or 50 residents pa) based on ABS Census data.

By 2018, the Churchill population is forecast to decline under the low growth scenario and remain relatively constant under the moderate and high growth scenarios.

Table 8.9: Forecast Residential Population in Churchill, 2001-2018

Year	Low Growth Scenario	Moderate Growth Scenario	High Growth Scenario
2001	5,210	5,210	5,210
2006	4,940	4,940	4,940
2008	4,830	4,830	4,830
2018	4,590	4,800	4,900
Average Annual Growth (%)			
2001-2006	-1.1%	-1.1%	-1.1%
2006-2008	-1.1%	-1.1%	-1.1%
2008-2018	-0.5%	-0.1%	0.1%
Average Annual Growth (No.)			
2001-2006	-50	-50	-50
2006-2008	-60	-60	-60
2008-2018	-20	0	10

Source: ABS Census 2001 and 2006; Essential Economics

8.11 Recommendations

There is an adequate supply of land zoned for residential and rural residential development in Churchill to accommodate forecast demand over the next 15 years. The main recommendations in regards to the future requirements of residential and rural residential zoned land in Churchill are as follows:

1. **R1Z land**

    a. Where existing R1Z land can be released to the market, this should be encouraged, as there is only a nine year supply of R1Z available for development (under the moderate growth scenario).

    b. The Churchill Structure Plan identifies a parcel of B5Z land to the immediate south of the town centre as a priority area for the encouragement of residential development. Although not required in terms of accommodating forecast growth, encouraging the development of this land for residential uses would provide additional choice in the Churchill residential market. This would provide the Churchill residential market with a subdivision that is in close proximity to the town centre.

2. LDRZ Land

a. Currently, no LDRZ in Churchill is available for development; however, there is potential that a significant supply of LDRZ could become available if large lots to the east of the township were subdivided in the future. The subdivision of these lots is encouraged, as it would provide additional choice to the residential market.

b. If these lots could be subdivided, there is no requirement for additional LDRZ to be identified in order to meet forecast demand over the next 15 years.

3. RLZ Land

a. An adequate supply of RLZ land exists in Churchill in order to meet forecast demand over the next 15 years. However, two large parcels of RLZ land (one zoned RLZ3 and one zoned RLZ4) have the potential to be subdivided and are in relatively close proximity to the town centre. If these lots could accommodate quality subdivisions, then this would contribute to the additional housing choice in Churchill and may contribute to improving the perception of the Churchill residential market.

4. Other Considerations

a. As identified in the Churchill Structure Plan, Churchill's greatest challenges are to create a vibrant town centre, overcome isolation from the other main towns and restore a positive perception within the residential market that Churchill is a great place to live. If these challenges can be met, then there is potential for increased residential demand. It is therefore recommended that land be identified for future residential development, in the case that a greater level of demand eventuates. The Structure Plan does this.

9 TOONGABBIE RESIDENTIAL MARKET ASSESSMENT

9.1 Introduction

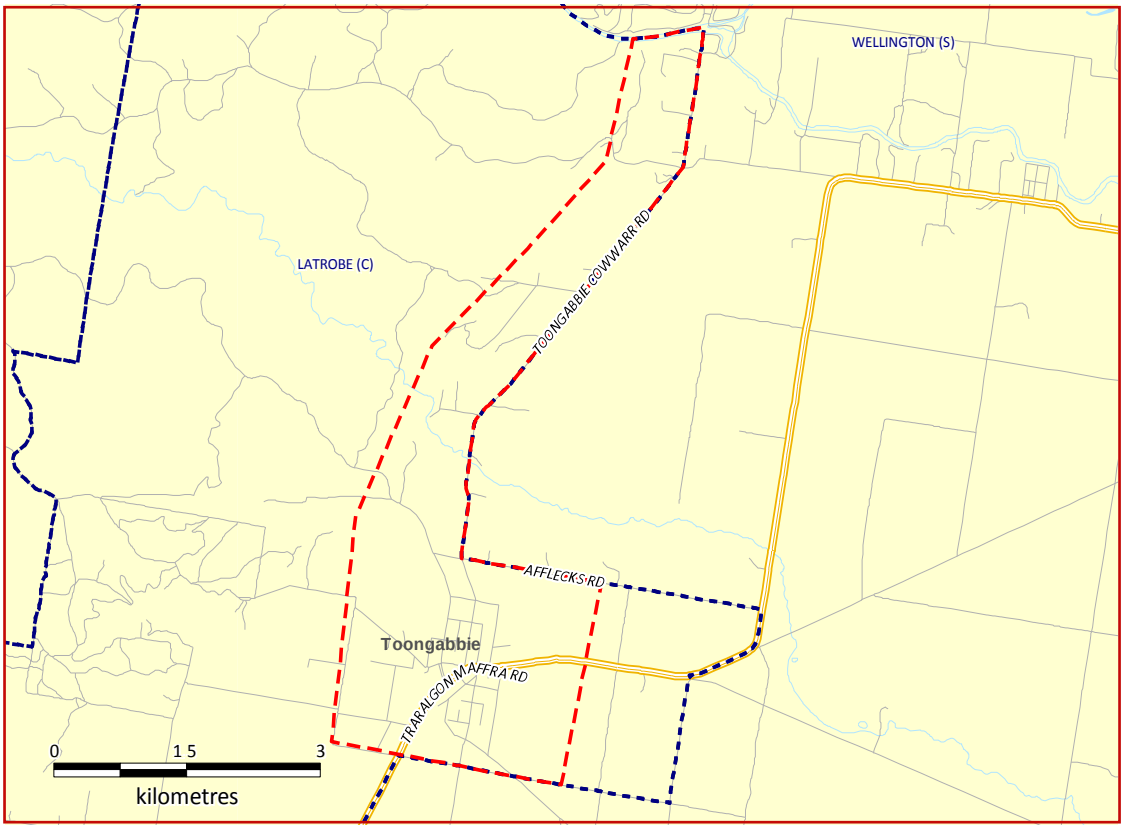
This chapter provides a residential market assessment for Toongabbie and includes recommendations on the future supply of residential and rural residential zoned land based on an assessment of recent and forecast property trends.

9.2 Precinct Overview

Toongabbie is a small settlement with an estimated population in 2006 of approximately 530 residents. Located in the north-eastern periphery of Latrobe and approximately 20 km north of Traralgon, Toongabbie provides a mix of standard residential allotments in the township and rural living allotments to the north.

Only limited town centre services are available in Toongabbie (a general store and a petrol station), and residents need to travel to centres such as Traralgon for these facilities, and for employment for those who do not work in the surrounding rural areas.

Figure 9.1: Toongabbie Precinct



Prepared by Essential Economics using MapInfo and StreetPro

9.3 Residential Property Trends

Only minimal residential activity has taken place in Toongabbie in recent years, with an annual development rate of 3.4 dwellings per annum occurring between March 2006 and April 2008 (refer Chapter 9.6). It is understood that Toongabbie suffers from being located further away from a major town compared to the residential markets in other small townships in Latrobe.

There appears to have been some relatively new RLZ subdivisions to the north of the township and these have been developed at a slow pace.

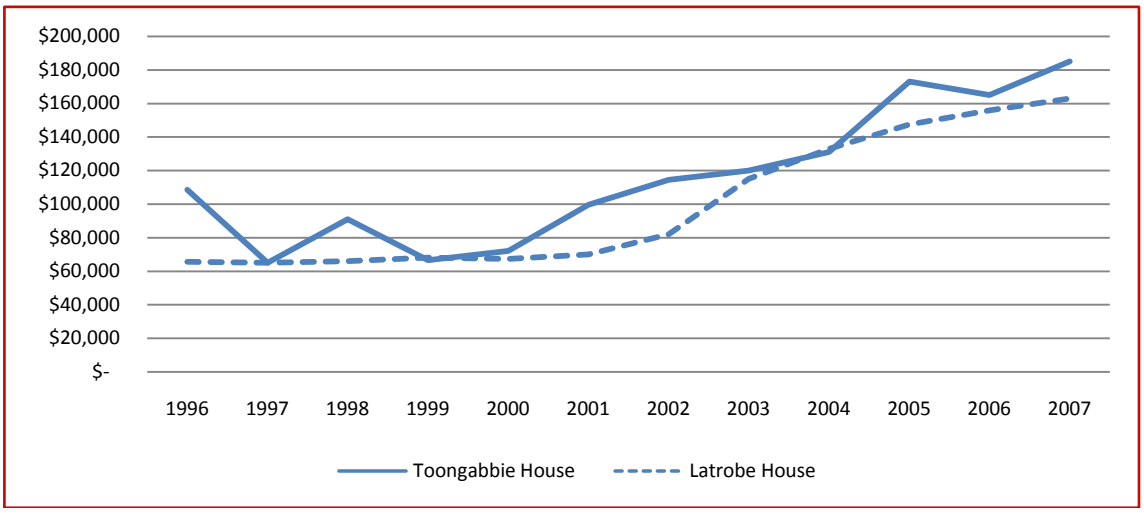
Median house prices in Toongabbie are shown in Table 9.1 and Figure 9.2 which illustrate that house prices in Toongabbie have traditionally been above that of the median for Latrobe. The 2007 median house price in Toongabbie was $185,000, compared with $163,000 for Latrobe. Since 2004, growth in median house prices in Toongabbie has outpaced that of the average growth for Latrobe.

Table 9.1: Median House Values in Toongabbie, 1996-2007

Property Type	1996	2001	2004	2006	2007	Average Annual Growth Rate			
						1996-2001	2001-2004	2004-2006	2006-2007
Toongabbie House	$108,500	$99,500	$131,000	$165,000	$185,000	-1.7%	9.6%	12.2%	12.1%
Latrobe House	$65,500	$70,000	$133,000	$156,000	$163,000	1.3%	23.9%	8.3%	4.5%

Note: ^ denotes less than 10 sales
Source: Department of Sustainability and Environment, *A Guide to Property Values*, annual

Figure 9.2: Median House Values in Toongabbie, 1996-2007



Source: Department of Sustainability and Environment, *A Guide to Property Values*, annual

9.4 Socio-Economic Trends

Toongabbie is characterised as a township containing a high share of dual income families with children who are purchasing their own home. A summary of the socio-economic trends of Toongabbie residents between 2001 and 2006 is provided in Table 9.2, with the main trends and points from the analysis being:

- Age Structure: Toongabbie has a younger age structure which includes 26.8% of residents aged from 0 to 14 years, compared the average of 20.7% for Latrobe. Although the age structure is characteristic of young families, the share of this demographic has declined in recent years. The share of residents aged 0 to 14 decreased from 31.8% in 2001. In addition, only 6.5% of the population is aged 65 years or over compared to the average of 14.1% for Latrobe.
- Income: Toongabbie's income profile shows slow growth in individual and moderate growth in household incomes between 2001 and 2006. However, while individual incomes are in-line with the median for Latrobe, household income is well above indicating the presence of dual income households.
- Household Structure: As with other smaller rural townships, Toongabbie appears to have a large number of the dual income couples and families with children. This can be seen in the average household size which is much larger than the Latrobe average (Toongabbie: 3.07 persons; Latrobe: 2.44 persons) and that couple families with children account for 46.6% of households compared to the average for Latrobe of 28.3%
- Home Ownership: Toongabbie comprises a high share of dwellings being purchased and a low share of rental properties. Based on census data, all occupied dwellings in Toongabbie are detached dwellings.
- Housing Costs: Median home loan repayments in Toongabbie are lower than the median for Latrobe and this is reflected in the share of median household incomes directed to home loan repayments (Toongabbie: 18.5%; Latrobe 25.5%).

Table 9.2: Socio-Economic Trends of Toongabbie Residents, 2001-2006

Indicator	2001	2006	% point change	Latrobe LGA 2006	Latrobe % point change
Age Structure					
0-14 years	31.8%	26.8%	-5.0%	20.7%	-2.2%
15-24 years	13.8%	15.8%	+2.0%	14.1%	+0.5%
25-44 years	29.0%	24.9%	-4.1%	25.2%	-2.5%
45-64 years	20.9%	26.0%	+5.0%	25.8%	+2.7%
65 years and over	4.5%	6.5%	+2.0%	14.1%	+1.5%
Total Population	508	514	+1.2% change	69,328	+2.3% change
Median age (years)	29	32	+8.9% change	38	+7.5% change
Occupation					
Managers & professionals	25.3%	20.5%	-4.8%	22.1%	-0.8%
Clerical & sales workers	15.2%	18.9%	+3.7%	15.1%	+0.2%
Technicians & trades workers	30.2%	31.7%	+1.5%	31.4%	-0.1%
Machinery operators & drivers	16.5%	17.6%	+1.2%	18.6%	+0.5%
Labourers & related workers	12.9%	11.3%	-1.6%	12.9%	+0.3%
Income					
Median individual income (annual)	$17,508	$19,600	+2.3% (aagr)	$19,607	+4.9% (aagr)
Variation from Latrobe LGA	13.3%	0.0%			
Median household income (annual)	$42,124	$50,601	+3.7% (aagr)	$40,602	+4.4% (aagr)
Variation from Latrobe LGA	28.6%	24.6%			
% of h'holds earning $2,000pw or more	7.7%	12.7%	+5.0% change	11.7%	+7.4% change
Household Composition					
Couple family with no children	17.5%	23.9%	+6.4%	25.2%	+1.3%
Couple family with children	53.6%	46.6%	-7.0%	28.3%	-3.3%
One Parent Family with children	15.0%	16.5%	+1.5%	12.6%	+0.2%
Other Family	3.8%	0.0%	-3.8%	4.5%	+1.2%
Lone Person Household	10.1%	12.7%	+2.6%	26.7%	+0.7%
Group Household	0.0%	0.3%	+0.3%	2.6%	-0.0%
Average household size	3.21	3.07	-4.7% change	2.44	-3.5% change
Dwelling Structure					
Detached	100.0%	100.0%	+0.0%	88.2%	-0.7%
Semi-detached	0.0%	0.0%	+0.0%	2.9%	-1.1%
Flat/unit or apartment	0.0%	0.0%	+0.0%	8.4%	+2.2%
Other	0.0%	0.0%	+0.0%	0.6%	-0.3%
Occupancy rate	92.1%	88.8%	-3.4%	89.9%	+0.3%
Total private dwellings	173	179	+0.8% (aagr)	29,188	+0.7% (aagr)
Home Ownership					
Fully owned	34.2%	33.4%	-0.9%	39.0%	-5.9%
Being purchased	49.4%	56.1%	+6.7%	35.4%	+4.4%
Renting	16.4%	10.6%	-5.8%	25.0%	+2.0%
Other	0.0%	0.0%	+0.0%	0.6%	-0.4%
Housing Costs					
Median housing loan repayment (monthly)	$515	$780	+8.6% (aagr)	$863	+9.7% (aagr)
Median loan repayment as % of median h'hld income	14.7%	18.5%	+3.8%	25.5%	+5.6%
Median rental payment (weekly)	$117	$131	+2.3% (aagr)	$130	+6.3% (aagr)
Median rent as % of median h'hld income	14.4%	13.4%	-1.0%	16.6%	+1.5%
Median House Price	$99,500	$165,000	+10.6% (aagr)	$155,500	+16.4% (aagr)

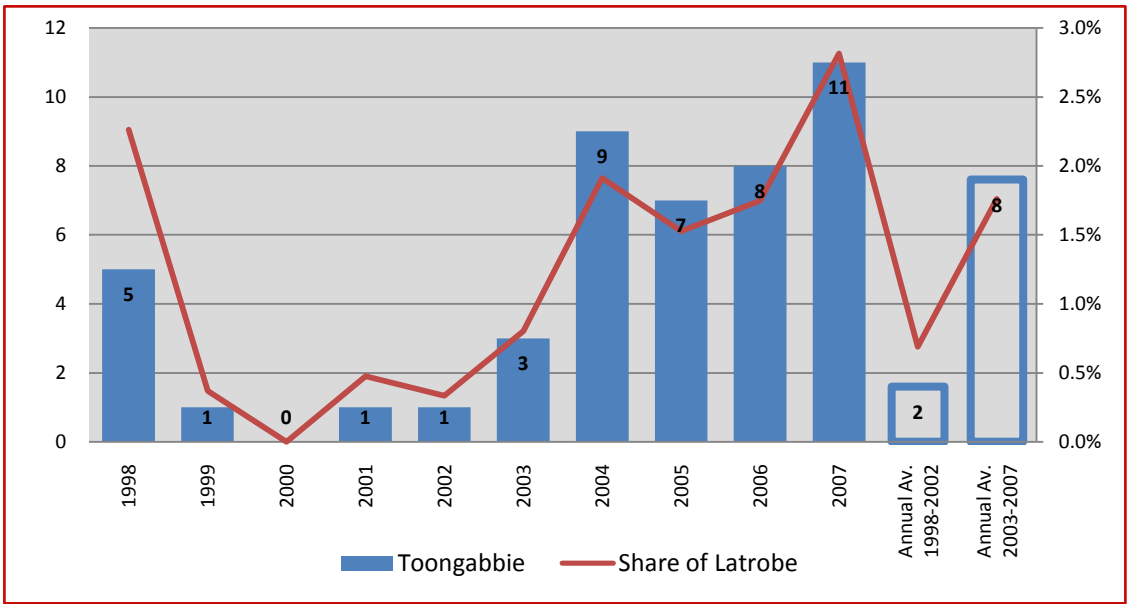
Source: ABS Census 2001 and 2006 (Usual resident profile)
Note: aagr - Average Annual Growth rate

9.5 Analysis of Building Permits

Although only limited numbers of building permits have issued in Toongabbie over the past 10 years, there has been an increasing trend in Toongabbie in the number of new dwellings resulting from building permits in recent years. Between 2003 and 2007 there was an average of eight new dwellings resulting from building permits per annum, having increased from an average two new dwellings per annum over the previous five-year period. The number of new dwellings peaked in 2007 with 11.

Figure 9.3 summarises the new dwellings as a result of domestic building permits in Toongabbie as sourced from the Building Commission of Victoria.

Figure 9.3: Toongabbie Building Permits (number of dwellings), 1998-2007



Source: Building Commission of Victoria

9.6 Recent Development Rates

A summary of recent development of residential land in Toongabbie is presented in Table 9.3, while the location of development is shown in Figures 9.4 and 9.5.

Between March 2006 and April 2008, seven dwellings were developed in Toongabbie, including three in R1Z land, two in RLZ and two in FZ land which is less than 5 hectares in size (which were the only two dwellings developed on such land in the study precincts).

Although this survey was undertaken over a limited time frame, there appears to be a demand for large lifestyle lots in Toongabbie compared with smaller standard residential lots, as evidenced by the combined development rate of RLZ and FZ lots being greater than the development rate of R1Z land, and the relatively large size of R1Z lots which were developed.

In total, Toongabbie had an annual development rate of 3.4 dwellings over this period, and this accounted for 1% of dwellings in the study precincts.

Table 9.3: Recent Residential Development by Zone in Toongabbie, March 2006 to April 2008

Zone	No. of Lots Developed	No. of Dwellings Developed	Annual Development Rate	Percentage of Dwellings Developed	Percentage of Total Dwellings Developed in the Study Precincts	Median Lot Size (m^2)
R1Z	4	3	1.4	43%	0.4%	1,980
RLZ	2	2	1.0	29%	11.8%	11,900
FZ (less than 5ha)	2	2	1.0	29%	100.0%	24,190
Total	**8**	**7**	**3.4**	**100%**	**1.0%**	**11,860**

Source: Essential Economics Field Survey, April 2008; Aerial photos from Latrobe City Council March 2006

9.7 Supply of Residential Land

An assessment of the supply of residential and rural residential land available for development in Toongabbie was conducted in April 2008. A description of the supply categories referred to in this analysis is provided in Table 9.4, with further explanation provided in Chapter 1.3 Methodology.

The estimated supply of residential and rural residential lots presented in this chapter does not take into consideration a number of factors which could limit the number of actual developable lots, such as environmental constraints (eg. flood-prone) or infrastructure constraints. It is likely that the number of lots which could eventually be developed will be somewhat smaller than the estimates presented in the analysis below.

Table 9.4: Residential and Rural Residential Supply Categories

Land Type	Explanation	Composition of Categories
(A) Vacant lots	Vacant R1Z and TZ lots which are less than 2,000m2; vacant FZ lots which are less than 5 ha; and vacant LDRZ, RLZ which cannot be further subdivided according to relevant minimum subdivision sizes.	na
(B) Lots in approved subdivisions	Lots which have planning approval to be subdivided	na
(C) Lots available for development	**An estimate of the number of lots which could be developed with no further subdivision approval required by Latrobe City Council**	**A + B**
(D) Vacant land with subdivision potential	Vacant lots which could potentially be subdivided into at least two lots based on the minimum subdivision size of the corresponding zone. For R1Z and TZ land, this consists of vacant lots which are at least 2,000m^2.	na
(E) Total vacant lot potential	**An estimate of the total lot potential on land which is currently vacant and which has the potential to be developed in the near future.**	**C + D**
(F) Vacant parcels of land that are part of a larger occupied allotment	Vacant land titles which form part of a larger property which contains a dwelling.	na
(G) Occupied lots with subdivision potential	Lots which are occupied by a dwelling but are large enough to be subdivided into at least two lots based on the minimum subdivision size for the corresponding zone. The lot potential for these properties is based on the minimum subdivision size, taking into account the existing dwelling on the property. For R1Z land, this category includes lots which are at least 2,000m^2, and the lot potential is based on a residential lot density which is similar to existing residential subdivision patterns in the precinct	na
(H) Additional lot potential on occupied allotments	**Land which is currently occupied but has the potential to accommodate additional lots in the future. The extent of this potential varies.**	**F + G**

Source: Essential Economics

Land zoned for residential development in the Toongabbie precinct comprises R1Z and TZ land, while rural residential living is accommodated by RLZ4 located to the north of the Toongabbie township and a number of FZ allotments of less than 5 ha. There is no LDRZ land in Toongabbie. A summary of the residential and rural residential lot supply is provided in Table 9.5 and is discussed below.

Supply of R1Z Land

The supply of R1Z land in the Toongabbie Precinct consists of:

- Lots available for development: There are approximately 20 R1Z lots available for development in Toongabbie, all of which are existing vacant lots.
- Total vacant lot potential: Total vacant lot potential in Toongabbie is estimated at approximately 70 lots, which includes approximately 20 lots available for development and approximately 50 lots which could be generated by subdivision of an estimated 24 vacant lots greater that 2,000m^2 in size. This estimate is based on larger vacant lots achieving a density of 8 lots per hectare. Additional vacant lot potential could be created if a greater lot density were to be achieved. The majority of these vacant larger lots with subdivision potential are between 2,000m^2 and 2,400m^2 and if subdivided are likely to only create one additional lot. In addition, a large number of these lots appear to be used as backyards for adjoining houses, or grazing. The likelihood of all these lots being subdivided in the future is unknown.

  If the lots which are between 2,000m^2 and 2,400m^2 in size were not to be subdivided, the total vacant lot potential in Toongabbie is estimated at approximately 40 lots.
- Occupied lots with subdivision potential: There are an estimated 87 occupied R1Z lots which are greater than 2,000m^2. Assuming they could be developed at a density of approximately 8 lots per hectare, approximately an additional 170 lots would be created. The majority of these lots are less than 1 ha in size and are unlikely to be subdivided in the future. However, there are four parcels of land to the east of Ries Street and one on the eastern periphery of town that if subdivided, at a density of 8 lots per hectare, could create an estimated 75 additional lots. Once, again, the likelihood of these lots being subdivided in the future and adding to the total supply of R1Z in Toongabbie over the next 15 years is unknown. In addition, there are approximately 20 vacant parcels of land that are part of a larger occupied allotment which could be developed upon in the future.

Supply of RLZ Land

The supply of rural living zones in Toongabbie (RLZ4) consists of:

- Lots available for development: Five vacant RLZ lots have no potential to be subdivided based on the minimum subdivision size. There are no approved subdivisions on RLZ land.
- Total vacant lot potential: Total vacant RLZ lot potential in Toongabbie is estimated at five lots, which comprises the five lots available for development. There are no vacant parcels of RLZ in Toongabbie with the potential to be subdivided based on the minimum subdivision size of 4 ha.
- Occupied lots with subdivision potential: Potential exists for an estimated four additional lots to be created by the subdivision of one larger RLZ lot, and the potential for four vacant parcels of land which are part of a larger occupied allotment to become available for development.

Supply of TZ Land

Three parcels of vacant TZ land exist in Toongabbie.

Supply of FZ lot of less than 5 ha

There is a total supply of 24 vacant FZ lots of less than 5 ha in size and a further 23 vacant lots which are part of a larger allotment. The likelihood of these becoming available for residential development in the future is unknown. The majority of these lots are located in the area surrounding the Toongabbie township.

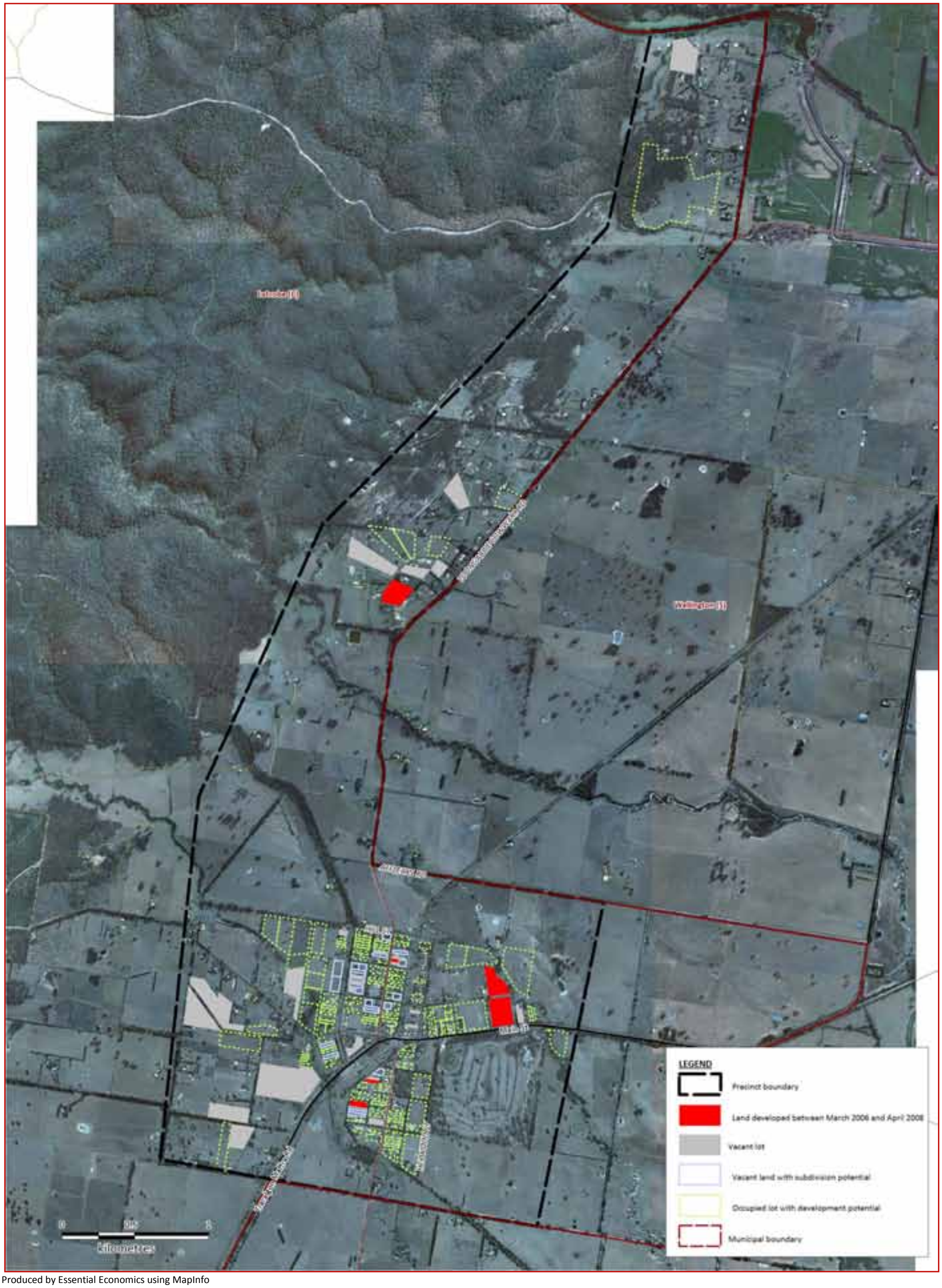
Table 9.5: Residential Lot Supply and Potential in Toongabbie, April 2008

Zone	Lots Available for Development	Vacant Land with Subdivision Potential	Total Vacant Lot Potential	Total Occupied Lots with Subdivision Potential
R1Z	**18**	**54**	**72**	**192**
TZ	3	0	3	0
LDRZ	na	na	na	na
Total Residential Zoned Land	**21**	**54**	**75**	**192**
RLZ	5	0	5	8
FZ (less than 5 ha)	24	0	24	23
Total Rural and Farm Zone (less than 5ha)	**29**	**0**	**29**	**31**

Source: Essential Economics Field Survey, April 2008; Aerial photos from Latrobe City Council March 2006

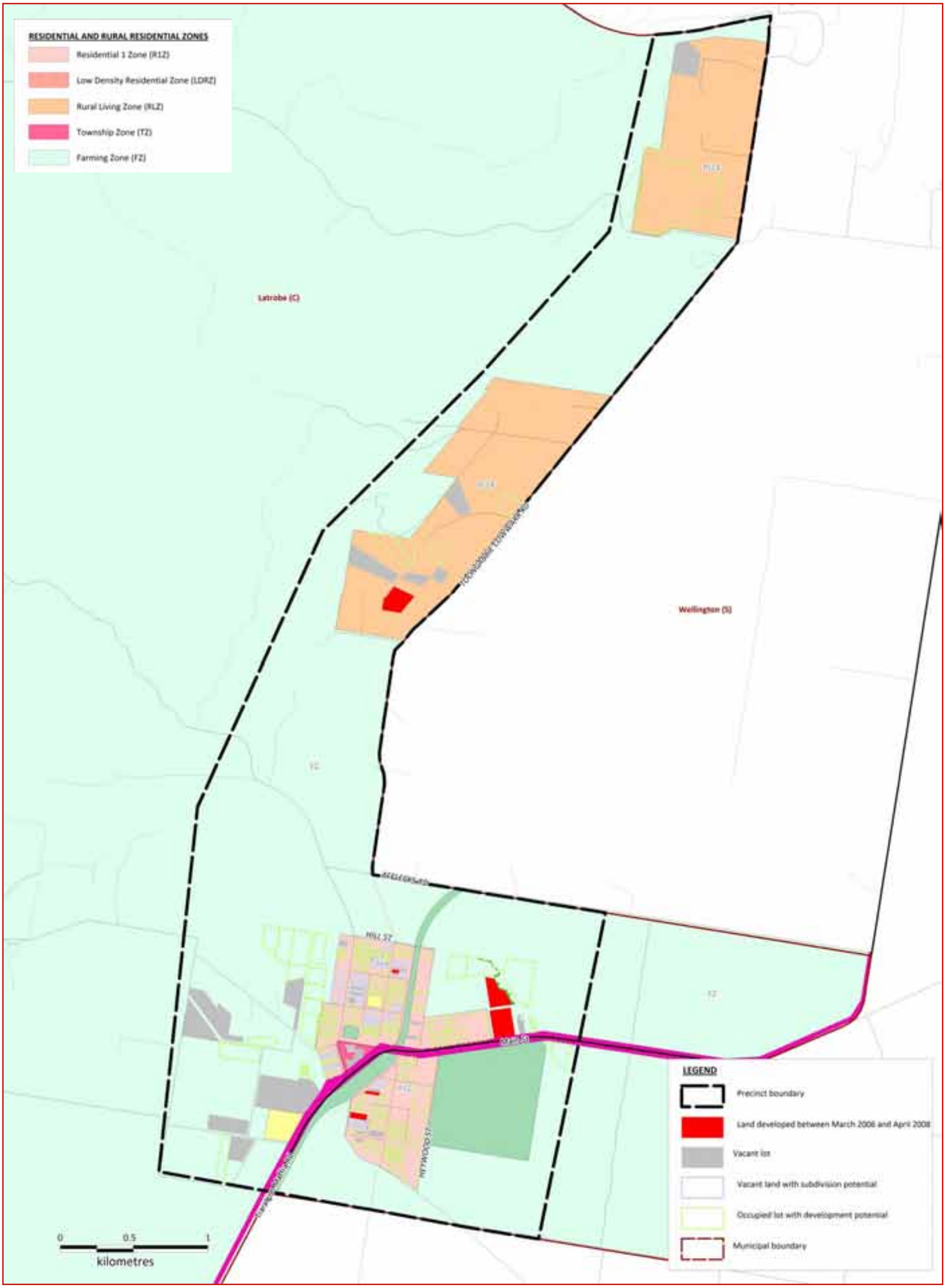
The location of residential land supply and recent development in Toongabbie is shown in Figures 9.4 and 9.5.

Figure 9.4: Toongabbie Land Supply and Recent Development (Aerial photo), April 2008



Produced by Essential Economics using MapInfo

Figure 9.5: Toongabbie Land Supply and Recent Development (Zoning map), April 2008



Produced by Essential Economics using MapInfo

9.8 Residential Dwelling Demand Forecasts

Forecast Total Dwelling Demand in Toongabbie

An estimate of dwelling demand in Toongabbie over the next 15 years has been based on the Toongabbie precinct capturing a share of total dwelling demand as forecast for the Traralgon SLA in Chapter 4.6 (Table 4.6), the SLA in which it is located.

Based on analysis of population growth, new dwelling building permits and recent residential development in the Toongabbie precinct and the Traralgon SLA, and comments from local real estate agents which indicate the proximity of Toongabbie to the larger towns is a constraint to residential demand in the precinct, it is likely the Toongabbie precinct will accommodate only a small share of the residential demand forecast for the Traralgon SLA. It has been assumed that the Toongabbie precinct would accommodate an estimated 1.5% of dwelling demand in the Traralgon SLA.

Based on this assumption, forecast demand for new dwellings in the Toongabbie precinct by scenario is as follows:

- Low growth scenario: Forecasts show demand for approximately an additional 60 new dwellings over the next 15 years (annual demand of approximately 4 new dwellings).
- Moderate growth scenario: Forecasts show demand for approximately an additional 70 new dwellings over the next 15 years (annual demand of approximately 4.7 new dwellings).
- High growth scenario: Forecasts show demand for approximately an additional 80 new dwellings over the next 15 years (annual demand of approximately 5.3 new dwellings).

Table 9.6 summarises forecast dwelling demand in Toongabbie.

Table 9.6: Toongabbie Dwelling Demand, 2008-2023

Category	2008-2018			2008-2023		
	Low Growth Scenario	Moderate Growth Scenario	High Growth Scenario	Low Growth Scenario	Moderate Growth Scenario	High Growth Scenario
Forecast residential dwelling demand in Traralgon SLA (refer Table 4.6)	2,640	3,030	3,420	3,890	4,530	5,180
Estimated share of dwelling demand for Toongabbie precinct	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
Forecast residential dwelling demand in Toongabbie	**40**	**45**	**50**	**60**	**70**	**80**
Forecast annual residential dwelling demand in Toongabbie	**4.0**	**4.5**	**5.0**	**4.0**	**4.7**	**5.3**

Note: Figures rounded to nearest 5
Source: Essential Economics

Due to the limited forecast growth in dwelling demand in Toongabbie, it would be prudent to plan for the high growth scenario in terms of planning for future residential and rural residential land requirements.

Dwelling Demand in Toongabbie by Zone

Between March 2006 and April 2008, RLZ and FZ of less than 5 ha accounted for 57% of development which occurred in the Toongabbie precinct, while R1Z accounted for the balance of 43% of development. Although only limited development occurred over the reference period, this does indicate a demand for larger rural allotments, and potentially demand for RLZ and LDRZ land. Currently there is no LDRZ land in Toongabbie; however, it has been assumed in this assessment that LDRZ is made available for development. This assessment is intended to provide an indication of the future residential and rural residential land requirements in Toongabbie and assumes each zone will accommodate the following share of dwelling demand in Toongabbie:

- R1Z and TZ will account for 40% of dwelling demand;
- LDRZ will account for 30% of dwelling demand; and
- RLZ will account for 30% of dwelling demand.

The likelihood of vacant FZ land of less than 5 ha being released to the market is unknown, and therefore has not been considered in this assessment.

Based on the above, forecast dwelling demand by zone in Toongabbie under the high growth scenario is as follows:

- R1Z and TZ land:
  - Forecast demand for approximately 30 additional dwellings over the next 15 years.
- LDRZ land:
  - Forecast demand for approximately 25 additional dwellings over the next 15 years.
- RLZ land:
  - Forecast demand for 25 additional dwellings over the next 15 years.

Table 9.7 summarises the forecast residential and rural residential demand in Toongabbie by zone.

Table 9.7: Toongabbie Dwelling Demand by Zone, 2008-2023

Period	Low Growth Scenario	Moderate Growth Scenario	High Growth Scenario
Estimated share of demand by zone			
R1Z and TZ land	40%	40%	40%
LDRZ land	30%	30%	30%
RLZ Land	30%	30%	30%
Total	**100%**	**100%**	**100%**
2008-2018			
Total forecast dwelling demand in Toongabbie	40	45	50
Dwelling demand by zone			
R1Z and TZ land	16	18	20
LDRZ land	12	14	15
RLZ Land	12	14	15
2008-2023			
Total forecast dwelling demand in Toongabbie	60	70	80
Dwelling demand by zone			
R1Z and TZ land	24	28	32
LDRZ land	18	21	24
RLZ Land	18	21	24

Note: Figures may not add due to rounding
Source: Essential Economics

9.9 Implications for Residential Land Supply

Based on the analysis presented in this chapter, there is a sufficient total supply of R1Z and TZ land to satisfy forecast demand for such land over the next 15 years. However, this does rely on large parcels of existing R1Z land being subdivided and becoming available for development. The existing supply of vacant R1Z and TZ provides for approximately a 10 to 11 year supply based on the moderate and high growth scenarios.

Only a limited supply of RLZ land exists, and there is potential for additional land to be identified in order to meet the forecast demand over the next 10 and 15 year periods. The existing supply of RLZ equates to an estimated four to five year supply based on the moderate and high growth scenarios, nevertheless, the existing supply of only five lots provides only limited choice.

Currently, no LDRZ land exists in Toongabbie. If provided, it is likely to attract some interest having consideration for the recent development trends in Toongabbie. If no LDRZ is provided in the future, it is likely additional RLZ would be required to satisfy demand for larger rural allotments.

Table 9.8 summarises the adequacy of residential zoned land in Toongabbie as of April 2008.

Table 9.8: Adequacy of Residential Land Supply – Toongabbie, April 2008

Zone	Low Growth Scenario	Moderate Growth Scenario	High Growth Scenario
Supply of Lots Available for Development			
R1Z and TZ land	13.1 years	11.3 years	9.8 years
LDRZ land	No supply	No supply	No supply
RLZ Land	4.2 years	3.6 years	3.1 years
Supply of Total Vacant Lot Potential			
R1Z and TZ land	more than 40 years	more than 30 years	more than 30 years
LDRZ land	No supply	No supply	No supply
RLZ Land	4.2 years	3.6 years	3.1 years

Source: Essential Economics

By 2023 it is estimated there will be a short-fall of approximately 20 RLZ allotments in Toongabbie. Assuming additional land were to be zoned RLZ4 (as with all existing RLZ in Toongabbie), with a minimum subdivision size of 4 ha, there would be a requirement of between approximately 64 and 76 hectares of RLZ by 2023, based on the moderate and high growth scenarios. If no LDRZ land were to be provided in Toongabbie, this figure may increase. Alternatively, if land were to be zoned RLZ1, RLZ2 or RLZ3 than a lower amount of land would be required.

Providing for LDRZ in Toongabbie would introduce additional housing choice. Based on the assumptions in this assessment, there would be potential for up to approximately 12 ha of LDRZ by 2023.

Table 9.9 summarises the forecast RLZ requirements in Toongabbie over and above existing zoned land. Land requirements will vary depending on the desired lot densities.

Table 9.9: Residential Land Requirements – Toongabbie (over and above total lot potential), April 2008

Zone	Low Growth Scenario	Moderate Growth Scenario	High Growth Scenario
2008-2023			
Short-fall in supply of LDRZ land	18	21	24
Assumed lot density per hectare (gross), based on minimum subdivision size of 0.4 ha and an allowance of 20% for internal roads	2	2	2
LDRZ land requirements to meet 15 year supply	9 ha	11 ha	12 ha
Short-fall in supply of RLZ land	13	16	19
Land required per lot, based on minimum subdivision size of 4 ha (RLZ4) and no allowance of internal roads	4 ha	4 ha	4 ha
RLZ land requirements to meet 15 year supply	52 ha	64 ha	76 ha

Source: Essential Economics

9.10 Implications on Township Population Growth

Forecasts of Toongabbie's population are presented in Table 9.10 and are based on the forecast demand for residential land presented in this chapter. Between 2001 and 2006 the population in Toongabbie remained stable at approximately 530 residents.

By 2018, the Toongabbie population is forecast to increase to approximately 610 residents under the high growth scenario at a rate of 1.2% pa.

Table 9.10: Forecast Residential Population in Toongabbie, 2001-2018

Year	Low Growth Scenario	Moderate Growth Scenario	High Growth Scenario
2001	530	530	530
2006	530	530	530
2008	540	540	540
2018	580	600	610
Average Annual Growth (%)			
2001-2006	0.0%	0.0%	0.0%
2006-2008	0.9%	0.9%	0.9%
2008-2018	0.7%	1.1%	1.2%
Average Annual Growth (No.)			
2001-2006	0	0	0
2006-2008	10	10	10
2008-2018	0	10	10

Source: ABS Census 2001 and 2006; Essential Economics

9.11 Recommendations

The main recommendations in regards to the future requirements of residential and rural residential zoned land in Toongabbie are as follows:

1. R1Z and TZ land

a. Where existing R1Z or TZ land can be released to the market, such as large vacant and occupied lots located to the east of the township, this should be encouraged, as there is only a 10 to 11 year supply of R1Z or TZ available for development (under the moderate and high growth scenarios).

b. Providing the large vacant and occupied lots on the eastern periphery of the township can be subdivided, there is no requirement for additional R1Z or TZ to be identified for the purpose of residential development.

2. LDRZ Land

a. There is currently no LDRZ in Toongabbie; however, there is potential demand for such land having consideration for recent development trends. Based on the assessment presented in this chapter, there is potential for up to approximately 12 ha of LDRZ to be rezoned in Toongabbie to meet the forecast demand over the next 15 years.

3. RLZ Land

a. There is an inadequate supply of RLZ in Toongabbie in order to meet forecast demand over the next 15 years as presented in this Chapter. Assuming additional rural living land would be zoned RLZ4, there is a forecast requirement for up to approximately an additional76 ha; less land would be required if land were to be rezoned RLZ1, RLZ2 or RLZ3.

4. Other Considerations

a. A large number of lots which have been identified in this assessment as having the potential for subdivision may never be subdivided. Residents in Toongabbie appear to seek larger lots and although there may be potential for their land to be subdivided, it may not be in the interests of the property owners. It would be prudent to identify the direction of future urban expansion of Toongabbie should existing R1Z land not be released to the market in the future.

10 GLENGARRY RESIDENTIAL MARKET ASSESSMENT

10.1 Introduction

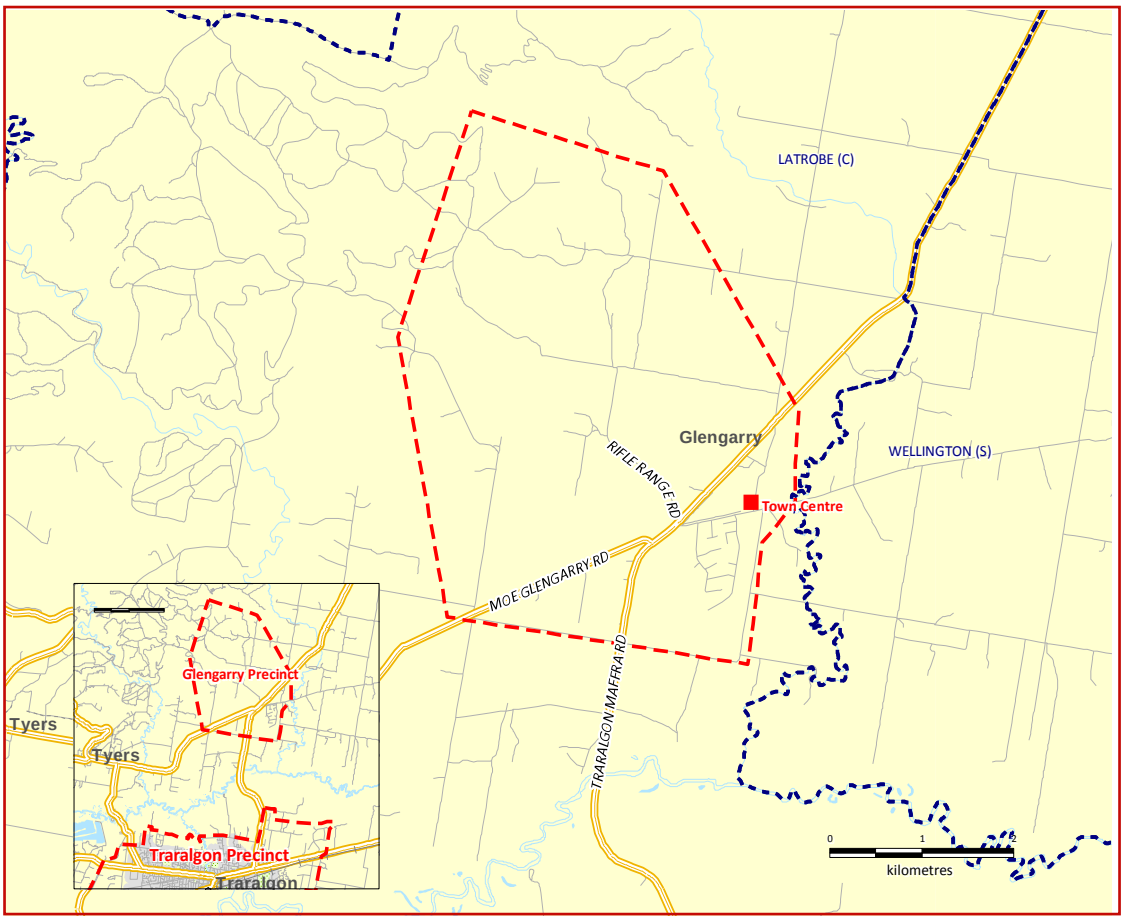
This chapter provides a residential market assessment for Glengarry and includes recommendations on the future supply of residential and rural residential zoned land based on an assessment of recent and forecast property trends.

10.2 Precinct Overview

Glengarry is a rural settlement with a small town centre which serves the local convenience needs of the surrounding residents. Located approximately 10 km to the north of Traralgon, Glengarry had an estimated resident population of approximately 1,500 residents in 2006.

Glengarry comprises R1Z and TZ land in and surrounding the town centre, with RLZ located to the west and north.

Figure 10.1: Glengarry Precinct



Prepared by Essential Economics using MapInfo and StreetPro

10.3 Residential Property Trends

Traditionally median house prices in Glengarry have been above the median for Latrobe. The median house price for Glengarry in 2007 was $224,000 compared to the median for Latrobe of $163,000. After experiencing declining house values between 1996 and 1999, property values in Glengarry have steadily increased up until 2006. Between 2006 and 2007 median house prices in Glengarry remained relatively unchanged compared to average growth of 4.5% pa for Latrobe.

In terms of residential development, only minimal activity has taken place in recent years; however, limited supply of available land for development may be a contributing factor.

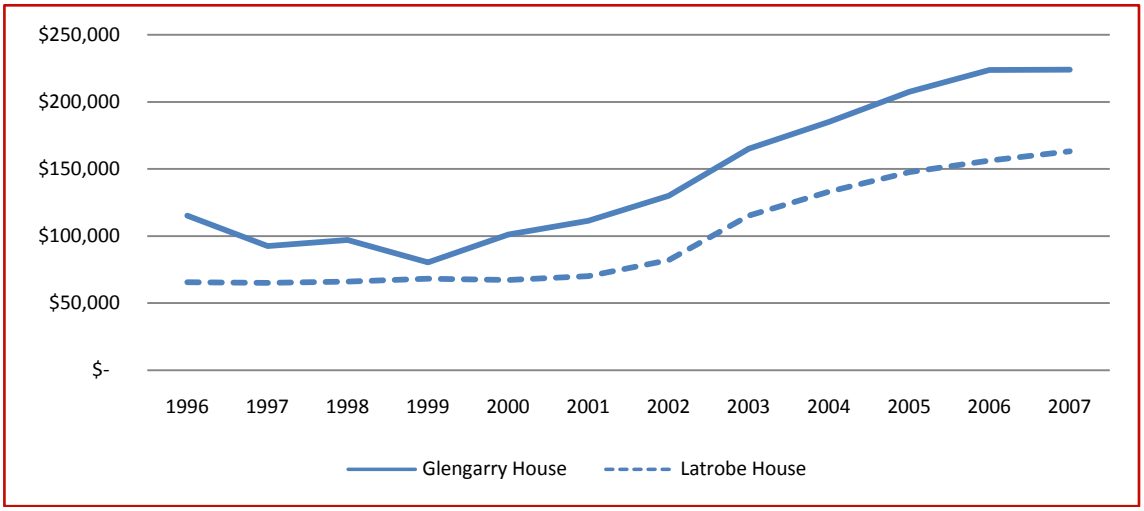
According to local real estate agents, Glengarry's proximity to Traralgon enables Glengarry to operate as a virtual suburb of Traralgon.

Table 10.1: Median House Values in Glengarry, 1996-2007

Property Type	1996	2001	2004	2006	2007	Average Annual Growth Rate			
						1996-2001	2001-2004	2004-2006	2006-2007
Glengarry House	$115,000^	$111,250	$185,000	$223,750	$224,000	-0.7%	18.5%	10.0%	0.1%
Latrobe House	$65,500	$70,000	$133,000	$156,000	$163,000	1.3%	23.9%	8.3%	4.5%

Note: ^ denotes less than 10 sales
Source: Department of Sustainability and Environment, *A Guide to Property Values*, annual

Figure 10.2: Median House Values in Glengarry, 1996-2007



Source: Department of Sustainability and Environment, *A Guide to Property Values*, annual

10.4 Socio-Economic Trends

Glengarry is a family-dominated area which is well-above Latrobe benchmarks in terms of income, house price and home loan repayments. While the home loan repayments in Glengarry are nearly twice the median for Latrobe, it does not appear to be a significant burden on households as a result of higher household incomes. A summary of the socio-economic trends of Glengarry residents between 2001 and 2006 is provided in Table 10.2, with the main points as follows:

- Age Structure: Glengarry has a younger age structure which comprises of 27.0% of residents aged from 0 to 14 years, compared to the average of 20.7% for Latrobe. Although the age structure is characteristic of young families, the share of this demographic has declined in recent years. The share of residents aged 0 to 14 decreased from 32.2% in 2001. In addition, only 4.6% of the population is aged 65 years or over compared to the average of 14.1% for Latrobe.
- Income: Individual and household incomes are well above the median incomes for Latrobe. Median household incomes are 47% above the median for Latrobe indicating the presence of double income households.
- Household Composition: Couple families are the dominant household type in Glengarry, accounting for some 73% of households, including 52% in the couple families with children category. Dwellings are almost totally detached and have a high occupancy rate.
- Home Ownership: Conforming to the young family demographic in Glengarry, there is an above average proportion of homes being purchased, with 57% of dwellings being purchased compared to the average for Latrobe of 35%.
- Housing Costs: Glengarry's median home loan payment has experienced strong growth between 2001 and 2006. Median home loan repayments are significantly higher than the median for Latrobe and are the second highest of the precincts subject to this assessment. This growth has led to an increased servicing burden in the township; however, the servicing burden of home loans in Glengarry is still below the average servicing burden in Latrobe. Home loan repayments account for 21.7% of household income compared to 25.5% for Latrobe due to higher household incomes.

Table 10.2 is presented on the following page.

Table 10.2: Socio-Economic Trends of Glengarry Residents, 2001-2006

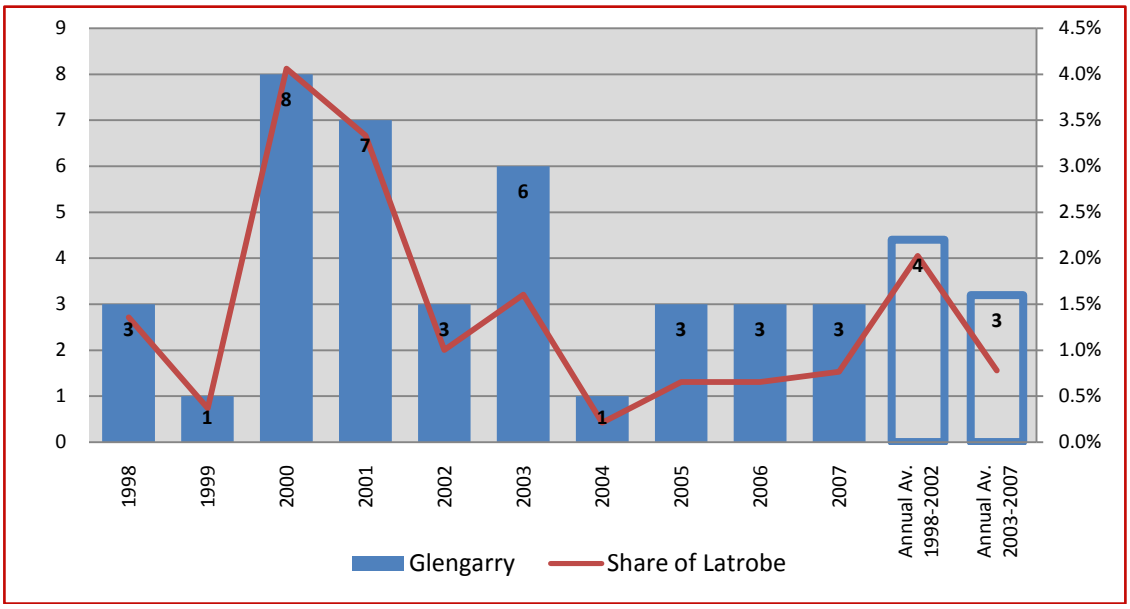
Indicator	2001	2006	Percentage Point Change	Latrobe LGA 2006	Latrobe Percentage Point Change
Age Structure					
0-14 years	32.2%	27.0%	-5.2%	20.7%	-2.2%
15-24 years	12.1%	14.9%	+2.8%	14.1%	+0.5%
25-44 years	33.4%	27.6%	-5.8%	25.2%	-2.5%
45-64 years	19.4%	25.9%	+6.5%	25.8%	+2.7%
65 years and over	2.9%	4.6%	+1.7%	14.1%	+1.5%
Total Population	1,480	1,464	-1.1% change	69,328	+2.3% change
Median age (years)	30	32	+8.5% change	38	+7.5% change
Occupation					
Managers & professionals	19.9%	17.2%	-2.7%	22.1%	-0.8%
Clerical & sales workers	20.6%	22.5%	+2.0%	15.1%	+0.2%
Technicians & trades workers	32.2%	32.8%	+0.6%	31.4%	-0.1%
Machinery operators & drivers	18.7%	16.5%	-2.2%	18.6%	+0.5%
Labourers & related workers	8.6%	11.0%	+2.4%	12.9%	+0.3%
Income					
Median individual income (annual)	$18,530	$24,519	+5.8% (aagr)	$19,607	+4.9% (aagr)
Variation from Latrobe LGA	19.9%	25.1%			
Median household income (annual)	$48,766	$59,763	+4.2% (aagr)	$40,602	+4.4% (aagr)
Variation from Latrobe LGA	48.9%	47.2%			
% of h'holds earning $2,000pw or more	5.4%	17.6%	+12.2% change	11.7%	+7.4% change
Household Composition					
Couple family with no children	20.3%	20.9%	+0.6%	25.2%	+1.3%
Couple family with children	52.2%	52.0%	-0.2%	28.3%	-3.3%
One Parent Family with children	12.0%	8.3%	-3.7%	12.6%	+0.2%
Other Family	3.1%	0.3%	-2.8%	4.5%	+1.2%
Lone Person Household	11.0%	17.0%	+5.9%	26.7%	+0.7%
Group Household	1.4%	1.7%	+0.3%	2.6%	-0.0%
Average household size	3.11	2.97	-4.7% change	2.44	-3.5% change
Dwelling Structure					
Detached	98.7%	97.9%	-0.8%	88.2%	-0.7%
Semi-detached	1.3%	0.0%	-1.3%	2.9%	-1.1%
Flat/unit or apartment	0.0%	2.1%	+2.1%	8.4%	+2.2%
Other	0.0%	0.0%	+0.0%	0.6%	-0.3%
Occupancy rate	95.9%	94.3%	-1.6%	89.9%	+0.3%
Total private dwellings	486	504	+0.7% (aagr)	29,188	+0.7% (aagr)
Home Ownership					
Fully owned	37.0%	33.8%	-3.2%	39.0%	-5.9%
Being purchased	52.7%	57.3%	+4.6%	35.4%	+4.4%
Renting	10.1%	8.7%	-1.4%	25.0%	+2.0%
Other	0.2%	0.2%	+0.1%	0.6%	-0.4%
Housing Costs					
Median housing loan repayment (monthly)	$640	$1,080	+11.0% (aagr)	$863	+9.7% (aagr)
Median loan repayment as % of median h'hld income	15.8%	21.7%	+5.9%	25.5%	+5.6%
Median rental payment (weekly)	$118	$138	+3.2% (aagr)	$130	+6.3% (aagr)
Median rent as % of median h'hld income	12.6%	12.0%	-0.6%	16.6%	+1.5%
Median House Price	$111,250	$216,250	+14.2% (aagr)	$155,500	+16.4% (aagr)

Source: ABS Census 2001 and 2006 (Usual resident profile)
Note: aagr refers to Average Annual Growth rate

10.5 Analysis of Building Permits

Recent trends in new dwellings as a result of domestic building permits in Glengarry are summarised in Figure 10.3, as sourced from the Building Commission of Victoria. Between 2003 and 2007 an average of three new dwellings per annum has been recorded, and this represents less than 1% of new dwelling permits in Latrobe.

Figure 10.3: Glengarry Building Permits (number of dwellings), 1998-2007



Source: Building Commission of Victoria

10.6 Recent Development Rates

A summary of recent development of residential land in Glengarry is presented in Table 10.3, while the location of development is shown in Figures 10.4 and 10.5.

The limited availability of residential land that is available for development has affected the residential development rate in Glengarry in recent years. Between March 2006 and April 2008 the Glengarry precinct accounted for only three new dwellings, an annual development rate of 1.4 dwellings. Two of these dwelling were developed in R1Z land and one in RLZ land. In total, Glengarry accounted for less than 1% of dwellings developed in the study precincts over this period.

Table 10.3: Recent Residential Development by Zone in Glengarry, March 2006 to April 2008

Zone	No. of Lots Developed	No. of Dwellings Developed	Annual Development Rate	Percentage of Dwellings Developed	Percentage of Total Dwellings Developed in the Study Precincts	Median Lot Size (m^2)
R1Z	2	2	1.0	66.7%	0.3%	3,100
RLZ	1	1	0.5	33.3%	5.9%	20,190
Total	**3**	**3**	**1.4**	**100.0%**	**0.4%**	**4,380**

Source: Essential Economics Field Survey, April 2008; Aerial photos from Latrobe City Council March 2006

10.7 Supply of Residential Land

An assessment of the supply of residential and rural residential land available for development in Glengarry was conducted in April 2008. A description of the supply categories referred to in this analysis is provided in Table 10.4, with further explanation provided in Chapter 1.3 Methodology.

The estimated supply of residential and rural residential lots presented in this chapter does not take into consideration a number of factors which could limit the number of actual developable lots, such as environmental constraints (eg. flood-prone) or infrastructure constraints. It is likely that the number of lots which could eventually be developed will be somewhat smaller than the estimates presented in the analysis below.

Table 10.4: Residential and Rural Residential Supply Categories

Land Type	Explanation	Composition of Categories
(A) Vacant lots	Vacant R1Z and TZ lots which are less than 2,000m2; vacant FZ lots which are less than 5 ha; and vacant LDRZ, RLZ which cannot be further subdivided according to relevant minimum subdivision sizes.	na
(B) Lots in approved subdivisions	Lots which have planning approval to be subdivided	na
(C) Lots available for development	**An estimate of the number of lots which could be developed with no further subdivision approval required by Latrobe City Council**	**A + B**
(D) Vacant land with subdivision potential	Vacant lots which could potentially be subdivided into at least two lots based on the minimum subdivision size of the corresponding zone. For R1Z and TZ land, this consists of vacant lots which are at least 2,000m^2.	na
(E) Total vacant lot potential	**An estimate of the total lot potential on land which is currently vacant and which has the potential to be developed in the near future.**	**C + D**
(F) Vacant parcels of land that are part of a larger occupied allotment	Vacant land titles which form part of a larger property which contains a dwelling.	na
(G) Occupied lots with subdivision potential	Lots which are occupied by a dwelling but are large enough to be subdivided into at least two lots based on the minimum subdivision size for the corresponding zone. The lot potential for these properties is based on the minimum subdivision size, taking into account the existing dwelling on the property. For R1Z land, this category includes lots which are at least 2,000m^2, and the lot potential is based on a residential lot density which is similar to existing residential subdivision patterns in the precinct	na
(H) Additional lot potential on occupied allotments	**Land which is currently occupied but has the potential to accommodate additional lots in the future. The extent of this potential varies.**	**F + G**

Source: Essential Economics

Land zoned for residential development in the Glengarry precinct comprises R1Z and TZ land, while rural residential living is accommodated by RLZ3, RLZ4 and RLZ6 located to the north and west of the Glengarry township, and a number of FZ allotments of less than 5 ha. There is no LDRZ land in Glengarry. A summary of the residential and rural residential lot supply is provided in Table 10.5 and is discussed below.

Supply of R1Z Land

The supply of R1Z land in the Glengarry precinct consists of:

- Lots available for development: An estimated 13 R1Z lots are available for development in Glengarry, which comprises of approximately eight existing vacant lots and five lots which will be created by an approved subdivision.
- Total vacant lot potential: Total vacant lot potential in Glengarry is estimated at 21 lots, which includes the 13 lots available for development and eight lots which could be generated by subdivision of a large vacant lot to the south of Cairnbrook Road. This estimate is based on larger vacant lots achieving a lot density of approximately 8 lots per hectare.
- Occupied lots with subdivision potential: The majority of R1Z allotments to the south of Cairnbrook Road are larger than 2,000m^2 in size; however, it is unlikely the majority of these lots would be subdivided in the near future as these larger allotments are meeting a demand for larger lifestyle lots. In total, there are approximately 90 occupied R1Z lots greater than 2,000m^2 in size in Glengarry, which if subdivided at a density of 8 lots per hectare, could create an additional 295 lots.

  Of these lots, there are nine lots which are 1 ha or greater in size and these include lots on the eastern periphery of the urban area south of Cairnbrook Road, and one large parcel of land to the north of the recreation reserve. These larger lots have the potential to accommodate an additional 120 lots. Although there is a significant potential to increase the supply of R1Z in Glengarry by the subdivision of these lots, the likelihood of these lots being subdivided is unknown.

Supply of TZ Land

There is one vacant parcel of TZ land which if subdivided at a density of approximately 8 lots per hectare could create three lots. There is also the potential that this land could be developed for uses other than residential.

Supply of RLZ Land

The supply of rural living zones in Glengarry (RLZ3, RLZ4 and RLZ6) consists of:

- Lots available for development: Four vacant RLZ lots exist but have no potential to be subdivided based on the minimum subdivision size. There are no approved subdivisions on RLZ land.
- Total vacant lot potential: Total vacant RLZ lot potential in Glengarry is estimated at four lots, which comprises of the four lots available for development. There are no vacant parcels of RLZ in Glengarry with the potential to be subdivided based on the minimum subdivision size.
- Occupied lots with subdivision potential: Four parcels of RLZ land have the potential to create four additional lots if they were to be subdivided. There is also one vacant parcel of land which is part of a larger occupied allotment. The likelihood of these lots becoming available for development in the next 15 years is unknown.

Supply of FZ lot of less than 5 ha

There is one vacant FZ lot of less than 5 ha in size and a further two vacant lots which are part of a larger allotment.

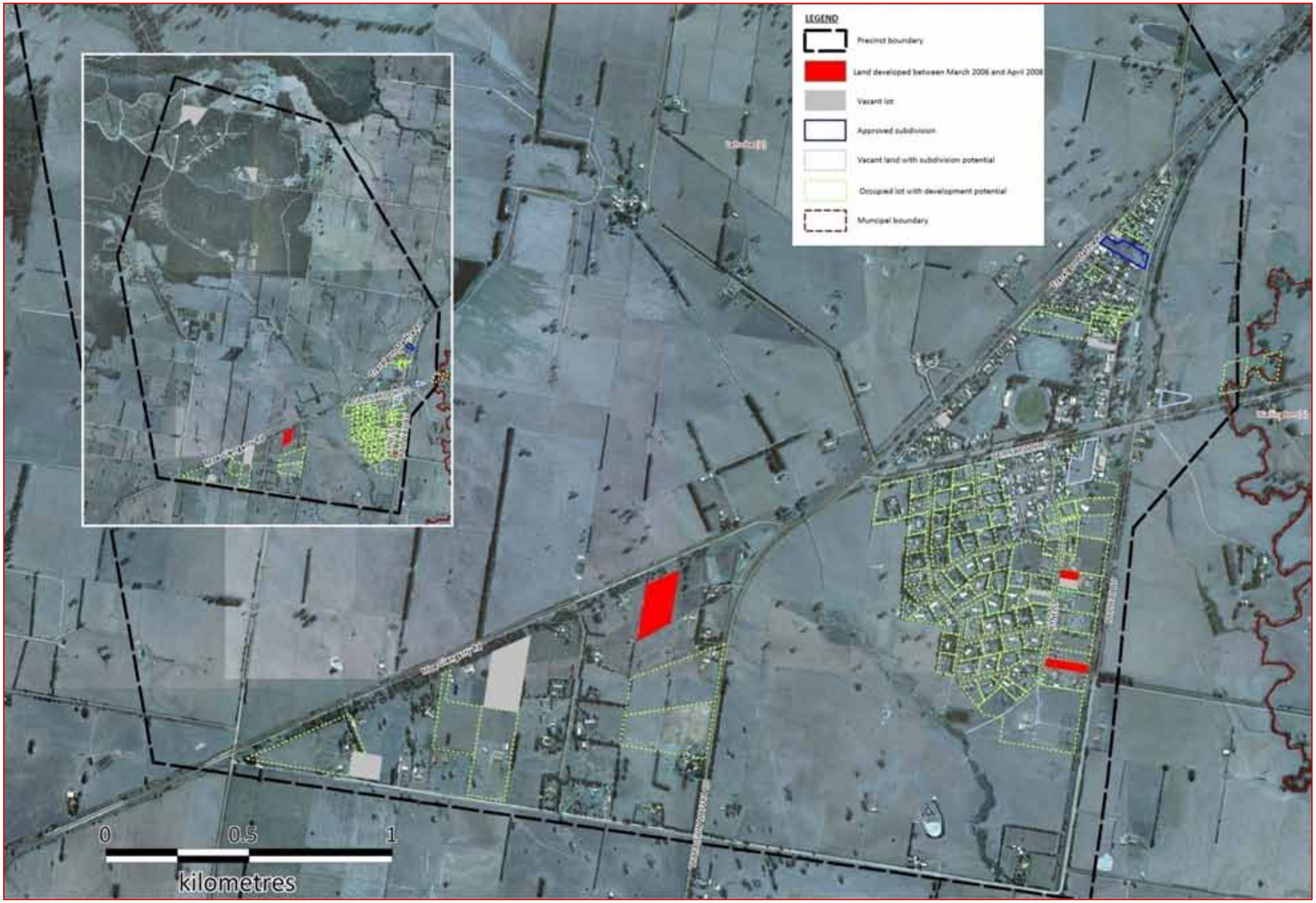
Table 10.5: Residential Lot Supply and Potential in Glengarry, April 2008

Zone	Lots Available for Development	Vacant Land with Subdivision Potential	Total Vacant lot Potential	Total Occupied Lots with Subdivision Potential
R1Z	13	8	21	296
TZ	0	3	3	0
LDRZ	na	na	Na	na
Total Residential Zoned Land	**13**	**11**	**24**	**296**
RLZ	4	0	4	5
FZ (less than 5 ha)	1	0	1	2
Total Rural and Farm Zone (less than 5ha)	**5**	**0**	**5**	**7**

Source: Essential Economics Field Survey, April 2008; Aerial photos from Latrobe City Council March 2006

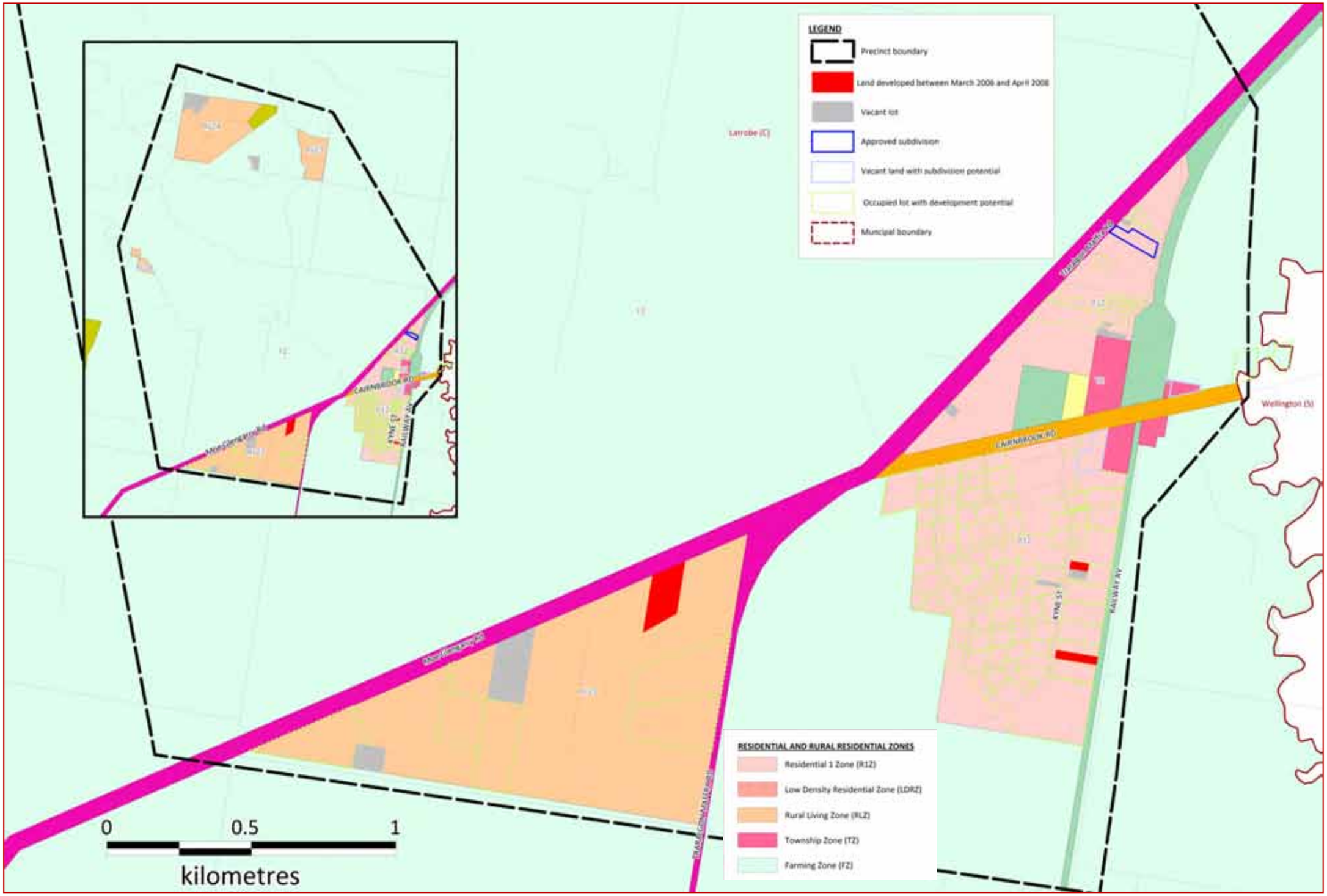
The location of residential land supply and recent development in Glengarry is shown in Figures 10.4 and 10.5 on the following page.

Figure 10.4: Glengarry Land Supply and Recent Development (Aerial photo), April 2008



Produced by Essential Economics using MapInfo

Figure 10.5: Glengarry Land Supply and Recent Development (Zoning map), April 2008



Produced by Essential Economics using MapInfo

10.8 Residential Dwelling Demand Forecasts

Forecast Total Dwelling Demand in Glengarry

An estimate of dwelling demand in Glengarry over the next 15 years has been based on the Glengarry precinct capturing a share of total dwelling demand as forecast for the Traralgon SLA in Chapter 4.6 (Table 4.6), the SLA in which it is located.

It is estimated that the Glengarry precinct will accommodate 2.5% of residential dwelling demand forecast for the Traralgon SLA. This estimate takes into consideration an analysis of population growth, new dwelling building permits and recent residential development in the Glengarry precinct and the Traralgon SLA. In addition, comments from local real estate agents which indicate the close proximity of Glengarry to the larger towns contributes to residential demand in the precinct, and the existing demand in Glengarry being constrained by limited supply are also taken into consideration.

Based on this assumption, forecast demand for new dwellings in the Glengarry precinct by scenario is as follows:

- Low growth scenario: Forecasts show demand for approximately an additional 95 new dwellings over the next 15 years (annual demand of approximately 6 new dwellings).
- Moderate growth scenario: Forecasts show demand for approximately an additional 115 new dwellings over the next 15 years (annual demand of approximately 8 new dwellings).
- High growth scenario: Forecasts show demand for approximately an additional 130 new dwellings over the next 15 years (annual demand of approximately 9 new dwellings).

The forecast annual demand for new dwellings in Glengarry varies from 6 dwellings per annum under the low growth scenario to 9 dwellings per annum under the high growth scenario; this compares to an annual development rate of 1.4 dwellings per annum between March 2006 and April 2008 and an average of 3 new dwelling building permits between 2003 and 2007. These forecast take into consideration residential demand in Glengarry over recent years has been constrained by the limited supply of land which is available for development.

Table 10.6 on the following page summarises forecast dwelling demand in Glengarry.

Table 10.6: Glengarry Dwelling Demand, 2008-2023

Category	2008-2018			2008-2023		
	Low Growth Scenario	Moderate Growth Scenario	High Growth Scenario	Low Growth Scenario	Moderate Growth Scenario	High Growth Scenario
Forecast residential dwelling demand in Traralgon SLA (refer Table 4.6)	2,640	3,030	3,420	3,890	4,530	5,180
Estimated share of dwelling demand for Glengarry precinct	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Forecast residential dwelling demand in Glengarry	**65**	**75**	**85**	**95**	**115**	**130**
Forecast annual residential dwelling demand in Glengarry	**6.5**	**7.5**	**8.5**	**6.3**	**7.7**	**8.7**

Note: Figures rounded to nearest 5
Source: Essential Economics

It would be prudent to plan for at least the moderate growth scenario in terms of planning for the residential and rural residential land requirements in Glengarry.

Dwelling Demand in Glengarry by Zone

Due to the limited development activity in Glengarry in recent years (refer Table 10.3), it is difficult to estimate the share of development in Glengarry which would be directed to each zone. For the purpose of providing an indication of potential residential and rural residential land requirements in Glengarry, the following assumptions have been made when forecasting land requirements in Glengarry:

- LDRZ has been made available;
- There is no demand for TZ land, it is assumed the existing vacant parcel of land is developed for other uses;
- R1Z will account for 60% of dwelling demand;
- LDRZ will account for 20% of dwelling demand; and
- RLZ will account for 20% of dwelling demand.

Due to the limited information regarding residential demand by zone, the following forecast land requirements should be viewed as an indication only:

- R1Z land:
  - Low growth scenario: Forecast demand for approximately 55 dwellings over the next 15 years.
  - Moderate growth scenario: Forecast demand for approximately 70 dwellings over the next 15 years.
  - High growth scenario: Forecast demand for approximately 80 dwellings over the next 15 years.
  -
  -

- LDRZ land:
  - Low growth scenario: Forecast demand for approximately 20 dwellings over the next 15 years.
  - Moderate growth scenario: Forecast demand for approximately 25 dwellings over the next 15 years.
  - High growth scenario: Forecast demand for approximately 25 dwellings over the next 15 years.
- RLZ land:
  - Low growth scenario: Forecast demand for approximately 20 dwellings over the next 15 years.
  - Moderate growth scenario: Forecast demand for approximately 25 dwellings over the next 15 years.
  - High growth scenario: Forecast demand for approximately 25 dwellings over the next 15 years.

Table 10.7 summarises forecast demand for residential and rural residential lots in Glengarry.

Table 10.7: Glengarry Dwelling Demand by Zone, 2008-2023

Period	Low Growth Scenario	Moderate Growth Scenario	High Growth Scenario
Estimated share of demand by zone			
R1Z land	60%	60%	60%
LDRZ land	20%	20%	20%
RLZ Land	20%	20%	20%
Total	100%	100%	100%
2008-2023			
Total forecast dwelling demand in Glengarry	95	115	130
Dwelling demand by zone			
R1Z land	57	69	78
LDRZ land	19	23	26
RLZ Land	19	23	26

Note: Figures may not add due to rounding
Source: Essential Economics

10.9 Implications for Residential Land Supply

Based on the analysis presented in this chapter, there is an insufficient supply of total R1Z land (total vacant lot potential) to satisfy forecast demand over the next 15 years. Based on the moderate growth scenario, only a three year supply of R1Z lots is available for development and approximately a five-year supply of total vacant lot potential.

This does not include large occupied lots with the potential to be subdivided (refer Chapter 10.7). If all of the lots which are 1 ha or greater in size could be subdivided at a density of 8 lots per hectare, this would create an additional 120 lots and would satisfy demand for at least the next 25 years based on the analysis presented in this Chapter.

In addition, only a limited supply of RLZ land exists in Glengarry and potential exists for additional RLZ land to be identified by Council in order to meet the forecast demand over the next 15 year period. It is estimated there is only a two to three year supply of RLZ land in Glengarry, including lots which are available for development and the total vacant lot potential.

As mentioned earlier, there is currently no LDRZ land; however there is potential for such land to be identified by Council based on this assessment.

Table 10.8 summarises the adequacy of residential zoned land in Glengarry as of April 2008.

Table 10.8: Adequacy of Residential Land Supply – Glengarry, April 2008

Zone	Low Growth Scenario	Moderate Growth Scenario	High Growth Scenario
Supply of Lots Available for Development			
R1Z land	3.4 years	2.8 years	2.5 years
LDRZ land	No supply	No supply	No supply
RLZ Land	3.2 years	2.6 years	2.3 years
Supply of Total Vacant Lot Potential			
R1Z land	5.5 years	4.6 years	4.0 years
LDRZ land	No supply	No supply	No supply
RLZ Land	3.2 years	2.6 years	2.3 years

Source: Essential Economics

Table 10.9 summarises the forecast R1Z, LDRZ and RLZ land requirements over and above existing zoned land in Glengarry based on the assessment presented in this Chapter. This assessment assumes the following:

- None of the large occupied lots with subdivision potential are subdivided in the next 15 years;
- New R1Z would achieve a density of 8 lots per hectare;
- LDRZ would achieve a density of 2 lots per hectare which takes into consideration the minimum subdivision size and an allowance for internal roads; and
- RLZ land would be subdivided into 2 ha lots based on the minimum subdivision size of RLZ3 land, which accounts for the largest share of RLZ land in Glengarry.

Based on the above assumptions, the following amounts of additional land would be required in order to forecast demand over the next 15 years:

- R1Z land: between 5 ha and 7 ha;
- LDRZ land: between 10 ha and 13 ha; and
- RLZ land: between 30 ha and 44 ha.

Note that the above estimates are provided as an indication only.

Table 10.9: Residential Land Requirements – Glengarry (over and above total lot potential), April 2008

Zone	Low Growth Scenario	Moderate Growth Scenario	High Growth Scenario
2008-2023			
Short-fall in supply of R1Z land	36	48	57
Assumed lot density per hectare (gross)	8	8	8
RLZ land requirements to meet 10 year supply	5 ha	6 ha	7 ha
2008-2023			
Short-fall in supply of LDRZ land	19	23	26
Assumed lot density per hectare (gross)	2	2	2
RLZ land requirements to meet 15 year supply	10 ha	12 ha	13 ha
2008-2023			
Short-fall in supply of RLZ land	15	19	22
Land required per lot, based on minimum subdivision size of 2 ha (RLZ3) and no allowance for internal roads	2	2	2
RLZ land requirements to meet 15 year supply	30 ha	38 ha	44 ha

Source: Essential Economics

10.10 Implications on Township Population Growth

Forecasts of Glengarry's population are presented in Table 10.10 and are based on the forecast demand for residential land presented in this chapter. Between 2001 and 2006 the population in Glengarry remained relatively stable decreasing only slightly from approximately 1,540 residents to approximately 1,520 residents.

By 2018, the Glengarry population is forecast to remain relatively constant under the low growth scenario, increasing to approximately 1,530 residents; increasing to approximately 1,560 residents under the moderate growth scenario; and increasing to approximately 1,580 under the high growth scenario.

Table 10.10: Forecast Residential Population in Glengarry, 2001-2018

Year	Low Growth Scenario	Moderate Growth Scenario	High Growth Scenario
2001	1,540	1,540	1,540
2006	1,520	1,520	1,520
2008	1,510	1,510	1,510
2018	1,530	1,560	1,580
Average Annual Growth (%)			
2001-2006	-0.3%	-0.3%	-0.3%
2006-2008	-0.3%	-0.3%	-0.3%
2008-2018	+0.1%	+0.3%	+0.5%
Average Annual Growth (No.)			
2001-2006	0	0	0
2006-2008	-10	-10	-10
2008-2018	0	10	10

Source: ABS Census 2001 and 2006; Essential Economics

10.11 Recommendations

Forecasting residential and rural residential land requirements for Glengarry is made difficult due to recent demand for residential land being constrained by limited supply and the limited information regarding development by zone. Therefore, the estimates presented in this chapter are intended to be an indication only. The main recommendations in regards to the future requirements of residential and rural residential zoned land in Glengarry are as follows:

1. **R1Z land**
    a. Without the subdivision of large occupied lots which have the potential to be subdivided, there is a significant shortage of R1Z land in Glengarry. This is considered to have constrained demand in recent years.
    b. It is recommended that Council encourage the subdivision of large occupied lots on existing R1Z land.
    c. It is recommended that Council identify additional R1Z land to be rezoned to enable standard residential development to occur in Glengarry in the short to medium term.
    d. It would be prudent to identify the direction of future urban expansion of Glengarry to ensure the long-term development of Glengarry.
2. **LDRZ Land**
    a. Currently, no LDRZ exists in Glengarry. Council may consider identifying land to be zoned LDRZ. This would provide additional housing choice in Glengarry.
3. **RLZ Land**
    a. An inadequate supply of RLZ exists in Glengarry in order to meet forecast demand over the next 15 years.
    b. Council may consider providing additional RLZ land in Glengarry.
4. **Other Considerations**
    a. Taking into consideration Glengarry's proximity to Traralgon and the constraints which have limited demand in recent years, there is potential for Glengarry to accommodate greater development than that which has occurred in recent years.
    b. It is recommended that Council monitor the development of any new residential estates in Glengarry, should any be released onto the market, in order to gain a greater understanding of the future development potential in Glengarry.

11 TYERS RESIDENTIAL MARKET ASSESSMENT

11.1 Introduction

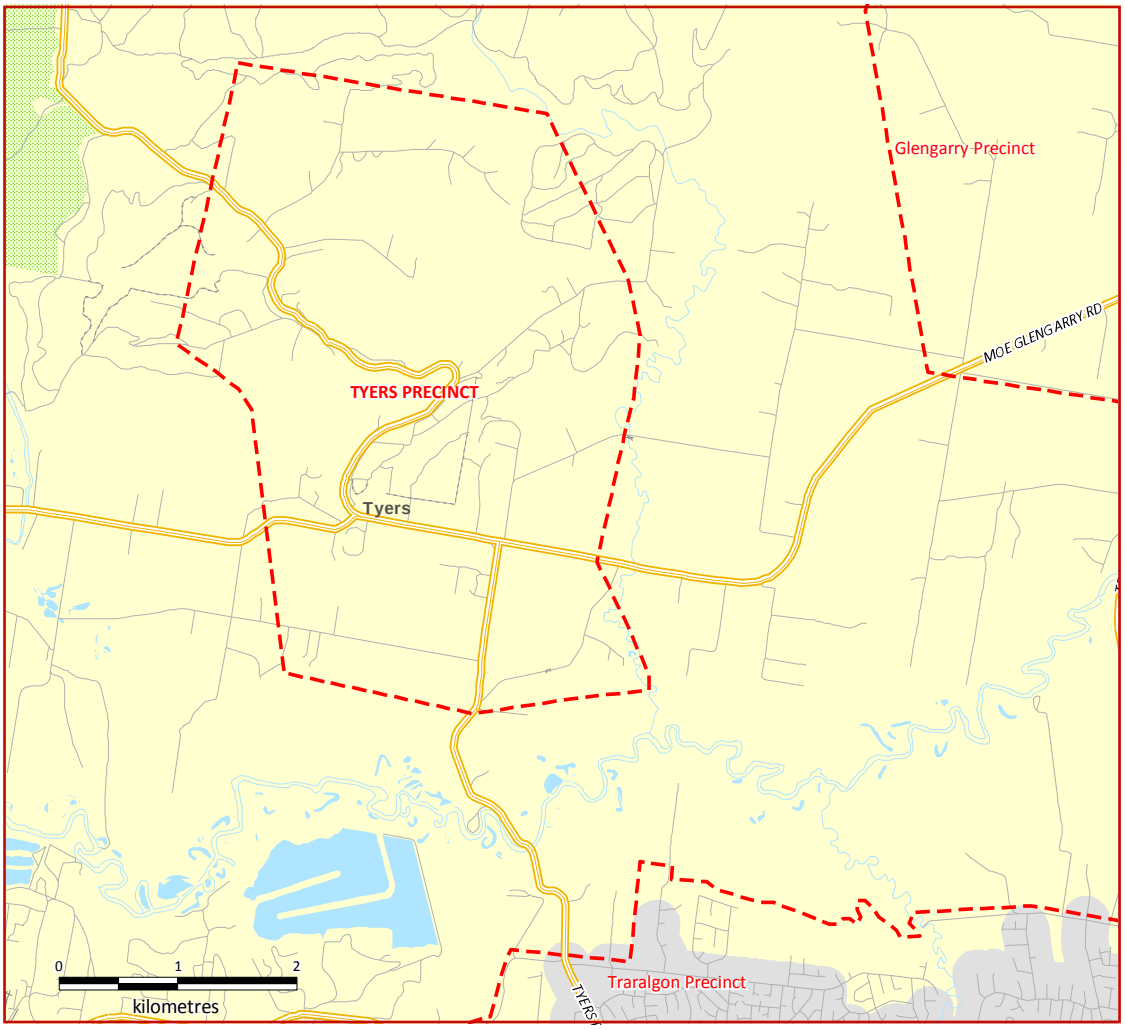
This chapter provides a residential market assessment for Tyers and includes recommendations on the future supply of residential and rural residential zoned land based on an assessment of recent and forecast property trends.

11.2 Precinct Overview

Tyers is a small settlement located approximately 7 km north of Traralgon. Only limited town centre services are provided in Tyers, and residents rely on nearby Traralgon for such services.

The township in Tyers comprises a mix of TZ and LDRZ land, while RLZ and FZ land accounts for land in the surrounding areas. Based on Council information, Tyers does not have adequate sewer infrastructure and therefore the potential for future subdivision of TZ land is considered limited.

Figure 11.1: Tyers Precinct



Prepared by Essential Economics using MapInfo and StreetPro

11.3 Residential Property Trends

Only limited residential sales activity has occurred in Tyers in recent years, with 18 residential property sales occurring between 2004 and 2007 (REIV data). Based on these sales, the majority of demand for property in Tyers is for large rural lots, which is illustrated in the share of sales which occurred in the RLZ. Over the four year period between 2004 and 2007 (inclusive), 67% of sales were for properties in the RLZ and only 17% (or 3 sales) were in the TZ, 11% (or 2 sales) in the FZ, and 6% (or 1 sale) in LDRZ land.

It is likely that demand for TZ residential land has be constrained due to a lack of vacant sites and development opportunities, and the absence of sewer infrastructure.

Over this period property prices varied between $120,000 and $430,000 with median prices increasing from $200,000 in 2004 (from only 4 sales) to $235,000 in 2007 (from only 5 sales).

11.4 Socio-Economic Trends

Similar to other small townships in Latrobe, Tyers is characterised as having a high share of dual income young families with a mortgage. A summary of the socio-economic trends of Tyers residents between 2001 and 2006 is provided in Table 11.1, with the main trends and points from the analysis being:

- Age Structure: Tyers has a younger age structure which comprises 25.3% of residents aged from 0 to 14 years, compared to the average of 20.7% for Latrobe. Only 5.3% of the population is aged 65 years or over compared to the average of 14.1% for Latrobe.
- Occupation: Compared to other townships, Tyers' has a high share of 'white collar' workers, with 32.8% working as managers and professionals compared to the average for Latrobe of 22.1%. This is reflected in the relatively high incomes of Tyers residents.
- Income: Individual incomes of Tyers residents are almost 40% above the median for Latrobe, while household incomes are approximately 50% above the Latrobe median.
- Household Composition: Couple families are the dominant household type in Tyers, accounting for some 74% of households, including 49% in the couple families with children category. Dwellings are almost totally detached and have a high occupancy rate.
- Home Ownership: There are an above average proportion of homes being purchased, these account for 53% of dwellings compared to the average for Latrobe of 35%; only 6.5% of dwellings in Tyers are rented.
- Housing Costs: Tyers' median home loan payments have experienced strong growth between 2001 and 2006 and are significantly above the median for Latrobe in 2006. This growth has led to an increased servicing burden in the township; however, due to higher household incomes the servicing burden of home loans in Tyers is lower higher than the average in Latrobe, with home loans accounting for 20.2% of household income compared to 25.5% for Latrobe.

Table 11.1: Socio-Economic Trends of Tyers Residents, 2001-2006

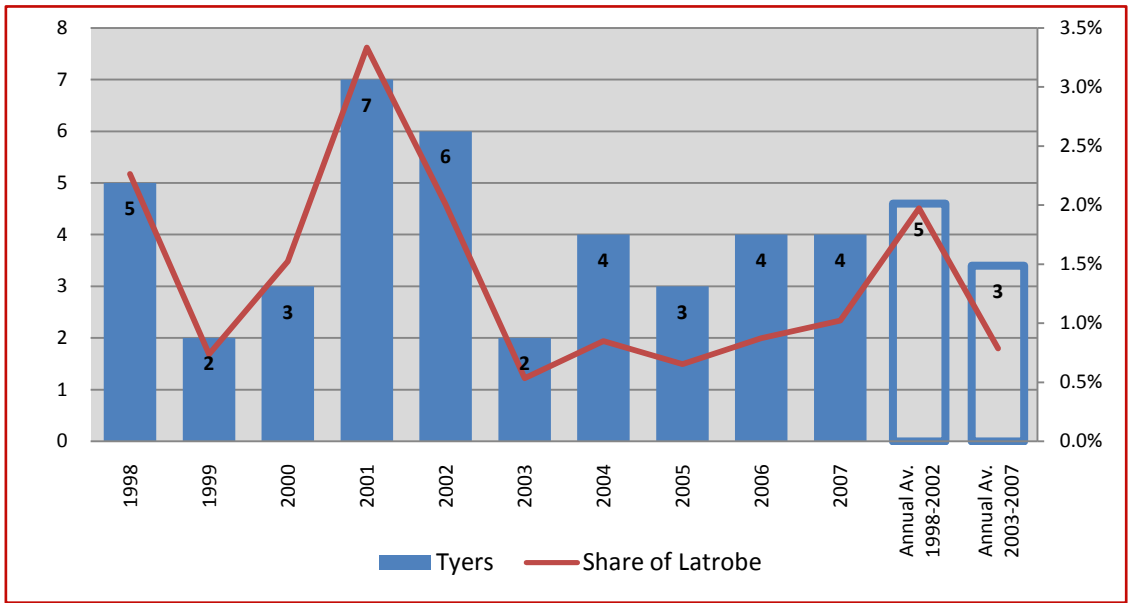
Indicator	2001	2006	% point change	Latrobe LGA 2006	Latrobe % point change
Age Structure					
0-14 years	25.0%	25.3%	+0.3%	20.7%	-2.2%
15-24 years	14.2%	12.1%	-2.0%	14.1%	+0.5%
25-44 years	31.1%	28.4%	-2.7%	25.2%	-2.5%
45-64 years	25.6%	29.1%	+3.4%	25.8%	+2.7%
65 years and over	4.0%	5.3%	+1.3%	14.1%	+1.5%
Total Population	446	462	+3.5% change	69,328	+2.3% change
Median age (years)	35	36	+1.7% change	38	+7.5% change
Occupation					
Managers & professionals	33.6%	32.8%	-0.8%	22.1%	-0.8%
Clerical & sales workers	17.1%	15.0%	-2.1%	15.1%	+0.2%
Technicians & trades workers	23.7%	24.4%	+0.7%	31.4%	-0.1%
Machinery operators & drivers	17.8%	16.5%	-1.3%	18.6%	+0.5%
Labourers & related workers	7.9%	11.3%	+3.4%	12.9%	+0.3%
Income					
Median individual income (annual)	$20,322	$27,417	+6.2% (aagr)	$19,607	+4.9% (aagr)
Variation from Latrobe LGA	31.5%	39.8%			
Median household income (annual)	$51,738	$60,480	+3.2% (aagr)	$40,602	+4.4% (aagr)
Variation from Latrobe LGA	57.9%	49.0%			
% of h'holds earning $2,000pw or more	7.1%	22.2%	+15.1% change	11.7%	+7.4% change
Household Composition					
Couple family with no children	24.6%	24.8%	+0.2%	25.2%	+1.3%
Couple family with children	47.7%	48.8%	+1.1%	28.3%	-3.3%
One Parent Family with children	7.3%	4.3%	-3.0%	12.6%	+0.2%
Other Family	4.9%	2.6%	-2.2%	4.5%	+1.2%
Lone Person Household	12.5%	15.8%	+3.3%	26.7%	+0.7%
Group Household	3.1%	3.6%	+0.5%	2.6%	-0.0%
Average household size	2.93	2.79	-4.8% change	2.44	-3.5% change
Dwelling Structure					
Detached	99.3%	99.3%	+0.1%	88.2%	-0.7%
Semi-detached	0.0%	0.0%	+0.0%	2.9%	-1.1%
Flat/unit or apartment	0.0%	0.0%	+0.0%	8.4%	+2.2%
Other	0.7%	0.7%	-0.1%	0.6%	-0.3%
Occupancy rate	95.1%	99.1%	+4.0%	89.9%	+0.3%
Total private dwellings	154	161	+0.9% (aagr)	29,188	+0.7% (aagr)
Home Ownership					
Fully owned	48.2%	40.4%	-7.9%	39.0%	-5.9%
Being purchased	43.7%	53.1%	+9.4%	35.4%	+4.4%
Renting	7.3%	6.5%	-0.8%	25.0%	+2.0%
Other	0.7%	0.0%	-0.7%	0.6%	-0.4%
Housing Costs					
Median housing loan repayment (monthly)	$723	$1,021	+7.1% (aagr)	$863	+9.7% (aagr)
Median loan repayment as % of median h'hld income	16.8%	20.2%	+3.5%	25.5%	+5.6%
Median rental payment (weekly)	$131	$129	-0.4% (aagr)	$130	+6.3% (aagr)
Median rent as % of median h'hld income	13.2%	11.1%	-2.1%	16.6%	+1.5%
Median House Price	N/A	N/A		$155,500	+16.4% (aagr)

Source: ABS Census 2001 and 2006 (Usual resident profile)
Note: aagr - Average Annual Growth Rate

11.5 Analysis of Building Permits

Recent trends in new dwellings as a result of domestic building permits in Tyers are summarised in Figure 11.2, and sourced from the Building Commission of Victoria. Building permits in Tyers between 2003 and 2007 accounted for an average of three new dwelling per annum, which was less than 1% of new dwellings in Latrobe.

Figure 11.2: Tyers Building Permits (number of dwellings), 1998-2007



Source: Building Commission of Victoria

11.6 Recent Development Rates

A summary of recent development of residential land in Tyers is presented in Table 11.2, while the location of development is shown in Figures 11.3 and 11.4.

Only limited residential development has occurred in Tyers in recent years. Between March 2006 and April 2008, only two new dwellings were developed in Tyers, thus showing an annual development rate of one dwelling. One of these developments occurred in LDRZ land near the township, while the other was located in RLZ land to the north.

Table 11.2: Recent Residential Development by Zone in Tyers, March 2006 to April 2008

Zone	No. of Lots Developed	No. of Dwellings Developed	Annual Development Rate	Percentage of Dwellings Developed	Percentage of Total Dwellings Developed in the Study Precinct	Median Lot Size (m^2)
LDRZ	1	1	0.5	50%	20.0%	6,810
RLZ	1	1	0.5	50%	5.9%	18,860
Total	**2**	**2**	**1.0**	**100%**	**0.3%**	**12,840**

Source: Essential Economics Field Survey, April 2008; Aerial photos from Latrobe City Council March 2006

11.7 Supply of Residential Land

An assessment of the supply of residential and rural residential land available for development in Tyers was conducted in April 2008. A description of the supply categories referred to in this analysis is provided in Table 11.3, with further explanation provided in Chapter 1.3 Methodology.

The estimated supply of residential and rural residential lots presented in this chapter does not take into consideration a number of factors which could limit the number of actual developable lots, such as environmental constraints (eg. flood-prone) or infrastructure constraints. It is likely that the number of lots which could eventually be developed will be somewhat smaller than the estimates presented in the analysis below.

Table 11.3: Residential and Rural Residential Supply Categories

Land Type	Explanation	Composition of Categories
(A) Vacant lots	Vacant R1Z and TZ lots which are less than 2,000m2; vacant FZ lots which are less than 5 ha; and vacant LDRZ, RLZ which cannot be further subdivided according to relevant minimum subdivision sizes.	na
(B) Lots in approved subdivisions	Lots which have planning approval to be subdivided	na
(C) Lots available for development	**An estimate of the number of lots which could be developed with no further subdivision approval required by Latrobe City Council**	**A + B**
(D) Vacant land with subdivision potential	Vacant lots which could potentially be subdivided into at least two lots based on the minimum subdivision size of the corresponding zone. For R1Z and TZ land, this consists of vacant lots which are at least 2,000m^2.	na
(E) Total vacant lot potential	**An estimate of the total lot potential on land which is currently vacant and which has the potential to be developed in the near future.**	**C + D**
(F) Vacant parcels of land that are part of a larger occupied allotment	Vacant land titles which form part of a larger property which contains a dwelling.	na
(G) Occupied lots with subdivision potential	Lots which are occupied by a dwelling but are large enough to be subdivided into at least two lots based on the minimum subdivision size for the corresponding zone. The lot potential for these properties is based on the minimum subdivision size, taking into account the existing dwelling on the property. For R1Z land, this category includes lots which are at least 2,000m^2, and the lot potential is based on a residential lot density which is similar to existing residential subdivision patterns in the precinct	na
(H) Additional lot potential on occupied allotments	**Land which is currently occupied but has the potential to accommodate additional lots in the future. The extent of this potential varies.**	**F + G**

Source: Essential Economics

Land zoned for residential development in the Tyers precinct comprises TZ and LDRZ land, while rural residential living is accommodated by RLZ3 and RLZ4 land and a number of FZ allotments of less than 5 ha. There is no R1Z land in Tyers. A summary of the residential and rural residential lot supply is provided in Table 11.4 and is discussed below.

Supply of TZ Land

The supply of TZ land in the Tyers precinct consists of:

- Lots available for development: Six TZ lots are available for development in Tyers, all of which are existing vacant lots. Although a number of these lots are large in size, up to approximately 1 ha, the ability of these to be subdivided is limited due to constraints associated with sewerage provision. It has been assumed these lots cannot be subdivided.
- Total vacant lot potential: Total vacant lot potential in Tyers is estimated at six lots, which comprises the six lots available for development.
- Occupied lots with subdivision potential: Seven vacant parcels of land form part of a larger occupied allotment.

Supply of LDRZ Land

The supply of LDRZ land in the Tyers precinct consists of:

- Lots available for development: Two LDRZ lots are available for development in Tyers, both of which are existing vacant lots.
- Total vacant lot potential: Total vacant lot potential in Tyers is estimated at two lots, which comprises the two lots available for development.
- Occupied lots with subdivision potential: Potential exists for an additional three lots to be created by the subdivision of large occupied lots.

Supply of RLZ Land

The supply of rural living zones in Tyers (RLZ3 and RLZ4) consists of:

- Lots available for development: An estimated 12 RLZ lots are available for development in Tyers, which comprises seven vacant lots and one approved subdivision of five lots.
- Total vacant lot potential: Total vacant RLZ lot potential in Tyers is estimated at 19 lots, which comprises the 12 lots available for development and one vacant parcel of land which could be subdivided into seven lots.
- Occupied lots with subdivision potential: An estimated eight RLZ lots could become available for development in the future. This comprises of six lots which could be created by the subdivision of large occupied lots and two vacant parcels of land which are part of a larger occupied allotment.

Supply of FZ lot of less than 5 ha

Six vacant FZ lots of less than 5 ha in size exist, plus one vacant lot which is part of a larger occupied allotment.

Table 11.4 summarises the residential lot supply in Tyers as of April 2008.

Table 11.4: Residential Lot Supply and Potential in Tyers, April 2008

Zone	Lots Available for Development	Vacant Land with Subdivision Potential	Total Vacant lot Potential	Total Occupied Lots with Subdivision Potential
R1Z	na	na	na	na
TZ	6	0	6	7
LDRZ	2	0	2	3
Total Residential Zoned Land	**8**	**-**	**8**	**10**
RLZ	12	7	19	8
FZ (less than 5 ha)	6	0	6	1
Total Rural and Farm Zone (less than 5ha)	**18**	**7**	**25**	**9**

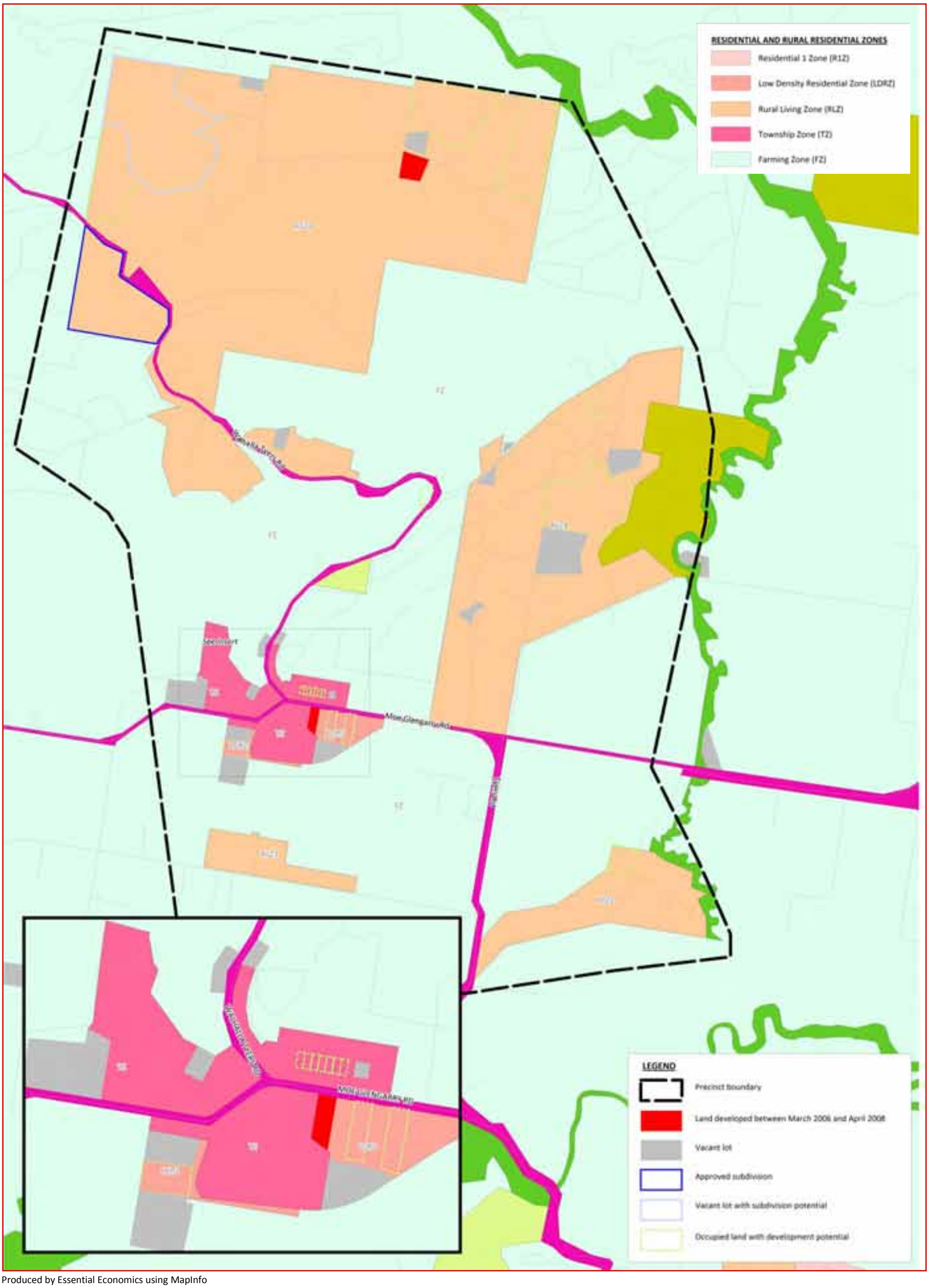
Source: Essential Economics Field Survey, April 2008; Aerial photos from Latrobe City Council March 2006

The location of vacant residential land and recent development is shown in Figures 11.2 and 11.3 on the following pages.

Figure 11.2: Tyers Land Supply and Recent Development (Aerial photo), April 2008

Produced by Essential Economics using MapInfo

Figure 11.3: Tyers Land Supply and Recent Development (Zoning map), April 2008



Produced by Essential Economics using MapInfo

11.8 Residential Dwelling Demand Forecasts

Forecast Total Dwelling Demand in Tyers

An estimate of dwelling demand in Tyers over the next 15 years has been based on the Tyers precinct capturing a share of total dwelling demand as forecast for the Traralgon SLA in Chapter 4.6 (Table 4.6), the SLA in which it is located.

The lack of sewer infrastructure in Tyers is a significant constraint on the provision of a supply of suitable land for development, and in turn this constrains demand. It is understood Council, the EPA and Gippsland Water are working together to prepare a feasibility and scoping study in regard to ways to overcome this constraint; however, it is unlikely sewer infrastructure will be delivered to Tyers over the next 15 years. Therefore, it is likely the Tyers precinct will accommodate only a small share of the residential demand forecast for the Traralgon SLA.

It has been assumed that the Tyers precinct would accommodate an estimated 1% of dwelling demand in the Traralgon SLA.

Based on this assumption, forecast demand for new dwellings in the Tyers precinct by scenario is as follows:

- Low growth scenario: Demand is forecast for approximately an additional 40 new dwellings over the next 15 years (annual demand of 2.7 new dwellings).
- Moderate growth scenario: Demand is forecast for approximately an additional 45 new dwellings over the next 15 years (annual demand of approximately 3 new dwellings).
- High growth scenario: Demand is forecast for approximately an additional 50 new dwellings over the next 15 years (annual demand of approximately 3.3 new dwellings).

The forecast annual demand for new dwellings in Tyers varies from approximately 2.5 to 3.5 dwellings per annum, and this compares to an annual development rate of one dwellings per annum between March 2006 and April 2008 and an average of three new dwelling building permits between 2003 and 2007. Forecast demand is expected to be similar to that which has occurred in recent years due to existing development constraints which are expected to continue in the future.

Table 11.5 on the following page summarises forecast dwelling demand in Tyers.

Table 11.5: Tyers Dwelling Demand, 2008-2023

Category	2008-2018			2008-2023		
	Low Growth Scenario	Moderate Growth Scenario	High Growth Scenario	Low Growth Scenario	Moderate Growth Scenario	High Growth Scenario
Forecast residential dwelling demand in Traralgon SLA (refer Table 4.6)	2,640	3,030	3,420	3,890	4,530	5,180
Estimated share of dwelling demand for Tyers precinct	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Forecast residential dwelling demand in Tyers	**25**	**30**	**35**	**40**	**45**	**50**
Forecast annual residential dwelling demand in Tyers	**2.5**	**3.0**	**3.5**	**2.7**	**3.0**	**3.3**

Source: Essential Economics

Dwelling Demand in Tyers by Zone

Due to the limited development activity in Tyers in recent years (refer Table 11.2), it is difficult to estimate the share of development in Tyers which would be directed to each zone. For the purpose of providing an indication of potential residential and rural residential land requirements in Tyers, the following assumptions have been made:

- TZ will account for 20% of dwelling demand, this takes into consideration sewerage infrastructure constraints;
- LDRZ will account for 40% of dwelling demand; and
- RLZ will account for 40% of dwelling demand.

Due to the limited information regarding residential demand by zone, the following forecast land requirements should be viewed as an indication only:

- TZ land:
  - Forecast demand for 8 dwellings (low growth scenario) to 10 dwellings (high growth scenario) over the next 15 years.
- LDRZ land:
  - Forecast demand for approximately 15 (low growth scenario) to 20 dwellings (high growth scenario) over the next 15 years.
- RLZ land:
  - Forecast demand for approximately 15 (low growth scenario) to 20 dwellings (high growth scenario) over the next 15 years.

Table 11.6 summarises forecast demand for residential and rural residential lots in Tyers.

Table 11.6: Tyers Dwelling Demand by Zone, 2008-2023

Period	Low Growth Scenario	Moderate Growth Scenario	High Growth Scenario
Estimated share of demand by zone			
TZ land	20%	20%	20%
LDRZ land	40%	40%	40%
RLZ Land	40%	40%	40%
Total	100%	100%	100%
2008-2023			
Total forecast dwelling demand in Tyers	40	45	50
Dwelling demand by zone			
TZ land	8	9	10
LDRZ land	16	18	20
RLZ Land	16	18	20

Note: Figures may not add due to rounding
Source: Essential Economics

11.9 Implications for Residential Land Supply

Forecast demand for residential and rural residential land in Tyers is limited under all three scenarios presented in this analysis; therefore for the purpose of planning for the future supply of land, the high growth scenario has been adopted.

Based on the analysis presented in this chapter, there is an insufficient supply of total TZ and LDRZ land (total lot vacant potential) to satisfy forecast demand over the next 15 years. Based on the high growth scenario, there is a nine year supply of TZ land and only a 1.5 year supply of LDRZ land. In both zones, there is limited choice in the market.

The supply of RLZ land is estimated to be in the vicinity of 15 years.

Table 11.7 summarises the adequacy of residential zoned land in Tyers as of April 2008.

Table 11.7: Adequacy of Residential Land Supply – Tyers, April 2008

Zone	Low Growth Scenario	Moderate Growth Scenario	High Growth Scenario
Supply of Lots Available for Development			
TZ land	11.3 years	10.0 years	9.0 years
LDRZ land	1.9 years	1.7 years	1.5 years
RLZ Land	11.3 years	10.0 years	9.0 years
Supply of Total Vacant Lot Potential			
TZ land	11.3 years	10.0 years	9.0 years
LDRZ land	1.9 years	1.7 years	1.5 years
RLZ Land	17.8 years	15.8 years	14.3 years

Source: Essential Economics

Under the high growth scenario, forecasts show a requirement for approximately an additional 9 ha of LDRZ by 2023 and an estimated 0.5 ha of TZ land (assuming a density of 8 lots per hectare can be achieved). Table 11.8 summarises the forecast demand for additional TZ and LDRZ land in Tyers.

Table 11.8: Residential Land Requirements – Tyers (over and above total vacant lot potential), April 2008

Zone	Low Growth Scenario	Moderate Growth Scenario	High Growth Scenario
2008-2023			
Short-fall in supply of LDRZ land	14	16	18
Assumed lot density per hectare (gross)	2	2	2
LDRZ land requirements to meet 15 year supply	7	8	9
Short-fall in supply of TZ land	2	3	4
Assumed lot density per hectare (gross)	8	8	8
LDRZ land requirements to meet 15 year supply	0.3	0.4	0.5

Source: Essential Economics

If sewer infrastructure can be provided in Tyers within the next 15 years, this will alter both the supply and demand analysis presented in this chapter. If this occurs, there is the potential demand for land in Tyers could be similar to that of Glengarry, taking into consideration the similar distances to Traralgon.

11.10 Implications on Township Population Growth

Forecasts of Tyers's population are presented in Table 11.9 and are based on the forecast demand for residential land presented in this chapter. Between 2001 and 2006 the population in Tyers remained relatively stable increasing only slightly from approximately 460 residents to approximately 480 residents.

The Tyers population is forecast to remain relatively stable with the 2018 population forecast to be between approximately 500 residents and 530 residents.

Table 11.9: Forecast Residential Population in Tyers, 2001-2018

Year	Low Scenario	Moderate Scenario	High Scenario
2001	460	460	460
2006	480	480	480
2008	490	490	490
2018	500	510	530
Average Annual Growth (%)			
2001-2006	0.9%	0.9%	0.9%
2006-2008	1.0%	1.0%	1.0%
2008-2018	0.2%	0.4%	0.8%
Average Annual Growth (No.)			
2001-2006	0	0	0
2006-2008	10	10	10
2008-2018	0	0	0

Source: ABS Census 2001 and 2006; Essential Economics

11.11 Recommendations

The provision of sewerage infrastructure in Tyers is considered integral in terms of maximising the existing supply of TZ land in Tyers and is also a significant factor which is constraining demand. The analysis presented in this chapter assumes sewerage is not made available over the next 15 years; if sewerage is made available, then it is likely to change the dynamics of the residential market in Tyers. Based on the analysis presented in this chapter, the main recommendations in regards to the future requirements of residential and rural residential zoned land in Tyers are as follows:

1. **TZ land**

    a. Providing sewerage infrastructure would enable larger TZ lots in Tyers to be subdivided, which would add to the total supply of TZ lots. In addition, the provision of sewer infrastructure would positively affect demand for land in Tyers.

    b. Based on the analysis presented in this chapter, there is a nine year supply of TZ land, and there is a requirement of approximately 0.5 ha of land to meet forecast demand over the next 15 years.

2. **LDRZ Land**

    a. Based on the analysis presented in this chapter, there is only a 1.5 year supply of LDRZ land, and a requirement of approximately 9 ha of land is required to meet forecast demand over the next 15 years.

3. **RLZ Land**

    a. There is an adequate supply of RLZ land in Tyers to meet forecast requirements over the next 15 years.

4. **Other Considerations**

    a. There is potential for Tyers to be an attractive residential location having regard for its proximity to Traralgon, providing constraints regarding land supply and the provision of sewerage can be mitigated.

12 YALLOURN NORTH RESIDENTIAL MARKET ASSESSMENT

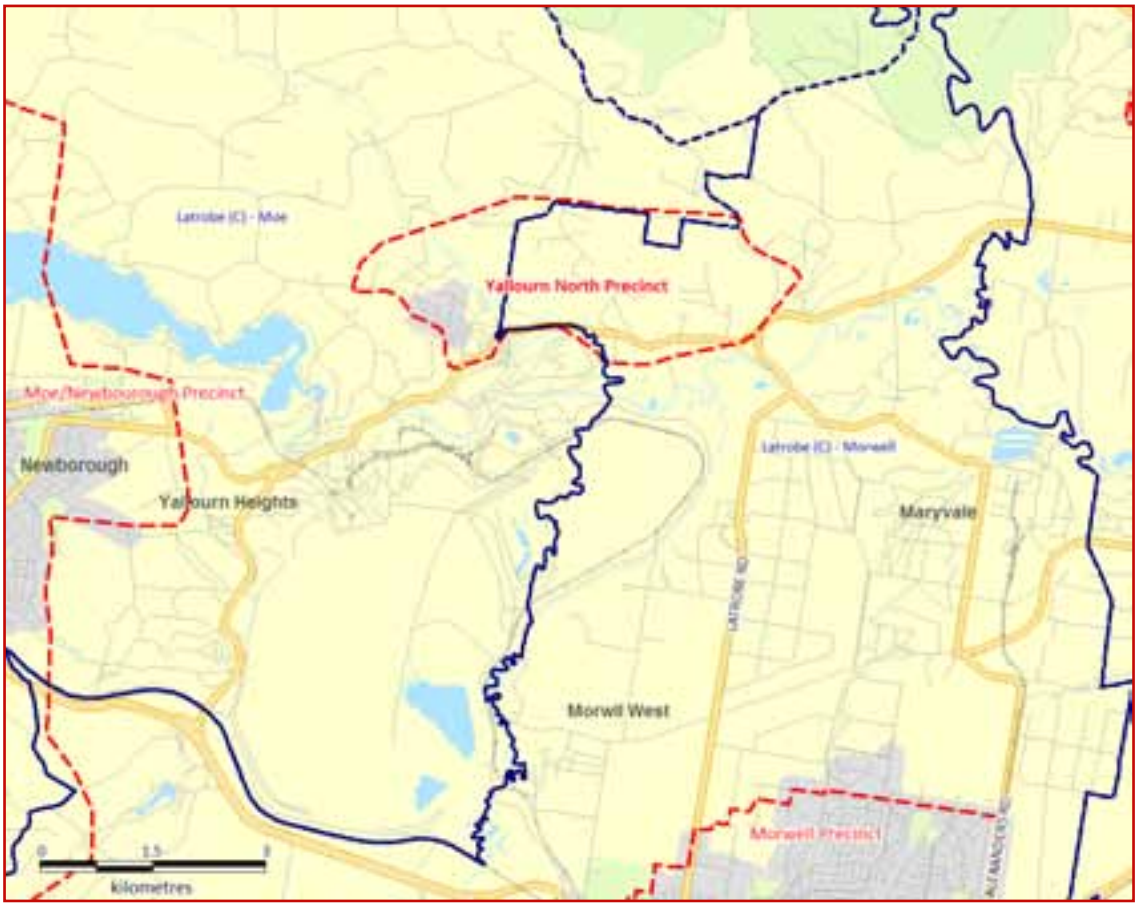
12.1 Introduction

This chapter provides a residential market assessment for Yallourn North and includes recommendations on the future supply of residential and rural residential zoned land based on an assessment of recent and forecast property trends.

12.2 Precinct Overview

Yallourn North is small settlement with limited town centre services that overlooks the Yallourn North Open Cut Mine. Located approximately 7 km to the north-east of Moe and 10 km to the north of Morwell, the Yallourn North precinct comprises a mix of TZ, R1Z, RLZ land an FZ.

Figure 12.1: Yallourn North Precinct



Prepared by Essential Economics using MapInfo and StreetPro

12.3 Residential Property Trends

Yallourn North's outlook over the open cut mine and power stations, and the lack of new residential product has contributed to median house prices in the township remaining significantly below the medians for Latrobe and regional Victoria. The 2007 median house price in Yallourn North was $116,000, which was 29% below the median for Latrobe ($163,000) and 50% below the median for regional Victoria ($232,000).

Only limited residential development activity has occurred, with only one house located in RLZ to the east of the township being developed between March 2006 and April 2008. In a similar location, a rural living residential subdivision of 12 rural lots exists, ranging in price from $135,000 to $162,500. Taking into consideration the limited activity in recent years, the progress of this subdivision in the near future will provide an insight into the rural living residential market in Yallourn North.

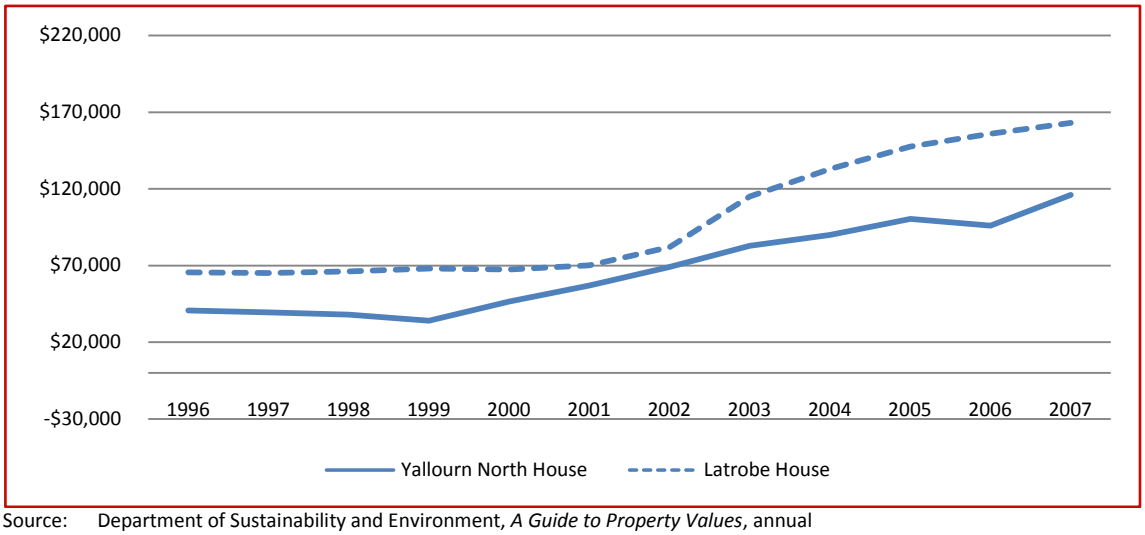
Future expansion of R1Z land in Yallourn North is constrained to the south by the open cut mine and undulating land to the north, west and east.

Table 12.1: Median House Values in Yallourn North, 1996-2007

Property Type	1996	2001	2004	2006	2007	Average Annual Growth Rate			
						1996-2001	2001-2004	2004-2006	2006-2007
Yallourn North House	$40,750	$57,000	$90,000	$96,000	$116,000	6.9%	16.4%	3.3%	20.8%
Latrobe House	$65,500	$70,000	$133,000	$156,000	$163,000	1.3%	23.9%	8.3%	4.5%

Source: Department of Sustainability and Environment, *A Guide to Property Values*, annual

Figure 12.2: Median House Values in Yallourn North, 1996-2007



Source: Department of Sustainability and Environment, *A Guide to Property Values*, annual

12.4 Socio-Economic Trends

Yallourn North comprises a largely 'blue collar' resident labour force with below average incomes and housing costs. A summary of the socio-economic trends of Yallourn North residents between the 2001 and 2006 is provided in Table 12.2 on the following page, with the main points summarised as follows:

- Age Structure and Household Composition: The age structure and household composition in Yallourn North is reflective of that of Latrobe.
- Occupation: Yallourn North's labour force is characterised as largely 'blue-collar' with 69.1% of employed residents working as technicians/tradespersons, machinery operators/drivers and labourers (this compares with the average for Latrobe of 62.9%).
- Income: Both per capita and household incomes are below regional benchmarks and have increased at slower rates than the rest of Latrobe between 2001 and 2006.
- Home Ownership: Yallourn North has a high level of home ownership (50.1%) compared to the average for Latrobe (39.0%) and a low share of rental properties (Yallourn North: 10.8%; Latrobe 25.0%).
- Housing Costs: Both the median house price and loan repayments remain the lowest in the municipality. The share of household income of Yallourn North's residents directed to home loan repayments is below the average for Latrobe.

Table 12.2: Socio-Economic Trends of Yallourn North Residents, 2001-2006

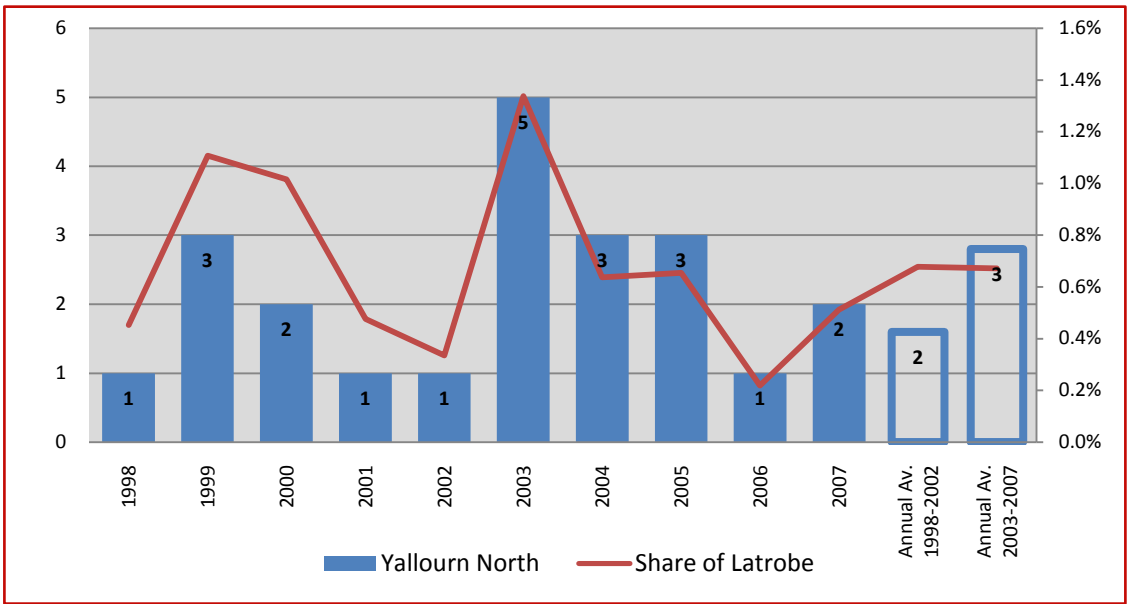
Indicator	2001	2006	% point change	Latrobe LGA 2006	Latrobe % point change
Age Structure					
0-14 years	25.4%	20.3%	-5.0%	20.7%	-2.2%
15-24 years	11.5%	14.6%	+3.1%	14.1%	+0.5%
25-44 years	27.3%	23.6%	-3.6%	25.2%	-2.5%
45-64 years	20.8%	26.5%	+5.7%	25.8%	+2.7%
65 years and over	15.1%	15.0%	-0.1%	14.1%	+1.5%
Total Population	1,284	1,205	-6.5% change	69,328	+2.3% change
Median age (years)	36	38	+7.2% change	38	+7.5% change
Occupation					
Managers & professionals	18.9%	14.0%	-4.9%	22.1%	-0.8%
Clerical & sales workers	15.5%	16.9%	+1.5%	15.1%	+0.2%
Technicians & trades workers	36.7%	33.2%	-3.4%	31.4%	-0.1%
Machinery operators & drivers	15.4%	19.3%	+3.9%	18.6%	+0.5%
Labourers & related workers	13.6%	16.6%	+3.0%	12.9%	+0.3%
Income					
Median individual income (annual)	$14,197	$16,987	+3.7% (aagr)	$19,607	+4.9% (aagr)
Variation from Latrobe LGA	-8.1%	-13.4%			
Median household income (annual)	$28,116	$32,557	+3.0% (aagr)	$40,602	+4.4% (aagr)
Variation from Latrobe LGA	-14.2%	-19.8%			
% of h'holds earning $2,000pw or more	0.9%	8.6%	+7.7% change	11.7%	+7.4% change
Household Composition					
Couple family with no children	26.7%	24.6%	-2.1%	25.2%	+1.3%
Couple family with children	32.7%	28.3%	-4.5%	28.3%	-3.3%
One Parent Family with children	11.2%	11.8%	+0.6%	12.6%	+0.2%
Other Family	1.5%	6.6%	+5.1%	4.5%	+1.2%
Lone Person Household	25.2%	25.3%	+0.0%	26.7%	+0.7%
Group Household	2.6%	3.4%	+0.9%	2.6%	-0.0%
Average household size	2.61	2.44	-6.9% change	2.44	-3.5% change
Dwelling Structure					
Detached	99.9%	98.7%	-1.2%	88.2%	-0.7%
Semi-detached	0.0%	0.0%	-0.0%	2.9%	-1.1%
Flat/unit or apartment	0.0%	1.3%	+1.3%	8.4%	+2.2%
Other	0.1%	0.0%	-0.1%	0.6%	-0.3%
Occupancy rate	89.5%	88.2%	-1.3%	89.9%	+0.3%
Total private dwellings	522	522	+0.0% (aagr)	29,188	+0.7% (aagr)
Home Ownership					
Fully owned	56.2%	50.1%	-6.1%	39.0%	-5.9%
Being purchased	30.7%	38.3%	+7.5%	35.4%	+4.4%
Renting	13.0%	10.8%	-2.2%	25.0%	+2.0%
Other	0.1%	0.9%	+0.8%	0.6%	-0.4%
Housing Costs					
Median housing loan repayment (monthly)	$381	$591	+9.2% (aagr)	$863	+9.7% (aagr)
Median loan repayment as % of median h'hld income	16.3%	21.8%	+5.5%	25.5%	+5.6%
Median rental payment (weekly)	$93	$114	+4.1% (aagr)	$130	+6.3% (aagr)
Median rent as % of median h'hld income	17.3%	18.2%	+0.9%	16.6%	+1.5%
Median House Price	$57,000	$96,000	+11.0% (aagr)	$155,500	+16.4% (aagr)

Source: ABS Census 2001 and 2006 (Usual resident profile)
Note: aagr - Average Annual Growth rate

12.5 Analysis of Building Permits

Recent trends in new dwellings as a result of domestic building permits in Yallourn North are summarised in Figure 12.3, as sourced from the Building Commission of Victoria. Only limited residential development activity has occurred in Yallourn North in recent years, with an average of only three new dwellings per annum between 2003 and 2007 resulting from building permits.

Figure 12.3: Yallourn North Building Permits (number of dwellings), 1998-2007



Source: Building Commission of Victoria

12.6 Recent Development Rates

Only one dwelling was developed in Yallourn North between March 2006 and April 2008, which was developed on RLZ land located to the east of the township.

Table 12.3: Recent Residential Development by Zone in Yallourn North, March 2006 to April 2008

Zone	No. of Lots Developed	No. of Dwellings Developed	Annual Development Rate	Percentage of Dwellings Developed	Percentage of Total Dwelling Developed in the Study Area	Median Lot Size (m^2)
RLZ	1	1	0.5	100%	0.1%	19,520

Source: Essential Economics Field Survey, April 2008; Aerial photos from Latrobe City Council March 2006

12.7 Supply of Residential Land

An assessment of the supply of residential and rural residential land available for development in Yallourn North was conducted in April 2008. A description of the supply categories referred to in this analysis is provided in Table 12.4, with further explanation provided in Chapter 1.3 Methodology.

The estimated supply of residential and rural residential lots presented in this chapter does not take into consideration a number of factors which could limit the number of actual developable lots, such as

environmental constraints (eg. flood-prone) or infrastructure constraints. It is likely that the number of lots which could eventually be developed will be somewhat smaller than the estimates presented in the analysis below.

Table 12.4: Residential and Rural Residential Supply Categories

Land Type	Explanation	Composition of Categories
(A) Vacant lots	Vacant R1Z and TZ lots which are less than 2,000m2; vacant FZ lots which are less than 5 ha; and vacant LDRZ, RLZ which cannot be further subdivided according to relevant minimum subdivision sizes.	na
(B) Lots in approved subdivisions	Lots which have planning approval to be subdivided	na
(C) Lots available for development	**An estimate of the number of lots which could be developed with no further subdivision approval required by Latrobe City Council**	**A + B**
(D) Vacant land with subdivision potential	Vacant lots which could potentially be subdivided into at least two lots based on the minimum subdivision size of the corresponding zone. For R1Z and TZ land, this consists of vacant lots which are at least 2,000m^2.	na
(E) Total vacant lot potential	**An estimate of the total lot potential on land which is currently vacant and which has the potential to be developed in the near future.**	**C + D**
(F) Vacant parcels of land that are part of a larger occupied allotment	Vacant land titles which form part of a larger property which contains a dwelling.	na
(G) Occupied lots with subdivision potential	Lots which are occupied by a dwelling but are large enough to be subdivided into at least two lots based on the minimum subdivision size for the corresponding zone. The lot potential for these properties is based on the minimum subdivision size, taking into account the existing dwelling on the property. For R1Z land, this category includes lots which are at least 2,000m^2, and the lot potential is based on a residential lot density which is similar to existing residential subdivision patterns in the precinct	na
(H) Additional lot potential on occupied allotments	**Land which is currently occupied but has the potential to accommodate additional lots in the future. The extent of this potential varies.**	**F + G**

Source: Essential Economics

Land zoned for residential development in the Yallourn North precinct comprises TZ and R1Z land, while rural residential living is accommodated by RLZ3 and a number of FZ allotments of less than 5 ha. There is no LDRZ land in Yallourn North. A summary of the residential and rural residential lot supply is provided in Table 12.5 and is discussed below.

Supply of R1Z Land

The supply of R1Z land in the Yallourn North precinct consists of:

- Lots available for development: Only three vacant R1Z lots are available for development in Yallourn North.
- Total vacant lot potential: Total vacant lot potential in Yallourn North is estimated at 82 lots, which includes the three lots available for development and 79 lots which could be created by subdivision of larger vacant lots. There are seven larger vacant lots located in the northern part of the existing R1Z land in Yallourn North. This estimate assumes a density of approximately 10 lots per hectare could be achieved on these lots.
- Occupied lots with subdivision potential: A large share of occupied R1Z lots in Yallourn North are greater than 2,000m^2 in size. In total, there are 85 occupied R1Z lots greater than 2,000m^2 of which 87% are smaller than 1 ha. If all lots of 2,000m^2 or greater were to be subdivided at a

density of approximately 10 lots per hectare, this would create approximately an additional 350 lots; however, it is unlikely the majority of these lots would be subdivided in the near future as they are meeting a demand for larger lifestyle lots.

However, potential exists for a number of larger occupied lots to be subdivided. A total of 11 occupied lots of 1 ha or greater exist in Yallourn North which, if subdivided, would create approximately an additional 190 lots. The likelihood of these lots being subdivided in the near future is unknown, and therefore should not be considered in the total residential lot supply for Yallourn North.

Supply of TZ Land

No residential development opportunity on TZ land exists in Yallourn North.

Supply of RLZ Land

The supply of rural living zones in Yallourn North (RLZ3) in located to the east and the north-east of the township and consists of:

- Lots available for development: There are an estimated 17 RLZ lots available for development in Yallourn North, which includes five vacant lots and one approved subdivision of 12 lots.
- Total vacant lot potential: Total vacant RLZ lot potential in Yallourn North is estimated at 17 lots, which comprises the 17 lots available for development; there are no vacant lots with the potential to be subdivided in the future.
- Occupied lots with subdivision potential: There are an estimated seven RLZ lots which could become available for development in the future by the subdivision of large occupied lots.

Supply of FZ lot of less than 5 ha

Two vacant FZ lots of less than 5 ha in size exist, and a further one vacant lot is part of a larger occupied allotment.

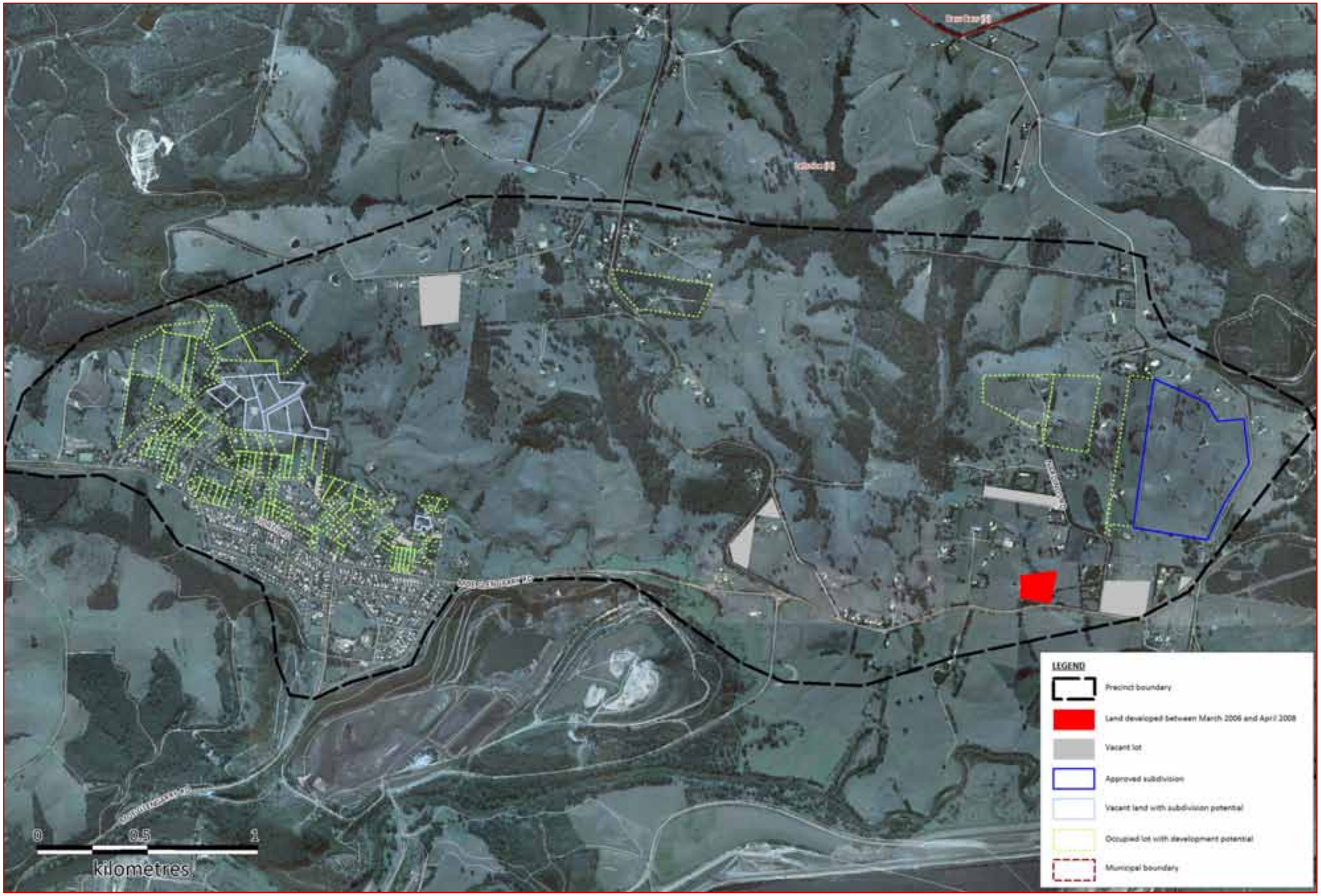
Table 12.5 summarises the residential lot supply in Yallourn North as of April 2008. The location of vacant residential land and recent development is shown in Figures 12.4 and 12.5.

Table 12.5: Residential Lot Supply and Potential in Yallourn North, April 2008

Zone	Lots Available for Development	Vacant Land with Subdivision Potential	Total Vacant lot Potential	Total Occupied lots with Subdivision Potential
R1Z	3	79	82	356
TZ	na	na	na	na
LDRZ	na	na	na	na
Total Residential Zoned Land	**3**	**79**	**82**	**356**
RLZ	17	0	17	7
FZ (less than 5 ha)	2	0	2	1
Total Rural and Farm Zone (less than 5ha)	**19**	**0**	**19**	**8**

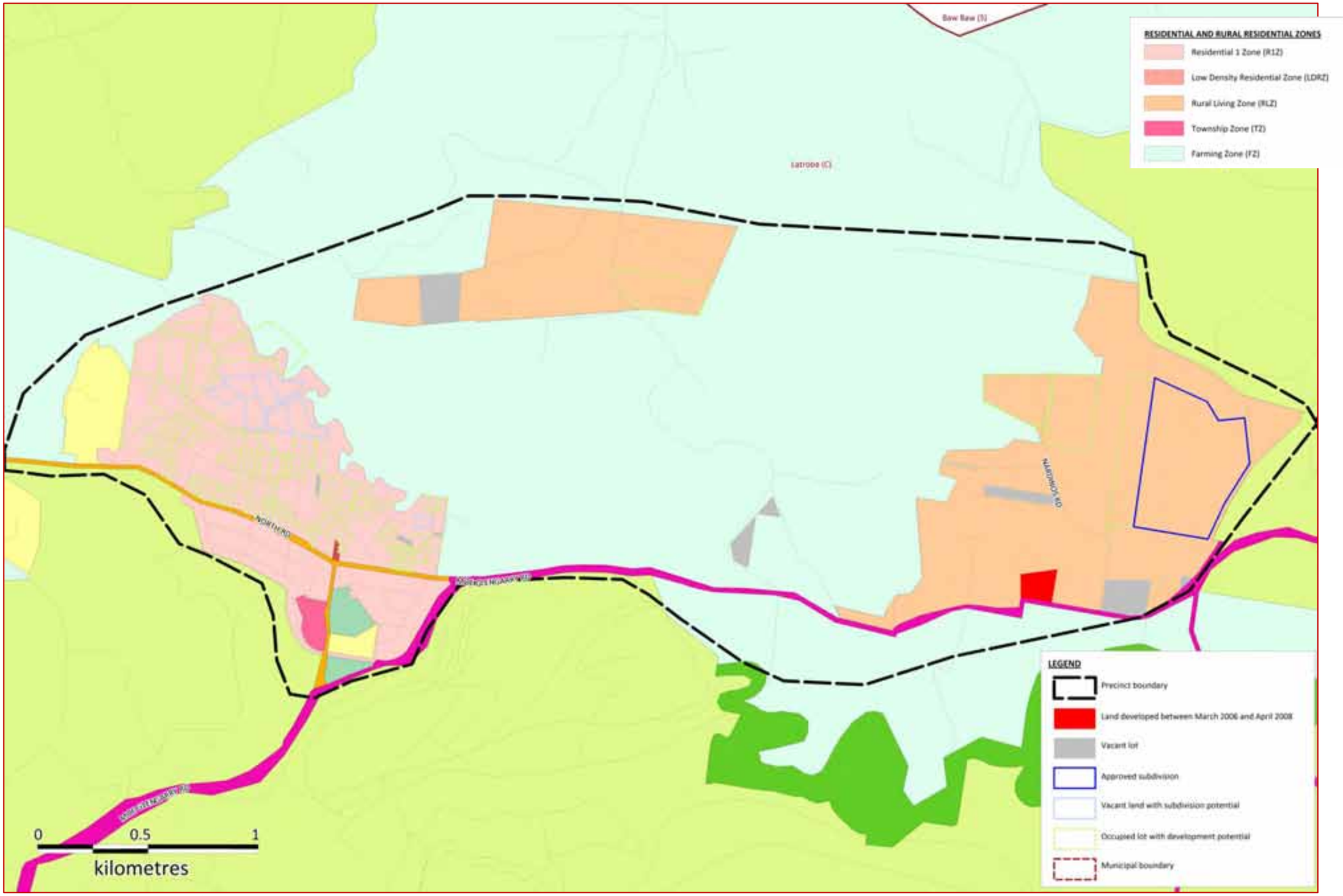
Source: Essential Economics Field Survey, April 2008; Aerial photos from Latrobe City Council March 2006

Figure 12.4: Yallourn North Land Supply and Recent Development (Aerial photo), April 2008



Produced by Essential Economics using MapInfo

Figure 12.5: Yallourn North Land Supply and Recent Development (Zoning map), April 2008



Produced by Essential Economics using MapInfo

12.8 Residential Dwelling Demand Forecasts

Forecast Total Dwelling Demand in Yallourn North

An estimate of dwelling demand in the Yallourn North precinct over the next 15 years has been based on the Yallourn North precinct capturing a share of total dwelling demand as forecast for the Morwell and Moe SLAs in Chapter 4.6 (Table 4.6). The Yallourn North precinct is dissected by SLA boundaries, with the Yallourn North township included in the Moe SLA, and the rural living areas in the eastern part of the precinct located in the Morwell SLA.

Based on analysis of population growth, new dwelling building permits and recent residential development in the Yallourn North precinct and the Morwell and Moe SLAs, it has been assumed that the Yallourn North precinct would accommodate approximately 1.5% of dwelling demand in the Morwell SLA and 1.5% of dwelling demand in the Moe SLA.

Based on these assumptions, forecast demand for new dwellings in the Yallourn North precinct by scenario is as follows:

- Low growth scenario: Forecasts show demand for approximately an additional 20 new dwellings over the next 15 years (annual demand of approximately 1 new dwelling).
- Moderate growth scenario: Forecasts show demand for approximately an additional 45 new dwellings over the next 15 years (annual demand of approximately 3 new dwellings).
- High growth scenario: Forecasts show demand for approximately an additional 55 new dwellings over the next 15 years (annual demand of approximately 4 new dwellings).

The forecasts of dwelling identified above compare with the average new dwelling building permits between 2003 and 2007 of three dwellings per annum.

Table 12.6 on the following page summarises forecast dwelling demand in the Yallourn North precinct.

Table 12.6: Yallourn North Dwelling Demand, 2008-2023

Category	2008-2018			2008-2023		
	Low Growth Scenario	Moderate Growth Scenario	High Growth Scenario	Low Growth Scenario	Moderate Growth Scenario	High Growth Scenario
Forecast residential dwelling demand in Moe SLA (refer Table 4.6)	550	1,040	1,300	800	1,570	1,970
Estimated share of dwelling demand for the western part of the Yallourn North precinct	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
Forecast residential dwelling demand in Yallourn North from the Moe SLA	**8**	**15**	**19**	**12**	**23**	**29**
Forecast residential dwelling demand in Morwell SLA (refer Table 4.6)	340	910	1,210	500	1,380	1,840
Estimated share of dwelling demand for the eastern part of the Yallourn North precinct	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
Forecast residential dwelling demand in Yallourn North from Balance SLA	**5**	**13**	**18**	**7**	**20**	**27**
Forecast residential dwelling demand in Yallourn North	**13**	**28**	**37**	**19**	**43**	**56**
Forecast annual residential dwelling demand in Yallourn North	**1.3**	**2.8**	**3.7**	**1.3**	**2.9**	**3.7**

Source: Essential Economics

It would be prudent to plan for the high growth scenario in terms of planning for the residential and rural residential land requirements in Yallourn North.

Dwelling Demand in Yallourn North by Zone

Due to constraints on the future supply of R1Z land in Yallourn North, it is likely that the majority of residential demand will be for RLZ land. An assessment of the forecast dwelling demand by zone has been undertaken assuming that 25% of dwelling demand will be for dwellings in R1Z land and 75% will be for dwellings on RLZ.

There is no LDRZ land in Yallourn North, and while there is TZ land, there is currently none available for development.

Based on the above, forecast dwelling demand by zone in Yallourn North is as follows:

- R1Z land:
  - Forecast demand of up to approximately 15 additional dwellings over the next 15 years (high growth scenario).
- RLZ land:
  - Forecast demand of up to approximately 40 additional dwellings over the next 15 years (high growth scenario).

Table 12.7: Yallourn North Dwelling Demand by Zone, 2008-2023

Period	Low Growth Scenario	Moderate Growth Scenario	High Growth Scenario
Estimated share of demand by zone			
R1Z land	25%	25%	25%
RLZ Land	75%	75%	75%
Total	100%	100%	100%
2008-2023			
Total forecast dwelling demand in Yallourn North	19	43	56
Dwelling demand by zone			
R1Z land	5	11	14
RLZ Land	14	32	42

Source: Essential Economics

12.9 Implications for Residential Land Supply

Taking into consideration the limited development which has occurred in recent years and the potential constraints to the future supply of residential land in Yallourn North, it would be prudent to plan for future residential demand based on the high growth scenario.

Based on the high growth scenario there is a sufficient supply of total R1Z land (total vacant lot potential) to satisfy forecast demand over the next 15 years; however, there will be a requirement for R1Z to be released to the market and made available for development. There is only an estimated supply of approximately four years of land which is currently available for development. In addition, there is extremely limited housing choice and choice in development opportunities in Yallourn North. Council may seek to engage with owners of large R1Z properties in Yallourn North in order to investigate the opportunity for subdivision of the land.

In regard to RLZ, it will be necessary to identify additional RLZ in order to satisfy demand over the next 15-year planning period. Based on the high growth scenario there is a supply of approximately six years of RLZ in Yallourn North.

Table 12.8 summarises the adequacy of residential zoned land in Yallourn North as of April 2008.

Table 12.8: Adequacy of Residential Land Supply – Yallourn North, April 2008

Zone	Low Growth Scenario	Moderate Growth Scenario	High Growth Scenario
Supply of Lots Available for Development			
R1Z land	9.5 years	4.2 years	3.2 years
RLZ Land	17.9 years	7.9 years	6.1 years
Supply of Total Vacant Lot Potential			
R1Z land	more than 30 years	more than 30 years	more than 30 years
RLZ Land	17.9 years	7.9 years	6.1 years

Source: Essential Economics

Based on the high growth scenario there is a forecast short-fall of an estimated 25 RLZ lots by 2023. Assuming these lots would be accommodated on RLZ3 land which has a minimum subdivision size of 2 ha, there would be a requirement of approximately 50 hectares of RLZ by 2023.

Table 12.9 summarises the forecast RLZ and requirement in Yallourn North over and above existing zoned land. Land requirements will vary depending on the desired lot densities.

Table 12.9: Residential Land Requirements – Yallourn North (over and above total vacant lot potential), April 2008

Zone	Low Growth Scenario	Moderate Growth Scenario	High Growth Scenario
2008-2023			
Short-fall in supply of RLZ lots	sufficient supply	15	25
Land required per lots, based on minimum subdivision size of 2 ha (RLZ3) and no allowance for internal roads	na	2	2
RLZ land requirements to meet 15 year supply	**na**	**30 ha**	**50 ha**

Source: Essential Economics

12.10 Implications on Township Population Growth

Forecasts of Yallourn North's population are presented in Table 12.10 and are based on the forecast demand for residential land presented in this chapter. Between 2001 and 2006 the population in Yallourn North declined from approximately 1,340 residents to approximately 1,250 residents at a rate of -1.4% pa.

By 2018, the Yallourn North population is forecast to decline to approximately 1,140 residents under the low growth scenario (at a rate of -0.7% pa); decline to approximately 1,180 residents under the moderate growth scenario (at a rate of -0.3% pa); and decline to approximately 1,200 under the high growth scenario (at a rate of -0.2% pa). Although there is limited forecast demand for residential dwellings in Yallourn North, decreasing average household sizes are forecast to result in a slight decline in population.

Table 12.10: Forecast Residential Population in Yallourn North, 2001-2018

Year	Low Growth Scenario	Moderate Growth Scenario	High Growth Scenario
2001	1,340	1,340	1,340
2006	1,250	1,250	1,250
2008	1,220	1,220	1,220
2018	1,140	1,180	1,200
Average Annual Growth (%)			
2001-2006	-1.4%	-1.4%	-1.4%
2006-2008	-1.2%	-1.2%	-1.2%
2008-2018	-0.7%	-0.3%	-0.2%
Average Annual Growth (No.)			
2001-2006	-20	-20	-20
2006-2008	-20	-20	-20
2008-2018	-10	0	0

Source: ABS Census 2001 and 2006; Essential Economics

12.11 Recommendations

In general, only limited demand for property in Yallourn North has taken place in recent years. Factors which have contributed to this include a limited choice in housing and development opportunities; lack of new housing stock; and amenity issues associated with the town's outlook over the open cut mine. Monitoring the progression of the recent subdivision of RLZ to the east of the town will provide an indication of the demand for RLZ in Yallourn North.

Based on the analysis presented in this chapter, the main recommendations in regards to the future requirements of residential and rural residential zoned land in Yallourn North are as follows:

1. **R1Z land**
    a. An extremely low choice exists in terms of development opportunities on R1Z land in Yallourn North, with only three vacant lots. Opportunities may develop for larger parcels of R1Z land to the north of the township to be subdivided. This would provide additional choice in the housing market in Yallourn North. Council may consider engaging with owners of larger properties in Yallourn North to investigate the opportunities for subdivision. However, Council should be wary that with low house prices in Yallourn North, subdividing these lots may not be a feasible option for land owners.
2. **TZ land**
    a. Only minimal development opportunities on TZ land exist in Yallourn North.
3. **LDRZ Land**
    a. There is no LDRZ land in Yallourn North.
4. **RLZ Land**
    a. Based on the high growth scenario there is a forecast short-fall of supply of an estimated 25 RLZ lots by 2023. Assuming these lots would be accommodated on RLZ3 land, which has a minimum subdivision size of 2 ha, there would be a requirement of approximately 50 hectares of RLZ by 2023.
    b. Monitoring the success of the subdivision on RLZ land to the east of the township will provide an indication of the demand for RLZ land in the precinct.

13 TRARALGON SOUTH RESIDENTIAL MARKET ASSESSMENT

13.1 Introduction

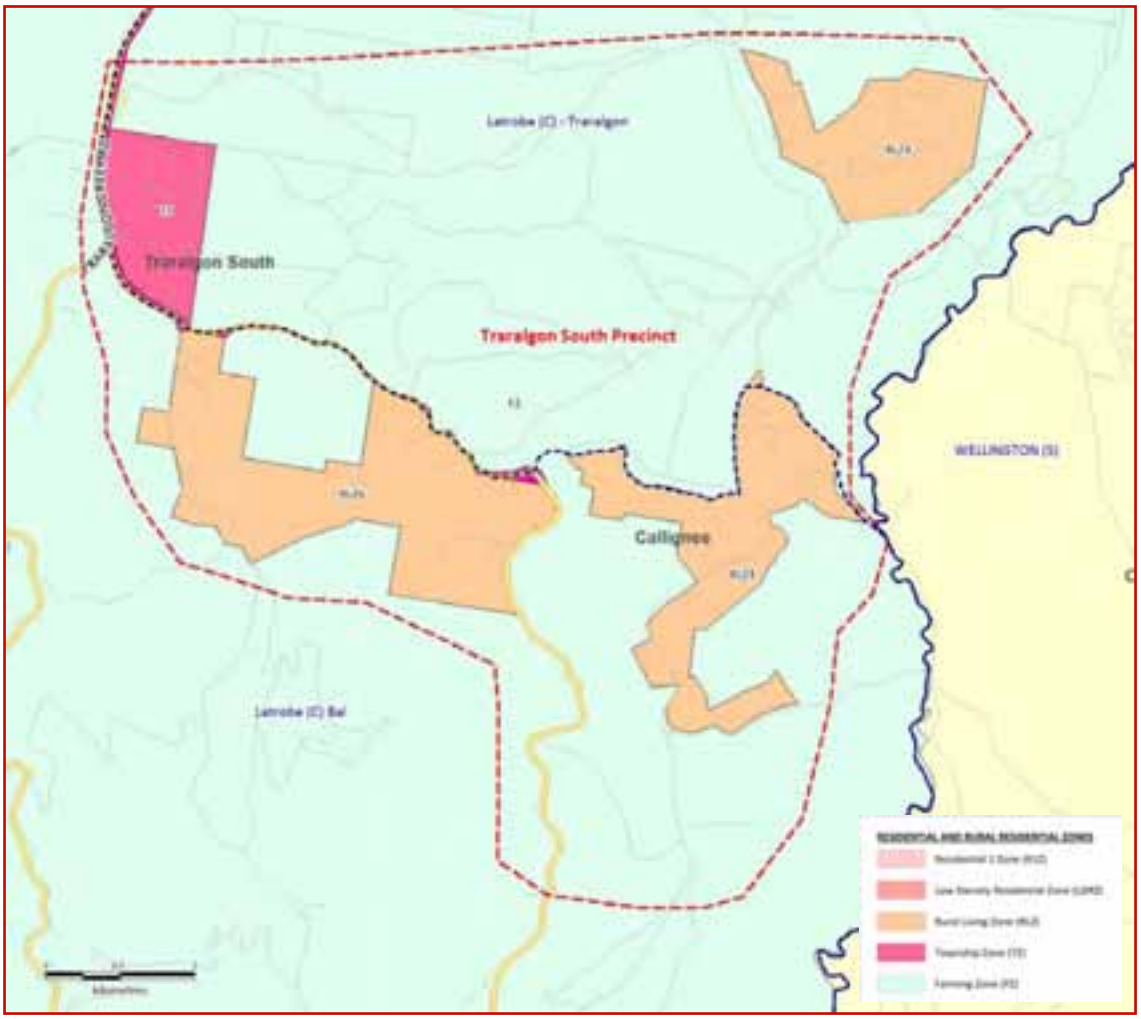
This chapter provides a residential market assessment for Traralgon South and includes recommendations on the future supply of residential and rural residential zoned land based on an assessment of recent and forecast property trends.

13.2 Precinct Overview

Traralgon South is a developing settlement located approximately 10 km to the south of Traralgon. The township comprises TZ land and includes a general store and a primary school. The lack of sewerage infrastructure in Traralgon South is considered a constraint to future residential demand.

The surrounding area comprises a mix of RLZ and FZ land.

Figure 12.1: Traralgon South Precinct



Prepared by Essential Economics using MapInfo and StreetPro

13.3 Residential Property Trends

Recent development in the Traralgon South precinct is characteristics by large houses on relatively large allotments, with the median lot size of recently developed houses being approximately 2,800m^2. Although only limited sales activity has occurred in Traralgon South, median house prices are considerably higher than elsewhere in the municipality based on REIV data, with the 2007 median house price of approximately $305,000.

A peak occurred in the number of land sales in Traralgon South in 2004, and this is likely to have coincided with the release of lots in Cashmere Drive. Land which has been resold since that time has achieved price growth of between 13% and 22% pa, illustrating strong demand for land in Traralgon South.

According the local real estate agents and REIV data, there has been limited sales activity in recent years and land is being tightly held.

Table 13.1: Number of Sales and Median House and Land Prices in Traralgon South, 2003-2007

Year	Land		House	
	No. of Sales	Median Price	No. of Sales	Median Price
2003	5	$57,000	6	$243,000
2004	21	$70,000	6	$215,000
2005	2	$84,500	6	$289,000
2006	4	$92,500	7	$275,000
2007	1	$87,000	5	$305,000
Average Annual Growth Rate, 2003-2007	*na*	*11.2%*	*na*	*5.8%*

Source: Real Estate Institute of Victoria, *Property Date On-Line*

13.4 Socio-Economic Trends

Comprising a high share of young families and managers and professional, Traralgon South is an establishing township and is the wealthiest township in Latrobe with household incomes nearly twice the median for Latrobe. A summary of the socio-economic trends of Traralgon South residents between the 2001 and is provided in Table 13.2, with the main trends and points from the analysis being:

- Age Structure: Traralgon South has a younger age structure which comprises 30.6% of residents aged from 0 to 14 years, compared to the average of 20.7% for Latrobe, and only 3.4% of the population is aged 65 years or over compared to the average of 14.1% for Latrobe.
- Occupation: Compared to other townships, Traralgon South has a high share of 'white collar' workers, with 31.4% working as managers and professionals compared to the average for Latrobe of 22.1%. This is reflected in the high incomes of Traralgon South residents.
- Income: Individual incomes of Traralgon South residents are 51% above the median for Latrobe, while household incomes are 92% above the Latrobe median.
- Household Composition: Couple families are the dominant household type in Traralgon South, accounting for some 84% of households, including 56% in couple families with children.
- Home Ownership: An above-average proportion of homes are being purchased (63% of dwellings) compared to the average for Latrobe (35%), and is reflective of the relative infancy of residential development in the township.

- Housing Costs: Median home loan repayments are significantly above the median for Latrobe; however, the share of household income direct to home loan repayments is significantly below the average for Latrobe (Traralgon South: 18.2%; Latrobe: 25.5%) due to higher household incomes.

Table 13.2: Socio-Economic Trends of Traralgon South Residents, 2001-2006

Indicator	2001	2006	Percentage Point Change	Latrobe LGA 2006	Percentage Point Change
Age Structure					
0-14 years	28.0%	30.6%	+2.6%	20.7%	-2.2%
15-24 years	10.5%	10.3%	-0.2%	14.1%	+0.5%
25-44 years	30.0%	34.9%	+4.9%	25.2%	-2.5%
45-64 years	26.4%	20.8%	-5.6%	25.8%	+2.7%
65 years and over	5.1%	3.4%	-1.7% change	14.1%	+1.5% change
Median age (years)	36	32	-12.9% change	38	+7.5% change
Occupation					
Managers & professionals	30.7%	31.4%	+0.7%	22.1%	-0.8%
Clerical & sales workers	10.9%	11.4%	+0.5%	15.1%	+0.2%
Technicians & trades workers	31.8%	32.0%	+0.1%	31.4%	-0.1%
Machinery operators & drivers	17.0%	16.2%	-0.8%	18.6%	+0.5%
Labourers & related workers	9.5%	9.0%	-0.5%	12.9%	+0.3%
Income					
Median individual income (annual)	$22,046	$29,612	+6.1% (aagr)	$19,607	+4.9% (aagr)
Variation from Latrobe LGA	42.7%	51.0%			
Median household income (annual)	$55,700	$77,836	+6.9% (aagr)	$40,602	+4.4% (aagr)
Variation from Latrobe LGA	70.0%	91.7%			
% of h'holds earning $2,000pw or more	11.8%	24.6%	+12.8% change	11.7%	+7.4% change
Household Composition					
Couple family with no children	26.9%	27.7%	+0.8%	25.2%	+1.3%
Couple family with children	52.8%	56.1%	+3.3%	28.3%	-3.3%
One Parent Family with children	5.6%	7.3%	+1.7%	12.6%	+0.2%
Other Family	3.7%	1.4%	-2.3%	4.5%	+1.2%
Lone Person Household	9.6%	7.1%	-2.4%	26.7%	+0.7%
Group Household	1.4%	0.4%	-1.0%	2.6%	-0.0%
Average household size	3.11	3.22	+3.5% change	2.44	-3.5% change
Dwelling Structure					
Detached	100.0%	99.7%	-0.3%	88.2%	-0.7%
Semi-detached	0.0%	0.0%	+0.0%	2.9%	-1.1%
Flat/unit or apartment	0.0%	0.0%	+0.0%	8.4%	+2.2%
Other	0.0%	0.3%	+0.3%	0.6%	-0.3%
Occupancy rate	89.5%	91.8%	+2.3%	89.9%	+0.3%
Total private dwellings	66	136	+15.6% (aagr)	29,188	+0.7% (aagr)
Home Ownership					
Fully owned	51.7%	29.1%	-22.6%	39.0%	-5.9%
Being purchased	42.1%	63.1%	+20.9%	35.4%	+4.4%
Renting	6.1%	7.8%	+1.7%	25.0%	+2.0%
Other	0.0%	0.0%	+0.0%	0.6%	-0.4%
Housing Costs					
Median housing loan repayment (monthly)	$796	$1,180	+8.2% (aagr)	$863	+9.7% (aagr)
Median loan repayment as % of median h'hld income	17.2%	18.2%	+1.0%	25.5%	+5.6%
Median rental payment (weekly)	$130	$226	+11.6% (aagr)	$130	+6.3% (aagr)
Median rent as % of median h'hld income	12.2%	15.1%	+2.9%	16.6%	+1.5%
Median House Price	N/A	N/A		$155,500	+16.4% (aagr)

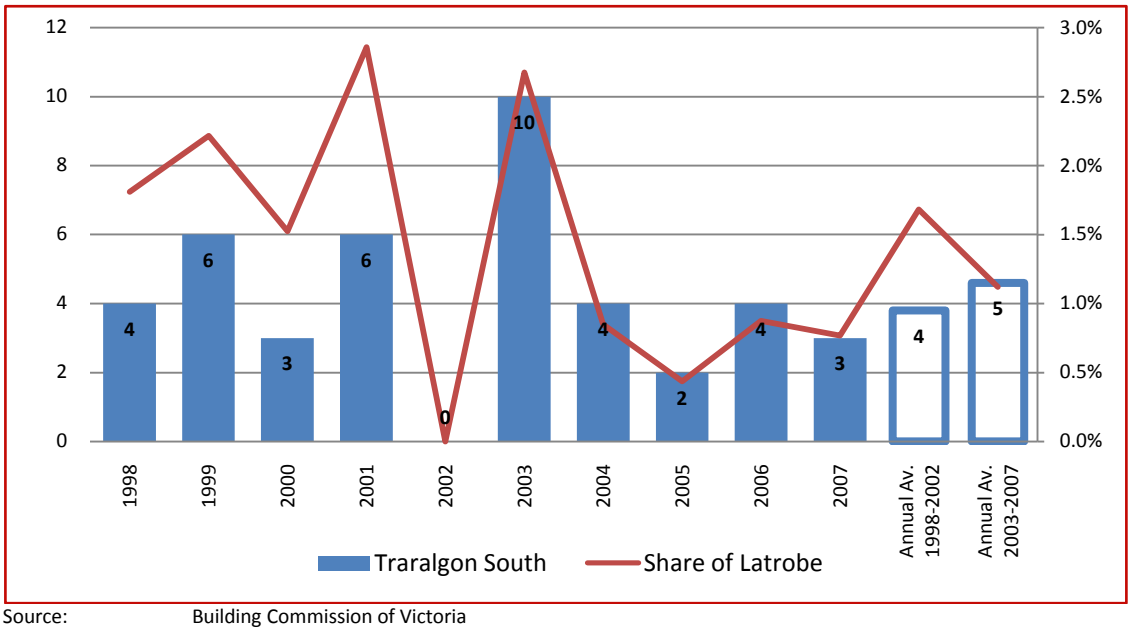
Source: ABS Census 2001 and 2006 (Usual resident profile)
Note: aagr refers to Average Annual Growth rate

13.5 Analysis of Building Permits

Building permits in Traralgon South peaked in 2003 when there were 10 new dwelling permits approved; since that time, building permits in Traralgon South have ranged from two in 2005 to four in 2004 and 2006.

Between 2003 and 2007 building permits in Traralgon South accounted for 1% of approved dwellings Latrobe.

Figure 13.2: Yallourn North Building Permits (number of dwellings), 1998-2007



Source: Building Commission of Victoria

13.6 Recent Development Rates

The Traralgon South precinct has been the location for considerable residential development in recent years with the residential subdivision located to the north of township attracting the majority of this development. Between March 2006 and April 2008 there were a total of nine dwellings developed in the TZ in Traralgon South, with a relatively large median lot size of approximately 2,770m^2.

Table 13.3: Recent Residential Development by Zone in Traralgon South, March 2006 to April 2008

Zone	No. of Lots Developed	No. of Dwellings Developed	Annual Development Rate	Percentage of Dwellings Developed	Percentage of Total Dwelling Developed in the Study Area	Median Lot Size (m^2)
TZ	9	9	4.3	100%	100%	2,770
Total	9	9	4.3	100%	1.2%	2,770

Source: Essential Economics Field Survey, April 2008; Aerial photos from Latrobe City Council March 2006

13.7 Supply of Residential Land

An assessment of the supply of residential and rural residential land available for development in Traralgon South was conducted in April 2008. A description of the supply categories referred to in this analysis is provided in Table 13.4, with further explanation provided in Chapter 1.3 Methodology.

The estimated supply of residential and rural residential lots presented in this chapter does not take into consideration a number of factors which could limit the number of actual developable lots, such as environmental constraints (eg. flood-prone) or infrastructure constraints. It is likely that the number of lots which could eventually be developed will be somewhat smaller than the estimates presented in the analysis below.

Table 13.4: Residential and Rural Residential Supply Categories

Land Type	Explanation	Composition of Categories
(A) Vacant lots	Vacant R1Z and TZ lots which are less than 2,000m2; vacant FZ lots which are less than 5 ha; and vacant LDRZ, RLZ which cannot be further subdivided according to relevant minimum subdivision sizes.	na
(B) Lots in approved subdivisions	Lots which have planning approval to be subdivided	na
(C) Lots available for development	**An estimate of the number of lots which could be developed with no further subdivision approval required by Latrobe City Council**	**A + B**
(D) Vacant land with subdivision potential	Vacant lots which could potentially be subdivided into at least two lots based on the minimum subdivision size of the corresponding zone. For R1Z and TZ land, this consists of vacant lots which are at least 2,000m^2.	na
(E) Total vacant lot potential	**An estimate of the total lot potential on land which is currently vacant and which has the potential to be developed in the near future.**	**C + D**
(F) Vacant parcels of land that are part of a larger occupied allotment	Vacant land titles which form part of a larger property which contains a dwelling.	na
(G) Occupied lots with subdivision potential	Lots which are occupied by a dwelling but are large enough to be subdivided into at least two lots based on the minimum subdivision size for the corresponding zone. The lot potential for these properties is based on the minimum subdivision size, taking into account the existing dwelling on the property. For R1Z land, this category includes lots which are at least 2,000m^2, and the lot potential is based on a residential lot density which is similar to existing residential subdivision patterns in the precinct	na
(H) Additional lot potential on occupied allotments	**Land which is currently occupied but has the potential to accommodate additional lots in the future. The extent of this potential varies.**	**F + G**

Source: Essential Economics

Land zoned for residential development in the Traralgon South precinct comprises TZ, while rural residential living is accommodated by RLZ4 and RLZ6 land and a number of FZ allotments of less than 5 ha. There is no R1Z or LDRZ land in Traralgon South. A summary of the residential and rural residential lot supply is provided in Table 13.5 and is discussed below.

Supply of TZ Land

The supply of TZ land in the Traralgon South precinct consists of:

- Lots available for development: A total of 15 TZ lots are available for development in Traralgon South, this includes 11 vacant lots and an approved subdivision which will create an additional four lots. There is one larger lot of approximately 1.3 ha located on Rifle Range Road which could potentially be subdivided; however the likelihood of this occurring is limited due to constraints associated with sewerage provision. It has been assumed these lots cannot be subdivided.
- Total vacant lot potential: Total vacant lot potential in Traralgon South is estimated at 15 lots, which comprises of the 15 lots available for development.
- Occupied lots with subdivision potential: There are no occupied lots with subdivision potential in Traralgon South.

Supply of RLZ Land

The supply of rural living zones in Traralgon South (RLZ4 and RLZ6) consists of:

- Lots available for development: An estimated 13 RLZ lots are available for development in Traralgon South, which all of which are vacant lots.
- Total vacant lot potential: Total vacant RLZ lot potential in Traralgon South is estimated at 23 lots, which comprises the 13 lots available for development and two vacant parcels of land which could be subdivided into 10 lots.
- Occupied lots with subdivision potential: There is one vacant parcel of land which is part of a larger property.

Supply of FZ lot of less than 5 ha

Seven vacant FZ lots of less than 5 ha in size exist, and a further four vacant lots are part of a larger occupied allotments.

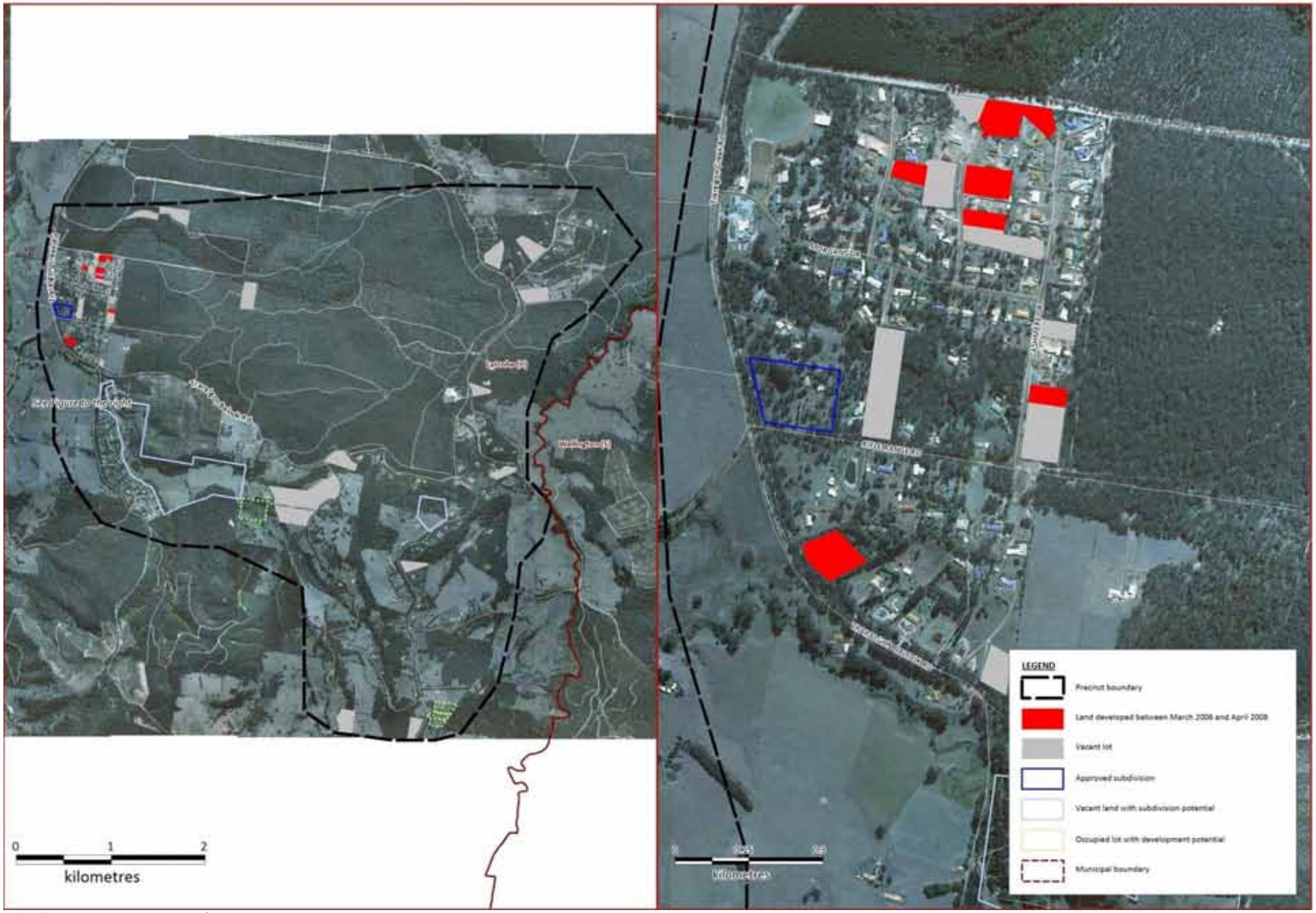
Table 13.5 summarises the residential lot supply in Traralgon South as of April 2008. The location of vacant residential and rural residential land and recent development is shown in Figures 13.3 and 13.4 on the following page.

Table 13.5: Residential Lot Supply and Potential in Traralgon South, April 2008

Zone	Lots Available for Development	Vacant Land with Subdivision Potential	Total Vacant lot Potential	Total Occupied Lots with Subdivision Potential
R1Z	na	na	na	na
TZ	15	0	15	0
LDRZ	na	na	na	na
Total Residential Zoned Land	**15**	-	**15**	-
RLZ	13	10	23	1
FZ (less than 5 ha)	7	0	7	4
Total Rural and Farm Zone (less than 5ha)	**20**	**10**	**30**	**5**

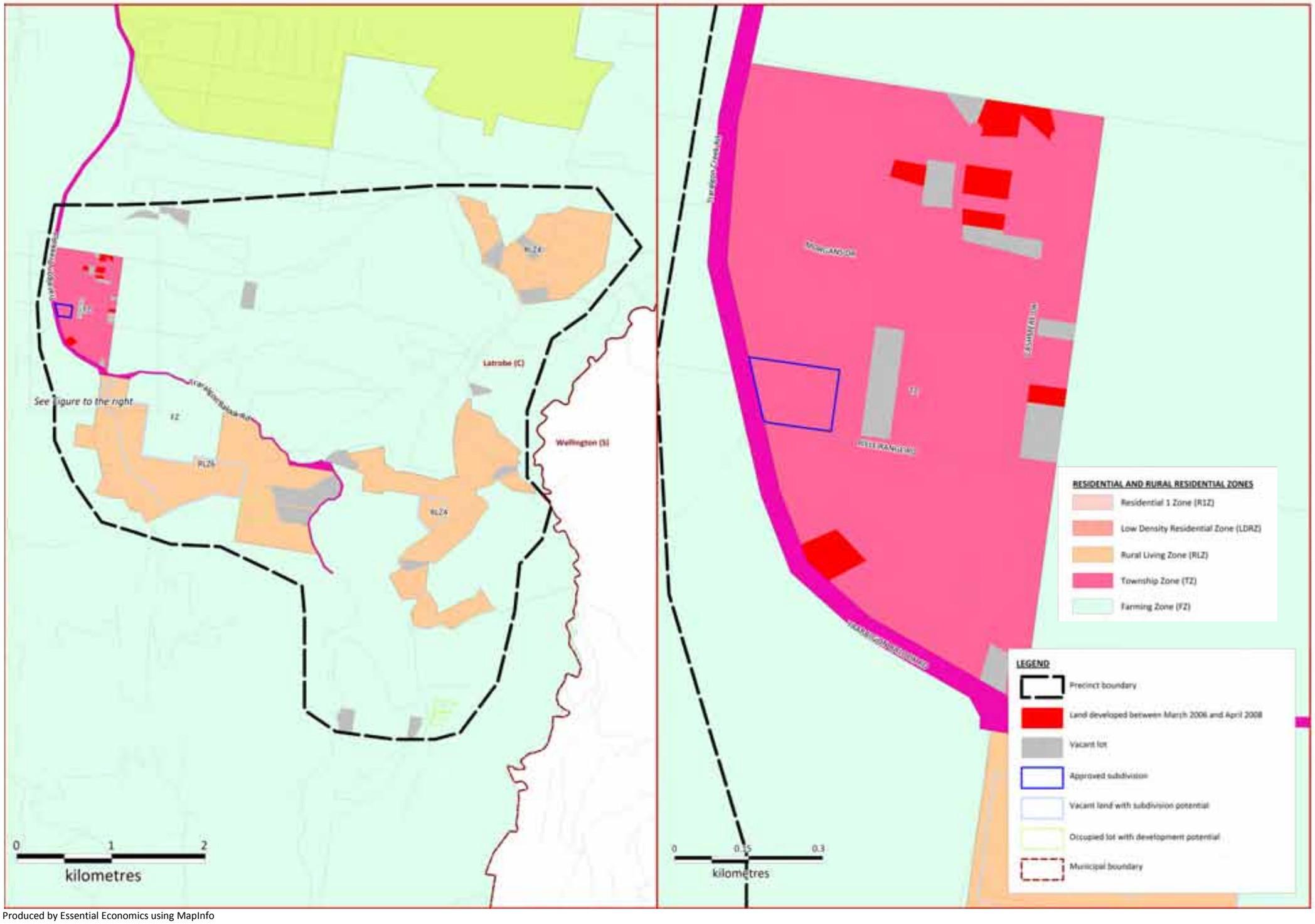
Source: Essential Economics Field Survey, April 2008; Aerial photos from Latrobe City Council March 2006

Figure 13.3: Traralgon South Land Supply and Recent Development (Aerial photo), April 2008



Produced by Essential Economics using MapInfo

Figure 13.4: Traralgon South Land Supply and Recent Development (Zoning map), April 2008



Produced by Essential Economics using MapInfo

13.8 Residential Dwelling Demand Forecasts

Forecast Total Dwelling Demand in Traralgon South

An estimate of dwelling demand in the Traralgon South precinct over the next 15 years has been based on the Traralgon South precinct capturing a share of total dwelling demand as forecast for the Traralgon and Balance SLAs in Chapter 4.6 (Table 4.6). The Traralgon South precinct is dissected by SLA boundaries, with the Traralgon South township included in the Traralgon SLA, and the rural living areas in the southern part of the precinct located in the Balance SLA.

Based on analysis of population growth, new dwelling building permits and recent residential development in the Traralgon South precinct and the Traralgon and Balance SLAs, it has been assumed that the Traralgon South precinct would accommodate approximately 1.5% of dwelling demand in the Traralgon SLA and 3% of dwelling demand in the Balance SLA.

Based on these assumptions, forecast demand for new dwellings in the Traralgon South precinct by scenario is as follows:

- Low growth scenario: Forecasts show demand for approximately an additional 65 new dwellings over the next 15 years (annual demand of approximately 4 new dwellings).
- Moderate growth scenario: Forecasts show demand for approximately an additional 75 new dwellings over the next 15 years (annual demand of approximately 5 new dwellings).
- High growth scenario: Forecasts show demand for approximately an additional 85 new dwellings over the next 15 years (annual demand of approximately 6 new dwellings).

The forecasts of dwelling growth identified above compare with the average new dwelling building permits between 2003 and 2007 of five dwellings per annum and the recent development rate between March 2006 and April 2008 of four dwellings per annum.

Table 13.6 summarises forecast dwelling demand in the Traralgon South precinct on the following page.

Due to the limited forecast growth in dwelling demand in Traralgon South, it would be prudent to plan for the high growth scenario in terms of planning for the residential and rural residential land requirements.

Table 13.6: Traralgon South Dwelling Demand, 2008-2023

Category	2008-2018			2008-2023		
	Low Growth Scenario	Moderate Growth Scenario	High Growth Scenario	Low Growth Scenario	Moderate Growth Scenario	High Growth Scenario
Forecast residential dwelling demand in Traralgon SLA (refer Table 4.6)	2,640	3,030	3,420	3,890	4,530	5,180
Estimated share of SLA dwelling demand directed to the Traralgon South precinct	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
Forecast residential dwelling demand in Traralgon South from the Traralgon SLA	**39**	**45**	**51**	**58**	**67**	**77**
Forecast residential dwelling demand in Balance SLA (refer Table 4.6)	120	190	220	180	280	320
Estimated share of SLA dwelling demand directed to the Traralgon South precinct	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Forecast residential dwelling demand in Traralgon South from Balance SLA	**3**	**5**	**6**	**5**	**8**	**9**
Forecast residential dwelling demand in Traralgon South	**42**	**50**	**57**	**63**	**75**	**86**
Forecast annual residential dwelling demand in Traralgon South	**4.2**	**5.0**	**5.7**	**4.2**	**5.0**	**5.7**

Source: Essential Economics

Dwelling Demand in Traralgon South by Zone

All of the development which has occurred in recent years in Traralgon South has been located on TZ land (refer Table 13.3), therefore we have assumed the majority of future development will also occur in this zone. It is also worth considering that although there is no LDRZ in Traralgon South, there may be potential demand for such land having regards for the relatively large sized allotments in the TZ zone. Allowing for the provision of LDRZ land in Traralgon South will enhance the housing choice in the precinct. However, Traralgon South is subject to sewer infrastructure constraints which according to Council are unlikely to be resolved in the next 15 years. Therefore, it has been assumed that supply of residential and rural residential zoned land in Traralgon South will remain as TZ and RLZ land. For the purpose of this assessment it has been assumed that 75% of future dwelling demand will be for dwellings on TZ land and the balance of 25% will be for dwellings on RLZ land.

Based on these assumptions, forecast dwelling demand by zone in Traralgon South is as follows:

- TZ land:
  - Forecast demand of up to approximately 85 additional dwellings (high growth scenario) over the next 15 years.

- RLZ land:
  - Forecast demand of up to approximately 20 additional dwellings (high growth scenario) over the next 15 years.

Table 13.7: Traralgon South Dwelling Demand by Zone, 2008-2023

Period	Low Growth Scenario	Moderate Growth Scenario	High Growth Scenario
Estimated share of demand by zone			
TZ land	75%	75%	75%
RLZ Land	25%	25%	25%
Total	100%	100%	100%
2008-2023			
Total forecast dwelling demand in Traralgon South	63	75	86
Dwelling demand by zone			
TZ land	47	56	64
RLZ Land	16	20	22

Source: Essential Economics

13.9 Implications for Residential Land Supply

It would be prudent to plan for residential land requirements based on the high growth scenario. Based on the analysis presented in this chapter, there will be a requirement for additional TZ land for residential development purposes to be identified in order to meet forecast demand over the next 15 year planning period. There is an estimated supply of approximately four years of total TZ land.

Sufficient supply of RLZ land exists in Traralgon South to satisfy forecast demand for such land over the next 15 years; however vacant land will need to be released to the market in the mean-time as there is only a nine year supply of RLZ available for development based on the high growth scenario.

Table 13.8 summarises the adequacy of residential zoned land in Traralgon South as of April 2008.

Table 13.8: Adequacy of Residential Land Supply – Traralgon South, April 2008

Zone	Low Growth Scenario	Moderate Growth Scenario	High Growth Scenario
Supply of Lots Available for Development			
TZ land	4.8 years	4.0 years	3.5 years
RLZ Land	12.4 years	10.4 years	9.1 years
Supply of Total Vacant Lot Potential			
TZ land	4.8 years	4.0 years	3.5 years
RLZ Land	22 years	18 years	16 years

Source: Essential Economics

Traralgon South has the potential to provide Latrobe with a type of residential product that is not readily available in the municipality. The precinct enjoys a rural setting, is located within a comfortable commuting distance to Traralgon, and has been developing as a high quality residential area which is attracting high income residents and families. However, the lack of sewer infrastructure may inhibit Council's willingness to release additional land in the township.

Assuming additional TZ is sought in Traralgon South, approximately an additional 12.5 ha is required in order to meet forecast demand over the next 15 years. This assumes a lot density of 4 lots per hectare, which is based on an average lot size of approximately 2,000m^2 and an allowance of 20% for internal roads. Land requirements will vary depending on the desired lot densities.

Table 13.9: Residential Land Requirements – Traralgon South (over and above total lot potential), April 2008

Zone	Low Growth Scenario	Moderate Growth Scenario	High Growth Scenario
2008-2023			
Short-fall in supply of TZ land	Approx 30	Approx 40	Approx 50
Assumed lot density per hectare (gross)	4	4	4
TZ land requirements to meet 15 year supply	**8 ha**	**10 ha**	**12.5 ha**

Source: Essential Economics

13.10 Implications on Township Population Growth

Forecasts of Traralgon South's population are presented in Table 13.10 and are based on the forecast demand for residential land presented in this chapter. In 2008 it is estimated that there is a resident population of approximately 480 persons in Traralgon South.

By 2018, the Traralgon South population is forecast to increase to approximately 630 residents under the low growth scenario (at a rate of 2.8% pa); to increase to approximately 660 residents under the moderate growth scenario (at a rate of 3.2% pa); and to increase to approximately 680 under the high growth scenario (at a rate of 3.5% pa).

Due to changes in Collection District Boundaries (CCD) between the 2001 and 2006 Census', it is difficult to estimate the residential population in Traralgon South in 2001.

Table 13.10: Forecast Residential Population in Traralgon South, 2001-2018

Year	Low Growth Scenario	Moderate Growth Scenario	High Growth Scenario
2006	450	450	450
2008	480	480	480
2018	630	660	680
Average Annual Growth (%)			
2006-2008	3.3%	3.3%	3.3%
2008-2018	2.8%	3.2%	3.5%
Average Annual Growth (No.)			
2006-2008	20	20	20
2008-2018	20	20	20

Source: ABS Census 2001 and 2006; Essential Economics

13.11 Recommendations

Based on the analysis presented in this chapter, the main recommendations in regards to the future requirements of residential and rural residential zoned land in Traralgon South are as follows:

1. **R1Z land**
    a. There is no R1Z land in Traralgon South.
2. **TZ Land**
    a. Based on the high growth scenario, there is currently a total potential supply of TZ lot of approximately 4 years.
    b. Assuming Council would like to encourage residential development in Traralgon South, there is potential for a requirement of up to approximately an additional 12.5 ha of TZ in Traralgon South in order to meet forecast demand over the next 15 years. This land requirement assumes that larger parcels of TZ land cannot be subdivided.
3. **LDRZ Land**
    a. There is no LDRZ land in Traralgon South; however, based on the large lot sizes upon which dwellings are being developed on TZ, there may be potential to provide LDRZ land in the precinct.
4. **RLZ Land**
    a. Currently, an adequate supply of total vacant lot potential exists in regard to RLZ land in Traralgon South to meet forecast demand over the next 15 years, based on the assumptions made in this assessment. Under the high growth scenario, an estimated 16-year supply of total vacant lot potential exists on RLZ land in Traralgon South.
5. **Other considerations**
    a. Traralgon South has the potential to provide Latrobe with a type of residential product that is not readily available in the municipality. The precinct enjoys a rural setting, is located within a comfortable commuting distance to Traralgon, and has been developing as a high quality residential area which is attracting high income residents and families. However, the lack of sewer infrastructure may inhibit Council's willingness to release additional land in the township.

14 YINNAR RESIDENTIAL MARKET ASSESSMENT

14.1 Introduction

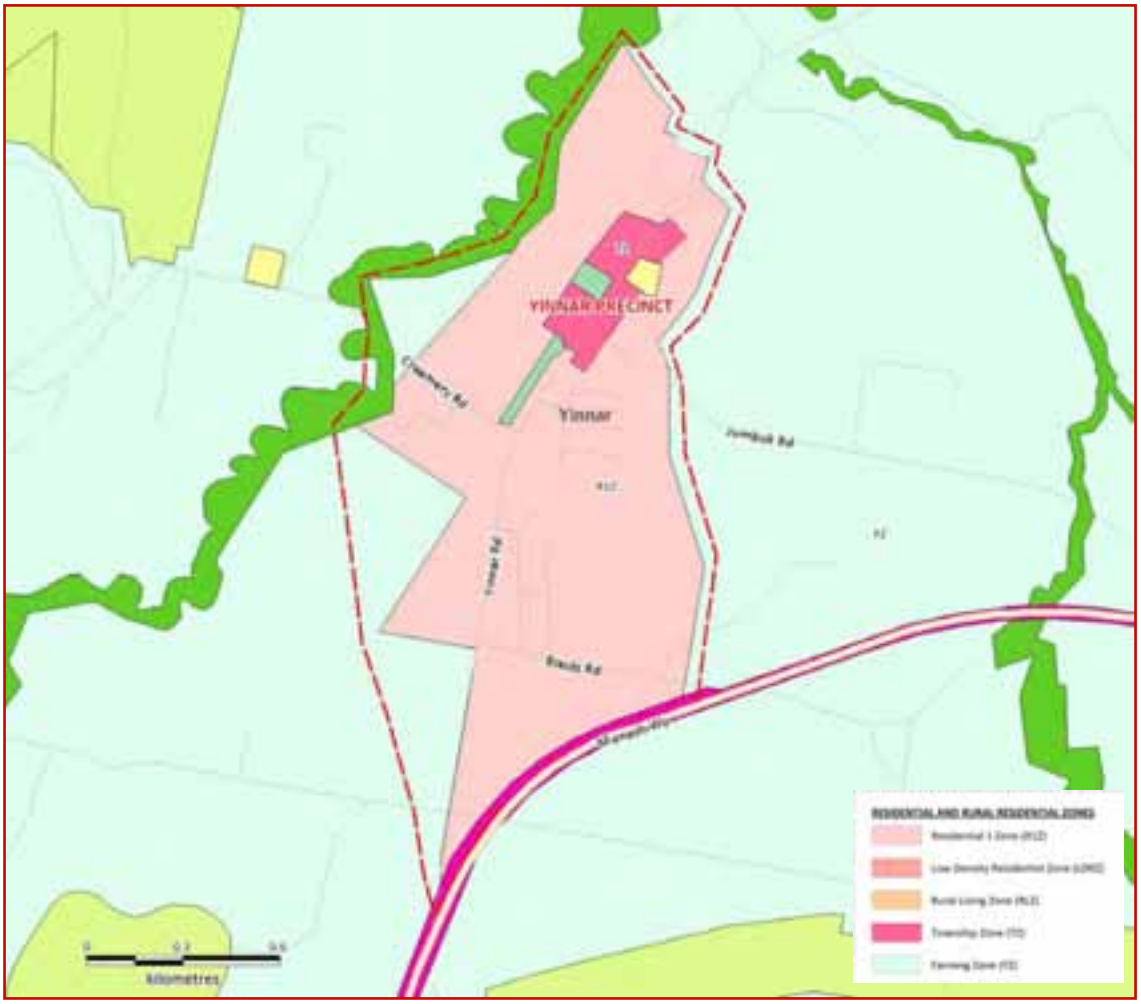
This chapter provides a residential market assessment for Yinnar and includes recommendations on the future supply of residential and rural residential zoned land based on an assessment of recent and forecast property trends.

14.2 Precinct Overview

Yinnar is a small township located in the southern part of Latrobe, approximately 8 km to the north of Boolarra, 8 km to the west of Churchill and 12 km to the south of Morwell.

Yinnar comprises a small town centre on TZ land which includes a pub, general store, service station and a bowling club. R1Z land surrounds the town centre.

Figure 14.1: Yinnar Precinct



Prepared by Essential Economics using MapInfo and StreetPro

14.3 Residential Property Trends

The median house price in Yinnar of $155,000 for 2006 was comparable to the median for Latrobe; however, strong price growth of 19% occurred in 2007 with the median house price in Yinnar increasing to $185,000, which is more than $20,000 above the median house price in Latrobe.

Residential development activity in Yinnar has been steady recently, with a development rate of nearly four dwellings per annum occurring between March 2006 and April 2008 (refer Section 14.6).

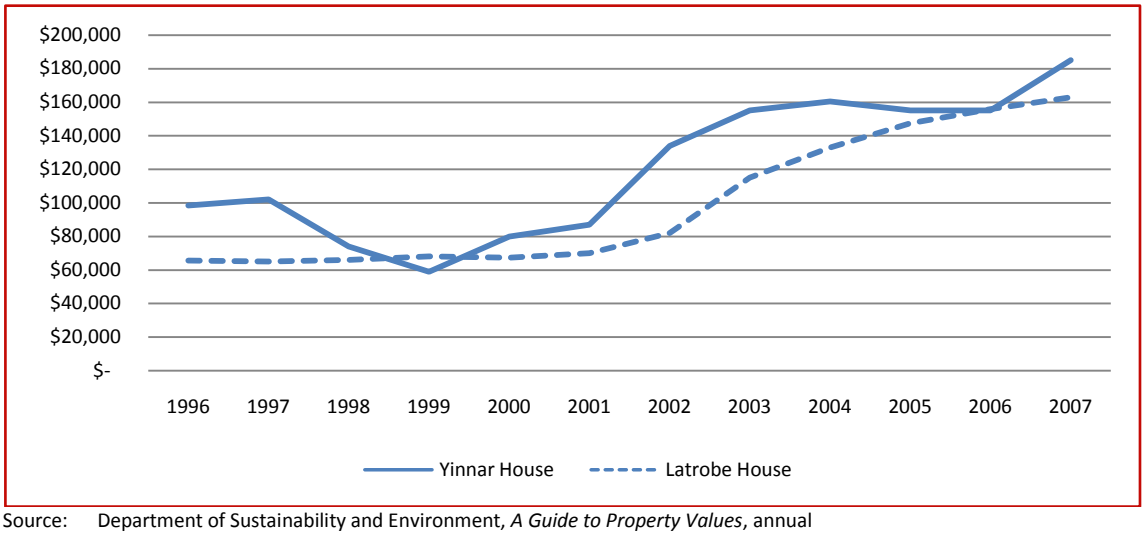
According to local real estate agents, the residential market in Yinnar has been constrained by a lack of supply with properties being tightly held. Recently, a 65-lot subdivision was approved in Yinnar and agents expect this subdivision to sell well.

Table 14.1: Median House Prices in Yinnar, 1996-2007

Property Type	1996	2001	2004	2006	2007	Average Annual Growth Rate			
						1996-2001	2001-2004	2004-2006	2006-2007
Yinnar House	$98,500	$87,000	$160,500	$155,000	$185,000	-2.5%	22.6%	-1.7%	19.4%
Latrobe House	$65,500	$70,000	$133,000	$156,000	$163,000	1.3%	23.9%	8.3%	4.5%

Source: Department of Sustainability and Environment, *A Guide to Property Values*, annual

Figure 14.2: Median House Values in Yinnar, 1996-2007



Source: Department of Sustainability and Environment, *A Guide to Property Values*, annual

14.4 Socio-Economic Trends

Socio-economic trends in Yinnar indicate that a 'tree change' trend is apparent. An increasing share of residents are aged 45 to 64 years old, and an increase in managers and professionals residing in Yinnar is evident. A summary of the socio-economic trends of Yinnar residents between the 2001 and 2006 is provided in Table 14.2, with the main points summarised as follows:

- Age Structure: Between 2001 and 2006 there has been an increase in the share of residents aged 45 to 64 years and 65 years or older.
- Occupation: Managers and professionals, and technicians and trades persons represent the largest occupations types in Yinnar.
- Income: Median incomes of Yinnar residents and households are above the medians for Latrobe, with per capita incomes 9.3% above the median for Latrobe and household incomes 16.9% higher.
- Household Composition: Couple families with no children represent 29.8% of households in 2006 having increased from 22.5% in 2001 (average for Latrobe in 2006 was 25.2%). Couple families with children remain the most common household type with 34.4% of households compared to 28.3% for Latrobe.
- Housing Costs: The median house price and median home loan repayments are comparable to the median for Latrobe.

Table 14.2: Socio-Economic Trends of Yinnar Residents, 2001-2006

Indicator	2001	2006	Percentage Point change	Latrobe LGA 2006	Percentage Point change
Age Structure					
0-14 years	23.0%	21.4%	-1.6%	20.7%	-2.2%
15-24 years	13.5%	11.1%	-2.4%	14.1%	+0.5%
25-44 years	26.5%	23.7%	-2.9%	25.2%	-2.5%
45-64 years	26.0%	30.2%	+4.2%	25.8%	+2.7%
65 years and over	10.9%	13.6%	+2.7%	14.1%	+1.5%
Total Population	569	583	+2.4% change	69,328	+2.3%
Median age (years)	37	40	+6.6% change	38	+7.5% change
Occupation					
Managers & professionals	26.9%	28.6%	+1.8%	22.1%	-0.8%
Clerical & sales workers	10.2%	13.7%	+3.5%	15.1%	+0.2%
Technicians & trades workers	32.9%	36.3%	+3.4%	31.4%	-0.1%
Machinery operators & drivers	18.1%	13.7%	-4.3%	18.6%	+0.5%
Labourers & related workers	12.0%	7.7%	-4.4%	12.9%	+0.3%
Income					
Median individual income (annual)	$17,913	$21,425	+3.6% (aagr)	$19,607	+4.9% (aagr)
Variation from Latrobe LGA	15.9%	9.3%			
Median household income (annual)	$38,221	$47,479	+4.4% (aagr)	$40,602	+4.4% (aagr)
Variation from Latrobe LGA	16.7%	16.9%			
% of h'holds earning $2,000pw or more	8.0%	13.2%	+5.2% change	11.7%	+7.4% change
Household Composition					
Couple family with no children	22.5%	29.8%	+7.3%	25.2%	+1.3%
Couple family with children	38.0%	34.4%	-3.6%	28.3%	-3.3%
One Parent Family with children	10.8%	12.4%	+1.6%	12.6%	+0.2%
Other Family	5.2%	0.0%	-5.2%	4.5%	+1.2%
Lone Person Household	22.1%	21.6%	-0.5%	26.7%	+0.7%
Group Household	1.4%	1.8%	+0.4%	2.6%	-0.0%
Average household size	2.61	2.48	-5.1% change	2.44	-3.5% change
Dwelling Structure					
Detached	95.7%	100.0%	+4.3%	88.2%	-0.7%
Semi-detached	0.0%	0.0%	+0.0%	2.9%	-1.1%
Flat/unit or apartment	4.3%	0.0%	-4.3%	8.4%	+2.2%
Other	0.0%	0.0%	+0.0%	0.6%	-0.3%
Occupancy rate	84.8%	90.4%	+5.6%	89.9%	+0.3%
Total private dwellings	217	239	+2.0% (aagr)	29,188	+0.7% (aagr)
Home Ownership					
Fully owned	51.5%	48.6%	-2.9%	39.0%	-5.9%
Being purchased	37.1%	36.4%	-0.7%	35.4%	+4.4%
Renting	11.3%	12.6%	+1.3%	25.0%	+2.0%
Other	0.0%	2.3%	+2.3%	0.6%	-0.4%
Housing Costs					
Median housing loan repayment (monthly)	$538	$883	+10.4% (aagr)	$863	+9.7% (aagr)
Median loan repayment as % of median h'hld income	16.9%	22.3%	+5.4%	25.5%	+5.6%
Median rental payment (weekly)	$111	$126	+2.6% (aagr)	$130	+6.3% (aagr)
Median rent as % of median h'hld income	15.1%	13.8%	-1.3%	16.6%	+1.5%
Median House Price	$87,000	$155,000	+12.2% (aagr)	$155,500	+16.4% (aagr)

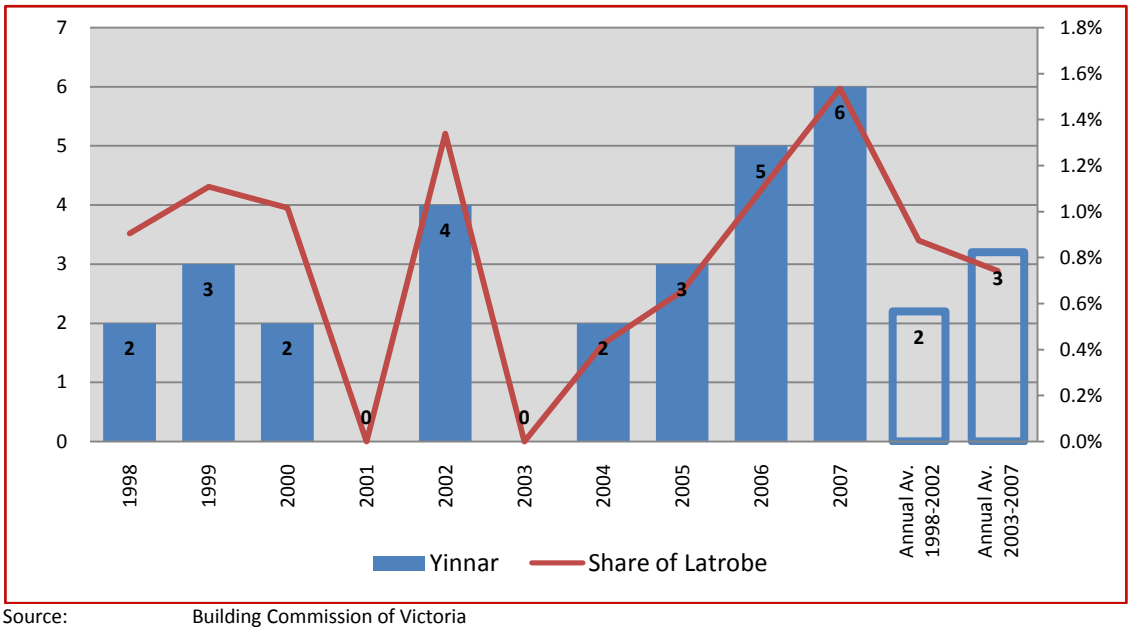
Source: ABS Census 2001 and 2006 (Usual resident profile)
Note: aagr - Average Annual Growth rate

14.5 Analysis of Building Permits

Yinnar has been experiencing an increase in the number of new dwellings resulting from residential building permits since 2003. In 2003 no building permits were approved for Yinnar; however, an increase in permits has been recorded each year since, and in 2007 six new dwellings were approved.

Figure 14.3 summarises recent trends in new dwellings as a result of domestic building permits in Yinnar.

Figure 14.3: Yinnar Building Permits (number of dwellings), 1998-2007



Source: Building Commission of Victoria

14.6 Recent Development Rates

Yinnar has experienced considerable residential development in recent years in relation to the size of the township. Between March 2006 and April 2008, a total of eight dwellings were developed in R1Z (an annual development rate of 3.8 dwellings), with a median lot size of approximately 530m^2. This development occurred in areas located in close proximity to the township, and in areas to the south.

The locations of recent residential development in Yinnar are shown in Figure 14.4 and 14.5.

Table 14.3: Recent Residential Development by Zone in Yinnar, March 2006 to April 2008

Zone	No. of Lots Developed	No. of Dwellings Developed	Annual Development Rate	Percentage of Dwellings Developed	Percentage of Total Dwelling Developed in the Study Area	Median Lot Size (m^2)
R1Z	8	8	3.8	100%	1.1%	530
Total	**8**	**8**	**3.8**	**100%**	**1.1%**	**530**

Source: Essential Economics Field Survey, April 2008; Aerial photos from Latrobe City Council March 2006

14.7 Supply of Residential Land

An assessment of the supply of residential and rural residential land available for development in Yinnar was conducted in April 2008. A description of the supply categories referred to in this analysis is provided in Table 14.4, with further explanation provided in Chapter 1.3 Methodology.

The estimated supply of residential and rural residential lots presented in this chapter does not take into consideration a number of factors which could limit the number of actual developable lots, such as environmental constraints (eg. flood-prone) or infrastructure constraints. It is likely that the number of lots which could eventually be developed will be somewhat smaller than the estimates presented in the analysis below.

Table 14.4: Residential and Rural Residential Supply Categories

Land Type	Explanation	Composition of Categories
(A) Vacant lots	Vacant R1Z and TZ lots which are less than 2,000m2; vacant FZ lots which are less than 5 ha; and vacant LDRZ, RLZ which cannot be further subdivided according to relevant minimum subdivision sizes.	na
(B) Lots in approved subdivisions	Lots which have planning approval to be subdivided	na
(C) Lots available for development	**An estimate of the number of lots which could be developed with no further subdivision approval required by Latrobe City Council**	**A + B**
(D) Vacant land with subdivision potential	Vacant lots which could potentially be subdivided into at least two lots based on the minimum subdivision size of the corresponding zone. For R1Z and TZ land, this consists of vacant lots which are at least 2,000m^2.	na
(E) Total vacant lot potential	**An estimate of the total lot potential on land which is currently vacant and which has the potential to be developed in the near future.**	**C + D**
(F) Vacant parcels of land that are part of a larger occupied allotment	Vacant land titles which form part of a larger property which contains a dwelling.	na
(G) Occupied lots with subdivision potential	Lots which are occupied by a dwelling but are large enough to be subdivided into at least two lots based on the minimum subdivision size for the corresponding zone. The lot potential for these properties is based on the minimum subdivision size, taking into account the existing dwelling on the property. For R1Z land, this category includes lots which are at least 2,000m^2, and the lot potential is based on a residential lot density which is similar to existing residential subdivision patterns in the precinct	na
(H) Additional lot potential on occupied allotments	**Land which is currently occupied but has the potential to accommodate additional lots in the future. The extent of this potential varies.**	**F + G**

Source: Essential Economics

Land zoned for residential development in the Yinnar precinct comprises TZ and R1Z land. No LDRZ or RLZ land exists in the Yinnar precinct; however, RLZ land exists in Yinnar South, which is located approximately 5 km to the south of the township. The supply of RLZ land in Yinnar South has been assessed in Chapter 16.

A summary of the residential lot supply is provided in Table 14.5 and is discussed below.

Supply of R1Z Land

The supply of R1Z land in the Yinnar precinct consists of:

- Lots available for development: An estimated 72 lots are available for development in Yinnar. This comprises of seven existing vacant lots and a 65-lot-subdivision which has recently been approved.
- Total vacant lot potential: A significant amount of vacant land exists which has the potential to be subdivided in the future which is located to the south of the township. Total vacant lot potential in Yinnar is estimated at approximately 550 lots, which includes the 72 lots available for development and approximately 480 lots which could be created by subdivision of larger vacant lots. This estimate assumes a density of approximately 10 lots per hectare could be achieved on these lots.
- Occupied lots with subdivision potential: There are six occupied R1Z lots greater than 2,000m^2 in size in Yinnar. Assuming all these lots could be subdivided at a density of approximately 10 lots per hectare, this would create approximately an additional 315 lots. This includes a large parcel of land located to the north-west of the TZ land which could accommodate approximately an additional 270 lots.

Supply of TZ Land

One vacant parcel of TZ land exists which could accommodate an estimated 13 lots if subdivided at a density of approximately 10 lots per hectare.

Supply of LDRZ and RLZ Land

There is no LDRZ or RLZ in the Yinnar Precinct.

Table 14.5 summarises the residential lot supply in Yinnar as of April 2008.

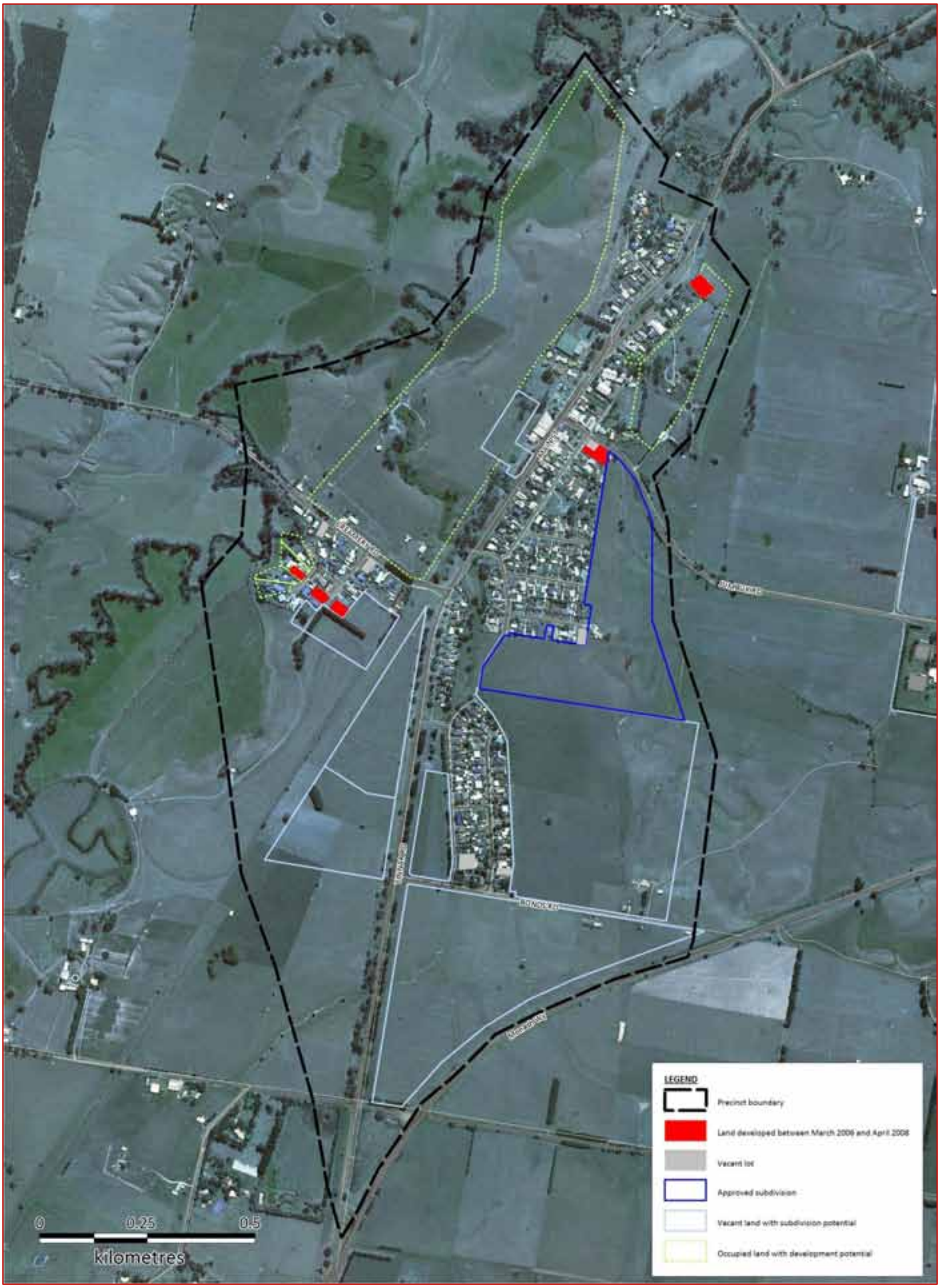
Table 14.5: Residential Lot Supply and Potential in Yinnar, April 2008

Zone	Lots Available for Development	Vacant Land with Subdivision Potential	Total Vacant lot Potential	Total Occupied Lots with Subdivision Potential
R1Z	72	482	554	315
TZ	0	13	13	0
LDRZ	na	na	na	na
Total Residential Zoned Land	**72**	**495**	**567**	**315**
RLZ	na	na	na	na
FZ (less than 5 ha)	na	na	na	na
Total Rural and Farm Zone (less than 5ha)	**na**	**na**	**na**	**na**

Source: Essential Economics Field Survey, April 2008; Aerial photos from Latrobe City Council March 2006

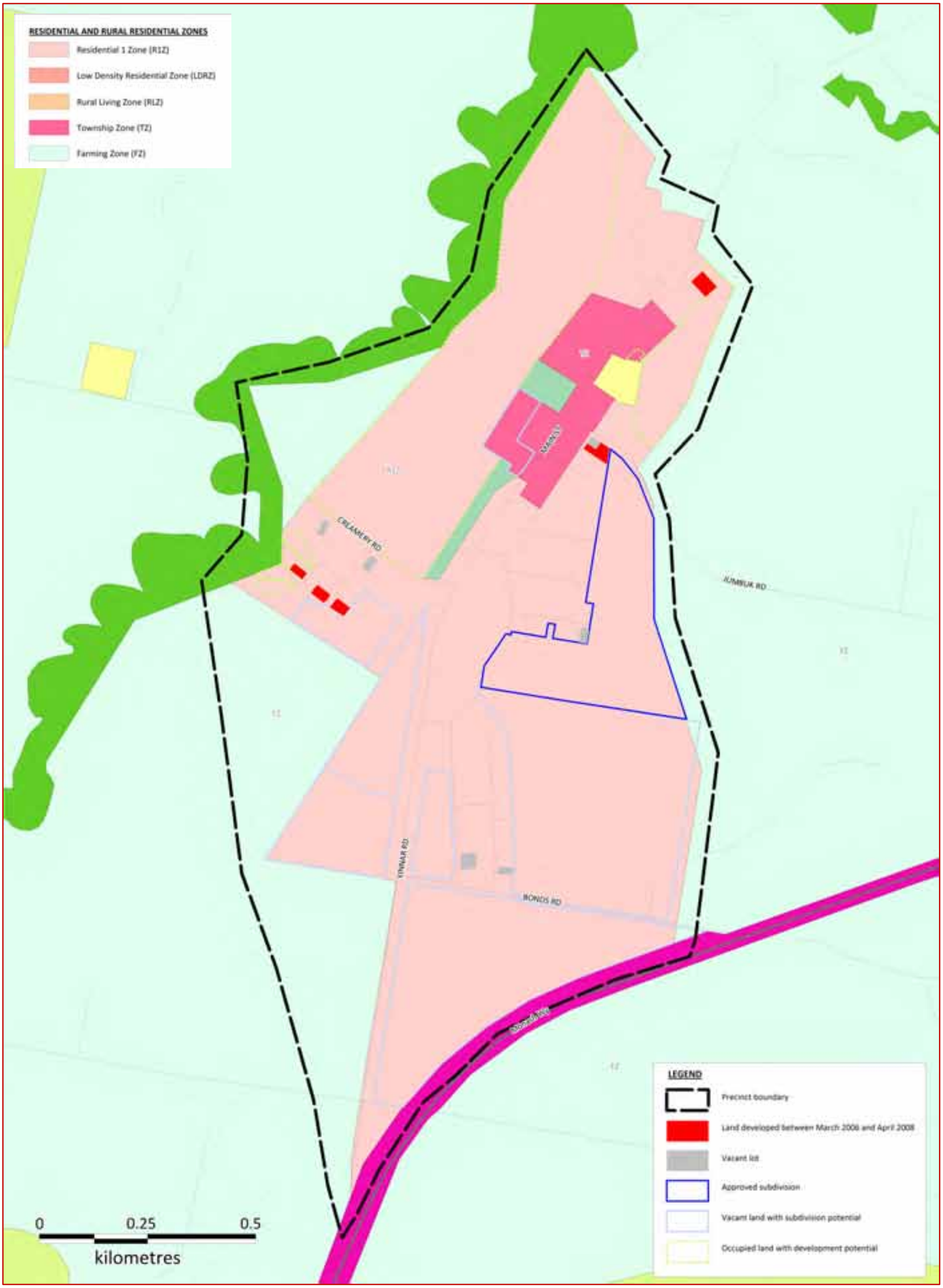
The location of vacant residential land and recent development is shown in Figures 14.4 and 14.5.

Figure 14.4: Yinnar Land Supply and Recent Development (Aerial photo), April 2008



Produced by Essential Economics using MapInfo

Figure 14.5: Yinnar Land Supply and Recent Development (Zoning map), April 2008



Produced by Essential Economics using MapInfo

14.8 Residential Dwelling Demand Forecasts

Forecast Total Dwelling Demand in Yinnar

An estimate of dwelling demand in Yinnar over the next 15 years has been based on the Yinnar precinct capturing a share of total dwelling demand as forecast for the Morwell SLA in Chapter 4.6 (Table 4.6), the SLA in which it is located.

It is estimated that the Yinnar precinct will accommodate 5% of residential dwelling demand forecast for the Morwell SLA. This estimate takes into consideration an analysis of population growth, new dwelling building permits and recent residential development in the Yinnar precinct and the Morwell SLA.

Based on this assumption, forecast demand for new dwellings in the Yinnar precinct by scenario is as follows:

- Low growth scenario: Forecast show demand for approximately an additional 25 new dwellings over the next 15 years (annual demand of approximately 2 new dwellings).
- Moderate growth scenario: Forecast show demand for approximately an additional 70 new dwellings over the next 15 years (annual demand of approximately 5 new dwellings).
- High growth scenario: Forecast show demand for approximately an additional 90 new dwellings over the next 15 years (annual demand of approximately 6 new dwellings).

The forecasts of dwelling growth identified above compares with the average new dwelling building permits in Yinnar between 2003 and 2007 of three dwellings per annum, and the recent development rate between March 2006 and April 2008 of approximately four dwellings per annum.

Table 14.6 summarises forecast dwelling demand in Yinnar.

Table 14.6: Yinnar Dwelling Demand, 2008-2023

Category	2008-2018			2008-2023		
	Low Growth Scenario	Moderate Growth Scenario	High Growth Scenario	Low Growth Scenario	Moderate Growth Scenario	High Growth Scenario
Forecast residential dwelling demand in Morwell SLA (refer Table 4.6)	340	910	1,210	500	1,380	1,840
Estimated share of dwelling demand for Yinnar precinct	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Forecast residential dwelling demand in Yinnar	**15**	**45**	**60**	**25**	**70**	**90**
Forecast annual residential dwelling demand in Yinnar	**1.5**	**4.5**	**6.0**	**1.7**	**4.7**	**6.0**

Note: Figures rounded to nearest 5
Source: Essential Economics

It would be prudent to plan for at least the moderate growth scenario in terms of planning for the future residential land requirements in Yinnar.

Dwelling Demand in Yinnar by Zone

All residential development in Yinnar in recent years has occurred on R1Z land (refer Table 14.3). For the purpose of this assessment, it has been assumed all future residential development will be accommodated on R1Z or TZ. Therefore, forecast demand for R1Z land is outlined above in Table 14.6.

Although it has not been assessed in this report, there may be potential for LDRZ land to be accommodated in the Yinnar precinct. If this were to occur, it would provide additional housing choice, as the majority of residential lots in Yinnar are small compared to the other smaller settlements in Latrobe.

14.9 Implications for Residential Land Supply

The recent approval of a 65-lot subdivision in Yinnar has significantly increased the supply of land available for development. Based on the moderate growth scenario, a 15-year supply of R1Z/TZ land is available for development and more than a 30 year supply of total vacant lot potential.

Therefore, there is no requirement for additional R1Z land to be identified in order to meet forecast demand over the next 15 years.

Table 14.7 summarises the adequacy of residential zoned land in Yinnar as of April 2008.

Table 14.7: Adequacy of Residential Land Supply – Yinnar, April 2008

Zone	Low Growth Scenario	Moderate Growth Scenario	High Growth Scenario
Supply of Lots Available for Development			
R1Z and TZ land	more than 40 years	15.4 years	12.0 years
Supply of Total Vacant Lot Potential			
R1Z and TZ land	more than 30 years	more than 30 years	more than 30 years

Source: Essential Economics

14.10 Implications on Township Population Growth

Forecasts of Yinnar's population are presented in Table 14.8 and are based on the forecast demand for residential land presented in this chapter. Between 2001 and 2006 the population in Yinnar remained relatively stable, and increased from approximately 590 residents in 2001 to approximately 610 in 2006.

By 2018, Yinnar's population is forecast to remain relatively constant under each of the three scenarios, with growth of approximately 60 residents forecast over the next 15 years based on the high growth scenario.

Table 14.8: Forecast Residential Population in Yinnar, 2001-2018

Year	Low Growth Scenario	Moderate Growth Scenario	High Growth Scenario
2001	590	590	590
2006	610	610	610
2008	610	610	610
2018	580	640	670
Average Annual Growth (%)			
2001-2006	0.7%	0.7%	0.7%
2006-2008	0.0%	0.0%	0.0%
2008-2018	-0.5%	0.5%	0.9%
Average Annual Growth (No.)			
2001-2006	0	0	0
2006-2008	0	0	0
2008-2018	0	10	10

Source: ABS Census 2001 and 2006; Essential Economics

14.11 Recommendations

Based on the analysis presented in this chapter, the main recommendations in regards to the future requirements of residential and rural residential zoned land in Yinnar are as follows:

1. R1Z and TZ land

a. Based on the moderate growth scenario there is a 15 year supply of R1Z and TZ land available for development.

b. In addition, there is a significant supply of vacant R1Z which has the potential to be subdivided in the future.

c. There is no requirement for additional R1Z land to be identified in order to meet forecast demand over the next 15 years.

2. LDRZ Land

a. Although it has not been assessed in this report, there may be potential for LDRZ land to be accommodated in the Yinnar precinct. If this were to occur, it would provide additional housing choice, as the majority of residential lots in Yinnar are small compared to the other smaller settlements in Latrobe.

3. RLZ Land

a. There is no RLZ land in Yinnar.

15 BOOLARRA RESIDENTIAL MARKET ASSESSMENT

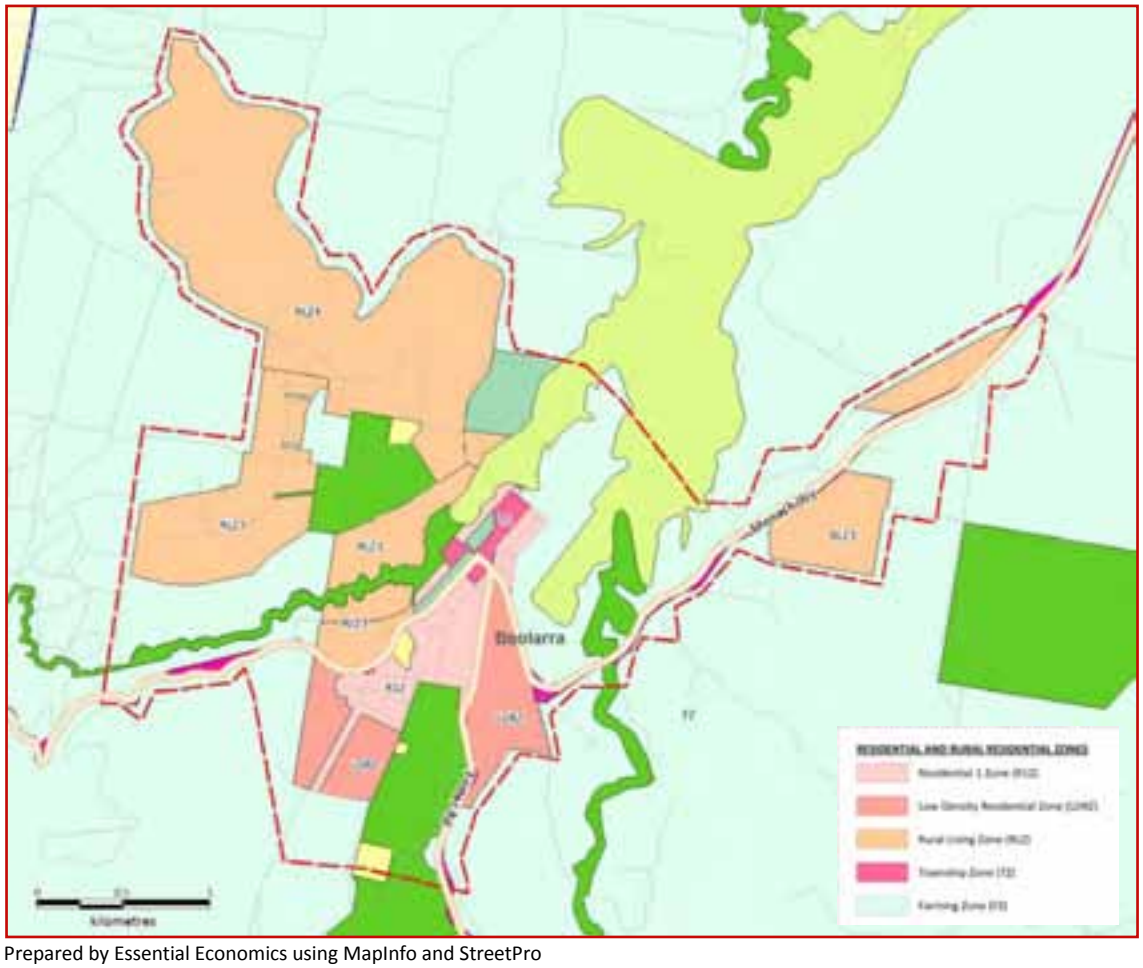
15.1 Introduction

This chapter provides a residential market assessment for Boolarra and includes recommendations on the future supply of residential and rural residential zoned land based on an assessment of recent and forecast property trends.

15.2 Precinct Overview

Boolarra is the southernmost township in Latrobe and is located approximately 15 km south of Churchill and 20 km south of Morwell. Comprising limited town centre facilities, Boolarra includes a mix of residential zones including TZ, R1Z, LDRZ and RLZ.

Figure 15.1: Boolarra Precinct



Prepared by Essential Economics using MapInfo and StreetPro

15.3 Residential Property Trends

According to local real estate agents, activity in the residential market in Boolarra has been slower than other Latrobe townships, and this can be attributed to a number of factors including:

- Boolarra's proximity from the major centres in Latrobe; and
- there is limited stock available.

According to local real estate agents, lower property prices in Boolarra have not made it profitable for developers to release land at this stage; however, the release of land may occur in the future as property prices in Boolarra increase. It is anticipated that Boolarra's residential property market will intensify as the markets in Churchill and Yinnar progress.

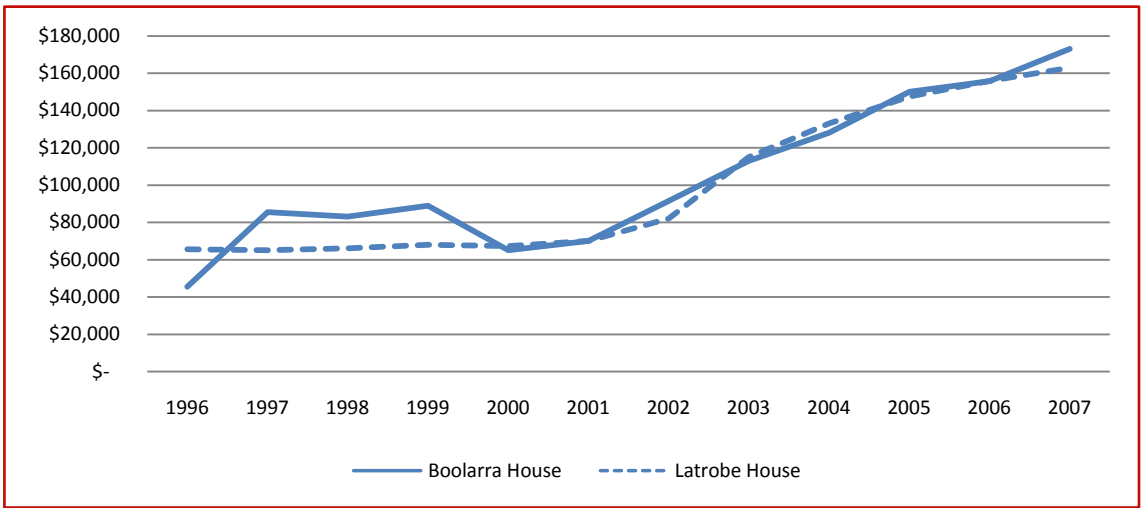
Table 15.1 summarises median house price trends in Boolarra and indicate that house prices are generally around the median for Latrobe.

Table 15.1: Median House Values in Boolarra, 1996-2007

Property Type	1996	2001	2004	2006	2007	Average Annual Growth Rate			
						1996-2001	2001-2004	2004-2006	2006-2007
Boolarra House	$45,500	$70,000	$128,000	$155,750	$173,000	9.0%	22.3%	10.3%	11.1%
Latrobe House	$65,500	$70,000	$133,000	$156,000	$163,000	1.3%	23.9%	8.3%	4.5%

Source: Department of Sustainability and Environment, *A Guide to Property Values*, annual

Figure 15.2: Median House Values in Boolarra, 1996-2007



Source: Department of Sustainability and Environment, *A Guide to Property Values*, annual

15.4 Socio-Economic Trends

Boolarra has experienced a significant increase in middle aged couples without children – the 'tree change' demographic – over the past 5 years. A summary of the socio-economic trends of Boolarra residents between 2001 and 2006 is provided in Table 15.2, with the main trends and points from the analysis being:

- Age Structure: A significant increase in the share of residents aged 45 to 64 years occurred between 2001 and 2006, increasing from 24.8% in 2001 to 34.8% in 2006.
- Income: Median incomes of Boolarra residents and households are comparable to the medians for Latrobe.
- Household Composition: Couple families with no children represented 28.6% of households in 2006 (compared with 23.1% in 2001); the average for Latrobe in 2006 was 25.2%. Couple families with children (27.7% in 2006) and lone person households (27.4% in 2006) are the other major household types in Boolarra.
- Home ownership: A significant increase has occurred in the number and shares of homes being purchased, with the share of these dwellings increasing from 34.1% in 2001 to 41.8% in 2006. The majority of houses in Boolarra are fully-owned (44.9%).
- Housing Costs: Home loan repayments are significantly below that of Latrobe, as is the share of household income directed to home loan repayments (Boolarra: 18.8%; Latrobe: 25.5%).

Table 15.2 is shown on the following page.

Table 15.2: Socio-Economic Trends of Boolarra Residents, 2001-2006

Indicator	2001	2006	Percentage Point Change	Latrobe LGA 2006	Latrobe Percentage Point Change
Age Structure					
0-14 years	24.0%	17.8%	-6.3%	20.7%	-2.2%
15-24 years	11.4%	13.1%	+1.7%	14.1%	+0.5%
25-44 years	27.7%	21.1%	-6.6%	25.2%	-2.5%
45-64 years	24.8%	35.8%	+10.9%	25.8%	+2.7%
65 years and over	12.0%	12.3%	+0.2%	14.1%	+1.5%
Median age (years)	38	43	+11.1% change	38	+7.5% change
Occupation					
Managers & professionals	29.1%	24.6%	-4.5%	22.1%	-0.8%
Clerical & sales workers	12.0%	14.0%	+2.0%	15.1%	+0.2%
Technicians & trades workers	31.3%	27.5%	-3.8%	31.4%	-0.1%
Machinery operators & drivers	17.6%	21.3%	+3.7%	18.6%	+0.5%
Labourers & related workers	10.1%	12.7%	+2.6%	12.9%	+0.3%
Income					
Median individual income (annual)	$15,299	$19,413	+4.9% (aagr)	$19,607	+4.9% (aagr)
Variation from Latrobe LGA	-1.0%	-1.0%			
Median household income (annual)	$34,000	$41,633	+4.1% (aagr)	$40,602	+4.4% (aagr)
Variation from Latrobe LGA	3.8%	2.5%			
% of households earning $2,000pw or more	2.4%	10.2%	+7.8% change	11.7%	+7.4% change
Household Composition					
Couple family with no children	23.1%	28.6%	+5.5%	25.2%	+1.3%
Couple family with children	29.7%	27.7%	-2.0%	28.3%	-3.3%
One Parent Family with children	12.7%	10.6%	-2.1%	12.6%	+0.2%
Other Family	5.4%	4.3%	-1.2%	4.5%	+1.2%
Lone Person Household	27.5%	27.4%	-0.1%	26.7%	+0.7%
Group Household	1.5%	1.4%	-0.1%	2.6%	-0.0%
Average household size	2.56	2.34	-9.6% change	2.44	-3.5% change
Dwelling Structure					
Detached	95.7%	94.9%	-0.8%	88.2%	-0.7%
Semi-detached	0.0%	0.1%	+0.1%	2.9%	-1.1%
Flat/unit or apartment	4.2%	5.0%	+0.8%	8.4%	+2.2%
Other	0.1%	0.0%	-0.1%	0.6%	-0.3%
Occupancy rate	84.9%	85.8%	+0.9%	89.9%	+0.3%
Total private dwellings	225	257	+2.7% (aagr)	29,188	+0.7% (aagr)
Home Ownership					
Fully owned	52.0%	44.9%	-7.1%	39.0%	-5.9%
Being purchased	34.1%	41.8%	+7.7%	35.4%	+4.4%
Renting	13.8%	13.1%	-0.6%	25.0%	+2.0%
Other	0.1%	0.1%	-0.0%	0.6%	-0.4%
Housing Costs					
Median housing loan repayment (monthly)	$529	$654	+4.3% (aagr)	$863	+9.7% (aagr)
Median loan repayment as % of median h'hld income	18.7%	18.8%	+0.2%	25.5%	+5.6%
Median rental payment (weekly)	$92	$113	+4.1% (aagr)	$130	+6.3% (aagr)
Median rent as % of median h'hld income	14.1%	14.1%	-0.0%	16.6%	+1.5%
Median House Price	$70,000	$155,750	+17.3% (aagr)	$155,500	+16.4% (aagr)

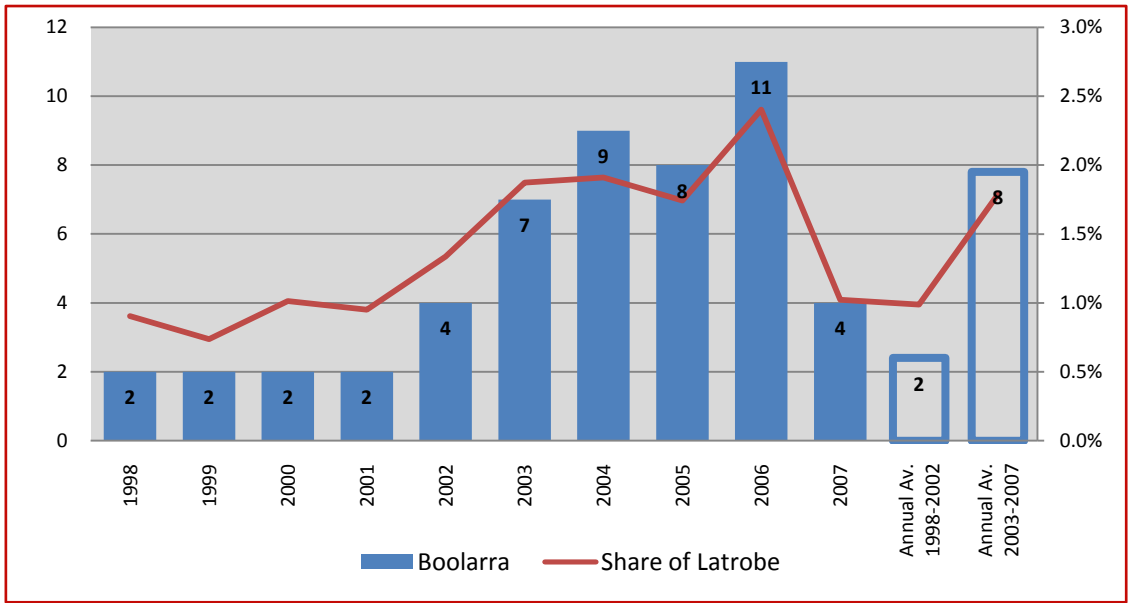
Source: ABS Census 2001 and 2006 (Usual resident profile)
Note: aagr - Average Annual Growth rate

15.5 Analysis of Building Permits

Between 2003 and 2007 an average of eight new dwellings per annum were approved in Boolarra, compared with two new dwellings per annum between 1998 and 2002. The number of new dwellings peaked at 11 in 2006.

Figure 15.3 summarises recent trends in new dwellings as a result of domestic building permits in Boolarra.

Figure 15.3: Boolarra Building Permits (number of dwellings), 1998-2007



Source: Building Commission of Victoria

15.6 Recent Development Rates

Between March 2006 and April 2008, a total of seven dwellings were developed in Boolarra, including two on R1Z lots and five on RLZ lots.

The locations of recent residential development in Boolarra are shown in Figure 15.4 and 15.5.

Table 15.3: Recent Residential Development by Zone in Boolarra, March 2006 to April 2008

Zone	No. of Lots Developed	No. of Dwellings Developed	Annual Development Rate	Percentage of Dwellings Developed	Percentage of Total Dwelling Developed in the Study Area	Median Lot Size (m^2)
R1Z	2	2	1.0	29%	0.3%	870
RLZ	5	5	2.4	71%	29.4%	10,070
Total	**7**	**7**	**3.4**	100%	**1.0%**	**10,060**

Source: Essential Economics Field Survey, April 2008; Aerial photos from Latrobe City Council March 2006

15.7 Supply of Residential Land

An assessment of the supply of residential and rural residential land available for development in Boolarra was conducted in April 2008. A description of the supply categories referred to in this analysis is provided in Table 15.4, with further explanation provided in Chapter 1.3 Methodology.

The estimated supply of residential and rural residential lots presented in this chapter does not take into consideration a number of factors which could limit the number of actual developable lots, such as environmental constraints (eg. flood-prone) or infrastructure constraints. It is likely that the number of lots which could eventually be developed will be somewhat smaller than the estimates presented in the analysis below.

Table 15.4: Residential and Rural Residential Supply Categories

Land Type	Explanation	Composition of Categories
(A) Vacant lots	Vacant R1Z and TZ lots which are less than 2,000m2; vacant FZ lots which are less than 5 ha; and vacant LDRZ, RLZ which cannot be further subdivided according to relevant minimum subdivision sizes.	na
(B) Lots in approved subdivisions	Lots which have planning approval to be subdivided	na
(C) Lots available for development	**An estimate of the number of lots which could be developed with no further subdivision approval required by Latrobe City Council**	**A + B**
(D) Vacant land with subdivision potential	Vacant lots which could potentially be subdivided into at least two lots based on the minimum subdivision size of the corresponding zone. For R1Z and TZ land, this consists of vacant lots which are at least 2,000m^2.	na
(E) Total vacant lot potential	**An estimate of the total lot potential on land which is currently vacant and which has the potential to be developed in the near future.**	**C + D**
(F) Vacant parcels of land that are part of a larger occupied allotment	Vacant land titles which form part of a larger property which contains a dwelling.	na
(G) Occupied lots with subdivision potential	Lots which are occupied by a dwelling but are large enough to be subdivided into at least two lots based on the minimum subdivision size for the corresponding zone. The lot potential for these properties is based on the minimum subdivision size, taking into account the existing dwelling on the property. For R1Z land, this category includes lots which are at least 2,000m^2, and the lot potential is based on a residential lot density which is similar to existing residential subdivision patterns in the precinct	na
(H) Additional lot potential on occupied allotments	**Land which is currently occupied but has the potential to accommodate additional lots in the future. The extent of this potential varies.**	**F + G**

Source: Essential Economics

Land zoned for residential development in the Boolarra precinct comprises R1Z, TZ and LDRZ land, while rural residential living is accommodated by RLZ3, RLZ4, RLZ6 and a number of FZ allotments of less than 5 ha. A summary of the residential and rural residential lot supply is provided in Table 15.5 and is discussed below.

Supply of R1Z Land

The supply of R1Z land in the Boolarra precinct consists of:

- Lots available for development: A total of 32 R1Z lots are available for development in Boolarra, all of which are existing vacant lots. There are no approved subdivisions on R1Z land in Boolarra.
- Total vacant lot potential: Total vacant lot potential in Boolarra is estimated at approximately 60 lots, which includes 32 lots available for development and an estimated 26 lots which could be created by subdivision of large vacant lots. This estimate is based on larger vacant lots achieving a lot density of 10 lots per hectare. Additional vacant lot potential could be created if a greater lot density were to be achieved.
- Occupied lots with subdivision potential: An estimated 25 occupied R1Z lots exist which are greater than 2,000m^2. Assuming all these could be developed at a density of approximately 10 lots per hectare, approximately an additional 50 lots could be created. All of these lots are less than 1 ha in size and appear to be meeting a demand for larger lots within the township. It is unlikely the majority of these lots would be subdivided in the near future and therefore it is not recommended these lots be considered in the total residential supply for Boolarra.

Supply of TZ Land

Four vacant TZ lots are available for development in Boolarra.

Supply of LDRZ Land

The supply of LDRZ land in the Boolarra precinct consists of:

- Lots available for development: Currently, 12 LDRZ lots are available for development in Boolarra.
- Total vacant lot potential: A number of large vacant parcels of LDRZ land in Boolarra have the potential to be subdivided in the near future. Based on the minimum subdivision size of 4,000m^2, there is potential for these parcels of land to yield an estimated 94 lots; therefore the total vacant lot potential of LDRZ land in Boolarra is estimated at 106 lots.
- Occupied lots with subdivision potential: Potential exists for one additional lot to be created by the subdivision of a large occupied LDRZ lot in Boolarra.

Supply of RLZ Land

The supply of rural living zones in Boolarra (RLZ3, RLZ4 and RLZ6) consists of:

- Lots available for development: A total of 22 vacant RLZ lots have no potential to be subdivided based on the minimum subdivision size of the corresponding RLZ schedule. There are no approved subdivisions on RLZ land.
- Total vacant lot potential: Total vacant RLZ lot potential in Boolarra is estimated at 25 lots, which includes 22 lots available for development, and an estimated three lots which could be created by the subdivision of large vacant lots based on minimum subdivision sizes.
- Occupied lots with subdivision potential: Potential exists for an estimated 17 additional lots to be created by the subdivision of larger RLZ lots or vacant parcels of land which are part of a larger occupied property becoming available for development. The likelihood of this lot potential being realised in the next 15 years is unknown and therefore it is not recommended that these lots be considered as part of the potential residential land supply in Boolarra.

Supply of FZ lot of less than 5 ha

There is a total supply of eight vacant FZ lots of less than 5 ha in size.

Table 15.5: Residential Lot Supply and Potential in Boolarra, April 2008

Zone	Lots Available for Development	Vacant Land with Subdivision Potential	Total Vacant Lot Potential	Total Occupied Lots with Subdivision Potential
R1Z	32	26	58	47
TZ	4	0	4	0
LDRZ	12	94	106	1
Total Residential Zoned Land	**48**	**120**	**168**	**48**
RLZ	22	3	25	17
FZ (less than 5 ha)	8	0	8	0
Total Rural and Farm Zone (less than 5ha)	**30**	**3**	**33**	**17**

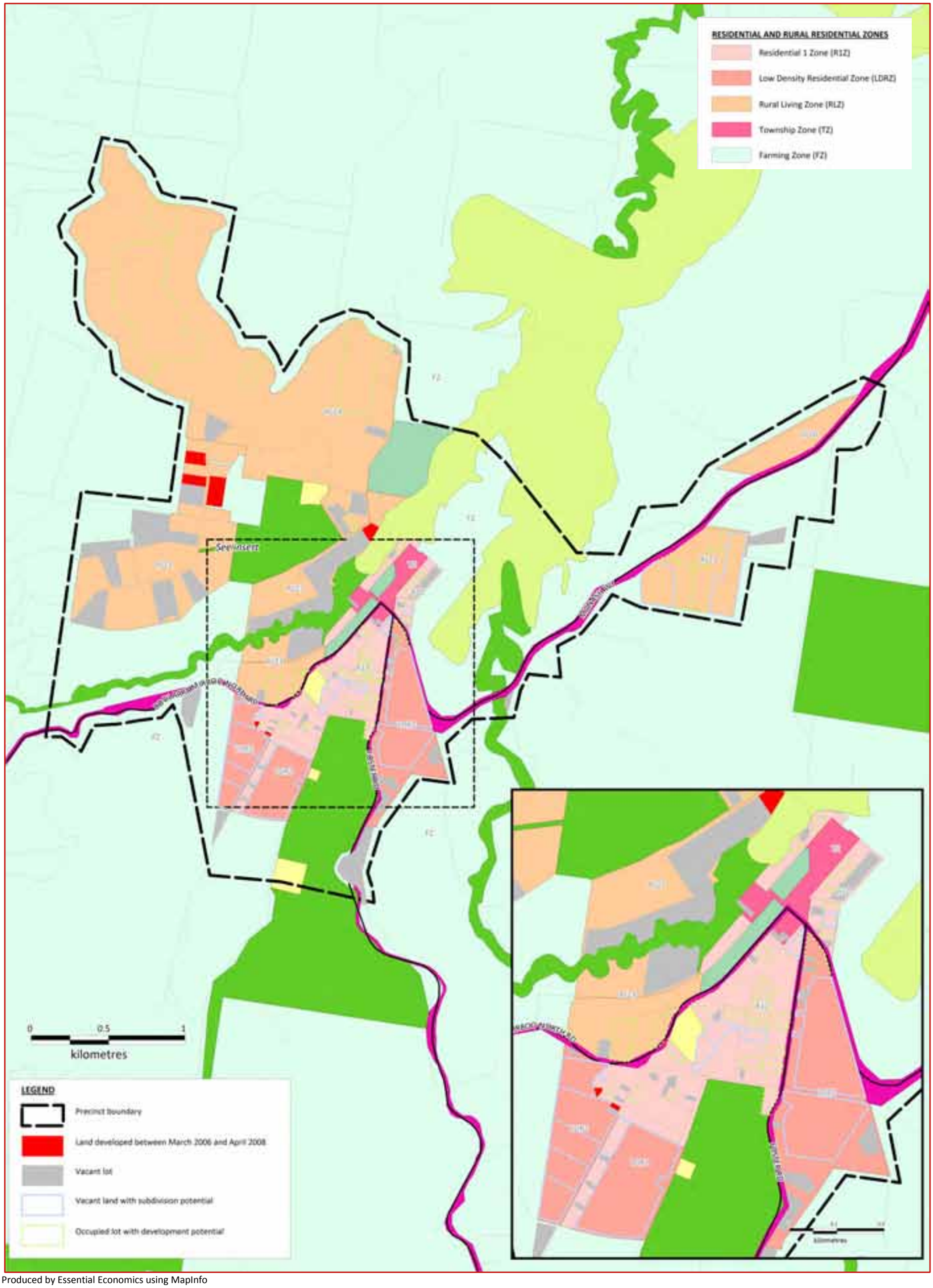
Source: Essential Economics Field Survey, April 2008; Aerial photos from Latrobe City Council March 2006

The location of vacant residential and rural residential land and recent development is shown in Figures 15.4 and 15.5 on the following pages.

Figure 15.4: Boolarra Land Supply and Recent Development (Aerial photo), April 2008

Produced by Essential Economics using MapInfo

Figure 15.5: Boolarra Land Supply and Recent Development (Zoning map), April 2008



Produced by Essential Economics using MapInfo

15.8 Residential Dwelling Demand Forecasts

Forecast Total Dwelling Demand in Boolarra

The Boolarra precinct is dissected by SLA boundaries, with the Boolarra township and rural living areas to the north included in the Morwell SLA, and the rural living areas to the east of the township located in the Balance SLA. An estimate of dwelling demand in the Boolarra precinct over the next 15 years has been based on the Boolarra precinct capturing a share of total dwelling demand as forecast for the Morwell and Balance SLAs in Chapter 4.6 (Table 4.6).

Based on analysis of population growth, new dwelling building permits and recent residential development in the Boolarra precinct and the Morwell and Balance SLAs, it has been assumed that the Boolarra precinct would accommodate approximately 5% of dwelling demand in the Morwell SLA and 1% of dwelling demand in the Balance SLA.

Based on these assumptions, forecast demand for new dwellings in the Boolarra precinct by scenario is as follows:

- Low growth scenario: Forecasts show demand for approximately an additional 25 new dwellings over the next 15 years (annual demand of approximately 2 new dwellings).
- Moderate growth scenario: Forecasts show demand for approximately an additional 70 new dwellings over the next 15 years (annual demand of approximately 5 new dwellings).
- High growth scenario: Forecasts show demand for approximately an additional 95 new dwellings over the next 15 years (annual demand of approximately 6 new dwellings).

The forecasts of dwelling growth identified above compares with the average new dwelling building permits between 2003 and 2007 of eight dwellings per annum, and the recent development rate between March 2006 and April 2008 of 3.4 dwellings per annum.

It would be prudent to plan for at least the moderate growth scenario in terms of planning for the future residential land requirements in Boolarra.

Table 15.6 summarises forecast dwelling demand in the Boolarra precinct.

Table 15.6: Boolarra Dwelling Demand, 2008-2023

Category	2008-2018			2008-2023		
	Low Growth Scenario	Moderate Growth Scenario	High Growth Scenario	Low Growth Scenario	Moderate Growth Scenario	High Growth Scenario
Forecast residential dwelling demand in Morwell SLA (refer Table 4.6)	340	910	1,210	500	1,380	1,840
Estimated share of SLA dwelling demand directed to the Boolarra precinct	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Forecast residential dwelling demand in Boolarra from the Morwell SLA	**17**	**45**	**60**	**25**	**69**	**92**
Forecast residential dwelling demand in Balance SLA (refer Table 4.6)	120	190	220	180	280	320
Estimated share of SLA dwelling demand directed to the Boolarra precinct	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Forecast residential dwelling demand in Boolarra from Balance SLA	**1**	**1**	**2**	**1**	**2**	**3**
Forecast residential dwelling demand in Boolarra	**18**	**46**	**62**	**26**	**71**	**95**
Forecast annual residential dwelling demand in Boolarra	**1.8**	**4.6**	**6.2**	**1.7**	**4.7**	**6.3**

Source: Essential Economics

Dwelling Demand in Boolarra by Zone

Recent development in Boolarra has occurred in RLZ and R1Z land, with the majority of this development occurring in RLZ. RLZ land accounted for 71% of residential development between March 2006 and April 2008. Over the reference period, there has been limited development opportunity on LDRZ land; therefore there is potential for a greater level of development to occur on LDRZ land in the future as a result of new land coming onto the market (if this where to occur).

It has been assumed that future residential demand in Boolarra will be divided between RLZ, LDRZ and R1Z, with the potential for demand for R1Z land to be accommodated on TZ land if it became available in the future (and visa versa). Forecasts of residential demand by zone are based on the following assumptions:

- R1Z land (and potentially TZ) would accommodate 35% of future residential demand;
- RLZ land would accommodate 35% of future residential demand; and
- LDRZ land would accommodate 30% of future residential demand.

Based on the previous page, forecast dwelling demand by zone in Boolarra based on the moderate growth scenario is as follows:

- R1Z land:
  - Forecast demand of approximately 25 additional dwellings over the next 15 years.
- LDRZ land:
  - Forecast demand of approximately 20 additional dwellings over the next 15 years.
- RLZ land:
  - Forecast demand of approximately 25 additional dwellings over the next 15 years.

Table 15.7: Boolarra Dwelling Demand by Zone, 2008-2023

Period	Low Growth Scenario	Moderate Growth Scenario	High Growth Scenario
Estimated share of demand by zone			
R1Z land	35%	35%	35%
TZ land	na	na	na
LDRZ land	30%	30%	30%
RLZ Land	35%	35%	35%
Total	100%	100%	100%
2008-2018			
Total forecast dwelling demand in Boolarra	18	46	62
Dwelling demand by zone			
R1Z land	6	16	22
LDRZ land	5	14	19
RLZ Land	6	16	22
2008-2023			
Total forecast dwelling demand in Boolarra	26	71	95
Dwelling demand by zone			
R1Z land	9	25	33
LDRZ land	8	21	29
RLZ Land	9	25	33

Source: Essential Economics

15.9 Implications for Residential Land Supply

Based on the analysis presented in this chapter, there is a sufficient supply of total R1Z land (total vacant lot potential) and land available for development to satisfy forecast demand over the next 15 years, based on the moderate growth scenario.

In regard to LDRZ, there is a sufficient supply of total vacant lot potential; however, it is likely that there will be a requirement for land to be released to the market via the approval of subdivisions if they are presented to Council. Based on the moderate growth scenario, there is an estimated supply of approximately nine years of LDRZ which is available for development. In order to satisfy demand over the next 15 years based on the moderate growth scenario, there will be a forecast requirement for up to approximately 10 additional vacant LDRZ allotments to be made available for development; this figure increases to an estimated 20 additional lots under the high growth scenario.

Under the moderate growth scenario there is sufficient total vacant lot potential on RLZ land to accommodate forecast demand over the next 15 years. Under the high growth scenario, there would be a forecast requirement of an additional 16 ha of RLZ land. This estimate this is based the minimum subdivision size for RLZ3 land of 2 ha per lot. The majority of RLZ land in Boolarra in zoned RLZ3.

Table 15.8 summarises the adequacy of residential zoned land in Boolarra as of April 2008.

Table 15.8: Adequacy of Residential Land Supply – Boolarra, April 2008

Zone	Low Growth Scenario	Moderate Growth Scenario	High Growth Scenario
Supply of Lots Available for Development			
R1Z land	more than 30 years	19.3 years	14.4 years
LDRZ land	23 years	8.5 years	6.3 years
RLZ Land	more than 30 years	13.3 years	9.9 years
Supply of Total Vacant Lot Potential			
R1Z land	more than 30 years	more than 30 years	26 years
LDRZ land	more than 30 years	more than 30 years	more than 30 years
RLZ Land	more than 30 years	15 years	11 years

Source: Essential Economics

15.10 Implications on Township Population Growth

Forecasts of Boolarra's population are presented in Table 15.9 and are based on the forecast demand for residential land presented in this chapter. Between 2001 and 2006 the population in Boolarra remained relatively stable, and increased only very slightly from approximately 560 residents to approximately 590 residents.

By 2018, the Boolarra population is forecast to decrease to approximately 590 residents under the low growth scenario, while it is forecast to increase to approximately 660 residents under the moderate growth scenario and increase to approximately 690 residents under the high growth scenario.

Table 15.9: Forecast Residential Population in Boolarra, 2001-2018

Year	Low Growth Scenario	Moderate Growth Scenario	High Growth Scenario
2001	560	560	560
2006	590	590	590
2008	600	600	600
2018	590	660	690
Average Annual Growth (%)			
2001-2006	1.0%	1.0%	1.0%
2006-2008	0.8%	0.8%	0.8%
2008-2018	-0.2%	1.0%	1.4%
Average Annual Growth (No.)			
2001-2006	10	10	10
2006-2008	10	10	10
2008-2018	0	10	10

Source: ABS Census 2001 and 2006; Essential Economics

15.11 Recommendations

The analysis presented in this chapter is intended to provide an indication of future residential and rural residential land requirements in Boolarra and is based on a set of assumption regarding the share of residential development which could be directed to each zone. There is potential for these shares to vary and therefore the following recommendations are provided as an indication only:

1. **R1Z land**

    a. An adequate supply of R1Z land exists in Boolarra to meet forecast requirements over the next 15 years.

    b. It may be prudent to identify the future direction of urban expansion in Boolarra in order to protect land for longer tem planning purposes. This assessment is based on R1Z land accommodating 35% of forecast demand growth in Boolarra, additional land should also be identified if R1Z land were to accommodate a greater share of dwelling demand.

2. **LDRZ Land**

    a. An adequate supply of total vacant lot potential exists on LDRZ land in Boolarra to meet forecast requirements over the next 15 years. However, subdivision of large vacant lots should be encouraged as there is only an estimated supply of approximately nine years of LDRZ lots available for development, based on the moderate growth scenario. Forecasts show a requirement for up to approximately 20 LDRZ lots to be released to the market over the next 15 years.

3. **RLZ Land**

    a. Under the moderate growth scenario there is sufficient total vacant lot potential on RLZ land to accommodate forecast demand over the next 15 years.

    b. Under the high growth scenario, forecasts show a requirement for an estimated 16 ha of RLZ land to meet demand over the next 15 years. This estimate is based the minimum subdivision size for RLZ3 land of 2 ha. The majority of RLZ land in Boolarra in zoned RLZ3.

16 RURAL LIVING PRECINCTS

16.1 Introduction

This chapter provides an examination of the supply and demand for RLZ land in the rural living precincts of Hazelwood North and Yinnar South.

16.2 Rural Living Precincts in Latrobe

Hazelwood North and Yinnar South are the two rural living precincts located in the City of Latrobe where RLZ land is the only zoned land which is designed for residential development. These settlements offer large allotments in a rural landscape, but lack commercial and town-centre type facilities. Residents are obliged to travel elsewhere for such services.

Hazelwood North is located between the Traralgon, Churchill, Morwell and Traralgon South precincts. Residents have relatively easy access to the facilities offered in the major townships of Traralgon, Morwell and Churchill. Rural living is well established in Hazelwood North, although a substantial parcel of land in the south-eastern portion of the precinct was rezoned to RLZ in 2004 as a result of Amendment C7 to the Latrobe Planning Scheme. This land is currently being developed.

Yinnar South, located between the Churchill, Yinnar and Boolarra precincts, is a well established rural living area. Similar to Hazelwood North, Yinnar South does not contain a town centre. Land in Yinnar South was also rezoned as part of Amendment C7; however, this rezoning essentially recognised that the land already contained large rural living allotments.

The location of both rural living precincts in relation to the other precincts in Latrobe is shown in Figure 16.1.

16.3 Amendment C7

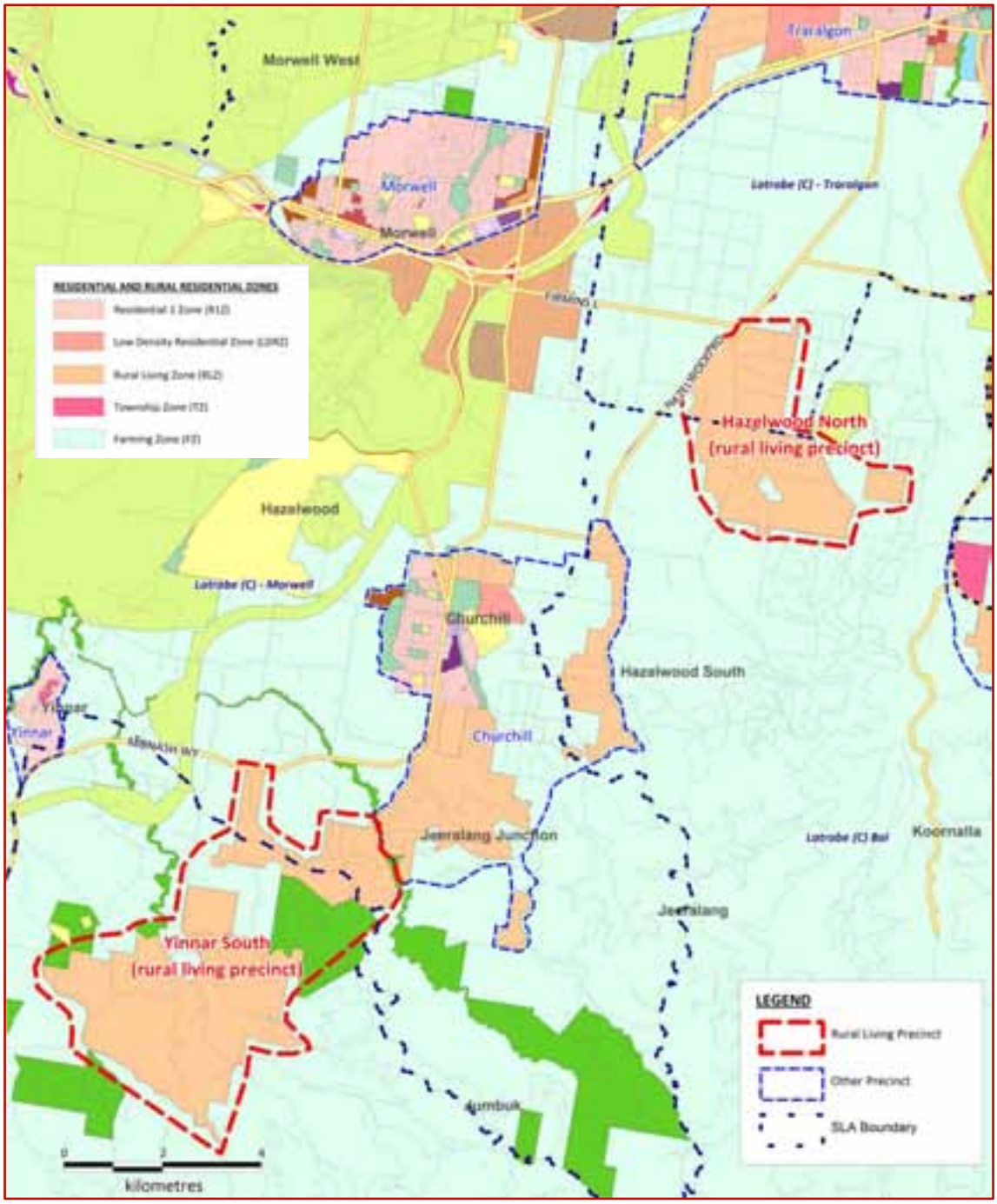
Amendment C7 proposed various changes to the Latrobe Planning Scheme including rezoning parcels of land throughout Latrobe to RLZ. The amendment was based on the *Latrobe Rural Residential Strategy Study* (June 2002) prepared by Latrobe City, and was adopted by Council in late 2004.

The Amendment rezoned land to RLZ in both Yinnar South and Hazelwood North. This land is identified in Figures 16.3, 16.4, 16.5 and 16.6.

In general, land which was rezoned from rural zone to RLZ in Yinnar South largely reflected the existing developed nature of the land.

The land which was rezoned to RLZ in Hazelwood North represented new land for rural residential development. Development of this land has only started to occur over the past two or so years. Data provided by Council indicates that no new residential development occurred in this area between 2004 and 2006. However, between March 2006 and December 2008, 16 dwellings have been developed in the area at a rate of 5.8 dwellings per annum. As at December 2008, this area contained 19 lots with a residential dwelling (including one which is under construction) and 28 vacant lots.

Figure 16.1: Rural Living Precincts



Prepared by Essential Economics using MapInfo and StreetPro

16.4 Residential Property Trends

The rural residential market in Hazelwood North has experienced some development and subdivision activity in recent times.

Median house prices have traditionally been above the median for the municipality; the median house price for Hazelwood North in 2007 was $315,000, compared to $163,000 for Latrobe, as shown in Table 16.1 and Figure 16.2. Major factors that explain the relatively high median sale price include the large size of the allotments and the more significant investment in larger houses. The proximity of Hazelwood North to Traralgon is a positive feature of the precinct as it allows for relatively easy access to town centre services in Traralgon while living in a rural environment.

Hazelwood North has experienced strong development in recent years compared to Yinnar South and other smaller settlements, with the release of RLZ as a result of Amendment C7 being a contributing factor.

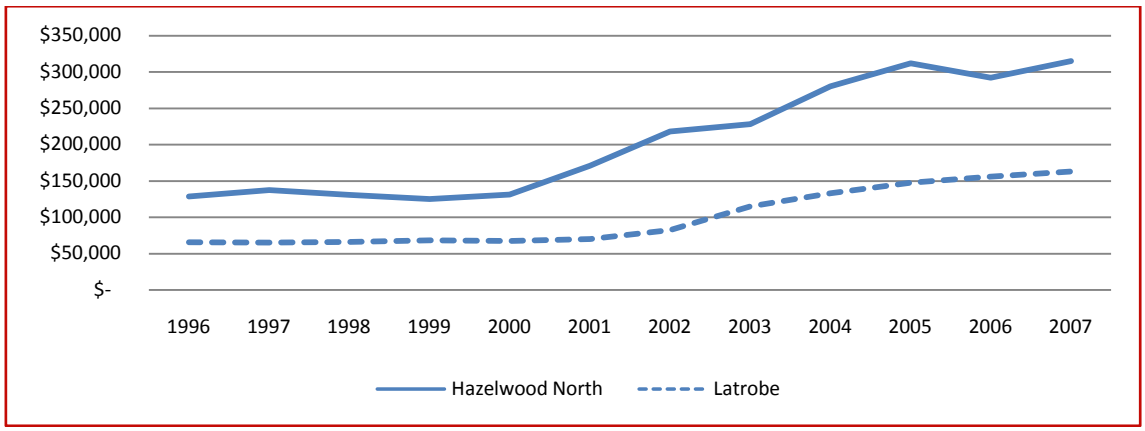
In addition to the land rezoned by Amendment C7, which includes an estate referred to as "Hazelwood Ridge Estate", another subdivision is planned off Jeeralang North Road. This development comprises 8 lots, and although construction of dwellings has yet to commence, the road has been constructed (Henderson Place) and allotments have been identified.

Table 16.1: Median House Values in Hazelwood North, 1996-2007

Location	1996	2001	2004	2006	2007	Average Annual Growth Rate			
						1996-2001	2001-2004	2004-2006	2006-2007
Hazelwood North	$128,500	$171,000	$280,000	$292,000	$315,000	5.9%	17.9%	2.1%	7.9%
Latrobe	$65,500	$70,000	$133,000	$156,000	$163,000	1.3%	23.9%	8.3%	4.5%

Source: Department of Sustainability and Environment, *A Guide to Property Values*, annual

Figure 16.2: Median House Values in Hazelwood North, 1996-2007



Source: Department of Sustainability and Environment, *A Guide to Property Values*, annual

Compared to Hazelwood North, Yinnar South has experienced very limited residential development and sales activity. Between March 2006 and December 2008 there has only been one dwelling developed in the Yinnar South precinct. Property sales data is not available because of the few transactions. The lack of land for development opportunities is considered a contributing factor. Compared with Hazelwood North, Yinnar South is not as well located in regard to its proximity to major towns.

16.5 Analysis of Recent Development Rates and Building Permit Data

Between March 2006 and December 2008 (a period of 2 years and 9 months), 26 dwellings have been developed on RLZ land (all on land under Schedule 3 to the zone) in the rural living precincts. This represents an annual development rate of 9.5 dwellings per annum.

The majority of development in these precincts has occurred in Hazelwood North, where 25 dwellings have been developed at a rate of 9.1 dwellings per annum. In addition, the development of four dwellings has occurred on FZ land which adjoins RLZ in Hazelwood North.

Only one dwelling was developed in Yinnar South.

Table 16.2 summarises the recent development in the rural living precincts, while Figures 16.3 to 16.6 show the locations of these developments.

Table 16.2: Recent Rural Residential Development in Rural Living Precincts, March 2006 to December 2008

Precinct	Lots Developed	Annual Development Rate
Hazelwood North	25 (29 including adjoining FZ land)	9.1 pa (10.5 pa including adjoining FZ land)
Yinnar South	1	0.4 pa
Total - Rural Living Precincts	**26** (30 including adjoin FZ land)	**9.5 pa** (10.9 pa including adjoin FZ land)

Source: Essential Economics Field Survey, December 2008; Aerial photos from Latrobe City Council March 2006

Analysis of new dwellings created through building permit approvals presents a similar trend to that described above, in that the majority of development in these precincts has occurred in Hazelwood North. Table 16.3 shows a 10-year trend in new dwelling building permits and indicates that the number of building permits in these precincts has remained relatively stable over this period.

Table 16.3: Building Permits in Rural Living Precincts, 1998-2007

Precinct	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	Annual Av. 1998-2002	Annual Av. 2003-2007
Hazelwood North	10	16	12	5	5	9	2	7	8	10	9.6	7.2
Yinnar South	1	0	2	0	2	3	2	1	3	2	1	2.2
Total Rural Living Precincts	**11**	**16**	**14**	**5**	**7**	**12**	**4**	**8**	**11**	**12**	**10.6**	**9.4**
Share of Latrobe (total)	4.5%	5.9%	6.1%	2.4%	1.7%	2.4%	0.4%	1.5%	1.7%	2.6%	4.1%	1.7%
Latrobe Total	**221**	**271**	**197**	**210**	**299**	**374**	**471**	**459**	**458**	**391**	**239.6**	**430.6**

Source: Building Commission of Victoria

16.6 Supply of Rural Living Zoned Land

An assessment of the supply of rural residential land available for development in Hazelwood North and Yinnar South was conducted in December 2008. A description of the supply categories referred to in this analysis is provided in Table 16.4, with further explanation provided in Chapter 1.3 Methodology.

The estimated supply of rural residential lots presented in this chapter does not take into consideration a number of factors which could limit the number of actual developable lots, such as environmental constraints (eg. flood-prone land) or infrastructure constraints. It is likely that the number of lots which could eventually be developed would be somewhat smaller than the estimates presented in the analysis below.

Table 16.4: Residential and Rural Residential Supply Categories

Land Type	Explanation	Composition of Categories
(A) Vacant lots	Vacant R1Z and TZ lots which are less than 2,000m2; vacant FZ lots which are less than 5 ha; and vacant LDRZ, RLZ which cannot be further subdivided according to relevant minimum subdivision sizes.	na
(B) Lots in approved subdivisions	Lots which have planning approval to be subdivided	na
(C) Lots available for development	**An estimate of the number of lots which could be developed with no further subdivision approval required by Latrobe City Council**	**A + B**
(D) Vacant land with subdivision potential	Vacant lots which could potentially be subdivided into at least two lots based on the minimum subdivision size of the corresponding zone. For R1Z and TZ land, this consists of vacant lots which are at least 2,000m^2.	na
(E) Total vacant lot potential	**An estimate of the total lot potential on land which is currently vacant and which has the potential to be developed in the near future.**	**C + D**
(F) Vacant parcels of land that are part of a larger occupied allotment	Vacant land titles which form part of a larger property which contains a dwelling.	na
(G) Occupied lots with subdivision potential	Lots which are occupied by a dwelling but are large enough to be subdivided into at least two lots based on the minimum subdivision size for the corresponding zone. The lot potential for these properties is based on the minimum subdivision size, taking into account the existing dwelling on the property. For R1Z land, this category includes lots which are at least 2,000m^2, and the lot potential is based on a residential lot density which is similar to existing residential subdivision patterns in the precinct	na
(H) Additional lot potential on occupied allotments	**Land which is currently occupied but has the potential to accommodate additional lots in the future. The extent of this potential varies.**	**F + G**

Source: Essential Economics

Rural residential land in Hazelwood North is covered by the RLZ3 and RLZ6 zones; while Yinnar South comprises RLZ3, RLZ4 and RLZ6 land.

A summary of the rural residential lot supply is provided in Table 16.5 and is discussed below.

Supply of RLZ in Hazelwood North

The supply of RLZ land in the Hazelwood North precinct consists of the following:

- Lots available for development: A total of 65 lots are available for development in Hazelwood North. This comprises:
  - 40 vacant lots, of which 25 are located in the area which was rezoned by Amendment C7
  - 25 lots which have subdivision approval, including eight lots which have already been released to the market in Henderson Place.

- Total vacant lot potential: Total vacant lot potential in Hazelwood North is estimated at 74 lots, which includes 65 lots available for development and an estimated 9 lots which could be created by subdivision of large vacant lots.
- Occupied lots with subdivision potential: Potential exists for a further 42 lots to be made available for development by the subdivision of larger occupied lots. The likelihood of these lots ever becoming available for development is unknown.

Supply of RLZ in Yinnar South

The supply of RLZ land in the Yinnar South precinct consists of the following:

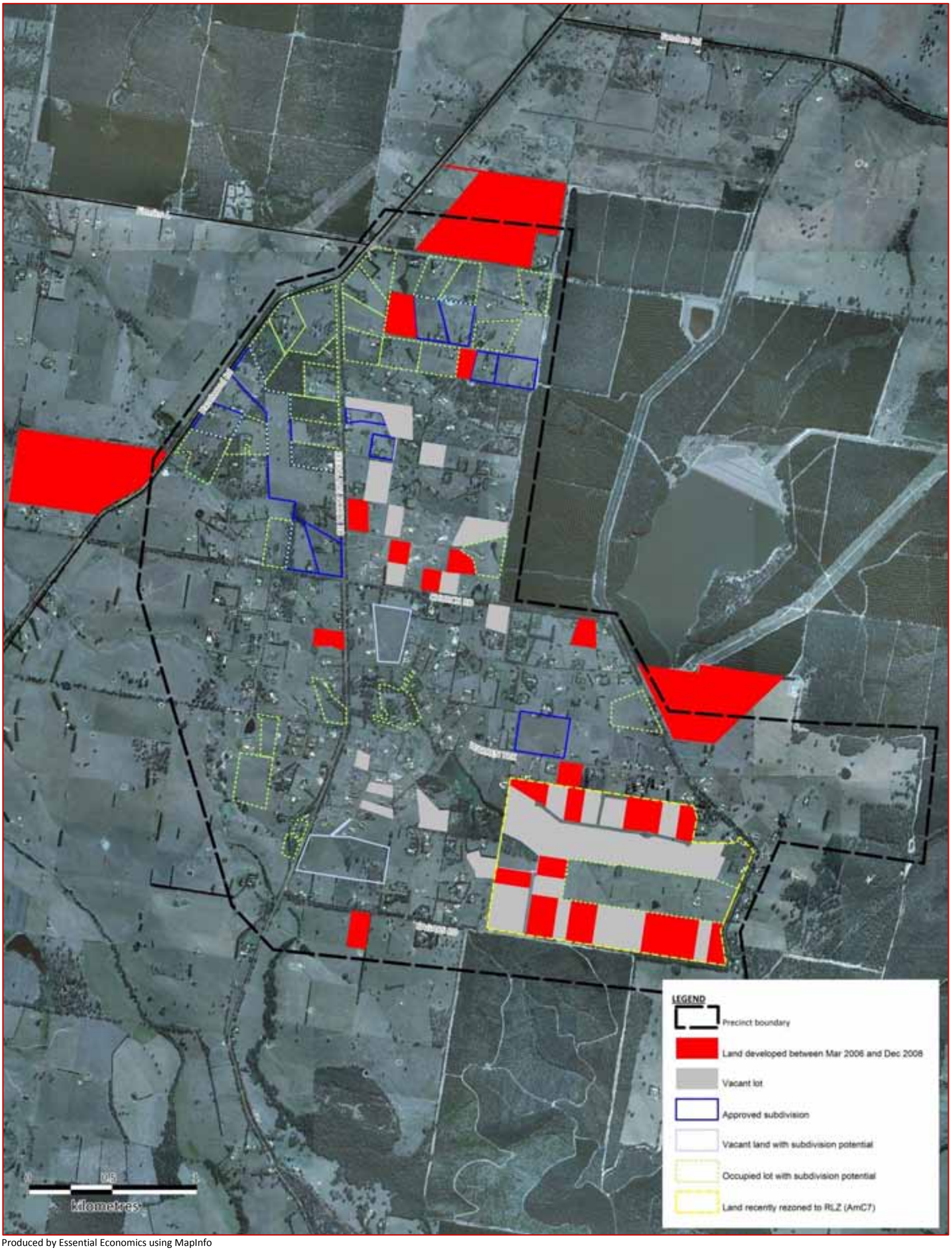
- Lots available for development: A very limited supply of lots is available for development in Yinnar South. Only 13 lots are available for development in Yinnar South, 11 of which are vacant lots and a further two are part of an approved subdivision.
- Total vacant lot potential: Total vacant lot potential in Yinnar South is estimated at 15 lots.
- Occupied lots with subdivision potential: A further 26 lots could potentially be made available for development by the subdivision of larger occupied lots. The likelihood of these lots ever becoming available for development is unknown.

Table 16.5: Rural Residential Lot Supply and Potential in Rural Living Precincts, December 2008

Zone	Lots available for development	Vacant land with subdivision potential	Total vacant lot potential	Total occupied lots with subdivision potential
Hazelwood North				
RLZ3	65	9	74	42
RLZ6	0	0	0	0
Total	**65**	**9**	**74**	**42**
Yinnar South				
RLZ3	9	2	11	18
RLZ4	2	0	2	0
RLZ6	2	0	2	8
Total	**13**	**2**	**15**	**26**
Total Rural Living Precincts				
RLZ3	74	11	85	60
RLZ4	2	0	2	0
RLZ6	2	0	2	8
Total	**78**	**11**	**89**	**68**

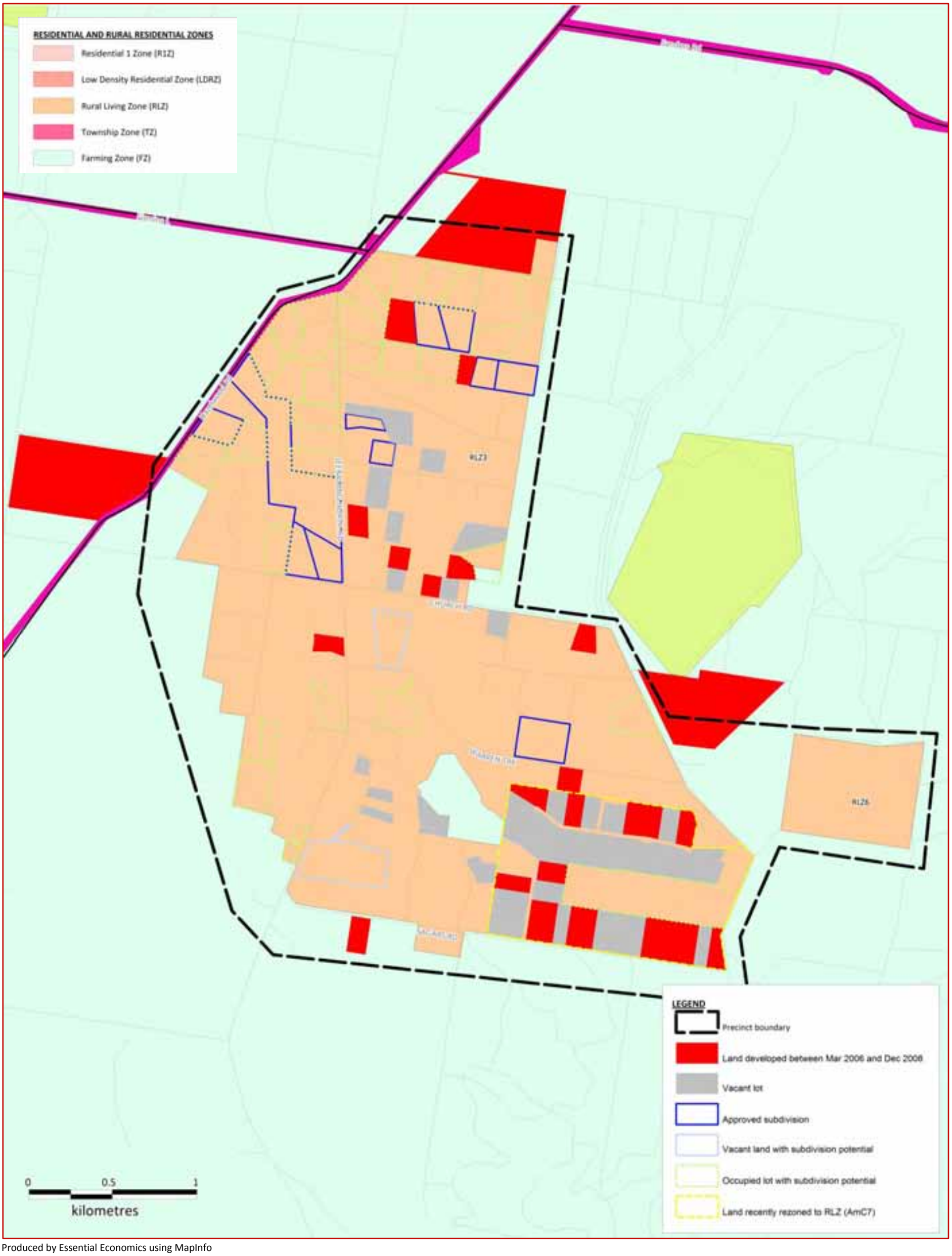
Source: Essential Economics Field Survey, December 2008; Aerial photos from Latrobe City Council March 2006

Figure 16.3: Hazelwood North Land Supply and Recent Development (Aerial photo), December 2008



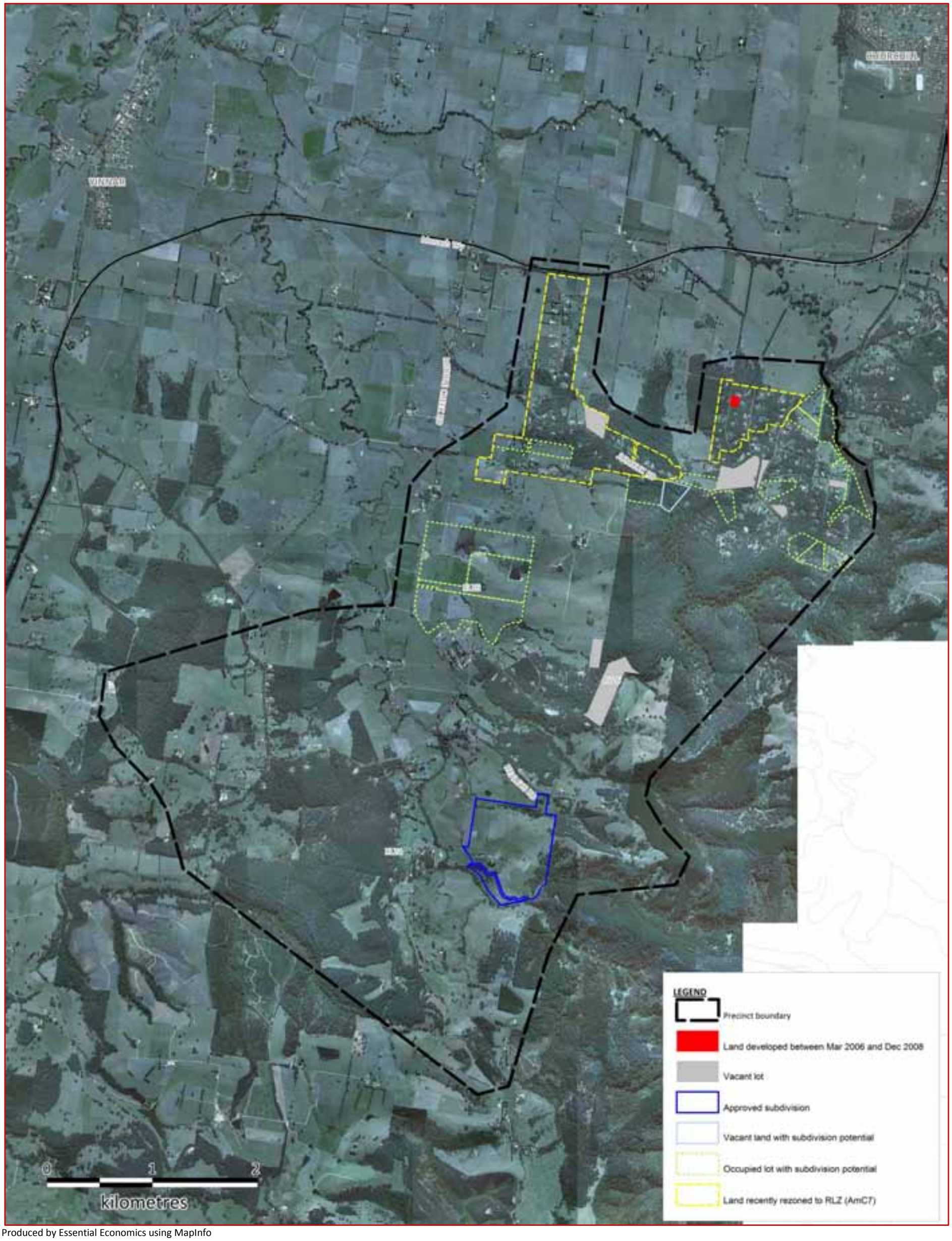
Produced by Essential Economics using MapInfo

Figure 16.4: Hazelwood North Land Supply and Recent Development (Zoning map), December 2008



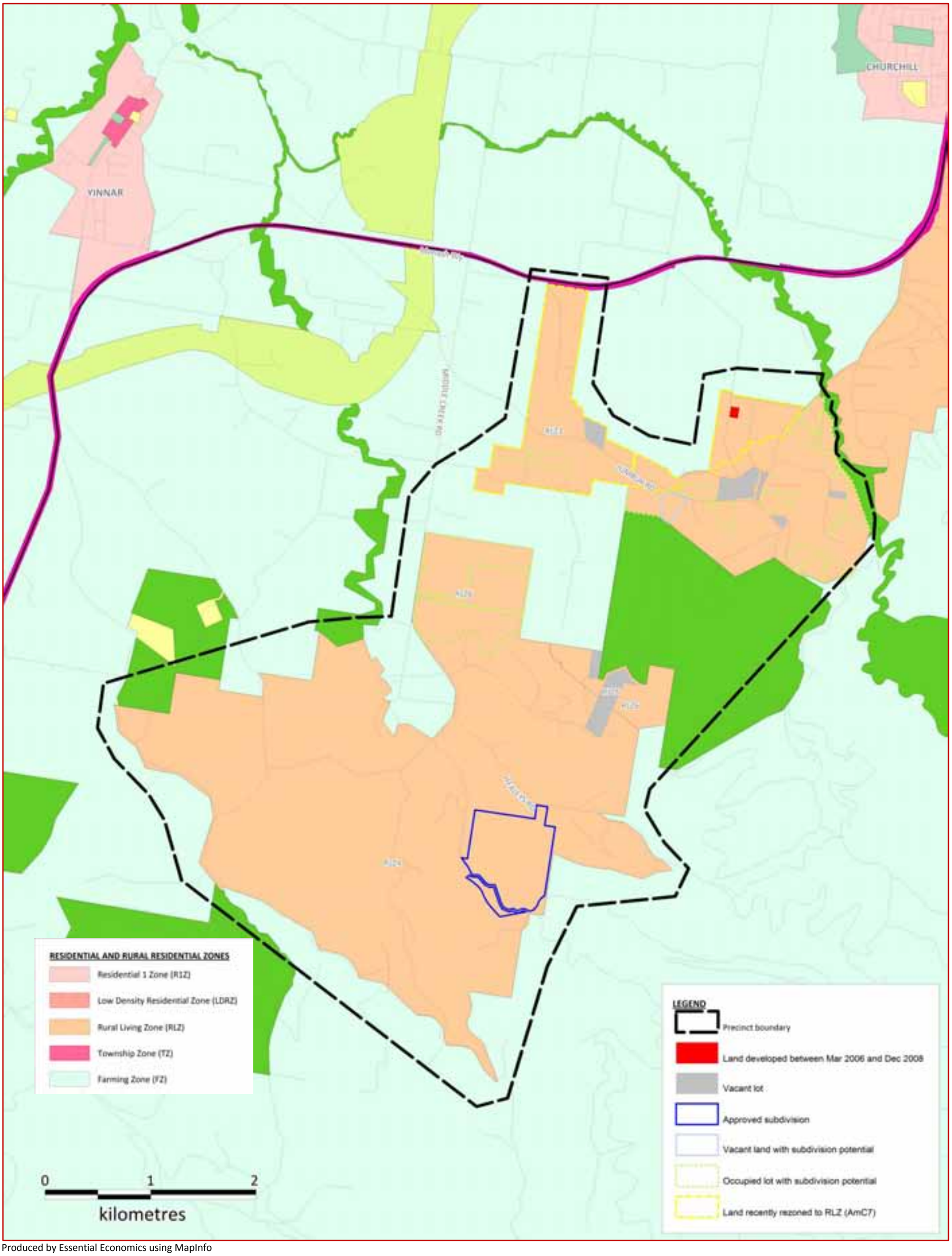
Produced by Essential Economics using MapInfo

Figure 16.5: Yinnar South Land Supply and Recent Development (Aerial photo), December 2008



Produced by Essential Economics using MapInfo

Figure 16.6: Yinnar South Land Supply and Recent Development (Zoning map), December 2008



Produced by Essential Economics using MapInfo

16.7 Residential Dwellings Demand Forecasts

Forecast Dwelling Demand in Hazelwood North Precinct

The Hazelwood North precinct is dissected by SLA boundaries, with the northern part of the precinct located in the Latrobe - Traralgon SLA and the southern part in the Latrobe - Balance SLA. An estimate of dwelling demand in the Hazelwood North precinct over the next 15 years has been based on the Hazelwood North precinct capturing a share of total dwelling demand as forecast for the Traralgon and Balance SLAs in Chapter 4.6 (refer Table 4.6).

It is estimated that the Hazelwood North precinct would accommodate approximately 1.5% of dwelling demand in the Traralgon SLA and 40% of dwelling demand in the Balance SLA. This figure is derived from analysis of new dwelling building permits and recent residential development in the Hazelwood North precinct and the Traralgon and Balance SLAs.

Demand for new dwellings in the Hazelwood North precinct under each growth scenario is forecast as follows:

- Low growth scenario: Forecasts show demand for approximately an additional 130 new dwellings over the next 15 years (annual demand of approximately 9 new dwellings).
- Moderate growth scenario: Forecasts show demand for approximately an additional 180 new dwellings over the next 15 years (annual demand of approximately 12 new dwellings).
- High growth scenario: Forecasts show demand for approximately an additional 210 new dwellings over the next 15 years (annual demand of approximately 14 new dwellings).

Although it is understood that Council is not planning to increase the supply of land for residential development in areas which do not have adequate infrastructure or services in the near future, such as Hazelwood North, these forecasts include an expectation that appropriate land is available for development, for the purpose of estimating the existing supply of land in terms of the number of years of supply.

The forecasts of dwelling growth identified above compares with the average of nine new dwelling building permits between 2003 and 2007 and the average development of nine new dwellings per annum between March 2006 and December 2008.

Table 16.6 presents a summary of forecast dwelling demand in the Hazelwood North precinct.

Table 16.6: Hazelwood North Dwelling Demand, 2008-2023

Category	2008-2018			2008-2023		
	Low Growth Scenario	Moderate Growth Scenario	High Growth Scenario	Low Growth Scenario	Moderate Growth Scenario	High Growth Scenario
Forecast residential dwelling demand in Traralgon SLA (refer Table 4.6)	2,640	3,030	3,420	3,890	4,530	5,180
Estimated share of SLA dwelling demand directed to the Hazelwood North precinct	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
Forecast residential dwelling demand in Hazelwood North from the Traralgon SLA	**40**	**45**	**51**	**58**	**68**	**78**
Forecast residential dwelling demand in Balance SLA (refer Table 4.6)	120	190	220	180	280	320
Estimated share of SLA dwelling demand directed to the Hazelwood North precinct	40%	40%	40%	40%	40%	40%
Forecast residential dwelling demand in Hazelwood North from Balance SLA	**48**	**76**	**88**	**72**	**112**	**128**
Forecast residential dwelling demand in Hazelwood North	**88**	**121**	**139**	**130**	**180**	**206**
Forecast annual residential dwelling demand in Hazelwood North	**8.8**	**12.1**	**13.9**	**8.7**	**12.0**	**13.7**

Source: Essential Economics

Forecast Dwelling Demand in Yinnar South Precinct

The Yinnar South precinct is dissected by SLA boundaries, with the northern part of the precinct located in the Latrobe - Morwell SLA and the southern part in the Latrobe - Balance SLA. An estimate of dwelling demand in the Yinnar South precinct over the next 15 years has been based on the Yinnar South precinct capturing a share of total dwelling demand as forecast for the Morwell and Balance SLAs in Chapter 4.6 (refer Table 4.6).

It is estimated that the Yinnar South precinct would accommodate approximately 3% of dwelling demand in the Traralgon SLA and 10% of dwelling demand in the Balance SLA. This figure is derived from analysis of new dwelling building permits and recent residential development in the Yinnar South precinct and the Morwell and Balance SLAs.

Demand for new dwellings in the Yinnar South precinct under each growth scenario is forecast as follows:

- Low growth scenario: demand for approximately an additional 20 new dwellings over the next 15 years (annual demand of approximately 2 new dwellings).
- Moderate growth scenario: demand for approximately an additional 70 new dwellings over the next 15 years (annual demand of approximately 5 new dwellings).
- High growth scenario: demand for approximately an additional 90 new dwellings over the next 15 years (annual demand of approximately 6 new dwellings).

Although it is understood Council is not planning to increase the supply of land for residential development in areas which do not have adequate infrastructure or services in the near future, such as Yinnar South, these forecasts include an expectation that appropriate land is available for development, for the purpose of estimating the existing supply of land when measured in terms of the number of

years of supply. Taking into consideration the limited supply of rural residential land currently in Yinnar South, it is unlikely a majority of this demand will be realised in the future.

The forecasts of dwelling growth identified above compares with the average of 2 new dwelling building permits between 2003 and 2007 and the average development of 0.4 new dwellings per annum between March 2006 and December 2008.

Table 16.7 presents a summary of forecast dwelling demand in the Yinnar South precinct.

Table 16.7: Yinnar South Dwelling Demand, 2008-2023

Category	2008-2018			2008-2023		
	Low Growth Scenario	Moderate Growth Scenario	High Growth Scenario	Low Growth Scenario	Moderate Growth Scenario	High Growth Scenario
Forecast residential dwelling demand in Morwell SLA (refer Table 4.6)	340	910	1,210	500	1,380	1,840
Estimated share of SLA dwelling demand directed to the Yinnar South precinct	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Forecast residential dwelling demand in Yinnar South from the Morwell SLA	**10**	**27**	**36**	**15**	**41**	**55**
Forecast residential dwelling demand in Balance SLA (refer Table 4.6)	120	190	220	180	280	320
Estimated share of SLA dwelling demand directed to the Yinnar South precinct	10%	10%	10%	10%	10%	10%
Forecast residential dwelling demand in Boolarra from Yinnar South SLA	**12**	**19**	**22**	**18**	**28**	**32**
Forecast residential dwelling demand in Yinnar South	**22**	**46**	**58**	**33**	**69**	**87**
Forecast annual residential dwelling demand in Yinnar South	**2.2**	**4.6**	**5.8**	**2.2**	**4.6**	**5.8**

Source: Essential Economics

16.8 Implications for Rural Living Land Supply

The analysis presented in this chapter indicates that there is a limited supply of RLZ land in both Hazelwood North and Yinnar South.

For example, under the low growth scenario, which broadly reflects recent trends, there is only approximately a 7.5 year supply of lots available for development in Hazelwood North, and 8.5 years' supply when total vacant lot potential is considered.

In Yinnar South, there is even less supply, with approximately 5.6 years' supply of lots available for development and 6.4 years' supply of total vacant lot potential. Moreover, there are only 13 lots in Yinnar South which are available for development, with a number of these lots being heavily vegetated with little likelihood of being developed. Taking this into consideration, the supply of RLZ in Yinnar South which has the potential to be developed is extremely limited.

Table 16.8 summarises the estimated supply of RLZ land in Hazelwood North and Yinnar South.

Table 16.8: Adequacy of Rural Residential Land Supply, December 2008

Supply	Low Growth Scenario	Moderate Growth Scenario	High Growth Scenario
Hazelwood North			
Supply of Lots Available for Development	7.5 years	5.4 years	4.8 years
Supply of Total Vacant Lot Potential	8.5 years	6.2 years	5.4 years
Yinnar South			
Supply of Lots Available for Development	5.6 years	2.8 years	2.3 years
Supply of Total Vacant Lot Potential	6.4 years	3.2 years	2.6 years

Source: Essential Economics

Over the past two to three years, Hazelwood North has accounted for more than half (52%) the development which has occurred on RLZ land in Latrobe. The eventual exhaustion of vacant rural living land in Hazelwood North may have implications for rural living areas elsewhere in Latrobe. These implications may include:

1. Increased development at other smaller rural living subdivisions in Latrobe, including those in Moe South, Yallourn North, Boolarra and Toongabbie. The subdivisions currently located in Hazelwood North provide significant competition in the rural living land market.
2. Greater potential for larger RLZ lots to be subdivided and be made available for development. Providing demand for this type of land continues, owners of large undeveloped parcels of RLZ land may recognise an opportunity to subdivide their land. This has occurred in Hazelwood North, where recently a subdivision came onto the market after solid sales rates had been experienced in the Hazelwood Ridge Estate, which is a larger subdivision nearby.
3. Reduced choice available in Latrobe's rural living land market. Compared to other areas containing RLZ land, Hazelwood North has experienced solid rates of development. This may be due to the quality of subdivision, the area's proximity to Traralgon and the relatively flat and unencumbered land. Once this land is fully developed, there will be limited availability of RLZ land in Latrobe which posses these qualities.

16.9 Recommendations

It is understood that Council are not considering increasing the supply of RLZ at Hazelwood North or Yinnar South in the near future. In this event, it is likely that the availability of land in these precincts will be exhausted within the next 8 or so years.

17 SUMMARY OF MAIN FINDINGS

Table 17.1 below summarises this report's main findings for each of the precincts. Recommendations for future requirements of residential and rural residential land are provided in Chapters 5 to 16.

Table 17.1: Summary of Main Findings

Precinct	Role of the Township	Residential Property Trends	Socio-Economic Trends	Supply of Residential Zoned Land
Traralgon	Regional service centre for Latrobe and beyond	Traralgon has been the main location in terms of the Latrobe residential market. Median house prices are significantly above the median for Latrobe (2007 data) and have experienced steady growth in recent years. The development of a number of estates on the periphery of Traralgon is driving residential demand in the township. Median house price (2007): $217,000 Average number of new dwelling permits, 2003-2007: 257 pa (60% of Latrobe) Recent development rate (March 2006 to April 2008): 246 pa (68% of Latrobe Precincts)	Traralgon has experienced strong population growth in recent years. Median incomes and housing costs, the share of couple families with children and the share of households being purchased are above regional benchmarks. Estimated 2006 population: 23,140 Average annual growth, 2001-2006: 410 person pa (1.9% pa)	An insufficient supply of R1Z land exists in Traralgon. It is estimated that a total supply of between 5 to 7 years of R1Z land, and between a 3 to 4 years supply of land currently available for development.
Moe/Newborough	Major Service Centre	Compared with Traralgon, Moe/Newborough provides affordable housing to the Latrobe residential market. Median house prices are below the median for Latrobe (2007 data) and have experienced moderate growth in recent years. It is understood there has been limited development of new residential estates in Moe/Newborough and this has constrained the residential market in the township. Median house price (2007): $132,500 (Moe); $158,000 (Newborough) Average number of new dwelling permits, 2003-2007: 62 pa (14% of Latrobe) Recent development rate (March 2006 to April 2008): 33 pa (9% of Latrobe Precincts)	Moe/Newborough is characterised as having a slightly older demographic with lower socio-economic characteristics such as income and property values. Moe/Newborough has experienced population decline in recent years. Estimated 2006 population: 17,170 Average annual growth, 2001-2006: -20 person pa (-0.1% pa)	At least an 8-year supply of total R1Z exists in Moe/Newborough and between a 3 and 7-year supply of R1Z currently is available for development.
Morwell	Major Service Centre	Similar to Moe/Newborough, Morwell provides affordable housing to the Latrobe residential market. Median house prices are below the median for Latrobe (2007 data) and have experienced moderate growth in recent years. It is understood there has been limited development of new residential estates in Morwell and this has constrained the residential market in the township. Median house price (2007): $128,000 Average number of new dwelling permits, 2003-2007: 47 pa (11% of Latrobe) Recent development rate (March 2006 to April 2008): 44 pa (12% of Latrobe Precincts)	Morwell is characterised has have a slightly older demographic with lower socio-economic characteristics such as income and property values. There is also a lower than average share of families and an above average share of rental properties. Estimated 2006 population: 14,100 Average annual growth, 2001-2006: -70 person pa (-0.5% pa)	Under the moderate growth scenario, a total supply of R1Z land of approximately 12 years exists; this figure increases significantly under the low growth scenario. There is a short-fall of land available for development and a requirement exists to assist R1Z coming onto the market.
Churchill	Small township with limited services. Serves an education role with the location of Monash University Campus.	Only limited development has occurred in Churchill in recent years, which according to real estate agents is a result of limited opportunities. Churchill is an affordable residential property market and it is understood the affordability of Churchill property is attracting residents who are priced out the Traralgon property market. Median house price (2007): $129,750 Average number of new dwelling permits, 2003-2007: 9 pa (2% of Latrobe) Recent development rate (March 2006 to April 2008): 12 pa (3% of Latrobe Precincts)	Population decline in Churchill has occurred in recent years, which based on ABS Census data is being driven by young families moving elsewhere. The Churchill population continues to contain a large share of students associated with the Churchill Monash University Campus and this is illustrated in the high share of residents in the 15 to 24 year age cohort and above average shares of group and renting households. Estimated 2006 population: 4,940 Average annual growth, 2001-2006: -50 person pa (-1.1% pa)	A sufficient supply of total R1Z, LDRZ and RLZ land (total vacant lot potential) exists to meet forecast demand over the next 15 years; however, depending on which growth scenario prevails, a certain amount of zoned R1Z and land which is not currently available for development will be required to be released to the market. In addition, no LDRZ land is currently available for development.
Toongabbie	Small township	There has only been minimal residential activity in recent years in Toongabbie, and it is understood that Toongabbie suffers from being further away from major towns compared to the residential markets in other small townships in Latrobe. Median house price (2007): $185,000 Average number of new dwelling permits, 2003-2007: 8 pa (2% of Latrobe) Recent development rate (March 2006 to April 2008): 3 pa (1% of Latrobe Precincts)	Toongabbie is characterised as a township containing a high share of dual income families with children who are purchasing their own home. Population in Toongabbie has remained stable in recent years. Estimated 2006 population: 530 Average annual growth, 2001-2006: 0 person pa (0.0% pa)	A sufficient total supply of R1Z and TZ land exists to meet forecast demand over the next 15 years. However depending on which growth scenario prevails, there is between a 3 and 4-year supply of total RLZ land.
Glengarry	Small township	Traditionally median house prices in Glengarry have been above the median for Latrobe and according to local real estate agents, Glengarry's proximity to Traralgon enables it to operate as if it is a suburb of Traralgon. There has been minimal residential development activity in recent years; however, limited supply of land available for development may be a contributing factor. Median house price (2007): $224,000 Average number of new dwelling permits, 2003-2007: 3 pa (1% of Latrobe) Recent development rate (March 2006 to April 2008): 1.4 pa (0.4% of Latrobe Precincts)	Glengarry is a family-dominated area which is well above Latrobe benchmarks in terms of income, house price and home loan repayments. While the home loan repayments in Glengarry are nearly twice the median for Latrobe, it does not appear to be an enormous burden on households as a result of higher household incomes. Population in Glengarry has remained stable in recent years. Estimated 2006 population: 1,520 Average annual growth, 2001-2006: -0.3% pa	There is an insufficient total supply of R1Z to meet forecast demand over the next 15 years. It is estimated that there is a 4 to 6 years supply of total R1Z land in Glengarry. In addition, there is only a 2 to 3 year supply of total RLZ land and no LDRZ land.

Precinct	Role of the Township	Residential Property Trends	Socio-Economic Trends	Supply of Residential Zoned Land
Tyers	Small township	There has been limited residential sales activity in Tyers in recent years, with the majority of demand for property in Tyers for large rural lots. It is likely that demand for TZ residential land has be constrained due to a lack of vacant sites and development opportunities. Tyers lacks sewer infrastructure which is constraining both demand and supply of residential lots. Average number of new dwelling permits, 2003-2007: 3 pa (1% of Latrobe) Recent development rate (March 2006 to April 2008): 1.0 pa (0.3% of Latrobe Precincts)	Similar to other small townships in Latrobe, Tyers is characterised as having a high share of dual income young families with a mortgage. Population in Tyers has remained stable in recent years. Estimated 2006 population: 480 Average annual growth, 2001-2006: +0.9% pa	There is an estimated 9 to 11 years supply of TZ land, up to approximately 2 years supply of total LDRZ land, and between a 14 year and 18 year supply of total RLZ land in Tyers.
Yallourn North	Small township	Yallourn North's outlook over the open cut mine and power stations, and the lack of new residential product has contributed to median house prices in the township remaining significantly below the medians for Latrobe and regional Victoria. There has been limited residential development activity in recent years; however there is a rural living residential subdivision of 12 rural lots ranging in price from $135,000 to $162,500 located to the east of township. Given the limited activity in recent years, how this subdivision progresses will provide an insight into the rural living residential market in Yallourn North. Median house price (2007): $116,000 Average number of new dwelling permits, 2003-2007: 3 pa (0.7% of Latrobe) Recent development rate (March 2006 to April 2008): 0.5 pa (0.1% of Latrobe Precincts)	Yallourn North is characterised as a townships with a largely 'blue collar' resident labour force with below average incomes and housing costs. Population in Tyers has declined in recent years. Estimated 2006 population: 1,250 Average annual growth, 2001-2006: -20 residents pa (-1.4% pa)	There is a sufficient total supply of R1Z to meet forecast demand over the next 15 years; however depending which scenario prevails there may be a requirement for land to be made available for development in the future. There is a least a 6 year supply of total RLZ land.
Traralgon South	Small township	Recent development in the Traralgon South township is characteristics by large houses on relatively large lots, with the median lot size of recently developed houses being approximately 2,800m^2. Although there has been limited sales activity in Traralgon South, median house prices are considerably higher than elsewhere in the municipality based on REIV data, with the 2007 median house price of approximately $305,000. Traralgon South lacks sewerage infrastructure. Median house price (2007 REIV data): $305,000 Average number of new dwelling permits, 2003-2007: 5 pa (1.1% of Latrobe) Recent development rate (March 2006 to April 2008): 4.3 pa (1.2% of Latrobe Precincts)	Comprising a high share of young families and managers and professional, Traralgon South is an establishing township and is the wealthiest township in Latrobe with household incomes nearly twice the median for Latrobe.	There is an estimated total supply of between 4 and 5 years of total TZ land in Traralgon South depending on which scenario prevails. There is more than a 15 year supply of total RLZ land.
Yinnar	Small township	The median house price in Yinnar is comparable to the median for Latrobe. There has been steady development activity in Yinnar with a development rate of nearly 4 dwellings per annum occurring between March 2006 and April 2008. According to local real estate agents, the residential market in Yinnar has been constrained by a lack of supply with properties being tightly held. Agents expect an approved subdivision of 65 lots in Yinnar to sell well. Median house price (2007): $185,000 Average number of new dwelling permits, 2003-2007: 3 pa (0.7% of Latrobe) Recent development rate (March 2006 to April 2008): 3.8 pa (1.1% of Latrobe Precincts)	The socio economic trends in Yinnar indicate that the tree change trend may be apparent in Yinnar, with an increasing share of residents aged 45 to 64 years old and managers and professionals residing in Yinnar. Estimated 2006 population: 610 Average annual growth, 2001-2006: -0 residents pa (-0.7% pa)	There is a sufficient total supply of R1Z to meet forecast demand over the next 15 years.
Boolarra	Small township	According to local real estate agents, the residential market in Boolarra has been slower than other Latrobe townships and this can be attributed to Boolarra's proximity further away from the major centres in Latrobe and limited supply of stock available. It was raised in our discussions with local real estate agents that the lower property prices in Boolarra have not made it profitable for developers to release land at this stage; however the release of land may occur in the future as property prices in Boolarra increase. It is anticipated that Boolarra's residential property market will intensify as the markets in Churchill and Yinnar progress. Median house price (2007): $173,000 Average number of new dwelling permits, 2003-2007: 8 pa (1.8% of Latrobe) Recent development rate (March 2006 to April 2008): 3.4 pa (0.9% of Latrobe Precincts)	Boolarra township has experienced a significant increase of middle aged couples without children – the 'tree change' demographic – over the past 5 years. Overall, population in Boolarra has remained relatively stable in recent years. Estimated 2006 population: 590 Average annual growth, 2001-2006: -10 residents pa (-1.0% pa)	There is a sufficient total supply of R1Z and LDRZ to meet forecast demand over the next 15 years; however there may be a requirement for LDRZ land to be made available for development in the future. In addition, there is at least an 11 year supply of total RLZ land in Boolarra.
Hazelwood North	Rural living precinct	Hazelwood North has experienced strong development in recent years compared to Yinnar South and other smaller settlements, with the release of RLZ as a result of Amendment C7 being a contributing factor. The proximity of Hazelwood North to Traralgon is a positive feature of the precinct as it allows for relatively easy access to the facilities provided in Traralgon while living in a rural environment. Median house price (2007): $315,000 Average number of new dwelling permits, 2003-2007: 7.2 pa (1.7% of Latrobe) Recent development rate (March 2006 to December 2008): 9.1 pa (2.5% of Latrobe Precincts)	Na	There is between a 5 and 7.5 year supply of lots available for development in Hazelwood North and between 5 and 8.5 years supply of total vacant lot potential. It is understood that Council is not considering increasing the RLZ land supply in Hazelwood North in the near future.
Yinnar South	Rural living precinct	There has been limited development and sales activity in Yinnar South over recent years. Between March 2006 and December 2008, only one dwelling was developed. Average number of new dwelling permits, 2003-2007: 7.2 pa (1.7% of Latrobe) Recent development rate (March 2006 to December 2008): 0.4 pa (0.1% of Latrobe Precincts)	Na	The supply of RLZ in Yinnar South which has the potential to be developed is extremely limited. It is understood that Council is not considering increasing the RLZ land supply in Yinnar South in the near future.

Source: Essential Economics