

City of Port Lincoln Housing Strategy

Technical Report

For Community Consultation

City of Port Lincoln Housing Strategy

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Lead consultant	URPS 27 Halifax Street Enter via Symonds Pl Adelaide SA 5000 (08) 8333 7999 urps.com.au
Prepared for	City of Port Lincoln
Consultant Project Manager	Grazio Maiorano, Director David Petruzzella, Senior Consultant
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Acknowledgement of Country

We live and work on Barngarla Country.

The City of Port Lincoln acknowledges Aboriginal and Torres Strait Islander peoples as the First Australians and their continuing connection to land, sea, culture and community.

We pay respect to Elders past, present and emerging and are committed to working together on our reconciliation journey.

Executive Summary

An appropriate supply of housing can facilitate growth, enliven neighbourhoods, enhance the economy, strengthen community values, and support sustainability and community resilience. Housing must be affordable, suitably located and suit diverse demographic needs.

The City of Port Lincoln, like many cities across Australia is experiencing a housing shortage. Preliminary engagement and research suggest this is having a significant impact on the city and contributes towards:

- Increasing house prices.
- Increasing rental stress and risk of homelessness.
- Preventing workers from moving to the area.
- Preventing people from accessing the type of home that suits their needs.

Development of additional housing is limited despite high demand. There are several factors constraining the local industry from building more houses including:

- Limited availability of local developers and builders.
- High labour and material costs.
- High infrastructure augmentation and service connection costs.
- Environmental constraints - native vegetation and slope.
- Lack of strategic and infrastructure planning.

The City of Port Lincoln is responding to this issue through the preparation of a Housing Strategy. This Technical Report is the foundation of the Housing Strategy, developing the evidence base upon which the Housing Strategy will rely on to identify opportunities for Council and its partners to support the delivery of additional and more appropriate housing for the Port Lincoln community.

1. Introduction

In recent years, the City of Port Lincoln has experienced a housing shortage. Demand has and continues to be strong, with available housing stock not able to meet demand for a wide variety of housing types and tenures including rental housing, public housing and affordable housing for purchase.

Ensuring that all people can access the right type of housing at the right time is fundamental to supporting growth and contributing to community wellbeing. This issue is impacting the community on multiple fronts and a coordinated response is required.

This Technical Paper forms the foundation of a Housing Strategy for the City of Port Lincoln. The Housing Strategy will embody Council's aspirations to plan and facilitate additional and more appropriate housing that meets the needs of its community and drive growth.

2. Policy Context

Housing in the City of Port Lincoln needs to be considered within the context of existing local, state and national housing strategies, policies and leading research. These policies and research will guide the way Council responds to its housing challenges. In turn, Council's research may inform other public policy forums.

A snapshot of the policy review is provided below, with more detailed commentary under each of the identified documents and in **Appendix A**:

- The vision and goals identified in the City of Port Lincoln Strategic Directions Plan 2021-2023 rely on the provision of sufficient/affordable housing to support its desired outcomes.
- The City of Port Lincoln Economic Development Strategy 2023-2026 identifies planning for growth as a key theme, highlighting the need to respond to housing supply concerns within Port Lincoln, and identifying the preparation of the Housing Strategy as a key deliverable.
- The City of Port Lincoln Planning Review identified a range of barriers to residential growth which require a coordinated response. These include cost of infrastructure provision, inconsistent development assessment processes and infrastructure standards, lack of strategic growth planning, and native vegetation coverage.
- A Better Housing Future identifies a range of State Government housing initiatives to support regional housing, which may have a positive impact for the City of Port Lincoln.
- Australia Housing and Urban Research Institute papers identify that housing strategies should:
 - identify long term demand for social and affordable housing and articulate a response in partnership with the private sector and other partners.
 - consider the links between housing, employment and population.
 - deliver policy and efficient development application processes that support developers to provide additional and more affordable housing.

2.1 City of Port Lincoln Strategic Directions Plan 2021-2023

The Strategic Directions Plan is Council's highest-level document. The plan defines what is most important to the community and how Council will work towards the vision and goals it has set.

Relevance to the Port Lincoln Housing Strategy

Several goals in Council's Strategic Directions Plan directly rely on the provision of sufficient/affordable housing, including:

- *2.6 Advocate for and support affordable low cost accommodation and housing diversity.*
- *3.6 Develop a strategic response to population growth and service demand from the communities of interest in District Council of Lower Eyre Peninsula adjacent City of Port Lincoln.*

Delivering on these goals will be central components of the Housing Strategy.

2.2 City of Port Lincoln Economic Development Strategy 2023-2026

Council's Economic Development Strategy identifies goals, strategies and actions that guide their role in supporting/facilitating economic development in the Council area.

Relevance to the Port Lincoln Housing Strategy

The theme of planning for growth within the Economic Development Strategy is the most relevant to the Housing Strategy. Actions under this theme include:

- *Develop and support a response to local housing supply issues in Port Lincoln that works to address both short and mid-term housing availability and affordability issues.*
- *Develop a population and master planning strategy in conjunction with the Lower Eyre Council and the District Council of Tumby Bay.*
- *Review land use zoning within Port Lincoln and consider making a code amendment to enable more appropriate planning and future growth.*

The Economic Development Strategy makes specific reference to the impacts of the COVID-19 pandemic on increased demand for housing in the City of Port Lincoln. There are several drivers contributing to this including but not limited to:

- People relocating away from major cities due to lifestyle choices.
- The evolution of the working from home culture.
- People buying holiday homes.
- Government incentives e.g. home builders grant.

As a result house prices have increased, available stock has diminished and the length of time a property is on the market has significantly decreased.

The Economic Development Strategy identifies a need to increase housing stock to support population growth and capitalise on current market conditions. Further a focus on attracting investment and businesses to Port Lincoln is anticipated to create new employment opportunities which will need to be supported by an adequate provision of housing.

The fact the Council area is encircled by the District Council of Lower Eyre Peninsula is identified as a key consideration. Collaboration opportunities to increase residential densities and cross boundary land use planning with the District Council of Lower Eyre Peninsula have been recognised as important opportunities.

2.3 City of Port Lincoln Planning Review – Eyre and Western Regional Plan (May 2023)

The City of Port Lincoln commissioned a planning review in May 2023 to assist in identifying planning issues facing the Council. The review will assist Council in preparing submissions to inform the development of the draft Eyre Peninsula Regional Plan and future amendments to the Planning and Design Code.

Relevance to the Port Lincoln Housing Strategy

Although to be finalised, this review provides oversight as to why residential development is not occurring at the pace required in the City of Port Lincoln. Three overarching issues were flagged as being key barriers to development:

- Infrastructure provision - in many instances low land / sales values make land divisions / development uneconomical, in part, because of high infrastructure connection costs. Growth has largely ceased within the Council area as a result.
- Development Assessment - the development industry has argued they require a clear and more consistent approach to the approval process within the Council area. Developers and builders have experienced inconsistencies with documentation expectations and approach to development assessment etc.
- Growth Planning - an investment in strategic planning is required to ensure necessary infrastructure upgrades are identified and funded. This will increase confidence in the development sector.

The document outlines several recommendations for Council to undertake, including:

- Refine internal processes and standards.
- Improve and clarify development policy (within the framework of the Planning and Design Code).
- Undertake strategic planning.

2.4 City of Port Lincoln/District Council of Lower Eyre Peninsula Planning Review – Eyre and Western Regional Plan (May 2023)

In light of the Eyre Peninsula Regional Plan update, the City of Port Lincoln and the District Council of Lower Eyre Peninsula together commissioned a planning review in May 2023 to assist in identifying planning issues facing both Councils which would benefit from a strategic approach and collaboration.

Relevance to the Port Lincoln Housing Strategy

The review identifies barriers to residential development across the two Council areas, including areas which directly affect the City of Port Lincoln. Common development issues identified:

- Limited growth options due to presence of native vegetation.
- Failure of various developments due to the high cost of connecting required infrastructure.
- Requirement for consistency in infrastructure standards across both Councils.
- A consistent approach to development assessment and documentation requested.
- A need to identify infrastructure funding models.

The review provides seven recommendations. The most pertinent to this Housing Strategy is the commencement of a structure planning process to guide future growth for the wider Port Lincoln area. It is envisioned this process would cross over Council boundaries and aim to establish a shared vision whereby infrastructure provision can be best coordinated.

It is anticipated the findings and recommendations for the Housing Strategy will inform the development of cross-Council structure plan.

2.5 A Better Housing Future (February 2023)

The South Australian Government has committed \$965 million for 'A better Housing Future' to address housing cost, stock and diversity concerns.

Relevance to the Port Lincoln Housing Strategy

The 'Increased Support for Regional Housing' goal is of particular significance to Port Lincoln. The creation of the Office for Regional Housing is underway, an important initiative which can have a positive impact in the City of Port Lincoln.

The State Government has also established a Housing Infrastructure Planning and Development Unit to support residential developments and coordinate infrastructure investment. Noting that infrastructure provision and augmentation has been identified as a key obstacle to residential development in the area, this initiative may be able to provide valuable insight and assist in determining a suitable approach moving forward.

2.6 Australia Housing and Urban Research Institute

2.6.1 *Private sector involvement in social and affordable housing (Oct 2022)*

This research investigates models for engaging private sector investors and developers in financing or delivering social and affordable housing. It also identifies key existing and potential players, and financial, regulatory, or development barriers to wider participation.

Relevance to the Port Lincoln Housing Strategy

The research highlights that the City of Port Lincoln should collaborate with the private sector and other partners to increase the supply of social and affordable housing. The research identifies that this will require:

- Strong policy setting and regulation, efficient procurement processes, and adequate and ongoing 'gap' subsidy from government.
- A rigorous housing strategy which should identify long term demand for specialist, social, affordable and market housing and articulate clear delivery targets by market segment. These strategies must be underpinned by firm funding commitments and viable delivery mechanisms.

2.6.2 *The economic dynamics and population change of Australia's regional cities (August 2022)*

This research identified a range of trends related to population in regional cities.

Relevance to the Port Lincoln Housing Strategy

The research identifies that as a coastal regional centre, the City of Port Lincoln would generally expect population growth.

The research also identifies that the housing market and employment growth are strongly related to population growth in regional centres.

As a result, the Housing Strategy should interrogate why the City of Port Lincoln has not experienced population growth matching that of other regional coastal cities, and explore the linkages between employment, housing and population.

2.6.3 Understanding how policy settings affect developer decisions (August 2022)

This research examined how policy settings and new construction technologies and processes affect developer decisions to provide private sector housing supply and improve affordability.

Relevance to the Port Lincoln Housing Strategy

This research identified that:

- Private sector residential development must be able to recoup costs and make a profit to commensurate to the risk of investing in the development outcome. Developers require policy certainty to enable greater certainty in their calculations of a development's financial feasibility.
- Housing market conditions drive private sector development. Policies that stimulate or restrict market demand will impact levels of housing supply.
- Once a developer has purchased land any new costs introduced through regulation will impact profitability. Developers are likely to pass these costs onto consumers through higher prices to manage development costs.
- In a non-competitive residential market, reducing development costs will not automatically result in more affordable dwellings. In some localities, dependant on what the sales market can absorb, cost reductions could be incorporated in a higher price paid for development.
- Reducing development approval timelines has a positive impact on managing development costs.
- Required affordable housing contributions need to be understood by a developer in advance of land purchases so they can be factored into their financial feasibility assessments.

The City of Port Lincoln Housing Strategy should consider where the above policy changes could be implemented to support developers to provide additional and more affordable housing.

3. Preliminary Stakeholder Engagement

Several stakeholders were consulted through a preliminary and targeted engagement period to explore issues, opportunities and challenges to delivering housing in the City of Port Lincoln. The consultation was undertaken in August 2023. Key themes which emerged through the engagement include:

- Demand for all types of housing (rental, home ownership, affordable, public, emergency, single person housing etc) is currently exceeding supply.
- Lack of available housing is inhibiting people from moving to Port Lincoln for work.
- Collaboration with the District Council of Lower Eyre Peninsula will be important to service future growth in a coordinated fashion.
- Many people are seeking larger allotments to service their lifestyle, storage of boats, caravans etc.
- Demand for rural living land remains strong.
- Rural living areas in the District Council of Lower Eyre Peninsula have proved to be challenging to service in the longer term.
- There is demand for smaller and more affordable infill housing.
- Increases in cost of living has meant many people are no longer able to afford rental properties.
- The increase of Airbnb by local and interstate investors since COVID-19 has reduced long term rental supply.
- Costs of development are high due to high infrastructure augmentation, materials and labour costs.
- Land costs remain relatively affordable and therefore do not encourage redevelopment of older housing stock. Given the costs to construct, and the low sale prices of new development, it is difficult to make redevelopment financially feasible.
- There is a lack of local developers and tradespeople. Wait times are significant.
- Up to 40 South Australian Housing Authority (SAHA) properties are offline due to lack of maintenance because of limited tradespeople.
- Regulations are considered prohibitive in some instances, especially in relation to native vegetation.
- Many prospective regional homeowners struggle to get a bank loan due to additional requirements for regional residents.
- There is demand for Council to provide strategic planning oversight to identify where housing growth can and should be located.

Summaries of engagement with each stakeholder are provided in the following sections.

3.1 Regional Development Australia – Eyre Peninsula

Regional Development Australia – Eyre Peninsula in August 2023, provided the following feedback in relation to housing in the City of Port Lincoln:

Constraints

- Key environmental challenges for vacant and identified residential land (including Deferred Urban land) in Port Lincoln include topography and native vegetation coverage.
- People in the area are generally seeking larger allotments (e.g., between 1000-2000m²) to store boats, caravans etc. This creates challenges, as it is more efficient to use land, a scarce resource, for smaller residential allotments.
- Financing is a significant constraint – banks require larger deposits (up to 40%) in regional areas due to the perception of greater financial risk.
- There is a limited number of local builders/developers in Port Lincoln and the region more generally.

Supply gaps

- The market is potentially not providing suitable dwellings for the elderly, single parents and the rental market.

Costs and investment

- Land costs remain relatively affordable and therefore do not encourage redevelopment of older housing stock. Given the costs to construct, and the low sale prices of new development, it is difficult to make redevelopment financially feasible.
- There is limited investment driving housing in regional areas. Developers generally focussing on larger cities e.g. Adelaide. Higher and faster rates of return.
- SA Water, SAPN and similar companies require significant augmentation costs to extend infrastructure. The concept of other parties providing this infrastructure to an agreed standard to reduce costs should be investigated.

Role of Local vs State Government

- A key focus for Local Government should be to ensure there is an adequate supply of appropriately zoned land available.
- The State Government has a role to provide adequate public housing to support the more vulnerable members of the community.

Partnership with the District Council of Lower Eyre Peninsula

- Land in the surrounding District Council of Lower Eyre Peninsula is critical to Port Lincoln's growth. collaboration between the Councils is essential.

3.2 District Council of Lower Eyre Peninsula

District Council of Lower Eyre Peninsula in August 2023, provided the following feedback regarding housing in the City of Port Lincoln:

Growth in District Council of Lower Eyre Peninsula and opportunities for collaboration

- Land in the District Council of Lower Eyre Peninsula is seen to complement growth in Port Lincoln.

- District Council of Lower Eyre Peninsula have and will continue to collaborate with the City of Port Lincoln to address housing issues.
- Many residents living within the District Council of Lower Eyre Peninsula commute to and from Port Lincoln for work (Coffin Bay, Cummins etc.)
- People driving long commutes for work is common in the region. However, in many instances people would live closer to their workplaces if they could find appropriate housing.
- District Council of Lower Eyre Peninsula have not undertaken any master planning or strategic planning studies to support the type of development occurring around the periphery of Port Lincoln.
- District Council of Lower Eyre Peninsula is undertaking a feasibility study investigating Council land accommodating residential development in Cummins and Coffin Bay. Infrastructure costs are likely to be key considerations.

Barriers

- Barriers to development include infrastructure augmentation costs, shortage of tradespeople and developers, access to materials, and native vegetation coverage.
- Availability of land is not considered an issue in the region.

Lack of rental housing

- Many houses are being used for Airbnb rather than the traditional longer term rental market.
- In many instances rents are higher than mortgages - \$500-\$600 a week for a standard 3-bedroom home.
- Housing affordability for key workers in particular is critical to attract and retain a workforce.

Greater housing diversity

- The community would benefit from greater housing choice of different dwellings/densities to support retirees, single parents, students, young people and workers.

Infill

- There are opportunities for residential infill in Port Lincoln. The city centre and Port Lincoln South were identified as likely candidates.
- Reviewing zone policies to better understand / promote infill development opportunities would be a beneficial exercise.

Rural Living

- There is significant demand for rural living from young families, people wanting to store boats and caravans, hobby farmers, retired farmers, people looking for a tree change etc.
- Providing and maintaining infrastructure in rural living areas is expensive, and rates revenue generally do not cover Council costs. Noting this, it is nonetheless considered a necessary land use with strong demand.
- Cost of infrastructure delivery has curbed developer interest despite the high level of demand.
- There is limited remaining undeveloped rural living land. Topography is a key constraint on the remaining sites.

- The last rural living rezoning was proposed in 2013/2014 and ultimately rejected.
- The previous DC of Lower Eyre Peninsula Development Plan incorporated a non-complying trigger that prevented rural living allotments that did not front a public road. This non-complying trigger was removed through the introduction of the Planning and Design Code, allowing creative workarounds such as community title rural living developments.

3.3 West Coast Youth & Community Support

West Coast Youth & Community Support in August 2023, provided the following feedback in relation to housing in the City of Port Lincoln:

Lack of public/affordable/First Nations/emergency housing

- There are over 350 people on their public housing wait list and 110 people at risk of homelessness. This is a key issue for across the west coast but especially in Port Lincoln.
- The lack of housing affordability is a key issue.
- Many of those who are at risk of homelessness are First Nations people, and many First Nations people live in overcrowded housing. There is no dedicated First Nations housing.
- More than 40 SAHA properties are currently offline because they need maintenance but there is a very limited pool of tradespeople available to undertake this work.
- West Coast Youth & Community Support are currently working on single men's emergency accommodation.
- Port Lincoln would benefit from greater housing diversity. This organisation is currently in search of investors to support the development of a duplex complex.

Airbnb and interstate investors

- There is a high number of Airbnb houses in the area placing significant pressure on rental market.
- Investors from interstate have further reduced available stock for the long-term rental market.
- Tourist accommodation needs to be better managed to alleviate pressure on housing supply and attract tourists who will spend time and money in the city.
- A local MP is currently working to identify the number of Airbnbs in the town. At one point it was identified that there were 200 Airbnb properties in Port Lincoln.

Rental housing

- Employers are commissioning Airbnbs to accommodate workers as rental houses are not available.
- Council could consider incentives such as rate discounts to promote long term rentals and discourage Airbnbs.

Costs and lack of labour

- Augmentation costs/trade costs/build costs have significantly increased.
- There is a very limited number of local builders/developers in Port Lincoln and the region.

3.4 Port Lincoln Chamber of Commerce & Tourism

Port Lincoln Chamber of Commerce & Tourism in August 2023, provided the following feedback in relation to housing in the City of Port Lincoln:

Lack of overall housing supply

- Many people want to come to Port Lincoln to work but there is an insufficient supply of housing to support their ambition.
- Houses on the market for sale or rent are generally being secured in a short amount of time.

Rental housing

- Airbnb has reduced medium-long term rental supply.
- The City of Port Lincoln has experienced a significant increase in rental fees.
- Rental properties are in very low supply. They are difficult for people to secure. Lack of affordable rentals is a concern.

Housing diversity

- Port Lincoln does benefit from some housing diversity, this largely exists in the form of residential flat buildings / residential units.

3.5 Real Estate (Kemp Real Estate & EXP Real Estate)

Kemp Real Estate and EXP Real Estate in August 2023, provided the following feedback in relation to housing in the City of Port Lincoln:

General housing supply

- There is a shortage of housing in Port Lincoln.
- Groups with more financial capital such as retirees and interstate buyers can afford to pay a premium for available dwellings.
- Companies are looking to expand into Port Lincoln, including childcare centres, but cannot find accommodation for staff. People need housing to work in the area.
- Currently (August 2023) there are only 20 homes available for purchase in Port Lincoln (very low).

Rental housing

- Of a rent roll (database of rental houses) of approximately 500 properties, vacancy rates are under 1%.
- Rental affordability is the biggest issue - rent has risen by up to 40% in recent years. There are several factors contributing to this including increases in mortgage interest rates.
- The rental market is particularly lacking supply, with less than 0.4% vacancy rates and very little choice for renters. Rental stress is being experienced in Port Lincoln.
- Projects such as the desalination project are also securing rental properties at higher rents, pressuring others out of the rental market.

Airbnb and interstate buyers

- Traditionally Port Lincoln has had 6% of its buyers from interstate - post COVID-19 this rose as high as 30%.
- Post COVID-19, Kemp Real Estate lost 50 of the rental properties it managed to Airbnb. However, the Airbnb market has begun to decline now that people can travel internationally again – Kemp Real Estate has recently registered 12 properties which have come back to the long-term rental market.
- Airbnb is not considered a significant issue as these largely consist of holiday homes not long-term rental stock.
- There is still significant demand for houses from Adelaide and interstate buyers looking to move to Port Lincoln for a sea/tree change. Many of these people work remotely from home.

Lack of land

- Developers are struggling to keep up with demand, hindered by a lack of appropriately zoned land and stringent regulations especially in relation to native vegetation.
- There is a need to identify developable land, zone it appropriately and reduce regulations/red tape to support development and attract developers.

Lack of developers

- There were four significant local builders/developers who have passed away in recent years. No one has replaced them.
- Moving into a regional area is not an attractive prospect for a developer.

Allotment size

- Most people in regional areas are looking for low density living which provides space for families and storing boats, cars and caravans.
- There is opportunity for infill development, driven by an ageing population with demand for units and smaller housing.
- A lack of housing diversity to upsize or downsize is making homeowners stay where they are as opposed to buying and selling.
- Old housing trust allotments require revaluating, with tiny homes on big allotments.

Bank loans

- Almost one quarter of 'subject to finance' sales are not going through due to locals not securing bank loans. This has increased in recent times and is attributable to a change in lending criteria.

Rural Living

- There is high demand for rural living sites due to lifestyle needs for space. They sell very quickly.
- The former 2-hectare minimum size for rural living was too large.

Affordability and costs

- Median price of homes for purchase is \$380k, affordability of homes for purchase is not a major issue.
- The cost of developing property in Port Lincoln is exorbitant due to high transport and material costs.

- Younger people in particular are finding it unaffordable with land and build costs.
- Increasing awareness about the types of home buyer initiatives available could encourage more people to enter the market.

Developing/renewal costs

- Once land has been divided additional expenses are generated through land tax, council rates and open space contributions. Holding costs and risk are too high. People do not have any incentive to develop land.
- Land value is still quite low and doesn't encourage renewal/infill development.
- Council should explore levers they can use to incentivise developers to provide more housing.
- There is a need to cut red tape and provide strategic planning direction to support housing, including identifying where growth can occur.

3.6 South Australian Housing Authority (SAHA)

SAHA provided the following feedback in relation to housing in the City of Port Lincoln:

SAHA projects and funding

- No money was allocated to Port Lincoln in the most recent round of SAHA funding.
- There are no new SAHA builds currently proposed for Port Lincoln.
- A capital upgrade program is currently underway, but no Port Lincoln properties are captured in this.
- There are significant delays with the maintenance of SAHA properties, meaning many in Port Lincoln are not currently being occupied. SAHA have a maintenance strategy in place and many homes have come online in recent months.

Public housing

- Demand for public housing in Port Lincoln has increased in recent years.

Smaller housing options

- Need more 2-bedroom options for single person households.

Rental housing and Airbnb

- Lack of rental supply is a major concern.
- The real estate landscape has been changed significantly by investors with more capital, purchasing properties specifically to cater to the Airbnb tourist market.

Cost of living

- Many people who have been in the private rental market for years have recently found they are now unable to afford the increased rents.
- Cost of living has increased.
- Demand far exceeds housing stock, and people living with the assistance of welfare support cannot compete with people on steady income for the limited available housing stock.

4. Supply and Demand Analysis

4.1 Population Profile

Understanding the makeup of the community is important in providing insights into what housing needs should be addressed. The following data has been sourced from the Australian Bureau of Statistics 2021 Census and Profile ID 2022 for the City of Port Lincoln. This data shows that:

- There is an increasing number of older people in the City of Port Lincoln who may require downsizing housing options (e.g. smaller homes and land) in more areas accessible to services.
- Approximately one third of the population own their home outright (31.5%). A similar percentage own their home with a mortgage (30.4%). The largest portion of people rent their home (33.9%).
- More people rent in the City of Port Lincoln than the South Australian average.
- Incomes are lower than the South Australian average.
- Rent and mortgage payments are lower than the South Australian average.
- Median weekly rent payments increased by \$20 or 9% between 2016 and 2021, while median monthly mortgage payments remained stable. This does not reflect stakeholder engagement findings which suggested rents have sharply increased through this period. However, we note that the census data is dated 2021 while engagement was undertaken in 2023. Since May 2022 there have been 12 interest rate rises.
- Most households are family households, who traditionally seek large allotments with sufficient storage options.

Total population

- 14,404 people

Age

- Median age 41
- Similar age composition to SA
- Slightly more people aged 15 to 39 and 75+ than the RDA Eyre Peninsula region, with slightly less people aged under 14 and 40-74
- A 2.8% increase in people aged over 60 between 2016 and 2021

Household composition

- 2.3 people per household
- 64.6% of households are families (lower proportion to the SA average of 68.1%)
- 32.4% of households are single person households (higher proportion to the SA average of 28.5%)
- 3.1% of households are group households (lower proportion to the SA average of 3.4%)

Tenure type

- 31.5% own their home outright (similar proportion to the SA average of 32.8%)
- 30.4% own their home with a mortgage (lower proportion to SA the SA average of 35.6%)
- 33.9% rent their home (higher proportion to the SA average of 27.6%)

Income

- \$717 median weekly personal income (less than the SA average of \$734)
- \$1,667 median weekly family income (less than the SA average of \$1,889)
- \$1,243 median weekly household income (less than the SA average of \$1,455)

Rent and mortgage payments

- \$240 median weekly rent payments (less than the SA average of \$300)
- \$1,300 median monthly mortgage payments (less than the SA average of \$1,500)
- Median rents increased by \$20 or 9% between 2016 and 2021
- Median monthly mortgage repayments remained stable between 2016 and 2021

4.2 Population Growth and Projected Population

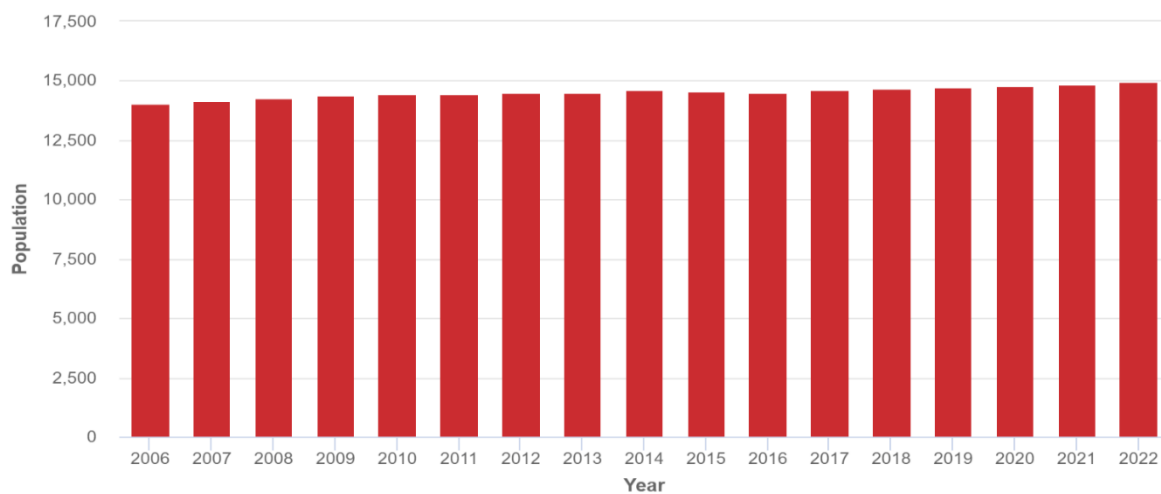
Understanding how the City of Port Lincoln's population will change is important to enable the Council to plan for appropriate future housing requirements. The data shows us that:

- Population growth has been slow, and stakeholder engagement findings suggest that a lack of housing has contributed to this.
- The local population is projected to grow by 1.5% or 211 people by 2026 and by 2.9% or 414 people by 2036. However, based on recent trends these population projections may be overestimated.
- Some suburbs on the periphery of the City of Port Lincoln have grown at a much faster rate. This indicates that demand exists to live in/near Port Lincoln, and that this growth has not been captured within Port Lincoln, perhaps because of insufficient available dwellings.
- Much of the growth occurring on the periphery of the City of Port Lincoln has been accommodated in rural living zones, indicating demand for this zone type.

The City of Port Lincoln has experienced slow population growth since 2006, with a small increase in population every year since 2006 besides a small downturn between 2014 and 2017 (Profile ID 2022).

The Council area grew by 340 people or 2.4% between 2016 and 2021 (Census 2021) and by 67 people or 0.45% between 2021 and 2022 (Profile ID 2022).

Estimated Resident Population City of Port Lincoln



Source: Australian Bureau of Statistics, Regional Population Growth, Australia (3218.0). Compiled and presented by .id (informed decisions)

.id informed decisions

Figure 1: Estimated Resident Population – City of Port Lincoln

The 2019 update of the Department of Planning, Transport and Infrastructure Population Projections for South Australian Local Government Areas 2016-36, projects slow population growth for the City of Port Lincoln until 2036. The data projects growth to 14,615 people by 2026 (a growth of 1.5% or 211 people since the population recorded in the 2021 Census), and 14,818 people by 2036 (a growth of 2.9% or 414 people since the population recorded in the 2021 Census).

This data projected the City of Port Lincoln would comprise 14,576 people by 2021. In reality, the City of Port Lincoln reached 14,404 people in 2021 (as recorded by the ABS Census). Therefore, based on historic growth rates these population projections may be ambitious.

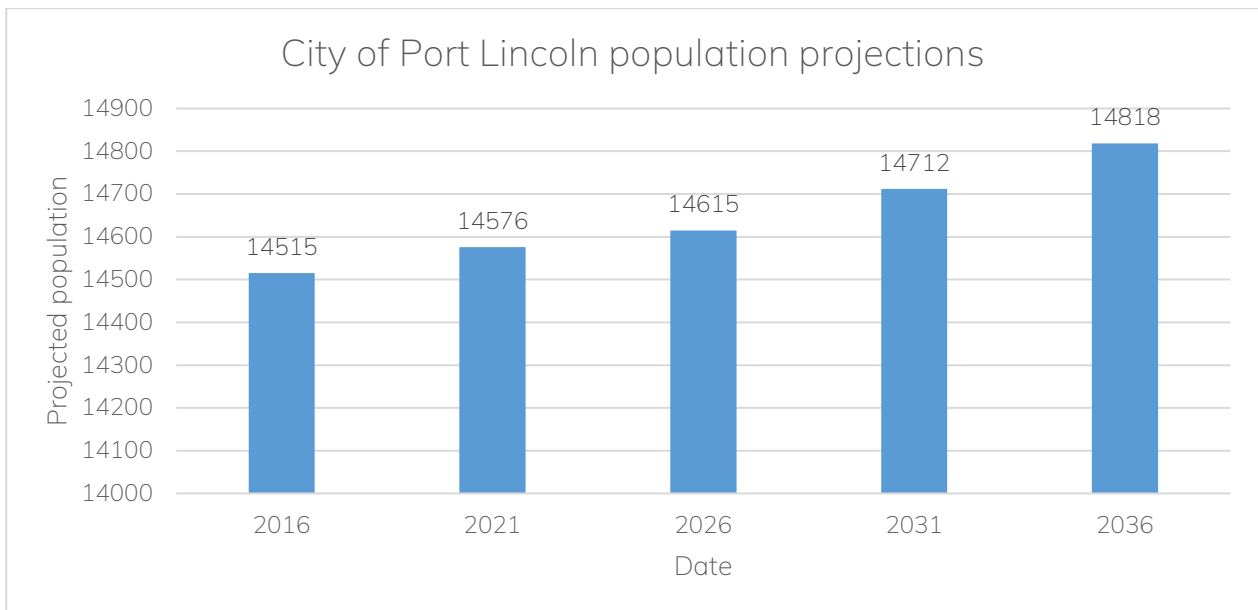


Figure 2: Population Projections to 2036 – City of Port Lincoln

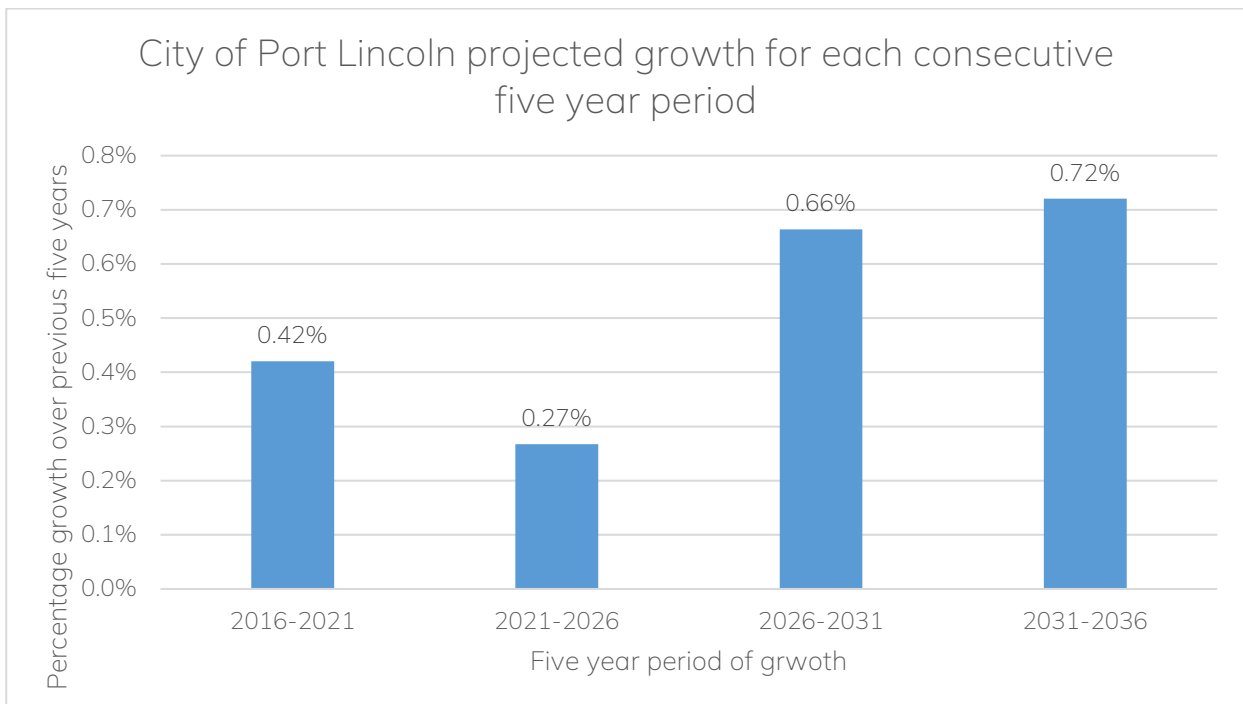


Figure 3: Projected Growth Rates to 2036 – City of Port Lincoln

4.2.1 Growth of surrounding areas

Several other nearby areas experienced much higher rates of population growth than the City of Port Lincoln in recent years (ABS Census 2021).

District Council of Lower Eyre Peninsula and District Council of Tumby Bay both experienced over three times the growth of the City of Port Lincoln.

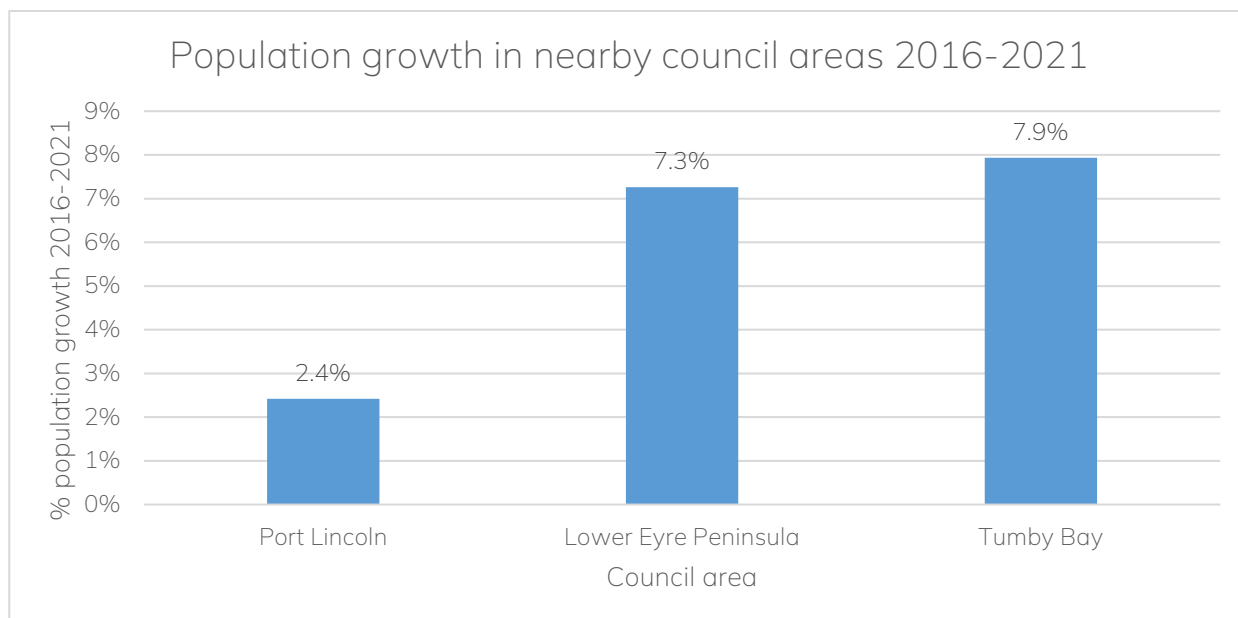


Figure 4: Population Growth Rates in Neighbouring Councils

Many smaller surrounding suburbs have experienced higher rates of growth than the suburb of Port Lincoln, including Boston at 20.6% growth (200 people), Tiatukia at 35.9% growth (97 people) and Point Boston at 138.5% growth (36 people) between 2016 and 2021. This growth has been largely accommodated in rural living areas.

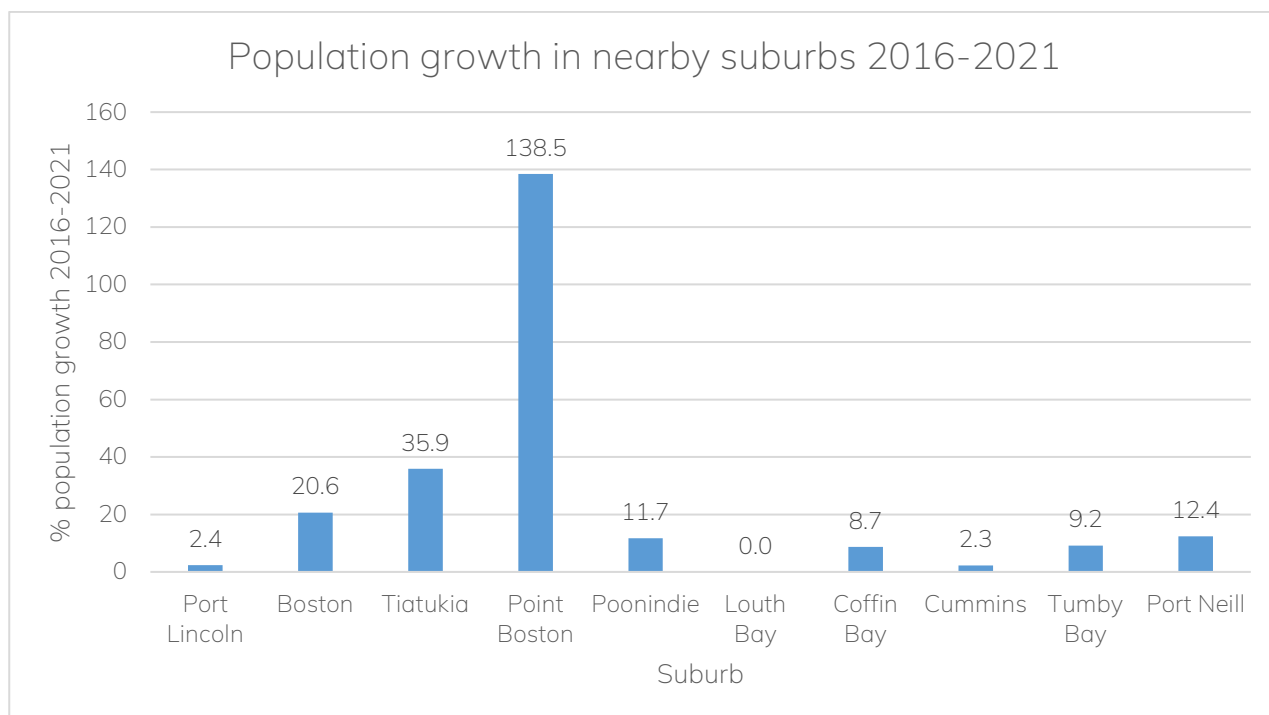


Figure 5: Population Growth Rates in Neighbouring Suburbs

These trends indicate strong growth in various townships/suburbs on the periphery of the City of Port Lincoln. It can be assumed residents in the following townships/suburbs identify as residents of Port Lincoln, utilising the city as their service centre:

- Boston
- Point Boston
- Louth Bay
- Coffin Bay
- Poonindia
- Tiatukia

4.3 Housing Supply

Analysing existing housing supply aids in understanding what housing is available and identify future housing requirements. The data shows:

- According 2021 Census data, 88.5% of private dwelling are occupied and 11.6% of private dwellings are unoccupied (similar occupancy rates to SA). While the rate of unoccupied dwellings is high, stakeholder engagement findings and real estate data suggests that houses are not being introduced to the property market and are not vacant. Many of these categorised 'unoccupied dwellings' may be used as Airbnbs or holiday homes.
- Dwelling structure is similar to SA, with a slightly higher proportion of separate houses and a slightly lower proportion of semi-detached/row or terrace houses/townhouses. This indicates a relatively good provision of housing diversity, although stakeholders suggest that greater housing diversity is still required.

- Total property listings and residential vacancy rates are at their lowest in over a decade. This aligns with feedback which suggests many people are unable to find housing and rental prices have been increasing.
- The 2021-2022 financial year saw the lowest value of total building approvals over the last decade. Stakeholder engagement findings suggest that development has slowed due to prohibitively high augmentation costs, materials and labour costs, a lack of available land, tradespeople and developers, and restrictive regulations.
- Most residential dwellings and residential land in the City of Port Lincoln are accommodated within the Suburban Neighbourhood Zone.
- There are currently 530 vacant allotments or 696 hectares of vacant land in the City of Port Lincoln. Some of this land could accommodate additional housing, suggesting that a lack of available land is not a barrier to providing more housing.

4.3.1 Census data

ABS 2021 Census data provides a range of insights about housing supply in Port Lincoln.

- 6,949 private dwellings.
- 88.5% (5,760) of private dwelling are occupied (similar to SA at 89.2%).
- 11.6% (753) of private dwellings are unoccupied (similar to SA at 10.8%).
- 81.6% of dwellings are separate houses, 11.3% are semi-detached, row or terrace house, townhouse etc, and 6.1% are flats or apartments (similar to SA with a slightly higher proportion of separate houses and a slightly lower proportion of semi-detached/row or terrace houses/townhouses).
- The majority (55.5%) of dwellings have 3 bedrooms. 21.9% have 4 or more bedrooms, 17.0% have 2 bedrooms, 3.4% have 1 bedroom and 0.2% have none (includes studio apartments or bedsitters) (more 3-bedroom dwellings and less 4 or more bedroom dwellings compared to SA).

Occupancy rates

Occupancy type	Number	%	% SA
Occupied private dwellings	5,760	88.5%	89.2%
Unoccupied private dwellings	753	11.6%	10.8%
Total private dwellings	6,512		

Table 1: Occupancy Rates – City of Port Lincoln 2021

Dwelling structure

Dwelling structure	Port Lincoln	%Port Lincoln	%South Australia
Separate house	4,701	81.6%	78.0%
Semi-detached, row or terrace house, townhouse etc	653	11.3%	14.6%
Flat or apartment	352	6.1%	6.8%
Other dwelling	38	0.7%	0.4%

Table 2: Dwelling Structure – City of Port Lincoln 2021

Number of bedrooms

Number of bedrooms	Port Lincoln	%Port Lincoln	%South Australia
None (includes studio apartments or bedsitters)	13	0.2%	0.2%
1 bedroom	195	3.4%	3.3%
2 bedrooms	981	17.0%	18.0%
3 bedrooms	3,196	55.5%	51.5%
4 or more bedrooms	1,261	21.9%	25.7%
Number of bedrooms not stated	114	2.0%	1.2%
Average number of bedrooms per dwelling	3	N/A	N/A
Average number of people per household	2.3	N/A	N/A

Table 3: Number of Bedrooms – City of Port Lincoln 2021

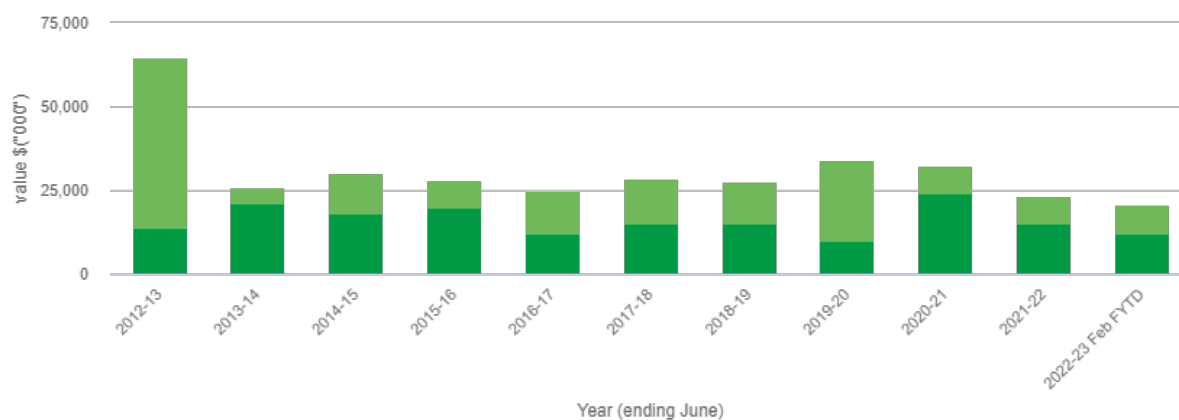
4.3.2 Building approvals

On average, approximately \$25,000,000 worth of building approvals have been delivered every year in the City of Port Lincoln since 2013. The 2021-2022 financial year saw the lowest value of total building approvals over the last decade. The value of residential development has fluctuated through this period, noting the value of residential building approvals for 2021-2022 was also average to low when compared to other years over this period.

Value of total building approvals

City of Port Lincoln

Non Residential Residential



Source: Australian Bureau of Statistics, Building Approvals, Australia, catalogue number 8731.0. Compiled and presented in economy.id by .id (informed decisions)

Figure 6: Building Approval Value Data

4.3.3 Property listings and vacancy rates

Total property listings in the Eyre region reached a 13 year low in 2023, and residential vacancy rates are at their lowest since 2008.

TOTAL PROPERTY LISTINGS

REGION: EYRE

Total Property Listings

Source: SQM Research

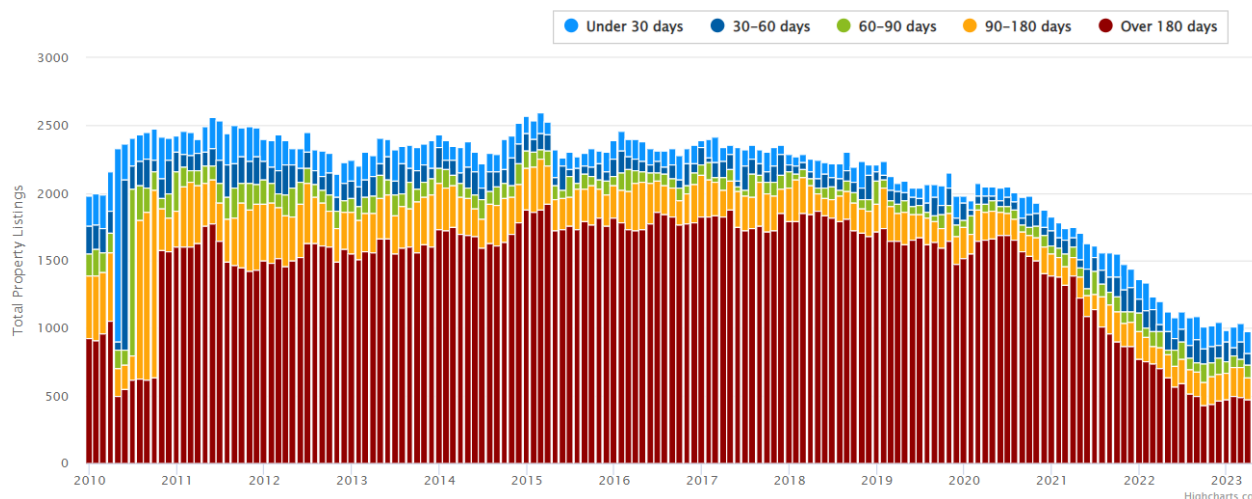


Figure 7: Regional Property Listing Data – 2010-2023

RESIDENTIAL VACANCY RATES

REGION: EYRE

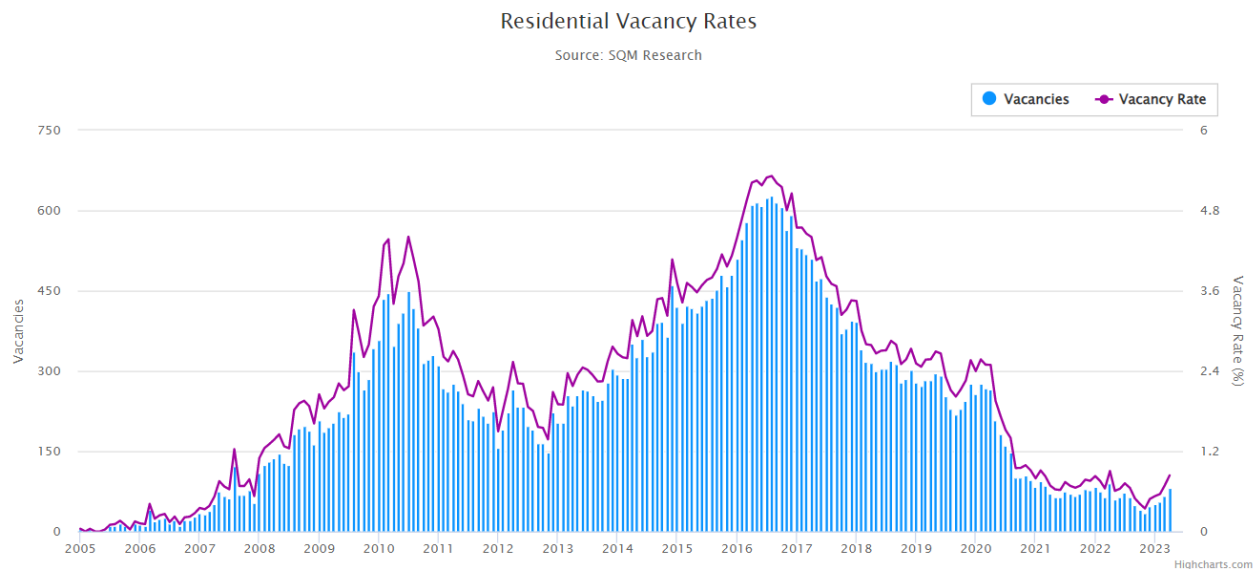


Figure 8: Regional Residential Vacancy Rates – 2005-2023

4.3.4 Spatial analysis

A spatial analysis of land use codes provides an indication of the number and area of residential and vacant allotments across Port Lincoln. This data helps to show where existing housing supply is located.

There are currently 6,742 residential allotments or 1,6723 hectares of residential land in the City of Port Lincoln. Most dwellings and residential land in the City of Port Lincoln are accommodated within the Suburban Neighbourhood Zone.

Table 4: Total number of residential allotments by zone

	Number of residential allotments						Total
	General Nhood	Hills Nhood	Rural Nhood	Suburban Nhood	Waterfront Nhood	Other zones	
House	47	135	76	4,293	406	324	5,281
Unit, flat, apartment, townhouse	1	1	0	792	425	94	1,313
Hotels, Hotel and Motel accommodation	0	0	0	5	0	48	53
Institutional residential accommodation	0	0	0	4	0	0	4
Rural residential	0	24	0	17	0	50	91
Total residential	48	160	76	5,111	831	516	6,742 allotments

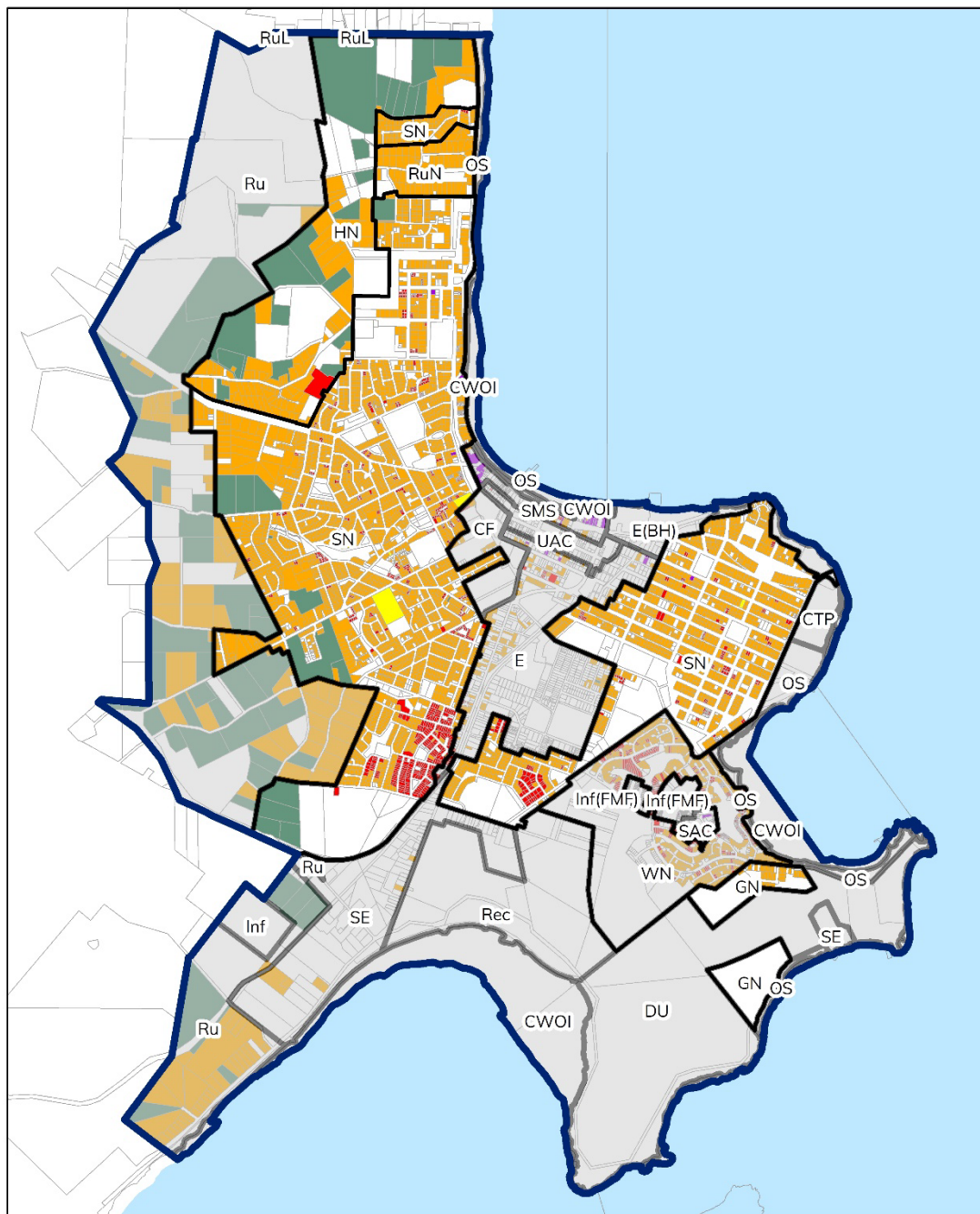
Table 5: Total area of residential land by zone

	Area of residential land (hectares)						
	General Nhood	Hills Nhood	Rural Nhood	Suburban Nhood	Waterfront Nhood	Other zones	Total
House	5.8	103.8	38.3	642.4	43.7	253.3	1,087.3
Unit, flat, apartment, townhouse	0.5	4.9	0	24.9	16.6	3.5	50.4
Hotels, Hotel and Motel accommodation	0	0	0	0.9	0	5.9	6.8
Institutional residential accommodation	0	0	0	7.8	0	0.0	7.8
Rural residential	0	151.7	0	69.9	0	299.0	520.6
Total residential	5.8	260.4	38.3	746.0	60.3	561.7	1,672.5 hectares

The map below identifies where current residential land (includes vacant residential allotments and allotments accommodating a dwelling/s), is located across the City of Port Lincoln. Land is separated by the following land use types:

- Single unit (land use code 11).
- Unit, flat, townhouse (land use code 12, 13, 14).
- Hostel, hotel and motel accommodation (land use code (15, 16, 18).
- Institutional residential accommodation (land use code 17).
- Rural residential (land use code 19)

Land use codes can be viewed at the following Land Use Codes Booklet prepared by the Office of the Valuer General: <https://www.valuergeneral.sa.gov.au/forms-and-fact-sheets/LUC-booklet-2022.PDF>



City of Port Lincoln Current Supply of Residential Land

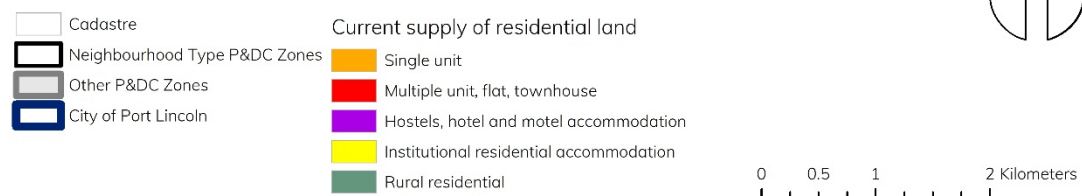


Figure 9: Spatial Analysis – Current Supply of Residential Land

There is also a significant number of vacant allotments across the Council area, again mostly located in the Suburban Neighbourhood Zone. Some of this land could accommodate additional housing.

Table 6 - Number of vacant allotments by zone

	Number of vacant allotments						
	General Nhood	Hills Nhood	Rural Nhood	Suburban Nhood	Waterfront Nhood	Other zones	Total Allotments
Vacant Land - Urban	10	17	6	241	108	139	521
Vacant Land - Rural Residential/Rural Living	0	5	0	0	0	4	9
Total vacant land	10	22	6	241	108	143	530

Table 7 - Area of vacant land by zone

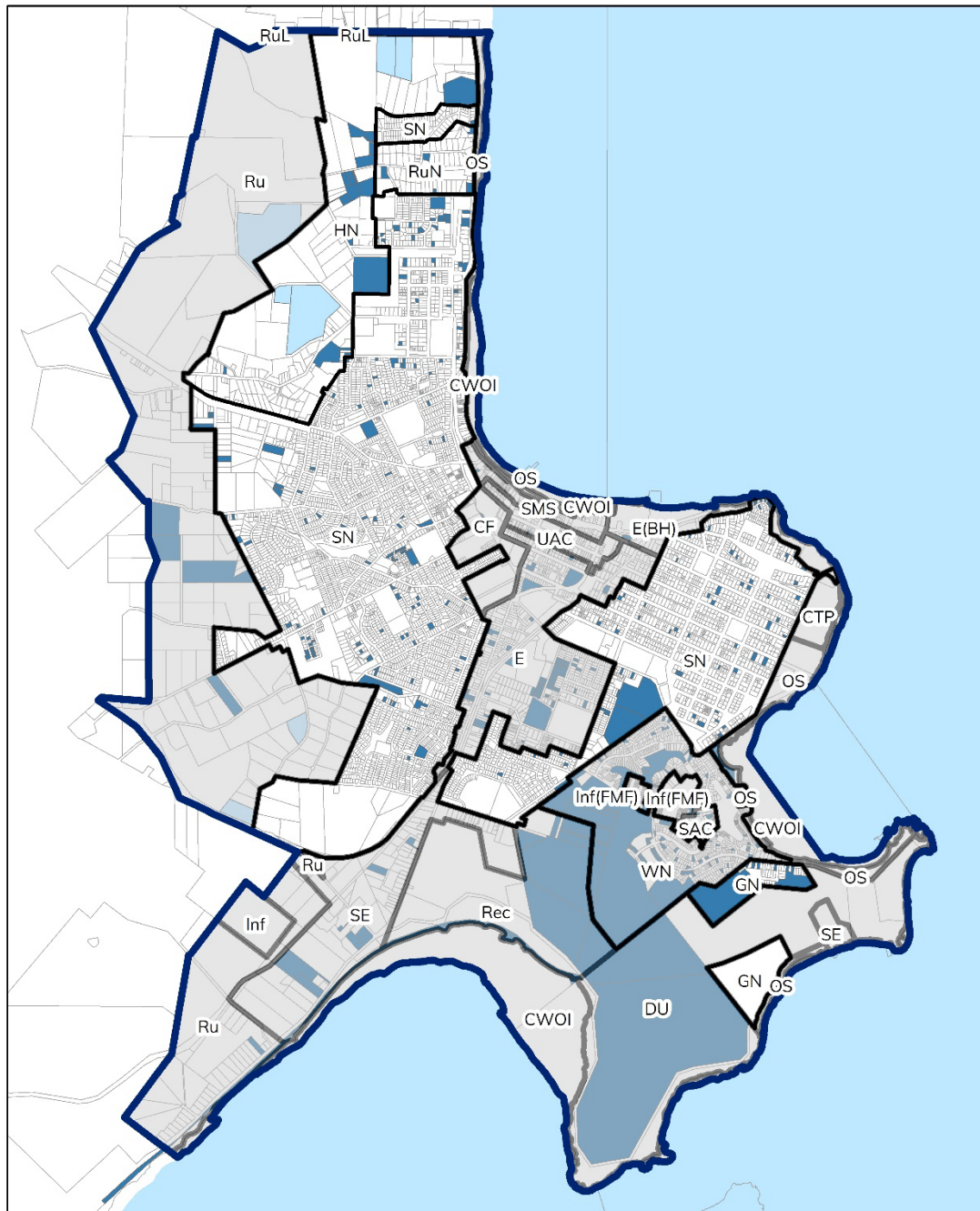
	Area of vacant land						
	General Nhood	Hills Nhood	Rural Nhood	Suburban Nhood	Waterfront Nhood	Other zones	Total Hectares
Vacant Land - Urban	23.8	36.4	2.5	58.9	111.0	391.0	623.6
Vacant Land - Rural Residential/Rural Living	0	37.9	0	0	0.0	34.6	72.5
Total vacant land	23.8	74.3	2.5	58.9	111.0	425.7	696.2

The map below identifies where current vacant land is located across the City of Port Lincoln. Land is separated by the following land use types:

- Vacant land – urban (land use code 4100, 4101)
- Vacant land – rural residential/rural living (land use code 4150, 4151)

Land within a residential type zone (e.g. Suburban Neighbourhood) that is currently used for productive purposes e.g. primary production is generally not captured as vacant.

Land use codes can be viewed at the following Land Use Codes Booklet prepared by the Office of the Valuer General: <https://www.valuergeneral.sa.gov.au/forms-and-fact-sheets/LUC-booklet-2022.PDF>



City of Port Lincoln Current Supply of Vacant Land

- Cadastre
- Neighbourhood Type P&DC Zones
- Other P&DC Zones
- City of Port Lincoln
- Current supply of vacant land**
 - Vacant Land - Urban
 - Vacant Land - Rural Residential/Rural Living



0 0.5 1 2 Kilometers

Figure 10: Spatial Analysis – Current Supply of Vacant Residential Land

4.3.5 SA Housing Authority supply

The below map identifies that there are 357 SA Housing Authority properties in the City of Port Lincoln, almost all contained in the Suburban Neighbourhood Zone.

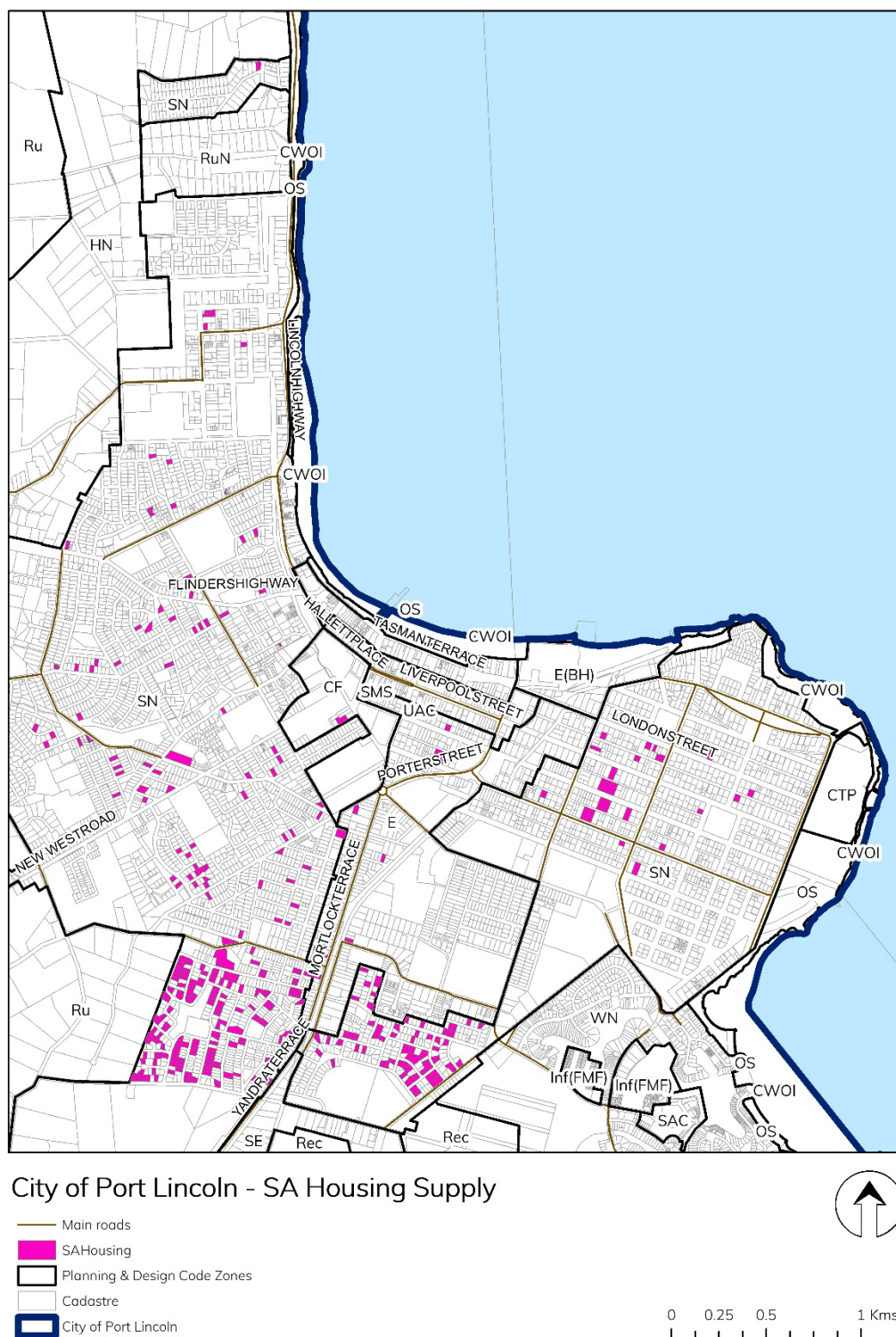


Figure 11: Spatial Analysis – Current Supply of SAHA Houses

4.4 Housing Land Supply

- Development potential exists in several greenfield sites within the Suburban Neighbourhood and Hills Neighbourhood Zones. Infill opportunities also exist throughout the Suburban Neighbourhood Zone.
- Several larger development fronts located within the Deferred Urban Zone, General Neighbourhood Zone and Waterfront Neighbourhood Zone are significantly impacted by native vegetation coverage.
- Preliminary stakeholder engagement indicates that the following are all impacting on Port Lincoln's housing supply:
 - Lack of local developers and tradespeople
 - Costs of materials and labour
 - Infrastructure augmentation costs
 - Native vegetation constraints
 - Lack of local strategic growth and infrastructure planning
 - Unclear and inconsistent development application processes
 - Use of rental properties for Airbnb are major barriers to future housing supply.
- Rural Living land in the District Council of Lower Eyre Peninsula on the fringe of the City of Port Lincoln may provide additional land for growth, although native vegetation and slope can present barriers in these areas.
- Preliminary stakeholder engagement indicates the Airbnb's popularity is slightly decreasing as a result of travel restrictions being eased.
- SA Housing Authority is working towards bringing up to forty of their dormant properties back online in the near future.

4.4.1 *Spatial analysis*

Methodology

A spatial analysis was undertaken to determine at a high level the development potential of land within residential type zones in the City of Port Lincoln. Development potential was calculated through the following steps:

- Only land in residential type zones included (refer table 8 below).
- All land use types considered. It is important to note that not all these land use types are likely to be viable or preferred for redevelopment for housing.
- State and Federal government owned land excluded.

- Land with a capital to site value ratio of 2 or over excluded, so that only land feasible to develop in the short-medium term was included (refer table 8 below).
- Allotments divided by the minimum site area permitted for that zone to indicate development potential (refer table 9 below).
- Development potential discounted by 25% to account for landowners decision, contributions required and other constraints to development¹.

If the capital value of the land and anything built on the land is significantly higher than the site value, it is unlikely to be redeveloped in the short term. Numerous stakeholders have identified that low land values are a barrier to development in the City of Port Lincoln. As a result, allotments with a capital to site value ratio of more than 2 which are unlikely to be developed in the short to medium term have been excluded from the analysis.

Table 8: Capital to site value ratios and redevelopment feasibility timeframes

Capital to site value ratio	Redevelopment feasibility timeframes
Less than 1.3	Short term
1.3 to 2	Medium term
More than 2	Long term

The Planning & Design Code specifies minimum site areas for some zones. These are specified in the below table. Where the Code does not specify a minimum site area, an assumed minimum site area was used based on usual allotment characteristics for those zones.

Table 9: Neighbourhood type zones and their minimum site areas

Zone	Specified Minimum Site Area m ² - Detached Dwelling	Assumed Minimum Site Area when 'nil'
Deferred Urban	Nil	750
General Neighbourhood	Nil	750
Hills Neighbourhood	Nil	1,000
Rural Neighbourhood	Nil	1,000
Suburban Neighbourhood	450	N/A
Waterfront Neighbourhood	300	N/A

Results

The Suburban Neighbourhood and Hills Neighbourhood Zones present the greatest opportunities for development.

¹ Residential development capacity handbook South Australia, Government of South Australia – Department of Planning, Transport and Infrastructure, July 2013

The Suburban Neighbourhood Zone has potential to accommodate 3,690 new allotments/sites. This is via greenfield and infill development opportunities. This zone accommodates some of the most unencumbered land in the Council area to support growth, i.e., native vegetation and access to infrastructure at least in the infill scenarios.

The Hills Neighbourhood Zone has a development potential of 1,389 new allotments. While native vegetation and slope may present constraints on some sites, preliminary stakeholder engagement suggests there is demand for this type of housing product. Noting, experience indicates that maintenance costs pertaining to infrastructure and services to these rural blocks is costly in the long term, and Council should consider ways to mitigate or manage these costs to facilitate development.

While the Deferred Urban Zone has significant development potential, hypothetically able to yield almost 2,300 new allotments. The zone comprises vast areas of native vegetation, which significantly constrains this land from supporting residential development.

Native vegetation coverage similarly constrains development in the General Neighbourhood Zone, and greenfield development areas in the Waterfront Neighbourhood Zone.

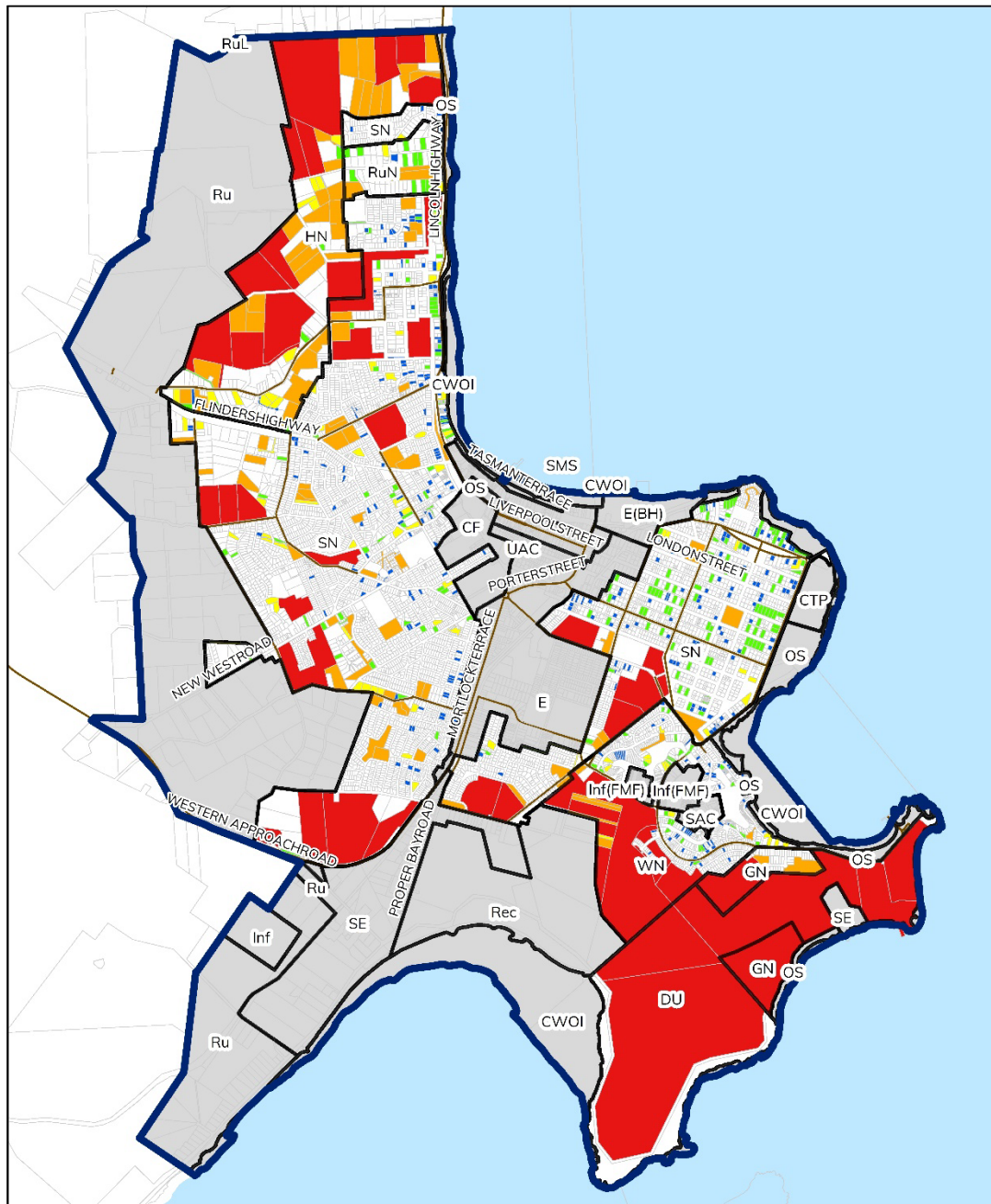
The Rural Neighbourhood zone is small. However, it could potentially support 75 new allotments via infill. The Waterfront Neighbourhood Zone also presents some minor opportunities for infill development.

Table 10: Division potential of neighbourhood type zones

Zone	No. Allotments	Theoretical Potential New Allotments (Including 25% Discount)	Comment
Deferred Urban	8	2,298	Although the zoning envisages this area supporting residential expansion. It is significantly constrained by native vegetation. Therefore, the theoretical yield is unlikely to be achieved.
General Neighbourhood	67	371	Greenfield development in the General Neighbourhood Zone is constrained native vegetation. Therefore, the theoretical yield is unlikely to be achieved.
Hills Neighbourhood	183	1,389	The Hills Neighbourhood Zone has significant potentially to accommodate densification whilst noting native vegetation and slope present significant constraints on many of these sites. The theoretical yield is unlikely to be achieved.

Zone	No. Allotments	Theoretical Potential New Allotments (Including 25% Discount)	Comment
Rural Neighbourhood	88	75	The Rural Neighbourhood Zone has limited capacity to support minor infill development.
Suburban Neighbourhood	6102	3,690	The Suburban Neighbourhood Zone can support a mixture of infill and greenfield development options. Land within in this zone is best placed to support growth in the short-medium term.
Waterfront Neighbourhood	991	1,839	<p>Development in the Waterfront Neighbourhood Zone has some opportunities to support infill development. Greenfield development in this zone is largely constrained by native vegetation coverage and would also require management of water flows from the marina.</p> <p>Therefore, the theoretical yield is unlikely to be achieved.</p>

The map below identifies land that can theoretically accommodate residential development, while excluding considerations of native vegetation, flood risk and topography.



City of Port Lincoln - Division Potential of Residential Type Zones
(Excluding where Capital/Site Value Ratio >2 - (short-medium term))

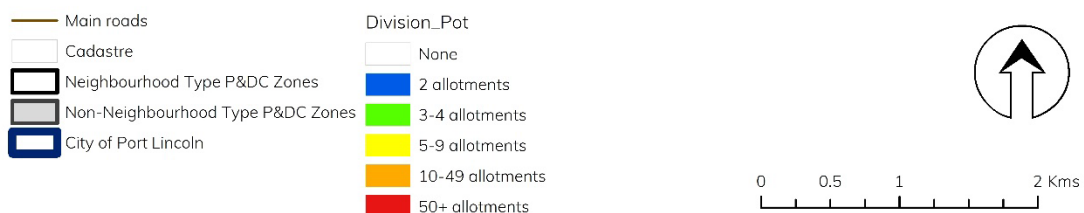


Figure 12: Spatial Analysis – Division Potential

4.4.2 Future supply within the District Council of Lower Eyre Peninsula

The City of Port Lincoln is surrounded by the District Council of Lower Eyre Peninsula. Many of these communities, particularly on the fringes of the City of Port Lincoln rely upon the city for work, shopping and entertainment. Therefore, it is important to consider the supply of land in the immediate surrounds of Port Lincoln when undertaking strategic planning for housing provision.

In particular, the Rural Living Zone to the north of the City of Port Lincoln houses many residents. There is strong demand for this type of property. District Council of Lower Eyre Peninsula staff note the challenges of providing services and infrastructure to Rural Living Zones in a cost-effective manner but recognise the important role it plays in catering to regional residents who prefer larger blocks to support their lifestyle. There is some remaining capacity in this area, noting however there are some native vegetation and slope constraints present.

Land to the southwest of the City of Port Lincoln is largely constrained by native vegetation.

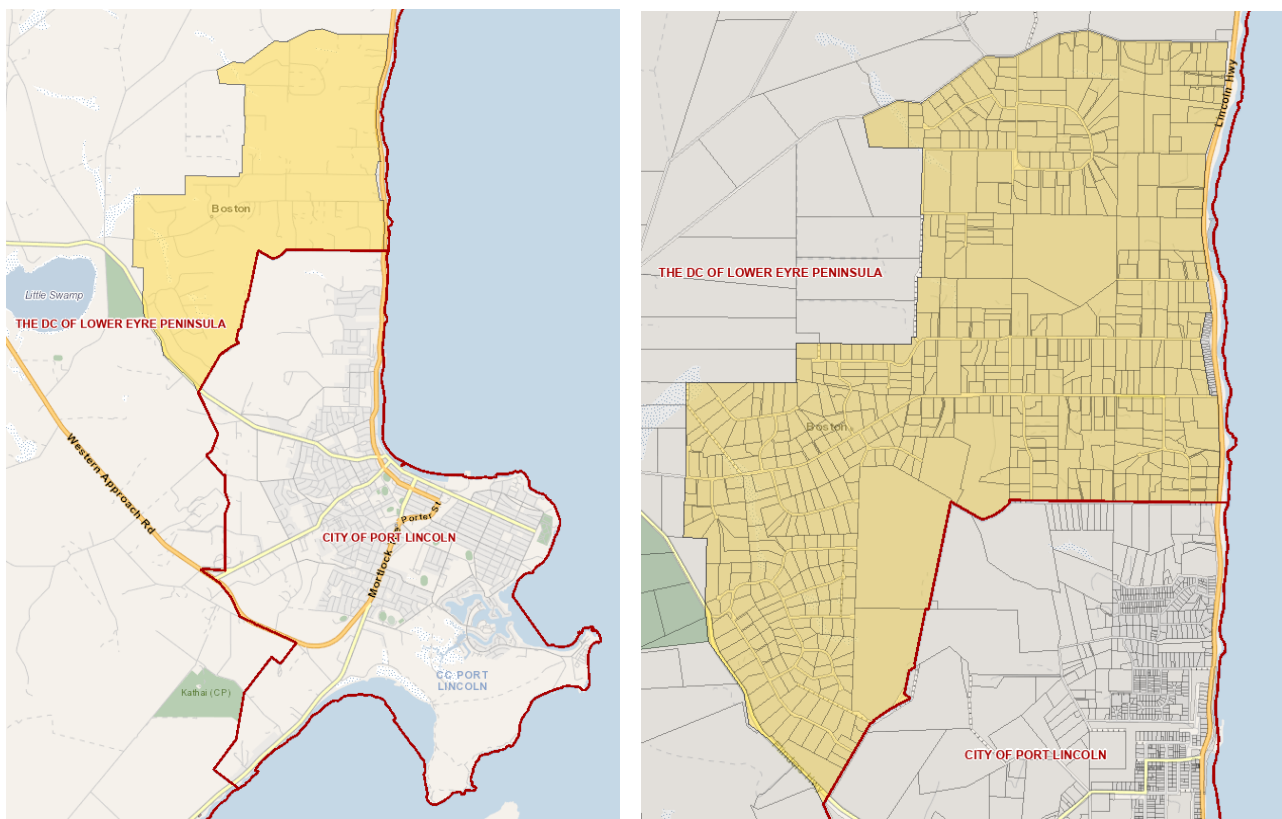


Figure 13: Rural Living Growth Area – District Council of Lower Eyre Peninsula

4.5 Housing Demand

- Preliminary stakeholder engagement indicates that there is significant demand for housing.
- Vacancy rates are at their lowest in 15 years.
- Engagement with stakeholders indicates that there is strong demand for a variety of different housing types in the City of Port Lincoln and current supply is not meeting demand.
- Demand for rental properties was identified by stakeholders as a particularly high.
- Inter/intra state migration and investment were identified as key drivers.
- People who have secured work in Port Lincoln are struggling to find accommodation.
- Affordable housing is a key matter which requires addressing.
- Population projection data projects that the population will grow by 211 people by 2026 and 414 people by 2036 since the population recorded in the 2021 Census.
- Based on the current number of people per household, an additional 92 new dwellings will be required by 2026 and 180 new dwellings by 2036 to service this population growth.

Engagement with stakeholders identified that there is a high demand for various housing options in the City of Port Lincoln including:

- Dwellings for rent
- Dwellings for purchase
- Affordable housing
- Public housing
- Housing of varying sizes, including smaller houses for young people, singles and the elderly.
- Large rural block sizes and Rural Living
- First Nations housing
- Emergency housing

Increased housing demand is anecdotally being driven by:

- Inter/intra state investors - people relocating for a sea/tree change
- People downsizing off larger properties/farms
- Strong demand for short term rental accommodation (Airbnb)

Population growth

The population of the City of Port Lincoln is projected to grow to 14,615 people by 2026 and to 14,818 people by 2036. This represents a growth of 1.5% or 211 people by 2026 and 2.9% or 414 people by 2036 since the population recorded in the 2021 Census. It is noted that based on recent trends these

population projections may be ambitious. However, if barriers to growth such as a lack of housing are removed, the rate of growth may increase.

2021 Census data identifies that on average, 2.3 people live in each household in the City of Port Lincoln. Based on this data, the City of Port Lincoln will require 92 new dwellings by 2026 and 180 new dwellings by 2036 to service this projected level of population growth.

Engagement with stakeholders indicates that there is significant current demand for housing, and that if additional supply were to be provided even more people would be looking to move to Port Lincoln for work, for a tree change etc.

4.6 Constraints Mapping

- Native vegetation presents a major barrier to development in several zones across Council, including the Deferred Urban Zone, General Neighbourhood Zone and Waterfront Neighbourhood Zone.
- Heritage does not present a major constraint to development in Port Lincoln.
- There is various bushfire risk rating across the Council area, with medium and high-risk ratings along the periphery.
- The City of Port Lincoln is relatively well serviced by electricity and telecommunications infrastructure. Provision of water and sewer infrastructure is however limited. Infrastructure augmentation costs are high and can present a major barrier to development.

4.6.1 Vegetation, Bushfire and Heritage Constraints

Native vegetation

The City of Port Lincoln contains significant areas of native vegetation protected under the *Native Vegetation Act 1991*. Development that may trigger clearance of native vegetation requires assessment and approval from the Native Vegetation Council. If native vegetation clearance is considered appropriate by the Native Vegetation Council, it may be associated with substantial environmental benefit offset to be made to offset the clearance. This is a costly process, and largely prohibits development on land with native vegetation coverage.

There is a large Deferred Urban Zone to the south of Port Lincoln which is almost entirely covered by intact native vegetation. Much of the General Neighbourhood Zone and Waterfront Neighbourhood Zone are similarly associated with native vegetation. The environmental and social value of this vegetation, as well as the associated costs of clearance, make development of these areas challenging, and in turn, may not be appropriate/responsible. There are also significant amounts of native vegetation in the Rural and Hills Neighbourhood Zones on the north-eastern fringes of the Council area.

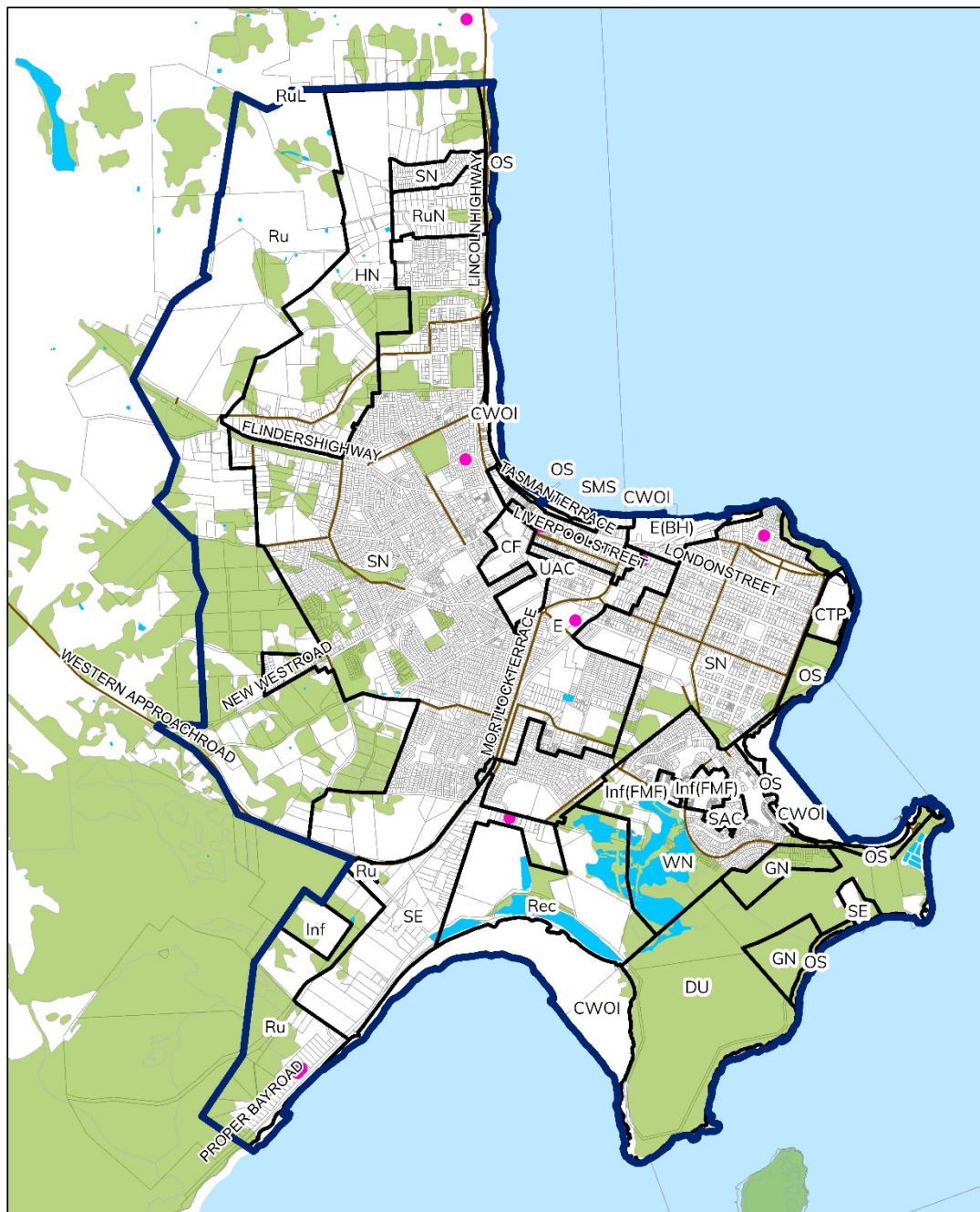
Bushfire

The Rural and Hills Neighbourhood Zones to the north and east of the city are contained within the Planning and Design Code's High Bushfire Hazard Overlay. The Overlay does not necessarily preclude

development, however development in these areas is required to comply with specific planning and building requirements.

Heritage

There are a small number of State Heritage Places across the Council area. The Council does not incorporate any Local Heritage Places., Built form heritage is not a barrier to achieving housing growth. If appropriately located, there may be opportunities for heritage buildings to contribute to housing opportunities.



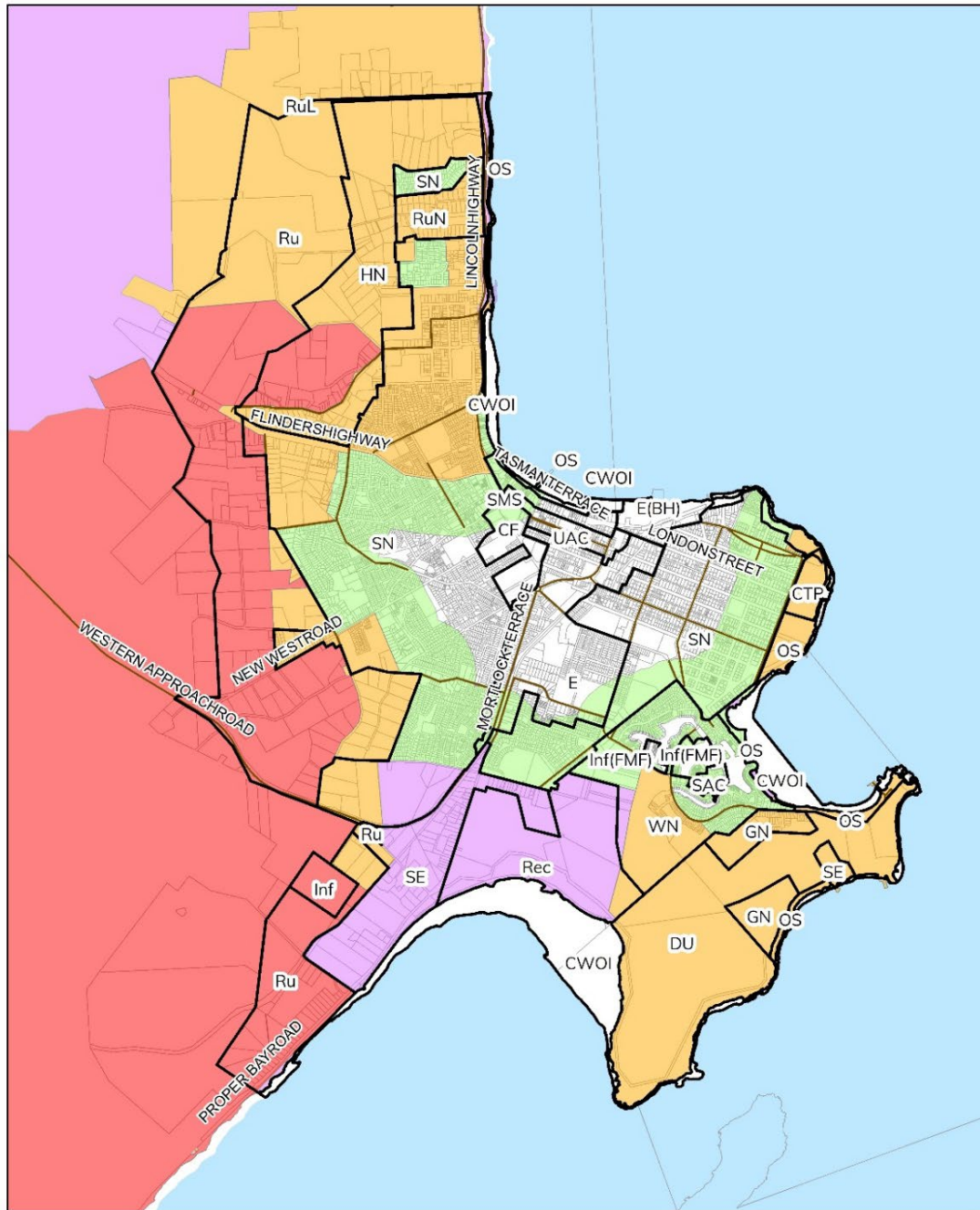
City of Port Lincoln - Vegetation and Heritage Constraints

- State Heritage Place
- Main roads
- WaterBodies
- Native vegetation
- Cadastre
- Planning & Design Code Zones
- City of Port Lincoln



0 0.5 1 2 Kms

Figure 14: Spatial Analysis – Native Vegetation and Heritage



City of Port Lincoln - Bushfire Hazard Overlay

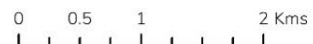


Figure 15: Spatial Analysis – Bushfire Hazard Overlay

4.6.2 *Infrastructure opportunities and constraints*

Infrastructure data was not available for the purposes of mapping infrastructure opportunities and constraints. Online data was used to determine the following infrastructure coverage.

Water and sewer mains

Water and sewer mains are available to most allotments within the highly developed area in the centre of Port Lincoln. No water or sewer mains are currently available to the largely undeveloped fringes and larger allotments of Port Lincoln including the densely vegetated land to the south of the City of Port Lincoln, Rural Zone to the west or Hills Neighbourhood Zone to the north-west. Urban intensification of these areas would require infrastructure augmentation to provide these services in conjunction with SA Water.

Electricity

SA Power Networks sub transmission and high voltage overhead and underground cable is distributed through the majority of the City of Port Lincoln, with the exception of the densely vegetated land to the south of Port Lincoln and in the north-west most portion of the Rural Zone on the north-west fringe of the Council area.

Gas

There are no gas mains in the City of Port Lincoln.

Telecommunications

Central Port Lincoln is identified as being in a fixed line service National Broadband Network (NBN) area. The majority of the fringes of Port Lincoln are identified as being in a satellite service area. Some areas including the densely vegetated area to the south of Port Lincoln and patches to the north-west of Port Lincoln are not serviced by NBN.

5. Conclusion

The analysis and engagement undertaken to prepare this Technical Report have identified the following as key considerations for the City of Port Lincoln Housing Strategy moving forward:

- **Demand for housing currently exceeds supply.** People seeking to purchase or rent housing are met with extremely limited supply. Property listings and residential vacancy rates are at their lowest in 10-15 years. Rental fees have increased dramatically and intensified rental stress.
- **A lack of housing supply is preventing growth.** The City of Port Lincoln has experienced low population growth compared to surrounding areas and other regional coastal Australian towns in recent years. This is as a result of limited housing supply. Many people who desire to relocate to the City of Port Lincoln are unable to find accommodation. This has an impact on local workforce and ability to attract workers and provide additional local services.
- **Provision of additional housing is constrained by a range of factors.** A key barrier is a lack of local developers and tradespeople. Costs of service connection, building materials, infrastructure connections and labour are high. In many instances, housing typically used for long term rental have been converted to Airbnb accommodation. There is a lack of financially feasible development projects as a result of high development costs and low sales value. Native vegetation encompasses significant portion of land, further limiting development.
- **Lack of available zoned land may not be a major constraint to development for additional conventional housing (excluding rural living properties).** At this preliminary stage, there appears to be an adequate amount of land that is zoned for conventional residential purposes (particularly within the Suburban Neighbourhood Zone). However, the land is not development ready and it may take several years to bring it to the property market. Reasons why the land is not development ready may include (i) land is being currently used for agricultural purposes, (ii) high infrastructure costs result in development being unfeasible.
- **There is a need to provide a variety of housing to suit varying community needs.** Many residents prefer large, rural blocks with plenty of space for storage and growing families, while others prefer small houses that are more affordable, centrally located to services and easy to manage. There is need for additional private rental houses, houses for purchase, affordable housing, public housing and emergency housing.
- **Demand for housing is expected to continue to rise.** Port Lincoln has strong employment prospects as well as offering a desirable lifestyle, and demand from people looking to relocate to the city is expected to continue.
- **There are various potential approaches Council can take to support the provision of additional housing.** These may include (i) providing strategic direction regarding where growth should occur (ii) collaborating with the development sector regarding improved processes and communication, (iii) identifying infrastructure funding models, (iv) considering home buyer incentives/schemes, (v) further enhancing collaboration opportunities across Council boundary, (vi) considering rezoning of land, and (vii) infrastructure standards provision.

6. Next Steps

This Technical Paper will be the subject of stakeholder and community engagement. Following this period drafting of the Housing Strategy will commence guided by the outcomes of this paper and feedback received from engagement. The draft strategy will also be the subject of public consultation prior to finalisation.

Appendix A – Policy Context Overview

City of Port Lincoln Strategic Directions Plan 2021-2023

The strategic directions plan is Council's highest-level document. It provides an overarching vision and mission complimented by a series of values. Council's overarching vision is:

"An inclusive and connected community committed to excellence in lifestyle, culture, industry and innovation"

The strategic directions plan defines what is most important to the community and outlines how Council will work towards achieving the vision and various goals it has set. The plan contains five goals with a specific list of actions nuanced to each goal. The five goals are as follows:

- Goal 1 Economic Growth and Opportunity
- Goal 2 Liveable and Active Communities
- Goal 3 Governance and Leadership
- Goal 4 Sustainable Environment
- Goal 5 Community Assets and Placemaking

Although Council's strategic plan has been developed locally, it contains a broader regional and state context. Through such documents Council seek for their vision, goals and strategic actions to cascade down and be reflected in all Council plans by way of actions, responsibilities and performance measures.

City of Port Lincoln Economic Development Strategy 2023-2026

Council's economic development strategy identifies various goals and strategies to guide their role in supporting/facilitating economic development in the Council area. At the strategy's core is five key themes which are as follows:

Theme	Key Focus Areas
Building Partnerships	Build relationships with: <ul style="list-style-type: none">• Local Government• State and Federal Governments• Private Sector and Non-Government Organisations
Planning Growth	<ul style="list-style-type: none">• Regional planning• Land use planning• Population targets/strategy• Housing availability

Developing Capacity	<ul style="list-style-type: none"> • Skills, training, innovation, business literacy • Securing workforce • Regional University Hub and educational linkages • Availability of childcare services
Growing Business	<ul style="list-style-type: none"> • Building new markets • Diversification • Value adding opportunities • Tourism destination development and marketing
Seeking Investment	<ul style="list-style-type: none"> • Create an investment prospectus • Create a supportive policy environment • Identify strategic infrastructure needs • Attract new industries, including technology (cyber) & space industry-related businesses

Each of these themes is supported by actions to be undertaken, role clarity, estimated costs and anticipated timeframes.

The initiatives in this document have a direct impact on Council's Long Term Financial Plan and Annual Business Plan as Council seek to implement its recommendations.

City of Port Lincoln Planning Review – Eyre and Western Regional Plan

In light of the Eyre Peninsula Regional Plan update, the City of Port Lincoln commissioned a planning review to assist in identifying planning issues facing the Council. The outcome of review is intended to assist Council in guiding the formulation of submissions to inform the development of the draft Eyre Peninsula Regional Plan and future amendments to the Planning and Design Code. This piece of work was informed by a series of workshops and interviews with key stakeholders including Council staff, Elected Members, local developers, surveyors, designers and builders.

The review specifically analysed a variety of previous land division applications, common issues experienced with the planning system and potential future Code Amendments to accommodate growth.

At the conclusion of the review, three overarching issues were flagged as being key barriers to development, being:

- Infrastructure provision

The cost to provide/connect infrastructure is a fundamental impediment to development. In many instances land values do not cover infrastructure costs and consequently make subdivisions are uneconomical. Growth has largely ceased within the council area as a result.

- Development Assessment

The development industry has argued they require a clear and more consistent approach to the approval process. Developers and builders have experienced inconsistencies with documentation expectations, approach to development assessment etc.

- Growth Planning

An investment in strategic planning is required to ensure necessary infrastructure upgrades are identified and funded. This is anticipated to increase confidence in the development sector which has resulted in an ad hoc approach to infrastructure upgrades.

City of Port Lincoln/District Council of Lower Eyre Peninsula Planning Review – Eyre and Western Regional Plan

In light of the Eyre Peninsula Regional Plan update, the City of Port Lincoln and the District Council of Lower Eyre Peninsula commissioned a planning review to assist in identifying planning issues facing both Councils which would benefit from a strategic approach and collaboration. In addition, the review sought to facilitate the following:

- Share information about council strategic plans.
- Identify opportunities for growth and facilitate a holistic strategic planning approach.
- Identify opportunities for contributions to the Regional Plan.
- Share knowledge and experience.
- Commence a high-level review of infrastructure capacity in existing and future growth areas.
- Identify common issues with the Planning and Design Code.
- Review zoned land supply and market demand.

A Better Housing Future – February 2023

The South Australian Government has committed \$965 million for 'A better Housing Future' in light of recent and significant increases to housing and rental costs. The plan is centred around 10 key goals, each with respective actions. These include:

Australia Housing and Urban Research Institute

Private sector involvement in social and affordable housing (Oct 2022)

This research investigates models for engaging private sector investors and developers in financing or delivering social and affordable housing. It also identifies key existing and potential players, and financial, regulatory, or development barriers to wider participation.

Key findings included that:

- Demand for social and affordable dwellings far outnumbers supply
- To meet demand, 'hybridity' of the housing system is essential, whereby social and affordable housing is increasingly financed, developed and managed by a combination of government, community-based and market providers, and cross-sector partnerships

- A range of strategies can be implemented to support these partnerships including public private partnerships, mixed tenure developments, tax subsidies for affordable supply, home ownership schemes, build to rent and inclusionary planning mechanisms.

The economic dynamics and population change of Australia's regional cities (August 2022)

While undertaken based on data prior to COVID-19 (2011-2016), this research identified a range of trends related to regional cities in Australia including:

- Populations in regional urban centres are growing overall—however, this growth is differentiated.
- Regional urban centre population growth is associated with proximity to major cities, and to coastal locations.
- Regional urban centre population decline is associated with remoteness and exposure to the resource economy.
- Capital cities are the main source of migration to regional urban centres, with regional-to-regional-centre migration highly self-contained.
- Employment growth is associated with population growth
- Health, community service, construction, hospitality and accommodation increased their share of regional employment.
- Housing market (i.e. price) growth is strongly associated with population growth

Understanding how policy settings affect developer decisions (August 2022)

This research examined how policy settings and new construction technologies and processes affect developer decisions to provide private sector housing supply and might improve affordability. Key findings included:

- Private sector residential development is driven by profit. Developers want policy certainty to factor these policy settings into their assessment of the potential financial feasibility of a development site.
- Housing market conditions drive private sector development. Policies that stimulate or restrict market demand will impact levels of housing supply.
- Once a developer has purchased land for development, any new costs introduced through regulation will impact profitability. Developers will try and pass these costs onto consumers through higher prices in order to maintain profit.
- Reducing development costs will not automatically result in a more affordable end product. Such cost reductions could end up in a higher price paid for the land, additional profits for the developer or a combination.
- Reducing development approval timelines has a positive impact on profitability outcomes
- Affordable housing contributions required from a development site need to be known well in advance of land purchase so they can be factored into assessments of profitability and land price.

