

Blue Mountains

Local Housing Strategy 2020

March 2020



Acknowledgement

The City of the Blue Mountains is located within the Country of the Darug and Gundungurra peoples. Blue Mountains City Council recognises that Darug and Gundungurra Traditional Owners have a continuous and deep connection to their Country and that this is of great cultural significance to Aboriginal people, both locally and in the region.

For Darug and Gundungurra Traditional Owners, *ngurra* (Country) takes in everything within the physical, cultural and spiritual landscape - landforms, waters, air, trees, rocks, plants, animals, foods, medicines, minerals, stories and special places. It includes cultural practice, kinship, knowledge, songs, stories and art, as well as spiritual beings, and people: past, present and future.

For many thousands of years, Traditional Owners have cared for their *Ngurra* in what is now the Blue Mountains and through this, *Ngurra* has sustained and nourished them. Caring for *Ngurra* is central to Aboriginal culture, being recognised as a holistic embodiment of environmental sustainability. Locally, and as a nation, there is much to learn from the special relationship between Aboriginal people and Country.

In a land use strategy such as this, it is important to recognise and address the as yet largely unresolved issue of Traditional Ownership by Aboriginal peoples, recognised in part by the Native Title Act 1993. The dispossession of Traditional Owners resulting from the European colonisation of Australia, the ongoing disadvantage of Aboriginal peoples, and the deep, strong, unbroken connection to *Ngurra* (Country) held by Traditional Owners, warrants specific consideration in this document, particularly how this connection to *Ngurra* (Country) affects the housing needs of Traditional Owners.

Blue Mountains City Council pays respect to Elders past and present while recognising the strength, capacity and resilience of past and present Aboriginal and Torres Strait Islander people in the Blue Mountains region.

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1 Introduction

1.1 Executive Summary

This Local Housing Strategy (LHS) has been prepared to inform future planning for housing in the Blue Mountains. It has been developed in conjunction with Blue Mountains 2040: Living Sustainably - the Local Strategic Planning Statement (Local Planning Statement) which provides the overarching vision and direction for future land use planning in the City, including housing. The LHS builds on Residential Development Strategy (2002), updated in 2010 during the preparation of Blue Mountains Local Environmental Plan (LEP) 2015. The purpose of this Local Housing Strategy is to:

- Understand the housing needs of the local community
- Analyse whether the current local planning framework can meet those needs
- Present options for updates to the local planning framework over time, to ensure we are prepared to meet local housing needs into the future

This strategy and the options presented for future change, are set against the local context, to specifically respond to the unique and important qualities of the Blue Mountains, and the high value placed on these qualities by the local community.

The City of the Blue Mountains is an established string of towns and villages within a World Heritage National Park. Council's land use planning strategies work to protect this unique environment, as well as unique environmental attributes within the urban footprint of the City.

Significantly, this spectacular natural environment brings substantial bush fire risk. The NSW Rural Fire Service sets policy that focuses on mitigating the risk to individual properties. Planning for housing in the City also needs to consider the broader risks to life from concentrations of people in exposed areas (particularly vulnerable people), as well as infrastructure capacity for evacuation in an emergency. Therefore, large areas of the Blue Mountains are unsuitable for increases in housing density because they are bush fire prone or isolated with poor access. For these reasons, the urban footprint within the local government area is largely fixed, with no green field sites or land release areas.

Additional to the unique characteristics of the natural environment, residential character significantly contributes to the identity of the Blue Mountains, being the dominant form of development within the City. This LHS has been prepared concurrently with a Local Character Study and Local Character Statement. These documents seek to summarise what defines and contributes to character in the Blue Mountains. They incorporate but go beyond, buildings or places of heritage significance and highlight the importance of residential areas on the bushland interface, as an important component of the Blue Mountains residential typology. These key character values have informed the Local Housing Strategy.

This study also analyses the housing needs of our local community and investigates what is required to meet these needs into the future. Overall the dominant trend in the Blue Mountains is that the population is ageing, with more than 25% of people over 60 years, and more than 40% over 50 years. The average age of the Blue Mountains population and the rate at which this is increasing, is higher than the greater Sydney average.

A consequential factor of this trend, is the increasing proportion of households that are couples or individuals living alone without children (often 'empty nesters' or retirees). It is forecast that by 2036, this will represent approximately 60% of all households in the Blue Mountains.

In contrast, most dwellings in the Blue Mountains (92%) are free standing houses on large blocks of land, typically designed and built to accommodate families. This provides limited availability of smaller housing to accommodate these smaller households. This is particularly true for older people looking to downsize but remain within their current community.

Planning for housing for older people, (both the ability to age-in-place, and move into assisted housing and other care facilities) is a central consideration in planning for an ageing population. However, we must also provide housing choice for our community at all life stages. For example, although a significant demographic trend is the migration of young adults out of the Blue Mountains, the provision of housing variety in suitable locations, may provide the opportunity for young people to remain and potentially commute to study or work.

Council must also respond to the housing target set by the State Government for the Blue Mountains in the Western City District Plan. This target is 650 new dwellings over five years (2016-2021). This does not include the knock down and rebuild of existing dwellings. Based on the current rate of new dwelling construction, this target is achievable under current planning controls. However, moving beyond the initial five-year period, this construction rate is unlikely to continue. With an established urban footprint, available vacant land sets a limitation on the capacity for new housing. Additionally, natural environmental constraints within the City mean that remaining vacant land is often the most marginal and difficult to develop.

These limitations on growth are recognised in the Western City District Plan, through the categorisation of the Blue Mountains as Metro-Rural. This requires that housing only be provided for local housing need, rather than broader growth within the Western City. In this local context, the District Plan also requires that each Council, through the Local Housing Strategy, establish a 6-10 year (2021-2026) housing target.

This Local Housing Strategy nominates a target of 550 new dwellings across the City for the 2021-2026 period. This target is considered achievable under the existing local planning framework, and reflects the limitations on both the availability of land, and the capacity of that land (considering both environmental constraints and bush fire risk).

Within this number of new dwellings, there is a need to investigate opportunities for improved housing choice. Without some change to the current planning settings, our limited new housing supply will continue to be over-represented by larger, free-standing dwellings on the remaining vacant land in the City.

Traditional, freestanding housing suits the needs and preference of many Blue Mountains residents. This housing form will continue to be the predominant residential form, and makes a significant contribution to the residential character of the Blue Mountains as a whole. However, in response to local demographics and to ensure all sections of our community can find suitable housing across all life stages, strategically located new housing outside this traditional form (being potentially smaller and more affordable), needs to be investigated.

Acknowledging that housing density will not be increased on bush fire prone land, and understanding the marginal nature of remaining vacant land on the bushland interface, opportunities for such housing choice largely exist in and around town centres (with most located on the train line and bisected by the Great Western Highway).

Locating new housing in and around town centres would not only provide greater proximity to services and transport (thereby encouraging walkability and sustainable transport options), but would also protect the broader environmental setting, by locating people away from bush fire threat and reducing the need to clear vegetation for development on the bushland interface.

The investigation and recommendations contained in this LHS will work to ensure that the Blue Mountains continues to have a planning framework in place to respond to future housing need in a locally appropriate way, by identifying where and how housing should be built in the Blue Mountains to meet the needs of our community.

1.2 Planning Policy and Context

The Local Housing Strategy has been prepared to:

- Deliver on actions in Council's Community Strategic Plan 2035 (CSP)
- Analyse and respond to demographic changes in the Blue Mountains
- Investigate opportunities to meet the housing needs of the local community
- Align with aims of the Blue Mountains Local Environmental Plan 2015
- Inform Blue Mountains 2040: Living Sustainably - Local Strategic Planning Statement (Local Planning Statement)
- Respond to State Government housing targets in the Western City District Plan
- Meet legislative requirements and the broader planning and policy context that applies (See Figure 1 below)

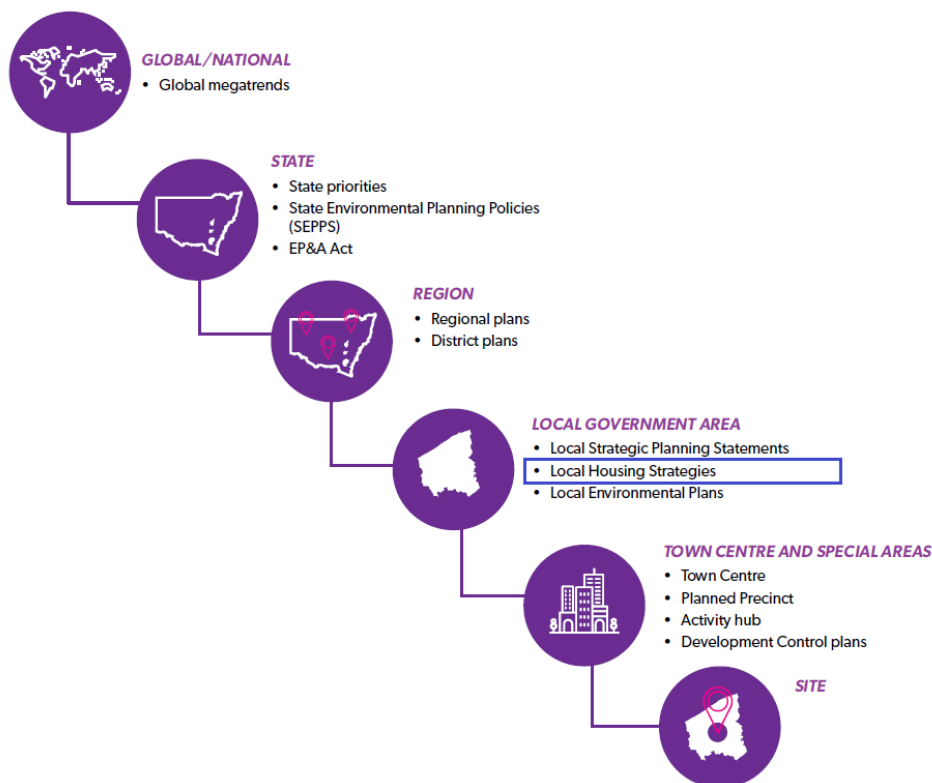


Figure 1 Local Housing Strategies in context

Source: Local Housing Strategy guideline, DPE, February 2019

This Local Housing Strategy has been prepared in accordance with the 'Local Housing Strategy Guideline' issued by the Department of Planning, Industry and Environment (2018). This guideline contains a Local Housing Strategy Template, a standard format for local housing strategies, which must be used by all councils in Greater Sydney.

1.2.1 Regional Policies

Greater Sydney Region Plan - A Metropolis of Three Cities

The *Greater Sydney Region Plan* (March 2018) is the first regional plan developed by the Greater Sydney Commission, and was prepared concurrently with *Future Transport 2056* (Transport for NSW, March 2018) and *State Infrastructure Strategy 2018-2038* (Infrastructure NSW, February 2018), aligning land use, transport and infrastructure planning to reshape Greater Sydney as three unique but connected cities.

The vision of three cities includes three main commercial and economic hubs:

- 1) the CBD as the focus for the 'Eastern Harbour City',
- 2) Parramatta as the focus for the 'Central River City', and
- 3) the emerging Western Sydney Aerotropolis as the focus for the 'Western Parkland City'.

The Blue Mountains is located within the Western City. Although significant housing growth is anticipated across the Western City, it is not expected that the Blue Mountains contributes to accommodating this growth.

Western City District Plan

The Blue Mountains is included within the Western City District, along with Penrith, Hawkesbury, Fairfield, Liverpool, Camden, Campbelltown, and Wollondilly Councils.

The Western City District Plan (March 2018) (the District Plan), includes ten (10) key directions and associated actions. The Local Planning Statement is required to respond to the District Plan and describe how these actions will be implemented at the local level. In relation to housing, key among these is Action 17:

17. *Prepare local or district housing strategies that address the following:*
 - a. *the delivery of five-year housing supply targets for each local government area*
 - b. *the delivery of 6–10 year (when agreed) housing supply targets for each local government area*
 - c. *capacity to contribute to the longer term 20-year strategic housing target for the District*
 - d. *the housing strategy requirements outlined in Objective 10 of the A Metropolis of Three Cities that include:*
 - i. *creating capacity for more housing in the right locations*
 - ii. *supporting planning and delivery of growth areas and planned precincts as relevant to each local government area*
 - iii. *supporting investigation of opportunities for alignment with investment in regional and district infrastructure*
 - iv. *supporting the role of centres.*

With limited population growth in the Blue Mountains, and as a City within a highly constrained World Heritage Area, the urban area of the Blue Mountains should not be expanded. The District Plan acknowledges this limited growth opportunity, through classification of the Blue Mountains as wholly 'Metro-Rural'. This classification, in the context of the District Plan, only requires planning for local growth in the Blue Mountains, rather than accommodating the growth pressures of greater Sydney.

Appropriate to this classification, the Western City District Plan sets a realistic target of 650 new dwellings for the Blue Mountains, to be achieved from 2016 to 2021. This target is for the net increase in dwellings. It would not for example, include the knock down and rebuild of an existing single house. This Local Housing Strategy will address this action and provide an analysis of how the local planning framework is capable of meeting this target.

1.2.2 Local Policies

The focus for the Blue Mountains is to ensure that the housing needs of the local community are being planned for, aligned with Council's strategic planning documents.

Community Strategic Plan 2035

The *Blue Mountains Community Strategic Plan 2035* (CSP) is the highest level plan for the Council and was last reviewed and adopted in 2017. It identifies the objectives and strategies to achieve these goals for a sustainable and successful Blue Mountains, captured under six interlinked key directions: Lead, Protect, Care, Live, Move, and Thrive. The CSP includes, as a central objective under the direction of Live, that *'The City's housing meets the diverse needs of the community'*. This is also reflected in Council's LEP 2015 which includes an aim to *"promote accessible, diverse, and affordable housing options for changing community needs"*.

Local Environmental Plans

There is one principal Local Environmental Plan (LEP) for the Blue Mountains: LEP 2015. This LEP translates the previous planning framework (primarily LEP 2005 and LEP 1991) into the state mandated, standard format. LEP 2005 was the outcome of comprehensive research, extensive community consultation and a Commission of Inquiry. Central to the plan were mechanisms to manage development in a way which meets community needs and expectations, as well as protect key environmental and cultural assets.

In particular, LEP 2005 limited growth within the Blue Mountains by excluding lands that do not have the capacity to support further development, in view of environmental and infrastructure constraints. LEP 2005 also used a place-based approach for planning the core villages across the local government area, providing site-specific provisions to those areas where multi-dwelling housing could occur. This approach was informed by extensive community consultation, which gave rise to statements of desired future character and detailed design guidelines. The provisions of LEP 2005 were ultimately translated into LEP 2015 and apply today.

Blue Mountains 2040: Living Sustainably - the Local Strategic Planning Statement

The importance of planning for housing for the community has been recognised in the Blue Mountains 2040: Living Sustainably - the Local Strategic Planning Statement (Local Planning Statement), specifically under Local Planning Priority 6 – Meeting the diverse housing needs of our community. This Local Housing Strategy provides analysis to inform the Local Planning Statement and any future planning amendments to address the community's housing needs.

1.2.3 State Policies

A range of state policies impact on planning for local housing and in planning hierarchy, sit above the local planning framework. The potential impact of these policies has been considered as part of this Local Housing Strategy.

State Environmental Planning Policy (Exempt and Complying Development Codes) 2008 (Codes SEPP)

The Codes SEPP provides the framework for a series of 'standard' State development guidelines or Codes. These allow minor development to occur, without the need for a development application, as either exempt or complying development.

In relation to housing, the Codes SEPP currently allows for complying development applications across NSW, for detached single and two storey dwelling houses on lots greater than 450 square metres, as well as a range of alterations and additions. In its current form, there is limited opportunity for use of this Code in the Blue Mountains as most land is affected by one or more exclusions under the SEPP. Such limitations include heritage items and heritage conservation areas, and environmentally sensitive land (as defined in the SEPP).

A new Code was introduced into the SEPP in 2018 for Low Rise Medium Density Housing. This allows residential forms such as dual occupancies and 'manor houses' to be approved as complying development. In some cases, these uses are permitted under local planning controls. However, the Code allows for a significantly larger built footprint and more extensive site coverage, resulting in potentially significant impacts on stormwater management, as well as local character. For these reasons, it is not considered appropriate for a City within a World Heritage National Park. The Council sought an exemption from this Code, and has been granted a deferral until October 2019 (pending a state government review). An action in the strategy and the Local Planning Statement is to seek permanent exemption from this Code on the basis that the Council's planning framework makes appropriate housing provision.

State Environmental Planning Policy (Housing for Seniors or People with a Disability) 2004 (SEPP Seniors)

SEPP Seniors has been in place in some form since 1982, with a consistent aim of increasing the availability and diversity of accommodation for older people and people with a disability. It allows such housing in areas beyond those permitted under local controls and provides the main planning mechanism through which seniors housing is provided. Key controls in the SEPP require proximity to services and transport, as well as compliance with a core set of development standards.

The application of this SEPP in the Blue Mountains is relatively limited, due to the built and environmental constraints within the City, including bush fire and land within the Sydney drinking water catchment. For these reasons, the most recent development under this policy has largely occurred in areas with larger existing lots and fewer environmental constraints, predominantly located in lower mountains villages such as Blaxland.

State Environmental Planning Policy (Affordable Rental Housing) 2009

The Affordable Rental Housing SEPP was introduced by the NSW government in 2009 and seeks to increase the supply of affordable rental and social housing in the state. If certain criteria are met, the SEPP allows increases to some development standards to provide for a greater number of dwelling units.

The Affordable Housing SEPP covers housing types including villas, townhouses and apartments that contain an affordable rental housing component, along with secondary dwellings (granny flats), new generation boarding houses, group homes, social housing and supportive accommodation.

Since the making of LEP 2015, there has been an increase in the number of secondary dwellings (granny flats) constructed in the City, both under the SEPP and under local controls. Social and community housing providers have utilised the SEPP to provide affordable rental housing in villages such as Katoomba, resulting in positive housing diversity close to the town centre.

1.3 Local Government Area Snapshot

The Blue Mountains is a City within a World Heritage National Park, situated at the edge of Metropolitan Sydney. The urban area of the City is a narrow string of individual towns and villages, extending along ridgelines and in many cases, bisected by the Great Western Highway.

The City is spread over 80km, varying in elevation by approximately 1000m, from east to west. As such, the climate, vegetation and character differ between residential settlements, as do the demographic trends within the community. This results in differing housing needs within different parts of the City, and different opportunities and challenges due to the physical environment.

The majority of the urban footprint is comprised of low-density residential housing. Many of these areas have a strong established character worthy of preservation, and almost all sit on the interface with surrounding bushland and the National Park beyond. This significantly contributes to the character and appeal of these areas, but also to the environmental sensitivity and bushfire risk.

Bush fire risk is not only limited to those properties on the bushland interface. The linear, narrow nature of the urban area and location on a ridgeline, provides minimal separation from surrounding vegetation. Many residential areas extend out from the town centre, on single access roads. This difficulty of access for emergency services and evacuation, compounds the bushfire risk in many areas.

Despite these natural hazards, the unique environmental setting and character of the Blue Mountains contribute to its desirability as a place to live. This is supported by the recent housing survey completed to support the Local Housing Strategy, which confirmed that not only are people drawn to the area, but more than 70% of the population have lived in the Blue Mountains for more than 10 years.

The lineal nature of our urban settlement means most towns and villages have access to a train station. The contained nature of individual towns means many residents have convenient access to shops, services, and public transport. However, there are also many areas of the Blue Mountains that are situated out along ridgelines much further from town where residents are reliant on private vehicles.

Although there is limited employment growth within the local government area, located a commutable distance from Sydney, Blue Mountains residents have access to increasing employment opportunities in the Western City as well as the Sydney CBD. A lifestyle which combines the ability to live within a unique natural setting and continue to access a range of job opportunities is part of the appeal of the area, and in recent years, has contributed to pressure from Sydney on the local housing market.

The Blue Mountains is not just a desirable place to live, it is also a popular tourism destination. Popularity with visitors can create tension with the needs of residents, including housing needs. Demand for overnight accommodation from visitors can affect the availability of housing, particularly in the upper Mountains, where a significant portion of private dwellings are used for short term rental accommodation.

1.4 Housing Vision

The Blue Mountains Community Strategic Plan 2035 sets a clear vision for housing in the Blue Mountains, considering both the needs of the community and the type of housing to meet that need. Along with community engagement during the preparation of the Local Planning Statement, this has informed the following vision statements on local housing in the Blue Mountains:

The Blue Mountains has a range of environmentally responsive, affordable and well-designed local housing options to meet diverse community needs

Local housing in the Blue Mountains is responsive to the broader environmental setting of the World Heritage Area. This includes responding to the significant bushfire risk posed by this setting. Most local housing in the Blue Mountains is situated in areas of high environmental value. The location of waterways, slopes and vegetation determine limits to development, and are significant design considerations for all types of local housing.

Local housing in the Blue Mountains should celebrate and work with the strong local character of existing town and villages. This includes the important role of heritage in establishing the look and feel of our residential areas and town centres, and the importance of local controls which work to retain local character.

Local housing in the Blue Mountains utilises town centres to provide diverse housing with improved access. Town centres will provide shops, services and employment opportunities to our community and well-designed local housing of appropriate densities within walking and cycling distance of town centres.

Local housing in the Blue Mountains will meet the needs of a changing population at all life stages that is affordable, accessible and well designed. The needs of young people, families, and those who wish to age in place within their community, drive this vision. People should not have to leave the Blue Mountains because housing suited to their life stage and financial circumstances is not available.

Local housing in the Blue Mountains is well designed, and emphasises the integration of energy efficiency into sustainable design. This includes sustainable design, in conjunction with local character, bush fire requirements and adaptive and accessible housing requirements in delivering local housing in the Blue Mountains.

2 The Evidence

2.1 Demographic Overview

Before considering housing demand and supply, it is important to understand the current and changing nature of the Blue Mountains population. This section provides an analysis of the demographics of the Blue Mountains, principally based on the 2016 Australia Bureau of Statistics (ABS) census data. However, this demographic analysis is only one part of understanding the housing needs of the community and is more than just numbers of dwellings or numbers of people. It is part of a broader narrative that relates to the lives of individuals, of families and of social well-being

Demographics are more than just statistics – they tell a story



How housing is planned is so important to people's lives, social well-being, and inclusion

Planning for housing isn't just about numbers

Demographics are only one part of the story of the local housing strategy

Figure 2 Interpreting demographics

For planning purposes, the Blue Mountains is divided into Planning Areas (Figure 3 and Table 1 below), to guide service planning and inform strategies and policies. Despite common trends throughout the Blue Mountains, analysing demographics by planning area reveals differences between communities across the City.

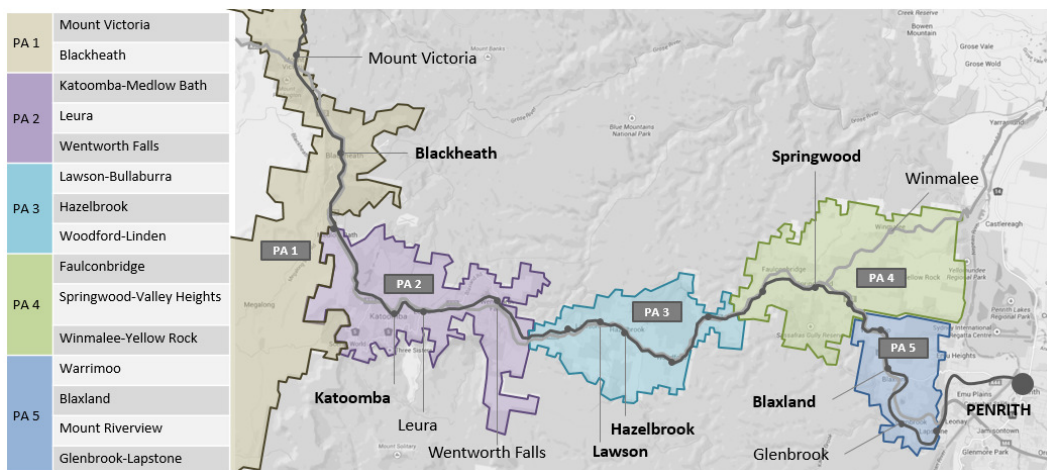


Figure 3 Map of Planning Areas

Planning Area 1	Planning Area 2	Planning Area 3	Planning Area 4	Planning Area 5
Mount Irvine Mount Tomah Mount Wilson Mount Victoria Blackheath Megalong Valley	Medlow Bath Katoomba Leura Wentworth Falls	Bullaburra Lawson Hazelbrook Woodford Linden	Faulconbridge Springwood Winmalee Yellow Rock Valley Heights Sun Valley	Warrimoo Blaxland Mount Riverview Glenbrook Lapstone

Table 1: Planning Areas by village

Note: A common separation for parts of the Blue Mountains, is Upper, Middle, and Lower Mountains. For the purposes of this Strategy:

- Upper Mountains: Planning Areas 1 and 2
- Mid mountains: Planning Area 3, and
- Lower Mountains: Planning Areas 4 and 5.

2.1.1 Population of the Blue Mountains

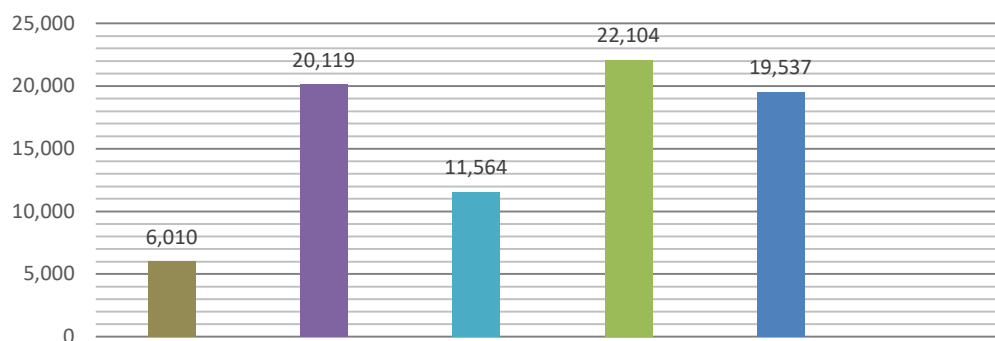
The most comprehensive national population count is derived from the Australian Census, conducted by the Australian Bureau of Statistics (ABS) every five years. However, this can be an under-estimate of the actual population (due to absences on Census night). The data is therefore supplemented by a more accurate and regularly updated "Estimated Resident Population" (ERP), produced by the ABS. The Council utilises Profile.id to analyse this data for the Blue Mountains and to arrive at population estimates for each Planning Area.

Table 2 presents population statistics for the Blue Mountains from 1986 to 2016. This identifies a steady decline in the rate of population growth following peak growth in 1991, and growth rates of between 1-2% over the last two census periods.

Census year	Population	% change
1986	63,427	
1991	69,452	9.5%
1996	72,506	4.4%
2001	74,323	2.5%
2006	74,065	-0.3%
2011	75,942	2.5%
2016	76,904	1.3%

Table 2: Population in the Blue Mountains 1986 - 2016

As of 30 June 2018, the 'Estimated Resident Population' (ERP) of the Blue Mountains is 79,260. Figure 4 below shows the ERP within each Planning Area as at 30 June 2018.



ERP at 30 June 2018

Planning Area 1	Planning Area 2	Planning Area 3	Planning Area 4	Planning Area 5
Mount Irvine Mount Tomah Mount Wilson Mount Victoria Blackheath Megalong Valley	Medlow Bath Katoomba Leura Wentworth Falls	Bullaburra Lawson Hazelbrook Woodford Linden	Faulconbridge Springwood Winmalee Yellow Rock Valley Heights Sun Valley	Warrimoo Blaxland Mount Riverview Glenbrook Lapstone

Figure 4 Population by Planning Area (April 2019) Source: Profile iD

Planning Area 4 comprises the largest component of the population (28%), followed by Planning Areas 2 and 5. The smallest planning area by population is Planning Area 1, representing 8% of the Blue Mountains population.

As can be seen from Table 3 below, Planning Area 4 has been the largest Planning Area for more than 20 years.

Area	1986	1991	1996	2001	2006	2011	2016	% of BM Population
Planning area 1 (Blackheath)	4,519	4,942	5,485	5,329	5,481	5,688	5,762	7.5%
Planning area 2 (Katoomba)	15,967	17,292	18,148	18,224	18,154	18,856	19,286	25.1%
Planning area 3 (Lawson)	7,959	9,284	9,783	10,518	10,595	11,051	11,232	14.6%
Planning area 4 (Springwood)	17,280	19,238	20,546	21,434	21,600	21,770	21,639	28.1%
Planning area 5 (Blaxland)	17,702	18,695	18,544	18,529	18,218	18,492	18,951	24.6%
Blue mountains	63,427	69,452	72,506	74,323	74,065	75,942	76,904	100.0%

Table 3: Population change by Planning Area since 1986

In the last census period (2011-2016), all planning areas increased in population, with the exception of Planning Area 4 (declining in population for the first time since 1986). The largest growth was in Planning Area 5 and Planning Area 2.

It is worth noting that, in 1986 the Planning Areas of 4 and 5 (based around Springwood and Blaxland respectively) had almost the same population, higher than the other planning areas. However, since that time Planning Area 5 has remained relatively steady, while planning areas 2 and 4 have grown to have the larger populations than the other planning areas.

2.1.2 Age structure of the population

The Blue Mountains population is not only older on average, but the average age is getting older

The Blue Mountains population is on average, older than Greater Sydney. Across Greater Sydney the largest proportion of the population is between the ages of 20 and 40 (Figure 5). However, in the Blue Mountains, it is this age group that comprises the smallest proportion of people. By contrast, most of the Blue Mountains population is over 50 years of age.

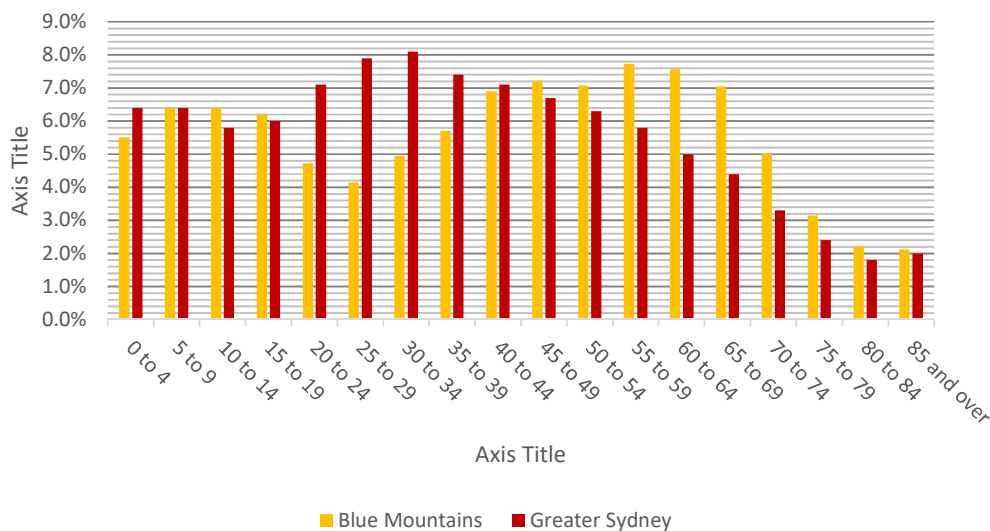
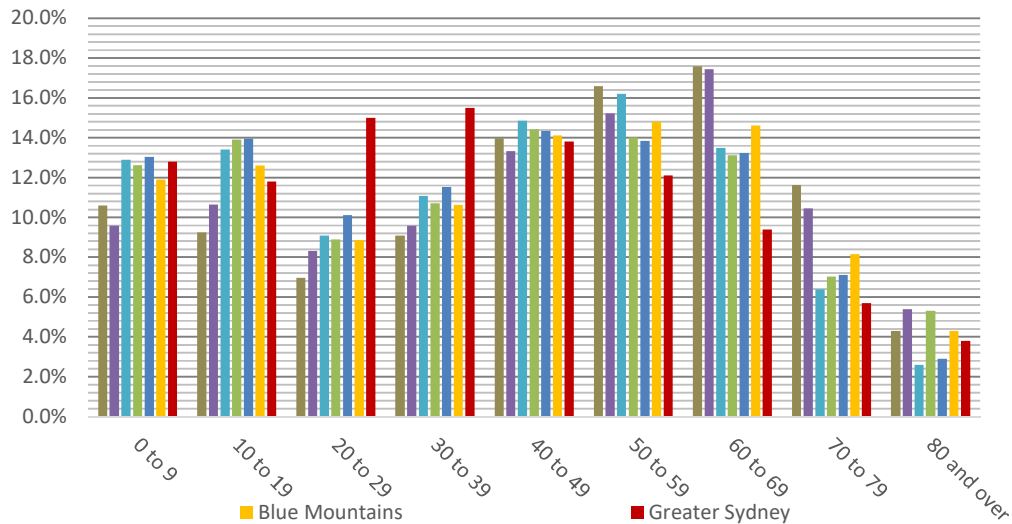


Figure 5 Population by 5 year age group

ABS 2016 Census compiled by .ld

In contrast, the Aboriginal population in the Blue Mountains (and indeed Greater Sydney) is relatively young. In the 2016 census, the median age for Aboriginal people Australia wide was 23 years. Because indigenous people make up only 2.4% of the total Blue Mountains population, this trend does not significantly change the overall trend for the area. It does however raise questions about the types of housing needed for the indigenous community that warrants separate consideration.

This is a general trend across the Blue Mountains. However, there are differences in the age make-up of the population between the upper (Planning Areas 1 and 2) and the lower Mountains (Planning Areas 4 and 5). As provided in Figure 6 the lower Mountains still maintains a higher proportion of children (similar to the Sydney average), whereas in the upper Mountains the proportion of the population at or near retirement age is much greater.



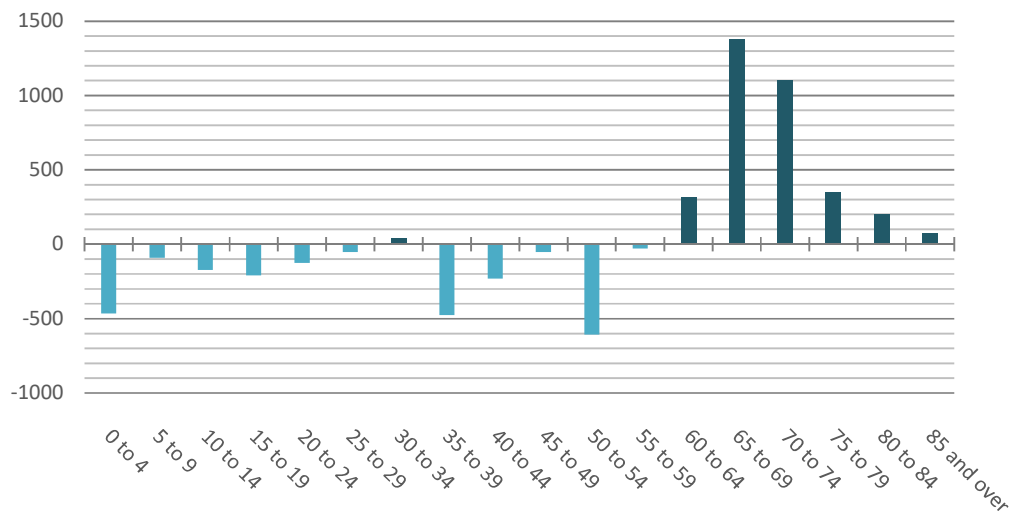
ABS 2016 Census compiled by .ld

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Figure 6 Population by 10 year age groups

It is however, the changing age structure between 2011-2016 that is of the most interest in terms of housing supply and demand in the Blue Mountains.

The Blue Mountains population in 2016 is not only older on average when compared to Greater Sydney, but the average age has been getting older. For example, as shown in Figure 7, the population over 60 increased in 2011-2016, while the population under 60 predominantly decreased. This trend differs from Greater Sydney, experiencing a population increase in all age groups, and only a proportional shift towards the aging of that population.



ABS 2011 & 2016 Census compiled by .ld

Figure 7 Population change from 2011 to 2016 by age

The ageing of the Blue Mountains population has long been predicted and is well documented. A comparison of Figures 8 and 9 below suggests reasons for this trend. Both figures show the age/sex pyramid for the Blue Mountains compared with Greater Sydney. Figure 8 captures 1996 data, and Figure 9, 2016. There is significant change over this twenty-year period.

By 2016 older age groups comprise a greater proportion of the population than twenty years earlier. In particular, the large proportion of people in the 35-49 age range evident in 1996, has now shifted to the 55-69 year old age group. This is a significant change and vastly different to Greater Sydney. Furthermore, the proportion of people in younger childbearing age groups (20-39) has decreased significantly. The reduction in the size of this group in turn leads to a reduction in the proportion of youth and children.

In addition, in 1996, the cohort of 5-14 year olds was noticeably large (and in some cases larger than the Sydney average). However, this is not present in what should be the equivalent cohorts of 25-34 year olds in 2016. The loss of this age group is a well-known feature in regional areas and will be discussed in more detail below, when considering migration.

The implications of the large proportion of people, currently 55-69 in age, moving into the top of the pyramid over the next 10 to 20 years is profound. Not only for local housing, but also the provision of health and aged services across the Blue Mountains.

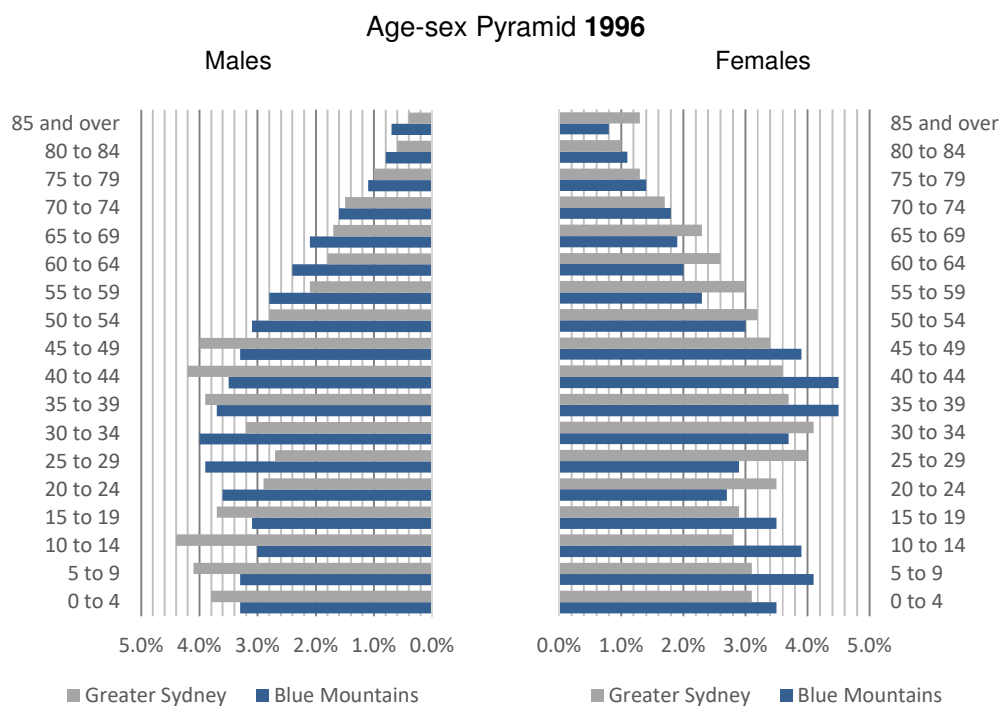


Figure 8 Age-sex pyramid Blue Mountains and Greater Sydney (1996)

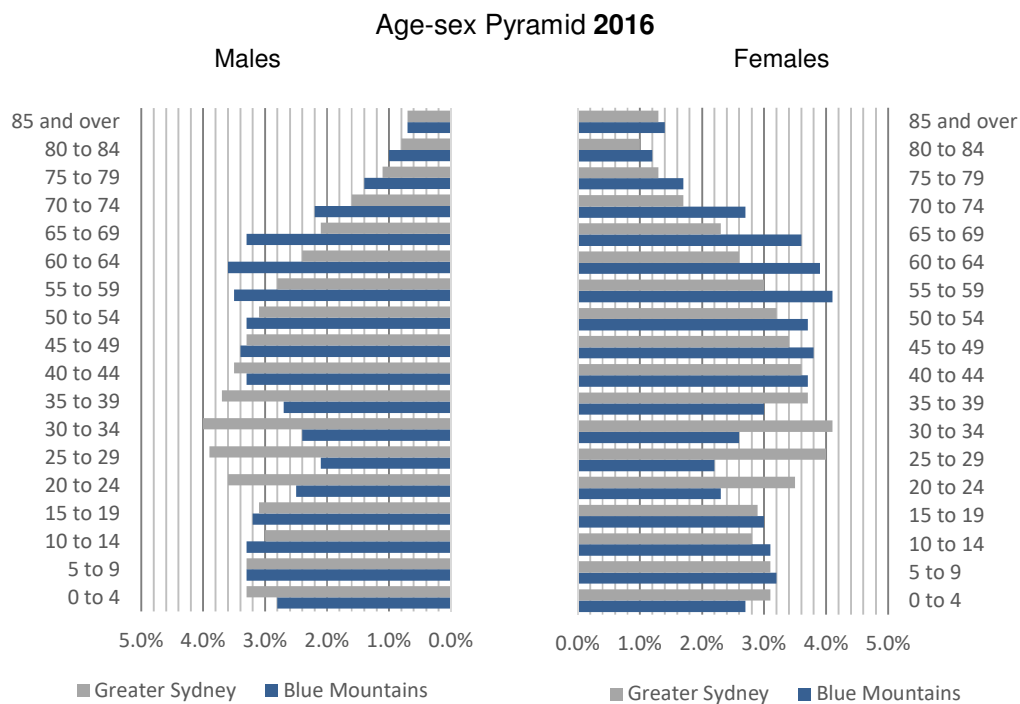


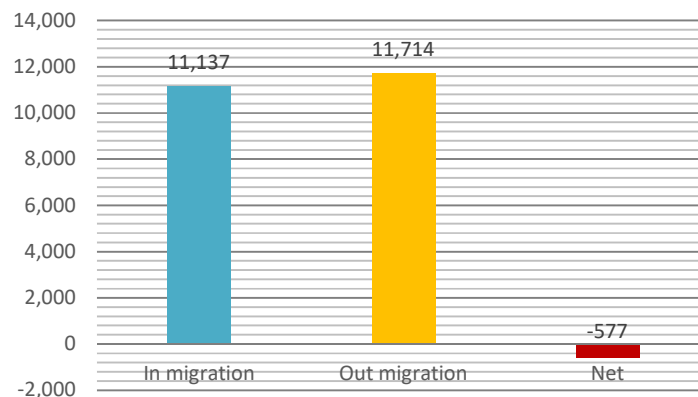
Figure 9 Age-sex pyramid Blue Mountains and Greater Sydney (2016)

2.1.3 Net migration

Between 2011 and 2016 slightly more people left the Blue Mountains than moved to the Blue Mountains

The change in population over time is the result of births, deaths, and also migration (both in and out of the area). Despite the low rate of growth, the population of the Blue Mountains is not static.

Between 2011 and 2016 slightly more people left the Blue Mountains than moved to the area (a net migration loss) (Figure 10). Therefore, the population growth which has occurred is 'natural growth', being more births than deaths.



ABS 2011 & 2016 Census compiled by .ld

Figure 10 Migration

Consideration of both the number of people migrating (moving) into and out of the Blue Mountains at different ages, and where people are coming from and moving to, can identify key trends across the City and inform housing need. Figure 11 captures this movement of people by age bracket.

In summary, this shows that within the 2011-2016 period, the Blue Mountains had a net loss of more than 1000 people aged between 18-24 years, and a net gain of approximately 900 people aged 35-44 years; with a minor increase in the 5-11 year age bracket and limited change elsewhere.

Interestingly, as shown in Figure 12, while the net migration for most age brackets did not change, there was movement of people in and out of the Blue Mountains in all age brackets, demonstrating consistent change in the community. This is analysed further in the following section.

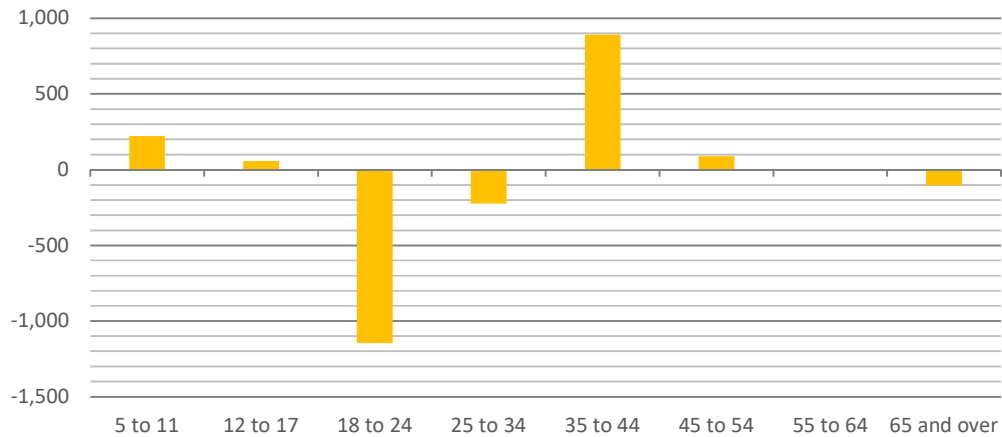


Figure 11 Net migration by age group

ABS 2011 & 2016 Census compiled by .ld

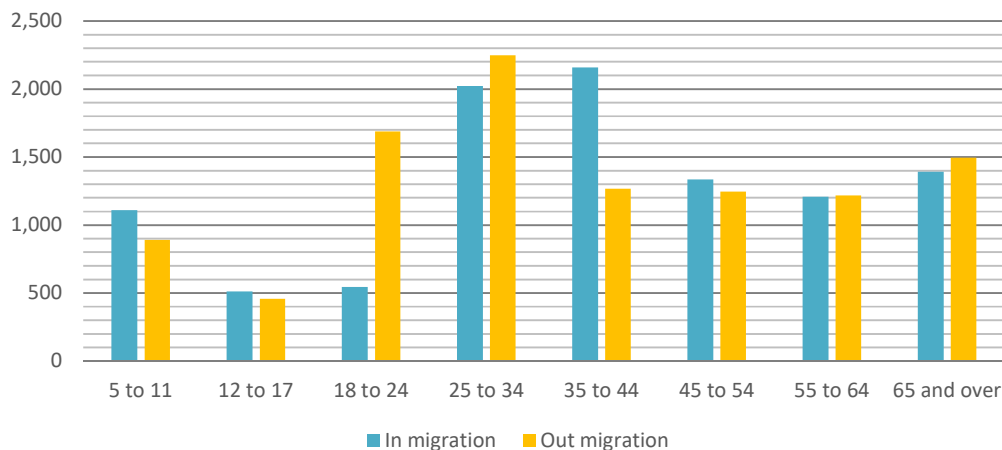


Figure 12 Migration by age group

ABS 2011 & 2016 Census compiled by .ld

Migration varies greatly across age groups, with 18-24 years the greatest number leaving and 35-54 years the greatest number arriving

Following is an analysis of migration trends across different age groups, based on origin (where people are moving from), and destinations (where people are leaving the Blue Mountains to go to) for the 2011 to 2016 period.

These trends suggest that some migration is a result of life choices, such as accessing education opportunities. Others may be based on housing choice, such as older households migrating out of the area to access a greater supply of retirement living. However, it is likely that for many households, moving is a complex decision, informed by the choice of housing and many other factors.

5-17 years: Young families migrating into the area

Between 2011-2016, in the 5 to 17 year age group, there was a net increase of 276 people. This aligns with the data for 35 to 54 year olds, where an increase was also identified. As detailed in Figure 13 below, the majority of this increase came from Penrith and other western Sydney suburbs; as well as a moderate number from the Inner West.

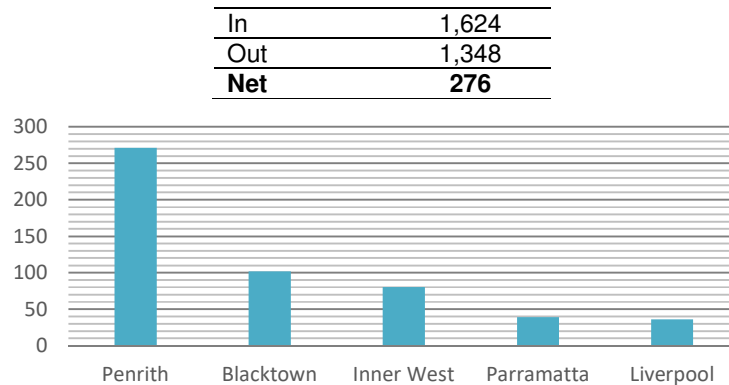


Figure 13 Migration origins - 5 to 17 year age group

ABS 2011 & 2016 Census compiled by .ld

18 to 24 years: Young people leaving for Jobs and Education

This is the age group which represents the most significant net loss of population for the Blue Mountains, with a net reduction of 1,145 young people over the 2011-2016 period.

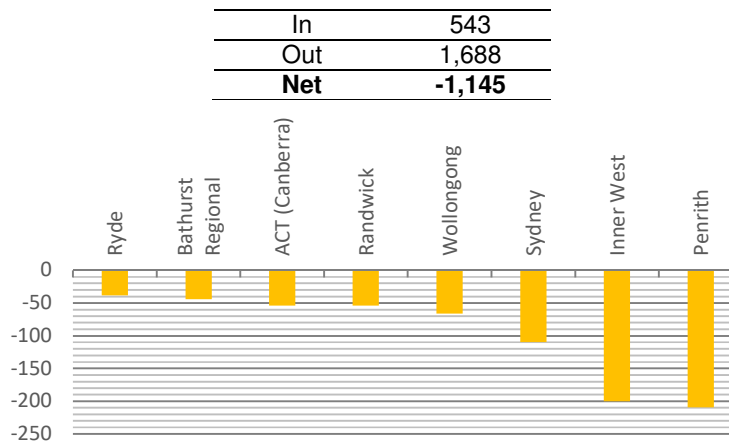


Figure 14 Migration destinations - 18 to 24 year age group

ABS 2011 & 2016 Census compiled by .ld

The primary reason for this 'out migration' is most likely jobs and education. As detailed in Figure 14 above, the majority of these young people move to Penrith, the Inner West or Sydney; these locations being centres for tertiary education. This also correlates with specific movement of young people to Randwick and Ryde, given the location of the University of NSW and Macquarie University.

25 to 34 year age group– Age group where greatest movement occurs

Within this age group we begin to see a balance between in and out migration numbers, and the beginning of greater in migration from Sydney.

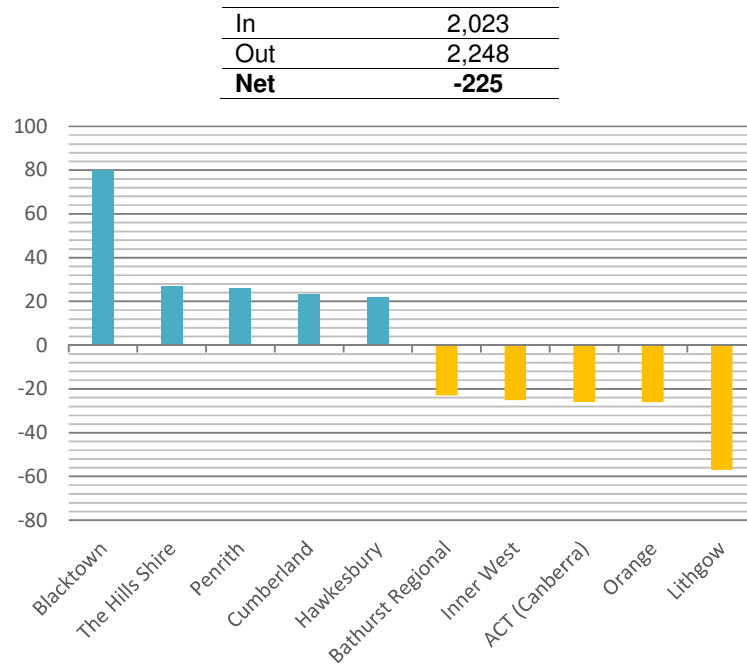


Figure 15 Migration origins and destinations - 25 to 34 year age group

ABS 2011 & 2016 Census compiled by .ld

This is the family forming household age group, and is likely to indicate people moving to the Blue Mountains either with, or to start their family. Figure 15 identifies that most of this age range comes to the Blue Mountains from Blacktown LGA, with the largest numbers leaving for areas further west, including Lithgow and Orange.

35 to 54 year age group – Greatest movement from Sydney to Blue Mountains

It is this age range that has a mix of young families and empty nester households may be making the choice to move to the Blue Mountains.

In	3,495
Out	2,515
Net	980

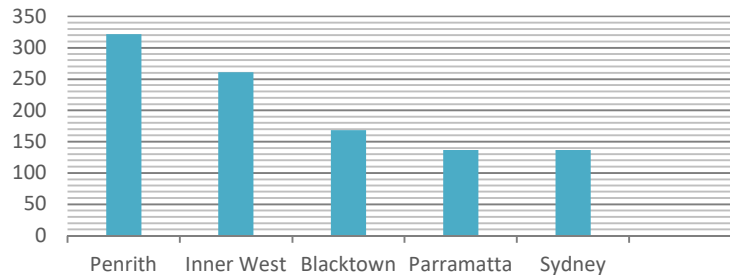


Figure 16 Migration origins - 35 to 54 year age group

ABS 2011 & 2016 Census compiled by .ld

The majority of this age range comes to the Blue Mountains from Penrith and the Inner West. Likely drivers for the movement of this group include the lifestyle draw of the Blue Mountains, as well as relative affordability of the Blue Mountains compared to Greater Sydney.

55 years and over – Retirement migration, into and out of the Blue Mountains

This appears to be predominantly retirees moving westward and to the coast.

In	2,601
Out	2,712
Net	-111

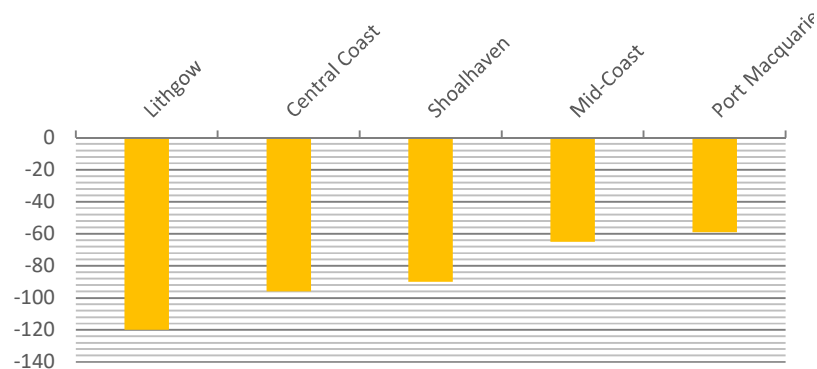


Figure 17 Migration destinations - 55 and over age group

ABS 2011 & 2016 Census compiled by .ld

The role that housing affordability or housing availability may play in people choosing to move further west and out of the area generally, is an issue to consider. The attraction of certain coastal locations may also be closely related to climate and weather.

2.1.4 Population projections

Blue Mountains Council uses population forecast prepared by independent demographic consultants, “.id”. The forecast methodology focuses on local opportunities and constraints, and how these could influence future population. This methodology differs to projections prepared in the past by State Governments, which model expected overall population growth and then apportion this to local areas, with less emphasis on local factors.

As discussed above, population change is a product of three different components: births, deaths, and migration. Conversely, as the population changes this will affect how much each component contributes to change in the population.

The following population projections have been developed for the Blue Mountains by .id in Table 4.

Forecast year	Population	Change in population	Average annual change
2021	79,494	787	0.2%
2026	80,089	596	0.15%
2031	81,231	1,142	0.28%
2036	82,844	1,613	0.39%

Table 4: Population Forecast to 2036

The relationship of births, death and net migration trends to the above population change is shown below in Figure 18.

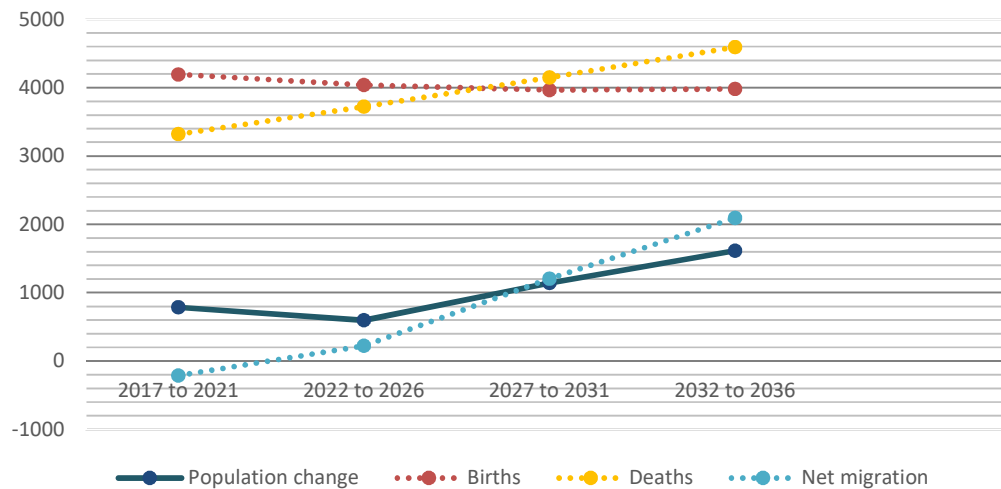


Figure 18 Forecast components of population change

Population and household forecasts 2016 to 2036 prepared by .id

Projected age structure

The proportion of the population in older age groups will increase whilst the proportion of the population in younger age groups will decrease. This aging of the population is a continuation of the current trend that can be seen in the analysis of previous census data discussed in Section 2.1.2 above.

This trend is forecast to be particularly prominent in the next 10 years to 2026, and forecast to begin to plateau by 2036. While older age groups (above 60 years old) are forecast to continue to increase, the decline in numbers within younger age groups is forecast to slow and in some cases, begin to increase.

Therefore, while the Blue Mountains is experiencing and will continue to experience an aging of the population, this trend is likely to start to slow. Population forecasts by 5 year age groups are shown in Figure 19.

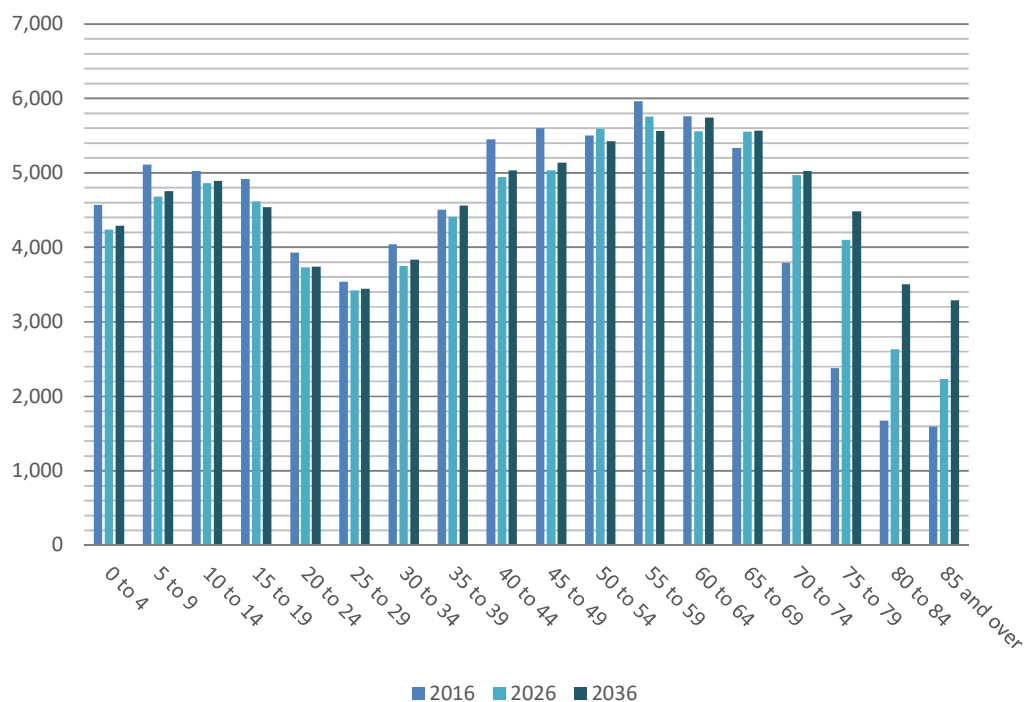


Figure 19 Forecast population by 5 year age group

Population and household forecasts 2016 to 2036 prepared by .ld

A grouping of the data into under 19 years old and over 65 years old as in Figure 20 below, serves to further emphasises the trend towards an increasing age structure.

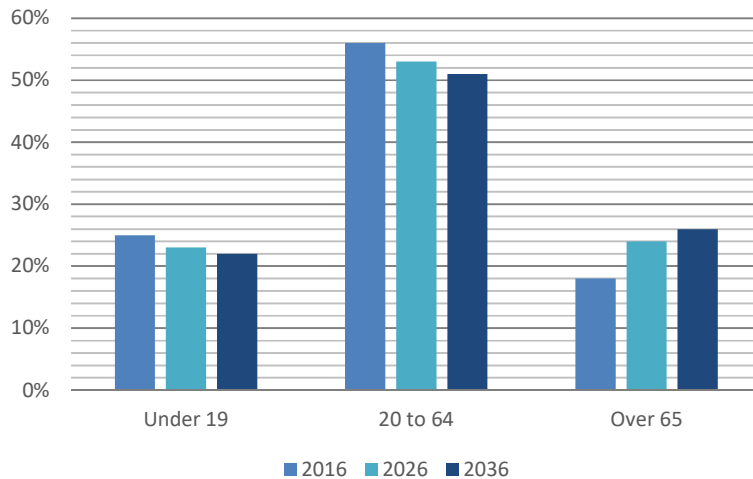
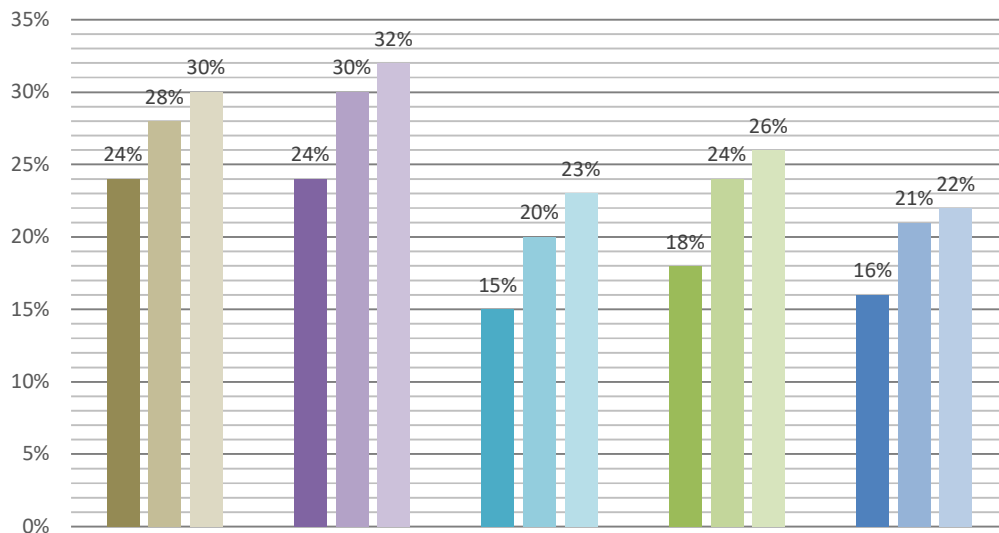


Figure 20 Forecast population by age group

Population and household forecasts 2016 to 2036 prepared by .ld

This trend is projected to apply across all Planning Areas, with some more affected than others. Figure 21 shows that Planning Areas 1 and 2 will have the greatest increase in the proportion of over 65 year olds into 2036, with both of these projected from an already high percentage in this age range from 2016.

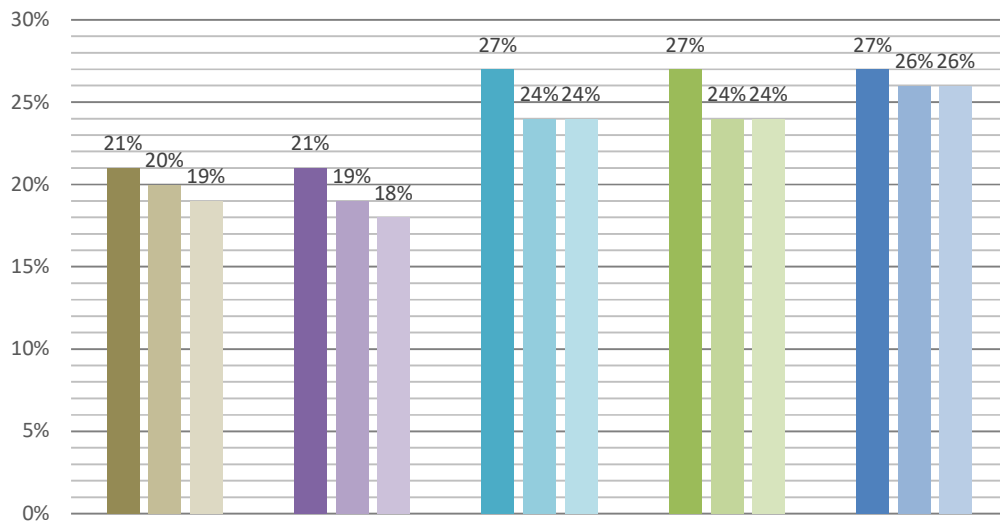


Population and household forecasts 2016 to 2036 prepared by .ld

Planning Area 1	Planning Area 2	Planning Area 3	Planning Area 4	Planning Area 5
Mount Irvine Mount Tomah Mount Wilson Mount Victoria Blackheath Megalong Valley	Medlow Bath Katoomba Leura Wentworth Falls	Bullaburra Lawson Hazelbrook Woodford Linden	Faulconbridge Springwood Winmalee Yellow Rock Valley Heights Sun Valley	Warrimoo Blaxland Mount Riverview Glenbrook Lapstone

Figure 21 Forecast population over 65 by planning area

Conversely, there is a negative trend in the percentage of population under 19 years of age, with all planning areas showing a decrease in this age range between 2016 to 2036 (Figure 22).



Population and household forecasts 2016 to 2036 prepared by .ld

Planning Area 1	Planning Area 2	Planning Area 3	Planning Area 4	Planning Area 5
Mount Irvine Mount Tomah Mount Wilson Mount Victoria Blackheath Megalong Valley	Medlow Bath Katoomba Leura Wentworth Falls	Bullaburra Lawson Hazelbrook Woodford Linden	Faulconbridge Springwood Winmalee Yellow Rock Valley Heights Sun Valley	Warrimoo Blaxland Mount Riverview Glenbrook Lapstone

Figure 22 Forecast population under 19 by planning area

One implication of this ageing population is the likelihood they will require increasingly intensive community support services, and a proportion likely to seek smaller, accessible housing. Should this age group move into smaller dwellings, existing housing stock can provide housing for families. While continued focus and support for 'ageing-in-place' is appropriate, it is important that suitable housing choice is available for this progressively more numerous age group.

Additionally, although we may be able to increase suitable housing within the local government area generally, for people to truly 'age-in-place', this is likely to mean finding housing within their town or village, or at least in close proximity. This is challenging. For example Planning areas 1 and 2 have the most significant ageing populations, however Planning area 5 currently offers the most opportunity for seniors housing development, due to limited environmental constraints when compared to the upper mountains.

2.1.5 Housing in the Blue Mountains

The Blue Mountains has a higher proportion of couples without children or lone person households, compared to Greater Sydney

A household refers to all the people living in the same dwelling (or house). The Australian Bureau of Statistics (ABS) census collects data on the number of different types of households, based on the relationship between the members of that household. A household is different to how someone may describe their family, as it only covers those people living in that particular dwelling. For example a couple could have children who have moved out of home, and would be classified by the ABS as a 'couple without children' household. The following table provides an overview of the different categories of household type used in census data.

Household type	Description
Couples with children	A household of two married or defacto partners with their children living with them
One parent families	A single adult with their children living with them
Other families	A household where all occupants are related but which don't fall into either of the first two categories, such as siblings living together
Couples without children	A household that consists of only two married or defacto adults with no children living with them
Lone person	A household with only a single occupant
Group household	A households made up of people who are not related to each other, such as share housing

Table 5 Household types

The ABS census also collects data on the age of children in a household or the age of adults, where they have no children living with them. This data can be used to understand the 'life stage' of different households. For example, whether they are a young couple who may be likely to start a family in the near future, or an older couple whose children have left home (empty nesters). This is related to the household formation cycle, where households change over time as young families have more children, who then grow and move out, creating new 'empty nester' households. This household cycle is shown below (Figure 23).

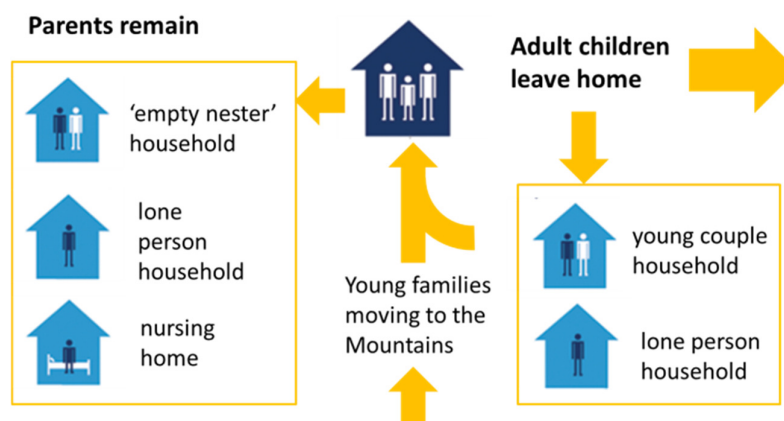
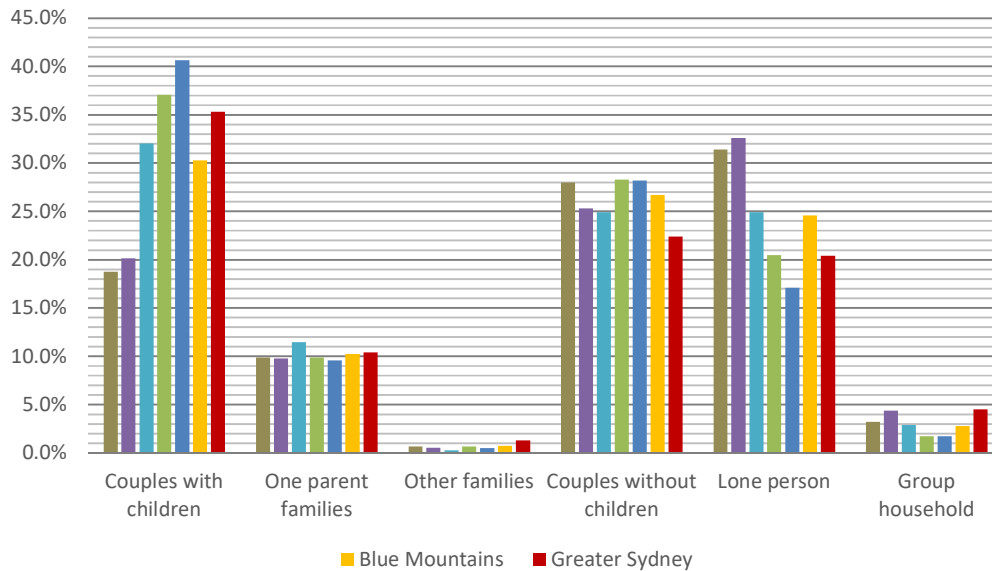


Figure 23 Household cycle diagram



ABS 2016 Census compiled by .ld

Planning Area 1	Planning Area 2	Planning Area 3	Planning Area 4	Planning Area 5
Mount Irvine Mount Tomah Mount Wilson Mount Victoria Blackheath Megalong Valley	Medlow Bath Katoomba Leura Wentworth Falls	Bullaburra Lawson Hazelbrook Woodford Linden	Falconbridge Springwood Winmalee Yellow Rock Valley Heights Sun Valley	Warrimoo Blaxland Mount Riverview Glenbrook Lapstone

Figure 24 Household types by planning area

While as identified in Figure 24, all areas have a higher than average proportion of 'couples without children' households, the following variants occur across the Blue Mountains:

- The upper mountains (Planning Areas 1 and 2) has a much higher proportion of lone person households, and far fewer households that are couples with children; and
- The lower mountains (Planning Areas 4 and 5) has a higher proportion of couple with children households, even higher than the greater Sydney average.

This mix of households has been changing over time. In the past, the Blue Mountains had a higher proportion of couples with children, and this is evident in the change in 2011-2016. Figure 25 below identifies that between 2011 and 2016, the number of 'couple with children' households has reduced by nearly 100, whilst the number of 'couple without children' households has increased by nearly 400.

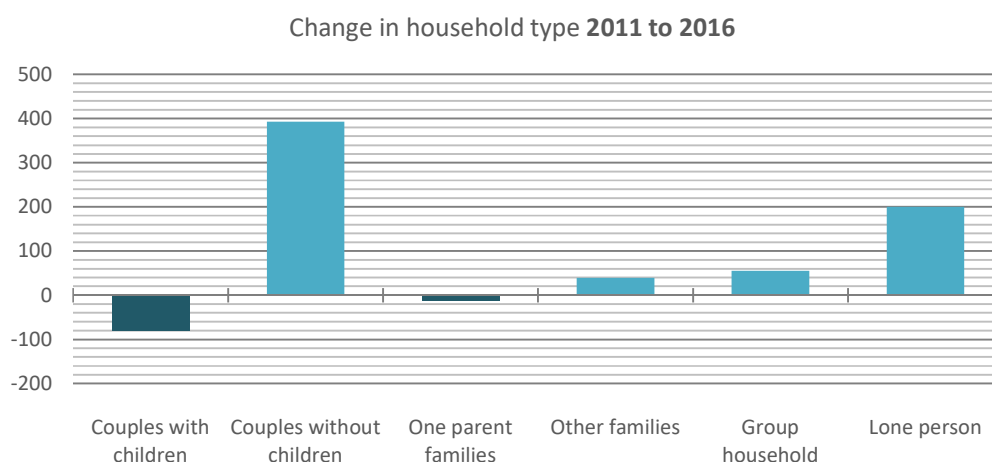


Figure 25 Household type change from 2011 to 2016

ABS 2011 & 2016 Census compiled by .ld

Over a twenty-year period the change in household types is even more apparent, as can be seen in Figure 26. The number of household types without children (couples without children and lone person households) increased by 1,666 households, representing nearly half of all additional households formed over that time. Correspondingly, the number of households with children (couples with children and one parent families) decreased by 111 households overall.

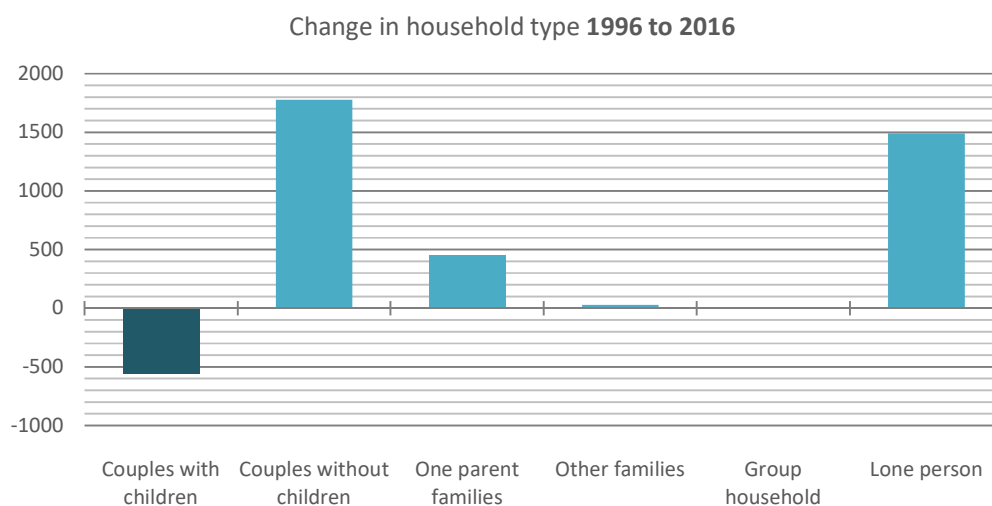


Figure 26 Household type change from 1996 to 2016

To analyse this further, a breakdown of households without children in 2016 is provided.

Age makeup of households without children

There is a much higher proportion of empty nester or retiree households than young couples. The greatest proportion of lone person and couple only households in the Blue Mountains are over 65 years of age.

When considering households without children, there are three likely scenarios:

- The household is a young couple or young person, who have not yet had children
- The household is a couple or single person, without children
- The household is a couple or single person, whose children have grown and left the household

For the Blue Mountains, the types of households without children, is both different from Greater Sydney and varies across the Blue Mountains Local Government Area.

Given that the population of the Blue Mountains is aging and the data shows a high and increasing proportion of couple only and lone person households, it suggests that most of these households are 'empty nesters' and retirees. Figures 27 and 28, confirm this view.

Across Greater Sydney there is a roughly even mix of age groups in lone person and couple only households. This means that when compared to the Blue Mountains, a larger proportion of lone person or couple only households in Greater Sydney, are likely to become couple with children households in the future. In the Blue Mountains there is a much higher proportion of empty nester or retiree households than young couples.

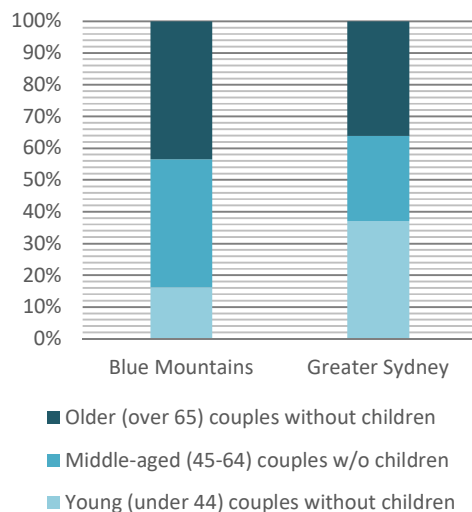


Figure 27 Age makeup of couple only households

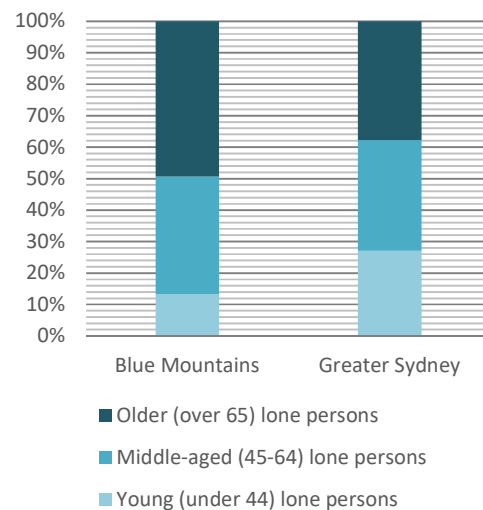
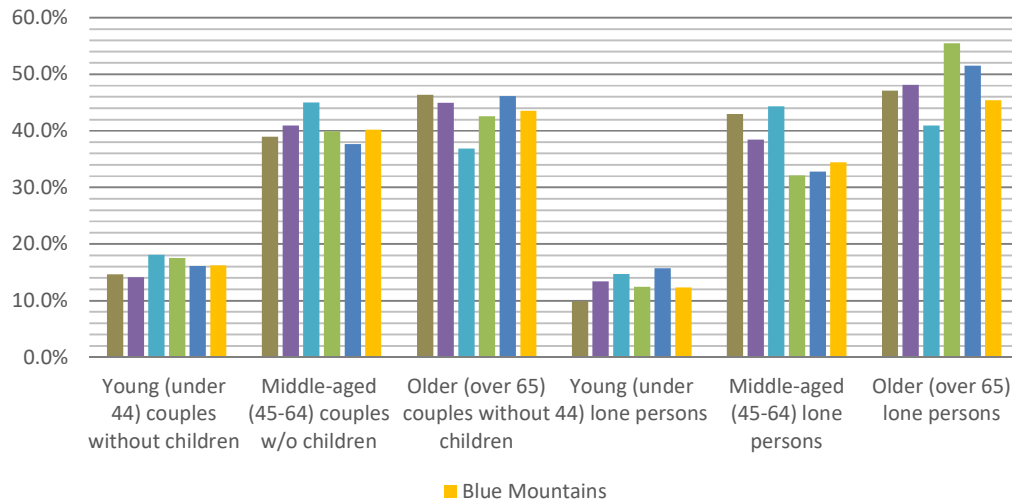


Figure 28 Age makeup of lone person households

ABS 2016 Census compiled by .ld

The age mix of couples without children and lone person households varies across the Blue Mountains, as shown in Figure 29 (despite not indicating a clear distinction between the upper and lower mountains as with many other statistics).

The mid-Mountains (Planning Area 3 – Lawson) has a higher proportion of younger and middle aged couples without children than the Blue Mountains average. It also has a much lower proportion of older couple without children and lone person households, when compared with both the upper and lower Mountains.



ABS 2016 Census compiled by .ld

Planning Area 1	Planning Area 2	Planning Area 3	Planning Area 4	Planning Area 5
Mount Irvine Mount Tomah Mount Wilson Mount Victoria Blackheath Megalong Valley	Medlow Bath Katoomba Leura Wentworth Falls	Bullaburra Lawson Hazelbrook Woodford Linden	Falconbridge Springwood Winmalee Yellow Rock Valley Heights Sun Valley	Warrimoo Blaxland Mount Riverview Glenbrook Lapstone

Figure 29 Age of couple only and lone person households by planning area

In the Blue Mountains in the last 10 years the proportion of younger lone persons and couple only households has decreased while the proportion of older lone person and couple only households has increased. While a similar trend is clear, Greater Sydney, still retains are fairly even split of household ages. The change in couple only and lone person households (2006 to 2016) in the Blue Mountains can be seen in Figures 30 and 31 below.

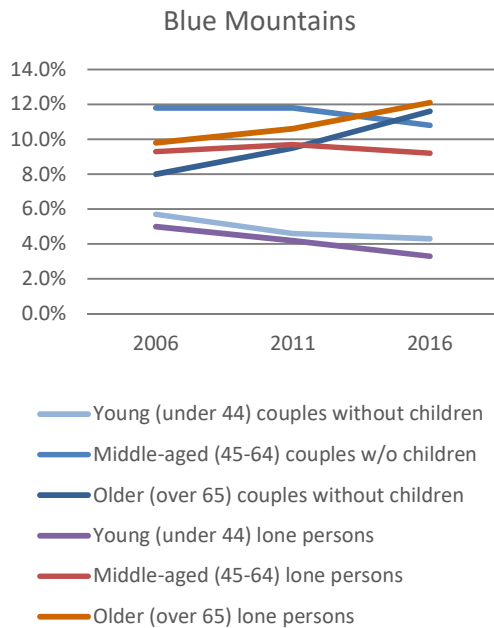


Figure 30 Change in age of Blue Mountains couple only and lone person households

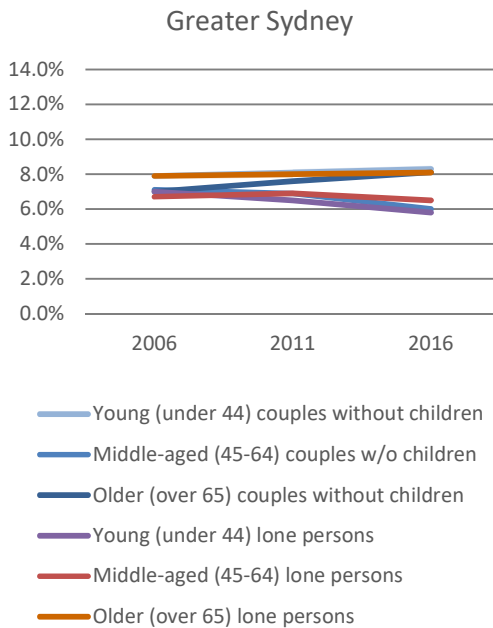


Figure 31 Change in age of Greater Sydney couple only and lone person households

ABS 2006, 2001 & 2016 Census compiled by .ld

The mix of households in the Blue Mountains is important to understand because it is both an indicator of future change in household mix, but can also be an indicator of social well-being. The link between housing affordability and well-being is clear, but there is also a link between the mix of household types in an area and social well-being.

The proportion of older people living alone is particularly important to consider. It could indicate people at risk of social isolation or who are vulnerable if their health or mobility declines. Priority 3: Planning for the increased well-being of our community in the Local Planning Statement 2019, considers the aging population of the Blue Mountains as a key element.

The number of young 'couple only' households can be an indication that the number of young families may increase in the future, should these young couples have children. The migration data in section 2.1.3 shows that there is some migration into the area of young families. However, the net migration of young families to the Blue Mountains is still relatively low, suggesting that based on current data, there is unlikely to be a significant increase in the number of young families.

This analysis is based on current data. While substantial change is unlikely, it is important to acknowledge that increases in young people may occur over time should other variables change; such as Sydney becoming significantly less affordable or the introduction of a large employment and educational institution in the Blue Mountains. The local planning framework needs to be sufficiently robust, and include appropriate mechanisms, to accommodate such a change.

Therefore, understanding how and where the people of the Blue Mountains live, is more complex than a consideration of housing numbers and types alone. Analysis of housing need also provides a link to potential social impacts, if these needs are not met.

Housing mix

Housing in the Blue Mountains is predominantly free-standing dwellings

Housing in the Blue Mountains is predominantly free-standing dwellings, which is a traditional house on its own block of land. This is typical of suburban areas of Australia. The ABS census collects data on the number of different housing types. These types are categorised according to different densities; generally low, medium and high. Low density includes free-standing houses on individual lots, and therefore describes the dominant proportion of housing in the Blue Mountains.

Medium density for census purposes is considered to include dwellings that are attached to one or more other dwellings, including semi-detached houses, terraces or row housing, and town houses. In general terms, medium density can mean different things to different people depending on context.

For the purpose of this study, medium density refers to the census classification, and in the context of the Blue Mountains means generally no more than two storeys in height. This definition does not contemplate design or architectural considerations. This has been addressed in the Blue Mountains Character Study 2019 and the *Blue Mountains 2040*. There is some medium density housing found in the Blue Mountains near established town centres, generally in the form of one to two storey townhouses or villas.

High density housing is generally understood as larger in scale, of more than three storeys and typically described as a residential flat building. There is very little high density housing in the Blue Mountains, and it is largely represented by older blocks of flats in Katoomba and shop top housing (apartments above shops) in some town centres.

As can be seen below, housing stock in the Blue Mountains is dominated by separate houses. This is in stark contrast to Greater Sydney where, while low density is still the dominant form of housing at 55%, there is a greater percentage of medium and high density housing.

Significant to the Blue Mountains is that most households of two persons or less are living in free-standing houses, rather than apartments or flats. As shown in Figure 32 below, there is a much higher proportion of medium and high density housing across Greater Sydney. Even where these types of housing exist in the Blue Mountains, built forms are smaller in scale and the number of apartments or townhouses in each development, likely to be much fewer.

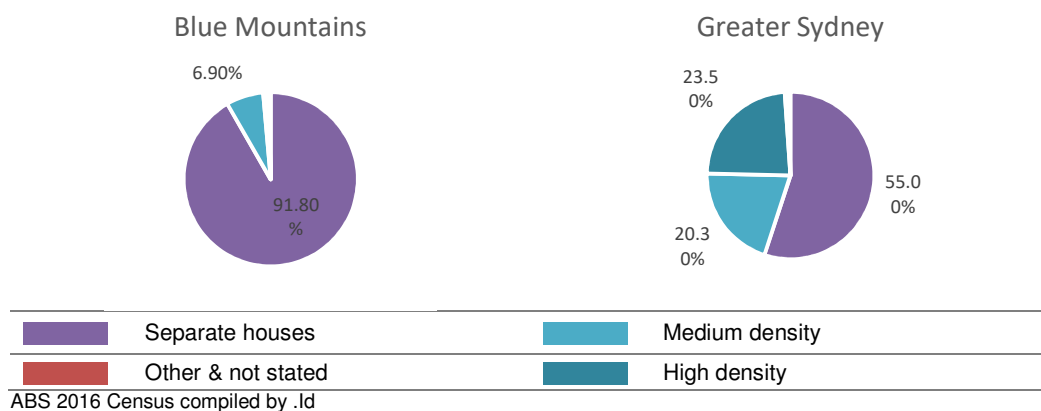
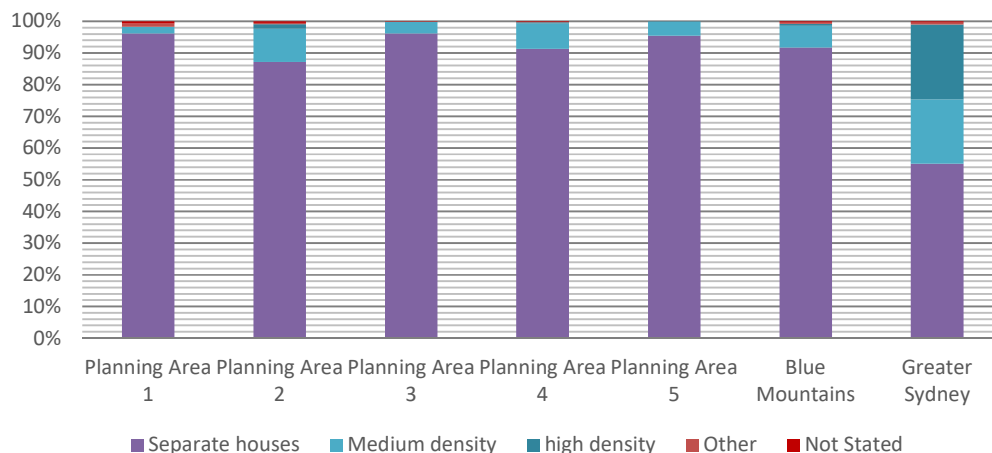


Figure 32 Comparison of housing types between Blue Mountains and Greater Sydney (2016)

This mix of household types also differs across the Blue Mountains. Figure 33 shows that Planning Area 2 has the highest proportion of medium density housing.



Planning Area 1	Planning Area 2	Planning Area 3	Planning Area 4	Planning Area 5
Mount Irvine Mount Tomah Mount Wilson Mount Victoria Blackheath Megalong Valley	Medlow Bath Katoomba Leura Wentworth Falls	Bullaburra Lawson Hazelbrook Woodford Linden	Falconbridge Springwood Winmalee Yellow Rock Valley Heights Sun Valley	Warrimoo Blaxland Mount Riverview Glenbrook Lapstone

Figure 33 Housing types

Household and housing type relationship

Data on which household types live in which type of housing helps to understand housing preference. This can guide planning for housing types, to match the current and forecast mix of households in the Blue Mountains.

Figure 34 presents different household categories (for example lone person or couples with children), and the percentage of these households living in different types of housing. Almost one hundred percent (100%) of families with children in the Blue Mountains, live in free-standing houses. This percentage is still over 80% for lone person households. However, this data does not present a complete story. It does not for example consider limits on stock of a particular housing type, and therefore the potential limitation on where households can choose to live.

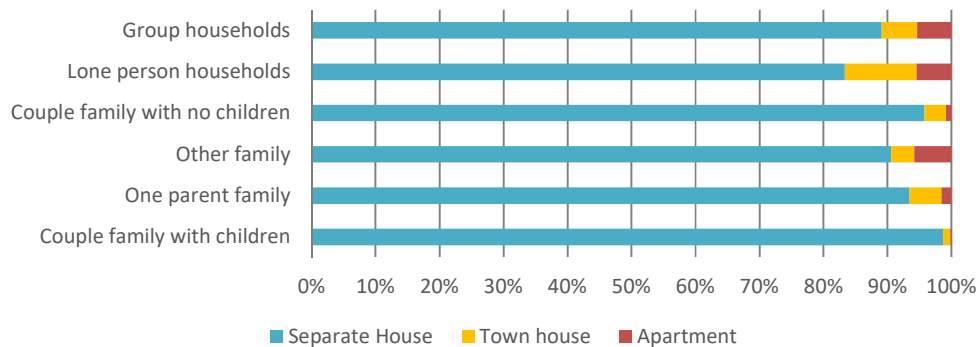


Figure 34 Housing types by household types

ABS 2016 Census compiled by .ld

Understanding which households occupy particular dwelling types helps give a better indication of housing preference. For instance, nearly 70% of occupants of flats or apartments are people living alone (shown in Figure 35 below) suggesting that the strongest demand for apartments comes from this category of household.

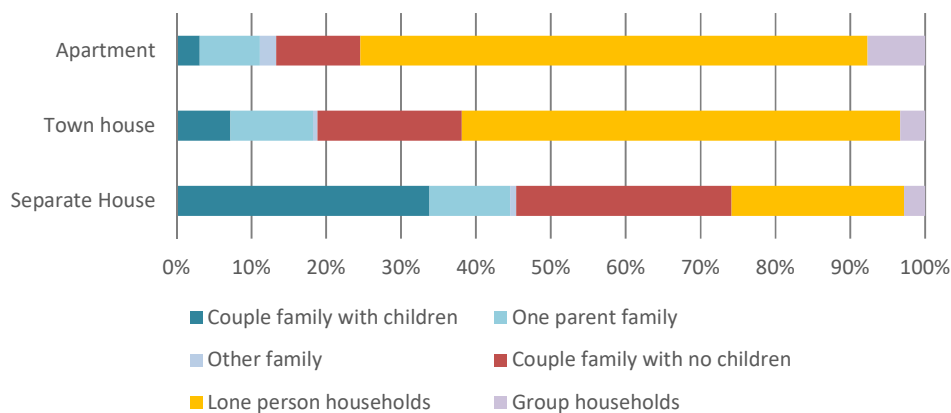


Figure 35 Household types by housing types

ABS 2016 Census compiled by .ld

Housing size

Three and four bedroom dwellings dominate housing size in the Blue Mountains

The size of dwellings also provides a valuable contribution to the understanding of local housing. As provided in Table 6 below, three-bedroom houses represent the dominant dwelling size in the Blue Mountains at over 40%. Further, houses with four-bedrooms or more make up more than a third of all dwellings in the Blue Mountains. Both of these figures are greater than the Sydney average. Significantly, more than half of all households in the Blue Mountains currently contain only one or two people, and this proportion is projected to increase.

Number of bedrooms per dwelling	Blue mountains (%)	Greater Sydney (%)
0 or 1 bedroom	3.2	7.8
2 bedrooms	13.9	23.7
3 bedrooms	41.7	32.1
4 bedrooms	27.9	22
5 bedrooms or more	8.1	7.3
Not stated	5.2	7.1

ABS 2016 Census compiled by .ld

Table 6: Number of bedrooms per dwelling in Blue Mountains

2.1.6 Household projections

By 2036, approximately two thirds of households in the Blue Mountains will be 'couple' or 'lone person' households

Demographic data is also used to establish projections in relation to households, household types and dwellings. These projections are directly related to population projections.

Forecast year	Population	Households	Average household size	Dwellings	Occupancy rate
2016	78,707*	31,403**	2.46	34,497**	91.03
2021	79,494	32,265	2.42	35,309	91.38
2026	80,089	32,976	2.38	36,121	91.29
2031	81,231	33,668	2.36	36,919	91.19
2036	82,844	34,402	2.36	37,735	91.17

*This is Estimated Resident Population (ERP) at the time these household projections were developed (which is slightly lower than the 2018 ERP of 79,260)

**Household and dwelling numbers have been extrapolated from the enumerated census data in line with the ERP. Therefore figures are slightly higher than those quoted directly from census data.

Table 7: Household forecasts 2016-2036

As shown in Table 7, there is projected to be an additional 862 households in the Blue Mountains between 2016 and 2021, which equates to 812 additional dwellings. These figures inform the following breakdown in household structure.

The mix of household types is forecast to continue the current trend of an increasing number of 'couple only' and 'lone person' households as shown in Figure 36 below. This corresponds with the forecast ageing of the population resulting in an increase in retiree and 'empty nester' households. The implications for planning to meet the housing needs of the Blue Mountains community are significant. As provided earlier in section 2.1.4, more than half of all Blue Mountains households contain only one or two people. By 2036, this is projected to increase to approximately two thirds (66%).

Figure 36 below also shows that the current trend of a reduction in couple with children households is forecast to plateau. This corresponds to the forecast of a similar trend in the age makeup of the population which is predicting that the current reduction in younger adults will slow.

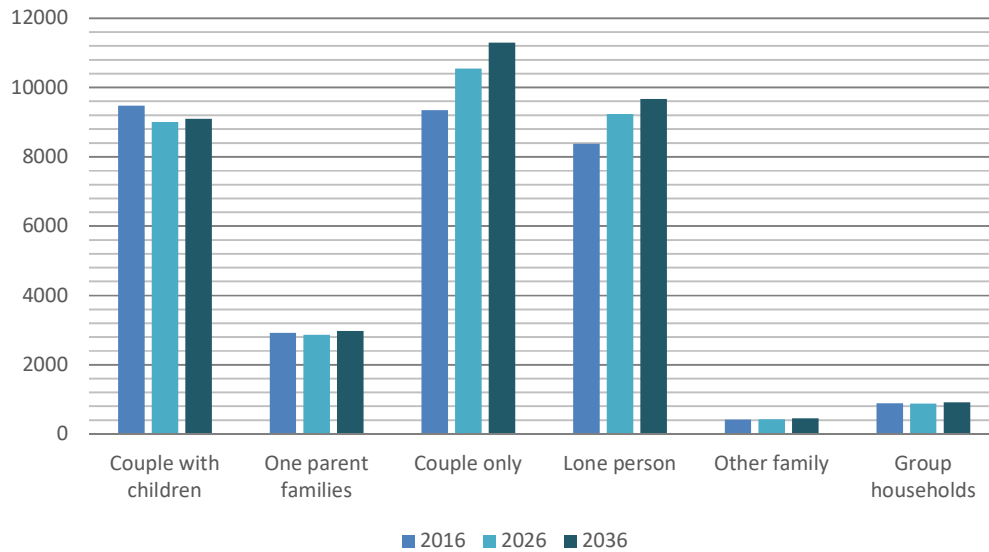


Figure 36 Forecast households types

Population and household forecasts 2016 to 2036 prepared by .ld

The Western City District Plan and dwelling projections for the Blue Mountains

The Council must respond to the housing target set by the State Government for the Blue Mountains in the Western City District Plan. This target is 650 new dwellings over five years (2016-2021).

The dwelling projections shown in Table 7 above, are developed from the population projections. A more detailed assessment of the current rate of construction of new dwellings, the capacity of the current local planning framework, and forecast future dwellings is provided in section 2.3.2 of this strategy. This section provides an assessment against the 5 year dwelling target in the District Plan, and establishes Council's position on an appropriate 6-10 year (2021 to 2026) housing target.

2.1.7 Affordability

Housing affordability is analysed by looking at a number of elements:

- The relative distribution of incomes in an area
- The cost of housing
- The proportion of households in housing stress

The affordability of housing can affect people's quality of life and well-being, particularly if the cost of housing impacts on their ability to afford other expenses, or to be able to travel or remain connected with their community. The affordability of housing in the area can ultimately affect, and limit, the choice of where a household can live. If the Blue Mountains becomes less affordable this may force some people in the community to seek more affordable housing elsewhere, such as further west.

For Gundungurra and Darug Traditional Owners in the Blue Mountains, the issue of housing affordability is much more profound. To move out of the Blue Mountains is not simply relocating to a more affordable location. It is leaving *Ngurra* (Country). Further work is required, and will be completed through a Housing Affordability Review, included as an action in this strategy.

Incomes

Household income quartiles is a method of analysing household incomes over time, providing a more comprehensive picture of income distribution in an area compared with an average or median income figure.

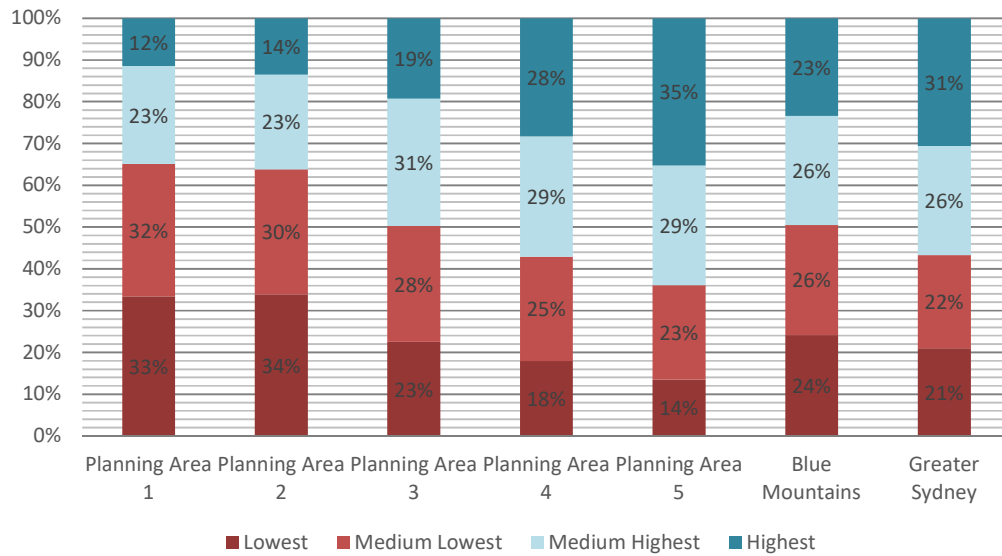
Income quartiles are established by ranking household incomes in NSW from lowest to highest and dividing this list into four equal groups (quartiles). This establishes an income range for each quartile. The proportion of households in a local area that fall within each income group, can then be established. Table 8 shows the NSW income quartile ranges from the 2016 census.

Income quartile	Weekly household income	Annual household income
Lowest group	\$0 to \$750	\$0 to \$39,000
Medium lowest group	\$751 to \$1,481	\$39,052 to \$77,012
Medium highest group	\$1,482 to \$2,554	\$77,064 to \$132,808
Highest group	\$2,555 and over	\$132,860 and over

Table 8: Income quartiles for weekly/annual household income 2016

The income of Blue Mountains residents, as shown in the chart below are fairly evenly distributed across the quartiles, with marginally more households represented by the middle two income quartiles. Greater Sydney as a whole, has a greater proportion of households in the two highest income quartiles.

As detailed below, income distribution differs across the Mountains, with higher incomes more prevalent in the lower mountains (35.3% in the highest group in planning area 5), and comparatively lower incomes in the upper Mountains (only 11.5% in the highest group in planning area 1). This correlates with the general age make-up in these planning areas.



Planning Area 1	Planning Area 2	Planning Area 3	Planning Area 4	Planning Area 5
Mount Irvine Mount Tomah Mount Wilson Mount Victoria Blackheath Megalong Valley	Medlow Bath Katoomba Leura Wentworth Falls	Bullaburra Lawson Hazelbrook Woodford Linden	Faulconbridge Springwood Winmalee Yellow Rock Valley Heights Sun Valley	Warrimoo Blaxland Mount Riverview Glenbrook Lapstone

Figure 37 Household income quartiles by planning area

ABS 2016 Census compiled by .ld

Housing costs

Median housing prices in the Blue Mountains are increasing at a similar rate to Greater Sydney.

Over the last 20 years from 1997 to 2016, the median residential sales price in the Blue Mountains increased from \$153,000 to \$635,000, an increase of 315%. This is higher than the Greater Sydney increase of 250% over that same time period (\$236,000 to \$840,000). The increase in the median sale price over time is detailed in Figure 38 and Table 9 below.

In 1997 the median sale price in the Blue Mountains was 65% of that in Sydney. By 2016, the difference had increased to 76%. Therefore, over the longer term, median house prices in the Blue Mountains are increasing at a similar (if not greater) rate to those in Sydney, and keeping pace at times of rapid increase in the Sydney market (such as from 2012 as shown in the table below).

House pricing data is not available in a form that allows a breakdown within the Blue Mountains. However as discussed in Residential Development Strategy (2010) and still relevant today, anecdotal evidence continues to suggest that the housing market in the Lower Mountains is more closely associated in price to the Sydney market. Whereas prices in the Upper Mountains are comparatively lower, with the exception of 'boutique' locations within suburbs such as Leura.

Increasing housing prices in the Blue Mountains may be a desirable outcome for existing homeowners. In raw numbers, the Blue Mountains market also represents relative affordability when compared to Sydney. However, as the gap between the median sale prices in Sydney and the Blue Mountains reduces, and when comparing to average local income, there is a steady reduction in affordability for those seeking to become homeowners.

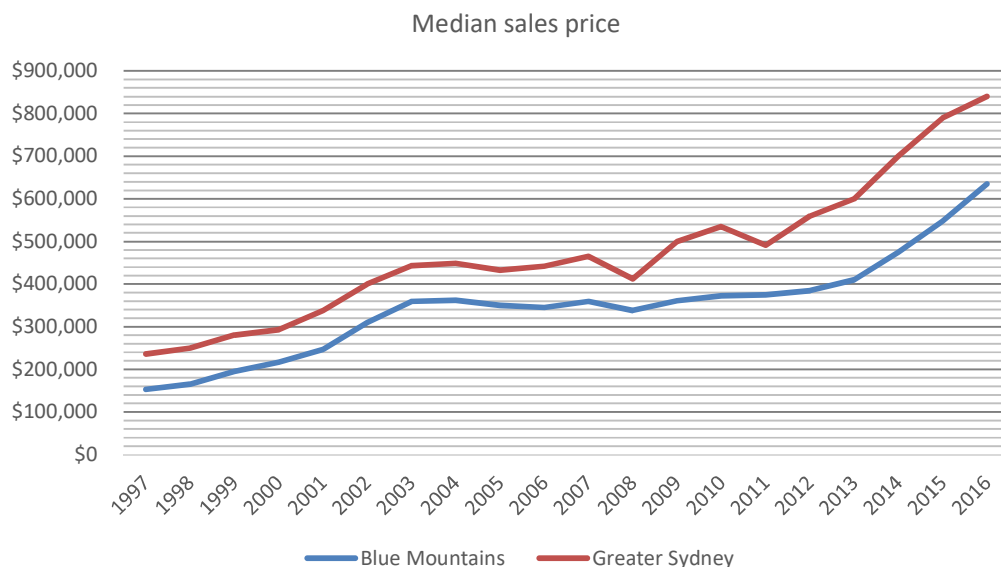


Figure 38 Median Sales Price

YEAR	MEDIAN SALES PRICE		% ANNUAL INCREASE	
	Blue Mountains	Greater Sydney	Blue Mountains	Greater Sydney
1997	\$153,000	\$236,000		
1998	\$165,000	\$250,000	7.8%	5.9%
1999	\$195,000	\$280,000	18.2%	12.0%
2000	\$217,000	\$293,000	11.3%	4.6%
2001	\$247,000	\$338,000	13.8%	15.4%
2002	\$310,000	\$400,000	25.5%	18.3%
2003	\$359,000	\$443,000	15.8%	10.8%
2004	\$362,000	\$449,000	0.8%	1.4%
2005	\$350,000	\$433,000	-3.3%	-3.6%
2006	\$345,000	\$442,000	-1.4%	2.1%
2007	\$359,000	\$465,000	4.1%	5.2%
2008	\$338,000	\$412,000	-5.8%	-11.4%
2009	\$361,000	\$500,000	6.8%	21.4%
2010	\$373,000	\$535,000	3.3%	7.0%
2011	\$375,000	\$491,000	0.5%	-8.2%
2012	\$385,000	\$560,000	2.7%	14.1%
2013	\$410,000	\$600,000	6.5%	7.1%
2014	\$475,000	\$700,000	15.9%	16.7%
2015	\$548,000	\$790,000	15.4%	12.9%
2016	\$635,000	\$840,000	15.9%	6.3%

FACS

Table 9: Median dwelling sales price 1997 to 2016

Assuming the supply of land for housing remains constrained, and the development of infill housing continues at low levels, sustained continued upward pressure on dwelling prices is likely to continue in the local government area. The demand arising from the growth of Western Sydney will exacerbate this, in the Lower Mountains in particular.

Rental Costs

The supply of rental properties has decreased since 2012.

Rental costs in the Blue Mountains are lower than those of Greater Sydney, as shown in the Figure 39 and Table 10 below. Median rents in 2016 were 150% higher than in 1996. However this is a similar increase to that experienced in the Greater Sydney area (160%) over that same time period.

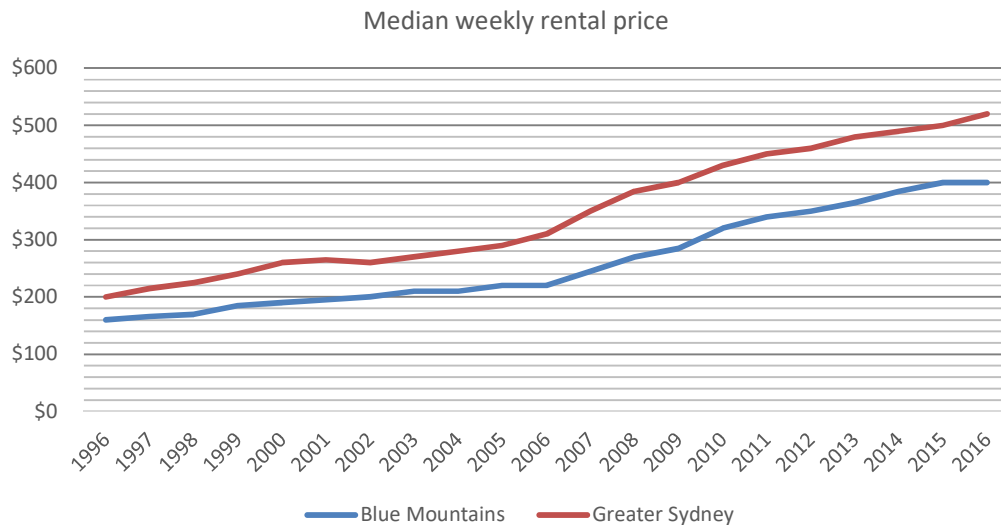


Figure 39 Median Weekly Rental Price

YEAR	MEDIAN WEEKLY RENTAL PRICE		% ANNUAL INCREASE	
	Blue Mountains	Greater Sydney	Blue Mountains	Greater Sydney
1996	\$160	\$200		
1997	\$166	\$215	3.8%	7.5%
1998	\$170	\$225	2.4%	4.7%
1999	\$185	\$240	8.8%	6.7%
2000	\$190	\$260	2.7%	8.3%
2001	\$195	\$265	2.6%	1.9%
2002	\$200	\$260	2.6%	-1.9%
2003	\$210	\$270	5.0%	3.8%
2004	\$210	\$280	0.0%	3.7%
2005	\$220	\$290	4.8%	3.6%
2006	\$220	\$310	0.0%	6.9%
2007	\$245	\$350	11.4%	12.9%
2008	\$270	\$385	10.2%	10.0%
2009	\$285	\$400	5.6%	3.9%
2010	\$320	\$430	12.3%	7.5%
2011	\$340	\$450	6.3%	4.7%
2012	\$350	\$460	2.9%	2.2%
2013	\$365	\$480	4.3%	4.3%
2014	\$385	\$490	5.5%	2.1%

2015	\$400	\$500	3.9%	2.0%
2016	\$400	\$520	0.0%	4.0%

FACS

Table 10: Median weekly rental price 1996 to 2016

In terms of the number of rental properties in the Blue Mountains, while these are increasing in number, the rate of increase has lessened over recent years. There were 4,057 rental bonds held in December 1996, which increased to 5,226 in December 2006 and to 5,380 in December 2016. This shows a change in the average increase in the number of rental properties from 1.2% (1996 to 2006), to 0.3% over the last ten years. The decrease in rental bonds lodged between 2012 and 2016 was 5,622 and 5,380 respectively. A decrease of 242 properties under long term rental agreements in the Blue Mountains. This time period correlates with the global trend in online short-term rental platforms, namely AirBnB. The impact of AirBnB, and short-term holiday rentals more broadly, is discussed further in Section 2.1.8.

Rental properties in 2016 comprised 18% of the occupied dwelling stock in the Blue Mountains, well below the comparative proportion in Greater Sydney (34.5%).

Private rental accommodation is an important source of low-cost affordable housing. The importance of this in the Blue Mountains is likely to continue or even increase, in view of the limited supply of public rental accommodation. This could include increased use of secondary dwellings and granny flats to create an extended family home. Discussion around social and affordable housing is carried out later in this section.

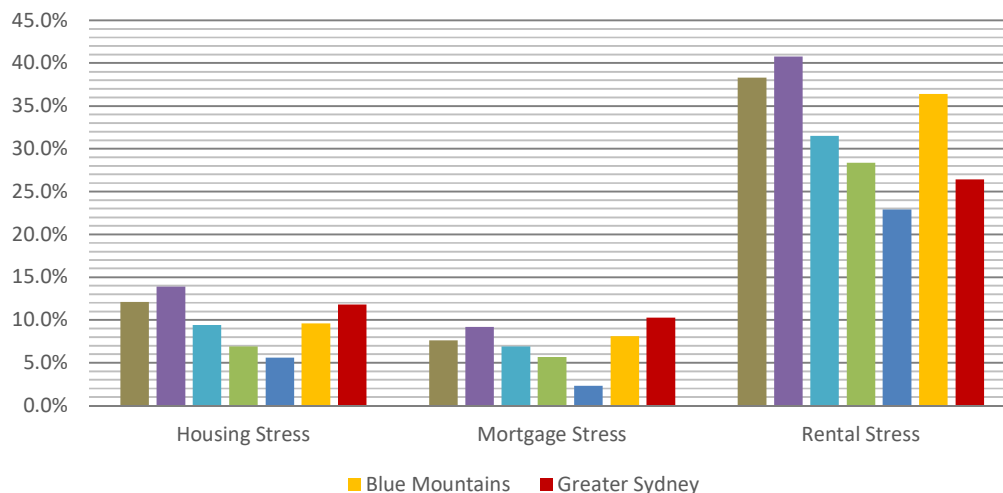
Housing Stress

Levels of rental stress in the Blue Mountains are higher than the Greater Sydney average, particularly in the upper Mountains.

Housing affordability is not strictly the cost of housing. It is the cost of housing relative to household income. For planning purposes, this can be analysed by looking at the proportion of households experiencing housing stress. Housing stress is considered to be loan or rent payments greater than 30% of a household's income, for those households with the lowest 40% of incomes. The measurement of housing stress is restricted to lower income households, as it presumes that households with a higher income would have more ability to afford living expenses, in addition to housing costs.

The housing stress data in the chart below (Figure 40) shows relatively lower levels of housing stress in the Blue Mountains compared to Greater Sydney. This is particularly true in relation to mortgage stress, potentially reflective of the lower cost of housing in the Blue Mountains.

However, the reverse is true with considering rental stress. Levels of rental stress in the Blue Mountains are substantially higher than the Greater Sydney average, particularly in Planning Areas 1 and 2 (Upper Mountains). These areas include the highest proportion of rental households in the Blue Mountains, and also the highest proportion of low-income households. A significant contributor to this rental stress across the Blue Mountains, is likely to be the limited range of rental options, leading to affordability issues.



Planning Area 1	Planning Area 2	Planning Area 3	Planning Area 4	Planning Area 5
Mount Irvine Mount Tomah Mount Wilson Mount Victoria Blackheath Megalong Valley	Medlow Bath Katoomba Leura Wentworth Falls	Bullaburra Lawson Hazelbrook Woodford Linden	Faulconbridge Springwood Winmalee Yellow Rock Valley Heights Sun Valley	Warrimoo Blaxland Mount Riverview Glenbrook Lapstone

Figure 40 Housing stress by type and planning area

ABS 2016 Census compiled by .ld

Housing stress also includes mortgage stress. While lower than the Sydney average, the number of Blue Mountains households under mortgage stress is not insignificant. Figure 41 presents each tenure type, and the number of households in the Blue Mountains under housing stress, within each type.

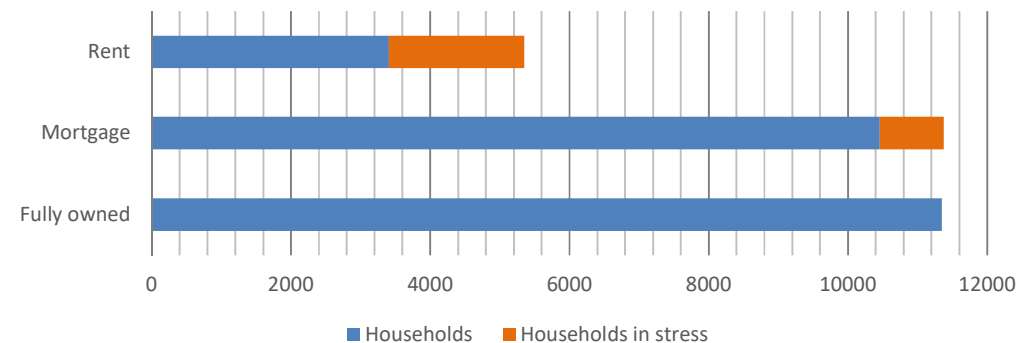


Figure 41 Households in the Blue Mountains under housing stress by housing tenure

ABS 2016 Census compiled by .ld

With a high proportion of households fully owned, and a high proportion of retirees in the Blue Mountains, there is also potential that certain households in financial stress are not captured by housing stress data, often colloquially categorised as ‘asset rich, income poor’. This is a broader issue but could have implications for the local housing market.

Housing spectrum and Affordability

Consideration of housing affordability goes beyond housing that is available for purchase or rent in the market (market housing). It includes the availability of affordable housing provided by community housing providers or government agencies.

It is important to note that in Australia the cost of all types of housing is subsidised in one way or another by the Government. Market housing is subsidised through negative gearing and capital gains tax exemptions, as well as stamp duty exemptions and grants for first home buyers.

As house prices rise across Sydney, many households with lower incomes may find it increasingly difficult to find available housing they can afford. As this occurs, the need for 'affordable rental housing' or other forms of affordable non-market housing become more important.



Figure 42 Housing spectrum diagram

Affordable Rental Housing (ARH) is housing provided by registered community housing providers, below market rent. Distinct from social or public housing, it is intended to provide housing for key workers such as nurses, emergency services personnel, and teachers, who could otherwise not afford to live in the area they need work.

In the Greater Sydney Region Plan and Western City District Plan, the Greater Sydney Commission is requiring Council's to nominate a percentage of dwellings in new developments that will be required to be reserved as Affordable Rental Housing (ARH).

Given the limited number of new dwellings in the Blue Mountains (650 over a five-year period), the approach to require a percentage of these as affordable rental housing is not considered feasible, or likely to noticeably contribute to the affordable housing in appropriate locations, close to services and transport.

ARH can also be provided under a State Environmental Planning Policy. It is through this mechanism than an injection of affordable housing could occur in the Blue Mountains. Recent examples have occurred in Katoomba. Further discussion is provided in the following section.

Social and affordable housing

Lone person households in the Blue Mountains are nearly half of all households in need of social and affordable housing.

A study on the demand for social and affordable housing has been carried out by SGS Economics and Planning (September 2018) for the Community Housing Industry. According to this study the existing supply (2016) of social and affordable housing in the Blue Mountains is 854 social housing dwellings and 39 dwellings under the National Rental Affordability Scheme.

The demand for social and affordable housing in 2016 has been calculated in that study as 3,146 households, which is an unmet demand of 2,253 dwellings. This demand represents homeless and social housing households, as well as those households in severe and moderate rental stress (as defined by that study). This total number represents around 10% of all households. While this percentage is less than the average of 16% for the Western City District, it represents a significant number of households in the Blue Mountains.

In terms of household types, the greatest number requiring social and affordable housing are lone person households at nearly 45%, as shown in Table 11. This is vastly different to the overall trend in the Western City District where lone person households represent 27% of this group.

Household type	Blue mountains		Western city	
	Number	%	Number	%
Couple family with children	389	12%	14,288	24%
Couple family with no children	323	10%	17,214	29%
One parent family	743	24%	7,482	13%
Other family	132	4%	3,247	5%
Group household	151	5%	1,366	2%
Lone person household	1,408	45%	15,925	27%
Total	3,146	100%	59,523	100%

Table 11: Social and affordable housing demand by household type in the Blue Mountains 2016

As identified earlier in this strategy, Figure 24 Household types by planning area shows that in 2016, lone person households represented 25% of all household types in the Blue Mountains. Therefore, this type of household is clearly over-represented in the demand for social and affordable housing in Table 11.

In reviewing possible drivers for this over-representation, it is again worth noting that most housing stock in the Blue Mountains is larger than 3 bedrooms. In 2016, according to the SGS Study, a three bedroom home in the Blue Mountains would be rented for \$420 a week compared to \$270 or \$355 a week for a one or two bedroom dwelling respectively.

A recommendation in this Local Housing Strategy is that Council undertake further investigation into affordable housing needs and the provision of such in the Blue Mountains.

2.1.8 Vacancy rates

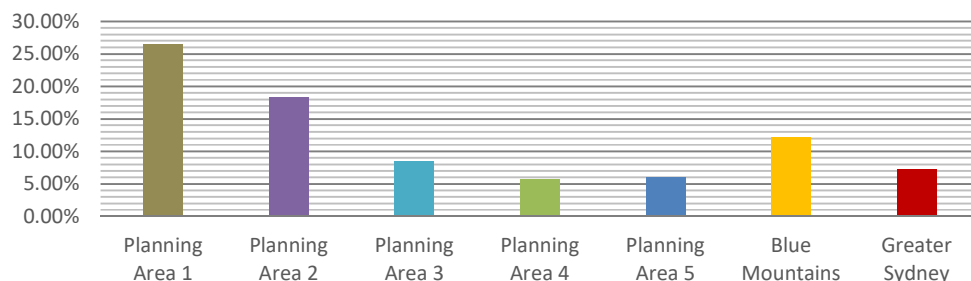
The Blue Mountains has a higher vacancy rate than the Greater Sydney average.

Looking at the vacancy rates of dwellings helps to paint a more comprehensive picture of how housing is being used. The Blue Mountains has a higher rate of vacant dwellings than the Greater Sydney average.

There could be a number of reasons for this. People may own multiple properties which are not available for rent, whether due to work, use as a holiday home, or transition into retirement. However, a likely significant contributor to the vacancy rate, is the use of housing for short term rental accommodation; a market which has significantly expanded over the last ten years.

This is supported by variance in vacancy rates across the Blue Mountains. Figure 43 below identifies the significantly higher vacancy rates in the upper Mountains, being between 15-25%. Given the strong tourism focus in this area, use for short-term rental accommodation is likely to be a significant contributor. Therefore, despite the small but consistent supply of new housing, a substantial proportion (particularly in Planning areas 1 and 2) is not likely to contribute to permanent housing stock.

Where significant vacancy rates occur, this can also have potential impacts on social cohesion, particularly where there are concentrations of short-term rental accommodation in particular streets or blocks. Fewer permanent residents in an area, could mean less opportunity for informal neighbourhood support networks and social interaction. As can be seen in Figure 43, Planning Area (Blackheath) followed by Planning Area 2 (Katoomba) have the highest unoccupied dwellings.



ABS 2016 Census compiled by .ld

Planning Area 1	Planning Area 2	Planning Area 3	Planning Area 4	Planning Area 5
Mount Irvine Mount Tomah Mount Wilson Mount Victoria Blackheath Megalong Valley	Medlow Bath Katoomba Leura Wentworth Falls	Bullaburra Lawson Hazelbrook Woodford Linden	Falconbridge Springwood Winmalee Yellow Rock Valley Heights Sun Valley	Warrimoo Blaxland Mount Riverview Glenbrook Lapstone

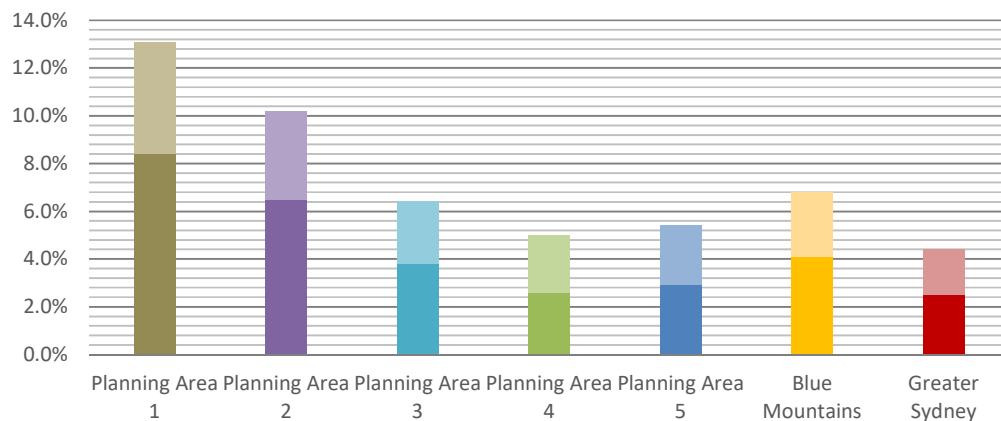
Figure 43 Unoccupied dwellings

2.1.9 Working from home

The Blue Mountains has a higher percentage of people who work from home than the Greater Sydney average.

ABS census data on people working from home, captures more than home-based businesses. It includes people who indicated that they had worked from home on the day of the census, and therefore can include people who work from home but are employed elsewhere.

Figure 44 below shows the percentage of residents who worked from home on the day of the census including those in a home-based business (shown lightly shaded).



ABS 2016 Census compiled by .ld

Planning Area 1	Planning Area 2	Planning Area 3	Planning Area 4	Planning Area 5
Mount Irvine Mount Tomah Mount Wilson Mount Victoria Blackheath Megalong Valley	Medlow Bath Katoomba Leura Wentworth Falls	Bullaburra Lawson Hazelbrook Woodford Linden	Faulconbridge Springwood Winmalee Yellow Rock Valley Heights Sun Valley	Warrimoo Blaxland Mount Riverview Glenbrook Lapstone

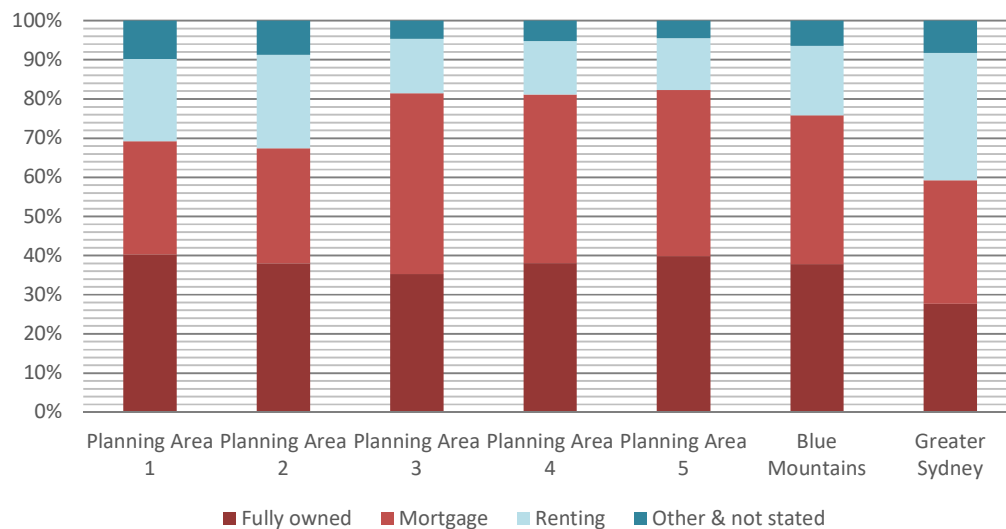
Figure 44 People working from home

The high proportion of people working from home and the high proportion of people who commute outside the local government area for work, correlates with anecdotal evidence on increasingly flexible work arrangements, allowing commuters to spend part of the week working from home. The extended commute times to major employment locations from the Upper Mountains, may also explain the greater proportion of people working from home in these areas. Over time, there is the potential that such flexibility could lead to increased housing demand, as people may choose to move to the Blue Mountains if they have are able to work from home part of each week.

2.1.10 Tenure

More people own their home outright in the Blue Mountains than the Greater Sydney average.

Fewer households rent in the Blue Mountains than the Greater Sydney average (being only 18% compared to 33%). This could reflect relatively more affordable house prices in the Blue Mountains. However, the proportion of households renting does vary across the City as shown in Figure 45. It is highest in Planning Area 2 (Katoomba) at 24%, compared to the lowest in Planning Area 5 (Blaxland) at 13%. There are likely to be a number of reasons for these variations. An analysis in the affordability context, is provided in section 2.1.7.



ABS

2016 Census compiled by .ld

Planning Area 1	Planning Area 2	Planning Area 3	Planning Area 4	Planning Area 5
Mount Irvine Mount Tomah Mount Wilson Mount Victoria Blackheath Megalong Valley	Medlow Bath Katoomba Leura Wentworth Falls	Bullaburra Lawson Hazelbrook Woodford Linden	Faulconbridge Springwood Winmalee Yellow Rock Valley Heights Sun Valley	Warrimoo Blaxland Mount Riverview Glenbrook Lapstone

Figure 45 Housing tenure in the Blue Mountains

The change in tenure between the 2011 and 2016 census is shown in Figure 46 and demonstrates an increase of 700 households under full ownership, over the period. A continuing increase in the proportion of fully owned properties, could have a long-term effect on housing turnover in the Blue Mountains.

This increasing number of fully owned properties could represent the standard payment of this debt over time. However, given the demographic trends within the local government area (and the 'in migration' of people of retirement age) another possible reason for this increase could be that people are able to sell within the Sydney market, and purchase a property outright in the Blue Mountains. It is noteworthy that this most current data was captured over a particularly strong period in general property markets. However, this trend should be monitored over time, due to the ongoing risk that the Sydney property market will continue to put pressure on the relative affordability of the Blue Mountains housing market.



Figure 46 Change in tenure from 2011 to 2016

ABS 2016 Census compiled by .ld

2.1.11 Summary

The Blue Mountains is a low growth area. The population and dwelling forecasts for the Blue Mountains predict steady, but modest growth as shown below in Figure 47.

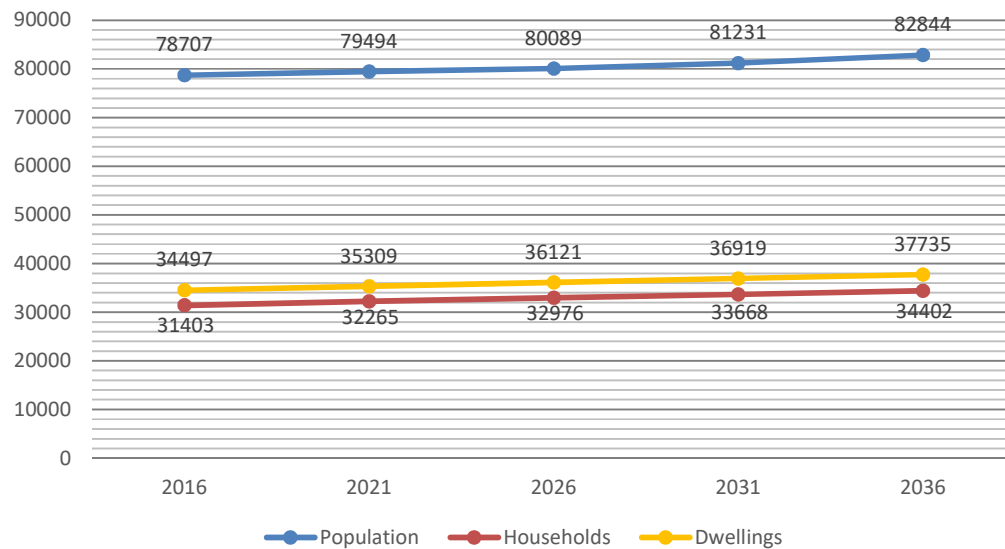


Figure 47 Forecast population, households, and dwellings

Population and household forecasts 2016 to 2036 prepared by .ld

Despite only modest growth, the population of the Blue Mountains is not static. The critical aspect for understanding the future housing needs of the community is how the make-up of the population – age and household structure – is forecast to change over time.

The key elements and trends from the demographic analysis show that:

- **The population of the Blue Mountains as a whole is getting older**
 - The Blue Mountains population is not only older on average than Greater Sydney, but the average age is getting older
 - The population over 60 years has been increasing while the population under 60 has been decreasing
 - The population of the Blue Mountains is forecast to continue to age.
- **The population of the Blue Mountains is only increasing gradually, but it is not static – people continue to move into and out of the area**
 - Between 2011 and 2016 more people left, than moved to the Blue Mountains
 - The greatest number of people who left the Blue Mountains were in the 18-24 year age group
 - More people between 35 to 54 years old moved to the Mountains than left, but still only a relatively small number
- **The Blue Mountains population is projected to continue to increase, at a steady but modest rate**

-
- **As the population of the Blue Mountains ages and changes, so too does the make up of households**
 - The Blue Mountains has a higher proportion of couples without children or lone person households compared to the Greater Sydney average.
 - There is a much higher proportion of empty nester or retiree households, than young couples. The greatest proportion of lone person and couple only households are over 65.
 - In the last 10 years the proportion of younger lone persons and couple only households has decreased while the proportion of older households in the same categories has increased.
 - **The changing make up of households affects the community's housing needs and preferences**
 - Housing in the Blue Mountains is predominantly free-standing dwellings
 - Three bedroom dwellings dominate as the main size of dwelling in the Blue Mountains
 - By 2036, approximately two thirds of households in the Blue Mountains will be be 'lone person' or 'couple only'.
 - Although preferences and needs vary, there is a correlation between household size and the type and size of housing best suited to such households
 - **The cost and affordability of housing is an important consideration**
 - Median housing prices in the Blue Mountains are increasing at a similar, and in some cases a greater rate, than Sydney
 - The supply of rental properties has decreased since 2012
 - Levels of rental stress in the Blue Mountains are higher than the Greater Sydney average, particularly in the upper Mountains
 - Lone person households are nearly half of all households in need of social and affordable housing
 - More people own their home outright in the Blue Mountains than the Greater Sydney average.
 - **The Blue Mountains has some unique considerations for housing given its attraction as a tourist destination and distance from Sydney**
 - The Blue Mountains has higher rate of vacant dwellings than the Greater Sydney average.
 - A portion of new dwellings (most significantly in the upper mountains) are used for short term holiday rental rather than permanent housing.
 - The Blue Mountains has a higher percentage of people who work from home than the Greater Sydney average.

2.2 Housing Demand

Blue Mountains is classified as 'Metro Rural' in the Western City District Plan, and is therefore required to accommodate local growth only. Within the District Plan, the housing target for the Blue Mountains is an additional 650 dwellings between 2016 and 2021. With a modest forecast for population increase, and modest dwelling targets, there is no immediate expectation that housing supply in the Blue Mountains needs to significantly increase.

Housing demand is influenced both by factors in broader housing markets, and influences on demand within local housing market. These influences include household growth, infrastructure availability, local and regional amenity, employment opportunities, taxes, interest rates and immigration, many of which are outside the control of local government.

When analysing the demand for housing in the Blue Mountains, consideration is given to the types of housing available, assessed against housing need; rather than an assessment of overall housing supply. This has been investigated and informed by an analysis of demographic data, the housing survey (2019) completed to inform this housing strategy, and the findings of broader community consultation.

A particular subset of housing demand is for social and affordable housing. A study on the demand for this type of housing has been recently carried out by SGS Economics and Planning (September 2018) for the Community Housing Industry Association and is discussed in more detail later in section 2.1.7.

2.2.1 Demographic analysis summary

The previous section outlined the key demographic trends in the Blue Mountains. These could generally be summarised as an ageing population profile, where the proportion of couple only and lone person households is increasing. This demographic profile suggests there is a need to review the range of housing types in the Blue Mountains as household size decreases.

It is acknowledged that a correlation between household size and housing type is not universal. While smaller households may commonly live in smaller houses, this is not always the case. Personal circumstances, needs, aspirations and financial situation, all affect the size and type of housing people prefer. In the Blue Mountains, where people locate for lifestyle, housing is often chosen based on character, space and amenity. These variables are particularly difficult to measure.

However, census data confirms that a greater portion of households in multi-dwelling housing in the Blue Mountains are couple only or lone person households. This suggests this type of housing may preferentially meet the needs of these household types.

On this premise, it is appropriate to assume that smaller housing is likely to appeal to smaller household types, particularly if this represented greater affordability. It therefore follows that if the number of lone person and couple only households increases, so does a demand for smaller housing and alternatives to large detached houses on larger blocks.

2.2.2 Community consultation on Housing

Housing is an area that affects all members of the community. Council has in recent years, undertaken community consultation on housing as a component of larger strategic studies and more recently to specifically inform the preparation of this Local Housing Strategy and the Local Planning Statement. The results of these engagement processes have been analysed and reviewed, to inform an understanding of the housing needs of the local community. These results serve to support and further understand the demographic analysis contained in this strategy.

In summary, the results of the following consultation processes have been reviewed to inform this Local Housing Strategy:

- 2015 Housing preference survey
- 2016 Community Strategic Plan consultation
 - Telephone survey (statistically valid random sample)
 - Planning Area workshops
- 2019 Housing study
 - Survey
 - Focus groups
 - Stakeholder consultation

The more recent work, completed specifically in preparation for this strategy and the Local Planning Statement, includes:

- Local Planning Statement Stage 1 Consultation (2018):
 - Social pinpoint & survey
- Local Planning Statement Stage 2 Consultation (2019):
 - Workshops
 - Telephone Housing Survey (statistically valid random sample). A detailed analysis of which is provided in the following section 2.2.3.

2.2.3 Housing Survey Analysis

To inform this Local Housing Strategy, Council commissioned an independent housing survey to understand the community's view on housing supply, affordability, choice, and character. The survey was conducted in May 2019 of a random sample of the community (which City-wide is statistically valid and demographically representative). A report on the housing survey prepared by the independent consultants is provided at Appendix 2, and includes details of the sample methodology.

The aim was to capture a representation of the views of the entire community, covering age range and geographical distribution, proportionate to the demographic range within the Blue Mountains as a whole. A variety of engagement methods were utilised (including phone, email and online platforms) to ensure all sections of the community, including younger residents who may not ordinarily participate on Council consultation.

The survey consisted of the following key elements:

- Demographic profile: allowing data analysis by age group and town/village
- Local character: capturing a high level response on how residents describe the character of their area
- Responses to key statements on:
 - housing choice and affordability
 - how and where new housing should be provided
 - the scale, style, and sustainability of new dwellings
- Consideration of predicted future living arrangements - both the type of housing, and whether people intend to stay in the Blue Mountains
- Ideas for the future of housing in the Blue Mountains (open question)

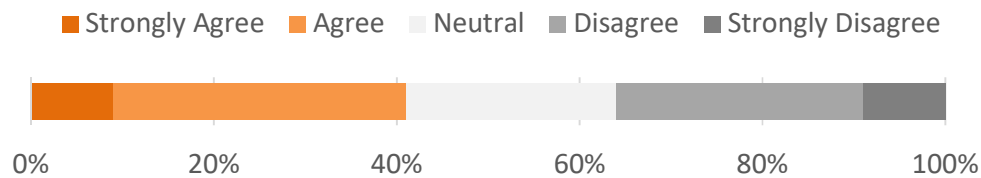
The majority of the survey required respondents to rate their level of agreement with a number of statements, from 'strongly agree' to 'strongly disagree'. A detailed analysis of the survey results is provided in the report at Appendix 2 (People, Place and Partnership, 2019), with a summary of key themes included below. A breakdown of responses to each of the questions is provided both as the Blue Mountains as a whole, and subsequently by location (planning area) and age group.

In the summary planning area and age group, responses of strongly agree or agree have been grouped together as agree. Similarly responses of strongly disagree and disagree have been grouped as disagree.

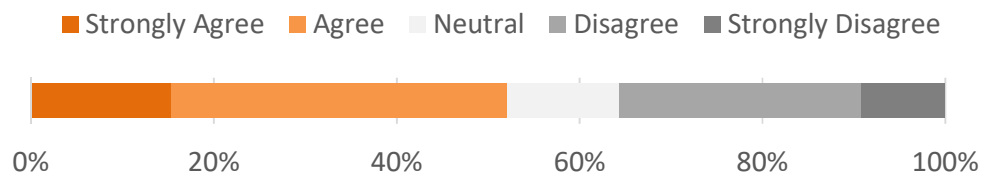
While there are clear differences in responses between age groups and planning areas, there remains an overall trend across many themes in the local government area as a whole. The strongest areas of difference are identified in relation to questions on the available range of housing and on the question of affordability. This is detailed below.

Choice and affordability of housing – Blue Mountains

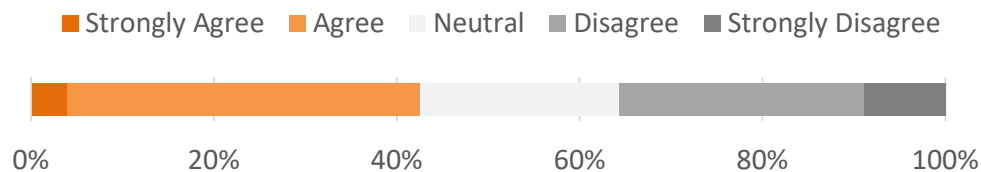
Q9.1 There is sufficient housing in the Blue Mountains



Q9.2 The range of housing choice in the Blue Mountains should be expanded



Q9.3 Housing in the Blue Mountains is affordable

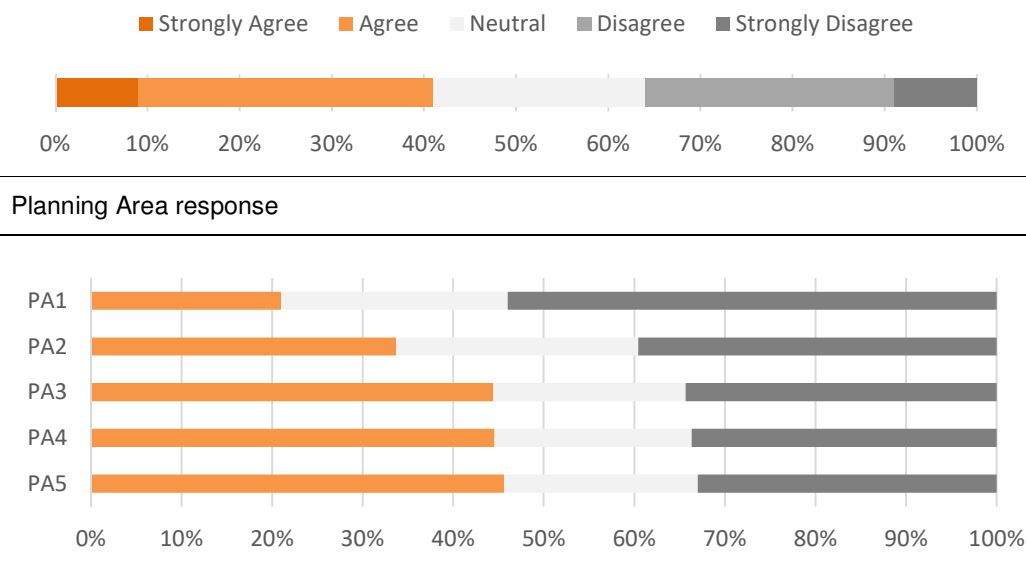


In response to whether there is sufficient housing in the Blue Mountains (Q9.1), the survey results indicate a mixed view in the community and a high proportion of people remaining neutral in this response. However, approximately half of all respondents agreed or strongly agreed that the choice of housing should be expanded (Q9.2), a more positive response than when asked about sufficient housing (or housing supply) generally. This suggests that although people may not think the overall supply of housing should be increased, the need to expand housing choice is more positively considered.

The response to the question on affordability (Q9.3) is also split, with many people providing a neutral response and very few people providing a 'strong' response either way. This may reflect how relative affordability can be – what one person considers affordable may not be for someone else.

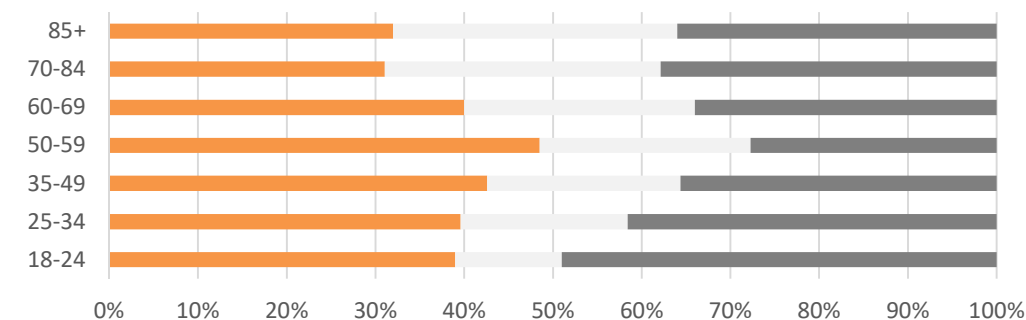
Choice and affordability of housing – By Location and Age

Q9.1 There is sufficient housing in the Blue Mountains



Planning area 1	Planning area 2	Planning area 3	Planning area 4	Planning area 5
<ul style="list-style-type: none"> The Mounts Mt Victoria Blackheath Megalong Valley 	<ul style="list-style-type: none"> Medlow Bath Katoomba Leura Wentworth Falls 	<ul style="list-style-type: none"> Bullaburra Lawson Hazelbrook Linden Woodford 	<ul style="list-style-type: none"> Faulconbridge Springwood Winmalee Yellow Rock 	<ul style="list-style-type: none"> Warrimoo Blaxland Glenbrook Mt Riverview

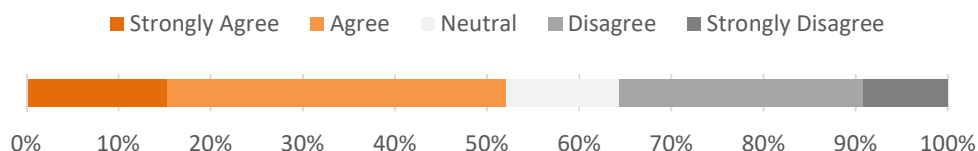
Age group responses



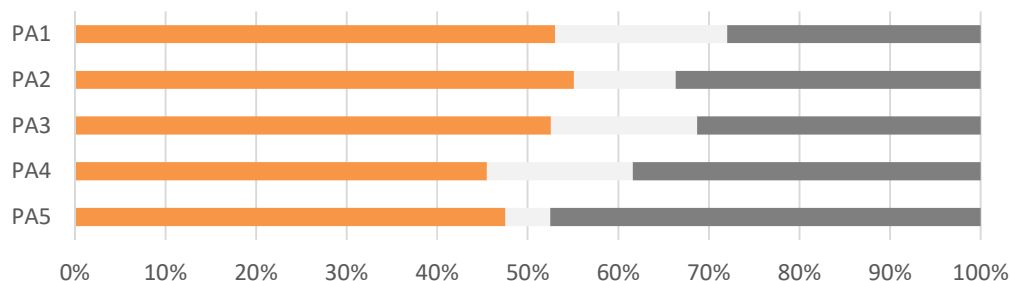
In the mid and lower Mountains (planning areas 3, 4, and 5) there is more agreement that there is sufficient housing in the Blue Mountains. Planning area 1 has the strongest disagreement with this statement, at over 50%.

In the younger (18 to 35) and older (60 and over) age groups there is a greater proportion of people who disagree, and fewer who agree than those in the 35 to 60 year old age groups. This could correlate with when people are most likely to be looking to change their housing situation – to enter the housing market or to downsize.

Q9.2 The range of housing choice in the Blue Mountains should be expanded

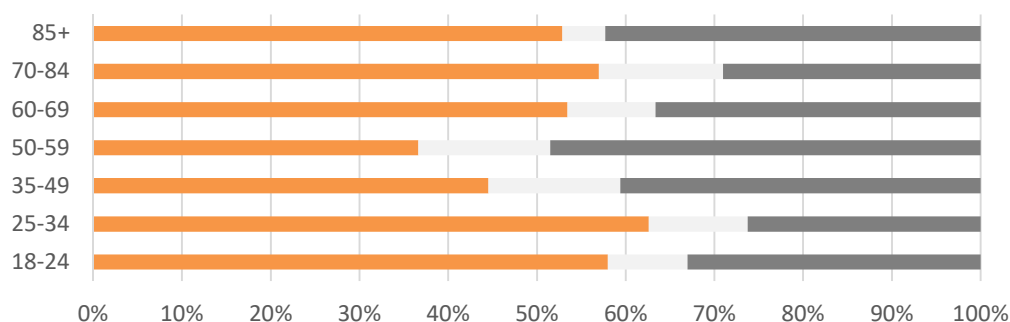


Planning Area response



Planning area 1	Planning area 2	Planning area 3	Planning area 4	Planning area 5
<ul style="list-style-type: none"> The Mounts Mt Victoria Blackheath Megalong Valley 	<ul style="list-style-type: none"> Medlow Bath Katoomba Leura Wentworth Falls 	<ul style="list-style-type: none"> Bullaburra Lawson Hazelbrook Linden Woodford 	<ul style="list-style-type: none"> Faulconbridge Springwood Winmalee Yellow Rock 	<ul style="list-style-type: none"> Warrimoo Blaxland Glenbrook Mt Riverview

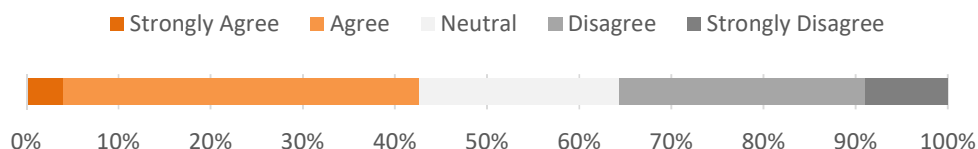
Age group responses



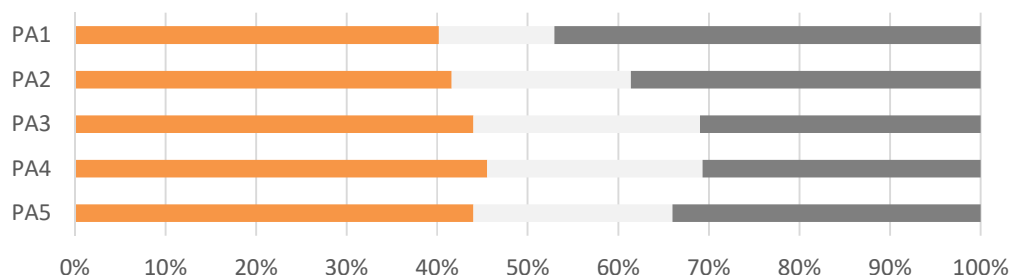
There is more agreement (just over 50%) with expanding the range of housing choice in the middle and upper Mountains (planning areas 3, 4, and 5) compared to the lower Mountains. The strongest disagreement with expanding housing choice is in planning area 1.

Similarly to the response to the previous question, there is more agreement from younger and older age groups with the expansion of housing choice. The higher proportion of disagreement in age groups between the ages of 35 and 60 correlates with these age groups being where people are more likely to be at a stage in life with families with children that the predominant housing type in the Blue Mountains suits.

Q9.3 Housing in the Blue Mountains is affordable

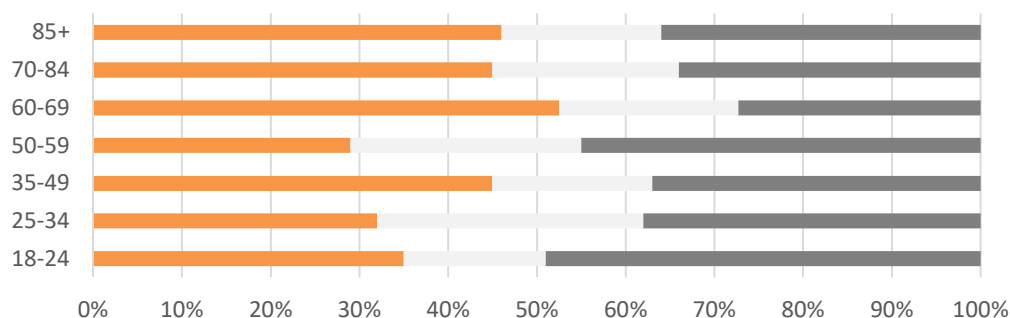


Planning Area response



Planning area 1	Planning area 2	Planning area 3	Planning area 4	Planning area 5
<ul style="list-style-type: none"> The Mounts Mt Victoria Blackheath Megalong Valley 	<ul style="list-style-type: none"> Medlow Bath Katoomba Leura Wentworth Falls 	<ul style="list-style-type: none"> Bullaburra Lawson Hazelbrook Linden Woodford 	<ul style="list-style-type: none"> Faulconbridge Springwood Winmalee Yellow Rock 	<ul style="list-style-type: none"> Warrimoo Blaxland Glenbrook Mt Riverview

Age group responses

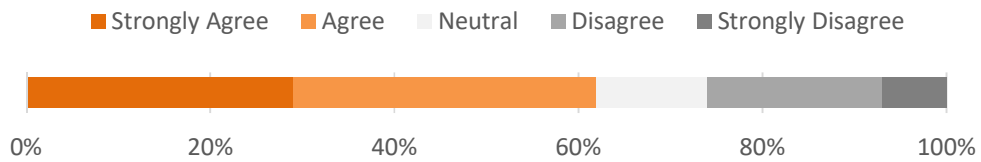


The responses to this statement are similar across the planning areas. However there is a greater proportion of disagreement that housing is affordable in the upper Mountains (planning areas 1 and 2).

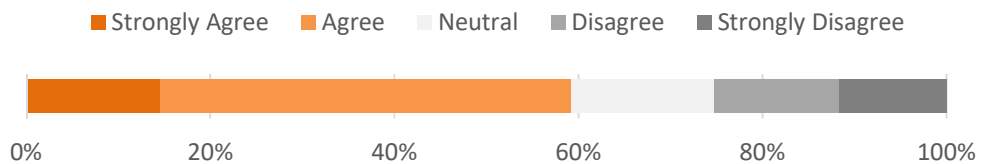
There is much greater variation in response between age groups. The lowest proportion of agreement that housing is affordable is from the 18 to 34 age groups which correlates with when people may be entering the housing market. Conversely, the greatest proportion of agreement that housing is affordable is in the 60 and over age groups which correlates with when people have potential paid off their mortgage.

Location and form of Housing - Blue Mountains

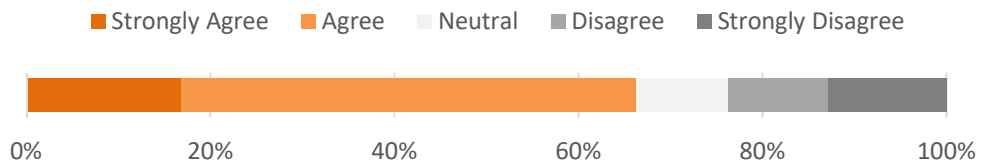
Q10.1 The urban area of the Blue Mountains should not be expanded to allow more housing



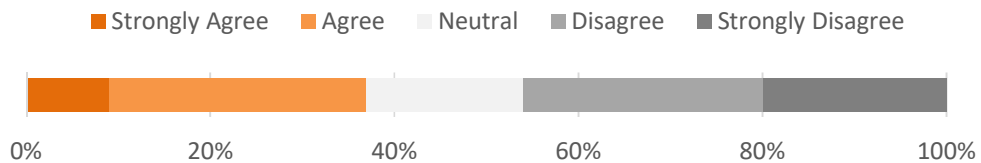
Q10.2 New housing should be focused in larger town centres, close to shops and services



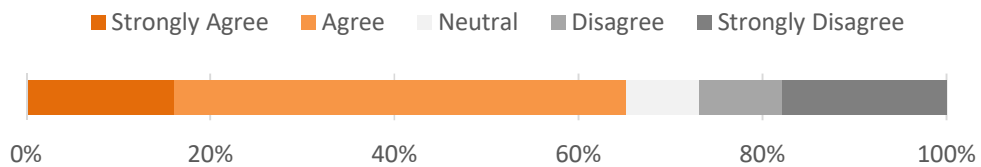
Q10.3 To accommodate housing in town centres, medium density with appropriate design should be considered



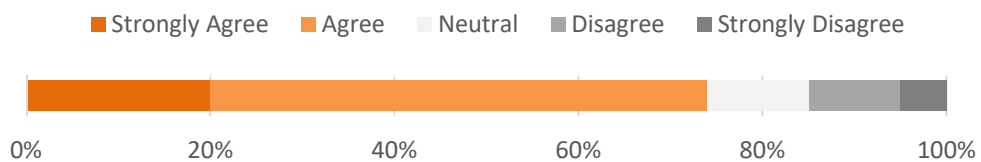
Q10.4 New housing should be through subdivision of land in existing areas



Q10.5 Townhouses or villas that are well designed should be allowed close to town centres



Q10.6 Secondary dwellings (granny flats) are a good form of alternative housing for the Blue Mountains



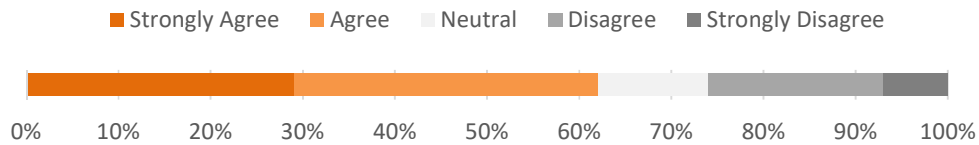
Most people agreed that the urban area of the Blue Mountains should not be expanded. This corresponds with most respondents in support of locating new housing close to town centres, and providing well designed medium density and secondary dwellings.

More people disagreed than agreed with the subdivision of existing areas, with a relatively high proportion (compared to the response to other statements) strongly disagreeing.

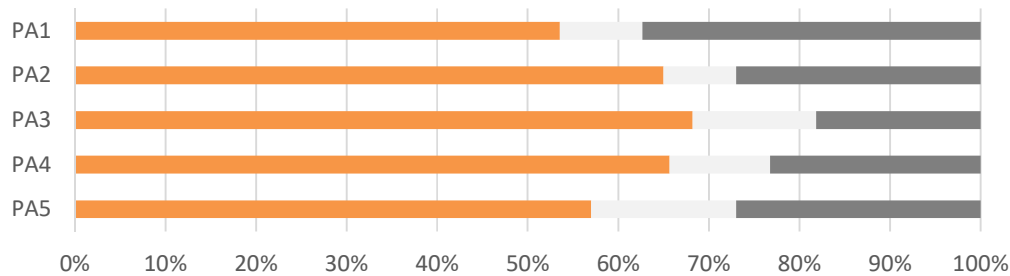
In relation to medium density housing, over 65% of respondents either strongly agreed or agreed with the locating of this form of housing close to town centres. Similarly, more than 70% of respondents agreed that well designed town houses or villas should be located in and around town centres. In combination, these responses suggest respondents were generally comfortable with the locating of medium density housing in and around town centres, that is well designed and of a form (townhouses or villas the most common type of medium density in the local government area) that suits the Blue Mountains context.

Location and form of Housing – By location and age

Q10.1 The urban area of the Blue Mountains should not be expanded to allow more housing

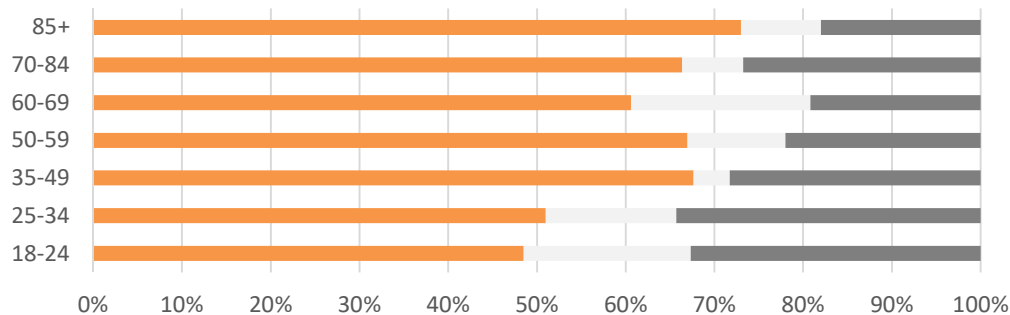


Planning Area response



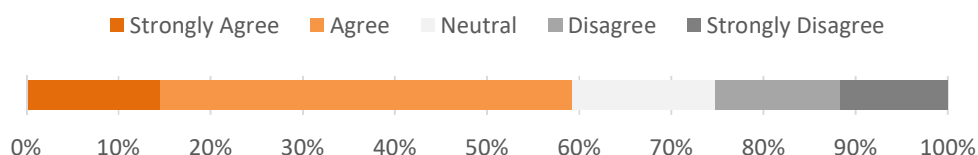
Planning area 1	Planning area 2	Planning area 3	Planning area 4	Planning area 5
<ul style="list-style-type: none"> The Mounts Mt Victoria Blackheath Megalong Valley 	<ul style="list-style-type: none"> Medlow Bath Katoomba Leura Wentworth Falls 	<ul style="list-style-type: none"> Bullaburra Lawson Hazelbrook Linden Woodford 	<ul style="list-style-type: none"> Faulconbridge Springwood Winmalee Yellow Rock 	<ul style="list-style-type: none"> Warrimoo Blaxland Glenbrook Mt Riverview

Age group responses

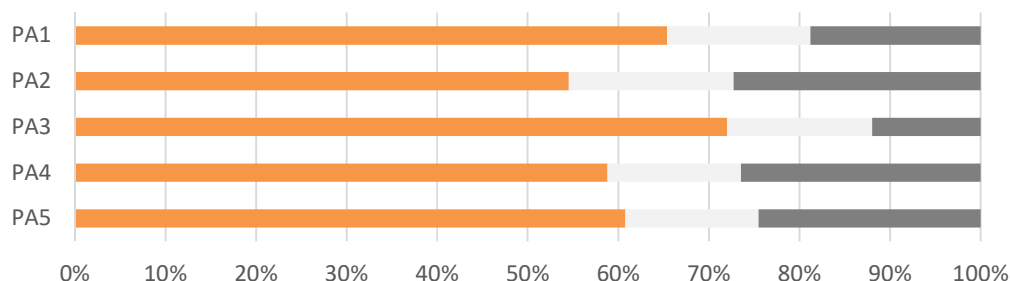


There was strong agreement across all age groups and planning areas that the urban area of the Blue Mountains should not be expanded, with over 50% agreement in all demographic groups except 18 to 24 year olds.

Q10.2 New housing should be focused in larger town centres, close to shops and services

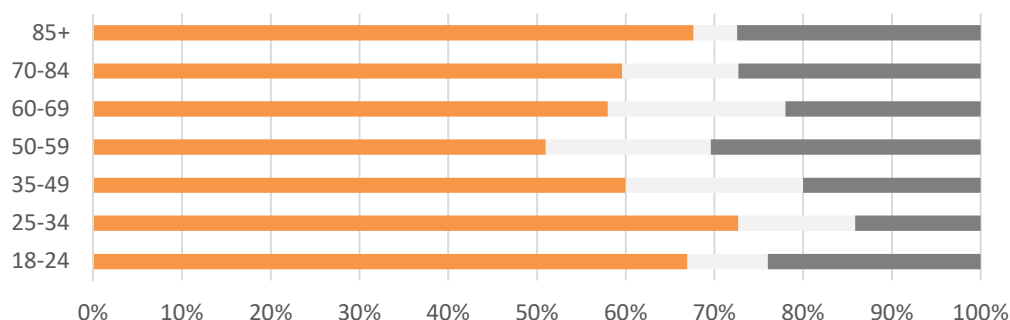


Planning Area response



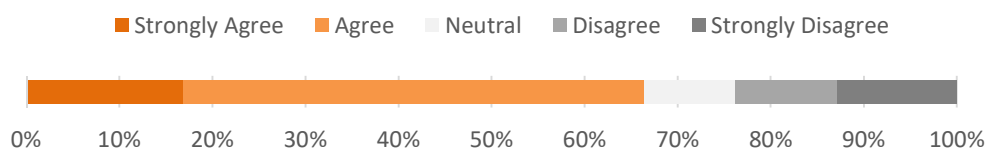
Planning area 1	Planning area 2	Planning area 3	Planning area 4	Planning area 5
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Age group responses

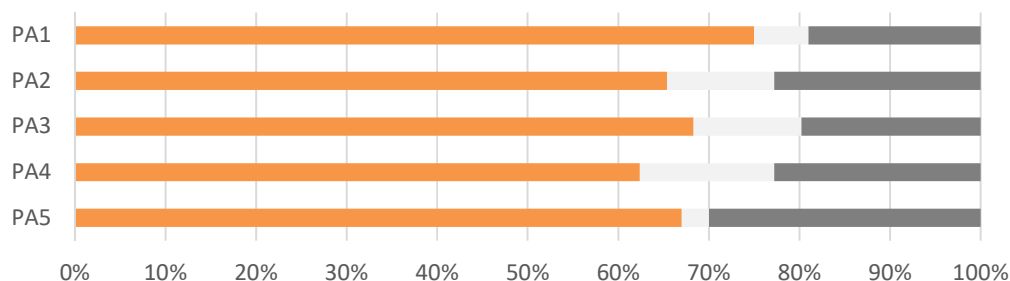


There was strong agreement that new housing should be focused in and around town centres, with over 50% agreement in all demographic groups. The differences in responses by age groups correlate with the responses to the statement on expanding housing choice. The greatest proportion of agreement with new housing in and around town centres comes from the younger and older age groups. Anecdotal evidence suggest that these are the age groups more likely to value proximity to services and public transport.

Q10.3 To accommodate housing in town centres, medium density with appropriate design should be considered

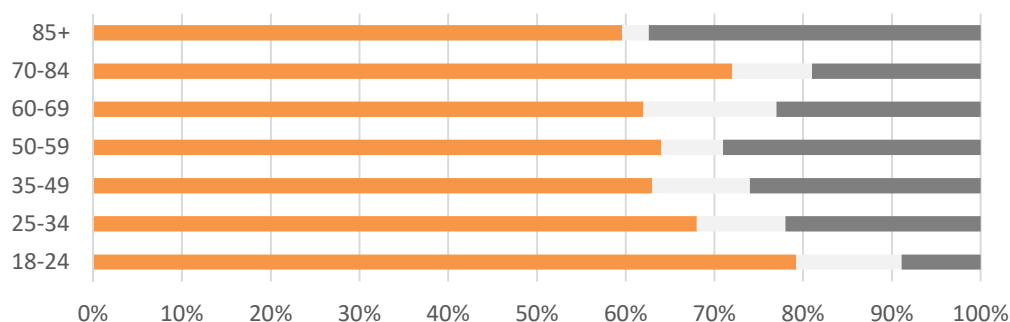


Planning Area response



Planning area 1	Planning area 2	Planning area 3	Planning area 4	Planning area 5
<ul style="list-style-type: none"> The Mounts Mt Victoria Blackheath Megalong Valley 	<ul style="list-style-type: none"> Medlow Bath Katoomba Leura Wentworth Falls 	<ul style="list-style-type: none"> Bullaburra Lawson Hazelbrook Linden Woodford 	<ul style="list-style-type: none"> Faulconbridge Springwood Winmalee Yellow Rock 	<ul style="list-style-type: none"> Warrimoo Blaxland Glenbrook Mt Riverview

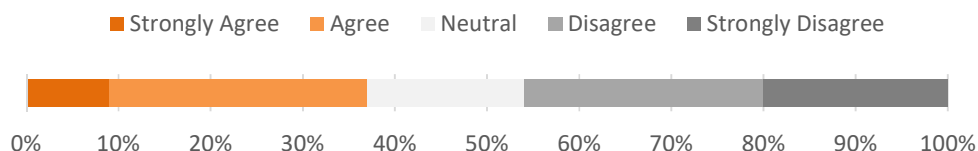
Age group responses



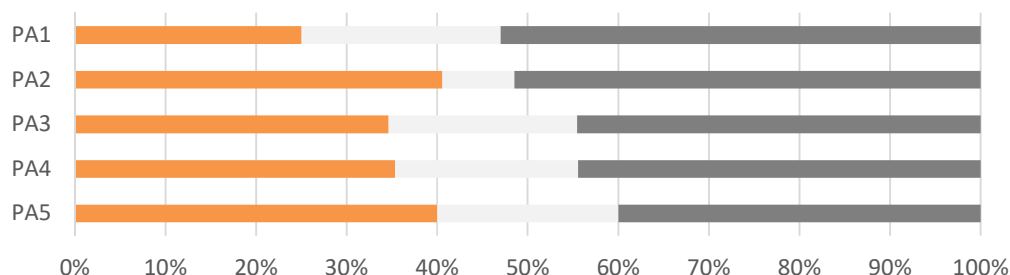
There is very strong agreement (over 60%) in all demographic groups for the consideration of appropriately designed medium density in town centres. The greatest proportion of agreement is in planning area 1, whilst the greatest level of disagreement is in planning area 5, despite also having a high proportion of agreement.

The greatest proportion of agreement by age group is from the 18 to 24 group at nearly 80%. Even though age groups between 35 and 70 have greater proportions of disagreement, there is consistently strong agreement in all of these age groups.

Q10.4 New housing should be through subdivision of land in existing areas

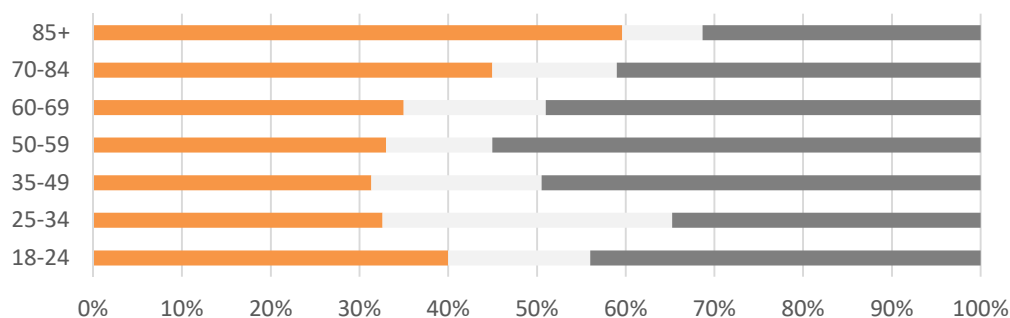


Planning Area response



Planning area 1	Planning area 2	Planning area 3	Planning area 4	Planning area 5
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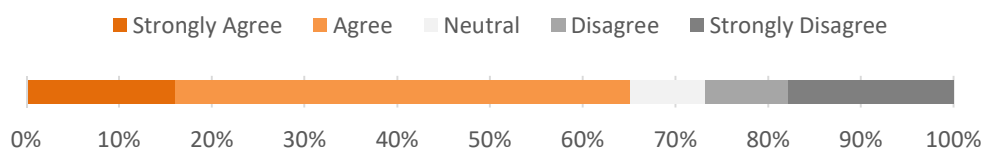
Age group responses



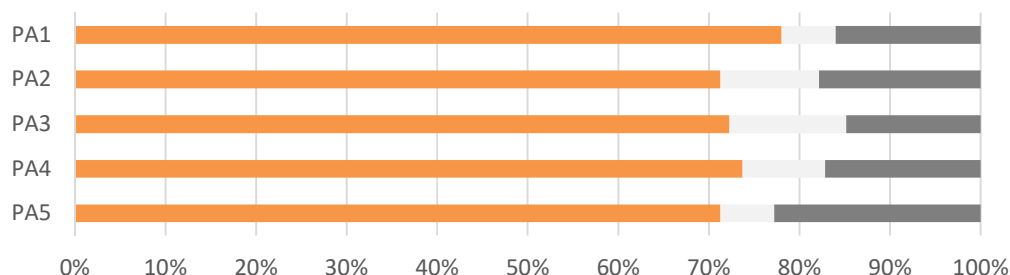
Responses to the proposition of the subdivision of existing areas for new housing are split, with generally slightly greater proportions of disagreement and higher proportions of people responding neutrally. The strongest disagreement (over 50%) is in the upper Mountains (planning areas 1 and 2).

The greatest proportion of agreement with subdivision is in the 70 and over age groups. This could suggest people in this age group own their own property and may see subdivision as a way to downsize.

Q10.5 Townhouses or villas that are well designed should be allowed close to town centres

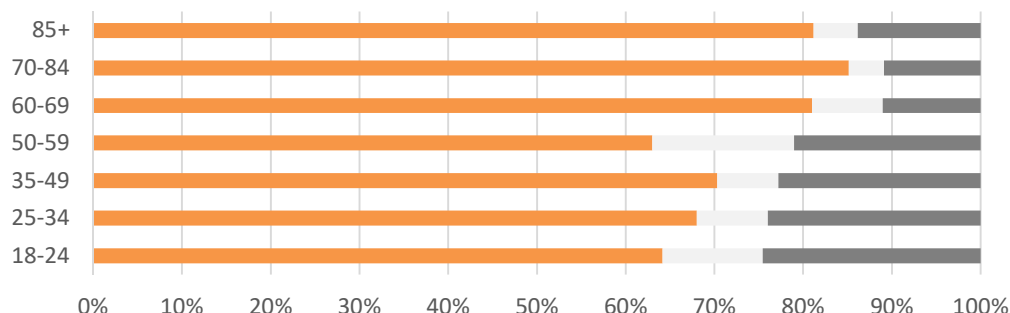


Planning Area response



Planning area 1	Planning area 2	Planning area 3	Planning area 4	Planning area 5
<ul style="list-style-type: none"> The Mounts Mt Victoria Blackheath Megalong Valley 	<ul style="list-style-type: none"> Medlow Bath Katoomba Leura Wentworth Falls 	<ul style="list-style-type: none"> Bullaburra Lawson Hazelbrook Linden Woodford 	<ul style="list-style-type: none"> Faulconbridge Springwood Winmalee Yellow Rock 	<ul style="list-style-type: none"> Warrimoo Blaxland Glenbrook Mt Riverview

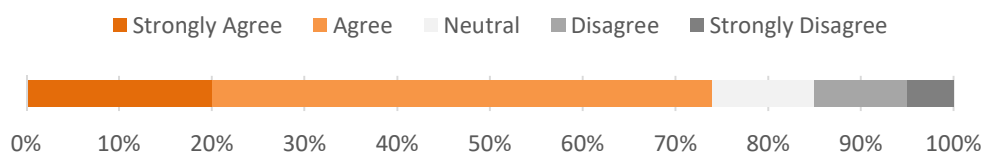
Age group responses



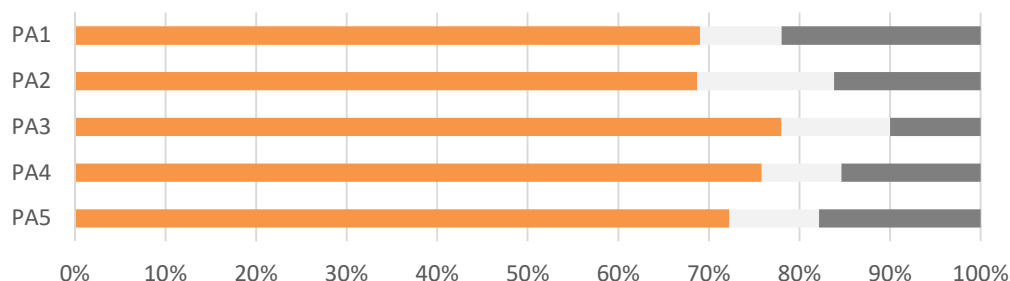
There is strong agreement with well-designed villas and town houses close to town centres across all demographic groups. Across all planning areas there is over 70% agreement with the highest being in planning area 1.

The greatest proportion of agreement is from age groups over 60 with over 80% agreement. This could correlate with the age range when people may be looking at options to down size or move into a property which requires less maintenance.

Q10.6 Secondary dwellings (granny flats) are a good form of alternative housing for the Blue Mountains

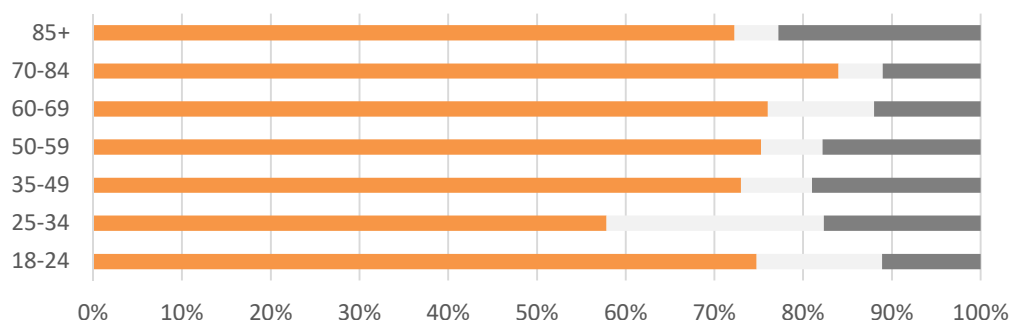


Planning Area response



Planning area 1	Planning area 2	Planning area 3	Planning area 4	Planning area 5
<ul style="list-style-type: none"> The Mounts Mt Victoria Blackheath Megalong Valley 	<ul style="list-style-type: none"> Medlow Bath Katoomba Leura Wentworth Falls 	<ul style="list-style-type: none"> Bullaburra Lawson Hazelbrook Linden Woodford 	<ul style="list-style-type: none"> Faulconbridge Springwood Winmalee Yellow Rock 	<ul style="list-style-type: none"> Warrimoo Blaxland Glenbrook Mt Riverview

Age group responses



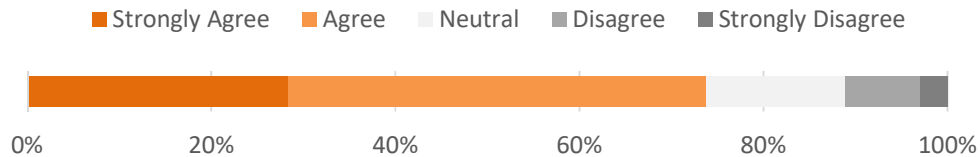
There were high levels of agreement with secondary dwellings across all demographic groups. There was slightly lower proportion of agreement in the upper Mountains (planning areas 1 and 2) but only slightly.

The responses were generally consistent across age groups except for a much lower level of agreement in the 25 to 34 age group. The highest level of disagreement was in the 85 and over age group despite there also still being strong agreement in this age group.

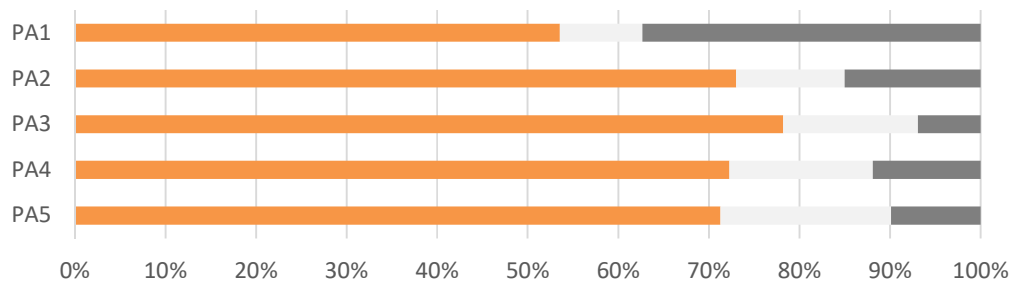
The housing survey also asked community members to respond to statements about the character and design of housing. The response to these questions in the survey have helped inform the Local Character Study 2020 and Local Character Statement 2020.

Analysis of responses to all the housing survey questions is provided in the report prepared by the Consultant in Appendix 2. Two key questions are summarised below to show the strength of the community's conviction toward a high standard of design that is responsive to the local area.

Q11.1 New housing should fit in with the size and scale of existing buildings

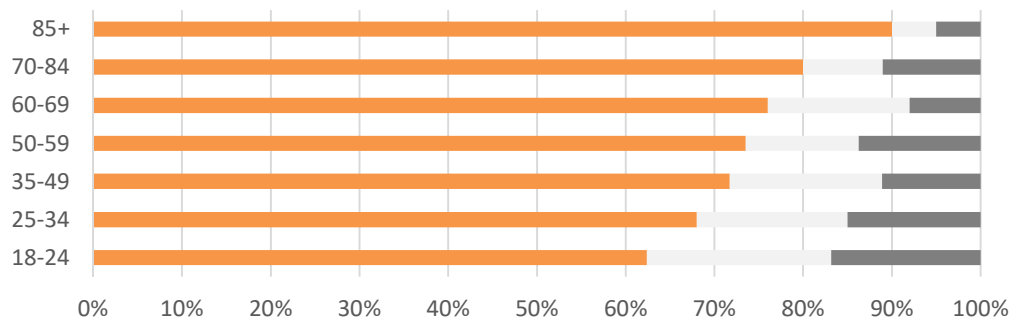


Planning Area response

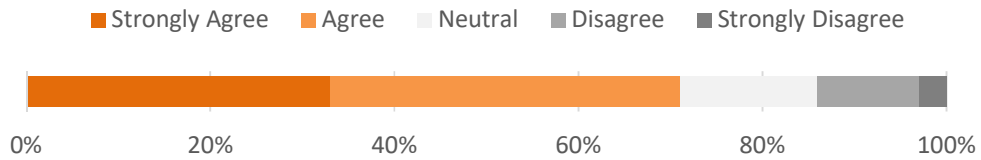


Planning area 1	Planning area 2	Planning area 3	Planning area 4	Planning area 5
<ul style="list-style-type: none"> The Mounts Mt Victoria Blackheath Megalong Valley 	<ul style="list-style-type: none"> Medlow Bath Katoomba Leura Wentworth Falls 	<ul style="list-style-type: none"> Bullaburra Lawson Hazelbrook Linden Woodford 	<ul style="list-style-type: none"> Faulconbridge Springwood Winmalee Yellow Rock 	<ul style="list-style-type: none"> Warrimoo Blaxland Glenbrook Mt Riverview

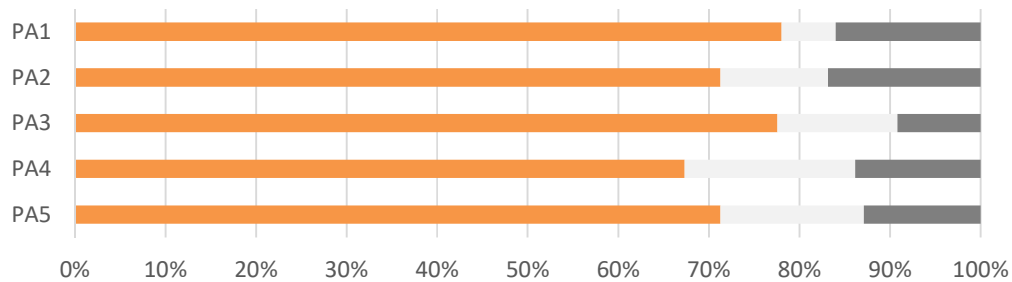
Age group responses



Q11.5 New housing should have a higher requirement for sustainability compared to elsewhere

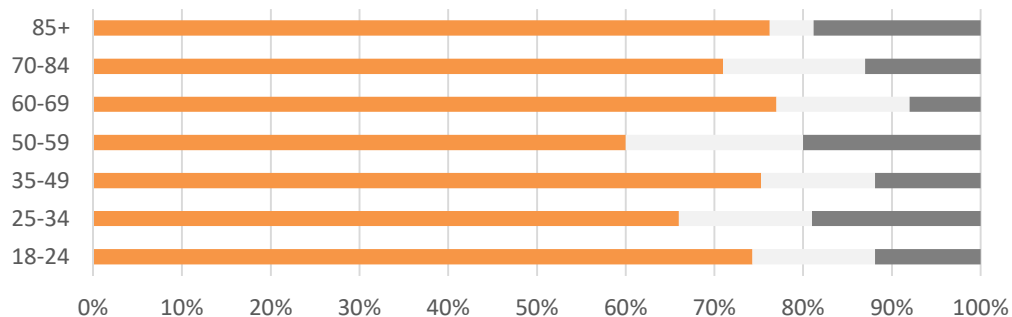


Planning Area response



Planning area 1	Planning area 2	Planning area 3	Planning area 4	Planning area 5
<ul style="list-style-type: none"> The Mounts Mt Victoria Blackheath Megalong Valley 	<ul style="list-style-type: none"> Medlow Bath Katoomba Leura Wentworth Falls 	<ul style="list-style-type: none"> Bullaburra Lawson Hazelbrook Linden Woodford 	<ul style="list-style-type: none"> Faulconbridge Springwood Winmalee Yellow Rock 	<ul style="list-style-type: none"> Warrimoo Blaxland Glenbrook Mt Riverview

Age group responses



Summary of Housing Survey

The community overall, appears split on whether there is sufficient housing in the Blue Mountains, with a large number of neutral responses to this question in the survey, indicating that a more nuanced conversation is needed here. However, within specific geographic areas and within particular age ranges, there are strong views. Within Planning Areas 1 (Blackheath) and 2 (Katoomba), there is a high proportion of people who consider that there is not sufficient housing in the Blue Mountains, as do those under 24 years of age and over 70 years of age. With reference to age, it is reasonable to interpret that these are the age groups most likely to want or need smaller housing types (principally older adults, and younger people leaving home and potentially looking to stay in the Blue Mountains); a need not satisfied by the traditional housing stock of the 3-4 bedroom freestanding house.

However, in response to expanding housing choice in general, a stronger positive response was received - noting again that those ages and Planning Areas for whom housing diversity is most compromised, responded more positively to this question.

Respondents generally agreed that increasing subdivision opportunities within existing urban areas, was not the preferred approach for increasing housing options. A strong response was also received in relation to appropriate design and built form. The locating of well-designed town houses or villas close to town centres, received support from 73% of all respondents. The same, and in some planning areas, a greater level of agreement was noted from respondents in relation to secondary dwellings as a good form of alternative housing in the Blue Mountains.

2.2.4 Social and Affordable Housing

As previously mentioned, a study on the demand for social and affordable housing has been carried out by SGS which forecasts social and affordable housing demand to 2036 for all councils in the Western City District. The forecast for the Blue Mountains and the broader Western City district are shown below in Table 12.

Year	Number of households in Blue Mountains	Number of households in Western City District
2016	3,146	59,523
2021	3,259	65,685
2026	3,390	73,121
2031	3,560	80,050
2036	3,750	87,765
Change	604	28,242

Table 12: Social and affordable housing demand by number of households, 2016 to 2036

For the Blue Mountains this represents an average annual growth rate in the need for social and affordable housing of 0.9%, much less than the Western City District average of 2%.

The demand for social and affordable housing to 2036 in the Blue Mountains by household type is shown in Table 13.

Household type	2016	2021	2026	2031	2036
Couple family with children	389	383	379	379	389
Couple family with no children	323	337	347	359	373
One parent family	743	754	765	797	841
Other family	132	126	126	138	138
Group household	151	151	151	151	160
Lone person household	1,408	1507	1,621	1735	1849
Total	3,146	3,258	3,389	3,559	3,750

Table 13: Social and affordable housing demand by household types, 2016 to 2036

In terms of households, the SGS Study projects that lone person households will increase as a percentage of unmet demand for social and affordable in 2036 to 49%. These projections accord with the projected increase in lone person households in the Blue Mountains in general, over the next twenty years.

The current unmet demand for social and affordable housing in the Blue Mountains is 2,253 dwellings and this is projected to increase to 2,896 dwellings by 2036, a 29% increase on current levels and a numeric increase of 643 dwellings.

The demographics in the Blue Mountains means that state level planning interventions, such as the Affordable Rental Housing SEPP, or the proposed GSC action of allotting a certain percentage of dwellings in new development to this supply, are not effective to meet this projected demand.

A recommendation within this strategy, is that Council undertakes a Housing Affordability Review to understand the most effective mechanisms for providing affordable and social housing within the City.

2.3 Housing Supply

2.3.1 Housing types

Housing types are generally categorised as either separate house, medium density or high-density dwelling types. This does not capture the important role that dual occupancies and secondary dwellings play in the Blue Mountains housing market. Additionally, the majority of what are traditionally described as medium density dwellings in greater Sydney are of a size and scale that are not present in the Blue Mountains

Therefore, for the purpose of this Local Housing Strategy, the assessment of housing supply and demand will be grouped in the following way, described further below:

- Traditional housing: single detached house on a single lot
- Hidden density housing: secondary dwellings and dual occupancies
- Alternative housing: multidwelling housing and shop top housing
- Seniors Housing over 55s housing under the SEPP

Traditional housing

As previously described, detached houses (single houses on their own block of land) represent the vast majority of housing the Blue Mountains. Further, most new dwellings continue to be single detached houses and this is likely to continue, while there is land available.

In many ways, this housing type defines the residential landscape of the Blue Mountains. It represents a traditional housing form and lifestyle, which is now less common in the many parts of the Greater Sydney area.

The urban footprint of the Blue Mountains is appropriately contained, due to the nature and combination of the environmental constraints. With no capacity for expansion of the urban area, land supply will eventually reach capacity. As this approaches, the land remaining is also likely to be the most marginal, resulting in additional time and cost for development. Despite this, the appeal of the Blue Mountains is such that development of this remaining vacant land will likely continue. However, it is anticipated that the rate of development will reduce over time, for the reasons outlined above.

Hidden density, particularly secondary dwellings

In a location like the Blue Mountains, with a contained urban footprint and no new land release areas, housing supply through infill development and what we have termed 'hidden density' in the Blue Mountains, is an essential consideration. Secondary dwellings (small self-contained dwellings built on the same lot as an existing house) is one type of such development.

Secondary dwellings have a size limit under local planning controls, and most are detached from the main house and located in the backyard. With the vast majority of the urban area of the Blue Mountains being low density residential with typically larger lots, there is wide spread potential for secondary dwellings across the local government area.

Traditionally, such housing provided for extended family (termed as the 'granny flat') and served as an alternative housing option for older family members, enabling people to age in place and reducing pressure on care facilities.

Given the size limit on second dwellings, they provide an opportunity to increase housing diversity through the provision of small, predominantly one bedroom housing. This therefore has the potential to contribute to housing affordability, when these dwellings are made available on the long term rental market.

However, with the expansion of online holiday rental platforms (AirBnB and the like), many of these secondary dwellings are rented on the short-term holiday market, rather than being included in long term housing supply. This is a state-wide trend, however particularly relevant for the Blue Mountains as a core tourist destination. The Local Housing Strategy has considered this impact on long term housing supply, particularly in the upper mountains (villages such as Wentworth Falls, Leura, Katoomba and Blackheath).

Dual occupancies are also considered a form of hidden density in the Blue Mountains and are permitted broadly in all residential land use zones, provided certain conditions (such as minimum lot sizes) are met. Recent State legislation changes on the introduction of a Low-Rise Medium Density Housing Code will not affect where dual occupancies could occur but will affect design outcomes, this is discussed in more detail later in the LHS.

'Tiny Houses' Concept:

It is important to address the increasingly common descriptor of 'tiny houses', in the context of the planning system. By its nature, housing of this type is typically much smaller than a standard free-standing home or even secondary dwelling. However, in planning terms, as a free-standing structure on a vacant lot (regardless of size), a 'tiny home' would be considered a dwelling. Similarly, if it is a fixed structure on a lot and there is already a dwelling present, then it would be considered a secondary dwelling. It is acknowledged that the 'tiny houses' concept has the potential to provide increased opportunity for housing affordability, and will be considered in the preparation of the affordable housing work recommended in this strategy.

Alternative housing

Alternative housing refers to more dense forms of housing, such as townhouses and villas. It also includes small blocks of apartments and units above shops in town centres. In the Blue Mountains this sort of development occurs at a much smaller scale than most of Sydney, as local planning controls require lower building heights, smaller building footprints and greater landscape areas for such developments.

Where alternative housing can occur is set by zoning, limited to areas close to the City's larger town centres. The reason for this is to accommodate more people close to services and public transport, and to limit densities and the number of people in more remote outlying areas.

Under Council's current planning framework and zoning there is existing capacity for more medium density housing in the Blue Mountains to occur. However, there has been historically low take-up of these opportunities, which is likely due to market feasibility.

Seniors housing

Seniors housing is a particular type of medium density housing. It is primarily governed by State Environmental Planning Policy (Housing for seniors and people with a disability) 2004 (SEPP Seniors). SEPP Seniors allows seniors housing to be developed more broadly than other types of medium density, but the occupancy of dwellings in a seniors housing development is limited to residents over 55 years old.

Although the SEPP allows seniors housing to occur in a broad range of zones, sites must meet accessibility requirements. Therefore, despite the SEPP providing permissibility for seniors housing in most of the residential areas of the Blue Mountains, there is limited development occurring. This could be due to constraints which affect accessibility, such as topographic and other environmental issues including bush fire, but also distance to shops and services, with limited public transport. Opportunities for expanding where seniors housing can occur is discussed further in Section 2.4.2 Opportunities.

2.3.2 Capacity and supply

The capacity for new housing is based on the supply of land and Council's planning controls, which identify where different types of housing can occur and what form it may take. To estimate the likely future housing supply in the Blue Mountains the current capacity and rate of development for different housing types has been analysed. This builds on previous work undertaken by Council.

The Residential Development Strategy (RDS) 2002 analysed the supply of vacant land across most of the City, and the potential future capacity for medium density housing. This was reviewed and updated to develop RDS 2010 which also analysed the available vacant land in rural and more remote parts of the Blue Mountains. The baseline and forecasts from RDS 2010 have been verified in the development of this Local Housing Strategy (LHS), as has the data on current housing activity.

The LHS builds on the current RDS 2010. Using RDS figures as a baseline, analysis of completions (new housing built) since the RDS housing capacity data was developed, was undertaken to establish an interim current capacity. Further analysis was then undertaken to verify the completions data, including housing types not covered by State Government data (namely secondary dwellings), and to verify the current housing capacity to test and valid the assumptions and data in the RDS. The process has established the current rate of housing development for the Blue Mountains, and capacity for new housing.

Using both the capacity data, and the completions data to understand the rate at which development for different housing types occurs in the Blue Mountains, scenarios for the likely future housing numbers were developed. Future housing scenarios are only forecasts, based on assumptions. The intention is to review the LHS periodically, review housing activity against these scenarios, and provide updates to the LHS as necessary.

The following tables present the current dwelling numbers for the Blue Mountains, the rate the new housing is being built, the estimated future dwelling scenario, and the capacity under Council's current planning framework for this to continue. The tables are divided by the housing types outlined in section 2.3.1. The figures for new dwellings, current and projected, are net new dwellings. They do not include the knock down and rebuilding of an existing house which does not increase the overall number of dwellings.

The demographic analysis for this LHS was based in part on future population forecasts, which also include estimated future dwelling numbers. Whilst similar, they differ from the estimated future dwelling scenarios presented in this section. This is because the analysis undertaken for this LHS included a more detailed investigation into the current capacity for new housing, and recent housing construction trends. The forecast.id numbers are updated periodically to incorporate the latest data. The analysis from this LHS will inform future updates to the forecast.id projections.

Methodology

In the summary table on the following page, and the detailed break downs by housing types, the following information is presented. The table below outlines the methodology and data sources for this strategy.

Current	<ul style="list-style-type: none"> The current number of dwellings based on 2016 ABS census data
Current take-up	<ul style="list-style-type: none"> Average number of new dwellings (houses and units) built each year based on State Government data* and Council's database of development applications and construction certificates
Future scenario assumptions	<ul style="list-style-type: none"> Assumptions that have informed the estimated future scenario for each dwelling type Based on the current average take-up modified for various assumptions
5 years (2016 to 2021) Estimated 2021 dwelling numbers	<ul style="list-style-type: none"> 5 year period is set by the GSC from 2016 when they first released housing targets and to align with ABS census year Forecasts to 2021 include new dwellings built since 2016 and in the pipeline (development applications approved) Aggregate of current dwelling numbers and estimated 5 year future scenario
6-10 year future scenario Estimated 2026 dwelling numbers	<ul style="list-style-type: none"> Estimated number of new dwellings for the 6-10 year period from 2021 to 2026 based on the assumptions Scenario based on current market trends it is assumed that the Blue Mountains will experience a lower rate of new housing in the near future than it has most recently on the back of growth in Sydney's housing market Aggregate of current dwelling numbers and estimated 5 and 5 to 10 year future scenarios
Capacity discussion	<ul style="list-style-type: none"> As outlined in this LHS, the supply of land in the Blue Mountains is limited and this will eventually run out as new houses are built There are also only limited areas within established towns and villages suitable (and zoned) for alternative housing to be built
Remaining capacity	<ul style="list-style-type: none"> The capacity is the possible number of new dwellings which could be built under the current planning framework (as of April 2019 when the analysis for this LHS was finalised)

*DPIE net dwelling completions

Housing capacity and supply summary

	Traditional Housing	Hidden Density	Seniors Housing	Alternative Housing	TOTAL
CURRENT					
Current dwelling number	31,369 houses	Not separately counted by census	284 units (of Alternative Housing figure)	2,550 units	34,182 dwellings (includes 263 other)
Current dwelling mix	91.8%			7.5%	
Average new dwellings (per year)	99 new houses	19 new dwellings	8 new units	30 new units	156 new dwellings
ESTIMATED FUTURE SCENARIOS					
5 years (2016 to 2021)					
Forecast new dwellings	523 new houses	110 new dwellings	43 new units	106 new units	782 new dwellings
Estimated 2021 dwelling numbers	31,892 total houses	+191 dwellings	Included in Alternative Housing figure	2,699 total units (including seniors housing)	34,964 total dwellings 2.3% increase
6 to 10 years (2022 to 2026)					
Forecast new dwellings	397 new houses	81 new dwellings	32 new units	62 new units	572 new dwellings
Estimated 2026 dwelling numbers	32,289 total houses	+191 dwellings	Included in Alternative Housing figure	2,793 total units (including seniors housing)	35,536 total dwellings 1.6% increase
CAPACITY					
Capacity (as at 2019) for new dwellings	3052 possible new houses			776 possible new units*	
Estimated year that capacity is reached	Year 2043			Year 2044*	
*for land zoned R1 & R3					

Traditional housing overview

Current	<ul style="list-style-type: none"> 31,369 free standing houses 91.8% of all dwellings in the Blue Mountains
Current take-up	<ul style="list-style-type: none"> There is vacant land still available to be built on in the Blue Mountains, and land that is able to be subdivided to create more lots 99 new houses are currently being built each year on this remaining available land (on average)
Future scenarios Assumptions	<ul style="list-style-type: none"> The supply of vacant land is limited because of the unique natural setting of the Blue Mountains which means the urban area should not be expanded As houses are built on the vacant land, those lots remaining are likely to be more difficult and costly to build on – due to slope, bush fire limitations, environmental constraints, and difficult to access It is anticipated that the rate new houses are built will slow as the available land becomes more difficult to build on
5 years (2016 to 2021) Estimated 2021 dwelling numbers	<ul style="list-style-type: none"> 523 new houses are forecast to be built in the 5 year period from 2016 to 2021 This will result in an estimated total 31,892 free standing houses in the Blue Mountains in 2021
6-10 year future scenario Estimated 2026 dwelling numbers	<ul style="list-style-type: none"> 397 new houses are forecast to be built in the 5 year period from 2021 to 2026 This would result in a total of 32,289 free standing houses in the Blue Mountains by 2026 This will make up 90.8% of all dwellings in the Blue Mountains in 2026
Capacity discussion	<ul style="list-style-type: none"> Because of the confined urban area of the Blue Mountains the vacant land which houses can be built on is limited and will eventually be used up There is currently capacity (or potential) for 3052 new houses on vacant land and lots estimated to be created through subdivision of existing lots At the current rate that houses are being built, this capacity would be reached by the year 2043, at which point there would be no (or negligible) vacant land remaining to build a house on in the Blue Mountains
Remaining capacity	

Hidden density overview

Current	<ul style="list-style-type: none">• The true number of existing secondary dwellings (granny flats) and dual occupancies in the Blue Mountains is not known.• Whilst they are included in the overall dwelling numbers of the City, there is not data on them as a separate category because they could be counted in different dwelling structure categories by census collectors based on whether they are identified as a free standing dwellings or semi-detached dwellings (which counts as medium density)
Current take-up	<ul style="list-style-type: none">• 19 secondary dwellings currently being built each year since changes to the planning framework allowed them to be built in more areas• 8 Dual occupancies are built on average each year
Future scenarios Assumptions	<ul style="list-style-type: none">• Given that secondary dwellings are permissible in most of the established residential areas of the Blue Mountains it is expected that they will continue to be built at a similar rate to the current take-up
5 years (2016 to 2021) Estimated 2021 dwelling numbers	<ul style="list-style-type: none">• 110 new hidden density dwellings (secondary dwellings and dual occupancies) are forecast to be built in the 5 year period from 2016 to 2021• This will predominantly be secondary dwellings (102) compared to dual occupancies (8)
6-10 year future scenario Estimated 2026 dwelling numbers	<ul style="list-style-type: none">• 81 new secondary dwellings forecast to be built between 2021 and 2026• Would result in a total of 191 new secondary dwellings and dual occupancies since 2016
Capacity discussion	<ul style="list-style-type: none">• Secondary dwellings are allowed in most residential areas of the City which means on paper there is significant capacity for them to be built• However, not every lot is suitable for a secondary dwelling, and they only appeal to some property owners• So, although they are likely to continue to be built it is highly unlikely this will occur in significant numbers, therefore capacity is not a consideration or limitation

Seniors housing overview

Current	<ul style="list-style-type: none"> • Currently approximately 284 seniors housing units in the Blue Mountains • This figure is based on Council's database of development applications and construction certificates • The ABS census does not count seniors housing separately to other medium density developments, so these units are included in the overall medium density housing numbers of the City • It is important to note that seniors housing is different to nursing homes or other similar institutions which the census classifies as 'non private' dwellings. These are counted separately in the census and are not part of the scope of this LHS
Current take-up	<ul style="list-style-type: none"> • 8 seniors housing units per year on average
Future scenarios Assumptions	<ul style="list-style-type: none"> • Seniors housing developments can vary in size and, although there is typically only one or two built each year in the Blue Mountains, it means that the number of new seniors housing units built each year can vary • The average historical rate on new seniors housing units has been used to forecast future housing scenarios
5 years (2016 to 2021) Estimated 2021 dwelling numbers	<ul style="list-style-type: none"> • 43 new seniors housing units estimated to be built between 2016 and 2021 • <i>New seniors housing units are included in alternative housing total</i> (to be able to compare to current dwelling data)
6-10 year future scenarios Estimated 2026 dwelling numbers	<ul style="list-style-type: none"> • 32 new seniors housing units forecast to be built between 2021 and 2026 • <i>New seniors housing units are included in alternative housing total</i> (to be able to compare to current dwelling data)
Capacity discussion	<ul style="list-style-type: none"> • SEPP seniors permits seniors housing to be built in a broad range of areas. This means that capacity as it could be expressed on paper is not a significant limitation. The key consideration is the ability of land to be developed given constraints.

Alternative housing overview

Current	<ul style="list-style-type: none"> 2,550 dwellings in the Blue Mountains that are classified by ABS census data as medium density or high density <ul style="list-style-type: none"> 2,350 medium density (town house, semi detached houses, or units in buildings 2 storeys or less) 200 high density (units in buildings of 3 or more storeys or attached to shops) 7.5% of all dwelling in the Blue Mountains
Current take-up	<ul style="list-style-type: none"> 30 New units built per year on average
Future scenarios Assumptions	<ul style="list-style-type: none"> Development of alternative housing is more influenced by market forces than traditional housing because it depends on feasibility , even if the planning framework allows it to occur Historically there has been little take-up of opportunities to construct alternative housing in the Blue Mountains More recently there has been an increased level of activity as the market has obviously changed and made certain developments feasible particularly in the lower mountains This historic take-up of opportunities has been used to develop estimated future scenarios for alternative housing
5 years (2016 to 2021) Estimated 2021 dwelling numbers	<ul style="list-style-type: none"> 106 new alternative housing units to be built in the 5 years from 2016 to 2021 This would result in a total of 2,699 units, including seniors housing units in the Blue Mountains
6-10 year future scenario Estimated 2026 dwelling numbers	<ul style="list-style-type: none"> 62 new alternative housing units forecast to be built in the 5 years from 2021 to 2026 This would result in an estimated 2,793 units in the Blue Mountains (including seniors housing) by 2026 This would make up 8.4% of all dwellings in the Blue Mountains
Capacity discussion	<ul style="list-style-type: none"> Alternative housing is only permitted in a few zones in and around established town centres As land in these areas are developed, the opportunities, or capacity, for further development reduce If no new areas are planned the potential for alternative housing to be built in the Blue Mountains will cease
Remaining capacity	<ul style="list-style-type: none"> There is current capacity for a estimated 776 new units to be built on land zoned R1 General Residential & R3 Medium Density Residential around existing town centres At the current rate that new units are being built, this capacity would be reached in 2044 There is also capacity for an additional 504 shop top housing units in town centres. However, this much less likely to be developed

Capacity and supply summary

The analysis of the current rate of supply (construction) of new dwellings, and the capacity under the current local planning framework means that the Blue Mountains is on track to meet the five-year housing target set by the Western City District Plan of 650 new dwellings from 2016 to 2021.

As detailed previously, Council is required to nominate a housing target for 2021-2026, supported by a Local Housing Strategy. Analysis within this LHS, nominates a realistic number of new dwellings within this period of 572 new dwellings.

Important in the local context however, is that the majority of new housing being built continues to be free standing dwellings. Given the supply of land in the Blue Mountains is limited, based on current date, this land available for new housing will be at capacity by 2043.

As this point approaches and there is less land available, the remaining lots are likely to be more constrained and difficult to build on. Subsequently, it is expected that there will be increased pressure on the established areas of the Blue Mountains to provide more housing. As the demographics of the Blue Mountains shift as presented in section 2.1, it is expected that there will be increasing demand for more diverse housing options.

Summary and 6-10 Year Housing Target

The results of the capacity and supply analysis indicate that there is current capacity for new housing and no immediate need to implement policy change to increase the supply of housing in the City.

However, investigation into evidence-based changes to the local planning framework should be undertaken. This is necessary to respond to likely future pressure for housing, and to meet the diverse housing needs of the community, to control housing options over the 6-10-year period. The potential for these changes is analysed and detailed further in section 2.5.

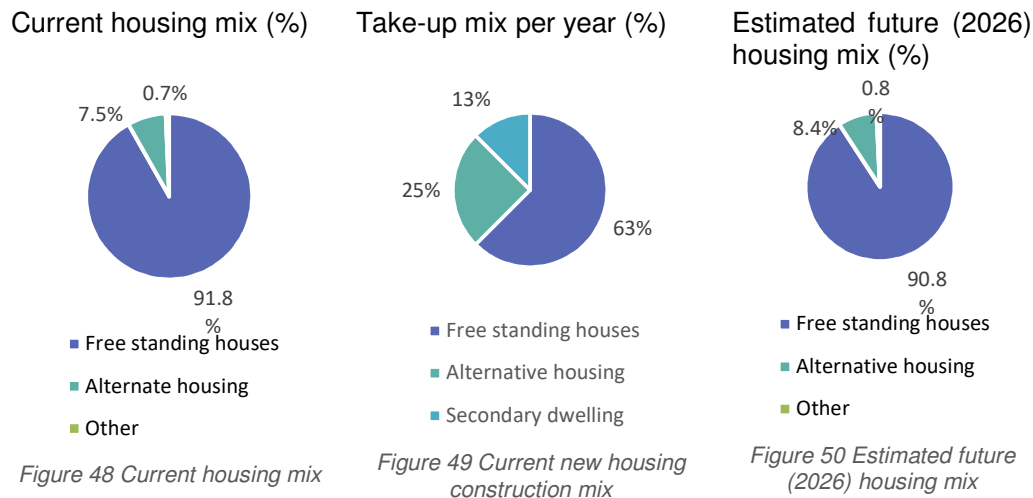
As detailed above, Blue Mountains is on track to achieve the five-year housing target set by the Greater Sydney Commission in the Western City District Plan. The District Plan requires Councils to establish a 6-10 year target in consultation with the Greater Sydney Commission as part of the development of a Local Housing Strategy.

Based on the analysis of capacity and supply, this LHS nominates a 6-10-year housing target for the Blue Mountains of 550 new dwellings between 2021 and 2026. This is lower than the target set for the current five-year period and reflects the limited capacity in the Blue Mountains and likely decrease in the rate of development as detailed in the analysis.

The nominated 6-10-year housing target for the Blue Mountains is 550 new dwellings between 2021 and 2026

Housing diversity summary

Residential development in the Blue Mountains is predominantly (92%) free standing houses (traditional housing) as shown in Figure 48 below. Although most new dwellings being built are freestanding houses, a proportion of new housing is represented by other housing forms (secondary dwellings, seniors housing, and alternative housing) as shown in figure 49. This means that over time the mix of housing in the Blue Mountains will shift, but only slightly. Given the Blue Mountains is an established area, and the rate that new housing is low, any proportional increase to the take-up of a certain housing type will only make a very small change to the overall housing mix as shown in Figure 50 below.



Despite this marginal effect on the overall mix of housing in the Blue Mountains, it will help to increase the choice of housing available to those households seeking alternatives to a free standing house. As Figure 51 below shows, at the current rate of construction of new dwellings in the Blue Mountains, there will be an increase in the diversity of housing available in the Blue Mountains, whilst only changing the overall mix of housing by 0.9%.

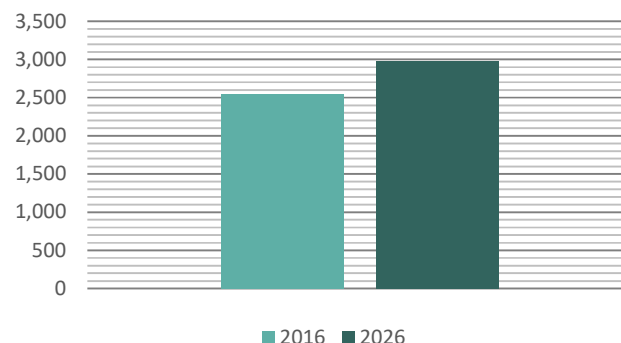


Figure 51 Alternative housing numbers 2016 and 2026

Population and household forecasts 2016 to 2036 prepared by .ld

2.4 Land Use Opportunities and Constraints

The key opportunities and constraints in the Blue Mountains in the area of housing development are outlined below. The importance of the particular environmental setting of the Blue Mountains, and how this effects planning for the City, particularly housing, cannot be overstated.

2.4.1 Constraints

Environmental factors

The Blue Mountains is a city within a UNESCO declared World Heritage Area, one of only two in the world. Our exceptional location requires an appropriately tailored response to the way we live within this world-renowned landscape, and hence, the way we use the urban land within it, both now and into the future.

There are significant elements of the natural environment within the local government area that have been identified and are protected through planning instruments by a combination of zoning, constraints mapping and local planning provisions.

The mapping of various environmental attributes has been used to establish an urban footprint in local planning documents, which limits the expansion into, and requires the preservation of, bushland areas. This means that there is limited supply of land for new development in the Blue Mountains, in contrast to other areas within Greater Sydney.

The following natural attributes and associated planning controls are identified as particularly important in the consideration of housing supply and land capacity.

Watercourses and their associated buffer areas

Protecting watercourse corridors and their associated buffers is a priority in moderating the impact of development related disturbance. Development adjacent to watercourses can cause sedimentation and erosion, alterations to surface water run-off, weed encroachment and habitat reduction.

Blue Mountains LEP 2015 uses a combination of zoning and protected area mapping to identify and protect mapped watercourses. All watercourses in the Blue Mountains have been mapped and a buffer applied around them, based on a riparian buffer model developed for LEP 2005. The E2 Environmental Protection zone is usually applied over watercourses in LEP 2015 to a width of at least 10m, with Protected Area – Riparian Buffer being applied outside that zone if required.

Given the location of the majority of urban development in the Blue Mountains along ridgetops, watercourses originate in the towns and villages and are protected accordingly. This means that most residential areas in the Blue Mountains either contain, or are in close proximity to, watercourses and their protections apply in the consideration of most residential development. In particular there is the requirement to consider stormwater impacts from any development in the Blue Mountains.

Locally significant vegetation

As with watercourses, LEP 2015 uses a combination of zoning and protected area mapping to protect locally significant vegetation. City wide vegetation mapping has been carried out and, if verified, has been used to help set the boundaries of the E2 Environmental Conservation zone, along with watercourses as noted above. Where significant vegetation has not been verified it is still mapped as a protected area outside any E2 Environmental Conservation zone. There are also provisions in LEP 2015 to consider unmapped significant vegetation found during the development assessment process. Another mapped area gives a 50m ecological buffer to verified scheduled vegetation.

Steeply sloping land

Slopes greater than 20 per cent have been identified to ensure any future development is site responsive and mitigates impacts of erosion and sedimentation, thus protecting downstream water quality. All slopes greater than 33 per cent are generally contained within the E2 Environmental Conservation zone, while protected area mapping shows all slopes greater than 20 per cent outside the E2 zone.

As with watercourses, the location of the majority of the residential areas in the Blue Mountains along a ridgetop means that consideration of slope plays a major role in the design and layout of residential development.

Water supply catchment

In water supply catchments, future development needs to occur in a manner that protects water quality, particularly in relation to issues of site disturbance and effluent disposal. Although not included in the mapping for LEP 2015, the SEPP (Sydney Water Drinking Catchment) 2011 is a consideration for any increase in residential development and applies to all inner catchments of drinking water supplies in the Blue Mountains (located at Blackheath/Medlow Bath, Katoomba and Woodford) as well as to the outer catchment of the Warragamba Dam.

Areas adjoining the escarpments

In the Blue Mountains, escarpment areas are sensitive natural environments as well as being visually significant natural features. Protected Area – Escarpment mapping in the LEP applies to areas adjoining escarpments and requires that any development has no adverse impact on the ecological or scenic values of the escarpment by retaining vegetation, being sympathetic to the existing landform, and minimising visibility.

Natural hazards

Bush fire risk

A significant proportion of the Blue Mountains local government area is mapped as bush fire prone land. In addition to these bush fire prone lots, all urban and residential areas within the Blue Mountains face some level of bush fire risk.

Part of the management of bush fire risk is to ensure that exposure to risk for new development is minimised, and that appropriate densities for residential development reflect the level of risk in these areas. This includes consideration of the settlement pattern of the Blue Mountains which can make evacuation and access for emergency services difficult. This is an important consideration for planning where new dwellings could be located in the future.

More dense forms of development in exposed, outlying and ridge-top areas are not appropriate because they will place a greater numbers of people and property at risk. Generally low-density zones are applied in areas subject to higher bush fire risk to minimise exposure.

Flood risk

The urban area of the City of Blue Mountains drains approximately sixty sub-catchments, most of which are not subject to major flooding. The type of flooding in the Blue Mountains is more commonly understood to be flash flooding, that is an intense rainfall event causes water to flow overland along existing low points, as well as leading to water level rises in creeks and along drainage lines.

Council has been carrying out a series of Floodplain Risk Management Studies and Plans and these studies lead to identifying areas below what is called a Flood Planning Level (that is land that would be inundated for a 1 in a 100 year flood event plus a freeboard of 500mm). Managing flood impacts means minimising the number of properties at risk and not increasing residential density in areas that are mapped as below the Flood Planning level.

Services and infrastructure

The settlement pattern within the Blue Mountains is generally linear, having developed along arterial roads across the mountains and a rail corridor. The linearity of development makes it difficult for Council and other government and community agencies to adequately service community support infrastructure across the LGA.

To date Council has recognised these limitations through targeting certain district centres for the provision of key services and facilities. These centres are also where the current opportunities for increased housing densities have been located.

The provision of water and sewerage infrastructure in the Blue Mountains is an underlying consideration to planning for future development. The dispersed nature of settlement makes it difficult to recover costs of infrastructure provision, and the sensitivity of the environment means that it is vital that effluent disposal and urban runoff are managed effectively. Constraints around water supply and local sewer infrastructure have been considerations in the application of residential zones in planning instruments.

Heritage and character

Council has an ongoing role to manage and protect the environmental and cultural heritage of the Blue Mountains. Community Strategic Plan 2035 requires that “local heritage and places of natural, cultural and historical significance are retained and enhanced by the active use of appropriate methods.”

Heritage

The heritage provisions of Clause 5.10 of LEP 2015 outline the requirements for heritage conservation and management. These LEP heritage provisions are a standard state-wide requirement for all local councils. Heritage management occurs primarily through listing items of significance in the Council’s LEP, which appear in Schedule 5 (the heritage schedule) and in the accompanying LEP heritage mapping.

An update to Schedule 5 of LEP 2015 is being progressed through Amendment 5 to LEP 2015 as part of Council's approach to regularly review heritage listings to ensure the values of the inventory remain sound and information is up to date. Another recent amendment, Amendment 6, to LEP 2015 translated areas of identified older housing (previously classified as period housing areas) into Heritage Conservation Areas.

Given the history of European settlement in the Blue Mountains there are a large number of heritage items within the established village and town centres and along the Great Western Highway. Any consideration of residential development or redevelopment of a heritage item or within a Heritage Conservation Area requires careful planning and design consideration.

Local Character

Local character is what makes a neighbourhood or place distinctive. It is a result of the mix of the people who live there and the 'sense of place' that has been created over time. It is the way a place 'looks and feels'. It is defined by the community, and is often the result of a mix of tangible and intangible factors.

Blue Mountains City Council has a detailed planning framework already in place to protect and enhance our urban and town areas. This has been defined and refined over decades into a fine grain approach to the recognition and management of important character areas.

There are current discussions with the Department of Planning, Infrastructure and Environment (the Department) over the preferred mechanism of incorporating local character controls into LEP 2015, dealing primarily with either a zone or mapping overlay approach. While the mechanism is still being negotiated between Council and the Department, the intention will be to achieve at least an equivalence to the current strong controls around local character into LEP 2015.

These controls permit residential development, but of a type and scale appropriate to existing residential character in identified areas. Any residential development in these areas of identified local character need to meet particular planning controls and design outcomes, which limit the suitability of these areas for higher density forms of residential development.

Housing stock

As described earlier, the Blue Mountains has a dominant building type of single detached houses on a single lot, where 92% of all dwellings meet that description. Only 7.5% of all dwellings in the Blue Mountains could be described as other than a single house. Most of these dwellings are three bedroom or more, at nearly 80% of all dwellings, noting that more than a third of all dwellings in the Blue Mountains are in fact four bedrooms or more. The type of housing stock in the Blue Mountains is a constraint on the provision of housing where there is less diversity in size and type of housing should a household be seeking something other than a 3-4 bedroom house on a separate lot.

Tourism

Short term rental accommodation

Although not traditionally a constraint to housing supply, the role of short-term rental accommodation, also known as holiday lets, has a recognised role in the supply of housing in the Blue Mountains.

Dwelling occupancy rates and investigation into the availability of holiday rentals indicates that there is a large holiday rental market in the Blue Mountains, particularly in the upper Blue Mountains. The holiday rental market could potentially be contributing to a lack of properties available for long term lease, which may have an impact on housing supply and affordability. Recent desktop analysis shows that the amount of housing in the short-term rental market that is unavailable for longer terms rentals is around 15%, with most of that 'loss' in the upper mountains.

A particular subset of this group the increasing role that secondary dwellings, usually advertised as garden cottages or studios are taking in the market. Secondary dwellings, or granny flats, have historically provided cheaper rental accommodation or housing for family members. The impact of the holiday rental market on the availability of this dwelling type to the wider housing market will need to be considered, particularly when looking at options to provide more affordable housing.

2.4.2 Opportunities

Locality planning

Blue Mountains City Council has taken a locality based approach to land use planning since LEP 2005. This was carried forward into LEP 2015 by including specific locality objectives for mapped precincts (Part 7 of LEP 2015) within all B1 Neighbourhood Centre and B2 Local Centre zones. There are also specific objectives in mapped precincts for all land zoned R3 Medium Density and R1 General Residential. These objectives vary between precincts, and set objectives ranging from building forms to mix of land uses.

Master planning program

Master planning in a land use sense is a dynamic process where community and Council work together to develop a vision and objectives for a town and its future growth and development. That vision is then translated into principles and desired outcomes, used to prepare amendments to a Local Environmental Plan, or plan changes to parking, landscaping and other public domain elements. The structure and content of a Masterplan is set by the particular town that is the subject of the work and can range from significant built form outcomes, such as height and setbacks, to permissibility of land uses and the location of Council services and assets.

Council has undertaken master planning of a number of towns and villages in the Blue Mountains over many years. The choice of town or village is related to an endorsed strategic hierarchy for services associated with the identification of Planning Areas. A Katoomba Charrette in the late 1990s established a set of desired outcomes for that centre that were translated into LEP 2005. In the early 2000s the redevelopment of Lawson Town Centre, associated with the widening of the Great Western Highway, led to the creation of a specific masterplan for that village.

Current masterplans exist for Springwood and Blaxland town centres, and these are currently being progressed, with opportunities for housing diversity within these reconsidered town centres. This strategy and the Local Planning Statement identify the Katoomba masterplan as an action, due to commence in 2019-2020. Opportunities for housing also exist within the revitalisation of this town centre, particularly within existing, underutilised structures.

Adaptive reuse of guesthouses

A relatively unique land use opportunity in the Blue Mountains, and almost exclusively in Katoomba, is the adaptive reuse of historic guest houses. Largely constructed in the early 20th Century, these guest houses were a significant and popular part of local tourism. As visitation trends have changed, a large number of these guest houses are in poor condition and under-utilised. Their proximity to Katoomba town centre and train station, adds significant benefit to their potential use for medium density housing, that is both Blue Mountains in style and revitalises that part of the town centre. Opportunities for incentivising adaptive reuse will be considered as part of the Katoomba master planning process.

Large one off redevelopment projects

There are a number of large, vacant or disused sites in the Blue Mountains. Although these sites have development potential under the current planning framework, there may be some which are appropriate for further investigation and potential change to the planning controls over these sites.

Investigation into individual sites, their desired future outcome, and any development potential for them outside the current planning framework is outside the scope of this LHS. Nothing in this LHS prevents a landowner from lodging a development application to undertake development which complies with the current planning controls.

If a development is proposed by a land owner that cannot be undertaken under the current planning framework they will be required to lodge a rezoning application. The assessment of any proposal for such projects would need to demonstrate alignment with the LHS, specifically meeting the identified housing needs of the Blue Mountain's community and consistent with the principles and objectives of the LHS and the Local Planning Statement.

Secondary dwellings

Secondary dwellings are an identified land use in LEP 2015 (a granny flat under previous local planning instrument). The primary difference between the two uses, is that under current local policy, a secondary dwelling can be separate to the main dwelling, rather than attached to the main dwelling as previously required. They are small self-contained dwellings attached to, or built in the backyard of an existing house and permitted to be built in almost all residential areas of the Blue Mountains. The primary restriction on construction is bush fire safety, over which the Council has limited control.

It is intended however that when the current Living-Conservation zone is incorporated into LEP 2015 that the new and broader definition of secondary dwelling be permitted with consent for those areas with appropriate controls around landscaping and character. There is therefore opportunity for the properties currently zoned Living-Conservation under LEP 2005 to permit secondary dwellings in the future.

Seniors housing

As previously discussed, Seniors housing is a particular type of medium density housing governed by SEPP Seniors, which is permitted more broadly than other types of medium density, but which is limited to residents over 55 years old.

There are however restrictions that limit the development of this type of housing to 'land zoned primarily for urban purposes or land that adjoins land zoned primarily for urban purposes'. The SEPP then places further restrictions on the location of housing for seniors and people with a disability, one being that development cannot be approved under SEPP (Seniors) if it is on 'environmentally sensitive land'. Environmentally sensitive land is specified in Schedule 1 of SEPP (Seniors) and includes land within a 'water catchment'.

Much of the urban area of the Blue Mountains (including significant sections on the southern side of the Great Western Highway, close to town centres) falls within a water supply catchment and therefore seniors housing under the state policy, is not permitted within these areas. Given that all development within a drinking water catchment is required (by either state policy via Water NSW or local Council requirements) to have a neutral or beneficial effect on stormwater, and other similar forms of development (including medium density housing) are permitted in these areas, the restriction on seniors housing is considered overly restrictive.

Council has liaised with the state government to have this restriction removed, and has made submissions to the state government review of relevant state policies. A recommendation of this strategy is to continue this negotiation. The removal of the term 'water catchment' from Schedule 1 of SEPP Seniors would see significant areas of the upper Blue Mountains, in the towns of Blackheath and Katoomba, able to consider applications under this SEPP.

2.5 Analysis of the Evidence-Base

2.5.1 Housing Supply Gaps

The housing supply of the Blue Mountains is planned to meet the needs of the community, not the growth of Greater Sydney. As outlined in Section 2.3, there is only low population growth forecast for the Blue Mountains, and on numbers alone there is no need to significantly increase the supply of housing.

However, the majority of housing being built, and forecast to be built, in the Blue Mountains is freestanding houses on existing vacant land. There is only a small proportion of existing housing stock in the Blue Mountains to suit households looking for a smaller dwelling, or type of housing such as a town house or apartment without a large yard to maintain.

It is likely that as the demographics of the community continue to change – households getting smaller and older – there will be an increasing gap in the diversity of housing developing. This can already be seen in the results of the Housing Survey carried out for the LHS.

It is acknowledged there is some remaining capacity under the current local planning framework for different types of development to be built around the larger town centres in the Blue Mountains. However, the remaining opportunities for a steady supply of alternative housing forms to continue will diminish as these remaining sites are anticipated to be less likely to be developed because they will likely to be the more constrained lots.

There is therefore a need to identify areas for investigation that may be suitable to meet this gap in housing diversity.

2.5.2 Identifying areas with development capacity

The Blue Mountains is an established area with a defined urban footprint (the extent of the built areas of the City). There remain vacant sites across the City which can continue to have houses built on them. However, this supply of vacant land will eventually run out. At the current rate that houses are being built this is forecast to occur around 2043. As discussed earlier, and in line with current planning principles, there are no plans to increase this supply of vacant land by allowing subdivision in more peripheral locations.

Within the established urban area of the Blue Mountains there are only limited areas with capacity for new housing to occur because the vast majority of the City is not suitable for any increase in housing density because of environmental considerations, bush fire risk, and heritage and character values.

Under the current local planning framework there is existing capacity in and around the City's larger town centres. There is also the potential to investigate further opportunities to address the identified housing diversity needs of the local community in these areas through more detailed place based planning.

The investigation of the capacity for more housing in limited locations should only occur concurrently with strengthening of the local planning framework to protect those areas not suitable for any increased density or significant change.

Robust place based planning is undertaken through a Master planning process. A Masterplan is an opportunity to drill down to the detail of the issues and opportunities for specific centres or locations, and thoroughly engage with the local community to understand what they value about a location, and their aspirations for its future role and character.

The Western City District Plan identified the ongoing importance of continuing Council's program of Masterplans for key town centres, for improving the liveability of these towns and villages, and also for investigating housing diversity opportunities.

Alongside the Master planning program, other planning strategies or studies may identify areas that warrant more detailed investigation into their future role and character, such as industrial areas that have been historically used for residential purposes.

Master planning program

As described earlier, master planning is a dynamic process where community and Council work together to develop a vision and objectives for a town and its future growth and development. That vision is then translated into principles and outcomes that can be used to prepare amendments to a Local Environmental Plan or plan significant changes to parking, landscaping and other public domain elements. The structure and content of a Masterplan is set by the particular town that is the subject of the work and can range from significant built form outcomes, such as height and setbacks, to permissibility of land uses and the location of Council services and assets.

Springwood (Planning Area 4)

The Springwood Masterplan was adopted by Council in April 2016 and provides a high level planning framework for the look, feel, vitality, accessibility, viability, sustainability of the town centre. It established a vision for the town as *“A vibrant Town Centre that reflects Springwood’s welcoming community atmosphere and celebrates its natural bushland setting of the Lower Blue Mountains.”*

A built form strategy was developed as part of the Masterplan for Springwood which identified areas for potential changes in planning controls to facilitate shop top housing.

While the current focus of the Masterplan is planning for public spaces, with the development of a plan of management for the town’s community and crown lands, there remains a stated objective to review planning controls in the town centre. Any such review of planning controls would consider the provision of housing as part of an associated Planning Proposal for any proposed changes.

Blaxland (Planning Area 5)

The Blaxland Masterplan was adopted by Council in August 2018. The vision established as part of this Masterplan was for a Blaxland town centre that was *“vibrant, distinctive and welcoming”*, that *“retains and enhances its varied services, facilities and activities providing a hub for the local community”*.

The Masterplan identifies seven key focus areas including the renewal of built form within the town centre to meet the community vision developed during the consultation process.

Current work is being carried out to ensure that any change to planning controls in line with adopted master plan, facilitates high design standards and appropriate built forms. Provision of increased carparking and the improvement of pedestrian amenity (including provision of outdoor dining) are among others design outcomes.

Katoomba (Planning Area 2)

The next town to be the subject of a masterplan will be Katoomba, the designated strategic centre for the Blue Mountains in the Western City District Plan. This work is currently programmed for commencement in 2019-2020.

The importance of Katoomba to the local economy is identified in the Local Planning Statement which proposes ‘sustaining a healthy local economy, including a focus on Katoomba as our Strategic Centre’ as one of the nine local planning priorities.

Katoomba also plays an important role in the provision of housing for the local community, particularly more diverse housing opportunities. Currently, most of the units in the Blue Mountains are in or around Katoomba town centre. Recently, a number of older guest houses in Katoomba have undergone adaptive reuse to residential accommodation.

The Local Planning Statement sets out the scope for the Katoomba Masterplan, which will investigate housing opportunities as well as the economic role of the Centre.

Industrial areas historically used for housing

In preparing a recent heritage amendment to LEP 2015 it became clear that some of the older and more established industrial areas in the Blue Mountains have retained significant areas of older housing stock. This is due in part to the continued application of an industrial zoning despite the predominant use, but also because in many cases the industrial zone itself permitted limited residential uses.

Further review is now required to ensure any incongruity with the application of heritage controls within industrial zoned land is resolved. This is particularly the case where the industrial zoning would permit a more intense form of built outcome than a residential zone.

These areas present an opportunity to review their desired future outcomes, and potential for a residential zoning which makes the most efficient use of such sites, particularly where they are located close to town centres.

The Local Planning Statement provides an overview of the role of industrial land in the Blue Mountains in response to State Government directions. A planning study will be carried out in these areas as part of an overall review of Industrial Lands in the Blue Mountains. This will also include the investigation of those industrial currently used for housing and with Heritage Conservation Areas applied.

Residential areas undergoing change

A number of residential areas have been undergoing change in recent years with an increasing number of seniors housing developments under the Seniors Housing SEPP. It is likely a change in residential character of these areas will arise and it is appropriate to review the broader residential zoning of these areas in order to ensure orderly development and appropriate planning controls are in place. Reviewing the local planning framework in place for these areas will give Council the opportunity the control and guide the outcome of future developments.

While these areas are likely to only be small in number and area, it is still important that they are planned appropriately to achieve a desired outcome, rather than leaving it to state level planning policies.

Areas that may be suitable for investigation are those areas that meet the following conditions:

- Existing R2 Low Density Residential zone
- Not bush fire prone
- Within the walking catchment of a town centre
- No heritage value or identified significant character
- Not environmental significant or subject to environmental protected areas
- Recent approvals for higher density developments under SEPPs

A planning study will be carried out in these areas and is currently programmed for 2020-2021.

Expansion of secondary dwellings

As outlined in section 2.3.1.2, secondary dwellings (also known as granny flats) are a type of hidden density. They are small self-contained dwellings attached to, or built in the backyard of and existing house. Under the current planning framework they are permitted to be built in almost all residential areas in the Blue Mountains. However, due to the significant bush fire risk in the Blue Mountains there are many lots that they cannot be built on because they are too bush fire prone.

The only residential areas in the Blue Mountains where detached secondary dwellings are not permitted are those areas currently zoned Living Conservation under LEP 2005, and proposed to be converted into LEP 2015 as a new zone R6 Residential Character, which Council has lobbied the State Government to introduce.

The Living Conservation zone is applied to those areas of the City that have a highly values established character of significant landscape setting, made up of typically modest housing on large lots with formal gardens.

Preserving the character of these areas is important for the identity and amenity of the Blue Mountains. This is recognised in the Local Planning Statement as part of the proposed local planning priority 'preserving and enhancing heritage, character and liveability'.

Whilst recognising the importance of preserving the character of these areas, it is intended that when the Living-Conservation zone is incorporated into LEP 2015 that the new and broader definition of secondary dwelling be permitted with consent for those areas, with appropriate controls around landscaping and character.

Expanding where secondary dwellings can be built could help to improve housing diversity. However, there is also the possibility that some secondary dwellings will be used for short term rental accommodation (also known as holiday lets) listed on platforms such as AirBnB. Whilst this is a possibility for any type of dwelling, it is considered more likely for secondary dwellings because it allows a property owner to continue to live in their house and potentially generate income from their property through renting out the secondary dwelling. This is also true of a property owner building a secondary dwelling to rent on the long term rental market. However there is a perception at least, if not a reality, that more money could be potentially made through holiday letting than long term rental. Holiday letting may also be perceived as a more flexible option for property owners.

The potential impact of short term rental accommodation on the local housing market has been considered in the analysis of current housing activity, with a nominal rate of short term rentals applied to calculations to give a truer picture of how new construction is contributing to the availability of housing in the Blue Mountains.

Any investigation into the expansion of secondary dwelling permissibility will consider the influence of short term rental accommodation, as well as potential impacts on character and landscape setting, and potential bush fire risk.

Expansion of seniors housing and opportunities for ageing in place

Seniors housing is a type of alternative housing permitted widely across residential areas by State Planning policy if certain criteria are met. As previously discussed in section 2.3.1, one of the restrictions on where seniors housing can occur is that it cannot occur in water supply catchments. Progression on the removal of this restriction is with the State government and the making of the Environment SEPP.

It is also proposed that Council continue to advocate for a broader review of (SEPP seniors). A thorough review of SEPP seniors would be the opportunity to expand it to cover the range of care levels for aged housing, rather than just focusing on over 55 seniors housing, especially given the over 55 requirement which doesn't really correlate with different housing needs due to age.

Besides the provision of seniors housing under the SEPP, other opportunities could be investigated to support ageing in place that aren't necessarily about expanding the capacity for new housing. These are outlined in 3.3 Mechanisms.

Adaptive reuse of heritage items

Another opportunity for increased housing supply in the Blue Mountains is the adaptive reuse of heritage items, particularly historic guest houses, for residential uses. This is a real and significant opportunity in the Blue Mountains because the modest growth in housing numbers in the area means that the adaptive reuse of a single site could provide a significant contribution to the City's housing supply and diversity.

The benefit of units being provided in this form is that they are accommodated within existing buildings that are already part of the character and built environment of the area. Such a redevelopment is also an opportunity for the revitalisation and conservation of these heritage items, and their re-development and ongoing use adds to the richness of the local built environment.

There have been two recent successful examples of the adaptive reuse of heritage items for residential units in Katoomba; the Cecil Guest house and Raynton House. These two developments alone, contribute 64 units to the supply of housing in the area, and provided more choice for housing in walking distance to the shops and services of Katoomba town centre.

There are opportunities through the masterplan programmed for Katoomba, and other mechanisms, for Council to promote and provide guidance for this type of development. Such mechanisms are outlined in section 3.3.

3 The Priorities

3.1 The Local Housing Strategy Objectives

As previously discussed, the Blue Mountains is classified as a metro-rural area in the Western City District Plan, with relatively low housing targets compared to the rest of the District and greater Sydney, and the expectation that housing is planned to meet local growth only.

The following objectives support local planning priority 6 proposed in the Local Planning Statement, 'meeting the diverse housing needs of our community', and meet the Blue Mountains Community Strategic Plan 2035 objective that 'the City's housing meets the diverse needs of the community'.

The objectives guide the land use planning approach, mechanisms, and the evaluation of future options presented in the following sections, and the actions proposed by this LHS.

The Local Housing Strategy objectives arise from the consideration of the Local Housing Vision in Section 1.4, and understanding of the demographic trends facing the Blue Mountains and informed by the Local Housing Strategy and other relevant community consultation.

The LHS objectives are:

- Continue to meet the housing targets and actions set by the Western City District Plan whilst ensuring the housing is planned to meet the needs of the local community, not the growth of greater Sydney.
- Address gaps in the diversity of housing choice available in City to ensure there is a choice of housing available to suit people and households at all life stages, particularly to support people ageing in place.
- Continue to review and update the local planning framework for the provision of housing to ensure that there is an ongoing supply of housing to meet the community's needs and reduce and resist pressure for undesirable outcomes.
- Ensure that the planning for housing in the Blue Mountains align with and supports all the local planning priorities proposed in the Local Planning Statement, not just meeting the diverse housing needs of our community
- Ensure that local housing provided in the Blue Mountains meets the appropriate environmental standards for developments in a World Heritage Area.
- Ensure that alternative forms of housing provided in the Blue Mountains meet high quality design outcomes

3.2 Land Use Planning Approach

The land use planning approach for local housing in the Blue Mountains is informed by the key planning principles that have been fundamental in the development of land use planning in the area, as follows:

- Limiting urban expansion
- Managing the environment
- Meeting housing and social needs
- Protecting town and residential character
- Providing sustainable transport and access

These enduring planning principles have been in place, tested, and reinforced over a number of decades. The land use planning approach in the Blue Mountains recognises our unique setting as a City within a World Heritage Area, the stewardship responsibility that comes with this, and the associated significant bush fire risk.

As previously outlined, the Blue Mountains is currently on track to meet the housing targets set by the Greater Sydney Commission in the Western City District Plan. No immediate increase in the supply of housing is needed, and there is existing capacity for new housing to continue, at a steady modest rate. However, there is a clear and demonstrated need to address the gaps in the diversity of housing available in the City. Investigation into areas suitable for increased capacity for alternative housing should therefore be initiated as a priority.

This is particularly important because as the supply of vacant land in the local government area diminishes, it will put increased pressure on established areas for redevelopment. This pressure is reduced by identifying areas for investigation and continuing to plan responsibly to meet the housing needs of the community.

A targeted approach to identifying areas of investigation aims to ensure that those areas of the City that have high natural, heritage, or character value remain protected. When combining overlays of bush fire risk, environmental constraint and heritage/character protections, opportunities for investigation are limited.

The aim of this approach is to find sites that are appropriate for more diverse types of housing, particularly those areas which could benefit from revitalisation or improvement. This approach recognises that one size does not fit all, and that detailed planning investigation down to the precinct and site level is needed to inform any changes proposed to the local planning framework.

It is principally proposed that Council continues to adopt a detailed place-based approach to planning for the local area, and continue to advocate against a state-wide application of complying development controls. Aligning with this approach, the Local Housing Strategy puts forward a series of actions to further develop potential opportunities. The details of the actions and recommendations from the LHS are provided in Section 4.1.

In summary it is proposed that Council:

- Continue the master planning program for key town centres, including investigating development opportunities for more diverse housing types, and necessary planning studies and planning proposals arising from these masterplans.
- Undertake future planning studies to further investigate the housing opportunities of industrial areas historically used for housing, and some appropriate existing low density residential areas.
- Investigate how to continue to facilitate hidden density through secondary dwellings in appropriate areas, particularly in land currently zoned Living Conservation under LEP 2005, where housing opportunities need to be balanced against character considerations.
- Liase with the State Government on any current and future reviews and changes to State Policy to advocate for alignment with Council policy and the importance of our local context.

3.3 Mechanisms to Deliver the Options

The land use planning approach detailed in the previous section 3.2 presents a series of options facilitated by different areas of investigation, in order to meet the objectives established in section 3.1. This section outlines the mechanisms through which these different options could be delivered. They include potential changes to the local planning framework (planning mechanisms) as well as other means to promote or guide desired housing outcomes, outside of the planning system (non-planning mechanisms).

Planning Mechanisms

Planning Mechanisms include the state planning framework that exists across NSW, through to guidelines developed by local councils.

Changes to State legislation

- Expand the range of seniors housing opportunities in the Blue Mountains through the removal of the drinking water catchment restriction from Schedule 1 of the SEPP (Seniorrs). Preliminary investigation shows this would result in an increase in development opportunities for land that would then meet the other requirements of the SEPP. To ensure stormwater quality continues to be addressed, it is proposed that the requirement for a neutral or beneficial effect be retained.
- Seek exemption from Exempt and Complying (Low Rise Medium Density Housing Code) to protect the environmental and character qualities of the Blue Mountains. The Code as it applies to the Blue Mountains does not increase where these developments could occur, however it does change the standards for this type of development. The increase in site coverage is of particular concern for down stream impacts on the sensitive receiving environment of the World Heritage Area.

Amendments to local planning framework

- *LEP Amendments*

LEP amendments are progressed through Planning Proposals, for rezoning of the land or amendment of planning controls such as building height or other building envelope controls. Planning Proposals must be supported by appropriate strategies, plans, and studies.

Planning Proposals are the likely outcome of the master planning process, as the most appropriate way to investigate place-based approaches, providing a basis for any amendment or refinement to planning controls. Masterplans have already been adopted for Springwood and Blaxland and work will shortly commence on a Masterplan for Katoomba.

Planning Proposals may also arise from the investigation of a particular issue or area, warranting the preparation of individual studies. Potential study areas identified within this strategy include:

- Industrial land historically used for housing
- Current Low Density Residential areas close to existing town centres that could be suitable for increased housing density
- Expansion of secondary dwellings into LEP 2005 land use zones.

- *DCP Amendments*

Council is able to amend existing development controls in the Development Control Plan. One of the key findings of the Housing Survey was the need for more detailed controls and guidelines on key housing types and this could include controls for:

- Specific controls for medium density housing design in the Blue Mountains context
- Seniors housing controls
- Adaptive reuse of guest houses

Development of guidelines to accompany the DCP to improve design quality, improve environmental outcomes and accessibility.

Non-Planning Mechanisms

- Continue community education and advocacy such as regular developer forums and improved website information and fact sheets
- Investigate the development of an Affordable Housing Review for the Blue Mountains,
- Investigate the development of a Seniors housing policy for the Blue Mountains
- Review Development Application processes for improvements, including the potential establishment of a Design Review Panel, or similar function, in collaboration with the development of design guidelines for medium density housing.

The role of councils in providing housing

It is appropriate to give some consideration to the role of Council in meeting the local community housing need. This can be summarised as the setting of appropriate local planning controls, which facilitate development and which ensure that there is adequate housing capacity to meet local housing needs into the future.

However, local planning controls are only one of the many influences on the property market. While a property may be zoned for a purpose, Council is unable to require that it be developed, nor that it be developed to the highest potential use under the planning controls. Many sites within the Blue Mountains have development potential, but are utilised for a lesser or lower order use than that permitted on the land, either due to historical, existing uses or for other reasons.

The mechanisms above have been developed in the context of what Council is able to influence and control.

3.4 Evaluation of the Options

The evaluation of the options presented in the land use planning approach in Section 3.2 would be the role of more detailed investigation into those options. The following Section 4 Actions outlines current and future work proposed to further investigate the options for increased housing diversity presented. Part of the process of undertaking these identified actions would be to evaluate, following more detailed investigation, the form and extent of housing opportunities that could be provided, and whether they are suitable or appropriate for the local area.

This evaluation would be informed by the ongoing monitoring of housing activity and demographic trends, and the regular updating of forecast housing numbers based on construction activity. This will allow the consideration of any proposed changes to planning mechanisms against baseline and updated data on the housing needs of the local community, and the ability to analyse the contribution of recent housing activity toward meeting these needs. This will be able to inform an assessment of the need for any future potential changes to the local planning framework to meet the housing needs of the local community.

4 Actions

4.1 Implementation and Delivery Plan

The following table summarises actions and recommendations arising from this Local Housing Strategy (LHS), including those which are already programmed or have commenced.

Project	Action or recommendation	Timeframe
Springwood Masterplan	Continue implementation of Springwood Masterplan, specifically the investigation into built form and building envelope controls to facilitate further opportunities for shop top housing	Short – commenced
Blaxland Masterplan	Continue implementation of Blaxland Masterplan, specifically the investigation into built form and building envelope controls to facilitate further opportunities for shop top housing	Short – commenced
Katoomba Masterplan	Develop a masterplan for Katoomba as proposed in the Local Planning Statement including consideration of housing opportunities, in particular the adaptive reuse of historic guest houses and surrounding industrial areas historically used for housing	Short – 2019/2020 financial year
DCP 2015 Review	Incorporate consideration of seniors housing and medium density design guidelines into the review of Development Control Plan 2015	Short to medium
Design Guidelines	Develop a suite of development design guidelines for medium density housing in the Blue Mountains and the adaptive reuse of heritage items	Medium
State Government liaison	Continue to advocate for the introduction of a Residential Character zone or equivalent mechanism to preserve high value character areas that will allow the translation of land zoned Living Conservation under Local Environmental Plan (LEP) 2005 into LEP 2015.	Ongoing
	Investigate local policy on secondary dwellings, including expanding the permissibility for this use in the Living Conservation zone (LEP 2005), establish appropriate controls to maintain character and landscape qualities, and limiting this development type within the most bush fire prone areas of the City.	
	Continue to liaise with State Government on seniors housing policy	Ongoing
	Advocate to the State Government for exemption from the Low Rise Medium Density Housing Code, and any similar future 'one size fits all' state planning policies which do not align with this LHS, or the Local Planning Statement, including alternative approaches to mitigate potential impacts	Short – commenced & ongoing
Future Planning Studies/ Investigation	Investigate potential for further housing opportunities in industrial areas historically used for housing as outlined in section 2.5.2	Short to medium
	Investigate opportunities for additional capacity for R3 medium density zoned land as outlined in section 2.5.2 (within walking distance of established town centres, outside of areas that are bush fire prone, have recognised heritage or character value, and which are not subject to environmental constraints)	Short to medium
	Affordable Housing Review to be undertaken to investigate need for affordable housing and strategies to meet these needs in the Blue Mountains	Short to medium

4.2 Amendments to the Local Environmental Plan (Planning Proposal)

There will be no single Planning Proposal to implement this LHS. This LHS identifies potential areas of further investigations and actions. These actions and investigation may result in a number of separate Planning Proposals, if appropriate.

Not all actions identified in this LHS will result in a planning proposal, as they relate to other elements of the local planning framework outside of the LEP, or non-planning mechanisms.

4.3 Monitoring and Review

It is intended that the LHS is regularly reviewed and updated. At a minimum this would be a five-yearly review program, aligning with the release of updated demographic data following each ABS census. In the interim periods between programmed reviews, monitoring of housing activity should occur, and data on new dwellings constructed inputted into the estimated future scenarios model.

The estimated future scenarios modelling will be used to inform future planning studies identified in the actions table in section 4.1. These studies and actions when complete, will then inform further updates to the estimated future scenarios modelling. The intention is that the estimated future scenarios modelling that was undertaken to inform this LHS will be updated with inputs from monitoring of housing activity, and outcomes of masterplans and future planning studies.

By continuously updating the future scenario model, it can be used to identify unexpected changes to the supply of housing in the Blue Mountains. This can be used to identify when a review of the Local Housing Strategy may be needed ahead of the programmed timeframe, or inform the prioritisation of undertaking the identified future planning studies and actions identified in the table in Section 4.1.

Appendix 1 – Demographic Summary by Planning Area

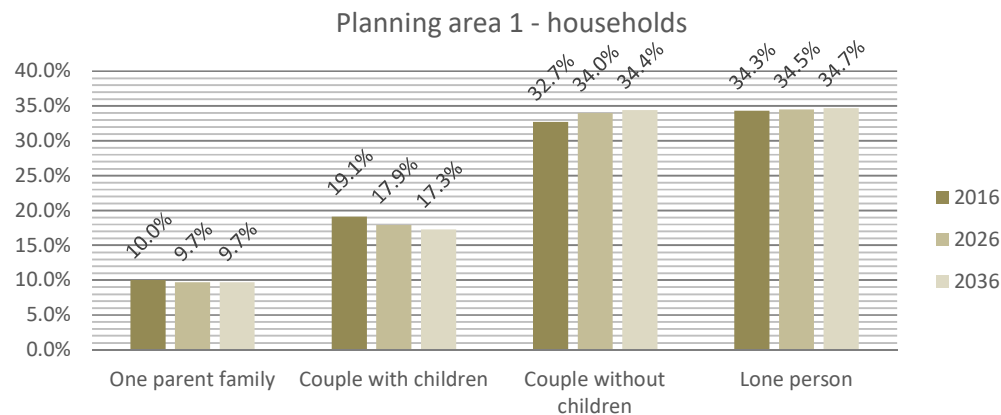
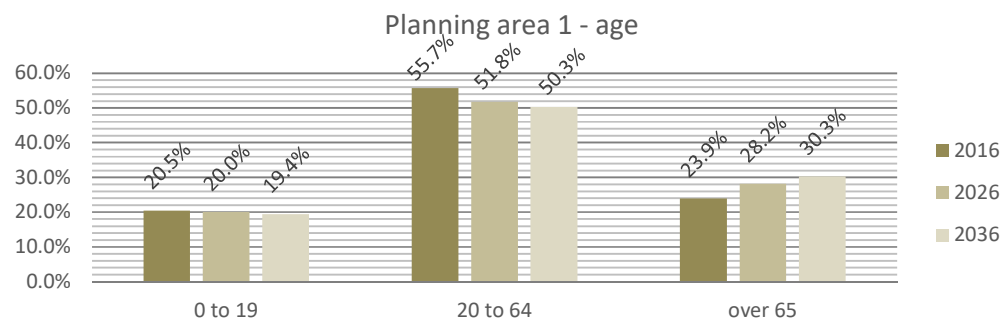
4.4 Planning Area 1

Population: 5,950
Households: 2,605
Dwellings: 3,583
Average Household size: 2.1

- Blackheath
- Mount Victoria
- Megalong Valley
- Bell, Mount Wilson, & Mount Irvine



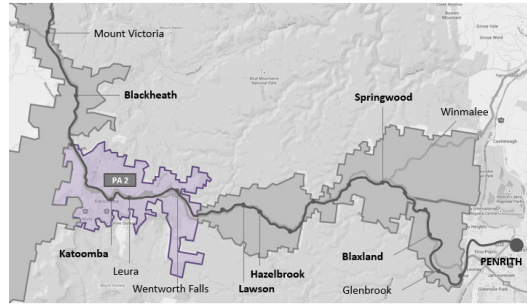
- Greatest ageing population, together with Planning Area 2
- Nearly 70% of households will be couple only or lone person by 2036
- High levels of rental stress
- Lower than average household incomes
- Housing stock is 96% detached houses
- High rate of unoccupied dwellings at 25%



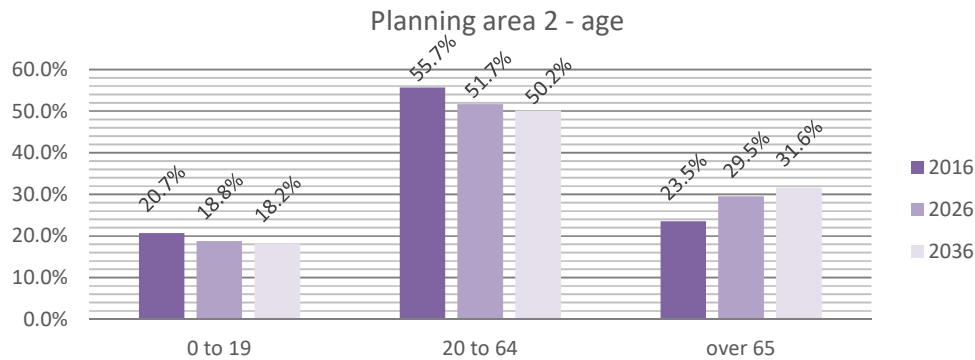
4.5 Planning Area 2

Population: 19,758
Households: 8,440
Dwellings: 10,363
Average Household size: 2.12

- Medlow Bath
- Katoomba
- Leura
- Wentworth Falls

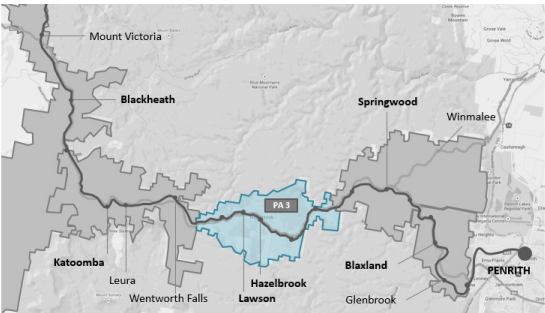


- Area with the highest population, similar in population to Planning Area 5
- Oldest population, together with Planning Area 1
- Similar housing structure to Planning Area 1 with nearly 70% of households projected as without children in 2036
- Highest proportion of renters
- Highest levels of rental stress
- Highest portion of units at 12% of current housing stock
- Lower than average household incomes
- Significant discrepancies between part of the broader Planning Area
- Contains the strategic centre of Katoomba



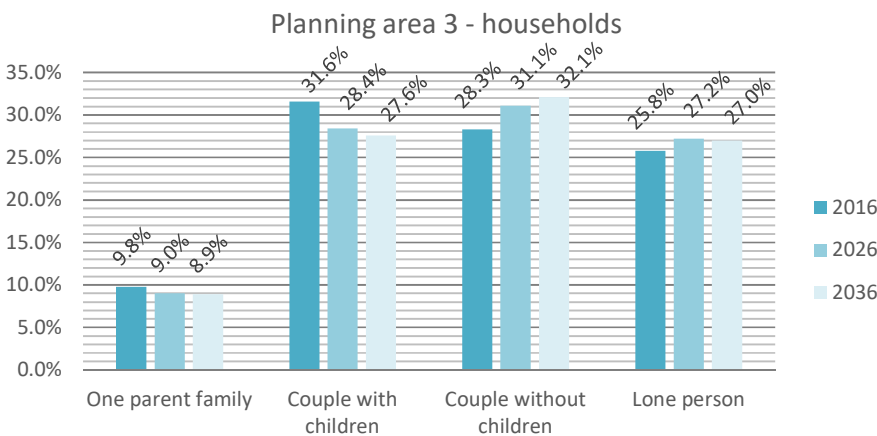
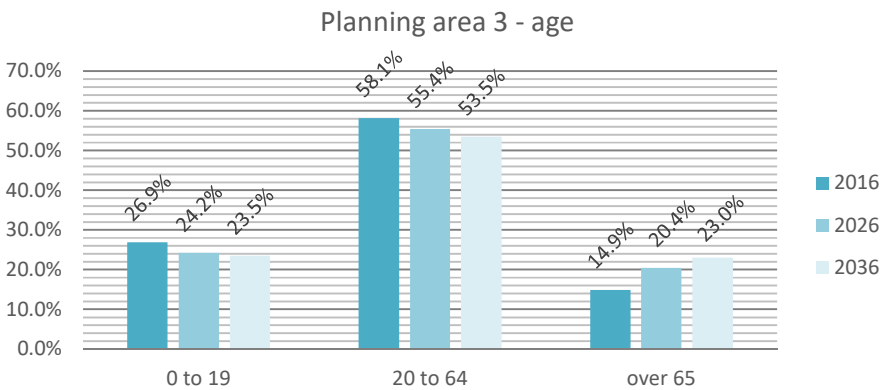
4.6 Planning Area 3

Population: 11,500
Households: 4,328
Dwellings: 4,738
Average Household size: 2.52



- Bullaburra
- Lawson
- Hazelbrook
- Woodford
- Linden

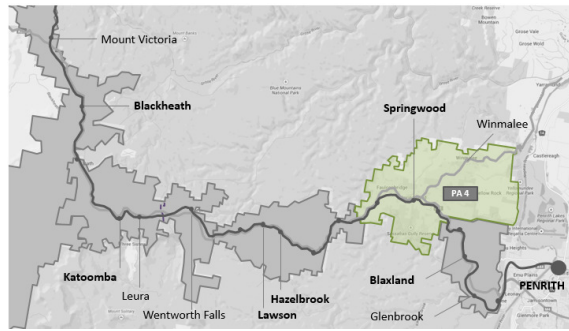
- While a younger population than the Blue Mountains average, it is still ageing
- Housing structure is similar to the Blue Mountains average
- Household income is similar to the Blue Mountains average
- Highest proportion of households with a mortgage
- Lower levels of housing and mortgage stress



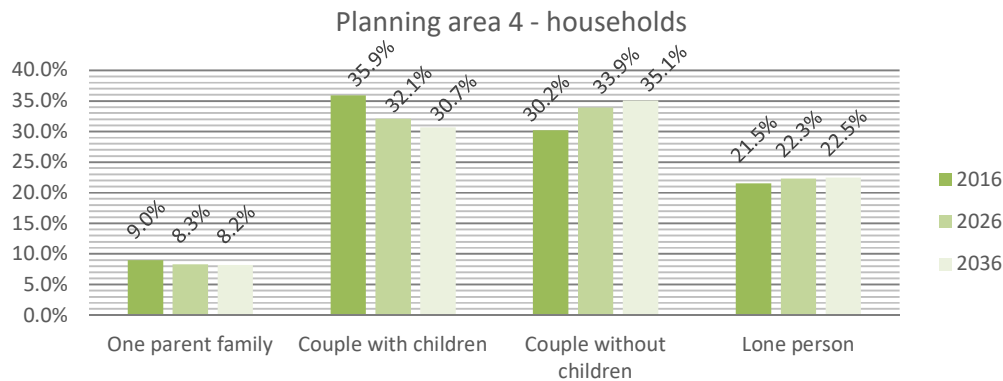
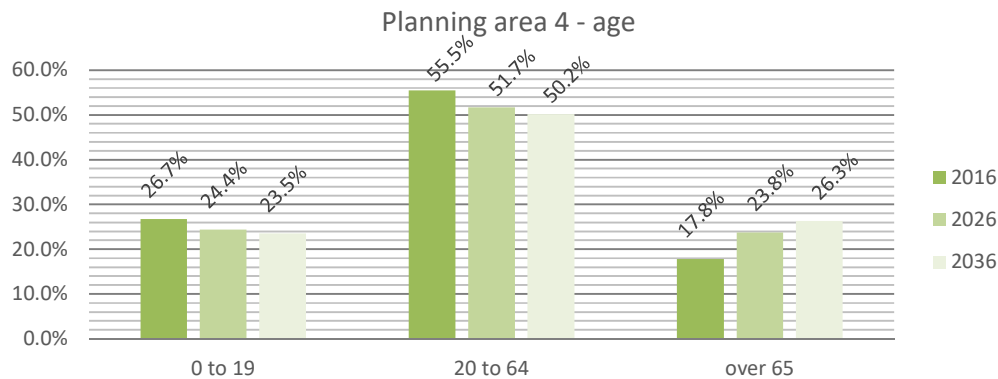
4.7 Planning Area 4

Population: 22,159
Households: 7,764
Dwellings: 8,301
Average Household size: 2.65

- Falconbridge
- Springwood
- Winmalee
- Yellow Rock
- Valley Heights



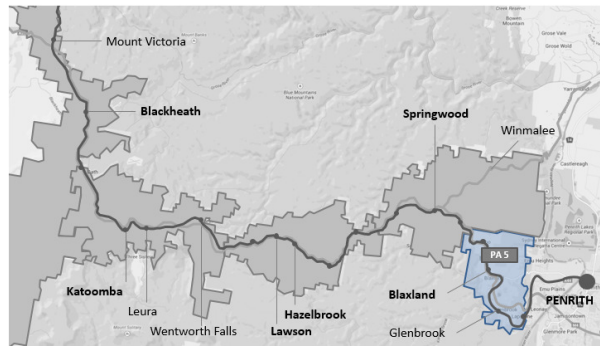
- This Planning Area aligns with the Blue Mountains average for ageing profile
- More young people than average in the Blue Mountains
- Currently 50/50 split between households with and without children, but this is forecast to become approximately 40% of households with children and 60% without in the future
- Higher than average household incomes
- Second lowest housing stress
- Lowest proportion of renters, together with Planning Area 5
- Highest dwelling occupancy rate
- Largest population of any planning area



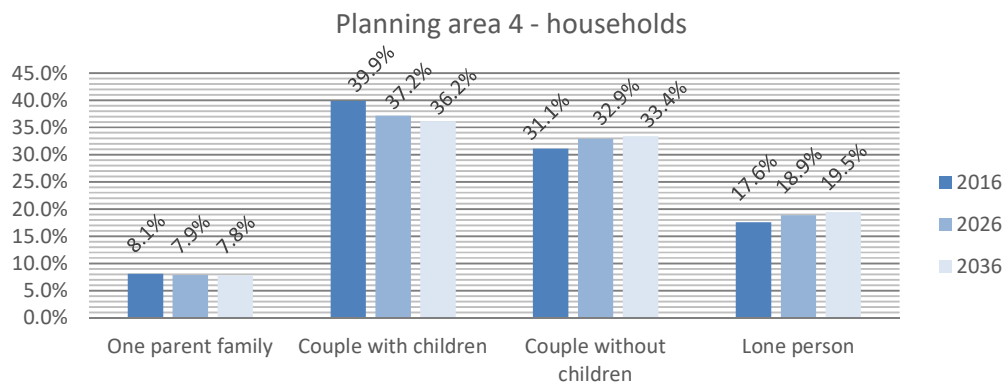
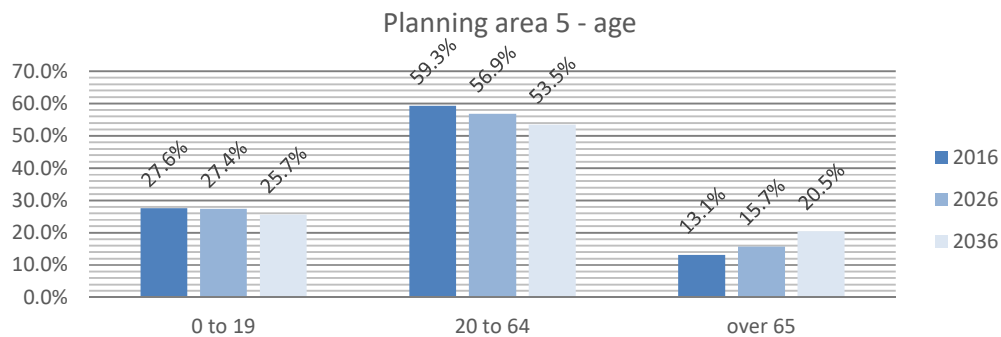
4.8 Planning Area 5

Population: 19,448
Households: 6,530
Dwellings: 7,010
Average Household size: 2.78

- Warrimoo
- Blaxland
- Mount Riverview
- Glenbrook
- Lapstone



- Lowest proportion of people over 65, so could be described as the 'youngest' planning area
- Highest proportion of under 19 year olds
- Highest proportion of households with children
- Highest household incomes
- Low housing and mortgage stress
- Lowest unemployment rate & highest labour force participation
- Lowest proportion of renters, together with Planning Area 4
- Closest to employment opportunities in Sydney



Appendix 2 – Local Housing Survey (June 2019)



Housing survey

PREPARED BY



PEOPLE PLACE & PARTNERSHIP





Project: Blue Mountains Housing Survey

Client: Blue Mountains City Council

Revision	Status	Date	By	Checked
A	Draft	20 June 2019	AD, JL, MS	JK
B	Draft	16 August 2019	AD, JL	JK
C	Final V1	04 September 2019	AD	JK

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appendices are based on estimates, assumptions and information sourced and referenced by People, Place and Partnership and its sub consultants. We present these estimates and assumptions as a basis for the reader's interpretation and analysis. With respect to forecasts we do not present them as results that will actually be achieved. We rely upon the interpretation of the reader to judge for themselves the likelihood of whether these projections can be achieved or not. In undertaking this project we have relied upon information concerning the study area provided by the client and we have not independently verified this information except where noted in any documentation.



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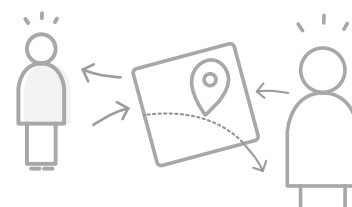


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We are passionate about connecting people to place and place to people to create long lasting change.



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Introduction

Blue Mountains City Council has undertaken a housing survey to understand community needs and perspectives on housing supply, demand and variety across the entire Local Government Area (LGA).

As Council plans ahead for the future of housing in the Blue Mountains and anticipates potential changes to how housing may be supplied, the survey sought to understand how change may be accommodated in the LGA. Emphasis was placed on building a respondent profile, understanding their views on housing now, and obtaining a 'temperature gauge' on how they felt about potential changes to the housing landscape in the future.

Designed to be executed via telephone, the survey was undertaken in a variety of formats in order to ensure the assessment of a range of views and opinions, based on a need to obtain a thorough and statistically valid sample of responses from participants across all geographic regions of the LGA.

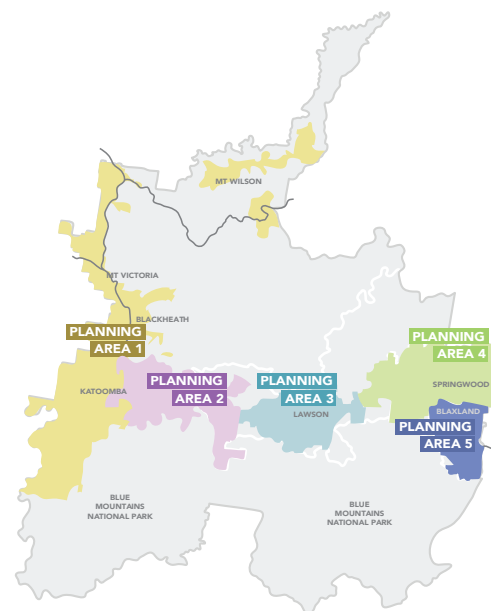
**Planning early
for potential
future changes in
housing supply
and variety is
important for the
Blue Mountains.**

Survey Process

In order to gain an accurate understanding of how residents of the Blue Mountains LGA perceive the future of housing, a statistically valid, multi-layered survey sample was identified.

The purpose of this approach was to gain an authentic representation of community views.

An overview of the survey sample methodology, as well as the survey execution and statistics, is outlined below, while a thorough description of questions asked can be found on the following page.



Blue Mountains LGA Planning Areas

Survey Sample

Population Sample

As a basis, a population sample size of the LGA of n=419 persons was chosen at a confidence rate of 95%, with a margin of error at approximately 4.8%. This sample size was selected for its validity in representing the overall population and its accuracy in reflecting community views, with approximately 19 out of 20 responses expected to be consistent.

Age Ranges

As an age sample is the most common sampling variable, the population sample for each Planning Area was then further divided proportionally between the service age ranges outlined in the ABS Census. The quantity of residents aged 18 and under was distributed equally across the remaining age categories. This approach maintained the 95% confidence rate and a 5% margin of error. By targeting residents across the demographic spectrum, a true representation of generational views was able to be obtained.

Geographic Location

The base population sample was also divided proportionately to align to the population sizes of each of the LGA's five Planning Areas, ensuring the adequate reflection of views from across the Mountains. The confidence level for each Planning Area sample is 5% lower when compared to the overall population sample, as reaching the same confidence level for each of the five geographic samples would have meant a far more extensive survey process.

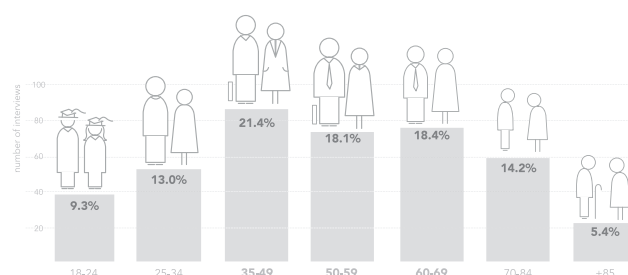
Survey Approach

The survey was undertaken using a variety of methods, to maximise the participation rate and ensure that the survey sample was effectively met.

	Total	Refused	Extra
Email	218	672	NA
Automated Phone Calls	518	443	NA
BMCC Website	17	NA	NA
Social Media	80	2.7k reach	20
Face to Face	47	23	1

The final sample of respondents was engaged via a range of distribution means, as outlined below.

Dataset Email	218
Phone Calls	75
BMCC Website	17
Face to Face	46
Facebook/Instagram	60
Text Messages	2
Total	419



Blue Mountains LGA Service Age Ranges (ABS)

Survey Overview

As the survey was designed to be undertaken over the telephone, the questions were tailored to require concise yet meaningful responses. Including a mixture of multiple choice questions and several open ended questions, the bulk of the survey asked respondents to reflect on how much they agreed or disagreed with a series of statements about housing. Respondents were also provided with a context statement that outlined possible future influences on housing changes.

The survey took approximately 5 minutes to complete and was undertaken between Tuesday 14th and Friday 31st May 2019.

Respondent Profile

Q 1,2,3,4,5,6,7

Alongside providing their age and suburb of residence to meet the requirements of the sample quota, respondents were asked about the duration of their residence in the mountains, their dwelling type, and their household composition. This information assists Council to understand trends in housing and how these may differ across age or geographic variables.

Local Housing Character

Q8

Respondents were asked to provide three words to describe the character of housing in their area, with the aim of understanding some specific aspects of how character is perceived locally and where variations or trends are occurring.

Respondents were provided a context statement which outlined the current trends in housing and a background understanding for why housing needs may change in the future.

Housing Availability, Choice & Affordability

Q9

This question was designed to provide a gauge for the adequacy of housing supply and how much respondents felt that expansion of housing options was needed. The question also addressed perceptions of the affordability of housing in the Mountains.

How and Where New Housing is Located

Q10

This question addressed statements relating to the location of new housing, and how housing could be accommodated in the existing LGA. It specifically addressed the concept of increased density and sought to understand whether it was suitable, and in which form it may be introduced, as well as the location of new housing, and whether it should be concentrated in urban or residential areas.

Style, Scale & Sustainability

Q11

A final series of statements were proposed which related to the preferred styles of new housing, as well as preferences on how they may be designed to complement surrounding built form or landscapes. These statements sought a broad indication of how respondents felt about the character and style of new housing, as well as how sustainable it should be.

Future Residency

Q 12,13

Respondents were asked to reflect on the whether they were likely to remain living in the Blue Mountains in the future, as well as the type of housing that they expect to inhabit, to understand how the housing needs of individuals may change.

Ideas for the Future

Q14

Respondents were finally asked to provide any additional open ended ideas for the future of housing in the Mountains, as a way to provide their feedback or priorities for housing, whether general or specific.

How to Read this Document

This document is designed to reflect analysis and key findings of the housing survey by following the survey structure and highlighting the outcomes of each question for the full survey sample, as well as a breakdown of findings for each geographic and age variable. An overview of all survey questions is provided below.

Q1

What is your age?

18-24 60-69
25-34 70-84
35-49 85+
50-59

Q2

What town do you live in?

Extensive list of suburbs in the LGA was provided

Q3

How long have you been living in the Blue Mountains LGA?

<1 year 6-10 years
1-3 years 11-20 years
3-5 years 20+ years

Q4

How long have you lived in your current home?

<1 year 6-10 years
1-3 years 11-20 years
3-5 years 20+ years

Q5

Do you own or rent?

Own outright Rent
Mortgage Other

Q6

Which of the following describes your household?

*Single person household
Adults living together (share house)
Couple, no children
Couple, children living at home
Couple, children not living at home
Other family household*

Q7

How would you describe your home?

*Freestanding house on a large lot
Freestanding house on a small lot
Townhouse
Apartment
Other (please specify)*

Q8

Please provide 3 words to describe the physical character of housing in your neighbourhood.

How strongly would you agree with the following statements? (strongly agree, agree, neither agree nor disagree, disagree or strongly disagree)

Q9

General Housing Profile

- There is sufficient available housing in the Blue Mountains*
- The range of housing choice in the Blue Mountains should be expanded*
- Housing in the Blue Mountains is affordable*

Q10

Where Does New Housing Go?

- The urban area of the Blue Mountains should not be expanded to allow more housing*
- New housing should be focused in larger town centres*
- To accommodate housing in town centres, medium density with appropriate design should be considered*
- New housing should be through subdivision of land in existing residential areas, even though landscaping will be reduced*
- Townhouses or villas that are well designed should be allowed close to town centres*
- Secondary dwellings (granny flats) are a good form of alternative housing for the Blue Mountains*

Q11

Housing Style & Specifications

- New housing should fit in with the size and scale of existing buildings*
- New housing should match the architectural styles of existing buildings*
- New housing should include modern building styles and facades*
- New housing should include large gardens and landscaping*
- New housing in the Blue Mountains should have a higher requirement for sustainability compared to elsewhere*

Q12

Do you see yourself living in the Blue Mountains in 10 years time?

Yes No

Q14

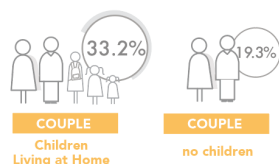
Do you have any specific ideas for what is important for the future of housing in the LGA?

Q13

In terms of housing, where do you see yourself in 10 years time?

*Freestanding house on a large lot
Freestanding house on a small lot
Townhouse
Apartment
Other (please specify)*

Overall Survey



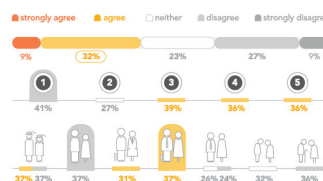
Profile

Analysis of the demographic and household profile of survey respondents, providing an understanding of trends in these areas.



Local Character

A breakdown of the most popular terms used to describe housing in the overall LGA, and an identification of trends.



Statements

A statistical analysis of responses to statement questions, demonstrating trends in agreement across Planning Areas and age ranges.



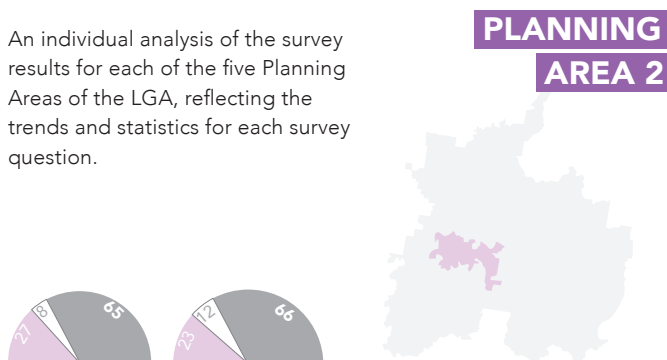
Future Ideas

Analysis of the key ideas for the future raised by participants across the LGA, identifying challenges and priorities.

Planning Areas

Survey Profile by Planning Area

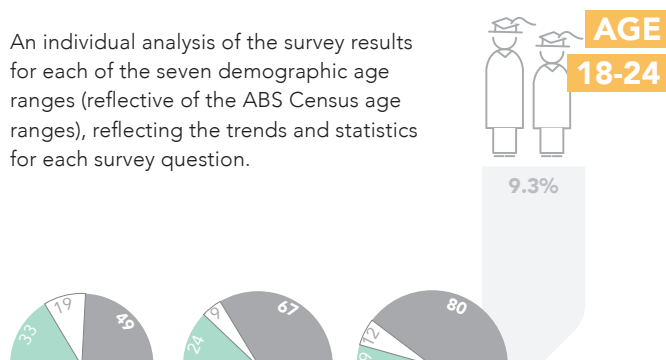
An individual analysis of the survey results for each of the five Planning Areas of the LGA, reflecting the trends and statistics for each survey question.



Age Ranges

Survey Profile by Age Range

An individual analysis of the survey results for each of the seven demographic age ranges (reflective of the ABS Census age ranges), reflecting the trends and statistics for each survey question.



Conclusion

Conclusion

The conclusion section explores common issues, opportunities and trends across the survey results, as well as recommendations for approaches to future engagement and fine grain changes to processes around housing.

In interpreting the key takeaways of the housing survey, anecdotal commentary and face to face interactions were integrated into the analysis to add a layering of detail and relevance to the statistical data.

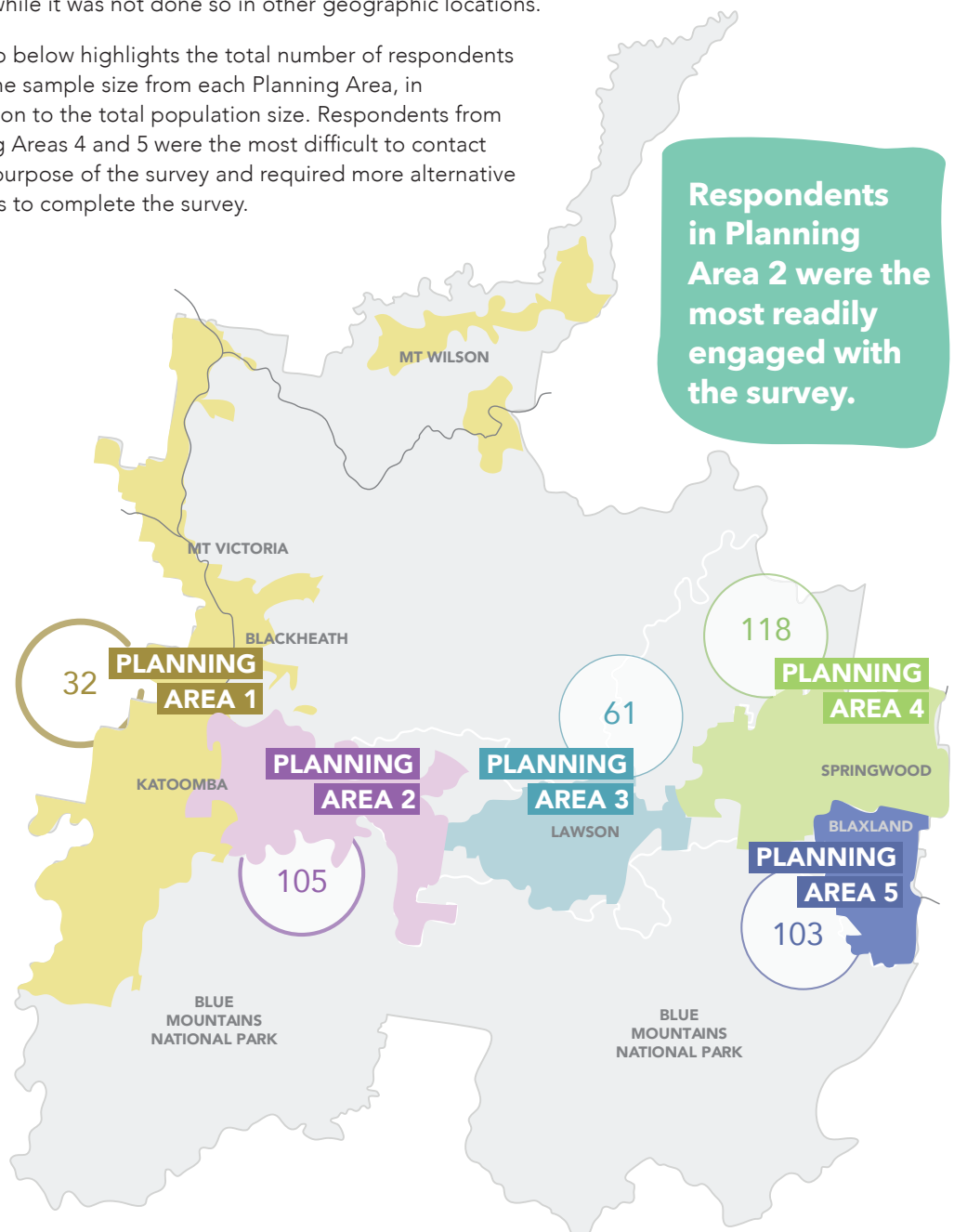
Planning Areas

Geographic location had an impact on how engaged residents were with the survey process, with respondents in Planning Area 1 were less willing to participate, while residents in Planning Area 2 were more engaged and willing to participate, likely due to the frequency of consultation in the area.

Respondents in Planning Area 5 had strong opinions on the introduction of medium density and the need for expanding housing choice, with a low percentage of neutral responses to these statements. Planning Area 1 typically saw higher rates of disagreement to housing statements overall than other Planning Areas. Respondents in Planning Area 2 identified affordability as a high priority for the future, while it was not done so in other geographic locations.

The map below highlights the total number of respondents within the sample size from each Planning Area, in proportion to the total population size. Respondents from Planning Areas 4 and 5 were the most difficult to contact for the purpose of the survey and required more alternative methods to complete the survey.

Respondents in Planning Area 2 were the most readily engaged with the survey.



Age Profiles

For many respondents, age played a part in how people perceived housing in the LGA.

Respondents aged 18 to 24 years old prioritised sustainability and affordability issues, with a balance of people still living with their family and living independently.

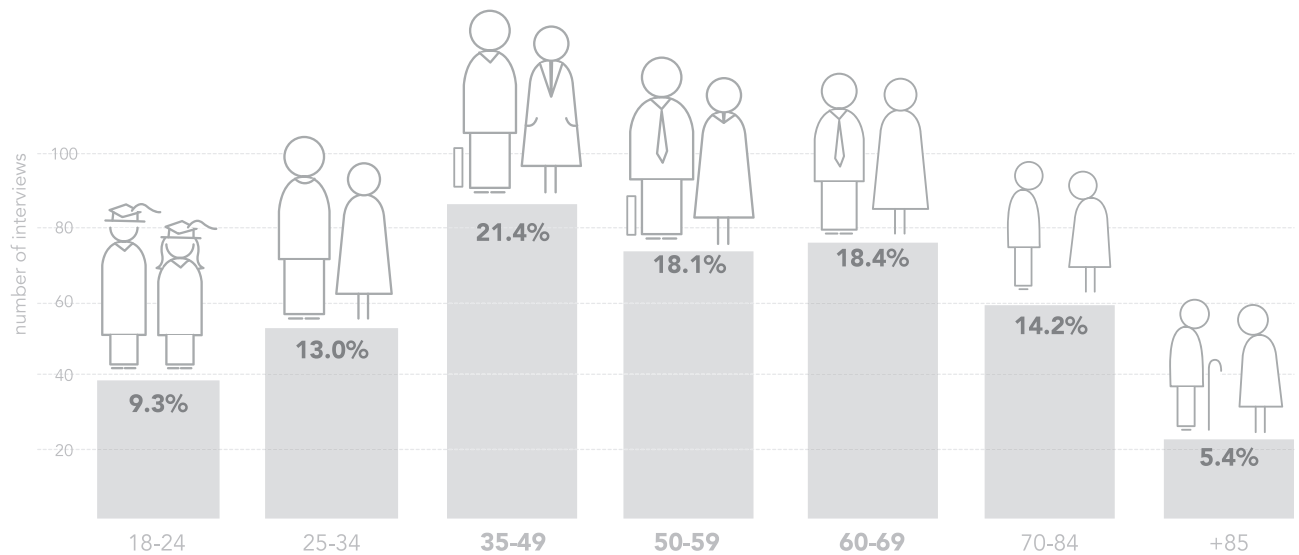
Respondents in the 25 to 39 age range were also concerned about sustainable actions and affordability was a key issue.

Respondents in the age ranges from 35 to 69 years old were the most engaged and many had established opinions on housing related issues.

The two oldest age ranges, from 70 years old and above, were highly willing to engage and have longer phone conversations, sharing changes that they have seen through time in the Blue Mountains and many particularly welcoming diversity in housing styles and types.

The graphic below represents the percentage of respondents in each age range, across the Blue Mountains LGA as a whole.

Respondents aged 40 to 69 were more likely to have stronger, more established opinions on housing than younger people.

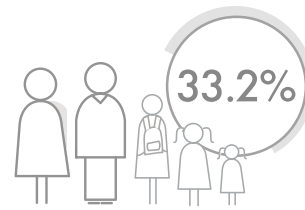
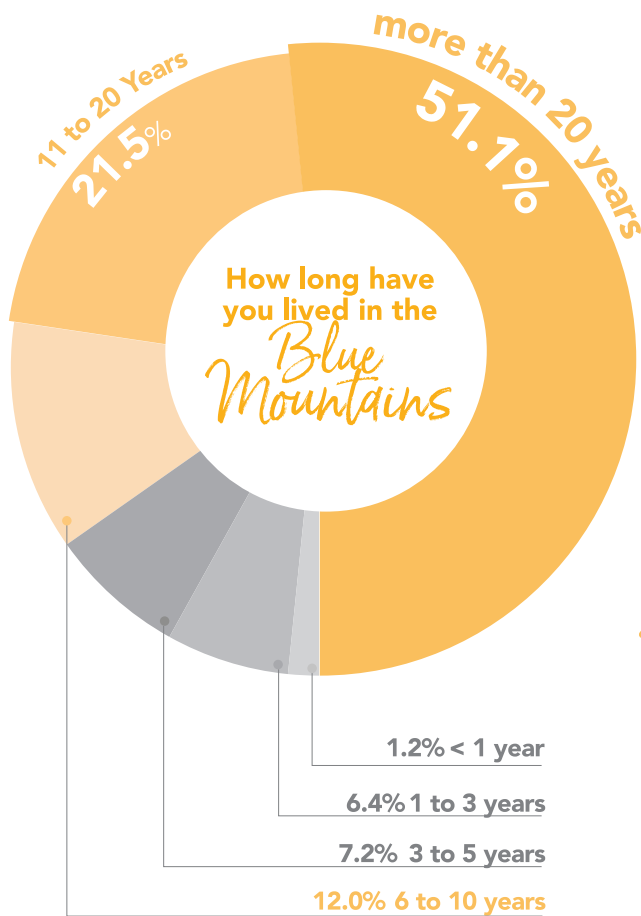


Respondent Profiles

Survey questions regarding the duration and details of respondent's residency in the LGA have provided an insight into the makeup of households.

Most respondents are long term residents of the Blue Mountains, with half of the total people surveyed living in the LGA for more than 20 years, and more than 70% living in the Blue Mountains for 11 years or more. There was a notably small percentage of new residents, with only 1% of respondents that have lived in the LGA for less than a year.

When asked about their current home, almost 30% of respondents had lived in the same house for more than 20 years, and 23% have been living in their current home for up to three years.



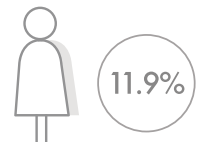
COUPLE
Children
Living at Home



COUPLE
no children



COUPLE
Children not
Living at Home



Single Person
Household



Other Family
Household



Adults Living
Together



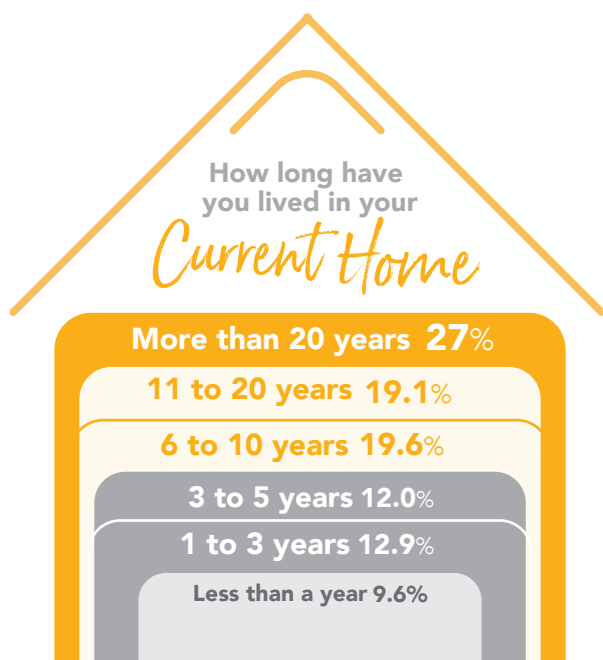
Freestanding house on a large lot 65.9%

Freestanding house on a small lot 29.8%

Other
2.4%

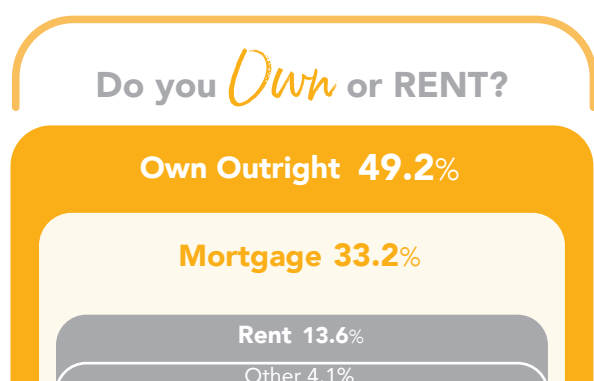
Townhouse
1.2%

Apartment
0.7%

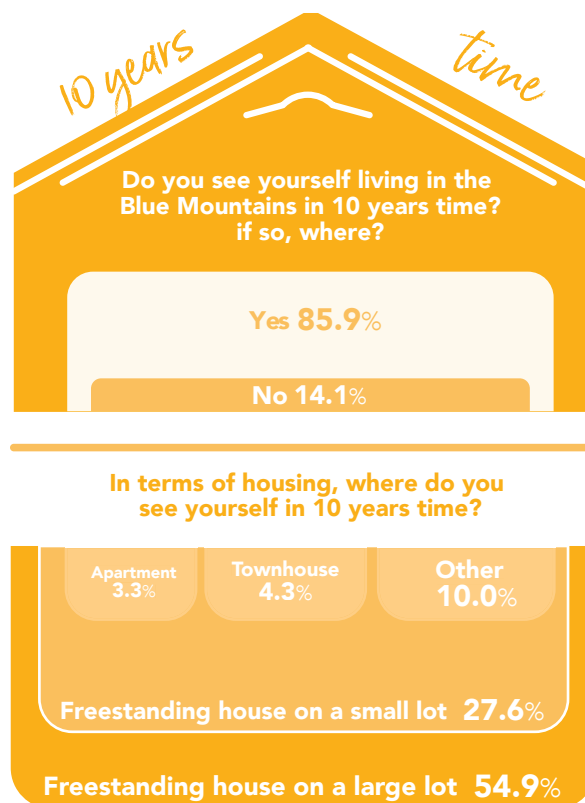


The most common household type was families with children living at home (33%), followed by 19% of couples without children. Respondents from households with families commonly lived in a freestanding house on a large lot, the most predominant housing type in the Blue Mountains representing 65.9% of all respondents.

Across all survey respondents, the percentage of people living in apartments was less than 1%.



Around half of the survey respondents own their home, and around 1/3 have a mortgage. A significantly smaller percentage of renters made up only 13.6% of the survey respondents.



Most respondents were highly consistent in planning to remain in the Blue Mountains, as almost 90% saw themselves living in the Blue Mountains in the next 10 years - from those, 55% would prefer to live in a freestanding houses on a large lot in the future.

There are a small number of respondents who have indicated that they would move into a townhouse or apartment, as respectively 4.3% and 3.3% stated they would see themselves in these housing options in 10 years, a slight increase from the 1.2% of people currently living in townhouses and 0.7% living in apartments. 10% answered 'other' due to not being able to answer confidently or expecting to downsize due to age.

85% of participants see themselves in the Blue Mountains in the next 10 years.

Local Character

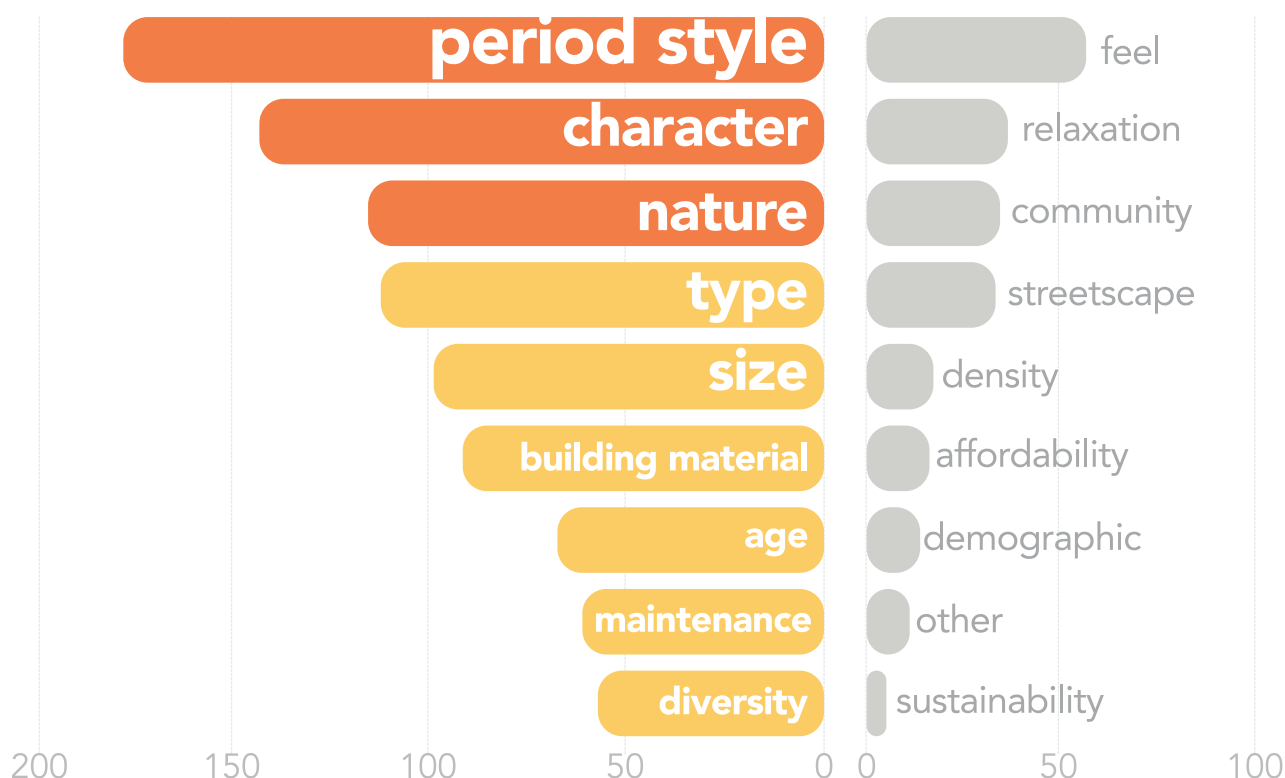
Respondents were asked to describe the character of their neighbourhood by providing three words that related to housing character.

Outlined below are the 15 most frequently used words from respondents to describe housing character, whether regarding the housing mix of their area, the materials used in construction or their emotional relationship to the neighbourhood.

All responses were then categorised into 18 key themes, represented below by order of the frequency that each theme was raised.



18 Themes representing Local Character



Character Themes

The words provided by respondents to describe housing in their neighbourhood were categorised into key themes that relate to different features of housing character, with the nature of these responses summarised below.

Period Style	Respondents highlighted the common construction styles of housing, whether it is the era of construction (seventies or eighties), the contemporary, federation, European or cottage styles houses present or simply if housing is more modern or traditional
Character	Respondents described their neighbourhood with words as unique, eclectic, heritage or diverse, relating housing to its interesting characteristics
Nature	Respondents described housing character in relation to the natural surroundings of their neighbourhood, highlighting gardens and bushland
Size	Descriptions of the size of houses or lots, as spacious or medium sized
Building Material	Respondents provided the building materials most used on housing in their neighbourhood, the most consistent being brick, weatherboard, fibro or wood
Age	The age of housing in respondents neighbourhoods, commonly described as either old or new
Maintenance	Respondents described houses in their neighbourhood regarding their level maintenance, from neglected to neat or well maintained
Diversity	Descriptions of the variety of houses across different neighbourhoods with words such as varied or mixed
Feel	Related to the emotional perception of housing, as respondents characterised their neighbourhood as beautiful, quaint, homely or ugly
Relaxation	The quiet and peaceful character of respondents' neighbourhoods
Community	Respondents characterised the community oriented character of their neighbourhood, such as family-friendly or communal living
Streetscape	Respondents described the streetscape of their neighbourhood, for example if it has a supermarket, shops or tourism, if it is mostly residential or less developed
Density	Respondents reflected on the density of their neighbourhood, describing it as low density or increasing density
Affordability	Descriptions of the affordability of housing in respondents' neighbourhoods
Demographic	Descriptions that relate to the people living in the neighbourhood, such as young couples or retirees
Sustainability	Related to the environmental character of housing
Other	Other words such as 'not sure' or 'ok'

Housing Availability, Choice & Affordability

Less than half of respondents agreed that housing was affordable in the Blue Mountains as well as sufficiently supplied in the LGA.

Around half of respondents felt housing diversity should be increased, while there was a significant percentage of respondents that didn't have opinions on affordability nor availability of housing in the LGA, thereby answering 'neither agree nor disagree'.

These statements were designed to encourage respondents to reflect on the overall picture of housing in the Blue Mountains and assess the core factors of availability, choice and affordability, which largely define how housing is perceived by local residents overall.

41%

36%

9.1

Considering that the majority of respondents agreed that there is sufficient available housing in the Blue Mountains, it was a divisive statement as there was only a 5% difference between the total agreement and disagreement percentages. Higher into the Blue Mountains, more people disagreed that there was sufficient availability of housing in the LGA, and age wise, only the middle ranges (40 to 59 years old) readily agreed with this statement.

51%

38%

9.2

Respondents were somewhat consistent in agreeing that housing diversity in the LGA should be increased. The majority of respondents across all Planning Areas as well as age ranges agree, except for respondents from 50 to 59 years old, whose majority disagree. There was, however, nearly 2/5 of respondents who disagreed or strongly disagreed with the statement.

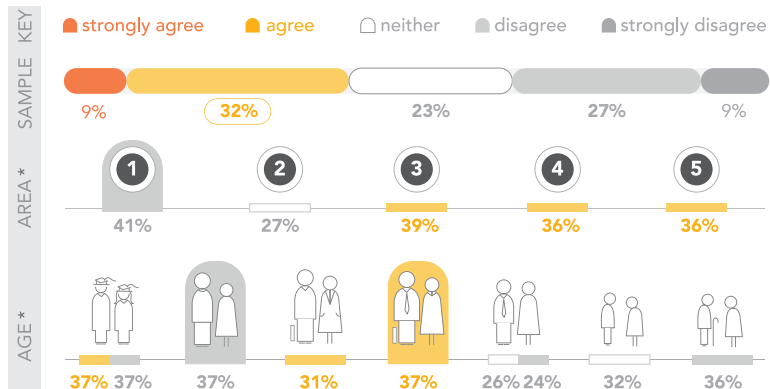
43%

35%

9.3

The majority of respondents across ages and Planning Areas were consistent in deeming housing in the LGA as affordable, except for those between the ages of 25 to 39 years, who neither agreed nor disagreed. There was a substantially high percentage of respondents - 22% - that responded neutrally to this statement.

9.1 THERE IS SUFFICIENT AVAILABLE HOUSING IN THE BLUE MOUNTAINS



AGREE



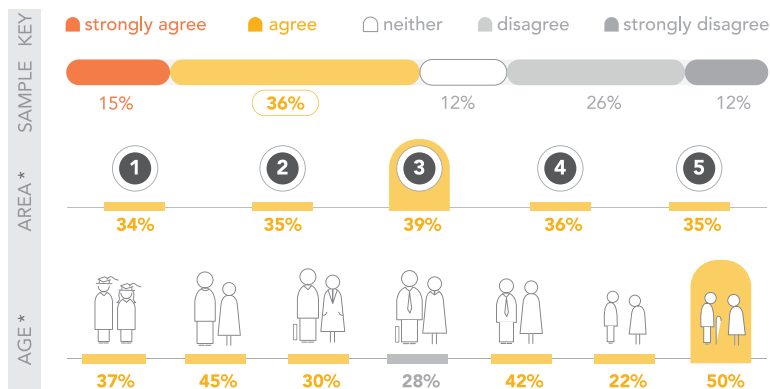
NEITHER



DISAGREE



9.2 THE RANGE OF HOUSING CHOICE IN THE BLUE MOUNTAINS SHOULD BE EXPANDED



AGREE



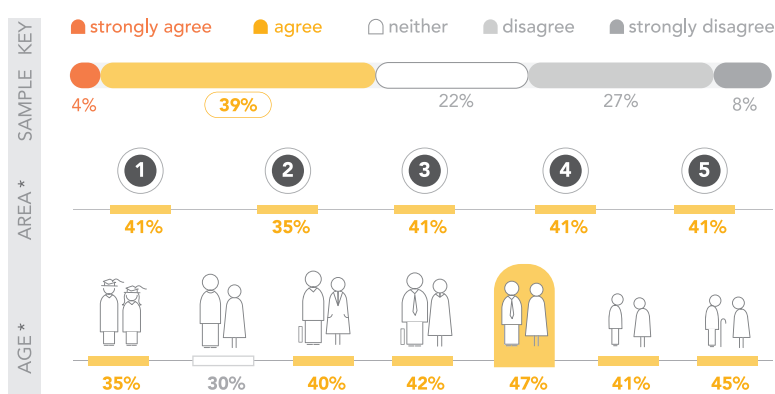
NEITHER



DISAGREE



9.3 HOUSING IN THE BLUE MOUNTAINS IS AFFORDABLE



AGREE



NEITHER



DISAGREE



*Highest respondent percentage noted - full breakdown of agreement for Planning Areas on pages 30-39 and Age Groups on pages 42-55

How and Where

New Housing is Located

Over 3/5 of respondents agreed with the potential options for how and where new housing could be allocated, with around 1/4 disagreeing with these statements.

The exception was the subdivision of land in residential areas to allow more housing, which was a divisive option that nearly half of all respondents disagreed with and nearly 40% of agreed with.

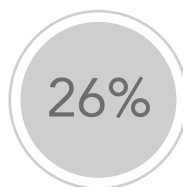
Statements around the location and methods of providing new areas for housing were designed to understand how and where people felt that new housing could be accommodated.

These statements asked respondents to reflect on the suitability of specific methods such as subdivision, increased density and different dwelling types as solutions to increasing housing.



10.1

The vast majority of respondents agreed or strongly agreed that the urban area should not be expanded in the LGA, especially among respondents between 40 to 59 years old as well as respondents from Planning Area 1, who were opposed to the idea of urban area expansion.



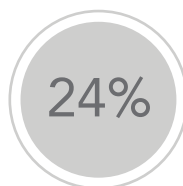
10.2

Most respondents agreed to allocate new housing around larger town centres, with the percentage of respondents agreeing to this statement consistently high across all age ranges and Planning Areas.

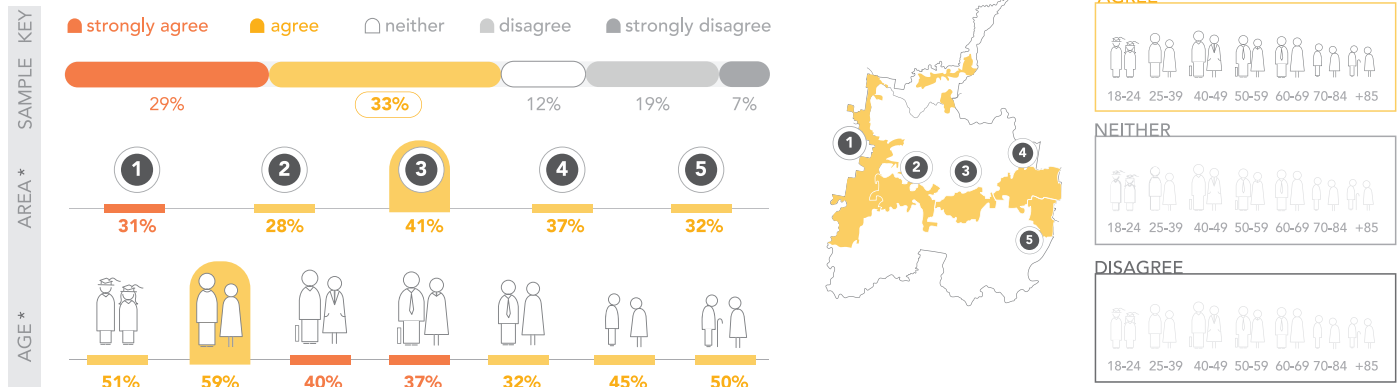


10.3

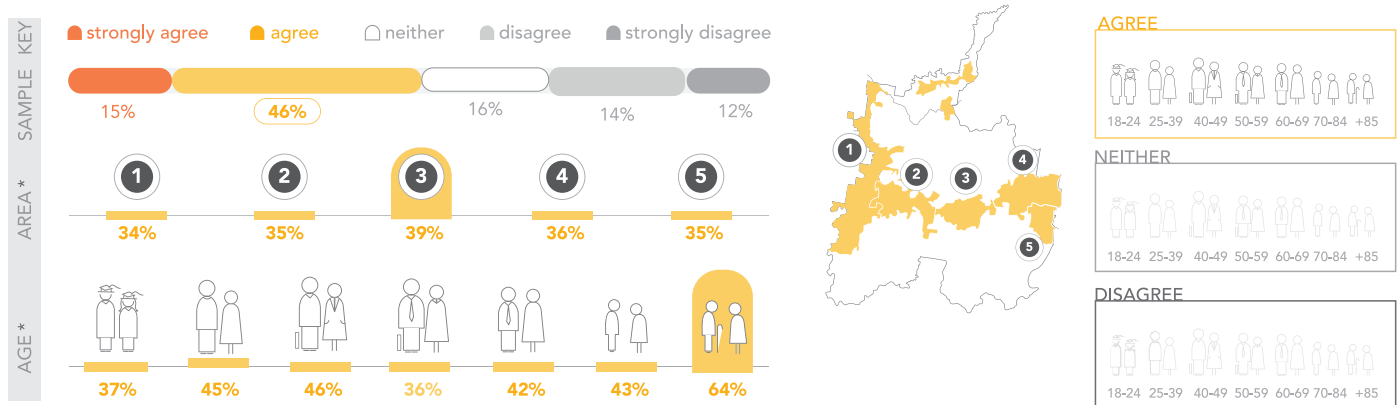
The concept of medium density housing in centres was agreed with throughout all Planning Areas and respondents age ranges. This statement had a lower percentage of disagreement and neutral responses when compared to other statements in the housing survey.



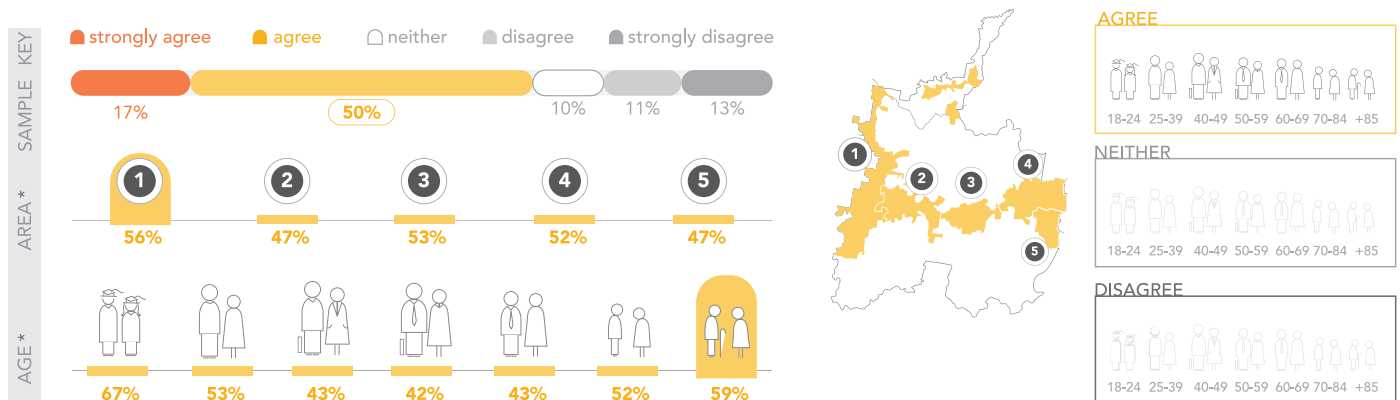
10.1 THE URBAN AREA OF THE BLUE MOUNTAINS SHOULD NOT BE EXPANDED TO ALLOW MORE HOUSING



10.2 NEW HOUSING SHOULD BE FOCUSED IN LARGER TOWN CENTRES, CLOSE TO SHOPS AND SERVICES



10.3 TO ACCOMMODATE HOUSING IN TOWN CENTRES, MEDIUM DENSITY WITH APPROPRIATE DESIGN SHOULD BE CONSIDERED



*Highest respondent percentage noted - full breakdown of agreement for Planning Areas on pages 30-39 and Age Groups on pages 42-55

How and Where New Housing is Located



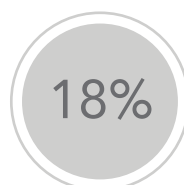
10.4

Subdivision of land in existing residential areas was the idea most disagreed with for the future of housing in the Blue Mountains, as 46% of all respondents were opposed to the idea. The percentage of disagreement increased further up the Blue Mountains as well as the younger the age of respondents - most respondents under 59 years old disagreed with the concept of subdivision of land.



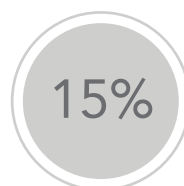
10.5

Aligned with the concepts of medium density and new housing around town centres, respondents also welcomed the idea of well designed townhouses or villas, with 73% of respondents agreeing that this types of housing should be allowed close to town centres.

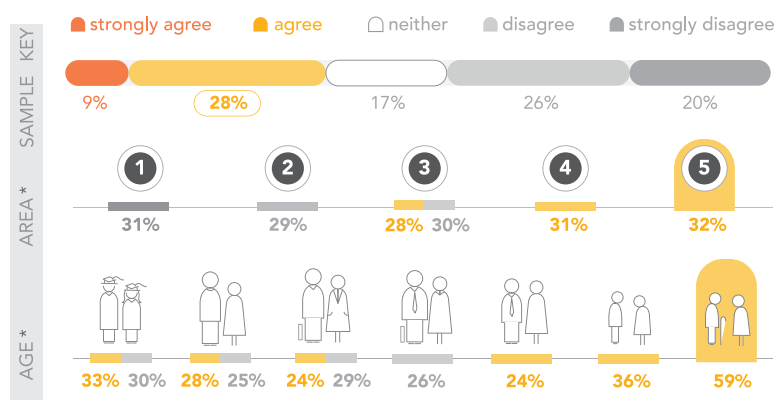


10.6

74% of all respondents agreed that secondary dwellings are good alternatives for new housing in the Blue Mountains. This agreement rate remained substantially high across all age ranges and Planning Areas.



10.4 NEW HOUSING SHOULD BE THROUGH SUBDIVISION OF LAND IN EXISTING RESIDENTIAL AREAS



AGREE



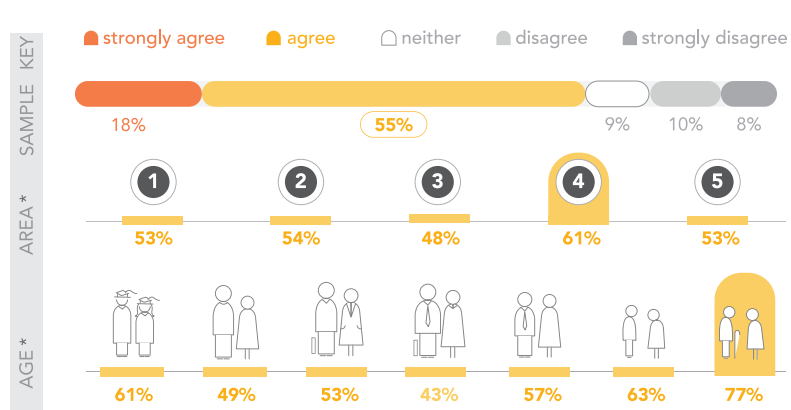
NEITHER



DISAGREE



10.5 TOWNHOUSES OR VILLAS THAT ARE WELL DESIGNED SHOULD BE ALLOWED CLOSE TO TOWN CENTRES



AGREE



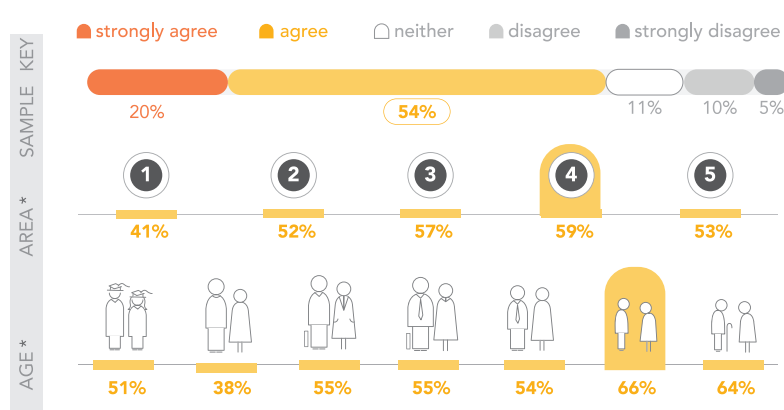
NEITHER



DISAGREE



10.6 SECONDARY DWELLINGS (GRANNY FLATS) ARE A GOOD FORM OF ALTERNATIVE HOUSING FOR THE BLUE MOUNTAINS



AGREE



NEITHER



DISAGREE



*Highest respondent percentage noted - full breakdown of agreement for Planning Areas on pages 30-39 and Age Groups on pages 42-55

Style, Scale & Sustainability

A majority of respondents agreed with the preservation of existing scale and styles for new housing., as well as nearly 75% who felt that sustainability requirements should be introduced.

Including modern building styles in new housing was a divisive question, as around 30% of respondents almost equally disagreed, agreed or were neutral towards this statement.

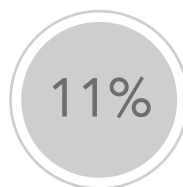
Statements regarding the preferred style and scale of new housing aimed to provide an understanding of how new housing should fit in visually with existing built form of neighbourhoods in the Blue Mountains, as well as whether specifications relating to sustainability and landscaping should be included.

These statements sought further detail in what respondents felt was appropriate for the LGA in terms of materials, facades, styles and sustainability requirements.



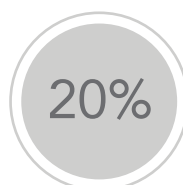
11.1

For the majority of respondents, the size and scale of new housing should match the existing built form, especially for respondents aged between 18 to 24 years old who strongly agree with this concept. Across all areas and ages, respondents feel that the current size and scale of housing should be maintained.



11.2

New housing styles were seen as needing to match existing architectural styles according to the 60% of respondents who agreed with this statement. Both respondents aged 50 to 59 and those living in Planning Area 1 particularly strongly agreed that new housing styles should match existing buildings.

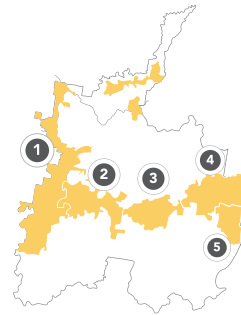
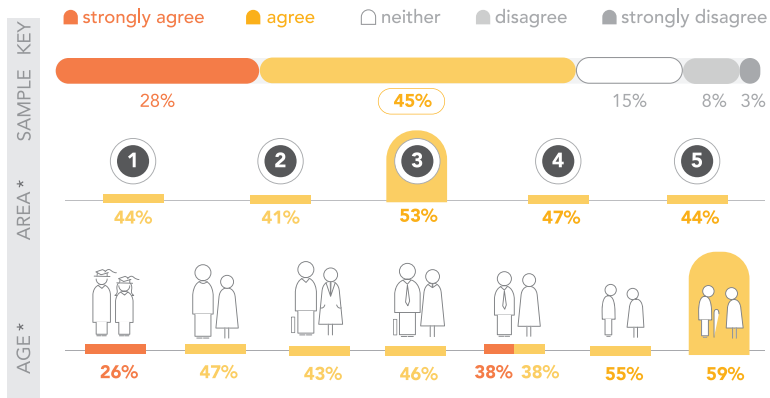


11.3

36% of all respondents agreed that new housing should include modern styles, however 32% were neutral in regards to this concept, with neutral responses common across most Planning Areas. Younger respondents up to 49 years old mostly agreed with including modern styles, as well as respondents older than 85 years old.



11.1 NEW HOUSING SHOULD FIT IN WITH THE SIZE AND SCALE OF EXISTING BUILDINGS



AGREE



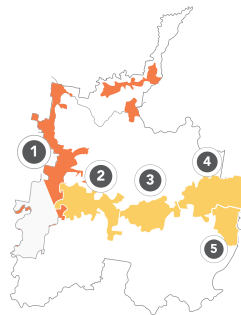
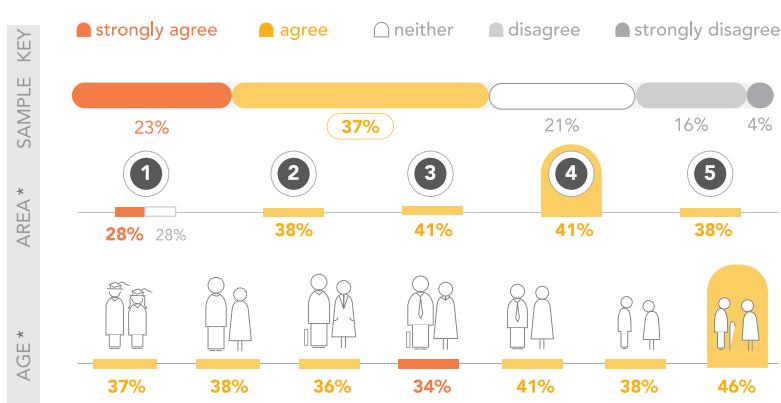
NEITHER



DISAGREE



11.2 NEW HOUSING SHOULD MATCH THE ARCHITECTURAL STYLES OF EXISTING BUILDINGS



AGREE



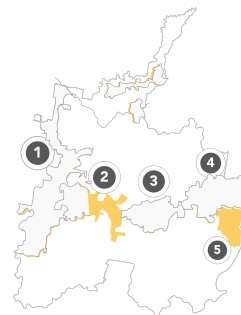
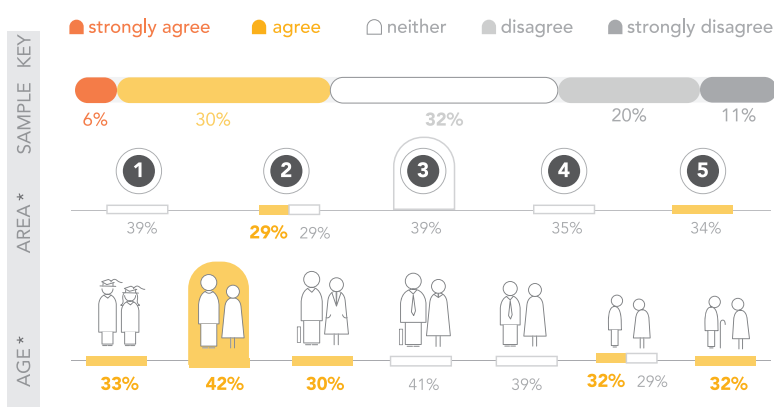
NEITHER



DISAGREE



11.3 NEW HOUSING SHOULD INCLUDE MODERN BUILDING STYLES AND FACADES



AGREE



NEITHER

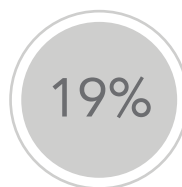


DISAGREE



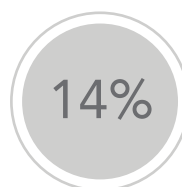
*Highest respondent percentage noted - full breakdown of agreement for Planning Areas on pages 30-39 and Age Groups on pages 42-55

Style, Scale & Sustainability



11.4

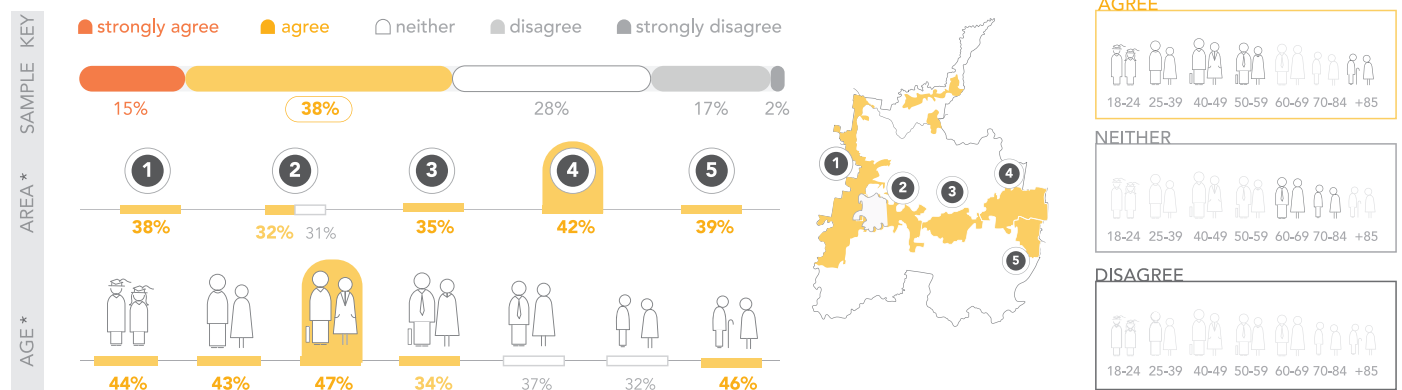
Including large gardens and landscaping in new housing is something most respondents agreed to, however a majority of respondents aged between 60 and 84 years old felt neutral about this statement. Almost one third of responses overall were neutral, at 28%.



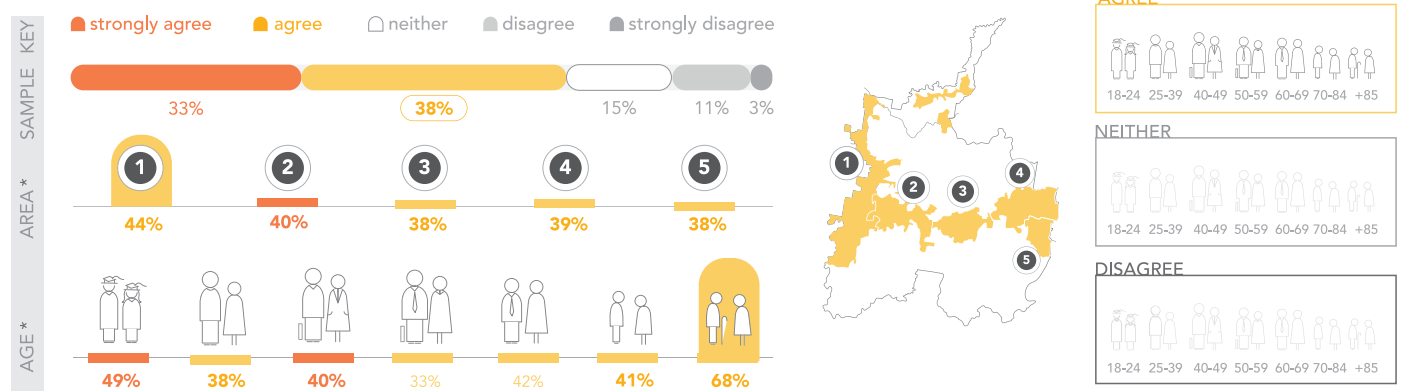
11.5

A large majority of respondents agreed that new housing in the LGA should have a higher requirement for sustainability compared to other areas. More respondents 'strongly agree' with this statement than any other in the housing survey. Across Planning Areas and age ranges, respondents are consistent in agreeing with the statement, particularly in Planning Area 2 and respondents aged 18 to 24 and 40 to 49 years old.

11.4 NEW HOUSING SHOULD INCLUDE LARGE GARDENS AND LANDSCAPING



11.5 NEW HOUSING SHOULD HAVE A HIGHER REQUIREMENT FOR SUSTAINABILITY COMPARED TO ELSEWHERE



*Highest respondent percentage noted - full breakdown of agreement for Planning Areas on pages 30-39 and Age Groups on pages 42-55

Future Ideas

Respondents were asked to provide general ideas for the future of housing in the Blue Mountains LGA, with many reflecting on the importance of the design and style of new housing.

The individual ideas provided by respondents have been divided into 10 key themes, as outlined below and included in order of how frequently they were raised. Key specific ideas have been included alongside each theme.



The answers provided reflect the priorities of respondents, including original ideas about housing and contributing to a deeper understanding of what is important for the future of housing within the Mountains.

Ideas were mostly based on sustainability, overdevelopment and character, signalling what needs to be considered in planning for the future of housing in the LGA.

Sustainable housing outcomes were a high priority for many respondents.

4 Infrastructure

- Telecommunications
- Public transport
- Cycling, walking paths
- Outdoor, open space

5 Increasing Density

- Communal city living
- Medium high density
- More apartments
- Shop units in town centres

6 Affordability

- Affordable housing for local younger generations
- More incentives for affordable housing

7 Housing Choice

- Housing variety for all age groups
- Smaller dwellings and well designed

8 Feel

- Maintain small town feel
- Nature and beautiful land

9 Aged Housing

- Single level housing close to amenities
- More over 55s accommodation

10 Governance

- Good planning
- Community Consultation
- Speed Up Development process





Planning Areas

PLANNING

AREA 1



How long have you lived in the Blue Mountains?

28%
more than 20 years

How long have you lived in your current home?

3-5 years 25%

Do you own or rent?

Own Outright 44%

Freestanding, Large 47%

Describe your home

Household composition

Couple with no children

25%



Question 3, 4, 5, 6, 7

remain in the Blue Mountains
yes 94%

10
years time

Where?
freestanding large 59%

Question 12, 13

Question 8

LOCAL CHARACTER

old *rural* *spacious*
quaint
traditional *single*

Respondents are consistent in describing their neighbourhood based on traditional and rustic styles and materials combined with the nature that surrounds housing, making respondents feel the "Mountains" atmosphere.

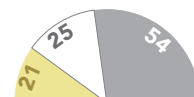
Question 9

AVAILABILITY, CHOICE & AFFORDABILITY

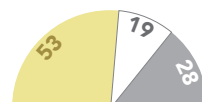
Respondents in this area felt that both the supply and variety of housing should be expanded. Affordability is a divisive theme for this area.



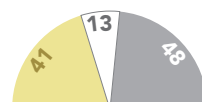
There is sufficient available housing in the Mountains



Housing choice should be expanded



Housing in the Mountains is affordable



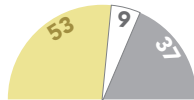
Question 10

HOW & WHERE SHOULD HOUSING BE LOCATED?

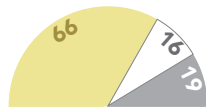
Most respondents agreed to where and how new housing should be located, except for the subdivision of land in residential areas, to which the vast majority of respondents disagreed.



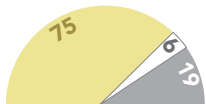
Should not expand urban areas for housing



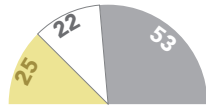
New housing in larger town centres



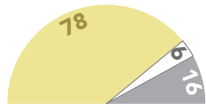
Medium density with appropriate design



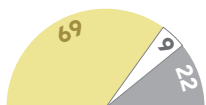
New housing through subdivision of land



Well designed townhouses or villas



Secondary dwellings as alternative housing



Question 11

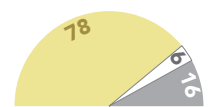
STYLE, SCALE & SUSTAINABILITY

Most respondents agreed to the majority of statements regarding housing style, particularly that new housing should match the size and scale of existing buildings and feature requirements for sustainability. Most respondents were neutral regarding the inclusion of large gardens and it proved to be a polarising statement.

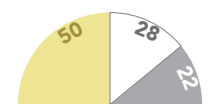


NEW HOUSING SHOULD:

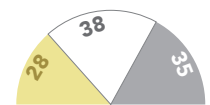
Fit with existing size and scale



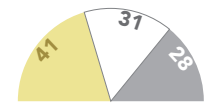
Match existing architectural styles



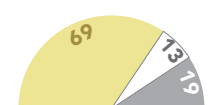
Include modern building styles



Include large gardens and landscaping



Include higher sustainability requirements



Question 14

IDEAS FOR THE FUTURE

Housing Character

- Keep the character of the villages
- Must retain character of its area and be managed so as to absolutely safeguard surrounding bushland

Sustainability

- Solar passive, carbon neutral design is crucial
- Landscape values and sustainability in the region continue to be protected

Overdevelopment

- Over populate an area like Blackheath will ruin our lifestyle
- Maintenance of the skyline i.e no high rise

Sample of direct respondent quotes

PLANNING AREA 2



How long have you lived in the Blue Mountains?

47%
more than 20 years

How long have you lived in your current home?

11-20 years 23%

Do you own or rent?

Own Outright 50%

Freestanding, Large 62%

Describe your home

Household composition

Couple with children at home 26%



26%

Couple with children not at home



Question 12, 13

Question 8

LOCAL CHARACTER

quiet
gardens
leafy
character
HERITAGE
Weatherboard

Housing character is seen to have a mixture of eclectic styles that align with the leafy surrounds, and respondents describe the area's feel as quiet and comfortable.

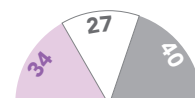
Question 9

AVAILABILITY, CHOICE & AFFORDABILITY

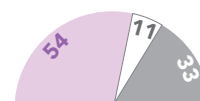
Respondents felt that there is enough available housing in the LGA, however stating that both affordability and housing choice should be improved.



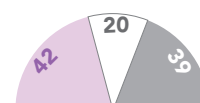
There is sufficient available housing in the Mountains



Housing choice should be expanded



Housing in the Mountains is affordable



Question 3, 4, 5, 6, 7

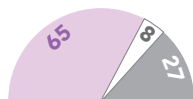
Question 10

HOW & WHERE SHOULD HOUSING BE LOCATED?

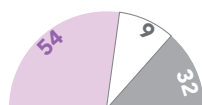
Respondents agree that housing should be located in larger town centres, through medium density, townhouses and villas and secondary dwellings, but not through the expansion of the urban area nor subdivision of land.



Should not expand urban areas for housing



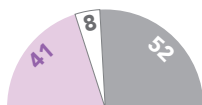
New housing in larger town centres



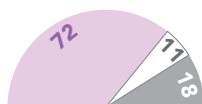
Medium density with appropriate design



New housing through subdivision of land



Well designed townhouses or villas



Secondary dwellings as alternative housing



Question 11

STYLE, SCALE & SUSTAINABILITY

Most people agree that new housing should include a range of styles and landscaping, matching the scale of existing buildings and having a higher requirement for sustainability.

NEW HOUSING SHOULD:



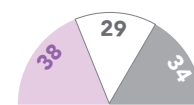
Fit with existing size and scale



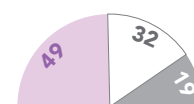
Match existing architectural styles



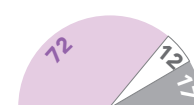
Include modern building styles



Include large gardens and landscaping



Include higher sustainability requirements



Question 14

IDEAS FOR THE FUTURE

Affordability

- There is not sufficient affordable and low cost housing
- Affordable housing for single parent families

Overdevelopment

- This is a World Heritage Area. Urban living already has an adverse effect on the natural environment
- I don't believe expanding housing in the Blue Mountains will value add to our environment

Increasing Density

- Well designed sustainable affordable medium density housing for both young and aged people
- Allowance of new houses that suit modern society living

Sample of direct respondent quotes

PLANNING AREA 3

Linden
Bullaburra
Lawson
Hazelbrook
Woodford

How long have
you lived in the
Blue
Mountains?

57%
more than
20 years

How long have
you lived in your
current home?

+20 years 30%

Do you own or rent?

Own Outright 48%

Freestanding, Large 72%

Describe your home

Household composition

**Couple with
children at home 25%**



Question 12, 13

Question 8

LOCAL CHARACTER

quiet **brick**
mixed bushy **old**
freestanding friendly

Although the housing is diverse in the area, the type and materials used are consistent and respondents feel it as quiet and friendly.

Question 9

AVAILABILITY, CHOICE & AFFORDABILITY

Respondents agreed with the existing availability and affordability of housing in the Blue Mountains, and the majority considers its diversity should be expanded.



**There is sufficient available
housing in the Mountains**



**Housing choice should
be expanded**



**Housing in the Mountains
is affordable**



Question 3, 4, 5, 6, 7

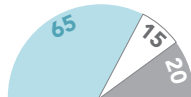
Question 10

HOW & WHERE SHOULD HOUSING BE LOCATED?

Respondents agreed with most statements about where and how to allocate new housing, but disagreed with the expansion or subdivision of residential areas.



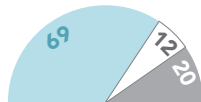
Should not expand urban areas for housing



New housing in larger town centres



Medium density with appropriate design



New housing through subdivision of land



Well designed townhouses or villas



Secondary dwellings as alternative housing



Question 11

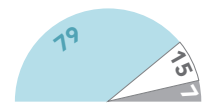
STYLE, SCALE & SUSTAINABILITY

Most respondents consider new housing should match the style and scale of existing buildings, including landscaping and have higher requirements for sustainability, but neither agreed nor disagreed with the inclusion of modern styles.

NEW HOUSING SHOULD:



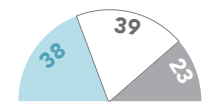
Fit with existing size and scale



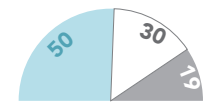
Match existing architectural styles



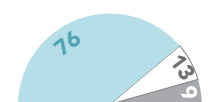
Include modern building styles



Include large gardens and landscaping



Include higher sustainability requirements



Question 14

IDEAS FOR THE FUTURE

Sustainability

- Mandatory sustainable architecture in new developments
- Focus on sustainability and protecting the National Park

Infrastructure

- Access to transport and amenities is important
- Public transport, share paths for cycling and walking between towns and from town extremes to stations

Increasing Density

- More apartments / shop top units in major town centres and adaptive reuse of existing buildings
- Eco medium density and maintain bush

Sample of direct respondent quotes

PLANNING AREA 4

Springwood
Valley Heights
Winmalee
Yellow Rock
Sun Valley

How long have
you lived in the
Blue Mountains?

52%
more than
20 years

How long have
you lived in your
current home?

+20 years 29%

Do you own or rent?

Own Outright 53%

Freestanding, Large 70%

Describe your home

Household composition

**Couple with
children at home**

18%



Question 12, 13

Question 8

LOCAL CHARACTER

tidy quiet
brick modern mixed
OLD large

The area combines modern and traditional houses in large lots described as beautiful and tidy by respondents who find their neighbourhoods friendly and modest.

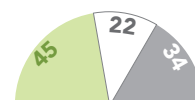
Question 9

AVAILABILITY, CHOICE & AFFORDABILITY

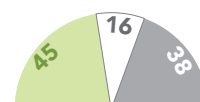
Respondents are satisfied with the existing housing supply and affordability, however would like to see improved housing choice in the LGA.



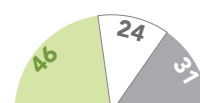
**There is sufficient available
housing in the Mountains**



**Housing choice should
be expanded**



**Housing in the Mountains
is affordable**



Question 3, 4, 5, 6, 7

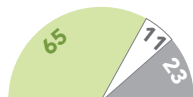
Question 10

HOW & WHERE SHOULD HOUSING BE LOCATED?

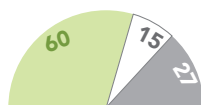
Respondents rejected the expansion of the urban area and subdivision of land to include more housing, however agreed to including new housing in town centres through medium density, town houses and villas. Secondary dwellings are highly welcomed as alternative housing options.



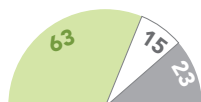
Should not expand urban areas for housing



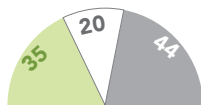
New housing in larger town centres



Medium density with appropriate design



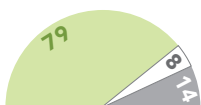
New housing through subdivision of land



Well designed townhouses or villas



Secondary dwellings as alternative housing



Question 11

STYLE, SCALE & SUSTAINABILITY

Statements regarding size, scale and sustainability of new housing were accepted by most Respondents. Modern styles divided Planning Area 4 respondents, who are equally neutral and positive about it.

NEW HOUSING SHOULD:



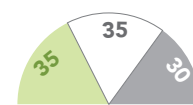
Fit with existing size and scale



Match existing architectural styles



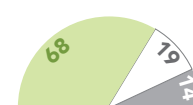
Include modern building styles



Include large gardens and landscaping



Include higher sustainability requirements



Question 14

IDEAS FOR THE FUTURE

Overdevelopment

- Don't over crowd the mountains, it will ruin what the mountains is about
- We have one of the most lovely places in the world to live in and to ruin it with high density housing and overpopulation would be one of the greatest shames

Sustainability

- Solar should be mandatory
- Incentives needed for highly sustainable development

Housing Character

- Charming character homes, that feature materials such as stone, weatherboard, brick or eco friendly
- We need to maintain the village atmosphere of the mountains
- by carefully designing and spacing medium density housing

Sample of direct respondent quotes

PLANNING AREA 5

Warrimoo
Blaxland
Mount Riverview
Glenbrook
Lapstone

How long have
you lived in the
Blue
Mountains?

58%
more than
20 years

How long have
you lived in your
current home?

+20 years 34%

Do you own or rent?

Own Outright 48%

Freestanding, Large 68%

Describe your Home

Household composition

**Couple with
children at home 47%**



Question 12, 13

Question 8

LOCAL CHARACTER

varied charming
bushy homely
unique BRICK
spacious

Large houses described as unique and charming, a mix of old and modern styles that use brick align with the natural surrounds.

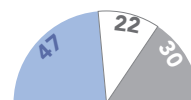
Question 9

AVAILABILITY, CHOICE & AFFORDABILITY

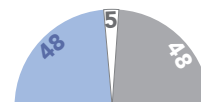
Housing availability and affordability are performing well as perceived by respondents, however housing diversity divided people from Planning Area 5 that equally disagree with its expansion.



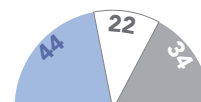
**There is sufficient available
housing in the Mountains**



**Housing choice should
be expanded**



**Housing in the Mountains
is affordable**



Question 3, 4, 5, 6, 7

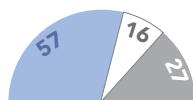
Question 10

HOW & WHERE SHOULD HOUSING BE LOCATED?

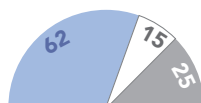
Respondents disagree with the expansion of the Blue Mountain's urban area, and are divided by the idea of subdividing land in existing residential areas. Medium density and different housing types in town centres are welcomed.



Should not expand urban areas for housing



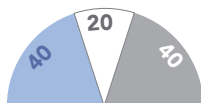
New housing in larger town centres



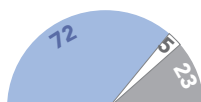
Medium density with appropriate design



New housing through subdivision of land



Well designed townhouses or villas



Secondary dwellings as alternative housing



Question 11

STYLE, SCALE & SUSTAINABILITY

Most respondents agree with the different statements regarding housing scale, style and sustainability.

NEW HOUSING SHOULD:



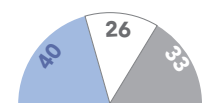
Fit with existing size and scale



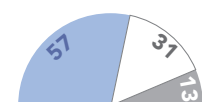
Match existing architectural styles



Include modern building styles



Include large gardens and landscaping



Include higher sustainability requirements



Question 14

IDEAS FOR THE FUTURE

Sustainability

- Sustainable living through more natural materials such as timber, metal and glass
- I would also love to see future housing equipped with sustainability factors such as large water tanks, solar panels and native gardens/plant life

Increasing Density

- Encouraging subdivision and medium density housing
- More communal city living, apartments and townhouses within major hubs

Housing Character

- Desire to protect the National Park and the cultural character of the Blue Mountains in the face of expansion and development
- We should keep the atmosphere but accommodate needs

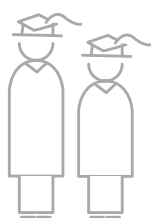
Sample of direct respondent quotes





Age Ranges

AGE 18-24



How long have you lived in the Blue Mountains?

9.3%

40%

11-20 years

How long have you lived in your current home?

less than 1 year 23%

+20 years 23%

Do you own or rent?

Own Outright 30%

Rent 30%

Freestanding, Large 72%

Describe your home

Household composition

Couple with children at home

40%



Question 12, 13

Question 8

LOCAL CHARACTER

clean
tidy
large
old
quiet

Housing was frequently described as old, large and tidy and as having a quiet and friendly feel.

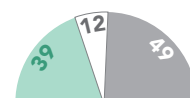
Question 9

AVAILABILITY, CHOICE & AFFORDABILITY

The youngest age range surveyed felt that affordability, availability and housing diversity should all be expanded in the Blue Mountains LGA.



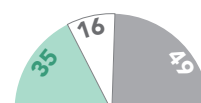
There is sufficient available housing in the Mountains



Housing choice should be expanded



Housing in the Mountains is affordable



Question 3, 4, 5, 6, 7

Question 10

HOW & WHERE SHOULD HOUSING BE LOCATED?

Most respondents welcomed new housing focused in larger town centres, through medium density, townhouses and villas and secondary dwellings, however disagreed with the expansion of the urban area and the subdivision of land.



Should not expand urban areas for housing



New Housing In Larger Town Centres



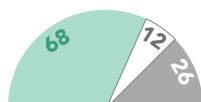
Medium Density With Appropriate Design



New Housing Through Subdivision



Well Designed Townhouses Or Villas



Secondary Dwellings As Alternative Housing



Question 11

STYLE, SCALE & SUSTAINABILITY

Respondents aged 18-25 feel new housing should match the size and style of existing buildings, include gardens and sustainability requirements. The inclusion of modern building styles is divisive and an equal percentage of people agreed and disagreed to this idea.



NEW HOUSING SHOULD:

Fit With Existing Size And Scale



Match Existing Architectural Styles



Include Modern Building Styles



Include Large Gardens And Landscaping



Include Higher Sustainability Requirements



Question 14

IDEAS FOR THE FUTURE

Affordability

- The housing in the blue mountains is very expensive and I, as a full time worker living with my parent will end up priced out
- Would like some cheaper options as it's hard to afford right now

Sustainability

- Every house should have solar
- More regulation on the size of water tank requirements, it should be required to have solar panels in all house, double glasses windows in all houses, buildings built near town centres should have green roofs to avoid urban heat issues

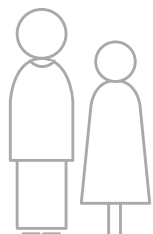
Housing Character

- It needs to still have a look of heritage about it and a warm family feel
- Maintain the natural feel of the mountains

Sample of direct respondent quotes

AGE

25-34



13.0%

How long have
you lived in the
*Blue
Mountains?*

45%
+20 years

How long have
you lived in your
current home?

3-5 years 27%

Do you *own or rent?*

Mortgage 51%

Freestanding, Large 55%

Describe your *home*

Household composition

Couple with
children at home

60%



Question 12, 13

Question 8

LOCAL CHARACTER

brick
MIXED
large
old
leafy cottage

Respondents felt their neighbourhood is nice and quaint, mixing old and new housing styles that range from European, federation and cottages with greenery.

Question 9

AVAILABILITY, CHOICE & AFFORDABILITY

Most respondents felt availability, affordability and housing diversity should be expanded in the LGA. There is a notably high percentage of neutrality regarding housing affordability in this age range.



There is sufficient available
housing in the Mountains



Housing choice should
be expanded



Housing in the Mountains
is affordable



Question 3, 4, 5, 6, 7

Question 10

HOW & WHERE SHOULD HOUSING BE LOCATED?

Respondents welcomed the idea of medium density, housing focused in larger town centres, based on townhouses, villas and secondary dwellings, however disagreed with the expansion of the urban area. Many were divided by the concept of subdivision of land in residential areas.

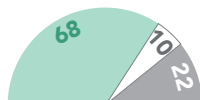
Should not expand urban areas for housing



New housing in larger town centres



Medium density with appropriate design



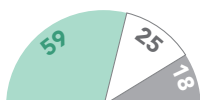
New housing through subdivision of land



Well designed townhouses or villas



Secondary dwellings as alternative housing



Question 11

STYLE, SCALE & SUSTAINABILITY

Respondents agreed that new housing should include a range of different housing styles, including modern styles, large gardens and also have higher requirements for sustainability.

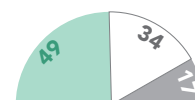
NEW HOUSING SHOULD:



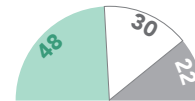
Fit with existing size and scale



Match existing architectural styles



Include modern building styles



Include large gardens and landscaping



Include higher sustainability requirements



Question 14

IDEAS FOR THE FUTURE

Affordability

- Affordability is key. So allowing more secondary dwellings would be ideal
- Affordable housing is a huge issue for myself. I would love to grow old in the mountains but the ability to own a house with the current prices is slim

Increasing Density

- Housing diversity, increased density around train stations
- Allowance of new houses that suit modern society living

Housing Character

- Modern styles, if well-designed, must be encouraged.
- The 'default' however should be to match existing
- Homes that keep in the character of the Blue Mountains

Sample of direct respondent quotes

AGE

35-49



How long have you lived in the Blue Mountains?

21.4%

33%
+20 years

How long have you lived in your current home?

6-10 years 24%

Do you own or rent?

Mortgage 47%

Freestanding, Large 66%

Describe your home

Household composition

Couple with children at home 56%



Question 3, 4, 5, 6, 7

remain in the Blue Mountains
yes 89%

10 years time

Where?
freestanding large 70%

Question 12, 13

Question 8

LOCAL CHARACTER

quiet
bush
brick
old
leafy
cottage

Housing was described as established and varied, using brick and weatherboard and ranging from modern to older styles of freestanding buildings.

Question 9

AVAILABILITY, CHOICE & AFFORDABILITY

Respondents felt there was enough housing available and that it is affordable, however that housing choice could be improved.



There is sufficient available housing in the Mountains



Housing choice should be expanded



Housing in the Mountains is affordable



Question 10

HOW & WHERE SHOULD HOUSING BE LOCATED?

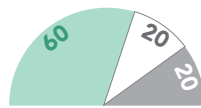
Respondents disagreed with the expansion of the urban area as well as the subdivision of land, while agreeing with the remaining statements about where and how to allocate new housing.



Should not expand urban areas for housing



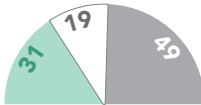
New housing in larger town centres



Medium density with appropriate design



New housing through subdivision of land



Well designed townhouses or villas



Secondary dwellings as alternative housing



Question 11

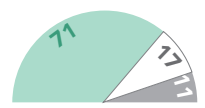
STYLE, SCALE & SUSTAINABILITY

Respondents agreed with most statements about size, scale and sustainability for new housing in the LGA, except the inclusion of modern building styles, which was divisive.

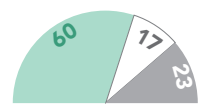
NEW HOUSING SHOULD:



Fit with existing size and scale



Match existing architectural styles



Include modern building styles



Include large gardens and landscaping



Include higher sustainability requirements



Question 14

IDEAS FOR THE FUTURE

Sustainability

- Sustainability must be LGA priority with all decisions to ensure we protect our natural heritage.
- Sustainable and energy efficient housing design

Affordability

- Variety of affordability, I want my kids to be able to buy something
- Affordable housing, granny flats. A council that is less restrictive so people can afford to build, extend or remodel without having to jump through so many hoops

Overdevelopment

- Absolutely no units. No tearing down of our bush and beautiful land!
- Do not expand. People live here because of the quiet and distance away from the hustle bustle

Sample of direct respondent quotes

AGE

50-59



How long have you lived in the Blue Mountains?

18.1%

57%
+20 years

How long have you lived in your current home?

11-20 years 29%

Do you own or rent?

Mortgage 47%

Freestanding, Large 74%

Describe your home

Household composition

Couple with children at home 33%



Question 12, 13

Question 8

LOCAL CHARACTER

family
heritage
modest
freestanding
old
modern

The larger size of lots combined with the family-friendly aspect of housing in the Blue Mountains was referred to by this age range.

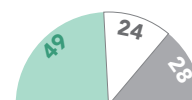
Question 9

AVAILABILITY, CHOICE & AFFORDABILITY

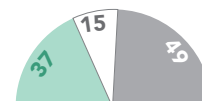
Respondents agreed that there is enough housing available and that it is affordable, however housing choice could be improved.



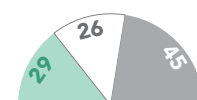
There is sufficient available housing in the Mountains



Housing choice should be expanded



Housing in the Mountains is affordable



Question 3, 4, 5, 6, 7

Question 10

HOW & WHERE SHOULD HOUSING BE LOCATED?

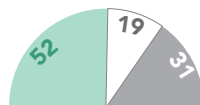
Respondents agreed on how and where to place new housing, except through the expansion of urban areas or subdivision of residential areas.



Should not expand urban areas for housing



New housing in larger town centres



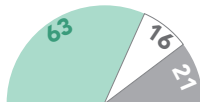
Medium density with appropriate design



New housing through subdivision of land



Well designed townhouses or villas



Secondary dwellings as alternative housing



Question 11

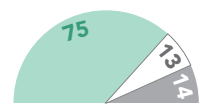
STYLE, SCALE & SUSTAINABILITY

Respondents supported statements for new housing style, scale and sustainability requirements, however most respondents neither agreed nor disagreed with the inclusion of modern building styles.

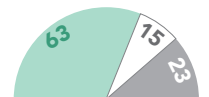
NEW HOUSING SHOULD:



Fit with existing size and scale



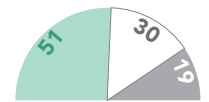
Match existing architectural styles



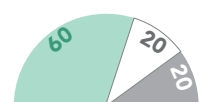
Include modern building styles



Include large gardens and landscaping



Include higher sustainability requirements



Question 14

IDEAS FOR THE FUTURE

Infrastructure

- The current road Infrastructure cannot handle an increase of traffic
- More sports fields and amenities

Housing Character

- Ensure any new housing blends in with the surrounding existing residential character
- Streetscape and character needs to be preserved, not big concrete squares with no landscaping - make walking in the neighbourhood pleasant

Aged Housing

- More over 55's accommodation
- Allow second dwellings on large properties over an acre, for generational housing use eg. grandparents live in smaller house

Sample of direct respondent quotes

AGE

60-69



18.4%

How long have you lived in the Blue Mountains?

64%
+20 years

How long have you lived in your current home?

+20 years 43%

Do you own or rent?

Own 70%

Freestanding, Large 62%

Describe your home

Household composition

Couple (children not at home)

31%



Question 3, 4, 5, 6, 7

remain in the Blue Mountains
yes 91%

10 years time

Where?
freestanding large 43%

Question 12, 13

Question 8

LOCAL CHARACTER

comfortable
quiet
brick
gardens
varied
freestanding

Respondents characterised their neighbourhood as comfortable, quiet and friendly, with freestanding but with a variety of housing styles. Heritage and low rise were terms used by respondents of this age range.

Question 9

AVAILABILITY, CHOICE & AFFORDABILITY

Respondents felt that there is enough available and affordable housing in the LGA, however stating that housing choice should be improved.



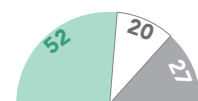
There is sufficient available housing in the Mountains



Housing choice should be expanded



Housing in the Mountains is affordable



Question 10

HOW & WHERE SHOULD HOUSING BE LOCATED?

Respondents supported statements on how and where to place new housing, but disagreed with the expansion of the urban area or the subdivision of land to allow more housing.



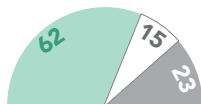
Should not expand urban areas for housing



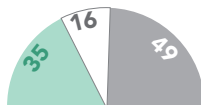
New housing in larger town centres



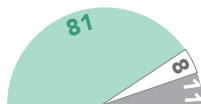
Medium density with appropriate design



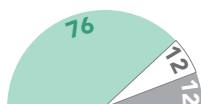
New housing through subdivision of land



Well designed townhouses or villas



Secondary dwellings as alternative housing



Question 11

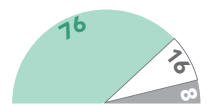
STYLE, SCALE & SUSTAINABILITY

Respondents agreed on the introduction of sustainability requirements and the maintenance of the existing size and scale of buildings, however felt that modern buildings and landscaping were more divisive topics.

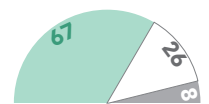
NEW HOUSING SHOULD:



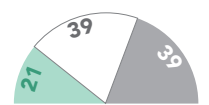
Fit with existing size and scale



Match existing architectural styles



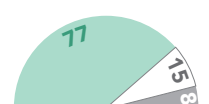
Include modern building styles



Include large gardens and landscaping



Include higher sustainability requirements



Question 14

IDEAS FOR THE FUTURE

Increasing Density

- More housing diversity, especially around town centres
- Town houses in close proximity to train stations

Housing Character

- We need to maintain the village atmosphere of the mountains by carefully designing and spacing medium density housing
- I think that the character of the Blue Mts villages should be protected

Feel

- It is important to keep the unique look and feel of the Blue Mountains
- That it is compatible with the existing nature of our community

Sample of direct respondent quotes

AGE

70-84



14.2%

How long have you lived in the Blue Mountains?

64%
+20 years

How long have you lived in your current home?

+20 years 52%

Do you own or rent?

Own 88%

Freestanding, Large 63%

Describe your home

Household composition

Single

Couple (no children)

29%



Question 3, 4, 5, 6, 7

remain in the Blue Mountains
yes 91%

10
years time

Where?
freestanding large 39%

Question 12, 13

Question 8

LOCAL CHARACTER

brick
large
modern
mixed
old
TRADITIONAL

The mix of period style houses was noted by respondents, who perceived their neighbourhood as spacious and traditional that has been changing through time.

Question 9

AVAILABILITY, CHOICE & AFFORDABILITY

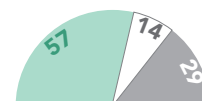
Respondents of this age range agreed that housing choice is sufficient in the Blue Mountains, feeling that availability and affordability could be increased.



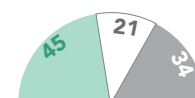
There is sufficient available housing in the Mountains



Housing choice should be expanded



Housing in the Mountains is affordable



Question 10

HOW & WHERE SHOULD HOUSING BE LOCATED?

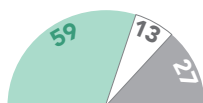
Respondents agreed with all proposed ways of allocating new housing except for the subdivision of land, which was a divisive topic.



Should not expand urban areas for housing



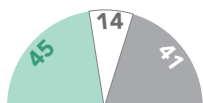
New housing in larger town centres



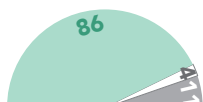
Medium density with appropriate design



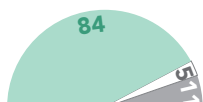
New housing through subdivision of land



Well designed townhouses or villas



Secondary dwellings as alternative housing



Question 11

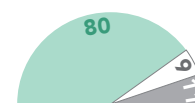
STYLE, SCALE & SUSTAINABILITY

Respondents supported that housing should include both existing and new building styles, while maintaining the scale of existing buildings, including gardens and having a requirements for sustainability.

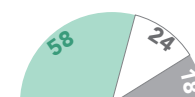


NEW HOUSING SHOULD:

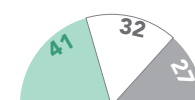
Fit with existing size and scale



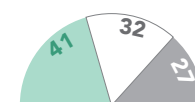
Match existing architectural styles



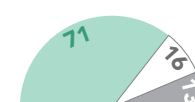
Include modern building styles



Include large gardens and landscaping



Include higher sustainability requirements



Question 14

IDEAS FOR THE FUTURE

Infrastructure

- Must be able to be serviced by infrastructure, schools and medical facilities

Sustainability

- Fire risk and fire safety needs to be incorporated into housing.
- Energy efficiency in design, solar compulsory, rainwater tanks compulsory
- Smaller units close to townships and modular and passive solar

Aged Housing

- We need single level housing close to amenities for the aging population who don't want to leave the area
- Single level townhouses close to train stations to accommodate retirees moving from freestanding house on large lots

Sample of direct respondent quotes

AGE

+85



How long have you lived in the Blue Mountains?

5.4%

82%
+20 years

How long have you lived in your current home?

+20 years 55%

Do you own or rent?

Own 86%

Freestanding, Large 63%

Describe your Home

Household composition

Couple (children not at home)

Couple (no children)

27%



Question 3, 4, 5, 6, 7

remain in the Blue Mountains
yes 86%

10 years time

Where?
freestanding large 55%

Question 12, 13

Question 8

LOCAL CHARACTER

brick
varied well old
maintained

Neighbourhoods were perceived as pleasant and well maintained, single or double storeys with abundant greenery.

Question 9

AVAILABILITY, CHOICE & AFFORDABILITY

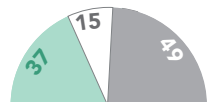
Respondents of this age range agreed that housing is affordable in the Blue Mountains, feeling that choice and availability could be increased.



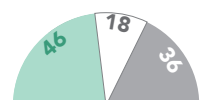
There is sufficient available housing in the Mountains



Housing choice should be expanded



Housing in the Mountains is affordable



Question 10

HOW & WHERE SHOULD HOUSING BE LOCATED?

Respondents were supportive of statements regarding how and where new housing could be introduced, especially in the form of townhouses or villas.



Should not expand urban areas for housing



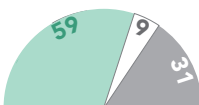
New housing in larger town centres



Medium density with appropriate design



New housing through subdivision of land



Well designed townhouses or villas



Secondary dwellings as alternative housing



Question 11

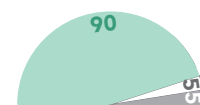
STYLE, SCALE & SUSTAINABILITY

Most respondents agreed that new housing should combine existing and modern styles, large gardens and sustainability requirements. Respondents were most positive about new housing matching the scale of existing buildings.

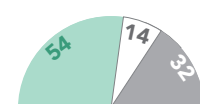


NEW HOUSING SHOULD:

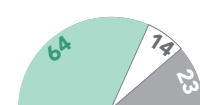
Fit with existing size and scale



Match existing architectural styles



Include modern building styles



Include large gardens and landscaping



Include higher sustainability requirements



Question 14

IDEAS FOR THE FUTURE

Sustainability

- Housing should be environmentally friendly, not over the top and should have solar heating in roofs
- Needs to respect the environment and the Blue Mountains feel and values; well designed, better fire ratings and mostly sensitive to the environment

Overdevelopment

- If its overcrowded it takes away the village atmosphere
- Don't want overcrowding - the city has come to the Mountains and I don't like it

Sample of direct respondent quotes





Conclusion

Key Trends

A number of key trends emerged during the housing survey process, whether through the direct output of survey data, open ended responses to questions around housing character and ideas for the future, as well as anecdotal and informal comments made during the survey recording during face to face or telephone interactions. Anecdotal discussions undertaken with respondents during the survey process provided a further layer of understanding to how respondents perceive key issues around housing, with several notable topics and contextualisations recurring through these conversations. This feedback resulted in a number of key issues, opportunities and priorities among respondents.

Character

Local character in the Blue Mountains is considered to be a high priority for the future of housing, integrating the concept of respecting the existing built form and preserving housing styles that align with the unique character of suburbs.

Respondents reflected a positive perception of existing housing character and were conscious of their effort to maintain it, with some feeling that new residents may not do the same. A strong sense of the community's desire to protect the character of housing, villages and the overall feel of the LGA was gained through the survey.

Density

Although many residents expressed strong opposition to overdevelopment, a high percentage of respondents felt that housing availability needs to be improved, and the majority of respondents agreed in principle to an increase in housing density, choice and supply, provided that these are introduced in suitable locations and appropriate forms.

The conversation around density requires further engagement to define what housing options for increased density may mean within the context of the LGA, particularly around the opportunity and location for townhouses and villas.

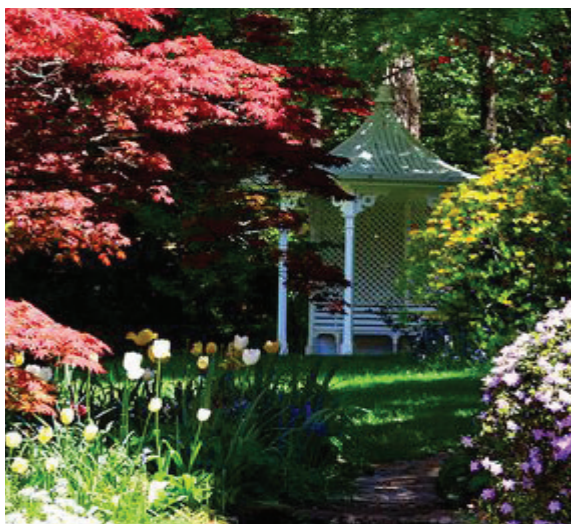
Tourism

The importance of the tourism industry to the Blue Mountains was acknowledged by respondents, who highlighted the strong link between the character of villages and the visitor economy, as well as the World Heritage Area.

The preservation of housing character, as well as the revitalisation of the streetscape in town centres, was seen to be an important factor to benefit tourism.

Simultaneously, the impacts of homestay/Airbnb accommodation were also seen to pose risks to local tourism industry and the residential atmosphere.





World Heritage Area

The city in a World Heritage Area is a highly valued concept for respondents as it reflects the connection between natural views and a sense of space around built form, as well as a strong relationship between housing and the local bushland setting.

Aligning housing with the World Heritage Area was a high priority for respondents, to be achieved through respecting the condition of the Blue Mountains National Park and introducing sustainable housing initiatives in the LGA.

Subdivision of Land

46% of respondents were opposed to the subdivision of land in residential areas as a solution to the allocation of new housing, especially in areas higher in the Blue Mountains, such as Planning Areas 1 and 2.

This opposition was directly related to a sense of space in housing character and respondents' aversion to living in crowded and overdeveloped neighbourhoods. Concerns around the accessibility and evacuation of properties during bushfires were also raised.

While some people felt that subdivision restrictions were too strict and that it was a personal choice to divide land, many felt that subdivision would have a strong impact on the fabric of developed and residential areas in the Blue Mountains.

Granny Flats

Granny flats, as well as other types of secondary dwellings, were well supported by respondents where they provide for aged housing and downsizing - and there is a clear trend for older generations to agree with granny flats as forms of alternative housing.

The use of granny flats for short term accommodation is seen to have a negative impact on the local residential lifestyle of neighbourhoods.

Further engagement is needed to explore and redefine granny flats as a viable option for providing inter-generational spaces, with accommodation for grandparents in need of downsizing or for young people to create their own space within the family household.



For each of the proposed statements around housing which were included in the survey, key specific issues and opportunities arose from responses that included specific details around local housing. As outlined below, these specific opportunities may be used to inform future engagement regarding housing in the LGA.

Statement

Further Opportunities to Explore

There is sufficient available housing in the Blue Mountains

- 'Sufficient availability' is sometimes justified by the fact respondents do not want further housing or population growth in the Blue Mountains
- There is a clear opportunity for further engagement regarding housing supply giving the high percentage of neutral responses to this statement

The range of housing choice in the Blue Mountains should be expanded

- Most common house types that are seen to be currently lacking in the LGA are smaller dwellings or houses that accommodate single parent households, younger people and older populations looking to downsize

Housing in the Blue Mountains is affordable

- Affordability for younger generations is a priority
- When compared to Greater Sydney, the Blue Mountains LGA is considered affordable, however if compared over time most people feel it has become expensive
- Along with housing availability, there are many respondents who don't have clear cut views on affordability in the Blue Mountains
- Future engagement should address housing affordability to gain a deeper understanding and help shape opinions on the matter

To accommodate housing in town centres, medium density with appropriate design should be considered

- Future engagement should address the definition of medium density and what types or styles of density are appropriate for town centres in the Blue Mountains

New housing should be through subdivision of land in existing residential areas

- Considered a relevant question that should be addressed in further engagement, allowing for further definition and a conversation around how and where subdivision might be suitable for the LGA

Secondary dwellings (granny flats) are a good form of alternative housing for the Blue Mountains

- Many respondents see the role of granny flats as an extension of their household, as they provide inter-generational spaces for families, rather than as private business opportunities, and may need to be re-framed as such

New housing should match the architectural styles of existing buildings

- Explored in future engagements to understand what fine grain existing architectural styles the community feels need to be preserved and protected

New housing should include modern building styles and facades

- The concept of 'modern styles' needs to be further defined with the community
- Opposition to the idea of 'McMansions' and concrete heavy styles is common
- Respondents reflected that ecologically designed modern styles align with the natural character of the Blue Mountains and are more sustainable for the environment

New housing should include large gardens and landscaping

- Community gardens were raised as an idea to provide townhouses with landscaping
- Landscaping aligns with housing character but doesn't necessarily need to be 'large'
- Landscaping for public space is seen as important

New housing in the Blue Mountains should have a higher requirement for sustainability compared to elsewhere

- Some respondents disagreed with this statement as they feel that requirements for sustainability should be high everywhere, not only in the Blue Mountains
- Some respondents stated that the Blue Mountains can have a strong role in prioritising sustainability in housing, as can be verified by the number of ideas regarding sustainability in the 'Future Ideas' section

Methods for Future Promotion of Local Housing Character

The protection of existing built form character, particularly in villages which rely heavily on tourism, was raised as a high priority throughout the housing survey. In order to raise awareness, prioritise and promote local character in a way that does not necessitate extensive formal changes to planning policy, a number of small scale initiatives may be considered, including:

- Providing welcome packs to new residents with useful information about the area in which they will live, particularly its built form and local character, as well as any local history
- Seasonal photo competitions that highlight and acknowledge local character across neighbourhoods, villages or Planning Areas
- Awards for best streets, those that feature the most interesting housing styles, those with the 'most typical character', and those who apply modern styles to the Blue Mountains character well, etc.
- Open streets celebrating local communities and the character of the LGA throughout Blue Mountains City Council with temporary road closures and pedestrianised streets to promote local neighbourhood events and celebrate village life



Conclusions

In undertaking this housing survey, Blue Mountains City Council sought to understand community perceptions of housing in the LGA and identify preferences and priorities in relation to future housing changes.

In conducting a statistically valid sample survey and exploring issues and opportunities according to geographic location and demographic profile, a widespread range of views were gained from the community which reflect a variety of trends based on age and suburb.

The survey results reflect a number of key priorities, feedback on the current housing landscape and ideas for the future, as well as identifying areas for further future engagement with the local community.



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