

12 April 2024
Project Number: 240015

Alyssa Norton
Senior Planner
Town Planning Alliance
Suite 4, 15 Lake Street
Varsity Lakes QLD 4227

Dear Alyssa

RE: Casuarina Economic Advice

As requested, we have prepared economic advice to be provided to the NSW Department of Planning, Housing and Industry (DPHI) in regard to the modification of a Concept Approval to alter the proposed use of 10 Grand Parade, Casuarina from mixed use medium density to mixed use (i.e. removal of the residential component). The amendment to the concept approval will result in the loss of 18 dwellings due to the change of use, however other precincts with Casuarina have an increased density.

This letter documents the findings of our assessment of the impact of the loss of 18 dwellings on the subject site and housing supply within Casuarina and is structured as follows:

- + Geographic Definition;
- + Historic Population;
- + Dwellings by Typology;
- + Historic Dwelling Approvals;
- + Population and Dwelling Projections;
- + Supply Analysis;
- + Remaining Years of Supply; and
- + Summary.

Geographic Definition

This assessment uses the Australian Bureau of Statistics (ABS) suburbs and localities definition to define Casuarina. For benchmarking purposes and where data is not available at the suburb level this analysis has considered the broader Kingscliff-Fingal Head SA2.

Historic Population

Historic population estimates have been compiled utilising data published in the Australian Bureau of Statistics Estimated Resident Population (ERP) publication, supplemented with small area estimates published by the Queensland Government's Statisticians Office (ABS ERP estimates by SA1).

Town Planning Alliance 240015 Casuarina Economic Advice

The population of Casuarina was estimated at 3,304 persons in 2022, accounting for 22.2% of the Kingscliff – Fingal Head SA2 population.

Over the past ten years, there has been an additional 1,232 persons in Casuarina, accounting for 42.2% of population growth in Kingscliff – Fingal Head SA2. The rate of population growth in both Casuarina and Kingscliff – Fingal Head SA2 has significantly exceeded regional and state averages.

Table 1 details the historic population for Casuarina, Kingscliff-Fingal Head SA2, Tweed Shire Council and New South Wales from 2013 to 2022.

Table 1 Historic Population – Casuarina, Kingscliff-Fingal Head SA2, Tweed and NSW, 2013-22

	Casuarina	Kingscliff-Fingal Head SA2	Tweed Shire Council	New South Wales
2013	2,072	11,933	90,226	7,404,032
2014	2,265	12,290	91,139	7,508,353
2015	2,514	12,830	92,261	7,616,168
2016	2,764	13,574	93,742	7,732,858
2017	2,822	13,837	94,538	7,850,871
2018	2,911	14,175	95,240	7,945,580
2019	3,047	14,414	95,906	8,034,305
2020	3,172	14,678	96,645	8,094,317
2021	3,253	14,800	97,151	8,093,815
2022	3,304	14,850	97,718	8,156,386
Ave. Ann Growth, 2013-22	4.8%	2.2%	0.8%	1.0%

Source: QGSO Tweed Population by SA1s (2023), ABS Regional Population (2023)

Dwellings by Typology

An assessment of dwelling stock by typology has been undertaken to understand historic trends in both Casuarina and Kingscliff – Fingal Head SA2.

Detached dwellings were the most common dwelling type in Casuarina and Kingscliff – Fingal Head SA2, with the incidence of detached dwellings increasing at the time of each Census. Detached dwellings accounted for 82.5% of dwelling growth in Casuarina and 88.2% of dwelling growth in Kingscliff – Fingal Head SA2 in the 2011 to 2021 period.

There was also growth in the number of semi-detached and attached dwellings in both Casuarina and Kingscliff – Fingal Head SA2 between 2011 and 2021, but at a significantly lower rate. In the 2011 to 2021 period, semi-detached dwellings accounted for 14.0% of dwelling growth in Casuarina and 13.1% of dwelling growth in Kingscliff – Fingal Head SA2.

Table 2 details dwellings by typology across Casuarina and the broader Kingscliff-Fingal Head SA2 as of the 2011, 2016 and 2021 Census.

Table 2 Dwellings by Typology – Casuarina and Kingscliff-Fingal Head SA2, 2011, 2016 and 2021

	Casuarina				Kingscliff-Fingal Head SA2			
	2011	2016	2021	Growth, 2011-21	2011	2016	2021	Growth, 2011-21
Number								
Detached	461	714	884	423	2,808	3,508	4,110	1,302
Semi-detached	171	240	243	72	819	935	1,012	193
Attached	214	239	232	18	1,236	1,247	1,316	80
Other	0	4	0	0	733	800	635	-98
Total	846	1,197	1,359	513	5,596	6,490	7,073	1,477
% of Total								
Detached	54.5%	59.6%	65.0%	10.6%	50.2%	54.1%	58.1%	7.9%
Semi-detached	20.2%	20.1%	17.9%	-2.3%	14.6%	14.4%	14.3%	-0.3%
Attached	25.3%	20.0%	17.1%	-8.2%	22.1%	19.2%	18.6%	-3.5%
Other	0.0%	0.3%	0.0%	0.0%	13.1%	12.3%	9.0%	-4.1%

Source: ABS Census of Population and Housing (2011, 2016 and 2021)

Historic Dwelling Approvals

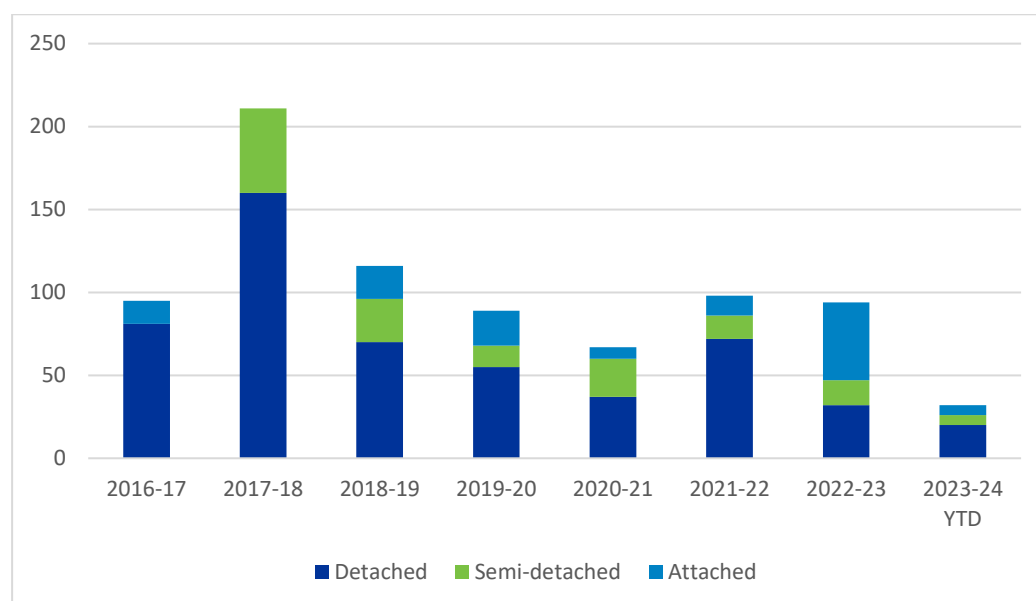
This assessment has also considered historic dwelling approvals which are published at the SA2 level and above. At the time of drafting, there were an average of 110 dwelling approvals per annum in the 2016-17 to 2022-23 period, comprising an average of 72 detached dwelling approvals, 20 semi-detached dwelling approvals and 17 attached dwelling approvals.

Dwelling approvals peaked in Kingscliff-Fingal Head SA2 in 2017-18 with 160 detached dwelling approvals and 51 semi-detached dwelling approvals. Apart from 2022-23, dwelling approvals in Kingscliff-Fingal Head SA2 were dominated by detached dwelling approvals.

In the first quarter of 2024, detached dwelling approvals accounted for just under two thirds of dwelling approvals in Kingscliff – Fingal Head SA2.

Figure 1 details the historic dwelling approvals for Kingscliff-Fingal Head SA2 from 2016-17 to 2023-24 YTD (December 2023).

Figure 1 Historic Dwelling Approvals – Kingscliff-Fingal Head SA2, 2016-17 to 2023-24 YTD



Source: ABS Building Approvals by SA2 (2023)

Population and Dwelling Projections

The NSW Government Department of Planning regularly releases population projections at the SA2 level and above, with the most recent set referred to as the 2022 NSW Population Projections dataset. These projections anticipate an additional 6,108 to 7,944 persons within Kingscliff – Fingal Head SA2 between 2021 and 2041, accounting for a significant proportion of additional persons within Tweed Shire over this period.

Table 3 summarises the projected population within Kingscliff – Fingal Head based on the 2022 NSW Population Projections.

Table 3 Projected Population by Series, Kingscliff -Fingal Head SA2 and Tweed Shire, 2021-2041

	2021	2026	2031	2036	2041	Ave. Ann. Growth, 2021-41	Change, 2021-41
Kingscliff – Fingal Head SA2							
NSW DPE - low series	15,961	17,414	19,082	20,659	22,070	1.6%	6,108
NSW DPE - medium series	16,008	17,907	19,910	21,816	23,599	2.0%	7,591
NSW DPE - high series	16,014	17,961	19,995	22,037	23,958	2.0%	7,944
Tweed Shire							
NSW DPE - low series	98,675	100,121	101,720	102,939	103,434	0.2%	4,759
NSW DPE - medium series	98,954	102,915	106,639	109,745	112,244	0.6%	13,290
NSW DPE - high series	98,994	103,449	107,388	110,642	113,271	0.7%	14,277

Source: 2022 NSW Population Projections

Town Planning Alliance 240015 Casuarina Economic Advice

The projections anticipate population growth of between 282 and 408 persons per annum over the next twenty years, with the rate of population growth highest in the 2026-2031 period.

Casuarina has historically accounted for a significant proportion of population growth within the Kingscliff – Fingal Head SA2, predominately housed in detached dwellings. The remaining capacity within Casuarina is predominantly for attached dwellings within the Casuarina Town Centre precinct. It is anticipated the rate of population growth in Casuarina will slow significantly relative to historic averages, in recognition of the limited remaining detached capacity.

Within the Kingscliff – Fingal Head SA2, Kings Forest represents the next release of greenfield residential opportunity and was first identified as a State Significant Site under the State Environmental Planning Policy (Major Development) 2005. The North Coast Regional Plan 2041 also identifies the role of Kings Forest in providing greenfield housing in conjunction with the urban renewal of Kingscliff, with no specific mention of the role of the Casuarina Town Centre in accommodating additional persons.

Whilst the Casuarina Town Centre will contribute to housing supply and accommodate additional persons within the Kingscliff – Fingal Head SA2, it is not anticipated to be the focal point of population growth within the Kingscliff – Fingal Head SA2 to 2041.

Table 4 below outlines our projected growth outlook for Casuarina, both in terms of additional persons and dwellings between 2021 and 2041. The anticipated growth outlook recognises the limited capacity to accommodate additional persons in Casuarina other than within the Casuarina Town Centre. Over the next 20 years, the population of Casuarina is anticipated to increase from 3,253 persons in 2021 to 3,820 persons in 2041, representing growth of 0.8% per annum.

The decline in average household size over time reflects dwelling growth is predominantly within semi-detached and detached dwellings, as opposed to detached dwellings (which was the case in the 2011 to 2021 period).

Table 4 Projected Population and Dwellings, Casuarina Locality, 2021-2041

	2021	2023	2026	2031	2036	2041	Ave. Ann. Growth, 2021-41	Change, 2021-41
Population	3,253	3,355	3,550	3,730	3,775	3,820	0.8%	567
Occupied Dwellings	1,122	1,157	1,257	1,357	1,382	1,407	1.1%	285
Average Dwelling Size	2.9	2.9	2.8	2.7	2.7	2.7	-	-

Source: Bull & Bear Economics estimates (2024)

Supply Analysis

Our assessment has considered the remaining supply in Casuarina to identify the remaining capacity to accommodate population growth within the locality. This assessment has identified the remaining capacity both within the Casuarina Town Centre and surrounds, and how this compares to the anticipated outcomes under Modification 10 of the Department's Major Project approval of the Casuarina Town Centre (MP06_0258).

The geographic boundary of the Casuarina Town Centre is presented in Figure 1 below.

Figure 2 Geographic Boundary of Casuarina Town Centre



It is understood the Casuarina Town Centre, once fully built out, would include incorporate a range of two, three and four storey residential developments, with mixed use buildings facing Grand Parade. Figure 3 illustrates the densities planned within the Casuarina Town Centre under Concept Approval 10.

Figure 3 Residential Densities Planned within Casuarina Town Centre



Our assessment has estimated the residential yield of Casuarina Town Centre based on estimates within Concept Approval 10, existing built form and approvals. Our assessment has also estimated remaining residential capacity within the remainder of the Casuarina suburb (i.e. vacant land within Casuarina but outside of the town centre).

Table 5 below summarises the anticipated dwellings under both Concept Approval 10 and our estimates based on the following approvals:

- + 5 Grand Parade, Casuarina (Precinct A, north side of Grand Parade): Approval for 47 dwellings, above the expected yield of 40 dwellings;
- + 6 Grand Parade, Casuarina (Precinct A, south side of Grand Parade): Approval for 78 dwellings, above the expected yield of 72 dwellings; and
- + Removal of dwellings at subject site (within Precinct C).

Based on the above assumptions, it is anticipated the dwelling yield within the Casuarina Town Centre will be similar than under Concept Approval 10, due to increased densities in Precinct A (thirteen additional dwellings approved than the yield under the concept plan).

Table 5 Yield Under Concept Plan and Anticipated Yield (Adjusted for Approvals) by Precinct, Casuarina Town Centre

Precinct	Site Area (sqm)	Yield Under Concept Plan (Dwellings)	Anticipated Yield (Adjusting for Approvals)	Additional Dwellings Relative to Concept Plan
A	12,825	112	125	13
B	2,485	28	28	0
C	3,090	36	18	-18
D	2,110	26	26	0
E	1,270	12	12	0
F	2,015	24	24	0
G	1,655	7	7	0
H	1,559	7	7	0
Balance	-	70	74	4
Total Casuarina Town Centre		322	321	-1

Note: The balance of the undeveloped land is subject to final design and a potential increase in yield.

Source: Bull & Bear Economics estimates

Of the identified yield, there are 22 vacant detached residential allotments and capacity for 186 attached dwellings within the Casuarina Town Centre.

Aerial imagery also identified capacity for an additional 16 detached dwellings within the R1 General Residential and R2 Low Density Residential zones in the remainder of Casuarina, based on an assumed minimum lot size of 450sqm. Whilst it is recognised the R1 General Residential zone can also accommodate semi-detached and attached dwellings, only two lots were considered of sufficient size to accommodate higher densities (i.e. Lot 68 DP1191156, which is 2,506sqm in size and Lot 55 DP1182600, which is 1,098sqm in size). Therefore, the assessment has conservatively assumed all remaining capacity outside of the town centre is developed as detached residential dwellings.

Table 6 details the estimated remaining residential capacity within Casuarina.

Table 6 Vacant Residential and Centre Zoned Land – Casuarina, 2024

Zone	Estimated Detached Yield (dwellings)	Estimated Attached Yield (dwellings)	Total Yield (dwellings)
Within Casuarina Town Centre	22	186	208
Outside Town Centre	16	-	16
Casuarina Total	38	185	224

Source: Bull and Bear Economics Estimates (2024)

Remaining Years of Supply

As detailed in Table 6 above, there is estimated capacity for an additional 224 dwellings on vacant allotments within Casuarina. By comparison, the anticipated increase in population in Casuarina relative to 2023 requires an additional 200 dwellings by 2031 and 225 dwellings by 2036. This is suggestive of approximately 12-13 years of remaining residential supply within Casuarina.

Summary

The analysis identifies even with the removal of the proposed residential component at 10 Grand Parade, the ultimate dwelling yield within the Casuarina Town Centre will be one less dwelling relative to the latest Concept Approval. The balance of the undeveloped land is subject to final design and there is the potential for increased yield.

Historically, Casuarina has been the focal point of residential growth within Kingscliff – Fingal Head SA2, due to the availability of greenfield residential land. As identified in the supply assessment, the majority of remaining residential capacity is contained within the Casuarina Town Centre. Whilst the growth outlook for Kingscliff – Fingal Head SA2 is higher than historic trends, this is reflective of the anticipated release of significant greenfield land at Kings Forest, as opposed to further development within Casuarina. Our estimates suggest remaining capacity for ~12-13 years within Casuarina.

Therefore, the analysis identifies the amendment to the Concept Approval would not have a detrimental impact on housing supply within Casuarina, due to approvals for higher densities on other sites within the Casuarina Town Centre.

Sincerely



Marcus Brown
Director



Shelley McCormack
Director