Redmond Place, Orange

Economic and Social Impact Assessment

Landcom

July 2024

Atlas ECONOMICS
ANALYSIS. INSIGHTS. OUTCOMES.

Document Control

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Executive Summary

BACKGROUND

Housing affordability continues to be pressured by strong demand drivers including population growth and limited supply in the face of inflationary construction costs. Many public agencies in NSW are investigating the deliverability of more affordable housing options for price sensitive households in both metropolitan and regional areas.

The Community Strategic Plan (**CSP**) was released in 2022 by Orange City Council (**Council**) to set out a 10-year vision for Orange including key priorities and strategies. The CSP identifies housing affordability as a key priority in Orange, referring to a lack of available and affordable housing.

Landcom and Council have signed a Project Delivery Agreement to deliver the Redmond Place project (**the Site**). The Site is owned by Council and Landcom are taking the lead in preparing a planning proposal (**PP**) to amend the Orange Local Environmental Plan 2011 (**LEP**) to rezone the Site for residential uses, in accordance with a prepared Masterplan.

Key objectives of the project are:

- **Supply** – increase the supply of land to facilitate housing
- **Diversity** – promote housing diversity
- **Affordability** – increase the supply of land for affordable housing by delivering at least 20% of all residential dwellings for affordable housing
- **Sustainability** – develop a climate resilient, healthy and inclusive place, at the forefront of environmental and social sustainability.

The staging strategy for this site is to be determined and will need to take into consideration infrastructure availability, delivery timing, placemaking, and entry point to the area from Mitchell Highway.

The urban design approach for the project focuses on socio-economic activation, innovative sustainability solutions and urban vibrancy through place-making. The master plan for the future new community of Redmond Place will be based on a landscape-led approach to urban design, informed by the unique qualities of the site and Connecting with Country principles. A thorough community and stakeholder engagement process, including community workshops, a Walk on Country and indigenous stakeholder interviews, will also inform the urban design process.

THE PROPOSAL

A Masterplan (**the Proposal**) proposes to enable delivery of:

- A total of 330 dwellings in a mix of low (41%), medium (39%) and high density (20%) housing.
    - At least 20% of dwellings for Affordable Housing (~66 dwellings).
- 3ha of open space for recreational use.

Atlas Economics (**Atlas)** is engaged by Landcom to prepare an Economic and Social Impact Assessment (**the Study**) to accompany a Planning Proposal for the Site. The Study is carried out in two parts:

a) **A Needs Assessment** to examine market demand and the need for housing and social infrastructure in Orange. The Needs Assessment provided input into a masterplan and a planning proposal for the Site.

b) **An Economic and Social Impact Assessment** to examine the economic and social impacts of delivering the proposed land uses envisaged in the Masterplan.

Atlas worked with Cred Consulting (**Cred**) who carried out a social infrastructure needs and impact assessment.

OPPORTUNITY FOR THE PROPOSAL

Socio-demographic Analysis and Dwelling Profile

An analysis of the socio-demographic characteristics and dwelling profile indicates the Orange LGA is characterised by:

- Diverse mix of residents and households including a **large middle-aged** (30-49 years) and **ageing population** (>60 years) at 26% and 23% in 2021 respectively.
- **Growing prevalence of smaller households**, many of whom are downsizers. This includes the 27% of lone persons and 25% of couple only households in 2021.
- **Family households remain well represented** at 27% in 2021.
- **Housing stock is dominated by detached dwellings** (~84%), followed by 15% of medium density dwelling in 2021.
- Given the lack of available housing options, >80% of **households live in separate houses regardless of household size.**
- Where available, **smaller households choose to occupy higher density housing (medium density housing and apartments)**. Particularly, over 60% of higher density housing is occupied by **lone person households**. Most of these households are older residents (>50%), albeit also including a mix of residents aged 20-49 years (>30%).
- Other dominant household types who live in **higher density housing** are **couple only** households. Whilst most of these households are older residents, many are also young residents (20-29 years) and pre-retirees (50-59 years).

The socio-demographic trends indicate a clear misalignment of housing need and housing supply. As the dwelling profile remains dominated by large, detached dwellings, smaller households have limited alternative housing options that are better aligned with their smaller size requirements. This has led to households residing in detached dwellings regardless of their household size – implying dwelling underutilisation with many spare bedrooms likely observed.

Incomes and Housing Affordability

In 2021, 61% of households in the LGA were purchasing or fully owned their home, 26% rented privately and 5% were in social housing. In 2021, weekly median household income was $1,665, equivalent to $86,580 per annum (ABS, 2022).

An accepted benchmark measure of housing affordability is if a household pays no more than 30% of their gross income for housing (which could be in mortgage repayments or in rent). A household on an annual median income of $86,580 can therefore afford to pay $25,974 per annum in housing costs before falling into housing stress. This is equivalent to $500 per week in rent or $2,165 per month in mortgage repayments.

- In 2021, 37% of households with a mortgage were paying >$2,000 per month in mortgage repayments. This was however when interest rates were at record lows. Today (2024), the proportion of households paying >$2,000 per month is expected to be much higher than 37% given the interest rate movements over the last 24 months.
- In 2021, 13% of households who rented were paying >$500 per week in rent. In September 2021, the median dwelling rent in Orange was $450 per week. Today, the median rent more than 10% higher at $500 per week (March 2024, DCJ). Therefore, the proportion of households paying >$500 per week in rent is expected to be higher than 13%.

The housing affordability issue is not unique to Orange. It is widely accepted that this is a national problem, with interventions needed to not only facilitate more housing supply, but housing that is affordable.

Growth Expectations

NSW Government population projections suggest the Orange LGA will record steady growth over the coming decades which the Site has the opportunity to respond to. Notably:

- The Orange LGA will likely accommodate **an additional ~8,180 residents** over 2021-2041. This implies that the Orange LGA population will continue to represent ~50% of the broader Central West Region population in the coming years.
- Based on the projected population growth, some 21,900 dwellings may be required in the Orange LGA by 2031. In 2021, some 18,670 dwellings were recorded. This implies that **an additional ~3,230 dwellings are required in the Orange LGA over the 2021-2031 period,** equivalent to required growth of some 320 dwellings per annum.

- This is notably higher than the historical dwelling growth in the LGA at ~270 dwellings per annum over the last decade.
- **Smaller households** are expected to grow in proportional share in the coming years to reach 56% in 2031. This includes the ~27% of lone person households and ~30% of couple only households in 2031.
- Growth in the proportion of older residents aged >60 years (from 23% in 2021 to 26% in 2031) is additionally expected, as is growth in the proportion of middle-aged residents (40-49 years) and pre-retirees (50-59 years).

Role of the Proposal

Housing stock in the Orange LGA is predominantly characterised by large, detached dwellings. This is not aligned with housing needs, driven by a large and growing proportion of smaller households. Many of whom are older residents (downsizers), including a proportion of younger residents (first home buyers) aged 20-29 years.

The analysis indicates an unmet gap in the housing market exacerbated by declining household sizes. There is an opportunity for the Proposal to deliver a broader range of housing typologies in Orange at scale, and support housing affordability outcomes.

ECONOMIC AND SOCIAL IMPACTS

Housing Outcomes

The Proposal will deliver 330 new dwellings, at least 20% of which will be allocated to Affordable Housing (~66 dwellings). This includes a diverse mix of housing - including low, medium and high density dwellings. In particular, a 59% majority of dwellings reflect smaller typologies in the form of 196 dwellings (inclusive of both apartments and medium density product mix). Of the remaining ~130 low density dwellings (41%), this includes allotments ranging from 300sqm to 600sqm and greater. This responds to the need for compact dwelling options and affordable options for larger households (i.e. couples with children).

By delivering a broad range of dwelling typologies and sizes, the Proposal will enable more residents to transition between housing across life stages whilst also providing housing choice. This supports broader housing and community outcomes.

The delivery of dwellings will contribute to the Orange economy, providing opportunities for new residents. This contributes to the Orange economy through increased household expenditure and supports employment activity.

Economic modelling indicates the Proposal would provide opportunity for **44 ongoing jobs (25 directly on the Site)** and **$14.6m** of economic output from direct and indirect activity when operational. During its construction phase, the Proposal would provide opportunity for **596 jobs (304 directly employed in construction activity)** and **~$266m of economic output** from direct and indirect activity.

A Social Infrastructure Role

The Proposal will deliver 3ha of open space, which may include fitness stations, playground and a street network with a road cycleway. The open space provisions respond to the identified need for social infrastructure.

The social impact analysis demonstrates the Proposal could deliver strong social benefits across multiple social impact categories. This includes increased opportunities for social interaction through new community spaces and potential for increased social inclusiveness through shared public amenities (i.e. seating/end of trip facilities).

Development of the Site into a residential community supported by a range of housing typologies and notable open space provision contributes to the Orange economy and improves housing and social outcomes for existing and future residents.

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1. Introduction

1.1 Background

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- **Affordability** – increase the supply of land for affordable housing by delivering at least 20% of all residential dwellings for affordable housing
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b) **An Economic and Social Impact Assessment** to examine the economic and social impacts of delivering the proposed land uses envisaged in the Masterplan.

Atlas worked with Cred Consulting (**Cred**) who carried out a social infrastructure needs assessment and examined the social impacts of the Proposal.

1.2 The Proposal

Masterplan

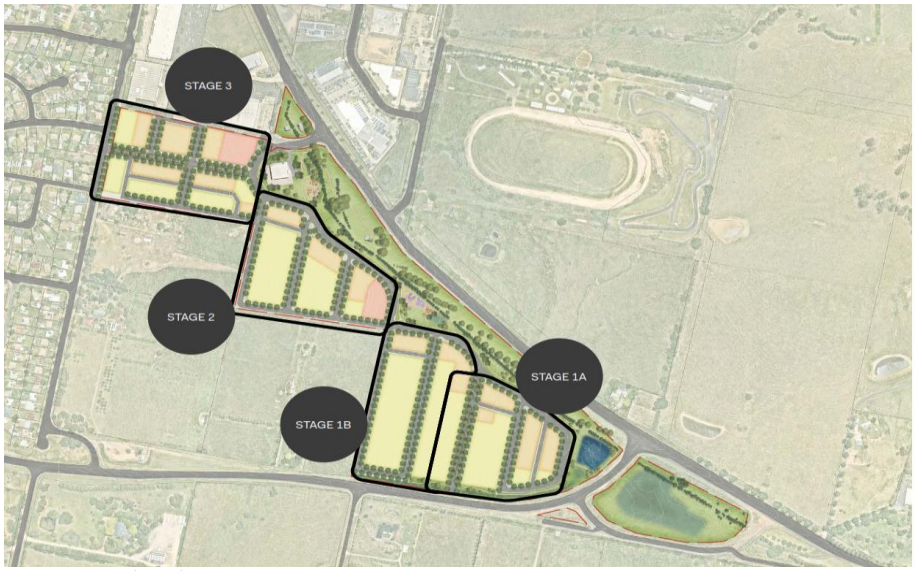
Based on the May 2024 Masterplan by Oculus, the Site will predominantly comprise a residential precinct including:

- **330 dwellings** in a mix of:
  - 66 apartments (20%).
  - 130 medium density dwellings with lot sizes ranging from 150sqm to 270sqm (39%).
  - 134 low density dwellings with lot sizes ranging from 300sqm to 600sqm and beyond (41%).
- **3ha of open space**, which may include community gardens, playground, shelters and fitness stations.

Of the 330 dwellings in the Proposal, some 20% (~66 dwellings) will be allocated to Affordable Housing for low- and moderate- income households, as defined in the 2021 Housing State Environmental Planning Policy (SEPP).

The apartments tested can support a mix of one- (45%), two- (52%) and three- (3%) bedroom units across two separate buildings (Northern Site and Southern Site). This is an indicative breakdown and will be refined at a later date. These apartments will be accommodated within 4-storey buildings with lift access and include ground level carparking.

Figure 1-1: Concept Masterplan, The Site (2024)



Source: Oculus (2024)

The Planning Proposal

The planning proposal is to amend Orange Local Environmental Plan 2011 to rezone the site to facilitate delivery of a residential precinct in accordance with a prepared Masterplan.

The objectives of the Masterplan are to:

- Increase supply of land to facilitate housing through the creation of lots to support a sustainable, innovative and affordable community.
- Promote housing diversity through supporting a diverse mix of product, including houses and townhouses.
- Increase the supply of land for affordable housing by delivering at least 20% of all residential dwellings for affordable housing likely managed by a community housing provider.
- Develop a climate resilient, healthy and inclusive place, at the forefront of environmental and social sustainability.

1.3 The Site

The Site is located on the southeast fringe of Orange, the largest city in the Central West Region. It is adjacent to the suburb of Glenroi, 4.4km from Orange City Centre and approximately 3.2km from Orange train station.

The Site has a significant frontage along Mitchell Highway (A32) which runs from east to west from the M4 Motorway in Greater Sydney connecting through Penrith, Katoomba, Bathurst to Orange.

The Site lies on the southern side of Redmond Place, bounded by Bathurst Road / Mitchell Highway (on the northeast), Lone Pine Avenue (on the west) and Dairy Creek Road to the south. It is surrounded by a mixture of land uses with low density residential to the west, retail and large format retail to the north, rural farmland to the south and east, as well as a kart racing track 250m north of the Mitchell Highway.

The Site is approximately 24.2 Ha in size and is currently vacant, except for a structure that previously housed an emergency services helicopter hangar.

Figure 1-2 provides a locational context of the Site.

Figure 1-2: The Site

Source: Oculus

1.4 The Proposal

Based on the May 2024 Masterplan by Oculus, the Site will predominantly comprise a residential precinct including:

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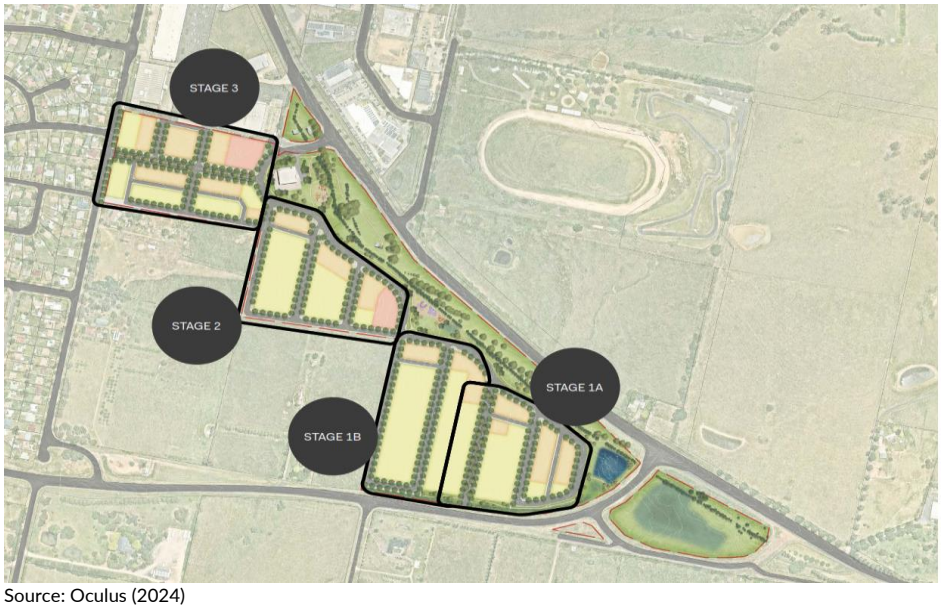
- **3ha of open space**, which may include community gardens, playground, shelters and fitness stations.

Of the 330 dwellings in the Proposal, 20% (66 dwellings) will be allocated to Affordable Housing for low- and moderate-income households, as defined in the 2021 Housing State Environmental Planning Policy (SEPP).

The apartments tested can support a mix of one- (45%), two- (52%) and three- (3%) bedroom units across two separate buildings (Northern Site and Southern Site). This is an indicative breakdown and will be refined at a later date. These apartments will be accommodated within 4-storey buildings with lift access and include a ground floor carpark.

Figure 1-3: Concept Masterplan, The Site (2024)



Source: Oculus (2024)

1.5 Strategic Context

The Site is subject to various planning strategies set out by Council, some of which are outlined in turn.

Orange Local Housing Strategy (LHS)

The 2022 Orange Local Housing Strategy (LHS) set out by Council to provide guidance on the delivery of housing in the Orange LGA in the years to 2036. The LHS focuses on the need to provide housing that meets projected demand through a mix of infill, greenfield and brownfield redevelopment.

Particularly, the LHS identifies the need to provide housing that caters to various income thresholds, including social and affordable housing, medium density housing and low density housing. To facilitate the delivery of new housing, it identifies the need for adequate residential zoned land to accommodate diverse housing typologies. This includes the provision of appropriate housing density that leverages existing infrastructure and services.

The LHS draws on the Central West Orana Regional Plan 2036 (CWORP) which is the regional strategic planning framework applicable to the Orange LGA. The 2036 CWORP specifies several goals, directions and actions which are incorporated into the LHS objectives, including:

- **Direction 25: Increase housing diversity and choice.**
    - 25.1. Prepare local housing strategies that increase housing choice, including affordable housing options.
    - 25.4. Locate higher density development close to town centres to capitalise on existing infrastructure to increase housing choice.
    - 25.5. Promote incentives to encourage greater housing affordability including a greater mix of housing in new release areas.
- **Direction 26: Increase housing choice for seniors.**

The Study has considered these key objectives in identifying residential land use opportunities within the Site.

Orange Community Strategic Plan (CSP)

The Community Strategic Plan (the CSP) was commissioned by Council in 2022. It sets out long-term aspirations and objectives for the Orange LGA over the decade to 2032. The CSP focuses on four key themes namely Live, Preserve, Prosper and Collaborate. Housing objectives form part of the 'Live' theme, which aim to respond to identified challenges including lack of available and affordable housing, land and rental properties:

- **Objective 5: Responsive programs and services that support our community's lifestyle and social needs.**
    - 5.3. Improve housing supply, diversity and affordability.

Overall, the Orange CSP prioritises the delivery of new planned communities that provide diverse and affordable housing.

1.6 Scope and Approach

The objectives of the Study are to assess if there is merit from an economic and social impact perspective in progressing with the Proposal. To meet the objectives of the brief, the Study has considered the following:

- Market demand and the need for housing and social infrastructure in Orange.
- Economic activity that is enabled by the planning proposal (e.g. employment/ jobs, output and contribution to Gross Regional Product (GRP), flow-on economic impacts).
- Economic activity that would be 'foregone' due to the planning proposal (i.e. activity associated with the current rural zoning).
- Net economic impacts (i.e. new economic activity less foregone economic activity) following completion of development and during construction.
- Potential social consequences of delivering the Proposal based on social impact benchmarks and categories.

The Study identifies the need for the Proposal and likely role for the Site. It also assesses the potential economic and social impacts of the Proposal to the Orange economy.

Assumptions and Limitations

Atlas acknowledges several assumptions and limitations associated with the Study.

- At the time of writing, the fallout from the COVID-19 pandemic across the NSW economy is still playing out. The medium to long-term implications for population and employment growth are yet to be fully understood.
- The macro-economic outlook is currently subject to significant uncertainty, with COVID-19, labour shortages, inflation, and war in the Ukraine. Employment projections relied upon were developed by the NSW Government prior to outbreak of COVID-19 and are not reflective of the current economic environment.
- The 2021 Census was administered during the COVID-19 pandemic and at a time of widespread lockdowns across Australia's east coast. Activity recorded at this time may not be accurately representative of employment levels.
- Floorspace supply data is sourced from various third party databases and subscriptions and is not validated.

Notwithstanding the above, due care, skill and diligence has been applied to this Study as is reasonably expected.

2. Socio-Demographic Profile

This Chapter considers the socio-demographic context of Orange and broader Central West Region. The Central West Region encompasses the Orange LGA and its surrounding LGAs of Cabonne, Forbes, Cowra and Blayney. These localities have been selected as a benchmark for analysis due to their similar geographical and regional profile as Orange.

The socio-demographic analysis includes a review of historical and projected population trends and analyses the likely implications for housing demand.

2.1 Resident and Household Profile

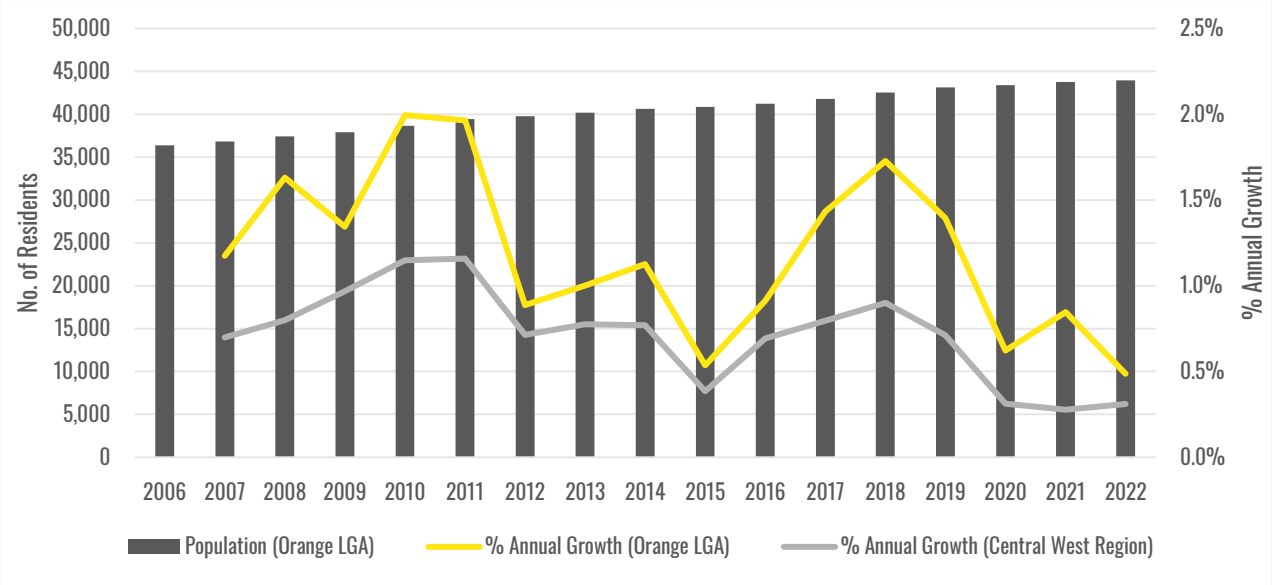
Historical Population Growth

In 2022, there were approximately 43,960 residents in the Orange LGA. This follows notable population growth over the last two decades. In 2006, the Orange LGA recorded some 36,370 residents. This reflects population growth averaged at 1.2% per annum over the 2006-2022 period, notably higher than the 0.7% per annum in the Central West Region.

Overall, the patterns of population growth in the Orange LGA are largely aligned with the Central West Region, albeit recording a higher rate of growth.

Figure 2-1 illustrates recorded population growth in the Orange LGA and Central West Region over the 2006-2022 period.

Figure 2-1: Historical Population Growth, Orange LGA (2006-2022)



Source: Profile.id (2022)

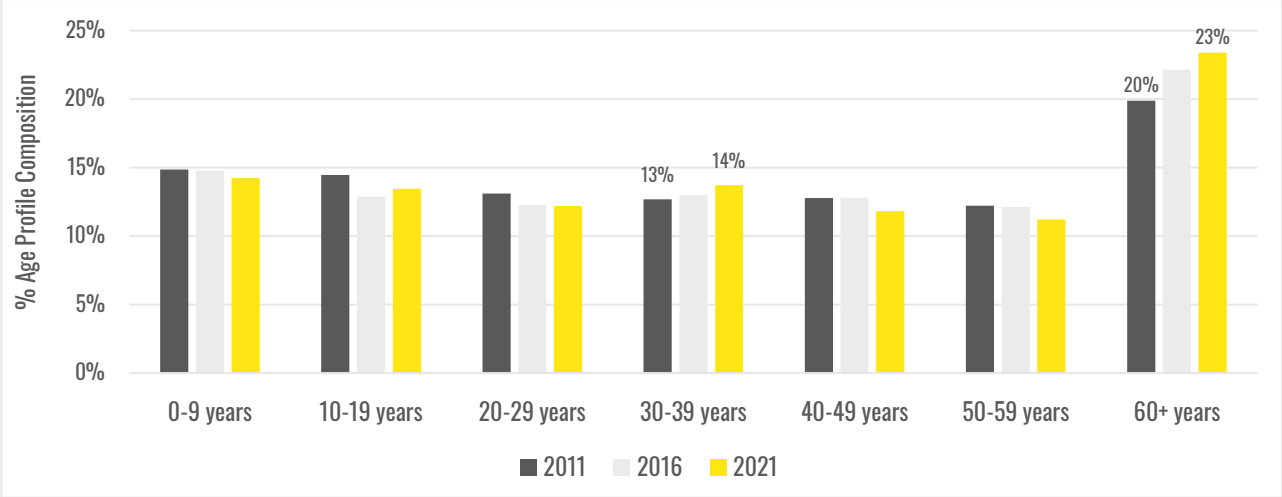
Age Profile

The Orange LGA accommodates a large middle-aged and older resident population. In 2021, some 26% of residents were aged 30-49 years (~11,110 residents). This was followed by the 23% of those aged 60 years and older (~10,180 residents).

Over the last decade, these middle-aged and older residents grew in proportional share. In 2011, there were some 4,830 residents aged 30-39 years, accounting for 13% of the Orange LGA residents. In 2021, this grew to 5,970 residents, representing 14% of residents. More notably, the proportion of older residents aged 60 years and above grew from 20% in 2011 to 23% in 2021.

Figure 2-2 illustrates the age profile composition of Orange LGA residents over the 2011-2021 period.

Figure 2-2: Resident Age Profile, Orange LGA (2011-2021)



Source: Profile.id (2022)

Overall, compared to the Central West Region, the Orange LGA accommodates a younger resident population, particularly those within the young workforce age cohort (25-34 years). In 2021, some 14% of Orange LGA residents were within the young workforce age cohort, higher than the 12% of Central West Region residents.

Conversely, some 27% of residents in the Central West Region were aged 60 years and older in 2021. This was higher than the 23% of Orange LGA residents.

Household Type

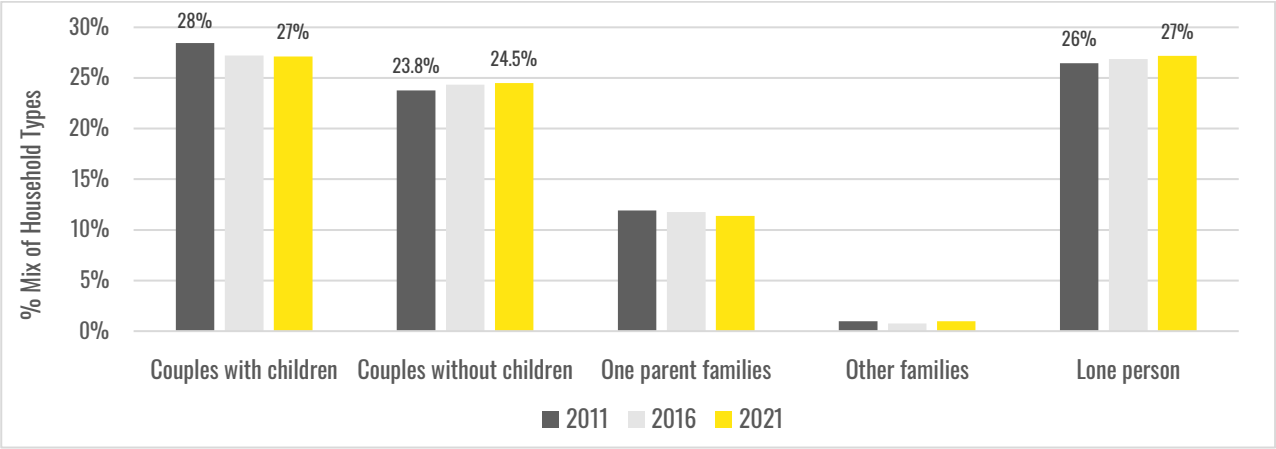
In 2021, there were some 17,180 households in the Orange LGA, dominated by couples with or without children. Collectively, these households accounted for over 50% of Orange LGA households (~8,870 households).

In the last decade, the Orange LGA recorded a shift in household composition. In 2011, some 28% of households were couples with children (~4,170 households), representing the dominant household type. Whilst remaining well-represented, these households fell in proportional share to 27% in 2021.

Conversely, smaller households have grown in prevalence. Over the 2011-2021 period, couple-only and lone person households recorded a 2% increase in proportional share collectively (from 50% in 2011 to 52% in 2022).

Figure 2-3 illustrates the mix of household types in the Orange LGA over the 2011-2021 period.

Figure 2-3: Household Types, Orange LGA (2011-2021)



Source: Profile.id (2022)

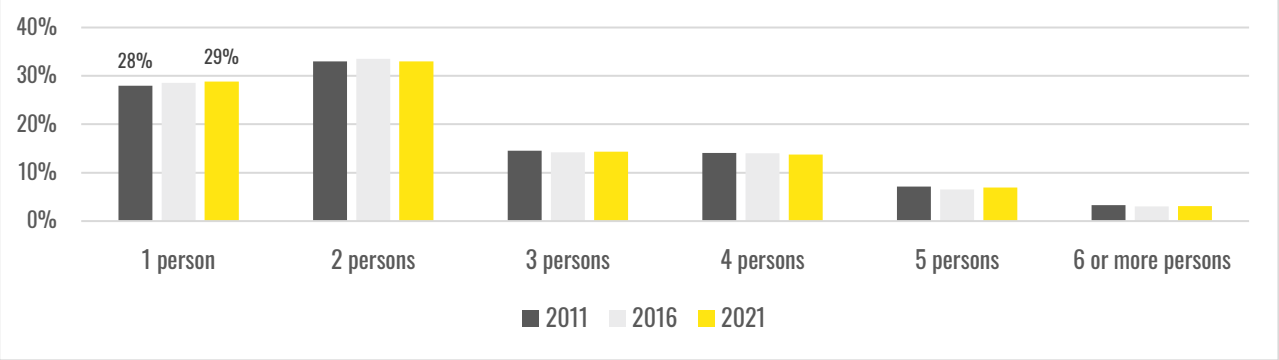
The household trends in the Orange LGA are broadly aligned with the Central West Region, which also recorded nominal growth in lone person households over the same period and additionally, a decline in representation of couples with children.

Household Size

In 2021, a 33% majority of households in the Orange LGA were 2-person households (~5,340 households). This was followed by the 29% of 1-person households (~4,670 households).

Whilst the mix of household sizes in the Orange LGA remained relatively unchanged in the last decade, there was nominal growth in 1-person households (from 28% in 2011 to 29% in 2021). This is aligned with the evolving household composition (**Figure 2-3**), reflecting the growing share of lone person households.

Figure 2-4: Household Size, Orange LGA (2011-2021)



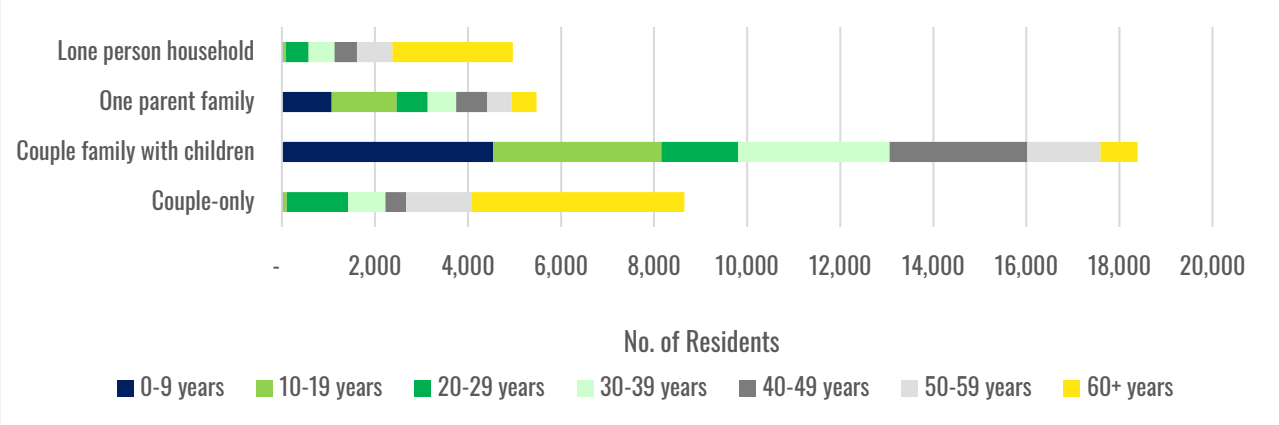
Source: Profile.id (2022)

Age Profile of Household Types

In 2021, there were nearly 44,000 residents in the Orange LGA (**Figure 2-1**). As observed in **Figure 2-2**, a notable 26% and 23% were middle-aged (30 to 39 years) and older (60+ years) respectively. Additionally, Orange LGA households were mostly lone persons (27%), couples with children (27%) and couple-only (24%), as illustrated in **Figure 2-3**.

Figure 2-5 illustrates the age profile of various dominant household types in the Orange LGA.

Figure 2-5: Age Profile of Various Household Types, Orange LGA (2021)



Key observations include:

- **Smaller households** are predominantly reflective of **older residents (aged 60 years and older).** In 2021, older residents accounted for a 53% and 51% majority of couple-only and lone person households respectively.
    - Other dominant age cohorts within couple-only households included those aged 50-59 years (16%), followed by younger residents aged 20-29 years (15%).
    - Some 15% of lone person households also comprised residents aged 50-59 years, followed by the younger age cohorts between 20-49 years in largely equal proportions (10%-11% each).
- **Couples with children households** are largely comprised of dependent residents aged 0-9 years (25%) and middle-aged residents of 30-39 years (18%). These households therefore reflect young, growing families.

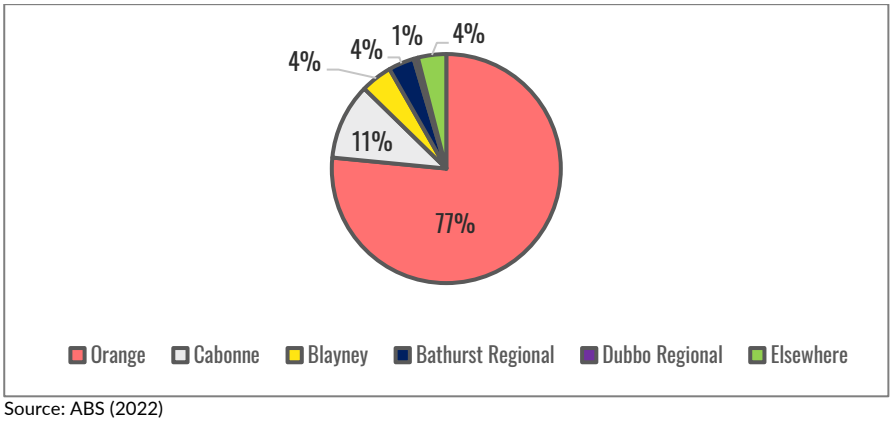
The age profile analysis of household types enables a more nuanced understanding of housing demand due to differing preferences, constraints and needs of various age cohorts. This will in turn have implications for land use planning.

Journey-to-Work

In 2021, there were approximately 22,400 workers in the Orange LGA. A majority of these workers (77%) reside locally within the Orange LGA. This implies that some 20% of Orange workers live elsewhere, mostly within the surrounding LGAs. Of these workers, the vast majority reside in the Cabonne LGA.

Figure 2-6 illustrates the top LGAs of residence where Orange workers live in 2021.

Figure 2-6: Dominant LGAs of Residence where Orange Workers Live (2021)



Source: ABS (2022)

The dominant LGAs of residence where Orange workers live remained largely unchanged in the last decade. There was however nominal growth in the proportion of those residing in the Bathurst LGA (from 3% in 2011 to 4% in 2021).

2.2 Dwelling Profile

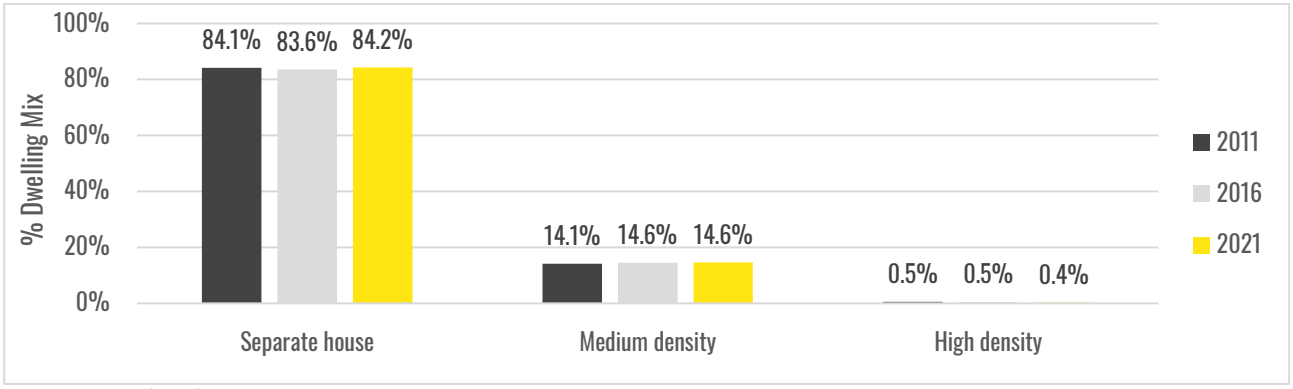
Existing Housing Stock

In 2021, there were some 18,670 dwellings in the Orange LGA. Housing stock was dominated by separate houses, which accounted for 84% of dwellings. In comparison, units (medium and high density housing) represented 15% of housing stock. These were predominantly medium density dwellings like single storey villa units and double storey townhouses. Unsurprisingly, apartments accounted for <1% of housing stock, including older style residential flats and manor houses.

In the last decade, the housing mix remained largely unchanged. Of the additional ~2,730 dwellings delivered in the Orange LGA over the 2011-2021 period, some 2,320 dwellings were separate houses (85%). In comparison, some 480 medium density dwellings were delivered over the same period. This has culminated in a housing market which remains dominated by large, detached dwellings and where smaller dwellings (medium/high density dwellings) are under-represented.

Figure 2-7 illustrates the housing mix of the Orange LGA over the 2011-2021 period.

Figure 2-7: Housing Stock, Orange LGA (2011-2021)



Source: Profile.id (2022)

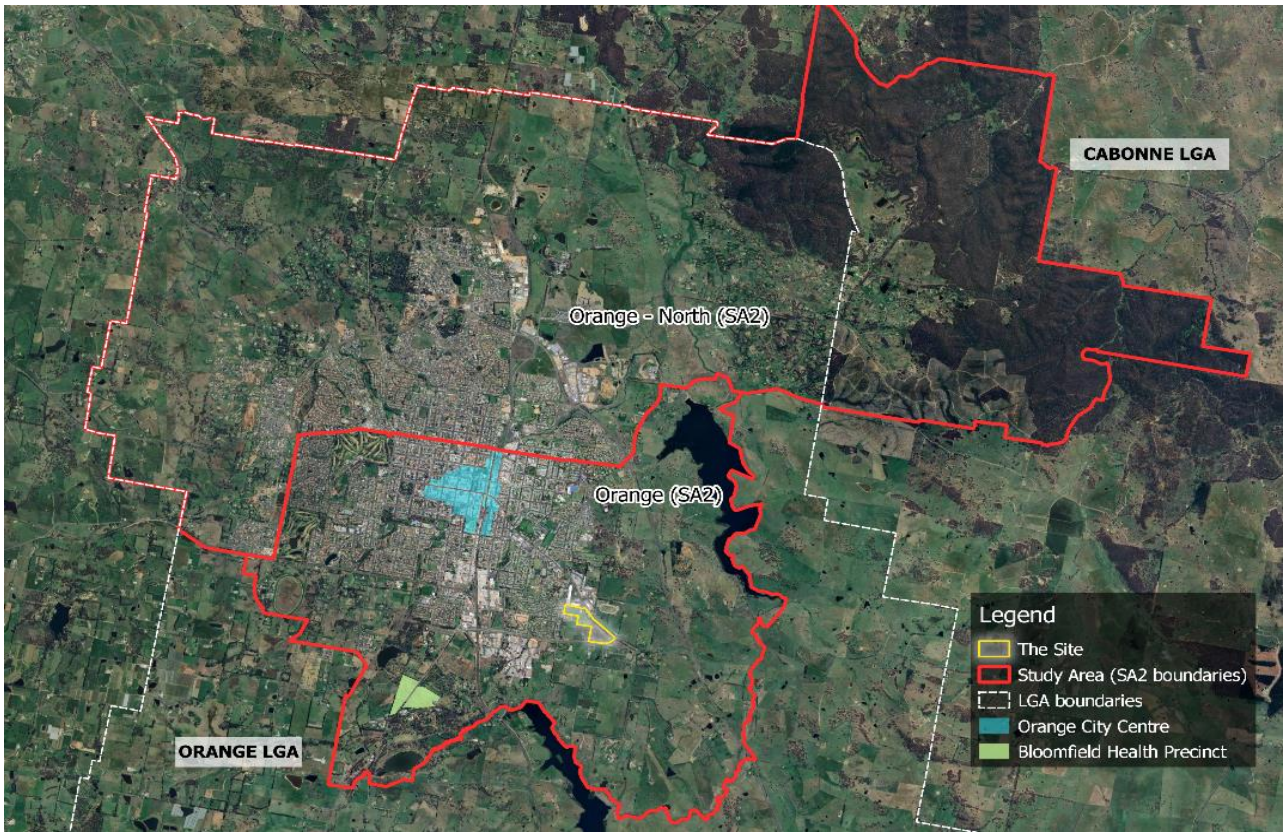
The dwelling profile of the Orange LGA reveals a clear gap in local housing provision. Whilst the Orange LGA accommodates a large and growing proportion of smaller households including lone person and couples without children, the dwelling profile remains dominated by large, detached dwellings.

Dwelling Occupation by Household Type and Age Profile

The analysis of dwelling occupation by household type and age profile provide insight into the housing preferences of various household types and age cohorts, where available. This provides a nuanced understanding of the likely occupier profile of various housing typologies, if delivered on the Site.

To analyse dwelling occupation, demographic characteristics of the Orange urban area were selected. A series of ABS geographies known as Statistical Area Level 2 (SA2) were chosen which broadly align with the Orange suburb boundaries. This is referred to as '**the Study Area**'. The Orange urban area was selected as the basis of analysis as it encompasses the Site and the LGA's residential zoned land. The Study Area accommodates a broader mix of housing typologies, compared to elsewhere in the LGA which is mostly zoned rural.

Figure 2-8: The Study Area



Source: Atlas

Incomes and Housing Affordability

In 2021, 61% of households in the LGA were purchasing or fully owned their home, 26% rented privately and 5% were in social housing. In 2021, weekly median household income was $1,665, equivalent to $86,580 per annum (ABS, 2022).

An accepted benchmark measure of housing affordability is if a household pays no more than 30% of their gross income for housing (which could be in mortgage repayments or in rent). A household on an annual median income of $86,580 can therefore afford to pay $25,974 per annum in housing costs before falling into housing stress. This is equivalent to $500 per week in rent or $2,165 per month in mortgage repayments.

- In 2021, 37% of households with a mortgage were paying >$2,000 per month in mortgage repayments. This was however when interest rates were at record lows. Today (2024), the proportion of households paying >$2,000 per month is expected to be much higher than 37% given the interest rate movements over the last 24 months.
- In 2021, 13% of households who rented were paying >$500 per week in rent. In September 2021, the median dwelling rent in Orange was $450 per week. Today, the median rent more than 10% higher at $500 per week (March 2024, DCJ). Therefore, the proportion of households paying >$500 per week in rent is expected to be higher than 13%.

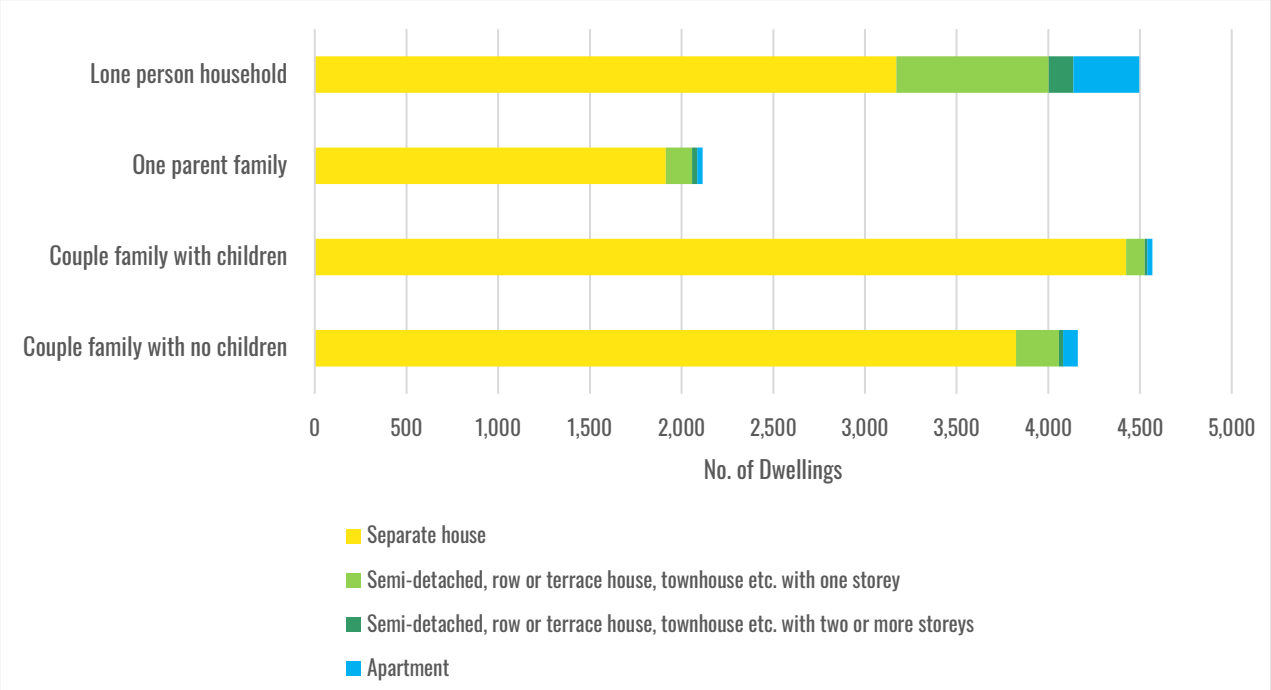
The housing affordability issue is not unique to Orange. It is widely accepted that this is a national problem, with interventions needed to not only facilitate more housing supply, but housing that is affordable.

2.2.1 Dwelling Occupation by Household Type

In 2021, some 87% of Study Area households resided in separate houses. This is followed by the 10% of households who lived in medium density housing, including single/double storey townhouses, row or terrace houses. In comparison, apartments accounted for 3% of dwelling occupation across household types.

Figure 2-9 provides an overview of dwelling occupation by household type in the Orange LGA in 2021.

Figure 2-9: Dwelling Occupation by Household Type, Study Area (2021)



Source: ABS (2022)

Based on the analysis of dwelling occupation by household types in 2021, several key observations are made:

- The Study Area comprised some 18,050 dwellings. This included some 15,080 separate houses (84%), followed by some 2,010 medium density dwellings (12%) and 770 apartments (4%).
- An 87% majority of households lived in separate houses. In comparison, some 9% of households lived in medium density dwellings, mostly within single storey townhouses/terrace dwellings. Apartments accounted for just 1% of dwelling occupation across households.
- Of the households who lived in separate houses, most were couple families with children (33%). A large proportion of separate houses were also occupied by smaller households at 52%. This includes the 29% of couple-only households and 24% of lone person households.
- In 2021, over 60% of medium density dwellings were occupied by lone person households. This was followed by the 17% and 11% of couple-only households and one parent families respectively.
- Like medium density dwellings, apartments were mainly occupied by lone person households (72% of apartments), followed by the 16% and 6% of couple-only households and one parent families respectively.
- Overall, the analysis indicates that households occupy dwellings based on their sizing needs, where available. This is evident in the large proportion of smaller dwellings (medium density dwellings/apartments) occupied by couple-only and lone person households. As **Figure 2-5** suggests, many of these smaller households comprise older residents.

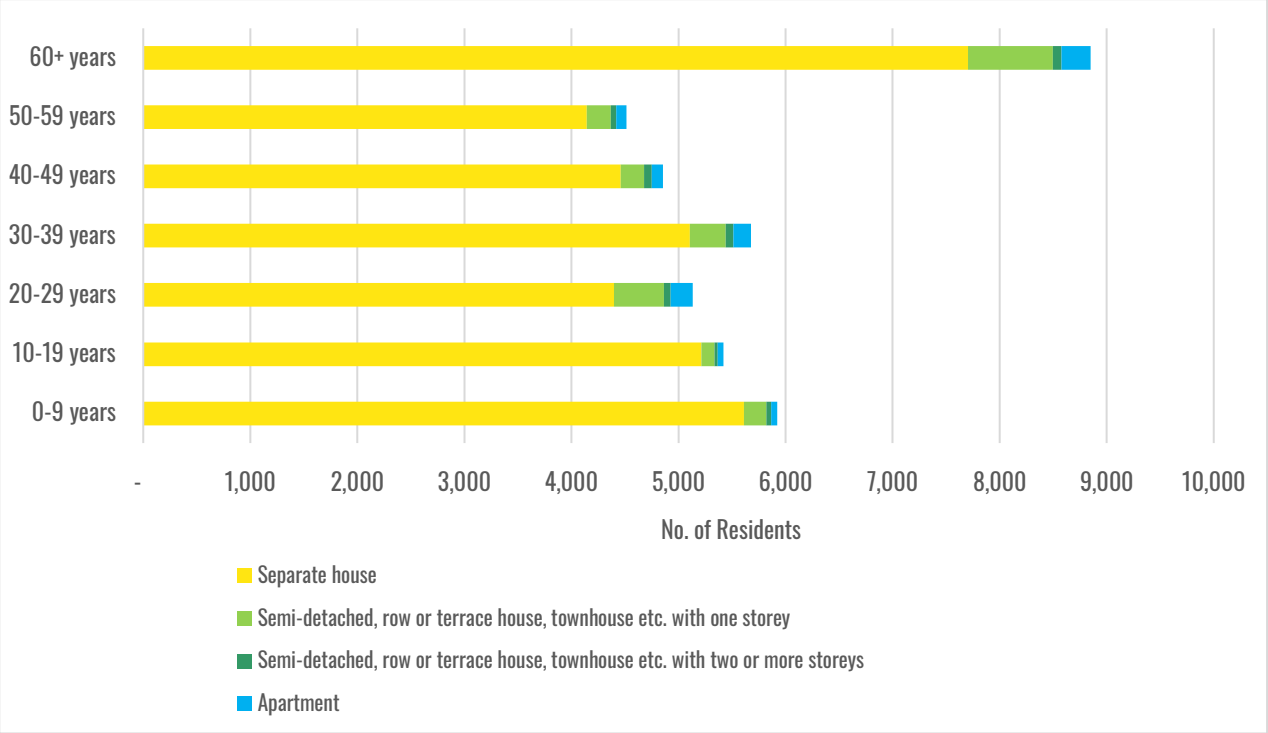
Importantly, whilst separate houses are predominantly occupied by couple families with children, many of these dwellings are also occupied by smaller households (couple-only/ lone person). This reflects the existing housing mix in the Study Area, dominated by detached dwellings, providing limited housing alternatives for smaller households.

2.2.2 Dwelling Occupation by Age Cohort

In 2021, the Study Area recorded over 42,000 residents. Some 90% of these residents lived in separate houses (~36,640 residents). This is significantly higher than the 7% (~2,780 residents) and 2% (~960 residents) of those who lived in medium density dwellings and apartments respectively.

Figure 2-10 provides an overview of dwelling occupation by age cohort in the Study Area in 2021.

Figure 2-10: Dwelling Occupation by Age Cohort, Study Area (2021)



Source: ABS (2022)

Based on the analysis of dwelling occupation by age cohort in 2021, several key observations are made.

- Of the ~36,640 residents in separate houses, a 21% majority were aged 60 years and older. Collectively, some 41% of dependent residents (aged 0-19 years) and middle-aged residents (30-49 years) also occupied separate houses, generally reflecting family households.
- Of the ~2,780 residents in medium density dwellings, over a third were older residents (60 years and older). Most of these residents lived in single storey built forms.
    - Medium density dwellings were also occupied by a mix of young and middle-aged cohorts, broadly reflecting young families and the young workforce population. This includes the 19% of residents aged 20-29 years, 15% of residents aged 30-39 years and 14% of residents aged 0-19 years.
- Of the ~960 residents in apartments, a 29% majority were older residents. Like medium density dwellings, this was followed by the 22% and 17% of residents aged 20-29 years and 30-39 years.

Overall, the analysis indicates that medium density dwellings appeal to a broad range of age cohorts in the Study Area. This includes the young workforce and older resident population. Based on the analysis in section 2.2.1, many of these residents also form lone person, couple-only and one-parent family households.

2.3 Population Projections

Official population and demographic projections in NSW are carried out by the NSW Department of Planning, Housing and Infrastructure (DPHI). DPHI's Demography and Research Unit project population growth on a variety of demographic assumptions, including birth and fertility rates, mortality rates, migration levels and household formation patterns. These projections are divided by projected household occupancy rates to arrive at the dwellings impliedly required.

The most recent population projections prepared by DPHI were released in 2022. These projections were prepared prior to the release of the 2021 Census are relied upon the ABS 2020 Estimated Resident Population (ERP) as a 'base' starting point. Projections were examined at the Orange LGA level and benchmarked against that of the Central West Region.

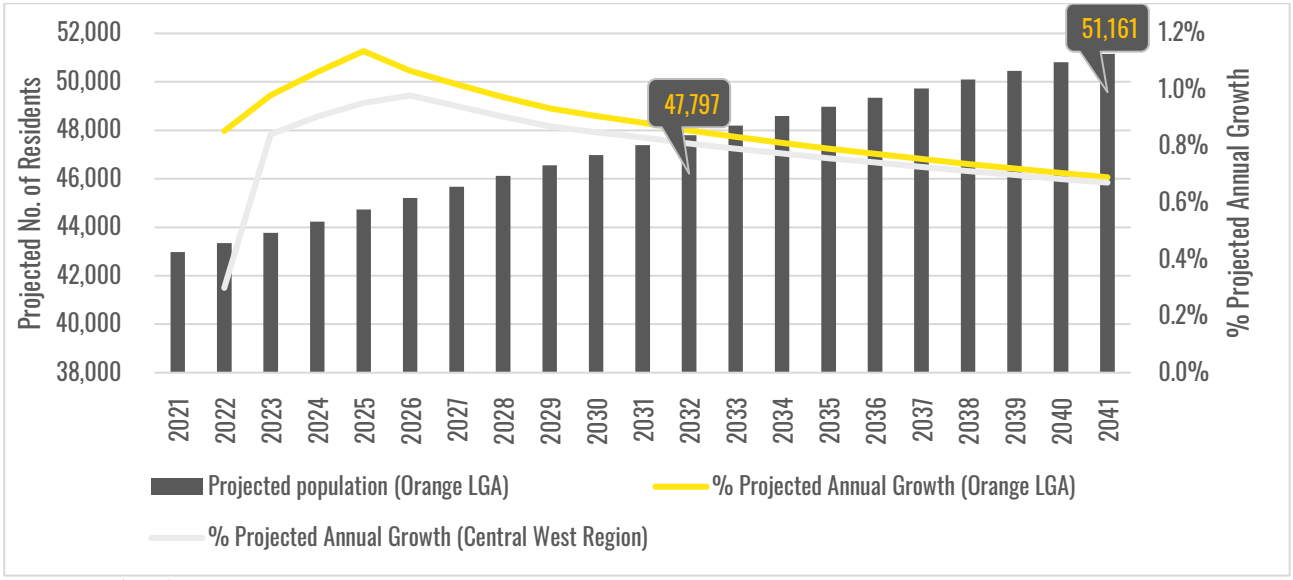
Projected Population Growth

In the coming years to 2031, the Orange LGA population is projected to grow at an average annual rate of 1% to reach some 47,800 residents. This is higher than the 0.9% projected growth in the Central West Region over the same period.

In the longer term over 2031-2041, the Orange LGA population is expected to average 0.8% per annum to reach some 51,160 residents in 2041. Again, this is expected to outpace the 0.8% projected in the broader Central West Region.

Figure 2-11 illustrates the projected population in the Orange LGA and Central West Region over the 2021-2041 period.

Figure 2-11: Projected Resident Population, Orange LGA (2021-2041)



Source: DPHI (2022)

The DPHI projections indicate that the Orange LGA population is expected to continue to grow steadily, particularly in the coming decade. This has implications for land use planning, including the delivery of new housing.

Implied Dwelling Requirement

Based on the projected population growth in the Orange LGA, an additional ~5,200 dwellings are likely required over the 2021-2041 period. Much of this projected demand is likely required in the coming years to 2031 (~2,800 additional dwellings). This equates to an average requirement of ~280 dwellings per annum over the 2021-2031 period.

The projected implied dwelling needs for the Orange LGA are shown in **Table 2-1**.

Table 2-1: Implied Dwelling Requirement (2021-2041), Orange LGA

Indicator	2021	2026	2031	2036	2041	Change (2021-41)
Implied Dwelling Requirement	19,098	20,497	21,897	23,181	24,300	5,201
Change (5-yr)		1,399	1,400	1,284	1,118	
Avg. Annual Production Rate (No.)		280	280	257	224	
Avg. Annual Growth (%)		1.4%	1.3%	1.1%	0.9%	1.2%

Source: DPHI (2022)

Based on the most recent ABS census, the Orange LGA comprised some 18,670 dwellings in 2021 (**Figure 2-7**). This is lower than the projected ~19,100 dwellings required in 2021. The Orange LGA is therefore likely to require higher dwelling growth than anticipated, particularly in the coming years to 2031.

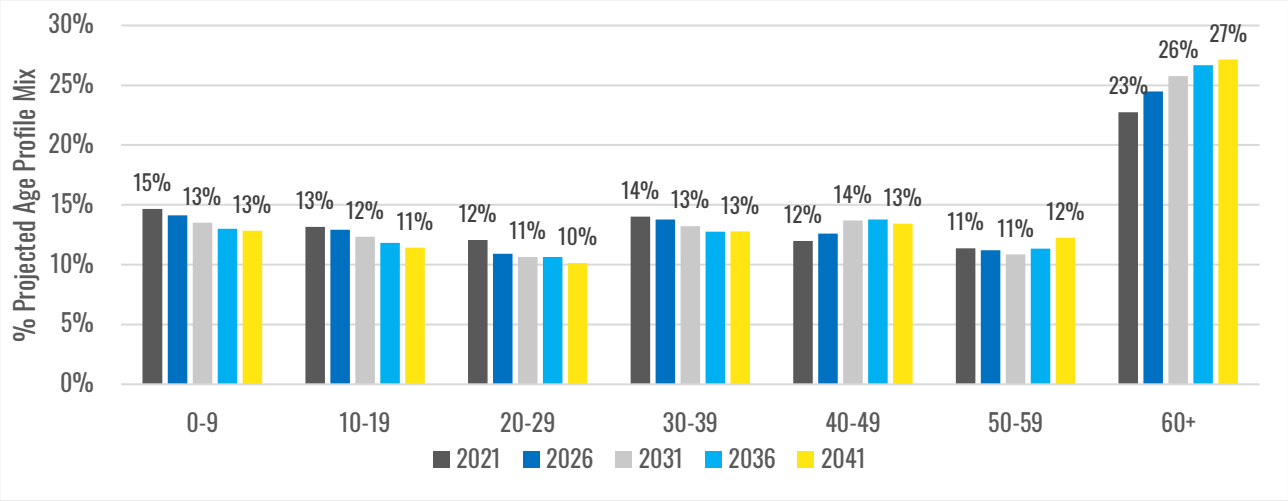
In the last decade, the Orange LGA recorded an average annual production of some 273 dwellings (from 15,950 dwellings in 2011 to 18,670 dwellings in 2021). This is lower than the projected dwelling growth required to accommodate the increased population base expected in the LGA. This highlights the opportunity to deliver a mix of housing densities to facilitate higher dwelling yields than traditionally achieved through single dwelling developments.

Projected Age Profile

In the coming decades to 2041, the age profile of Orange LGA residents is expected to remain largely unchanged. This includes a large proportion of older residents (60+ years), dependent residents (0-19 years) and homebuilders (30-49 years).

Figure 2-12 illustrates the projected age profile of Orange LGA residents over the 2021-2041 period.

Figure 2-12: Age Profile Projections, Orange LGA (2021-2041)



Source: DPHI (2022)

Overall, the age profile projections indicate key trends likely to occur in the Orange LGA including:

- An ageing population characterised by a growing share of residents aged 60 years and over. Particularly, the proportion of older residents is expected to grow rapidly in the coming years to 2031 (from 23% in 2021 to 26% in 2031).
- Nominal growth in the proportion of residents aged 40-59 years collectively (from 23% in 2021 to 24% in 2041). This indicates that older residents will likely remain a large proportion of the Orange LGA population in the longer term.

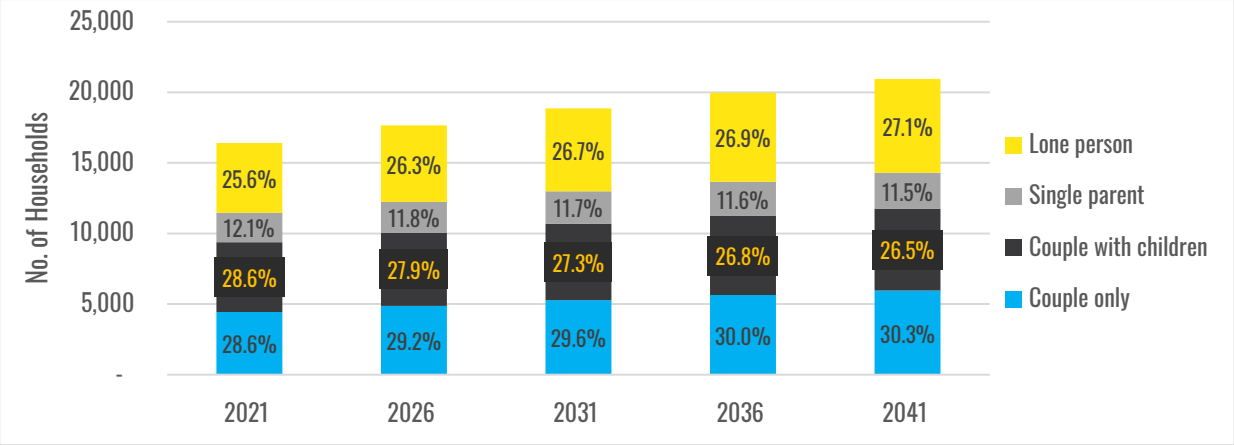
Overall, the Orange LGA is expected to comprise a large and growing ageing population. Whilst the proportion of younger residents (<39 years) is projected to decline gradually, they are likely to remain well represented in the LGA. This highlights the importance of providing diverse housing options that cater to residents of various age cohorts.

Projected Household Composition

Over the coming years, the Orange LGA is expected to accommodate an additional ~2,510 households to reach some 19,810 households in 2031. In the longer term, the Orange LGA is projected to accommodate ~21,930 households in 2041.

Figure 2-13 illustrates the projected mix of various household types in the Orange LGA over the 2021-2041 period.

Figure 2-13: Household Projections, Orange LGA (2021-2041)



Source: DPHI (2022)

Based on the household projections, several key observations are made:

- The Orange LGA is expected to accommodate a growing proportion of smaller households, including couple-only and lone person households. Particularly, these households are projected to grow notably in the coming years to 2031.
- By 2036, lone person and couple-only households are likely to account for 27% and 30% of households respectively. Collectively, this is higher than the 27% of couple families with children expected in the LGA.
- The projections affirm that smaller households will be largely represented by older residents. As older residents grow in proportional share (**Figure 2-12**), growth in smaller households (**Figure 2-13**) is commensurate.

This indicates a growing downsizer population. Whilst family households are projected to decline in proportional share, they are expected to remain well represented at ~27%. This affirms the importance of diverse housing typologies and sizes.

2.4 Summary of Key Findings

This Chapter has considered the socio-economic context of the Study Area, Orange LGA and Central West Region. Several demographic and economic observations drawn from the analysis are outlined.

- **Steady Population Growth Outpacing the Central West Region**

  Orange LGA recorded notable population growth, averaging 1.2% per annum over the last two decades. There were ~7,590 new residents over 2006-2022. In comparison, growth in the Central West Region averaged 0.7% per annum.

  In 2022, of the ~87,440 residents in the Central West Region, approximately 50% lived in the Orange LGA. This demonstrates the important role of the Orange LGA in the broader region context.

- **Declining Household Sizes and Growth in the Downsizer Market**

  Over 60% of households in the Orange LGA are 1-and 2-person households. In the last decade, the proportion of 1-person households grew notably. Conversely, 3-person households declined in prevalence. This is directly aligned with the evolving household types, where growth in lone person households has outpaced couple families with children.

  Over 50% of smaller households (couple-only/ lone person) comprise older residents aged >60 years. The growth in lone person and couple-only households reflects a large downsizer population.

- **Deteriorating Housing Affordability**

  Market conditions over the last 24 months have resulted in higher interest rates and rents, leading to higher proportions of households spending more than 30% of their income on housing (mortgage repayments or rent).

- **Misalignment of Existing Dwelling Sizes**

  The existing housing stock in the Orange LGA is dominated by large, detached dwellings (84%). Whilst new medium density dwellings were delivered in the last decade, the overall dwelling mix remained largely unchanged. As many households are 1- and 2-person households, there is a clear misalignment of dwelling and household sizes.

- **Smaller Households Prefer to Reside in Smaller Dwellings, Regardless of Age**

  Separate houses are occupied by couple families with children (33%). A larger proportion of separate houses are, however, occupied by couple-only and lone person households collectively (52%). This is a reflection of limited housing options as opposed to housing preferences.

  Where available, smaller households in fact prefer to reside in smaller dwellings. Over 60% of medium density dwellings and apartments are occupied by lone person households, followed by the ~20% of couple-only households. The analysis indicates that many of these households are older residents, as well as those aged 20-39 years.

Implications for the Proposal

Housing stock in the Orange LGA is predominantly characterised by large, detached dwellings. This is not aligned with housing needs, driven by a large and growing proportion of smaller households. Many of whom are older residents (downsizers), including a proportion of younger residents (first home buyers) aged 20-29 years.

The analysis indicates an unmet gap in the housing market exacerbated by declining household sizes. This presents an opportunity for the Proposal to deliver a broader range of housing typologies in Orange at scale. The delivery of diverse housing options will enable residents and households to utilise dwellings more efficiently. Ultimately, supporting housing affordability as well as residents and households with choice of suitable housing options through various life stages.

3. Residential Land Uses

3.1 General Market Conditions

Like most advanced economies, the Australian economy has experienced sustained levels of high inflation over the past 12-18 months. Inflation reached its highest levels observed since the 1990s in late 2022, peaking at 7.8% year-on-year (YoY) in December 2022. These inflationary pressures have generated significant pressure on household budgets, notwithstanding an uptick in wages growth.

In response to a perceived overheating economy, the Reserve Bank of Australia (**RBA**) has been tightening monetary policy with successive increases to the official cash rate, rising from 0.1% in April 2022 to 4.35% in November 2023. No further increases to the cash rate have been made in the past five months, as inflation has been softening (last recorded at 3.6% in March 2024) and the RBA looks to avoid unnecessarily decelerating the economy beyond that required.

Whilst the RBA has thus far managed to secure a 'soft landing' across the Australian economy, the rapid increases to interest rates have begun to affect many parts of the economy – notably with substantial declines in investment activity, dwelling approvals and household consumption.

Against this backdrop, the housing and development sector has been impacted to varying degrees over the past 12-months:

- Dwelling values across Greater Sydney softened over the 2022-2023 period in response to the swift increase in interest rates, however, have more recently rebounded with **house and unit values rising by 11.7% and 7.8%** respectively in the year to February 2024 (CoreLogic, 2024).
- A **clear divergence in the rate of price growth between houses and strata titled dwellings** has been observed, as buyers place much greater value on space as work from home practices become increasingly entrenched.
- The robustness of housing demand has been supported by strong population growth, with NSW recording **net overseas migration of ~174,000 people** in the year to June 2023 (ABS, 2024a).
- Demand for housing has been most felt in the rental market, with a **chronic undersupply of rental properties** (resulting from a rise in owner occupiers during the COVID-19 period) driving historically low residential vacancy rates across Greater Sydney (SQM Research, 2024).
- Driven by **significant increases in the cost of building material and labour**, residential construction prices have increased by over 30% in the past 24-months across Greater Sydney (Rider Levett Bucknall, 2024).
- Owing to these rising cost pressures, **new dwelling commencements have been rapidly declining** and are now at their lowest levels seen in the past decade (ABS, 2024b).
- This is particularly acute in Greater Sydney, with the **predicted number of dwelling completions** over 2022-2027 **expected to be some 15% below** that previously observed in the previous period (DPHI, 2024).

Accordingly, the influence of current economic conditions on property markets is nuanced. Despite the softening in housing prices, housing affordability across Greater Sydney is amongst its worst levels on record.

Not only is Greater Sydney the least affordable capital city in Australia (ANZ/CoreLogic, 2023), it is consistently ranked amongst top three most unaffordable cities globally and is now only outranked by Hong Kong (Demographia, 2023).

3.2 Orange Housing Market

Residential Market Activity

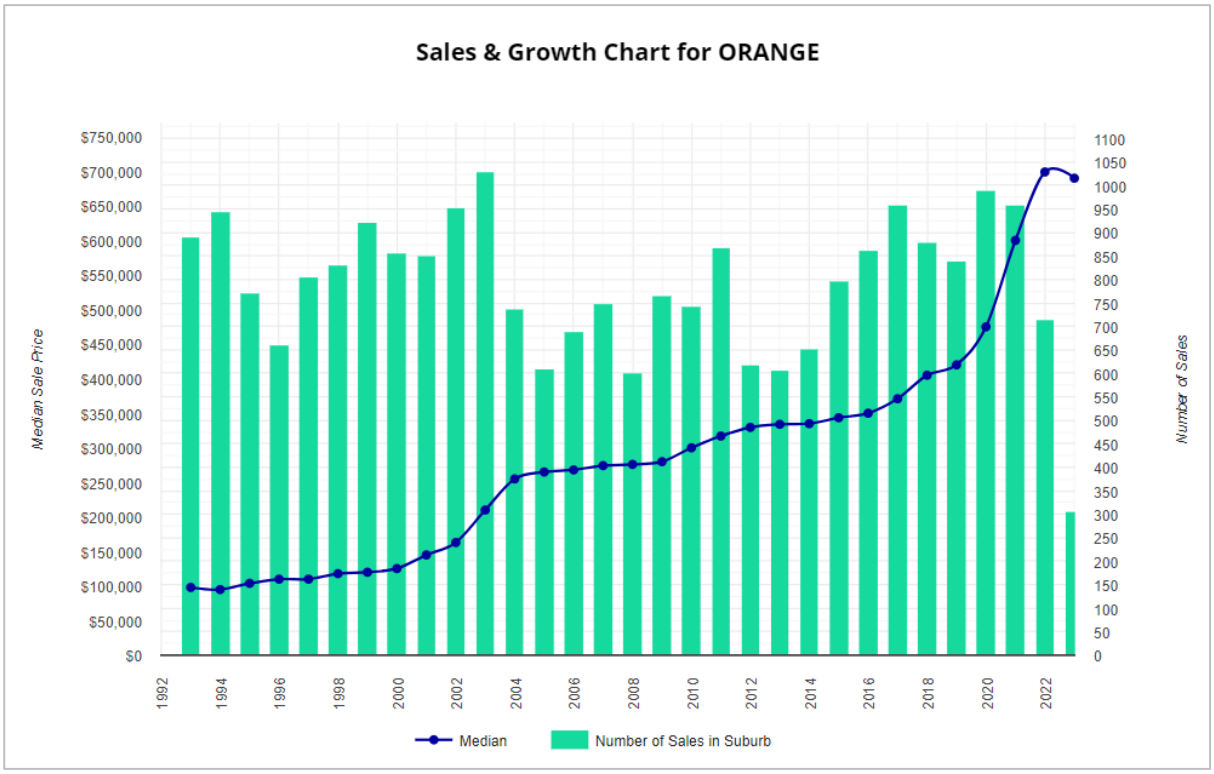
Orange is an important regional city in the Central West Region; strong employment within the agriculture, mining, health and education and tourism sectors key to Orange's importance as a large regional service hub. With ~18,700 dwellings, Orange's housing stock represents nearly 50% of the total housing stock within Central West Region (ABS, 2022).

Existing housing stock in Orange is generally of an older style and typical of other markets across the Central West Region with a mix of fibro-clad cottages, brick veneered housing and modern homes. Separate houses (low density) represent the majority of houses (84%) followed by medium density which represents 15% of housing stock.

Most recently, the Orange property market has experienced subdued activity attributed to rising interest rates, leading to a slowdown in property sales. Sales volumes have not returned to pre-COVID levels, as agents point to interest rates as a significant factor dampening demand. The market appears to have plateaued, underscoring the importance of realistic pricing for sellers.

Figure 3-1 shows the volume of sales and median price levels in the Orange suburb over the 1992-2023 period.

Figure 3-1: Median House Pricing and Sales Volumes, Orange (1993-2023)



Source: Pricefinder

The analysis of residential market activity in Orange reveals key insights, including:

- The median house price in Orange increased from $405,000 in 2018 to $696,000 in 2022 (72% increase), softening to $680,000 in 2023. House sales volumes gradually declined from 2021. In 2021, there were 970 sales. This fell to 720 sales in 2022 and to ~590 sales in 2023.
- Residential market activity in Orange is dominated by houses that are sold between $500,000 to $900,000. In 2023, some 50% of house sales were within the $600,000 to $700,000 range. There were fewer house sales in the $700,000 to $800,000 range (33% of sales) and in the $500,000 to $600,000 range (27% of sales).
- The unit market in Orange is much smaller, comprising single level villas, townhouses, walk-up units, etc. Similar to detached dwellings, the unit market has softened in recent years. In 2021, there were 90 unit sales. This fell to 72 sales in 2022 and 65 sales in 2023.
- A surge in unit prices occurred from 2020 to 2023, where the median unit price rose from $265,000 to $483,000. Overall, the majority of unit sales in Orange typically range between $300,000 to $600,000. This indicates an emerging increase in market activity for smaller housing formats.

Overall, recent market trends indicate a decline in sale volumes across residential asset classes. However, the unit market recorded strengthening prices in the face of softening house prices.

Whilst the Orange unit market has traditionally comprised few, older style residential flat buildings, recent developments have delivered new residential unit typologies to the area. This has driven growth in the unit market, including a narrowing price gap between residential units and houses.

Development Activity

To understand the competitive context of the Site, a review of the Orange development pipeline has been carried out. There are a total of 29 medium-density developments and 4 apartment developments at various stages in the Orange LGA. Assuming all eventuate to delivery, these 33 projects have the potential to deliver a total of 599 dwellings, including:

- 261 medium-density dwellings (townhouses and villas)
- 323 apartments
- 6 retirement units

Table 3-1 summarises the supply pipeline in Orange and select regional areas. The Orange LGA has the largest pipeline.

Table 3-1: Housing Supply Pipeline, Select Regional Locations

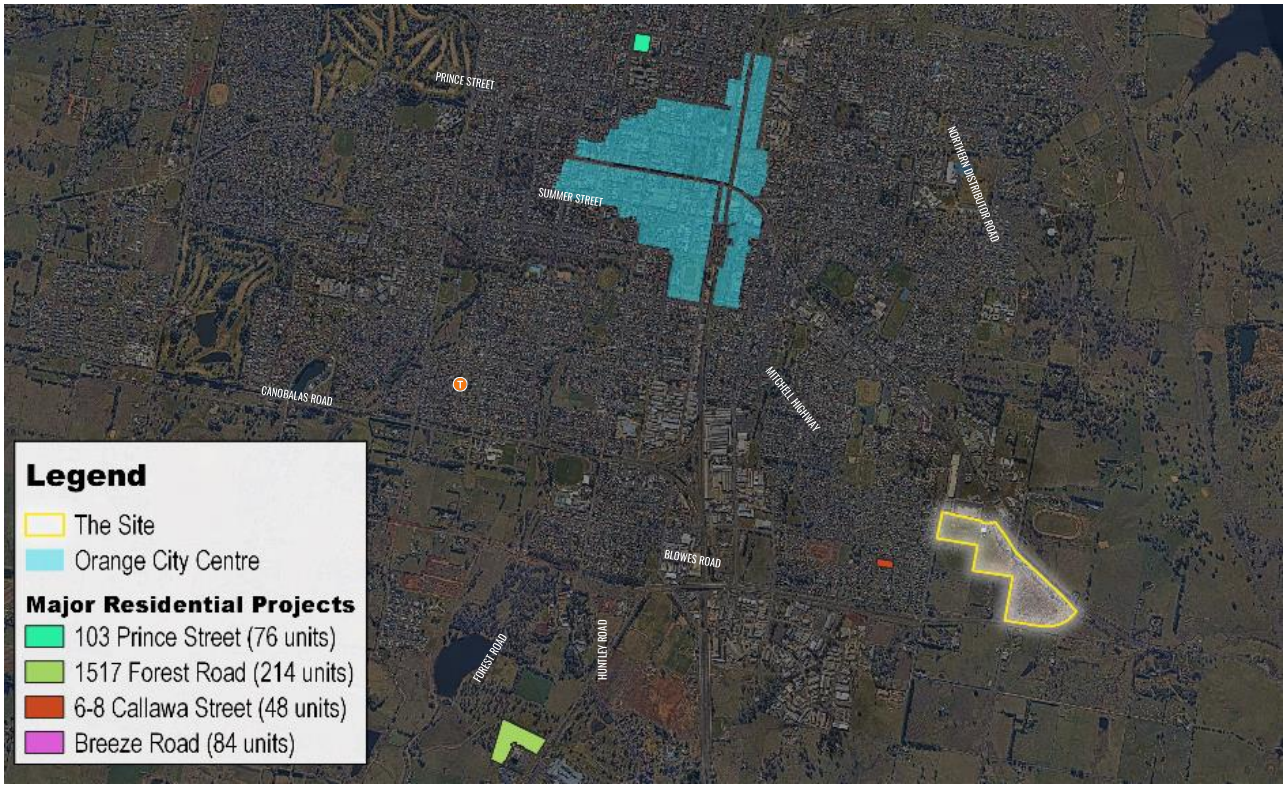
Town	Apartments		Medium Density		Retirement Units	
	Projects	Dwellings	Projects	Dwellings	Projects	Dwellings
Orange	4	323	28	261	1	6
Bathurst	2	56	13	69	0	0
Katoomba	1	26	4	29	1	9

Source: Atlas/BCI

Of the 33 residential projects being progressed across the Orange LGA, the majority are small-scale (<25 dwellings each). Furthermore, few have commenced construction. In comparison, only 4 of the projects in the pipeline will deliver over 40 dwellings each. If delivered in entirety, these 4 projects could provide some 420 dwellings in a mix of apartments and townhouses over the coming years.

Figure 3-2 shows the relative location of major projects in the pipeline in the context of the Site.

Figure 3-2: Major Residential Projects Pipeline Locations, Orange



Source: Atlas/Nearmap

The development pipeline provides an indication of future residential supply in Orange. To understand the competitive context of the Proposal, major Orange projects are examined in greater detail.

Table 3-2: Overview of Major Residential Projects in the Pipeline, Orange

Project 1 – 103 Prince Street	
	**103 Prince Street** **Description:** Apartments – 5 storeys (60), townhouses (16) **Status**: Selling off-the-plan **Dwellings**: 76 Located within the city centre and will deliver 76 dwellings. It offers a central location within walking distance to the amenity and services of the City Centre. A site purchased from Council in 2021, the early campaign is understood to be well received by the market, with strong interest from the local downsizer market. Comprising a luxury build and finishes, prices achieved have set a benchmark for Orange.
Project 2 – 6-8 Callawa Street	
	**6-8 Callawa Street** **Description**: Apartments – 4 storeys (48), shops (3) arranged in 3 buildings **Status:** Development approved, estimated completion 2024 **Dwellings**: 48 (42 specialist disability accommodation, 6 units) The site located a short distance from the Site and is proposed for 48 dwellings in total. The majority of dwellings comprise specialist disability accommodation (42 units). Not considered to directly compete with development on the Site.
Project 3 – 1517 Forest Road	
	**1517 Forest Road** **Description:** Apartments (214), hospital, motel, supermarket, childcare **Status:** Development approved. Retail and commercial developments complete. Residential development not commenced. **Dwellings:** 214 Located within the Orange Health and Innovation Precinct. The retail and commercial assets are complete and are available for lease. The residential units have not commenced marketing. These units are expected to compete to some degree with the apartments if proposed on the Site. The value proposition of a Forest Road location is in proximity to health, retail and commercial assets for residential units would be superior.
Project 4 – Breeze Road (Westwinds)	
	**Breeze Road** **Description:** Single detached dwellings (land subdivision) **Status:** Dwellings for sale **Residential Units:** 84+ future development. The project is located to the north fringe of Orange is offering 84 house and land packages. From our investigations we understand that 49 of the 84 lots have either been developed or sold leaving 35 remaining. A future land release (marked in grey) could potentially compete with product on the Site.

Source: Atlas Economics

Of the more notable residential projects identified in the Orange pipeline, the 'Westwinds' estate is considered the most relevant to the Site ('Project 4' in **Table 3-2**). This is attributed to its location and existing amenity. Like the Site, the 'Westwinds' estate is situated further from the City Centre, in a mostly rural locality.

Whilst the development at 1517 Forest Road is relatively proximate to the Site (4km southeast), it benefits from a range of supporting amenity given its location within the Orange Health and Innovation Precinct. This includes small-scale health/ commercial facilities and retail amenity. The Forest Road location is therefore deemed superior to the Site, enabling its residential development to appeal to a broader market.

3.3 Emerging Housing Typologies

Based on the development pipeline across the Orange LGA and surrounding localities, several emerging housing typologies are observed. This includes a mix of apartment and medium density housing typologies compared to the lower density housing typically developed across Orange's fringe areas.

Some examples of emerging typologies are examined below, including their property-specific traits and locational context to understand key drivers influencing their delivery.

Smaller-Lot Residential Subdivisions

The Orange housing market predominantly comprises large format, separate houses. Detached dwellings are typically situated on allotments of 800sqm and beyond in residential zones. In fringe areas, residential property are mostly rural lifestyle dwellings, with allotments typically in the acreage. These large allotment sizes are aligned with the regional context of Orange, comprising mostly rural land.

Recently, new residential subdivisions are being progressed in Orange. These residential estates offer vacant land as well as house and land packages. A range of lot sizes are available, including smaller lot options from 330sqm. These residential estates are in various stages of completion and include **Torulosa Rise, Shiralee** and **Westwinds.**

Figure 3-3 illustrates few examples of residential subdivisions in Orange which provide smaller lot options.

Figure 3-3: Example Emerging Smaller-Lot Housing Typologies, Orange

Source: Various sources
Top to bottom (left and right): Torulosa Rise and Shiralee Estate

The **Torulosa Rise Estate** at 13-29 Torulosa Way in Orange is situated some 3km south of the Orange City Centre and 3km west of the Site. It is a small-scale subdivision comprising 33 residential lots ranging from 508sqm to 725sqm. Over 90% of allotments are <560sqm, with only 3 lots ranging 650sqm to 725sqm. Marketing commenced in 2021, with only 2 lots remaining (550sqm and 576sqm). The estate has mostly delivered sub-600sqm allotments, which have been swifty absorbed by the market. This demonstrates evolving market preference away from larger lots and acceptance for smaller allotments.

The **Shiralee Estate** is situated on Shiralee/ Pinnacle Road, 5km south of the Orange City Centre and 8km west of the Site. The masterplan envisions over 300 dwellings, with standard lot sizes averaging 400sqm to 550sqm. The project does not appear to be actively marketed. Listings from earlier project stages in 2020 indicate robust sales of lot sizes of <500sqm, marketed to price-conscious buyers as 'affordable' housing options. Overall, the estate provides a range of smaller lot sizes from 250sqm, including a notable proportion of 300sqm allotments.

Relevantly, the **Westwinds Estate** in Orange is a land release subdivision currently marketed off-the-plan. It is situated on Breeze Road, 4km north of the Orange City Centre and approximately 8km north of the Site. The Estate offers serviced blocks of land or 3 bedroom and 4 bedroom detached homes.

Informal discussions with the marketing agent indicate that market interest has softened in 2023 following the successive interest rate hikes. Main buyer cohorts are observed to be downsizers, local households and local investors. Notably, first home buyers were not observed to be a large buyer cohort, ostensibly due to its pricing. The selling agent noted that due to price levels, the product was less of interest to out-of-town investors.

Out of the most recent land release, 13 out of 22 lots have been agreed with guide prices for the remaining lots in the order $275,000 to $305,000 (vacant serviced blocks) with sizes ranging from 339sqm to 385sqm. The quoted prices are equivalent to $740/sqm to $855/sqm of site area.

Atlas understands that house and land packages are also offered with 4-bedroom houses on lot sizes of 500sqm to 600 sqm at circa $859,000. Westwinds is broadly comparable to the Site given its fringe location. In relative terms though, the Site's location along the Mitchell Highway is slightly less isolated.

Townhouses and Villas

Several medium density developments have emerged in Orange and surrounding areas in the last decade. Many of these are single storey, strata-type developments with shared driveway or semi-detached units with or without street frontage.

Figure 3-4 illustrates examples of medium density housing typologies delivered in Orange in recent years.

Figure 3-4: Example Medium Density Housing Typologies, Orange

Source: Realestate.com.au

Whilst there are numerous medium density developments in the pipeline, few have progressed to construction or off-the-plan sales. A key example of emerging medium density housing in Orange is the 7-unit project at **263-265 Dalton Street.**

- **Units 1-7/263-265 Dalton St, Orange**

263-265 Dalton Street is 5km west of the City Centre and 4km north of the Site. It will deliver seven, single storey units on compact allotments ranging 220sqm to 300sqm. It has a mix of floorplans, including 2-3-bedroom units with 2 bathrooms and attached garage.

Marketing commenced late 2023, with 4 units sold to date. Asking prices are in the order of $550,000 to $600,000 for the 2-bedroom units, and $675,000 to $700,000 for the 3-bedroom unit.

Market investigations indicate that the 2-bedroom units were swiftly taken-up. In comparison, the 3-bedroom unit has received limited enquiries, resulting in a reduction from the $700,000 to $725,000 advertised in October 2023. Overall, the units have received interest from a broad buyer pool including investors, downsizers, young professionals and small families.

- **61 Banks St, East Maitland**

61 Banks Street is situated some 3km north of the East Maitland City Centre. East Maitland has a similar price point to Orange with a median house price of $705,000. It is less regional in nature, being within commuter distance of Newcastle.

The 61 Banks Street development is currently marketed off-the-plan and will deliver eighteen, 2 and 3-bedroom townhouses on average lot sizes of 180sqm with a shared driveway. Internal areas range between 120sqm-130sqm.

Informal discussions with the selling agent reveal that 8 out of the 18 townhouses have been agreed with prospective buyers. Pricing ranges from $630,000 to $660,000 for 3 bedroom townhouses, equivalent to $4,500 to $4,700/sqm of internal area.

All four of the 2-bedroom townhouses remain on the market, each listed with an asking price of $550,000. This is equivalent to approximately $4,600/sqm of internal area.

- **20 Griffin St, Bathurst**

20 Griffin Street is located 2km west of the Bathurst CBD. While Bathurst and Orange are similar regional localities, Bathurst has historically recorded lower median house prices ($663,000 in 2023).

The development comprises 9 townhouses featuring 1 and 2 bedrooms each, with internal areas ranging 79sqm to 96sqm. Asking prices start from $425,000 for a 1-bedroom townhouse to $485,000 for a 2-bedroom townhouse, equating to $4,600/sqm and $5,400/sqm of internal area.

Informal discussions with local selling agents in the Bathurst area reveal potential buyers for these dwellings are primarily first-time homebuyers in search of entry-level options, couples, and investors from Sydney. The compact townhouses and modest lot sizes appeal to price-conscious buyers seeking entry-level options.

Apartments

Given the regional context of Orange, limited higher density developments are observed. This is a function of lower property values in regional locations, which reduce the barriers to entry into the detached housing market. The achievable end sale values of apartment product are often below the cost of production (cost of land, construction and profit/ margin).

Notwithstanding, there are two apartment projects in the development pipeline in Orange, including those proposed at **103 Prince Street** and **1517 Forest Road**. The proposed apartments at 1517 Forest Road form part of the larger Bloomfield Medical Centre redevelopment. Finalisation of the masterplan is underway, potentially delivering over 200 apartments within a building of up to 6 storeys. Construction has not yet commenced, with completion likely to occur in the longer term.

In the shorter term, marketing for the **'103 Prince'** apartments has commenced and is selling off-the-plan. Details of the project are discussed below, along with other apartment developments observed in surrounding localities.

- **'103 Prince', 103 Prince St, Orange**

Situated 600m north of Orange City Centre and 4km north of the Site, '103 Prince' is a luxury townhouse and apartment development currently selling off-the-plan. It will deliver 76 dwellings in a mix of 16, double storey townhouses (191sqm internal area) and 60, 2 and 3-bedroom apartments (112sqm to 143sqm internal area).

'103 Prince' benefits from its central location which makes it well placed from an amenity and demand perspective. Informal discussions with the selling agent indicate that 50% of the development has been sold thus far with healthy market acceptance for apartment typologies.

All agreed sales are understood to have achieved their guide prices of $1.75m to $1.95m for townhouses ($9,100/sqm to $10,200/sqm internal area), with apartments from $820,000 for 2-bedroom units ($8,500/sqm internal area) and $1,150,000 ($9,700/sqm internal area) for 3-bedroom units.

Market investigations reveal that active buyer cohorts are predominantly downsizers and locals, noting no interest from investors or first home buyers thus far (presumably due to high price points). Atlas further understands that market response to the product was driven by the local downsizer market looking for smaller, compact housing with quality finishes, that have good parking and are within walking distance to services and amenity in town.

Notably, the selling agent observed a relatively shallow pool of buyers, with the depth of market demand unlikely to sustain a large number of similar developments. The central location was considered key to the success and desirability of the mix of higher density product. Completion is expected to occur in 2025.

- **'No.1 Church St', 1 Church St, Dubbo**

'No.1 Church St' is situated in the Dubbo CBD overlooking Macquarie River to the West. Dubbo plays a similar regional hub role as Orange although it is located further from Sydney and has a lower median house price ($550,000 compared to Orange's $695,000).

The development will deliver 72 apartments in a mix of 1-, 2- and 3-bedrooms above 3 floors of retail and communal facilities. Asking prices range from $520,000 to $880,000, varying with size, level and views.

Based on informal conversations with the selling agent, a significant portion of the units (64 out of 72) have been successfully sold, with the majority of these transactions occurring throughout 2022. The primary purchasers have been downsizers and those seeking a base in Dubbo. Notably, the selling agent noted the absence of investor interest at the development. Atlas understands that the 2- and 3-bedroom apartments range between 82sqm to 101sqm with pricing reflecting $6,900/sqm to $8,500/sqm of internal area. Additionally, premium penthouse units were secured at prices of $1.1 million, $1.5 million and $1.8 million respectively.

The central location of the development appeals to buyers seeking an amenity-rich context and are open to higher density living and smaller floorplans as a trade-off for the high levels of amenity. The development is considered superior to the Site from a location perspective given its scenic river views to the west and elevated vantage points on the upper floors, which contribute to its overall value proposition.

- **Haneli Estate, 1a High Street, Lithgow**

The Haneli Estate is located 2km east of the Lithgow Town Centre. The development offers 3-bedroom townhouses starting at $629,000 and twelve, 2- and 3- bedroom apartments starting at $449,000. Lithgow is east of Orange, at the entrance of the Blue Mountains with a lower median house price at $490,000.

The Haneli development is a reference for apartments in Regional NSW as these apartments are offered at substantially lower prices than 103 Prince Street (Orange) and 1 Church Street (Dubbo).

There appears to be some market resistance thus far, with the development having been on the market since May 2022. The dwellings are completed and are still available for sale. Informal discussions with the marketing agent suggest interest is from various cohorts including professionals and households who travel in and out of Lithgow.

The pricing is on par with detached house in the general Lithgow area and suggest that unless the value proposition is compelling, higher density typologies can experience market resistance and prolonged marketing periods. The marketing agent attributed the central location, security and views as key selling points for the apartments.

3.4 Demand for Housing

Based on the socio-demographic profile and residential market appraisal, key housing trends are observed including:

- **Housing preferences are driven by household size requirements**

  Most households occupy separate houses, regardless of household size. This is a function of dwelling availability, rather than dwelling preference. Occupation of smaller dwellings is dominated (>60%) by lone person and couple only households (i.e. smaller households). In comparison, couple families with children tend to prefer separate houses.

  This indicates that where possible, households will secure housing that is aligned with household size requirements. Naturally, family households prefer to reside in larger dwellings with more bedrooms (i.e. separate houses). Conversely, smaller households have smaller size requirements, often choosing to reside in dwellings with compact floorplans. This includes townhouses and apartments with 1- and 2- bedroom options.

- **Many small households reflect older residents who are downsizers**

  Over 50% of couple only and lone person households comprise of residents who are aged 60 years and older, representing the downsizer market. This will grow in proportional share in the coming years. Additionally, there are a notable number of small households aged between 20-29 years, reflecting the young workforce population.

- **Housing participation driven by various needs and constraints**

  The Orange LGA comprises a mix of couple families with children and smaller households, many being downsizers and young residents. These residents and households are driven by a unique set of housing needs. Market investigations reveal that downsizers value an amenity-rich location, accessible floorplans for ease of mobility and low maintenance requirements. This includes single level units with lifestyle amenities (good views, communal facilities, etc.). Many have accumulated wealth through asset price growth, and are less price-conscious when participating in the housing market.

  In contrast, younger residents (and households) have lower financial capacity. Housing decisions are therefore driven by affordability constraints. This highlights the importance of increasing housing choice in Orange, so that various demographic groups and their unique set of housing needs are appropriately met.

- **The outlook for smaller housing formats is positive**

  The outlook for the Orange housing market remains largely tied to further interest rate escalations. Higher borrowing costs and falls in consumer confidence will expectedly be a drag on the market. Given that detached dwellings generally attract higher price points, many buyers will likely seek alternative housing options that are more affordable. This includes single dwellings on smaller allotments or smaller dwelling formats such as townhouses.

  Smaller housing formats is therefore expected to play a growing role in the housing market, responding to affordability constraints and the increase in smaller households.

Overall, whilst low density housing remains the dominant housing typology in Orange, the market for higher density typologies is maturing. In particular, there is growing market acceptance for medium density housing, which provide smaller dwelling options at more affordable price points compared to traditional separate houses. Additionally, medium density developments enable higher utilisation of land and results in lower costs per unit of land, offering economies of scale.

As with many regional markets, the apartment market in Orange will mature in the longer term. This will be a function of achievable sale prices given the preference for traditional low density formats and higher cost of constructing apartments (on a rate $/sqm). Until the market is willing to pay a price for apartments that reflects its cost of construction, it presents as a less attractive development option compared to medium density housing.

3.5 Recommended Housing Typologies

Based on the ~330 dwelling yield envisioned in the masterplan, the Site has capacity to accommodate a broad range of housing typologies including various dwelling sizes. Several housing typologies are considered in turn.

Housing Typologies

There is a range of housing typologies that could be considered. **Table 3-3** lists these housing typologies and their respective definitions under the standard instrument LEP. It also provides an overview of their key characteristics.

Table 3-3: Description of Housing Typologies

Housing Typology	Planning Definition and Key Characteristics
Example 1: Separate Houses 	**Dwelling house** is a building containing only one dwelling. • Low density housing typology. • Single residential lots for standard detached dwellings. • Traditional housing format in regional localities such as Orange. • Provides street frontage. • Torrens title. • Caters to family households with larger 3-, 4- and 5-bedroom floorplans.
Example 2: Dual Occupancies (duplexes) 	**Dual occupancy** means 2 dwellings on one lot of land but does not include a secondary dwelling. A dual occupancy could be attached or detached. • Medium density housing typology. • Two dwellings on one lot, which may be attached or detached (does not include a secondary dwelling). • Can comprise single or double storey floorplans. • Torrens title or strata title. • Smaller building area and lot size compared to detached dwellings. • Caters to a broad range of buyer groups including families, singles or couples. • Lower price point compared to separate houses.
Example 4: Attached dwellings 	**Attached dwelling** means a building containing 3 or more dwellings where each dwelling is attached, on its own lot of land and not above another dwelling. • Medium density housing typology. • Torrens title. • Compact allotments with street/ park frontage. • Attached, two-storey terraces with front or rear loaded options. • 1-2 car spaces (difficult to design front loaded options with double garage) • Caters to a broad range of buyer groups including families, singles or couples. • Lower price alternatives to separate houses.
Example 4: Multi-dwelling housing (townhouses/ single storey villas) 	**Multi-dwelling housing** means 3 or more dwellings (whether attached or detached) on one lot of land, each with access at ground level, but does not include a residential flat building. • Medium density housing typology. • Strata-titled units, with common areas including shared driveway. • Subdivided parent allotment providing smaller individual built forms and lot sizes. • Can comprise single or double storey floorplans. • Caters to a broad range of buyer groups including families, singles or couples. • Lower price point compared to separate houses, dual occupancies and attached dwellings.

Housing Typology	Planning Definition and Key Characteristics
Example 5: Separate House with Secondary Dwelling 	**Secondary dwelling** means a self-contained dwelling that is established in conjunction with another dwelling (the principal dwelling), is on the same lot of land as the principal dwelling and is located within, or attached to, or separate from the principal dwelling. • Torrens title. • Main dwelling provides street frontage. • Aligns with traditional large format dwellings in the locality. • Appeals to larger households including couple families with children and multi-family households.
Example 6: Residential Flat Buildings 	**Residential flat building** means a building containing 3 or more dwellings but does not include an attached dwelling or multi-dwelling housing. • High density dwelling typology (i.e. apartments). • Strata-title. • Most intensive land use, results in the highest dwelling yield on a given lot. • Offers smallest dwelling size (e.g. studio/ 1-bedroom <55sqm of internal area). • Relatively immature market in regional localities; limited developments to date. • Ability to provide 'lifestyle amenity' including communal facilities atop standard building inclusions like security entrance, lifts, etc. • Appeals to various small households depending on dwelling specs. Can reflect premium developments targeting affluent downsizers.

Source: Atlas/ Landcom

Market Assessment of Housing Typologies

An assessment matrix is developed to rank the dwelling options (**Table 3-3**) and determine their suitability in the context of the Site and broader market considerations. There are 5 key criterion included within the matrix, namely:

- **Location:** Housing typologies deemed appropriate based on the regional context of the Site.
- **Market Appeal:** Likely market acceptance for the housing typology, based on findings from the market appraisal.
- **Buyer Pool:** The depth of market demand, including likely buyer cohorts who may be attracted to the housing typology.
- **Feasibility:** Project viability of delivering the housing typologies, including construction costs and achievable sale prices.
- **Developer Preference:** Developer considerations to deliver various housing options including market expertise.

The housing typologies will be assessed against each criterion with a maximum score of 5. The assessment matrix includes 5 key criterion, implying that each housing typology will be assessed against a total score of 25.

Table 3-4 assesses various housing typologies (rows) against the key criteria (columns) based on a maximum score of 25.

Table 3-4: Typology Assessment Matrix

Density Category	Example Typologies	Location	Market Appeal	Buyer Pool	Feasibility	Developer Preferences	Total Score (out of 25)
Low	Separate Houses	5	5	4	5	5	**24**
Medium	Dual Occupancies	5	4	4	4	4	**21**
	Attached housing	4	3	3	4	3	**17**
	Multi-dwelling housing (townhouses)	4	3	3	3	3	**16**
	Separate house with Secondary Dwelling	4	4	2	3	2	**15**
High	Residential Flat Buildings	1	1	2	1	1	**6**

Source: Atlas/ Landcom

The housing typology assessment has considered the following key factors in accordance with the metrics:

- The context of the Site in a semi-rural environment. Housing traditionally reflects rural lifestyle properties. There is therefore likely to be enduring demand for detached housing typologies.
- Separate houses remain the most widely accepted dwelling type, followed by Torrens title medium density dwellings (semi-detached, attached, duplexes and townhouses). Notwithstanding preference, pricing and affordability will influence the selection of dwelling lot type.
- The buyer pool for separate houses is predominantly driven by established family households who are less price sensitive. These households are a key buyer cohort of house and land packages or serviced lots within the residential subdivisions in Orange and surrounds.
- Younger families may gravitate towards dwellings which offer comparable floorplans (>3 bedrooms) at lower price points. This includes medium density housing such as townhouses or dual occupancies.
- Medium density housing also appeals to a broader range of buyer profiles. This includes downsizers who are drawn to single storey dual occupancies or villa units that enable ease of mobility and lower maintenance requirements. Additionally, lone professionals or couple households who seek smaller dwelling formats.
- Car parking provision is a key buyer consideration in Orange, particularly for the Site given its lack of access to public transport. Developments which provide one or no car space (rather than two) will likely face market resistance.
- Compared to developments in proximity to the Orange City Centre, the Site lacks convenient access to amenity and public transport including the Orange train station. These are key factors which drive market demand for apartments. The Site therefore has limited capacity to deliver apartments in a meaningful context.

Overall, the housing typology assessment has resulted in an order of ranking that favours low density housing and medium density housing as most suitable housing typologies to be delivered within the Site.

Recommended Housing Mix

The housing typology assessment in **Table 3-4** has attributed rankings to dwelling types based on their suitability for the Site. **Table 3-5** outlines an indicative mix of housing typologies and lot size mix which could be considered.

Table 3-5: Recommended Housing Mix

Density Category	Example Typologies	Mix (%)	Lot Size (sqm)	Bedrooms
Low	Separate Houses	65%	• 300-400sqm (45%) • 400-500sqm (50%) • 500-600sqm (2.5%) • >600sqm (2.5%)	3, 4, 5
Medium	Dual Occupancies	10%	18m x 30m	2, 3, 4
	Semi-detached/ attached housing (terraces)	15%	200sqm to 250sqm	2, 3, 4
	Multi-dwelling housing (townhouses/1-storey villas)	10%	120sqm to 180sqm	2, 3
	Separate house with Secondary dwelling	0%		
High	Residential Flat Buildings	0%		

Source: Atlas

Overall, the recommended housing mix will contribute to housing diversity in Orange. Whilst it is recommended that the majority of new dwellings reflect the traditional housing format in Orange (i.e. separate houses), a broader range of smaller lot sizes may be delivered. This responds to the need for greater housing choice and affordable price points.

Whilst dual occupancies are ranked higher in order of suitability compared to semi-detached/attached housing (terraces) and multi-dwelling housing (townhouses and villas), a lower proportion of dual occupancy is suggested in the housing mix. Given the ability to deliver two dwellings on one allotment, dual occupancies can be additionally delivered on the larger allotments (>500sqm). This is considered in the apportionment of low density lots including larger lot sizes. The higher proportion of larger allotments in addition to the dual occupancy lots enables flexibility of housing delivery which is market-led.

Notably, the Site also has the potential to deliver a meaningful volume of smaller, medium density housing typologies in Orange. Based on a development yield of 330 dwellings, the Proposal could deliver an additional ~115 medium density housing typologies to Orange. This will assist in plugging some of the unmet and growing need for smaller dwellings in the locality, whilst representing viable development outcomes.

3.6 Role of the Site

The Study has identified a clear misalignment of housing need and housing supply. Whilst the Orange LGA has recorded a decline in household sizes, the existing housing stock remains dominated by large format, detached dwellings. In 2021, a 52% majority of households in the Orange LGA were 1- and 2- person households. In contrast, some ~80% of dwellings comprised 3 or more bedrooms. This has critical social and economic implications.

Given the lack of diverse housing options, residents who seek smaller dwelling formats are unable to have their needs met in Orange. These may represent younger residents or couples seeking to move out of the family home. It could also include young families unable to afford traditional large, detached dwellings and who seek smaller dwellings at more affordable price points.

The Orange LGA comprises a large downsizer market. Whilst these residents choose to occupy smaller dwellings where available, a larger proportion remain in separate houses due to limited smaller dwelling formats. This indicates that dwellings are not utilised efficiently, with many spare bedrooms likely observed. In order to provide options to older residents to downsize and 'free up' large dwellings for family households, more choice of smaller housing formats is required.

Overall, there is an opportunity for the Proposal to respond to a gap in housing provision by delivering a range of housing types and sizes on the Site. This includes a mix of low and medium density housing typologies. Whilst apartments are a smaller housing option, the cost of construction relative to achievable end sale values could render it a less financially viable outcome. By delivering a range of housing typologies that are market-supported and viable, the Proposal will increase housing choice in Orange and offer more affordable price points. More residents can also 'age in place', transitioning between various dwelling sizes across life stages. Ultimately, by increasing housing diversity in Orange, the Proposal can assist in supporting broader housing and community outcomes.

4. Economic Impact Assessment

4.1 Overview and Approach

This chapter examines the economic activity and impacts that could be facilitated through progression of the Proposal during construction and upon completion. The analysis estimates the economic activity supported in the following scenarios:

- **Base Case**
  - The Site remains in its existing use as vacant and undeveloped land.
- **Proposal Case**
  - The Site is developed in accordance with land uses envisaged in the Proposal, including:
    - 330 residential dwellings in a mix of low (41%), medium (39%) and high density housing (20%).
    - 3ha of open space.

As the Site comprises a largely vacant and undeveloped landholding under the Base Case Scenario, economic modelling has only been carried out for the Proposal Case.

The economic impacts are assessed at the Orange LGA level. An Input-Output model (including the development of specific regional Input-Output transaction tables) was developed to reflect the economic structure of the Orange LGA (see SCHEDULE 1 for further detail).

Input-Output modelling considers economic activity through examining four types of impacts as described in **Table 4-1**.

Table 4-1: Economic Indicators

Indicator	Description
Output	The gross value of goods and services transacted, including the cost of goods and services used in the development and provision of the final product. Care should be taken when using output as an indicator of economic activity as it counts all goods and services used in one stage of production as an input to later stages of production, thus overstating economic activity.
Gross Product	The value of output after deducting the cost of goods and services inputs in the production process. Gross product (e.g. Gross Regional Product (GRP)) defines a net contribution to economic activity.
Incomes	The wages and salaries paid to employees as a result of the Project either directly or indirectly.
Employment	Employment positions generated by the Project (either full time or part time, directly or indirectly). Employment is reported in terms of Full-Time Equivalent (FTE) positions or person-years.

Source: Atlas

Types of Economic Impacts

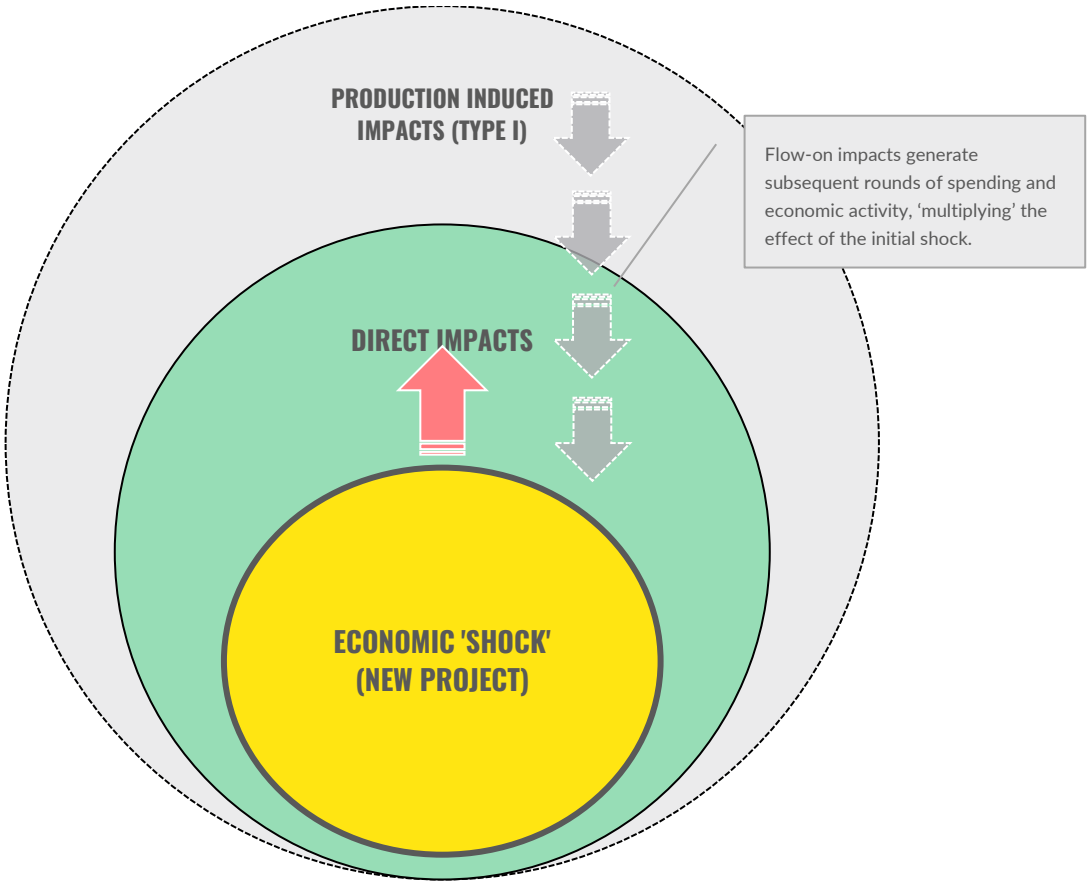
Input-Output modelling traces the economic impact resulting from a 'shock' to a local economy through measuring a series of impacts – referred to as 'Direct' and 'Flow-on' impacts.

- **Direct impacts**, which are the first round of effects from direct operational expenditure on goods and services.
- **Flow-on impacts**, which comprise the second and subsequent round effects of increased purchases by suppliers in response to increased sales. Flow-on impacts can be disaggregated to:
  - **Production-induced impacts (Type I)** show the effects of additional activities undertaken by supply chain industries increasing their production in response to direct and subsequent rounds of spending.
  - **Consumption-induced impacts (Type II)** estimate the re-circulation of labour income earned as a result of the initial spending, through other industry impacts, or impacts from increased household consumption.

The estimates of economic impacts consider production and consumption-induced flow-on impacts. Type II impacts are commonly considered to overstate economic activity and therefore the types of flow-on impacts are reported separately.

Figure 4-1 illustrates the types of economic impacts and their subsequent rounds of impacts.

Figure 4-1: Types of Economic Impacts (Direct and Flow-on)



Source: Atlas

4.2 Drivers of Economic Activity

To understand the economic impacts likely to result from the Proposal, it is necessary to distinguish economic impacts during the construction phase and those economic impacts that will be more permanent in nature following construction completion and operations commencement and stabilisation to long run averages.

- **Construction Phase:** Construction activity will draw resources from and thereby generate economic activity in the Orange economy as well as from outside the Orange LGA.

  Assumptions are made on the proportion sourced from within and from outside Orange. Given that the Site remains a largely vacant and undeveloped landholding under the Base Case, the construction phase is assessed for the Proposal Case only.

- **Operational Phase:**
  - **Base Case:**
    - The Site remains in its existing use as vacant, undeveloped land.
  - **Proposal Case:**
    - The Site will accommodate 'dispersed employment' (i.e. persons working from home) in the 330 new dwellings.
    - The Site will facilitate additional household expenditure through the 330 new dwellings.

As the Site comprises a largely vacant and undeveloped landholding under the Base Case Scenario, economic modelling has only been carried out for the Proposal Case.

Refer to SCHEDULE 1 for a description of the drivers and assumptions that underpin the assessed economic impacts.

4.3 Economic Activity and Impacts

4.3.1 Construction Phase

During construction the Proposal Case is projected to generate significant economic impacts for Orange, including:

- **$266.2 million** in output (including $172.0 million in direct activity).
- **$85.3 million** contribution to GRP (including $41.4 million in direct activity).
- **$52.5 million** in incomes and salaries paid to households (including $27.3 million in direct income).
- **596 FTE jobs** (including 304 FTE directly employed in construction activity).

Economic impacts during construction are summarised in **Table 4-2**. It should be noted that construction impacts are reported in total for the construction phase, and do not represent an average annual estimate.

Table 4-2: Construction Impacts in Orange LGA, Proposal Case

Indicator	Output ($M)	GRP ($M)	Incomes ($M)	Employment (FTE)
Direct	$172.0	$41.4	$27.3	304
Flow-on Type I (Production-induced)	$63.8	$27.0	$15.6	159
Flow-on Type II (Consumption-induced)	$30.5	$16.8	$9.7	133
Total	**$266.2**	**$85.3**	**$52.5**	**596**

Note: Totals may not sum due to rounding.
Source: Atlas

4.3.2 Operational Phase

Following the completion of construction, the Proposal Case is estimated to support the following annual economic activity through direct and indirect (flow-on) impacts associated with dispersed employment on the Site:

- **$14.6 million** in output (including $9.4 million in direct activity).
- **$7.4 million** contribution to GRP (including $4.9 million in direct activity).
- **$3.8 million** in incomes and salaries paid to households (including $2.4 million in direct income).
- **44 ongoing FTE jobs** (including 25 FTE directly related to activity on the Site).

Table 4-3 summarises the estimated economic impacts during the operational phase in the Proposal Case.

Table 4-3: Operational Impacts in Orange LGA, Proposal Case

Indicator	Output ($M)	GRP ($M)	Incomes ($M)	Employment (FTE)
Direct	$9.4	$4.9	$2.4	25
Flow-on Type I (Production-induced)	$2.9	$1.3	$0.7	8
Flow-on Type II (Consumption-induced)	$2.3	$1.3	$0.7	11
Total	**$14.6**	**$7.4**	**$3.8**	**44**

Note: Totals may not sum due to rounding.
Source: Atlas

Compared to the Base Case, the Proposal Case facilitates a more valuable use of the Site through increased household expenditure and dispersed employment, as new residents occupy the additional dwellings delivered. The economic impacts estimated in this section demonstrates the Proposal has economic merit, having the ability to contribute to economic output and the local economy.

4.3.3 Household Expenditure Impacts

In addition to the commercial activity estimated above, the Proposal Case is projected to generate additional household expenditure supported through new dwellings within the Orange LGA. This activity is estimated to support on an ongoing annual basis (once fully developed and occupied):

- **$41.2 million** in total output ($28.3 million in direct activity).
- **$23.8 million** contribution to GRP ($17.1 million in direct activity).
- **$11.5 million** in wages and salaries to local workers ($7.7 million in direct activity).
- **180 FTE jobs** (131 direct FTEs).

Table 4-4 shows the estimates of economic activity associated with household expenditure. It should be noted that operational and household impacts are not additive, due to potential for double counting of economic impacts (for example, household spending will result in direct and flow-on activity for businesses that are operating within the Site).

Table 4-4: Household Expenditure Impacts in Orange LGA, Proposal Case

Indicator	Output ($M)	GRP ($M)	Incomes ($M)	Employment (FTE)
Direct	$28.3	$17.1	$7.7	131
Flow-on Type I (Production-induced)	$5.9	$2.8	$1.6	18
Flow-on Type II (Consumption-induced)	$7.0	$3.8	$2.2	32
Total	**$41.2**	**$23.8**	**$11.5**	**180**

Note: Totals may not sum due to rounding.
Source: Atlas

4.4 Summary of Economic Impact Findings

The development of the Proposal is shown to deliver significant and positive economic impacts to the Orange economy. Given that the Site comprises a largely vacant and undeveloped land parcel under the Base Case, the net economic impact of the Proposal is entirely attributed to the delivery of its proposed land uses. It is estimated to result in **an increase in economic activity** during the construction phase through a mix of direct and indirect (flow-on) activity, including:

- **$266.2 million** in output (including $172.0 million in direct activity).
- **$85.3 million** contribution to GRP (including $41.4 million in direct activity).
- **$52.5 million** in incomes and salaries paid to households (including $27.3 million in direct income).
- **596 FTE jobs** (including 304 FTE directly employed in construction activity).

When operational, the Proposal is estimated to result in an annual **increase in economic activity** with:

- **$14.6 million** in output (including $9.4 million in direct activity).
- **$7.4 million** contribution to GRP (including $4.9 million in direct activity).
- **$3.8 million** in incomes and salaries paid to households (including $2.4 million in direct income).
- **44 ongoing FTE jobs** (including 25 FTE directly related to activity on the Site).

Overall, the Proposal Case facilitates a more intensified use of the Site by accommodating employment activity through dispersed employment. Additionally, an increase in household expenditure supported through new dwellings within the Site. This contributes to output and the local economy.

5. Social Impact Assessment

5.1 What are Social Impacts?

Impact assessment is a method for predicting and assessing the consequences of a proposed action or initiative before a decision is made. Social impact Assessment (**SIA**) refers to the assessment of the potential social consequences (positive, negative or neutral) of a proposed decision or action. The Department of Planning, Housing and Infrastructure (DPHI)'s Social Impact Assessment Guideline uses the following categories to identify likely social impacts:

- **Way of life,** including how people live, how they get around, how they work, how they play, and how they interact each day.
- **Community,** including composition, cohesion, character, how the community functions, resilience, and people's sense of place.
- **Accessibility,** including how people access and use infrastructure, services and facilities, whether provided by a public, private, or not-for-profit organisation.
- **Culture,** both Aboriginal and non-Aboriginal, including shared beliefs, customs, practices, obligations, values and stories, and connections to Country, land, waterways, places and buildings.
- **Health and wellbeing,** including physical and mental health especially for people vulnerable to social exclusion or substantial change, psychological stress resulting from financial or other pressures, access to open space and effects on public health.
- **Surroundings,** including ecosystem services such as shade, pollution control, erosion control, public safety and security, access to and use of the natural and built environment, and aesthetic value and amenity.

Social impacts and Mitigation/ Enhancement Measures

This chapter provides an assessment of the potential positive and negative social impacts of the Proposal, as well as potential enhancement measures to maximise positive social impact.

Figure 5-1: Social Elements of Value to People

Source: Social Impact Assessment Guideline (2021)

5.2 Guide to the Social Impact Assessment

This SIA uses the DPHI's Social Impact Significance matrix to assess the social impact of the Proposal.

A combination of subjective and objective inputs are used to complete this assessment. This includes interviews with Council staff and analysis of technical data including demographic data and population and infrastructure benchmarking that is contained within the Social Needs Study (Cred Consulting, February 2024).

This chapter assesses the 'likelihood' and 'magnitude' levels of social impacts of the Proposal. This assessment is undertaken for all social impacts, including neutral, positive and negative social impacts.

- 'Likelihood' refers to the probability of the impact occurring.
- 'Magnitude' refers to the likely significance of the impact and considers multiple characteristics, including:
    - Extent: The volume of people expected to be affected and their relative location to the Proposal.
    - Duration: The timeframe and frequency of potential social impacts.
    - Severity or scale: The degree of change from the existing condition as a result of the impact.
    - Intensity or importance: The extent to which people or an environment can adapt to change or mitigate the impact.
    - Level of concern/interest: The level of interest or concern among the people affected.

The 'likelihood' and 'magnitude' levels of the social impacts are then assessed to determine overall level of social impact, using the 'Social Impact Significance Matrix', which is included in **Table 5-1**.

Table 5-1: Social Impact Significance Matrix

	Magnitude level				
Likelihood	**Minimal**	**Minor**	**Moderate**	**Major**	**Transformational**
Almost certain	Low	Medium	High	Very high	Very high
Likely	Low	Medium	High	High	Very high
Possible	Low	Medium	Medium	High	High
Unlikely	Low	Low	Medium	Medium	High
Very unlikely	Low	Low	Low	Medium	Medium

Source: SIA Guideline for State Significant Projects

5.3 Social Impacts - Positive and Negative

Table 5-2 identifies positive social impacts the Proposal is expected to have, with the level of impact identified along with measures that could be taken to enhance those impacts.

Table 5-3 identifies negative social impacts that could result from the Proposal, with the level of impact identified with measures that could be taken to mitigate those impacts.

Table 5-2: Positive Social Impact Analysis

Identified Social Impact	Social Impact Category	Duration	Pre-mitigation			Enhancement Measures	Post-mitigation		
			Likelihood	Positive Magnitude	Positive Social Impact		Likelihood	Positive Magnitude	Positive Social Impact
1. Additional housing (including Affordable Housing) The Orange Local Housing Strategy, Research Phase 2019 highlights the need for 4,000 additional homes by 2036 in Orange LGA. The document also identifies housing stress as a key issue and the need for affordable housing. The Proposal will provide more than 300 homes likely to be delivered in four stages. Of this, 20% is set aside for Affordable Housing likely to be managed by an external Community Housing Provider (CHP).	Way of life	Permanent	Almost certain	High	High	The Affordable Housing is allocated as affordable housing and likely managed by a CHP in perpetuity.	Almost certain	Major	Very High
2. Diverse housing types The Orange Local Housing Strategy, Research Phase 2019 identifies that there is a gradual change in household type, with more smaller households likely to grow. Providing smaller lots will support ageing in place, and likely to address the affordability issue. The Proposal will provide diverse housing types including smaller lots that could assist with housing affordability and support ageing in place.	Way of life	Permanent	Possible	Moderate	Medium	The Proposal will deliver diverse housing typologies which will enable more residents to transition between housing across life stages	Almost certain	High	High
3. Playspaces Cred's Social Needs Study identified the need for 1-2 playspaces to be provided on-site. The Proposal will provide one playground of 600 sqm. for children aged between 0 to 12 years.	Way of life; Accessibility	Permanent	Almost certain	High	Medium	Ensure playspace is inclusive by incorporating the principles in the NSW Government's Everyone Can Play guideline. Aim for early delivery of the playspace to establish a positive place identity and provide opportunity for the first residents with amenities and opportunities to meet each other.	Almost certain	Major	High
4. Communal and public open space Cred's Social Needs Study identified the need for a minimum of 3ha of open space to be provided on-site. The proposal will provide a total of 3ha of open space available for recreational use on-site. It includes:	Community; Health and Wellbeing; Accessibility	Permanent	Almost certain	High	High	Aim to provide unique and bespoke design elements and artworks to create a sense of identity and pride for new communities. Aim to ensure signage to the open spaces are provided at regular intervals on the street to invite the neighbouring communities.	Almost certain	Major	Very High

Identified Social Impact	Social Impact Category	Duration	Pre-mitigation			Enhancement Measures	Post-mitigation		
			Likelihood	Positive Magnitude	Positive Social Impact		Likelihood	Positive Magnitude	Positive Social Impact
° 1x ~1ha neighbourhood park which may include - the 'Hangar' building (could be considered for future community use), its parking space, playground, picnic shelter, and a lawn. The proposal also aims to provide community gardens in this park. ° 1x ~0.51ha 'Village Green' with youth focus which may include half court with hard space, multiuse sports wall for climbing, cricket practice, tennis, and handball, parkour/ climbing space and shelters. ° A linear open space with a shared path connecting all the parks. ° 3 x fitness stations along a loop track. ° 2 x pocket parks of ~0.09ha each.						Aim for early delivery of the playspace to establish a positive place identity and provide opportunity for the first residents with amenities and opportunities to meet each other. Design parks and embellishments to welcome people of all ages and provide spaces for incidental social interaction. Aim to provide designated dog off-leash areas in the public open space.			
5. Street network One of the guiding principles identified from the community consultation for the proposal is to provide path networks and amenities for walking and riding during the day and night. The Proposal establishes a street network with seven street types which includes streets with shared paths and a street with proposed on-road cycleway.	Community; Accessibility	Permanent	Almost certain	Moderate	Medium	Make the streets welcoming and safe by aiming to incorporate design elements such as public art representing the local community, gender inclusive lighting, and seating. Aim to provide shared use and reduced speed signage in all laneways to encourage walking and cycling in the local community. Aim to provide inclusive and accessible amenities on streets such as seating, shade, end of trip facilities etc. to make it accessible for all. Aim to provide pedestrian priority crossings at appropriate locations along park street to increase/encourage the use of the parks.	Almost certain	Major	Very high
6. Providing a new identity at the gateway to Orange The Proposal is located at the gateway to Orange LGA. The location of the 'Village Green' and the 'Neighbourhood Park' will be visible from Mitchell Highway providing a new identify to the LGA. The open water body on the southeast part of the site forms the foreground to the key first view into the site from Mitchell Highway.	Surroundings	Cumulative	Almost certain	Moderate	Medium	Incorporate public art and attractive lighting in the open space facing Mitchell Highway to establish a unique gateway to Orange LGA. This will help to create a sense of pride and belonging in the community. Consider providing 'welcome' signage and young people friendly public art in the northern entry street to encourage the Glenroi community to use the public open space and recreation facilities. Co-design and create an entry signage to the LGA with the community.	Possible	Major	High

Identified Social Impact	Social Impact Category	Duration	Pre-mitigation			Enhancement Measures	Post-mitigation		
			Likelihood	Positive Magnitude	Positive Social Impact		Likelihood	Positive Magnitude	Positive Social Impact
7. Connection to Country One of the project principles for the Proposal is to prioritise Country and support the sharing of traditional stories and knowledge. The Proposal retains some views of Gaanha-bula (Mount Canobolas), which has high cultural value. After an extensive stakeholder engagement, a Connecting with Country Framework Report was created for the Proposal by Balarinji.	Culture; Decision making systems	Permanent	Almost certain	Minor	Medium	Look for opportunities to involve the First Nations community through the development process. Use First Nations placenames for new streets, communal and public open spaces.	Possible	Major	High
8. Water features and street trees Water features and street trees reduce the heat island effect and provide cool streets and places during summer. All street types in the Masterplan have dedicated verges to plant trees. This supports Council's vision to plant or replace trees in the urban area outside each residential property. The Proposal also provides a wetland and stormwater basin for water management and biodiversity conservation.	Surroundings	Permanent	Almost certain	Minor	Medium	Ensure a tree planting program and maintenance is budgeted into the project.	Possible	Major	High
9. Community gathering spaces for social interaction Community gathering spaces are often the heart of a community, providing opportunities for people to come together, meet each other and form social connections with their neighbours. The Proposal aims to provide picnic shelters and community gardens in the proposed 'community focal points' of 'Neighbourhood Park' and the 'Village Green'. The Proposal also aims to provide a community gathering space in the 'Hangar' building at the Neighbourhood Park.	Community; Health and Wellbeing	Permanent	Almost certain	Moderate	High	Ensure that there is a community gathering space available for early residents. Investigate providing a small outdoor covered pavilion or stage, as part of the 'Neighbourhood Park', to cater to exercise groups, community meetings, events and activities.	Possible	Major	High

Source: Cred Consulting (2024)

Table 5-3: Negative Social Impact Analysis

Identified Social Impact	Social Impact Category	Duration	Pre-mitigation			Mitigation Measures	Post-mitigation		
			Likelihood	Negative Magnitude	Negative Social Impact		Likelihood	Negative Magnitude	Negative Social Impact
1. Noise during construction Noise during construction may impact the quality of life of neighbouring residents in Glenroi.	Way of life	Temporary	Almost certain	Moderate	High	Aim to provide community members within 800m of the Proposal with appropriate notice of construction, including construction timeframes and hours of operation. Aim to provide the community with contact details to request further information about the Proposal or to leave a complaint.	Almost certain	Minor	Medium
2. Pressure on existing social infrastructure Cred's Social Needs Study identifies the need for 86sqm of community floorspace. This creates pressure on existing community facilities nearby and in the Orange LGA.	Community	Cumulative	Almost certain	Moderate	High	Engage with Council to understand the existing provision of community floorspace and investigate opportunities to assist with meeting the need for additional and fit-for-purpose community floorspace.	Possible	Major	High

Source: Cred Consulting (2024)

6. Opportunity for the Proposal

The Study identifies a clear misalignment of housing need and housing supply in the Orange LGA. Whilst the majority of Orange LGA households are represented by 1- and 2- person households (52% in 2021), the housing stock is dominated by dwellings which comprise 3 or more bedrooms (~80% in 2021). This implies that households, regardless of size, would naturally occupy larger dwellings due to the lack of alternative, smaller dwelling options. This has significant implications on the housing market, as smaller (1-2 persons) and larger (>3 persons) households both compete for the same housing product (i.e. detached dwellings) regardless of need. This culminates in a housing market disequilibrium, with high levels of dwelling underutilisation.

A Housing Role

The Proposal will deliver 330 new dwellings, 20% of which will be allocated to Affordable Housing (66 dwellings). This includes a diverse mix of housing - including low, medium and high density dwellings. In particular, a 59% majority of dwellings reflect smaller typologies in the form of 196 dwellings (inclusive of both apartments and medium density product mix). Of the remaining ~130 low density dwellings (41%), this includes allotments ranging from 300sqm to 600sqm and greater. This responds to the need for compact dwelling options and affordable options for larger households (i.e. couples with children).

By delivering a broad range of dwelling typologies and sizes, the Proposal will enable more residents to transition between housing across life stages and will also provide housing choice. This supports broader housing and community outcomes.

The delivery of dwellings will contribute to the Orange economy, providing opportunities for new residents. This contributes to the Orange economy through increased household expenditure and supports employment activity.

Economic modelling indicates the Proposal would provide opportunity for 44 ongoing jobs (25 directly on the Site) and $14.6m of economic output from direct and indirect activity when operational. During its construction phase, the Proposal would provide opportunity for 596 jobs (304 directly employed in construction activity) and ~$266m of economic output from direct and indirect activity.

A Social Infrastructure Role

The Proposal will deliver 3ha of open space, which may include fitness stations, playground and a street network with a road cycleway. The open space provisions respond to the identified need for social infrastructure.

The social impact analysis demonstrates the Proposal could deliver strong social benefits across multiple social impact categories. This includes increased opportunities for social interaction through new community spaces and potential for increased social inclusiveness through shared public amenities (i.e. seating/end of trip facilities).

Development of the Site into a residential community supported by a range of housing typologies and notable open space provision contributes to the Orange economy and improves housing and social outcomes for existing and future residents.

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SCHEDULE 1

Input-Output Modelling Methodology

Input-Output models are a method to describe and analyse forward and backward economic linkages between industries based on a matrix of monetary transactions. The model estimates how products sold (outputs) from one industry are purchased (inputs) in the production process by other industries.

The analysis of these industry linkages enables estimation of the overall economic impact within a catchment area due to a change in demand levels within a specific sector or sectors.

Impacts are traced through the economy via:

- **Direct impacts**, which are the first round of effects from direct operational expenditure on goods and services.
- **Flow-on impacts**, which comprise the second and subsequent round effects of increased purchases by suppliers in response to increased sales. Flow-on impacts can be disaggregated to:
    - **Industry Support Effects (Type I)** derived from open Input-Output models. Type I impacts represent the production induced support activity as a result of additional expenditure by the industry experiencing the stimulus on goods and services, and subsequent round effects of increased purchases by suppliers in response to increased sales.
    - **Household Consumption Effects (Type II)** derived from closed Input-Output Models. Type II impacts represent the consumption induced activity from additional household expenditure on goods and services resulting from additional wages and salaries being paid within the catchment economy.

Economic analysis considers the following four types of impacts.

Table S1-1: Economic Activity Indicators

Indicator	Description
Output	The gross value of goods and services transacted, including the cost of goods and services used in the development and provision of the final product. Care should be taken when using output as an indicator of economic activity as it counts all goods and services used in one stage of production as an input to later stages of production, thus overstating economic activity.
Gross Product	The value of output after deducting the cost of goods and services inputs in the production process. Gross product (e.g. Gross Regional Product (GRP)) defines a net contribution to economic activity.
Incomes	The wages and salaries paid to employees as a result of the Project or Proposal either directly or indirectly.
Employment	Employment positions generated by the Project or Proposal (either full time or part time, directly or indirectly). Employment is reported in terms of Full-time Equivalent (FTE) positions or person-years.

Source: Atlas

Regional Model Development

Multipliers used in this assessment have been created using a regionalised Input-Output model derived from the 2020-2021 Australian transaction table (ABS, 2023a).

Estimates of gross industry production in the catchment area were developed based on the share of employment (by place of work) of the catchment area within the Australian economy (ABS, 2022) using the Flegg Location Quotient and Cross Hauling Adjusted Regionalisation Method (CHARM). See Norbert (2015) and Kronenberg (2009) for further details. Where required, values were indexed to current dollar values using CPI (ABS, 2023b).

Modelling Limitations and Assumptions

Input-Output modelling is subject to a number of key assumptions and limitations (ABS, 2023a):

- **Lack of supply–side constraints:** The most significant limitation of economic impact analysis using multipliers is the implicit assumption that the economy has no supply–side constraints. That is, it is assumed that extra output can be produced in one area without taking resources away from other activities, thus overstating economic impacts. The actual impact is likely to be dependent on the extent to which the economy is operating at or near capacity.
- **Fixed prices:** Constraints on the availability of inputs, such as skilled labour, require prices to act as a rationing device. In assessments using multipliers, where factors of production are assumed to be limitless, this rationing response is assumed not to occur. Prices are assumed to be unaffected by policy and any crowding out effects are not captured.
- **Fixed ratios for intermediate inputs and production:** Economic impact analysis using multipliers implicitly assumes that there is a fixed input structure in each industry and fixed ratios for production. As such, impact analysis using multipliers can be seen to describe average effects, not marginal effects. For example, increased demand for a product is assumed to imply an equal increase in production for that product. In reality, however, it may be more efficient to increase imports or divert some exports to local consumption rather than increasing local production by the full amount.
- **No allowance for purchasers' marginal responses to change:** Economic impact analysis using multipliers assumes that households consume goods and services in exact proportions to their initial budget shares. For example, the household budget share of some goods might increase as household income increases. This equally applies to industrial consumption of intermediate inputs and factors of production.
- **Absence of budget constraints:** Assessments of economic impacts using multipliers that consider consumption induced effects (type two multipliers) implicitly assume that household and government consumption is not subject to budget constraints.

Despite these notable limitations, Input-Output techniques provide a solid approach for assessing the direct and flow on economic impacts of a project or policy that does not result in a significant change in the overall economic structure.

Drivers of Economic Impact

In order to understand the economic impacts likely to result from the Proposal, it is necessary to distinguish economic impacts during the construction phase and those economic impacts that will be more permanent following construction completion.

- **Construction Phase:** Construction activity will draw resources from and thereby generate economic activity in the Orange economy as well as from outside the Orange LGA.

  Assumptions are made on the proportion sourced from within and from outside Orange. Given that the Site remains as a largely vacant and undeveloped land parcel under the Base Case, the construction phase is assessed for the Proposal Case only.

- **Operational Phase:**
  - **Base Case:**
    - The Site remains in its existing use as largely vacant and undeveloped land.
  - **Proposal Case:**
    - The Site will accommodate 'dispersed employment' (i.e. persons working from home) in the 330 new dwellings.
    - The Site will facilitate additional household expenditure through the 330 new dwellings.

As the Site remains a largely vacant and undeveloped landholding under the Base Case Scenario, economic modelling has only been carried out for the Proposal Case.

Construction Phase

For modelling purposes, construction costs (including contingency) for the Proposal Case were broken down into their respective Australian and New Zealand Standard Industrial Classification (ANZSIC) industries.

The breakdowns were developed based on the following assumptions by Atlas regarding the most appropriate ANZSIC industries for each activity.

Table S1-2: Construction Cost Allocation (including Contingency)

Item	Cost ($M)	ANZSIC
Site Preparation	$5.1	Construction Services
Residential Construction (Apartments)	$27.7	Residential Building Construction
Residential Construction (Medium Density)	$78.5	Residential Building Construction
Residential Construction (Low Density)	$87.9	Residential Building Construction
Landscaping	$3.5	Non-Residential Building Construction
Ground level carparking	$1.6	Non-Residential Building Construction
Site Costs	$6.13	Heavy and Civil Engineering Construction
Professional Fees	$18.93	Professional, Scientific and Technical Services
Total	**$229.30**	

Note: numbers may not sum due to rounding
Source: Atlas

Of the above capital outlay, not all activity will be undertaken within the Orange LGA economy. It was assumed:

- Approximately 75% of the direct expenditure on construction-related activity would be sourced from local businesses and labour. Of this:
    - Approximately 25% of purchases on goods and services (supply chain related activity) made by construction-related businesses sourced from outside Orange would be spent within the local economy (i.e., 25% of the Type I flow on activity associated with non-local construction companies is assumed to represent additional local activity in Orange).
    - Approximately 5% of wages and salaries paid to construction-related workers sourced from outside the region would be spent on local goods and services, such as food and beverages (i.e. 5% of the Type II).

Only flow-on activity of locally sourced professional, scientific and technical services activity (75%) is included, as it is not anticipated professional, scientific and technical services businesses located outside of Orange would purchase goods/ services locally.

Operational Phase

In order to model the economic impacts, operational employment levels for the economic activity occurring in Proposal Case were categorised into the ANZSIC industries. This categorisation was based on the industry mix of workers residing in the Orange LGA in 2021 (ABS, 2022).

In the Proposal Case, employment estimates were generated from potential dispersed employment (i.e. residents working from home). This is illustrated in **Table S1-3**. Employment by industry estimates were converted to a direct output value using a multiplier based on the transaction tables developed for this assessment (ABS, 2023a). The resultant estimates of output were modelled as the direct activity associated with the Proposal Case.

Table S1-3: Operational FTE Allocation of Floorspace, Proposal Case

Use/ANZSIC	Employment (FTE)	Output ($M)
Agriculture, Forestry and Fishing	1	$0.3
Mining	2	$2.1
Manufacturing	1	$0.7
Electricity, Gas, Water and Waste Services	0	$0.2
Construction	2	$1.3
Wholesale Trade	1	$0.2
Retail Trade	2	$0.4
Accommodation and Food Services	2	$0.3
Transport, Postal and Warehousing	1	$0.3
Information Media and Telecommunications	0	$0.2
Financial and Insurance Services	0	$0.2
Rental, Hiring and Real Estate Services	0	$0.2
Professional, Scientific and Technical Services	1	$0.3
Administrative and Support Services	1	$0.3
Public Administration and Safety	2	$1.0
Education and Training	2	$0.4
Health Care and Social Assistance	5	$0.7
Arts and Recreation Services	0	$0.1
Other Services	1	$0.2
Total	**25**	**$9.4**

Source: Atlas

Household Expenditure

This section outlines the household expenditure that would be associated with the new dwellings proposed as part of the Proposal Case, and potential economic activity supported.

The household expenditure activity supported should not be combined with the impacts in the section above, as some of these impacts are likely to have already been captured in the assessment (e.g. some expenditure on retail and food and beverages by households is likely to spent at the outlets locating on the Site).

This section is to understand specific economic activity supported in the Orange LGA through household expenditure as its own separate analysis.

The ABS Household Expenditure Survey (ABS, 2017) was used to identify the proportion of weekly household incomes that are spent across expenditure items in the Orange LGA. The fourth quintile of NSW residents was used to best represent the expenditure patterns of residents in the surrounding catchment area.

The household survey only contains household expenditure data, and individual residents must be converted to an equivalent number of households. This was achieved by applying the estimated number of dwellings and a vacancy rate of 2% (representative of the current rental market).

This data was converted to 2023 values (ABS, 2023b), annualised and allocated into their respective ANZSIC industries. The breakdown to ANZSIC industries was developed based on assumptions by Atlas regarding the most appropriate ANZSIC industries for each activity. **Table S1-4** shows the household expenditure estimates for the Orange LGA under the Proposal Case.

Table S1-4: Housheold Expenditure Estimates (Proposal Case)

ANZSIC	Total Spend ($M)	% Spent in Orange LGA	Local Spend ($M)
Ownership of Dwellings	$7.2	100%	$7.2
Retail Trade	$6.9	80%	$5.5
Food and Beverage Services	$3.6	80%	$2.9
Personal Services	$2.0	75%	$1.5
Other Services	$2.2	70%	$1.5
Telecommunication Services	$1.2	60%	$0.7
Road Transport	$3.3	80%	$2.6
Rail Transport	$1.7	50%	$0.8
Air and Space Transport	$0.6	20%	$0.1
Sports and Recreation	$2.8	75%	$2.1
Primary and Secondary Education Services (incl Pre-Schools and Special Schools)	$0.4	75%	$0.3
Technical, Vocational and Tertiary Education Services (including Undergraduate and Postgraduate)	$0.3	75%	$0.2
Arts, Sports, Adult and Other Education Services (including Community Education)	$0.1	75%	$0.1
Health Care Services	$1.9	80%	$1.5
Heritage Creative and Performing Arts	$1.2	80%	$1.0
Electricity Transmission, Distribution, On Selling and Electricity Market Operation	$0.4	60%	$0.3
Total	**$35.6**	**79%**	**$28.3**

Notes: Totals may not sum due to rounding. Source: ABS (2017), Atlas

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