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AMENDMENT C395 GREATER GEELONG SETTLEMENT STRATEGY

EXPERT EVIDENCE STATEMENT **(INTERIM)**

PAUL SHIPP, DIRECTOR, URBAN ENTERPRISE

DOMINION PROPERTY GROUP

29 OCTOBER 2019



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1. QUALIFICATIONS

1. My name is Paul Shipp and I am a Director of Urban Enterprise Pty Ltd, of Level 1, 302-304 Barkly Street, Brunswick.
2. Urban Enterprise is a firm of urban planners, urban economists and tourism planners. The firm has 30 years experience providing consultancy services to all levels of Government and a wide range of private sector organisations in Victoria and in other States of Australia.
3. I am a qualified urban planner and economist with 14 years experience and specialise in the field of urban economics.
4. I have prepared many residential land demand and supply assessments on behalf of Councils and developers and have appeared as a Planning Panel Expert Witness in respect of land demand and supply on many occasions, including within the City of Greater Geelong.
5. My Curriculum Vitae is included in Appendix B to this statement.
6. My educational qualifications and memberships of professional associations include:
 - Bachelor of Urban Planning and Development, University of Melbourne;
 - Master of Commerce, RMIT University;
 - Member and Registered Planner (RPIA), Planning Institute of Australia; and
 - Member, Victorian Planning and Environmental Law Association.

2. ENGAGEMENT

2.1. INSTRUCTIONS

7. I have been instructed by Dominion Property Group (**DPG**) on behalf of Morgan and Griffin to prepare an expert evidence statement to present at the Planning Panel hearing in relation to this matter.
8. I understand that Morgan and Griffin are submitting on behalf of Oakdene West Pty Ltd and Barwon Region Water Corporation. Oakdene West Pty Ltd is the registered proprietor of land at 231-299 Grubb Road and Barwon Region Water Corporation are the registered proprietor of 201-209 Grubb Road, Wallington. These properties are collectively referred to as the **subject site**.
9. My instructions are to:

“Provide expert evidence for presentation to the C395 Planning Panel based on your area of expertise. As part of your evidence, you are required to comment on:

 - The potential for an alternative Ocean Grove enduring settlement boundary;
 - The appropriateness of the landholdings being included and redeveloped within a future Ocean Grove settlement boundary; and
 - The appropriateness of defining the Ocean Grove settlement boundary in the Settlement Strategy 2018 (as contained in Amendment C395) and the requirement for “further work” to review the Ocean Grove Structure Plan (and long term growth options) by no later than 2021, as detailed in Clause 21-14-4 (Implementation) of the Greater Geelong Planning Scheme.”

2.2. SCOPE OF THIS STATEMENT

10. This statement summarises my analysis of demand and supply of residential land in Ocean Grove as set out in the “Ocean Grove – Residential Land Demand and Supply Update” report prepared by Urban Enterprise in May 2019 (the **May 2019 report**).
11. I was the lead author of the May 2019 report which is appended to this statement at **Appendix C**.
12. The findings of the May 2019 report are summarised in Section 3 of this Statement. I intend to rely on these findings for the purpose of participating in a conclave of experts on land demand and supply as directed by the Panel.
13. I am currently in the process of updating the analysis in the May 2019 report to include the most recent data available, and I am also currently reviewing the implications of the Amendment on land supply in Ocean Grove as relevant to my instructions.
14. Given the limited time available between my engagement and the date for circulation of evidence which is subject to a conclave of experts, this further work will be included in a supplementary evidence statement which I intend to circulate on 6 November 2019.

2.3. DOCUMENTS AND MATERIALS RELIED ON

15. The documents and materials relied on to prepare the May 2019 report are as follows:
 - a. The Ocean Grove Structure Plan, City of Greater Geelong, 2007 (the **2007 Structure Plan**);
 - b. The Ocean Grove Structure Plan, City of Greater Geelong, December 2015 (the **2015 Structure Plan**);
 - c. G21 Regional Growth Plan (**RGP**), G21 Geelong Region Alliance, April 2013;
 - d. G21 Regional Growth Plan Implementation Plan, G21 Geelong Region Alliance, December 2013;
 - e. Residential Land Supply Monitoring Project, G21 Region (Geelong), Spatial Economics, June 2015 (the **G21 Land Supply report**);
 - f. A Guide to Property Values, Department of Environment, Land, Water and Planning, 2018;
 - g. Victoria in Future 2016 (official State Government population projections);
 - h. Data on recent lot sales in Ocean Grove provided to me by Morgan and Griffin;
 - i. ABS Census and other ABS data relating to population growth, housing and demographics; and
 - j. Greater Geelong Planning Scheme;
16. A copy of the relevant information that is required to accord with the Planning Panels Victoria – Expert Evidence is attached at Appendix A to this report.

3. LAND DEMAND AND SUPPLY IN OCEAN GROVE

17. The findings of the May 2019 report are summarised in this section. The full report is included in Appendix C.

3.1. RESIDENTIAL LAND SUPPLY

18. I estimate that the total practical zoned residential lot supply in Ocean Grove in February 2019 was 2,736 lots as summarised in Table 1.

19. This assessment of lot supply was based on the following steps:

- i. The available zoned land supply reported in the Spatial Economics Geelong report, 2015;
- ii. A series of reductions to exclude land that is now being used for non-residential purposes and lots that have since been development for dwellings (based on a review of aerial photography undertaken by my office); and
- iii. Application of a lot supply discount of 15% to take into account my view that not all lots will be made available to the market within a reasonable timeframe for a variety of reasons, such as vacant lots owned for investment purposes, broadhectare land owned by individuals who do not have the intention or capacity to develop, or lots that are potentially constrained due to issues such as infrastructure delivery or sequencing.

T1. OCEAN GROVE RESIDENTIAL LAND SUPPLY, FEBRUARY 2019

	Broadhectare	Vacant Lots	Total
Spatial Economics Geelong report (2015)	3,629	423	4,052
Urban Enterprise Reduction	554	279	833
Revised Supply (all lots) (2019)	3,075	144	3,219
Discounted supply (85%)	2,614	122	2,736

Source: Spatial Economics, June 2015 and Urban Enterprise, 2019.

3.2. RESIDENTIAL LAND DEMAND

20. The May 2019 report considers a range of indicators of residential land demand, including population growth, population projections, the rate of dwelling occupancy, dwelling approvals and property values.

21. Table 2 shows a summary of the various measures of residential dwelling demand. Based on the weight of evidence, the May 2019 report concluded that it would be reasonable to plan for a rate of dwelling demand between 250 and 300 dwellings per annum over the short to medium term in Ocean Grove.

T2. SUMMARY OF DWELLING DEMAND MEASURES

Source	Geography	Period	Dwellings per annum	Comments
G21 'Development' rate	Ocean Grove Settlement	2012/13 – 2014/15	200	
ABS Dwelling Approvals	Ocean Grove SA2	2013/14 - 2017/18	437	Includes part of the Armstrong Creek Growth Area.
VBA Building Approvals	Ocean Grove Suburb	2014 – 2018	310	
VIF 2016	Ocean Grove Settlement	2018 – 2036	252	Adopts a discounted population growth rate of 2.25% per annum to account for Armstrong Creek impact.
Estimated Future Demand Rate	Ocean Grove Settlement	2018 – 2036	250 – 300	Adopts a range between historical and projected demand

Source: Urban Enterprise, 2019.

3.3. ADEQUACY OF LAND SUPPLY

22. The May 2019 report concluded that in February 2019 there were between 9 and 11 years of residential land supply available in Ocean Grove, and that this indicated a need for additional land supply in the short term given the long lead times required to review the Ocean Grove Structure Plan, prepare and complete a Planning Scheme Amendment to rezone land and bring this land to the market.
23. The May 2019 report notes that if further land is not rezoned in Ocean Grove, then it is likely that supply will become critically low with negative consequences for affordability and availability of housing in the town.
24. The May 2019 report estimated that the subject site could contribute to the residential land supply in Ocean Grove by accommodating approximately 1,100 lots which would provide between 3.5 and 4.5 years of supply.

4. CONCLUSIONS

25. I make the following provisional conclusions based on the May 2019 report.
- a. As at February 2019, there was between 9 and 11 years of residential land supply available in Ocean Grove, indicating a need for additional land supply in the town in the short term to meet market needs.
 - b. If land is not rezoned and brought to the market in the short term, it is likely that supply will be critically low with negative consequences for affordability and availability of housing in Ocean Grove.
26. These opinions will be reviewed and updated as part of my supplementary statement.

DECLARATION

I have made all the enquiries that I believe are desirable and appropriate and no matters of significance which I regard as relevant have to my knowledge been withheld from the Panel.



Paul Shipp
Director, Urban Enterprise Pty Ltd
BUPD, MCom, MPIA, RPIA

APPENDIX A PLANNING PANELS VICTORIA REQUIREMENTS: EXPERT WITNESS STATEMENTS

NAME AND ADDRESS

Name: Paul A. Shipp

Position: Director, Urban Enterprise Pty Ltd

Address: Level 1, 302-304 Barkly Street, Brunswick, Vic 3056

QUALIFICATIONS

- Bachelor of Urban Planning and Development, University of Melbourne;
- Master of Commerce, RMIT University.
- Registered Planner, Planning Institute of Australia;
- Member, Victorian Planning and Environmental Law Association.

EXPERIENCE

I am a qualified urban planner and economist with 14 years experience and specialise in the field of urban economics.

I have prepared many residential land demand and supply assessments on behalf of Councils and developers and have appeared as a Planning Panel Expert Witness in respect of land demand and supply on many occasions, including within the City of Greater Geelong.

My Curriculum Vitae is included in Appendix B to this statement.

AREAS OF EXPERTISE

Areas of expertise include strategic planning, urban economics and development contributions.

INSTRUCTIONS

My instructions are to:

“Provide expert evidence for presentation to the C395 Planning Panel based on your area of expertise. As part of your evidence, you are required to comment on:

- The potential for an alternative Ocean Grove enduring settlement boundary;
- The appropriateness of the landholdings being included and redeveloped within a future Ocean Grove settlement boundary; and
- The appropriateness of defining the Ocean Grove settlement boundary in the Settlement Strategy 2018 (as contained in Amendment C395) and the requirement for “further work” to review the Ocean Grove Structure Plan (and long term growth options) by no later than 2021, as detailed in Clause 21-14-4 (Implementation) of the Greater Geelong Planning Scheme.”

FACTS, MATTERS AND ASSUMPTIONS RELIED UPON

I relied on the following for my assessment as part of the May 2019 report:

- The Ocean Grove Structure Plan, City of Greater Geelong, 2007 (the **2007 Structure Plan**);
- The Ocean Grove Structure Plan, City of Greater Geelong, December 2015 (the **2015 Structure Plan**);
- G21 Regional Growth Plan (**RGP**), G21 Geelong Region Alliance, April 2013;
- G21 Regional Growth Plan Implementation Plan, G21 Geelong Region Alliance, December 2013;
- Residential Land Supply Monitoring Project, G21 Region (Geelong), Spatial Economics, June 2015 (the **G21 Land Supply report**);
- A Guide to Property Values, Department of Environment, Land, Water and Planning, 2018;
- Victoria in Future 2016 (official State Government population projections);
- Data on recent lot sales in Ocean Grove provided to me by Morgan and Griffin;
- ABS Census and other ABS data relating to population growth, housing and demographics; and
- Greater Geelong Planning Scheme;
- My familiarity with the town of Ocean Grove and the surrounding areas; and
- Relevant experience.

DOCUMENTS AND MATERIALS USED

See above.

IDENTITY OF PERSONS UNDERTAKING THE WORK

Paul A. Shipp

SUMMARY OF OPINION

Refer to Section 4: Conclusions.

APPENDIX B CURRICULUM VITAE



URBAN ENTERPRISE CURRICULUM VITAE

PAUL SHIPP

DIRECTOR BUPD MCOM RPIA

URBAN PLANNING & URBAN ECONOMICS

ABOUT

Paul is a Director of Urban Enterprise and draws on 14 years of consulting experience to lead our strategic planning and urban economic projects.

With qualifications in urban planning and economics, Paul offers public and private sector clients nuanced and independent advice based on an understanding of the economic and property market forces that influence how cities and regions develop and how strategic planning can best respond.

Paul specialises in the fields of strategic planning, infrastructure funding, economic impact assessment and land demand and supply assessments for a range of sectors including residential, retail, commercial, industrial and tourism. Paul often appears as an Expert Witness at Planning Panel, Advisory Committee and VCAT hearings in respect of urban economic matters.

Paul is committed to providing the highest quality analysis, evidence and approach to planning and is a Registered Planner with the Planning Institute of Australia. Paul advocates the importance of proper planning and ongoing professional development in the industry through recent volunteer roles on the Committee of the Victorian Division of PIA and as a co-editor of the monthly Planning News publication.

QUALIFICATIONS

- Bachelor of Urban Planning and Development, University of Melbourne
- Master of Commerce, RMIT

AREAS OF EXPERTISE

- Demographic and economic profiling
- Development contributions and open space contributions
- Land demand and supply and property market analysis for residential, retail, commercial, industrial and tourism sectors
- Retail analysis and expenditure modeling
- Economic impact assessments
- Structure plans and masterplans
- Planning policy and Planning Scheme Amendments

MEMBERSHIPS

- Registered Planner (PIA)
- Member Planning Institute of Australia (PIA)
- Member of the PIA (Victoria) Committee (2014-2018)
- Member Victorian Planning and Environmental Law Association (VPELA)

URBAN ECONOMICS

Urban economic projects and advice for developers, land owners, local government, State government and industry associations across Melbourne and regional Victoria, including:

- Employment needs and employment impact assessments;
- Employment land strategies and planning zone / policy analysis;
- Retail needs and retail impact assessments;
- Activity Centre Strategies;
- Commercial and office demand and supply assessments;
- Industrial land demand and supply assessments;
- Residential land demand and supply assessments;
- Residential property market analysis and development feasibility;
- Market assessment of land use opportunities for particular sites;
- Tourism research, market assessment and land use opportunities;
- Demographic and economic analysis;
- Facilities needs assessments (open space, community, etc);
- Economic, property and tourism input to Structure Plans and Masterplans;
- Economic impact, Benefit/Cost and Net Community Benefit Assessments;
- Economic assessment of rezoning proposals; and
- Expert evidence.

INFRASTRUCTURE FUNDING

Specialised infrastructure funding advice, strategies and analysis for developers and public sector clients across Melbourne and regional Victoria, including:

- Preparation of 15 Development Contributions Plans for residential growth areas, activity centres and employment precincts in Melbourne and regional Victoria;
- Peer review of DCPs and s173 agreements for infrastructure funding;
- Advice and preparation of alternative infrastructure funding mechanisms including s173 agreements, Shared Infrastructure Funding Plans, permit conditions and open space contributions;
- Advice to Councils regarding implementation and administration of DCPs;
- Scoping studies for DCPs and Infrastructure Contributions Plans;
- Open space contributions plans and policies;
- General infrastructure and facility funding strategies
- Cash flow and financial analysis; and
- Expert evidence.

STRATEGIC PLANNING

Preparation of long term strategic plans, planning policy and planning scheme amendments for local government, state government and developers, including:

- Structure plans and masterplans;
- Urban renewal and development strategies;
- Strategic plans for facilities (eg. Saleyards);
- Stakeholder, business and community consultation;
- Planning policy development and planning zone recommendations; and
- Planning Scheme Amendments.

APPENDIX C MAY 2019 REPORT

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OCEAN GROVE

RESIDENTIAL LAND DEMAND AND SUPPLY UPDATE

MORGAN & GRIFFIN | MAY 2019



www.urbanenterprise.com.au

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FILE

Ocean Grove Residential Demand and Supply Update FINAL 080519

VERSION

1

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1. INTRODUCTION

1.1. ENGAGEMENT

Urban Enterprise was engaged by Dominion Property Group (DPG) and Morgan and Griffin to prepare an update to the assessment of residential land demand and supply in Ocean Grove initially prepared by Urban Enterprise in 2015.

The chronology of work that Urban Enterprise has undertaken on this project is as follows:

- Ocean Grove Residential Land Demand and Supply Assessment, November 2015;
- Greater Geelong Amendment C346 Land Supply and Demand Expert Evidence Statement, Paul Shipp, April 2016; and
- Ocean Grove Residential Land Demand and Supply Update, April 2019 (this report).

1.2. OCEAN GROVE

Ocean Grove is located approximately 20km south-east of Geelong on the south coast of the Bellarine Peninsula. The township is within the City of Greater Geelong, and has an estimated residential population of 15,760 persons in 2018 (Forecast ID).

The town is a popular beachside holiday location, with 28% of dwellings unoccupied at the 2016 Census, indicating a mix of holiday homes and permanent residents. In recent years, the town has increased in popularity as a permanent residential location, with many residents commuting to Geelong.

The location of Ocean Grove is shown in Figure 1.

F1. OCEAN GROVE LOCATION



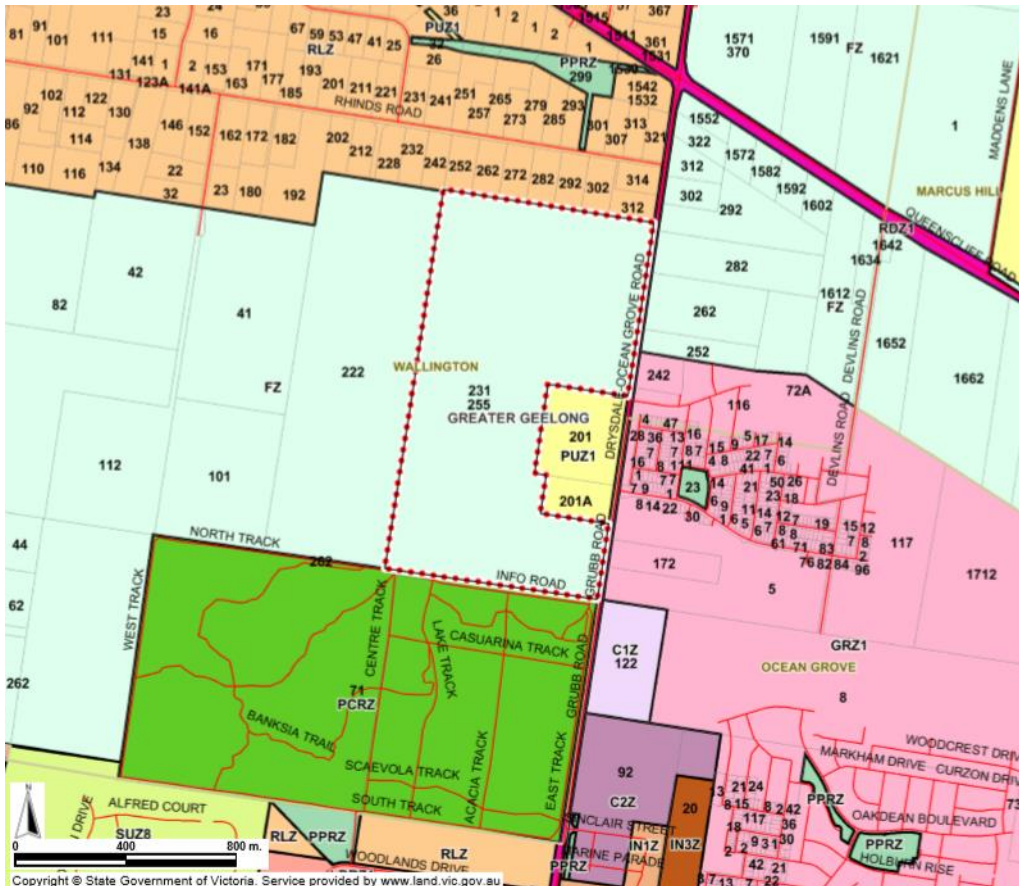
Source: Oakdene Estate

1.3. SUBJECT LAND

The subject land is located to the north of Ocean Grove and west of Grubb Road, at 231-299 Grub Road, Wallington (see Figure 2). The site has an area of approximately 94 hectares.

This study also considers adjacent land of 201 and 201A Grubb Road which is currently in the Public Use Zone.

F2. SUBJECT LAND AND ZONING



Source: Planning Maps Online, 2019

1.4. REPORT STRUCTURE

This report includes the following sections:

- Section 2: A review of relevant planning policies and strategies;
- Section 3: A summary of the current residential land supply available in Ocean Grove and other nearby towns;
- Section 4: An update to the measures of demand for residential land in Ocean Grove;
- Section 5: Commentary on the adequacy of current land supply in Ocean Grove; and
- Section 6: Conclusions and recommendations for the maintenance of an appropriate supply of land.

2. PLANNING AND POLICY CONTEXT

2.1. INTRODUCTION

This section provides an overview of the planning and policy context as it relates to the supply and residential land in Ocean Grove, the Bellarine Peninsula and Greater Geelong. Some of the planning and policy context reviewed in the previous Supply and Demand Assessment remains relevant for this current assessment, including:

- Geelong Regional Growth Plan;
- Implementation Plan; and
- State Planning Policy Framework.

Additional and updated documentation that has been prepared since the previous assessment that has been reviewed includes:

- Greater Geelong Settlement Strategy;
- Ocean Grove Structure Plan (2016); and
- Amendment C346 Panel Report.

2.2. STATE AND REGIONAL POLICY

STATE PLANNING POLICY FRAMEWORK

Clause 11.02-1S to the Planning Scheme includes a strategy to “plan to accommodate projected population growth over at least a 15 year period and provide clear direction on locations where growth should occur. Residential land supply will be considered on a municipal basis, rather than a town-by-town basis”.

GEELONG REGIONAL GROWTH PLAN

The G21 Regional Growth Plan (RGP) was prepared in April 2013 and remains relevant to the project.

The RGP provides the overarching regional strategy for urban growth in the Geelong region, including the Bellarine Peninsula. The RGP provides strategic support for urban growth on the Bellarine Peninsula to be directed to the designated “District Towns” of Ocean Grove, Drysdale and Leopold.

The RGP includes the following observations relevant to land supply and demand:

- A critical driver for managing and sustaining growth in the region is an “adequate land supply in the region across various housing, industry and commercial market segments that provides for choice and affordability and which can respond to increased growth activity”; (p.24)
- “Encourage growth of district towns or centres consistent with existing Structure Plans/Growth Plans”, including Ocean Grove. The Plan “reinforces the role of a number of larger district towns and nodes for growth based on capacity, provision of land supply in key housing segments and the provision of goods and services to town catchments” and “allows for growth of these centres to be contained to existing settlement boundaries as generally identified in Structure Plans.” (p.28);
- “Allowances for minor boundary adjustments [for district towns] should follow a Structure Plan review process” (p.28);
- Longer term growth areas are identified in the plan due to a range of factors and variables, including:
 - “The difficulty of predicting the actual growth rate. Future growth rates are anticipated to be between 1.5% and 2.5% over the life of the Growth Plan”;

- “The opportunity to provide a competitive house and land market”; and
- “The need to ensure the range of housing options and market segments have sufficient supply to respond to market interest, demand and activity, particularly to the west of Melbourne.” (RGP, p.29)

The G21 Regional Growth Plan Implementation Plan (2013) includes further commentary on urban growth and land supply relevant to this report. The Implementation Plan includes the regional level action to “Review structure plans in line with Growth Plan including analysis of identified growth area suitability/capacity” and “monitor 15 year land supply and growth activity annually” (p.66).

The Implementation Plan points to the following considerations for “determining adequacy of supply and trigger points for new land to be rezoned/developed:

- Level of competition which can affect release rates and pricing;
- Extent of land that is not readily developable for example, is severely constrained by flooding, land owners are reluctant to develop the land or land is quarantined for other uses;
- Different housing markets, market behaviour and demand between areas;
- Infill housing activity;
- Lead times for land development;
- Pattern of development and the delivery of infrastructure;
- Strategic growth priorities - growth areas versus low or limited growth areas and extent of planned growth areas identified but not zoned; and
- Growth Plan directions and State Planning Policy Framework provisions including those associated with the Metropolitan Planning Strategy.” (p.82-83)

GREATER GEELONG SETTLEMENT STRATEGY

The Greater Geelong Settlement Strategy (2018) was adopted by Council in October 2018 but is yet to be implemented into the Planning Scheme.

The Strategy sets out a recommended future settlement hierarchy based on housing needs and trends. The Strategy recommends that the majority of future housing needs across the municipality should be met within urban Geelong through development in the three major growth areas (Armstrong Creek, Northern and Western Geelong Growth Areas) and through increased housing consolidation within urban Geelong.

In respect of the Bellarine Peninsula, the Strategy:

- Recommends discontinuing use of the term ‘growth area’ for some towns on the Bellarine Peninsula including Ocean Grove;
- Identifies that Bellarine Peninsula township residential land can accommodate 20 years of projected demand;
- Cautions that continued growth beyond existing township borders could impact landscape character that is integral to the area’s attraction and unique character;
- Recommends permanent settlement boundaries to retain the character of the Peninsula.

If the Settlement Strategy is incorporated into the Planning Scheme, the extent of urban growth that may occur in Ocean Grove may be restricted to the existing identified area and may present difficulty in re-aligning the settlement boundary in the future.

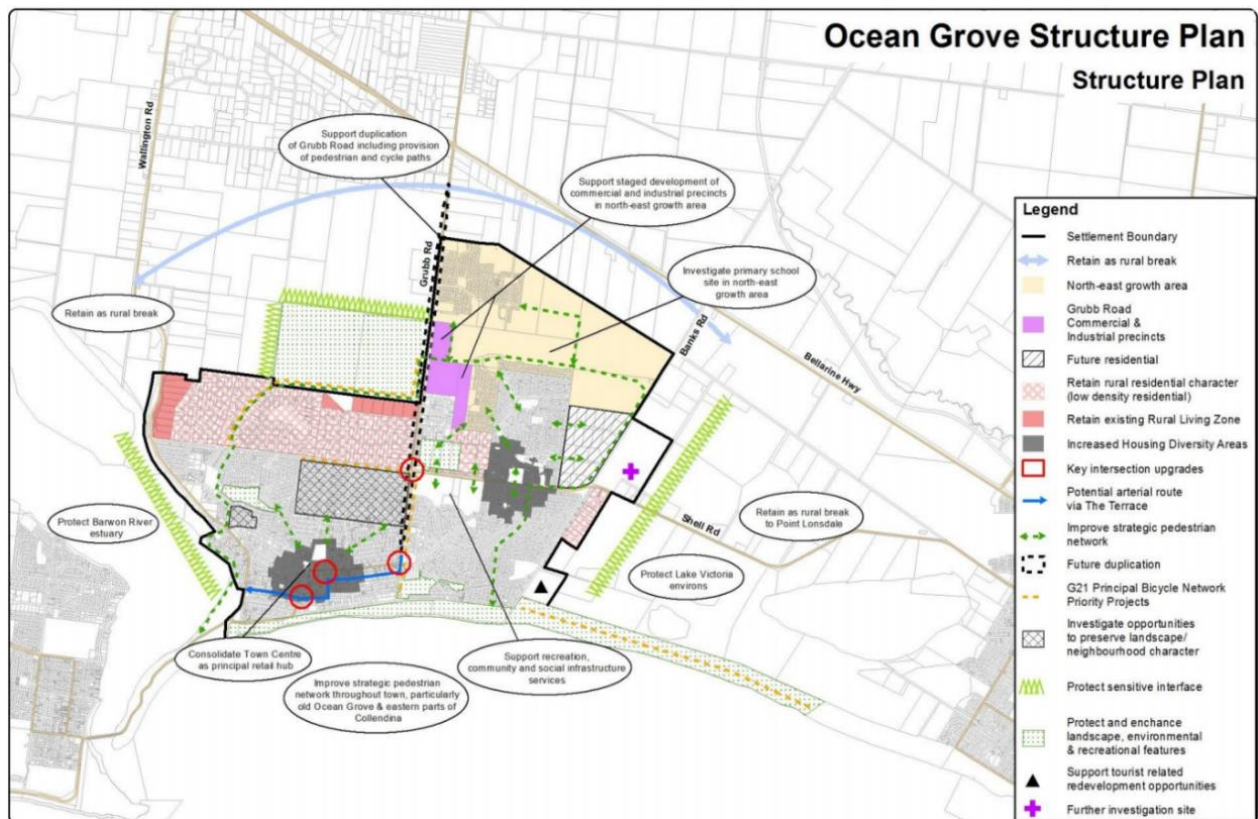
The Settlement Strategy requires approval through a Planning Scheme Amendment process prior to forming part of planning policy.

2.3. OCEAN GROVE STRUCTURE PLAN

The Ocean Grove Structure Plan was initially prepared in 2007 and updated in 2015. The 2015 Structure Plan drew on a background report which included analysis of population growth projections, land supply and demand indicators. The Structure Plan was then amended in 2016 (the **Amended Structure Plan**) to include the recommendations of the Planning Panel Report for Amendment C346.

The Ocean Grove Structure Plan map, which now forms part of Clause 21.14 of the Planning Scheme, is shown in Figure 3.

F3. OCEAN GROVE STRUCTURE PLAN



Source: Ocean Grove Structure Plan, 2015 (Amended 2016).

The Amended Structure Plan includes the following commentary relevant to land demand and supply:

- Urban Growth:
 - The north-east growth area will accommodate residential growth away from environmentally sensitive areas such as the coastline, Barwon Estuary and Lake Victoria environs;
 - Population of Ocean Grove in 2015 was estimated by Forecast ID to be 13,855, while a Spatial Economics assessment (conducted in 2016) provided an ERP in 2015 of 14,136;
 - The growth scenarios proposed in the Amended Structure Plan identify a projected population from Forecast ID as at 2030 of 16,105 people (additional 150 per annum), or an alternative projection scenario from Spatial Economics at 2031 of 19,766 people (additional 375 per annum);
 - The existing and future land stocks within the municipality, the region and the town are sufficient to meet the demand of population forecasts to 2030.
- Settlement and Housing:
 - Projections of average household size by Forecast ID expect a decrease from 2.49 to 2.33 by 2030;

- Dwelling occupancy is expected to remain relatively constant at 78% across the projected period.
- Forecast ID projected that between 2016 and 2036 there will be an average requirement of 102 dwellings per annum. An alternative scenario by Spatial Economics estimated in the short to medium term (0 to 15 years) will likely average around 200 dwellings per annum.

In regard to the settlement boundary, the Amended Structure Plan recommended the retention of the existing “settlement boundary 2020” and deleted the previous “long term boundary beyond 2020” shown in the 2007 Structure Plan.

The Amended Structure Plan recommends to “review the Structure Plan including an assessment of long term growth options (both infill and settlement expansion) for Ocean Grove by no later than 2021” (p. 39).

AMENDMENT C346 PANEL REPORT

Amendment C346 was gazetted on 8 December 2016, implementing the Amended Ocean Grove Structure Plan and the associated Town Centre Urban Design Framework.

The Panel Report found that the 2015 Structure Plan likely understated residential land requirements. and recognised the importance of preserving options for future long-term growth of the town.

Panel recommendations included the following:

- Preserve the potential of land to the north, north-west and east of Ocean Grove for future urban development in the long term;
- Establish an enduring settlement boundary;
- Avoid rural development of land to the north, north-west and east that would compromise the potential for urban purposes in the future;
- Review the Structure Plan every 5 years,
- Assess long term growth option for Ocean Grove no later than 2020; and
- Indicate on the Structure Plan map in relation to the north, north-west and east of Ocean Grove “*Protect long term growth potential*”.

It is noted that some Panel recommendations were not implemented or were varied by C346, including:

- The review/assessment of long term growth options for Ocean Grove is now to occur no later than 2021, rather than 2020; and
- The indication on the Structure Plan map of areas to “*Protect long term growth potential*” has not been included.

2.4. LOCAL PLANNING POLICY AND CONTEXT

The Greater Geelong Planning Scheme designates locations for urban growth in the municipality in the Municipal Strategic Statement (Clause 21.04) as Armstrong Creek, Lara West, Leopold, North East Ocean Grove and Jetty Road (Drysdale).

Since the previous version of the Demand and Supply Assessment, local policy (Clause 21.14-2) has retained the following objectives and strategies relevant to Ocean Grove:

- “Facilitate the development of Ocean Grove, Drysdale/Clifton Springs and Leopold as hubs of development and service provision on the Bellarine Peninsula;
- Direct the bulk of residential growth and retail development [on the Bellarine Peninsula] to Ocean Grove, Drysdale/Clifton Springs and Leopold consistent with the relevant Structure Plan maps;
- Encourage development which respects the coastal landscape setting of Ocean Grove, by:

- Providing reasonable sharing of views of the coast and foreshore;
- Promoting contemporary design that reflects the existing scale, setbacks, spacing, forms and materials of the buildings in the locality;
- Support the continued development of the north-east growth area as shown on the Structure Plan map;
- Encourage a range of accommodation and housing options, including aged care within and adjacent to the [Ocean Grove] town centre and other existing and proposed activity centres; and
- Ensure development [in Ocean Grove] avoids impacts on environmental assets including the Coast, Buckley Park Foreshore Reserve, Goandra Estate, Ocean Grove Nature Reserve, Barwon River/Lake Conneware and the Lake Victoria Wetlands.”

In response to the Panel recommendations for C346, some “Further work” has been added to Clause 21.14-2 in respect of Ocean Grove. The further work relates to the need for a review of the Structure Plan including assessment of long-term growth options no later than 2021, including “consideration of:

- Land to the north, north-west and east of Ocean Grove;
- The role of Ocean Grove as a district town;
- Other planned growth on the Bellarine Peninsula;
- Development trends, lot supply and housing capacity within the settlement boundary;
- The desirability of providing a diversity of living options;
- Physical and environmental constraints, including the importance of protecting the biodiversity values of the Nature Reserve and maintaining a rural break between settlements;
- The protection of landscape values and implications for the character of approaches to Ocean Grove township along the Bellarine Highway, Grubb Road and Wallington Road;
- The implications for significant agricultural uses and their employment generating potential; and
- Whether any adjustments to the settlement boundary are required.”

2.5. KEY FINDINGS

- **Council is required to ensure at least 15 years land supply across the municipality and to provide clear direction on where growth should occur.**
- **The Amended Ocean Grove Structure Plan was recently included in the planning scheme. Local policy now identifies the need for ‘further work’ to review long-term growth options and the existing settlement boundary no later than 2021.**
- **Council has recently adopted a Settlement Strategy which seeks to direct the majority of urban growth to urban Geelong as opposed to towns on the Bellarine Peninsula. This Strategy is yet to be included in planning policy and requires a Planning Scheme Amendment to do so.**

3. RESIDENTIAL LAND SUPPLY

3.1. INTRODUCTION

This section provides an update of the existing residential land supply in Ocean Grove as at February 2019.

3.2. PREVIOUS ESTIMATES OF LAND SUPPLY

According to a report prepared by Spatial Economics, as of March 2015 there was a residential land supply capacity for 4,052 lots in Ocean Grove, comprising:

- 3,629 lot capacity in broadhectare estates (exclusively in the Ocean Grove North East Growth Area and Trethowan Avenue); and
- 423 vacant lots (including approximately 200 single house blocks in the established areas and approximately 220 recently created lots in the North East Growth Area).

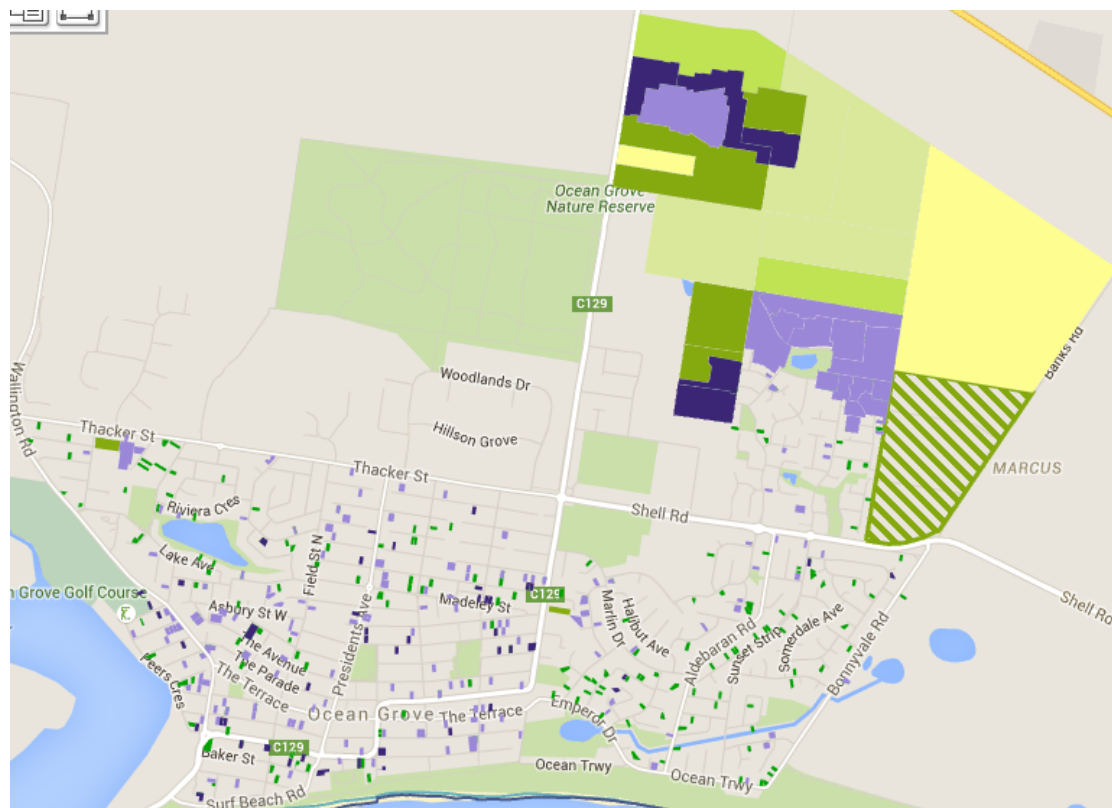
Supply data is summarised in Table 1 and the location of all land supply is shown in Figure 4.

T1. OCEAN GROVE LAND SUPPLY, MARCH 2015

	Broadhectare	Vacant Lots	Total
Ocean Grove Settlement	3,629	423	4,052

Source: Spatial Economics, June 2015.

F4. LAND SUPPLY MAP – OCEAN GROVE



Source: G21 Land Supply Monitor.

3.3. CURRENT LAND SUPPLY

A review of current land supply was undertaken by Urban Enterprise to verify the overall lot supply currently (February 2019) available in Ocean Grove.

The 2015 Spatial Economics assessment was used as the starting point for the analysis with adjustments made to reflect recent development progress and to more accurately reflect likely development yield in certain areas as follows.

RECENT CONSUMPTION OF VACANT LOTS

A review of aerial photography (Nearmap, February 2019) identified that 279 previously 'vacant' lots and 554 broadhectare lots are now occupied by a single dwelling.

Appendix A shows an example of the difference between current aerial photography and the original maps of vacant lots prepared as part of the 2015 assessment, demonstrating that many of the previous 'vacant' lots have recently been occupied.

BROADHECTARE RESIDENTIAL LAND AND YIELD

Since the previous assessment, there have been no significant rezonings to create additional land supply.

Necessary adjustments to the expected lot yield in sections of the north-east growth area were identified in the previous assessment which are considered to hold true for this update as follows:

- The Spatial Economics yield estimate for a 23.76 ha parcel to the east of the Commercial 1 Zone of 300 lots is overestimated due to the approximately 8ha of this land designated for active open space and drainage purposes. A more accurate lot yield would therefore be approximately 200 lots for this parcel, a reduction of 100 lots from the G21 Land Supply Report estimate; and
- The lot supply calculated in the G21 Land Supply Report should be considered as a theoretical maximum supply. In practice, not all of these lots will necessarily be made available to the market in the short to medium term. It is standard practice to apply a discount to the available land supply to reflect that not all lots will be made available to the market in the planning period, due to lots being held for investment purposes, and the intentions and financial capacity of landowners to subdivide land.

Given these two points, it is considered that a supply discount in the order of 10% to 20% is generally appropriate. For the purposes of this supply analysis, a discount of 15% has been applied.

Using this method, **the total practical lot supply in Ocean Grove in February 2019 is estimated at 2,736 lots** as shown in Table 2.

Much of the remaining broadhectare land supply is located in the north-east growth area, including 289 in the incomplete stages (stages 17-24) of the Oakdene Estate.

T2. OCEAN GROVE RESIDENTIAL LAND SUPPLY, FEBRUARY 2019

	Broadhectare	Vacant Lots	Total
Spatial Economics Geelong report (2015)	3,629	423	4,052
Urban Enterprise Reduction	554	279	833
Revised Supply (all lots) (2019)	3,075	144	3,219
Discounted supply (85%)	2,614	122	2,736

Source: Spatial Economics, June 2015 and Urban Enterprise, 2019.

3.4. KEY FINDINGS

- The total practical lot supply in Ocean Grove in February 2019 is estimated at 2,736 lots.
- The majority of the remaining land supply is located in the North East Growth Area.

4. RESIDENTIAL LAND DEMAND

4.1. INTRODUCTION

This section provides an update of the measures of residential land demand in Ocean Grove.

4.2. POPULATION TRENDS

Estimated Residential Population (**ERP**) is the official population measure in Australia, however ERP data is not published for individual townships such as Ocean Grove.

Forecast ID prepare 'estimates' of ERP for Council periodically – the most recent estimates are shown in Table 3. The 'estimated' ERP for Ocean Grove has increased at a rate of 451 people per annum over the past 6 years, an average rate of 3.19% per annum. The 2018 ERP for Ocean Grove according to Forecast ID is estimated at 15,760.

T3. ESTIMATED RESIDENTIAL POPULATION, OCEAN GROVE 2012-2018

	2012	2013	2014	2015	2016	2017	2018	AAG 2012-18	AAGR 2012-18
Ocean Grove (SCC)	13,052	13,175	13,539	14,009	14,608	15,215	15,760	451	3.19%

Source: Forecast ID

An alternative measure of population and trend is Usual Resident Population (**URP**) – this official ABS Census measure is published at the local level of the Ocean Grove suburb (known as the **SCC**). The population over the 10 years prior to 2016 has increased at an average rate of 2.31% per annum (289 people per year).

T4. USUAL RESIDENT POPULATION, OCEAN GROVE (SCC) 2006-2016

	2006	2011	2016	AAG 2006-16	AAGR 2006-16
Ocean Grove (SSC)	11,274	12,555	14,165	289	2.31%

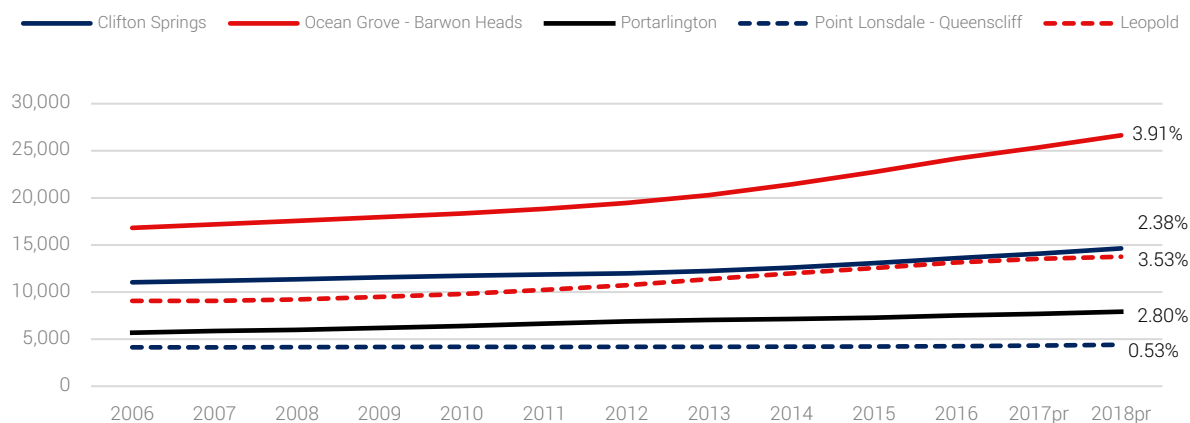
Source: ABS Census of Population and Housing, 2006, 2011 and 2016.

POPULATION GROWTH ACROSS THE BELLARINE PENINSULA

The smallest statistical area for which ERP results are published by the ABS are known as Statistical Area 2 (SA2). The Ocean Grove – Barwon Heads SA2 (which includes the townships of Ocean Grove and Barwon Heads, the surrounding rural area and a small section of the Armstrong Creek East Precinct) increased at a rate of 3.91% per annum over the period 2006 to 2018.

There was a 3.53% increase in the Leopold SA2, 2.8% per annum growth in the Portarlinton SA2 and 2.38% per annum in the Clifton Springs SA2. The population in the Queenscliff SA2 experienced the lowest growth at 0.53% per annum. Populations and growth rates for each SA2 are shown in Figure 5.

F5. ESTIMAED RESIDENTIAL POPULATION OF SA2 IN THE BELLARINE PENINSULA, 2006 - 2018



Source: ABS Regional Population Growth

4.3. DWELLING AND LOT CONSTRUCTION ACTIVITY

Although population projections provide an indication of overall future demand for dwellings at the regional level, the best measure of demand at the local level is generally considered to be dwelling approvals data. Also relevant is the rate at which new lots are being 'constructed' (created by subdivision), as these lots are predominantly pre-sold to purchasers, indicating demand for additional residential lots / land.

A number of sources provide relevant information including:

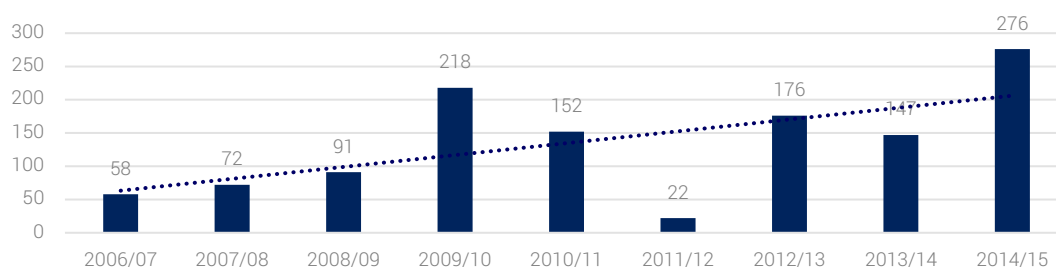
- The Spatial Economics Geelong report and the G21 Land Supply Monitor online tool (lot construction);
- ABS Building Approvals (dwelling approvals by SA2); and
- Victorian Building Authority (dwelling approvals by suburb).

4.3.1. SPATIAL ECONOMIC GEELONG REPORT

The G21 Land Supply Monitor provides data for 'Developed Residential' for the Ocean Grove settlement. 'Developed residential' is not defined, however the data appears to relate to residential lot construction. Data has not been updated for the local level since 2014/15.

Table 5 shows the developed residential rates for Ocean Grove. Below trend approval volumes in 2010/11 and 2011/12 were followed by a strong increase in 2012/13 once new land was released in the North East Ocean Grove Growth Area (C60). This demonstrates that development was likely to have been constrained by a lack of land supply in Ocean Grove in that period, as shown in Figure 6.

F6. ANNUAL DWELLING DEVELOPMENT IN OCEAN GROVE SETTLEMENT, 2006 / 7 – 2014 / 15



Source: Spatial Economics 2015, analysed by Urban Enterprise.

4.3.2. ABS BUILDING APPROVALS

Table 5 shows residential dwelling approvals for all SA2s on the Bellarine Peninsula from 2013/14 to 2017/19.

In the Ocean Grove SA2, 2,186 new dwellings were approved for construction during the period at an average of 437 per annum. This data includes some parts of the Armstrong Creek Urban Growth Area in urban Geelong. Overall, the scale of dwelling approvals in the region increased from 2013/14 to 2015/16 and remained in the order of 1,100 – 1,200 dwellings per annum in the following years.

T5. ABS DWELLING APPROVALS

	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	Average p.a.
Ocean Grove - Barwon Heads	208	395	500	537	546	437
Clifton Springs	216	183	302	296	343	268
Leopold	292	234	111	59	35	146
Portarlinton	147	107	128	159	177	144
Queenscliff	32	35	77	90	96	66
Total Bellarine	895	954	1,118	1,141	1,197	1,061

Source: ABS Dwelling Approvals

4.3.3. VICTORIAN BUILDING AUTHORITY

The Victorian Building Authority (VBA) provides data on the number of new dwellings for which a building levy has been paid (and therefore the dwellings which have been approved for construction). Data is filtered to only include single dwellings (Class 1A, being a detached house or one or more attached dwellings) to exclude all other types of buildings or structures.

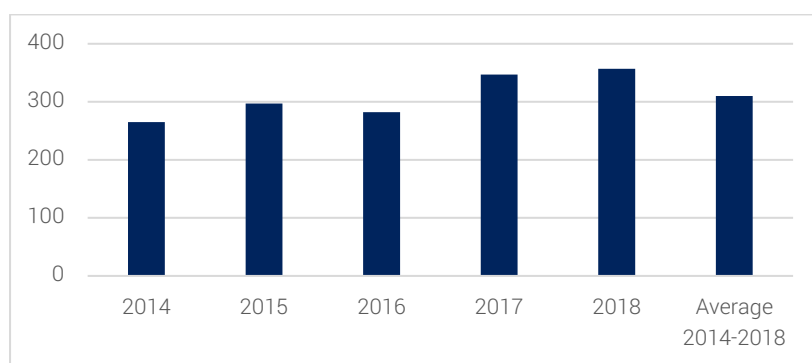
Data for the suburb of Ocean Grove is shown in Table 6, with an average number of new dwelling approvals of 310 per annum over the period 2014 to 2018. The annual number of dwellings approved increased from 282 in 2016 to 357 in 2018.

T6. ANNUAL NEW DWELLINGS APPROVED – BUILDING LEVIES

Calendar Year	New dwellings
2014	265
2015	297
2016	282
2017	347
2018	357
Average 2014-2018	310

Source: Victorian Building Authority, 2018. *Included in count for each year are levies counted for 1A, 1AI, and 1All classes of dwellings. (Class 1A defined as a single dwelling being a detached house or one or more attached dwellings).

F7. DWELLING APPROVALS



Source: Victorian Building Authority, 2018. *As per Table 7

4.4. PROPERTY VALUES

Residential property prices provide an indication of the level of demand for housing in certain areas, and can assist in identifying times at which the relationship between demand and supply may be unbalanced.

The Department of Environment, Land, Water and Planning's Guide to Property Values 2017 shows that the median values of houses and units sold in Ocean Grove have experienced steady growth over the past 10 years, with a 5.9% p.a. growth in median house prices and 6.4% p.a. growth in median unit / apartment prices between 2007 and 2018.

As shown in Figure 8, both the median house prices and median unit / apartment prices in Ocean Grove are significantly higher than Greater Geelong values. The very high unit / apartment median in Ocean Grove is likely to reflect demand for smaller dwellings for holiday rentals in Ocean Grove.

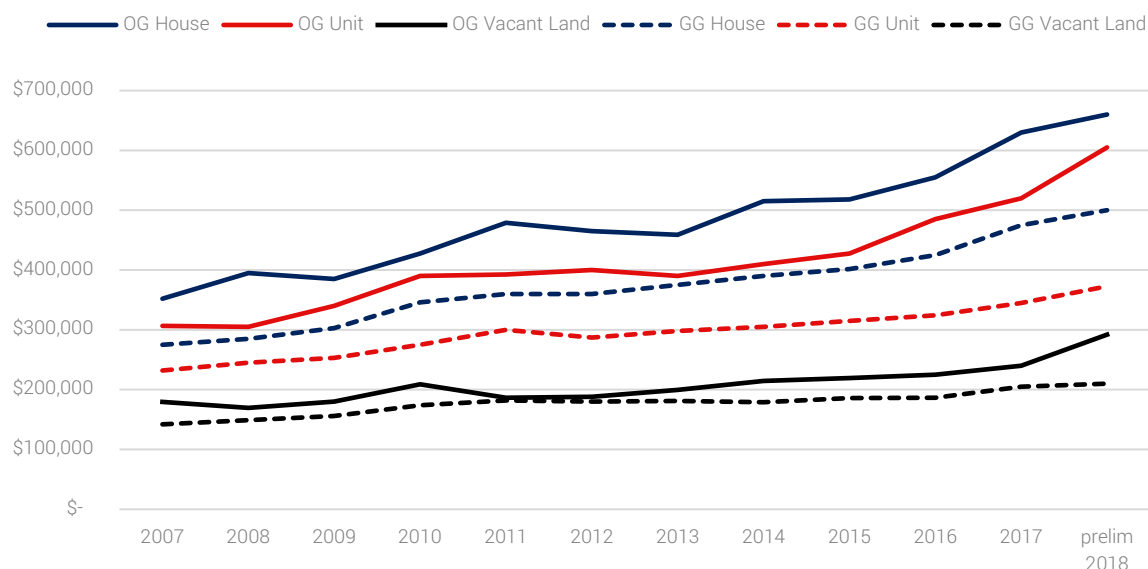
Over the past 3 years, moderate vacant lot price growth has occurred despite a steady supply of new land to the market indicating strong demand.

T7. MEDIAN PROPERTY VALUES, OCEAN GROVE AND GREATER GEELONG 2007 TO 2018

	OCEAN GROVE			GREATER GEELONG		
	House	Unit / Apartment	Vacant Land	House	Unit / Apartment	Vacant Land
2007	\$352,000	\$306,500	\$179,500	\$275,000	\$232,000	\$142,000
2009	\$385,000	\$340,000	\$180,000	\$303,000	\$253,000	\$156,000
2011	\$479,000	\$392,500	\$186,500	\$360,000	\$300,000	\$182,000
2013	\$459,000	\$390,000	\$199,500	\$375,000	\$297,950	\$181,000
2015	\$518,000	\$427,500	\$219,500	\$401,750	\$315,001	\$186,000
2017	\$630,000	\$520,000	\$240,000	\$475,000	\$345,000	\$205,000
Prelim 2018	\$660,000	\$605,000	\$292,000	\$500,000	\$372,750	\$210,000
AAGR 16-17	4.8%	16.3%	21.7%	5.3%	8.0%	2.4%
AAGR 07-17	5.9%	6.4%	4.5%	5.6%	4.4%	3.6%

Source: Department of Environment, Land, Water and Planning, A Guide to Property Values 2017.

F8. OCEAN GROVE VS GREATER GEELONG PROPERTY VALUES



Source: Department of Environment, Land, Water and Planning, A Guide to Property Values 2017.

4.5. PROJECTIONS OF DWELLING DEMAND

There are two key sources of population projections for Ocean Grove: Victoria in Future 2016 (available for sub-regions) and population projections by Forecast ID (available by suburb).

4.5.1. VICTORIA IN FUTURE 2016

Victoria in Future 2016 (VIF16) projects that the Barwon Heads Portarlington Statistical Area (VIFSA shown in Appendix A) will experience population growth at an average rate of 2.54% per annum between 2016 and 2031. This is marginally higher than the previous VIF15 projection of 2.50% per annum over the period. This statistical area includes a small section of the Armstrong Creek Growth Area which will influence the projected growth of the area in the short term.

The VIF16 projected growth rate for the overall Bellarine Peninsula is 2.12% per annum as shown in Table 8.

T8. POPULATION AND DWELLING PROJECTIONS BY VIFSA, 2016 – 2031

	POPULATION					DWELLINGS					
	2016	2021	2026	2031	AAGR 16-31	2016	2021	2026	2031	AAGR 16-31	AAG
Barwon Heads-Portarlington	43,310	49,616	56,181	63,138	2.54%	24,952	28,749	32,452	36,143	2.50%	746
Leopold-Newcomb	27,310	29,183	31,280	33,553	1.38%	12,082	13,307	14,397	15,522	1.68%	229
Total Bellarine	70,619	78,799	87,460	96,691	2.12%	37,035	42,057	46,850	51,665	2.24%	975

Source: Victoria in Future 2016. Numbers have been rounded and may not exactly reconcile.

Table 9 shows the VIF16 projections of average household size and dwelling occupancy from 2016 to 2031. This shows that there is expected to be a slight decrease in average household size 2016 to 2031 and a slight increase in occupancy rate over the projection period.

T9. PROJECTED HOUSEHOLD SIZE AND OCCUPANCY – BARWON HEADS PORTARLINGTON DISTRICT

	2016	2021	2026	2031
Avg household size	2.37	2.36	2.34	2.33
Occupancy	72.5%	72.5%	73.0%	73.8%

Source: Victoria in Future 2016.

In order to account for the impact of a small section of the Armstrong Creek growth area being included in the VIFSA, a lower projected rate of 2.25% per annum has been adopted (which is within the range of recent growth).

Table 10 shows the projected growth the Barwon Heads Portarlington Statistical Area the period of 2018 to 2036. This projection adopts the Forecast ID ERP for Ocean Grove (15,760) and applies a growth rate of 2.25% per annum and average household size and dwelling occupancy projections in Table 9.

Using this method, **the average dwelling requirement for Ocean Grove over the next 18 years would be 252 p.a.**

T10. OCEAN GROVE PROJECTED DWELLINGS REQUIREMENTS

	2018	2021	2026	2031	2036	AAG
Population	15,760	16,848	18,831	21,046	23,523	
New Population p.a		363	397	443	495	
Household Size (VIF16)		2.36	2.34	2.33	2.33	
New permanent dwellings required p.a		154	169	190	212	184
Occupancy Rate (VIF16)		72.5%	72.5%	73.0%	73.8%	
New unoccupied dwellings required		58	64	70	75	68
Total new dwellings required		212	233	260	287	252

Source: Urban Enterprise; adopting VIF16 growth rates

4.5.2. FORECAST ID POPULATION PROJECTIONS

Residential land demand studies also consider 'local' population projections, such as those prepared by Forecast ID. The latest Forecast ID population and dwelling projections appears to rely on development projections prepared in 2012 (according to the Forecast ID Greater Geelong website) and therefore may not be reflective of the current development conditions.

Forecast ID projections are based on the assumption that over the period between 2012 and 2036, an additional 1,900 lots will be developed in greenfield areas of Ocean Grove, including:

- Kingston Downs Tareeda - 135 dwellings developed over the period 2012-2019;
- Yellow Gums Estate - 161 dwellings (2012-2029);
- Kingston - 809 dwellings (2014-2036);
- Oakdene - 795 dwellings (2013-2036);
- Moderate level of infill development (24-35 dwellings per annum);
- Low level of centres development (4 dwellings per annum).

Table 11 shows that Forecast ID projects and additional population of almost 3,000 people in Ocean Grove between 2016 and 2036, growing at a rate of 149 people per annum, resulting in **a requirement for 102 additional dwellings per year over the period.**

The projected rate of dwelling growth of 102 per annum is considerably lower than current dwelling construction rates (300+ per annum) and dwelling projections based on Victoria in Future (250+ per annum).

T11. OCEAN GROVE POPULATION PROJECTIONS, FORECAST ID

Summary	2016	2021	2026	2031	2036	2016-36	AAG 2016-36
Population	14,563	15,494	16,149	16,797	17,545	+2,982	+149
<i>Population change (5yrs)</i>		<i>931</i>	<i>655</i>	<i>647</i>	<i>748</i>		
<i>Population change (average annual)</i>		<i>1.25%</i>	<i>0.83%</i>	<i>0.79%</i>	<i>0.88%</i>		
Households	5,905	6,360	6,747	7,139	7,511	+1,606	+80
Average household size	2.45	2.41	2.37	2.32	2.31	-0.14	
Population in non private dwellings	111	141	171	201	231	+120	
Dwellings	7,469	8,045	8,535	9,030	9,500	+2,031	+102
Dwelling occupancy rate	79.1%	79.1%	79.1%	79.1%	79.1%		

Source: Forecast ID

4.6. OAKDENE ESTATE

One of the two greenfield development fronts currently being subdivided in stages in Ocean Grove is known as Oakdene Estate. Oakdene Estate is located on the eastern side of Grubb Road within the north-east growth area.

Information provided by Morgan and Griffin shows that 14 stages of the development are complete and fully sold, with 4 other stages complete with some lots still to sell. Stage 17 is nearing completion and construction on Stage 18 is also underway. It is anticipated that at completion, Oakdene will have a total yield of 967 lots.

Table 12 shows the number of lots in each current and future stage and the timing of development. Between the commencement of sales in October 2011 and March 2019, the Oakdene Estate has sold an average of 80 lots per annum, or approximately 6 lots per month. This is a strong rate of lot sales for a coastal township, indicating strong demand for new residential lots in Ocean Grove.

The recent rate of sales between July 2017 and April 2019 has seen the equivalent rate of 93 lots per annum, based on monthly sales rates across this period.

The majority of lots selling ranges between 550sqm and 700sqm and are priced at a range of \$300,000 to \$360,000 for land.

T12. OAKDENE ESTATE SALES RATES

Stage	No. of Allotments	Statement of Compliance	Lots Sold	Lots remaining
1	48	28/11/2012	48	-
2	58	15/12/2012	58	-
3	47	3/7/2013	47	-
4	57	20/2/2014	57	-
5	39	21/7/2014	39	-
6	46	19/2/2015	46	-
7	49	20/11/2015	49	-
7A	11	1/5/2016	11	-
8	38	31/3/2016	38	-
9	28	23/12/2016	28	-
10	27	12/7/2017	27	-
11	9	21/7/2017	5	4
12	36	31/7/2018	36	-
13	35	21/9/2018	35	-
13A	13	20/3/2019	1	12
14	32	1/10/2018	31	1
15	41	8/2/2019	35	6
16	36	26/3/2019	13	23
17				
18				
Total	650		604	46

Source: Morgan and Griffin, April 2019

4.7. SUMMARY OF DEMAND MEASURES

Table 13 shows a summary of the various measures of demand analysed in this section.

T13. SUMMARY OF DEMAND MEASURES

Source	Geography	Period	Dwellings per annum	Comment
G21 'Development' rate	Ocean Grove Settlement	2012/13 – 2014/15	200	Increasing rate of demand, 2009 data discounted due to constrained supply
ABS Dwelling Approvals	Ocean Grove SA2	2013/14 to 2017/18	437	Increasing rate with highest in 2017/18 (546) – includes Armstrong Creek
VBA Building Approvals	Ocean Grove Suburb	2014 – 2018	310	Building approvals highest in 2017 (347) and 2018 (357)
VIF 2016	Ocean Grove Settlement	2018 – 2036	252	Adopts discounted growth rate of 2.25% to account for Armstrong Creek impact
Estimated Future Demand Rate	Ocean Grove Settlement	2018 – 2036	250 – 300	Adopts a range between historical and projected demand

Source: Urban Enterprise.

5. ADEQUACY OF SUPPLY

5.1. OCEAN GROVE

As outlined through this report, the revised estimate of current lot supply in Ocean Grove is 2,736 lots. Based on a weight of evidence of demand measures for residential land in recent years and projected growth rates, it is considered that there will be demand for between 250 and 300 dwellings per annum over the short to medium term.

As shown in Table 16, this results in a current land supply in Ocean Grove of between 9 and 11 years. Given the state policy to “plan to accommodate projected population growth over at least a 15 year period”, it is clear that additional land is likely to be enquired in the short term to meet demand and to satisfy policy requirements for land supply in Ocean Grove.

T14. ADEQUACY OF LAND SUPPLY, OCEAN GROVE

Area	Existing Zoned Supply (lots)	Demand Rate per annum	Years Zoned Land Supply
Ocean Grove	2,736	250 – 300	9 – 11 years

Source: Urban Enterprise, 2019

It is noted that in many cases, the time taken to bring currently unzoned greenfield land to the market exceeds 3 years, and can be up to the 4-5 years.

For example, if a Structure Plan review is required (as in the case of Ocean Grove, no later than 2021), this can add significant time to the overall process. As an indication, the following timeframes are typical:

- Time before the next Structure Plan review: 2 years;
- Planning Scheme Amendment Process: 2 years;
- Development Plan, DCP and planning permit process: 2 years;
- Design documentation, authority approvals and lot construction: 1 year;
- Title registration and dwelling construction: 1 year.

The above process to convert unzoned land into dwellings can take up to 8 years. If action is not taken to identify new unzoned land for future residential growth in Ocean Grove as part of the current Structure Plan review, zoned land supply could be critically low by the time that additional dwellings are brought to the market.

The importance of allowing sufficient lead time for the strategic and statutory planning processes is identified by Spatial Economics in the G21 Regional Growth Plan Background Report (p.53) as follows: “Trigger points for the release or rezoning of identified growth areas... will need to provide adequate lead time for planning and rezoning of land to ensure the timely provision of zoned land that is development ready.”

5.2. IMPORTANCE OF COMPETITION

As noted in the Residential Land Supply and Demand Expert Evidence (2016), considerations of the importance of competitive supply of new developments remain relevant. Given the status of the Oakdene development nearing the end of lot sales, the risks associated with a lack of competition in Ocean Grove are likely to increase over time.

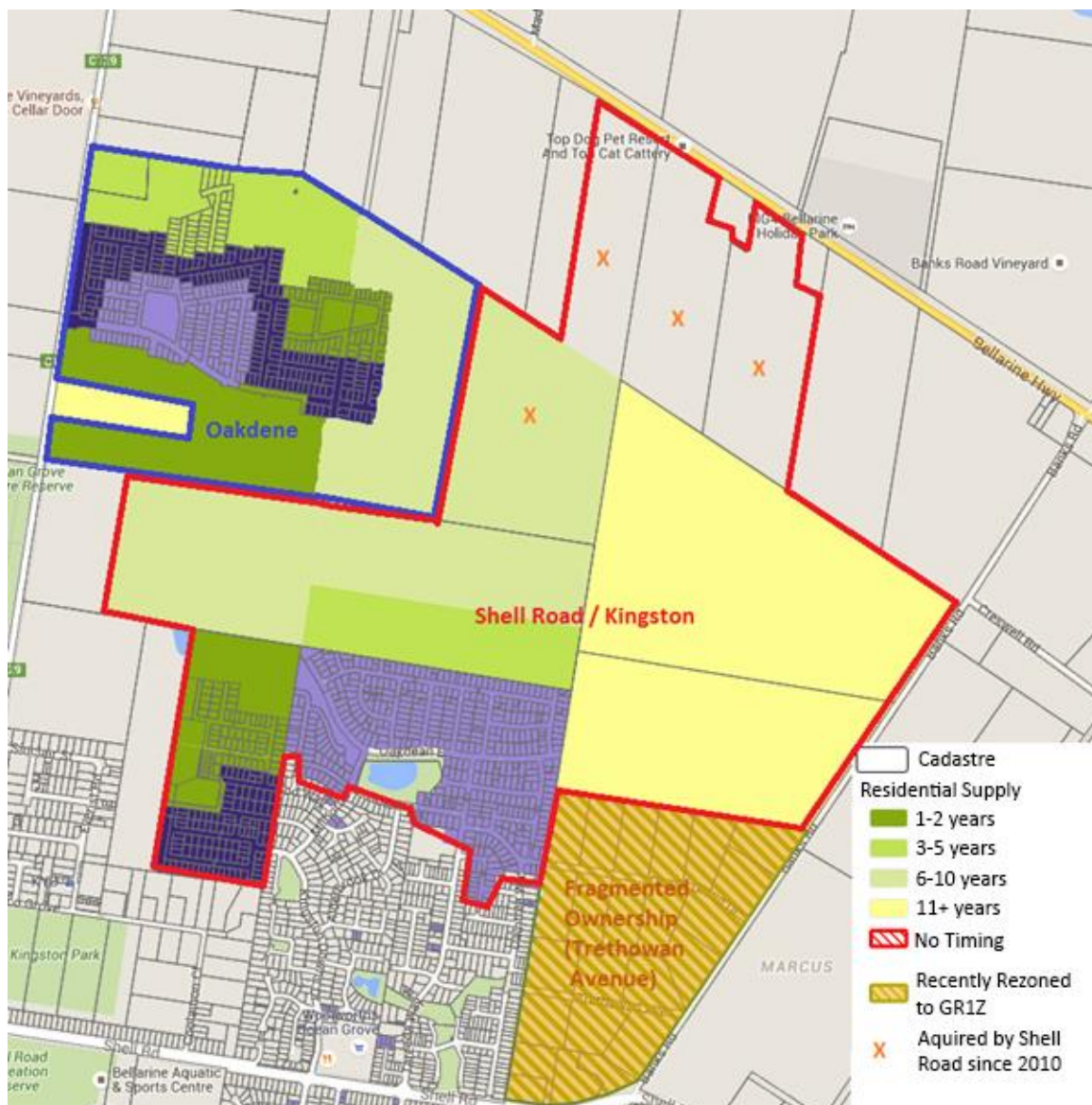
If there is only one active developer or one development site in an area, there is a significant risk that the timing and price of new lot releases will be controlled by a ‘monopoly’ developer, with the following potential outcomes:

- Slow release of lots to the market at a rate less than the underlying demand rate, thus artificially limiting demand indicators and causing buyers to look elsewhere;
- An accumulation of latent demand for property in the area, resulting in strong competition for new lots once released and therefore strong price growth;
- A greater likelihood that vacant lots will be purchased for investment purposes and not converted to dwellings to meet residential demand.

The land ownership pattern in the North East Ocean Grove Growth Area – the only growth area in Ocean Grove – is shown in Figure 9. There are currently only two major developers active in the area: Oakdene Estate, and Kingston. At the completion of this estate (approximately 3 years until completion), the Kingston developers will become the only broadhectare developers in Ocean Grove.

Smaller subdivisions will also be possible in the Trethowan Avenue area to the east of the Kingston Estate, however land is far more fragmented in this area and therefore subdivisions are likely to be significantly smaller in yield and slower in release.

F9. LAND OWNERSHIP PATTERN NORTH EAST OCEAN GROVE GROWTH AREA



Source: G21 Land Supply Monitor, ownership obtained through title searches and discussions with Morgan and Griffin.

5.3. THE SUBJECT LAND

Urban Enterprise has prepared an estimation of the potential lot yield of the subject site, based on the following assumptions:

- Total area of subject land is 94 ha;
- Encumbered land estimated from information provided on the Development Plan (shown in Figure 10) and aerial estimations (14.5 ha);
- Barwon Water land provides additional 9.6 ha;
- 80% of developable area is excluded from lot area (ie. land for internal roads);
- Average lot size of 650 sqm (density of 15.4 dw/ha)

According to the adopted assumptions, the subject land is estimated to have capacity for approximately 1,100 lots (including Barwon Water land) which would add 3.5 – 4.5 years supply at current demand levels and represents a logical extension to the existing North East Growth Area.

F10. OAKDENE WEST DEVELOPMENT PLAN, 2016



UrbanDesign and management
 Land Development | Project Management
 Planning | Urban Design | Civil Engineering

DRAFT

Preliminary Concept Plan
Oakdene West

Plan Ref: 14021_CP Rev. 8 Date 29 February 2016 Drawn MH
 © Urban Design and Management Pty Ltd

Scale 1:2,500 @ A1

Source: Urban Design and Management, 2016

5.4. KEY FINDINGS

- It is estimated that there is currently between 9 and 11 years of residential land supply available in Ocean Grove, indicating a need for additional land supply in the short term to meet market needs and state planning policy requirements.
- By the time that the next review of the Ocean Grove Structure Plan is completed and any new land is brought to the market, supply will be critically low with negative consequences for affordability and availability of housing in the town.
- The subject land could contribute to residential land supply by providing approximately 3.5 – 4.5 years of supply.

APPENDICES

APPENDIX A VACANT URBAN LOT CHANGE (2015-2019)

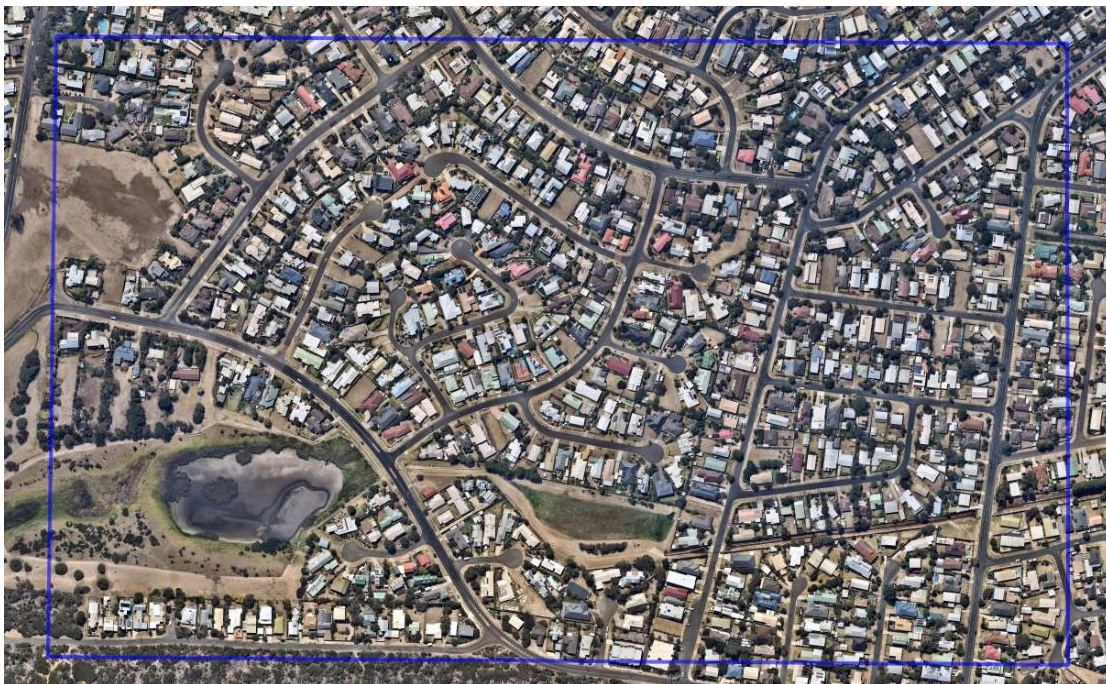
EXISTING URBAN AREA

F11. DEVELOPED URBAN AREA, OCEAN GROVE, 2015



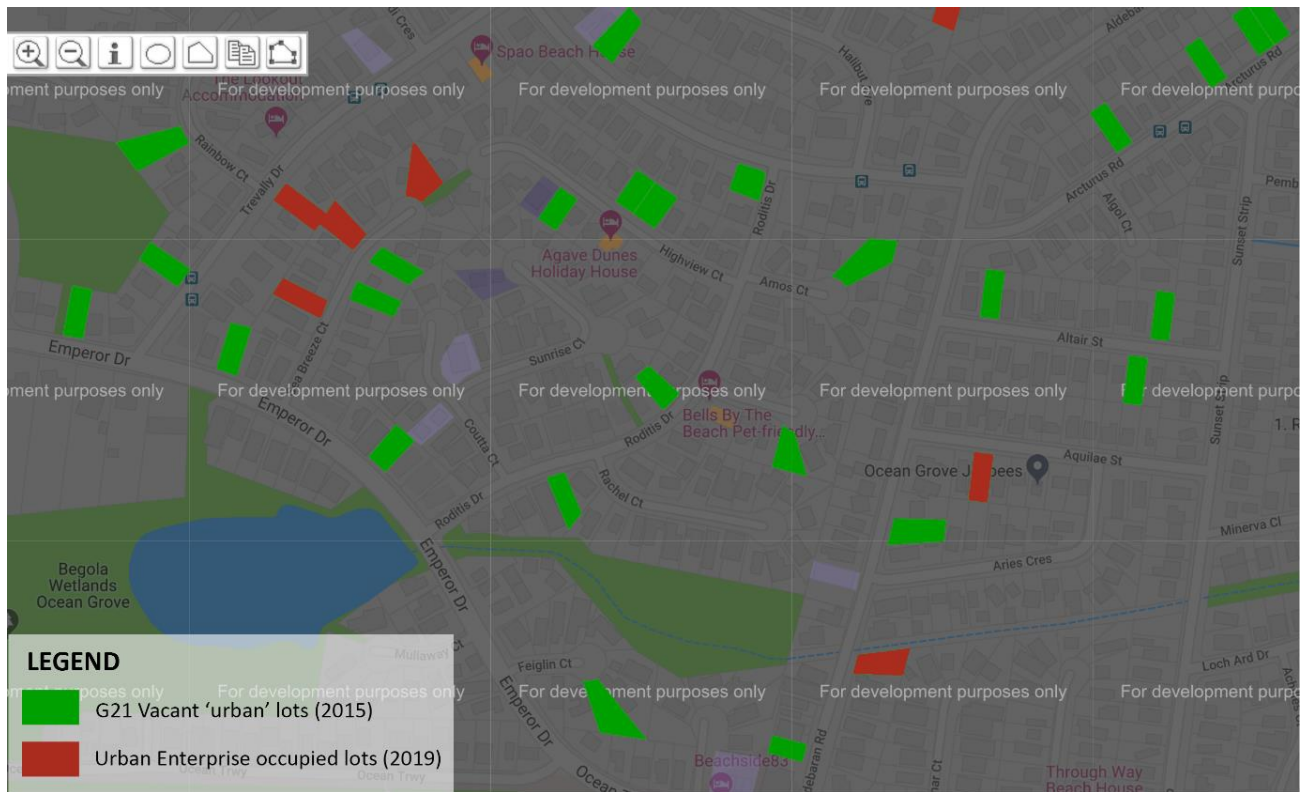
Source: Nearmap

F12. DEVELOPED URBAN AREA, OCEAN GROVE, 2019



Source: Nearmap

F13. DEVELOPED URBAN AREA VACANT URBAN LOT CHANGE, 2015-2019



Source: Spatial Economics, 2015; Urban Enterprise, 2019

GROWTH AREA

F14. GROWTH AREA, OCEAN GROVE, 2015



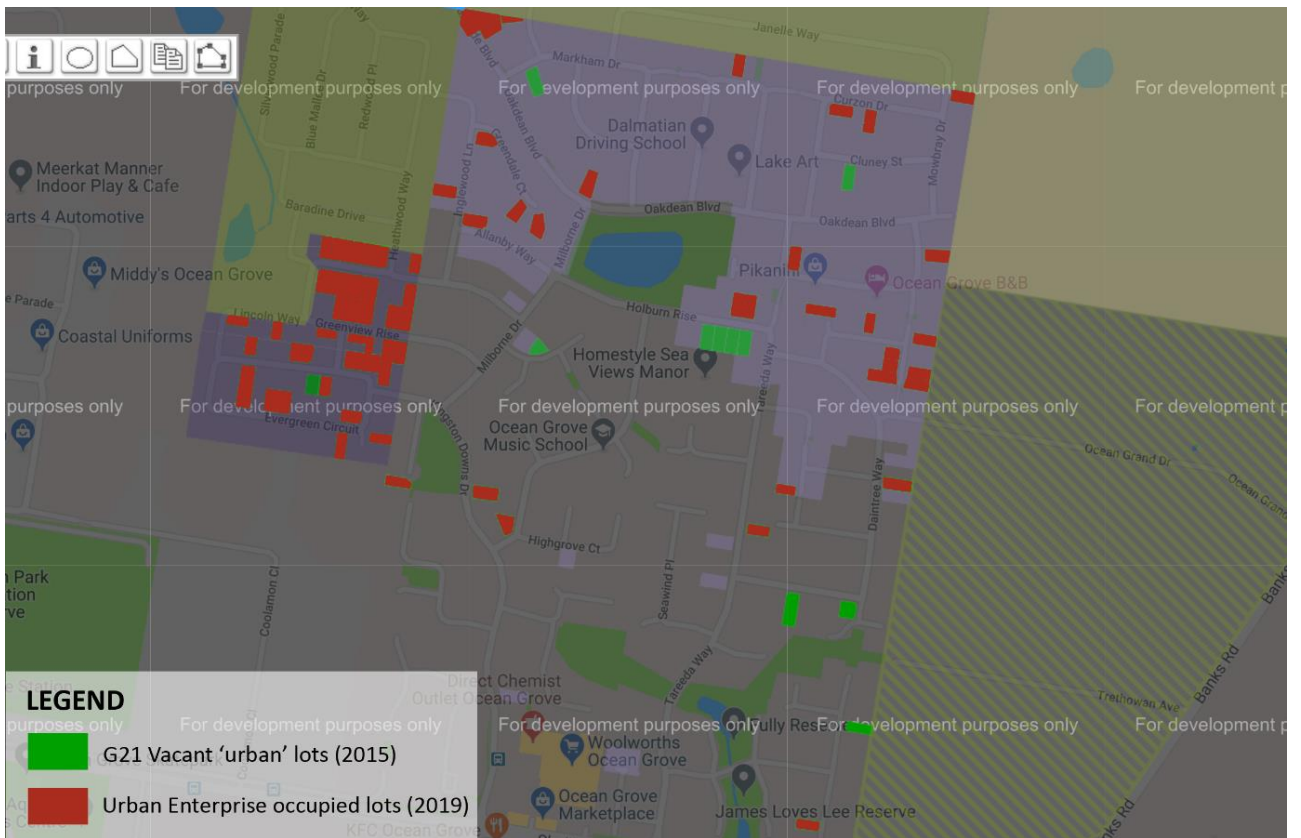
Source: Nearmap

F15. GROWTH AREA, OCEAN GROVE, 2019



Source: Nearmap

F16. GROWTH AREA VACANT URBAN LOT CHANGE, 2015-2019



Source: Spatial Economics, 2015; Urban Enterprise, 2019

APPENDIX B DATA AREAS

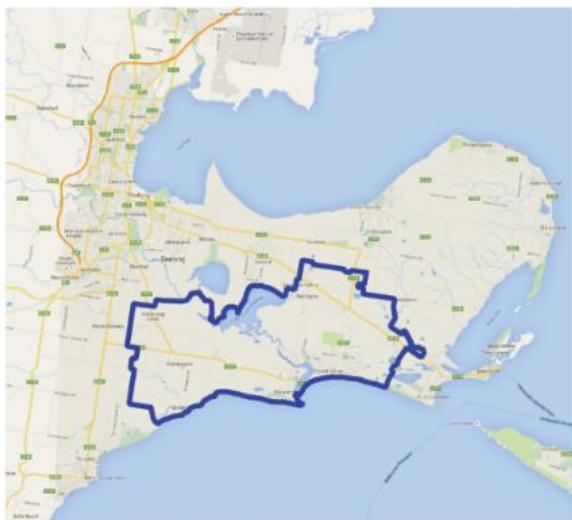
 LGA - Greater Geelong



 VIFSA - Barwon Heads - Portarlington




 SA2 - Ocean Grove - Barwon Heads



 Barwon Water Boundaries - Ocean Grove & Wallington



 State Suburb - Ocean Grove



 G21 - Ocean Grove



 Forecast ID - Ocean Grove





