

# Central Coast Local Housing Strategy Discussion Paper

DRAFT

Prepared for  
Central Coast Council

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**HIIPDA**  
CONSULTING



# Introduction

Central Coast Council is preparing a Local Housing Strategy (LHS) to understand the supply of housing on the Central Coast, the types of housing that are needed now and into the future, and potential barriers to meeting those needs. The NSW Government has produced the *Local Housing Strategy Guideline*<sup>1</sup> (the Guideline) to assist councils with the preparation of an LHS. It is a State Government requirement that the LHS be written in accordance with the Guideline.

Figure 1: The LHS in context



The need for the LHS has been identified in the Central Coast Local Strategic Planning Statement (LSPS) and Community Strategic Plan (CSP). The LSPS establishes land use planning priorities for the next 20 years for the LGA (to 2036). It includes strategies and actions to manage future growth.

The LSPS emphasises housing growth being focused in areas with high levels of liveability and occurring in a way that reinforces lifestyle and amenity in the region. The CSP nominates access to services, housing affordability, diversity and choice as key indicators of community wellbeing. The LHS is being prepared in support of these goals.

This Discussion Paper has been prepared in conjunction with a comprehensive Evidence Base Report that details the current state of population and housing on the Central Coast and projected housing needs for the future. It is intended to both synthesise key concepts from the Evidence Base Report and act as a prompt and guide for community discussion around the future of housing on the Central Coast.

The research to complete the Evidence Base has identified key questions that we are seeking community input on. This Discussion Paper aims to present key findings from the Evidence Base alongside those questions for community input.

It should be noted that the Department of Planning, Industry and Environment is currently publicly exhibiting the draft Central Coast Regional Plan (CCRP) 2041 until March 2022. The draft CCRP 2041 includes statements in relation to higher population density targets than previously included in the current CCRP 2036, or this Discussion Paper.

<sup>1</sup> <https://www.planning.nsw.gov.au/Policy-and-Legislation/Housing/Local-Housing-Strategy-Guideline-and-Template>

# The Central Coast

The Central Coast Local Government Area (LGA) is a large and diverse area spreading across 1,681 square kilometres. It spans the significant urban corridor between Sydney and Newcastle and is the third most populous LGA. The region has historically offered more affordable housing options combined with a desirable lifestyle, compared to metropolitan Sydney, drawing residents north who are looking to raise families or retire.

The Central Coast has significant natural assets, with well-known beaches and coastal nature reserves in the east, and significant reserves of

bushland in the west. A strong open space network has been maintained along with an extensive network of parks and reserves, affording residents much greater access to nature than in comparable metropolitan LGAs.

Historically, the region has consisted of smaller communities distributed in clusters, some of which have grown over the years into more contiguous conurbations, while others have remained discrete, offering a 'small town' lifestyle. For these reasons and more, the Central Coast continues to be an attractive prospect to potential residents.

Figure 2: Central Coast LGA and surrounding LGAs



# The Central Coast and its people

In 2020, Central Coast LGA was estimated to be home to 345,809 residents. At the most recent Census (2016), approximately 3.8% of residents were of Aboriginal or Torres Strait Islander descent.

Most residents live closer to the coast, in the areas to the east of the M1 Motorway. Within that corridor, dwellings are spread out from south to north, with major

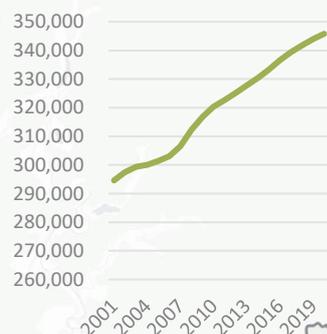
population centres around The Peninsula, Gosford, the shores of Tuggerah Lake and Lake Munmorah.

Housing on the Central Coast is largely low density, with detached single dwellings of 3-4 bedrooms being most common. As a result, private vehicles are strongly favoured as the primary mode of transport.



## Population growth

The Central Coast LGA population grew by approximately 20,448 residents in the decade to 2020. The NSW Government estimates that this growth will accelerate to an average of 4,000 residents per annum between 2021 and 2036. Most growth is currently occurring in new housing developments in the north of the LGA.



It is projected the Central Coast will need 199,150 dwellings by 2036, an additional 41,500 dwellings above 2016.



## Ageing

Residents aged 50 years and older are the fastest growing demographic, making up 33% of the local population in 2001 and growing to 41% of the population in 2016. The Central Coast has a higher proportion of elderly residents compared to similar LGAs. This population was most concentrated in Peninsula, Toukley and Northern Lakes areas.



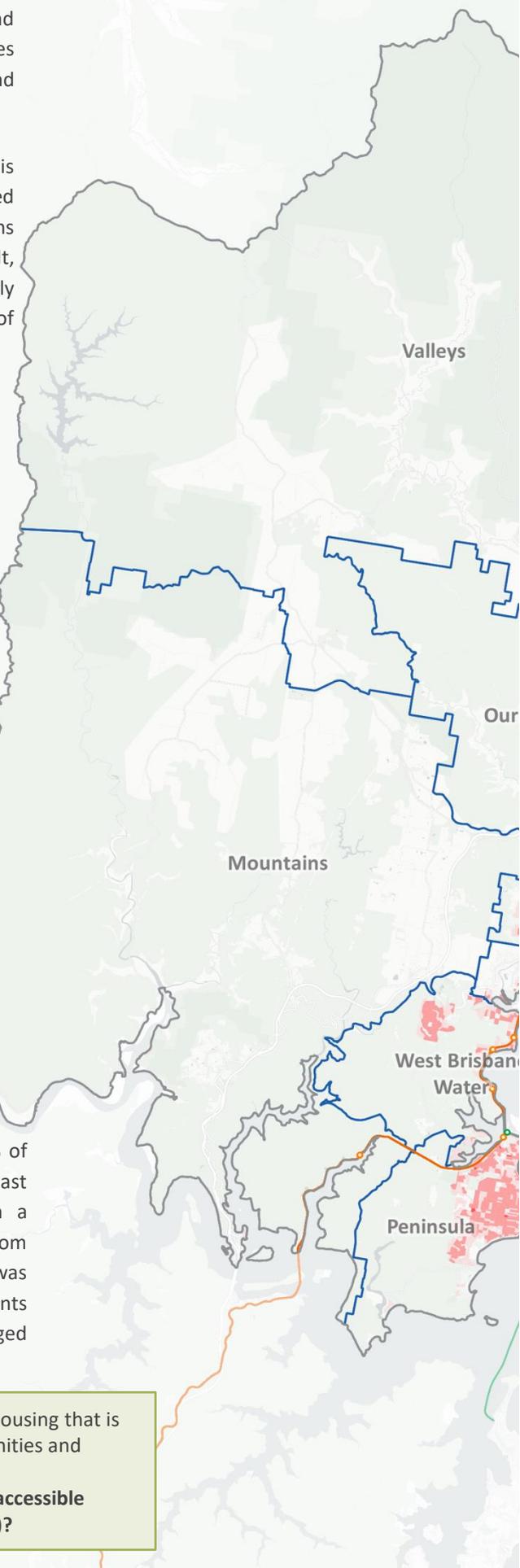
## Need for assistance

In 2016, about 21,085 or 6.4% of the population of Central Coast LGA required assistance with a core activity, an increase from 2011 where the proportion was 5.7%. About 46% of residents requiring assistance were aged under 65.



Ageing residents and those living with a disability can require housing that is adaptable to their needs, as well as a range of specialised amenities and services.

**Should Council require some apartments to be developed as accessible dwellings (suited to older people and people with a disability)?**





### Tenure

The vast majority of housing on the Central Coast is owned outright (35%) or mortgaged (34%). About 27% of dwellings are privately rented. During 2020, residential rental vacancies in the LGA dropped to less than 1%.

In the 5 years to 2016, the volume of social housing dwellings declined. On 30 June 2020, there were 2,819 social housing applications within the Central Coast, with all housing categories at or exceeding 10 year wait periods.



Rental vacancies on the Central Coast are at an all time low and social housing has wait periods exceeding 10 years. **What should Council do to facilitate the provision of more affordable housing?**



### Migration

New arrivals on the Central Coast between 2011-16 were most commonly parents and home builders (35-49 years), in the young workforce (25-34 years) and empty nesters and retirees (60-69 years). These groups have distinct housing requirements. The high net volume of over 50s (empty nesters and lone persons) are likely to drive demand for smaller dwellings.



### Household type

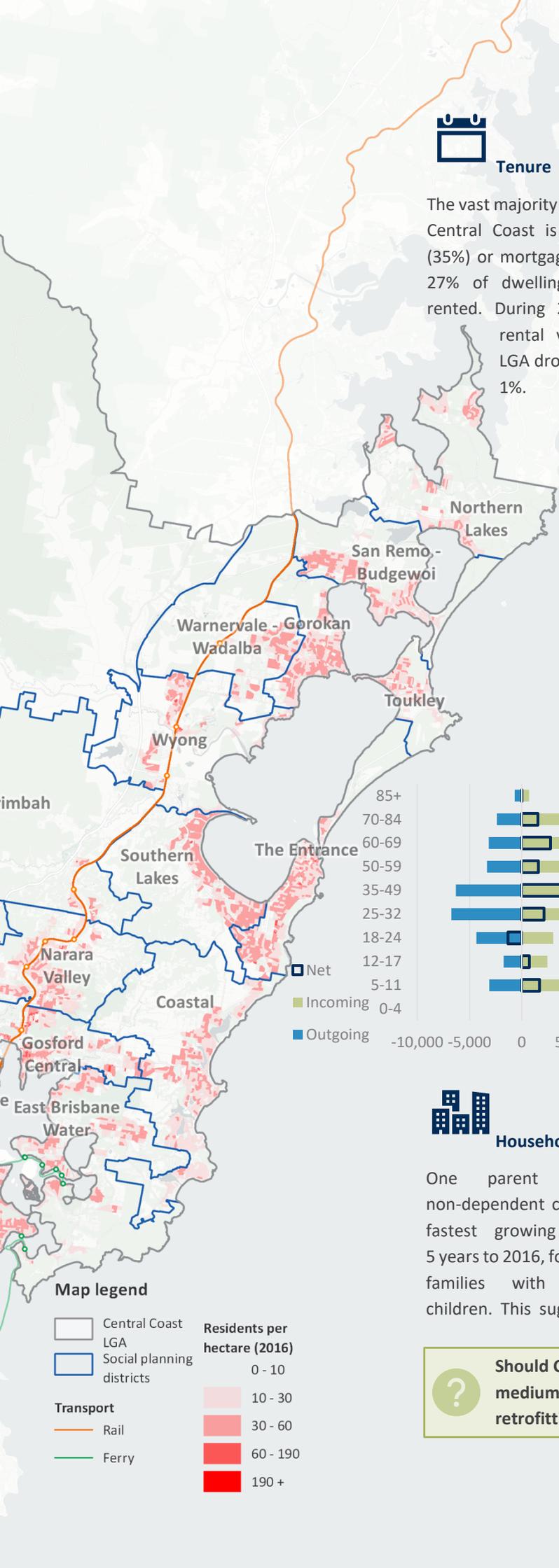
One parent families with non-dependent children were the fastest growing group in the 5 years to 2016, followed by couple families with non-dependent children. This suggests a growing

demand for lower cost dwellings suited to smaller households.

Yet, most dwellings are 3-4 bedrooms, with 42% of dwellings report 2 or more spare bedrooms at the 2016 Census.

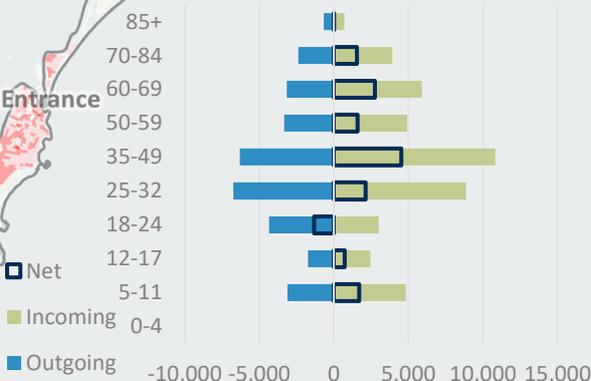
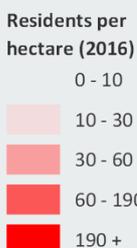


**Should Council encourage the redevelopment of more medium density dwellings, including townhouses and retrofitting secondary dwellings?**



#### Map legend

- Central Coast LGA
- Social planning districts
- Transport: Rail, Ferry



# Living on the Central Coast

The Central Coast LGA is an attractive place to live and visit, with an extensive network of social and cultural infrastructure, abundant natural scenery, open space and beaches to be enjoyed.

Many of same factors that make the region so attractive also constrain the location and form of housing. Flooding and tidal impacts are significant risks to

housing, with many existing dwellings being located within the flood catchments of significant water bodies throughout the LGA. The increasing frequency and likelihood of severe weather events presents a significant risk for these dwellings. Large tracts of bushland near urban areas also raise risks associated with bushfire.

Even with these constraints, the Central Coast LGA continues to have greenfield housing capacity in the northern release areas, with further capacity for infill development around existing centres.



## Employment

In 2016, approximately 68% of employed residents lived and worked on the Central Coast, with about 25% working in jobs permanently located outside the area. Jobs on the Coast are most strongly concentrated in Gosford, Erina and Tuggerah. Most

residents work in population serving industries, like healthcare and social assistance (15%), construction (11%) and retail (11%). Most residents drive to work (65%), followed by train (7%) and bus (1.2%).



As working from home becomes more common, do we need to design our homes differently to provide workspaces, or are our existing dwellings adequate?



## Liveability

More liveable communities have better access to public spaces and centres, jobs, lifestyle options to support health and wellbeing and more time for leisure, family and community life and well-planned infrastructure. The analysis on the heat map on this page shows areas where there are clusters of dwellings with good access (within 800m) to facilities and amenities. More populous areas like Gosford, Toukley and Narara have the greatest density of dwellings with access to the widest range of services. Access to amenities is one indicator of liveability, there are other considerations like access to

employment, proximity to and volume of natural areas, and the quality of the infrastructure, public spaces and housing itself.



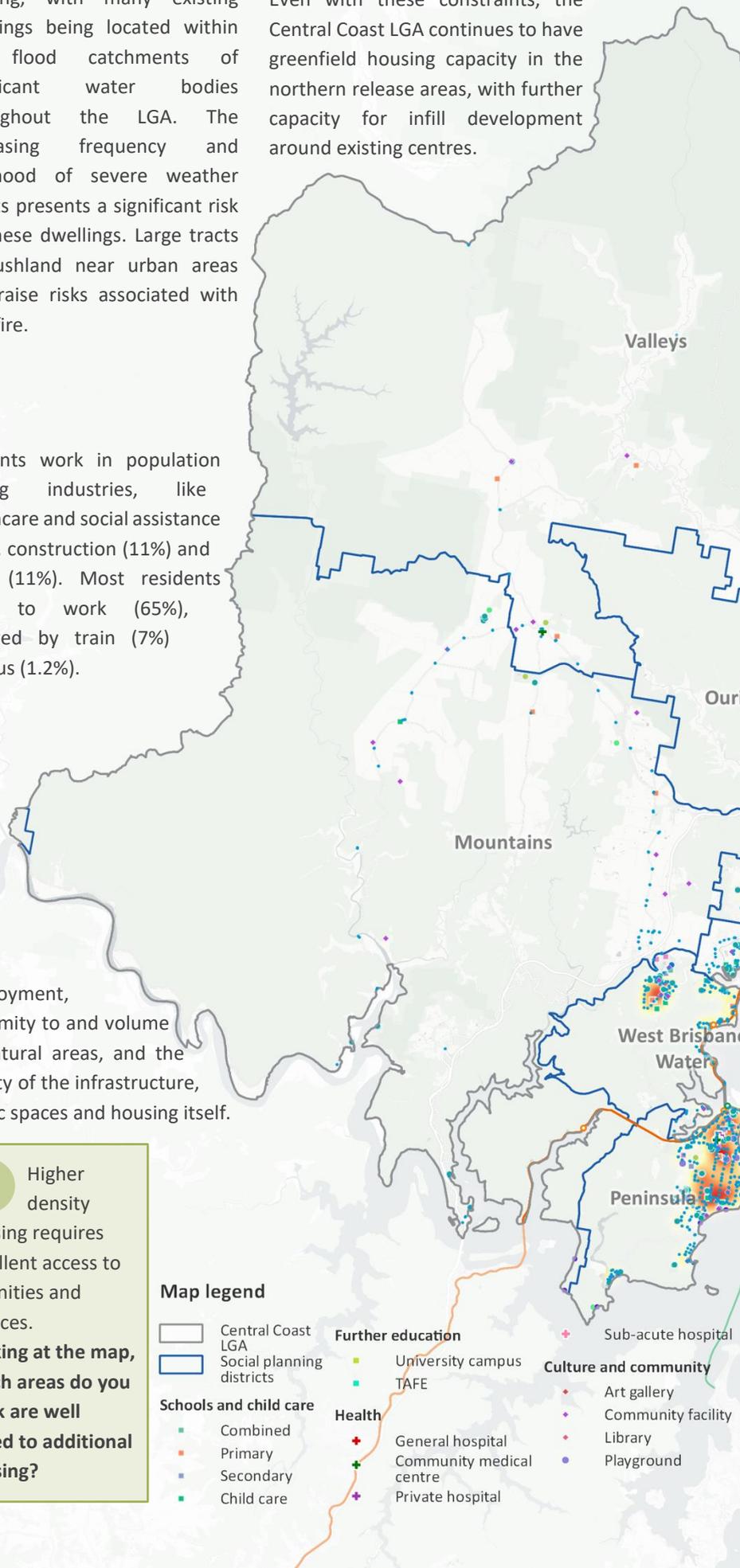
Higher density housing requires excellent access to amenities and services. **Looking at the map, which areas do you think are well suited to additional housing?**

## Map legend

- Central Coast LGA
- Social planning districts
- Schools and child care**
  - Combined
  - Primary
  - Secondary
  - Child care

- Further education**
  - University campus
  - TAFE
- Health**
  - General hospital
  - Community medical centre
  - Private hospital

- Culture and community**
  - Art gallery
  - Community facility
  - Library
  - Playground
- Sub-acute hospital



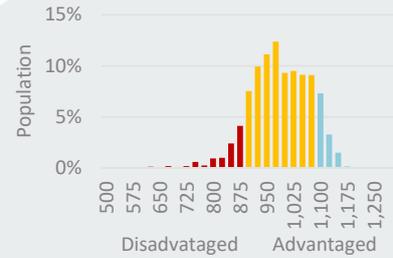


### Socio-economic status

The Central Coast includes significant diversity in socio-economic status, with 1 in 10 residents living in the 10% most disadvantaged areas and 8 in 10 living in the 10% most advantaged areas nationally. Areas with higher levels of disadvantage are concentrated in populated centres

like Gosford, Wyong, Woy Woy, The Entrance and further north towards Doyalson and Gwandalan.

- Most disadvantaged 10%
- Middle 80%
- Most advantaged 10%



### Housing stress

Households affected by housing stress are those that are both:

- In the lowest 40% of incomes
- Paying more than 30% of their usual gross weekly

income on housing costs (i.e. mortgage repayments or rent).



### Housing affordability

In NSW, housing is considered affordable if housing costs do not exceed 30% of income for a household classified as being very low, low or moderate income.

The cost of purchasing or renting a dwelling on the Central Coast has risen rapidly in recent years. As

suggested by the housing stress data above, more households are paying over 30% of their incomes on housing. Modelling indicates that low income Central Coast households would be largely priced out of the Central Coast housing market in 2020.



### Dwelling vacancy

At the 2016 Census, approximately 12% of dwellings within the Central Coast LGA were unoccupied on Census night. Those

dwellings identified as unoccupied were significantly clustered, with four districts recording occupancy rates above the average, the Coastal District (21%), The Entrance (20%), Mountains (18%) and Peninsula (14%). Many of these unoccupied dwellings are likely to be holiday houses.

Data available on Airbnb listings indicates that there are significant numbers of larger residences in coastal areas being used as Short Term Rental Accommodation (STRA). Dwellings that are in use as STRA are unlikely to be available for use by residents and could reduce availability of dwellings overall.

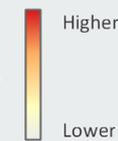
#### Open space and recreation

- Beach
- Golf course
- Sports centre
- Swimming pool
- Sportfield

#### Transport

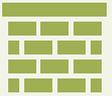
- Railway
- Ferry route
- Railway station
- Ferry wharf
- Bus stop

#### Liveability scores



# Challenges to future growth

The location and form of future housing growth must respond to the opportunities and challenges presented by the Central Coast region itself, its environment, the capacity of existing and future infrastructure and the challenges presented by changing weather patterns.

	Challenge	Opportunity
	<b>Environment:</b> The Central Coast has an abundance of natural assets and extensive areas of forest, wetland and coastal ecosystems that require protection.	The natural environment is what makes the Central Coast such a unique place to live. There are natural landscapes that are highly accessible and close to many urban areas.
	<b>Geography:</b> Many regions of the Central Coast present challenges to dwelling construction, with flood-prone areas, sloping land and bushfire-prone areas.	Containing housing growth within the current urban area can minimise environmental risks, adapting dwelling design to meet these risks is also vital.
	<b>Infrastructure:</b> Residential growth relies upon infrastructure being strategically located, properly maintained and designed with sufficient capacity to cater for future need. In some established areas, infrastructure is reaching the end of its functional life, requiring a strategy for replacement.	The Central Coast has well established infrastructure, with many areas designed with future growth in mind. Areas with excess infrastructure capacity present opportunities for additional growth. Replacing and upgrading essential services, particularly in the south, will become more important in coming years. There are opportunities to fund infrastructure in growth areas as part of new development.
	<b>Future weather patterns:</b> Increased frequency of extreme weather events (fire and larger low pressure systems) will require greater resources to maintain the resilience of dwellings in certain areas of the LGA.	Housing needs to be designed and located in a way that is resilient to potential new risks posed by changing weather patterns. It will be necessary to review the location and design requirements of future dwellings.
	<b>Sustainability:</b> New housing places burdens on local and regional natural resources (e.g. water, air). How can we provide new housing in a sustainable way?	In providing new housing we can more closely consider the types and volume of resources that are required. Smaller housing with more efficient design can also be more sustainable.
	<b>Current built form:</b> Most housing on the Central Coast is detached and 3-4 bedrooms. Much of the existing housing is ageing and unsuitable for the changing Central Coast population. Replacing this older housing is a significant challenge to meeting future housing needs.	Certain areas, where there are higher levels of amenity and access, present an opportunity for urban renewal. These areas could be regenerated into areas of higher liveability and amenity that cater for a wider range of household types and resident groups (e.g. ageing, lone person households, residents with limited mobility).
	<b>Tourism sector:</b> A strength for the local economy, the tourism sector has placed a strain on housing availability by removing dwellings from the rental market for use as short term accommodation (e.g. Airbnb).	There are ways to limit the growth of short term rental accommodation to make housing available to residents. For example, the NSW Government has limited the times a residence can be available per year. Other controls to consider could be location and types of property that might be suitable for short term rental accommodation.

# Visions and values

## Housing vision

The LSPS outlines Council's vision for the LGA to become a leader in placemaking, environmental protection, sustainability, infrastructure and community resilience. The LSPS vision for housing is shown below:

*By 2036, [the Central Coast] will have a diversity and choice of housing types and sizes to accommodate the growing community. Housing areas that are well connected to local jobs and social infrastructure will become desirable and competitive, pushing up housing densities to accommodate the market. Take up will be focused in the centres with existing zoning capacity, helping them to become more vibrant and better serving to the surrounding communities. Our housing provision will have occurred in an equitable manner that ensures all communities remain connected to transport, services and employment.*



**Do you agree with this vision for housing on the Central Coast in the future?**



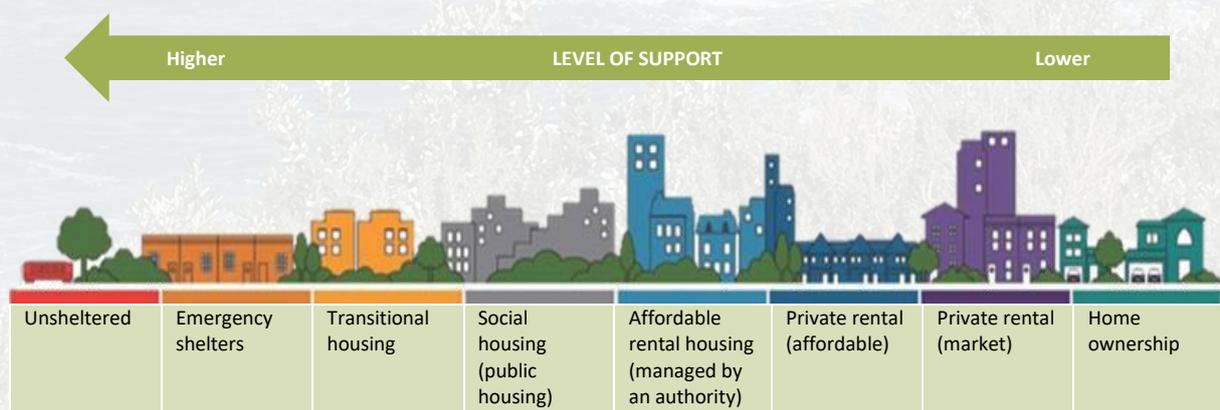


## Housing to meet future needs

Central Coast residents come from a range of backgrounds and live in a range of financial circumstances, and it is important to plan for housing to meet the needs of all residents. Households will require differing levels of support based on their social and economic circumstances, as shown in the housing continuum below (e.g. social housing costs are based on

household income, affordable rental housing costs are calculated as a proportion of market costs). Within the continuum, types of housing (e.g. private rental, home ownership) may be more or less suited to differing households (e.g. family or lone person). Moreover, some households require access to certain support services.

**Figure 3: The housing continuum**



Modelling based on rising sale and rental bond prices indicate that Central Coast households are increasingly finding it difficult to meet increasing housing costs.

Social housing on the Central Coast is only 73% of the average level of Greater Sydney and is continuing to decline in availability. Homelessness has grown 35% over the past five years on the Central Coast.<sup>2</sup>



**What types of housing do you think are most beneficial to the wider community?  
What can be done to ensure that housing is sustainable?**

<sup>2</sup> Stubbs & Storer (2018, p. 7), *Central Coast Affordable & Alternative Housing Strategy: Strategic Planning Discussion Paper*



# Providing for residents at all stages of life

We need to provide housing for all types of households in the LGA, noting that housing needs change as we age and are influenced by economic circumstance.

Table 1 shows types of housing by life stage. It is important that the Central Coast provides a housing to meet demand from each life stage, to allow a

**Table 1: Housing types by life stage**

Childhood-adolescence	Young adult	Adult	Near-retiree/empty nester	Old age
Family home	Family home	Move home	Move in with family	Move in with family
	Live alone	Live alone	Live alone	Live alone
	Share/group home	Share/group/new family home	Share/group home	Share/group home
		Buy home	Age in place	Age in place
				Seniors' living

person or household to move from one dwelling type to another as their needs change. Table 1 shows the progression of independence/self-sufficiency over a normal lifespan, becoming more independent from childhood, reaching a peak during adulthood, and becoming less independent into old age.

This means increasing housing choice – so that households have access to the right type of dwelling when they need it. The Central Coast caters well to the more independent adult age demographic which often prefer the predominant 3-4 bedroom detached housing type. However, there is little diversity in housing type with fewer housing types suited for other groups in this matrix, particularly

older residents who might be looking to downsize but age in place rather than move into a seniors' living facility. There is also a near total absence of dedicated student housing in locations where universities, TAFEs and private colleges are being established. As such, the current housing supply does not provide adequate choice for the needs of all groups.

 **Have you been able to find a dwelling that meets your needs? Do you think you will need a different type of dwelling in the future?**

# Future growth and constraints

The capacity of the LGA to accommodate new dwellings has been assessed based on:

- An audit of net potential additional dwellings per lot under existing planning controls for all residential and business-zoned land where flats or shop-top housing is permitted.
- An assessment of the remaining development potential in greenfield release areas.

That analysis shows that additional land will be needed to meet the projected dwelling need of 41,500.

Options to accommodate this additional dwelling need are:

- Increase dwelling potential in selected locations in the established urban area
- Identifying land for new urban areas on the urban fringe

The many natural constraints of the land on the Central Coast mean that there is a finite

volume of land suitable for additional housing, mostly located in the north. Some land is preserved as rural to maintain existing agricultural uses but may not be employed as such anymore.

**Should housing development be contained to the existing urban area to protect land for agriculture and to maintain the scenic qualities for the Central Coast, or should we allow the urban area to expand into the rural area?**



### Detached housing

Recent housing growth in the LGA has not kept pace with demand or projected housing growth, potentially creating a shortfall in housing supply. This has likely been exacerbated through additional migration to the LGA during the COVID-19 Pandemic.

Developers have cited a lack of land, environmental constraints and slow approval processes.



### Urban release areas

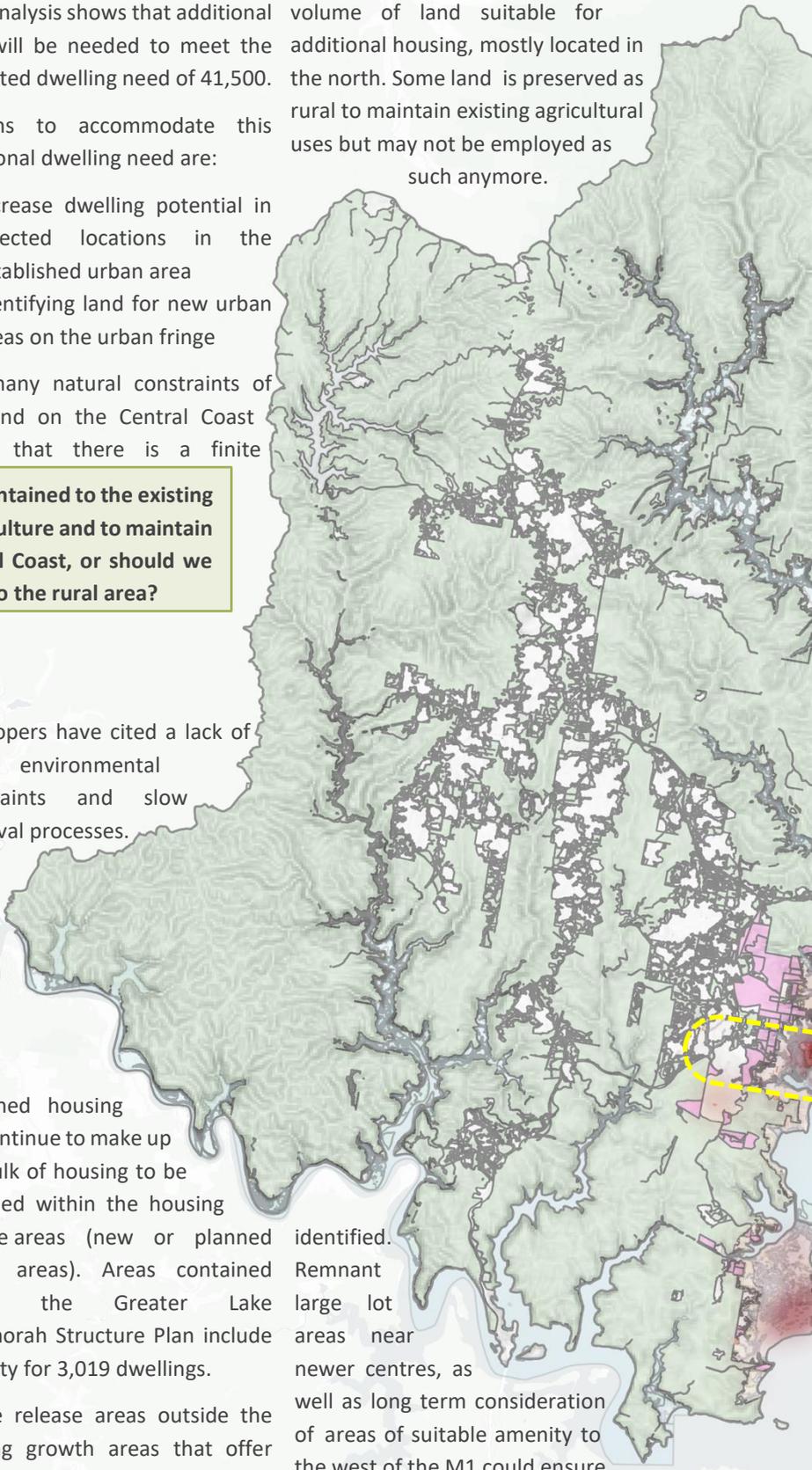
Detached or low density housing makes up the vast majority of dwellings on the Central Coast. This type of housing is typically well suited to family households, with more bedrooms and additional private space. Detached dwellings reflect many of the qualities that have been emblematic of the appeal of the Central Coast lifestyle, combined with a historically more affordable price point.

Detached housing will continue to make up the bulk of housing to be provided within the housing release areas (new or planned urban areas). Areas contained within the Greater Lake Munmorah Structure Plan include capacity for 3,019 dwellings.

Future release areas outside the existing growth areas that offer appropriate levels of access and amenity, will need to be

identified. Remnant large lot areas near newer centres, as well as long term consideration of areas of suitable amenity to the west of the M1 could ensure a longer-term release pipeline.

**Immediate opportunities for urban expansion are becoming increasingly constrained. How can we better balance the challenges of the Central Coast's growing population whilst at the same time protecting the natural environment and neighbourhood character of our existing residential areas?**



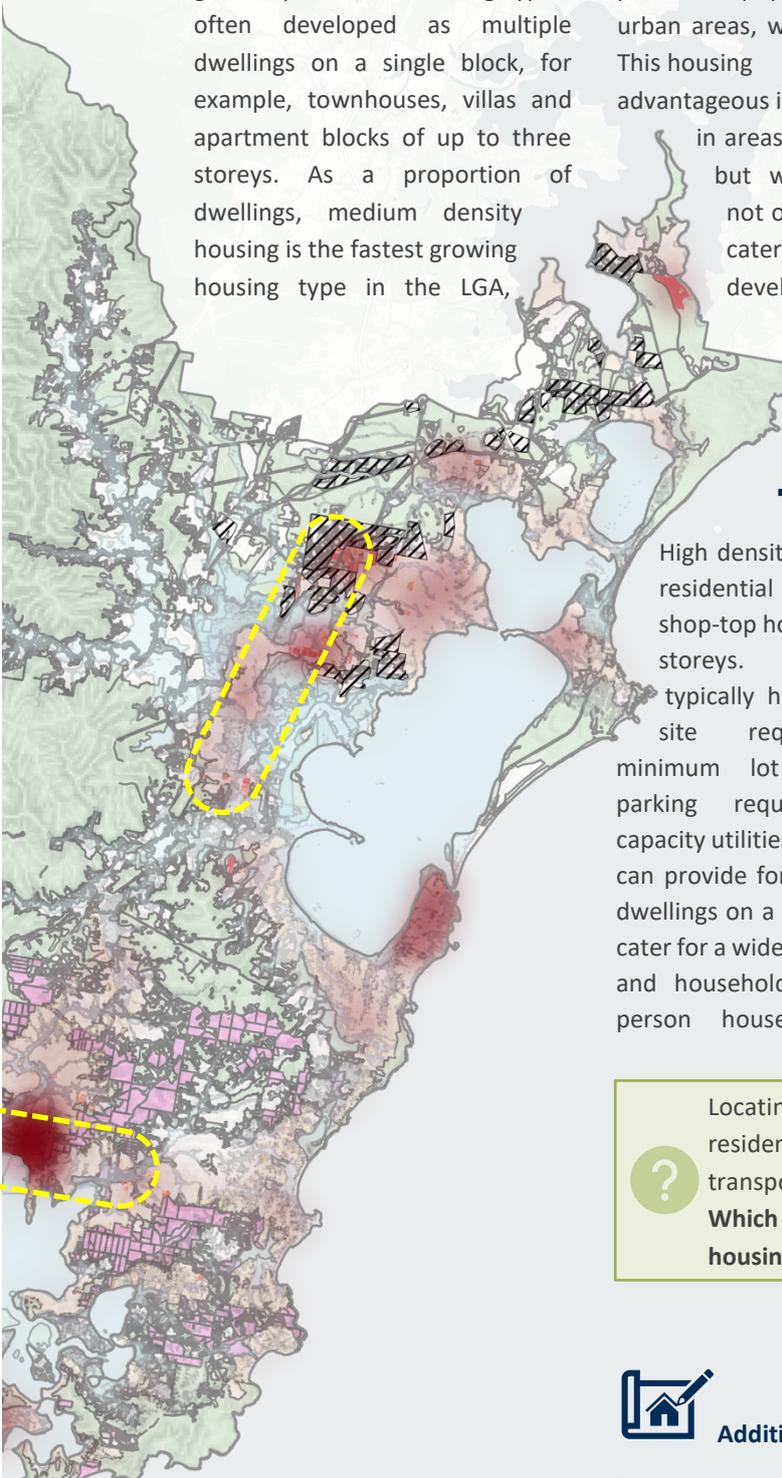


### Medium density

Medium density housing refers to generally attached housing types, often developed as multiple dwellings on a single block, for example, townhouses, villas and apartment blocks of up to three storeys. As a proportion of dwellings, medium density housing is the fastest growing housing type in the LGA,

with townhouses and villas gaining particular popularity in existing urban areas, with larger lot sizes. This housing type can be advantageous in providing housing in areas of higher amenity, but where services are not of sufficient scale to cater to high density development, which can

include transitional areas on the fringe of high density centres, as well as areas in walking distance of local shopping and service centres. Well-designed medium density housing uses land more efficiently and can cater for a range of household types and sizes.



### High density

High density housing refers to residential flat buildings or shop-top housing of over three storeys. These buildings typically have more complex site requirements (e.g. minimum lot size, basement parking requirements, higher capacity utilities and servicing), but can provide for significantly more dwellings on a site and potentially cater for a wider range of residents and household types (e.g. lone person households in studio

apartments and adaptable designed dwellings for less mobile residents).

While high density housing requires areas with excellent amenity, opportunities exist within existing centres with existing high amenity. Housing that generates an uplift in density also presents an opportunity to enhance local and regional infrastructure and amenity through contributions from the development.

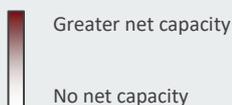
Locating higher density housing in established centres means residents will have good access to shops, services, public transport and recreation.

**Which centres do you think are suitable for higher density housing?**

#### Map legend

- Central Coast LGA
- State protected areas
- Flood planning areas
- Coastal Open Space System
- North Wyong Structure Plan
- Growth corridor

#### Heat map of Dwelling capacity under existing controls



### Additional capacity

The map to the left shows areas which can accommodate additional housing under existing planning controls (that is those areas that can support additional housing under current controls), showing areas with clusters of higher additional net capacity heat

mapped. The map shows that areas with significant additional net dwelling capacity are around the existing centres of Gosford, The Entrance and The Peninsula, as well as emerging areas in North Wyong, Warnervale and North Lake Munmorah.



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