Urban Development Institute of Australia
WESTERN AUSTRALIA

For the *community creators*

Housing Ready

Ensuring a pipeline of affordable supply

Ensuring a pipeline of affordable supply

Housing affordability & supply has been number one on the federal political agenda. As Australia opens up to the world and the migration machine kicks into gear, there are genuine fears about the capacity of our housing markets across the continuum and across the country to provide sufficient housing choice at a price most Australians can afford.

Here in Perth and Peel, we are swirling in a perfect storm whipped up by skills & materials shortages leading to incredible cost escalation and construction delays which are ultimately constraining the availability of homes across the rental and home ownership markets.

For the development industry – the risk is rarely worth the return right now. The consequence for many infill projects is they are now put on ice until the storm blows over. How long the storm hangs around is unknown. If the targets set by Perth and Peel @3.5m are to be met, the current amount of infill housing delivered within the Central Metropolitan region will need to increase 5-fold.

Between 2011 and 2020, infill developments yielding one dwelling per lot have made up 52% of all infill development, with developments yielding between 2 to 5 dwellings adding a further 15%. That means two-thirds of all infill development delivered to date is likely to be for single dwellings.

In greenfield locations, we are quickly diminishing our already limited supply of development ready land with only 6 years left in current projects and those in the already in the pipeline - and that's based on average rates of consumption.

One of the biggest blockages in the greenfield development ready pipeline is environmental approvals. Across the Greater Perth Metropolitan region, 66% of all urban deferred zoned land is overlayed by Bush Forever sites, and 85% of urban deferred land contains some catchment coverage of a Threatened Ecological Community (TEC).

Environmental overlays of this nature can add years to delivery timeframes if not permanently extinguish anticipated supply.

Contrast this with Treasury's population growth of 40,000 per annum and dwelling investment to stay at or above the $8 billion invested in the stimulus boosted 2020-21 financial year. With housing demand exceeding supply and REIWA estimating a housing shortfall of 20,000 our relative affordability is under threat. As interest rates begin to bite, the need for social and affordable housing supply will escalate.

We need to act now to maintain our position as the most affordable, and arguably the most liveable metropolitan region in the country.

Col Dutton, UDIA WA President

Tanya Steinbeck, UDIA WA CEO

The UDIA WA acknowledge the Traditional Custodians of the land on which we are located, the Whadjuk People of the Noongar Nation. We also recognise Traditional Custodians continuing connection to the land and waters where our members operate across the state of Western Australia.

We wish to acknowledge the strength of their continuing culture and offer our respects to elders past, present and emerging.

Our Recommendations

Work with industry to develop & agree on an accurate, single source of truth on housing supply

Create a collaborative governance framework to facilitate and ensure delivery of a development ready pipeline

Commit and urgently progress a strategic environmental assessment to release the blockages to development ready land

Work with industry and local government to establish an agreed lead infrastructure program to unlock housing supply across Perth and Peel

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The Challenges

Greenfield supply declining	Perth's supply of development ready greenfield housing land is rapidly diminishing Land for future urban development is increasingly constrained by fragmentation, infrastructure servicing requirements and environmental constraints
Infill failing to deliver volume	Infill development delivered to date has focused on the 'easy' house behind a house development, the supply of which is now almost fully exhausted
Diversity challenged by cost escalations	Development already behind targets, is likely to fall further behind as the apartment market stalls due to the current high cost of construction
No rental capacity	Limited capacity in the rental market in Perth and key regional centres is jeopardising our economy growth and capacity to attract skilled workers
Affordability in decline	The lack of housing supply and limited capacity in the rental market has resulted in the median house price lifting 13% and rents 27% since June 2020 Pressure on public and community housing providers increasing
Infrastructure delivery uncoordinated	Alignment between land use planning outcomes and infrastructure delivery is limited with IWA yet to prepare the State Infrastructure Plan and the WAPC's Infrastructure Coordination Committee dissolved
Population growth set to rebound	Population growth set to rebound strongly following two years of closed borders. Treasury forecasting population growth of 40,000 per annum
Limited housing monitoring	Gap in current land use monitoring program with the development ready pipeline not activity monitored

Perth's Development Challenges

Greenfield Development

Demand for housing in Perth and across Western Australia has historically closely followed market cycles driven by growth and moderation in the broader economy with levels of demand for new housing and multi-unit stock rapidly changing and fluctuating dramatically.

Perth has previously benefitted from a robust supply of large master planned communities which have been able to respond quickly to periods of heightened demand. This lot supply pipeline has acted as a pressure valve, stabilising the broader housing market which has meant that compared to other capital cities, Perth has been able to retain its housing affordability.

However, as our Housing Our Community report identified, many of Perth's large development estates are now reaching their full development capacity and will not be quickly replaced with 'development ready' zoned and serviced englobo land parcels with manageable development constraints. Last year we estimated that on average across the Perth Metropolitan growth corridors, there remains approximately 6.4 years' worth of lot supply within active, or soon to be active trading estates.

Beyond these land estates, future land for new residential housing is increasingly constrained by a range of development challenges including land ownership fragmentation, servicing and sequencing issues, and environmental challenges such as biodiversity considerations, high ground water and/or a lack of water for public open space.

Highlighting the forward development challenge, recent spatial analysis undertaken by MNG revealed that 66% of all urban deferred zoned land across the Perth and Peel Metropolitan regions is overlayed by Bush Forever sites, and 85% of urban deferred land contains some catchment coverage of a Threatened Ecological Community (TEC). Site coverage of a TEC does not preclude future urban development, however it generally guarantees elongated development timeframes through protracted negotiated outcomes. Bush Forever site coverage precludes all future development. Similarly, sites containing remaining native vegetation beyond that identified as a TEC and land which contain wetlands are increasing caught up in length and uncertain assessment processes.

85% OF URBAN DEFERRED LAND CONTAINS SOME CATCHMENT OF A TEC

In aggregate terms, there is currently 18,319 ha of urban deferred zoned land within the Perth and Peel Region Schemes of which 12,159 ha has identified Bush Forever sites with an additional 478 ha of undeveloped urban zoned land also containing Bush Forever site coverage. See Appendix C for further information.

As such, land identified for development will be severely impacted by environmental constraints limiting development yields far below estimations based upon past development trends. The highly fragmented nature of future development land creates considerable uncertainty about development delivery timeframes, with the increasing risk that many smaller landholders may refrain from selling their holdings. Land fragmentation also increases the complexity and uncertainty of infrastructure delivery with an increased reliance on statutory processes such as development contribution schemes which have repeatedly proven to be challenging for local governments to administer effectively and efficiently. These challenges mean that fragmented areas take considerably longer to develop than areas under single, or limited ownerships.

66% OF URBAN DEFERRED LAND IDENTIFIED AS BUSH FOREVER

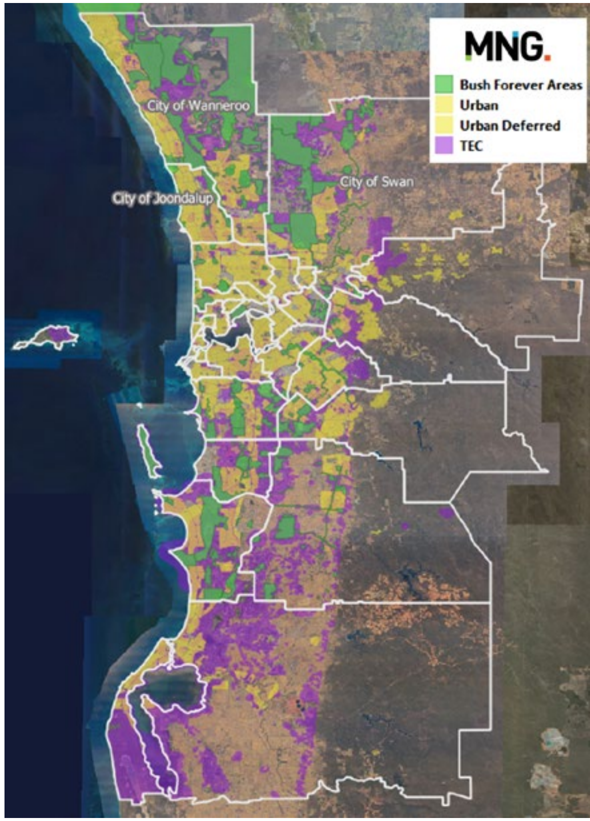
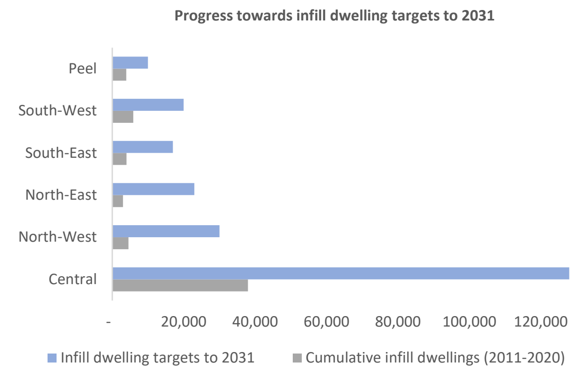


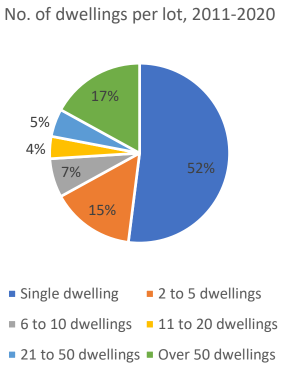
Image: Perth and Peel Undeveloped Urban and Urban Deferred Land overlayed with Bush Forever and Threatened Ecological Communities (TEC).
Source: MNG

Infill Development

Delivering infill development at scale is complex. Site acquisition, navigating the development approval process and securing sufficient pre-sales means that large scale built-form development takes significantly longer to develop than detached housing.

Given these challenges, it is perhaps unsurprising that according to the recently released Urban Growth Monitor 13, Perth is considerably behind its Directions 2031, and Perth and Peel @3.5m urban infill targets.





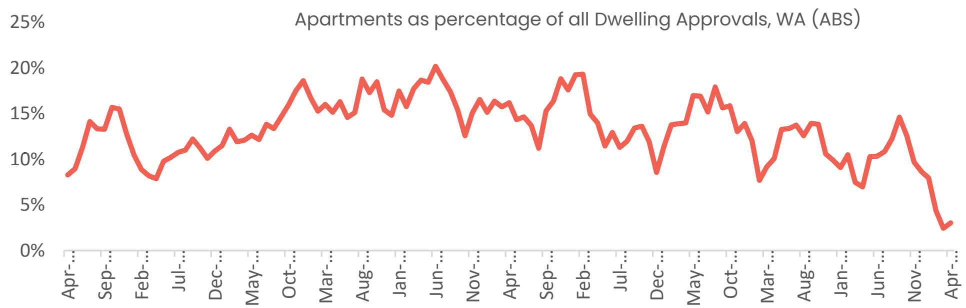
Source: DPLH, Urban Growth Monitor March 2022

Concerningly, whilst infill development is already lagging behind strategic planning targets, the majority of infill delivered to date has mainly delivered single dwellings. According to the Urban Growth Monitor, between 2011 and 2020, infill developments yielding one dwelling per lot have made up 52% of all infill development, with developments yielding between 2 to 5 dwellings adding a further 15%. Given that the majority of developments between 2 and 5 dwellings are also likely to be duplex and triplex developments, two-thirds of all infill development delivered to date is likely to be for single dwellings.

52% OF INFILL DEVELOPMENT CREATING 2-5 DWELLINGS

This is confirmed by ABS data which shows that since 2011, apartments have provided 13% of all dwelling approvals. Furthermore, given the Government's infill aspirations, it is particularly concerning that apartments as a percentage of all dwelling approvals have declined consistently since 2016 and currently sits at just 2% of all dwelling approvals.

APARTMENTS 2% OF ALL BUILDING APPROVALS



Source: ABS

Despite single dwellings providing the majority of infill supply, there is a finite supply of land remaining to support this form of development into the future. Indeed, so proficient has been the uptake of the 'battle-axe' subdivision configuration, there now remains relatively few original/parent lots capable of further delivering infill development of this type. Demonstrating this, the example from the City of Stirling below shows that only 34 of the original 180 parent lots remain in this case study area of Scarborough.

Furthermore, amendments to the medium density housing code will further restrict current forms of infill. As such, without a significant increase in the delivery of higher density development, progress against the infill targets will fall further behind. Therefore, greater facilitation of medium and higher density development through the strategic planning and planning policy framework is urgently needed. Similarly, improved monitoring of development outcomes is needed to better inform state and local government decision making.

Image: Limited infill capacity remaining in Scarborough.

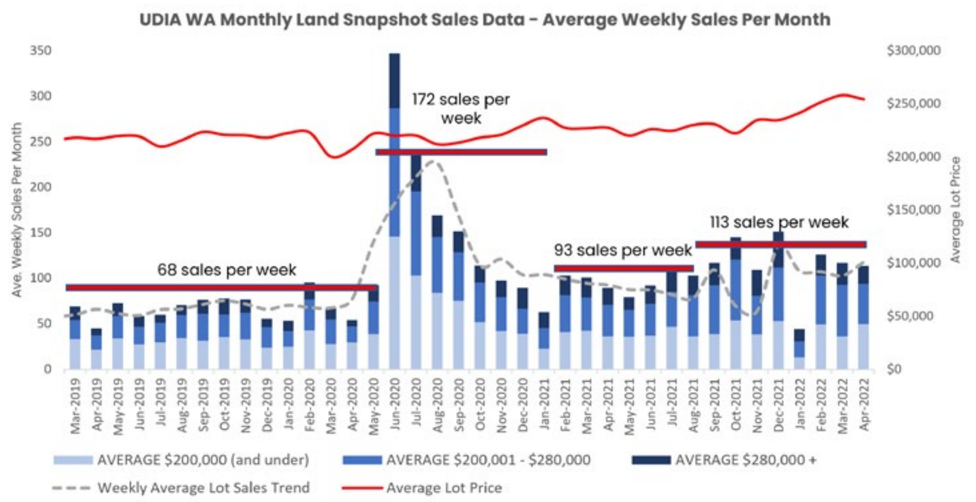
A housing market under pressure

Strong demand for lots continues

Following the dramatic spike in housing demand caused by the housing construction stimulus packages, lot sales continued to strengthen throughout the course of 2021 and into 2022.

Contracted lot sales recorded as part of UDIA WA's Urban Development Index survey totalled 8,340 in 2021, which compares to 10,037 in 2020 when sales were boosted by both the State and Federal stimulus packages. Sales in 2021 were 25.9% above the survey's 16-year annual average of 6,623 lot sales.

Similarly, lot sales within UDIA's weekly 'Land Snapshot' survey have averaged 113 in the 2021/22 Financial year up to the end of April. This is significantly up on sales in second half of 2021 which averaged 93 sales per week. This strong demand is pulling many future development stages and new projects forward, requiring various approvals which together with industry capacity constraints is elongating delivery timeframes. As a result, with demand exceeding supply, we are likely to see further price rises in both the established and new housing markets.



Source: UDIA WA

Material and labour supply pressures

Whilst necessary, border controls coupled with strong competition for local labour from both the resources industry and government infrastructure projects, has left the housing development industry unable to expand to service this elevated demand efficiently, following the significant downsizing of the industry from 2014 – 2020.

MATERIAL INPUT COSTS FOR HOUSING CONSTRUCTION IN PERTH ROSE 15.8% YEAR ON YEAR TO THE END OF MARCH

A January 2022 survey of our members found that over 80% of development sector businesses were impacted by the availability and access to skilled workers. Although the majority of companies had vacant positions, they were not actively recruiting for all vacant positions due to the lack of available workers. As such, WA's skill shortage is likely to far exceed the 66,500 vacancies reported by the ABS in February 2022.

Alongside labour constraints, increased demand for materials and disruption to both the local and global supply chains have added significantly to the cost of materials and lengthened construction timeframes. According to the ABS, at the end of March, material input costs for housing construction in Perth rose 15.8% over the prior year. These estimates are considered to be conservative, with many material inputs such as timber and bricks rising between 200% and 300%. Similar pressures have been experienced in land development with materials such as road base and limestone blocks, and crews for retaining wall building increasingly difficult to secure, whilst ordering timeframes for equipment such as electrical transformers has increased from 90 to 300 days. These material delays together with increased labour costs has caused the cost of housing construction to rise approximately 20-30% since mid-2020.

30% INCREASE IN CONSTRUCTION COSTS

Tight margins and a diminishing pool of builders has meant that the apartment development market has been particularly exposed to construction cost pressures, resulting in around a third of apartment projects being placed on hold. Beyond the immediate challenges, the diminishing pool of builders poses considerable longer-term risks and cost pressures for future development projects.

Returning migration to drive further demand

The recent 2022/3 State Budget flagged the return of overseas migration as driving further demand for housing with the annual level of housing investment set to stay at, or elevated above the $8bn invested in 2020.

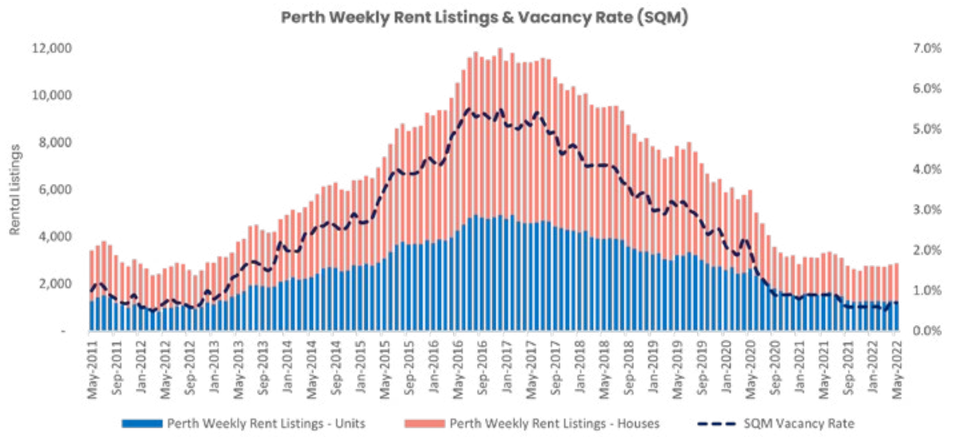
>40,000 ANNUAL POPULATION GROWTH FORECAST

With the most recent visa approval data from the Commonwealth Government's Department of Home Affairs dating back to June 2021, the backlog of visa approvals is likely to far exceed the reported 28,000 permanent migration visas granted with WA as the likely destination. Furthermore, noting that annual overseas migration totalled 50,800 and 42,100 in 2011/12 and 2012/13 respectively during the peak of the previous economic cycle, it is not unreasonable to expect annual net overseas migration to total upwards of 50,000 given the two year-long border closures in WA. This, supported by elevated levels of net interstate migration on top of natural population growth is likely to mean that Treasury's 1.5% (40,000) per annum population growth estimates are conservative.

Limited rental availability threatening economic growth & putting pressure on State

In addition to the current housing construction challenges, there remains very little capacity in the rental market with REIWA reporting a 1.2% vacancy rate for April whilst SQM report the rate to be just 0.7%. In the regions, the situation is even worse with REIWA reporting April rental vacancy rates of just 0.3% in Albany, 0.4% in Bunbury and 0.3% in Kalgoorlie.

Much of the retraction in rental stock availability has been driven by a long-term decline in investor activity, which has seen the number of rental listings fall from 11,500 in July 2017 to just 2,895 in May 2022 (SQM Research). Evidently, this capacity is insufficient to support the backlog of 28,000 permanent visas approved and is likely to drive significant housing cost increases and jeopardise our longer-term housing affordability. The competitiveness of our economy may also be put at risk as many of the required skilled migrants may instead choose to relocate elsewhere due to lack of housing availability.



Source: SQM

Recommendations

With greenfield housing land increasingly challenged by fragmentation and environmental constraints, allied with an increasing reliance on infill development to deliver our housing needs, means having an accurate and up-to-date housing supply evidence base, backed up by market realities, will be critically important if Perth is to retain its current levels of housing affordability. To achieve this UDIA WA recommends the adoption of the following housing supply reporting framework:

Work with industry to develop & agree on an accurate, single source of truth on housing supply

Whilst the Department of Planning Lands and Heritage (DPLH) prepares a broad suite of land use planning monitoring products and population forecasts as part of its 'Urban Development Program', there is no consolidated, frequently undertaken housing supply report for the Perth and Peel Regions. Instead, the supply of urban zoned land and dwelling approvals are monitored together with population growth and split between three key reports, the Urban Growth Monitor, Perth and Peel Urban Land Development Outlook and the Housing Industry Forecasting Group.

Although the Urban Development Program provides a range of valuable land use related information, there is a gap, with annual reporting on the short term (1-5 year) supply of new home production missing. UDIA recommends that a new Housing Supply Report is prepared to provide year-on-year housing supply and demand estimates in collaboration with the development industry.

In addition to project scale, dwelling yield forecasts across all greenfield and infill locations across Perth and Peel, the new Housing Supply Report (the Report) should identify enabling infrastructure provision and development constraints to deliver accurate anticipated supply outputs. With inputs collated through sub-regional development forum/workshop series, the Report should bring together development industry professionals, local and State government and infrastructure agencies to reach a consensus and a 'single-source-of-truth' regarding the 'development ready housing pipeline' across each LGA and the wider region.

Only by reporting at the local government scale can measures be undertaken to ensure there is sufficient supply within each of Perth's sub-regional housing markets whilst also enabling accurate monitoring of LGA progress against greenfield and infill targets. This will also better guide private sector and infrastructure investment decisions and ensure the planning policy and strategic planning framework are better informed of ongoing housing needs.

It is important that the Housing Supply Report monitors activity across the entire housing continuum to ensure that all aspects of the housing market are working effectively. For example, monitoring the outcomes and implications of the recent budget's 'Build-to-Rent' concessions and expansion of the Keystart thresholds should be included to help better inform future taxation amendments.

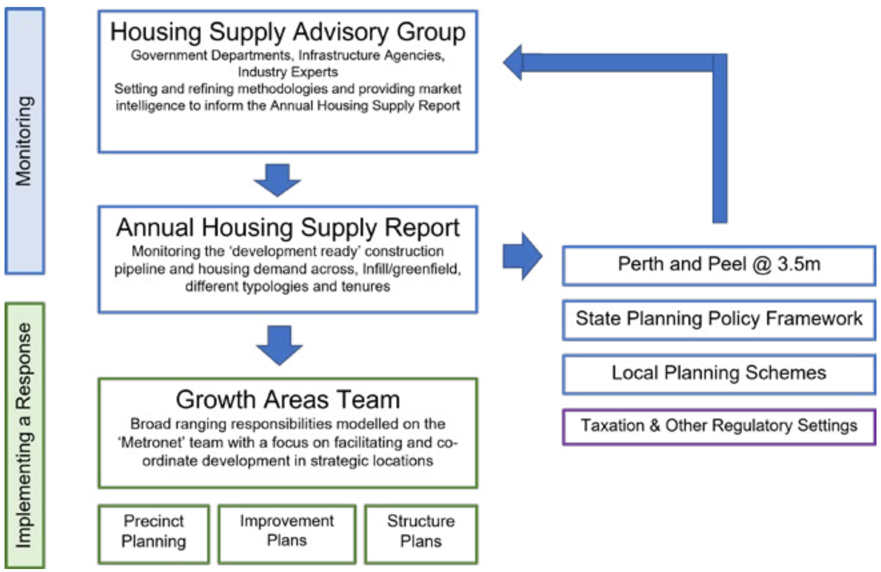
See Appendix A for more information on the current housing supply monitoring program.

Create a collaborative governance framework to facilitate and ensure delivery of a development ready pipeline

Reform the Housing Industry Forecasting Group by creating a Housing Supply Advisory Group

Replicate the Queensland model by reforming and replacing the existing Housing Industry Forecasting Group with a Housing Supply Advisory Group, consisting of experts from industry and government to oversee the preparation of an annual Housing Supply Report. This would strengthen governance and improve transparency by introducing appropriate independent oversight and provide clearer separation between the monitoring of outcomes and the activities of planning authorities.

A key focus of the Housing Supply Advisory Group should be on forecasting housing demand to provide more accurate housing supply estimations rather than relying on past trends, with market intelligence and insights into industry issues provided by industry experts operating in both apartment and single residential markets.



Build on the success of the Metronet Team and establish a Growth Areas Team

Replicating the Victorian Growth Areas Team, Queensland's Growth Areas Team and building on the success of the 'Metronet Team' a Growth Areas Team should be established to facilitate and oversee the delivery of development in strategic growth corridors and key infill precincts experiencing supply pressures. The Growth Areas Team should have a broad range of responsibilities including helping to prepare strategic planning documents such as structure plans, precinct plans, improvement plans and development contribution plans.

Through close collaboration with the development industry and infrastructure service providers, the Team will enable the timely delivery and alignment of land use planning outcomes alongside the provision of infrastructure.

Commit and urgently progress a strategic environmental assessment to release the blockages to development ready land

Given our housing supply challenges, it is critical that the environmental approval framework supports the delivery of the Perth and Peel @3.5m Frameworks effectively. The combination of an increasing range of environmental considerations and the lowering of consideration thresholds is creating increased uncertainty regarding environmental outcomes and elongating decision-making timeframes, jeopardizing the supply and available of land identified for development.

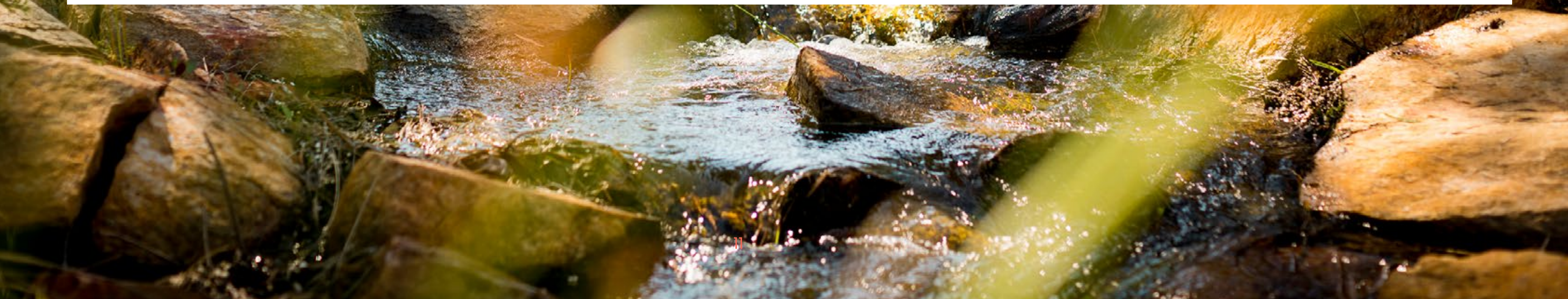
Only through a coordinated, strategic response will we find a long term and productive solution to our environmental and housing supply challenges and deliver more efficient and enhanced environmental, economic and social outcomes. Therefore, we encourage the government to re-start the SAPPR Review process and explore innovative investment opportunities, including those from the Commonwealth and institutional investors to assist the delivery of a Strategic Environmental Assessment.

Work with industry and local government to establish an agreed lead infrastructure program to unlock housing supply across Perth and Peel

Whilst we acknowledge that Infrastructure WA is yet to produce its 10-year infrastructure plan, the disbanding of the WAPC's Infrastructure Coordinating Committee means there is currently limited alignment between infrastructure servicing needs and land use outcomes.

Many of our future greenfield housing land and infill precincts are constrained by a lack of infrastructure capacity. An agreed lead infrastructure program is needed to better align and improve transparency of infrastructure delivery across State Government agencies, local government, and industry.

Coordinating infrastructure delivery would also ensure that infrastructure funding investment is maximised, particularly given our current resource and workforce challenges, whilst also better positioning WA to attract Commonwealth Government funding.



Appendix A

WA’s Housing Supply Monitoring Program

REPORT	STRENGTHS	WEAKNESSES
Urban Growth Monitor (UGM) The UGM is DPLH’s primary release of land supply information and a component of the Urban Development Program, reporting on land demand factors & supply pipeline, subdivision, housing activity and infrastructure. The UGM refers to ‘land supply’ as the amount of undeveloped land zoned for urban purposes in a region scheme.	• Provides a broad geographic coverage of urban and urban deferred stocks across Perth, Peel and Bunbury Regions. • Provides a granular level of analysis and reporting of land consumption and currently zoned urban and urban deferred land. • Provides updates on the progress towards infill dwelling targets to 2031 and 2050. • Provides analysis of dwelling densities by gross and net site density.	• Significant time lag between publication and data currency i.e., the March 2022 UGM release reports on data current to December 2020. • Whilst the UGM identifies a range of reasons why urban zoned land may be withheld from development (e.g, fragmentation, environmental constraints, infrastructure, viability) the report does not attempt to factor in these development realities, thereby putting forward an ‘optimal’ theoretical temporal land supply estimate of ~ 30 years for Perth and Peel, over-estimating real land supply availability. • The UGM provides no gauge on ‘development ready’ land supply availability i.e., land available for development within the next 5 years. • No assessment of zoned land’s infrastructure service provision or ‘development ready’ status. • Only provides a ‘rear vision mirror’ assessment of development activity with no forward outlook of expected or likely development activity. • Unclear how the UGM fits together with the overall Urban Development Program (UDP).
Perth & Peel Urban Land Development Outlook (ULDO) Spatially delimits identified future land for dwelling development over the short, medium and longer terms within the Perth and Peel regions. The ULDO includes residential, special residential, retirement villages, industrial, commercial and tourism land uses. For residential uses, the ULDO captures developments of five dwellings.	• ULDO provides a comprehensive geographic overview of new supply potential across Perth & Peel across various urban development typologies. • Provides a breakdown between short term (0-5 years), medium term (6-10 years) and long term (10+ years) for development yields of different property classes.	• Released infrequently (i.e., once every five years) data quickly becomes out of date. • Project area reporting doesn’t indicate zoning or planning approval status, servicing status or identified development issues/constraints. • The short-term (0-5 year) forecasts do not provide a year-on-year breakdown of anticipated development yields – rather, just a 5-year aggregate yield quantum. (Noting that bundled 5-year outlooks for medium- and long-term forecasts are appropriate) • Consequently, ULDO reporting is lagged and too macro to provide an accurate assessment of the current development ready supply pipeline. • Static reporting, only available via PDF outputs lacking an interactive spatial interface. • Sub-regional profiles focussed on supply and demand matters have not been published by the ULDO since 2011/12.

REPORT	STRENGTHS	WEAKNESSES
Housing Industry Forecasting Group (HIFG) Provides a bi-annual aggregate dwelling commencements forecast for WA. The joint industry and Government group provide independent commentary on the housing sector based on current expected economic and housing market dynamics with key inputs from CCIWA, REIWA, UDIA WA HIA and the ABS.	• Provides a macro outlook for WA's expected dwelling commencements, based on a consensus view across key government agencies and industry bodies. • Reporting undertaken twice yearly reflecting the availability of new data and industry insights come to hand. • Long-term and consistent approach ensures a broad understanding with HIFG's forecasts widely referenced and entwined in policy making and broader economic modelling.	• The HIFG forecasts primarily project dwelling commencements of stock already in the short-term dwelling pipeline (i.e., lots and dwellings sold), and does not provide an outlook of forward availability of land stocks and capacity to deliver forward dwelling supply beyond two years. • The HIFG forecasts are aggregated to the State level and not broken down by Metropolitan and Regional areas and therefore is limited in useability beyond headline economic modelling and macro policy development purposes. • THE HIFG forecasts are not broken down by dwelling typology and are not particularly useful for industry's planning for new project planning by geographic location.

Interstate Monitoring

Across Australia there are a variety of approaches undertaken by State and Territory governments to monitoring historic patterns of urban development take-up and the production of forward projections of urban growth. In producing this report and synthesising our recommendations (set out in the next section) UDIA WA has undertaken a strategic review of the Victorian, NSW and Queensland's urban development monitoring programs which each have particular strengths and weaknesses.

A concise overview of each of these jurisdiction's monitoring programs is included in Appendix B, with key insights which could enhance Western Australia's Urban Development Program (UDP) including:

- Close engagement across government and industry to deliver a consensus view of the forward supply and demand profile.
- An annual data monitoring and output release program which ensures timely and accurate availability of forward supply information.
- Development of dashboard and interactive mapping interfaces providing access to core monitoring and forecast data which allows user defined definitions of geographic areas of interest with straight forward customised data extraction tools.
- Assembly of a dedicated Housing Supply Advisory Group to provide independent and impartial oversight and governance over official government publication of forward supply projections.

Housing Supply Reporting Methodology

It is recommended that the current housing supply monitoring program is expanded to include a heighted engagement approach with the residential development industry, with UDIA WA well positioned as the key interface. UDIA currently collects a range of housing and development related data whilst also representing the lion share of development industry organisations that produce the majority of new housing supply.

The following housing supply monitoring/data sets are recommended for inclusion in the expanded UDP housing supply program as set out in this report.

- Greenfield housing supply monitoring/data sets
  - Urban Growth Monitor (UGM) – DPLH: zoned urban & urban deferred land analysis
  - Urban Land Development Outlook (ULDO) – DPLH: future land development parcels/precincts
  - Development Ready Pipeline – UDIA WA (forthcoming): annual development

industry assessment of the 5-year pipeline (year-on-year) of actual/realisable greenfield land supply for forward residential development across Perth & Peel.

- Urban Development Index (UDI) – UDIA WA: quarterly survey of residential house lot sales & forward expectations for lot construction over the coming 12 months
- Urban Development Sub-Regional Forum Series – UDIA WA/DPLH (forthcoming): annual project scale update of 5-year outlook for year-on-year greenfield lot release with identification of key planning & development issues/constraints.
- Dwelling Approvals, Commencements, Completions – ABS: small area level monitoring of new dwelling supply activity in greenfield areas.
- Vacant Land & Newly Built Detached House Settlements – Landgate: small area monitoring of settled transactions of greenfield housing development activity.

• Infill Housing Supply monitoring/data sets
  - Urban Growth Monitor (UGM) – DPLH: zoned urban land analysis
  - Urban Land Development Outlook – DPLH: future land development parcels/precincts
  - Development Ready Pipeline – UDIA WA (forthcoming): annual development industry assessment of the 5-year pipeline (year-on-year) of actual/realisable infill land supply opportunities within the existing urban footprint for forward residential development across Perth & Peel.
  - Urban Development Sub-Regional Forum Series – UDIA WA/DPLH (forthcoming): annual project scale update of 5-year outlook for year-on-year infill housing & multi-unit supply with identification of key planning & development issues/constraints.
  - Apartment & Infill Development Monitor – UDIA WA (forthcoming): On-going monitoring of development status of all multi-unit projects (>5 units) through Cordell Connect & of sales activity through a mooted new UDIA WA Multi-Unit focussed quarterly/bi-annual survey.
  - Dwelling Approvals, Commencements, Completions – ABS: small area level monitoring of new dwelling supply activity in greenfield areas.
  - Vacant Land & Newly Built Multi-Unit Settlements – Landgate: small area monitoring of settled transactions of infill housing development activity.

• Housing Demand monitoring/data sets
  - Annual Population Projections - Centre for Population: projections of population changes in capital city & rest-of state areas
  - WA Tomorrow Population Forecasts – DPLH: LGA scale age-by-sex population forecasts
  - Urban Development Index (UDI) – UDIA WA: quarterly survey of residential house lot sales & forward expectations for lot construction over the coming 12 months
  - Housing Market Trends Report – CoreLogic: Monthly Housing Activity Chart Pack – suburb/LGA scale housing market activity including transaction volumes, pricing, median days on market, vendor discounting, rental yields etc

• Housing Continuum monitoring/data sets
  - Whole of market settled dwelling sale transaction monitoring – Landgate: new & established market point scale data monitoring across all residential property types including student, group, aged care and retirement housing.
  - Social & Affordable Housing Supply Monitoring – Department of Communities
  - Build-to Rent Housing Supply Monitoring – Colliers International: monitoring of the pipeline of BTR projects (from early planning to completion)
  - Rental Affordability Index – SGS Economics & Planning: Annual small area rental affordability index focused on cohorts at risk of rental stress.
  - Housing Market Trends Report – CoreLogic: Monthly Housing Activity Chart Pack – suburb/LGA scale rental housing market activity including listings, median asking rents & rental yields.

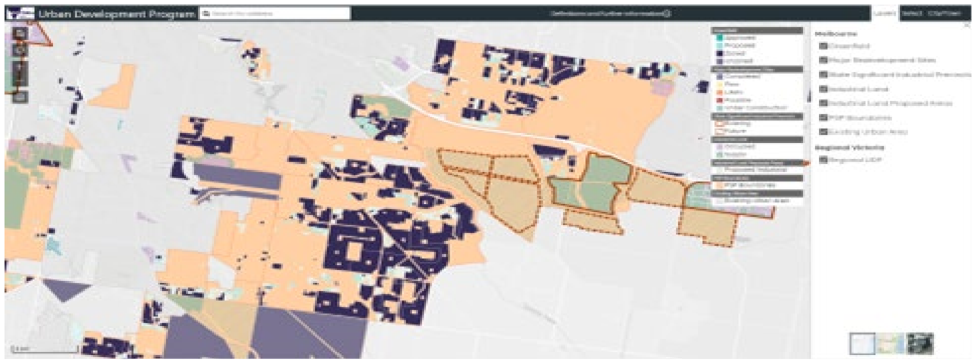
Appendix B

Interstate Case Studies

Victoria

The Victoria Department of Environment Land, Water and Planning produce an 'Urban Development Program' (UDP) which is broken down into three parts with separate monitoring undertaken for greenfield, redevelopment and industrial land supply. The UDO breaks down the greenfield supply pipeline into two segments, 'englobo greenfield land' and 'retail lot supply' with this information presented at the 'growth area' (LGA) scale. Lot consumption rates are estimated at both the longer-term average rate and also the higher, short-term consumption rates.

The Victorian UDP also monitors 'redevelopment', considered to be previously used sites which have been identified as capable of accommodating 10 or more dwellings. The supply of these homes is broken down into possible, likely, and firm categories whilst sites currently under construction and those completed are also included. Various metrics are used to report the volume of this supply including development typology and building heights, as well as by local government and region.



Source: Victorian Government, Urban Development Program. Available here

Beyond the Victorian UDP, the State Government has also established a 'Growth Areas Authority' (GAA) to manage growth in Melbourne's five growth areas. The GAA's primary role is to advise on the release and servicing of new land as required through advice to the Minister and local governments, work with local governments to develop structure plans, precinct plans and supporting regulatory frameworks including development contribution plans.

New South Wales

The New South Wales Government has established a 'Housing Evidence Centre' which provides an extensive set of housing related data across four pillars identified in the State's Housing Strategy. These pillars are 'supply', 'diversity', 'affordability' and 'resilience' with information presented in a dashboard across three regions - Greater Sydney, Newcastle and Illawarra-Shoalhaven. As part of the 'supply' information, a 'Sydney Greenfield Monitor' tracks the number of lots sold and the number of lots remaining in greenfield development precincts. This information is broken down further by the 'Urban Development Program Dashboard' which sets out a detailed breakdown of the total dwellings within the development pipeline by its planning status within state-led development areas.

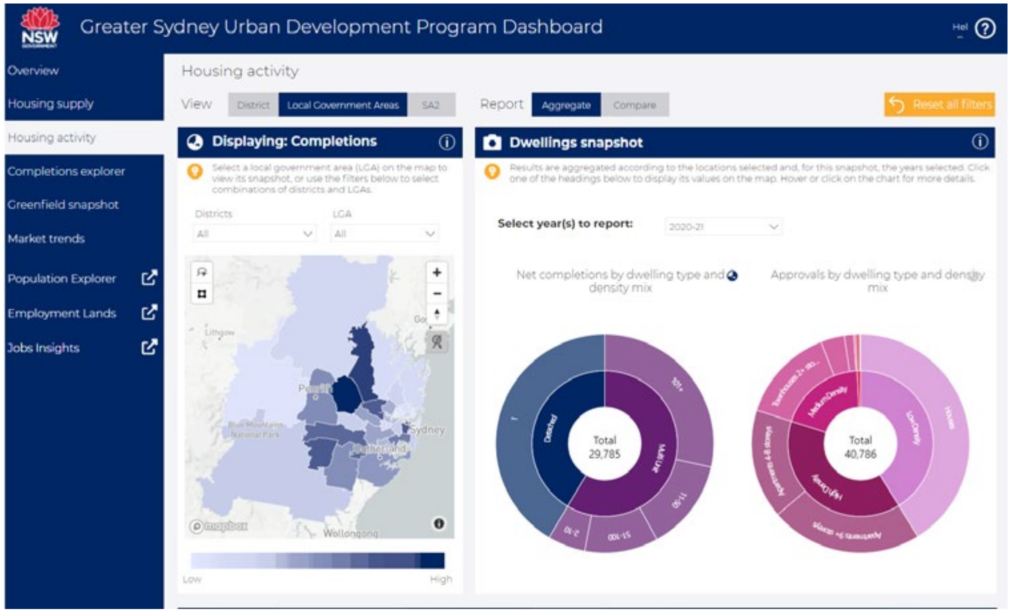


Image : NSW Government, Greater Sydney Urban Development Program dashboard. Available here.

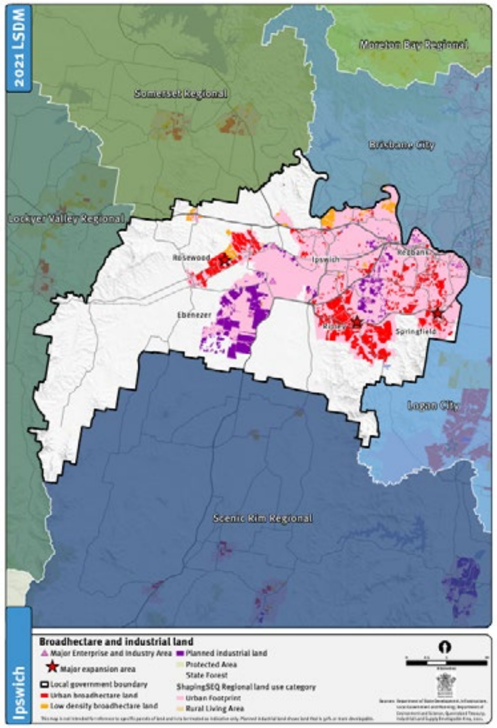
Queensland

In Queensland, the Department of Planning oversees a 'Growth Monitoring Program' (GMP) which monitors development activity and land supply for Southeast Queensland (SEQ). The GMP brings a range of stakeholders together including the Australian Bureau of Statistics (ABS), state agencies, the Queensland Government Statistician's Office (QGSO), local governments, utility providers and the development industry. These stakeholders form a broad governance framework that includes, amongst other groups, a Housing Supply Expert Panel (HSEP) to oversee the preparation of a Land Supply and Development Monitoring (LSDM) Report and a Regional Planning Committee (RPC), chaired by the Minister for Planning, who along with the Minister for Housing, Minister for Public Works and the Minister for Environment and all SEQ Mayors, provide advice to the Queensland Government through the Minister, on the implementation status and development challenges affecting the Regional Plan.

As well as overseeing the preparation of the LSDM Report, the HSEP has expressed a clear commitment to improving the accuracy of reports and better understanding market factors influencing housing demand.

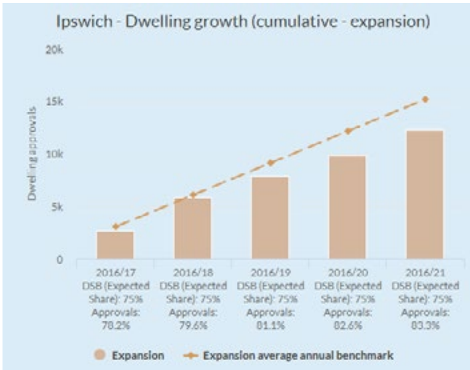
A key objective of the Regional Plan, ShapingSEQ, is to maintain 15 years' supply of housing and employment land that is appropriately zoned and able to be serviced. To measure progress against this objective, the LSDM provides an estimate of the number of years it will take for demand to consume supply within each local government area. The LSDM also tracks short-term supply which is considered to be land with appropriate regulatory approvals in place to support the construction pipeline within each local government area with an aim of ensuring a minimum of four years' approved supply.

To help address growth challenges, the Queensland Government established a Growth Areas Team in March 2021 with the objective of unlocking development approvals, accelerate the planning of new growth areas and to identify and implement systemic changes to state's planning framework.



Source: Queensland Government. Available here.

Source: Queensland Government. Available here.



Source: Queensland Government. Available here.

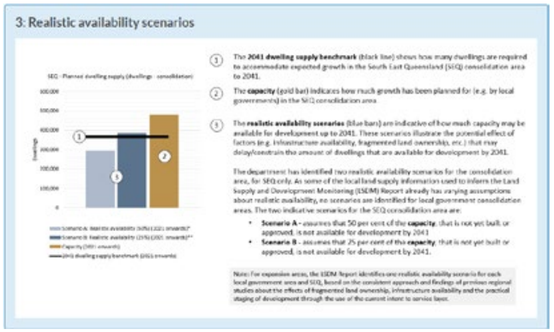
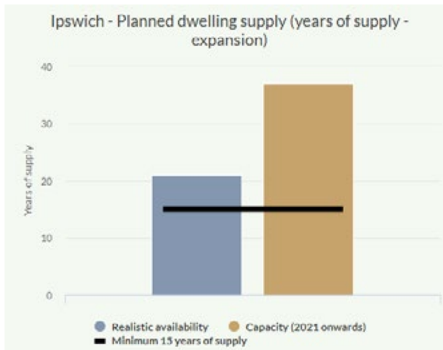


Image: Queensland Government, Land Supply & Development Monitoring Report Source: Queensland Government. Available here.



Source: Queensland Government. Available here.

Appendix C

Bush Forever and TEC Spatial Analysis

	Undeveloped Urban Zoned Land (Ha) (1)	Undeveloped Urban Deferred zoned Land (Ha) (2)	TEC overlay on (1) (Ha)	BF overlay on (1)(Ha)	TEC overlay on (2) (Ha)	BF overlay on (2) (Ha)	Undeveloped Urban Zoned land (1) TEC % Overlay	Undeveloped Urban Deferred zoned Land (2) TEC % Overlay	Undeveloped Urban Zoned land (1) BF % Reduction	Undeveloped Urban Deferred zoned Land (2) BF % Reduction
ARMADALE, CITY OF	1,328	878	326	2	533	328	25%	61%	0.2%	37%
BASSENDEAN, TOWN OF	183	-	48	-	-	-	26%	0%	0.0%	0%
BAYSWATER, CITY OF	557	-	123	1	-	-	22%	0%	0.2%	0%
BELMONT, CITY OF	439	-	83	-	-	-	19%	0%	0.0%	0%
CAMBRIDGE, TOWN OF	249	-	86	1	-	-	35%	0%	0.4%	0%
CANNING, CITY OF	942	-	287	18	-	-	30%	0%	1.9%	0%
CLAREMONT, TOWN OF	86	-	14	-	-	-	16%	0%	0.0%	0%
COCKBURN, CITY OF	941	693	452	36	657	571	48%	95%	3.8%	82%
COTTESLOE, TOWN OF	28	-	-	-	-	-	0%	0%	0.0%	0%
EAST FREMANTLE, TOWN OF	61	-	1	-	-	-	2%	0%	0.0%	0%
FREMANTLE, CITY OF	211	-	37	-	-	-	18%	0%	0.0%	0%
GOSNELLS, CITY OF	1,059	753	479	24	718	378	45%	95%	2.3%	50%
JOONDALUP, CITY OF	555	269	200	4	264	265	36%	98%	0.7%	99%
KALAMUNDA, CITY OF	1,649	259	546	2	247	220	33%	95%	0.1%	85%
KWINANA, CITY OF	571	263	554	49	256	50	97%	97%	8.6%	19%
MANDURAH, CITY OF	1,424	-	1,020	-	-	-	72%	0%	0.0%	0%
MELVILLE, CITY OF	892	-	369	-	-	-	41%	0%	0.0%	0%
MOSMAN PARK, TOWN OF	55	-	26	-	-	-	47%	0%	0.0%	0%
MUNDARING, SHIRE OF	1,716	209	284	-	-	-	17%	0%	0.0%	0%
MURRAY, SHIRE OF	299	2,372	192	-	2,370	1,783	64%	100%	0.0%	75%
NEDLANDS, CITY OF	322	-	69	-	-	-	21%	0%	0.0%	0%
PEPPERMINT GROVE, SHIRE OF	51	-	42	-	-	-	82%	0%	0.0%	0%
PERTH, CITY OF	49	-	17	-	-	-	35%	0%	0.0%	0%
ROCKINGHAM, CITY OF	890	2,929	765	-	2,912	2,398	86%	99%	0.0%	82%
SERPENTINE-JARRAHDALE, SHIRE OF	1,190	258	810	275	157	108	68%	61%	23.1%	42%
SOUTH PERTH, CITY OF	415	-	51	-	-	-	12%	0%	0.0%	0%
STIRLING, CITY OF	1,435	110	328	4	110	93	23%	100%	0.3%	85%
SUBIACO, CITY OF	52	-	19	-	-	-	37%	0%	0.0%	0%
SWAN, CITY OF	1,567	1,428	732	42	1,330	1,087	47%	93%	2.7%	76%
VICTORIA PARK, TOWN OF	431	-	21	-	-	-	5%	0%	0.0%	0%
VINCENT, CITY OF	131	-	2	-	-	-	2%	0%	0.0%	0%
WANNEROO, CITY OF	1,217	7,898	719	20	6,051	4,878	59%	77%	1.6%	62%
TOTAL PMR and Peel	**20,995**	**18,319**	**8,702**	**478**	**15,605**	**12,159**	**41%**	**85%**	**2.3%**	**66%**

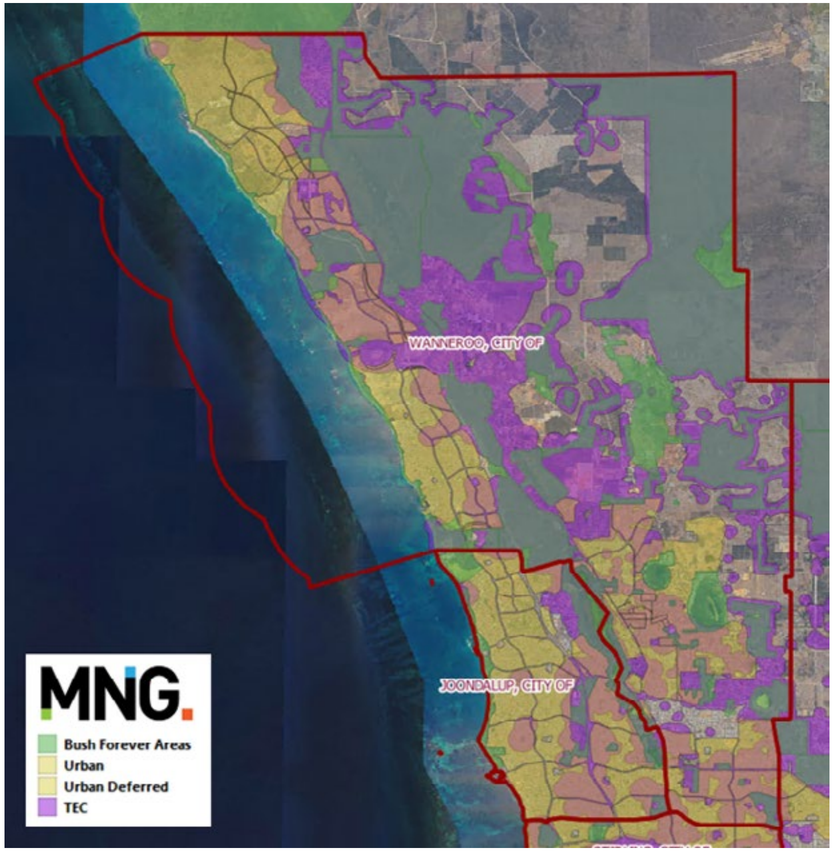


Image: North West Corridor: Undeveloped Urban and Urban Deferred Land overlayed with Bush Forever and Threatened Ecological Communities (TEC). Source: MNG

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