

8.2

MAYORAL MINUTE - REGISTRATION OF INTEREST FOR DEVELOPMENT OF COUNCIL LAND AT 56 COLVILLE STREET, WINDRADYNE

File No: 22.15695

RECOMMENDATION:

That Council include in the 'Registration of Interest' process for a joint venture, the option for Council to receive offers for the sale of the land known as 56 Colville Street Windradyne.

REPORT:

Council at its meeting held 17 July 2024 resolved to commence a registration of interest (ROI) process for a joint venture agreement for the land known as 56 Colville Street Windradyne, being Lot 10 in Deposited Plan 1165068. Council staff are currently finalising the ROI documentation to release to the market. A copy of the original Council report is provided as **attachment 1**.

Having regard for Council's current financial position, the option of the sale of the land without entering into a joint venture should be considered. The current resolution currently limits the consideration of joint venture proposals only. This report seeks to include, as a further option, the sale of the land parcel in the event a satisfactory offer is received from an interested purchaser.

This land has an area of 8,532 square metres and is located opposite Westpoint shopping centre with a zoning area of E1 Local Centre. The zoning permits all residential and a wide range of commercial developments.

FINANCIAL IMPLICATIONS:

Nil at this stage.

BATHURST COMMUNITY STRATEGIC PLAN – OBJECTIVES AND STRATEGIES:

Objective 2: A smart and vibrant economy.

Strategy 2.1 Support local business and industry.

Objective 4: Sustainable and balanced growth.

Strategy 4.1 Facilitate development in the region that considers the current and future needs of our community.

Strategy 4.3 Ensure services, facilities and infrastructure meet the changing needs of our region.

Objective 6: Community leadership and collaboration.

Strategy 6.6 Manage our money and our assets to be sustainable now and into the future.

COMMUNITY ENGAGEMENT:

01 **Inform** - to provide the public with balanced and objective information to help them understand the problem, alternatives, opportunities and/or solutions.

ATTACHMENTS:

1. 17 July 2024 Report - 9.2.4 EXPRESSION OF INTEREST FOR DEVELOPMENT OF COUNCIL LAND AT 56 COLVILLE ST [8.2.1 - 4 pages]

**9.2.4 EXPRESSION OF INTEREST FOR DEVELOPMENT OF
COUNCIL LAND AT 56 COLVILLE STREET,
WINDRADYNE**

FILE NO: 22.15695

RECOMMENDATION:

That Council proceed with an Expression of Interest process seeking interested parties to participate in a joint venture with Council for medium density residential development of Council land at 56 Colville Street, Windradyne, with a focus on key worker housing.

REPORT:

There has been much discussion in recent years of a housing crisis. In Bathurst, the median house price reached \$644,466 in January 2024, up from \$415,000 in January 2020. Presently (April 2024) the median house price is \$625,000 and median unit price is \$447,500 (source: CoreLogic).

The vacancy rate for rental properties in Bathurst fell from 2.5% in January 2020 to 0.6% in January 2022, stabilising at 1.1% in January 2024 and presently (May 2024) 1.2% (source: SQM Research). However, median house rent increased to \$472 per week in January 2024 and is currently (April 2024) \$450 per week representing a rental yield of 4.08%, compared to \$381 per week in January 2020 (source: CoreLogic). Median unit rent (April 2024) is \$370 per week representing an even higher yield of 4.88% (source: CoreLogic).

It is believed there are around 300 properties in Bathurst on the register for short term rental accommodation, 170 of these being non-hosted, provided to visitors but not available in the general rental market.

Recent data published by the Australian Institute of Health and Welfare indicate around 800 people in Bathurst are facing difficulty in obtaining housing, a number which thankfully remains steady, possibly in keeping with rental vacancy rates.

Some of the debate relates to affordability for workers in key industries being unable to find suitable housing to relocate to Bathurst to take up jobs that contribute to the growth of the local economy. With the unemployment rate in Bathurst at 1.6% for the June quarter 2023, employers are finding it difficult to attract new workers. Bathurst Regional Council as an employer is affected this way; this would be eased by Council holding properties to rent to new employees. Housing for key workers is now deemed critical infrastructure by organisations such as Regional Australia Institute.

The supply of housing is partly constrained by the availability of development ready land to build new houses on. As at January 2024, there are 2068 new lots approved for subdivision but not yet reached market. Whilst the supply pipeline for new lots will ease in 2024 by some hundreds of lots, some subdivisions were approved many years ago with no signal from the property owners to proceed to development. New infill residential development in the existing built up areas is occurring but constrained by the R1 zone and DCP planning controls and possibly constrained by fear of objection against

multistorey development. It is recommended Council consider greater densities in existing built up areas as well as new land release areas.

Council is an active participant in the supply of development ready residential and commercial land and will continue to do so. Traditionally, Council has sold development ready land and not participated in the end result of the development. This results in Council missing the opportunity of obtaining an on-going income stream by retaining equity in the development. Equity could be in the form of housing owned by Council and made available to key workers, including its own key workers, but could also be by providing land for others to build upon and rent. Council also loses control over the end product, which runs the risk of contributing to poor urban design, low quality architecture, and high dwelling yields (and reduced urban amenity) just for the sake of it.

The Bathurst Region 2036 Housing Strategy (2018) identifies the need for greater density for residential infill development. The R3 zone is emerging as one pathway to increasing housing supply by permitting greater residential density. The R3 zone was applied in Bathurst for the first time on land surrounding a proposed new neighbourhood activity centre within the Laffing Waters master plan land release area. Application of the R3 zone within the existing built up area currently zoned R1 is also under consideration.

The Housing Strategy identifies the following key objectives for lands located within 800m of the City's Neighbourhood Activity Centres (NACs):

1. Encourage higher living densities.
2. Manage change from the old to new housing stock and the impacts of this change on the existing neighbourhood character.
3. Plan for the future expansion of the NACs.
4. Encourage high quality urban design principles to manage increased living densities and to manage change between the old and new housing stock.
5. Ensure quality access to the NAC and CBD through walking and integrated public transport.
6. Maintain the existing open space and plan for new open space taking into consideration local environmental constraints and access.
7. Encourage lot consolidation.

Key actions from the Strategy relevant to these lands include:

1. Review existing living densities to enable higher living densities and encourage smaller average allotment size.
2. Identify and target key sites (especially vacant land) within these precincts suitable for a higher living density.
3. Consider landowner-initiated requests to enable higher living densities on appropriate sites.
4. Investigate amendments to the existing planning instruments to enable higher living densities where appropriate in respect of (1), (2) and (3) above.
5. Investigate amendments to the existing planning instruments to require applications for one off increases in density to achieve better design outcomes through a master plan process which addresses topics such as, but not limited to, housing affordability, housing sustainability, accessibility and ageing in place, beyond those outcomes that might otherwise be achieved under the normal planning and legislative arrangements.
6. Establish agreed development principles for new living densities.

The site

The land is described as Lot 10 DP 1165068, 56 Colville Street of 8532 sqm zoned E1 Local Centre, under Bathurst Regional LEP 2014. It is located opposite Westpoint Shopping Centre, ideally placed to accommodate new residential development and contribute to the sustainability of the shopping centre by increasing the customer catchment and providing convenient shopping for a growing community. The site has a pleasant aspect and outlook, with a bus stop adjacent thereby allowing a role for public transport to offset the distance to services in the CBD. The site is in proximity to public open space, another Council facility currently leased and adjoining a seniors living facility. Refer Attachment 1.

The E1 zone permits a wide range of commercial and all forms of residential accommodation uses with development consent. Section 4.1.1 of the Bathurst Regional DCP 2014 currently permits medium density housing within the E1 zone to the same standards as apply to Precinct 1 within the R1 General Residential Zone. This would currently enable up to 93.5 persons per hectare on the subject site. The DCP enables some flexibility for Council to consider a higher residential density if compliance with the current DCP standard is considered unreasonable and unnecessary and there are sufficient planning grounds to justify the departure. Council has developed policy to ensure design excellence is achieved for new developments in both the R3 and E1 zones, upon which such a decision could be made.

The possibility of a joint venture with other like-minded parties to develop medium density residential development of this site is appealing. The other parties are likely to include a construction business and a housing manager, skills that are outside Council's traditional skill set. Key elements of the joint venture must include high quality architecture and urban design outcomes, and a focus on key worker accommodation as a pilot project to demonstrate best practice in this housing model.

CONCLUSION:

It is recommended Council proceed with an Expression of Interest process for medium density residential development of Council land at this location with the view of creating key worker housing. It is further recommended this include a joint venture with Council, the nature of which might vary depending on the aspirations of the partners. An additional option is for Council to allocate a percentage of its development ready subdivisions to community housing providers to meet the housing challenge especially for key worker housing.

FINANCIAL IMPLICATIONS:

Nil at this stage.

BATHURST COMMUNITY STRATEGIC PLAN – OBJECTIVES AND STRATEGIES:

Objective 4: Sustainable and balanced growth.

Strategy 4.6 Plan for, assess and regulate development activity.

COMMUNITY ENGAGEMENT:

01 **Inform** - to provide the public with balanced and objective information to help them understand the problem, alternatives, opportunities and/or solutions.

ATTACHMENTS:

1. Aerial location plan [9.2.4.1 - 1 page]

Created on 26/06/2024 8:00 AM

