

# **APPENDIX J**

## **Next Generation Suburban Neighbourhoods and Density**

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## Caboolture West Housing Proposals

### 1. Purpose of Paper

The Caboolture West 2050 Vision states:

*Caboolture West is one of the most liveable urban areas in South East Queensland with the optimum balance between urban living and the natural environment. Apart from the locality's distinct 'sense of place' the area includes a series of attractive, interconnected and walkable neighbourhoods with conveniently located services and shopping areas. Quality learning, employment and cultural nodes complement these areas with a focus on linking into the existing metropolitan network, creating opportunities for all individuals and groups. The area offers a wide range of travel choice including quality public transport and infrastructure for walking and cycling.*

New residential communities need a diversity of housing types to reflect the variety of lifestyles and budgets of current and future residents; and create environmentally and socially sustainable places. The development of Caboolture West will need to facilitate a variety of densities within neighbourhoods, offering a mix of housing types, providing quality living as well as affordability.

This paper is one of a suite of background reports that describe the urban planning and design considerations of structure plan proposals for Caboolture West. It describes the planning principles and methods used to develop the likely housing yield of the proposed structure plan, including expected densities and anticipated housing mix.

### 2. Caboolture West Housing Yield

#### 2.1 Introduction Urban Structuring

The Australian *Liveable Neighbourhoods* approach is based on an urban structure combining walkable, mixed-use towns and neighbourhoods as the basis for complete communities, not just housing estates. Typically in the *Liveable Neighbourhoods* structure, a mixed use town comprises around 15,000 to 30,000 people, and is supported by six to nine walkable neighbourhoods as shown in Figure 1 below.

Figure 1



## 2.2 Caboolture West Urban Structure

Urban development at Caboolture West has been structured into clusters of walkable neighbourhoods, shaped by landform with their boundaries defined by topographical and environmental features. They include:

- Hamlets: Cluster of 2-3 Next Generation Suburban Neighbourhoods (P4) comprising 5-7,500 people with local store or community facility at the centre;
- 'CabPat's: Cluster of 3-4 Next Generation Suburban Neighbourhoods (P4) comprising 7,500 – 10,000 people with local store and large neighbourhood centres as Urban Neighbourhoods (P5) comprising 3,500 people where viable; and
- Town Centre: Large mixed use town centre with a variety of urban precincts within town centre

The way in which Caboolture West is structured into walkable neighbourhoods and towns is part of an urban system that facilitate amenities that promote local walking and cycling, and supports public improved transport. These conditions are vital to support housing variety and choice and to ensure that there is sufficient population to support the amenities and public transport facilitated by the urban structure.

## 2.3 Next Generation Planning Neighbourhoods

*Next Generation Planning* introduces an SEQ Place Model that has been adopted in the MBRC Strategic Framework.

The model identifies a progression of natural and human habitats and establishes a set of place types classified by characteristic housing mix, scale and urban form.

Next Generation Suburban Neighbourhoods (P4) is used as the basis for walkable neighbourhoods of the Hamlets and CabPats. They are envisaged as generally low in scale and comprise well landscaped environments. These neighbourhoods provide 15–25 dwellings per hectare, as envisaged by the SEQ Regional Plan for significant greenfield areas. They offer housing choice, from detached houses and duplexes to row houses, shop-top housing and even live/work buildings. While detached houses are most common, many detached houses are on smaller lots.

Attached housing in these neighbourhoods would often be on lots with particular attributes, such as corners, lots with rear lane access and locations close to open space, centres or public transport. Non-residential uses in P4 neighbourhoods meet the day-to-day needs of residents. Housing in these places is to be within easy walking and cycling distance to a wider range of facilities including shops, schools, parks and public transport.

Occasional large neighbourhood centres are envisaged at key locations where they can be supported with sufficient population. Similar to older suburbs closer to Brisbane, these are planned as higher density, walkable, mixed use Urban Neighbourhoods (P5) with a greater mix of housing and uses than Next Generation Suburban Neighbourhoods (P4).

Urban Neighbourhoods (P5) provide greater than 30 dwellings per hectare. At Caboolture West, they will include detached houses in small pockets and would take varied forms where medium density or low to medium scale buildings around the large neighbourhood centres.

The Caboolture West Town centre is envisioned as a Centre of Activity (P6) under *Next Generation Planning*. These centres have concentrations of non-residential activities like shopping but are also

centres for employment, higher education and entertainment. They are a focus of transport networks, and a hub for public transport and local pedestrian and cycling systems.

The Caboolture West Town Centre will be more varied in character than suburban and urban neighbourhoods and housing is usually envisaged as apartments. It will provide residents in and around the centres with ready access to the range of uses and employment they offer.

The *Next Generation Planning* Places Types and the related range of housing types are set out in Figure 3 below:



Figure 3  
*Next Generation Planning Place Model Place Types applicable to Caboolture West with range of applicable housing types.*

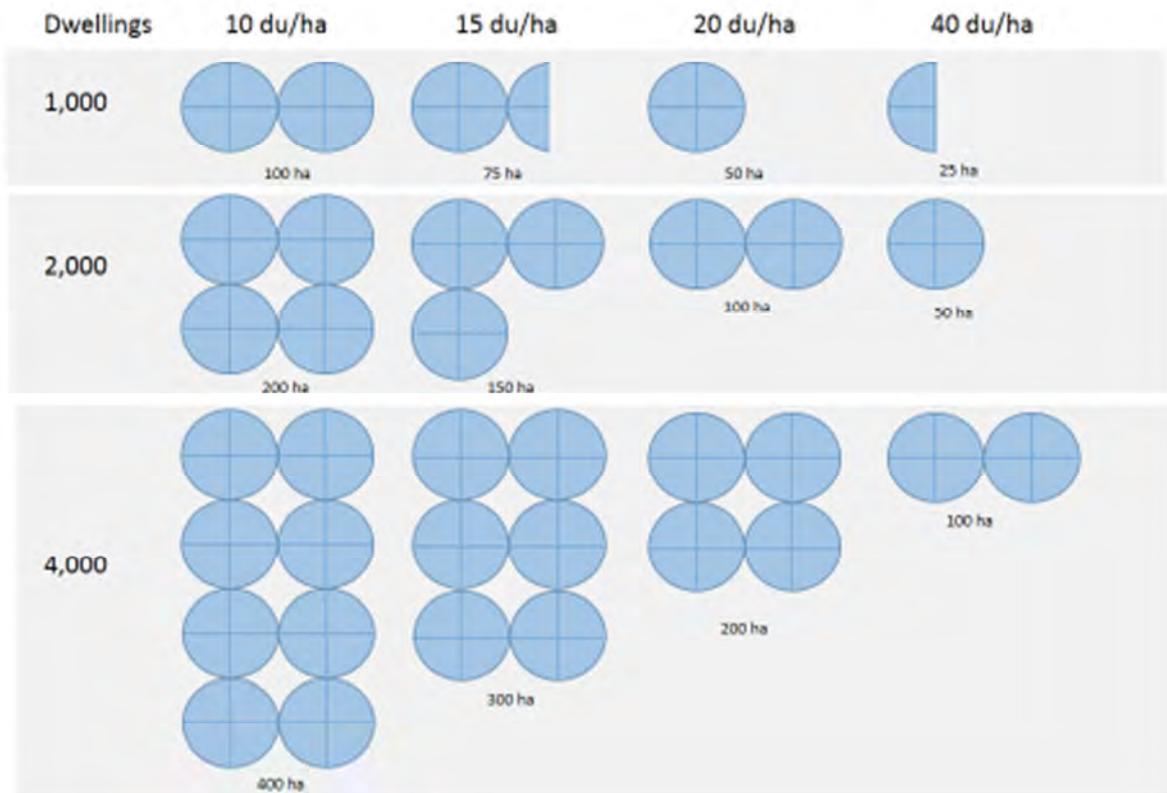
## 2.4 Dwelling Density

Dwelling densities are proposed to be set at the minimum average required to secure urban form outcomes in the *Next Generation Planning Place Types*, to make the delivery of services and public transport more efficient and viable, and to ensure that the land is used efficiently saving further intrusion into agricultural and environmental areas to house the projected population growth of Moreton Bay.

The making of more vibrant and diverse urbanism is directly related to the concentration of population and activity and conversely lower density is associated with dormitory suburbs, few local services and high car-dependency.

Land consumption increases drastically at lower density. As indicated in Diagram 6 below 4,000 dwellings at 10 dwellings per hectare require 400 hectares of land, whereas half that amount of land is required at 20 dwellings per hectare, and only a quarter of the land is required 40 dwellings per hectare.

Figure 5



Density and land consumption relationship (note the scale of the circle is a walkable neighbourhood of 400 metres of approximately 50ha)

The benefits of higher density of dwellings in concert with other essential attributes include:

1. Reduction in land, infrastructure and energy cost;
2. Reduction in the economic cost of time spent travelling and in vehicle emissions;
3. Support for public transport and local services;
4. Preservation of green spaces;
5. Preservation of and agricultural land that would otherwise be required for urbanisation;
6. Encouragement of greater physical activity, with consequent health benefits; and
7. Fostering social connectedness and community vitality

To meet housing diversity needs, make efficient use of land and services at Caboolture West, the general residential codes of the proposed new Moreton Bay Planning Scheme have been adopted for Caboolture West with an average net density overall of 22 dwellings per hectare which combines the proposals for:

1. Next Generation 20: Net residential densities between 15-25 dwellings per hectare with a minimum average of 20 dwellings per hectare.
2. Next Generation 30: Net residential density of a minimum average of 30 dwellings per hectare.

## 2.5 Caboolture West Yields

A high-level analysis has been undertaken of the population and housing yield that could be generated by the draft Caboolture West Structure Plan in Figure 4 below. The analysis assumes that

the Town Centre, Urban and Suburban Neighbourhoods would have a conversion rate to net developable area of 70% of the gross area shown on the plan.

Density assumptions have been made from the density range set out in the Place Types of *Next Generation Planning*:

1. Next Generation 20: Minimum average of 20 dwellings per hectare assigned to suburban areas, which is mid-point of the density range included in *Next Generation Planning* for Urban Precincts of 15-25 dwellings per hectare. A predominance of wide and narrow lot single houses would be expected in these areas, with semi-attached compact homes also introduced in suitable locations.
2. Next Generation 30: Minimum 30 dwellings per hectare average assigned to Large Neighbourhood Centres, which is the lowest end of the density range included in *Next Generation Planning* for Urban Precincts. Next generation housing types would include some detached housing on narrow lots, with attached duplexes to quadruplexes and row houses clustered around shops and facilities in the new Caboolture West neighbourhoods.
3. 60 dwellings per hectare average assigned to Town Centre, indicating that low rise apartments as well as row houses and live work dwellings. This is currently an ambitious target, as generally densities over 40dpha are currently only financially feasible in areas of high amenity with established local facilities Strata title (for example in the NSW context in very mature new communities with facilities such as town centres at Rouse Hill, Park Central and Nelson Ridge). The density of 60pha is set with the long 15 year+ timeframe for the development of the town centre by which time affordability and demographic changes to smaller houses are expected to continue to drive the need for higher densities and more affordable housing products.

The analysis is a static or snapshot view of a 30+ year development. It has been prepared to give an indicative development yield for retail, transport and other services planning. Developers will need to comply with the general residential codes of the proposed new Moreton Bay Planning Scheme and it is expected that development will initially occur at the lower end of the Next Generation Suburban Precinct density range of 15-25 dwellings per hectare and that densities will build over time towards the higher end of the range to achieve the minimum average of 20 dwellings per hectare. The large neighbourhood centres included as Next Generation Urban Precinct and the Caboolture West Town Centre will take some years to come, by which time the proposed minimum densities are expected to be achieved.

Figure 4

**Caboolture West**

<b>Town Centre</b>		
TC Gross	ha	58
TC net res (70% gross)	ha	41
TC du	60dpha	3,480
TC Population	2 ppha	6,960
<b>Next Generation 30</b>		
URB gross	ha	132
URB (70% gross)	ha	92
URB total dwellings	30dpha	3,960
URB population	2.3 ppha	9,108
<b>Next Generation 20</b>		
NG gross	ha	971
NG (70% gross)	ha	680
NG total dwellings	30dpha	19,420
NG population	2.7 ppha	52,434
<b>Total</b>		
Dwellings		26,860
Population		68,502
<b>Next Generation Neighbourhood</b>		
Average	22dpha	

## 2.6 Housing Diversity

A sustainable community is inclusive and contains people of all different ages and stages of the life cycle where people can continue to live within long standing networks. Each new community should provide a diverse range of housing types and price points. This will enhance the vitality of the community by facilitating a correspondingly diverse range of residents.

The link between housing density and housing choice is that higher density leads to the ability to provide a wider range of housing type. The more diverse the housing types on offer the more likely there will be affordable housing choices along with a wider range of housing choice to suit different people. More affordable housing types will be needed at Caboolture West to fulfil the needs of the wide range of new buyers into the market that comprise the projected population.

Density should not be seen as a set of lots or dwellings of an average density, but as a set of diverse housing types of a variety of densities in appropriate locations such as medium density within the walkable catchment of a centre, or smaller houses adjacent to higher amenity areas such as parks. The blending of the range of required housing types for the envisaged population in the appropriate locations should drive average density.

Where average densities are prescribed for generalised planning reasons, they should be tested for the ability to provide an adequate mix of housing types. Lot layout should provide for a mix of housing types, lot sizes and densities matched to centres, public transport and amenity drivers such as high amenity parkland.

Future patterns of subdivision will need to facilitate a variety of densities within a community, offering a mix of housing types providing quality living as well as affordability.

## 2.7 Housing Needs

Housing supply must reflect what home buyers need and demand must come first for homes to be built in Caboolture West. It is necessary to balance the interests of aspiring new homeowners in the shifting emphasis towards denser, more diverse new greenfield communities.

MBRC has traditionally been a solid source of new lot sales into the SEQ land market sourced from major greenfield land developments. Caboolture West is a major asset to MBRC in its efforts to maintain a balanced of land supply sources for new dwellings to meet the underlying demand for new dwellings.

The development of the Caboolture West area greenfield is vital to supplying sufficient housing to meet the underlying dwelling requirements to 2031 (2011 projection) and maintain the balance between infill and greenfield development to between 40% and 50% of new dwelling production in MBRC.

Moreton Bay is home to diverse communities<sup>i</sup>, with the following relevant to Caboolture West:

- Relatively young in high growth housing estates;
- Strongly oriented towards families with children with a relatively high proportion of single parent households in the north of the region;
- Characterised by lower than regional average incomes.

Future projected population characteristics of:

- An increase of ‘empty nesters’ or pre-retirement groups aged from 55-64;
- A large increase in the proportion of people aged over 65 years;
- A decrease in the proportion of other age groups, while absolute numbers will still increase;
- A significant decline in the proposition of couple families with children and an increase in all other household types; and a continued decline in household size, particularly separate houses.

The MBRC Housing Needs Assessment concluded that smaller household size will reduce the need for detached three and four bedroom dwellings. Moreton Bay will need an increased and more diverse range of houses as a result. Table 1 below sets out a summary of new dwelling requirements 2011-2031 for Moreton Bay<sup>ii</sup>.

Table 1

<b>Table 49 Medium Series population Targets Scenario (High)</b>		
<b>2011 - 2031 New dwellings</b>		
<b>Medium - High Density, incl semi-detached)</b>	31,028	42%
<b>Low Density (separate house)</b>	42,420	58%
<b>Total</b>	<b>73,448</b>	<b>100%</b>

New dwelling requirements 2011-2031, Moreton Bay

As the demographics have changed towards smaller and more diverse households and prices have increased over time, the average size of new greenfield lots in SEQ, Perth, Melbourne and Sydney have all been reduced to try to keep housing prices lower. As a result, the housing types have become more diverse in terms of a greater amount of attached housing. There are also new low and mid-rise apartments and live-work units in mature greenfields town centres that have good public transport and amenities. All of these indicate that Caboolture West will need to follow the trend to more dense, diverse and affordable houses.

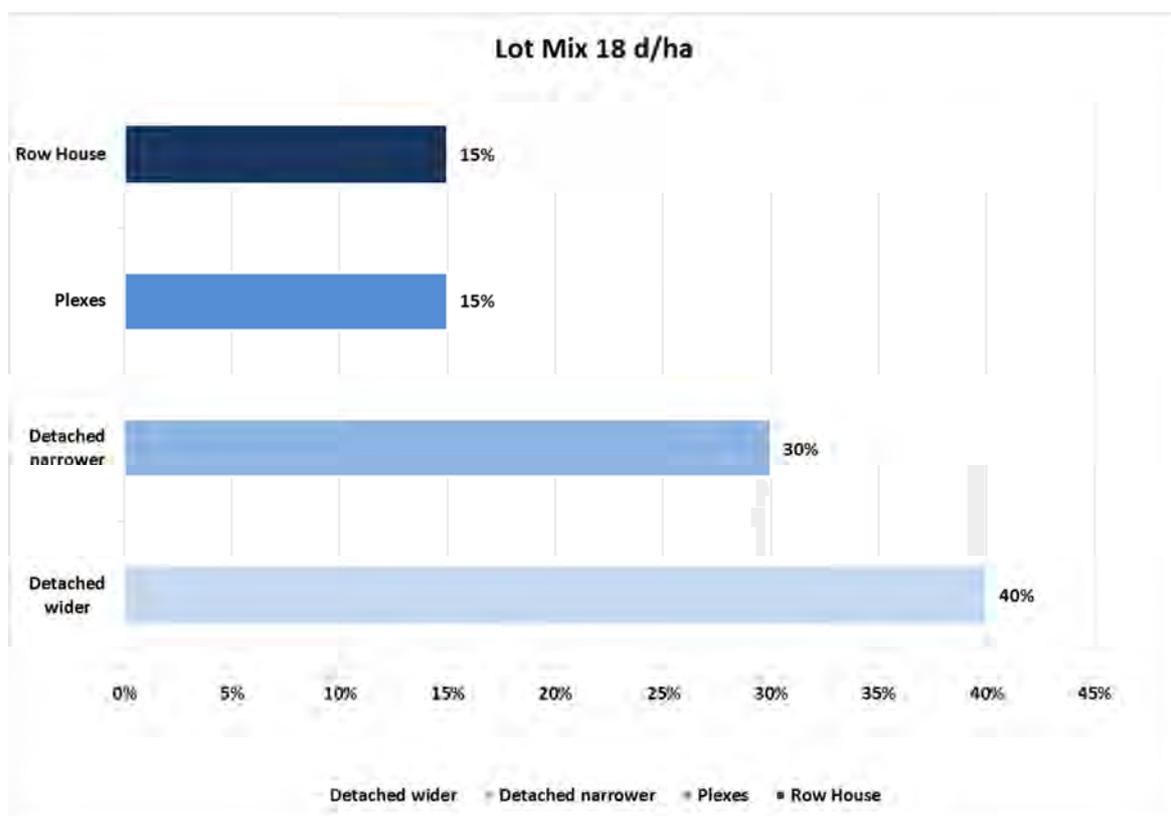
## 2.8 Caboolture West Housing Mix

The Caboolture West housing yields set in 2.5 above were tested for housing and lot mix. Density is only a mathematical measure, and it is important to understand the housing types that would be generated under the assigned average density.

Caboolture West will be developed over a 30 + year timeframe, and densities will gradually increase over that timeframe, along with more and more housing variety and mix. The Suburban Precincts of Caboolture West are likely to commence with a predominance of detached wider lots in the 15-20dpha density range, although there are examples of new housing being delivered in SEQ at 20-25dpha.

A typical dwelling mix at the 15-20dpha would look like Figure 5 below:

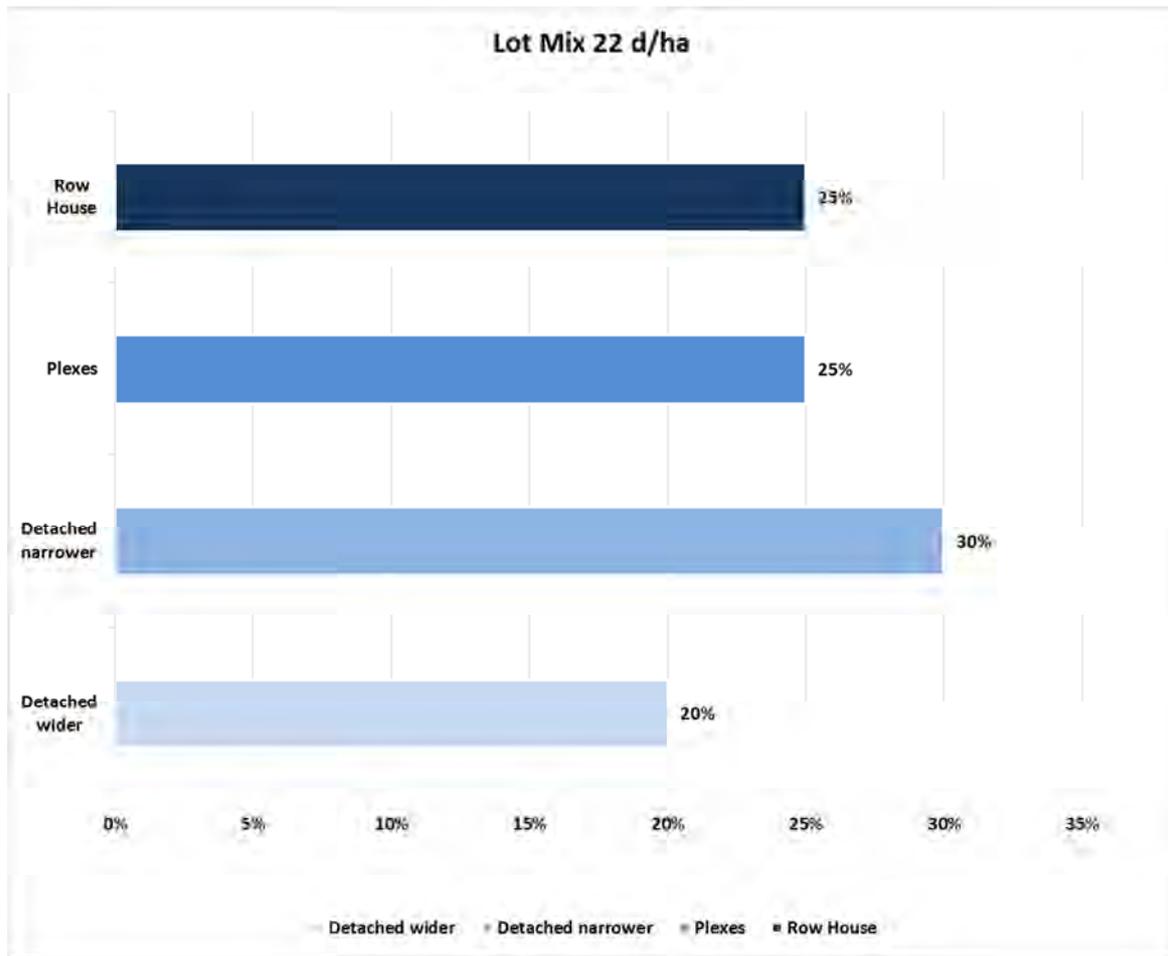
Figure 5



Typical Suburban Lot Mix at 15-20dpha

Over time, a shift is envisaged at Caboolture West Suburban areas to 22dpha. This is the density being envisaged for equivalent areas in the Western Sydney Growth Centres. A typical lot mix may look like Figure 6 below:

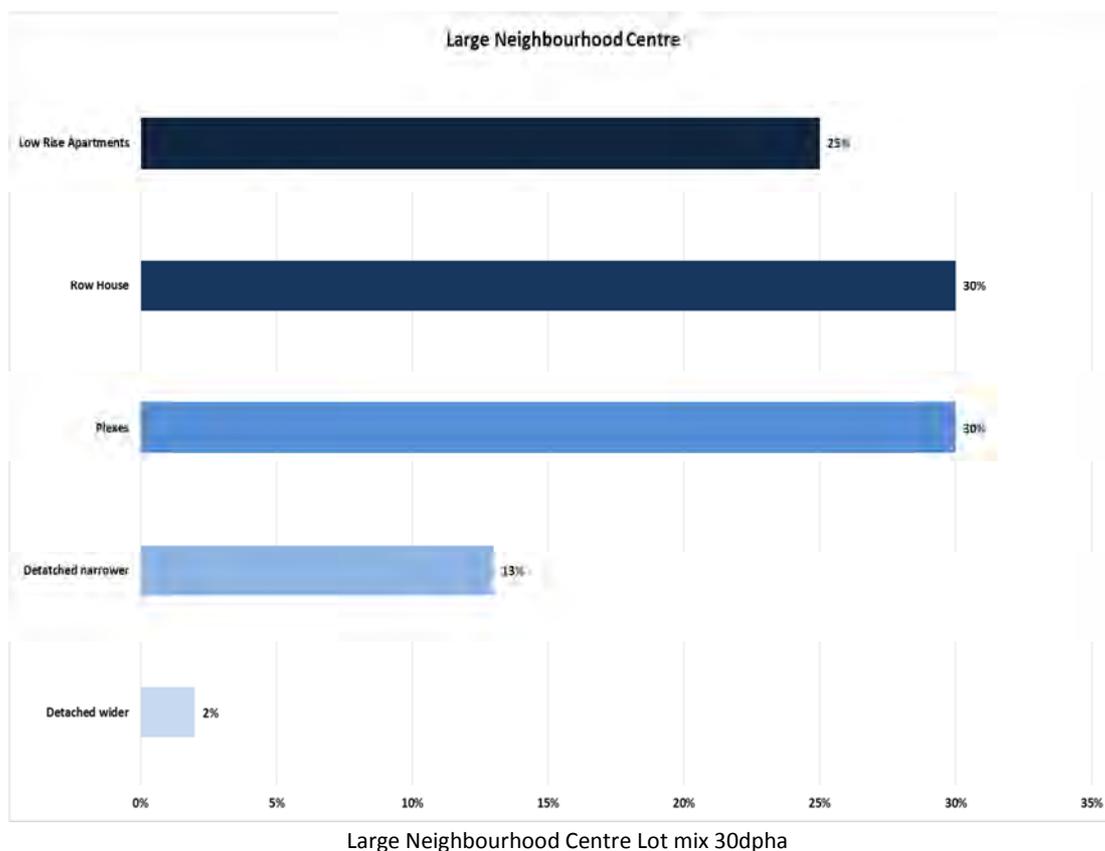
Figure 6



Typical Suburban Lot Mix at 22 dpha

The large neighbourhood centres would include some detached housing on narrow lots, with attached duplexes to quadruplexes and row houses clustered around shops and as envisaged in Figure 7.

Figure 7



## 2.9 Commercial Factors in Housing Mix

There are commercial factors in the transition towards more housing variety and mix. Currently, delivery of new communities at the lower ends of the Suburban Precinct density of 15-25dpha is the dominant business model for the housing industry<sup>iii</sup>:

1. Land developers produce lots for sale to purchasers who settle the lot purchase directly with the land developer.
2. After lot settlement, a home from a project home builder. Purchasers typically fund the construction of their new home with a construction loan that provides progress payments to their contracted builder. The construction of the home is funded directly by the purchaser with the bank holding a first mortgage security on their property.

The current method of land and housing production is capital efficient for land developers. Banks see this method of funding with construction loans to individual owners as a much lower risk than the debt funding of land developers and the home loan interest rates are much lower than the interest rates offered to land developers.

Smaller housing most often requires the homes to be designed as part of the land development. This requires the construction of the dwellings to be funded upfront and forces land developers to change their business models into a commercial arrangement with a project home builder. This new delivery model increases the commercial risks for the land developer and requires much more capital investment in the project and for a commercial return to be achieved on that capital<sup>iv</sup>.

Further, projects requiring densities of 30+dpha are capital intensive as the settlement of any off the plan presales cannot occur until the dwellings are complete and the subdivision plan is registered.

There is a smaller and more specialist developer pool that will need to be attracted to assist in delivering this product.

Developers and builders are coming to these arrangements with the industry is in transition in a tight funding environment. The first transition is to move an average of 22dpha in the Next Generation Suburbs. This shift is already happening in projects across South East Queensland. The plan then expects 30dpha in the vicinity of Large Neighbourhood Centres and 60dpha at the Town Centre. Caboolture West is a long term project of 30+ years, with time for the development and building industry to transition into new delivery arrangements for the housing mix and densities envisaged.

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<sup>i</sup> Moreton Bay Regional Council Housing Needs Assessment 2011

<sup>ii</sup> From Table 49, Medium Series Population Projection Dwelling Targets Scenario (High), Moreton Bay Regional Council Housing Needs Assessment 2011

<sup>iii</sup> Mike Scott, Medium Density Housing in New Release Areas

<sup>iv</sup> *ibid*