

# Agnes Water Relocatable Home Park

## Economic Need Assessment

PREPARED FOR KTQ Developments

October 2019

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# Table of contents

Section 1:	Introduction.....	1
1.1	Scope.....	1
1.2	Subject site and locational context.....	1
1.3	Planning context.....	5
Section 2:	Development Proposal.....	7
2.1	Proposed development.....	7
2.2	Review of RHP product and attributes.....	9
2.3	Key target groups.....	10
Section 3:	Socio-Demographic Review.....	13
3.1	Catchment area.....	13
3.2	Socio-demographic profile.....	16
Section 4:	Competitive Supply Review.....	19
4.1	Relocatable home park supply.....	19
4.1.1	Existing facilities.....	19
4.1.2	Development pipeline.....	19
4.2	Retirement supply.....	20
4.2.1	Existing facilities.....	20
4.2.2	Development pipeline.....	20
Section 5:	Demand Assessment.....	22
5.1	Demand overview.....	22
5.2	Population forecasts.....	23
5.3	Needs assessment.....	27
5.3.1	Under-50s RHP need.....	27
5.3.2	Over-50s RHP + retirement accommodation need.....	29
Section 6:	Economic Need Implications.....	31

# Section 1: Introduction

## 1.1 Scope

This report has undertaken an economic need assessment of the proposed relocatable home park (RHP) development located at Bryant Street, Agnes Water QLD. The proposed development will deliver a RHP (i.e. consistent with the Queensland Manufactured Homes (Residential Parks) Act 2013) to establish an alternative residential product within the local area. The development will be a secure lifestyle-oriented village accessible to residents of all ages, with 190 dwellings planned onsite.

It is noted that throughout this report the proposed development is referred to as a RHP so as to use consistent terminology with the Gladstone Regional Council (GRC) Planning Scheme. The proposed development will not however resemble existing RHPs within the Gladstone region, rather it will be consistent and competitive with modern developments typically referred to as Manufactured Housing Estates (MHEs).

The role and function that the proposed development will establish as a modern RHP, has been used to define potential socio-demographic user groups and demand drivers, as well as competitive supply, throughout this assessment. The scope of this report focuses on assessing the economic need for the RHP at the subject site based on local catchment conditions, competing supply, and demand generated by existing and future demographic and locational drivers.

**This report demonstrates that there is a clear and overwhelming economic and community need for the proposed RHP development within the Gladstone region.**

## 1.2 Subject site and locational context

The subject site is located at Lot 101 SP176830 Bryant Street in Agnes Water, centrally located between the regional hubs of Bundaberg (123km to the south) and Gladstone (125km to the north).

Agnes Water is one of the major urban townships of the southern Gladstone region and is a significant tourism hub. It has a strong level of tourism amenity and is considered a popular holiday destination with approximately 226,000 overnight visitors in 2017<sup>1</sup>.

As shown in Figure 2 below the local area is predominantly low-density residential neighbourhoods including rural residential communities, however, the town centre and population serving amenities are clustered within the defined urban area just north of the subject site.

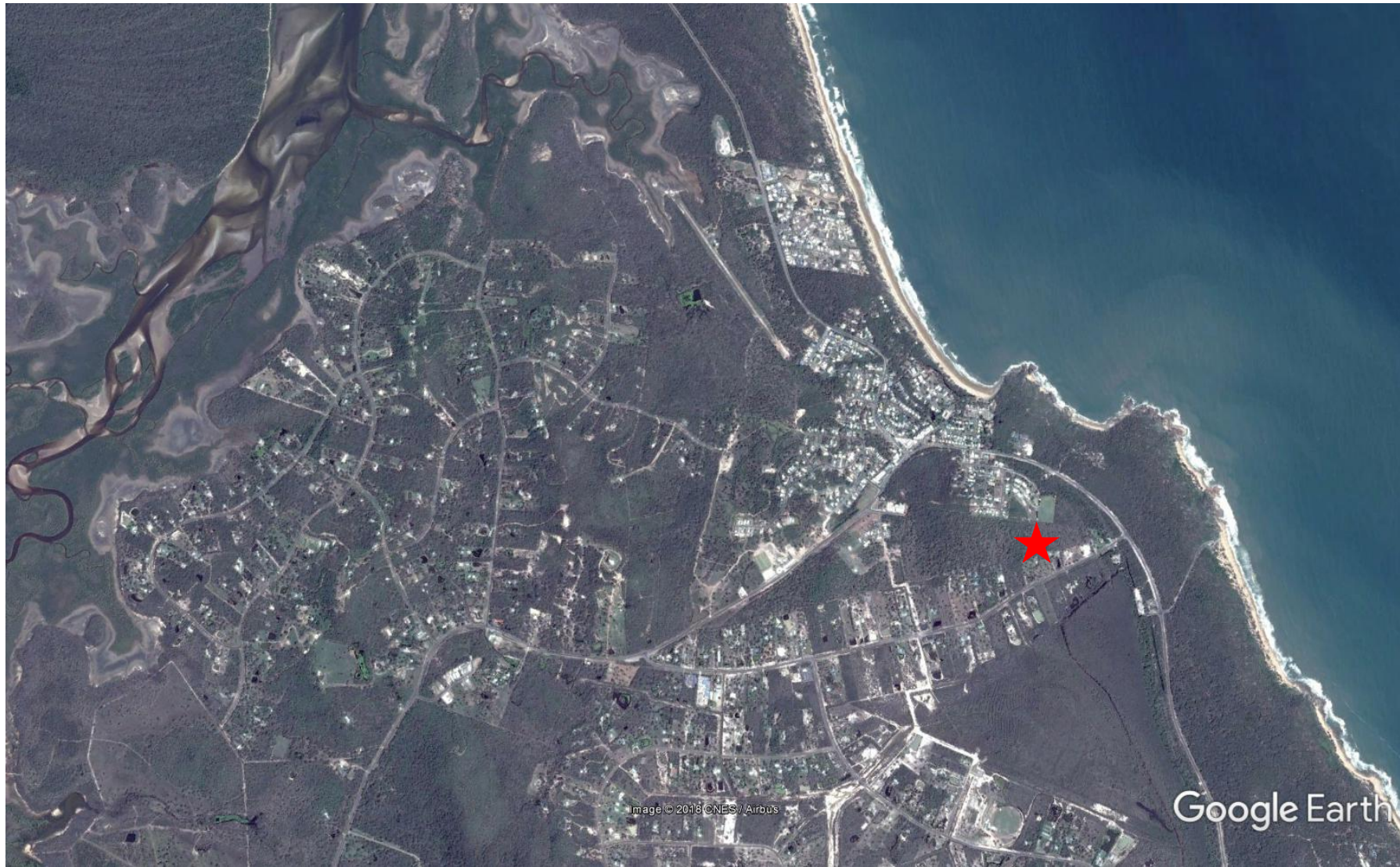
The subject site is zoned as emerging community under the existing Gladstone planning scheme, which supports new residential and neighbourhood development. The site also benefits from a number of surrounding local amenities, including:

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<sup>1</sup> Tourism Research Australia National and International Visitor Survey (2018)

- An existing café and local shuttle company (1770 shuttle) located at the southern boundary of the subject site;
- The Agnes Water town centre is approximately 1km from north-west of the subject site and includes two supermarkets (Foodworks and Spar), chemist, dental and medical centre, bank, and several local cafes and takeaway outlets;
- There are several community uses situated approximately 400m to the north of the site including the Agnes Water Museum, Agnes Water and Town of 1770 Visitor Centre, community centre, library and Agnes Water Rural Transaction Centre (encompassing local Centrelink office); and
- Agnes Water Tavern approximately 600m west of the subject site.

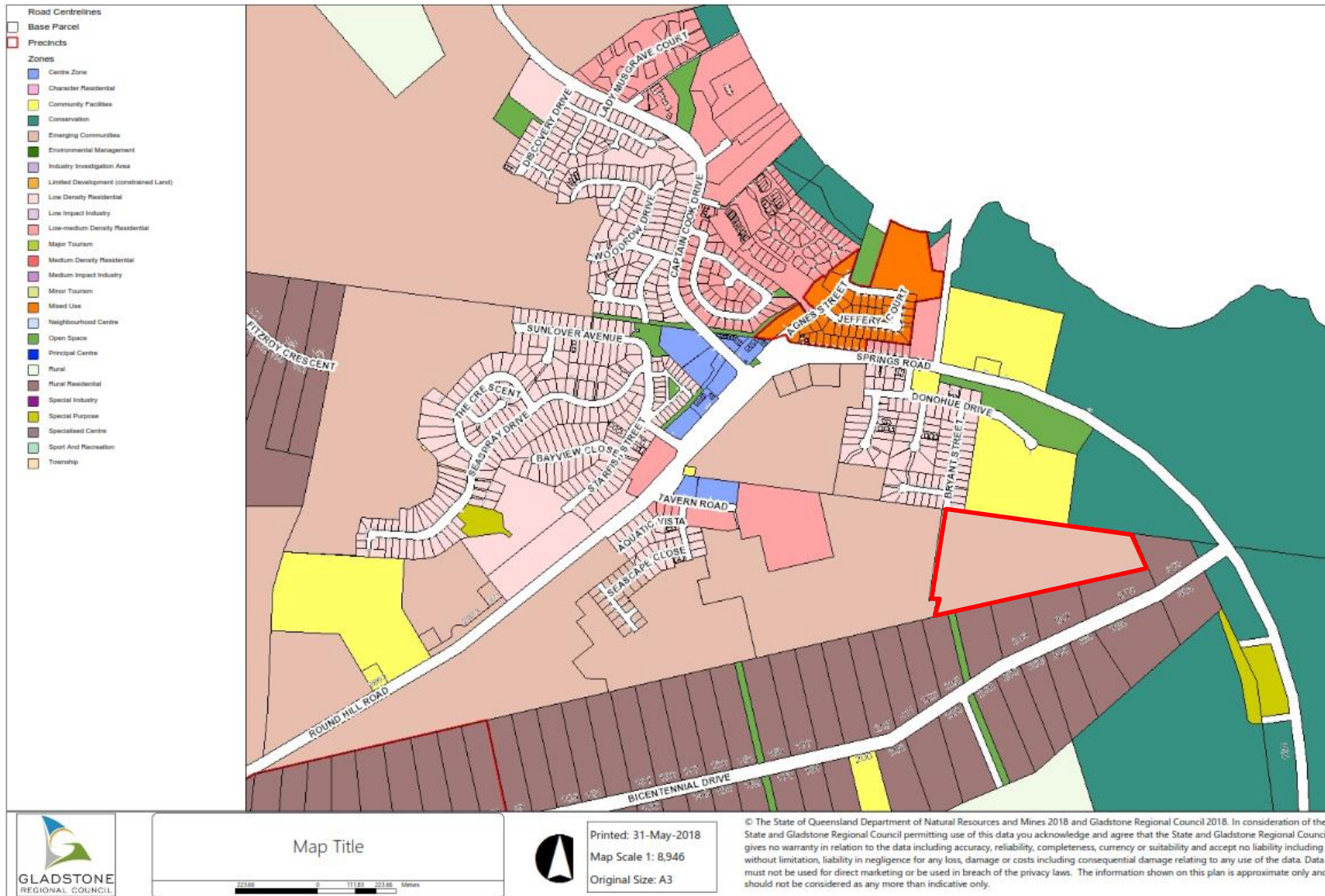
Figure 1 Site Location



Source: Google Earth (15<sup>th</sup> of February 2016), Macroplan



Figure 2 Site Overview



Source: Gladstone Regional Council Planning Scheme (2015)

### 1.3 Planning context

The GRC Planning Scheme – version 2 (3 July 2017) has been reviewed to assess the proposed development's consistency with regional planning objectives and intent.

In terms of housing mix and affordability, including specific mention of retirement living and RHP dwellings, the planning scheme sets out the following:

#### *3.4.2 Strategic Framework – Elements (Housing mix and Affordability)*

*Residential development provides for a **mix of housing types** that support **a wide range of housing needs** throughout the region. These are expressed in detached and attached residential building typologies in relevant zones in urban revitalisation areas, mixed uses centres and the Gladstone CBD. Dwelling houses and dual occupancy also contribute to the housing mix in existing suburban neighbourhoods and in rural and coastal townships and rural residential areas.*

***New Neighbourhoods** (where most new housing will occur) **must deliver a range of detached and attached housing types of different sizes and configurations.***

*The ability to 'age in place' helps achieve well balanced and functional communities and forms part of the broader housing objective of providing greater housing choice to meet needs throughout different phases of life. Retirement villages, aged care accommodation **and other forms of accommodation** for older people occurs in locations with convenient access to health and community services, public transport and centres.*

***The diverse range of housing options also caters for award workers and low-income households.** This is partly achieved through the retention of existing affordable housing, **including relocatable home parks** and permanently occupied caravan parks.*

*(P3 – 24 emphasis added)*

The proposal is consistent with this intent to provide a mix of residential product that supports a wide range of housing needs and responds to the retirement and affordable residential needs, based on the location of the subject site and the provision of existing community services and facilities throughout the proximate local area. The site is within a convenient distance to medical and community services and the Agnes Water town centre as discussed in the location context above.

While there are currently no public transport options in Agnes Water the local shuttle company 1770 (which is located to the southern boundary of the site) provides transportation locally and to regional hubs including both the Gladstone and Bundaberg Airport or Miriam Vale Train station. In addition, the site is located less than 1 km from the Greyhound Bus Stop, at the junction of Capitan Cook drive and Round Hill Road, which provides routes to and from Bundaberg and Gladstone.

Notably the emerging community zone is intended to support new neighbourhoods and residential growth over the life of the planning scheme as set out in the strategic framework:



### 3.6.2 Strategic Framework – Elements (Building it Better: New Neighbourhoods)

**New neighbourhoods represent the region's new growth areas and greenfield land supply.** These areas will provide the majority of new dwellings and development areas for the region and **only occurs where** it can be demonstrated that there is both **overwhelming** community and economic need.

New neighbourhoods only occur within, or as planned urban extensions of, the urban areas of Gladstone, Boyne Island, Tannum Sands, Calliope and to a lesser extent in **Agnes Water**. **This is represented by land included in the Emerging community zone.**

With the exception of Calliope, residential development in new neighbourhoods provides for a **minimum average of 15 dwellings per hectare net** which is a moderately increased number of dwellings per hectare of land compared to existing conventional suburban development in the region...

**A diverse range of low–medium residential** detached and attached housing types are **appropriate in new neighbourhoods...Residential buildings in these areas must compliment neighbourhood character**, present to the street and include design elements that reduce building bulk, minimise overshadowing and create pleasant living environments.

(P3 – 37-38 emphasis added)

#### 6.2.19 Emerging community

...

The purpose of the emerging community zone code is to:

- (a) ...
- (b) **Manage** the timely conversion of non–urban land to urban purposes **when needed** to meet community needs.
- (c) **Development** for the purpose of **new urban communities** is undertaken only where there is **overriding community and economic need** and in accordance with a Plan of development.

(P6 – 224 emphasis added)

The proposed RHP is consistent with the emerging community zone, contributing to new neighbourhood growth in the Agnes Water community, providing a mix of residential accommodation that supports a wide range of housing needs and that aligns with existing latent demand and growing residential needs within the surrounding region (assessed throughout this report).

## Section 2: Development Proposal

The following provides an overview of the proposed development onsite as well as a review of the characteristics and attributes of the product type proposed (relocatable home park) and how these are unique or differ to traditional residential product types.

### 2.1 Proposed development

The proposed development onsite will deliver 190 dwellings under the Manufactured Homes (Residential Uses) Act 2003, with this type of dwelling referred to as 'Relocatable Home Park' (RHP) within the GRC Planning Scheme.

The definition for RHPs in the GRC Planning Scheme is presented below:

*Premises used for relocatable dwellings (whether they are permanently located or not) that provides long-term residential accommodation. The use may include a manager's residence and office, ancillary food and drink outlet, kiosk, amenity buildings and the provision of recreation facilities for the exclusive use of residents.*

The RHP will be developed as a lifestyle village, with a range of residential options and amenities provided onsite to suit the varying needs of future residents. The residential dwellings will be detached dwellings that will vary in size depending on the household structure and needs of residents, with lots ranging in size from 245sq.m to >300sq.m.

The amenities onsite will include:

- Gated security access;
- RV parking;
- Parks and open space throughout the site;
- Tennis, bocce and lawn bowls facilities;
- A men's shed; and
- Community centre.

The project master plan is presented as Figure 3 over the page.

Figure 3 Proposed master plan



1 Site plan  
1: 2000

SITE PLAN

KTQ Developments, Vellamo Lifestyle Living Development, Agnes Water

CLIENT

20170038 SD 100



## 2.2 Review of RHP product and attributes

In the email sent by Council on the 21 August 2019, a statement was made that the proposed development would not be unique as it will provide unrestricted residential accommodation, in terms of the age of future residents. This statement is provided below:

*As the proposed development cannot be restricted ad infinitum to the over 55s age group, the proposal does not provide a unique residential product in either the Agnes Water Locality or the wider Gladstone Regional Council area. This development may also further contribute to the current oversupply of housing types and further degrade the market.*

While it is acknowledged that the proposed development is not unique in terms of the age demographic it will serve, there are a range of product attributes that are certainly unique and that respond to specific residential needs for many people within the community. These unique product attributes can be compared to both traditional residential product as well as retirement product. Comparing these attributes to retirement product is relevant as due to the attributes of a RHP, including affordability, ownership and fees and maintenance, RHPs are often an alternative or substitute to retirement product for people aged 50 and over.

A comparison of residential product attributes for traditional residential dwellings, retirement product and a RHP is provided in the table below.

**Table 1 Residential attributes comparison**

	Regular Owner Occupied Residential	Retirement	Relocatable Home Park (i.e. MHE)
Ownership	Ownership of house and land	Leasehold/licence to occupy of both house and land	Ownership of house and lease on land
Entry Price	Market value	Typically 70-80% of median house price	Typically 70-80% of median house price
Average size	3+ bedroom	<3 bedroom	<3 bedroom
Stamp Duty	Yes	No	No
Ongoing Costs	Rates and Body Corporate Fees*	Service Charge	Site Fees
Eligibility for government rent assistance	No	No	Yes
Capital Gains	Yes	Not always -Dependent of operator's financial structure	Yes
Exit Fee	No	Yes	No
Required maintenance	High-Medium	Low	Low

\*Body Corporate is applicable to strata or group title properties only

Source: Macroplan

The following further defines those combined attributes and characteristics of RHPs that differentiate it from other residential product types.

#### **Affordability**

- Upfront costs of entering a park are typically lower than the upfront costs of entering a comparable retirement property or residential property. This is due in part to the resident not needing to purchase their land or pay any stamp duty on the acquisition.
- The ongoing costs of living in a park (site rent) are in most cases less than the ongoing costs of living in a retirement property (service charges) and relatively on par or not much more than a residential property (rates and body corporates).
- Some residents may be eligible to receive rent assistance towards their weekly site rents. Such rent assistance is not available when owning residential property or living within a retirement property.

#### **Product size**

- RHP are typically homes with three bedrooms or less. These developments fill a housing need for downsizers and smaller household types that prefer detached housing over attached units and townhouses.
- Homes will also typically have a single carport or garage to reflect the needs of residents and further reduce purchase costs/increase affordability (compared to traditional product that often has double garages).

#### **Communal amenities**

- Modern residential parks provide residents with resort style facilities such as gated security, recreational facilities and parks, at a relatively low cost, as the costs for providing and maintaining these facilities are shared among all owners.

#### **Ownership and regulation**

- Residents retain capital gains as they would in a residential property sale, this is often not the case in retirement village.
- Residents have the right to participate in the affairs and decisions made for the RHP.

#### **Maintenance**

- Park managers are responsible for maintenance of facilities and common areas, which frees up time for residents and shares costs throughout the park to further increase affordability.

These combined attributes are unique to RHPs and as such, the RHP will be unique within the Gladstone region. It is acknowledged that there are 31 manufactured housing 'sites' registered within the Gladstone region, however these are distributed throughout five separate caravan parks ranging from one to 19 sites per park and are not reflective of a modern RHP or what is proposed onsite.

### **2.3 Key target groups**

Based on the attributes and characteristics of modern RHPs, there are several key target groups that are likely to represent residential needs that align with a RHP. These target groups are identified based on socio-demographic and economic indicators and have been summarised over the page.

### **Downsizers**

Older couples, typically aged 50+, who no longer have dependent children living at home and want to downsize from their comparably large family home to a smaller dwelling (but not necessarily an attached unit). RHP offer product which is size appropriate, is affordable, provides a range of community amenities and very low maintenance requirements. These residential needs tend to increase as people get older and have a stronger desire to live in a lifestyle-oriented community.

In this regard, RHPs are also a common alternative and substitute to traditional retirement options, with RHPs representing a large proportion of overall retirement supply in many regions. For example, the supply of RHP dwellings (delivered under the Manufactured Homes (Residential Uses) Act 2003) versus traditional retirement village dwellings (delivered under the Retirement Villages Act) in the Fraser Coast region was recorded as 1,046 RHP dwellings to 1,081 RV dwellings in early 2019. It is also noted that planned retirement development throughout the Fraser Coast region predominantly comprise RHP dwellings, which is an indication of not just the substitution this product type provides but also the preference for this product within the retirement market and within the Central Queensland region.

### **Low income households**

The affordability of RHP product provides strong appeal to low income households, including households of all ages. RHP can provide residential product that is appropriate to a low-income family/person, based on size of product and onsite amenities, typically at a cost less than traditional residential houses.

### **Single parent households**

Single parent households (with dependent children) will often have a higher need for affordable residential product, as well as benefit from access to onsite amenities and low maintenance requirements. Modern RHPs can often foster a strong community environment which also creates social benefits that appeal to single parent households as well as a range of other household types.

### **Single person households**

Single person households can sometimes have a higher need for affordable residential product as well as smaller sized detached residential product. These residential needs of single person households can be well suited to RHPs given the scale and affordability of product.

The residential needs of these various socio-demographic groups, which often overlap, do not typically align with traditional residential product. When there is limited choice in residential product, the residential needs of these groups are often compromised and factors such as affordability, maintenance requirement, access to amenities, etc can be negatively impacted. As such, there needs to a suitable mix of housing types that align with the various needs of the growing community.

The GRC Planning Scheme acknowledges the need for a housing mix and affordability. Furthermore, the planning scheme identifies RHPs as contributing to the necessity for a mix of housing types and for housing affordability in the following statement:

*The diverse range of housing options also caters for award workers and low-income households. This is partly achieved through the retention of existing affordable housing, including relocatable home parks and permanently occupied caravan parks.*



As stated previously, the existing supply of RHPs in the Gladstone Region is limited to 31 sites or individual dwellings dispersed across five caravan parks. For a region of almost 63,000 people and 22,500 dwellings in 2018, this existing RHP supply represents 0.1% of all residential supply in the region, therefore providing a minimal contribution to housing mix and affordability. As the population of the region continues to grow, this contribution will become increasingly insignificant, whereas the need for enhanced housing mix and affordability will increase (analysed in later sections of this report).

## Section 3: Socio-Demographic Review

The following section delineates the estimated catchment for the proposed development at the subject site and provides an overview of the socio-demographics of this identified catchment area.

### 3.1 Catchment area

A main trade area has been delineated for the subject site based on its general position within the surrounding region, the competitive residential market, the historical patterns of aged migration (Fig. 4) (given the increased relevance of modern RHP developments to the over 50s community), and the spatial distribution of existing and proposed competition.

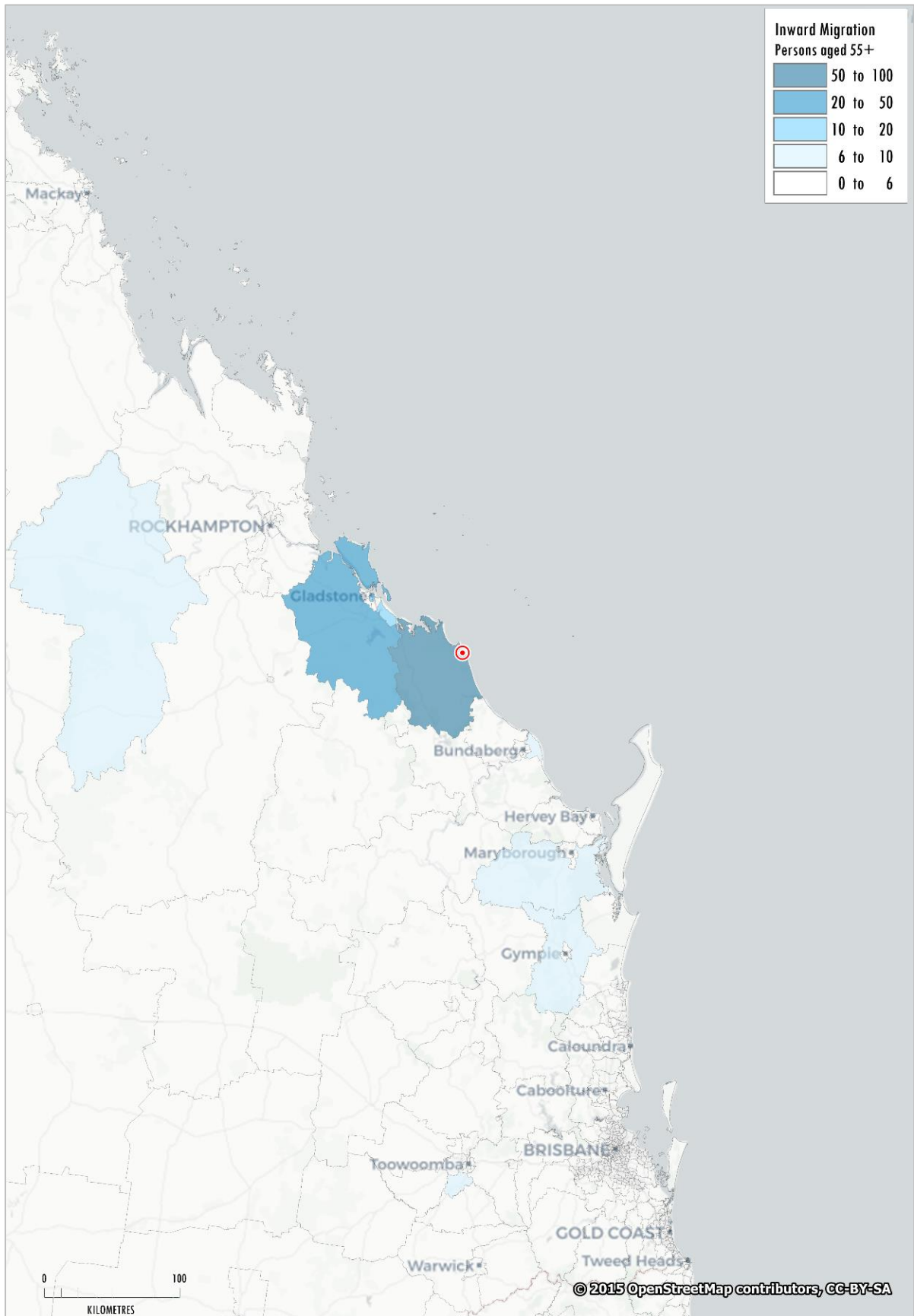
The migration data illustrated in Figure 4, is based on the Census of Population and Housing data from 2016. The data itself illustrates total in-migration to the Agnes Water – Miriam Vale SA2 of persons aged 55+ between 2011 and 2016.

As illustrated in Figure 4, the Agnes Water – Miriam Vale SA2 has attracted a large proportion of its inward migration for the surrounding Gladstone LGA. Between 2011 and 2016, there were some 449 persons aged 55+ who migrated into the Agnes Water-Miriam Vale, 21% of this was migration within the Agnes Water- Miriam Vale SA2 itself with another 18% from other areas of the Gladstone LGA. Additional inward migration from beyond this local Gladstone region is widely distributed throughout larger urban centres including Brisbane and the Sunshine Coast, as well as throughout smaller townships in regional Queensland.

Based on consideration of this migration data as well as the accessibility of the subject site to the broader region, a single main trade area has been defined as including the Gladstone regional area. This catchment is likely to support a large proportion of future demand, although additional demand will be derived from urban and regional centres outside of this catchment, similar to what has been demonstrated by past migration.

The main trade area is illustrated in Figure 5.

Figure 4 Aged Migration to Agnes Water – Miriam Vale SA2 (Persons Aged 55+)



Source: ABS, Census of Population and Housing 2016; Macroplan, 2018

Figure 5 Agnes Water catchment



### 3.2 Socio-demographic profile

Figures 6 and 7 detail the socio-demographic profile of the trade area population, compared with respective benchmarks for non-metropolitan Qld and Australia. Key points to note from this profile include the following:

- The catchment has significantly lower proportions of older residents aged 60+, compared to the non-metro and Australia wide benchmarks. This is in part a result of the lack of appropriate retirement housing and provisions in the region;
- Residents have higher than average per capita and household incomes,
- Household sizes at 2.5 persons per household are in between the non-metro and Australian benchmarks,
- There is a very low representation of persons born overseas which is consistent with the QLD non-metropolitan benchmark; and
- The levels of home ownership are slightly below that of the non-metro QLD average and Australian average at 63.8%.

The trade area is generally comprised of young and middle-aged families with a low proportion of older residents aged 60+. This is a result of older residents leaving the Gladstone region, typically as a result of a lack of suitable accommodation. This trend is confirmed by a number of local newspaper articles<sup>2</sup> that specifically reference the volume of elderly residents forced to leave the region as a result of insufficient retirement accommodation.

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<sup>2</sup> <https://www.gladstoneobserver.com.au/news/demand-for-retirement-home-at-tannum-sands-too-big/3292903/>  
<https://www.gladstoneobserver.com.au/news/14-massive-exciting-gladstone-region-projects-expe/3156742/>

Figure 6 Main trade area catchment - socio demographic profile 2016

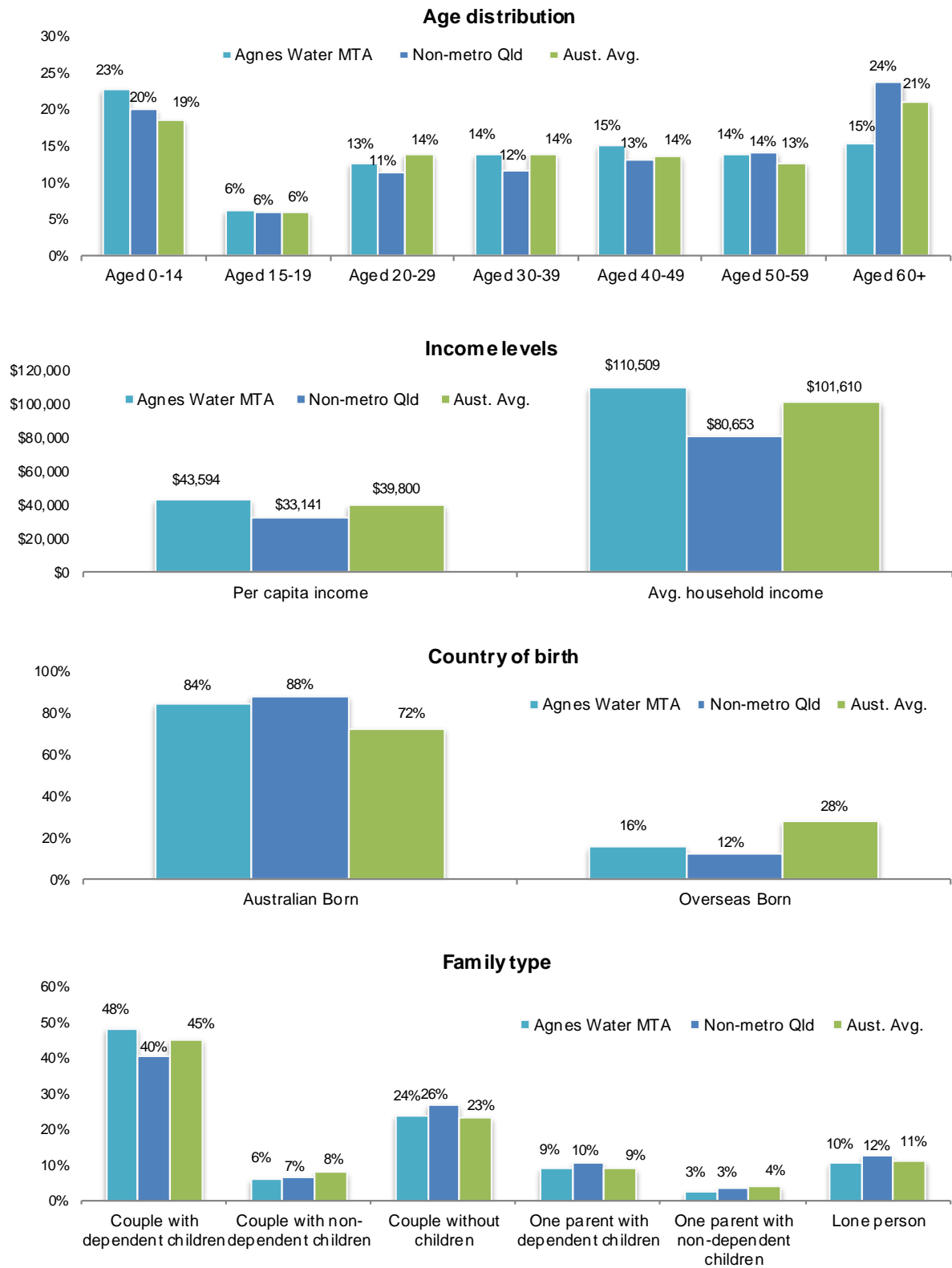
Agnes Water main trade area - socio-demographic profile, 2016			
Census item	Main TA	Non-metro Qld avg.	Aust. avg.
Per capita income	\$43,594	\$33,141	\$39,800
<i>Var. from Non-metro Qld bmark</i>	<i>315%</i>		
Avg. household income	\$110,509	\$80,653	\$101,610
<i>Var. from Non-metro Qld bmark</i>	<i>37.0%</i>		
Avg. household size	2.5	2.4	2.6
<u>Age distribution (% of population)</u>			
Aged 0-14	22.7%	20.0%	18.7%
Aged 15-19	6.2%	6.0%	6.1%
Aged 20-29	12.7%	11.3%	13.8%
Aged 30-39	13.9%	11.8%	14.0%
Aged 40-49	15.2%	13.0%	13.5%
Aged 50-59	14.0%	14.0%	12.7%
Aged 60+	15.3%	23.9%	21.1%
Average age	35.5	39.6	38.6
<u>Housing status (% of households)</u>			
Owner (total)	<u>63.8%</u>	<u>65.0%</u>	<u>67.4%</u>
• Owner (outright)	24.9%	34.6%	31.9%
• Owner (with mortgage)	38.9%	30.4%	35.5%
Renter	36.0%	34.2%	31.8%
<u>Birthplace (% of population)</u>			
Australian born	84.3%	88.0%	71.9%
Overseas born	<u>15.7%</u>	<u>12.0%</u>	<u>28.1%</u>
• Asia	3.7%	2.5%	11.2%
• Europe	4.8%	5.1%	9.6%
• Other	7.2%	4.4%	7.4%
<u>Family type (% of population)</u>			
Couple with dep't child.	48.0%	40.1%	44.8%
Couple with non-dep't child.	5.9%	6.5%	7.7%
Couple without child.	23.8%	26.5%	22.8%
One parent with dep't child.	8.7%	10.3%	8.8%
One parent with non-dep't child.	2.5%	3.3%	3.7%
Lone person	10.4%	12.4%	11.0%

Source: ABS Census of Population & Housing, 2016; MacroPlan Dimasi



Figure 7 Main trade area catchment - socio demographic profile 2016

**Agnes Water main trade area - socio-demographic profile, 2016**



Source: ABS Census of Population & Housing, 2016; MacroPlan Dimasi

## Section 4: Competitive Supply Review

This section assesses the existing and planned future supply for both RHP dwellings and for retirement accommodation within the catchment. Retirement supply has been assessed given that modern RHP developments are typically comparable and are often a substitute to traditional retirement property. The focus on both product types acknowledges the role that the planned development will support by establishing RHP supply that will be relevant to the overall catchment as well as provide a substitute for traditional retirement village supply within the catchment.

### 4.1 Relocatable home park supply

#### 4.1.1 Existing facilities

The existing supply of RHP dwellings, which are those that provide long-term residential accommodation, is limited to 31 dwellings (i.e. 'sites') within six caravan park and tourist parks throughout the Gladstone region. Much of the supply within these caravan and tourist parks is short-term accommodation for visitors and tourists, with only a small number of RHP dwellings per park.

Based on a review of the 'Residential Parks with Manufactured Homes' database<sup>3</sup>, the supply of existing RHP dwellings throughout the Gladstone region is summarised below:

- Calliope Caravan Park – 3 dwellings
- Kin Kora Village Tourist and Residential Home Park – 19 dwellings
- Boyne River Tourist Park – 6 dwellings
- Tannum Beach Caravan Park – 1 dwelling
- Bougainvillea Caravan Park – 2 dwellings

It is noted that this supply is old in character and does not resemble the appearance, amenity or product offer that modern RHP developments provide. They therefore have less of an appeal and respond to a smaller socio-demographic group than typical modern RHPs.

#### 4.1.2 Development pipeline

There are no approved RHP developments throughout the Gladstone region. It is noted that there is an approval on the adjoining site to the west for the 'Stockwell Agnes Water Lifestyle Resort' which is classified as a Manufactured Housing Estate, however it has been approved by GRC as a 'Retirement Facility' and will be exclusive to people aged 50+. (This project is included in the development pipeline for retirement supply below)

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<sup>3</sup> Source: Queensland Department of Housing and Public Works

## 4.2 Retirement supply

### 4.2.1 Existing facilities

Macroplan have completed an assessment of all retirement accommodation within the defined trade area to quantify existing supply. The assessment of existing supply identified the following three retirement villages:

- Settlers Gladstone – retirement village comprising 56 independent living units (ILUs);
- Eureka Gladstone – seniors' rental village comprising 52 serviced apartments; and
- Gladstone Heritage – seniors' rental village comprising 98 ILUs.

These three retirement villages comprise a collective total of 206 retirement units.

### 4.2.2 Development pipeline

In addition to assessing existing retirement accommodation supply, Macroplan has completed a review of planned and proposed retirement accommodation within the catchment. This assessment focuses on identifying what is considered likely future supply based on the current status and stage of planning/development for each future retirement accommodation project.

The review of planned and proposed retirement accommodation identified five potential projects. A summary of this potential supply is presented in Table 2, with additional details for each facility presented on the following pages.

**Table 2 Pipeline Catchment Seniors Living Options**

Project Title	Project Address	Suburb	Project Stage	Units
<b>Philip Street Communities Precinct</b>	Philip Street	Gladstone	Development Approval	200
<b>Flinders Village</b>	75 Tannum Sand Road	Tannum Sands	Preliminary Approval	183
<b>Agnes Water Retirement facility and hospital</b>	Capitan Cook Drive (Lot 2 SP117407)	Agnes Water	Preliminary Approval	Unknown
<b>Stockwell Agnes Water Lifestyle Resort</b>	Round Hill Road	Agnes Water	Development Approval	360

Source: Macroplan, Cordell Connect, Gladstone Regional Council

- Phillip Street Communities Precinct: This precinct development is supported by \$28 million in combined Federal Government, Local Government and Gladstone Foundation funding. A 200-dwelling retirement village is proposed and approved within the precinct, with Council intending to provide the nominated land area to a suitable developer/operator for \$1 in exchange for a 99-year lease. Stage 1 of the project which will see the delivery of an entrance road, stormwater, 4 buildings and a landscaped parkland to be enjoyed by the whole community. On-site works are due to commence in the second half of 2019.

- Flinders Village: In December 2017 Council approved an amendment to the existing preliminary approval, supporting a total of 183 retirement dwellings, including 103 villas and 80 care suits, at 75 Tannum Sands Road, Tannum Sands. These plans have since been updated in the latest development application submitted to council in July 2019. New plans are for a for an 84-bed Residential aged care and 100 units retirement facility. The application is still under assessment.
- Agnes Water Retirement Facility and Hospital: Preliminary approval was granted on the 20th of November 2018 for a retirement village and hospital along Captain Cook Drive (Lot 2 SP 117407) Agnes Water. The number of retirement dwellings is not indicated in provided plans and the timing and future of this development are uncertain.
- Stockwell Agnes Water Lifestyle Resort: Is an approved Retirement Facility (Manufactured Housing Estate) off Round Hill Road, directly adjacent the Agnes Water Tavern. The application was lodged on the 23rd of October 2018 was fully approved in May 2019 for 360 dwellings over ten stages. The development is proposed to include a bowling green, clubhouse, pool and tennis courts and will be exclusively for residents over the age of 50. It is noted in Cordells that the project is expected to commence late 2020.

## Section 5: Demand Assessment

This section assesses the current and forecast demand conditions for RHP and retirement accommodation product within the catchment area. This demand assessment acknowledges that there will be two sub-markets based on age. These include the under-50s year old group, which will generate demand for RHP dwellings, and the over-50s group that will generate demand for both RHP dwellings and retirement accommodation dwellings.

The demand assessment has been presented based on these two age specific sub-markets to clearly demonstrate the demand, supply and market gap conditions relevant to each sub-market.

Demand attributes, including consideration of regional and state-wide trends, product utilisation/penetration rates and population forecasts, have also been assessed and presented below.

### 5.1 Demand overview

As discussed in section 2, as an RHP development the proposal responds to a number of key demographic groups including low income household, singles parent households, single person households and downsizers/retirees.

Observed utilisation rates of RHP's are typically higher among the older age cohorts due to a number of factors including average household size, higher propensity to downsize to free up capital for retirement, and the growing comparability of RHP and traditional retirement villages.

In the past, RHP consisted of mainly small caravan sites with very little amenity and communal facilities. Modern residential park living has now shifted from a caravan and annexe to higher quality manufactured homes that present as a fixed building with rendered facades, decks, pergolas and carports, and offer resort-style community facilities whilst retaining affordability. Due to this shift in product type, RHPs now serve a similar function for downsizers in the community as traditional retirement product and are highly comparable and competitive for the over 50's cohort.

Due to the different role and functions RHP serves across the different age cohorts in the community and the comparability between retirement and RHP, the following assessment looks at both the underlying demand for RHP and retirement.

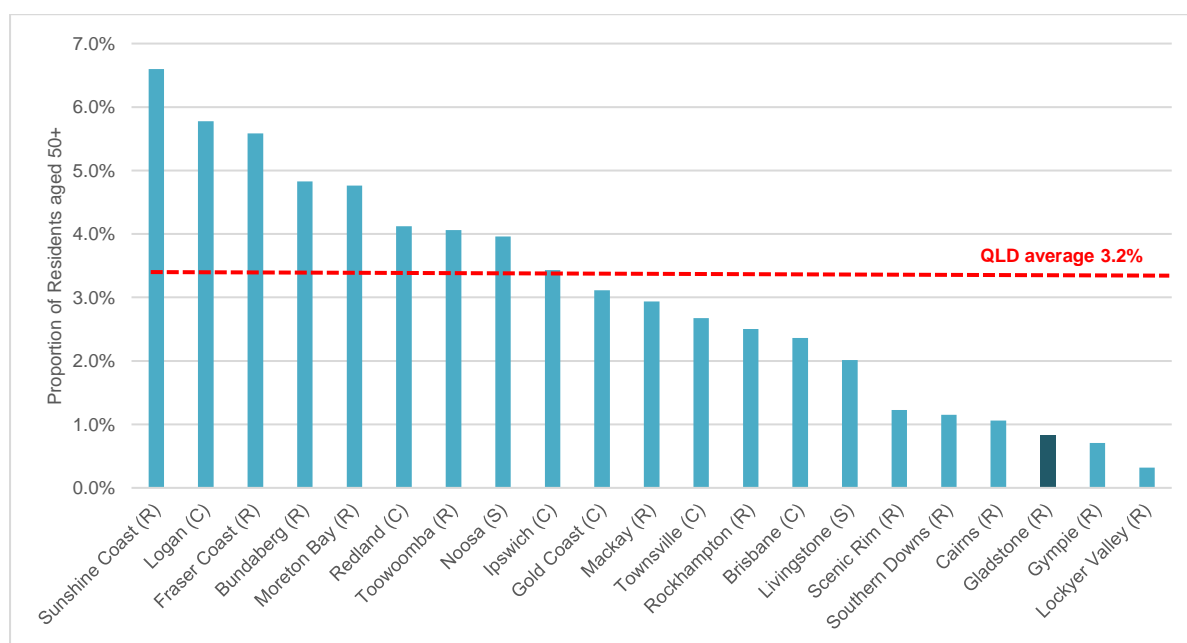
Across Queensland, the current rate of people living within RHPs (i.e. manufactured homes in residential parks) is estimated at 0.5% across all age cohorts. Currently within the Gladstone region this is estimated at just 0.06%, with only 31 manufactured homes in RHPs.

Gladstone also attributes a lower penetration of seniors in retirement village compared to the state average. During the 2016 census 0.8% of residents aged 50+ living in a self-contained retirement village compared to 3.2% across the state. It is important to note that this is not a reflection of any lack of demand, rather it is due to a significant lack of retirement accommodation supply within the Gladstone region. There is a strong trend of older people

(aged 60+) migrating from the Gladstone region due to the lack of retirement accommodation supply, with the socio-demographic profile for the region (see Section 3) reflecting this.

As illustrated in the Figure 8, compared to other major LGAs across Queensland (those with populations greater than 35,000) only Gympie and Lockyer Valley have lower rates of penetration for retirement accommodation. Other larger Central Queensland centres, such as Bundaberg (4.8%), Mackay (2.9%) and Rockhampton (2.5%), all have significantly higher levels of retirement living provisions and subsequently more accessibility to age-appropriate housing.

**Figure 8 Retirement Village Penetration Rate 50+ by LGA – QLD 2016**



Source: ABS 2016 Census of Population and Housing, Persons Location on Census Night

It is also noted that Gladstone LGA has a higher residential population than Noosa (52,147 residents), Scenic Rim (40,078 residents), Livingstone (36,270 residents) and Southern Downs (35,115 residents) however all have higher levels of retirement penetration.

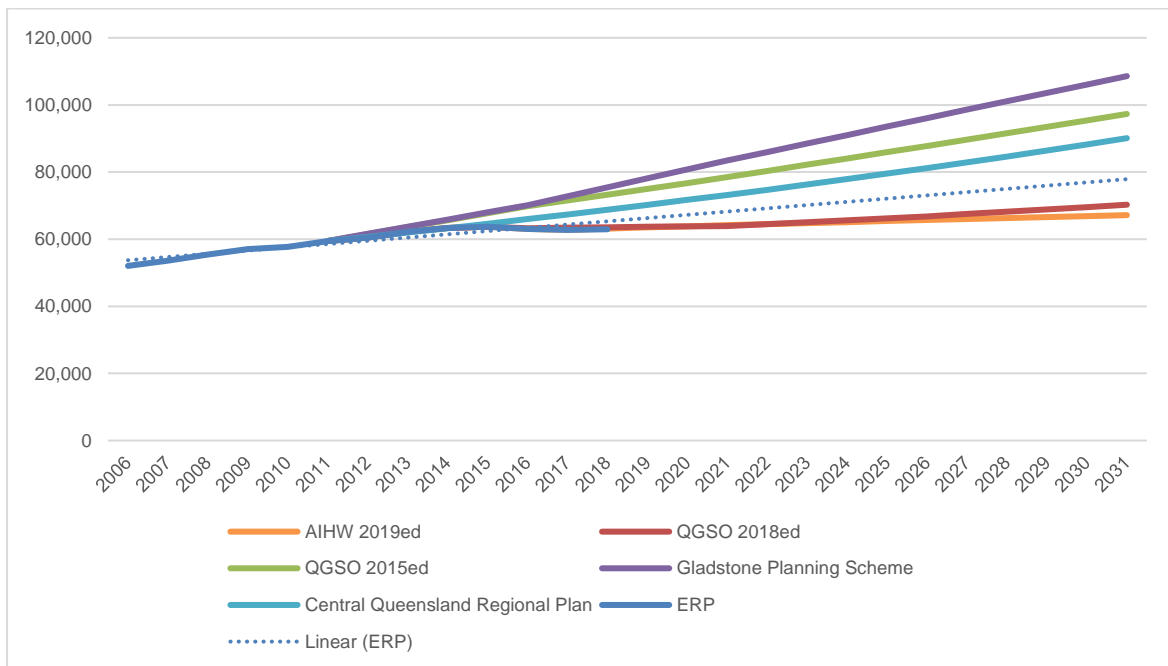
## 5.2 Population forecasts

There is a range of population projections which have been developed in recent years for the Gladstone region, these sources including Central Queensland Region Plan, GRC Planning Scheme, Queensland Government Statistician's Office and Australian Institute of Health and Welfare.

For the purpose of comparison and selection of a suitable dataset that is relevant to the catchment, we have compared the main sources of projections available in Figure 9.



**Figure 9 Population Projections 2006-2031**



Source: Australian Institute of Health and Welfare Population Projection, 2017 (base); ABS Stats ERP by SA2 (ASGS 2016), Age and Sex, 2006 Onwards; Gladstone Regional Council Planning Scheme v2 (2017), Central Queensland Regional Plan (2013), QGSO Projected population (medium series), by five-year age group, persons, by statistical area level 2 (SA2), SA3 and SA4, Queensland, 2016 to 2041

As illustrated, the actual ERP for the Gladstone area has trended at an average of 1.6% per annum over the past twelve years. The trend indicates that prior to 2015 the area had experienced strong and steady growth, however, as an impact of specific mining projects in the area, there has been a slight decline in population on the past three years.

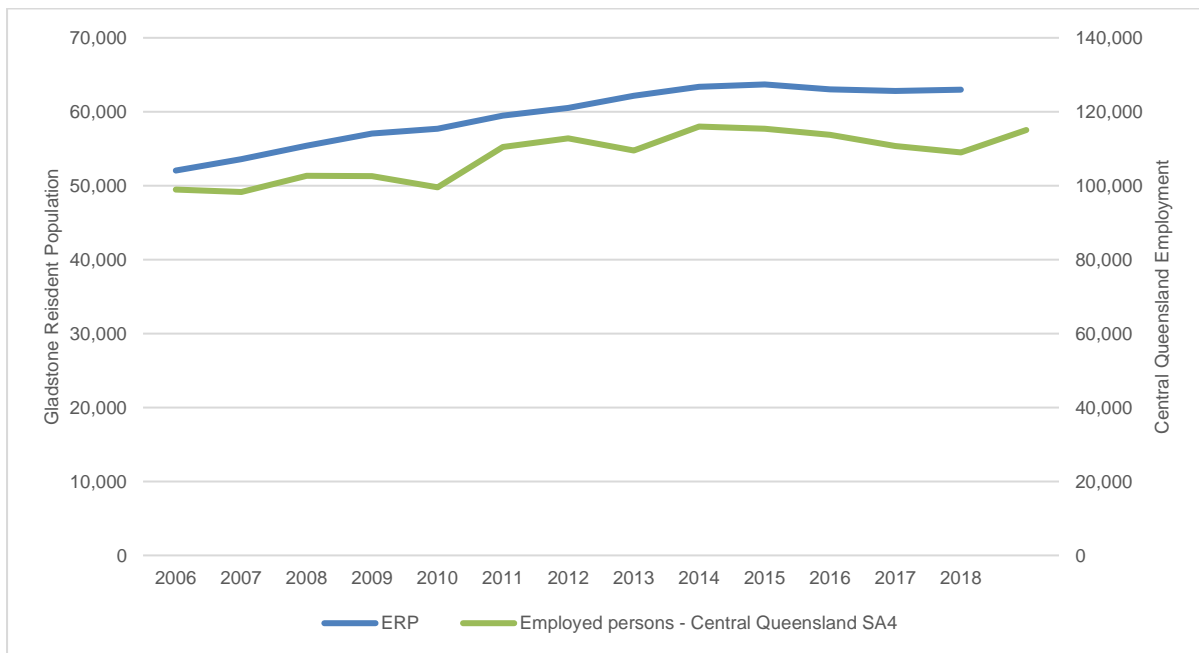
This recent short-term trend has formed the basis for more recently released projections for AIHW and QGSO, which have adjusted their projections for the area to be substantially less than previous irritations. These new projections are believed to overestimate the impacts of the recent decline and do not reflect the recent increase in resource sector employment.

As shown in Figure 10, population trends in Gladstone have followed employment trends throughout the Central Queensland region over the past twelve years. For example, following a sharp decline in employment in 2014, population also declined. The most recent employment statistics for the region indicate a strong increase in employment during the past twelve months which is expected to correlate in growth in population.

This sharp increase in employment has been driven by the recovery of the mining sector in Central Queensland in the past twelve months. In July, The Queensland Resource Council reported a new State record for the volume of coal exported, with the Port of Gladstone recording a 5 million tonne increase in coal exports resulting from improved efficiencies and growing demand from overseas customers.

This growth throughout the Central Queensland region is expected to be further assisted by the recently approved Adani Mining project, which is forecast to yield 2,475 construction jobs and 3,920 operational jobs and support up to 8,000 additional jobs in supporting industries. This \$16.5 billion project is also expected to induce further investment in Central Queensland due to its scale and significance.

**Figure 10 Employment vs Residents Population Growth 2006-2019**



Source: QGSO Labour force by region (2019), ABS Stats ERP by SA2 (ASGS 2016), Age and Sex, 2006 Onwards

On this basis, it is our belief that the short-term impacts of mining employment in the area are temporary and over the long term the residential population is likely to continue at a rate reflecting the long-term trend. For the purpose of assessing future demand for Gladstone, we have deemed a continuation of long-term growth trends (average of 1.6% growth per annum) to be the most accurate and appropriate projections. These projections have been utilised as the base dataset.

As illustrated in Table 3 below, in 2018 there were 62,979 people in the catchment. Based on the above growth rate of 1.6% per annum, this is expected to increase to 77,030 people by 2031, or an additional 1,081 persons per annum. Notably, the strongest rates of growth are expected in the older age cohorts (65+), while there is anticipated losses and low growth in young families and those pre-retirement age (45-55).

**Table 3 Population Projections – Gladstone (2018-2031)**

Population Projections				
Age Cohort	2018	2021	2026	2031
0-4	4,660	4,707	5,013	5,302
5-9	5,004	5,189	5,346	5,808
10-14	4,833	5,310	5,495	5,743
15-19	4,104	4,381	5,100	5,250
20-24	3,507	3,627	3,880	4,372
25-29	4,068	4,010	4,078	4,254
30-34	4,355	4,281	4,391	4,550
35-39	4,251	4,429	4,567	4,850
40-44	4,385	4,273	4,734	5,004
45-49	4,713	4,566	4,323	4,886
50-54	4,342	4,480	4,577	4,468
55-59	4,161	4,171	4,275	4,435
60-64	3,494	3,876	4,070	4,238
65-69	2,676	3,169	3,926	4,144
70-74	1,981	2,537	3,124	3,819
75-79	1,212	1,536	2,338	2,837
80-84	655	825	1,227	1,874
85+	579	668	858	1,197
<b>Total</b>	<b>62,979</b>	<b>66,036</b>	<b>71,321</b>	<b>77,030</b>
Average Annual Growth (no.)				
Age Cohort	2018 - 2021	2021 - 2026	2026 - 2031	
0-4	16	61	58	
5-9	62	31	92	
10-14	159	37	50	
15-19	92	144	30	
20-24	40	51	98	
25-29	-20	14	35	
30-34	-24	22	32	
35-39	60	27	57	
40-44	-37	92	54	
45-49	-49	-49	113	
50-54	46	19	-22	
55-59	3	21	32	
60-64	127	39	34	
65-69	164	151	44	
70-74	185	117	139	
75-79	108	161	100	
80-84	57	80	129	
85+	29	38	68	
<b>Total</b>	<b>1,019</b>	<b>1,057</b>	<b>1,142</b>	
Average Annual Growth (%)				
Age Cohort	2018 - 2021	2021 - 2026	2026 - 2031	
0-4	0.3%	1.3%	1.1%	
5-9	1.2%	0.6%	1.7%	
10-14	3.2%	0.7%	0.9%	
15-19	2.2%	3.1%	0.6%	
20-24	1.1%	1.4%	2.4%	
25-29	-0.5%	0.3%	0.8%	
30-34	-0.6%	0.5%	0.7%	
35-39	1.4%	0.6%	1.2%	
40-44	-0.9%	2.1%	1.1%	
45-49	-1.0%	-1.1%	2.5%	
50-54	1.1%	0.4%	-0.5%	
55-59	0.1%	0.5%	0.7%	
60-64	3.5%	1.0%	0.8%	
65-69	5.8%	4.4%	1.1%	
70-74	8.6%	4.3%	4.1%	
75-79	8.2%	8.8%	3.9%	
80-84	8.0%	8.3%	8.8%	
85+	4.8%	5.1%	6.9%	
<b>Total</b>	<b>1.6%</b>	<b>1.6%</b>	<b>1.6%</b>	

### 5.3 Needs assessment

The following analysis determines economic need for RHP based on the variable demand drivers for the product type. The analysis has been presented to identify and demonstrate the varying demand profiles represented by the under-50s and over-50s age submarkets. This is to highlight the varying residential need factors for each sub-market including how each sub-market is affected by current and forecast supply conditions.

The key difference in these sub-markets is that the under-50s market generates demand for RHP product only, while the over-50s market generates need for both RHP and retirement accommodation, with modern RHPs typically seen as a substitute and comparable to traditional retirement villages.

Critical to this assessment is an understanding of key demand and supply inputs, including a baseline of current market conditions and forecast growth. The economic modelling has factored in the following key considerations:

- Undertaking catchment population forecast and calculating the total number of forecast residents within each age cohort;
- Calculating the total supply of RHP (31) and retirement accommodation (206) products delivered to within the study area;
- Assuming an appropriate penetration rate for RHP and retirement accommodation;
- Assuming a person to dwelling ratio (1.3) that reflects trends in each of the market segments; and
- Forecasting a future new dwelling requirement, based on the above.

As outlined above, critical to establishing a base level of underlying demand is the selection of an appropriate benchmark rate of penetration or need. This has been considered separately for the under-50s (as RHP only) and over-50s (as RHP + retirement) in the following sub-sections.

#### 5.3.1 Under-50s RHP need

The under-50s submarket generates demand for RHP based on the attributes this product offers, including affordability, smaller dwelling size, access to onsite amenities, low maintenance and shared maintenance costs.

In order to understand the current balance between demand and supply, the market utilisation rate or penetration rate must be determined. The catchment is significantly under provisioned in terms of RHP supply and thus a continuation of the current rates of provision is not sufficient to respond to the latent demand in the market. As such we have utilised the existing penetration rate calculated for Queensland based on existing supply and data from 2016 ABS Census.

**Table 4 Under-50s RHP penetration rates**

Age Cohort	Penetration Rate Assumption			
	2019	2021	2026	2031
0–4	0.3%	0.3%	0.3%	0.3%
5–9	0.2%	0.2%	0.2%	0.2%
10–14	0.2%	0.2%	0.2%	0.2%
15–19	0.2%	0.2%	0.2%	0.2%
20–24	0.3%	0.3%	0.3%	0.3%
25–29	0.3%	0.3%	0.3%	0.3%
30–34	0.3%	0.3%	0.3%	0.3%
35–39	0.3%	0.3%	0.3%	0.3%
40–44	0.4%	0.4%	0.4%	0.4%
45–49	0.4%	0.4%	0.4%	0.4%
<b>Total</b>	<b>0.3%</b>	<b>0.3%</b>	<b>0.3%</b>	<b>0.3%</b>

Source: ABS 2016 Census of Population and Housing, Persons Location on Census Night, Residential Parks with Manufactured Homes recorded with the Department of Housing and Public Works (July 2019)

**Table 5 Under-50s RHP demand – Current and forecast**

Age Cohort	Total Underlying RHP Demand - Dwellings			
	2019	2021	2026	2031
0–4	10	10	11	11
5–9	8	8	8	9
10–14	8	9	9	9
15–19	6	6	8	8
20–24	8	9	9	10
25–29	9	9	10	10
30–34	11	11	12	12
35–39	11	12	12	13
40–44	12	12	13	14
45–49	14	14	13	15
<b>Total</b>	<b>99</b>	<b>100</b>	<b>104</b>	<b>111</b>

Source: Macroplan

Based on these benchmark penetration rates, the underlying demand for RHP dwellings attributed to people aged under-50 is currently 99 dwellings and is expected to increase to 111 dwellings by 2031. Taking into consideration the existing 31 dwellings, there is currently **latent demand for an estimated 68 RHP dwellings in 2019, which is anticipated to grow to 80 dwellings by 2031.**

There are currently no planned RHP developments accessible to residents aged under-50. As such, as the population grows, the undersupply of RHP dwellings will continue to grow and the community will continue to be negatively impacted by a constrained supply of what is identified in the GRC Planning Scheme as an affordable residential product.

**Table 6 Under-50s RHP market gap**

	Total Underlying RHP Demand - Dwellings			
	2019	2021	2026	2031
Demand	99	100	104	111
Existing Supply	31	31	31	31
Gross Under-50s RHP Gap	-68	-69	-73	-88

Source: Macroplan

### 5.3.2 Over-50s RHP + retirement accommodation need

The over-50s submarket generates demand for both RHP and retirement accommodation. This is because modern RHP developments are often delivered as lifestyle-oriented communities that are comparable to and a substitute for traditional retirement product. The proposed development is also likely to attract some demand from over-50s residents who would otherwise be considering a traditional retirement village dwelling, hence the assessment of RHP and retirement accommodation for this submarket.

The utilisation rates presented in Table 7 below are for RHP and retirement accommodation collectively and are based off of the Queensland state average. Current utilisation rates in the Gladstone region are much lower the state average due to a lack of supply, however we consider the state benchmark to be an appropriate measure of demand and need, noting that regions close to Gladstone (such as the Fraser Coast region) demonstrate significantly higher utilisation rates than the state benchmark.

**Table 7 Over-50s RHP + retirement accommodation penetration rates**

Age Cohort	Penetration Rate Assumption			
	2019	2021	2026	2031
50-54	0.8%	0.8%	0.7%	0.7%
55-59	1.2%	1.1%	1.1%	1.0%
60-64	2.0%	2.0%	1.8%	1.7%
65-69	4.1%	3.9%	3.5%	3.2%
70-74	7.2%	6.9%	6.2%	5.6%
75-79	11.4%	10.9%	9.7%	8.7%
80-84	15.6%	14.9%	13.1%	11.7%
85+	17.2%	16.4%	14.4%	12.8%
<b>Total</b>	<b>4.0%</b>	<b>4.0%</b>	<b>4.1%</b>	<b>4.1%</b>

Source: ABS 2016 Census of Population and Housing, Persons Location on Census Night

**Table 8 Over-50s RHP + retirement accommodation demand – Current and forecast**

Total Underlying RV Demand - Dwellings				
Age Cohort	2019	2021	2026	2031
50–54	26	27	26	25
55–59	38	37	35	35
60–64	57	59	57	56
65–69	89	95	106	103
70–74	120	135	148	163
75–79	115	129	174	189
80–84	87	95	124	168
85+	78	84	95	118
<b>Total</b>	<b>611</b>	<b>661</b>	<b>766</b>	<b>856</b>

Source: Macroplan

Based on these benchmark penetration rates there is underlying demand in the catchment for an estimated 611 RHP/retirement accommodation dwellings supported by residents aged over-50, which is anticipated to grow to 856 dwellings by 2031.

There are currently 206 existing retirement living units within the council area which is responding to only part of this demand. There remains underlying **latent demand for an estimated 405 RHP + retirement dwellings in 2019, which is anticipated to grow to 650 by 2031.**

**Table 9 Over-50s RHP / retirement accommodation market gap**

Total Underlying RHP Demand - Dwellings				
	2019	2021	2026	2031
Demand	611	661	766	856
Existing Supply	206	206	206	206
Gross RV Gap	-405	-455	-560	-650

Source: Macroplan

The future development pipeline of residential product relevant to the over-50s market includes the Philip Street Communities Precinct (200 dwellings) and the Stockwell Agnes Water Lifestyle Resort (360 dwellings). Combined, these two projects may support up to 560 dwellings, however, the existing undersupply within the catchment is significant (404 dwellings) and an additional project contributing to the reduction of this undersupply would benefit the over-50s community within the catchment.

Over the longer term to 2031, even if the two approved developments are able to deliver all planned supply within each, there will still be an estimated undersupply of 90 dwellings by 2031. While this demonstrates that there is need for additional retirement accommodation over the medium to long term, the two approved developments will provide limited choice and competition in product and the over 50s community would significantly benefit from the additional choice and competition that the proposed development would deliver over the short to medium term.

## Section 6: Economic Need Implications

Based on the analysis presented throughout this report, there is a demonstrated overriding economic and community need supporting the approval of the proposed RHP development at Agnes Water. The project will establish a RHP that will provide affordable residential product for all age groups, but that also naturally provides a comparable and suitable substitute to traditional retirement product.

As such, the proposed development accommodate demand generated by people aged under-50 based on their needs for RHP as an affordable and alternative residential product, and from people aged over-50 based on their needs for RHP and retirement accommodation.

Based on demand supported by the under-50s submarket, there is **a current estimated undersupply of 68 RHP dwellings, which may increase to 88 dwellings by 2031**. This is a significant proportion of overall RHP demand from this sub-market and indicates a severe undersupply of what has been identified in the GRC Planning Scheme as an affordable residential product type.

There are no planned developments that will make a positive contribution to this undersupply, other than the proposed development onsite. This highlights overriding need for the proposal based on the needs of this under-50s submarket.

Based on demand supported by the over-50s submarket, there is **a current estimated undersupply of 405 RHP and retirement accommodation dwellings, which may increase to 650 dwellings by 2031**. This significant undersupply of retirement accommodation is a well reported fact in the region and the cause for over-50s residents migrating out of Gladstone to surrounding regions such as the Fraser Coast region where there is significantly more supply including modern RHP supply (i.e. MHE developments).

There are two planned developments that will increase the supply of over-50s residential product in the region, with these projects representing a combined 560 dwellings. While this is a significant increase in supply in the region, it is across only two developments therefore representing limited choice and competition in the market. Even based on this scale of planned supply, there is still **estimated to be an undersupply of 90 dwellings by 2031** given the aging population in the region.

The over-50s community would significantly benefit from the proposed development given the contribution and capacity it will provide to reducing the current undersupply in the market over the short to medium term, as well as the increased product choice and competition that will be provided over the long term.

In conclusion, there is strong economic and community need conditions supporting the proposed RHP development at Agnes Water. The development will assist in reducing the existing significant undersupply of both RHP dwellings and retirement accommodation dwellings within the catchment while also increasing choice and competition in these product types for the benefit of the community.



Importantly, the proposed development will enhance the housing mix and supply of affordable housing within the Gladstone region. This is consistent with objectives outlined in the Section 3 Strategic Framework of the GRC Planning Scheme, under 'housing mix and affordability' (Section 3.4.2).

On this basis, Macroplan considers that there is considered overriding economic and community need conditions supporting the proposed development at the subject site and that the development application should be considered in the affirmative.

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