

DRAFT FOR CONSULTATION

Lindenow Land Demand and Supply Assessment

East Gippsland Shire Council

DECEMBER 2010



URBAN PLANNING - LAND ECONOMICS - TOURISM PLANNING

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Document Information

Filename: Lindenow Land Demand and Supply Assessment Draft for Consultation v1.3

Last Saved: 25 February 2011 3:36 PM

Last Printed: 25 February 2011 3:37 PM

File Size: 3464 kb

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1. INTRODUCTION

1.1. BACKGROUND

Urban Enterprise was engaged by East Gippsland Shire Council to undertake an analysis of supply and demand for residential, commercial and industrial land in the town of Lindenow and make recommendations as to future land requirements over the next 20 years to 2030.

1.2. METHODOLOGY

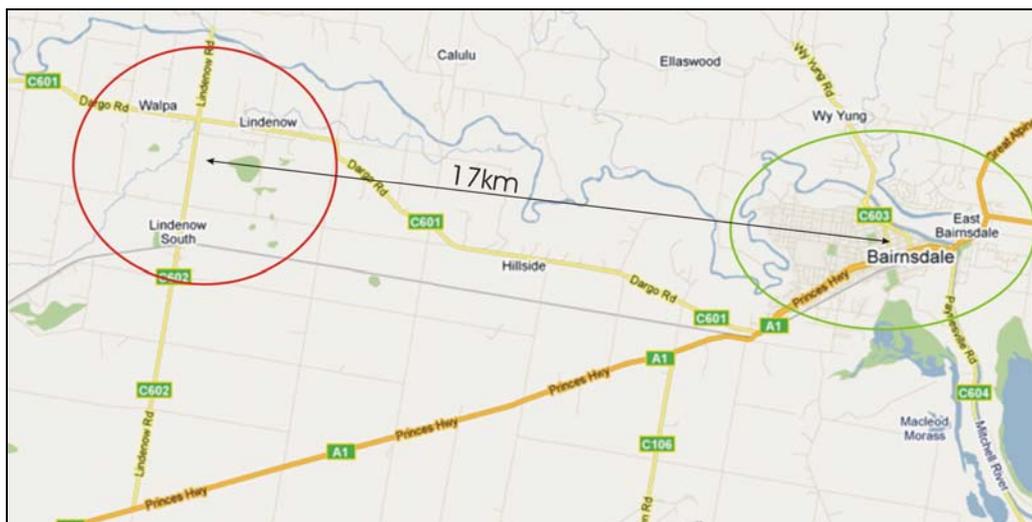
The methodology utilised for this study draws on a range of information sources, including:

- Analysis of existing supply, recent lot and dwelling development, aerial photography and building approval data from East Gippsland Shire;
- A demographic analysis of Lindenow and East Gippsland Shire residents;
- Demand analysis including past lot consumption rates, existing property values and building approvals; and
- Anecdotal evidence gathered through discussions with landowners, developers, real estate agents, Council officers and service providers.

1.3. STUDY AREA

The study area for this assessment includes land zoned for urban purposes in the towns of Lindenow, Lindenow South and Walpa. These towns are located approximately 17km west of Bairnsdale in East Gippsland Shire; approximately 218km east of Melbourne (see Figure 1).

FIGURE 1 LOCATION OF LINDENOW, LINDENOW SOUTH AND WALPA



Source: Google Maps 2010.

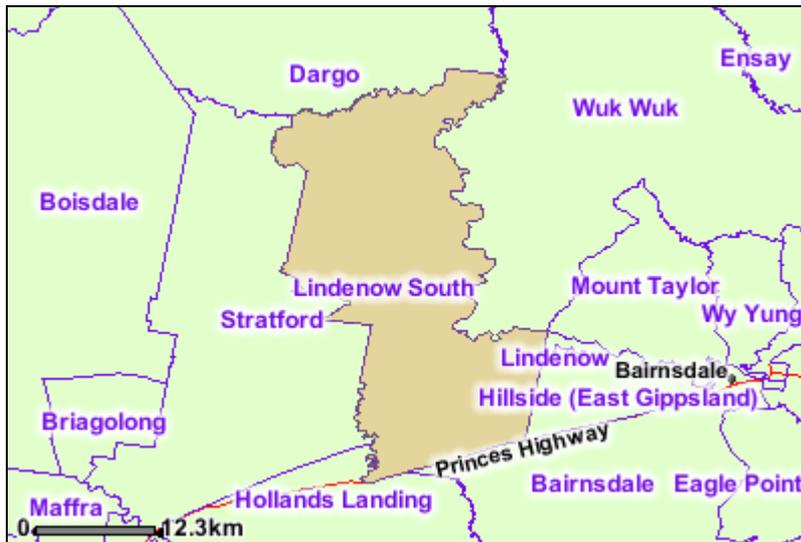
Data for these towns is gathered for the Lindenow Urban Locality and the Lindenow South State Suburb, shown in Figures 2 and 3.

FIGURE 2 LINDENOW URBAN LOCALITY



Source: ABS website, accessed July 2010.

FIGURE 3 LINDENOW SOUTH STATE SUBURB



Source: ABS website, accessed July 2010.

2. STRATEGY AND POLICY CONTEXT

2.1. INTRODUCTION

This section contains a review of strategies and policies relevant to residential, commercial and industrial land use planning in Lindenow.

2.2. STATE PLANNING POLICY

2.2.1. STATE PLANNING POLICY FRAMEWORK

Clause 14.01-2 in the State Planning Policy Framework highlights the importance for planning authorities to accommodate projected population growth over at least a 10 year period. Planning authorities should plan to accommodate projected population growth over at least a 10 year period, taking account of opportunities for redevelopment and intensification of existing urban areas as well as the limits of land capability and natural hazards, environmental quality and the costs of providing infrastructure.

2.3. LOCAL PLANNING POLICY

2.3.1. EAST GIPPSLAND SHIRE MSS – CLAUSE 21.05

The following strategies relevant to land use and economic development in Lindenow are identified in Clause 21.05 of the East Gippsland Planning Scheme:

ECONOMIC DEVELOPMENT

- Encourage industry to locate in areas zoned for industrial use and identify, as required, new sites that are accessible, readily serviceable and adjacent to major towns.

RURAL INDUSTRIES

- Ensure that high quality agricultural land (identified through land capability mapping and other studies) is protected from inappropriate subdivision or development.

LAND USE

- Selected urban centre objectives and strategies:
 - To build and support the principal urban centres so they remain commercially viable and act as a focus for commercial, professional, community and cultural services for residents of the towns and their wider districts and for visitors to the region.
 - To make the best possible use of the community's investment in urban infrastructure and to provide support for community and commercial services by encouraging infill or incremental development of existing towns in preference to dispersed development.
 - Permit new residential development (lots generally less than 4000 sq m) on suitably zoned land adjoining existing towns, where it is able to be serviced with reticulated

water, sewerage and drainage, and where it is generally in line with an approved Outline Development Plan, which promotes good community design;

- Allow limited infill development in townships where reticulated sewerage is not available (generally zoned Township Zone), if existing residential lots - or combinations of lots - can be shown to be capable of retaining wastewater.
- Ensure that new subdivision within or adjacent to unsewered towns has lot sizes appropriate for on-site treatment and disposal of wastewater.
- Encourage developers of residential projects to include a range of lot sizes and dwelling types to provide diversity and choice, in line with market requirements.
- Selected activity centre and town centre objectives and strategies:
 - Encourage development of strong township centres, through consolidation of retail and commercial areas;
 - Discourage development of 'mainstream' retail and commercial facilities outside these areas;
 - Encourage retail and commercial uses requiring larger sites to locate adjacent to the central commercial areas, rather than in free-standing sites on the outskirts of towns.
- Industrial area objectives and strategies:
 - Encourage development of a range of industries, including service industries, in or adjacent to all major towns on sites identified in the Planning Scheme and selected on the basis of access, feasibility of providing reticulated services at an acceptable cost, site characteristics, and distance from residential areas and other sensitive uses;
 - Require sewerage connections to be provided at the developer's cost, in areas where industrial zones have been applied to land that is not currently sewered;
 - Minimise the effects of residual air and noise emissions from industry on more sensitive land use areas by separating industrial operations from residential zones, hospitals and schools by a buffer of appropriate width; and
 - Ensure that land developed for industrial uses provides an attractive and efficient location for business and does not detract from the appearance and amenity of the surrounding area.

2.3.2. CLAUSE 21.06 – STRATEGIES FOR SUB-REGIONS, TOWNS AND LOCALITIES

Clause 21.06 of the East Gippsland Planning Scheme provides a framework for the role of each town within the municipality. This Clause identifies 4 sub-regions within the Shire:

- Lakes and Coastal (includes Bairnsdale, Lakes Entrance, Paynesville, Mallacoota);
- Agricultural Hinterland (includes Lindenow, Bruthen, Orbost, Cann River);
- Highland (includes Omeo, Swifts Creek, Glen Valley); and
- Valleys and Forests (located in the north-eastern part of the Shire and includes broad tracts of native forest).

Clause 21.06 identifies Bairnsdale as the largest town in the Shire and the main location for residential, commercial and industrial growth.

Lakes Entrance and Paynesville are identified as “major residential growth areas”, primarily performing tourism and residential roles.

Key roles and strategies identified for Lindenow are summarised below.

LINDENOW

Lindenow is identified as a ‘rural township’. The Lindenow district is recognised as containing some of the most productive agricultural land in East Gippsland producing top quality vegetables and high grade fine wool and dairy products.

Existing roles to be supported include:

- Local retail centre;
- Centre of vegetable industry in East Gippsland;
- Important dairying area;
- Significant residential community;
- Range of community & education facilities and services;
- Range of sporting and recreation facilities; and
- Service industry to meet local needs.

New or enhanced roles to be encouraged include:

- Appropriate location for vegetable processing industry and/or dairy products.

Strategies and policies relating to Lindenow include:

- High value agricultural land will be protected from inappropriate development. The Mitchell River flats are zoned Farming, with a small minimum lot size for subdivision, in order to facilitate restructuring of holdings for agricultural purposes. Development of dwellings will generally require a permit, to minimise the impact of non-agricultural uses on valuable land and the operations being carried out on it;
- The floodplain of the Mitchell is covered by a Land Subject to Inundation overlay and an Environmental Significance overlay recognising its value as high quality agricultural land;
- Consolidation of the town of Lindenow within existing boundaries will be encouraged, using infill development. The current vacant sites should accommodate the anticipated population growth for the next 15 years.

2.3.3. ZONES

The towns of Lindenow, Lindenow South and Walpa contain the following urban zones:

- Township Zone (Clause 32.05) - “to provide for residential development and a range of commercial, industrial and other uses in small towns”; and
- Low Density Residential Zone (Clause 32.03) - “to provide for low-density residential development on lots which, in the absence of reticulated sewerage, can treat and retain all wastewater.” Each lot in a subdivision must be a minimum of 0.4ha.

2.4. KEY FINDINGS

The following are key findings relating to the planning and policy context for Lindenow.

1. Planning authorities should plan to accommodate projected population growth over at least a 10 year period, taking account of opportunities for redevelopment and intensification of existing urban areas as well as the limits of land capability and natural hazards, environmental quality and the costs of providing infrastructure.
2. Ensure that high quality agricultural land (identified through land capability mapping and other studies) is protected from inappropriate subdivision or development.
3. Allow limited infill development in townships where reticulated sewerage is not available (generally zoned Township Zone), if existing residential lots - or combinations of lots - can be shown to be capable of retaining wastewater.
4. Ensure that new subdivision within or adjacent to unsewered towns has lot sizes appropriate for on-site treatment and disposal of wastewater.
5. Lindenow is identified as a rural township with high quality agricultural land to be protected from inappropriate development.
6. Consolidation of the town of Lindenow within existing boundaries is encouraged, using infill development. The current vacant sites should accommodate the anticipated population growth for the next 15 years.

3. SUPPLY ANALYSIS

3.1. INTRODUCTION

This section provides an analysis of the supply of land zoned for urban purposes (residential, commercial, industrial and public use) in Lindenow and surrounds, as well as existing dwellings, buildings and vacant land.

3.2. LAND ZONED FOR URBAN PURPOSES

Lindenow and Lindenow South have a total of approximately 282 hectares of land zoned for urban purposes. Table 1 shows the area of land in each town by zone.

TABLE 1 LAND ZONED FOR URBAN PURPOSES, LINDENOW, WALPA AND LINDENOW SOUTH

Zone	Lindenow & Walpa	Lindenow South	Total
R1Z	0.0	0.0	0.0
LDRZ	71.3	108.6	179.8
Sub-total Residential	71.3	108.6	179.8
B1	0.0	0.0	0.0
Sub-total Business	0.0	0.0	0.0
INZ	0.0	0.0	0.0
Sub-total Industrial	0.0	0.0	0.0
Township	52.7	21.8	74.5
PUZ	6.0	5.5	11.6
PPRZ	0.0	15.9	15.9
Sub-total Other	58.8	43.2	102.0
Total	130.1	151.8	281.8

Source: Urban Enterprise.

Tables 2 and 3 show the area of vacant land in Lindenow and Lindenow South by zone as at July 2010.

Figures 6 and 7 show the location of each vacant parcel as described in Tables 2 and 3.

TABLE 2 VACANT ZONED LAND, LINDENOW AND WALPA

	Lindenow zoned land supply (ha)	Total vacant land (ha)	Total vacant lots	% of total zoned land vacant
Township Zone	52.7	11.71	16	22%
Low Density Residential Zone	71.3	33.92	8	48%

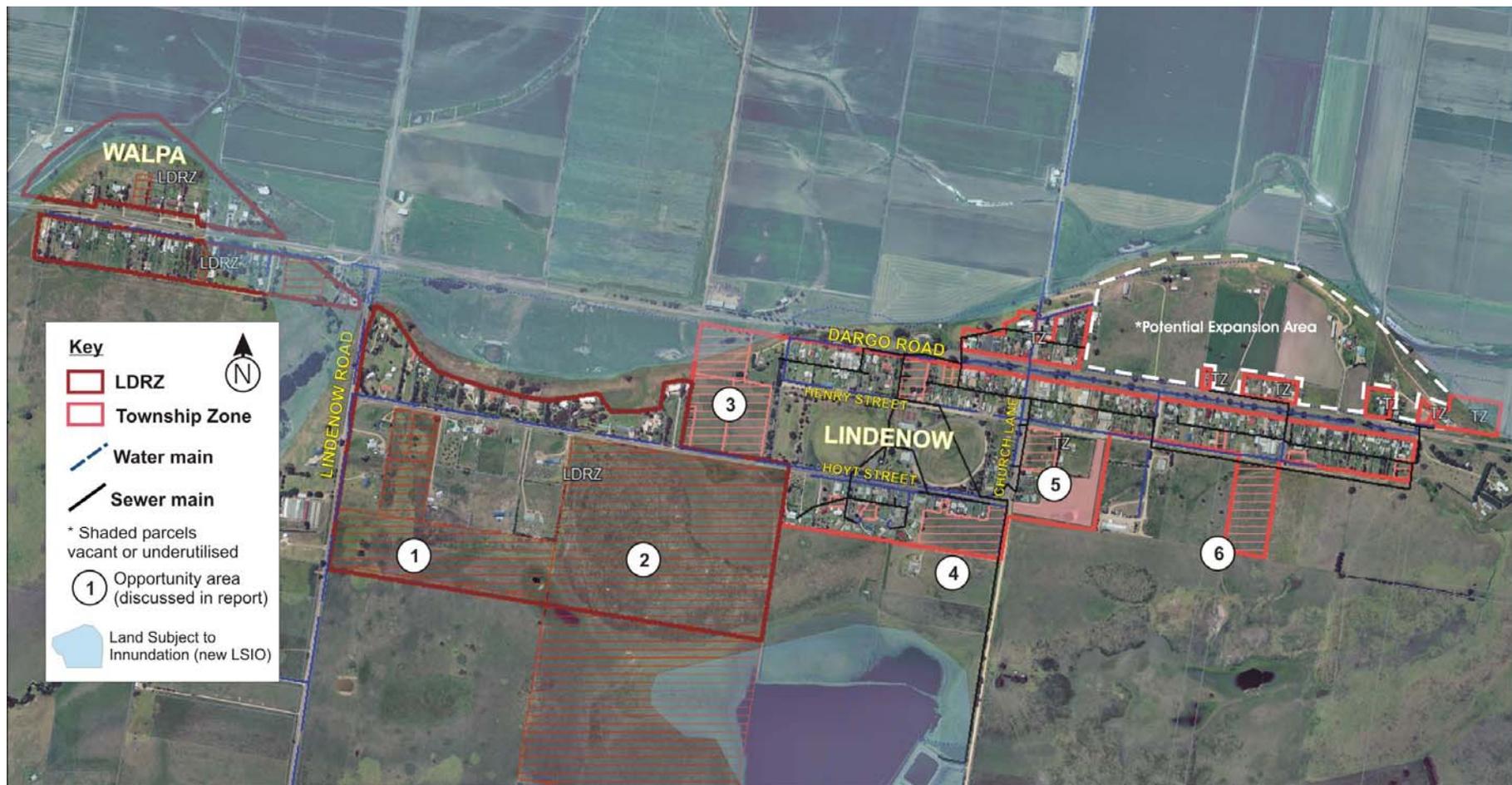
Source: Urban Enterprise, 2010, East Gippsland Shire, 2010.

TABLE 3 VACANT ZONED LAND, LINDENOW SOUTH

	Lindenow South zoned land supply (ha)	Total vacant land (ha)	Total vacant lots	% of total zoned land vacant
Township Zone	21.8	5.76	8	26%
Low Density Residential Zone	108.6	48.45	11	45%

Source: Urban Enterprise, 2010, East Gippsland Shire, 2010.

FIGURE 6 ZONED LAND AND VACANT LOTS, LINDENOW AND WALPA



Source: Urban Enterprise, 2010, East Gippsland Shire Council mapping.

FIGURE 7 ZONED LAND AND VACANT LOTS, LINDENOW SOUTH



Source: Urban Enterprise, 2010, Google Maps.

3.4. RESIDENTIAL SUPPLY

Table 4 shows the number, type and tenure of dwellings in Lindenow Urban Locality in 2006. In 2006, there were 135 private dwellings in Lindenow.

94% of private dwellings were separate houses in 2006, compared with the regional Victorian average of 88%.

This data is not available for Walpa and Lindenow South, however analysis of aerial photography suggests that there are approximately 57 dwellings in Walpa (including the Low Density Residential Zone between Lindenow and Walpa) and 45 dwellings in Lindenow South.

TABLE 4 DWELLING NUMBER AND TYPE, LINDENOW, 2006.

Dwellings	Lindenow Number	Lindenow %	Regional Victoria %
Occupied private dwellings	124	92%	84%
Unoccupied private dwellings	11	8%	16%
TOTAL (private dwellings)	135	100%	100%
Type	Number	Lindenow %	Regional Victoria %
Separate house	116	94%	88%
Medium density	3	2%	10%

Other dwelling	5	4%	2%
TOTAL (occupied private dwellings)	124	100%	100%

Source: Towns in Time, DPCD, 2008.

TABLE 5 NUMBER OF DWELLINGS, WALPA AND LINDENOW SOUTH (URBAN ZONES), 2010

Dwellings	Walpa	Lindenow South
Approximate dwellings	57	45

Source: Urban Enterprise, using Google Maps 2010.

3.5. COMMERCIAL SUPPLY

The township of Lindenow contains a small number of commercial and industrial uses. These include:

- Retailers such as The Lindenow Hotel, a General Store and Post Office, butcher, a furniture store and a nursery; and
- Rural industry/manufacturing including ZCG Scalar (antenna and radio manufacturing), farm supplies and agri-business.

ZCG Scalar is a significant national producer of antennas and radio equipment with the head office and manufacturing facility located in Lindenow.

Table 6 shows the businesses located within the Lindenow Township zone and the approximate floorspace of these.

Lindenow South contains a general store, as well as a primary school, recreation reserve and golf course.

TABLE 6 COMMERCIAL ACTIVITIES AND FLOORSPACE, LINDENOW, 2010

Business	Type	Estimated Floorspace (sq m)
Lindenow Pub	Retail	876
General Store and post office	Retail	284
Lindenow Butchers	Retail	100
Joe Calvi's Fine Furniture	Retail	663
Glenvalley Nursery	Retail	251
Retail total		2,174
Kyle & Obst Inc. Gippsland Farm Supplies	Wholesale	664
RVS and Riviera Farms	Industrial	947
ZCG Scalar	Manufacturing	998
Other commercial total		2,609

Source: Urban Enterprise 2010

3.6. OPPORTUNITIES FOR DEVELOPMENT

The existing urban zones in Lindenow, Walpa and Lindenow South contain a number of vacant parcels which present development opportunities.

LINDENOW AND WALPA

In Lindenow and Walpa, the following parcels appear available for development (see Figure 6 for map references):

1. There are 4 vacant parcels in the Low Density Residential Zone with frontages to Hoyt St and Lindenow Road. This area is unsewered but a water main runs along both street frontages. The parcels are flat, cleared and appear developable, covering approximately 10 hectares in total. This area would be suited to low density residential subdivision and development.
2. This large vacant parcel has a substantial frontage to Hoyt Street and the northern section of the parcel is in the Low Density Residential Zone. A water main runs along the Hoyt St frontage. The zoned section covers an area of approximately 20ha, and appears flat, cleared and developable. This area would be suited to low density residential subdivision.
3. There are 4 vacant parcels at the western edge of the Township Zone in Lindenow. The northern most parcel is affected by a Land Subject to Inundation Overlay (LSIO), however the southern 3 parcels with Hoyt St frontage are clear, flat and developable. A water main runs along Hoyt St, but the parcels are unsewered, explaining the absence of dwellings or development despite the close proximity of these parcels to the town centre and the strategic location opposite a park and active recreation facilities. The parcels unaffected by the LSIO cover an area of approximately 4 hectares, which (if sewerred) could be subdivided for standard density residential development.
4. There is a vacant parcel at the southern end of the Township Zone in Lindenow with frontage to Church St and Hoyt St. This parcel has an area of approximately 1.9ha and appears flat and developable, with access to both sewer and water. This parcel would be suited to standard density residential subdivision.
5. This parcel, with frontage to Church Lane and Henry St, has been recently subdivided and is currently under development. This provides a good example of the demand for housing in Lindenow, with small detached dwellings being built on medium sized lots.
6. This large parcel with frontage to Henry Street at the eastern end of the Township Zone is vacant and has access to water and sewer mains. The single parcel covers an area of 2.2 hectares and may be suitable for commercial development or subdivision, or residential subdivision.

There is also the opportunity for some limited infill development in Lindenow (7 vacant or underutilised lots in the Township Zone) and Walpa (3 vacant lots in the Low Density Residential Zone), however dwellings have been constructed on most subdivided lots which may limit development potential.

The main opportunities for development and subdivision in Lindenow and surrounds are presented by the broadhectare parcels to the south and south-west of the township (map reference 1, 2, 4 and 6).

Furthermore, land to the north of Dargo Road (as shown in Figure 6) has been identified as a 'Potential Expansion Area'. The East Gippsland Catchment Authority has identified an amended LSIO boundary following recent investigation. The amended boundary removes the restriction on this area, thus making suitably sized and located parcels in this area available for future urban development subject to further investigation and rezoning.

LINDENOW SOUTH

In Lindenow South, the following opportunities for development have been identified (see Figure 7 for map references):

7. Infill residential development in the Township Zone - there are currently 8 vacant house blocks which are suitable for conventional density housing;
8. Infill residential development in the Low Density Residential Zone - there are currently 8 vacant lots which are suitable for low density housing;
9. Subdivision of large underutilised Township Zone lots on Growcott Street and Fernbank Lindenow South Road. Whilst these parcels have existing dwellings, the remainder of the lots appear vacant and have potential to be subdivided for standard density residential development. This area contains some remnant vegetation which somewhat reduces the potential for this portion to be subdivided;
10. Subdivision of large, underutilised or vacant parcels at the eastern edge of the Township Zone. These parcels are clear and flat and suitable for subdivision and standard density residential development.
11. Subdivision of large underutilised Low Density Residential Zone parcels to the east of the LDRZ. These parcels contain some remnant vegetation, but are otherwise suitable for development. There is currently no road access to the LDRZ section of the northern parcel.

3.7. KEY FINDINGS

The following key findings relate to existing land supply in Lindenow and surrounds.

LINDENOW AND WALPA

1. Lindenow and Walpa have a total of 130 hectares of land zoned for urban purposes, including 53 hectares in the Township Zone and 71 hectares in the Low Density Residential Zone;
2. Approximately 46 ha of zoned land in Lindenow and Walpa is vacant, equating to 37% of all zoned land. The majority of vacant land is in broadhectare parcels.
3. Lindenow is partially affected by a Land Subject to Inundation Overlay as a result of flooding from the nearby Mitchell River, meaning that some parcels are not developable and that potential expansion of the town to the north and west is restricted.
4. In 2006, there were 135 private dwellings in Lindenow. In 2010, there are approximately 57 dwellings in Walpa (including the Low Density Residential Zone between Lindenow and Walpa) and 45 dwellings in Lindenow South.
5. Lindenow contains retailers such as the Lindenow Hotel, a general store, post office, butcher a furniture store and a nursery totalling 2,200m² of floorspace, and rural industry/manufacturing businesses including ZCG Scalar (antenna and radio

manufacturing), farm supplies and agri-business totalling approximately 2,600m² of floorspace. These are all located within the Township Zone.

6. There is also the opportunity for some limited infill development in Lindenow (7 vacant or underutilised lots in the Township Zone) and Walpa (3 vacant lots in the Low Density Residential Zone), however dwellings have been constructed on most subdivided lots which constrains potential supply.

LINDENOW SOUTH

7. Lindenow South has approximately 130 ha zoned for urban purposes, with 108ha in the Low Density Residential Zone and 22ha in the Township Zone;
8. There is approximately 54ha of vacant and developable land in Lindenow South.
9. There is opportunity for infill development in Lindenow South (8 vacant or underutilised lots in the Township Zone and 8 vacant lots in the Low Density Residential Zone).
10. The main opportunities for development in Lindenow and Walpa are presented by the broadhectare parcels to the south and south-west of Lindenow.
11. The main opportunity for short term development in Lindenow South is infill development within the Township and Low Density Residential Zones.

4. DEMAND

4.1. INTRODUCTION

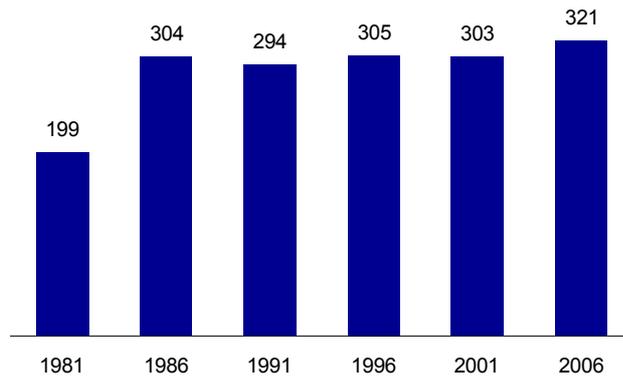
This section of the report identifies likely levels of demand for residential, commercial and industrial land over the next 20 years in Lindenow.

4.2. POPULATION AND GROWTH

The usual resident population of Lindenow Urban Locality in 2006 was 321 persons.

Figure 8 shows that the resident population of Lindenow Urban Locality grew strongly between 1981 and 1991, with an average annual increase of 5% per annum during this time. Between 1991 and 2001 the population of Lindenow remained steady with average annual growth of 0.3%, followed by a steady increase in population between 2001 and 2006 of 2.3% per annum.

FIGURE 8 LINDENOW URBAN LOCALITY POPULATION GROWTH, 1981 – 2006

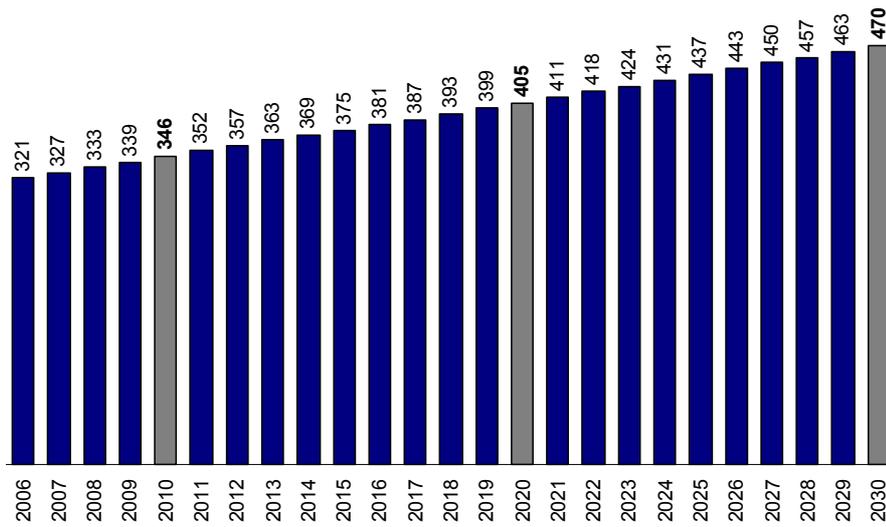


Source: Towns in Time, 2006

Figure 9 shows the actual population in Lindenow in 2006 according to DPCD (Towns in Time), as well as the projected population to 2030 based on the latest Victoria in Future projections (2008). Estimated resident population is not available at the township level.

Based on the projected annual population growth in the East Gippsland - Bairnsdale SLA of between 1.5% and 1.8%, Lindenow will have a population of 470 persons by 2030, a net increase of 124 residents between 2010 and 2030.

FIGURE 9 LINDENOW POPULATION PROJECTIONS, 2006-2030



Source: Australian Bureau of Statistics Census data 2001, 2006; Victoria in Future 2008.

4.3. DEMOGRAPHIC PROFILE

Key demographic indicators for Lindenow residents include:

- The median age for Lindenow residents in 2006 was 40 years, slightly higher than the regional Victorian average of 39 years;
- 42% of households in Lindenow were couples without children in 2006, with a further 37% of households being couples with children;
- 75% of households in Lindenow were families, significantly higher than the Victorian average of 68% in 2006;
- The average household size in Lindenow in 2006 was 2.7 people per household, slightly higher than the Victorian average of 2.5 people per household;
- The most common industry of employment of Lindenow residents in 2006 was 'Agriculture, forestry and fishing' (16%), followed by 'Manufacturing' (13%) and 'Retail Trade' (13%);
- The median weekly household income in Lindenow was \$706, significantly lower than the regional Victorian average of \$820.

4.4. BUILDING APPROVALS

Table 7 shows the number of dwellings approved by year in Lindenow and Lindenow South between 2005 and 2010. During this period, the average number of dwelling approvals in the area was 3.1 (1.8 in Lindenow South and 1.3 in Lindenow).

Six of the dwellings approved in Lindenow were in the Township Zone, whilst two were in the Low Density Residential Zone. In Lindenow South, nine of the dwellings were approved in the Low Density Zone and two were in the Township Zone.

The only non-residential building approval in this period was for the construction of a classroom in Lindenow South (except for extensions, alterations and outbuildings).

TABLE 7 DWELLING APPROVALS – LINDENOW AND LINDENOW SOUTH, 2005 – 2010

Year	Lindenow	Lindenow South	Total
2005	2	0	2
2006	1	0	1
2007	0	1	1
2008	2	0	2
2009	1	3	4
2010	2	7	9
Total	8	11	19
Yearly average	1.3	1.8	3.1

Source: East Gippsland Shire Council, 2010.

4.5. PROPERTY VALUES

Property values and trends are key indicators of demand for urban land. RP Data shows that the median house price in Lindenow increased from around \$79,000 in 2001 to \$170,000 in 2009, an average annual median price increase of 14%. Anecdotal information provided by real estate agents suggested that the median house price in Lindenow in 2010 is closer to \$200,000.

Whilst the number of sales per year in Lindenow is low, this data provides an idea of the overall residential property demand in Lindenow. Table 8 shows that this rate of median price growth is comparable with Bairnsdale (14% pa) and slightly lower than the East Gippsland average (17% pa).

TABLE 8 MEDIAN VACANT LOT AND HOUSE PRICES, 2001 – 2009

Township	Vacant Lots			Houses		
	Median (2001)	Median (2009)	Average growth pa	Median (2001)	Median (2009)	Average growth pa
Lindenow	N/A	N/A	N/A	\$79,000	\$170,000	14%
Bairnsdale	\$51,250	\$73,500	5%	\$95,000	\$205,000	14%
East Gippsland Shire	\$38,000	\$89,500	17%	\$105,000	\$245,000	17%

Source: A Guide to Property Values, DSE 2009, RP Data 2010. Note: vacant lots prices not available for Lindenow township.

Rates data provided by Council was analysed to gain a further insight into the local property market given the lack of property information and data available at the township level in East Gippsland Shire.

Table 9 shows the average site value and capital improved value for each zone and township in 2000 and 2010. Site values in Lindenow increased by an average of 29% per annum over this period in both the Township Zone and the Low Density Residential Zone.

Site values in the Township Zone in Lindenow South experienced the highest annual increase of 31%, however these values remain the lowest of all zones and townships.

Site values in Walpa increased by an average of 22% per annum between 2000 and 2010.

TABLE 9 RATES DATA, LINDENOW, LINDENOW SOUTH AND WALPA, 2000 – 2010

Town	Zone	2000		2010		Average change p.a.	
		Site Value (SV)	Capital Improved Value (CIV)	SV	CIV	SV	CIV
Lindenow	Township Zone (TZ)	\$ 17,262	\$ 72,815	\$ 67,388	\$ 181,116	29%	15%
	Low Density Residential Zone (LDRZ)	\$ 26,350	\$ 108,650	\$101,700	\$ 280,900	29%	16%
Lindenow South	TZ	\$ 12,808	\$ 50,308	\$ 52,865	\$ 149,077	31%	20%
	LDRZ	\$ 32,933	\$ 92,667	\$ 86,718	\$ 174,000	16%	9%
Walpa	LDRZ	\$ 17,600	\$ 68,533	\$ 57,065	\$ 163,290	22%	14%

Source: East Gippsland Shire Council, 2010

The average capital improved values generally reflect the median price information used in this report. The average annual increases in site value shown in Table 9 are high, indicating the property market is strong in Lindenow in particular.

4.6. REAL ESTATE AGENTS

Discussions with local real estate agents revealed the following in relation to the local property market:

- There is strong demand for township lots and houses in Lindenow, with vacant blocks and dwellings selling quickly after going on the market;
- Demand is generally related to the success of the local vegetable growing industry with employees and the reputation of Lindenow as a sought after residential location;
- Demand for Low Density Residential lots is not as strong as demand for Township lots;
- 3 bedroom houses in Lindenow are currently selling for between \$200,000 and \$220,000;
- Residential price growth in Lindenow has been steady but high sale prices are not being reached despite strong demand;
- There is very low demand for commercial land in Lindenow and Lindenow South. One estate agent noted that a former garage with main street frontage was recently sold but is likely to be used for residential purposes.

- There is low demand for residential land in Lindenow South and low land and house prices. Vacant blocks and houses for sale in Lindenow South are generally slow to sell.

4.7. **COMMERCIAL**

The retail businesses in Lindenow and Lindenow South serve a small local catchment. Anecdotal information provided by real estate agents indicates that there is low demand for retail and commercial property in the towns.

Demand for retail products and services can be comfortably met by the extensive retail provision in Bairnsdale, only 15-20 minutes travel time from Lindenow. Demand for retail floorspace may increase somewhat as the population increases, but this increase is not likely to be sufficient to support additional retail facilities in Lindenow in the short to medium term.

However, the Lindenow region contains some of Victoria's most fertile agricultural land which is used by vegetable growers. The town of Lindenow acts as a service base for these vegetable operations by providing housing for employees, farm supplies and general business and retail services at the post office, general store and hotel.

The area includes around 50 vegetable growers which are significant employers and drivers of the local and regional economy. These growers generate demand for support businesses such as farm supplies, fertiliser and machinery as well as secondary processing and transport and logistics businesses.

Whilst the majority of these secondary services are provided in Bairnsdale or elsewhere, it is important that Lindenow has the capacity to support some local services and associated industries. Other opportunities could include wholesalers, vegetable sellers (retail and wholesale), tourism (such as farm gate) and convenience retail (such as a bakery or café).

4.8. **KEY FINDINGS**

Key findings from the demand analysis include:

- Based on the projected annual population growth in the East Gippsland - Bairnsdale SLA of between 1.5% and 1.8%, Lindenow will have a population of 470 persons by 2030, a net increase of 124 residents between 2010 and 2030.
- When compared with the Victorian average, Lindenow is over-represented in terms of family households, has a higher median age (40 years) and average household size (2.7 persons), lower median income and higher proportion of residents employed in the 'Agriculture, Forestry and Fishing' industry;
- Population growth will generate demand for an estimated 46 dwellings over the next 20 years in Lindenow, equivalent to 2.3 dwellings per annum. Building approvals over the past 5 years show an average of 1.3 dwellings approved per year in Lindenow;
- Strong increases in median property values and rates valuations indicate strong demand for housing in Lindenow.
- Discussions with real estate agents confirmed that there is strong demand for housing in Lindenow (particularly for standard density Township lots), but weak demand for commercial property in the region and weak demand for housing in Lindenow South;

- Demand data and anecdotal evidence suggests that the low number of building approvals per year in Lindenow may be due to a lack of available land supply. However, a number of residential lots are still vacant.

5. FUTURE LAND REQUIREMENTS

5.1. LINDENOW

The town of Lindenow is well suited to attract future local growth given its location at the heart of a successful vegetable growing area and the strong reputation of the town as an attractive location for residential property (both standard and low density).

Over the next 20 years, it is estimated that an average of 2.3 dwellings per annum will be required within Lindenow. This is based on the anticipated population increase of 124 persons over this period and the average household size of 2.7 persons for a total of 46 new dwellings. However, historical dwelling approvals indicate that 26 dwellings will be required in Lindenow in the next 20 years.

Given that the majority of dwelling approvals in Lindenow were within the Township Zone (75%), and that anecdotal evidence confirmed that most of the residential demand in the area is for standard density lots in the Township Zone, it is expected that at least 75% of the dwellings over the next 20 years (34.5 dwellings) will be required in the Township Zone. The remaining 11.5 dwellings will be required in the Low Density Residential Zone.

Lindenow will also be expected to absorb demand for dwellings in Walpa given the lack of available supply. This additional demand would be for low density residential lots in addition to the 11.5 dwellings demanded in Lindenow.

The existing supply of vacant, developable and serviceable residential land in Lindenow includes:

- 8 Township Zone vacant lots and 4 broadhectare lots covering an area of 6.5 hectares. At an average of 10 dwellings per hectare, this land has the capacity for 65 lots. The total supply of Township Zone land in Lindenow is equivalent to approximately 73 lots (if the land were to be used solely for residential purposes).
- 4 LDRZ vacant lots and 2 broadhectare LDRZ lots covering approximately 30 hectares. At 2 dwellings per hectare (maximum allowed under the zone) this land has the capacity for 60 dwellings. The total supply of LDRZ land in Lindenow is equivalent to approximately 64 lots.

These projections assume that strategic broadhectare land parcels will be subdivided.

Whilst there is currently low demand for commercial property in Lindenow and there were no commercial buildings approved between 2005 and 2010, provision should be made for a small amount of land in the town centre to support a low level of growth - around 1 hectare of land should be appropriate. This should accommodate local service retail and potentially vegetable wholesaling and other agricultural services located close to the existing town centre.

Table 10 provides a summary of the land demand and supply assessment for Lindenow and Walpa.

TABLE 10 LAND DEMAND AND SUPPLY ASSESSMENT, LINDENOW, 2010 – 2030

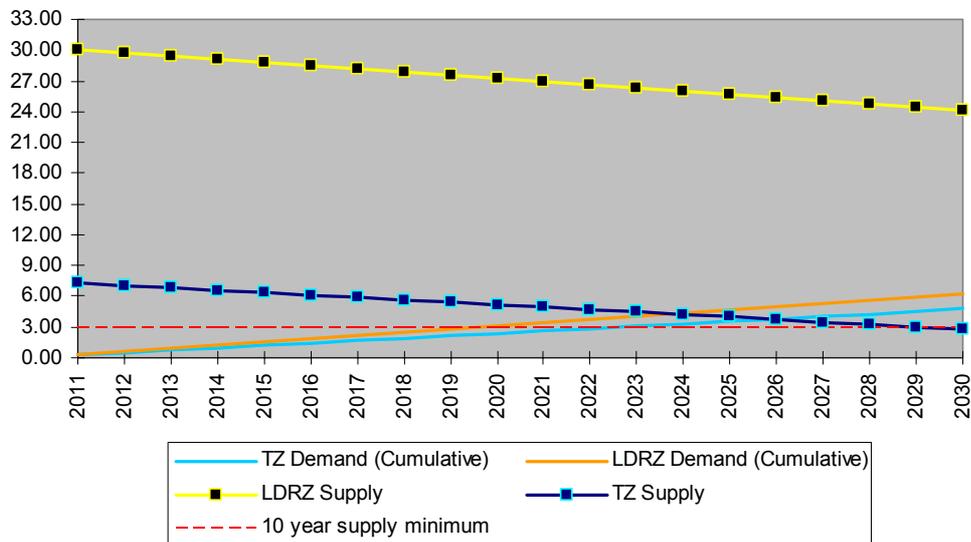
Zone	Vacant and infill supply (ha)	Vacant and infill supply (lots)	Projected demand residential (lots)	Residential Demand (ha)	Projected demand commercial (ha)	Total demand 20 years (area)	Total demand 10 years (area)
Township	7.3ha	73	34.5	3.4	1.0	4.4ha	2.2ha
Low Density	30ha	64	15	15	N/A	6ha	3ha

The State Planning Policy Framework states that planning authorities should allow for 10 years supply of land. According to the consumption rates used in this analysis, 10 years supply of land in Lindenow is equivalent to approximately 2.2ha in the Township Zone and 3ha in Low Density Residential Zone.

Figure 10 shows that there is adequate Township zoned land to accommodate projected demand until 2028. This is approximately 18 years of land supply for residential and commercial purposes.

Figure 10 also shows that there is a significant supply of land in the Low Density Residential Zone and that the expected rate of consumption does not require any rezoning of land in the next 20 years.

FIGURE 10 LOT CONSUMPTION, LINDENOW, 2010 – 2030



Source: Urban Enterprise

5.2. LINDENOW SOUTH

Lindenow South, although geographically close to Lindenow, appears to have significantly differing levels and characteristics of land demand. There is a substantial supply of broadhectare land around the town in both the Township Zone and particularly in the Low Density Residential Zone. There are also a number of infill opportunities that can accommodate short term demand.

The existing supply of vacant, developable and serviceable land in Lindenow South includes:

- 8 Township Zone vacant lots and 1 broadhectare lot covering an area of 2.9 hectares. At an average of 10 dwellings per hectare, this land has the capacity for 29 lots. There are also 4 large underutilised parcels in the Township Zone that could accommodate future growth. The total supply of Township Zone land in Lindenow South is equivalent to approximately 37 lots (if the land were to be used solely for residential purposes).
- 8 LDRZ vacant lots and 3 broadhectare LDRZ parcels covering approximately 38 hectares. At 2 dwellings per hectare this land has the capacity for 76 dwellings. The total supply of LDRZ land in Lindenow South is equivalent to approximately 84 lots.

These projections assume that strategic broadhectare land parcels will be subdivided and that access and services can be provided.

Nine of the eleven dwellings approved in Lindenow South between 2005 and 2010 were within the Low Density Residential Zone. Anecdotal evidence suggests that recent demand has been low, and generally for Low Density dwellings.

It is forecast that there will be demand for a total of 2 dwellings per year over the next 20 years in Lindenow South (40 dwellings in total). An estimated 30 of these (1.5 per year) will be required in the LDRZ, with the remaining 10 dwellings (0.5 per year) required in the Township Zone.

Anecdotal evidence suggests that there is limited demand for commercial land in Lindenow South.

Table 11 provides a summary of the land demand and supply assessment for Lindenow South.

TABLE 11 LAND DEMAND AND SUPPLY ASSESSMENT, LINDENOW SOUTH, 2010 - 2030

Zone	Vacant and infill supply (ha)	Vacant and infill supply (lots)	Projected demand residential (lots)	Projected demand commercial (lots)	Total Demand (lots)	Total demand 20 years (area)	Total demand 10 years (area)
Township	4ha	29	10	0	10	1.0ha	0.5ha
Low Density	38ha	84	30	N/A	30	15ha	7.5ha

The State Planning Policy Framework states that planning authorities should allow for 10 years supply of land. According to the consumption rates used in this analysis, 10 years supply of land in Lindenow South is equivalent to approximately 0.5ha in the Township Zone and 7.5ha in Low Density Residential Zone.

Lindenow South has sufficient land in both the Township Zone and Low Density Residential Zone to cater for demand over the next 20 years without the need for rezoning. This is dependent on strategic parcels of broadhectare land being subdivided and serviced in the medium term.