

URBIS

# KALGOORLIE- BOULDER HOUSING AND LAND POSITION PAPER SUMMARY DOCUMENT

PREPARED FOR



DECEMBER 2022



# KEY FINDINGS

**"THERE IS A TOTAL OF \$3.8 BILLION OF INVESTMENT THAT IS CURRENTLY UNDERWAY AND PLANNED WITHIN KALGOORLIE-BOULDER AND SURROUNDS."**

Kalgoorlie-Boulder is experiencing a severe land and housing shortage which is having tangible, negative impacts on businesses, residents and the broader liveability of this regional centre. Against this backdrop, Kalgoorlie-Boulder and the broader Goldfields region are the focus of state-significant investment; investment in the historical competitive advantage areas of the region and new and emerging industries supporting a transition to a low carbon economy.

Access to affordable and diverse housing is crucial to the development of diverse, vibrant and sustainable communities. It allows people to establish roots within their community and contribute to the economic development of their communities by providing a workforce for industry and delivering essential, community and support services. The lack of residential land and housing in Kalgoorlie-Boulder is thus contributing to a lack of workers; not just for major industries, but critical workers for essential services.

Urbis was engaged by the Kalgoorlie-Boulder Chamber of Commerce and Industry and its partners to develop a housing position paper to articulate the impact that the current state of the land and housing market in Kalgoorlie-Boulder will have on the region's ability to capitalise on current and future economic opportunity. The report included an action plan that was developed through a consultative process with KBCCI and their partners to prioritise responses to the market challenges that the region is facing.

This research identified that the Kalgoorlie-Boulder land and housing markets are influenced by a range of factors such as local population and economic trends, the cost and availability of capital, investment returns and others. There are heightened challenges associated with development costs and contractor / builder availability but also structural market failures that are exacerbating challenges and the ability for private sector investment in the residential market. There is zoned residential land in Kalgoorlie-Boulder, however it is not yet subdivided or serviced ready for release.



## EXTREMELY LOW RENTAL AVAILABILITY

with vacancy rates averaging 0.2% and rents increasing 37% over the past 3 years



## LOW LAND AVAILABILITY

with new serviced land limited to an estimated 60 lots over the next 12-24 months



## CONSTRAINED LONG TERM LAND SUPPLY

with zoned land requiring remediation and re-location of explosives testing facility



## LIMITED INFILL DEVELOPMENT

with an average of less than 10 non-detached homes constructed per annum over the past 2-3 years



## RESIGNATIONS OR REJECTIONS OF EMPLOYMENT OFFERS

for 57% of businesses as a result of lack of accommodation

There is a current estimated undersupply of at least 168 dwellings and a further 2,000+ jobs currently being advertised in the region.

Looking forward, based on known investment underway and planned (scenario one), there is an estimated need for approximately 170 dwellings per annum over the next decade.

A more realistic and achievable scenario is however scenario two which models additional investment over the next decade beyond what is known and committed today.

This scenario translates into a housing need of approximately 410 dwellings per annum to support a residential population growth rate of 3.1% per annum and \$13 billion of major project investment over the next decade in the region's existing and emerging competitive advantages.

## LAND AND HOUSING FORECAST SCENARIOS

	BASE CASE (STATUS QUO)	INVESTMENT SCENARIO ONE	INVESTMENT SCENARIO TWO
Residential Land (Lots P.A.)	+20	+85	+205
Infill Development (Dwellings P.A.)	+20	+85	+205
Total Additional Dwellings (P.A.)	+40	+172	+410
Major Project Investment Facilitated (P.A.)	LIMITED	\$370M	\$1.3B
Resident Population Facilitated (P.A.)	+90	+400	+950

Source: Urbis

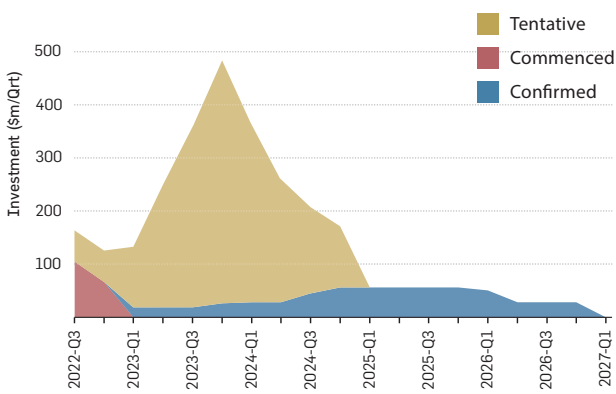
n.b. Base case scenario is based on the WA Tomorrow Forecasts Band C.

**GOLD CAPITAL OF AUSTRALIA**

# HOUSING NEED

Investment planned and underway in Kalgoorlie-Boulder and the broader Goldfields region is following the historical competitive advantage areas of the region, and new and emerging industries supporting a transition to a low carbon economy, with a growing focus on renewables and rare earth minerals.

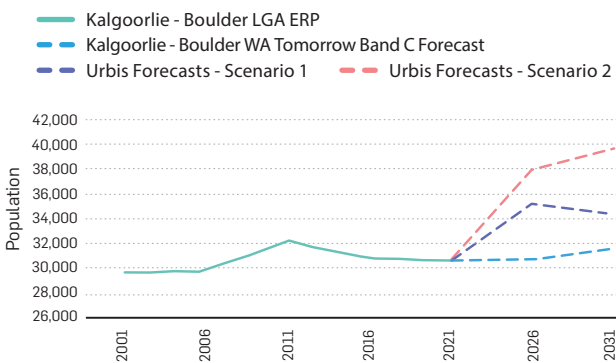
## INVESTMENT PLANNED / UNDERWAY, KALGOORLIE-BOULDER AND SURROUNDS<sup>1</sup>, 2022-27



To help understand the expected investment outlook over the medium and long term, this study developed an investment scenario forecast (referred to as “scenario two”). This scenario adopted forecasts for future investment for projects that may not yet have advanced planning or publicly available investment timeframes / expenditure estimates.

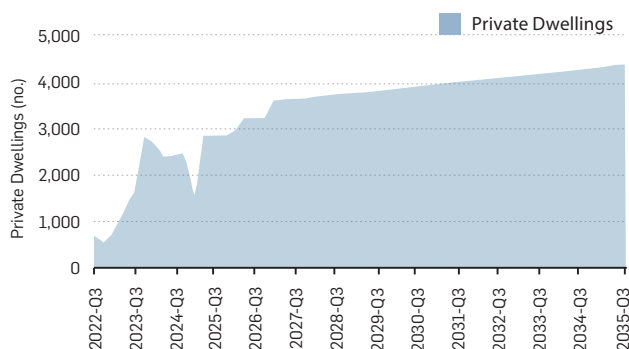
This scenario reflects that future investment projects are not currently known. It is also premised on the continued attractiveness of Kalgoorlie-Boulder as an investment destination for existing and emerging industries. And – most importantly – this investment is relatively unconstrained by housing availability.

## POPULATION PROJECTIONS, CITY OF KALGOORLIE-BOULDER, 2001-2031



There is an estimated housing need of approximately 410 dwellings per annum to support a residential population growth rate of 3.1% per annum and \$13 billion of major project investment over the next decade in the region's existing and emerging competitive advantages.

## DWELLING PROJECTIONS (INVESTMENT SCENARIO TWO), KALGOORLIE-BOULDER, 2022-32



**"AN ADDITIONAL 410 DWELLINGS PER ANNUM ARE REQUIRED OVER THE NEXT DECADE."**

<sup>1</sup> Defined as within 200km of Kalgoorlie-Boulder town centre.

# HOUSING MARKET CHALLENGES & OPPORTUNITIES

A central finding from this research was recognition that a 'business as usual' approach to the land and housing development will not drive the required outcomes.



The key challenges include:

- Elevated construction costs and availability of labour / materials;
- Historical population and property market decline;
- Infrastructure availability and capacity;
- Land availability and timeframes for development and de-risking; and
- Housing finance.

Taken together, these challenges heighten investment risk and limit financial returns for housing development.



The lack of housing availability is contributing to a range of economic and social challenges, such as:

- Business viability, with many businesses having to reduce operating hours due to lack of housing for staff;
- Population retention, with rising rents and lack of housing encouraging critical service workers to leave the region;
- Visitor attraction, with many businesses and workers utilising short term accommodation due to unavailability of permanent rental accommodation; and
- Social issues, with community and government service needs increasing to unsustainable levels

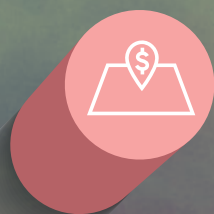


There are nonetheless opportunities that will positively influence increased housing choice in Kalgoorlie-Boulder with the appropriate support, including:

- Increasing residential land and housing values and rental returns;
- Innovative short- and medium-term housing ideas, including collaborations between private sector and government;
- A strong outlook for government and private sector worker housing need; and
- Local planning strategy and scheme updates that greatly expand the opportunity for infill development.

# ACTION PLAN

Three key priorities are identified to drive increased land and housing availability and create the conditions for increased private sector investment.



## RESIDENTIAL LAND SUPPLY

Support increased availability of residential land options to the market to address current and expected unmet needs



## HOUSING SUPPLY

Stimulate and unlock increased infill and greenfield housing construction for owner occupation and rental



## MARKET RESPONSIVENESS

Enhance the responsiveness of the residential market to periods of high demand and major projects investment

The report found 23 actions across the immediate, medium and long term for stakeholders to deliver themselves, collaborate with others and advocating for change. This plan prioritised initiatives as follows:

### HIGH PRIORITY INITIATIVES

are essential for the future prosperity of the region's communities and need to be progressed substantially or completed within the near term;

### MEDIUM PRIORITY INITIATIVES

will provide significant benefits to a local community and can demonstrate broader regional benefits; and

### LOW PRIORITY INITIATIVES

will provide valuable benefits to a local community.

# ACTION PLAN

	ROLE			TIMEFRAME
	Advocate	Partner	Deliver	Ongoing Short-Term Medium-Term Long-Term
<b>RESIDENTIAL LAND SUPPLY</b>				
<b>Align</b> urban land supply opportunities with growth forecasts and funded infrastructure provision				Ongoing
<b>Fast track</b> immediate serviced lot supply				Short-Term
<b>Advance</b> development timing and funding for Hannans Golf Course lots				Short-Term
<b>HOUSING SUPPLY</b>				
<b>Incentivise</b> investors to provide eligible worker households with State or federal government worker rental affordability scheme				Short-Term
<b>Adopt</b> short-term empty homes incentive (e.g. through rates concession with state government funding)				Short-Term
<b>Promote</b> housing development opportunities and expectations for future housing need to demonstrate financial return potential				Medium-Term
<b>Implement</b> infrastructure expansion projects (both capacity and extension of services)				Medium-Term
<b>MARKET RESPONSIVENESS</b>				
<b>Apply</b> a "no worse off" approach for workers choosing to locate in Kalgoorlie-Boulder versus FIFO / DIDO through review of Fringe Benefits taxation policy.				Medium-Term
<b>Implement</b> "development industry support requirement" in DevelopmentWA's role in Kalgoorlie-Boulder to ensure a minimum level of land and housing development is undertaken to support skills development and retention				Medium-Term
<b>Adopt</b> a community / social impact assessment approach as part of process for mining / major projects approvals / licensing process				Medium-Term

## PARTNERS:



## SPONSOR:

# BHP



\*Photos sourced from the City of Kalgoorlie-Boulder