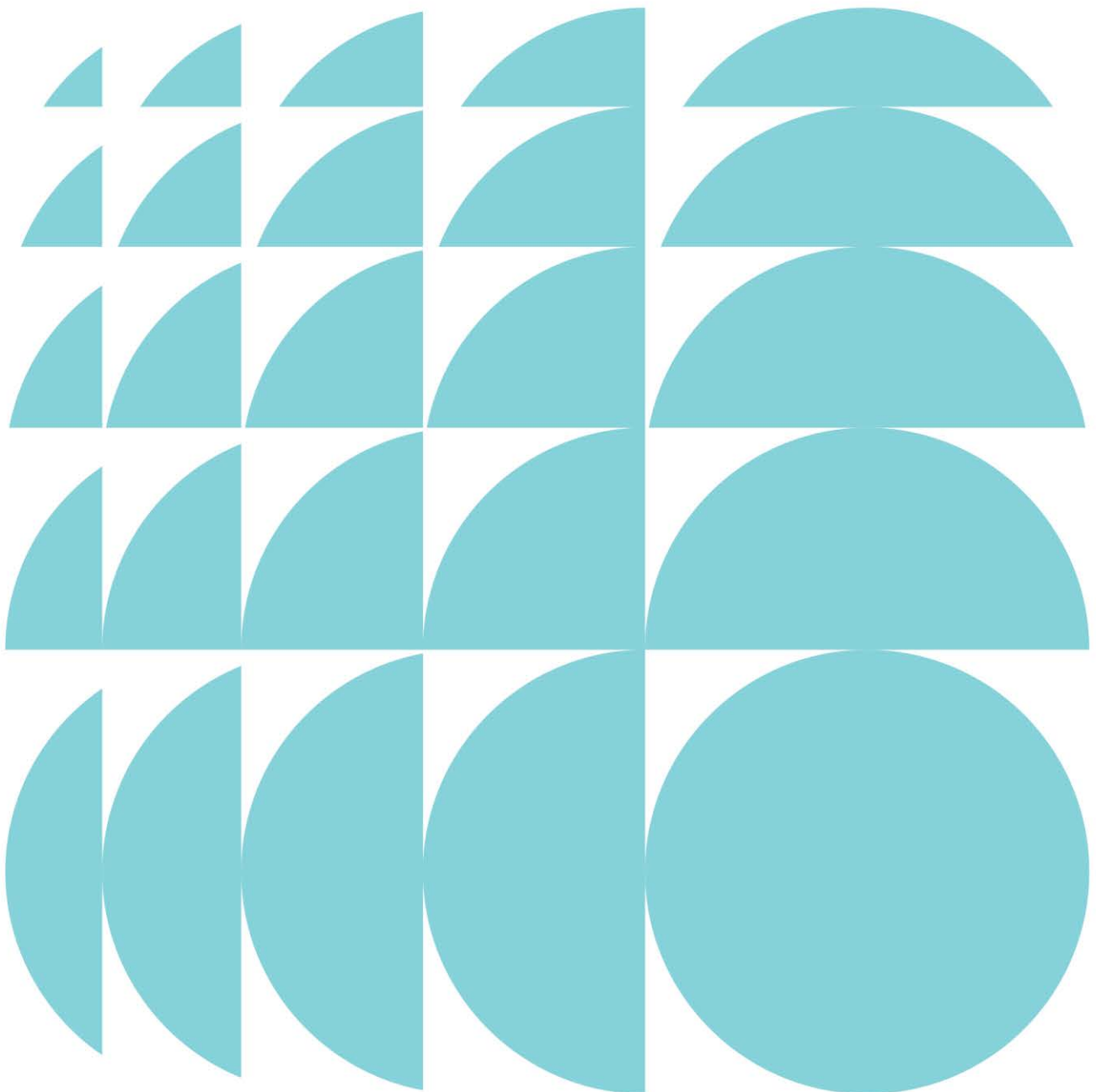


Prepared for Mr Grant Lewis

May 2022 | [3210241](#)



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Final report	Andrew Humby	28 April 2022	Nick Brisbane	4 May 2022

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### *Disclaimer*

Every effort has been made to ensure the accuracy of the material and the integrity of the analysis presented in this report. However, Ethos Urban Pty Ltd accepts no liability for any actions taken on the basis of report contents.

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## Introduction

Mr Grant Lewis owns land at Lot 104 and Lot 105 Port Elliot Road, Middleton (subject land), located in the Alexandrina Council on the Fleurieu Peninsula approximately a one-hour-fifteen-minute drive south of the Adelaide CBD.

The subject land is currently in the 'Deferred Urban' zone in the Alexandrina Council Development Plan. Located on the western periphery of the Middleton township, the landowner is seeking to rezone the land to accommodate residential development. Consequently, the landowner is seeking a land use zone that would allow residential development.

This report provides an independent assessment of the future demand and need for additional residential land at the subject land to inform the future planning of the site.

This report provides the following information:

- Chapter 1: Context Analysis
- Chapter 2: Regional Economic Context
- Chapter 3: Residential Assessment
- Chapter 4: Conclusion

# 1 Context Analysis

This Chapter provides an overview of the context with which the subject land is situated, including a description of the subject site, the township of Middleton and its regional location.

## 1.1 Subject Land

The subject land comprises approximately 8.5ha of land zoned 'Deferred Urban' on the western periphery of the Middleton township. The purpose of the 'Deferred Urban' zone is to "*accommodate farming development until such a time as it is required to accommodate the future growth of the townships*" (Alexandrina Council Development Plan – Deferred Urban Zone).

The land is currently used for grazing and cropping purposes and adjoins the urban areas of the Middleton township to the east and south. Key features of the land with respect to its future development for residential purposes include:

- Site size of 8.5ha will enable planned and staged future development of the Middleton township, ensuring development of the site meets the needs of the market at the time of development.
- Consolidated land ownership will provide for a well-planned urban development outcome.
- Proximity and views over Basham Beach, with the south boundary of the subject land only 320m from Basham Beach and Basham Beach Reserve.
- The Cockle Train Tourist Railway line borders the southern boundary of the subject land, including the Middleton station.
- Port Elliot Road represents the northern border of the subject land. Port Elliot Road is the main east-west connection through Middleton, to Goolwa to the east and Port Elliot and Victor Harbour to the west, providing access to the services and facilities in these townships.
- Middleton Tavern is located to the immediate east of the subject land.
- Deferred Urban Zone adjoins the site to the north.

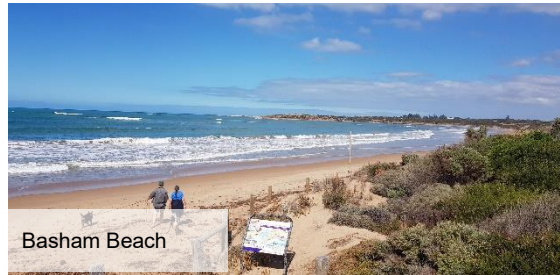
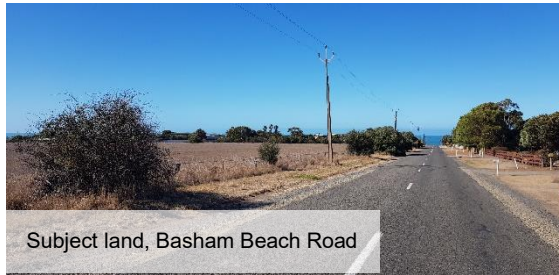
Figure 1.1 on the following page shows the subject land and the land use zoning context.

Preliminary analysis taking into account the relatively low-density form of development in Middleton, indicates potential for approximately 50 lots at the subject land, noting the development at the site will respond to future market trends.

Figure 1.1: Subject Land and Land Use Zones



Source: Ethos Urban





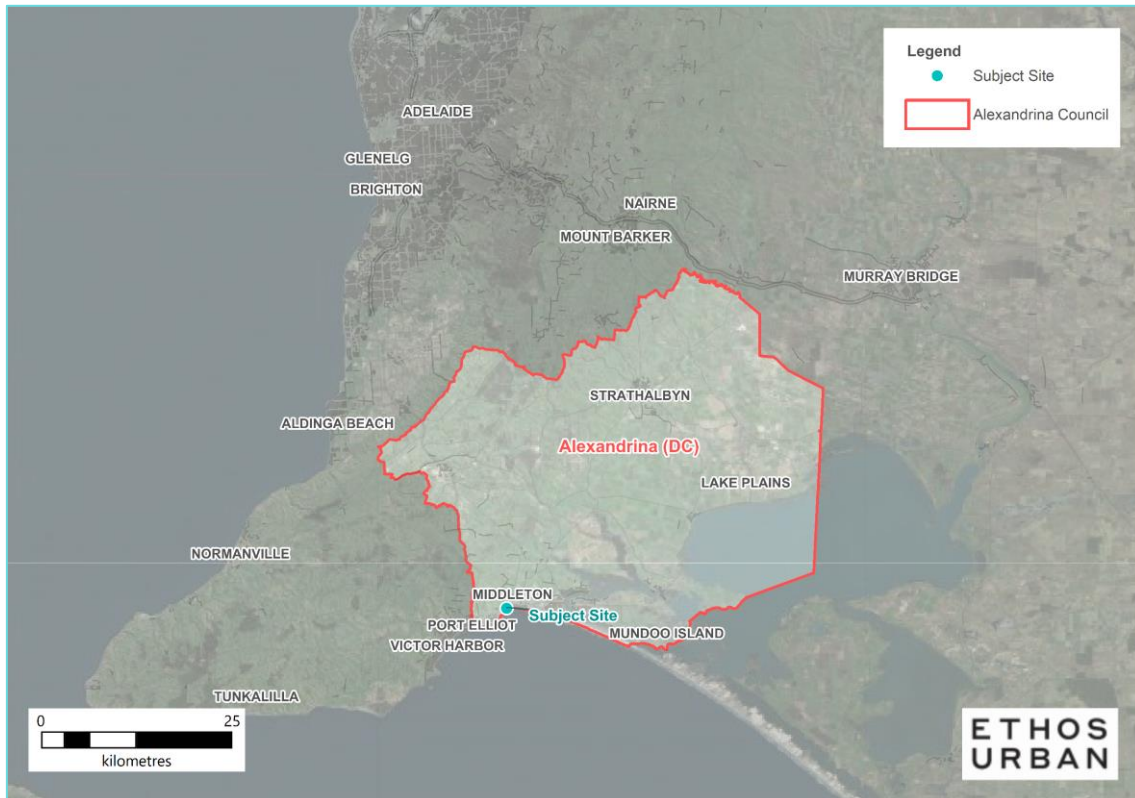
## 1.2 Regional Location

Middleton is situated in Alexandrina Council and is one of numerous coastal townships in the popular tourism region of the Fleurieu Peninsula, approximately a one-hour-fifteen-minute-drive south of Adelaide. The Fleurieu Peninsula attracted 988,900 overnight visitors and 2.8 million day-visitors a year in 2020-21 (Tourism Research Australia), with domestic overnight visitors increasing from the previous five years, significantly offsetting any losses from international tourists. Relevant townships providing facilities and services for residents and visitors to Middleton include the following:

- Goolwa, approximately a seven-minute drive to the east. Goolwa is the major township in Alexandrina Council providing a range of retail (including supermarkets), dining, tourism and civic facilities.
- Port Elliot, approximately a three-minute drive to the west, provides local convenience retailing, cafés and restaurants, and is a popular tourism location.
- Hayborough, approximately an eight-minute drive to the west is the location of a Coles supermarket and Bunning Warehouse development serving the Fleurieu Peninsula. An ALDI supermarket is also located in Hayborough.
- Victor Harbour, approximately an eleven-minute drive to the west. Victor Harbour is the regional town serving much of the Fleurieu Peninsula and provides a range of retail, entertainment, health, education, civic and tourism facilities.

Figure 1.2 summarises the regional location of Middleton.

Figure 1.2: Regional Location



Produced by Ethos Urban using MapInfo and Bing Maps

### 1.3 Overview of Middleton

Middleton is a small coastal township containing an estimated permanent resident population of approximately 1,060 persons within the urban area, and a further 250 persons in the rural areas to the immediate north. Only limited population growth has occurred in Middleton in recent years, largely due to limited opportunities for residential development.

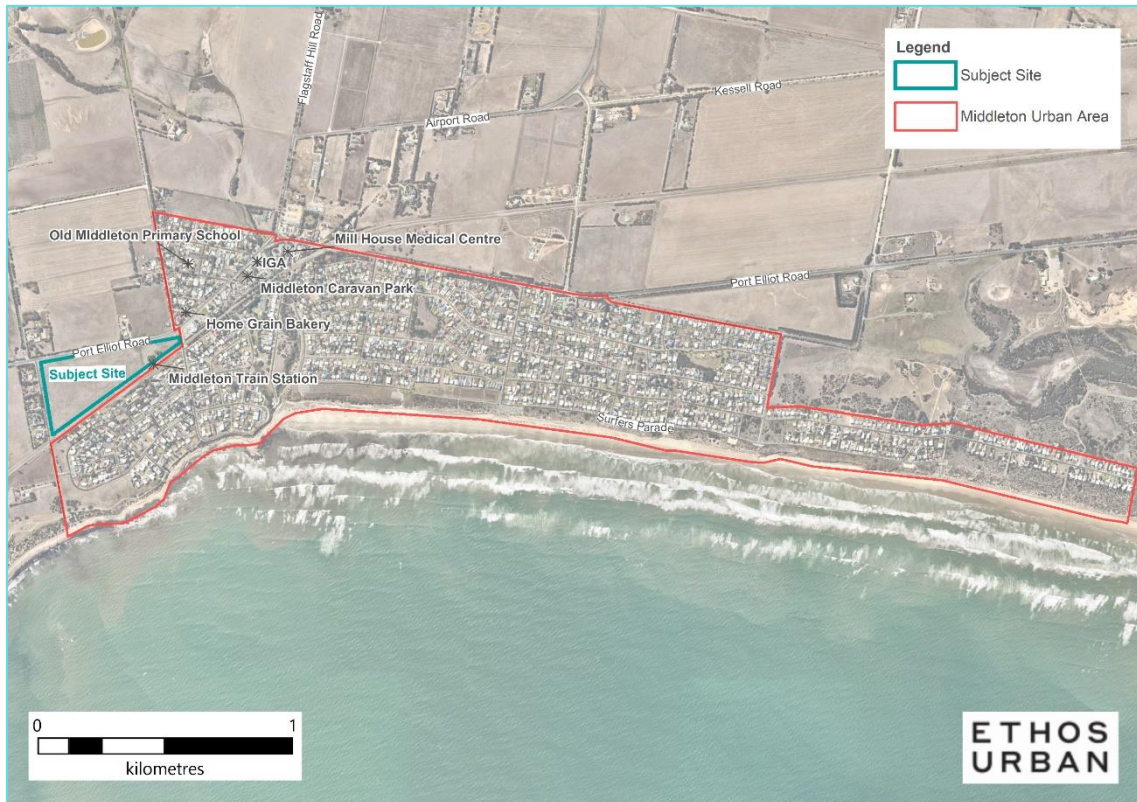
Renowned for its 'relaxed' nature and surf beaches, Middleton is a popular tourism location, for both day and overnight visitors. Overnight visitors stay in the popular Middleton Caravan Park which is centrally located in the township, their own holiday homes or holiday home rentals. The popularity of holiday homes and holiday rentals is emphasised by a low dwelling occupancy rate of only 34.8% in the urban area of Middleton at the time of the 2016 ABS Census of Population and Housing.

Only limited convenience retail and commercial facilities are provided in Middleton. In recent years the general store was redeveloped and now comprises an IGA Xpress and pharmacy. Other retailers and businesses in Middleton include a bakery, hairdresser, a limited number of cafés and restaurants, art gallery, the Middleton Tavern, and a medical centre.

Figure 1.3 shows the subject land in the context of key land uses in Middleton.



Figure 1.3: Locational Overview of Middleton

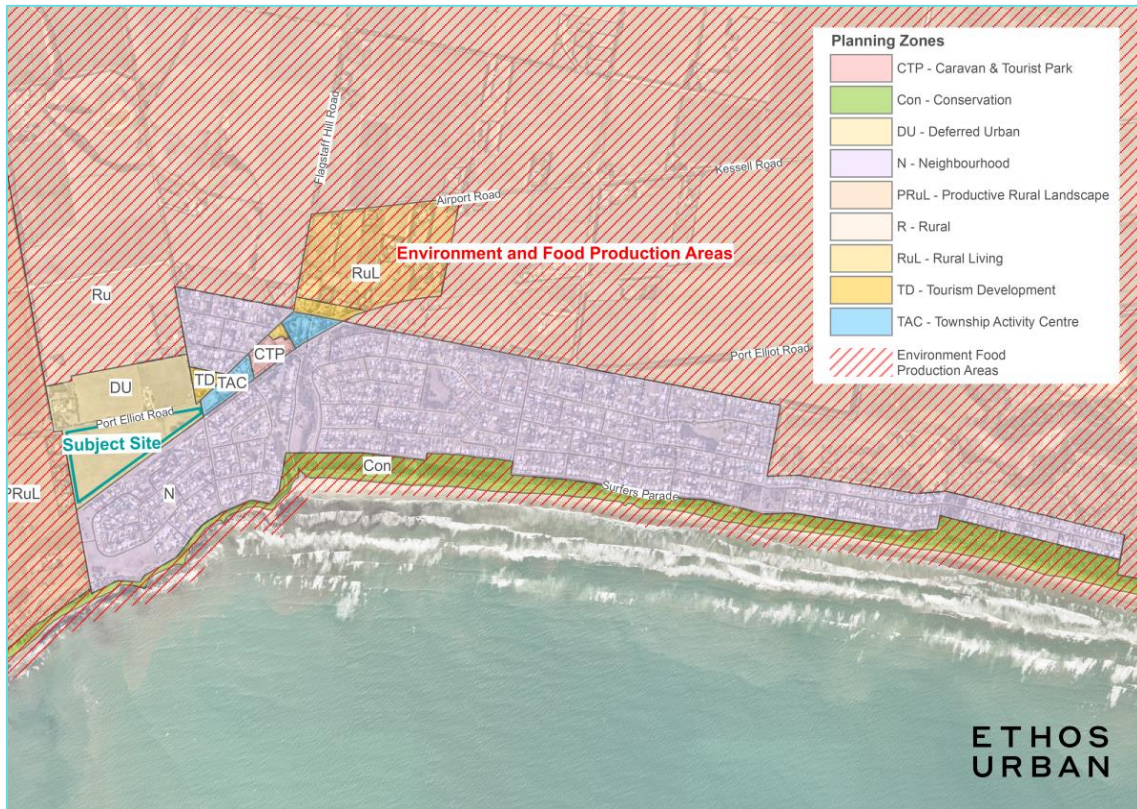


Produced by Ethos Urban using MapInfo and Bing Maps

The subject land and land to the immediate north, both in the Deferred Urban Zone, represent the only future expansion area in Middleton. The Environment Food and Production Area (EPFA) surrounds the Middleton township and limits the opportunity for any future expansion. The EFPA was introduced in 2017 and seeks to protect valuable food producing and rural areas.

Figure 1.4 shows how the EFPA surrounds the Middleton township, providing very limited opportunities for township expansion.

Figure 1.4: Middleton Township and the Environment Food and Production Area



Source: Data SA; Ethos Urban

## 2 Regional Economic Context

This Chapter provides an overview of the regional and local economic context in which Middleton is situated including analysis of population trends and forecasts, demographics, tourism trends, identification of key industries and implications of COVID-19.

### 2.1 Population Trends

Alexandrina Council currently contains a population of approximately 28,510 person and has experienced relatively strong population growth in recent years, having increased by approximately +440 persons a year, or equivalently +1.7%, since 2011.

Limited population growth has occurred in the urban areas of Middleton, which currently has an estimated resident population of approximately 1,060 persons, having increased from 950 persons in 2016. While a limited level of residential development has occurred, these new homes include both permanent residential dwellings and holiday homes.

**Table 2.1: Population Trends**

Category	2011	2016	2021	2011-2021
<b>Population</b>				
Middleton (Urban Area)	910	950	1,060	+150
Balance of Alexandrina Council	<u>23,220</u>	<u>25,610</u>	<u>27,450</u>	<u>+4,230</u>
<b>Alexandrina Council</b>	<b>24,130</b>	<b>26,560</b>	<b>28,510</b>	<b>+4,380</b>
<b>Average Annual Growth (no.)</b>				
Middleton (Urban Area)		+10	+20	+20
Balance of Alexandrina Council		<u>+480</u>	<u>+370</u>	<u>+420</u>
<b>Alexandrina Council</b>		<b>+490</b>	<b>+390</b>	<b>+440</b>
<b>Average Annual Growth (%)</b>				
Middleton (Urban Area)		+0.9%	+2.2%	+1.5%
Balance of Alexandrina Council		<u>+2.0%</u>	<u>+1.4%</u>	<u>+1.7%</u>
<b>Alexandrina Council</b>		<b>+1.9%</b>	<b>+1.4%</b>	<b>+1.7%</b>

Source: ABS

### 2.2 Population Forecasts

id Consulting have prepared population forecasts for Alexandrina Council which show Alexandrina's population increasing by approximately +6,930 persons between 2021 and 2041. Areas within Alexandrina forecast to experience the largest share of population growth over this period include Goolwa growth area (+2,150 persons), Strathalbyn (+1,430 persons), and Strathalbyn District (+1,250 persons) and Hindmarsh Island (+860 persons).

Middleton and District (which includes the rural hinterland to the north of the township) is forecast to experience only limited population growth of approximately +210 persons between 2021 and 2041, increasing to approximately 1,800 persons by 2041. These forecasts can be considered conservative and assume the development of only 30 dwellings per annum over the 2023 to 2032 period. They do not take into account the development of the subject land.

In a regional context, Middleton is not expected to be a major residential growth area. Rather is it likely to continue to provide a niche residential offering to both permanent residents and holiday-home owners.

**Table 2.2: Population Forecasts, 2021-2041**

Category	2021	2026	2031	2036	2041	Change
<b>Alexandrina Council</b>	28,010	29,980	32,170	34,540	36,910	+6,930
Strathalbyn Town	6,330	6,930	7,550	8,120	8,360	+1,430
Goolwa Growth Area	30	320	860	1,610	2,470	+2,150
Hindmarsh Island - Mundoo Island	1,810	2,280	2,690	2,940	3,140	+860
Strathalbyn District	5,490	5,670	5,850	6,240	6,920	+1,250
Goolwa - Goolwa Beach	7,180	7,360	7,520	7,660	7,790	+430
Port Elliot and District	2,760	2,950	3,100	3,200	3,320	+370
<b>Middleton and District</b>	<b>1,520</b>	<b>1,590</b>	<b>1,650</b>	<b>1,720</b>	<b>1,800</b>	<b>+210</b>
Mount Compass - Kuitpo and District	2,890	2,890	2,960	3,030	3,110	+220

Source: Forecast.id

### 2.3 Demographic Characteristics

The demographic characteristics of permanent residents in Middleton are consistent with coastal areas popular with relatively affluent retirees. For instance, 23.6% of the population are aged 65 years or over (compared to 21.9% for regional South Australia). Residents have median individual incomes +13.1% above the median for regional South Australia. The median age in Middleton was 48.7 years compared to 45.3 years in regional South Australia.

The majority of houses (98.4%) are separate houses and housing costs are relatively high, with the median mortgage repayment +23.7% above the median for regional South Australia. The prominence of holiday homes is evident in the low occupancy rate, with only 34.8% of dwellings permanently occupied at the time of the 2016 ABS Census; the average for regional South Australia was 76.6%.

Table 2.3 summarises selected demographic characteristics of Middleton and Alexandrina Council residents based on ABS, Census of Population and Housing data for 2016.

Table 2.3: Demographic Characteristics, 2016

Category	Middleton - Urban Area	Alexandrina Council	Rest of SA
<u>Income</u>			
Median individual income (annual)	\$32,440	\$27,190	\$28,690
Variation from Rest of SA median	13.1%	-5.2%	na
% of persons (15 years or older) earning \$1,000pw or more	25.80%	21.80%	24.50%
<u>Age Structure</u>			
0-4 years	5.1%	4.4%	5.5%
5-19 years	16.3%	16.3%	17.7%
20-34 years	11.4%	11.6%	15.2%
35-64 years	43.7%	39.0%	39.7%
65-84 years	22.3%	25.5%	19.2%
85 years and over	1.3%	3.2%	2.7%
Median Age (years)	48.7	50.2	45.3
<u>Country of Birth</u>			
Australia	86.0%	82.5%	89.1%
Other Major English Speaking Countries	10.4%	13.1%	6.6%
Other Overseas Born	3.6%	4.4%	4.2%
<u>Household Composition</u>			
<i>Couple family with no children</i>	35.6%	37.0%	32.3%
<i>Couple family with children</i>	24.1%	23.6%	24.8%
Couple family – Total	59.7%	60.7%	57.1%
One parent family	9.2%	8.9%	9.8%
Other families	0.0%	0.6%	0.6%
Family Households – Total	69.0%	70.2%	67.5%
Lone person household	28.2%	27.8%	30.3%
Group Household	2.8%	2.1%	2.2%
<u>Dwelling Structure (Occupied Private Dwellings)</u>			
Separate house	98.4%	94.6%	88.7%
Semi-detached, row or terrace house, townhouse etc.	1.6%	2.6%	7.8%
Flat, unit or apartment	0.0%	1.6%	2.5%
Other dwelling	0.0%	1.2%	1.0%
<i>Occupancy rate</i>	34.8%	69.3%	76.6%
Average household size	2.2	2.3	2.3
<u>Tenure Type (Occupied Private Dwellings)</u>			
Owned outright	42.9%	41.7%	38.4%
Owned with a mortgage	32.3%	34.9%	32.4%
Rented	24.8%	21.2%	27.9%
Other tenure type	0.0%	2.1%	1.2%
<u>Housing Costs</u>			
Median monthly mortgage repayment	\$1,460	\$1,200	\$1,180
Variation from Rest of SA median	23.7%	1.7%	0.0%
<u>Occupation</u>			
Managers	14.0%	14.8%	17.0%
Professionals	19.3%	14.8%	12.7%
Technicians and trades workers	15.8%	16.0%	14.2%
Community and personal service workers	16.0%	13.2%	11.2%
Clerical and administrative workers	10.8%	11.7%	10.4%
Sales workers	7.8%	9.0%	8.9%
Machinery operators and drivers	4.3%	6.5%	8.4%
Labourers	11.0%	12.6%	15.7%
Inadequately described or not stated	1.0%	1.4%	1.4%

Source: ABS, Census of Population and Housing, 2016

## 2.4 Tourism Trends and Context

Middleton is situated on the Fleurieu Peninsula and tourism in this area serves as an integral part of the local and regional economy. The extent to which the population swells over the summer months is testament to the popularity of the region as a beach-side holiday destination.

Detailed tourism data detailed below for the Fleurieu Peninsula is based prior to COVID-19 restrictions and the bushfires representing a 'normal tourism' year for the region; 2019 data is based on a rolling average for the three years leading to the year ending December 2019.

In 2019, the Fleurieu Peninsula attracted a total of 771,000 overnight visitors and 2.9 million day trips to the region. This visitation is accounted for in part by the regions' relative proximity to Adelaide. Domestic overnight visitors accounted for 744,000 visitors with 81.4% coming from South Australia, further highlighting the region's popularity with South Australians. International visitors accounted for only 27,000 overnight visits, or equivalently, 4% of total overnight visits. In total, expenditure generated from tourism in Alexandrina was approximately \$493 million.

Tourism South Australia estimated that in 2018/19 tourism directly contributed \$391 million in Gross Regional Product for the Fleurieu Peninsula. Accordingly, tourism activities are a major contributor to the overall strength of the Fleurieu Peninsula economy, and specifically Middleton. Employment as a result of tourism accounts for 3,300 direct and 1,300 indirect jobs in the Fleurieu Peninsula.

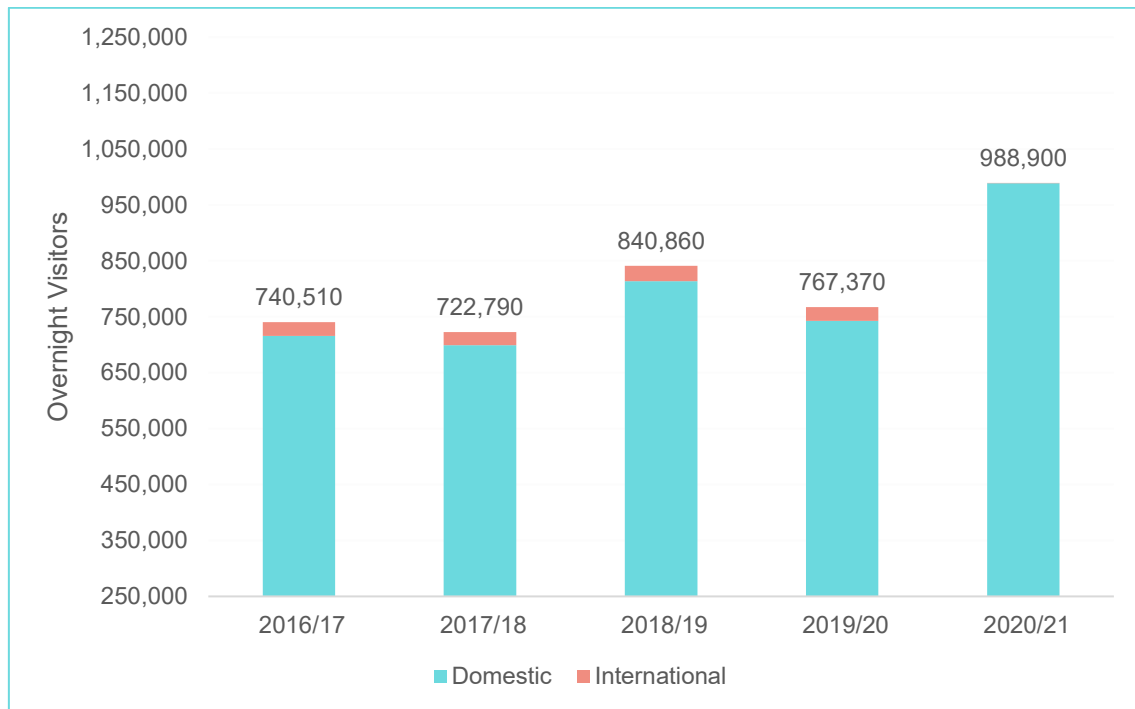
A total of 37% of domestic visitor nights and 59% of international visitor nights are either spent with friends or relatives. Rental holiday homes are the second most popular form of accommodation in the region, for both domestic (19%) and overnight (12%) visitors. Among domestic visitors, holiday homes they own (16%), and caravan and camping (13%) are also very popular.

Data from AirDNA illustrates the popularity of holiday home rentals in Middleton, with 148 active homes listed for holiday rentals as of April 2022.

Historically, the Fleurieu Peninsula has attracted domestic tourists, primarily from holiday-makers from South Australia.

With international borders closed, and South Australia comparatively escaping harsh lockdowns, tourism in the region increased during the pandemic, with domestic tourism surging in 2020/21. Data for the financial year 2020/21 shows that domestic overnight visitor numbers increased by +33.1% to 988,900 relative to 2019/20, while domestic day trips followed long term trends. Despite international visitation dropping to historic lows, the region attracted 988,900 visitors, an increase of +28.9% from the previous year (refer to Figure 2.1).

**Figure 2.1: Domestic and Overnight Visitors, Fleurieu Peninsula**



Source: Tourism Research Australia

## 2.5 Key Employing Industries

Health care and social assistance is the largest employing industry in Alexandrina, accounting for 15.3% of jobs in 2020/21. Other major employing industries in Alexandrina are agriculture, forestry and fishing (13.0%), construction (9.9%), manufacturing (9.8%), and accommodation and food services (9.6%).

Between 2015/16 and 2020/21, Alexandrina’s workforce grew by only +10 jobs. Arts and recreation services (+50), education and training (+40), mining (+40) and manufacturing (40+) showing incremental gains since 2015/16. However, these gains were offset by significant decreases in the agriculture, forestry and fishing industry (-110) and the retail trade industry (-100).

The following estimates are sourced from id. Consulting who use the National Institute of Economic and Industry Research (NEIR) employment estimates, which are updated every year. NEIR estimates employment by industry based on the regions workforce – that is persons who are employed (full-time or part-time) by jobs located in that region.

Table 2.4: Employment by Industry (Workforce) – Alexandrina Council

Category	2015/16		2020/21		Change 2011-2016	
	No.	% Share	No.	% Share	No.	% Increase
<b><u>Primary Sector</u></b>						
Agriculture, Forestry and Fishing	1,040	14.5%	930	13.0%	-110	-10.6%
<u>Mining</u>	<u>90</u>	<u>1.3%</u>	<u>130</u>	<u>1.8%</u>	<u>+40</u>	<u>+44.4%</u>
<b>Sub-Total</b>	<b>1,130</b>	<b>15.8%</b>	<b>1,060</b>	<b>14.8%</b>	<b>-70</b>	<b>-6.2%</b>
<b><u>Secondary Sector</u></b>						
Construction	680	9.5%	710	9.9%	+30	+4.4%
<u>Manufacturing</u>	<u>660</u>	<u>9.2%</u>	<u>700</u>	<u>9.8%</u>	<u>+40</u>	<u>+6.1%</u>
<b>Sub-Total</b>	<b>1,340</b>	<b>18.7%</b>	<b>1,410</b>	<b>19.7%</b>	<b>+70</b>	<b>+5.2%</b>
<b><u>Tertiary Sector</u></b>						
<b><u>Producer Services</u></b>						
Electricity, Gas, Water and Waste Services	70	1.0%	60	0.8%	-10	-14.3%
Financial and Insurance Services	80	1.1%	80	1.1%	0	0.0%
Information Media and Telecommunications	30	0.4%	20	0.3%	-10	-33.3%
Rental, Hiring and Real Estate Services	110	1.5%	90	1.3%	-20	-18.2%
Transport, Postal and Warehousing	240	3.4%	260	3.6%	+20	+8.3%
Wholesale Trade	150	2.1%	170	<u>2.4%</u>	+20	+13.3%
<b>Sub-Total</b>	<b>680</b>	<b>9.5%</b>	<b>680</b>	<b>9.5%</b>	<b>0</b>	<b>0.0%</b>
<b><u>Consumer Services</u></b>						
Accommodation and Food Services	690	9.6%	690	9.6%	+0	0.0%
Administrative and Support Services	230	3.2%	210	2.9%	-20	-8.7%
Arts and Recreation Services	140	2.0%	190	2.6%	+50	+35.7%
Education and Training	610	8.5%	650	9.1%	+40	+6.6%
Health Care and Social Assistance	1,090	15.2%	1,100	15.3%	+10	+0.9%
Professional, Scientific and Technical Services	270	3.8%	290	4.0%	+20	+7.4%
Public Administration and Safety	250	3.5%	260	3.6%	+10	+4.0%
Retail Trade	730	10.2%	630	<u>8.8%</u>	-100	-13.7%
<b>Sub-Total</b>	<b>4,010</b>	<b>56.0%</b>	<b>4,020</b>	<b>56.1%</b>	<b>+10</b>	<b>+0.2%</b>
<b>Sub-Total Tertiary Sector</b>	<b>4,690</b>	<b>65.5%</b>	<b>4,700</b>	<b>65.6%</b>	<b>+10</b>	<b>+0.2%</b>
<b>Total</b>	<b>7,160</b>	<b>100.0%</b>	<b>7,170</b>	<b>100.0%</b>	<b>+10</b>	<b>+0.1%</b>

Source: id. Consulting

## 2.6 Regional Infrastructure and Gaps Assessment

Infrastructure Australia released the *Regional Strengths and Infrastructure Gaps Regional Analysis: South Australia* in March 2022. The report reviews the strengths and infrastructure gaps in numerous regions throughout Australia, including Adelaide Hills, Fleurieu and Kangaroo Island of which Middleton is located.

The report identified the key strengths of the region include water infrastructure, transport infrastructure particularly links to other regions, climate and topography and natural environments which support nature-based tourism. While agriculture, forestry and fishing; tourism; and healthcare and social assistance were identified as the key growth industries.



Freight transport and public transport are identified as key infrastructure gaps which require investment.

In addition, housing supply was also identified as an infrastructure gap. The report notes the following in relation to the demand and supply of housing in the region:

*“The Adelaide Hills, Fleurieu and Kangaroo Island region boasts both urban and rural living opportunities in coastal and inland landscapes. The lifestyle offering this facilitates has been a major factor in attracting people to move to this region.*

*However, the region is currently facing shortages in affordable housing and accommodation, with vacancy rates at an all-time low and in some towns, there are no available rental properties. In June 2021, only 24 rental properties were listed across Kangaroo Island, Yankalilla, Victor Harbor and Alexandrina Councils combined. The lack of available, affordable and quality housing is a key inhibitor to attracting skilled workers, leading to consequences that affect regional development, growth and liveability” (p.339).*

A need for major investment to support projected population growth and to build more housing which meets the future population profile in the region was identified.

## 2.7 Implications of COVID-19

The COVID-19 pandemic has impacted many communities and industries in different ways. In the context of assessing residential demand in Middleton, the key implications arising from COVID-19 include the following:

- The COVID-19 pandemic has had a significant impact with the new working-from-home paradigm allowing workers to re-assess their need to live close to the workplace, and many are now electing to live in regional areas commuting to, for example, Adelaide when and if required, or permanently working from home. The Fleurieu Peninsula, including Middleton, is well placed to attract those seeking take advantage of increased workplace flexibility and who seek a coastal lifestyle.
- Demand for housing in coastal areas has increased, and this is illustrated by strong growth in median house and land prices in areas such as Middleton and Port Elliot. Between 2020 and 2022 (year ending March), the median house price in Middleton increased by +18% per annum while Port Elliot’s median house price increased by +25%.
- The closure of international borders encouraged Australians to travel domestically and visit regional areas, and this is illustrated in the significant increase in the number of domestic overnight visitors in the Fleurieu Peninsula. The increased popularity of platforms such as Air BnB and Stayz, has generated demand for holiday homes for rental purposes – this includes those seeking an investment and those seeking to part fund a holiday home by letting it out when not in use.

Overall, a number of factors arising from the COVID-19 pandemic has given rise to increased demand for housing in regional, coastal locations – particularly those in locations within a reasonable commute from capital cities.

### 3 Residential Assessment

This Chapter presents a residential assessment and includes an overview of the Middleton residential market including sales and new dwelling building approvals, and a supply and demand assessment.

#### 3.1 Middleton Residential Market Overview

Middleton is considered a niche residential market, with people attracted to the township due to its proximity to quality surf beaches and a small-town lifestyle but which is also within a 10-minute drive of the facilities and services provided in Victor Harbour and Goolwa.

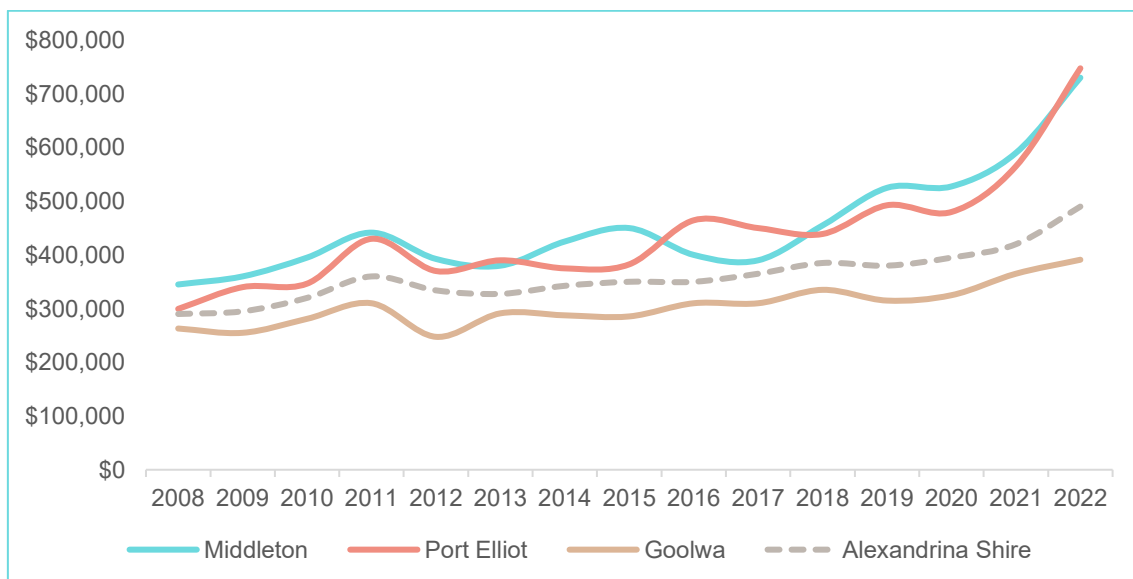
The majority of the urban area in Middleton is developed, with the most recent sub-division, known as ‘Middleton Shores’, is almost fully developed. Middleton Shores was originally released in the early 2000’s and has consistently developed since.

The proximity to quality beaches and the town’s growing popularity for both permanent and holiday homes in recent years has led to strong growth in median property prices. The median house price for the year ending March 2022 in Middleton was \$730,000, approximately 49% above the median house price in Alexandrina Council of \$490,000. Middleton and nearby Port Elliot are considered to be premium residential markets in the context of Alexandrina Council.

A significant increase in the median house price in the coastal townships of Middleton and Port Elliot has occurred since March 2020, reflecting the increasing popularity of lifestyle locations during the COVID-19 pandemic. In addition to households re-evaluating preferences for where they live in light of increased acceptance of remote working, the limited supply of land available for the development of new houses is also likely to have an inflationary effect in house prices in these townships.

Middleton’s median house price increased by an average of +18% per annum between March 2020 and March 2022, compared to an average annual increase of 3% per annum between 2010 and 2020 (year ending March). Similarly, Port Elliot’s median house price increased by an annual average of +25% since March 2020 compared to an average of +3% per annum the previous 10 years.

**Figure 3.1: Median House Price, Year Ending March 2008-2022**



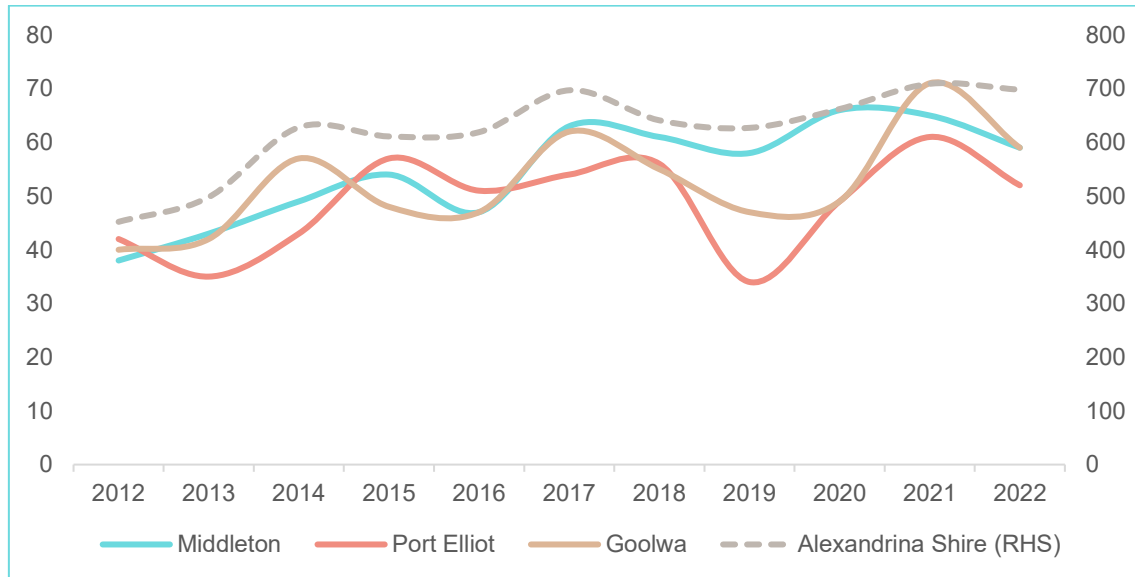
Source: PriceFinder

### 3.2 Residential Sales and Price Trends

#### House Sales Trends

The number of house sales in Middleton has increased moderately over the past decade or so, ranging from a low of 38 sales in 2012 to a high of 66 sales in 2020 (year ending March). Between 2017 and 2022 (year ending March), an average of 62 residential house sales have occurred in Middleton. This level of sales is slightly above Port Elliot (50 sales a year between 2017 and 2022) and Goolwa (56 sales).

Figure 3.2: Number of House Sales, 2012-2022 (year ending March 2022)



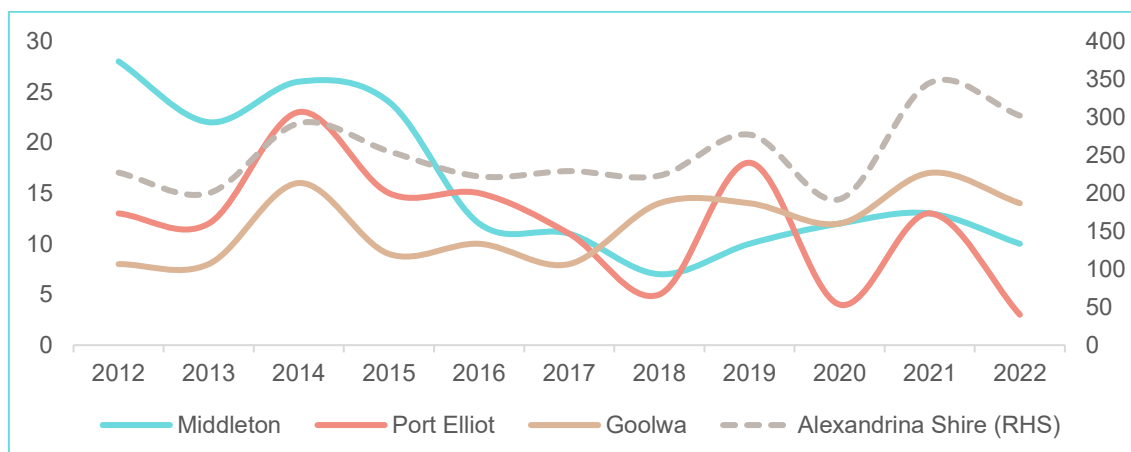
Source: PriceFinder

As shown in Figure 3.1, the median house price in the coastal towns of Middleton and Port Elliot have increased significantly in recent years compared to Goolwa and the broader Alexandrina Council. Between 2020 and 2022 (year ending March), the median house price in Middleton increased by +18% per annum while Port Elliot’s median house price increased by +25%. In comparison, the median house price in Goolwa increased by +10% per annum, illustrating the different markets that exist between the coastal areas of Middleton/Port Elliot and the more urban areas of Goolwa. The median house price in Alexandrina increased by +11% per annum between 2020 and 2022 (year ending March).

#### Vacant Land Sales

The number of vacant land sales in Middleton averaged approximately 10 sales between 2018 and 2022 (year ending March), with the limited number of vacant land sales impacted by the limited availability of vacant lots for sales. Currently, only one vacant residential lot in Middleton is listed for sale on [www.realestate.com.au](http://www.realestate.com.au).

However, it is noted that vacant land sales averaged approximately 30 sales a year between 2008 and 2015 (year ending March) when the availability of vacant land for sales was greater.

**Figure 3.3: Number of Vacant Land Sales, 2005-2018**

Source: PriceFinder

The limited supply of vacant lots in Middleton has had a significant impact on the price of vacant lots in recent years, with the median vacant lot price increasing by +8% per annum between 2012 and 2022 (year ending March). This compares to an average increase of +5% in Port Elliot, +1% in Goolwa and 0% per annum throughout Alexandrina Shire.

The median vacant land price in Middleton for the year ending March 2022 is \$357,500, which is more than double the median vacant land price for Alexandrina of \$168,500.

**Table 3.1: Median Vacant Land Price, 2009-2022 (year ending March)**

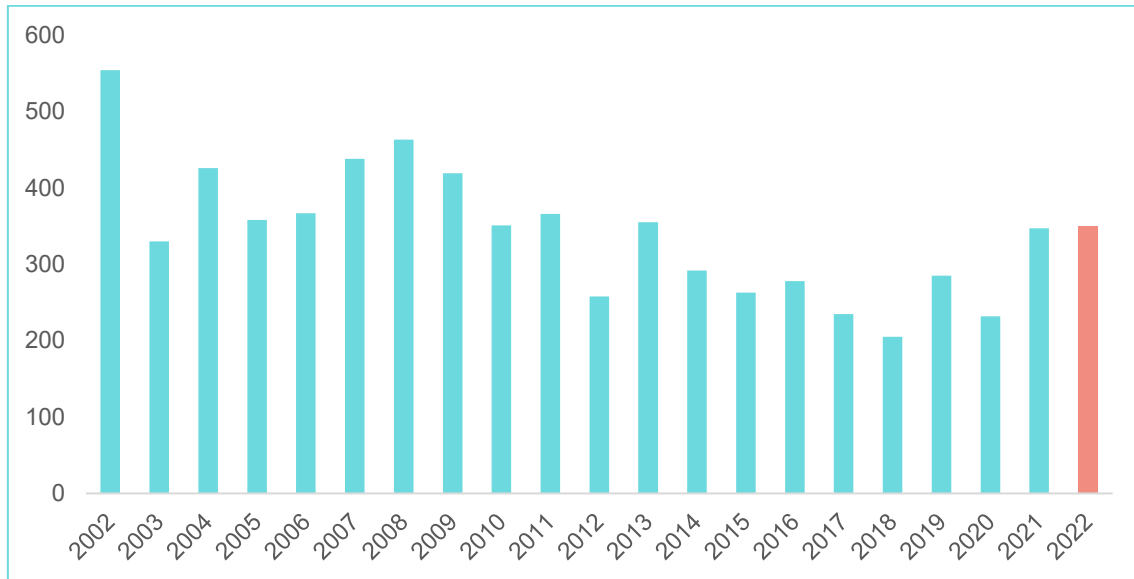
Year Ending March	Middleton	Port Elliot	Goolwa	Alexandrina Shire
2012	\$165,000	\$270,000	\$150,000	\$150,000
2013	\$152,500	\$255,500	\$160,000	\$150,000
2014	\$162,750	\$225,000	\$198,750	\$145,000
2015	\$207,500	\$207,500	\$225,000	\$150,000
2016	\$292,500	\$223,000	\$185,000	\$148,000
2017	\$320,000	\$180,000	\$180,000	\$148,000
2018	\$320,000	\$173,000	\$170,950	\$152,000
2019	\$337,500	\$190,000	\$154,650	\$150,000
2020	\$277,500	\$204,250	\$178,750	\$155,000
2021	\$345,000	\$440,000	\$180,000	\$159,500
2022	\$357,500	\$431,000	\$179,000	\$168,500
Variation from Alexandrina Shire	+112%	+156%	+6%	-
Average Annual Growth, 2012-22	+8%	+5%	+2%	+1%
Average Annual Growth, 2020-22	+14%	+45%	+0%	+4%

Source: PriceFinder

### 3.3 New Dwelling Building Approvals Trends

The number of new dwelling approvals in Alexandrina declined consistently between 2008 and 2018. However, in recent years, particularly in 2021 and 2022, the number of new dwelling approvals increased, as shown in Figure 3.4. In the years ending June 2021 and 2022 (forecast), an average of approximately 350 new dwelling approvals a year occurred.

**Figure 3.4: New Dwelling Building Approvals, Alexandrina Council, 2001-02 to 2017-18 (year ending June)**



Source: ABS Building Approvals

Note: 2022 data represent a forecast based on YTD January data

At the local level, ABS building approvals data shows that between 2011/12 and 2020/21, new dwelling building approvals in the urban area of Middleton averaged approximately 20 new dwellings a year, as shown below:

- 2011/12: 22 new dwelling approvals
- 2012/13: 23 new dwelling approvals
- 2013/14: 22 new dwelling approvals
- 2014/15: 23 new dwelling approvals
- 2015/16: 26 new dwelling approvals
- 2016/17: 21 new dwelling approvals.
- 2017/18: 7 new dwelling approvals.
- 2018/19: 11 new dwelling approvals.
- 2019/20: 16 new dwelling approvals.
- 2020/21: 24 new dwelling approvals.

### 3.4 Recent Development

A total of 33 dwellings have been developed in Middleton between November 2018 and March 2022, based on analysis of Nearmap aerial imagery. This equates to an average of approximately 10 new dwelling a year and is considered to be a conservative level of demand. As noted earlier, only one vacant lot is currently available for purchase in Middleton, providing very limited opportunity (almost none) for someone seeking to purchase land and develop a house. In this context, historical m

The location of dwellings developed between November 2018 and March 2022 is shown in Figure 3.5 (refer Section 3.6).

### 3.5 Forecast Demand for Housing in Middleton

Forecasts prepared by id Consulting for Alexandrina Council indicate demand for an estimated 14 new dwellings a year over the 20-year period from 2021 to 2041.

These forecasts are considered to be conservative and reflect the existing situation where very limited supply of vacant residential land is available for both sale and development (refer Section 3.6).

### 3.6 Supply of Residential Land in Middleton

Middleton is considered a niche residential market, somewhat distinct from the residential offer provided in the larger townships of Goolwa and Victor Harbour. The key features of the Middleton residential market are its proximity to quality surf beaches, and a small-town atmosphere that is also within 10-minutes of facilities and services provided in larger towns and relatively large residential lots. In addition, due to the linear form of urban development along the coastline in Middleton, practically all houses are within walking distance of the beach. This situation is not necessarily the case in other towns on the Fleurieu Peninsula.

In this context, the supply of vacant lots on Middleton is a key consideration as Middleton performs an important role in providing a range of housing choice in the local and regional housing market.

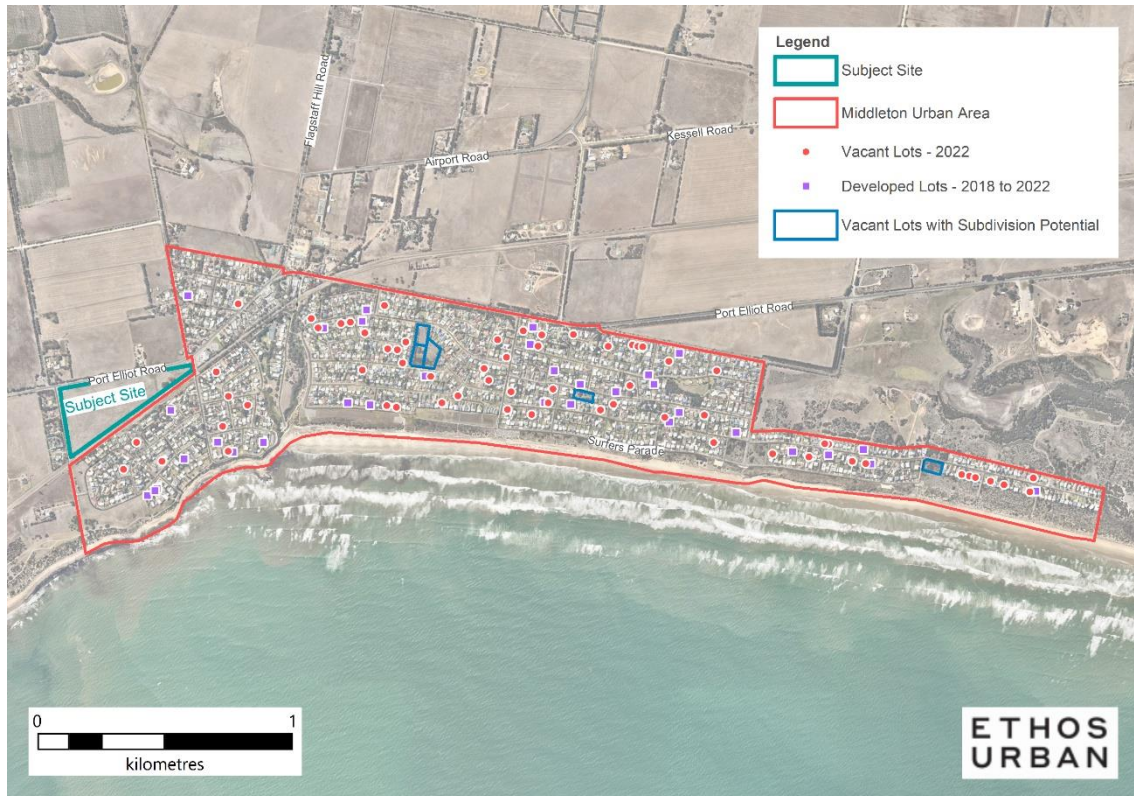
Based on a review of the latest aerial photography (Nearmap, March 2022), a total of 68 vacant residential lots currently exist in the urban area of Middleton. However, not all of these lots are available to the market for development, with the likelihood of these lots being developed in the near future also unknown. For instance, some lots may be used as an extended yard for neighbouring lots, may be held for investment purposes, or may simply be part of the family-based long-term plans. This estimate of vacant lot supply takes into consideration the consultant's understanding of the potential for land to be developed. For example, where land is government owned or used as a park, these lots have been excluded from the analysis.

As noted earlier, a review of [www.realestate.com.au](http://www.realestate.com.au) (14 April 2022) shows that only one vacant residential lot is currently for sale, providing limited opportunity for people seeking to live and invest in Middleton.

Five vacant residential lots have the potential to be subdivided in the future, although, it should be acknowledged that the likelihood of this ever occurring is unknown. Those lots considered to have subdivision potential are shown in Figure 3.5 and have the potential to accommodate an additional 9 lots, assuming a minimum subdivision size of 1,200m<sup>2</sup>. If these are to be included in the supply analysis, the total residential lot potential in Middleton is estimated at 77 lots.

Figure 3.5 shows the location of vacant residential lots in Middleton.

**Figure 3.5: Middleton Residential Land Supply**



Source: Ethos Urban; Nearmap

### 3.7 Future Residential Land Requirements

It is reasonable to assume demand for new residential dwellings in Middleton to be in the order of 20 to 30 dwellings a year, having regard for the following:

- An average of approximately 30 vacant land sales between 2008 and 2015 (year ending March), when Middleton Shores was providing a supply of residential lots to the market.
- An average of approximately 20 new dwelling building approvals a year between 2011/12 and 2020/21
- Average development of approximately 10 lots per annum since November 2018.

Forecasts prepared by id Consulting for Alexandrina Council indicate demand for new dwellings ranging from 12 to 16 dwellings a year over the next 20-years; however, these are considered conservative and do not take into consideration the potential release of new supply to the market (including, for example, the subject land).

Middleton’s residential market is considered a constrained residential market, whereby lot sales and actual development is currently limited due to a lack of land supply and opportunities for consumers to purchase land and subsequently develop. In the context on increasing popularity of coastal locations, increasing house and land prices, it is likely latent demand for residential land exists in Middleton. Therefore, the assumed demand for 20 to 30 new residential dwellings a year in Middleton is considered to be conservative.

Having regard for the supply of 68 vacant lots, the existing ‘theoretical’ supply of residential land in Middleton is sufficient to accommodate approximately two to three years of demand (figures rounded). The reality is, however, that the supply of vacant lots actually available to the market is

unclear, with only one vacant lot currently for sale. At present, very limited opportunities (almost none) exist in Middleton if someone was seeking to move to or construct a new dwelling.

Therefore, the subject land presents an opportunity to provide a supply of residential land to the market for those seeking the relaxed, coastal lifestyle that has become synonymous Middleton. Furthermore, the rezoning of the subject land to allow for approximately 50 residential lots provides the opportunity for more affordable housing in Middleton, noting the relatively high median house values in Middleton compared to the median for Alexandrina Council.



## 4 Conclusion

Based on the analysis presented in this report, a very limited supply of residential land available for development exists in Middleton. Currently, a supply of 68 vacant lots exists; however, only one vacant lot is currently available for development. In this context, very limited (almost none) opportunities exist in Middleton for someone seeking to purchase land and subsequently development a house.

Based on historical demand measures, this equates to a theoretical supply of only two to three years supply.

In reality, it is likely demand for residential land in Middleton exceeds that identified in historical demand measures such as lot sales, new dwelling approval and development of houses. These demand measures are constrained by the limited supply of land available for development.

In the context of increased popularity of coastal locations, increasing house and land prices in Middleton and coastal areas in general, the role Middleton performs in providing a niche residential market and housing choice, the proposed rezoning of the subject land is supported.

Housing supply has been identified by Infrastructure Australia as a key issue in the Adelaide Hills, Fleurieu and Kangaroo Island region and the proposed rezoning would assist in alleviating this issue to some extent.

Furthermore, the subject land and land to immediate north, reflect the only potential expansion areas in Middleton having regard for the Environment Food and Production Area (EPFA) which constrains the expansion of Middleton in other areas.