

Charter Insight

Planning for Population Growth

The Need for a New Approach

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Outpacing the migration levels of the 'populate or perish' era of the immediate post WWII period, population growth in Australia will continue to present significant challenges and opportunities as the nation grows to an estimated 40 million people by 2050.

Having a detailed understanding of the rate of population growth is vital to enable the planning and delivery of the social and physical infrastructure required by current and future communities alike.

Understanding population growth and the rate of development is also a key investment consideration for residential developers, retailers, and the business sector more broadly, each of which will play an important role in the future of Australian cities.

Planning for Unprecedented Population Growth

Drawing on our extensive market intelligence, proprietary data and comprehensive understanding of property development realities, Charter's *Population & Development Forecasting Service* provides a rigorous 'bottom-up' approach that delivers detailed and timely insights into the anticipated rate of population change across Australian communities.

The rate of population growth in Australia makes it one of the fastest growing countries in the OECD - a fact that is generally understood by policy makers, residential developers, retailers, infrastructure agencies and service providers alike. That a significant volume of this is occurring within the Country's key growth areas, particularly in Melbourne, Sydney and Brisbane, is also known. However, the inability to forecast this growth in a timely and accurate manner has limited the ability to plan for it effectively.

Though long-term 'top down' population projections derived from national forecasts provide useful context in highlighting broad population patterns and trends, they do not typically factor in numerous 'bottom up' variables that more directly impact the rate

of population growth and development anticipated in any local catchment. For this reason, 'top-down' forecasts are often inadequate in anticipating future community needs and efficiently delivering services and facilities.

Furthermore, 'top down' projections necessarily rely on static macro-economic conditions and other policy assumptions which are highly susceptible to change over the forecast period.

Benefits of the Bottom-Up Approach

Responding to the need for more accurate population forecasts, Charter's *Population & Development Forecasting Service*, has evolved using a combination of 'bottom up' inputs which draw from a detailed understanding of development activity (historic and planned), and our proprietary national database comprising residential project information.

Able to be undertaken for entire growth corridors through to local area precincts, inputs into the *Population & Development Forecasting Service* are updated periodically. The dynamic variables of urban development - which underpin population growth - are therefore able to be accounted for much more frequently than current 'top-down' forecasting methods. This also eliminates the significant risk of error associated with the general assumptions applied in alternative 'top down' projection methods.

Delivering Timely & Accurate Information

Population growth has generated numerous economic, social and cultural benefits at the same time as contributing upward pressure on house prices, worsening congestion, growing demand for services and continued need for improved public transport. To what extent population growth impacts Australian cities will ultimately depend on how well it is planned for.

Widespread in its application, Charter's *Population & Development Forecasting Service* is a valuable input into a variety of planning and property development activities such as infrastructure planning, policy formulation, development staging, community facilities provision, budgetary



Rob Burgess
Director - Charter Research
T +61 (0) 3 8102 8814
E Rob.burgess@charterkc.com.au
[LinkedIn](#)

processes, rate revenue forecasts and acquisition decisions.

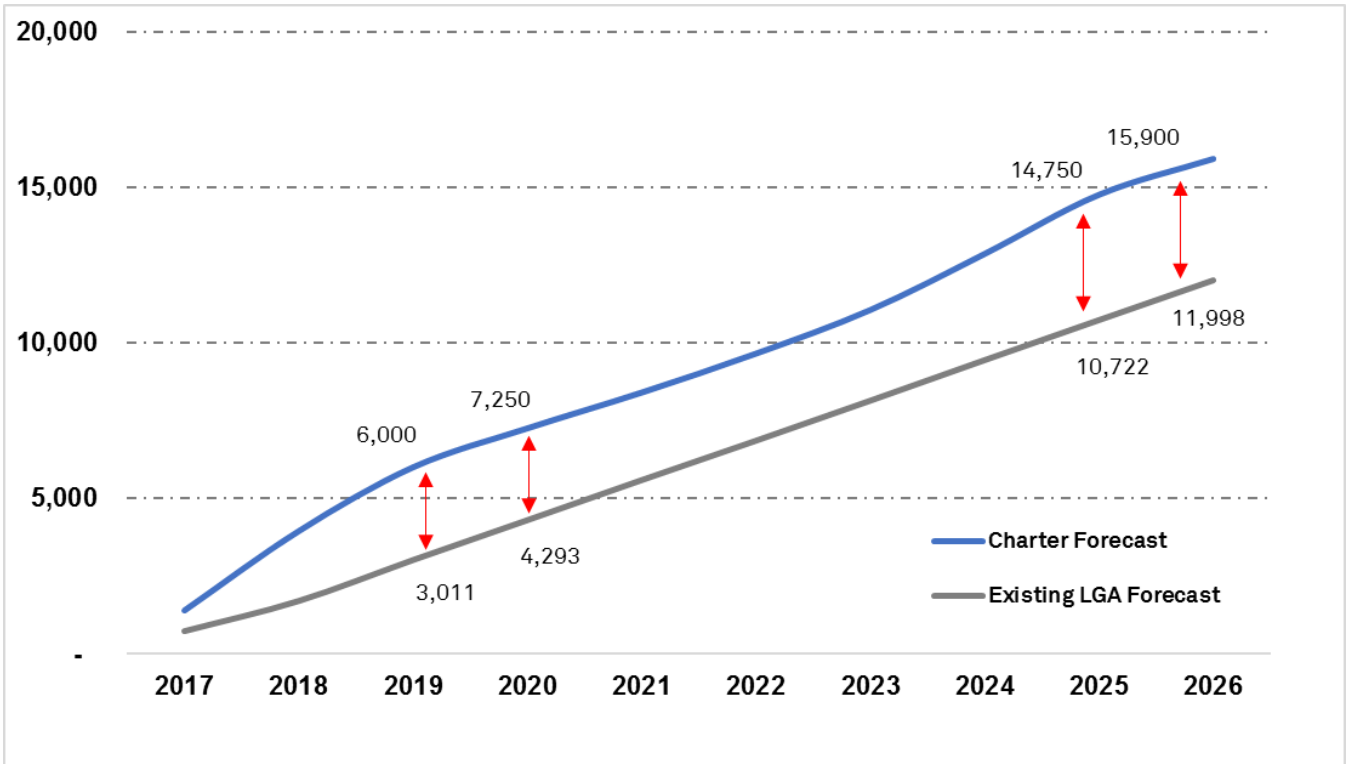
In the context of increasingly sophisticated markets, complex policy and regulatory regimes, projected fiscal gaps and growing

demands on physical and social infrastructure, Charter's *Population & Development Forecasting Service* can deliver timely and accurate information, thus enabling more informed decisions to be made.

If you would like to receive a briefing or require more information on Charter's *Population & Development Forecasting Service* please contact:

Rob Burgess
T +61 03 8102 8814
E rob.burgess@charterkc.com

Actual Growth Corridor Population Forecast (*Population Forecasting & Development Service vs Local Government Forecast*)



Note: The above chart refers to a recent population forecast that was undertaken by Charter Keck Cramer for a Precinct Structure Plan (PSP) area in one of Melbourne's key growth corridors. The chart reflects the significant difference in the forecast population with that of the relevant local government authority. The difference in results are explained by Charter's 'bottom-up' approach which uses local property market intelligence rather than a model which relies on static macro-economic conditions and broad demographic assumptions, both of which are susceptible to change.