

North Coast Region – What’s Happening in the Housing Market?

The North Coast region covers fifteen local government areas on the mid to north coast and immediate hinterland, including significant regional centres. While there are differences across the region in median rent and house prices and rent and house price growth, there has been a reduction in both rental and purchase affordability in every LGA in the region and a loss of affordable rental housing. At the same time there are rapidly growing numbers of low income rental households, so demand for affordable housing is strong and growing.

Housing Market - Rental

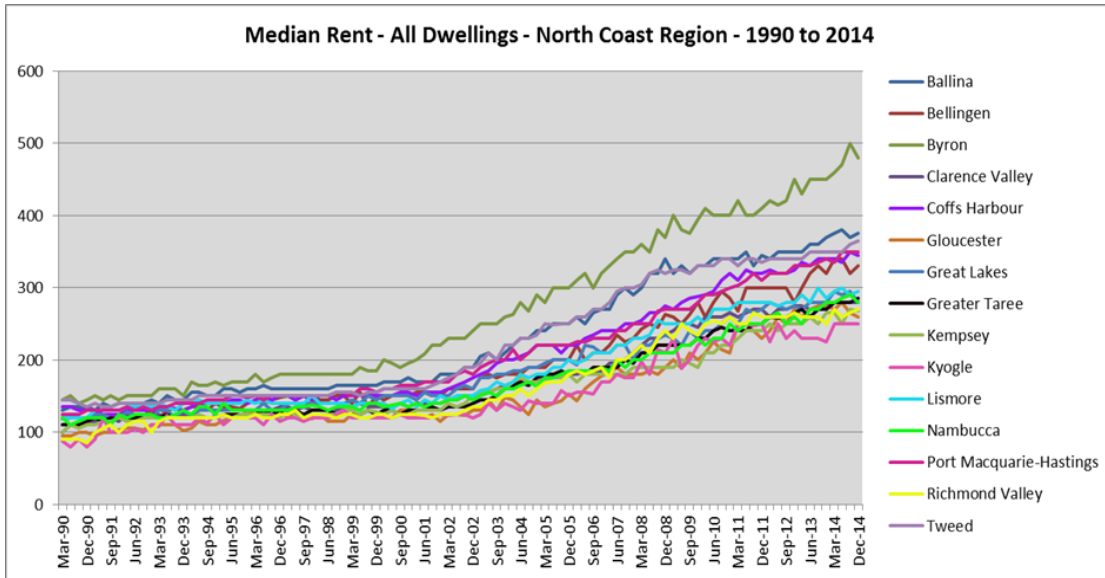
Rents

- There have been moderate to strong increases in median rents in all bedroom categories (although there are too few studio dwellings to reliably give a median anywhere in the North Coast and for one bedroom dwellings in some LGAs) over the last six years.
- Over this time frame, the highest rent increases were for one bedroom properties in Coffs Harbour (61.7%) followed by one bedroom properties in Lismore (52.1%), two and three bedroom properties in Nambucca (47.1% and 43.2% respectively).
- The table below shows the change in median rents for studio (0), one, two, three and four or more bedrooms between 2008 and 2014 for all the North Coast region local government areas (LGAs).

Area	Mar-08					Dec-14				
	0 bed	1 bed	2 bed	3 bed	4 bed	0 bed	1 bed	2 bed	3 bed	4 bed
Ballina		160	240	330	400		203	300	400	500
Bellingen			200	250	308			280	313	440
Byron		200	300	373	425		280	410	520	580
Clarence Valley		140	300	240	265		180	410	290	350
Coffs Harbour		150	210	280	350		243	280	375	455
Gloucester								235	270	320
Great Lakes		145	180	250	300		180	250	350	395
Greater Taree		125	170	230	275		175	233	300	350
Kempsey		138	168	210	270			240	280	340
Kyogle				228	230			210	250	
Lismore		120	195	260	335		183	250	310	360
Nambucca		125	170	220	270		173	250	315	380
Port Macq-Hastings		155	200	278	350		225	285	380	460
Richmond Valley			165	235	285			220	280	310
Tweed		180	270	330	420		230	300	388	490

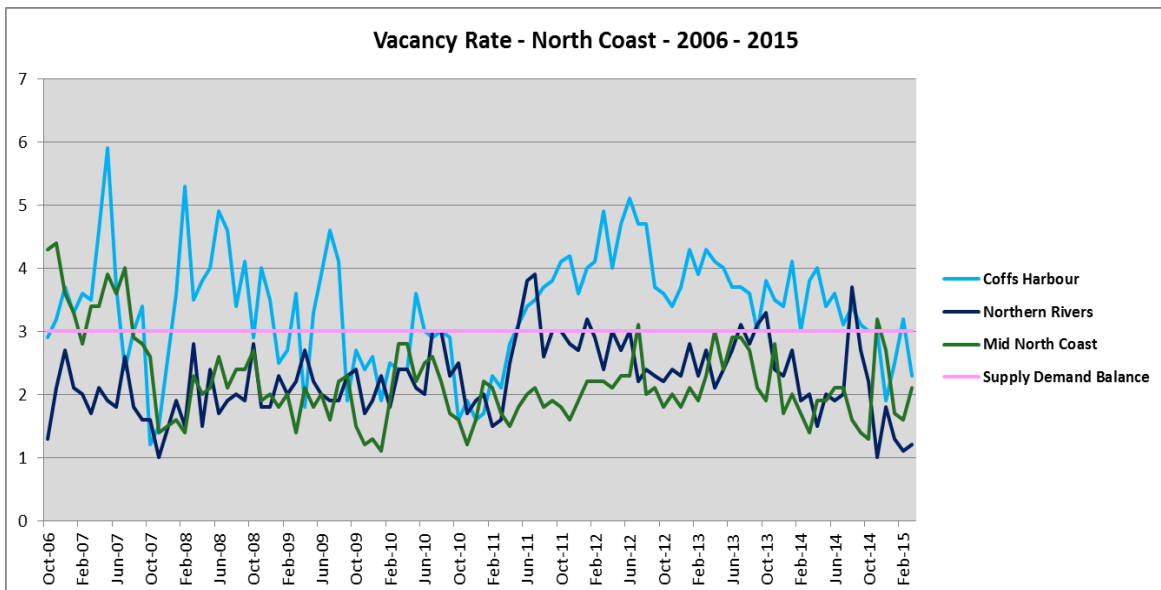
- The graph below shows changes in median rents for all dwellings (houses and flats, all bedroom numbers) from 1990 to 2014 in the North Coast. There was very little increase in rents between 1990 and around 2003, after which they began to increase strongly to around 2008, with a slower increase in rents in most LGAs from 2008 to 2014 (Byron being an exception). The graph shows the highest rents are in the far north coast LGA's of Byron, Ballina and Tweed.
- Between 1990 and 2014, median rents in all the North Coast LGAs were on an upward trend, increasing by between 220.0% in Byron and 133.3% in Great Lakes. Byron also had

the largest increase in dollar terms of \$330 over that period, with the lowest increase being \$158 in Kempsey.



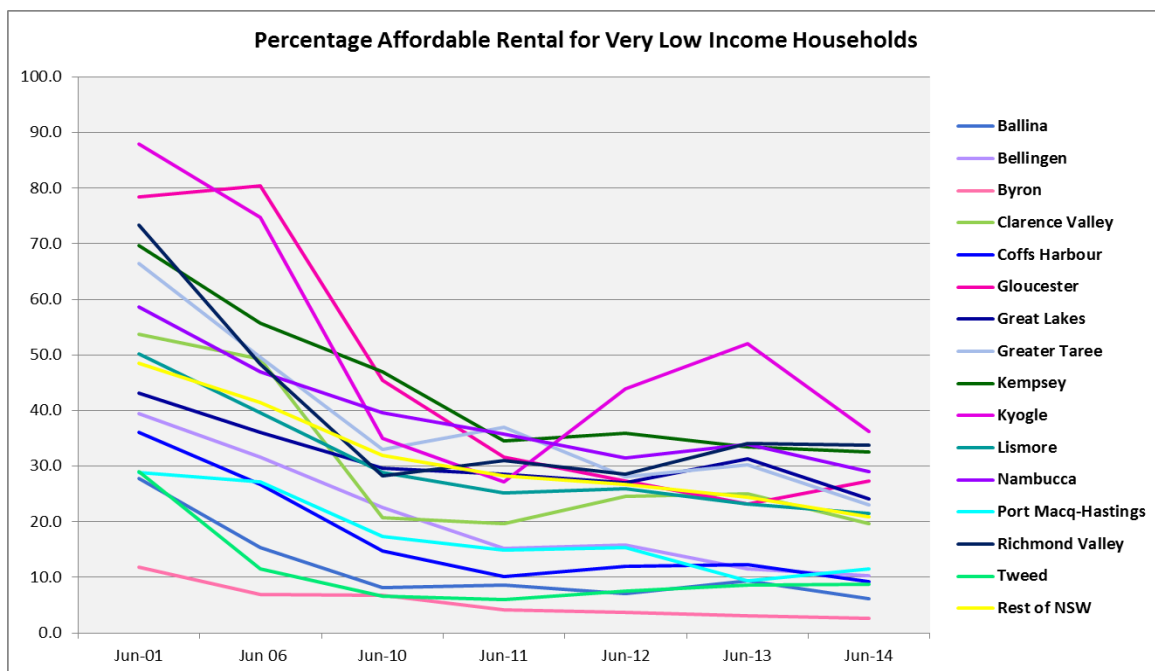
Vacancy Rate

- According to REINSW data, the vacancy rates in the Northern Rivers (1.4%), Coffs Harbour (2.1%) and Mid North Coast ((1.4%) at July 2015 are all tight - well below the 3% level regarded as representing a balance between supply and demand. For much of the period since 2006, there has been a tight vacancy rate in the Northern Rivers and Mid North Coast, with periods of undersupply in Coffs Harbour.
- The graph below shows the vacancy rate in Coffs Harbour, Mid North Coast and Northern Rivers from 2006 and 2015 using REINSW data.

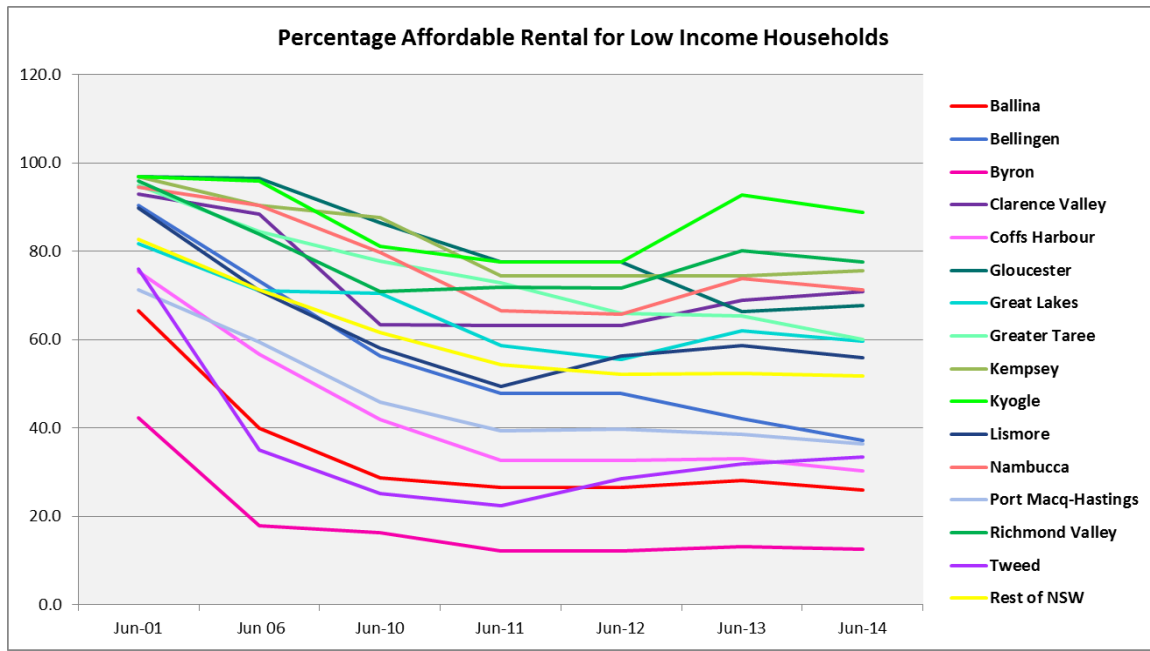


Affordable Rental

- The NSW wide trend to decline in the proportion of rental housing that is affordable for lower income households is evident in the North Coast.
- All the LGAs in this region have a significantly lower proportion of affordable rental for very low income households in 2014 than in 2001. Seven of the fifteen LGAs in this region have a lower proportion of affordable rental than the Rest of NSW average of 20.9% - Ballina, Bellingen, Byron, Clarence Valley, Coffs Harbour, Port Macquarie Hastings and Tweed. Byron had the lowest proportion of affordable rental for very low income households with just 2.6%.
- The graph below shows the change in the proportion of private rental accommodation that is affordable to very low income households in all LGAs in the North Coast region between 2001 and 2013.

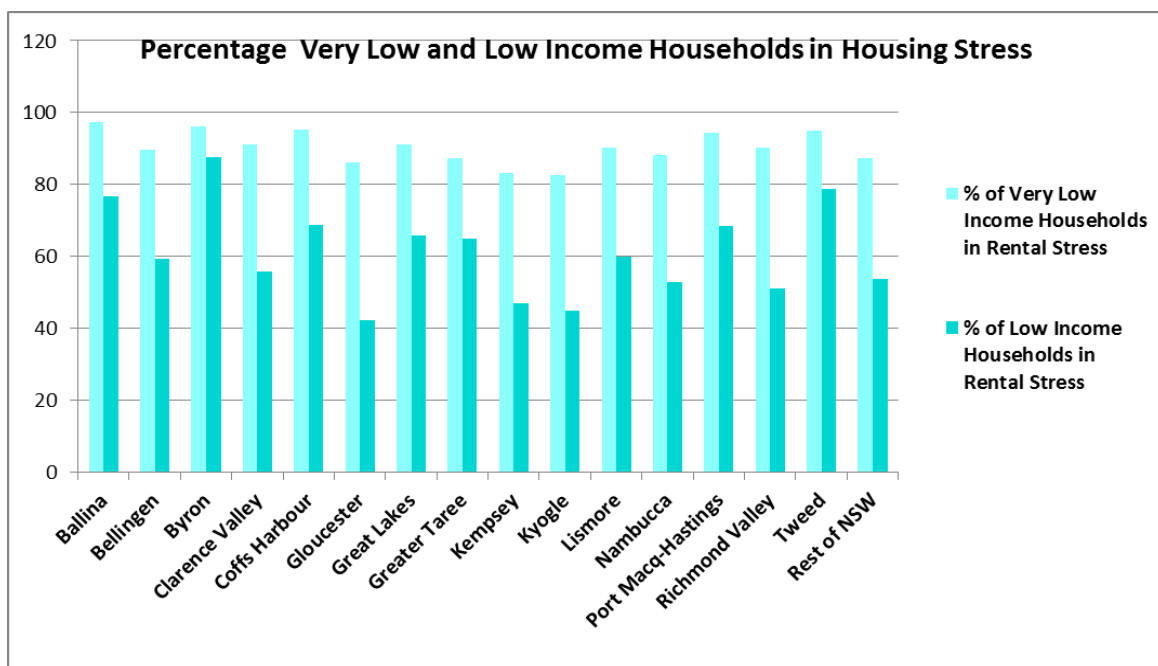


- The proportion of rental properties affordable for low income households has also declined in the North Coast region.
- Again all the LGAs in the North Coast have a lower proportion of affordable rental for low income households in 2014 than in 2001. Six LGAs – Ballina, Bellingen, Byron, Coffs Harbour, Port Macquarie Hastings and Tweed have a lower proportion than the average for the Rest of NSW of 51.8%, with Byron Bay having the lowest proportion with just 12.6%.
- The graph below shows the change in the proportion of private rental accommodation that is affordable to low income households over the period from 2001 to 2014 in North Coast of NSW.
- While there has been some improvement in the proportion of affordable rental in some LGAs since around 2011, overall all the North Coast LGAs have experienced a decline in the proportion of affordable rental.
- Parts of the North Coast are clearly not affordable for rental and rental affordability is declining in all parts of the region.



Rental Stress

- At June 2014, between 83% and 97% of very low income households in the North Coast LGAs are in rental stress (that is, paying more than 30% of their income in rent) compared to the Rest of NSW average of 87%. Only Kempsey, Kyogle and Gloucester have a lower proportion of very low income households in rental stress than the Rest of NSW average.
- Between 42% and 88% of low income households are in rental stress in the North Coast compared to the Rest of NSW average of 54% (only Tweed, Nambucca, Kyogle, Kempsey and Gloucester are below this level) at June 2014.
- The graph below shows the proportion of both very low and low income rental households in housing stress (that is, paying more than 30% of their income in rent) in the North Coast and the Rest of NSW in 2014.



- The table below shows the number and proportion of tenants in the North Coast region who are in the private rental market, are in receipt of Commonwealth Rent Assistance, and even with this additional income support, are in housing stress.
- There are a total of 19,630 tenants in receipt of CRA and in housing stress across the North Coast region in 2012. The North Coast is home to one third of all the CRA recipients in housing stress across the Rest of NSW. This is a very high proportion and indicates that this region is not affordable for rental, relative to other regions outside Sydney. Tweed had the highest number with 3,758, while Coffs Harbour also has a significant number.
- The majority of North Coast LGAs have a higher percentage of CRA recipients in housing stress, with Byron having more than half (56.4%). This again shows that many low income North Coast residents are not able to access affordable housing in the region.

Area	Total CRA recipients 2012	CRA recipients in Housing Stress 2012	% in Stress
Ballina	3,650	1,470	40.3
Bellingen	1,059	364	34.4
Byron	3,854	2,175	56.4
Clarence Valley	4,612	1,347	29.2
Coffs Harbour	6,992	2,652	37.9
Gloucester	319	62	19.4
Great Lakes	2,826	860	30.4
Greater Taree	4,357	1,226	28.1
Kempsey	2,646	610	23.1
Kyogle	608	160	26.3
Lismore	4,428	1,673	37.8
Nambucca	2,207	502	22.7
Port Macquarie-Hastings	6,598	2,160	32.7
Richmond Valley	2,260	611	27.0
Tweed	9,493	3,758	39.6
Rest of NSW	181,401	58,843	32.4

Loss of Affordable Housing Stock

- FACS has calculated the number of new bonds lodged that were affordable to low income earners on the North Coast in 2006, 2010 and 2013.
- The majority of North Coast region LGAs experienced a significant loss of affordable private rental housing stock between 2006 and 2013. Over this 7 year period the North Coast region has lost a total of 3,217 affordable private rental properties, with the biggest numeric losses occurring in Coffs Harbour (508), Port Macquarie Hastings (490), Clarence Valley (412), Lismore (321), Greater Taree (320) and Kempsey (309). In percentage terms, the biggest losses were in Bellingen (73%), Gloucester (61%), Port Macquarie Hastings (55%), Byron (54%), Ballina (52%) and Kempsey (51%). This loss of affordable rental housing is concerning, given the increase in low income rental households across the region. Note that some of the greatest losses are occurring in places like Kempsey and Gloucester that have historically been amongst the more affordable North Coast LGAs. Gloucester and Bellingen now have less affordable rental available than Byron.
- The table below shows the number of new bonds lodged that were affordable to low income households in 2006, 2010 and 2013, and the significant decline in those numbers in the majority of LGAs on the North Coast.

- Note also that five LGAs (Clarence Valley, Great Lakes, Kyogle, Richmond Valley and Tweed) had small increases in affordable bonds lodged between 2010 and 2013. Clarence Valley had a small number of affordable dwellings approved under the provisions of the Affordable Rental Housing State Environmental Planning Policy during that time frame which contributed to the improvement in that LGA. However, no LGA recovered to anywhere near the amount of affordable private rental that was available in 2006.

LGA	No. of affordable rental properties for low income households		
	2006	2010	2013
Ballina	281	149	136
Bellingen	162	72	44
Byron	107	87	49
Clarence Valley	887	405	475
Coffs Harbour	929	514	421
Gloucester	120	66	47
Greater Taree	858	582	538
Great Lakes	552	422	468
Kempsey	605	434	296
Kyogle	153	81	124
Lismore	727	426	406
Nambucca	358	283	247
Port Macquarie-Hastings	886	540	396
Richmond Valley	413	238	314
Tweed	457	267	317

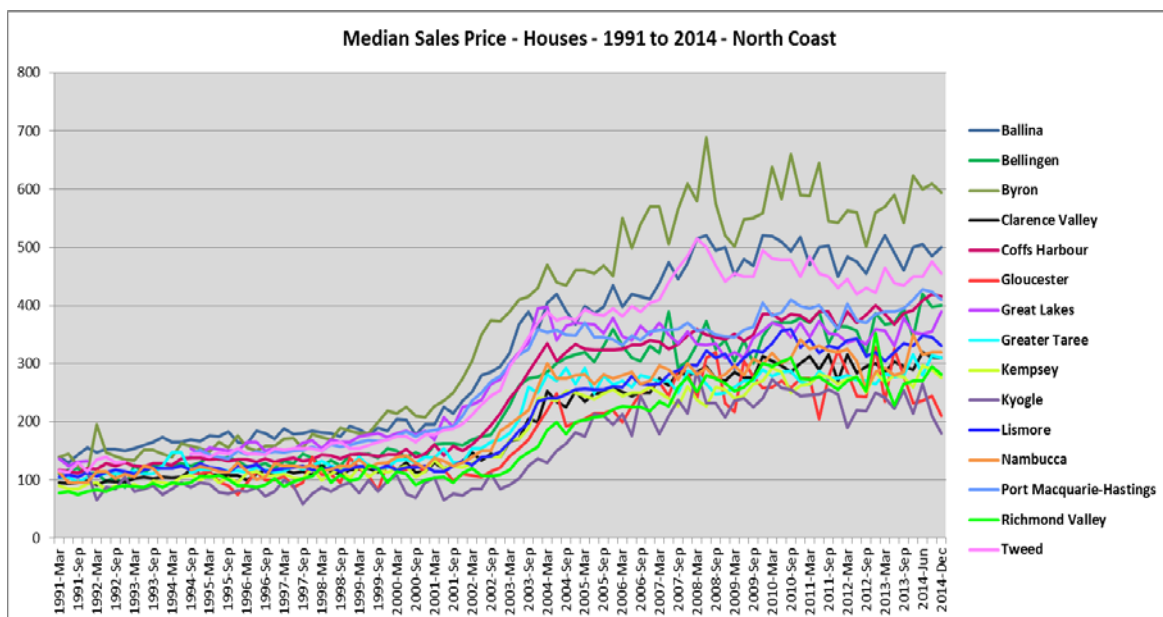
Housing Market - Purchase

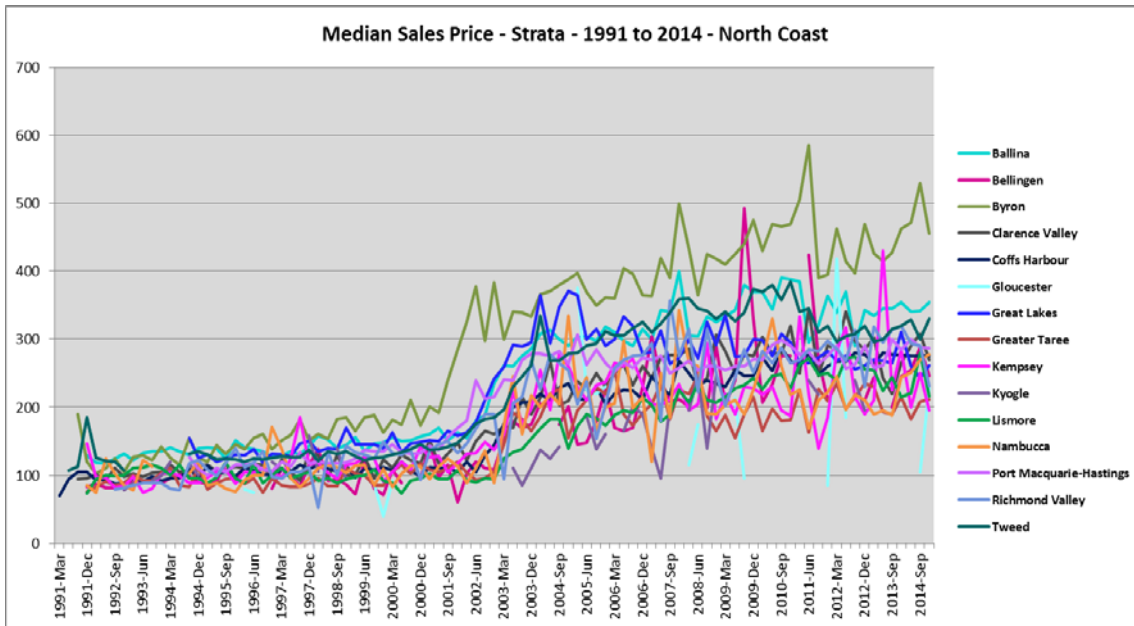
Sales Price

- Changes in the median sales price of both houses and flats over the six years to December 2014 have primarily been upward, with increases in the median sales price for houses in eleven of the fifteen LGAs in this region. Bellingen had the largest increase in median sales price for houses over this period with 20.1% and Kyogle had the biggest drop with -36.9%. There were increases in the median sales price of flats in nine of the North Coast LGAs, with declines in Clarence Valley, Great Lakes, Greater Taree, Richmond Valley and Tweed. Gloucester had the biggest increase in the median sales price of flats with 99.1% over the last six years, with Richmond Valley having the biggest drop with -26.7%.
- At December 2014, Byron had the highest median sales price for houses with \$595,000, followed by \$500,000 in Ballina and Kyogle had the lowest with \$181,000. Byron also had the highest median sales price for flats at December 2014 with \$455,000, with Ballina the next highest again on \$355,000 and Kempsey the lowest with \$195,000.
- The table below shows changes in the median sales price of both houses and flats over the last six years in the North Coast region

	Flats				Houses			
	2008-Mar	2014-Dec	Change	%	2008-Mar	2014-Dec	Change	%
Ballina	306	355	49	16.0	515	500	-15	-2.9
Bellingen	201	247	46	22.9	333	400	67	20.1
Byron	433	455	22	5.1	580	595	15	2.6
Clarence Valley	286	270	-16	-5.6	285	310	25	8.8
Coffs Harbour	250	275	25	10.0	360	415	55	15.3
Gloucester	115	229	114	99.1	240	210	-30	-12.5
Great Lakes	300	262	-38	-12.7	334	390	56	16.8
Greater Taree	220	212	-8	-3.6	283	310	27	9.5
Kempsey	195	195	0	0.0	238	276	38	16.0
Kyogle	195	290	95	48.7	287	181	-106	-36.9
Lismore	207	216	9	4.3	297	330	33	11.1
Nambucca	266	278	12	4.5	282	320	38	13.5
Port Macquarie-Hastings	269	287	18	6.7	356	410	54	15.2
Richmond Valley	315	231	-84	-26.7	251	281	30	12.0
Tweed	360	330	-30	-8.3	515	455	-60	-11.7

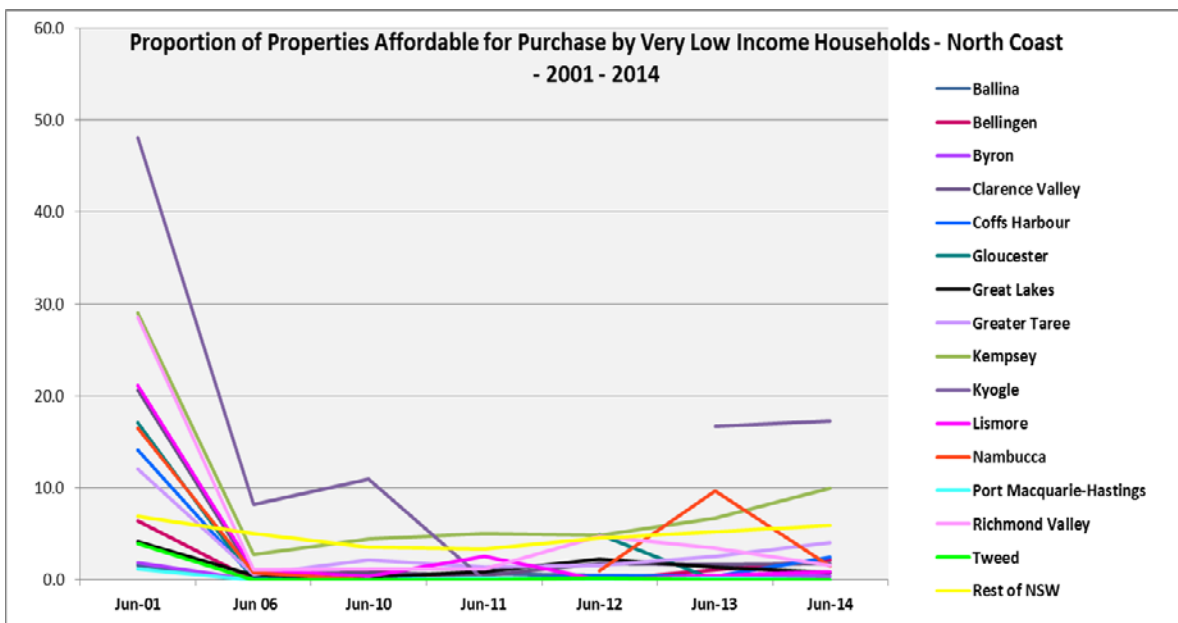
- The long term median sales price trend for houses and flats shows growth across all LGAs, particularly from around 2002. . Byron had the largest increase in median house price over the period from 1991 to 2014 with 284%, followed by Tweed 214%, Bellingen 208%, Coffs Harbour 201% and Ballina 199%. The lowest increases were in Kyogle (86%) and Gloucester (89%).
- The long term trend for strata properties is similar, with increases occurring primarily after 2001. For flats, the largest proportional increase in the median sales price for units occurred in Byron 261%, followed by Kyogle and Coffs Harbour with 190%, Bellingen with 174% and Port Macquarie Hastings with 163%. The lowest increases were in Greater Taree and Richmond Valley with 89%.
- The two graphs below show the median sales price trend for houses and for strata properties from 1994 to 2014 all North Coast LGAs. It is clear that the median sales prices are highest in the far North Coast LGAs of Ballina, Byron and Tweed.



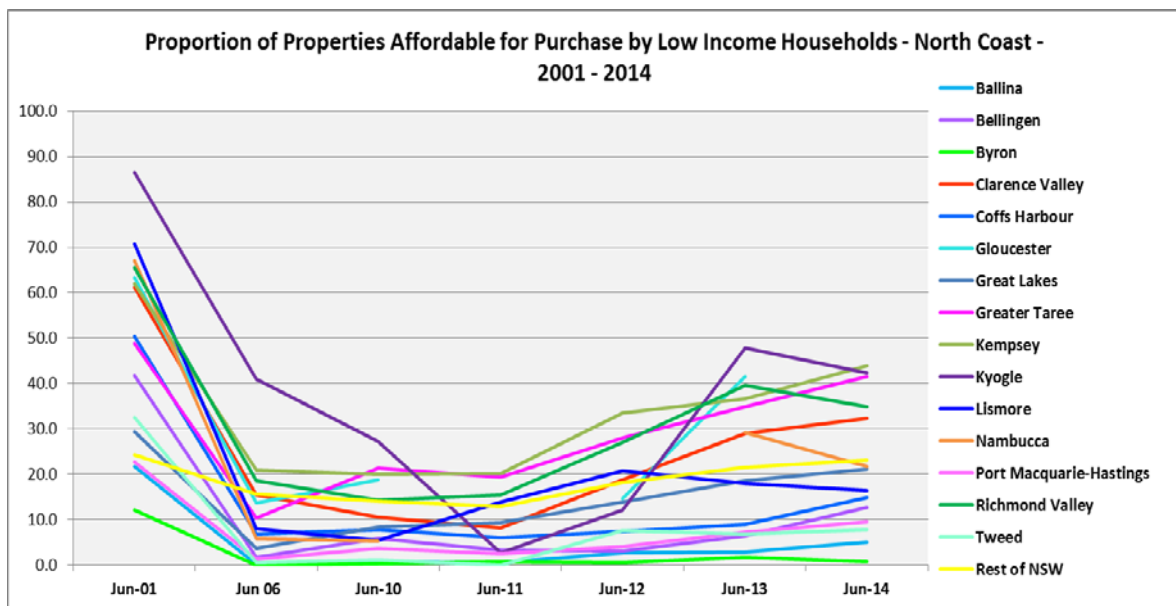


Purchase Affordability

- Purchase affordability in the majority of North Coast LGAs declined dramatically between 2001 and 2006. Purchase affordability has been close to 0% for the majority of LGAs for the last 7 years. Kempsey and Kyogle are the only LGAs that had more properties affordable for purchase by very low income households than the average for the rest of NSW in June 2014. For the rest of the North Coast region, it is virtually impossible for low income earners to access affordable properties for purchase. Ballina, Port Macquarie Hastings and Tweed literally have 0% affordable purchase, with Byron 0.4%, Great Lakes 0.7% and Lismore 0.8% not far behind.
- The graph below shows the purchase affordability for very low income households in the North Coast LGAs.



- The situation for low income households in the North Coast region is somewhat better, with five LGAs (Clarence Valley, Greater Taree, Kempsey, Kyogle and Richmond Valley) having a higher proportion of affordable purchase than the rest of NSW average of 23.1% at June 2014. However there are still large parts of the North Coast that are not affordable for purchase for low income households. Byron had the lowest proportion of properties affordable for purchase by low income households with just 0.7%, followed by Ballina with 5.1%, Tweed with 7.8% and Port Macquarie Hastings with 9.5%.
- As is the case with rental, much of the North Coast is not affordable for purchase by lower income households.



Additional Data

Additional data on rents and sale prices, including both current and historical data, is available from the Rent and Sales Report on the Housing NSW website at:

<http://www.housing.nsw.gov.au/About+Us/Reports+Plans+and+Papers/Rent+and+Sales+Reports/>

More detailed housing data and tables used in this Snapshot are available from the Local Government Housing Kit Database on the Housing NSW website at:

<http://www.housing.nsw.gov.au/Centre+For+Affordable+Housing/NSW+Local+Government+Housing+Kit/Local+Government+Housing+Kit+Database/>

Information on vacancy rates is available from the Real Estate Institute of NSW:

http://www.reinsw.com.au/imis15_Prod/web