

Central West and Orana Region – What’s Happening in the Housing Market?

The Central West and Orana region covers twenty local government areas, including several regional centres. Some of this region has been experiencing population growth while other parts have seen population decline. Similarly housing market conditions and rent and purchase affordability varies significantly within the region. In particular, the LGAs with regional centres, Bathurst Regional, Dubbo, Orange and also Mid-Western Regional, have relatively low rental and purchase affordability for lower income households. Declining affordability is occurring despite the increase in lower income rental households across the region.

Housing Market - Rental

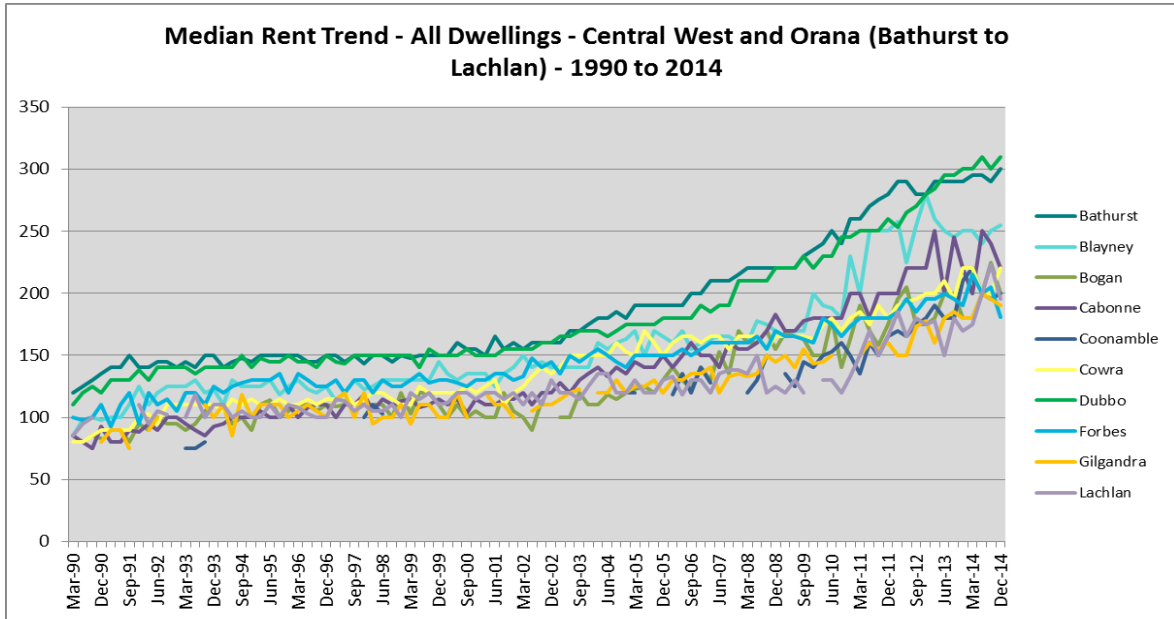
Rents

- There have been strong increases in median rents over the last six years in the larger regional centres in Central West and Orana, with the highest rent increases being for four bedroom properties in Bathurst Regional and Mid Western Regional (300%), Orange (295%) and Dubbo (280%).
- Median rents for one bedroom properties are highest in Dubbo at December 2014 (\$200), for two bedroom properties are highest in Bathurst and Dubbo (\$250), for three bedroom properties are highest in Dubbo (\$320 per week) and for four bedroom in Bathurst and Mid Western Regional (\$400).
- The table below shows the proportional change in median rents for studio (0), one, two, three and four or more bedrooms between 2008 and 2014 for all the Central West and Orana region local government areas (LGAs).

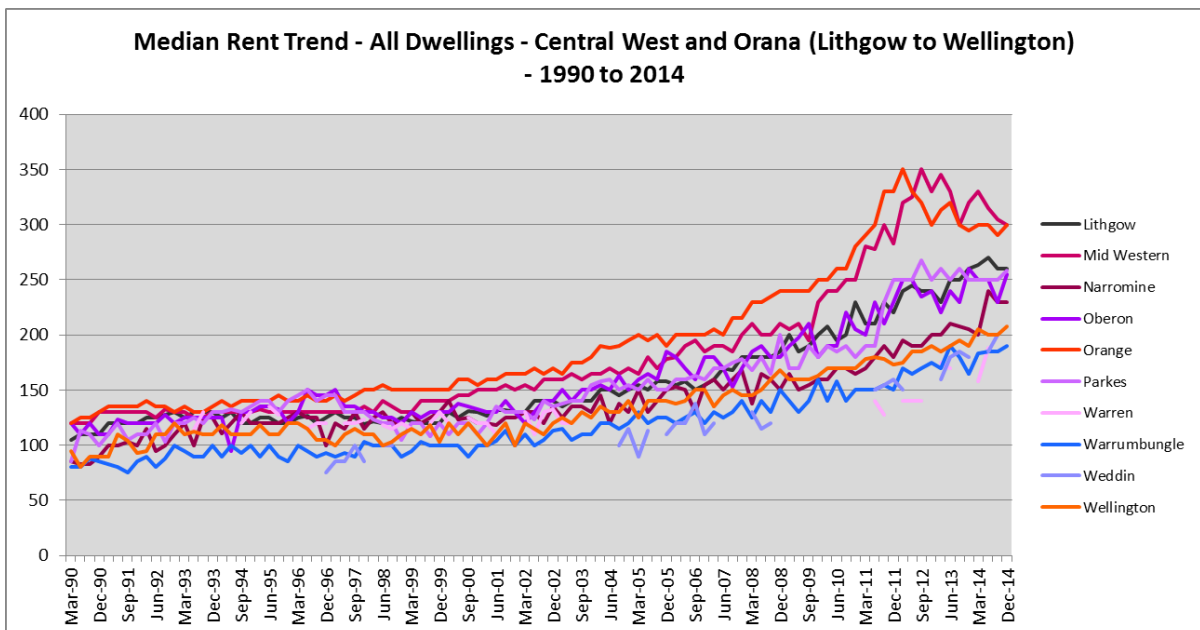
% change 2008 - 2014	1 bed	2 bed	3 bed	4 bed
Bathurst Regional	87.5	150.0	213.0	300.0
Blayney			150.0	
Bogan				
Cabonne			140.0	
Coonamble		90.0	-100.0	
Cowra		73.0	148.0	
Dubbo	100.0	150.0	220.0	280.0
Forbes		48.0	128.0	
Gilgandra				
Lachlan				
Lithgow		145.0	178.0	260.0
Mid-Western Regional		110.0	200.0	300.0
Narromine				
Oberon			150.0	230.0
Orange	80.0	145.0	210.0	295.0
Parkes			170.0	
Warren				
Warrumbungle Shire		70.0	110.0	
Weddin				
Wellington			100.0	

Note there were insufficient dwellings in some bedroom categories in a number of LGAs to ascertain the median rent. This indicates the small size of the private rental markets in many of the LGAs in this region.

- The graph below shows changes in median rents for all dwellings from 1990 to 2014 in Bathurst, Blayney, Bogan, Cabonne, Coonamble, Cowra, Dubbo, Forbes, Gilgandra and Lachlan. Generally there was very little increase in rents between 1990 and around 2003, after which they began to increase strongly.



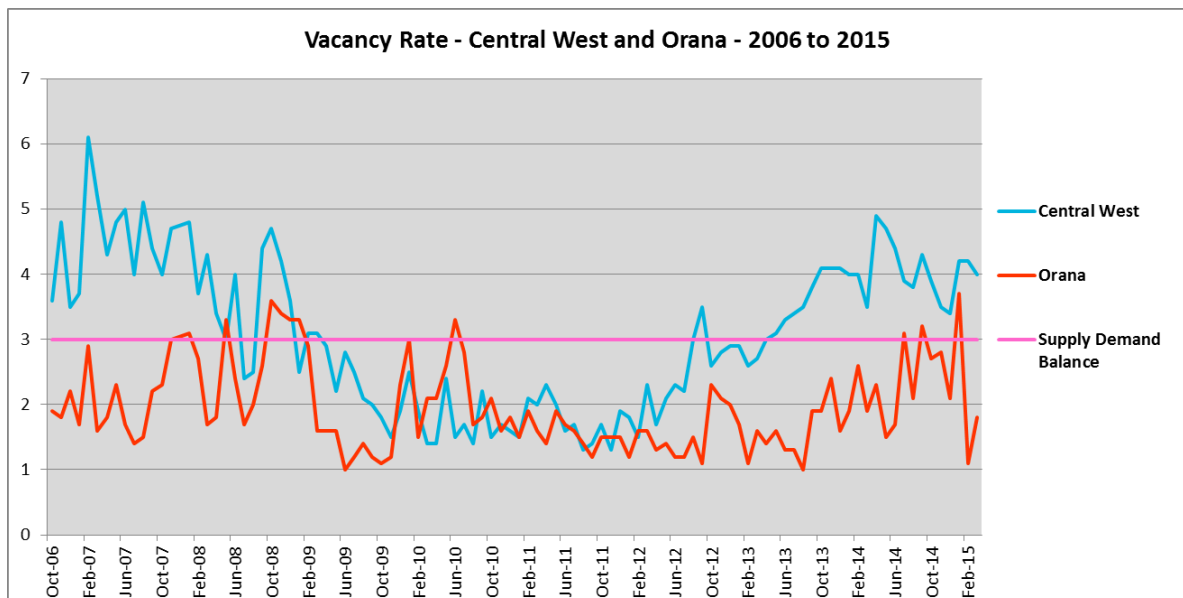
- The graph below shows changes in median rents for all dwellings from 1990 to 2014 in Lithgow, Mid Western Regional, Narrromine, Oberon, Orange, Parkes, Warren, Warrumbungle, Weddin and Wellington. The median rent trend follows the same pattern as the graph above, with rents only increasing strongly from around 2003 onwards. Note that both Lithgow and Mid Western Regional have both had a drop in median rents from their peak in 2011 – this trend is not evident in any of the other LGAs in the region.



- Between 1990 and 2014, median rents in the Central West and Orana LGAs were on an upward trend, increasing by between 84.7% in Forbes and 177.7% in Narromine. Rental increases in this region, while strong, are lower than some other regions, such as South and East Tablelands (where increases in median rents in Queanbeyan were 331.6% over the same time frame). Rental increases in the regional centres in Central West and Orana are generally above those in Singleton (128.6%) and on par with Muswellbrook (150%) over this period.

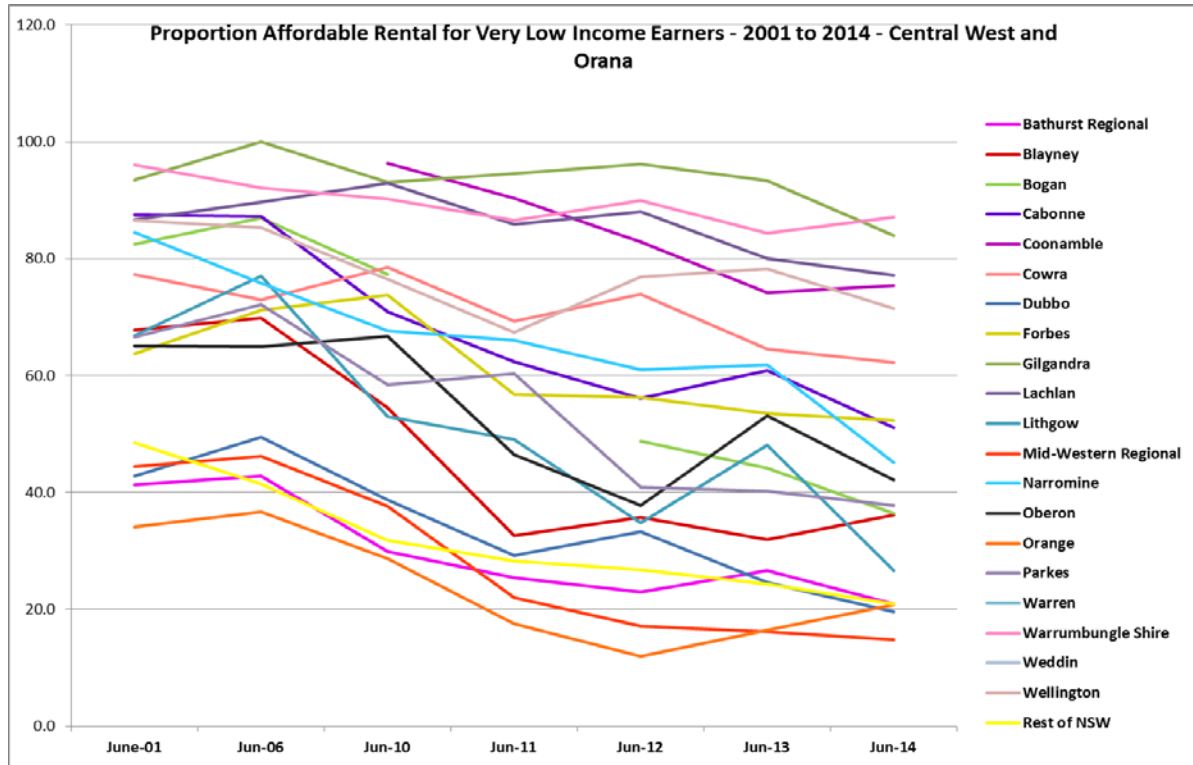
Vacancy Rate

- A vacancy rate of 3% is understood to represent a balance between supply and demand in the private rental market. The graph below shows the vacancy rate in the Central West and in Orana from 2006 to 2014 using Real Estate Institute of NSW data. Vacancy rates in both the Central West and Orana have fluctuated over this period, with both experiencing periods of significant undersupply of private rental accommodation. There has clearly been an undersupply of private rental across Orana for almost the entire period. At March 2015, the vacancy rate in Orana was just 1.8% and in the Central West was 4.0%.

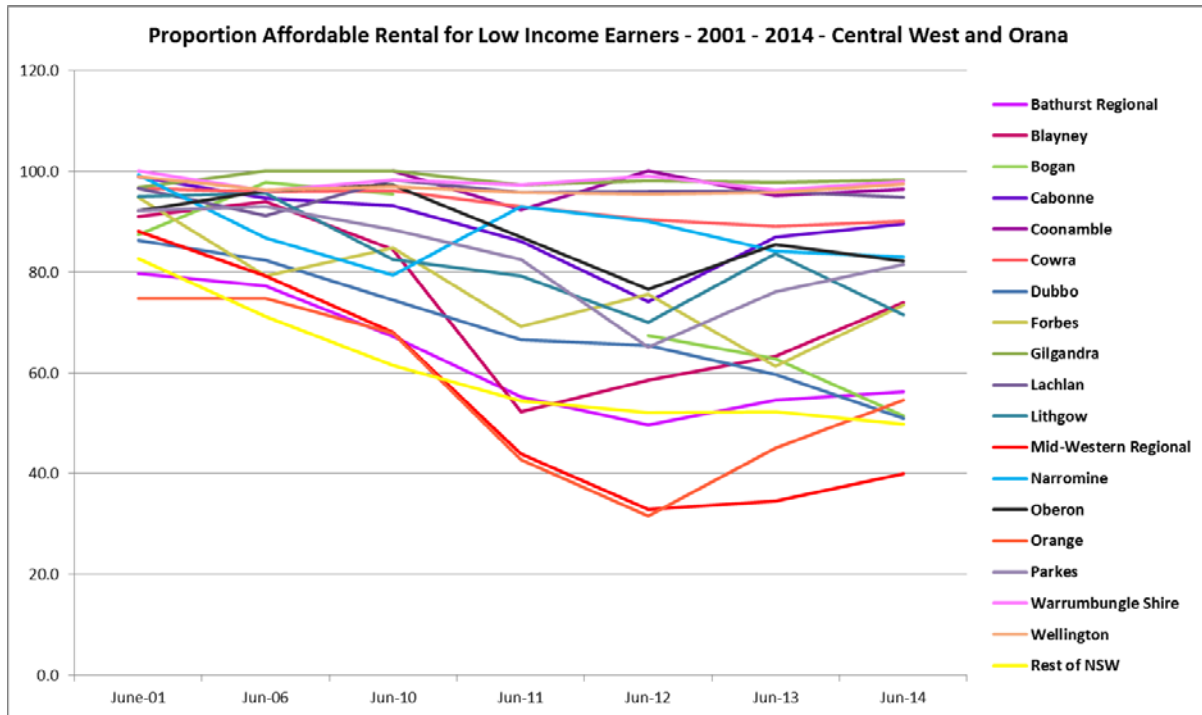


Affordable Rental

- Across NSW, the trend has been for a decline in the proportion of rental stock which is affordable for very low and low income earners.
- The proportion of affordable rental dwellings has declined in every Central West and Orana region LGA between 2001 and 2014, with the larger regional centres experiencing the biggest decline. At June 2014 Mid Western Regional had the lowest proportion of private rental stock affordable for very low income households in the region with 14.8%, well below the Rest of NSW average of 20.9%. The only other LGAs in the region with lower proportions of affordable rental for very low income households than the Rest of NSW was Dubbo with 19.6%. Both Orange (20.9%) and Bathurst (21.0%) were a little higher.
- Although the remaining LGAs are above the Rest of NSW proportion of affordable rental for very low income households, they have all experienced a decline since 2001. For example, in 2001 Blayney had 67.9% affordable rental compared to just 36.1% in 2014.
- The graph below shows the proportion of rental properties that were affordable to very low income households in each of the Central West and Orana region local government areas between 2001 and 2014.

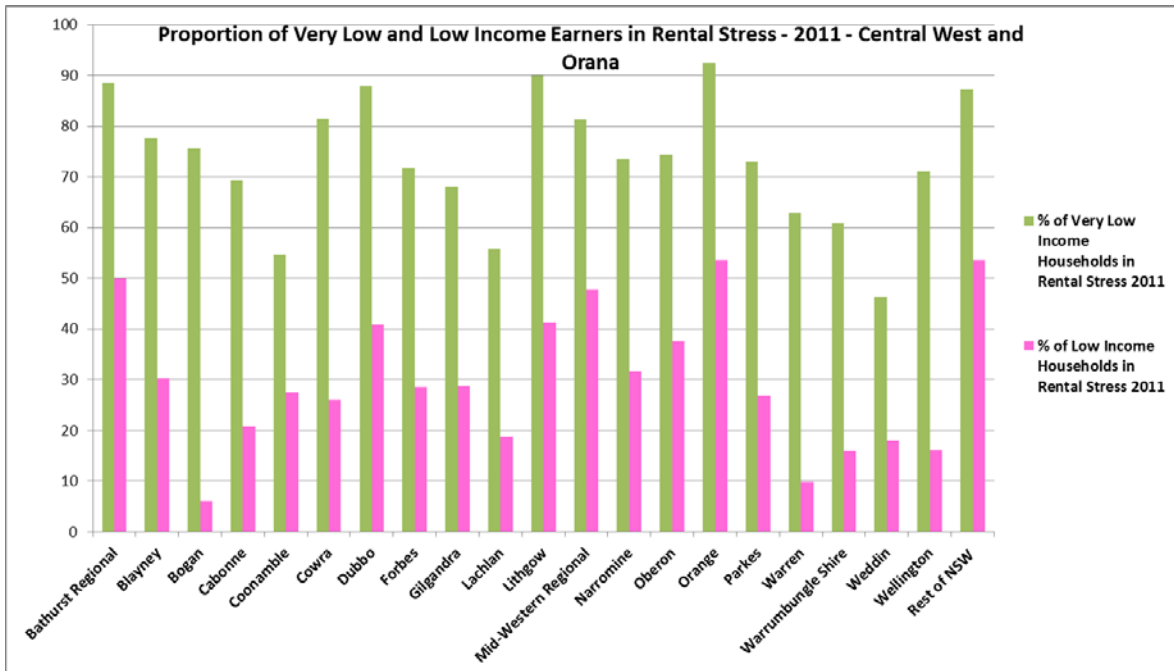


- The proportion of rental affordable for low income households has also declined in every Central West and Orana LGA, excepting Lachlan. Mid-Western Regional (40.0%) is the only LGA in the region that has a lower proportion of affordable rental for low income households than the average for the Rest of NSW (49.8%). All the remaining LGAs in this region had higher proportions than the Rest of NSW average.
- Rental affordability for very low income households in Mid-Western Regional is the tightest it has been since 2001, although for low income households has eased a little since 2012. This trend is mirrored in Orange, Parkes, Forbes and Blayney, while everywhere else in the region continued to decline or steadied.
- The graph below shows the proportion of rental properties affordable for low income households in the Central West and Orana region LGAs between 2001 and 2014.



Rental Stress

- The graph below shows the proportions of very low and low income households in rental stress in the Central West and Orana region. These are households renting in the private rental market and paying more than 30% of their income in rent. The proportion of very low income households in rental stress ranges between 92% in Orange and 46% in Weddin, with Lithgow (90%), Bathurst Regional (89%) and Dubbo (88%) all having a higher proportion in stress than the average for the Rest of NSW of 87%.
- Low income households in rental stress in the Central West and Orana ranged between 54% in Orange (the only LGA in the region to have an equivalent proportion in stress to the Rest of NSW) and 6% in Bogan. Bathurst Regional had 50% and Mid-Western Regional 48%. Although these numbers are lower than the Rest of NSW average, there are still significant proportions of low income households in housing stress in a region that is generally regarded as more affordable to rent.
- Lower income households in rental stress will struggle to pay for other essential household items, such as medical or educational expenses, food, transport and energy costs.
- The table below shows the number and proportion of residents in the private rental market in the Central West and Orana region who are recipients of Commonwealth Rent Assistance and even after this additional income support, are still in housing stress. There are a total of 4,374 CRA recipients in housing stress in this region, with Bathurst Regional having the highest number (with over 29% of all the CRA recipients in stress in the region) and the highest percentage. Bathurst (with 41.2%) is also the only LGA in the region having a higher proportion of CRA recipients in housing stress than the Rest of NSW average (32.4%), with Orange next highest on 32.0%.
- This indicates that there is insufficient affordable rental housing to meet demand in some LGAs in the region – this is particularly true of the major regional centres.



Area	Total CRA recipients in 2012	CRA recipients in Housing Stress in 2012	% in Stress
Bathurst Regional	3,100	1,276	41.2
Blayney	305	56	18.4
Bogan	139	29	20.9
Cabonne	492	117	23.8
Coonamble	309	44	14.2
Cowra	893	123	13.8
Dubbo	2,460	623	25.3
Forbes	570	89	15.6
Gilgandra	267	26	9.7
Lachlan	284	37	13.0
Lithgow	1,289	331	25.7
Mid-Western Regional	1,448	347	24.0
Narromine	412	65	15.8
Oberon	250	53	21.2
Orange	2,529	810	32.0
Parkes	904	138	15.3
Warren	145	23	15.9
Warrumbungle Shire	562	84	14.9
Weddin	177	23	13.0
Wellington	601	80	13.3
Rest of NSW	181,401	58,843	32.4

Loss of Affordable Housing Stock

- FACS has calculated the number of new bonds lodged in the private rental market that were affordable to low income households in 2006, 2010 and 2013 in every LGA in NSW .
- The table below shows the number of new bonds lodged that were affordable to low income earners in the Central West and Orana LGAs in 2006, 2010 and 2013.
- All the local government areas in this region experienced a reduction in the number of affordable bonds lodged between 2006 and 2013, with the exception of Coonamble, Gilgandra, Warren and Warrumbungle Shire.
- Across the region there were a total of 2,357 fewer affordable rental bonds lodged in 2013 than in 2006. Dubbo (554), Orange (418), Bathurst Regional (397), Parkes (185), Lithgow (181) and Mid Western Regional (172) had the largest losses in numeric terms. In terms of proportion of affordable rental lost, Dubbo and Bogan had the biggest loss with 60%, followed by Orange (53%), Parkes (50%) and Bathurst (47%). Given the high and growing proportions of lower income households resident here, this is concerning.

LGA	No. of affordable rental properties for low income		
	2006	2010	2013
Bathurst Regional	843	559	446
Blayney	164	101	99
Bogan	85	62	34
Cabonne	161	144	106
Coonamble	56	100	91
Cowra	348	307	227
Dubbo	923	562	369
Forbes	214	220	149
Gilgandra	97	58	100
Lachlan	111	86	102
Lithgow	411	293	230
Mid-Western Regional	404	376	232
Narromine	168	137	98
Oberon	113	85	94
Orange	788	491	370
Parkes	369	290	184
Warren	23	35	38
Warrumbungle Shire	190	190	190
Weddin	56	46	50
Wellington	238	209	196

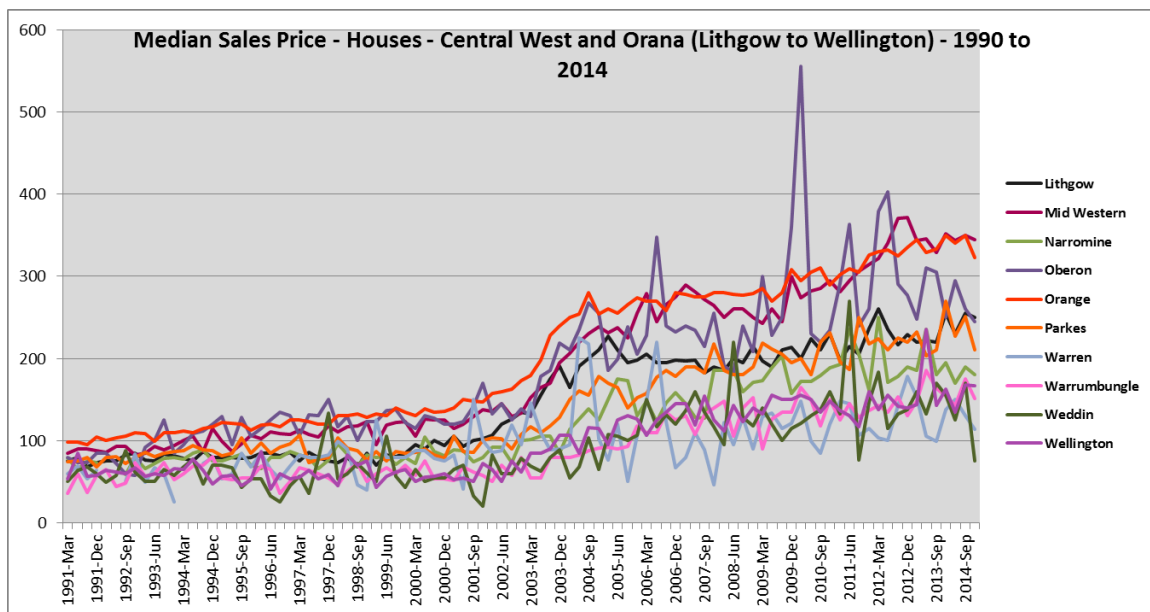
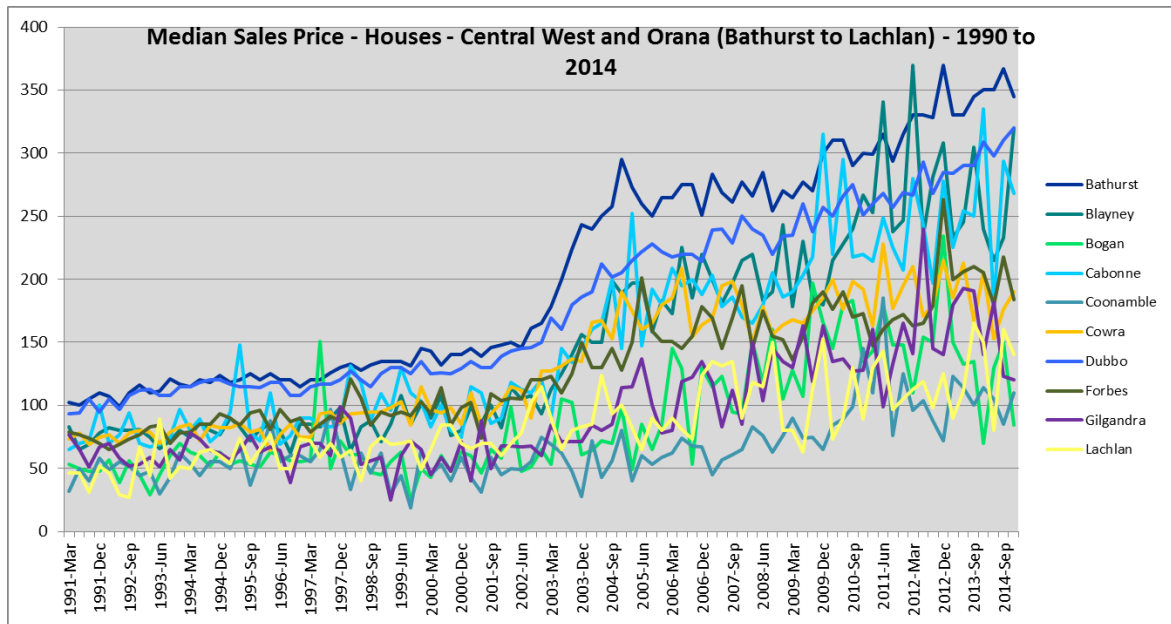
Housing Market - Purchase

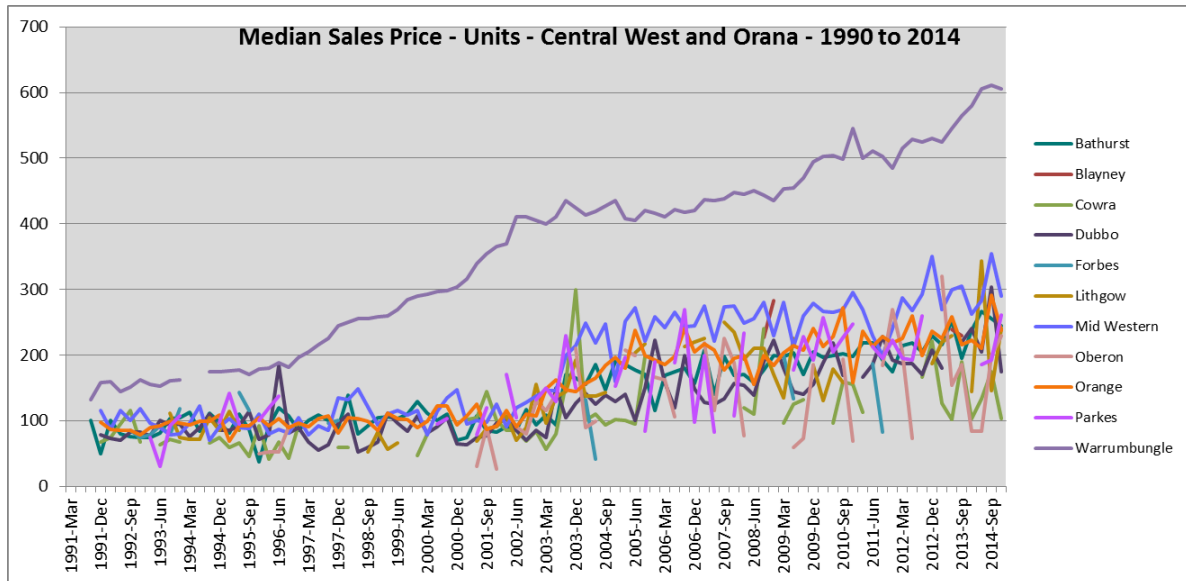
Sales Price

- The table below shows changes in the median sales price of both houses and flats (where there is sufficient data to calculate a median) over the last six years in the Central West and Orana region. Changes in price over this six year period have been upward (with the exception of flats in Cowra, where the median sales price declined between 2008 and 2014) with the strongest increase being for flats in Oberon (198.7%).

Area	Flats				Houses			
	2008-Mar	2014-Dec	Change	%	2008-Mar	2014-Dec	Change	%
Bathurst Regional	170	244	74	43.5	266	345	79	29.7
Blayney					220	320	100	45.5
Bogan					151	84	-67	-44.4
Cabonne					165	268	103	62.4
Coonamble					83	110	27	32.5
Cowra	120	103	-17	-14.2	150	190	40	26.7
Dubbo	154	175	21	13.6	240	320	80	33.3
Forbes					145	184	39	26.9
Gilgandra					150	120	-30	-20.0
Lachlan					118	140	22	18.6
Lithgow	194	241	47	24.2	185	250	65	35.1
Mid-Western Regional	249	290	41	16.5	250	344	94	37.6
Narromine					185	180	-5	-2.7
Oberon	77	230	153	198.7	191	245	54	28.3
Orange	200	238	38	19.0	280	323	43	15.4
Parkes	234	261	27	11.5	186	210	24	12.9
Warren					122	114	-8	-6.6
Warrumbungle Shire	445	605	160	36.0	148	151	3	2.0
Weddin					95	75	-20	-21.1
Wellington					112	167	55	49.1

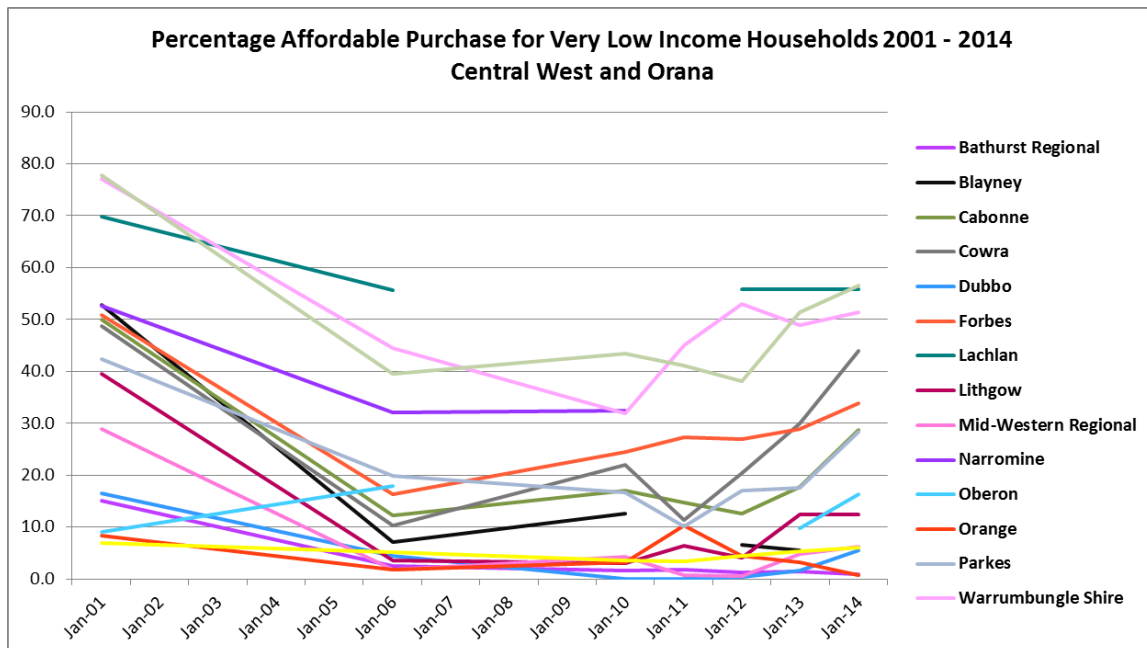
- The two graphs below shows the median sales price trend for houses for the period from 1991 to 2014 in Central West and Orana. There has been considerable seasonal variation in the median sales price over this period, as well as a significant increase in the sales price of houses in the Central West and Orana region. Most of the increase for houses took place from 2003. This is similar to the trend time line for rents. Between 1994 and 2014, growth in median house prices was strongest in Blayney (316%), Wellington (255%), Cabonne (244%) and Lithgow (213%).
- The next graph after the two below shows the sales price trend for strata properties between 1991 and 2014 in the Central West and Orana region LGAs – although Bogan, Cabonne, Coonamble, Gilgandra, Lachlan, Warren, Weddin and Wellington had insufficient sales of strata properties to give a trend line for this period. For the 20 year period between 1994 and 2014, Warrumbungle had the strongest increase in median strata price with 246%, followed by Mid Western with 219% and Parkes with 166%.



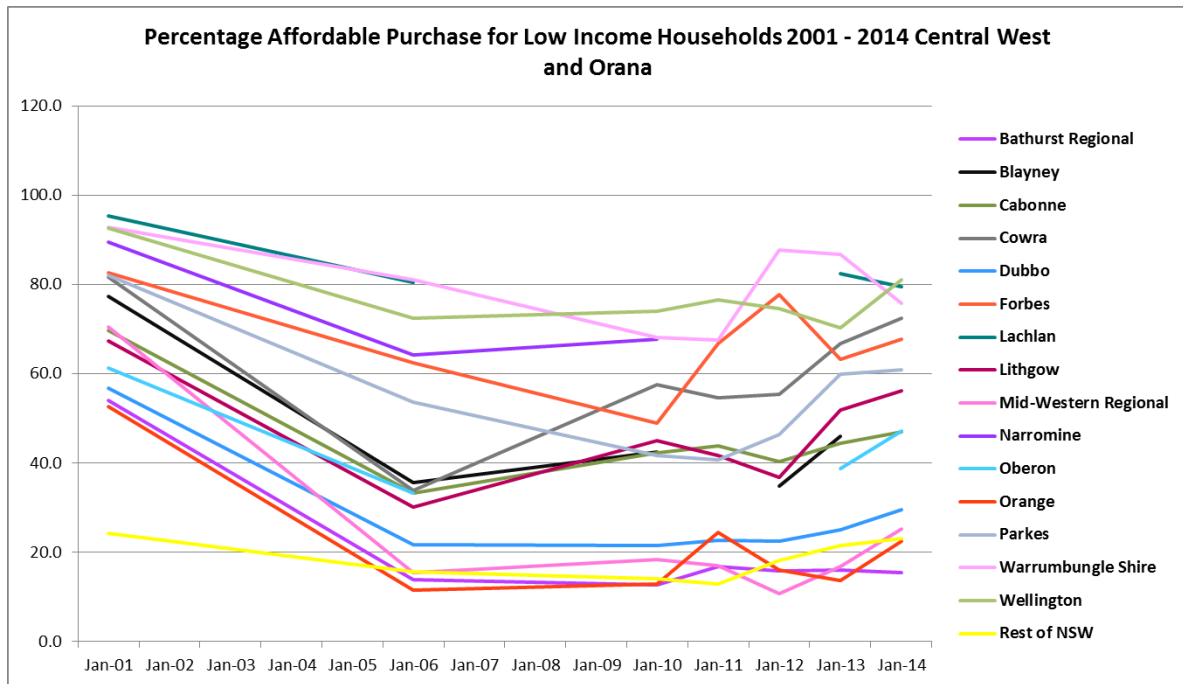


Purchase Affordability

- Purchase affordability for very low income earners in the Central West and Orana region has declined since 2001 in every LGA except Oberon. While most LGAs in the region experienced an improvement in purchase affordability from around 2010, all LGAs (except Oberon) had a lower level of purchase affordability at 2014 than at 2001. Orange with 0.8%, Bathurst Regional with 0.9% and Dubbo with 5.6% are the only LGAs with a lower proportion affordable for purchase by very low income households than the Rest of NSW average of 5.9% at June 2014.
- The graph below shows the proportion of properties that are affordable for purchase by very low income households in each of the Central West and Orana region local government areas and the Rest of NSW between 2001 and 2014.



- Purchase affordability has also declined for low income households in every LGA in the Central West and Orana region from 2001 to 2014, however most LGAs experienced some improvement from around 2010. Within the region, Bathurst Regional (15.4%) and Orange (22.5%) were the only LGAs with a lower proportion of properties affordable to purchase than the average for the Rest of NSW (23.1%). Purchase affordability in Mid Western Regional has historically been very tight both for very low and low income households, but has eased during 2014 to be just above the Rest of NSW average.
- The graph below shows the proportion of properties that were affordable for purchase by low income households in the Central West and Orana region LGAs over the period from 2001 to 2014.



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

Or from SQM Research at:

http://www.sqmresearch.com.au/terms_vacancy.php