

## New England North West Region – What’s Happening in the Housing Market?

The New England North West region covers thirteen local government areas, including several regional centres. There is considerable variation across the region in rental levels and sales price and the growth in these, yet everywhere there has been a decline in both rental and purchase affordability. The regional centres and mining communities have the highest price housing markets, strong demand for affordable housing and generally the strongest forecast growth. Declining affordability is occurring despite the increase in lower income rental households across the region.

### Housing Market - Rental

#### Rents

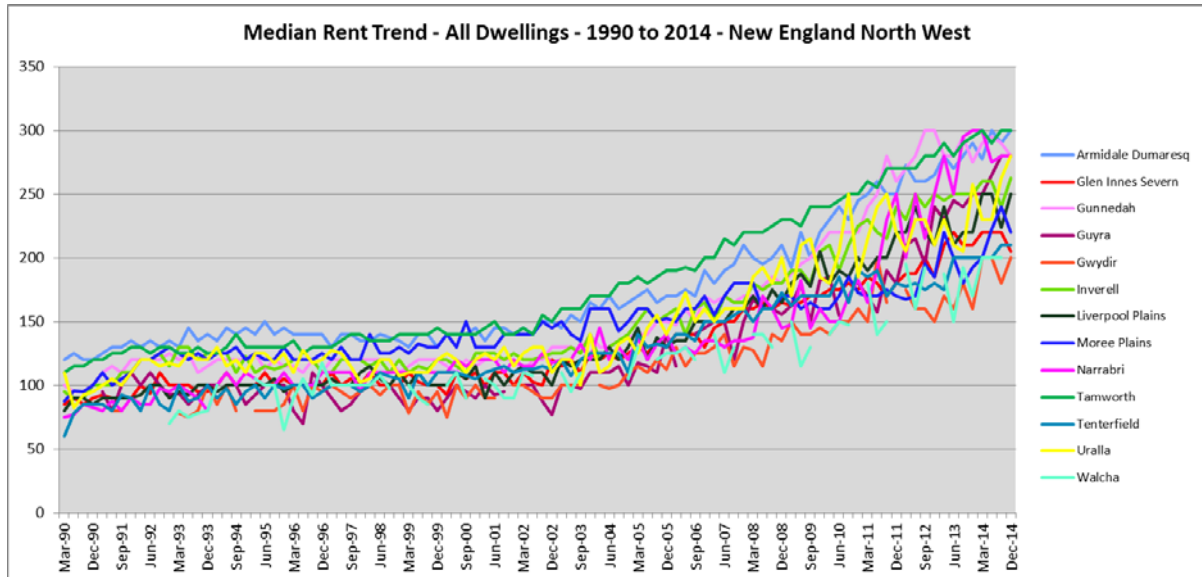
- There have been strong increases in median rents over the last six years, particularly in the larger regional centres and mining communities in New England North West, with the highest rent increases being for four bedroom properties in Armidale Dumaresq and Gunnedah (300%), three bedroom properties in Armidale Dumaresq (240%), Gunnedah (200%) and Uralla (185%).
- Median rents for one bedroom properties are highest in Narrabri at December 2014 (\$195), for two bedroom properties are highest in Armidale Dumaresq and Tamworth Regional (\$240), for three bedroom properties are highest in Armidale Dumaresq (\$340 per week) and for four bedroom in Narrabri (\$410).
- 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 New England North West region local government areas (LGAs).

Median Rents New England North West – All bedroom categories

Area	Mar-08				Dec-14			
	1 bed	2 bed	3 bed	4 bed	1 bed	2 bed	3 bed	4 bed
Armidale Dumaresq	115	170	240	300	165	240	340	400
Glen Innes Severn		130	170	200	130	165	240	280
Gunnedah		155	200	248		220	300	400
Guyra							268	310
Gwydir								
Inverell	110	155	200			200	280	340
Liverpool Plains		125	180	235			250	270
Moree Plains		150	230	250		160	250	350
Narrabri		130	200		195	200	320	410
Tamworth Regional	125	175	240		165	240	320	370
Tenterfield		138	173				200	250
Uralla			200				285	
Walcha								

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.

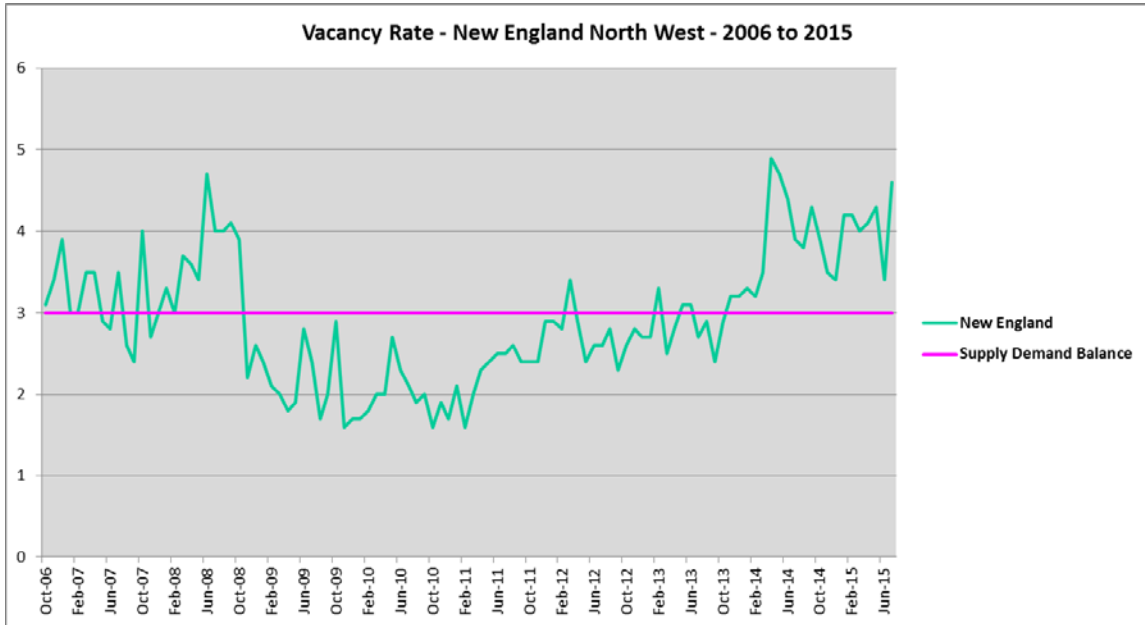
- The graph below shows changes in median rents for all dwellings from 1990 to 2014 in all the LGAs in the New England North West region. Generally there was very little increase in rents between 1990 and around 2003, after which they began to increase strongly. It is evident from the graph that relatively recently median rents in both Gunnedah and Narrabri have moved up towards the highest in the region, indicating one of the impacts of mining on the housing market.



- Between 1990 and 2014, median rents in the New England North West LGAs were on an upward trend, increasing by between 127.8% in Glen Innes Severn and 263.6% in Narrabri. Rental increases in this region have been particularly strong in Narrabri, and have been generally strong in the regional centres. While rental increases in Queanbeyan were 331.6% over the same time frame, rental increases in the regional centres in New England North West are generally similar to those in the Hunter, Central West Orana and North Coast.

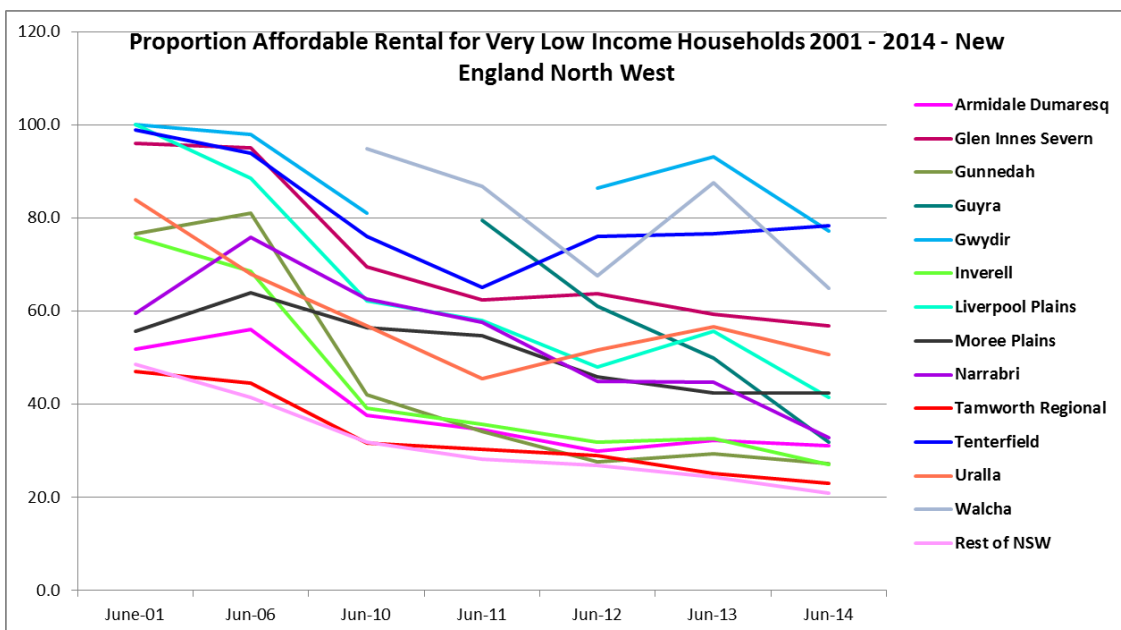
## Vacancy Rate

- The graph below shows the vacancy rate in the private rental market (taken from REINSW data) in New England over the period from October 2006 to July 2015.
- A vacancy rate of 3% is regarded as representing a balance between supply and demand. Vacancy rates in New England have fluctuated over this period, experiencing periods of significant undersupply of private rental accommodation. At July 2015, the REINSW vacancy rate for New England is 4.6%.

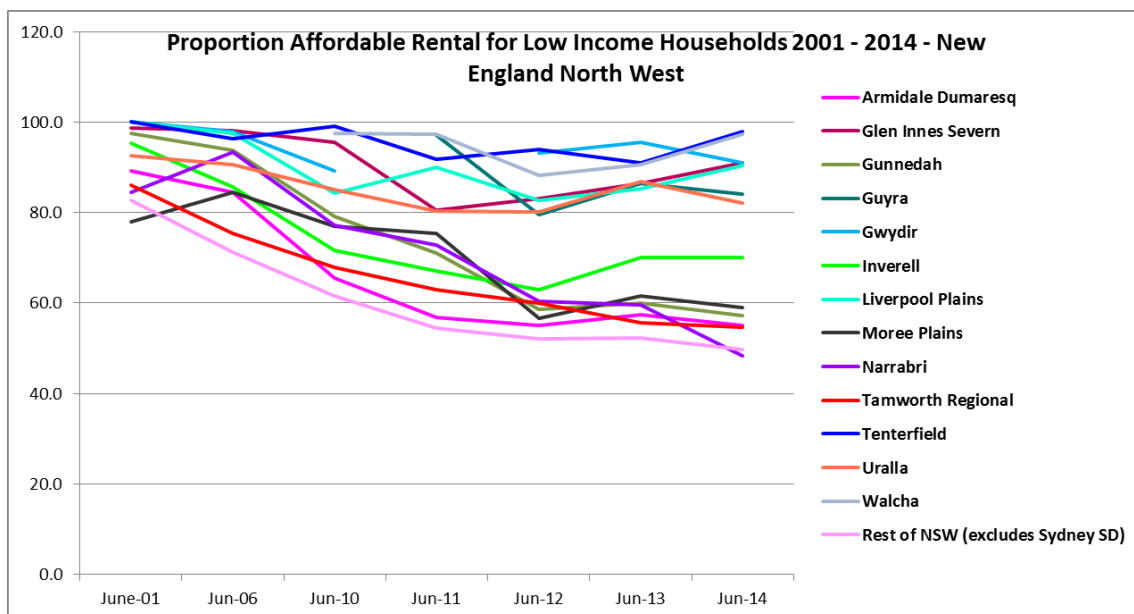


### Affordable Rental

- 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 has declined in every New England North West region LGA between 2001 and 2014, with Guyra experiencing the biggest decline in affordable rental for very low income earners, followed by Liverpool Plains, Gunnedah and Inverell. The LGAs with the lowest proportion of affordable rental for very low income households at June 2014 are Tamworth Regional, Inverell, Armidale Dumaresq and Gunnedah, however no LGAs in this region have a lower proportion than the Rest of NSW average of 20.9%.
- Although the New England North West LGAs are above the Rest of NSW proportion of affordable rental for very low income households, they have all experienced a decline since 2001.
- 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 New England North West LGA. Gunnedah experienced the biggest decline in affordable rental for low income households in this region between 2001 and 2014, followed by Narrabri and Armidale Dumaresq. Tamworth Regional and Armidale Dumaresq had the lowest proportion of affordable rental for low income households at June 2014, but again no LGA in the region had a lower proportion than the average for the Rest of NSW (49.8%).
- Rental affordability for very low income households in New England North West (except in Tenterfield and Uralla) is the tightest it has been since 2001 and for low income households has eased a little since 2012 in some LGAs (but not in Armidale Dumaresq, Gunnedah, Guyra, Gwydir, Inverell, Moree Plains, Narrabri, Tamworth Regional or Uralla).
- For low income households, at June 2014 it was the lowest proportion of affordable rental since 2001 in Armidale Dumaresq, Gunnedah, Guyra, Narrabri and Tamworth Regional, while the other LGAs in the region had experienced a slight increase over the last couple of years.
- The graph below shows the proportion of rental properties affordable for low income households in the New England North West region LGAs between 2001 and 2014.

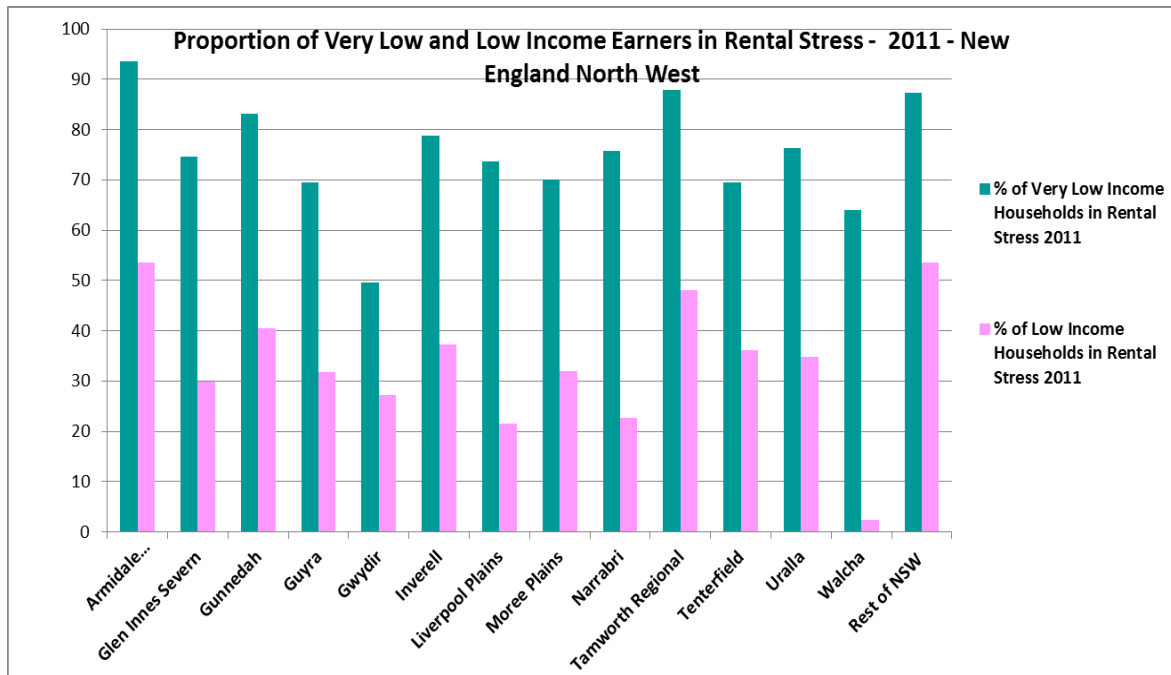


## Rental Stress

- The graph below shows the proportions of very low and low income households in rental stress in the New England North West 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 93% in Armidale Dumaresq and 50% in Gwydir, with Armidale Dumaresq and Tamworth Regional having a higher proportion in stress than the average for the Rest of NSW of 87%.
- Low income households in stress in New England North West ranged between 54% in Armidale Dumaresq and 2% in Walcha. All the LGAs in this region have an equivalent or lower proportion of low income households in rental stress than the average of 54% for the Rest of NSW.
- 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 New England North West region who are recipients of Commonwealth Rent Assistance (CRA) and even after this additional income support, are still in housing stress. There are a total of 3,774 CRA recipients in housing stress in this region, with Armidale Dumaresq having the highest number (with over a third of all the CRA recipients in stress in the region) and having the highest percentage with 49.8% - the only LGA in the region with

a higher proportion in stress than the average of 32.4% in the Rest of NSW. That half of all CRA recipients are in housing stress in Armidale Dumaresq is significant and signals a need for more affordable private rental.

- The proportions of lower income households in rental stress indicate 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
Armidale Dumaresq	2,924	1,455	49.8
Glen Innes Severn	748	119	15.9
Gunnedah	935	191	20.4
Guyra	257	35	13.6
Gwydir	267	40	15.0
Inverell	1,182	260	22.0
Liverpool Plains	466	84	18.0
Moree Plains	956	143	15.0
Narrabri	718	107	14.9
Tamworth Regional	4,273	1,181	27.6
Tenterfield	458	75	16.4
Uralla	287	55	19.2
Walcha	136	29	21.3
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 .
- 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 Tenterfield, Uralla and Walcha.
- In the New England North West, there were a total of 1,378 fewer affordable rental bonds lodged in 2013 than in 2006. Tamworth Regional (394), Armidale Dumaresq (306), Moree Plains (182), Narrabri (149), Gunnedah (141) and Inverell (114) had the largest losses in numeric terms. In terms of proportion of affordable rental lost, Narrabri had the biggest proportional loss with 47%, followed by Moree Plains (44%), Gunnedah and Tamworth Regional (41%) and Armidale Dumaresq (39%). Given the evident demand for affordable rental housing, particularly the high and growing proportions of lower income households resident here, this is concerning.
- The table below shows the number of new bonds lodged that were affordable to low income earners in the New England North West LGAs in 2006, 2010 and 2013.

LGA	No. of affordable rental properties for low income		
	2006	2010	2013
Armidale Dumaresq	785	545	479
Glen Innes Severn	289	226	214
Gunnedah	342	218	201
Guyra	46	35	43
Gwydir	81	67	71
Inverell	334	239	220
Liverpool Plains	145	141	119
Moree Plains	412	343	230
Narrabri	315	244	166
Tamworth Regional	967	686	573
Tenterfield	151	150	155
Uralla	72	77	80
Walcha	43	57	53
Rest of NSW	29,251	20,627	18,473

Source : RBB Data (Office of Fair Trading). Analysis by FACS

1. Affordable rent threshold was calculated as 30% of the 40th percentile of household income (approximated by 80% of the median household income).
2. Rent threshold was calculated separately for Sydney and Rest of NSW.
3. All new rental bonds in Sydney and Rest of NSW with rents below the respective thresholds are counted as affordable.

## Housing Market - Purchase

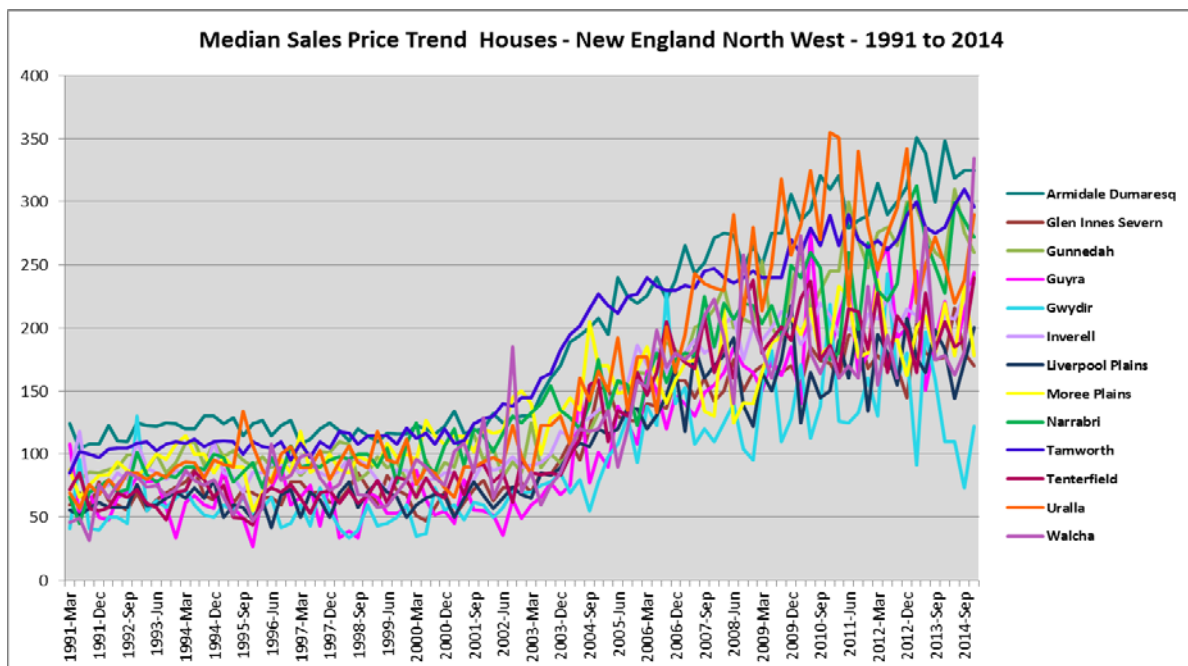
### Sales Price

- 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 New England North West region. Changes in price over this six year period have been mostly upward (with the exception of flats in Armidale Dumaresq and Narrabri and houses in Gwydir and Moree Plains, where the median sales price declined between 2008 and 2014) with the strongest increases being for houses in Walcha (73.6%) and flats in Tamworth Regional (67.9%) over this time frame.

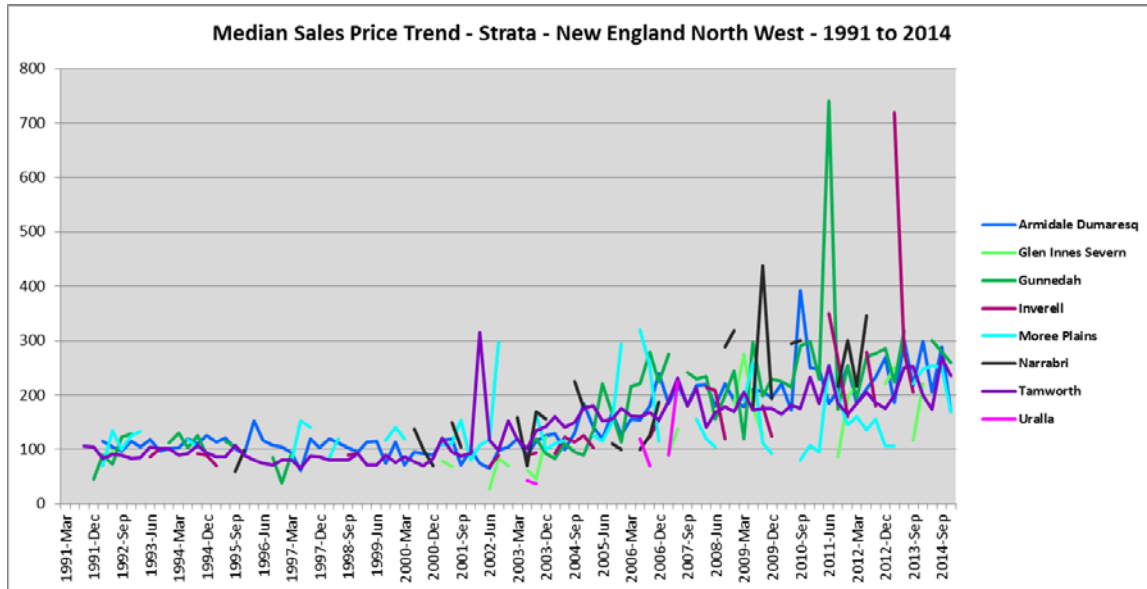
- At December 2014 median house prices were highest in Walcha (\$335) and Armidale Dumaresq (\$325) and lowest in Gwydir (\$122). For flats, the median sales price was highest in Narrabri (\$270) and Gunnedah (\$260) - this again (along with strong increases in price and high proportions of lower income rental households in stress) suggests the impact on the housing market of mining activity in those LGAs.

Area	Flats				Houses			
	2008-Mar	2014-Dec	Change	%	2008-Mar	2014-Dec	Change	%
Armidale Dumaresq	219	170	-49	-22.4	275	325	50	18.2
Glen Innes Severn		157			150	170	20	13.3
Gunnedah	234	260	26	11.1	233	260	27	11.6
Guyra					165	244	79	47.9
Gwydir					125	122	-3	-2.4
Inverell	215	220	5	2.3	203	235	32	15.8
Liverpool Plains					178	200	22	12.4
Moree Plains	120	170	50	41.7	215	178	-37	-17.2
Narrabri	320	270	-50	-15.6	220	272	52	23.6
Tamworth Regional	140	235	95	67.9	240	296	56	23.3
Tenterfield					186	240	54	29.0
Uralla					230	290	60	26.1
Walcha					193	335	142	73.6

- The following graph for the median sales price trend for houses show that there has been considerable seasonal variation in the median sales price over the period from 1991 to 2014, as well as a significant increase in the sales price of houses in the New England North West 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 Guyra (294%), Walcha (285%), Tenterfield (238%), Uralla (209%) and Liverpool Plains (208%).



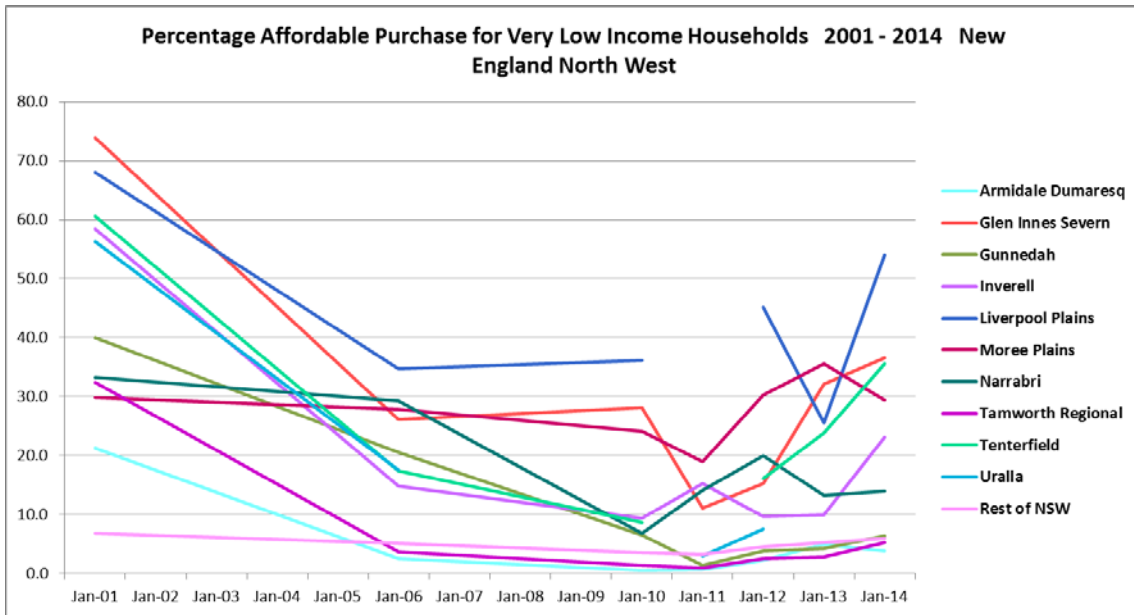
- The graph below shows the sales price trend for strata properties between 1991 and 2014 in the New England North West region LGAs – although Guyra, Gwydir, Liverpool Plains, Moree Plains and Tenterfield had insufficient sales of strata properties to give any sort of trend line for this period. For the 20 year period between 1994 and 2014, Gunnedah had the strongest increase in median strata price with 192%, followed by Tamworth Regional with 150% and Inverell with 144%.



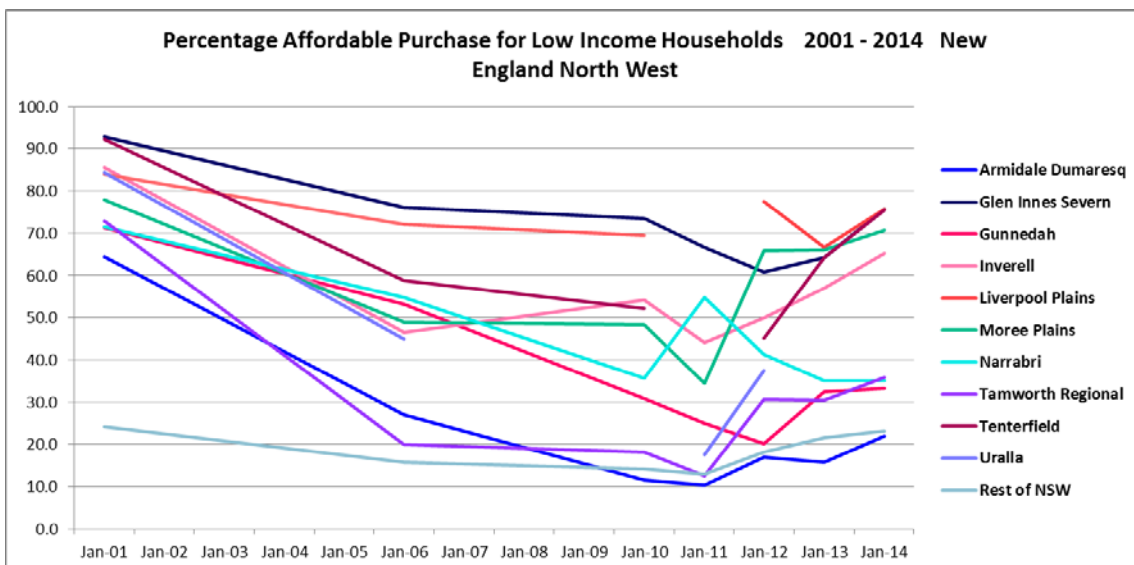
## Purchase Affordability

- Purchase affordability for very low income earners in the New England North West region has declined since 2001 in every LGA. While most LGAs in the region experienced an improvement in purchase affordability from around 2010, all LGAs had a lower level of purchase affordability at 2014 than at 2001. Armidale Dumaresq with 3.8% and Tamworth Regional with 5.3% 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. Gunnedah was close with just 6.4%.
- The graph below shows the proportion of properties that are affordable for purchase by very low income households in each of the New England North West 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 New England North West region from 2001 to 2014. However most LGAs experienced some improvement from around 2010. Within the region, Armidale Dumaresq (22.0%) was the only LGA with a lower proportion of properties affordable to purchase than the average for the Rest of NSW (23.1%). Purchase affordability in Armidale Dumaresq has been tight (below the Rest of NSW average) both for very low and low income households since 2009.
- The graph below shows the proportion of properties that were affordable for purchase by low income households in the New England North West 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](http://www.reinsw.com.au/imis15_Prod/web)

Or from SQM Research at:

[http://www.sqmresearch.com.au/terms\\_vacancy.php](http://www.sqmresearch.com.au/terms_vacancy.php)