

## South and East Tablelands Region – What’s happening in the housing market?

The South and East Tablelands region covers a vast area with different economic drivers and housing market conditions. Not surprisingly rent and purchase affordability varies significantly within the region. However there are some commonalities, including the decline in affordable rental stock for lower income households across the region. This is occurring despite the increase in lower income rental households.

### Housing Market - Rental

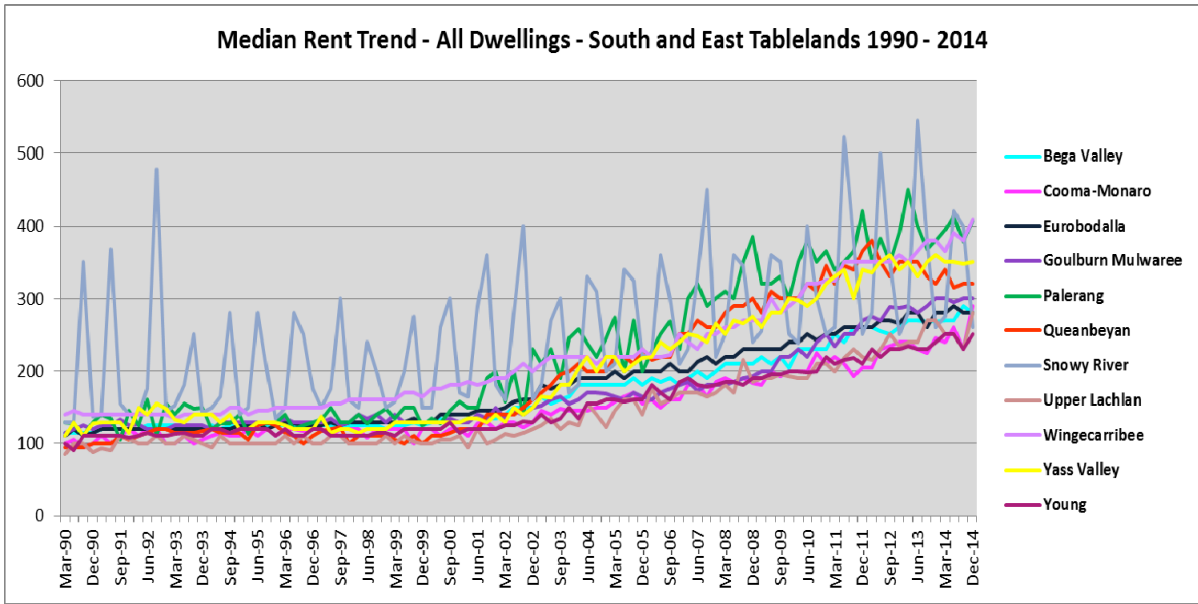
#### Rents

- there have been very strong increases in median rents (although there are some areas with too few private rental dwellings to reliably give a median rent) over the last six years in the South and East Tablelands region, with the highest rent increases being for four bedroom properties in Queanbeyan (450%) and Wingecarribee (393%), followed by three bedroom properties in Goulburn-Mulwaree (310%)
- median rents for one and two bedroom properties are highest in Wingecarribee at December 2014 (\$255 and \$320 per week respectively), for three bedroom properties are highest in Goulburn-Mulwaree (\$410 per week) and for four bedroom Queanbeyan (\$550), closely followed by Palerang (with \$545)
- 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 South and East Tablelands region local government areas (LGAs).

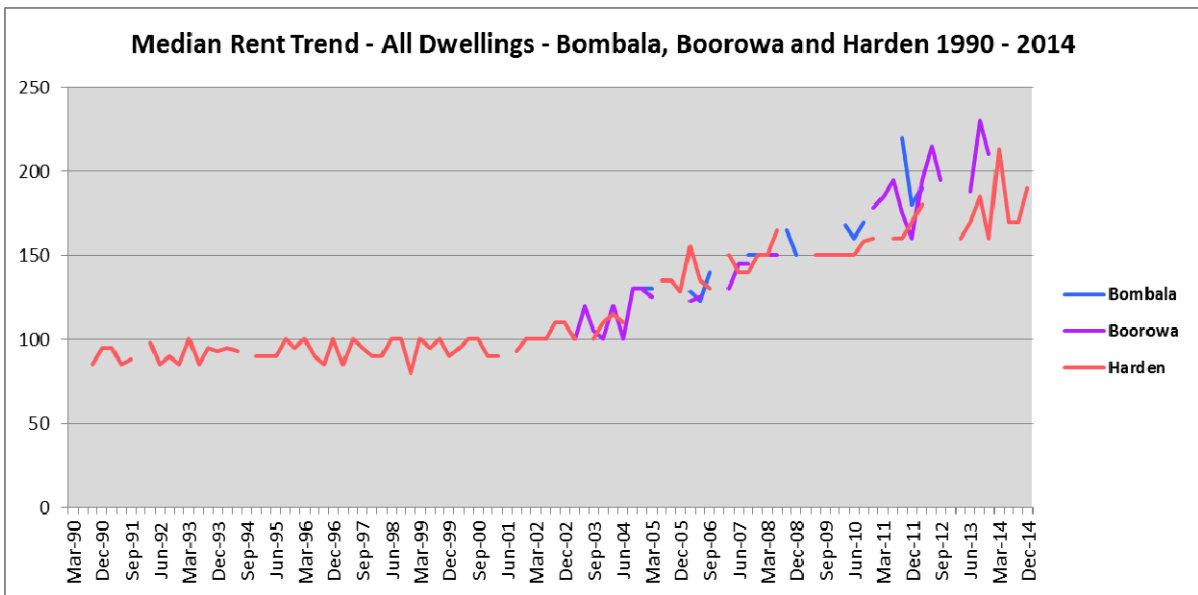
% change 2008 - 2014	1 bed	2 bed	3 bed	4 bed
Bega Valley		140.0	190.0	250.0
Bombala				
Boorowa			215.0	
Cooma-Monaro				
Eurobodalla	75.0	140.0	220.0	250.0
Goulburn-Mulwaree	95.0	140.0	310.0	300.0
Harden			200.0	
Palerang		195.0		
Queanbeyan	100.0	180.0	300.0	450.0
Snowy River		130.0	255.0	
Upper Lachlan			150.0	
Wingecarribee	155.0	220.0		393.0
Yass Valley		155.0		
Young		100.0	250.0	230.0

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 (houses and units) from 1990 to 2014 in Bega Valley, Cooma-Monaro, Eurobodalla, Goulburn Mulwaree, Palerang, Queanbeyan, Snowy River, Upper Lachlan, Wingecarribee, Yass Valley and Young. Median rents in Snowy River are extremely variable from quarter to quarter. Generally there was very little increase in rents between 1990 and around 2003, after which they began to increase strongly across the region.



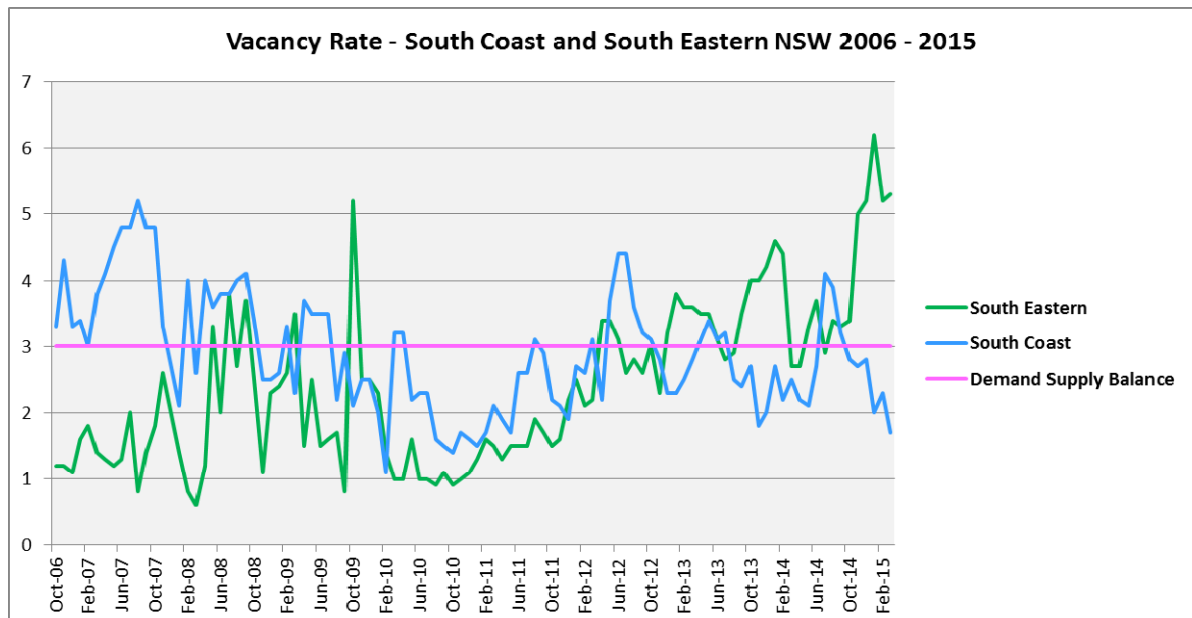
- the graph below shows the incomplete long term rent trend for Bombala, Boorowa and Harden for the period from 1990 to 2014. On the evidence available rents increased strongly from around 2004 to 2013. Note that median rents in these three LGAs are much lower than for the remaining LGAs in the region, as shown in the graph above.



- there have been very strong increases in median rents over the last six years in the South and East Tablelands region. Increases in median rents over the long term (since 1990) in this region have generally been stronger than for median sales prices over the same period (for example Queanbeyan had a 332% increase in median rents between 1990 and 2014, yet a 275% increase in the median sales price for houses and 178% for flats over the same period).

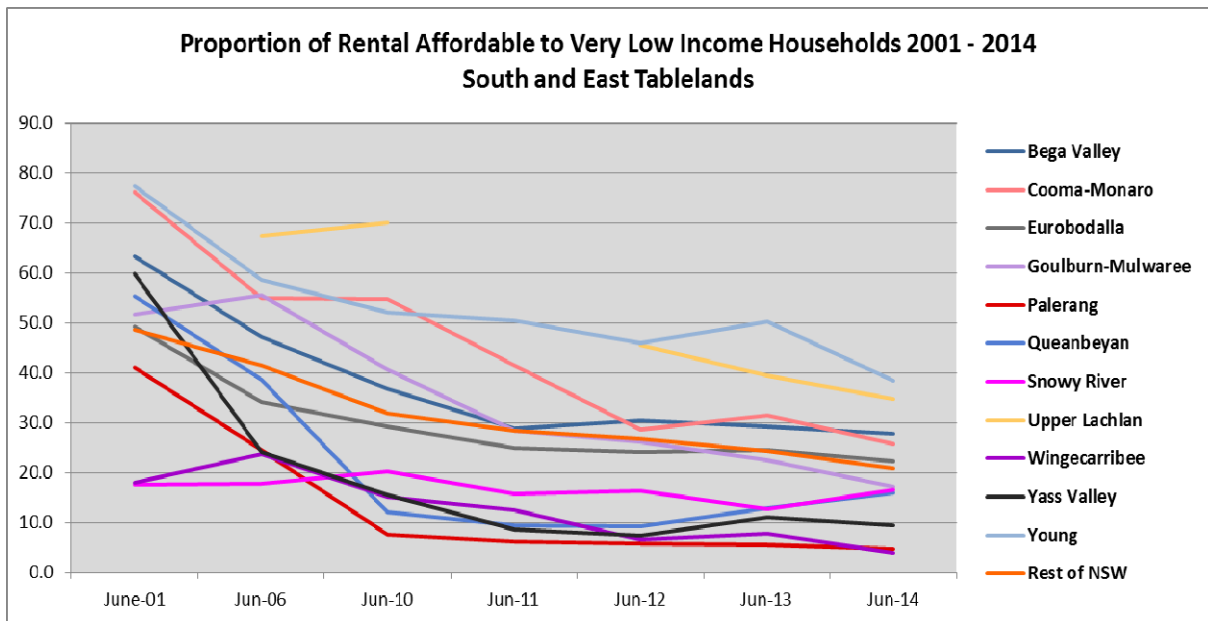
## Vacancy Rate

- a vacancy rate of 3% is understood to represent a balance between supply and demand. The graph below shows the vacancy rate in the South Coast and South Eastern NSW from 2006 to 2014 using REI NSW data. At March 2015 the vacancy rate in the South Coast is just 1.7% (suggesting the private rental market is very tight) while in South Eastern NSW it was 5.3%.

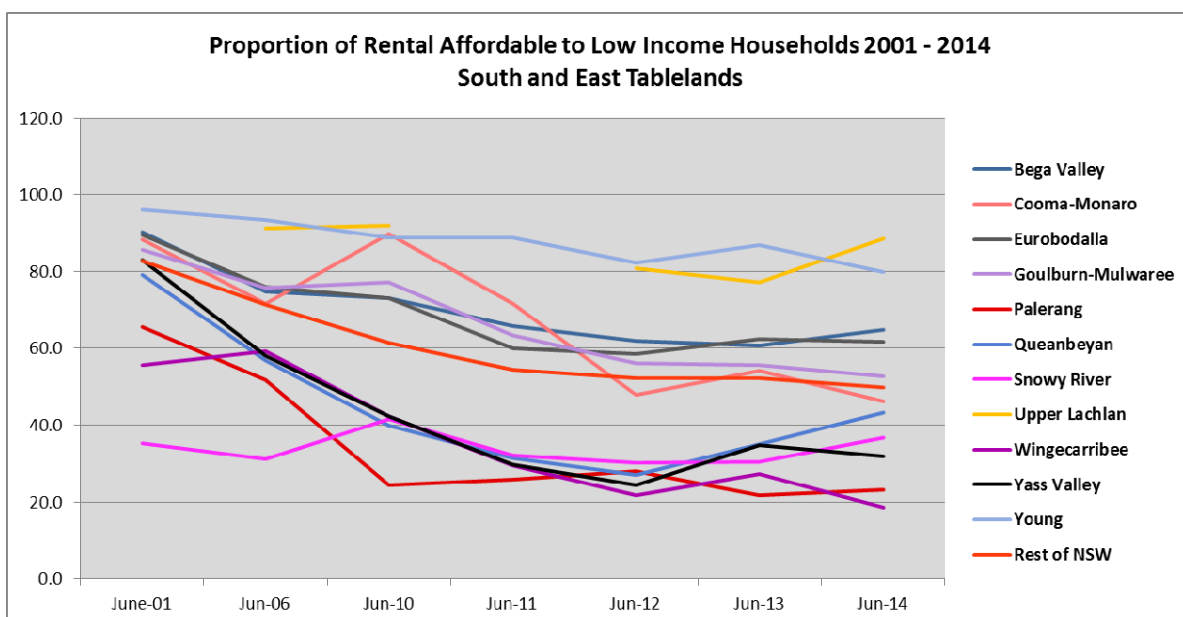


## Affordable Rental

- the general trend across NSW, has been for a decline in the proportion of rental stock which is affordable for very low and low income earners
- the reduction in the proportion of rental housing that is affordable in the South and East Tablelands has been significant. At June 2014 Wingecarribee has the lowest proportion of private rental stock affordable for very low income households in the region with just 3.9%. along with Palerang (4.8%), Yass Valley (9.5%), Queanbeyan (16.0%), Snowy River (16.6%) and Goulburn-Mulwaree (17.1%) these LGA all have a lower proportion of rental affordable for very low income households than the average of 20.9% for the rest of NSW although the remaining LGAs (Bega Valley 27.8%, Boorowa 25.8%, Eurobodalla 22.2%, Upper Lachlan 34.6% and Young 38.3%) are above the rest of NSW proportion of affordable rental for very low income households, they have all experienced a significant decline since 2001. For example, in 2001 Cooma-Monaro had 74.6% affordable rental for very low income households and Young 77.5%
- the graph below shows the proportion of rental properties that were affordable to very low income households in each of the South and East Tablelands region local government areas between 2001 and 2014.

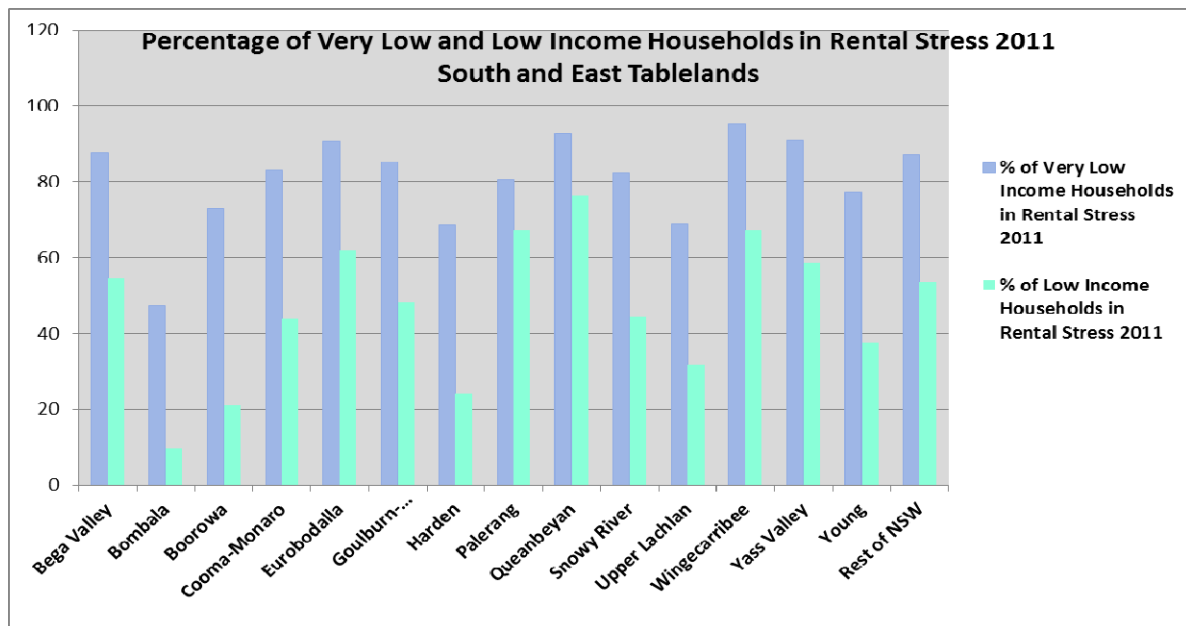


- the proportion of rental affordable for low income households has also declined in the South and East Tablelands region. At June 2014, Wingecarribee (18.5%), Palerang (23.2%), Yass Valley (32.0%), Snowy River (36.8%), Queanbeyan (43.3%) and Cooma-Monaro (46.2%) all had lower proportions of rental affordable for low income households than the average for the rest of NSW (49.8%). All the remaining LGAs in this region had lower proportions of affordable rental for low income households than at June 2001 but higher than the rest of NSW average at June 2014
- some LGAs in the region have experienced a slight improvement in affordability since June 2013 (Bega Valley, Palerang, Queanbeyan, Snowy River and Upper Lachlan) while others continued to experience a decline in line with the trend in the rest of NSW (Cooma-Monaro, Eurobodalla, Goulburn-Mulwaree, Wingecarribee, Yass Valley and Young). Both Queanbeyan and Snowy River had a drop in median rents over this period, while other LGAs were either steady (Bega Valley, Eurobodalla) or had an increase in median rents
- the graph below shows the proportion of rental properties affordable for low income households in the South and East Tablelands 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 South and East Tablelands region – that is households in the private rental market paying more than 30% of their income in rent. The proportion of very low income households in rental stress ranges between 95% in Wingecarribee and 47% in Bombala, with Bega Valley (88%), Eurobodalla (90%), Queanbeyan (93%), Wingecarribee (95%) and Yass Valley (91%) 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 South and East Tablelands ranged between 76% in Queanbeyan and 10% in Bombala. Bega Valley (55%), Eurobodalla (62%), Palerang (67%), Queanbeyan (76%), Wingecarribee (67%) and Yass Valley (58%) all had a higher 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 South and East Tablelands 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 4,165 CRA recipients in housing stress in this region, with Eurobodalla having the highest number (with nearly a quarter of all the CRA recipients in stress in the region) and Queanbeyan having the highest percentage. Queanbeyan, Palerang and Wingecarribee are the only LGAs in the region having a higher proportion of CRA recipients in housing stress than the rest of NSW average (32.4%)
- This is another indicator of demand for affordable rental housing targeted to lower income households. Clearly there is insufficient affordable rental housing in the region and some LGAs in particular (Eurobodalla, Queanbeyan, Palerang and Wingecarribee in particular) to meet the needs of local communities.

Area	Total CRA recipients in 2012	CRA recipients in Housing Stress in 2012	% in Stress
Bega Valley	2,154	584	27.1
Bombala	112	16	14.3
Boorowa	97	18	18.6
Cooma-Monaro	652	132	20.2
Eurobodalla	3,020	973	32.2
Goulburn-Mulwaree	1,855	523	28.2
Harden	180	19	10.6
Palerang	305	106	34.8
Queanbeyan	1,415	536	37.9
Snowy River	221	69	31.2
Upper Lachlan	275	72	26.2
Wingecarribee	2,440	825	33.8
Yass Valley	451	105	23.3
Young	933	187	20.0
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 in 2006, 2010 and 2013 that were affordable to low income households
- 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 Harden and Snowy River.
- across the region there were a total of 1,937 fewer affordable rental bonds lodged in 2013 than in 2006. Queanbeyan (454), Goulburn-Mulwaree (381), Wingecarribee (285), Bega Valley (274), Eurobodalla (173) and Cooma-Monaro (110) had the largest losses in numeric terms
- in terms of proportion of affordable rental lost, Wingecarribee had the biggest loss with 76%, followed by Palerang with 73%, Goulburn-Mulwaree with 65%, Queanbeyan with 63% and Yass Valley 57%. Given 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 South and East Tablelands region LGAs in 2006, 2010 and 2013
- note that the high priced housing markets with significant proportions of high income households are the ones with the biggest loss of affordable housing and with the highest number of low income renters in stress. This again indicates that lower income renters are being priced out of the market in these locations or are choosing to stay despite high housing costs relative to income, for proximity to employment and services
- this further suggests a need for more affordable rental housing to meet the demand.

LGA	No. of affordable rental properties for low income		
	2006	2010	2013
Bega Valley	621	414	347
Bombala	42	42	21
Boorowa	44	35	37
Cooma-Monaro	241	208	131
Eurobodalla	520	396	347
Goulburn-Mulwaree	584	334	203
Harden	40	61	60
Palerang	56	14	15
Queanbeyan	726	206	272
Snowy River	69	105	88
Upper Lachlan	59	62	34
Wingecarribee	377	162	92
Yass Valley	70	36	30
Young	337	278	260
TOTAL	3786	2353	1937

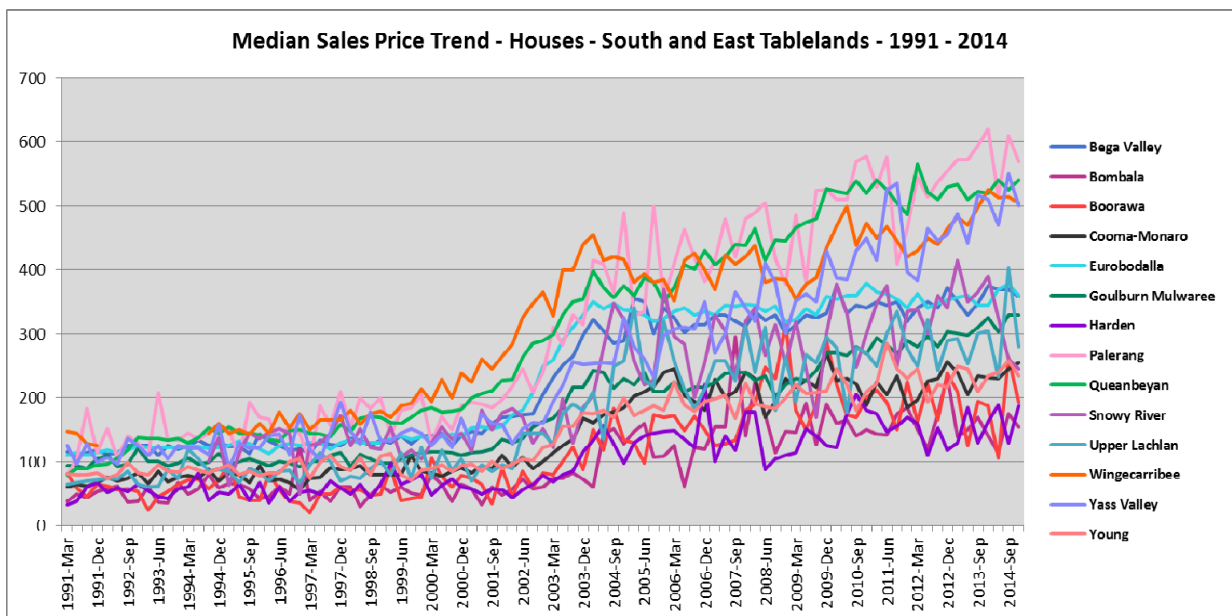
## Housing Market - Purchase

### Sales Price

- changes in the median sales price of properties over the last six year period have been upward (with the exception of flats in Queanbeyan, Snowy River and Young and houses in Bombala and Snowy River, where the median sales price declined between 2008 and 2014) with the strongest increase being for flats in Palerang (156.5%)
- the table below shows changes in the median sales price of both houses and flats over the last six years in the South and East Tablelands region

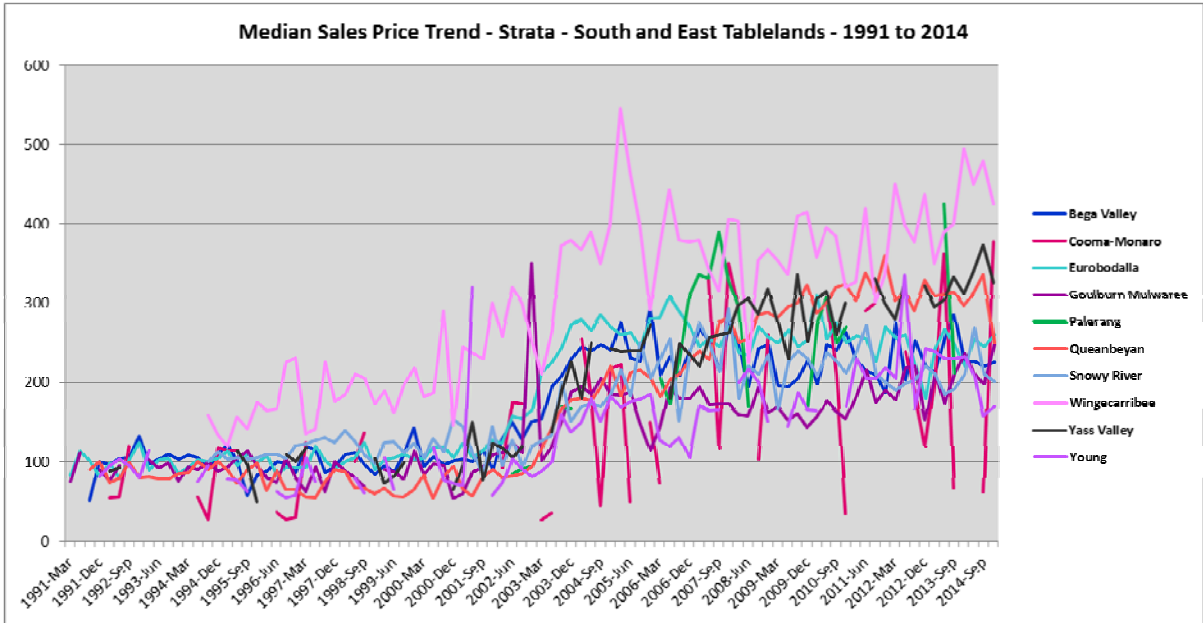
Area	Flats				Houses			
	2008-Mar	2014-Dec	Change	%	2008-Mar	2014-Dec	Change	%
Bega Valley	195	225	30	15.4	335	358	23	6.9
Bombala					225	155	-70	-31.1
Boorowa					190	193	3	1.6
Cooma-Monaro		378			230	255	25	10.9
Eurobodalla	234	260	26	11.1	345	360	15	4.3
Goulburn-Mulwaree	158	248	90	57.0	228	329	101	44.3
Harden					178	188	10	5.6
Palerang	170	436	266	156.5	490	569	79	16.1
Queanbeyan	255	250	-5	-2.0	465	540	75	16.1
Snowy River	220	201	-19	-8.6	340	245	-95	-27.9
Upper Lachlan					240	280	40	16.7
Wingecarribee	225	425	200	88.9	439	505	66	15.0
Yass Valley	306	326	20	6.5	320	500	180	56.3
Young	216	170	-46	-21.3	192	235	43	22.4

- the following graph for the median sales price trend for houses shows that there has been considerable seasonal variation in the median sales price over the period from 1991 to 2014 in some LGAs, as well as a significant increase in the sales price of houses in the South and East Tablelands region. Most of the increase for houses occurred between 2001 and 2003, and then again from around 2008. This is in contrast to the trend time line for rents, where most of the increase has occurred since 2005. Between 1994 and 2014, growth in median house prices was strongest in Queanbeyan (275%) and weakest in Snowy River (77.5%). However as with median rents, the seasonal variation in median sales price in Snowy River is significant and it may depend at what point in the cycle the change in price is measured, whether the change is positive or negative, high or low.



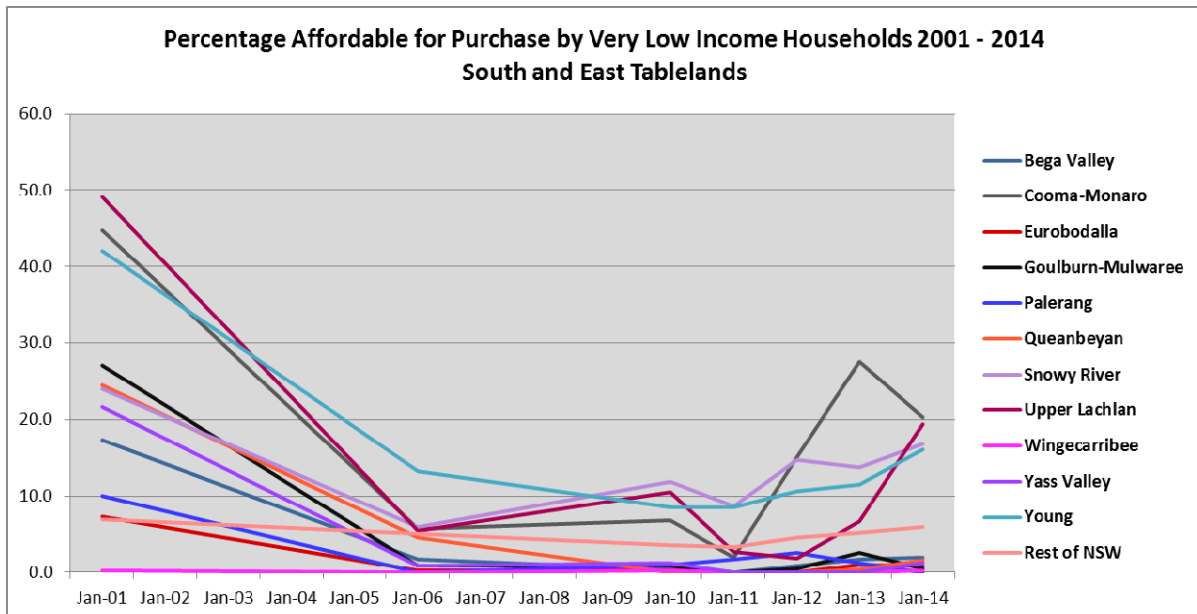
- the graph below shows the sales price trend for strata properties between 1991 and 2014 in the South and East Tablelands region LGAs – although Bombala, Boorowa, Harden and Upper Lachlan had insufficient sales of strata properties to give a trend line for this period
- for the 20 year period between 1994 and 2014, Cooma-Monaro had the strongest increase in median strata price with 1250% and Snowy River the lowest with 78.9% (excluding Bombala, Boorowa, Harden, Palerang and Upper Lachlan which had insufficient strata properties to calculate the increase in median rents)
- again there is strong seasonal variation in media sales prices in many if not most of the local government areas in this region. This is not entirely surprising in areas impacted by a seasonal influx of tourists, such as Snowy River and Bega Valley. This level of variation is not unusual but is more common in rural and regional parts of NSW than in Sydney. In rural areas the house price variations are impacted by the size of properties (house and land) sold.



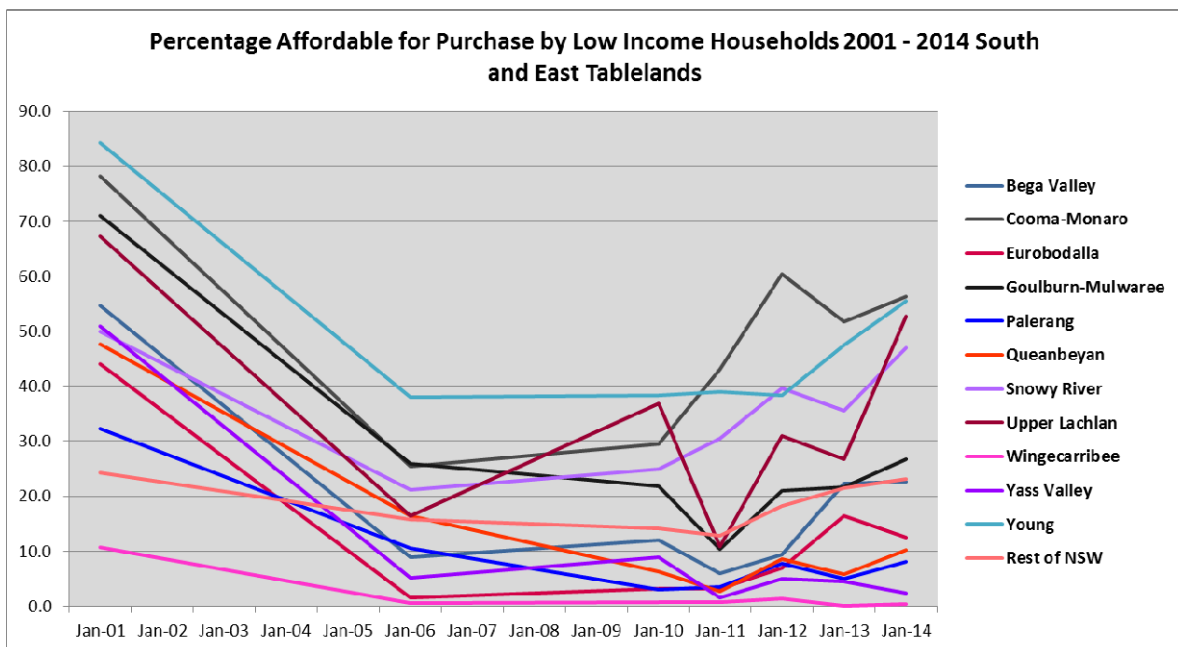


### Purchase Affordability

- purchase affordability for very low income earners in the South and East Tablelands region has declined considerably since 2001. Bega Valley (2.0%), Eurobodalla (0.8%), Goulburn-Mulwaree (0.5%), Palarang (0%), Queanbeyan (1.6%), Wingecarribee (0.2%) and Yass Valley (1.2%) all have a lower proportion of affordable purchase for very low income households than the average of just 5.9% for the rest of NSW.
- the graph below shows the proportion of properties that are affordable for purchase by very low income households in each of the South and East Tablelands region local government areas and the Rest of NSW between 2001 and 2014



- the situation for low income households in particular has improved somewhat in most LGAs in the region in the last couple of years with continual cuts in interest rates Nevertheless, Wingecarribee (0.5%), Yass Valley (2.4%), Palerang (8.1%), Queanbeyan (10.2%), Eurobodalla (12.4%) and Bega Valley (22.7%) all have a lower proportion of affordable purchase for low income households than the average for the Rest of NSW (23.1%). All the South East Tablelands LGAs have a lower proportion of affordable purchase in 2014 than in 2001
- again the higher priced locations close to Sydney, Canberra and on the coast have the least affordable for purchase
- the graph below shows the proportion of properties that were affordable for purchase by low income households in the South and East Tablelands 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)