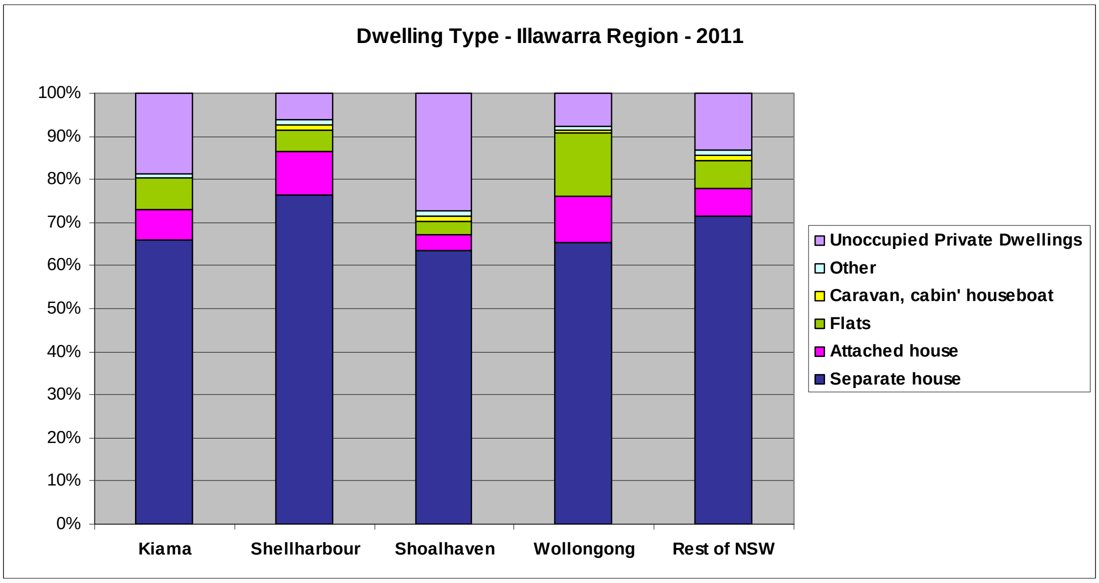
Illawarra Region - What's Happening with Housing Supply and does it Match Demand?

Dwelling Type

- The vast majority of dwellings in the Illawarra are separate houses, comprising a range from 77.2% of all dwellings in Shellharbour to 64.2% in Shoalhaven – this compares with 56.5% on average across Sydney and 72.2% in the Rest of NSW. Both Shoalhaven (27.5%) and Kiama (18.9%) have very high proportions of unoccupied dwellings, well above the average for the Rest of NSW (13.4%).
- Wollongong (10.8%) and Shoalhaven (6.7%) experienced an increase in flats between 2006 and 2011 – at a lower rate than for Sydney (54.5%) - but at a higher rate than for the Rest of NSW (just 3.2%). Shellharbour (0.9%) and Kiama (2.4%) had very little increase in flats.
- The graph below shows the proportion of households in each of the key dwelling types in the Illawarra LGAs and Rest of NSW at the 2011 Census.



- There are many households living in caravan, cabin and houseboat accommodation, particularly in Shoalhaven and Wollongong. Between 2006 and 2011 the number of households in this type of accommodation increased in Shellharbour but declined in all the other Illawarra LGAs (particularly Wollongong). Caravan or residential parks are one of the few remaining affordable housing options for lower income earners and the decline in numbers in Wollongong is another indicator of the loss of affordable housing.
- The table below shows the increase in the number of houses and flats in the Illawarra and Rest of NSW between the 2006 and 2011 Census.

Area	Increase in Houses 2006 - 2011	Increase in attached houses	Increase in Flats 2006 - 2011	Total Increase in Dwellings 2006 - 2011	Flats as % of total increase
Kiama	307	261	14	585	2.4
Shellharbour	1,197	364	15	1,647	0.9
Shoalhaven	1,192	652	129	1,915	6.7
Wollongong	1,900	1,325	348	3,218	10.8
NSW	55,051	37,371	53,440	138,464	38.6
Rest of NSW	34,607	11,629	1,368	42,837	3.2

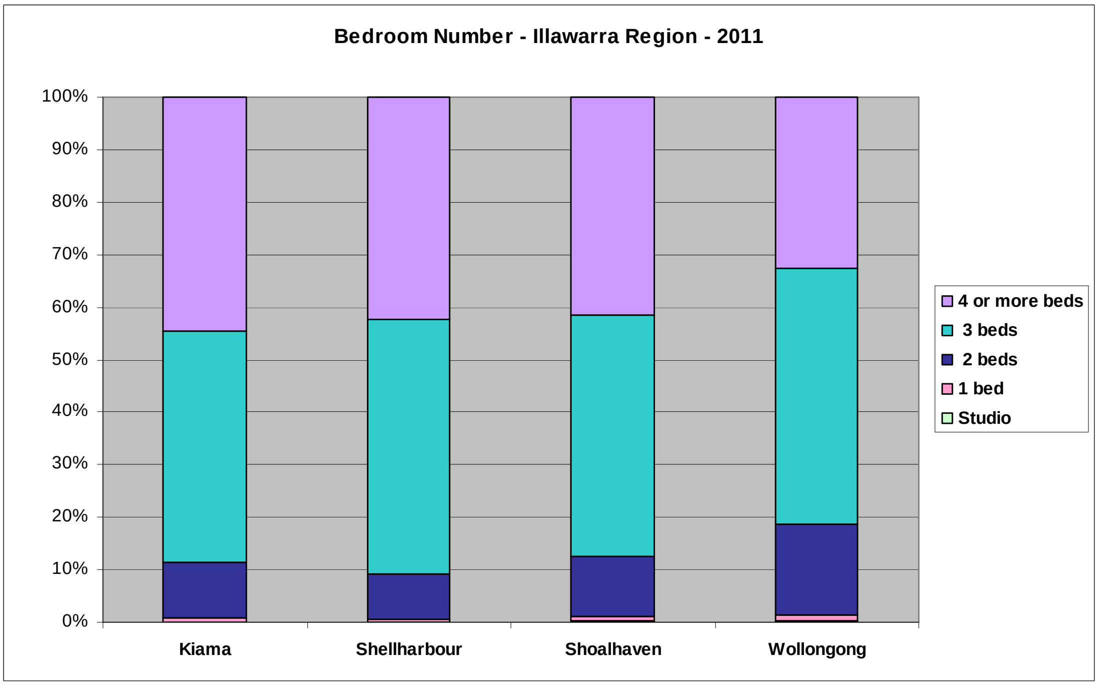
Bedroom Mix

- Given the forecast increase in older age groups in the population and the increased number of single person and couple only households, ideally there should be an increase in the number of studio, one and two bedroom dwellings to suit these households types.
- However, Shoalhaven lost studio, one, two and three bedroom stock between 2001 and 2011. Shellharbour and Wollongong had small increases in studio dwellings, lost one, two and three bedroom stock and Kiama lost one and two bedroom stock, had a tiny increase in studios, and an increase in three bedroom stock. However all the Illawarra LGAs had substantial increases in four bedroom stock. Consequently across the Illawarra region, the diversity of number of bedrooms available has significantly reduced.
- Studio, one and two bedroom dwellings combined comprise just 9.1% of all dwellings in Shellharbour, 11.3% in Kiama, 12.7% in Shoalhaven and 18.6% in Wollongong. This is in spite of the fact that lone person and couple only households combined comprise 57.9% of all households in Shoalhaven, 53.8% in Kiama, 49.3% in Wollongong and 45.5% in Shellharbour.
- The table below shows the change in the number of studio (0), one, two, three and four or more bedroom dwellings in Kiama, Shellharbour, Shoalhaven, Wollongong and the Rest of NSW between 2001 and 2011.

Change in number of bedrooms 2001 – 2011

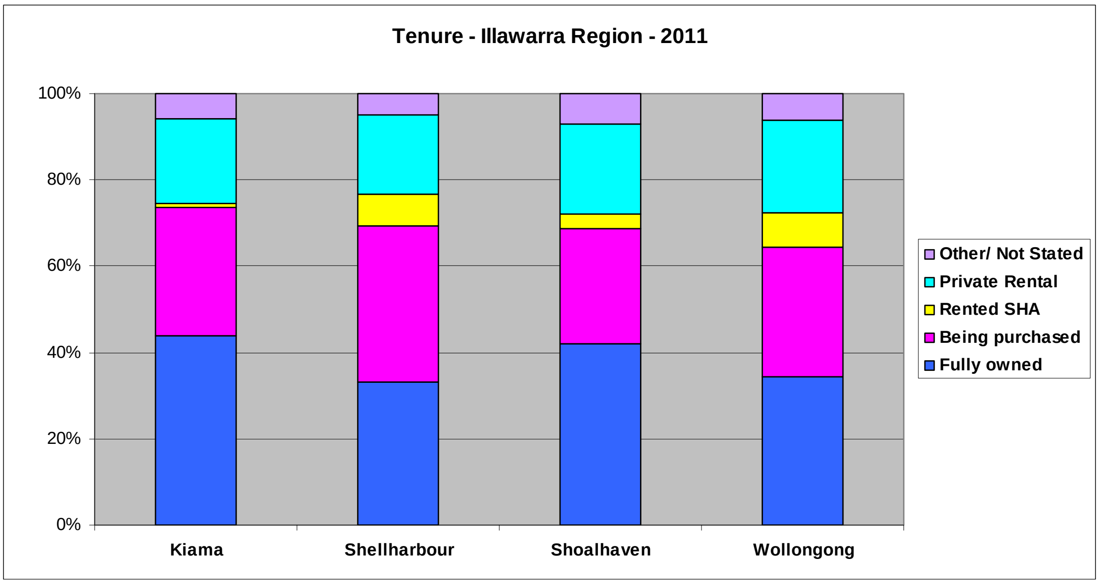
LGA	0 bedrm	1 bedrm	2 bedrm	3 bedrm	4 bedrm	total
Kiama	1	-16	-28	109	422	3,592
Shellharbour	4	-18	-116	-364	2,273	12,415
Shoalhaven	-11	-55	-533	-319	2,940	17,986
Wollongong	19	-1	-288	-646	3,764	39,162
Rest of NSW	-268	-515	-7,180	-7,379	59,288	487,941

- The graph below shows the proportion of studio, one, two, three and four or more bedroom dwellings in each of the Illawarra LGAs at the 2001 Census.



Tenure

- There has been a decline in the proportion of households which own their home outright (falling by between 12.9% in Wollongong and 3.9% in Kiama). Over the same period there have been large increases in the proportion of households purchasing their home (by between 46.7% in Shoalhaven and 37.2% in Kiama) and increases in private rental (by between 28.1% in Shoalhaven and 15.8% in Wollongong).
- All the Illawarra LGAs have lower proportions of private rental than the Sydney average of 26% and are also lower than the average for the Rest of NSW (23.0%) – Kiama 19.7%, Shellharbour 18.6%, Shoalhaven 20.8% and Wollongong 21.5%.
- At a time of increasing demand for private rental, as the number of households staying long term in private rental rather than transitioning through private rental between leaving home and purchasing a home, this lower proportion of private rental significantly reduces capacity to meet changing local housing needs.
- The graph below shows the proportion of households in each of the key tenure types in Kiama, Shellharbour, Shoalhaven and Wollongong at the 2011 Census.



Public Housing

The table below shows the number of public housing properties in the Illawarra region as at December 2014. Please note that Census data on public housing is not particularly accurate, as public housing tenure is under reported in the Census. The figures below do not include community housing properties.

Area	Public Housing stock December 2014
Kiama	9
Shellharbour	1,712
Shoalhaven	952
Wollongong	6,367
New South Wales	113,114

The table below shows the expected waiting times for general housing approved social housing applicants (not for priority housing applicants) by bedroom category in the Illawarra region. Both Wollongong and Shellharbour have a higher than Sydney and Rest of NSW average provision of social housing.

Expected Waiting Time by Table				
ALLOCATION ZONE	**1 bedroom**	**2 bedrooms**	**3 bedrooms**	**4 bedrooms**
S7 KIAMA				
S10 SHELLHARBOUR				
S11 NOWRA				
S12 ULLADULLA				
S15 WOLLONGONG CITY				
S16 SOUTH WOLLONGONG				
S20 BERRY				
S23 HELENSBURGH				
S24 HUSKISSON				
S29 SHOALHAVEN HEADS				
S31 SUSSEX INLET				

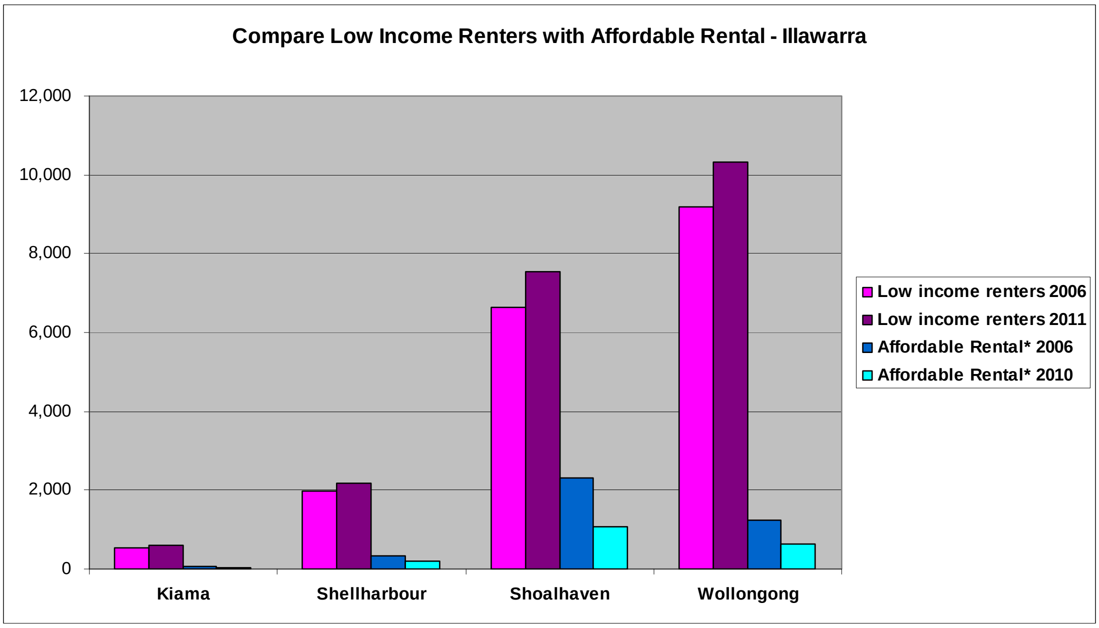
Legend for Expected Wait Time Bands	
	Up to 2 years
	2 to 5 years
	5 to 10 years
	10 + years
	No properties

NOTE: Expected Waiting Time data as at 30 June 2014.

More information on Expected Waiting Times for Public Housing is available on the Housing NSW website by region at:
http://www.housingpathways.nsw.gov.au/How+to+Apply/Expected+Waiting+Times/

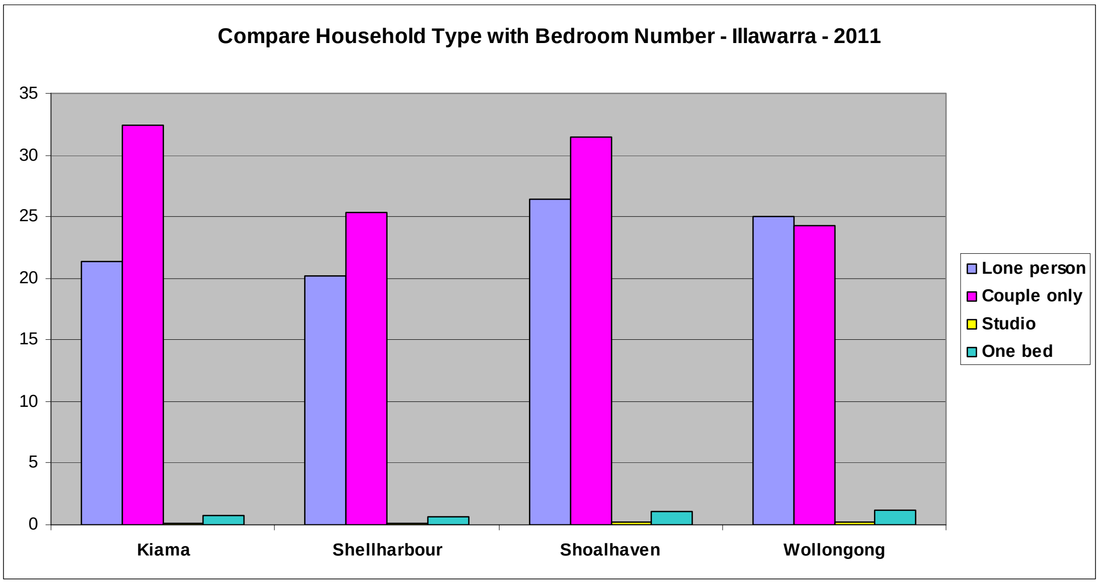
The Gap

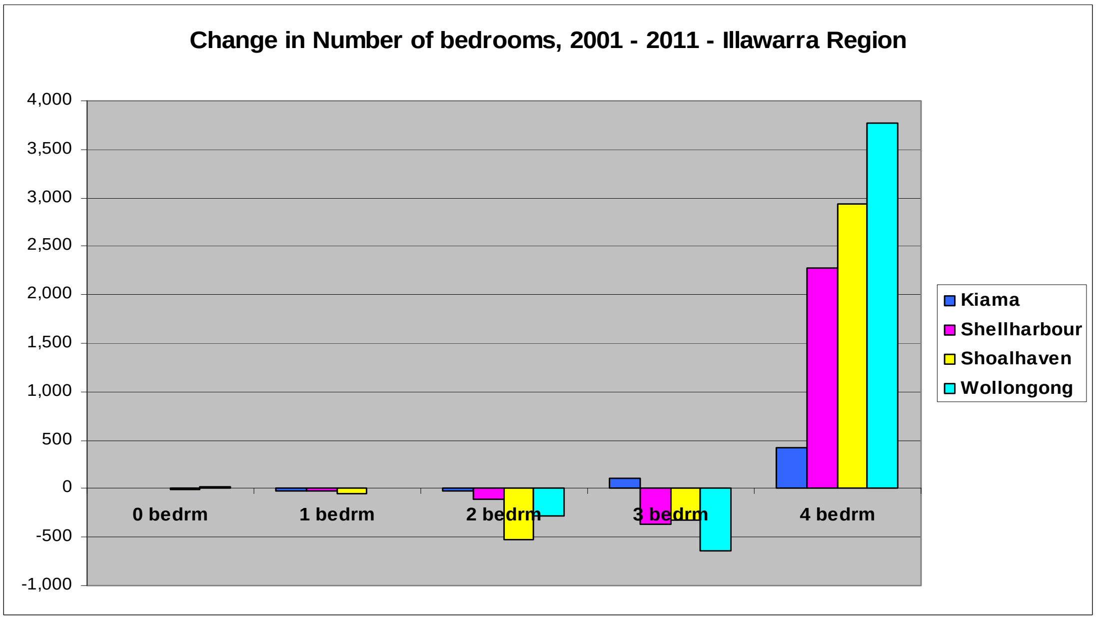
- The Illawarra is a region that is regarded as more affordable for both rental and purchase than neighbouring Sydney. Yet there is a large and growing gap between the increasing number of low income earners in the private rental market and the declining number of private rental properties that are affordable for low income households. There is also very limited opportunity for low income households to affordably purchase in the Illawarra.
- The Illawarra generally has a lower provision of private rental and there is a very clear need for more affordable rental accommodation to begin to address the significant demand supply imbalance, particularly for lower income households, the increasing number of seniors and frail aged and for students at the University of Wollongong.
- The long term tight vacancy rate, the strong increase in rental levels, decline in rental affordability for lower income earners and significant loss of affordable rental properties, combined with the very high proportion of low income households and strong growth in the number of low income renters further demonstrate the need to increase the supply of private rental housing and more particularly, affordable rental housing.
- The graph below compares the change in the number of low income renters between 2006 and 2011 with the change in the number of affordable rental bonds at 2006 and 2010.



- The region also has a worsening match in suitability between household type and dwelling characteristics, in particular bedroom numbers, with a loss of one, two and three bedroom stock, a lack of studio, one and two bedroom dwellings and a massive increase in four bedroom stock between 2006 and 2011.
- This is concerning given that a little over half of all households in this region are either single person or couple only households. These are the households that are projected to grow the fastest over the period to 2031.
- A proactive stance is required to encourage an increase in one and two bedroom properties. The latter in particular provide some flexibility, being suitable for lone person, couple only and small family households as well as for older age groups. This is important given that annually the additional of new dwellings represents around 1% of the total dwelling stock – so change occurs very slowly. Given the current overwhelming trend to four bedrooms, strong incentives/requirements would need to be put in place to ensure a better balance and more diversity to meet housing need.

The graphs below compare the number of lone person and couple only households with the number of one and two bedroom dwellings and show the change in the number of bedrooms between 2001 and 2011 in the Illawarra.





Additional Data

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/

More information on Expected Waiting Times for Public Housing is available on the Housing NSW website by region at:
http://www.housingpathways.nsw.gov.au/How+to+Apply/Expected+Waiting+Times/