

West Sydney Subregion – What’s Happening in the Housing Market?

Housing Market - Rental

Rents

- Median rents are very comparable across all bedroom categories in the West subregion, with Blue Mountains having the highest rents for one and two bedroom properties, Hawkesbury for three bedroom, and both Penrith and Hawkesbury for four or more bedroom dwellings at December 2014.

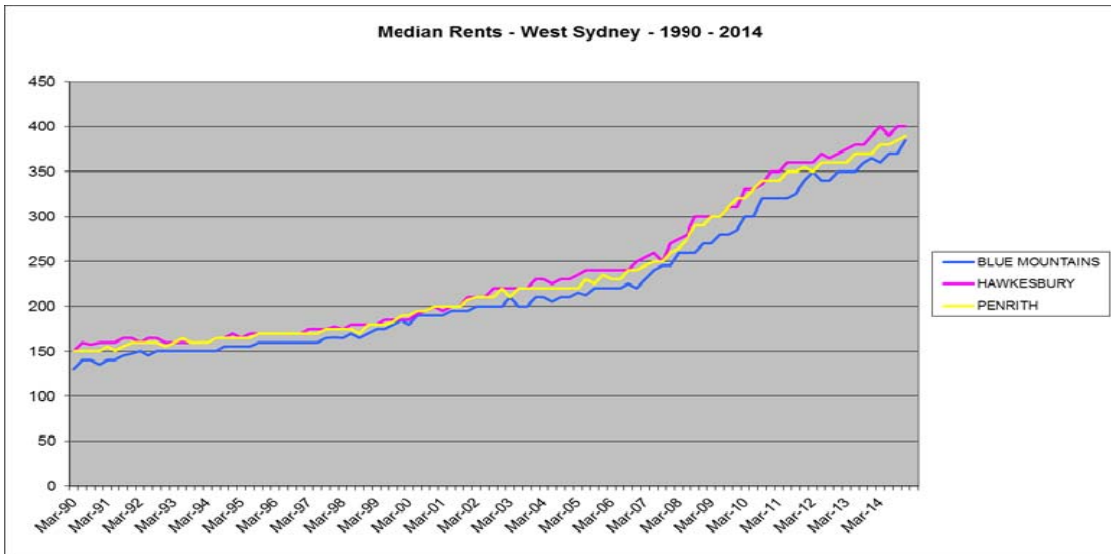
Area	Mar-08					Dec-14				
	0 bed	1 bed	2 bed	3 bed	4 bed	0 bed	1 bed	2 bed	3 bed	4 bed
Blue Mountains		158	220	260	350	-	250	330	400	480
Hawkesbury		163	225	280	350	-	233	320	420	500
Penrith		168	200	270	350	-	240	310	400	500

Note there were insufficient studio dwellings to ascertain the median rent.

- There have been strong increases in median rents in all bedroom categories over the last six years in the West Sydney subregion, with the highest rent increases being for one bedroom properties in Blue Mountains (58.7%), followed by 2 bedroom dwellings in Penrith (55.0%), two bedroom properties in Blue Mountains (50%) and three bedroom in Hawkesbury (50.0%).
- The table below shows the percentage change in median rents for all dwellings (houses and flats) for studio, one, two, three and four or more bedroom properties between 2008 and 2014.

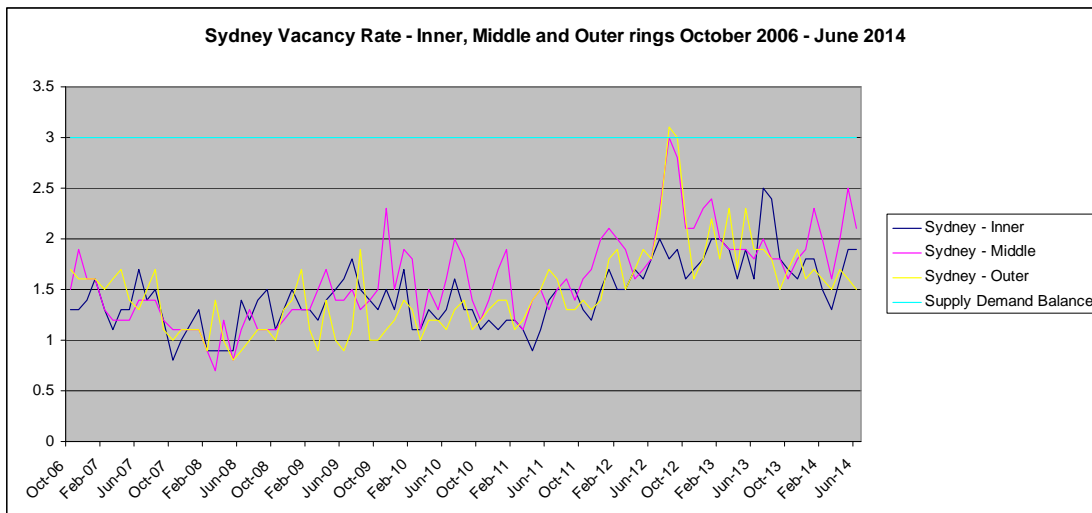
% change 2008 - 2014	0 Bed	1 bed	2 bed	3 bed	4 bed
Blue Mountains		58.7	50.0	53.8	37.1
Hawkesbury		43.4	42.2	50.0	42.9
Penrith		43.3	55.0	48.1	42.9

- The graph below shows the long term trend for median rents for all dwellings in each of the local government areas in the West Sydney subregion for the period from 1990 to 2014. Note the strong increase in rents from about 2006 onwards.



Vacancy Rate

- For most of the period since 2006, the vacancy rate has been below 2% - indicating a long term severe shortage of private rental accommodation. At June 2014, the vacancy rate in the outer ring is 1.5% REI NSW. According to SQM Research, the vacancy rate for the whole of Sydney at October 2014 was 1.6%.
- The graph below shows the vacancy rate in the private rental market in the Inner, Middle and Outer ring areas of Sydney between 2006 and 2014, using Real Estate Institute of NSW data.

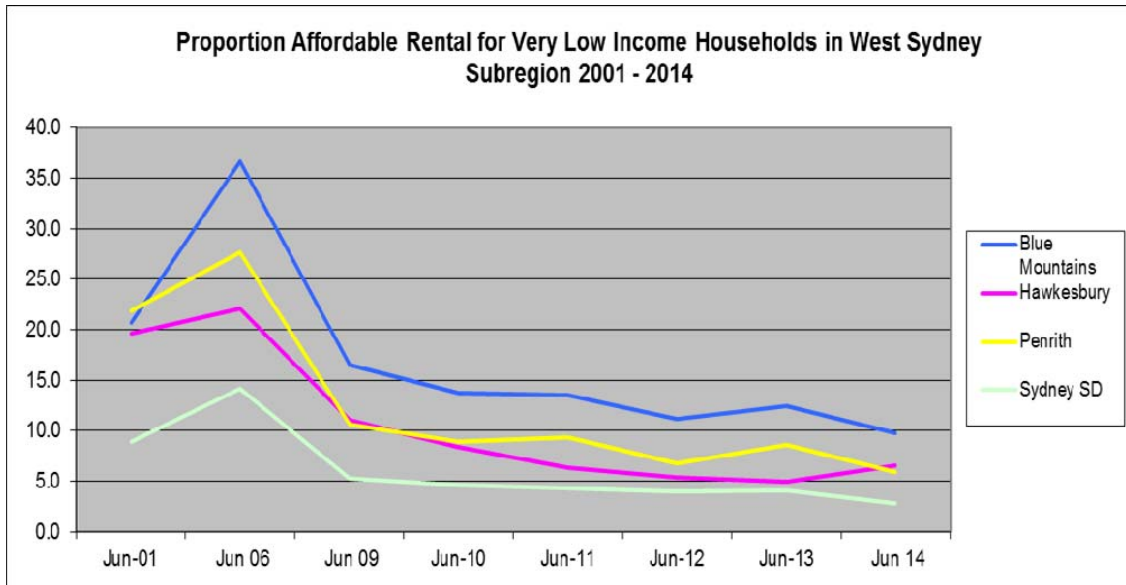


- Penrith, Hawkesbury and Blue Mountains are included in the outer ring.

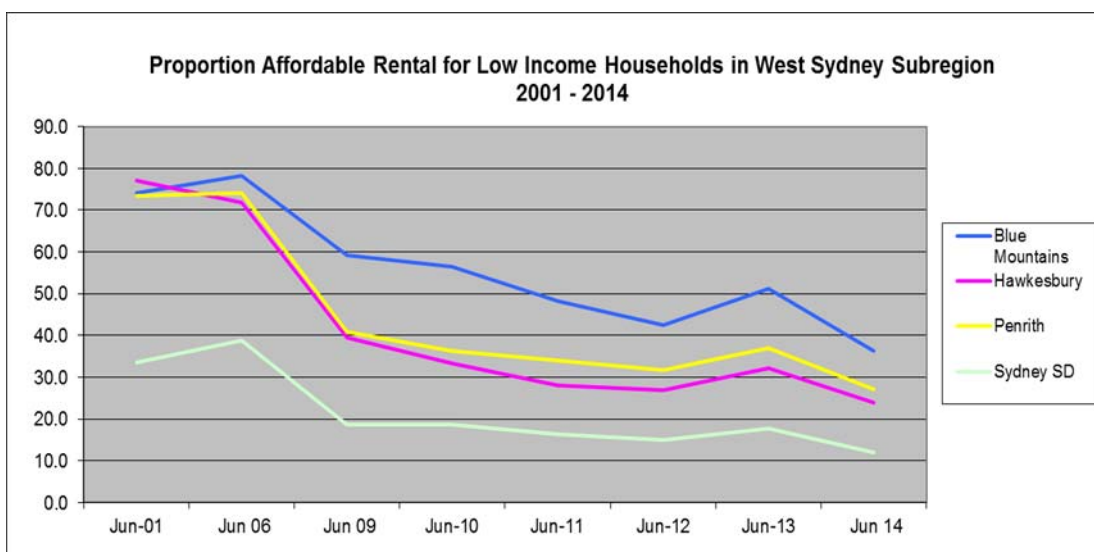
Affordable Rental

- Even in this subregion, which has historically been more affordable, the reduction in the proportion of rental housing that is affordable has been significant. While all three West Sydney LGAs have a higher proportion of rental stock affordable to very low income households than the Sydney average of 2.8% at June 2014, the amount of affordable housing is still very low, with Penrith having 5.9%, Hawkesbury 6.5% and Blue Mountains 9.8%.

- The graph below shows the proportion of affordable rental for very low income households for the period 2001 to 2014 in the West Sydney subregion local government areas and Sydney Statistical Division.

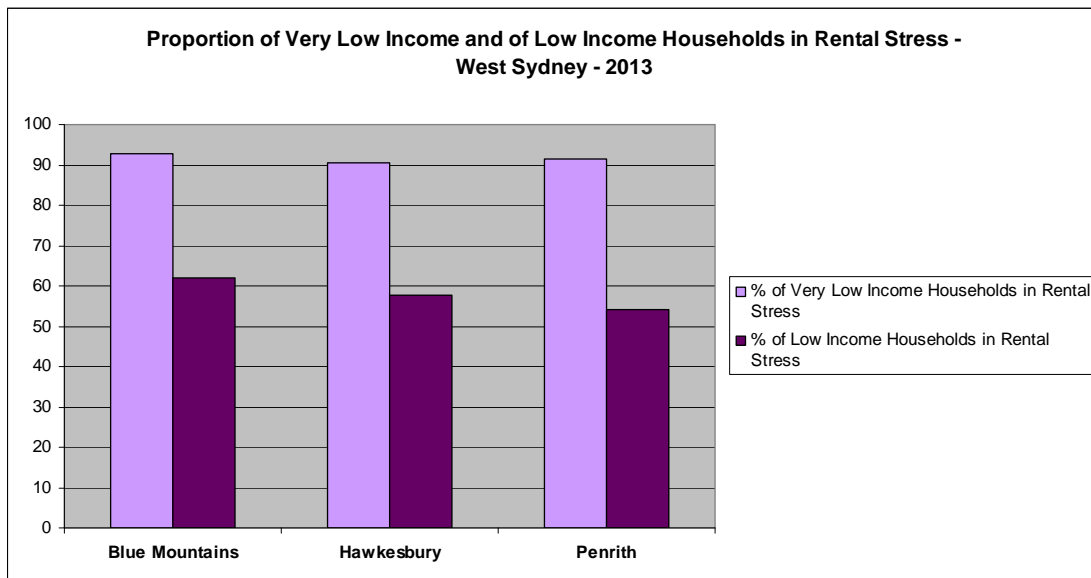


- The proportion of rental affordable for low income households has also declined in the West Sydney subregion, although it is above the average for Sydney of 11.9%. Hawkesbury has 23.9%, Penrith 27.1% and Blue Mountains 36.4% affordable rental at June 2014.
- Given the high proportion of low income earners and low income rental households in the West Sydney subregion, the decreasing proportions of private rental accommodation that are affordable for lower income earners is of concern.
- The graph below shows the proportion of private rental affordable for low income households over the period from 2001 to 2014 in all three West Sydney subregion local government areas.



Rental Stress

- Although there is a little more affordable rental in West Sydney than the very low average for Sydney as a whole, there are still very high proportions of lower income private rental households in housing stress in West Sydney subregion – that is lower income households in the private rental market paying more than 30% of their income in rent.
- The graph below shows the proportions of very low and low income households in rental stress in the West Sydney subregion at 2013.



- The proportion of households in the private rental market paying more than 30% of their income in rent in West Sydney ranges from 93% of very low income earners in Blue Mountains LGA to 91% in Hawkesbury and Penrith in housing stress, with a range from 62% of low income earners in Blue Mountains to 54% in Penrith being in rental stress.
- The table below shows the number and proportion of tenants in the West Sydney Subregion 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 very high numbers and proportions of lower income private rental households in housing stress.

Area	Total CRA recipients 2012	CRA recipients in Housing Stress 2012	% in Stress
Blue Mountains	4,217	1,697	40.2
Hawkesbury	3,328	1,220	36.7
Penrith	10,228	3,915	38.3
Sydney SD	215,820	103,393	47.9

Loss of Affordable Housing

- FACS has calculated the number of new bonds lodged that were affordable to low income households in 2006, 2010 and 2013.
- All three West Sydney subregion local government areas experienced a significant loss of affordable housing between 2006 and 2013 – ranging between 59% fewer affordable rental bonds lodged in Blue Mountains and Penrith over that period to 69% fewer in Hawkesbury. Penrith lost 2,265 affordable rental properties over that period, Blue Mountains 1,103 and

Hawkesbury 860, totalling 4,228 affordable private rental properties lost in just a seven year period.

- Penrith actually had a small increase in the number of affordable bonds lodged between 2010 and 2013. Over the same period Penrith Council approved a larger number of dwellings under the provisions of the Affordable Rental Housing State Environmental Planning Policy – largely secondary dwellings. This appears to have had some impact and helped stem the decline in the number of affordable bonds lodged between 2010 and 2013.
- The table below shows the number of new bonds lodged in the private rental market that were affordable to low income households in 2006, 2010 and 2013 in the Blue Mountains, Hawkesbury and Penrith.

No. of affordable rental properties for low income households			
LGA	2006	2010	2013
Blue Mountains	1,859	938	756
Hawkesbury	1,238	464	378
Penrith	3,858	1,552	1,593

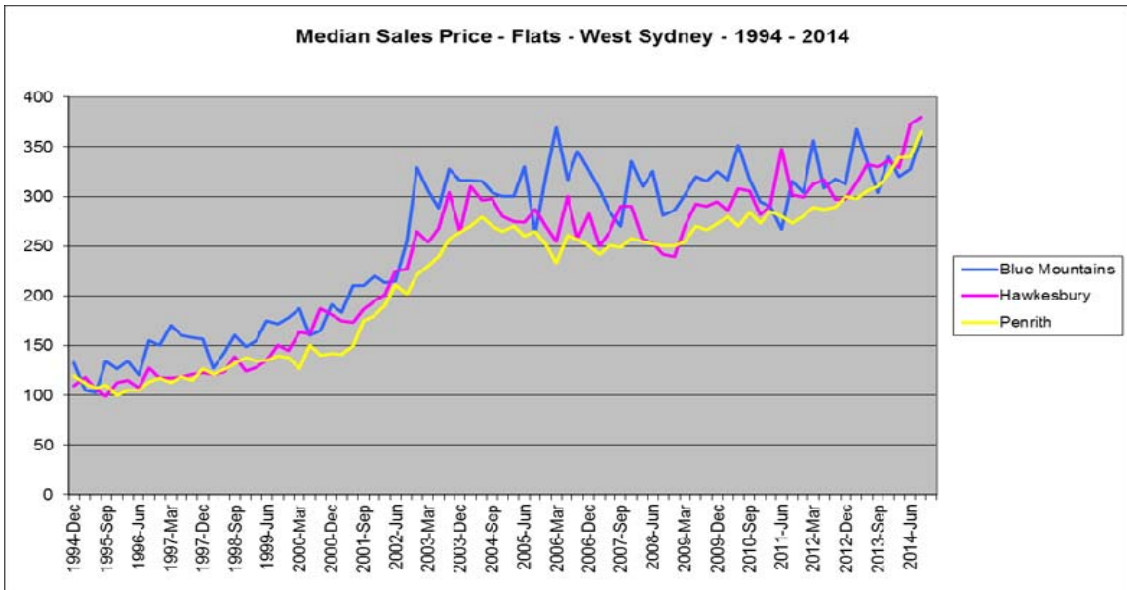
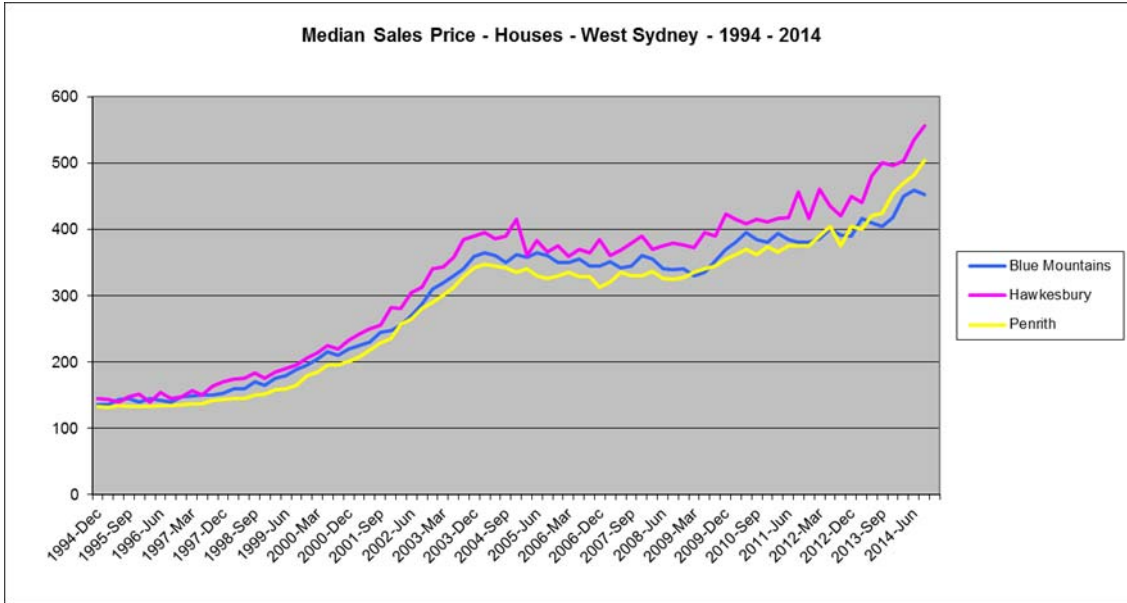
Housing Market - Purchase

Sales Price

- Over the last six years in the West Sydney subregion changes in price have been upward, with the strongest increase being for houses in Hawkesbury (50.5%). Hawkesbury also had the strongest growth in the median price of flats over the six years from 2008 to 2014, with a 47.9% increase. Sales price increases in this subregion have generally been lower than adjoining West Central and South West Sydney subregions.
- The table below shows the change in median rents in both numerical and percentage terms for both flats and houses, between 2008 and 2014 in each of the West Sydney subregion local government areas.

lga	Flats				Houses			
	2008-Mar	2014-Sep	Change	%	2008-Mar	2014-Sep	Change	%
Blue Mountains	\$ 310	\$ 360	\$50	16.1	\$ 355	\$ 452	\$97	27.3
Hawkesbury	\$ 257	\$ 380	\$123	47.9	\$ 370	\$ 557	\$187	50.5
Penrith	\$ 255	\$ 365	\$110	43.1	\$ 337	\$ 504	\$167	49.5

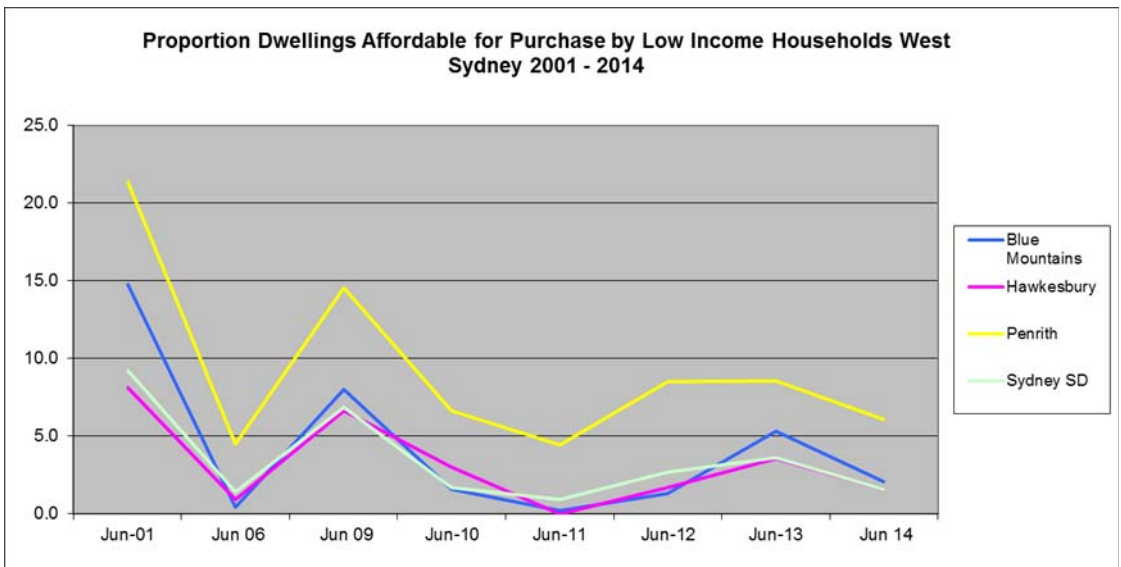
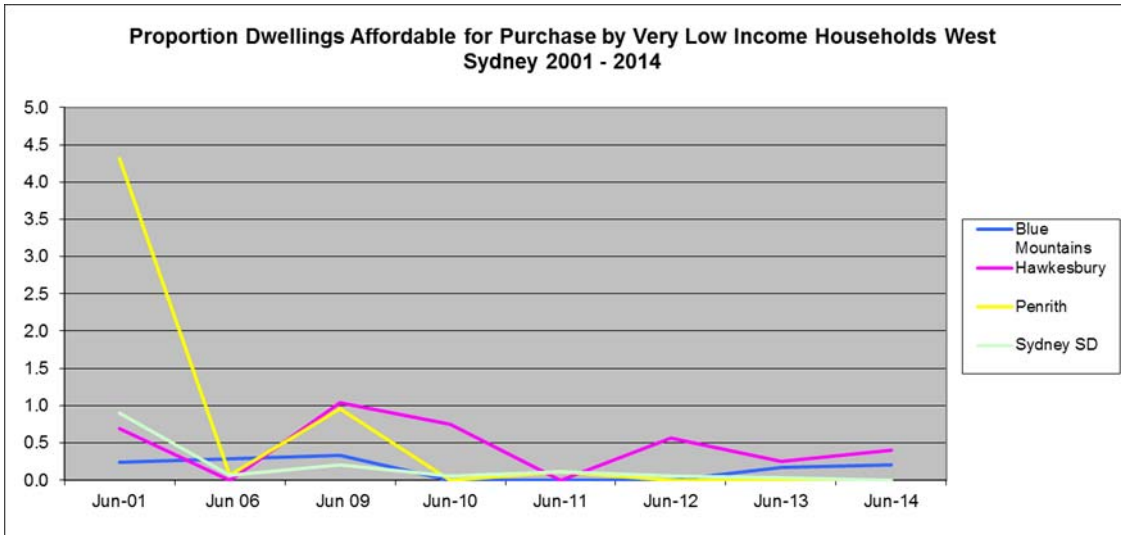
- The two graphs below show the long term trend (1994 to 2014) in median sales price for houses and for flats in the three West Sydney subregion local government areas. Note that there were strong increases in median sales price between around 2000 and 2004 and price increases have picked up again from 2012.



Purchase Affordability

- Purchase affordability for very low income earners in the West Sydney subregion has been at close to 0% for the last eight years.
- At September 2014, the proportion of very low income households was 0.0% on average in Sydney and was also 0.0% in Blue Mountains and Penrith, with Hawkesbury having just 0.5% affordable purchase.
- The situation for low income purchasers is only marginally better in Hawkesbury and Blue Mountains, with a little more scope in Penrith. At September 2014, 1.6% of properties were affordable for purchase by low income households in Hawkesbury, 1.8% in Blue Mountains and 5.7% in Penrith, compared to 1.3% on average across Sydney. These are extremely low levels of affordable housing for purchase in West Sydney and demonstrates that home purchase is out of reach for lower income groups in Sydney. This puts so much more pressure on a tight private rental market.

- The two graphs below show the proportion of dwellings affordable for purchase by very low income households and low income households between 2001 and 2014 in the three West Sydney subregion local government areas.



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/>