Central District – What's happening with supply and is it a good match?

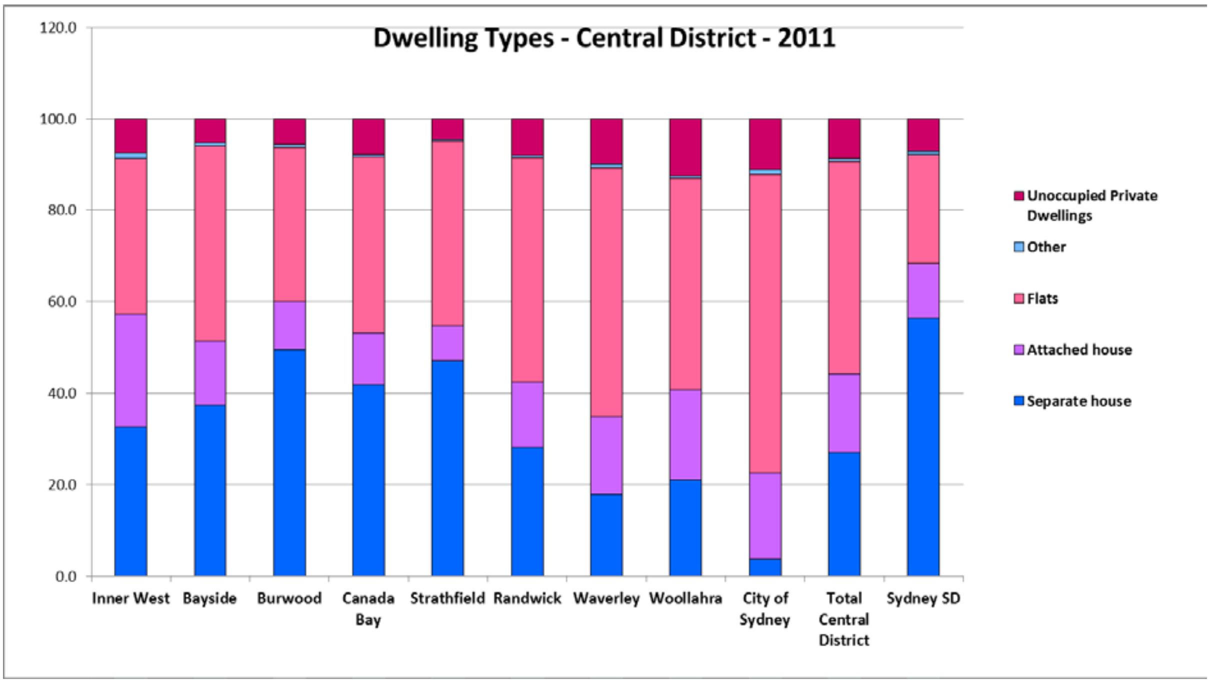
This snapshot of housing supply and the match to housing demand in the Central District takes a brief look at dwelling types; bedroom mix; tenure, public housing and the gap between supply and demand across the local government areas (LGAs) which comprise the Central District. Further analysis is included in the snapshot information on housing demand and the housing market for the Central District

Dwelling supply

- At the 2011 Census, the number of dwellings in the Central District was 362,565 (Inner West 72,048; Bayside 51,750; Burwood 11,373; Canada Bay 30,386; Randwick 51,688; Strathfield 11,916; City of Sydney 82,361; Waverley 27,634 and Woollahra 23,409).
- The Department of Planning and Environment (DPE) have forecast population growth of 1,575,550 for the whole of Sydney between 2011 and 2031, equating to an additional 623,850 households and an implied 664,300 additional dwellings required. The Central District is expected to cater for additional population growth and increased dwelling supply, with the strongest growth forecast for City of Sydney, Canada Bay, and Burwood LGAs.

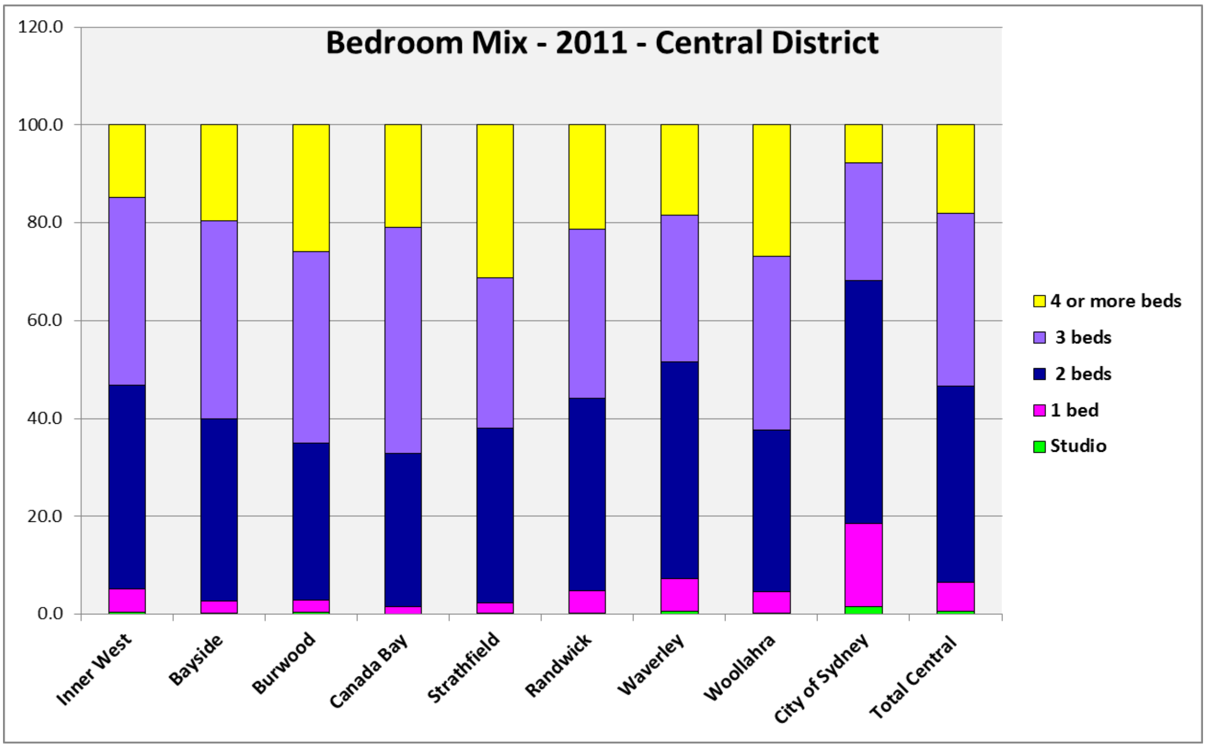
Dwelling type

- The Central District LGAs have a good mix of dwelling types, with separate housing comprising between 3.7% (City of Sydney) and 49.5% (Burwood) compared to the average of 56.5% across Sydney Statistical Division (SD); attached housing comprising between 7.7% (Strathfield) and 24.8% (Inner West) compared to the average of 11.8% across Sydney SD; and flats comprising between 33.6% (Burwood) and 65.4% (City of Sydney) compared to the average of 23.9% across Sydney SD.
- The graph below shows the proportion of each of the key dwelling types at the 2011 Census in all the Central District LGAs compared to Sydney SD.



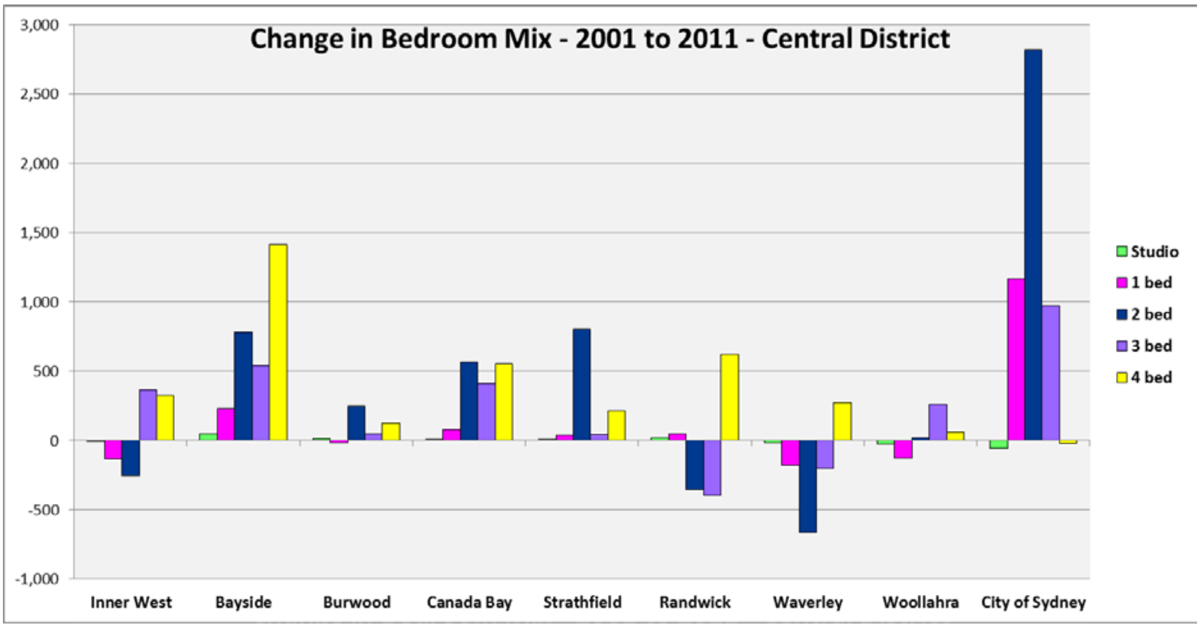
Bedroom mix

- Across the Central District at the 2011 Census, 0.5% of dwellings were studios; 6.0% were one bedroom dwellings; 40.0% were two bedroom dwellings; 35.4% were three bedroom and 18.0% were four bedroom. Two bedroom dwellings are actually the most flexible, being suitable for most household types – single person, couple and family households – and therefore capable of meeting a range of housing needs.
- To test the suitability of existing dwelling stock to household types, a comparison of the number of bedrooms in dwellings with household types is useful. Given the ageing of the population, the significant number of single person and couple only households and the forecast strong increase in lone person households, ideally there should be an increase in the number of studio, one and two bedroom dwellings.
- The graph below shows the proportion of each bedroom type at the 2011 Census in all the Central District LGAs. It is clear that the proportion of studio dwellings is insignificant and other than City of Sydney, the proportions of one bedroom dwellings are low.



- Across all the Central District LGAs In the ten year period between 2001 and 2011, the biggest increase has been in two bedroom dwellings, with a total increase of 3,954.
- This is followed by the increase in four bedroom dwellings of 3,560. Across Sydney SD over the ten year period to the 2011 Census there has been a trend to the increase in four bedroom dwellings, much of this through adding bedrooms to existing housing stock. In some locations this has actually led to the loss of one, two and three bedroom stock, reducing the diversity of stock to meet changing housing needs.
- The increase in one bedroom dwellings in the Central District over the ten years to 2011 was 1,108 and for three bedrooms was 2,044. According to the 2001 and 2011 Census, there was actually a small loss in the number of studios across the Central District over this period.
- This indicates that for the most part, the change in bedroom numbers is a reasonable fit with the change in household types in the Central District. However, the high numbers of lone person households suggest there is scope for more studio and one bedroom dwellings to meet need and provide housing choice.

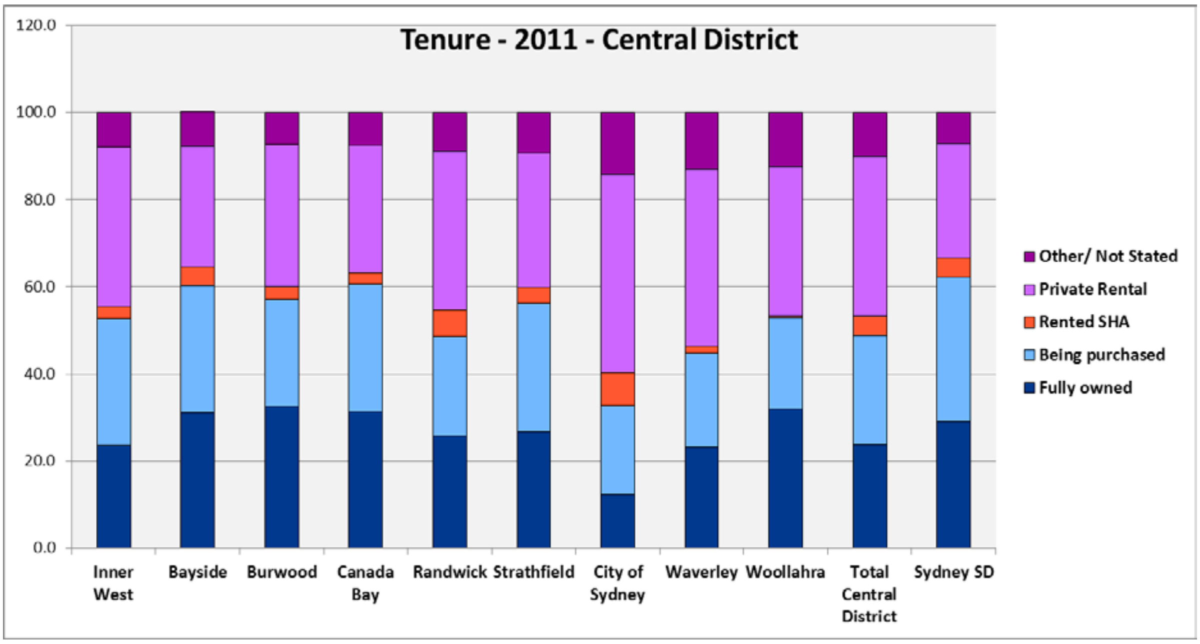
- The graph below shows the change in the number of bedrooms between 2001 and 2011, by LGA for the Central District. The increase in four bedroom dwellings in every Central District LGA except in the City of Sydney is evident. Note the apparent upsizing of existing dwellings, particularly in the LGAs of Inner West, Randwick, Waverley and Woollahra.



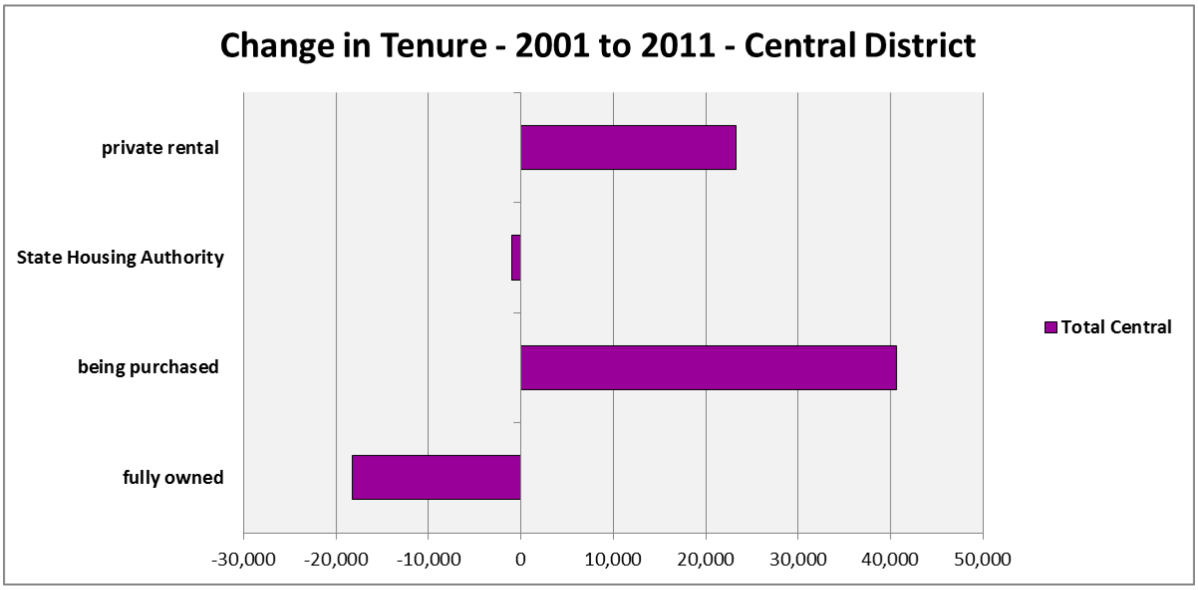
Tenure

- There has been a shift in tenure between 2001 and 2011 across NSW, with a significant decline in households owning their home outright and an increase in purchasers and to a lesser extent, renters.
- This trend has also occurred in the Central District, with the decline in the proportion of households fully owning their home between 2001 and 2011 ranging between -18.7% in Strathfield and -3.1% in City of Sydney compared with an average of -9.1 for the Central District and -10.0% across Sydney SD. The increase in purchasers over the same period ranged from 14.0% in Strathfield to 7.3% in City of Sydney, compared to 9.2% on average across the Central District and 9.5% across Sydney SD. With the exception of Inner West, all the Central District LGAs had increases in the proportion of private rental households, with Canada Bay having the largest increase of 3.9%, followed by Strathfield with 3.8% and City of Sydney with 3.1%, with Sydney SD having an average increase of 1.3% and 1.4% across the Central District. Against the Sydney wide trend to increase in private rental, Inner West actually lost private rental. The data suggests this is likely to be through rental properties being sold and purchased for owner occupation.
- All the Central District LGAs have a higher proportion of private rental than the average for Sydney SD of 26.1%, ranging from 29.1% in Canada Bay to 45.5% in City of Sydney with an average of 36.1% across the Central District. Increasingly the private rental market has become a long term tenure for many, rather than a transitional tenure between leaving home and buying a home. The higher proportion of private rental provides flexibility and is essential in a District with several universities and significant employment opportunities for lower paid workers.

- The graph below shows the proportion of households by tenure in all the LGAs of the Central District, as at the 2011 Census. The higher proportions of private rental across the LGAs of the Central District in comparison with Sydney SD are evident.



- The graph below shows the change in tenure between 2001 and 2011 across the Central District. The decline in households which own their home outright and the increase in households purchasing or renting their home is clear.



Public housing

The table below shows the number of public housing properties in the Central District as at June 2016. 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 providers' (CHPs) properties.

Area	Public housing stock June 2016
Inner West	2,141
Bayside	2,515
Burwood	371
Canada Bay	774
Randwick	3,798
Strathfield	518
City of Sydney	8,521
Waverley	468
Woollahra	76
Total Central District	19,182
Sydney SD	77,722

The table below shows the expected waiting times for approved social housing applicants (not for priority housing applicants) by bedroom category in the Central District. There are a number of CHPs operating in the Central District, providing both social and affordable housing. City of Sydney and Randwick LGAs both have much higher proportions of public housing than the average for Sydney SD, and a number of public housing concentrations. As indicated in the table, waiting times for general housing are 5 – 10 years or more than 10 years in every allocation zone in the Central District.

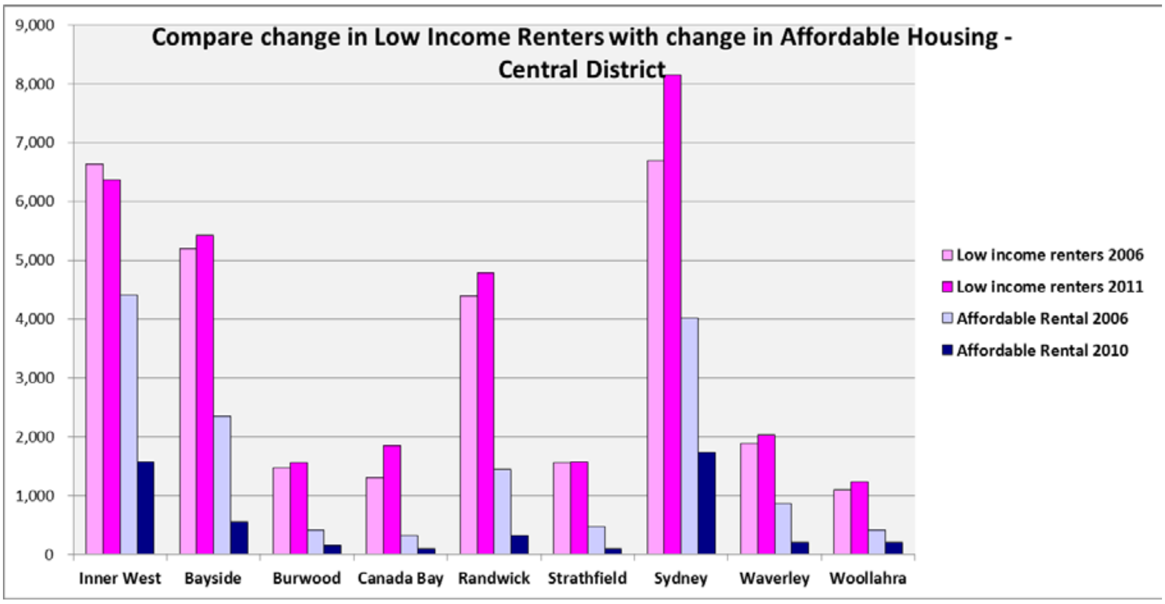
Expected Waiting Time by Table				
ALLOCATION ZONE	**1 bedroom**	**2 bedrooms**	**3 bedrooms**	**4 bedrooms**
Sydney District				
CS3 LEICHHARDT/ MARRICKVILLE				
CS7 INNER WEST				
South Eastern Sydney District				
CS1 SYDNEY				
CS2 EASTERN SUBURBS				
CS9 ST GEORGE				

Legend for Expected Wait Time Bands	
	Up to 2 years
	2 to 5 years
	5 to 10 years
	10 + years

NOTE: Expected Waiting Time data is as at 30 June 2015.

The gap between supply and demand

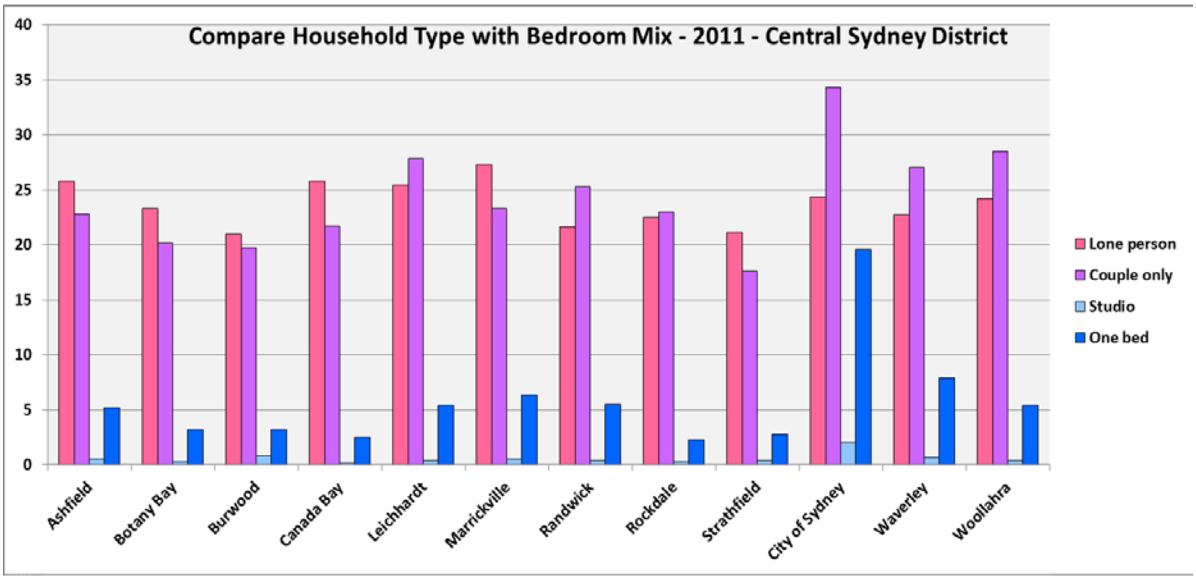
- Although there are a growing proportion of higher income households and a declining proportion of lower and moderate income households, the number of low income households is increasing in the Central District.
- There are also growing numbers of low income renters in the Central District, yet the supply of affordable housing has diminished to the point of being virtually non existent.
- The diminishing supply and very low proportions of private rental accommodation that are affordable for lower income earners together with the long term very tight private rental market, suggests that lower and moderate income earners are being squeezed out of the Central District LGAs. Those that remain are predominantly in housing stress.
- At the same time there is clearly strong demand for private rental, in part generated by proximity to employment in the CBD, the port, airport and specialised centres around the universities and hospitals at Randwick and Camperdown, as well as by students at the many universities within the Central District.
- There is a need for more targeted affordable private rental and housing diversity, including new generation boarding houses and specialist student accommodation to meet some of this demand and reduce the commute for lower paid workers – such as retail and child care workers, bus drivers, paramedics and so on, providing services in the Central District.
- The graph below compares the change in low income renters between 2006 and 2011 with the change in affordable rental over the same period (as measured by new bonds lodged) for each LGA in the Central District.



- An AHURI paper, 'Australia's private rental market: changes (2001-2006) in the supply of, and demand for, low rent dwellings' by Wulff, Dharmalingan, Reynolds and Yates notes that across Australia '*utilisation of low rent stock by higher income households leaves only one affordable and available dwelling for every five low-income households.'*
- Note that the AHURI report no.235 'Changes in the supply of affordable housing in the private rental sector for lower income households 2006 to 2011' by Hulse, Reynolds and Yates demonstrated that at 2011, Sydney had a shortfall of 93,000 affordable and available private rental dwellings for the lowest two income quintiles. This report updates earlier reports analysing the data from the 2001 and 2006 Census. The shortfall of affordable and available private rental for the lowest two income quintiles has increased at each census.
- It is therefore important that any new affordable housing supply is appropriately targeted to lower income households.
- The predominance of lone person and couple only households and the predicted strong growth in lone person households in this District suggests a need for studio, one and two bedroom dwellings, yet there are very small numbers of studio dwellings across the District

and outside of City of Sydney the numbers of one bedroom dwellings are low as well. There is a need to encourage more studio and one bedroom stock to provide housing choice to meet the needs of the significant and growing numbers of smaller households in the Central District. This type of accommodation is also suitable for students and there is a particularly high demand for student accommodation in the Central District.

- For the most part, the change in bedroom numbers between 2001 and 2011 is a reasonable fit with the change in household types in the Central District. However, there has been a significant increase in the number of four bedroom properties in the Central District despite a lower proportion of family households. Family households are not projected to increase as strongly in Central District as smaller household types. This suggests it is important to continue to encourage provision of one and two bedroom stock, to maintain a balance to meet local need, particularly where there are higher proportions of seniors and frail aged.
- The table below compares household type (lone person and couple only households) with bedroom category (studio and one bedroom dwellings) for each LGA in the Central District at 2011. There is clearly a mismatch between household type and bedroom mix which needs to be addressed.



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/