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

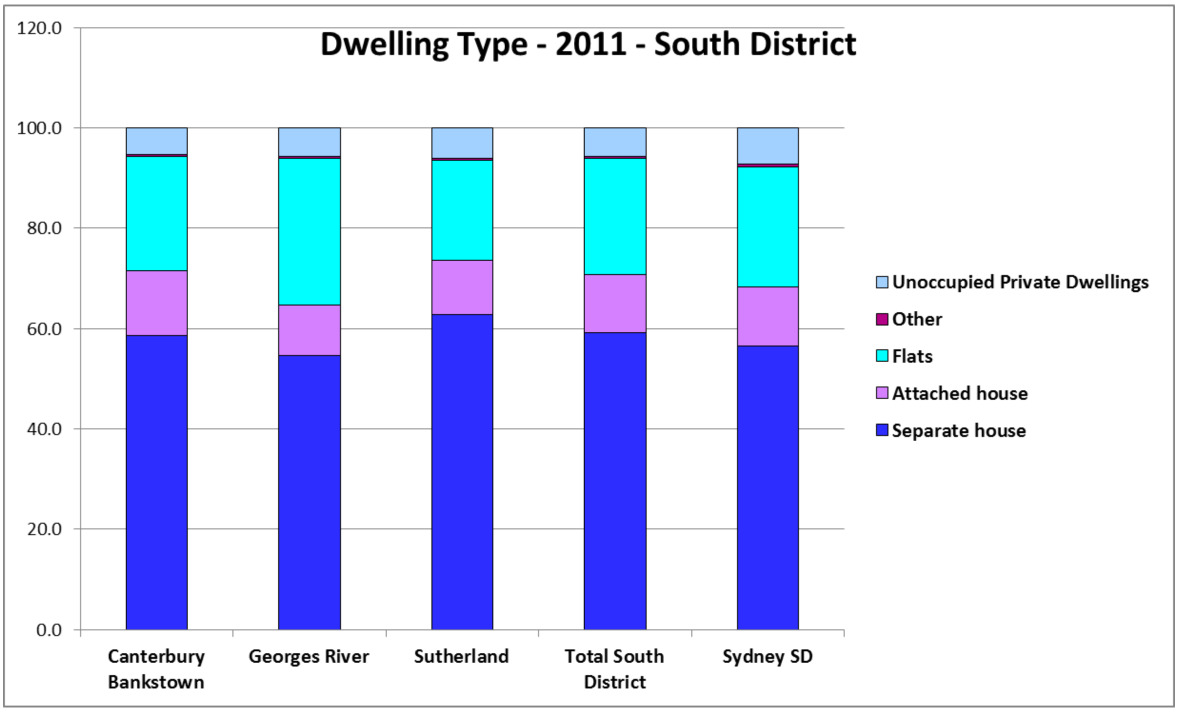
This snapshot of housing supply and the match to housing demand in the South District takes a brief look at dwelling types; bedroom mix; tenure; public housing and the gap between supply and demand across the local government areas (LGAs) which comprise the South District. Further analysis is included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

Dwelling supply

- At the 2011 Census, the number of dwellings in the South District was 216,455 (LGAs Canterbury Bankstown 108,893, Georges River 49,691 and Sutherland 80,252).
- The Department of Planning and Environment (DPE) have forecast population growth of 1,575,550 for Sydney Statistical Division (SD) between 2011 and 2031, equating to an additional 623,850 households and an implied 664,300 additional dwellings required. The South District is expected to cater for additional population growth and increased dwelling supply.

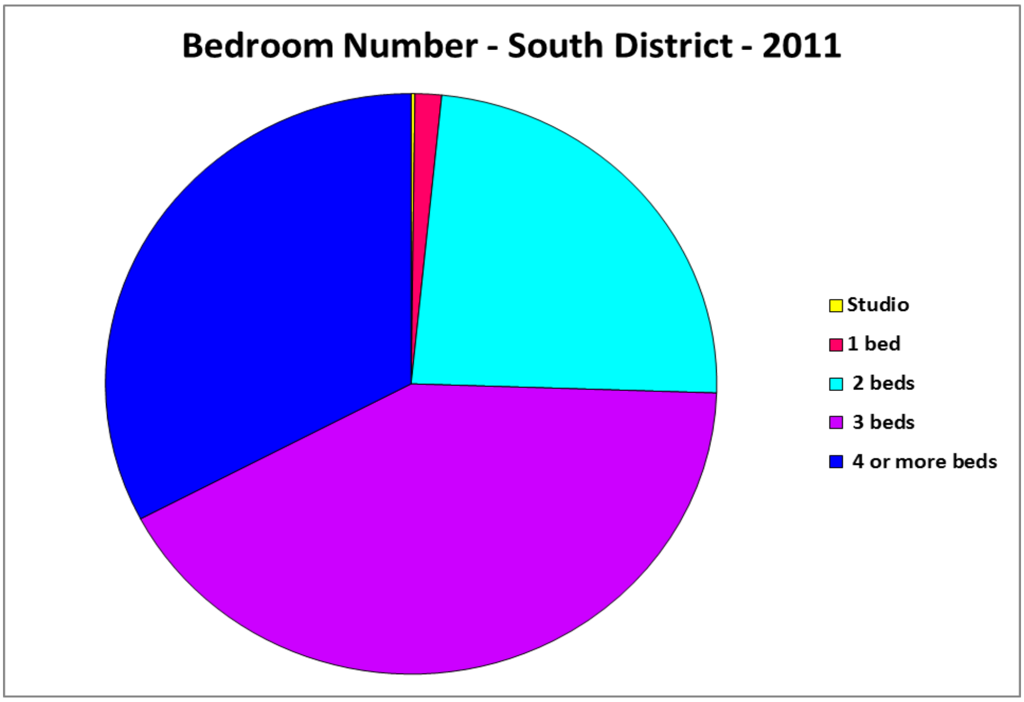
Dwelling type

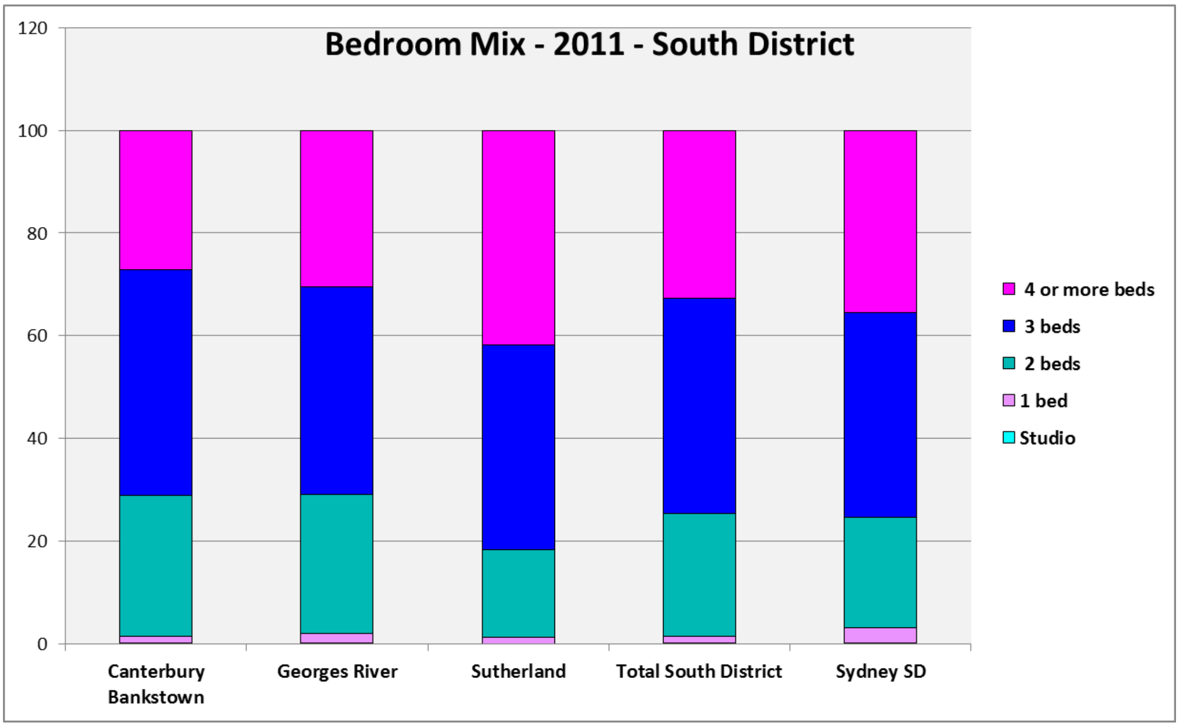
- The vast majority of dwellings in the South District (as at 2011) are separate houses ranging from 62.8% of all dwellings in Sutherland and 54.6% in Georges River. The average across the South District is 59.2%, above the average of 56.5% in Sydney SD.
- The South District has a slightly lower proportion of attached houses (11.6%) than the average for Sydney SD (11.8%). The South District also has a slightly lower proportion of flats (23.1%) than the average for Sydney SD (23.9%).
- While the dwelling mix in the South District is similar to that for Sydney SD, there is not great diversity of housing type.
- The graph below shows the proportion of each of the key dwelling types in the each of the South District LGAs at the 2011 Census.



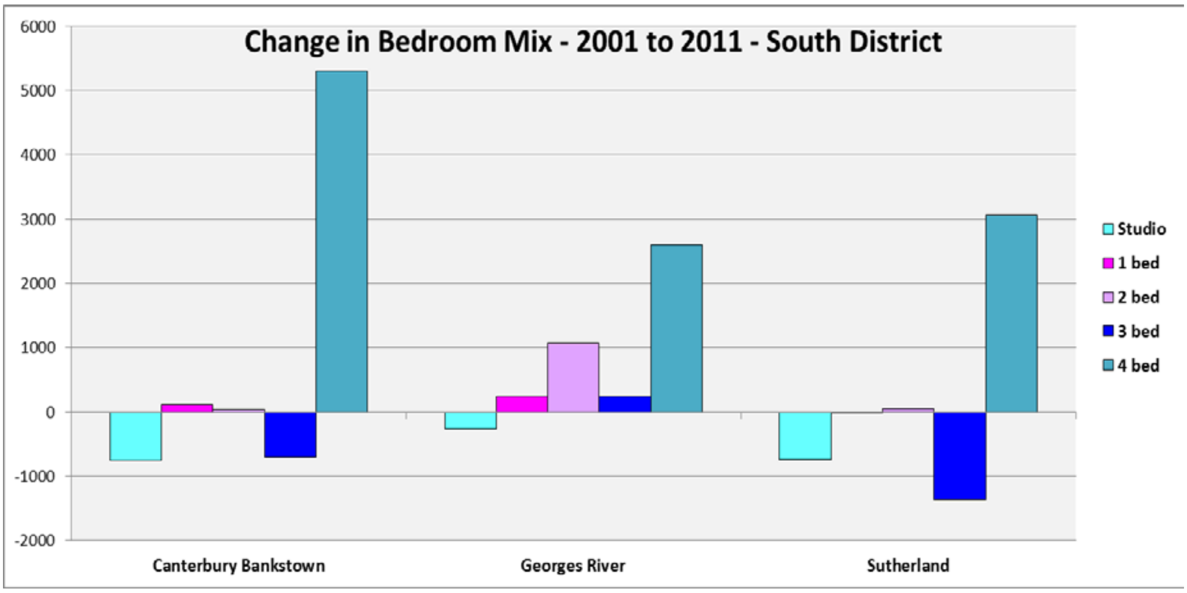
Bedroom mix

- At the 2011 Census, most homes in the South District have three bedrooms (41.8%) or four bedrooms (32.7%). A significant proportion of the total dwelling stock in the South District are two bedroom (23.9%) however, there are a negligible proportion of one bedroom (1.4%) and studio dwellings (0.2%). Sutherland has the least diversity of bedroom mix with 81.6% of all dwellings being three and four bedrooms.
- The two graphs below shows the mix of studio, one, two, three and four or more bedroom dwellings, firstly in the South District and secondly in each of the South District LGAs, compared with the South District and Sydney SD at 2011.





- 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 increasing ageing of the population and the forecast 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.
- Between 2001 and 2011 there has been a decline in the number of studio and three bedroom dwellings, with a significant increase in four bedroom dwellings across the South District. This could be due to existing dwellings having bedrooms added and new stock is not improving the diversity of number of bedrooms available.
- There has been an increase in two bedroom dwellings across the South District. This should be encouraged. Two bedroom dwellings are the most flexible bedroom type, as they can suit lone person, couple only and family households. Within the South District, lone person and couple only households make up 42% of all households.
- The South District does not have a good balance of bedroom mix to meet the needs of the local community. The fit between household type and bedroom number has actually worsened over time.
- A proactive stance is required to increase the number of studio, one and two bedroom dwellings, suitable – in particular - for single and couple only households. This would provide greater flexibility in the dwelling stock to meet the range of housing needs in the local community, including for older age groups.
- The next graph shows the change in the number of bedrooms between 2001 and 2011, by LGA for the South District. The increase in four bedroom dwellings in every LGA is evident. This suggests upsizing of existing dwellings, particularly given the decline in three bedroom dwellings in Canterbury Bankstown and Sutherland.

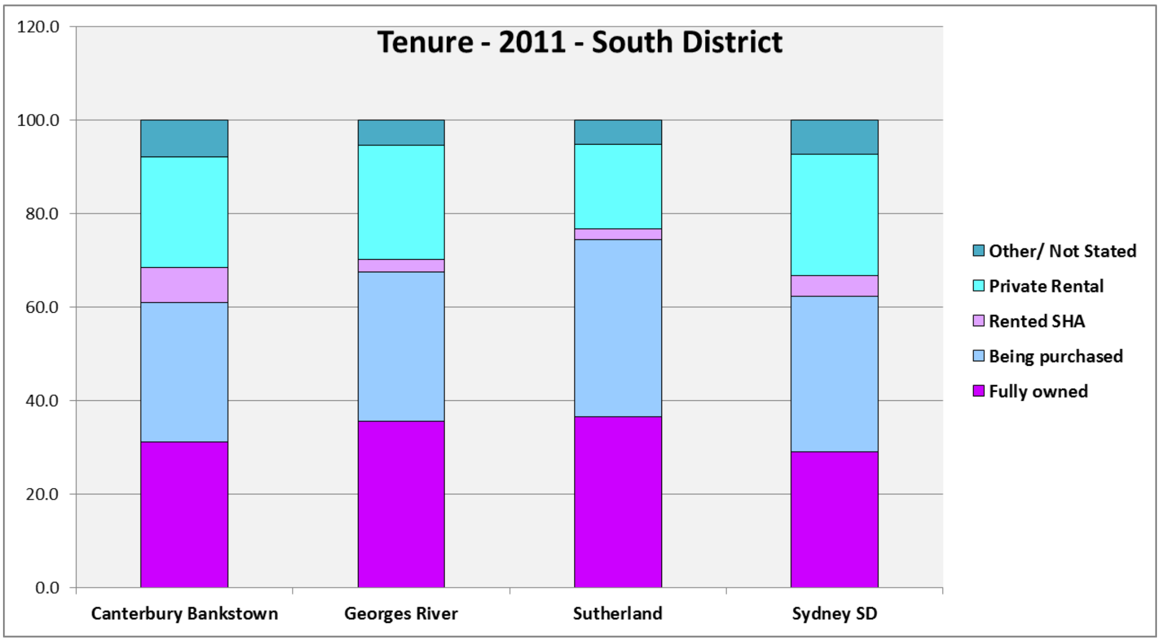


Tenure

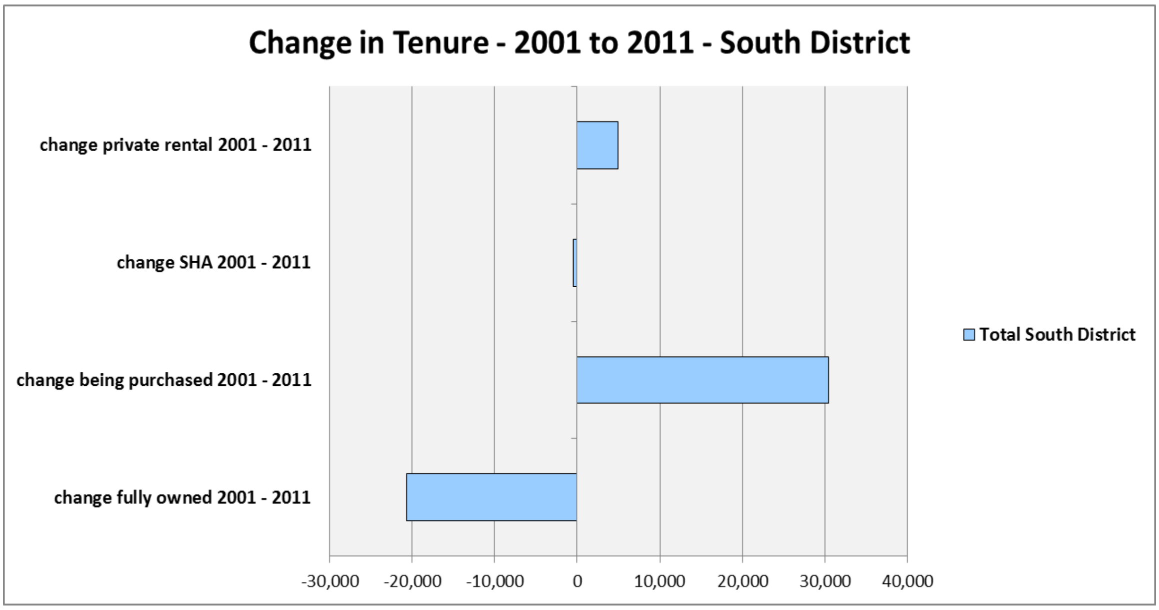
- In the South District, the majority of households own their home outright, comprising 33.9% of households. This is well above the average for Sydney SD of 29.1%. Households purchasing their home comprised the next largest group (32.9%), slightly lower than the average of 33.2% in Sydney SD. On average 4.8% of households live in social housing, this is slightly above the Sydney SD average of 4.3% while 21.9% lived in private rental - well below the Sydney SD average of 26.1%.
- Between 2001 and 2011 there was a significant decline across the South District in the proportion of households which own their home outright, falling by 9.5% on average. This was above the Sydney SD average of 6.7% decline. Over the same period there were large increases in the proportion of households purchasing their home (an increase of 13.9% in the South District - just above the Sydney SD average of 13.3% increase). There
-

was also a small increase in households in private rental (2.3% on average across the South District - below the Sydney SD average of 4.3%).

- The increase in private rental is welcome, particularly given the relatively low proportion of private rental across the South District generally. Due to housing affordability issues, more households are now reliant on the private rental market as a long term tenure, rather than a transitional tenure between leaving home and buying a home. The increase of private rental makes the housing market more flexible to meet changing needs.
- The next graph shows the proportion of households in each of the key tenures for all the South District LGAs at the 2011 Census.



- The graph below shows the change in tenure in the South District between 2001 and 2011. It clearly shows the strong increase in households purchasing their home, the more moderate increase in private rental and the decline in households owning their home outright over the 10 year period.



Public Housing

- The next table shows the number of public housing properties in the South District as at June 2016. It is worth noting that the 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.

Local Government Area	Public Housing stock June 2016
Canterbury Bankstown	8,783
Georges River	1,599
Sutherland	1,776
Total South District	12,158
Sydney SD	75,722

- The table below shows the expected waiting times in the South District for general housing approved social housing applicants by bedroom category. Although the Canterbury Bankstown average provision of social housing is higher than Sydney, the waiting times for general housing in Canterbury are more than 10 years. In Bankstown, Riverwood and Sutherland the waiting times for one bedroom properties are 5 – 10 years and in Riverwood the waiting times for two bedroom properties are also 5 – 10 years. The waiting times for all other bedroom categories across the South District are more than 10 years.

Expected Waiting Time by Table				
ALLOCATION ZONE	**1 bedroom**	**2 bedrooms**	**3 bedrooms**	**4 bedrooms**
Sydney District				
CS6 CANTERBURY				
CS10 RIVERWOOD				
South Eastern Sydney District				
CS8 SUTHERLAND				
CS9 ST GEORGE				
South Western Sydney				
GW9 BANKSTOWN				

Legend for Expected Wait Time Bands

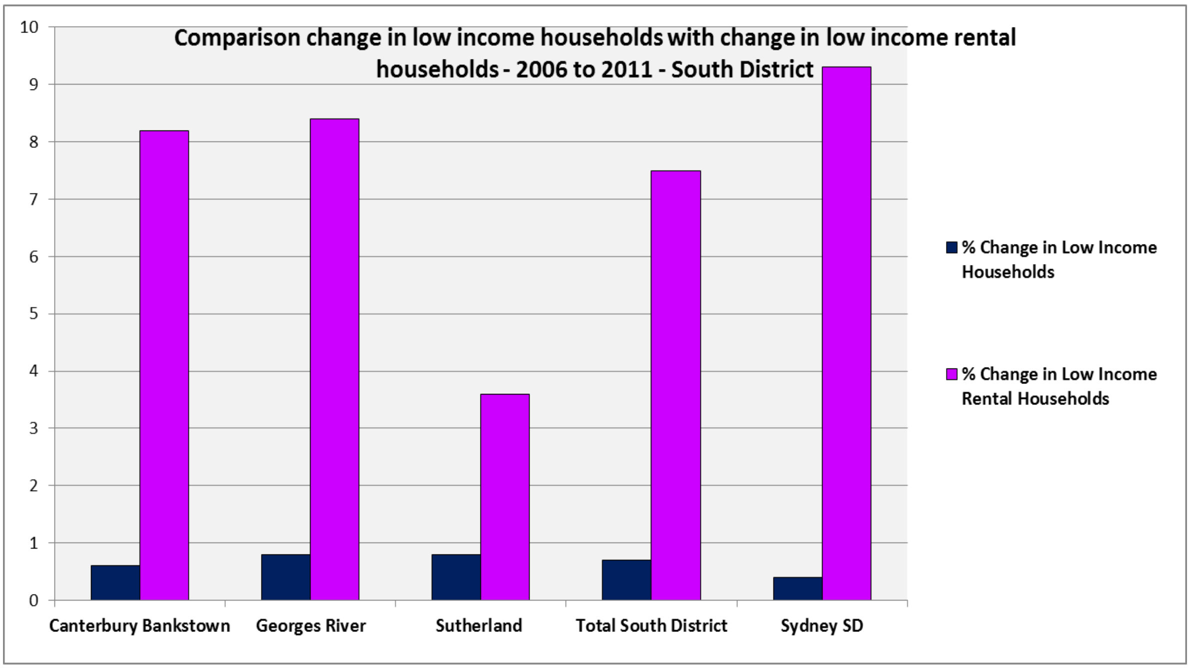
	Up to 2 years
	2 to 5 years
	5 to 10 years
	10 + years

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

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

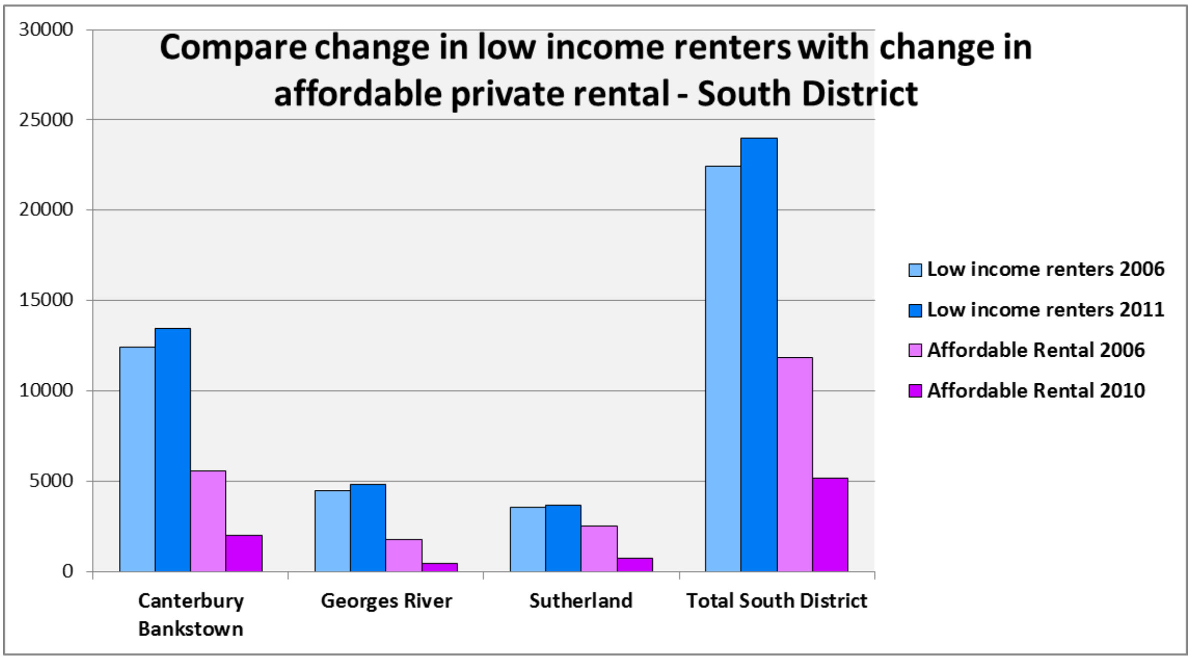
- Low income earners are the dominant income group across the South District and the proportion of low income households is increasing. Importantly, low income rental households are increasing faster than low income households generally across the South District.
- This is one indicator of increasing demand for affordable rental housing in the South District.
- The graph below compares the change in low income households in the South District LGAs between 2006 and 2011 with the change in low income rental households over the same period. It is evident that there has been a significant proportional increase in low income rental households across Sydney SD and the South District.



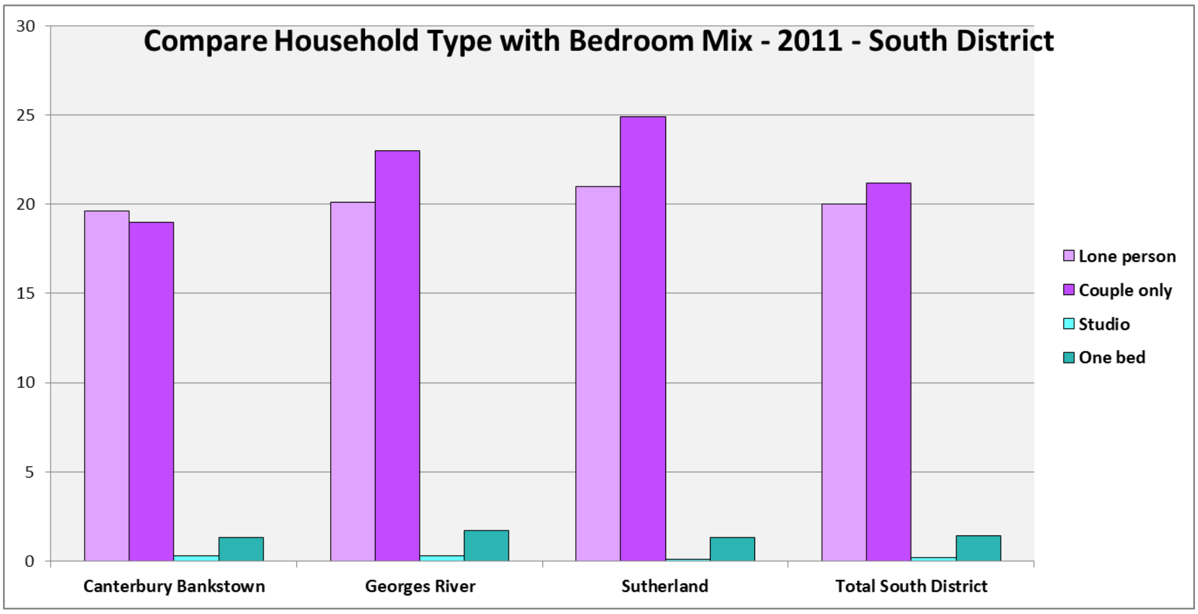
- At the same time the supply of affordable rental housing has been declining. There is a large and growing gap between the increasing number of low income earners in the private rental market and the declining number of private rental properties that are affordable for low income households.
- It is clear that there is a growing gap between supply and demand – with an increase in low income renters and decline in affordable rental supply.
- This has occurred despite an increase in the supply of private rental over the same period in the South District.
- Much of the affordable rental in the private market is occupied by higher income earning households who can out compete lower income earners. (AHURI series of studies[1] 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 which analyse 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.)
- This suggests that there is a very clear need for more affordable rental accommodation targeted to lower income households to begin to address the significant demand supply imbalance.
- It is important to consider what policy levers can be utilised to maintain the existing supply of affordable rental accommodation, and where possible to increase the supply and make some inroads on the demand supply gap.

[1] including most recently 'Supply shortages and affordability outcomes in the private rental sector: short and longer term trends' authored by Kath Hulse, Margaret Reynolds, Wendy Stone and Judy Yates for AHURI June 2015 and 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

- The graph below compares the trend in the number of low income renters in 2006 and 2011 and the trend in the number of new bonds affordable for low income households in 2006 and 2010 for each of the South District LGAs.



- Greater diversity in bedroom mix is required to meet the number of smaller households. In particular there is a significant undersupply of studio and one bedroom dwellings to meet this demand.
- The recent increases in the number of two bedroom properties should be encouraged to continue – as they provide some flexibility, being suitable for lone person, couple only and small family households.
- The next graph shows the proportion of studio and one bedroom in each of the South District LGAs at the 2011 Census, compared with the proportion of lone person and couple only households.
- This clearly shows the mismatch between these household types and the availability of smaller dwellings. This situation is likely to worsen with the predicted strong increase in lone person and couple only households in the South District, unless measures are taken to specifically increase the supply of studio and one bedroom dwellings to meet some of this demand.
- Secondary dwellings and new generation boarding houses should be encouraged, as these dwelling types are suited to single person households and are by definition rental so will add to the stock of rental dwellings. These dwelling types will help diversify the housing stock and provide some flexibility to meet the needs of the community.



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/