

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

Housing Market - Rental

Rents

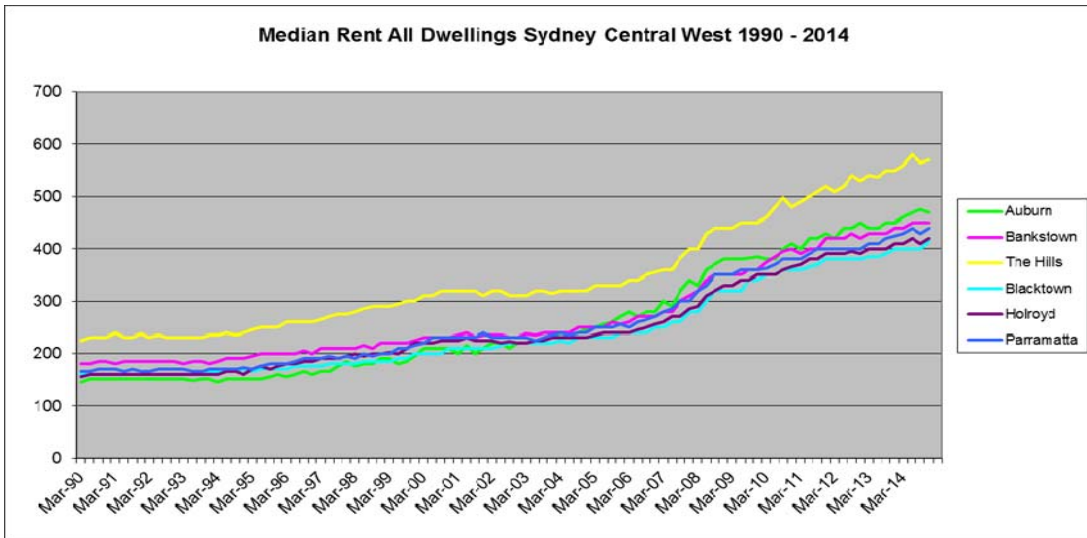
- There have been strong increases in median rents in all bedroom categories over the last six years in the West Central Sydney subregion, with the highest rent increases being for one bedroom properties in Blacktown (50%) and four bedroom properties in Bankstown (50%), followed by two bedroom properties in Bankstown (46.3%).
- The table below gives the percentage change in median rents (for all dwellings – houses and strata properties) by bedroom category (studio, one, two, three and four or more bedrooms) for each local government area in the West Central subregion for the period from 2008 to 2014. Note that there are insufficient bonds lodged for studio dwellings to enable calculation of a median rent in any of the West Central LGAs.

% change 2008 - 2014	0 Bed	1 bed	2 bed	3 bed	4 bed
Auburn		27.3	38.7	40.8	20.0
Bankstown		32.4	46.3	34.3	50.0
The Hills			43.1	41.0	24.5
Blacktown		50.0	37.3	42.9	30.0
Holroyd		40.0	35.7	43.8	35.1
Parramatta		40.0	36.7	37.1	42.9

- At December 2014, within the West Central subregion, Auburn has the highest median rents for one bedroom dwellings, The Hills has the highest median rents for two and four bedroom dwellings and Blacktown has the highest median rents for three bedroom properties.
- The table below shows median rents for studio, one, two, three and four or more bedroom dwellings in each of the West Central local government areas at the March 2008 quarter and the December 2014 quarter.

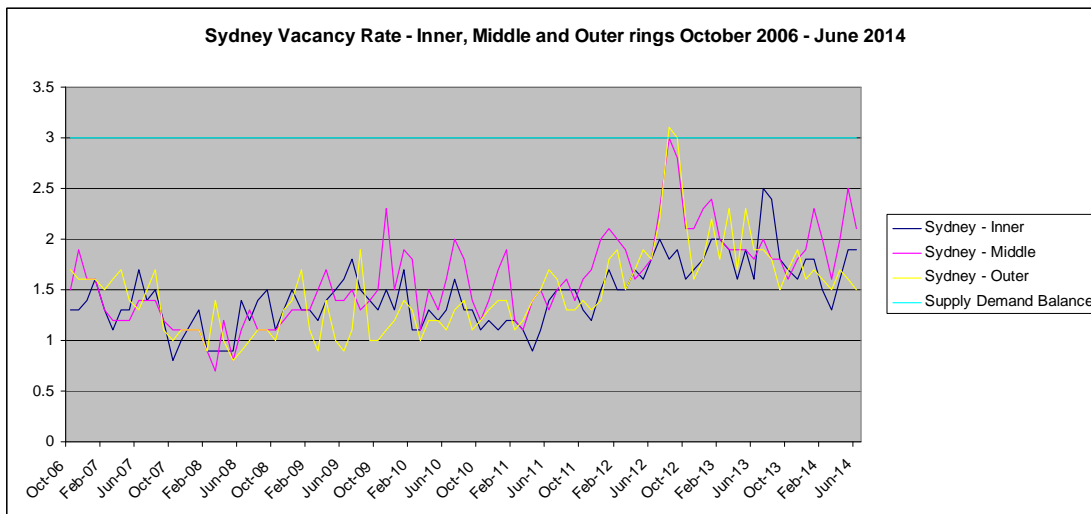
Area	Mar-08					Dec-14				
	0 bed	1 bed	2 bed	3 bed	4 bed	0 bed	1 bed	2 bed	3 bed	4 bed
Auburn		330	310	355	500		425	470	525	590
Bankstown		185	270	350	400	265	275	400	490	610
The Hills		220	343	390	530		400	500	410	680
Blacktown		160	255	280	400		250	360	563	510
Holroyd		200	280	320	420		290	400	460	600
Parramatta		250	300	350	420		363	420	500	620

- The graph below shows the long term trend (1990 – 2014) for median rents for all dwellings (houses and strata properties). Rental increases have been strong from around 2007 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. A vacancy rate of 3% is regarded as representing a balance between demand and supply.
- The graph below shows the vacancy rate for Inner, Middle and Outer ring local government areas in Sydney between 2006 and 2014, using Real Estate Institute of NSW data. According to SQM Research the Sydney vacancy rate at October 2014 was 1.6%.

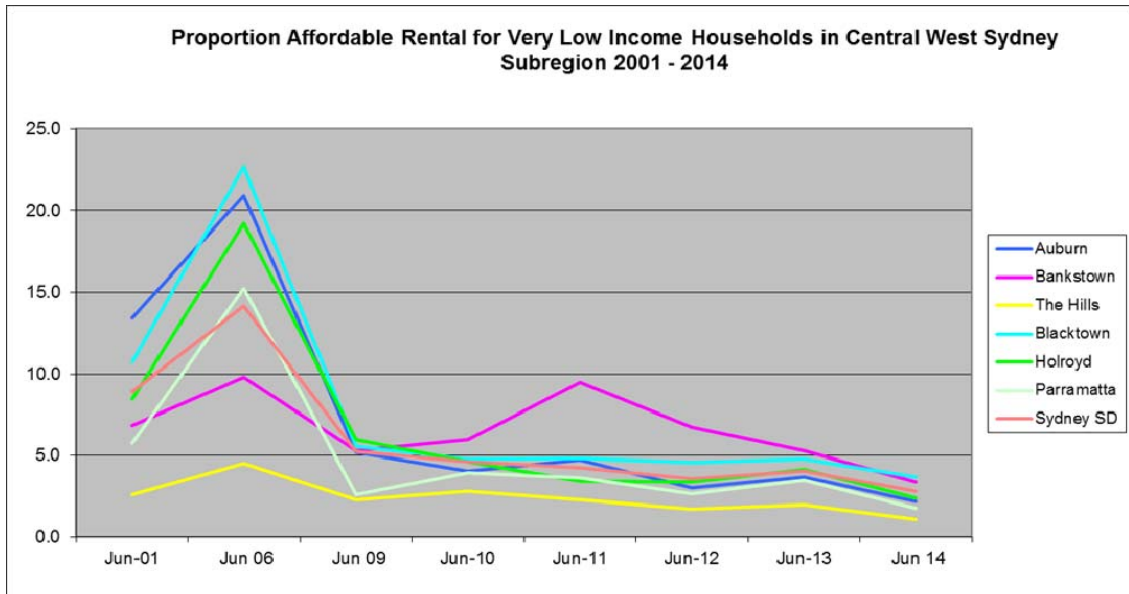


- Auburn, Bankstown and Parramatta are in the middle ring while Holroyd, The Hills and Blacktown are included in the outer ring.

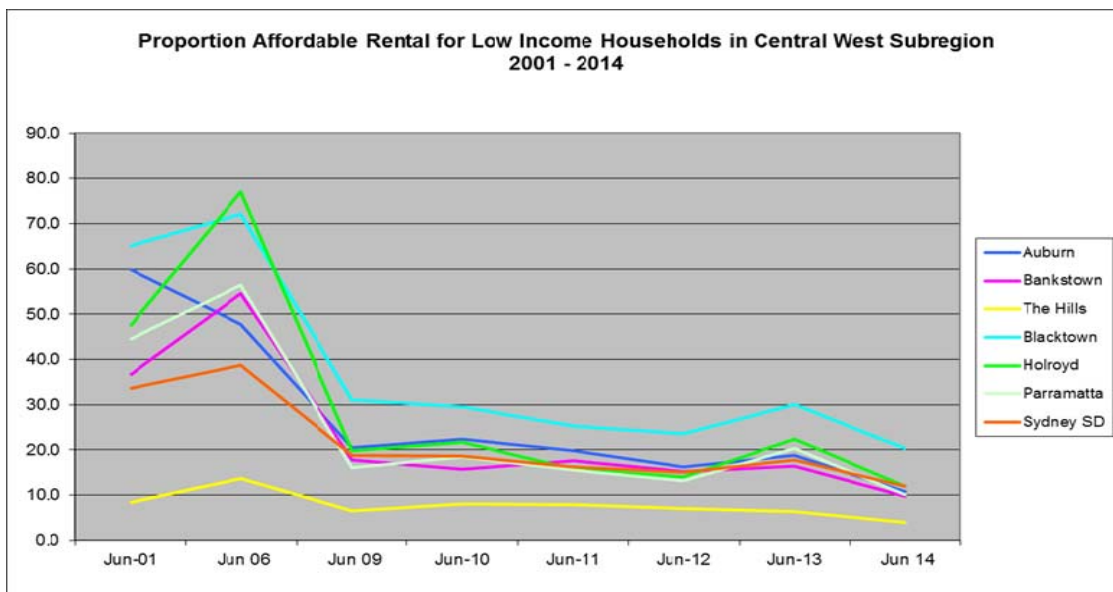
Affordable Rental

- There has been a significant decline in the proportion of private rental stock that is affordable to very low, low and moderate income households.
- Of the West Central Sydney subregion LGAs, Auburn (2.8%), Holroyd (2.5%) and The Hills (1.1%) have the same as or a lower proportion of rental affordable for very low income households than the average for Sydney (2.8%). Parramatta has just over the average with 2.9%, Blacktown has 3.3% and Bankstown 4.8%. All six West Central LGAs have very low levels of affordable rental for this income group.

- The graph below shows the proportion of affordable rental for very low income households in the local government areas of the West Central subregion for the period from 2001 to 2013.

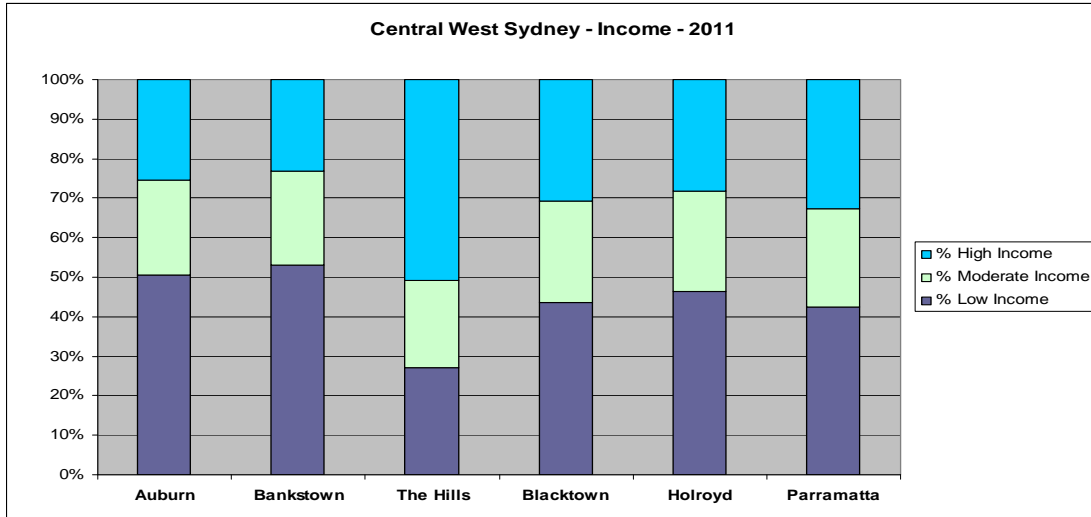


- The proportion of rental affordable for low income households has also declined in the West Central subregion, with both The Hills and Holroyd having lower levels than the average for Sydney of 12.8% (Bankstown is right on the Sydney average with 12.8%) and the range being from 4.4% in the Hills to 20.6% in Blacktown. These are low levels of affordable rental considering the significant number of low income households and low income rental households in the subregion.
- Given that this area historically has provided more affordable rental accommodation, the lack of supply is concerning.
- The graph below shows the proportion of affordable rental for low income households for each of the local government areas in the West Central Subregion for the period from 2001 to 2013.

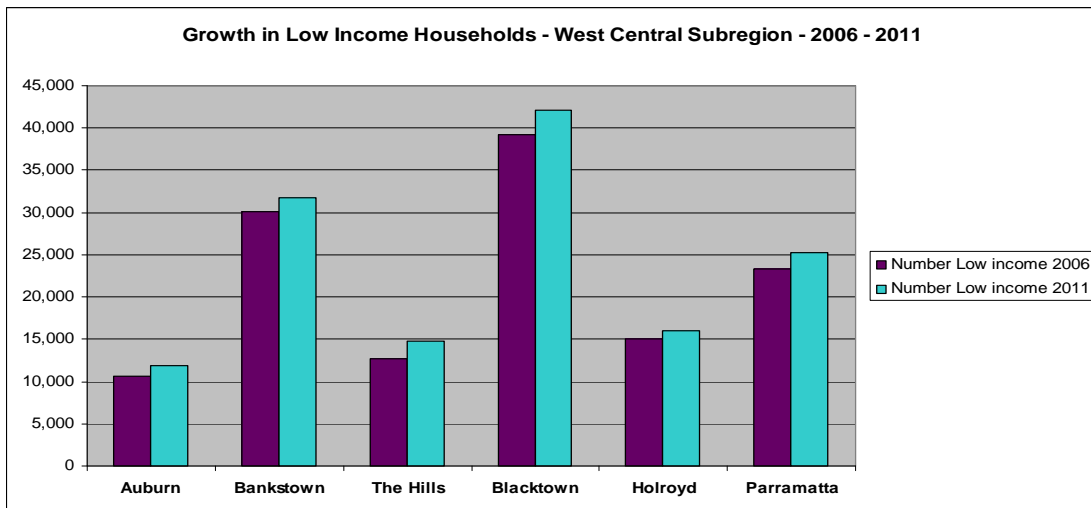


Income

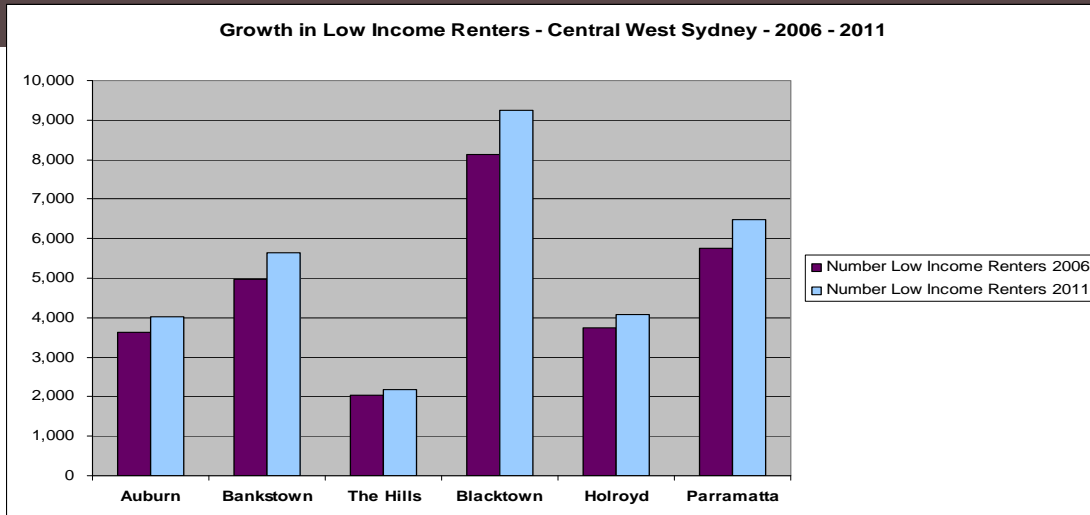
- In West Central subregion LGAs, low income households comprise the largest proportion of all households, the exception being The Hills (where high income households comprise the largest group).
- The graph below shows the proportion of low, moderate and high income earners by local government area for the West Central subregion at the 2011 Census.



- Between 2006 and 2011, the number of low income households increased in every West Central local government area.
- The graph below shows this increase. Given this increase, it is important that housing supply price points show a reasonable match with household tenure and income levels.

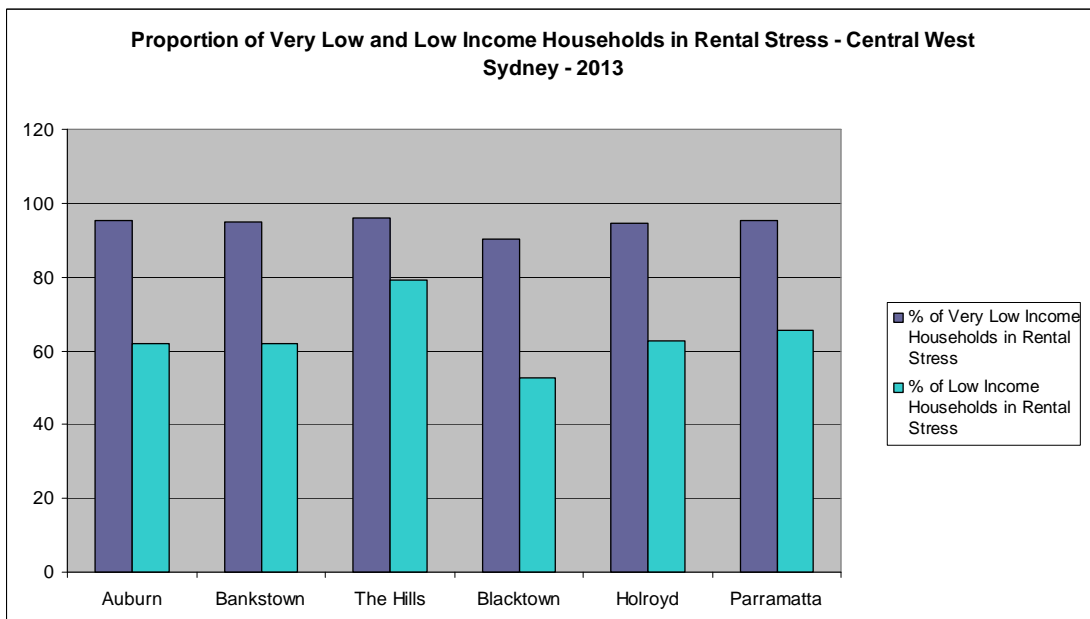


- Comparing the graph of the growth in the number of low income households above, with the graph below showing the growth in the number of low income rental households, it is clear that the latter are growing at a faster rate. This again emphasises the need for intervention to ensure an increase in the supply of targeted affordable rental housing.



Rental Stress

- While this subregion may be regarded as a little more affordable for rental than the average for Sydney, there are still very high proportions of lower income private rental households in housing stress.
- The graph below shows the proportion of both very low and low income households in rental stress in each of the local government areas in the Central West Sydney subregion at 2013.



- The proportion of households in the private rental market paying more than 30% of their income in rent ranges between 96% of very low income households in The Hills and 90% in Blacktown in housing stress, with a range from 79% of low income households in The Hills to 53% in Blacktown being in rental stress. At the 2011 Census there were 24,155 low income renters in housing stress across the subregion.
- The table below shows the number and proportion of tenants in the West Central 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. Auburn, Bankstown, Holroyd, The Hills and Parramatta have a higher proportion of CRA recipients

in housing stress than the average for Sydney. While Blacktown has a lower proportion, the large number in stress in the LGA is of concern.

Area	Total CRA recipients 2012	CRA recipients in Housing Stress 2012	% in Stress
Auburn	5,441	2,943	54.1
Bankstown	10,518	5,191	49.4
The Hills	3707	1788	48.2
Blacktown	15,894	6,177	38.9
Holroyd	6,351	3,117	49.1
Parramatta	10,171	4,939	48.6
Sydney SD	215,820	103,393	47.9

Loss of Affordable Stock

- The table below shows the number of new bonds lodged that were affordable to low income earners in Auburn, Bankstown, Blacktown, Holroyd, Parramatta and The Hills in 2006, 2010 and 2013. All five West Central Sydney subregion local government areas experienced a significant loss of affordable housing between 2006 and 2013 – ranging between 67% fewer affordable rental bonds lodged in Auburn over that period to 80% in Holroyd.

No. of affordable rental properties for low income households			
LGA	2006	2010	2013
Auburn	1,650	566	540
Bankstown	2,103	498	549
The Hills	467	213	134
Blacktown	5,352	1,682	1,741
Holroyd	2,848	660	560
Parramatta	3,980	1,092	1,044

- Note that Bankstown and Blacktown had a slight increase in the number of affordable bonds lodged between 2006 and 2010. Development approvals (predominantly secondary dwellings) under the provisions of the Affordable Rental Housing State Environmental Planning Policy over that period have assisted with this small improvement.

Housing Market - Purchase

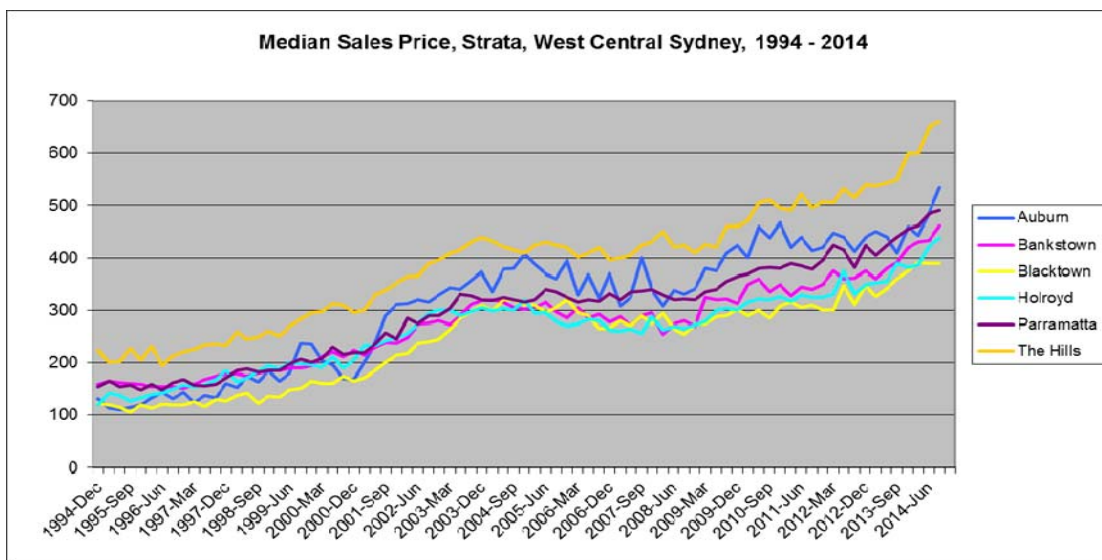
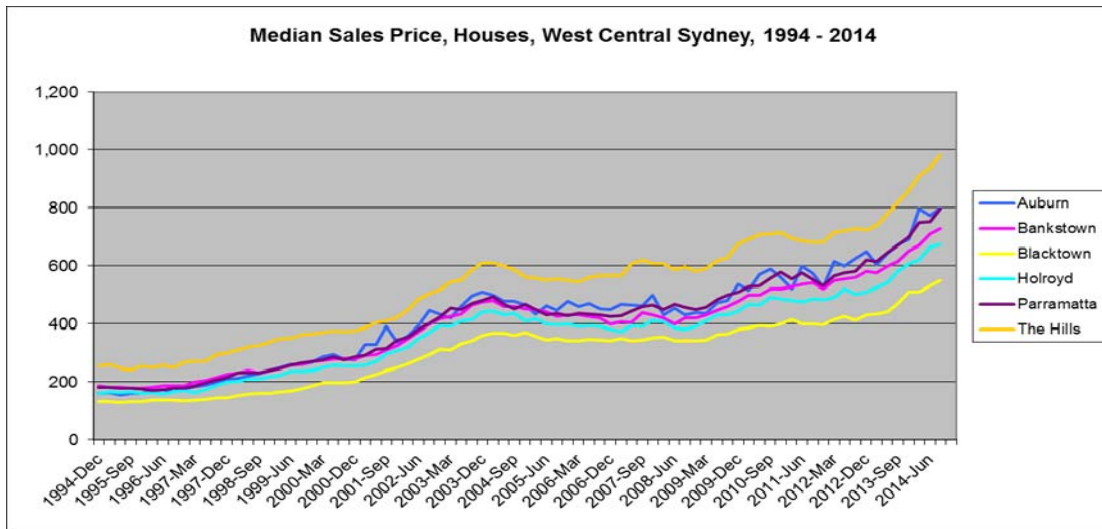
Sales Price

- Changes in median sales price have been upward with the strongest increase over the last six years being for flats in Parramatta (100.0%), Holroyd (87.0%) and Bankstown (80.8%). Auburn had the strongest median house price growth with 74.1%, followed by Bankstown (72.7%) and Holroyd (69.9%).

- The table below shows the numerical and percentage change in median sales price for both flats and houses between 2008 and 2014 for each of the local government areas in the West Central subregion.

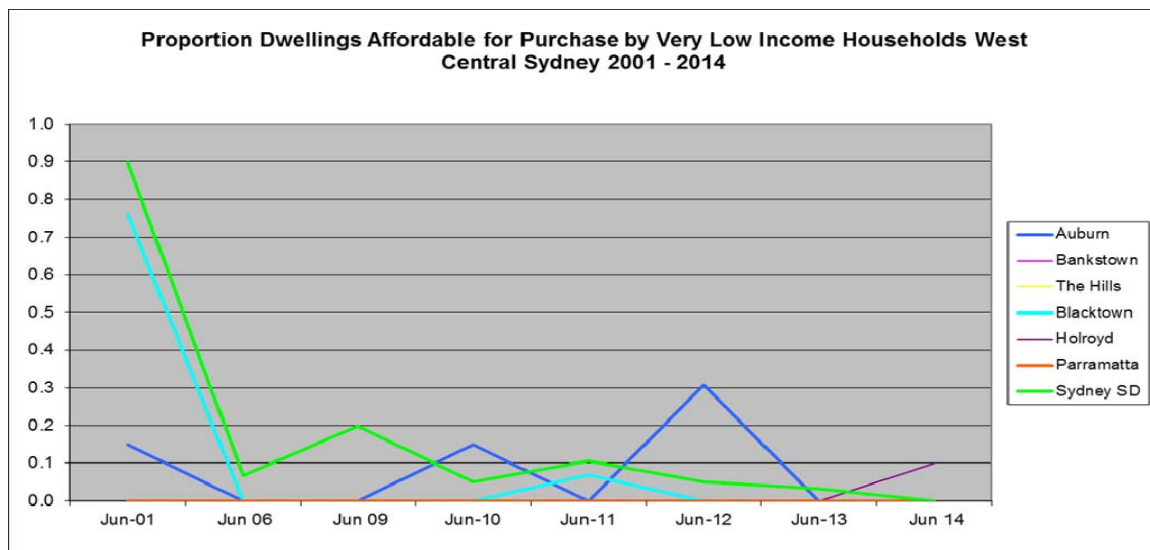
lga	Flats				Houses			
	2008-Mar	2014-Sep	Change	%	2008-Mar	2014-Sep	Change	%
Auburn	\$308	535	\$227	73.7	\$460	800	\$340	74.1
Bankstown	\$255	461	\$206	80.8	\$421	727	\$306	72.7
The Hills	\$450	390	-\$60	-13.3	\$361	550	\$189	52.4
Blacktown	\$294	438	\$144	49.1	\$419	672	\$253	60.4
Holroyd	\$262	490	\$228	87.0	\$468	795	\$327	69.9
Parramatta	\$330	660	\$330	100.0	\$663	980	\$317	47.8

- The two graphs below show the long term trend (1994 – 2014) in median sales price for houses and for strata properties in each of the West Central subregion local government areas. All the West Central LGAs experience strong growth in median sales price (both houses and strata) from the late '90's to around 2003 and then again from around 2012.

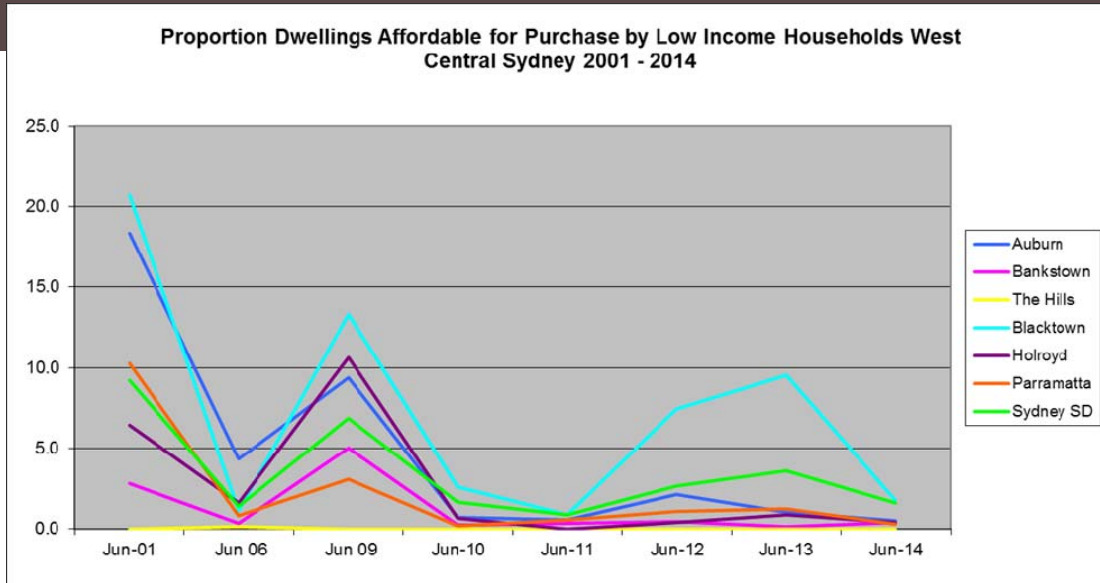


Purchase Affordability

- Purchase affordability for very low income earners in the West Central Sydney subregion has been at close to 0% since 2006. At June 2014, purchase affordability for very low income households in West Central ranged from 0.0% in Auburn Bankstown, The Hills and Parramatta to 0.1% in Holroyd. The Sydney average is 0.0%.
- The situation for low income purchasers in the West Central Sydney subregion is only marginally better, with Blacktown the only LGA providing more than the Sydney average of 1.6% (with just 1.8% affordable for purchase). At June 2014, there were no properties affordable for purchase by low income households in The Hills, with just 0.3% in Parramatta, 0.4% in Bankstown and Holroyd and 0.5% in Auburn..
- The graph below shows the proportion of dwellings affordable for purchase by very low income households for the period from 2001 to 2014 in each of the West Central Sydney subregion local government areas.



- The graph below shows the proportion of dwellings which are affordable for purchase by low income households over the period from 2001 to 2014, in each of the West Central subregion local government areas.
- Given this region is regarded as more affordable for purchase, the extremely low proportion of dwellings actually affordable for purchase is of concern. This, along with the lack of affordability in the rental market as well, goes some way to explaining why the private rental market has become a long term tenure for many households.



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/>