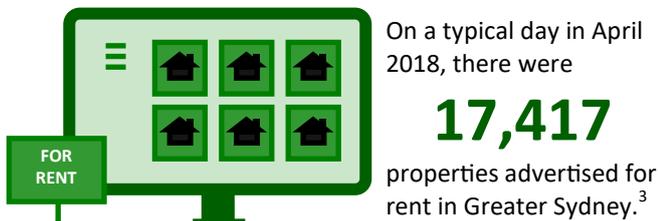


Housing Affordability 2018 in NSW

THE PROBLEM

A growing shortage of affordable and available rental housing for low income households



Only **836**

Of these were affordable for households on a minimum wage.³



of these Only **38** were affordable for families on income support.³

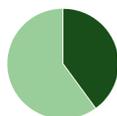


Rental Stress



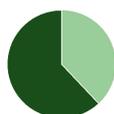
For those in the bottom 40% of household income who are paying more than 30% of their income in rent.⁴

40% of social housing tenants in rental stress.⁴



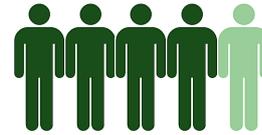
27% with low to moderate income are in private rental, of which

62% are in rental stress.⁴



Concerns in Sydney's West

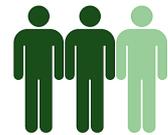
4 in 5 believe developments in Western Sydney should include units that people on lower incomes can afford to rent.⁵



7 in 10 acknowledge the difficulty for people on lower incomes to find affordable rental housing.⁵



2 in 3 believe the NSW government is not doing enough.⁵



WHAT IS CAUSING IT?

Dramatic growth in house prices in the last 10 years compared with lower income growth.



Increased by **100%** from 2007 to 2017⁶



Household Income on the other hand has only increased by **43%**⁶

Because of generous conditions in our tax system for investors

66%

of all new finance commitments in 2016 went to investors rather than owner-occupiers.⁷



Therefore more households are renting because they cannot afford to buy.



At the same time average rents have increased by 73%.⁸

\$300
2006

73%

\$520
2018



Across NSW the demand for social housing is increasing with more than **60,000** households currently on the social housing waiting list.⁹

Increasing casualisation of the workforce makes qualifying for housing loans and rental properties impossibly difficult.

More workers under 30 are more likely to be working in casual roles than ever before.



IMPLICATIONS OF 'RENTAL STRESS'

Those experiencing rental stress will often sacrifice necessities so they can pay the rent on time.



Some households go without meals.

(22% of low income households have gone without meals to pay the rent)¹¹



There may not be enough money left over to pay for health care.

(26% of low income households have gone without medical treatment to pay the rent)¹¹



Often those experiencing rental stress, may not be able to pay other bills on time.

(42% of low income households have not paid another bill, in order to pay the rent on time)¹¹



A lack of affordable housing can also affect children's performance at school as lower income households may have to relocate frequently.¹²



In the worst case, the unaffordable housing may lead to homelessness. Housing affordability is the main cause of homelessness in many countries.¹³

POSSIBLE SOLUTIONS

All levels of government need to work to ensure a fairer housing system. Reform is needed across the taxation, income security, social housing and homelessness systems.



FEDERAL — Tax Reform

- Reforms to capital gains tax and negative gearing so that investors do not have an unfair advantage over home buyers.



STATE — Supply

- Direct investment by the state government to increase affordable and social housing supply in the private and public markets. This supply to be targeted to lower income households.
- Increase inclusionary zoning targets from the Greater Sydney Commission to 15% on private and 30% on Government land.
- Adopting a 'capital grant' model to fund new supply.¹⁴



LOCAL — SEPP 70

- All local councils to apply for inclusion in SEPP 70.
- Development of affordable housing policies which include targets, social housing and inclusionary zoning.



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