

ITEM 1 AFFORDABLE HOUSING - TARGETTING OF FEDERAL FUNDING

In 2013, Council established the West Dapto Home Deposit Scheme to assist persons into home ownership through Council funding part of the deposit, under a Commonwealth grant through the 'Building Better Regional Cities' program. The scheme wasn't as successful as hoped, due to rapidly rising land prices in relation to statutory personal income limits specified by the grant. In October 2017, Council entered into a Memorandum of Understanding with the Federal Government to allow the reallocation of the balance of the funds, currently \$10.4 million, to assist with the improvement of affordable housing in the region.

Following a review of options as to how the funds should be used, including a Councillor workshop, it is recommended that Council establish a revised home ownership scheme to assist low to moderate income earners to enter the housing market.

RECOMMENDATION

- 1 A home ownership scheme be developed to utilise the \$10.4 million balance of the Commonwealth grant received under the 'Building Better Regional Cities' which was ceded to Council subject to the 2017 Memorandum of Understanding for Affordable Housing.
- 2 The scheme target low to moderate income earners to assist persons/families into home ownership.
- 3 A further report be presented to Council outlining the specifics of the proposed scheme.

REPORT AUTHORISATIONS

Report of: Chris Stewart, Manager City Strategy

Authorised by: Andrew Carfield, Director Planning and Environment - Future City and Neighbourhoods

ATTACHMENTS

- 1 Letter from the Federal Member for Whitlam, Mr Stephen Jones MP
- 2 SEPP 70 Submission July 2018
- 3 Low Income Household and Housing Characteristics Data

BACKGROUND

In June 2012, Council received a Commonwealth grant under the 'Building Better Regional Cities' program of \$13.9 million for the West Dapto Urban Release Project. Council entered into a Funding Agreement to use this funding for:

- 1 Upgrading sections of Shone Avenue and West Dapto Road (\$4.7 million) which has been completed.
- 2 Reallocating \$9.2 million to assist low to moderate income earners in purchasing a home in West Dapto, known as the West Dapto Home Deposit Assistance Program.

On 22 July 2013, Council resolved to exhibit the proposed West Dapto Home Deposit Assistance Program, as it provided financial assistance for private gain. The proposed program was exhibited from 25 July to 22 August 2013, and two submissions were received.

On 9 September 2013, Council resolved that:

- 1 *The West Dapto Home Deposit Assistance Program be included as an amendment to Council's Annual Plan 2013-14, subject to a successful notification being made to the ACCC.*
- 2 *The Financial Assistance Policy be amended to include a specific Program for the West Dapto Home Deposit Assistance Program, subject to a successful notification being made to the ACCC.*
- 3 *Quarterly reports be provided to Council for the term of the West Dapto Home Deposit Assistance Program.*

- 4 *Council write to the appropriate new Federal Ministers requesting that the Federal Government match or increase the previous Government's allocation as a way to stimulate the housing market in the Illawarra and help bolster the local economy.*

The previous scheme

The West Dapto Home Deposit Assistance Program offered a security deposit of 20% of the value of the property, starting at a maximum amount of \$75,000 to be indexed annually. The 20% deposit effectively placed a cap on the value of the property at \$375,000 in the first year. Council partnered with the IMB who would undertake the loan application assessments in accordance with its normal lending practices, and was under no obligation to approve a loan. For successful applicants, Council would make a deposit of \$75,000 with the IMB, which would act as a formal security deposit under the loan arrangement.

Successful applicants would not require a deposit to qualify for a home loan, this will help participants purchase a home sooner than would otherwise be possible. Successful applicants would also enjoy cash benefits through participation including, mortgage insurance savings and interest/principal savings.

- Applicants would not be required to pay mortgage insurance as the Council security deposit will be in place at 20% of the house and loan value. Mortgage insurance on a maximum loan for a property valued at \$375,000 with no savings is valued at around \$16,000. This amount would normally be added to the total loan amount and included in the calculation of interest and principal repayments.
- Applicants would receive interest/principal savings. The security deposit would remain in Council's name for the duration of the assistance. During this period, it was proposed that interest that Council earns on the deposit be applied to the borrower's loan (with potential deductions for reasonable administration expenses).

Based on modelling using rates current in June 2013, and assuming term deposit interest was directed to a borrower's loan for five years, the potential benefit to the customer over a 30 year loan, inclusive of savings on mortgage insurance premium, was \$67,000.

The security deposit was proposed to remain in Council's name and will stay in place until the initial loan to value ratio (LVR) reduces to 80% of the security property value (which was to be determined through a valuation by an IMB panel valuer) or early exit is required. At this time, the deposit would be returned to Council and Council would have no further involvement in the loan.

Deposits would also be released before this timeframe in the event of the sale of the security property. Council would not attempt to recover any portion of capital gain that participants enjoy on the sale of security properties.

As deposits are released, Council would recycle deposits to new applicants. This would allow the initial funding pool to revolve, to assist a greater number of purchasers over time. It was estimated that over a 15 year period, there was potential to offer around 295 assistance packages under the Program.

Changed circumstances meant the scheme was unsuccessful

In 2014 (the first year of the program), 11 applications were made and 10 of these applications were approved. However, only one applicant was able to secure a home within the terms of the agreement. There was a mismatch between the scheme's upper income limits set by the National Rental Affordable Scheme's (NRAS) and the price of new housing stock in the specified West Dapto area. During 2013-15 house and land packages dramatically increased from around \$375,000 to over \$500,000 and kept on rising. The median house and land price in Horsley is currently over \$663,000, and existing homes can be purchased for up to \$900,000.

Council tried on a number of occasions to have the Government reset the criteria, such as extending the boundary beyond the West Dapto Release Area or increasing the participant income thresholds, without success. The Funding Agreement expired on 31 March 2017.

The West Dapto Home Deposit Scheme was not as successful as hoped. It was an innovative scheme that sought to assist low income earners into the housing market, with the funds being able to be recycled to assist people over a number of years.

The release of funds

For a number of years the funds were effectively locked up, with scheme's parameters impractical and the Government unwilling to adjust them. In October 2017, a Memorandum of Understanding (MOU) was entered into between the Commonwealth and Council to utilise the financial benefit gained under the Program, to continue to facilitate the delivery of affordable housing in the region. The MOU says the funds are to be used to '*continue to facilitate the delivery of affordable housing in the region*'.

While not compelled to, Council has applied interest to these funds and the \$9.2 million has grown into \$10.4 million, which is held in a reserve account.

Council identified the opportunity to apply these funds in its current operational plan and has held a number of briefings and workshops with Council over the calendar year both on housing, affordable housing and the use of these funds specifically.

On 12 November 2018, the Federal Member for Whitlam, Mr Stephen Jones MP, convened a meeting with local community organisations on affordable housing issues. Mr Jones has advised that the meeting proposed the following pathway:

- 1 *Organisations with proven expertise and provision of housing services within the Illawarra should be invited by Council to put forward Expression of Interest for a project or projects which will utilise the funds. These organisations should be restricted to those that are Not-for-Profit.*
- 2 *This is to be used for new housing, that is, not the purchase of existing homes.*
- 3 *The housing is to be rented to tenants at rates that are affordable to them.*
- 4 *The increase numbers of women over 50 and over who are homeless is a significant concern to providers, and so projects should be encouraged to focus on this group.*

A copy of Mr Jones letter is attached (Attachment 1).

Affordable housing

In July 2018, Council officers made a submission to the NSW Department of Planning and Environment seeking the inclusion of the LGA in the State Environmental Planning Policy (SEPP) No. 70 Affordable Housing Schemes. A copy of the submission is attached (Attachment 2). The submission responds to the criteria required to be addressed by the Department for inclusion in the SEPP. Council has not received a formal response on whether Council's submission has been accepted. The submission provides useful background information on the need to provide additional affordable housing in the LGA.

Also attached is a summary of the housing characteristics of low income households in the LGA from the 2016 census (Attachment 3). In this data set, the low income households is equivalent to very low, low and moderate income households as defined under SEPP 70.

There are a number of recent publications which highlight the affordable housing needs of the region, including:

- Housing Affordability – Re-imagining the Australian Dream – Grattan Institute (March 2018)
- Rental Affordability Snapshot 2018 – Anglicare 2018
- Housing Affordability Report – June quarter report - Corelogic (September 2018)
- Housing Affordability in the Illawarra and Shoalhaven - The Property Council - Illawarra of Australia (October 2018)

A number of Councillor briefings have been held on housing and affordable housing issues, and a workshop to discuss the best use of the Federal funds was held on 8 November 2018. The workshop also considered broader affordable housing initiatives, which will be the subject of a separate report.

Worthy of note, from the CoreLogic report Wollongong had the third least affordable home ownership ratio (dwelling price to income ratio 10.4) in regional NSW, higher than a number of areas in Sydney. It also had the 15th least affordable rental market (% of household income required to rent a home – 32.5%) in regional NSW. This report separately identifies Dapto/Port Kembla as a worse rental affordability at 35.8% but a better home ownership affordability at 9.3.

PROPOSAL

There are many options for Council to choose from in delivering this Affordable Housing Project. There are benefits and implications of all options. Some provide benefit to those in the greatest need, some provide benefit to more households, some may provide on-going opportunities, some are more resource intensive to establish, and some have greater risk.

The target group/s to receive the affordable housing

Attachments 2 and 3 demonstrate that there are many sections of our community that are impacted by the high cost of housing. Consideration could be given to focusing the project towards a specific group within the community such as

- Homeless people – the Housing Trust estimates that there are over 1,000 persons homeless in the Illawarra.
- The aged. Noting that State Environmental Planning Policy – Housing for Seniors or People with a Disability (2004) enables/encourages housing for this group.
- Lone person households, including single women over 55.
- Family households.
- Very low, low or moderate income working households, including the working poor, and identified key workers housing (teachers, nurses, artists, emergency service personnel etc).
- Assisting people into rental housing.
- Assisting people into home ownership (eg first home buyers).

The type of housing

There are numerous ways that the funds could be utilised to facilitate the delivery of affordable housing, including:

- Crisis housing (typically provided/subsidised by the State).
- Social housing (typically provided/subsidised by the State). The NSW Land and Housing Corporation has advised that it currently has 6,731 dwellings in the LGA (8% of housing). The Housing Trust estimates that there are some 2,100 households waiting for social housing in the Illawarra.
- Affordable (subsidised) rental housing for:
 - Very low income households;
 - Low income households;
 - Moderate income households.
- Rent-to-buy housing.
- Shared equity or home deposit assistance schemes to assist households into home ownership.

A development could also provide a mix of housing outcomes. For example, under the Communities Plus program, the NSW Land and Housing Corporation redevelops some of its existing social housing sites to achieve a 30% social housing and 70% private housing mix, with no net loss of social housing.

The Greater Sydney Commission has published the following image of the housing continuum and housing assistance.

Figure 4-6: The housing continuum



Source: Greater Sydney Commission , 2016 adopted from City of Sydney, Housing Issues paper April 2015

Partnership

There could be additional benefits if Council partners with another organisation, and funds were pooled, for example:

- Joint Venture with the private sector - Council could enter into a Joint Venture (JV) with the private sector to deliver affordable housing properties for sale in the private market. Council could provide land and or cash contributions to encourage low cost housing for low-moderate income households without an ongoing ownership or management role.
- Partnership with Land and Housing Corporation (or other State agency), on Council land or State land.
- Partnership with a Registered Community Housing Provider (CHP) – Council could also deliver affordable housing projects to be managed by a Registered Community Housing Provider. This would be similar to the option proposed by the Federal Member for Whitlam.

Council could also resolve to allocate the funds directly to a Community Housing Provider (CHP) to assist those organisations in providing affordable housing services.

Location

The geographic location(s) for the project(s) is also an important factor. Constructing affordable housing is often used as a catalyst in urban renewal initiatives. West Dapto, as well as one (or more) of the City’s town and village centres, could potentially benefit from an affordable housing project.

A revised Home Deposit Scheme

At the Councillor workshop, some Councillors requested that a revised Home Deposit Scheme be considered with alternate settings.

The following table provides a comparison between the main criteria between the old West Dapto Home Deposit Scheme and a possible revised scheme.

	West Dapto Home Deposit Scheme (2014)	Proposed revised Home Deposit Scheme
Application area	West Dapto	LGA
Deposit assistance percentage	20%	20%
Deposit assistance (To be index annually)	\$75,000	\$100,000
Maximum loan	Initially \$375,000 then increased	\$500,000

	West Dapto Home Deposit Scheme (2014)	Proposed revised Home Deposit Scheme
(To be index annually)	to \$395,000, and then increased to \$415,000	
Dwelling type	New house and land purchase packages, including: <ul style="list-style-type: none"> • Dwelling house • Dual occupancy • Multi dwelling housing • Residential apartment unit 	New house and land purchase packages, including: <ul style="list-style-type: none"> • Dwelling house • Dual occupancy • Multi dwelling housing • Residential apartment unit (excludes secondary dwellings, moveable dwellings, seniors housing, group homes)
Partner(s)	IMB	To be determined
Funds available	\$9.2 million	\$10.4 million
Potential initial assistance packages (without the funds being recycled)	122	104

The revised scheme would also not be tied to the upper income limits set by the National Rental Affordable Scheme's (NRAS), which would enable persons on a moderate income to apply. The scheme would assist persons/families into home ownership. If this option is chosen, additional work will be undertaken to finalise the eligible household income bands to ensure successful take-up of the scheme.

There remain risks in pursuing a revised scheme:

- There remains a mismatch between dwelling prices and income levels (as indicated by Attachments 2 and 3). Encouraging very low, and low income earners into purchasing dwellings beyond their means will not be supported by lenders and may result in housing stress for those households.
- Current market conditions suggest a cooling of the market, with the Sydney market falling in value. The Illawarra market traditionally follows the Sydney market with a time lag. Encouraging lower income earners into a home ownership scheme with little (or even negative growth) in the early years may present difficulties for participants.
- There are few (new) dwellings available for less than \$500,000 within the Local Government Area. The revised home deposit scheme is unlikely to assist the purchase of a free standing 4 bedroom dwelling house, but may assist the purchase of a dual occupancy dwelling, multi-unit housing dwelling or a residential apartment. The scheme may encourage a greater number of smaller dwellings to be built.
- The scheme is resource intensive to establish and manage.
- Council is not a financial institution, and a partner is required to manage and assess loans.
- The housing market may shift again, resulting in limited take-up. Although the revised scheme has been broadened in application. Additionally Council has control (with any partners) in adjusting the scheme over time to ensure it is successful.
- Council may suffer reputation risk depending upon the success of the scheme.

If Council wishes to pursue a revised home deposit scheme, a draft recommendation would be:

- 1 A revised Home Deposit Scheme be developed to utilise the \$10.4 million balance of the Commonwealth grant received under the 'Building Better Regional Cities' and subject to the 2017 Memorandum of Understanding for Affordable Housing.
- 2 The scheme target low to moderate income earners by providing a deposit assistance to assist persons/families into home ownership.
- 3 A further report be presented to Council outlining the specifics of the proposed scheme.

Expression of Interest

Council may wish to consider the suggestion made by the Federal Member for Whitlam, Mr Stephen Jones MP, developed with the assistance of local community housing organisations. This option would enable organisations who provide housing assistance to nominate projects that could be progressed with the funds. These organisations are more aware of the local housing needs, have existing governance arrangements, and have existing clients and waiting lists.

Based on Mr Jones suggestion, Council could seek Expressions of Interest from organisations with proven expertise and provision of housing services to nominate a project or projects to utilise the funds. Alternatively, Council could seek a greater remit and not limit the EOI to Illawarra based organisations. This may provide a greater range of solutions and expertise solutions.

Additionally Council could specify a different target group to that identified in Mr Jones letter e.g. Home ownership for lower income families, rental or home ownership for key workers (police, teachers, nurses, aged care workers etc), rental or home ownership for families with children with a disability or persons with a carers responsibility etc.

If this option is to be followed, the comparatively small amount of funds available means that Council should be clear in the EOI about the type of assistance to be provided eg home ownership or rental support and the target group. These are specified in parts c and e of the draft resolution below.

If Council wishes to pursue this option, a draft resolution could be:

- 1 To utilise the \$10.4 million balance of the Commonwealth grant received under the 'Building Better Regional Cities' grant and subject to the 2017 Memorandum of Understanding for Affordable Housing, Council seek Expressions of Interest from organisations with proven expertise and provision of housing services to nominate a project or projects which will utilise the funds, with the following criteria:
 - a The organisations should be restricted to those that are Not-for-Profit.
 - b The projects should provide new housing in the Wollongong LGA, that is, not the purchase of existing homes.
 - c The housing is to be rented to tenants at rates that are affordable to them.
 - d The proposals are to nominate the target group(s), type of housing to be provided, partner organisations and location(s).
 - e Projects that focus on women over 50 and over who are homeless, are encouraged.
 - f Proposals that have matching funds will have greater weighting.
 - g Proposals that can provide housing within a 0-3 year period will have greater weighting.
- 2 A Committee be established to finalise the criteria, seek the nominations and review the applications.
- 3 The Committee comprise the Lord Mayor, 3 Councillors (1 per Ward), and be supported by Council officers.
- 4 The following three Councillors be nominated:
 - a Councillor [insert name] representing Ward 1

- b Councillor [insert name] representing Ward 2
 - c Councillor [insert name] representing Ward 3
- 5 The Committee provide progress reports to other Councillors through Councillor Information Notes and report its recommendations to Council for determination.

This option has less risk for Council, as Council would be allocating the funds to Not-for-Profit housing providers through the Expression of Interest process. These providers would need to demonstrate their track record and ability to providing housing. The providers may be able to provide additional funding to increase the effectiveness of the funds.

Alternate options

If neither of the two above options are acceptable to Council, there remains the option of Council developing its own scheme to utilise the Federal Funds. Council would need to nominate a target group to provide assistance to and the form of housing assistance. A possible resolution would be:

- 1 An affordable housing scheme be developed to assist [specify target group] into [specific housing product] to utilise the \$10.4 million balance of the Commonwealth grant received under the ‘Building Better Regional Cities’ and subject to the 2017 Memorandum of Understanding for Affordable Housing.
- 2 A further report be presented to Council outlining the specifics of the proposed scheme.

PLANNING AND POLICY IMPACT

This report contributes to the delivery of Our Wollongong 2028 goal “We have a healthy community in a liveable city”. It specifically delivers on the following:

Community Strategic Plan	Delivery Program 2018-2021	Operational Plan 2018-19
Strategy	3 Year Action	Operational Plan Actions
5.3.1 Housing choice in the Wollongong Local Government Area is improved, taking into account population growth, community needs and affordability	5.3.1.1 Prepare a Housing Study and Strategy incorporating Affordable Housing issues	Progress and Affordable Housing Scheme

CONCLUSION

The West Dapto Home Deposit scheme was an innovative approach developed by Council to assist persons into home ownership, utilising funding from a Commonwealth grant through the ‘Building Better Regional Cities’ program. The scheme wasn’t as successful as hoped, due to rapidly rising land prices and a lack of flexibility in the Federal funding agreement. Council has now entered into a Memorandum of Understanding with the Commonwealth to utilise the funds to facilitate the delivery of affordable housing in the region. This provides flexibility for Council in how it might apply these funds.

There are many groups in need that Council could target for assistance and a variety of housing products and projects could be pursued. Following a Councillor workshop, it is recommended that Council develop a revised home ownership scheme and broader application to assist low to moderate income earners into home ownership. Specific guidance from the Council will allow staff to develop a more specific proposal for consideration.



STEPHEN JONES MP

FEDERAL MEMBER FOR WHITLAM

22nd November 2018

Gordon Bradbery OAM
Lord Mayor
Wollongong City Council
Locked Bag
WOLLONGONG DC, NSW 2500

Dear Lord Mayor,



I refer to my letter of 16th April and subsequent communications regarding the funds that have been allocated from the Federal Government for Affordable Housing Projects in West Dapto.

I understand from media statements that have been made by the Council that agreement has been reached between the Commonwealth and Council removing some of the restrictions on the use of these funds.

I have been consulting with local housing and service providers on disadvantage and housing needs and how the federal money could be used to make a significant difference.

At a meeting I convened on Monday 12 November, I invited Community Organisations to put their views on this. It was agreed that I should communicate a set of principles and a pathway which had the full support of all in attendance. We agreed that:

1. Organisations with proven expertise and provision of housing services within the Illawarra should be invited by the council to put forward Expression of Interest for a project or projects which will utilise the funds. These Organisations should be restricted those that are Not-for-Profit.
2. This is to be used for new housing, that is, not the purchase of existing homes.
3. The Housing is to be rented to tenants at rates that are affordable for them
4. The increasing numbers of women aged 50 and over who are homeless is a significant concern to providers, and so projects should be encouraged to focus on this group.

Not-for-Profits should be invited to put forward Expressions of Interest by February 2019 with decisions made on a project or projects to be funded made by July 19 and that the community sector should be consulted at both stages.



Given the history of this grant I think it is critical that we meet to discuss this proposition before any further action on this matter is taken.

Sincerely,



Stephen Jones MP

Federal Member for Whitlam

Shadow Minister for Regional Communications

Shadow Minister for Regional Services, Territories and Local Government

cc Southern Youth and Family Services, The Housing Trust, SAHSSI, Wollongong Catholic Care, Illawarra Women's Health Centre, Mission Australia, Illawarra Aboriginal Corp, Wollongong Emergency Housing, Barnados, St Vincent De Paul



SEPP 70 submission:

Criteria for Demonstrating Need for Affordable Housing

Wollongong City Council

July 2018

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Introduction

State Environmental Planning Policy No. 70 – Affordable Housing (Revised schemes) (SEPP 70) identifies local government areas with a need for affordable housing. Being identified within SEPP 70 satisfies this requirement of Division 7.2 of the EP&A Act 1979 enabling a council to levy contributions for affordable housing. The council is also required to have provisions within their Local Environmental Plan (LEP) to authorise such contributions and for the contributions to be in accordance with a scheme for dedications.

Wollongong's current housing strategy was prepared in 2006 and was used to inform the preparation of the Wollongong LEP 2009.

In 2013, Council commenced the preparation of a new Housing Study although progress was delayed by the proposed merger of Wollongong and Shellharbour City Council's. On 17 July 2017, Council considered a progress report on the Housing Study, which included the Housing Our Community Discussion Paper (2017) and Residential Density Study (2014).

Council resolved that:

- 1 *The discussion paper "Our Wollongong – a discussion paper identifying issues for housing our community" and supporting documents be made available on Council's website for community information and to begin the discussion on the preparation of a new Housing Strategy for the City.*
- 2 *The discussion paper and community feedback inform the preparation of the Housing Strategy options paper.*
- 3
 - a *A draft Planning Proposal be prepared to introduce an Affordable Housing clause into the Wollongong Local Environmental Plan 2009, based on clause 6.8 of the Willoughby Local Environmental Plan 2012 or a similar provision recommended by the NSW Department of Planning and Environment.*
 - b *The report to Council concerning the proposed LEP amendment also include consideration of SEPP70 as the alternative or parallel mechanism to achieve affordable housing outcomes.*
- 4 *The draft Planning Proposal be forwarded to the NSW Department of Planning and Environment for Gateway determination, and if endorsed exhibited for a minimum period of 28 days.*
- 5 *Council advise the NSW Department of Planning and Environment that it is willing to accept Plan making delegation, should the NSW Department of Planning and Environment agree.*

The definition of affordable housing in SEPP 70 is consistent with that in the EP&A Act, being:

For purposes of the definition of affordable housing in section 1.4 of the Environmental Planning and Assessment Act 1979, very low income households, low income households and moderate income households are those whose gross incomes fall within the following ranges of percentages of the median household income for the time being for the Greater Sydney (Greater Capital City Statistical Area) according to the Australian Bureau of Statistics:

<i>Very low income household</i>	<i>less than 50%</i>
<i>Low income household</i>	<i>50 or more but less than 80%</i>
<i>Moderate income household</i>	<i>80–120%</i>

The need for affordable housing can be demonstrated by the information provided below. This information has been sourced from the Australian Bureau of Statistics 2016 Census and the Housing Our Community Discussion Paper (2017).

Council is seeking amendment of SEPP 70 to include Wollongong Local Government Area as an area identified for affordable housing. The need for affordable housing is demonstrated by the information provided through the following analysis.

Wollongong Local Government Area

The Wollongong Local Government Area (LGA) has an area of 714km² that extends from Helensburgh, south to Haywards Bay and Windang. Some 50% of the LGA is within the Sydney Drinking Water Catchment Area and is predominately bushland.

Wollongong is nestled in a narrow triangular coastal plain, flanked to the east by the Tasman Sea and to the west by the steep slopes of the Illawarra Escarpment. The coastal plain is 45 kilometres long and up to 17 kilometres wide to the south. The Illawarra Escarpment ranges in height from 260 metres in the north, rising to 620 metres in the south. This unique environment forms part of the attraction of Wollongong, and poses many challenges to our future growth.

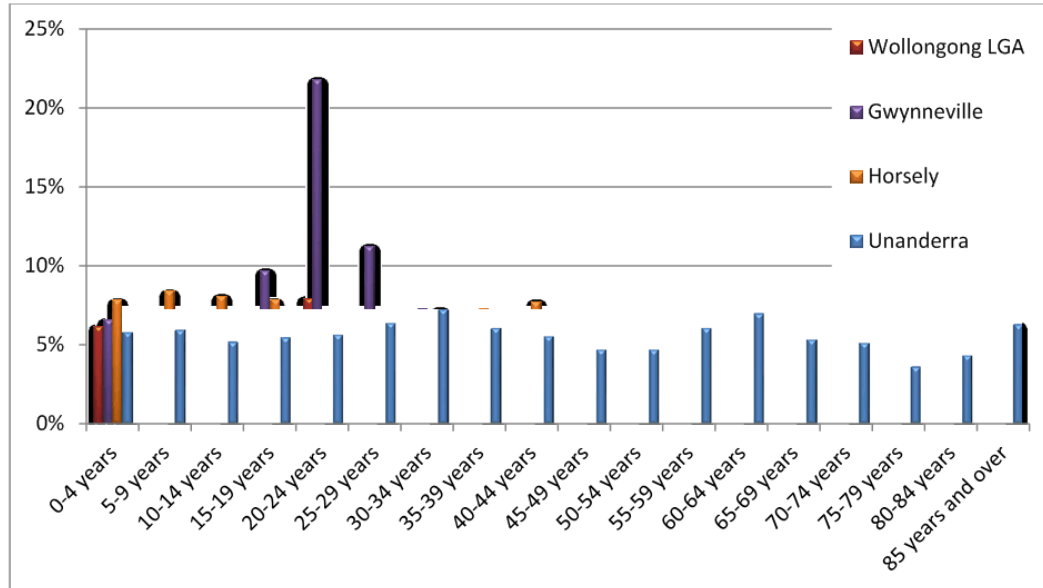
Wollongong LGA is comprised of 67 suburbs with one regional city, two regional centres, and a series of 28 towns & villages centres servicing our community. The Wollongong City Centre and city fringe account for close to 30% of all jobs. Health, aged care and community service assistance is Wollongong's largest employment sector (13.4%). The University of Wollongong attracts more than 30,000 students each year, including 10,000 overseas students. Additionally, our City attracts over 4.5 million visitors annually and tourism is emerging as a significant sector for Wollongong, injecting \$537 million into our economy per annum.

Overview of population

In 2016, 203,630 people called Wollongong LGA home (ABS, 2016) with older people (people aged 65 years plus) comprising 17.6% of our population. The proportion of residents aged 65 years plus is expected to continue to make up a large proportion of Wollongong's population into the future. By 2036 this percentage is expected to rise to 19.7% or 50,302 people.

Despite our ageing population, Wollongong attracts, and is expected to continue to attract, a significant number of people in the tertiary student age group. In 2016 14.2% of our population was aged 20-29 years old compared to 11.1% in regional NSW. Such distribution is not evenly spread throughout the LGA. For example, Gwynneville, a suburb located close to the University of Wollongong, had a concentration of 33% of residents aged 20-29 years old (2016) double that of LGA average (15%).

Figure 1: Age profiles of select suburbs compared to that of the Wollongong LGA.



Horsley, a suburb located in the West Dapto Urban Release Area, included a higher percentage of children (0-14 years) and adults aged 35-54 years old in 2016 (ABS, 2016) when compared against the Wollongong LGA. Such profile is assumedly attributed to a strong family presence in this area. In contrast, the established suburb of Unanderra, located to the south west of Wollongong, was home to a much higher percentage of people aged 60 years plus, when compared to that of the Wollongong LGA (ABS, 2016).

Overview of household formation

In 2016, there were 84,060 dwellings in Wollongong LGA and 89.4% of private dwellings occupied (ABS, 2016). Wollongong’s private dwelling occupancy rate was lower than that of the Greater Sydney (Greater Capital City Statistical Areas) being 92.3%.

Couples with children were the largest household group representing 30.2% of the population (23,454 households). A further 11.5% of the population were one parent families (8,938 households) and 23.9% were couples without children (18,528 households), 24.3% were lone person households (18,866 households) and 4.3% of households were classified as group households - a household where 2 or more unrelated people live (3,304 households). Overall, there is a clear trend across Wollongong towards smaller households, with over 59% of households one or two persons. By 2021 and continuing to 2036, couples without children will surpass couples with children and become the largest household family type in Wollongong (increasing from 21,286 to 27,529 by 2036).

Looking to the future, a change for Wollongong will be a significant increase in lone person households. The number of lone person households is forecast to increase from 20,831 in 2016 to 26,058 in 2036. This is attributed to changing patterns in household composition, such as increased separation rates, trends towards couples having children later or not at all, and an ageing population. The tendency towards more one and two person households is expected to continue to an estimated 2.50 people per household by 2036, down from 2.53 in 2016. By 2036, Wollongong is expected to have over 18231 more households to accommodate than in 2016.

Despite trends toward smaller households, Wollongong will continue to see steady growth in couples with children 2016-2036 (+4,580). This figure will vary for different areas. For example, it is expected that the West Dapto Urban Release Area will house larger families and have larger household sizes than the City Centre.

Overview of housing stock

Wollongong's housing stock is dominated by detached housing. In 2016, 67.3 % of the population lived in separate houses, 20.7% in medium density and 10.3% in high density dwellings. In addition, the majority of our population (approximately 92%) live in low density suburbs outside the Wollongong City Centre. Higher density living predominates in the Wollongong City Centre and neighbouring areas such as North Wollongong. Meanwhile, medium density housing such as terraces, townhouses and low-rise apartments are in high demand but not being delivered. Despite our growing population, the mix of housing being provided has changed little.

In 2016, 3 bedroom dwellings were the most common configuration in Wollongong Local Government Area (40.9%), followed by 4 bedroom dwellings (21.0%), 2 bedroom homes (20.9%) and only 4.8% were 1 bedroom or studio dwellings. This dwelling split has remained similar over the 10 year period from 2006 to 2016. While the average household size, in terms of the number of occupants, has declined, the number of 4 and 5 bedroom dwellings as a proportion of total dwellings has increased from 15.6% in 1991 to 26.8% in 2011.

Home ownership

The breakdown of home ownership and rental properties also varies throughout Wollongong. Wollongong has a higher percentage of residents living in social housing (7.4% in 2016) when compared to regional NSW (4.2%). This proportion is much higher in some areas of Wollongong, for example Bellambi, which in 2016 had 31.7% residents living in social housing, 19.5% in private rental and only 40.3% in ownership (fully owned or mortgage). Thirroul by comparison this same year had 75.1% ownership (fully owned or mortgage), 17.4% private rental and only 0.9% social housing.

Quantitative Analysis

i. Affordable housing stock

An analysis of the existing affordable housing stock should be provided. This is to quantify the existing stock of affordable housing in the local government area. This information should include all housing that meets the affordable housing definition above, including housing that is owned and operated by community housing providers as well as properties which are sold or rented on the private market that is affordable for very low, low, or moderate income households.

Furthermore the growth in demand for affordable housing should be demonstrated if possible. This may include identifying the amount of people eligible for affordable housing as well as those on waiting lists for affordable or social housing.

Note: Unrealised demand within the affordable housing market places greater stress on those requiring social housing or those at risk of homelessness. This is due to the fact that people unable to find affordable housing are forced to compete for already limited social housing, reducing the amount of housing already available to the most vulnerable members of our community.

Affordable Housing

Very low, low and moderate income households have been defined in accordance with the SEPP70 and EP&A Act definition, using the median household income for the Greater Sydney (Greater Capital City Statistical Area) \$1750 (ABS, 2016). Thresholds for very low income, low income and moderate income households have been calculated.

Table 1: Very low, low and moderate household income thresholds.

	Very low income household	Low income household	Moderate income household
Income benchmark	Less than 50%	50% or more but less than 80%	80-120%
Income range*	<\$874 per week	\$875 - \$1399 per week	\$1400 - \$2100 per week
Affordable rental benchmark**	<\$262 per week	\$262 - \$419 per week	\$420 - \$630 per week
Affordable purchase benchmark ***	<\$273,750	\$273,751 - \$354,000	\$354,001 - \$532,500

* Values calculated using the median household weekly income for Greater Sydney (ABS, 2016).

** Calculated as 30% of the total household income.

*** Calculated using ANZ loan repayment calculator, using 9 May 2018 interest rate (4.70%), assuming a 20% deposit for a 30 year ANZ Standard Variable Home Loan, utilising a maximum 30% of the total household income as a repayment, and excluding stamp duty requirements.

Residential property values (median) throughout the Wollongong LGA have increased by \$290,000 (or 48%) over the four year period from 2013 to 2017 (Valuer General, May 2018). The median residential sale price in 2013 was \$430,000, increasing to \$468,000 in 2014,

\$555,000 in 2015, \$615,500 in 2016, and \$720,000 in 2017. In January 2017, Wollongong was considered Australia's third most expensive City with price growth rate having outpaced Sydney (Domain, 2017). Across the 2016 -2017 financial year, Wollongong LGA reported the highest capital growth (16%) for residential dwellings of any Australian City (Crown Valuation Services, November 2017). Most of this significant and continuing property price increases have been observed for properties affordable for first home buyers and low end investment property (Crown Valuation Services, November 2017) thus decreasing affordable housing stock.

The NSW Department of Family and Community Services calculated 37% of dwellings as being affordable for moderate income households (Housing Kit, June 2016) compared to 31.2% of households across NSW. In June 2016 it was estimated only 4% of dwellings available for purchase, were available for low income households. There were no dwellings available for very low income households to purchase. The availability of affordable housing stock for low and very low income households in Wollongong is much lower than that when compared to NSW being 9% and 2.3% respectfully (Table 2)

The affordability of rental stock provides a slightly better outlook (Table 3) with 83.7% of properties identified as being affordable for moderate income households, 45% for low income households and 14% for very low households (Housing Kit Database, June 2016). In saying this, the NSW Department of Family and Community Services identifies Wollongong LGA as having a moderate to high need of additional affordable rental housing.

Table 2: Housing affordable to purchase for very low, low and moderate income households.

Area	% of affordable Purchase stock for Very Low Incomes Jun 16	% of affordable Purchase stock for Low Incomes Jun 16	% of affordable Purchase stock for Moderate Incomes Jun 16
Wollongong local government area	0.0	4.0	37.8
Sydney (Statistic Division)	0.0	0.8	14.4
New South Wales	2.3	9.0	31.2

Source: NSW DFCS Housing Kit, accessed online May 2018.

Table 3: percentage of households affordable to rent for very low, low and moderate income households (May 2018)

Area	% of affordable Rental stock for Very Low Incomes Jun 16	% of affordable Rental stock for Low Incomes Jun 16	% of affordable Rental stock for Moderate Incomes Jun 16
Wollongong local government area	14	45	83.7
Sydney (Statistic Division)	3	18	60.2
New South Wales	10	31	69.1

Source: NSW DFCS Housing Kit, accessed online May 2018.

Analysis of income and rental data by SGS Economics and Planning (2014) indicates the demand for affordable housing far outstrips supply across the Illawarra. In 2014 the supply of affordable dwellings was estimated to be 4400, or 16% of the demand for such housing (SGS Economics and Planning, 2014). More recently, CEO of the Housing Trust estimated the shortfall in social and affordable housing to be in the order of 5000 dwellings across the Illawarra (Illawarra Mercury, March 2018). The Anglicare Rental Affordability Snapshot (2018) identified 1,051 properties available for private rent in the Illawarra region over the survey weekend, with only 5 properties available being affordable and appropriate in the Illawarra statistical area. This snapshot highlights the shortage of low cost rental accommodations available in the Illawarra and Greater Sydney regions.

Managed by the NSW Department of Family and Community Services (FACS), social housing is a secure and affordable rental housing option for those on lower incomes. In 2016 there were 5708 social housing households across the Wollongong LGA (ABS Census, 2016). Weight list data indicates the demand for social housing far outweighs the availability of dwellings. 2007 applications for social housing having been assessed and approved for social housing by FACS and placed on waiting lists for a dwelling in Wollongong LGA (May 2018). The expected waiting periods of applicants to access such housing is dependent on the location and number of bedrooms required in the dwelling. The expected waiting period for majority of dwellings sought is 5-10 years (FACS, 2018). Such waiting periods see applicants seeking housing through the private rental market or emergency housing providers.

ii. Income Analysis

An analysis of the past, present and future income levels within the LGA can also indicate the level of housing stress faced by residents and/or demonstrate that the area is unaffordable for people on very low, low and moderate incomes.

In 2016, 19.9% of households in Wollongong LGA were considered higher income households (> \$2,500 per week or more) in complete contrast to the 20.8% of households which earned less than \$650 per week in 2016 (.id community, 2018). Overall, Wollongong has a higher percentage of households earning more than \$2000 per week when compared to Regional NSW.

Household income varies significantly across suburbs and areas throughout Wollongong. Comparison between two areas in Wollongong demonstrates variability in household incomes. Stanwell Park, Stanwell Tops and Coalcliff, all located to the north of the LGA, had a median household income of \$2,299 per week (2016). This median household income is double that of the suburb Koonawarra, located in the south of the LGA, which had a median household income of \$1,047 per week in 2016 (.id community, 2018).



Figure 2: Weekly household income (atlas .id, derived from ABS Census data, 2016)

Further analysis of household incomes revealed 92.9% of households throughout Wollongong live in a suburb where the median household income meets the very low, low or moderate income threshold for affordable housing as defined by SEPP 70 (Table 4). In other words, (at least) 46.45% of households (i.e. 38,764 households) satisfy the affordable housing income thresholds.

Table 4: Median Household Income, 2016

Area*	Median	Affordable housing
Warrawong	750	Very low income household (<\$874 per week)
Cringila	888	
Windang - Primbee	906	Low income household (\$875 – \$1,399 per week)
Bellambi	923	
Gwynneville	982	
Port Kembla - Spring Hill	1,016	
Unanderra - Kembla Grange	1,017	
Koonawarra	1,047	
Berkeley	1,057	
Fairy Meadow	1,102	
Lake Heights	1,110	
Environmental Conservation Area	1,166	
Wollongong	1,176	
Kanahooka	1,188	
Dapto - Brownsville	1,204	
East Corrimal	1,241	
Towradgi	1,241	
Corrimal	1,244	
Coniston - Mount Saint Thomas	1,259	
North Wollongong	1,272	
West Wollongong	1,332	
Wollongong City	1,335	
Balgownie - Tarrawanna - Fernhill	1,384	
Australia	1,431	Moderate income household (\$1,400 - \$2,100 per week)
Keiraville - Mount Keira	1,456	
Woonona - Russell Vale	1,477	
New South Wales	1,481	
Figtree	1,520	
Mangerton	1,650	
Rural Balance	1,664	
Horsley	1,791	
Farmborough Heights	1,809	
Bulli	1,895	
Thirroul	1,957	
Austinmer	2,058	
Mount Ousley - Mount Pleasant	2,059	
Wombarra - Coledale - Scarborough - Clifton	2,115	
Helensburgh - Lilyvale - Otford	2,132	
Cordeaux Heights - Mount Kembla - Kembla Heights	2,235	
Stanwell Park - Stanwell Tops - Coalcliff and surrounds	2,299	

* Data sourced from by atlas.id, derived from ABS Census data 2016.

Comparison of median household income from 2011 to 2016 indicates Bulli and Mangerton recorded the largest increase in weekly household incomes for this period. Income quartiles (sourced from .id community, 2018) have been used to compare income and earning capabilities for both suburbs through time. Income quartiles analyse household income across New South Wales, dividing these into even quartiles (lowest quartile 0-25%, medium lowest quartile 25-50%, medium highest quartile 50-75% and highest quartile 75-100%) enabling comparison through time.

1. Bulli

From 2011 to 2016 Bulli saw a 1.9% decrease in households whose weekly household income was in the lowest quartile, as well as a decrease of 1.4% of households in the medium lowest quartile groups. During this time a 4% increase in households whose income was in the highest quartile group also occurred. Such data suggests 3.3% of households earning lower incomes, left or were priced out of the housing market (purchasing or renting) from 2011 to 2016. Those who entered the market (e.g. purchasing existing dwelling/ renting / building new dwelling) did so with an income in the highest income quartile. Furthermore, median house prices in Bulli for the period April 2015 to April 2016 increased 11% from \$730,000 to \$810,000 (Your investment Property, 2018), supporting such assumption.

2. Mangerton

From 2011 to 2016 Mangerton saw a 5% decrease in households whose weekly household income fell within the lowest income quartile. During this same period, a 5% increase in households earning income in the highest quartile occurred. Similar to Bulli, this data suggests 5% of lower income households left or were priced out of this area throughout this five year period, replaced by households earning higher incomes. Median house and unit prices between 2015 to 2016 supports this theory. From April 2015 to April 2016, Mangerton's median house price increased 33% from \$574,000 to \$764,000, while the median unit price increased 24% from \$335,000 to \$440,650 in April 2018 (Your investment Property, 2018).

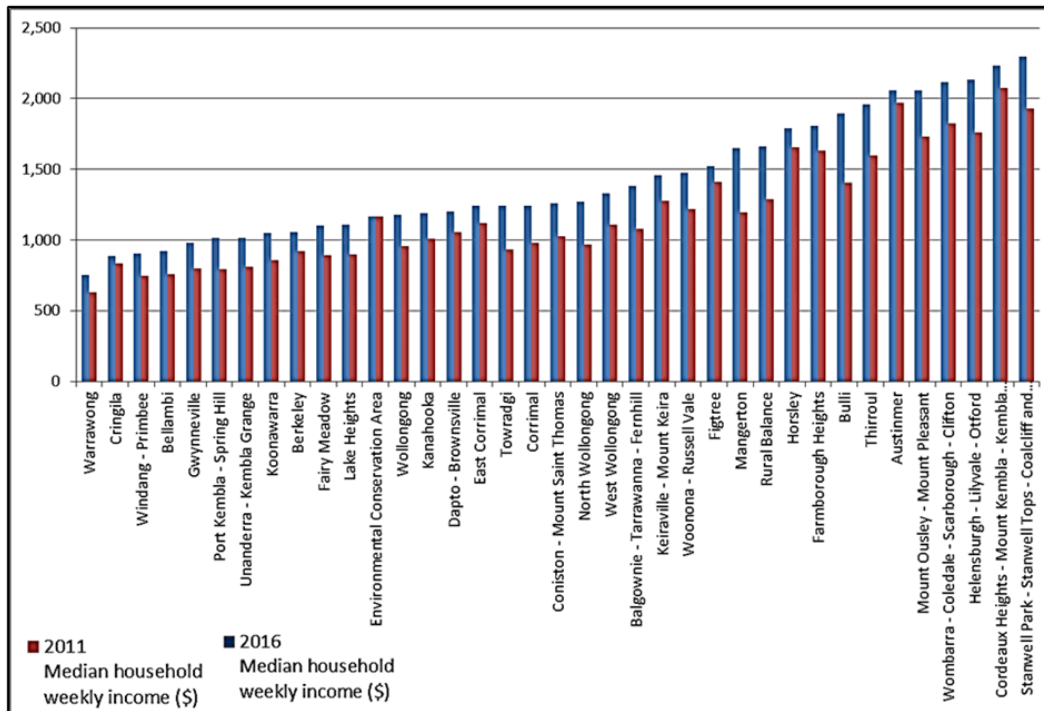


Figure 3: Median household incomes (weekly) across the Wollongong LGA (.id community, 2018).

iii. Rent/House Prices

Current rent and house prices for the LGA should be provided. This may be cross-referenced with incomes to demonstrate the percentage of income people are required to pay to support their rent or mortgages.

The information should be as accurate and up-to-date as possible. It is recognised that rents and prices are subject to change and every effort should be made to ensure that future changes are considered within the analysis.

Wollongong LGA contains a variety of housing markets and spans from the expensive coastal land to the more disadvantaged suburbs.

Table 5 provides a summary of house and unit purchase prices and weekly rent for a variety of suburbs. You will note the range of values, and the limited data for 2 bedroom houses and 1 bedroom units.

Table 5: Summary of house and unit purchase and rent prices

	House						Unit					
	Buy			Rent (per week)			Buy			Rent (per week)		
	2 bed	3 bed	4 bed	2 bed	3 bed	4 bed	1 bed	2 bed	3 bed	1 bed	2 bed	3 bed
Ward 1 (North)												
Helensburgh	-	\$900,000	\$950,000	\$578	\$578	\$690	-	\$650,000	\$765,000	-	\$530	\$598
Stanwell Park	-	-	\$1,532,500	-	\$750	-	-	-	-	-	\$420	-
Thirroul	-	\$1,128,750	\$1,200,000	-	\$655	\$750	-	\$726,750	\$930,000	\$360	\$460	\$600
Bellambi	-	\$780,000	-	-	\$480	-	-	\$447,000	\$606,500	-	\$310	-
Corrimal	-	\$797,500	\$900,000	\$400	\$500	\$570	-	\$485,000	-	\$250	\$350	\$530
Ward 2 (Central)												
Wollongong	-	\$832,500	\$940,000	\$445	\$520	\$640	\$395,500	\$575,000	\$870,500	\$310	\$420	\$595
North Wollongong	-	\$1,760,000	-	-	\$555	-	-	\$625,000	-	\$333	\$400	\$640
Fairy Meadow	-	\$845,500	\$801,000	\$440	\$500	\$585	-	\$479,522	\$682,500	\$350	\$400	\$500
Keiraville	-	\$825,500	-	-	\$540	\$650	-	-	-	\$250	\$370	\$520
Figtree	-	\$685,000	\$810,000	\$423	\$500	\$570	-	\$385,500	\$639,500	\$255	\$330	\$450
Ward 3 (South)												
Dapto	-	\$555,000	\$620,000	\$380	\$450	\$510	-	-	\$536,000	-	\$360	\$445
Port Kembla	-	\$662,500	\$750,000	\$360	\$430	\$498	-	\$532,500	-	\$240	\$320	-
Windang	-	\$757,500	-	-	\$480	-	-	\$377,500	-	-	\$315	-

Source: realestate.com.au access on 16 May 2018

According to the affordable rental and purchase benchmarks as previously calculated, there were no houses for sale for the suburbs listed above, affordable for any persons living in a very low, low, or moderate income household. A selection of 2 bedroom units for sale in Bellambi, Corrimal, Fairy Meadow, Port Kembla and Windang were identified as being available for moderate income households. Rental properties appeared to be more abundant for those on very low, low and moderate household incomes. A selection of units and a small selection of houses were available for rent to low and moderate income households. Such rental properties were not available across all suburbs.

Review of properties available for rent or purchase (Table 6) across Wollongong LGA indicated all properties available to rent for very low income households were one bedroom dwellings. Those available for purchase included:

- one studio dwelling in an apartment complex with one designated car space.

- one or two bedroom caravans/ removable homes located predominantly in caravan parks in Figtree and Windang.
- Dwellings with two of more bedrooms were only available for those persons with a weekly household income in the low or moderate income thresholds.

Table 6: Snapshot of affordable properties available to rent or purchase

	Number of properties available to rent *	Number of properties available to purchase**
Very low income households	24	18
Low income households	236	26
Moderate income households	580	163

*advertised on realestate.com.au as available to rent in the Greater Wollongong locality.

**number of properties with a sale price listed at or below the income threshold. This assumes any competition for such dwelling does not push the purchase price above that which can be afforded by the very low/ low/ moderate household income threshold.

Data from realestate.com.au, accessed online 23 May 2018.

iv. Housing Stress

Housing stress is perhaps the most significant indicator of housing unaffordability in an area. It demonstrates how many dwellings are paying more than 30% of their total weekly income on either rent or mortgage repayments and thus have less disposable income to spend on necessities such as food, clothing, education and transport.

This data can be provided through third party studies or by undertaking a primary research program. The data should be as accurate and up-to-date as possible to accurately reflect the existing and future local government.

Housing stress is a significant indicator when examining housing affordability in an area. It shows the relationship between housing costs and income levels, and identifies the number of households who have less disposable income to spend on necessities such as food, clothing, utilities, education and transport.

ABS Census data (2016) for the Wollongong Local Government Area indicates 6.3% of all households in Wollongong (regardless of weekly household income) have a monthly mortgage repayment greater than or equal to 30% of their household income. This compares to 7.4% of all households in NSW, and 8.4% of households in the Greater Sydney Statistical Division. ABS Census data for households renting property indicates those who are renting are more vulnerable to housing stress than those who have purchased their home (mortgaged). 13% of households were experiencing rental stress throughout the Wollongong LGA. This was slightly higher than that experienced throughout NSW (12.9%) but slightly less than that experienced in the Greater Sydney Statistical Division (14.2%). According to ABS census data, 19.3% of households throughout Wollongong (regardless of household income) were experiencing housing stress.

Housing Stress as defined as per the NATSEM (National Centre for Social and Economic Modelling) model includes only households in the lowest 40% of incomes who are paying more than 30% of their usual gross weekly income on housing costs (renting or mortgage repayments). According to housing stress data populated by atlas.id, 9,514 households (12.25%) were experiencing such housing stress. Mortgage and rental stress was as follows:

- Mortgage stress
8.5% of households purchasing their house (mortgaged) were experiencing mortgage stress. This is slightly lower than the Regional NSW average 9.8%. This rate of mortgage stress decreased from 9.7% in 2011 to 8.5% in 2016.
- Rental Stress
34.8% of households renting were experiencing rental stress, slightly higher than that experienced in Regional NSW 32.5%. Rental stress has also increased across Wollongong by 3.3% from 2011 (31.5%) to 2016.

Housing stress is not equal spatially throughout Wollongong. Table 7 outlines areas experiencing the highest and lowest areas of housing stress.

Table 7: Areas in Wollongong experiencing housing stress as defined by NATSEM (2016)

Area	Number households	Percentage %	Area of highest housing stress	Area of lowest housing stress
Gwynneville	292	28.2	1	
Warrawong	399	21.1	2	
Cringila	136	19.1	3	
Fairy Meadow	559	18.6	4	
Bellambi	309	18.2	5	
Stanwell Park - Stanwell Tops - Coalcliff and surrounds	28	3.9		1
Cordeaux Heights - Mount Kembla - Kembla Heights	74	4.1		2
Mount Ousley - Mount Pleasant	50	4.9		3
Austinmer	49	5.2		4
Wombarra - Coledale - Scarborough - Clifton	45	5.2		5

(Source: data combined by atlas.id by .id, 2018 sourced from Australian Bureau of Statistics, Census of Population and Housing 2016.).

v. Employment

Key employment statistics can help create a more holistic view of the LGA. Evidence may include employment rates (unemployment), key professions/industries as well the location of employment, whether it is within the LGA or outside.

Key employment hubs within the LGA should be identified. This can be cross-referenced against the employee's residential address to demonstrate if people who work within the LGA live near their work or travel.

Wollongong LGA had 71,968 jobs across 12,000 businesses. Wollongong City Centre and the city fringe account for close to 30% of all jobs (20,810 jobs). Health, aged care and community services assistance is Wollongong's largest employment sector (13.4%), with strong growth in this sector expected. Education and training accounts for 12% of the workforce.

Job growth remains the central economic challenge facing our city and the broader region. Official unemployment data from the Australian Bureau of Statistics highlights the unemployment rate of Wollongong as consistently above the State and National average. Over the past four years, Australia's average unemployment rate has been 5.2%, while for Wollongong it has been 7.1%. In recent years, there has been an increase in structural-related unemployment as the economy continues to diversify.

The employment challenge is larger than the official statistics suggest. 25,417 (33%) residents living in the Wollongong LGA commute outside the area for work. 16.1% of such workers commute into Shellharbour.

20,197 persons (25.5%) who work in the Wollongong LGA, live elsewhere and commute into Wollongong.

Table 8: Location of work for Wollongong LGA residents

Location of work for Wollongong residents (2016)	Number residents	%
Wollongong	58,958	66.9
Shellharbour	4,999	5.7
Sydney	4,205	4.8
No Fixed Address (NSW)	3,767	4.3
Sutherland Shire	3,392	3.8
Campbelltown	1,361	1.5

Source: .id community profile, accessed May 2018

vi. Homelessness

The rate of homelessness within the LGA should be identified. This demonstrates the extreme lower end of the market, where emergency and social housing has failed, affordable housing has failed and the private market has failed.

Increasing housing affordability can reduce the stress on social and emergency housing and help in reducing homelessness caused by housing stress.

Homelessness demonstrates the extreme lower end of the housing market, where emergency, social, affordable housing and private market has failed. Homelessness, as defined by the ABS occurs when a person does not have suitable accommodation alternatives and if their current living arrangement:

- is in a dwelling that is inadequate; or
- has no tenure, or if their initial tenure is short and not extendable; or
- does not allow them to have control of, and access to space for social relations.

In 2016, it was estimated that 37,682 persons were homeless in NSW (ABS Census, 2016). In Wollongong, rates of homelessness have increased 85% since 2006. Current estimates indicate Wollongong LGA has 816 homeless persons, which is the 12th highest rate of homeless in NSW (ABS Census, 2016).

Qualitative Analysis

i. Resident sentiment

The views of residents regarding the cost of housing within the LGA should be identified. This demonstrates the emotional impact of rising house costs on individuals and broader cost on society. Housing stress can contribute to stress in other aspects of a person's life and have a detrimental effect on their overall quality of life.

Affordable housing is a focus of the elected Council of Wollongong with Councillors having passed notices of motion and/or addressing the media in relation to this issue for our local area. *Our Wollongong 2028 Discussion Paper* (November 2017), a document prepared by Council, circulated throughout our community, aiming to stimulate discussion about the successes of our Council throughout recent years, as well as challenges and issues facing our future. Such discussion paper highlights housing affordability as one of thirteen major issues challenging our community in the immediate future.

The views of residents were captured through Council's recent refresh of our Community Strategic Plan. Community engagement undertaken was extensive and feedback highlighted housing affordability as one of twelve key focuses for our community over the next 10 years. A number of residents providing feedback through this process went so far as to highlight housing affordability as being one of three main challenges and priorities they identify, facing Wollongong.

Anecdotal evidence collected from local media also indicates the cost and availability of affordable housing throughout Wollongong and the broader Illawarra region is an issue affecting our residents.



ii. Resident support

Identifying where the residents of an LGA have themselves acknowledged that housing affordability is a major issue can be useful in supporting an application. This demonstrates that housing affordability is an issue within the community which has garnered support to resolve.

Community engagement activities and feedback resulting from Our Wollongong 2028 Community Strategic Plan process (Nov 2017–June 2018) has identified the support and acknowledgement of residents that housing affordability is a major issue affecting our LGA. Through such engagement changes in affordable housing stock was highlighted as an issue which has become relevant in recent years. Without prompt, one resident identified the issue and availability of affordable housing, particularly in Wollongong’s northern suburbs (Our Wollongong Community Engagement Report, June 2018).

Feedback highlighted not only the need to increase affordable housing stock, but also the understanding that housing affordability is a multifaceted issue with various approaches needed. Priorities as to what residents would like Wollongong to look like over the next ten years identified the need to:

- *“find ways to encourage affordable housing (not just building more homes)”.*
- *“Increase affordable housing stock. Having a target include targets for affordable housing, including in-fill developments to enable people on low incomes to live closer to services and amenities”.*
- *“A significant addition of affordable housing (stock) without major benefits to private developers”.*
- *Address “housing unaffordability and thus intergenerational inequity with more housing supply and financial mechanisms to help first home buyers”.*
- *Ensure “provision of affordable low income housing - consideration of the many and variable possibilities, think outside the box”.*

The West Dapto Home Deposit Assistance Program, launched 24 October 2014, was established to help low to moderate income earners enter the housing market in the West Dapto Urban Release Area. The program aimed to enable successful applicants to obtain new houses or house and land packages up to the value of \$444,000. Council estimated it would be able to help as many as 300 households buy their own home over the subsequent 15 years. Council received 11 applications at the time of the program launch, 10 of which were approved. While the program continued to have strong interest from residents subsequent to its launch, this did not translate into a strong take up due to significant variation in the property market. Increases in property values removed the product from within West Dapto that met the affordability criteria required by the funding arrangement.



One property purchase was completed under the West Dapto Home Deposit Assistance Program. This was reliant on the perseverance of the applicant and advantageous pricing provided by a land developer supportive of the program. While many people remained interested in the Program, there continued to be a growing mismatch between 'affordable housing' and the entry level of new housing stock in the area. House and land prices have continued to climb since final review and closure of program in 2017 suggesting housing affordability for those looking to purchase property remains an issue.

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Low Income Household and Housing Characteristic data

Council's demographic information provider id, defines Low income households as households with a weekly income of less than \$650 per week,

This income level is equivalent to the very low household income as defined by SEPP 70 - Affordable Housing (Revised Schemes), using the Illawarra Statistical Area median household income. The very low household income is \$676 per week.

According to id, in 2016 there were 39,831 people in low income households living in Wollongong LGA. There were 15,532 low income households in the Wollongong LGA. Low income households are spread across the LGA, from Thirroul to Windang and Dapto.

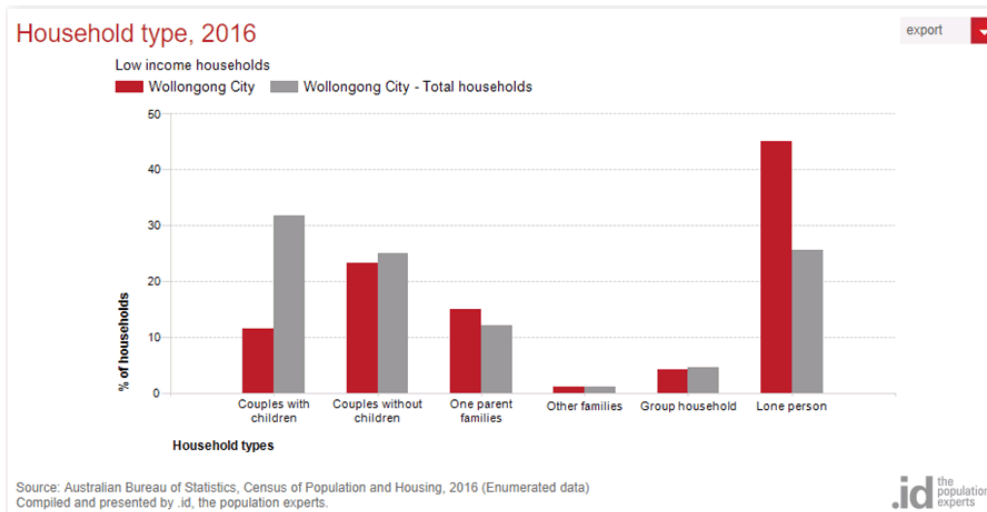
The following information from the 2016 census, sourced from Wollongong Community Profile (id), is provided to assist Council in understanding the characteristics of low income households in the LGA, when compared to the entire LGA population.

Id notes that those on low incomes may have quite different characteristics and living arrangements from the total population, and many local governments, State government and Federal government services are targeted at those with limited financial means.

Housing

When compared to the rest of the Wollongong LGA, low income households tend to have:

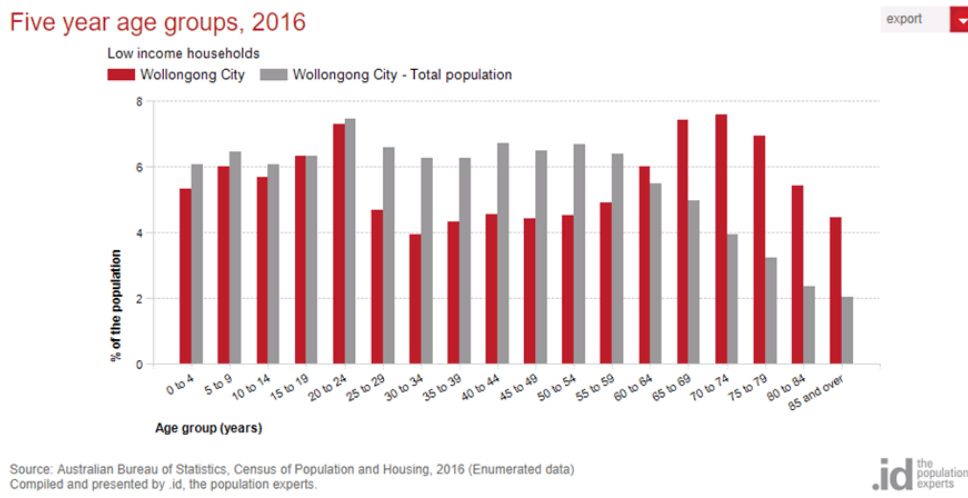
- A significantly lower percentage of households with children
- A significantly higher percentage of lone person households



In terms of age groups, when compared to the rest of the Wollongong LGA, low income households:

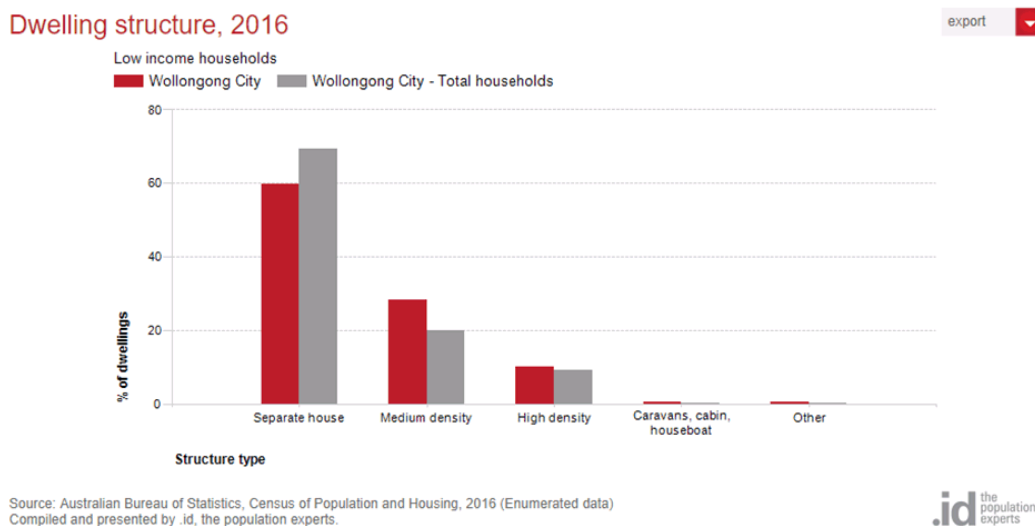
- Have a lower percentage of the population in the 25-59 age groups
- A higher percentage in the 65 to 85 and over age groups.

Five year age groups, 2016



In terms of dwelling structure, there is a slightly lower percentage of low income households living in separate houses, and a slightly greater percentage living in medium density housing.

Dwelling structure, 2016



The smaller dwelling size, is also reflected in the number of bedrooms per dwelling, where a slightly greater percentage of low income households occupy 1-2 bedroom dwellings. While a lower percentage occupy the larger 4-5 or more bedroom dwellings.

Number of bedrooms per dwelling, 2016

export



Source: Australian Bureau of Statistics, Census of Population and Housing, 2016 (Enumerated data)
Compiled and presented by .id, the population experts.

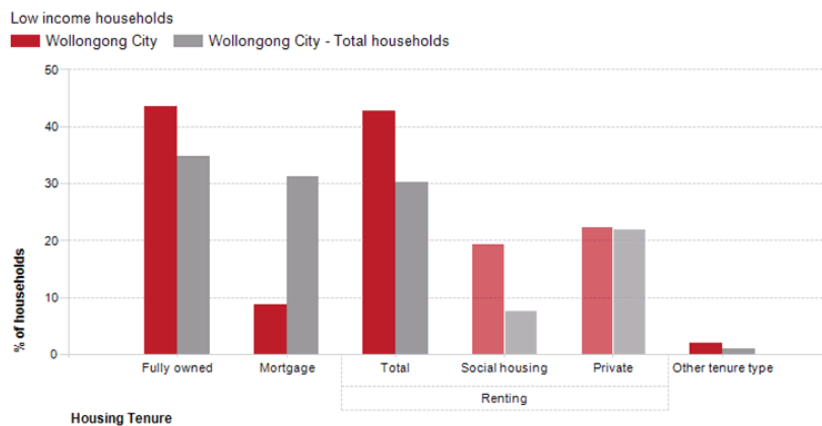
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In terms of housing tenure:

- A greater proportion of low income households own their own home. This may reflect aged persons who have paid off their mortgage, but are now on the pension.
- A greater proportion of low income households are renters, and especially social housing renters. The NSW Land and Housing Corporation manage / rent 6,731 dwellings in the LGA for social housing, which is 8% of the **Wollongong LGA** housing stock.

Housing tenure, 2016

export



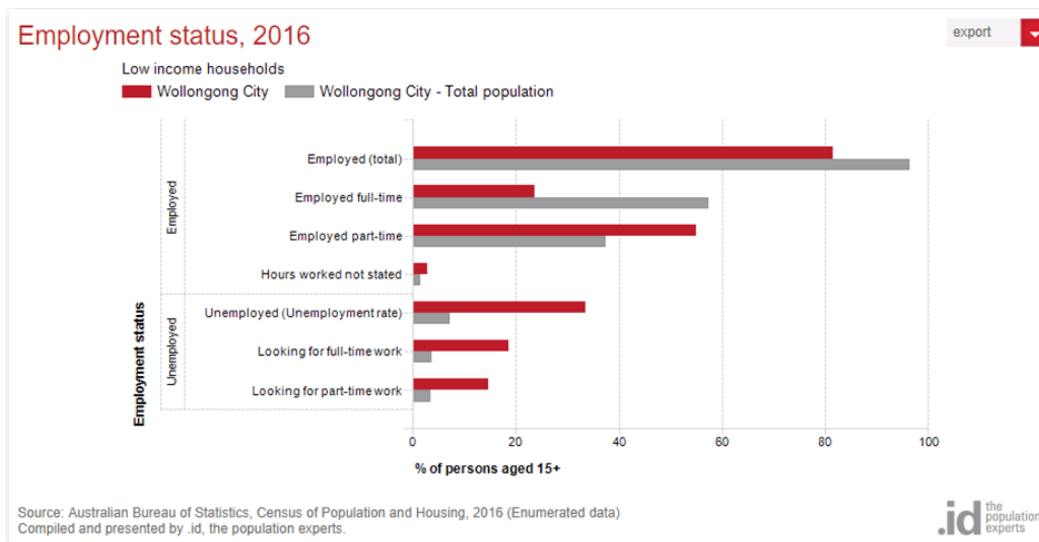
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Employment

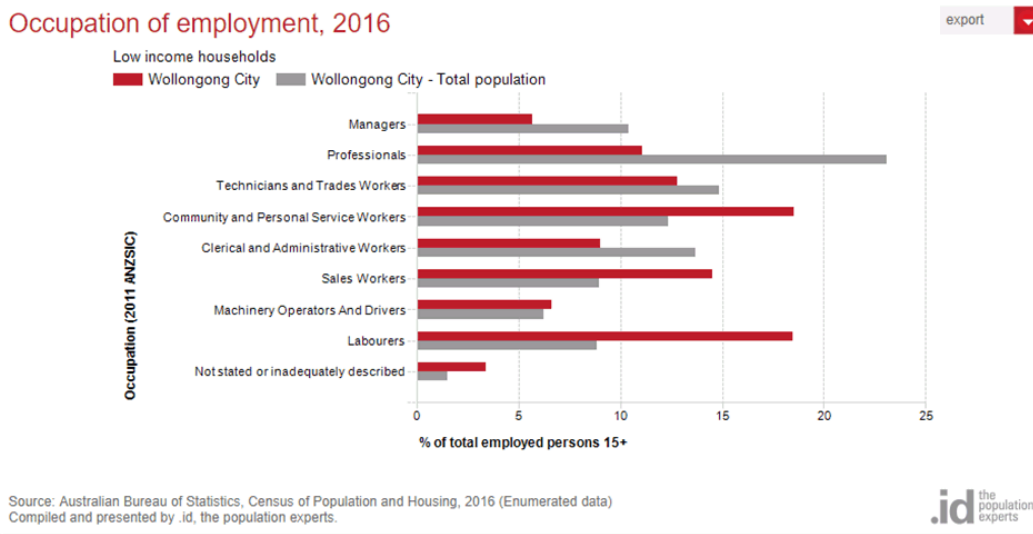
Employment statistics are an important indicator of socio-economic status. The levels of full or part-time employment, unemployment and labour force participation indicate the strength of the local economy and social characteristics of the population. Income is usually linked to employment, low incomes are usually correlated with high unemployment and low workforce participation. It is also an important indicator of a households ability to rent or pay a mortgage. In terms of employment:

- A lower percentage of low income households contain persons employed full-time
- A higher percentage is employed part-time
- A significantly higher percentage are unemployed, and looking for full-time or part-time work.



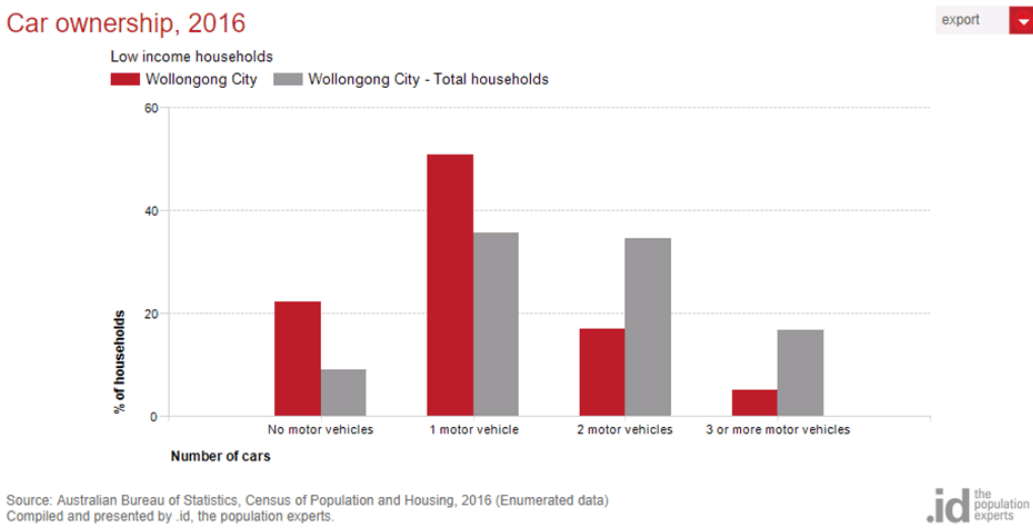
A higher percentage of persons in low income households worked as:

- Community and personal service workers
- Sales workers
- Labourers



Other indicators

Car ownership levels were less compared to the wider population. Id notes that the ability of the population to access services and employment is strongly influenced by access to transport. Low incomes may be associated with less transport options and lack of access to a car. It highlights the importance of public transport being available to low income households.



A lower percentage of low income households had an internet connection, and a higher percentage had no internet connection. Id notes that a fast internet connection is increasingly required for accessing essential information and undertaking domestic and non-domestic business. Households with dial-up or no internet service are being left behind in the digital divide as both government and the private sector are increasingly conducting their business, or aspects of it, on-line.

