

**INQUIRY INTO HOMELESSNESS AND LOW-COST
RENTAL ACCOMMODATION**

Organisation: Warringah Council
Name: Ms Diane Lawrence
Position: Director Strategy and Policy
Telephone: (02) 9942 2216
Date received: 10/03/2009

10 March 2009

Standing Committee on Social Issues
Parliament of NSW
Macquarie Street
Sydney, NSW 2000

Dear Hon Ian West MMLC

Re: Submission: Inquiry into homelessness and low-cost rental accommodation

Warringah Council welcomes the opportunity to raise some key concerns regarding homelessness, low-cost rental accommodation and associated housing issues. We look forward to working in partnership with the state and federal governments to make housing in Warringah more equitable and affordable ensuring the wellbeing of our community.

Warringah at a glance¹

The Warringah local government area (LGA) is mainly a residential area encompassing a total land area of 153 square kilometres. The LGA is home to more than 140,000 people (2006 ABS Census) who predominantly live in privately purchased dwellings (34% owning their homes outright and 33.4% with a mortgage according to the 2006 Census). A further 25.3% of the population were renting in 2006.

There are nearly 55,000 dwellings in the Warringah LGA. Out of these, 57% are occupied separate dwellings; 13.4% are medium density dwelling and 22.1% are high density dwellings, compared with 57.1%, 17.4%, and 17.3% respectively in the Sydney Statistical Division.

Key housing issues in Warringah²:

- **There is a demonstrable lack of affordable housing** in the Warringah local government area (LGA). Warringah is significantly less affordable than the average for the Greater Metropolitan Area (GMR):
 - At December 2005, the average proportion of affordable, private rental housing in Warringah was 24.2% compared to Sydney's Greater Metropolitan Region's (GMR) proportion of 52.2%³.

¹ Based on Australian Bureau of Statistics Census data from 2006 (see also Council's website: http://www.warringah.nsw.gov.au/community/about_warringah.aspx)

² The information in this section is primarily based on the report Information on Warringah Housing Market (2008) from NSW Department of Housing² unless otherwise indicated.

- In terms of private purchase, the proportion of dwellings affordable for purchase to households at the 40th percentile of median income was 1.5% in Warringah (compared to 13.4% in the Rest of NSW at December 2005 and 4.5% in the GMR) in December 2005. Private purchase affordability is likely to drive the demand for rental accommodation higher than would otherwise be the case.
- **Warringah LGA is characterised by high levels of housing stress⁴.** Based on 2006 figures, 6.4% of the Warringah Council area's low income households (lowest 40%) are under housing stress, where either rental payments or mortgage repayments amount to 30% of the household income. This figure is significantly less than the 11.0% in the Sydney Statistical Division. However it should be noted that:
 - Housing stress varied across the LGA. Proportions ranged from a low of 2.6% in Davidson to a high of 12.8% in Brookvale.
 - Many households in the lowest 40th percentile income bracket would not be able to enter the housing market in the area. Median rents on the Northern Beaches are amongst the highest in GMR and NSW (eg. median rent for a two bedroom dwelling in 2007 was \$370). For private purchase, it is estimated that only 1.5% of dwellings in Warringah are affordable for purchase to households at the 40th percentile of median income (compared to 13.4% in NSW and 4.5% in the GMR) making it virtually impossible for low income households to enter the housing market.
- **There is very limited access to public housing** within the Warringah LGA. Public housing represents 1.8% of all housing in Warringah which is below the average of 5.3% for the GMR.
- **There is a need for more one bedroom, studio and boarding house style accommodation** to assist in meeting the needs of the community through different stages of the housing life cycle and particularly for young people and elderly people on lower incomes. The NSW Department of Housing has projected the housing need in Warringah to 2011 (using 2001 Census data as baseline information) and estimates that 77.9% of housing need in Warringah will be for one or two bedroom dwellings. Currently the proportion of these dwellings (either 1 or 2 bedroom) is 69.1%.

The loss of boarding house stock is an important issue for Warringah, particularly given the proportions of single person households in the private rental market, who are in receipt of Commonwealth Rent Assistance (CRA) and in housing stress. Boarding house accommodation traditionally provides more affordable private rental accommodation, largely for single people.

³ Where "affordable housing" is defined as the number or proportion of dwelling units where rent (or mortgage repayments) do not constitute more 30% of the combined income for households on the 40th percentile of median income.

⁴ Housing Stress is defined as per the NATSEM (National Centre for Social and Economic Modeling) model as households in the lowest 40% of equivalised incomes (income adjusted using equivalence factors to remove the effect of household size on income) across Australia, who are paying more than 30% of their usual gross weekly income on rent or mortgage repayments.

The benefits of affordable housing at a local level are well documented. Affordable housing provides for a diverse workforce and in particular for key workers such as health care and child care workers, teachers, and bus drivers that directly or indirectly support the rest of the workforce. Affordable housing also has direct economic benefits to the local community. It also promotes economic and social integration.

Council is committed to looking at ways housing affordability can be improved in the Warringah local government area. Council has conducted specific research, particularly in the key-worker area. We also work in partnership with neighbouring Councils on such activities.

However affordable housing issues in Warringah are substantial and are expected to worsen in future years, given the current economic climate and expected downturn in the local economy and employment market. Whilst low housing interest rates will provide relief, policy instruments that move beyond the economic cycle are required for long term improvement to be achieved.

Homelessness is a more difficult trend to track and there is no substantial evidence of people 'sleeping rough' in Warringah. Nevertheless, it is not unreasonable to assume, that, along with affordable housing pressures, are areas of lower socio-economic advantage in Warringah where there is likely to be other forms of housing stress, such as over-crowded share accommodation.

Councils can not solve the often complex problems relating to affordable housing and homelessness alone, but rather should work cooperatively with State Government and other key agencies. In moving forward, we suggest the following key points be prioritised:

1. Ensure the retention of public housing in Warringah
2. Increase the pool of affordable private rental options in the area
3. Identify specific likely impacts of a downturn in the local economy and job market on the housing situation and take measures to actively assist vulnerable groups.
4. Ensure research and action on issues related to homelessness and risks of homelessness. Recognise local 'hot spots' that occur with relatively affluent areas such as Warringah and Greater Sydney Metropolitan Region that can inform improved strategic decision making.

We look forward to the Inquiry report and recommendations.

Yours sincerely

Diane Lawrence
Director Strategy and Policy
Warringah Council

Enquiries: Daniel Lovett, 9942 2216.

