



Finding local & regional solutions to a national problem

Presentation for Housing Strategy Implementation Unit, NSW Land & Housing Corporation - Housing Matters Action Group Inc - 14 January 2021

Housing Matters Action Group

Tackling the regional housing crisis together

We are locals working on affordable housing solutions. We need affordable, secure, accessible and environmentally responsible housing throughout the Bellingen and Nambucca Shires and right across the North Coast of NSW.

Everyone needs a safe, secure and affordable place to call home.

www.housingmatters.org.au

COVID recession - expect dramatic housing impact regionally



- ▶ House prices up via E-changers
- ▶ Rental accommodation now short term holiday rentals
- ▶ Increasing sales for Airbnb investments
- ▶ Affordability was already critical for locals
- ▶ E-Change risk is two tiered regional towns - city employed and locals

Bellingen Shire income snapshot

- ▶ 44.3% of Bellingen Shire residents earn a 'low income' (Less than \$500p.w.)
- ▶ 34.8% individuals earn between \$300 - \$649 per week
- ▶ 29% of households are single person

Table: Household income - based on 2016 census data / Source Profile ID

Quartile	Weekly income	Bellingen Shire	Regional NSW
Lowest	\$0 - \$750	36.7%	31.6%
Medium lowest	\$751 - \$1481	33.3%	29.4%
Medium highest	\$1482 - \$2554	20.6%	23.2%
Highest	\$2555 and over	9.4%	15.8%

Employment and participation

- ▶ High levels of unemployment and underemployment in many regional areas
- ▶ Some due to lack of opportunities, others are lifestyle choices and/or caring responsibilities
- ▶ Local workers are being priced out - potential economic impacts in key sectors
- ▶ Residents on income support further marginalised
- ▶ Social and economic impact of regional housing crisis

Labour force status	Number	Bellingen Shire	Regional NSW
Total labour force	5,266	50.3%	54.8%
Not in labour force	4,493	42.9%	37.9%
Not stated	706	6.7%	7.3%

Affordability Scenarios

Note ->30% household income in housing costs is housing stress benchmark

Median weekly mortgage payments and rent (Aug 2020) as a proportion of household income

Median sale price Aug 2020	Bellingen \$642,000	Dorrigo \$400,000	Urunga \$573,000	Urunga Unit \$335,000
Mortgage - per week	\$750	\$467	\$669	\$391
Rent - per week	\$430	\$320	\$390	\$300
WEEKLY INCOME & RENT AS A PROPORTION OF INCOME [%]				
p/t Landscaper \$805	93 m 53 r	58 m 40 r	83 m 48 r	49 m 37 r
p/t Office Manager \$1,034	73 m 42 r	45 m 31 r	65 m 38 r	38 m 29 r
Teacher (yr 1) \$1,326	57 m 32 r	35 m 24 r	50 m 29 r	29 m 23 r
Police constable (yr 2) \$1,433	52 m 30 r	33 m 22 r	47 m 27 r	27 m 21 r

Affordability summary - previous slide

HEADLINES

- ▶ No one can buy in Bellingen
- ▶ Only the police constable can rent in Bellingen
- ▶ Police constable can buy a unit in Urunga or rent anywhere
- ▶ Teacher can buy Urunga unit or rent in Dorrigo or Urunga
- ▶ Labourer or Landscaper can't rent or buy anywhere

NOTES

- ▶ Single income household.
- ▶ Unemployment high - not unlikely scenarios
- ▶ Pre COVID modelling - expect much worse post COVID
- ▶ Serious risk to key workers - income support recipients haven't got a hope

Bellingen Shire Snapshot - August 2020

In top 10 locations for increased rent

One of the most expensive locations nationally - # 25 (May 2019)

70% households in medium lowest & lowest income groups

High unemployment - 37.5% housing stress

Why We Care

- ❑ Young locals can't afford to stay
- ❑ Housing shortages for low to moderate paid workers - economic impacts anticipated
- ❑ Increased housing insecurity = increased economic, health and social problems
- ❑ Precarious housing & homelessness escalating
- ❑ Aged can't downsize - no small dwellings for ageing in place
- ❑ Increasingly stratified community

Not all regions are the same...



- ▶ Bellingham mid north coast ‘**canary in the coalmine**’ but many others experiencing significant stress
- ▶ Some western communities could benefit from well managed growth - taking into account environmental and local factors
- ▶ Support **Local Housing Strategies** for tailored solutions

Coastal communities in high demand...

- ▶ Coastal communities are sought after and there are risks if not well managed
- ▶ Coastal communities are at risk of becoming highly stratified without government intervention - VESPAS / climate change refugees (Virus Escapees Seeking Provincial Australia) working from home on city incomes with their line of sight mainly back to their city based employer and life owning and renting - often renting to try before they buy.
- ▶ Locals on local wages living in very precarious housing - doing it very tough with all the social problems that come with that
- ▶ Increased difficulty for coastal areas to house the workforce needed to keep the services, health care, education etc in these communities going

Some western communities... opportunity for well managed growth ?

- ▶ Some western communities are still doing it tough and could benefit from well managed growth with local involvement in decision making
- ▶ Incentives to move metro to agreed prioritised western communities rather than coastal?
- ▶ Need to be mindful of water scarcity and climate change impacts
- ▶ Complicated - already seeing migration from west to coastal
- ▶ Infrastructure and service considerations need to be addressed
- ▶ There's no one size fits all approach



Summary of potential regional affordability actions

Possible strategies for inclusion in relation to regional housing include



- ▶ Tax incentives and relocation grants that are targeted to attract people to towns that really need growth
- ▶ Significant investment in **social housing** for low-income earners
- ▶ **Infrastructure investment** through local councils for new environmentally responsible development - with affordable housing targets and housing diversity targets

Activate local communities to harness their own resources



- ▶ **Regional housing hubs** funded to provide information, resources and advice to locals - making dense planning information accessible
- ▶ Invest in **demonstration projects** and develop resources that can be disseminated regionally
- ▶ Give local councils more flexibility for local responses - and a **grants program**
- ▶ Tax incentives and/or grants for **for-purpose for profit developers** targeted at affordable housing into perpetuity - eg boarding houses, build to rent

Deliberate targeted strategies to develop long term secure housing

- ▶ *Locals priced out - ie workforce and young families. Such as:*



- ▶ **Shared ownership options** targeted at moderate to middle income earners - such as CLT, equity co-ops, via government, church and philanthropic land grants
- ▶ **Build to rent** for moderate to middle income earners - leveraging 99 year leases
- ▶ **Low cost ownership options** - such as Nightingale - encouraged through tax incentives or seeding capital grants
- ▶ Government backed **long term investment** in regional rental housing - like the Defence Housing Authority
- ▶ **Capital grants programs** to refurbish vacant public buildings or re-purpose existing private buildings - eg Bellorana

Legislation

- ▶ Specific legislation that makes shared ownership models simple and attractive to banks - eg CLT legislation
- ▶ Major reform of tenancy legislation to provide security of tenure and rent control for low - middle income earners - and actively encourage lifetime secure rental as an attractive tenure for residents and investors.
- ▶ Target negative gearing to affordable rents (Commonwealth)
- ▶ Target capital gains tax to affordable rents (Commonwealth)
- ▶ Establish a regional housing fund by contributing 1% of land tax for a fixed term and investing as a statutory fund - ie the NSWALC model. This could fund the housing hubs and demonstration projects regionally.
- ▶ Capital grant programs must ensure affordable housing outcomes are locked in into perpetuity or for as long as possible - eg 99 years.