



DesignBuild Conference
Perth Western Australia
3 November 2010

Its actually about people and shelter

cultural and economic shift in the fundamental treatment and role of housing in society

From a dwelling providing valuable housing services (warmth, protection, hygiene, rest, food preparation, family safety) to its tenant/occupant (considerate of environmental location / natural resource abundance and economic opportunities)

Increasingly towards

housing as a vehicle for individual wealth creation (and protection) disconnected from environmental characteristics

concurrent to the rise of the principle (in law) of personal land ownership (vs steward/custodianship for future generations) and dwelling value unrelated to land location fertility / food production / physical and climactic features

- human predisposition to accumulation 'bigger is better'
- disconnection of dwelling function as provider of housing benefits to one of economic and financial boon (with the opportunity to leverage social expectation and aspiration)

Post GFC Question:

Is the debt fuelled private ill-fitting housing acquisition (dependent on speculative future price wealth creation from inflated resale - caused by supply restriction) a virtual creation/myth?

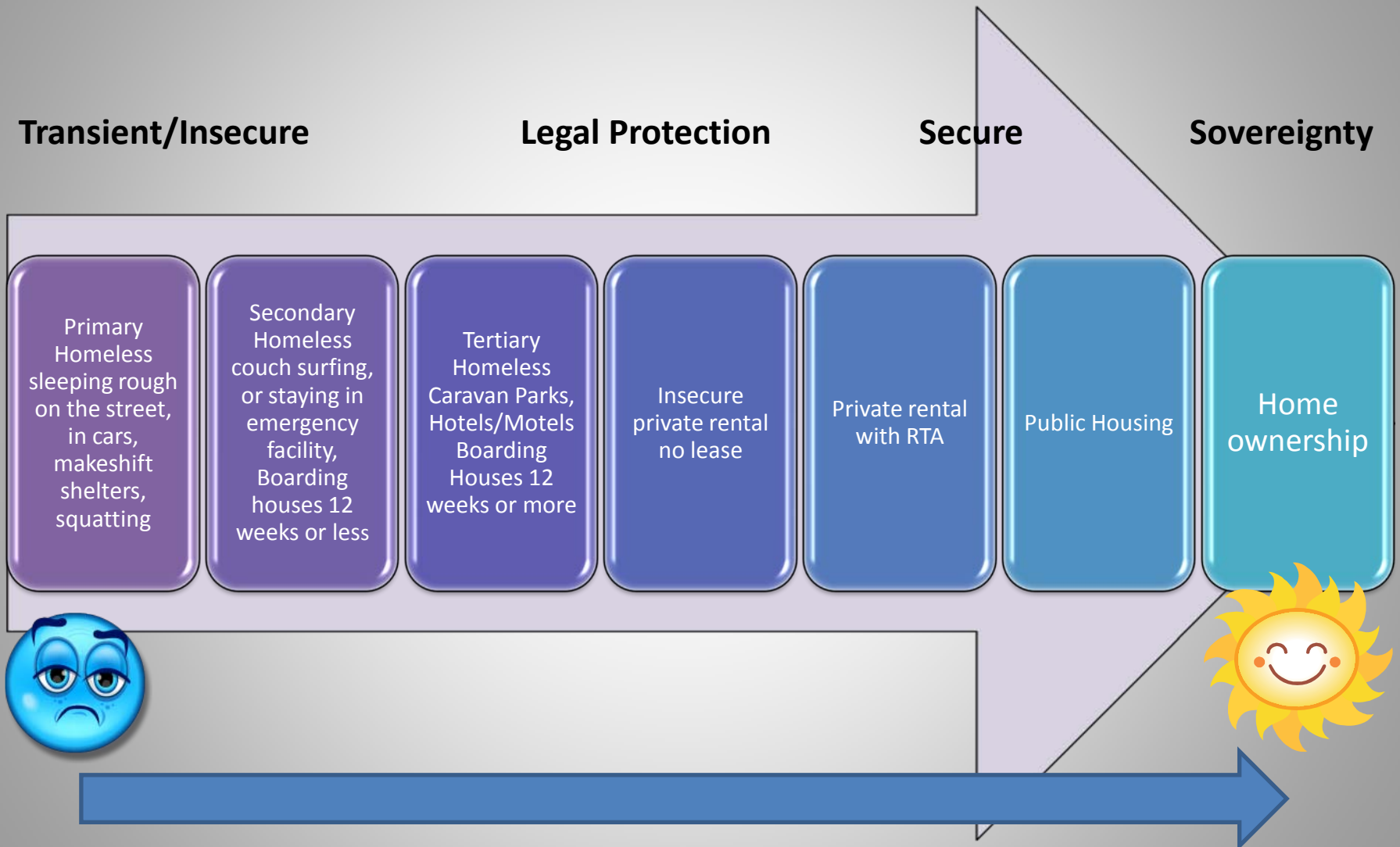
contradictions, distortions, beat ups

- differential favourable tax and policy settings for (established) owners and o/occupiers, compared to tenants and landlords
- creeping state rigidity and restrictions over transfers, renewals, re-orientations of dwelling structures to respond to demographic (sole person households, empty nesters) and environmental (sea and temp rise) changes
- cessation of state responsibility for land development / provision of urban infrastructure (value to all future residents and community)
- ‘magic zoning wand’ – lucrative - leads to land banking and speculation by owners and potential developers – incentives to ‘beat up’ (but arable/environmental/transport costs not factored)
- BUT.. developers risk (need reward) and invest (at a cost with significant capital, equipment and borrowings) and prefer to do what they know well (keep construction, design and inputs simple, cost effective)
- land infrastructure and development costs pass to entry buyer

Industry response, social disconnect

- no surprise that WA residential building and development industry
 - offers limited choice of product (mismatch in dwelling type to household occupants and needs),
 - is averse to design risk / innovation (perhaps in response to state rigidity and interference),
 - needs to be profit maximising because market is distorted and costs of delays and capital outlay are significant (aims to the top of buyer market)
 - builds larger (simpler/cheaper) houses,
- BUT fewer people living in them (demographic and social change),
- Harder for entry buyers , delays family formation, high cost burdens of mortgages restricts social participation
- well off owners direct savings into expanding houses rather than other investment /development/enterprise (private vs social benefits?),
- less new supply at low cost end
- Simultaneous targeting of public and social housing to very low income + other needs alongside real drop in funding and lack of population / proportionate increase in supply
- compromised public housing viability, residualised , deterioration & cannibalisation of stock and stigmatised those who occupy

The Tenure Continuum



Housing Cost Burdens: median incomes purchasing median priced property (Rowley, S, from ABS median income & REIWA house sales data)

Sub-Regional Market	Existing Owners. HCB 2006	First Home Buyer HCB	Income Required for FHB 2010
Armadale Serpentine	24%	31%	\$64,114
Bassendean/Bayswater	29%	46%	\$86,057
Belmont	32%	48%	\$81,600
Canning	25%	39%	\$86,400
Cockburn	26%	33%	\$83,657
Fremantle	34%	64%	\$125,829
Gosnells	25%	34%	\$63,771
Hills	24%	37%	\$81,943
Joondalup South	22%	36%	\$95,657
Joondalup North	25%	35%	\$92,914
Melville	27%	52%	\$124,114
Perth City	36%	62%	\$149,143
Rockingham Kwinana	26%	39%	\$66,514
South Perth/ Vic Park	31%	52%	\$119,657
Stirling East	31%	49%	\$80,229
Stirling West	28%	55%	\$129,600
Swan	25%	34%	\$71,657
Vincent Stirling SE	31%	61%	\$144,000
Wanneroo NE	26%	36%	\$82,286
Wanneroo NW	28%	39%	\$76,114
Wanneroo South	25%	36%	\$78,857
Western Suburbs	30%	82%	\$237,257
Average for Perth Metro	28%	46%	\$100,971

Australian Household Occupancy and Dwelling Characteristics 2007-8

Household and dwelling characteristics, 2007-08

	One bedroom	Two bedrooms	Three bedrooms	Four or more bedrooms	Total households (a)	
	'000	'000	'000	'000	'000	% of total
One person	267.3	721.0	803.1	197.0	2,004.1	24.8
Two persons	58.3	619.7	1,432.7	625.2	2,735.9	33.9
Three persons	n.p.	174.0	681.1	456.7	1,314.9	16.3
Four persons	n.p.	76.3	592.3	587.9	1,258.3	15.6
Five or more persons	n.p.	18.2 (b)	230.4	514.2	764.1	9.5
Total households	331.3	1,609.2	3,739.6	2,381.0	8,077.3	100

(a) Includes bedsitters and dwellings with zero bedrooms.

(b) Estimate has a relative standard error of 25% to 50% and should be used with caution.

Note: n.p. = not published, due to estimates having a relative standard error of over 50%.

Source: ABS, data available on request (Survey of Income and Housing, 2007-08).

Unoccupied

The vacant stock identified in the 2006 Census was roughly equivalent to six times the number of new dwellings completed each year, and eight times the number of homeless people in 2006.

Table 3.5: Unoccupied private dwellings by capital city and balance of state for six states, 2006 (per cent)

	Capital city	Balance of state	State total
NSW	7.4	12.5	9.5
Vic.	8.1	15.7	10.3
Qld.	6.4	11.2	9.2
SA	6.9	18.5	10.3
WA	8.0	17.6	10.7
Tas.	8.1	15.9	12.8
Six states total	7.5	13.6	9.9

Source: Australian Bureau of Statistics, CData Online, Australia, 'Division by Dwelling Type' and 'State/Territory by Dwelling Type', ABS, Canberra, 2007.

Counting the Homeless 2001

Table 1: Number of persons in different sectors of the homeless population, Australia and Western Australia, 2001

	Australia		Western Australia	
	N	%	N	%
Boarding houses	22,877	23	1,755	15
SAAP accommodation	14,251	14	945	8
Friends and relatives	48,614	49	6,755	58
Improvised dwellings, sleepers out	14,158	14	2,242	19
	99,900	100	11,697	100

Counting the Homeless 2006

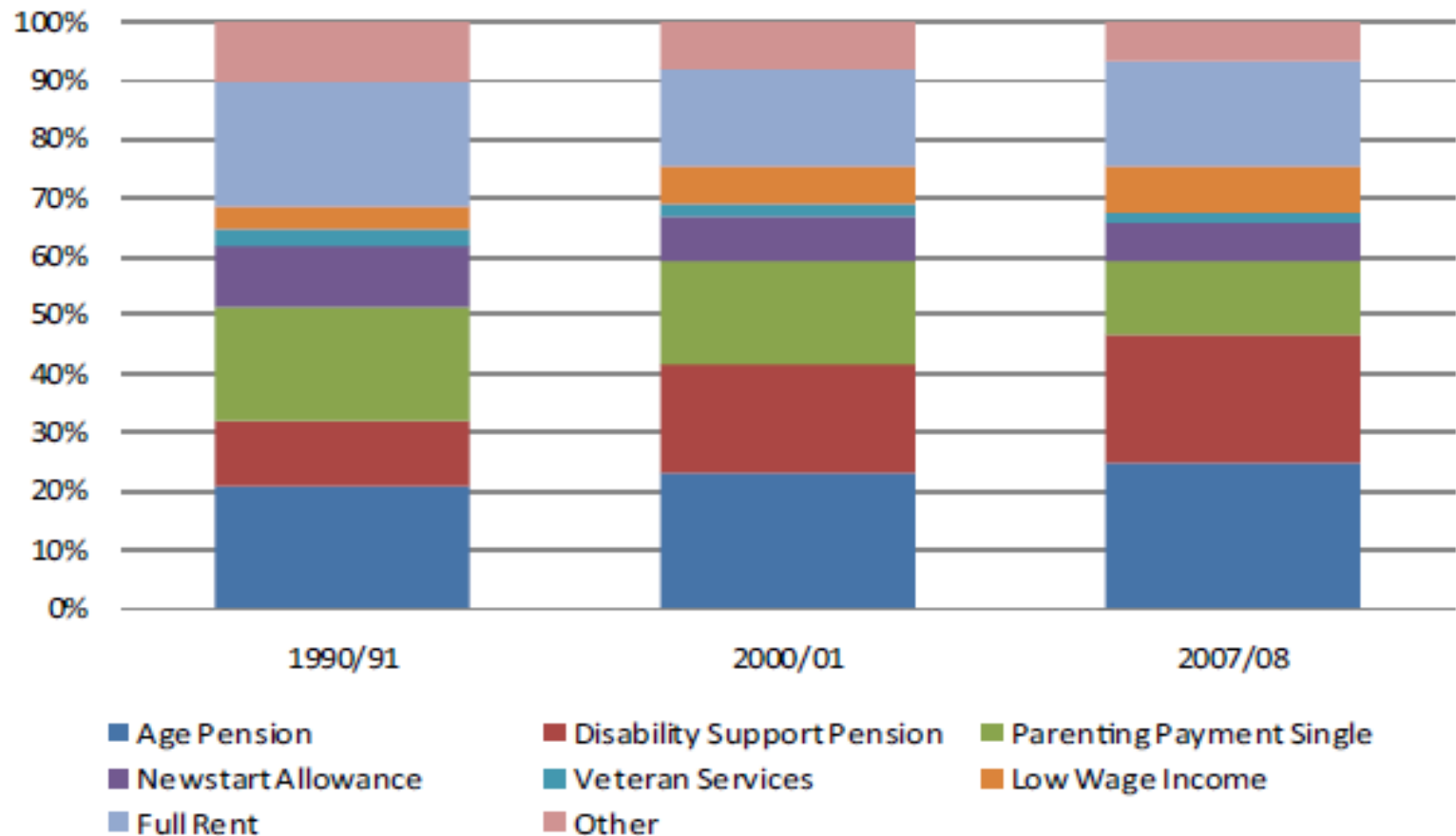
TABLE 1: PERSONS IN DIFFERENT SECTORS OF THE HOMELESS POPULATION

	Australia		Western Australia	
	N	%	N	%
Boarding houses	21 596	20	1652	12
SAAP accommodation	19 849	19	1395	11
Friends and relatives	46 856	45	7952	59
Improvised dwellings, sleepers out	16 375	16	2392	18
	104 676	100	13 391	100

Source: Census of Population and Housing 2006; SAAP Client Collection 2006; National Census of Homeless School Students 2006.

Public Rental Tenant Income Sources

Figure 1.14 Public Housing Income Sources



Waiting for Public Housing

This information provides you with an indication of how long you are likely to wait until offered accommodation in a specific location.

The Application row indicates how many applicants are waiting for assistance. The Dwelling row indicates the number of public rental properties in a zone or town. The Occupations row indicates the number of occupations over a twelve month period.

CMOA* (Current Month of Allocation) is the listing date of applicants who have reached wait turn and are next in line to be offered suitable accommodation.

as at June 30, 2010

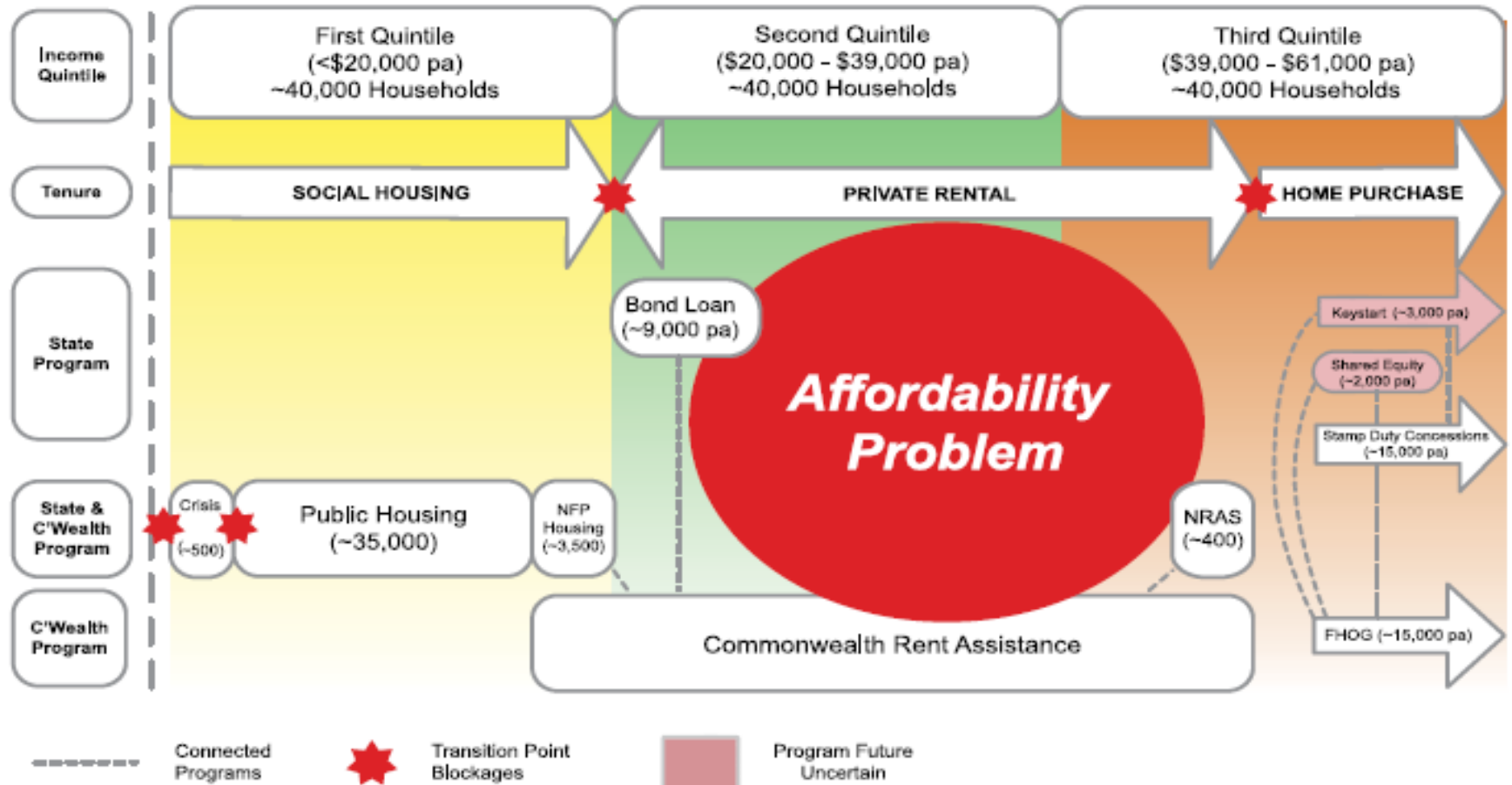
			Family 2/3br	Family 4+br	Seniors 1br	Singles 1br
METRO NORTH 6 Ilkeston Pl Mirrabooka 6061 9345 9655	NORTH CENTRAL Application Dwelling Occs CMOA*		2181	416	696	1929
			1331	244	1348	214
			55	8	66	19
			Jul2002	Apr2001	Dec2004	Nov2003
	NORTH CITY ZONE Application Dwelling Occs CMOA*		27	1	37	108
			597	21	987	327
			27	2	65	32
		Jun2004	Jun2004	May2007	May2004	
NORTH COASTAL Application Dwelling Occs CMOA*		702	153	269	385	
		Dec2002	Oct2003	Mar2005	Dec2004	
	NORTH EAST METRO Application Dwelling Occs CMOA*		743	122	235	372
			1011	321	718	119
		55	18	43	20	
		Sep2002	Apr2003	Feb2005	Sep2002	
NORTH WEST METRO Application Dwelling Occs CMOA*		68	11	32	42	
		1461	145	1115	332	
		40	6	58	41	
		Nov2004	Apr2007	May2006	Nov2005	
NORTHERN DISTRICTS Application Dwelling Occs CMOA*		229	48	78	135	
		598	257	250	35	
		41	18	15	3	
		May2003	Jul2004	Apr2004	Nov2003	

Department of Housing Metro North

SUBURBS INCLUDED IN NORTH CENTRAL ZONE:

Alexander Heights, Balcatta, Balga, Ballajura, Bayswater, Bedford, Daglish, Dianella, East Perth, Embleton, Girrawheen, Glendalough, Greenwood, Highgate, Inglewood, Jolimont, Joondanna, Koondoola, Leederville, Marangaroo, Maylands, Mirrabooka, Morley, Mt Hawthorn, Mt Lawley, Nollamara, Noranda, North Perth, Northbridge, Osborne, Park, Perth, Shenton Park, Subiaco, Tuart Hill, Warwick, Wembley, Wembley Downs, West Perth, Westminster, Woodlands, Yokine

Figure 4.1: Current Western Australian Social Housing System



Initiatives and Strategies

- CoAG Reforms, Stimulus Projects, National Partnership Agreements (mostly short term)
- Strengthening Community Housing Response
- NRAS – subsidy for investment in affordable housing – moderate income households discount to market rent (key worker)
- Planning reforms to match new housing type and location to regional demographic changes
- innovation dwelling types, configurations - flexibility, materials
- New types of boarding houses, serviced apartments, studio units with shared facilities, ‘wired’ and IT capacity, cable TV
- Infrastructure land development fund – reduce cost of serviced land for low-moderate income entry buyers
- Activate privately owned underutilised and vacant housing for rental occupation with incentives / taxes
- Address disincentives for benevolent landlords (land tax, corporate rates for utilities, CGT implications)



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