



Presentation to

South East Metropolitan Emergency Relief Forum

28 April 2010

What is happening about the housing crisis?



Presentation by

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&

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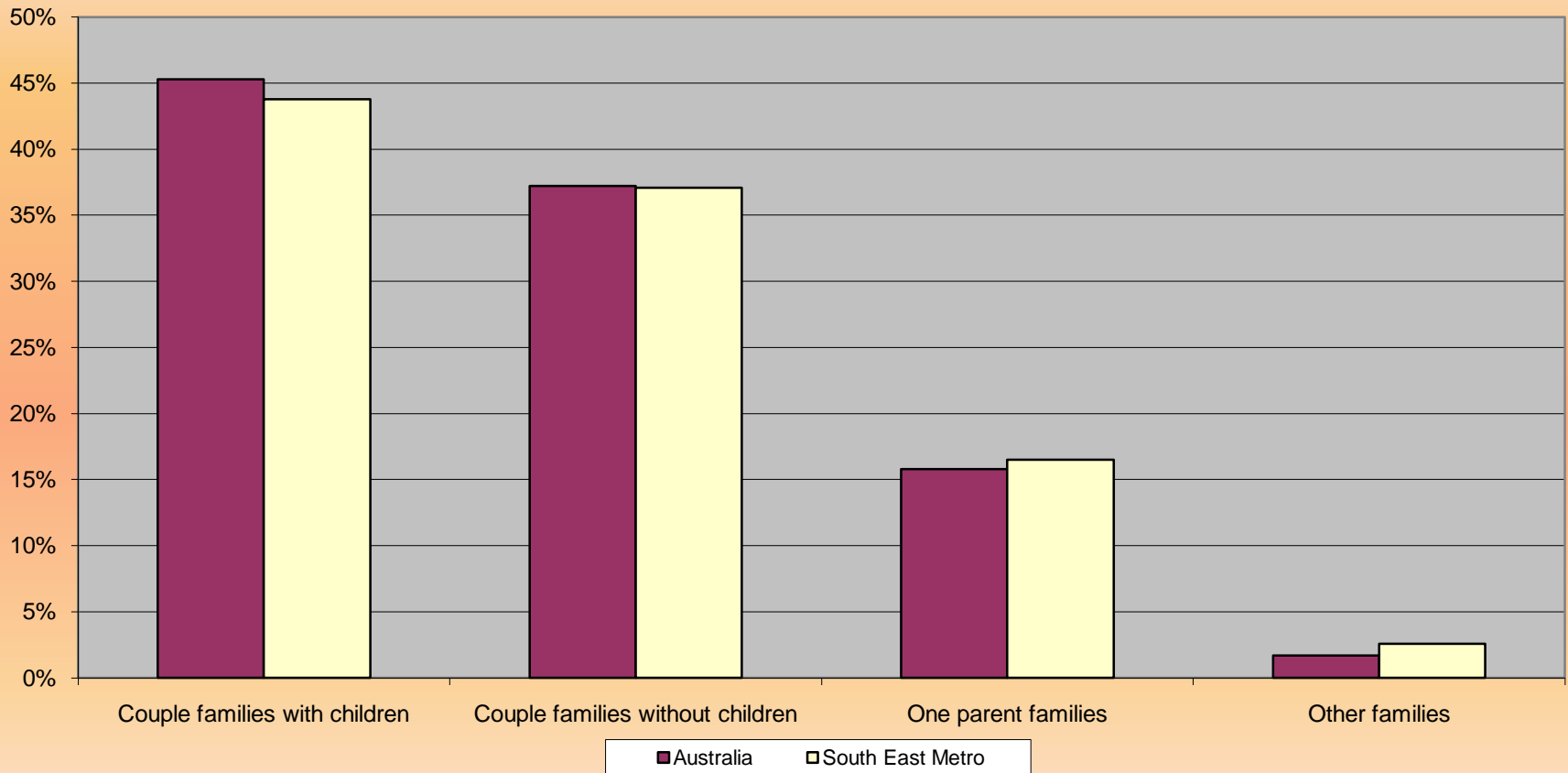
- 🏠 Funded by the Department of Housing WA
- 🏠 Represents, advocates and monitors housing policy environment, circumstances and market access for low-income & disadvantaged consumers
- 🏠 No direct service provision or housing management
- 🏠 Primarily research, consultation & information dissemination. Independent, non aligned, apolitical
- 🏠 Part of the Federation of State Shelters (National Shelter)
- 🏠 Expertise in affordable social housing models
- 🏠 Staff experience as service providers with housing, homelessness and community service delivery

Data Sources and Methodology

- 🏠 All data from Australian Bureau of Statistics (ABS) www.abs.gov.au
- 🏠 Based on 5 yearly Census of Population and Housing – most recent 2006, next in 2011
- 🏠 Comparison between South East Metropolitan Statistical Division (includes Armadale, Belmont, Canning, Gosnells, Serpentine Jarrahdale, South Perth and Victoria Park) and whole of Australia

SE Metro Statistics

Family Types

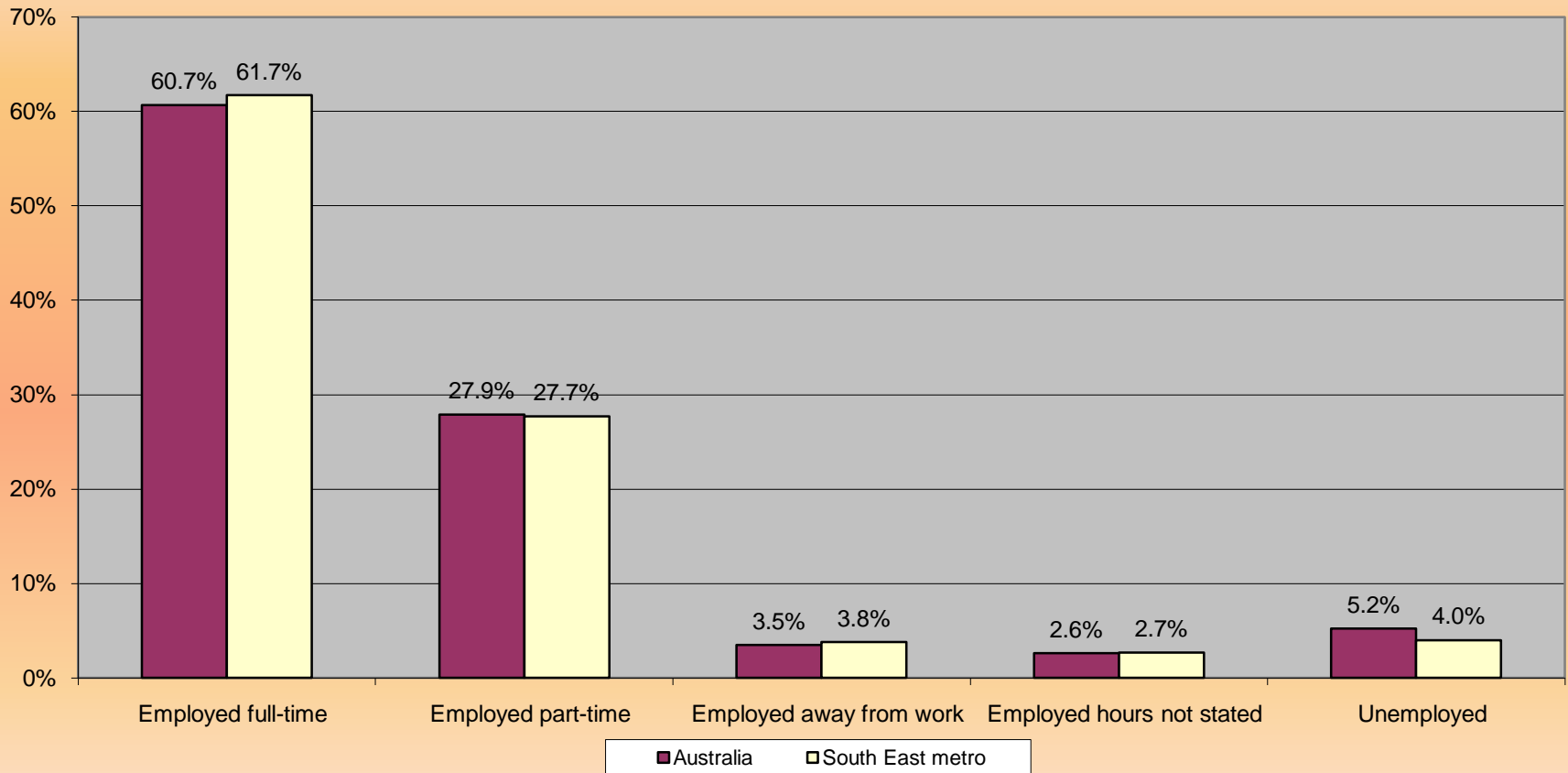


Low income groups struggle in the WA housing market

- 🏠 2007 WA median household income was approx gross \$62,000 per annum or \$1,137 p/week
- 🏠 Shelter WA looks at housing for the bottom 40% of income distribution (in 2007 approx \$51,000 per annum and below)
- 🏠 Median gross household income in Armadale is approx \$51,428 per annum or \$989 p/week – Armadale is a low income region

SE Metro Statistics

Labour Force



Factors in Lack of Housing Supply

Are as a result of a combination effect from the following factors:

Housing Type Mismatch

In 2006 single person households made up over one in four (27.5%) of all households in WA, however smaller dwellings comprised only 16% of all housing approvals in 2006/07. Fewer people living in larger (more expensive) houses.

Zoning, density and mixed tenure restrictions

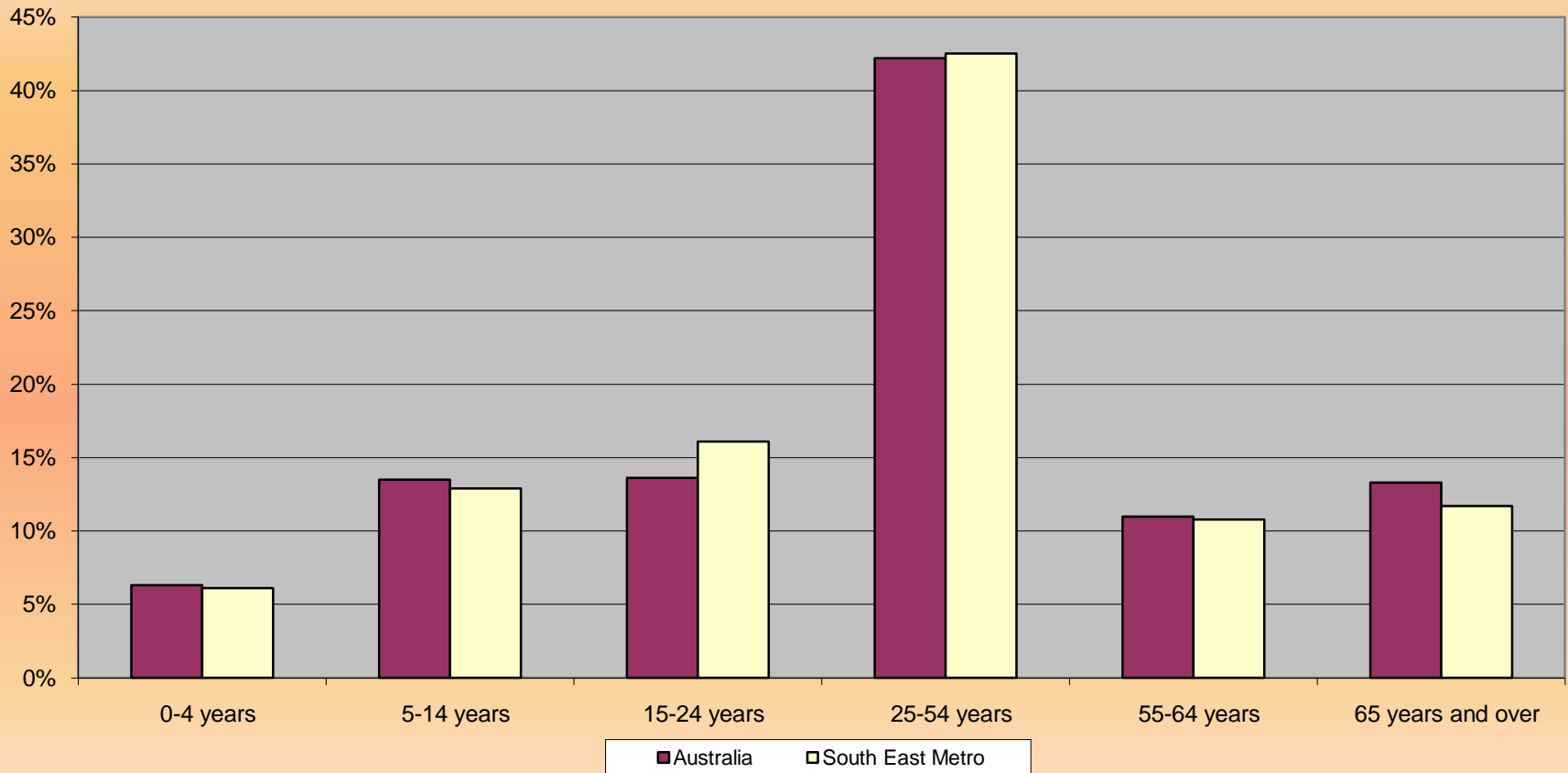
Mixed use development restrictions – clear distinction between commercial and residential zones – don't allow for cottage industries, home businesses or flats above the shopfront , WA's "R-codes" limit density and diversity – creating a monoculture of same size same type housing suburbs – not the range of house sizes and dwelling types that a mixed community needs to support all its members

Increased demand for social housing

Ageing population, disabled people, fixed income superannuants and pensioners, unemployed, students, single parent families, low income workers, women, divorcees

SE Metro Statistics

Age Groups (ABS Census 2006)

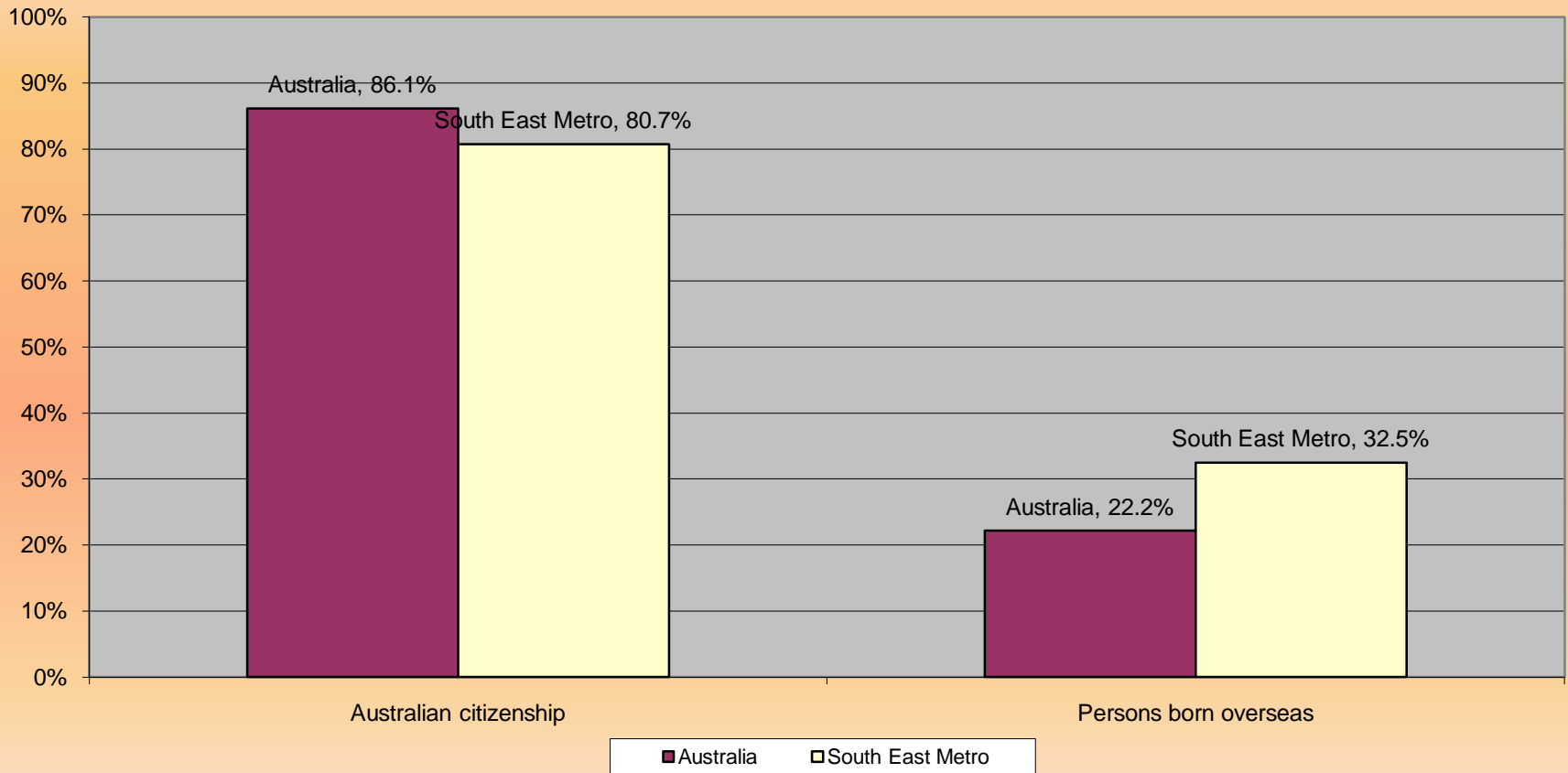


Factors in Housing Supply

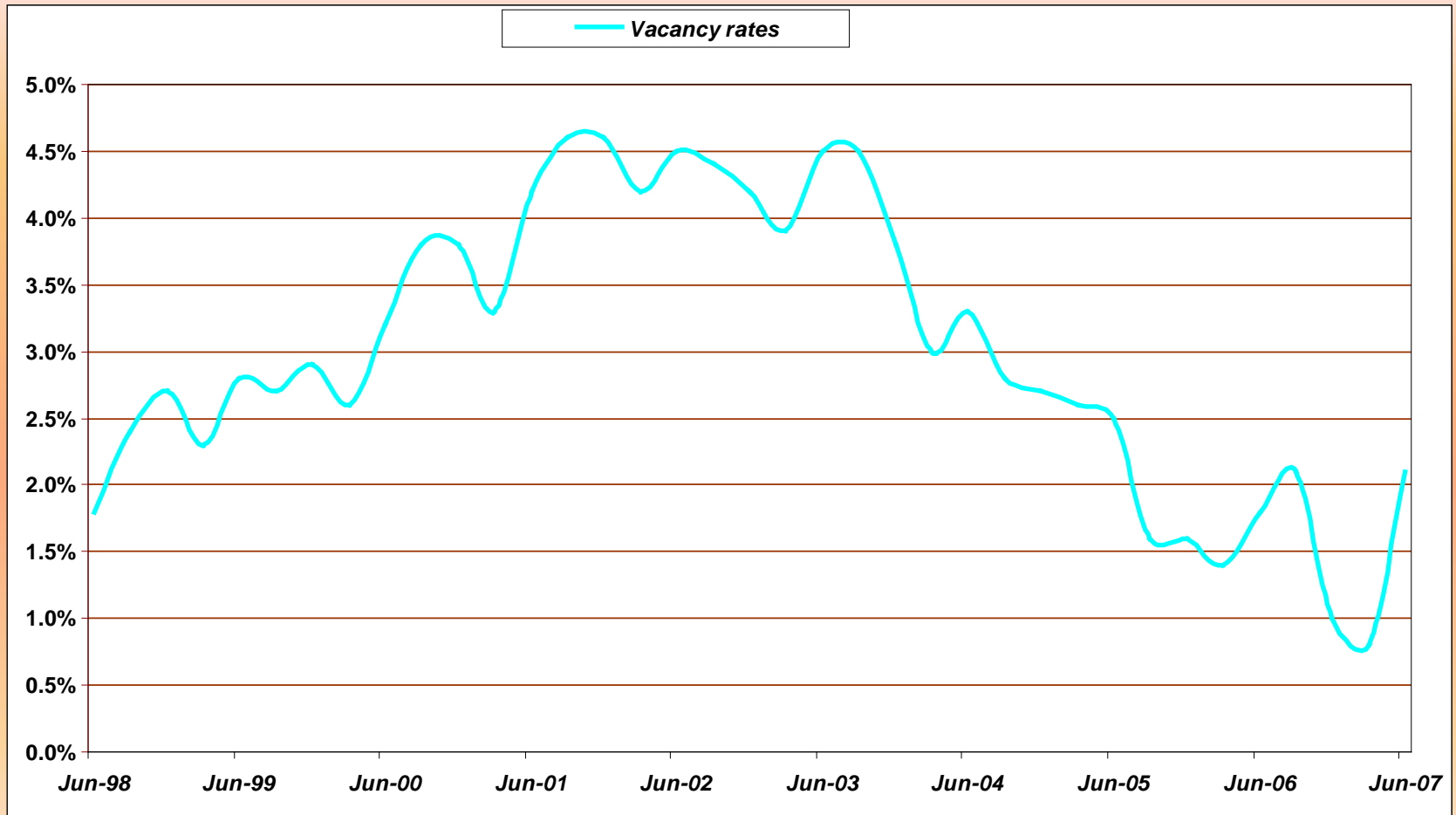
- 🏠 Shrinking Rental Vacancy Rates – more people chasing rentals
- 🏠 Strong Underlying Demand for Housing
 - 🏠 *“WA’s strong population growth to March 2009 with continued higher levels of net overseas migration, suggests that the underlying requirement is running above 20,000 dwellings per annum”*
Source : Housing Industry Forecast Group (HIFG) October 2009 Annual Report: Forecast Dwelling Commencements in Western Australia. www.planning.wa.gov.au
- 🏠 Increasing median rents leading to negative impact on low cost housing supply – rent rises beyond increases in income make housing unaffordable
- 🏠 Rental returns on investment properties have not kept up with climbing property values - return dropped to 3.2% by June 2007
- 🏠 Generous changes in taxation on superannuation resulted in funds being directed out of rental housing investment and into superannuation (mostly stocks and shares)
- 🏠 WA had the highest population growth in 2006-2007 (2.3%), compared to Australia (1.6%) – and did not have excess well located housing vacant
- 🏠 Significant increases in costs of labour and materials and labour shortage for construction

SE Metro Statistics

Country of Origin (ABS Census 2006)



Rental vacancy rates, Perth 1998 to 2007



SE Metro Statistics

Landlord Type Rented (ABS 2006 Census)







Factors in Housing Supply

Increasing Affordability Gap

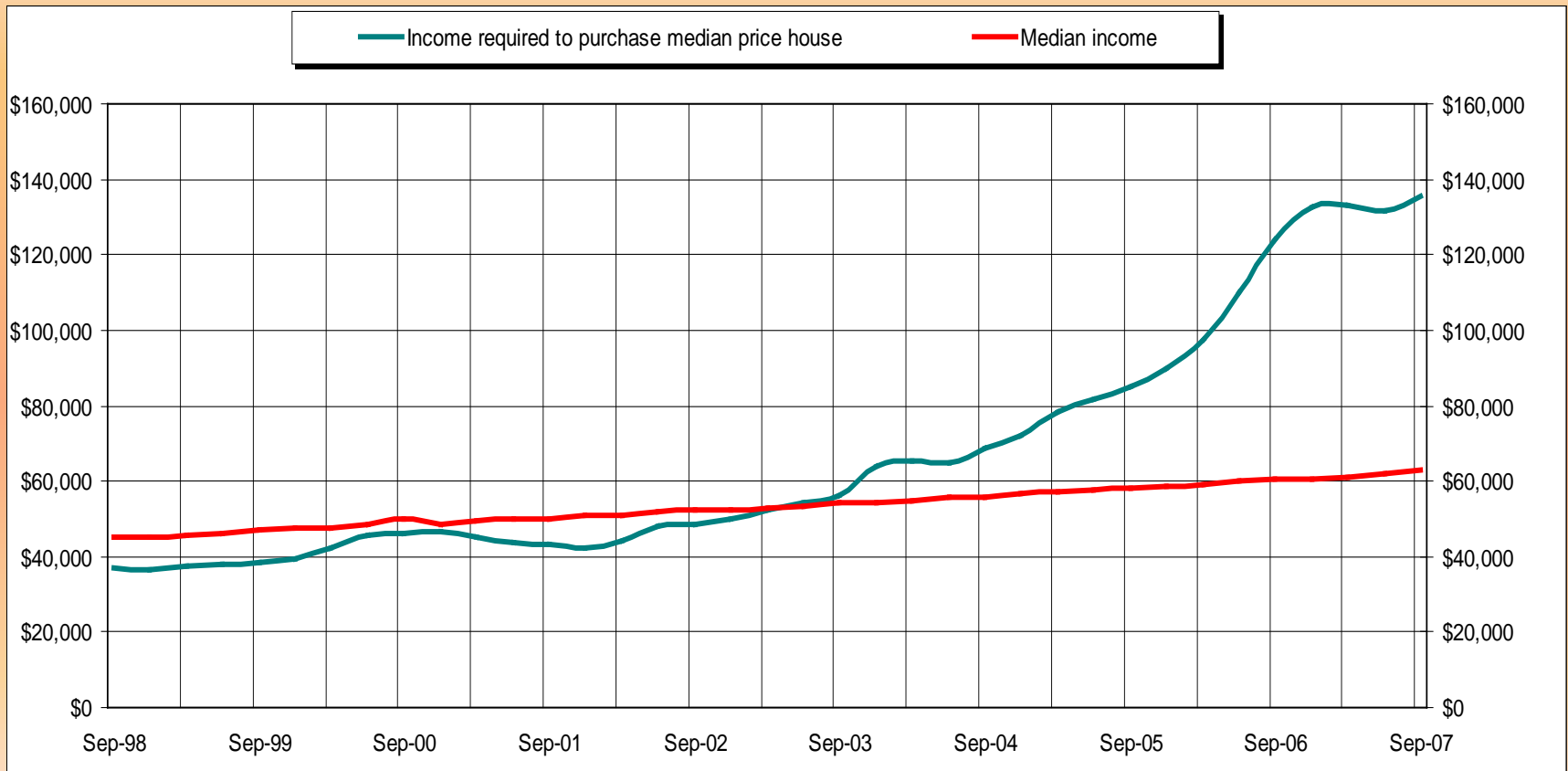
“ In the current economy the housing market remains tumultuous. The last 4 years have seen a doubling of house and rental prices in Perth. This has had a major flow-on to all of the Authority’s services from affordable land development to public rental, private rental assistance in the form of bonds, and home ownership. There are also challenges in servicing remote Indigenous Communities across the State.”

Source: Report on Government Services 2010, Housing - WA Comments. Section 16.88

-  The average Median House Price in the City of Armadale is \$432,540, an increase of 24% from last year.
-  Median House prices in the City of Armadale show a 5 year average growth rate of 22% per annum
-  The Median House Price in Perth is \$450,000
-  Armadale is not much cheaper than Perth

Housing Affordability Gap, Perth from 1998 to 2007

Affordability Gap (difference between the median income and the income required to buy a median priced house)



Affordable suburbs in Perth

✚ In June 2006 *none* of Perth's 291 metropolitan suburbs were affordable to purchase for households in the bottom 40% of the income range or households in receipt of the median income

✚ Armadale was one of the last places still affordable.





Suburbs affordable for low-median income households

	Jun-07	Jun-06	Jun-05	Jun-04	Jun-03
Armadale			✓	✓	✓
Beckenham					
Brookdale			✓	✓	✓
Bullsbrook			✓		
Coolbellup					✓
Cooloongup				✓	✓
Forrestfield					✓
Kelmscott				✓	✓
Midland					
Mirrabooka				✓	✓
Westfield			✓	✓	✓
Westminster					✓

Factors in Housing Supply

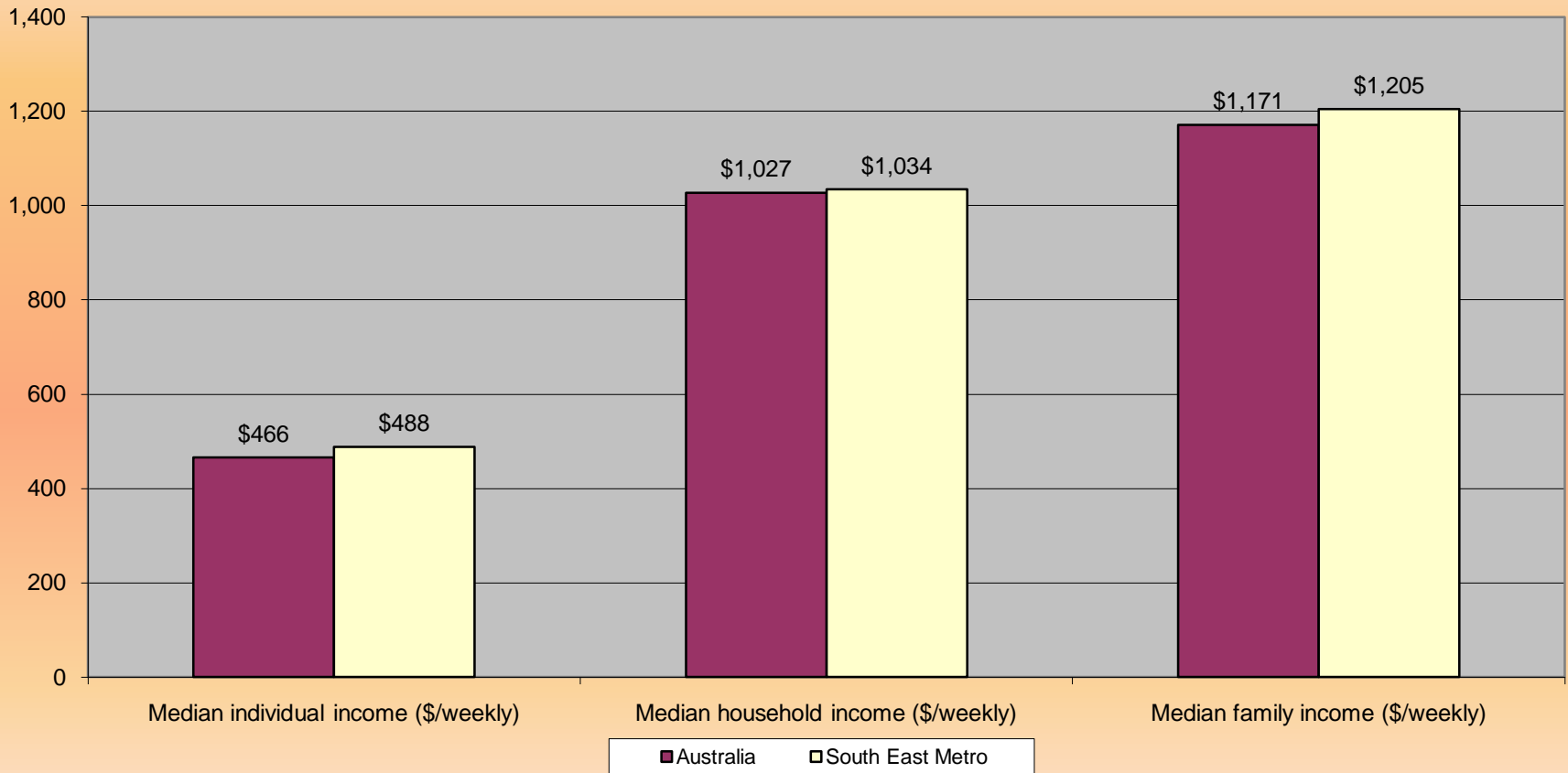
Increasing Affordability Gap (cont'd)

In September 2007:

-  A household required an income of \$135,322 to purchase a median priced house of \$450,000
-  The affordability gap was \$73,532 (median income is \$62,000, but income required to purchase a median priced house is \$135,322)
-  In Armadale a household required an income of \$130,000 to purchase a median priced house of \$432,540
-  In Armadale the median household weekly income is \$989 or \$51,428 pa - revealing an affordability gap of \$78,572 required to purchase a median priced house

SE Metro Statistics

Median Income

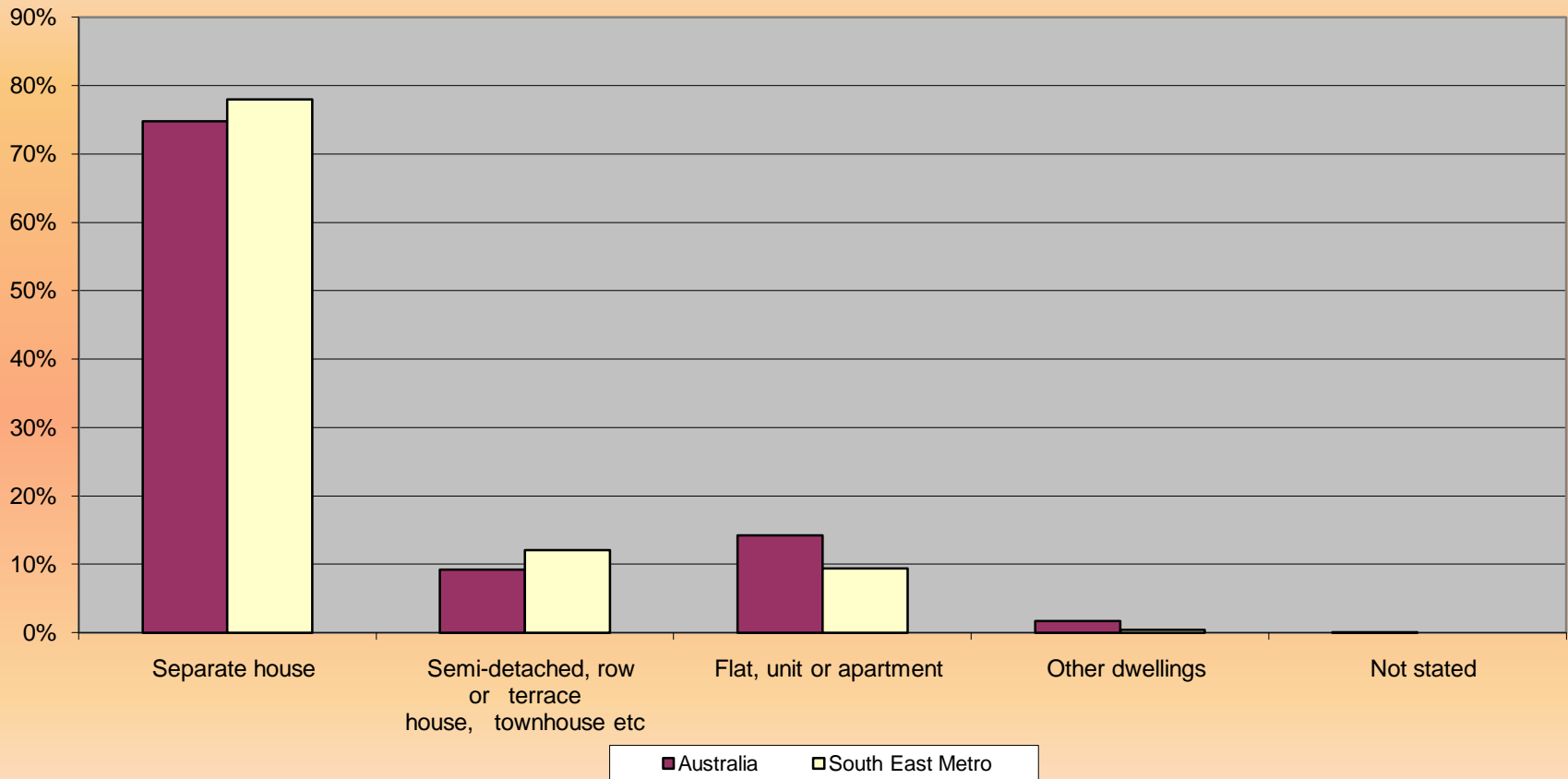


Impacts on the Housing Market

- 🏠 More difficult for low income households to access affordable accommodation (competing with more people now not able to purchase)
- 🏠 Vacancy rates higher at the top luxury end of the market
- 🏠 Median rents continue to rise (supply and demand)
- 🏠 Growing numbers of low income groups experiencing housing stress (paying more than 30% of Income in Housing costs) – particularly difficult when new home buyers and first home buyers have gained a mortgage at the maximum they can afford to borrow and then interest rate rises mean their housing payments increase leaving less money for other essential living costs
- 🏠 Supply of housing stock for low income single households particularly scarce

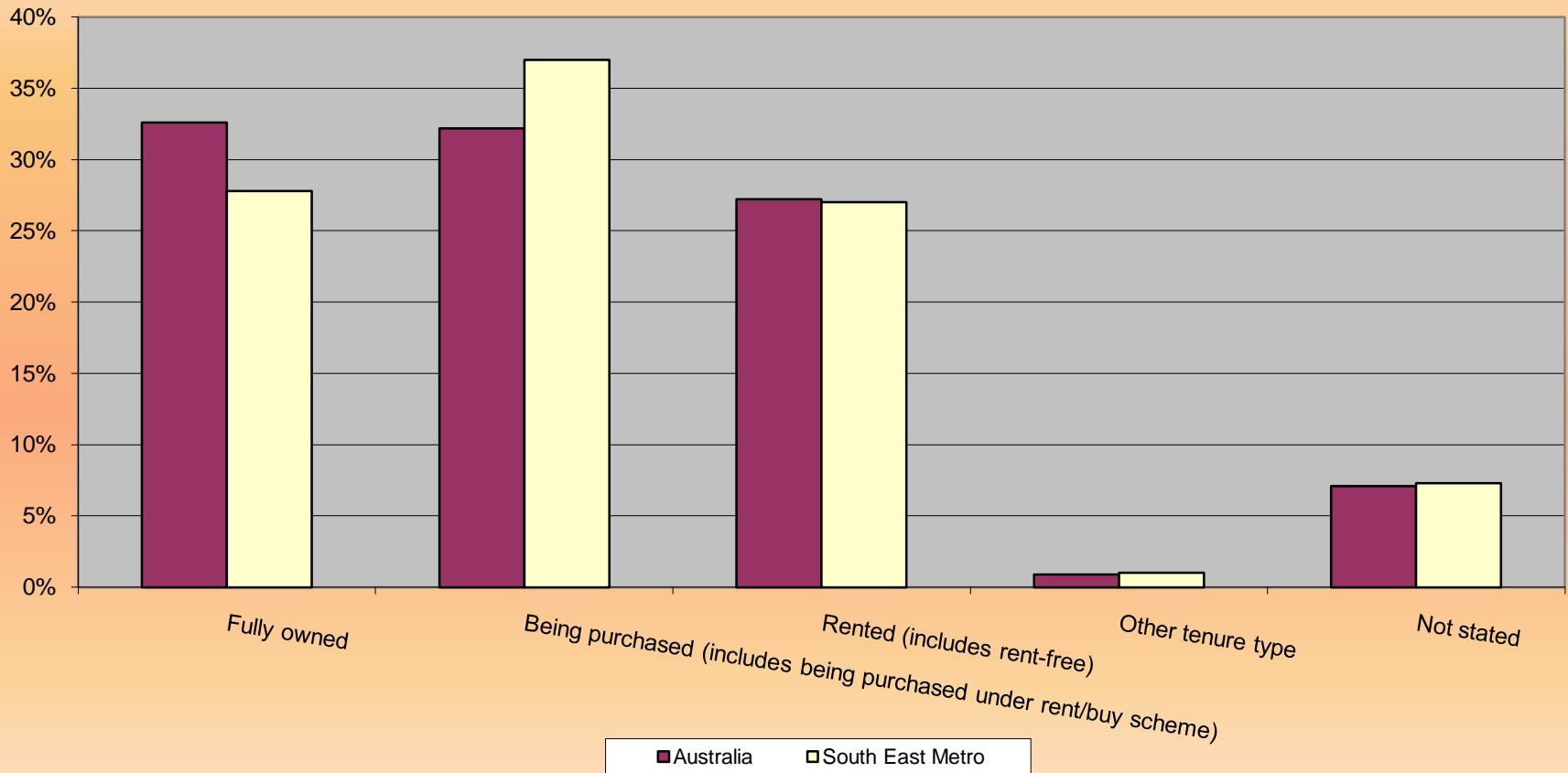
SE Metro Statistics

Dwelling type (ABS Census 2006)



SE Metro Statistics

Tenure Type Occupied Dwellings (ABS 2006 Census)



Demand for Social Housing

- “The waiting list for public housing totalled 22,418 at the end of September 2009, a 23% increase on the September figure of 18,263.” *Source: Housing Industry Forecast Group (HIFG) October 2009 Annual Report: Forecast Dwelling Commencements in Western Australia. www.planning.wa.gov.au*
- Public housing waiting list is growing at 80 new applications per week
- “While the Department manages some 40 000 residential tenancies there remains a growing waiting list for social housing and the Department has had to search beyond traditional methods to find solutions.”
- “Consolidation of WA’s community housing organisations (CHOs) continued with 233 CHOs managing 5652 units at 30 June 2009, compared with 30 June 2006 when 4500 units were managed by 241 CHOs.” *Source: Report on Government Services 2010, Housing - WA Comments. Section 16.88*
- Nearly 13,000 households required emergency and crisis accommodation (SAAP) in 2006 (50% – 90% turn away rates - large unmet need)
- SAAP exit points – secure permanent accommodation and support services not available to ensure people coming out of crisis, refuge and other emergency accommodation are maintained in the community

Homelessness in Western Australia

- 🏠 On the best available data, 13,391 Western Australians are homeless (primary, secondary and tertiary) every night.
- 🏠 Of these, on any night over 2,000 sleep rough (primary)
- 🏠 62 per cent of homeless people in Western Australia are aged 34 or younger with;
 - 🏠 A significant number (32 per cent) aged 12 to 18 years and;
 - 🏠 9 per cent children under 12 years who were with either one or both parents
 - 🏠 Many young people under 25yo themselves with accompanying children
- 🏠 11 per cent of people experiencing homelessness are Indigenous – and this is likely underreported (only 2-3% of the population are Indigenous).

So, what is government doing?

- 🏠 In December 2008, the Australian Government released *The Road Home*, the Government's White Paper on Homelessness.
- 🏠 The **National Affordable Housing Agreement (NAHA)** aims to ensure that all Australians have access to affordable, safe and sustainable housing that contributes to social and economic participation. The NAHA is an agreement by the Council of Australian Governments (COAG) that commenced on 1 January 2009 .
- 🏠 The NAHA will provide \$6.2 billion worth of housing assistance to low and middle income Australians in the first five years.
- 🏠 CSHA ended 31 December 2008, new agreement is NAHA. SAAP services now funded under NAHA.

NAHA

- The NAHA is supported by the **National Partnership Agreements (NPA)** with each state/territory on:
 - Social Housing
 - Homelessness
 - Indigenous Australians living in remote areas
- July 2009, Australian and WA Governments to contribute \$135.1 million over 4 years to reduce homelessness.
 - Homelessness NPA \$100.9 million
 - \$53.8 million for new support initiatives
 - \$30 million capital and land for new properties
 - \$16.4 million recognising current State commitment for financial counselling and HUGS ins supporting people at risk of homelessness.
 - Homelessness NPA \$100.9 million for ***A Place to Call Home***
 - \$31.7 million for capital
 - \$2.5 million for support

NSHI and NBESP

- 🏠 As a result of the Global Financial Crisis (GFC) the Australian Government introduced the **National Social Housing Initiative (NSHI)**
- 🏠 The National Social Housing Initiative stimulated and supported the building and construction industry, both through funding additional public dwellings and increasing expenditure on repairs and maintenance. This helped stimulate businesses which supply construction materials and helped retain jobs in the industry following the Global Financial Crisis.
- 🏠 The \$5.638 billion toward Social Housing was a key component of **Nation Building - Economic Stimulus Plan (NBESP)**





Social Housing Task Force

Housing 2020

- 🏠 The Liberal-National Government established **The Social Housing Taskforce** in December 2008 to review the State's social housing system and advise on how to improve and expand the supply of housing.
- 🏠 The taskforce made 56 recommendations in the 'More than a Roof and Four Walls' report and these form the basis of the '**Housing 2020: Future Directions for Affordable Housing**' paper, the initial blueprint for a **State Affordable Housing Strategy**.
- 🏠 The four key principles Housing 2020 is based on are:
 - 🏠 reform of the provision of public housing to focus on helping people when they need it rather than a 'public house for life' welfare solution
 - 🏠 promoting housing growth through collaboration with community not-for-profit organisations and the private sector
 - 🏠 increasing supply through a range of land and housing options
 - 🏠 improving opportunities and support for people to move between different housing tenures as their circumstances change.
- 🏠 Copies of the taskforce report and Housing 2020 are available from the Department of Housing website at <http://www.housing.wa.gov.au> or phone 9222 4666.

NPA Work already under way

WA initiatives include:

-  \$590.22 million allocated to Western Australia to construct new dwellings and refurbish existing social housing dwellings as part of the \$5.6 billion Nation Building Economic Stimulus Plan (NBESP). 1,990 new dwellings have been approved.
-  \$40 million to Western Australia under the **National Partnership Agreement on Social Housing** to increase the supply of social housing;
-  \$1.18 billion over 10 years for Western Australia to provide new houses and upgrades to existing houses in remote Indigenous communities under the **National Partnership Agreement on Remote Indigenous Housing**;
-  The Australian and Western Australian Governments will contribute **\$157.57 million** over four years to reduce homelessness under the Agreement.

NPA, Social Housing Taskforce and Housing 20/20

- 🏠 Initiatives under the Plan will link directly with the **Social Housing and Nation Building Economic Stimulus Plan** and **National Partnership Agreements** to provide the essential support for people who are housed in new properties to ensure homelessness does not reoccur.
- 🏠 A joined up approach between homelessness services and mainstream services, including the Western Australian Department of Health; Mental Health Division and Drug and Alcohol Office; Corrective Services; Housing; and Child Protection is integral to the Implementation Plan.
- 🏠 **The Implementation Plan** tackles homelessness across the state including metropolitan, rural and remote locations. Measures targeting non-Indigenous and Indigenous people, include: - next page list of program measures

NPA in WA Implementation Plan

A Place to Call Home

- **Social Housing Support** – metropolitan area
- **The Foyer** for around 100 young people, including 35 young people who are at risk of or experiencing homelessness.
Location: metropolitan area
- **Assertive Outreach** - Three outreach teams will provide intensive support, including access to stable accommodation for rough sleepers, in inner-city Perth and Fremantle. Assertive outreach programs in remote areas (Kimberley and Goldfields) to connect rough sleepers to long term housing and health services.
- **Assistance for Rough Sleepers** – located in Perth and Fremantle.
- **Specialist Homelessness Accommodation Workers** - Location: state-wide including metropolitan, rural and remote areas. 9 across Perth metro area.
- **Private and Public Rental Support Services** - Support for private and public tenants to help sustain their tenancies, *Location: state-wide, including metropolitan, rural and remote areas. Private = **South West Metro – 2 Full Time Workers**; Public = **Armadale Location***
- **Support - People Leaving Child Protection, Corrective Services and Mental Health Facilities** - *Location: metropolitan and rural areas including **Armadale & Belmont***
- **Alcohol and Drug Housing Support Workers** - Provision of 10 Alcohol and Drug Housing Support Workers Location: metropolitan, rural, remote areas. *Locations include **Cannington, Gosnells & Armadale.***
- **Support for women and children experiencing domestic and family violence** *Location: metropolitan, rural and remote areas. Locations include **South East Metro***
- **Support for Children who are Homeless** - Location: state-wide including new services in metropolitan and rural areas.
- **A Better Connected Service System** - Test new funding models for specialist homelessness services that reflect the costs of delivering services to people with exceptionally complex needs.

For information on what the Western Australian Government is doing as part of the NPA call (08) 9222 2555 or visit the Government of Western Australia: Department for Child Protection Website at www.dcp.wa.gov.au

Other WA State Government initiatives

- 🏠 Ineligible Tenancies Investigation (to date 76 tenants assessed with 31 evictions)
- 🏠 Pilot project to address anti-social behaviour in State Housing – South East Metro Area – including specialist intervention teams
- 🏠 Public housing in high-end suburbs to be reviewed (some already sold)
- 🏠 ‘One-stop shop’ building regulator in place from 1 July 2009 to reduce red tape surrounding regulation of the WA building industry
- 🏠 Build Now campaign, a joint effort by WA’s peak home building groups to increase new home sales by increasing consumer confidence
- 🏠 Planned transfer duty changes to benefit home buyers
- 🏠 Land tax concession for developers and home buyers
- 🏠 Boost of more than 2000 homes to social housing stocks in 2009/10
- 🏠 Keystart, Good Start, Step Up and Shared Equity home ownership schemes – improved scheme will help reduce the financial barriers often faced by low income households when try to buy a home
- 🏠 Commonwealth Income Management (intervention) pilot South East Metro





Nation Building Economic Stimulus Plan Western Australia

Nation Building Economic Stimulus Plan Stage 1 – WA

- 🏠 Western Australia Approved Program Repairs and Maintenance = \$40,488,000
- 🏠 Stage 1 and 2 Construction = \$549,727,000
- 🏠 All of the stage 1 projects funded by the Commonwealth Nation Building Economic Stimulus Plan have commenced construction.
 - 🏠 The original target for stage 1 was 276 dwellings to be delivered with the available funds.
 - 🏠 The Department of Housing has managed to stretch the funding further and is on target to deliver 313 dwellings with the \$70 million allocation. To date all 313 dwellings have commenced construction and of those 6 have been completed. Source: www.housing.wa.gov.au

Demand for Social Housing

WA areas identified

-  The Department of Housing September 2009 newsletter indicates that the areas identified as being high demand for 1 and 2 bedroom units (general and aged) are:
 -  the North Central, North Coastal and North East Metropolitan area
-  The South Central, South Districts and South East Metro areas were identified as low demand
-  Previous public housing aspirational ratio in most suburbs 'salt and pepper' or 1 in 9. This region – therefore 'oversupplied' – New Living – sell off

Social Housing Implementation Plan

WA Schedule A

Total National Partnership Agreement on Social Housing funding = \$40,488,000

National Partnership Agreement on Social Housing. The Commonwealth has approved the following projects to be funded in Western Australia under the National Partnership Agreement on Social Housing.

Total No. Of Dwellings = 1,013

Project 2008/09

Total Funding = \$20,244,000

Suburb

No. Of Dwellings

Ellenbrook	7
North Beach	3
Tuart Hill	5
Beaconsfield	10
Beeliar	9
Albany	2
North Metropolitan	9
South West (Bunbury)	32

Total 2008-09

77

Social Housing Implementation Plan

WA Schedule A

Project 2009/10

Total Funding = \$20,244,000

Suburb	No. Of Dwellings
Ellenbrook	23
Innaloo	6
Wellard	2
Kewdale	5
Queens Park	6
Albany	4
Kalgoorlie	2
Wandina	6
Karratha	8
Walnut Grove	3
Walnut Grove	2
Broome	1
Geraldton	12
Total 2009-10	84

New social housing stock for South Metro Region communities

Figures following are current at February 5, 2010 and are subject to change.

State Government Housing funding

Suburb	No. Dwellings
BEELIAR	19
BERTRAM	9
BRENTWOOD	6
CALISTA	1
DUDLEY PARK	1
ERSKINE	1
FALCON	2
HALLS HEAD	1
HAMILTON HILL	17
HILTON	14
MANDURAH	12
MEADOW SPRINGS	1
MEDINA	2
ORELIA	4
PARMELIA	1
WILLAGEE	4
Total	95

New social housing stock for South Metro Region communities

Nation Building Economic Stimulus Plan Stage 1 (Commonwealth)

Suburb	No. Dwellings
BEELIAR	10
BERTRAM	7
BRENTWOOD	3
COOLBELLUP	2
HAMILTON HILL	1
HILTON	4
LEDA	3
PALMYRA	1
SOUTH FREMANTLE	2
WAIKIKI	1
WELLARD	9
Total	43

New social housing stock for South Metro Region communities

Nation Building Economic Stimulus Plan Stage 2 (Commonwealth)

Suburb	No. Dwellings
ATWELL	14
BERTRAM	55
COCKBURN CENTRAL	142
DAWESVILLE	8
FALCON	9
FREMANTLE	58
GREENFIELDS	20
HAMILTION HILL	27
KWINANA	3
MANDURAH	267
MEDINA	6
OLD COONDANUP	1
ROCKINGHAM	6
SUCCESS	78
WELLARD	20
Total	714

National Rental Affordability Scheme (NRAS)

The National Rental Affordability Scheme (NRAS) is an initiative of the Australian Government, supported by the Western Australian Government and administered by the Australian Government Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA). It is intended to increase housing affordability and to stimulate the supply of affordable rental dwellings in Australia by increasing the supply of housing by up to 50,000 dwellings by 2012.

- 🏠 NRAS offers an Incentive of \$8,000 per year for ten years **to investors** who develop new dwellings and rent them to eligible tenants at 20 percent below market rent.
- 🏠 Under NRAS, the Australian Government is providing Incentives to:
 - 🏠 increase the supply of affordable rental dwellings;
 - 🏠 reduce rental costs for low to moderate income households; and
 - 🏠 encourage large scale investment and innovative delivery of affordable housing.

Information about NRAS and how to apply for Incentives can be obtained from:

Western Australia

Karyn Ash

Principal Policy Officer

Department of Housing

Phone: (08) 9440 2543

Link: [Department of Housing - Western Australia](#)

NRAS – Western Australia

Incentives Allocated in WA

Four Western Australian applicants were offered incentives as a result of the Round One call for applications.

1. Foundation Housing Ltd
38 dwellings - Broome, Ellenbrook
2. Amana Living
22 dwellings in Coolbellup
3. Questus Residential Investment Trust (tenancy manager Langford Pinjarra Foundation Housing Ltd)
176 dwellings - Armadale, Ballajura, Beechboro, Bertram Kelmscott
4. Affordable Housing Systems Group Unit Trust (tenancy manager Wungong Foundation Housing Ltd)
165 dwellings – Brookdale, Midland

Hardship Utilities Grants Scheme (HUGS)

Trouble paying electricity and water bills? About HUGS

HUGS is a State Government scheme which provides financial assistance to help people with money problems pay their water, gas and electricity bills so their supply is not cut off.

- 🔊 You must be unable to pay a current bill and be at risk of disconnection or already be disconnected.
- 🔊 You must be experiencing money problems.
- 🔊 HUGS pays 85% of the bill. You will have to pay the other 15%.
- 🔊 Generally, HUGS pays up to a maximum of \$408. If you live in or north of Carnarvon, this can be up to \$680.

To apply?

You must first contact Synergy, Horizon Power, Alinta or the Water Corporation to discuss your problem. If they believe you have money problems, they will ask you to go to see a HUGS Registered Financial Counselling Service for an assessment and application to be completed. As well as helping people pay their electricity, gas and water bills, HUGS can also help you get financial counselling. The financial counsellor you see to apply for HUGS can help you sort out your financial problems both in the short and long term.

There are 2 full-time support workers located in the South Metro Area, for more information contact:

HUGS Unit

Department for Child Protection

189 Royal Street

East Perth WA 6004

Telephone **9222 2739**





Email HUGS2@dcp.wa.gov.au

Shelter WA

What will we do?

- 🏠 *Shelter WA will:*
 - 🏠 *monitor*
 - 🏠 *the progress and outcomes of the NAHA and NPA's*
 - 🏠 *State & National implementation of housing programs*
 - 🏠 *Consult with **Everyone and Anyone** who will talk to us!
Particularly low income consumers and their representatives and advocates...*
 - 🏠 *Work with National Shelter to comment and report on housing initiatives and outcomes*
 - 🏠 *Respond to any opportunity to comment on national and state housing policy*
 - 🏠 *Actively participate in committees & working groups*



-  Your peak body for low income and disadvantaged consumers in the housing market
-  Monitors housing in WA. Part of national federation of state Shelters
-  Support your Shelter – become a member
-  www.shelterwa.org.au Visit for updates, newsletters, publication, research, reports

Any Questions?

Thank You