



Quick guide to WA housing facts and figures

August 2010

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Introduction

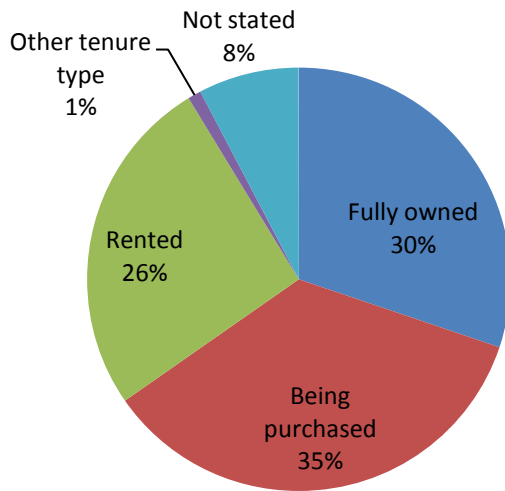
This guide provides an overview of housing issues in Western Australia. It highlights the challenges that WA low-income households face in securing and maintaining decent affordable housing. It includes statistics and figures for the following:

- Number, type and tenure of households
- Housing stress
- Affordability gap
- Private rentals
- Home ownership
- Social housing
- Indigenous housing
- Regional WA
- Homelessness

Shelter WA works together with advocacy groups and individuals to promote appropriate, accessible, affordable and secure housing. Shelter WA is one of a federation of similar state-based organisations that form National Shelter, in partnership with the National Association of Tenant Organisations, Homelessness Australia, the Community Housing Federation of Australia and other national peak bodies. For more information about Shelter WA, visit our website at www.shelterwa.org.au.

Number, type and tenure of households

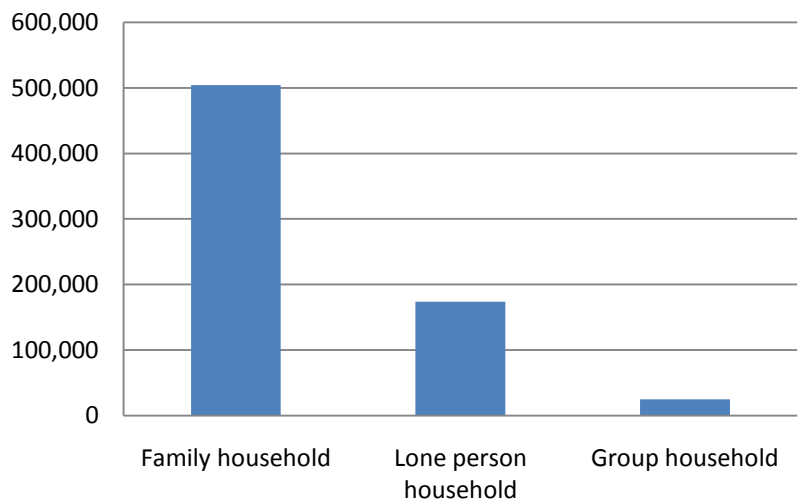
Tenure type, occupied private dwellings, WA



In 2006, there were 757,989 occupied private dwellings in WA: 79% were separate houses, 10.5% were villas or townhouses, 8.1% were units and 2.4% were other dwellings.

Among private dwellings 30% were fully owned, 35% were being purchased and 26% were rented.

Household composition, private dwellings



The majority of households (66.5%) were family households, 22.9% were lone person households and 3.3% were group households.¹

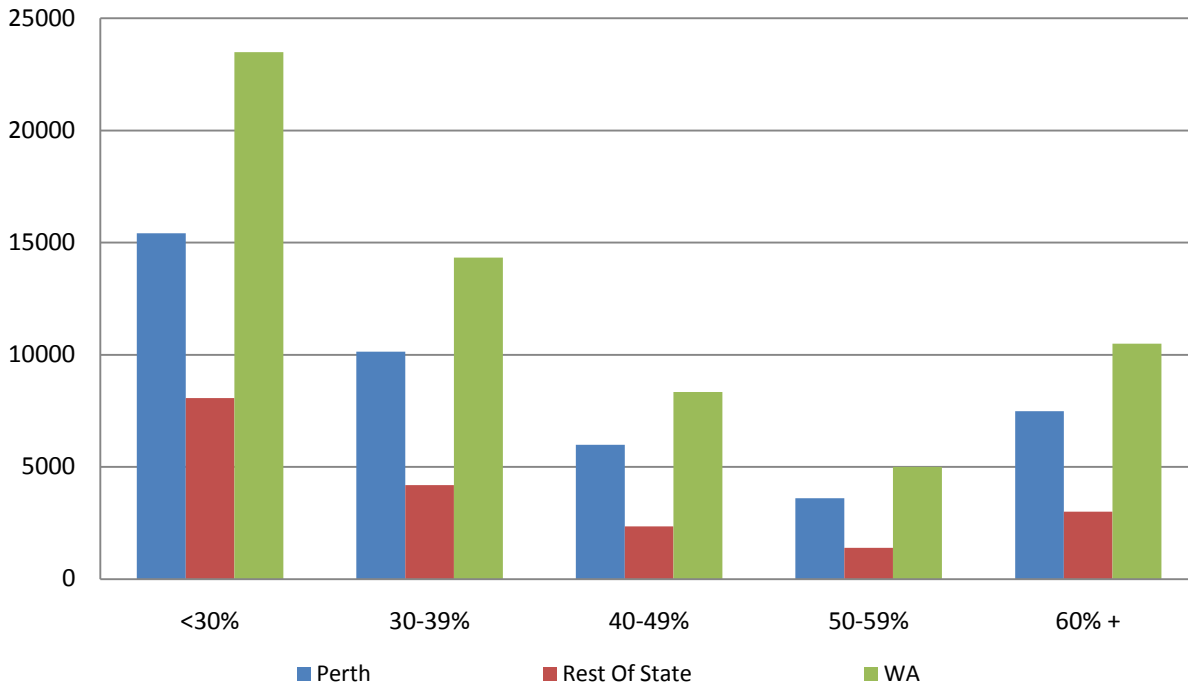
Housing stress

Housing stress exists when a household in the bottom two quintiles of income distribution pays more than 30% of its gross income on housing. Housing stress varies by tenure – nationally, private renters comprise 61% of the families in housing stress.²

In 2006, 62% of low and moderate income renters in WA were in housing stress. This equates to 38,174 households in the private rental market paying more than 30% of their income on housing. A quarter of low and moderate income renters were in extreme housing stress, paying more than 50% of their income on housing.³

As of 5 June 2009, 34,480 Centrelink recipients also received Commonwealth Rent Assistance, which is available for low income renters in the private rental market and in community housing (but not in public housing). Even with this assistance, 41.9% of these households were still paying more than 30% of their income on rent.

Proportion of income spent on housing among renters with incomes below 40% of the income distribution

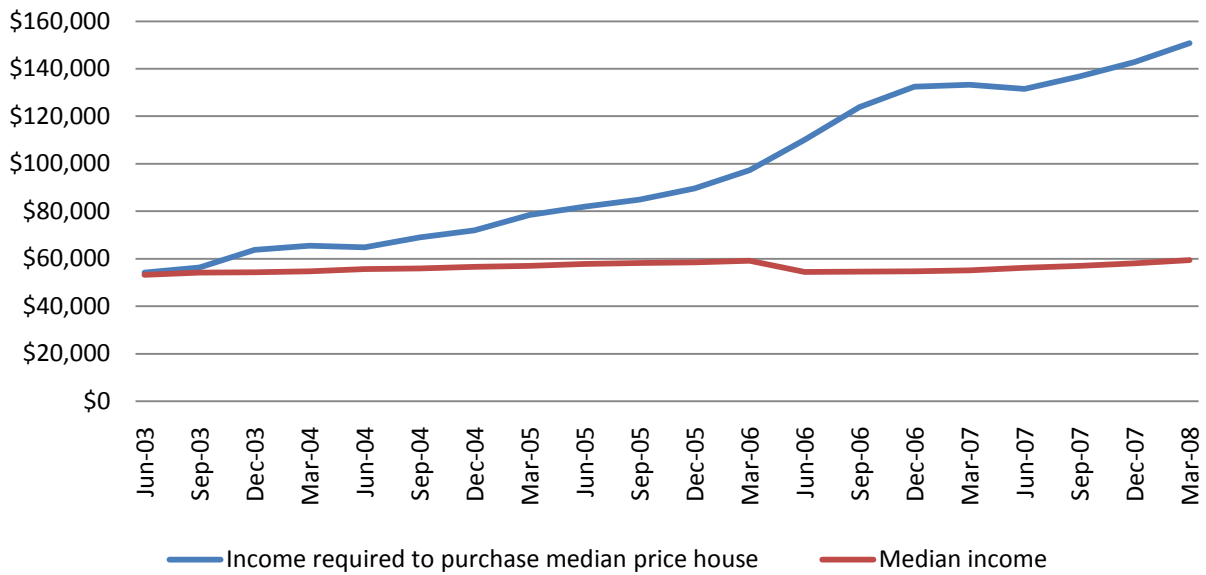


Source: Social Housing Taskforce⁴

Affordability gap

As of March 2010, the median house purchase price in Perth was \$500,000, up 16.3% from the previous year. The income needed to afford a house at that price is \$144,500, double the actual median income in WA of \$72,800. The diagram below illustrates how this gap has grown since 2003.⁵

Gap between median income and income required to purchase median price house



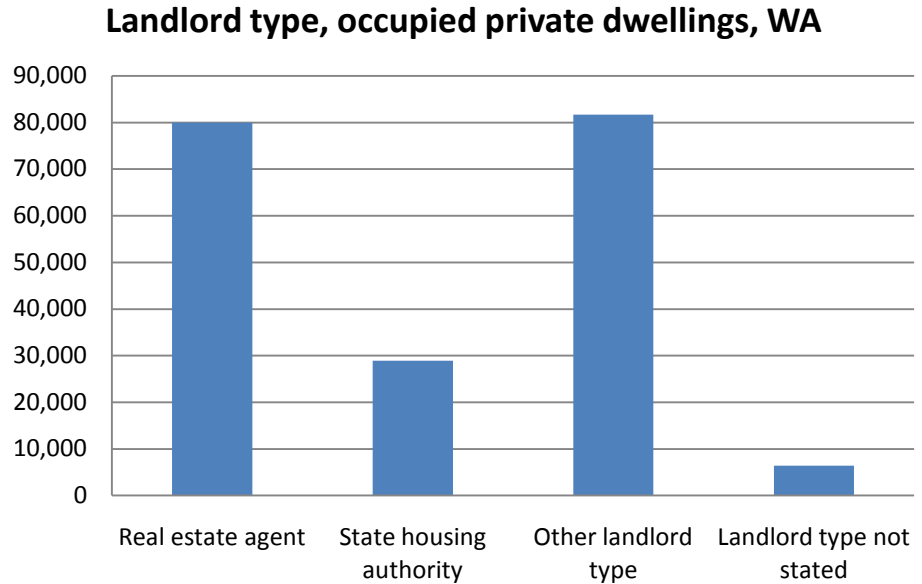
The median rental price has also risen at a similar rate to house purchase prices.⁶

In June 2010, in order for someone earning the casual hourly wage rate of \$17.99 per hour to afford a median rental unit in Perth at \$350/week, they would have to work 65 hours per week. Someone earning the minimum hourly wage of \$14.99 would have to work 78 hours a week to afford the same unit.⁷

A full-time worker earning the minimum weekly wage of \$570 would have to spend 61% of their income on housing for a median rental unit in the Perth metropolitan area.⁸

Private rentals

Of the occupied private dwellings being rented in WA, 40.6% were rented from a real estate agent, 14.7% were rented from a State housing authority and 41.5% were rented from other types of landlords. In comparison, in Australia as a whole 50.5% rented from a real estate agent and 14.9% rented from a state or territory housing authority.

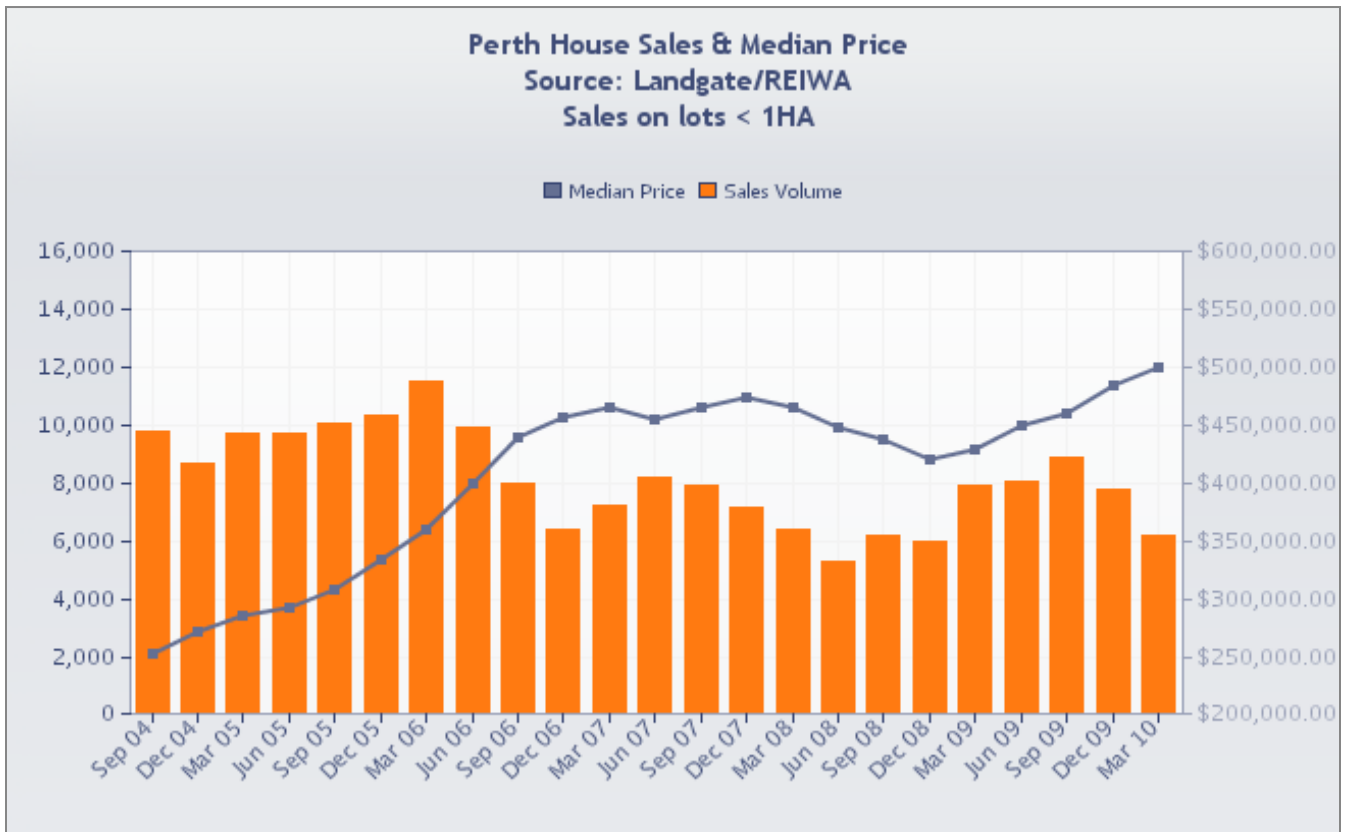


From 2007 to 2008, median rents increased across WA. The median rent increased by 23% in the Perth metropolitan area. Rents increased even more dramatically in the Goldfields, with median rents increasing by 33% to \$320 per week by March 2008. By June 2010, the median weekly rent in Perth was \$370.⁹

Median Weekly Rent of New Bonds Lodged, March Quarters 2007 and 2008¹⁰

Region	Median Rent March Qtr 2008	Median Rent March Qtr 2007	% change
Perth	\$320	\$260	23%
Peel	\$260	\$220	18%
South West	\$250	\$220	14%
Great Southern	\$230	\$195	18%
Wheatbelt	\$200	\$170	18%
Goldfields	\$320	\$240	33%

Home ownership



Source: REIWA¹¹

In 2006, 228,547 households in WA reported that they owned their own homes, while 266,111 reported that they were purchasing their home (paying a mortgage). Together, this represents 65% of the population in WA.

Many first-time homebuyers are unable to enter the housing market due to increasing house prices. The diagram above illustrates the rate at which median house prices increased in WA from 2004 to 2010. The median house price in the Perth metropolitan area was \$500,000 as of March 2010. By June 2010, the median house price in Perth decreased slightly to \$490,000.

In 2007-2008, the COAG Reform Council found that only 5% of home sales in Perth were affordable to moderate income households.¹²

Social housing

Social housing includes housing subsidised directly or indirectly by government. This includes public housing managed by the government and community housing, owned and managed by non-profit organisations.

The number of social housing units in WA has remained around 39,000 units since 1996, representing approximately 4% of all housing units.

As of June 2010, there were 24,136 people on the waiting list for public housing in WA.¹³ The Social Housing Taskforce estimated that if the increases in the waiting list continue at their current rate, there will be over 60,000 people on the waiting list by 2020.¹⁴

Social rental stock, market presence and average waiting times by region

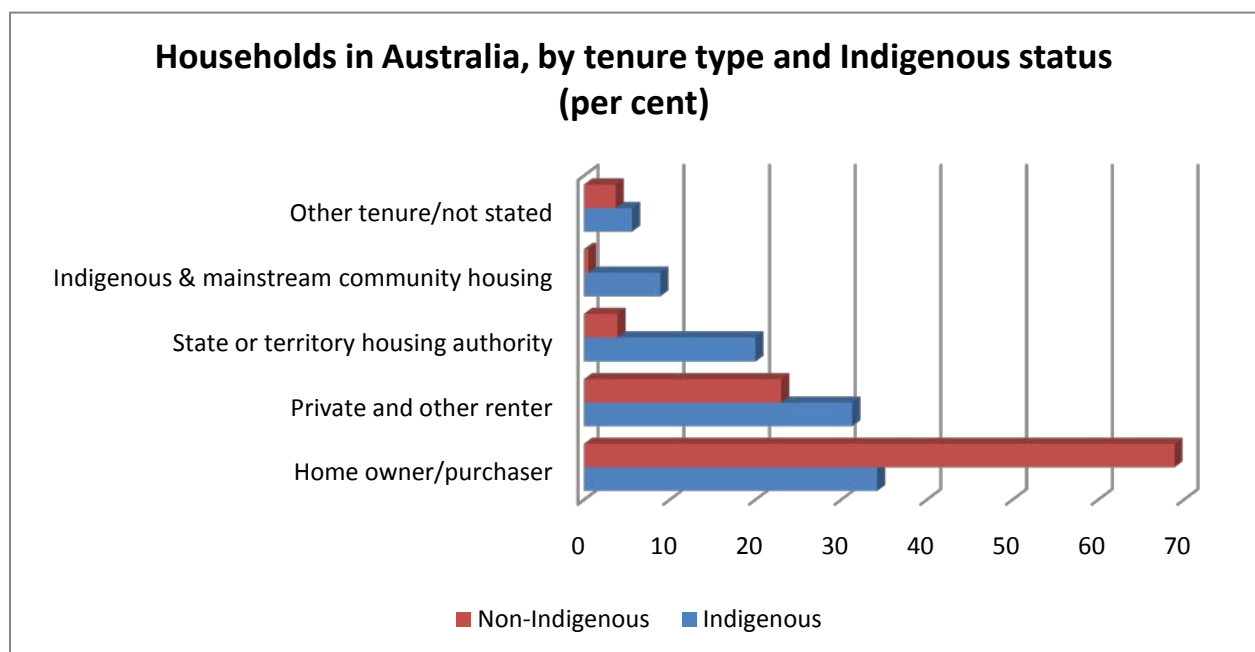
	Public Housing	Community Housing	Total Social Housing	Market Presence	Average Waiting Time (Weeks)
Total Metro	25,125	2,218	27,343	4%	91
Southern	1,112	218	1,330	5%	73
South West	2,317	311	2,628	4%	114
Wheatbelt	1,050	389	1,439	4%	45
Goldfields	1,104	144	1,248	5%	66
Midwest/Gascoyne	1,668	217	1,885	7%	73
Pilbara	1,515	81	1,596	10%	78
Kimberley	1,582	49	1,631	15%	100
Total Regional WA	10,348	1,409	11,757	6%	80

Source: Drawn from Table 3.4 in Social Taskforce Report, *More than a roof and four walls*¹⁵

Indigenous housing

In WA in 2009, 34.2% of Indigenous Australians in receipt of Commonwealth Rent Assistance were paying more than 30% of their income in rent; with 9.6% paying over 50% of their income on housing costs resulting in extreme housing stress.¹⁶

The diagram below shows types of housing tenure for Indigenous and non-Indigenous Australians. Rates of home ownership are far greater among non-Indigenous households (69%) than for Indigenous households (34%).¹⁷



In 2006, 20,739 Indigenous households were overcrowded. This includes 2,615 Indigenous households in WA, representing 16% of the total Indigenous population in WA. This is widely recognised to be a conservative estimation, with the accurate number far greater.

Indigenous people experience homelessness at higher rates than the non-Indigenous population (1.9% of the Indigenous population compared to 0.5% of the non-Indigenous population). In 2006, 9,246 Indigenous people experienced homelessness in Australia, which included 1,496 people in WA. The majority of the Indigenous homeless population in WA (57%) were considered to be experiencing 'secondary homelessness', which includes people living in temporary shelters or living with others because they do not have adequate housing of their own.

Regional WA

In addition to rising house prices in the Perth metropolitan area, regional mining towns are experiencing dramatic increases in housing costs, pushing many low and moderate income households out of the area.

In 2010 the median sales price in Port Hedland was up 14.2% from March 2009, to \$685,000. In Karratha house prices reached \$800,000 by March 2010 up 28% from the previous year. The table below shows the median house prices for homes across WA.

A study of housing affordability in resource boom towns found that Indigenous communities were pushed out of Karratha due to the high cost of housing. Once forced out, these communities had to relocate to areas without access to transport and jobs meaning that 'the cycle of poverty continues for many low-income households, despite the affluence created by mining activities.'¹⁸

Median Sales Price, houses

	March Qtr 2010	Change from 12 months ago
Perth Metropolitan	\$500,000	16.3%
Mandurah – Murray	\$400,000	6.0%
Bunbury, Greater	\$370,000	5.1%
Geraldton – Greenough	\$416,000	18.9%
Kalgoorlie Boulder	\$350,000	7.7%
Albany	\$392,000	4.5%
Broome	\$684,000	11.2%
Busselton	\$455,000	2.8%
Esperance	\$375,000	5.6%
Karratha	\$800,000	28.0%
Northam	\$279,500	11.8%
Port Hedland	\$685,000	14.2%
Regional WA	\$315,000	18.9%
Source: REIWA ¹⁹		

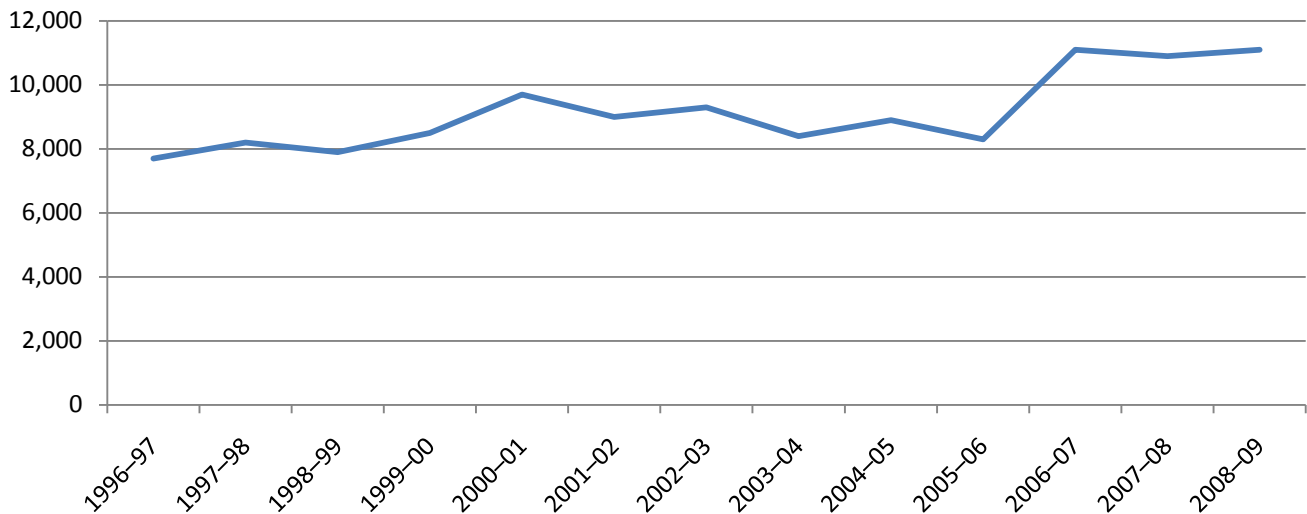
Homelessness

Over 13,300 West Australians are homeless on any given night. Of these, approximately 2,000 sleep rough.²⁰

62% of homeless people in Western Australia are aged 34 or younger with a significant number (32%) aged 12 to 18 years and 9% children under 12 years who were with either one or both parents

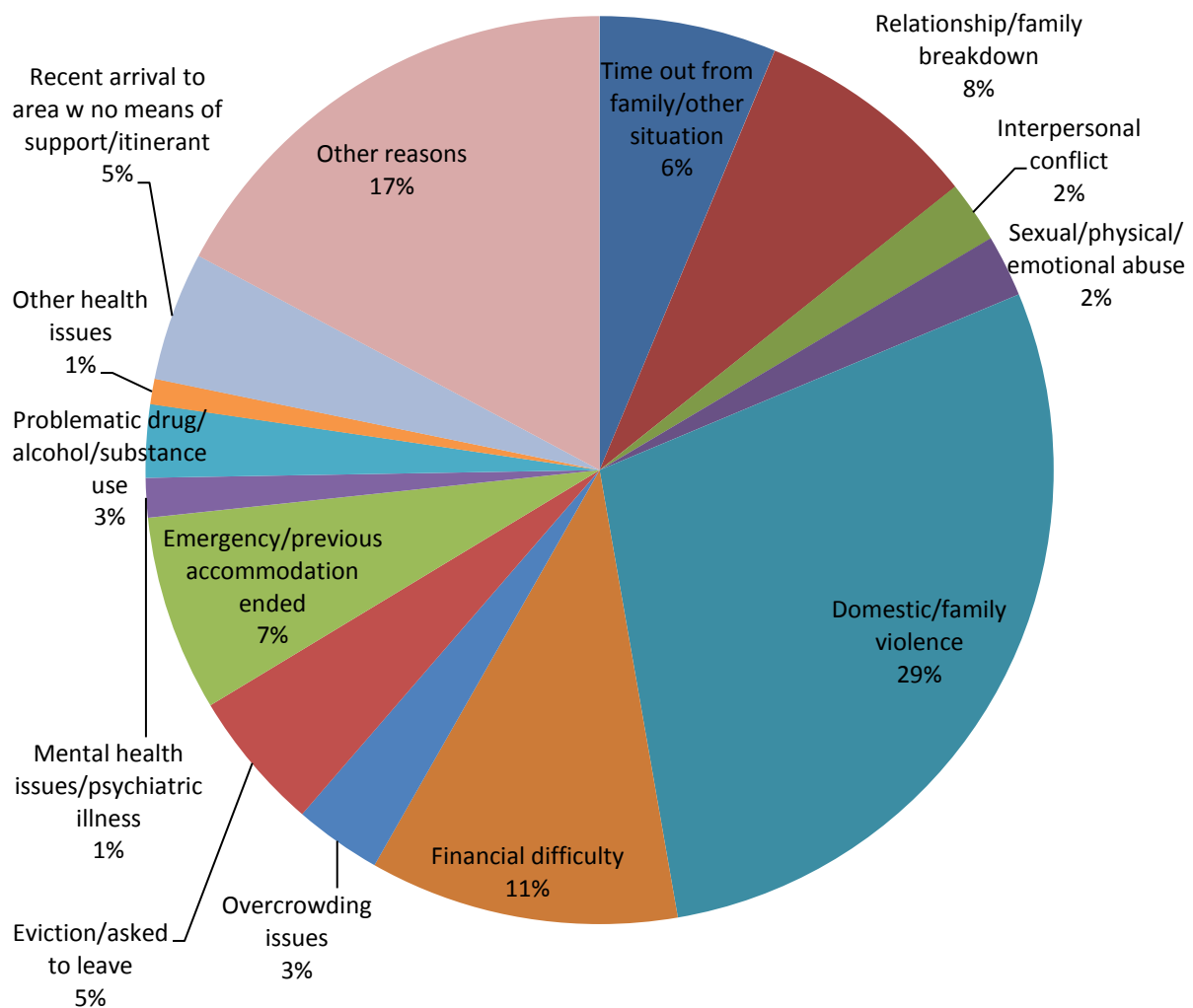
11% of people experiencing homelessness in WA are Indigenous – and this is likely underreported (only 3.4% of the WA population are Indigenous).

Clients served by homeless services in WA 1996-2009



In 2008-09, over 10,000 people sought crisis accommodation in WA. They cited a variety of reasons for needing crisis accommodation including domestic violence, family breakdown, substance abuse, health issues, overcrowding and sexual abuse. The following chart shows the main reasons people gave for seeking assistance.²¹

Main reason for seeking assistance, per cent



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- ¹ Australian Bureau of Statistics 2006, WA QuickStats from the 2006 Census of Population and Housing.
- ² Miranti, R. and Nepal, B. 2008, 'Housing stress in Australia 2007', National Centre for Social and Economic Modelling, University of Canberra, Table 2a. The data refers to income units as families (a household may consist of one or more income units, where a number of people live together but do not share command over income). In this analysis, a family is defined as being in housing stress if housing costs exceed 30% of its disposable income and the family is also in the bottom two quintiles of the equivalised income distribution.
- ³ Social Housing Taskforce 2009, *More than a roof and four walls*, http://www.housing.wa.gov.au/Files/SocialHousingTaskforce_FinalReport.pdf.
- ⁴ Generated from Table 1.2 ABS Custom Table in Social Housing Taskforce 2009, *More than a roof and four walls*.
- ⁵ Median income based on 2006 Census data.
- ⁶ Real Estate Institute of Western Australia 2010, <http://reiwa.com.au/research/quarterly-market-charts.cfm>.
- ⁷ Calculated using Department of Commerce wage rates <http://www.commerce.wa.gov.au/LabourRelations/PDF/Awards/M/MCEWageratesApril2010.pdf>, Based on 30% affordability rates. $(\$350/.3)=\$1166/\$14.99 = 78$ hours
- ⁸ Calculated using Department of Commerce wage rates. Based on 30% affordability rates. Median unit rent \$350 as of December 2009.
- ⁹ Real Estate Institute of Western Australia 2010, Property Market Indicators, <http://reiwa.com.au/res/res-marketindicators-display.cfm> [Accessed 17 August 2010].
- ¹⁰ Department of Housing calculations on data from DOCEP.
- ¹¹ Real Estate Institute of Western Australia 2010, <http://reiwa.com.au/research/quarterly-market-charts.cfm>.
- ¹² COAG Reform Council 2009, *National Healthcare Agreement: Baseline performance report for 2008–09*, http://www.coag.gov.au/crc/docs/summary_findings_20100604.pdf.
- ¹³ Department of Housing 2010, Media Statement, Rental adjustments bring equity for public housing tenants, 19 July 2010.
- ¹⁴ Social Housing Taskforce 2009, *More than a roof and four walls*.
- ¹⁵ Table 3.4 in Social Taskforce, *More than a roof and four walls*. Original data from the Department of Housing.
- ¹⁶ Australian Institute of Health and Welfare 2009. *Indigenous housing needs 2009: a multi-measure needs model*. Cat. no. HOU 214. Canberra: AIHW.
- ¹⁷ Australian Bureau of Statistics, 2006.
- ¹⁸ McKenzie, F.H., Phillips, R., Rowley, S., Brereton, D., Birdsall-Jones, C. 2009, *Housing affordability and shortages in resource boom towns*, AHURI Research and Policy Bulletin, Issue 120, September 2009, ISSN 1445-3428.
- ¹⁹ Real Estate Institute of Western Australia 2010, <http://reiwa.com.au/res/res-marketindicators-display.cfm>.
- ²⁰ COAG Reform Council's National Healthcare Agreement: Baseline performance report for 2008–09, http://www.coag.gov.au/crc/docs/summary_findings_20100604.pdf
- ²¹ Australian Institute for Health and Welfare 2010. *Government-funded specialist homelessness services: SAAP National Data Collection annual report 2008–09 Western Australia supplementary tables*. Cat. no. HOU 226.