



Lismore Housing Strategy Project

LISMORE HOUSING ANALYSIS

Part A

Statement of Local Housing Issues

(October 2011)



Lismore: a great place to live and work

Summary

The Lismore Housing Analysis (LHA) has been prepared as part of the Lismore Housing Strategy Project (LHSP), which commenced in April 2011. This analysis represents the first stage of this project and identifies current and future housing needs, issues and opportunities within the Lismore Local Government Area.

A combination of qualitative and quantitative data collection and analysis methods, along with community and stakeholder consultation, has been used to draw conclusions about Lismore's housing needs and issues. These are presented as a Statement of Local Housing Issues. These issues will build the foundation for the second stage of the LHSP, which will identify housing outcomes and actions required to meet current and future housing needs for the Lismore community.

In comparison to neighbouring coastal areas the Lismore LGA is a more affordable place to live and is a key economic and employment hub for the broader Far North Coast region. However, the Lismore LGA has a lack of housing choice and diversity, which is over inflating the true value of housing. Consequently, many households find themselves living in housing that is less affordable and does not meet their needs.

The existing housing stock is dominated by larger forms of housing and does not reflect current and anticipated demand for smaller households. A greater provision of smaller housing will assist in addressing purchase and rental affordability issues currently faced by low to moderate income households and will have an overall positive influence on housing affordability. Smaller forms of housing can also contribute to sustainable urban growth through infill opportunities and better utilisation of Greenfield areas.

The lack of new housing supply and lack of new housing at different prices has resulted in an increasing number of new households purchasing older housing stock. This has in many cases inflated the true value of older stock and resulted in the purchase of housing that has traditionally been available for rent. Consequently, house purchase prices increase and the loss of rental stock results in increased rents. The provision of new housing that is affordable for average income households will contribute significantly to reducing competition for existing lower cost housing. This will then allow increased opportunities for lower income households to access more affordable housing options.



The following is a summary of the key trends and issues that influence housing provision and need within Lismore.

Population growth

The current population is approximately 46,000 residents and is anticipated to grow to 49,200 by 2036. This growth is likely to occur due to people relocating from nearby coastal areas where the cost of housing is becoming unaffordable and growth due to expanding employment and business opportunities associated with Lismore City's role as a regional employment centre.

Demographic trends

The Lismore LGA is experiencing an ageing population which will see nearly the doubling of the number of persons aged over 65. This will result in a decrease in dwelling occupancy rates meaning there will be demand for more housing to house the existing population as more dwellings become homes for 'empty nesters'.

The indigenous population is increasing at a much faster rate than the Lismore LGA population. This will generate a need for more suitable and affordable housing and measures to address the challenges confronted by the indigenous population in accessing housing.

Lismore is experiencing an ageing population which will see nearly the doubling of the number of persons aged over 65

Household Incomes

The Lismore LGA has the second highest household income in the Far North Coast region. Household incomes have generally increased over recent years, but at a slower rate than housing costs.

The proportion of very low income households has not changed and remains at 20% of households. These are generally households dependent on a government payment as their primary source of income and this group faces significant challenges in paying for housing as housing costs increase.

Household incomes have generally increased, but at a slower rate than housing costs

Employment

The unemployment rate has fallen in recent years. The decline in unemployed people is largely due to an increase in part-time and casual employment, while full-time employment has slightly declined. Rental housing will be important to those in part time and casual employment as many will find it hard to obtain mortgage finance for home purchase due to uncertainty about their future income.

Housing characteristics

Lismore lacks a diverse range of housing options. The Lismore LGA has 16,470 occupied dwellings, with 85% separate houses and 13% multi unit dwellings. Approximately 23% of the housing stock has 1 or 2 bedrooms and 73% has 3 or more bedrooms. This does not reflect the number of people per household with 62% of households occupied by 1 or 2 people and 38% occupied by 3 or more people.

Household occupancy rates have declined over recent years and are expected to continue to decline due to declining fertility levels, ageing of the population, increasing single parent households, preferences for living in smaller households and higher incidence of divorce. One and two bedroom houses will be needed to accommodate a greater proportion of smaller households.

Household occupancy rates are expected to continue to decline. One and two bedroom houses will be needed to accommodate smaller households



The existing housing stock is dominated by larger forms of housing and does not reflect current and anticipated demand for smaller households

Housing tenure

The Lismore LGA has the second lowest proportion of fully owned dwellings in the FNC region, with 35% of households fully owned. Lismore has the highest proportion of dwellings being purchased at 30% and has the second highest proportion of dwellings rented at 29%. Overall 59% of households are committed to a mortgage or rental costs and are susceptible to interest rate and rental rises.

The rental market is an important and key aspect of the Lismore housing market. There has been a continuous decline in supply and availability of rental housing, which causes increased competition for housing between those that can least afford to access housing. One primary cause has been increasing house prices, which have resulted in new households finding it harder to purchase and need to rent. This creates more need for social housing for those who can compete least effectively. Another primary cause has been the lack of new housing stock at a range of prices, resulting in new households purchasing existing rental stock and directly reducing the availability of rental stock.

The lack of new housing supply and lack of new housing at different prices has resulted in an increasing number of new households purchasing older housing stock

Housing market

The 2010 median sales price for all dwellings in the Lismore LGA was \$345,000. The median sales price for separate detached houses was \$350,000 and \$250,000 for multi-unit dwellings. Multi-unit dwellings are a more affordable form of housing to purchase; however, it only accounts for 13% of existing dwelling stock.

The 2010 median weekly rent for a 2 bedroom flat was \$208 and \$300 for a 3 bedroom house. Smaller forms of rental housing are more affordable and this is the type of housing that is least available.

Multi-unit dwellings are a more affordable form of housing, however, it only accounts for 13% of existing dwelling stock



Smaller forms of rental housing are more affordable and this is the type of housing that is least available

Housing affordability

Currently no dwellings are theoretically affordable for purchase by lower income households and only a third of dwellings are affordable for moderate income households. This is partly a reflection of the lack of diversity of housing stock in terms of dwelling type, bedroom mix and price.

The purchase affordability issue is partly a reflection of the lack of diversity of housing stock in terms of dwelling type, bedroom mix and price

The rental market is the only housing option available to low income households and limited affordable options are available. Only 24% of rentals are affordable for very low income households and 54% of rentals are affordable for low income households.

A diversity of low cost housing options is required within close proximity to services, shops, medical facilities and public transport options. Affordable student rental housing options will also be required close to the university.

The provision of new housing that is affordable for average income households will contribute significantly to reducing competition for existing lower cost housing

Purpose of the Lismore Housing Analysis

The purpose of the housing analysis is to gain an understanding of current and future housing needs, issues and opportunities within the Lismore local government area. The housing analysis represents the first of two stages undertaken to develop a Lismore Housing Strategy for the Lismore LGA.

The housing analysis is guided by four objectives:

- i. Assess the future impact of demographic, economic and social trends upon the housing market, particularly on housing need and demand;
- ii. Identify the factors that do, and will, influence household need for different types of housing in different parts of the Lismore LGA;
- iii. Identify how the potential supply of housing relates to housing need and demand; and
- iv. Predict the key features of the housing market over the next 25 years, particularly in terms of characteristics, structure and issues.

Understanding the housing needs and issues

Findings and information presented in the Lismore Housing Analysis includes both primary and secondary data sources. Primary data was collected through a series of consultation activities across the Lismore LGA. Consultation activities included:

- Lismore Housing Survey
- Housing Strategy Information Sessions
- Stakeholders Activities.

Secondary data was collected from the Australian Bureau of Statistics, Lismore City Council's strategic planning reports, the NSW Local Government Housing Kit; RPdata, articles from newspapers and through various literature sources.

A comprehensive research process identified and collated information relating to population projections, demographic and housing characteristics and trends, residential development and housing market trends.

Structure of the Lismore Housing Analysis

The purpose of Part A - Statement of Local Housing Issues is to provide a clear and concise overview of the housing issues and needs that currently exist or are likely to occur in the next 20 to 25 years. This document is supported by Part B – Background Data and Supporting Information, which provides detailed data and information that forms the basis for the determination of the Statement of Housing Issues identified in this document.



Statement of housing issues

Key Issue 1 - Population growth and smaller household size

Lismore's population of approximately 46,000 is conservatively expected to grow to 49,700 by 2036. These additional people will need housing. The trend to smaller households will also mean that Lismore's existing residents will require additional dwellings.

Population growth is likely to occur due to people relocating from nearby coastal areas where the cost of housing is becoming unaffordable and growth due to expanding employment and business opportunities associated with Lismore City's role as a regional employment centre.

To meet the forecast population increase the Far North Coast Regional Strategy sets a 2031 target of an additional 8,000 dwellings for the Lismore LGA with an allocation of 60% detached houses and 40% multi-unit dwellings. Based on dwelling approval rates since 2006 the dwelling target of 8,000 dwellings is likely to take longer to achieve than 2031. In addition, the proportion of multi-dwelling units approved since 2006 is below the allocation of 40% multi-unit and accounts for 30% of all dwellings. The rate of housing supply needs to increase and the supply of multi-dwelling units will need to increase to meet current and future housing needs.

If the predicted 8000 dwellings are to be provided by 2031, an additional 7274 dwellings will be needed. 2,391 dwellings can be provided within residential and village zones identified in the Draft LEP 2010. In addition, the North Lismore Plateau urban release area has additional potential for 1,500 dwellings and approximately 1,021 dwellings can be provided within the Greenfield areas of Trinity Drive, Waterford Park, Pineapple Road and Lagoon Grass Road. This leaves 2,362 dwellings required by 2031. Dwellings will need to be accommodated within the Lismore urban infill areas, village infill areas, potential village expansion areas, potential rural residential areas and rural land sharing communities.

Since 2002, 68% of dwelling approvals were within the Lismore urban area, 21% within a rural residential zoned area, 8% within a rural zoned area and 3% within a village zoned area. These housing approval distribution figures generally reflect the overall population distribution with 71% of the population living within the Lismore urban area and 29% living with village and rural areas. A greater proportion of housing supply will need to be provided within the Lismore urban area and village zoned areas to meet sustainability objectives.

The Lismore housing survey asked all respondents to identify where they believe more housing should be provided. The highest proportion of respondents suggested within existing built-up suburb and village areas (61%), followed by within new housing estate areas (48%), within new rural lifestyle areas (39%) and within farming areas (13%). The eight most preferred areas to provide more housing include: Goonellabah (41%) Lismore (34%); East Lismore (32%); North Lismore (28%); Lismore Heights (27%); Rural lifestyle and rural areas north of Lismore City (27%); South Lismore (26%); and Bexhill (25%).

77% of respondents identified that they intend to move from their current home at some stage in the future and 72% of these indicated that they are likely to live within the Lismore LGA. Of those intending to move within the Lismore LGA, 40% indicated that they would most prefer to live in one of Lismore city suburbs, 33% would most prefer to live in a rural lifestyle block, 18% would most prefer to live in a village and 9% would most prefer to live on a farm. The eight most preferred areas to live include: East Lismore (29%); Goonellabah (28%); Lismore Heights (27%); Rural lifestyle and rural area east of Lismore City (24%); Rural lifestyle and rural area north of Lismore City (24%); Clunes (23%); Girards Hill (22%); and Bexhill (20%).

The rate of housing supply and the supply of multi-dwelling units needs to increase to meet current and future need

If the predicted 8000 dwellings are to be provided by 2031, an additional 7274 dwellings will be needed by 2031



A greater proportion of housing supply will need to be provided within the Lismore urban area and village areas to meet sustainability objectives



"There are limited new housing and land releases"

"More land needs to be released for housing development to provide more options for those who want to build and to enable the area to grow"

Key Issue 2 - Need for more housing options

The Lismore LGA lacks a diverse range of housing options. Smaller detached houses, units, flats and apartment style housing with 1 or 2 bedrooms are undersupplied and will be the major segment of the Lismore housing market needed over the next 20 to 25 years.

The Lismore LGA has 16,470 occupied dwellings, with 85% being separate houses, 4% semi detached, 9% flats or apartments, and 2% other dwelling. The breakdown of housing stock is as follows: one bedroom (4%), two bedroom (19%), three bedrooms (46%), four or more bedrooms (27%) and other (4%). This does not match the number of people per household. The breakdown of the proportion of households by number of residents is as follows: lone person households (26%), households occupied by two people (36%), three person households (15%) and four or more person households (23%).

Household occupancy rates have declined from 2.7 persons per household in 1996 to 2.5 in 2006. Household occupancy rates are expected to continue to decline due to declining fertility levels, ageing of the population, increasing single parent households, preferences for living in smaller households and higher incidence of divorce. It is anticipated that lone person households will increase from 23% of all households in 2006 to 32% by 2036. Similarly, couple family without children households will increase from 26% to 33% during the same period. The proportion of single parent family households is anticipated to remain around 11%, whereas, couple family with children households are anticipated to decline from 29% to 21%. One and two bedroom houses will be needed to accommodate smaller households.

The Lismore housing survey identifies that 77% of respondents intend to move from their current home at some stage in the future and 33% of these respondents indicated that the main reason they intend to move is due to a need for a smaller house or property. This was the top ranked reason for moving and this emphasises the need for a greater provision of smaller housing options.

Respondents that intend to move from their current home also identified the types of housing that their household wants or needs. The majority at 82% identified houses as a want or need, 27% indicated unit/apartment, 24% indicated duplexes, 11% indicated age care facility/group home, and 9% indicated granny flat/studio.

Respondents also identified the number of bedrooms that would be most suitable for their future household needs as follows: one bedroom at 3%, two bedrooms at 27%, three bedrooms at 45% and four or more bedrooms at 26%.

Overall, it appears that a greater provision of smaller dwellings will be required with smaller detached houses being the most popular form of smaller housing and a greater provision of unit, apartment and duplex forms of housing also being in demand. It is important to note that this only focuses on the future needs and wants of the current population and does not consider the needs and wants of new residents that intend to relocate to the Lismore LGA.

A comparison between the number of bedrooms in existing housing and the number of bedrooms that would be most suitable for future household needs (for respondents that intend to move from their current home), indicates a significant mismatch for those wanting or needing smaller housing. Of those households that want or need a one bedroom dwelling, approximately 80% are currently living in two or more bedroom dwellings. For households that want or need a two bedroom dwelling, approximately 75% are currently living in three or more bedroom dwellings and 5% in one bedroom dwellings. For households that want or need a three bedroom dwelling, approximately 37% are currently living in four or more bedroom dwellings and 11% in a one or two bedroom dwelling. For households that want or need a four bedroom dwelling, approximately 40% are currently living in a three bedroom dwelling and 8% in a one or two bedroom dwelling.

It is anticipated that lone person households will increase from 23% of all dwellings in 2006 to 32% by 2036



Couple family (without children) households will increase from 26% to 33% of all dwellings



"Need smaller houses with fewer bedrooms because it reduces cost of renting, buying and utilities"

"Lismore housing is dominated by family housing and there are many people who simply don't want it. Need affordable and smaller housing for different age groups, not just families"

Key Issue 3 – Need new housing stock at a range of prices

The Lismore LGA requires more new housing stock and new housing stock at a range of prices. A mix of housing options in terms of housing type, lot size, number of bedrooms and quality of fit out is required to meet the needs and financial capacity of households with different income levels.

The median sales price for all dwellings in 2010 was \$345,000. The median sales price for separate detached houses was \$350,000 and it was \$250,000 for multi-unit housing. Multi-unit housing is clearly a more affordable form of housing, however, it only accounts for approximately 13% of existing dwelling stock.

There are a number of housing sub markets operating in the Lismore urban area.

- i. A higher price new housing market. This is operating in new development areas and is characterised by low supply levels. This is partly a reflection of the lack of development fronts within the Lismore LGA and partly a reflection of the lack of capacity of new households to afford the types and size of housing offered.
- ii. A housing market operating in established suburbs that are not flood affected. These suburbs are characterised by over inflated house prices with only marginal price variations between different size and quality housing. Predominant sales are larger detached houses which reflect the main housing stock in these suburbs. Multi-unit sales activity is much less and reflects the lack of this type of housing in these suburbs.

The high level of sales activity in these suburbs indicates an overall demand for housing that is priced between \$250,000 and \$400,000.

- iii. A lower cost housing market operating in established suburbs that are flood affected. Dwelling sales in these areas are predominantly larger detached houses as this is generally the only form of housing available. The lower cost in these areas is directly related to flood risk and the mixed commercial / industrial / residential land use within these areas.

The median dwelling sales price varies considerably between villages. There appears to be two active sub markets occurring within the villages. A higher priced sub market including Clunes, Caniaba and Wyrallah and a moderate priced sub market including Bexhill, Nimbin and Dunoon. In general, housing within the villages is less affordable than housing within the Lismore urban area.

Of all Lismore's suburbs and villages, the Nimbin housing sub market appears to be operation the most effectively with more affordable housing options, a steady level of sales activity and a clear distinction between price points for different size dwellings.

A clear trend in the Lismore housing market in recent years has been the high proportion of existing dwelling stock sales and the lack of new dwelling stock sales. This is largely a reflection of low new dwelling supply rates and the high price range of new dwelling stock. The new stock begin produced and sold is predominantly aimed at the higher price range towards higher income households. This new stock is primarily 3 or more bedroom houses and duplexes/units. One consequence of the lack of supply of new housing both in terms of affordability and size is the redirection of higher sales activity to existing dwelling stock in the established suburbs of the Lismore urban area.

There is a need for new housing in the price range between \$250,000 and \$400,000 that caters for smaller households with smaller housing needs and less household income. The lack of new housing stock within this price range is resulting in new households purchasing existing housing stock. Key developers in the Lismore LGA have not generally been involved in the development of house and land packages. This is an opportunity that will be important in delivering housing choice and housing at various price points.

The Lismore housing survey asked all respondents to identify the highest price house that their household could afford to buy. The highest proportion of respondents (24%) stated that they could afford to pay between \$300k and \$399k. The next highest proportion of respondents (18%) stated that they could afford to pay between \$200k and \$299k. Therefore, nearly half of the respondents can afford between \$200k and \$399k, however the majority of new housing stock for sale is not available within this price range. Approximately 14% of respondents indicated that they can afford to pay between \$400k and \$499k, and a further 17% indicated more than \$500k. This reflects nearly a third of respondents, yet the majority of new housing stock is priced above \$400k. A further 10% of respondents indicated that they could afford to pay less than \$199k, yet no new dwelling stock is available in this price range.

House and land packages will be important in delivering housing choice and housing at various prices



The high level of sales activity in older established suburbs indicates an overall demand for housing that is priced between \$250,000 and \$400,000

The lack of new housing supply and lack of new housing at different prices has resulted in an increasing number of new households purchasing older housing stock

"Need budget priced homes without too many features and fittings that increase the cost of housing"

"Land is very expensive in Lismore and surrounding areas due to supply"

Key Issue 4 – Need for more rental stock

The supply and availability of rental housing has been declining over recent years. This reduces rental affordability and the ability of some households to access suitable and appropriate housing that meets their needs. A diversity of rental housing stock in terms of dwelling type, bedroom mix and price is required to meet the housing needs for low, moderate and high income households.

The rental market is an important and key aspect of the Lismore housing market, with nearly one third of all households living in a rental property. The private rental market provides housing for a wide variety of households. This includes low income groups who may not be able to purchase their own homes, young people who are between stages of living with parents and buying their own home, and many other households who live in rental housing by choice. The type and size of housing needed, ability to pay for housing and desired location of housing varies considerably between rental households. A diversity of rental housing is needed to maintain rental affordability and to allow residents to continue to live in Lismore LGA.

Over the last ten years the continuous decline in supply and availability of rental housing has contributed to increased competition for housing between those that can least afford to access housing. One primary cause has been increasing house prices, which means new households find it harder to purchase and therefore need to rent. Another primary cause has been the lack of new housing stock at a range of prices, resulting in new households purchasing older existing rental stock and directly reducing the availability of rental stock. This creates more need for social housing for those who can compete least effectively.

The unemployment rate has also fallen in recent years (peak of 12.8% in 1998 to a low of 5.8% in 2010). The decline in unemployed people is largely due to an increase in the proportion of the labour force employed on a part-time and casual basis (33% in 2006, compared to 24% in 1991), while full-time employment has slightly declined (53% in 2006, compared to 55% in 1991). Smaller sized rental housing will be important to those in part time and casual employment as many will find it hard to obtain mortgage finance for home purchase due to uncertainty about their future income.

At September 2008, median rent for one bedroom dwellings was \$130 per week; two bedroom dwellings were \$200 per week (up 11% in the previous 12 months); three bedroom dwellings was \$280 (up 17% in the previous 12 months); and four or more than four bedroom dwellings was \$323 (up 8% in the last 12 months). In 2006, 9% of dwellings in the private rental market in the Lismore LGA had one bedroom, 35% had two bedrooms and 56% had three or more bedrooms. This represents a high proportion of three or more bedroom stock that does not necessarily match well to household needs. Overall, smaller forms of rental housing are more affordable and this is the type of housing that is least available.

There has been an increase in single person and smaller households. 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.

New households purchasing older existing rental stock directly reduces the availability of rental stock



Increasing house prices has resulted in new households finding it harder to purchase and need to rent.

A continuous decline in supply and availability of rental housing has contributed to increased competition for housing between those that can least afford to access housing



“Need better quality rental flats, units and apartments. More affordable than larger houses”

“Appears that there is a high rental market due to people not been able to afford to buy”

Key Issue 5 - Shortage of social housing

There is a shortage of social housing in the Lismore urban area and Nimbin village. There is a significant need for one bedroom dwellings for lone person households to be located close to existing services, shops, medical facilities and public transport options.

There are currently around 727 social housing dwellings in the Lismore LGA, with 557 public housing dwellings, 46 Aboriginal Housing Office dwellings and 124 community office housing properties. Public housing represents 3.2% of all housing in Lismore, which is lower than the average for regional NSW of 3.5%. There are two public housing estates in the Lismore LGA, both in Goonellabah. Around 40% of public housing in Lismore is in these two estates.

A significant proportion of public housing tenants in Lismore are aged over 55 (47%) and the majority is in the 25-54 age group (52%). Most public housing households in Lismore are single person households (56%), followed by single parents (15%).

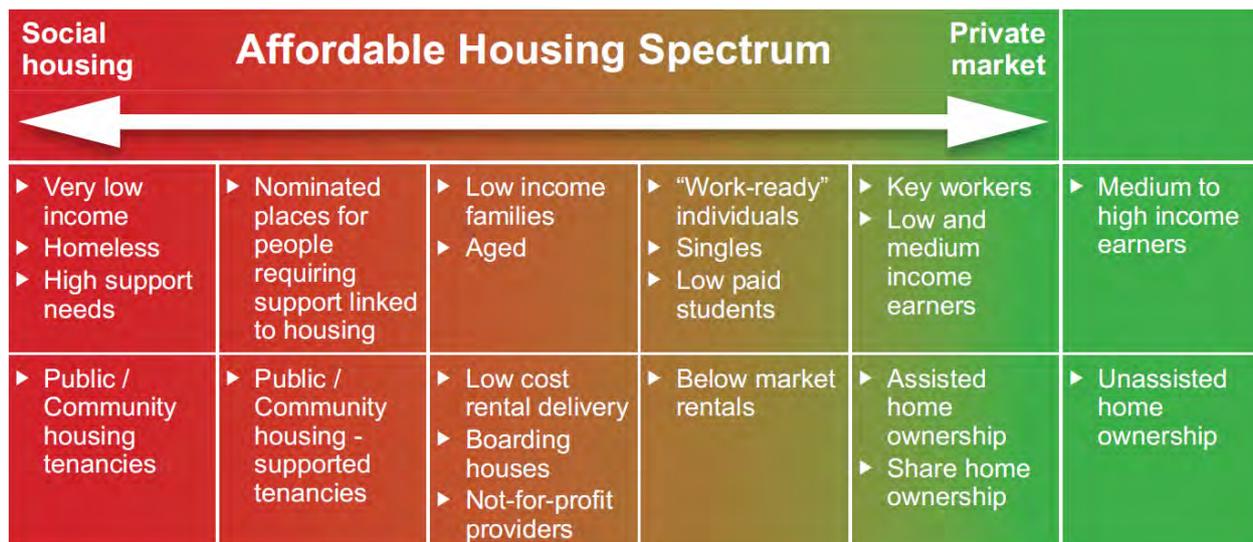
Since the 1990s changes to government policy on public rental housing has placed more reliance on the private rental market. For instance, the Federal Government has moved away from the provision of capital funding for government rental housing in favour of the payment of rental assistance to low income clients who would then find housing in the private rental market. However, there is still an essential and key role for public and community housing providers.

Housing NSW is traditionally the major supplier of affordable housing to those who have difficulty accessing or sustaining accommodation in the private market. Community housing is a growing component of the NSW Government's overall strategy of providing housing assistance to those people most in need. The dwellings are leased from Housing NSW, private landlords and other government agencies or, in some cases, owned by the organisations themselves. Most dwellings provide medium to long-term residence and to smaller degree dwellings are used for crisis accommodation.

Social housing needs to be close to existing services, shops, medical facilities and public transport options



"Need community housing programs to help people get into permanent accommodation"



Targeted Issues

The following issues are targeted to sectors of the community that require housing with some form of short to long term housing assistance. The level of housing supply that is needed is directly related to the actions taken to address the five key housing issues above. That is, a better functioning housing market will result in more housing choice across a range of prices, meaning housing responses can focus on actions to maintain suitable and appropriate housing, while a housing market that is functioning poorly will result in a need for both suitable housing stock and forms of housing assistance.

Targeted Issue 1 - Low cost housing

A diversity of low cost housing options is required in the Lismore urban area and Nimbin village close to existing services, shops, medical facilities and public transport options. The provision of low cost housing will be dependent on various forms of on-going housing assistance.

Low cost housing is needed for very low income and low income households.

“Very low income households” are defined as households with income below 50% of the median household income. The 2011 gross annual household income for very low income households in the Lismore LGA is estimated to be less than \$25,454. Very low income households account for 13% of purchasing households and 71% are in purchase stress. Very low income households also account for 23% of renting households and 87% are in rental stress. The rental market is the only housing option available to very low income households and limited affordable options are available, with only 24% of rentals affordable for these households.

Based on 2011 estimates, affordable rental housing for very low income households is less than \$147 per week and the affordable purchase price is less than \$93,000.

The household income of very low income households is unlikely to improve measurably over time. For example, the proportion of households earning less than \$300 a week has not changed between 2001 and 2006 and remains at 20% of households (3294 households in 2006). These are generally households dependent on a government payment as their primary source of income and they face significant challenges in paying for housing, given housing costs continue to increase at a much higher rate than household income.

For these households the need for housing assistance is likely to be significant and ongoing. Whatever housing is offered has to be effectively linked to support services and community networks. In the past, this group has had limited choice of housing and many of the most disadvantaged households have been trapped in institutionalised models of housing provision, or have relied on various transitional housing programs or the relatively inflexible public housing system. An expansion of long term community based housing (delivered by specialised community based housing providers often in partnership with support agencies) will add to the choices of this group.

“Low income households” are defined as households with income between 50% to 80% of the median household income. The 2011 gross annual household income for low income households in the Lismore LGA is estimated to be between \$25,454 and \$40,726. Low income households account for 19% of purchasing households and 41% are in purchase stress. Low income households also account for 23% of renting households and 57% are in rental stress. The rental market is an important housing option available to low income households and limited affordable options are available, with only 54% of rentals affordable for low income households.

Based on 2011 estimates, affordable rental housing for low income households is between \$147 and \$235 per week and the affordable purchase price is between \$93,000 and \$150,000,

These are households who face a housing affordability problem because they have low incomes and they may, or may not, be employed. Different forms of housing assistance can address their need, depending on their life stage and local market conditions. For example, some households may need extra financial assistance to enable them to afford existing rental housing. Some in this group, such as young people, may need only short-term assistance (2 to 5 years) to enable them to get a tenancy record or to save for market priced housing. Another group will be ageing private renters who may not be able to sustain market rents after retirement and are likely to need assistance for a longer period of time because their incomes are unlikely to improve. Others in this segment who are more likely to have the

Low income households need some form of assistance to sustain market rents or achieve home ownership

Housing offered to very low income households has to be effectively linked to support services and community networks



“Appears that there is a high rental market due to people not been able to afford to buy”

“Housing is too expensive and wages are not keeping up with price and the associated mortgage/rental costs”



opportunity for growth in their incomes, particularly young families and single parents, may benefit from having an incentive to achieve home ownership through new products such as shared equity schemes. If such incentives are successful their need for on-going housing assistance is likely to be minimal.

Overall, there are currently no dwellings theoretically affordable for purchase by lower income households. This is partly a reflection of the lack of diversity of housing stock in terms of dwelling type, bedroom mix and price. In addition, while the private rental market is essential for very low and low income households, it is the part of housing market where affordable housing is undersupplied. The decline in supply and availability of rental housing, which causes increased competition for housing between those that can least afford to access housing, creates more need for social housing for those who can compete least effectively.

Additional low cost housing will be required in order to retain current levels of affordability and to meet expanding demand and needs. A significant proportion of low cost housing will need to be in the form of 1 and 2 bedroom housing that is suitable and affordable for seniors; couples without children; single persons; students and young people. Infill development will need to play a key role and should be encouraged in order to meet some of the low cost housing needs. Housing products delivered through infill development should include a range of smaller unit type accommodation, boarding house style accommodation and seniors living types of accommodation. Low cost housing options should be encouraged within the Lismore urban area and Nimbin Village where existing services, shops, medical facilities and public transport options are located.

Currently no dwellings are theoretically affordable for purchase by lower income households

The private rental market is essential for very low and low income households and it is the part of housing market where affordable housing is undersupplied



Targeted Issue 2 - Moderate cost housing

A diversity of moderate cost housing options for rent or purchase is required within the Lismore urban area and surrounding villages. Moderate priced new housing for purchase will be a significant segment of the housing market needed over the next 20 to 25 years and will be more successful when linked to assisted home ownership or shared home ownership approaches.

Moderate income households are defined as households with 80% to 120% of the median household income. The 2011 gross annual household income for moderate income households in the Lismore LGA is estimated to be between \$40,726 and \$61,090. Moderate income households account for 28% of purchasing households and 25% are in purchase stress. Moderate income households account for 16% of renting households and 17% are in rental stress. Approximately 94% of rentals are affordable for moderate income households.

Based on 2011 estimates, affordable rental housing for moderate income households is between \$235 and \$352 per week and the affordable house price is between \$150,000 and \$224,000.

These are households with modest incomes whose circumstances place them below the margin where they can afford market housing. Examples include single working people and working families on a modest wage. These households may require some level of housing assistance for a limited period to enable them to get established in the housing market. Assistance could include assisted home ownership, shared home ownership or rental housing at a below-market rental.

Moderate income households generally have the financial capacity to purchase housing, often with some form of assistance. However, this group is particularly vulnerable to rising housing costs which place them in a higher level of purchase or rental stress. Rising housing costs can also result in less financial capacity to purchase housing and lead to a greater need for rental housing. This will ultimately result in increased competition with low income households, which will place lower income households in higher levels of purchase or rental stress and increased risk of homelessness.

Moderate priced housing for purchase will be a key sub market that will provide improved housing options for moderate income households, but also reduce housing pressure on lower income households. New moderate priced housing for purchase by smaller households and families will assist in improving the functioning and affordability of the Lismore housing market and provide appropriate and suitable housing that will allow members of the labour force to live and work in the Lismore LGA.

Moderate income households may require some level of housing assistance for a limited period to enable them to get established in the housing market

New moderate priced housing for purchase by smaller households and families will assist in improving the functioning and affordability of the Lismore housing market



“Affordable houses are needed for young working couples and families to promote this demographic to move here, boost the economy and become the future of Lismore”

Targeted Issue 3 - Housing for people who are homeless or at risk of homelessness

The number of people who are homeless or at risk of being homeless has increased significantly over recent years. Higher rates of homelessness have been identified in the Lismore urban area and Nimbin village. People who are homeless or at risk of homelessness will require access to appropriate forms of housing that is effectively linked to support services that aim to achieve secure, safe and sustainable tenancies.

Based on ABS data from the 2006 census, there are 290 people living in caravans and manufactured homes in Lismore. More recent reports (using emergency service and charity assistance data) indicate that the number of people who are homeless has increased significantly since 2006.

People who are homeless or in and out of homelessness may be living literally without a home or in short-term crisis accommodation or a series of temporary stays with friends and relatives or in caravan parks or boarding houses on a short-term basis. Caravan park accommodation is a particularly important housing choice to people with limited housing options. The closure of caravan park accommodation or conversion to tourist sites (switching from long term to short term sites) reduces the housing options available for people on low incomes and places these residents at risk of homelessness.

Coordinated partnership approaches will be required that work towards preventing homelessness and ensuring early intervention to address its causes, providing assistance to those with urgent accommodation needs and assisting people who are in and out of homelessness into more stable public and private housing.

Higher rates of homelessness have been identified in the Lismore urban area and Nimbin village

"Need low cost housing for those transitioning from homelessness to permanent housing"

Targeted Issue 4 - Housing for people with a disability or mental illness

People with a disability or mental illness face many problems finding accessible, appropriate, secure and affordable housing. The proportion of the population with a disability or mental illness is anticipated to increase as the population ages. This will generate additional need for appropriate and suitable housing linked to support services.

Approximately 5% of the Lismore population (2250 residents in 2006) have a profound or severe disability (needing help or assistance in one or more of the three core activity areas of self-care, mobility and communication). The number of people with a disability or mental illness is anticipated to increase as the population ages.

It is difficult to quantify the needs for homes adapted to meet the requirements of people with physical disabilities, most of whom live either independently or with carers. Primarily, these needs relate to mobility difficulties. In many cases existing homes can be modified, although private landlords may not permit structural modification, particularly if wheel chair access is required. Consequently, there is very limited amount of wheelchair accessible housing in either the private or social housing sectors.

The problems faced by the mentally ill are similar to those faced by young people in that they experience difficulty gaining access to private rental housing, and there is an acute shortage of supported accommodation. Many of those experiencing accommodation difficulties fall between service gaps, for instance between aged care services and psychiatric services. Consequently, many of the homeless are reported to suffer mental illness.

People with a disability or mental illness face discrimination in the private rental market and have difficulty competing for the reduced amount of low cost rentals available.

People with a disability or mental illness face discrimination in the private rental market and have difficulty competing for low cost rental properties

"It is hard for people with mental health issues to find and maintain a tenancy. Mental health and flow on housing problems is a significant issue in Lismore"

"People with disabilities have limited access to most residential buildings and cannot afford to make modifications"

Targeted Issue 5 - Housing for Indigenous people

Housing for Indigenous people is undersupplied. Additional housing is required and should include culturally-appropriate design, ways to achieve sustainable tenancies and facilitate home ownership, and measures to reduce barriers that prevent access to rental housing.

The Indigenous population increased by 6.6% from 2001 to 2006, compared to 0.8% for the Lismore LGA total population. Indigenous people represent 3.7% of the total Lismore LGA population, compared to 4.7% for regional NSW and 2.1% for the whole of NSW. The indigenous population is confronted by significant challenges with respect to their housing. The indigenous population has a significantly younger population and incomes are also much lower. Indigenous people are more likely to be unemployed than the non-indigenous population. Indigenous households are often discriminated against in the private rental market and often experience 'crowding out' in households with a greater capacity to pay.

A total of 17% of Indigenous households occupied government-owned public housing in 2006 and much of this housing is concentrated in Goonellabah. The demand for such accommodation far outstrips supply.

The indigenous population is increasing at a much faster rate than the Lismore LGA population



"Need rental houses for Indigenous people"

Targeted Issue 6 - Housing for an ageing population

Lismore will need a range of housing types and styles to serve the needs of the ageing population, such as retirement housing/living options and aged care facilities close to social facilities and transport. Housing suitable for ageing residents is currently undersupplied and will represent a significant segment of the housing market over the next 20 to 25 years.

The Lismore LGA is experiencing an ageing population which will see nearly the doubling of the number of persons aged over 65 from 5,850 persons in 2011 to 10,824 persons in 2036. Likewise, the proportion of people aged between 50 and 64 will slightly increase from 8,550 persons to 8,856 persons. This will result in a decrease in dwelling occupancy rates meaning there will be demand for more housing to house the existing population as more dwellings become homes for 'empty nesters'. This will result in demand for smaller forms of housing comprising no more than 1 or 2 bedroom dwellings.

An ageing population presents a range of issues in relation to housing, service and infrastructure provision. This will be most evident in the areas of affordable and appropriate housing, health and aged care services, home support services, transport and access to cultural and recreational facilities. There will be a need for innovative and flexible approaches to ensuring affordable and appropriate housing in locations that are suitable for the needs of an ageing population.

Lismore LGA is experiencing an ageing population which will see nearly the doubling of persons aged over 65

"The elderly need access to public transport, medical services and shops to live independently without being in an aged-care facility"

Targeted Issue 7 - Housing for young people

A diversity of affordable and suitable housing options is needed for young people in the Lismore urban area close to employment opportunities. Affordable student rental housing options will also be required close to Southern Cross University.

Young people are those aged 15 to 24. They generally live in family households or live independently, often for the first time and in group households. This group has a high proportion of students and a high proportion employed on a part time basis.

A higher proportion of young people live in the Lismore urban area compared to the village/rural areas. The proximity of housing to possible work or educational institutions is a key factor in young people's decisions about where to live. Because of their stage in life and trends in education and employment, young people tend to have low incomes and difficulties in paying up front housing costs, including bond, rent in advance, connection fees for essential services. As such, a significant number of young people living independently are in housing stress, occupy housing in poor condition, and are likely to be discriminated by landlords.

Affordable rental housing near educational institutions and employment centres is a key need. Affordable and appropriate student housing close to the university will assist in meeting the needs of students and free up housing stock for other young people households and other lower income households.

The proximity of housing to possible work or education is a key factor in young people's decisions about where to live

"The CBD needs more student/youth accommodation. Our young people cannot move out of home, as it is too expensive and hard to find accommodation"