

NORTHERN BEACHES  
COUNCIL

**NORTHERN BEACHES  
AFFORDABLE HOUSING  
NEEDS ANALYSIS**

**December 2016**



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## EXECUTIVE SUMMARY

The purpose of this background paper is to provide an understanding of demand for affordable housing within the Northern Beaches and the extent to which current provision of housing (to buy or rent) meets the needs of its existing and future residents. The paper also considers how population and workforce changes, as well as market conditions, are likely to impact on the future affordability of housing on the Northern Beaches.

This paper provides an 'evidence-base' which could support the Northern Beaches Council in developing an understanding of the demand for affordable forms of housing across the northern beaches and how to communicate this to the wider community.

The findings highlight the worsening conditions for very low, low, and moderate income households to buy or rent properties across the Northern Beaches, with rising levels of housing stress for these communities and property values and rental costs accelerating at unprecedented rates.

### Housing Stress

- Rates of '**housing stress**' for very low to moderate income households across the Northern Beaches grew from 67% to 69% between 2006 and 2011, with 1,500 additional households experiencing housing stress.
- For **renters housing stress** grew more significantly from 73% to 79% between 2006 and 2011.
- Significant increases in property values and rental growth since 2011 are likely to have **exacerbated levels of housing stress** further, as wage and salary growth has failed to keep pace with rising housing costs.

### Demand for Affordable Housing

- Projections for **20,300 additional households** between 2011 and 2036 within the Northern Beaches will require different housing forms and price brackets.
- Social changes (such as divorce) and a **growing and ageing population** are likely to create demand for a more diverse range of affordable housing. Household growth is expected to be strongest in lone person or 'non-family households'.
- Expansion of the leisure and hospitality and the health and education industries, including the opening of the Northern Beaches Hospital, will fuel demand for affordable housing to **attract/retain 'key workers' occupations**.
- Provision of affordable housing for key workers is a specific challenge for local businesses due to **the poor public transport connections into the northern beaches**, for those workers who can't afford to live locally. This was highlighted in the recent Council Business Survey.
- Households tend to move within the Northern Beaches, however there is a recent trend for households, especially 24-34 and 35-44 year olds, to **relocate out of the region** to the Central Coast, north to Hornsby or Ku-ring-gai or further afield to Gold Coast or Sunshine Coast, due possibly to rising housing costs.

### Supply of Affordable Housing

- Meanwhile, the **supply of affordable housing** to rent or buy within the Northern Beaches is at historically low levels, and is significantly below the Sydney average.
- Across the Northern Beaches, in 2011 only 2% of total housing stock (1,718 dwellings) was for **social housing**. This was less than half the Sydney average (5% of all housing stock) and tended to be concentrated in a handful of suburbs, namely Narrabeena (16.9% of all

dwellings); Brookvale (8.2%); Allambie Heights (5.4%); Forestville (4.6%) and Narrabeen (4.5%) and Manly Eastern Hill (3.8%).

- Beyond social housing, there is little supply except for market housing with virtually no non-market or community housing provider housing on the Northern Beaches.
- The **median house prices** for the Northern Beaches at June 2016 was \$1.51 million (compared to \$949,000 for the Sydney region), and no suburb had a median house price below \$1 million.
- For the **lower end of housing market**, which be more appliable to moderate to low income earners and first home buyers, house prices are exactly double the Sydney average (\$1.34million compared to \$669,500).
- While less distinct, lower end **units sale prices** for northern beaches are also substantively higher (+28%) than the Sydney average and increased by 47% last 4 years.
- Consequently, less than 1% of properties (unit or homes) are available to **purchase at an affordable price** for very low to low income households (i.e. households earning less than \$65,000 per annum) across the Northern Beaches.
- For moderate income households (\$65,000-\$80,000), only a handful of properties would be **affordable to purchase** across the Northern Beaches at June 2015: 4% for Warringah; 3% for Manly; and 2% for Pittwater (compared to 18% for Sydney average).
- The ability of lower income households to rent a property within the Northern Beaches has also become more constrained, with the **median rental costs** for homes nearly double the Sydney average at \$895 per week compared to \$520 at June 2016.
- The weekly **rental values of units**, while still high, are less distinct from the Sydney average (\$595 per week for the northern beaches, compared to \$500 for median bracket for Sydney), but increased 14% last 4 years.
- Analysis of **stocks of rental properties** across the Northern Beaches which would be considered affordable (i.e. less than 30% household disposable income) at June 2015 found that:
  - For very low income households only 1% would be affordable, compared to 3% for Sydney average.
  - For low income households only 3% of rental properties in Manly, 5% in Warringah and 7% in Pittwater are considered affordable, compared to 18% for Sydney average.
  - For moderate income households only 26% of rental properties in Manly were considered affordable, increasing to 30% in Pittwater and 40% in Warringah (compared to 60% of all rental properties for Sydney region).
- This is despite strong **new supply of dwellings** in recent years, with 1,648 new dwellings built between 2012 and 2015 across the Northern Beaches (82% of which were mult unit dwellings). This emphasises that supply of new housing alone will not address affordability, without policy and planning intervention.
- There is, therefore, an **urgent need for action** to increase the supply of affordable, especially rental, housing which is targeted at low to moderate income households, who are required to live and work in the Northern Beaches to support its community and economy. There are a number of opportunities arising with current Structure Planning undertaken by Council in key locations e.g. Northern Beaches Hospital and Ingleside precincts.

# 1. What is Affordable Housing and Affordable Rental Housing?

'Affordable housing' refers to 'reasonable' housing cost in relation to income'. A common benchmark is housing that does not absorb more than 30% of the gross income of very low, low or moderate income households. State Environmental Planning Policy (Affordable Rental Housing) 2009 (ARHSEPP) defines low to moderate income households as households with a gross income that is less than 120 per cent of the median household income for the Sydney Statistical Division. Currently, this would equate to a household income of less than \$100,000 per annum.

'Affordable Rental Housing' is rental housing delivered by the not-for-profit sector for very low, low or moderate income households. Eligibility for this form of housing is not limited to any one occupation and includes: essential services workers such as nurses, teachers and police officers; hospitality and retail workers; and creative and cultural sector workers.

# 2. What is Housing Stress?

Housing Stress has generally been defined as those households in the lowest 40% of incomes (i.e. very low, low or moderate income households) who are paying more than 30% of their usual gross weekly income on housing costs (rental or purchasing).

Housing stress is a critical measure of the need for affordable housing, as it shows the interplay between housing costs (rental and purchasing) and income levels.

According to 2011 Census data, 12,525 very low, low or moderate income households across the Northern beaches, were experiencing housing stress. Of these, 6,847 were renting and 5,678 were purchasing a home. This results in over two-thirds (69%) of all very low to moderate income households experiencing housing stress, in renting or purchasing a home.

Those who were renting were even more susceptible to housing stress (79%), compared to 60% of those purchasing a home. Rental stress is especially high for very low income households with 96% demonstrating housing stress. This is consistent with the Sydney average at 95%. However rental stress was significantly higher in the Northern Beaches than the Sydney average for low income (88% compared to 69%) and for moderate income households (65% compared to 43%).

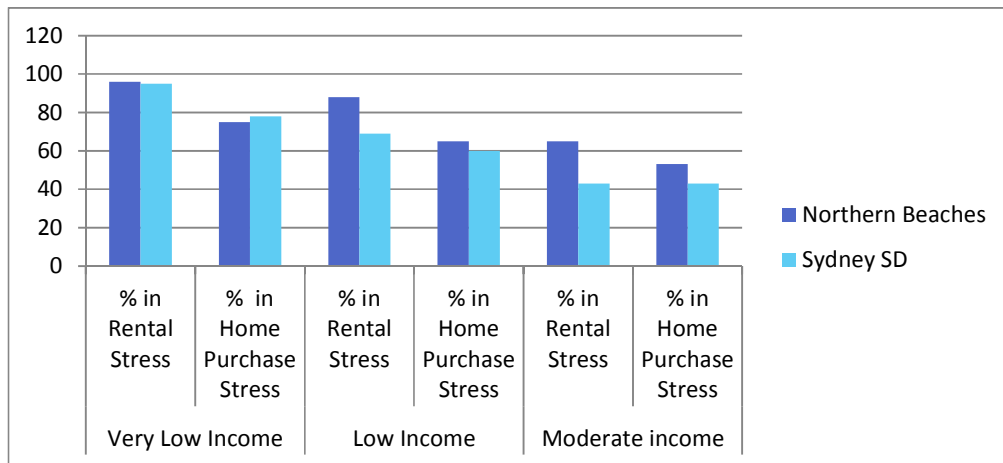
Between 2006 and 2011 the number of very low to moderate income households experiencing housing stress has increased by over 1,500 from 10,990 to 12,525 households. This is a change from 67% to 69% of renters and purchasers. For renters, the share experiencing housing stress increased even more significantly from 73% to 79%, while for home purchasers the proportion in housing stress marginally declined from 61% in 2006 to 60% in 2011.

Housing Stress is a significant issue if mortgage and rent payments rapidly increase as a share of income. As discussed further below, house sales prices and rents have grown significantly over the last 5 years, while wages and salaries have grown modestly (less than 1% per annum). This is likely to have exacerbated levels of housing stress in the Northern Beaches for very low to moderate income households in recent years.

**Figure 1: Households in Housing Stress in the Northern Beaches**

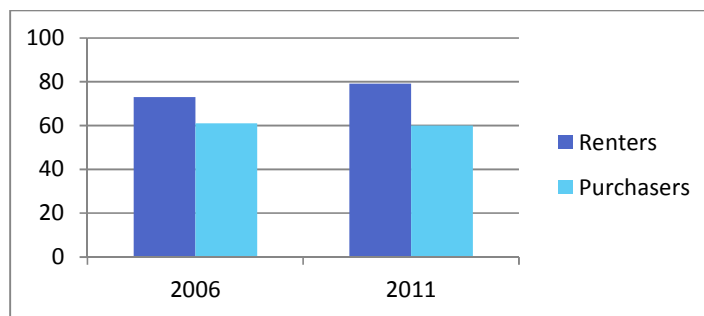
Area	Very Low Income		Low Income		Moderate income	
	% in Rental Stress	% in Home Purchase Stress	% in Rental Stress	% in Home Purchase Stress	% in Rental Stress	% in Home Purchase Stress
Northern Beaches	96	75	88	65	65	53
Sydney SD	95	78	69	60	43	43

**Figure 2: Comparison chart of housing stress in the Northern Beaches and Sydney**



Source : Census 2011. Housing NSW, Local Government Housing Kit.  
 Note: Housing stress = housing cost above 30% of their equivalised household income.

**Figure 3: Changing Levels of Housing Stress between 2006 and 2011 in the Northern Beaches**



Source : Census 2006 and 2011. Housing NSW, Local Government Housing Kit

### 3. What is the Demand for Affordable Housing?

#### 3.1 Very Low, Low and Moderate Income Households

While often perceived as an affluent and homogenous part of Sydney, the Northern Beaches has a diverse social structure, which requires a range of housing forms and prices to accommodate.

In 2011, across the Northern Beaches, 40,000 households had a combined income of less than \$2,000 per week (or \$100,000 per annum). Nearly 17,000 households (22%) earned less than \$800 per week (\$41,000 per annum).

These low to very low income households are more prevalent in the suburbs of Narrabeena (22% of all households), Narrabeen (19%), Forestville (17%), Allambie Heights (17%), Cromer (16%) Brookvale (16%), Mona Vale (13%), Newport (13%) and Manly, Pittwater Road (12%).

**Figure 4: Very Low, Low and Moderate Income Households in the Northern Beaches**

Weekly income	Northern Beaches	annual hh income (max)
Negative Income/Nil Income	926	0
\$1-\$199	950	10348
\$200-\$299	1,372	15,548
\$300-\$399	3,314	20,748
\$400-\$599	5,225	31,148
\$600-\$799	4,898	41,548
<b>total very low income hh</b>	<b>16,685</b>	
\$800-\$999	5,377	51,948
\$1000-\$1249	5,331	64,948
<b>total low income hh</b>	<b>10,708</b>	
\$1250-\$1499	5,376	77,948
\$1500-\$1999	9,255	103,948
<b>total moderate income hh</b>	<b>14,631</b>	
\$2000-\$2499	7,270	129,948
\$2500-\$2999	10,793	155,948
\$3000-\$3499	6,491	181,948
\$3500-\$3999	3,483	207,948
\$4000-\$4999	3,172	259,948
\$5000 or more	3,664	260,000
Not stated	9,540	
<b>Total households*</b>	<b>76,897</b>	
total v low to moderate income hh	40,024	
% very low to moderate income hh	52%	

*excludes 'not stated'*

Source: ABS 2011 Census (ID. The Population Experts)

### 3.2 Growing demand for Key Worker Housing

Low to moderate income jobs, or 'key worker' occupations, are expected to become increasingly important in supporting the Northern Beaches' economy and changing demographic needs in the long term due to:

- A growing and ageing population (the proportion of residents over 65 years increasing from 15% in 2011 to 19% in 2031);
- Major investment in health infrastructure (i.e. Northern Beaches Hospital);
- Increasing female participation in the workforce; and
- Increasing affluence and demand for recreation and lifestyle services

In 2011 around 11,500 jobs within Northern Beaches were in 'key worker' occupations (as defined in Figure 5 below), accounting for 15% of all jobs. School teachers were the highest number of key worker jobs followed by hospitality workers and personal carers and assistances. Between 2006 and 2011 jobs in these occupations grew by over 1,500 jobs.

There were also over 14,000 residents of the Northern Beaches who were employed in the selected 'key workers' occupations in 2011. This represents 12% of all resident workers and an increase of 750 resident workers between 2006 and 2011. While it is not possible to assert if these residents work within the northern beaches area, there is likely to be a desire to work locally.

Midwifery and nursing professionals was the second largest resident key worker occupation (2,275 resident workers). The opening of the Northern Beaches Hospital in 2018 will significantly increase demand for local workers in this and other health related occupations.

**Figure 5: 'Key Worker' Residents and Jobs in Northern Beaches**

Key Worker Occupations	2011		2006	
	Jobs	Resident workers	Jobs	Resident workers
School Teachers	3,230	3,469	2,827	36,35
Midwifery and Nursing Professionals	1,399	2,352	1,347	2,275
Hospitality Workers	2,048	2,472	1,854	23,340
Personal Carers and Assistants	1,495	1,644	1,156	1,378
Child Carers	1,336	1,621	934	1,195
Defence Force Members, Fire Fighters and Police	357	781	361	764
Carers and Aides nfd	25	58	36	54
Automobile, Bus and Rail Drivers	733	851	620	807
Cleaners and Laundry Workers	1,019	1,513	1,027	1,556
<b>total key worker jobs/resident workers</b>	<b>11,642</b>	<b>14,761</b>	<b>10,162</b>	<b>14,004</b>
total jobs/resident workers	76,713	121,636	72,812	115,375

Source: *northern beaches economy.id (ABS Census 2011)*

NSW Government employment forecast's show that over the next 20 years 'Health and Social Assistance' will be the faster growing job sector across the Northern Beaches (+62% or 6,800 new jobs), followed by 'Retail' (+38% or 4,750 new jobs) and 'Education and Training' (+45% or 3,500 jobs). These industries are characterised by key worker occupations and likely to generate further demand for more affordable housing forms to enable these workers to live locally.

The 2015 Warringah Council Business Survey identified the ability to attract and retain staff as a significant challenge to businesses in operating in the local area. The issue of housing costs for key workers was raised, especially in precincts such as Brookvale and Frenchs Forest, which have a diverse workforce (ranked top 3 challenge for Brookvale and top 4 for French Forest businesses). This issue is exacerbated by relatively poor public transport connections for workers into Warringah from lower housing cost areas outside the local area.



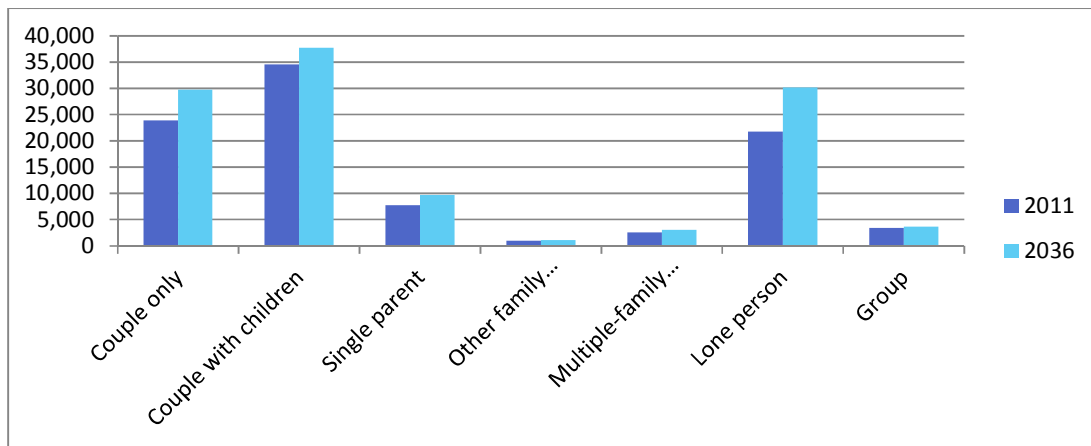
### 3.3 Changing Household Structures

An ageing population and social change is also likely to increase demand for greater housing choice and affordability. The Department of Planning & Environment latest household projections for the period 2011 to 2036 predict the creation of an additional 20,300 households within the Northern Beaches.

Assuming the proportion of very low to moderate income households remains constant at 52%, another 10,500 very low to moderate income households will need to be accommodated within the Northern Beaches over the next 20 years.

Across all households, 'non-family households' (i.e. lone persons and groups) are expected to increase by 8,700 households (+34%) while single parent households are expected to grow by 2,000 households (26%). Catering for these different household structures will require a greater range of housing forms and affordability.

**Figure 6: Changing household structures in Northern Beaches 2011-2036**



Source: Department of Planning & Environment Population, Household and Dwelling projections (2016)

In summary, available data shows growing demand within the Northern Beaches for a diverse range of housing forms and affordability levels to meet the needs of a growing and changing resident population, as well as the workforce to it.

### 3.4 Household mobility

Between 2006 and 2011, the Northern Beaches experienced a significant churn in household migration i.e. the number of households coming into the area and the number of households moving out. Households that migrated tended to remain within the Northern Beaches, with most relocations occurring between the 3 former LGAs.

In terms of people leaving the northern beaches, this was highest for 25-34 year olds who tended to out migrate to the Central Coast (Gosford and Wyong), upper North Shore (Hornsby and Kuring-gai) and even further afield to the Gold Coast and Brisbane. These are areas which offer many of the lifestyle attributes of the Northern Beaches, but are considered more affordable, possibly reflecting 'push out' from rising housing costs for this age group who are more likely to be first home buyers or 'up-graders'.

In terms of household's movements within the Northern Beaches, there was a trend for movement from former Manly LGA to Warringah LGA. Higher rental and home purchasing costs in Manly

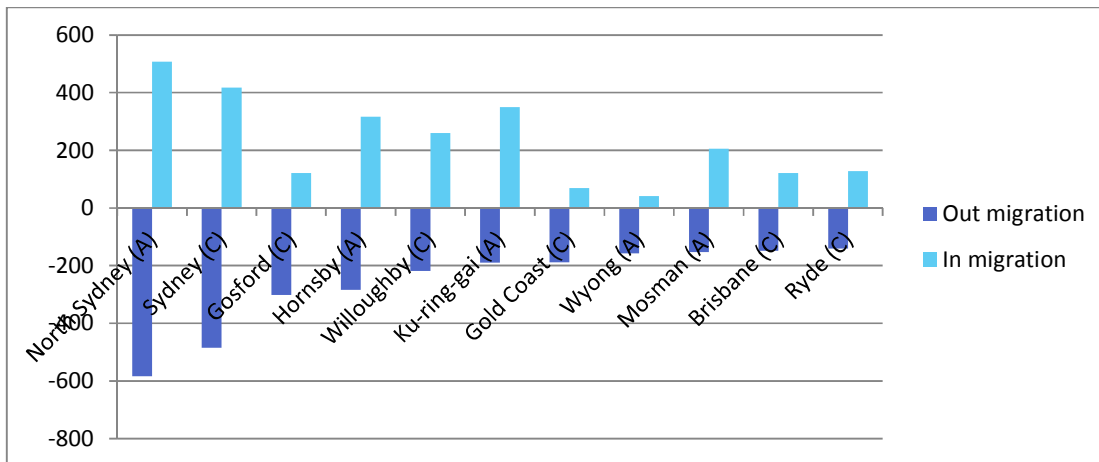
may have caused households wanting to remain on the Northern Beaches but requiring more affordable or larger properties, to move to adjoining areas.

This highlights the importance of looking at affordable housing supply from a Northern Beaches wide perspective, as well as a propensity for some age groups (especially young families) to move out of the area to find accommodation to meet changing needs.

**Figure 7: Household migration into and out of Northern Beaches by age 2006-2011**

Age group	In migration	Out migration	Net migration
5 to 11 years	2,050	2,355	-305
12 to 17 years	1,012	1,222	-210
18 to 24 years	1,986	2,589	-603
25 to 34 years	5,680	6,657	-977
35 to 44 years	5,737	6,014	-277
45 to 54 years	2,600	3,171	-571
55 to 64 years	1,777	2,525	-748
65 years and over	1,932	2,529	-597
<b>Total</b>	<b>22,774</b>	<b>27,062</b>	<b>-4,288</b>

**Figure 8: Movement of younger people (24-35 yr olds) out of the Northern Beaches 2006-2011**



Source: .ID The Population Experts (based on 2006 and 2011 Population and Housing Census data)

## 4 What is the Existing Supply of Affordable Housing?

### 4.1 Housing Tenure Profile

Across all households within the Northern Beaches there has been a decline in the proportion of households owning their property outright between 2006 and 2011 (35% to 33%), while the proportion purchasing a home has increased from 32% to 35%.

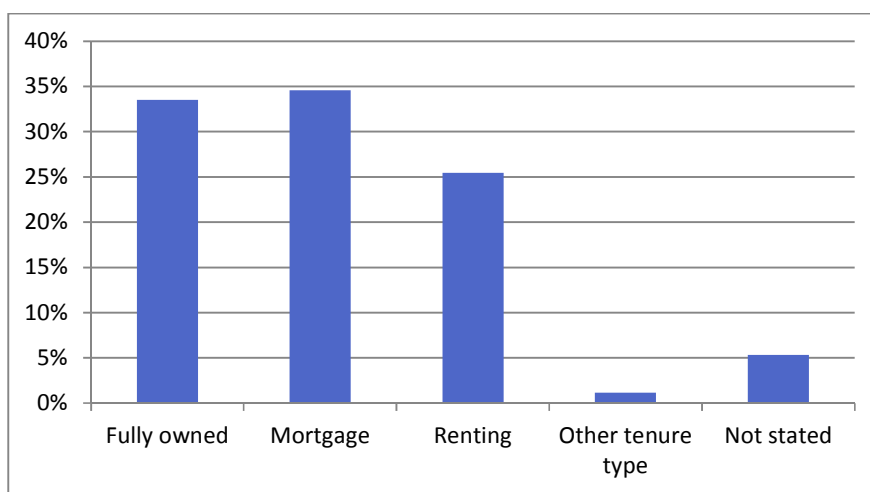
The proportion of households renting has stayed constant at 25%. However, the number of households renting has grown by over 1,303 with a vast majority renting privately with only 69 additional households renting in social housing.

Compared to Greater Sydney, there is a lower share of households renting but a higher proportion of home ownership, 69% (purchasing a home or own outright), which may reflect a slightly older demographic.

**Figure 9: Housing Tenure Profile of Northern Beaches Households**

Tenure	2011	%	2006	%
<b>Fully owned</b>	29,904	33%	29,962	35%
<b>Mortgage</b>	30,859	35%	27,449	32%
<b>Renting</b>	22,724	25%	21,421	25%
<i>Renting - Social housing</i>	1,718		1,649	
<i>Renting - Private</i>	20,532		19,185	
<i>Renting - Not stated</i>	474		587	
<b>Other tenure type</b>	1,047	1%	928	1%
<b>Not stated</b>	4,747	5%	5,961	7%
<b>Total households</b>	89,281		85,721	

**Figure 10: Chart of Housing Tenure Profile of Northern Beaches Households**



*Source: Australian Bureau of Statistics, Census of Population and Housing 2006 and 2011.*

The Northern Beaches has a comparatively low stock of housing targeted at lower income households. Across the Northern Beaches in 2011 there were 1,718 social rental properties. This constitutes only 2% of total housing stock in the council area and is less than half the rate of total housing stock for metropolitan Sydney and NSW (5% and 4.9% respectively).

The supply of social housing is spatially concentrated in the suburbs of: Narrabeena (16.9% of all dwellings); Brookvale (8.2%); Allambie Heights (5.4%); Forestville (4.6%) and Narrabeen (4.5%). For former Manly council area the highest proportion of social rental housing was in Manly Eastern Hill (3.8%) and for former Pittwater, this was 0.8% for Mona Vale.

## 4.2 Affordable Home Purchasing

Across the Northern Beaches monthly median mortgage payments range from an average of \$2,600 per month for Warringah households, to \$3,033 per month for Manly households, in 2011. This compares to \$2,167 per month on average across the Sydney region. Over half of all households who were paying off a mortgage were paying over \$2,600 per week (considered to be 'high'), compared to 36% across Sydney.

**Figure 11: Median Monthly Mortgage Repayments 2011**

Former LGA Area	Median mortgage repayment (\$)	Households paying over \$2,600 month
Manly Council area	3,033	58.2 %
Pittwater Council area	3,000	53.7 %
Warringah Council area	2,600	50.1 %
<b>Greater Sydney</b>	<b>2,167</b>	<b>36.0 %</b>

*Source: Housing NSW, Local Government Housing Kit*

The Northern Beaches has seen very strong growth in house values over the last few years, which has seen diminishing stocks of properties available to low earners to purchase. The median house price in the Northern Beaches at June 2016 was \$1.51 million which was significantly higher than the Sydney average of \$949k.

Of particular concern from affordability perspective, is the significantly higher cost of housing at lower end of the housing market. For 'first quartile', house sales in the northern beaches in 2016 were exactly double the Sydney average (\$1.34, compared to \$670,000 for Greater Sydney).

Houses prices in the first quartile on the northern beaches increased by 58% (nearly \$500k) between 2012 and 2016

Unit sale prices are also higher in first quartile for northern beaches, compared to the Sydney average (\$695k compared to \$548k), though this is less distinct than house sales (28% higher). During 2012 to 2016 unit sales in the first quartile increased by 47%.

**Figure 12: House & Unit Sales in the Northern Beaches**

Sales	2016			2012			Change 2012 to 2016
	Northern Beaches LGA	Greater Sydney	Nthn Beaches relative to Gt Sydney	Northern Beaches LGA	Greater Sydney	Nthn Beaches relative to Gt Sydney	
<b>House</b>							
First Quartile	1,339,779	669,558	100.1	846,174	418,587	102.2	+493,605
Median	1,514,939	949,151	59.6	953,775	603,520	58.0	+561,164
Third Quartile	1,885,559	1,402,097	34.5	1,200,652	865,792	38.7	+684,907
<b>Unit</b>							
First Quartile	694,799	547,903	26.8	474,201	370,647	27.9	+220,598
Median	828,083	699,292	18.4	570,318	481,561	18.4	+257,765
Third Quartile	1,021,119	872,649	17.0	687,498	605,892	13.5	+333,621

*Source: Hometrack 2011-2016, Housing Valuation System.*

Escalating housing purchase costs are resulting in very few low to moderate income households being able to purchase a home on the Northern Beaches. Data below of house sales and loan repayment estimates suggest that less than 1% properties for sale in 2015 would be 'affordable' (less than 30% of income household) to very low or low income household across the Northern Beaches.

Only 2% of properties for sale in former Pittwater would be affordable to moderate income households, increasingly slightly to 3% properties in former Manly and 4% in former Warringah council areas. This is a significantly lower level of affordable housing stock compared to the rest of Sydney where 18% of properties for sale would be affordable to moderate income households.

**Figure 13: Proportion of Property Sales Affordable to Very Low to Moderate Income Households in the Northern Beaches (2015)**

Former LGA Area	Very Low Incomes	Low Incomes	Moderate Incomes
Manly	0.5	0.5	3.1
Pittwater	0.1	0.4	2.2
Warringah	0.0	0.3	4.0

Source: Valuers General (VG) Data - Affordable purchase - Based on sales transferred in the last 2 quarters.

Note: A property is regarded affordable if the loan repayment is less than 30% of the household incomes.

### 4.3 Affordable Rental Accommodation

At June 2016, the median weekly rental for houses in the northern beaches was nearly double the Sydney average (\$895 per week compared to \$520). This is also the case for lower value rental properties in the first quartile (\$695 compared to \$420).

The weekly rental values of units, while still high, are less distinct from the Sydney average (\$595 per week for the northern beaches, compared to \$500 for median bracket for Sydney).

**Figure 14: House and Unit Rental Costs in Northern Beaches vs Greater Sydney**

Rental listings	2016			2012			Change 2012 to 2016
	Northern Beaches LGA	Greater Sydney	Nthn Beaches relative to Gt Sydney	Northern Beaches LGA	Greater Sydney	Nthn Beaches relative to Gt Sydney	
<b>House</b>							
First Quartile	695	420	65.5	695	390	78.2	0
Median	895	520	72.1	825	500	65.0	+70
Third Quartile	1,200	700	71.4	1,100	700	57.1	+100
<b>Unit</b>							
First Quartile	500	410	22.0	440	375	17.3	+60
Median	595	500	19.0	520	450	15.6	+75
Third Quartile	715	630	13.5	635	580	9.5	+80

Source: Hometrack 2011-2016, Automated Valuation System.

Between 2012 and 2016, the weekly cost of renting a unit in the first quartile grew 14%, similar to the Sydney average. The cost of renting a home in the first quartile did not change between 2012 and 2016, though increased for median and third quartile homes (\$70 and \$100 per week, respectively).

Over the last 14 years, the Northern Beaches has seen a decline in the proportion of rental properties which is affordable to very low to moderate income households. In 2015, only 1 % of existing rental properties are classified as 'affordable' (i.e. less than 30% gross income) for very low income households across the Northern Beaches. This increases to 3% of rental properties being affordable to low income earners in former Manly, 5% in Warringah and 7% in Pittwater.

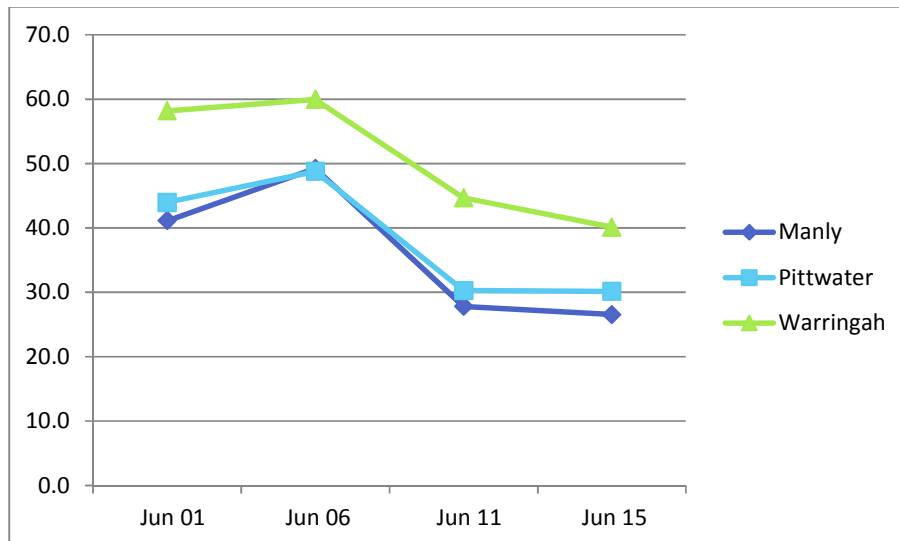
Moderate income households are able to afford to rent nearly 40% of all rental properties in Warringah, declining to 30% in Pittwater and 27% in Manly. However this share of affordable rental stock which is affordable to moderate income households is significantly less than the Sydney average of 60%, and has also significantly declined from levels in 2006 (60% for former Warring and 49% for both former Manly and Pittwater council areas).

**Figure 15: Proportion of Affordable Rental Properties for Very Low to Moderate Income Households in the Northern Beaches**

Former LGA Area	Very Low Incomes	Low Incomes	Moderate Incomes
Manly	1.3	3.4	26.5
Pittwater	1.0	7.4	30.1
Warringah	1.0	5.3	40.1
Sydney average	3.3	18.0	59.0

Source: Rental Bond Board (RBB) Data (Housing NSW, Local Government Housing Kit)  
 Note: Rental affordability indices have been calculated for Very Low Incomes

**Figure 16: Declining Stock of Affordable Rental Accommodation to Moderate Income Households in the Northern Beaches**

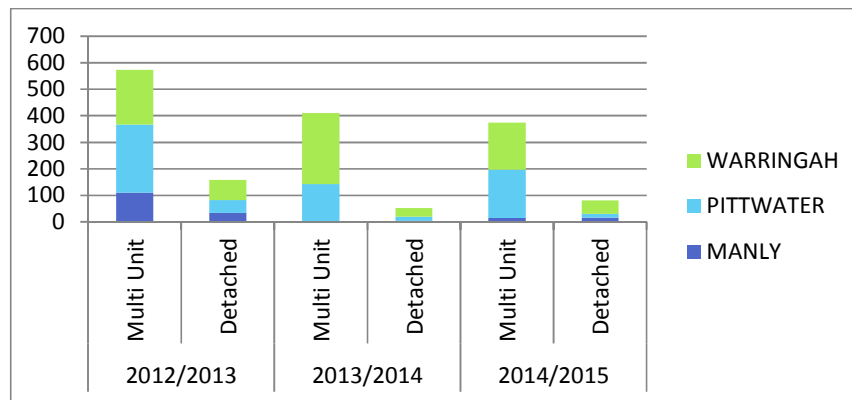


## 5. New Housing Supply

Data from the Department of Planning & Environment's Metropolitan Development Program, which monitors completion of new dwellings across Sydney, shows that there has been a strong supply of new dwellings in the Northern Beaches in recent years: 730 in 2012/13; 463 in 2013/14 and 455 in 2014/15.

Of the 1,648 dwellings constructed over the last 4 years: 808 were in the former Warringah; 658 in former Pittwater; and 182 in former Manly. The vast majority of these (82%) have been multi-unit dwellings (i.e. apartments) in local centres such as Dee Why and Narrabeen.

**Figure 17: Recent Supply of New Dwellings within the Northern Beaches 2012-2015**



Source: DP&E Metropolitan Development Program 2015

Significant additional supply is also forecast, including the proposed Meriton development in Dee Why town centre (around 380 new apartments), plus expected potential new apartment development from other key sites in the town centre.

Structure Planning around the new Northern Beaches Hospital and the Ingelside land release area, is also expected to deliver several thousand additional dwellings over the next decade across the Northern Beaches.

While there is a strong market for new residential development (especially apartments), new supply is having limited impact on the overall affordability of housing within the Northern Beaches, with new build houses and apartments beyond the reach of most low to moderate income households.

Clearly, the issue of affordable housing will not be addressed through new supply alone. Without policy and planning interventions to ensure that a proportion of new dwelling construction is set aside for lower income households, housing affordability will continue to worsen across the Northern Beaches.

## **6. Summary**

In summary, the escalating cost of housing (to rent or buy) is placing a growing number of households in housing stress across the Northern Beaches. The Northern Beaches has comparatively low stocks of social or affordable housing targeted at very low to moderate income households

The declining affordability of housing is unlikely to slow without intervention into the market, and supply of new dwellings alone will not address this issue. Existing stocks of social and affordable housing must therefore be protected.

Further, opportunities to create new forms of affordable housing, especially rental, must be taken up to prevent deepening of the housing crisis, and to support demographic change and economic growth. There are a number of opportunities arising with current Structure Planning undertaken by Council in key locations e.g. Northern Beaches Hospital and Ingleside precincts.