

NATIONAL HOMELESSNESS CONFERENCE 2022

Jointly convened by



MAJOR CONCURRENT SESSION

MC1 Homeless in regional Australia

Regional Housing Pressure Points

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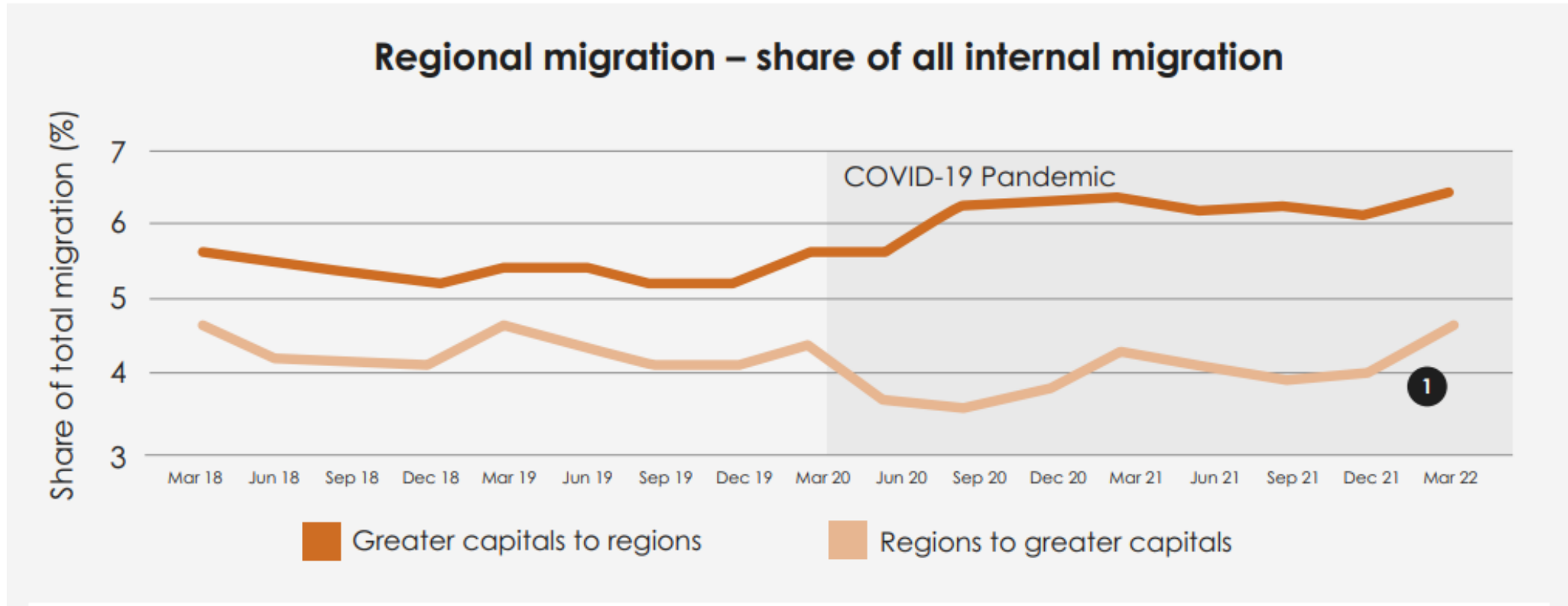


Regional housing has become exceptionally tight



- Historic underinvestment in new stock in most regions
 - High growth regions lacking supply
 - Inland regions lacking finance
- Over 1 million unoccupied homes at 2021 Census
 - 4,000 more than in 2016, but all dwellings up by 1 million
- Under-occupancy is also a big concern
 - Especially on the CBD fringe in small towns
- Medium density (1-2br units) lacking in regions
 - Accounted for half unmet demand for housing in western Qld
- COVID has changed movement patterns around Australia

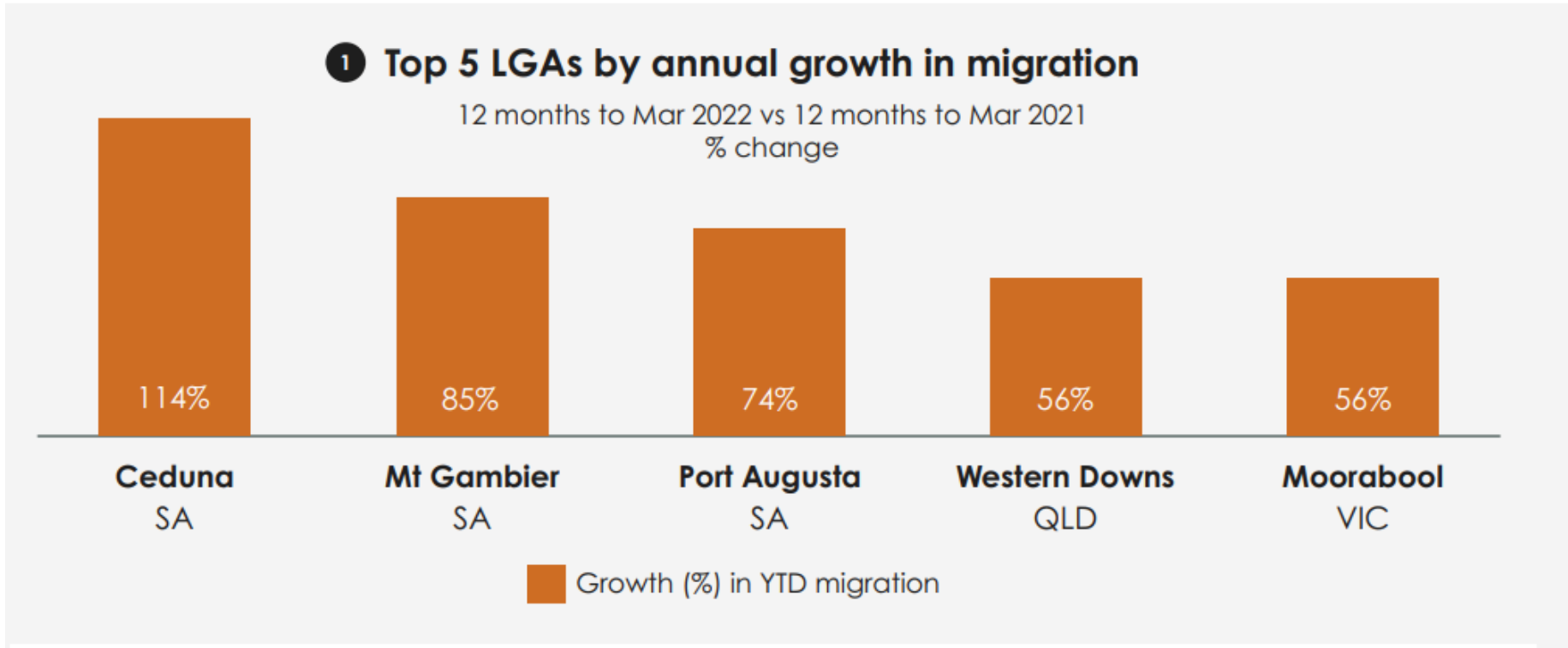
COVID saw more movement *to* regions and less *from*



Structural break through COVID –higher levels of capital to region movement AND lower levels of region to capital



Highest growth regions are smaller and increasingly inland



Regional SA has the lowest median dwelling price among all states' regions – at \$341,887.

SA Migration Growth Hotspot prices:

- Ceduna: \$269,000
- Mount Gambier: \$345,000
- Port Augusta: \$145,000

Highest growth rates in inflows from cities – moving further inland

Mostly Millennials (52-76% of inflows from cities)

Looking for *affordability* and *opportunity*

House price growth is a regional story:

April 2020 to April 2022 regions up 41%, Metro up 21%



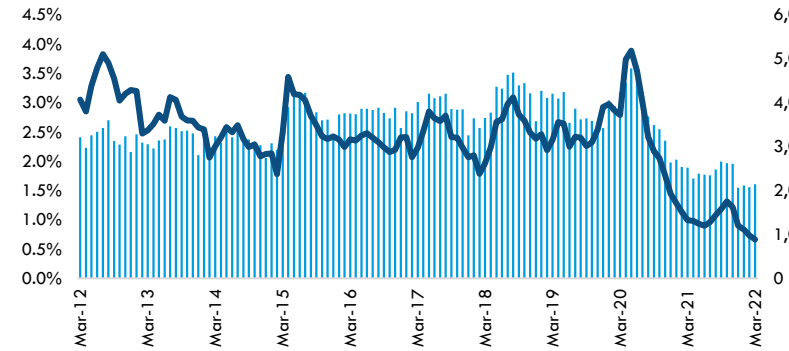
- The flip side of high rates of home ownership in regions is thin and underdeveloped rental markets – 20% of total housing stock in regional NSW vs 40% of total housing stock in Greater Sydney.
- Regional rental markets are therefore highly vulnerable to shocks – fires and floods, or COVID-19 pandemic.
- Examples of small, medium and large town rental markets
 - Dwindling supply anyway
 - Coinciding with increased demand and reduced availability

Examples of three regional rental markets



Gold Coast rental market - listings and vacancy rates

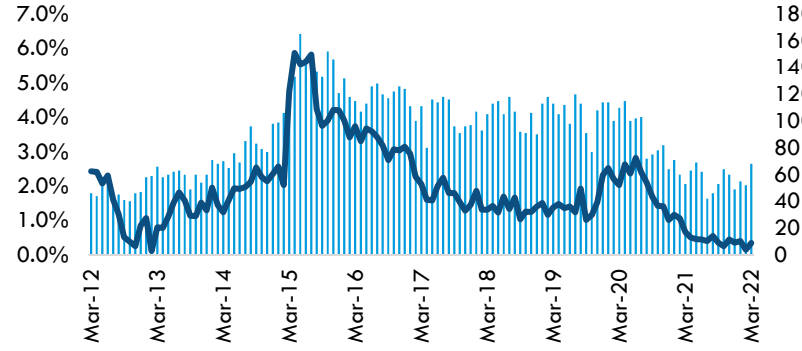
Source: CoreLogic, RAI



■ Volume of rental listings (1 month) — Vacancy Rate (1 month)

Wangaratta rental market - listings and vacancy rates

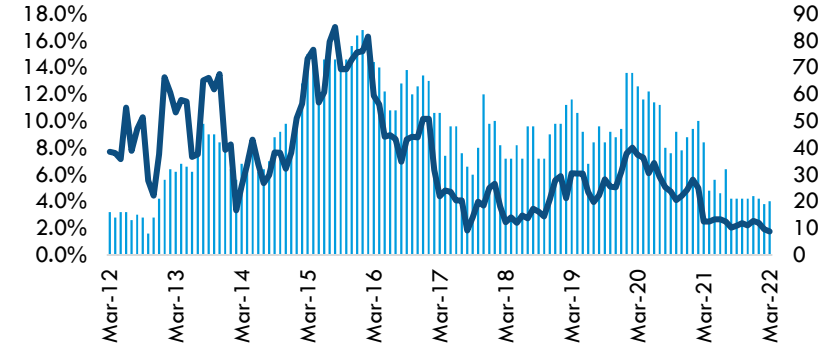
Source: CoreLogic, RAI



■ Volume of rental listings (1 month) — Vacancy Rate (1 month)

Narrabri rental market - listings and vacancy rates

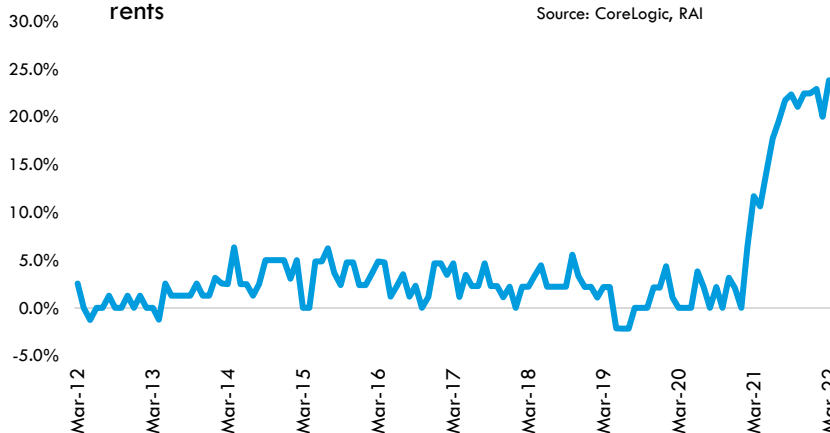
Source: CoreLogic, RAI



■ Volume of rental listings (1 month) — Vacancy Rate (1 month)

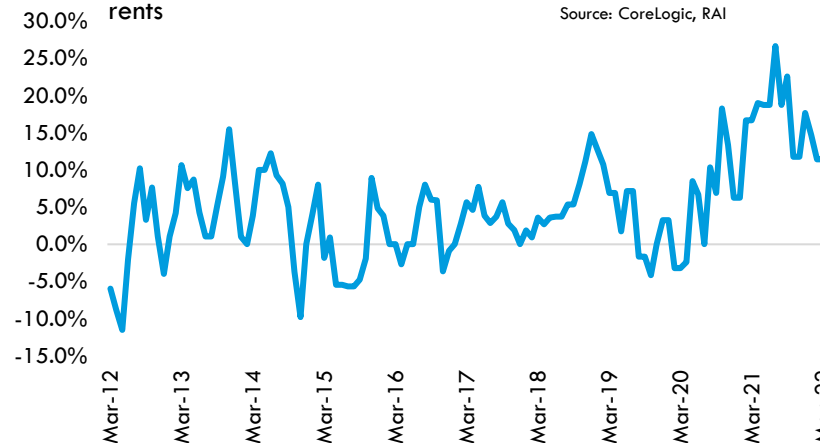
Gold Coast rental market - annual increase in asking rents

Source: CoreLogic, RAI



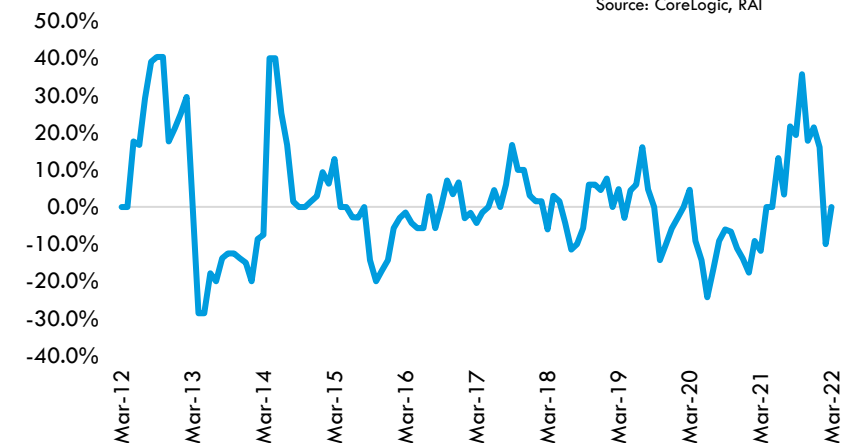
Wangaratta rental market - annual increase in asking rents

Source: CoreLogic, RAI



Narrabri rental market - annual increase in asking rents

Source: CoreLogic, RAI



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- Low rates of public housing in regional NSW
 - Shelter NSW target of 5% of stock, 94 regional LGAs
 - 5 larger regional NSW LGAs have over 5%
 - Wollongong (8.0%), Shellharbour (6.8%), Newcastle (6.3%), Lithgow (5.4%) and Muswellbrook (5.1%) – areas of high need too
 - Many others under 1%
 - Compare with UK – around 15% in Birmingham

- Regional populations are moving
- Long term residents displaced by natural disasters
 - And financial ‘disaster’
 - Formerly sustainable low cost, low income places have been knocked
- Low cost rentals of most concern
 - New builds needed
 - And better mix – more 1-2 br units
- We must rethink how Australia does public, social and affordable housing in regions
 - Market alone will not deliver what’s needed
 - We don’t want metro market failures transposed to regions



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