

RESEARCH SUMMARY

Affordable housing in Hobsons Bay

households, young people, people with a disability and newly arrived people (Brotherhood of St Laurence, 2002). In addition, poor mental health and family violence are factors which can severely affect a person's capacity to find secure housing.

Those who fair badly in the housing market may find themselves in substandard accommodation, and in locations that are not accessible to services, employment and education. For some, this can also lead to further issues such as personal safety, overcrowding and lack of heating/cooling.

What do we know about affordable housing in Hobsons Bay?

Housing tenure

The 2016 Census of Population and Housing revealed a range of information about affordable housing in Hobsons Bay.¹

As shown in Figure 1, 31.6 per cent of households have a mortgage and 32.7 per cent fully own their home. The remainder of households are either renting privately (25 per cent) or renting public/social housing (2.9 per cent). Compared to Greater Melbourne, Hobsons Bay has a higher rate of home ownership and a similar proportion of renters.

Between 2011 and 2016, the total number of households in Hobsons Bay increased by 1,672. Most of these new households are renting privately (+913). Those purchasing their homes also increased (+595), while

those who fully own their homes fell slightly (-208), as well as those renting social housing (-5).

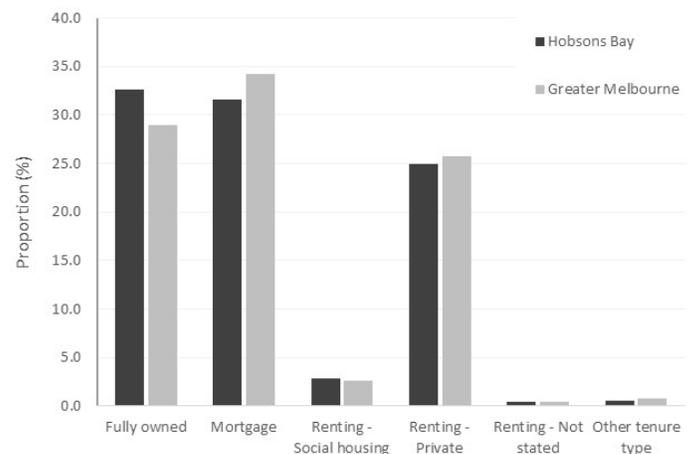


Figure 1: Housing tenure in Hobsons Bay, 2016

The neighbourhood areas of Laverton (43.1 per cent) and Brooklyn (40.2 per cent) have higher proportions of renters compared to the municipality as a whole. Conversely, Altona-Seaholme (37.4 per cent), Williamstown North (37.3 per cent), and Altona North (36.6 per cent) have higher proportions of fully owned dwellings.

Housing costs

The cost of housing in Hobsons Bay has increasingly become a barrier for low income households wishing to rent or own a home in the municipality. In 2017, the median house price in Hobsons Bay was \$858,000, which was more than double the 2007 median of \$393,225. The median price for units and apartments almost doubled, from \$290,000

¹ Unless otherwise noted, all statistics in this section are sourced from ABS, Census of Population and

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in 2007 to \$580,000 in 2017 (Victorian Government, 2018d).

In 2017, the highest median house price was recorded in Williamstown (\$1.476 million), and the lowest in Laverton (\$535,000) (Victorian Government, 2018d).

In March 2018, there were 502 dwellings for rent, but just 24 (or 3.6 per cent) were affordable for low income households. This figure has almost halved from March 2016 when 43 dwellings (or 5.5 per cent) affordable rentals were available and dramatically decreased from a peak in 2005 when there were 270 (or 46 per cent) affordable rental properties in Hobsons Bay (Victorian Government, 2018a).

As a result of the lack of affordable private rentals, more residents with low incomes are seeking accommodation through social housing. In 2016, a total of 984 dwellings were rented through either a state housing authority (842 dwellings) or a housing cooperative, community or church group (142 dwellings). There are also 15 registered rooming houses in Hobsons Bay (Victorian Government, 2018b). However, these are independently owned therefore the conditions can vary.

As of September 2018, there were 3,871 'priority access' social housing applicants on the Victorian Housing Register in Melbourne's west (Victorian Government, 2018c). Priority access is for people who are homeless and receiving support, escaping or have escaped family violence, have a

disability or significant support needs, or have special housing needs. A further 3,325 eligible applicants have registered their interest in social housing. Therefore, there are more than 7,000 applicants waiting for social housing in Melbourne's west, and it is important to note that these numbers do not take into account partners and other dependents of the applicant. More broadly, there has been a 12 per cent increase in total applications for social housing in Victoria since September 2016.

Housing stress

Overall, low income households are more likely to rent and experience 'housing stress'.² A longitudinal survey of Australian households, the Household, Income and Labour Dynamics survey, found that those in housing stress are more likely to be unable pay for food and utilities, and seek assistance from family, friends and community organisations (Rowley and Ong, 2012).

In 2016, 8.4 per cent of Hobsons Bay households experienced mortgage stress and 23.9 per cent experienced rental stress, although both were below the Greater Melbourne average of 11.2 per cent and 27.4 per cent respectively. As a result of financial stresses, many households have a very limited budget to purchase other essential items such as healthy food, access the health services, or participate socially.

² 'Housing stress' applies to households with incomes in the bottom 40 per cent, who also spend 30 per cent or more of their income on housing.

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There are many types of residents in Hobsons Bay who may be vulnerable in the housing market, including:

- unemployed people (2,932 people or 6.5 per cent of the Hobsons Bay labour force)
- newly arrived migrants³ (5,272 people)
- Aboriginal and Torres Strait Islander peoples (490 people or 0.6 per cent of the Hobsons Bay population)
- households living on incomes below \$1,416 per week (13,513 households or 45.8 per cent of the Hobsons Bay households)
- sole parent families (3,690 families or 10.8 per cent of Hobsons Bay households)
- people with a disability, who comprise an estimated 18.5 per cent of the Hobsons Bay population (derived from ABS, 2015)

What Government policies relate to affordable housing?

Commonwealth

Addressing affordable housing requires a whole of government approach. The Commonwealth Government plays a key role in influencing the cost and supply of housing through taxation, income support policies and infrastructure projects, as well as low to moderate income housing projects (Victorian Government, 2017).

Specific Commonwealth policies and programs targeted at housing supply include:

- The National Affordable Housing Agreement (NAHA), which is currently being reformed. The NAHA will provide ongoing indexed funding for a new National Housing and Homelessness Agreement from 2018-19 to improve the supply of new housing and improve housing and homelessness outcomes for all Australians across the housing spectrum
- Commonwealth Rent Assistance is an income supplement for eligible people who rent in the private rental market or community housing
- National Rental Affordability Scheme (NRAS), which started in 2008 and has since ended, aimed to address the shortage of affordable rental housing by offering financial incentives to persons or entities to build and rent dwellings to low and moderate income households at below-market rates for 10 years
- Housing Affordability Fund provides grants to state, territory and local governments to work in conjunction with the private sector to reduce housing-related infrastructure and planning costs (Australian Government, 2018)

³ This group is defined as people who have arrived within the past five years, and make up 19.5 per cent of Hobsons Bay's overseas born population.

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State

The Victorian State Government has a range of policies, plans and legislation that articulate their response to affordable housing.

Plan Melbourne 2017-2050 includes a direction to increase the supply of social and affordable housing. The plan indicates that this will be facilitated by using government land to deliver social housing, streamlining decision making processes for social housing proposals, strengthening the role of planning to delivery social and affordable housing, and creating ways to capture and share value uplift from rezonings.

Homes for Victorians: Affordability, access and choice (2017) includes an initiative to increase and renew social housing stock via the Victorian Social Housing Growth Fund, building more social housing and redeveloping ageing stock, providing financial backing for the community housing sector, increasing the capacity of the community housing sector by creating economies of scale, and improving the Victorian Housing Register by bringing the public and community housing wait list together and improving the application process.

Importantly, on 1 June 2018, the **Planning and Environment Act 1987** introduced three changes in relation to affordable housing:

1. a new objective 'to facilitate the provision of affordable housing in Victoria'
2. a definition of affordable housing which states that 'affordable housing is housing,

including social housing, that is appropriate for the housing needs of very low, low, and moderate income households'

3. affirmation of the use of section 173 for voluntary affordable housing agreements

Other initiatives of the State Government include:

- the Social Housing Growth Fund, which will enable the Government to partner with the community, private, not-for-profit and local government sectors to deliver new social and affordable housing dwellings, as well as subsidise rental for people who need housing assistance
- public housing renewal program, which will redevelop older public housing to provide new and more social housing in metropolitan Melbourne and regional Victoria
- community housing and sector investment by giving housing associations the capacity to invest in new social and affordable housing projects
- community housing sector capacity building by increasing economies of scale through transferring the management of 4,000 public housing dwellings to the community housing sector (Victorian Government, 2018c).

What is Council's role in relation to affordable housing?

Council has three key responsibilities in relation to housing. The first is to ensure that land is appropriately zoned and densities are appropriate for residential purposes. The

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second is to assess planning applications and issue planning permits. The third is to work with the state government, housing associations and developers to increase affordable housing within the municipality.

As articulated in the Hobsons Bay Affordable Housing Policy Statement 2016, Council is committed to affordable housing. This policy outlines a range of key guiding actions such as land use planning, service provision, the establishment of a housing trust, advocacy and leadership, building the evidence base, community understanding, and partnering to maintain existing public housing.

Given the challenges regarding affordable housing in Hobsons Bay, it is critical that all key development sites in the municipality include 10 per cent affordable housing, as per Council's policy statement to add to the housing supply that is available for low income households.

Council is also responsible for the registration of rooming houses, and works with Consumer Affairs Victoria to ensure proprietors comply with the *Public Health and Wellbeing Health Regulations 2009* and the *Residential Tenancies (Rooming House Standards) Regulations 2012*. These standards relate to privacy, security, safety, the prevention of overcrowding, and amenity in rooming houses.

Council will continue to monitor community needs within affordable housing and respond accordingly.

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*For further information contact:
Hobsons Bay City Council,
PO Box 21, Altona 3018.
Telephone (03) 9932 1000
Email: customerservice@hobsonsbay.vic.gov.au
Website: www.hobsonsbay.vic.gov.au*