



A Housing Strategy for NSW

Discussion Paper Summary

May 2020

Housing is essential to our wellbeing, offering benefits to households, communities and our economy. It shapes the character of cities and towns, and when located in the right places, creates economic opportunities through development and construction jobs and broader productivity benefits. That's why it's important we get housing right.



Introduction

The NSW Government is preparing a new state-wide, 20-year Housing Strategy to ensure we are responsive to changing housing needs across NSW – now, over the next 20 years and beyond.

This Discussion Paper is an important step in this process. It outlines a proposed vision, summary of key trends across housing and preliminary directions that could be explored.

The NSW Housing Strategy will consider all housing across NSW, from homelessness to social and affordable housing, through to housing for seniors or people with disability, or private market housing, whether rented, mortgaged or owned.

The Strategy we are developing will unify existing housing policies in a single guiding framework, implemented through four-yearly action plans and informed by data and monitoring.

Through this, we will be able to:

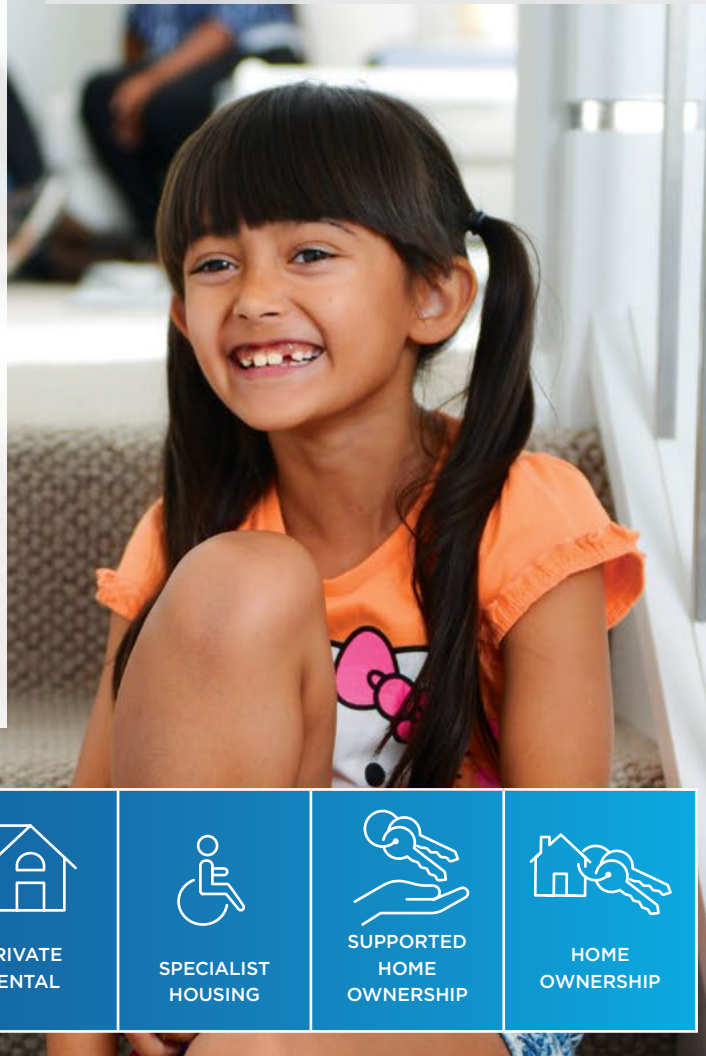
- Coordinate responses to challenges and trends.
- Ensure an agile and timely response.
- Provide certainty to councils, industry and communities about our direction for housing in NSW.
- Support communication with other levels of Government.
- Best plan for the housing we need.

This Discussion Paper acknowledges that planning for and delivering housing cannot be undertaken alone – it must involve the entire community and our many delivery partners who plan for, build or support housing across NSW.

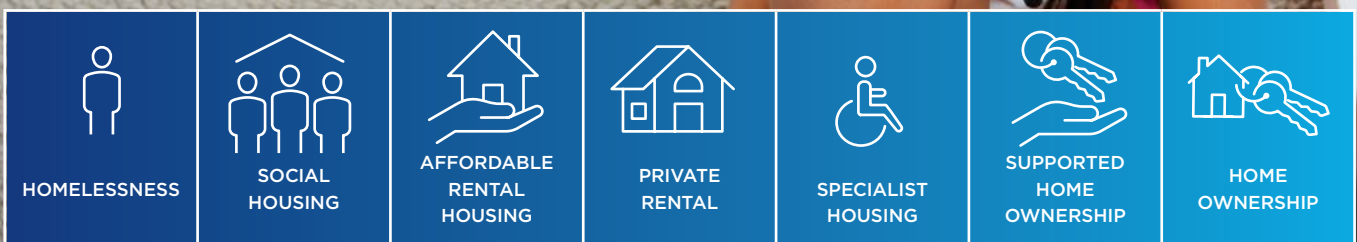
We are seeking your feedback on this Discussion Paper.

Housing supply and demand is driven by factors such as:

- Population growth and migration
- A strong NSW economy, which attracts people to new jobs and business investment
- People's diverse economic experiences, including for vulnerable and lower-income households
- Diverse needs of individuals and households, which vary from place to place and over time
- Land availability
- Commonwealth settings, including taxation policy and interest rates
- Economic factors, such as lending conditions, labour availability and household incomes
- Strategies and policies, relating to housing as well as the environment, community and economy.



Housing continuum



Our Vision

Housing that supports security, comfort and choice for all people at all stages of their lives. This will be achieved through the supply of diverse, affordable and resilient housing that is responsive to its environmental, cultural and economic context.

This vision seeks to achieve:

- housing supply in the right locations and at the right time
- diverse housing for diverse needs
- housing that is more affordable
- enduring and resilient housing

These four areas are our key themes that will shape conversation as we develop the NSW Housing Strategy.



Theme 1

SUPPLY

This theme is about the amount, location and timing of the supply of new housing. Planning for the supply of new housing should respond to environment, employment and investment considerations, and population dynamics.



The Discussion Paper details the different patterns of supply and demand in Greater Sydney and regional NSW. For both, it sets out our aspirations to maintain a stable supply of housing that matches population growth and ensures new housing is close to where people live and work, supported by the right infrastructure.

In regional NSW, key trends explored include challenges to the viability of new housing, temporary population peaks, alignment with economic growth and investment, and balancing housing with land needed for local industries. For Greater Sydney, supply needs to be responsive to land availability and density, population growth and access to employment and other opportunities.



Theme 2

DIVERSITY

This theme considers different types of housing and looks at how a diverse choice of housing can reflect the needs and preferences of households.



This Discussion Paper considers the many changing patterns and trends in terms of household configurations and housing types across different groups, and outlines our aspiration to ensure appropriate housing is available to suit diverse needs in regional and urban areas.

It explores the needs of our ageing community, multi-generational households and families, as well as people with a disability. Culturally appropriate housing must be available for people of all backgrounds, including Aboriginal people.



Theme 3

AFFORDABILITY

This theme recognises people live in diverse tenures based on their income and circumstances, and that housing should be affordable, stable and supportive of their aspirations and wellbeing.



Theme 4

RESILIENCE

This theme is about matching housing to community and environmental issues, so people, communities and their homes are safe, comfortable and resilient.



The Discussion Paper recognises the changes to home ownership rates and the rise of renting, the impact of debt and rental stress and the impacts of low stability. It recognises the importance of having affordable and social housing, as well as homelessness services, to support those who are vulnerable into safe and stable accommodation and where possible, into independent housing.

While recognising the influence of preferences and necessary trade-offs, everyone should be able to enjoy the benefits of stable and affordable housing, regardless of whether they own their own home with a mortgage, rent in the private market or live with support.

As a long-lived and dominant asset, housing must be safely constructed and designed to respond to its context. This includes trends such as a changing climate, natural hazards, resource availability and the current and future character of a local area.

Housing must complement, and be complemented by, infrastructure, community and great places.

NSW Housing: Today and in the Future

The NSW population is growing, but unevenly. In Greater Sydney, where rates of growth are highest, 30–40,000 homes are expected to be built each year for the next five years. A further 1 million homes will be needed by 2041. Meanwhile, more varied regional population dynamics are driven by a drift from smaller towns to regional centres, as well as the number of older people moving to the coast.¹

Along with supplying new homes to meet population demands, housing must be responsive to living preferences and diverse needs – where people want to live and what they want from their homes.

For instance, the increasing proportion of people aged 65 and over influences the type of housing people need in their communities as they age and trends indicate that more people may live on their own or as a couple. There will also be more family households, as well as larger and multi-generational households, and an increase in shared accommodation arrangements.

Furthermore, lower income growth compared to the cost of housing has seen more people renting, delayed home ownership and larger mortgages. Housing stress for more vulnerable households and pressure on social housing and homelessness services continue.

Emerging trends require us to remain alert and responsive. Advances in technology have the potential to support new ways of building housing and gathering information. Conversely, changing environments and global trends present new challenges for housing.



POPULATION GROWTH:
NSW will grow from 7.7 million people in 2016 to 10.5 million in 2041²



AGEING POPULATION:
The number of people aged 65 and over will increase by 85 per cent in the next 25 years³



DIVERSE LIVING:
There are a growing number of families with children, as well as larger multi-generational and shared households.



RISE OF RENTING:
The proportion of households renting in NSW increased from 25 to 28 per cent between 2006 and 2016⁴

1 NSW Department of Planning, Industry and Environment (2019) *NSW Population Projections*

2 Ibid

3 Ibid

4 Australian Bureau of Statistics (2016) *Australian Census of Population and Housing*, DPIE analysis

Directions/Action Areas

Theme 1 Supply	<ol style="list-style-type: none">1.1 Maintain a housing development pipeline in Greater Sydney1.2 Improve data collection, use and access1.3 Coordinate regional development and investment1.4 Better utilise available NSW Government-owned land
Theme 2 Diversity	<ol style="list-style-type: none">2.1 Improve housing options for older people2.2 Improve housing options for people with disability2.3 Support a range of housing types and sizes
Theme 3 Affordability	<ol style="list-style-type: none">3.1 Provide additional support for first home buyers3.2 Ensure appropriate rights, responsibilities and choice for tenants3.3 Modernise affordable housing policies and schemes3.4 Increase and improve how social housing is built and managed3.5 Better utilise available government-owned land to address homelessness
Theme 4 Resilience	<ol style="list-style-type: none">4.1 Continually improve the quality and resilience of new housing4.2 Improve the environmental sustainability of existing housing4.3 Improve environmental sustainability in residential precincts4.4 Support housing and residential precincts that are responsive to natural hazards4.5 Consider alternative transport approaches in major centres


Next Steps: Developing a NSW Housing Strategy

The NSW Housing Strategy will:

- Provide an overarching 20-year vision for housing in NSW
- Maintain flexibility and agility through Action Plans that:
 - Identify actions for State agencies
 - Will be updated every four years to include new or adjusted actions to reflect the changing environment
- Recognise how we can support the contribution of councils, industry and communities
- Be supported by data collection, consultation and monitoring.

We will use the findings included in this Discussion Paper, as well as the feedback we receive, to shape the NSW Housing Strategy.

Have Your Say



We are seeking your views on the issues a future NSW Housing Strategy could respond to, your vision for housing in NSW and the different ways the NSW Government can respond.

You can read the full Discussion Paper online at www.planning.nsw.gov.au/AHousingStrategyforNSW

You can provide your feedback by:

- Making a submission or completing the survey at www.planning.nsw.gov.au/AHousingStrategyforNSW
- Writing to:
Housing Strategy Implementation Unit
Land and Housing Corporation
Department of Planning, Industry and Environment
Locked Bag 4009
Ashfield BC, NSW 1800