



Evidence Base Overview

Bega Valley Residential Land Strategy

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1. Introduction

The purpose of the evidence base overview is to understand the need for housing now and in the future, the extent to which current housing meets demand and the extent to which housing is appropriate and affordable for people living in Bega Valley.

This will inform our understanding of the level and diversity of housing needs and how the Residential Land Strategy can best meet the need.

Methodology

Our analysis draws on several sources. We have used id profile as it provides a readily available demographic and economic data from the ABS Census. This is also available for 10 profile areas within Bega Valley (id profile areas).

We have used the id profile information to understand the key drivers of housing demand and the supply characteristics.

To further explore key aspects of these findings we have generated a series of cross-tabulations from ABS Census.

Our examination of the housing market and housing affordability draws on data from the Local Government Housing Kit on the Department of Communities and Justice website.



2. Demand Drivers

- 2.1 Small population and low rate of growth
- 2.2 An older population
- 2.3 Decline in young population
- 2.4 Small households
- 2.5 Indigenous households
- 2.6 Lower incomes

2.1 Small population and low rate of growth

In 2016, the resident population of Bega Valley was 33,253 within a land area of 627,683 hectares.

There were 14,396 households in Bega Valley at the 2016 Census. This represented a little over 0.5% of the 2,774,866 households in NSW.

The number of households in Bega Valley Shire increased by 958 between 2011 and 2016, from 13,438 to 14,396.

The population density of 0.05 persons per hectare is significantly lower than other south coast LGAs, Eurobodalla (0.11 persons per hectare) and Shoalhaven (0.23 persons per hectare).

Between 2011 and 2016 the population grew by 1,290 or 4.04%. While this is low relative to 8.13% growth in NSW overall, it is not significantly lower than the rate of growth for Regional NSW which was 5.2%.

Location	Usual Resident Population 2011	Usual Resident Population 2016	Growth since 2011 #	Growth since 2011 %
Bega District	5052	5205	153	3.03
Bega Rural	2083	2221	138	6.63
Bermagui Coast - Wapengo and District	2344	2374	30	1.28
Eden Coast	3780	3814	34	0.90
Merimbula - Millingandi and District	4166	4522	356	8.55
Pambula District	2872	2992	120	4.18
Rural North	2369	2379	10	0.42
Rural West	2834	2732	-102	-3.60
Tathra - Kalaru and District	3180	3341	161	5.06
Tura Beach - Mirador and District	3273	3680	407	12.44
Bega Valley LGA	31963	33253	1290	4.04
Regional NSW	2512949	2643536	130587	5.20
NSW	6917658	7480228	562570	8.13

Source: Australian Bureau of Statistics, [Census of Population and Housing](#) 2011 and 2016. Compiled and presented by [id.](#), the population experts.

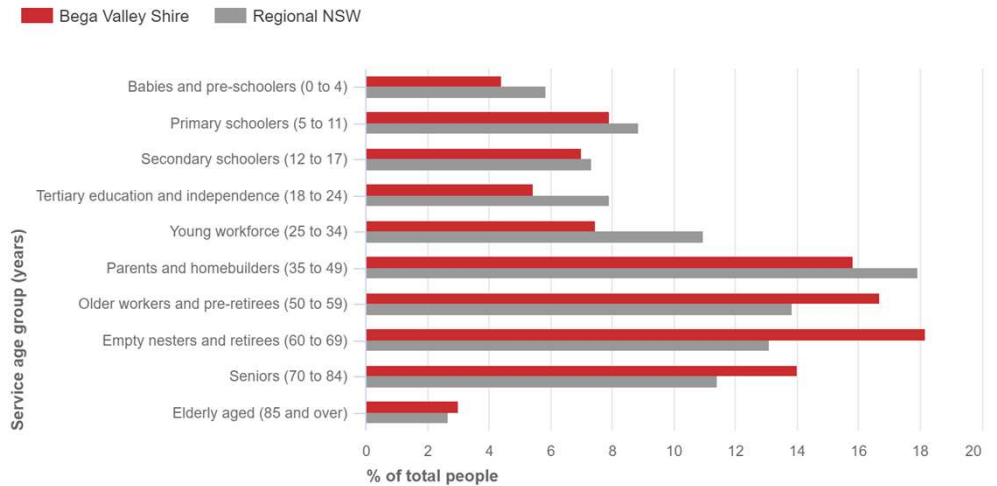
2.2 An older population

Older people aged 50 and over represent approximately 52% of the population in Bega Valley. Those aged 60 - 69 years were also the fastest growing age group, growing by 22.9% between 2011 and 2016.

Between 2011 and 2016 the population in all age groups over 60 years grew at a higher rate compared to the trend in both Regional NSW and NSW overall.

Age structure - service age groups, 2016

Total persons



Source: Australian Bureau of Statistics, Census of Population and Housing, 2016 (Usual residence data). Compiled and presented in profile.id by .id, the population experts.

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Change in Age Structure 2011-2016: Older Persons

Age (yrs)	Bega Valley	Regional NSW	NSW
50-59	0.3%	4.8%	7.4%
60-69	22.9%	15.8%	15.7%
70-84	21.1%	16.6%	16.0%
85+	21.8%	22.0%	19.9%

Source: Australian Bureau of Statistics, [Census of Population and Housing](#) 2011 and 2016. Compiled and presented by [.id](#), the population experts. (Enumerated data)

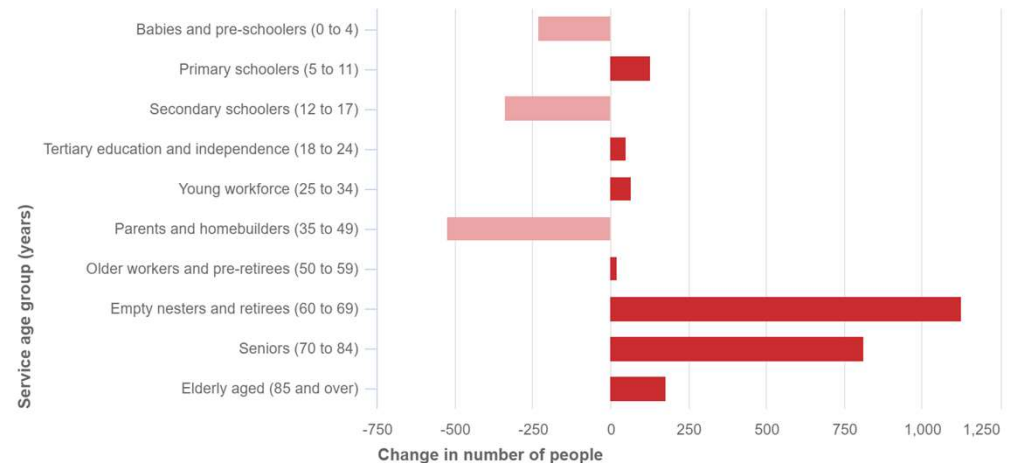
2.3 Decline in young population

All age groups below 60 years are proportionally lower in Bega Valley than in Regional NSW and NSW.

Cementing this profile, alongside the growth in the older population between 2011 and 2016, there was a notable decline in people aged 35-49 years and a decline in children between the ages of 0-4 and 12-17 years.

While the decline in these age groups is also occurring across Regional NSW, the rate of decline is higher in Bega Valley.

Change in age structure - service age groups, 2011 to 2016
Bega Valley Shire - Total persons



Source: Australian Bureau of Statistics, Census of Population and Housing, 2011 and 2016 (Usual residence data). Compiled and presented in profile.id by .id, the population experts.

2.4 Small households

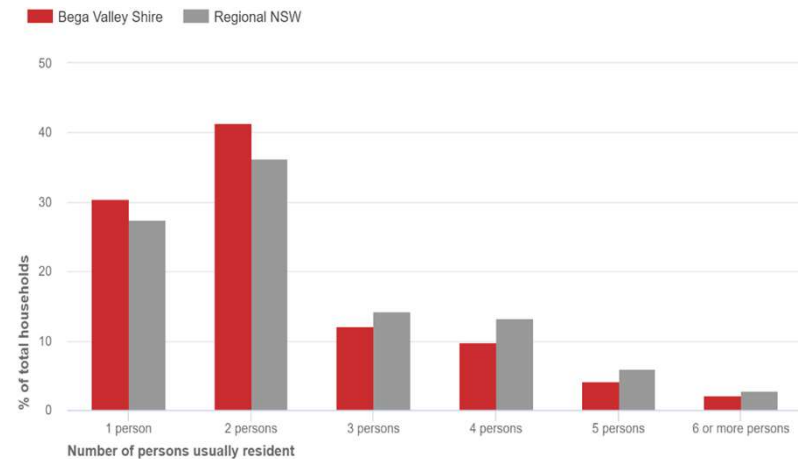
Small households (one and two person) comprised 71.7% of all households in Bega Valley in 2016.

Between 2011 and 2016, one person households experienced the highest growth rate at 16%, an increase of 4,021 households. Two person households grew by 2.8% or 5,465 households.

While much smaller in number, households with 6 or more people grew from 247 to 287, an increase of 16%.

Couples without children and lone person households are also dominant groups in Regional NSW overall, but are proportionally higher in Bega Valley.

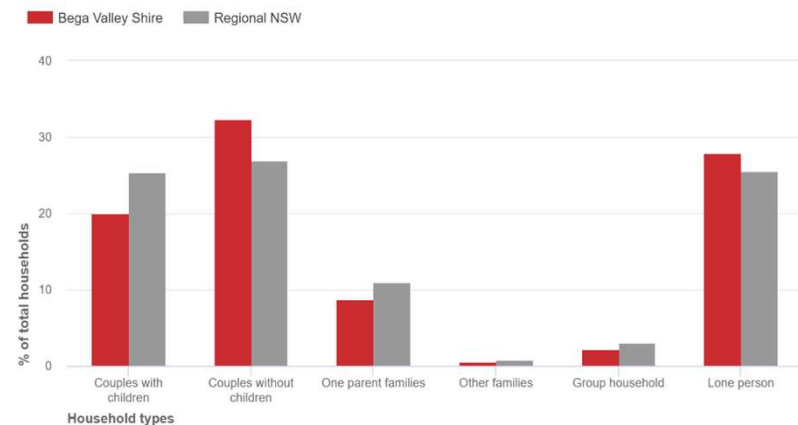
Household size, 2016



Source: Australian Bureau of Statistics, Census of Population and Housing, 2016 (Enumerated data). Compiled and presented in profile.id by .id, the population experts.

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Household type, 2016



Source: Australian Bureau of Statistics, Census of Population and Housing, 2016 (Enumerated data). Compiled and presented in profile.id by .id, the population experts.

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2.5 Indigenous people

Aboriginal and Torres Strait Islander (ATSI) people (1,043) comprised 3.1% of the total Bega Valley population in 2016.

This is a higher proportion than NSW at 2.9% but lower than Regional NSW at 5.4%.

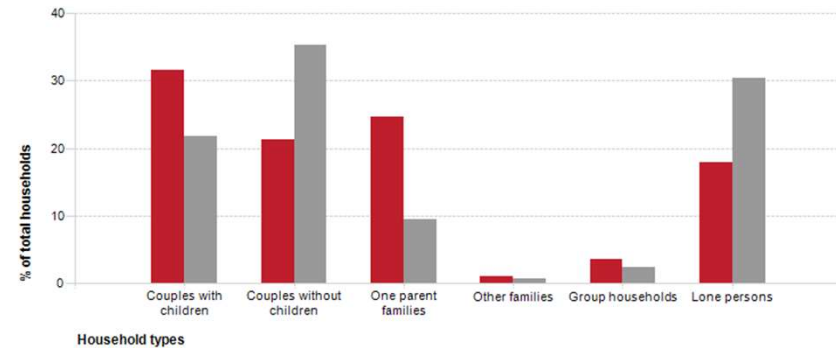
The ATSI population has a higher proportion of larger households and families with children than the overall population in Bega Valley.

While the numbers are small, the ATSI population reveals a different growth pattern than Bega Valley, with growth in younger people as well as older people.

Household types, 2016

Aboriginal and Torres Strait Islander households

■ Bega Valley Shire - ATSI ■ Bega Valley Shire - Total population

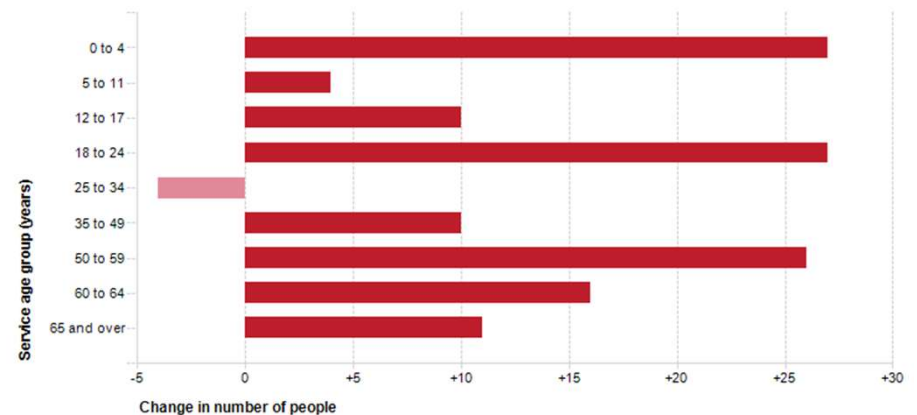


Source: Australian Bureau of Statistics, Census of Population and Housing, 2016 (Usual residence data)
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Change in service age groups, 2011 to 2016

Bega Valley Shire - Aboriginal and Torres Strait Islander peoples



Source: Australian Bureau of Statistics, Census of Population and Housing, 2011 and 2016 (Usual residence data)
Compiled and presented in profile.id by .id, the population experts.

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2.6 Lower incomes

A higher proportion of households in Bega Valley earn less than \$1500 per week compared with Regional NSW.

In 2016, 35.1% of households in Bega Valley were in the lowest income quartile (when household income is equivalised). Most of the increase in households between 2011 and 2016 were in the lowest income quartile (343 households).

Note by .id: *Equivalised Household Income puts all households on an equal footing independent of household size and composition to enable a true comparison between areas and over time. It is an indicator of the income resource available to a household of standard size and is the best measure of the changing economic fortunes of households living in Bega Valley Shire.*

Weekly household income, 2016



Source: Australian Bureau of Statistics, Census of Population and Housing, 2016 (Enumerated data). Compiled and presented in profile.id by .id, the population experts.

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Equivalised household income quartiles							
Bega Valley Shire - Households (Enumerated)	2016			2011			Change 2011 to 2016
	Number	%	Regional NSW %	Number	%	Regional NSW %	
Lowest group	4,141	35.1	30.6	3,798	33.6	30.4	+343
Medium lowest	3,798	32.2	29.2	3,798	33.6	29.2	0
Medium highest	2,578	21.8	24.1	2,536	22.4	23.9	+41
Highest group	1,281	10.9	16.1	1,179	10.4	16.4	+102
Total Households	11,799	100.0	100.0	11,312	100.0	100.0	+486

Source: Australian Bureau of Statistics, [Census of Population and Housing](#) 2011 and 2016. Compiled and presented by [.id](#), the population experts.



3. Supply Characteristics

- 3.1 Limited housing diversity
- 3.2 Overcrowding and underoccupancy
- 3.3 Vulnerable groups in rental
- 3.4 Concentrations of social housing
- 3.5 Significant presence of short-term rental

3.1 Limited housing diversity

In 2016, there were 17,457 private dwellings.

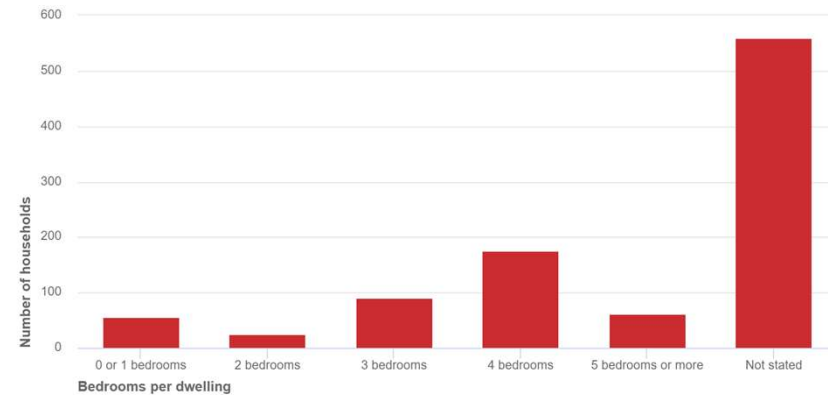
80.2 % of dwellings in Bega Valley were separate houses.

Between 2011 and 2016 the largest change in dwellings was an increase in separate houses, while the number of medium density, high density and caravans, cabins and houseboats declined.

Dwellings with 3 bedrooms were the most common in Bega Valley in 2016, comprising 42% of the total.

Between 2011 and 2016 more 4 bedroom dwellings were built.

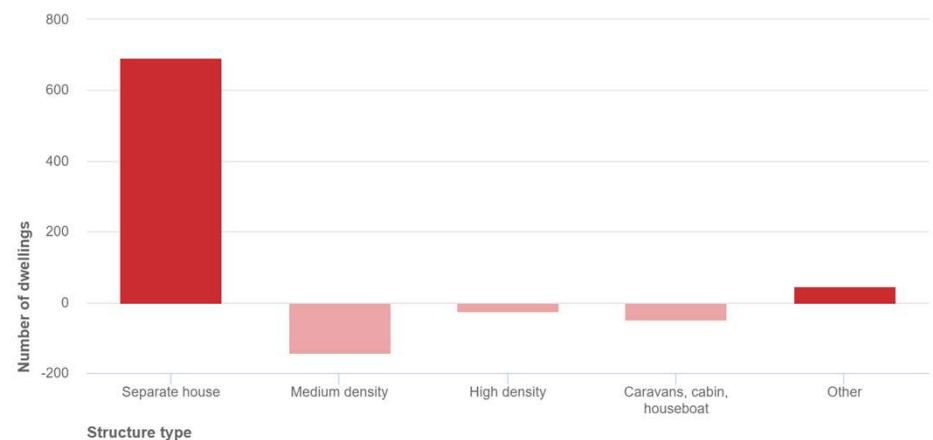
Change in number of bedrooms per dwelling, 2011 to 2016
Bega Valley Shire



Source: Australian Bureau of Statistics, Census of Population and Housing, 2011 and 2016 (Enumerated data). Compiled and presented in profile.id by .id, the population experts.



Change in dwelling structure, 2011 to 2016
Bega Valley Shire



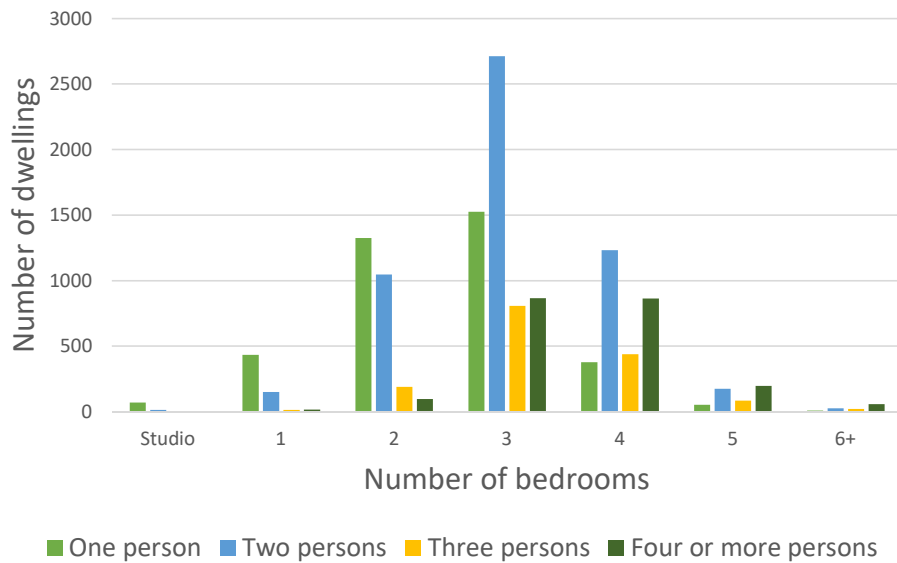
Source: Australian Bureau of Statistics, Census of Population and Housing, 2011 and 2016 (Enumerated data). Compiled and presented in profile.id by .id, the population experts.



3.2 Overcrowding and Underoccupancy

Analysis of household sizes and number of bedrooms can give some indication of how appropriately current housing stock is meeting residents' needs. When available stock is inadequate, over crowding or underutilisation can occur.

Number of bedrooms by household size in Bega Valley



The accepted standard for measuring dwelling size requirements in the Canadian National Occupancy Standard. While the specific circumstances will vary, a rule of thumb approach is that a dwelling requiring at least 1 additional room to meet its needs is overcrowded and a dwelling with 2 or more bedrooms surplus is considered underutilised.

In Bega Valley underoccupancy appears to be prevalent. In 2016, one person households occupied 26% of 3 bedroom dwellings, 13% of 4 bedroom dwellings, 11% of 5 bedroom dwellings and 9% of dwellings with 6 or more bedrooms. Two person households occupied 42% of 4 bedroom dwellings, 34% of 5 bedroom dwellings and 23% of 6 or more bedroom dwellings.

Number of residents by number of bedrooms										
	One person		Two persons		Three persons		Four + persons		Total	
Studio	71	75%	16	17%	4	4%	4	4%	95	100%
1	434	70%	151	24%	15	2%	18	3%	618	100%
2	1326	50%	1048	39%	190	7%	97	4%	2661	100%
3	1526	26%	2713	46%	808	14%	868	15%	5916	100%
4	380	13%	1233	42%	441	15%	864	30%	2919	100%
5	55	11%	176	34%	85	17%	199	39%	515	100%
6+	10	9%	27	23%	22	19%	58	50%	117	100%
Total	3803	30%	5366	42%	1570	12%	2107	16%	12849	100%
Notes: "Not applicable" results removed from sample.									Apparent overoccupancy	
Source: ABS Census 2016									Apparent underoccupancy	

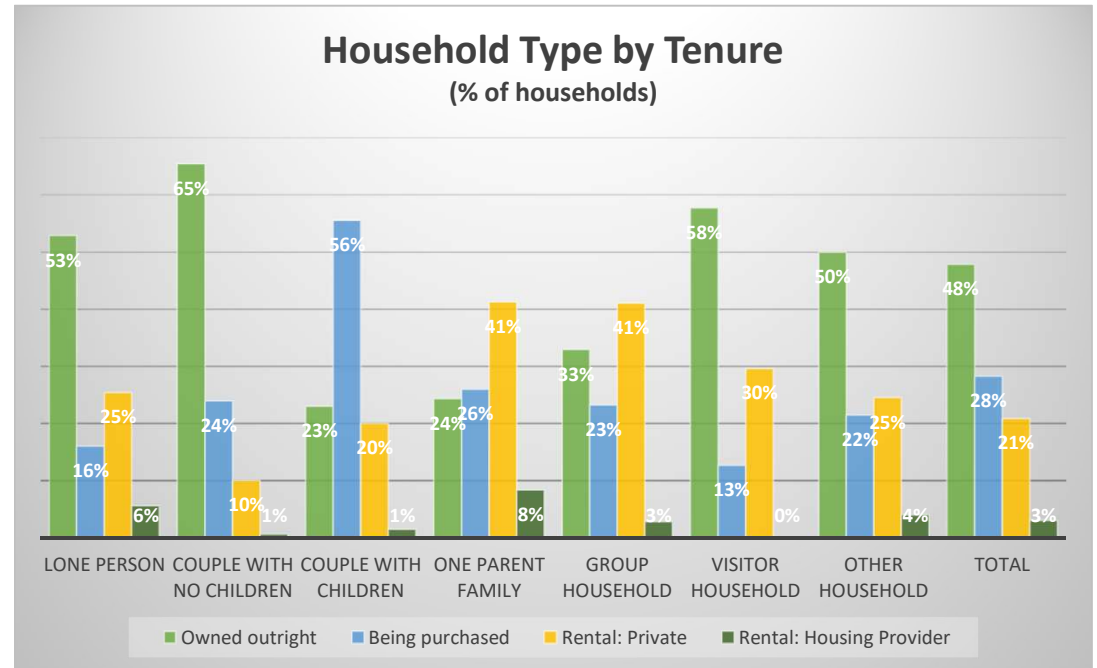
3.3 Vulnerable groups in rental

A range of household types are renting in the private rental market. For the significant number of lone person and couples renting the lack of smaller dwellings may lead to affordability issues.

Social housing has high proportions of lone person and single parent families. Couples with children and couple with children are the main purchasers. A range of household types own their dwelling outright.

Most purchasers were couples with children (56%). A high proportion of households renting in the private market were single parent families.

The almost 50% of households in Bega Valley that are purchasing and in the private rental market are most vulnerable to changes such as rent increases or underemployment and unemployment.



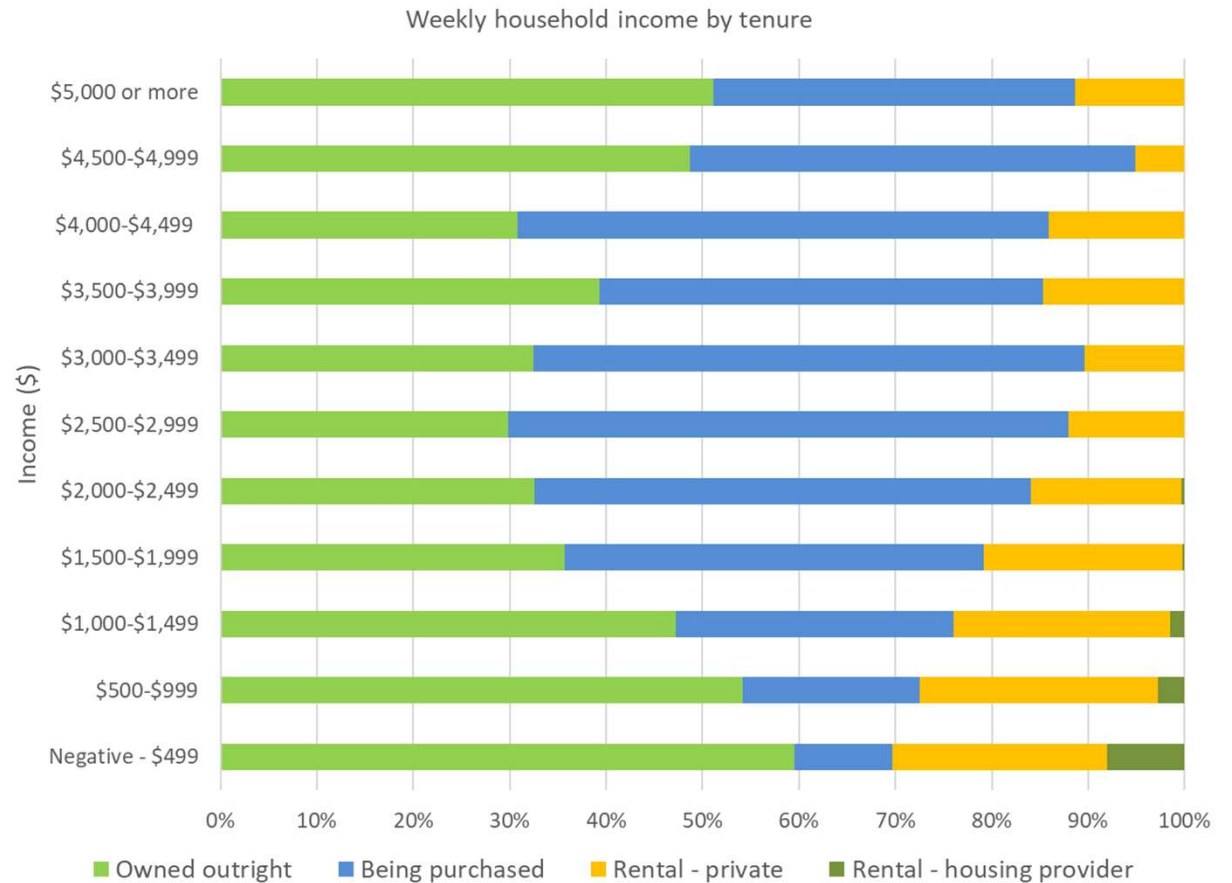
Data Source: Census 2016

3.3 Vulnerable groups in private rental

People who own their dwelling earn incomes across all income categories.

There are fewer purchasers in lower income categories.

A higher proportion of households in lower income categories are renting in the private market and in social housing.



Data Source: Census 2016

3.4 Concentrations of social housing

Most of the 394 social housing properties are concentrated in estates in Bega and Eden.

More than 50 % of residents have lived in social housing for less than ten years.

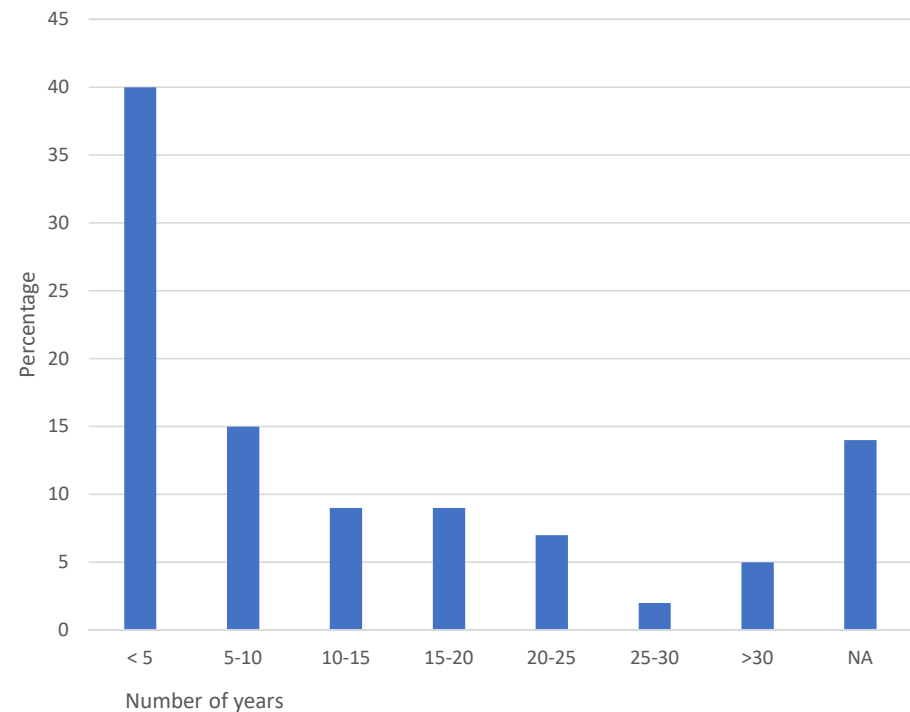
Dwellings

- Almost 70% are detached dwellings
- Villas and units are split evenly at 16% each
- Almost half are over 41 years old
- About 1 in 10 were built in the last 20 years
- About 15% are owned by the Aboriginal Housing Office

Residents

- 688 residents (excluding AHO properties)
- Around half are over 51 years of age, including 15% over 71
- Roughly 1/3 live on the disability pension
- 16% receive age pension 10% receive Newstart, 4% earn wages
- Just over 1 in 5 residents are Indigenous people

Length of tenancy in Bega Valley



Source: NSW Land and Housing Corporation

3.5 Significant presence of short-term rental accommodation

To help understand its effect on how private rental stock is being used in Bega Valley analysis was undertaken of Airbnb listings in major centres and levels of unoccupancy in those areas.

Bega Valley is characterised by relatively high levels of unoccupied dwellings (a proxy for potential holiday rental properties – see Gurrán et al 2018, p26) with a rate of 17.5% across the LGA in 2016 compared to 12.4% for Regional NSW. Nevertheless, this is considerably lower than the neighbouring LGA of Eurobodalla where rates of unoccupied dwellings were approaching 30%.

Not surprisingly, within the Bega Valley, levels of unoccupied dwellings varied significantly, from less than one in 10 dwellings in the township of Bega to over quarter of dwellings in Merimbula and over a third of dwellings in Bermagui.

Vacant Dwellings and Airbnb Listings

Town / Region	Private Dwellings (see note 1)			Airbnb Listings (see note 2)				
	Total (no.)	Unoccupied (no.)	Unoccupied (%)	Entire Dwelling	Private Room	Total (note 3)	% of Private Dwellings	% of Unoccupied Dwellings
Bega	2,124	188	8.9%	3	4	7	0.3%	4%
Merimbula	2,274	578	25.4%	252	20	272	12.0%	47%
Tura Beach	1,629	276	16.9%	44	4	48	2.9%	17%
Eden	1,562	204	13.1%	75	6	81	5.2%	40%
Pambula	1,079	194	18.0%	68	6	74	6.9%	38%
Tathra	981	181	18.5%	52	5	56	5.7%	31%
Bermagui	1,114	387	34.7%	55	2	57	5.1%	15%
Bega Valley	17,449	3,048	17.5%					
Eurobodalla	23,367	6,930	29.7%					
Regional NSW	1,203,865	148,688	12.4%					

Notes

Note 1: Source -ABS Census 2016

Note 2: Source - Airbnb website, all listed properties as at 10/09/19

Note 3: Excluding hotels, motels etc

3.5 Significant presence of short-term rental accommodation

In recent years, Airbnb has established a significant presence in the short-term holiday rental market, especially in coastal areas.

A review of current Airbnb listings in townships within Bega Valley (see table above) reveals a loose alignment between areas with high rates of unoccupied dwellings and those with high levels of Airbnb listings.

The main outlier was Merimbula where the number of Airbnb listings at over 250 listings, or close to 50% of the 2016 unoccupied dwellings, clearly outstripped other towns, with the next closest being 68 listings in Pambula.

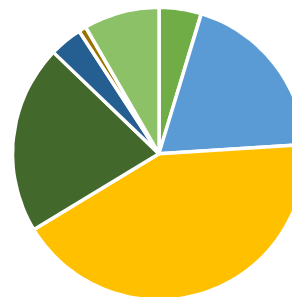
Surprisingly, despite high levels of unoccupied dwellings, the incidence of Airbnb listings in Bermagui was very low. Of course there may be various other reasons a property is recorded as unoccupied, for example because the property owner owns more than one house.

Another indicator of holiday usage of private dwellings is the incidence of 'visitor only' households. The 2016 Census recorded roughly double the incidence of visitor households as a percentage of total households in Bega Valley compared to the rate for NSW. Whilst as a percentage of total households, the incidence of 'visitor only' households with small, 2.5% in Bega Valley and 1.2% for NSW, these figures are recorded in winter which of course is not prime holiday season in the Shire.

The Charts below show that compared to general trends, 'visitor only' households were much more likely to be occupying 1 and 2 bedroom dwellings.

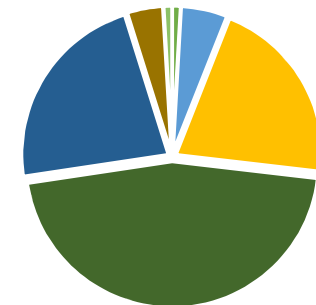
They are also much more likely to be staying in accommodation that is owned outright or, to a lesser extent, in private rental, than the households overall. This could be because the properties being occupied are holiday homes or holiday rental.

Visitors only household



- None (includes bedsitters)
- One bedroom
- Two bedrooms
- Three bedrooms
- Four bedrooms
- Five bedrooms
- Six bedrooms or more

Total



- None (includes bedsitters)
- One bedroom
- Two bedrooms
- Three bedrooms
- Four bedrooms
- Five bedrooms
- Six bedrooms or more

Data Source: Census 2016



4. Housing Affordability

- 4.1 Rents are rising and supply is limited
- 4.2 Sales prices are rising
- 4.3 Low income renters are experiencing housing stress
- 4.4 Low income purchasers also under housing stress
- 4.5 Declining rental affordability
- 4.6 Declining home purchase affordability

4.1 Rents are rising and supply is limited

Rents are generally higher in Bega Valley compared to Regional NSW, with the largest discrepancy found in units.

The biggest change in median rents in the year to June 2019 was an increase for units overall, whereas across Regional NSW prices dropped. On average, rents increased modestly in Bega Valley but fell across Regional NSW.

Bega Valley saw an overall decrease in new bonds lodged in the year to June 2019. Most bonds are held for 3 bedroom houses.

Note: analysis has been undertaken for rents by postcode. However, the differences observed are not significant enough to be separately reported, due in part to the large areas within covered within postcodes.

Housing type/size		1st Quartile Rent		Median Rent				Rental Stock		
		Bega LGA	Regional NSW	Bega LGA		Regional NSW		Bega LGA		
		Jun-19	Jun-19	Jun-19	Annual change	Jun-19	Annual change	Annual change in new bonds	New bonds June 19 quarter	Total bonds held
		\$/week	\$/week	\$/week	%	\$/week	%	%	No.	No.
Unit	1	\$180	\$180	\$210	5%	\$205	-2.6%	-7.14	s	109
	2	\$265	\$220	\$300	11%	\$270	-5.5%	-7.41	50	508
	3	\$298	\$300	\$330	-6%	\$350	-3.3%	-6.25	s	115
	Total	\$251	\$210	\$300	11%	\$265	-4.4%	-8.24	78	761
Townhouse	2	-	\$290	-	-	\$330	-9.2%	-	s	56
	3	\$345	\$350	\$360	-9%	\$400	9.3%	57.14	s	86
	4+	-	\$395	-	-	\$425	13.9%	-	-	-
	Total	\$320	\$316	\$360	4%	\$375	1.1%	-16.67	s	155
House	2	\$290	\$240	\$300	-3%	\$290	0.4%	-19.05	s	181
	3	\$340	\$300	\$360	3%	\$350	-6.8%	-13.92	68	686
	4+	\$400	\$380	\$440	10%	\$440	2.7%	6.45	33	275
	Total	\$330	\$300	\$360	0%	\$360	-3.1%	-7.46	124	1195
All dwellings	1	\$180	\$180	\$210	5%	\$210	-6.4%	13.33	s	139
	2	\$264	\$230	\$300	7%	\$280	-5.4%	-12.64	76	791
	3	\$330	\$300	\$360	0%	\$350	-5.2%	-4.9	97	928
	4+	\$400	\$380	\$440	10%	\$440	1.4%	0	34	304
	Total	\$298	\$265	\$350	3%	\$340	-4.3%	-5.42	227	2250

(s) 30 or less bonds lodged; (-) 10 or less bonds lodged

Source: Rent tables June quarter 2019, Rent and Sales Report no.128 FACS NSW

4.2 Sales price trends

Sales prices for non strata properties are generally higher in Bega Valley compared to Regional NSW but strata properties are priced lower in Bega Valley than Regional NSW.

Sales prices for all properties dropped overall in both Bega Valley and Regional NSW in the year to March 2019, but more so in Bega Valley.

The biggest change was the median sales price of strata properties in Bega Valley which dropped by -10.08%.

Sale Prices: Bega Valley Shire and Regional NSW									
Housing type	1st Quartile		Median Sales				Sales Mar-19		
	Bega LGA	Regional NSW	Bega LGA		Regional NSW		Bega LGA		
	Mar-19	Mar-19	Mar-19	Annual change	Mar-19	Annual change	Annual change in count	Sales no.	
	\$'000s	\$'000s	\$'000s	%	\$'000s	%	%	No.	
Total	345	290	422	-2.99%	400	-2.44%	-30.73%	133	
Non Strata	390	294	485	1.04%	413	-2.82%	-27.54%	100	
Strata	238	285	290	-10.08%	355	0.85%	-38.89%	33	

Source: Sales tables March quarter 2019, Rent and Sales Report no.128 FACS NSW

4.3 Low income renters are experiencing housing stress

Bega Valley had 35.4% of households in rental stress in 2016, compared to 39.7% in neighbouring Eurobodalla Shire and 32.5% across Regional NSW.

Housing stress is particularly acute for very low and low income households. In Bega Valley 982 households renting were in housing stress.

Around 2,403 of households renting privately in Bega Valley receive Commonwealth Rent Assistance (CRA) - 723 (30%) were in rental stress (sourced from Local Government Housing Kit, Australian Government Housing Data Set generated September 2019).

Renters in housing stress in Bega Valley

Area	Very Low Income			Low Income			Moderate Income		
	Number of Households in Rental Stress	% of Households in Rental Stress	Total Renters	Number of Households in Rental Stress	% of Low Income Households in Rental Stress	Total Renters (Low Income Households)	Number of Moderate Income Households in Rental Stress	% of Moderate Income Households in Rental Stress	Total Renters (Moderate Income Households)
Bega Valley	593	88	671	389	55	702	86	16	524

Source: Local Government Housing Kit Database FACS NSW

Note: Housing stress is defined as households incurring housing cost above 30% of their Equivalised household income. Very Low Incomes is below 50% of the Census Median Equivalised Income. Low Incomes is 50% - 80% of the Census Median Equivalised Income. Moderate Incomes is 80% - 120% of the Census Median Equivalised Income.

4.4 Low income purchasers also under housing stress

There are 758 purchasers on lower incomes in housing stress in Bega Valley.

Most of these are very low income households.

61% of very low income households are in housing stress.

Purchasers in housing stress in Bega Valley

Area	Very Low Income			Low income			Moderate Income		
	Number of Households in Home Purchase Stress	% of Households in Home Purchase Stress	Total Purchasers	Number of Households in Home Purchase Stress	% of Households in Home Purchase Stress	Total Purchasers	Number of Households in Home Purchase Stress	% of Households in Home Purchase Stress	Total Purchasers
Bega Valley	308	61	505	257	34	752	193	19	1,025

Source: Local Government Housing Kit Database FACS NSW

Note: Housing stress is defined as households incurring housing cost above 30% of their Equivalised household income. Very Low Incomes is below 50% of the Census Median Equivalised Income. Low Incomes is 50% - 80% of the Census Median Equivalised Income. Moderate Incomes is 80% - 120% of the Census Median Equivalised Income.

4.5 Declining rental affordability

There has been a significant deterioration over the last 15 or more years in access by low income households to rental housing that they can afford.

Affordability is particularly problematic for very low income households. At the same time as being effectively squeezed out of the home purchase market, the amount of private rental stock that is affordable has reduced considerably. Only 24.2 % of the available stock was affordable to these households at June 2017.

Furthermore, these affordability measures do not indicate whether the amount of the housing that was available was sufficient for the number of households, or that lower income households are able to access available lower cost rental stock due to competition from higher income households, discrimination and other factors.

Affordable Rental: Percentage of stock that could be affordably rented			
Year	Very Low Income Households	Low Income Households	Moderate Income Households
June 2001	63.2%	90.2%	98.2%
June 2017	24.2%	68.0%	97.7%

Source: NSW Local Government Housing Kit Database FACS NSW

4.6 Declining home purchase affordability

While rents and house prices can fluctuate according to seasonal impacts and housing cycles, looking over the long term it is clear that the ability for lower income households to purchase housing that they can afford in Bega Valley has deteriorated notably over the last 15 or more years.

The amount of housing that can be affordably purchased by very low income households, while always historically low, declined to just 6.5% in 2017. Alongside this there has been a dramatic decline (from 54.8% to 26%) in stock that is affordable for low income households. For moderate income households, there has also been a sizable decline.

Affordable Purchase: Percentage of stock that could be affordably purchased			
Year	Very Low Income Households	Low Income Households	Moderate Income Households
June 2001	17.3%	54.8%	83.9%
June 2017	6.5%	26.0%	62.3%

Source: Local Government Housing Kit Database FACS NSW

5. Implications and challenges

