

# Social and Affordable Housing Needs Assessment

City of Casey

August 2019

prepared by **.id**

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## Executive Summary

The City of Casey plays an important role within the Greater Melbourne context. It is one of the fastest growing municipalities in Melbourne, providing considerable dwelling supply. This is a role that Casey has played since the 1970s and will continue to do so into the future.

This history is seen in the current age and household distribution of its suburbs. As suburbs are developed, they attract young families. The areas of Casey that were developed in the 1970s, and 1980s, such as Doveton, Hallam and Narre Warren are now experiencing ageing and more couple only or lone person households. Suburbs that started developing in the 1990s are now home to families with teenage and young adult children. This growth trend continues, with new suburbs such as Clyde and Clyde North attracting large numbers of young families.

Despite the emerging diversity in ages and household types, there is little dwelling diversity in Casey, with 80% of current dwelling stock being separate houses with three or more bedrooms. Smaller dwellings are likely to be needed in the future for older residents wanting to downsize, and for lower income households as such dwellings are often sold or rented at lower price points.

Housing costs in the City of Casey are increasing – over the past ten years, house prices doubled in almost every suburb. Rental costs are also increasing. While incomes in Casey are also increasing, they are not increasing at the same rate as housing costs. This is increasing the demand for more affordable housing, with many lower income households falling into mortgage or rental stress, whilst also decreasing the affordable supply. Very few house sales over the past year would have been

affordable to very low or low income households, and rental supply for these income groups was also limited.

In extreme cases, those that cannot afford private rentals and are unable to access social housing may become homeless. The City of Casey currently has a homelessness rate of 93 persons per 10,000 population, much higher than the Greater Melbourne rate of 88 persons per 10,000. The majority of Casey's homeless are classified as such due to living in severely overcrowded dwellings, and approximately one third of those were born in Afghanistan. This highlights that already vulnerable communities such as humanitarian arrivals and recent migrants are at an increased risk of homelessness.

When the numbers of homeless population and households in rental stress are looked at in conjunction, they suggest that approximately 5,655 households are currently in need of affordable housing, particularly one parent families and lone person households. Forecasts suggest that this number is likely to grow to 10,200 households by 2041, under a business as usual scenario.

# 1. Introduction

.id has been engaged by the City of Casey to undertake an analysis of social and affordable housing need in their municipality.

Through the City of Casey's recent activities of creating their Housing Strategy, it was identified that access to affordable housing and housing affordability were important social issues facing the area. The strategy suggests taking two approaches to addressing this issue, firstly increasing dwelling diversity in the established areas of Casey, and secondly advocating to the State Government and associated agencies for Precinct Structure Plans that support housing affordability. An action that evolved from the Housing Strategy was to develop a Social and Affordable Housing Strategy.

The City of Casey plays a significant role within the Greater Melbourne context, as a major greenfield growth area. While the new housing supply in Casey can be considered affordable in comparison to other areas of Melbourne, there are growing numbers of lower income households and other vulnerable cohorts.

In light of these emerging affordability issues, the City of Casey has received funding from the Department of Health and Human Services, under the Social Housing Investment Planning grant program to undertake the preparation of a Social and Affordable Housing Strategy.

## 1.1 The report

In this document, we report on the analysis we have undertaken to assess the current housing market in the City of Casey, and its implications for social and affordable housing provision. This report has been prepared in the following sections:

- ▾ The Casey Context
- ▾ Housing
- ▾ Incomes
- ▾ Housing stress
- ▾ Is housing affordable?
- ▾ Homelessness

- ▣ Social and affordable housing need
- ▣ Achieving an affordable future

## 1.2 A note on sources

The report uses data and information from both published and unpublished documents. These include:

- ▣ Australian Bureau of Statistics, Census of Population and Housing 2006, 2011 and 2016
- ▣ HomeTrack, housing market data, 2018

It is important to note that due to changes in ABS rules around perturbation and additivity of data to protect the confidentiality of individuals in 2016, counts of individual groups and totals derived may differ slightly from those published by the ABS or presented on profile.id.

## 1.3 Definitions

### Dwelling structure

- ▣ 'Low density' includes all free-standing dwellings separated from neighbouring dwellings by a gap of at least half a metre, and flats attached to houses.
- ▣ 'Medium density' includes all semi-detached, row, terrace, townhouses and villa units, plus flats and apartments in blocks of 1 or 2 storeys.
- ▣ 'High density' includes flats and apartments in 3 storey and larger blocks.
- ▣ 'Other' includes caravans, cabins, houseboats, improvised homes, tents, sleepers out, and houses or flats attached to shops and offices. These categories have been combined to avoid data inaccuracies caused by ABS perturbation and randomisation.

### Greater Melbourne Affordable Housing Income bands

In 2018, the Victorian State Government legislated affordable housing definitions with changes to the Planning and Environment Act. The Act now legislates income bands to be used in regards to affordable housing, to identify those in need. The table below outlines the income bands for the 2019-20 Financial Year.

*Figure 1 Greater Melbourne Affordable Housing Income bands, 2019-20*

	Very low income	Low income	Moderate income
Single adult	Up to \$25,970	\$25,971 to \$41,550	\$41,551 to \$62,310
Couple, no dependent	Up to \$38,950	\$38,951 to \$62,320	\$62,321 to \$93,470
Family (with one or two parents) and dependent children	Up to \$54,520	\$54,521 to \$87,250	\$87,251 to \$130,870

Source: DEWLP, Planning and Environment Act, Section 3AB – Specification of Income Ranges

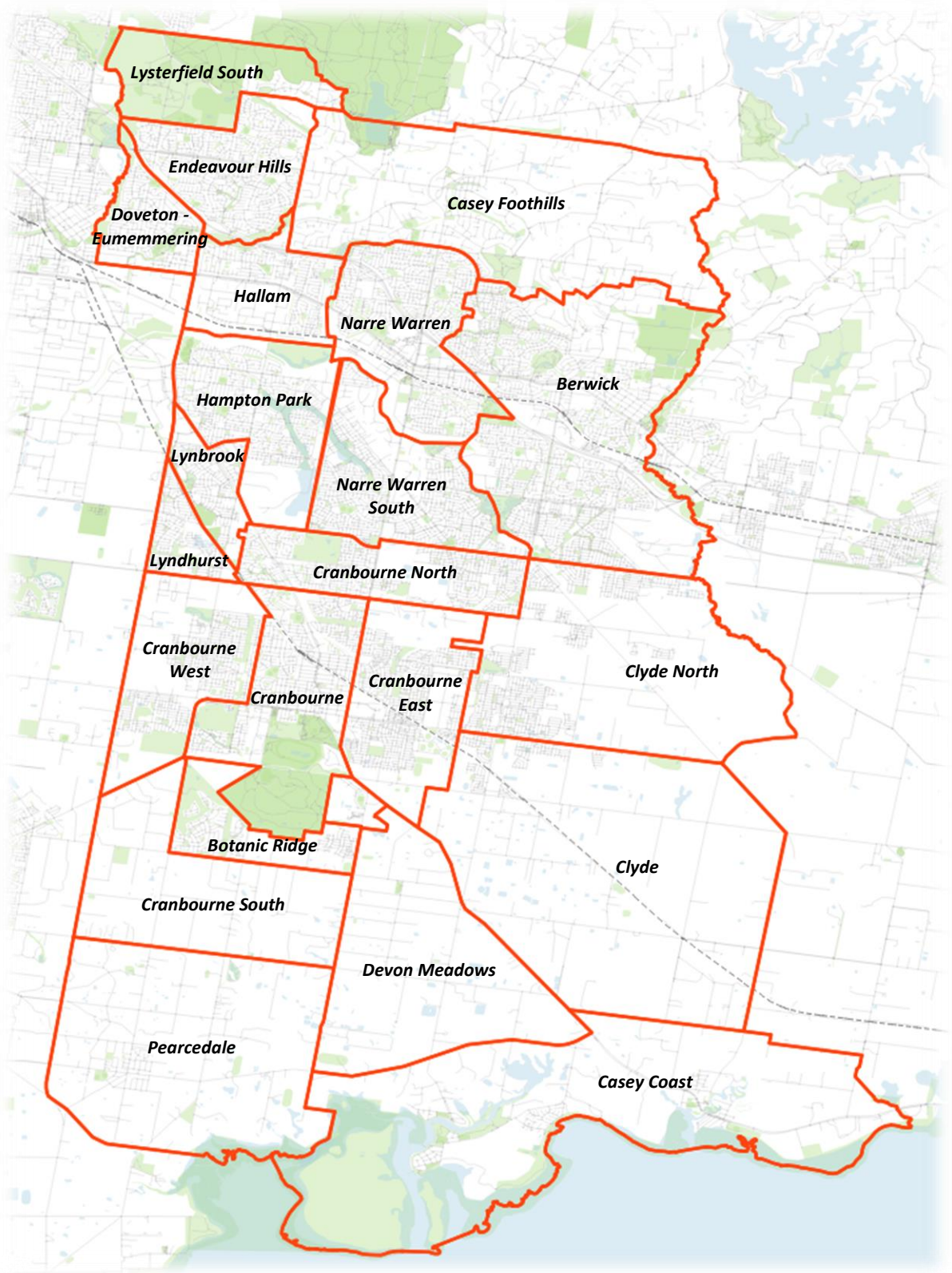
Please note, that for use in this report, the above income ranges have been indexed back to 2016 dollar values using the ABS Housing Group of the Consumer Price Index.

## 1.4 Geographical reference

Casey Local Government Area (LGA) and specific Suburb areas are used for most of the demographic profiling. The map below helps visualise these areas. In some cases, such as rental and mortgage stress data, the ABS geographic unit of Statistical Area 2 has been used to maintain ABS privacy standards.

*Figure 2 Casey's suburbs*





## 2. The Casey Context

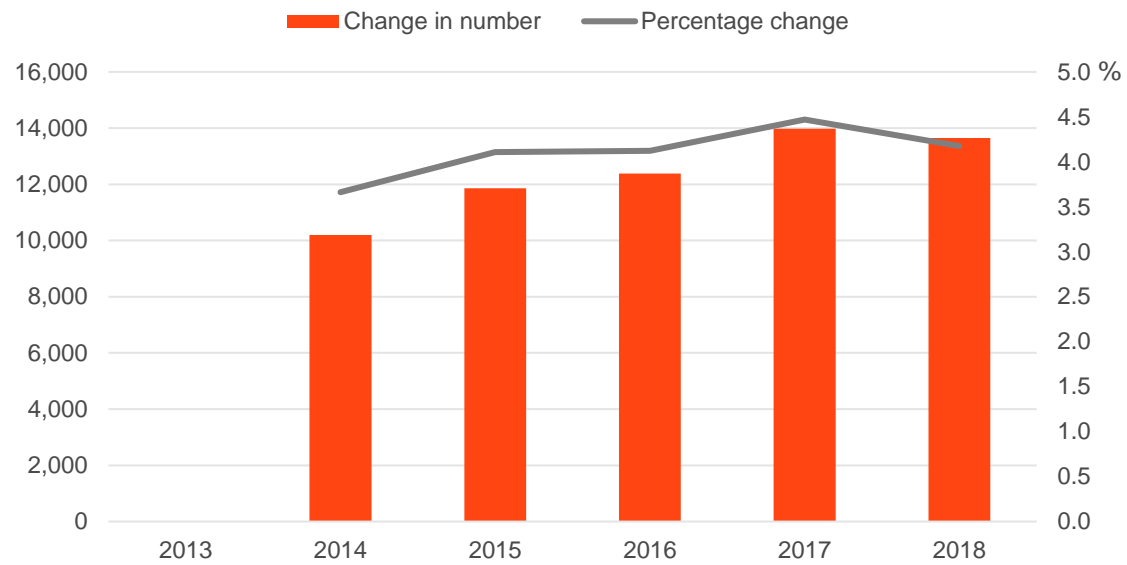
Understanding the demographic and household makeup of Casey and how it is changing, provides the context for comprehending the current housing market and potential drivers of affordability issues in the area.

### Section summary

- ▣ Casey fulfils a typical greenfield role, with accompanying population growth, within the Greater Melbourne context
- ▣ The population of the area is quite young, with lots of young families, however, the established areas of Casey have slightly older populations
- ▣ Housing consumption patterns in the area are driven by the dwelling stock available in Casey, with most households living in separate dwellings
- ▣ Casey will continue to experience population growth over the next 25 years, however the rate of growth is expected to slow
- ▣ The proportions of elderly residents are likely to increase, as people age in place
- ▣ While families will remain the dominant household type, smaller households such as couples without children and lone persons are set to increase

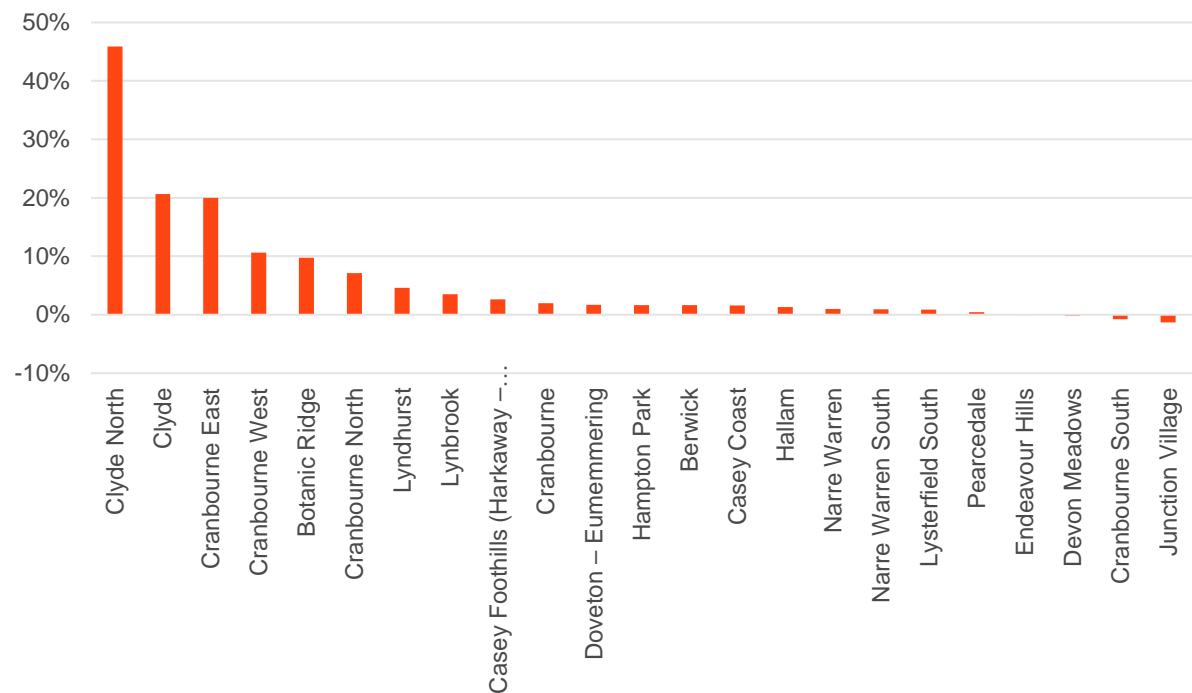
### 2.1 Population change

The City of Casey is a significant growth area in the south east of Melbourne. It is currently the largest Local Government Area in Victoria, with a population of 340,419 residents. Over the past five years, the population has experienced an average annual growth rate of 4.1% per year, much higher than the Greater Melbourne rate of 2.6%. However, Casey's rate of growth is a little slower than the average rate of growth seen across the growth areas of Melbourne, which was 4.5% over the past 5 years.

*Figure 3 Population growth, 2013-2018*

Source: ABS Estimated Resident Population, 2018

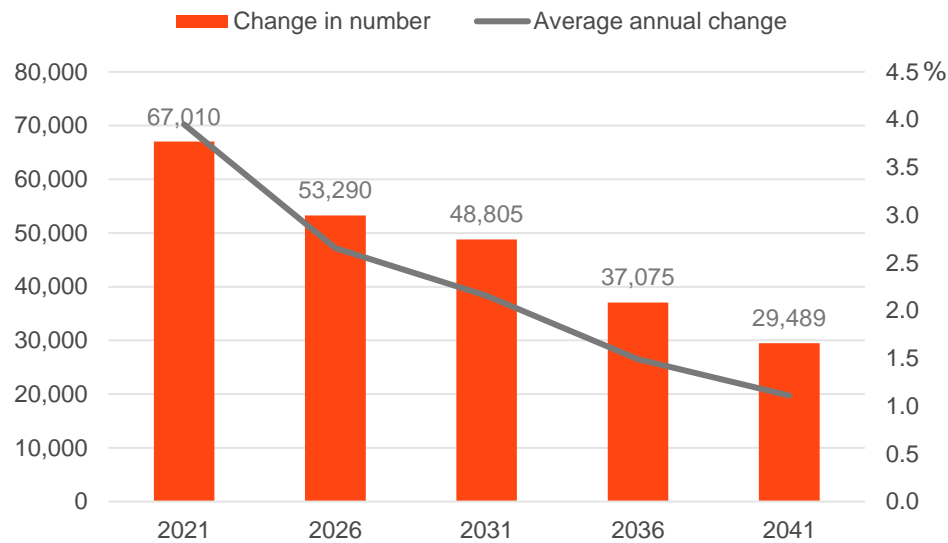
The population growth in Casey over the past 5 years has been driven by just a handful of suburbs, those that are currently experiencing greenfield developments. These suburbs include Clyde North, with an average annual growth rate of 46%, and Clyde and Cranbourne East which are both growing at approximately 20% per annum.

*Figure 4 Population growth rates, suburbs of Casey, 2013-2018*

Source: ABS Estimated Resident Population, 2018

The population growth that Casey has experienced over the past decade is set to slow over the next 25 years. As the greenfield areas of the LGA are built out, opportunities for residential development will decline, thus slowing population growth. By 2041, Casey will have a slower rate of growth, of approximately 1% per annum, in line with rates of growth seen in more established areas of Melbourne. This rate is also slower than the growth areas average of approximately 2% by 2041, influenced by very high rates of growth in the northern and western growth corridors.

Figure 5 Forecast population growth, 2021-2041



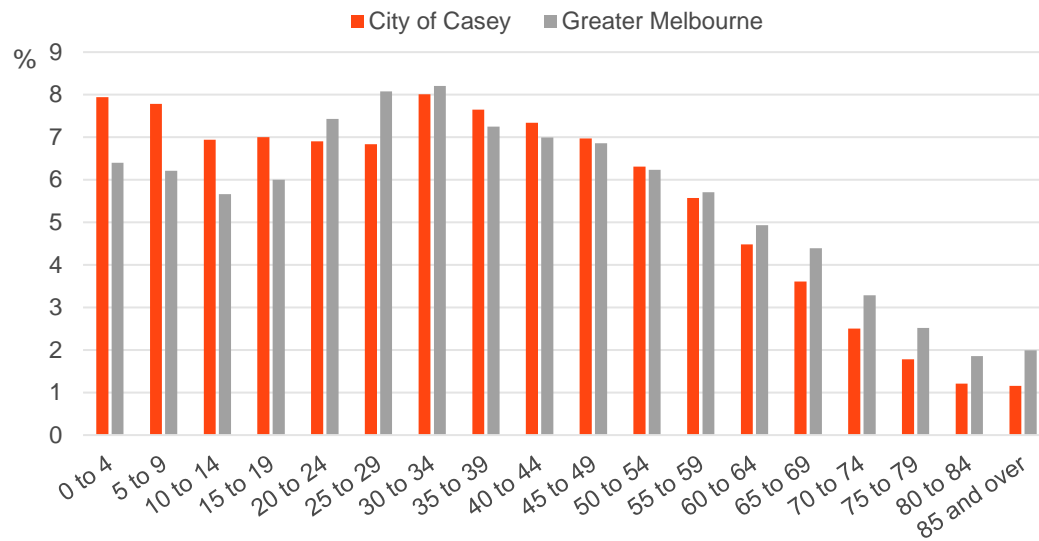
Source: forecast.id, 2019

Future population growth in the City of Casey will be driven by continued residential development in Clyde, Clyde North and Cranbourne East. In Clyde and Clyde North, the population is forecast to grow by approximately 10-11% each year between 2016 and 2041.

## 2.2 Household change

The City of Casey has a very young population in comparison to the Greater Melbourne average. As a growth area, it attracts large numbers of families with young children. However, there are areas of Casey with larger proportions of population aged over 65 years. For example, in Junction Village, 40% of the population are aged over 65 years, many of whom are living in the Aveo retirement village, or Regis aged care facility. Other areas with older populations include Devon Meadows and Cranbourne South, areas of Casey that are still partly used for agricultural purposes.

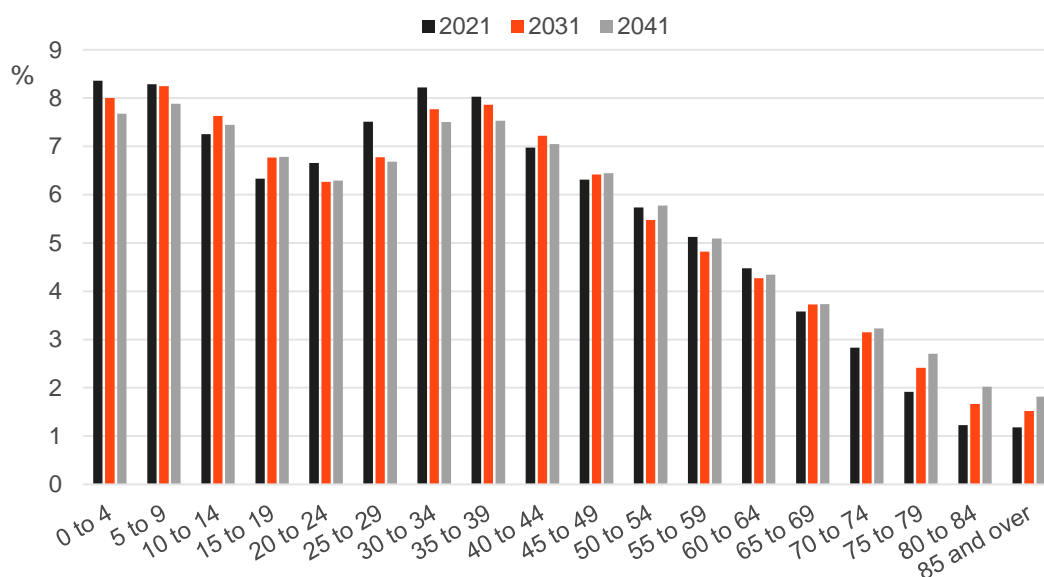
Figure 6 Age structure, 2016



Source: ABS Census of Population and Housing, 2016

Over the next 25 years, all age groups in Casey are forecast to grow in number. However, the proportional distribution is forecast to change slightly. Despite remaining the largest age cohort in terms of numbers, the proportions of young children aged 0-9 years is forecast to decline, as is the proportion of younger adults aged 25-39 years. Those in the older age groups will become more prevalent, as people age in place. The most significant increase in the aged population is forecast to occur in Narre Warren and Narre Warren South, where the population aged 65 years or more is likely to double between 2016 and 2041.

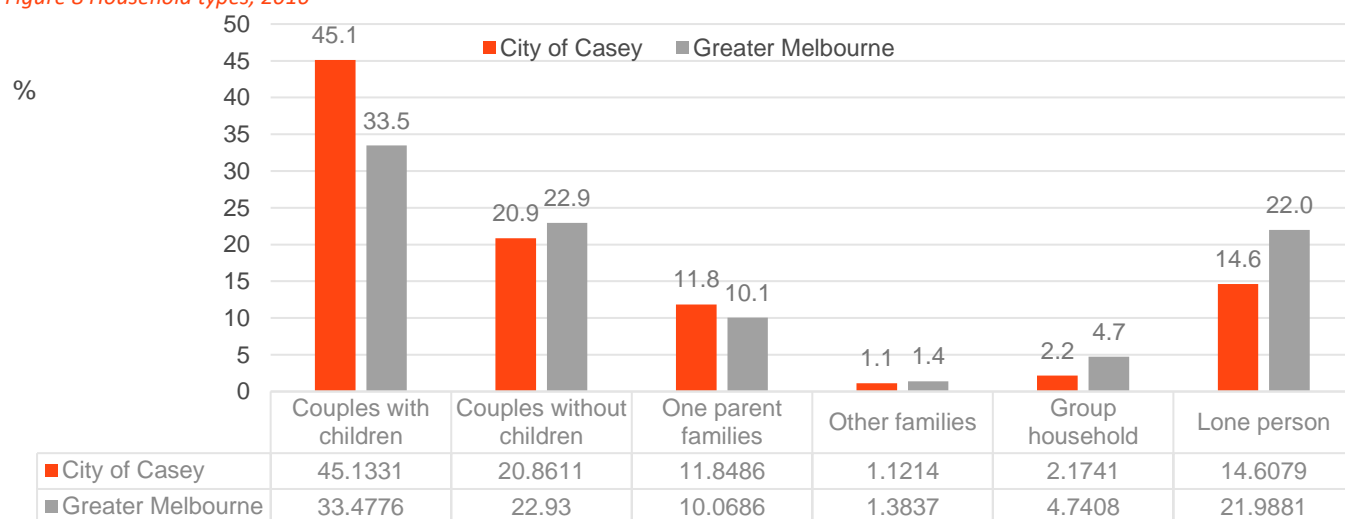
Figure 7 Forecast age structure, 2021-2041



Source: forecast.id, 2019

The City of Casey is predominately a family area, with 45% of households comprising of couples with children. Of these, the majority have young children under the age of 15 years, with fewer mature families in the area (those with children aged 15 years or older). This is significantly different to the Greater Melbourne average, where just one third of households are couples with children. Casey has fewer small household types, couples without children and lone persons, than the Melbourne average. This is unsurprising given its role as a growth area. Suburbs within Casey generally have similar distributions of household types, though areas with higher proportions of older residents are more likely to have higher proportions of couple without children or lone person households.

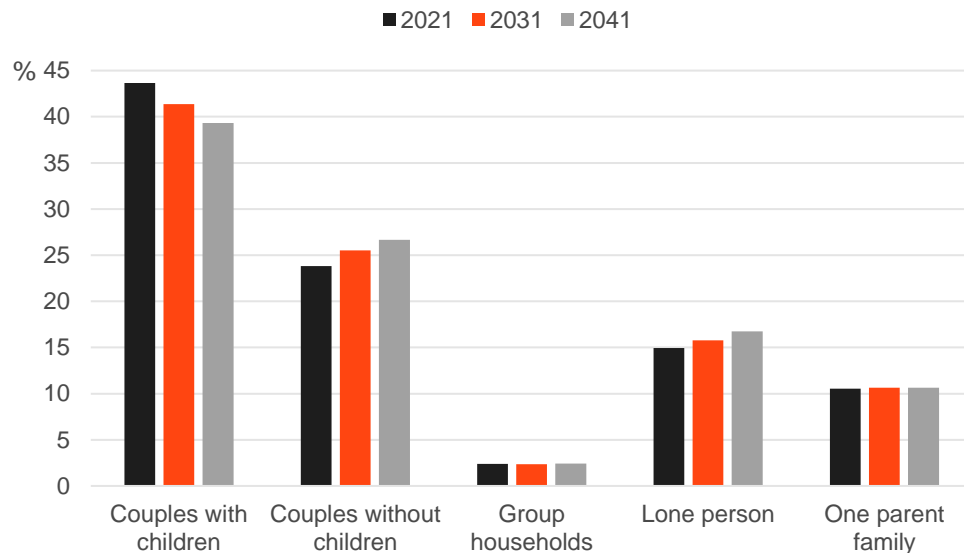
Figure 8 Household types, 2016



Source: ABS Census of Population and Housing, 2016

Over the coming 25 years, as the population of Casey grows and ages, the household type distribution is forecast to change. While all household types will grow in number, as the population ages there will be a decline in the proportion of couple with children households, and an increase in the proportion of couples without children and lone persons.

Figure 9 Forecast household types, 2021-2041



Source: forecast.id, 2019

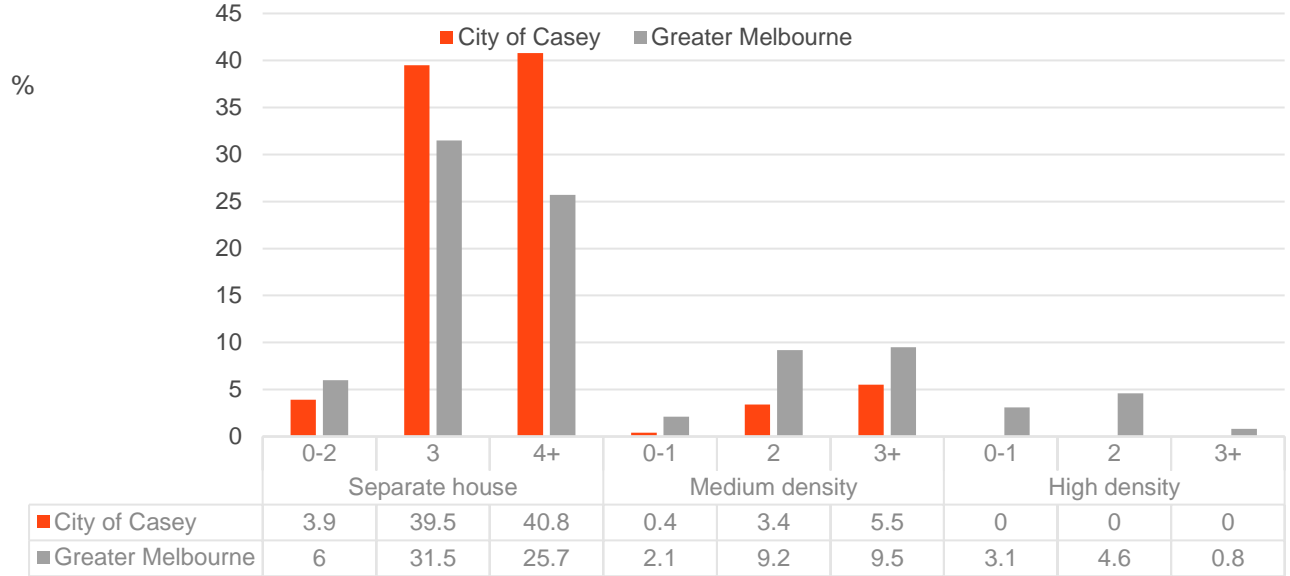
Population forecasts for the City of Casey also highlight significant population growth over the next 20 years, which will continue to drive demand for housing. The area is well placed to meet this demand, with sufficient land supply identified through current zoning policies and Precinct Structure Plans. There is the potential for increased dwelling diversity to be provided as part of this continued residential development. Some areas, such as those close to major public transport routes, may be suitable for medium and high density development.

## 2.3 Dwelling stock

The dwelling stock in the City of Casey is notably different to the Greater Melbourne average. Just over 80% of all dwellings in Casey are separate houses with 3 or more bedrooms, compared with 57% for Greater Melbourne. There are very small proportions of medium density dwellings, predominately townhouses, in the City of Casey, but these have been increasing over the past 10 years. These increases have occurred in the more established areas of Casey, including Cranbourne, Endeavour Hills and Hallam.



Figure 10 Dwelling type by number of bedrooms, 2016

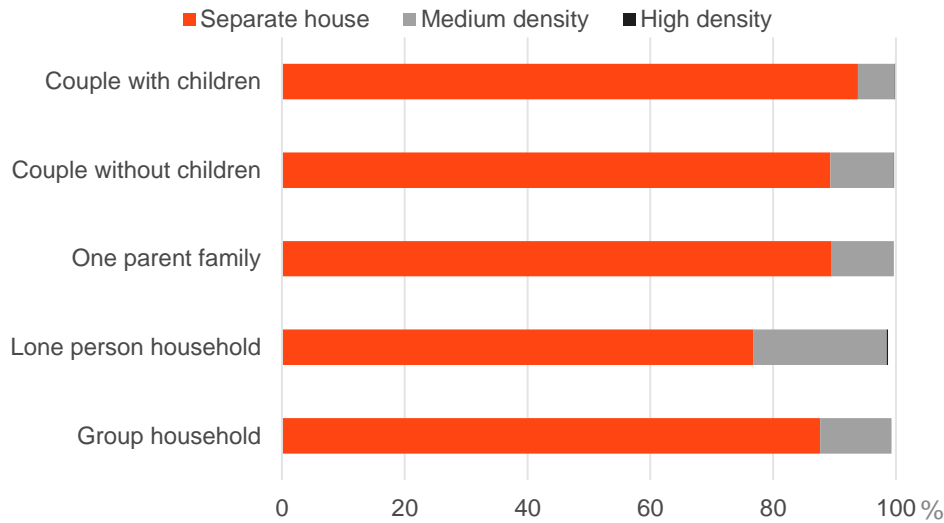


Source: ABS Census of Population and Housing, 2016

## 2.4 Housing consumption patterns

Understanding housing consumption patterns is vital to understanding housing demand in an area, and the potential dwelling diversity that may need to be provided. The majority of housing stock in the City of Casey is separate dwellings, typical of both a traditional, established outer area of Melbourne, and a greenfield area. As a result, the majority of households live in separate dwellings. However, the medium density housing that is being provided is generally being occupied by lone person households. Just over one in five lone person households in Casey live in a medium density home.

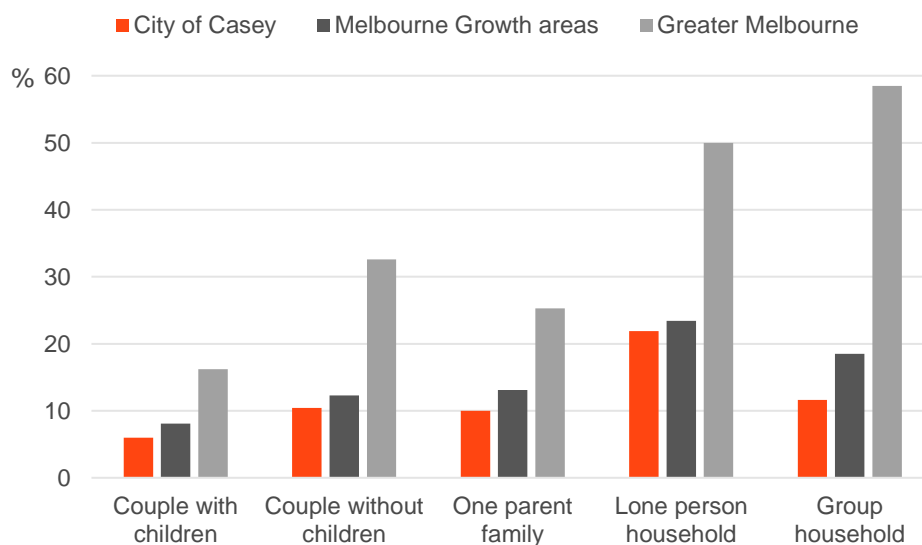
Figure 11 Housing consumption patterns by household type, 2016



Source: ABS Census of Population and Housing, 2016

These housing consumption patterns differ significantly to the Greater Melbourne average. The chart below shows the proportion of each household type living in medium and high density housing in the City of Casey, the growth areas of Melbourne, and Greater Melbourne. The difference in proportions living in medium and high density housing is most pronounced in the smaller household types, couples without children and lone person households. This suggests that Casey may not be providing sufficient dwelling diversity to provide these household types with their preferred dwelling type.

Figure 12 Proportion of household type living in medium and high density housing, 2016



Source: ABS Census of Population and Housing, 201

## 2.5 Housing role and function

The table below outlines the housing role and function of Casey's suburbs.

Suburb Typology	Median house price	Median income	Rental stress	Description
<b>Doveton</b>	\$545,000	\$970	37.1%	Late 1960s and 1970s outer suburban areas focussed on development around railway stations and major roads. Significant stock of separate houses, with increasing medium density developments. These areas have significant capacity for new residential development around centres and railway stations. Cater for a large range of housing types, and income levels. Large proportion of low income households, due to ageing population, low housing cost and access to support services. These areas are also the location of much of Casey's social housing with the proportion of households in social housing ranging from 1.8% to 8.5%
<b>Eumemmering</b>	\$626,000			
<b>Endeavour Hills</b>	\$650,500	\$1,457	31.7%	
<b>Hallam</b>	\$632,500	\$1,301	30.2%	
<b>Hampton Park</b>	\$550,000	\$1,310	34.7% <sup>1</sup>	
<b>Cranbourne</b>	\$540,000	\$1,269	38.9%	
<b>Narre Warren</b>	\$615,000	\$1,459	32.6%	Suburbs with development starting in the 1970s and 1980s, with family housing, a population of mature families substantial ageing in place. Small increases in medium density housing.
<b>Berwick</b>	\$692,000	\$1,759	28.1%	
<b>Cranbourne North</b>	\$550,000	\$1,605	34.3%	Suburbs with development starting in the 1990s, with long term growth continuing into the 2000s. Significant stock of separate dwellings and home to a range of household types. Very small increase in medium density housing, however infill opportunities somewhat limited due to small land sizes. There is also considerable retirement living stock in these areas, contributing to the ageing of the population.
<b>Junction Village</b>	\$509,000	\$950	29.5% <sup>2</sup>	
<b>Cranbourne East</b>	\$570,000	\$1,599	28.4%	
<b>Cranbourne West</b>	\$540,000	\$1,563	31.7%	
<b>Botanic Ridge</b>	\$732,500	\$2,319	29.5% <sup>2</sup>	Suburbs with development starting in the late 1990s, targeted at the higher end of the housing market. Current prices still reflect this role. Family areas, with mature families with teenagers beginning to emerge.
<b>Lynbrook</b>	\$640,000	\$1,848	34.7% <sup>1</sup>	
<b>Narre Warren South</b>	\$637,000	\$1,773	25.5%	
<b>Lyndhurst</b>	\$705,000	\$2,122	44.3%	
<b>Clyde</b>	\$520,000	\$1,789	29.5% <sup>2</sup>	Previously rural areas recently released for residential development. Growth has been significant since the mid 2000s and is forecast to continue. Some medium density development occurring, however dwelling stock is mostly separate dwellings. Attracting young couples and young families.
<b>Clyde North</b>	\$600,000	\$1,880		

<sup>1</sup> Figure for Hampton Park – Lynbrook SA2

<sup>2</sup> Figure for Cranbourne South SA2

<b>Narre Warren North</b>	\$1,180,000	\$2,145	16.9%	Semi-rural foothills area, with large lifestyle properties, surrounded by national park and reservoir catchment. Significant proportions of mature families and emerging empty nesters. High incomes and high house prices in the area, with few low income households.
<b>Lysterfield South</b>	\$1,275,000	\$2,893		
<b>Casey Foothills</b>				
<b>Cranbourne South</b>		\$1,809	29.5%	Rural and coastal areas of Casey. Stable populations and little dwelling growth.
<b>Devon Meadows</b>		\$1,656	29.5% <sup>2</sup>	
<b>Pearcedale</b>	\$657,500	\$1,492	28.4%	
<b>Casey Coast</b>		\$1,525		

Source: .id and ABS Census of Population and Housing, 2016

## 2.6 Implications

The demographic analysis outlined above highlights several implications for the supply of affordable housing in the City of Casey. Firstly, the current housing consumption patterns and the dominance of large, separate houses suggests a greater need for dwelling diversity in the area. Generally, smaller dwellings are sold or rented at lower price points, which may provide more affordable options to very low and low income households in the area. Also, .id's population forecasts highlight future ageing in the population, which is likely to lead to a greater number of lone person and couple without children households. These household types, especially when older, create demand for separate dwellings with fewer bedrooms, or medium and high density housing.

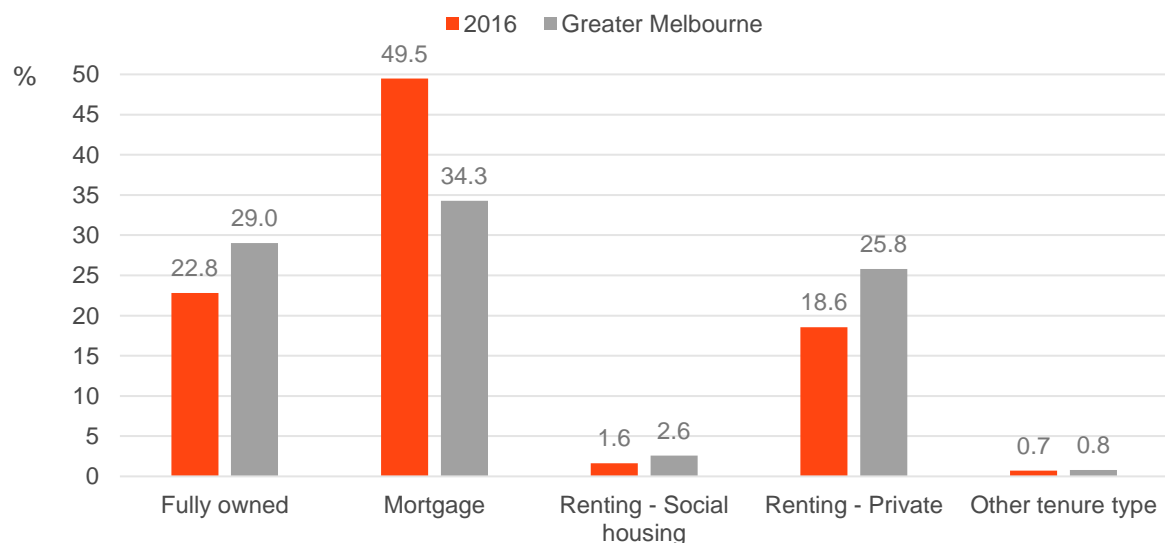
### 3. Housing

#### Section summary

- ▣ Casey has a significantly high proportion of households with a mortgage, higher than the Greater Melbourne and growth areas averages
- ▣ There has been an increase in the proportion of renters over the past 15 years, correlating with increasing purchase costs
- ▣ House prices have doubled in almost every suburb in Casey over the past 10 years, with a faster rate of growth than the Greater Melbourne average
- ▣ Income growth has not kept up with house prices. House prices are now 6 times the median income, up from 3 times higher in 1991
- ▣ Rental costs are also increasing, at around 2.5% per year

The City of Casey's housing tenure data provides insights into its socio-economic status as well as the role it plays in the housing market, and potential affordability issues. In 2016, just over 47,500 households in Casey were paying off a mortgage, representing 49.5% of all households, significantly higher than the Greater Melbourne average of 34.3%. This rate of mortgage holders is also a little higher than the average for the growth areas of Melbourne, at 46.1%. A further 17,800 households in Casey were living in private rental properties. This represented 18.6% of all households, lower than the Greater Melbourne average of 25.8% and the growth areas average of 21%.

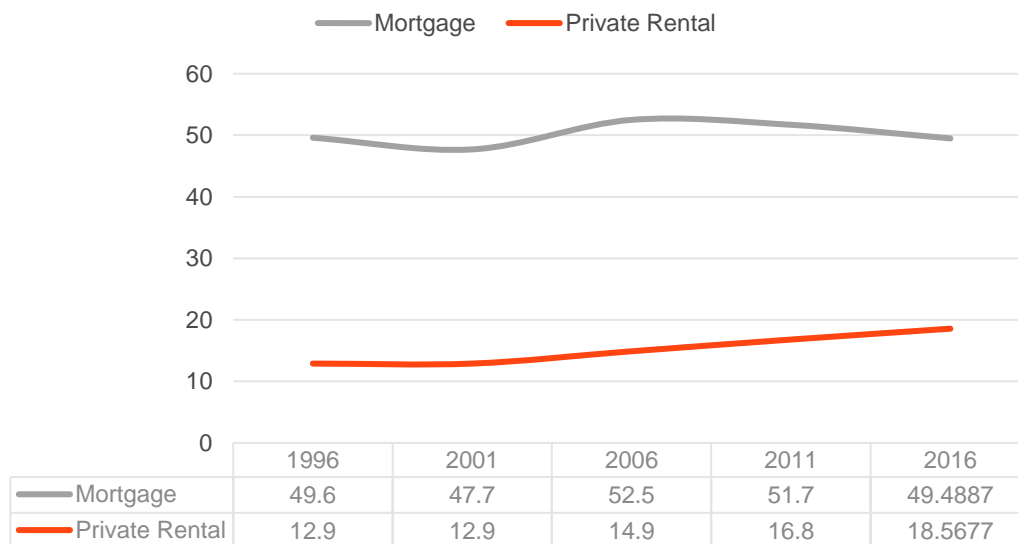
Figure 13 Housing tenure, 2016



Source: ABS Census of Population and Housing, 2016

Over the past 20 years, there have been significant shifts in housing tenure in Casey, reflecting the changes that have occurred in the area. Between 1996 and 2001, there was a small decline in the proportion of households with a mortgage, as those living in areas developed in the 1970s and 1980s paid off their mortgages. However, between 2001 and 2006 there was a significant increase in the proportion of households with a mortgage, driven by the new housing estates being developed. At the same time, there has been a significant increase in the proportion of households renting. This may be influenced by a number of factors including lifestyle choices, and the recent increase in property prices in Casey (refer to Section 6).

Figure 14 Change in tenure type, 1996-2016

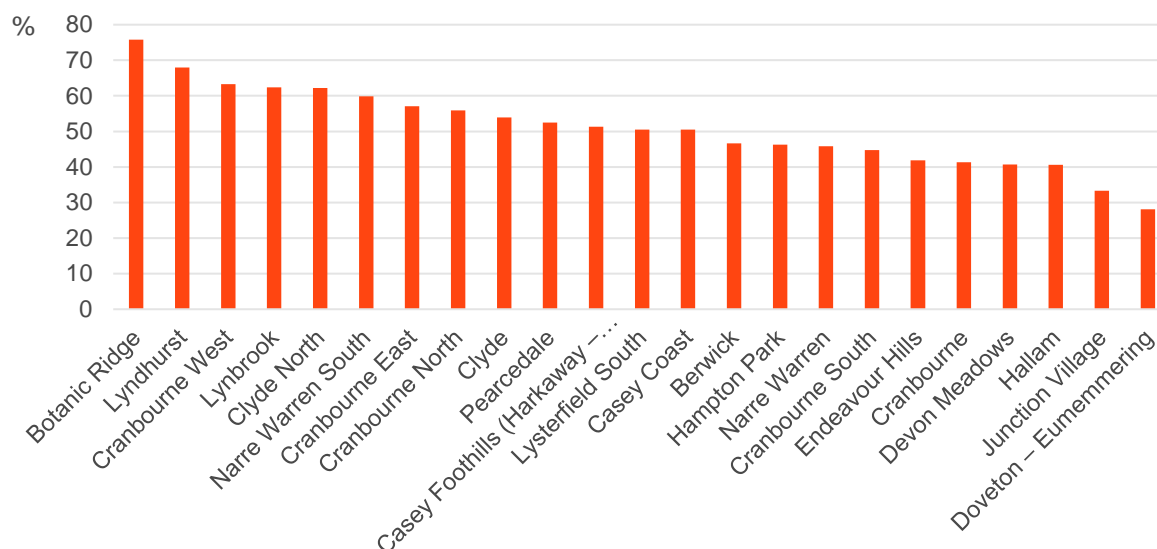


Source: ABS Census of Population and Housing, 2016

### 3.1 Households with a mortgage

As different areas of Casey play differing housing roles, the proportion of households with a mortgage ranges from 75.8% (737) in Botanic Ridge, to 28.1% (1,118) in Doveton – Eumemmering. There is a correlation between the rate of households with a mortgage and growth area suburbs, with growth areas such as Cranbourne West and Clyde North having a higher rate of mortgaged households. This is in comparison to established suburbs such as Hallam and Doveton which have lower rates of mortgaged households.

Figure 15 Proportion of households with a mortgage, 2016



Source: ABS Census of Population and Housing, 2016

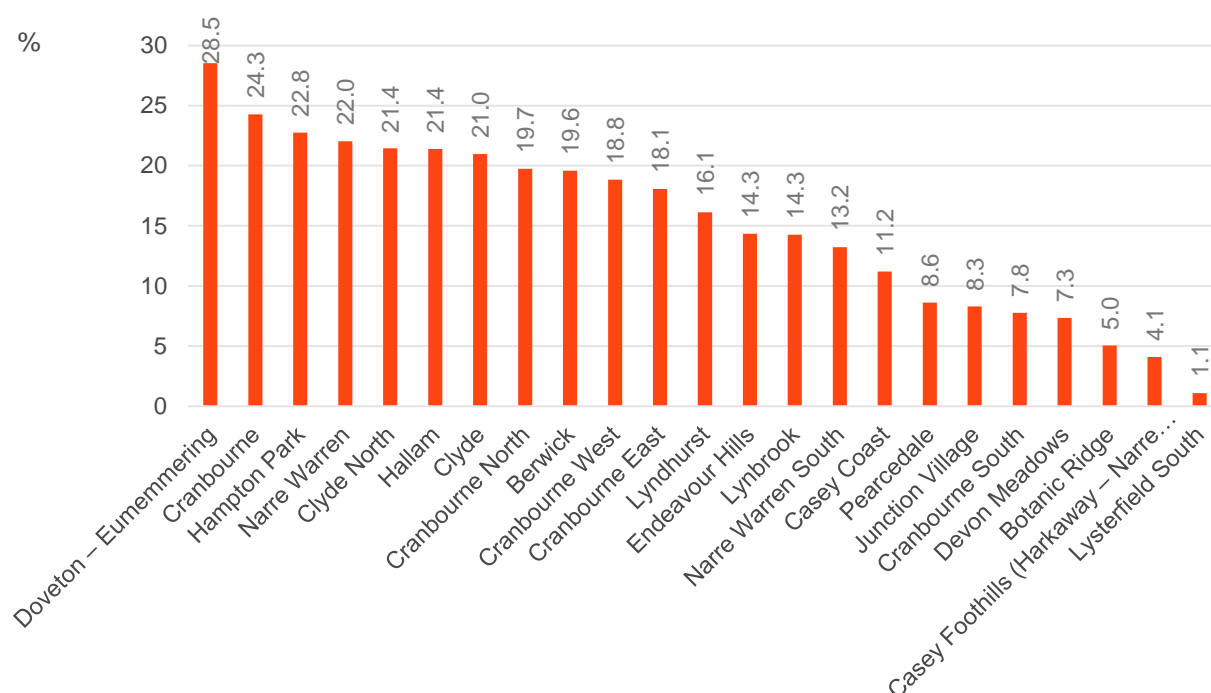
However, the share of households with a mortgage has decreased over the past 10 years, from 52.5% in 2006 to 49.5% in 2016. This trend differs notably from that seen across Greater Melbourne, where the proportion of households with a mortgage decreased only slightly, from 34.8% to 34.3%. This suggests that the housing markets in Casey are changing, with some older residents now owning their homes outright, or people perhaps choosing other housing tenure types for lifestyle or affordability reasons. The decrease in the proportion of households with a mortgage has been particularly evident in the northern area of the LGA, in suburbs such as Lysterfield South, Hallam and Endeavour Hills. These areas have higher proportions of older residents and have seen an increase in fully owned homes between 2006 and 2016.

### 3.2 Rental households

As different areas of Casey play differing housing roles, the proportion of households renting ranges from 28.5% (1,137) in Doveton – Eumemmering, to just 1.1% (3) in Lysterfield South.



Figure 16 Proportion of households renting, 2016



Source: ABS Census of Population and Housing, 2016

The share of households living in private rentals has increased, from 14.9% in 2006 to 18.6% in 2016, in line with the Greater Melbourne trend (20.7% to 25.8%). This suggests people are perhaps choosing to rent for lifestyle or affordability reasons. While all suburbs in Casey have seen an increase in the proportion of households renting, the largest increases have occurred in Clyde North, Cranbourne East and Cranbourne North.

### 3.3 Housing costs

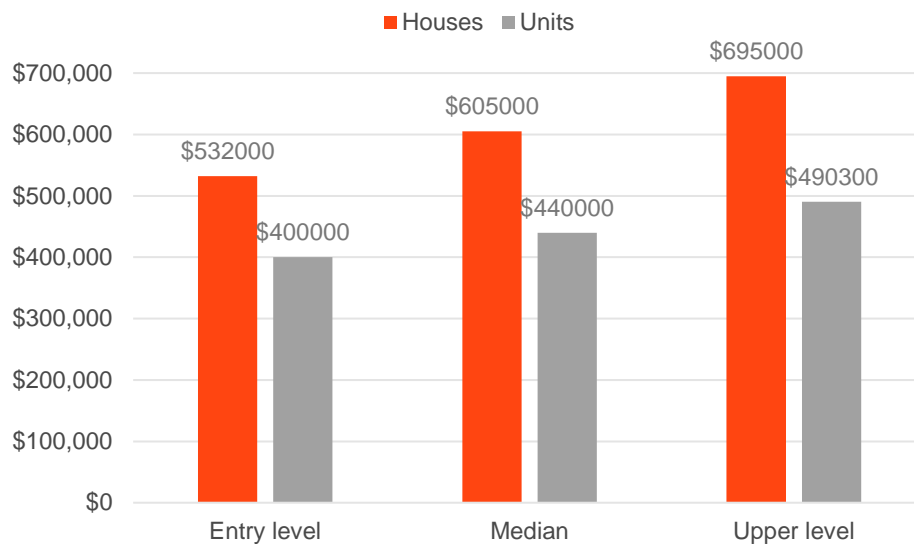
#### 3.3.1 Sales

Understanding current house prices gives an insight into how affordable an area may be for very low, low and moderate income households. In 2018, the median house price in the City of Casey was \$605,000 and the median unit price was \$440,000. Based on the analysis of what these income groups can afford, the median house price is not affordable to any of the vulnerable income brackets, and the median unit price would only be affordable to those on a moderate income.

Looking at the entry level price, or 25<sup>th</sup> percentile of the market is also important for understanding housing affordability, as it is the price most first home buyers would be looking to buy into the

market at. Again, the entry level prices in Casey are not particularly affordable, with only households on moderate incomes being able to afford an entry level priced house or unit.

*Figure 17 House and Unit prices in City of Casey, 2018*



Source: HomeTrack, 2019

There is some price diversity within the Casey housing market, with house prices ranging from \$509,000 in Junction Village, to \$1.28 million in Lysterfield South. These prices reflect the different role and function of these suburbs. Lysterfield South and Narre Warren North have significantly higher prices due to the number of larger, lifestyle properties available in these areas. Interestingly, there is little price difference between the established areas of Casey and the growth suburbs. Over the past 10 years, house prices have doubled in all suburbs.

Figure 18 House prices, suburbs of Casey, 2018

	2008 (\$)	2018 (\$)	Change 2008-18 (%)	Growth PA (%)
<b>Berwick</b>	350,000	692,000	98	7.1
<b>Blind Bight</b>	270,000	546,000	102	7.3
<b>Botanic Ridge</b>	305,000	732,500	140	9.2
<b>Clyde</b>	340,000	520,000	53	4.3
<b>Clyde North</b>	300,000 <sup>3</sup>	600,000	100	10.4
<b>Cranbourne</b>	265,000	540,000	104	7.4
<b>Cranbourne East</b>	290,000	570,000	97	7
<b>Cranbourne North</b>	275,000	600,000	118	8.1
<b>Cranbourne West</b>	256,000	540,000	111	7.7
<b>Doveton</b>	240,000	545,000	127	8.5
<b>Endeavour Hills</b>	325,500	650,500	100	7.2
<b>Eumemmerring</b>	290,000	626,000	116	8
<b>Hallam</b>	308,000	632,500	105	7.5
<b>Hampton Park</b>	270,000	550,000	104	7.4
<b>Junction Village</b>	255,000	509,000	100	7.2
<b>Lynbrook</b>	341,000	640,000	88	6.5
<b>Lyndhurst</b>	339,000	705,000	108	7.6
<b>Lysterfield South</b>	675,000	1,275,000	89	6.6
<b>Narre Warren</b>	300,000	615,000	105	7.4
<b>Narre Warren North</b>	547,500	1,180,000	116	8
<b>Narre Warren South</b>	335,000	637,000	90	6.6
<b>Pearcedale</b>	318,500	657,500	106	7.5
<b>Tooradin</b>	308,500	702,000	128	8.6
<b>Warneet</b>	223,500	534,000	139	9.1

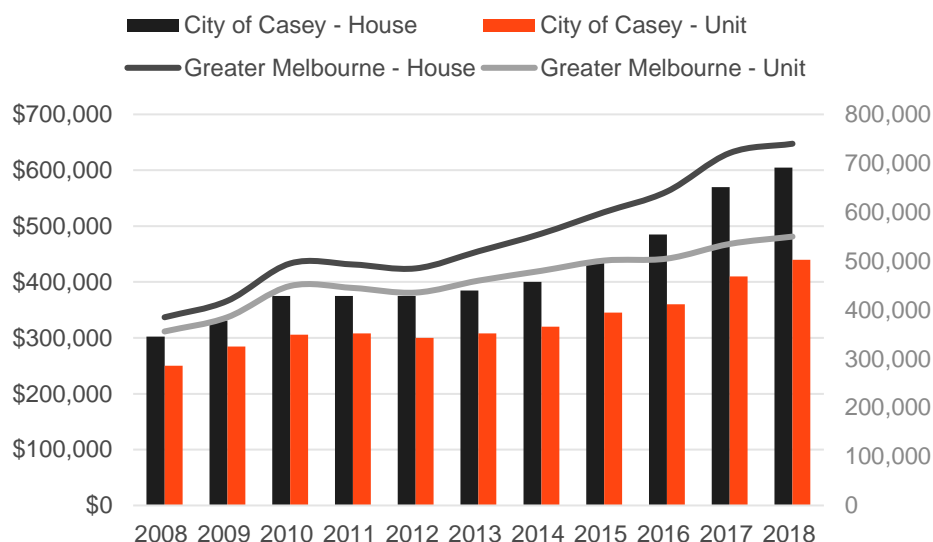
Source: Victorian Valuer General, 2018

Over the past 10 years, the median house price in the City of Casey overall increased by 100.3%, or 7.2% per annum, from \$302,000 in 2008 to \$605,000 in 2018. This increase in prices was a little larger than the Greater Melbourne average of 92.2%. From the chart below, it is evident that the growth in house prices in Casey over the past three years was significantly faster than the Greater Melbourne average.

<sup>3</sup> Please note, this figure and corresponding growth figures are for 2011, as Clyde North had not been defined as a separate suburb until this point.

There has also been a similar increase in unit prices, which increased by 76%, or 5.8% per annum, from \$250,000 in 2008 to \$440,000 in 2018. Again, this growth has been larger and faster than the Greater Melbourne average, of 54.5% and 4.4% per annum.

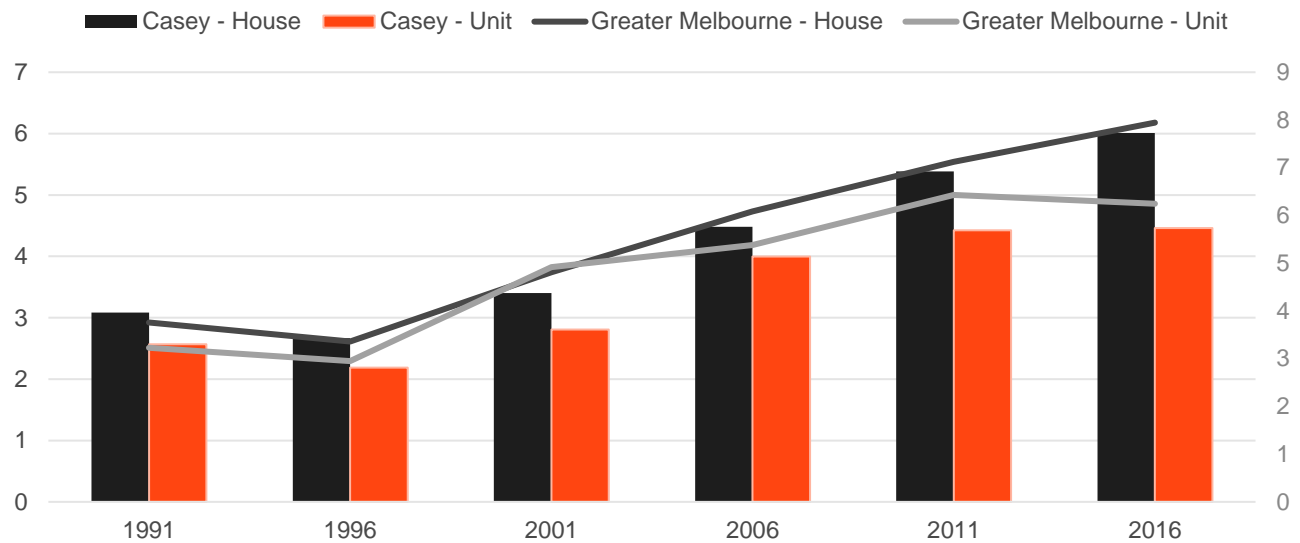
Figure 19 Growth in House and Unit prices, 2008-2018



Source: Victorian Valuer General, 2019

Over the past 15 years, the rate of income growth has not kept up with the growth of house and unit prices. In 2016, the median house price in Casey was 6 times the median household income. While this is a little lower than the Greater Melbourne average (8 times higher than income), the growth in this ratio has occurred at the same rate as Melbourne overall. Units are slightly more affordable, at 4.5 times median income, and this ratio has been relatively stable for the past 5 years.

Figure 20 Ratio of House and Unit prices to income, 1991-2016

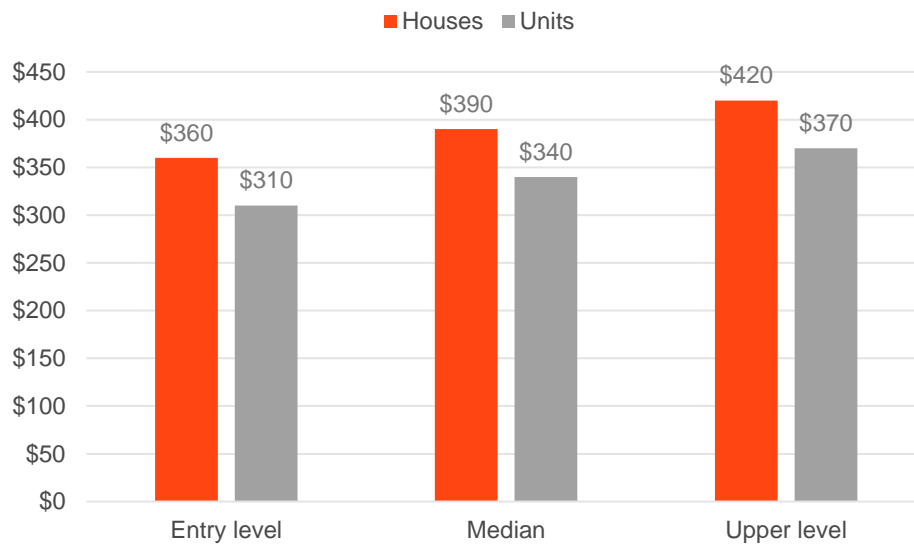


Source: Victorian Valuer General, 2019

### 3.3.2 Rents

Understanding current rental prices gives an insight into how affordable an area may be for very low, low and moderate income households. In 2018, the median weekly rent for a house in the City of Casey was \$390 and the median unit rent was \$340. Based on the analysis of what these income groups can afford, the median rent for a house is affordable only to those on a moderate income, however, the median unit rent would be affordable to both low and moderate income groups.

Looking at the entry level rental cost, or 25<sup>th</sup> percentile of the market is also important for understanding housing affordability, as it is the price many lower income households would be looking to rent at. The entry level rents in Casey are affordable to low- and moderate-income households. Of significant concern is that the entry level rental cost is not affordable to the most vulnerable housing group, those on very low incomes.

*Figure 21 House and Unit rental prices in City of Casey, 2018*

Source: HomeTrack, 2019

There has been a small increase in rental costs in Casey over the past 5 years. Between 2013 and 2018, the rental cost for a house increase from \$345 per week to \$390, and \$300 per week to \$340 for a unit. For both houses and units, this represented an increase of 13%, or 2.5% per annum.

## 4. Incomes

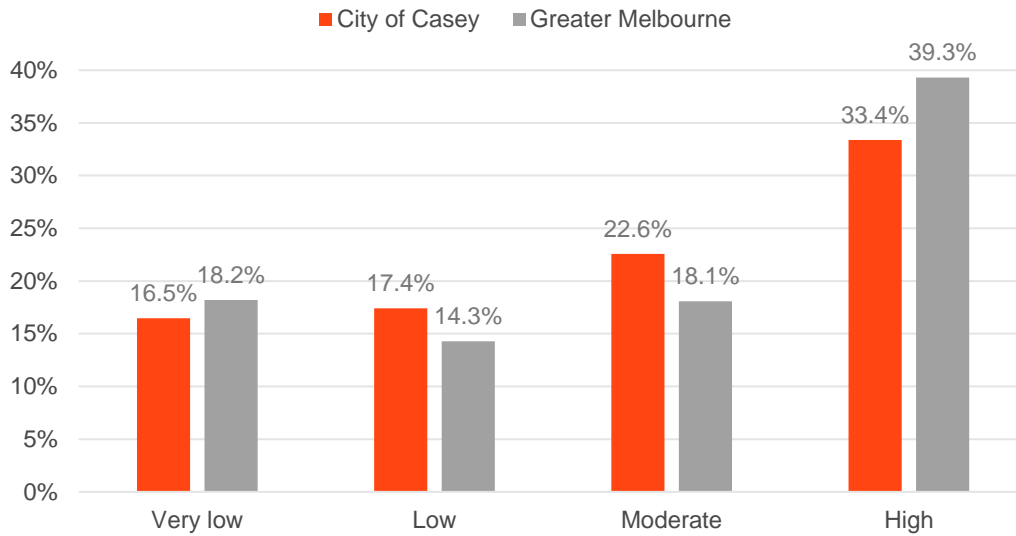
### Section summary

- ▣ Just over a third (31,318) of households fall within the very low or low income bands in Casey
- ▣ Lower income households are concentrated in the more established areas of Casey, including Doveton and Hampton Park
- ▣ Single income households (lone persons and one parent families) are more likely to have a very low or low income
- ▣ Education levels in Casey are increasing, however, there are still considerable numbers of residents with no post school qualifications
- ▣ A higher than average proportion of Casey residents are employed in lower income industries, such as manufacturing

### 4.1 Income distribution

Households in the City of Casey have slightly lower income levels than the Greater Melbourne average. Just over a third (31,318) of households fall within the very low or low income bands, a little higher than the Greater Melbourne average of 32%. Casey has a much higher proportion of moderate income households, and a lower proportion of high income households than the Greater Melbourne average. These income levels are a reflection of the education levels and the industries of employment of Casey residents.

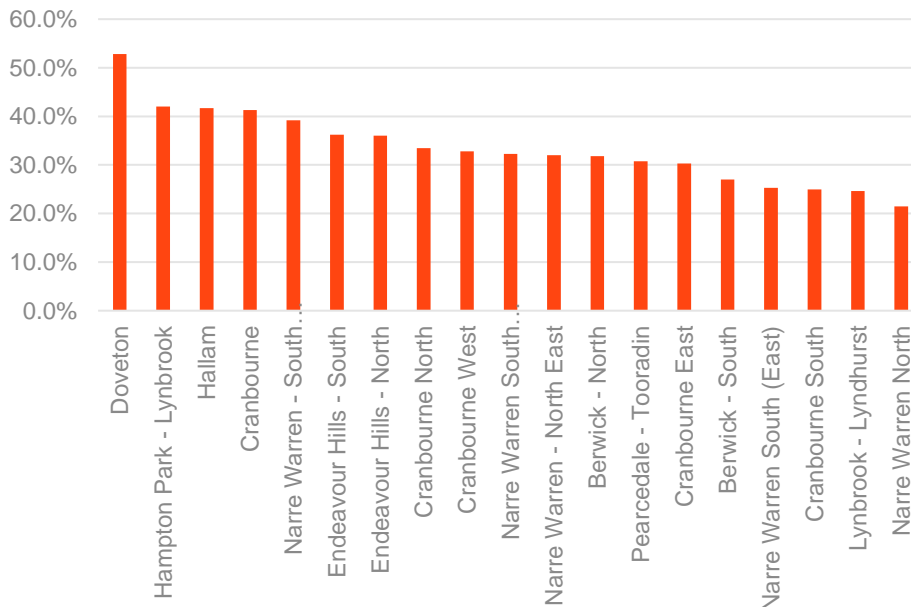
Figure 22 Income levels, 2016



Source: ABS Census of Population and Housing, 2016

There is considerable variance of income levels across the Statistical Area 2 geographical areas (SA2s) within the City of Casey. For example, in Doveton, more than 50% of households have very low or low incomes. Hampton Park – Lynbrook, Hallam and Cranbourne also have high levels of low income households. The low income levels in areas such as Doveton are driven by residents with lower levels of education, and those working in lower paid industries such as manufacturing.

Figure 23 Very low and low income households, SA2s within Casey, 2016

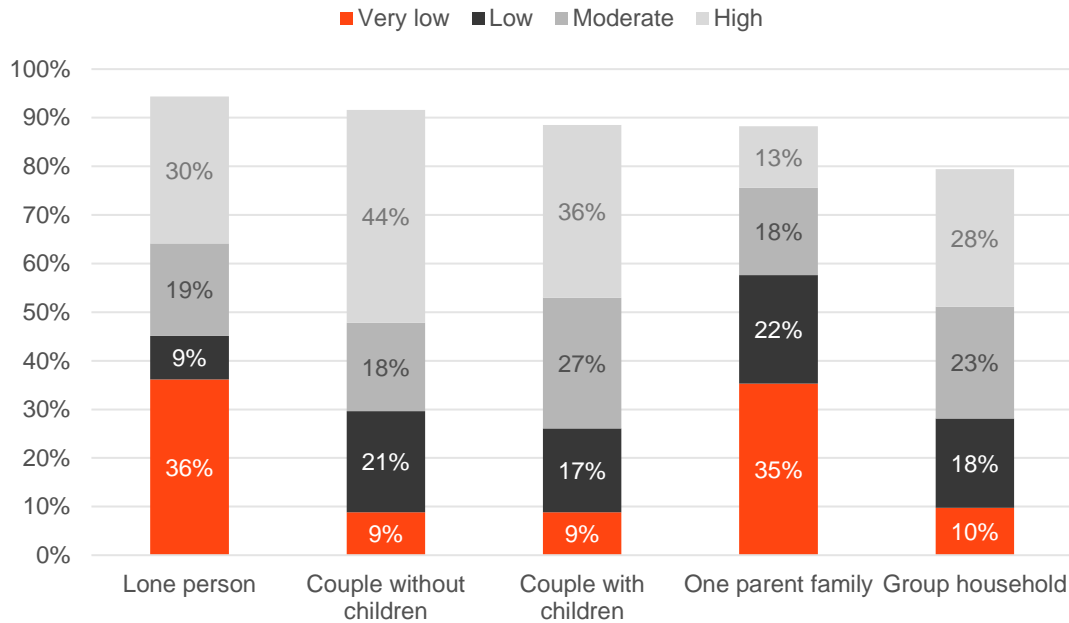


Source: ABS Census of Population and Housing, 2016



In the City of Casey, different household types have different income distributions. Lone person households and one parent families are much more likely to have very low or low incomes, in comparison to couples with or without children.

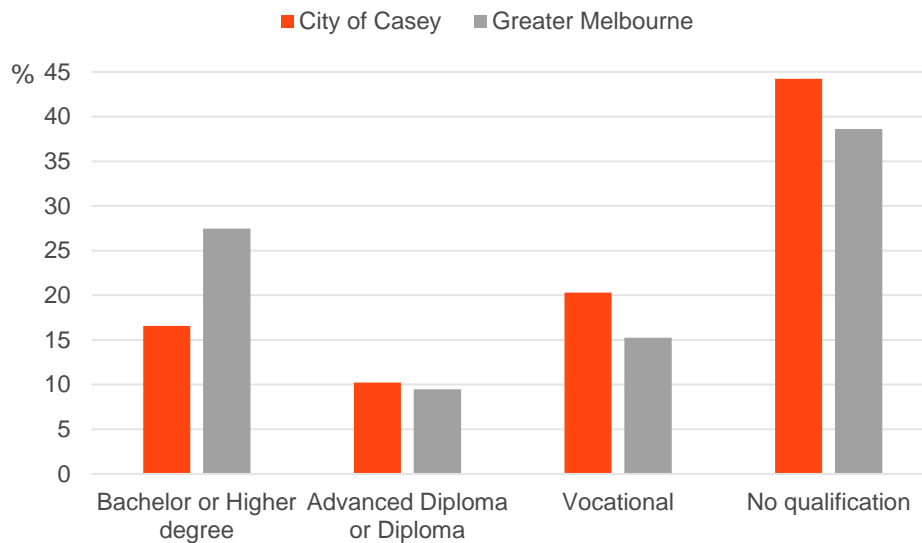
Figure 24 Income levels by household type, 2016



Source: ABS Census of Population and Housing, 2016

#### 4.1.1 Education

Educational qualifications relate to education outside of primary and secondary school and are one of the most important indicators of socio-economic status. The City of Casey has a lower level of educational attainment than the Greater Melbourne average, with 16.6% of the population aged 15 years or older having a university degree, compared with 27.5% across Greater Melbourne.

*Figure 25 Highest level of educational attainment, 2016*

Source: ABS Census of Population and Housing, 2016

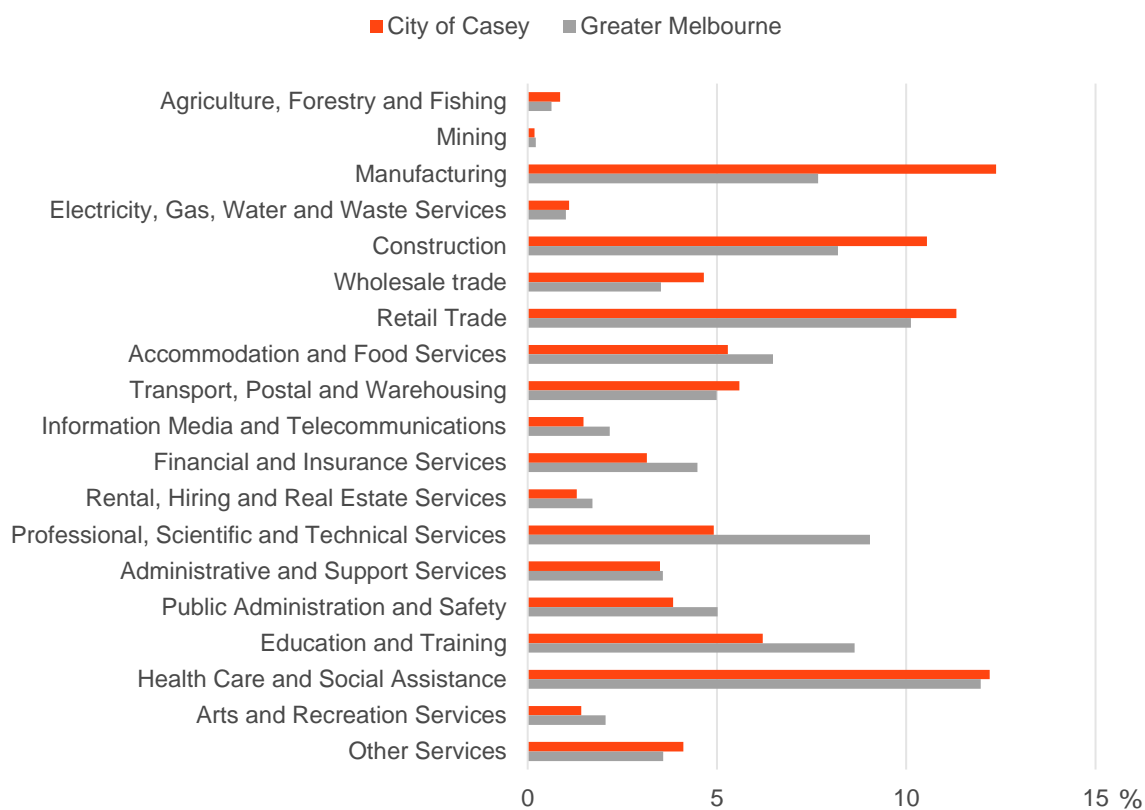
However, over the past 10 years, the education levels of Casey's residents have increased significantly. Between 2006 and 2016, the number of residents with a university degree more than doubled, with the proportion growing from 9.5% in 2006 to 16.6% in 2016. There have also been small increases in those with other qualification types, such as diplomas and vocational qualifications.

#### 4.1.2 Employment

In 2016, 64.2% of Casey residents aged over 15 years were participating in the labour force. Of these, 59% were employed full time, and a further 31.8% were employed part time, in line with the Greater Melbourne average. 7.2% of residents were unemployed, however more recent data from the March 2019 quarter suggests that the current unemployment rate in Casey is 5.41%.

The industry breakdown of employed residents in Casey is quite different to the Greater Melbourne average. Significantly higher proportions of people work in manufacturing and construction, and reflect the current education levels of residents. These industries are generally lower paid than those that are more common across Greater Melbourne, such as professional services, finance and education. However, over the past 10 years, there have been increases in the number of residents working in these higher paid industries. This is most likely driven by the increasing education levels in Casey.

Figure 26 Industry of employment, 2016



Source: ABS Census of Population and Housing, 2016

## 5. Housing stress

### Section Summary

- 15% of all households in the City of Casey are experiencing housing stress – meaning they have lower levels of income and spend more than 30% of their income on housing costs
- 9,079 households with a mortgage, or 19.1% are in mortgage stress
- Mortgage stress in the area is higher than the Greater Melbourne average, especially in Doveton, Hallam and Hampton Park – Lynbrook
- Lone person households are particularly at risk of mortgage stress, as are very low income families
- 32.2% of rental households are in stress, equating to 5,756 households
- Rental stress in Casey is a little higher than the Greater Melbourne average, and there is a significant number of very low and low income households that would require a more affordable rental property

### 5.1 Housing stress

Housing and income are inextricably linked, with household income influencing the type of dwelling occupied, and whether a household may be susceptible to housing affordability pressures.

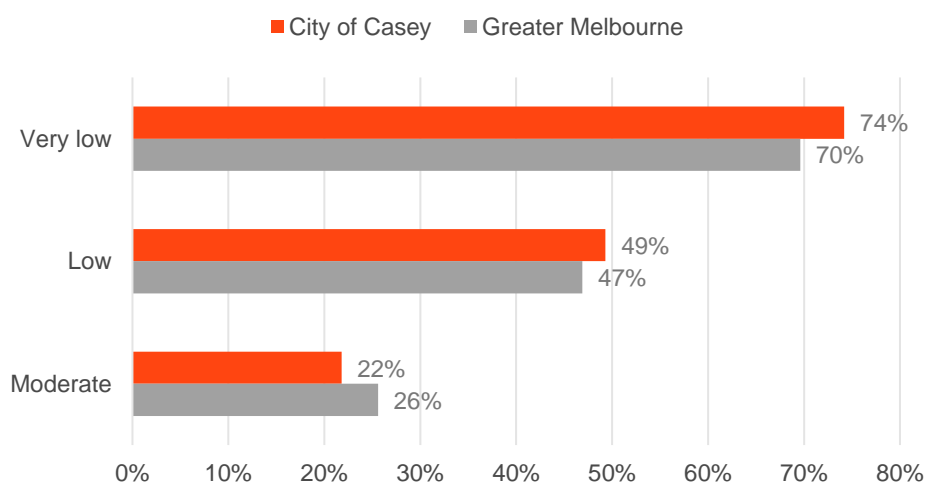
Rising house prices in Casey have caused increases in housing costs and difficulties for households in meeting their repayments. This is particularly the case for those households whose incomes have grown slower than the average or those households whose circumstances have changed, such as through ill health, the birth of a child or breakdown of a relationship. This makes saving for a deposit difficult, and provides a barrier to entry to the housing market.

Housing stress is a serious structural and social issue affecting communities across Australia's capital cities. Housing stress is a specific term, which refers to households having trouble meeting their rent or mortgage payments. The internationally accepted approach is that spending over 30% of income on housing costs is considered housing stress, or generally unaffordable.

## 5.2 Mortgage stress

At the time of the 2016 Census, 19.1% (9,079) of households with a mortgage were in stress – spending more than 30% of their weekly income on their mortgage repayments. This is a little higher than the Greater Melbourne average of 15.6%. The rate of mortgage stress differs by income level, with 74.2% (3,196) of very low income households with a mortgage being in stress, again higher than the Greater Melbourne average of 69.6%. However, households with a moderate income and paying off a mortgage in Casey are less likely to be in stress than those across Greater Melbourne.

Figure 27 Mortgage stress by income band, 2016



Source: ABS Census of Population and Housing, 2016

Mortgage stress affects different household types at different rates. Of particular concern in the City of Casey, is the high proportion of couples with children on very low incomes in mortgage stress, 80.6% or 1,600 households. Lone person households with a mortgage are also highly susceptible to stress, with the rate remaining at around 60% for each income band.

Figure 28 Mortgage stress by household type and income band, 2016

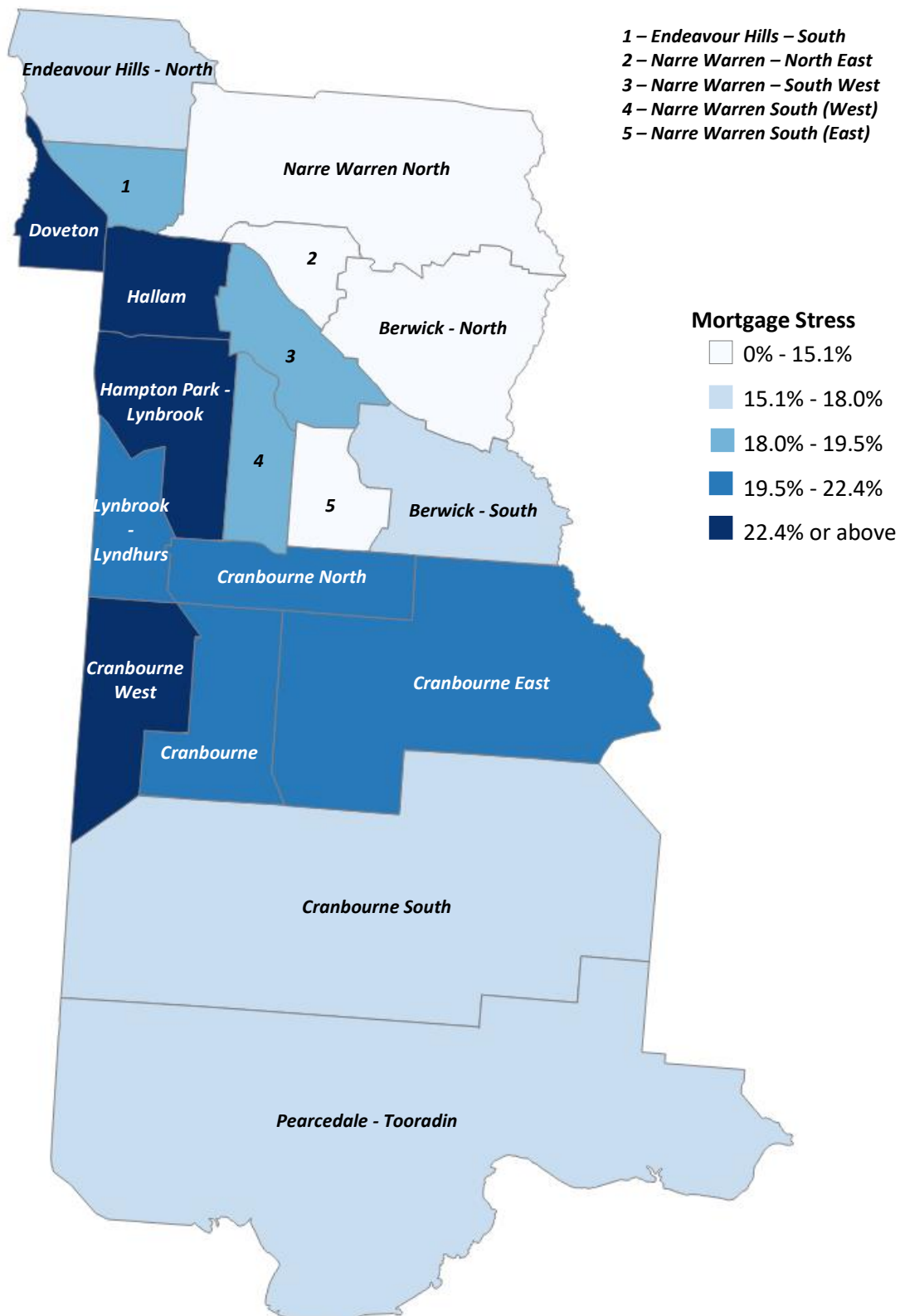
	Very low	Low	Moderate
<b>Lone person</b>	60.3%	60.5%	62.7%
<b>Couple without children</b>	68.1%	50.2%	33.9%
<b>Couple with children</b>	80.6%	52.1%	16.3%
<b>One parent household</b>	72.8%	34.3%	11.2%
<b>Group household</b>	72.9%	34.4%	17.9%

Source: ABS Census of Population and Housing, 2016

When looking at mortgage stress rates in the SA2s within Casey, a spatial pattern emerges. Mortgage stress is concentrated in the central part of the LGA, and in areas that have high

proportions of very low and low income households, such as Doveton, Hampton Park – Lynbrook and Cranbourne West.

Figure 29 Mortgage stress by SA2, 2016



### 5.2.1 Changes in mortgage stress

Please note, this section of the report uses the NATSEM definition of mortgage stress, which is defined as households in the lowest 40% of incomes who are paying more than 30% of their usual gross weekly income on home loan repayments. 2016 figures will not match those provided in previous sections.

Between 2011 and 2016, there was a small decrease in the proportion of households with a mortgage experiencing stress, from 15.4% to 14.2%. This decrease was a little larger than the Greater Melbourne trend, where mortgage stress decreased from 11.7% to 11.2%. The decrease is likely to be driven by a number of factors, including increasing income in Casey, and declining interest rates over the 5 year period. The increasing house prices in the area are unlikely to have had much effect, as mortgage stress counts all households with a mortgage, regardless of when they bought into the market.

Figure 30 Change in mortgage stress, 2011-2016

Area	2011 (%)	2016 (%)
Berwick	10.5	8.4
Botanic Ridge	8.2	5.8
Casey Coast	12.7	11.8
Casey Foothills (Harkaway – Narre Warren North)	11.3	9.3
Clyde	17.9	6.7
Clyde North	11.8	13.7
Cranbourne	17.8	13.5
Cranbourne East	15.6	16.3
Cranbourne North	15	14.8
Cranbourne South	12.4	11.6
Cranbourne West	20.2	16.6
Devon Meadows	20.4	13.5
Doveton – Eumemmering	23.6	17.8
Endeavour Hills	16.3	11.9
Hallam	19.8	17.6
Hampton Park	21.1	18.0
Junction Village	15.4	6.6
Lynbrook	15.8	14.6
Lyndhurst	13.5	12.9
Lysterfield South	6.8	0.0
Narre Warren	14.6	10.8
Narre Warren South	15.6	12.4
Pearcedale	13.9	11.9
<b>City of Casey</b>	<b>15.4</b>	<b>14.2</b>
<b>Greater Melbourne</b>	<b>11.7</b>	<b>11.2</b>

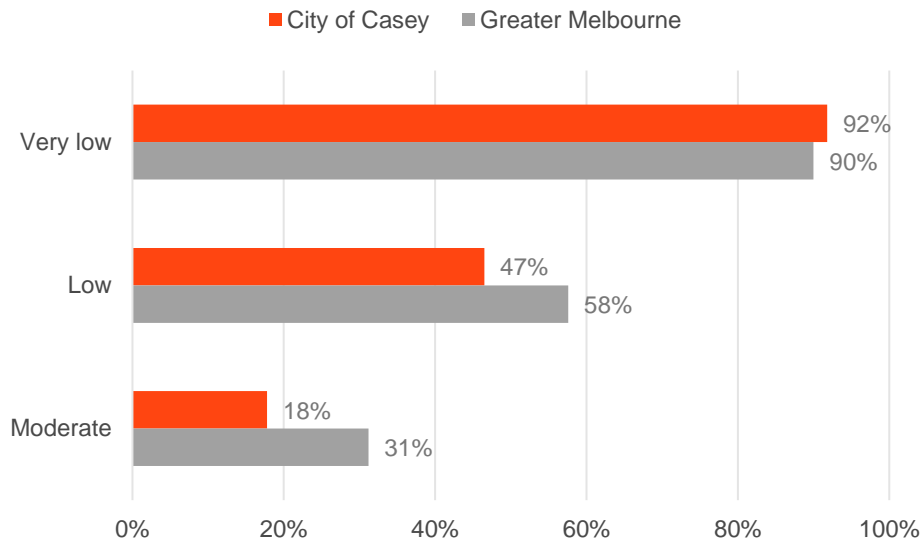


Source: ABS Census of Population and Housing, 2016

### 5.3 Rental stress

At the time of the 2016 Census, 32.2% (5,756) of households that were renting were in stress – spending more than 30% of their weekly income on their rental repayments. This is a little higher than the Greater Melbourne average of 30.5%. The rate of rental stress differs by income level, with 91.8% (3,384) of very low income households that are renting being in stress, again a little higher than the Greater Melbourne average of 90%. However, households with a low or moderate income and renting in Casey are far less likely to be in stress than those across Greater Melbourne. This suggests that renting in Casey is somewhat more affordable than other areas in Melbourne.

Figure 31 Rental stress by income band, 2016



Source: ABS Census of Population and Housing, 2016

Rental stress affects different household types at different rates. Of particular concern in the City of Casey, is the high proportion of couples with children on very low incomes in rental stress, 94.6% or 940 households. Similarly, one parent families on very low incomes also experience rental stress at a very high rate, 94% or 1,550 households. Lone person households that are renting are also highly susceptible to stress, with the rate remaining at around 80-85% for each income band.

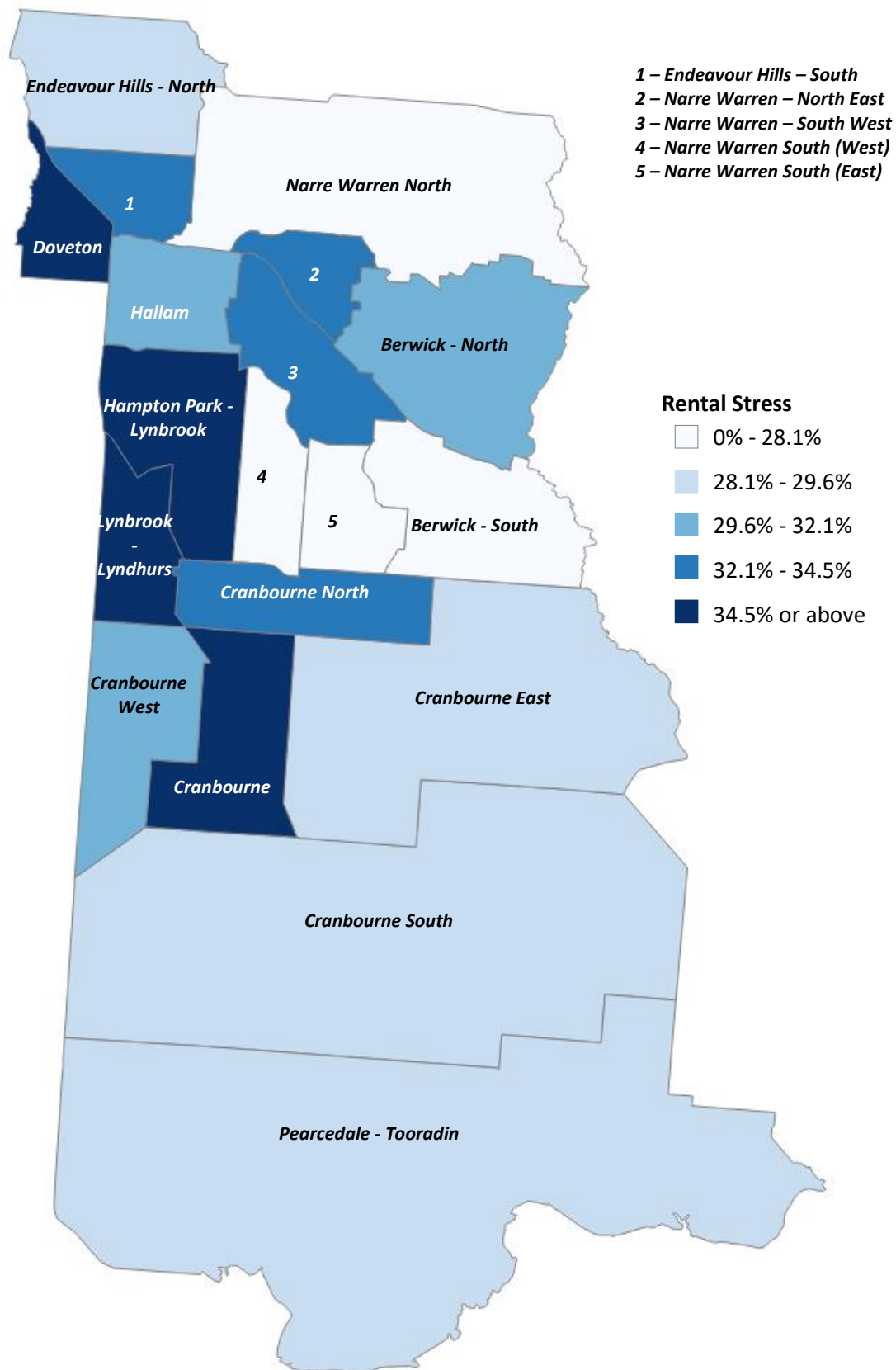
*Figure 32 Rental stress by household type and income band, 2016*

	Very low	Low	Moderate
<b>Lone person</b>	85.8%	88.1%	78.8%
<b>Couple without children</b>	84.1%	72.6%	18.2%
<b>Couple with children</b>	94.6%	34.3%	2.7%
<b>One parent household</b>	94.0%	39.3%	1.8%
<b>Group household</b>	87.3%	62.4%	7.4%

Source: ABS Census of Population and Housing, 2016

When looking at rental stress rates in the SA2s within Casey, a spatial pattern emerges. Mortgage stress is concentrated in the central and eastern parts of the LGA, and in areas that have high proportions of very low and low income households (please see Section 4.1), such as Doveton, Hampton Park – Lynbrook and Lynbrook - Lyndhurst.

Figure 33 Rental stress by SA2, 2016



### 5.3.1 Changes in rental stress

Please note, this section of the report uses the NATSEM definition of rental stress, which is defined as households in the lowest 40% of incomes who are paying more than 30% of their usual gross weekly income on rental payments. 2016 figures will not match those provided in previous sections.

Between 2011 and 2016, there was an increase in the proportion of rental households experiencing stress, from 27.6% to 29.7%. However, this increase was a little smaller than the Greater Melbourne trend, where rental stress increased from 24.9% to 27.4%. The increase is likely to be driven by an increased demand for rental properties, coupled with increasing rental costs.





*Figure 34 Change in mortgage stress, 2011-2016*

Area	2011 (%)	2016 (%)
Berwick	23.4	25.1
Botanic Ridge	31.6	16.3
Casey Coast	25.5	30.2
Casey Foothills (Harkaway – Narre Warren North)	18.2	8.6
Clyde	10.8	25
Clyde North	27.3	24.2
Cranbourne	33.4	31.2
Cranbourne East	27.0	23.7
Cranbourne North	28.9	28.2
Cranbourne South	11.8	9.8
Cranbourne West	33.4	29.5
Devon Meadows	10.3	6.8
Doveton – Eumemmering	30.3	34
Endeavour Hills	28.8	23.6
Hallam	28.8	19.8
Hampton Park	29.8	30.3
Junction Village	34.7	30.6
Lynbrook	17.4	25.1
Lyndhurst	23.3	11.4
Lysterfield South	0.0	0
Narre Warren	29.1	29.3
Narre Warren South	25.5	18.5
Pearcedale	17.8	17.3
<b>City of Casey</b>	<b>27.6</b>	<b>29.7</b>
<b>Greater Melbourne</b>	<b>24.9</b>	<b>27.4</b>

Source: ABS Census of Population and Housing, 2016

## 6. Is housing affordable in Casey?

### Section Summary

-  The housing market does not currently provide sufficient supply for very low and low income home purchasers. Just 7% of sales in 2018 were affordable for low income households
-  As a result of house purchasing being unaffordable, renting is more common in lower income areas such as Doveton and Hampton Park
-  There is little price diversity in the current private rental market, with the majority of rental listings costing between \$300 and \$400 per week
-  These price points mean that there is limited supply of affordable rentals for very low and low income households

### 6.1 Home ownership

Another way to look at housing affordability is to compare what is affordable to what is being provided in the private market. This analysis compares the affordable housing purchase price points for different households with the median house price in Casey.

In order to develop policies to assist in the provision of affordable housing, it is important to understand the potential property prices households on very low, low and moderate could afford.

Estimates of what is affordable is calculated based on a number of assumptions including interest rates, loan period, deposit requirement and affordability threshold.

The following assumptions are made to estimate affordable housing purchase price points for different households:

- Interest rate: 5.03%
- Loan period: 30 years
- Deposit requirement: 20%
- Affordability threshold: 30% of gross household income

The table below outlines the potential property price that could be considered affordable for each income bracket, as determined by the Planning and Environment Act 2019/20 income brackets. For example, based on current interest rates, a 30 year loan term and a 20% deposit, a household on a

very low income could purchase a property priced at \$247,000 or less, without spending more than 30% of their income on their mortgage repayments.

Income bracket	Affordable purchase price
<b>Very low</b>	Up to \$247,000
<b>Low</b>	Up to \$395,000
<b>Moderate</b>	Up to \$593,000

Source: .id and Planning and Environment Act, 2018.

Over the 2018 calendar year, there were 5,938 property sales in the City of Casey, one of the highest number of property sales across Greater Melbourne. However, very few of these sales were affordable to households in the vulnerable income brackets. Just 33 sales in 2018 were affordable to households on very low incomes, representing 0.6% of total sales. Households on low incomes fared only a little better, with 419 sales that would have been affordable, or 7.1%. The current housing market provides well for households on moderate incomes, with approximately half of all sales in 2018 being affordable to this group.

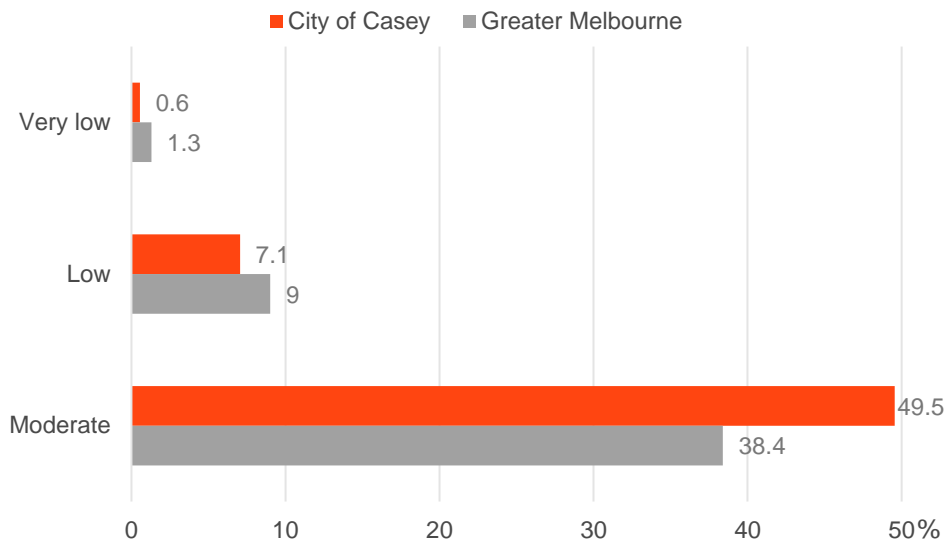
*Figure 35 Number and proportion of affordable sales in City of Casey, 2018*

	Number of affordable sales	% of affordable sales
<b>Very low</b>	33	0.6%
<b>Low</b>	419	7.1%
<b>Moderate</b>	2,942	49.5%

Source: HomeTrack, 2019

The City of Casey, as a greenfield area, has a reputation for being one of the more affordable areas of Melbourne in which to purchase a home. The data for 2018, however, shows that when comparing the proportion of sales that would have been affordable to households on very low and low incomes to the Greater Melbourne average, fewer sales in Casey were affordable to these groups. However, as mentioned above, the Casey housing market caters well for those on moderate incomes.

Figure 36 Proportion of affordable sales, 2018



Source: HomeTrack, 2019

## 6.2 Renting

In order to develop policies to assist in the provision of affordable housing, it is important to understand the potential rental costs households on very low, low and moderate could afford.

Estimates of what is affordable is calculated based on the affordability threshold of spending 30% or less of gross household income on rental costs per week.

The table below outlines the potential rental costs that could be considered affordable for each income bracket as determined by the Planning and Environment Act 2019/20 income brackets. For example, a household on a very low income could rent a property priced at \$248 per week or less, without spending more than 30% of their income on their rental payments.

Income bracket	Affordable rental cost (per week)
<b>Very low</b>	Up to \$248
<b>Low</b>	Up to \$396
<b>Moderate</b>	Up to \$595

Source: .id and Planning and Environment Act, 2018.

Over the 2018 calendar year, there were 6,676 rental listings in the City of Casey, again, one of the highest number of listings across Greater Melbourne. However, very few of these listings were affordable to very low income households, the most vulnerable group in the housing market. Just 20 rental listings in 2018 were affordable to households on very low incomes, representing 0.3% of total listings. Households on low and moderate incomes were well catered for in the Casey rental market, with 59% and 98% of listings being affordable.

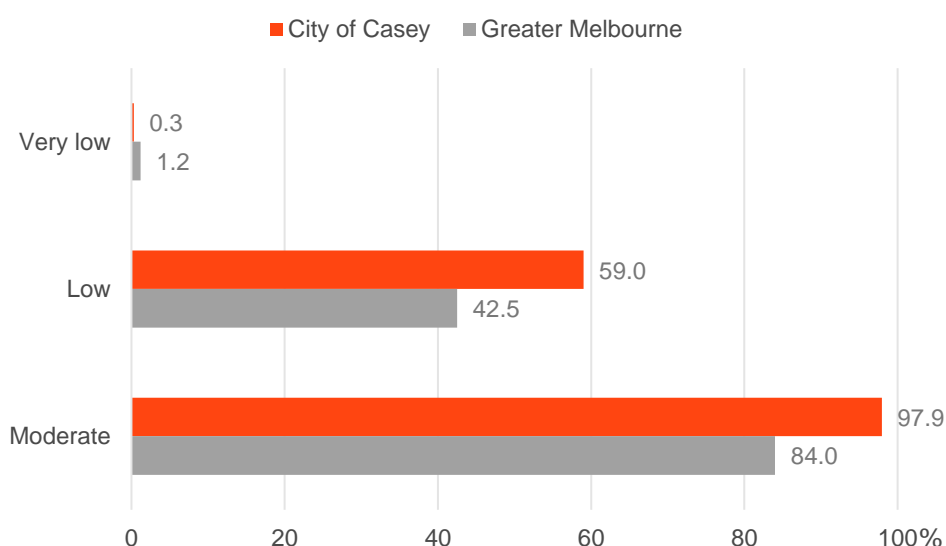
Figure 37 Number and proportion of affordable rentals in City of Casey, 2018

	Number of affordable sales	% of affordable sales
<b>Very low</b>	20	0.3%
<b>Low</b>	3,939	59.0%
<b>Moderate</b>	6,539	97.9%

Source: HomeTrack, 2019

The City of Casey, in the Melbourne context is a highly affordable area to rent in, providing higher proportions of listings affordable for low and moderate income households. However, it provides a lower proportion of listings that would be affordable to households on very low incomes. This is of concern as this group is highly vulnerable to rental stress and in extreme cases, homelessness.

Figure 38 Proportion of affordable rentals, 2018





Source: HomeTrack, 2019



## 7.Homelessness in Casey

### Section Summary

-  The City of Casey currently has a homelessness rate of 93 persons per 10,000 population, much higher than the Greater Melbourne rate of 88 persons per 10,000
-  Almost 1,000 people are living in severely overcrowded dwellings, and approximately one third of those were born in Afghanistan, which suggests that already vulnerable communities are at risk of homelessness

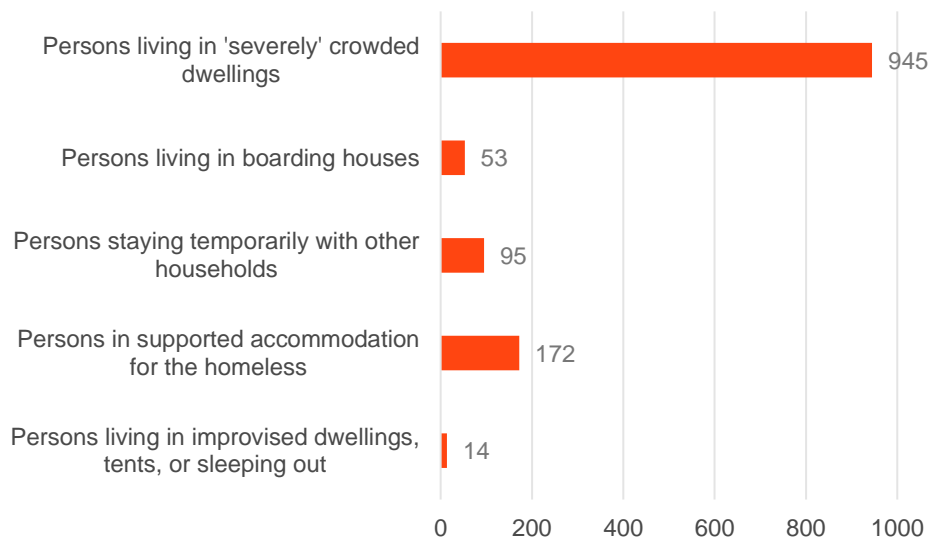
The most severe form of housing stress is homelessness, which is the inability to maintain an adequate standard of shelter for day-to-day life. It is not just the visible homelessness of people sleeping rough, but includes people staying temporarily with friends and relatives, in shelters and refuges, as well as marginally housed people<sup>4</sup>.

In 2016, the ABS estimated a total of 1,285 homeless persons in Casey, a significant increase from 932 people in 2011. There were also a further 1,492 people living in other marginal housing types. The largest homeless group in Casey is persons living in severely crowded dwellings, followed by persons in supported accommodation. The overall increase in homelessness has been driven by a significant increase in the number of people living in severely crowded dwellings. The homeless rate<sup>5</sup> was 93 persons per 10,000 of the population in 2016, a significant increase from 81 in 2011. This rate is well above the metropolitan average of 88.

The majority of homeless persons in the City of Casey are located in the more established areas of the LGA, including Hampton Park – Lynbrook (17.7%), Narre Warren South (15.7%) and Doveton (11%). These areas are close to the service hubs of Narre Warren and Dandenong.

<sup>4</sup> The ABS define this group as Persons living in other crowded dwellings; Persons in other improvised dwellings; and Persons who are marginally housed in caravan parks.

<sup>5</sup> Includes all homeless groups plus other marginal housing (e.g. living in other crowded dwellings)

*Figure 39 Homeless operational groups, 2016*

Source: ABS Census of Population and Housing, Homelessness estimates, 2016

## 7.1 Overcrowding

The City of Casey has highlighted severely overcrowded dwellings as a significant issue in the area. People living in severely overcrowded dwellings are defined as those who were living in a private dwelling that according to the Canadian National Occupancy Standard (CNOS)<sup>6</sup>, requires four or more extra bedrooms to accommodate them.

Of the 945 people living in severely overcrowded dwellings in Casey, 71% were born overseas, with approximately a third being born in Afghanistan. A significant proportion of Afghan born people in Australia arrived on humanitarian grounds, which suggests that severe overcrowding affects already highly vulnerable populations. Data on the relationships between people in severely overcrowded dwellings suggests this affects families in Casey, especially those which may have children in their late teens or early twenties still living at home.

<sup>6</sup> For further information on the Canadian National Occupancy Standard please see Appendix One

## 8. Social and Affordable housing need

### Section Summary

- ▾ Approximately 5,655 households are currently in need of affordable housing, which equates to 5.9% of all households in Casey
- ▾ One parent families and lone person households are more likely to be in housing need
- ▾ Affordable housing need is forecast to grow to 10,200 households by 2041, representing 5.6% of households

Housing affordability is a significant issue in Casey with many households unable to afford market housing or requiring financial assistance to support private rental costs.

Recent housing cost escalation has effects across the continuum of households, incomes and tenures (Figure 37), with many households unable to afford market housing or requiring housing assistance to pay private market rent.

Figure 40 Housing Supply Continuum

### Housing Supply Continuum



Source:




Greater Sydney Commission 2016, adapted from City of Sydney Housing Issues Paper 2015

### 8.1 Housing need concept

In this report affordable housing need is defined as:

*“the aggregate of households unable to access market provided housing or requiring some form of housing assistance in the private rental market to avoid a position of rental stress” (AHURI, Modelling housing need in Australia to 2025)*

Housing need is estimated for the following groups in Casey:

-  Homeless
-  Marginally housed<sup>7</sup>
-  Very low, low and moderate income households in rental stress as per the Planning and Environment Act income bands

Unmet need is based on the groups above, and excludes households in social housing as their need is met.

In some cases, rental stress is only a temporary state. For example, some households within housing stress may have temporarily lower incomes due to short-term unemployment or on parental leave or may be looking to move into a more affordable house after a break up or separation. Many of these households may exit housing stress once they return to work or move house. The latest HILDA (2018) report examined persistence of housing stress from one year to the next. The research found that in the 2013 to 2016 period, 49.2% of those in housing stress in year one were also in housing stress in the next year.

To estimate housing need, it is assumed that 50% of rental stress is households in temporary stress.

### 8.1.1 Social housing

In 2016, there were 1,578 households living in social housing in the City of Casey, representing 1.6% of total households. This is a little lower than the rate across Greater Melbourne, where 2.6% of households live in social housing. Approximately 20% of social housing dwellings within the municipality are located in Doveton-Eumemmering, with Cranbourne (15%), Endeavour Hills (12%) and Narre Warren (10%) also having a large share of the social housing stock. This highlights that the majority of stock is in the established areas of Casey. There is very little social housing in the growth areas, with the 2016 Census data showing there were no social housing dwellings in Casey's newest suburbs, Clyde and Clyde North.

Of the households who live in social housing, the vast majority are couples with children (28%) or one parent families (46%). Very few residents of working age are participating in the labour force, just 38%, and of those 35% are working full time, and 28% are unemployed.

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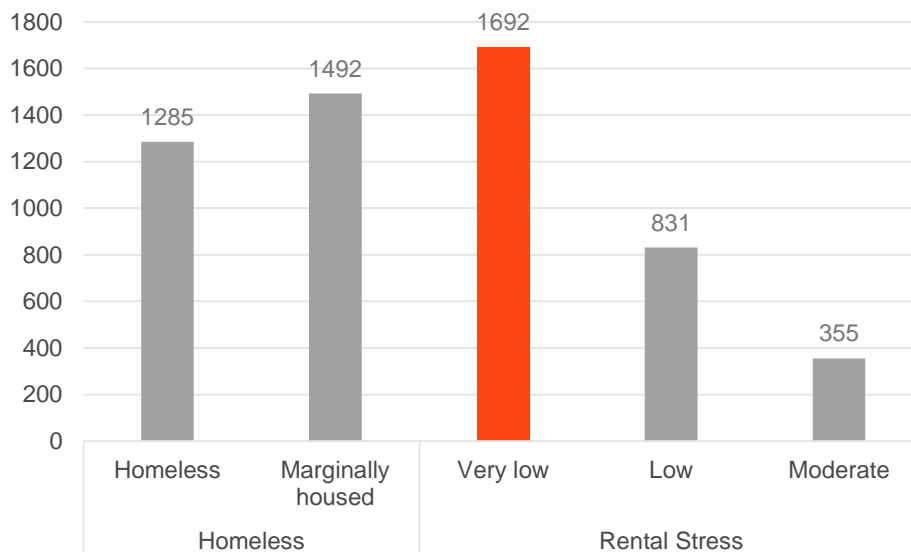
<sup>7</sup> Marginally housed includes: those living in crowded dwellings (not severely overcrowded), persons living in other improvised dwellings (not tents or sleeping out), and persons marginally housed in caravan parks.

## 8.2 Current social and affordable housing need

Based on this housing need model for 2016, it is estimated that around 5,655 households have an unmet need for affordable housing in Casey. This represents 5.9% of all households in Casey, which is a little lower than the Greater Melbourne average of 6.3%. This indicates a significant gap between affordable housing demand and affordable housing supply. To put this gap into context, it would take around 15 years to meet this current level of need if 10% of all dwelling completions in Casey were affordable housing. This does not take into consideration the likely increase in affordable housing demand that would occur within these 15 years.

The group with the largest unmet need are households in rental stress on very low incomes. However, there are also similarly high numbers of homeless and marginally housed in need.

Figure 41 Total unmet affordable housing need, 2016



Source: .id

## 8.3 Need by household type

Different household types are more likely to be affected by rental stress, and therefore affordable housing need, than others. Overall, in the City of Casey, one parent families are most likely to find themselves in need of affordable housing, at a rate of 8.3%.

*Figure 42 Unmet affordable housing need by household type, 2016*

	Very low	Low	Moderate	Total	As % of household type
<b>Lone person</b>	301	126	257	683	4.9%
<b>Couple without children</b>	90	170	50	310	1.5%
<b>Couple with children</b>	468	300	25	793	1.8%
<b>One parent household</b>	773	169	6	948	8.3%
<b>Group household</b>	31	44	9	84	4.0%
<b>Other Household</b>	29	23	10	61	1.2%
<b>Homeless</b>				1285	
<b>Marginally housed</b>				1492	
<b>Total</b>	1692	831	355	5655	5.9%

Source: .id

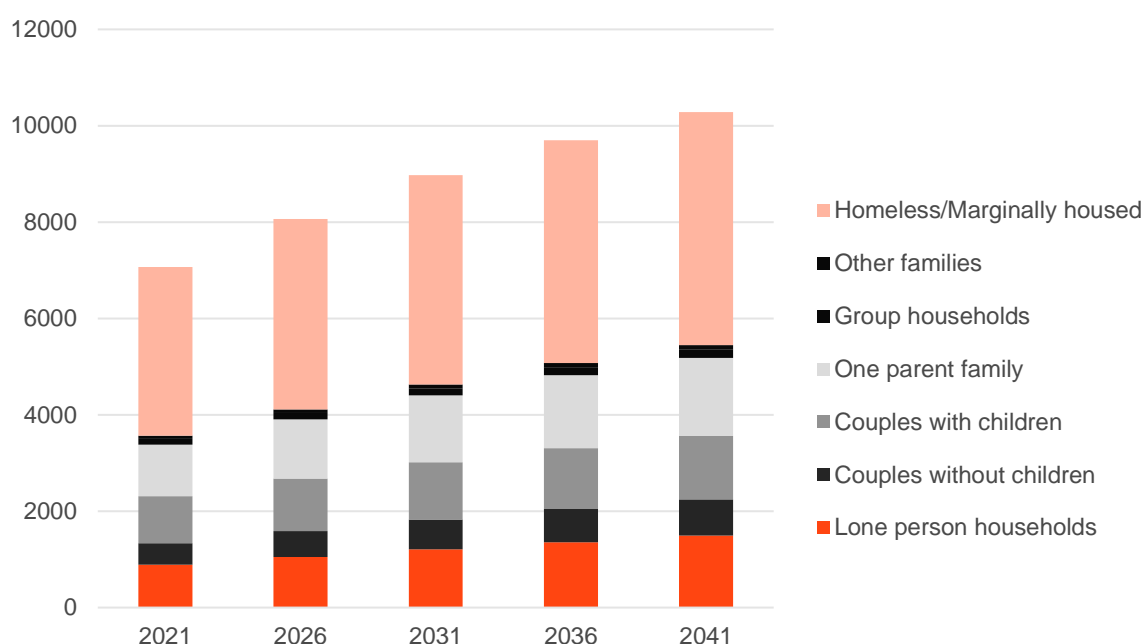
Lone person households and one parent families in housing need are concentrated in the more established areas of Casey with high proportions of low income households, such as Doveton – Eumemmering, Cranbourne and Hampton Park.

## 8.4 Forecast social and affordable housing need

By 2041, housing need in Casey is forecast to exceed 10,200 households, representing 5.6% of all households. While this rate is marginally lower than the current rate of housing need, it represents an additional 4,600 households. The model assumes that the existing proportion of rental stress remains constant throughout the forecast period. However, it has been assumed that the rate of homelessness declines over the forecast period, to the current Greater Melbourne average of 88 persons per 10,000.

The projected increase in housing need is driven by the forecast increase in lone person and couple without children households. These household types are more likely to experience rental stress (as outlined in Section 5.2).

Figure 43 Forecast unmet affordable housing need, 2021-2041



Source: .id

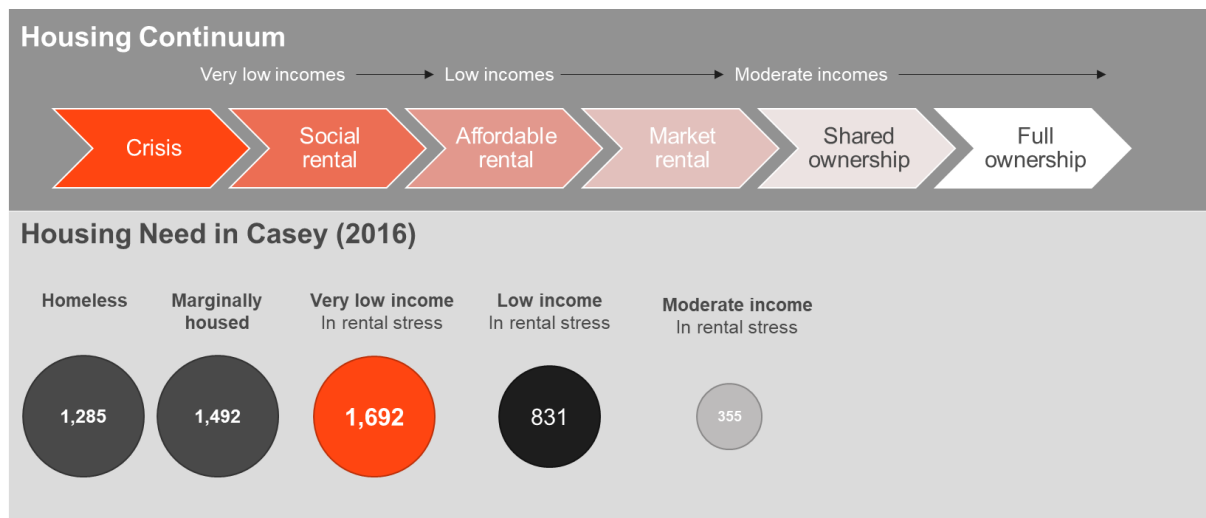
## 8.5 Implications

The analysis outlined in this report has shown there is a significant gap in the demand for affordable housing and the supply of social or affordable housing. It would take around 15 years to meet the current level of need (5,655 households) if 10% of all dwelling completions in Casey were affordable housing, based on current construction rates. To meet total future housing need by 2041 (existing need plus growth), then 12% of new dwellings built would need to be affordable.

The housing continuum diagram below outlines the types of affordable housing solutions that may be suitable for each type of housing need. Given the large number of homeless and marginally housed persons in Casey in 2016 and the projected increase in this number, it is suggested that more crisis accommodation is required in the area. By 2041, Casey may need approximately 4,800 crisis accommodation places to support and house this population group.

Additional social housing is likely to be needed in Casey to support households on very low incomes. Those on very low income are unlikely to be able to afford private market rentals, or even targeted affordable solutions. Social housing that is indexed to their income level is likely to be the best provision for this group.

Figure 44 Housing continuum



Source: .id






There are also further social implications of housing affordability issues. They undermine the diversity and vibrancy of a community which is a strength. Increasing rents and real estate prices in Casey go hand-in-hand with increasing inequality. While incomes are increasing in Casey overall, it means that many households, even moderate income households, face added costs pressures and risk living in higher levels of stress or being pushed out of the municipality altogether. Housing stress limits the ability of residents to live a good life, because after covering their housing costs they do not have enough money left over to pay for other costs like food, power bills, transport, and education. Over the long-term, living in housing stress can damage health, reduce educational attainments and limit life prospects.

Rising housing costs also threaten to remove opportunity, by pushing very low, low and moderate income households further away from job opportunities, services and access to public transport. Evidence of this is the number of people migrating from the inner and middle ring suburbs of Melbourne, to Casey (a net gain of 18,200 people between 2011 and 2016) which is relatively affordable in comparison, but in some areas does not have the job opportunities, services and access to public transport.



## 9. Achieving an affordable future in Casey

Responding to the findings of this research is a complex and multi-faceted exercise that will involve multiple stakeholders and levels of Government. The following items will be a necessary consideration:

-  Recognising that diversity is a strength for any community. Diverse communities are more sustainable, equitable and healthy in the long term as they foster social cohesion and are able to maintain a range of services and facilities useful to all age groups.
-  Housing choice, provided across the wide spectrum of income levels, will help meet the changing needs of households which is being driven by demographic, economic and lifestyle factors. For example, the population in the more established areas of Casey is ageing, with growing proportions of elderly residents. These areas will need greater dwelling diversity to allow for downsizing or supported living developments.
-  House price escalation impacts on households right across the continuum of households, incomes and tenures. This is evident in the range of household types and spread of incomes experiencing mortgage and rental stress.
-  A greater understanding of the associated costs of living in Casey is vital, in regard to transport costs, utilities and the opportunity costs of living further from established infrastructure. Such associated costs may be diminished by providing greater amenity and public transport connections into new housing estates
-  Social housing infrastructure and support services for the homeless or financially stressed are lacking in the growth areas of Casey. Should Council look at increasing provision, a decision will need to be made in regards to expanding into the growth areas, or concentrating social housing in areas already providing this service.

The research presented in this report provides a thorough analysis of housing in Casey now and into the future, and will ensure that an informed, evidence based response to the trends and challenges for housing in Casey can be prepared.

## Appendix 1

The concept of overcrowding is based upon a comparison of the number of bedrooms in a dwelling with a series of household demographics such as the number of usual residents, their relationship to one another, their age and their sex.

There is no single standard or measure for housing utilisation, however the CNOS is widely used internationally and the ABS uses it for its measures of crowding for other purposes. It is a suitable standard for use with Census data because all of the required variables for its calculation are available from the Census, although family coding limits the suitability of it in large complex family households, and where persons may be temporarily absent on Census night.

The CNOS is sensitive to both household size and composition. The measure assesses the bedroom requirements of a household by specifying that:

- there should be no more than two persons per bedroom;
- children less than 5 years of age of different sexes may reasonably share a bedroom;
- children less than 18 years of age and of the same sex may reasonably share a bedroom;
- single household members 18 and over should have a separate bedroom, as should parents or couples;
- a lone person household may reasonably occupy a bed sitter.