

4.0 Trends and Housing Implications

This Chapter summarises current demographic characteristics and outlines key trends likely to drive demand for housing in Randwick City in the future. Appendix A contains a detailed population and housing profile.

Subsequent chapters in this Discussion Paper examine the implications of these trends on housing provision into the future and suggest ways that they can be accommodated in a review of the Council's local planning controls.

4.1 Demographic Change

Over recent decades Randwick City has experienced a slow yet steady population growth. In addition its population is ageing and the household occupancy is decreasing (i.e. there are fewer people per dwelling). These factors, outlined below (and in greater detail in Appendix A), will influence demand for dwellings and the need to plan for appropriate housing types.

4.1.1 Population Growth

The resident population of Randwick City has maintained slow yet steady rate of growth since the early 1990s and reversing the population reductions experienced since its peak in 1971, as illustrated in Fig 12 and Table 2. The population at the 2006 Census was 122,173, which was an increase of 3268 people since the 1996 Census.

Between 1996 and 2006 the population of Randwick City grew at an average of 2.7% which was considerably lower than across Sydney (10.9%) over the same period.

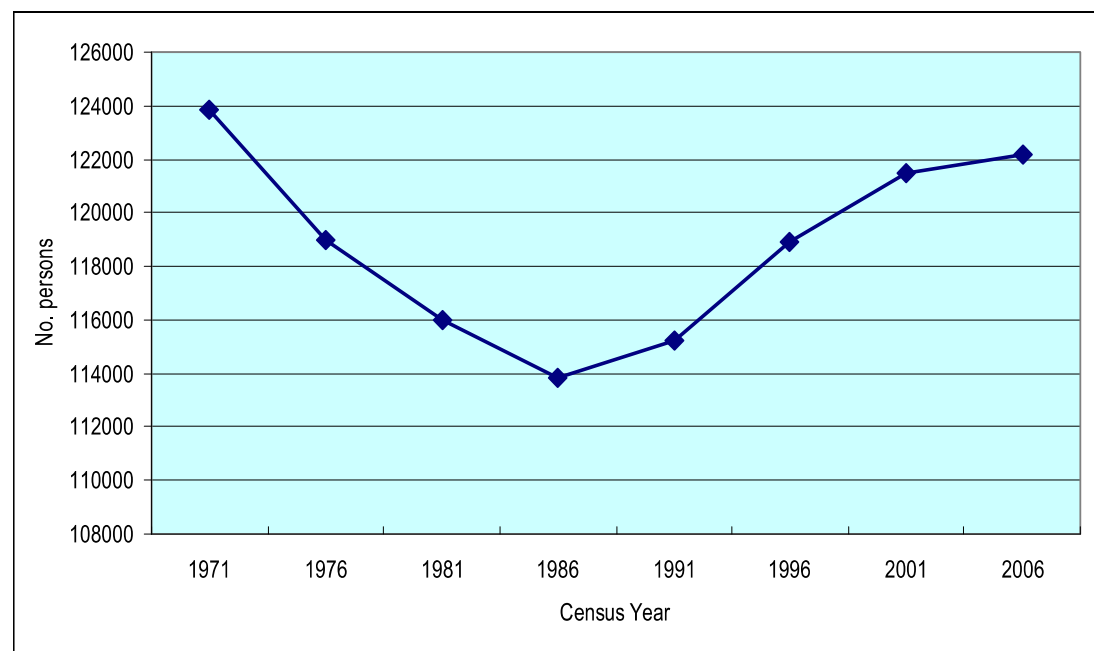


Fig 12: Population change 1971 – 2006 Source: ABS 2006

Table 2: Population Trends

	2006		2001		1996	
	Randwick City	Sydney SD	Randwick City	Sydney SD	Randwick City	Sydney SD
Population⁽¹⁾	122,173	-	121,497	-	118,905	-
Population growth (Previous 5 years)	0.6%	3.8%	2.2%	6.8%	3.1%	5.7%

Source: ABS 2006

Nb: Sydney SD refers to Sydney Statistical Division

4.1.2 Age Structure

The population of Randwick City is ageing and this trend is expected to continue consistent with Sydney metropolitan wide trends. One indicator of the ageing population is the increasing median age which has steadily increased from 33 to 35 years at each Census year from 1996 to 2006.

Randwick City also has higher proportions of young people (i.e. 18 – 34 years) and lower proportions of children (under 17 years) than Sydney.

4.1.3 Future Direction in Population

Population forecasts indicate that the resident population of Randwick City will continue to grow at a slow yet steady rate, increasing in the range from approximately 10,000 to 15,000 over the next 20 years to 2031.

This represents an annual growth rate of approximately 0.3% - 0.5%.

The population will continue to age and by 2031 older people (50 years+) are expected to represent about 31% of the City's population (currently about 28% of the population). Decline in the proportion of young people (18-24 years) may continue, as housing costs increase.

Further detail on population statistics is provided in Appendix A.

4.2 Households

4.2.1 Household Size and Type

As illustrated in Table 3, between 1996 and 2006, Randwick City's trend was towards smaller households with the average number of persons per dwelling decreasing from 2.42 persons per dwelling in 2001 to 2.35 persons per dwelling in 2006. This was lower than the Sydney average of 2.65 (ABS 2006).

Randwick City's average household size reflects a high proportion of one person households which represents some 12,700 households (or 26.2% of all households compared to 21.8% across Sydney) (ABS 2006).

There are also a significantly higher proportion of group households, comprising 8.9% of total households (3.9% for Sydney) though this figure has been steadily declining since 2001.

The City also has a high number of renters with 42.2% of dwellings rented compared to 29.7 % across the Sydney SD. Housing prices, popularity of the inner city, availability of smaller dwellings (e.g. flats) and high numbers of students are most likely responsible for these trends.

Table 3: Household trends

	2006		2001		1996	
	Randwick City	Sydney SD	Randwick City	Sydney SD	Randwick City	Sydney SD
Av. Household Size	2.35	2.65	2.42	2.71	2.42	2.73
One person households	26.2%	21.8%	25.4%	21.3%	26.6%	21.5%
Group Households	8.9%	3.9%	9.4%	4.1%	9.6%	4.5%
% of all dwellings rented	42.2%	29.7%	41.8%	29%	42.4%	29.3%

Source: ABS 2006

4.2.2 Future Direction in Household Characteristics

The trend towards smaller household size is forecast to continue with an average predicted decrease to 2.28 persons per dwelling by 2031. This has implications for housing demand as additional dwellings will be required to house the same population.

A likely increase in lone person and couples without children households will be partially driven by the City's ageing population and a high proportion of young professionals who are having children later in life or no children at all.

There is likely to be a continued strong demand for group housing reflecting the student population and high cost of housing. Similarly the strength in the rental market is set to continue reflecting the location and high housing purchase costs.

4.3 Income

4.3.1 Income characteristics

There are two distinct income groups within Randwick City. A significant proportion of households in Randwick City (32%) are classified as high income households (those earning \$1,700 per week or more) compared with 29.5% in Sydney.

Conversely about 17.5% of households are classified as low income (those earning less than \$500 per week) which is higher than Sydney (16.8%).

The proportion of low income households is likely a result of the higher proportion of 18-24 year olds, particularly students together with public housing residents.

4.3.2 Future Direction in Income characteristics

The key likely trends for the City in terms of income characteristics over the medium to longer term are for continued:

- Increasing median individual income level compared to Sydney
- Increasing proportion of high income individuals; and
- Increasing proportion of low income individuals.

4.4 Workforce, Employment and Transport Characteristics

The key statistics which provide a reasonable snap shot of workforce, employment and transport characteristics of the City are indicated in Table 4 below, with comparisons to the Sydney SD.

Table 4: Workforce, Employment and Transport Characteristics

Total residents employed	59,236 (25.4% work within LGA)
Leading industry sector	Health Care and Social Assistance (6,948 persons or 11.8%)
Declining Industry sectors	Manufacturing, Transport and Storage and Wholesale Trade
Dominant Occupation Categories	Professionals (31%); Clerical and Administrative and Managers (16%)
Declining occupation categories	Labourers (5.3%) Machinery Operators And Drivers (3.4%)
Public transport use by residents	26%
Sydney SD	18%
Walk to work	6%
Sydney SD	4%
Households with no vehicles	19%
Sydney SD	13%

The key characteristics of the City's workforce, employment and transport use are:

- Close to 60,000 residents are employed (or actively seeking work) which equates to a labour force participation rate of 58%, similar to the Sydney SD participation rate
- A high proportion of residents live and working within the LGA
- About 33% of total employed residents work in the Sydney CBD
- The three largest industry sectors are Health Care and Social Assistance; Professional, Scientific and Technical Services; and Education and Training reflecting the location of major employment centres including UNSW, Hospitals, TAFE and associated health and medical businesses
- Residents employed in Manufacturing; Transport and Storage; and Wholesale Trade which have traditionally provided a large proportion of blue collar jobs in the City are now declining. Similarly, a smaller proportion of residents are employed as Labourers and Machinery Operators/Drivers compared to Sydney SD
- The proportion of persons employed as Professionals is significant compared to Sydney SD (31% compared to 23%); and
- On a number of indices, Randwick City performs better in sustainable transport than other parts of Sydney SD such as high use of public transport, walking to work and the number of households with only one or no vehicles.

4.4.1 Future Direction in workforce, employment and Transport

The above statistics and other Council background studies³ indicate that the likely changes in workforce, employment and transport in the medium to long term are:

- The bulk of the City's workforce will continue to be concentrated in health and education industries
- Employment in the City is narrowing around a few key occupation categories, namely professional, managers and administrators
- Employment growth will continue in the industrial area around Port Botany and in the Randwick Health and Education Specialised Centre; and
- Randwick City's high quality residential areas and amenity will continue to attract a high quality workforce which is critical to support the ongoing strength of the employment lands.

³ Randwick Economic Activity Study, October 2008

4.5 Dwelling Production

4.5.1 Number of Dwellings

Randwick City has a total of 54,571 dwellings reflecting an increase of 4.6% (6,501 additional dwellings) since 1999⁴. Most of the additional residential development over the last 10 years has resulted mainly from development within town centres, small scale infill developments and large scale redevelopments on surplus Government sites, now redundant to their initial purpose.

The average dwelling density in 2010 was 14.58 dwellings per hectare over the entire LGA and 40.57 dwellings per hectare for land zoned residential.

Housing density is highest in the north of the City at Randwick, Coogee and Kingsford and declines towards the south of the City (see Fig 13).

4.5.2 Housing Type/Mix

Randwick City's urban landscape contains a diversity in housing types.

Compared to Sydney Randwick City has a much higher proportion of multi-unit residential development including residential flat buildings (36.6% for Randwick City compared to 17.3% in Sydney) and much lower proportion of single dwelling houses (29.8% in Randwick City compared to 57.1% in Sydney SD). There is also a greater proportion of medium density residential development such as townhouses and villas (25.1%) compared to 17.4% in Sydney.

Single dwelling housing is located throughout the LGA with greater concentrations in the central and southern suburbs including Malabar, Chifley and Matraville. Medium density and multi-unit development such as townhouses and residential flat buildings is generally located around the town centres and transport routes in areas such as Kingsford, Kensington and Maroubra and the coastal suburbs.

A further discussion on housing diversity is contained in Chapter 7.

⁴ 2010 Metropolitan Development Program data. This is slightly higher than the Census estimate of 53,034 dwellings (which is a count of occupied private dwellings)

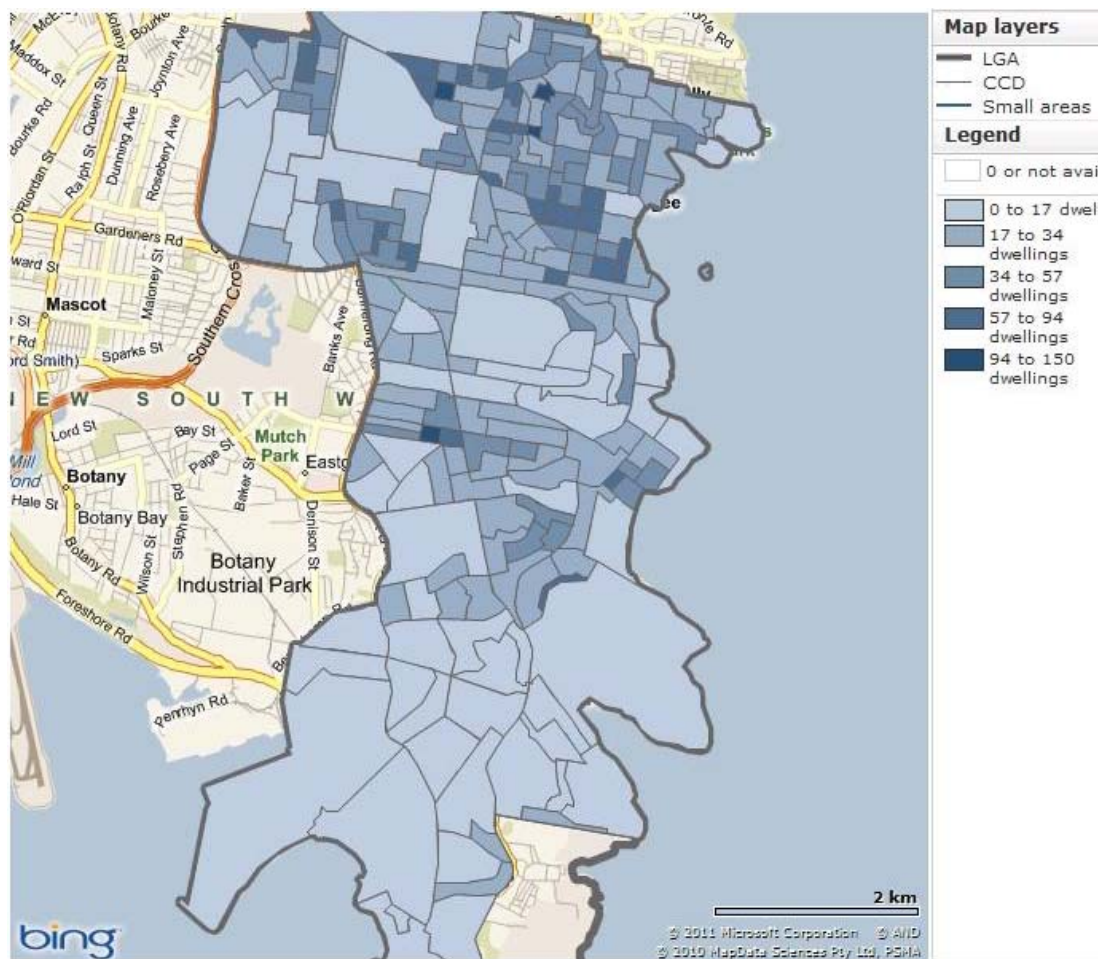


Fig 13: Dwelling density, Randwick City 2006 (based on average number of dwellings per hectare)
Source: Atlas.id

4.5.3 New Dwellings

Dwelling completion rates are highly cyclical and dependent on a variety of economic and demographic changes both locally and regionally. Randwick City has experienced a substantial fluctuation in dwelling completion and building approvals during the past 10 years, from over 700 in 2008 to fewer than 200 in 2010.

Declining numbers of building approvals since 2007 appear to have resulted from changing economic conditions and the global financial crisis.

The rate of building approvals has increased over the last 12 months and it is therefore expected that dwelling production may increase following these recent trends.

A summary of development approvals and completions for different types of residential development between 2001 and 2010 is contained in Appendix A.

4.5.4 Dwelling Costs

Randwick City is one of the least affordable places to live in Sydney. The main characteristics are:

- The median cost of a single dwelling house in Randwick City is \$1,395,000 while a unit is \$560,000 (Domain Property Report 2010). Median housing loan repayments in Randwick City in 2006 were \$2147/month compared to \$1800/month across the Sydney region
- A high proportion of low income households are in "housing stress"⁵ and struggling with rent/mortgage repayments (85% of low-income renters and 67% of the low-income mortgage holders)
- The City contains significant numbers of low to moderate income earners and is an area of high housing need (Housing NSW 2010- Appendix A)
- One of NSW highest areas of recipients of Commonwealth Rent Assistance (CRA) of which 28% of recipients are below 25 years of age, reflecting a high proportion of students; and
- Over 51.0% of households in Randwick City pay high mortgage repayments (\$2,000 per month or more) compared with 40.2% across Sydney. Only 11.6% of households have low repayments, compared with 15.1% in Sydney (2006 Census).

4.5.5 Future Directions in Dwelling Affordability

Randwick City's proximity to the Sydney CBD and its assets such as beaches, recreational and entertainment facilities, open space areas and major educational establishments indicates that housing in the City will continue to remain in high demand and continue raise affordability issues for people on low to moderate incomes.

⁵ Households earning less than or equal to the Sydney median income and spending more than 30% of their gross weekly household income on rent or home purchase are defined to be in 'housing stress'.

4.6 Implications for Housing

The population and housing trends summarised in this chapter (and provided in more detail in Appendix A) highlight the key issues likely to impact on housing demand and provision in Randwick City into the future. The key housing implications are:

- Despite the relatively low rate of population growth in the LGA sufficient dwelling production will be required to address decreasing household size, increase in lone person and couples only households, as well as an ageing population
- There has been a notable increase in the cost of housing in over the last 10 years. Housing affordability has become a major issue in the City and provision of affordable housing to low income households' particularly young adults, students and key workers will continue to be a key issue
- There will be a need for more smaller dwellings and adaptable dwelling design to respond to changing household types, ageing population and declining household size
- With increasing number of smaller households, older people and students and broader environmental and economic concerns with car usage, it will be important that future housing is located within or close to employment, education and services in areas with good public transport links; and
- Economic, environmental and social sustainability objectives support the provision of medium to high density dwellings to meet future housing demand. This is important to ensure people are located near jobs, public transport and within proximity to centres. Randwick City already has many areas of medium and high density residential (mainly in centres) and future housing provision will primarily be infill in existing areas, requiring quality and sustainable design.

5.0 Accommodating Housing Needs

This Chapter looks at the potential for Randwick City to accommodate long term housing needs in line with the *draft East Subregional Strategy* dwellings target.

It identifies that Randwick City has sufficient capacity to meet this target, without having to make significant policy changes or major increases in development potential.

5.1 Dwelling Targets

As discussed earlier in this Paper, all local councils in the Sydney Metropolitan region are expected to contribute to the provision of housing to meet growing demand as a result of population growth, demographic change and housing affordability issues.

For Randwick City, a dwelling target of an additional 8,400 dwellings between 2004 and 2031 is identified in the draft East Subregional Strategy.

While not mandatory, councils must address these dwelling targets in their local planning, including reviewing the capacity for additional dwellings and identifying if any changes to planning controls are applicable. Justification must be provided if targets cannot be met.

The table below provides a summary of estimated additional dwellings within Randwick City between 2011 and 2031. This is based on the estimated likely dwelling capacity under existing planning controls. A detailed analysis and breakdown of this estimate, and factors affecting dwelling growth is discussed further in Appendix G.

With a total of around 3300 additional dwellings completed between 2004-05 and 2010, the table shows that Randwick City is on track to meet its dwelling target of 8400 without significant intervention in existing planning controls.

Table 5: Dwelling Capacity in Randwick City

Locations	Estimated Dwellings 2011 - 2031	
	Low	High
Business Centres	1500	1800
Randwick Education and Health Specialised Centre	1500	1500
Major Development (ie: master-plan) sites	1100	1700
• Prince Henry site, Little Bay (500 - 600)		
• Bundock Street, Randwick (50 - 450)		
• Charter Hall site, Little Bay (450)		
• Endeavour House site, Randwick (140)		
Infill areas (e.g: dual occupancies, small scale flat buildings, other redevelopment sites)	1000	2500
TOTAL	5100	7500