.id the population experts

Georges River Council

Evidence Base for Local Housing Strategy

Analysis of housing demand and supply

January 2019

prepared by .id

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1. Introduction

1.1 Objective and policy context

Georges River Council has requested .id to undertake an analysis of current and future population and housing trends, which will assist the Council in preparing their Local Housing Strategy. The preparation of a Local Housing Strategy has recently been requested of each LGA by the NSW State Government. Local Housing Strategies need to respond to the District Plans and dwelling targets, prepared by the Greater Sydney Commission.

Georges River is part of the South District, which also encompasses the City of Canterbury-Bankstown and Sutherland Shire Council. The South District Plan suggests that the area will see an additional 83,500 dwellings built by 2036, with 23,250 of those by 2021. In order to reach this dwelling target, Georges River Council has been given a dwelling target of 4,800 additional dwellings by 2021.

Also, significant shifts in housing consumption patterns and revealed housing preferences are occurring due to demographic and social change. Governments (both state and local) are working on responding to these shifts in a way that creates opportunities for new dwellings to meet the new demands.

It is these pressures Georges River is responding to in preparing an evidence base to inform their Local Housing Strategy. In order to assist Council, .id offers a demographic and housing analysis that shows, with solid evidence, the housing implications and future housing capacity of Georges River.

1.2 Approach

This report is organised into the following chapters:

- Georges River Context
- Population and Households
- Dwellings, Tenure and Housing Stress
- Housing Demand
- Residential Supply
- Residential Capacity
- Policy Implications

1.3 Definitions

Household definitions

The household type evidence in this report is presented initially in broad categories, and then in detailed age groups as follows:

Households without children at home:

- Young = 15-44 years,
- Middle = 45-64 years,
- Older = 65 years and over

Households with children at home:

- Young families = parents of any age with children only under 15 years
- Mature families = parents with a mix of children under and over 15 years
- Older families = parents with children exclusively over 15 years

Geographic definitions

This is a guide to geographical references used in this report.

Georges River Council

This is the formal name for the Georges River LGA

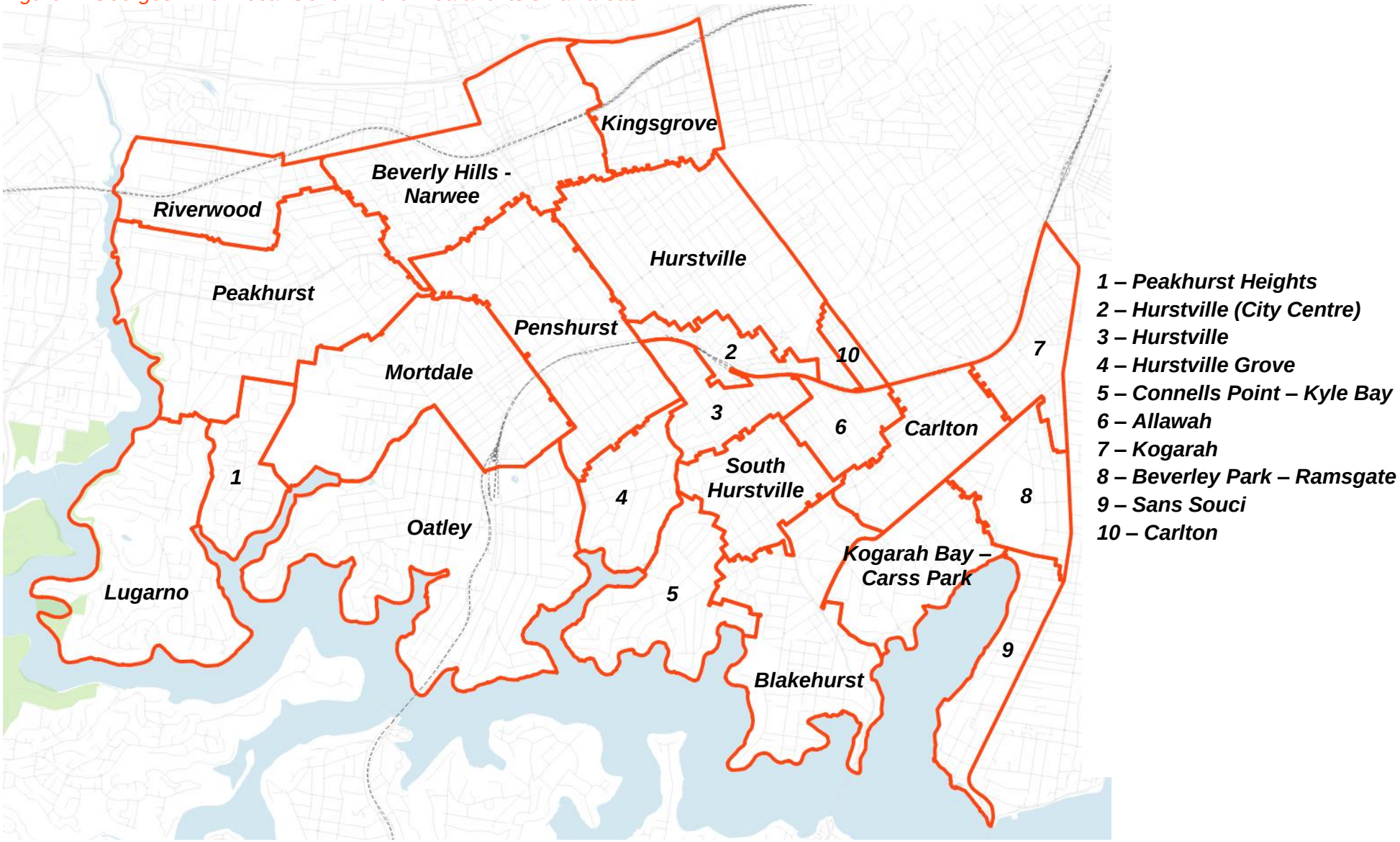
Local Government Area

Local government areas referred to in the report are based on 2016 boundaries.

Small areas

The Georges River Council includes the suburbs of Allawah, Beverley Park – Ramsgate, Beverly Hills – Narwee, Blakehurst, Carlton, Connells Point – Kyle Bay, Hurstville (City Centre), Hurstville Grove, Hurstville (Remainder), Kingsgrove, Kogarah, Kogarah Bay – Carss Park, Lugarno, Mortdale, Oatley, Peakhurst, Peakhurst Heights, Penshurst, Riverwood, Sans Souci and South Hurstville.

Figure 1. Georges River Local Government Area and its small areas



2. The Georges River context

2.1 Georges River's development history

The Georges River Council area is located in the southern suburbs of Sydney, about 15-17 kilometres from the Sydney CBD. Its proximity to the CBD has played a major role in the development of the area, especially over the past decade.

European settlement dates from 1804 when the first land grants were made, although the first occupied land grants were thought to be in 1809, with land used mainly for agricultural purposes and timber getting. Population was minimal until the 1840s, spurred by improved access, the clearing of land and the establishment of market gardens, orchards and vineyards. Growth took place in the 1880s and 1890s, aided by the opening of the Illawarra railway line in 1884. Rapid development occurred in the early 1900s, particularly during the 1920s and 1930s, spurred by the opening of the East Hills railway line. Significant residential development occurred during the immediate post-war years, accompanied by commercial growth in the Hurstville City Centre. Growth began to slow during the 1970s and 1980s. The population increased gradually from the early 1990s, rising from about 110,000 in 1991 to over 150,000 in 2016.

The Georges River Council area is predominantly residential, but also has substantial industrial, commercial and recreational areas. A number of major institutions are also located in the LGA, including St George Hospital and the accompanying University of New South Wales campus. These amenities drive demand for housing in the area.

2.2 Georges River is changing

Within the Georges River Council area, different areas have both developed and will continue to evolve distinct roles within the housing market. Variations occur due to when areas were settled, the range of land uses in the area, developer interest and the varying planning policies in play. Hurstville City Centre, Hurstville (suburb), Kogarah, Allawah, Carlton, Mortdale, Penshurst and Riverwood tend to attract people in their late teens and early twenties due to the proximity to rail transport and other services, as well as the higher share of rental stock (apartments). Kingsgrove, Oatley and Peakhurst continue to attract families, while the market attracted to Blakehurst, Connells Point – Kyle Bay, Lugarno,

Hurstville Grove, Peakhurst Heights and Sans Souci tends to be more established and mature families. Beverley Park – Ramsgate, Beverly Hills-Narwee, South Hurstville, attract a combination of young adults (18-24 years) and established families. With continued high rates of development expected to occur in areas that attract young people, a greater share of young adults moving into the Council area is expected.

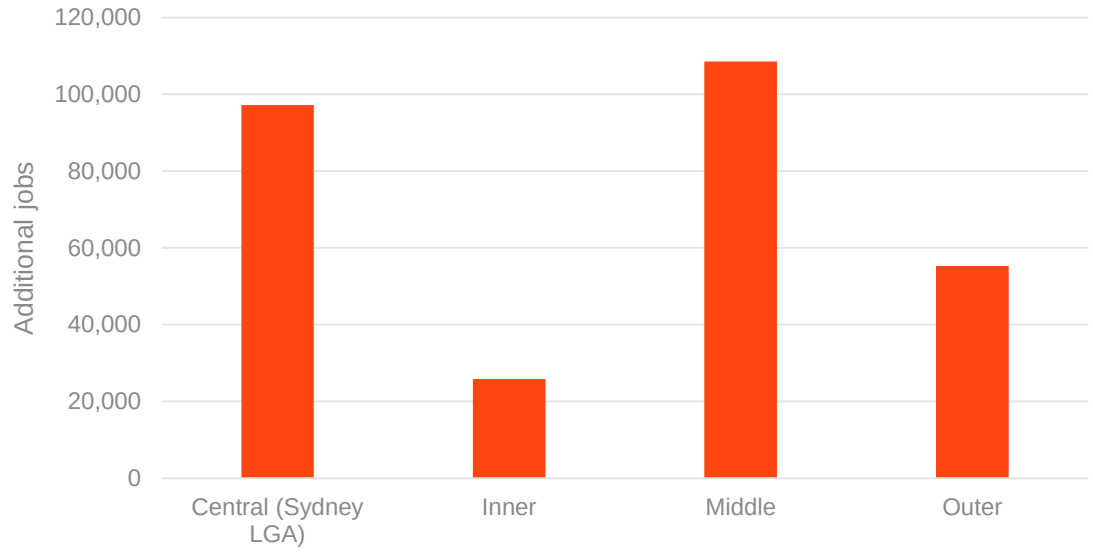
There are also significant differences in the supply of residential property within Georges River Council area which has a major influence in structuring different population and household futures over the next five to twenty-five years. A number of major development opportunities have been identified, notably in Hurstville City Centre and Kogarah Town Centre, and around transit nodes at Carlton, Penshurst, Riverwood, Mortdale, Beverly Hills and Narwee. Significant medium density development is also occurring in Peakhurst, as approximately 20 hectares of previously low density residential land has been rezoned. By comparison, Blakehurst, Connells Point – Kyle Bay, Lugarno, Peakhurst Heights, Oatley, Kogarah Bay – Carss Park and Sans Souci are expected to experience relatively minimal dwelling growth over the next 25 years.

2.3 The economic importance of housing

Australia's transition to knowledge intensive jobs is having a major impact on the spatial location of job growth across our cities with the focus of growth located in and around the CBD and in major employment agglomerations.

As shown in the figure below, job growth over the past five years has been concentrated in the inner areas of Sydney. The Central and Inner areas of Sydney captured around 40% of employment growth over this time. One of the reasons for this shift is because knowledge intensive jobs tend to be attracted to high quality places that can access large labour force pools and enjoy the benefits of agglomeration.

Figure 1. *Employment change, areas of Sydney – 2011-2016*



Source: National Economics, 2017

However, there has also been significant growth in jobs in the middle ring LGAs of Sydney, and Georges River itself has a healthy economy, with a Gross Regional Product of $7.9 billion in 2017-18. The major contributors to GRP in the area are generally professional – Financial and Insurance Services, Health Care and Social Assistance and Professional, Scientific and Technical Services. However, the largest employers are population servicing – Health Care, Retail Trade and Education.

Housing growth and diversity will play an important role in the ongoing economic performance of Georges River. Housing matters to local economic growth because:

- Housing diversity is essential to retain and attract human capital which is critical given the growing importance of ideas and problem solving to local economic performance.
- Population density brings people and local businesses closer together, increasing activity levels, supporting business viability and creating new jobs.
- Housing growth and more affordable housing near public transport can enable residents to live closer to work and can reduce commuting times, leading to higher disposable incomes and agglomeration benefits.
- Diverse communities are more sustainable in the long term, as they are able to maintain a range of services and facilities useful to all age groups.

3. Population and Households

3.1 Key Findings

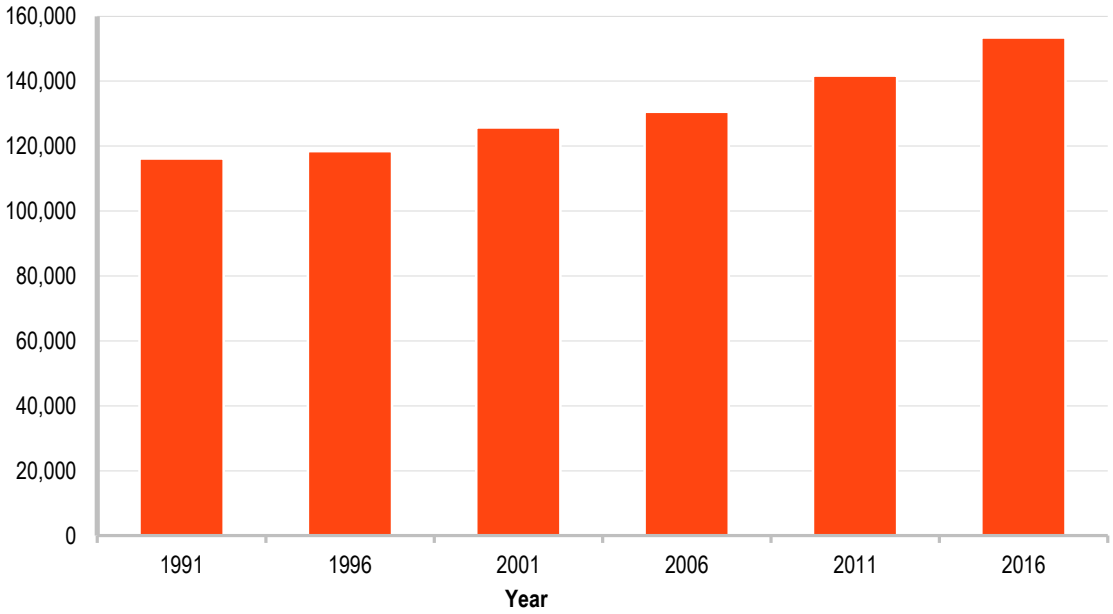
- Georges River is currently growing at a rate of 1.6% per annum, a little slower than the Greater Sydney average.
- Population growth will slow over the next 20 years, to 0.9% per annum.
- The majority of the growth is driven by the major centres of Hurstville and Kogarah.
- While new, high density developments are attracting young adults to the area, the area is still ageing overall, due to ageing in place in the riverside suburbs.
- The area attracts a large number of migrants, both from overseas and from the inner suburbs of Sydney.
- While family households are still dominant in the area, there is significant growth in older couples without children and elderly lone persons.

3.2 How is the population changing?

Georges River Council has experienced significant population growth over the last twenty years, after having a fairly stable population during the 1990s. Georges River has a current (2017) population of 156,293 people and is now experiencing moderate rates of growth.

Over the past ten years, population growth has been around 1.6% p.a. This rate of growth is marginally slower than the Greater Sydney average, which experienced a growth rate of 1.7% p.a. over the past decade.

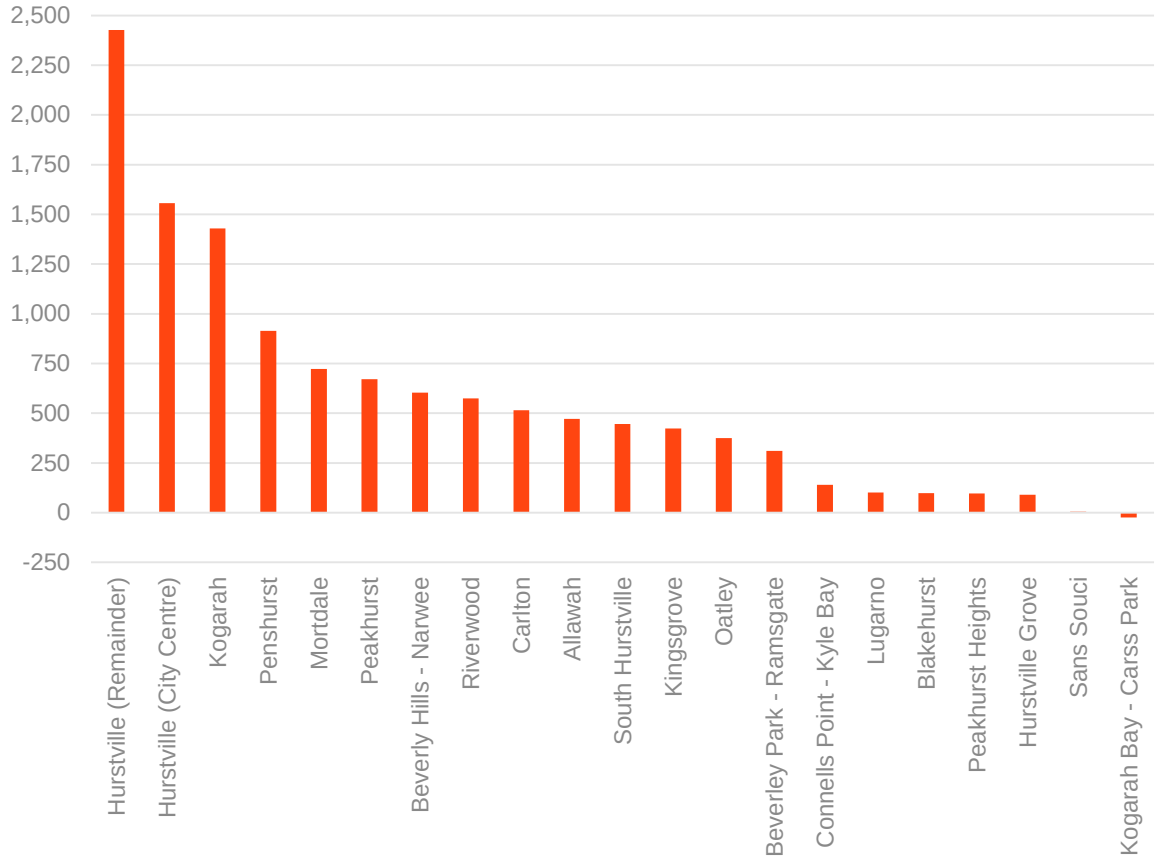
Figure 2. *Estimated Resident Population, Georges River – 1991-2016*



Source: ABS Estimated Resident Population, Cat. 3218.0, 2001, 2006, 2011 and 2016

Much of the population growth has been driven by higher density developments around the train stations of Kogarah, Hurstville, Penshurst and Mortdale. Over the past five years, these four suburbs have had a population increase of 7,000 residents. This accounts for approximately half of the total population growth in the LGA.

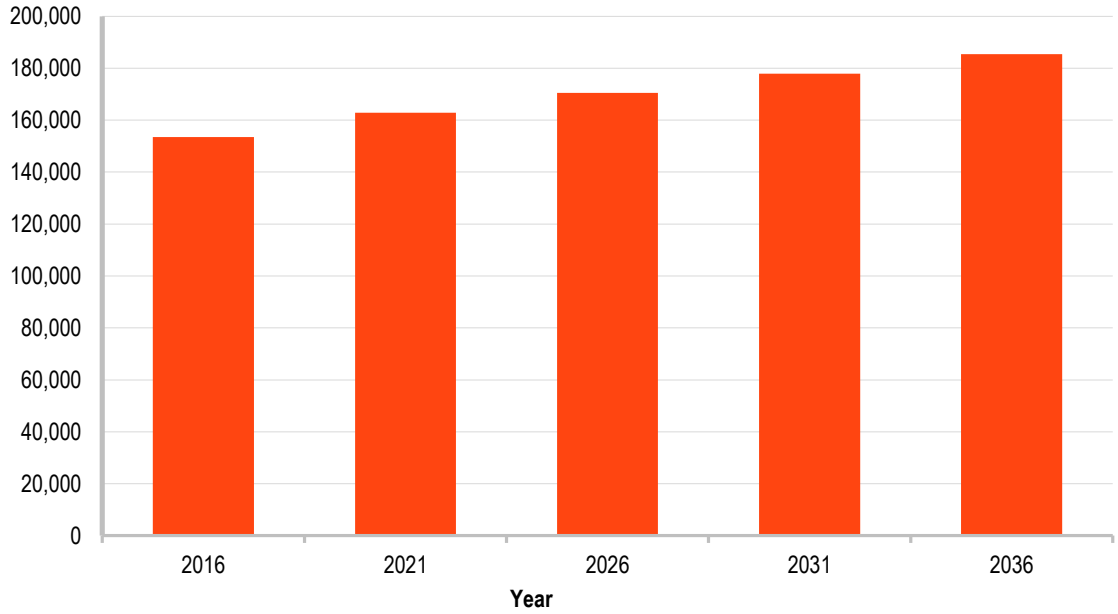
Figure 3. *Growth in Estimated Resident Population, suburbs of Georges River – 2012-2017*



Source: ABS Estimated Resident Population, Cat. 3218.0, 2012 and 2017

Over the next 20 years, the population of Georges River is forecast to continue this trend of growth, with the population forecast to reach 185,000 by 2036. This equates to an average annual growth rate of 0.9%, a little lower than the rate forecast for Greater Sydney, of 1.2% per annum. The Department of Planning and Environment NSW also forecasts an average growth rate of 0.9%, but a total population of 182,000 in 2036. This number is a little lower as these forecasts have not been readjusted to reflect the 2016 Census counts.

Figure 4. *Population, Georges River – 2016-2036*



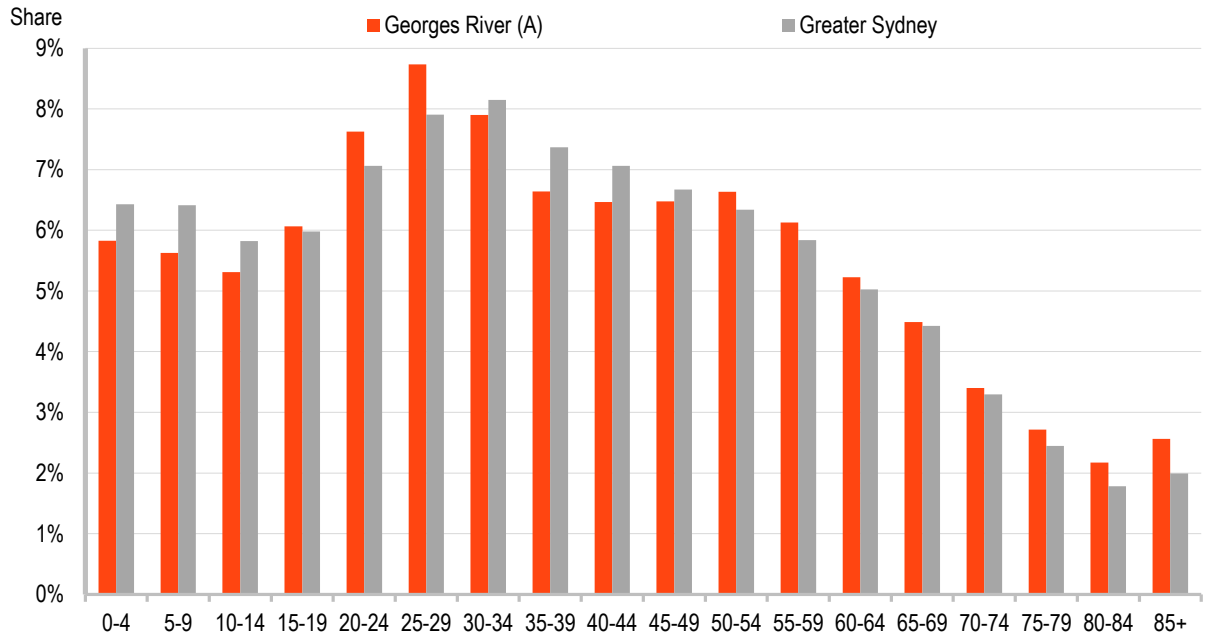
Source: forecast.id (2018)

Much of the forecast population growth in Georges River will be driven by migration to the area, both from other areas of Australia and overseas. Significant new housing opportunities across the Council area, particularly in Hurstville City Centre and Kogarah Town Centre are expected to attract predominantly young singles and couples (18-29 years). As a result of attracting such age groups to the area, there is also forecast to be an increase in births in the area, furthering population growth.

3.2.1 How has the age structure changed?

A look at Georges River's age structure in 2016 shows that it is fairly similar to that of Greater Sydney. However, there are slightly higher proportions of young adults (20-29 years) and older adults aged over 75 years.

Figure 5. *Age structure, Georges River and Greater Sydney – 2016*



Source: ABS, Census of Population and Housing (2016). Data based on place of usual residence.

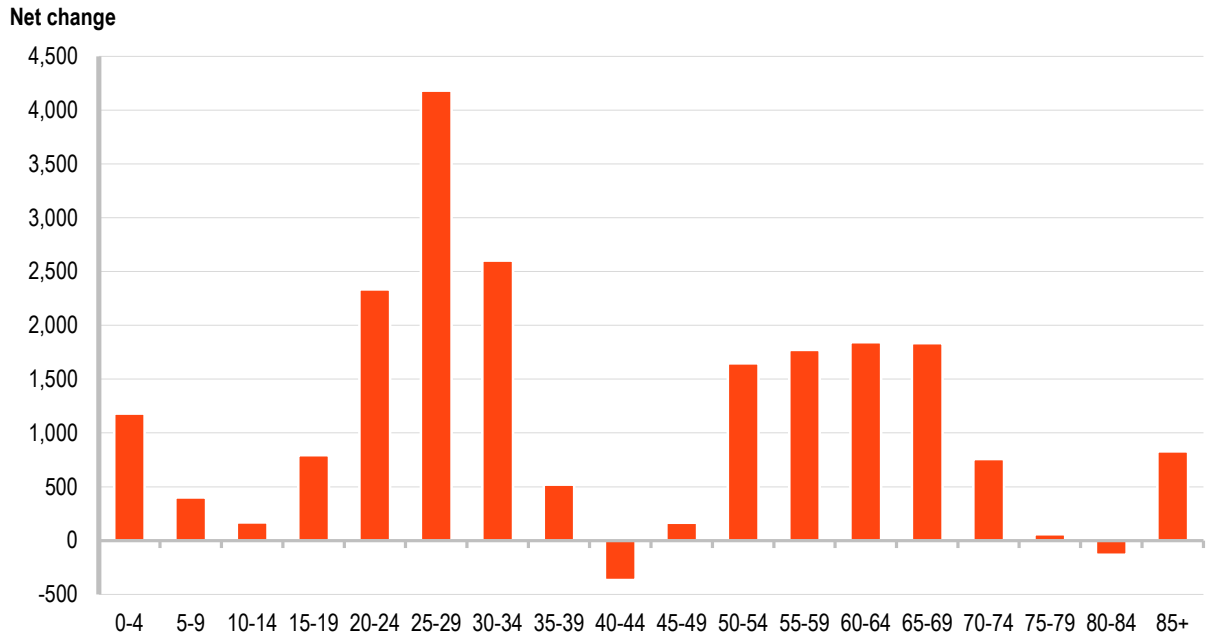
The change in age structure over the past decade shows that Georges River experienced growth in several distinct age cohorts, including:

Young workers: aged 20-34, this group experienced significant growth between 2006 and 2016 and are moving in to the newer infill developments around Hurstville and Kogarah.

Pre-retirement and Retirement age adults: There was a large increase in adults aged 50-69 years observed between 2006 and 2016, those who moved to the area in the 1980s and 1990s.

Infants: Over the past decade there has been a moderate increase in the number of young children in Georges River. This increase is likely the result of the significant increases in young workers who are often in the early stages of family formation.

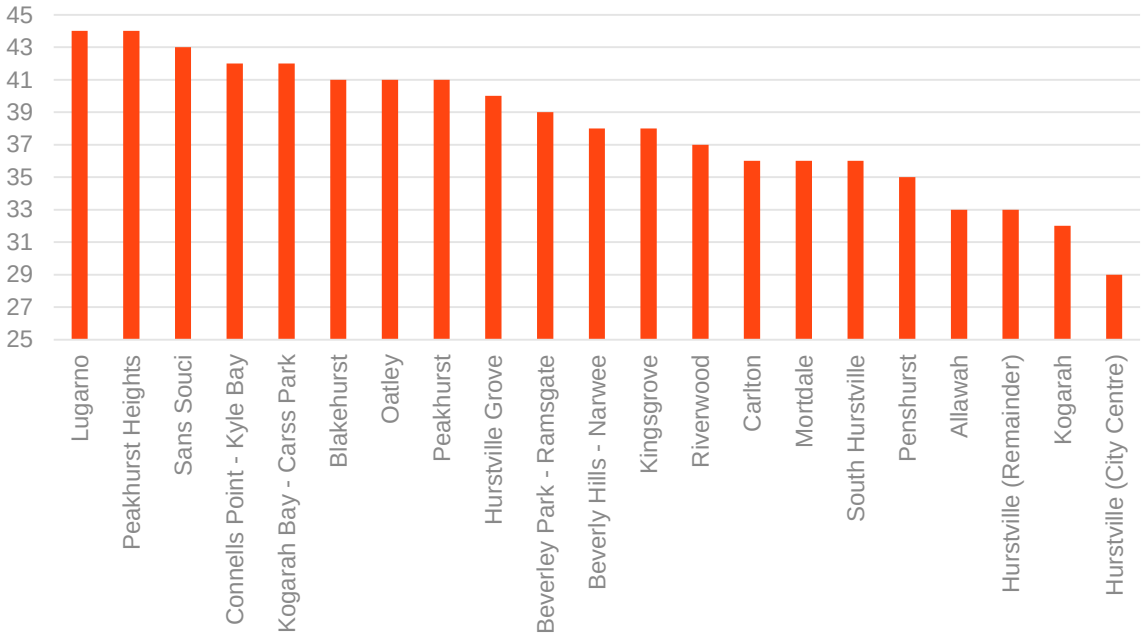
Figure 6. *Change in age structure, Georges River – 2006-2016*



Source: ABS, Census of Population and Housing (2006, 2011 and 2016). Data based on place of usual residence.

Between the small areas of Georges River, there is some variance in age structures. For example, Hurstville City Centre and Kogarah are particularly young areas, with median ages of 29 and 32 years respectively. The older areas include Peakhurst Heights and Lugarno, where the median age is 44 years. These age differences are highlighted in the figure below.

Figure 7. *Median age, suburbs of Georges River – 2016*

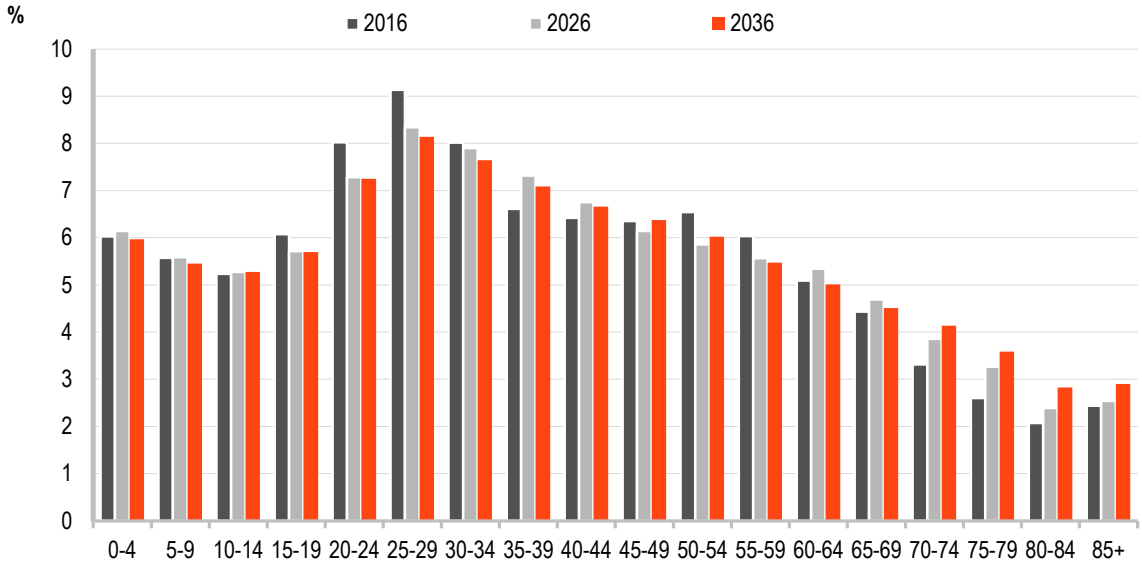


Source: ABS, Census of Population and Housing (2016)

3.2.2 How will the age structure change in the future?

Figure 8 shows that the age structure of Georges River will become older by 2036. This means that by 2036 there will be significantly larger proportions of elderly persons, and fewer young adults.

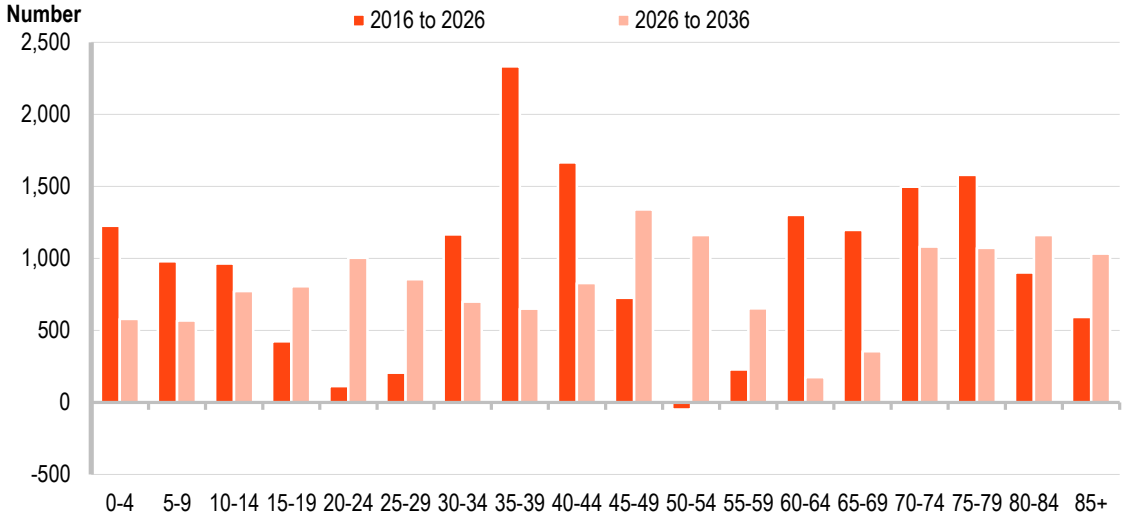
Figure 8. *Forecast age structure, Georges River – 2016-2036*



Source: forecast.id (2018)

As Figure 9 below shows, the largest net increases will be in those aged 60 years or more. There will also be a net increase in those aged 30-44 years between 2016 and 2036.

Figure 9. *Forecast change in age structure, Georges River – 2016-2036*



Source: forecast.id (2018)

3.3 Who is leaving and who is arriving?

Of all the components of population change, migration to Australia and between areas is the most volatile, as it varies considerably over time and space. An examination of migration patterns is critical to understanding how populations grow and change. Characteristics of migration in Australian cities include:

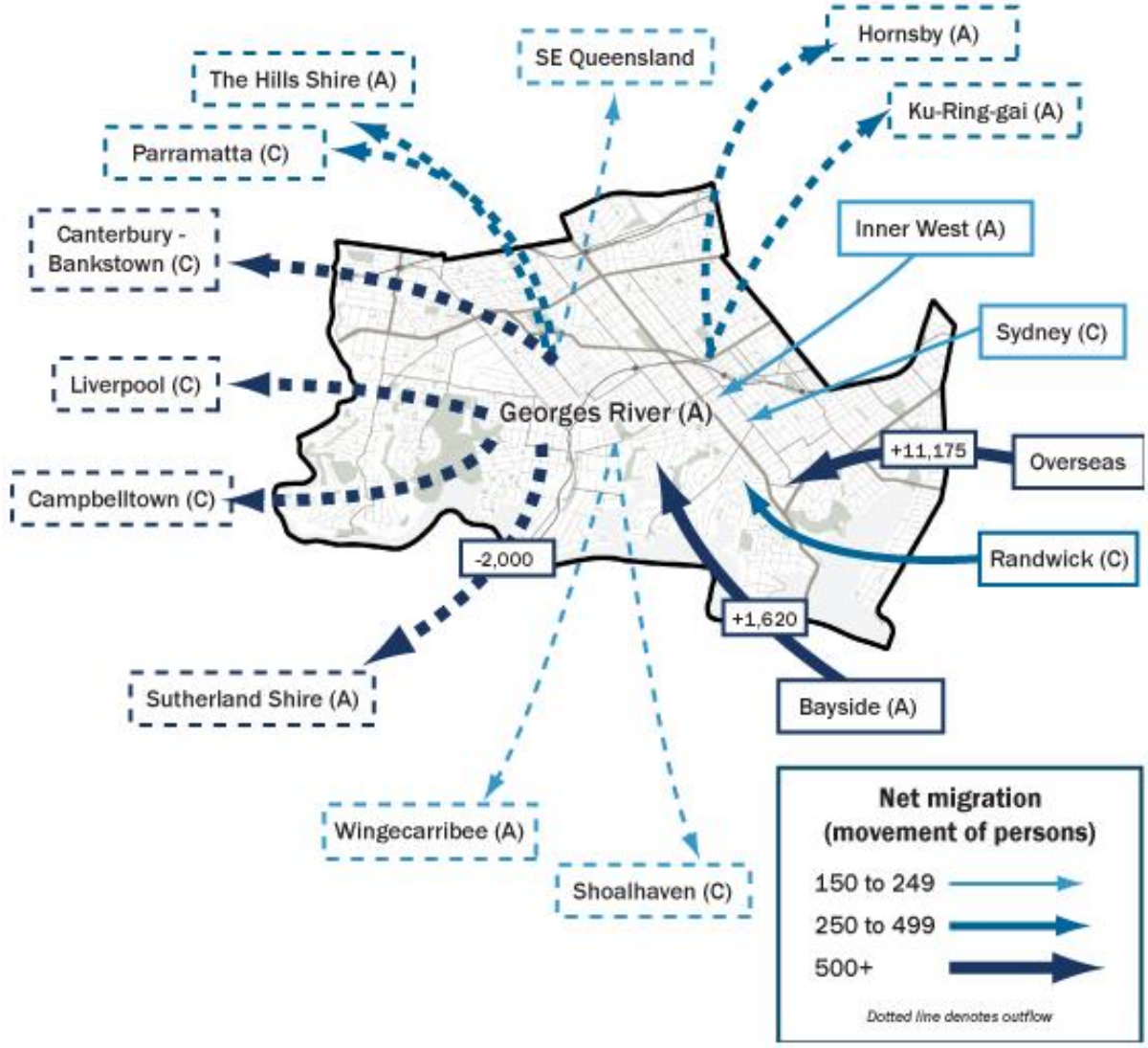
- A high proportion of local moves, e.g. within the same suburb or LGA;
- The dominance of outward moves in a sectoral direction e.g. from inner south to outer south; and
- Strong links between life cycle events and age. Young adults i.e. 18-34-year olds are the most mobile age group. Thereafter migration tends to decline with age, although there is a slight increase in the oldest age groups which is probably related to health issues.

Between 2011 and 2016, Georges River experienced moderate migrant inflow and outflow, with a net loss of residents domestically. Over the five-year period, the area attracted 20,873 new residents, however, 27,106 people also left Georges River. Many new residents came to Georges River from overseas, and the area was within the top 10 migrant receiving LGAs in Greater Sydney. This slightly high rate is due to the number of international students in the area, and employment opportunities in the Kogarah health precinct.

Those moving to the area were generally young adults, 25 to 29 years. They came from overseas (3,853) and neighbouring LGAs, such as Bayside (612), Canterbury-Bankstown (444) and Sydney (209).

Residents leaving Georges River were a little older, 30 to 34 years. These people also left for the neighbouring areas of Bayside (597), Canterbury-Bankstown (656) and Sutherland (474).

Figure 10. *Major net migration flows, 2011-2016*



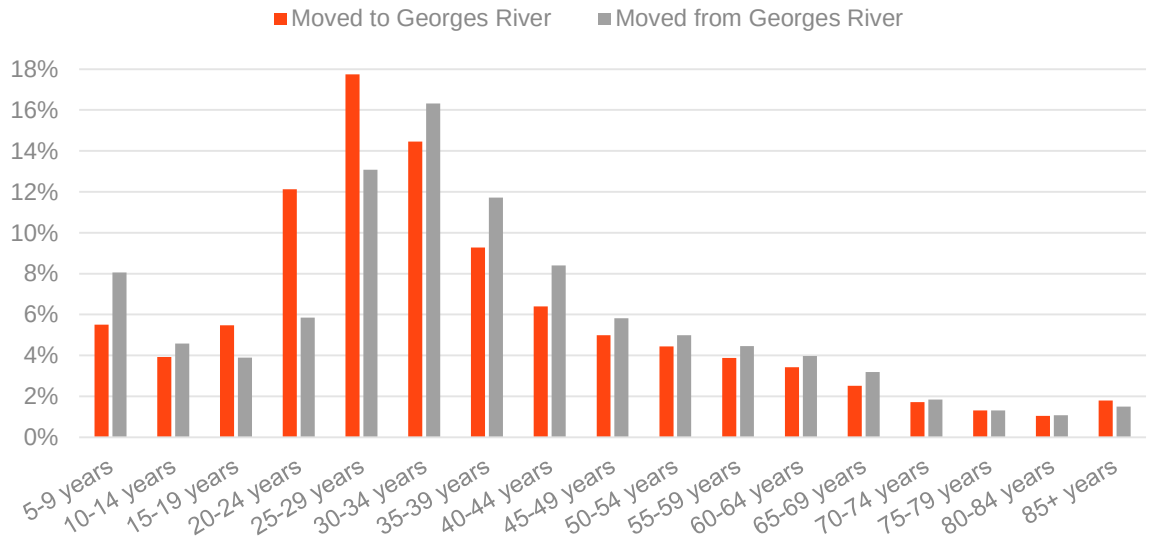
3.3.1 Characteristics of recent migrants

Looking at those who moved to Georges River in the past five years in comparison to those who left reveals two fairly different demographic profiles.

People that moved to Georges River were younger, aged between 20 and 29 years, often uni students and young adults starting their career. This group is attracted to the amenity and higher density housing, around the Hurstville and Kogarah centres.

Those that moved from Georges River to other areas were a little older, aged 30 to 44 years, and often had young children.

Figure 11. *Age structure of recent migrants, 2011-2016*



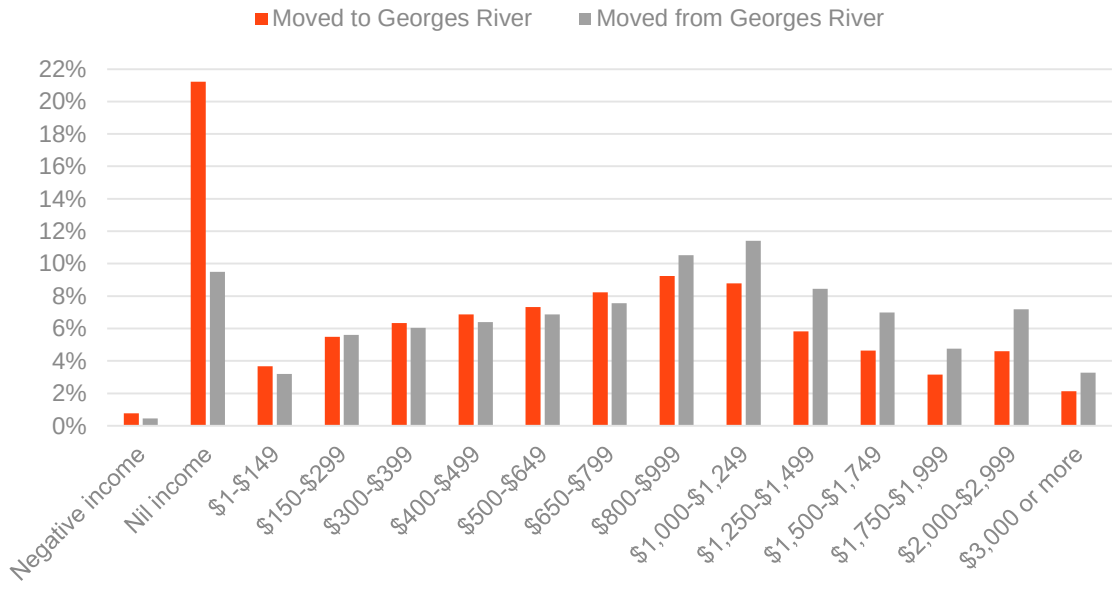
ABS Census of Population and Housing, 2011 and 2016

It is important to note that these data are based on the age of people when counted in the Census. They may have moved up to five years earlier. Many people who have been counted as moving in their early twenties may have moved after completing high school in their late teens.

People that moved to Georges River had very similar education levels than those who left. For example, 40.6% of in-movers had a university degree, compared to 39.4% of those who left. However, those who moved from the area were more likely to be employed (69.9%) than those who moved to Georges River (61.9%). The lower levels of employment among those who moved to Georges River is affected by the number of international students that move to the area.

With higher employment levels, the income of those who moved from Georges River is significantly higher than that of those who moved to the area. The median weekly individual income for those who moved to the area is $598 compared to $867 for those who left Georges River. The chart below also highlights that many residents who moved to Georges River over the past five years earn no income. These residents are most likely young international students who either do not work due to time commitments or visa restrictions.

Figure 12. *Personal weekly income of recent migrants, 2011-2016*



ABS Census of Population and Housing, 2011 and 2016

3.4 How are households changing?

The most prevalent household types in Australian cities are typically families – couples with children and single parent households. However, social and demographic changes have combined to change the household mix. These include ageing of the population, family breakdown and fewer children per family. In many areas, family households are declining in number, while smaller households (couples without children and lone person households) are increasing. From a housing perspective, the result is lower average household size i.e. fewer people per dwelling. It is important to recognise that declining household size tends to increase the demand for dwellings, even if the population is stable or slowly declining.

Until 2006, the result of these trends was declining average household size, however the results of the 2011 and 2016 Censuses revealed that at the national level this decline had slowed, and, in many areas, average household size increased slightly. Georges River followed this trend, with the average household size increased to 2.84 in 2016 from 2.76 in 2011. However, over the next 20 years, the average household size is forecast to decrease, to 2.79 persons in 2036.

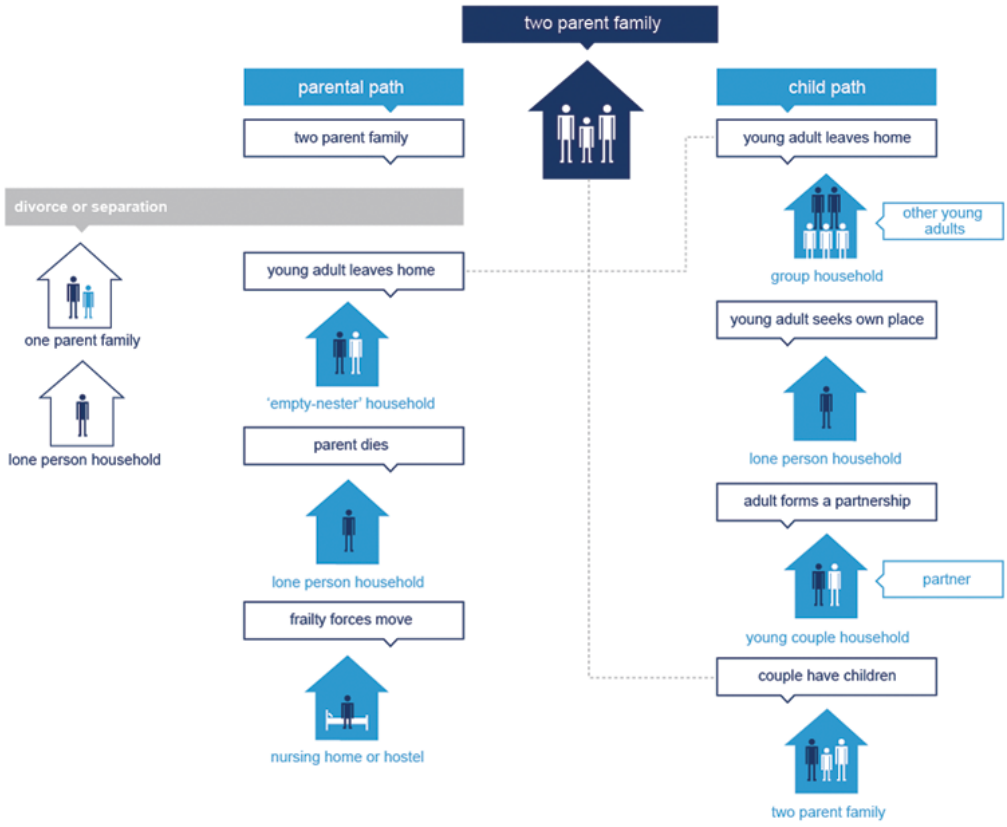
3.4.1 Households and suburban lifecycles

Urban areas are constantly evolving primarily due to changing household needs and preferences reflecting population and age structure changes. Figure 13 provides a framework for traditional household pathways and identifies points at which needs may change.

Starting as a child in a family household, a person may move into a group or lone person household as a young adult, and then often becomes part of a couple relationship. The adult years may feature movement between family, single parent and lone person households. Child rearing is followed by an 'empty-nester' period (older couples without children) and ultimately becomes an elderly lone person, as partners die or separate.

There is an increasing tendency for people around Australia to live alone or as a couple without children. This is the result of a combination of factors, such as an ageing population, resulting in growth of empty nester and elderly lone person households, couples choosing a child-free lifestyle, as well as the emergence of smaller households resulting from divorce and partner separations.

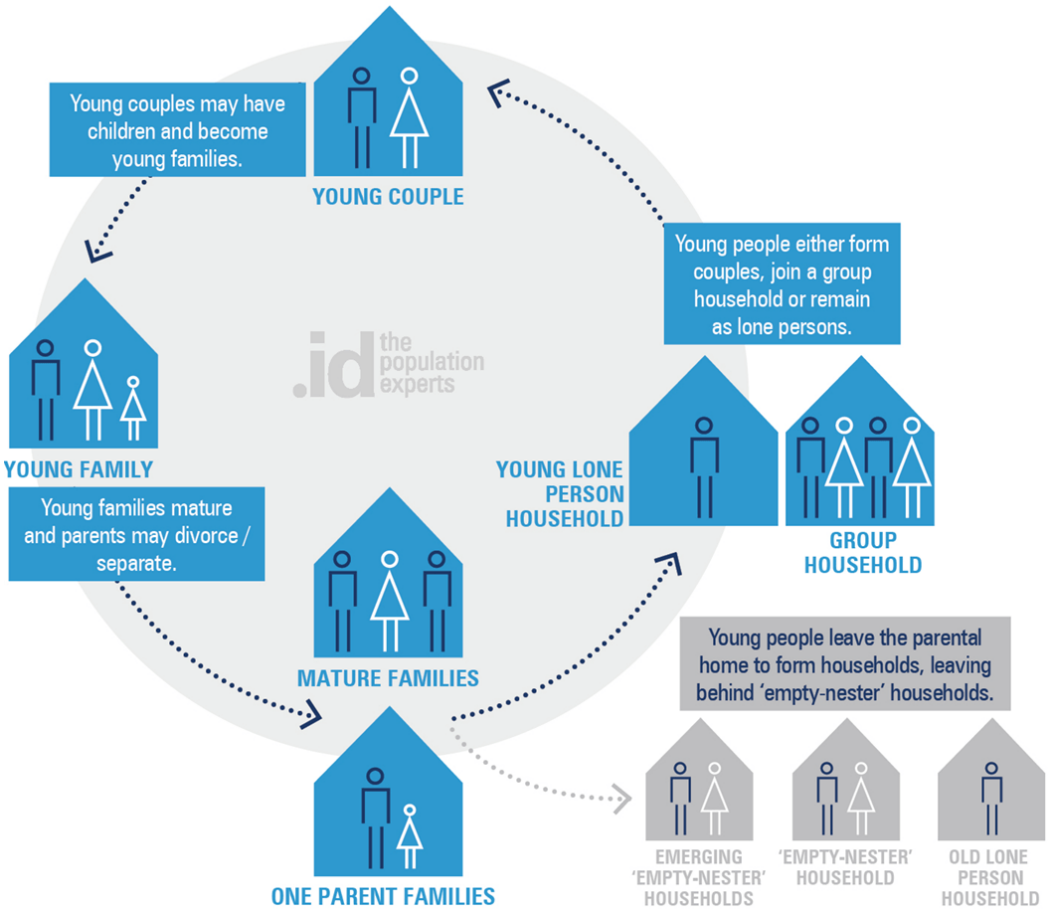
Figure 13. *Traditional household pathway – a framework*



Source: .id

The suburban lifecycle framework (Figure 14) provides an illustration of how suburbs may change over time. Georges River is an interesting LGA to analyse with reference to the suburban lifecycle framework as its development has spanned several decades, hence encompassing a wide range of household types which are regenerating at different times.

Figure 14. *The suburban lifecycle – a framework*



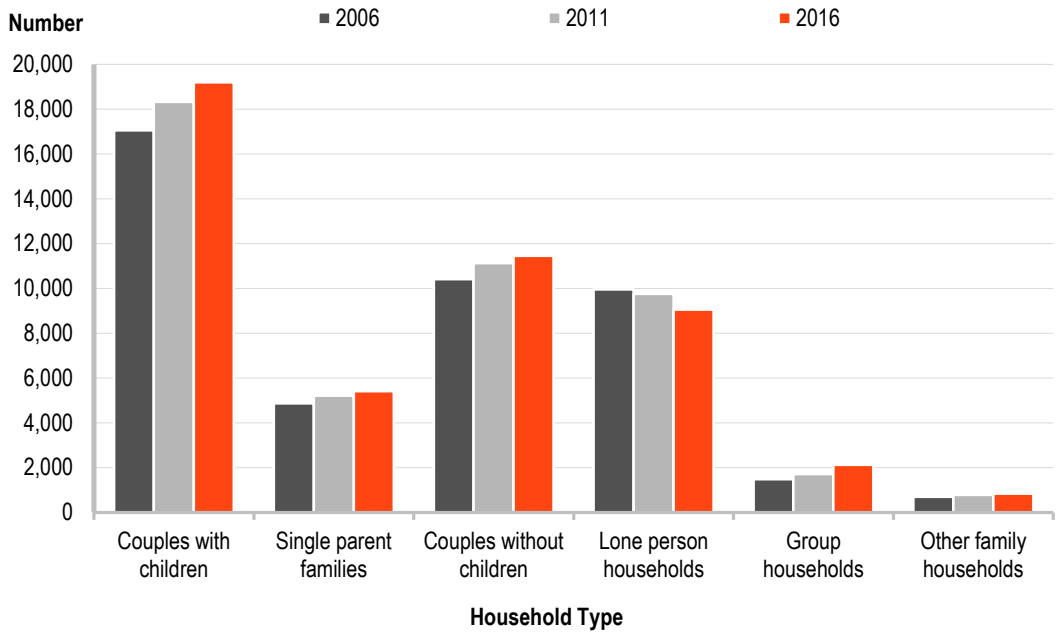
Source: .id

3.4.2 Current households

The 2016 ABS Census identified that the dominant household type in Georges River is couples with children, totalling 19,195 households and comprising 37.4% of the total households in Georges River. Couples with children increased by 12.6% (2,143 households) between 2006 and 2016.

Couples without children were the next most common, comprising around 23.8% of all households. This household type has also been increasing in the area.

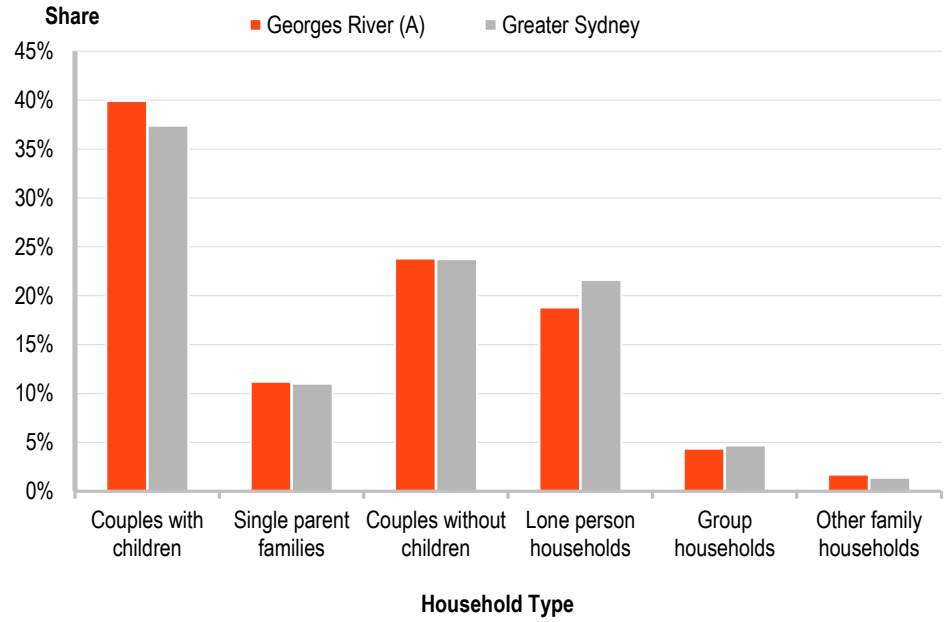
Figure 15. *Household types, Georges River – 2006-2016*



Source: ABS, Census of Population and Housing (2016)

There are few differences between the household type mix in Georges River compared with the Greater Sydney area (Figure 16). Sydney had a greater proportion of lone person households. However, the share of couples with children in Georges River is above the Greater Sydney average.

Figure 16. *Household types, Georges River and Greater Sydney, 2016*



Source: ABS, Census of Population and Housing (2016)

3.4.3 Emerging households

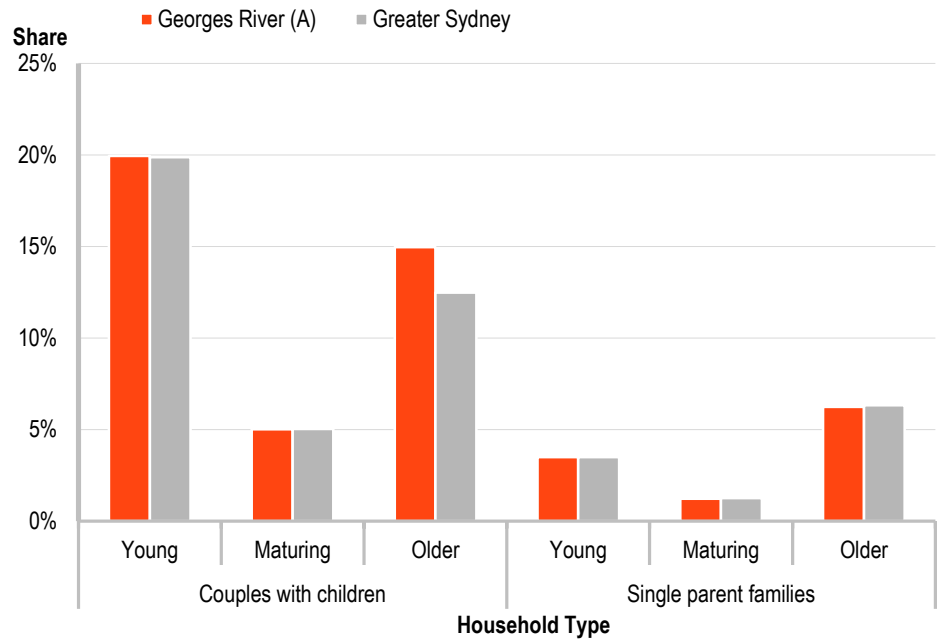
Emerging households are those that are increasing in number. They provide some insights into the types of community services that may be needed in future. Service providers, policy makers and the housing industry understand the different housing consumption patterns and servicing needs of 'young' and 'old' lone person households; similarly, couples with young children households are likely to have quite different needs to older couples without children ("empty nesters").

Due to the significant number of household types when combined with the age of the household, information is presented for the larger (family) household types separately to the smaller household types.

3.4.4 Larger (family) households

In absolute numbers and percentage share, the larger household types (i.e. couples with children) are still the most significant in Georges River. Couples with children make up around 37% of households. Of these households, most are couple households with young children, similar to Greater Sydney. Older children households were the next largest group.

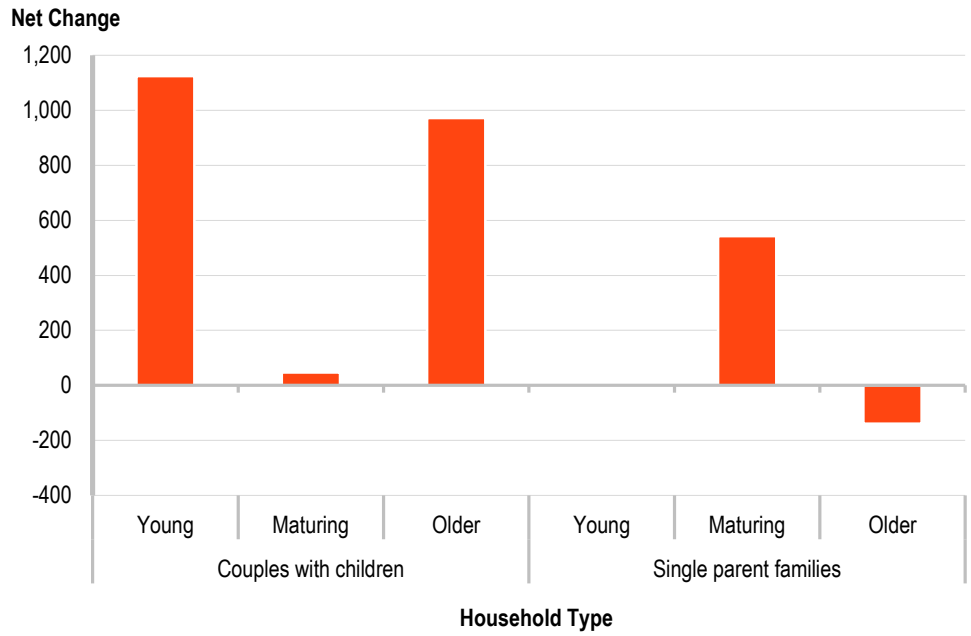
Figure 17. *Share of family household types by age, Georges River – 2016*



Source: ABS, Census of Population and Housing (2016)

Among the larger household types, there was growth in couples with young and older children between 2006 and 2016. These groups are therefore increasing in importance in Georges River.

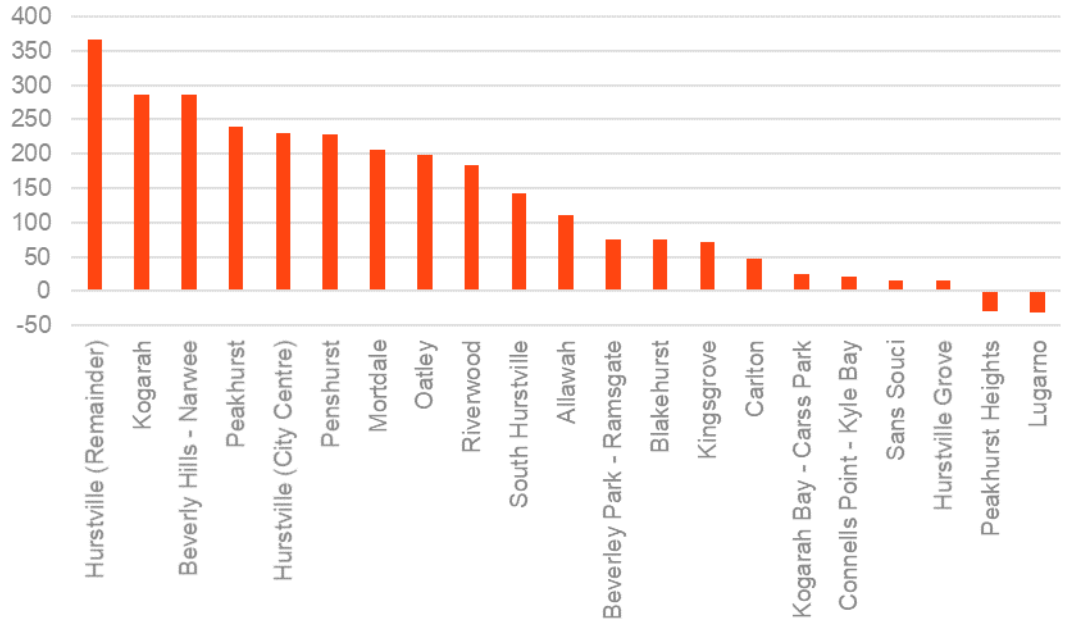
Figure 18. *Net change in family households by age – Georges River - 2006-2016*



Source: ABS, Census of Population and Housing (2006 and 2016)

The growth in family households has been concentrated in Hurstville, Beverly Hills-Narwee and Kogarah. This growth has been driven by a significant growth in dwellings in these areas. Peakhurst Heights and Lugarno have experienced a decline in family households, a result of ageing in the area.

Figure 19. *Net change in family households – suburbs of Georges River - 2006-2016*

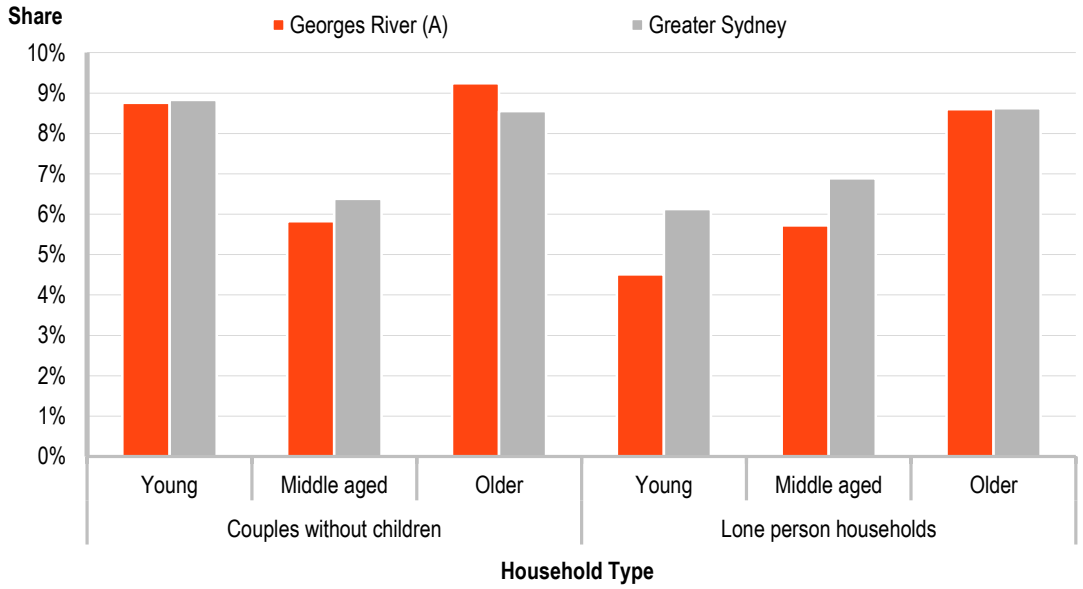


Source: ABS, Census of Population and Housing (2006 and 2016)

3.4.5 Smaller households

Looking at smaller households, there is some diversity in this group, with Georges River having a higher share of ‘older’ couples and a similar share of ‘older’ lone persons compared to the metropolitan average. There are fewer ‘young’ and ‘middle-aged’ lone persons households in the area.

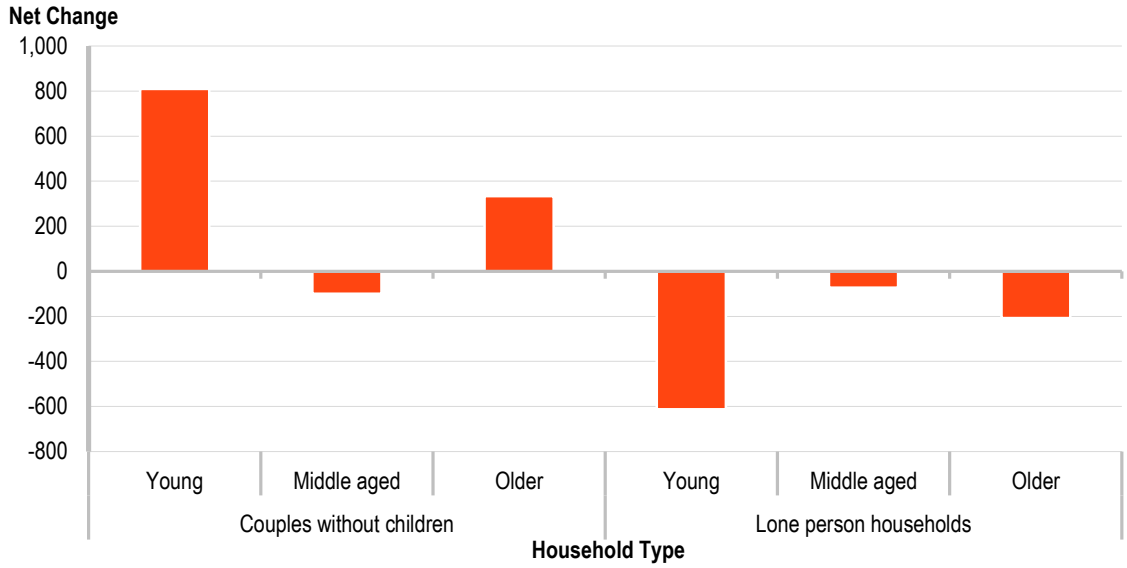
Figure 20. *Share of 'smaller' household types by age, Georges River – 2016*



Source: ABS, Census of Population and Housing (2016)

In terms of net change over the past 10 years, there has been little growth in households without children – both couples and lone persons – when compared to the growth of households with children, just 2% over the past decade, compared with 12.9%. However, the increase was most significant in young couples without children, increasing by 809 households. There was also a small increase in older couples, of 333 households.

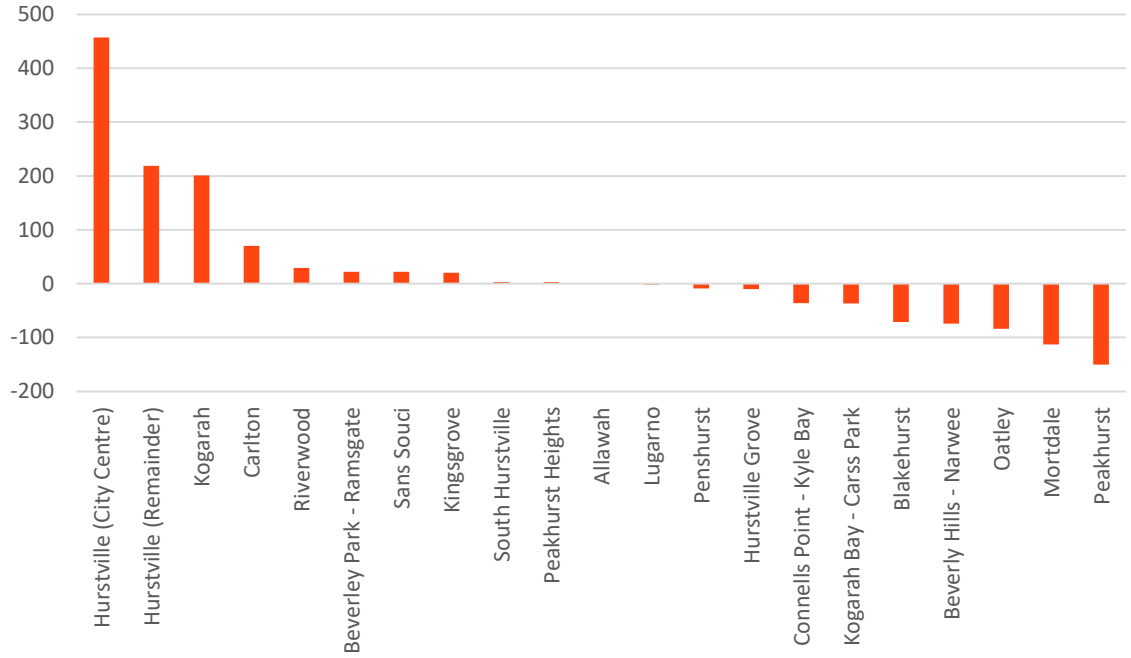
Figure 21. *Net change in 'smaller' households by age, Georges River – 2006 - 2016*



Source: ABS, Census of Population and Housing (2006 and 2016)

The growth in smaller households has been concentrated in Hurstville City Centre, driven by apartment developments that have attracted young lone person and couple households. Other areas such as Riverwood and San Souci have had small increases in small households, mostly in the older ages.

Figure 22. *Net change in 'smaller' households, suburbs of Georges River – 2006 - 2016*

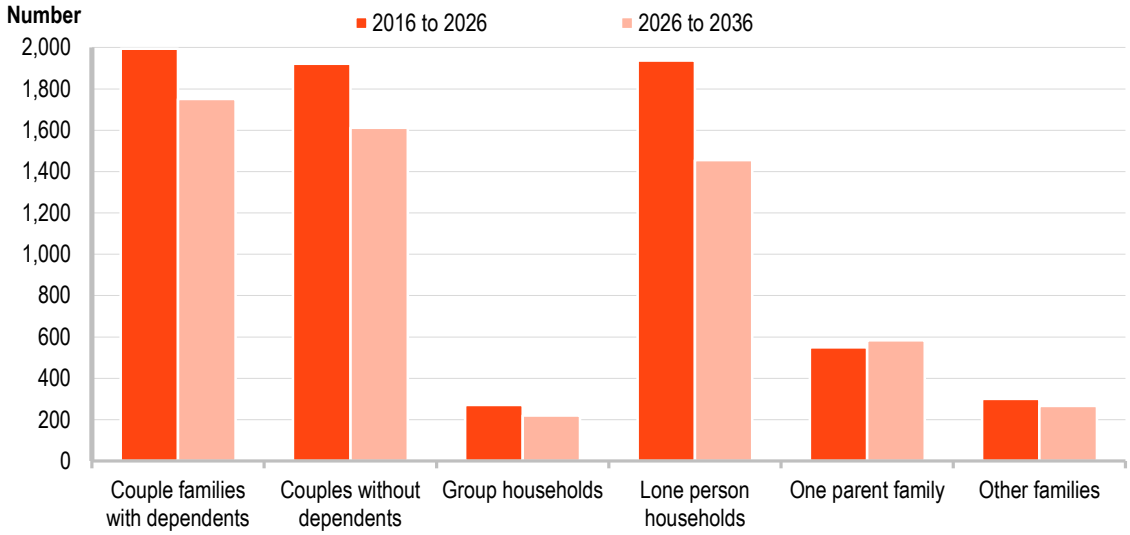


Source: ABS, Census of Population and Housing (2006 and 2016)

3.4.6 How will households change in the future?

Over the next 20 years, all household types in the Georges River Council area will experience growth. The most significant growth will occur in couples with children, with growth slowing a little after 2026. Couples without children and lone person households are also forecast to increase, in both the young and older age groups driven by migration and ageing.

Figure 23. *Change in households by type, Georges River – 2016-2036*



Source: forecast.id (2018)

The most significant increases in families with children are forecast to occur in the major centres of Hurstville and Kogarah, and in Beverley Park – Ramsgate. These areas are also forecast to have large increases in couples without children and lone person households, but Peakhurst, Riverwood and San Souci will also experience significant increases in these household types over the next 20 years.

4. Dwellings, Tenure and Housing stress

4.1 Key findings

- Georges River offers a range of dwelling types to its residents, though the proportion of high-density dwellings is higher than the Greater Sydney average.
- Medium and high-density dwellings are slightly larger than average, with many having two or more bedrooms, and very few one bedroom properties.
- There is an increasing number of families with children living in medium and high-density homes.
- Older couples are increasingly living in large, separate houses with four or more bedrooms, however there has been some evidence of a small number of older residents downsizing.
- Renting is becoming more common in the LGA, due to affordability pressures.
- The rate of housing stress in Georges River is higher than the Greater Sydney average, especially for renters with very low or low incomes.

4.2 How is the dwelling stock changing?

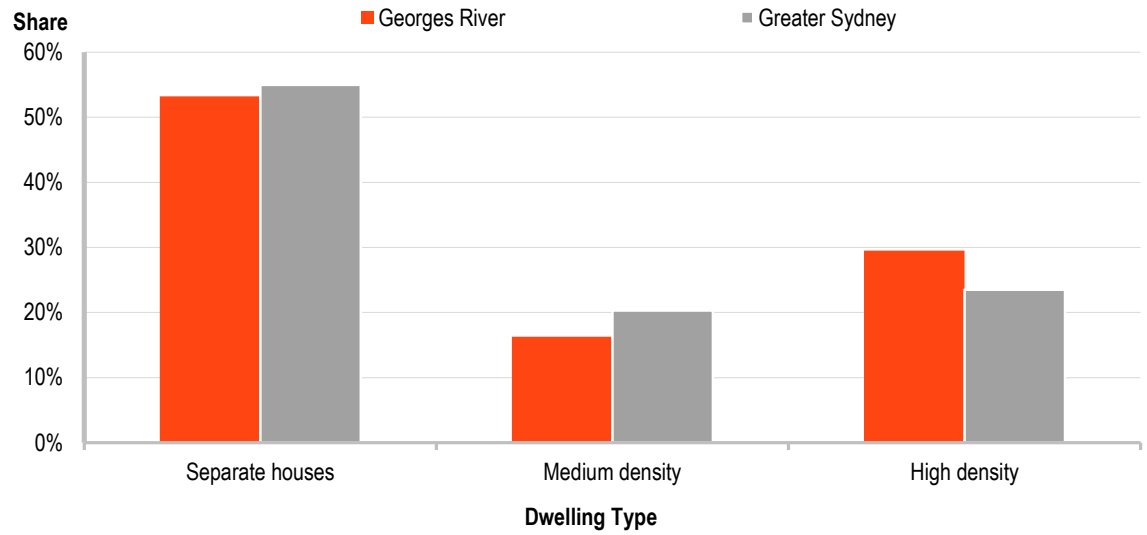
Georges River, having developed over many decades, contains a range of housing types and densities, from separate houses on single blocks, to multi-dwelling units. This section examines how Georges River compares to Greater Sydney, and how densities – as measured through the dwelling structure and number of bedrooms per dwelling – are changing.

In 2016, there were 49,133 occupied private dwellings in Georges River. The following housing consumption analysis is based on these private occupied dwellings.

4.2.1 Dwelling mix

Georges River has an almost equal split between separate houses and multi-dwelling developments, with 53.2% separate houses, 16.3% medium density dwellings and 29.5% high density dwellings. This mix is fairly similar to the Greater Sydney average (55%, 20.3%, and 23.5% respectively), though Georges River has a slightly higher proportion of high-density dwellings (apartment buildings of three or more storeys.)

Figure 24. *Dwelling structure, 2016*



Source: ABS, Census of Population and Housing (2006 and 2016)

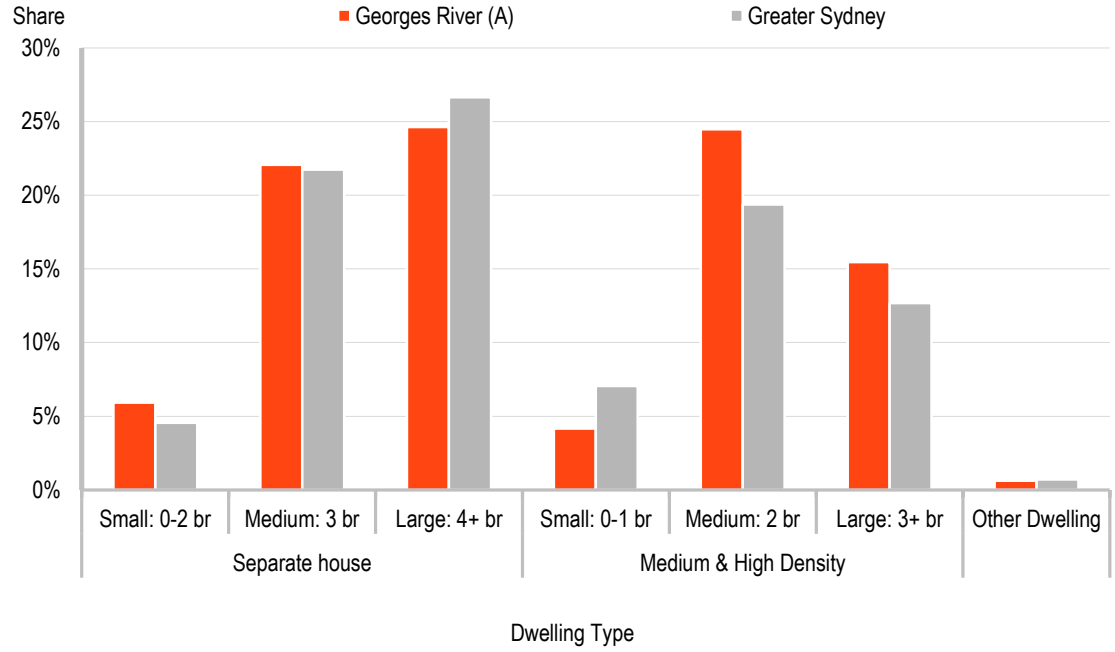
There are some differences in the supply of residential property within Georges River. There are high proportions of separate houses in areas with river frontage, such as Lugarno, Peakhurst Heights and Connells Point. Higher concentrations of medium density housing can be found in the western portion of the LGA, in Peakhurst and Mortdale. Areas with close proximity to Sydney CBD such as Hurstville, Kogarah and Allawah have high proportions of high-density developments.

4.2.2 Dwelling types

Based on number of bedrooms, separate houses with four or more bedrooms are the most common (24.6%, compared with 26.7% in Greater Sydney), followed by medium and high-density dwellings with two bedrooms (24.5%, compared with 19.4% in Greater Sydney). There were smaller proportions of small separate houses (5.9%, 4.6% in Greater Sydney) medium separate houses (22.1%, 21.7% in Greater Sydney) and large medium or high density dwellings (15.5%, 12.7% in Greater Sydney. Over the past 10 years, separate houses have increased in size, mainly through renovations adding an extra bedroom to an existing dwelling. There has also been a significant increase in medium and high-density dwellings, especially those with two or more bedrooms.

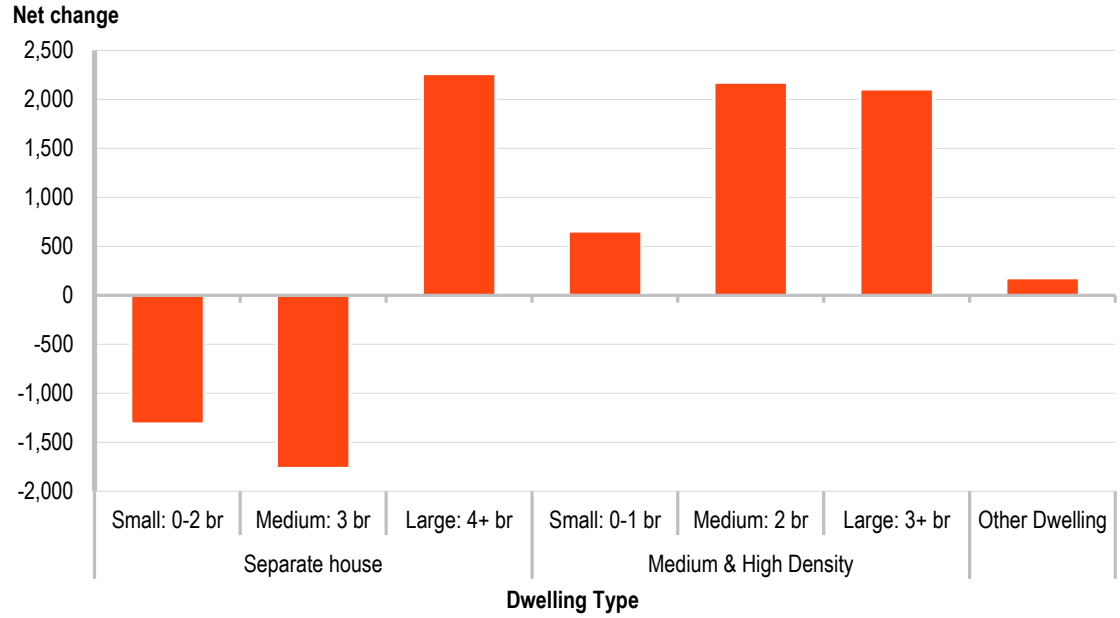
Compared to Greater Sydney, Georges River has a very similar mix of dwelling structures. Where it differs is in the number of bedrooms. Medium and high-density developments in the area are larger, with a higher proportion with two or more bedrooms.

Figure 25. *Dwellings by type, Georges River –2016*



Source: ABS, Census of Population and Housing (2016)

Figure 26. *Net change in dwellings by type, Georges River - 2006-2016*



Source: ABS, Census of Population and Housing (2006 and 2016)

4.3 What dwellings do households live in?

While there is little qualitative data on housing preference, Census data enables detailed analysis of dwelling consumption by household type to show preferences in the context of supply constraints. Revealed preferences are the types of dwellings that households actually live in, as indicated by Census data. Expressed preferences are those stated by individuals when surveyed as to what sort of housing they would like to live in. The latter is not part of the scope of this report, but there are examples of this type of research being undertaken in Australia, such as the Grattan Institute's 2011 report "The housing we'd choose".

This analysis uses Census data to identify the relationship between key dominant and emerging household types and the dwellings they live in. The following household types are analysed:

- Couples with young children (dominant and emerging)
- Couples with older children (dominant and emerging)
- Older couples without children (dominant)
- Young couples without children (emerging)

4.3.1 Couples with young children

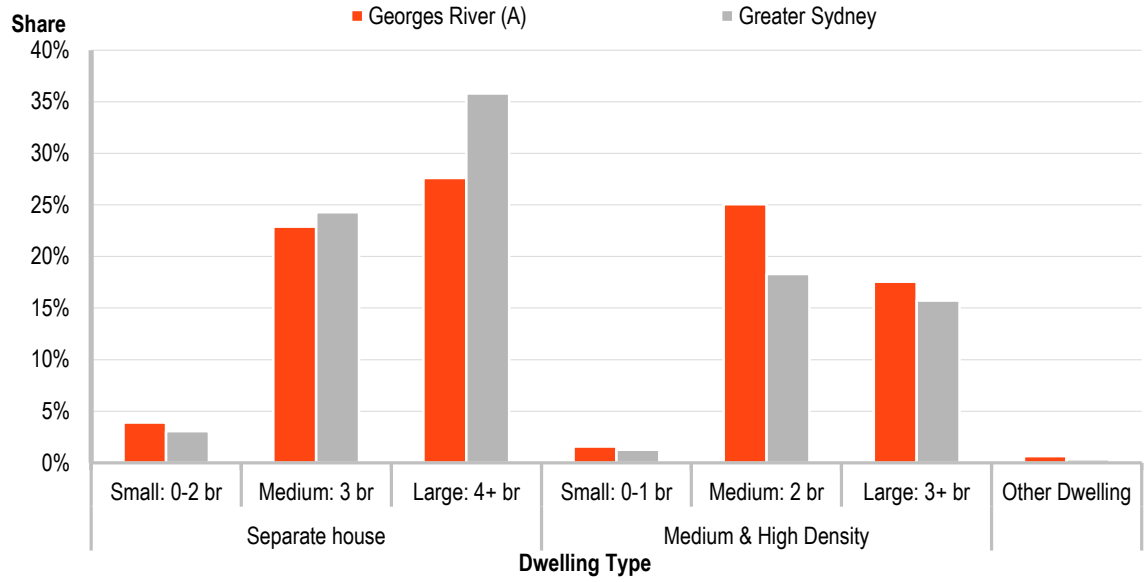
Couples with young children (all under 15 years of age) are a dominant household type in Georges River, comprising 20% of the total. They also experienced a significant increase between 2006 and 2016, of approximately 1,100 households.

Typically, these households fall into three housing markets:

- Those who are early in their housing career and are prepared to accept high levels of housing stress with a large proportion of their household income being spent on housing;
- Those in the second and third home-purchaser market who are upgrading to larger dwelling formats or more desirable locations that are suitable to their changing needs (and budget).
- Those living in higher density dwellings, both renters and buyers, who have just had their first child.

As shown in the chart below, couples with young children live in a variety of dwelling types, with almost equal proportions living in separate houses with three bedrooms (22.9%, compared with 24.3% in Greater Sydney), separate houses with four or more bedrooms (27.6%, 35.8% in Greater Sydney) and medium and high-density dwellings with two bedrooms (25.1%, 18.3% in Greater Sydney). This differs a little to other couples with young children across Greater Sydney, who are more likely to be living in separate houses with four bedrooms, and less likely to live in higher density homes.

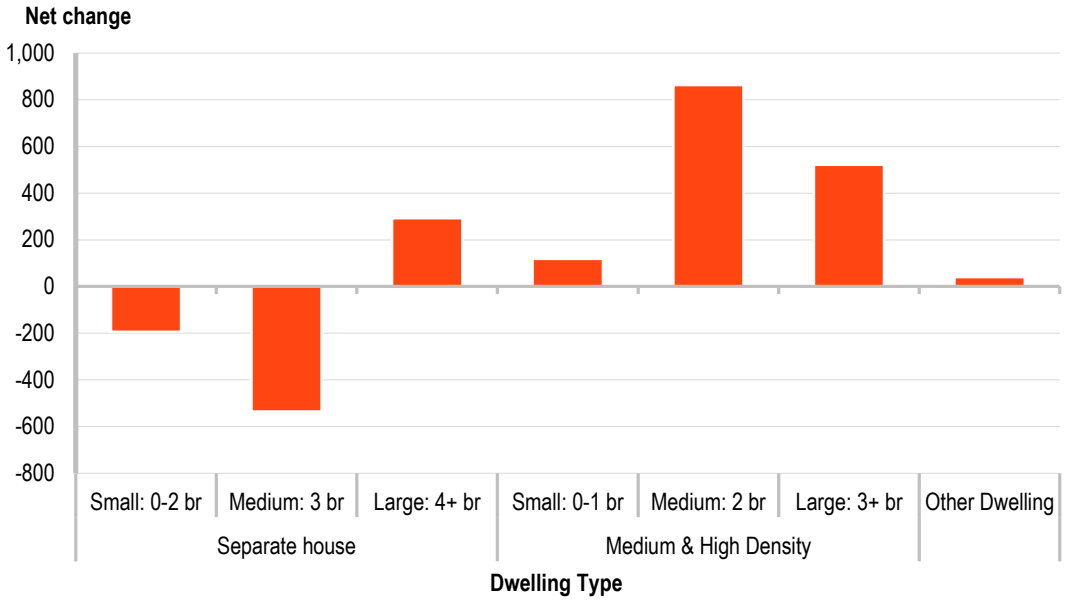
Figure 27. *Couples with young children by dwelling type (%) – Georges River - 2016*



Source: ABS, Census of Population and Housing (2006, 2011 and 2016)

Between 2006 and 2016 there was a significant increase in the number of couples with young children living in medium and high-density dwellings. This may be driven by several factors including availability of supply and changing preferences.

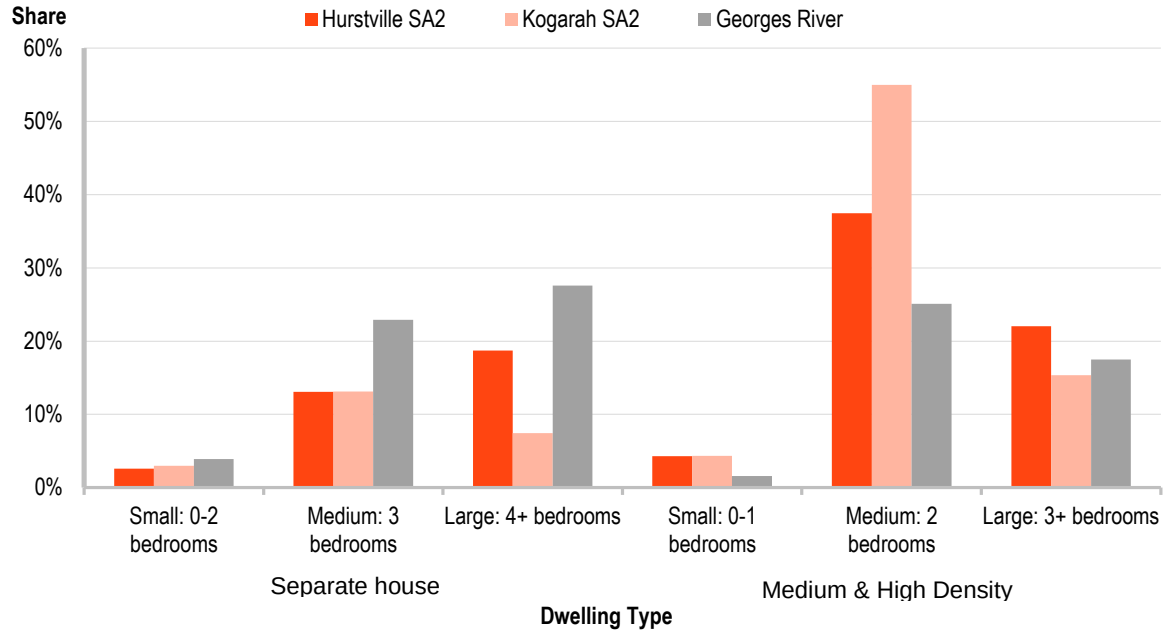
Figure 28. *Net change in couples with young children, by dwelling type Georges River – 2006-2016*



Source: ABS, Census of Population and Housing (2006, 2011 and 2016)

However, how families with young children occupy dwellings differs between the different areas of Georges River. Please note the following analysis has been undertaken for Statistical Area 2 (SA2) geographies, due to data limitations. Within the Hurstville and Kogarah SA2s, families with young children are much more likely than the Georges River average to live in medium and high-density homes. In Hurstville, 522 families with young children lived in two-bedroom apartments, and in Kogarah, 495 families lived in the same dwelling type. This is influenced by dwelling supply in the area, which is predominately medium and high-density dwellings.

Figure 29. *Couples with young children by dwelling type (%) Hurstville and Kogarah SA2s - 2016*



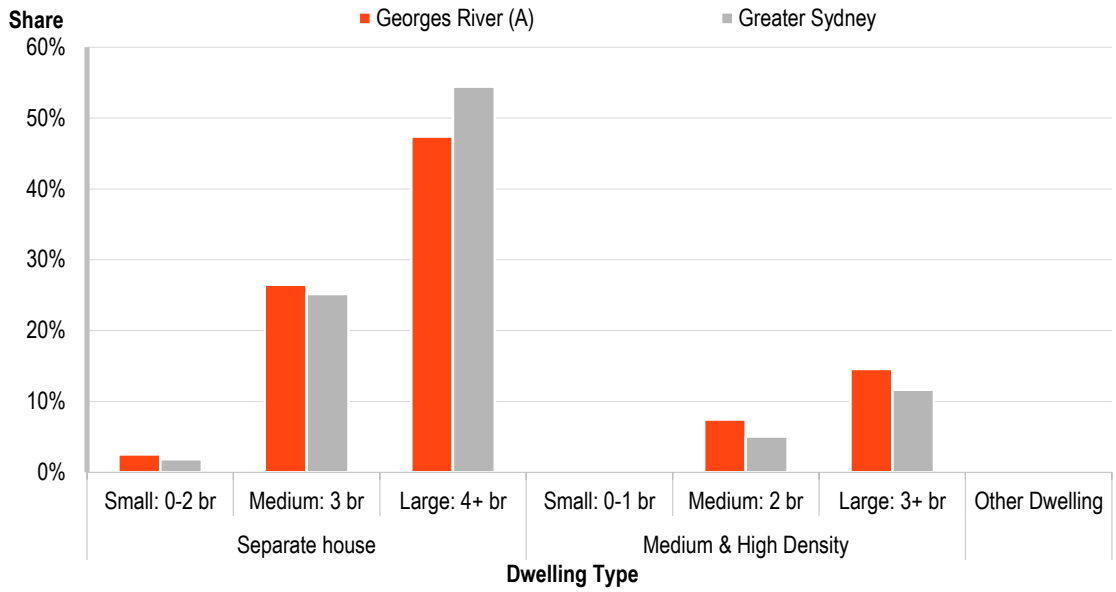
Source: ABS, Census of Population and Housing (2006, 2011 and 2016)

4.3.2 Couples with older children

Couples with older children are generally in a stable part of their housing career, with most remaining in the dwelling they chose during family formation. However, some may be in the 'upgrader' housing market, looking for larger, newer dwellings in more aspirational areas.

The majority (77.2%) of couples with older children in Georges River live in separate houses. Most have three or four bedrooms. Couples with older children are less likely to live in this dwelling type than the Greater Sydney average, as there is a proportion of couples with older children living in medium and high-density housing in Georges River.

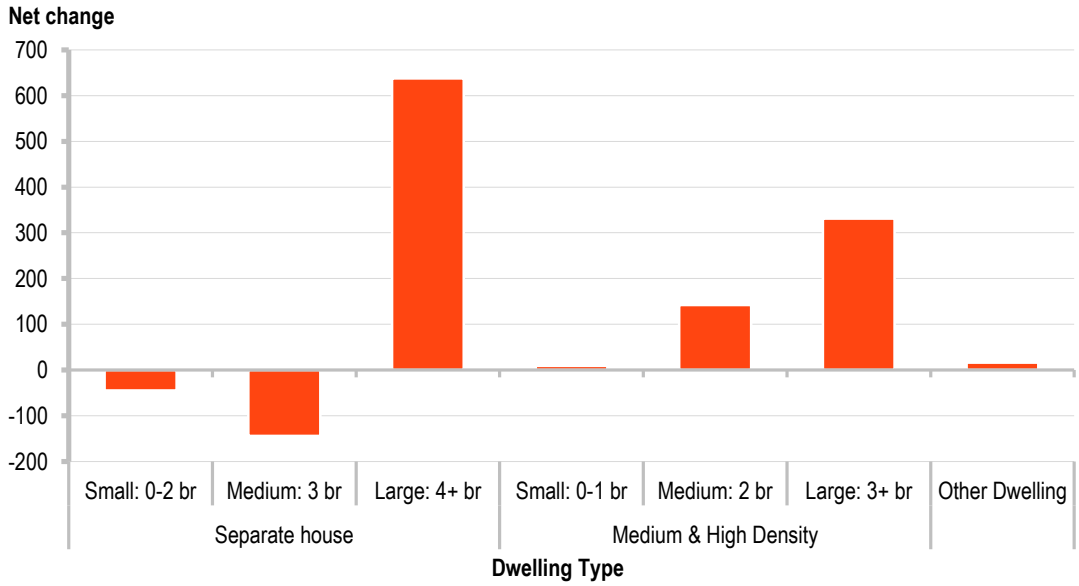
Figure 30. *Couples with older children by dwelling type (%) – Georges River - 2016*



Source: ABS, Census of Population and Housing (2006, 2011 and 2016)

Separate houses with four bedrooms saw the largest increase in couples with older children. However, the number living in higher density forms also increased.

Figure 31. *Net change in couples with older children, by dwelling type – 2006-2016*



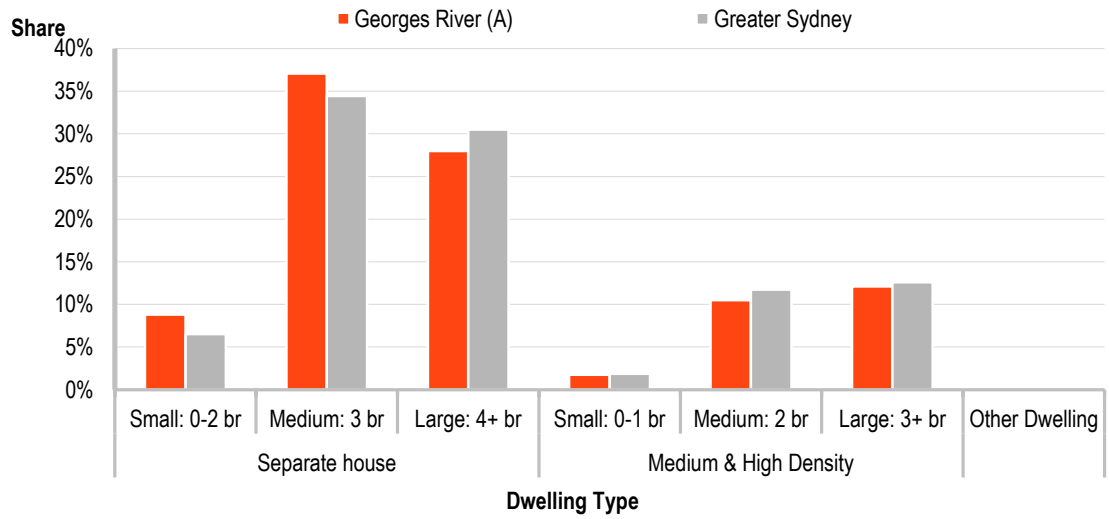
Source: ABS, Census of Population and Housing (2006, 2011 and 2016)

4.3.3 Older couples without children

In general, older couples without children have a higher propensity to consume three-bedroom separate houses than other household types.

In Georges River, they live in medium or large separate houses at a similar rate to the Greater Sydney average (65.1% compared with 64.9%) and a little less likely to live in medium format medium/high density, 10.5% compared with 11.7% across Greater Sydney. A similar trend occurs in large medium or high density homes, with just 12.1% of older couples inhabiting this dwelling type in Georges River, compared with 12.6% across Greater Sydney.

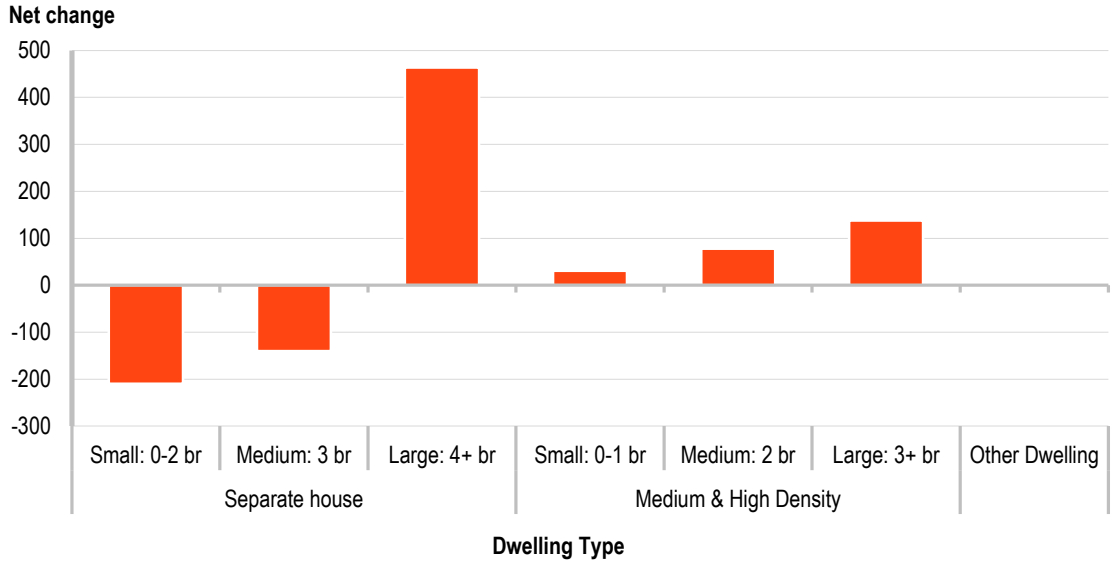
Figure 32. *Older couples without children by dwelling type (%) – Georges River - 2016*



Source: ABS, Census of Population and Housing (2006, 2011 and 2016)

Older couples without children in Georges River are generally ageing in place. This is demonstrated by strong growth in large separate dwellings for this group between 2006 and 2016. There were small increases in older couples living in medium density housing, suggesting that there is some demand for downsizing in the area.

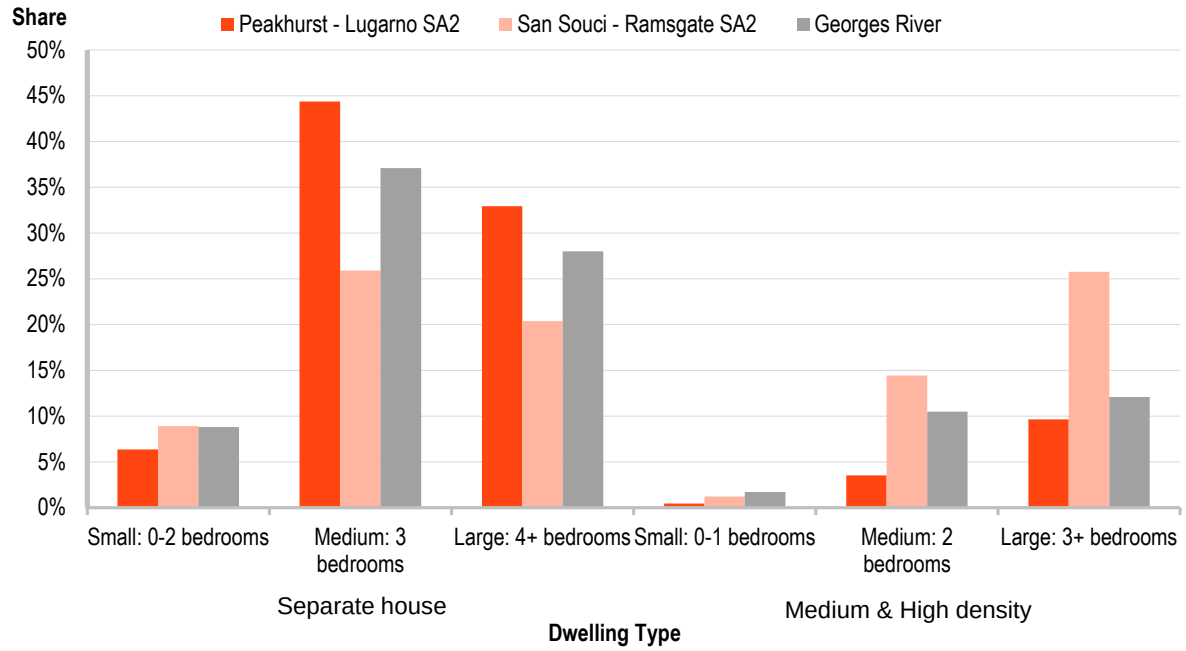
Figure 33. *Net change in older couples without children, by dwelling type – 2006-2016*



Source: ABS, Census of Population and Housing (2006, 2011 and 2016)

However, the types of dwellings that older couples live in differs across the different areas of Georges River. Please note the following analysis has been undertaken for Statistical Area 2 (SA2) geographies, due to data limitations. For example, older couples in Peakhurst – Lugarno are generally ageing in their family homes, separate dwellings with three or more bedrooms. In San Souci – Ramsgate however, there is evidence that older residents are downsizing into medium and high-density dwellings.

Figure 34. *Net change in older couples without children, by dwelling type – 2006-2016*



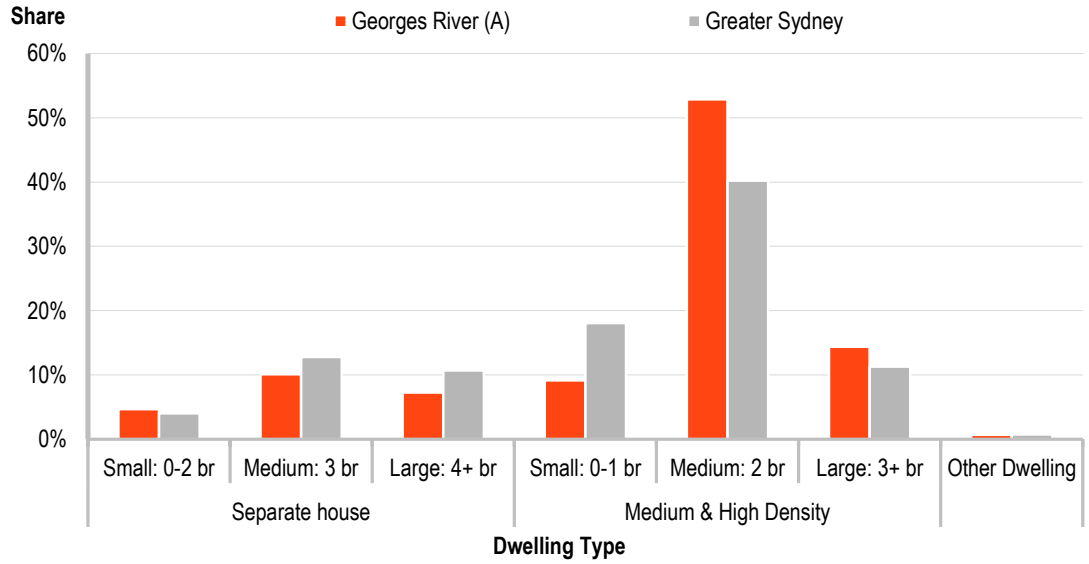
Source: ABS, Census of Population and Housing (2006, 2011 and 2016)

4.3.4 Young Couples without Children

Young couples without children are an emerging household type in Georges River, currently comprising 8.8% of total households, and increasing substantially. These are generally households at the start of their 'housing careers' who often make housing decisions based on proximity to amenity, education and employment opportunities.

Compared to the metropolitan Sydney average, Georges River had a higher share of young couples living in two or more-bedroom, higher density dwellings in 2016. This is a reflection of supply in the LGA, which has seen a number of high-density developments in the key centres of Hurstville and Kogarah over the past decade.

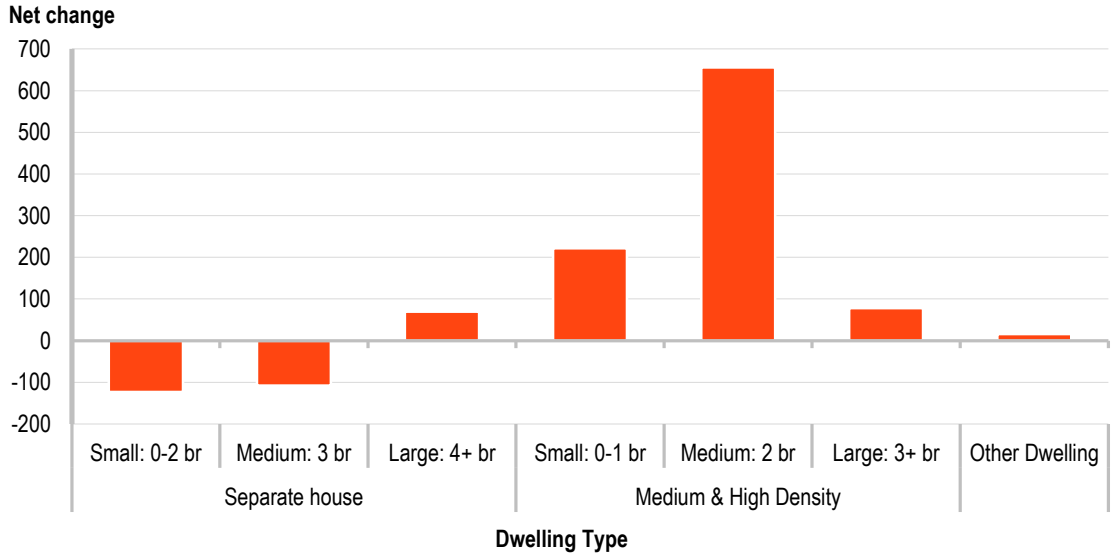
Figure 35. *Young couples without children, by dwelling type (%) – 2016*



Source: ABS, Census of Population and Housing (2006, 2011 and 2016)

There has been significant growth in the number of young couples without children living in two-bedroom apartments. As mentioned earlier, this has most likely been driven by new, high density developments in Hurstville and Kogarah.

Figure 36. *Net change in young couples without children, by dwelling type – 2006-2016*



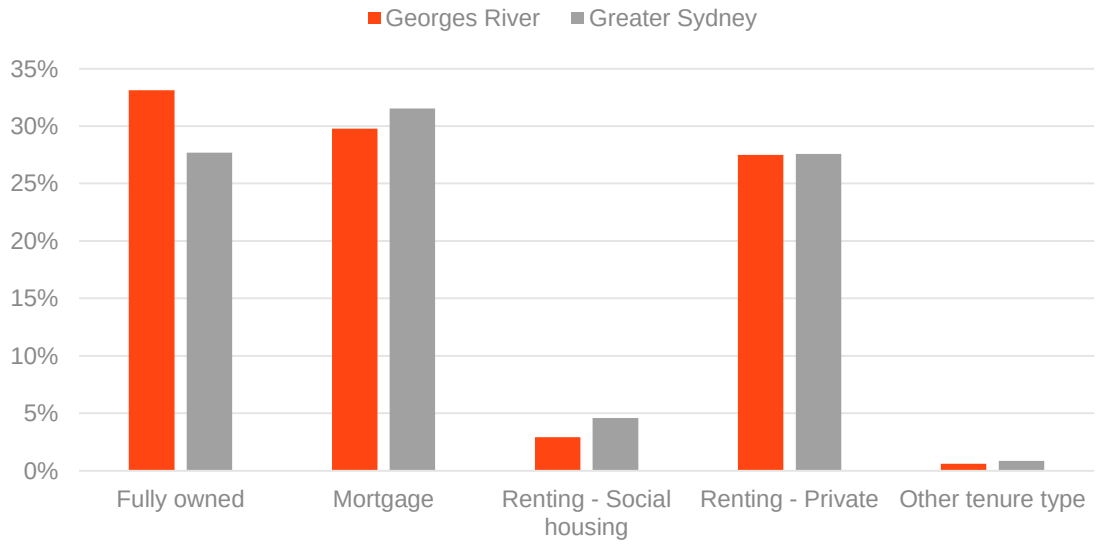
Source: ABS, Census of Population and Housing (2006, 2011 and 2016)

4.4 How is housing tenure changing?

Housing tenure data gives significant insight into the role Georges River Council plays in the housing market, and the life stage and socio-economic status of its residents. There is currently significant diversity in tenure types across Georges River, which assists in creating a sustainable community. There are almost equal shares of people fully owning their homes, people with a mortgage and those who are renting.

In comparison to Greater Sydney, having a mortgage is slightly less common in Georges River. This is influenced by several factors, including the number of young couples in the area who are most likely renting, and a high proportion of older households who own their own homes.

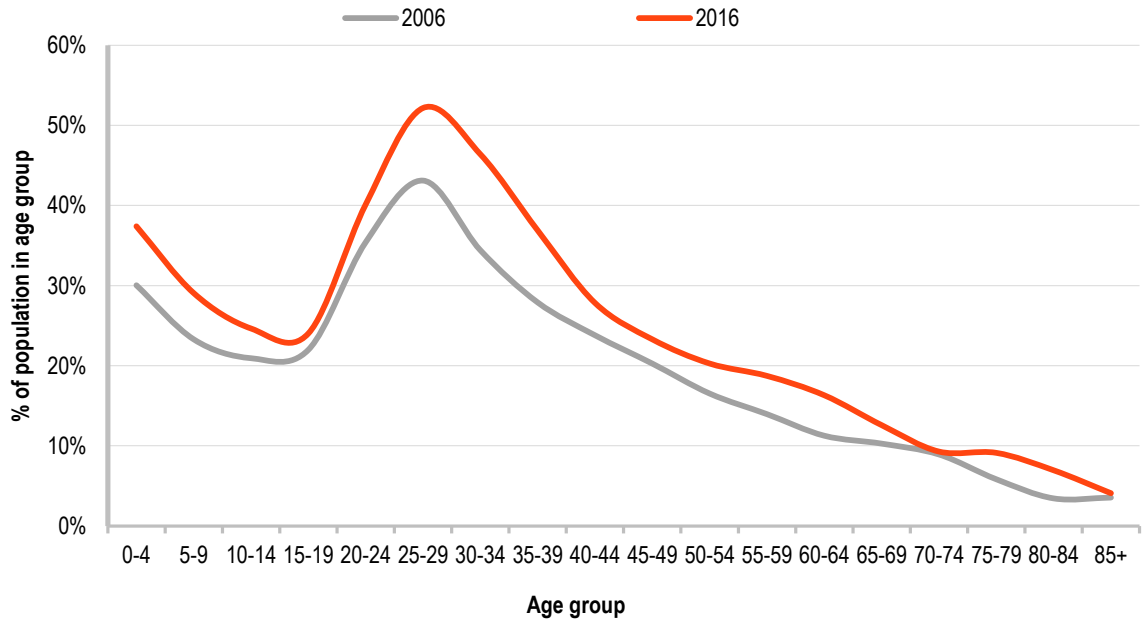
Figure 37. *Tenure types, 2016*



Source: ABS, Census of Population and Housing (2016)

However, over the past decade, renting has become much more common in Georges River. As shown by the chart below, this trend is occurring across all life stages, though much of the increase is driven by the increase in families with children living in rented dwellings.

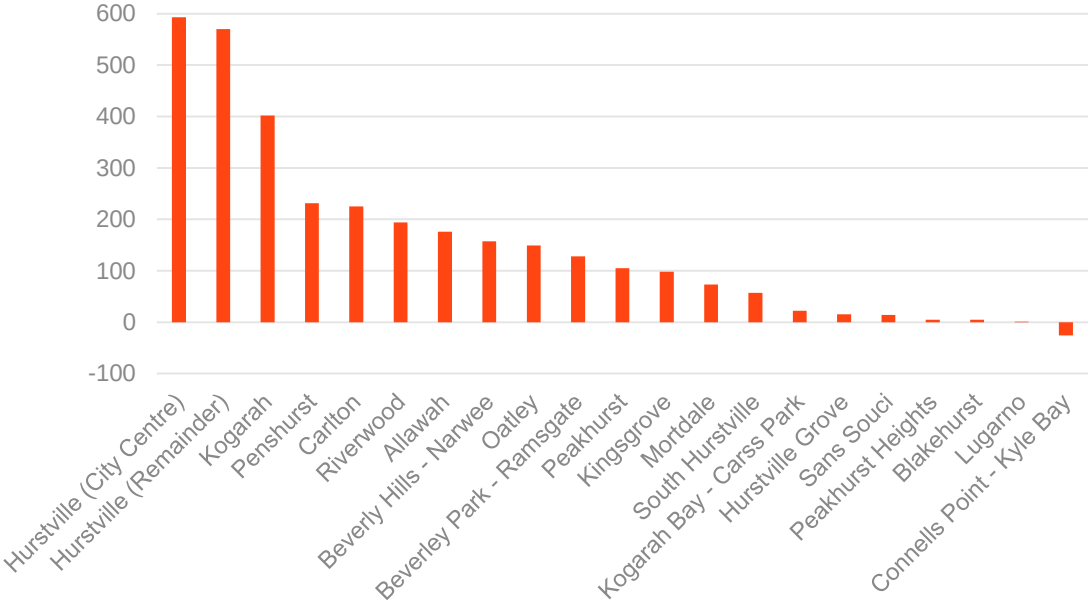
Figure 38. *Change in tenure types by age, 2006-2016*



Source: ABS, Census of Population and Housing (2006,2016)

Growth in renting has been evident across the LGA, but some areas have had more significant change than others. The number of households renting in Hurstville City Centre has increased by just under 600 households in the past decade. Other areas have also had large increases, with just one area, Connells Point – Kyle Bay seeing a decrease in the number of rental households.

Figure 39. *Growth in rental households, 2006-2016*



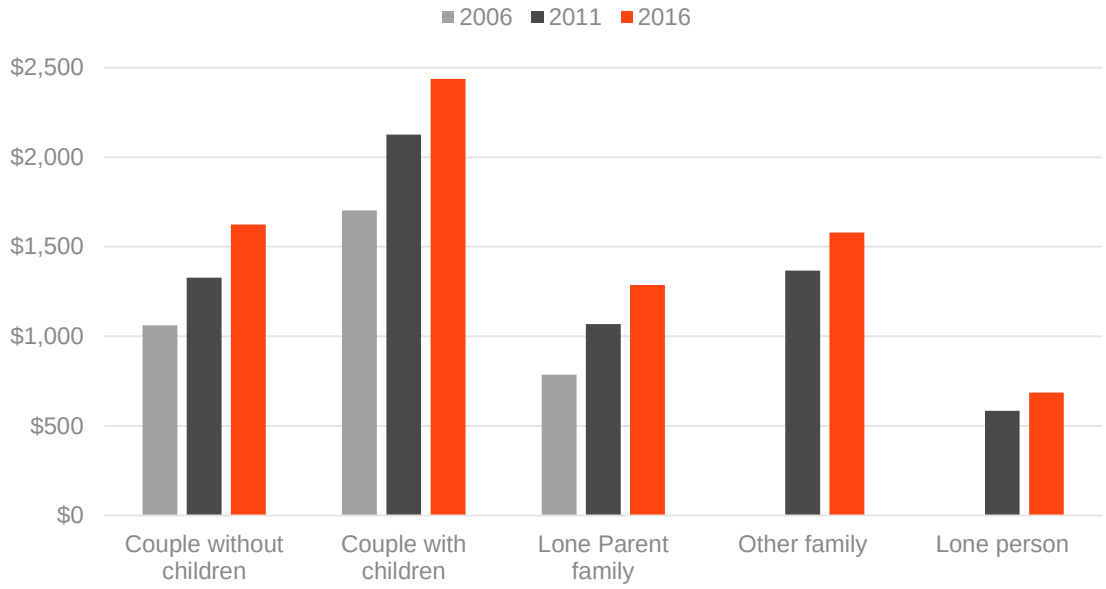
Source: ABS, Census of Population and Housing (2006,2016)

4.5 How are income levels changing?

Income is vital for households to cover their housing costs. Residents of Georges River currently have a median household income of $1,650 per week, a little lower than the Greater Sydney median, $1,745. Incomes in Georges River are increasing, with the median increasing by approximately $300 over the past five years.

However, income levels differ between the different household types of Georges River. Couples with children have the highest median income, of $2,436 per week. Lone person households have the lowest income levels, as a result of their limited earning capacity. The chart below shows the growth in median income by household type. Over the past decade, lone parent families and couples without children experienced the most significant increase in income.

Figure 40. *Change in median incomes by household type, 2006-2016*



Source: ABS, Census of Population and Housing (2006, 2011, 2016)

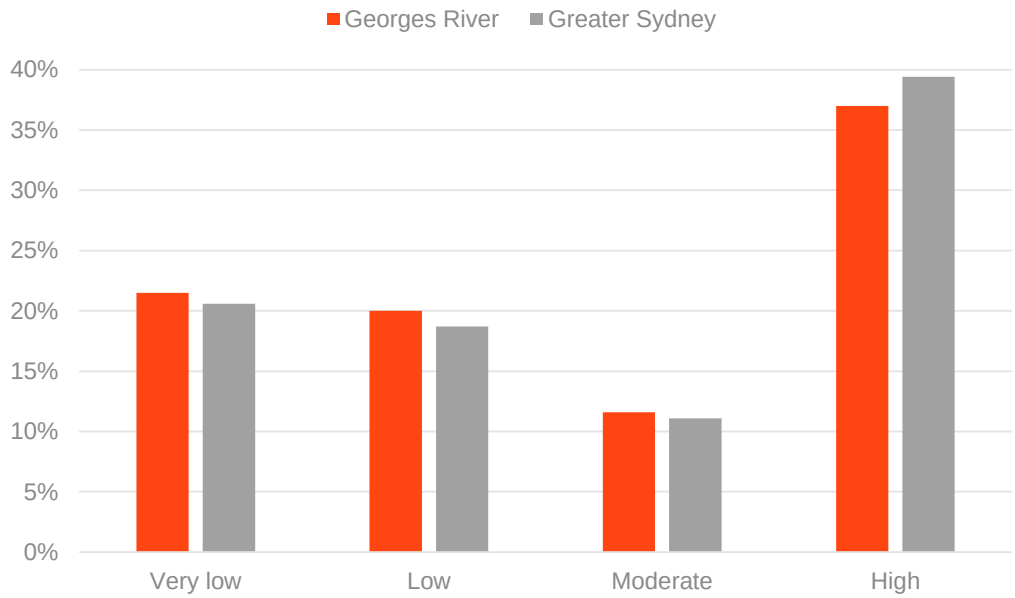
As part of the New South Wales Government Affordable Housing Strategy, income brackets have been defined for the purpose of analysing affordable housing. The income brackets are defined as follows:

- a very low income household earns less than 50% of the relevant median household income for Sydney or rest of NSW, as applicable.
- a low income household earns between 50% and 80% of the relevant median household income for Sydney or rest of NSW, as applicable.

- a moderate income household earns between 80% and 120% of the relevant median household income for Sydney or rest of NSW, as applicable.

The chart below shows the distribution of households in Georges River into these income brackets. The distribution is very similar to the Greater Sydney average, although there is a slightly higher proportion of very low- and low-income households in the area. The higher proportion of low income earners is influenced by a number of factors, including the large elderly population in the area who are relying on superannuation or the aged pension for income, and by the number of university students in the area who have limited earning capacity due to their study commitments.

Figure 41. *Proportion of households in Family and Community Services income brackets, 2016*



Source: ABS, Census of Population and Housing (2016)

4.6 What is the level of housing stress in Georges River?

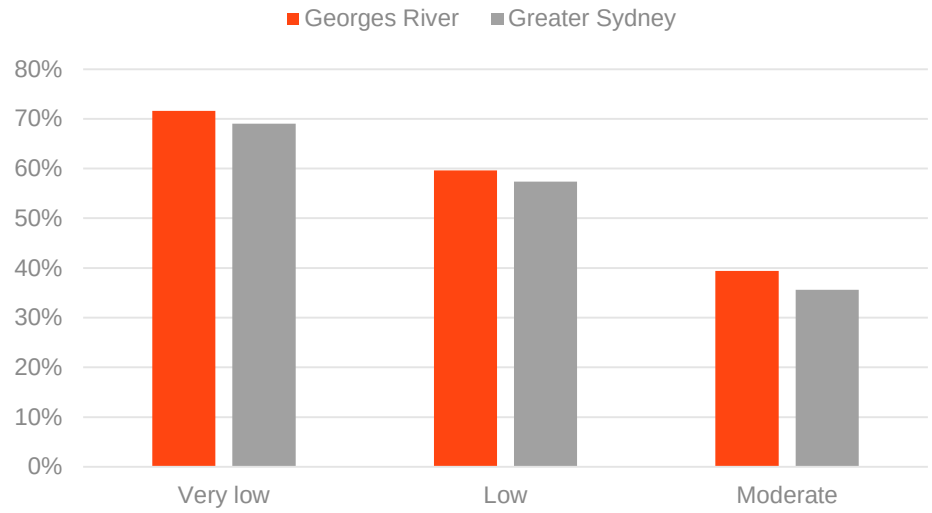
For the purpose of this report, housing stress is defined as households in the very low, low and moderate income brackets spending more than 30% of their income on housing costs.

4.6.1 Mortgage stress in Georges River

At the time of the 2016 Census, there were 3,124 households with a mortgage spending more than 30% of their income on housing costs. The chart below shows the proportion of

mortgaged households in each income bracket in housing stress, in comparison to Greater Sydney. The level of mortgage stress experienced in Georges River is marginally higher than the Greater Sydney average, especially for moderate income households.

Figure 42. *Proportion of households with a mortgage in stress, 2016*

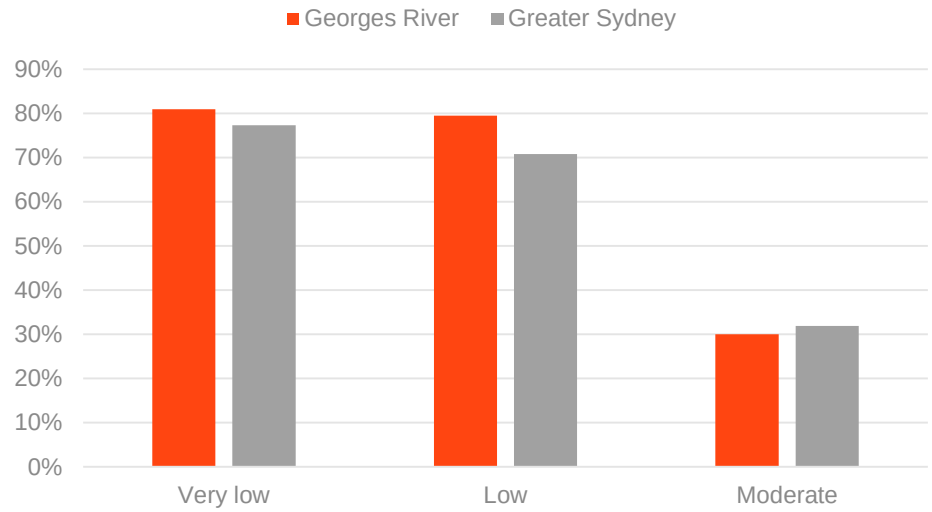


Source: ABS, Census of Population and Housing (2016)

4.6.2 Rental stress in Georges River

At the time of the 2016 Census, 6,235 households that were renting their dwelling were spending more than 30% of their income on housing costs. The chart below shows the proportion of rental households in each income bracket in rental stress, in comparison to Greater Sydney. The level of rental stress experienced in Georges River is higher than the Greater Sydney average. The difference in rates is particularly significant for low income households, suggesting there is limited rental supply affordable for this group in Georges River.

Figure 43. *Proportion of renting households in stress, 2016*



Source: ABS, Census of Population and Housing (2016)

5. Housing Demand

5.1 Key findings

- Median house sale prices have risen sharply in Georges River over the past decade, growing by approximately 6.6% per year since 2008, a faster rate than the Greater Sydney average
- Units in Georges River are generally less costly than the Greater Sydney average, currently 2% lower than the metropolitan median.
- Just under 40% of key workers in Georges River also live in the area. Their median individual income is $844 per week, significantly less than the median for all workers employed in Georges River.
- In 2017-18, just nine property sales and nine rental listings were affordable to a key worker living on their own.
- Similarly, there were very few property sales or rental listings that would be considered affordable for those on very low or low incomes.

5.2 How are housing costs changing?

5.2.1 Sales

Median house sale prices have risen sharply in Georges River over the past decade. In 2008, the cost of a house in the area was around $662,000. In 2018, house prices were $1,250,000; growing by approximately 6.6% per year since 2008. Houses in Georges River have consistently been more expensive than the Greater Metropolitan Region (GMR)[1] median, however this gap is decreasing, with prices in Georges River now 69% higher than the metropolitan average, compared to 74% higher in 2008. As the declining gap between the GMR median and the Georges River median suggests, house prices in Georges River have been increasing at a slower rate than the GMR area.

[1] As used in FACS reporting, the area is defined as Greater Sydney and the metropolitan areas of Newcastle and Wollongong.

Figure 44. *House sales, 1st Quartile and median costs, 2008-2018*

	2018		2008		Average Annual Change	
	1st Quartile	Median	1st Quartile	Median	1st Quartile	Median
Georges River	$1,080,000	$1,250,000	$550,000	$662,500	7.0%	6.6%
Greater Metropolitan Region	$640,000	$1,063,000	$280,000	$380,000	8.6%	10.8%

Source: FACS Sales Report (2008 and 2018)

The purchase price of units has also experienced strong growth over the past decade, almost doubling since 2008. Units in Georges River are generally less costly than the Greater Metropolitan Region average, currently 14% lower than the GMR median. However this gap is widening, with units costing 2% less than GMR averages in 2008.

Figure 45. *Unit sales, 1st Quartile and median costs, 2008-2018*

	2018		2008		Average Annual Change	
	1st Quartile	Median	1st Quartile	Median	1st Quartile	Median
Georges River	$615,000	$690,000	$307,500	$359,000	7.2%	6.8%
Greater Metropolitan Region	$570,000	$802,000	$275,000	$365,000	7.6%	8.2%

Source: FACS Sales Report (2008 and 2018)

5.2.2 Rents

Weekly rental costs in Georges River have increased significantly over the past decade. First quartile costs for houses have experienced the largest increase with rents for two- and three-bedroom homes increasing by 3.9% and 3.8% per annum respectively.

Figure 46. *House Rentals, 1st Quartile and median costs, 2008-2018*

	2018		2008		Average Annual Change	
	1st Quartile	Median	1st Quartile	Median	1st Quartile	Median
2 bedrooms	$475	$505	$323	$353	3.9%	3.6%
GMR average	*$368*	*$437*	*$190*	*$240*	*6.8%*	*6.2%*
3 bedrooms	$566	$610	$388	$425	3.8%	3.7%
GMR average	*$419*	*$490*	*$235*	*$280*	*6.0%*	*5.8%*
4+ bedrooms	$680	$765		$542		3.5%
GMR average	*$522*	*$606*				

Source: FACS Rent Report (2008 and 2018)

Rental costs for units in Georges River have also increased, at a more rapid rate than houses in the area. The median rent for a 2-bedroom unit in the area has increased by 4.6% per annum over the past decade.

Figure 47. *Unit Rentals, 1st Quartile and median costs, 2008-2018*

	2018		2008		Average Annual Change	
	1st Quartile	Median	1st Quartile	Median	1st Quartile	Median
0-1 bedroom	$340	$400	$250	$268	3.1%	4.1%
GMR average	*$396*	*$494*	*$200*	*$325*	*7.1%*	*4.3%*
2 bedrooms	$450	$495	$285	$316	4.7%	4.6%
GMR average	*$430*	*$540*	*$220*	*$320*	*6.9%*	*5.4%*
3 bedrooms	$570	$610				
GMR average	*$520*	*$700*				

Source: FACS Rent Report (2008 and 2018)

5.3 Can key workers in Georges River afford to live in the area?

The Australian Housing and Urban Research Institute provide a useful definition to describe key workers:

"Basically these are lower paid workers in occupations considered important to the proper functioning of the city, particularly those in lower paid service occupations, although not exclusively so, whose jobs are in areas of high housing costs" (Yates, Randolph, Holloway, Murray (2005), Housing affordability, occupation and location in Australian cities and regions).

BankWest's Key Worker Housing Affordability Report defines key workers as Nurses, Teachers, Police Officers, Fire Fighters and Ambulance Offices.
For the purpose of this report, key workers have been defined based on traditional key worker occupations identified in BankWest as well as a selection of occupations based on the role and function of the Georges River economy. The definition is based on the detailed occupation categories defined by the ABS (ANZSCO Major Group 3).

Core key workers:

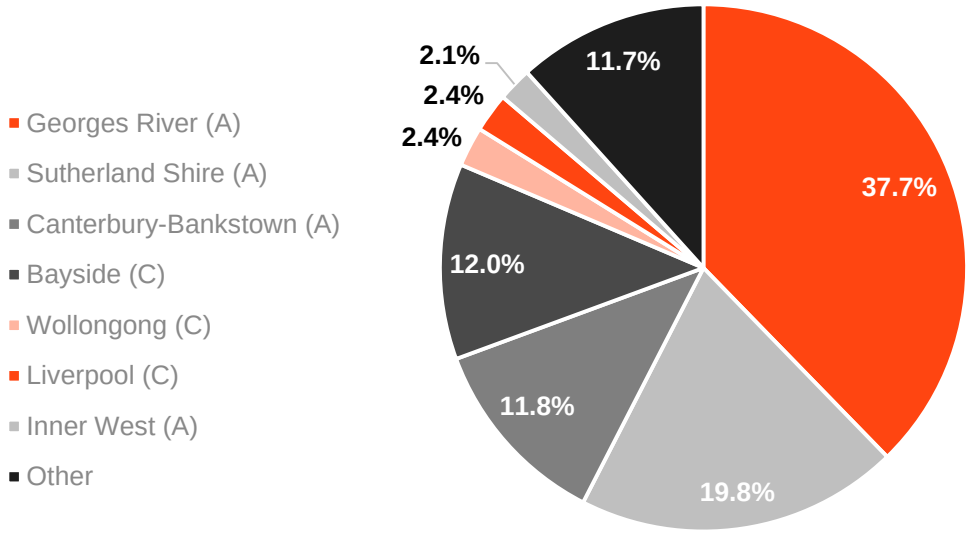
- School Teachers
- Midwifery and Nursing Professionals
- Defence Force Members, Fire Fighters and Police

Secondary key workers (economic development function):

- Health and Welfare Support Workers (includes ambulance officers)
- Hospitality Workers (to support amenity required for business attraction)
- Child Carers (to support participation rates)
- Personal Carers and Assistants (including aged carers and social workers)
- Cleaners and Laundry Workers (to support operations of the hospital cluster)
- Automobile, Bus and Rail Drivers (to help access to jobs)
- Sales Assistants and Salespersons

In 2016, there were 12,329 key workers employed in Georges River, representing 29% of the total workforce. Of these key workers, 37.7% also live in Georges River. The majority of the remainder live in the neighbouring councils of Sutherland (19.8%), Canterbury-Bankstown (11.8%) and Bayside (12.0%).

Figure 48. *Residential location of key workers employed in Georges River, 2016*

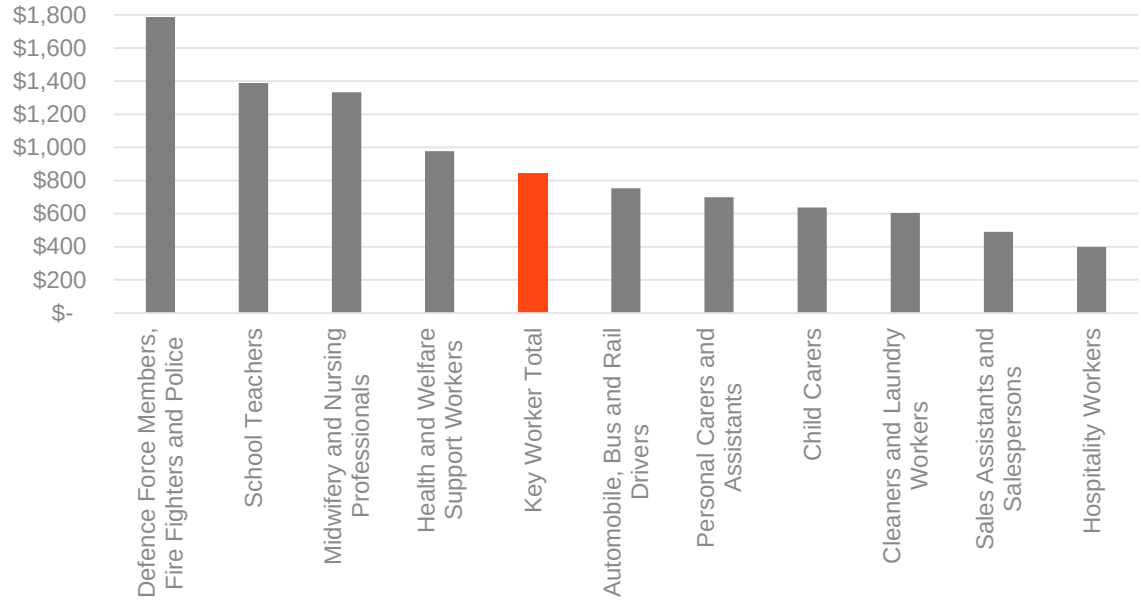


Source: ABS, Census of Population and Housing (2016)

The median weekly individual income for a key worker in Georges River is $844, considerably lower than the median for all workers employed in Georges River ($982).

Within key workers, Hospitality Workers had the lowest weekly income ($400), and Defence Force Members, Fire Fighters and Police had the highest at $1,788.

Figure 49. *Median weekly individual income, key workers in Georges River, 2016*



Source: ABS, Census of Population and Housing (2016)

With a median weekly individual income of $844, a key worker living on their own could afford a property purchase of $246,000 or a weekly rent of $253. Over the past Financial Year, just 9 property sales and 9 rental listings would have been affordable to such a person. This highlights that it is unlikely that key workers employed in Georges River would live in the local area in lone person households. Most would be reliant on combining their income with a spouse, partner or housemate to live affordably in the area and avoid housing stress.

Figure 50. *Number of property sales and rental listings affordable to key workers in Georges River, 2017-18*

	Sales affordable	Rents affordable
1 key worker	9	9
2 key workers (couple or group household)	70	1,395
Defence Force Members, Fire Fighters and Police	104	1,630
School Teachers	34	415
Midwifery and Nursing Professionals	27	365
Health and Welfare Support Workers	18	20
Automobile, Bus and Rail Drivers	9	2
Personal Carers and Assistants	8	2
Child Carers	6	1
Cleaners and Laundry Workers	5	0
Sales Assistants and Salespersons	5	0
Hospitality Workers	4	0

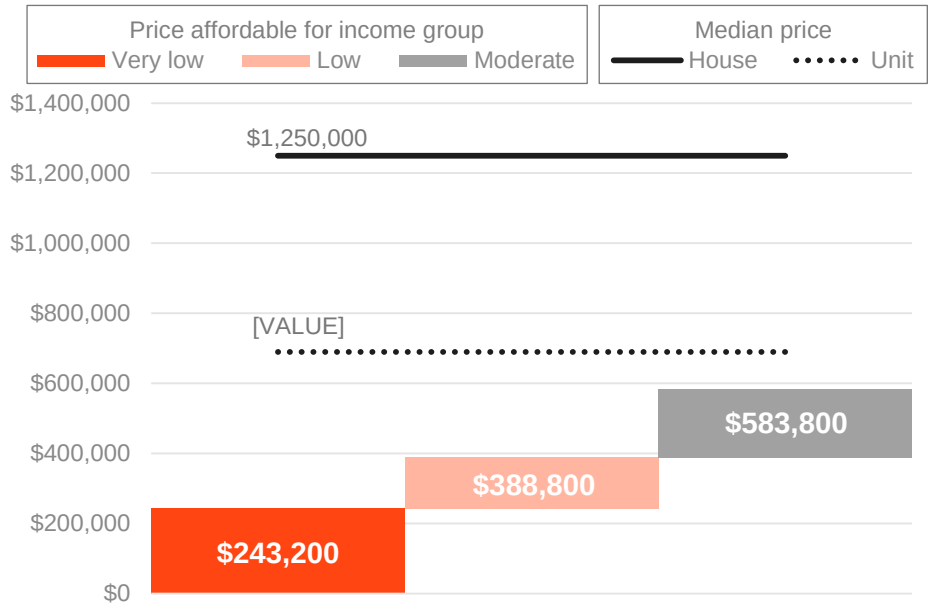
Source: HomeTrack (2018), ABS, Census of Population and Housing (2016)

5.4 Can those who need affordable housing afford to live in Georges River?

Another way to look at housing affordability is to compare what is affordable to what is being provided in the private market. Figure 51 compares the affordable housing purchase price points for different households with the median house price in Georges River.

Houses and medium and high-density dwellings are largely unaffordable for most lower income households in Georges River. This is most acute for very low- and low-income households who would find it near impossible to enter the housing market. For example, the median medium and high-density price is 2.9 times more expensive than what a very low-income lone person household could afford ($243,200) in 2018.

Figure 51. *Purchase affordability, Georges River, 2017-18*



Source: HomeTrack (2018), ABS, Census of Population and Housing (2016)

In the 2017/18 Financial Year, there were 1,896 property sales in Georges River, 955 house sales and 941 unit sales. Of these, just 0.7% were affordable to those on very low incomes, 1.6% for low incomes, and 11% of sales were affordable to those on moderate incomes. As shown in the table below, a larger proportion of unit sales were affordable for lower income households.

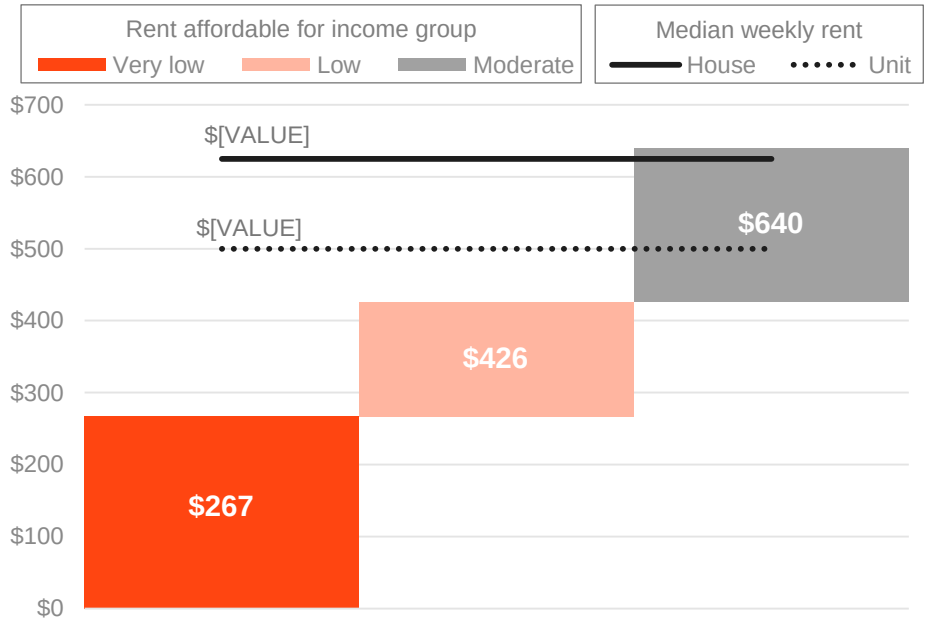
Figure 52. *Number and proportion of sales affordable to income groups, Georges River, 2017-18*

	Very Low		Low		Moderate	
	Number	%	Number	%	Number	%
Houses	7	0.7%	9	0.9%	23	2.4%
Units	6	0.6%	22	2.3%	185	19.7%
Total	**13**	**0.7%**	**31**	**1.6%**	**208**	**11.0%**

Source: HomeTrack (2018)

Similar analysis can be undertaken for rental costs. Renting in Georges River is somewhat more affordable for lower income households. However, those with very low incomes would struggle to find affordable housing in the private market as the median rental cost for a unit in the area is 1.8 times what they could afford ($267 per week).

Figure 53. *Rental affordability, Georges River, 2017-18*



Source: HomeTrack (2018), ABS, Census of Population and Housing (2016)

During the 2017/18 Financial Year, there were 3,370 properties listed for rent in Georges River, 1,303 house listings and 2,067 unit listings. Of these, just 0.4% were affordable to those on very low incomes, and 15.1% for low income households. Those on moderate incomes were able to afford the vast majority of recent rental listings (76%). As shown in the table below, units are a more affordable option for low income earners in Georges River.

Figure 54. *Number and proportion of rental listings affordable to income groups, Georges River, 2017-18*

	Very low		Low		Moderate	
	Number	%	Number	%	Number	%
Houses	10	0.8%	100	7.7%	715	54.9%
Units	3	0.1%	408	19.7%	1845	89.3%
Total	**13**	**0.4%**	**508**	**15.1%**	**2560**	**76.0%**

Source: HomeTrack (2018)

6. Residential Supply

6.1 Key findings

- Approximately 42% of dwellings built between 2011 and 2016 were built in Hurstville.
- Currently, 41.2% of households are small, but only 34.0% of dwellings are classified as small (0-2 bedrooms). This highlights a mismatch in the demand and supply of dwellings in Georges River.
- If the current bedroom mix continues to 2036, the mismatch between supply and demand will grow. In 2036, 45.6% of households are forecast to be small, whereas it has been estimated that only 35.7% of dwellings will be small.

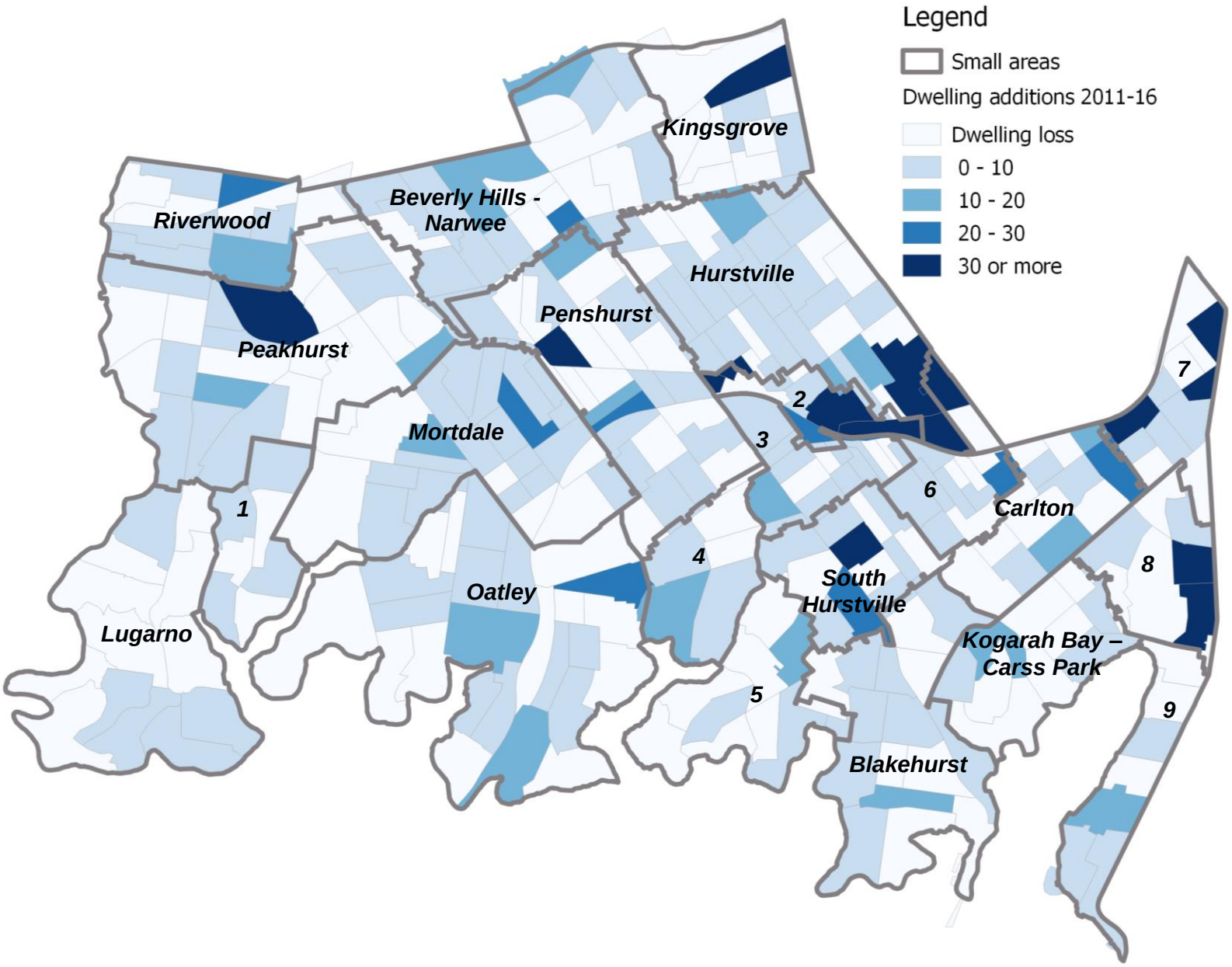
6.2 Where is residential development occurring?

Between 2011 and 2016, the number of dwellings in Georges River increased by 2,765 dwellings (net). Approximately 42% of these additional dwellings were built in Hurstville, as shown in Figure 55. Kogarah also contributed a significant proportion of new dwellings (15.2%). Areas that had the lowest rate of dwelling increase include Peakhurst and Hurstville Grove.

The number of medium density dwellings in Georges River remained stable between 2011 and 2016. There were significant increases in this dwelling type in South Hurstville, Mortdale and Beverly Hills – Narwee. There were decreases in Oatley and Riverwood. A more detailed geographic breakdown is available in Figure 56.

Much of the total dwelling change in Georges River has been driven by the increase in high density dwellings, 3,117 over five years. These dwellings have been built in the major centres of Hurstville and Kogarah, as seen in Figure 57. Such areas are attractive for developers, as they provide excellent public transport connections and high levels of amenity which are vital to successful high density living.

Figure 55. *Net dwelling change, 2011-2016*



1 – Peakhurst Heights
2 – Hurstville (City Centre)
3 – Hurstville
4 – Hurstville Grove
5 – Connells Point – Kyle Bay
6 – Allawah
7 – Kogarah
8 – Beverley Park – Ramsgate
9 – Sans Souci

Figure 56. *Medium density dwelling change, 2011-2016*

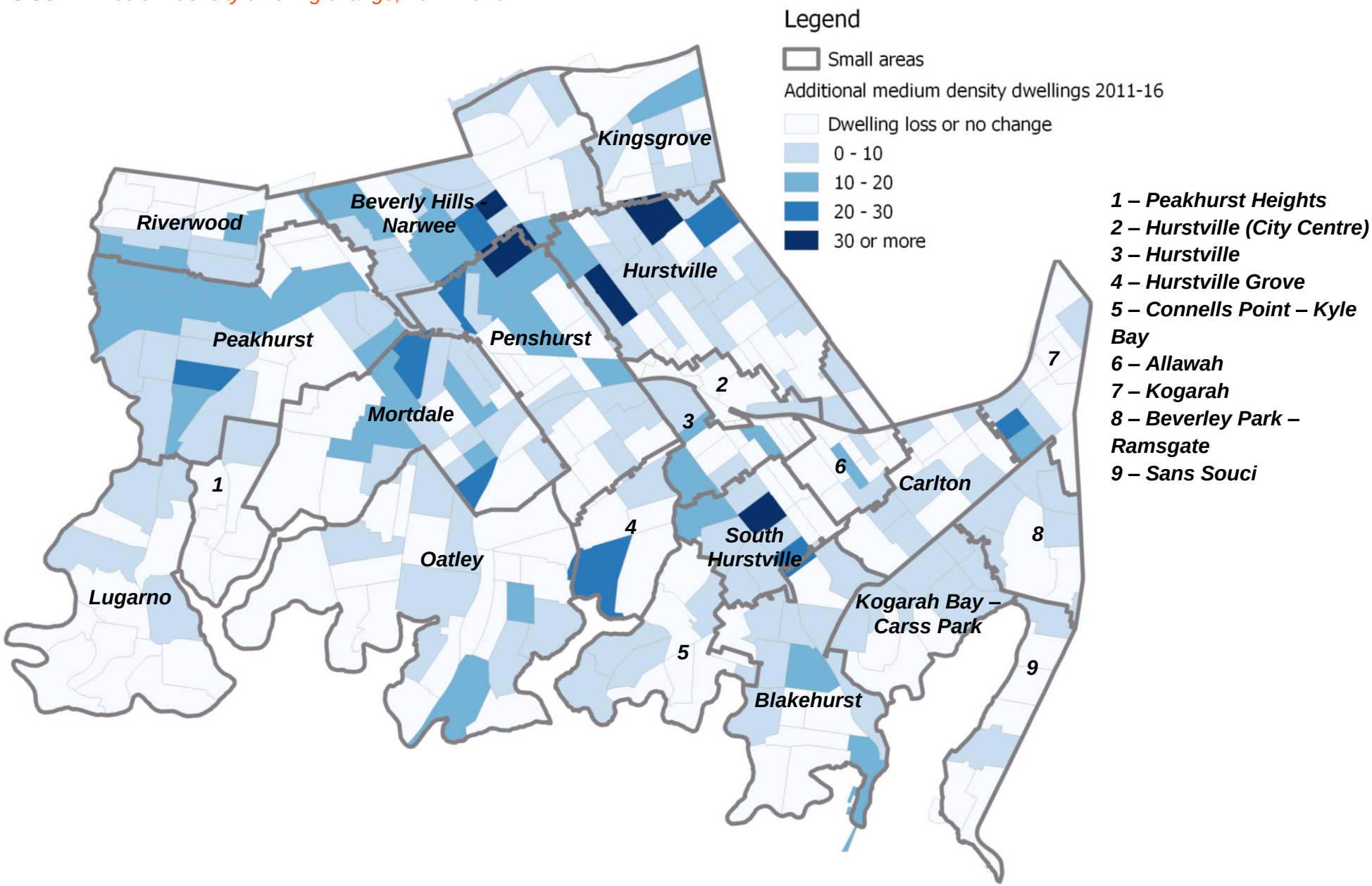
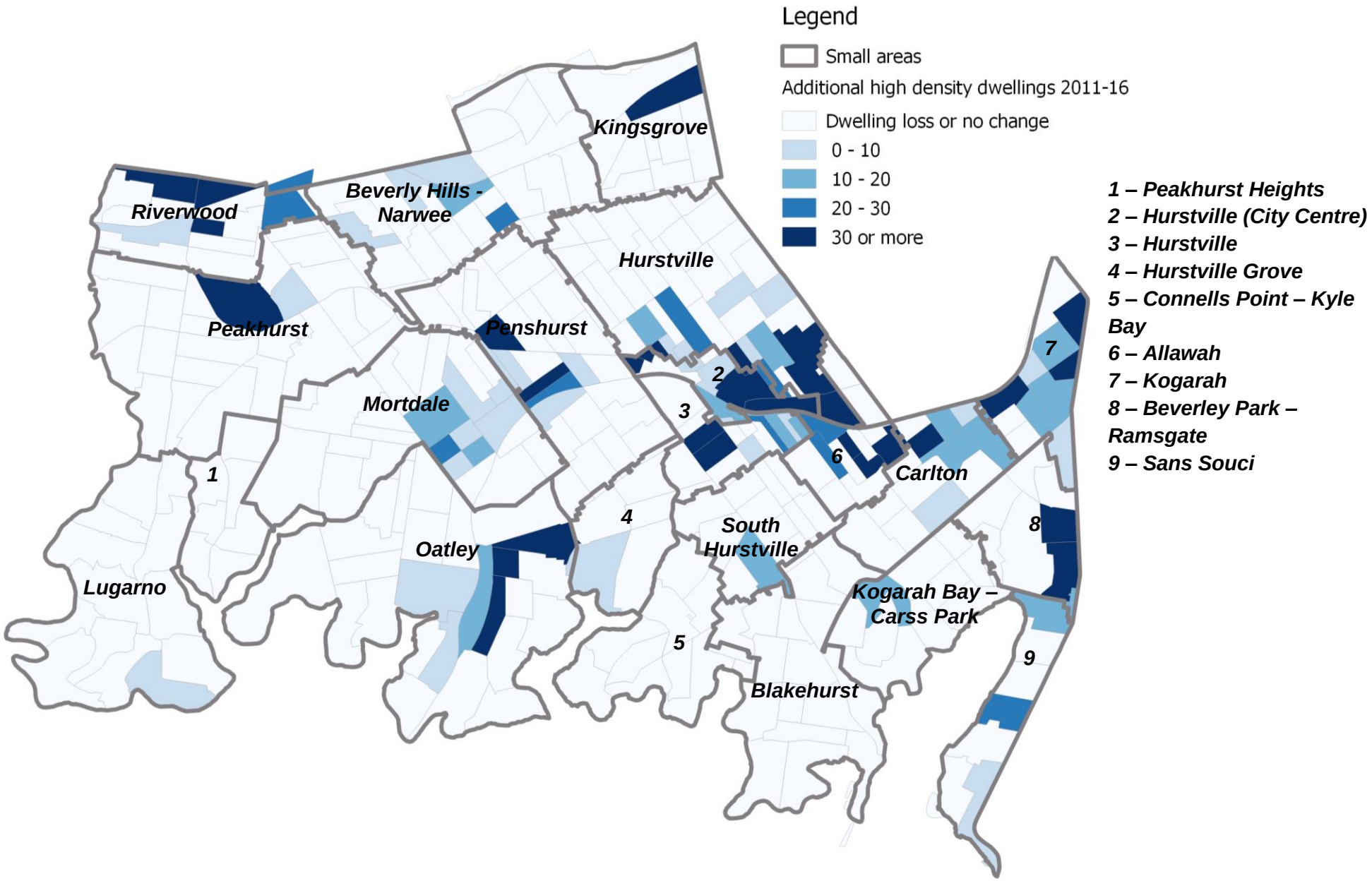


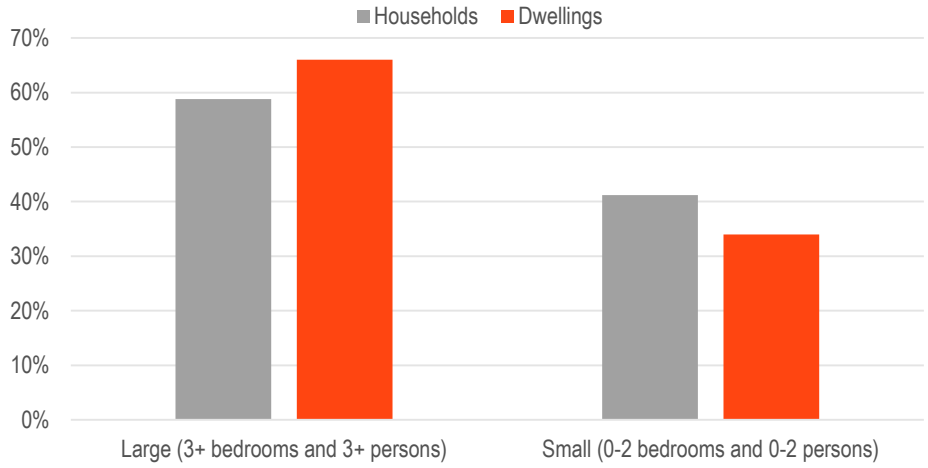
Figure 57. *High density dwelling change, 2011-2016*



6.3 Gaps between current supply and demand

Smaller households, couples without children and lone persons (1-2 persons), have grown in the area, however much of the housing stock in Georges River is geared towards the needs of larger households. Currently, 41.2% of households are small, but only 34.0% of dwellings are classified as small (0-2 bedrooms). This highlights a mismatch in the demand and supply of dwellings in Georges River.

Figure 58. *Housing stock compared with small households, 2016*



Source: ABS Census of Population and Housing, 2016

The table below outlines how this mismatch plays out at the local level. Suburbs highlighted in orange, Connells Point – Kyle Bay, Lugarno and Peakhurst Heights, have the largest mismatch between small households and small dwellings. Of concern is the age of these households. In the three suburbs mentioned, smaller households are generally elderly, which can bring significant challenges, from the maintenance of a large home and their safety in a larger dwelling. It also limits their ability to move, as they often have lower incomes and cannot afford the upfront costs of moving to a small dwelling, should there be supply.

Figure 59. *Housing stock compared with small households, suburbs of Georges River, 2016*

Area	Small households (1-2 persons) %	Small dwellings (0-2 bedrooms) %
Allawah	44.6	56.5
Beverley Park - Ramsgate	40.5	25.3
Beverly Hills - Narwee	39.5	26.6
Blakehurst	37.1	12.1
Carlton	43.7	42.0
Connells Point - Kyle Bay	38.1	7.1
Hurstville (City Centre)	45.0	66.8
Hurstville Grove	32.4	8.5
Hurstville (Remainder)	37.6	41.3
Kingsgrove	38.9	24.8
Kogarah	44.0	62.2
Kogarah Bay - Carss Park	39.4	12.7
Lugarno	42.5	6.1
Mortdale	46.3	45.1
Oatley	44.1	20.8
Peakhurst	43.1	19.6
Peakhurst Heights	46.8	8.6
Penshurst	44.1	44.9
Riverwood	38.4	32.1
Sans Souci	41.8	14.7
South Hurstville	37.3	29.9

Source: ABS Census of Population and Housing, 2016

Over the next 20 years, small households are forecast to grow at a faster rate than family households, at 1.3% per annum compared to 0.9%. This highlights that the demand for smaller dwellings in the LGA will increase over the next 20 years. If the current bedroom mix continues to 2036, the mismatch between supply and demand will grow. In 2036, 45.6% of households are forecast to be small, whereas it has been estimated that only 35.7% of dwellings will be small.

7. Residential capacity

7.1 Major development opportunities identified in forecast.id

As part of the forecast.id review process, Georges River identified a number of known developments and other strategic sites that were likely to be developed over the short, mid and long term. These developments have been included in .id's capacity analysis.

The forecast.id review undertaken in October 2017 forecast an additional **5,532** dwellings from the strategic sites identified. A list of all identified developments, dwelling yield and timing is included in Appendix One.

7.2 Opportunity for further development

There is opportunity for residential development to occur outside of the major developments previously identified. The following is an analysis of the quantity and location of this potential development.

7.2.1. Methodology

The methodology to assess further development potential is outlined below.

Step 1: Identify suitable residential zones

Residential zones have varying degrees of permissible development. New South Wales' planning framework and zones have been used to guide assumptions for infill based on subdivision controls.

- *Each cadastral parcel (property boundaries) is tagged with the zone it falls in*
- *Any cadastral parcel falling in a zone that does not allow residential developments is excluded from further analysis*
- *Cadastral parcels in the following zones proceed for further analysis:*
    - *High Density R4*
    - *Local Centre B2*
    - *Low Density R2*
    - *Medium Density R3*
    - *Mixed Use B4*
    - *Neighbourhood Centre B1*

Step 2: Establish geographic boundaries

Boundaries used in this analysis are the small areas used in Georges River's forecast.id site.

- *Each cadastral parcel is tagged with the small area it falls in to aid suburb-based analysis*

Step 3: Identify developable land parcels

Development potential is influenced by parcel or lot size. Parcels under 450m^2, with an existing dwelling or areas recently developed are regarded as having no development potential.

- *Cadastral parcels under 450m^2 are excluded from further analysis*
- *Major development sites identified in forecast.id are excluded from further analysis*

Step 4: Demolition and replacement assessment

The assessment is based on the following considerations:

I. *Lot size*

This indicates the potential (or attractiveness) for a lot to be redeveloped at a higher density. With a larger lot, the potential for higher yield increases. Cadastral parcels are grouped into size categories based on the number of lots that could be produced through subdivision.

II. *Age of existing dwelling stock*

Older residential areas have a greater potential to be redeveloped. They are often replaced by forms of higher density developments (units, townhouses etc).
In contrast, areas developed in the last 10 years are less like to be developed in the next 20-30 years. Recent development sites are regarded as parcels with 'no opportunity'.

III. *Planning, heritage or environmental significance*

Many older residential areas have some heritage significance, while areas near national parks or rivers may have environmental importance. This influences the form of any residential redevelopment. Such constraints are often reflected in planning policies through parameters such as height limits, dwelling densities and forms considerate of neighbourhood characteristics. In the Georges River context, the possibility for multi dwelling developments in the Low Density R2 zone as part of the Low Rise Medium Density Code has been removed in line with Council's proposal to be exempt from this code.

7.2.2. Lot size analysis and infill opportunities by location type

Analysis of demolition and replacement opportunities in the small areas of Georges River has been based upon both a lot size analysis and zone categorisation. This enables assumptions to be made which reflect specific planning policies, environmental constraints and attitudes towards development in each area (detailed assumptions are available in Appendix 1).

Conservative assumptions and analysis show the importance of larger lots (those over 2,000m^2) in established areas for future development. Development trends in established areas of Sydney show that such lots form an important part of the overall opportunity for redevelopment, even though almost all of them have existing dwellings. However, smaller lots, despite the limited number of net additional dwellings possible per lot, are important due to the volume available for development in Georges River.

Assumed rates of development differ between the different areas of Georges River, and have been based upon the attractiveness of the area for development. The highest rate of development has been assumed in Hurstville City Centre, with the assumption that 50% of available lots will be developed. The remaining Hurstville area and the major centre of Kogarah is also assumed to have a high rate of development, 33% of lots. The lowest rates of development (5% of lots) have been assumed in established, riverside areas such as San Souci and Lugarno. These assumed rates have been based upon historical dwelling change seen between the 2011 and 2016 Censuses, and .id's experience of working in similar areas.

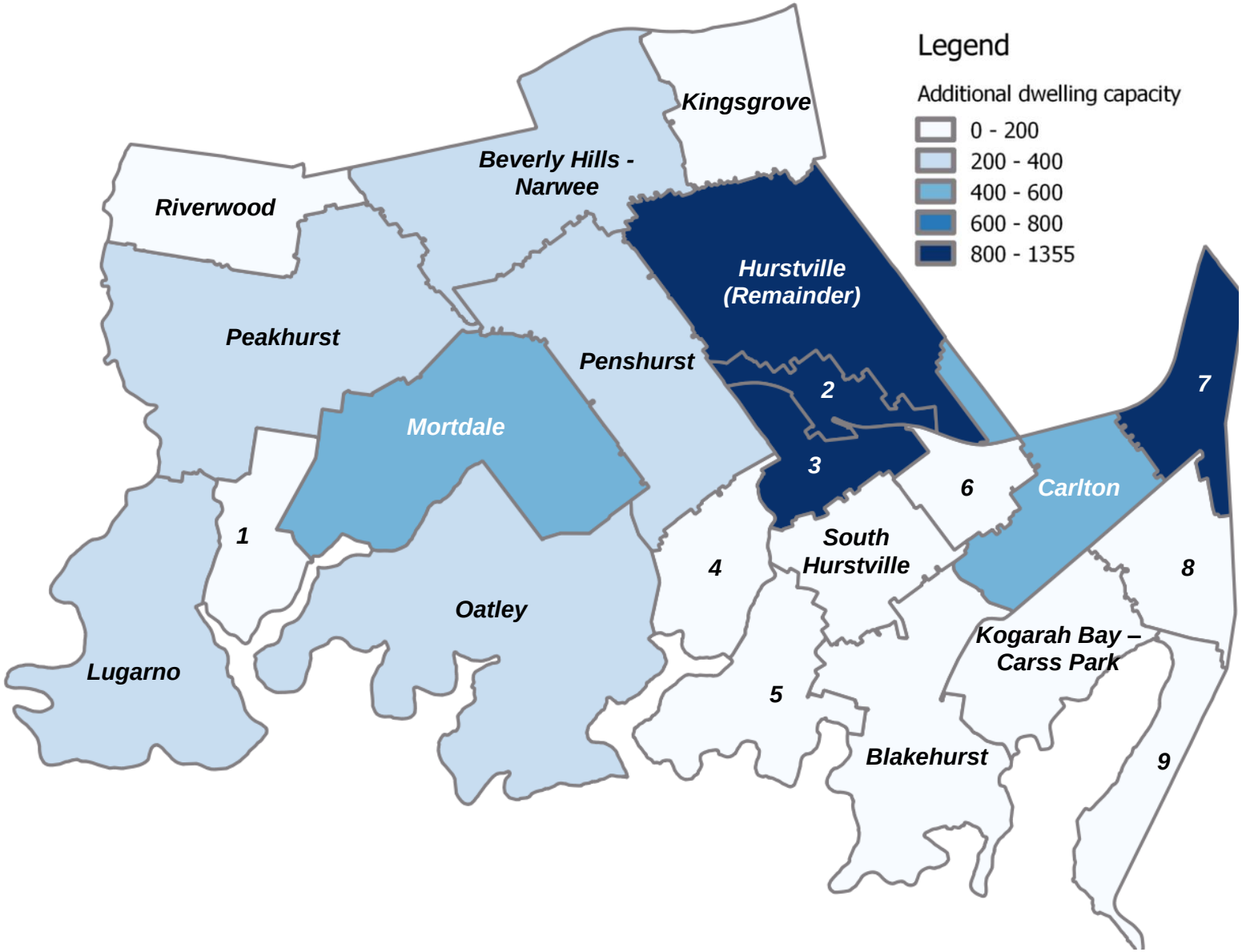
Please note the table below does not include major development sites as discussed in Section 7.1.

Figure 60 below identifies the number of potential net additional dwellings by zone by each small area in Georges River, as identified in the capacity analysis. This analysis identified that there is significant capacity in Hurstville City Centre and Kogarah. This is due to these areas having a significant proportion of lots zoned as High Density R4. Together, Hurstville City Centre and Kogarah account for 40% of potential dwelling capacity identified in Georges River. A considerable capacity has also been identified in the remaining areas of Hurstville, a result of the number of lots zoned as Medium Density R3.

Figure 60. *Potential net additional dwellings by small areas*

Centre	% lots developed	High Density R4	Local Centre B2	Low Density R2	Medium Density R3	Mixed Use B4	Neighbour-hood Centre B1	Total net additional dwellings
Allawah	10%	0	7	4	147	0	0	**158**
Beverley Park - Ramsgate	20%	0	31	71	39	0	0	**141**
Beverly Hills - Narwee	25%	0	45	216	17	0	0	**278**
Blakehurst	10%	0	16	78	40	0	0	**134**
Carlton	25%	0	114	53	266	0	0	**433**
Connells Point – Kyle Bay	5%	0	0	16	2	0	0	**18**
Hurstville City Centre	50%	0	0	0	0	1,355	0	**1,355**
Hurstville (Remainder)	33%	19	0	277	499	20	8	**823**
Hurstville Grove	5%	0	0	18	0	0	0	**18**
Kingsgrove	10%	0	6	27	0	0	0	**33**
Kogarah	33%	369	0	14	186	732	12	**1,313**
Kogarah Bay – Carss Park	5%	0	3	11	7	0	0	**21**
Lugarno	5%	0	0	211	0	0	0	**211**
Mortdale	25%	0	55	296	63	0	0	**414**
Oatley	20%	0	71	187	42	0	20	**320**
Peakhurst	20%	0	0	205	11	0	29	**245**
Peakhurst Heights	5%	0	0	53	0	0	1	**54**
Penshurst	25%	0	97	184	99	0	0	**380**
Riverwood	20%	0	21	56	34	0	0	**111**
Sans Souci	5%	0	1	22	5	0	4	**32**
South Hurstville	10%	0	52	15	43	0	0	**110**
TOTAL		**388**	**519**	**2,014**	**1,500**	**2,107**	**74**	**6,602**

Figure 61. *Potential net additional dwellings by small areas*



1 – Peakhurst Heights
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6 – Allawah
7 – Kogarah
8 – Beverley Park – Ramsgate
9 – Sans Souci

7.3 Housing supply summary

Conservatively, Georges River has development sites available to provide a net gain of **12,134** dwellings as outlined in the table below.

Figure 62. *Dwelling opportunity summary*

Source	Opportunity	Share of total opportunity
Major residential development sites	**5,532**	**45.6%**
Other residential lots	**6,602**	**54.4%**
Total	**12,134**	**100.0%**

It should be noted that there is also potential for additional dwellings that have not been included in this analysis, such as retirement villages and aged care facilities.

7.4 Residential forecast

7.4.1 Methodology

.id has previously provided small area population forecasts for the Georges River Council area. These forecasts provide detailed analysis of household propensities and future dwelling additions

Housing Density

The categories for housing density are based on definitions applied by the Australian Bureau of Statistics to Census data, which state that:

- low density: a detached house
- medium density: terraced housing and apartments up to 2 stories,
- high density: 3 stories and above.

To produce population forecasts, detailed dwelling assumptions are key. An analysis is produced of different forms of supply:

- **Major Sites**: all development that is 10 dwellings or greater. These are identified major sites (evidenced by aerial photos and development approvals applications) and mapped by address and attributed to a small area. The information provided for this is detailed enough to identify which of the ABS density categories a development will fall into. The development of these major sites is timed for the purposes of producing the forecast.
- **Infill**: small scale development falling beneath 10 or more dwellings. this is calculated by small area based on total number of approvals minus major sites, and future capacity within areas for this type of development
- **Centre development**: what capacity there is for future higher density development in identified centres and what likely demand will be in the future.

The density of each development recorded in the major sites assumptions was identified according to description of the site. Infill was assumed to be lower or medium density, depending on the type of housing stock in an area, whilst centre assumptions were assumed to be all higher density. This gave an annual count of dwelling additions over the forecast period by density.

When a building is developed, especially if it is infill, then this will likely involve the demolition of a house. In most cases, where there are demolitions, then it is likely that this will involve the gain of medium and higher density dwellings at the expense of detached low density dwellings. It was therefore necessary to make assumptions about the loss to low density dwellings over this period.

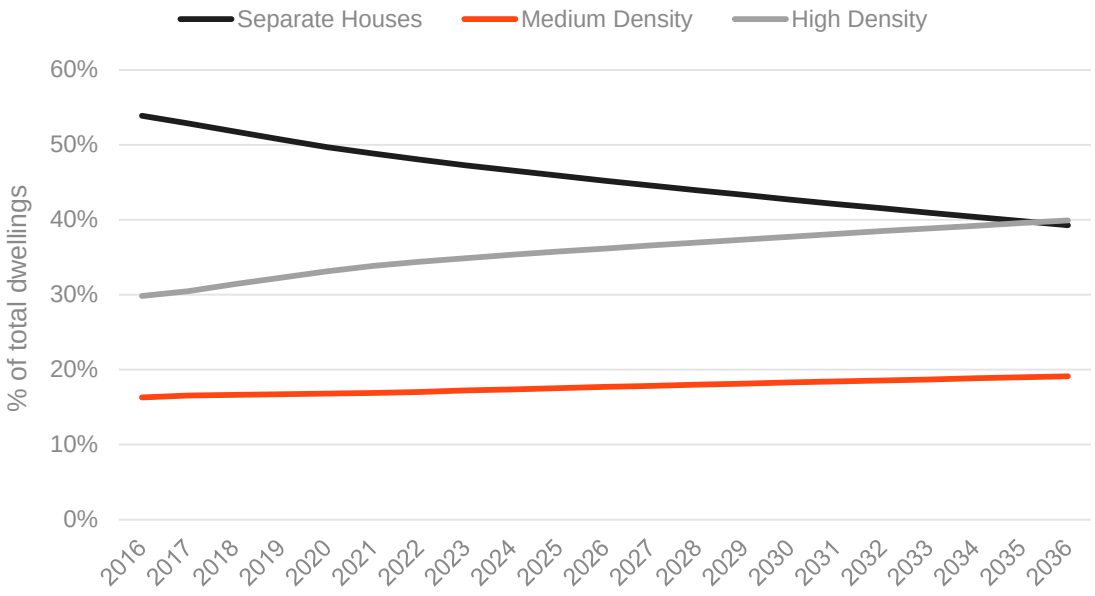
Major sites were easily recorded in relation to stock loss; so too was infill, as this is most likely to involve the redevelopment of 1 or more detached dwellings to produce duplex or triplex developments. Most centres involve very little loss of stock, as redevelopments generally involve buildings with a non-residential use.

The total number of dwellings of different densities for the 2016 figure was calculated using Census results, which gives a breakdown of stock by low, medium and high density by small area. Thereafter, the total figures (gross of demolitions) was added, less total demolitions from low density housing.

7.4.2 Results

These customised forecasts provided to Georges River through forecast.id shows how dwelling mix in the area is forecast to change in the future. Between 2016 and 2036, the proportion of separate houses in Georges River is likely to decline from 53.2% to 39.3% of total dwellings. Over the same time period, high density dwellings are forecast to increase from 29.5% to 39.9% of all dwellings. This means that in 2036, the area is likely to have similar proportions of separate houses and high density dwellings. The proportion of medium density dwellings are also forecast to increase slightly, from 16.3% in 2016 to 19.1% in 2036.

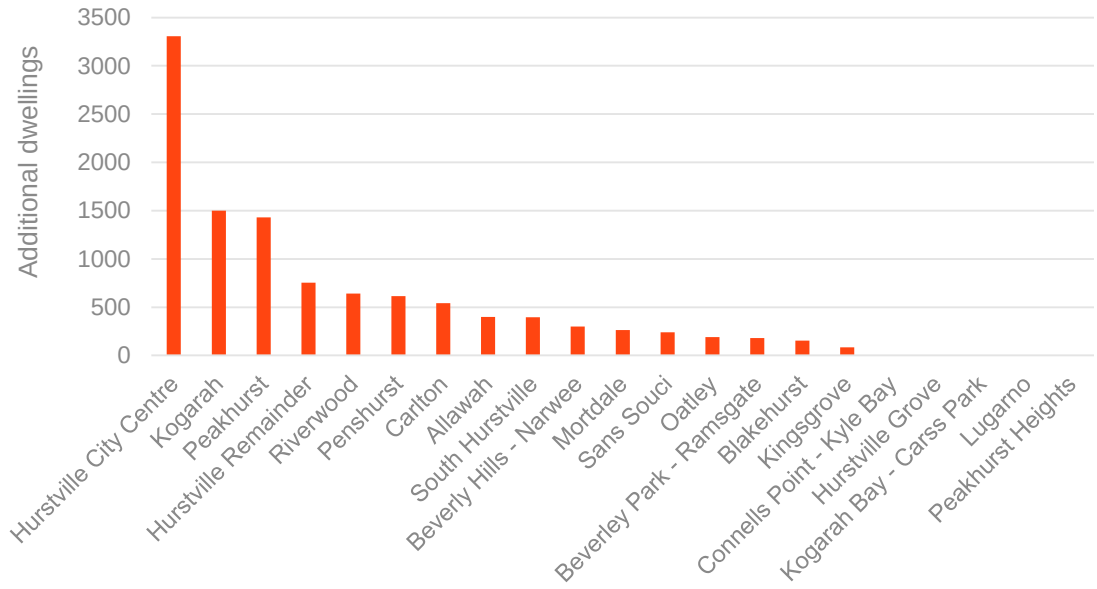
Figure 63. *Forecast change in dwelling mix, 2016-2036*



Source: forecast.id, 2017.

By suburb, Hurstville City Centre (+3,305), Kogarah (+1,501) and Peakhurst (+1,430) are forecast to add the most high-density dwellings. Five suburbs, Connells Point – Kyle Bay, Hurstville Grove, Kogarah Bay – Carss Park, Lugarno and Peakhurst Heights are not expected to experience any high-density development over the next 20 years.

Figure 64. *Net additional high-density dwellings, 2016-2036*



Source: forecast.id, 2017.

8. Policy implications

The analysis undertaken for Georges River highlights a number of challenges that may be faced by the Council in its future policy and planning activities.

Supporting ageing in place

The demand analysis for Georges River identifies significant growth of smaller households due to broad social and demographic trends and an ageing population. Small, ageing households are found in high proportions in the riverside areas of the LGA, and growth in this household type in these areas is forecast to continue. This has implications for housing and service provision. Ageing in place is the main trend driving population ageing in Georges River. This suggests that policy should support services in aiding the elderly to stay in their own homes longer. This is particularly important in Georges River, especially in riverside areas, given the high share of home ownership and general preference for staying in their own home. The recent aged care reforms that deliver a more streamlined service model will make accessing home care easier for the elderly. This may also help support older residents staying in their own home for longer as long as they meet the needs of older residents.

Encouraging housing choices

However, an analysis of housing choices available in the LGA highlights the potentially large mismatch between supply and future demand. Georges River has a high level of housing diversity (e.g. mix of smaller separate houses or small medium density developments), however, demand is currently outstripping supply, especially in the ageing areas mentioned previously. Small households are forecast to grow by 41% over the next 20 years, and medium and high-density dwellings are forecast to grow by approximately 60%. However, these new medium and high-density dwellings are likely to be concentrated in Hurstville City Centre and Kogarah, and unlikely to be deemed an acceptable option to older residents. This is due to current market and design trends such as two or three storey townhouses with a reliance on stairs and small apartments with limited outdoor space. There is a need for policy and investment that can support the building of different forms of medium density housing in a wider range of suburbs in Georges River in order to allow for the transition from mature families to empty nesters and older lone person households. The removal of multi dwelling housing from the Low Density R2 zone in the former Hurstville City Council area is not assisting the provision of housing choice. It is suggested that Georges River Council

undertake qualitative research to ascertain what smaller households, especially those in the older age groups would prefer in terms of dwelling form and location.

Need age diversification

The current housing supply of larger detached dwellings reflects a historical role of providing for larger households, typically families. With older, smaller households occupying this stock, it does not become available to attract or retain younger households to the area. Diversifying housing may free up the stock of three or more bedroom dwellings in Georges River, increasing the range of dwelling choices for family households, as many are currently living in smaller, medium and high density dwellings, which may not be their preference. Such households are attracted by large, quality family dwellings. Housing diversity also has benefits for the wider community and housing system. Diversifying choice by facilitating alternative housing options is crucial to help maintain population levels and create more sustainable, equitable and healthy communities. It fosters social cohesion and allows for the maintenance of a range of services and facilities useful to all age groups.

Addressing housing affordability

A diverse dwelling stock means a wider variety of price points within the housing market. This goes some way to addressing issues of housing affordability. Georges River currently has rates of housing stress higher than the Greater Sydney average, and house and unit prices in the area have increased significantly over the past 10 years, which could put some households, especially renters, at risk. It also limits the area's ability to house key workers that are vital to servicing their population, such as those working in retail, health care and education. Housing affordability can be a difficult issue to address, due to Local Government's limited ability to control market forces. Policies that support greater housing diversity may assist affordability. Council may also want to consider encouraging developers to set aside a proportion of dwellings for affordable housing or make monetary contributions to Council lead affordable housing projects. Council may also wish to investigate housing affordability opportunities and funding models (e.g. partnering with community housing providers) currently being investigated by State Government and research bodies such as the Australian Housing and Urban Research Institute (AHURI).

Continue to encourage development along transport corridors

Ideally, future residential development would occur in and around activity centres and transport corridors, where residents have easy access to amenities, services and public transport infrastructure. Much of the recent development in Georges River has been in these areas, however development has been dependent on Hurstville City Centre. There are a

number of other train stations and major transport routes in the Georges River area, which should be considered for higher density developments. Design principles will also be important for maintaining liveability outcomes and for ensuring that a proportion of housing is suitable for the elderly – for example, minimal stairs and easily adaptable bathrooms. Maintaining infrastructure levels in such areas will also be important, to maintain or improve liveability in these areas. Such infrastructure includes car parking, public transport, open space and shopping amenities.

The challenge is how to ensure that developers provide the right dwelling stock for emerging households and their revealed preferences, enabling residents to stay in the area and maintaining demand for services. While Council can facilitate the location and form of development, including density, developers and builders will respond to perceived housing preferences. Educating and sharing this evidence base with developers may assist in realising better housing outcomes for Georges River.

Appendix One

It has been assumed that 80% of lots will have an existing dwelling which would be demolished as part of the development. This is due to the established nature of the Georges River area, with most developments occurring as infill.

The table below shows the net additional dwelling assumptions used to calculate future dwelling supply in Georges River. For example, in a Low Density Residential area, lots under 900m2 have been assumed to be developed with 1 net additional dwellings.

Net Additional Dwelling Assumptions

Zone	Up to double Minimum Lot Size	Double MLS to 3x MLS	3x MLS to 4x MLS	4x MLS to 5x MLS	5x MLS or more
Low Density Residential	1	2	3	4	5+
Medium Density Residential	2	3	4	5	6+
Medium Density Residential with FSR greater than 1.5	Potential area available for development (m^2) multiplied by Floor Space Ratio, then divided by the average house square meterage ($230m^2$) for New South Wales				
High Density Residential **Local Centre** **Mixed Use** **Neighbourhood Centre**	Potential area available for development (m^2) multiplied by Floor Space Ratio, then divided by the average apartment square meterage ($130m^2$) for New South Wales				