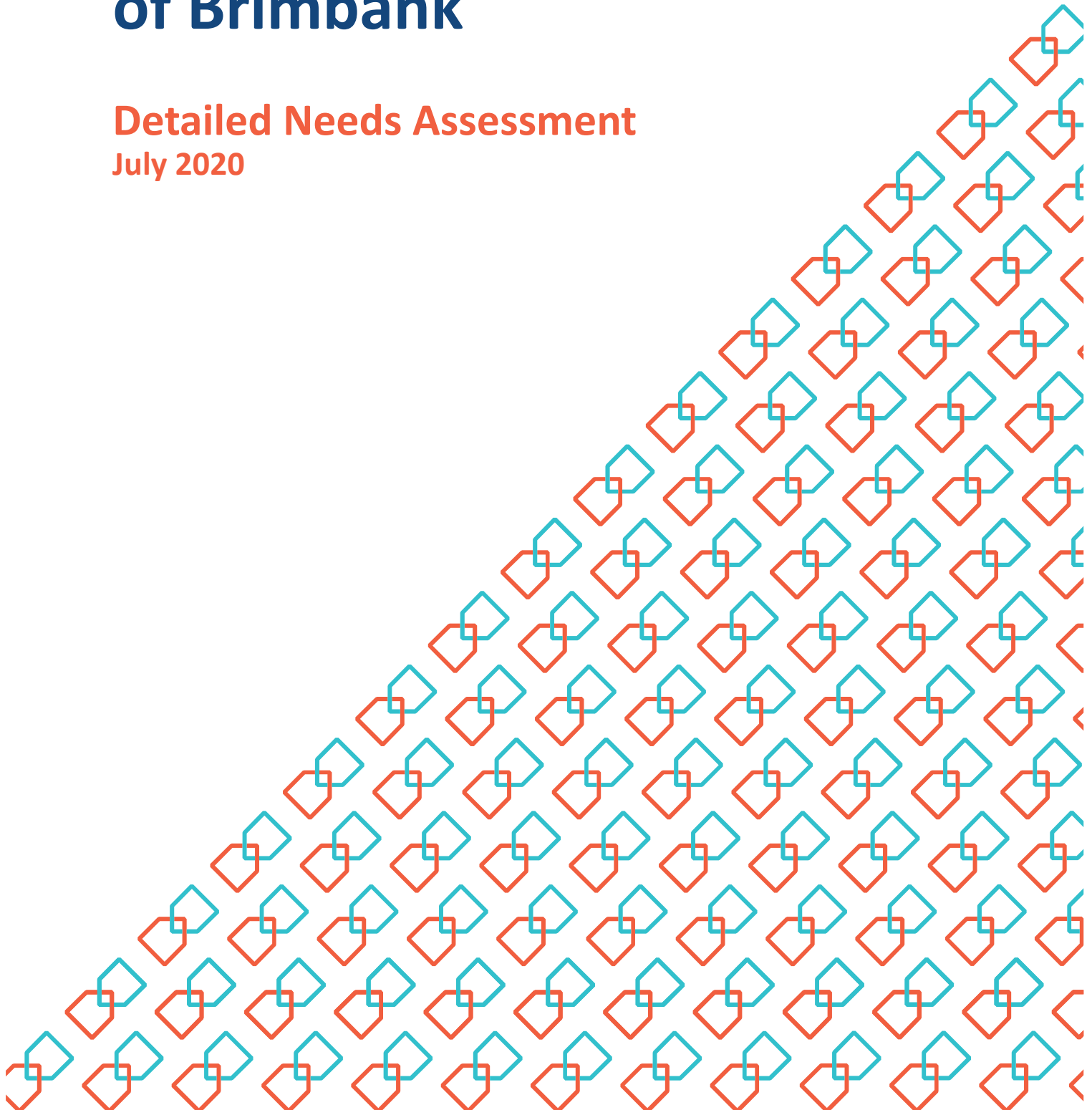




AFFORDABLE  
DEVELOPMENT  
OUTCOMES

# Affordable Housing in the City of Brimbank

Detailed Needs Assessment  
July 2020



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# Definitions

## Affordable Housing

Affordable Housing is 'housing, including Social Housing, that is appropriate for the housing needs of very low, low and moderate-income households'.<sup>1</sup>

Income ranges for these household groups are published annually via a Governor in Council Order, Affordable Housing should be priced (whether mortgage repayments or rent) so these households are able to meet their other essential basic living costs, defined as no more than 30 per cent of income on household costs. Affordable Housing should be appropriate for the household's needs in terms of affordability, type, tenure, location, allocation, integration and housing need.<sup>2</sup>

Affordable Housing can include Social Housing, owned and/or managed by the State Government or a Registered Housing Agency.

## Eligible Household

A household that meets the established criteria for an Affordable Housing program, typically an income limit and asset test.

## Homelessness

There is no single agreed definition of homelessness. However, it is generally accepted to not only equate to 'rooflessness', but also to a recognition that people can experience homelessness while in inadequate or inappropriate housing, e.g. severely overcrowded dwellings. This is particularly the case if housing does not provide for security of tenure, privacy, security and safety, does not meet a minimum level of standard, or occupants do not have the ability to control the living space.

The Australian Institute of Health and Welfare (AIHW) consider a person to be at risk of homelessness if they are at risk of losing their accommodation or they are experiencing one or more of a range of factors or triggers that can contribute to homelessness.<sup>3</sup>

## Marginal housing

This term is used by the Australian Bureau of Statistics to give an indication of the numbers of people living in housing that nearly constitutes homelessness and may be at risk of homelessness.

## Housing Affordability

Housing affordability refers to the relationship between expenditure on housing (mortgage or rents) and household income. Housing affordability is particularly an issue for very low and low income households who have reduced financial resources available to meet housing costs.

## Housing Stress

Housing stress is when a household is paying more than 30 per cent of gross household income on housing costs. Governments are particularly concerned with housing stress that is experienced by very low and low income households earning in the bottom 40 per cent of incomes. For the purposes of analysis, the Report assesses indicative housing stress experienced by very low, low and moderate income households as defined under the Planning and Environment Act.



### **Registered Housing Agency**

A not-for-profit organisation that is a company limited by shares or guarantee, an incorporated association, or a co-operative, registered under the *Victorian Housing Act 1983*, regulated by the Victorian Housing Registrar, with a purpose to own, manage and/or develop affordable rental housing.

### **Victorian Housing Register**

The waiting list for Social Housing in Victoria. Income limits and asset test apply. The Register is separated into Priority Applicant and Register of Interest categories.

### **Victorian Registrar of Housing Agencies**

The Registrar of Housing Agencies (the Registrar) is responsible for implementing a regulatory framework to contribute to the development, growth and continual improvement of the Victorian community housing sector through proactive, risk based, and outcomes focused regulation.

### **Victorian Housing Registrar**

The Victorian Housing Register is a register of households that are eligible for Social Housing in Victoria. Income and asset tests apply.<sup>4</sup>



## 1. Summary

This report brings together a range of data and analysis to inform an understanding of the level of Affordable Housing need in Brimbank. This includes information pertaining to the number of people who are homeless, experiencing housing stress, or waiting for Social Housing. The assessment also gives consideration to wider household demographics and housing market trends in Brimbank such as the size of households and the type of housing by bedroom number.

The analysis enables an understanding of the level and type of Affordable Housing need in Brimbank, including which households are more likely to be experiencing housing stress or at-risk of homelessness, the level of 'subsidy gap' required for affordable housing, and what types of dwellings will best suit identified need. A full list of data sources is set out at the reference section of this Report.

The evidence of Affordable Housing demand and supply in Brimbank highlights:

- There is an overarching mismatch of housing supply with household types, with a lack of one and two bedroom dwellings;<sup>5</sup>
- Median house prices have increased by 110 per cent, and the unit median price has increased by 83 per cent, between 2008 and 2018. Vacant land prices increased almost 200 per cent.<sup>6</sup> Brimbank has also seen a decline in building approvals which compounds affordability issues;<sup>7</sup>
- An average 10.8 per cent (545 dwellings) of all new private rentals made available in Brimbank were affordable for households on a statutory (government) income in 2019;<sup>8</sup>
- An estimated 62 per cent of Brimbank households (41,932 households) were living on very low, low and moderate incomes in 2016, as defined under the *Planning and Environment Act 1987*,<sup>9</sup> comprising:
  - 17,687 (26.1 per cent) very low income households (earning less than \$1,048 per week);
  - 13,414 (19.8 per cent) households are low income (earning less than \$1,678 per week); and
  - 10,830 (16.0 per cent) households are moderate income (earning less than \$2,516 per week).<sup>10</sup>
- 9,783 very low, low and moderate income households are in housing stress in Brimbank, paying more than 30 per cent of their income on housing costs; this represents 23.3 per cent of households in these income bands and 14.5 per cent of all households living in Brimbank in 2016. Within this group, 4,879 households were in rental stress and 4,904 households were in mortgage stress.<sup>11</sup>
- The estimated 1,460 people were experiencing homelessness on Census night in 2016; this was the highest in Melbourne's west and represented an increase of 30.1 per cent from 2011 estimates. A further 1,962 people were in marginal housing, made up almost entirely from people living in overcrowded dwellings (a 55 per cent increase between 2011 and 2016);<sup>12</sup>
- There is an estimated Affordable Housing supply gap in Brimbank of 4,387 dwellings as at 2016, which is forecast to increase to 5,447 dwellings by 2041;<sup>13</sup>
- It is estimated 218 dwellings would need to be built each year between 2016 and 2041 as dedicated Affordable Housing to address unmet and forecast demand.<sup>14</sup>



## 2. Demographic Overview

In 2016, in the City of Brimbank:

- There were approximately 67,661 households;<sup>15</sup>
- The dominant household structure was couples with children (40.3 per cent), followed by couples without children (26.1 per cent) and lone (single) persons (14.8 per cent). A total of 10.7 per cent were one-parent households;<sup>16</sup>
- 6.4 per cent (12,471 people) of the population reported needing help in their day-to-day lives due to disability, compared with 4.9 per cent for Greater Melbourne;<sup>17</sup>
- More than 50 per cent of residents speaking a language other than English at home and more than 13 per cent of residents have low or no English proficiency;<sup>18</sup>
- 0.4 per cent (816 people) of the population identifying as Aboriginal or Torres Strait Islander descent – similar to 0.5 per cent for Greater Melbourne;<sup>19</sup>
- 10.2 per cent (2,809 people) of the population aged between 15 and 24 are deemed ‘disengaged youth,’ who were either not in education or in employment, compared to 7.5 per cent for Greater Melbourne;<sup>20</sup> and
- 19 per cent of people were aged 60 years and over with this percentage expected to increase based on the current and projected household profile.<sup>21</sup>

In the 2019 December quarter, there was a total of 46,822 recipients of primary Commonwealth income support payments living in Brimbank<sup>22</sup>, with the most common payment received the Aged Pension (20,858 people), followed by Newstart Allowance (8,724 people) and the Disability Support Pension (6,254 people).<sup>23</sup> Residents receiving income support account for approximately 22 per cent of Brimbank’s Estimated Resident Population of 209,523 (as at 30 June 2019).

There is ongoing high unemployment in Brimbank, at 8.1 per cent in the 2019 December quarter, well above the Greater Melbourne rate of 4.9 per cent and Australian-wide rate of 5.2 per cent.<sup>24</sup> COVID-19 is likely to significantly increase this rate in the short to medium term, but there remains some uncertainty regarding the long-term impact.

The largest changes in the age structure in Brimbank between 2011 and 2016 were:

- Empty nesters and retirees (60 to 69) (+2,988 people);
- Seniors (70 to 84) (+2,401 people);
- Young workforce (25 to 34) (+2,351 people); and
- Older workers and pre-retirees (50 to 59) (+1,014 people).<sup>25</sup>

### Number of very low, low and moderate income households

There was an estimated 41,932 very low, low and moderate income households as defined in the *Planning and Environment Act*, living in Brimbank in 2016 (Figure 1), representing 62 per cent of all households.

- Very low income households represent the largest portion of this group with 26.1 per cent of all households in Brimbank.
- Low income households represent 19.8 per cent of all households, and moderate income households comprise 16 per cent of all households.
- Family households represent the largest proportion of very low to moderate income households in Brimbank, reflecting their dominance in the overall housing market (Figure 2).<sup>26</sup>

The number of very low to moderate income households in Brimbank is generally consistent with evidence in other municipalities and reflects that moderate income households covers households that earn up to 120 per cent of the median household income in Greater Melbourne (i.e. greater than the median income). Very low and low income households are the primary focus in an assessment of Affordable Housing need as they have less income capacity



compared to moderate income households. The rates of housing stress, explored in the subsequent sections can also vary by location, as income capacity is relative to median house prices.

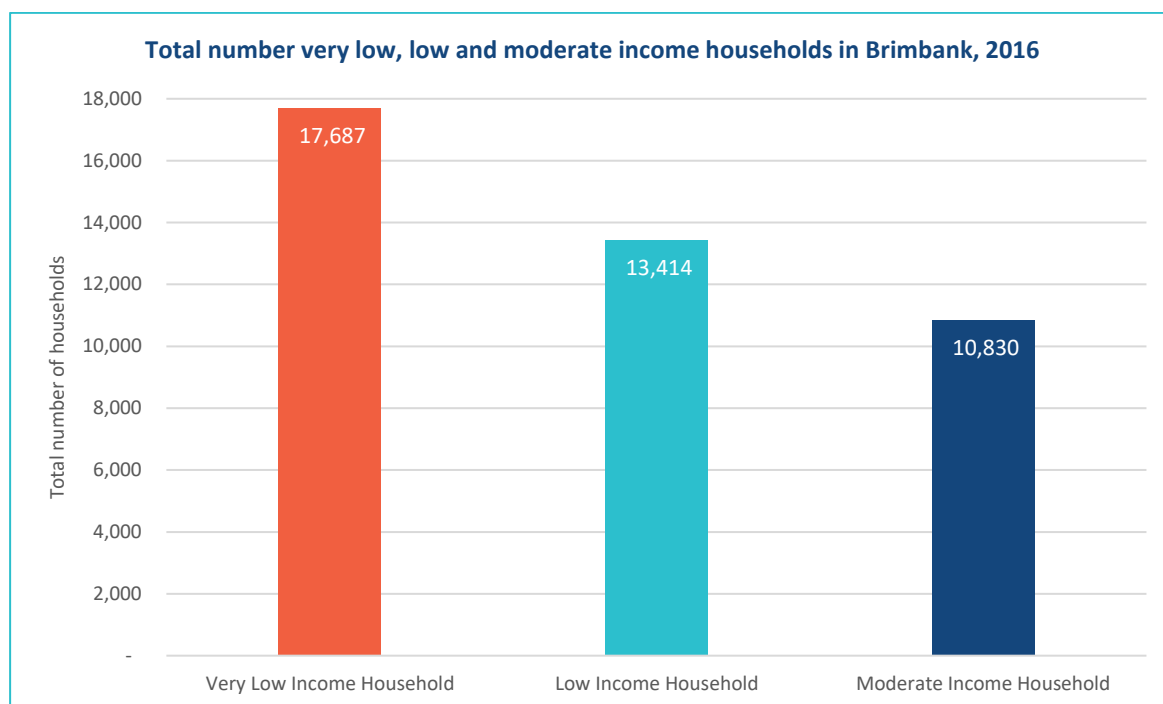


Figure 1: Total number of Very Low, Low and Moderate Income Households in Brimbank, 2016 (Source: ABS Tablebuilder and Affordable Development Outcomes)

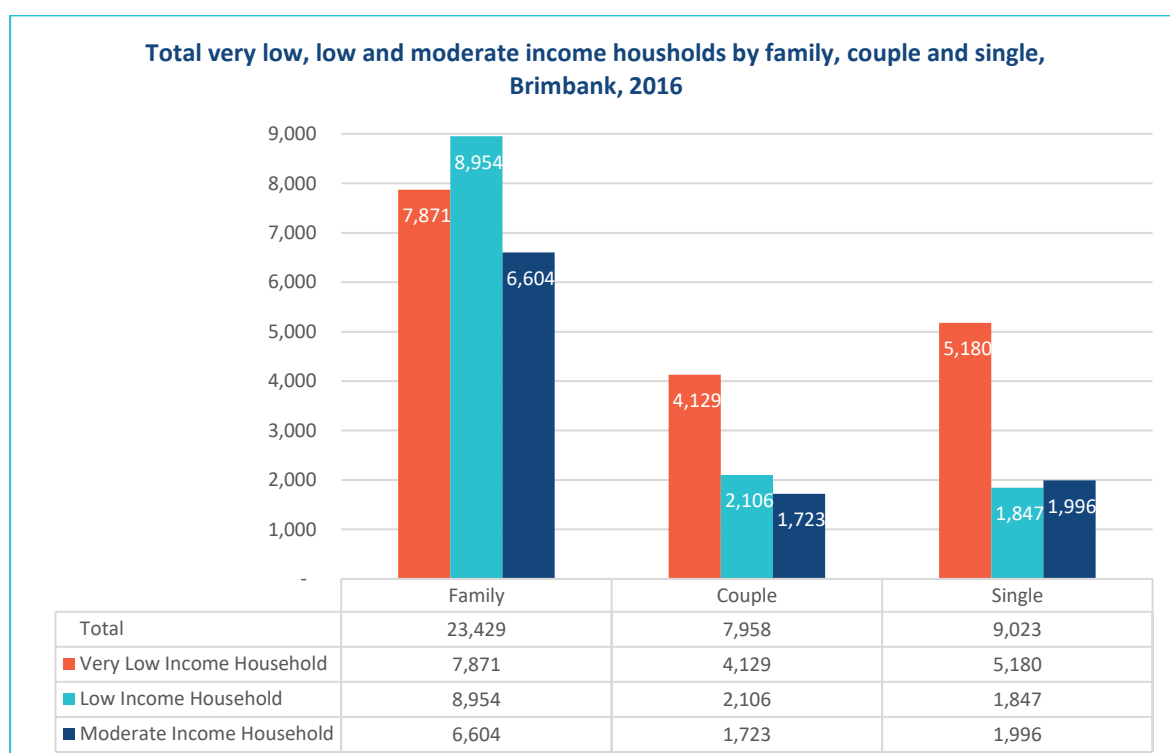


Figure 2: Total family, couple or single adult households that are very low, low and moderate income earners in Brimbank, 2016 (Source: ABS Tablebuilder and Affordable Development Outcomes)





### 3. Housing Market Overview

In 2016, in Brimbank there were:

- 81.1 per cent separate houses, with 80.4 per cent of these comprising three or more bedrooms; and
- 2.2 per cent of dwellings with zero to one-bedrooms and 9.8 per cent with two-bedrooms.<sup>27</sup>

7.6 per cent of households did not specify the number of bedrooms.

The residential building approvals in Brimbank have declined since 2008, with a 58 per cent drop in approvals (Figure 3). The reasons for this are unclear.

In 2019, median weekly rents of private rental dwellings in Brimbank ranged from \$249 per week for a one-bedroom flat to \$434 per week for a four bedroom house (Table 1).<sup>28</sup>

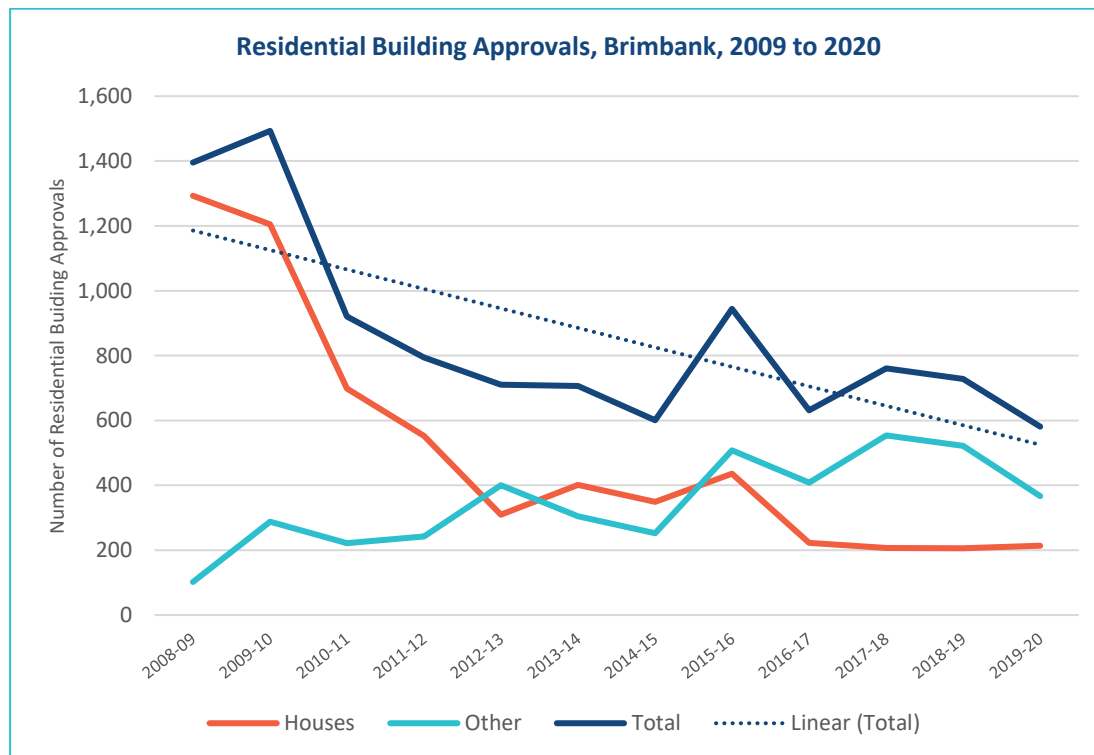


Figure 3: Residential building approvals in Brimbank, 2009 – 2020 (Source: .id Consulting, City of Brimbank, Residential Building Approvals and Affordable Development Outcomes analysis)

Dwelling Type	Median Rent
1 BR Flat	\$249 / week
2 BR Flat	\$330 / week
3 BR Flat	\$374 / week
2 BR House	\$341 / week
3 BR House	\$369 / week
4 BR House	\$434 / week

Table 1: Median rent for different dwelling types, Brimbank, 2019 (Source: DHHS Rental Report, Dec Quarter 2019)



Median house, unit and vacant land prices have all increased substantially between 2008 and 2018. Vacant land has increased most (198% increase), followed by House (110%) and Units (83%) (Table 2). Limited supply is expected to have been one contributing factor.

Year	House Median Price	Unit Median Price	Vacant House Block Price
2008	\$300,000	\$240,000	\$154,000
2018	\$630,000	\$440,000	\$459,250
% difference	110%	83%	198%

Table 2: Median house, unit and land prices, Brimbank City, 2018 (Source: Valuer-General Victoria, Annual Property Sales, Dec 2019)

Despite the significant increase in local value of property in Brimbank, when compared to Greater Melbourne and Victoria, it is considerably less in value. However, as shown in Figure 14 and



Figure 5, the gap has become smaller between 2014 and 2018.

Figure 4: Median House Value in Brimbank compared to Greater Melbourne and Victoria, 2014 – 2018 (Source: .id Consulting, City of Brimbank, Housing Prices)



Figure 5: Median Unit Value in Brimbank compared to Greater Melbourne and Victoria, 2014 – 2018 (Source: .id Consulting, City of Brimbank, Housing Prices)

### 3.1 Housing Tenure

Of all the households in Brimbank, a majority (63.5 per cent or 42,961 households) had a mortgage or fully owned their own home. A total of 23.9 per cent (16,151 households) of households rented.<sup>29</sup> However, the largest changes in the housing tenure categories for households between 2011 and 2016 was those renting in the private market (+2,379 households).<sup>30</sup>

Analysis of the housing tenure of very low, low and moderate income households indicates the majority also own their dwelling outright, whilst single very low income households are also significantly represented in renting figures (Figure 6).

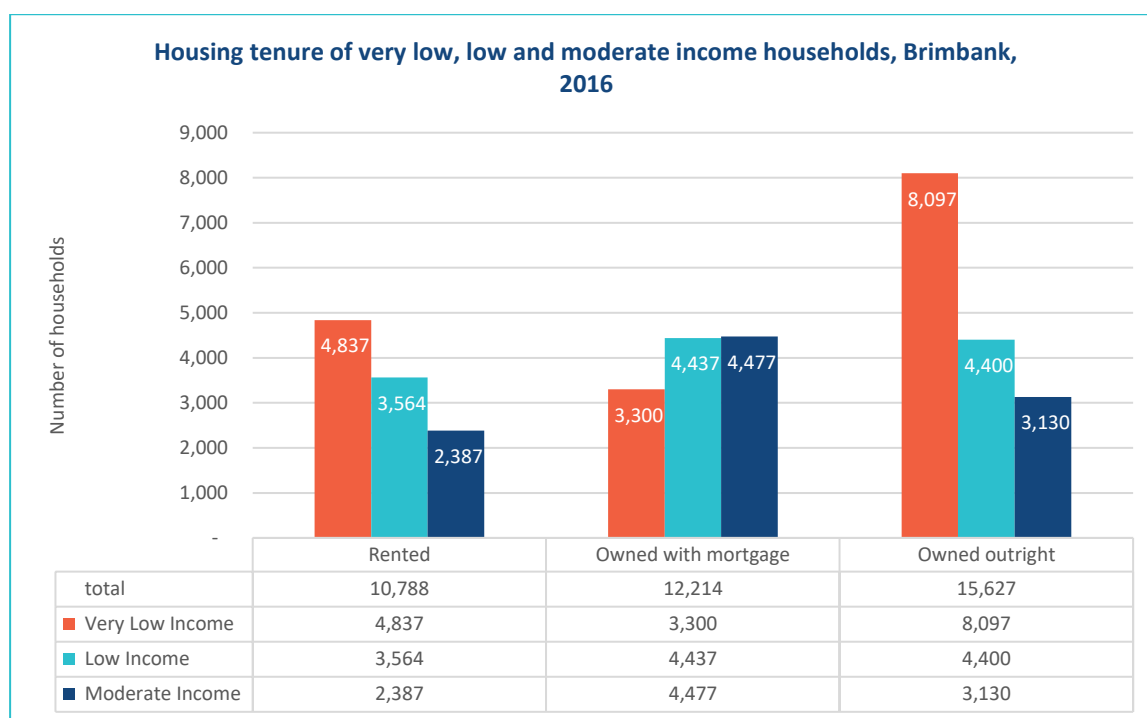


Figure 6: Total number of Very Low, Low and Moderate Income Households by Housing Tenure in Brimbank, 2016 (ABS Tablebuilder and Affordable Development Outcomes)



Very low income households are the dominant households owning a home or renting. Low and moderate income households have a similar number for owning their home with a mortgage. Family households on very low to moderate incomes dominate the all areas of housing tenure, with the greatest number of family households owning their homes with a mortgage and the next largest proportion renting (Figure 7).

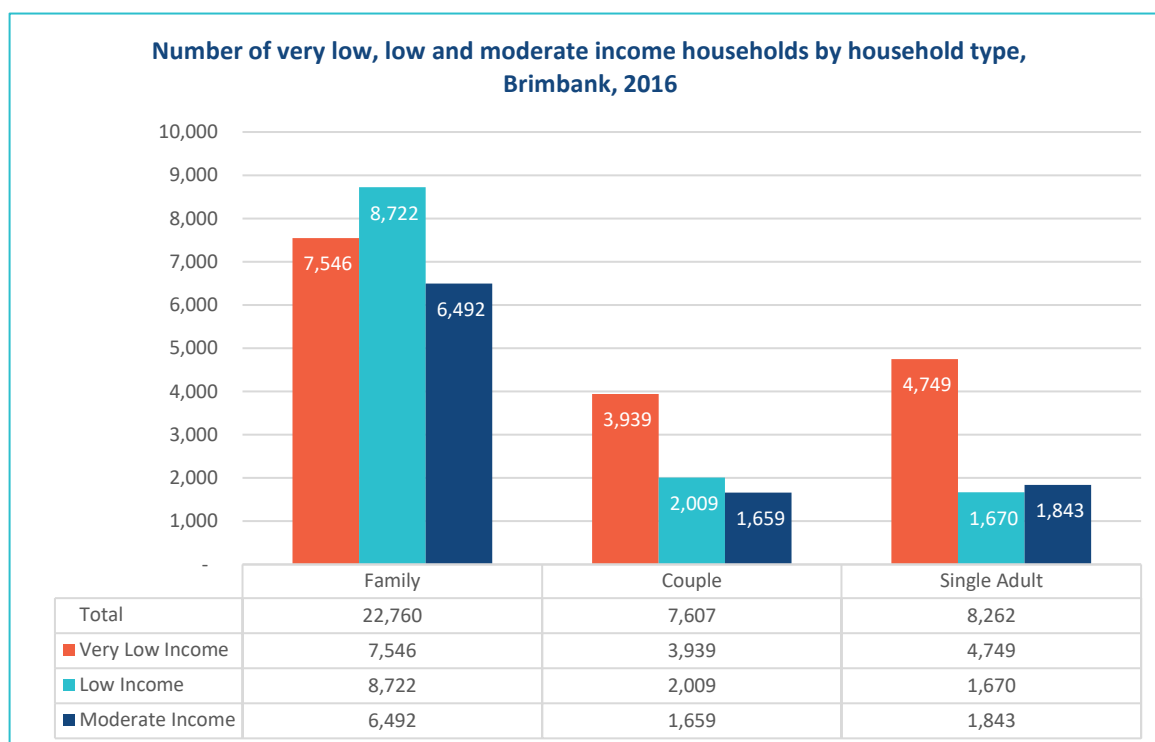


Figure 7: Number of Very Low, Low and Moderate Income Households by Household Type in Brimbank, 2016 (Source: ABS Tablebuilder and Affordable Development Outcomes)

## 3.2 Social Housing

As at June 2019, Brimbank had an estimated 2,091 Social Housing dwellings. A large proportion of these were free-standing houses and 75 per cent are owned by the State Government (Table 3).<sup>31</sup>

Local government area	House	Medium density attached	Medium density detached	Low-rise flat	High-rise flat	Movable unit	Multiple unit facility unit	Other	Community owned	Total
Brimbank	1,001	653	41	6	0	36	31	11	312	2,091

Table 3: Social Housing in Brimbank, 2019 (Source: Department of Health and Human Services, June 2019)



## 4. Homelessness

In 2020, Council completed extensive research about homelessness in Brimbank, set out in ***Brimbank City Council Homelessness Research Project - From At Risk to At Home***. This research found:

- At the 2016 Census, an estimated 1,460 people were experiencing homelessness in Brimbank, the highest in Melbourne's west and an increase of 30 per cent since 2011 (Table 4). A further 1,962 households were in other forms of marginal housing (an increase of 55 per cent since 2011);<sup>32</sup>
- Factors increasing the risk of homelessness were found to be the lack of stable employment for some groups, coupled with loss of locally-based manufacturing jobs and increasingly casualised employment.
- Specialist homelessness services in Melbourne's west have reported being overwhelmed by increasing demand, limited resources, and lack of short, medium and long term accommodation. For example, the Salvation Army Social Housing and Support (SASHS) Network, turns away 200 people each month due to limited resources.
- Of the 13,546 households that presented to the SASHS and Unison during 2017-18, only 11 per cent were able to access support and only two per cent were provided with transitional housing.
- In 2017-18, of the 13,500 people presenting to homelessness services in the Western region 3,596 people were provided with short-term low-cost emergency accommodation, primarily in rooming houses and private motels, and 4,000 households were turned away due to being unable to assist them.
- There are only two crisis accommodation properties in Brimbank. In 2017, six specialist homelessness services from the north and west spent \$2.5 million of their Housing Establishment Fund to accommodate 9,000 households in this type of temporary accommodation, which was a 500 per cent increase in this expenditure since 2011.
- Local research also found young people did not realise they were homeless and disliked common labels used to define homelessness. For example, more than half of young people surveyed in this research did not recognise the term 'couch surfing' as a form of homelessness. They therefore may have been unaware of homelessness services available to them.
- Research undertaken by RMIT and Unison of presentations to homeless services in the western suburbs of Melbourne indicate:
  - 53 per cent were women;
  - 47 per cent were accompanied by children;
  - 51 per cent were single;
  - 57 per cent were aged between 25-44 years;
  - 46 per cent were born overseas;
  - 85 per cent were in private rental accommodation; and
  - 39 per cent were on Newstart allowance.<sup>33</sup>
- In 2015, a survey conducted by Western Homelessness Network found 75 per cent people experience mental health issues, with related issues such as poverty and trauma compounded by insecure housing and homelessness.
- Federal Government's 2019 *Safe Places Emergency Accommodation Grant* project indicated Brimbank had the second highest unmet demand for crisis and emergency accommodation in the West (behind Wyndham) and ninth highest across Melbourne, with an average 59 accommodation responses not provided.<sup>34</sup>
- Three core vulnerabilities – mental health issues, family violence and problematic substance abuse - have been identified in relation to identifying rough sleepers in Brimbank.

As noted in Council's submission to the Parliamentary Inquiry into Homelessness, while the data provides some insight into the prevalence of homelessness and marginal housing in Brimbank, it lacks qualitative detail and is almost certainly an undercount. Local service providers report regular incidences of people sleeping rough in different parts of the municipality, yet Census data reports that no one was sleeping rough in Brimbank. Additionally, Census data does not



indicate correlations or causations between indicators, or experiences of homelessness. The vulnerability of these groups often flows from systemic and environmental factors such as intergenerational trauma and poverty, dominant gender roles and norms, lack of social support systems, and negative community attitudes.<sup>35</sup>

Homeless Category	Brimbank 2011	Brimbank 2016	% increase 2011-2016
Persons living in improvised dwellings, tents, or sleeping out	14	0	
Persons in supported accommodation for the homeless	293	313	
Persons staying temporarily with other households	91	95	
Persons living in boarding houses	42	52	
Persons in other temporary lodgings	0	0	
Persons living in 'severely' crowded dwellings	678	1,000	
<b>Total operational homeless persons</b>	<b>1,120</b>	<b>1,460</b>	<b>30.1</b>
Persons living in other crowded dwellings	1,248	1,948	
Persons in other improvised dwellings	3	0	
Persons who are marginally housed in caravan parks	11	14	
<b>Total other marginal housing</b>	<b>1,262</b>	<b>1,962</b>	<b>55.5</b>
<b>Total</b>	<b>2,382</b>	<b>3,422</b>	<b>43.5</b>

Table 4: Homeless operational groups and other marginal housing in Brimbank, 2011 and 2016 (Source: Australian Bureau of Statistics, Estimating Homelessness, 2016)<sup>36</sup>

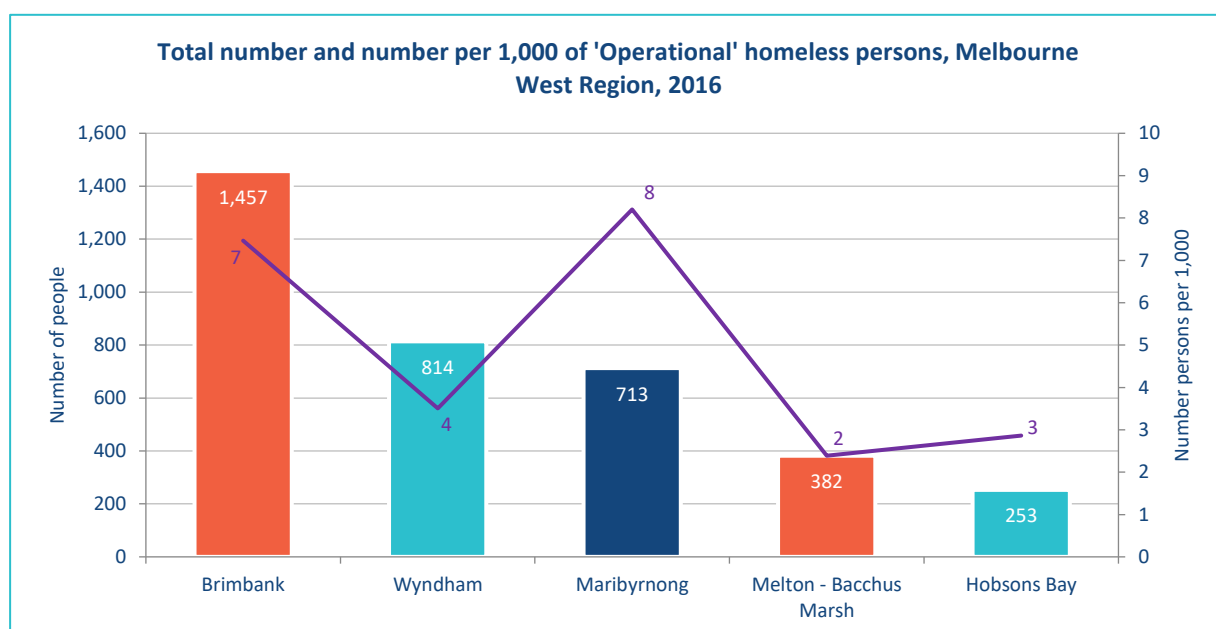
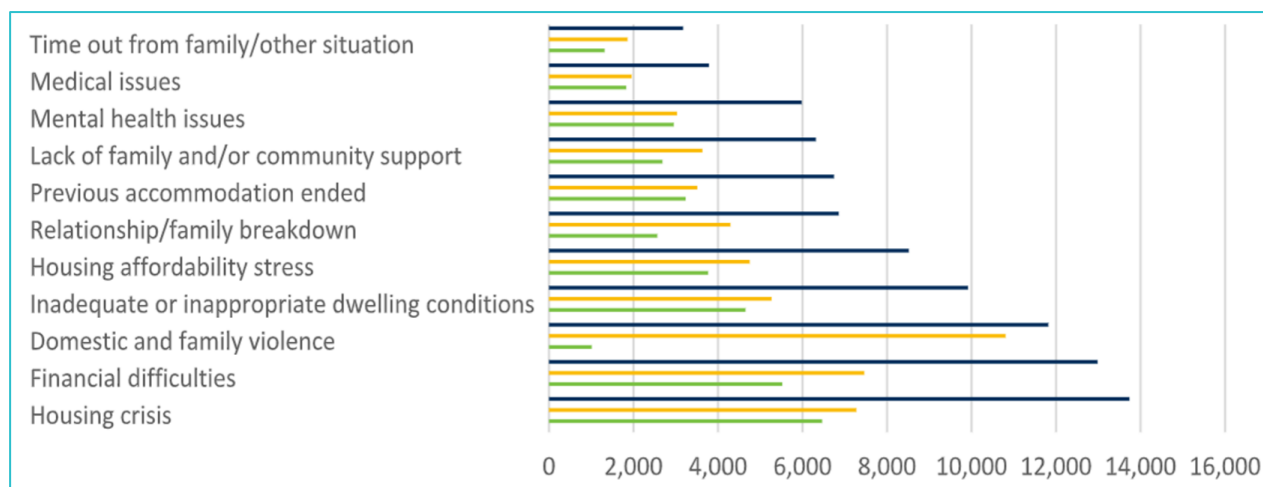


Figure 8: Operational homeless persons in Melbourne West region, 2016 (Australian Bureau of Statistics, Estimating Homelessness, 2016)



Housing crisis is the biggest reason why people seek homelessness assistance in Melbourne’s western and northern homelessness service areas, followed by financial difficulties and domestic violence. Women make up the largest proportion in all categories (Figure 19).



Legend: Dark Blue = Total, Yellow = Women, Green = Men

Figure 9: Reasons why people sought homelessness assistance in western and northern metropolitan regions, 2018 (Source: Brimbank City Council, Homeless Research Project *At Risk, At Home*)

“It would be nice to have more housing that people like me can afford, more affordable or public housing. I would like secure housing so that I don’t have to move my children from one place to another every year and not have to worry about rent being so expensive.”

(At Risk At Home report)

“Most people I know just look after each other – not really sure what Council could be doing to help us. There are 5 of us living in a 2-bedroom house and we just share the rooms. Nobody wants to get into trouble, so we don’t say much.”

(At Risk At Home report)



## 5. Rental Affordability

In 2019, an average of 10.8 per cent (545 dwellings) of all new private rentals made available in Brimbank were affordable (i.e. costing no more than 30 per cent of household income) for households on a statutory income, including:

- four one-bedroom dwellings were affordable for a single person on Job Seeker (pre-COVID normal rate) (1.3 per cent of available one bedroom rental dwellings);
- 62 two-bedroom dwellings were affordable for a couple on Job Seeker (pre-COVID normal rate) (5.7 per cent of available two-bedroom rental dwellings);
- 279 three-bedroom dwellings were affordable for a family on Job Seeker (pre-COVID normal rate) (10.3 per cent of available three-bedroom rental dwellings); and
- 200 four-bedroom dwellings were affordable for a family on Job Seeker (pre-COVID normal rate) (25.7 per cent of available four-bedroom rental dwellings).<sup>37</sup>

These numbers show that it is very difficult for single people and couples on very low incomes to find affordable rental accommodation in Brimbank. Conversely, families are better placed, with more than 1 in 4 four bedroom dwellings affordable to this group. Figures 20 to 23 show affordability of one, two and three bedroom private rental dwellings, as well as affordability for all private rental dwellings.

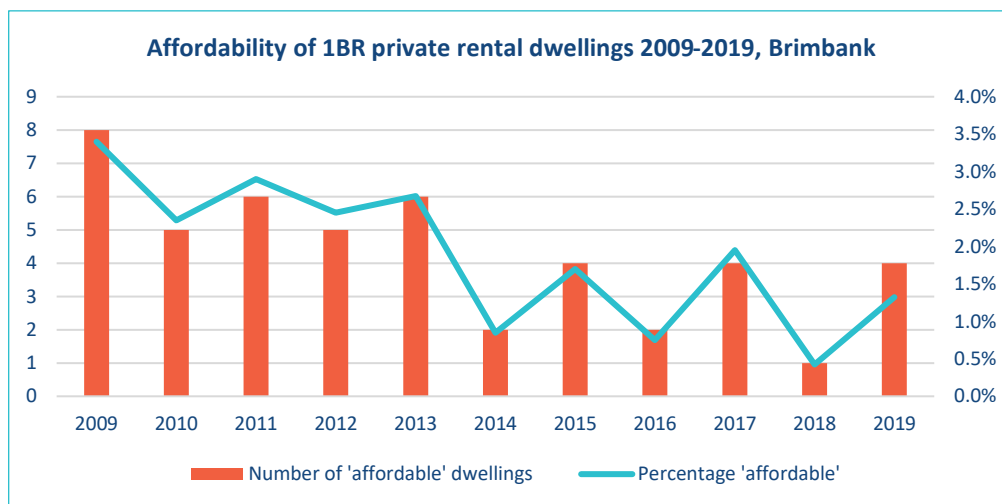


Figure 10: Number and per cent Affordable Rental 1 Bedroom Dwelling, Brimbank (Source: DHHS Rental Report, and Affordable Development Outcomes)

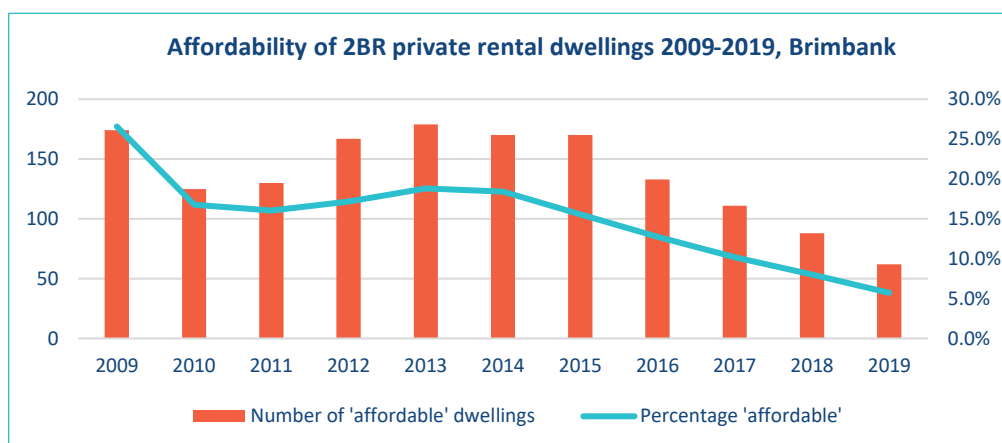


Figure 11: Number and Percent Affordable Rental 2 Bedroom Dwellings, Brimbank (Source: DHHS Rental Report, and Affordable Development Outcomes)





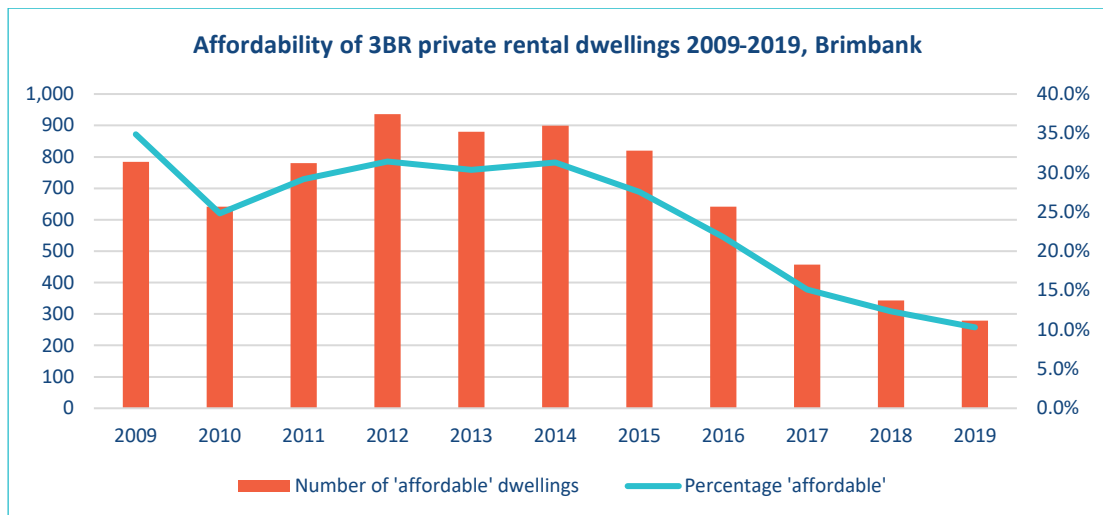


Figure 12: Number and Percent Affordable Rental 3 Bedroom Dwellings, Brimbank (Source: DHHS Rental Report, and Affordable Development Outcomes)

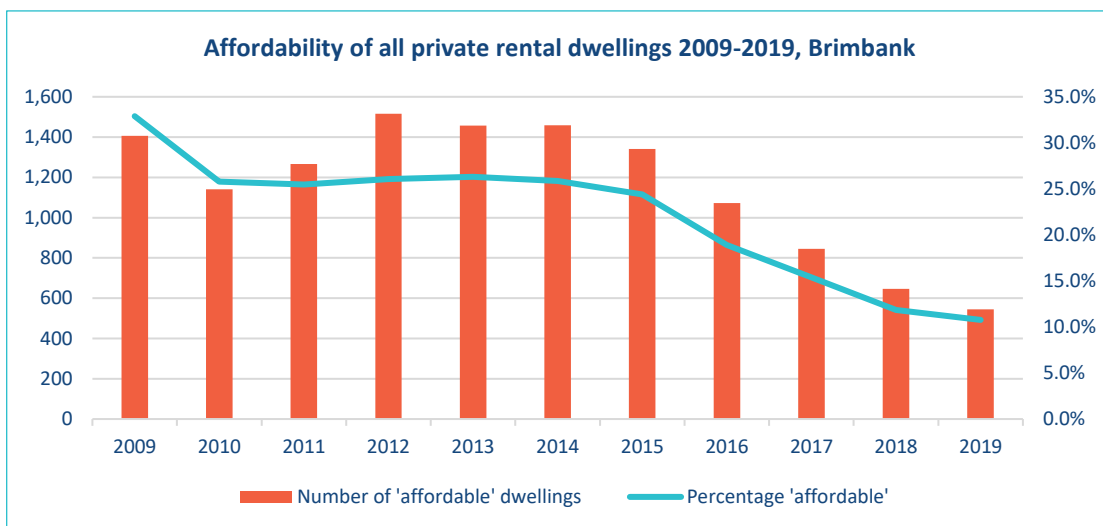


Figure 13: Number and Percent ALL Affordable Rental Dwellings, Brimbank (Source: DHHS Rental Report, and Affordable Development Outcomes)



## 6. Housing Stress

A very low, low and moderate income household is considered to be in housing stress when their housing costs more than 30 per cent of household income. Figure 14 provides a breakdown (by income household and household type) of the estimated 4,879 households that were in rental stress in Brimbank in 2016. This group makes up 45 per cent of the 10,788 very low, low and moderate income households that were renting at this time. That is, almost half of the very low, low and moderate income renting households in Brimbank experience rental stress. The most common household in rental stress are those from a very low income range living on less than \$1,048 per week. Moderate income households in rental stress are relatively small in comparison.

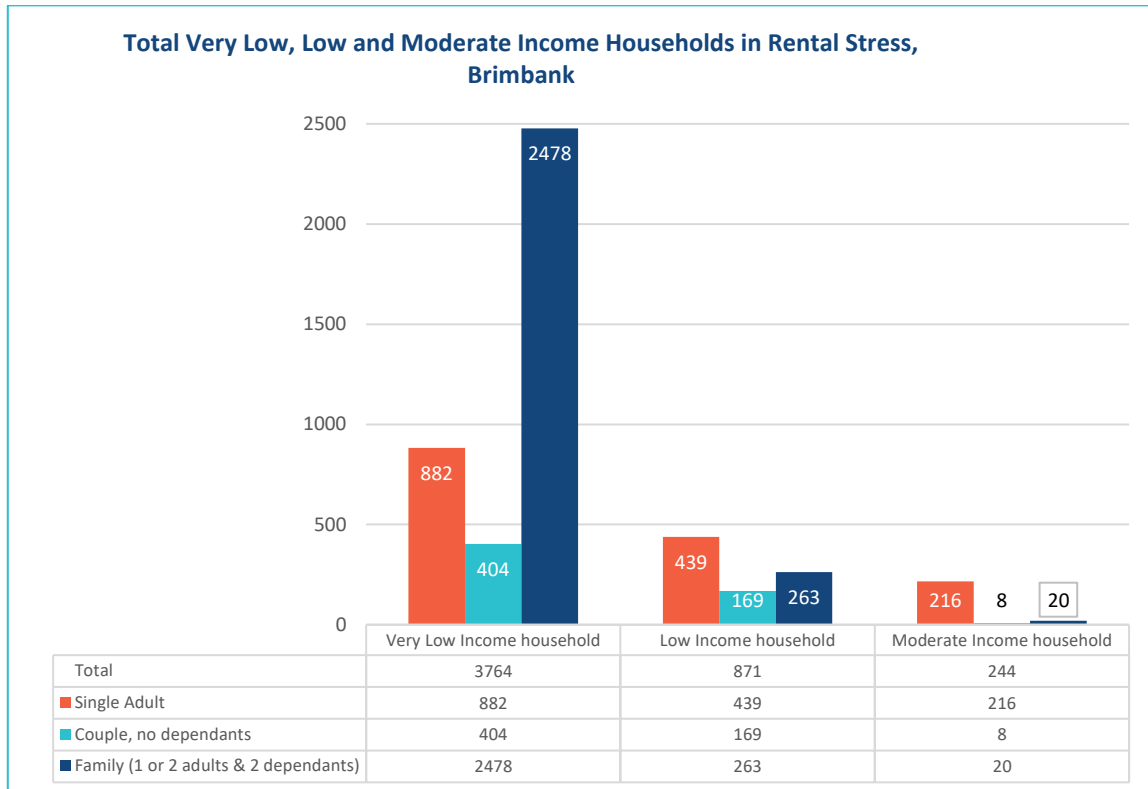


Figure 14: Total number of very low, low and moderate income households living in Brimbank in rental stress, 2016 (Source: Australian Bureau of Statistics, Tablebuilder 2020, and Affordable Development Outcome analysis)

Figure 15 highlights an estimated 4,904 out of the 12,214 very low, low and moderate income households with a mortgage were in mortgage stress in Brimbank in 2016. This group makes up 40 per cent of all households with a mortgage across these income bands. Family households make up the largest proportion of households in Brimbank that are in mortgage stress, particularly for very low and low income households. There are more moderate income households in mortgage stress, as compared to rental stress. Figures 26 and 27 highlight that family households make up the largest proportion of households in rental stress (57 per cent) and mortgage stress (71 per cent).



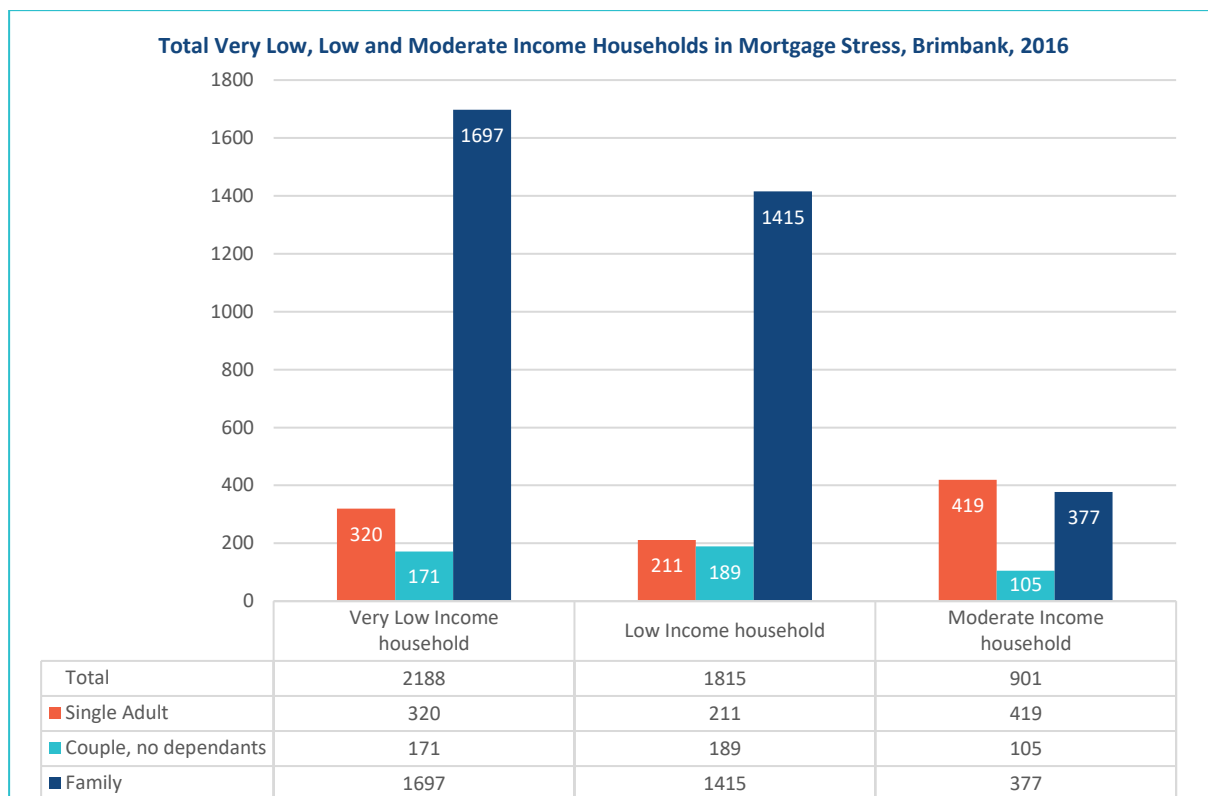


Figure 15: Total number of very low, low and moderate income households living in Brimbank in mortgage stress, 2016 (Source: Australian Bureau of Statistics, Tablebuilder 2020, and Affordable Development Outcome analysis)

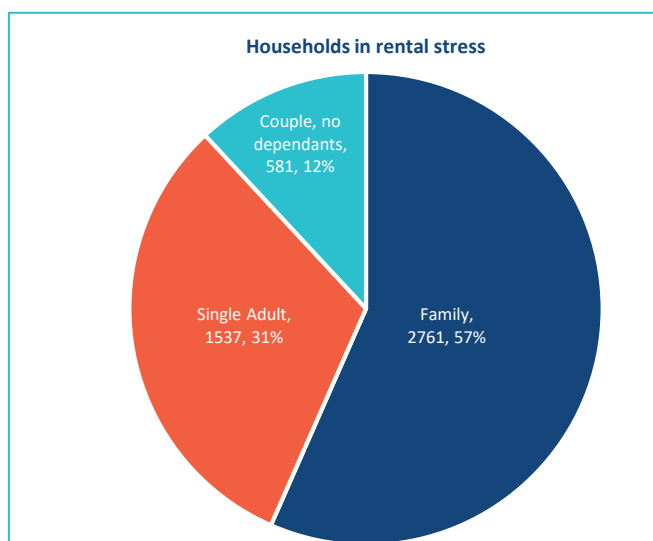


Figure 16: Number and per cent of household types in rental stress, Brimbank (Source: Australian Bureau of Statistics, Tablebuilder 2020 and Affordable Development Outcome analysis)

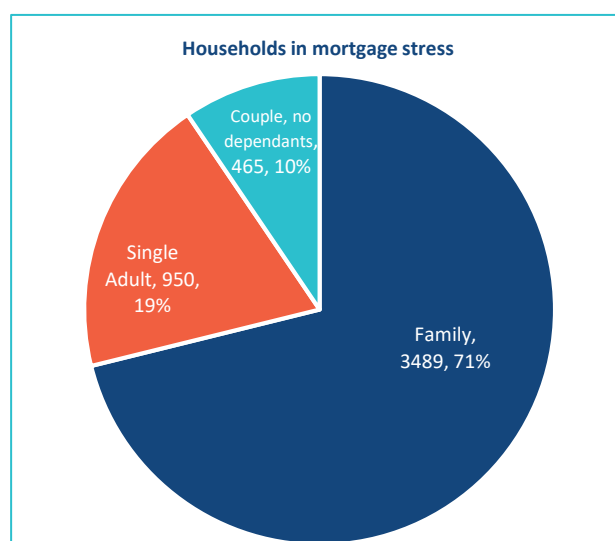


Figure 17: Number and per cent of household types in mortgage stress, Brimbank (Source: Australian Bureau of Statistics, Tablebuilder 2020 and Affordable Development Outcome analysis)

As of 2016, an estimated total of 9,783 very low, low and moderate income households were in housing stress in Brimbank, representing 23.3 per cent of households in these income bands, and 14.5 per cent of all households in Brimbank (Figure 18).

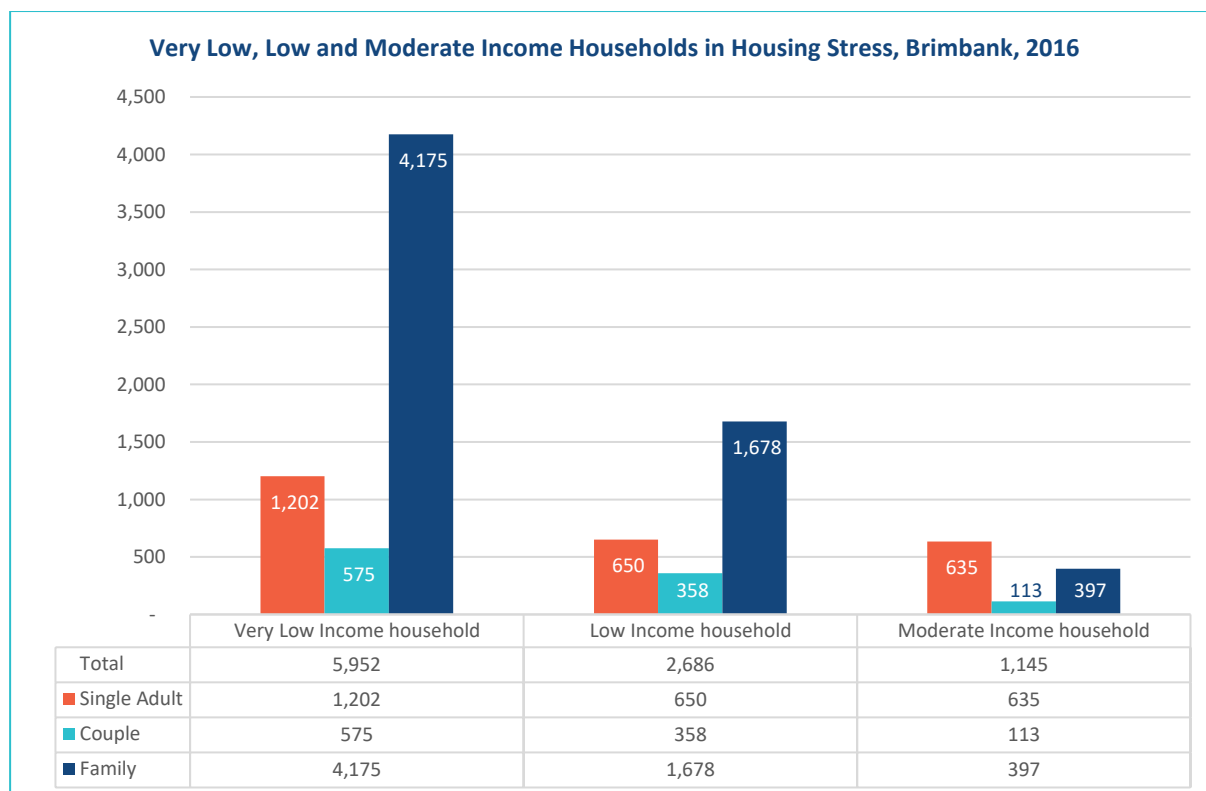


Figure 18: Total very low, low and moderate income households in Housing Stress, Brimbank, 2016 (Source: Australian Bureau of Statistics, Tablebuilder 2020 and Affordable Development Outcome analysis)

Overall, very low and low income families (5,853 households) experience the greatest rate of housing stress in Brimbank. Only a small number of moderate income families are experiencing housing stress. Couple households are least likely to experience housing stress in Brimbank, reflecting that they have two incomes and no dependents, therefore they have greater choice to rent or purchase a smaller dwelling.

When looking specifically at households in the rental market, very low income households are most likely to experience rental stress, with:

- 75 per cent of very low income single adult households (as well as 74 per cent of low income single adult households) estimated to be in rental stress (Figure 19);
- 76 per cent of very low income couple households estimated to be in rental stress, compared to an average 37 per cent of all very low, low and moderate income couple renters (Figure 20);
- 85 per cent of very low income family households estimated to be in rental stress, compared to an average 41 per cent of all very low, low and moderate income family renters in stress (Figure 21).

This highlights a need for housing that suits both single persons and families and for a significant subsidy.



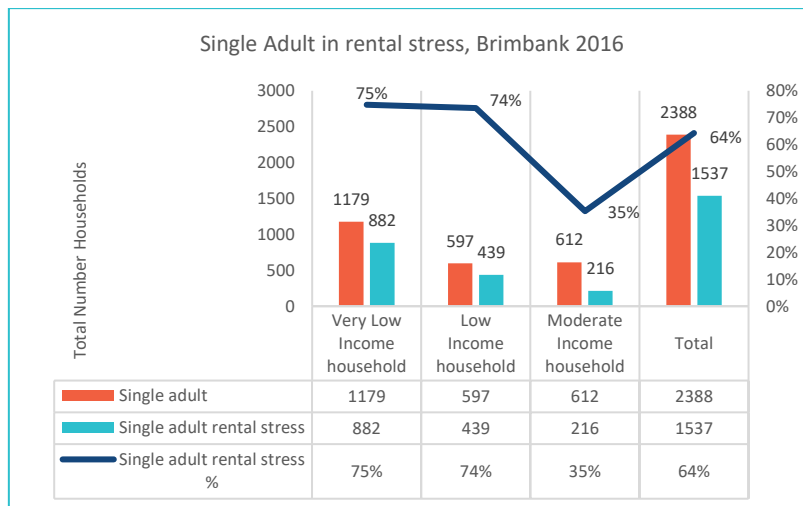


Figure 19: Single persons in rental stress by income band (Source: ABS, Tablebuilder 2020 and Affordable Development Outcome analysis)

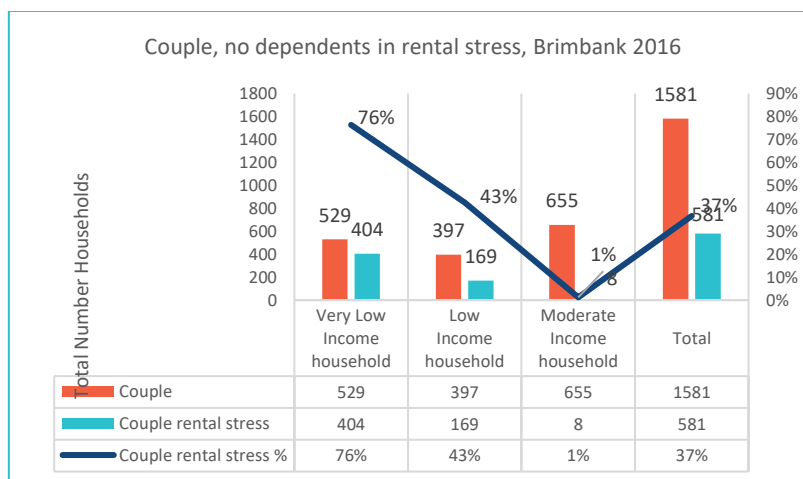


Figure 20: Couple households in rental stress by income band (Source: ABS, Tablebuilder 2020 and Affordable Development Outcome analysis)

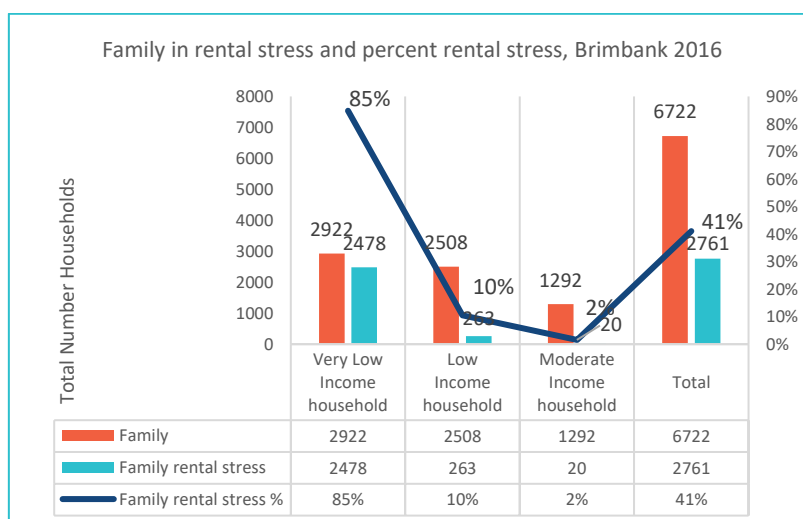


Figure 21: Family households in rental stress by income band (Source: ABS, Tablebuilder 2020 and Affordable Development Outcome analysis)



## 7. Affordability Gap

This section provides a preliminary estimate of the rental and purchasing capacity of very low to moderate income households. It highlights the indicative amount these households (as defined by the *Planning and Environment Act 1987*, using the upper end of each income range for households living in Greater Melbourne) could afford if they paid a maximum 30 per cent of their income on rent or mortgage costs (Table 5).

For example, a moderate income single person could afford to pay between \$241 and \$359 per week in rent or mortgage costs and service a loan of between \$204,069 and \$306,029.

Household type	Very Low Income			Low Income			Moderate Income		
	Upper Income Limit	Affordable Rent Range	Affordable Purchase	Upper Income Limit	Affordable Rent Range	Affordable Purchase Range	Upper Income Limit	Affordable Rent Range	Affordable Purchase
Single	<\$25970	<\$150	<\$127794	\$41,550	\$151 - \$240	\$127,794 - \$204,069	\$62,310	\$241 - \$359	\$204,069 - \$306,029
Couple	<\$38950	<\$225	<\$191299	\$62,320	\$226 - \$360	\$191,299 - \$306,078	\$93,470	\$361 - \$539	\$306,078 - \$459,068
Family	<\$54520	<\$315	<\$267769	\$87,250	\$315 - \$503	\$267,769 - \$428,520	\$130,870	\$504 - \$755	\$428,520 - \$642,755

Table 5: Estimated Affordable rent and purchase price for very low, low and moderate income households, 2016 (Source: Valuer-General Victoria, and Affordable Development Outcome analysis)<sup>1</sup>

These affordability limits are then compared to median rents as set out in the State Government's Rental Report, and median purchase prices for housing and units in Brimbank, as published by the Valuer-General Victoria (Table 6). It is noted that the Valuer-General Victoria only releases valuations on houses, units and vacant land and does not distinguish by number of bedrooms. The median value of a unit has been therefore used to assess affordability of both one and two bedroom dwellings for singles and couples, while the median value of a house is compared to income capacity of a family.<sup>38</sup>

	1BR	2 BR	3 BR
Median Rent	\$249 / week	\$336 / week	\$371 / week
Median Purchase	\$440,000	\$440,000	\$630,000

Table 6: Median rents and median sale prices in Brimbank (Source: DHHS Rental Report, Valuer-General Victoria)

The potential gaps in rental affordability for different households - shown as a percentage of median rent - indicates the potential subsidy that may be required (Table 7 and Figure 22). A figure in red shows the difference between estimated income capacity of a household (Table 5), and median rents in Brimbank whilst a positive number indicates a household has additional income capacity to meet the median rent (Table 6).

Household type	Very low Income			Low Income			Moderate Income		
	Income Limit	Affordable Rent	Gap % Median Rent	Income Limit	Affordable Rent	Gap % Median Rent	Income Limit	Affordable Rent	Gap % Median Rent
Single (1 BR)	\$25,970	-\$99	-40%	\$41,550	-\$9	-4%	\$62,310	+\$111	46%
Couple (2 BR)	\$38,950	-\$111	-33%	\$62,320	+\$24	7%	\$93,470	+\$204	61%
Family (3 BR)	\$54,520	-\$57	-15%	\$87,250	+\$132	36%	\$130,870	+\$384	104%

Table 7: Estimated Rental Affordability Gap, Brimbank (Source: DHHS Rental Report and Affordable Development Outcomes)

<sup>1</sup> Affordable purchase is based on assumption of 30% of income on mortgage, 10% deposit, 5.5% interest rate and 30 year term



For example, a single very low income person earning \$25,970 per annum could afford to pay \$150 per week in rent. The median rent for a one bedroom dwelling in Brimbank in 2019 was \$249 meaning there is a gap of approximately \$99 for the dwelling to be affordable. This represents 40 per cent of the median rent, or a 40 per cent subsidy requirement.

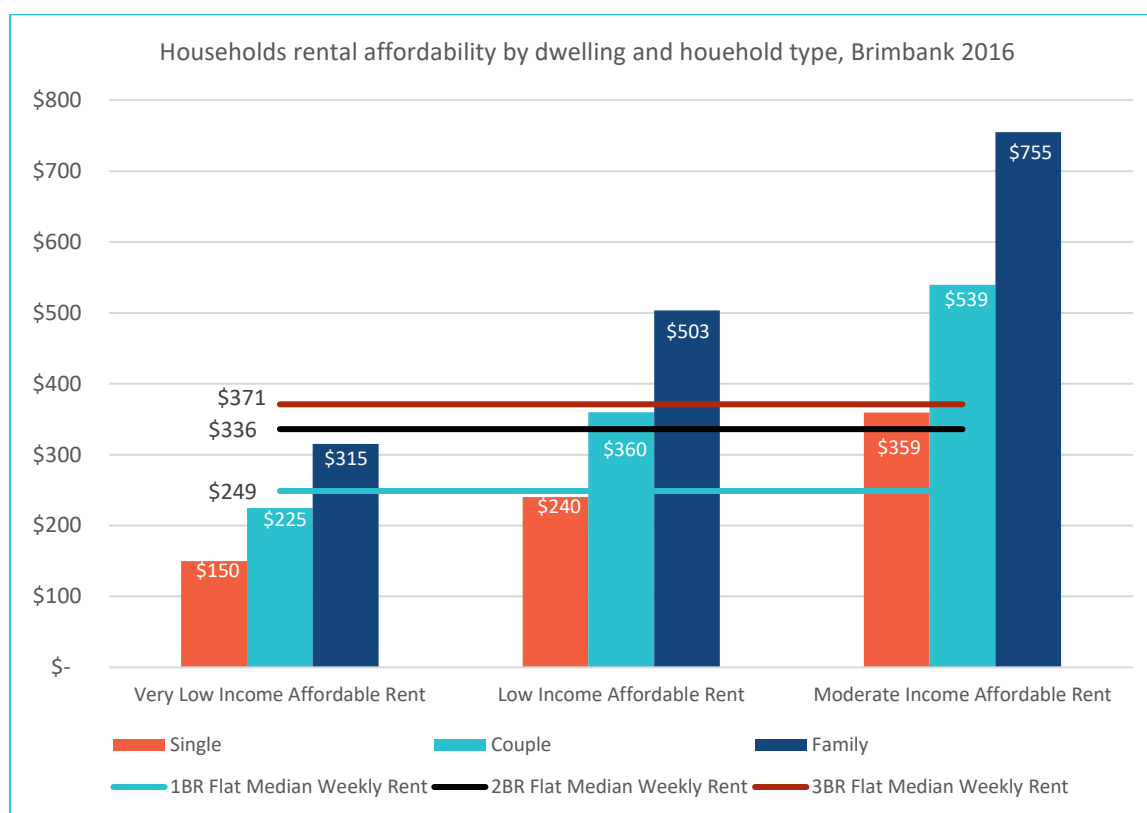


Figure 22: Median Weekly Market Rent (Brimbank) compared to income capacity of very low – moderate income households (Source: DHHS Median weekly rents – Dec 2019 and Affordable Development Outcomes analysis)

The potential gaps in mortgage affordability for different households, shown as a percentage of median purchase prices as defined at Table 6, similarly indicates the potential subsidy that may be required to support low to moderate income households to purchase (Table 8). Purchase is not considered likely or feasible for very low income households and is therefore not shown.

Household type	Low (80% median)			Moderate (120% median)		
	Income Limit	Affordable Purchase	Gap % Median Price	Income Limit	Affordable Purchase	Gap % Median Price
Single (unit)	\$41,550	-\$235,931	-54%	\$62,310	-\$133,971	-30%
Couple (unit)	\$62,320	-\$133,922	-30%	\$93,470	+\$19,068	4%
Family (house)	\$87,250	-\$201,480	-32%	\$130,870	+\$12,755	2%

Table 8: Estimated Mortgage Affordability Gap, Brimbank (Source: DHHS Rental Report and Affordable Development Outcomes)

This analysis highlights that a moderate income single person earning \$62,310 per annum could afford to pay up to \$359 per week in mortgage costs and borrow up to \$306,029 (Table 5). The median price unit in Brimbank in 2018 was \$440,000, meaning there is a gap of approximately \$133,971 or the dwelling to be affordable for the household to



purchase. This represents 30 per cent of the median sale price, or a 30 per cent subsidy requirement. By contrast, a moderate income couple or family is more likely to be able to afford to purchase in Brimbank.

This analysis indicates:

- Moderate income households and Low Income Couple and Family households are not likely to experience rental stress and can generally afford to rent in Brimbank;
- Very low and low income households could face gaps of up to 40 per cent of market rent;
- Household on a very low income, or single person households on a low income are likely to find it very difficult to afford to rent average priced dwelling in Brimbank;
- No household on a very low or low income can afford to purchase a home in Brimbank and moderate income single person households are also likely to find it very difficult to purchase.





## 8. Estimated Current and Forecast Affordable Housing Supply Gap

Table 20 summarises analysis by Affordable Development Outcomes which indicates that in 2016 approximately 6,478 households in Brimbank needed Affordable Housing. This equates to more than nine per cent of all dwellings.

This assessment assumes a dedicated Affordable Housing built-form response is required for:

- all households that are estimated to be homeless;
- 50 per cent of very low, low and moderate income households in rental stress;
- 10 per cent of very low, low and moderate income households in mortgage stress; and
- all households currently living in social housing.

Demand and Supply	2016 <i>Households</i>	2041 <i>Households</i>
<b>DEMAND</b>		
Estimated number of very low, low and moderate income households	41,932	48,791
Very low, low and moderate income households in Housing Stress, estimated to require Affordable Housing	4,387	5,447
Households living in Social Housing	2,091	2,091
<b>Estimated Affordable Housing Demand</b>	<b>6,478</b>	<b>7,538</b>
<i>Demand as a percentage of all dwellings</i>	9.26%	9.08%
<b>SUPPLY</b>		
<b>Estimated Affordable Housing Supply</b>	<b>2,091</b>	<b>2,091</b>
<i>Supply as a percentage of all dwellings</i>	2.99%	2.56%
<b>AFFORDABLE HOUSING SUPPLY GAP</b>		
<b>Supply less demand</b>	<b>4,387</b>	<b>5,447</b>
<i>Gap as a percentage of all dwellings</i>	6.27%	6.54%

Table 9: Estimated Social Housing Demand and Supply, Brimbank 2016 - 2041 (Source: .id Consulting, ABS Tablebuilder, Affordable Development Outcomes analysis)

As Brimbank only had 2,091 dedicated Affordable Housing dwellings (all provided as Social Housing), there is an estimated gap of approximately 4,387 Affordable Housing dwellings in Brimbank. This does not account for private rental dwellings that are estimated to be affordable as these dwellings are not guaranteed to be rented or sold to very low, low or moderate income households. If they were rented to these households then the household would also not be included in the housing stress estimate. The unmet demand is forecast to increase to 5,447 dwellings by 2041 if there is no change to existing supply.

To address unmet and forecast demand, it is estimated approximately 218 dwellings per annum between 2016 and 2041 will need to have been built and delivered as Affordable Housing, representing an average of 47 per cent of all forecast dwelling supply (Figure 33). This is a considerable percentage and is due to both unmet need and generally low estimates as to forecast new supply of housing in Brimbank, particularly between 2036 and 2041.

It is unclear why this decline in forecast housing supply is predicted, noting the designation of Sunshine as a priority precinct may not have been taken into consideration. When the analysis is forecast to the year 2026, the average number of dwellings to be delivered each year increases to achieve the 2026 estimate of need, but the rate as a proportion of new supply declines to approximately 40 per cent. The estimate of need is noted to be indicative and



will change if there is an increase in the number of very low, low or moderate income households living in Brimbank compared to 2016 rates.

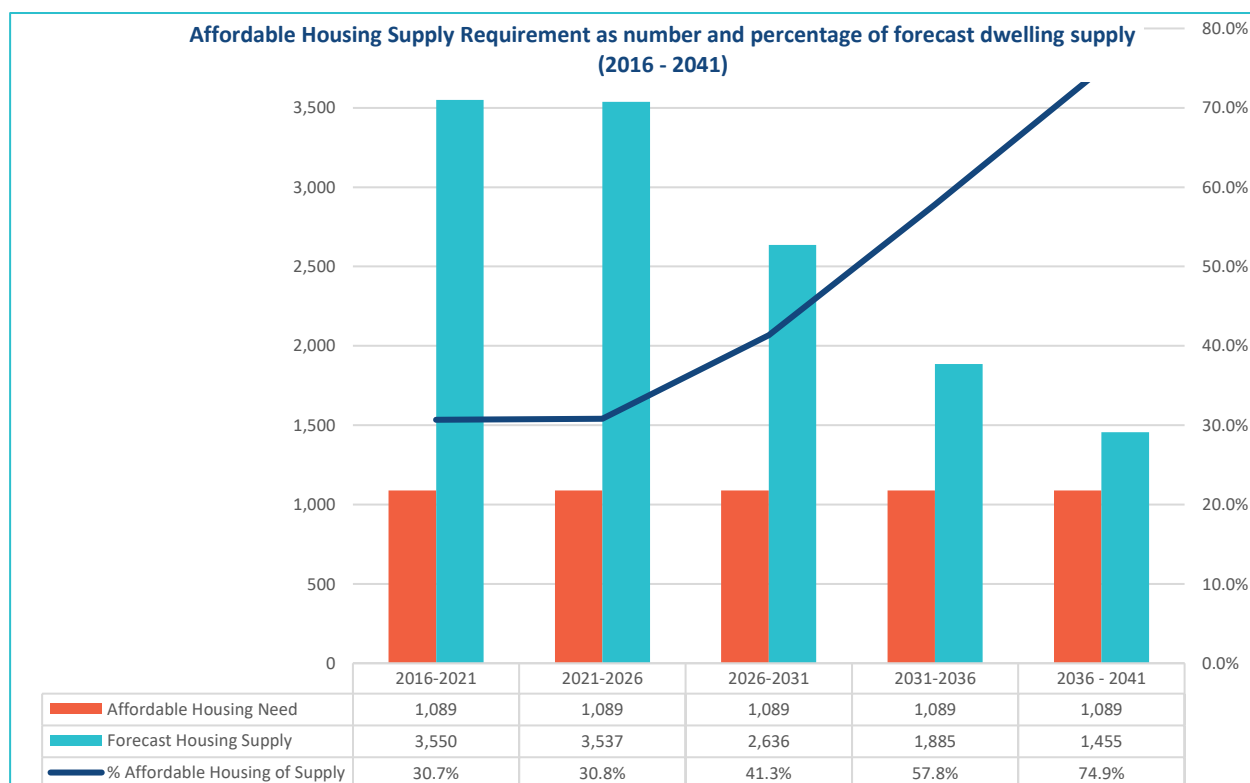


Figure 23: Affordable Housing supply required as number and per cent of total housing supply in Brimbank, 2016 – 2041 (.id Consulting, Population Forecast, City of Brimbank and Affordable Development Outcomes analysis)

# References

<sup>1</sup> Planning and Environment Act 1987

<sup>2</sup> Governor in Council Order (2018) Planning and Environment Act 1987, Section 3AB – Specification of Income Ranges, June 2019 & Ministerial Notice under the Planning and Environment Act 1987 Specified Matters Under Section 3aa (2), 17 May 2018

<sup>3</sup> Risk factors include a range of matters from financial stress; housing crisis and stress; inadequate or inappropriate dwelling conditions, including accommodation that is unsafe, unsuitable or overcrowded; relationship/family breakdown; child abuse, neglect or environments where children are at risk; sexual abuse; domestic/family violence; non-family violence; mental health issues and other health problems; employment difficulties and unemployment; problematic gambling; transitions from custodial and care arrangements; discrimination, including racial discrimination; lack of family and/or community support.

<sup>4</sup> Department of Health and Human Services (2020) Apply for Social Housing; <https://www.housing.vic.gov.au/victorian-housing-register> and <https://www.housing.vic.gov.au/apply-social-housing>

<sup>5</sup> .id Consulting, 2020, City of Brimbank, Community Profile, Number of Bedrooms per Dwelling and Household Size

<sup>6</sup> Valuer-General Victoria, 2019, All Statistics <https://www.propertyandlandtitles.vic.gov.au/property-information/property-prices>

<sup>7</sup> .id Consulting, 2020, City of Brimbank, Residential Building Approvals

<sup>8</sup> Department of Health and Human Services, 2019, Rental Report, Time Series, published December 2019 and Affordable Development Outcomes Analysis

<sup>9</sup> The analysis has used 2016 Census data and 2018/2019 Affordable Housing income bands (not adjusted).

<sup>10</sup> Australian Bureau of Statistics, 2020, ABS Tablebuilder Household, Household Income and Rent Ranges, and Affordable Development Outcomes analysis.

<sup>11</sup> Australian Bureau of Statistics, 2020, ABS Tablebuilder Household, Household Income and Rent Ranges, and Affordable Development Outcomes analysis

<sup>12</sup> Brimbank City Council, 2020, Homelessness Research Report Project – From At Risk to At Home

<sup>13</sup> Affordable Development Outcomes Modelling, 2020, using input data from .id Consulting, City of Brimbank, Population Forecast, ABS Tablebuilder – Household, Household Income, Weekly Rent, Monthly Mortgage, Brimbank City Council Homelessness Report Project

<sup>14</sup> Affordable Development Outcomes Modelling, 2020, using input data from .id Consulting, City of Brimbank, Population Forecast, ABS Tablebuilder – Household, Household Income, Weekly Rent, Monthly Mortgage, Brimbank City Council Homelessness Report Project

<sup>15</sup> .id Consulting, 2020, City of Brimbank, Population Forecast, Population, households, and dwellings. Note 2016 population under Forecast is different to Community Profile estimates. Forecast is used as this is considered to be more accurate and enables forecasting of demand.

<sup>16</sup> .id Consulting, 2020, City of Brimbank, Population Forecast, Household Types. Please note that 2016 Forecast Household Profile is different to Community Profile 2016 Household Profile. The Forecast Profile is used to enable comparison with other data.

<sup>17</sup> .id Consulting, 2020, City of Brimbank, Community Profile, Need for assistance

<sup>18</sup> Brimbank City Council, 2020, Homelessness Research Report Project – From At Risk to At Home

<sup>19</sup> .id Consulting, 2020, City of Brimbank, Community Profile, Population and dwellings

<sup>20</sup> .id Consulting, 2020, City of Brimbank, Social Atlas, Disengaged youth (aged 15-24 not employed or in education)

<sup>21</sup> .id Consulting, 2020, City of Brimbank, Community Profile, Service Age Groups and Population Forecast, Population and Age Structure

<sup>22</sup> These payments include ABSTUDY, Age Pension, Austudy, Carer Payment, Disability Support Pension, Newstart Allowance, Parenting Payment, Partner Allowance, Special Benefit, Widow Allowance, Wife Pension, and Youth Allowance

<sup>23</sup> Department of Social Services (DSS), 2020, DSS Payment Demographic Data Dec 2019, LGA Brimbank, and Affordable Development Outcomes

<sup>24</sup> .id Consulting, 2020, City of Brimbank, Economic Profile, Unemployment

<sup>25</sup> .id Consulting, 2020, City of Brimbank, Community Profile, Service Age Groups

<sup>26</sup> Australian Bureau of Statistics, 2020, ABS Tablebuilder. Note due to ABS data reporting, the total by household type is different to the total by income (table 12).

<sup>27</sup> .id Consulting, 2020, Brimbank City Council, Community Profile, Dwelling type and Number of bedrooms per dwelling

<sup>28</sup> Department of Health and Human Services, 2019, Rental Report, Quarterly median rents by local government area – December 2019 and Affordable Development Outcomes Analysis

<sup>29</sup> .id Consulting, 2020, City of Brimbank, Community Profile, Housing Tenure

<sup>30</sup> .id Consulting, 2020, Brimbank City Council, Community Profile, Housing Tenure - Emerging Groups

<sup>31</sup> Department of Health and Human Services, 2019, Housing Assistance, Social housing dwellings by local government area at 30 June 2019 – Table 39

<sup>32</sup> Brimbank City Council, 2020, Homelessness Research Project – From At Risk to At Home

<sup>33</sup> Johnson, G. & Watson, J., 2018, *Diversity & Complexity: Examining the characteristics of 'at risk' and homeless households in Melbourne's west*. Melbourne: Unison Housing

<sup>34</sup> Australian Government Department of Social Services, 2019, Safe Places Emergency Accommodation Forecast Opportunity Grant - Melbourne excl. Victoria (data on unmet need from specialist homelessness services)

<sup>35</sup> Western Homelessness Network (2019) Breaking the cycle of mental health and homelessness: Submission by the Western Homelessness Network to the Royal Commission into Victoria's Mental Health System, July 2019, p.3.

<sup>36</sup> Note the numbers do not add up as ABS advise that after perturbation, a given published cell value will be consistent across all tables. However, adding up cell values to derive a total will not necessarily give the same result as published totals. As estimates have been rounded, discrepancies may also occur between sums of the component items and totals. As estimates have also been randomly adjusted to avoid the release of confidential information, discrepancies may occur in estimates appearing in more than one table.

<sup>37</sup> Department of Health and Human Services, 2019, Rental Report, Time Series, published December 2019 and Affordable Development Outcomes Analysis

<sup>38</sup> Valuer-General Victoria, 2020, Property Prices (accessed 25/06/2020), <https://www.propertyandlandtitles.vic.gov.au/property-information/property-prices>

