

Affordable housing  
in a tourist town:  
*comparing Hobart & Byron Bay*

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Deputy Director, Housing & Community Research Unit

Our housing challenge:  
*local communities:*  
*local solutions:*  
*a Byron perspective*  
Byron Community Centre  
10 May 2019

# Some points of comparison

	<b>BYRON</b>	<b>HOBART</b>
Average household size	2.4 people	2.4 people
Median income	\$1149 per week	\$1234 per week
Median mortgage per month	\$1733 per month	\$1402 per month
Median rent	\$400 per week	\$260 per week
Unemployment rate	6.5%	6.4%
Top employment sectors	Cafes and restaurants; Accommodation	State administration; Hospitals
Unoccupied private dwellings	15.3% of all dwellings	9.3% of all dwellings
Detached dwellings	81.5% of all dwellings	84.8% of all dwellings
Home ownership	65.0% of occupiers	68.1% of occupiers
Income less than \$650 gross per week	25.8%	23.0%
Income more than \$3000 gross per week	10.0%	10.9%
Housing stress (rent)	17.2%	10.9%
Housing stress (mortgage)	8.5%	5.3%

# Policy shock

Total visitors to Tasmania

2008: 932,800 people (\$1.5 billion)

2018: 9.63 million people (\$30.2 billion)

*and* population growth



# Policy shock

Today's Paper Markets Data

FINANCIAL REVIEW

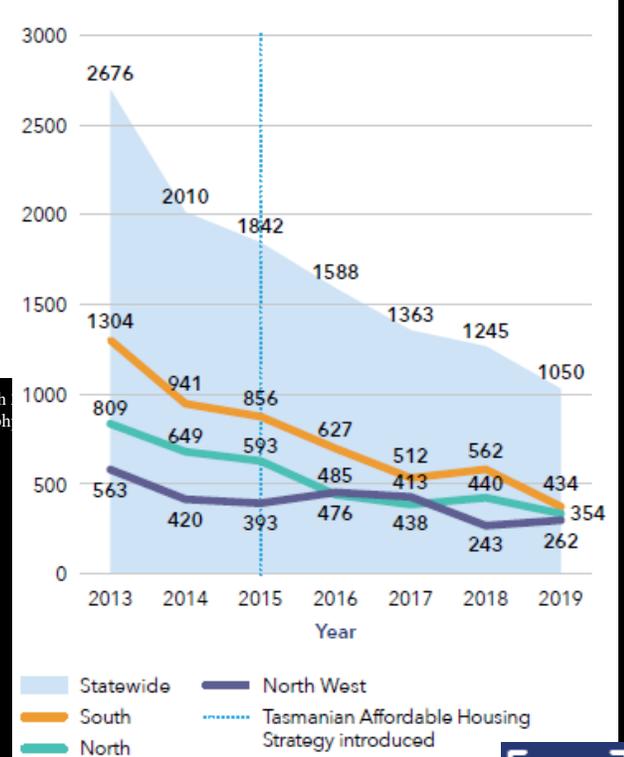
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ESSENTIAL FOR EVERY BUSINESS  
ACCESS TODAY

Real Estate Residential Renting



Figure 1: Number of rentals available in Tasmania on the Rental Affordability Snapshot weekend



SQM: Hobart residential vacancy rate, March  
[https://sqmresearch.com.au/graph\\_vacancy.ph](https://sqmresearch.com.au/graph_vacancy.ph)

## Renting a house in Hobart more expensive than Melbourne



**Ingrid Fuary-Wagner**  
Reporter

Rents in Hobart have increased 7.1 per cent over the quarter now making it more expensive to rent a house in the Tasmanian capital than in Melbourne.

The weekly asking rent for a house in Hobart jumped \$30 over the March quarter, from \$420 to \$450, while in Melbourne house rents remained flat at \$440, according to Domain Group's latest rental report.

Median house rent prices (\$)

Fuary-Wagner, I 2019, 'Renting a house in Hobart more expensive than Melbourne, *Australian Financial Review*, 11 April, <https://www.afr.com/real-estate/residential/renting-a-house-in-hobart-more-expensive-than-melbourne-20190410-p51cnn>

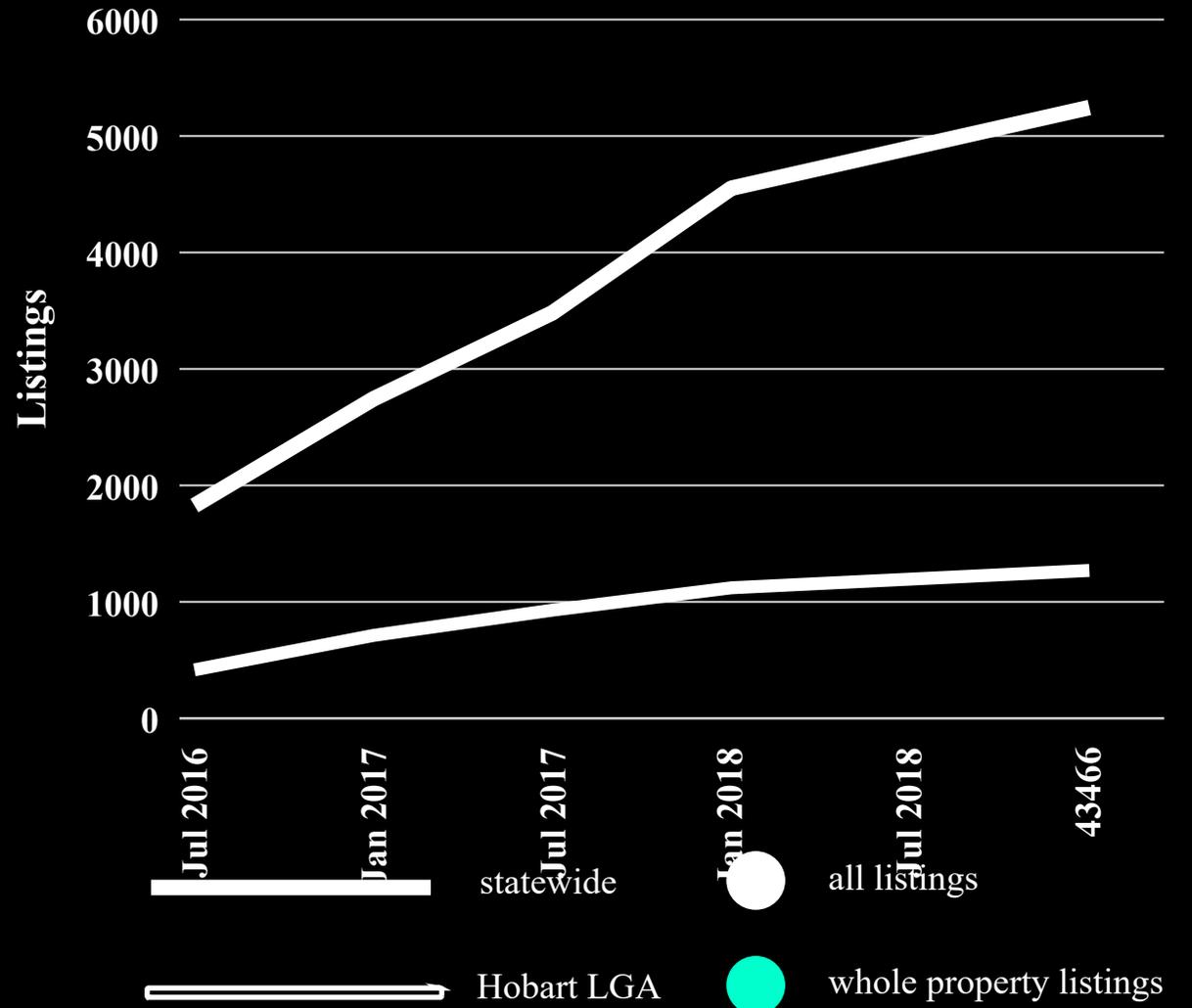
Law, M, Claxton, S & Thurstans, S 2019, *Rental Affordability Snapshot: Tasmania 2019*, Anglicare Tasmania, Hobart.



# Policy shock

Percentage growth, July 2016 to January 2019

	Statewide	Hobart LGA	Greater Hobart
Total listings	187	205	185
Whole property listings	237	288	249
'High filter' listings	209	148	154
Multi-property listings	263	273	262



# Commodification

*Mercury* 5 April 2018 news section page 10

## Rent squeeze forces Jarod to leave city

Jarod Parker has been looking for a home since his Fern Tree rental property went up in flames in October due to an electrical fault. Hobart's housing crisis and a tightening rental market — with vacancy rates as low as 0.3 per cent — mean that despite attending at least 50 property inspections over the past six months, and applying for about 30 properties, Mr Parker has been unable to find a home in Hobart.

...living in a New Town boarding house since December, paying \$350 per week for his room and communal kitchen and bathroom

100 people attended a single property inspection at Huntingfield

“playing with my emotions mentally and also I'm physically sick. This has made me feel very upset and hurt.”

unable to cook his own meals and relying on microwaved food for nutrition.

In the past week, Mr Parker has been approved for a rental property in Oatlands, an hour's drive from Hobart's CBD. However, he does not own a vehicle, and will be forced to rely on Redline bus services for transport. “I had to make that sacrifice to move a distance out, which is going to cause me a bit of inconvenience,” Mr Parker said.

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“playing with my emotions mentally and also I'm physically sick. This has made me feel very upset and hurt.”

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In the past week, Mr Parker has been approved for a 1.5-hour drive from Hobart's CBD. However, he is unable to rely on Redline bus services for transport. “I had to travel a long distance out, which is going to cause me a bit of inconvenience.”

Mercury 5 April 2018 real estate section page 3

## Growth everywhere

Jarrad Bevan reveals that Tasmania's South is going off and the experts expect that trend to continue for quite some time yet. In the past year, about 50 suburbs in southern Tasmania recorded capital gains of 10 per cent or better.

got in on this growth action

Just days ago Hobart clocked its eighth month in a row as Australia's number one city for median price growth.

Consistently, experts have said they cannot see the market slowing this year

prices will continue upward.

the substantial uplift in the market and substantial increases in the median price for most suburbs near the CBD

“Hobart also has the highest yields for investors, which brings people from all over the country looking for high yield properties”

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*Mercury* 5 April 2018 real estate section page 3

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"Hobart also has the highest yields for investors, which brings in a lot of people from all over the country looking for high yield properties"

# Effects

professional couple, dual income, no kids

working family

~~crisis~~

situation normal

insecure employment

mental illness

drug and alcohol issues

debt

criminal record

unemployment

homelessness

bond assistance

pets

Indigenous

domestic violence

poor tenancy history

different cultural background

low income

single person

income support

children

sole parent

limited English

young

disability

# Need

Lawson, J, Pawson, H, Troy, L, van den Nouwelant, R & Hamilton, C 2018, *Social housing as infrastructure: an investment pathway*, AHURI final report no.306, Australian Housing & Urban Research Institute, Melbourne.

<b>Tasmania</b>	<b>2016</b>	<b>to 2036</b>
<b>Met</b> Households already living in social housing	12,100	1600
<b>Manifest</b> Homeless households	600	100
<b>Evident</b> Very low income and in rental stress	10,500	1400
	11,100	14,200

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<b>NEED</b>	<b>GREATER HOBART</b>		<b>BYRON REGION</b>	
	<b>2016</b>	<b>to 2036</b>	<b>2016</b>	<b>to 2036</b>
<b>Met</b> Households already living in social housing	5700	1000	3400	500
<b>Manifest</b> Homeless households	300	100	500	100
<b>Evident</b> Very low income and in rental stress	4400	800	5900	900
	<b>4700</b>	<b>6600</b>	<b>6400</b>	<b>7900</b>

Nationally:

**we need 727,000 new social housing dwellings by 2036**

# Responses

## **A solution for situation normal**

supply, supply, supply

de-commodified housing (public, social, affordable | community, government)

regulation that protects vulnerable people first: tenancies, Airbnb, planning

## **A long-term cultural change**



thank you

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hacru: <http://www.utas.edu.au/arts/research-centres/hacru>



*questions?*