



**Byron Shire Council**

# **Affordable Housing Contributions Scheme 02**

**Housing Needs Assessment**

**May 2024**



***Urbanista***



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**on the lands of the Gadigal people  
of the Eora Nation**

**Prepared for  
Byron Shire Council  
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**May 2024**

Urbanista acknowledges and pays respect to the Traditional Custodians of the land within Byron Shire, the Arakwal, the Widjabal and the Mindjungbul people.

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## 1. INTRODUCTION

The purpose of this report is to support the development of an additional affordable housing program for the Byron Shire (Affordable Housing Contribution Scheme 2), by researching affordable housing needs and documenting these in an evidence base which will satisfy the requirements of section 7.32 of the Environmental Planning and Assessment Act 1979 (EP&A Act) and the State Environmental Planning Policy (SEPP) Housing 2021.

The evidence base provided in this report is a focussed assessment of housing need within Byron Shire, noting that broader, related factors such as demographic and economic trends have recently been considered in related strategic planning documents such as the North Coast Regional Plan 2041 and the Byron Housing Options Paper. As well as providing background to the context and policy settings the analysis is structured around understanding the following fundamental questions:

1. What are the housing market constraints in Byron Shire?
2. Is there a current need for affordable housing?
3. What are the gaps in meeting housing?

The paper is structured as follows:

Section 1	Introduction
Section 2	What is Affordable Housing?
Section 3	The Importance of Affordable Housing
Section 4	Planning and Policy Context for the Provision of Affordable Housing
Section 5	Housing Market Context
Section 6	Housing Affordability and Housing Stress
Section 7	Shortfall in Affordable Housing
Section 8	Conclusions

## 2. WHAT IS AFFORDABLE HOUSING?

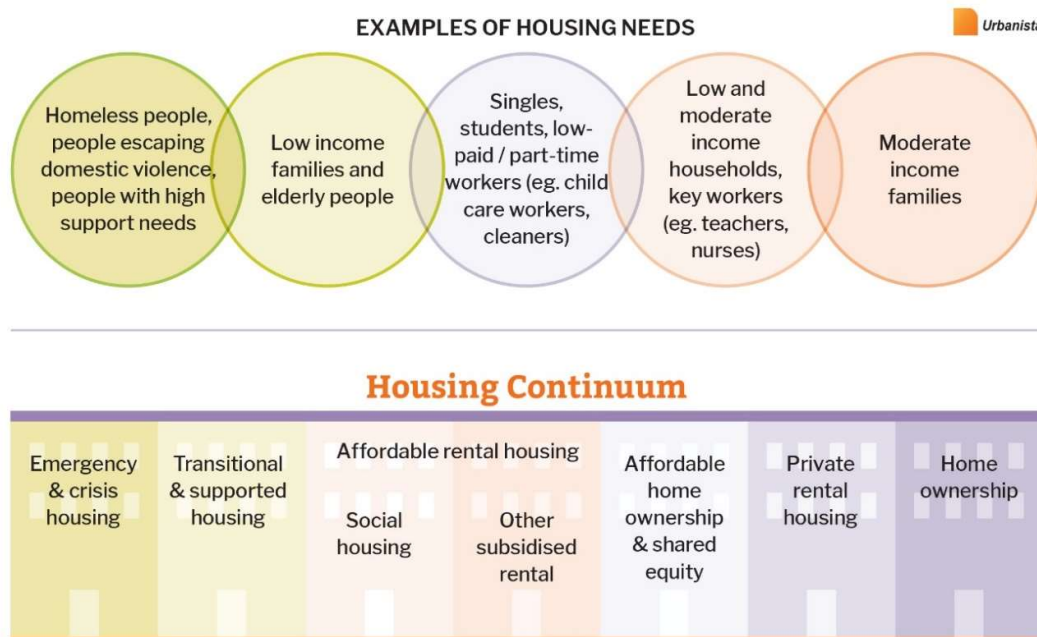
Affordable housing means housing that is appropriate to the needs of a household and within its means<sup>1</sup>. It is generally accepted to be housing that costs no more than 25–30% of the gross income of low to moderate income earners.

Under the NSW planning framework, affordable housing is specifically defined. The *Environmental Planning and Assessment Act 1979* (Act) defines affordable housing as “housing for very low income households, low income households or moderate income households, being such households as are prescribed by the [regulations](#) or as are provided for in an [environmental planning instrument](#)”.

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<sup>1</sup> [NSW Local Government Housing Kit](#) prepared by Urbanista for NSW Department of Communities and Justice, Module 1 – 2.

**Figure 1: Housing Continuum**



Source: Urbanista<sup>2</sup>

### 3. THE IMPORTANCE OF AFFORDABLE HOUSING

The availability of a suitable range of housing is vital to every community's ability to function in an efficient, equitable, prosperous and sustainable way. Housing is critical to basic human needs for shelter, security and connection within communities. Housing is also a key city-shaping consideration influencing streetscapes and urban form. It plays an important economic role at a local, state and national level, affecting the buoyancy of the economy, the efficiency of businesses and labour force availability.

Liveable, sustainable and prosperous communities need a range of well-designed housing, connected to transport and employment opportunities, services and outdoor space. Diverse housing that meets changing needs enables inclusive and stable communities.

Meeting people's housing needs also has wider economic, social and environmental impacts. Insufficient housing and a lack of appropriate and affordable housing put economic growth and global competitiveness at risk. At regional and local levels offering more housing choices helps labour markets function, for example by improving labour mobility and ensuring sufficient workers are available to support local businesses.

<sup>2</sup> Refer further at [NSW Local Government Housing Kit](#) prepared by Urbanista for NSW Department of Communities and Justice, Module 1 – 3.

Shortages of housing, a lack of diverse housing and predominance of housing that is unaffordable increase the risk of discrimination against certain groups and can reinforce patterns of exclusion and segregation and undermine the broader social and economic goals for liveable and prosperous communities.

While many policy levers available to address the shortage of affordable housing rest with the federal and state governments, local councils have an important role to play by ensuring there is a sufficient supply of land and infill opportunities for new housing and utilising provisions within the planning system to establish affordable housing contribution schemes.

## **4. PLANNING AND POLICY CONTEXT FOR AFFORDABLE HOUSING**

The planning system in New South Wales allows councils to establish affordable housing contribution schemes. These requirements are summarised below. Byron Shire has been pro-active in responding to the significant shortage of affordable housing by utilising these provisions and through other policy actions such as the development of a planning proposal to allow it to create localised caps for non-hosted STRA.

### **PLANNING PROVISIONS FOR AFFORDABLE HOUSING**

The objects of the Environmental Planning and Assessment Act (1979) (referred to onwards as the Act) set out in section 1.3 include:

- to promote the social and economic welfare of the community and a better environment via the proper management, development and conservation of the State's natural and other resources;
- to promote the delivery and maintenance of affordable housing.

Division 7.2 of the Act allows for the collection of contributions for affordable housing where a need for affordable housing is identified in a planning instrument. Together with the State Environmental Planning Policy (SEPP) Housing 2021 (the Housing SEPP), Division 7.2 provides the statutory basis for levying contributions under Affordable Housing Contribution Schemes (AHCs).

The Housing SEPP recognises that there is a need for affordable housing within all local government areas in the State. Section 7.32 of the Act allows for the collection of contributions for affordable housing where such a need has been identified in a planning instrument and where one of the following applies:

- (a) the consent authority is satisfied that the proposed development will or is likely to reduce the availability of affordable housing within the area, or
- (b) the consent authority is satisfied that the proposed development will create a need for affordable housing within the area, or
- (c) the proposed development is allowed only because of the initial zoning of a site, or the rezoning of a site, or
- (d) the regulations so provide.

Further guidance and specific requirements for fulfilling these provisions are set out in the (former) Department of Planning and Environment's ***Guideline for Developing an Affordable Housing Contribution Scheme***.

## POLICY CONTEXT FOR AFFORDABLE HOUSING IN BYRON SHIRE

Planning for the Byron Shire is primarily guided by the North Coast Regional Plan 2041. The plan covers two distinct sub-regions, the Northern Rivers and Mid-North Coast. Byron Shire is within the Northern Rivers sub-region together with the local government areas of Tweed, Ballina, Lismore, Richmond Valley and Kyogle. A key objective of the plan (Objective 2) is to provide for more affordable and low cost housing.

Since that time there have been many significant events including significant floods on the North Coast in February and March 2022, as well as changes to State and local planning policies and critical decisions that inform and affect housing options in the Byron Shire. These include:

- North Coast Regional Plan 2041
- NSW Independent Flood Inquiry Report
- Parliamentary Flood Inquiry Report
- NSW Government response to Flood Reports
- Draft Northern Rivers Resilient Lands Strategy
- Our Byron, Our Future 2032
- IPC Report on STRA

Byron Shire finalised its Residential Strategy in 2020 to guide planning for population growth and housing. Other related strategies are the Business and Industrial Lands Strategy and Rural Land Use Strategy. In view of the significant changes in the planning and policy context, council is refreshing the strategy in 2024.

Council has developed a Housing Options Paper to document what has changed since 2020 and to guide community engagement about the ways to deliver housing to meet the needs of the community. The purpose of the Options Paper is to refresh the Residential Strategy in response to the changes, including the ongoing impacts of COVID-19 and the floods. Key issues noted in the Options Paper are:

- Housing stress is growing
- Housing affordability and availability is worsening
- Housing for key workers has become a more pressing issue
- Homelessness is growing

As noted in the Housing Options Paper, Council has been pro-active in addressing the significant housing pressures in Byron Shire through strong policy, advocacy and planning intervention, including:

- Alternative Housing Report 2019
- Declaring a housing crisis in March 2021
- Development of Byron Shire Affordable Housing Contribution Scheme 1 2022
- Development of a planning proposal to create localised caps for non-hosted STRA.



In March 2024 Council approved Byron Shire Residential Strategy 2041 with amendments for submission to the Department of Planning, Housing and Infrastructure for endorsement. The Strategy provides the long-term approach to guide the delivery of housing in the Shire.

Most relevant to the current study is Action 10 of the Implementation Plan accompanying the Strategy commits to investigating “expanding or applying new affordable housing contribution mechanisms over all new rezoned areas, and other planning control uplift opportunities, to maximise the capture of affordable housing opportunities over time”. To this end, the Plan commits to having Affordable Housing Contribution Scheme (AHCS) No. 2 in place “prior to the Strategy endorsement becoming effective to enable planning proposals for new investigation and or infill areas.”

## 5. HOUSING MARKET CONTEXT

This section sets out the housing market context, assesses the current need for affordable housing in the LGA and considers housing market constraints in the LGA.

### DWELLINGS AND HOUSING TENURE

In 2021, there were 16,919 total dwellings in Byron Shire, an increase of 1,377 between 2016 and 2021<sup>3</sup>.

Most housing in Byron Shire is low density, with separate houses comprising 76.6% of total dwellings. This is a slight decline in share from 2016. In comparison, the percentage of medium density dwellings increased from 13.6% to 17.8% over the census period. From 2016 to 2021, the growth in medium and high density dwellings (961) exceeded the increase in separate houses (947). Byron has a higher proportion of medium density dwellings compared to regional NSW.

**Table 1. Dwelling Type 2021 and 2016 – Byron Shire**

Dwellings	2021			2016			Change
Dwelling type	Number	%	Regional NSW %	Number	%	Regional NSW %	2016 to 2021
Separate house	12,961	76.6	80.6	12,014	77.3	80.2	+947
Medium density	3,011	17.8	14.6	2,120	13.6	14.3	+891
High density	234	1.4	2.9	164	1.1	2.5	+70
Caravans, cabin, houseboat	450	2.7	1.2	683	4.4	1.7	-233
Other	172	1.0	0.4	324	2.1	0.7	-152
Not stated	91	0.5	0.4	237	1.5	0.7	-146
<b>Total Private Dwellings</b>	<b>16,919</b>	<b>100.0</b>	<b>100.0</b>	<b>15,542</b>	<b>100.0</b>	<b>100.0</b>	<b>+1,377</b>

Sourced from Australian Bureau of Statistics, [Census of Population and Housing](#) 2016 and 2021 and [.id](#) profile.

The majority of dwellings in Byron are 3- and 4-bedroom houses (58.2%). Byron has a higher proportion of 1-bedroom and bedsitter dwellings relative to regional NSW, 10.3% compared to 4.7%, while the proportion of 2-bedroom dwellings is similar. Of the 1098 dwellings added to the dwelling stock in Byron, 30% were 1 bedroom, significantly more than 2- and 3-bedroom dwellings. It is likely that a significant number of 1-bedroom dwellings are secondary dwellings. Council has advised that 735 development approvals and 50 complying development certificates were issued for secondary dwellings from January 2016 to January 2024. Some of these are likely to be used for Short Term (Holiday) Rental Accommodation.

**Table 2. Number of Bedrooms per Dwelling – Byron Shire**

Households	2021			2016			Change
Number of bedrooms	Number	%	Regional NSW %	Number	%	Regional NSW %	2016 to 2021
0 or 1 bedrooms	1,503	10.3	4.7	1,167	8.7	4.5	+336
2 bedrooms	2,243	15.4	16.7	2,044	15.2	16.9	+199
3 bedrooms	5,425	37.2	38.9	5,195	38.5	40.4	+230
4 bedrooms	3,064	21.0	26.7	2,474	18.3	24.5	+590
5+ bedrooms	886	6.1	6.6	582	4.3	5.6	+304
Not stated	1,460	10.0	6.3	2,021	15.0	8.1	-561
<b>Total households</b>	<b>14,581</b>	<b>100.0</b>	<b>100.0</b>	<b>13,483</b>	<b>100.0</b>	<b>100.0</b>	<b>+1,098</b>

Sourced from Australian Bureau of Statistics, [Census of Population and Housing](#) 2016 and 2021 and [.id](#) profile.

The pattern of housing tenure in Byron Shire is changing relative to regional NSW. While still dominated by households who fully own or have a mortgage, between 2016 and 2021 the proportion of households renting increased from 25.7% to 28.1%. This is a significant increase compared to the slight increase of 0.4% for regional NSW. The proportion of households who fully own or are buying their dwelling is lower than regional NSW and the share of households in social housing is less than half.

**Table 3: Housing Tenure 2021 and 2016 – Byron Shire**

Households	2021			2016			Change
Tenure type	Number	%	Regional NSW %	Number	%	Regional NSW %	2016 to 2021
Fully owned	5,029	34.5	36.3	4,360	32.3	35.5	+669
Mortgage	3,690	25.3	29.4	3,290	24.4	28.6	+400
Renting - Total	4,099	28.1	25.7	3,464	25.7	25.3	+635
Social housing	250	1.7	3.8	221	1.6	4.2	+29
Renting - Private	3,815	26.2	21.7	3,212	23.8	20.9	+603
Renting - Not stated	34	0.2	0.2	31	0.2	0.2	+3
Other tenure type	312	2.1	2.3	306	2.3	2.2	+6
Not stated	1,447	9.9	6.4	2,071	15.4	8.4	-624
<b>Total households</b>	<b>14,577</b>	<b>100.0</b>	<b>100.0</b>	<b>13,491</b>	<b>100.0</b>	<b>100.0</b>	<b>+1,086</b>

Sourced from Australian Bureau of Statistics, [Census of Population and Housing](#) 2016 and 2021 and [.id](#) profile.

## HOUSING COSTS

### HOME PURCHASE

Sales for the June quarter 2023 demonstrate the significantly high costs of housing in Byron. The \$1.3 million median sales price for all dwellings exceeds the median for all other Northern Rivers LGAs, the Greater Metropolitan (GMR) and NSW. It represents a 50% increase in the median price from 2018.

**Table 4. Median Sales Prices Northern Rivers – June Quarter, 2018 and 2023**

Median Sales Price	Dwelling Type	2023 Median \$'000s	2018 Median \$'000s	2018-2023 Change \$	2018-2023 Change %
State	All	\$870	\$660	\$210	32%
	Non Strata	\$970	\$655	\$315	48%
	Strata	\$750	\$667	\$83	12%
GMR*	All	\$962	\$770	\$192	25%
	Non Strata	\$1,210	\$825	\$385	47%
	Strata	\$770	\$705	\$65	9%
Rest of State**	All	\$610	\$405	\$205	51%
	Non Strata	\$630	\$417	\$213	51%
	Strata	\$550	\$343	\$207	60%
Byron	All	\$1,300	\$865	\$435	50%
	Non Strata	\$1,368	\$910	\$458	50%
	Strata	\$1,070	\$708	\$362	51%
Ballina	All	\$911	\$640	\$271	42%
	Non Strata	\$1,088	\$706	\$382	54%
	Strata	\$770	\$480	\$290	60%
Kyogle	All	\$475	\$335	\$140	42%
	Non Strata	\$475	\$335	\$140	42%
Lismore	All	\$485	\$394	\$91	23%
	Non Strata	\$503	\$415	\$88	21%
	Strata	\$395	\$278	\$117	42%
Richmond Valley	All	\$435	\$340	\$95	28%
	Non Strata	\$443	\$360	\$83	23%
	Strata	-	\$299	s	s
Tweed	All	\$865	\$580	\$285	49%
	Non Strata	\$978	\$650	\$328	50%
	Strata	\$722	\$415	\$307	74%

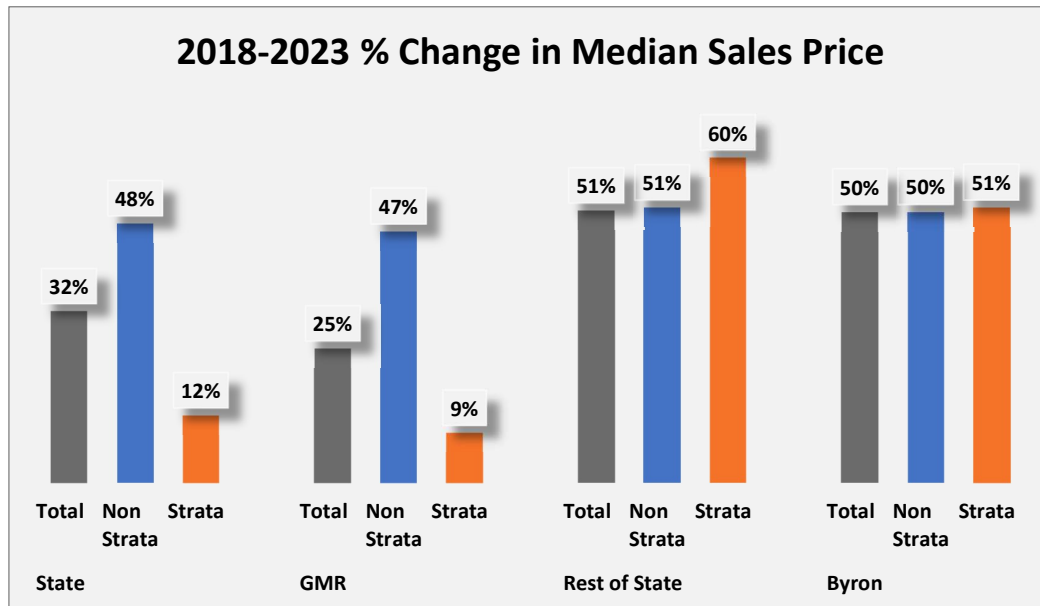
\* **GMR:** Greater Metropolitan Region covers the Sydney Metropolitan, Hunter and Illawarra regions.

\*\* **Rest of State:** Refers to all local government areas outside the GMR.

s Denotes insufficient sample size for reliable results.

Data sourced from Department of Communities & Justice Rent and Sales Report – June Quarters 2018, 2023.

**Figure 2. Change in Median Sales Price 2018 and 2023.**



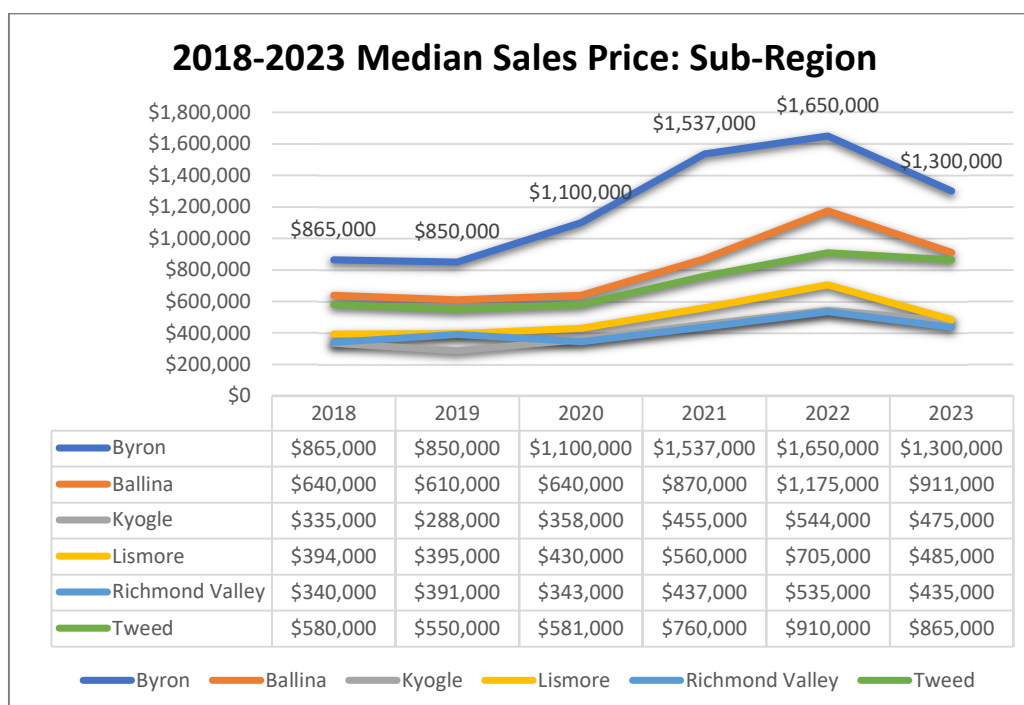
**GMR:** Greater Metropolitan Region covers the Sydney Metropolitan, Hunter and Illawarra regions.

**Rest of State:** Refers to all local government areas outside the GMR.

Data sourced from Department of Communities & Justice Rent and Sales Report – June Quarters 2018, 2023.

While the median house prices in Byron Shire are significantly higher than the rest of the State, over the past five years they have grown at a similar rate to regional NSW. This growth has exceeded the growth in median sales prices in the GMR, particularly for strata dwellings. This is likely due to the lower number of strata dwellings in regional areas combined with increased demand.

**Figure 3. Change in House Prices 2018-2023 – Northern Rivers**



Data sourced from Department of Communities & Justice Rent and Sales Report – June Quarters 2018-2023.

Within the sub-region growth in median sales prices increased at a higher rate in Byron and Ballina from 2019 to 2022, but together with Lismore fell more sharply than median sales prices in Tweed Richmond Valley and Kyogle in the year to June 2023.

Median sales prices for Byron Shire are almost 50% above that for the State as a whole and more than double (+113%) of the median for the rest of the state. They are also significantly above the median sales values for the GMR (+35%).

**Table 5. Comparison of median sales – June 23 Quarter 2023**

Dwelling type	Median Sales \$'000s	Variation from whole of state \$ and %		Variation from rest of state \$ and %		Compared with whole of state	Compared with rest of state	Compared with GMR
All	\$1,300	+\$430	+49%	+\$690	+113%	1.5 times	2.1 times	1.4 times
Non Strata	\$1,368	+\$398	+41%	+\$738	+117%	1.4 times	2.2 times	1.1 times
Strata	\$1,070	+\$320	+43%	+\$520	+95%	1.4 times	2.0 times	1.4 times

Data sourced from Department of Communities & Justice Rent and Sales Report – June Quarter 2023.

First quartile<sup>4</sup> sales prices further highlight the high housing prices in Byron Shire. The first quartile sales price of \$1.01 million for all dwellings is significantly higher than other areas in the sub-region, and the first quartile sales price of \$719,000 in the GMR. Between 2018 and 2023 first quartile prices increased significantly across the Northern Rivers and other regions. In Byron sales prices increased by \$317,000 (46%), a higher rate than the GMR.

**Table 6. First Quartile Sales Prices Northern Rivers – June Quarter, 2018 and 2023**

First Quartile Sales Price	Dwelling Type	2023 \$'000s	2018 \$'000s	2018-2023 Change \$	2018-2023 Change %
State	All	\$640	\$470	\$170	36%
	Non Strata	\$700	\$450	\$250	56%
	Strata	\$595	\$510	\$85	17%
GMR*	All	\$719	\$607	\$112	18%
	Non Strata	\$880	\$640	\$240	38%
	Strata	\$610	\$570	\$40	7%
Rest of State**	All	\$425	\$290	\$135	47%
	Non Strata	\$430	\$295	\$135	46%
	Strata	\$420	\$260	\$160	62%
Byron	All	\$1,010	\$693	\$317	46%
	Non Strata	\$1,100	\$721	\$379	53%
	Strata	\$859	\$586	\$273	47%
Ballina	All	\$759	\$529	\$230	43%
	Non Strata	\$822	\$575	\$247	43%
	Strata	\$600	\$380	\$220	58%

<sup>4</sup> The lowest 25% of sales values.

First Quartile Sales Price	Dwelling Type	2023 \$'000s	2018 \$'000s	2018-2023 Change \$	2018-2023 Change %
Kyogle All		\$399	\$265	\$134	51%
	Non Strata	\$399	\$265	\$134	51%
Lismore All		\$275	\$320	-\$45	-14%
	Non Strata	\$270	\$340	-\$70	-21%
	Strata	\$375	\$242	\$133	55%
Richmond Valley All		\$350	\$292	\$58	20%
	Non Strata	\$366	\$299	\$67	22%
	Strata	-	\$207	s	s
Tweed All		\$706	\$440	\$266	60%
	Non Strata	\$825	\$545	\$280	51%
	Strata	\$573	\$350	\$223	64%

\* **GMR:** Greater Metropolitan Region covers the Sydney Metropolitan, Hunter and Illawarra regions.

\*\* **Rest of State:** Refers to all local government areas outside the GMR.

s Denotes insufficient sample size for reliable results.

Data sourced from Department of Communities & Justice Rent and Sales Report – June Quarters 2018, 2023.

A breakdown of sales by postcode provides further insights about the housing market in Byron. Postcodes do not directly align with local government area boundaries, however postcodes for Byron Bay 2481 and Mullumbimby 2482 are entirely within the Shire, while the settled areas of postcodes 2479 and 2483 are largely within the Shire. The population of postcode 2479 is almost entirely within Bangalow, while postcode 2483 includes Brunswick Heads, South Golden Beach, New Brighton and Ocean Shores. A map of the postcode areas is provided in Appendix 1.

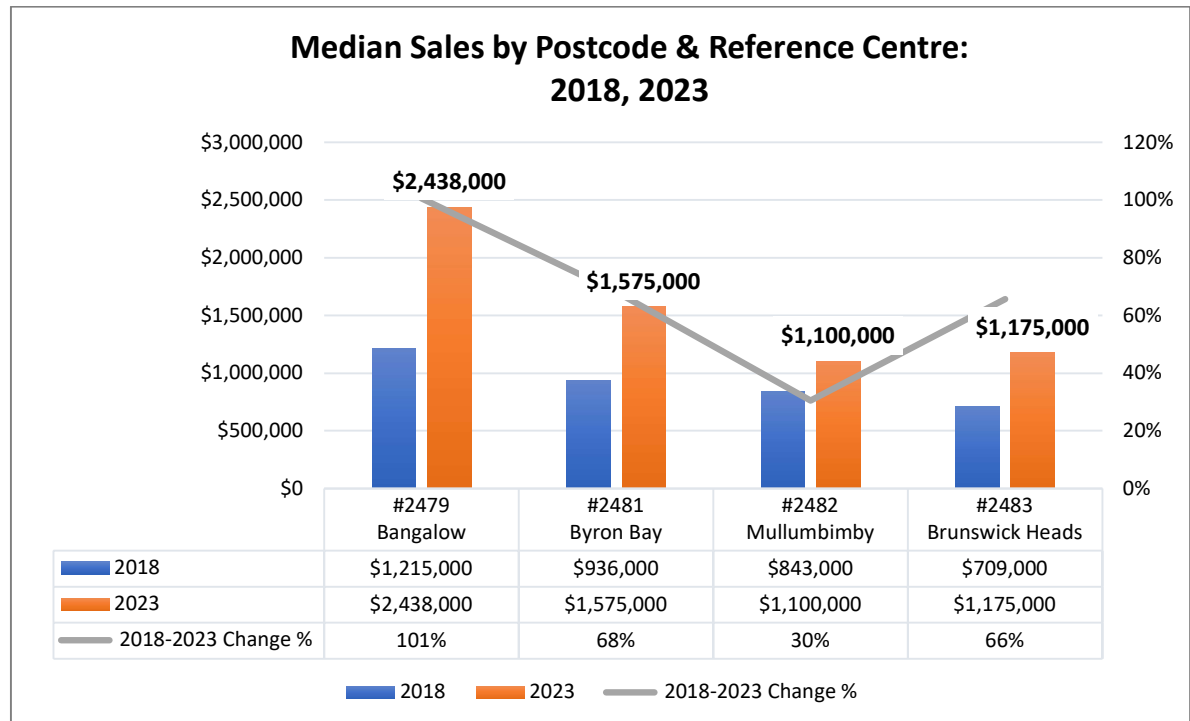
Within Byron Shire sales prices vary but have increased in all areas. Bangalow has the highest median sales price of \$2.44 million. This has doubled over the five years to 2023. The median sales in Byron Bay increased by 68% over the same period to reach \$1.75 million. The lowest median sales price of \$1.1 million in Mullumbimby is still well above median sales prices in adjoining LGAs.

**Table 7. Median Sales Price by Postcode Area – 2018 and 2023.**

Postcode area/ Main Centre(s)	Dwelling type	2023 Median \$'000s	2018 Median \$'000s	2018-2023 Change \$	2018-2023 Change %
<b>2479</b>	All	\$2,438	\$1,215	\$1,223	101%
Bangalow	Non Strata	\$2,438	\$1,215	\$1,223	101%
<b>2481</b>	All	\$1,575	\$936	\$639	68%
Byron Bay	Non Strata	\$1,750	\$1,150	\$600	52%
	Strata	\$1,120	\$763	\$357	47%
<b>2482</b>	All	\$1,100	\$843	\$257	30%
Mullumbimby	Non Strata	\$1,100	\$850	\$250	29%
<b>2483</b>	All	\$1,175	\$709	\$466	66%
Brunswick Heads Ocean Shores	Non Strata	\$1,205	\$748	\$457	61%

Data sourced from Department of Communities & Justice Rent and Sales Report – June Quarters 2018, 2023.

**Figure 4. Median Sales by Postcode and Reference Centre – 2018 and 2023.**



**Note:** Postcode 2483 includes South Golden Beach, New Brighton and Ocean Shores, along with Brunswick Heads which is the centre referenced in AHCS 02 and the associated feasibility analysis.

Data sourced from Department of Communities & Justice Rent and Sales Report – June Quarters 2018, 2023.

First quartile sales prices<sup>5</sup> for areas range from a high in Bangalow of \$1.91 million to a low of \$910,000 in Mullumbimby. While growth is not as high as growth in median sales prices, increases are significant. First quartile sales prices in Mullumbimby (the most affordable area in Byron Shire) are higher than the median sales price in the GMR and well above median sales prices in the rest of the state.

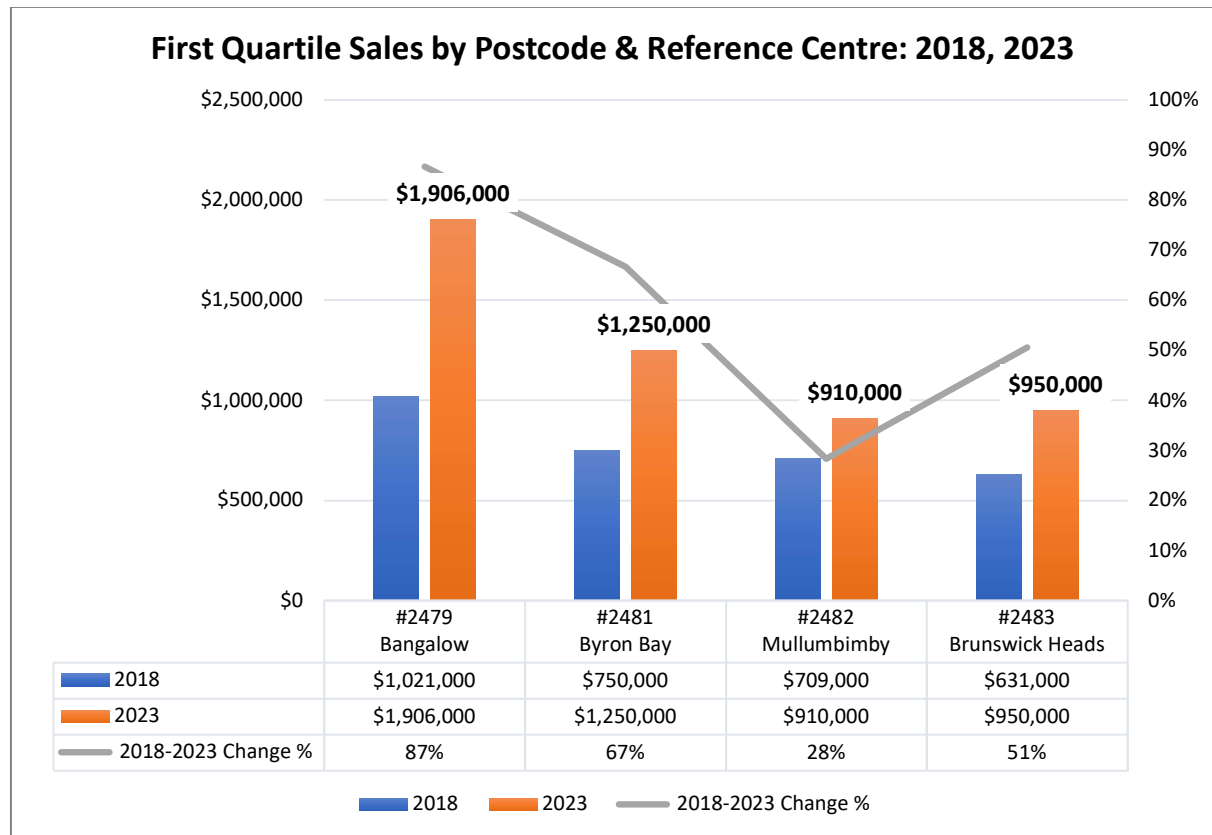
**Table 8. First Quartile Sales Price by Postcode Area – 2018, 2023**

Postcode area/ Main Centre(s)	Dwelling type	2023 First quartile sales \$'000s	2018 First quartile sales \$'000s	2018-2023 Change \$	2018-2023 Change %
2479	All	1906	1021	\$885	87%
Bangalow	Non Strata	1906	1021	\$885	87%
2481	All	1250	750	\$500	67%
Byron Bay	Non Strata	1525	855	\$670	78%
	Strata	950	684	\$266	39%
2482	All	910	709	\$201	28%
Mullumbimby	Non Strata	910	738	\$172	23%
2483	All	950	631	\$319	51%
Brunswick Heads Ocean Shores	Non Strata	950	661	\$289	44%

Data sourced from Department of Communities & Justice Rent and Sales Report – June Quarters 2018, 2023.

<sup>5</sup> The lowest 25% of sales values.

**Figure 5. First Quartile Sales\* by Postcode and Reference Centre – 2018, 2023.**



**Note:** Postcode 2483 includes South Golden Beach, New Brighton and Ocean Shores, along with Brunswick Heads which is the centre referenced in AHCS 02 and the associated feasibility analysis.

\* Lower 25% of sales values.

Data sourced from Department of Communities & Justice Rent and Sales Report – June Quarters 2018, 2023.

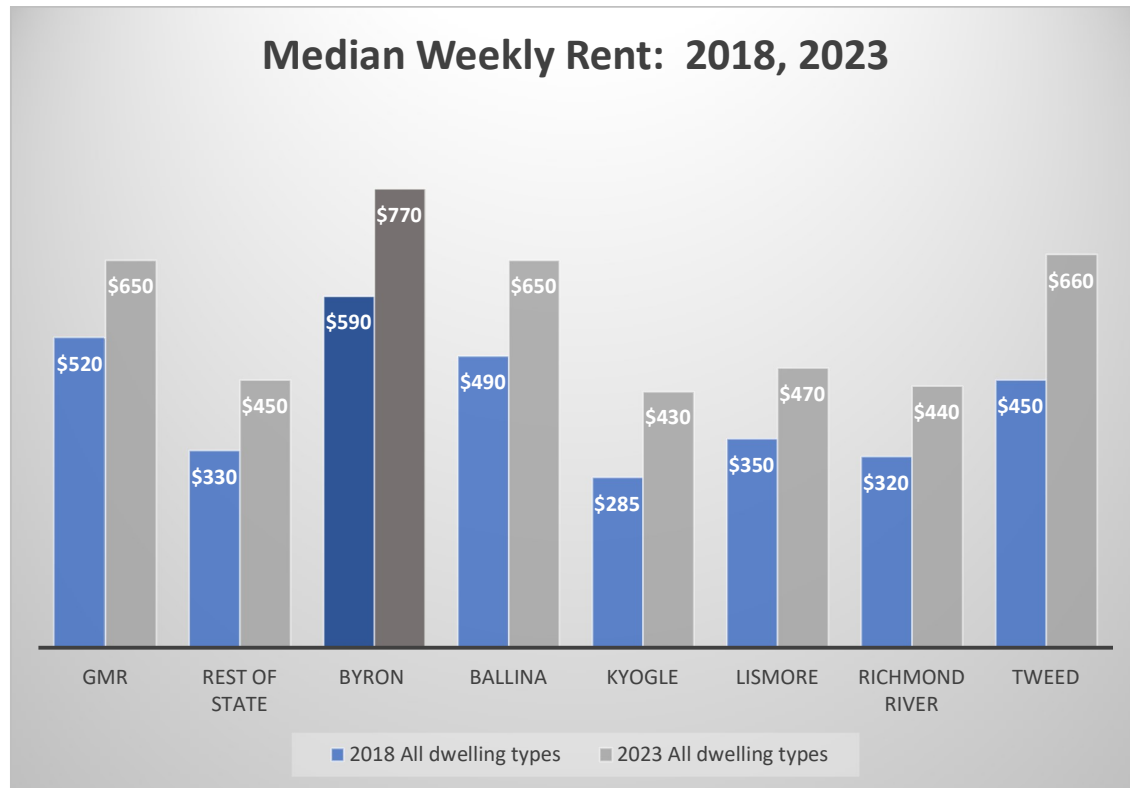
## PRIVATE RENTAL

Covid-19 appears to have had a significant impact on rental markets. Areas with relatively high exposure to overseas holidaymakers and people working in tourism and hospitality saw downward pressure on rents through the pandemic, however it also corresponded with a shift to regional areas. Other notable factors placing pressure on the rental market have been the limited supply of new housing being constructed due to labour and material shortages with supply not keeping up with demand and the impact of short term rental accommodation. Most recently, the impacts of significant flood events have impacted Lismore with flow on effects to other parts of the region.

The median weekly rent for all dwellings in Byron Shire for the June quarter 2023 was \$770 per week. Median rents in Byron Shire have remained consistently high over the past 5 years and remain the highest in the Northern Rivers and higher than the median for the GMR. Rents in areas away from the coast are substantially lower and more in line with regional NSW.



**Figure 6. Comparison of Median Weekly Rent – 2018 and 2023**



Data sourced from Department of Communities & Justice Rent and Sales Report – Sept Quarters 2018, 2023.

The median weekly rent has dropped slightly over the past year in Byron while rents in the GMR have continued to grow. However, they remain well above the median for the GMR, the state and rest of the state.

**Table 9. Median Weekly Rent (New bonds) – September Quarter, 2018 and 2023.**

	Dwelling Type	Sep-18	Sep-23	Change \$	Change %
State	All dwellings	\$480	\$625	\$145	30%
	1 bed	\$465	\$570	\$105	23%
	2 bed	\$480	\$630	\$150	31%
	3 bed	\$455	\$620	\$165	36%
	4+ bed	\$560	\$750	\$190	34%
GMR	All dwellings	\$520	\$650	\$130	25%
	1 bed	\$480	\$585	\$105	22%
	2 bed	\$520	\$670	\$150	29%
	3 bed	\$510	\$685	\$175	34%
	4+ bed	\$600	\$800	\$200	33%
Rest of State	All dwellings	\$330	\$450	\$120	36%
	1 bed	\$210	\$300	\$90	43%
	2 bed	\$280	\$380	\$100	36%
	3 bed	\$350	\$480	\$130	37%
	4+ bed	\$430	\$595	\$165	38%

	Dwelling Type	Sep-18	Sep-23	Change \$	Change %
<b>Byron</b>	All dwellings	\$590	\$770	\$180	31%
	1 bed	\$375	\$550	\$175	47%
	2 bed	\$500	\$663	\$163	33%
	3 bed	\$650	\$850	\$200	31%
	4+ bed	\$825	\$1,300	\$475	58%
<b>Ballina</b>	All dwellings	\$490	\$650	\$160	33%
	1 bed	\$310	\$400	\$90	29%
	2 bed	\$380	\$500	\$120	32%
	3 bed	\$515	\$650	\$135	26%
	4+ bed	\$600	\$760	\$160	27%
<b>Kyogle</b>	All dwellings	\$285	\$430	\$145	51%
	1 bed	s	s	s	s
	2 bed	s	s	s	s
	3 bed	\$280	\$445	\$165	59%
	4+ bed	s	s	s	s
<b>Lismore</b>	All dwellings	\$350	\$470	\$120	34%
	1 bed	\$175	\$300	\$125	71%
	2 bed	\$280	\$378	\$98	35%
	3 bed	\$370	\$500	\$130	35%
	4+ bed	\$460	\$650	\$190	41%
<b>Richmond Valley</b>	All dwellings	\$320	\$440	\$120	38%
	1 bed	s	\$250	s	s
	2 bed	\$263	\$365	\$102	39%
	3 bed	\$330	\$460	\$130	39%
	4+ bed	\$373	\$535	\$162	43%
<b>Tweed</b>	All dwellings	\$450	\$660	\$210	47%
	1 bed	\$285	\$418	\$133	47%
	2 bed	\$380	\$570	\$190	50%
	3 bed	\$480	\$700	\$220	46%
	4+ bed	\$600	\$850	\$250	42%

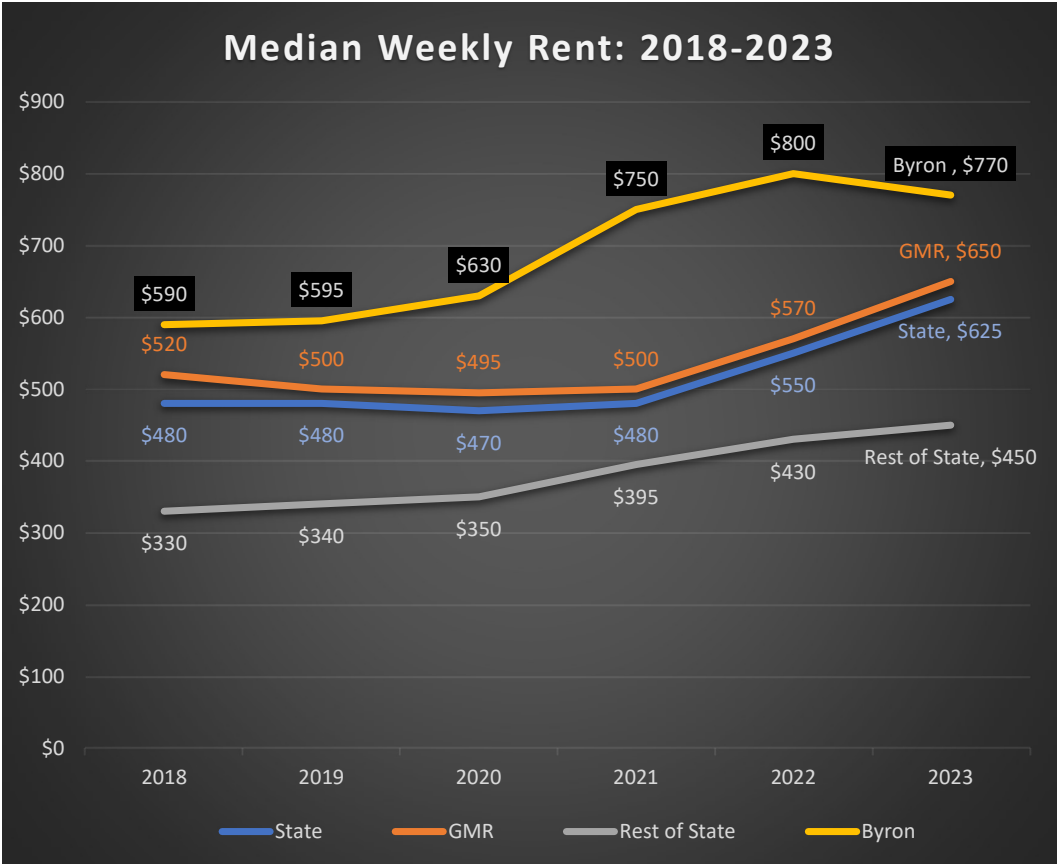
\* **GMR:** Greater Metropolitan Region covers the Sydney Metropolitan, Hunter and Illawarra regions.

\*\* **Rest of State** refers to all local government areas outside the GMR.

s Denotes insufficient sample size for reliable results.

Sourced from Department of Communities & Justice Rent and Sales Report – Sept Quarters 2018, 2023

Figure 7. Median Weekly Rent – 2018-2023

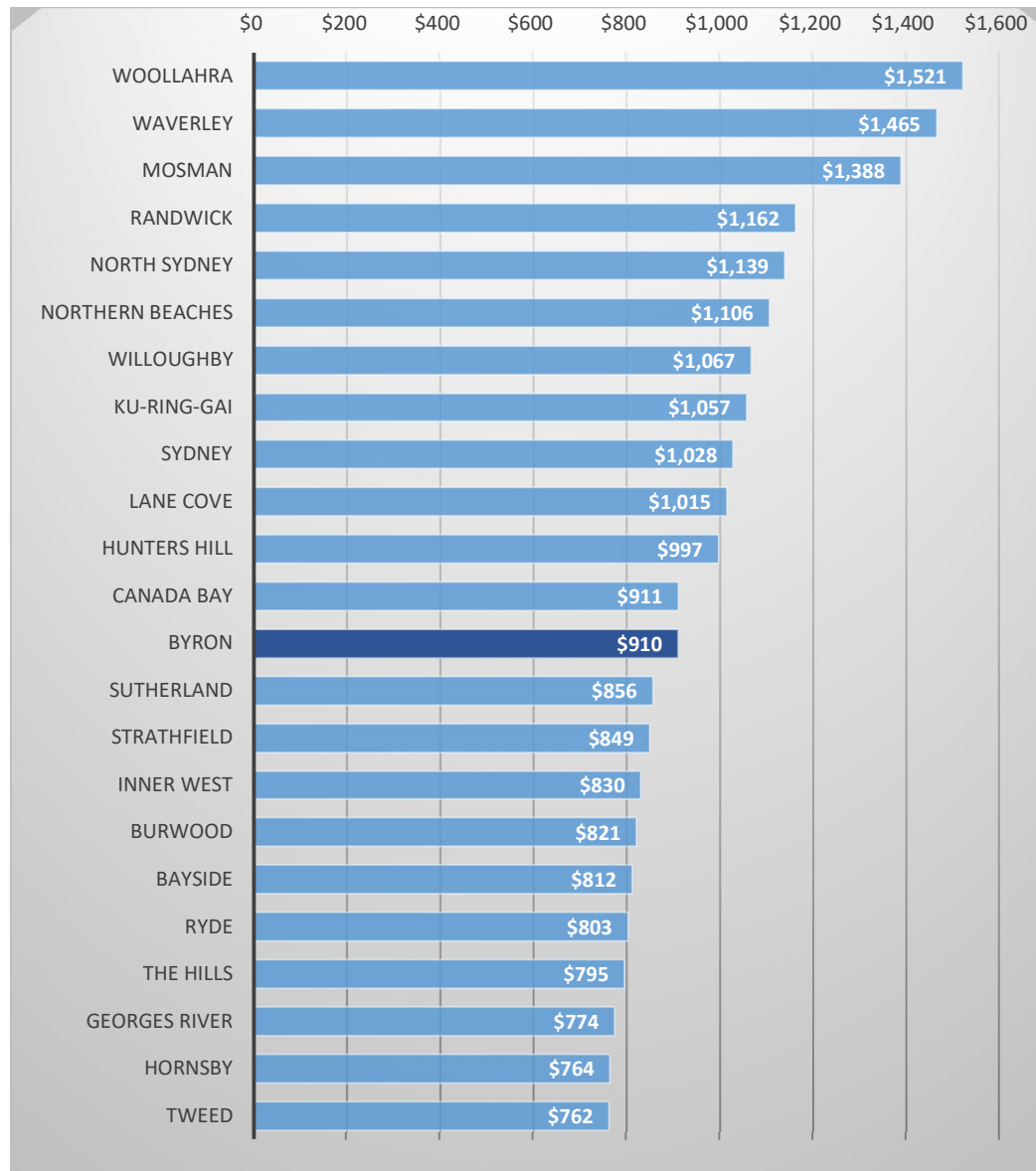


Data sourced from Department of Communities & Justice Rent and Sales Report – Sept Quarters 2018-2023.

- \* **GMR:** Greater Metropolitan Region covers the Sydney Metropolitan, Hunter and Illawarra regions.
- \*\* **Rest of State** refers to all local government areas outside the GMR.
- s Denotes insufficient sample size for reliable results.

The snapshot of current median weekly rents by LGA in the figure below shows median rents in Byron are comparable to the most expensive suburbs in Sydney. Byron Shire is the 12th highest LGA and the only LGA outside of the Sydney region in the top 20 LGAs.

**Figure 8. Current Median Weekly Rent by LGA – Highest to lowest**



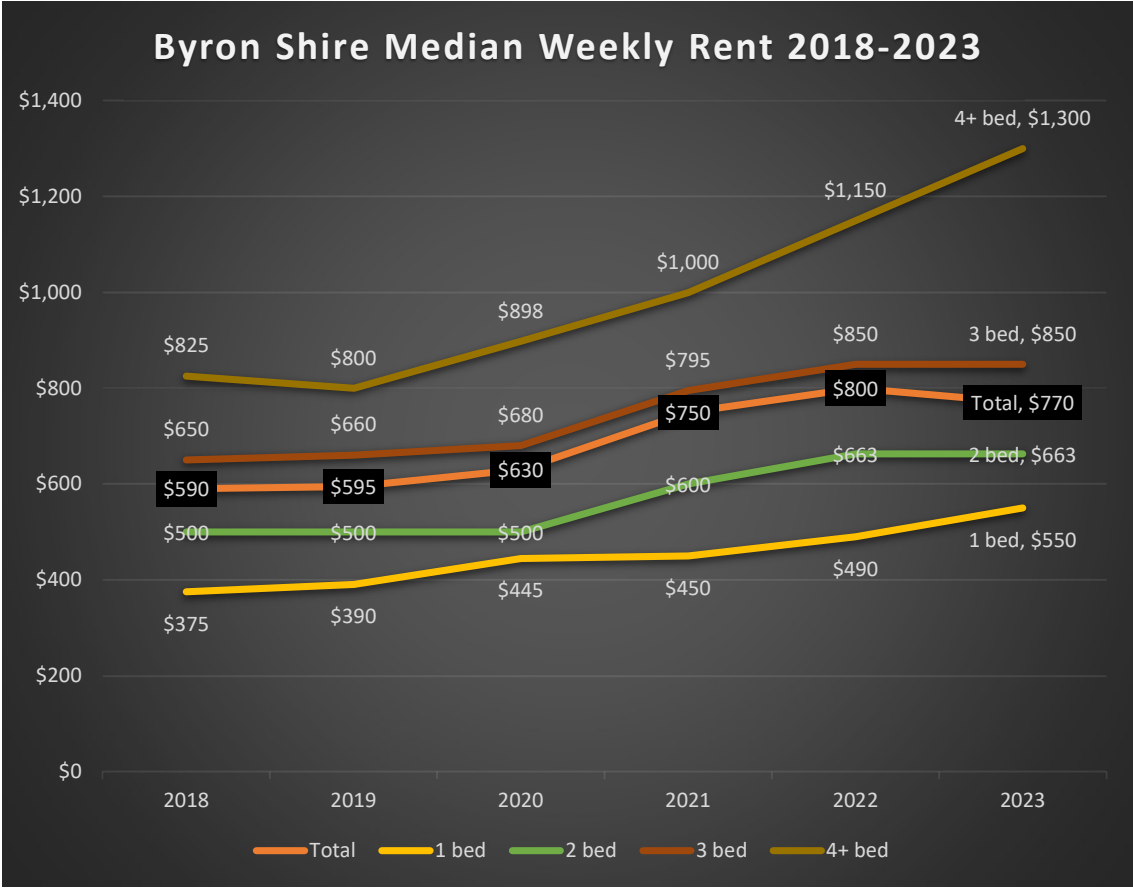
Data sourced from Homelessness NSW

Median rents between 2018 and 2023 have grown at a faster rate in the rest of the state (36%) than the GMR (25%) or NSW overall (30%). Rates of growth in Northern Rivers LGAs are all higher than the GMR and NSW.

While the rate of growth for all dwellings in Byron Shire is not as high as other LGAs in the sub-region, the rate of change in the median rent for one-bedroom (47%) and 4 or more bedrooms (58%) dwellings in Byron Shire is highest across the sub-region, GMR and NSW.

Consistent with the rates of change noted earlier, the median rent for 4-bedroom dwellings in Byron Shire has increased significantly over the past two years, rising from \$1,000 to \$1,300 per week. Median weekly rents for 2- and 3-bedroom dwellings have remained stable over the past year but increased for 1 bedroom dwellings.

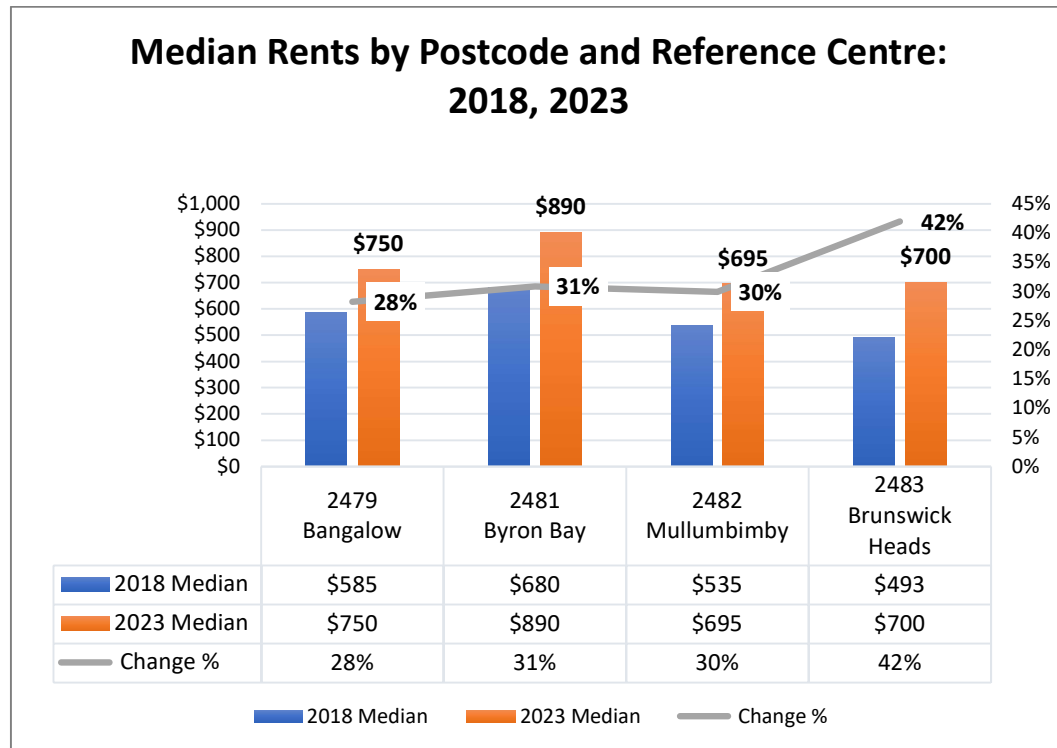
**Figure 9. Change in Median Weekly Rents by Dwelling Size, Byron Shire – 2018 to 2023**



Data sourced from Department of Communities & Justice Rent and Sales Report – Sept Quarters 2018-2023.

Median weekly rents vary across Byron. Rents are more affordable in Mullumbimby where the median weekly rent is \$695. This is still higher than the median weekly rent of \$650 for the GMR. While a more affordable location, it is less well located to the main service centre, Byron Bay. Median rents in Byron Bay are the highest of all locations, although median rents in Brunswick Heads have increased at a faster rate than all other centres between 2018 and 2023.

**Figure 10. Median Rents by Postcode and Reference Centres, Byron Shire – 2018, 2023**



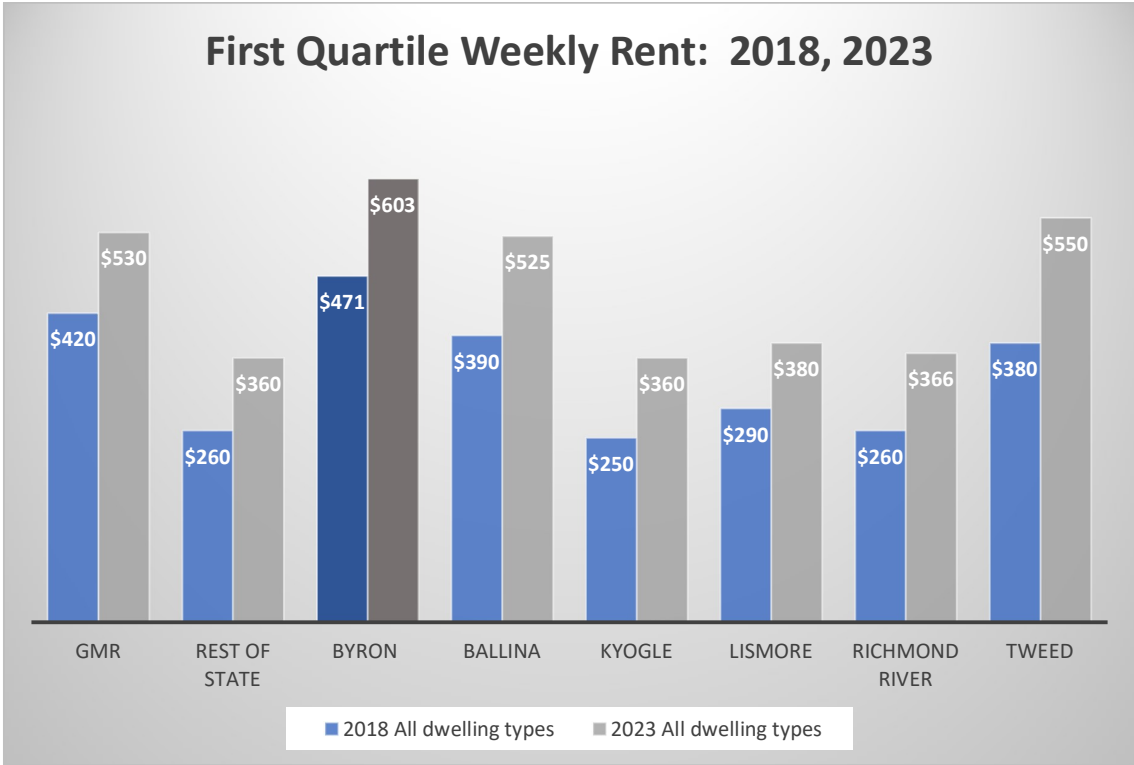
**Note:** Postcode 2483 includes South Golden Beach, New Brighton and Ocean Shores, along with Brunswick Heads which is the centre referenced in AHCS 02 and the associated feasibility analysis.

Data sourced from Department of Communities & Justice Rent and Sales Report – Sept Quarters 2018, 2023.

First quartile rents<sup>6</sup> show a similar pattern to median rents, however comparing first quartile rents with median rents elsewhere highlights the extreme unaffordability of private rental accommodation in Byron. First quartile rents for new bonds in Byron in the September quarter 2023 were higher than or comparable to median rents outside the region. The first quartile weekly rent of \$603 in Byron is higher than the median rents in Richmond Valley, Lismore and Kyogle and only slightly lower than median rents in Ballina and Tweed and the GMR.

<sup>6</sup> The Lowest 25% of rental values.

Figure 11. Comparison of First Quartile Weekly Rents\* 2018-2023



Data sourced from Department of Communities & Justice Rent and Sales Report – Sept Quarters 2018, 2023.

\* The lowest 25% of rental values.

**Table 10. First Quartile Weekly Rent (New bonds) – September Quarter 2018, 2023**

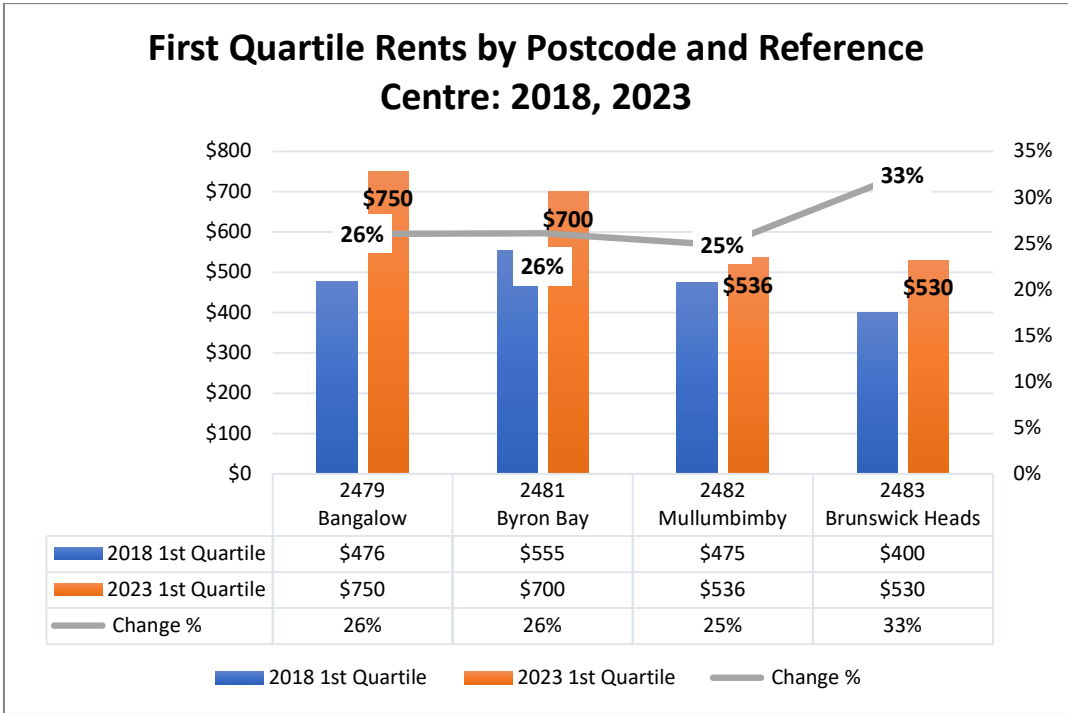
	Dwelling Type	Sep-18	Sep-23	Change \$	Change %
<b>State</b>	All dwellings	\$380	\$490	\$110	29%
	1 bed	\$350	\$425	\$75	21%
	2 bed	\$370	\$480	\$110	30%
	3 bed	\$380	\$500	\$120	32%
	4+ bed	\$460	\$630	\$170	37%
<b>GMR</b>	All dwellings	\$420	\$530	\$110	26%
	1 bed	\$380	\$450	\$70	18%
	2 bed	\$400	\$520	\$120	30%
	3 bed	\$425	\$560	\$135	32%
	4+ bed	\$520	\$680	\$160	31%
<b>Rest of State</b>	All dwellings	\$260	\$360	\$100	38%
	1 bed	\$170	\$235	\$65	38%
	2 bed	\$230	\$320	\$90	39%
	3 bed	\$300	\$410	\$110	37%
	4+ bed	\$360	\$500	\$140	39%
<b>Byron</b>	All dwellings	\$471	\$603	\$132	28%
	1 bed	\$321	\$455	\$134	42%
	2 bed	\$450	\$550	\$100	22%
	3 bed	\$550	\$750	\$200	36%
	4+ bed	\$690	\$963	\$273	40%
<b>Ballina</b>	All dwellings	\$390	\$525	\$135	35%
	1 bed	\$220	\$333	\$113	51%
	2 bed	\$340	\$453	\$113	33%
	3 bed	\$460	\$599	\$139	30%
	4+ bed	\$549	\$700	\$151	28%
<b>Kyogle</b>	All dwellings	\$250	\$360	\$110	44%
	1 bed	s	s	s	s
	2 bed	s	s	s	s
	3 bed	\$250	\$405	\$155	62%
	4+ bed	s	s	s	s
<b>Lismore</b>	All dwellings	\$290	\$380	\$90	31%
	1 bed	\$140	\$264	\$124	89%
	2 bed	\$260	\$350	\$90	35%
	3 bed	\$344	\$460	\$116	34%
	4+ bed	\$400	\$560	\$160	40%
<b>Richmond Valley</b>	All dwellings	\$260	\$366	\$106	41%
	1 bed	s	\$250	s	s
	2 bed	\$220	\$320	\$100	45%
	3 bed	\$300	\$430	\$130	43%
	4+ bed	\$350	\$460	\$110	31%
<b>Tweed</b>	All dwellings	\$380	\$550	\$170	45%
	1 bed	\$250	\$361	\$111	44%
	2 bed	\$340	\$570	\$230	68%
	3 bed	\$430	\$850	\$420	98%
	4+ bed	\$545	\$850	\$305	56%

Data sourced from Department of Communities & Justice Rent and Sales Report – Sept Quarters 2018-2023.



Within Byron Shire, first quartile rents were higher in Bangalow than other postcodes and centres, including Byron Bay. This indicated a much smaller range in rent prices than in other locations due to the very small size of the rental market relative to other centres.

**Figure 12. First quartile\* rents by postcode and main centre 2013 and 2023**



**Note:** Postcode 2483 includes South Golden Beach, New Brighton and Ocean Shores, along with Brunswick Heads which is the centre referenced in AHCS 02 and the associated feasibility analysis.

Data sourced from Department of Communities & Justice Rent and Sales Report – June Quarters 2018-2023.

\* The lowest 25% of rental values.

## SIZE OF THE RENTAL MARKET

The private rental market in Byron is comparable in size to nearby Ballina and Lismore, but significantly smaller than Tweed. Over the past 5 years Byron is one of the few areas with an increase in rental bonds. This may be due to pressure from the contraction of the rental markets in adjoining areas of Richmond Valley, Tweed and Lismore over the same period.

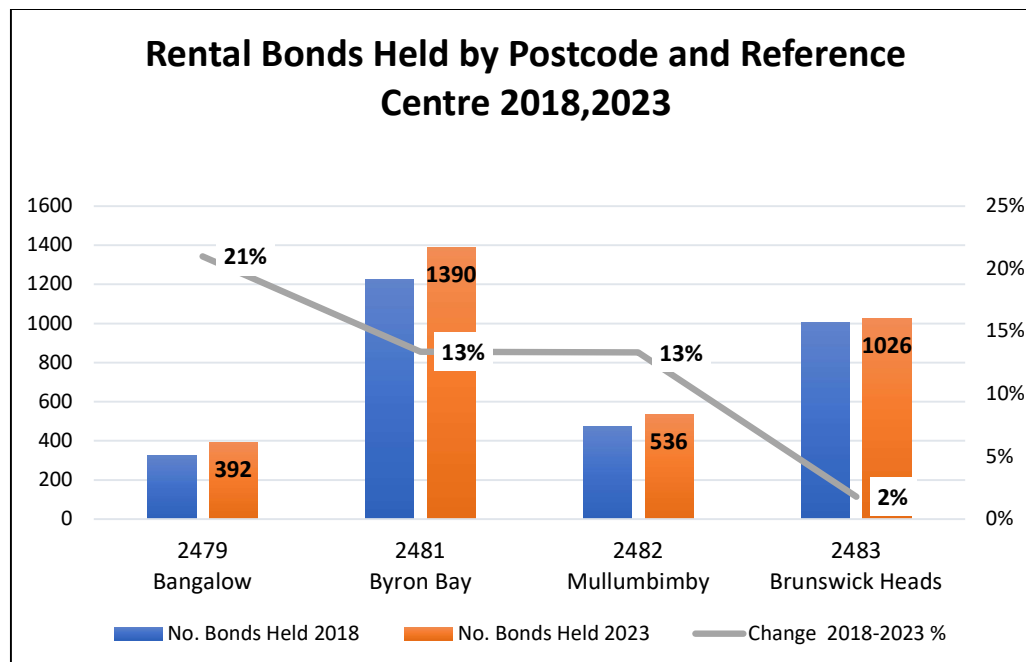
**Table 11: New bonds lodged and 5-year change in total bonds held – Sept 2018-2023**

Bonds lodged and total held	New bonds lodged - Sept-23	Total bonds held -Sept-23	Total bonds held -Sept-18	Change in no. bonds held 2018-2023	Change in no. bonds held 2018-2023 %
State	82,803	865,838	740,556	125,282	16.9%
GMR	68,585	712,729	597,368	115,361	19.3%
Rest of state	14,218	153,109	143,188	9,921	6.9%
Byron	362	3255	2928	327	11.2%
Ballina	413	3829	3813	16	0.4%
Kyogle	41	517	471	46	9.8%
Lismore	312	3540	3809	-269	-7.1%
Richmond Valley	138	1844	1962	-118	-6.0%
Tweed	676	7440	7472	-32	-0.4%

Data sourced from Department of Communities & Justice Rent and Sales Report – June Quarters 2018, 2023.

Within Byron, private rental accommodation is concentrated in Byron Bay and Brunswick Heads, with low numbers in the smaller centres of Mullumbimby and Bangalow. Over the five years to 2023, the number of private rental bonds held in Brunswick Heads has only increased by a small margin, likely contributing to the significant increases in median and first quartile rents in this location.

**Figure 13. Rental Bonds Held by Postcode and Reference Centre – 2018 and 2023**



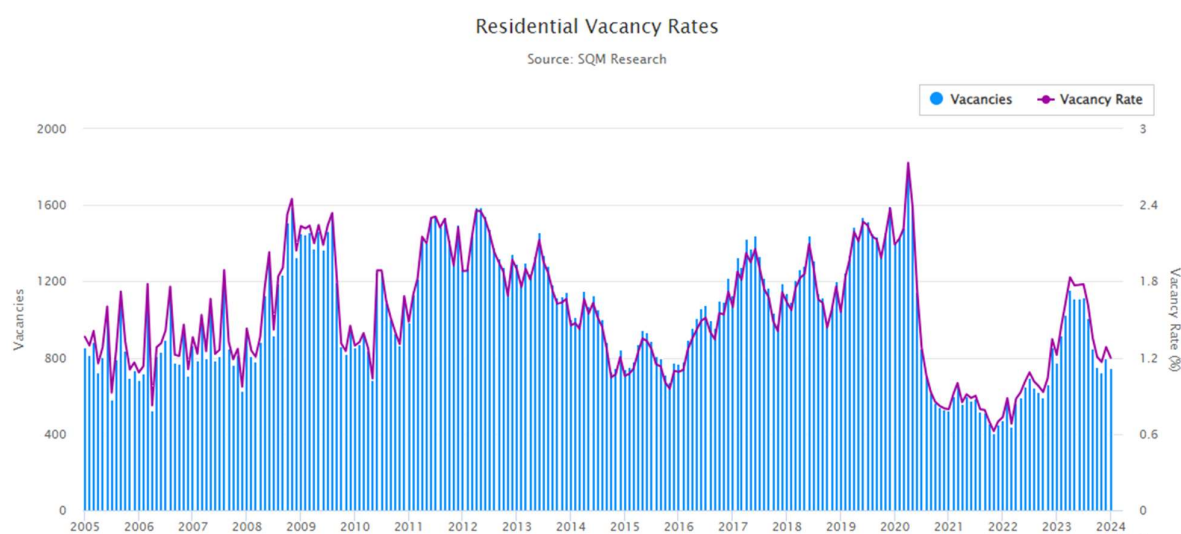
Data sourced from Department of Communities & Justice Rent and Sales Report – June Quarters 2018, 2023.

A vacancy rate of 3% is understood to represent a balance between supply and demand in the rental market. Vacancy rates below 3% represent a tight rental market while longer term vacancy rates below 2% represent a chronic undersupply of rental housing. Almost universally, vacancy rates across regional and metropolitan NSW are almost universally tight.

The graphs below show residential vacancy rates over time for the north coast region as a whole and for postcode areas 2481 and 2482 which cover most of Byron LGA. While vacancy rates fluctuate, they are consistently below 2% in the North Coast Region and in Byron Shire and surrounds. Vacancy rates were somewhat higher in the early covid period when restrictions were in place but fell below 2% when these were lifted and people moved to regional areas.

**Figure 14. Residential Vacancy Rates – North Coast NSW**

**REGION: NORTH COAST NSW**

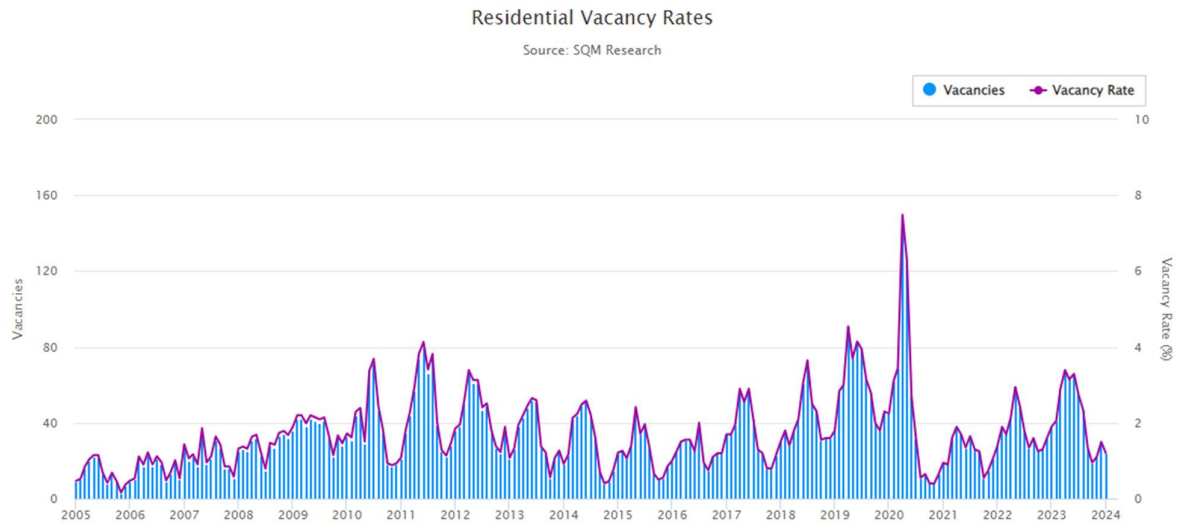


Sourced from SQM Research.

Vacancy rates in Byron Bay and surrounds show a similar pattern to the North Coast Region falling sharply during Covid and currently below 2%.

**Figure 15. Residential vacancy rates Byron (Postcode 2481)**

**POSTCODE 2481**

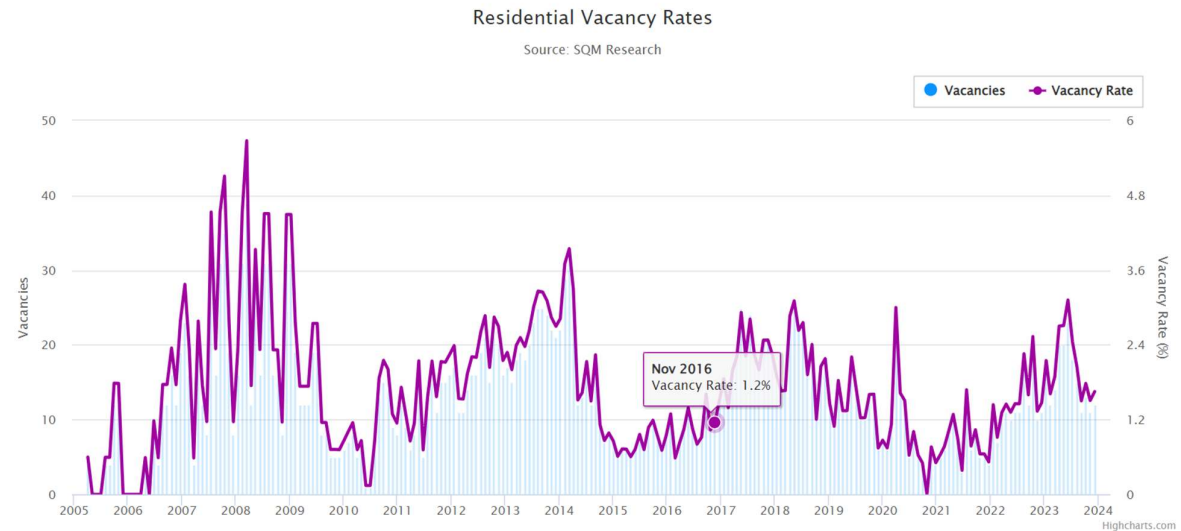


Includes Broken Head, Byron Bay, Ewingsdale, Hayters Hill, Myocum, Skinners Shoot, Suffolk Park, Talofa, Tyagarah.

Sourced from SQM Research.

**Figure 16. Residential vacancy rates Byron (Postcode 2482)**

**POSTCODE 2482**



Includes Googengerry, Huonbrook, Koonyum Range, Main Arm, Montecollum, Mullumbimby, Mullumbimby Creek, Palmwoods, Upper Coopers Creek, Upper Main Arm, Upper Wilsons Creek, Wanganui, Wilsons Creek

Sourced from SQM Research.

## 6. HOUSING AFFORDABILITY AND HOUSING STRESS

Continued high housing costs both for purchase and rental have increased the difficulties for low- and moderate-income households to access housing they can afford in Byron Shire.

### CAPACITY TO PURCHASE OR RENT IN BYRON

Housing affordability generally refers to the relationships between income and housing costs (e.g. mortgage and rental costs, rates and maintenance). Housing can be said to be affordable if a household is able to meet their housing costs, as well as their other essential needs. The common measure used to determine housing stress is when lower income households pay more than 30 per cent of their gross income on housing costs.

To define lower income households the NSW Affordable Ministerial Guidelines have been utilised. The Guidelines establish the income thresholds used to determine eligibility for affordable housing according to the definition in the EP&A Act. These are updated annually, and the current thresholds are shown in Table 12.

**Table 12. Current Income Thresholds for Affordable Housing 2023-24**

Income bands	% of Median Income	Annual Income Range (Sydney)	Annual Income Range (Remainder of NSW)
Very Low	50% median	\$55,400	\$48,800
Low	50-80% median	\$88,600	\$78,000
Moderate	80-120% median	\$132,900	\$117,000

Sourced from NSW Affordable Housing Ministerial Guidelines 2023-24

These income levels are used together with current house prices and rents to determine whether low and moderate-income households can afford to purchase or rent housing that is affordable, using the benchmark that housing costs in excess of 30% are unaffordable and place households in housing stress.

As Table 13 below demonstrates, home purchase at median and first quartile rates is entirely out of reach of very low, low and moderate income households, while Table 14 illustrates that first quartile and median rentals are unaffordable for all very low income households and nearly all low income households. Only smaller rental dwellings are affordable for moderate income households.

**Table 13. Purchase Capacity and Affordability of Dwellings, Byron Shire**

PURCHASE CAPACITY		Monthly income		30%
	Very Low		\$4,066	\$1,219
	Low		\$6,500	\$1,950
	Moderate		\$9,750	\$2,925
PURCHASE AFFORDABILITY (at 30% of Gross Income)				
First Quartile Strata Dwelling		Median Strata Dwelling		
Purchase price	\$859,000	Purchase price	\$1,070,000	
Transfer & buying costs est.	\$35,600	Transfer & buying costs est.	\$45,100	
20% deposit	\$171,800	20% deposit	\$214,000	
Loan @ 80%	\$687,200	Loan @ 80%	\$856,000	
Monthly repayments	\$4,400	Monthly repayments	\$5,500	
Monthly Income required	\$14,667	Monthly Income required	\$18,333	
Annual income required	\$176,000	Annual income required	\$220,000	

Assumptions: Principal and interest repayments @ 6% over 25 year loan term.

Sources: Urbanista data analysis; Rental and sales values from Department of Communities & Justice Rent and Sales Report – June Quarter 2023

**Table 14. Current Rent, Byron Shire as a Percentage of Weekly Income for Very Low, Low and Moderate Income Thresholds**

Rent as a percentage of weekly income		Affordable Housing Ministerial Guidelines Weekly Household Income Thresholds 2023-24 (remainder of NSW)		
Byron Shire Rental costs Sep 2023		Very Low \$938	Low \$1500	Moderate \$2,250
First Quartile Rent		Byron Shire First Quartile Rent as a % of household income		
1 bedroom	\$445	47.4%	29.7%	19.8%
2 bedroom	\$550	58.6%	36.7%	24.4%
3 bedroom	\$750	80.0%	50.0%	33.3%
Median Rent		Byron Shire Median Rent as a % of household income		
1 bedroom	\$550	58.6%	36.7%	24.4%
2 bedroom	\$663	70.7%	44.2%	29.5%
3 bedroom	\$850	90.6%	56.7%	37.8%

Data sourced from Department of Communities and Justice Rent and Sales Report – Sept 2023 and NSW Affordable Housing Ministerial Guidelines 2023-24.

## DIMENSIONS OF HOUSING NEED

Understanding the demand for different dwellings helps to inform plans for affordable housing and housing supply more broadly. In Byron Shire there are a mix of household types. In line with other areas and the rest of NSW, couples without children, couples with children and lone person households are the dominant household types. A key difference in Byron is the high proportion of group and other households relative to other areas and the rest of NSW.

Research commissioned by the Community Housing Industry Association has identified that unmet housing needs in the Richmond-Tweed area were higher for families with children, comprising 49% of unmet need. Lone person households comprised 29% and couples and groups 17% of households in housing need.<sup>7</sup>

**Table 15. Household type (%) Northern Rivers LGAs and Rest of NSW.**

LGA	Couple without children	Couple with children	One parent family	Other family	Lone person h'hold	Group h'hold	Other h'hold	Total h'holds
Byron	23.6	22.1	10.6	0.7	23.6	7.9	11.6	100
Ballina	29.3	23.2	10.7	0.8	26.6	3.4	9.7	100
Kyogle	29.3	17.2	10.8	0.8	29.3	3.1	9.3	100
Lismore	24.4	22.1	13.1	1.0	28.3	4.3	6.7	100
Richmond Valley	27.3	21.1	10.5	1.0	26.3	2.6	10.1	100
Tweed	27.5	23.0	11.1	0.9	26.6	3.3	7.6	100
Rest of NSW*	25.0	30.8	10.6	1.1	23.7	3.7	5.2	100

Data sourced from Department of Communities and Justice based on ABS Census 2021.

\* **Rest of State** refers to all local government areas outside the GMR.

<sup>7</sup> Quantifying Australia's unmet housing need. Regional snapshots. Prepared for the Community Housing Industry Association. Ryan van den Nouwelant, Laurence Troy and Balamurugan Soundararaj. December 2022.

## KEY WORKERS

As many key workers are typically not eligible for social housing or Commonwealth Rent Assistance, the availability of affordable housing in an area is critical. Further, because many key workers are generally population-serving they can often find work in locations where people live.<sup>8</sup> This means there is little incentive for them to move to or remain in expensive housing market areas with unaffordable housing costs.

There is no consistent or universal definition of what constitutes a key worker although key public service workers including teachers, nurses, police and fire and emergency personnel are typically included. In the context of COVID-19, there is evidence that an expanded definition, with occupations in delivery services and retail food services, are now also seen as important to the functioning and resilience of cities in times of crisis.

As shown in the table below a significant proportion of the workforce in Byron Shire would meet broad definitions of key workers. Many are in service industries, such as food services, accommodation and retail services. A high proportion are also in the health care and social services sector.

**Table 16. Number of Workers in Key Employment Sectors, Byron Shire 2021**

Industry	Number	Percentage
Health care and social assistance	5,891	13.74%
Accommodation and food services	5,388	12.56%
Retail trade	4,514	10.53%
Education and training	4,042	9.42%
Construction	3,729	8.69%
Professional, scientific and technical services	3,252	7.58%

Data sourced from Local Government Housing Kit Database.

Based on this profile, Table 17 below shows how much of their income key workers would be spending if they were renting a 2-bedroom unit or 3-bedroom house in Byron Shire. The incomes for all occupations assume people in these occupations are working full-time (except for a waiter) and are based on early to mid-career rates of pay rather than entry-level.

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<sup>8</sup>AHURI Final Report No. 355 Housing key workers: scoping challenges, aspirations, and policy responses for Australian cities. 2021 Catherine Gilbert, Zahra Nasreen, Nicole Gurran



No key worker can afford to rent at current rents. The only instances where workers would be spending close to 30% of their income on rent, are a police constable and registered nurse. This is only for a 2-bedroom unit at the first quartile rent. Three-bedroom houses are unaffordable for these key workers. Lower paid key workers such as cleaners, waiters and aged care workers are unable to afford to pay first quartile rents as these represent more than 50% of their income.

**Table 17. Affordability of Rental Accommodation for Key Workers Byron Shire.**

	Key worker type	Registered Nurse	Director, Childcare	Cleaner	Waiter*	Aged Care Worker	Police Constable
	Weekly income	\$1,492.84	\$1,413.30	\$995.00	\$590.70	\$877.60	\$1,611.00
Dwelling type		First quartile and median rent as a percentage of weekly income					
2 br unit	First Quartile \$529/week	35.4%	37.4%	53.2%	89.6%	60.3%	32.8%
	Median \$638/week	42.7%	45.1%	64.1%	108.0%	72.7%	39.6%
3 br house	First Quartile \$750/week	50.2%	53.1%	75.4%	127.0%	85.5%	46.6%
	Median \$850/week	56.9%	60.1%	85.4%	143.9%	96.9%	52.8%

\*Part-time, 4 days – including weekends, 6 hr/day.

Data sourced from Department of Communities and Justice, Australian Government Fair Work Ombudsman, indeed.com.

Given the ongoing increase in house prices and rents highlighted earlier in this report, which have increased at a rate higher than increases in household income, it can be expected that the proportion of lower income key worker households in housing stress will grow, experience homelessness or will move to more affordable locations outside Byron Shire.

## HOUSING STRESS

Rates of housing stress in Byron are high relative to the rest of NSW. Based on 2021 Census data, high proportions of very low, low and moderate income households who are purchasing a home are in housing stress in Byron.

Low and moderate incomes could not afford to purchase housing in Byron as only 1% of dwellings could be affordably purchased by moderate income households. Many households who have purchased at some time are in housing stress. As Table 18 below illustrates, almost 70% of very-low income purchasers are in housing stress.

**Table 18. Home Purchase Stress – Byron 2021**

Income band	No. of households		In stress as a % of total
Very Low	In Stress	168	69.4%
	Total	242	
Low	In Stress	214	47.5%
	Total	451	
Moderate	In Stress	232	30.3%
	Total	766	

Sourced from Department of Communities and Justice, Local Government Housing Kit Database

While only around 33% of rental dwellings could be affordably rented by moderate-income households in Byron Shire, only very small proportions were affordable for low (7%) and very low (2%) income households. Many who have accessed rental accommodation are in housing stress. Almost all very low and low income households are in housing stress and more than 50% of moderate income households are also in housing stress. Commonwealth Rent Assistance (CRA) is available for people who receive certain social security payments and who don't live in public housing, to help them meet their housing costs in the private rental market. There are currently 3,494 CRA recipients in Byron Shire. However, in many areas, recipients of CRA can still be in housing stress. In Byron Shire, this is particularly high, with over 54% (1,630 recipients) in housing stress, compared to 46.2% across NSW.

**Table 19. Rental Stress – Byron Shire 2021**

Income band	No. of households		In stress as a % of total
Very Low	In Stress	423	97.5%
	Total	664	
Low	In Stress	606	91.3%
	Total	664	
Moderate	In Stress	508	65.5%
	Total	776	

Sourced from Department of Communities and Justice, Local Government Housing Kit Database

## SHORT-TERM RENTAL ACCOMMODATION (STRA)

Byron and surrounding areas are one of the most popular tourist destinations in NSW. This, combined with the emergence of online accommodation platforms, such as Airbnb, and the ability for landowners to achieve comparatively high rental yields, has led to a boom in the local short-term rental accommodation (STRA) sector over the past decade. What was once a relatively low-key industry, consisting of holiday houses and apartments let out for part of the year, has expanded to become the dominant provider of tourist and visitor accommodation services in the Byron local government area (LGA).

Research carried out over the past five years indicates that Byron Shire has the highest concentration of STRA of any LGA in NSW by a considerable margin. Rapid expansion of the local STRA sector over the past decade has led to a loss of permanent rental housing and has contributed to a range of social issues including dislocation of long-term residents, increased housing stress, and a lack of accommodation for key workers.<sup>9</sup>

While the number of dwellings used for short-term rental accommodation can fluctuate over time, various research projects have identified significant proportions of dwelling stock in Byron on short-term rental platforms. Byron Shire's planning proposal to introduce day limits for short-term rental accommodation points to research by Urbis which identified a total of 5,248 active Airbnb and Stayz listings for entire homes and apartments in 2019, 35% of the Byron LGA's total dwelling stock, listed on just two online platforms. Similar findings were also made in an earlier study by Gurran et al. (2018, p. 44), which found that 18% of the LGA's dwellings stock was on Airbnb. A recent discussion paper prepared by the Department of Planning, Housing and Infrastructure<sup>10</sup> identified that 1,259 dwellings in Byron Shire are used for non-hosted short-term rental accommodation. While somewhat lower than previous studies, this is 8% of the 15,220 total private dwellings, the highest concentration of any LGA in NSW.

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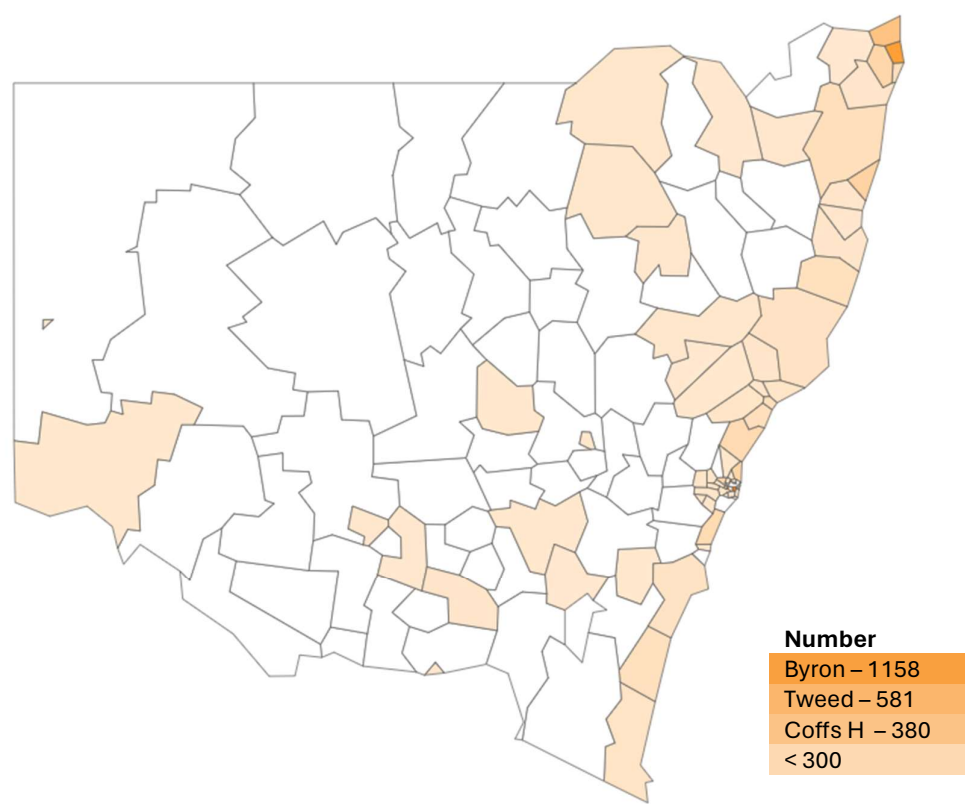
<sup>9</sup> STRA Planning Proposal

<sup>10</sup> Discussion paper on short- and long-term rental accommodation, Department of Planning, Housing and Infrastructure February 2024.

RATES OF HOMELESSNESS

Rates of homelessness and rough sleeping in Byron Shire are reported to be amongst the highest in the state<sup>11</sup>. Data from Homelessness NSW shows that of the 2037 people identified as homeless across the state in the 2024 annual street count by the Department of Communities and Justice, 348 were in Byron Shire. This is an increase of 16% over the previous year. By comparison, the equivalent street count for the City of Sydney was 280 people, which was on par with the count there for 2023.

**Figure 17. Street Count of Homelessness, Selected LGAs in NSW:  
Cumulative count 2020-2024 (inclusive)**



Sourced from Homelessness NSW.

The table below shows characteristics of homelessness based on 2021 Census data. A significant number of people experiencing homelessness in Byron Shire are employed.

<sup>11</sup> Refer for instance to ABC News coverage in 2021 at [Byron second only to Sydney for homelessness with countless women on the fringes of insecure housing - ABC News](#)).

**Table 20. Homelessness in Byron Shire**

No. of people	Rate per 10,000 - 2021	A&TSI	Children and youth	Over 55 years old	Females Homeless	Males Homeless	People Homeless but employed
251	69.5	3.6%	8.4%	19%	46%	54%	32.3%

Data sourced from Homelessness NSW.

## 7. SHORTFALL IN SOCIAL HOUSING

In 2022 there were 303 social housing dwellings in Byron Shire, representing 1.8% of total dwellings. This is one of the lowest rates of social housing in New South Wales, compared to 4.6% of social housing dwellings across the state.<sup>12</sup>

As at June 2023 there were 132 applicants on the general housing wait list and 32 on the priority housing wait list in the Byron Bay allocation zone. Current wait times for social housing in this zone exceed 10 years for most dwelling types.

**Table 21. Applicants and Wait Times for Social Housing Byron Bay Allocation Zone, June 2023**

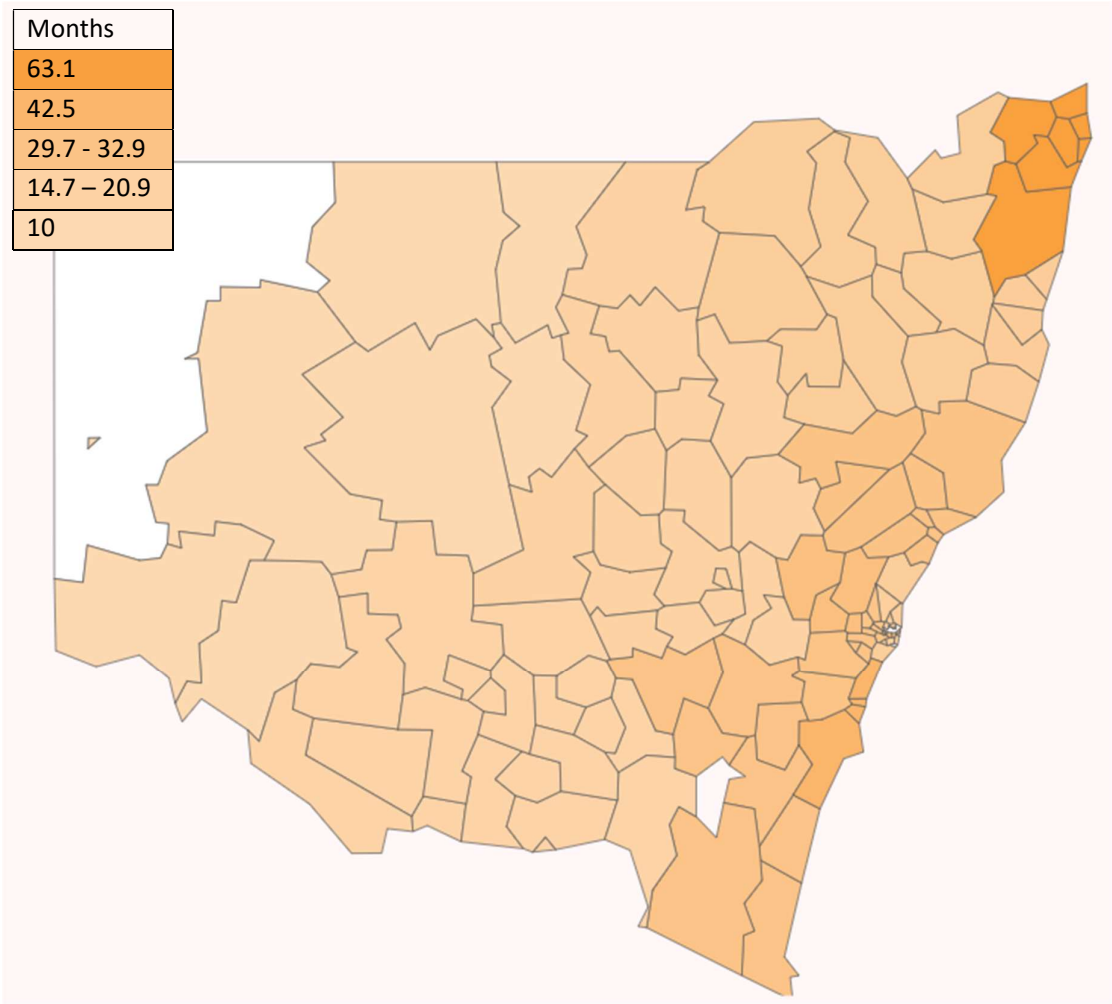
Expected wait times for general applicants (Byron Bay Allocation Zone NN36)	
Studio/1-bedroom property	10+ years
2-bedroom property	10+ years
3-bedroom property	10+ years
4+ bedroom property	5 to 10 years

Data sourced from Department of Communities and Justice Resource Centre.

While wait times for social housing exceed 10 years in many areas, the map below, sourced from Homelessness NSW shows wait times for social housing in the Northern Rivers region are the highest in the state.

<sup>12</sup> Homelessness NSW - Housing and Homelessness Dashboard, [Housing and Homelessness Dashboard – Homelessness NSW](#).

Figure 18. Wait Times for Social Housing Across New South Wales.



Sourced from Homelessness NSW.

## 8. CONCLUSIONS

This report has been prepared to support the development of an affordable housing contributions scheme in Byron Shire. This requires council to demonstrate there is a need for affordable housing in the LGA. The analysis in this report is focussed on demonstrating the need by outlining the constraints in the housing market in Byron Shire, current need for affordable housing and gaps in meeting housing need.

Our analysis highlights the extreme housing situation in the Shire. All indicators and measures of housing affordability and need show the housing market is highly constrained and inaccessible for the majority of low- and moderate-income households.

The responses to key questions demonstrate these conclusions:

### 1.) IS THE HOUSING MARKET CONSTRAINED IN BYRON SHIRE?

The housing market in Byron Shire is characterised by a **limited diversity of housing**. Separate houses are the predominant form with a smaller proportion of medium and high density forms of housing. This trend is shifting as the rate of growth in medium and high density housing exceeded separate houses in the last census period. There has also been a notable increase in the number of 1-bedroom dwellings in the form of secondary dwellings, since 2016. Despite this, almost 60% of dwellings are 3 or more bedrooms.

A limited diversity of housing is typical of many regional areas and parts of the GMR. Unique to Byron Shire are the **very high housing costs**. Median house prices are well above other regional centres and many parts of the GMR and are comparable to the high prices in inner Sydney suburbs. House prices have continued to grow over time. The high first quartile house prices means there are few pockets of affordable housing.

The cost of private rental is similarly very high. Median rents are the highest in the region, and again comparable to high-cost areas in inner Sydney. **Byron had the 13<sup>th</sup> highest median rent in NSW**, comparable to areas such as Lane Cove, Ku-ring-gai and Hunters Hill in Sydney. The private rental market is concentrated in coastal towns and has only increased by 327 dwellings over the past 5 years. Very low vacancy rates indicate there is strong competition for properties and upward pressure on rents. High and increasing rents in adjoining areas of Ballina and Tweed provide little opportunity for households who work in Byron to find affordable accommodation in nearby areas.

High rents and shortages of private rental accommodation have been exacerbated by the very **high proportion of dwellings utilised for short-term rental accommodation**. Byron Shire has the highest proportion of dwelling stock utilised for short-term rental accommodation in NSW.

With only 1.8% of dwellings as social housing, compared to an average of 4.6% across the state, Byron has one of the **lowest levels of social housing in NSW**. This provides limited opportunity for people who are unable to afford private rental to find suitable accommodation.<sup>13</sup>

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<sup>13</sup> Homelessness NSW - Housing and Homelessness Dashboard, [Housing and Homelessness Dashboard – Homelessness NSW](#).

## 2.) IS THERE A CURRENT NEED FOR AFFORDABLE HOUSING?

Home purchase in Byron Shire is entirely out of reach for very low and low- and moderate-income earners. This **requires many to rely on the private rental market or social housing and much of this is out of reach** as rents have increased at a higher rate than incomes.

When measured against established benchmark of 30% of income, very low- and low-income households are unable to afford any form of private rental accommodation at or below median rents in Byron Shire. Only moderate-income households can afford to pay first quartile and median rents, but only for 1- or 2-bedroom accommodation.

Analysis of typical key workers further highlights the inaccessibility of the housing market. At current rents, **cleaners, waiters and aged care workers cannot afford any 2- or 3-bedroom accommodation** while higher paid key workers such as nurses, childcare workers and police constables could only afford 2-bedroom units.

Not surprisingly, there are significant number of households, in housing stress, particularly private rental households. **Almost all very low and low and moderate income households who are renting are in housing stress in Byron Shire.** Concerningly more than 60% of moderate income households were also in housing stress.

An unfortunate consequence of the highly constrained housing market is increased homelessness. **Byron Shire has amongst the highest rates of homelessness in the state.**

## 3.) WHAT ARE THE GAPS IN MEETING HOUSING NEED?

There are significant gaps in meeting housing needs. Limited diversity and supply combined with high housing costs, limited availability of private rental and social housing is impacting almost the entire cohort of very low income households and a significant proportion of low- and moderate-income households.

Almost all types of households are in housing need. This includes lone person households and couples who typically have smaller household income and find it difficult to find accommodation suited to their needs when there is a lack of housing diversity. However in the Northern Rivers Region, families with children are one of the highest needs groups.

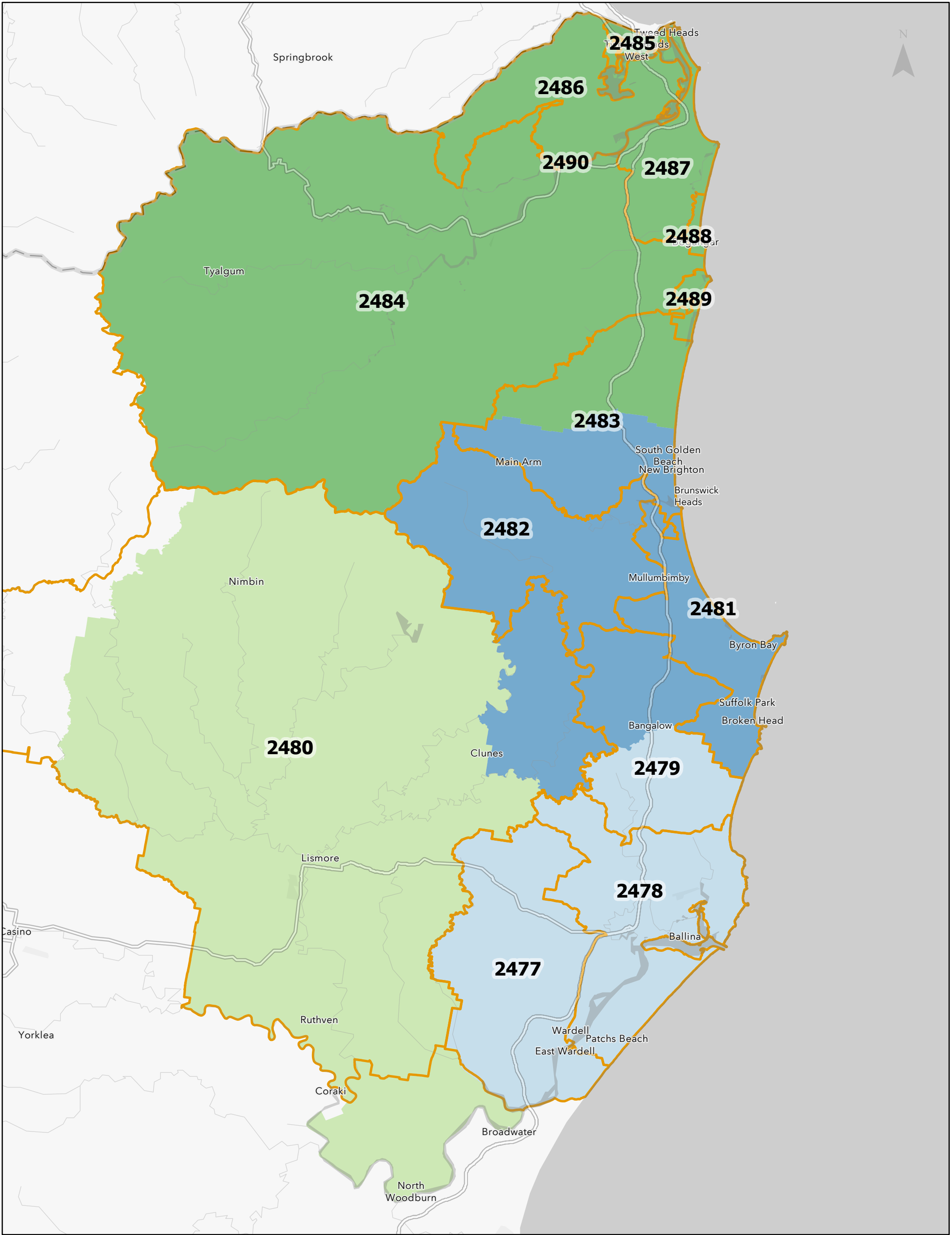
A suite of policy mechanisms including additional affordable housing dwellings will be needed to address the chronic shortfall in affordable housing. To meet unmet needs a variety of dwelling types, including housing suitable for families with children as well as smaller dwellings, should be delivered.



## APPENDIX 1:

### Byron Shire and Surrounding Post Codes

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Byron Shire and Surrounding Postcodes

*Urbanista*

