

Attachment C

**Housing for All: City of Sydney Housing
Strategy - Technical Report**

Housing for All

Draft City of Sydney Local Housing Strategy

Technical Report

Technical Report

Introductory Note

This technical report has been prepared in accordance with the Department of Planning and Environment's *Local Housing Strategy Guideline*. It provides a detailed evidence-based analysis that includes demographic, housing demand and supply information and local opportunities and constraints to identify the amount of housing required to 2036. It also provides insight into housing for particular needs while considering areas of cultural, environmental and heritage significance. The evidence-based analysis has informed a range of land use planning approaches and delivery mechanisms, which demonstrate how the City's vision, priorities and objectives will be operationalised.

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01

Executive summary

The City of Sydney Local Housing Strategy: Technical Report (this technical report) provides the evidence base analysis for *Housing for All: City of Sydney Local Housing Strategy (Housing for All)*. It has been prepared in accordance with the Department of Planning, Industry and Environment's Local Housing Strategy Guideline and the appended Local Housing Strategy Template for the preparation of the local housing strategies of local government areas (LGAs).

Housing for All establishes a 20-year vision for housing in the City of Sydney. It provides priorities, objectives and actions to deliver new housing in the right locations, and improve the quality, diversity and sustainability of housing for all residents, present and future.

This technical report includes demographic, housing demand and supply information to identify the amount of housing required to 2036. It includes the considerations for delivery of new housing into the future, including locational constraints and opportunities, competing land use priorities, housing delivery models, infrastructure needs and housing diversity. It also provides insight into housing for particular needs while considering areas of cultural, environmental and heritage significance.

Introduction

Recent changes to the *Environmental Planning and Assessment Act 1979* (the Act) and the creation of the Greater Sydney Commission have placed a renewed emphasis on strategic planning in NSW. The City has prepared this draft *Local Housing Strategy*, along with *City Plan 2036: The draft City of Sydney Local Strategic Planning Statement*, to align with the actions and priorities in the Greater Sydney Region Plan and Eastern City District Plan.

Over the last decade, the city has experienced a period of significant housing growth. Now is an appropriate time to assess the city's capacity for future growth, and set housing priorities and direction to guide the next two decades of housing development.

Guiding the City's priorities for housing is what we have heard from the community, including concerns about decreasing housing affordability, land-use conflicts, and the need for new housing to be supported by appropriate infrastructure, facilities and services.

The evidence

This report draws on a broad evidence base to understand the demographic make-up of the city, future population growth and demographic changes, recent trends in the delivery of housing, expected future demand for housing, the capacity of the City's planning controls to deliver housing, current housing stock and what types of housing will be built in the future.

Over 67,000 residents moved into the city from 2008 to 2018, an average annual growth rate of over 4 per cent. Looking ahead, this growth is expected to continue with about 115,000 new residents expected by 2036.

New housing will continue to be delivered in the city's urban renewal areas and infill development in established residential neighbourhoods. Demand for new housing will need to be balanced with ensuring enough space for economic uses and jobs, creative and artistic expression, community facilities and recreation.

The city has a unique demographic make-up, with a high proportion of lone person households and young working age people living in the area. Forecasts show this is not expected to change significantly over the next 20 years, however our demographics will become slightly more in line with Greater Sydney averages. This means we will see more children, as well as older people, and larger household sizes, which has important implications for planning housing and planning for infrastructure.

This strategy includes evidence-based targets for delivery of new homes. Informing the targets is the City's 2019 Capacity Study, which calculates the total development capacity under the planning controls, and a feasibility analysis, which details how much of that capacity is likely to be delivered. These studies show that development within the LGA can deliver an additional 10 million square metres of floor space, yielding 56,000 new homes and space for an extra 158,000 workers.

There is a gap between the total expected demand for new homes and the anticipated delivery of housing by the City of approximately 5,000 dwellings. Within the LGA there is a significant amount of NSW Government controlled sites, the development potential of which the City cannot reliably calculate, as well other policy or demographic factors affecting housing delivery, which may contribute to meeting the projected demand.

The priorities

Drawing on the evidence base, and the priorities and actions established in the Region Plan, District Plan and City strategic plans, this housing strategy establishes seven local housing priorities to guide the delivery of housing in the local area for the next 20 years, including:

- Facilitating homes in the right locations which guide how additional housing will be achieved and ensure that housing is located where it can be supported by infrastructure
- Coordinating housing growth with the delivery of infrastructure which speaks to the need for infrastructure to be provided in time to support new housing growth

- Increasing diversity and choice in housing which is to ensure there is a mix of dwelling types, tenures, sizes and price-points that in turn supports a diverse and resilient community and economy
- Increasing the diversity and number of homes available for low-income households which sets out the actions the City can take to contribute to *Sustainable Sydney 2030's* target of 7.5 per cent of all housing in our area to be affordable housing
- Increasing the amount of social and supported housing which sets out the actions the City can take to contribute to *Sustainable Sydney 2030's* target of 7.5 per cent of all housing in our area to be social housing
- Improving NSW Government controlled site outcomes guides how the City will work with the State Government for good urban renewal outcomes
- Increasing liveability, sustainability and accessibility through high-quality residential design describes the actions to create the quality of housing the community needs.

The actions

This Strategy includes actions to ensure the City's priorities and objectives are addressed. The actions will be delivered using various planning, policy, advocacy and collaboration levers, and are intended to be completed within a 0-5, 6-10 or 20 year timeframe. The City will regularly monitor and review the actions ensuring the Strategy aligns with housing needs, the City's long-term strategic objectives and the Region and District Plans.

Introduction

This chapter describes the purpose of the technical report and the context around current planning and policy as it affects the city. It also includes a snapshot of the city by highlighting the economic, social and environmental factors that make the city a major attraction and a description of the City's village areas. This section summarises what the City has heard from the community, which together with *Sustainable Sydney 2030* has informed the housing vision to 2036.

2.1 Background

2.1.1 Purpose

This *City of Sydney Local Housing Strategy: Technical Report* (technical report) provides the evidence base and analysis for *Housing for All: City of Sydney Local Housing Strategy (Housing for All)*. *Housing for All* supports the priorities of *City Plan 2036: The draft City of Sydney Local Strategic Planning Statement (the Planning Statement)*, in particular Priority L3: New homes for a diverse community, addressed in the Liveability chapter.

The preparation of the City's Planning Statement responds to a new focus on strategic planning in the NSW Planning System. Its purpose is to explain the linkages between the NSW Government's *A Metropolis of Three Cities* – the Greater Sydney Region Plan (Region Plan) and the Eastern City District Plan (District Plan), and the City's community strategic plan, *Sustainable Sydney 2030*, and other relevant strategic planning strategies and actions plans.

Figure 1 provides an illustration of *Housing for All* in the context of local, state and national strategic planning and policy.

The Planning Statement and *Housing for All* will together inform a future review of the planning controls in the City's local environmental plan (LEP) and development control plans (DCP). They will also inform the consideration of site-specific requests to change the planning controls. This will ensure that the City's planning controls give effect to the priorities, objectives and actions expressed in the Planning Statement and in *Housing for All*.

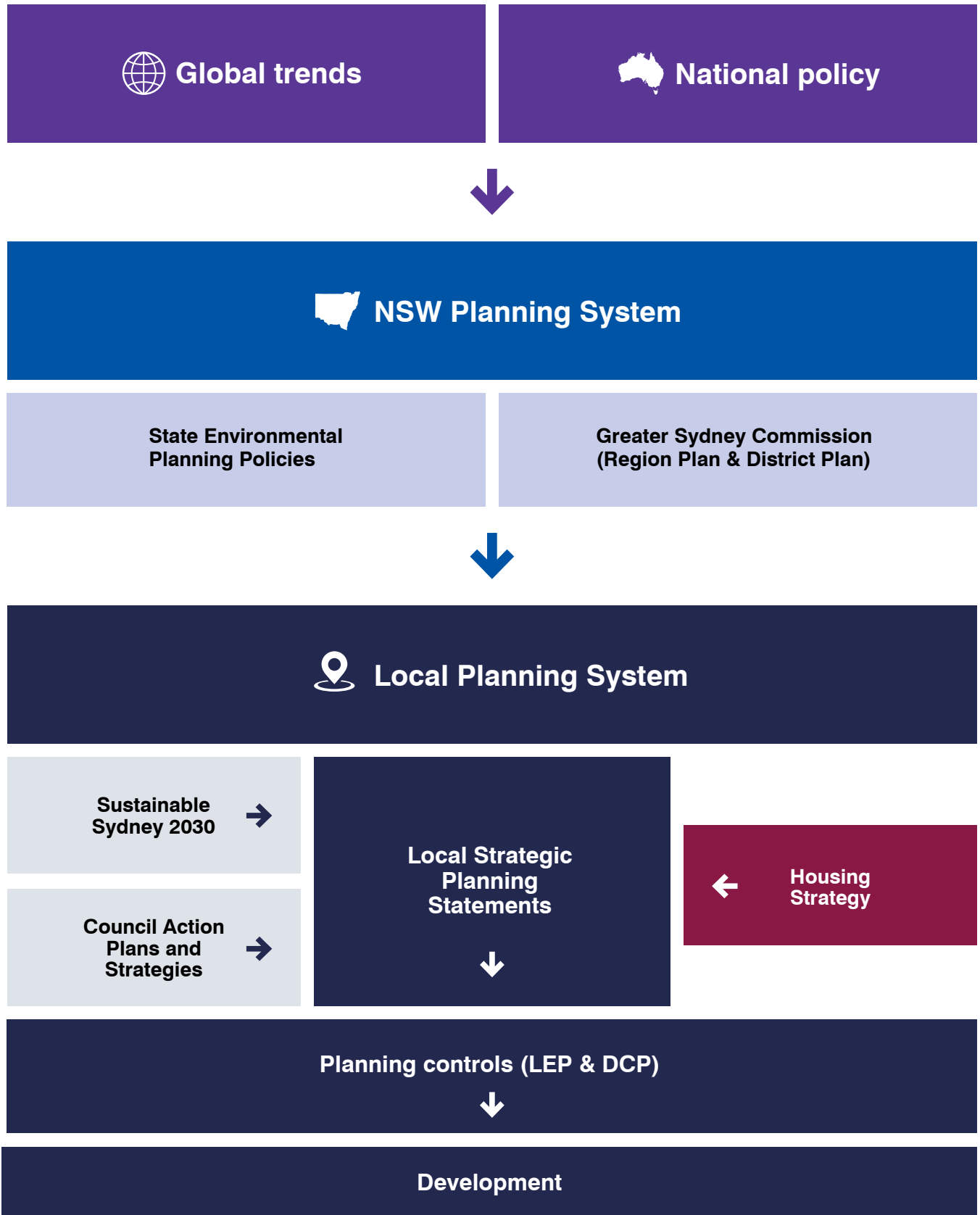
2.1.2 Structure of technical report

This technical report has been prepared in accordance with the Department of Planning, Industry and Environment's Local Housing Strategy Guideline, and appended Local Housing Strategy Template, for the preparation of local housing strategies by local government authorities (LGAs).

It is divided into four sections:

- **Section 1 Introduction** (this Section) – details the City of Sydney local government area strategic planning and policy context. It provides an outline of the area's social, economic, environmental and housing characteristics and a summary of stakeholder views relating to housing. It forms the foundation for the City's 20-year vision for housing.
- **Section 2 Evidence** – establishes the demographic and housing context, provides an analysis of housing demand and supply, and considers land use constraints and opportunities to inform the amount and type of housing needed over the next 20 years.
- **Section 3 Priorities** – draws on the evidence base to inform the strategy's priorities and objectives. It also provides an overview of the roadmap envisaged to achieve the City's vision.
- **Section 4 Actions** – includes an implementation and delivery plan outlining the City's actions to achieve the priorities and objectives. It outlines the timeframes in which the actions will be delivered and states the indicators which will be used to monitor and review the strategy.

Figure 1: Local housing strategy in context



2.2 Planning and policy context

This section describes the relevant federal, state and local government legislation, strategies, plans and policies that establish the planning and policy context within which *Housing for All* has been developed. It also describes the global trends impacting on housing in the city.

2.2.1 Global housing trends

Sydney is a global city that is subject to the influence of environmental, social, technological, economic and political 'megatrends' – sweeping disruptive changes – that may shape the city and the lives of the community in coming years. The global megatrends with the potential to shape housing in the city include:

- **Growing population pressure and cultural diversity** – Greater Sydney's growing and ageing population puts pressure on urban infrastructure and social cohesion and, together with employment and other economic changes, drives inequality. New housing supply needs to be delivered in the correct locations and in a diversity of forms, supported by the right infrastructure and improved connections between communities.
- **The new economy** – Volatility and innovation challenge business models, economic structures and traditional concepts of employment. Digital cities see demand reduced for centralised office and retail space. Businesses find new ways of working in networks and partnerships, within circular economies at the precinct scale. Housing versus employment floor space is a critical issue for both established and emerging centres in the city. Land use mix and conflicts between uses also becomes increasingly important.
- **Disruption of mobility regimes** – Converging trends in electric vehicles, autonomous vehicles, ride sharing, drone delivery, active lifestyles and mobile work disrupt the private motor vehicle transport regime in unpredictable ways. The location of housing within the '30 minute city' becomes increasingly important. Design of housing and infrastructure needs to support preferences for new ways to move around the city.

- **Climate change and adaptation** – The worsening impacts of climate change drive cities to increase their resilience. Housing supply, design and delivery must respond. Buildings should strive towards zero impact, and beyond to a net positive impact. Upgraded infrastructure is required to support interconnected and efficient urban systems.
- **Focus on health** – The risk of new and chronic diseases, ageing populations and improved healthcare technologies drive a shift towards prioritisation of healthy lifestyles, which in turn leads to more active transport. Good-quality, well-designed housing is essential to support health and wellbeing in the city's communities.

Many global cities face the same challenges, and this housing strategy looks abroad to assist in formulating responses to them.

2.2.2 The role of the Federal Government

The Federal Government supports home ownership and individual investment in the private rental market through a variety of taxation settings. It also supports low income renters with income subsidies and provides grants to states and territories for social housing. These policy settings have major impacts on the housing market in the city.

The Federal Government is also expanding its role in urban affairs and infrastructure delivery. 'City Deals' are a new approach where federal investment in infrastructure enables city building, with targeted initiatives to address issues such as economic growth, job creation, housing affordability and environmental outcomes.

2.2.3 The NSW Planning System

The *Environmental Planning and Assessment Act 1979* (Act) sets out the laws under which planning in New South Wales takes place. It provides a framework for how strategic plans and planning controls are made and how development applications are assessed, and the matters that must be considered by councils in making decisions.

Regional and district planning

The Act was recently updated to place a stronger emphasis on strategic planning and the critical role of strategic planning at the district local government level. It also introduced a new structure for strategic planning across council boundaries with regions and districts that have their own strategic plans which must be implemented by councils through their local strategic planning statements and planning controls.

Greater Sydney Region Plan

The Greater Sydney Region Plan (Region Plan), *A Metropolis of Three Cities*, was released by the Greater Sydney Commission in March 2018. The Region Plan is guided by a vision of three cities where most residents live within 30 minutes of their jobs, education and health facilities, services and great places. The three cities consist of:

- The established Eastern Harbour City – for which the Region Plan builds on its recognised economic strength and addresses liveability and sustainability
- The developing Central River City – for which the Region Plan invests in a wide variety of infrastructure and services and improving facilities
- The emerging Western Parkland City – for which the Region Plan establishes a framework for the development and success of an emerging new city

The Region Plan integrates land use, transport and infrastructure planning between the three tiers of government and across NSW Government agencies. The Region Plan has been prepared concurrently with *Future Transport 2056* and the *State Infrastructure Strategy 2018–2038* to align land use, transport and infrastructure outcomes for Greater Sydney for the first time in a generation.

Figure 2 shows the city in the wider regional context. The Region Plan includes objectives for housing supply to be increased in those places that can support it, and for market housing to be more affordable and diverse in nature. It also includes objectives for housing being supported by open space, jobs, access to local centres, transport links and other services.

Eastern City District Plan

The Eastern City District Plan (the District Plan), released by the Greater Sydney Commission in March 2018, sets out priorities and actions for the Eastern City District. The Eastern City District, shown at Figure 3 comprises the City of Sydney, together with eight other councils: Bayside, Burwood, Canada Bay, Inner West, Randwick, Strathfield, Waverley and Woollahra.

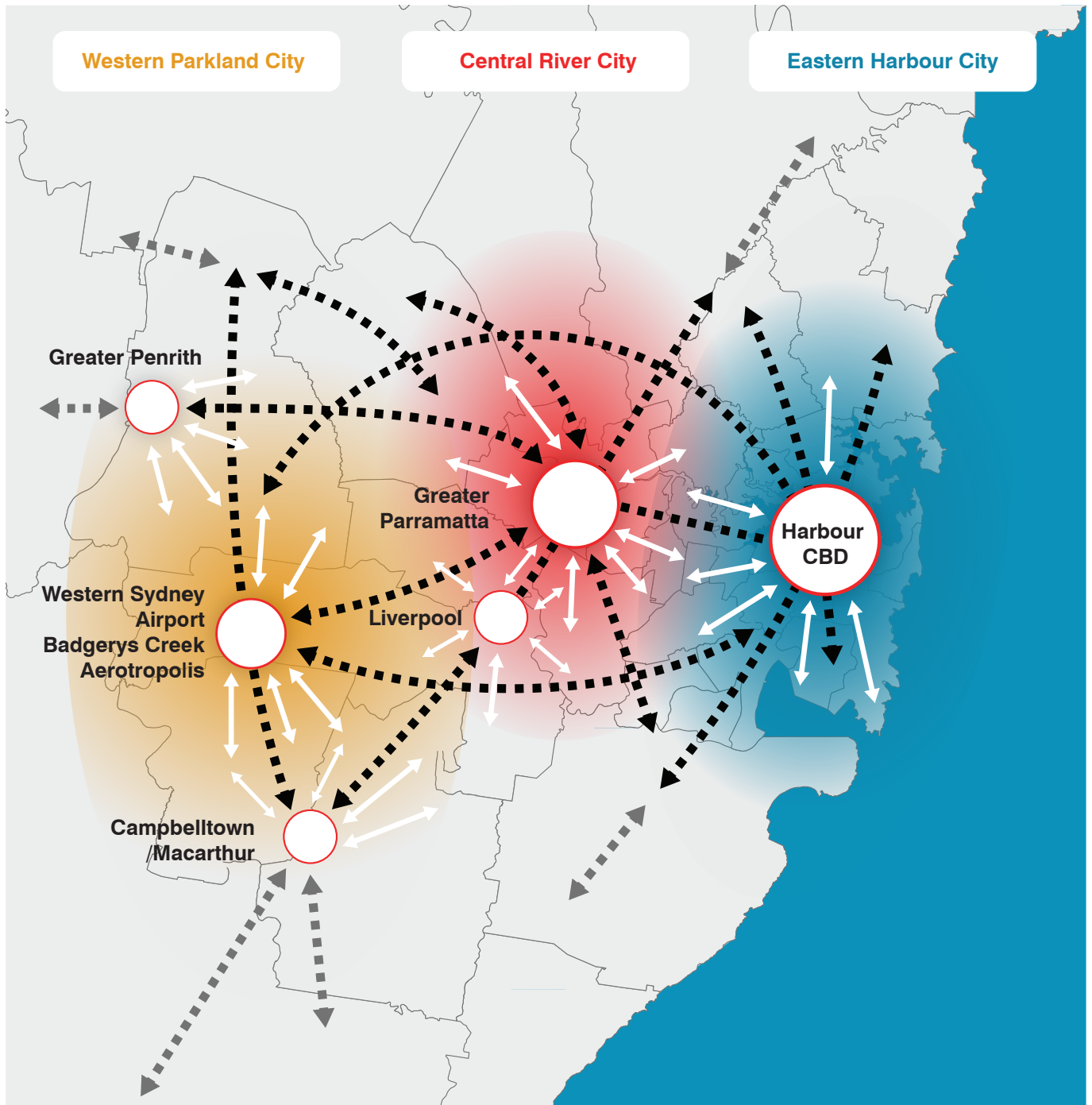
District Plans guide the implementation of the Region Plan at a district level. They inform local environmental plans, community strategic plans and the assessment of planning proposals. District Plans also help councils to plan and deliver for growth and change, and to align their local planning strategies to place-based outcomes.

The Eastern City District Plan applies the Region Plan's vision, priorities and objectives for a 30-minute city and housing objectives to the specific characteristics of the area. It notes where significant urban renewal is occurring and identifies other areas for additional capacity.

The District Plan requires councils to develop local housing strategies to provide for anticipated growth with reference to agreed housing and job targets, align projected growth with existing and proposed infrastructure, identify capacity and the right locations for growth, inform affordable rental housing targets, and coordinate the delivery of local and state infrastructure.

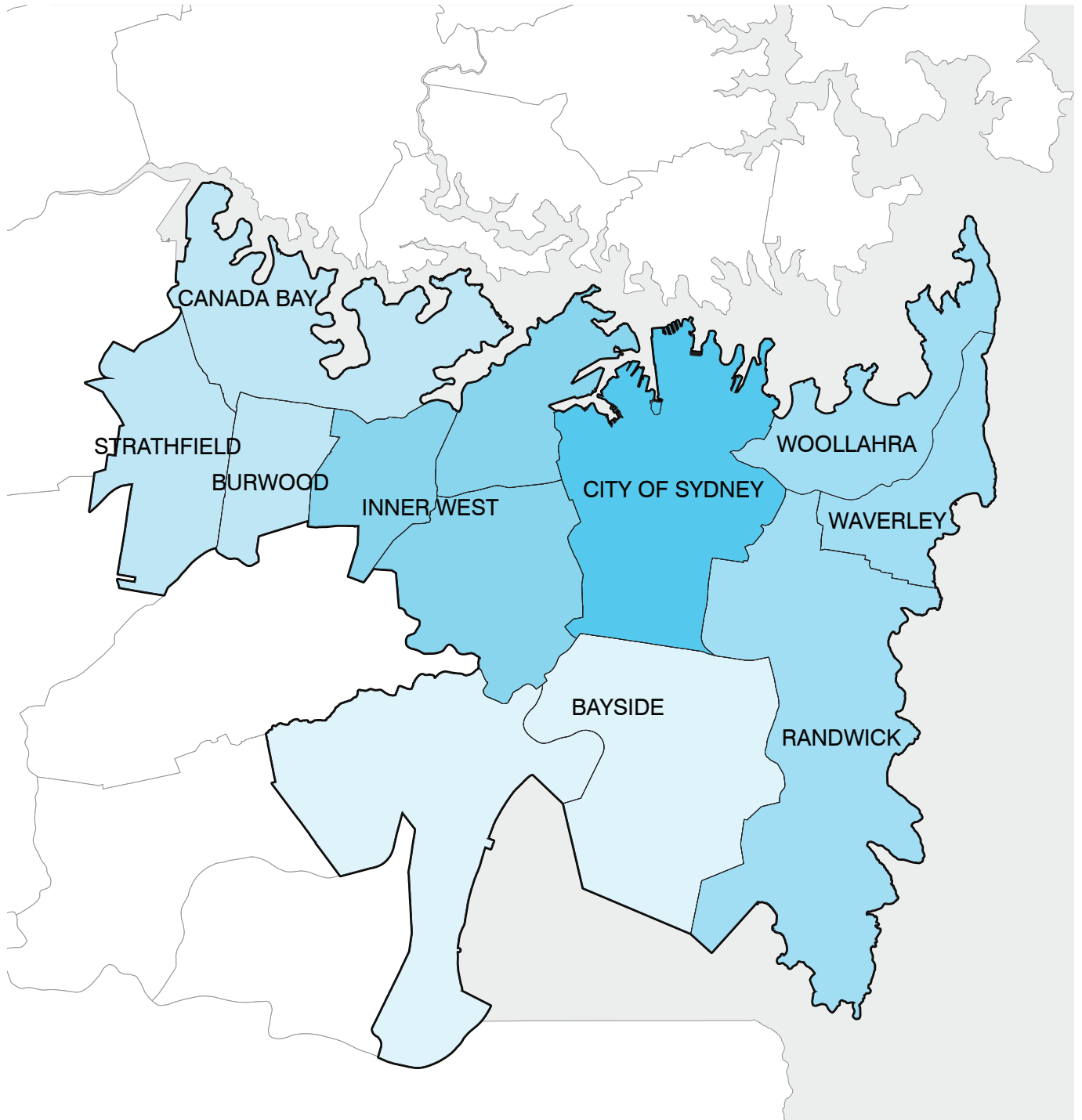
The District Plan establishes the Harbour CBD, Green Square-Mascot Strategic Centre and Innovation Corridor and Ultimo-Camperdown Health and Education precinct as key areas for economic growth. It states that housing supply can be focused near these centres to ensure good access to the jobs and services they offer, but also that housing development should not supplant commercial and employment uses in these areas to the point where their economic role is compromised.

Figure 2: Greater Sydney region and three cities



Source: adapted from the Eastern City District Plan – Greater Sydney Commission

Figure 3: Eastern City district



State Environmental Planning Policies and Local Planning Directions

In addition to the administration of the Act and *Environmental Planning and Assessment Regulation 2000* (Regulation), the NSW Government also prepares State Environmental Planning Policies (SEPPs) and Local Planning Directions, some of which relate to housing, and all of which must be adhered to by local government planning controls and policies.

The following SEPPs and Local Planning Directions directly influence housing outcomes in the city.

- *SEPP 65 – Design Quality of Residential Apartment Development*: this SEPP sets minimum design standards for apartments, which can determine a given site's suitability for residential development.
- *SEPP 70 – Affordable Housing (Revised Schemes)*: this SEPP enables councils to operate affordable housing contribution schemes.
- *SEPP Affordable Rental Housing 2009*: this SEPP covers boarding houses, secondary dwellings and other forms of housing with the aim to improving the provision of lower-cost housing while providing development concessions to increase their supply.
- *SEPP Exempt and Complying Development Codes 2008*: this SEPP determines which types of development do not require a full development application. Some types of housing fall into this category.
- *Local Planning Direction 3.1 – Residential Zones*: this ministerial direction sets broad objectives where changes to planning controls are sought involving residential development. It requires that they must be of good design, use land efficiently and positively contribute to the housing available on the market.

2.2.4 Local planning controls

Each LGA has a set of local planning controls that describe which types of activities or developments may occur in different areas of their locality. These are local environmental plans (LEPs), with a further layer of detail around design provided in development control plans. These local plans interpret and implement the priorities and objectives of the regional and district plans and NSW Government policies.

The process of preparing and amending LEPs requires early approval by the Minister for Planning (or delegate) in order to proceed. The Minister determines the merit of a proposal to amend planning controls against regional and district planning priorities, before allowing it to progress to public consultation phase and final adoption. As such, housing policies and positions developed by the City cannot be codified into local planning controls without first gaining the approval of the NSW Government.

2.2.5 The role of local government

In Australia, housing policy has not been the traditional domain of local government. While councils have a strong role in setting and implementing planning controls, they have not typically been involved in broader aspects of housing policy, which has been the responsibility of the Australian and State and Territory Governments.

In practice, however, the City has been responding to housing and homelessness challenges for many years, through direct action, collaboration and advocacy.

The City understands the importance of quality private market housing and affordable rental housing to support social sustainability, economic competitiveness, creative expression and environmental performance. We understand that communities, businesses and stakeholders expect us to take a leadership role in addressing Sydney's housing needs.

Facilitating more homes and ensuring housing diversity through the planning framework

The Sydney LEP 2012 sets out residential development capacity through zoning and density, while the Sydney Development Control Plan (DCP) 2012 guides dwelling mix, sizes and design considerations.

The City uses its planning controls to deliver a diverse mix of dwelling types and sizes in market housing, and to ensure design quality.

Delivering affordable rental housing through the planning framework and direct action

The City uses its planning powers to facilitate the delivery of affordable rental housing. Three affordable housing contribution schemes currently operate in the city, including at:

- Ultimo/Pymont, introduced in 1996, which requires that 0.8 percent of residential floor area and 1.1 percent of commercial floor area be provided as affordable rental housing
- Green Square, introduced in 1999, which requires that 3 percent of residential floor area and 1 percent of commercial floor area be provided as affordable rental housing, and
- Southern Enterprise Area (called the Southern Employment Lands in the Sydney LEP 2012), introduced in 2015, which requires that 3 percent of residential floor area and 1 percent of commercial floor area be provided as affordable rental housing.

In September 2018 Council approved a local government area wide contribution scheme that will affect land not in Green Square, Ultimo/Pymont or the Southern Employment Lands. If approved by the NSW Government, it will require three percent of residential floor area and one percent of commercial floor area to be provided as affordable rental housing.

The City also introduced preferential zoning for affordable rental housing on land zoned B7 – Business Park, where residential development is not otherwise permitted. This keeps land affordable for community housing providers and government who are seeking to purchase land in these areas to develop affordable rental housing.

The City uses planning agreements for affordable rental housing outcomes in when changes are being made to planning controls, for example in Harold Park when it was rezoned in 2009 and for Bay Street, Glebe in 2014.

In addition to using the planning framework to encourage affordable rental housing, the City also materially supports the provision of affordable rental housing and has contributed approximately \$24 million over the last 10 years. This has included grants to non-government organisations, as well as granting or selling land below cost to community housing providers.

As at October 2018, the following affordable rental housing and diverse housing dwellings are built or projected to be built:

- 854 affordable housing dwellings, of which 685 are owned and managed by City West Housing
- 423 affordable rental housing dwellings in the pipeline: developments where a DA has been lodged, a DA has been approved or the development is under construction
- 533 mooted affordable rental housing dwellings: developments of which the City is aware, but have not yet reached development application stage
- 1,925 affordable rental housing dwellings projected under planning controls currently under consideration by the NSW Government
- 42 diverse housing dwellings: those dwellings built with a contribution from the City's Affordable and Diverse Housing Fund.

Altogether 3,735 affordable rental housing dwellings and 42 diverse housing dwellings are built or are being planned.

Collaborating with councils, government and other partners

Housing issues are not contained within local government boundaries. Neighbouring councils share many of the same concerns as the City, particularly about infrastructure provision to support growth, as well as the high cost of housing and the impact it is having on the community.

The City recognises the importance of working with all levels of government to address these issues. Current collaborations include:

- Memorandums of understanding with the NSW Government to help deliver a diverse housing supply and to work with social housing communities
- Partnerships with academic institutions to research key issues affecting housing in the city
- Partnerships with non-government organisations to deliver supported housing in the city for those experiencing or at risk of homelessness.

The City also advocates on key housing issues to the Australian and NSW Governments, including through submissions to planning policy reviews, inquiries and urban renewal master planning processes.

Working to address homelessness

The City's commitment to addressing homelessness is demonstrated in its operation of the first council-run Homelessness Unit in Australia. The City acts to help reduce levels of homelessness through facilitating the delivery of targeted housing solutions, monitoring trends in inner city homelessness, supporting and engaging people who are sleeping rough, and driving collaboration across sectors and services to ensure a coordinated and effective response.

The City currently invests over \$2 million each year to reduce homelessness and its impacts in Sydney, including investing \$3.5 million over three years to fund specialist homelessness services in the inner city.

The City works in partnership with government, non-profit organisations and the corporate sector to provide and coordinate responses to homelessness and to develop the capacity of the sector and the community.

2.3 City of Sydney LGA snapshot

2.3.1 About the City of Sydney LGA

The City of Sydney is the sixth-largest local government area in metropolitan Sydney with a population of over 240,000 people living in the area. The LGA is also home to Australia's largest working population, with more than 500,000 people working here every day.

The LGA's population is growing quickly. In the five years to 2018, annual growth averaged 4.12 per cent, compared to 1.91 per cent for Greater Sydney as a whole. This represents an average of 8,782 new residents per year, compared to 4,667 per annum in the previous five years, highlighting a significant recent period of growth.

Residents in the city display a demographic profile that is distinctly different from the Eastern City District and the Greater Sydney area, reflecting the unique social, economic and cultural role of the LGA. They come from all walks of life and we are one of the most culturally diverse areas in Australia with 47.7 per cent of us born overseas and 36.1 per cent of us speaking a language other than English at home.

The local area is home to one of Sydney's largest communities of Aboriginal and Torres Strait Islander peoples, representing 1.6 per cent of the total population. While the number of Indigenous peoples in the local area increased by 16 per cent between 2011 and 2016, it fell as a proportion of the total population.

The resident population growth has been mirrored in the worker population and jobs growth. Between 2007 and 2017, the number of persons employed by businesses in the local area increased by 30 per cent from 385,000 to 502,000, signalling a strong period of economic activity for the LGA, particularly in Central Sydney where almost 65 per cent of this growth occurred.

Visitor numbers have also continued to increase, growing by approximately 14 per cent from 2011 to 610,000 visitors per day in 2016. This growth is set to continue with over 115,000 more residents and 200,000 new jobs to be provided to 2036. This growth will bring its challenges, which the City must work to address with its community, business and other levels of government.

Sydney is recognised as Australia's global city and the leading knowledge-based economy in the nation. The local area generates more than \$108 billion of economic activity each year, representing over 8.5 per cent of Australia's economy. It accommodates over 500,000 jobs across all skill levels, which contributes to maintaining and enhancing the diverse socio-economic character and function of Greater Sydney and New South Wales.

Despite the growth of business districts such as North Sydney, Parramatta, Macquarie Park, Olympic Park and the growth corridor to the north-west, the City of Sydney LGA has maintained its pre-eminent role due to its large economic base, including a dense network of globally competitive industries, well-developed infrastructure, good governance, and outstanding amenities and living environment. Central Sydney generates over \$68 billion of gross economic output, compared to other business districts such as Melbourne CBD at \$39 billion and Parramatta at \$8 billion.

The city is home to prominent health and education institutions, the headquarters of media and technology firms, and Australia's major banking, accounting and financial institutions. Sydney's major art galleries, museums, theatres and performance venues are located within the LGA.

The city is a primary tourism destination with Sydney's major international hotels, conference facilities, restaurants, cruise ship terminals and prominent landmarks, attractions and historical sites.

The city's green open space areas collectively make up 14 per cent of the LGA and provide natural habitats for a diverse range of flora and fauna. They also comprise around 17 kilometres of harbour foreshore from Rushcutters Bay in the east to Rozelle Bay in the west.

Sydney CBD is located at the centre of radial networks of motorways, buses, ferries, commuter rail and light rail which extend to all parts of Greater Sydney. Nearby residential areas are also connected by pedestrian and cycle routes.

2.3.2 Housing in the City

Population growth has fuelled demand for housing with around 30,000 dwellings built over the past decade, representing almost 38 per cent of the homes built in the Eastern City District, and over 10 per cent in the Greater Sydney Region, in the same period.

Most of this growth in housing was provided as apartments in the city's major urban renewal sites such as Green Square, Central Park, Harold Park and the Ashmore Precinct which continue to evolve as vibrant, diverse and sustainable communities. The City's urban renewal areas will continue to provide opportunities for housing to 2036.

Residential development has been permitted in parts of Central Sydney since the 1990s as part of a policy designed to promote a more diverse and livelier inner city. However, the draft *Central Sydney Planning Strategy* aims to rebalance this approach and encourage more economic uses back to Central Sydney.

A large proportion of the local area is in identified heritage conservation areas. These low-scale but still dense areas provide much needed diversity in the city's housing stock, and preserve important historical and social connections to the city's established urban form and structure. While some additional housing capacity can be found in these areas, heritage protections largely preclude major redevelopment and significant additional supply.

The NSW Government owns a significant portion of land in the city (around 10 per cent), some of which are identified as potential State Significant Precincts. These precincts are areas with state or regional significance for achieving government policy objectives, particularly those relating to increasing delivery of housing and jobs. Some notable potential State Significant Precincts in the city include the Waterloo Metro Quarter, Waterloo Estate, The Bays Precinct and Elizabeth Street, Redfern. The City continues to advocate for good urban development outcomes on these sites.

2.3.3 Areas where economic and employment is prioritised over housing

There are areas in the city that are focused on employment uses rather than housing.

In the south of the local area, parts of Alexandria and Rosebery are home to lands zoned for industrial and urban services. These strategically located areas close to Sydney Airport, Port Botany and Sydney CBD are identified by the City and the Greater Sydney Commission as requiring protection from residential development, to preserve their vital economic function.

Areas on the south and south-western fringe of the CBD have been identified by the Greater Sydney Commission as important areas for economic growth, labelled the Innovation Corridor and the Camperdown-Ultimo Health and Education Precinct. These areas are prioritised to allow the outward expansion of the Sydney CBD but also to capitalise on the existing clustering of health, education, creative and high-technology institutions. As such, development in these areas will have an economic and employment focus.

2.3.4 A City of Villages

The City of Sydney is made up of 10 villages, shown in Figure 4, reflecting the historic growth of Sydney. They each have their own character and contribute to the wide diversity of housing, jobs, services and recreation available to residents. The village areas typically have a centre or high street which provides the services, fresh food, entertainment options and infrastructure for the community within a 10 to 15 minute walk for most people.

The CBD and Harbour village covers Central Sydney north of Bathurst Street, and is known for Circular Quay and the Sydney Opera House, the financial centre of Martin Place, key institutions of the NSW Government, and a cluster of very tall buildings with a broad mix of uses including offices, retail, hotels, entertainment and night life. It is home for people who live in CBD residential buildings and in historic residential suburbs. The village offers workers and residents open space in the form of the Royal Botanic Gardens, the Domain and Hyde Park. It is well connected to Greater Sydney as the centre of a radial network of suburban train lines.

Chinatown and CBD South village covers Central Sydney south of Bathurst Street as far as Central Station. It includes southern CBD blocks of Liverpool Street, Goulburn Street and Railway Square, as well as Chinatown, Haymarket and Darling Harbour. The village includes major tourism destinations, bustling retail and entertainment uses and a cluster of hotels and backpacker hostels, making this a diverse and vibrant village.

Crown and Baptist Streets village is on Central Sydney's south-eastern fringe, known for the historic terraces and cottages of Surry Hills and eastern Redfern in a distinctive low-rise, high-density development pattern. It is also home to a strong creative and business services sector, benefiting from its proximity to Central Sydney and comparatively affordable rents.

Harris Street village is on the western fringe, encompassing the inner city suburbs of Ultimo and Pyrmont. The village is host to the local headquarters of household names in the broadcasting, publishing, media and technology sectors, as well as major educational institutions and tourism attractions. The village's extensive foreshore has been progressively opened up over time with new parks and boardwalks, along with new residential and retail development.

Macleay Street and Woolloomooloo village is located on the eastern edge of Central Sydney. It is home to many important heritage buildings, precincts and conservation areas, with historic high-density, low-rise terraces in the west and high-rise apartment buildings in the east. The village has many notable food and drink establishments, and a strong professional and business services sector.

Oxford Street village covers Darlinghurst, Paddington and Moore Park. The village is well known for its historic residential neighbourhoods with low-rise, high-density terraces and its prominent nightlife and food and drink establishments. It is also home to a major health and education cluster and, like its neighbour, Crown and Baptist Streets village, Oxford Street village has a strong creative sector. Moore Park serves as crucial open space for the village, and as an entertainment precinct.

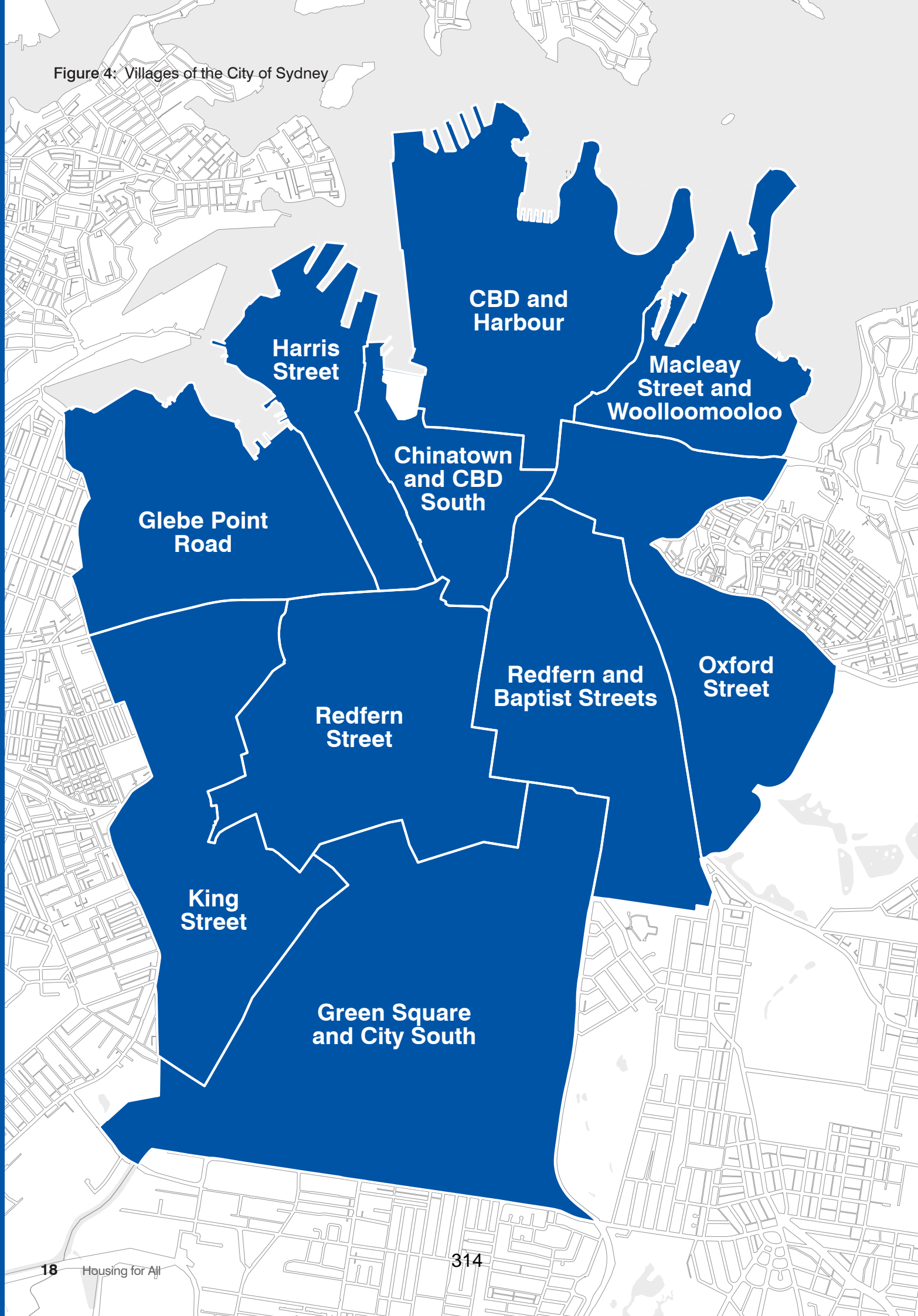
Glebe Point Road village is typified by historic Glebe and the local shopping street of Glebe Point Road. The village features extensive parklands and new high-density residential development in the former industrial foreshore areas. It is strongly influenced by the presence of the University of Sydney with a high student population and a cluster of creative, professional, research and technology businesses.

King Street village covers the inner city suburbs of Newtown and Erskineville, and includes a major health and education precinct, low-rise terraces and cottages in historic neighbourhoods, the well-known shopping and retail strip of King Street, Sydney Park and a large urban renewal area. It has seen significant development of new apartments and student accommodation, as well as new education and health facilities.

Green Square and City South village is the City's largest village, and encompasses the bustling, high-density urban renewal area of Green Square, the quiet residential streets of Rosebery, and industrial and urban services precincts in Alexandria and Rosebery. Green Square has seen rapid population growth, and is becoming the strategic centre of South Sydney centred on the train station, public square, library and future commercial and retail precinct. Urban services uses in the industrial areas are changing as well, with new data centres, online retail distribution centres and creative manufacturing.

Redfern Street village includes city fringe suburbs to the south of Central Sydney, and is home to a creative, education, high technology and research industry cluster. Its historic residential areas are interspersed by new high-density residential and retail developments. The future delivery of a metro station is set to rapidly transform parts of the village, including the social housing estate at Waterloo.

Figure 4: Villages of the City of Sydney



2.4 What the community tells us

The City continually engages with a wide variety of stakeholders in its community to understand their views and priorities on housing matters.

The process of developing *Housing for All* began in March 2015, when the City hosted 140 experts from wide-ranging sectors at the Housing Diversity Summit for a workshop on how to address the critical issues impacting housing diversity and affordability in Sydney. The summit informed the development of the City of Sydney Housing Issues Paper, released for public comment in April 2015.

While there was broad support expressed for the paper, submissions identified three areas for more consideration: the impact of housing affordability; the specific housing needs of vulnerable groups in the community; and the quality and design of housing. Stakeholders also reinforced the need for all sectors to work together on new approaches to delivering a diverse supply of housing.

Housing affordability was also a prominent theme in submissions received during the extensive community engagement process undertaken in early 2016 for the City's Social Sustainability Policy and Action Plan. The community talked about how much they value living in a neighbourhood that is home to people from all walks of life, and expressed concerns about being priced out of the market and losing their deep connections to place.

The City also looked to its past discussions with the community about changes that have been made to planning controls. Around 50 amendments have been made to the Sydney LEP 2012 since its introduction, with thousands of public submissions made by residents, landowners, business owners and interest groups. Submissions range from concerns about decreasing housing affordability; land use conflicts; the need for new housing to be supported by appropriate infrastructure, facilities and services; and views on how complexity in the planning system can prevent the progress of housing supply.

Similar issues have also been raised by stakeholders in early consultation on the update to the City's community strategic plan, *Sustainable Sydney 2050*.

The City's residents, landowners and business operators, developers and their industry representatives, government organisations and community housing providers have all contributed to the City's understanding of the issues surrounding housing delivery.

2.4.1 Residents

With Sydney being one of the most expensive housing markets in the world, housing affordability is the number one concern in the community. There is wide concern about the social impacts of housing becoming unaffordable, and how to provide non-market affordable housing for those who need it.

Residents have also made clear that new dwellings, and increases to housing density, need to come hand in hand with improved infrastructure, better services, increased maintenance, and well-designed new buildings. There is very little tolerance for avoidable negative impacts from housing development, like overshadowing, noise and other factors that reduce the quality of life in the city.

2.4.2 Industry

The development industry shares the community's concern about housing affordability, and points to the connection between housing supply and prices. They say complexity, inconsistency and delays in the planning system reduce their ability to deliver new housing supply quickly enough to meet demand, and regulatory costs push up prices for home buyers.

Industry also highlights the need for more investment in infrastructure to enable more sites to accommodate increased housing density, and for planning to better coordinate housing delivery with infrastructure.

2.4.3 Community housing providers

Community housing providers highlight the limited supply of affordable rental housing despite decreasing housing affordability, a lack of supported housing for vulnerable groups and the declining supply of social housing, which they say is in urgent need of upgrading or renewal.

2.4.4 NSW Government

NSW Government agencies provide input into planning processes affecting infrastructure such as public transport, major roads, social housing, schools, hospitals, major utility infrastructure and regional cycling routes. The City aims to work collaboratively with NSW Government agencies to develop a shared understanding of infrastructure priorities, and to ensure housing is supported by the appropriate infrastructure.

2.5 Housing vision

Sustainable Sydney 2030 expresses the community's vision and the City's commitment to a green, global and connected city. The *Sustainable Sydney 2030* vision is the cornerstone of everything the City does, and how we do it.

Sustainable Sydney 2030 guides the City's vision for housing. The City's housing supports a city that is:

Green

with a modest environmental impact, green with trees, green by example and green by reputation.

- ▶ A city that is resilient in the face of climate change and environmental challenges.
- ▶ A city internationally recognised as a leader with outstanding environmental performance and new green industries driving economic growth.
- ▶ A city where new housing opportunities are integrated with vital transport, facilities, infrastructure and open space that supports high-density living.
- ▶ A city that fosters resilience in our communities, where there is access to well-designed, adaptable and sustainable housing, and where communal spaces are used for entertainment, play and relaxation in high-density environments.
- ▶ A thriving city that can be handed down to the next generation of Sydneysiders.

Global

in economic orientation and open-minded in outlook and attitude.

- ▶ A city with a resilient economy.
- ▶ A city where housing supply helps sustain Sydney as a global city – where businesses can attract and retain talent, and key workers, artists and creative workers can afford to live close to work.
- ▶ A city which remains one of the most liveable in the world.
- ▶ A city where housing supports the health, wellbeing, creativity and cultural differences of the community.
- ▶ A city where economic competitiveness is supported – where the need for space for productive uses is not ignored in the face of high demand for housing.

Connected

physically by walking, cycling and high-quality public transport, connected communities through a sense of belonging and social wellbeing, and connected to each other with a shared interest in making the city a better place.

- ▶ A city with a resilient community.
- ▶ A city where housing is understood to be a basic human right.
- ▶ A city in which diverse housing types and tenures provide the foundation for an inclusive city.
- ▶ A city where people can thrive, families can grow and older people have a future.
- ▶ A city where people with low incomes and people who are vulnerable have access to a secure, affordable and safe place to call home.
- ▶ A city where there is unprecedented collaboration between the public, private and non-profit sectors to test new ideas and deliver better housing outcomes.



The evidence

This chapter establishes the evidence base and provides insights about the current and future housing need in the City of Sydney. It analyses the demographic profile of the city and projected changes, to inform an understanding of the demand for housing over the next 20 years.

Several data sources are used to inform the evidence base reported in this section including:

- ABS Census of Population and Housing
 - Provides a detailed demographic profile of residents living in the city as captured in the 2016 Census
 - Demographic trends are reported over a 10-year period (2006–2016)
 - Comparisons are made between the City's villages and against Greater Sydney where relevant
- ID Forecasts
 - Independently commissioned forecasts by the City of Sydney
 - Provide 20-year forecasts (2016–2036) for population growth, demand for dwellings, household composition and size
- City of Sydney Development Monitors
 - Details growth and distribution of development activity across the local government area
 - Tracks residential dwellings in the development pipeline to inform near term forecasts for housing supply
 - Dwellings in the development pipeline are reported for each of the City's villages
- City of Sydney Housing Audit
 - Provides a comprehensive audit of the City's housing stock, updated annually
 - Informs understanding of existing housing in the LGA, including housing diversity, type and tenure
- City of Sydney Floor Space and Employment Survey (FES)
 - Five-year census measuring the amount and type of floor space existing for every single building in the LGA.
 - Counts the number of dwellings and amount of residential floor space.
 - This is the core dataset informing the 2019 Capacity Study, which is used to find out how many additional dwellings development can supply in the long term.

The data reported in this section references 2016 in most cases to ensure alignment with the most recent ABS Census year. This also ensures insights compiled from the evidence base are consistent with the timeframe referenced in the Eastern City District Plan, referring to five-year housing and job targets commencing from 2016. Analysis and reporting of population and housing is also undertaken where more recent data is available.

The Department of Planning, Industry and Environment's Local Housing Strategy Guideline prefers councils to use data from the 2016 NSW Population, Household and Dwelling Projections when planning for anticipated growth in the future. However, the City's Housing Strategy has mainly used the forecasts prepared by .id consulting because:

- .id consulting data has been updated to reflect the most recent Census as being the base year (2016 rather than 2011). The base year used in the NSW projections continues to reflect household and dwelling counts as derived from the 2011 Census rather than the 2016 Census and adjusted to consider the undercount rate for persons missing on the 2011 Census night. There have been substantial shifts in several population trends in this period and it is critical the City use the most up-to-date data to understand how housing is to be delivered to 2036.
- .id consulting use a bottom-up approach for their population forecasts for each village area informed by place-based assumptions, which are sensitive to the dynamics of an area. This contrasts with the NSW Population Projections, which use a top-down approach where sub-region projections add up to the state total. Various assumptions about future fertility, mortality and migration rates for the state have been compiled by the Department and used as a constraint for sub-state assumptions.
- NSW Population Projections incorporate various scenarios to inform the low and high population projection series by varying life expectancy, fertility, net interstate and net overseas migration rates. However, there are concerns the dwellings projections potentially underestimate the impact of supply-side factors such as land availability to accommodate both housing and jobs, and vacancy rates of dwellings. The bottom-up approach undertaken by .id consulting accounts for how anticipated development supply can impact the function and demographics of a given area.

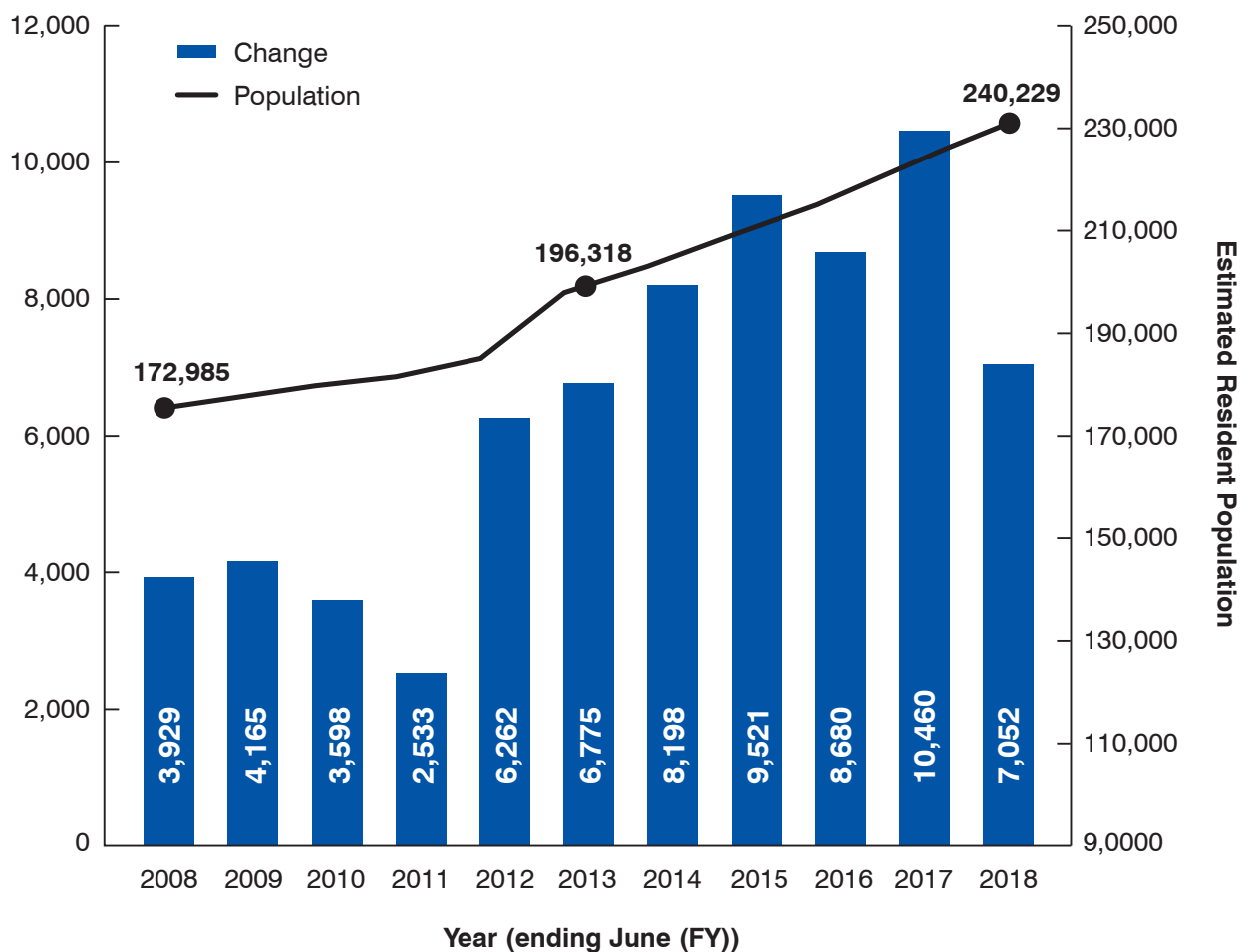
3.1 Demographic overview

This section contains statistical data describing the population and dwelling characteristics of the city, to inform an understanding of demand for housing. There are two broad parts of this section: population and demographic forecasts to 2036, and a demographic profile of the city including changes between 2006 and 2016.

3.1.1 Population overview

As at 30 June 2018, the Estimated Resident Population (ERP) of the city was 240,229. Over the 12-month period to 30 June 2018, the population grew by 3 per cent or 7,052 persons making it the third-fastest growing LGA in New South Wales. Figure 5 shows the growth in resident population from 2008 to 2018.

Figure 5: City of Sydney Estimated Resident Population 2008-2018



Source: Australian Bureau of Statistics Cat No. 3218 Regional Population Growth Australia

3.1.2 Population and housing forecast

The following population and housing forecasts are provided by .id consulting. The .id forecasting model considers demand factors as well as a high-level understanding of factors that will influence development activity (supply) in each village area, such as planning controls, land availability and potential for infill development. These supply influencers can change as a result of policy decisions, for example, changes to the planning controls may increase or diminish the number of dwellings that can be built in a given area.

More detailed modelling of future housing supply is provided in the 2019 Capacity Study, discussed in Section 2.3 of this technical report.

Population change

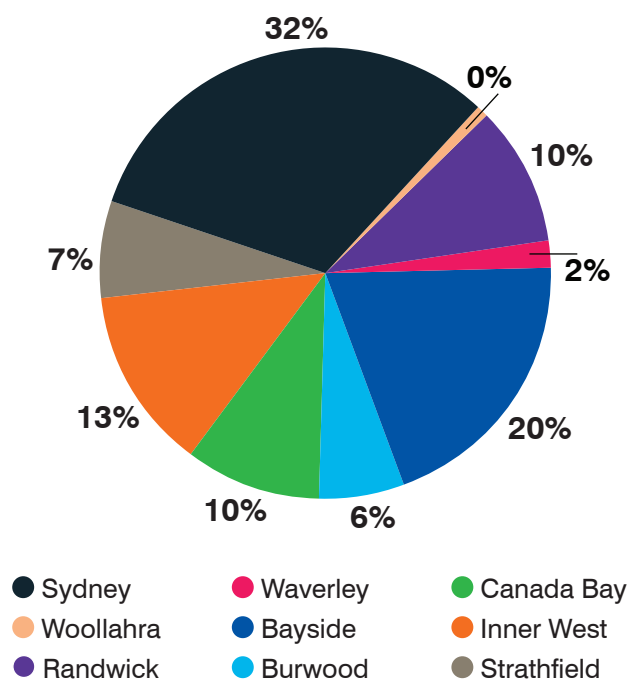
Table 1 shows forecast 20-year population growth from 2016 to 2036. The population is forecast to increase by 115,287 persons (51.4 per cent growth), at an average annual growth rate of 2.1 per cent. The most rapid population change is forecast for the period 2016 to 2021 with a net increase of 42,803 people (3.6 per cent annual growth) with slower annual growth forecast for each five-year period following from 2021 going to 2036. The total population to 2036 is forecast to be 339,498.

The fastest-growing village area will be Green Square and City South. The population of this village area will grow by an additional 44,452 persons, at an annual rate of 4.4 per cent, to 2036 when the urban renewal area is expected to be built out. As an urban renewal precinct, this population growth is aligned with the master planned vision for the area. Overall, Green Square and City South will contribute 38.6 per cent of the total population growth to 2036.

Redfern Street village is the next highest growth area by additional residents, growing by 19,464 persons by 2036 at an average annual rate of 2.6 per cent. CBD – Harbour village will experience the second-fastest growth rate at 4.0 per cent, adding 10,570 residents by 2036.

The City of Sydney is located within the Eastern City District. Based on forecasts provided by the Department of Planning, Industry and Environment, the city's forecast growth will make up 31.6 per cent of total growth in the District to 2036. As Figure 6 shows, it is the largest contribution of all the component council areas of the District.

Figure 6: Eastern City District forecast population growth, by local government area, 2016-2036



Source: Department of Planning and Environment

Table 1: Population forecast summary, City of Sydney, 2016-2036

City of Sydney	Forecast year					Change between 2016 and 2036	
Area	2016	2021	2026	2031	2036	Total change	Avg. annual % change
CBD and Harbour	8,789	12,242	16,391	18,421	19,359	10,570	4.0
Chinatown and CBD South	21,181	28,452	32,754	35,479	37,593	14,298	2.9
Crown and Baptist Street	22,996	24,166	26,228	27,817	28,883	5887	1.2
Glebe Point Road	24,117	27,241	27,313	27,399	27,572	3455	0.7
Green Square and City South	32,672	51,930	63,050	70,740	77,124	44,452	4.4
Harris Street	20,036	20,708	21,712	23,804	24,550	4514	1.0
King Street	21,878	24,663	26,897	28,673	30,564	8686	1.7
Macleay Street and Woolloomooloo	22,805	22,961	23,374	23,583	23,802	997	0.2
Oxford Street	20,253	20,611	20,421	20,782	21,102	849	0.2
Redfern Street	29,485	34,040	41,739	45,815	48,949	19,464	2.6
Total City of Sydney	224,211	267,014	299,879	322,514	339,498	115,287	2.1

Source: Population and household forecasts, 2016-2036, prepared by .id consulting

Population – age and gender

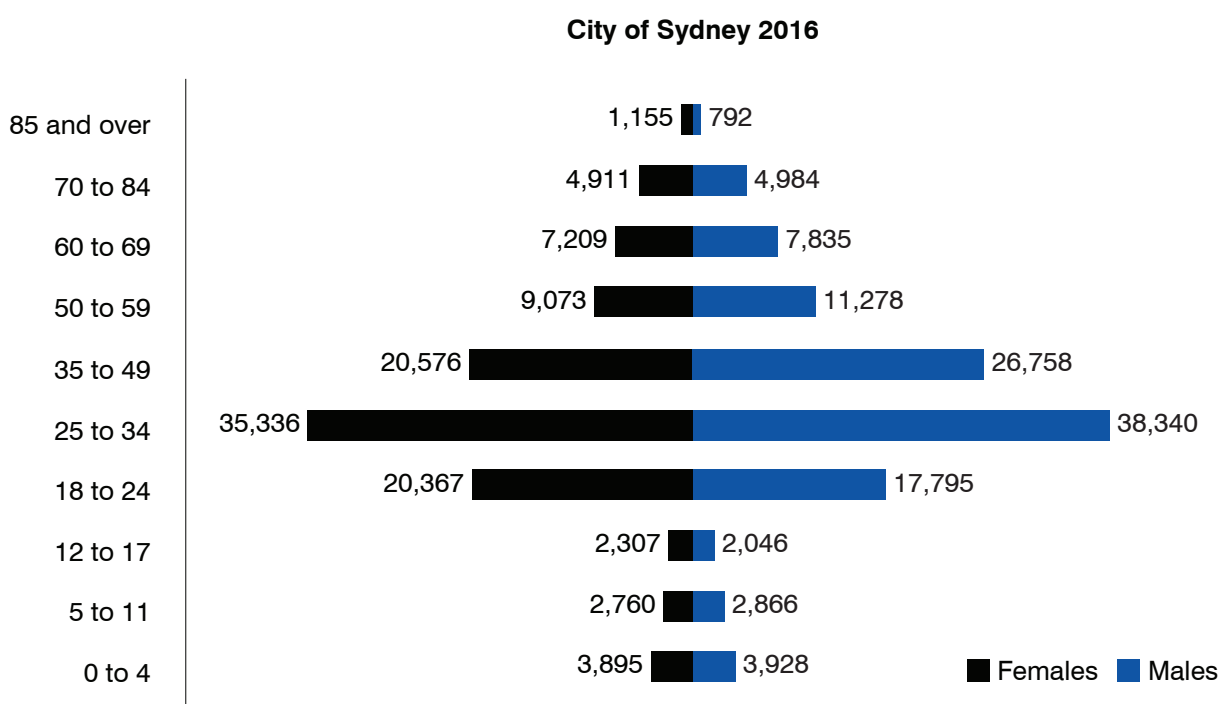
The City of Sydney has a relatively unique age distribution compared to Greater Sydney, with a much higher proportion of residents in the working age groups and far fewer in the younger and older age groups. This will be explored in more detail in Section 2.1.3 Demographic profile.

Figure 7 and Figure 8 show how the age distribution is not forecast to change significantly to 2036 as the overall population grows. There is a slight normalisation forecast, but the city will continue to overwhelmingly be a place for university students and working age people. It points to a relatively transient population, with people moving in to the city for study and work, and out of the city as they get older, which has implications for the social fabric of the city.

This is a reflection of the city's role as an economic centre and the presence of Sydney's major universities, which attracts younger people to live in the area for work and study. It may also be a reflection on the limited diversity of housing stock or the affordability of housing in the city, forcing people to move elsewhere to meet their changing housing needs.

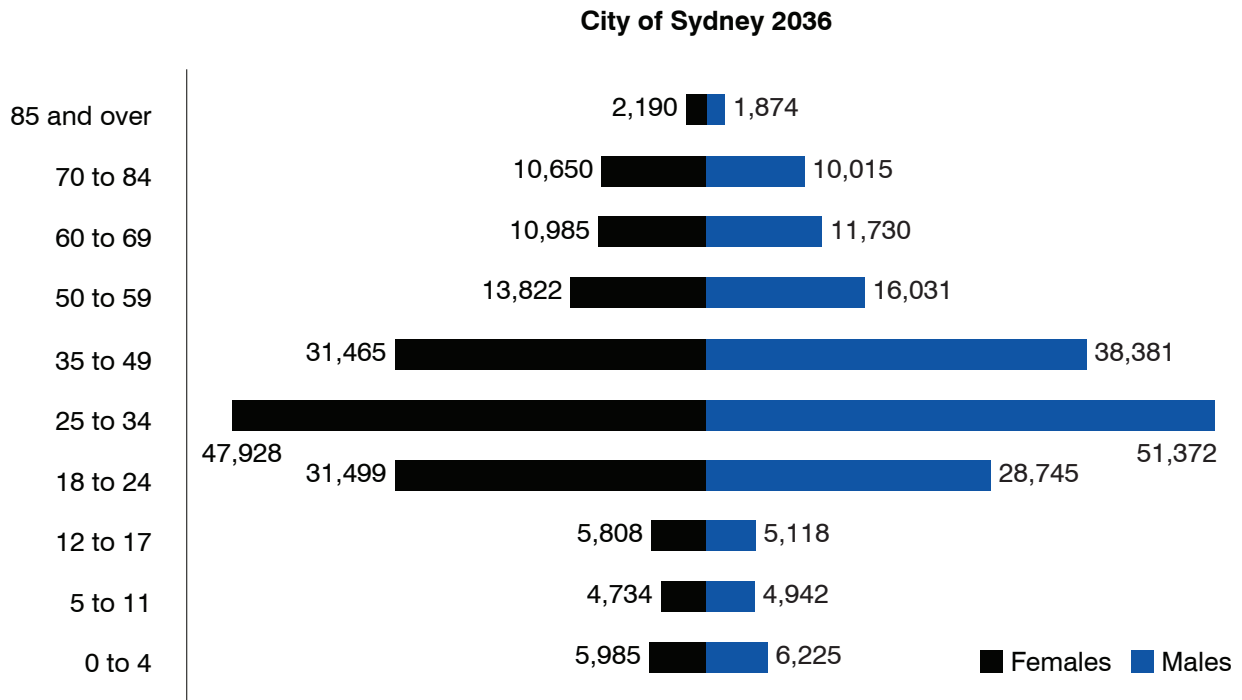
These forecasts show the city is not expected to experience the phenomenon of an ageing population, which is characterised by an increasing proportion of older people to younger people. However, the total numbers of both school age and retirement age people are forecast to approximately double to 2036, which has implications for planning housing and the types of community facilities required by future residents

Figure 7: Population distribution by age and gender, City of Sydney, 2016



Source: Population and household forecasts, 2016 - 2036, prepared by .id consulting

Figure 8: Population distribution by age and gender, City of Sydney, 2036.



Source: Population and household forecasts, 2016 - 2036, prepared by .id consulting

Dwelling requirements

Drawing on forecasts for population growth and changes to household composition and size, the total number of additional dwellings required to meet demand is forecast to 2036.

Table 2 provides a breakdown of the number of private dwellings forecast for each village area from 2016 to 2036. It shows Green Square and City South will require an additional 20,478 dwellings, representing 133.7 per cent growth to 2036. This is in line with the master planned vision for the urban renewal area, and expected growth in the surrounding suburbs.

The two Central Sydney villages, CBD and Harbour and Chinatown and CBD South, also show higher growth in dwellings to 2036. CBD and Harbour will require 5,665 dwellings, representing 97.8 per cent growth, and Chinatown and CBD South will require 5,913 dwellings, representing 74.1 per cent growth. This represents the continued expected desirability of living in Central Sydney and the relatively high amount of development capacity in this area.

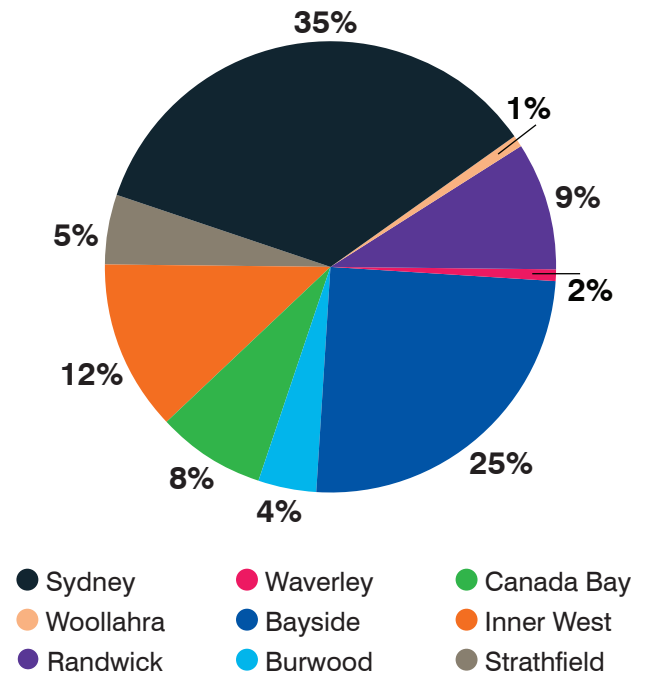
In line with the forecast contribution to total population growth of the Eastern City District, Figure 9 shows the city is forecast to contribute approximately one third of the total growth of private dwellings in the District to 2036.

The figures that follow do not account for non-private dwellings, which are managed accommodation services such as boarding houses, student accommodation and aged care facilities. Non-private dwellings are an important part of housing in the City of Sydney. Historically, boarding houses provided an important source of affordable accommodation in the LGA, and more recently managed student accommodation has seen strong growth.

As Table 3 shows, the city had 15,682 such dwellings in 2016, and demand is forecast to grow by 7,134 dwellings to 22,816 in 2036, an increase of 45.5 per cent.

Forecast growth of dwellings is covered in more detail in Section 2.2 Housing Demand and Section 2.3 Housing Supply.

Figure 9: Population distribution by age and gender, City of Sydney, 2036



Source: Department of Planning and Environment

Table 2: Private dwelling demand, City of Sydney, 2016-2036

City of Sydney Village area	Private dwelling forecast year					Change between 2016 and 2036	
	2016	2021	2026	2031	2036	Total change	Change %
CBD and Harbour	5,792	7,660	9,876	10,832	11,457	+5,665	97.8
Chinatown and CBD South	7,983	10,478	12,014	13,096	13,896	+5,913	74.1
Crown and Baptist Streets	11,855	12,459	13,519	14,326	14,976	+3,121	26.3
Glebe Point Road	11,782	13,345	13,642	13,792	13,942	+2,160	18.3
Green Square and City South	15,311	24,156	29,506	32,992	35,789	+20,478	133.7
Harris Street	8,957	9,352	10,018	10,983	11,358	+2,401	26.8
King Street	10,160	11,543	12,528	13,278	14,028	+3,868	38.1
Macleay Street and Woolloomooloo	13,023	13,344	13,601	13,776	13,951	+928	7.1
Oxford Street	10,928	11,234	11,460	11,685	11,910	+982	9.0
Redfern Street	14,347	16,056	19,189	21,152	22,761	+8,414	58.6
Total City of Sydney	110,138	129,627	145,353	155,912	164,068	+53,930	49.0

Source: Population and household forecasts, 2016-2036, prepared by .id consulting

Table 3: Non-private dwelling demand, City of Sydney, 2016-2036

Area	2016	2021	2026	2031	2036	Absolute change 2016–2036	% change 2016–2036
City of Sydney	15,682	18,257	21,290	22,235	22,816	+7,134	45.5

Source: Population and household forecasts, 2016-2036, prepared by .id consulting

Households

Growth in households is one of the measures which bridge the gap between population forecasts and dwelling demand. It accounts for forecast changes in household composition and size to estimate a total number of households.

The number of households is always less than the number of dwellings, accounting for vacancy rates.

The city will experience a significant increase (47.8 per cent) in the number of households from 2016 to 2036, as shown in Table 4. As the location of the majority of the city's growth in population, Green Square and City South will also contribute nearly 40 per cent of the expected overall growth in households for the LGA, adding 18,973 more households by 2036.

Growth of households in the CBD and Harbour village is forecast to grow even more than Green Square due in part to a forecast decline in vacancy rates in Central Sydney properties. This is a hidden form of population densification which the City will need to account for in providing facilities for new residents in the area.

This contrasts to Macleay Street and Woolloomooloo village and Oxford Street village, which have a lower forecast growth in households than dwellings.

Table 4: Number of households by village area, 2016-2036

Village area	2016	2021	2026	2031	2036	Absolute change 2016–2036	% change 2016–2036
CBD and Harbour	4,023	5,704	7,847	8,932	9,449	5,426	134.8
Chinatown and CBD South	7,246	9,467	10,783	11,754	12,474	5,228	72.2
Crown and Baptist Street	11,184	11,738	12,648	13,409	14,023	2,839	25.4
Glebe Point Road	11,069	12,526	12,696	12,836	12,975	1,906	17.2
Green Square and City South	14,555	22,896	27,669	30,905	33,528	18,973	130.4
Harris Street	8,487	8,768	9,242	10,132	10,478	1,991	23.5
King Street	9,673	11,023	11,840	12,548	13,257	3,584	37.1
Macleay Street and Woolloomooloo	11,710	11,732	11,958	12,111	12,265	555	4.7
Oxford Street	10,235	1,466	10,390	10,594	10,787	562	5.5
Redfern Street	13,731	15,222	18,028	19,852	21,362	7,631	55.6
Total number of households	101,913	119,542	133,101	143,073	150,608	48,695	47.8

Source: Population and household forecasts, 2016-2036, prepared by .id consulting

Household types and family composition

The city has a relatively unique composition of household types, with a higher proportion of lone person households than Greater Sydney. This is explored in more detail in Section 3.1 Demographic profile.

This section looks at overall forecast changes in household types, and goes into more detail to explore forecast changes in household size and in the age groups of people living in these households.

Table 5 shows lone person households will continue to be the dominant household type in 2036; however, as a proportion they will reduce from 37.5 per cent in 2016 to 35.4 per cent in 2036, as all other household types will grow at a faster rate.

Couples without children households will experience the second largest growth, increasing by 14,715 households or 48.2 per cent between 2016 and 2036. Group households is expected to experience the third fastest rate of growth increasing by just over 56 per cent and adding over 9,000 more households between 2016 and 2036.

The declining dominance of lone person households, coupled with strong growth in families with children and group households, means the average household size in the LGA will increase from 2.05 people per dwelling in 2016 to 2.10 in 2036.

As Table 6 shows, there is considerable difference between villages, including in how household sizes will change to 2036. Chinatown and CBD South village has the highest household size at 2.75 people per dwelling, and that will continue to be the case in 2036 despite a minor increase to 2.76 people per dwelling.

The highest growth in household sizes is forecast to occur in Green Square and City South, increasing from 2.24 in 2016 to 2.30 in 2036, reflecting the area's continued attractiveness for families. Oxford Street, Crown and Baptist Streets, Glebe Point Road and Harris Street villages are all forecast to see a reduction in household size to 2036.

Table 7 looks at the age distribution of people in group households. Group households in the city is forecast to be dominated by a younger population from 2016 to 2036. 82.4 per cent of people living in group households are aged 15–34; however, their share is forecast to decline slightly to 80.8 per cent by 2036.

People aged over 65 represent the fastest increase; however, this group starts from a much lower base in 2016 and will continue to be the smallest age group of people living in group households

Table 8 looks at age distribution of people living in households of couples without children. It shows no substantial change to 2036, with all age groups remaining in their respective positions.

Table 9 looks at the age distribution of lone person households. It forecasts that people over 65 in lone person households will grow significantly, nearly doubling in number to 2036. They will go from the second smallest age group to the second highest.

Table 10 shows the number of children living in one and two parent family households. Between 2016 and 2036, the number of children in these households is forecast to increase by 15,232 persons or nearly 65 per cent. The fastest growth is expected to take place in the 10 - 14 to 15 - 19 age groups, each growing by around 90 per cent, or almost doubling, to 5,760 persons and 5,497 persons in each group respectively by 2036.

While the dominant age is represented by the 0 - 4 age group, representing nearly a third (31.7 per cent) of all children in one and two parent households at 2016, the forecast growth for this group will be relatively slower, growing by 56.4 per cent over the 20-year period to 2036.

Table 5: Household types, City of Sydney, 2016-2036

Household type	2016	2021	2026	2031	2036	Absolute change 2016–2036	% change 2016–2036
Couples with children	10,437	12,461	13,996	15,122	15,958	5,521	52.9
Couples without children	30,510	35,687	39,776	42,865	45,225	14,715	48.2
Group households	16,034	19,283	21,675	23,518	25,038	9,004	56.2
Lone person	38,175	43,831	48,083	51,127	53,250	15,074	39.5
One parent families	4,223	5,142	6,062	6,652	7,131	2,908	68.9
Other families	2,538	3,138	3,511	3,790	4,005	1,467	57.8

Source: Population and household forecasts, 2016-2036, prepared by .id consulting

Table 6: Average household size by village area, City of Sydney, 2016-2036

Village area	2016	2021	2026	2031	2036
CBD and Harbour	1.89	1.94	1.94	1.93	1.92
Chinatown and CBD South	2.75	2.76	2.74	2.75	2.76
Crown and Baptist Street	1.94	1.95	1.95	1.94	1.93
Glebe Point Road	2.07	2.07	2.05	2.03	2.02
Green Square and City South	2.24	2.26	2.27	2.29	2.30
Harris Street	2.25	2.25	2.23	2.23	2.23
King Street	2.03	2.03	2.03	2.03	2.03
Macleay Street and Woolloomooloo	1.58	1.60	1.60	1.60	1.59
Oxford Street	1.84	1.83	1.82	1.82	1.81
Redfern Street	2.02	2.03	2.07	2.08	2.08
City of Sydney	2.05	2.08	2.09	2.10	2.10

Source: Population and household forecasts, 2016-2036, prepared by .id consulting

Table 7: Persons living in group households by age group, City of Sydney, 2016-2036

Age group	2016	2021	2026	2031	2036	Absolute change 2016–2036	% change 2016–2036
15 – 24	16,911	21,988	24,685	26,620	28,188	11,277	66.7
25 – 34	20,428	22,900	25,460	27,440	29,000	8,572	42.0
35 – 44	4,313	5,274	6,065	6,676	7,185	2,873	66.6
45 – 64	2,836	3,333	3,836	4,348	4,804	1,968	69.4
65+	851	1,044	1,233	1,415	1,581	730	85.7
Total persons	45,339	54,539	61,279	66,499	70,758	25,419	56.1

Source: Population and household forecasts, 2016-2036, prepared by .id consulting

Table 8: Persons living in a couple without children household by age group, 2016-2036

Age group	2016	2021	2026	2031	2036	Absolute change 2016–2036	% change 2016–2036
15 – 24	5,572	7,230	7,957	8,447	8,832	3,260	58.5
25 – 34	30,831	35,155	38,493	40,808	42,511	11,680	37.9
35 – 44	11,982	14,299	16,025	17,185	18,020	6,038	50.4
45 – 64	12,405	14,320	16,101	17,620	18,726	6,321	50.9
65+	6,803	8,343	9,994	11,496	12,799	5,996	88.1
Total persons	67,593	79,347	88,571	95,556	100,887	33,295	49.3

Source: Population and household forecasts, 2016-2036, prepared by .id consulting

Table 9: Persons living in a couple without children household by age group, 2016-2036

Age group	2016	2021	2026	2031	2036	Absolute change 2016–2036	% change 2016–2036
15 – 24	3,584	4,384	4,620	4,607	4,533	949	26.5
25 – 34	8,714	9,360	9,700	9,755	9,632	917	10.5
35 – 44	7,296	8,349	9,018	9,357	9,526	2,231	30.6
45 – 64	11,507	12,996	14,188	15,180	15,856	4,350	37.8
65+	7,075	8,743	10,556	12,227	13,702	6,627	93.7
Total persons	38,175	43,831	48,083	51,127	53,250	15,074	39.5

Source: Population and household forecasts, 2016-2036, prepared by .id consulting

Table 10: Children in one and two parent family households by age group, 2016-2036

Age group	2016	2021	2026	2031	2036	Absolute change 2016–2036	% change 2016–2036
0 – 4	7,493	9,259	10,517	11,221	11,717	4,223	56.4
5 – 9	4,129	5,121	6,076	6,645	6,995	2,866	69.4
10 – 14	3,036	4,082	4,886	5,415	5,760	2,724	89.7
15 – 19	2,881	4,554	4,994	5,284	5,497	2,616	90.8
20 – 24	2,384	2,837	3,129	3,288	3,404	1,020	42.8
25+	3,707	4,316	4,835	5,206	5,491	1,784	48.1
Total persons	23,632	30,168	34,438	37,058	38,864	15,232	64.5

Source: Population and household forecasts, 2016-2036, prepared by .id consulting

3.1.3 Demographic profile

The following section looks at the current demographic profile of the City of Sydney, with data sourced from the ABS Census of Population and Housing.

The profiles looks at trends observed for the 2006, 2011 and 2016 Census periods and draws comparisons between the City of Sydney and Greater Sydney. Comparisons by village area are also provided where relevant.

Figures for 2016 may not align exactly with the corresponding data from the forecasts section above, due to the differences in data source.

Household size

Household size is the number of people per occupied dwelling. While household size has declined for Greater Sydney between 2006 and 2017, the City of Sydney has actually seen a slight increase in household size from 1.95 persons to 1.97 over the same period as summarised in Table 11.

Household size varies by village area, due to different proportions of dwelling types and household types. Table 12 shows the breakdown of average household size by village area between 2006 and 2016. In 2016, Chinatown and CBD South had the highest average household size at 2.56 followed by Harris Street and Green Square and City South with an average size of 2.17 persons per household. Between 2006 and 2016, the average household size increased in three village areas with Harris Street having the largest increase (0.09 persons) while declining in the remaining seven village areas. CBD and Harbour is forecast to see the largest decrease, declining by 0.25 persons.

Table 11: Average household size, City of Sydney, 2006-2016

Households (Enumerated)	2016		2011		2006		% change 2016–2036	
	City	Greater Sydney	City	Greater Sydney	City	Greater Sydney	City	Greater Sydney
Average household size	1.97	2.72	1.95	2.69	1.95	2.65	0.02	-0.07

Source: Australian Bureau of Statistics, Census of Population and Housing, 2006, 2011 and 2016

Table 12: Average household size by village area, City of Sydney, 2006-2016

Village area	2016	2021	2026	Change 2006–2016
CBD and Harbour	1.75	1.80	2.00	- 0.25
Chinatown and CBD South	2.56	2.40	2.60	- 0.04
Crown and Baptist Street	1.86	1.86	1.84	+0.02
Glebe Point Road	1.99	1.96	1.97	+0.02
Green Square and City South	2.17	2.21	2.18	- 0.01
Harris Street	2.17	2.14	2.08	+0.09
King Street	1.95	2.02	2.00	- 0.05
Macleay Street and Woolloomooloo	1.54	1.56	1.56	- 0.02
Oxford Street	1.78	1.76	1.82	- 0.04
Redfern Street	1.94	1.94	1.95	- 0.01

Source: Australian Bureau of Statistics, Census of Population and Housing, 2006, 2011 and 2016

Household type

Table 13 compares the breakdown of household types for the City of Sydney and Greater Sydney between 2006 and 2016. The city has proportionally more lone person households, representing 37.3 per cent of households in the LGA compared to 21.6 per cent for Greater Sydney.

While lone persons were the most prevalent household type in the LGA in 2016, their share has declined over the 10-year period from 41.2 per cent in 2006.

In contrast, the share of group households and couples without children and couples with children all increased between 2006 and 2016, representing 15.5 per cent, 29.7 per cent and 10.9 per cent of all households in the local area respectively.

These trends can in part help explain the increase in household size seen in the LGA over the 10-year period and may also be driven by factors such as housing affordability, availability of stock or more couples staying in the area and having children.

Table 13: Breakdown of household type, City of Sydney, 2006-2016

Households (Enumerated)	2016			2011			2006			2006–2016	
	City	%	Greater Sydney %	City	%	Greater Sydney %	City	%	Greater Sydney %	Absolute change	City diff. in %
Lone person	31,852	37.3	21.6	29,218	39.9	22.6	24,572	41.2	23.1	+7,280	-3.9
Group household	13,239	15.5	4.7	10,361	14.2	4.3	8,257	13.8	4.2	+4,982	+1.7
Couples without children	25,397	29.7	23.8	20,675	28.3	23.7	16,043	26.9	23.6	+9,354	+2.8
Couples with children	9,310	10.9	37.4	7,538	10.3	36.6	5,949	10.0	36.4	+3,361	+0.9
One parent families	3,974	4.7	11.1	3,706	5.1	11.4	3,269	5.5	11.3	+705	-0.8
Other families	1,654	1.9	1.4	1,675	2.3	1.4	1,575	2.6	1.4	+79	-0.7
Total householdsⁱ	85,426	100	100	73,173	100	100	59,665	100	100	25,761	

Source: Australian Bureau of Statistics, Census of Population and Housing, 2006, 2011 and 2016

Households with children

Table 14 provides a breakdown of households with young, mixed and older age children in the City of Sydney and Greater Sydney between 2006 and 2016.

In 2016, households with children represented 15.6 per cent of all households in the city. While the LGA has proportionally fewer couples with children households compared to Greater Sydney in 2016 (70.1 per cent versus 77.2 per cent), the share of couples with younger children is higher (49.8 per cent versus 41.0 per cent).

There has also been an increasing trend in couple households with young children between 2006 and 2016, growing from 41.2 per cent in 2006 to 46.1 per cent in 2011 and to representing nearly half (49.8 per cent) of all households with children in 2016.

Table 14: Households with children, City of Sydney and Greater Sydney, 2006-2016

Households (Enumerated)	2016			2011			2006			2006–2016	
	City	%	Greater Sydney %	City	%	Greater Sydney %	City	%	Greater Sydney %	Absolute change	City diff. in %
Couples with children:	9,310	70.1	77.2	7,538	67.0	76.3	5,949	64.5	76.3	+3,361	+5.6
Mixed-age children	540	4.1	10.4	460	4.1	10.7	414	4.5	11.4	+126	+0.4
Older children	2,155	16.2	25.8	1,895	16.9	25.4	1,735	18.8	25.2	+420	+2.6
Young children	6,615	49.8	41.0	5,183	46.1	40.1	3,800	41.2	39.7	+2,815	+8.6
Single parents with children:	3,974	29.9	22.8	3,706	33.0	23.7	3,269	35.5	23.7	+705	-5.6
Mixed-age children	250	1.9	2.6	261	2.3	2.8	298	3.2	2.9	- 48	1.3
Older children	2,372	17.9	13.0	2,178	19.4	12.8	1,815	19.7	11.9	+557	1.8
Young children	1,352	10.2	7.2	1,267	11.3	8.1	1,156	12.5	8.9	+196	2.3
Total households with childrenⁱⁱ	13,284	100	100	11,244	100	100	9,218	100	100	4,006	

Source: Australian Bureau of Statistics, Census of Population and Housing, 2006, 2011 and 2016

Table 15 provides a comparison of households without children across the young (15–44), middle-age (45–64) and older age (65+) categories in the City of Sydney and Greater Sydney between 2006 and 2016. In 2016, households without children represented 82.5 per cent of all households in the LGA. Overall, the LGA has a proportionally higher share of young couples without children households compared to Greater Sydney in 2016 (25.3 per cent versus 17.6 per cent).

There has also been an increasing trend of young couples without children in the city, from 22.8 per cent in 2006 to 24.0 per cent in 2011 and 25.3 per cent in 2016. In contrast, the trend in younger lone person households has decreased from 27.4 per cent in 2006 to 26.2 per cent in 2011 and 23.8 per cent in 2016.

Table 15: Private dwelling structure, City of Sydney and Greater Sydney, 2006-2016

Dwellings (Enumerated)	2016			2011			2006			2006–2016	
	City	%	Greater Sydney %	City	%	Greater Sydney %	City	%	Greater Sydney %	Absolute change	City diff. in %
Separate house	1,466	1.4	55.4	1,476	1.6	59.1	1,443	1.6	61.1	+23	-0.2
Medium density	19,514	18.4	20.4	20,552	21.7	19.7	20,141	22.4	19.2	-627	-4.0
High density	83,325	78.7	23.7	70,802	74.7	20.8	65,841	73.4	19.3	+17,484	+5.3
Other	1,555	1.5	0.6	1,975	2.1	0.4	2,324	2.6	0.4	-769	-1.1
Total private dwellings	105,860	100	100	94,805	100	100	89,749	100	100	+16,111	

Source: City of Sydney Floor Space and Employment Survey 2006/07 and 2011/12, City of Sydney Housing Audit 2016 (City of Sydney figures)

Separate house: includes all free-standing dwellings

Medium density: includes semi-detached, row, terrace townhouse and villa units, plus flats and apartments in blocks of 1 or 2 storeys and flats attached to houses

High density: includes flats and apartments in buildings of at least 3 storeys and higher

Dwelling structure

Table 16 provides a comparison of the structure of private dwellings in the City of Sydney and Greater Sydney between 2006 and 2016. In 2016, 97.1 per cent of dwellings in the LGA were medium or high density,

compared to 40.5 per cent in Greater Sydney. The city has a significantly higher proportion of high density housing with 78.7 of all private dwellings considered high density in 2016 compared to 23.7 per cent in Greater Sydney.

Table 16: Households without children, City of Sydney and Greater Sydney, 2006-2016

Households (Enumerated)	2016			2011			2006			2006–2016	
	City	%	Greater Sydney %	City	%	Greater Sydney %	City	%	Greater Sydney %	Absolute change	City diff. in %
Couples without children aged:	25,397	36.0	47.4	20,675	34.3	46.9	16,043	32.8	46.3	+9,354	+3.2
15 – 44	17,850	25.3	17.6	14,480	24.0	16.9	11,121	22.8	16.7	+6,729	+2.5
45 – 64	4,857	6.9	12.7	4,202	7.0	14.3	3,335	6.8	15.0	+1,522	+0.1
65 and over	2,690	3.8	17.1	1,993	3.3	15.7	1,587	3.2	14.7	+1,103	+0.6
Lone person aged:	31,852	45.2	43.2	29,218	48.5	44.7	24,572	50.3	45.4	+7,280	-5.1
15 – 44	16,797	23.8	12.2	15,815	26.2	13.6	13,396	27.4	14.7	+3,401	-3.6
45 – 64	9,495	13.5	13.7	8,657	14.4	14.4	7,129	14.6	14.1	+2,366	-1.1
65 and over	5,560	7.9	17.2	4,746	7.9	16.7	4,047	8.3	16.6	+1,513	-0.4
Group households	13,239	18.8	9.4	10,361	17.2	8.4	8,257	16.9	8.3	+4,982	1.9
Total households without children	70,488	100	100	60,254	100	100	48,872	100	100	+21,616	

Source: Australian Bureau of Statistics, Census of Population and Housing, 2006, 2011 and 2016

In contrast, separate houses represented less than 2 per cent of total private dwellings, compared to 55.4 per cent in Greater Sydney. The proportion of medium density housing, which includes terraces and semi-detached dwellings as well as flats and apartments in low-rise buildings decreased from 22.4 per cent to 18.4 per cent between 2006 and 2016. Separate houses in the LGA also declined slightly from 1.6 per cent to 1.4 per cent over the same period.

It is expected that the city will continue to accommodate high-density housing with a large share of these being delivered in key urban renewal areas such as Green Square which has coincided with the planning and delivery of key community infrastructure projects and programs to service the growing population.

Table 17 looks at the structure of private dwellings for each village area between 2006 and 2016. In 2016, 5 out of 10 village areas had at least 88 per cent of their dwelling stock represented by high-density housing. Chinatown and CBD South had the highest proportion of high density (99.1 per cent) followed by CBD and Harbour (91.2 per cent) and Harris Street villages (90.7 per cent). Between 2006 and 2016, all villages had an increase in the number of high-density dwellings in their respective areas. Overall, the largest increase of high-density dwellings was in Green Square and City South (7,911 dwellings) followed by Glebe Point Road (1,918 dwellings) and Harris Street (1,129 dwellings).

Table 17: Private dwelling structure, City of Sydney and Greater Sydney, 2006-2016

Village area	Dwelling type	2016	%	2011	%	2006	%	Absolute change	% change
CBD and Harbour	Separate house	3	0.1	-	-	5	0.1	-2	-40.0
	Medium density	416	7.5	439	8.3	448	8.8	-32	-7.1
	High density	5,050	91.2	4,782	90.5	4,572	89.7	478	10.5
	Other	68	1.2	63	1.2	71	1.4	-3	-4.72
	Total	5,537	100	5,284	100	5,096	100	441	8.7
Chinatown and CBD South	Separate house	-	-	-	-	-	-	-	-
	Medium density	-	-	-	-	-	-	-	-
	High density	7,199	99.1	6,814	98.7	6,288	98.9	911	14.5
	Other	64	0.9	90	1.3	70	1.1	-6	-8.5
	Total	7,263	100	6,904	100	6,358	100	905	14.2
Crown and Baptist Streets	Separate house	6	-	-	-	-	-	6	-
	Medium density	3,629	29.0	3,783	30.5	3,719	30.4	-90	-2.4
	High density	8,633	69.0	8,309	67.0	8,060	65.9	573	7.1
	Other	238	1.9	310	2.5	453	3.7	-215	-47.5
	Total	12,506	100	12,402	100	12,232	100	274	2.2
Glebe Point Road	Separate house	320	3.0	313	3.3	309	3.4	11	3.6
	Medium density	3,228	29.9	3,331	35.1	3,291	36.2	-63	-1.9
	High density	7,053	65.4	5,505	58.0	5,135	56.5	1,918	37.4
	Other	183	1.7	342	3.6	355	3.9	-172	-48.5
	Total	10,784	100	9,491	100	9,090	100	1,694	18.6
Green Square and City South	Separate house	799	5.2	835	8.3	801	10.7	-2	-0.2
	Medium density	773	5.0	795	7.9	666	8.9	107	16.1
	High density	13,879	89.5	8,380	83.3	5,968	79.6	7,911	132.6
	Other	54	0.3	50	0.5	52	0.7	2	3.8
	Total	15,505	100	10,060	100	7,487	100	8,018	107.1

Village area	Dwelling type	2016	%	2011	%	2006	%	Absolute change	% change
Harris Street	Separate house	4	0	-	-	8	0.1	-4	-50.0
	Medium density	755	8.8	823	9.9	813	10.8	-58	-7.1
	High density	7,804	90.7	7,460	89.7	6,675	88.7	1,129	16.9
	Other	45	0.5	33	0.4	30	0.4	15	50.0
	Total	8,608	100	8,317	100	7,526	100	1,082	14.4
King Street	Separate house	163	1.7	155	1.8	150	1.8	13	8.7
	Medium density	3,779	40.5	3,768	43.9	3,684	44.3	95	2.6
	High density	5,215	55.9	4,489	52.3	4,248	51.1	967	22.8
	Other	177	1.9	172	2.0	233	2.8	-56	-24.0
	Total	9,334	100	8,584	100	8,315	100	1,019	12.3
Macleay Street and Woolloomooloo	Separate house	39	0.3	37	0.3	38	0.3	1	2.6
	Medium density	1,032	8.1	1,123	9.0	1,095	8.7	-63	-5.8
	High density	11,219	88.6	10,948	87.7	11,058	87.9	161	1.5
	Other	373	2.9	374	3.0	390	3.1	-17	-4.4
	Total	12,663	100	12,483	100	12,581	100	82	0.7
Oxford Street	Separate house	126	1.2	114	1.1	121	1.2	5	4.1
	Medium density	2,403	22.4	2,603	25.2	2,581	25.6	-178	-6.9
	High density	8,104	75.4	7,314	70.8	7,017	69.6	1,087	15.5
	Other	109	1.0	300	2.9	363	3.6	-254	-70.0
	Total	10,742	100	10,330	100	10,082	100	660	6.5
Redfern Street	Separate house	6	0	22	0.2	11	0.1	-5	-45.5
	Medium density	3,499	27.1	3,887	35.5	3,844	35.0	-345	-9.0
	High density	9,169	71.0	6,800	62.1	6,820	62.1	2,349	34.4
	Other	244	1.9	241	2.2	307	2.8	-63	-20.5
	Total	12,918	100	10,950	100	10,982	100	1,936	17.6

Source: City of Sydney Floor Space and Employment Survey 2006/07 and 2011/12, City of Sydney Housing Audit 2016 (City of Sydney figures)

Number of bedrooms

Table 18 shows the breakdown of private dwellings by number of bedrooms between 2006 and 2016. In 2016, nearly 80 per cent of dwellings in the City of Sydney were two bedrooms or less compared to nearly 34 per cent for Greater Sydney. Over the 10-year period to 2016, the share of two bedroom dwellings has declined slightly from 42.5 per cent to 41.4 per cent. In contrast, the share of studio and one bedroom dwellings has increased from 35.5 per cent to 38.0 per cent between 2006 and 2016.

Between 2006 and 2016, studio and one bedroom dwellings also had the largest growth, with 11,202 additional dwellings, and accounted for 43.9 per cent of the total growth in private dwellings between 2006 and 2016. While the share of two bedroom dwellings has slightly declined since 2006, these dwellings still accounted for the dominant dwelling type in 2016.

Table 18: Number of bedrooms per dwelling, City of Sydney, 2006 - 2016

Households (Enumerated)	2016			2011			2006			2006–2016	
	City	%	Greater Sydney %	City	%	Greater Sydney %	City	%	Greater Sydney %	Absolute change	City diff. in %
0 – 1 bedrooms	32,268	38.0	8.4	27,257	37.0	7.8	21,066	35.5	7.1	+11,202	+2.5
2 bedrooms	35,110	41.4	25.5	30,871	41.9	25.4	25,219	42.5	25.3	+9,891	-1.1
3 bedrooms	13,239	15.6	34.6	11,941	16.2	37.4	10,122	17.0	39.3	+3,117	-1.4
4 bedrooms	3,192	3.8	23.7	2,702	3.7	22.8	2,312	3.9	22.2	+880	-0.1
5+ bedrooms	1,086	1.3	7.9	897	1.2	6.6	683	1.1	6.1	+403	+0.2
Total households	84,895	100	100	73,668	100	100	59,402	100	100	+25,493	

Source: Australian Bureau of Statistics, Census of Population and Housing, 2006, 2011 and 2016

Tenure and landlord type

Table 19 shows a breakdown of households by tenure, including social housing.

The city had a significantly lower proportion of households in fully owned properties, 14.5 per cent, compared to 29.9 per cent for Greater Sydney in 2016. In 2016, the share of private rental households was considerably higher (64.3 per cent compared to 34.9 per cent).

In 2006 to 2016, there has been a 4 per cent increase in the proportion of private renters compared to an overall 2 per cent decrease in the proportion of people who have a mortgage. The proportion of households that own their property outright has remained relatively stable over the 10-year timeframe.

Table 19: Housing tenure, City of Sydney and Greater Sydney, 2006-2016.

Households (Enumerated)	2016			2011			2006			2006-2016	
	City	%	Greater Sydney %	City	%	Greater Sydney %	City	%	Greater Sydney %	Absolute change	City diff. in %
Fully owned	12,286	14.5	29.9	10,592	14.4	31.1	8,476	14.3	32.8	+3,810	+0.2
Mortgage	17,190	20.3	34.0	17,271	23.5	35.5	12,985	21.9	33.9	+4,205	-1.6
Renting – private	46,396	54.7	29.8	37,420	50.9	26.7	29,940	50.5	26.3	+16,456	+4.2
Renting – social housing	7,802	9.2	4.9	7,312	9.9	5.3	6,961	11.7	5.5	+841	-2.5
Other tenure types	1,097	1.3	1.4	946	1.3	1.3	930	1.6	1.5	+167	-0.4
Total households	84,771	100	100	10,592	100	100	8,476	100	100	+25,479	

Source: Australian Bureau of Statistics, Census of Population and Housing, 2006, 2011 and 2016
Other tenure type also includes 'renting not stated' category.

Aboriginal and Torres Strait Islander households

Table 20 shows key statistics of the Aboriginal and Torres Strait Islander population in the City of Sydney. In 2016, the Estimated Residency Population (ERP) was 3,509 people or 1.6 per cent of the City of Sydney's

overall population. This has increased by 494 persons since 2011. In 2016, the majority of First Nations peoples lived in private dwellings compared with 345 people living in non-private dwellings.

Table 20: Aboriginal and Torres Strait Islander profile, key statistics, City of Sydney and Greater Sydney, 2011-2016

Aboriginal and Torres Strait Islander peoples – City of Sydney	2016			2011			Change
	Number	%	City of Sydney – Total population %	Number	%	City of Sydney – Total population %	
Estimated Resident Population (ERP)ⁱⁱⁱ							
Number of persons usually resident^{iv}	2,412	100	1.2	2,176	100	1.3	+236
Males	1,236	51.2	51.8	1,089	50.0	52.8	+147
Females	1,176	48.8	48.2	1,087	50.0	47.2	+89
Indigenous status							
Aboriginal	2,222	92.1	1.1	2,042	94.0	1.2	+180
Torres Strait Islander	96	4.0	0.05	67	3.1	0.05	+29
Both Aboriginal and Torres Strait Islander	95	3.9	0.05	63	2.9	0.05	+32
Dwellings							
Persons counted in non private dwellings	345	-	-	283	-	-	+62
Persons counted in private dwellings	2,321	-	-	2,093	-	-	+228
Occupied private dwellings	1,375	-	-	1,200	-	-	+175

Sources: Australian Bureau of Statistics, Cat No. 3238.0.55.001 - Estimates of Aboriginal and Torres Strait Islander Australians, June 2016; Australian Bureau of Statistics, Census of Population and Housing, 2011 and 2016

Table 21 shows housing tenure for Aboriginal and Torres Strait Islander households in the city. Section 2.2 Housing Demand discusses housing for Aboriginal and Torres Strait Islander peoples in more detail.

Table 21: Aboriginal and Torres Strait Islander profile, housing tenure, City of Sydney and Greater Sydney, 2011-2016

Aboriginal and Torres Strait Islander peoples – City of Sydney	2016			2011			Change
	Number	%	City of Sydney – Total population %	Number	%	City of Sydney – Total population %	
Tenure type							2011–2016
Fully owned	72	5.5	14.5	64	5.6	14.3	+8
Mortgage	128	9.8	20.3	123	10.8	21.9	+5
Renting (total)	1,087	83.3	63.9	935	82.1	62.2	+152
- Public	560	42.9	7.7	533	46.8	7.7	+27
- Housing co-operative, community or church group	88	6.7	1.5	60	5.3	0.9	+28
- Private and other	439	33.6	54.7	342	30.0	53.6	+97
Other	18	1.4	1.3	17	1.5	1.6	+1
Total households	1,305	100	100	1,139	100	100	+166

Source: Australian Bureau of Statistics, Census of Population and Housing, 2011 and 2016

Household income

In 2016, the median weekly household income in the City of Sydney was \$1,926 per week, which was \$176 higher than the Greater Sydney median household income.

Table 22 looks at the distribution of household incomes in the City of Sydney and Greater Sydney relative to NSW. Income quartiles are created for NSW by ranking households from the lowest income to the highest income and then separating this into four equal groups, which is done for each Census period. This approach is preferred over looking at differences in household income levels over time as it considers the impact of inflation. Table 23 defines the dollar ranges for each quartile for 2006, 2011 and 2016.

Table 22: Household income distribution by NSW weekly household income quartiles, City of Sydney and Greater Sydney, 2006 - 2016

Households (Enumerated)	2016			2011			2006			2006–2016	
	City	%	Greater Sydney %	City	%	Greater Sydney %	City	%	Greater Sydney %	Absolute Change	City diff. in %
Lowest group	18,132	22.8	21.0	14,731	21.6	21.0	12,159	22.2	20.9	+5,973	0.6
Medium lowest	13,726	17.3	22.3	12,310	18.0	22.5	10,704	19.5	22.7	+3,022	-2.2
Medium highest	20,181	25.4	26.1	15,801	23.1	25.8	12,062	22.0	25.3	+8,119	3.4
Highest group	27,421	34.5	30.6	25,497	37.3	30.6	19,929	36.3	31.1	+7,492	-1.8

Source: Australian Bureau of Statistics, Census of Population and Housing, 2006, 2011 and 2016

Shown in Table 22, in 2016 the city had a slightly higher proportion of households in the lowest NSW income quartile (22.8 per cent) compared to Greater Sydney (21 per cent), earning \$0–\$750 per week.

While there were proportionally fewer households in the lowest group in 2011 (21.6 per cent), the proportion was slightly higher compared to 2006 (22.2 per cent) where the lowest NSW income quartile was defined as households earning \$0–\$418 per week.

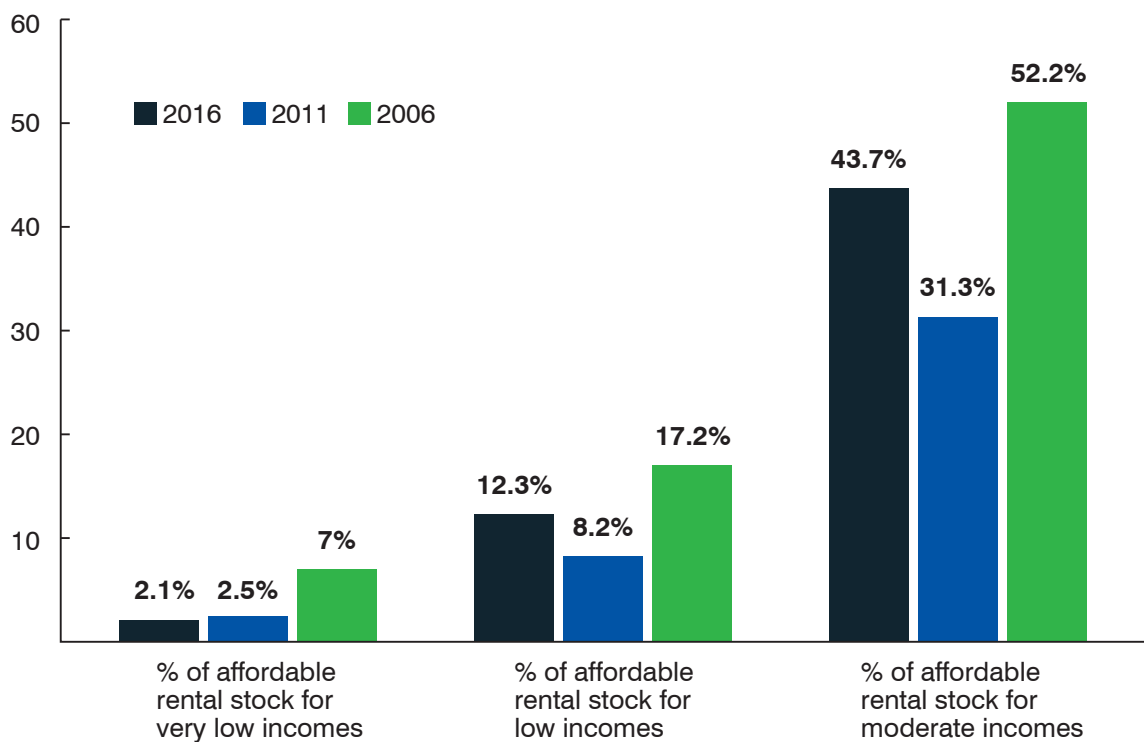
Table 23: Household income distribution by NSW weekly household income quartiles, City of Sydney and Greater Sydney, 2006 - 2016

Household income ranges	2016	2011	2006
Lowest group	\$0–\$750	\$0–\$614	\$0–\$530
Medium lowest	\$751–\$1,481	\$615–\$1,233	\$531–\$1,034
Medium highest	\$1,482–\$2,554	\$1,234–\$2,272	\$1,035–\$1,788
Highest group	\$2,555 and over	\$2,273 and over	\$1,789 and over

Figure 10 shows that the availability of affordable rental stock for very low, low and moderate income households (as defined by NSW Family and Community Services) has decreased from 2006 to 2016.

It shows a substantial decline in the amount of rental stock that is affordable for people on very low incomes, from 7 per cent in 2006 to 2.1 per cent in 2016. The amount of rental stock affordable for moderate and low income has increased slightly from 2011 to 2016, but is less than its peak in 2006.

Figure 10: Proportion of rental housing stock that is affordable, 2006 - 2016



Source: Department of Family and Community Services 'NSW Local Government Housing Kit'

Housing stress

Housing stress is a measure of when the proportion of a lower income household's income spent on housing becomes a burden. Generally, households are described as being in housing stress when more than 30 per cent of their disposable income is spent on rent or mortgage repayments.

There are a number of indicators used to measure housing stress, each with their own strengths and weaknesses, and widely debated in various literature. Housing stress is often reported for households in lower income bands, recognising higher income households are less likely to experience difficulties in making rental and mortgage repayments. However, the definition of what constitutes a low-income household also varies. Some key methodological differences are:

- whether to use equivalised versus non-equivalised household income or gross versus disposable income
- whether to look at households falling in the lowest 40 per cent of incomes or at households with gross incomes below 120 per cent of the median income. The former is a definition which has been used by the National Centre for Social and Economic Modelling (NATSEM) and the ABS. The latter is a definition used by the Department of Family and Community Services.

For the purpose of this section, data is presented for those households falling in the lowest 40 per cent of non-equivalised household incomes based on the Greater Sydney income distribution to report the proportion of low-income households facing housing stress using 2011 and 2016 Census data. This represents an approximate weekly household income falling anywhere between \$1 and \$1,499 per week in 2016 and between \$1 and \$1,249 per week in 2011. Given the ABS Census collects income data in ranges, the \$1,250 - \$1,499 band, calculated as the 37th percentile for the City of Sydney LGA, was identified as being closest to representing the 40th percentile cut-off based on a Greater Sydney distribution of household income.

Table 24 shows the number of households in housing stress in the LGA. In 2016, nearly a fifth (19.5 per cent) of all households in the LGA were experiencing housing stress. This is a slightly higher proportion when compared to Greater Sydney with 16.5 per cent of all households experiencing housing stress in 2016¹. The proportion of households experiencing housing stress in the LGA has also increased slightly since 2011, representing a 0.5 percentage point difference overall compared to 2016.

When looking specifically at rental households, 27.6 per cent of all rental households in the LGA were experiencing rental stress compared to 34.7 per cent for Greater Sydney in 2016. The proportion of mortgaged households experiencing mortgage stress was lower, representing 13.5 per cent of all mortgaged households in the LGA compared to 14.8 per cent for Greater Sydney in 2016. The proportion of mortgaged households experiencing mortgage stress in the LGA was also higher in 2016 compared to 2011, representing a 1.6 percentage point difference overall.

The concern over housing stress is critical when ascertaining the significance of the problem amongst low income households in the LGA and in Greater Sydney. In 2016, the Census counted 22,323 low income mortgaged and rental households in the LGA reporting income ranging from \$1 - \$1,499 per week. Of those low income mortgaged and rental households in the LGA, 69.3 per cent were in housing stress where more than 30 per cent of their income was spent on housing costs. A similar share was observed for Greater Sydney with 67.8 per cent of all low income mortgaged and rental households experiencing housing stress in 2016. This highlights the vulnerability of low income households who are being squeezed out of housing markets across Greater Sydney as rising housing costs place enormous pressures to sustain living in metropolitan regions further constraining opportunities for these households to access key jobs and services.

¹ 'Negative', 'nil', 'partial income stated' and 'all income not stated' have been excluded from all calculations. Base also excludes 'not stated' and 'not applicable'.

Table 24: Households in housing stress, City of Sydney, 2011 - 2016²

Households ^v (Enumerated)	2016				2011				2011-2016	
	Number in housing stress	Total h/holds	City %	Greater Sydney %	Number in housing stress	Total h/holds	City %	Greater Sydney %	Absolute Change	City diff. in %
Household stress >30% of household income spent on housing (mortgage or rent)	15,462	79,291	19.5	16.5	12,267	64,627	19.0	15.9	+3,195	+0.5
Mortgage Stress >30% of household income spent on mortgage, % of those that mortgage	2,163	16,078	13.5	14.8	1,812	15,281	11.9	15.0	+351	+1.6
Rental Stress >30% of household income spent on rent, % of those that rent	13,299	48,258	27.6	34.7	10,455	37,936	27.6	34.2	+2,844	+0.0

² Partial income stated, all incomes not stated and not applicable excluded from calculations. Households with nil and negative income reported also excluded from calculations.

Employment

The employment of residents living in the City of Sydney is explored below. Please note this does not refer to people coming into the city to work.

Table 25 explores employment classifications of city residents. It shows in 2016 the dominant occupation was professionals (44,227 workers) accounting for 38.4 per cent of all workers, compared to 26.8 per cent in Greater Sydney. This category also experienced the largest growth since 2006 with 15,735 additional workers, which makes up 40.2 per cent of all the additional workers across all occupations in this 20-year period.

There was also a large increase in the number of managers (7,351 workers) accounting for 18.8 per cent of all additional workers across all occupations from 2006 to 2016. There were no decreases in the number of workers in each occupation from 2006 to 2016.

Table 25: Employment occupation, City of Sydney and Greater Sydney, 2006 - 2016^{vi}

Employed persons (usual residence)	2016			2011			2006			Change
	Occupation	Number	%	Greater Sydney %	Number	%	Greater Sydney %	Number	%	Greater Sydney %
Managers	19,927	17.3	14.0	16,006	16.8	13.5	12,576	16.6	13.5	+7,351
Professionals	44,227	38.4	26.8	37,598	39.6	26.0	28,492	37.5	24.3	+15,735
Technicians and Trades Workers	9,303	8.1	11.9	7,413	7.8	12.4	5,765	7.6	13.0	+3,538
Community and Personal Service Workers	11,980	10.4	9.8	8,939	9.4	9.0	7,085	9.3	8.2	+4,895
Clerical and Administrative Workers	13,028	11.3	14.9	12,666	13.3	16.5	10,859	14.3	17.1	+2,169
Sales Workers	8,894	7.7	9.2	7,197	7.6	9.2	6,445	8.5	9.7	+2,449
Machinery Operators and Drivers	1,742	1.5	5.7	1,405	1.5	5.8	1,433	1.9	6.1	+309
Labourers	5,997	5.2	7.7	3,774	4.0	7.5	3,322	4.4	8.2	+2,675
Total employed persons aged 15+	115,098	100	100	100,534	100	100	58,702	100	100	+56,396

Source: Australian Bureau of Statistics, Census of Population and Housing, 2011 and 2016

Table 26 shows the sectors residents are employed in, comparing City of Sydney to Greater Sydney. In 2016 the dominant industry sectors in the local area were Professional, Scientific and Technical Services (19,487 people or 16.6 per cent), Accommodation and Food Services (14,166 people or 12.1 per cent) and Financial and Insurance Services (10,296 people or 8.8 per cent). In combination, these three industries employed 43,949 people in total or 37.5 per cent of the total employed resident population. In comparison, 9.8 per cent of residents in Greater Sydney were employed in Professional, Scientific and Technical Services, 6.7 per cent in Accommodation and Food Services and 6.4 per cent in Financial and Insurance Services.

The city had a smaller percentage of residents employed in construction (3.7 per cent) compared to Greater Sydney (8.2 per cent) and a smaller percentage of persons employed in health care and social assistance (8.2 per cent) compared to Greater Sydney (11.6 per cent).

The largest changes in the jobs held by the resident population between 2006 and 2016 were for those employed in Professional, Scientific and Technical Services (an additional 7,852 persons), Accommodation and Food Services (an additional 6,462 persons) and Health Care and Social Assistance (an additional 3,656 persons). Together, these industry sectors make up 49.3 per cent of all employment growth over the 20-year timeframe.

Table 26: Industry sector of employment, City of Sydney and Greater Sydney, 2006 - 2016^{vii}

Employed persons (usual residence)	2016			2011			2006			Change
	Number	%	Greater Sydney %	Number	%	Greater Sydney %	Number	%	Greater Sydney %	2006–2016
Agriculture, Forestry and Fishing	194	0.2	0.5	106	0.1	0.4	114	0.2	0.5	+80
Mining	202	0.2	0.2	189	0.2	0.2	92	0.1	0.2	+110
Manufacturing	2,868	2.6	6.1	3,473	3.7	8.7	3,083	4.1	10.0	-215
Electricity, Gas, Water and Waste Services	487	0.4	0.8	441	0.5	0.9	332	0.4	0.9	+155
Construction	4,318	3.9	8.6	3,009	3.2	7.2	2,179	2.9	7.3	+2,139
Retail Trade	8,441	7.5	9.8	7,315	7.7	10.1	6,345	8.4	10.8	+2,096
Wholesale Trade	2,829	2.5	3.8	3,690	3.9	5.4	3,180	4.2	5.7	-351
Accommodation and Food Services	14,166	12.7	7.0	9,692	10.2	6.4	7,704	10.2	6.2	+6,462
Transport, Postal and Warehousing	3,532	3.2	5.3	3,026	3.2	5.4	2,829	3.7	5.5	+703
Information Media and Telecommunications	5,829	5.2	2.9	5,931	6.3	3.1	4,776	6.3	3.1	+1,053

Table 26 (cont'd): Industry sector of employment, City of Sydney and Greater Sydney, 2006 - 2016^{vii}

Employed persons (usual residence)	2016			2011			2006			Change
Financial and Insurance Services	10,296	9.2	6.7	9,774	10.3	6.7	7,619	10.1	6.6	+2,677
Rental, Hiring and Real Estate Services	2,494	2.2	2.0	1,769	1.9	1.8	1,460	1.9	1.9	+1,034
Professional, Scientific and Technical Services	19,487	17.4	10.4	16,219	17.1	9.9	11,635	15.4	9.1	+7,852
Administrative and Support Services	5,019	4.5	3.8	4,274	4.5	3.6	3,532	4.7	3.5	+1,487
Public Administration and Safety	6,744	6.0	5.8	5,461	5.8	5.8	4,651	6.2	5.7	+2,093
Education and Training	8,729	7.8	8.5	7,040	7.4	7.8	5,428	7.2	7.4	+3,301
Health Care and Social Assistance	9,642	8.6	12.2	7,637	8.1	11.2	5,986	7.9	10.2	+3,656
Arts and Recreation Services	3,402	3.0	1.8	2,910	3.1	1.6	2,257	3.0	1.5	+1,145
Other Services	3,229	2.9	3.8	2,670	2.8	3.8	2,242	3.0	3.9	+987
Total employed persons aged 15+	111,908	100	100	94,626	100	100	75,444	100	100	+36,464

Source: Australian Bureau of Statistics, Census of Population and Housing, 2011 and 2016

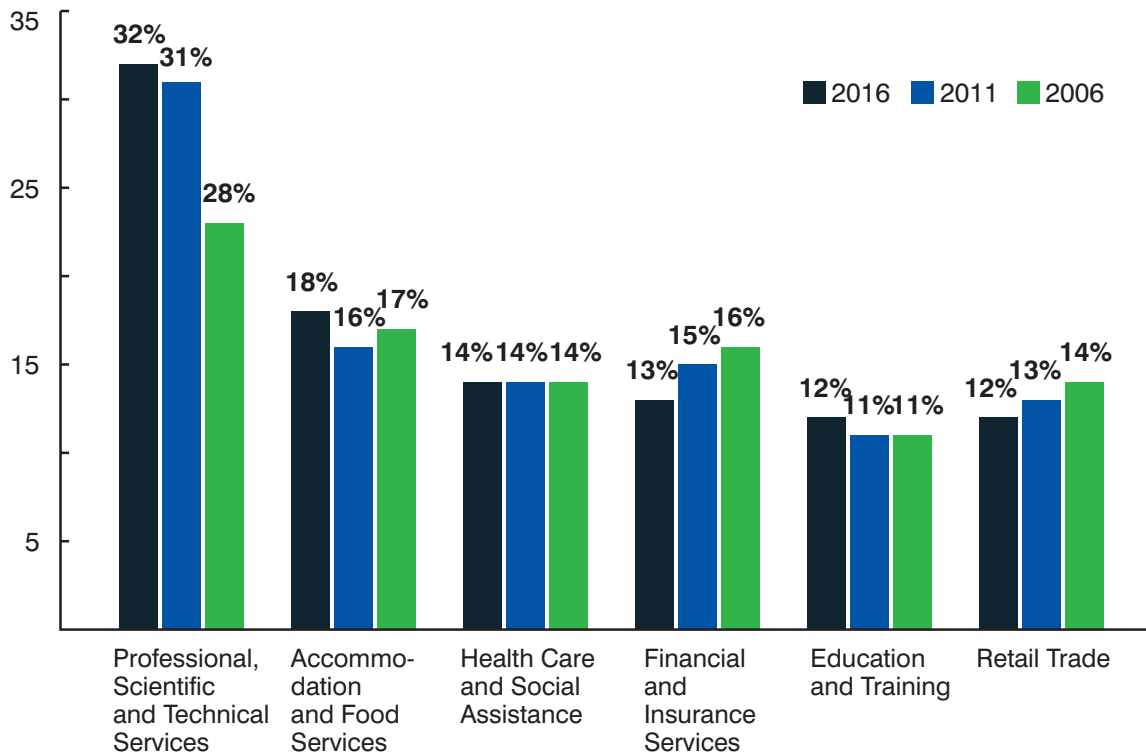
Employment sectors by village area

The employment sectors of people who live in the City of Sydney varies by village area. This reflects the different economic profile, and unique housing demands, of the residents living in each village.

This section shows the dominant industry sectors of residents living in each village area, and how it has changed over the past 10 years. Please note this is not the same as people working in each village area. This would reflect the economic profile of the businesses and jobs available and is not within the scope of this technical report.

Figure 11 shows the proportion of Crown and Baptist Streets village residents employed in the top five industry sectors. The proportion of people employed in the Professional, Scientific and Technical Services sector increased from 2006 to 2016 by 4 percentage points compared to Financial and Insurance Services sector, which decreased by 3 percentage points in the same 10-year timeframe. The other industry sectors have remained relatively stable from 2006 to 2016.

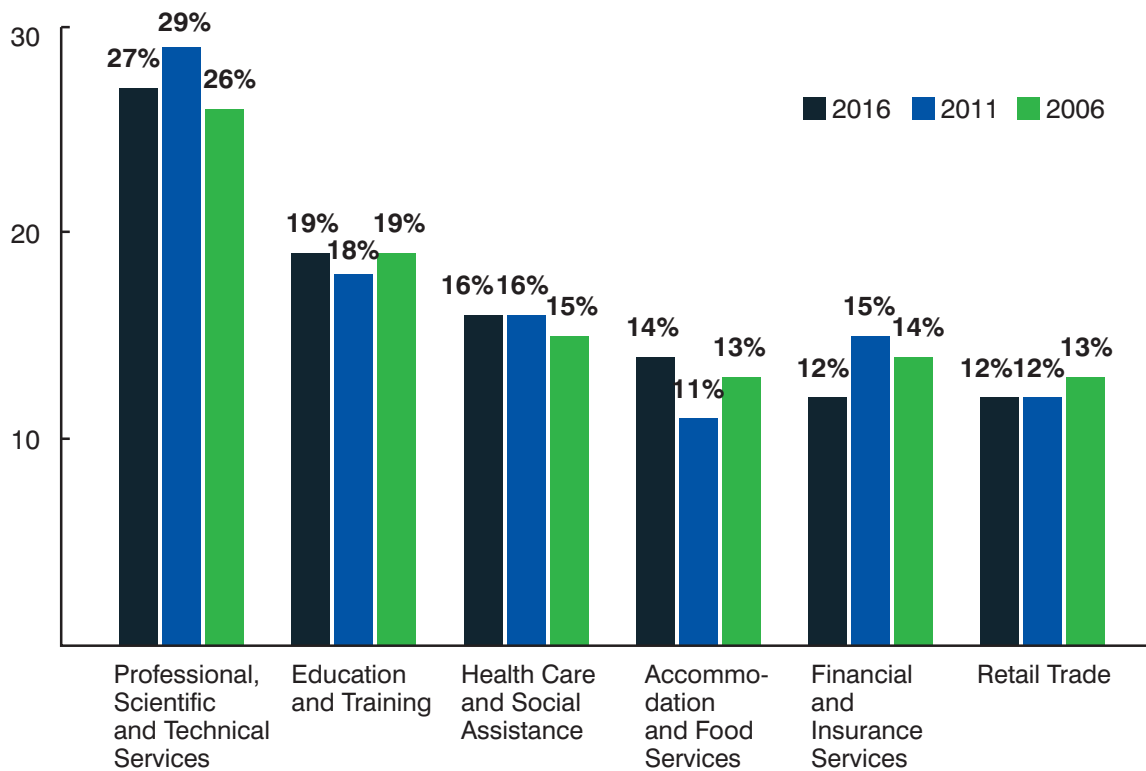
Figure 11: Proportion of industry sector of employment, Crown and Baptist Streets village residents, 2006 - 2016



Source: Australian Bureau of Statistics, Census of Population and Housing, 2011 and 2016

Figure 12 shows the proportion of Glebe Point Road village residents employed in the top five industry sectors. The proportion of people employed in the Professional, Scientific and Technical Services sector increased by 3 per cent from 2006 to 2011 and has decreased by 2 percentage points to 27 per cent in 2016. The other industry sectors have remained relatively stable from 2006 to 2016.

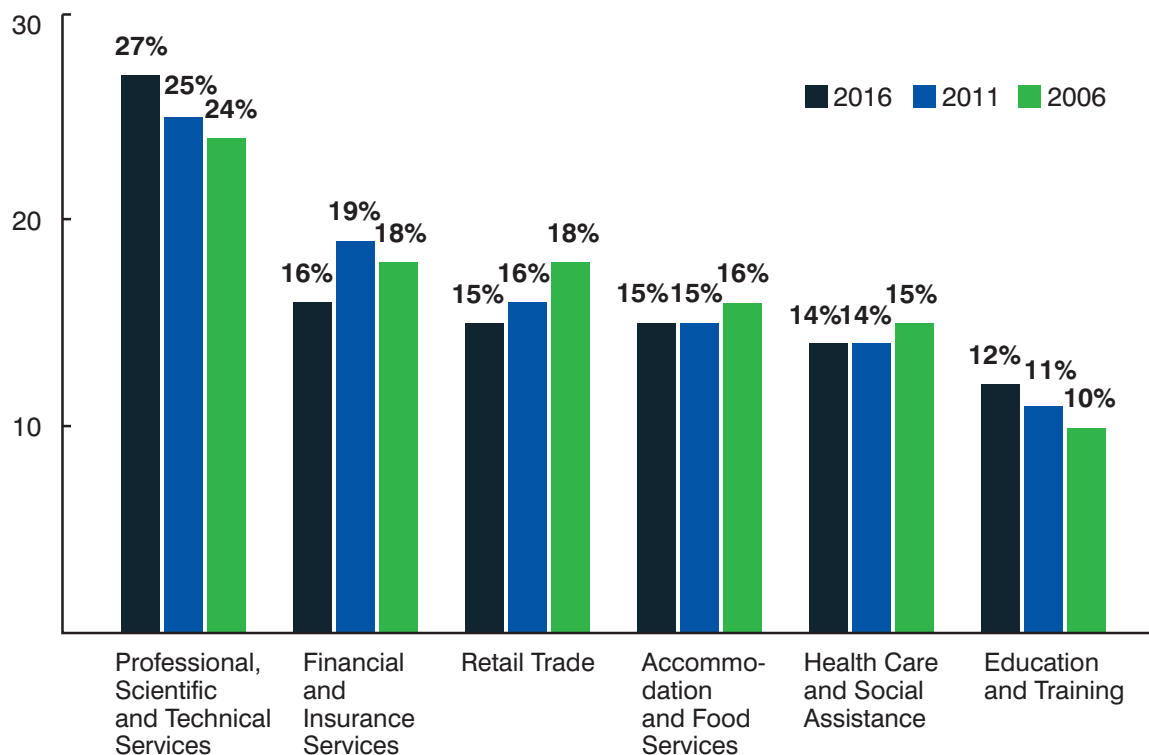
Figure 12: Proportion of industry sector of employment, Glebe Point Road village residents, 2006 - 2016



Source: Australian Bureau of Statistics, Census of Population and Housing, 2011 and 2016

Figure 13 shows the proportion of Green Square and City South village residents employed in the top five industry sectors. The proportion of people employed in the Professional, Scientific and Technical Services sector increases from 2006 to 2016 by three percentage points compared to the Financial and Insurances Services and Retail Trade sectors which decreased by two percentage points each over the same timeframe. The Education and Training sector also increased by two percentage points from 2006 to 2016. The other industry sectors have remained relatively stable over the 10-year period.

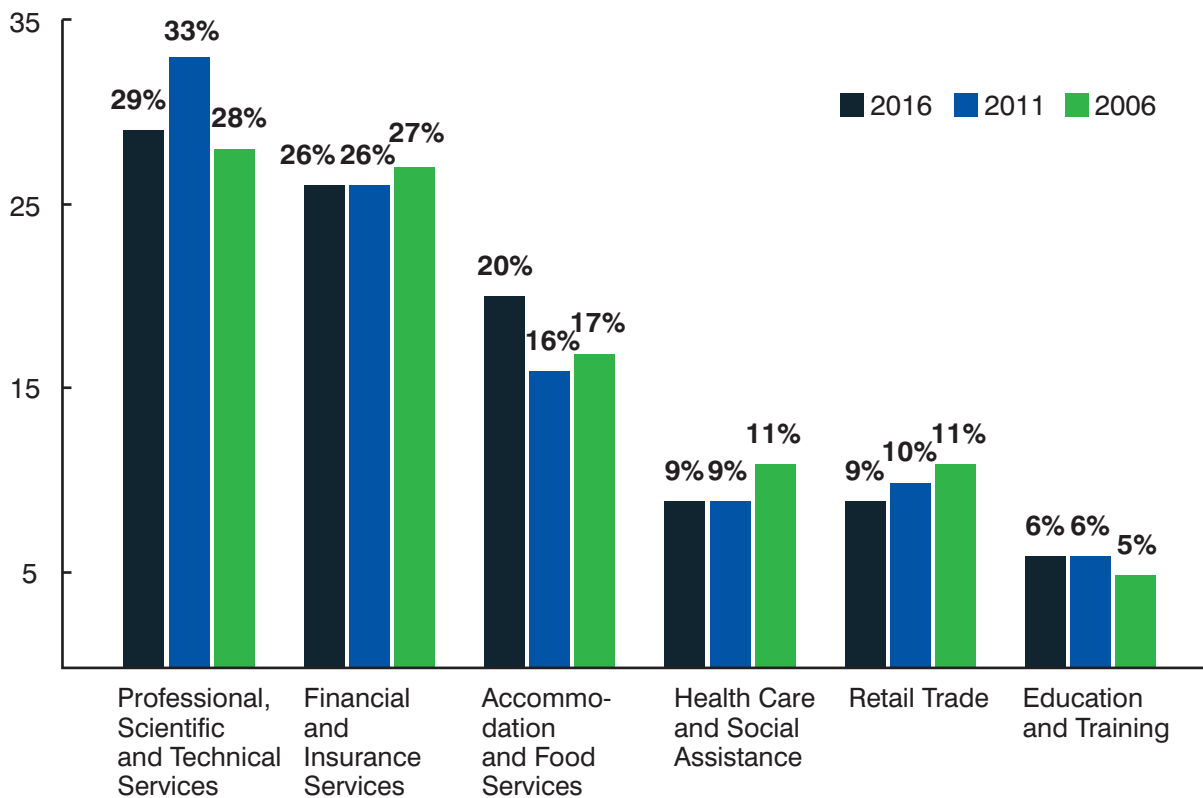
Figure 13: Proportion of industry sector of employment, Green Square and City South village residents, 2006 - 2016



Source: Australian Bureau of Statistics, Census of Population and Housing, 2011 and 2016

Figure 14 shows the proportion of CBD and Harbour Village residents employed in the top five industry sectors. The highest increase occurred in the Accommodation and Food Services sector where the proportion of people employed increased by three percentage points from 2006 to 2016 compared to the Financial and Insurance Services, Health Care and Social Assistance and Retail Trade sectors, which each decreased by around two percentage points over the same timeframe. The Professional, Scientific and Technical Services sector increased by 5 percentage points to 33 per cent from 2006 to 2011 but decreased to 29 per cent in 2016. The Education and Training sector remained relatively stable over the 10-year period.

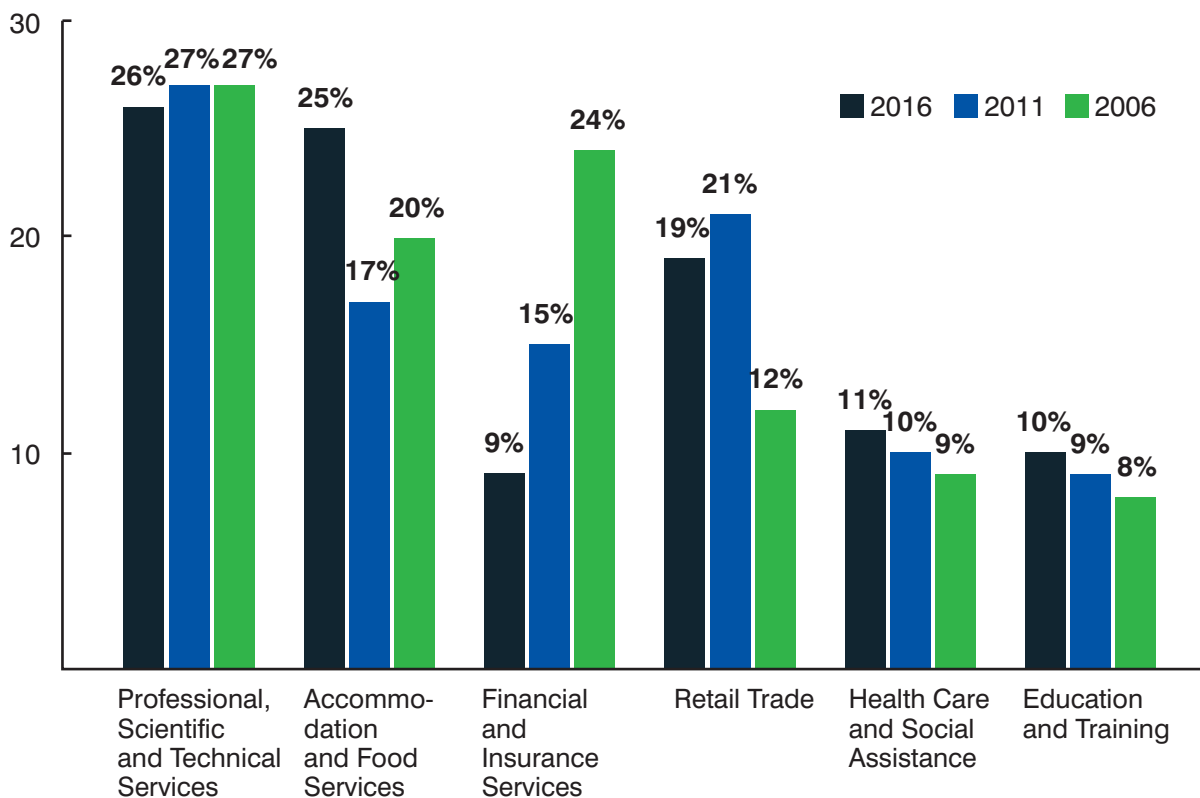
Figure 14: Proportion of industry sector of employment, CBD and Harbour village residents, 2006 - 2016



Source: Australian Bureau of Statistics, Census of Population and Housing, 2011 and 2016

Figure 15 shows the proportion of Harris Street village residents employed in the top five industry sectors. The highest increase occurred in the Retail Trade sector where the proportion of people employed from 2006 to 2016 increased by seven percentage points followed by the Accommodation and Food Services sector, which increased by five percentage points (after decreasing three percentage points from 2006 to 2011) in the same timeframe. This compares to the Financial and Insurance Services sector which decreased by 15 percentage points over 10 years. Both the Health Care and Social Assistance and Education and Training sectors each increased by two percentage points compared to the Professional, Scientific and Technical Services sector which has remained relatively stable from 2006 to 2016.

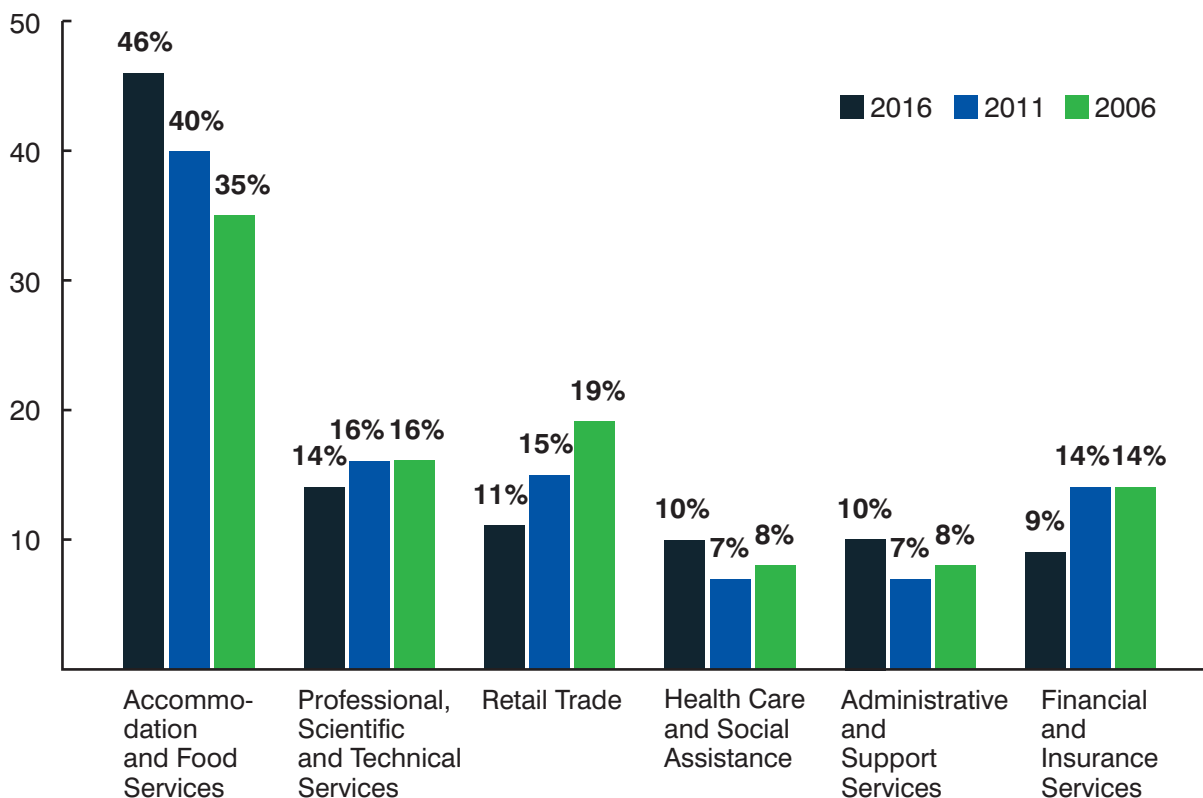
Figure 15: Proportion of industry sector of employment, Harris Street village residents, 2006 - 2016



Source: Australian Bureau of Statistics, Census of Population and Housing, 2011 and 2016

Figure 16 shows the proportion of Chinatown and CBD South village residents in the top five industry sectors. The highest increase occurred in the Accommodation and Food Services sector where the proportion of people employed from 2006 to 2016 increased by 11 percentage points. This compares to the Retail Trade sector which decreased by eight percentage points over the same timeframe. Changes also occurred in the Professional, Scientific and Technical Services and Financial and Insurance Services sector, which decreased by two percentage points and five percentage points respectively. Both the Health Care and Social Assistance and Administrative and Support Services each increased by 2 percentage points over 10 years.

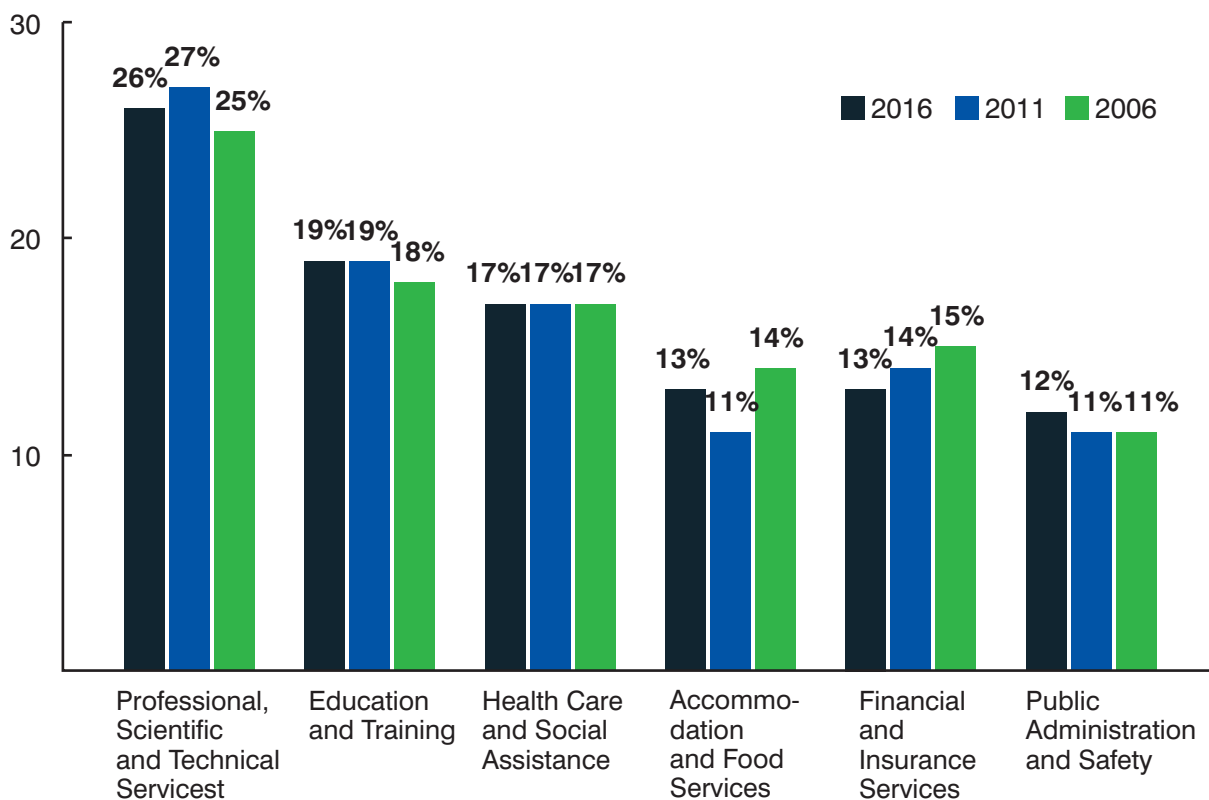
Figure 16: Proportion of industry sector of employment, Chinatown and CBD South village residents, 2006 - 2016



Source: Australian Bureau of Statistics, Census of Population and Housing, 2011 and 2016

Figure 17 shows the proportion of King Street village residents employed in the top five industry sectors, which remained relatively stable from 2006 to 2016. The proportion of people employed in the Accommodation and Food Services sector decreased from 2006 to 2011 by 3 percentage points and then increased by 2 percentage points from 2011 to 2016 to a total of 13 per cent. The proportion of people employed in the Professional, Scientific and Technical Services sector increased by 2 percentage points from 2006 to 2011 and then decreased by 1 percentage point to a total of 26 per cent from 2011 to 2016.

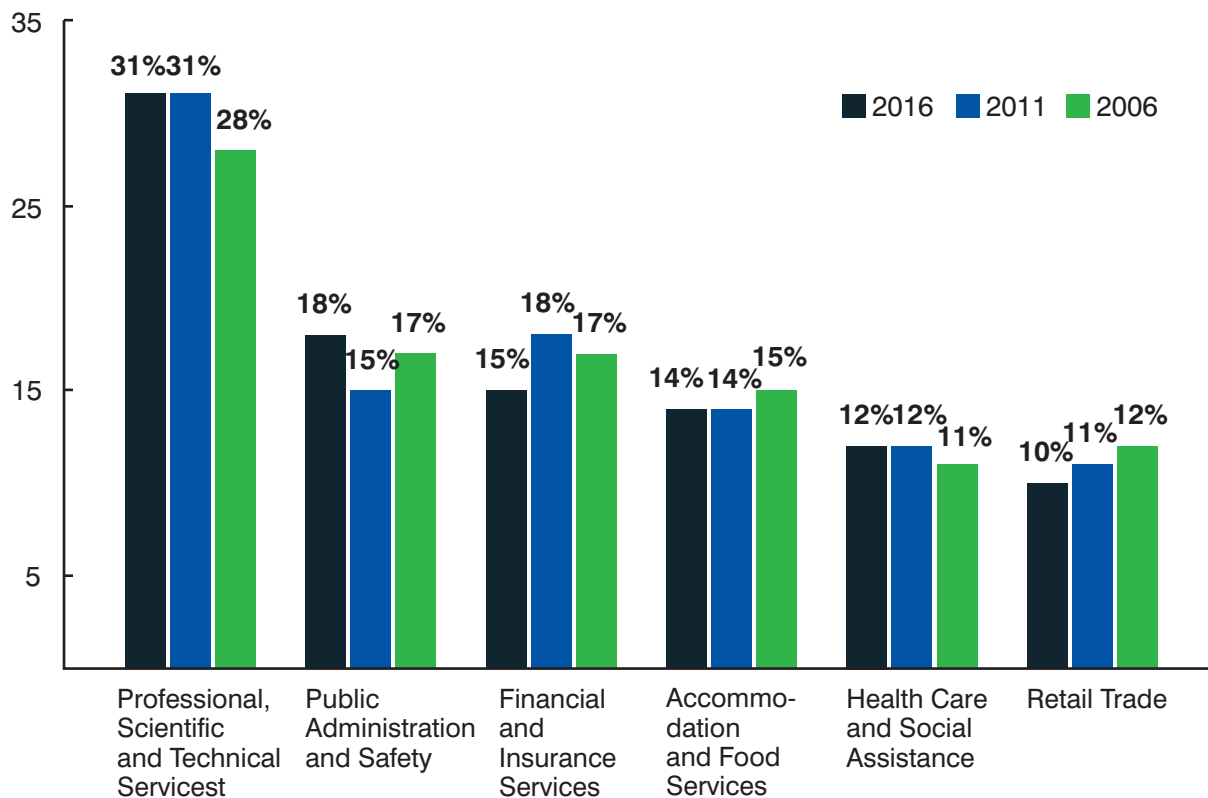
Figure 17: Proportion of industry sector of employment, King Street village residents, 2006 - 2016



Source: Australian Bureau of Statistics, Census of Population and Housing, 2011 and 2016

Figure 18 shows the proportion of Macleay Street and Woolloomooloo village residents employed in the top five industry sectors. The highest increase (three percentage points) occurred in the Professional, Scientific and Technical Services sector compared to the Retail Trade sector which decreased by two percentage points over the same timeframe from 2006 to 2016. The other industry sectors have remained relatively stable over the 10-year timeframe.

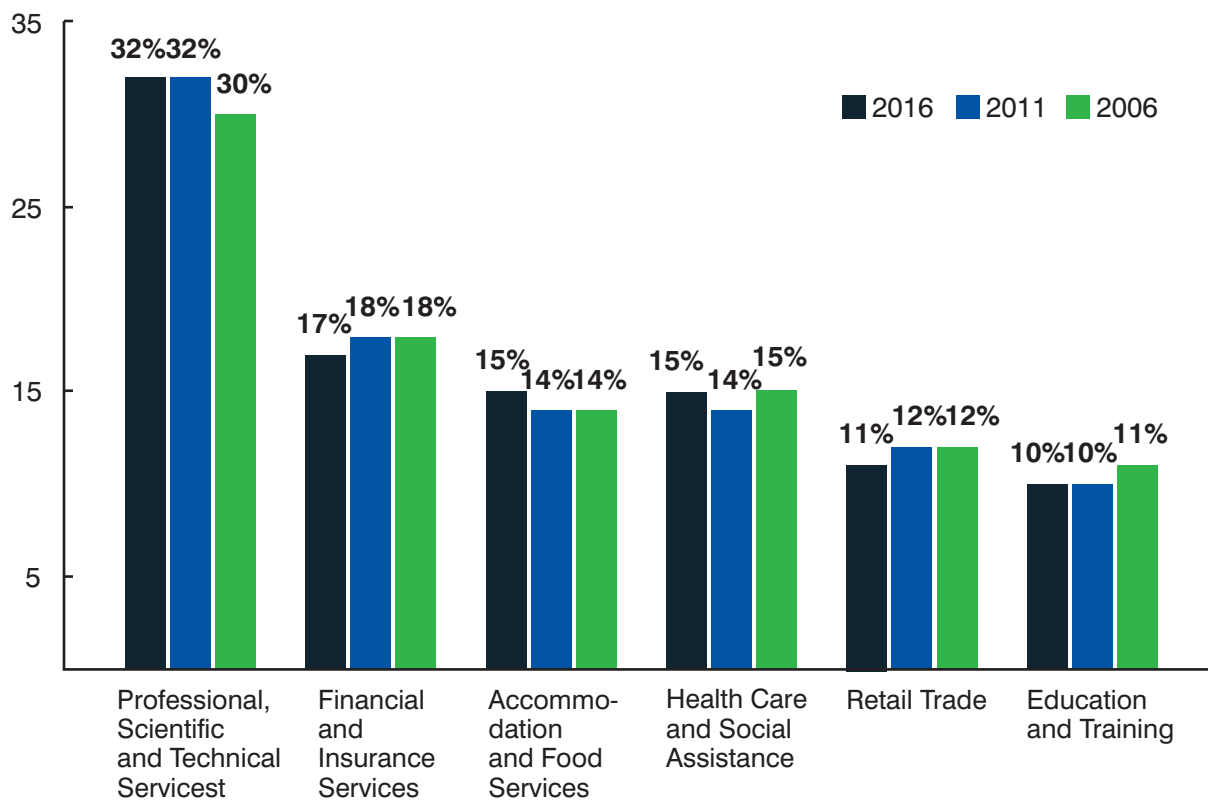
Figure 18: Proportion of industry sector of employment, Macleay Street and Woolloomooloo village residents, 2006 - 2016



Source: Australian Bureau of Statistics, Census of Population and Housing, 2011 and 2016

Figure 19 shows the proportion of Oxford Street village residents employed in the top five industry sectors. The highest increase (two percentage points) occurred in the Professional, Scientific and Technical Services sector from 2006 to 2016. The other industry sectors have remained relatively stable over the 10-year timeframe.

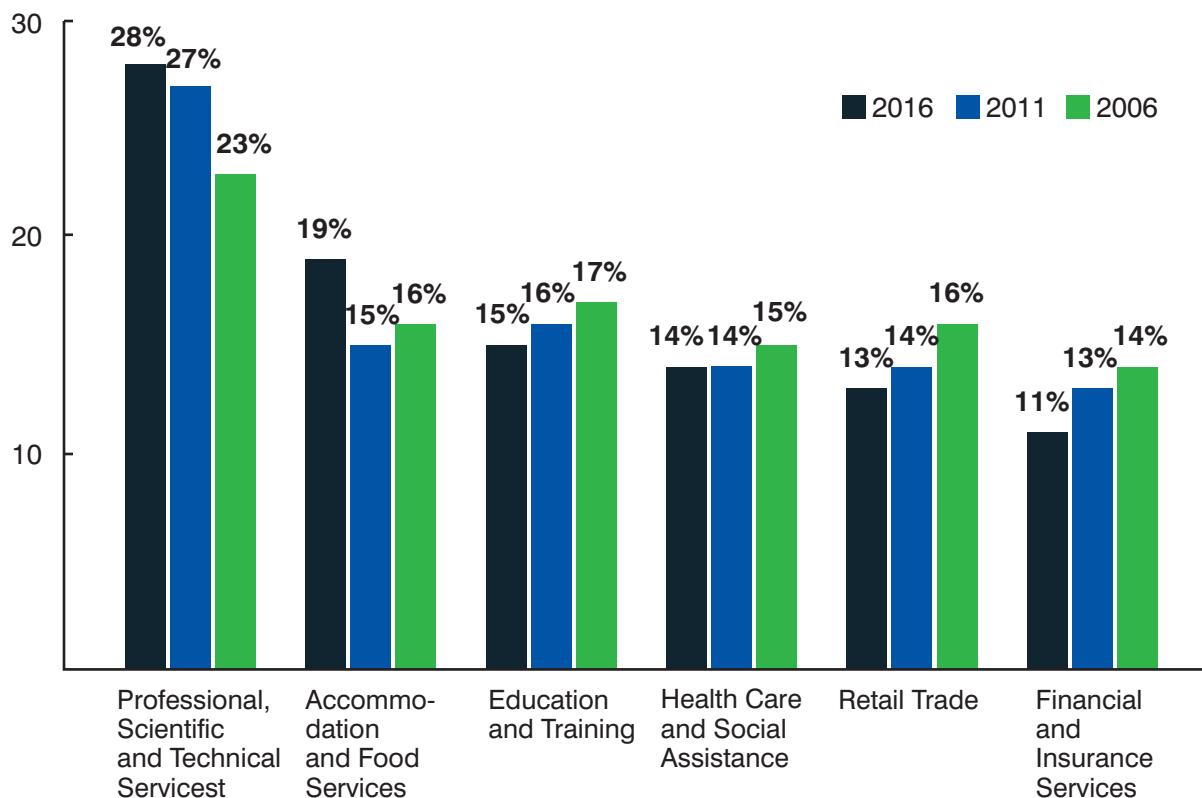
Figure 19: Proportion of industry sector of employment, Oxford Street village residents, 2006 - 2016



Source: Australian Bureau of Statistics, Census of Population and Housing, 2011 and 2016

Figure 20 shows the proportion of Redfern Street village residents employed in the top five industry sectors. The highest increase (five percentage points) occurred in the Professional, Scientific and Technical Services sector followed by the Accommodation and Food Services sector (three percentage points) in 2006 to 2016. This compares to the Retail Trade and Financial and Insurance Services sectors which each decreased by three percentage points over the same timeframe. The other industry sectors have remained relatively stable over 10 years.

Figure 20: Proportion of industry sector of employment, Redfern Street village residents, 2006 - 2016



Source: Australian Bureau of Statistics, Census of Population and Housing, 2011 and 2016

Labour force and employment status

Table 27 shows the size of the labour force and employment status of residents living in the LGA compared with all Greater Sydney residents. In 2016 the resident labour force was 122,780, of which 33,832 were employed part-time and 81,454 full-time. The employment status breakdown of city residents shows a similar proportion to Greater Sydney, including the proportion unemployed. Overall, 94 per cent of the labour force was employed and 6 per cent was unemployed in both the city and Greater Sydney.

Between 2006 and 2016, the number of local area residents who were employed increased by 39,178 and the number of unemployed increased by 3,183. In the same period, the number of people in the labour force increased by 42,361 people or 52.7 per cent

Table 27: Employment status, City of Sydney & Greater Sydney, 2006 - 2016^{viii}

Usual residents		2016			2011			2006			Change
Area	Employment Status	Number	%	Greater Sydney %	Number	%	Greater Sydney %	Number	%	Greater Sydney %	2006-2016
City of Sydney	Employed	115,286	93.9	93.8	95,443	94.1	94.1	76,108	94.6	94.7	+39,178
	Employed full-time	81,454	66.3	62.3	69,955	69.0	63.4	56,153	69.8	63.0	+25,301
	Employed part-time	33,832	27.6	31.5	25,488	25.1	30.7	19,955	24.8	28.9	+13,877
	Unemployed (un-employment rate)	7,494	6.1	6.2	5,950	5.9	5.9	4,311	5.4	5.3	+3,183
	Looking for full-time work	3,445	2.8	3.2	3,118	3.1	3.4	2,243	2.8	3.3	+1,202
	Looking for part-time work	4,049	3.3	2.9	2,832	2.8	2.5	2,068	2.6	2.1	+1,981
Total labour force		122,780	100	100	101,393	100	100	71,797	100	100	50,983

Source: Australian Bureau of Statistics, Census of Population and Housing, 2011 and 2016

3.2 Housing demand

This section establishes housing demand in the City of Sydney, specifically the type and amount of housing needed to support the city's resident population to 2036. The nature of housing demand and preferences for different types of housing is influenced by a range of push and pull factors, including growth in the population, household formation patterns, demographic changes, local amenity, affordability, market preferences, employment opportunities and infrastructure provision.

Some of these factors are outside the control of local governments, however councils need to be aware of changing patterns of housing demand so that planning controls can be adjusted to facilitate a housing supply response, from the market or by government intervention. In the local government area, housing demand is particularly influenced by five key factors, including:

- strong population growth
- concentration of accessible employment
- relatively good access to infrastructure and public transport
- large student population, and
- high land values.

It is important to note in forecasting housing demand, it does not follow that future housing supply can, or should, then be 'matched' to demand. Housing supply considerations, and the City's housing targets, are discussed in more detail in Section 2.3 Housing Supply and Section 2.5 Analysis of the Evidence Base. The City's targets are influenced by the range of strategic priorities and objectives described in the City Plan 2036: The draft City of Sydney Local Strategic Planning Statement, as well as *Housing for All* and this technical report.

3.2.1 Understanding future housing demand

In order to ascertain future housing demand in the city, it is necessary to forecast expected population growth and changes to household formation rates. The City utilises Forecast ID to ascertain future housing demand. Forecast ID provide a more up-to-date picture of anticipated population growth over the 25 year period starting from 2016 to 2041.

Additionally, they incorporate a refined understanding of how population growth is contingent on availability of land for housing at the local level. It represents a bottom-up population forecast and is informed by City and other data sources, and considers pipeline activity for all new residential development, providing a comprehensive picture of housing supply in the city in the short term. It also considers the land use capacity under existing planning controls, which anticipates housing yields over the forecast period.

There are two different ways to distinguish housing demand:

- **Underlying demand** considers the need for housing, which is determined by analysing the projected number of households in the population.
- **Effective demand** is the number, size, type and location of dwellings that owner-occupiers and investors are willing to buy in the housing market.

This technical report implements the underlying demand approach while recognising some of the challenges involved in predicting the economic factors impacting effective demand, particularly in light of recent events such as restricted lending from finance institutions, influenced by the Royal Commission into misconduct in the Banking, Superannuation and Financial Services Industry, and the downward pressure on housing prices observed since the end of 2018.

The city has seen a significant amount of population growth in recent times, with the estimated resident population increasing by nearly 40 per cent from 172,985 to 240,229 persons over a 10 year period to 30 June 2018. This rapid growth is expected to continue and, along with changing household types, will play a key part in influencing housing demand in the local area over the next 20 years.

3.2.2 Forecast housing demand in the city

This section provides an overview of forecast housing demand by dwelling type and considers the influence of changes in dwelling preferences.

Method and assumptions

The following dwelling demand forecasts have been developed with consideration of the impact of trend dwelling preferences on overall housing demand, forecast to 2026 and 2036. The assumptions that underpin the forecasts factor in current planning decisions and infrastructure commitments.

Underlying dwelling demand used in the modelling has been based on total dwelling forecasts produced by Forecast ID for each of the villages, and analysis of trends in dwelling preferences.

The methodology can be summarised as follows:

- Australian Standard Geographical Classification (ASGC) data from the 2011 and 2016 Censuses that best fits the City's village geographies, is used to provide a representation of the dwelling typology observed within each village.
- Trend-based dwelling preference data is identified to be applied across the forecast period.
- These trended shares are applied to the projected village dwelling totals (provided by .id consulting) for each time period.

Given that the dwelling forecasts generated for each village type have already been based on population changes, the expected change in population has been incorporated into the model.

Importantly, this identifies future demand for dwelling types based on the City's population and dwelling forecasts, not its targets as discussed in Section 2.3 Housing Supply. It also does not present a picture of where future housing supply has been committed.

Forecast demand - private dwellings

Table 28 shows the forecast private dwelling demand for each of the City's villages at five year intervals to 2036. It illustrates the largest growth will occur in the Green Square and City South village with an additional 20,478 dwellings from 2016 to 2036.

The following provides a breakdown of the dwelling forecasts by building types and village area from 2016 to 2036.

At 2016 there was an estimated 110,139 dwellings in the LGA. The distribution of dwelling types varies across each of the City's village due to historical development patterns, which have influenced character and built form types.

The majority of dwellings in the LGA are categorised as high density, being located in buildings three storeys and higher, with an estimated share of 74.6 per cent of total dwellings. Villages such as Green Square and City South (86.0 per cent), Macleay Street (86.6 per cent) and Redfern Street (70.1 per cent) all had significantly high proportions of dwellings located in high density apartment buildings.

The medium-density dwelling type was more common in the Glebe Point Road (38.2 per cent), King Street (43.2 per cent), and Crown and Baptist Street (34.9 per cent) villages.

Separate homes represented only 1.8 per cent of all dwellings in the city in 2016, with only a few of these dwelling types in some villages, including CBD-Harbour and Chinatown and CBD South villages.

The village with the highest number of dwellings was Green Square and City South, with an estimated 15,312 dwellings. The village with the lowest number of dwellings was CBD-Harbour. A full breakdown of dwelling type by village in 2016 can be seen below in Table 29. Figure 21 provides a further breakdown of the share of dwellings by building type and village.

Table 28: Dwelling demand by village, 2016 - 2036

Village area	2016	2021	2026	2031	2036
CBD and Harbour	5,792	7,660	9,876	10,832	11,457
Chinatown and CBD South	7,983	10,478	12,014	13,096	13,896
Crown and Baptist Streets	11,855	12,459	13,519	14,326	14,976
Glebe Point Road	11,782	13,345	13,642	13,792	13,942
Green Square and City South	15,312	24,156	29,507	32,992	35,790
Harris Street	8,957	9,352	10,018	10,983	11,358
King Street	10,160	11,543	12,528	13,278	14,028
Macleay Street and Woolloomooloo	13,023	13,344	13,601	13,776	13,951
Oxford Street	10,928	11,234	11,460	11,685	11,910
Redfern Street	14,347	16,056	19,189	21,152	22,761
City of Sydney	110,139	129,627	145,354	155,912	164,069

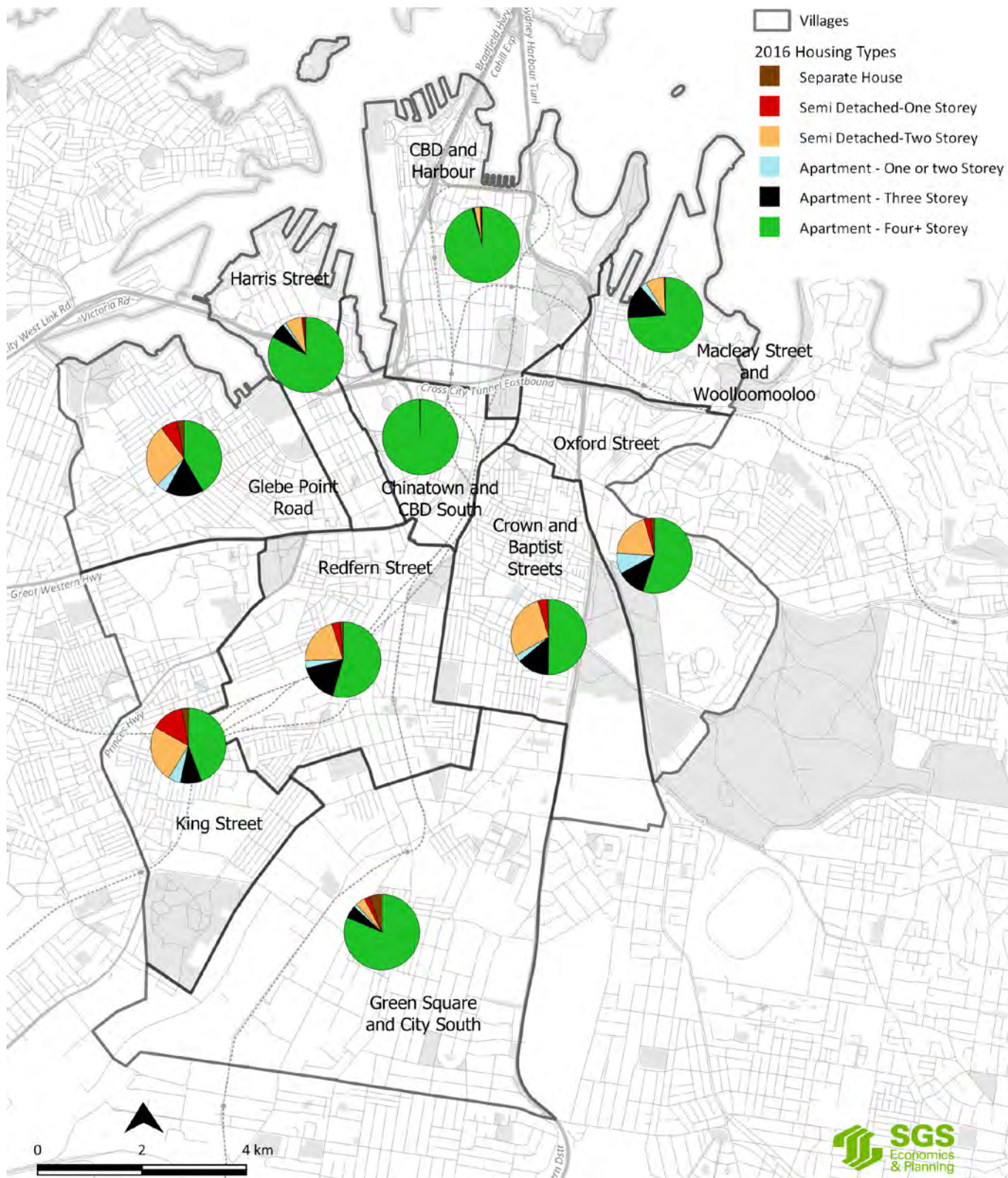
Source: Population and household forecasts, 2016-2036, prepared by .id consulting

Table 29: Estimated private dwelling type by village area, 2016

Village area	Separate house	Medium Density	High Density	Other dwelling	Total
CBD and Harbour	19	171	5,197	406	5,792
Chinatown and CBD South	6	8	7,769	202	7,983
Crown and Baptist Streets	69	4,137	7,445	204	11,855
Glebe Point Road	333	4,509	6,666	274	11,782
Green Square and City South	834	1,181	13,159	139	15,312
Harris Street	77	854	7,979	46	8,957
King Street	277	4,390	5,351	142	10,160
Macleay Street	60	1,412	11,284	266	13,023
Oxford Street	177	3,360	7,225	165	10,928
Redfern Street	178	3,861	10,051	256	14,347
City of Sydney	2,030	23,883	82,126	2,100	110,139

Source: SGS Economics and Planning 2019 and .id consulting

Figure 21: Estimated private dwelling type by village area, 2016^x



Source: SGS Economics and Planning

Between 2016 and 2026, there is forecast demand for an estimated 35,215 additional dwellings across the city. By dwelling type, it is expected that high density developments will account for 89.0 per cent of the total growth in dwelling demand over this period.

Green Square and City South village is expected to see the largest growth, with demand for an additional 14,195 dwellings between 2016 and 2026. Growth of dwellings in high density buildings in this village are expected to account for 37.8 per cent of the city's total demand growth. Dwellings in high density buildings are also expected to account for 93.9 per cent of the demand growth in this village.

Despite the growth in demand for dwellings in high density buildings across the city, some areas are forecast to have high levels of demand for other housing forms. The Crown and Baptist Streets, Glebe Point Road and Oxford Street villages are forecast to see a higher proportion of demand for dwellings in medium density buildings.

The areas with the lowest levels of forecast housing demand are the Oxford Street and Macleay Street – Woolloomooloo villages, with expected housing demand growth of 532 and 578 dwellings respectively between 2016 and 2026.

Accommodating new apartments will require some conversion of separate houses. This is illustrated by the forecasts, which show demand for detached housing stock across the city is expected to decline by one per cent, or approximately 316 dwellings, between 2016 and 2026. This is led by forecast declines in separate houses in villages such as King Street and Glebe Point Road, though all villages except Harris Street and Macleay Street – Woolloomooloo are expecting declines.

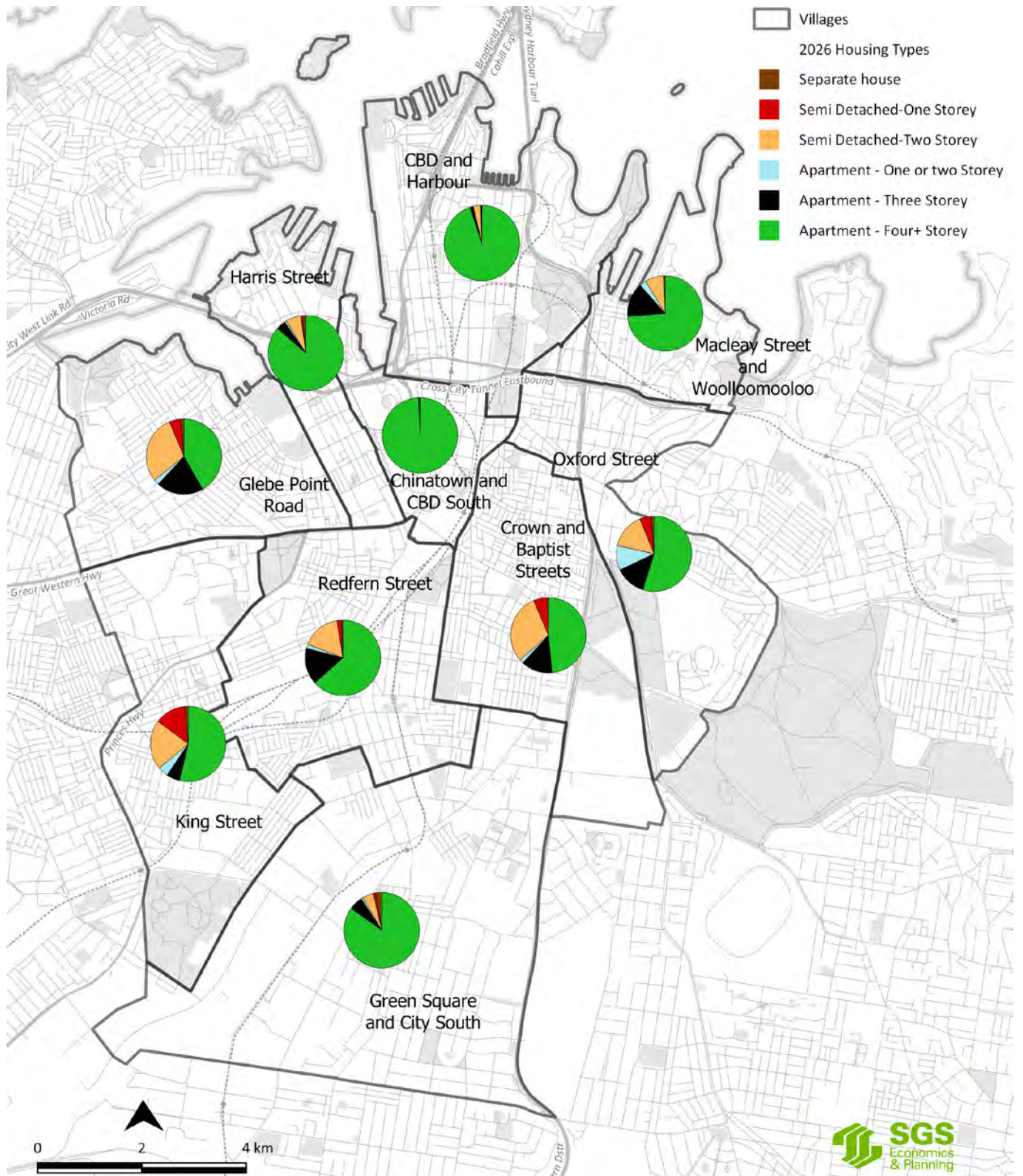
The forecast dwelling type demand by village to 2026 is shown in Table 30. Figure 22 provides a further breakdown of the share of dwellings by building type and village.

Table 30: Private dwelling type demand by village area, 2026

Village area	Separate house	Medium Density	High Density	Other dwelling	Total
CBD and Harbour	18	317	8,557	983	9,876
Chinatown and CBD South	4	24	11,506	480	12,014
Crown and Baptist Streets	43	4,982	8,161	333	13,519
Glebe Point Road	189	4,803	8,147	503	13,642
Green Square and City South	785	1,888	26,482	352	29,507
Harris Street	152	803	9,012	50	10,018
King Street	183	4,797	7,310	238	12,528
Macleay Street	63	1,475	11,785	278	13,601
Oxford Street	140	3,463	7,624	234	11,460
Redfern Street	137	3,802	14,877	374	19,189
City of Sydney	1,714	26,354	113,461	3,825	145,354
LGA Change 2016–26	-316	2,471	31,335	1,725	35,215

Source: SGS Economics and Planning

Figure 22: Estimated private dwelling type by village area, 2026^x



Source: SGS Economics and Planning

In the decade between 2026 and 2036, there will be demand for an estimated additional 18,716 dwellings across the city. By dwelling type, it is expected that dwellings in high density buildings will account for 84.1 per cent of total dwelling demand growth.

The Green Square and City South village has the largest forecast dwelling increase in this period, with demand for an additional 6,284 dwellings. Additionally, dwellings in high density buildings in this village are expected to account for 37.2 per cent of dwelling demand growth across the city. Dwellings in high density buildings in the Green Square and City South village will account for 90.6 per cent of total dwellings in this village to 2036.

Like the forecasts to 2026, much of the growth in housing demand across the city is expected to be in the form of high density apartment buildings. However, the Crown and Baptist Streets, Oxford Street and Glebe Point Road villages are expected to see a higher proportion of demand for dwelling in medium density buildings. Glebe Point Road also sees a reduction in the forecast share of demand for dwellings in high density buildings over this period.

The lowest levels of forecast demand across the villages are expected to be in Glebe Point Road, Macleay Street and Woolloomooloo and Oxford Street villages, with forecast growth in demand of 300, 350 and 450 respectively between 2026 and 2036.

Across the city between 2026 and 2036, and again to accommodate the shift to medium and higher density developments, there is expected to be a decline in demand for separate housing of around 1 per cent. Declines in demand are expected primarily in the Glebe Point Road (a decline of 15 separate houses) and Green Square and City South (decline of 191 separate houses) villages. A decline in demand is forecast of 96 dwellings aggregated across the city, with total demand for separate houses of 1,618 dwellings.

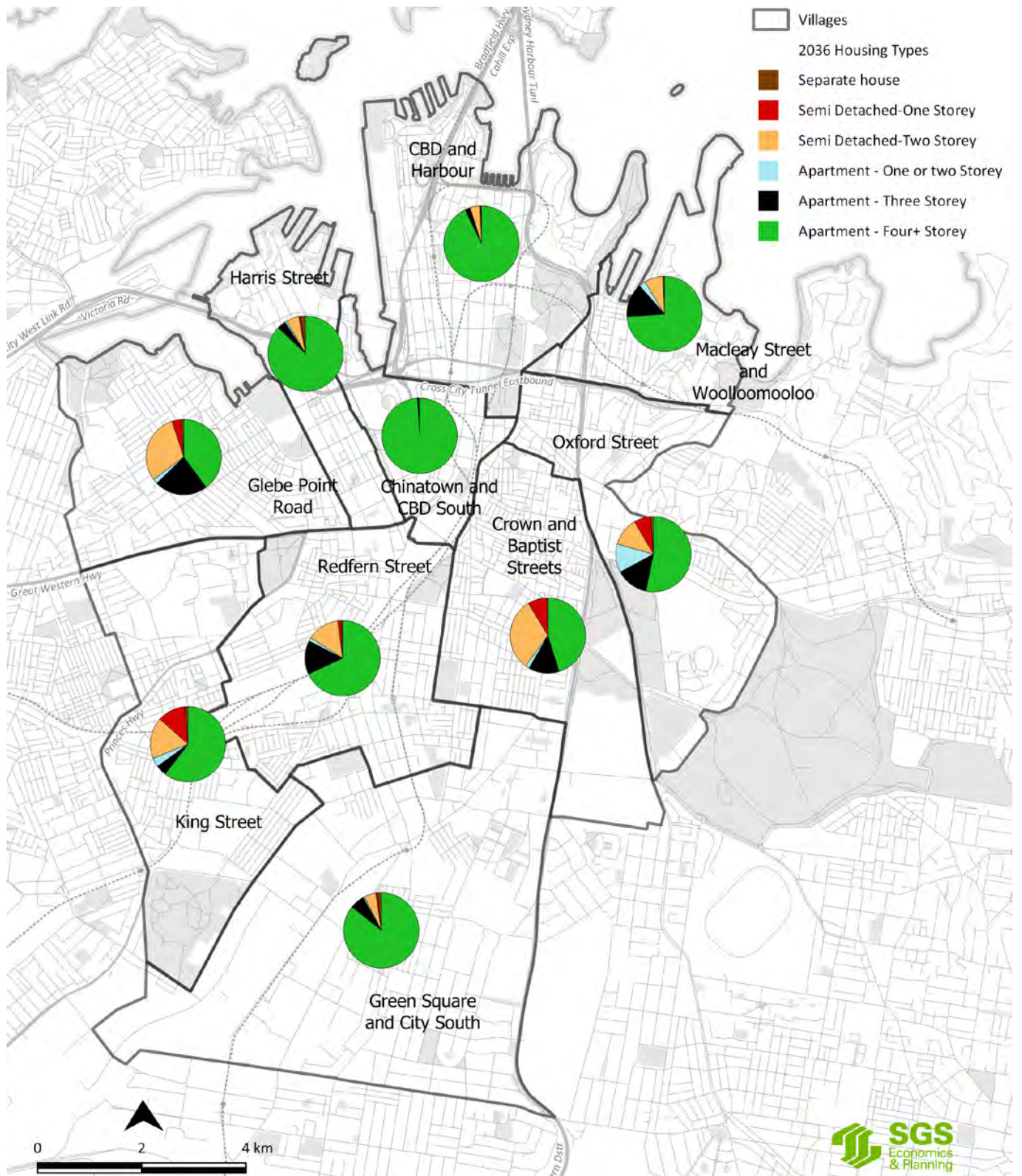
The forecast dwelling type demand by village for 2026 to 2036 is shown in Table 31. Figure 23 provides a further breakdown of the share of dwellings by building type and village in 2036.

Table 31: Private dwelling type demand by village area, 2026 - 2036

Village area	Separate house	Medium Density	High Density	Other dwelling	Total
CBD and Harbour	22	471	9,458	1,505	11,456
Chinatown and CBD South	5	39	13,140	712	13,896
Crown and Baptist Streets	51	5,977	8,434	515	14,977
Glebe Point Road	174	4,768	8,332	668	13,942
Green Square and City South	594	2,268	32,444	486	35,791
Harris Street	243	809	10,243	62	11,357
King Street	193	4,602	8,913	321	14,029
Macleay Street and Woolloomooloo	64	1,513	12,089	285	13,951
Oxford Street	139	3,664	7,768	339	11,910
Redfern Street	133	3,756	18,374	497	22,760
City of Sydney	1,618	27,867	129,194	5,390	164,069
LGA Change 2026–36	-96	1,513	15,734	1,565	18,716

Source: SGS Economics and Planning

Figure 23: Estimated private dwelling type by village area, 2036^{xi}



Forecast demand – non-private dwellings

When compared to other local government areas in Greater Sydney, the city has a disproportionately high number of non-private dwellings, comprising 10.6 per cent of the city's total housing stock in 2018. This is partly attributed to the city traditionally having a high number of boarding houses accommodating people on low incomes in the area.

More recently the city has experienced substantial growth in purpose-built student accommodation, increasing by over 2,500 rooms between 2015 and 2018. Significant demand can be seen from both domestic and international university students, due to the presence of the University of Sydney, University of Technology Sydney, University of New South Wales and private college campuses within and in close proximity of the city. It has been estimated that students make up around 20 per cent of the City's total population^{xii}.

This concentration of students is a key driver of not only demand for housing but also the typology of the dwellings that are being built. It is estimated that around 7.5 per cent of total dwelling stock in the city is made up of purpose-built student accommodation, located either on or off campus. Purpose-built student accommodation tends to take the form of higher density buildings, with small individual living spaces and communal facilities, with the rents paid by students often including the cost of utilities, support activities and sometimes meals.

Assuming a household size of one person per dwelling, Table 32 shows the forecast demand of an additional 7,134 dwellings for non-private dwellings to 2036.

Table 32: Non-private dwelling demand, City of Sydney, 2016 - 2036

	2016	2021	2026	2031	2036	Change 2016–36
Non-private dwellings	15,682	18,257	21,290	22,235	22,816	7,134

Source: Population and household forecasts, 2016-2036, prepared by .id consulting

3.2.3 Housing affordability and housing stress influencing social and affordable housing demand

There is a clear and critical need to improve housing affordability in the city. A range of factors contribute to this need, including a combination of rising housing costs, population growth pressures and growing demand for inner-city living, in addition to limited land availability.

Significant growth in the cost of housing, for both purchasers and renters, is a key factor contributing to the city's increasing unaffordability. After many years of significant price rises, median prices for dwellings have generally declined in the last two years. As of 2018, the median across the city for strata titled properties of all sizes stood at \$850,000^{xiii}, which is 18 per cent more than the median for Greater Sydney of \$720,000. Figure 24 shows the change in median prices for strata and non-strata dwellings since 2001.

Figure 24: Median dwelling prices, City of Sydney, 2001 - 2018

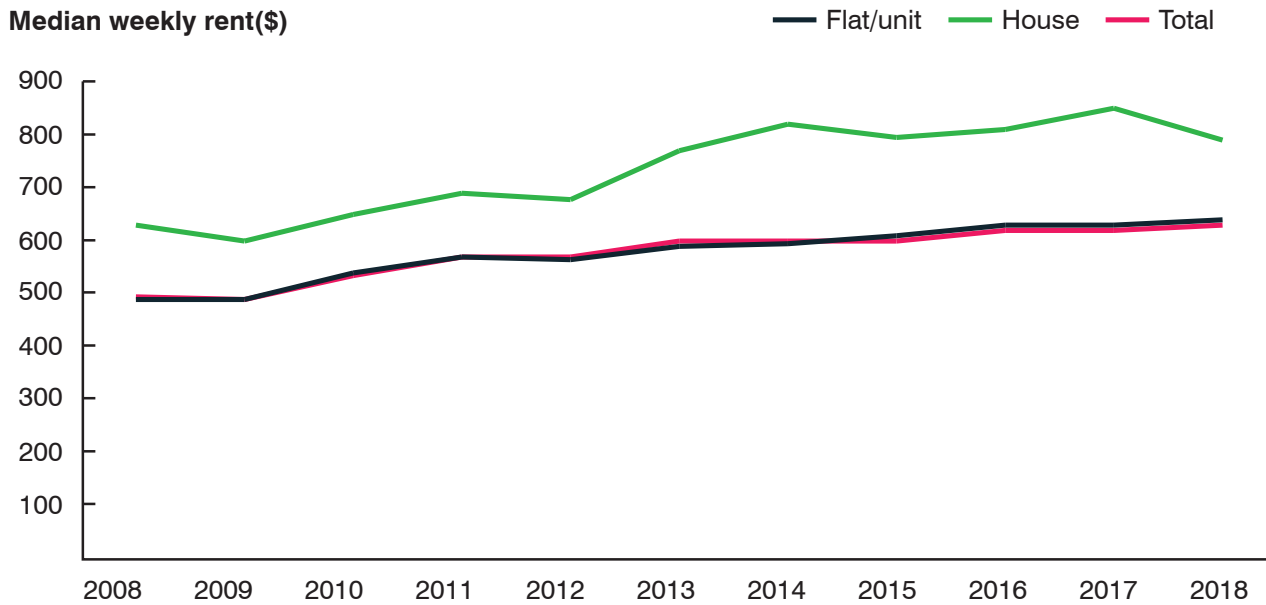


Source: FACS Rent and Sales Statistics

Rents have seen a less dramatic rise than sales prices, but have still shown resilient, steady growth over the past 10 years. Figure 25 and Figure 26 show median rents increasing across all dwelling types and numbers of bedrooms from 2008 to 2018. In 2008 the median weekly rent was \$490 for a unit in the city, and at the end of 2018 it was \$640, an increase of 30 per cent.

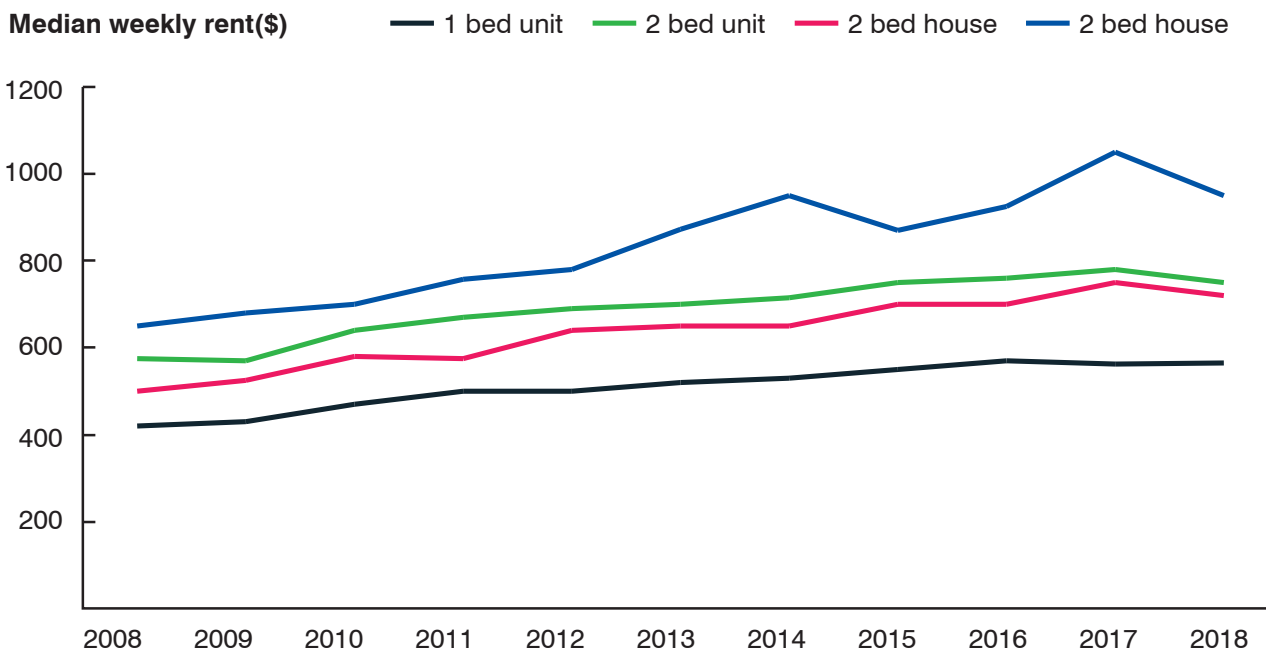
Figure 25 shows rents steadying or experiencing a slight drop in 2018. However, on a quarterly basis, the March 2019 quarter shows a reversal with rents increasing on all categories, except three bedroom houses which have steadied. The median rent for a two bedroom apartment in the March 2019 quarter was \$770 per week.

Figure 25: Median rents, all bedroom dwellings, City of Sydney, December 2008 - December 2018



Source: FACS Rent and Sales Statistics.

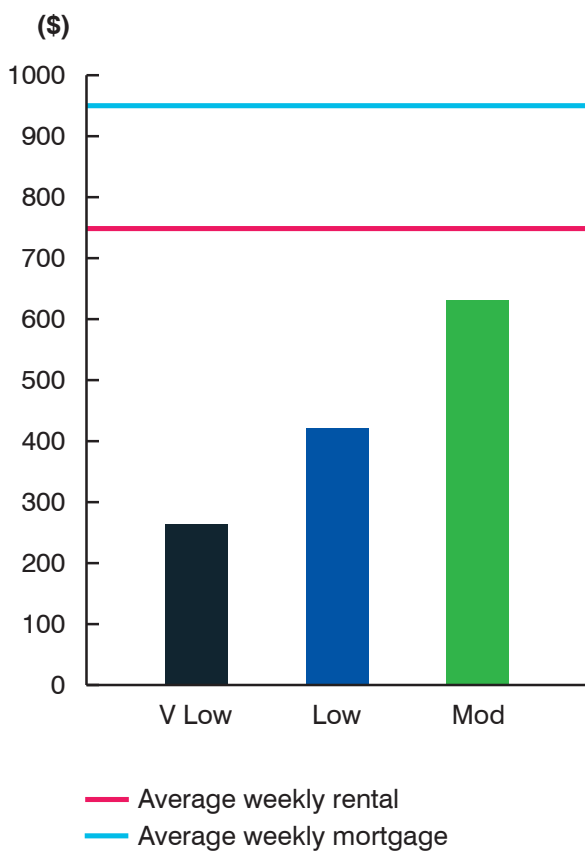
Figure 26: Median weekly rents, selected bedrooms and dwellings, City of Sydney, December 2008 - 2018



Source: FACS Rent and Sales Statistics.

While there has been a softening of median prices and rents for some housing types in recent quarters, Figure 27 below illustrates that purchase and rent costs are well out of reach of the weekly incomes for very low, low and moderate income households^{xiv}. The figure demonstrates housing stress using 30 per cent of the income range for each of these households as defined by FACS for the Sydney statistical district. Households paying more than 30 per cent of their income on rent are generally considered to be in rental stress. For very low income households, 30 per cent of the weekly income is around \$269, for low income households around \$431, and for moderate income households around \$647. It shows a clear disparity between current costs and incomes even for households on a moderate income.

Figure 27: Relationship between 30 per cent of different income bands and median weekly housing costs, City of Sydney, 2018



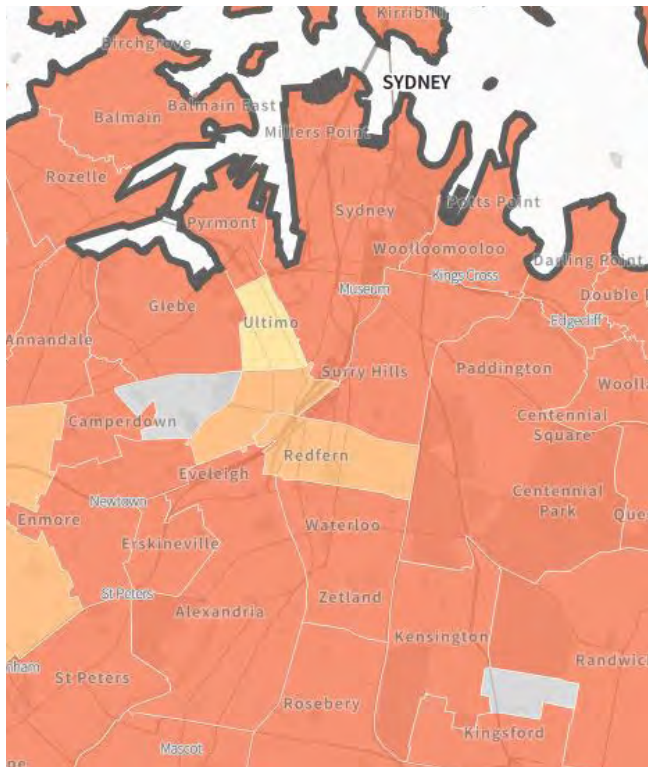
Source: NSW Department of Family and Community Services

The Rental Affordability Index (RAI) provides further insight into housing stress and housing affordability^{xv}. The RAI uses the 30/40 rule of housing stress to identify areas where households in the lowest 40 per cent of incomes are paying more than 30 per cent of their income on housing. Areas with a score of 100 indicate households are at this threshold, with scores below 100 indicating more severe housing stress and unaffordability.

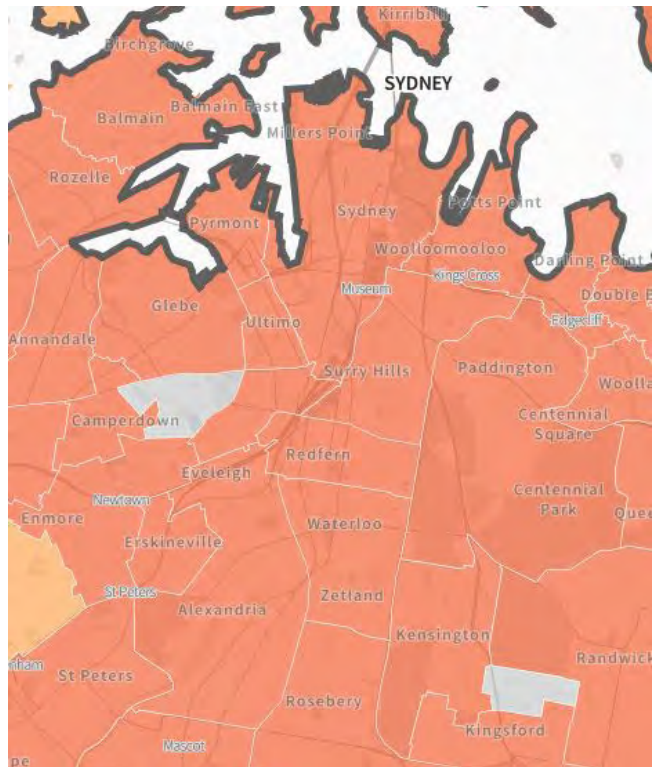
The maps shown at Figure 28 illustrate the affordability of rents at the postcode level for the LGA in 2018 using the RAI. For the average rental households, much of the city is severely unaffordable, with some pockets of moderate unaffordability. It is a similar picture for households with a single working parent. The prospect of renting is increasingly difficult for a single person on benefits, with areas across the city rated as extremely unaffordable. Areas around the harbour, Pyrmont, Woolloomooloo and Surry Hills are also extremely unaffordable for student households, with the rest of the city identified as severely unaffordable.

Figure 28: Rental Affordability Index, City of Sydney

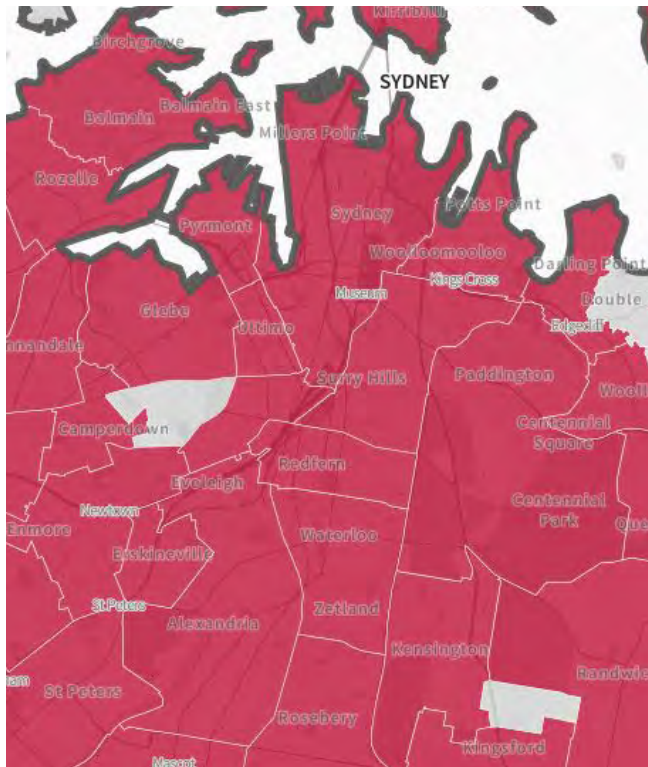
Q2 2018: Average Australian rental household



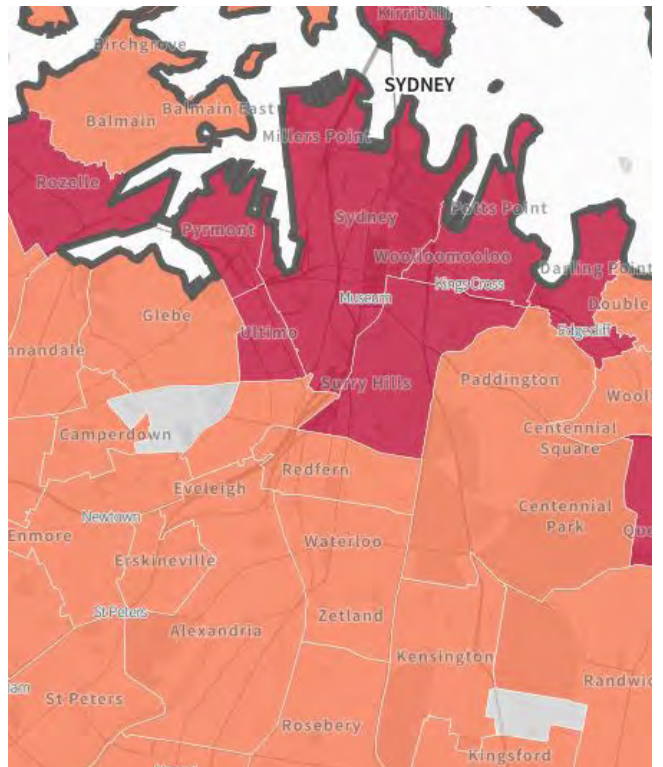
Q2 2018: Single working parent household



Q2 2018: Single person on benefits household



Q2 2018: Student share household



Source: SGS Planning and Economics

The increase in the cost of housing is a result of a combination of demand factors including:

- A broader cultural shift toward inner-city living
- Strong population growth resulting in increasing competition for private housing, pushing up prices and rents, beyond the means of growing numbers of very low to moderate income earners
- Strong economic growth and associated employment growth in the city, making it a desirable location to live, and work and exacerbating competition for private rental housing
- Increasing demand from domestic investors for inner Sydney properties, encouraged by rising residential property prices, high rental returns, low interest rates and favourable tax concessions
- Increasing demand for inner Sydney properties from overseas investors.

While NSW Government policy responses to the increasingly affordability crisis have largely focused on the supply side, it is clear that housing will not become 'affordable' for very low to moderate income households simply by increasing supply, particularly in a high demand market such as the inner-city.

The City of Sydney is now at a considerable premium compared to other parts of Greater Sydney and New South Wales. The proportion of housing that is affordable for purchase for lower income households is essentially non-existent.

3.2.4 Forecast demand for affordable and social housing

Household financial stress is the main driver of demand for affordable and social housing. It is influenced by multiple factors, ranging from macroeconomic conditions to the operation of cities and the housing market. To determine the forecast demand for affordable and social housing, households who are in need of this housing are those who are either unable to access market housing (including those defined as homeless), or have very low, low or moderate household incomes and spend more than 30 per cent of this income on rent (i.e. are experiencing rental stress).

This definition excludes those who are homeowners, and are experiencing mortgage stress. Notwithstanding that mortgage stress may represent a housing affordability issue, it does not necessarily translate to demand for affordable and social housing. These households are typically excluded as they have the option of liquidating their asset and entering the private rental market.

Once total demand for affordable and social housing is known, the quantum of unmet demand must consider the existing stock of social and affordable housing.

Existing stock levels change over time and are determined by investment in (and withdrawal of) social or affordable housing stock, and the loss of affordable housing due to the National Rental Affordability Scheme (NRAS) ten-year subsidies ending.

It is important to note the following caveat to the forecast assessment of demand for affordable and social housing, particularly that for households living in social housing or classified as homeless. The forecasts for these latter categories assume that the current share of households of any particular type who are currently in social housing or classified as homeless will hold into the future. Because the number of social housing is relatively high in the city, projecting from the current base may overstate future social housing demand, particularly recognising the uncertainty of the delivery of social housing to accommodate these households.

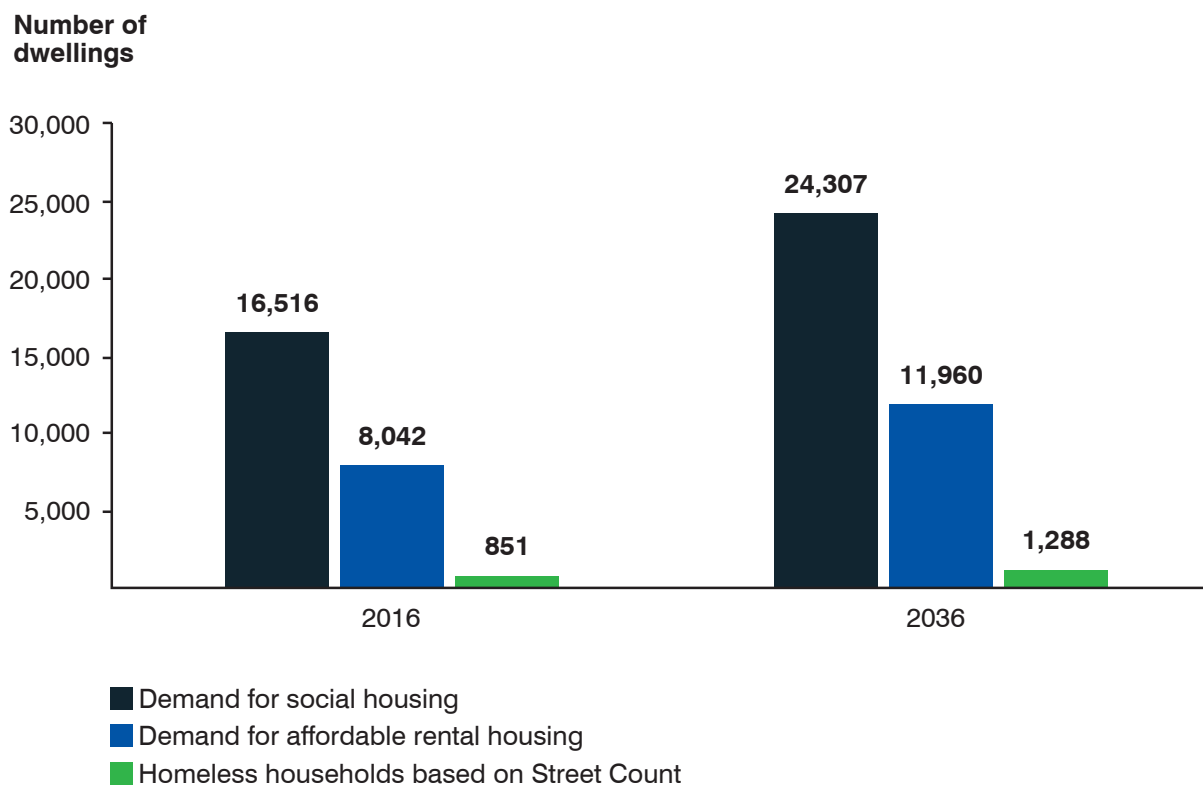
Figure 29 provides a breakdown of the change in demand for social housing, affordable rental housing and the number of homeless households to 2036.

Social housing demand is based on very low and low income households in severe rental stress (i.e. paying more than 50 per cent of income on rent) being eligible for social housing. It also accounts for the current share of households who are currently in social housing (as mentioned above). This results in forecast demand for social housing of around 24,000 dwellings by 2036.

Moderate income households in severe rental stress, and very low, low and moderate income households in moderate rental stress may not be eligible for social housing, so represent forecast demand for affordable rental housing of 12,000 dwellings by 2036.

Demand for social housing or supported housing to address homelessness is forecast to grow from 850 to around 1,300 in 2036, based on an extrapolation of the City's Street Counts.

Figure 29: Demand for affordable and social dwellings, City of Sydney, 2016 - 2036



Source: Forecast ID 2019, ABS 2016, and SGS Economics and Planning, 2019

Assuming that the current stock of affordable and social housing is not further diminished, and that NRAS stock due to revert to private housing is at least replaced for social or affordable housing, the net requirement of affordable and social housing in 2036 may be summarised as shown in Table 33.

Table 33: Net social and affordable housing dwelling demand 2036

	Dwellings in 2036
Total net maximum social housing demand in 2036*	32,300
Assumed existing social housing	9,716
Total net social housing requirement in 2036	22,584
Potential demand for affordable housing	11,960
Assumed affordable rental housing	835
Total net affordable housing requirement in 2036	10,859

Source: SGS Economics and Planning, 2019

* The social housing demand in the table above has been informed using the ABS estimate of homelessness, which is considerably different to data from the City's Street Counts

3.2.5 Demand for affordable rental housing

Declining housing affordability in the local area is increasing demand for affordable rental housing. The City has estimated that around one per cent of all dwellings in the city are available to lower income households, which is well below the 7.5 per cent target identified in *Sustainable Sydney 2030*.

Climbing housing costs are expected to have an increasingly detrimental impact on socio-economic diversity, as lower income households are pushed out of the borders because they cannot access affordable housing. The majority of households on very low, low or moderate incomes who remain in the private housing market are increasingly in housing stress or crisis and may eventually be forced to move out as housing costs continue to escalate ahead of wage growth.

The impacts of declining affordability are felt particularly by Aboriginal and Torres Strait Islander communities, who are more likely to have lower incomes. More affordable rental housing would help preserve the living culture of First Nations communities.

The loss of lower income households is contrary to the aims in the Eastern City District Plan and *Sustainable Sydney 2030*, both of which promote liveable socio-economically diverse communities.

Declining socio-economic diversity in the inner city associated with inadequate affordable housing supply, also has significant economic impacts. The ongoing loss of lower income households from inner Sydney makes it increasingly difficult for essential employment sectors to fill employment vacancies and staff shifts. On the city scale, this hampers business productivity and by extension the wider economic growth of Sydney.

An estimated 49,500 essential workers across the public and private sectors currently work in the city. Public sector essential workers are estimated at 25,000, comprising 6.2 per cent of the city's total workforce. This includes teachers, nurses, police, community service workers and ambulance and public transport drivers. In terms of residents, the proportion of the city's residential workforce-aged population working in these key public sector occupations fell from 8.6 per cent in 2006 to 8.4 per cent in 2011^{xvi}.

Affordability pressures are also faced by those working in sectors important to the city's cultural diversity and community, such as artists and musicians, who typically earn lower incomes.

The provision of affordable rental housing for people on lower incomes is therefore critical to ensuring social-economic diversity is maintained in the community and that key workers, who are crucial to the efficient function and economic diversity of the city, can find homes close to the places they work.

3.2.6 Demand for social housing

Despite one of the largest concentrations of social housing in Australia (estimated at approx. 9,700 in 2018)^{xvii}, The proportion of social housing of total dwellings across the city has declined in the past 20 years^{xviii}. The provision of new social housing stock has not kept pace with the growth in the population, with the share of households renting in social housing falling from 9.9 per cent to 9.2 per cent between 2011 and 2016^{xix}.

There are currently substantial waiting times for applicants for social housing properties in the city. According to Family and Community Services, as of June 2018 there was a total of 52,932 people waiting for social housing in New South Wales, of which up to 2,798 are waiting for social housing in the city^{xx}.

In the Inner City allocation zone, there are expected waiting times of 5 to 10 years for all property types, including studio and one- to four-bedroom properties^{xxi}.

The city's unaffordability, limited availability of existing social housing stock and long waiting lists are evidence of a strong need for more social housing, as well as more affordable rental housing.

3.2.7 Demand for supported housing

Homelessness has become a prevalent issue in the city. While homelessness is a NSW Government responsibility, the City has been working to support people who are sleeping rough in the inner city for over 30 years. It was also the first council in Australia with a dedicated homeless unit.

The City counts people sleeping rough on the streets in summer and winter each year across the local area. The numbers of people experiencing homelessness who are staying in crisis accommodation hostels is also recorded. The City's most recent Street Count (February 2019), identified 373 people were sleeping rough, with a further 522 people in crisis and temporary accommodation beds^{xxii}. When recent developments such as Common Ground and Platform 70 were opened in 2011-2012, the homeless count in the city in 2013 almost halved when compared to the 2010 counts. Figure 30 shows the Street Count findings.

Homelessness numbers reduced again from 2016 through to 2018 due to an injection of funding from the NSW Family and Community Services. The funding helped to introduce the Housing Outreach Support Team, which provided outreach services and directed housing allocation. However, since mid-2018 the number of homeless people sleeping rough has started increasing.

This trend analysis illustrates that the number of people experiencing homelessness will increase if insufficient alternative accommodation or funding models are not implemented. Many of the local residents experiencing homelessness have been so for a number of years, with the average time on the street about five years and four months^{xxiii}.

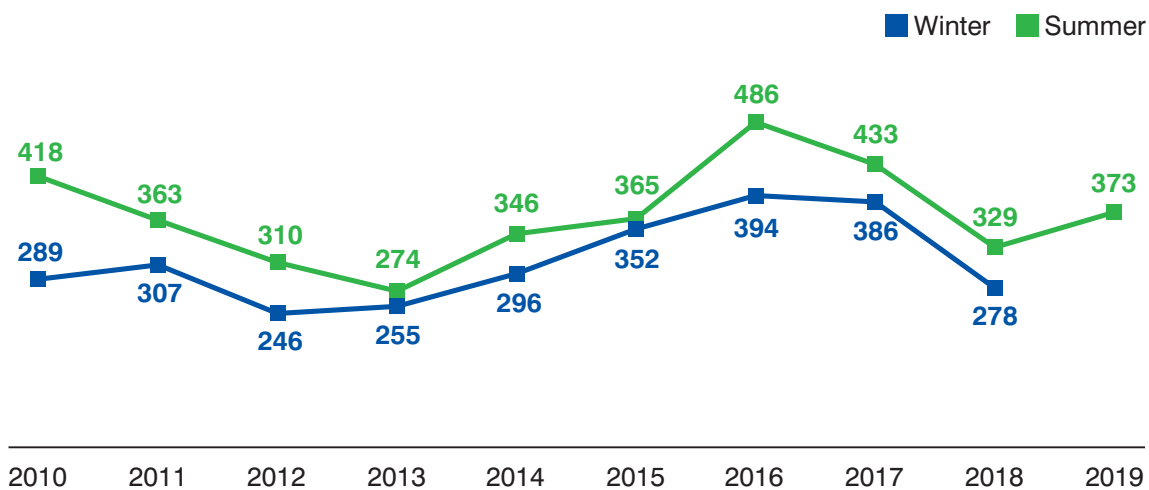
Figure 31 shows the number of people experiencing homelessness who live in crisis and temporary accommodation. The number of people living in this type of accommodation decreased slightly from 2010 to 2016, however in 2017 the numbers rose again to a peak of 600 in the winter of 2017. The number has decreased since this time, however is similar to the numbers noted in 2010. This illustrates that there is continued demand for this type of accommodation in the city.

While the factors contributing to homelessness are complex, access to secure supported housing is a crucial way to address its prevalence. A survey of over 500 people sleeping rough in the local area in 2015 identified that 65 per cent just need housing they can afford to be able to help them get back on their feet^{xxiv}.

The prevalence of homelessness has obvious personal and social impacts at the individual level, but there are also economic costs to society. Previous research has estimated that for every dollar invested in last resort accommodation beds (i.e. emergency accommodation and rooming and boarding houses), around \$2.70 worth of benefits to the community are generated including reduced healthcare costs, lower likelihood of being involved in crime, and improved human capital^{xxv}.

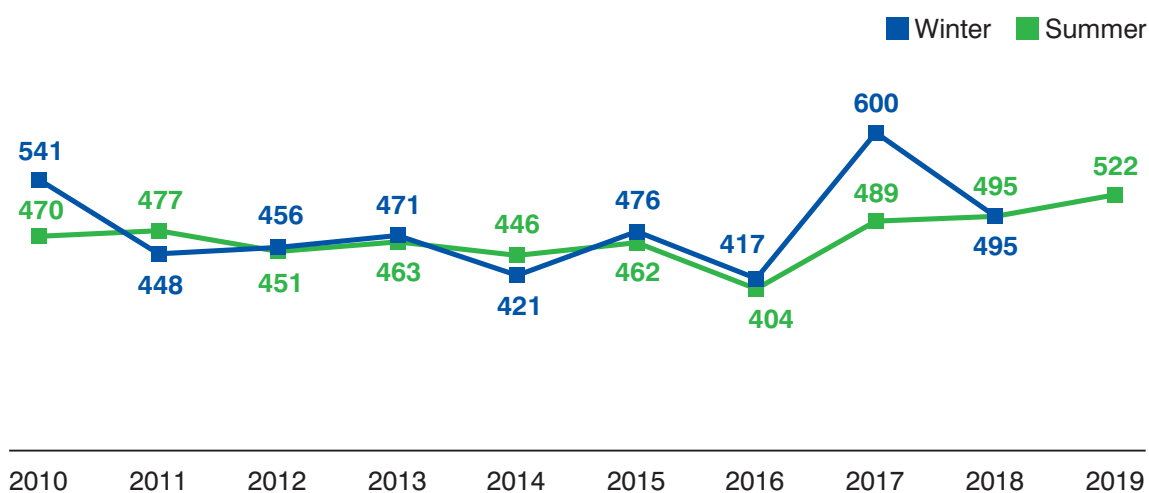
In February 2019, the NSW Government announced its commitment to halving street homelessness in New South Wales by 2025 and reducing rough sleeping in the city by 20 per cent by 2020. The NSW Government also entered into an agreement with the City and the Institute of Global Homelessness, entitled A Place to Call Home, to achieve these targets. This reinforces the demand for supported housing in the city to provide appropriate long-term housing.

Figure 30: Number of people sleeping rough, City of Sydney, 2010 - 2019^{xxvi}



Source: City of Sydney Street Count, 2019

Figure 31: People in crisis and temporary accommodation beds, City of Sydney, 2010 - 2019^{xxvii}



Source: City of Sydney Street Count, 2019

3.2.8 Demand for Indigenous housing

As of 2016 the Aboriginal and Torres Strait Islander population of around 3,509 represented 1.6 per cent of the city's total population. By comparison, the Indigenous population accounts for 1.7 per cent of the population across Greater Sydney.

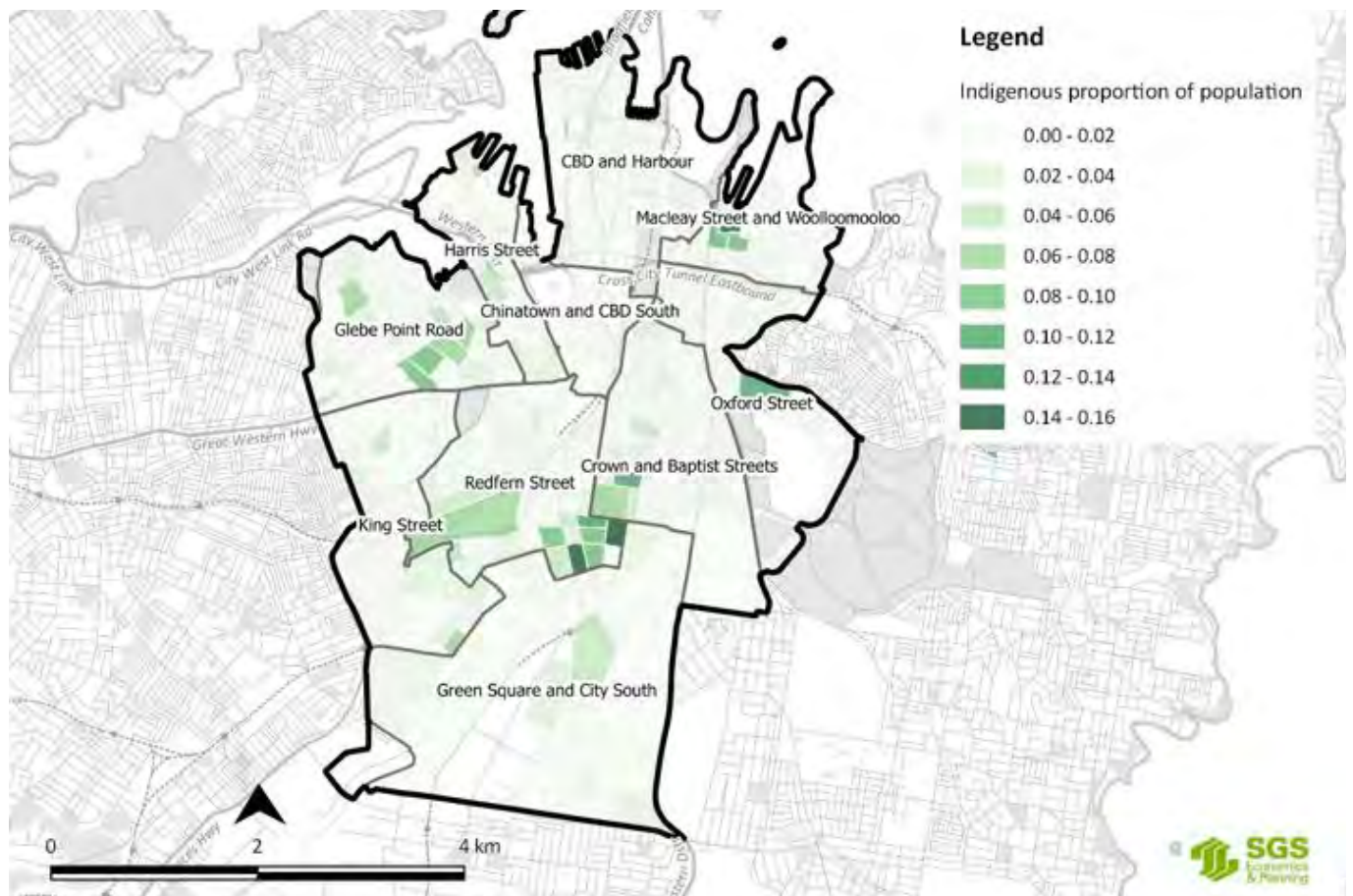
The existing geographic distribution of Aboriginal and Torres Strait Islander peoples at the SA1 level across the LGA (as a percentage of the SA1 population) is illustrated in Figure 32. This shows higher proportions around Redfern as well as Woollloomooloo and Glebe.

The City's Social Sustainability Policy and Action Plan identified many concerns expressed by Aboriginal and Torres Strait Islander communities, specifically the impact of ongoing urban renewal and gentrification on social inclusion overall, and in particular on established communities.

Data from the 2016 Census illustrates that Aboriginal and Torres Strait Islander households are much more likely to live in public or community housing than other households within the city. As of 2016, 40.6 per cent of Indigenous households were residents of public housing, and another 6.4 per cent renting with community housing providers. By comparison, across the city public housing residents accounted for just 6.7 per cent of households, with 1.3 per cent in community housing. Indigenous households in the city are also consequently less likely to own their own home, with rates of ownership outright (5.2 per cent) or being purchased (9.3 per cent) much lower than for the broader population (12.5 per cent and 17.5 per cent respectively)^{xxviii}.

With the current limited availability of social housing across the local area, there is a particular need for more housing options in areas where Aboriginal and Torres Strait Islander people live that are affordable and designed to meet their needs.

Figure 32: Indigenous proportion of population - SA1 level, 2016



Source: SGS Economics and Planning

3.2.9 Demand for accessible and adaptable housing

The City has identified that there is currently a lack of housing stock able to meet the needs of the population with a disability, and to allow for people to age in place as they get older. This is evidenced by the high proportions of people with disability who rely on social housing. Residents with a disability are six times more likely to live in social housing compared to those without. People with caring responsibilities are also three times more likely to live in social housing^{xxix}.

The City's Wellbeing Survey of residents showed that 6.3 per cent identified as a person with disability, and 4.2 per cent identified as caring for someone with disability, medical condition, mental illness or someone who is frail and aged.

As the city's population grows, demand for more accessible and adaptable housing is likely to increase. While local population is increasingly trending towards younger age groups, overall population growth will still mean an increase in the number of older people and people with a disability living in the city who will require suitable housing.

Providing for accessible and adaptable housing is an important part of ensuring that people of all ages and abilities have equal opportunities to live in the city and participate in public life.

3.2.10 Demand for larger households

The City of Sydney is home to a large proportion of single person and couple only households. Couple families with children make up a comparatively small proportion of the city's households, at around 9.5 per cent in 2016, though this has increased slightly from 8.9 per cent in 2011. In contrast, couple families with children make up around 35.3 per cent of households across Greater Sydney, which has also increased slightly since 2011 from 34.8 per cent.

It is anticipated that over the next 20 years from 2016 to 2036 the number of households that are couples with children and group households will account for almost 30 per cent of total change in household demand. Despite couples without children households and lone person households dominating the city's household type to 2036, couples with children and group households are expected to have a significantly greater amount of change (52.9 per cent and 56.2 per cent respectively), compared to 48.2 per cent and 39.5 per cent for lone person households.

The affordability and size of housing in the city is likely to inhibit a greater diversity of family and group household types. Much of the new housing being developed and existing stock in the city is in the form of higher density and smaller apartments, which are not always suited to families with children or larger households. The high costs of housing generally in the city (described above) and in particular for larger dwellings types, is also likely to be beyond the affordability threshold for many households on lower incomes.

There is a risk that, if future housing caters mostly for smaller households and students, it will not have the flexibility to support future demographic changes, including demand from families, group households and to enable ageing in place. Social and demographic mix is seen as an important factor for successful urban communities. Providing alternative housing options, such as larger apartments, will help to cater to demand and the demographic mix of the city as it continues to change.

3.2.11 Demand for the investor market

While no detailed demand analysis is provided around investor housing, it is important to note the role it has influencing housing demand, and that it is different to the demand for housing seen from owner-occupiers. Investor activity contributes to the demand for smaller dwellings in particular, as these are typically easier access points into the housing market. The significant growth in new apartment dwellings that have been established in the city in recent years, and growth in the number of households renting, is evidence of this investment-led demand.

Though demand from investors is likely to continue, linked in significant measure to the strong presence of university students, it is important that this is not that only market served. Changing economic conditions could result in an oversupply of dwellings with less appeal to owner-occupiers, or not suited to larger households.

The potential impact of broader macro-economic trends on investor demand is already evidenced by the drop off in sales of off-the-plan apartments across NSW in the past year, as lending conditions have become more restricted, exacerbated by the finance sector's response to the findings from the banking Royal Commission^{xxx}.

3.3 Housing supply

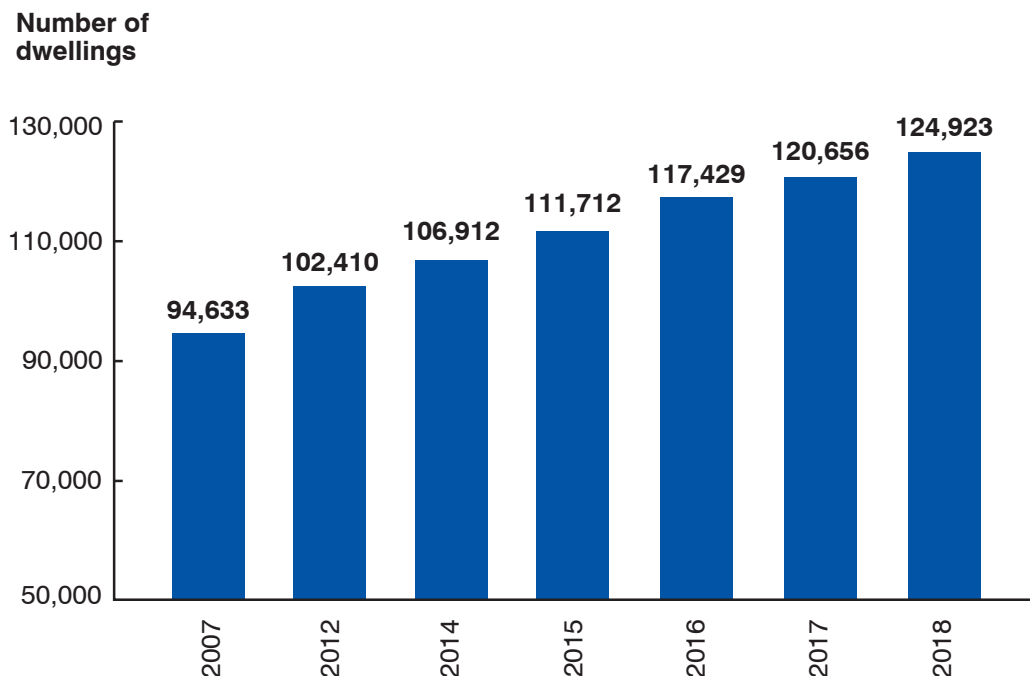
This section analyses the supply of housing in the LGA by considering the amount and type of current stock, rental vacancies and vacancy rates, and the price and type of dwellings for sale. It also considers planned housing in the development pipeline, as well as future housing supply likely to be delivered within the residential development capacity of the existing land use planning controls.

3.3.1 Current housing stock

The City started monitoring housing stock in 2007 as part of the Floor Space and Employment Survey, and more comprehensively since 2012 with the annual Housing Audit. Figure 33 shows in 2018 there were a total of 124,923 dwellings in the LGA. The number of dwellings has increased by 30,290 since 2007, equating to average annual growth of 4.8 per cent. This growth in new housing is in line with similarly high rates of population growth, resulting in the LGA being one of the fastest growing in Greater Sydney.

Total dwelling stock is defined by two types of housing. Private dwellings are privately owned or rented dwellings, social housing and affordable rental housing. Non-private dwellings are rooms in managed facilities, such as boarding houses, student accommodation, group homes and residential care services.

Figure 33: Total dwelling stock, City of Sydney, 2007 - 2018



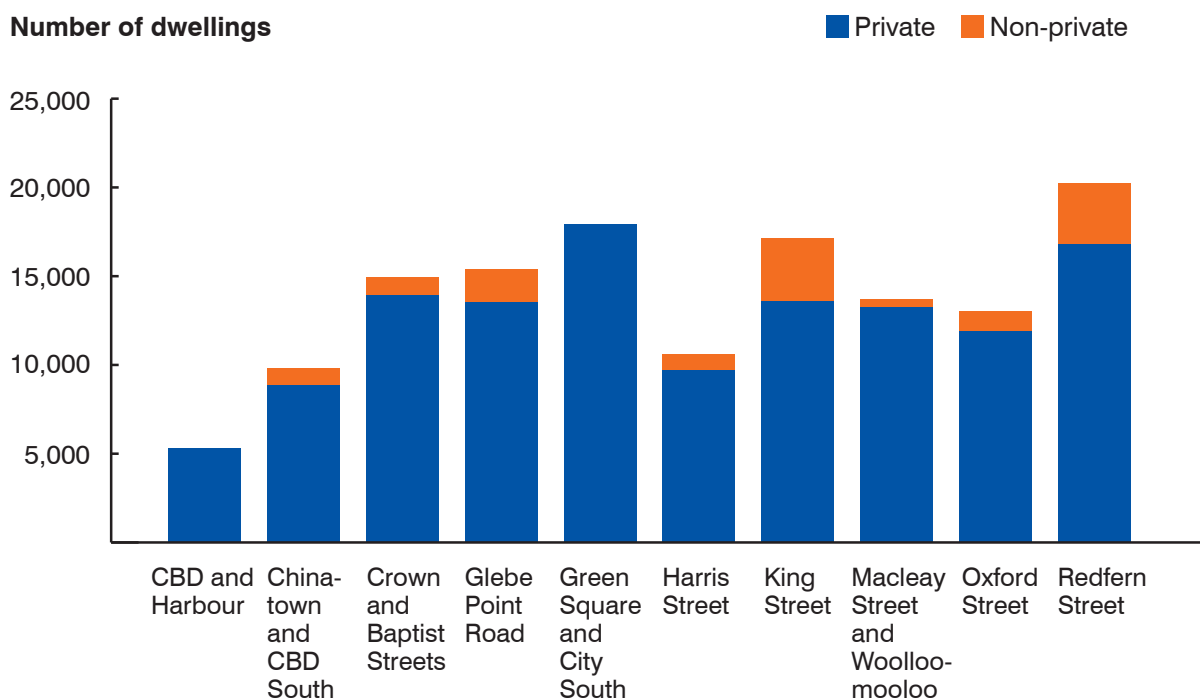
Source: City of Sydney Housing Audit 2018

In 2018 total dwelling stock was divided into 89.4 per cent private dwellings and 10.6 per cent non-private dwellings. Figure 34 shows the breakdown of private and non-private dwellings in 2018 by village area. The CBD and Harbour village was the only area with no non-private dwellings. The King Street and Redfern Street villages had the largest proportion of non-private dwellings, at 26 per cent (3,538 of 13,614 dwellings) and 20 per cent (3,421 of 16,796 dwellings).

Private dwellings are the primary form of housing in the city. Figure 35 shows private dwelling stock has increased by almost 22,000 from 2007 to 2018, which represents 72.5 per cent of the total growth in dwelling stock occurring over the same period. Notably, over 60 per cent of private dwelling growth since 2007 took place from 2014 to 2018, reflecting favourable market conditions that led to the housing boom.

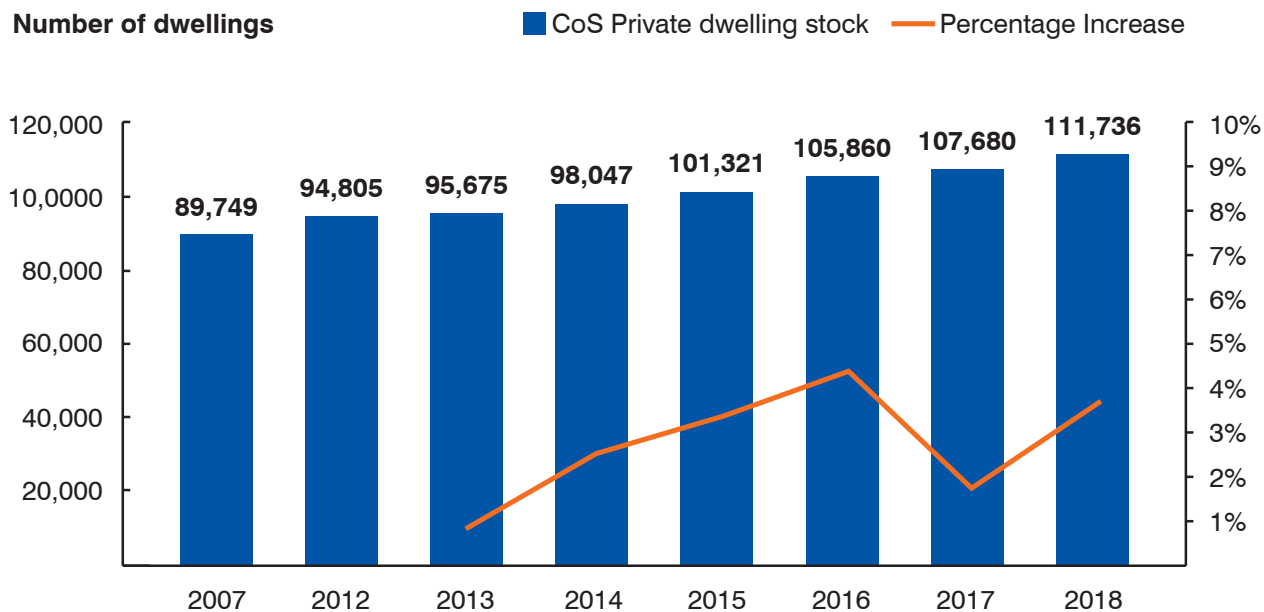
Figure 36 shows the highest growth in private dwellings was in the Green Square and City South village, which had almost 50 per cent of all private dwelling growth. Minimal growth was experienced in the CBD and Harbour and Macleay Street villages from 2007 to 2018.

Figure 34: Share of private and non-private dwelling stock by village area, 2018



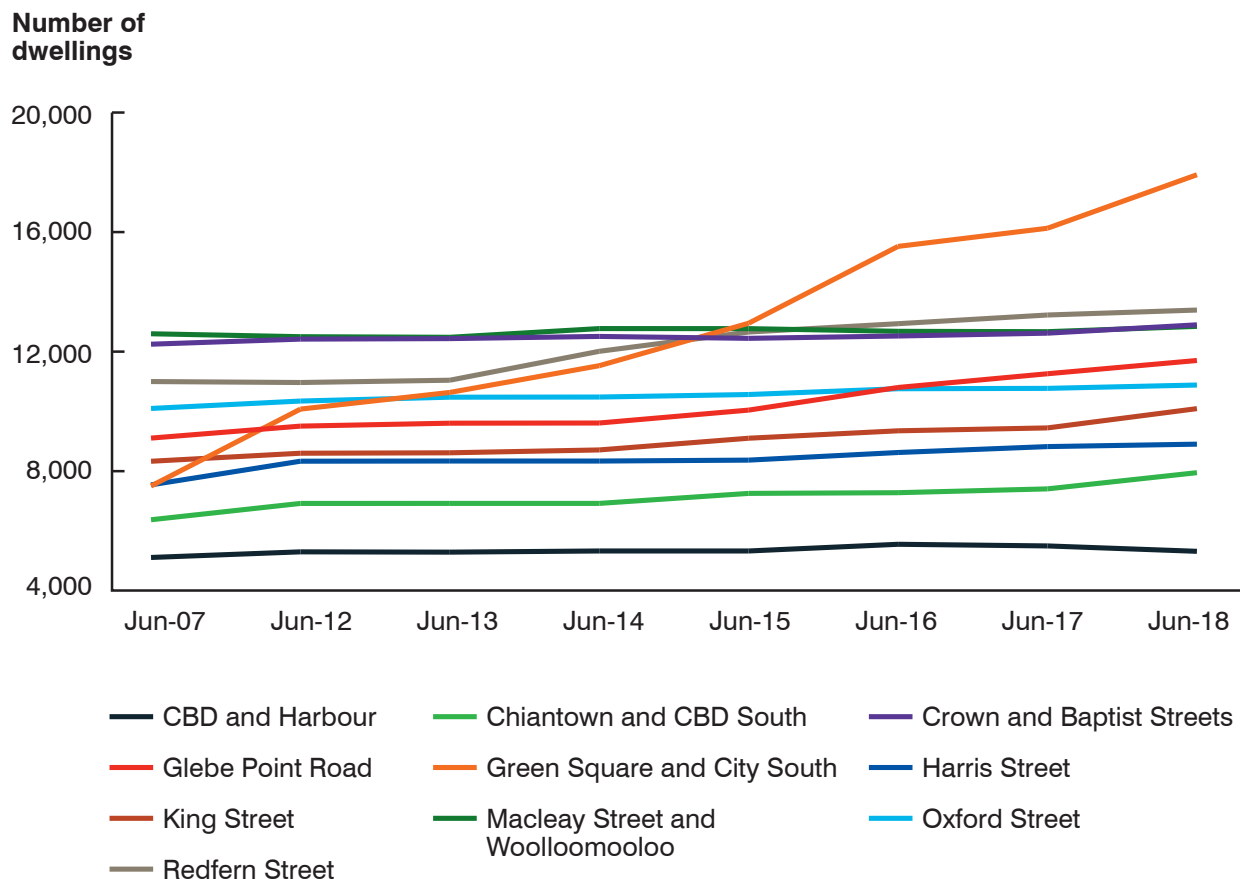
Source: City of Sydney Housing Audit and Residential Monitor

Figure 35: Private dwelling stock, City of Sydney, 2007 - 2018



Source: City of Sydney Housing Audit and Residential Monitor

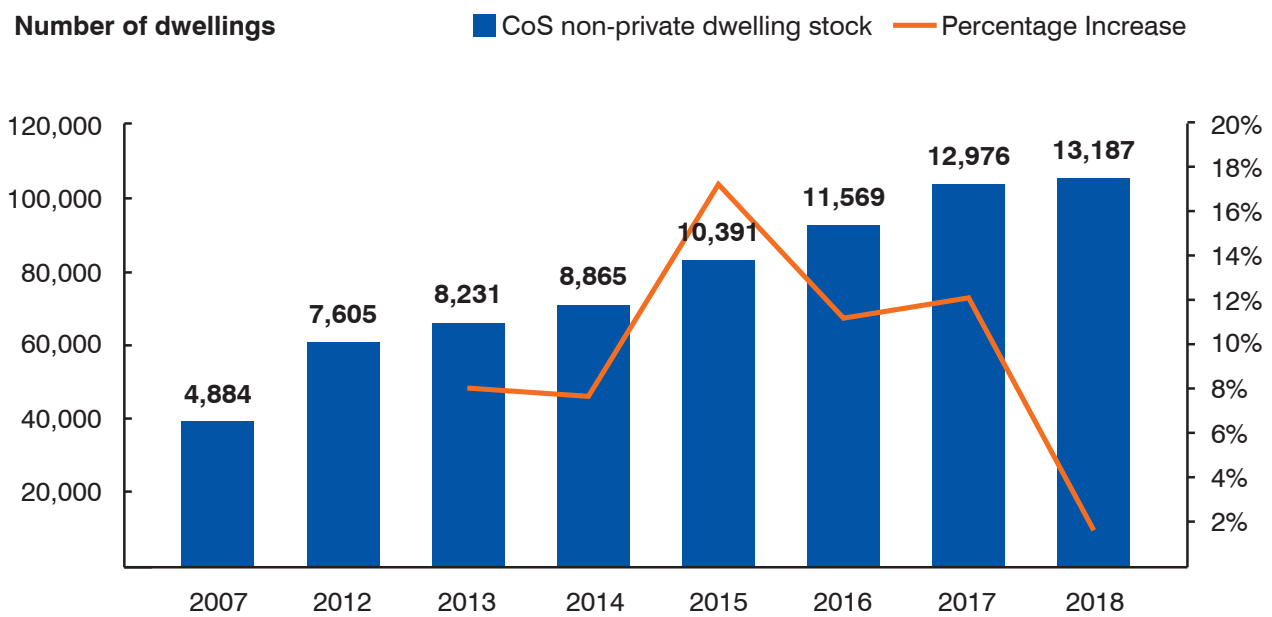
Figure 36: Private dwellings by village area, 2007 - 2018



Source: City of Sydney Housing Audit^{xxxi}

The NSW Government has traditionally not included non-private dwellings in reporting housing stock, because it is seen as providing temporary accommodation for non-residents. However, in the context of the City of Sydney, non-private dwellings make up a substantial proportion of housing stock, and are home for long term residents. Figure 37 shows non-private dwelling stock increasing by 6,122 from 2007 to 2018 to a total of 13,187 dwellings. Non-private dwellings now make up approximately 10 per cent of total dwelling stock.

Figure 37: Non-private dwelling stock, City of Sydney, 2007 - 2018

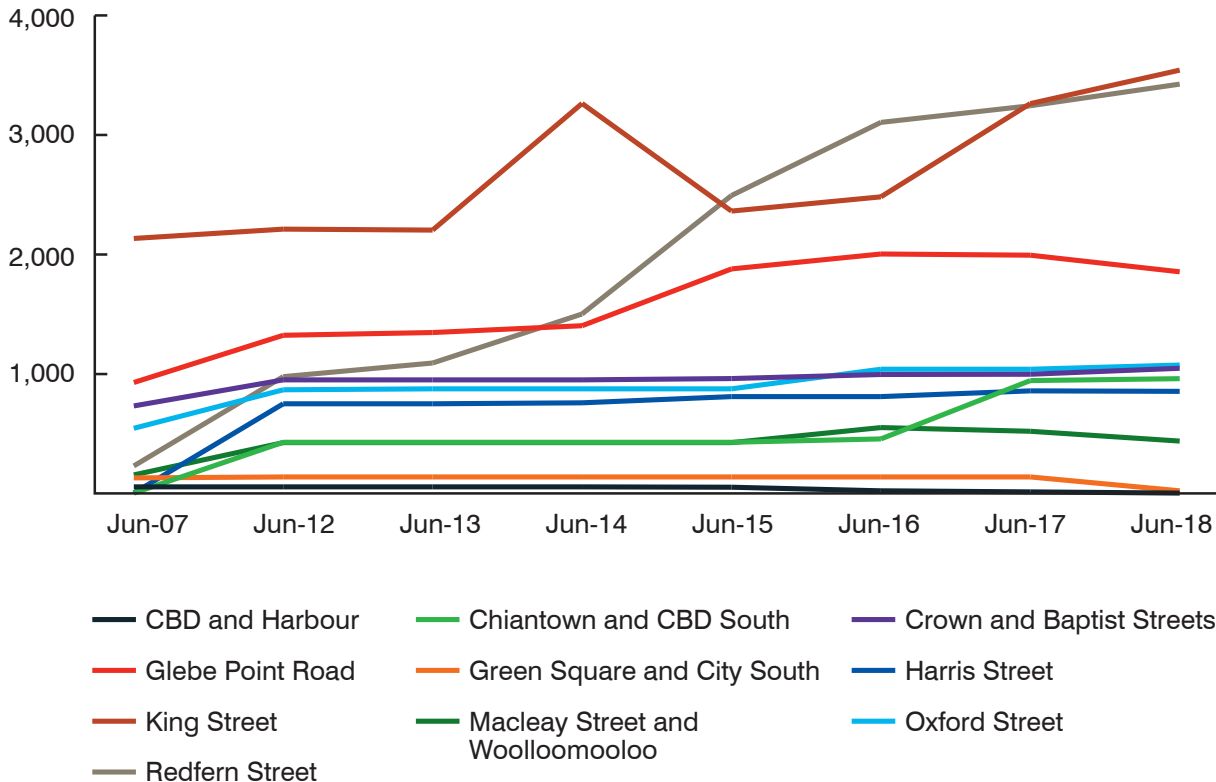


Source: City of Sydney Housing 2018

Figure 38 shows where the growth in non-private dwellings has occurred in the LGA. With the exception of the CBD and Harbour village, all villages experienced growth in non-private dwellings. Of particular note is that growth in non-private dwellings (73.4 per cent) far outpaced growth in private dwellings (17.9 per cent) between 2012 and 2018, however the total number of new non-private dwellings over this period is still much less than new private dwellings.

Figure 38: Non-private dwellings by village area, 2007 - 2018

Number of dwellings



Source: City of Sydney Housing 2018^{xxxii}

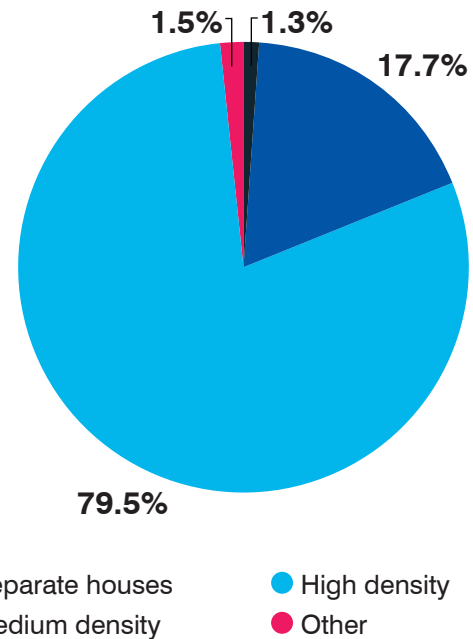
3.3.2 Existing dwelling structure

Housing in the City of Sydney is predominantly high density. As discussed in Section 2.1 Dwelling Structure, between 2006 and 2016 high density dwellings grew substantially while other dwelling types reduced in absolute numbers.

As Figure 39 shows, in 2018 housing stock is made up of nearly 80 per cent high density dwellings, and separate houses only make up 1.3 per cent. Medium density dwellings like terrace houses make up 17.7 per cent of dwellings.

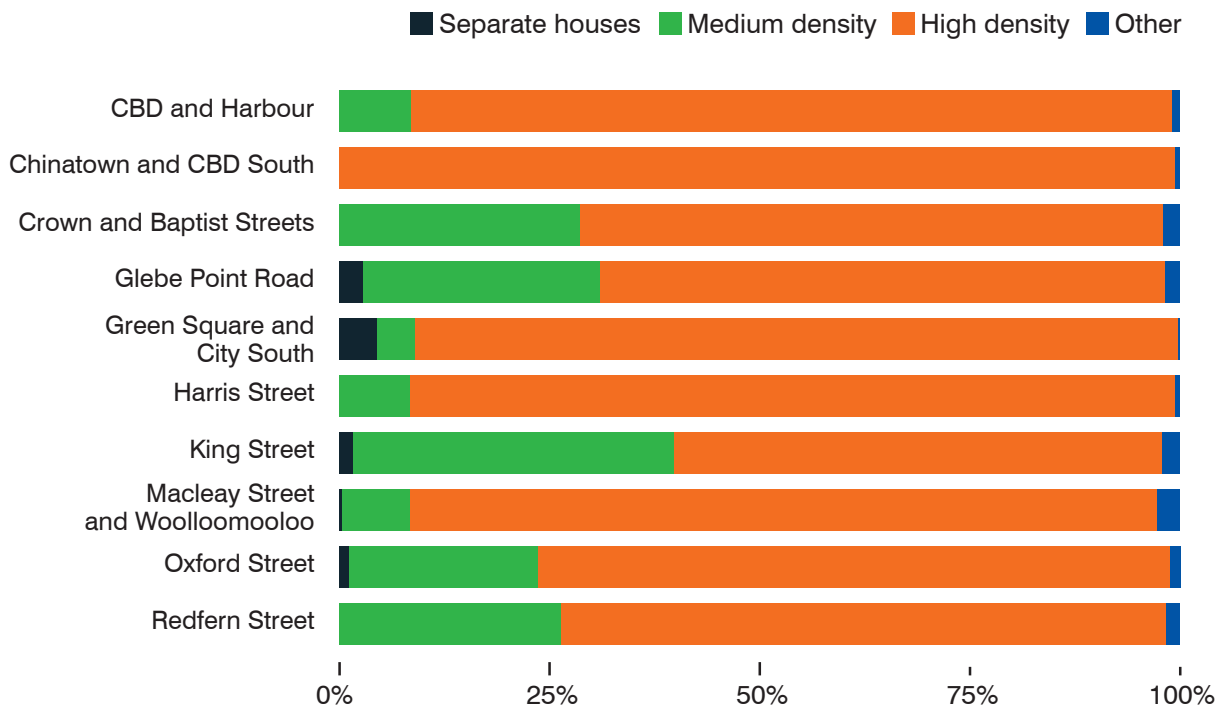
The dwelling structure composition varies between village areas, as shown in Figure 40. High density dwellings are the largest proportion of total dwellings in all villages, but areas like King Street, Glebe Point Road and Crown & Baptist Streets have a higher share of medium density dwellings compared to other village areas. This reflects their historic residential development patterns, which are largely protected by heritage conservation areas.

Figure 39: Breakdown of private dwellings, City of Sydney, 2018



Source: City of Sydney Housing Audit

Figure 40: Breakdown of private dwellings, City of Sydney, 2018



Source: City of Sydney Housing Audit.

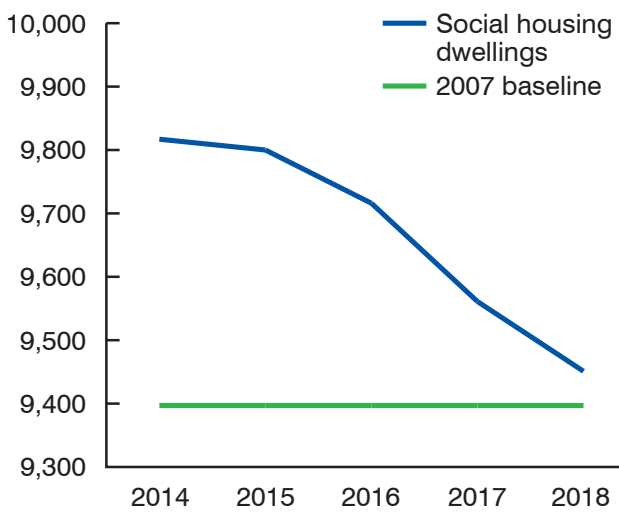
Social housing stock

As of June 2018 there were 9,451 social housing dwellings in the City of Sydney, compared to 9,397 in June 2007. Between 2017 and 2018, there was a net decrease of 110 dwellings, due in part to the sale of public housing in Millers Point and the closure of the Sirius Building in The Rocks. The number of social housing dwellings in the City of Sydney has fallen from a decade high number of 9,817 in 2014, as shown below in Figure 41.

Affordable rental housing stock

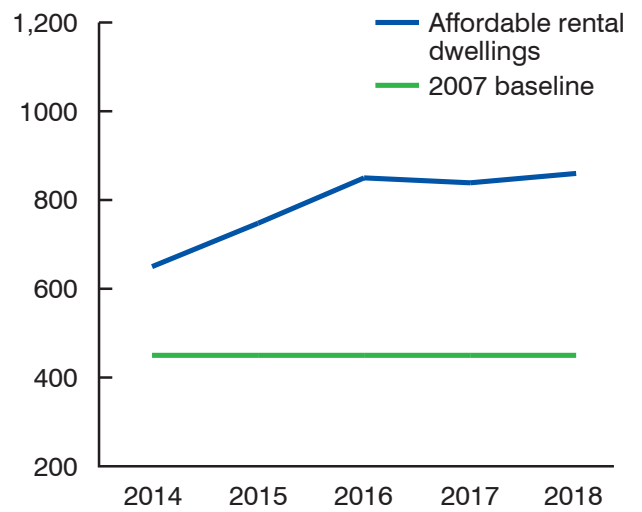
The number of affordable rental housing dwellings in the City of Sydney has been slowly climbing, from 447 dwellings in 2007 to 854 in 2018 (Figure 42). As a proportion of total dwellings it remains very low, about 0.76 per cent of total housing stock. As dwelling stock increases the proportion will continue to decline.

Figure 41: Social housing dwellings, City of Sydney, 2014 - 2018



Source: City of Sydney Housing Audit

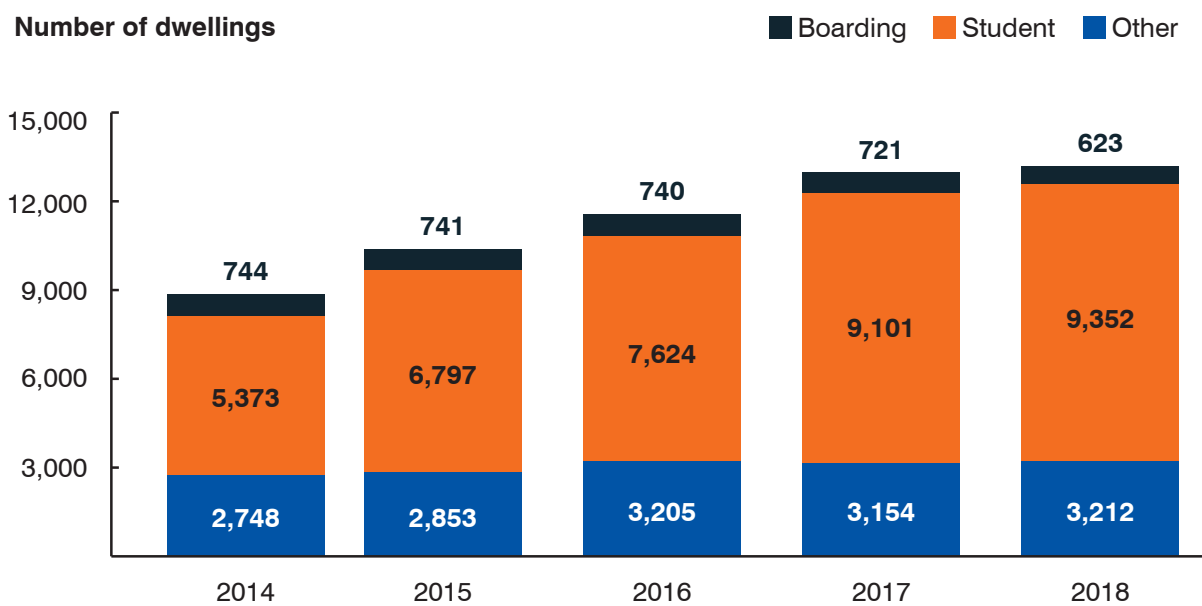
Figure 42: Affordable rental housing dwellings, City of Sydney, 2014 - 2018



Source: City of Sydney Housing Audit

As discussed in Section 2.5 Analysis of the Evidence Base, non-private dwellings have seen strong growth. As illustrated in Figure 43, much of this growth has been in the form of student accommodation, with the number of boarding houses remaining relatively steady since 2016. This is representative of the recent boom in student accommodation development in the City.

Figure 43: Non-private dwellings by type, City of Sydney, 2014 - 2018



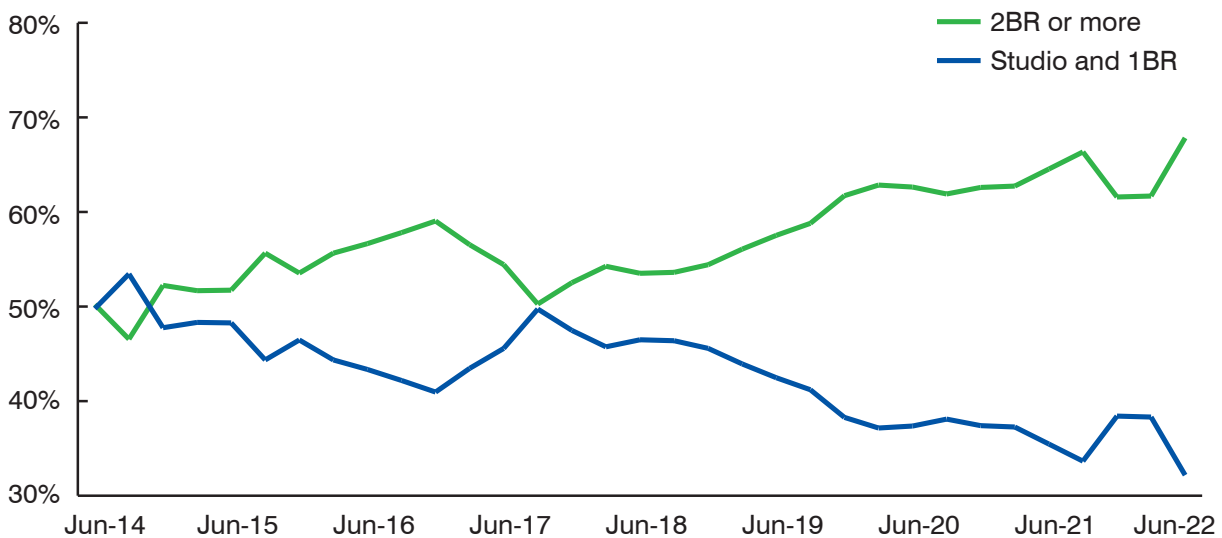
Source: City of Sydney Housing Audit

3.3.3 Unit mix

Newly built units in the LGA are becoming larger, with a greater and increasing proportion of units having two or more bedrooms. The last time there were more studio and one bedroom units than multi-bedroom units was 2014, and the trend is expected to continue with 68 per cent of new units expected to be completed in 2022 being two or more bedroom and 32 per cent studios and one bedroom.

For new units completed in the 2017/18 financial year, 53.6 per cent had two or more bedrooms and 46.4 per cent studios and one bedrooms. However, for new developments approved during the same period, two or more bedroom units made up 69.5 per cent of the total. Figure 44 shows historical and forecast unit mix breakdown to 2022, showing a significant shift to larger apartments.

Figure 44: Non-private dwellings by type, City of Sydney, 2014 - 2018



Source: City of Sydney Residential Monitor 2018

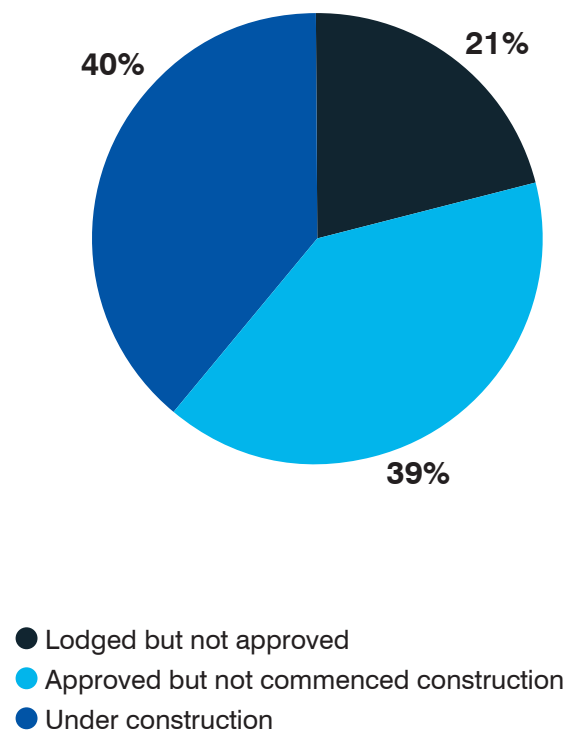
3.3.4 Development pipeline

The development pipeline in the City relates to the number of development applications that are lodged but not yet approved, approved but not yet commenced construction, and all dwellings under construction. These three categories provide a short to medium term view of development by focusing on changing land uses, built form and scale. The total development pipeline at 30 June 2018 was 26,856 dwellings. Of these, 23,194 were private dwellings, with the remaining 3,662 being non-private dwellings^{xxxiii}.

Figure 45 shows the proportions of categories in the development pipeline at 30 June 2018. There were 5,624 dwellings (40 per cent) lodged by not yet approved and 10,466 (21 per cent) dwellings approved by not yet commenced. There were also 10,766 (39 per cent) residential dwellings under construction of which the vast majority (96 per cent) were multi-storey apartment buildings. The Green Square and City South village area had the highest number of dwellings under construction at 4,097, representing 38.1 per cent of total dwellings under construction.

The development pipeline influences the number and timing of residential completions. Figure 46 shows the number of completed dwellings by village area from 2013/14 to 2017/18, along with forecast completions from 2018/19 to 2021/22. The completed dwellings are based on known development applications and their estimated completion dates. The average annual rate of completions over the past 5 years has been just over 4,140 dwellings per year. Completions in 2017/18 have recovered from a sharp fall in 2016/17, which is attributed to multi-unit developments taking a number of years to complete and is not considered to be indicative of overall trends. The yearly rate of completions is set to increase dramatically as major developments are forecast to be completed between 2018/19 and 2021/22, estimated to peak at around 8,000 dwellings in 2018/19.

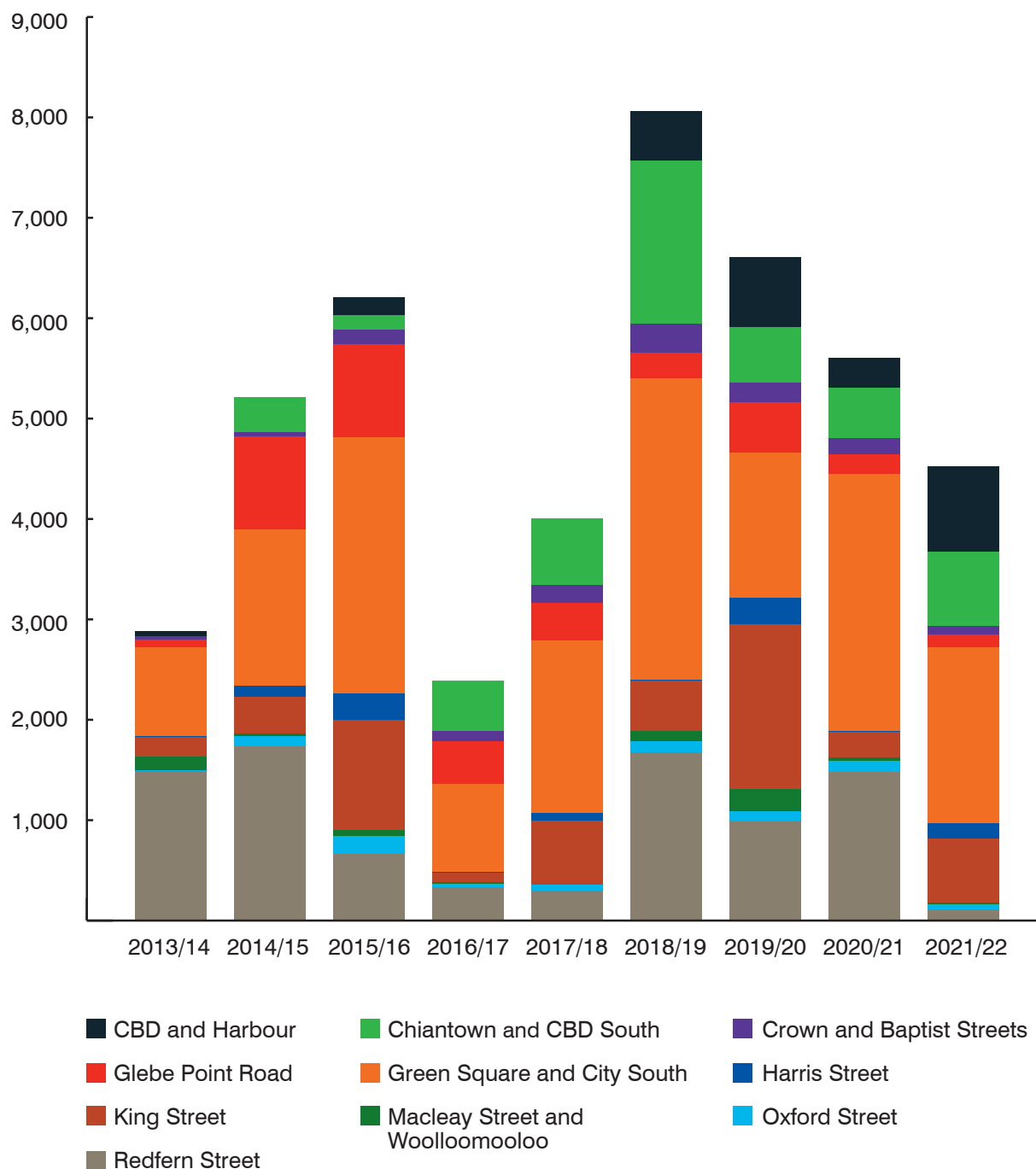
Figure 45: Development pipeline by category, City of Sydney, June 2018



Source: City of Sydney Residential Monitor

Figure 46: Dwelling completion by financial year by village area, 2013/14 – 2021/22

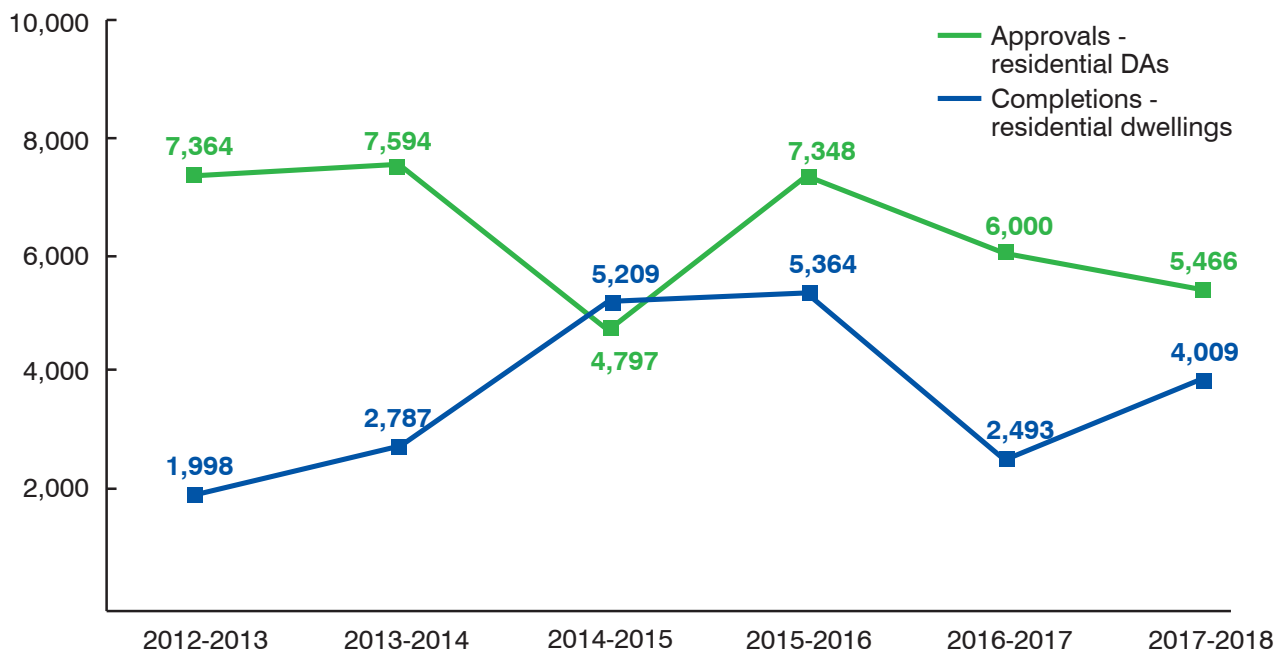
Number of dwellings



Source: City of Sydney Residential Monitor

Figure 47 compares housing approvals to completions for each year from 2012/13 to 2017/18 and shows that there is generally a two year lag between the two as many of the projects are multi-unit apartment buildings, which can take several years to complete. After a fall in 2016/17, residential completions increased significantly up to 2018/19, with a peak of over 8,000 dwellings completed in 2018/19 as many major projects are completed. Residential completions are projected to fall from the peak in 2018/19 each year up to 2022/23.

Figure 47: Residential development application approvals and completions, 2012/13 - 2017/18



Source: City of Sydney Residential Monitor

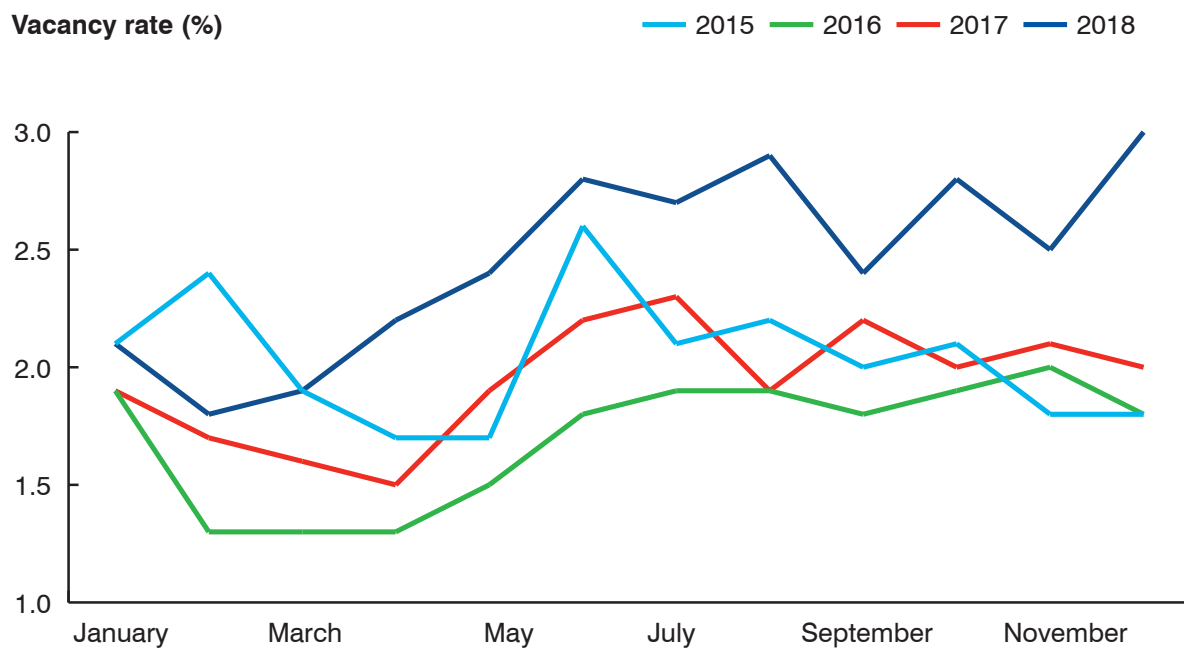
3.3.5 Rental vacancies

Residential rental vacancy rates measure the proportion of rental properties available at any given point. The rental vacancy rate shows demand for rental properties and can indicate the strength of a market.

The Real Estate Institute of Australia releases data about the residential rental vacancy rate of Inner Sydney, including the City of Sydney but also other local government areas in the inner-city such as Ashfield, Botany Bay, Lane Cove, Leichhardt, Marrickville, Mosman, North Sydney, Randwick, Waverley and Woollahra.

The rental vacancy rate as of December 2018 was 3 per cent, and as shown in Figure 48, is higher than all previous years measured. The rental vacancy rate ranged between 2.0 and 3.0 per cent between April and December 2018. This is in contrast to 2016 where the vacancy rate was between 1.4 and 2.0 per cent over the same period.

Figure 48: Residential development application approvals and completions, 2012/13 - 2017/18



Source: Real Estate Institute of NSW Vacancy Rate Survey

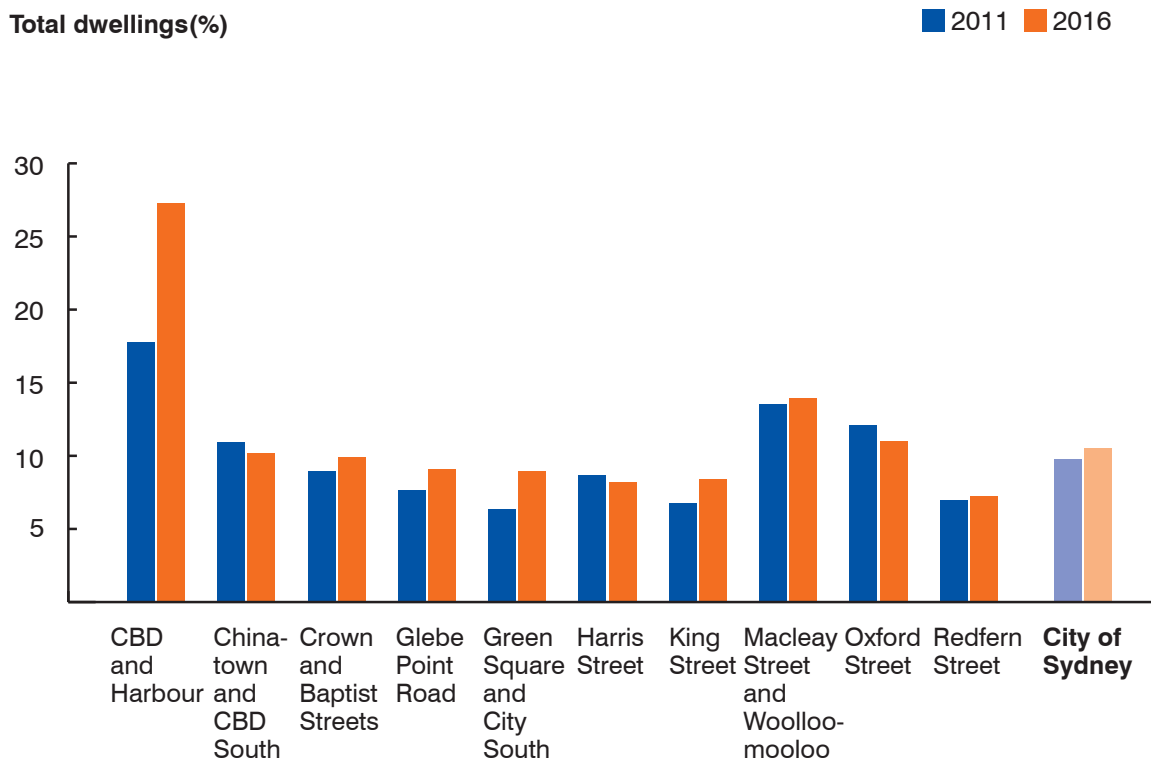
3.3.6 Vacancy rates

Dwelling vacancy rates can be understood by looking at recent Census data. Unoccupied private dwellings refers to those dwellings which had no occupants on Census night. Unoccupied or vacant dwellings are not necessarily permanently unoccupied, they may be used as temporary accommodation, holiday letting, under renovation or the occupier may be absent over an extended period. A high dwelling vacancy rate can exacerbate the effects of housing affordability stress by contributing to an artificially inflated rental market. As fewer properties are tenanted creating a scarcity of housing, rents may increase.

In 2016, 11,496 private dwellings were classified as unoccupied, representing 10.5 per cent of all private dwellings. As shown in Figure 49, this is an increase from 2011 when 9,187 dwellings (9.7 per cent of the total) were classified as unoccupied.

The LGA has a higher proportion of unoccupied dwellings than the Greater Sydney average, at 10.5 per cent compared to 7.3 per cent, though the rate is varied across the City's villages^{xxxiv}. Figure 49 shows the CBD and Harbour village had the highest proportion of unoccupied dwellings, at 17.7 per cent of all dwellings in 2011 and 27.3 per cent in 2016. In 2016, the Redfern Street village had the lowest proportion of unoccupied dwellings at 7.2 per cent.

Figure 49: Share of unoccupied dwellings by village area, 2011 - 2016



Source: Australian Bureau of Statistics, Census of Population and Housing, 2011 and 2016

3.3.7 Capacity of land use controls

Calculating floor space capacity provides the City with a detailed understanding of how much floor space is potentially available and developable under the planning controls. This helps identify where major development opportunities exist across the LGA. To this end, the City has undertaken and published the 2019 Capacity Study. It quantifies the amount of additional floor space available for development, and translates floor space to potential new dwellings and work spaces. The Study includes capacity identified for NSW Government projects, and the floor space which may be made available under planning proposals prepared according to the draft *Central Sydney Planning Strategy*.

The Study uses the City of Sydney Floor Space and Employment survey (FES) to determine a baseline amount of built floor space, and the City's development monitoring database to capture development in the pipeline.

The Study calculates the difference between built floor space and the maximum amount of floor space attainable under the floor space ratio (FSR) controls established in the following local environmental plans:

- *Sydney Local Environmental Plan 2012*
- *Sydney Local Environmental Plan (Harold Park) 2011*
- *Sydney Local Environmental Plan 2005 – Frasers Broadway*
- *Sydney Local Environmental Plan (Green Square Town Centre) 2013*
- *Sydney Local Environmental Plan (Green Square Town Centre – Stage 2) 2013*
- *South Sydney Local Environmental Plan 1998*

In addition to baseline FSR, the Study included floor space available under design excellence, community infrastructure floor space in Green Square and accommodation floor space in Central Sydney. Accommodation floor space depends on the chosen land use, so the Study assumes the existing use will continue in a redevelopment scenario.

The Study evaluated each site in the LGA against a set of criteria, and categorised them to determine if they are developable. Sites were excluded on the basis of a number of identified constraints, which were considered to impact the redevelopment potential of a given site. These constraints are described in detail in Section 2.4 of this technical report.

Sites which had less than 100 square metres of development capacity were excluded, as these were assumed to have limited redevelopment potential. Over 80 per cent of these sites were located in the city's heritage conservation areas.

The development pipeline was also considered when assessing total additional floor space. The pipeline is the amount of floor space under development, either under construction or with a development assessment application approved or lodged. Integrating pipeline data into the study allows us to determine how much of the identified floor space capacity is 'committed' and has been developed or is likely to be developed in the short term based on known development activity.

Section 2.3.9 provides a top-line summary of findings from the 2019 Capacity Study.

3.3.8 NSW Government controlled sites

The 2019 Capacity Study includes analysis of sites where the planning authority sits with the NSW Government. Often these sites are owned by the NSW Government, or the development proposed has been identified by the NSW Government as being of planning significance to the state. They fall broadly into the categories of State Significant Development (SSD) or State Significant Precincts (SSP) and have been identified through a State Environmental Planning Policy. In total, 274 hectares or more than 10 per cent of the LGA is currently subject to state planning controls, equivalent in size to the entire Green Square Urban Renewal Area.

NSW Government controlled sites will contribute to the City's housing delivery forecast to 2036. For some sites, State Significant Development or concept plan/major project approvals are in place. In that instance, the approved dwelling numbers have been included in the forecast dwelling capacity. There are other sites which have been identified as potential State Significant Precincts, where the NSW Government owns the land and has publicly stated an intention to deliver housing. For these sites, the Study assumed that the sites will be developed at a density that is consistent with the City's approach to urban renewal in areas such as Green Square. Dwellings delivered on these sites are included in pipeline and in capacity numbers and contribute to total forecast housing delivery to 2036.

The delivery of housing on NSW Government controlled sites raises two challenges in the preparation and implementation *Housing for All* and this technical report. The first challenge is uncertainty in forecasting the final number of dwellings to be delivered. This is essential to understanding the local and state infrastructure needed to support development. The uncertainty arises because:

- Historically, for any one NSW Government project the number of dwellings delivered tends to rise between approvals and completions. For instance, in 2015 and 2016 UrbanGrowth NSW consulted extensively on plans to increase development on the North Eveleigh West site by more than 20 per cent, and

- There may be further NSW Government projects expected to deliver housing but that have not yet been publicly identified. These could include sites previously investigated for development such as Central Station, Redfern Station, North Eveleigh and South Eveleigh.

Combined, these two factors lead to uncertainty in forecasting the number of dwellings that will be delivered on NSW Government controlled sites.

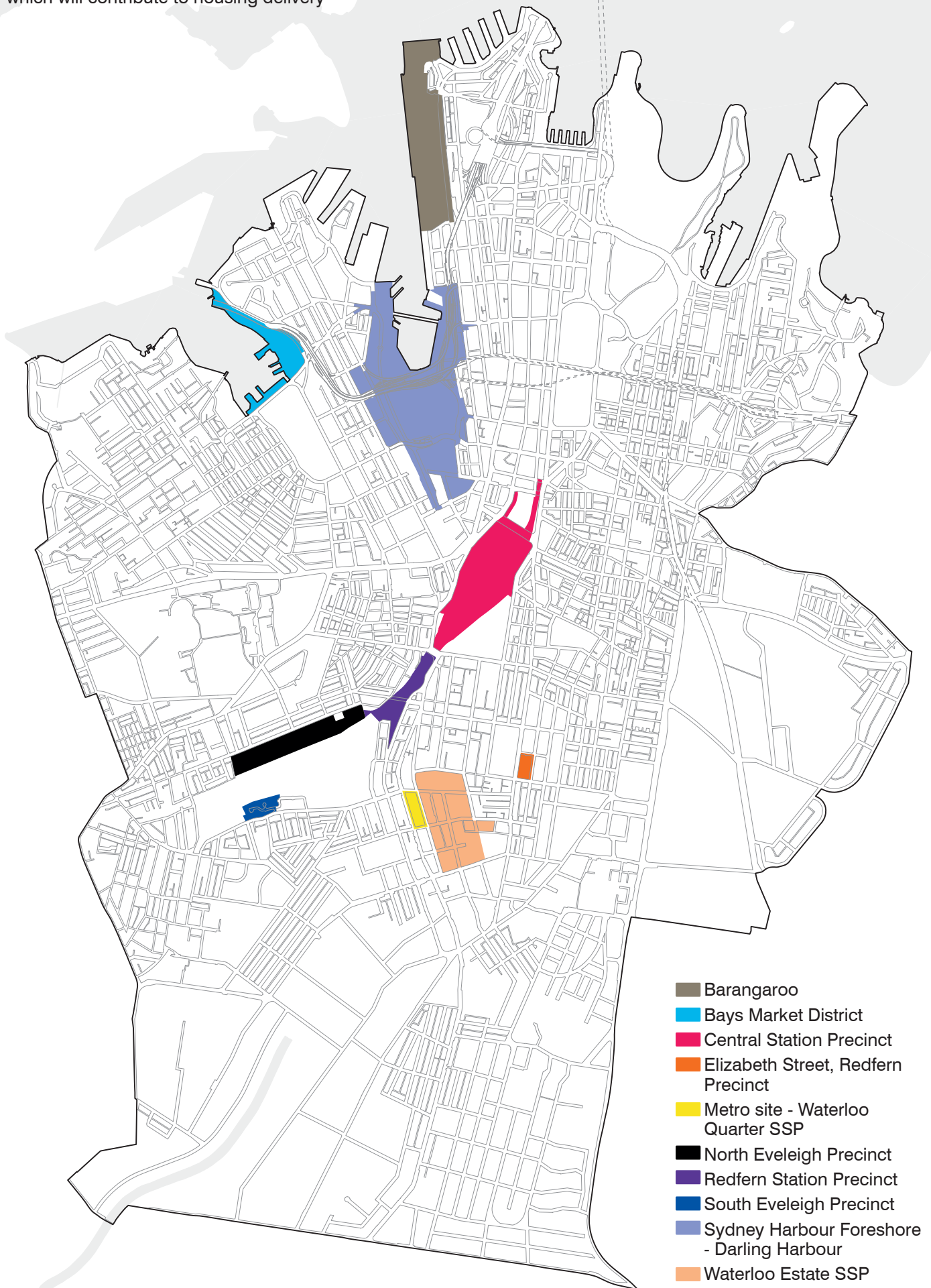
The second challenge with NSW Government projects is that the City is not the consent authority. This leads to reduced control over important aspects of the planning and design outcome including the internal amenity of residential development and the layout, design and quality of public domain aspects including parks and streets. Residential amenity and public domain quality are priorities for the City when considering liveability under the Planning Statement, *Housing for All* and this technical report. When a substantial proportion of future dwellings are delivered in an unpredictable manner and without the City's oversight it threatens the priorities in *Housing for All* and this technical report.

The City continues to demonstrate its ability to deliver large scale, high value and complex renewal projects and development applications, and continues to request the NSW Government re-integrate precincts under the consent authority of the Planning Minister into the City's planning framework. This will ensure consistent and high quality place-based planning outcomes.

Figure 50 shows the geographical spread of sites within the City of Sydney that fall under state planning controls and which are expected to deliver housing. Such sites are concentrated in Central Sydney and Redfern-Waterloo.



Figure 50: NSW Government controlled sites which will contribute to housing delivery



3.3.9 Key findings from the 2019 Capacity Study

This section provides a top-line summary of findings from the 2019 Capacity Study by incorporating the following components of capacity:

- Baseline capacity, which is the amount of capacity available under the existing planning controls where existing floor space is subtracted from the potential floor space
- Expanded capacity, represents an integrated understanding of capacity by considering baseline capacity, capacity for NSW Government sites, and the likely uplift of capacity under the implementation of the draft *Central Sydney Planning Strategy*.

Following calculation of expanded development capacity, a forecasting model was applied to predict how the floor space will be split between residential and non-residential uses, and how many dwellings and jobs may result from the total potential floor space.

Baseline Capacity

The Capacity Study found there were 3,442 sites in the city with capacity of at least 100 square metres. The analysis shows there are 4.5 million square metres of baseline floor space capacity. Table 34 summarises the breakdown of capacity for each village area.

Green Square and City South village has the largest amount of capacity with just over 2.3 million square metres of floor space located across 1,298 sites. This represents just over half the baseline floor space capacity of the entire LGA. Chinatown and CBD South village followed by CBD and Harbour village had the second and third largest amount of capacity with each area having 612,972 and 388,857 square metres of baseline floor space capacity and collectively representing just over a fifth (22.1 per cent) of the city's total baseline capacity.

The distribution and amount of capacity also differs considerably by site area. Table 35 shows the distribution of capacity across sites categorised into their respective size ranges.

Available capacity is largely concentrated in only a handful of larger sites found in the local area. Sites which were at least 5,000 square metres in land area represented just 3 per cent of all sites identified as having capacity, yet contributed to just over 45 per cent of the city's total baseline floor space capacity, representing over 2 million square metres of floor space. A large number of these sites are located in the Green Square Urban Renewal Area, as well as the Southern Enterprise Area (formerly referred to as the Southern Employment Lands) where residential development is restricted.

By contrast, sites between 100 and 499 square metres in land area accounted for over 60 per cent of all sites identified as having capacity yet only made up a total of 613,105 square metres, representing just 13.5 per cent of the city's total baseline capacity.

The development pipeline was also considered to understand what proportion of the capacity identified was committed as at the end of January 2019. Committed capacity represents those sites that are in the process of development, either under construction or with a development assessment application approved or lodged or completed since FES 2017. As at the end of January 2019, of the 4.5 million square metres of floor space capacity identified, 686,332 square metres represented committed capacity, representing about 15.1 per cent of the capacity that was initially identified in the baseline findings. In total, 3.8 million square metres of baseline capacity remains when these committed sites are excluded.

Table 34: Floor space capacity by village area

Village area	Number of sites with capacity of at least 100 square metres	Share of total sites with capacity (%)	Total capacity (square metres)	Share of total capacity (%)
CBD and Harbour	107	3.1%	388,857	8.6%
Chinatown and CBD South	125	3.6%	612,972	13.5%
Crown and Baptist Streets	415	12.1%	299,280	6.6%
Glebe Point Road	344	10.0%	118,726	2.6%
Green Square and City South – GSURA	522	15.2%	1,465,803	32.3%
Green Square and City South – Remainder	776	22.5%	874,763	19.3%
Harris Street	43	1.2%	176,827	3.9%
King Street	443	12.9%	281,408	6.2%
Macleay Street and Woolloomooloo	89	2.6%	93,375	2.1%
Oxford Street	308	8.9%	107,897	2.4%
Redfern Street	270	7.8%	112,472	2.5%
City of Sydney	3,442	100%	4,532,380	100%

Source: City of Sydney 2019 Capacity Study
 * Green Square Urban Renewal Area

Table 35: Distribution of floor space capacity by site area.

Site area	Number of sites with capacity of at least 100 square metres	Share of total sites with capacity (%)	Total capacity (square metres)	Share of total capacity (%)
100 - 499 square metres	2,067	60.1%	613,105	13.5%
500 - 999 square metres	870	25.3%	477,273	10.5%
1,000 - 1,999 square metres	226	6.6%	521,043	11.5%
2,000 - 4,999 square metres	172	5.0%	866,389	19.1%
5,000 square metres and over	107	3.1%	2,054,571	45.3%

Source: City of Sydney 2019 Capacity Study

Expanded capacity

To provide a more comprehensive picture of development potential, further analysis was undertaken to understand how much more capacity can be unlocked outside current planning controls. NSW Government controlled sites were examined for their future development potential. The draft *Central Sydney Planning Strategy* (CSPS) was also considered looking at how much floor space capacity dedicated to employment uses can be unlocked arising from planning proposals. This analysis was undertaken by identifying sites in Central Sydney that have the potential to amalgamate under the proposed CSPS. Table 36 below provides a summary of floor space capacity identified when integrating NSW Government controlled sites, the potential uplift arising from CSPS as well as the pipeline are taken into account.

Estimating residential and non-residential share of capacity

To split the total floor space capacity into residential and non-residential capacity, a forecasting model was developed to predict future development activity. Development applications were examined to derive an average proportion of residential and non-residential floor space which has been approved since 2012. An average ratio was derived for each travel zone and then applied to all sites where capacity was identified under existing planning controls. These results were then used to determine the likely number of dwellings and jobs generated based on the identified floor space capacity. In some cases, site specific assumptions were made for floor space capacity. Table 37 summarises the likely split between residential and non-residential floor space.

When taking into account floor space capacity under existing controls, NSW Government controlled sites, draft *Central Sydney Planning Strategy* and the pipeline, total capacity for the LGA was estimated to be around 10 million square metres of floor space. Around 42 per cent of this capacity is estimated to be residential floor space delivering a potential yield of 50,259 private dwellings and 5,558 non-private dwellings.

Table 36: Expanded floor space capacity by source

Description	Total capacity (square metres)	Share of total capacity (%)
Floor space capacity under existing planning controls	3,846,048	38.7%
Floor space capacity linked to net uplift under the CSPS	1,626,937	16.4%
Floor space capacity linked to NSW Government controlled sites	478,764	4.8%
Floor space capacity in the pipeline – City of Sydney or Central Sydney Planning Committee is consent authority	2,275,988	22.9%
Floor space capacity in the pipeline – linked to NSW Government projects	1,710,978	17.2%
Total floor space capacity	9,938,715	100%

Source: City of Sydney 2019 Capacity Study

Table 37: Land use split and future dwellings and jobs, by capacity type

Description	Total capacity (square metres)	Residential floor area	Non-residential floor area	Estimated Jobs	Estimated private dwellings	Estimated non private dwellings
Floor space capacity under existing planning controls	3,846,048	1,599,966	2,246,082	48,181	18,333	1,167
Floor space capacity linked to net uplift under the CSPA	1,626,937	-	1,626,937	46,647	-	-
Floor space capacity linked to NSW Government controlled sites	478,764	109,692	369,072	2,769	4,708	15
Floor space capacity in the pipeline – City of Sydney or Central Sydney Planning Committee is consent authority	2,275,988	1,888,620	387,368	11,738	21,510	2,009
Floor space capacity in the pipeline – State significant development and major projects where NSW Planning Minister is consent authority	1,710,978	556,190	1,154,788	49,140	5,708	2,367
Total	9,938,715	4,154,468	5,784,247	158,475	50,259	5,558

Source: City of Sydney 2019 Capacity Study

Table 38 provides a summary, broken down by village area, of the estimated housing and jobs that are likely to result under the identified floor space capacity. These estimates take into account expanded capacity which includes the CSPA uplift as well as the committed capacity linked to pipeline activity as noted above.

Based on the identified capacity, Green Square and City South village will yield the highest amount of dwellings with 20,252 private and non-private dwellings. It is followed by Redfern Street village with 9,272 private and non-private dwellings, and Chinatown and CBD South village with 7,000 private and non-private dwellings.

3.3.10 Feasibility of land use controls and housing supply

The Department of Planning, Industry and Environment's Local Housing Strategy Guideline requires the capacity of existing land use controls to be estimated, recognising that despite having theoretical development capacity, some sites may not be developed to that capacity.

Floor space capacity alone does not include the feasibility of development. To bridge this gap, the City commissioned an independent study from economic consultant AEC. This study estimates the feasibility of development and likely take up rates based on development capacity.

Table 38: Capacity for private and non-private dwellings, by village area

Village area	Estimated private dwellings	Estimated non-private dwellings	Total private and non-private dwellings
CBD and Harbour	3,894	18	3,912
Chinatown and CBD South	5,630	1,370	7,000
Crown and Baptist Streets	2,830	273	3,103
Glebe Point Road	2,112	343	2,455
Green Square and City South	20,232	20	20,252
Harris Street	2,033	111	2,144
King Street	4,758	780	5,538
Macleay Street and Woolloomooloo	936	84	1,020
Oxford Street	954	169	1,123
Redfern Street	6,881	2,391	9,272
City of Sydney	50,259	5,558	55,817

Source: City of Sydney 2019 Capacity Study

The study looked at the feasibility of all sites with baseline capacity, including sites with less than 100 sqm capacity which were excluded in the Capacity Study out of feasibility concerns. AEC suggest these sites could still have development potential when amalgamation with other sites is considered. The sites are only excluded in the AEC study when FSR controls are insufficient to allow for site consolidation and comprehensive redevelopment.

To estimate market response to development capacity under existing planning controls, reference to the following was made when undertaking the market analysis:

- Market activity and patterns of supply and demand by market and sub-market and dwelling type
- Development activity, including development types, volume of activity, prices paid for development sites
- Locations and profile of sites targeted for development, specifically land use zone and permitted density
- Existing buildings and improvements, and likely cost to consolidate a development site
- Historical development take-up by type and location.

By applying the findings of the property market analysis, AEC derived market take-up rates of development opportunities and produced estimates of market capacity. These estimates are a proxy for likely housing supply based on the capacity delivered to 2036 and derived from an understanding of the feasibility of development capacity for each village under current planning controls.

Based on the analysis, the average take-up rate for the city was estimated to be 73 per cent. The village areas of CBD and Harbour, Chinatown and CBD South, Green Square and City South, Harris Street, and Macleay Street and Woolloomooloo had relatively high take-up rates ranging from 87 to 90 per cent. The higher take-up rates in some of these areas, particularly in Central Sydney, can partly be explained by sale values being much higher and able to justify a small number of new dwellings, especially if they can be positioned high in the building and leverage views. The remaining village areas of Crown and Baptist Streets, Glebe Point Road, King Street, Oxford Street and Redfern Street had comparatively lower take-up rates ranging from 39 to 58 per cent.

After feasibility is taken into account and applying the take-up rates to the theoretical development capacity, an estimated 19,510 dwellings will be delivered. This is split between 18,293 private dwellings and 1,217 non private dwellings. When NSW Government projects and the pipeline are also taken into account, AEC estimate a total of 50,219 private dwellings and 5,608 non private dwellings are likely to be delivered.

Despite some methodological differences in the AEC study, including the consideration of sites with capacity less than 100 square metres, the overall quantum of housing estimated from the Capacity Study and the feasibility study both arrive at a figure of approximately 56,000 dwellings.

3.4 Land use constraints and opportunities

This section provides an understanding of the council area and its development context by identifying the constraints and opportunities (including physical and environmental circumstances), which may influence where development occurs.

3.4.1 Constraints

This section details the land, development and planning constraints on the provision of new housing, where properties are considered unlikely to develop or where housing may be restricted under the planning framework. Many of these constraints are the reason for sites being excluded from the 2019 Capacity Study.

The following provides a description of each constraint and associated maps illustrating its applicability across the city.

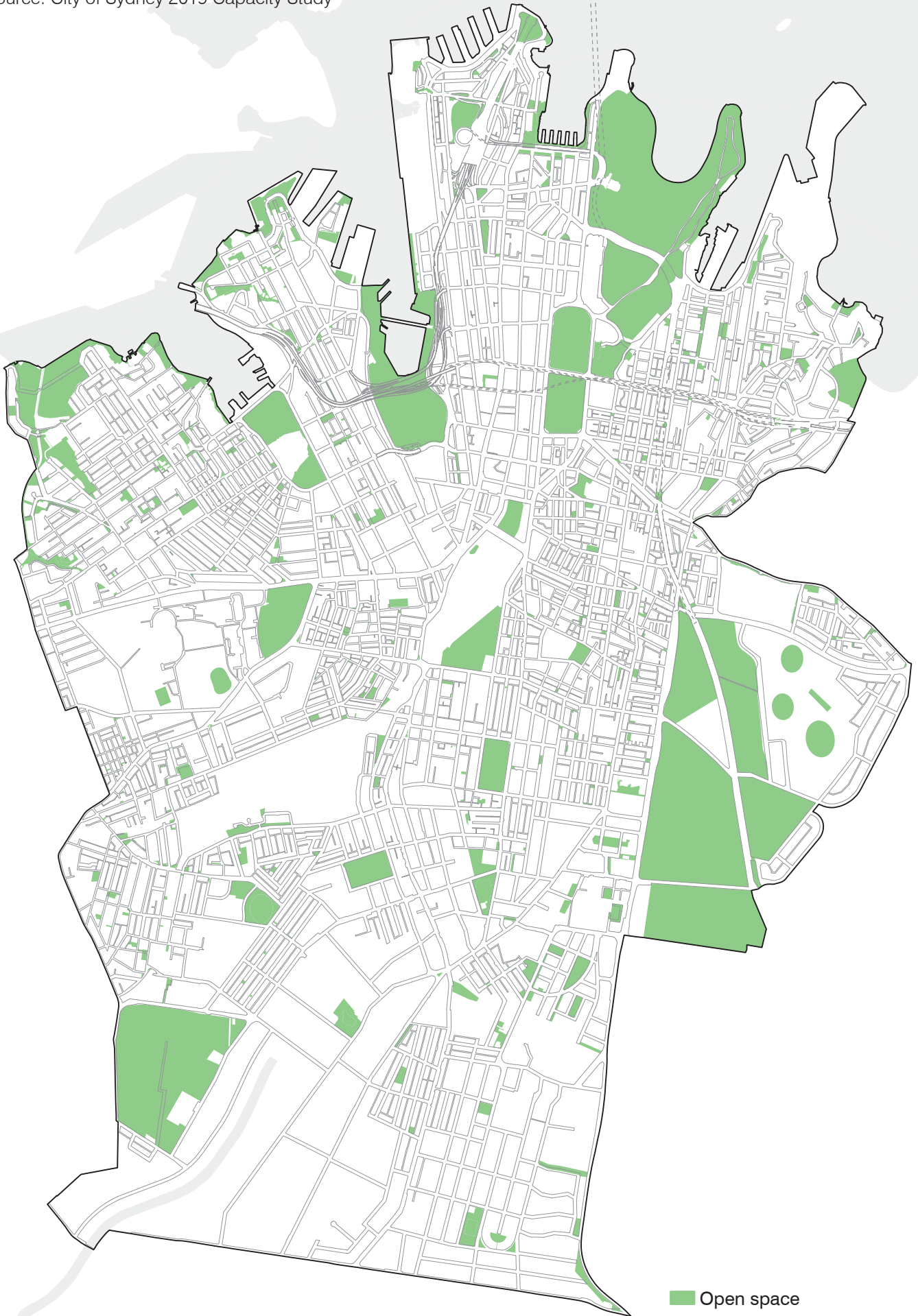
Public parks and open space

All parks and open space, shown at Figure 51, will be protected and retained to serve the current and growing local population. No housing supply is possible on these sites.

Parks and open space were excluded from consideration in the Capacity Study.



Figure 51: Parks and open space
Source: City of Sydney 2019 Capacity Study



Heritage items and heritage conservation areas

Items listed on the State Heritage Register and Schedule 5 of Sydney LEP 2012 make an important contribution to environmental heritage of the city. With some exceptions, they are unlikely to undergo large scale redevelopment and deliver significant housing supply. Heritage listed items were excluded from consideration in the Capacity Study.

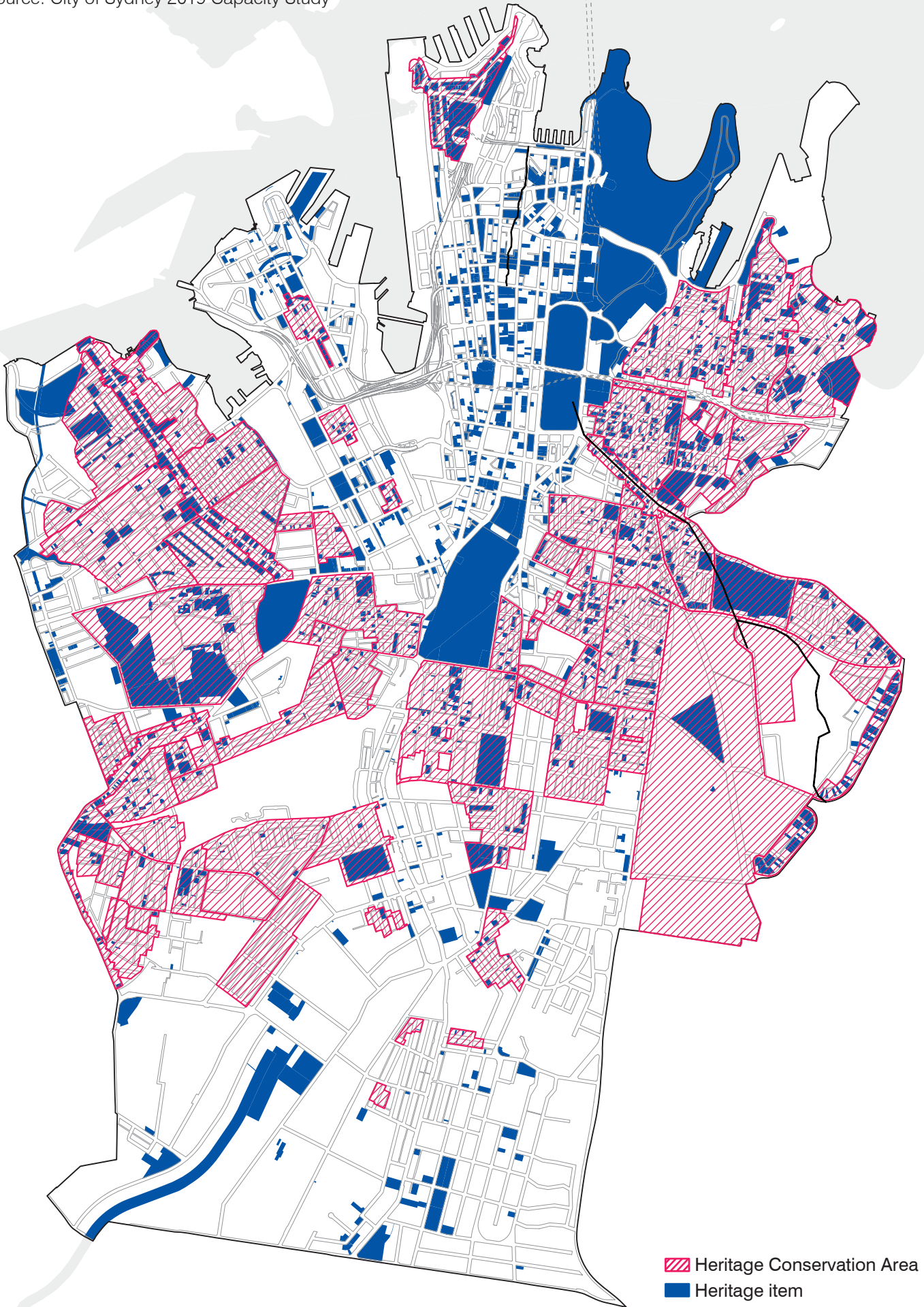
Heritage protections cover the characteristics and urban structure of the city's heritage conservation areas. Redevelopment of certain sites in conservation areas is permissible, but must sympathetically respond to the surrounding built form and public domain, which may restrict the amount of housing supply delivered in these areas.

Sites in a heritage conservation area are identified as potentially constrained, but were not excluded from consideration in the Study, so long as the zoning permitted residential development.

The heritage items and heritage conservation areas are identified in Figure 52.



Figure 52: Heritage items and heritage conservation areas
Source: City of Sydney 2019 Capacity Study



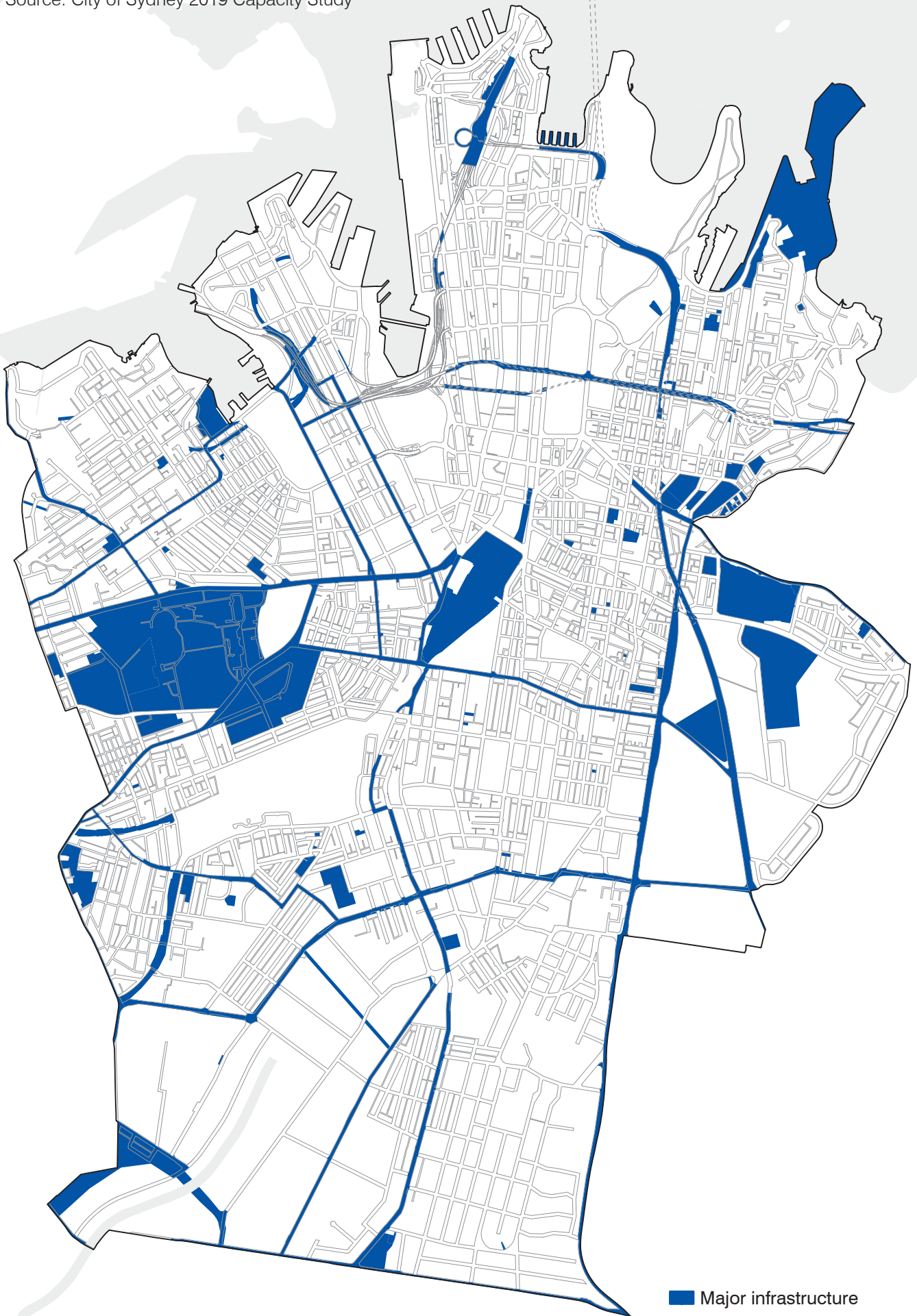
Major infrastructure

Delivery of housing is precluded on sites (or parts of sites) affected by road reservations, infrastructure corridors, Defence sites and education facilities.

These sites, as shown in Figure 53, were excluded from consideration in the Capacity Study.



Figure 53: Major infrastructure
Source: City of Sydney 2019 Capacity Study



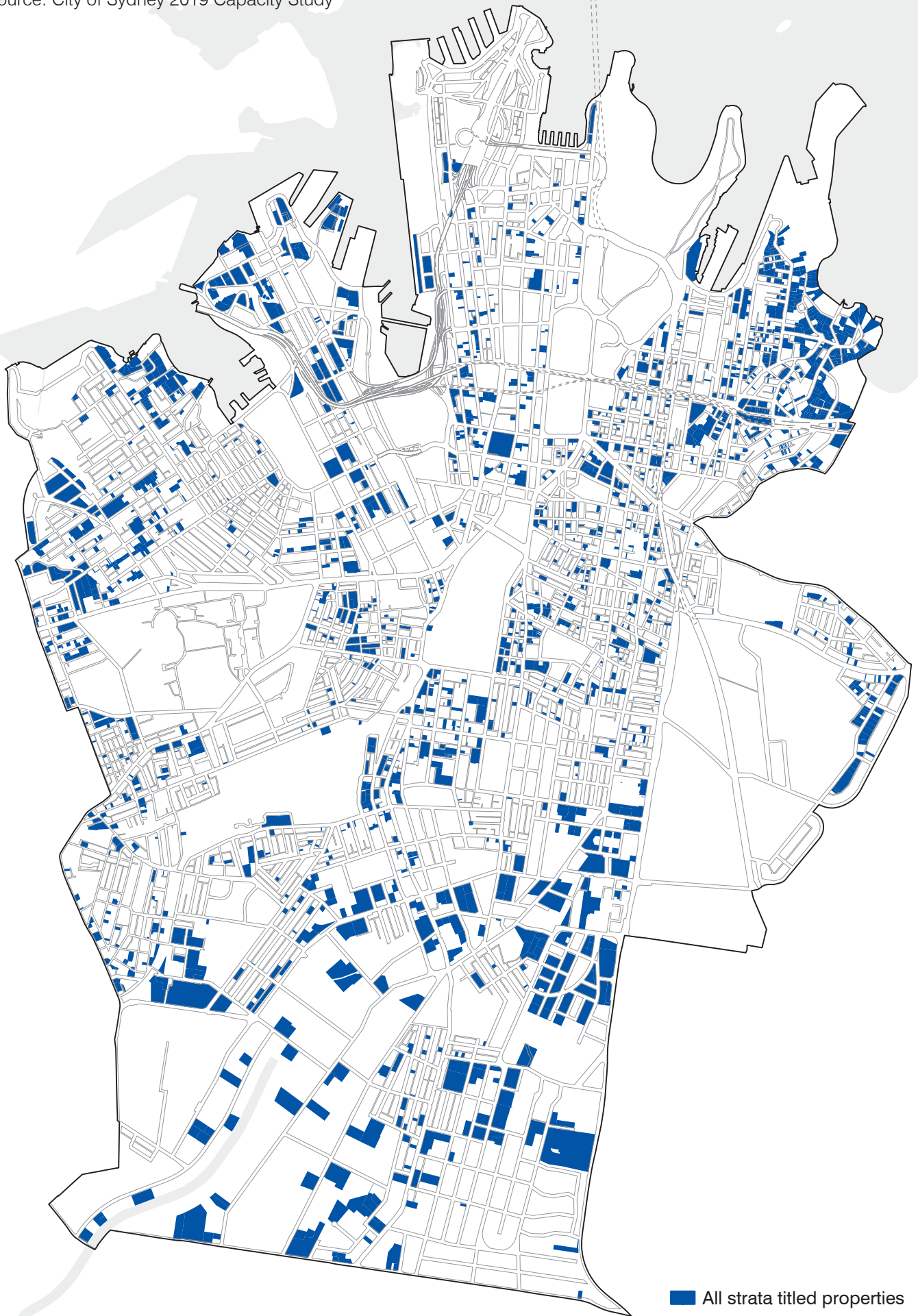
Strata titled properties

Redevelopment of strata subdivided sites is unlikely, due to challenges in coordinating majority owner approval. Therefore, these sites are not able to deliver significant supply of new housing.

These sites, as shown in Figure 54, were excluded from consideration in the Capacity Study.



Figure 54: Strata titled properties
Source: City of Sydney 2019 Capacity Study



Sites less than 100 square metres

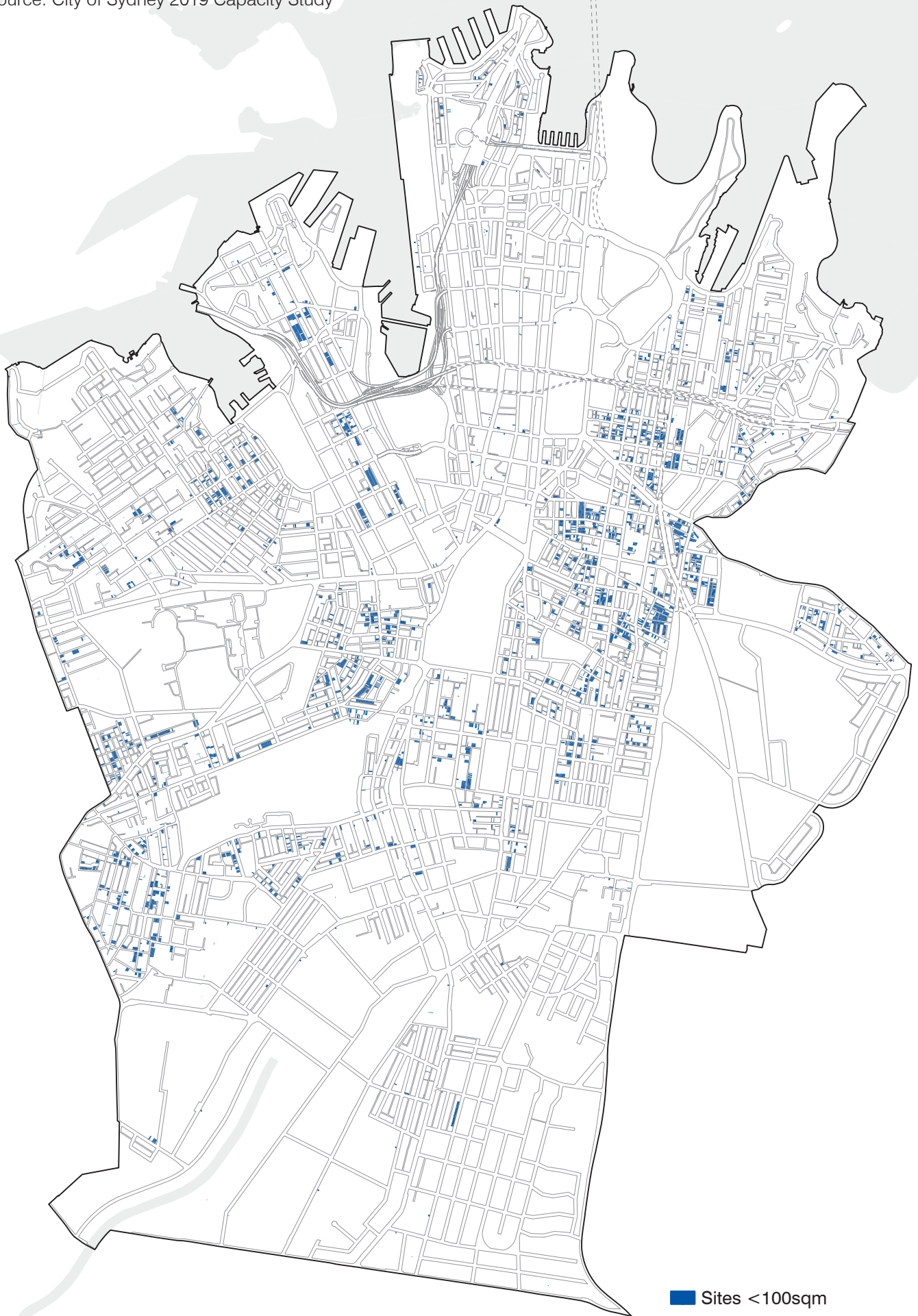
Small sites have limited redevelopment potential and are unlikely to amalgamate due to challenges in coordinating landowner approval.

It is unlikely that these sites can deliver significant supply of new housing

These sites, as shown in Figure 55, were excluded from consideration in the Capacity Study.



Figure 55: Sites less than 100sqm
Source: City of Sydney 2019 Capacity Study



Buildings less than 25 years old

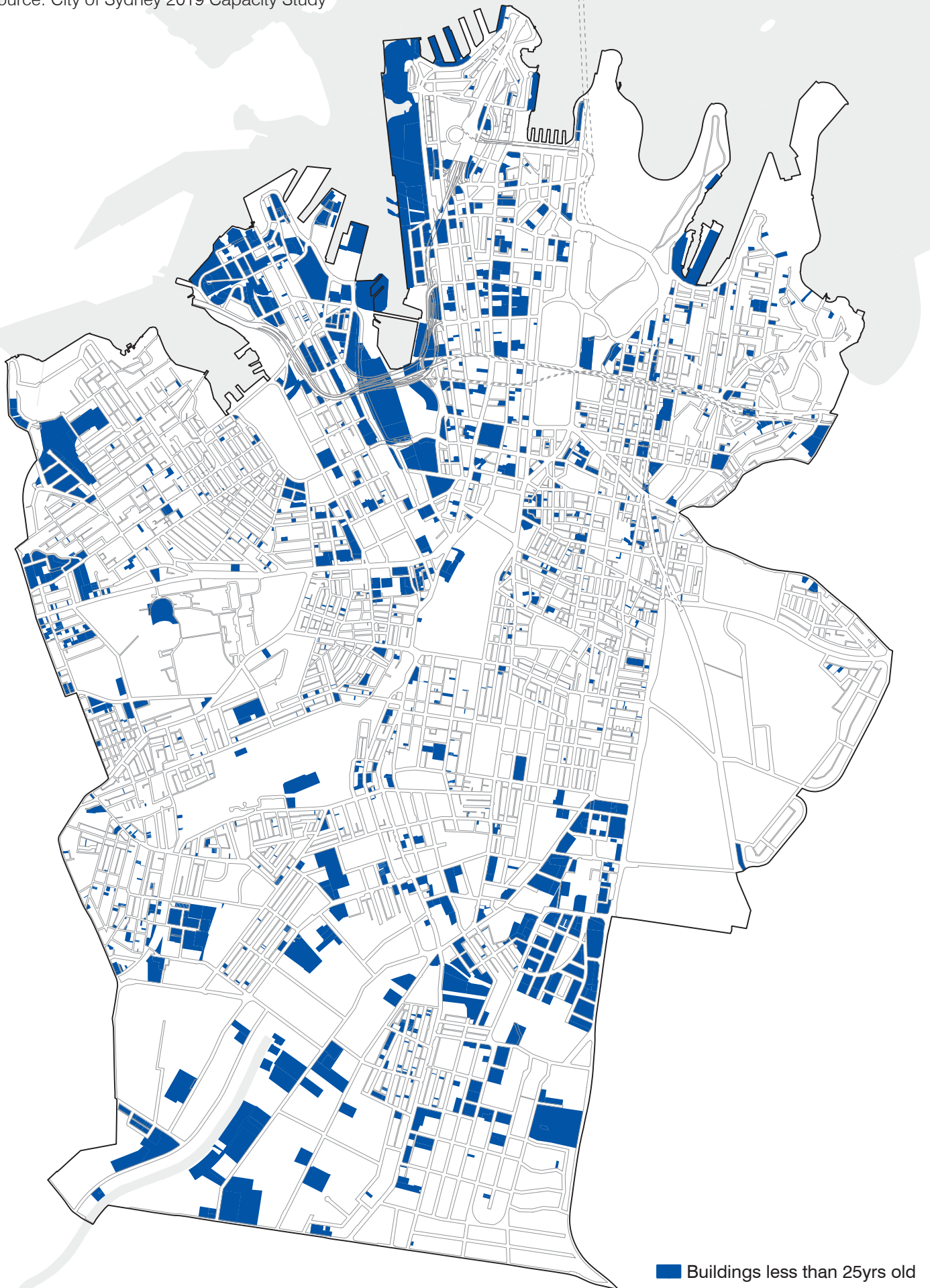
Experience in the City is that buildings constructed or substantially renovated within 25 years are unlikely to be redeveloped in the near future.

It is unlikely that these sites can deliver significant supplies of new housing.

These sites, as shown in Figure 56, were excluded from consideration in the Capacity Study.



Figure 56: Buildings less than 25 years old
Source: City of Sydney 2019 Capacity Study



Isolated sites in Central Sydney

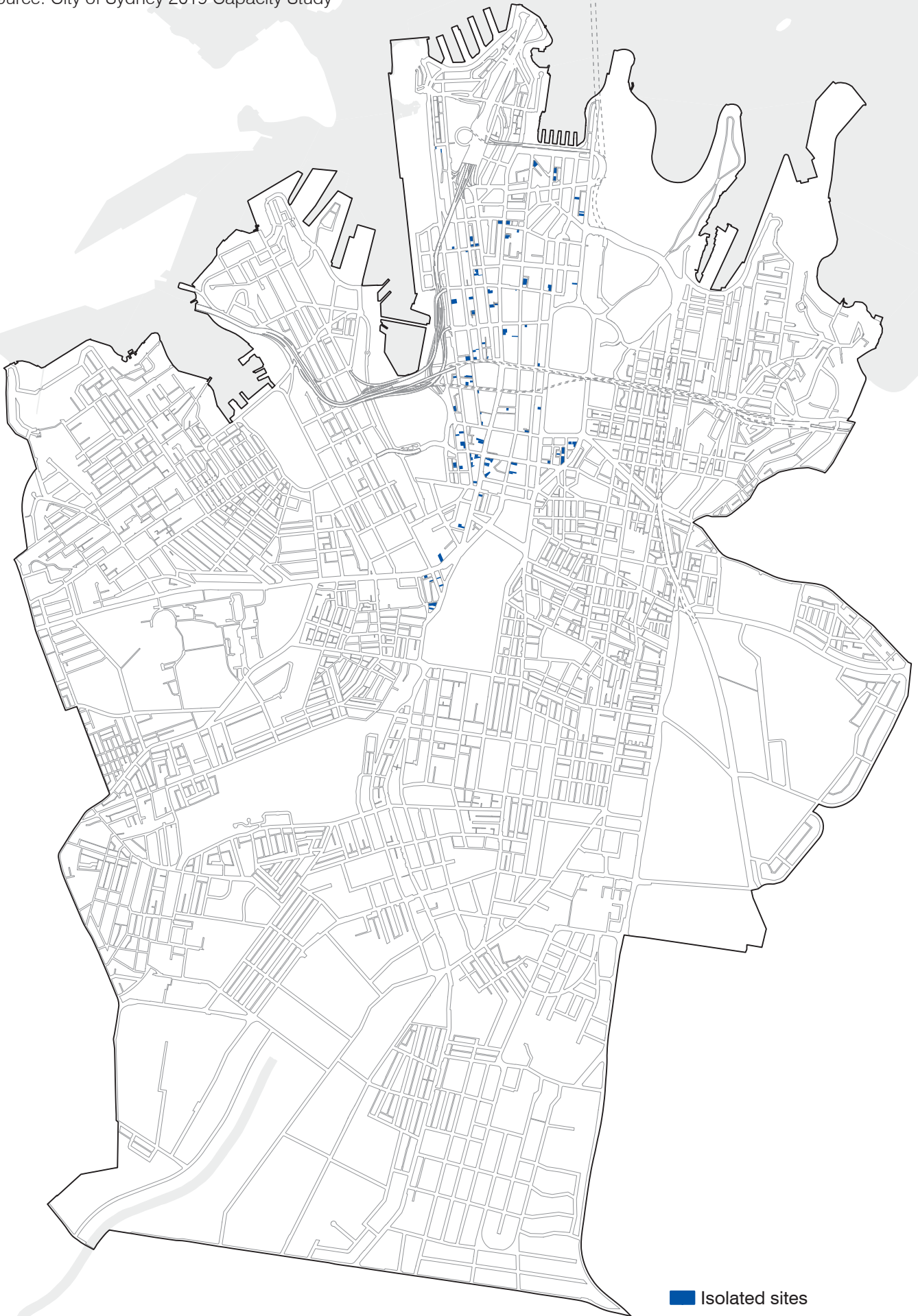
Sites in Central Sydney less than 1,000 sqm in land area, and bounded on all sides by buildings that fall into the previous categories, are unlikely to be redeveloped.

It is unlikely that these sites can deliver significant supply of new housing.

These sites, as shown in Figure 57, were excluded from consideration in the Capacity Study.



Figure 57: Isolated sites in Central Sydney
Source: City of Sydney 2019 Capacity Study



Strategic areas for economic and employment growth

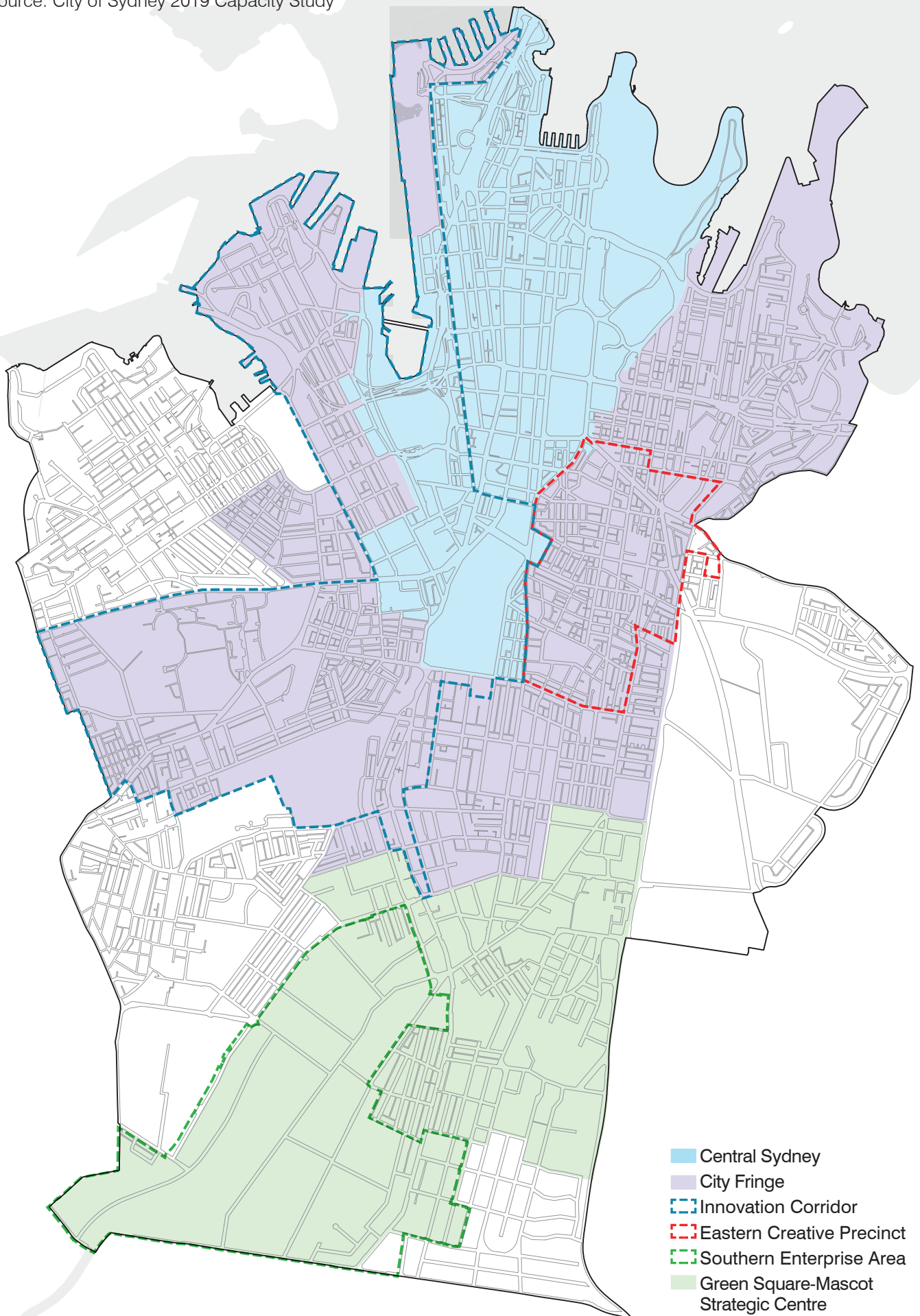
The City of Sydney contains the most economically productive areas in Australia. This includes the Central Sydney and City Fringe areas, which cover the Innovation Corridor, Camperdown-Ultimo Health and Education Precinct and the Eastern Creative Corridor, and the Southern Enterprise Area (formerly Southern Employment Lands) within the Green Square-Mascot Strategic Centre.

Development will be managed in these areas with a focus on delivering economic and enterprise uses to support the growth of internationally competitive and specialised industries and sectors. These areas are shown in Figure 58.



Figure 58: Strategic areas for economic and employment growth

Source: City of Sydney 2019 Capacity Study



3.4.2 Opportunities

Identifying where the supply of housing is constrained results in a spatial understanding of where housing supply can be delivered to 2036.

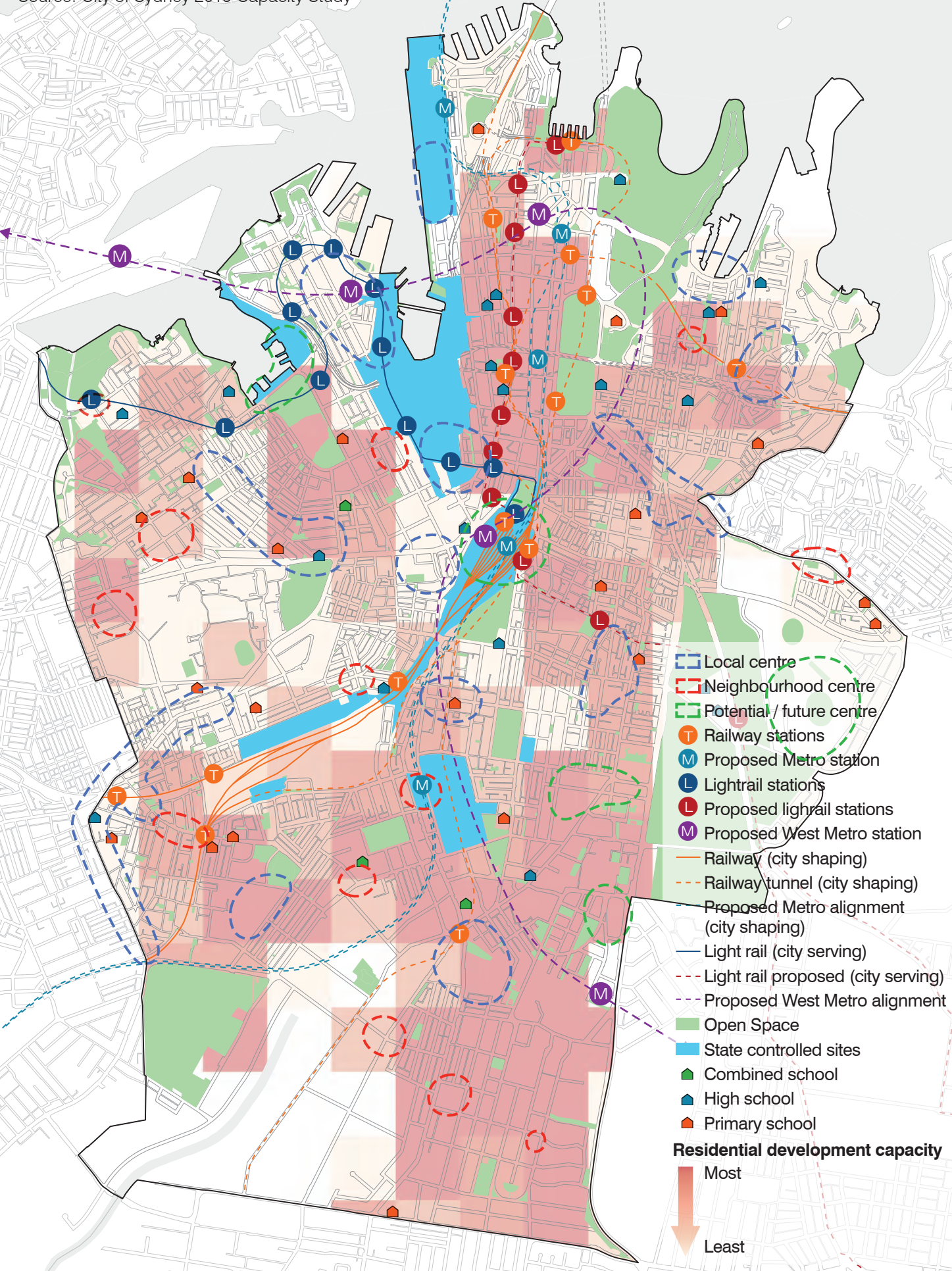
The Capacity Study has identified capacity for an additional 50,000 private and 6,000 non-private dwellings under the planning controls and on NSW Government controlled sites. Figure 59 shows a heat map to indicate the spatial distribution of this housing capacity.

New housing supply is generally focused near the city's network of neighbourhood, local and emerging centres that contain many of the services and much of the infrastructure needed to support future residents. This includes the city's community and cultural facilities and parks and open space, NSW Government infrastructure, such as public transport, as well as access to services, including retail. These centres have typically grown around the existing transport network and so provide good access to employment and education opportunities.

Much of the housing supply to 2036 will be delivered through urban renewal led by the City in the Green Square Urban Renewal Area, and by the NSW Government on State Significant Sites and Precincts. These renewal sites are already located to take advantage of existing, new and planned neighbourhood and local centres.

Some housing capacity is within heritage conservation areas where large-scale renewal is unlikely. Here, the opportunity is for infill housing development that responds in a sympathetic manner to the surrounding built form. Other capacity is within areas that will be primarily employment-focused, and where new housing supply will need to be balanced with the supply productive land uses.

Figure 59: Opportunities
 Source: City of Sydney 2019 Capacity Study



3.5 Analysis of the evidence base

This section establishes the City's proposed housing targets. It also provides an analysis of the forecast housing supply and demand gap, and draws insights from the evidence base to explain it.

3.5.1 Proposed housing targets

The District Plan requires councils to develop housing targets to guide short-term (0 to 5 year), medium-term (6 to 10 year) and long-term (11 to 20 year) housing growth. Specifically, it requires the City to:

- demonstrate how it will deliver a given 0 to 5 year dwelling target of 18,300 (2016–2021)
- develop a 6 to 10 year dwelling target (2022–2026)
- identify capacity to contribute to an 11 to 20 year target with reference to the overall target of 157,500 dwellings for the Eastern City District over 20 years to 2036.

The City's proposed housing targets are provided at Table 39. The targets balance the need for more homes with the need to accommodate space for jobs, demands on infrastructure, sustainable economic growth and the creation of great places. The targets also include private and non-private dwellings.

The City's dwelling targets are based on the Capacity Study and accompanying feasibility analysis, which establish housing supply to 2036. The methodology and findings of the Study are detailed in Section 2.3.9.

The study calculated over 4 million square metres of floor space that is potentially developable for the purposes of housing. An additional 50,000 private dwellings and 6,000 non-private dwellings are forecast to result from the identified development capacity.

The forecast supply constitutes around 30 per cent of the District Plan's 20-year target of 157,000 private dwellings across the Eastern City District.

Table 39: Housing provision targets, City of Sydney, 2016–2036.

Housing	Total 2016	2016–2021 (0–5 year) target	2022–2026 (6–10 year) target	2027–2036 (11–20 year) contribution	Total 2036
Total private dwellings*	110,138	+18,300	+14,000	+17,700	160,138
private market	99,587	14,933	10,633	10,965	136,118
affordable+	835	2,794	2,794	5,588	12,010
social+	9,716	574	574	1,147	12,010
Non-private dwellings**	15,682	+2,575	+3,033	+392	21,682
Total dwellings	125,820	+ 20,875	+ 17,033	+ 18,092	181,820

* 'Private dwellings' comprise 'market housing', generally represented by homes in private ownership or being rented, 'affordable rental housing' and 'social housing'.

+ This reflects the City's target that of all housing, 7.5 per cent will be affordable housing and 7.5 per cent will be social housing. Despite this, it is acknowledged the City has limited influence over how much housing is provided as affordable or social housing.

** 'Non-private' dwellings are those dwellings that typically comprise shared spaces, such as student housing, boarding houses, group homes, seniors and co-housing housing.

0 to 5 year dwelling target (2016–2021)

The 0-5 year dwelling target (2016 - 2021) is established by the District Plan, being 18,300 private dwellings. It includes housing that has already been completed since 2016, as well as housing in the development pipeline that is likely to be built to 2021.

The City's Housing Audit (2018) shows that between 2016 and 2018, there was a total dwelling stock of 7,494 (including 5,876 private and 1,618 non-private dwellings).

As at 30 June 2018, the City's 2018 Residential Monitor identified a total of 26,856 dwellings in the pipeline including 23,194 private (86 per cent) and 3,662 non-private (14 per cent) dwellings. This comprises dwellings of which:

- 10,766 were under construction (including 9,415 private and 1,351 non-private dwellings)
- 10,466 were approved but not commenced (including 9,123 private and 1,343 non-private dwellings), and
- 5,624 were lodged but not yet approved (including 4,656 private and 968 non-private dwellings).

At 30 June 2018, a total of 18,260 dwellings (including 15,291 private and 2,969 non-private dwellings) have been completed since 30 June 2016 or are currently under construction.

Assuming all those under construction are completed by 2021, this leaves 3,009 private dwellings required to be provided to 2021 to achieve the 0-5 year District Plan target of 18,300 private dwellings.

Based on an analysis of conversion rates between 2008-2018, it is assumed that 80 per cent of the dwellings in the pipeline (including those dwellings approved but not commenced or lodged but not yet approved) will be completed. This means that 12,872 dwellings (including 11,023 private and 1,849 non-private dwellings) will result from the current pipeline.

Some of these dwellings will be completed in the 0-5 year period, and some in the 6-10 year period. However, it is certain that the 3,009 private dwellings required to meet the 0-5 District Plan target can be achieved.

6 to 10 year dwelling target (2022–2026)

The City has established a draft 6-10 year dwelling target of 17,033 (including 14,000 private and 3,033 non-private dwellings).

Following satisfaction of the 0-5 year private dwelling target, the remaining housing in the development pipeline that is expected to be completed in the 6-10 year period is 8,906 dwellings (including 8,014 private and 892 non-private dwellings). This leaves 8,127 dwellings (including 5,986 private and 2,141 non-private dwellings) required to achieve the City's draft target.

It is highly likely the remainder of the 6-10 year target will be accommodated in development that is unforeseen at this time (not counted in the pipeline data) and for which there is capacity in the planning controls. This is inferred from the average number of dwellings for which a development application is lodged between 2008 and 2018 and is around 4,400 per year over a ten-year period between 2008 and 2018^{xxxv}.

Based on the evidence above the City is in a position to meet the aggregated 0-10 year dwelling targets, notwithstanding some of the housing to achieve the 2026 target will be delivered earlier within the 0-5 period.

11 to 20 year (2027–2036) contribution to the Eastern City District

The City's capacity study has identified sufficient capacity under the City's planning controls and on NSW Government sites to contribute 18,092 private dwellings to the District target in the 10 years to 2036 (2027-2036) with a total contribution of 50,000 private dwellings over the 20 years to 2036. This is almost one third of the total dwelling target of 157,000 private dwellings for the nine councils in the District. Additional population will be accommodated in 6,000 non-private dwellings over the 20 year period.

Private market housing

Increasing the supply of private dwellings is a key priority of the District Plan. 'Private dwellings' comprise three categories of housing:

- Private market housing, generally represented by homes in private ownership or being rented.
- Affordable rental housing, which includes housing managed exclusively for households with very low, low and moderate incomes.
- Social housing, which includes public, community and Aboriginal housing and government-owned crisis accommodation.

There is substantial housing development opportunity already available under the City's current planning controls. The above housing targets can be achieved with no change to permissible densities (floor space ratios).

Much of the growth in private market housing will occur in the Green Square Urban Renewal Area as well as on NSW Government-controlled urban renewal sites. Areas such as Chinatown and CBD South village and Redfern Street village will also see significant amounts of housing growth.

While there is capacity under the current planning controls to achieve the target for the total quantity of dwellings, it is noted the City has limited ability to influence how much private housing is provided as affordable or social housing.

Affordable and social housing

Based on the City's housing targets, this means an increase of over 11,000 affordable housing dwellings and about 2,300 social housing dwellings to 2036.

The affordable and social housing targets are based on the *Sustainable Sydney 2030* target that states 7.5 per cent of all housing will be social housing and 7.5 per cent of all housing will be affordable housing by 2030.

Since this target was established in 2009, the proportion of social housing in the local area has decreased from almost 11.7 per cent in 2006 to about 8.5 per cent in 2016, with only a small net increase of dwellings being added to the City's social housing stock since 2007. This proportion will continue to decline as the number of homes in the local area increases to over 160,000 dwellings. The NSW Government must do more to increase the supply of social housing in the city.

A substantial increase in the number of affordable housing dwellings is also required. Only a modest increase in the number of affordable housing dwellings has been achieved since 2009, but this represents a proportional decrease. The District Plan includes a target that 5 to 10 per cent of all new floor space in the District be provided as affordable rental housing. Delivering only 10 per cent of new floor space as affordable housing will not sustain the City's target that 7.5 per cent of the total housing stock be affordable housing.

Non-private dwellings

Local government housing targets have historically focused on the delivery of 'private dwellings'. 'Non-private dwellings' providing communal accommodation such as boarding house rooms, student accommodation rooms, and residential care services (including group homes), have historically not been counted as dwelling stock.

When compared to other local government areas in the District, the City of Sydney has a disproportionately high number of non-private dwellings, comprising 10.6 per cent of the city's total housing stock in 2018. This is partly attributed to the City traditionally having a high concentration of boarding houses which accommodates people on low incomes but in recent years has also been driven by the growth in purpose-built student accommodation.

The growth of non-private dwellings, largely in response to a growing student population, creates further competition for land available for residential development. Between 2015 and 2018, the city has experienced substantial growth in purpose-built student accommodation, increasing by over 2,500 rooms over this period. With the student population projected to increase, the market will continue to respond by providing various student accommodation options.

Assuming favourable development conditions continue for student accommodation, such as exclusions from the *Apartment Design Guide* and bonus floor space provisions available under the *State Environmental Planning Policy (Affordable Rental Housing) 2009*, the share of purpose-built student accommodation is estimated to increase from 7.5 per cent to around 13 per cent of total housing stock in the city between 2019 and 2029^{xxxvi}. Boarding houses, which also accommodate a significant number of the city's students, as well as other low-income earners, also benefit from these favourable planning conditions and are also likely to increase in number over time. Nearly a fifth of all residents in the City are tertiary students, where an estimated 10,000 students are living in purpose-built student accommodation.

It is critical that the contribution of non-private dwellings to total housing stock is recognised in *Housing for All* and this technical report. To exclude them would be to ignore a significant cohort of the City's population and result in a failure to adequately plan for the infrastructure and services needed to support them. Non-private dwellings have therefore been incorporated into the City's housing targets.

3.5.2 Identifying the housing supply and demand gap

An additional 50,000 private dwellings and 6,000 non-private dwellings are forecast to result from identified housing supply (development capacity). Forecast housing supply has guided the City's proposed housing targets, as discussed above.

Housing demand, established by .id consulting data (discussed in Section 2.2 Housing demand), is for an additional 53,930 private dwellings and 7,134 non-private dwellings in the local government area to 2036.

Table 40 shows a total forecast gap between housing demand and supply of 5,064 dwellings from 2016 to 2036.

Table 40: Housing supply gap, City of Sydney, 2016–2036.

Dwelling	Forecast change 2016–2036		
	Demand	Supply	Gap
Private dwellings	53,930	50,000	3,930
Non-private dwellings	7,134	6,000	1,134
Total	61,064	56,000	5,064

Source: City of Sydney

3.5.3 Explaining housing supply and demand gap

This section analyses why there is a gap between forecast housing supply and demand.

Land availability

Over the 20-year period to 2016, the city's population doubled, growing by over 116,000 additional residents and 55,000 additional dwellings. This growth makes it one of the fastest-growing local government areas in Greater Sydney. This growth has been facilitated by the rezoning of industrial areas of the city, in part to accommodate the then-established housing targets of various metropolitan Sydney planning strategies.

The majority of this growth has been accommodated in the Green Square Urban Renewal Area, which was rezoned from industrial uses in the late 1990s. Green Square will be home to 70,000 people and 33,000 dwellings when it is fully built out in 2036.

The Ashmore precinct in Erskineville was also rezoned from industrial uses for high-density residential. An estimated 6,300 people, accommodated in about 3,500 dwellings, will live in the Ashmore precinct once it is built out.

Harold Park is a further example of urban renewal. The site was rezoned in 2009 to accommodate high-density residential development. It is now mostly developed, and once built out, will house around 2,600 residents in 1,300 dwellings.

The city's remaining industrial and business-zoned lands are predominantly in the Southern Enterprise Area (formerly referred to as the Southern Employment Lands) located in the south of the local area. The District Plan identifies these lands as critical to Sydney's future economic needs and requires they be protected from the incursion of residential development in the future.

Social and affordable housing

There is a significant gap between the forecast demand and supply of social and affordable housing to 2036. The supply forecast has been informed by *Sustainable Sydney 2030*, which was adopted in 2008 and has a target that in 2030, 7.5 per cent of all housing will be affordable housing and 7.5 per cent will be social housing.

However, while Table 40 indicates the aspirational supply of affordable housing, the likelihood of that supply being realised is small given current national and state policy settings which fail to supply a significant amount of affordable housing. Without the intervention of the Australian and NSW Governments to increase the supply of affordable housing, meeting the City's targets will not be possible. This is despite the City's proposed changes to its planning controls to further facilitate the delivery of affordable housing. Over 3,700 additional affordable housing dwellings are projected to be provided through the implementation of this updated program.

Table 41 also anticipates the aspirational supply of social housing to 2036; however, the City has limited control over this supply, and is largely limited to advocacy measures to encourage the NSW Government to deliver it.

Since the *Sustainable Sydney 2030* target was established in 2008, the proportion of social housing in the city has decreased from almost 11 per cent to about 8.5 per cent, with only a small net increase of 53 dwellings being added to the local area's social housing stock since 2007. This proportion will continue to decline as the number of homes in the city increases to over 160,000 dwellings. The NSW Government must do more to increase the supply of social housing in the city. There is also opportunity for social housing supply to be delivered on NSW Government projects.

Aboriginal and Torres Strait Islander housing

An explanation of a possible housing supply and demand gap in Aboriginal and Torres Strait Islander housing is largely constrained by the lack of data available, particularly when trying to identify the number of dwellings available in the local area which specifically respond to the needs of Aboriginal and Torres Strait Islander peoples.

As identified in Section 2.1 Demographic overview, approximately 40 per cent of Aboriginal and Torres Strait Islander households live in social housing dwellings, while approximately 6 per cent are renting with community housing providers. With a significant gap already identified in affordable and social housing, the need to address housing options appropriate for First Nation Peoples is even more profound.

The Department of Family and Community Services (FACS) identifies three types of social housing available for Aboriginal and Torres Strait Islander peoples: social housing managed by FACS, properties owned by the Aboriginal Housing Office and managed by FACS, and housing managed by community housing providers. The City will continue to advocate for the expansion of these housing types and identify opportunities to consider housing for Aboriginal and Torres Strait Islander peoples that could be delivered on NSW Government projects in the future.

The importance of maintaining liveability

Section 2.2 Housing demand identifies 89 per cent of the demand for dwellings between 2016 and 2026, and 84 percent of demand for dwellings between 2026 and 2036, will be high density, classified as apartments in buildings of three storeys or higher.

As more and more residents live in apartments, the City must focus on maintaining and improving liveability to contribute to the overall wellbeing and cohesiveness of the community.

The *Apartment Design Guide* ensures a consistent approach to planning and design standards of new apartments and provides guidance for developments to achieve the design quality principles of *State Environmental Planning Policy 65 – Design Quality of Residential Apartment Development*.

The City's floor space ratio controls have facilitated the delivery of high-density housing stock, as evidenced by the number of private dwellings in high-density developments growing by over 17,000 between 2006 and 2016. However, given the local area includes some the densest neighbourhoods, including the top seven densest areas in New South Wales as of 30 June 2018, there are limited opportunities to pursue further changes to the planning controls without compromising living standards and the desired future character of the city's neighbourhoods.

Recognising that high-density apartments will continue to comprise a significant share of new housing stock in the local area to 2036, it is important for apartment buildings to meet quality design principles which fulfil social and environmental outcomes and contribute to the liveability of the city's neighbourhoods. This will also ensure residents will continue to enjoy a high level of amenity as the city grows.

High-density development can also facilitate compact neighbourhoods, with residents living within closer proximity to workplaces, schools, shops and community facilities, reducing dependence on cars and contributing to better connected communities.

Increased diversity of communities and stronger social connections between residents also have the potential to maintain and improve liveability. Providing diverse housing stock catering for different household types such as increasing the number of apartments with two or more bedrooms or larger ground-floor apartments with courtyard access catering for families can help contribute to diversifying the housing mix within high-density developments.

The importance of infrastructure

There is limited potential to increase housing supply where there is inadequate supporting infrastructure. Any housing supply proposed in excess of the current planning controls must demonstrate sufficient infrastructure is available to support it. As noted in *Housing for All* and in the Planning Statement, there are ongoing concerns over the sustainability of the funding of the city's infrastructure. Moreover, much of the NSW Government infrastructure needed to support more growth is yet to be committed, much less funding sources identified. Demand will be generated across a range of infrastructure categories such as community facilities, arts cultural, indoor recreation and open space.

Planning for the location of infrastructure such as open space, recreation facilities and community and cultural spaces will need to recognise locational differences, where some areas will continue to experience strong housing and population growth. Infrastructure needs to be distributed to ensure neighbourhoods are well connected and services are conveniently accessed by residents.

Future planning for infrastructure should not only respond to growing demand but should also consider how well people are connected to local services, where their experience in making that connection plays an important role.

Improving collaboration efforts in infrastructure planning, particularly with the NSW Government, will also ensure existing and planned infrastructure responds to demand in a timely manner.

3.5.4 Addressing the housing supply and demand gap

The 0–5 year, 6–10 year and 11–20 year housing targets have been devised by evaluating potential demand, in conjunction with the housing supply likely to be delivered based on identified development capacity. While targets are informed by population forecasts, there are a number of factors that can shift the demand and preferences of the market that are difficult to predict. For example:

- dwelling sizes may decrease in response to changing preferences towards single living
- a slowdown in residential development activity can arise from a saturated housing market
- changes to interest rates and taxation policy can either enhance or dampen the effects of demand and impact level of investment activity in the housing market.

These are only a handful of the factors that can influence demand for housing in the future.

From a supply perspective, development outcomes in State Significant Precincts can affect the City's position to meet targets. The housing targets in Table 40 include assumptions for outcomes on NSW Government-controlled sites. However, there are a number of these sites in the local area where planning for urban renewal has not yet begun. The uncertainty around knowing which sites will be identified for urban renewal and associated density, built form and urban design outcomes introduces uncertainties for planning long-term housing supply.

The housing supply forecasts indicate a substantial proportion of housing demand can be accommodated over the next 20 years, due to factors including:

- High-density developments will continue to dominate the housing market to 2036, particularly in the Chinatown and CBD South village and Redfern Street village. Limited land availability coupled with high land values make high-density developments more feasible while delivering significant amounts of housing growth
- The forecast supply of dwellings that have two or more bedrooms in high-density developments will accommodate growing demand from families with children, group households and other larger households
- The forecast growth in household size is matched with evidence that affirms a growing number of people are willing to stay in the local area when starting a family or choose to live with others to reduce housing costs (as evidenced by the increase in group households).

The city has experienced substantial growth in non-private dwellings, particularly in purpose-built student accommodation with increases of over 2,500 rooms between 2015 and 2018. With significant increases in the student population projected, the market will continue to respond by providing additional housing, including student accommodation options.

While there are no significant opportunities left to rezone land for large-scale urban renewal and residential development, there is potential for State Significant Precincts to deliver housing. The City expects this will cover the housing gap of 5,000 dwellings anticipated over the 20-year period to 2036. Future urban renewal projects on NSW Government controlled sites may be realised over the life of *Housing for All* and this technical report and may contribute to the supply of dwellings. The potential redevelopment of Redfern Station and the Central to Eveleigh precincts present future growth opportunities for both housing and employment in the local area.

04

The priorities

The chapter brings all of the previous information together to produce an integrated picture of what the current context is, what the future state should be and what the roadmap is for getting from one to the other.

4.1 The Local Housing Strategy Priorities and Objectives

This section describes the City's seven local housing priorities. It includes supporting objectives which describe the City's strategic direction for housing over the next 20 years. The priorities and objectives align with and give effect to the priorities and actions of the Region Plan and District Plan, and are informed by the evidence-based analysis included in this technical report that supports *Housing for All*.





Priority **H1**

Facilitating homes in the right locations

In giving effect to *A Metropolis of Three Cities* and the Eastern City District Plan, this Local Priority delivers on the following planning priorities:

- ▶ Priority E5 – Providing housing supply, choice and affordability, with access to jobs, services and public transport
- ▶ Priority E6 – Creating and renewing great places and local centres, and respecting the District's heritage
- ▶ Priority E10 – Delivering integrated land use and transport planning and a 30-minute city

In giving effect to *Sustainable Sydney 2030*, this Local Priority delivers on the following directions:

- ▶ Direction 6 – Vibrant local communities and economies
- ▶ Direction 8 – Housing for a diverse population

Objectives

- ▶ The demand for more homes is balanced with the need for more jobs, sustainable economic growth and the creation of great places
- ▶ Homes are located close to infrastructure, jobs, services and reliable public transport

Planning for sustainable urban development is one of the key responsibilities of councils in New South Wales. *City Plan 2036: The draft City of Sydney Local Strategic Planning Statement* provides long-term vision for how the city will grow and change over the next 20 years. The District Plan recognises the importance of increasing housing supply in a sustainable way and in the right places.

Over a five year period to 2018, over 22,000 dwellings have been approved and over 19,000 dwellings have been built. This represents almost 40 per cent of dwellings delivered in the Eastern City District and is the highest number of additional homes built in a local government area in Greater Sydney over the same period. This mostly owes to the substantial development that has occurred in urban renewal areas, such as Green Square and Ashmore, as well as large-scale infill and redevelopment opportunities across the area. More recently, there has been significant growth of student housing developments.

This growth trajectory is set to continue over the next 10 years, with a substantial number of new homes to be delivered in the Green Square Urban Renewal Area, as well as NSW Government-led urban renewal projects such as Waterloo. As at 30 June 2018, there were around 27,000 dwellings (including 23,194 private and 3,662 non-private dwellings) in the pipeline which includes development approved or under construction as well as lodged development applications which are yet to be approved. As such, the City is on track to deliver the District Plan target of 18,300 dwellings in the area by 2021.

As infill development opportunities shrink, and urban renewal areas are built out, there is less opportunity to build more homes in the area without compromising other District Plans priorities and objectives for great urban places which provide high-quality housing that is supported by infrastructure, robust local economies and jobs creation.

Balancing housing and jobs

Sydney is recognised as Australia's global city and plays a prominent role in the nation's economic fortunes. The City of Sydney generates more than \$130 billion of economic activity each year, representing over 8 per cent of Australia's economy. It accommodates over 500,000 jobs across all skill levels, which contributes to maintaining and enhancing the diverse socio-economic community in the city and the economic success of the entire Sydney region.

In planning for housing growth, one of the City's greatest challenges is ensuring the economy can continue to grow, jobs can be created, and inner city communities can access the businesses and services they need. However, new businesses and new workers need space, and this demand can compete with housing for development opportunities.

The District Plan recognises this inherent conflict in the inner city, and has included objectives and actions that prioritise land uses for jobs growth in some locations and protect employment lands for urban services.

The City's housing and job targets balance the need to increase the supply of housing with the need to plan for and protect land for ongoing economic and jobs growth.

Planning for more homes

The City's local environmental and development control plans establish where and how the city will grow over the next 20 years. The Capacity Study demonstrates sufficient opportunity under the current planning controls to achieve the City's housing target of 50,000 private dwellings and 6,000 non-private dwellings to 2036. No changes to the City's planning controls are required to achieve the housing target.

However, there are circumstances where changing the planning controls is needed to facilitate the realisation of housing capacity and achieve better planning outcomes. Site-specific or precinct planning proposals that allow for more housing can create opportunities for the delivery of public benefits, such as publicly accessible open space or affordable housing.

In other cases, changes to the planning controls will enable an improved built form that responds better to surrounding context and creates a better urban environment. Adjusting height and built form planning controls may also enable a development to proceed, which will help realise all the capacity.

City Plan 2036: The draft City of Sydney Local Strategic Planning Statement establishes 'Principles for Growth' to guide the City in its consideration of residential and non-residential planning proposals. The purpose of the Principles is to ensure the proposals are considered holistically with all the priorities, objectives and actions of the District Plan, as well as the City's strategic priorities, are appropriately balanced in the decision-making process.

Homes in the right locations

The District Plan emphasises the importance of actively supporting and investing in established and emerging centres. It requires new housing to be located close to centres that offer a high standard of public domain including retail, cultural and creative offerings, are well-served by good public transport, and are co-located with public facilities and social infrastructure like schools, parks and libraries.

Over half of the residential development opportunities under the City's current planning controls are within 10 minutes' walk of an existing or emerging centre with reliable public transport options. As more homes are built in the city, and the urban environment gets denser, it is critical we strengthen centres by investing in high-quality public domain and infrastructure to support them. This will ensure the City's residents, both present and future, enjoy a high quality of life, that community health and social connectivity is promoted, that people are connected to jobs, services and community facilities, and that dependency on cars is reduced.

Priority **H2**

Coordinating housing growth with the delivery of infrastructure

In giving effect to *A Metropolis of Three Cities* and the Eastern City District Plan, this Local Priority delivers on the following planning priorities:

- ▶ Priority E1 – Planning for a city supported by infrastructure
- ▶ Priority E3 – Providing services and social infrastructure to meet people’s changing needs
- ▶ Priority E5 – Providing housing supply, choice and affordability, with access to jobs, services and public transport

In giving effect to *Sustainable Sydney 2030*, this Local Priority delivers on the following directions:

- ▶ Direction 3 – Integrated transport for a connected city
- ▶ Direction 4 – A city for pedestrians and cyclists

Objectives

- ▶ Homes are located close to infrastructure, jobs, services and reliable public transport

There is broad agreement between government, communities and the development industry that early delivery of infrastructure is vital to support city growth. Funding and delivering infrastructure at the right time creates and sustains a resilient city with high standards of living, and stronger social cohesion and contributes to its sustainable growth.

The provision of infrastructure is particularly important to achieving liveable high-density environments. People who live in high-density neighbourhoods require access to public transport, walking and cycling infrastructure, public open space and public places, like libraries and meeting rooms. Also, higher density living brings the need for more cultural and social infrastructure such schools and hospitals within a closer proximity, as well as cultural infrastructure to maintain liveability and quality of life.

All levels of government and industry need to work together to sustain adequate levels of services and infrastructure during times of rapid population growth and increasing demand. This includes transport and access, essential services, community and cultural open space and recreation infrastructure.

We need more sophisticated approaches to providing adaptable infrastructure and maximising the use of existing infrastructure so everyone can benefit. We also need a better understanding of how we may respond to community needs and aspirations as the population grows and changes.

Transport and access

Sydney is a successful and growing city, but its transport systems need significant improvement. Some public transport corridors have significant overcrowding during peak periods. Some surface corridors perform poorly because there is insufficient priority for public transport, walking and cycling. As an example, peak-period bus services from Green Square to the city's centre are generally overcrowded, unreliable and often operate slower than walking speeds along extended sections of their routes.

For the city to become more green, global and connected it will need new and improved transport infrastructure and services. These must serve the right places as growth occurs. With existing transport capacity constraints, projects should be delivered rapidly where funding and appropriate planning allows.

Green Square Transport Management Accessibility Plan

In 2009, the City worked collaboratively with NSW Government transport agencies to develop a *Transport Management Accessibility Plan*. The Plan identifies measures to improve the accessibility of Green Square by sustainable modes such as walking, cycling and public transport. It was recognised that in order to deliver one of Australia's highest residential communities, an integrated transport and development plan was needed tying growth to the efficient and timely provision of improved transport infrastructure and services.

While the plan is considered a success in regards to collaboration, it also highlights the difficulty in funding and delivering large transport solutions for urban renewal areas. Today, transport infrastructure within and surrounding Green Square is under pressure and there is significant congestion on roads, buses, and trains at peak times. Despite development of the area being linked to the expansion of public transport (the delivery of the Airport Rail Link's Green Square Station in 2000), demand has quickly outstripped supply. Infrastructure Australia has listed a public transport enhancement between Green Square and Central Sydney as a High Priority Initiative on the Infrastructure Priority List, with a medium-term timeframe of 5 to 10 years. The NSW Government and City of Sydney, however, have not yet agreed on a solution to provide additional capacity.

The City of Sydney has reserved land for a potential future light rail corridor to address transport congestion and connect Green Square to Central Sydney. The NSW Government explored establishing a new station as part of the South-East Sydney Metro project and the West Sydney Metro project. However, the NSW Government has not identified a mass transit solution within the Green Square precinct as a priority for delivery in the short term. It has identified a potential 'mass transit link' initiative connecting these two centres for investigation over the next 10 years, and an additional 'mass transit /train link' to the south-east for investigation within the next 10 to 20 years. In the interim, the NSW Government has added additional trips to key bus routes that travel through the area and is investing in technological improvements on the Airport Line, which will enable eight additional services to run every hour.

The development of Green Square demonstrates that infrastructure priorities can differ between New South Wales and local governments when planning for the growing population in cities, and that this is made more complex by different funding and delivery capacities and responsibilities. This misalignment can lead to a lag between the delivery of new housing and necessary supporting infrastructure, placing undue pressure on existing assets and networks.

Schools, hospitals and other essential services

The NSW Government is responsible for the provision of a range of essential service infrastructure, which includes schools, TAFE, health and welfare services, emergency services and civil infrastructure (including stormwater and drainage).

In order to cater for the needs of growth and change in the city, existing NSW Government infrastructure needs to be reviewed to consider whether it is outdated, or if services are operating at or over capacity.

This will identify whether existing infrastructure can accommodate any new growth, or if upgrades need to be carried out before further growth occurs. Such upgrades should respond to new technologies and trends to ensure service provision is suitable and supports the resilience of communities and industries.

NSW Government agencies should align their asset management plans with the city's future growth to ensure adequate infrastructure and services are delivered in a coordinated and timely way. Management plans should also consider how NSW Government assets could be used for other community and cultural infrastructure needs, such as multi-purpose community meeting rooms, outside of an assets core service provision.

Green Square and education

Early in the redevelopment of Green Square the City identified a number of social, built environment and transport needs for the future community of Green Square. Increasing the student capacity of local schools was identified as a high priority because the vast majority of new Green Square residents expect to stay in the area which means, over time, the proportion of families with children will increase.

The NSW Department of Education also identified that the number of students in NSW schools was set to increase by 21 per cent by 2031, with 80 per cent of this growth to occur in metropolitan Sydney.

In August 2017, the City entered into a Memorandum of Understanding with the NSW Department of Education to investigate potential joint use projects. The Green Square Town Centre Integrated School and Community Facility is a product of this collaboration. Ready for enrolments in 2022, the school – on the former South Sydney Hospital site — will provide educational facilities by day while by night and on weekends, it will open up to the community for other activities and functions.

The agreement delivers a new primary school for 600 children and additional facilities designed for both school and community use including a multipurpose hall, rehearsal and meeting rooms, after school care, sports courts and open space.

The NSW Government is also investing in schools in Surry Hills, Alexandria and Millers Point and has existing land and infrastructure at Green Square, Mascot and Rosebery school sites that could be increased in student capacity.

Community and cultural

A city exists first and foremost for its people. This means that as it grows, community and cultural infrastructure must adapt or grow with it to create an environment that is inclusive, vibrant and healthy.

A city should encourage social life with well-functioning community services such as libraries, and cultural and creative spaces. A person living, working or visiting the city should be able to satisfy their everyday needs within a reasonable walking distance not matter where they are in the city.

Significant investment is required to manage, optimise, adapt and grow this infrastructure, and government and industry must work together to achieve it. High-quality community and cultural infrastructure, some of which may be co-located, are vital to Sydney's identity and reputation as a liveable and dynamic global city. This liveability in turn supports the city's ongoing competitiveness in the global economy, attracting and retaining talent, businesses and investment.

Open space and recreation

Open space is essential infrastructure needed to achieve great places, and provides extensive social, environmental and economic benefits for the community, with growing evidence of the relationship between green spaces and improved physical and mental health outcomes.

The City's Open Space, Sport and Recreation Needs Study 2016 identified demographic and recreation trends, and established strategic directions and an action plan to meet open space and recreation needs, based on the City's growth forecasts to 2036. This study is the primary document to guide open space planning and management for lands planned by the City.

NSW Government-led master planned precincts must align their planned growth with open space and recreation facility provision with at least 15 per cent of the site area as regional open space and at least 9 per cent of the site area delivered as local and district open space

Green Square and community infrastructure

As the Green Square community has grown, local infrastructure has been placed under increasing pressure. Community infrastructure requirements, such as green and recreation spaces, and the need for upgrades to public spaces, such as footpaths, street trees, and street furniture, have increased as the area has become denser. The capacity of the existing water infrastructure network has also been an issue. Green Square sits on a floodplain and the area has experienced intermittent flooding during the process of redevelopment.

The City of Sydney has delivered or is in the process of delivering a number of projects to upgrade the area's community infrastructure, including a new library, an aquatic and recreation centre, a community and cultural precinct, several parks and a new two-kilometre-long stormwater drain through a combination of funding arrangements including the Green Square community Infrastructure floor space scheme.

The City of Sydney will spend almost \$200m in the next financial year on major infrastructure projects in the Green Square area which would not be possible without the use of community infrastructure contributions. Major projects for the upcoming financial year include the construction of Gunyama Park Aquatic and Recreation Centre, a new 6,200 square metre community park called 'the Drying Green', new public art, cycleway, road and footpath extensions.

Priority **H3**

Increasing diversity and choice in housing

In giving effect to *A Metropolis of Three Cities*, the Eastern City District, this Local Priority delivers on the following planning priority:

- ▶ **Priority E5 - Providing housing supply, choice and affordability, with access to jobs, services and public transport**

In giving effect to *Sustainable Sydney 2030*, this Local Priority delivers on the following direction:

- ▶ **Direction 6 - Vibrant local communities and economies**
- ▶ **Direction 8 - Housing for a diverse population**

Objectives

- ▶ **There is a mix of dwelling types, tenures and sizes to support a diverse community**

A sustainable global city must offer a mix of housing to meet the needs of a diverse population. The city's population is becoming more diverse with more residents from various social and cultural backgrounds. The proportion of residents born overseas in the Green Square Urban Renewal Area, for example, grew from 53 per cent in 2011 to 60 per cent in 2016.

There is a correlation between Green Square having a high number of people born overseas, and a high number of people living in high-density dwellings. As of 2016, 91 per cent of residents in Green Square live in high-density dwellings (up from 81.6 per cent in 2011), compared to the City of Sydney council area at 75.1 per cent (up from 70.7 per cent in 2011). This indicates different housing preferences of people born overseas, including a greater cultural acceptance of apartment living.

In planning for the types of new homes residents will need in the future, the challenge for the City is to support social and cultural diversity through increasing housing diversity and choice. This includes retaining and attracting residents on lower incomes, those who identify as part of the Aboriginal and Torres Strait Islander community, families with children, people with disability, older people, long-term renters, students, people living alone, shared households, and more. All these people should be able to find a suitable home in the city.

The city has a rich supply of medium density, standalone, detached, semi-detached and terrace houses, mostly in heritage conservation and residential zoned areas. Each of these local areas have a distinct local character and a range of housing types that contribute towards the city's diversity. It is crucial that the local character and housing diversity in these areas is preserved as future housing growth will consist almost entirely of apartments in medium to high density development. By 2036, it is expected that over 80 per cent of people living in the city will live in apartments.

As more people are living in higher density developments, greater focus is needed to facilitate greater diversity and choice of housing that is fit-for-purpose and addresses the social and cultural needs of specific groups. This is essential to support and foster social cohesion which in turn contributes to a sense of belonging and the health and wellbeing of all residents. It also provides the opportunity for a greater social cohort to have representation and participation in the city's communities.

The impact of the high cost of housing

One of the biggest challenges to community diversity is the cost of housing. In the last decade, Sydney's liveability has been increasingly challenged by the affordability of its housing. While recent market conditions have seen a slowdown in the increase of housing prices and rents, or even a moderate decrease in some areas of Sydney, housing is still too expensive for most people. In the city, this results in pushing low and moderate income workers out of the area, leaving behind relatively wealthy households and very low income households in the city's social housing.

Housing affordability, which is a measure of the cost of housing relative to incomes, is largely outside the control of local government policy. Addressing the issue requires a national approach. There is potential for the Australian Government to play a greater role to improve housing affordability, including an expansive review of the effectiveness of current tax expenditures, such as negative gearing and capital gains tax concessions, and their impacts.

“Affordability and supply are not the same thing. In big, mature metropolitan areas ... affordability has to be produced through active housing market policy. That means directly targeting affordability and access for every group and every mix of housing.”

Professor Michael Storper
London School of Economics

Diverse housing areas

The city's heritage conservation areas contain almost 90 per cent of the area's standalone, detached, semi-detached and terrace homes. With most of the future housing growth in the city coming from apartments, the heritage conservation areas will play an increasingly important role in maintaining some diversity of housing stock and providing homes for families and larger households.

Heritage conservation areas also provide opportunities for secondary dwellings. Secondary dwellings are allowed under the current planning controls. With improved design and layout guidance, flexible housing solutions can be provided in a way that manages impacts on heritage, surrounding properties and the public domain.

Residential zoned areas that are not within heritage conservation areas also make an important contribution to housing diversity. As these areas change over time, it is important their unique local character is maintained for existing and future residents.

Housing for Aboriginal and Torres Strait Islander communities

The City recognises the Aboriginal and Torres Strait Islander peoples as Australia's First Peoples - the original custodians of the land we now call Sydney. We acknowledge the unique contribution of 60,000 years of Aboriginal and Torres Strait Islander living cultures by respecting our shared past and future.

Inner Sydney has strong historical and place associations relating to the patterns of urban migration of First Nations peoples and Redfern's legacy of fighting for Aboriginal and Torres Strait Islander self-determination and human rights. Redfern and Waterloo are home to Aboriginal medical, health, employment, media, aged care and legal services.

However, the number of Aboriginal and Torres Strait Islander people living in inner Sydney continues to decline. It now stands at just 3,509 individuals in the City of Sydney local government area. Aboriginal and Torres Strait Islander communities have expressed concern that gentrification and a lack of affordable housing are causing further displacement. They want to make sure that Aboriginal and Torres Strait Islander people with ties to the local community are able to maintain those links and stay in the area. Aboriginal and Torres Strait Islander people are 14 times more likely to experience homelessness than the wider community^{xxxvii}.

To meet the needs of First Nations communities, housing needs to be culturally appropriate and designed to meet the specific needs of Aboriginal households. It should be provided by Aboriginal community housing providers and be led by Aboriginal people and organisations as the continued expression of self-determination.

Housing for All and this technical report provide an opportunity to start a process of *bringing the people back* by partnering with the community to ensure the provision of affordable and social housing dedicated to Aboriginal and Torres Strait Islander communities.

Renters

A combination of economic, social and demographic trends are changing traditional attitudes to home ownership in Australia. Australia's high home ownership rate is falling dramatically among younger cohorts: 'generation rent' has arrived.

While renting may be more affordable than buying, renters can face longer-term insecurity of tenure. Legislative improvements and institutional investment in private rental, including by major employers, have the potential to make long-term renting a more attractive and secure option.

A range of rental reforms can be explored to address renter uncertainty, such as permitting longer leases, limiting rental increases and reviews, and better renter-owner mediation processes. This will ensure renting is an attractive option for residents living in the area.

It is equally important to ensure a strong supply of rental accommodation is maintained to cater for private rental demand. Global cities have faced the challenge of losing supply to short-term accommodation, such as Airbnb. A balanced approach is needed that distinguishes occasional short-term letting from commercial tourist accommodation, and allows short-term letting under circumstances that do not impact detrimentally on the supply of rental accommodation, that minimises impacts on neighbours and that facilitates enforcement action against unauthorised commercial uses.

Non-private dwellings, such as purpose built student accommodation and boarding houses, provide additional diversity in the rental market. While often absorbing more than 30 per cent of low income renters, and therefore not considered an 'affordable housing' product, these rentals continue to meet an important need in the inner city and ease pressure on the wider market. Further investigation is needed to understand how these housing types can be improved and promoted.

What is build-to-rent?

Build-to-rent residential, sometimes called multi-family residential, is an emerging asset class in Australia. The development type generally reflects a typical residential flat building, but is designed and built specifically to be rented out over the long-term by institutional or private owners. These may include Australia's \$2 trillion superannuation industry, community housing providers (as owners or head lessors), and others.

While unlikely to result in an 'affordable' housing type, build-to-rent residential may offer a range of benefits to the long-term renter. While maintaining lease flexibility, it is more secure for the long-term renter who is not subject to the immediate needs of individual investors.

There is also incentive for a better-designed and more durable product when it is intended for long-term renting. As build-to-rent residential expands and matures, other advantages may emerge as they have in other countries. For example, large institutional providers can offer flexibility within their portfolio across the lifecycle needs of a tenant.

Build-to-rent residential still faces a number of challenges in Australia, among them taxation barriers and time limitations to rental leases. There is potential for this product to add to the city's rental stock should these issues be addressed by the NSW Government, however the product should not be incentivised over other forms of housing in the planning framework.

Different approaches to housing delivery

The City will continue to encourage and facilitate new ideas for housing such as creative tenancy arrangements like shared co-operative living and new funding or delivery models.

Co-operative living is a people-centred approach where housing is designed and developed for specific needs. It ensures choice and control in the housing market. There are many benefits from co-operative living such as catering for diverse household types at different stages of life, security of tenure, reduced living costs and self-management. It also provides the opportunity for innovative design focusing on vibrant communities, environmental sustainability and the productive use of shared spaces.

To promote different approaches to housing delivery, the City launched *The Alternative Housing Ideas Challenge*. This aims to boost the diversity of housing across the city, with a focus on identifying and developing new models to increase affordable housing supply.

Accessible and adaptable housing for everyone

The supply of accessible and adaptable housing in the inner city is becoming more important. With an ageing population and approximately 20 per cent of the Australian population having a disability, the need for universally designed, accessible and adaptable housing in the city is expected to grow.

Accessible and adaptable housing enables people with disability and older people to live with independence and dignity, and age in place. Housing that is universally designed is more versatile and can better meet the changing needs of occupants, including families, over their lifetimes.

The City requires larger-scale housing developments to incorporate adaptable dwellings and satisfy the NSW *Apartment Design Guide* benchmark universal design features.

What is universal housing design?

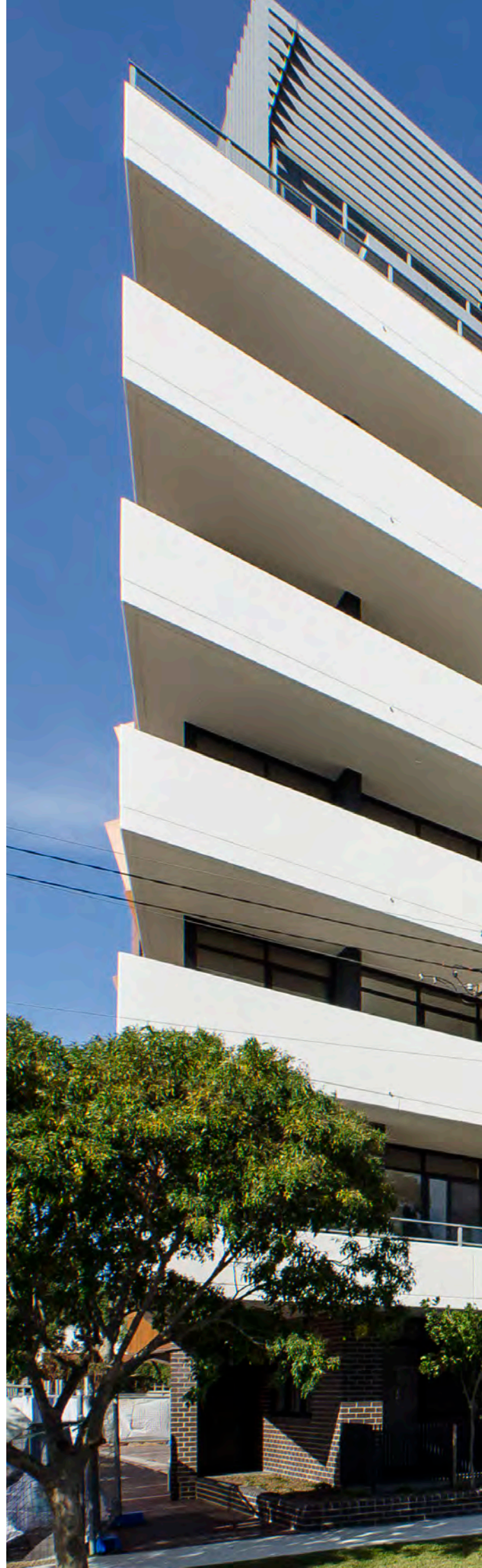
Universal housing design means designing Australian homes to meet the changing needs of home occupants across their lifetime.

The concept of universal housing design is captured within the *Livable Housing Design Guidelines*. The guidelines recommend the inclusion of features that make homes easier and safer for all occupants, particularly including people with disability, older Australians, people with temporary injuries, and families with young children.

Universal housing design features enable key living spaces to be more easily and cost-effectively adapted to meet the changing needs of home occupants across their lifetime.

The guidelines outline three performance levels, ranging from basic requirements through to best practice:

- **Silver level** – focuses on the core structural and spatial elements that are critical to ensure future flexibility and adaptability of the home.
- **Gold level** – includes these core elements, as well as more generous dimensions and additional elements in areas such as the kitchen and bathroom
- **Platinum level** – includes further requirements to better accommodate ageing in place and people with higher mobility needs, such as more generous dimensions and additional elements for the living room and flooring.





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Priority **H4**

Increasing the diversity and number of homes available for lower-income households

In giving effect to *A Metropolis of Three Cities* and the Eastern City District Plan, this Local Priority delivers on the following planning priorities:

- ▶ Priority E4 – Fostering healthy, creative, culturally rich and socially connected communities
- ▶ Priority E5 – Providing housing supply, choice and affordability, with access to jobs, services and public transport

In giving effect to *Sustainable Sydney 2030*, this Local Priority delivers on the following directions:

- ▶ Direction 6 – Vibrant local communities and economies
- ▶ Direction 8 – Housing for a diverse population

Objectives

- ▶ Of all housing in the City to 2036, 7.5 per cent will be subsidised affordable rental housing for very low to moderate income earners
- ▶ There are more diverse affordable housing options in the City

The high cost of housing is an important economic and social issue in Sydney, particularly within the city where housing prices are among the highest in Australia. The inability to access affordable housing pushes lower income households to the city fringes. The majority of lower income households who remain in the private housing market are increasingly in housing stress or crisis and will eventually be forced to move out as housing costs continue to escalate ahead of wage growth.

The decline in housing affordability, and the inability of everyday people to access housing that is affordable, is having an increasingly detrimental impact on socio-economic diversity, which underpins the city's rich social fabric. The ongoing loss of key workers is also a concern. It is increasingly difficult for essential employment sectors to fill employment vacancies and staff shifts. This hampers business productivity and by extension the wider economic growth of Sydney.

For people on low incomes, affordable housing provides a critical alternative to private market housing, providing some opportunity to live in the city. It also acts as a release valve to social housing, easing the pressure on demand for an already massively undersupplied system. For some, affordable housing is simply a stepping stone to private rental or ownership, but for others it may be longer term.

Increasing the amount of affordable rental housing available for lower income households is an urgent priority for the City. *Sustainable Sydney 2030* establishes an ambitious target that, in 2030, 7.5 per cent of housing will be affordable rental housing. This proportion is to be maintained over time as the total housing supply grows.

Less than one per cent of housing in the city is affordable rental housing managed by community housing providers for lower income households. Over 11,000 additional affordable homes are required to be provided to 2036 to reach the City's target.

What is affordable housing?

Housing is considered affordable where the cost of rent or paying the mortgage does not absorb more than 30 per cent of the gross income of a very low to moderate income household. Very low, low and moderate income households are defined in legislation, with the income ranges published annually.

In the inner city, where the median cost of housing is very high, the terms 'affordable housing' and 'affordable rental housing' are used to describe housing that is owned by government or a registered community housing provider, and rented to a mix of very low to moderate income households, collectively referred to in this Strategy as 'lower income households'

This Strategy also makes reference to 'key workers' or 'essential workers'. These terms encompass a range of professions that make a positive contribution to the city – child care workers, cleaners, nurses, artists, administration staff, tradespersons, retail workers, wait staff, police and tour guides – all these workers, and many more not listed, are essential to the efficient functioning and the vibrancy of the city. Where these terms are used, they refer to those households that typically fall inside the definition of low or moderate incomes households, being households that are not eligible for social housing.

It is important to note the difference between government priorities and actions that seek to "increase housing affordability" versus seeking an "increase in the amount of affordable housing". The former is a reference to reducing the overall cost of buying or renting a home relative to income or capacity to pay for housing. The latter is a reference to providing targeted housing solutions for those with the highest identified need.

The City's role

The City uses its planning powers to facilitate the delivery of affordable rental housing. Three affordable housing contribution schemes currently operate in the city, including at:

- Ultimo/Pymont, introduced in 1996, which requires that 0.8 percent of residential floor area and 1.1 percent of commercial floor area be provided as affordable rental housing
- Green Square, introduced in 1999, which requires that 3 per cent of residential floor area and 1 per cent of commercial floor area be provided as affordable rental housing, and
- Southern Enterprise Area (called the Southern Employment Lands in the Sydney LEP 2012), introduced in 2015, which requires that 3 per cent of residential floor area and 1 per cent of commercial floor area be provided as affordable rental housing.

In September 2018 Council approved a contribution scheme across the local government area that will affect land not in Green Square, Ultimo/Pymont or the Southern Employment Lands. If approved by the NSW Government, it will require 3 per cent of residential floor area and 1 per cent of commercial floor area to be provided as affordable rental housing. The proposal is consistent with the Region and District Plans and does not impact on development viability.

The City also introduced preferential zoning for affordable rental housing on land zoned B7 – Business Park, where residential development is not otherwise permitted. This keeps land affordable for community housing providers and government who are seeking to purchase land in these areas to develop affordable rental housing.

The City uses planning agreements for affordable rental housing outcomes when changes are being made to planning controls, for example in Harold Park when it was rezoned in 2009 and for Bay Street, Glebe in 2014.

In addition to using the planning framework to encourage affordable rental housing, the City also materially supports the provision of affordable rental housing and has contributed approximately \$24 million over the last 10 years. This has included grants to non-government organisations, as well as granting or selling land below cost to community housing providers.

As at October 2018, the following affordable rental housing and diverse housing dwellings are built or projected to be built:

- 854 affordable housing dwellings, of which 685 are owned and managed by City West Housing.
- 423 affordable rental housing dwellings in the pipeline: developments where a DA has been lodged, approved or is under construction
- 533 mooted affordable rental housing dwellings: developments of which the City is aware, but have not yet reached development application stage
- 1925 affordable rental housing dwellings projected under planning controls awaiting approval from NSW Government.
- 42 diverse housing dwellings: those dwellings built with a contribution from City's Affordable and Diverse Housing Fund.

Altogether 3,735 affordable rental housing dwellings and 42 diverse housing dwellings are built or are being planned.

Contributions for affordable rental housing were also collected in the Redfern Waterloo area and from the redevelopment of Central Park. The contributions have been collected by the NSW Government and are still to be spent.

Better planning for affordable housing

While there is no one solution for the increase of affordable housing, there is potential for the NSW Government to improve how the planning framework supports and encourages the provision of affordable housing.

The Region and District Plans include an affordable housing target of 5 to 10 per cent new housing, subject to viability. While welcome, this target should be increased substantially for government-owned land. It also excludes key workers from eligibility and doesn't require that any affordable housing resulting from the target be held in perpetuity for the benefit of lower income households.

The NSW Government's *State Environmental Planning Policy (Affordable Housing) 2009* also requires a review to ensure it delivers genuine affordable housing outcomes for lower income earners.

More can be done. The City will continue to work with the NSW Government and advocate for the improvement of existing policies, and also new and innovative approaches in the planning framework to deliver more affordable housing for lower income earners.

Increasing the role of the community sector

All levels of government are increasingly looking to the community housing sector to increase the supply of affordable rental housing in cities.

Registered community housing providers are a growing part of the social housing system, with the capacity to leverage their portfolio to fund new affordable rental housing. They are key partners with the City, developers and other agencies in developing and managing affordable housing in the city.

The City's affordable rental housing levy schemes have supported the work of City West Housing, which develops and manages affordable rental housing across the local government area. A range of other community housing providers operates within the city and can be expected to play a greater role with the support of NSW Government.

Increasing diversity in affordable housing

Standard approaches to delivering affordable housing will only continue to deliver the inadequate outcomes of the past. There is a need for governments to look beyond the way things have always been done and embrace new, innovative and internationally successful approaches to deliver affordable housing in the inner city, where it is most needed.

There is potential for the Australian Government to play a greater role in facilitating affordable housing or housing that is more attainable for lower income earners. Innovative financing and delivery mechanisms to incentivise private investment, including loan guarantees, trusts and lower income housing tax credits are all models with potential. These innovations are most effective when delivered at a national level.

In addition, there is potential for taxation settings – such as negative gearing of residential property investment and capital gains tax concessions – to be targeted to increase the new supply of affordable housing. As well as building a platform for private investment, such reforms will enable the community housing sector to attract institutional investors and financiers. This will both boost the supply of affordable rental housing and increase the scale and capacity of the sector.

It is important that national initiatives are sufficiently flexible to reflect local housing market characteristics. For example, subsidies calculated for average markets may be ineffective in high-cost markets such as the city. The unintended consequence is that subsidised housing is only built where it is already relatively affordable.

The City will continue to explore different ways for delivering affordable housing and work with the Australian and NSW Governments to share knowledge and encourage more diverse affordable housing outcomes in the city.

Affordable and Diverse Housing Fund

The City's Affordable and Diverse Housing Fund promotes the development of affordable and diverse rental housing in the city by community housing providers, not-for-profit providers, and for-profit organisations. It is part of the City's commitment to overcome financial barriers to affordable and diverse housing development aligned with the directions of *Sustainable Sydney 2030*.

To date, \$4.5 million in grants have been approved to support projects that provide housing for vulnerable groups and those with little capacity to enter the private housing market.

An example of a successful grant outcome is the HammondCare Darlinghurst Project that is due to open in mid-2019. It will be a permanent home for people with complex health needs who are homeless or at risk of homelessness. Research shows an increasing incidence of homelessness, and that the problem is serious and worsening.

The purpose-built, 42-bed HammondCare facility will combine aged-care with specialist health support. HammondCare will develop partnerships with local service providers and develop strong functional links in the local aged care and homelessness sectors. The City's support will allow HammondCare to test and refine the service, with a view to providing similar facilities in the future.

Priority **H5**

Increasing the amount of social and supported housing

In giving effect to *A Metropolis of Three Cities* and the Eastern City District Plan, this Local Priority delivers on the following planning priorities:

- ▶ Priority E4 – Fostering healthy, creative, culturally rich and socially connected communities
- ▶ Priority E5 – Providing housing supply, choice and affordability, with access to jobs, services and public transport

In giving effect to *Sustainable Sydney 2030*, this Local Priority delivers on the following directions:

- ▶ Direction 6 – Vibrant local communities and economies
- ▶ Direction 8 – Housing for a diverse population

Objectives

- ▶ Of all housing in the city to 2036, 7.5 per cent will be social housing
- ▶ Access to supported housing is increased for vulnerable people

Addressing the housing needs of all, including very low income earners and vulnerable people, is a key challenge in sustaining a socially just, inclusive and diverse city. Ensuring there is sufficient social housing is a key priority for the City.

The NSW Government is primarily responsible for delivering social housing, either directly as public housing, or through funding, administering and regulating the community housing sector. At 30 June 2018, almost 53,000 people were on the social housing waiting list in New South Wales, of which up to 2,798 are waiting for housing in the city.

Sustainable Sydney 2030 establishes a target that in 2030, 7.5 per cent of housing will be social housing and 7.5 per cent of housing will be affordable housing. Since this target was established in 2009, the proportion of social housing in the city has decreased from about 11 per cent to about 8.5 per cent, with only a small net increase of 53 dwellings being added to the city's social housing stock since 2007. At the same time the City has had limited success in increasing its stock of affordable housing, which remains below one per cent of housing stock.

The NSW Government must do more to increasing the supply of social housing in the city.

NSW Government Social and Affordable Housing Fund

The \$1.1 billion Social and Affordable Housing Fund allows for an innovative approach to the way social and affordable housing is delivered in New South Wales. It is a key initiative of Future Directions for Social Housing in New South Wales, the NSW Government's 10-year plan for social housing, which is expected to deliver 27,000 social housing, 500 affordable housing and 40,000 private housing dwellings.

These homes do not only provide a roof over people's heads, each tenant is linked to tenancy management services as well as job, training and medical support services. The homes are fit-for-purpose, contemporary and well-designed, and close to schools, employment and vital services so people can be connected to their community.

More innovative and collaborative NSW Government initiatives like the Social and Affordable Housing Fund are required to meet the city's demand for social and affordable rental housing.

The loss of social housing

Over the past decades, there has been a decline in investment in social housing by both the Australian and NSW Governments and an increasingly narrow targeting of the provision of housing to the most vulnerable and at-risk cohorts on the waiting list.

It is estimated that the current social housing stock only meets 44 per cent of the need in New South Wales, with an increasing shortfall between the supply and demand for social housing. Funding for social housing has fallen in the last 20 years, yet the demand for social and affordable rental housing is increasing^{xxxviii}.

The Australian Housing and Urban Research Institute estimates that an additional 140,600 social housing units will be required in Greater Sydney over the next 20 years to maintain social housing assets and services commensurate with the projected need for secure affordable accommodation for lower income households^{xxxix}. To achieve this goal, the Australian and NSW Governments will need to commit to greater investment in this important social infrastructure.

Renewing social housing sites

The NSW Government currently renews social housing sites under its Communities Plus program, which fast-tracks the redevelopment of sites owned by the NSW Land and Housing Corporation. It aims to renew social housing at no cost to the government by targeting a split of 70 per cent private and 30 per cent social housing through redevelopment. Effectively, this requires that sites need to more than triple in density to maintain the same number of social housing dwellings.

The city contains a number of significant social housing sites. The housing stock in these sites ranges from small 1920s apartment blocks, through three and four-storey walk-ups from the 1950s and 1960s, and larger tower blocks mainly from the 1970s and 1980s. In many cases, the housing stock has been poorly maintained and is in need of significant improvements.

These sites often comprise large consolidated land holdings and are well-located for access to transport and jobs, allowing social housing tenants good access to employment and other opportunities.

These sites tend to have a relatively high dwelling density compared to social housing sites elsewhere in Sydney and New South Wales. It is difficult to apply the Communities Plus program to these sites, as the resultant tripling of density is not always consistent with creating good places.

When renewing housing sites, the Communities Plus program can be a useful guide; however, the priority should be to create better places for residents and to increase the number of social housing dwellings on land that has good access to employment and services.

Supported housing

A diverse range of supported housing models caters for the needs of people who are vulnerable and or disadvantaged in the community.

'Supported housing' is an umbrella term that describes various approaches to providing (affordable) housing with support services. Supported housing can benefit people with disability who seek support to live independently or in a group setting, as well as older people who require support to "age in place", and continue living in their neighbourhood where they maintain community connections, people with a mental health issue or people who have experienced or are at risk of homelessness who need support to maintain their tenancy.

Models include residential aged care, group housing models for people with disability, and supported housing for people who have experienced homelessness or are at risk of homelessness.

The availability of a diverse range of supported housing models in the area contributes to a diverse community. The city is also home to numerous health and community services, providing an ideal location for supported housing models and, in turn, better opportunities for those who live there.

Addressing homelessness

Homelessness policy in Australia is generally driven by the federal, and New South Wales and territory governments, which are jointly responsible for funding and delivering housing, health, homelessness services and other social services around the country.

The City is committed to addressing homelessness and works collaboratively on a number of strategies to reduce homelessness. The focus is on innovative 'housing first' approaches which combine long-term tenancies with targeted support services.

The City helps reduce homelessness by facilitating the delivery of targeted housing solutions, monitoring trends in inner city homelessness, supporting and engaging people who are sleeping rough and driving collaboration across sectors and services to ensure a coordinated and effective response.

The City currently invests over \$2 million each year to reduce homelessness and its impacts in Sydney, including investing \$3.5 million over three years to fund specialist homelessness services in the inner city.

The City will continue to work in partnership with government, non-profit organisations and the corporate sector to provide and coordinate responses to homelessness and to develop the capacity of the sector and the community.



Priority **H6**

Improving NSW Government controlled site outcomes

In giving effect to *A Metropolis of Three Cities* and the Eastern City District Plan, this Local Priority delivers on the following planning priorities:

- ▶ Priority E2 – Working through collaboration
- ▶ Priority E3 – Providing services and social infrastructure to meet people’s changing needs
- ▶ Priority E4 – Fostering healthy, creative, culturally rich and socially connected communities
- ▶ Priority E5 – Providing housing supply, choice and affordability, with access to jobs, services and public transport
- ▶ Priority E6 – Creating and renewing great places and local centres, and respecting the District’s heritage

In giving effect to *Sustainable Sydney 2030*, this Local Priority delivers on the following directions:

- ▶ Direction 6 – Vibrant local communities and economies
- ▶ Direction 8 – Housing for a diverse population
- ▶ Direction 9 – Sustainable development, renewal and design
- ▶ Direction 10 – Implementation through effective partnerships

Objectives

- ▶ NSW Government projects create great places for existing and future communities

A large part of the City’s forecast housing delivery to 2036 will be delivered on large urban renewal sites, many of which will be either owned or under the planning authority of the NSW Government. As much as 10 per cent of the city’s area is under the planning control of the NSW government rather than the City of Sydney.

Outcomes on these NSW Government controlled sites will play a significant role in determining if the City can achieve the goals of *Housing for All* and this technical report. Without direct control over the planning outcomes of these major urban renewal sites, creating great places will be largely dependent on successful collaboration between the City and the NSW Government. A strong collaborative approach between them will help enable meeting objectives shared between the City and the NSW Government for housing diversity, sustainability and great places.

Community trust in urban renewal

When urban renewal is poorly conceived and implemented, it erodes community trust in the planning system and jeopardises the strategic objectives of the District Plan and *Sustainable Sydney 2030*.

The meaningful involvement of the community in decisions about development and change in their local area is critical to delivering successful places. Too often, NSW Government projects are criticised because they are imposed on the community with little understanding of community aspirations or the local context.

Early and ongoing community participation in renewal sites will allow the public to understand why major change is taking place and to shape outcomes to reflect broader community aspirations. Transparent governance, which includes the City as a genuine partner in all stages of the projects, will aid in building community trust.

NSW Government controlled sites can set an example

NSW Government controlled urban renewal sites are an opportunity for the City and the NSW Government to work together to deliver on the District Plan objectives requiring great places that bring people together. Together, we can showcase best practice for the right level of density to ensure the best liveability, and in producing tangible and measurable public benefit outcomes.

Great places will be people-focused with high-quality public spaces as the central organising design principle. They will have a mix of residential and supporting non-residential uses that allow residents to meet the majority of their daily needs within easy walking distance. They will enable active lifestyles alongside reliable and accessible transport options. They will support a path towards low-carbon, high-performance sustainable precincts, designed to minimise costs such as cooling, heating and lighting for residents.

Great places will have a diversity of housing to meet varying household sizes, types, incomes and tenure preferences. This will include market housing, social housing, and affordable rental housing. The diversity of housing in these renewal sites should be benchmarked against comparable global cities to understand different meanings of and approaches to delivering housing diversity. NSW Government controlled sites should be viewed as an opportunity to reduce the deficit of social housing and affordable rental properties in the City. They should exceed the District Plan target of 10 per cent of all new housing as affordable rental housing.

Recognition of the local context will be an important factor in delivering successful renewal outcomes on NSW Government controlled sites. The City is characterised by areas with significant heritage character which are highly valued, and productive, and have the flexibility to adapt to changing urban needs over time. To ensure context is considered properly, design excellence processes should be a requirement of all city renewal precincts.

Delivering infrastructure

Major renewal sites that increase residential density create significant additional demand on infrastructure, including transport, open space, streets, and community and cultural facilities. Each renewal precinct must deliver the necessary infrastructure to support the new community and be accompanied by an infrastructure schedule identifying all state and local infrastructure with identified funding sources, responsibilities and delivery timeframes. Local infrastructure will need to meet the City's standards for delivery, maintenance and flexibility over time.

Priority **H7**

Increasing liveability, sustainability and accessibility through high-quality residential design

In giving effect to *A Metropolis of Three Cities* and the Eastern City District Plan, this Local Priority delivers on the following planning priorities:

- ▶ Priority E6 – Creating and renewing great places and local centres, and respecting the District's heritage
- ▶ Priority E15- Protecting and enhancing bushland and biodiversity.
- ▶ Priority E17- Increasing urban tree canopy cover and delivering Green Grid connections.
- ▶ Priority E19 – Reducing carbon emissions and managing energy, water and waste efficiently
- ▶ Priority E20 – Adapting to the impacts of urban and natural hazards and climate change

In giving effect to *Sustainable Sydney 2030*, this Local Priority delivers on the following directions:

- ▶ Direction 2 – A leading environmental performer
- ▶ Direction 9 – Sustainable development, renewal and design

Objectives

- ▶ Housing contributes to beautiful and active neighbourhoods
- ▶ Housing promotes resilience and meets high-sustainability performance targets
- ▶ Housing has a high level of amenity and supports people's health and wellbeing

Good planning, well-designed buildings and public domain are essential for enhancing the liveability, sustainability and accessibility of the city. The City's land-use planning controls recognise the importance of high quality urban design and architecture and their role in enhancing the function and enjoyment of the home and of public places. Concepts such as liveability, sustainability and place-making have in common the goal of creating happier, healthier and safer communities within neighbourhoods.

Most of the housing growth the city will experience over the next 20 years will be apartments in high-density developments. Maintaining a high level of design quality for apartment buildings is critical to ensuring that as the city grows that residents, workers and visitors continue to enjoy a high level of amenity.

Good design is a contributing factor to the resilience of buildings and places which are able to adapt to as well as mitigate against the effects of climate change and other urban hazards. Decisions about the quality of design within the city impact not only the current population but generations to come.

Raising the design bar

The City of Sydney is a leader in the field of design excellence with the City's design excellence planning provisions held up across the country as a leading example of how the planning system can support and promote exceptional architectural and urban design outcomes for high-density residential development.

The City's requirement for a competitive design process for all major development facilitates variety in the built environment and achieves the highest quality urban design outcomes, improving the overall architectural quality of the city. This sometimes results in an iconic or landmark building, but more typically ends in a well-designed building that provides a high level of amenity and sustainability for its residents, fits sensitively into the streetscape and responds to and improves the public domain. Since design excellence requirements were introduced in the city in 2012, over 83 competitive design processes have been completed.

In addition to its innovative design excellence approach, the City's planning controls, and other important design requirements contained in the NSW Government's *State Environmental Planning Policy No 65 - Design Quality of Residential Flat Development* and accompanying *Apartment Design Guide*, provide the essential amenity standards for medium to high-density residential development. The City continually reviews and improves its own planning controls as well as advocates for the retention of policies related to housing design and their ongoing improvement.

Building resilience

The likelihood of exposure and the ability of housing to respond to natural and urban hazards are determined by the quality of the design. Communities can be exposed to flooding, sea level rise, storms, droughts, air pollution, noise, soil contamination and excessive heat unless housing is sensitively located, optimally oriented and well designed.

Good housing design can lessen the impact of new housing on the environment. This can be achieved through the use of locally sourced sustainable building materials, use and re-use of recycled materials, the embedding of passive design strategies and incorporating energy, water and waste management initiatives and systems. It can also provide support for efficient and active modes of transport, for example by providing space for bicycle storage and shared vehicles and the ability to charge electric vehicles.

The surrounding urban environment, green space and amount of tree canopy cover can also mitigate the hazards of flash flooding and urban heat. The City's challenge will be to balance the needs of housing supply with the provision of sufficient areas of permeable surface and meaningful greenery.

The City is committed to achieving net zero greenhouse gas emissions by 2050; a zero increase in potable water use from a 2006 baseline; and a long-term goal of zero waste. These goals are to be implemented as part of the *City's Environmental Action 2016–2021: Strategy and Action Plan* and the *Leave Nothing to Waste Strategy and Action Plan 2017–2030*.

We will also continue to advocate to the NSW Government for an increase in minimum BASIX requirements in new developments to reduce greenhouse gas emissions and water consumption, as well as improve the local area's resilience to climate change. Site-specific Local Environment Plan clauses for higher BASIX Energy and BASIX water scores have been implemented where there are increased height or floor space ratio incentives. The City is also collaborating with key industry and NSW Government stakeholders to develop a performance standard pathway for multi-unit residential developments. The performance standard pathway will identify suitable targets and timeframes to transition to multi-unit residential new developments with net zero energy.

Protecting and enhancing the city's surrounding natural environment further increases the city's resilience to natural hazards. The city's green spaces including urban bushland, biodiversity, canopy cover and waterways help cool the environment, improve the health of the ecosystem, mitigate urban heat and flash flooding and provide liveability benefits. Managing the city's impact on the environment and improving the local area's resilience to climate change while balancing the needs of housing supply will be a challenge.

These actions will bring significant social, cultural and economic benefits to the city and the community. Managing the city's impact on the environment and adapting to climate change is a crucial part of making the city more resilient.

Housing for health and wellbeing

There is a growing body of evidence that the built environment influences people's health and wellbeing.

Homes which are energy-efficient and climate-responsive promote health and provide comfort for their occupants by ensuring good solar access, cross-ventilation, shading, insulation and thermal mass. They are also more affordable to run, reducing the stress of high household costs.

A key issue for the City is the impact of noise and air quality associated both with the high traffic volumes on many of the roads in the local area and with other activities, such as late night venues. Where noise levels are high, occupants often need to close their windows, resulting in poor natural ventilation and the need for air-conditioning. Good ventilation is important to provide fresh air, prevent mould and damp and mitigate against respiratory disease, while excessive noise, particularly at night has been shown to be detrimental to both physical and mental health.

The shape of the urban landscape also affects the prevalence of many lifestyle and chronic diseases, including obesity, type 2 diabetes and heart disease, and can also influence the mental health of residents through opportunities for social interaction.

Good access to safe, connected streets linked to services, green open spaces and shared community spaces facilitate both individual and community wellbeing. This increases walking and cycling, and also generates positive mental health outcomes enabling social interaction and increasing exposure to nature. The City works hard to deliver public spaces which are active, safe, varied and vibrant.

The City will continue to strive for well-designed residences with higher densities, good street connectivity, an appropriate mix of land uses and high-quality transport infrastructure, which can all have a positive effect on the health outcomes of residents.

The increased demand for housing must be delivered in a way that is both well-planned and well-managed to secure a healthy and liveable city.

Liveable Green Network

The City's Liveable Green Network is a pedestrian and cycle network connecting people with the city and village centres as well as major transport hubs, cultural precincts, and public open spaces. It will also improve the biodiversity of city streets by increasing canopy coverage throughout the network, and reducing reliance on cars.

There is growing evidence that green open space has benefits for the mental and physical health of both children and adults. Housing that is supported by a range of open spaces, or is connected to a wider network of green open space also improves community building by encouraging social participation and interaction.

The City is aiming for 90 per cent of residents to be within a 3 minute walk of the Liveable Green Network and within a 10 minute walk of public open space and key community facilities. The delivery of a 200-kilometre bike network is also underway. This will improve access to connected green space for the wellbeing of individuals and communities.

Opportunities exist in the planning framework to facilitate the implementation of quality public open space and green, active travel networks such as the City's Liveable Green Network.

4.2 Land use planning approaches

This section identifies the land use planning approaches to deliver housing in the City of Sydney. It also explains the principles used to identify areas suitable for housing, drawing from directions in the District and Region Plans and *Sustainable Sydney 2030*.

These approaches ensure housing is delivered in the right areas while responding to limited land availability, locality characteristics, competing land use priorities and the need to continue to provide a high standard of living with easy access to jobs, services, public transport and open space for future residents.

This technical report identifies five key approaches that will impact on future housing supply in the city.

4.2.1 Locating housing close to jobs, services, public transport and open space; and locating jobs, services, public transport and open space close to housing

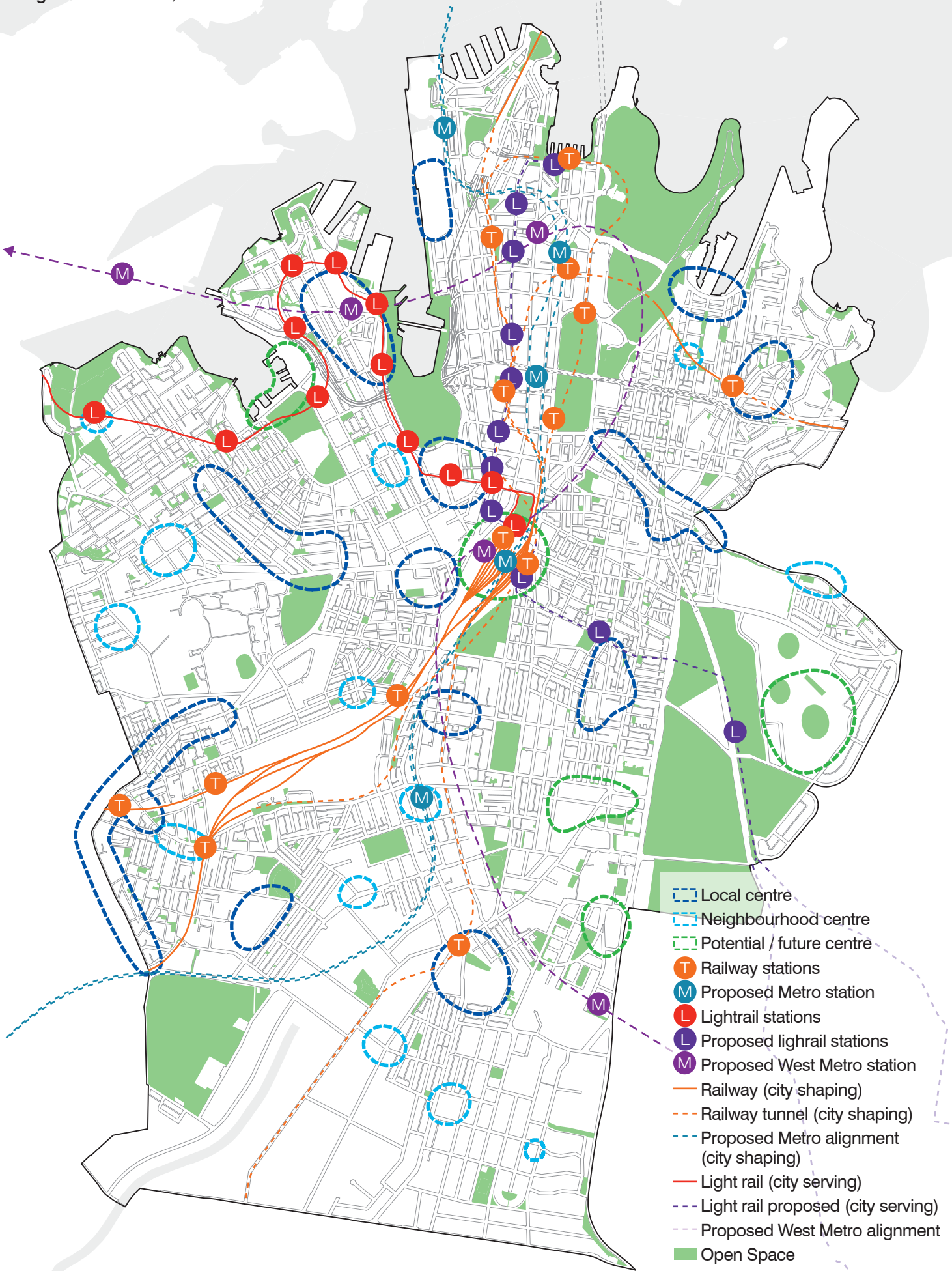
The City's housing targets are based on the 2019 Capacity Study, discussed in Section 2.3 and further in Section 2.5. The Study locates where there is residential development potential under current planning controls, which in turn gives strong indication of where new residential development will be focused to 2036.

While most housing that is permitted under the current planning controls is well-located, close to centres, infrastructure and services, it is also much needed to ensure that any housing that exceeds existing planning controls continues to be supported by infrastructure and services from the City and NSW Government.

In considering planning proposals for additional residential development capacity that is identified in current planning controls, the City's 'Principles for Growth' require that housing be located close to jobs, services and infrastructure, including open space and existing and planned public transport. These are typically clustered in and around centres, where they can support each other and make efficient use of private and public infrastructure. Locating housing within walking distance of centres provides equitable access, an improved quality of life, and reduced reliance on private cars.

Figure 60 illustrates the infrastructure and services that will support housing under the existing planning framework. It also identifies the centres where a balance will need to be achieved between housing and employment.

Figure 60: Centres, infrastructure and services



4.2.2 Strengthening and safeguarding important economic areas

The City of Sydney local government area is critical to the economic prosperity of Greater Sydney, New South Wales and Australia. Sydney is recognised as Australia's global city and the leading knowledge-based economy in the nation. In planning for housing growth, one of the greatest challenges is ensuring the economy can continue to grow, jobs can be accommodated, and inner city communities can access the businesses and services they need. However, new businesses and new workers need space, and this demand can compete with housing for development opportunities.

The local area generates more than \$130 billion of economic activity each year, representing over 7 per cent of Australia's economy. This constitutes over one third of metropolitan Sydney's economy and over 25 per cent of New South Wales' economy. The city accommodates over 500,000 jobs across all skill levels, which contribute to maintaining and enhancing the diverse socio-economic character and function of Greater Sydney and New South Wales.

Within the city, the Harbour CBD is a metropolitan centre and Green Square-Mascot is a strategic centre. Combined, these two strategic areas cover more than 60 per cent of the local area and play a significant role in the national, regional and district economy.

To maintain and enhance Sydney's productivity, the City needs to manage growth sustainably and ensure that internationally competitive industries and sectors can innovate, agglomerate and grow. In order to do this, the city needs to attract and retain a skilled labour force and capitalise on and drive opportunities for public and private investment. We will continue promoting sector and job diversity and collaboration to create an economic environment that is competitive, resilient and equitable.

For the Harbour CBD, a key focus will be prioritising and increasing capacity for economic and employment uses in Central Sydney and developing innovative and diverse business and economic activities in City Fringe, those areas within the Harbour CBD outside of Central Sydney. This includes planning for a diverse range of business, retail and office spaces within economic and activity nodes in the Innovation Corridor, the Ultimo-Camperdown Health and Education precinct and the creative corridor in the eastern part of the city. We will also continue to seek a balance between residential demand and other population-serving uses with the specialised role of evolving villages and high streets within the City Fringe.

For the Green Square-Mascot Strategic Centre, the focus is to continue protecting the industrial and urban services lands in the southern part of the local area, which accommodates business, industries and urban services, including those that support Central Sydney and the international trade gateways of Port Botany and Sydney Airport. We will also ensure that the business and economic role of the Green Square town centre and urban renewal area continues to evolve to serve its growing population.

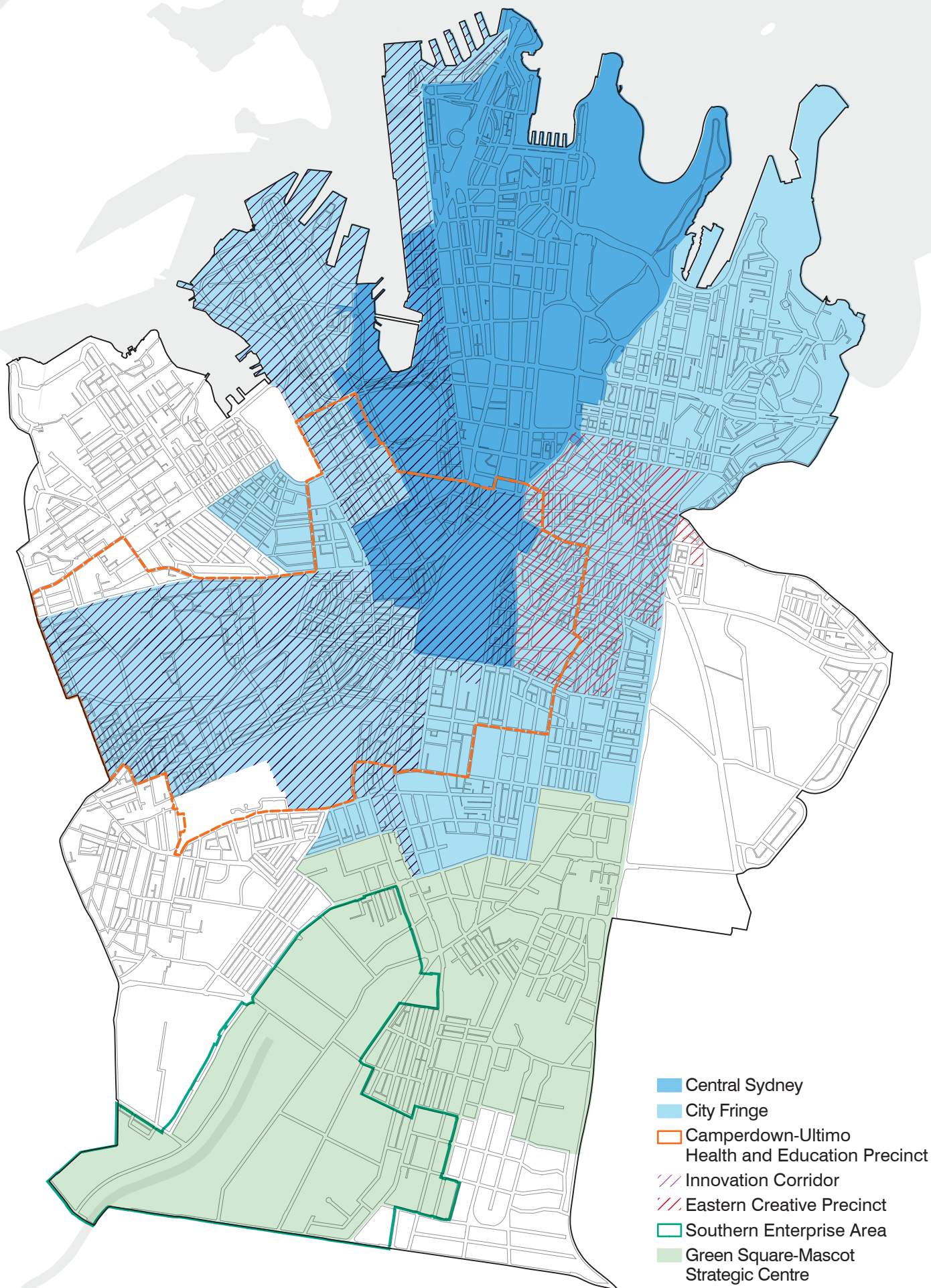
Figure 61 shows the location of these above-mentioned strategic economic centres.

The District Plan recognises this inherent conflict in the inner city, and has included objectives and actions that prioritise land use for jobs growth in some locations and protect employment lands for urban services.

City Plan 2036: The draft City of Sydney Local Strategic Planning Statement includes actions to investigate in the planning framework how best to ensure the need to increase housing supply is balanced with the need to increase jobs in the above-mentioned areas.



Figure 61: Strategic economic areas



4.2.3 Heritage conservation areas

The city has extensive heritage conservation areas in many of the residential neighbourhoods of inner Sydney. These areas play an important and ongoing role in the provision of housing.

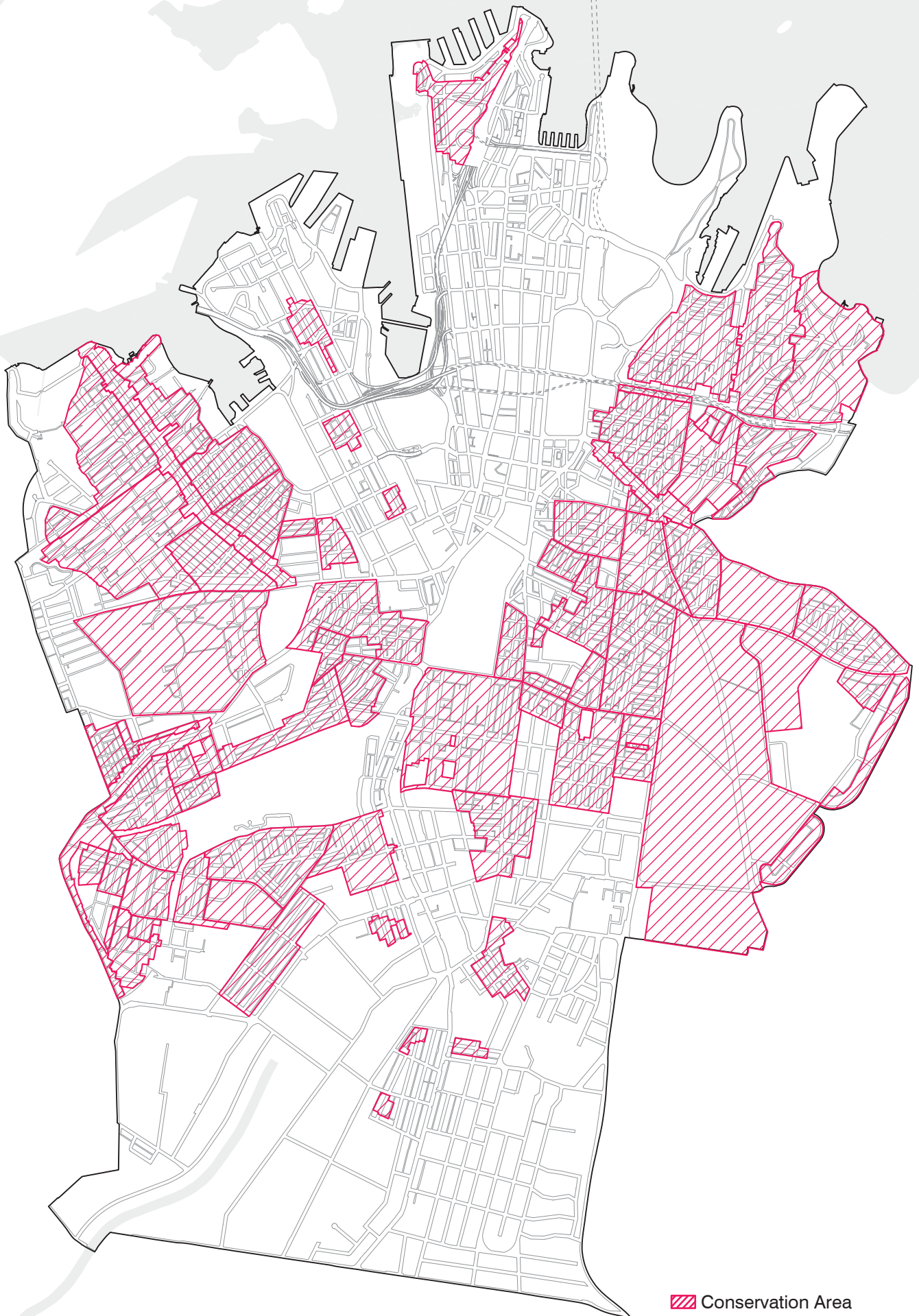
Heritage conservation areas are characterised by low-rise, medium-density streets with a mix of terraces, semi-detached and detached housing. They are representative of the 'missing middle' model of densification, championed by the NSW Government in the Draft Medium Density Design Guide. This housing stock provides much needed diversity in the local area, serving those households whose needs are not met by other housing types, such as apartments.

It is envisaged that any new housing in these areas will continue to be of similar stock, reflecting the prevailing bulk, scale, height and character of the neighbourhood. It will predominantly be in the form of alterations and additions, while any redevelopment of sites must contribute to the significance of the conservation area. There is also opportunity to further increase diversity of housing stock through innovative housing models.

Figure 62 show the City's heritage conservation areas that will continue to provide housing diversity and choice.



Figure 62: Heritage conservation areas



4.2.4 Urban renewal areas

Over the past 10 years, the city has grown by over 67,000 people and 30,000 dwellings, making it one of the fastest-growing council areas in the Sydney metropolitan region.

The majority of housing growth has and will continue to be accommodated in the Green Square Urban Renewal Area, which was rezoned from industrial uses in the late 1990s. Green Square will be home to up to 70,000 people, living in up to 33,000 dwellings by 2036, when it is expected to be fully built out.

The Ashmore precinct in Erskineville was also rezoned from industrial uses for high-density residential. By 2025, it will accommodate around 6,000 residents in 3,500 dwellings.

Harold Park is another example of urban renewal. The master plan for the site was approved in 2012 to facilitate high-density residential development. It is now mostly developed and, when built out will house some 2,600 people in 1,300 dwellings.

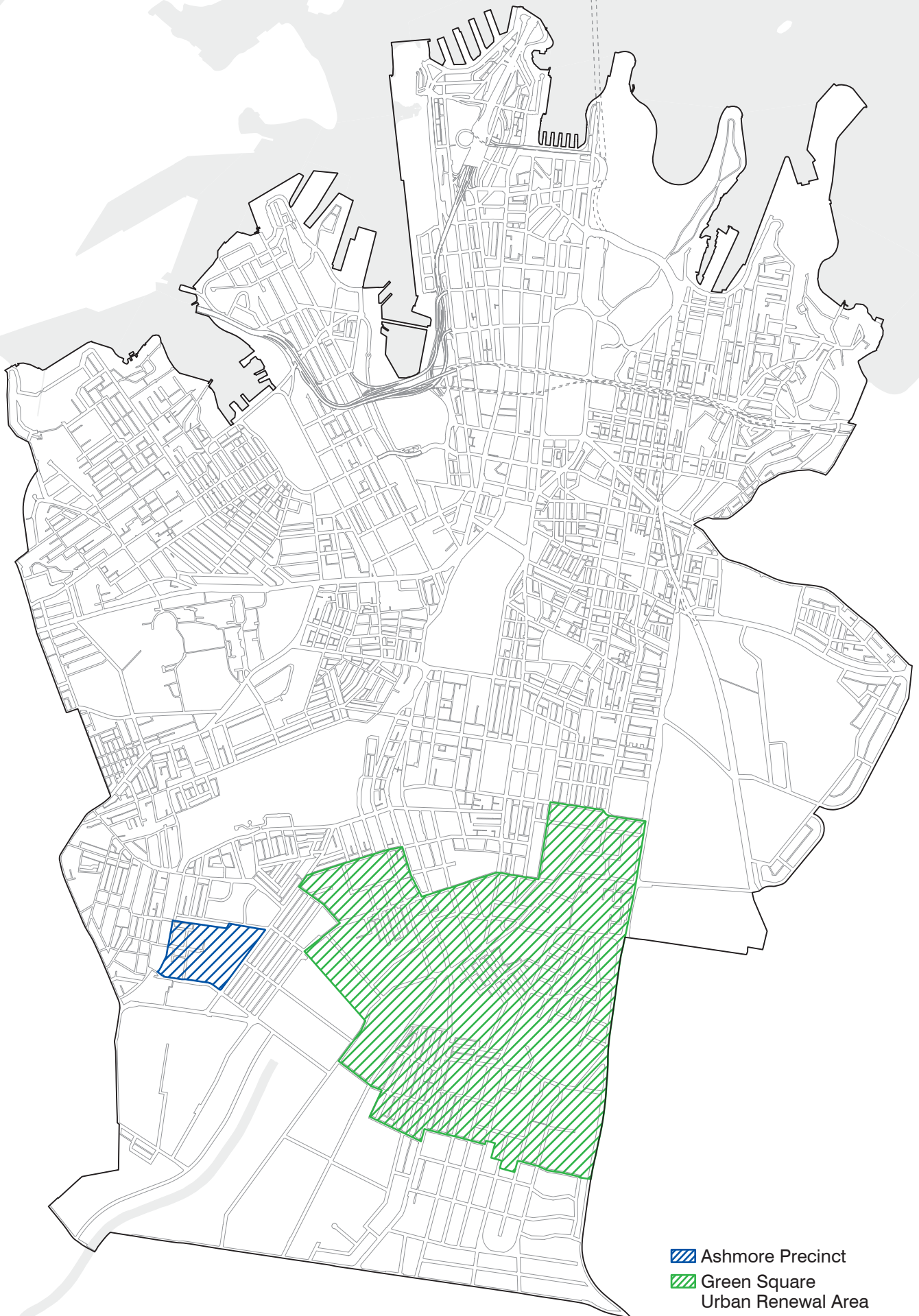
Going forward, new urban renewal opportunities are expected to be primarily on NSW Government controlled sites, which are discussed below.

Urban renewal sites are unique opportunities to provide a significant amount of housing and employment floor space. It is important that urban renewal is approached with a commitment to achieving all of the priorities, objectives and targets of the District Plan, *Sustainable Sydney 2030* and the City's *Local Strategic Planning Statement*.

Figure 63 illustrates the local urban renewal areas that are expected to continue to deliver a significant housing supply.



Figure 63: Urban renewal areas



4.2.5 NSW Government projects

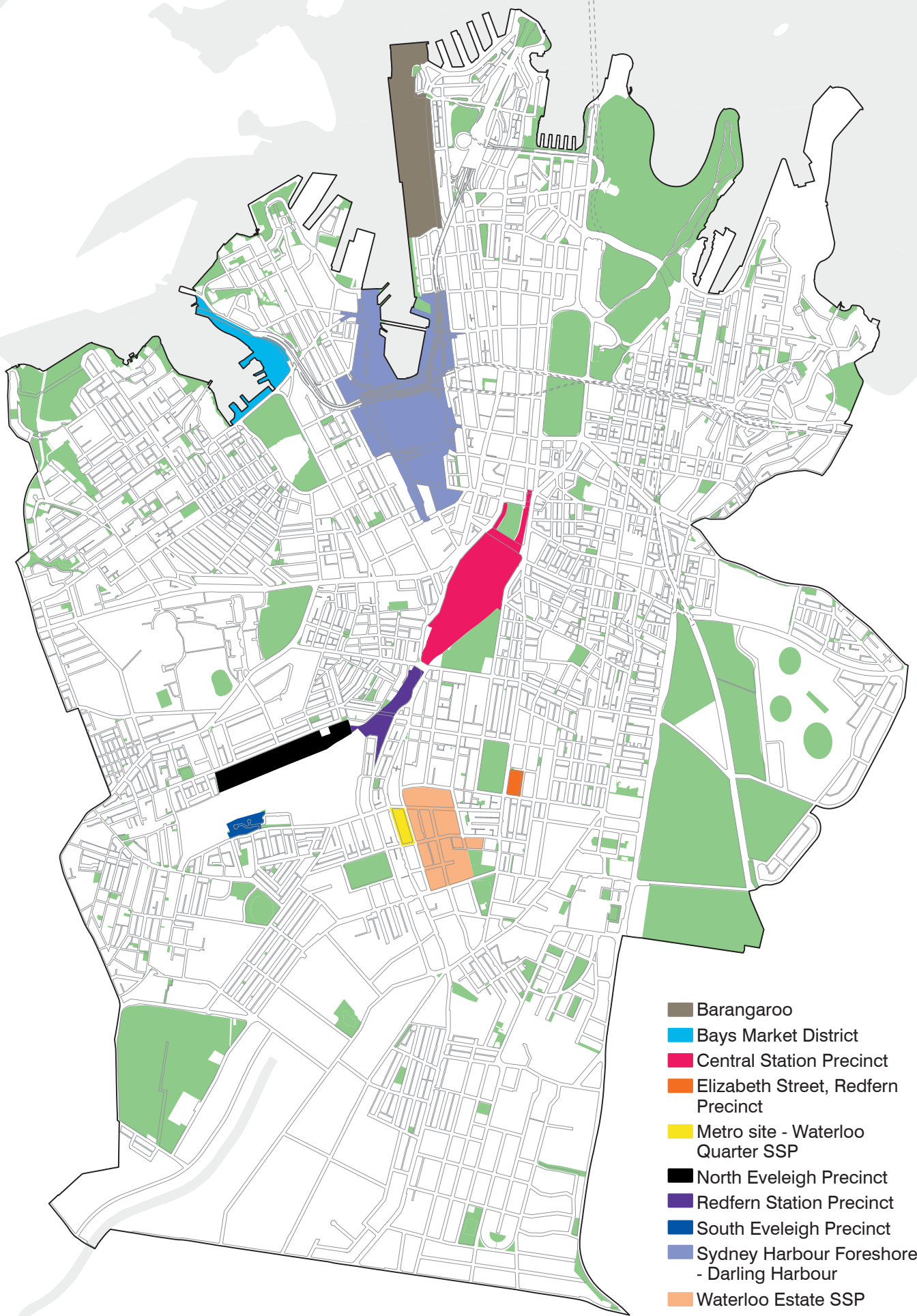
NSW Government projects will contribute to the City's housing delivery forecast to 2036. Often these sites are owned by the NSW Government, or the development proposed has been identified by the NSW Government as being of planning significance to New South Wales. They fall broadly into the categories of State Significant Development (SSD) or State Significant Precincts (SSP) and have been identified through a State Environmental Planning Policy. In total, 274 hectares or more than 10 per cent of the City of Sydney is currently subject to NSW Government planning, equivalent in size to the entire Green Square Urban Renewal Area. Not all of this area will be developed for housing. Housing as part of NSW Government projects will predominantly be high density apartments.

Figure 64 shows the sites for NSW Government projects that have been identified as having the potential to deliver housing supply. Historically the number of dwellings to be delivered on these sites has been difficult to predict. This is because the number of dwellings tends to increase between initial approvals and completion of development, and also because the City does not know in advance which sites the NSW Government will choose to develop for housing. This raises challenges for the City in accurately predicting the state and local infrastructure required to support development. Additionally, as the City is not consent authority for development applications there is a reduced level of control over planning and design outcomes including the internal amenity of residential apartments and public domain quality.

The City will endeavour to play a greater role in collaborating with the NSW Government in managing housing on these sites to ensure good amenity and urban design outcomes, appropriate infrastructure and services. Increasing the City's role will assist to manage planning efficiently and delivery greater certainty to the community.

Figure 64 illustrates the potential sites where NSW Government projects will deliver significant housing supply.

Figure 64: Sites for potential NSW Government projects



4.3 Mechanisms

The City will employ a variety of planning and non-planning mechanisms to achieve the vision, priorities and objectives of *Housing for All*. This section explains these mechanisms and how the City will use them.

The City will continue to exercise its leadership to ensure fairness, simplicity, transparency and consistency in the application of these mechanisms. The mechanisms are supportive of and consistent with local, regional and state strategic planning goals.

The three overarching mechanisms are: planning and policy, advocacy, and collaboration. These are described further below.

4.3.1 Planning and policy

The City's land use planning controls, including its local environmental plans and development control plans, significantly impact the amount of housing that can be delivered in the local area. These controls locate where housing is permissible inside a zone, as well as the development capacity of a site determined through key development standards such as floor space ratio and height controls. Planning controls also establish affordable housing contributions, set maximum parking rates, locate opportunities for open space, identify locations for active street frontages, new streets and laneways, and often identify need for supporting infrastructure requirements.

Other policy documents and action plans adopted by Council establish the City's strategic priorities and objectives, for example the Environmental Action Plan incorporates land use planning actions to achieve sustainability targets.

The City will use its planning controls and other policy levers to address housing priorities and objectives by:

- continuing to facilitate housing development under the existing planning controls
- undertaking planning proposals where appropriate, while ensuring the outcome is of public benefit, well located to infrastructure and services, supports jobs growth and results in good built form and urban design outcomes
- investigating opportunities in the local planning framework to close gaps and address key issues such as innovative housing ideas to improve affordability and increase diversity, address homelessness, and maintain residential amenity close to entertainment venues. Further research is required before any changes to local planning controls and new policies are made, to improve understanding of the issue, what needs to be addressed and examine a range of solutions for future implementation
- providing the community infrastructure and services needed to support planned population growth, ensuring the removal of any barriers impeding development is balanced with urban design and planning considerations
- continuing to address design excellence, dwelling mix, accessibility and adaptability, affordable housing provision, and upholding the importance of applying the *Apartment Design Guide*
- expanding the affordable housing levy city-wide, streamlining the processes for levying these contributions, and implementing the 5-10 per cent target in the District Plan
- ensuring housing is resilient through satisfying high amenity standards, supporting people's health, wellbeing while addressing their needs, and meeting high sustainability performance targets
- minimising complexity in planning regulation and the development application process.

The City will continue to draw on international best practice and seek innovative approaches to addressing housing issues in the city.

4.3.2 Advocacy

The City will continue to advocate on behalf of the community for action on key issues relating to housing. For example, where responsibility for housing matters lies with the state or federal government, or where improved outcomes could be achieved by these levels of government taking a certain approach.

This delivery mechanism, where engaged in a positive and respectful manner, can encourage other levels of government to take action to prevent or mitigate the escalation of housing issues through early intervention.

Good advocacy can form the foundation of collaborative partnerships between different levels of government, where all parties engage in the spirit of shared problem solving to address key issues in local communities.

The City will continue to advocate to the Australian and NSW Government on key housing issues through submissions to planning legislation and policy reviews, inquiries and urban renewal master planning processes.

4.3.3 Collaboration

The City will continue to seek collaboration and partnership opportunities to work with other levels of government, other councils, academic institutions, business, not-for-profit groups and the community in addressing housing issues and to effect positive change.

Working collaboratively provides the opportunity to learn new concepts and strategies from working in a multi-disciplinary group. It encourages innovative thinking and can link research with practice settings to strengthen a range of evidence based solutions. It also provides a process for public participation and an opportunity for groups and individuals to express their views about particular planning issues.

4.3.4 Community engagement

The community is entitled to be involved in the planning process, often being the most affected by planning outcomes. However, the planning system is complex and can be difficult to understand and navigate, and this complexity and lack of transparency can result in distrust of planning outcomes by the community.

Early and meaningful community engagement builds trust and a shared understanding of various planning matters. It helps build confidence in the planning system and can result in better planning outcomes, through enhanced knowledge and understanding, and increased transparency in planning decisions.

The City provides regular opportunities for the community to participate in the decisions and projects that shape Sydney's built environment, economy, culture and society. The City understands the importance of early and ongoing community participation in the planning process.

The City involves the community in formulating housing policy positions, and enables community groups, through grants, research and other support, to have a say and play a greater role in planning. This is a 'bottom-up' style of advocacy, where the people most impacted by housing policy are empowered to inform future change.

The City aims to ensure community engagement:

- is transparent so that the scope and purpose is clear
- is accessible and balanced to capture a full range of values and perspectives
- provides a space to develop understanding
- promotes dialogue and opens up genuine discussion that is supported by accurate information
- is reflected in the outcome so the community can see and understand the impact of their involvement
- is accessible and enables all to participate
- identifies opportunities for greater direct participation and creation.

There are opportunities to further improve communication techniques and channels to ensure the community's voice is reflected in the decisions made about housing in the City.

05

Actions

This chapter identifies and lists the actions the City will complete over the life of *Housing for All* and this technical report. It also outlines how planning proposals will be managed as well as highlights the monitoring and review process of the Strategy.

5.1 Implementation and Delivery Plan

The section includes the details of the actions the City is responsible for implementing and delivering on the priorities identified in Section 4.1. It also identifies the monitoring indicators that will be collected by the City to monitor the progress of *Housing for All*.

Priority **H1**

Facilitating more homes in the right locations

Actions	Timeframe for completion
Delivery mechanism: Planning and Policy	
1.1 Continue to facilitate housing development utilising capacity available under current planning controls.	2036
1.2 Ensure planning proposal requests are consistent with the 'Principles for Growth' in City Plan 2036: The draft Local Strategic Planning Statement, so that proposals: a) are of public benefit, for example they contribute to addressing the critical undersupply of affordable rental housing or public open space b) are located close to facilities, services, open space and public transport c) support the City's jobs targets d) make a positive contribution to the built environment and result in an overall better urban design outcome on the site.	2036
Monitoring indicators for Priority 1	
<ul style="list-style-type: none">• # of dwellings approved by village area• # of dwellings completed by village area• # of dwellings under construction by village area• # of dwellings applications lodged by village area• net annual increase by dwelling structure• net annual increase by dwelling type• # of planning proposals for residential development	

Priority **H2**

Coordinating housing growth with the delivery of infrastructure

Actions	Timeframe for completion
Delivery mechanism: Advocacy and Collaboration	
2.1 Advocate and work with NSW Government agencies to align their asset management plans with planned housing growth to ensure delivery of adequate state infrastructure and services.	2036
Delivery mechanism: Planning and Policy	
2.2 Ensure the council provided community infrastructure support planned population growth.	2036
Monitoring indicators for Priority 2	
<ul style="list-style-type: none">• Total overall attendance at City Spaces• Attendances at aquatic and leisure centres• % of people surveyed accessing City Programs and Services who report an improvement in their physical health• % of people surveyed accessing City Programs and Services who report an improvement in their social wellbeing	

Priority **H3**

Increasing diversity and choice in housing

Actions	Timeframe for completion
Delivery mechanism: Planning and Policy	
3.1 Investigate opportunities in the planning controls to increase the amount and improve the standard of housing that is universally designed. This includes encouraging the delivery of larger apartments on the ground floor with usable external space to ensure people of all ages, people with disability, and families with children can find suitable housing in the city.	2021
3.2 Support innovative approaches to housing delivery to promote housing diversity and affordability.	2036
3.3 Continue to deliver a mix of studio, one, two and three or more bedroom dwellings through the planning controls.	2036
3.4 Investigate controls to ensure secondary dwellings are well designed and respect the character of heritage areas.	2021
Delivery mechanism: Advocacy and Collaboration	
3.5 Advocate to the NSW Government for improvements to the Low Rise Medium Density Housing planning framework and that the community can have their say to ensure medium density developments are designed and built to respect the established local character.	2021
3.6 Advocate to the Australian and NSW Governments for action to reduce upward pressure on housing prices and rents and improve housing affordability.	2036
3.7 Continue to support people who rent in the city by: <ul style="list-style-type: none"> a) advocating to the NSW Government for more secure and longer-term private rental tenancies to improve rental security b) continuing to respond to complaints of unsafe conditions and overcrowding in the rental market c) working with other partners to strengthen the information available to tenants about their housing rights. 	2036
3.8 Advocate to the NSW Government to mitigate the displacement of private rental housing from the market by short-term rental accommodation, such as Airbnb.	2036
3.9 Work with Aboriginal and Torres Strait Islander communities, housing providers, the NSW government and others to ensure development in Redfern and Waterloo provides affordable and social housing for Aboriginal and Torres Strait Islander peoples to prevent their ongoing displacement from the area.	2036
Monitoring indicators for Priority 3	
<ul style="list-style-type: none"> • #/% of studio, one, two and three bedroom units delivered through the City's planning framework. • # schemes/units enabled by The City's Alternative Housing Ideas Challenge and Affordable and Diverse Housing Fund. 	

Priority **H4**

Increasing the diversity and number of homes available for lower income households

Actions	Timeframe for completion
Delivery mechanism: Planning and Policy	
4.1 Implement Planning Proposal: Affordable Housing Review to increase the amount of affordable rental housing.	2021
Delivery mechanism: Advocacy and Collaboration	
4.2 Work with other councils in the District to jointly advocate for more affordable housing.	2036
4.3 Advocate to the NSW Government for changes to <i>State Environmental Planning Policy (Affordable Rental Housing) 2009</i> ensuring boarding houses with floor space bonuses results in genuine affordable housing outcomes.	2036
4.4 Advocate to the NSW Government to deliver a minimum 25 per cent of floor space as affordable rental housing in perpetuity on all NSW Government controlled sites, including on social housing sites.	2036
4.5 Advocate to the NSW Government to amend the Region and District Plans and <i>State Environmental Planning Policy (Affordable Rental Housing) 2009</i> to ensure affordable housing is provided in perpetuity and supports key workers.	2021
4.6 Advocate to the Australian and NSW governments for targeted programs and policy interventions that respond to inner city housing market conditions and increases the supply of affordable housing.	2036
4.7 Work with the NSW Government to use the affordable housing funds from the Redfern-Waterloo <i>Affordable Housing Contributions Plan</i> and redevelopment of Central Park to provide an increased proportion of affordable rental housing, in addition to the District Plan's affordable housing targets, on the Waterloo Estate.	2036
Monitoring indicators for Priority 4	
<ul style="list-style-type: none"> • # of affordable housing units in city and % of total housing supply. • # of affordable housing units and % of total housing supply on NSW Government controlled sites. 	

Priority **H5**

Increase the amount of social and supported housing

Actions	Timeframe for completion
Delivery mechanism: Advocacy and Collaboration	
<p>5.1 Advocate to the NSW Government to ensure the City's 7.5 per cent target for social housing for very low income households is maintained to 2036 by:</p> <ul style="list-style-type: none"> a) increasing the number and quality of social housing dwellings in the city b) significantly increasing the proportion of social housing on NSW Government sites that are being renewed c) ensuring social housing that is sold within the city is replaced in the city. 	2036
<p>5.2 Advocate to the Australian Government to allocate funding for the renewal of social housing sites and an increase of social housing dwellings.</p>	2036
<p>5.3 Advocate to the NSW Government to ensure social housing is well maintained and tenants are supported.</p>	2036
Delivery mechanism: Planning and Policy	
<p>5.4 Work with the NSW Government to adapt the Communities Plus model to include retention, adaption and improvement of existing social housing stock.</p>	
<p>5.5 Review the City's <i>Homelessness Action Plan</i> to reduce homelessness and its impacts in the city.</p>	2021
Monitoring indicators for Priority 5	
<ul style="list-style-type: none"> • # of social housing units in LGA and % of total housing supply. • # of social housing units and % of total housing supply on NSW Government controlled sites. 	

Priority **H6**

Improving NSW Government controlled site outcomes

Actions	Timeframe for completion
Delivery mechanism: Advocacy and Collaboration	
6.1 Work with the NSW Government to deliver housing in great places that: <ul style="list-style-type: none">a) are shaped by genuine early engagement with existing communitiesb) have appropriate and timely investment in and delivery of infrastructure, with clear and ongoing funding and management modelsc) prioritise walkable neighbourhoods with high-quality public spaces as the central organising design principled) ensure an appropriate mix of residential and non-residential usese) have a built form and character that respond to the local contextf) deliver on and exceed District Plan targets for sustainabilityg) deliver on and exceed District Plan targets for social housing and affordable rental housingh) deliver a mix of residential dwelling typesi) facilitate strong communities.	2036
Monitoring indicators for Priority 6	
<ul style="list-style-type: none">• # of social, affordable and market housing including dwelling mix and % of total housing supply on NSW Government controlled sites.• # / % of private and non-private dwellings on NSW Government controlled sites.	

Priority **H7**

Increasing liveability, sustainability and accessibility through high-quality residential design

Actions	Timeframe for completion
Delivery mechanism: Planning and Policy	
<p>7.1 Investigate opportunities in the planning framework to:</p> <ul style="list-style-type: none"> a) incorporate principles and provisions to facilitate climate change adaptation and build resilience to natural and urban hazards b) facilitate the use of recycled water systems to reduce the use of potable water in housing c) implement the performance standard pathways to net zero energy for multi-unit residential buildings d) support innovative waste management approaches e) encourage local food production through edible and community gardens in new developments f) ensure new housing development creates opportunities to expand the City's green cover and tree canopy g) implement passive design measures to lower energy demand, increase comfort in the home and reduce household running costs h) deliver activity and services at ground (and first) floors in mixed use areas. 	2026
<p>7.2 Develop best practice design guidance for housing that promotes community and facilitates social interaction.</p>	2021
<p>7.3 Continue to enforce design excellence principles and use of competition and design review processes.</p>	2036
<p>7.4 Implement the “agent of change” principle for new residential development in close proximity to existing developments that generate entertainment sound.</p>	2021
Delivery mechanism: Planning and Policy	
<p>7.5 Advocate to the NSW Government to review BASIX to increase minimum requirements and to improve the effectiveness of the tool.</p>	2036
<p>7.6 Advocate to the NSW Government for the continued application and ongoing improvement of residential amenity standards in all NSW Government policies that impact on housing.</p>	2036
Monitoring indicators for Priority 7	
<ul style="list-style-type: none"> • # of competitive design processes. • % reduction in greenhouse gas emissions. 	

5.1.1 Risk management

This Implementation and Delivery Plan directs the strategic planning actions to achieve the priorities and objectives of *Housing for All* and this technical report. However there are associated risks that may impact on the City's ability to undertake or complete the actions.

Risk management is an iterative process which enables response and improvement in decision making when things change. It also identifies opportunities for avoiding or mitigating detrimental impacts.

Some of the key potential risks associated with delivering and implementing the stated actions are:

- demographic forecasts may be inaccurate, altering strategic focus
- unanticipated economic conditions may alter forecast housing outcomes
- legislative changes may affect the location and quantum of housing is delivered
- decreasing housing affordability may result in unforeseen impacts such as increased household size, increased homelessness and fewer key workers and other lower income households being able to live in the city
- infrastructure shortfalls may limit the ability to deliver more housing
- climate change and urban hazards may impact on the ability to increase housing density.

The City will monitor and review these risks throughout the life of *Housing for All* and this technical report in line with Section 4.3 Monitoring and Review, and will reassess the objectives and actions in line with changing circumstances.

5.2 Planning proposal

Housing for All contains actions for the review of the City's planning controls. Investigations may result in issue-specific planning proposals, or may form part of a planning proposal for the comprehensive review of Sydney LEP 2012.

5.3 Monitoring and Review

The City will monitor the progress of the priorities, objectives and actions of *Housing for All* on an ongoing basis. This is essential to track the progress of *Housing for All* and this technical report, ensuring accountability and transparency. It will also enable early identification of issues and ongoing adjustment of the Strategy.

Monitoring and reporting to inform a review will involve:

- Annual reviews of housing delivery and supply through the City's housing audit and residential monitor against the implementation and delivery plan to ensure *Housing for All*, this technical report and the City's planning controls are delivering the objectives in a timely manner
- Five-yearly reviews of the evidence base and housing stock against the broader aims of the Greater Sydney Region Plan and Eastern City District Plan, to ensure *Housing for All* and this technical report align with housing needs
- A 10-year review of *Housing for All* and this technical report to ensure the 20-year vision, evidence base and planning contexts align with the implementation and delivery plan, goals of the community and broader aims of the Region Plan and District Plan.

Housing for All and this technical report may need to be reviewed where monitoring identifies considerable changes in the evidence base, planning, economic or environmental conditions.



References

- i Total households have been rebased to exclude not classifiable households. Visitor only households are also excluded.
- ii The 'Other families' category is excluded from the table above.
- iii Source: Australian Bureau of Statistics, Cat No. 3238.0.55.001 – Estimates of Aboriginal and Torres Strait Islander Australians, June 2016
- iv Source: Australian Bureau of Statistics, Census of Population and Housing, 2011 and 2016
- v Low income is defined as households falling into the lowest 40 per cent of equivalised household incomes, based on the Greater Sydney income distribution.
- vi The data has been revised to exclude the 'not stated' category provided by the Australian Bureau of Statistics.
- vii The data has been revised to exclude the 'not stated' category provided by the Australian Bureau of Statistics.
- viii The data has been revised to exclude the 'hours worked not stated' category provided by the Australian Bureau of Statistics.
- ix The medium density category includes one or two storey semi-detached buildings and one or two storey apartment buildings. The high density category includes three or four storey apartment buildings.
- x The medium density category includes one or two storey semi-detached buildings and one or two storey apartment buildings. The high density category includes three or four storey apartment buildings.
- xi The medium density category includes one or two storey semi-detached buildings and one or two storey apartment buildings. The high density category includes three or four storey apartment buildings.
- xii SGS Economics and Planning, 2019, 'Student Housing in the City of Sydney,' prepared for City of Sydney, January 2019.
- xiii 'Strata titled properties' are typically flats while 'non-strata' dwellings are typically detached or semi-detached dwellings with their own individual 'torrens' title.
- xiv Weekly mortgage payment calculated (\$948) has been based on a 10 per cent deposit, standard stamp duty and a five per cent interest rate.
- xv <https://www.sgsep.com.au/maps/thirdspace/australia-rental-affordability-index/>
- xvi These figures have been collated from the 2011 Australian Bureau of Statistics Census as part of the City's current investigations into affordable housing, utilising a definition of "key worker" comparable to that applied by the UK Government for its 2011 Key Worker initiative. UK studies suggest a similar key work proportion result in London.
- xvii City of Sydney, 2018, 'A City for All – Social Sustainability Policy and Action Plan 2018-2028, https://www.cityofsydney.nsw.gov.au/__data/assets/pdf_file/0014/304214/Social_sustainability_policy_and_action_plan_20182028.pdf
- xviii BIS Oxford Economics, 2018, 'City of Sydney Housing Supply Strategy,' August 2018.
- xix <https://profile.id.com.au/sydney/tenure>
- xx The City of Sydney local government area falls across two Family and Community Services allocation zones for social housing. The zones include CS01 – Inner City, which captures only City of Sydney suburbs and has a total of 1,417 waiting for social housing, and CS03 – Leichhardt and Marrickville, which captures some of the City's suburbs and Inner West Council suburbs and has a total of 1,381 waiting for social housing. Therefore it is difficult to accurately calculate social housing waiting list figures for the City.
- xxi FACS, 2018, <https://www.facs.nsw.gov.au/housing/help/applying-assistance/choose-where/chapters/allocation-zone-locator>

- xxii City of Sydney, 2019, 'Street count,' <https://www.cityofsydney.nsw.gov.au/community/community-support/homelessness/street-count>. The City relies on its bi-annual street count to report data instead of Census data because it provides a primary representation of people who are experiencing homelessness (i.e. people sleeping rough and people living in crisis accommodation). The Census data has a much broader definition of homelessness which considers people in living in overcrowding dwellings, includes broadens the definition of homelessness to also include people residing in overcrowding dwellings and people living in other types of temporary accommodation.
- xxiii Homelessness NSW, 'Inner City Sydney Registry Week 2015 Report,' https://www.homelessnessnsw.org.au/sites/homelessnessnsw/files/2016-12/Registry_Week_2015_report.pdf
- xxiv Ibid.
- xxv Melbourne Sustainable Society Institute, 2017, 'The case for investing in last resort housing,' Issues Paper No. 10, March 2017, https://www.sgsep.com.au/application/files/2415/3378/6628/MSSI-IssuesPaper-10_Last-Resort-Housing_2017.pdf
- xxvi The Street Count is completed bi-annually, therefore the 2019 winter count has not yet been completed.
- xxvii The count of people in occupied crisis and temporary accommodation beds is done bi-annually, therefore the 2019 winter count has not yet been completed
- xxviii City of Sydney Community Profile, Aboriginal and Torres Strait Islander Profile, <https://profile.id.com.au/sydney/indigenous-profile?IBMID=30&BMIndigStatusID=0>
- xxix City of Sydney, 2017, 'A City for All – Inclusion Disability Action Plan 2017-2021,' https://www.cityofsydney.nsw.gov.au/_data/assets/pdf_file/0003/287121/Inclusion-Disability-Action-Plan-2017-2021_Accessible.pdf
- xxx See Owen, 2018, 'Sydney's investor heartlands: Mapping the areas most affected by the decline of investor loans,' *Domain*, 6 November 2018, <https://www.domain.com.au/research/sydneys-investor-heartlands-mapping-the-areas-most-affected-by-the-decline-of-investor-loans-801907/>
- xxxi The City of Sydney Floor Space and Employment Survey 2007 has been used to report baseline dwelling stock figures. The Housing Audit has been used to report baseline dwelling stock in 2012 and from 2014-2018.
- xxxii The City of Sydney Floor Space and Employment Survey 2007 (FES 2007) reports baseline dwelling stock. The Housing Audit has been used to report baseline dwelling stock in 2012 and from 2014-2018. The classification of non-private dwellings has expanded since the FES 2007 and is now incorporated in the Housing Audit framework.
- xxxiii The City of Sydney Residential Monitor provides information on the supply of new housing in the area including the growth and distribution of residential development. The latest Residential Monitor published by the City of Sydney is from June 2018.
- xxxiv .id Consultants compile data from the ABS' 2011 and 2016 Census of Population and Housing to establish a number of unoccupied private dwellings and the proportion of all private dwellings this represents.
- xxxv This period takes in the two key development cycles of the last decade, including the low point of the Global Financial Crisis years, as well as the recent housing boom years.
- xxxvi SGS Economics and Planning, 2019, Student Housing in the City of Sydney, January 2019.
- xxxvii Australian Institute of Health and Welfare 2014. Homelessness among Indigenous Australians. Cat.no. IHW 133 Canberra: AIHW.
- xxxviii New South Wales Auditor-General's Report, Performance Audit, 'Making the best use of public housing', Executive Summary, July 2013, from Peter Acheerstraat Auditor-General (2013).
- xxxix Australian Housing and Urban Research Institute, 'Developing an investment pathway for social housing', Policy Evidence Summary, November 2018, from Lawson J., Pawson H., Troy L., van den Nouwelant, R. and Hamilton C. (2018), *Social housing as infrastructure: an investment pathway*, AHURI Final Report No. 306, Australian Housing and Urban Research Institute, Melbourne, p.1 (available at ahuri.edu.au/research/final-reports/306)

