

# The State of Affordable Housing on The Central Coast 2024



## Pacific Link HOUSING



Supporters:



Health  
Central Coast  
Local Health District

# Table of Contents

INTRODUCTION	3
SIX ASKS FOR 2024	4
2022 SCORE CARD	5
PARTNER ACHIEVEMENTS AND CHALLENGES	6
REFLECTING ON THE LAST TWO YEARS: PROGRESS SINCE 2022	8
SUPPLY & DEMAND DATA	11
REFERENCES	15
GOVERNMENT POLICY SETTINGS	15

The Central Coast is predominantly located on Darkinjung Country. We acknowledge the traditional owners of the Country and their continuing connection to land, sea, sky and community. We pay our respect to them and their cultures, and to elders past, present and emerging.



## INTRODUCTION

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Pacific Link Housing (PLH) is a Tier 1 Community Housing Provider (CHP) and registered charity that has proudly served the Central Coast for 40 years. PLH is a recognised leader in the delivery and management of sub-market housing, with a mission to provide safe secure and affordable homes for those in need. PLH houses approximately 2,500 people across a portfolio of over 1,200 owned and managed properties. In addition, PLH owns and operates two subsidiary social enterprises; our for-purpose real estate agency, Key2 Realty, manages over 200 affordable and market rental properties on behalf of individual property investors and build-to-rent developers, and Renew Projects provides a multi-trade offering, specialising in residential upgrades, such as bathroom and kitchen replacements. The combination of the three entities, is a unique specialisation in residential build-to-rent, development and construction, tenancy management, and asset maintenance, in our own right, but also as a service offering to other residential owners and operators.

As the only locally based Tier 1 CHP on the Central Coast and a provider of rental accommodation across the housing continuum, PLH has been well positioned to observe the intensification of challenges in the housing system and the impact on individuals, families, services, businesses and the community.

The Central Coast experiences a significant mismatch in housing demand and supply. Over half of all households are on low incomes and fit the statutory definition for affordable housing. Conversely, almost three quarters of all dwellings are separate houses, with high amenity and higher cost. This economic prospect places pressure on housing prices and invariably, more households are forced into housing stress. There are currently 20,300 households on the Central Coast in housing stress, and the most vulnerable group are private renters.

At the same time, the rate of high-density development is much lower than average and has experienced little growth over the past decade. There has been a very limited increase in private rental stock, and an actual decline in the proportion of social housing. There is a loss of low-cost housing options such as caravan parks, and a serious undersupply of 'new generation' boarding houses, co-living housing, and studio apartments. Homelessness has increased by 60% in the past year based on the NSW Government's Statewide Street Count, providing further evidence of a housing market in crisis.

Our 2022 paper, *The State of Affordable Housing on the Central Coast*, identified key findings from consultation with local leaders and stakeholders, and made recommendations for a range of initiatives to be taken at national, State and local government levels to address issues of housing supply and affordability.

While progress has been made since 2022, with funding beginning to flow and policy reform happening at all levels of government, greater urgency and efficiency in the delivery of affordable housing is required.

This paper is actively supported by:

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## SIX ASKS FOR 2024

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1. **National: Double funding for the Housing Australia Future Fund (HAFF) to \$20 billion**
  - 673 projects (totalling approx. 50,000 units nationally) were submitted to Housing Australia for funding, representing a significant oversubscription based on funding underpinning the HAFF.
  - If the Federal Government is serious about achieving the ambitious targets set under the National Housing Accord, it should double the funding available to enable suitable projects that are dependent on the HAFF to progress.
2. **State: Move quickly to tender sites identified in land audit and ensure Regional coverage**
  - Of the 44 sites identified, only a handful of locations have been announced. These sites should be made public and tendered promptly via a simple procurement process that involves the community housing sector.
  - As no sites have yet been identified for the Central Coast, the region should be prioritised in ongoing and future land and property audits.
  - Government owned sites must deliver a minimum of 30% social and affordable housing in perpetuity.
3. **State: Set local social and key worker housing targets alongside new five-year housing targets and provide clarity around TODS**
  - As part of the 5-year housing targets set for 43 LGAs, State Government should include local social and affordable housing targets and coordinate with councils in seeking to deliver these targets.
  - In addition, more ambitious targets should be set for affordable housing in the State Government's up-zoned areas to accommodate healthcare workers, teachers, police officers, child-care workers, retail workers and other essential workers. State Government should work with the community housing, development and construction industries to understand what incentives, concessions and funding programs are required to make up to 20% affordable housing targets feasible in up-zoned areas. Opportunities might include greater uplift in density, land tax concessions, finance guarantee schemes, pre-sales guarantee schemes and grant funding (for CHPs).
  - State Government must provide the sector with certainty through clear timeframes for any proposed increases to mandatory affordable housing rates in up-zoned areas.
4. **State: Channel committed funds for social housing through programs that leverage the unique capacity and capability of the community housing sector**
  - State Government funding for new social and affordable housing should be materially channelled through programs that leverage the capacity and capability of the community housing sector, using existing programs such as the Community Housing Innovation Fund (CHIF).
5. **Local: Council to identify sites for development of new housing**
  - CHPs are a cost-effective way to deliver uplift in social housing due to not-for-profit status that allows them to save GST and stamp duty on the purchase of new housing, and the sector's ability to borrow and receive additional Commonwealth funding (such as Commonwealth Rent Assistance) not available to public housing agencies.
  - A higher level of NSW Government co-contribution must be considered given CHPs are already maximising their leveraging potential, and the complexity in raising finance from the Commonwealth (even though supportive).
  - The Central Coast has critically low rates of social housing as a percentage of total stock, making up just 3.5% of housing across the LGA, well under the NSW average.
6. **Local: Expedite approvals for social and affordable housing projects**
  - Central Coast Council (Council) has set targets for affordable housing and committed to identifying a minimum of three (but up to ten) Council-owned sites for delivery of new housing. The first of these sites has been identified, with Pacific Link Housing winning the competitive tender process to deliver the project.
  - Council should promptly identify and tender additional sites to meet the urgent need for affordable rental housing from low-income and key worker households and allow CHPs to take advantage of future rounds of the Federal Government's HAFF.
  - Council should set ambitious timeframes for the delivery of affordable housing targets identified in its *2020 Affordable and Alternative Housing Strategy*, and the *Local Housing Strategy* and report progress annually.
7. **Local: Expedite approvals for social and affordable housing projects**
  - Development application approvals continue to take too long. While the volume challenges for Central Coast Council are significant, FY24 *assessment days* performance for residential DAs of 136 days is too high and well above the Government's new target of 115 days.
  - Development applications for projects that deliver social and affordable rental housing should be given priority and assessed as efficiently as possible.
  - In addition, CHPs should be given the option to access expedited approval pathways through DPHI in instances where council assessment timeframes are likely to delay progress.

## 2022 SCORE CARD

In 2022 Pacific Link Housing released the first *State of Affordable Housing on the Central Coast* paper. In response to the acute shortage of affordable and diverse housing on the Central Coast, Pacific Link Housing collaborated with local leaders, peak bodies and industry groups to prepare a number of recommendations and initiatives for immediate delivery by national, state and local governments. This section reflects on the achievement, or non-achievement by the levels of Government against these recommendations.

### 1. Set and Report on Targets for Affordable Housing Delivery

- The 2022 National Housing Accord (Accord) aims to deliver 1.2 million new well-located homes over 5 years from 2024.
- The Accord, together with the Federal Government's Housing Australia Future Fund (HAFF) (2023), will collectively support delivery of 20,000 new social and 20,000 new affordable homes across Australia over five years. These programs are administered by Housing Australia.
- The newly formed National Housing Supply and Affordability Council will report annually on the state of the housing system.



### 2. Incentivise and engage the non-government sector to deliver Affordable Housing

- Several NSW Government initiatives and planning reforms incentivising developers to deliver affordable housing have been announced as outlined below. Further monitoring of the impact of these initiatives, including the number of new re-zonings and their inclusion of affordable housing supply numbers, will be required.



### 3. Focus on medium density infill Affordable Housing outcomes

- National and NSW government emphasis on well-located, increased density infill and transport-oriented supply goals.



### 4. Target priority locations for Affordable Housing

- 2024 Central Coast Council Housing Strategy confirms little appetite for housing expansion west of the M1 Motorway, particularly where opportunities still exist within the existing growth areas and for infill within the existing urban footprint. Priority infill areas at The Entrance, Long Jetty, Bateau Bay and Killarney Vale have been identified.
- Monitoring the success of this new strategy will be required.



### 5. Activate well located land sites for new, medium density infill affordable housing.

- NSW Government land audit and announcement of 44 sites and \$3.3 billion investment to deliver 6,200 net new dwellings.
- Currently no sites announced for the Central Coast.



### 6. Plan and develop adequate, affordable student accommodation in Gosford CBD

- University of Newcastle Gosford campus under construction for opening 2025, adjacent to existing Clinical School and Research Institute. However, no new affordable student accommodation incorporated in delivery.



### 7. a) Develop solutions to support Central Coast Council in accelerating DAs for new affordable housing and

- League tables of DA assessment times recently published show Central Coast Council average 140 days FY24, above NSW Government's new expectation of 115 days.



### 7. b) Accelerate the actions outlined in the Central Coast Affordable and Alternative Housing Strategy.

- Ownership of a Council site at The Entrance was transferred to Pacific Link Housing in mid-2024 for development of social, affordable and market rental housing. Further Council owned sites under consideration for housing development activation.



### 8. Develop a shared equity pilot project for affordable home ownership.

- \$780m pilot program implemented for key workers with NSW Government paying up to 40% of purchase price of new dwellings. Pilot closed June 2024. Learnings from the pilot should be published to determine if objectives met.



## PARTNER ACHIEVEMENTS AND CHALLENGES

### 1. Pacific Link Housing

Pacific Link Housing continues to pursue a consistent program of development and construction of social, affordable and market-rate rental housing. Since 2022, Pacific Link Housing has completed two mixed tenancy developments, including a \$6 million project at Canton Beach (completed July 2024) that delivered 14 one and two-bedroom units. A further 66 units are in the pipeline for the Central Coast. The DA for 21 social and affordable units in Woy Woy was lodged in December 2023 and awaits approval. The project has been successful in securing funding via the Commonwealth Government's Housing Australia Future Fund and the NSW Community Housing Innovation Fund. In addition, Pacific Link Housing completed a transaction to acquire a Central Coast Council site at The Entrance for development of approx. 45 social, affordable and market rental units.

### 2. Central Coast Council (CCC)

Central Coast Council has established a number of strategies and initiatives to improve housing affordability and diversity. Council's Affordable Housing Land Proposal provides a framework to establish development partnerships with community housing providers on Council owned land. A pilot site at 23 -25 Aston Avenue was endorsed by Council in April 2021 and a contract of sale exchanged with Pacific Link Housing in June 2024, to develop 47 units on the site with at least 60% affordable housing for a period of 20 years. A further 10 sites have been identified and endorsed by Council for the purpose of affordable housing developments. Following site analysis to ascertain the suitability of land sites, Council will initiate a procurement process to establish a panel of preferred Community Housing partners.

The Central Coast Transitional Housing Model is a portfolio comprising 5 properties. The cottages are owned by Council and leased to social housing tenants. Council has an exclusive arrangement with for-purpose real estate agency Key2 Realty, a subsidiary of Pacific Link Housing Ltd who coordinate tenant and property management. These properties support the effective transition of formerly homeless people into the private rental market. To date, 26 people have participated in the program, returning a social benefit of over 7 million dollars. There are an additional 7 properties earmarked for further investigation under this model.

Central Coast Council was successful in receipt of Federal Government funding to investigate a pilot Affordable Housing Contribution Program. Council will prepare an Affordable Housing Needs Assessment to scope and identify the feasibility of an affordable housing contribution rate across targeted centres to deliver funding for affordable rental housing in perpetuity through partnerships with community housing providers.

### 3. Darkinjung Local Aboriginal Land Council

Darkinjung LALC has key priorities around the provision of affordable housing for its members, as well as progressing priority development projects on Darkinjung-owned land to deliver much needed housing and to secure the future prosperity of the Darkinjung community through effective management of land and other assets.

Building approval has been achieved for a 9-unit aged persons facility at Blue Haven, which will provide affordable and culturally appropriate aged care to Darkinjung members and other Aboriginal people. Additionally, Darkinjung LALC is considering projects around manufactured home estates on existing sites and exploring the long-term leasehold models to assist with housing affordability.

Priority development projects include the residential subdivision (in stages) of Darkinjung land at Lake Munmorah, planned to deliver approx. 600 residential lots. Stage 1 is close to DA preparation and Stage 2 rezoning is being accelerated with more provision for affordable and medium density housing. Rezoning for a second priority development at Kariong has been exhibited. The Kariong site offers the opportunity to provide up to 50 residential dwellings on lots of varying sizes, while also managing and protecting the site's ecological and Aboriginal cultural significance.

Darkinjung LALC has been lobbying to reduce the impacts of the Biodiversity Conservation Act on existing zoned urban land, as it presents a significant barrier to the achievement of development and housing outcomes.

#### 4. Business NSW Central Coast

Business NSW is aware of the significant housing challenges facing NSW, particularly with affordability and supply. Business NSW and the Housing Now Alliance have led initiatives to address these issues across the state, identifying seven key areas in 2023, with several recommendations adopted by the state government. These include greater focus on transport-linked housing development, including affordable housing and critical reforms to the planning system. In 2024, further initiatives such as a Coordinator General for Housing and specific affordable housing targets in transport-oriented zones were proposed.

On the Central Coast the housing shortage is acute, and the business community has reported a direct impact on attracting and retaining skilled workers. In the 2024 Quarter 2 Business Conditions survey, businesses identified housing supply as the number one focus for Government investment. In response to this, Business NSW has joined with other Central Coast Peak Bodies and local chambers to identify specific actions such as promoting high-density projects, leveraging council-owned sites for affordable housing and upgrading infrastructure like roads and water systems to unlock more housing developments. Work is also underway to produce a Central Coast Developer Guide, highlighting housing supply opportunities in an effort to attract Tier 1 and 2 developers to the Central Coast.

#### 5. Regional Development Australia Central Coast

Addressing the lack of affordable housing on the Central Coast is a major priority for Regional Development Australia Central Coast (RDACC). Affordable housing is a growing crisis across the country and the RDACC has observed the significant impact of housing supply and affordability issues on the economic growth of the Central Coast, including labour shortages across multiple industries. The housing crisis on the Central Coast is serious and will continue to worsen if nothing is done to reduce bureaucratic red tape to enable workable solutions to provide more affordable housing for this growing and diversifying community. Among the highest priorities of the RDACC is promoting density and height increases for new developments in city centres (such as Gosford CBD), around existing transport hubs, and in other high-density employment locations, in exchange for the inclusion of affordable housing.

#### 6. UDIA Central Coast

UDIA encourages the delivery of more affordable housing to meet the diverse housing needs of the Central Coast. UDIA led industry advocacy to the incoming NSW Government for the introduction of an infill affordable housing incentive which led to the announcement of the changes to the Housing SEPP to provide a 30% increase in density in return for the provision of affordable housing. Through UDIA's Urban Renewal Committee, opportunities are being explored for partnership with the Community Housing sector to increase private developer awareness and uptake of affordable housing incentives being offered in NSW. The Housing SEPP is starting to bear fruit, with several examples of UDIA developer members partnering with UDIA CHP members across NSW to give more residents access to secure and stable homes. The UDIA Central Coast Committee aims to promote and facilitate partnerships between members to deliver more opportunities for affordable housing on the Central Coast.

#### 7. University of Newcastle

The University of Newcastle is a growing presence within the Central Coast community and remains committed to supporting our students to find suitable accommodation. In recent years the University has established relationships with a range of housing partners such as Pacific Link Housing, Key2 Realty, Australian Homestay Network and Maison Property Management, to fill the void of affordable student accommodation on the Central Coast. Australian Homestay Network has broadened their campaign to build host family numbers in the Central Coast and Maison have recently opened an office in Gosford. These initiatives are a direct result of the University working hard on behalf of students to overcome the challenge of rental housing supply and affordability. The University is also actively investigating student accommodation development opportunities to increase our on-campus student accommodation offerings on the Central Coast.

## REFLECTING ON THE LAST TWO YEARS: PROGRESS SINCE 2022

### National

#### The National Housing Accord and Housing Australia Future Fund (HAFF)

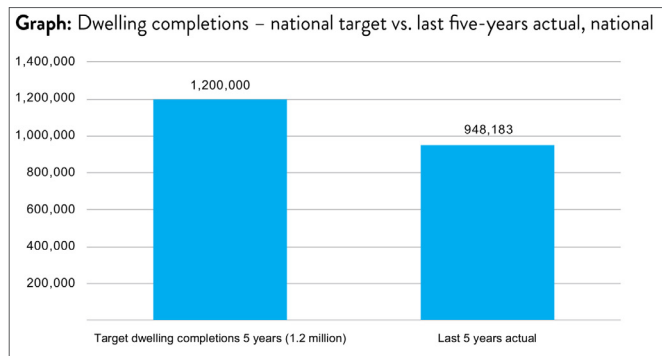
The National Housing Accord (Accord) brings together all levels of government, investors, and the residential development and construction sector to unlock affordable housing. The Accord lays the groundwork for improving affordability by addressing Australia's housing supply challenges and enabling the delivery of more social and affordable housing. The Accord includes an aspirational target of 1.2 million new well-located homes over 5 years from mid-2024 (240,000 pa).

As part of the Accord, the Commonwealth has committed \$350 million over 5 years from 2024-25 to support the delivery of 10,000 affordable homes. State and territory governments have agreed to build on this commitment to support the delivery of up to an additional 10,000 affordable homes. This enables the delivery of a combined total of up to 20,000 affordable homes under the Accord.

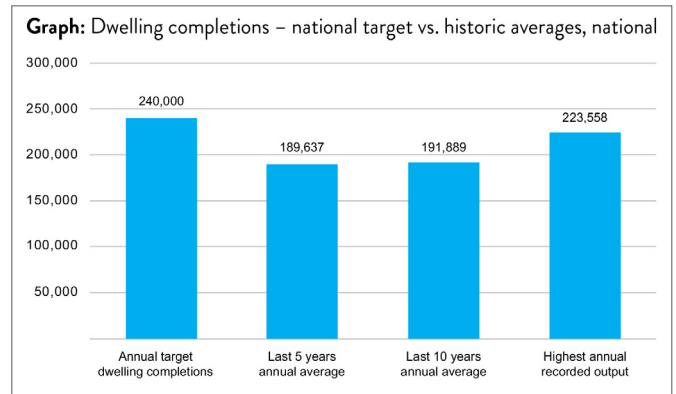
The \$10 billion HAFF will generate an estimated \$500M annual return that will subsidise housing development, with targets to deliver 20,000 social and 10,000 affordable rental homes in the first five years. Funding from the HAFF will begin to flow from late 2024.

While the national housing targets are admirable, it is questionable that they are achievable. Economic headwinds that increase the challenge include a sustained, high-interest rate environment for development finance, rising construction materials costs and workforce shortages. It is hoped that the HAFF stimulus can turn around a sluggish outlook for new housing indicators.

Historic dwelling completion rates are:

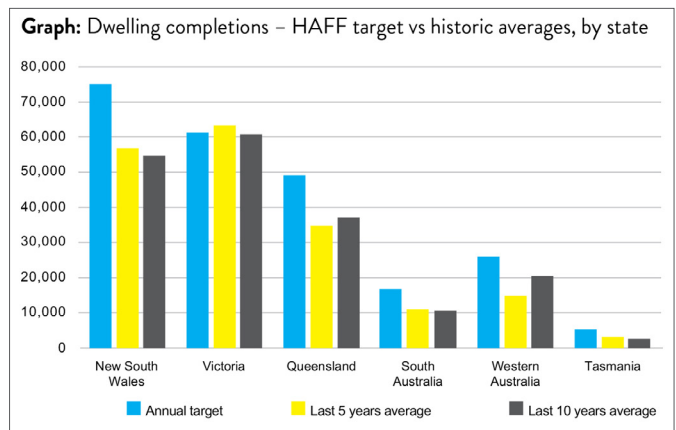


Source: PowerHousing Australia - CoreLogic Australian Affordable Housing Report <sup>[Reference 5]</sup>



Source: PowerHousing Australia - CoreLogic Australian Affordable Housing Report <sup>[Reference 5]</sup>

Figures by state show the particularly significant challenge for NSW:



Source: PowerHousing Australia - CoreLogic Australian Affordable Housing Report <sup>[Reference 5]</sup>



## State

The NSW Government has committed to building 377,000 new well-located homes across the state by 2029 to align with the National Housing Accord. Government has released 5-year housing completion targets for 43 councils, including the Central Coast (9,400 new homes).

The following strategies have been implemented by State Government to assist in achieving Accord targets.

### Expedited Approvals Pathways and Incentives for Affordable Housing

- Enhanced floor space and new height bonus of up to 30% for developments including at least 10% affordable housing. Affordable housing to be managed by a registered community housing provider for a minimum of 15 years.
- State assessed approvals pathway for housing developments with a value over \$75 million (\$30 million in regional areas) and including at least 10% affordable housing.
- Land and Housing Corporation (LAHC), Aboriginal Housing Company (AHC), Aboriginal Housing Office (AHO) and LANDCOM able to self-assess developments of up to 75 dwellings (LANDCOM required to include at least 50% affordable housing). Developments above this threshold will be state assessed.

### Transport Oriented Development Program (TOD)

- Accelerated rezoning of land around eight Sydney metro and rail stations to provide capacity for up to 47,800 homes over the next 15 years. Up to 15% of homes in these locations will be affordable housing, held in perpetuity. However, it is understood that some sites have as low as 3% requirement.
- Rezoning of land around an additional 31 rail stations and town centres will allow for higher density developments and create opportunity for more than 170,000 homes. A 2% mandatory affordable housing contribution applies to developments with a minimum Gross Floor Area of 2000 m<sup>2</sup>. Affordable housing must be delivered onsite and in perpetuity and must be managed by a registered community housing provider. The percentage of the affordable housing contribution will be increased over time.
- TOD locations identified for the Central Coast include Wyong, Gosford, Tuggerah and Woy Woy.
- Lake Macquarie locations include Booragul, Morisset, Teralba, Cockle Creek and Cardiff.

### Low and Mid-Rise Planning Reforms

- Planning controls under the Six Cities Region have been changed to permit dual occupancies across R2 Low Density Residential zones. Townhouses, terraces and two storey apartment blocks will be permitted in low density zones near transport hubs and town centres.

- Mid-rise apartments up to six storeys will be permitted in R3 Medium Density zoned locations within 800 metres of transport hubs or town centres. These changes will increase the amount of land on which low and mid-rise forms of housing are possible, opening up opportunities for 112,000 homes.
- While these easing of controls are not accompanied by mandatory requirements for affordable housing to be delivered, they will boost medium density at infill locations, accelerating new housing supply in well located areas.

### Homes NSW

- The creation of Homes NSW saw the merging of the housing and homelessness functions of the Department of Communities and Justice with the NSW Land and Housing Corporation and Aboriginal Housing Office, aiming to streamline support for residents and delivery pathways for more homes.

### Land Audit

- In May 2023, the NSW Government initiated a freeze on the sale of government-owned land and property while an audit was undertaken to determine what could potentially be used to address the NSW housing supply shortage.
- 44 sites have been identified to date, with funding committed in the 2024-25 Budget to continue the audit.
- Homes NSW and Landcom, the government's developers, will have the first choice of these sites for the delivery of social, affordable, essential worker and market housing. Remaining sites will be developed into housing with the private sector.
- NSW Government has committed to 30% social and affordable housing in all developments on government-owned land. However, this has quickly been watered down to apply to the "program overall", following sale of a Camperdown site in July 2024 for a private development that will be 100% market housing.

### Housing Supply

- NSW's 2024-25 Budget announced \$5.1 billion to fund the land purchase and construction of 8,400 social homes, including 6,200 new homes and 2,200 replacement homes.
- Half of all homes delivered will be allocated to victim survivors of domestic and family violence.

### Funding for the Planning System

- \$3 billion investment in the planning system over four years to support more homes and infrastructure.
- \$253.7 million for more planners and other critical staff to assess development proposals.
- \$200 million in grants for open space, roads and community facilities to incentivize councils to speed up development approvals.
- \$1 million to investigate a guarantee scheme for housing developers to accelerate construction.

### Ranking of Council Performance

- From July 2024 the NSW Government has set 115 days as the target average for Councils to determine DAs, with targets reducing to 85 days by FY2028. LGAs performance will be monitored and published monthly in a League Table.
- The chart below shows the FY24 performance for Central Coast Council.

### Local

#### Central Coast Council Affordable Housing Strategy

- In 2019 Central Coast Council published an Affordable and Alternative Housing Strategy, which set a target of 21,200 new affordable rental homes and 10,300 new affordable homes to buy, by 2036.
- In May 2024, Council released its Affordable and Diverse Housing Strategy. The Strategy has been adopted by Council and submitted to NSW Department of Planning for endorsement. Objectives include:
  - Encourage the provision of new housing in locations that support the 15-minute region and 30-minute connected communities objective in the CCRP.
  - To encourage the planning of housing within neighbourhoods that offer sufficient amenity, including high quality and accessible civic, open and community spaces and connection to transport corridors.
  - Support housing growth in the key centres consistent with the visions of Masterplans, supporting a vibrant metropolitan centre with access to jobs and amenities.

Five strategies and commensurate actions are articulated in the document as outlined below:

#### Strategy 1: Prioritise housing delivery in areas of high amenity with access to services

- Action 1.1: Update housing policy requirements for the Central Coast Local Environmental Plan 2022 and Central Coast DCP 2022 to:
  - Develop controls to encourage more small lot housing in appropriate locations.
  - Investigate urban expansion and infill opportunities in specific locations including Wyong, parts of the Coastal District, Narara Valley, Toukley District.

#### Strategy 2: Actively manage the housing pipeline

- Action 2.1: Prepare a Development Supply Pipeline and quarterly Urban Development Program reporting.

#### Strategy 3: Incentivise delivery of housing responsive to the needs of our community

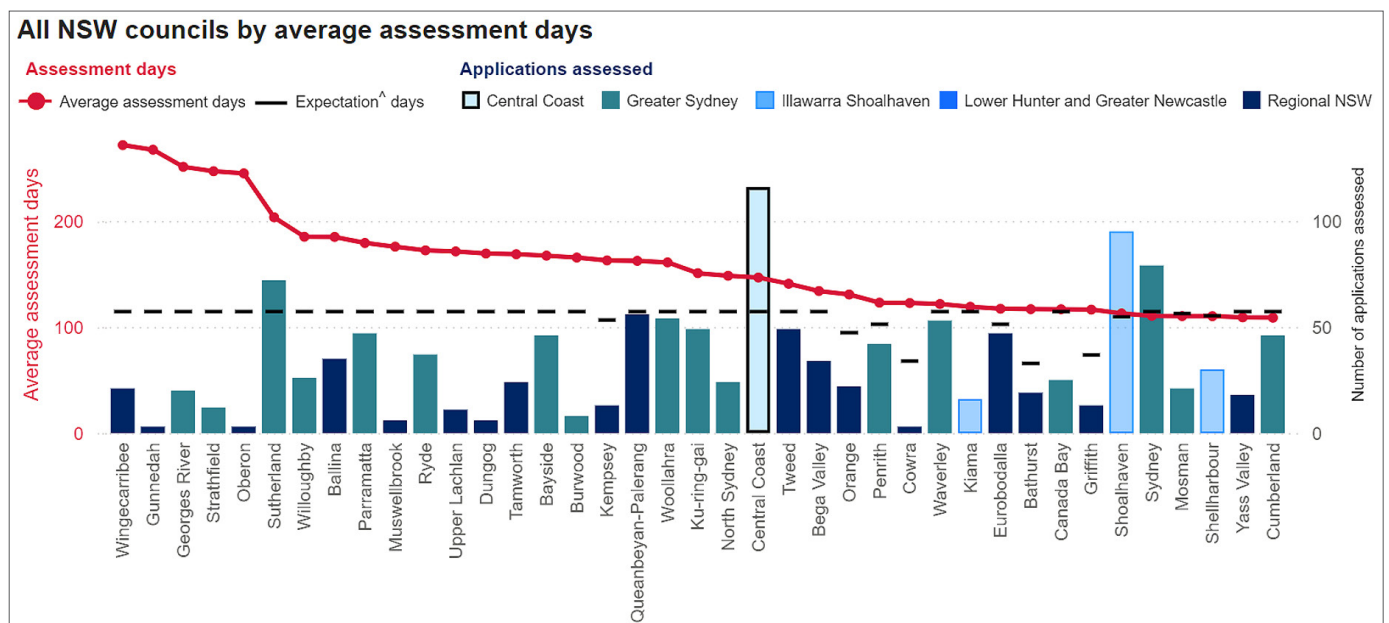
- Action 3: 1 Engage with the Aboriginal community to facilitate agency in housing choices and opportunities, including DCP review that acknowledges the significance of heritage and the cultural priorities of Aboriginal communities.

#### Strategy 4: Support the delivery of affordable housing

- Action 4.1: Prepare and implement an Affordable Housing Contribution Scheme under s7.32 of the EP&A Act.
- Action 4.2: Continue to pursue opportunities to utilise Council-owned land to deliver affordable housing.

#### Strategy 5: Introduce measures to promote design resilience

- Action 5.1: Align Councils planning framework to adopt any changes in hazard reduction and resilience planning as per climate change best practice.

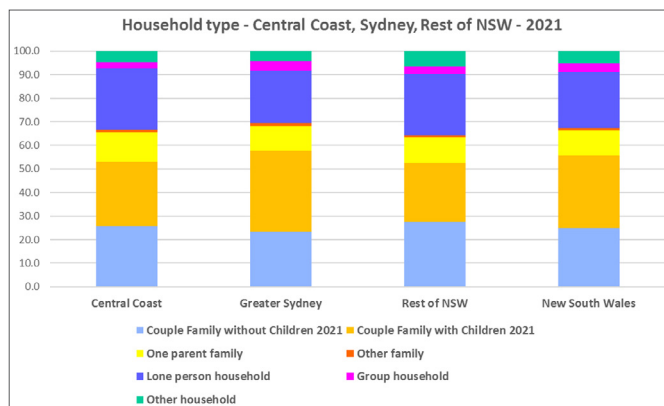


## SUPPLY & DEMAND DATA

**Pressure on Rental Housing Affordability** - Currently, housing affordability is a problem in Australia. For society to function people need to live affordably in or around areas where they work. Key workers such as nurses, teachers, police officers, bus drivers, hospitality and retail workers and other members of society need to be able to access housing which is affordable. Rental housing is generally considered affordable when people are not spending more than 30% of their household income on rent. Beyond this level, households are in rental or mortgage stress.

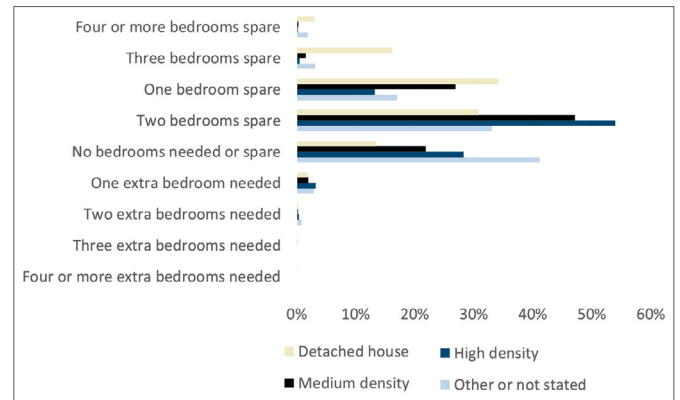
**Household Size** - Data from NSW Department of Communities & Justice (DCJ) shows Central Coast average household size unchanged over the decade from 2011 to 2021 at 2.5 people, compared with Greater Sydney at 2.7 people and NSW average of 2.6 people. Interrogating the data shows that the largest household types are *Couple families without children* (27.1%) and *Lone person households* (26.0%). Lone person households were the most rapidly growing group from 2016 to 2021. Additionally, the Central Coast has a substantially higher proportion of one parent families (12.8%) than the average for Greater Sydney (10.5%).

While these differences may seem slight, when extrapolated across the LGA's population (currently 351,934) they reflect a significantly higher demand for one- and two-bedroom dwellings. The forecast ageing of the population will only increase this demand as older people seek options to age in place – moving to appropriately-sized homes while staying in their local area and community. While the majority of older Australians own their own home, the number of older people renting is rising. There is therefore a need for more adaptable, accessible dwellings, well located, secure, low maintenance and affordable to meet the needs of seniors and frail aged, within their communities.



Source: NSW DCJ – Central Coast What's the housing demand. [Reference 1]

**Housing Suitability** - The demographics described above of the mismatch between household size and dwelling configuration are demonstrated in the figures below for the Central Coast, showing high levels of spare bedrooms. This suggests that households are paying for dwellings that are larger than they need (either by choice or not) or are not able to find appropriate alternatives.



Source: Central Coast Council Local Housing Strategy. [Reference 2]

**Housing Density** - Reflecting the Central Coast's history as a region of coastal villages, housing density continues to be much lower than the Greater Sydney and the NSW average, with 76.4% of all dwellings being separate houses, compared with Greater Sydney at 53.4%. As a holiday destination, the proportion of unoccupied dwellings of 9.5% is 20% higher than Greater Sydney (7.9%).

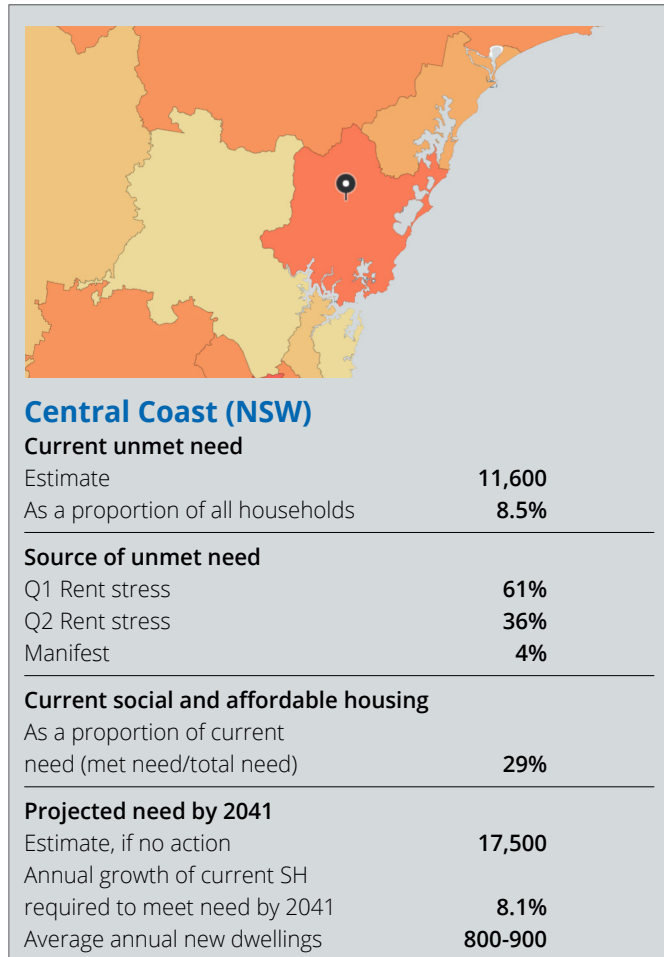
### Medium and High Density Housing

23% ▲ (0.9%)

Greater Sydney	46% ▲
New South Wales	35% ▲
Australia	28% ▲

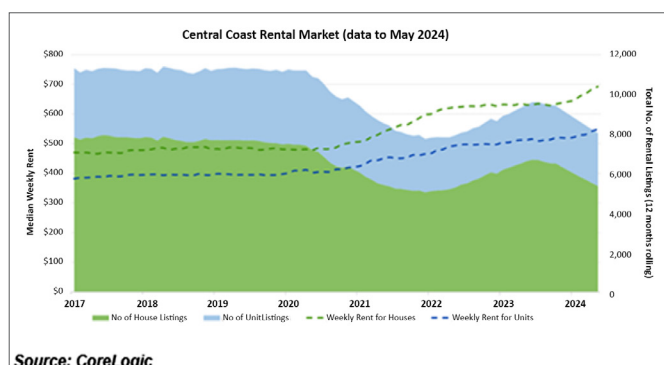
Source: Central Coast Council .id 2021 Census data.

**Unmet Need** – UNSW City Futures research based on 2021 Census data shows the estimated proportion of Central Coast households whose needs are not currently being met as 8.5% of the population or a shortfall of 11,600 social and affordable homes.



Source: UNSW City Futures [Reference 3]

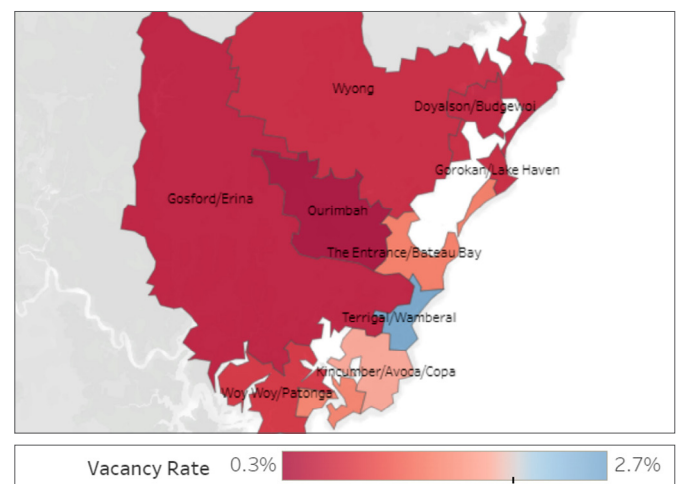
**Central Coast Rental Market** - CoreLogic's analysis up to May 2024 shows that median weekly rents peaked, increasing by 10% and 7% annually for houses and units respectively. Rent for both typologies is now over 30% up on their respective decade averages for the region, driven by total new rental listings for the year to May sitting 29% below their April 2018 peak.



Source: CoreLogic

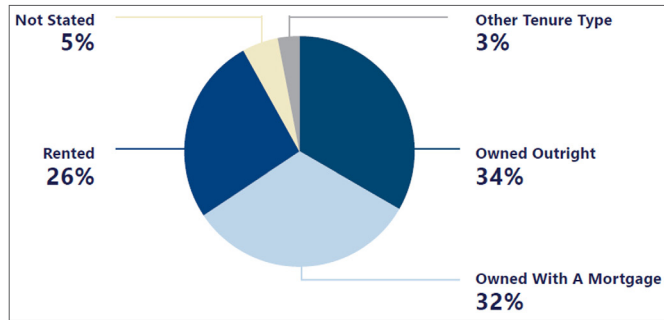
**Rental Vacancy Rate** – The latest vacancy data to May 2024 per Central Coast Council data shows continuing extreme tightness in the rental market for the areas with highest proportions of renters, noting that a neutral market has vacancy rates around 3%:

	Renting	Vacancy	Population
Gorokan/Lake Haven	35%	0.6%	24,554
Woy Woy/Patonga	33.5%	0.8%	16,039
Gosford/Erina	29.9%	0.5%	71,168
Umina/Ettalong	29.9%	1.4%	30,403
The Entrance/Bateau Bay	28.7%	1.4%	55,129
Doyalson/Budgewoi	27.1%	0.6%	21,411
Wyong	25.9%	0.6%	66,236
Ourimbah	20%	0.3%	5,253



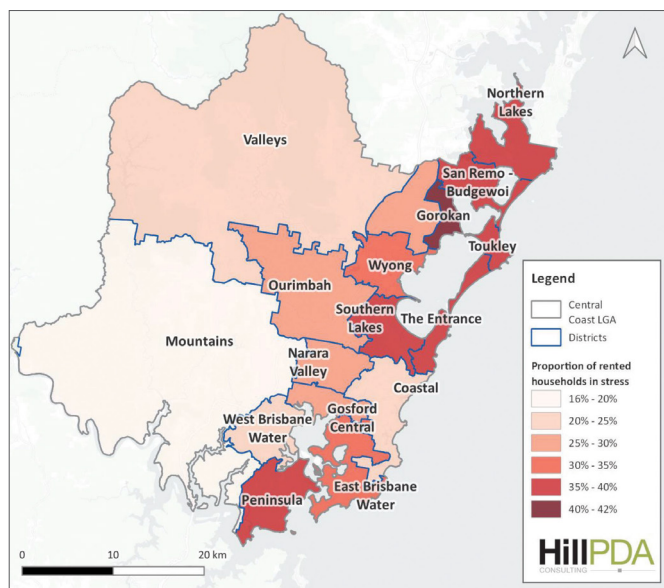
Source: Central Coast Council [Reference 4]

**Rental Stress** - Renters comprise 26% of tenure types, with the only tenure type to decrease between 2016 and 2021 being social rental housing.



Source: Central Coast Council Local Housing Strategy. [Reference 2]

The map below illustrates the proportion of rental households experiencing rental stress in 2021 and this can only have worsened since then. Significant areas of concentration were Toukley and Peninsula districts the highest, with 47.3% of rental households in stress. The Entrance and Gorokan similarly recorded high levels at 46.5% and 46.2% respectively, well above the Central Coast LGA average of 42.0%.

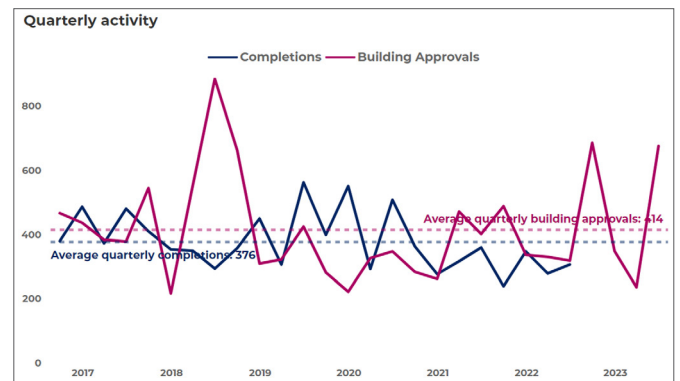


Source: Central Coast Council Local Housing Strategy. [Reference 2]

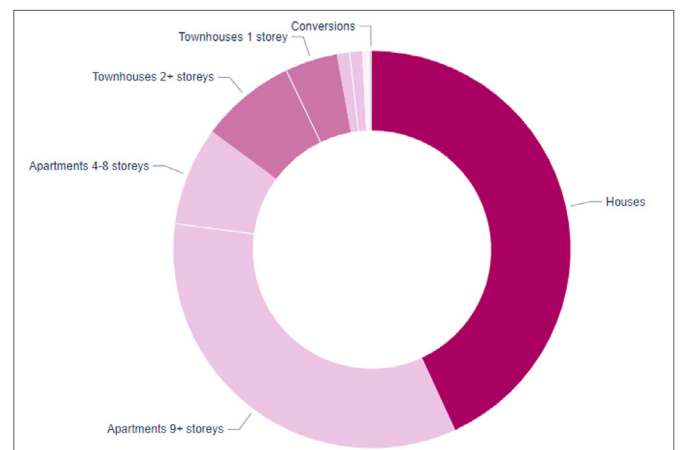
**Housing Supply**

**Building Approvals and Completions** - At the launch of the 2022 State of Affordable Housing paper, then NSW Planning Minister announced that the Central Coast would join the Urban Development Program, with among other outcomes, resources dedicated to capturing and publishing building approvals and completions data. Latest figures show that while approvals are above 5 year trends (25.8%), completions are 20% below the previous 5 years' average.

<b>Completions FY2021-22</b>	<b>1,169</b>
▼ 20.0% below previous 5 financial years' average (1,462)	
<b>Building Approvals FY2022-23</b>	<b>1,943</b>
▲ 25.8% above previous 5 financial years' average (1,545)	

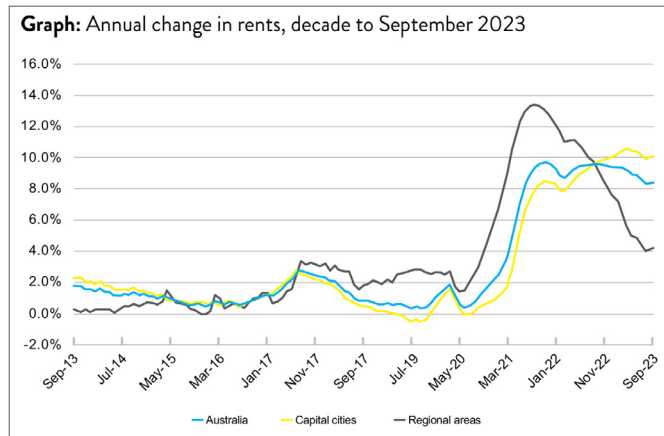


Analysis by dwelling type shows houses now comprising 43% of Building Approvals:

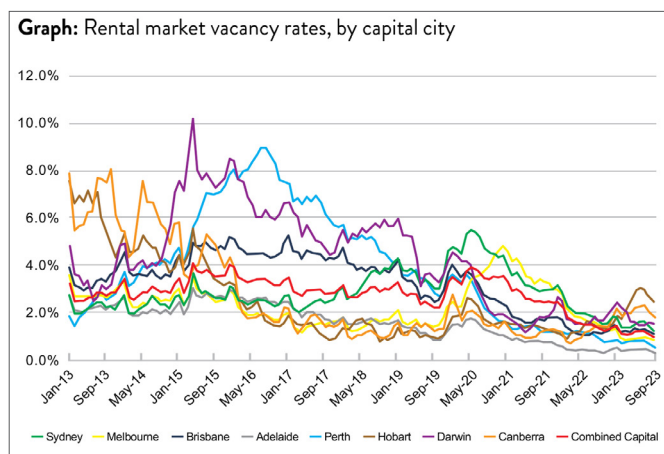


PowerHousing Australia, in its 2023 Australian Affordable Housing Report that:

- The national vacancy rate reduced to a new record low of 1.1% in September 2023
- Rent increases in regional areas have eased, possibly reflecting a towards group households becoming more common and average rental households growing larger as tenants seek to maximise the number of tenants in order to minimise rental repayments on a per tenant basis.
- Worryingly, the portion of household income required to pay rent has risen from 29.5% in June 2022 to a record high of 31.4% in June 2023 – demonstrating peak unaffordability. The rise in the income required to pay rent can be explained by a 12.0% rise in the median rental rate over the year against only a 5.2% rise in household incomes.



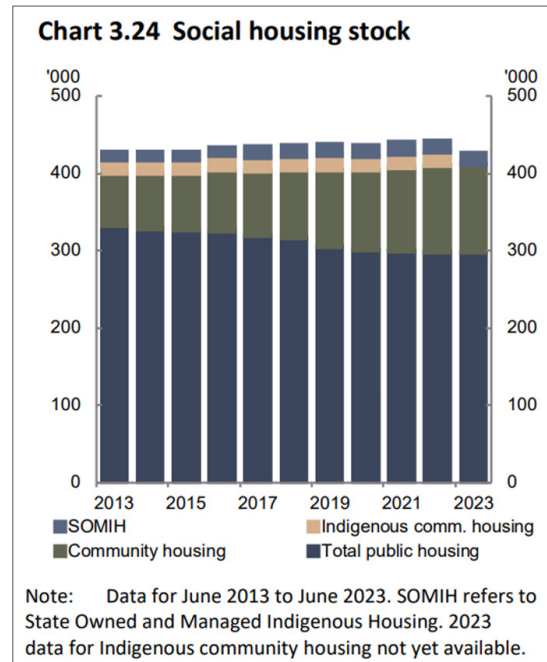
Source: PowerHousing Australia - CoreLogic Australian Affordable Housing Report [Reference 5]



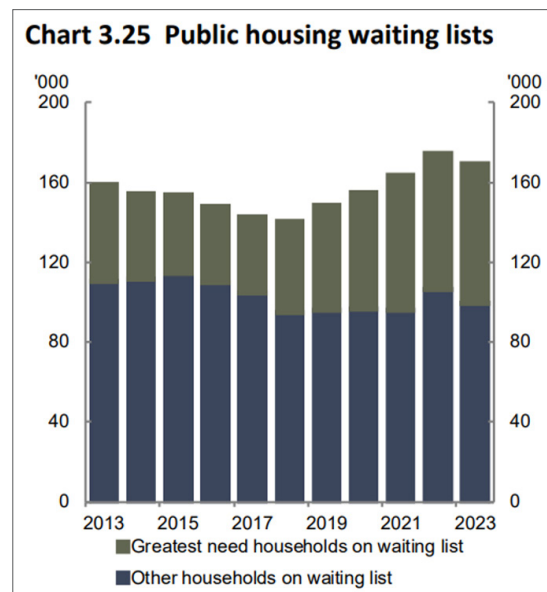
Source: PowerHousing Australia - CoreLogic Australian Affordable Housing Report [Reference 5]

## Social Housing Stock Decline

The new National Housing Supply and Affordability Council produced its first State of the Housing System report in 2024 that starkly outlines the downward trend over decades that social housing makes up as a proportion of total housing stock. The sustained under investment by governments in this critical housing infrastructure has contributed significantly to the housing affordability crisis.



Source: Australian Institute of Health and Welfare (AIHW) 2023



Source: Australian Institute of Health and Welfare (AIHW) 2023

## REFERENCES

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[https://facs-web.squiz.cloud/\\_data/assets/word\\_doc/0008/764549/Central-Coast-Whats-the-housing-demand.docx](https://facs-web.squiz.cloud/_data/assets/word_doc/0008/764549/Central-Coast-Whats-the-housing-demand.docx)

2. Central Coast Local Housing Strategy  
<https://www.centralcoast.nsw.gov.au/council/council-news/local-housing-strategy-developed-address-challenges-central-coast>

3. UNSW City Futures - Housing Need Dashboard  
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4. Central Coast Council - Rental Housing Affordability  
<https://public.tableau.com/app/profile/central.coast.council/viz/RentalHousingAffordability-CentralCoastNSW/RentalMarket>

5. PowerHousing Australia - CoreLogic Australian Affordable Housing Report  
<https://www.powerhousingaustralia.com.au/wp-content/uploads/2023/12/PowerHousing-Australian-Affordable-Housing-Report-2023-in-partnership-with-CoreLogic.pdf>

## GOVERNMENT POLICY SETTINGS

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### Local

Central Coast Council Affordable & Alternative Housing Strategy 2019  
[https://cdn.centralcoast.nsw.gov.au/sites/default/files/Council/centralcoastaffordablealternativehousingstrategy2020\\_1.pdf](https://cdn.centralcoast.nsw.gov.au/sites/default/files/Council/centralcoastaffordablealternativehousingstrategy2020_1.pdf)

Central Coast Council Local Housing Strategy 2024  
<https://www.centralcoast.nsw.gov.au/council/council-news/local-housing-strategy-developed-address-challenges-central-coast>

### State: NSW Government

NSW Housing Strategy 2041  
<https://www.planning.nsw.gov.au/sites/default/files/2023-03/housing-2041-nsw-housing-strategy.pdf>

Central Coast Regional Plan 2041 NSW DPIE  
<https://www.planning.nsw.gov.au/plans-for-your-area/regional-plans/central-coast/central-coast-regional-plan-2041>

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<https://www.planning.nsw.gov.au/policy-and-legislation/housing/housing-targets>

NSW Government Faster Assessments Program  
<https://www.planning.nsw.gov.au/policy-and-legislation/housing/faster-assessments-program>

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<https://www.nsw.gov.au/housing-and-construction/shared-equity-scheme>

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<https://www.facs.nsw.gov.au/housing/housing-reforms/future-directions/partner-with-the-nsw-government/community-housing-innovation-fund-chif/chapters/overview>

Social Housing Accelerator Fund  
<https://dcj.nsw.gov.au/housing/social-housing-accelerator-fund-shaf.html>

### National: Commonwealth Government

National Housing Accord  
<https://treasury.gov.au/policy-topics/housing/accord>

Housing Australia Future Fund  
<https://www.housingaustralia.gov.au/housing-australia-future-fund-facility-and-national-housing-accord-facility>

National Housing Supply and Affordability Council  
<https://nhsac.gov.au/>

Housing Australia  
<https://www.housingaustralia.gov.au/>

Regional First Home Buyer Guarantee  
<https://www.housingaustralia.gov.au/support-buy-home/regional-first-home-buyer-guarantee>



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