

Minimum supply of social housing, Eastern Metropolitan Region

(2014-2036)

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NOTE:

Please refer to the companion paper (September, 2011)

- **'Defining affordable housing and a minimum supply of social housing for Knox – A methodology for meeting social housing needs 2010-2030'**

for background information on developing a methodology for defining a minimum supply of social housing.



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Prepared by Darlene Swan, Social Researcher, Knox City Council

Updated using data from 2011 Census, May 2015



introduction

Housing affordability is a growing problem in the Eastern Region of Melbourne (and Australia-wide). While many of the factors that influence housing affordability are structural and beyond the control of local government, a clear understanding of the scale of affordable housing needs in the region is a first step to enabling a response to increasing affordability.

01. Quantifying social housing need

For the purposes of quantifying regional affordable housing need, the following methodology focuses on **social housing** (as a subset of the broader affordable housing umbrella) as this responds to the needs of the most vulnerable and disadvantaged households in the region, and is an area where local government has greater capacity to influence.¹

The methodology was developed by Knox City Council in response to a commitment in September 2010 to a series of strategies and actions to strengthen the council's approach to affordable housing. One of these strategies was to identify the need for affordable housing, provide a definition and set targets for Knox, subsequently dealt with in a paper 'Defining affordable housing and a minimum supply of social housing in Knox.' (September, 2011).

It was recommended that a minimum supply of social housing figure be calculated using the following method – **Minimum supply benchmarked to the "need" of low-income, non-home-owning households, adjusted to reflect the supply of social housing dwelling and availability of affordable private lettings.**

The method of calculating social housing needs and a timeframe for how needs could be met up to 2030, was subsequently adopted by Council early in 2012. This methodology is applied to Local Government Areas within the Eastern Metropolitan Region in the tables and summary tables (EMR) that follow. **The data has been updated so as to build upon data from the 2011 Census as a base, with social housing needs and timeframe for meeting these needs forecast out to 2036.**

Quantifying social housing need at a regional level will provide social housing providers (such as the State Government and Registered Housing Associations) a basis for targeting developments in the region to meet local need; can inform negotiations with private housing developers for voluntary contributions to affordable/social housing; and provides baseline data against which changes in the affordable housing supply in the region can be monitored. Identifying minimum social housing supply figures will also assist with advocacy and in highlighting the affordable housing issue in marketing and communications.

The following summarises social housing need within the region and a time frame for how these needs could be met up to 2036. This is based on framing need for social housing in the context of a **'target market'** – defined as very low income households (in the lowest 10% of equivalised household incomes, nationally calculated²) – that are currently either renting or purchasing their home.

(Lowest income households that own-their-own home would not have any need for social housing and are excluded from the assessment. This takes account of the significant proportion of older people in particular, reliant on government pensions as their principle source of income ('income poor'), but self-sufficient in terms of housing).

The number of households in the identified target group that cannot notionally have their needs met with either existing social housing dwellings or affordable private lettings in the region³ represents the shortfall of social housing in the region – effectively a measure of social housing need in the community.

Note that this methodology is linked to the most vulnerable and disadvantaged households in the region

¹ Local Government is better positioned to influence the (public sector) social housing market in partnership with social housing providers rather than affordable housing which is largely a function of the private sector market (home purchase and rental). The primary means for influencing private development (through the Victorian Planning System) does not allow Councils to require developers to contribute to affordable and/or social housing.

² Less than \$201 a week in 2006; less than \$313 in 2011

³ Affordable rents are those that are affordable for lower income households in Victoria – based on a maximum 30% of the income of indicative household types on a Centrelink income (plus Rent Assistance). Assumes that all affordable private lettings are accessed by those most in need (ie those in the lowest 10% of household incomes).



– those in the ‘lowest’ 10% of household incomes. This group, together with ‘low’ income households (the next lowest 30%), represent the ‘lowest 40% of household incomes’ group, which is traditionally subject to concerns about housing affordability and calculations defining ‘housing stress’ in a community.

As a result, the following data on need for social housing in the region should be read in the context of the **minimum** (rather than optimal) supply.

The following data highlights considerable differences in local conditions across the Eastern region in terms of the number of households in ‘need’, size of the existing social housing supply, and availability of affordable private rentals – all of which work in concert to affect the local social housing shortfall. **Features of the 2015 review include:**

- **A regional ‘target market’** of very low-income households that do not own-their-own home, currently (2014) **estimated at 18,780**.
- **Higher than average ‘need’ (size of target market) in Monash and Whitehorse**, at 6.4% and 5.9% of total households respectively, compared with the regional average of 4.8% (2011 Census).
- This is possibly associated with large (low income) student populations in these areas.
- **A total regional supply of 7,910 social housing dwellings⁴** (June, 2012), ranging in size by location from a low of 340 dwellings in Manningham, to around 1500+ in Whitehorse (1610), Monash (1580) and Knox (1450).
- **Below (metropolitan) average rate of social housing supply in every EAHA municipality**, particularly in Manningham (0.6% of households), Yarra Ranges (1.3%) and Boroondara (1.5%). This compares to a regional average of 1.9% and a metropolitan average of 2.9% (2011 Census).
- **A regional supply of affordable private rentals** currently (2014), **numbering approximately 2470 dwellings**.
- Current⁵ availability of affordable private rentals that varies from less than 1% (0.6%) of private rental properties in Boroondara; around 2% in Manningham (1.6%) and Whitehorse (2.2%); between 4-6% of rentals in Maroondah (4.2%) and Knox (5.6%); to as high as 10% of private rental properties in Yarra Ranges.
- This is consistent with Real Estate Institute of Victoria (REIV) commentary that ‘the highest availability of affordable rental homes is now in regional Victoria and what little affordable rental homes were available in Melbourne’s middle suburbs, has all but disappeared.
- **Current (2014) proportion of ‘need’ that can be met by existing social housing together with the (estimated) supply of affordable private rentals across the region estimated at 55%** (7910 social housing units plus an estimated 2470 affordable rentals, to service a target market within the region of 18,780)⁶
- Capacity varies considerably within the region. Current levels of social and affordable rental housing can meet the low-cost housing needs of (at best), 93% of target households in Maroondah, to just over a quarter (27%) of needs in Manningham. **Without intervention, the capacity to meet low-cost housing needs will continue to decline in all Local Government Areas in the region.** (Refer Tables 2.2 to 2.8 below)
- It can only be assumed that the lowest income households in EAHA municipalities that fall outside this level of availability, are experiencing significant rental stress and financial hardship – the more money these households have to spend on rent, the less they have for other basic necessities.

4 DHS Summary of Housing Assistance Program Reports (Director-owned and Community-owned dwellings)

5 Percentage affordable rentals based on two year average of affordable rentals data, DHHS, June quarter, 2012 to March quarter, 2014.

6 Based on June 2012 social housing stock levels (the most recent reported by DHHS) and 2014 estimates of size of target market and affordable rentals (based on extrapolating data from the 2011 Census and Office of Housing recent average of affordable rentals data).



02. Social housing shortfall

The following table summarises the social housing shortfall in the Eastern Metropolitan Region anticipated over the next twenty years in the absence of any intervention to increase the social and affordable housing supply. This is followed by the detailed data by municipality, illustrative of local differences in social and affordable housing conditions.

Table 2.1 Shortfall of social housing summary– Eastern Metropolitan Region, 2014-2036

Year	Boroondara	Knox	Manningham	Maroondah	Monash	Whitehorse	Yarra Ranges	Total EMR
Current (2014)	1750	390	1230	120	2210	1790	920	8410
By 2016	1800	460	1270	170	2330	1870	970	8870
By 2021	1920	570	1360	250	2510	2030	1050	9690
By 2026	2030	670	1450	320	2670	2170	1140	10450
By 2031	2120	770	1540	400	2830	2310	1220	11190
By 2036	2220	860	1570	480	2860	2330	1260	11580

- Table 2.1, above, sets out the *additional* dwellings needed to supplement the existing supply of social housing and estimated affordable, private rentals in EAHA municipalities in order to fully meet low-cost housing needs.

Note: the figures are not cumulative, but specific totals *by each year nominated* assuming the absence of any action to increase the low-cost housing supply.

- Clearly, the current and estimated supply of low-cost housing will not be capable of fully meeting the needs of the target market, now or into the future unless there is some form of intervention to increase the supply of social housing, availability of affordable private rentals, or both.

- The need for 11,580 additional social housing dwellings within the region by 2036 would equate to 526 additional dwellings every year over the next 22 years (2014-2036).**

Refer Section 4. 'Social housing supply timeframe' below, for discussion on the number of additional dwellings required annually if social housing needs are to be met within a shorter time frame – within 2, 7, 12 or 17 years (that is, by 2016, 2021, 2026 or 2031).



Table 2.2 Social housing needs, Boroondara, 2014-2036

Year	'Need' Est. number of very low income households* that do not own their own home (4.1% of total households at 2011 Census)	Number of social housing units 846 as at June 2012 (DHS)**	Estimated number of affordable private lettings 0.6% of private rentals***	% of need met by existing social housing & estimated affordable private lettings	Shortfall of social housing
Current (2014)	2700	850	103	35%	-1750
2016	2760	850	105	35%	-1800
2021	2880	850	110	33%	-1920
2026	2990	850	114	32%	-2030
2031	3090	850	117	31%	-2120
2036	3190	850	121	30%	-2220

Note: Future household numbers (2016, 2021, 2026, 2031), based on averaging .id forecast (2014 review) and VIF (2014 update) figures for projected households; 2036 figure based on same rate of increase as previous 5 years ie 3.4% as there are no VIF or .id projections available for Boroondara in 2036.

* Low household income based on equivalised household income – adjusted using equivalence factors to remove the effect of household size on income. 'Need' is defined as very low income households - in the lowest 10% of equivalised household incomes (nationally) -that do not own their own home.

** Latest available data @September 2014 publication (DHS Summary of Housing Assistance Programs 2011-12). Note: 870 dwellings were reported in 2011 Census data.

***Affordable private letting calculation over time based on the assumption that 26% of housing stock in Boroondara is private rental stock (as per 2011 Census⁷) of which 0.6% would be affordable to low-income households (based on two-year average of affordable rentals as a percentage of all rentals in Boroondara, June quarter 2012 to March quarter 2014 – the latest available data at time of preparation of the social housing shortfall calculation, commencing in August, 2014)

Table 2.3 Social housing needs, Knox, 2014-2036

Year	'Need' Est. number of very low income households* that do not own their own home (4.1% of total households at 2011 Census)	Number of social housing units 1452 as at June 2012 (DHS)**	Estimated number of affordable private lettings 5.6% of private rentals***	% of need met by existing social housing & estimated affordable private lettings	Shortfall of social housing
Current (2014)	2310	1450	473	83%	-390
2016	2400	1450	491	81%	-460
2021	2540	1450	521	78%	-570
2026	2670	1450	547	75%	-670
2031	2790	1450	571	72%	-770
2036	2900	1450	593	70%	-860

Note: Future household numbers (2016, 2021, 2026, 2031), based on averaging .id forecast (2014 review) and VIF (2014 update) figures for projected households. 2036 figure .id projection only.

* Low household income based on equivalised household income – adjusted using equivalence factors to remove the effect of household size on income. 'Need' is defined as very low income households - in the lowest 10% of equivalised household incomes (nationally) -that do not own their own home.

** Latest available data @September 2014 (DHS Summary of Housing Assistance Programs 2011-12). Note: 1119 dwellings reported in 2011 Census data.

***Affordable private letting calculation over time based on the assumption that 15% of housing stock in Knox is private rental stock (as per 2011 Census⁸) of which 5.6% would be affordable to low-income households (based on two-year average of affordable rentals as a percentage of all rentals in Knox, June quarter 2012 to March quarter 2014 – the latest available data at time of preparation of the social housing shortfall calculation, August, 2014)

7 2011 Census, Renting – Private (25.5%) Renting- Not Stated (0.6%). This figure excludes Renting – Social housing, which is accounted for under number of social housing units in the previous column.

8 2011 Census, Renting – Private (14.8%) Renting- Not Stated (0.3%). This figure excludes Renting – Social housing, which is accounted for under number of social housing units in the previous column.



Table 2.4 Social housing needs, Manningham, 2014-2036

Year	'Need' Est. number of very low income households* that do not own their own home (3.9% of total households at 2011 Census)	Number of social housing units 336 as at June 2012 (DHS)**	Estimated number of affordable private lettings 1.6% of private rentals***	% of need met by existing social housing & estimated affordable private lettings	Shortfall of social housing
Current (2014)	1670	340	103	27%	-1230
2016	1720	340	106	26%	-1270
2021	1820	340	121	25%	-1360
2026	1910	340	118	24%	-1450
2031	2000	340	123	23%	-1540
2036	2030	340	125	23%	-1570

Note: Future household numbers (2016, 2021, 2026, 2031), based on averaging .id forecast (2014 review) and VIF (2014 update) figures for projected households. 2036 figure .id projection only.

* Low household income based on equivalised household income – adjusted using equivalence factors to remove the effect of household size on income. 'Need' is defined as very low income households - in the lowest 10% of equivalised household incomes (nationally) - that do not own their own home.

** Latest available data @September 2014 (DHS Summary of Housing Assistance Programs 2011-12). Note: 218 dwellings reported in 2011 Census data.

*** Affordable private letting calculation over time based on the assumption that 15% of housing stock in Manningham is private rental stock (as per 2011 Census⁹) of which 1.6% would be affordable to low-income households (based on two-year average of affordable rentals as a percentage of all rentals in Manningham, June quarter 2012 to March quarter 2014 – the latest available data at time of preparation of the social housing shortfall calculation, August, 2014)

Table 2.5 Social housing needs, Maroondah, 2014-2036

Year	'Need' Est. number of very low income households* that do not own their own home (4.2% of total households at 2011 Census)	Number of social housing units 1325 as at June 2012 (DHS)**	Estimated number of affordable private lettings 4.2% of private rentals***	% of need met by existing social housing & estimated affordable private lettings	Shortfall of social housing
Current (2014)	1790	1330	339	93%	-120
2016	1850	1330	351	91%	-170
2021	1950	1330	370	87%	-250
2026	2040	1330	388	84%	-320
2031	2140	1330	406	81%	-400
2036	2230	1330	423	77%	-480

Note: Future household numbers (2016, 2021, 2026, 2031), based on averaging .id forecast (2014 review) and VIF (2014 update) figures for projected households. 2036 figure .id projection only.

* Low household income based on equivalised household income – adjusted using equivalence factors to remove the effect of household size on income. 'Need' is defined as very low income households – in the lowest 10% of equivalised household incomes (nationally) – that do not own their own home.

** Latest available data @September 2014 (DHS Summary of Housing Assistance Programs 2011-12). Note: 1104 dwellings reported in 2011 Census data.

*** Affordable private letting calculation over time based on the assumption that 19% of housing stock in Maroondah is private rental stock (as per 2011 Census¹⁰) of which 4.2% would be affordable to low-income households (based on two-year average of affordable rentals as a percentage of all rentals in Maroondah, June quarter 2012 to March quarter 2014 – the latest available data at time of preparation of the social housing shortfall calculation, August, 2014)

9 2011 Census, Renting – Private (14.7%) Renting- Not Stated (0.4%). This figure excludes Renting – Social housing, which is accounted for under number of social housing units in the previous column.

10 2011 Census, Renting – Private (18.8%) Renting- Not Stated (0.4%). This figure excludes Renting – Social housing, which is accounted for under number of social housing units in the previous column.



Table 2.6 Social housing needs, Monash, 2014-2036

Year	'Need' Est. number of very low income households* that do not own their own home (6.4% of total households at 2011 Census)	Number of social housing units 1578 as at June 2012 (DHS)**	Estimated number of affordable private lettings 2.9% of private rentals***	% of need met by existing social housing & estimated affordable private lettings	Shortfall of social housing
Current (2014)	4230	1580	441	48%	-2210
2016	4370	1580	456	47%	-2330
2021	4560	1580	475	45%	-2510
2026	4740	1580	494	44%	-2670
2031	4920	1580	513	43%	-2830
2036	4960	1580	517	42%	-2860

Note: Future household numbers (2016, 2021, 2026, 2031), based on averaging .id forecast (2014 review) and VIF (2014 update) figures for projected households. 2036 figure .id projection only.

* Low household income based on equivalised household income – adjusted using equivalence factors to remove the effect of household size on income. 'Need' is defined as very low income households - in the lowest 10% of equivalised household incomes (nationally) -that do not own their own home.

** Latest available data @September 2014 (DHS Summary of Housing Assistance Programs 2011-12). Note: 1281 dwellings reported in 2011 Census data.

***Affordable private letting calculation over time based on the assumption that 23% of housing stock in Monash is private rental stock (as per 2011 Census¹¹) of which 2.9% would be affordable to low-income households (based on two-year average of affordable rentals as a percentage of all rentals in Monash, June quarter 2012 to March quarter 2014 – the latest available data at time of preparation of the social housing shortfall calculation, August, 2014)

Table 2.7 Social housing needs, Whitehorse, 2014-2036

Year	'Need' Est. number of very low income households* that do not own their own home (5.9% of total households at 2011 Census)	Number of social housing units 1614 as at June 2012 (DHS)**	Estimated number of affordable private lettings 2.2% of private rentals***	% of need met by existing social housing & estimated affordable private lettings	Shortfall of social housing
Current (2014)	3690	1610	289	51%	-1790
2016	3780	1610	296	50%	-1870
2021	3950	1610	309	49%	-2030
2026	4100	1610	321	47%	-2170
2031	4250	1610	333	46%	-2310
2036	4270	1610	334	46%	-2330

Note: Future household numbers (2016, 2021, 2026, 2031), based on averaging .id forecast (2014 review) and VIF (2014 update) figures for projected households. 2036 figure .id projection only.

* Low household income based on *equivalised* household income – adjusted using equivalence factors to remove the effect of household size on income. 'Need' is defined as very low income households - in the lowest 10% of *equivalised* household incomes (nationally) -that *do not own their own home*.

** Latest available data @September 2014 (DHS Summary of Housing Assistance Programs 2011-12). Note: 1488 dwellings reported in 2011 Census data.

***Affordable private letting calculation over time based on the assumption that 21% of housing stock in Whitehorse is private rental stock (as per 2011 Census¹²) of which 2.2% would be affordable to low-income households (based on *two-year average* of affordable rentals as a percentage of all rentals in Whitehorse, June quarter 2012 to March quarter 2014 – the latest available data at time of preparation of the social housing shortfall calculation, August, 2014)

11 2011 Census, Renting – Private (22.6%) Renting- Not Stated (0.5%). This figure excludes Renting – Social housing, which is accounted for under number of social housing units in the previous column.

12 2011 Census, Renting – Private (20.6%) Renting- Not Stated (0.5%). This figure excludes Renting – Social housing, which is accounted for under number of social housing units in the previous column.



Table 2.8 Social housing needs, Yarra Ranges, 2014-2036

Year	'Need' Est. number of very low income households* that do not own their own home (4.3% of total households at 2011 Census)	Number of social housing units 745 as at June 2012 (DHS)**	Estimated number of affordable private lettings 10% of private rentals***	% of need met by existing social housing & estimated affordable private lettings	Shortfall of social housing
Current (2014)	2390	750	722	62%	-920
2016	2460	750	744	61%	-970
2021	2580	750	781	59%	-1050
2026	2710	750	818	58%	-1140
2031	2820	750	852	57%	-1220
2036	2880	750	872	56%	-1260

Note: Future household numbers (2016, 2021, 2026, 2031), based on averaging .id forecast (2014 review) and VIF (2014 update) figures for projected households. 2036 figure .id projection only.

* Low household income based on *equivalised* household income – adjusted using equivalence factors to remove the effect of household size on income. 'Need' is defined as very low income households - in the lowest 10% of equivalised household incomes (nationally) -that *do not own their own home*.

** Latest available data @September 2014 (DHS Summary of Housing Assistance Programs 2011-12). Note: 673 dwellings reported in 2011 Census data.

***Affordable private letting calculation over time based on the assumption that 13% of housing stock in Yarra Ranges is private rental stock (as per 2011 Census¹³) of which 10% would be affordable to low-income households (based on *two-year average* of affordable rentals as a percentage of all rentals in Yarra Ranges, June quarter 2012 to March quarter 2014 – the latest available data at time of preparation of the social housing shortfall calculation, August, 2014)

13 2011 Census, Renting – Private (12.7%) Renting- Not Stated (0.5%). This figure excludes *Renting – Social housing*, which is accounted for under number of social housing units in the previous column.



03. Social housing needs in the EMR – an analysis of change between 2010 and 2014

The initial social/low-cost housing needs calculations to estimate social housing need for the region (2010-2030) were prepared in 2011 on the basis of:

- **2006 Census data** (for data on proportion of very low income households; the proportion of private rental households; and the number of social housing dwellings available in each municipality in the region);
- averaging of **2010 .id** and **2012 Victoria in Future (VIF)** household projections (for forecasts of household numbers in municipalities in the region out to 2030); and
- **Department of Human Services** Rental Report Statistics, June quarter, 2010 to December quarter, 2011 (for averaged data on the proportion of affordable private lettings in municipalities in the region).

The current analysis (May, 2015) reviews the social & affordable housing calculations in light of

- **2011 Census data;**
- updated household projections (**.id 2014 and VIF 2014**); and
- more recent **rental housing statistics** (June quarter, 2012 to March quarter, 2014).

The ability to review the calculation in line with updated data on local (and possibly changing conditions) was seen to be a major benefit of the method for defining a minimum supply of social housing.

Since the initial review, however, data on the total number of social housing dwellings at a *local government area level* has become readily available through the DHHS Summary of Housing Assistance Program reports. These reports define 'total social housing' as 'Director-owned (including leases and other Director-managed dwellings)' as well as 'Community-owned' dwellings.

This data source likely provides more accurate information on the number of social housing units available in eastern region municipalities, given its

annual availability (as opposed to five yearly from the Census) and the fact that Census data is incomplete – some households that rent do not state from whom (whether publically or privately), while others do not state housing tenure at all. As a result, it was always known that Census data on social housing numbers was likely to be an *undercount*.

The annual release of **Department of Human Services** data on social housing numbers is also beneficial for updating the social housing needs formula. This leaves only 'need' – the lowest 10% of household incomes that do not own their own home – as the only component of the formula that will rely on five yearly information from the Census. As a result, Tables 2.1 to 2.8 above, and future updates to the social housing needs formula, will use the Department of Human Services figures on the number of social housing dwellings available in municipalities in the eastern region.

The following summarises change in social/low-cost housing need between reviews undertaken in 2011 and 2014.¹⁴

Target market¹⁵ (Data source; ABS Census 2006 & 2011)

- **There has been an increase in the percentage of households in the lowest 10% of incomes (nationally-calculated) that do not own their own homes, across the region.** The median for municipalities in the EAHA has increased from 3.8% of households in 2006 to 4.2% in 2011 while the regional average has increased from 4% of households to 4.8%. Numerically, this represents an increase of almost 3,500 households in the region (from 13,444 households 16,883).
- An increase in the size of target market affects every municipality in the EAHA and ranges from 3.9% of total households in Manningham in 2011 (increased from 3% in 2006), to 6.4% of households in Monash (up from 5.1%).
- This represents a quite **substantial increase in the target market**. Numerically, the number of households in the region in the lowest 10% of incomes nationally, has increased from **13,400** to **16,900** (a 26% increase overall, though this varies between municipalities). The situation local to each municipality is as set out below.

¹⁴ Based on DHS figures on social housing supply (as at 2006 and 2012) in both comparison years to ensure accurate comparison. Note that the 2006 DHS figures by LGA pertain to Government-owned social housing only and excludes community-owned social housing, so the % increase in availability of social housing between reviews is likely to be a little inflated. The amount of the community-owned stock in 2006, however, was relatively negligible.

¹⁵ Households in municipalities in the region in the lowest income category and that do not own their own home.



Table 3.1 Change in size of 'target market' EAHA municipalities, 2006-2011

Municipality	% households in target market (2006)	% households in target market (2011)	% increase in number of households in target market (2006-2011)
Boroondara	3.9% (2190 households)	4.1% (2369 households)	8% (179 households)
Knox	3.3% (1668)	4.1% (2146)	29% (478)
Manningham	3.0% (1121)	3.9% (1501)	34% (380)
Maroondah	3.7% (1351)	4.2% (1619)	20% (268)
Monash	5.1% (2923)	6.4% (3819)	31% (896)
Whitehorse	4.4% (2374)	5.9% (3263)	37% (889)
Yarra Ranges	3.8% (1817)	4.3% (2166)	19% (349)
TOTAL	4.0% (13444)	4.8% (16883)	26% (3439)

- **Monash and Whitehorse, in particular, had large increases in the number of very low-income households** within their boundaries since the last Census (almost 900 each). Manningham, with one of the largest percentage increases in the number of very low income households in the municipality did so from a much lower base figure in 2006, though a 30%+ increase in the size of the target market is worth noting.
- A tendency for a **higher than average level of 'need' in Monash (6.4% of households) and Whitehorse (5.9%)** compared with the regional average of 4.8% (thought to be associated with large student populations in these areas) continues, and has even intensified since the first review (5.1% of households in Monash and 4.4% in Whitehorse in 2006, compared with a regional average of 4%).

Amount of social housing stock (Data source; DHS June 2006 & 2012)

- It is estimated that there has been a **net 20% increase in the number of social housing dwellings in the region** between reviews (from approximately 6590 dwellings in 2006 to 7910 in 2012).¹⁶
- **Every EAHA municipality has experienced an increase in social housing stock** although supply (as a proportion of housing stock) in each remains below the metropolitan average in 2011 (and in some cases, has worsened since 2006)

¹⁶ Based on DHHS figures on social housing supply in both comparison years to ensure accurate comparison. 2006 – DHHS data as reported in ABS State and Regional Indicators – Government-owned Social Housing Catalogue 1367.2; 2012 – DHS Summary of Housing Assistance Programs 2011-12. Note that 2006 DHS figures by LGA pertain to *Government-owned social housing only, ie excluding community-owned social housing*, so % increase in availability of social housing is likely to be a little inflated. On the other hand, the amount of the community-owned stock in 2006 was relatively negligible. Note: 2011 figure based on DHHS stock figures as at June 2012.



Table 3.2 Change in social housing stock, EAHA municipalities, 2006-2011

Municipality	Increase in number of social housing dwellings 2006-2011	Social housing as % total households(2011)	Social housing as % total households (2006)
Boroondara	80	1.5%	1.6%
Knox	260	2.1%	2.0%
Manningham	120	0.6%	0.5%
Maroondah	330	2.8%	2.4%
Monash	190	2.1%	2.2%
Whitehorse	190	2.6%	2.7%
Yarra Ranges	150	1.3%	1.3%
TOTAL	1320	1.9% (region)	2.0% (region)
		2.9%(metro.)	3.0% (metro.)

Availability of affordable private rentals (Data source; DHS, averaged data 2010/11 and 2012/14)

- **The availability of affordable private rentals remains low** as per the current review.¹⁷ Increases in the supply of affordable rental housing since the first review¹⁸ have occurred in Knox and Maroondah, although this is countered by a reduction in supply in all other EAHA municipalities.
- The greatest supply of affordable rentals is in Yarra Ranges where 10% of rental housing is deemed affordable to lower income households. **The availability of affordable private rental housing increases with increasing distance from the city centre.**

Table 3.3 Change in affordable private rentals, EAHA municipalities

Municipality	Affordable private rentals (2015 review)	Affordable private rentals (2010 review)
Boroondara	0.6% ↓	0.8%
Knox	5.6% ↑	5.3%
Manningham	1.6% ↓	1.8%
Maroondah	4.2% ↑	3.8%
Monash	2.9% ↓	4.1%
Whitehorse	2.2%	2.2%
Yarra Ranges	10% ↓	11%

¹⁷ Based on two year average, June quarter, 2012 to March quarter, 2014)

¹⁸ Based on average, June quarter 2010 to December quarter, 2011)



Capacity to meet low-cost housing needs (Data source; correlation between supply and demand data, as above)

- Currently (2014)¹⁹ **the proportion of 'need' that could be met** by existing social housing together with the (estimated) supply of affordable private rentals across the region, **stands at 55%** (7910 social

housing units plus an estimated 2470 affordable rentals, to service a regional target market of 18,780).

- Capacity to meet low-cost housing need for the region as a whole, has contracted since the initial review benchmarked the position as at 2010** (refer table, below)

Table 3.4 Change in regional capacity to meet low cost housing need

Review year	Social housing supply (DHS, June 2006 & June 2012)	Affordable rental supply (est.)	'Target market'	% of need met by existing social housing plus estimated affordable private lettings
2010	6590	2370	15080	59%
2014	7910	2470	18780	55%

The capacity to meet low-cost housing needs varies considerably with location in the region, ranging from as low as 27% in Manningham, to as high as 93% in Maroondah. Differences and change in capacity over time are set out in the table, below.

Table 3.5 Change in capacity to meet low cost housing need by EAHA municipality

LGA	Review year	Social housing supply (DHS, June 2006 & June 2012)	Affordable rental supply (est.)	'Target market'	% of need met by existing social housing plus estimated affordable private lettings
Boroondara	2010	770	150	2480	37%
	2014	850	103	2700	35%
Knox	2010	1190	360	1820	85%
	2014	1450	473	2310	83%
Manningham	2010	220	110	1270	26%
	2014	340	103	1670	27%
Maroondah	2010	1000	300	1520	86%
	2014	1330	339	1790	93%
Monash	2010	1390	520	3290	58%
	2014	1580	441	4230	48%
Whitehorse	2010	1420	220	2660	62%
	2014	1610	289	3690	51%
Yarra Ranges	2010	600	710	2040	64%
	2014	750	722	2390	62%

- Capacity, in the main, has contracted, with the exception of Maroondah where low-cost housing options are currently able to meet 93% of need, an increase from 86% as at the 2010 review. This is largely due to a significant increase in social housing supply (33%) and status as one of only two EAHA municipalities (the other is Knox) that experienced an increase in affordable rentals (from 3.8% to 4.2% of private lettings). Growth in supply outweighed the growth in target market.

¹⁹ Based on June 2012 social housing stock levels (the most recent reported by DHS) and 2014 estimates of size of target market and affordable rentals (based on extrapolating data from the 2011 Census and 2012-14 average of affordable rentals data).



04. Social housing supply timeframe

The time period taken to reach a minimum supply level is another important consideration in addressing social housing need.

While a rate of **526 social housing additions per year would meet the needs of 100% of the region's lowest income households in the target group by**

2036, it would take over twenty years to do so. This would effectively leave a generation of partially unmet housing needs.

The following tables (by individual municipality within the region and for the EMR as a whole) indicate the number of new social housing dwellings required per annum²⁰ in order to fully meet social housing needs at different points along the time span – within 2 years, 7 years, 12 years or 22 years.

Table 4.1 Boroondara , social housing– annual supply required to fully meet need within 2, 7, 12, 17, 22 years

Year	Social housing shortfall	Annual minimum supply (Calculated over 2 years 2014-2016)	Annual minimum supply (Calculated over 7 years 2014-2021)	Annual minimum supply (Calculated over 12 years 2014-2026)	Annual minimum supply (Calculated over 17 years 2014-2031)	Annual minimum supply (Calculated over 22 years 2014-2036)
Current (in 2014)	1750					
By 2016	1800	900 per year (2015 & 2016)				
By 2021	1920	(+ 21 per annum over twenty years, 2017-2036)	275 per year (2015-2021)			
By 2026	2030		(+20 per annum over fifteen years, 2022-2036)	170 per year (2015-2026)		
By 2031	2120			(+18 per annum over ten years, 2027-2036)	125 per year (2015-2031)	
By 2036	2220				(+19 per annum over five years, 2032-2036)	100 per year (2015-2036)

Table 4.2 Knox , social housing– annual supply required to fully meet need within 2, 7, 12, 17, 22 years

Year	Social housing shortfall	Annual minimum supply (Calculated over 2 years 2014-2016)	Annual minimum supply (Calculated over 7 years 2014-2021)	Annual minimum supply (Calculated over 12 years 2014-2026)	Annual minimum supply (Calculated over 17 years 2014-2031)	Annual minimum supply (Calculated over 22 years 2014-2036)
Current (in 2014)	390					
By 2016	460	230 per year (2015 & 2016)				
By 2021	570	(+ 20 per annum over twenty years, 2017-2036)	80 per year (2015-2021)			
By 2026	670		(+20 per annum over fifteen years, 2022-2036)	55 per year (2015-2026)		
By 2031	770			(+20 per annum over ten years, 2027-2036)	45 per year (2015-2031)	
By 2036	860				(+19 per annum over five years, 2032-2036)	39 per year (2015-2036)

²⁰ Per annum figures rounded.



Table 4.3 Manningham, social housing– annual supply required to fully meet need within 2, 7, 12, 17, 22 years

Year	Social housing shortfall	Annual minimum supply (Calculated over 2 years 2014-2016)	Annual minimum supply (Calculated over 7 years 2014-2021)	Annual minimum supply (Calculated over 12 years 2014-2026)	Annual minimum supply (Calculated over 17 years 2014-2031)	Annual minimum supply (Calculated over 22 years 2014-2036)
Current (in 2014)	1230					
By 2016	1270	635 per year (2015 & 2016)				
By 2021	1360	(+ 15 per annum over twenty years, 2017-2036)	195 per year (2015-2021)			
By 2026	1450		(+14 per annum over fifteen years, 2022-2036)	120 per year (2015-2026)		
By 2031	1540			(+13 per annum over ten years, 2027-2036)	90 per year (2015-2031)	
By 2036	1570				(+8 per annum over five years, 2032-2036)	71 per year (2015-2036)

Table 4.4 Maroondah, social housing– annual supply required to fully meet need within 2, 7, 12, 17, 22 years

Year	Social housing shortfall	Annual minimum supply (Calculated over 2 years 2014-2016)	Annual minimum supply (Calculated over 7 years 2014-2021)	Annual minimum supply (Calculated over 12 years 2014-2026)	Annual minimum supply (Calculated over 17 years 2014-2031)	Annual minimum supply (Calculated over 22 years 2014-2036)
Current (in 2014)	120					
By 2016	170	85 per year (2015 & 2016)				
By 2021	250	(+ 16 per annum over twenty years, 2017-2036)	35 per year (2015-2021)			
By 2026	320		(+16 per annum over fifteen years, 2022-2036)	25 per year (2015-2026)		
By 2031	400			(+18 per annum over ten years, 2027-2036)	25 per year (2015-2031)	
By 2036	480				(+11 per annum over five years, 2032-2036)	22 per year (2015-2036)



Table 4.5 Monash, social housing– annual supply required to fully meet need within 2, 7, 12, 17, 22 years

Year	Social housing shortfall	Annual minimum supply (Calculated over 2 years 2014-2016)	Annual minimum supply (Calculated over 7 years 2014-2021)	Annual minimum supply (Calculated over 12 years 2014-2026)	Annual minimum supply (Calculated over 17 years 2014-2031)	Annual minimum supply (Calculated over 22 years 2014-2036)
Current (in 2014)	2210					
By 2016	2330	1165 per year (2015 & 2016)				
By 2021	2510	(+ 27 per annum over twenty years, 2017-2036)	360 per year (2015-2021)			
By 2026	2670		(+23 per annum over fifteen years, 2022-2036)	225 per year (2015-2026)		
By 2031	2830			(+16 per annum over ten years, 2027-2036)	165 per year (2015-2031)	
By 2036	2860				(+11 per annum over five years, 2032-2036)	130 per year (2015-2036)

Table 4.6 Whitehorse, social housing– annual supply required to fully meet need within 2, 7, 12, 17, 22 years

Year	Social housing shortfall	Annual minimum supply (Calculated over 2 years 2014-2016)	Annual minimum supply (Calculated over 7 years 2014-2021)	Annual minimum supply (Calculated over 12 years 2014-2026)	Annual minimum supply (Calculated over 17 years 2014-2031)	Annual minimum supply (Calculated over 22 years 2014-2036)
Current (in 2014)	1790					
By 2016	1870	935 per year (2015 & 2016)				
By 2021	2030	(+ 23 per annum over twenty years, 2017-2036)	290 per year (2015-2021)			
By 2026	2170		(+20 per annum over fifteen years, 2022-2036)	180 per year (2015-2026)		
By 2031	2310			(+17 per annum over ten years, 2027-2036)	135 per year (2015-2031)	
By 2036	2330				(+7 per annum over five years, 2032-2036)	106 per year (2015-2036)



Table 4.7 Yarra Ranges, social housing – annual supply required to fully meet need within 2, 7, 12, 17, 22 years

Year	Social housing shortfall	Annual minimum supply (Calculated over 2 years 2014-2016)	Annual minimum supply (Calculated over 7 years 2014-2021)	Annual minimum supply (Calculated over 12 years 2014-2026)	Annual minimum supply (Calculated over 17 years 2014-2031)	Annual minimum supply (Calculated over 22 years 2014-2036)
Current (in 2014)	920					
By 2016	970	485 per year (2015 & 2016)				
By 2021	1050	(+ 15 per annum over twenty years, 2017-2036)	150 per year (2015-2021)			
By 2026	1140		(+14 per annum over fifteen years, 2022-2036)	95 per year (2015-2026)		
By 2031	1220			(+12 per annum over ten years, 2027-2036)	70 per year (2015-2031)	
By 2036	1260				(+14 per annum over five years, 2032-2036)	57 per year (2015-2036)

Table 4.8 Eastern Affordable Housing Alliance Region, social housing – annual supply required to fully meet need within 2, 7, 12, 17, 22 years

Year	Social housing shortfall	Annual minimum supply (Calculated over 2 years 2014-2016)	Annual minimum supply (Calculated over 7 years 2014-2021)	Annual minimum supply (Calculated over 12 years 2014-2026)	Annual minimum supply (Calculated over 17 years 2014-2031)	Annual minimum supply (Calculated over 22 years 2014-2036)
Current (in 2014)	8410					
By 2016	8870	4435 per year (2015 & 2016)				
By 2021	9690	(+ 35 per annum over twenty years, 2017-2036)	1385 per year (2015-2021)			
By 2026	10450		(+125 per annum over fifteen years, 2022-2036)	870 per year (2015-2026)		
By 2031	11190			(+114 per annum over ten years, 2027-2036)	660 per year (2015-2031)	
By 2036	11580				(+72 per annum over five years, 2032-2036)	526 per year (2015-2036)



05. Affordable Housing – Median house price

The following illustrates current (2014) median house prices across metropolitan Melbourne. **Four municipalities in the EAHA are among the top ten in terms of highest median house price.** EAHA municipalities are shown as blue.

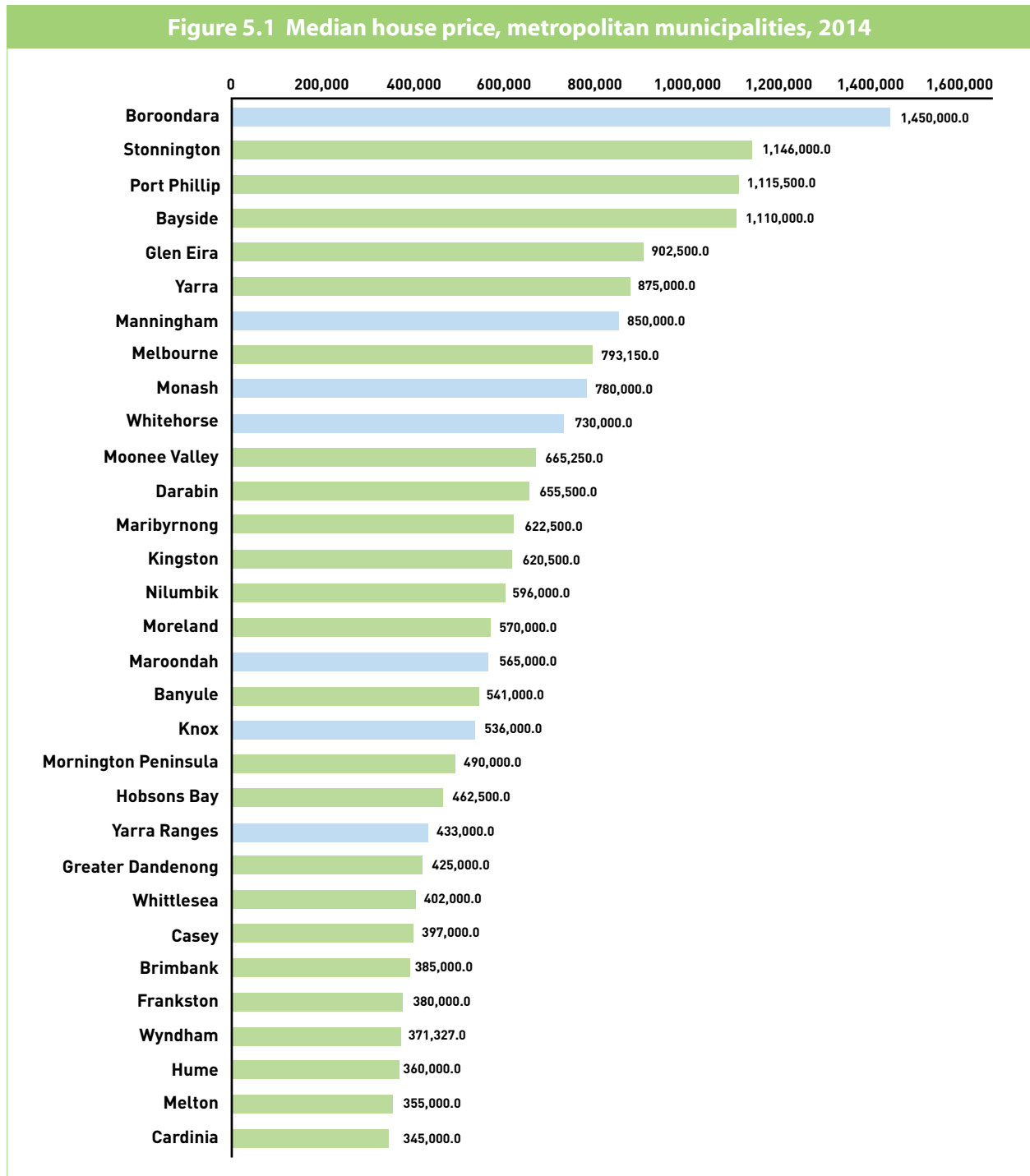
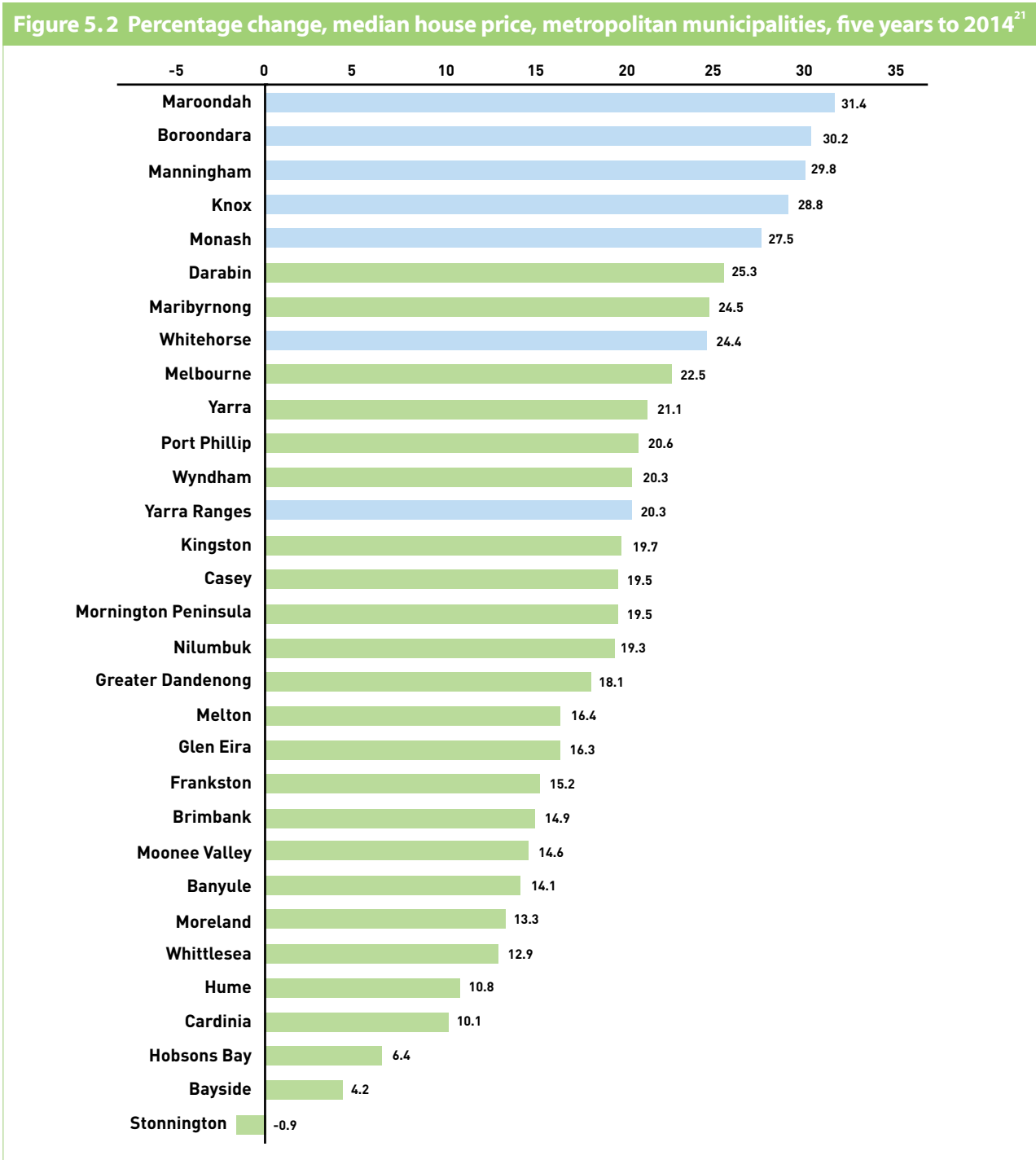


Figure 5.2 below, illustrates **the change in median house price** (over one year and over five years prior to 2014) for all metropolitan municipalities.

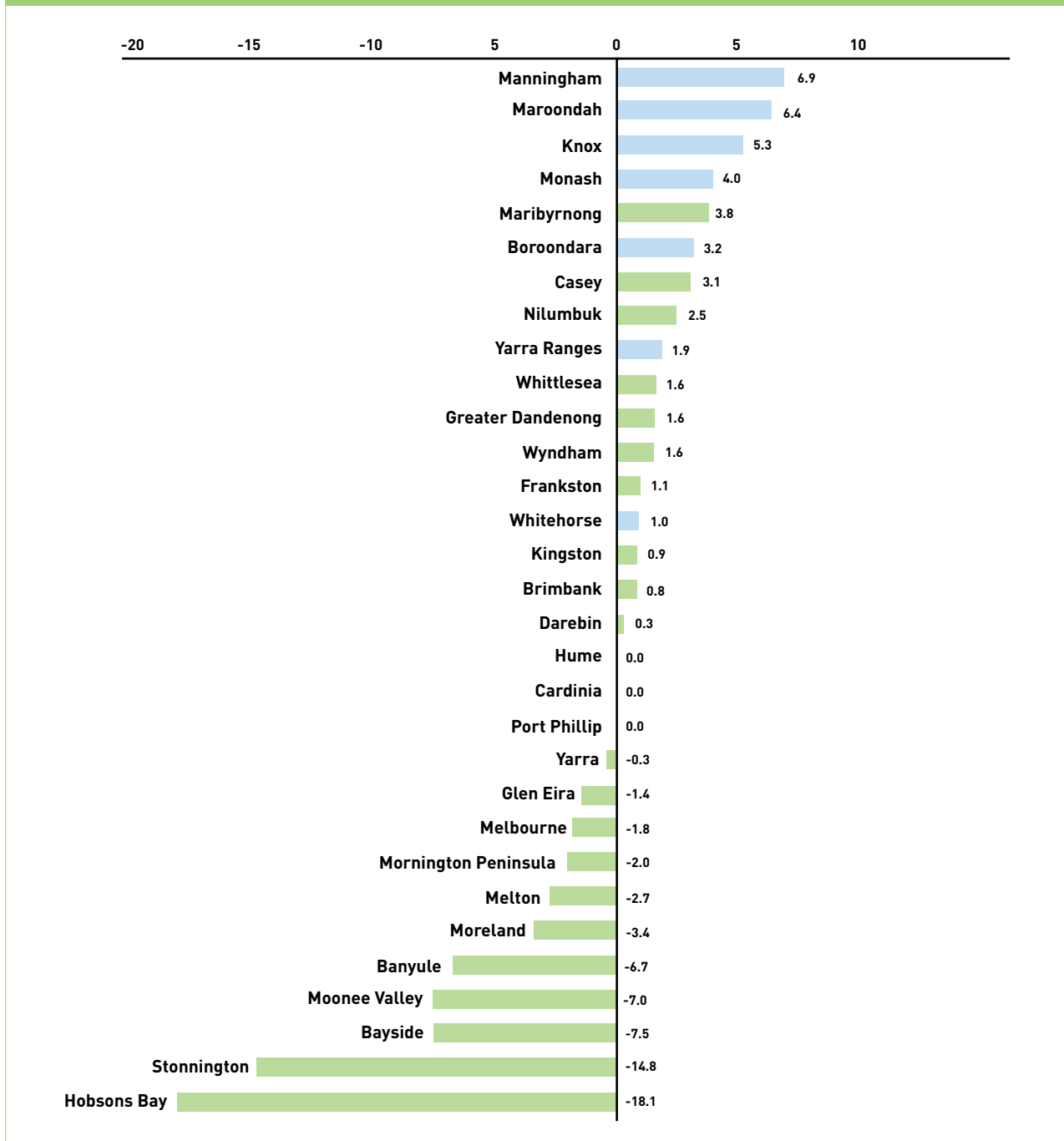
On this measure, **nearly all EAHA municipalities feature in the top 10 with respect to experiencing amongst the largest percentage increases in the median house price in Melbourne.**



21 House prices at two points not adjusted for inflation.

- **Municipalities in the EAHA actually accounted for the five highest percentage increases** in house price across metropolitan Melbourne in the five years to 2014 (and accounted for six of the 'top 10'). Only Yarra Ranges fell outside the 'Top 10' in terms of the magnitude of percentage change.
- A similar pattern occurs in relation to change in house price over the year (12 months) to 2014, below.

Figure 5.3 Percentage change, median house price, metropolitan municipalities, 12 months to 2014²²



²² House prices at two points not adjusted for inflation.





 (03) 9298 8000  (03) 9800 3096  knoxcc@knox.vic.gov.au

 knox.vic.gov.au  facebook.com/knexcouncil  [@KnoxCC](https://twitter.com/KnoxCC)

 511 Burwood Highway, Wantirna South, VIC 3152

 National Relay Service: **133 677** (ask for 03 9298 8000) or relayservice.gov.au

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