



# CHAPTER 3.0 WHAT ARE WE PLANNING FOR?

## 3.1 CURRENT POPULATION PROFILE

A review of current and projected population characteristics and trends informs the development of the Fairfield LGA Residential Development Strategy and paints a picture of who we are planning for.

This section reviews the most current population and demographics data for Fairfield LGA to develop a detailed understanding of the current population and recent demographic trends. Importantly this information also updates the demographic data from the 2002 Urban Capacity Report which relied on the 1996 ABS Census data.

The demographic characteristics of residents in Fairfield LGA are outlined in the sections below. Information has been derived from the 1996, 2001 and 2006 Enumerated Census of Population and Housing produced by the Australian Bureau of Statistics as well as the Fairfield City Council Community ID (ID Profile). Comparisons are made between Western Sydney Regional Organisation of Council (WSROC) and the Sydney Statistical Division (SD). This analysis provides a snapshot of Fairfield's current demographic profile.

Information in this chapter is further supported in the Fairfield LGA RDS Background Reports, a compendium to this strategy. The following is a summary of the key population and economic trends for Fairfield LGA in 2006.

### 3.1.1 Population Growth

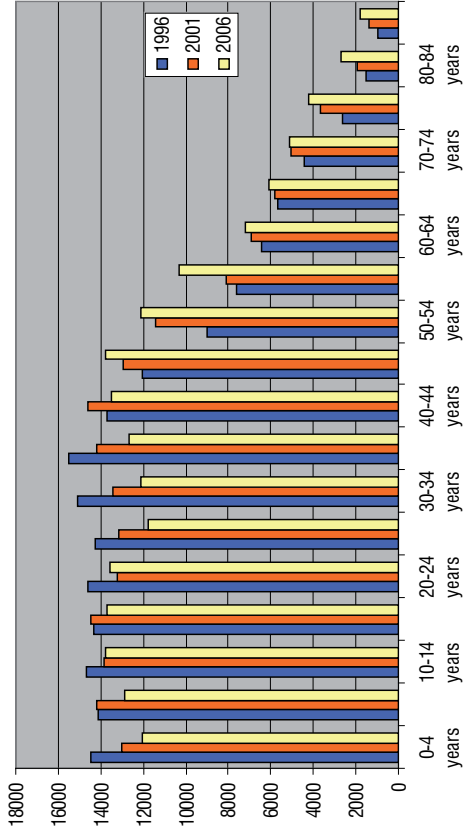
Fairfield LGA has previously seen rapid growth in the post WWII period when migrants settled in the eastern part of the LGA and by 1979 the population of Fairfield had reached 120,000. Population growth continued between 1986 and 1996 where the number of dwellings in the LGA increased by 20.2% (8,966 dwellings). The majority of this growth was concentrated in the then new release areas, which are located west of the Cumberland Highway, whilst population growth in the established and middle distance suburbs was almost static.

Since 1996 the population growth has reversed, the period between 1996 and 2001 experienced little or no population growth and by 2006 this population trend had translated into a negative growth rate with a slight decline of 1,939 people between 2001 and 2006. Whilst the population growth rate has declined, the rate of household formation and therefore demand for housing has remained high through the past decade. The population of Fairfield LGA in 2006 was 179,931 persons.

### 3.1.2 Population Distribution

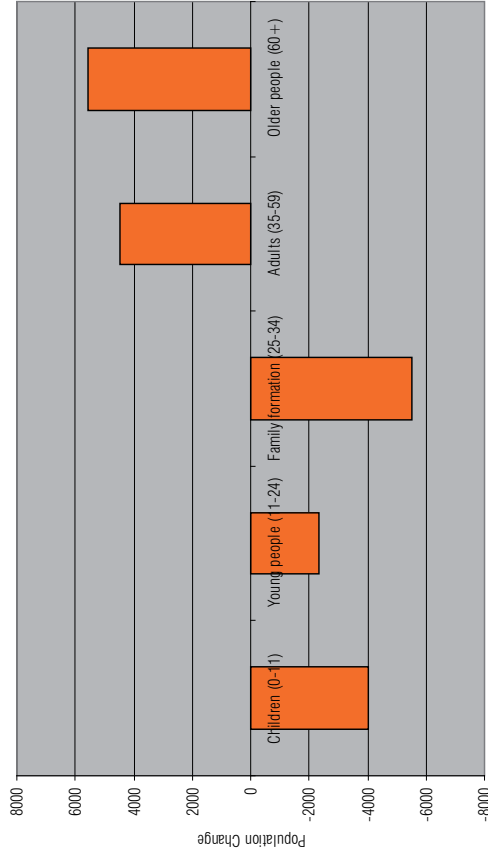
Population distribution in the Fairfield LGA reflects land release patterns, with the higher concentrations of population located in the eastern parts of the LGA surrounding the Fairfield and Cabramatta town centres. There are also large amounts of population in the eastern urban areas (for example Fairfield and Cabramatta) with less people and lower densities situated in the west (Bonnyrigg and Prairiewood).

Figure 3.1.1: Fairfield LGA Population Distribution 1996-2006



Source: ABS 2006 and HASSELL 2008

Figure 3.1.1: Fairfield LGA Change in Age Structure 1996-2006



Source: Fairfield City Council Community ID (2008) and HASSELL 2008

### 3.1.3 Age Structure

Fairfield LGA accommodates a relatively young demographic with one fifth of residents comprising young people (20%) and 17% being children. Table 3.1.1 details the age structure of Fairfield LGA in 1996 and 2006.

Table 3.1.1: Fairfield LGA Age Structure 1996-2006

	1996		2006		Change
	No.	%	No.	%	
Children (0-11)	34,296	18.9	30,292	16.9	-4,004
Young people (11-24)	37,963	21	35,625	19.8	-2,338
Family formation (25-34)	29,370	16.2	23,839	13.3	-5,531
Adults (35-59)	57,940	32	62,393	34.8	+4,453
Older people (60+)	21,664	11.9	27,209	15.1	+5,545

Source: Fairfield City Council Community ID (2008) and HASSELL 2008

However, two key trends are emerging in the Fairfield LGA, as portrayed in Figure 3.1.1 and Figure 3.1.2. The number and proportion of children and young people and those in family formation years (25-34 years) declined in between 1996 and 2006. While the number and proportion of adults and older people increased, with a significant increase of an additional 5,545 people in the older age groups (60 years and over).

### 3.1.4 Cultural Characteristics

Fairfield LGA is one of the most culturally diverse areas in Australia with the 51.5% of residents born overseas and primarily from non-English speaking countries. Residents in Fairfield LGA represent over 130 different countries and the diversity of backgrounds in Fairfield LGA is reflective of historical settlement patterns.

Between 1996 and 2006, Vietnam remained the most dominant country of birth other than Australia, representing 13.6% of all residents or almost 25,000 people. Other key cultural groups include Iraq, (5.8%), Cambodia (3.6%), Italy (2.6%) and China (2.1%).

The majority of those born overseas (58.3%) arrived before 1991 and therefore have generally established themselves within the community.

Between 1996 to 2006, Fairfield LGA experienced an increase in people born in New Zealand (+595 people) and a decrease in people who originated from Italy (-1,302 people), China (-642 people) and the Philippines (-524 people).

It is also noted that Fairfield LGA is home to more refugees than any other LGA in Australia. Many of these refugees are from non-English speaking backgrounds. As a result, many people within the LGA have problems with English.

### 3.1.5 Household Structure

In 2006 there were 55,846 households within Fairfield LGA, averaging 3.2 persons per household. Couples with children households are the most prominent representing 25,414 households or 45.5% which is slightly higher than that of both the WSROC region (41.8%) and Sydney SD (36.8%). The majority (61%) of couples with children have children aged under 15 years, suggesting a large proportion of young families within the LGA.

Just under one fifth of households in Fairfield LGA are couples without children (10,722 households or 19.2%) and one parent families (10,115 households or 18.1%). Lone person households (8,339 households or 14.9%) also comprise a significant proportion of Fairfield LGA households.

A greater proportion of one parent families were located in Fairfield LGA (18.1%) than the WSROC region (13.6%) and Sydney SD (11.7%). While Fairfield LGA comprised a lower proportion of lone person households (14.9%) and couples without children (19.3%) when compared to WSROC (17.7% and 21.8% respectively) and Sydney SD (16.2% and 24.8% respectively).

The most significant change in household groups between 1996 and 2006 was the loss of couples with children households, this group decreased by 2,708 households (11% loss), with the greatest decrease occurring with couples with children under 15 years old (-3,639 households; 19% loss). Similar trends were observed in both the WSROC region and Sydney SD which suggest an ageing population.

Between 1996 and 2006, there was growth in other household groups including one parent families (+2,479 households); couples without children (+419 households) and lone person households (+1,673 households) resulting in substantial changes in the household structure of Fairfield LGA. This change generally suggests an increase in smaller household sizes. The changes are portrayed in Table 3.1.2 below.

Table 3.1.2 Household structure Fairfield LGA, 1996-2006

	1996				2006			Change	
	No.	%	WSROC %	Sydney SD %	No.	%	WSROC %		
Couples with children	28,122	52.6	45.7	n/a	25,414	45.5	41.9	36.8	-2,708
Couples without children	10,353	19.4	21.8	n/a	10,772	19.3	21.8	24.8	419
One parent families	7,636	14.3	12.8	n/a	10,115	18.1	13.7	11.7	2,479
Lone person households	6,666	12.5	16.2	n/a	8,339	14.9	17.7	23.1	1,673
Group households	1,195	2.2	2.8	n/a	1,076	1.9	2.4	4.2	-119
TOTAL HOUSEHOLDS	53,452	100	100	n/a	55,846	100	100	100	2,394

Source: Fairfield City Council Community ID (2008) and HASSELL 2008

### 3.1.6 Household Income

Household income is analysed through quartiles to remove the impact of wage level fluctuations and inflation changes over time. The quartiles are calculated on the distribution of household incomes in the Sydney SD.

In 2006, 16.6% of Fairfield LGA households were in the 'highest' income group (\$107,007 + per annum), which is significantly less than that in WSROC and Sydney SD where between one fifth and one quarter of households (19.4% and 25% respectively) earned a high income.

While more than a third (35.2%) of Fairfield LGA households were in the 'lowest' income group (nil to \$31,066 per annum), which is significantly higher than that in WSROC (27%) and Sydney SD (25%).

Within Fairfield LGA, 28.8% were in the medium lowest' income group (\$31,067-\$59,985 per annum) and 23.4% were in the 'medium highest' income group (\$59,968-\$107,006 per annum) compared to 26.9% and 26.8% for the WSROC area respectively.

### 3.1.7 SEIFA Index

The SEIFA Index of Disadvantage 2006, is an index based on values such as low income low educational attainment, high unemployment, housing tenure, jobs in relatively unskilled occupations and variables that reflect disadvantage rather than measure specific aspects of disadvantage (e.g., Indigenous and Separated/Divorced). Based on Local Government Areas in the Sydney SD, Fairfield LGA had the lowest SEIFA index of 876.1 (5th lowest in NSW), within the metropolitan area. The average score across Sydney is 1000 and values above this reflect lower levels of disadvantage while lower than that indicates high disadvantage.

The WSROC region is eleventh in the index of Local Government areas with 981.6. Lower values indicate higher disadvantage in an area with respect to the criteria listed above. This means that Fairfield LGA is considerably more disadvantaged than the WSROC region.

### 3.1.8 Education

Fairfield LGA has a smaller proportion of people holding formal qualifications (25.6%) when compared to WSROC (36.9%) and Sydney SD (43%).

Of those Fairfield LGA residents with qualifications the highest proportioned had a vocational qualification (12.8%) followed by a bachelor degree or higher (7.5%) and then a diploma qualification (5.3%). A similar trend was evident in WSROC where more people had a vocational qualification (16.2%) than other qualification types (bachelor or higher qualification 13.7%, diploma qualification 7%). However in Sydney SD a higher proportion of people had a bachelor or high degree (20%) compared to other qualifications (vocational qualification 14.9%; diploma qualification 8.1%).

### 3.1.9 Workforce

In 2006, the workforce of Fairfield LGA comprised of 73,119 people, with 60.2% being employed full time which is similar to that of the WSRoc region (62.9%) and the Sydney SD (63%). There were a smaller proportion of people in employment and a larger number of people unemployed in Fairfield LGA compared to WSRoc and Sydney SD. Unemployment is higher in Fairfield (10.6%) than in the WSRoc region (6.6%) and Sydney SD (5.3%).

Between 1996 and 2006, the number of people in the work force decreased by 3.9% in Fairfield LGA. The number of people employed from 1996 to 2006 increased by 1,714 and those people and the number of unemployed people decreased significantly by 4,657.

Labour force participation rates relates to the proportion of the population over 15 years of age and employed or actively seeking employment. This is used as an indicator of economic growth and well being from paid work. Fairfield LGA had a smaller proportion of persons in the workforce (52%) when compared to WSRoc (59.8%) and Sydney SD (60%).

#### 3.1.10 Employment Characteristics

During 2006, the dominant industry sectors in Fairfield LGA were manufacturing (20.7%), retail trade (15.1%) and property and business services (9.2%).

From 1996 to 2006, Fairfield LGA has seen significant changes in the job types held by its population. The most significant of these being the decline of jobs held in manufacturing (-2646 people) and the increase of people working in retail trade (+1041 people). Property and business services and health and community services saw an increase in people (+999 and +788 people respectively).

#### 3.1.1 Car Ownership

During 2006, car ownership in Fairfield LGA was at 78.8% of households owning at least one car. This is slightly lower than the WSRoc region at 81.5% but comparable to that of Sydney SD (78.1%). Within Fairfield LGA over one third of households owned one car (34.6%) compared to two cars (29.5%) or three cars (14.7%).

Within Fairfield LGA 12.6% of households, or 7,061 households do not own a car.

#### 3.1.12 Journey to Work

During 2006, there were 8,216 people (12.6%) in Fairfield LGA catching public transport to work compared with a much larger amount of people who drove in private vehicles as either a passenger or driver (47,437 people). This is similar to that of the WSRoc region where 13.6% of residents used public transport.

Between 1996 and 2006 in Fairfield LGA, there were considerable changes between the number of people driving to work and those as passengers in a car. Those driving to work increased by 3,022 people and those travelling as a passenger decreased by 828 people. Those people working at home also decreased by 595 people.

### 3.1.13 Implications for Future Housing

The review of the current population of Fairfield LGA has revealed the following issues which will have implications for future housing in the LGA:

- The population of Fairfield LGA has experienced little growth over the past decade and it is likely that this trend will continue. However since 1996, there has been key changes in the age structure of Fairfield LGA, a decreased number of young people (-11,873 people) and increased number of middle age and older people (+9,998 people). This trend is slowly transforming Fairfield LGA from a predominantly young population, to one which has a greater spread of age groups.
- Changes in the age structure have manifested in the household types in Fairfield LGA. Losses of a family with children households and increases in lone person households are indicators of an ageing population. Other challenges faced by Fairfield LGA is an increase in lone parent households, which have a high proportional representation when compared to WSRoc and Sydney SD. These changes in households will have an impact on the types of dwellings required to meet the needs of the current Fairfield LGA. This will be explored further through the Housing Needs Analysis.
- Fairfield LGA is a highly diverse population with 51.5% of people born overseas, particularly from Vietnam and Iraq. In terms of housing, these groups have a variety of housing needs which are sometimes different to those 'traditional' housing needs, such as multiple families or generations residing in a single house, creating demand for larger homes, with other cultural and religious beliefs influencing housing choice.
- Fairfield LGA contains a high proportion of low income households and also a high proportion of disadvantaged households. This has a number of implications on the provision of future housing such as housing affordability and ensuring all groups have access to housing which is within their economic means (further discussed in Section 3.4).
- In terms of employment, there is a high level of unemployment within the LGA (10.6%) and therefore access to education and employment opportunities is important. A Residential Development Strategy can assist somewhat in ensuring that future housing is located near employment opportunities or areas with good transport links to employment and education areas.
- The car ownership figures suggest that Fairfield LGA is a car dominated environment, this is particularly so in the western half of the LGA which is a lower density urban environment. High car dependence is discussed further in Section 04 Urban Issues and can result in a number of unsustainable issues such as environmental, health and affordability issues. The location of future housing in proximity to employment, public transport, education and services will reduce car dependency.

## 3.2 POPULATION PROJECTIONS

An understanding of future population projections is central to enabling the appropriate and timely provision of a range of housing types. A review of the future growth scenarios of Fairfield LGA is provided below, taking into account the population projections to 2031 released by the NSW Ministry of Transport (2005)\* and also the dwelling targets established in the Draft West Central Subregional Strategy (2005)\* and also the dwelling targets established in the Draft West Central Metropolitan Strategy, which provides for the detailed planning and implementation of the Sydney Metropolitan Strategy across the Fairfield LGA and surrounding areas.

According to the Sydney Metropolitan Strategy (2005), Sydney will require almost 640,000 additional dwellings over the next 25 years just to cater for the housing demands of the existing population and taking into account factors such as an ageing population and shrinking household sizes. Within the West Central Subregion, which includes Fairfield, Parramatta, Bankstown, Auburn, and Holroyd, it is envisaged that there will be a need for an additional 95,500 dwellings.

For the purpose of this RDS, the NSW Department of Planning's population projections have been used in order to reconcile anticipated population growth with the dwelling target for Fairfield LGA and further understand the types of dwellings required to support the future population.

### 3.2.1 Population Trends to 2031

The NSW Department of Planning's population projections identifies that there will be minimal population growth within Fairfield LGA over the next 25 years as shown in Table 3.2.1. This is consistent with the Fairfield LGA population trends since 1991 which has seen little or no population growth, associated with the ageing population and loss of young families in the local area. The anticipated growth rate for Fairfield LGA over the next 25 years is 0.03% per annum and equates to an additional 1,219 people during the period of 2001–2031 or a total population of 188,372 persons.

The projections are based on data available at the time and it is noted that 2005 NSW Department of Planning release projected 187,153 people in 2006 which was not actually achieved with the ABS Census 2006 recording 179,931 people in that year. However, the key trend from the projections is that there will be minimal population growth through to 2031 which is consistent with past trends.

As shown in Figure 3.2.1, the 2006 age structure is weighted heavily towards the younger age groups, reflective of a large number of young families present in the local area. However as previously noted, the maturation of the current population and low influx of younger people will result in a significant ageing of the population. By 2031 this trend will have manifested and result in the significant restructure of the age groups within the LGA. The most significant changes will be:

- Loss of 3,191 people aged 20–24 years old. This is a highly transient age group and they may return to the LGA at a later point.
- Significant increase in people aged 70–74. This group may be looking for new, smaller housing formats or specialised aged housing services or may wish to continue to reside in their home.
- Significant increase in people aged 85+, this group will increase by 8.6% per annum placing increasing pressure on specialised services, care and housing for older people.

Figure 3.2.1: Fairfield LGA Population by Age Groups, 2001 and 2031

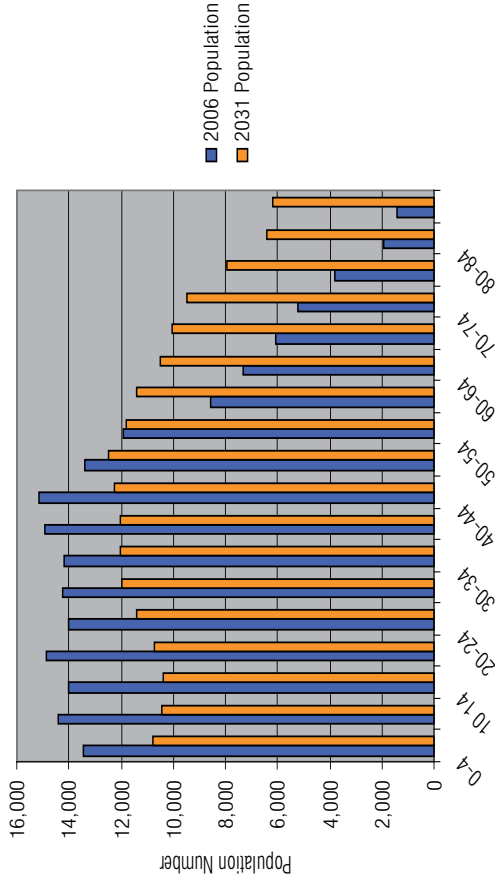


Table 3.2.1: Fairfield LGA Population by Age Groups, 2001 to 2031

Age	Estimated Resident Population – ERP (as at June end of each year)							Change: 2006 - 2031	% growth p.a.
	2001	2006	2011	2016	2021	2026	2031		
0-4	13,449	12,758	12,231	11,694	11,415	11,135	10,799	-1,959	-0.6%
5-9	14,406	12,206	11,821	11,296	10,877	10,660	10,422	-1,784	-0.6%
10-14	14,038	13,380	11,875	11,437	10,983	10,610	10,411	-2,969	-0.9%
15-19	14,838	13,480	13,223	11,922	11,497	11,055	10,697	-2,783	-0.8%
20-24	14,023	14,611	13,520	13,187	12,244	11,838	11,420	-3,191	-0.9%
25-29	14,247	13,583	14,006	13,206	13,015	12,351	11,947	-1,636	-0.5%
30-34	14,187	13,425	12,983	13,135	12,677	12,511	12,008	-1,417	-0.4%
35-39	14,936	13,067	12,911	12,421	12,585	12,232	12,054	-1,013	-0.3%
40-44	15,149	14,039	12,981	12,857	12,450	12,573	12,259	-1,780	-0.5%
45-49	13,406	14,207	13,653	12,840	12,787	12,390	12,474	-1,733	-0.5%
50-54	11,943	12,332	13,235	12,874	12,270	12,200	11,825	-507	-0.2%
55-59	8,576	10,916	11,327	12,193	11,966	11,454	11,384	468	0.2%
60-64	7,336	7,768	9,903	10,315	11,126	10,946	10,517	2,749	1.4%
65-69	6,079	6,562	7,127	9,044	9,442	10,181	10,063	3,501	2.1%
70-74	5,235	5,411	5,996	6,621	8,414	8,789	9,497	4,086	3.0%
75-79	3,811	4,468	4,696	5,304	5,971	7,579	7,971	3,503	3.1%
80-84	1,953	2,977	3,529	3,781	4,375	5,020	6,430	3,453	4.6%
85+	1,422	1,961	2,875	3,713	4,357	5,177	6,198	4,237	8.6%
Total	189,034	187,153	187,892	187,841	188,452	188,704	188,372	1,219	0.03%

Both figures source: NSW Department of Planning: NSW Population projections by SLA, 2005 release

\*The 2005 release has been used for this RDS as the detailed projections for the 2008 release were not available at the time of writing the RDS. It is noted that there is a minor discrepancy between the actual population as recorded by the 2006 ABS Census and that used for the population projections for 2006. This discrepancy is due to the 2005 Ministry of Transport projections relying on growth trends from 1996 and 2001 to estimate the population for 2006, which estimated a slightly higher growth rate than what was actually achieved. As required by the Department of Planning, the RDS will be reviewed every five years to take into account revised population counts and projections.

### 3.2.2 Dwelling Demand to 2031

The changing nature of age groups within Fairfield LGA has serious implications on the demand and requirements of additional dwellings across the LGA. The NSW Department of Planning's Draft West Central Subregional Strategy (2007), has projected that Fairfield LGA will require an additional 24,000 dwellings over the next 25 years or a 1.5% increase in dwellings per annum. This dwelling target is the highest within the West Central Subregion which has an overall dwelling target of 95,690 dwellings by 2031.

The dwelling assumptions were determined by using the NSW Department of Planning's METRIX Tool and in consultation with Councils. The dwellings number also recognise projected changes in housing demand, derived from ABS population projections and NSW Department of Planning's small area population projections. The dwelling targets have been reviewed and reconciled with the population projections as part of this RDS. Further detail is provided in the Fairfield RDS Background Reports.

With no additional population growth projected in Fairfield LGA over the next 25 years, the majority of demand for additional dwellings within Fairfield LGA will come from changes and restructuring of the existing population. This is an important implication, as there is a broader assumption from consultation that increased dwelling demand will be fuelled by population growth.

Overall these factors will change the housing sizes and therefore requirements of the existing population and impact the average household size which currently stands at 3.3 persons per household. The review of existing dwelling trends illustrated that average household size consistently fell every 5 years from 1996 due to the gradual decline in household formation rates from 3.4 in 1996, 3.3 in 2001 and 3.2 in 2006.

#### 3.2.2.1 Future Dwelling Scenarios

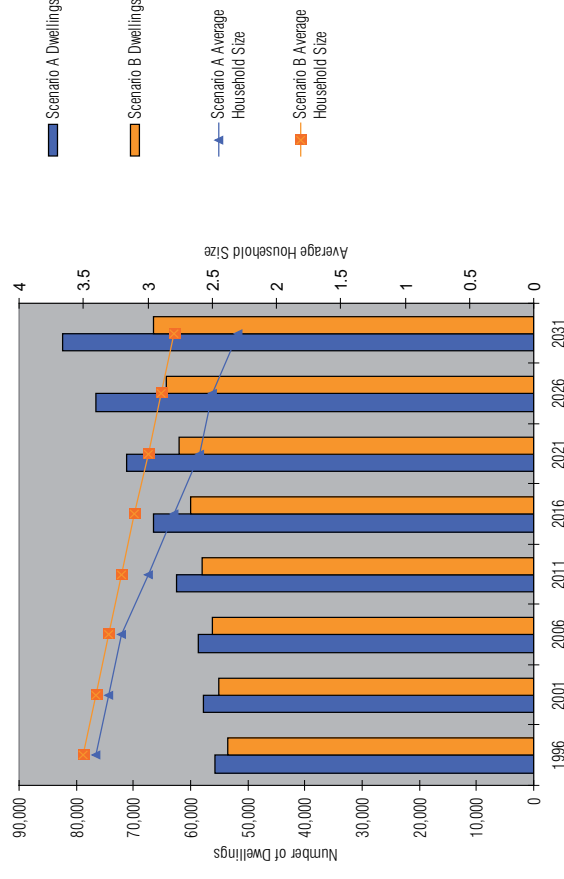
Two scenarios have been developed to further understand the impact of declining household sizes and the resulting demand for additional dwellings:

- Scenario A sees a more prominent decline in household sizes to an average of 2.3 people per dwelling by 2031. This Scenario will come close to the Department of Planning's target of 24,000 additional dwellings for Fairfield LGA.
- Scenario B is a more conservative decline in household sizes to an average of 2.8 people per dwelling by 2031. Under this scenario there will be demand for an additional 10,000 dwellings by 2031.

Each of these scenarios are shown in Figure 3.2.2.

The RDS needs to be able to ensure that should a higher growth scenario occur, that Fairfield LGA will have the dwelling capacity to accommodate this growth but is also designed to be flexible enough to cater for either dwelling scenario. It is recommended that these population and dwelling projections are reviewed and revised following the 2011 ABS Census.

Figure 3.2.2: Scenario A and Scenario B Additional Dwellings in Fairfield LGA to 2031



Source: Jones Lang La Salle 2008

### 3.2.3 Implications for Future Housing

The review of the future population projections for Fairfield LGA has revealed the following issues which will have implications for future housing in the LGA:

- Future population growth will be minimal with only an additional 1,219 people anticipated by 2031 bringing the total population to 188,372 people.
- The population of Fairfield LGA will continue to age, further reducing the proportion of younger people and increasing the proportion of older people. This has a range of implications of the types of dwellings and services required by the future population.
- Future dwelling demand will be stimulated by a decreasing household size as there will be minimal population growth and a decreased number of younger people.
- The dwelling target of 24,000 additional dwellings by 2031 is in line with anticipated dwelling demand, which sees average household size declining to 2.3 people per household by 2031.

The Housing Needs Analysis in Section 3.5 explores these issues further.

### 3.3 LOCAL HOUSING MARKET

This section provides insights into the key housing trends within Fairfield LGA and compares the Fairfield LGA with surrounding regions such as Inner Western Sydney, Central Western Sydney, Outer Western Sydney and Sydney Statistical Divisions. Consideration has also been given to local housing within key centres in the eastern half of the LGA being: Cabramatta, Fairfield, Canley Vale, Villawood, Fairfield Heights and Canley Heights. Further information is provided in the Fairfield RDS Background Reports Document.

#### 3.3.1 Current Housing Trends

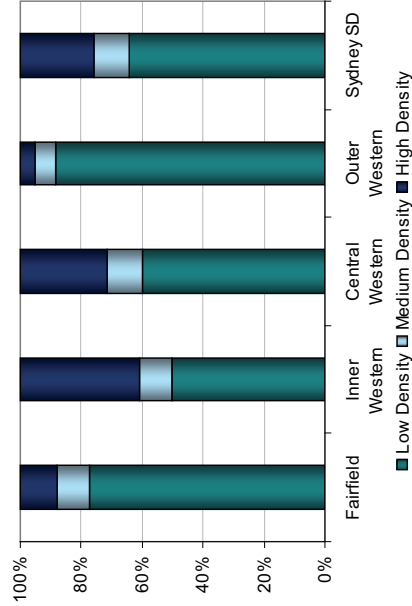
The following information is derived from the 2006 ABS Census and work prepared by Jones Lang La Salle and provides a snapshot of the most recent housing trends. As per the ABS classifications, low density refers to separate dwellings, medium density refers to semi-detached dwellings and terraces, and high density refers to flats and units.

##### 3.3.1.1 Dwelling Types, Fairfield LGA and Surrounding Areas

Fairfield LGA dwelling landscape is dominated by low density dwellings which account for 77.1% of all dwellings and a relatively small number of medium density dwelling (10.7%) and high density dwellings (11.9%) (refer Figure 3.3.1).

When compared to the Sydney SD, there is a greater proportion of low density dwellings (63.6% in Sydney SD), a comparable proportion of medium density dwellings (11.8% in Sydney SD) and a lower proportion of high density dwellings (23.9% in Sydney SD). The dwelling mix of Fairfield LGA sits between Outer Western Sydney, which is primarily a low density area (87.8% low density), and Central Western Sydney which has a high proportion of high density dwellings (28.2%).

Figure 3.3.1 Dwelling types in Fairfield LGA and surrounding LGAs

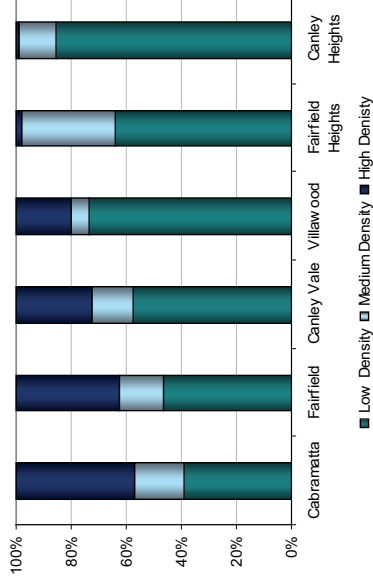


Source: Jones Lang La Salle 2008

##### 3.3.1.2 Dwelling Types within Fairfield LGA

Figure 3.3.2 outlines the nature of dwelling types for town centres within the eastern half of Fairfield LGA. The largest centres within the Fairfield LGA, such as Cabramatta and Fairfield, have a high proportion of high density housing stock and smaller proportion of low density housing stock when compared to the Fairfield LGA averages. In Cabramatta 42.9% of stock is high density and 38.8% is low density. In the Fairfield town centre it is 37.5% and 46.5% respectively. Significantly, there is a relatively low proportion of medium density housing stock in these centres, which may suggest a low mix of housing types (Cabramatta 18%; Fairfield 15.4%).

Figure 3.3.2 Dwelling types in Fairfield LGA



Source: Jones Lang La Salle 2008

Note: The dwelling figures for Villawood include dwellings within the suburb but outside the Fairfield LGA.

Within the eastern half of the LGA, smaller centres tend to have a greater proportion of low density housing (Villawood, 72.7% and Canley Heights 85%). However there is greater variance in the amount of medium density housing stock in smaller centres. Fairfield Heights has a significant proportion of medium density stock (34.4%) and a very small proportion of high density stock (1.9%); where as in Villawood the reverse is true (6.4% medium density and 20.4% high density).

##### 3.3.1.3 Changes in Dwelling Type

Between 1996 and 2006 there has been a number of key changes in the types of new dwellings in the Fairfield LGA housing market. Overall, the greatest number of new dwellings have been low density (+1,525), the development of low density dwellings are generally associated with release of greenfield land.

The provision of new medium and high density dwelling stock has been highly varied and likely to be associated with land use zoning and market preferences. For example, between 1996 and 2001 there were an additional 1,070 medium density dwellings but zero high density dwellings. Then between 2001 and 2006 the trend changed and there were only 177 medium density dwellings but 362 new high density dwellings which were primarily located in the Fairfield Town Centre.

Table 3.3.1: Changes in Dwelling Stocks 1996-2006 Fairfield LGA

	Low Density		Medium Density		High Density	
	Stock	Addition p.a.	Stock	Addition p.a.	Stock	Addition p.a.
1996	40,045	n/a	4,449	n/a	6,079	n/a
2001	41,169	1,124	5,519	1,070	6,079	0
2006	41,570	401	5,696	177	6,441	362

Source: Jones Lang La Salle 2008

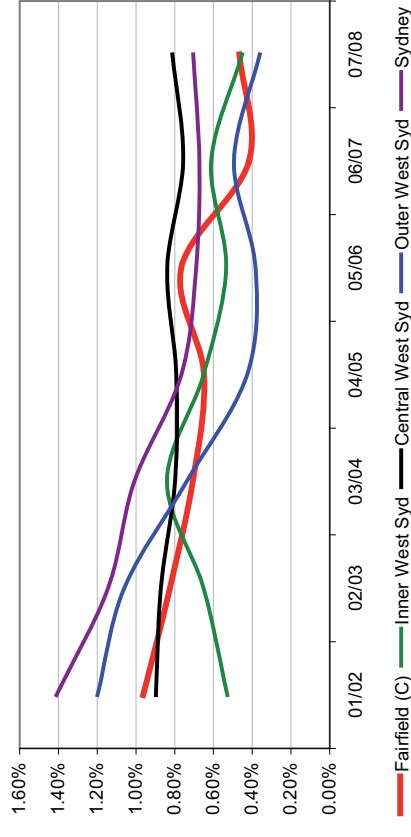
### 3.3.1.4 Dwelling Production

ABS building approval data has been used as an alternative measure of dwelling supply for the Fairfield LGA. Over the last seven years, the number of building approvals in the Fairfield LGA has significantly declined. In 2001/2002 there were 269 dwellings approved in Fairfield LGA and by 2007/2008 this reduced to 166 dwellings approved.

In proportion to the total housing stock of the Fairfield LGA, in 2001/2002 new dwellings represented 0.96% of all dwellings and by 2007/2008 they accounted for 0.47% of all dwellings.

The Sydney SD has also experienced some decline in housing production but not as significant as that what has occurred in Fairfield LGA. On a comparative basis, in 2001/2002 new dwellings accounted for 1.41% of all dwellings and by 2007/2008 they accounted for 0.7% of all new dwellings. As shown in Figure 3.3.3 below, housing production across regions within Sydney SD have all had a similar downturn in housing production.

Figure 3.3.3 Building Approvals (Single Dwellings) as a % of Existing Stock, Fairfield LGA



Source: Jones Lang La Salle 2008

### 3.3.1.5 Dwelling Costs

Fairfield LGA is one of the most affordable housing markets within the Sydney SD. The average monthly rental costs in 2006 was \$780 and mortgage costs were \$1500 which is relatively low when compared to monthly rents of \$997 and mortgage costs of \$1700 in the Central Western region of Sydney. However, given the relatively low incomes within Fairfield LGA, the mortgage costs represent 37% of family income within Fairfield LGA, comparable with 31% for Sydney SD. Rental costs for Fairfield LGA are similar to Sydney SD at 19% of family income.

Within the LGA, housing costs are an issue in Villawood, Fairfield and Fairfield Heights for mortgagees with all paying over 40% of household income on mortgage repayments (refer Figure 3.3.4). It should be noted that households paying more than 30% of household income on housing costs are considered to be in housing stress. This is further discussed in Section 3.4 Housing Affordability.

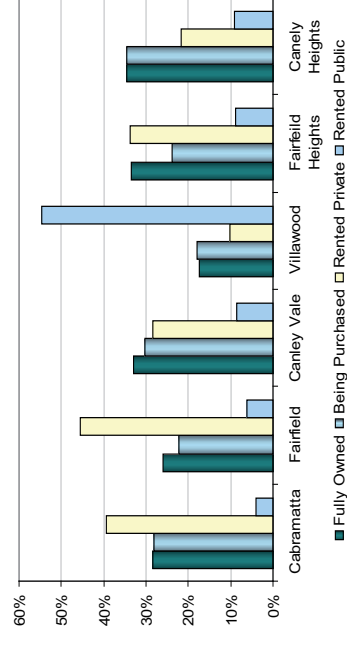
### 3.3.1.6 Dwelling Tenure

There is a range of tenure types in Fairfield LGA. In 2006, 33.4% of households fully owned their dwellings, 31.8% had a mortgage and 30.7% rented. It is also worth noting that 7.7% of dwellings were rented from a state or territory housing authority.

The tenure mix is similar to that of Sydney SD, however the Sydney SD has a significantly lower proportion of dwellings which are rented from a state or territory housing authority (4.8%). There is also a lower proportion of mortgages than that of Outer Western Sydney which is typified by high levels of greenfield development (42.1% of households have a mortgage).

Tenure mix has also been explored across the Fairfield LGA (Figure 3.3.4). Cabramatta and Fairfield are dominated by private rentals (39% and 45% respectively), where as in Villawood the majority of households (55%) are governmental rental (dwellings rented from a state or territory housing authority). In smaller centres, which as previously identified have a lower density dwelling environment, there is a more even spread between the main tenure types of fully owned, rented and mortgages.

Figure 3.3.4 Dwelling types in Fairfield LGA



Source: Jones Lang La Salle 2008

Note: The dwelling figures for Villawood include dwellings within the suburb but outside the Fairfield LGA.



### 3.3.2 Supply and Demand

#### 3.3.2.1 Supply of Housing

Investigations into the supply of housing is based on a review of identified future developments with approvals from Reed Construction Data and identifies where each of the dwellings are in the development cycle from 'possible' to 'commenced'.

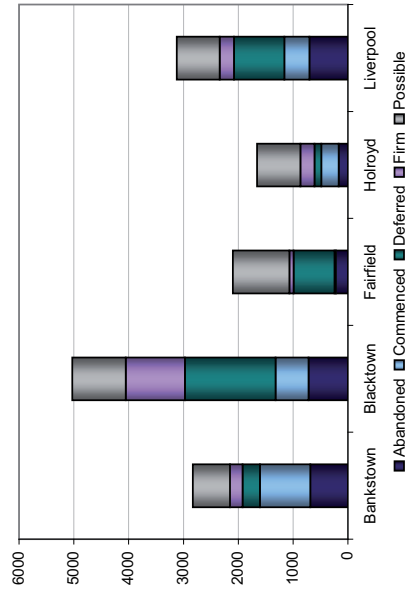
As shown in Figure 3.3.5, within Fairfield LGA of all dwellings which have been approved approximately half (54%) are likely or have gone ahead (classified as possible, firm or commenced) and 45.9% are unlikely to proceed (classified as deferred or abandoned).

When compared to surrounding LGAs, Fairfield LGA has a significantly smaller proportion of commenced and firm projects and a relatively high proportion of deferred projects. This suggests that Fairfield LGA may not be as favourable for developers when compared to surrounding LGAs.

Within Fairfield LGA, the new housing approvals have been located within the suburb of Fairfield where there are 14 proposals for primarily mixed development and are estimated to yield in total 659 dwellings. Other areas with high number of new dwelling proposals include Villawood (509 potential dwellings), Bonnyrigg (303 potential dwellings) and Canley Vale (114 potential dwellings).

Overall, the supply of housing appears to be relatively constrained across the entire LGA with many developments not going through to completion.

Figure 3.3.5: Residential Supply - Fairfield LGA and Surrounding Areas



Source: Reed and Jones Lang La Salle 2008

#### 3.3.2.2 Demand for Housing

The demand for housing is derived from an analysis of median sales prices and the number of sales over the past eight years. Generally increases in sale prices and number of sales reflects an increase in demand.

In Fairfield LGA, demand for housing peaked in 2004 when the average house price was \$385,000, house prices have since declined by 11% to \$340,000 in 2007 (refer Figure 3.3.6). The sale prices for strata units have followed a similar trend, suggesting a lessening demand for housing within the LGA.

In terms of number of dwellings sold, sales volumes for both houses and strata units peaked in 2001 at 3,355 house sales and 1,483 strata unit sales. Since 2001 sale volumes have fluctuated and since declined. There was small market uplift in 2006 before a sharper decline in 2007.

Both house and strata unit prices and turnover have followed similar trends to that of the surrounding regions (ie Central Western Sydney; Outer Western Sydney). However, sale prices for houses and strata units within Fairfield LGA have generally been at the lower end of the market, confirming that Fairfield is a more affordable housing market.

Within the eastern centres in Fairfield LGA, house prices are generally consistent, with the highest turnover most recently in Villawood and Fairfield Heights. The strata unit market is much more varied and may reflect a premium or increased demand for new strata developments. Analysis of median unit prices shows that there is a premium, or increased demand, for units in Fairfield and Canley Heights over Canley Vale and Cabramatta (refer Figures 3.3.7 and 3.3.8).

Overall for the LGA, the lower median sale price combined with the decreased number of sales in Fairfield LGA suggests this residential market has weakened since 2004.

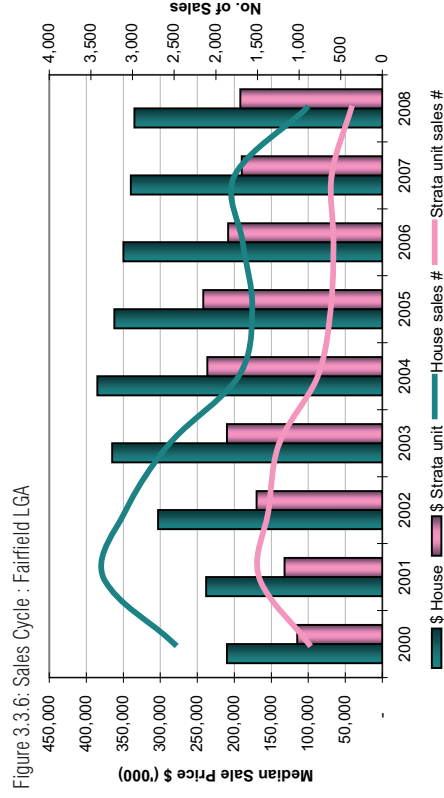
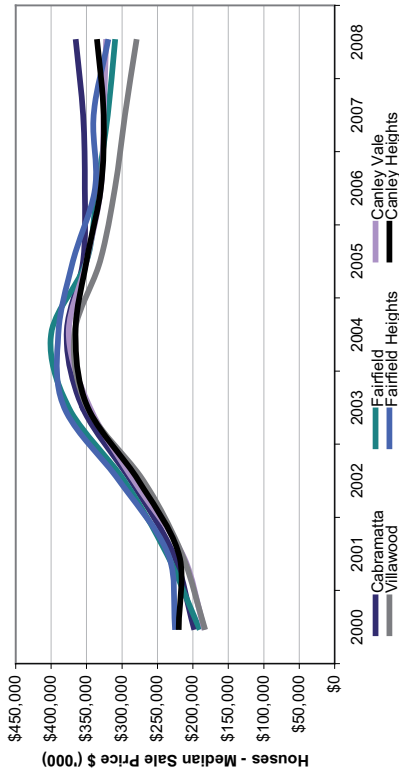


Figure 3.3.6: Sales Cycle - Fairfield LGA

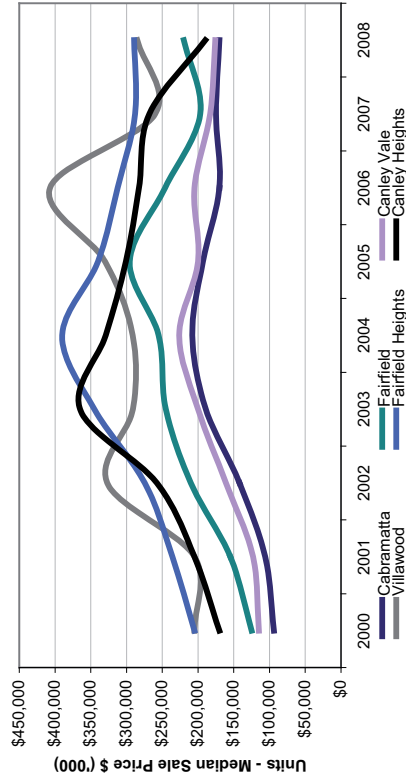
Source: RP Data and Jones Lang La Salle 2008

Figure 3.3.7 Median House Prices, Fairfield LGA



Source: Jones Lang La Salle 2008

Figure 3.3.8 Median Unit Prices, Fairfield LGA



Source: Jones Lang La Salle 2008

Note: Data set for Villawood is limited and therefore results may be skewed.

### 3.3.2.3 Summary of Housing Supply and Demand

A summary of the key trends and findings of the supply and demand analysis are:

- Within Fairfield LGA supply has been generally limited as almost half of all developments have been either deferred or abandoned. This suggests a lack of developer confidence in the Fairfield housing market.
- Since 2004 house and strata unit (medium/high density dwellings) prices have been on a downward trend, suggesting a reduced demand for housing within the LGA.
- Generally house prices have been more consistent across Fairfield LGA than strata unit (medium/high density) prices. This may be as new units are generally located closer to centres and there is a premium attached to some centres over others.
- Overall, the Fairfield LGA housing market appears to be rather weak, with low development and sale activity.
- The weak residential market is likely to be linked with the overall low value of dwellings within Fairfield LGA. Whilst this ensures that Fairfield LGA provides an important source of housing for many households within the metropolitan region, it creates difficulties for stimulating new renewal and development. The issue of viability of new developments is explored further in the following section.

### 3.3.3 Financial Indicators and Analysis

Two analyses have been undertaken to further understand the Fairfield LGA housing market and in particular, to identify opportunities to stimulate new development in the local housing market and assist Fairfield LGA deliver an additional 24,000 dwellings by 2031. As seen through the supply and demand analysis, the housing market is currently rather weak and further analysis can assist in identifying the type of dwellings which may have the greatest likelihood of success in Fairfield LGA and also review how the existing LEP has delivered residential development. It should be noted that these analysis are focussed on current and short term development but have little influence on mid to long term development which is the primary focus of this Residential Development Strategy.

The *Sydney Metropolitan Strategy: City of Cities (2005)* requires that 60-70% of the future dwelling target is met through renewal of existing urban areas. In areas such as Fairfield LGA where there is limited land for greenfield development, this figure may be higher. As such the focus for Fairfield LGA will be directing this future dwelling growth to the existing urban area. There is also general consensus in state and local planning policy that new growth should be directed to areas which are located near public transport links and an array of existing services and infrastructure, as such the eastern half of Fairfield LGA is the focus for initial investigations in meeting the dwelling target.

#### 3.3.3.1 Short Term Market Viability

Broader research across Western Sydney by Randolph et al (2008) demonstrates the difficulty in stimulating renewal in low valued and established areas, such as the eastern half of the Fairfield LGA. The following section provides a more detailed analysis of short term market viability in the centres of Cabramatta, Canley Heights, Canley Vale, Fairfield, Fairfield Heights and Villawood. For each centre a hypothetical development was undertaken for the following residential development types being duplex, townhouse, 3 storey walk up and 4+ storey high rise. It should be noted that current zoning provisions were not taken into account and analysis was used to determine the most viable residential housing option without zoning restrictions. More detail on the market viability analyses is provided in the Fairfield RDS Background Reports document.

The short term market viability analysis specifically takes account of the end values or theoretical selling prices for each of the dwelling types contemplated. All costs such as construction, finance, holding charges and profit / risk, are then deducted at the times they occur. After including the land purchase price (derived from analysing recent development site sales) an Internal Rate of Return (IRR) is derived for the project. Each of the assumptions are outlined in the Fairfield RDS Background Reports document.

A summary of the projected returns (internal rates of return) from the feasibility analysis is provided in Table 3.3.2.

Table 3.3.2 Internal Rates of Return by Development Type, Fairfield LGA

	Dual Occupancy	Duplex/Townhouse	3 Storey walk up	High rise (4+ storey)
Cabramatta	-90%	-38%	-13%	-49%
Canley Heights	-110%	-47%	-11%	-45%
Canley Vale	-99%	-40%	-15%	-49%
Fairfield	-99%	-47%	-3%	-35%
Fairfield Heights	-93%	-41%	1%	-31%
Villawood	-109%	-55%	-20%	-78%

Source: Jones Lang LaSalle 2008

Based on the above analysis, none of the hypothetical developments are viable in the current local housing market. This supports the findings in Section 3.3.2.1 where there was a limited supply of housing as many developments were being deferred or abandoned- a symptom of a unviable housing market.

Based on this economic analysis only, the most viable development in the current market is 3 storey walk up flats in Fairfield Heights and this is still not within normal market parameters which generally require a 25%-30% return on developments. Key value drivers for 3 storey walk up flats that increase viability include the cost savings on below ground car parking, no lift being required and the large degree of acceptance in the LGA for this product.

However, whilst 3 storey walk up are the most financially viable, they generally do not provide a high quality development and have poor amenity both internally and externally, as seen with the numerous amount of 1970s 3 storey walk up development around Fairfield and Cabramatta centres. The financial viability of these may be more a reflection of the current housing market and may not be reflective of long term (25 year) trends.

Another key issue impacting viability in these existing centres is that currently existing low density housing stock is a similar sale price to medium or high density dwellings. Therefore a larger low density dwelling provides an appealing alternative to a smaller dwelling for a comparative price. Currently, the variation in value between new and existing product is not sufficient to encourage development.

It is notable that the short term market viability analysis does not take into account land use zone and current restrictions on height or density have not influenced the outcome of the analysis. Therefore, simply increasing the height and density controls through the land use zoning provisions within these centres may not necessary stimulate increased development within Fairfield LGA.

In summary, this short term market viability analysis should only be used as high level guide but confirms existing studies in the region that renewal and development in low valued suburbs and centres is unlikely to be viable in the short term due to low sale prices and limited returns on development.

### 3.3.3.2 LEP Performance

From field audits around the eastern centres it is apparent that the nature of the existing LEP was to provide abundant land with potential for increased density. There appears to be large amounts of residential land that is still utilised at relatively low densities such as single detached residences. There also appears to be many large sites that do not require significant lot consolidation effort.

Land throughout the locality is of a relatively homogenous nature without a significant variation that may occur in other areas across variables such as aspect, bushland access, water frontage etc. This factor combined with soft demand will mean the take up rate of higher density land will remain slow. It is unlikely that viability will increase on a scale sufficient to take up the existing zoned land. Other factors such as obsolescence and high physical depreciation may assist in redevelopment and take up over the short to medium term.

The take up of the previous LEP has therefore been limited with strong supply of higher density land remaining available for redevelopment. This may have the effect of eroding the strategy as control cannot be guided to sites that are most appropriate or stand the greatest chance of success.

### 3.3.4 Directions for Future Development

The findings of the Fairfield Local Housing Market Review are consistent with recent and on-going research undertaken by the City Futures Unit at the University of New South Wales into urban renewal in low valued suburbs (*Socially Inclusive Urban Renewal in Low Value Suburbs: A Synopsis of Issues and an Agenda for Action, 2008*) which was discussed in Section 2.1.1. In this work, which focussed on case studies in Cabramatta and Carramar, it was found that developments in low value suburbs such as those in Fairfield LGA are generally not economically viable and there was a need to assist the local housing market to deliver future housing product.

Some of the key constraints to development in the Fairfield LGA and similar low valued areas have been identified as:

*Viability issues:* As shown in the previous analysis, a range of residential developments are not financially viable within the short term in key centres within Fairfield LGA. There is concern that in the long term, this may limit the ability for the local housing market to deliver the required new dwelling stock to meet the needs of a changing population.

*Competition with existing low density stock:* The old dwelling stock of separate dwellings, particularly near centres is in high competition with new medium density stock and selling for similar prices, resulting in a minor price differential between medium density and low density housing stock. This dwelling stock is old and prime for redevelopment.

*Site assembly and amalgamation:* Much of the well located residential land around centres is occupied by three to four storey walk up flats fragmented in strata ownership. Many of these were built in the 1960s and 1970s and are coming to end of their economic life and are in need of renewal to accommodate the changing dwelling requirements of the Fairfield LGA population.

The Short Term Market Viability Analysis undertaken as part of this study has demonstrated that currently there is limited viability across all residential types. It is therefore important that a deliberate effort is made in ensuring that any future developments are provided with the greatest opportunity for success. This necessarily means managing supply to enable more orderly development. As noted by Randolph (2008) a more pro-active approach to managing supply and urban renewal is required, to this end it is proposed:

- Review and revise zoning around centres;
- Use detailed urban renewal master plans to provide a clear vision and framework for renewal within centres;
- Identify where sites can be amalgamated to provide larger and more viable development parcels;
- Develop a staging plan for centres which prioritises those centres with the greatest opportunity for success first;
- Review the opportunity for more effective use of under utilised land within or near centres;
- Work with the State Government (eg. Co-ordinator General) to promote a Development Authority or other mechanism to address the issue of land assembly and amalgamation;
- Develop programs and priorities to improving local amenity and open spaces to improve 'attractors' and amenity of areas.

The Fairfield LGA Residential Development Strategy is the starting point for achieving these objectives.

## 3.4 HOUSING AFFORDABILITY

The affordability of housing refers to the ability of individual households to secure housing which is appropriate to their individual needs and within their means to pay. Once housing costs exceed a household's means to pay, housing stress is experienced by that household.

The term affordable housing relates to a range of housing initiatives, which include:

- Social housing or housing that is managed by a government or community organisation;
- Regulated market housing for rent or purchase, and,
- Low-cost market housing.

When households cannot secure affordable housing, there can be a variety of implications on the social and economic well being of local government areas. For instance households paying increased housing costs can face financial stress, with a disproportional amount of the budget being used to cover housing, which in turn limits spending on other necessities such as food, health and education, as well as placing households at risk of losing their current accommodation.

At a community level, an adequate supply of affordable housing can generate positive social outcomes by enhancing social cohesion in a community by allowing people to remain in an area through all stages of life. The availability of affordable housing sometimes results in coping techniques for households facing affordability issues (such as frequently moving house) and assists in allowing people to remain in an area and on a variety of incomes which can contribute to vibrant communities.

From an economic perspective there are numerous incentives for the provision of affordable housing as identified by the Centre for Affordable Housing (2008) and Yates and Milligan (2007), which include:

- Ensuring there is housing for a diverse local workforce and accommodating people with the different skills required to serve and support communities, such as shop assistants, bus drivers, nurses, teachers, and construction workers;
- Meeting the needs of a growing number of smaller households living in high cost areas and particularly within inner urban areas;
- Provide direct economic benefits to the local community, including increased demand for goods and services, which in turn increases local employment opportunities, and,
- Promoting economic and social integration- ensuring that communities housing costs are not so high that they can't afford to meet education, transport and health costs.

### 3.4.1 Definitions of Housing Affordability

Part 1 Clause 4 of the NSW Environmental Planning and Assessment Act 1979 defines 'affordable housing' as meaning:

*'housing for very low income households, low income households or moderate income households, being such households as are prescribed by the regulations or as are provided for in an environmental planning instrument.'*

Those with higher incomes are generally viewed to have some degree of choice in the location, type and cost of their housing. The terms, very low incomes, low incomes or moderate incomes, have been used as a benchmark for affordable housing research in NSW. The NSW Centre of Affordable Housing have numerically defined these very low to moderate incomes, which are incomes up to 120% of the median household income may experience housing affordability issues depending on their circumstances (Centre for Affordable Housing 2008).

The NSW Centre for Affordability measures of affordability differ from the commonly accepted approach established by the National Housing Strategy 2008, which identifies that housing stress is experienced where moderate to low income households (those in the bottom 40% of household income quartiles) spend more than 30% of their income on housing costs.

For the purpose of this study, the NSW Centre of Affordable Housing definition of very low household incomes (earning 50% of the Sydney SD median income), low household incomes (earning 50-80% of the Sydney SD median income) and moderate household incomes (80-120% of the Sydney SD median income) will be used to provide consistency with NSW data and the Environmental Planning and Assessment Act 1979.

### 3.4.2 Housing Affordability in Fairfield LGA

Fairfield LGA is a very diverse community and supports a variety of low and middle income earners. As noted previously, Fairfield LGA is one of the lowest ranked LGA's on the SEIFA Index of disadvantage while also containing some of the most affordable housing for rental and purchase in the Sydney SD. Therefore Fairfield LGA should be viewed as an important source of affordable housing in the Sydney metropolitan area and has key role in providing housing for very low, low and moderate income earners.

The following section reviews the current affordability of housing in Fairfield LGA and also identifies locations within Fairfield LGA which are most impacted by affordability. It also draws together information published by the Department of Housing's Information on Fairfield Housing Market (2008). This information will be used to shape an affordable housing policy for Fairfield LGA.

It should be noted that this analysis only assesses the ability of very low, low and moderate income households to secure affordable housing and therefore has not assessed households with incomes above greater than 120% of the Sydney SD median household income of \$1,154 per week.

**3.4.2.2 Stock of Affordable Housing**

The NSW Centre for Affordable Housing provides data illustrating the proportion of rental and purchase housing stock that is considered affordable in Fairfield LGA with comparisons against the Sydney SD, Central Western Sydney SDD and Outer Western Sydney SDD. Further detail on each affordable housing measure is provided in the Fairfield RDS Background Reports Document.

*Fairfield LGA Purchase Housing Market*

The Fairfield LGA purchase housing market is significantly more affordable to low and moderate income households when compared to that of the Western Sydney Region and Sydney SD. In 2006 13% of housing stock was affordable to low income households and 33% affordable to moderate income households in Fairfield LGA where 0% was affordable in Sydney SD, 2% in Central Western Sydney SD and 3% in the Outer Western Sydney SD. This is reflective of the relatively cheap cost of housing in the local area.

It is notable that none of the purchase housing market (0%) is affordable to very low income households in Fairfield LGA or in any other location within the Sydney region. Very low income households are generally forced to rent or obtain public housing.

For moderate income earners 33% can purchase a dwelling in Fairfield LGA, where only 24% can purchase in Outer Western Sydney SSD, 20% in Central Western Sydney SSD and 13% in the Sydney SD.

*Fairfield LGA Rental Housing Market*

Fairfield LGA is one of the most affordable rental housing markets, particularly for very low income households, of which 36% of households can afford rental housing. This proportion is significantly higher than that of the Sydney SD (11%), Outer Western Sydney SD (22%) and Central Western Sydney SD (11%).

Within Fairfield LGA, the majority of low income households (72%) and nearly all of moderate income households (93%) are able to access the local rental housing market. This is higher than that of Sydney SD (35% low income households and 69% moderate income households) but more comparable to the Central Western SSD (69% low income households and 88% moderate income households) and the Outer Western SSD (51% low income households and 89% moderate income households).

**3.4.2.1 Housing Affordability Indicators**

Two indicators have been used to determine the affordability of housing within the Fairfield LGA and to determine how many households are impacted by housing affordability issues, the measurements used are:

- Stock of affordable housing
- Housing Stress (which is further examined by mortgage and rental stress)

Each of these indicators have been used to analyse those households most vulnerable to housing affordability, these are very low, low and moderate income households. As stated, the NSW Centre of Affordable Housing has numerically defined these households as those who earn up to 120% of the median household for Sydney SD which was according to the 2006 ABS Census, \$1,154 per week. Using this methodology, the income brackets of these household groups are shown in Table 3.4.1.

Table 3.4.1: Distribution of very low, low and moderate incomes in Fairfield LGA

Household Group	Definition (% of median income)	Sydney SD Weekly Income Range	Sydney SD Yearly Income Range	General Comments in Household Group
Very low income	0-50%	\$0-\$577	\$0-\$28,964	This group has a high and significant need for affordable housing and historically relied on institutional forms of housing. Any housing offered should be linked to support services and community networks.
Low income	50%-80%	\$578-\$923	\$28,964-\$47,996	This group is highly segmented by life stage and local housing market conditions. Some will need short term support to secure entry into the housing market whilst others will need assistance for a longer period of time as their situation is unlikely to improve.
Moderate income	80%-120%	\$924-\$1,384	\$48,048-\$71,968	Generally those whose incomes place them below the margin for entry into the local housing market, particularly in higher cost locations. May require some short term assistance to get established in to the housing market.

Source: Centre for Affordable Housing, Local Government Housing Kit Data Base accessed 05/08/08, ABS Census 2006 and HASSELL 2008

### 3.4.2.3 Housing Stress

Households paying more than 30% on income are considered to be in 'housing stress' whether it is rent or mortgage repayments.

Data from the Centre for Affordable Housing (2008) indicates that 12,205 very low to moderate income households in Fairfield LGA are currently in housing stress. This represents 57% of very low, low and moderate income households within the LGA and is comparable to surrounding regions and the Sydney SD average.

Of those experiencing housing stress, there is a higher proportion of households in mortgage stress than rental stress. Mortgage stress impacts 7,034 very low to moderate income earners with the most (3,275 households) being very low income earners. Rental stress impacts 5,171 households within Fairfield LGA and very low income earners experience the most stress (3,852 households).

The Department of Housing 'Information on Fairfield Housing Market' (2008) has reviewed the characteristics of groups facing housing stress within the LGA and have noted that:

- Of all those receiving Commonwealth Rent Assistance (CRA) in Fairfield, 37% are in housing stress.
- Single person households form by far the largest number of households in housing stress in Fairfield, comprising 50% of all households, followed by single parents making up 19% and couples without children with 17%.
- This is impacting on older renters as well, (with 14% in receipt of the Aged Pension) at a time when it is important for them to remain close to social and support networks, as well as a range of services.

There is a need for a range of affordable housing types and tenure to appropriately meet the needs of residents in housing stress. Table 3.4.2 provides a summary of rental stress, mortgage stress and housing stress in Fairfield LGA and comparisons with Central Western Sydney SSD, Outer Western Sydney SSD, and Sydney SD.

Table 3.4.2: Summary of Housing Stress Indicators for Fairfield LGA and Comparable Areas, 2006

	Rental Stress	Mortgage Stress	Housing Stress	% of very low , low & moderate income households in housing stress
Fairfield LGA	5,171	7,034	12,205	57%
Central Western Sydney SSD	10,944	9,451	20,395	58%
Outer Western Sydney SSD	7,478	10,728	18,206	49%
Sydney SD	124,586	117,029	241,615	59%

Source: Centre for Affordable Housing, 2008. Accessed 05/08/2008

### 3.4.2.4 Social Housing

According to the Department of Housing (2008) there are 5,467 social housing dwellings in Fairfield LGA which represents 7.5% of all dwellings in the LGA which is relatively high when compared to the Greater Metropolitan Region (GMR) average of 4.8%. The majority of these units are managed by Housing NSW but a small proportion are rented to other groups such as Aboriginal and indigenous groups and community housing groups.

A recent review of social housing tenants in Fairfield LGA by the Department of Housing (2008) found that 55% of public housing tenants in Fairfield are aged over 55 (compared with 53% in public housing across the GMR) and 32% are Aged Pensioners (compared with 30% in the GMR); 40% are single person households (compared with 54%) and 16% are single parent households (compared with 16% in public housing across the GMR).

### 3.4.2.5 Location of Affordable Housing Issues in Fairfield LGA

Figure 3.4.1 illustrates the distribution of households facing housing stress in Fairfield LGA (paying more than 30% of the household income on housing costs). The key localities within Fairfield LGA facing housing stress are Fairfield, Cabramatta, Bonnyrigg, Abbotsbury and Canley Heights.

Table 3.4.3 identifies the key tenure and housing cost characteristics for each of these areas. As shown in this table, Fairfield, Cabramatta and Bonnyrigg have a large proportion of households which rent, this suggests that affordability issues are more aligned to renting households.

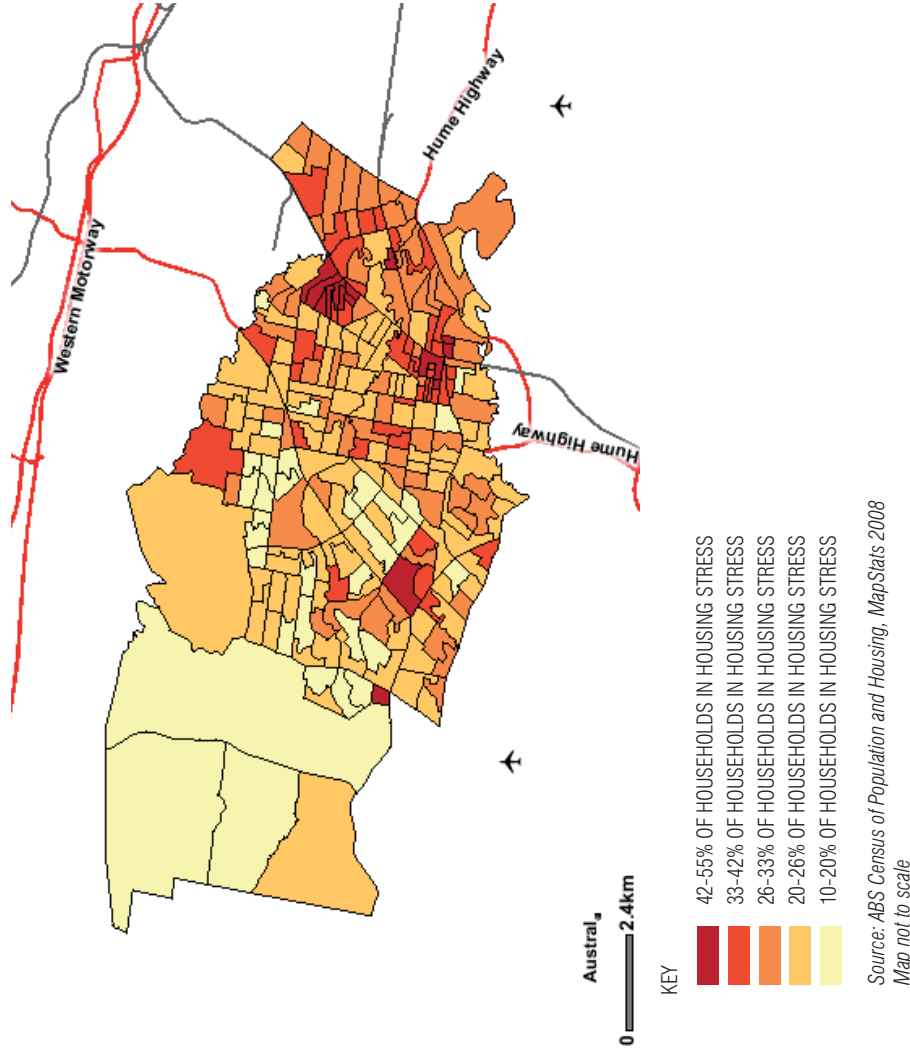
Conversely, Abbotsbury and Canley Heights have a larger proportion of households with mortgages and an affordability strategy in these areas will need to be focussed towards providing responses to mortgage stress.

Table 3.4.3 Tenure and housing cost characteristics of selected suburbs

	Mortgage (% of households)	Average monthly mortgage repayment	Rent (% of households)	Average weekly rental cost
Fairfield	20.2%	\$1485	46.9%	\$185
Cabramatta	24.7%	\$1100	38.4%	\$150
Bonnyrigg	27.4%	\$1500	43.7%	\$121
Canley Heights	32.1%	\$1317	28.9%	\$185
Abbotsbury	50.4%	\$1733	7.1%	\$300

Source: Fairfield LGA Census Data 2006, Fairfield City Council

Figure 3.4.1: Location of Housing Stress in Fairfield LGA



### 3.4.2.6 Summary of Housing Affordability in Fairfield LGA

The affordable housing analysis for Fairfield LGA has only focused on the ability of very low, low and moderate income households to secure affordable housing. It has confirmed that Fairfield LGA has one of the most affordable housing markets in Sydney SD for both renters and purchasers. With 33% of the purchase housing stock affordable to moderate income earners and rental housing stock affordable to the majority of low and moderate income earners.

Currently housing stress impacts 12,205 very low, low and moderate income households within Fairfield LGA which equates to just under one quarter (23%) of all households within the Fairfield LGA.

Mortgage stress impacts over a half (57%) of very low, low and moderate income households with a mortgage, equating to 7,034 households. As noted by the Department of Housing (2008) Fairfield LGA has had the second highest increase in the number of low and moderate income purchasers between 2001-2006 in housing stress. Mortgage stress has mostly impacted areas such as Abbotsbury and Canley Heights where a higher proportion of households currently have a mortgage.

Rental stress affects 5,171 (56%) of very low, low and moderate income households in the rental market. With a low vacancy rate within Fairfield LGA the opportunity for those in rental stress to change their situation is limited. Very low income earners experience the highest rates of rental housing stress, particularly around the inner areas of Fairfield, Cabramatta and Bonnyrigg where a large proportion of households rent.

There are 5,467 social housing dwellings in Fairfield LGA which represents 7.5% of all dwellings in the LGA which is significantly high when compared to the Greater Metropolitan Region at 4.8%.

The 2003 Fairfield Residential Strategy Review attributed housing affordability issues in the LGA to limited and decreasing employment opportunities, poor public transport provision and poor distribution of community services and facilities. Lack of housing choice and diversity were also cited as issues. It is assumed that these issues continue to drive low housing affordability in Fairfield LGA.



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### 3.4.3 Responding To Housing Affordability

Housing affordability is a significant issue within Fairfield LGA and impacts a wide range of purchasers and renters. Currently, almost 23% of existing households within Fairfield LGA are impacted by housing stress or 12,205 households, with slightly more of this in mortgage stress rather than rental stress. At the same time there is 5,467 social housing units.

The financial viability of housing within Fairfield LGA is limited. Overall this has reduced the supply of housing within the LGA and can potentially lead to decreased affordability across the LGA. Addressing the issue of development viability is a key area where Council can contribute to the provision of affordable housing.

The West Central Subregion Draft Subregional Strategy recognises that land use planning has a significant role in addressing issues of housing affordability by promoting a greater range of household types with good proximity to public transport, increasing opportunities for and access to local employment and also addressing land supply shortages.

The West Central Subregion Draft strategy also advocates partnerships between councils and the Department of Housing (DoH) to assist in the renewal and redevelopment of DoH assets prior to the preparation of LEPs. Currently, the issue of affordable housing is primarily being addressed by the Department of Housing through the provision of social housing units. As noted previously, social housing units are one of the models of affordable housing but there is also low cost market housing and regulated market housing which are usually produced by Local Governments or other providers through funds raised through development contributions and offsets.

There are four main ways Councils can contribute towards the provision of affordable housing:

- Protecting existing supplies: Fairfield LGA already has a significant volume of affordable housing units including those owned by the State and other private options such as boarding houses, caravan parks and small units and apartments. These existing supplies should be protected and considered as a valuable resource for the local area.
- Promoting new supplies: Council has policy and regulation roles which can be used to promote the development of new supplies of affordable housing by both private developers (through incentives and agreements) and also through partnerships with affordable housing providers.
- Produce new stocks: Council can choose to work with community and affordable housing providers using funds from grants available through the state and federal governments.
- Partnerships and lobbying: Council can seek to partner with community and affordable housing groups to develop stocks within the local community and also lobby developers to produce affordable housing stocks.

It is recommended that Council concentrates on protecting existing supplies of affordable housing and working in collaboration with the Department of Housing to produce new stocks. The Department of Housing has a strong presence in Fairfield LGA and a substantial stock of 5,467 social housing units. Whilst in NSW some Councils have sought to produce new stocks of affordable housing themselves, this only tends to work in high value areas where developers are willing to make concessions towards affordable housing or the like in return for bonuses such as height, floor space and density. As an overall target, 10% of all new dwellings should be affordable housing (ie low market rentals

or social housing stock). 10% is proportionate to the current level of affordable housing in the LGA and will generate an additional 2,400 affordable housing units. It is presumed the majority of these will be provided through the Department of Housing or through the development of existing Council owned sites.

For Council, foremost for supporting the provision of affordable housing is supporting the redevelopment of Department of Housing assets. This is important to ensure that the existing social housing stock better meets housing needs and to diversify ownership, housing type and social mix in the area.

An outline of the key directions to promote affordable housing are outlined below:

#### Protect Existing Supplies

- Require a social impact assessment for development which could threaten existing stocks of affordable housing ie DoH Housing, boarding houses
- Introduce specific planning controls to preserve particular types of housing stock that may be threatened. (ie caravan parks, boarding houses)
- Ensure that existing State controls under SEPP 10 are used effectively. This could include training to assist staff to recognise and assess an application that may trigger SEPP 10.

#### Promote New Supplies

- Ensure planning controls and documents contain objectives to promote new supplies of affordable housing.
- Identify un-utilised or under-utilised land owned by council, state or federal governments which could be used for affordable housing through instruments such as SEPP Infrastructure and SEPP Seniors Living.
- Ensuring that zone and locality provisions are sufficiently flexible to promote new affordable housing opportunities.
- Permit a greater range of dwelling types including granny flats, adaptable housing units (ADUs), boarding houses, studios and small units which can provide an alternate affordable housing product.
- Review development controls and processes which may result in increased costs for housing. These controls could relate to housing density, lot size, the size and type of building, materials and finishes.
- Introducing requirements for diverse more housing forms including a greater mix of bedroom sizes in multi-unit developments.
- Provide development incentives to facilitate affordable housing provision.

### 3.5 HOUSING NEEDS ANALYSIS

A Housing Needs Analysis provides a greater understanding of the types and sizes of dwellings required to cater for population changes in Fairfield LGA through to 2031. This analysis is based on the assumption that Fairfield LGA will need to accommodate up to 24,000 additional dwellings by 2031.

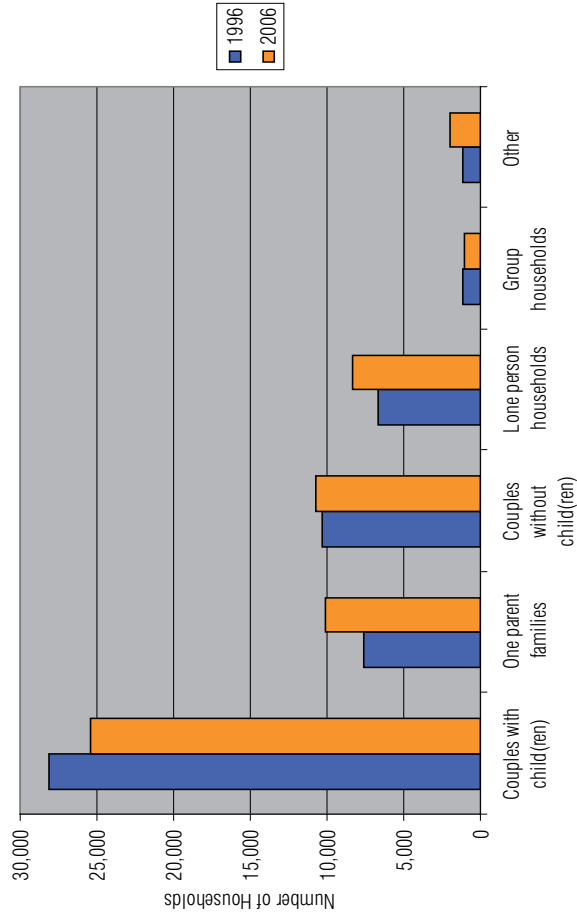
A Housing Needs Analysis takes into account the following factors:

- Household Types and Preferences: The housing needs and preferences of individual households are shaped by a number of factors including type (ie family/lone/single parent household), size, age group, socio-economic status and individual preferences.
- Dwelling Stock: The size and variety of the dwelling stock within the LGA derived from the Local Housing Market Analysis.

Ideally the dwelling stock should meet the needs and preferences of the current household. However due to a variety of historical factors such as property/population booms, changing household preferences and characteristics and also land use planning policies, there can be a considerable mis-match between the types of households in an area and the existing dwelling stock.

The Housing Needs Analysis identifies the extent of the gaps and provides recommendations on how future dwellings can improve meeting the current and future housing needs of Fairfield LGA.

Figure 3.5.1: Key household groups within Fairfield LGA, 1996 and 2006



Source: ABS 2006 and HASSELL 2008

### 3.5.1 Household Types 2006

Currently, couples with children are the dominant housing group within Fairfield LGA, accounting for 53.7% of all households within the LGA in 2006. The other key household groups were couples without children (19%), one parent families (18%) and lone person households (14%).

Trends between 1996 and 2006 illustrated that there has been a substantial change in the structure of households within Fairfield LGA. During this period the number of couples with children decreased by 2,708 households with the majority of this loss of young family households (children 15 years and younger) suggests that Fairfield LGA is not attracting younger families or has low rates of family formation. The loss of families and in particular, young families, is consistent with other population trends identified in the Fairfield LGA such as an ageing population and declining household size.

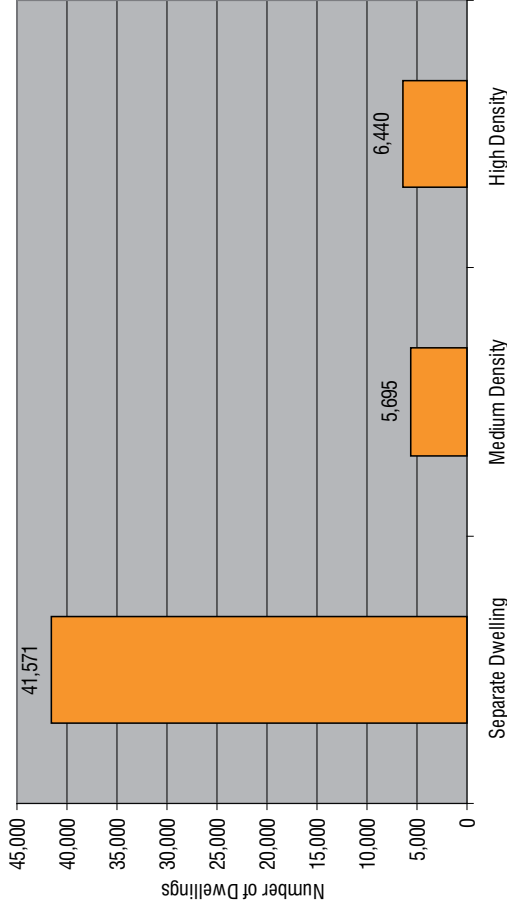
As shown in Figure 3.5.1, the loss of families between 1996 and 2006 have been balanced by growth in all other main household groups such as one parent families; couples without children (+419 households) and lone person households (+1,673 households) as outlined below:

**One Parent Families:** The most significant growth (+2,479 households) occurred in one parent families and they now account for 18.1% of all households, or proportionally increased by 3.8%. This figure is slightly higher than that of the WSR0C region (17.4%) and Sydney SD (11.7%).

**Lone Person Households:** Conversely, the lone person households appear to have a greater concentration in the eastern half of the LGA, particularly around the main centres of Fairfield, Cabramatta and Fairfield Heights. Since 1996, this group grew by an additional 677 households or proportionally by 2.3%, this a greater proportional increase than that of the WSR0C region where this group increased its proportional share by 1.5% in the same period.

**Couples without Children:** The couples without children household have also experienced growth since 1996, with an additional 419 households during this period but proportionally stayed relatively constant at 19% during the period 1996 to 2006. Couples without children appear to be more highly concentrated in the west, away from the main centres and associated with the previous greenfield developments.

Figure 3.5.2: Distribution of dwellings types in Fairfield LGA, 2006



Source: ABS 2006 and HASSELL 2008

### 3.5.1.1 Household and Dwelling Mix 2006

As couples with children have historically been the primary housing group, the dwelling landscape of Fairfield LGA is dominated by separate dwellings. As shown in Figure 3.5.2, in 2006 separate dwellings account for 77% of all dwellings within Fairfield LGA, medium density account for 11% of dwellings and high density account for 12% of all dwellings. As discussed in Section 3.3.1.1 Fairfield LGA has a greater proportion of medium and high density dwellings than the WSR0C region but a higher proportion of low density dwellings than that of the Sydney SD.

The prevalence of separate dwellings across Fairfield LGA has created a significant imbalance between the types of dwellings available and the types of households in the LGA- with over 55% of all households not the 'couple with children' household type. As a result, the majority of all households resides in the separate dwellings in Fairfield LGA in 2006, regardless of their needs:

- 84% of couples with children resided in separate dwellings;
- 79% of couples without children resided in separate dwellings;
- 71% of one parent families resided in separate dwellings, and,
- 61% of lone person households resided in separate dwellings.

Whilst it is not known if smaller households live in separate dwellings due to choice or a lack of alternate housing product, it is clear that the current housing stock does not reflect the diversity of existing households within Fairfield LGA and there are significant gaps between the range of households and dwellings within the LGA.

### 3.5.1.2 Special Needs Groups

In addition to the main household types, there are also smaller, minority housing groups within Fairfield LGA who have unique housing needs and considerations. These groups will also need to be considered when determining future housing supply.

**Children :** A range of pressures including housing costs and affordability will see children and families living in a more dense urban environment. Fairfield LGA currently has a significant number of children living in high rise dwellings. The availability of low to medium density housing will be important for the retention of families with children in the area, especially affordable housing for low income families with children households. The provision of other amenities close to housing will also be essential, such as parks / open space and child care and community services.

**Older Generations:** An ageing population has significant implications on the provision of housing, recreation and leisure opportunities and age-specific community facilities. By 2031 Fairfield LGA will house almost double the number and proportion of residents aged 65 years and over, this is equivalent to 37,000 or 20% of the population aged over 65 years. It is also important that future dwellings are accessible and designed to meet the day to day needs of older people.

As such, Fairfield LGA has a considerable need for seniors housing such as the provision of well located new assisted and independent living developments, expansion of existing aged care and independent living developments, provision of affordable housing and care housing options.

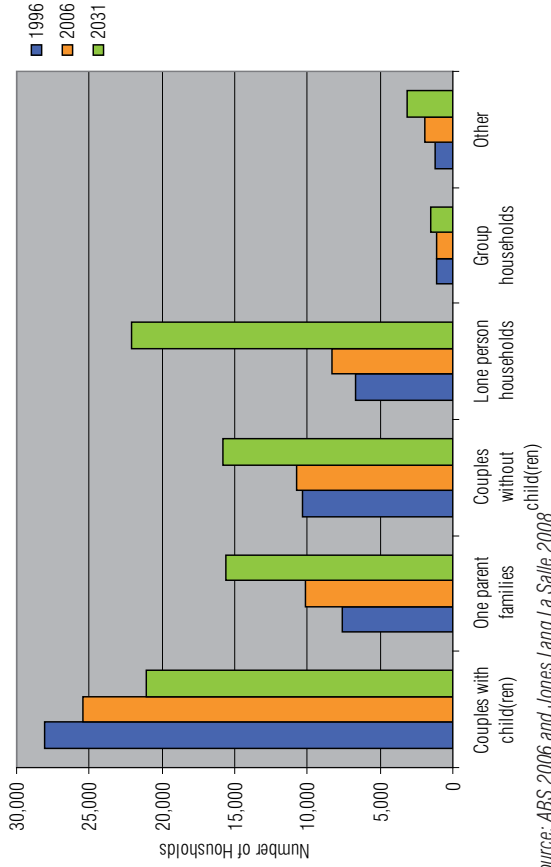
**Low Income Earners:** Fairfield LGA accommodates a relatively large share of low income households and low proportion of housing that is affordable to accommodate this group. It is important for this group to have access to the appropriate type of housing and at an affordable cost.

**Culturally Diverse Populations:** More than half of Fairfield LGA residents were born overseas, with a diversity of cultural backgrounds. These groups have a variety of housing needs which are sometimes different to those 'traditional' housing needs, such as multiple families or generations residing in a single house, creating demand for larger homes, with other cultural and religious beliefs influencing housing choice.

It is important for new migrant families with children to have the option to move into low-medium density housing in the future or new migrants in the low income categories to have access to affordable housing. It is therefore recommended that future housing policies addressing 'low-income' and 'new migrant' sub-groups need to link in with education and employment policies for Fairfield LGA and broader Sydney.

The diverse range of housing needs of the special needs groups must be considered in determining the appropriate type and mix of future housing within the Fairfield LGA.

Figure 3.5.3 Distribution of household types in Fairfield LGA, 1996, 2006 and 2031



Source: ABS 2006 and Jones Lang La Salle 2008

### 3.5.2 Household Types in 2031

The existing trends in household formation are expected to continue into the future and have an impact on the household composition of dwellings through to 2031. The key trends are summarised as follows:

#### *Decreasing share of couples with children households*

Couples with children comprise just over half of all households in the LGA, there has been a consistent drop in the share of dwellings comprising this type of household over the past decade (eg. the number of families with dependent and non-dependent children fell by 3.5% between 1996 – 2001 and again by 3.6% between 2001 – 2006). The significant decrease in couples with young children aged below 15 years links into other trends such as declining fertility rates and fewer children per household. This trend is expected to continue and contribute to the drop in share of family households.

#### *Increase in proportion of one parent families*

One parent families had the largest proportional increase between 1996 and 2006. The proportion of these households in Fairfield LGA is also considerably larger than the WSROC region and Sydney SD. This trend is in line with the increase in separation / divorce rates in Fairfield LGA between 1996 – 2006 and expected to continue to contribute to the increase in this household type overtime. Increases in the number of one parent families may increase demand for affordable and a diverse range of housing.

#### *Increase in single / lone person households*

There has been a substantial increase in lone person households in Fairfield from 1996 to 2006, second only to the increase in one parent families. As the population aged 55+ years is expected to substantially increase by 2031 and a high percentage of all lone person households are older people, this type of household is likely to make up a greater share of all households occupying private dwellings. As such it is assumed that there will be a need for smaller dwelling types to meet this groups housing needs.

#### *Increase in proportion of couples without children*

There has been no change in the proportion of couples without children occupying private dwellings between 1996 and 2006. However, there was a 9% increase in the number of females aged 15 years and over with no children over this time frame in Fairfield LGA suggesting a greater number of women choosing not to have children / not able to have children.

Figure 3.5.3 summarises the historical and projected changes in household type.

### 3.5.2.1 Influences on Housing Trends and Preferences to 2031

It is anticipated that the current household trends will continue into the future and have an impact on the composition and demand for dwellings to 2031. Further, it is anticipated that particularly, smaller household types will have a preference for medium/high density dwellings over separate dwellings for the following reasons:

- Ageing population who seek lower maintenance and smaller housing types;
- Increased housing costs and concerns regarding affordability;
- Increased fuel cost and greater use of public transport;
- Smaller household types who do not require large houses;
- Trend towards smaller backyards which require less maintenance, and,
- Change in preferences a greater desire to live near a vibrant centre.

In addition, planning policy directions which seek to provide greater sustainability will actively promote higher densities and smaller houses.

### 3.5.3 Dwelling Requirements to 2031

To better meet the housing needs of future population and special needs groups, the Population Projection Analysis, detailed in the Fairfield RDS Background Reports document, has projected housing needs through to 2031 based on current needs and also takes into account the following:

*Demographic Trends:* The population of Fairfield LGA will continue to age through to 2031 with significant growth in older age groups and nominal growth in the younger age groups. This trend will reduce the average household size and increase demand for smaller household types.

*Under Supply of Medium to High Density Dwellings:* The significant demographic shift towards an

older population and loss of couple with children households in Fairfield LGA will increase demand for medium to high density dwellings.

**Existing Supply:** The vast majority of existing housing stock within Fairfield LGA is separate dwellings, it is presumed that the existing low density dwelling levels (with renewal/replacement) will continue to satisfy demand for separate dwellings.

**Housing Preferences:** Issues such as housing affordability, increased living and transport costs and changes in lifestyle and need for smaller accommodation will increase the demand for smaller dwellings types.

**Sustainable Development:** The *Sydney Metropolitan Strategy: City of Cities (2005)* and sustainable planning models promote new housing to be located in existing residential areas, particularly in close proximity to centres and transport nodes.

Of the 24,000 additional dwellings required by Fairfield LGA by 2031, the housing projections analysis identifies of this, 4,654 low density dwellings (20%), 8,659 medium density dwellings (36%) and 11,143 high density dwellings (46%). This is detailed in Table 3.5.1.

Table 3.5.1: Occupied private dwellings by dwelling type projections, Fairfield LGA (no. of)

Year	Low density	Medium density	High density	Total occupied private dwellings
1996	40,663	4,525	6,278	53,455
2001	42,176	5,703	6,440	55,122
2006	42,899	5,956	7,022	56,131
2011 (f)	43,718	7,260	8,698	59,947
2016 (f)	44,444	8,713	10,569	64,016
2021 (f)	45,438	10,415	12,757	68,922
2026 (f)	46,483	12,369	15,272	74,461
2031 (f)	47,553	14,615	18,165	80,698
Change: 2006 to 2031	+4,654	+8,659	+11,143	+24,567
Future housing mix	20%	36%	46%	1.8%

Source: NSW Department of Planning, NSW Population projections by SLA, 2005; ABS 2006 Census; Jones Lang LaSalle

Table 3.5.2: Future dwelling mix for Fairfield LGA 2006-2031

	Separate Dwellings	Medium Density	High Density	Total*
2006	42,899	5,956	7,022	56,131
2031	45,299	16,415	18,165	80,698
Change	+2,400	+9,600-12,000	+9,600-12,000	24,000
% of New Dwellings	10%	40-50%	40-50%	100%

\*Includes 'other' and 'not stated' dwellings; Source: HASSELL 2008

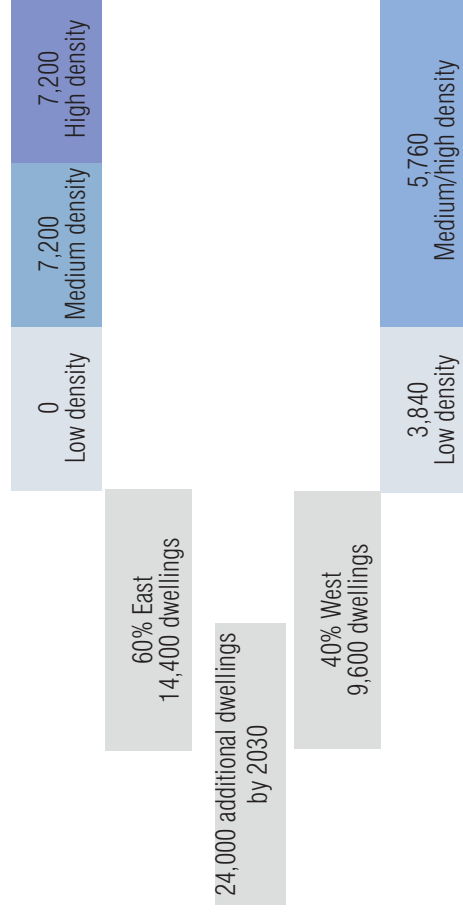
### 3.5.4 Spatial Distribution of Dwelling Targets

The Dwelling Target of an additional 24,000 dwellings by 2030 has been distributed in proportion to the population of each half of the LGA. The eastern half currently contains 60% of the population and it is assumed that it will continue to accommodate this proportion of the future population due to the high levels of access to transport, services and facilities. As such the eastern part of the LGA has been allocated an additional dwelling target of 14,400 dwellings (60% of the total LGA target). The western half of the LGA currently accommodates 40% of the population, which is anticipated to continue and therefore this part of the LGA has been allocated a target of an additional 9,600 dwellings (40% of the total LGA target).

The dwelling target for the east and west of the LGA was then further broken down by density type. Currently, over three quarters (77%) of the Fairfield LGA dwelling stock is low density dwellings. The planning of future dwelling types and densities seeks to provide a greater mix in dwelling stock. It is assumed that due to the high levels of low density development within the LGA, and the fact that all new development would be infill that limited low density development could occur. It is also assumed that current stocks of low density within the LGA can meet any future demands for this dwelling type.

The Fairfield RDS seeks to address the spatial distribution of dwelling densities within the LGA. It was assumed that owing to its more dense urban form, the eastern half of the LGA would accommodate the majority of medium and high density dwellings. The western half of the LGA, which is generally of a lower density, would accommodate the majority of the anticipated low density dwelling stock and a smaller proportion of medium and high density dwellings outlined in Figure 3.5.5.

Figure 3.5.5: Fairfield RDS Dwelling Model



Source: HASSELL 2008