

REGIONAL HOUSING CASE STUDIES



Case study: Albury City Council

About the city

Albury is a nationally significant regional city on the northern banks of the Murray River in the Riverina region. It is strategically located, and the largest city, on Australia's busiest inland transport route (Hume Highway and Melbourne to Sydney railway).

Albury has a population of over 56,000 people however when combined with the population of Wodonga over the border in Victoria, the two cities form an urban area with a population of 100,000 (Australia's 20th largest city).

Drivers of housing demand

The top drivers of housing demand in the Albury LGA are:

- Internal migration to the region (1,881 between 2016 and 2021) primarily 'tree-changers' and some retired farmers and elderly people moving from smaller nearby towns; and
- Migration from overseas (1,300 overseas arrivals between 2016 and 2021).

Albury's population has experienced strong recent growth, boosted by 'tree-changers' moving from metropolitan centres during the COVID-19 pandemic. The population is projected to reach over 76,000 by 2041, as the wide range of employment and lifestyle opportunities available in the local government area continues to attract new residents.

Problem statement

Housing costs have risen significantly, demand for affordable and social housing is not being met and the amount and type of housing being delivered locally is not keeping pace with demand or demographic change.

Changing demographics require housing diversity

Albury's population is aging, with the proportion of people aged over 65 years approaching 20 per cent in 2021 and projected to grow further. While families with children are still the dominant household type there is a growing trend for smaller household sizes. In 2021 around 31 per cent of Albury households consisted of one person (NSW average 25 per cent), whereas only 3.7 per cent of dwellings were one bedroom. A greater diversity of dwelling sizes is needed.

Rising costs have driven demand for affordable housing

Over the year to December 2021, the median rental list price increased by 16.7 per cent for a house, 20.8 per cent for a unit. In 2021 there were 1,010 households in Albury (4.3 per cent of total) in need of affordable housing as they were unable to access market-priced rental housing. As at June 2022 there were 504 applicants on the waitlist for social housing in Albury. The expected waiting time for a studio or one-bedroom social housing property is currently 5-10 years.

Addressing housing needs

In March 2023, Council released the [Albury Local Housing Strategy](#) to guide future planning decisions on locations and types of housing to support population growth. The strategy addresses the themes of supply, diversity, affordability and resilience and outlines clear actions for Council.

Council is looking to boost the proportion of housing stock providing medium and high-density options through projects such as the relocation of the CBD council depot site. This project, a collaboration with Department of Regional NSW, Land and Housing Corporation and Crown Lands would use infill development to provide 300-500 new units, including private, social and affordable housing.

Housing snapshot

New dwellings	2012	2017	2022
Approvals	248	347	410
Blocks of land available for housing development	456	493	348

Rental properties

Average monthly rental cost (\$)	-	1,240	1,720
Rental vacancy rate (%)	1.6	2.9	0.7

Derelict housing stock

New houses derelict stock could provide	Up to 99
% owned by state government	50
% owned privately	50

Challenges

- Skills shortages within Council impact land release and housing development. A complex state planning system exacerbates this challenge by reducing efficiency.
- Renewal of government-owned derelict housing stock is not possible under the existing NSW Land and Housing Corporation funding model.
- Housing supply shortages are affecting provision of services such as health (Albury Wodonga Health seeks 300 places per night for key workers), education and emergency services as well as the ability of local businesses to attract new workers to the city.
- Housing development is restricted by skills shortages including builders, tradespeople and engineers.

Opportunities

- Funding to accelerate enabling infrastructure – for example, water and sewer trunk mains, arterial roads, etc.
- The Land and Housing Corporation have identified Albury as a priority area. More sustainable funding is needed for NSW Land and Housing Corporation to increase feasibility of regional projects to address increasing need (waitlists).
- Use regional case studies and advocacy to encourage developers to try high-medium density rather than standard detached house and land.
- Unlock additional sources of land available for new housing, including private land, state owned freehold land, Defence land, vacant council land and Traditional owners' land.
- Roll out training and training incentives to encourage uptake of careers in critical fields like strategic planning, engineering and trades.

Case study: City of Ballarat

About the city

Ballarat is the commercial capital of Victoria's Central Highlands and a significant tourist destination. As the fourth largest inland city in Australia, Ballarat has a population of over 110,000 people with a growth rate accelerated by housing pressures in nearby Melbourne.

Drivers of housing demand

Key drivers of housing demand in the Ballarat LGA:

- Young families are attracted by more affordable housing and lifestyle opportunities.
- Construction and major project workers.
- Internal migration to the region, including older people and people from rural areas.

Ballarat's rapidly growing population is projected to reach around 170,000 by 2041 and will require 29,000 more dwellings. Population growth was boosted during the COVID-19 lockdowns in metropolitan areas and has been encouraged by decentralisation of government services. Growth is accompanied by demographic changes – the fastest growing group is those aged over 65, expected to reach 23 per cent of total by 2041 (currently 19 per cent).

Problem statement

Housing supply and diversity have not kept pace with population growth and demographic change, particularly for those requiring social and affordable housing.

Significant shortfall in social and affordable housing

The estimated gap between the number of households requiring housing assistance in the region and the number of available dwellings is 5,021. If current state policy and investment settings for social housing remain unchanged this gap will reach 9,185 dwellings by 2041 – an increase of 4,164.

Housing shortage affects services and industry

Limited housing availability and declining rental affordability affect the ability of local businesses to recruit staff, which limits capacity for delivery of services, projects and events. Housing supply shortages are also affecting provision of essential services such as health and education and the ability of the city to attract new businesses.

Housing snapshot

New dwellings	2012	2017	2022
Blocks of land available for housing development	-	-	73,600

Rental properties

Average monthly rental cost (\$)	1,035	1,130	1,505
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House Sales

Average days on the market	65		57
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Addressing housing needs

The Ballarat City Council has released a draft [Housing Strategy 2023-2041](#), which will be incorporated into the planning system and guide development of new housing to accommodate a growing and diverse population.

The draft strategy identifies areas where up to 29,000 new homes will be accommodated – within greenfield growth areas and the existing city and townships. Improved and simplified state planning systems would help Council to deliver on the strategy, including projects to increase housing density. Funding to support provision of enabling infrastructure, services and amenities will also be critical to success.

Delivering new social and affordable housing is a priority, and key measures for Council include:

- Exploring new delivery models to achieve best outcomes at identified strategic sites.
- Facilitating local partnerships, including MOUs with housing providers to achieve desired housing outcomes.
- Developing clear guidelines for how Council expects developers to deliver social and affordable housing.
- Establishing funding streams e.g. by capturing value uplift generated by rezoning of land in greenfield locations and capturing revenue in urban areas to be developed for social and affordable housing.

Challenges

- Land activation for new housing is restricted by enabling infrastructure costs, state planning processes, shortage of builders and tradespeople and land banking by developers.
- Developers are less interested in significant levels of infill and CBD development.

Opportunities

- Activation of a variety of available land types would provide broad economic benefits.
- Removal of rate-capping would support Council to address critical skill shortages that affect housing development and land release.
- Funding to support Council to test innovative approaches in growth precincts, including:
 - Installing a microgrid and/or virtual power plants;
 - Sustainable subdivisions and dwelling/built form designs;
 - Enhancement of biodiversity corridors; and
 - Neighbourhood/community waste initiatives.

Case study: Dubbo Regional Council

About the city

The Dubbo Regional Council LGA covers over 7,000 square kilometres in the Orana region of NSW. The population of more than 55,000 is concentrated in the city of Dubbo and the town of Wellington, with smaller populations residing in a number of villages and the rural areas. Dubbo is a major economic and service centre for the wider region.

Drivers of housing demand

Top drivers of housing demand in the Dubbo LGA:

- Construction and major project workers;
- Fly in – fly out (FIFO) and drive in – drive out (DIDO) workers – including health services; and
- Tree-changers moving to the region during and post the COVID-19 Pandemic.

The LGA continues to experience significant housing demand, largely driven by population growth linked to economic development. Dubbo is the major urban centre in the Central-West Orana Renewable Energy Zone – development of transmission infrastructure and renewables projects is projected to require 6,000 workers, who will need to be housed within the region.

The region experiences high demand for short-term accommodation due to large scale infrastructure, energy and mining projects, as well as seasonal agricultural employment. Short-term accommodation in Dubbo and Wellington is frequently booked out during the week.

Problem statement

The growing demand for accommodation in the region is reflected in significant recent increases in house prices (44.5 per cent over 2018-2022), rental costs (45 per cent increase for 3-bedroom dwellings over 2018-2022) and low rental vacancy rates. The expected influx of workers to develop the Central-West Orana Renewable Energy Zone will add pressure to housing supply and rental prices. The impact of the locum health workforce is also creating challenges. More affordable and short-term accommodation is needed to support existing and projected populations.

Housing stock not suited to changing demographics

Current housing stock in Dubbo and Wellington is mismatched with household composition. One-person households and couple-only households make up around 55 per cent of total households in the LGA (an increase of 6 per cent since the 2011 census), whereas less than 4 per cent of dwellings are one bedroom. A range of housing types, densities and price points are needed to meet population needs.

Housing snapshot

<i>New dwellings</i>	2012	2022
Applications	293	262
Approvals	354	364

Rental properties

Average monthly rental cost- house (\$)	-	1,840
Average monthly rental cost- unit (\$)	-	1,240
Rental vacancy rate (%)	2	1

Derelict housing stock

New houses derelict stock could provide	50-99
% owned by state government	90
% owned privately	10

Addressing housing needs

Dubbo Regional LGA has considerable zoned land and a significant private sector capacity in property development and construction. Dubbo Regional Council is a developer of residential land having two major land holdings Keswick Estate and the North-West Urban Release Area. There is the potential for the development of some 3,500 allotments on this land. Dubbo also has zoned land in private ownership that could realise the development of a further 5,000 allotments. However, to realise timely development of these lands, further government assistance is required including funding for enabling infrastructure (roads, sewer, water connections) and assistance with strategic and infrastructure planning.

Council is actively seeking to densify planned housing developments and to encourage private developers to provide varied products to meet housing demand at a range of price points and dwelling types.

To address social housing needs Council is examining opportunities to incentivise development of affordable housing through Planning Agreements with renewables proponents to assist Community Housing Providers. Development of an affordable housing strategy for the region is a priority.

Challenges

- Dubbo has considerable land resources, but enabling infrastructure and strategic planning of both land and infrastructure are an impediment to development.

Opportunities

- A supply of aged Department of Housing stock could be remediated to provide additional housing.
- 3D printing has the potential to deliver additional housing quickly and at a range of price points. Council has set aside three lots at the Keswick Estate for 3D printed houses, following a successful trial of a 3D printed toilet block.
- Council is actively examining options for staged development of temporary workforce accommodation that aims to meet the need for more immediate housing, whilst ensuring a positive legacy is left for the community.

Case study: City of Greater Geelong

About the city

With a population of over 276,000, the City of Greater Geelong is Victoria's second largest city and Australia's fastest growing regional city. Located 75km from Melbourne, the municipality comprises more than 50 suburbs and townships across suburban, coastal and country areas and has a diverse and growing economy driven by jobs in healthcare and social services, retail, construction, education and public administration.

Drivers of housing demand

Top drivers of housing demand in the Geelong LGA:

- Young families attracted by more affordable housing and lifestyle opportunities.
- Growth in service-based jobs including the social insurance industry.
- Internal migration to the region.

Strong population growth and associated demand for housing is driven by Geelong's affordability relative to nearby Melbourne, high quality transport links to Melbourne and attractive job and lifestyle opportunities. The population of Greater Geelong is forecast to grow to more than 393,000 by 2041.

Problem statement

Strong demand for rental accommodation has led to record low rates of rental affordability, and the availability of private rental, social and public housing options are unable to meet current or projected demand.

Housing shortages affect essential services and industry

The housing supply shortage, including very low availability of rental properties for new workers moving to the city, is affecting provision of health services and the operation of major local industries, tourism and cultural services.

Social and affordable housing

Distribution of social housing in Geelong is extremely uneven, and inadequate to meet soaring demand. In 2021 an estimated 5,000 households were in need of social housing, forecast to grow to 13,500 by 2041. Council sites suitable for new social housing would deliver only 1.4% of the overall requirement, and the private sector won't deliver essential social housing without policy reform.

Housing snapshot

<i>New dwellings</i>	2012	2017	2022
Approvals	2,101	2,617	4,025
Blocks of land available for housing development	38,000		25,000

Rental properties

Average monthly rental cost (\$)	1,278	1,408	1,920
Rental vacancy rate (%)	-	-	1

Addressing housing needs

The City of Greater Geelong is implementing its [Social Housing Plan 2020-2041](#) to facilitate an increase in supply of social housing. Mandatory inclusionary zoning is seen as essential to success, so that social housing is provided as part of new developments, to keep pace with demand (4.5% of new developments) and ensure equitable distribution of housing that meets the needs of a diverse population.

There is significant opportunity for increased density and development in infill areas – such as government owned land surrounding train stations or declining industrial areas. Ageing infrastructure (such as 100+ year old stormwater drains) is a key barrier to infill growth, particularly without a clear mechanism for collecting development contributions.

Greater Geelong has access to a significant supply of land that can be utilised for greenfield housing development. Optimal activation of this land would be supported by reforms to state and federal policy and planning systems, including clarity on the role of greenfield developments in future supply, simplified environmental approval processes and long-term infrastructure planning and investment to support development.

Challenges

- The Victorian Housing Statement emphasises an enhanced role for infill development without supporting strategies to fund infrastructure, strategies to enhance community acceptance and reduction in greenfield supply.
- A strategic approach to biodiversity planning at a state and federal level would create more certainty for development projects and improved environmental outcomes.
- Evolving stormwater management policies and strategies create uncertainty for greenfield projects.
- A lack of financial analysis of the affordability and long-term asset management implications of greenfield and infill growth.
- Housing development is hampered by a shortage of critical skills within council and within the city more broadly, including builders and tradespeople.

Opportunities

- Increase high and medium density housing to meet growing demand and changing demographics (e.g. trend towards smaller household sizes), with federal and state co-investment in supporting infrastructure such as public transport, streetscape and amenity upgrades.

Case study: Town of Port Hedland

About the city

Located 1,800 km north of Perth in Western Australia's North West, the Town of Port Hedland is an important service centre for the region's significant mining and resource industry and is home to the world's largest bulk export port. The Council area covers nearly 12,000 square kilometres of the Pilbara and the population of around 17,000 people is concentrated in the twin settlements of Port Hedland and South Hedland.

Drivers of housing demand

Key drivers of housing demand in the Town of Port Hedland LGA:

- Construction and major project workers.
- Fly in – fly outs (FIFO, coming to work in the regional mining and resource industry).
- Internal migration to the region.

The resurgence of the mining and resource sector and a \$177 billion pipeline of related investments in the Pilbara has increased job opportunities and created a surge in demand for housing. The strong investment horizon is also increasing migration to the region as people seek opportunities associated with a strong regional economy.

Problem statement

A lack of affordable housing in the LGA is a handbrake on economic growth and liveability. Average rent is almost \$1,000 per week (compared to \$544 across regional WA) and supply is extremely limited. Housing supply has grown by only 0.2% p.a. since 2017.

Lack of affordable housing restricts growth and amenity

Liveability is severely impacted as people employed in service industries such as education, childcare, retail, hospitality and tourism, who often earn low or moderate incomes compared to those in the mining sector, are unable to afford housing.

New businesses are apprehensive to invest without certainty they can secure staff. Larger companies commonly supply housing for their staff as an incentive to move to the area and opt to rent or buy rather than commit to new builds, putting further pressure on limited supply.

Building costs are very high

Building costs are up to 80% higher than Perth, due to higher costs of supplies and labour (competing with wages in the resource industry), limited availability of residential builders and higher costs associated with risk of severe cyclones. Banks are often unwilling to loan the collective cost of purchasing residential land and building a new dwelling.

Housing snapshot

<i>New dwellings</i>	2012	2017	2022
Approvals	439	12	11

Rental properties

Average monthly rental cost (\$)	7,596	1,996	3,540
Rental vacancy rate (%)	1	5	2

Derelict housing stock

New houses derelict stock could provide	200-499
% owned by state government	40
% owned privately	60

Addressing housing needs

The Town has made service worker housing a priority over the next 5 years, to increase liveability and support residential growth. Concept plans have been developed for a 76-house service worker development in South Hedland. Council requires funding to progress this opportunity, which is estimated to contribute \$152.4 million in benefits to the Hedland community over 20 years (but will only address 10% of the demand for affordable housing for service workers).

A range of other priorities to address housing needs have been adopted by the Town, including supporting pathways to home ownership and leveraging funding and multi-party agreements for land and housing development. State owned land is available for multi-density development in South Hedland, and residential development in Port Hedland could be facilitated by undertaking site works.

Challenges

- High costs of renting, buying and building mean large companies frequently opt to use a FIFO workforce or establish temporary camps to house construction workforces.
- Skills shortages within Council, including building surveyors, slows development. This issue affects many LGAs and requires state action to encourage more entrants to these professions.

Opportunities

- Large potential for tourism industry development in Port Hedland is restricted by high cost of living and comparatively low wages.
- Investment into service worker and affordable housing to support increased services and amenity, supporting liveability.
- Repurposing vacant underutilised properties for short-term or transitional accommodation.