

APPENDIX 5

Draft Diverse and Affordable Housing Action Plan – Summary of Findings

Ballarat Housing Strategy

Appendix 5

Draft Diverse and Affordable Housing – Summary of Findings

The types of ‘social and affordable housing’ are many and varied. For clarity, this Housing Strategy uses the umbrella term ‘affordable housing’ to refer to all dwellings that are not entirely on the private housing market. The DAHDP explains that it is useful to think of different housing types as a ‘housing supply continuum’:

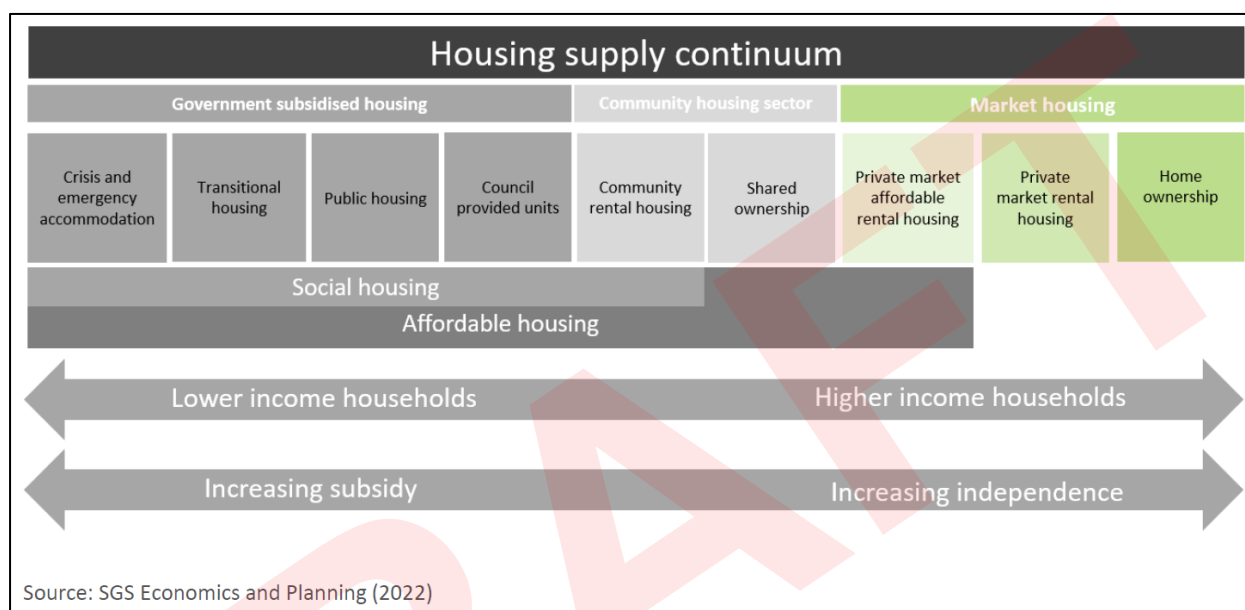


Figure A5.1: Housing Supply Continuum

Diverse housing, by contrast, is a phrase that refers to the wide variety of housing sizes (generally speaking, this means bedroom numbers) and housing types (e.g. apartment, unit, house, and so forth). ‘Housing diversity’ is a descriptive term, whereas the level of housing diversity is a comparative term that is used to understand if the housing diversity in a municipality reflects the needs of the existing and future community.

In terms of housing diversity, the Discussion Paper identifies:

- People over 65 years of age have a greater tendency to live in inner Ballarat (Lake Wendouree; Ballarat North; Ballarat East), while people under 25 generally live in the township of Miners Rest and suburbs of Alfredton, Invermay Park, and Sebastopol.
- Proportionally, there are more lone households than any other household type¹. After this, couples without children form the second largest cohort, followed by couples with children.

¹ Although households are not the same thing as dwellings, the distinction between the two is not significant. More than one household can live in the same dwelling – for example, two single people residing in a single dwelling and taking joint responsibility for bills comprise two households in one dwelling. However, the evidence indicates this kind of living arrangement is uncommon in the municipality. For the purposes of this Housing Strategy and planning policy, households and dwellings are generally considered to be synonymous unless otherwise stated.

- By 2041, the number of lone households is expected to increase from roughly 13,000 at the time of writing to over 21,600. Couples with or without children are forecast to reduce slightly. (See Figure below.) This is in line with Statewide trends.
- Most families with children live in detached houses. Families without children and lone person households have a greater tendency to live in townhouses, apartments, and units – and the trend is towards increased popularity for these smaller and alternative housing forms.
- Despite this growing trend, recent new housing typologies in Ballarat is dominated by three- and five-bedroom houses.
- Stakeholder consultation revealed an acute need for one- and two-bedroom housing stock, especially for older, single women and middle-aged men.
- ‘Underutilised housing’ is defined as dwellings with more than three spare bedrooms; concentrations of underutilised housing are found in the Growth Areas and older, central parts of Ballarat (where a higher proportion of older residents is found).
- Built examples of alternative housing types are limited.

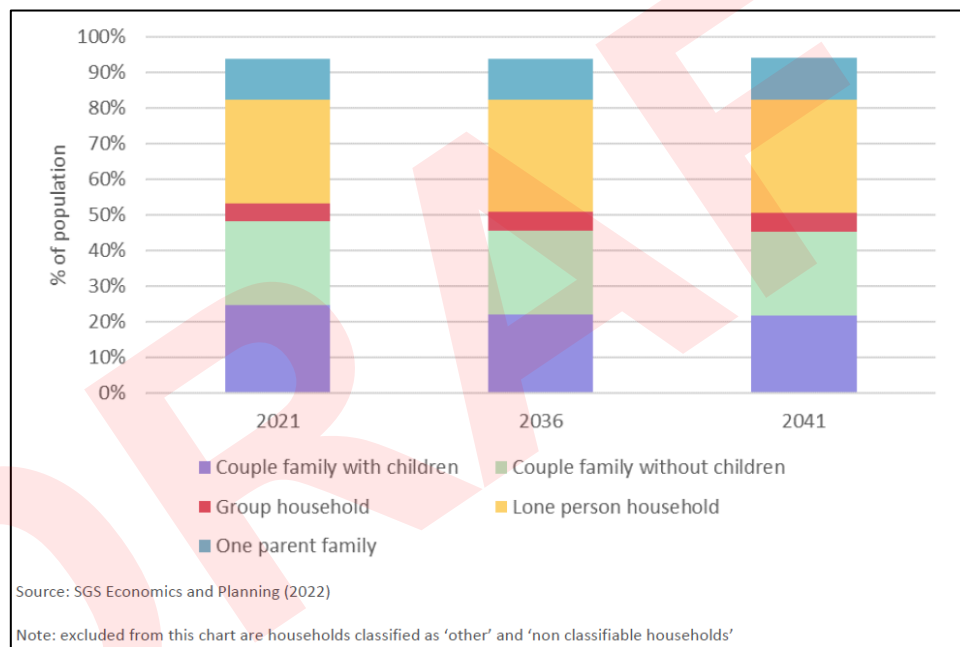


Chart A5.1 – Population by Household Composition, 2021-2041

In terms of housing affordability, the Discussion Paper identifies:

- House prices in Ballarat increased by 4% annually between 2006 and 2016, while household income increased by 1.6% annually over the same period.
- The median house price in regional Victoria rose by 30% over 2020 and 2021.
- The median house price in Ballarat reached \$560,000 in 2021.
- Rental prices in Ballarat have also increased by 4% annually, from 2006 to 2021, resulting in the median rent increasing from \$195 per week in 2006 to \$350 per week in 2021. This reflects similar percentage rises in Bendigo and Melbourne.
- Between 2011 and 2021, dwellings owned outright or with a mortgage fell from 70% to 68%, while rented housing increased from 30% to 32% in the same period.

- Rental vacancies in Ballarat are low (approximately 1%), comparable with regional Victoria.
- A household where 30% or more of net income is spent on rent is defined as being in 'rental stress'. (Where that figure rises to 50%, that is defined as 'extreme stress'.) Some 6,600, or 42%, of all renter households in Ballarat were in rental stress as of 2021. (This represents 14% – or almost one in seven – of **all households** in Ballarat.)
- Amongst household types, one parent households and lone households experience the highest level of rental stress – over 3,000 lone person households (over 6%, or almost one in 16, of all households in Ballarat) and over 1,500 one parent families (just over 3%, or almost one in 33, of all households in Ballarat) are in rental stress.
- Consultation indicated that one effect of worsening financial stress would see households move away from well-serviced areas to more remote areas, adding an extra layer of disadvantage and dislocation from community, amenities, and employment.
- One percent of all households in Ballarat are homeless. Consultation with housing service providers indicates, however, that this is likely an undercount.

In terms of diverse and affordable housing, the Discussion Paper identifies:

- Without intervention, the number of households in rental stress in Ballarat is forecast to reach 10,850 by 2041, representing a 62% increase in 2021 figures. This figure of 10,850 is, in effect, a target for The City of Ballarat to achieve through partnership with all stakeholders in the delivery of housing.
- At present, the shortfall is estimated at 6,686 households. Future need until the year 2041 is projected to be 4,164 dwellings, totalling some 10,850 dwellings that need to be provided. This total figure is comprised of:
 - 8,215 (or 76%) detached houses,
 - 2,150 (20%) attached dwellings,
 - 455 (4%) flats / apartments, and
 - 31 other dwelling types.
- Increased diversity of housing stock enables 'ageing in place' (a key community of our *Ageing Well in Ballarat Strategy* as outlined above), as well as allowing people greater opportunity to relocate elsewhere at different points in their lives.
- At the other end of the age spectrum, families suffering from financial stress are more likely to move than those who are not, having an impact on school attendance when a house move also means a school move. Overcrowded houses are also difficult places to learn and study, negatively affecting academic engagement and job prospects.
- There are significant benefits to improving access to diverse and affordable housing, the result of which is reduced financial stress:
 - There are significant health benefits, in terms of both mental and physical wellbeing, which in turn contributes to reduced impacts on medical services.
 - Financial hardship is a common factor in incidence of domestic violence and other forms of physical abuse. Improving access to affordable housing reduces financial hardship and physical abuse, as well as providing improved opportunities for victims to transition to safe, secure housing.
 - Homeless young people are significantly more likely to be apprehended for criminal activity; providing stable and secure housing options can help alleviate the causes of people turning to crime.

- With a reduction in financial stress, people are more able and more likely to give back to the community through volunteering, engaging in education, and job creation.
- Areas where access to services, infrastructure, and employment is good tends to attract higher house prices' conversely, areas where there is poor access to these produces lower house prices. This produces increasingly concentrated patterns of advantage and disadvantage, and such patterns are evident in Ballarat. increased diversity of housing stock produces more heterogeneous communities, which in turn builds social cohesion and resilience.

DRAFT

DRAFT



The Phoenix | 25 Armstrong Street South, Ballarat, VIC 3350
City of Ballarat | PO Box 655, Ballarat, VIC, 3353

☎ 03 5320 5500 🌐 ballarat.vic.gov.au

August 2023