

Housing affordability in Willoughby Local Government Area (LGA) (2024)

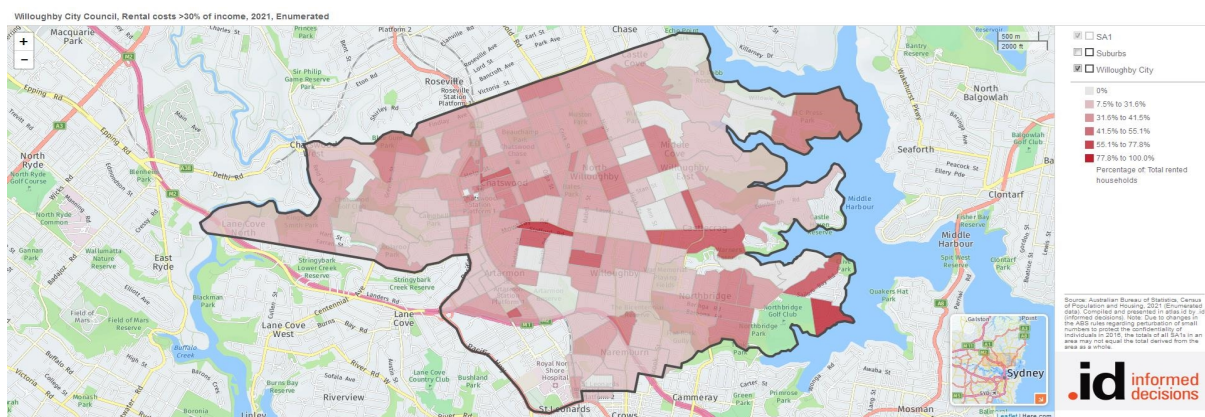
Housing affordability in Willoughby LGA is decreasing and this is impacting on provision of essential services to the local community:

- The lack of affordable accommodation in Willoughby means that fewer essential workers are choosing to live in the LGA.
- In Chatswood CBD, over 40% of households are experiencing housing stress due to rental costs and over 30% of households are experiencing mortgage stress.
- In Willoughby LGA there are half as many affordable housing dwellings than the average for NSW.
- Rental affordability continues to diminish in Willoughby LGA.
- There has been no real growth in the number of affordable rental properties available within the LGA for 15 years.
- The lack of affordable housing for key workers is impacting on the level and cost of providing essential services to the local community.

In Chatswood CBD, over 40% of households are experiencing housing stress due to rental costs.

A household paying more than 30% of their income on housing costs is considered to be experiencing housing stress. On average, the 2021 census shows that 34% of households in the LGA were experiencing rental stress. This figure varies significantly between suburbs. In Artarmon, Castle Cove, Chatswood West and Naremburn, between 26% and 30% of households were experiencing rental stress. In contrast, most other suburbs had more than 30% of households in rental stress, with Chatswood at 38% and Northbridge at 37%. As shown in *Figure 1 – Households experiencing rental stress in Willoughby LGA*, some localities experience a higher proportion of rental stress than others.

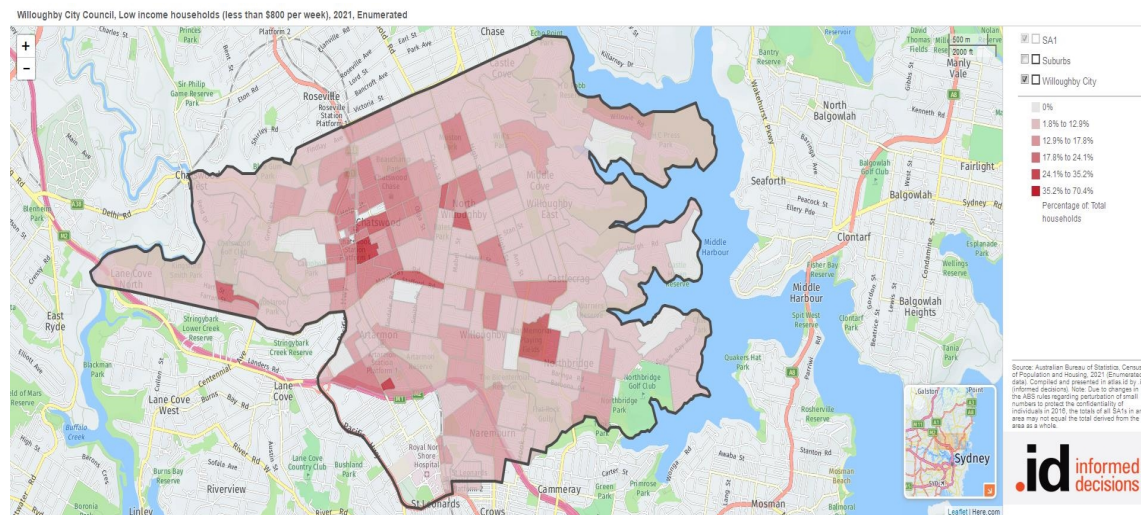
Figure 1 – Households experiencing rental stress in Willoughby LGA



Source: .id

Rates of rental stress in the Willoughby LGA are comparable to the rest of Sydney (35%), but higher than the adjacent LGAs of North Sydney (27%) and Lane Cove (27%). Unsurprisingly, the suburbs experiencing the highest level of rental housing stress are also suburbs with a higher proportion of low income households. As shown in *Figure 2: Low income households in Willoughby 2021*, households with the lowest incomes are located closest to the Chatswood CBD.

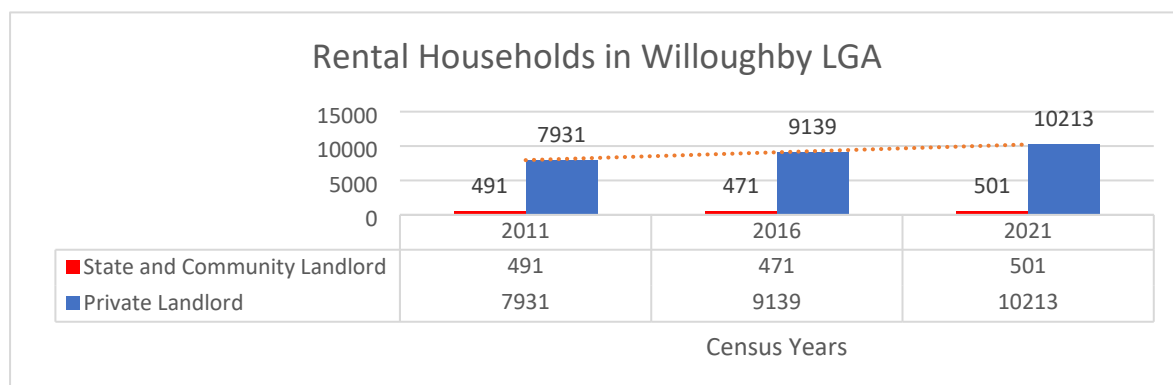
Figure 2 – Low income households in Willoughby 2021



In Willoughby LGA there are half as many affordable housing dwellings than the average for NSW

The 2021 Census data shows that 1.8% of Willoughby households live in social housing, which includes public and community housing. This is significantly lower than the average across Greater Sydney, where 4.1% live in public and or community housing. As shown in *Figure 3 – Number of rental households by landlord type in Willoughby LGA* the number of people living in housing managed by government or community housing providers has not increased significantly since 2011, hovering at 500 households. By contrast private rental housing has increased by more the 2500 households. This means that there has been no real growth in the number of affordable rental properties available within the LGA for 15 years.

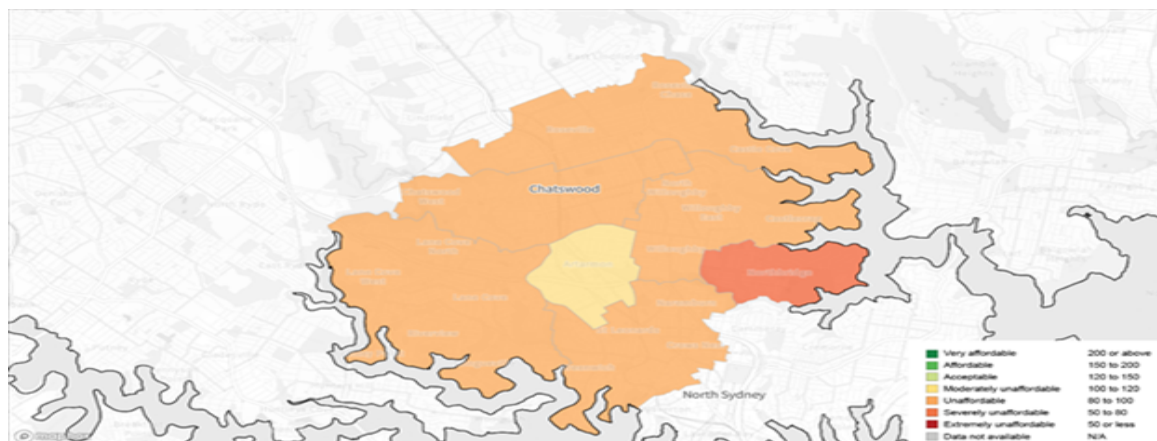
Figure 3 – Rental households by landlord type in Willoughby LGA



Rental affordability continues to diminish in Willoughby LGA

In 2023, SGS Economics' Rental Affordability Index assessed the rental stress of areas across Australia. Almost all postcodes in Willoughby LGA were found to have unaffordable rents, with Northbridge performing the worst at 'severely unaffordable'. As shown in *Figure 4 – Rental Affordability in Willoughby LGA*, only Artarmon was deemed to be moderately affordable in the LGA by this study.

Figure 4 – Rental Affordability in Willoughby LGA



Source: SGS Economics analysis

The unaffordability of rental accommodation in the LGA is directly impacting on the number of essential workers who can afford to live in Willoughby.

Research conducted by the University of Sydney¹ shows that housing unaffordability has a direct impact on the local essential worker labour force. Willoughby ranks in the top 10 LGAs with the lowest concentration of essential worker residents, alongside neighbouring LGAs such as North Sydney, Mosman, Ku-Ring-Gai and Lane Cove.

The study determined Willoughby LGA to be 'very unaffordable' for many essential workers on indicative salaries to purchase or rent a median-priced home in the area. For example, in Willoughby, the median price for a strata dwelling was found to exceed what would be affordable for an early career Registered Nurse by over \$500,000 in 2023.

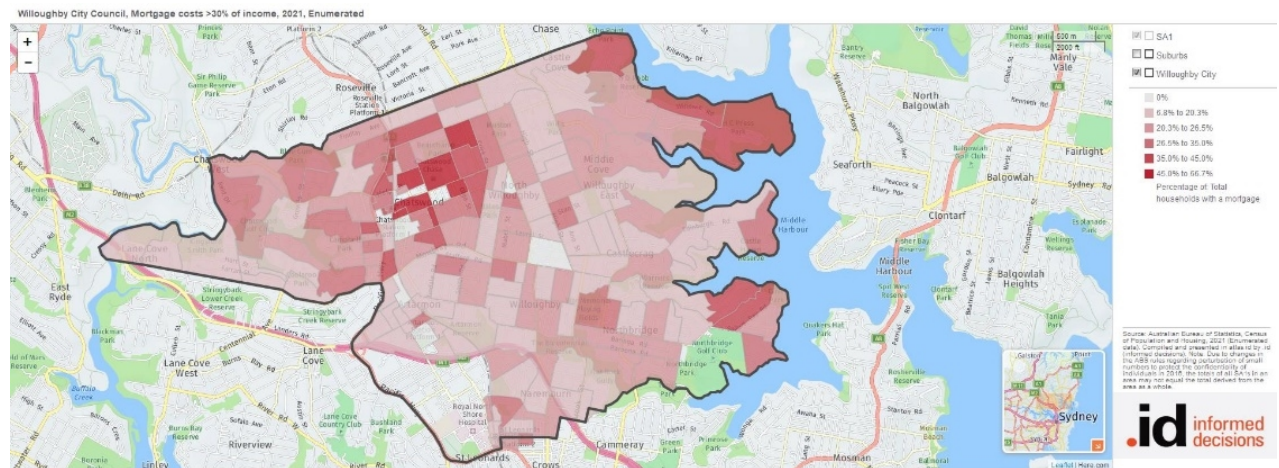
The increasing unaffordability of housing in the LGA means that less people employed in emergency, health and other essential service sectors are resident in Willoughby. This has impacts for our ability to respond quickly to emergencies that may occur in the LGA and for resourcing and funding these services including for example workforce recruitment and retention costs.

¹ Gilbert, C. Nasreen, Z. & Gurrán, N. (2023) Tracking the housing situation, commuting patterns and affordability challenges of essential workers: a report prepared for HOPE Housing, Sydney: The University of Sydney and HOPE Housing.

Just over 30% of households in Chatswood CBD are experiencing housing stress due to mortgage costs.

Around one fifth of households with a mortgage in the Willoughby LGA are experiencing mortgage stress, that is households spending more than 30% of their income on their mortgage payments. There is significant variation between suburbs as shown in *Figure 5 – Households experiencing mortgage stress*. Households in Chatswood CBD are most likely to be experiencing mortgage stress.

Figure 5 – Households experiencing mortgage stress in Willoughby LGA



Source: .id

Councils research shows a likely further increase in the proportion of households in Willoughby experiencing housing stress since 2021.

The Community Wellbeing Survey conducted by Council in 2023 found, 38% of local residents reported unwillingly sacrificing spending as a direct result of housing costs. This is a significant jump when compared with Councils 2021 (22%) and 2019 (21%) surveys.

Further, Council's survey results show that younger residents (aged 16-49), people from CALD backgrounds and people living in multi-unit dwellings were more likely to need to sacrifice spending to meet their housing costs.

Housing costs are a major contributor to resident's decisions to move out of the LGA to areas that are more affordable. The lack of affordable housing in the LGA directly contributes to the level of social cohesion, connection and resilience of the Willoughby LGA population.