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Audit of South Australia's current housing assets and mapping of future demand

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FOR

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Acronyms and abbreviations used in this report

ABS	Australian Bureau of Statistics
ACLD	Australian Census Longitudinal Dataset
AHURI	Australian Housing and Urban Research Institute Limited
CHP	Community Housing Provider
CRA	Commonwealth Rent Assistance
HH	Household(s)
HILDA	Housing Income and Labour Dynamics in Australia
NA	Not Applicable
NS	Not stated
ROGS	Report on Government Services
SA4	Statistical Area 4
SIH	Survey of Income and Housing

Executive summary

The 2016 Australian Bureau of Statistics (ABS) Census of Population and Housing (the Census) recorded approximately 1.68 million South Australians who lived in 673,000 private dwellings with a further 92,000 unoccupied homes. Census figures included more than 10,500 South Australians who were homeless or in marginal housing, ranging from several hundred rough sleepers to more than 6,500 living in overcrowded conditions. This broad description of the housing market sits above many market segments linked to different tenures, household compositions, dwelling types, locations and price points that are influenced by the current circumstances and future expectations of households and suppliers.

The final report of the former National Housing Supply Council indicated that the South Australian housing market was in relative balance at the aggregate level although not necessarily across all market segments. Adelaide median house prices are among the lowest of Australian capital cities but lower local income levels affect overall affordability. Although housing affordability has not deteriorated as rapidly in South Australia as in other places, notably Sydney and Melbourne, there is evidence of growing income and housing cost inequality. This polarisation exists in the context of other trends including an ageing population and workforce casualisation that can affect the suitability of housing and the ability to access or sustain a home. Modest headline housing cost figures therefore mask important socio-economic and spatial changes that should be investigated further.

Noting the many potential approaches to examining housing assets and future demand, this report audits South Australia's housing assets via a breakdown of dwelling types, tenures and locations along with a demographic summary of households. The analysis is supplemented by figures for unoccupied private dwellings and new development approvals as indicators of relative supply, along with administrative data regarding the supply and spatial distribution of social housing.

Demand is examined from several perspectives: the number of social housing households (approximately 44,000 in 2018) provides a baseline figure of those with affordability protections; the volume of low income rental stress (approximately 46,500 at the 2016 Census) indicates the number of households who have less secure tenure and high relative housing costs; and an important, but harder to quantify, group that represents latent demand. Latent demand includes concealed households who want to, but cannot, access or sustain a home of their own based on market housing costs and expected returns from the labour market. This group may include those who are homeless, living in overcrowded conditions or occupying marginal housing such as boarding houses. The report estimates mortgage stress levels but does not include them in demand estimates as these households have achieved secure tenure in the current market notwithstanding potential affordability pressures.

The report draws on a computer simulation to model the current housing market. It predicts that approximately 56,000 households, who do not occupy social housing or own a home, currently face high relative housing costs or cannot access/sustain a home in the market. After applying conservative economic and population assumptions to the model, this group is expected to grow between 6 per cent and 7.5 per cent over the coming five years—approximately 4,000 additional households.

In addition to forward projections, the report makes a number of observations about trends based on the 2006, 2011 and 2016 Censuses: both population and households increased between 10 per cent and 11 per cent; the number of households headed by

a person aged under 40 reduced despite population growth; the largest tenure group of households headed by a person aged 20–39 changed from mortgagee to renter; the number of older households (headed by a person aged 60+) with a mortgage more than doubled; the raw number of all renters increased by 16 per cent (38% for private rental); outright home ownership and social housing both declined; and rent increased faster than mortgage costs. These changes were accompanied by significant increases in both overcrowded households and low income rental stress, with the majority of the latter group estimated to pay more than 40 per cent or 50 per cent of income for rent rather than the basic threshold of 30 per cent.

1 Key observations

1.1 Profile of South Australian housing stock and residents

- Around three quarters of the population and housing stock are within the Greater Adelaide area.
- Around three quarters of all occupied dwellings are separate houses—rising to 86 per cent in regional areas.
- Around two thirds of all households are families rather than singles (28%) or groups (3%).
- Around two thirds of all households own the home (with or without a mortgage) in which they live.
- 44 per cent of all households fit one typology—families who live in separate houses that they own.
- Supply indicators differ from Greater Adelaide (15.36 building approvals per annum per 1,000 homes, 8.8% unoccupied dwellings) to the rest of South Australia (11.33 approvals, 23.6% unoccupied).
- Aboriginal and Torres Strait Islander households, representing just over 2 per cent of all households: own homes at half the average rate; rent at more than twice the rate; are four times as likely to live in social housing; and are over represented amongst those who are homeless or live in other marginal housing.
- Home buyers and renters are relatively polarised—mortgagees in the lowest 40 per cent of income earners have household incomes up to $1,531 per week compared to $883 per week for similar private renters.

1.2 Changes from the 2006 Census to the 2016 Census

- Occupied private dwellings (households) increased by approximately 10 per cent from 610,000 to 673,000.
- Household growth aligned with the spatial distribution of households—approximately three quarters of the growth occurred in Greater Adelaide and one quarter in the rest of South Australia.
- The highest level of growth (16.5%) occurred in and around the north of Greater Adelaide.
- 88 per cent of the net growth in households was among those headed by a person aged 60+, with declines (less than 20, 20–39 years) or marginal growth (40–59 years) in younger households.
- Compared to overall household growth of 10 per cent, the raw number of all renter households increased by 16 per cent but private renters increased by 38 per cent with those renting from a real estate agent up by 64 per cent.
- The most common tenure type for households aged 20–39 changed from mortgagee to renter.
- Older mortgagees (household headed by person aged 60+) more than doubled from 15,670 to 32,619.

- Household compositions remained relatively stable although areas outside of Greater Adelaide showed a reduction in the proportion of family households and an increase in single person households.
- Attached houses increased their share of the dwelling stock—most notably in Greater Adelaide.
- Outright home ownership rates reduced, mortgagee rates remained stable and rental increased—with rental growth most prevalent in Greater Adelaide (20%) compared to the rest of South Australia (12%).
- Median mortgage costs as a proportion of median income remained relatively stable but median rents increased significantly from 17.8 per cent of median income to 22.6 per cent.
- Homeless persons increased by 11 per cent (23% when including those in 'other marginal housing'). Those in 'severely crowded' (up 57%) and 'other crowded' (up 74%) dwellings had the largest increases.

1.3 Differences between social housing customers and the broader community

- Low income households comprise 40 per cent of the community but more than 95 per cent of social housing residents who pay an income-based rent (excludes those who pay market rent) have low income.
- All renters in private rental pay market rent but around 12 per cent of public housing tenants and around 20 per cent of community housing tenants pay market rent.
- Single person households are more than twice as prevalent in social housing (more than 60%) compared to the wider community (27%).
- Single person and single parent households, both of which only have one adult income recipient (either benefits or wages), are more than three quarters of social housing tenants and applicants.

1.4 Low income rental stress, social housing and affordable housing

- Survey of Income Housing (SIH) data estimates that low income rental stress increased from 22.4 per cent of local low income renters in 2007–08 to 39.4 per cent in 2015–16 (sample-based error margins of 5%–7%).
- Deeper analysis of SIH data estimated 45,000 households in low income rental stress in 2016: 15,000 paying 30 per cent to 40 per cent of income; 11,000 paying 40 per cent to 50 per cent; and 19,000 paying more than 50 per cent.
- This report uses 2016 Census data, supporting regionalised analysis and removing sample-based error margins, and counted 46,584 households in low income rental stress (36.5% of low income renters).
- The proportion of low income rental stress is higher in Greater Adelaide (36.9%) compared to the rest of South Australia (32.8%)—the north of Adelaide (40.3%) has the highest rate in urban and peri urban areas whilst the Barossa-Yorke-Mid North area (34.8%) has the highest rate in regional areas.

- Social housing, which protects against rental stress by commonly charging 25 per cent of assessable income for rent, has contracted for the past 25 years. Since 2006, the decrease in public housing exceeded the increase in community housing for a net reduction of approximately 5,600 social housing dwellings.
- SA Housing Authority reports show that around 23 per cent of house sales are affordable for the lowest 60 per cent of income earners, reducing to 7 per cent of sales for households in the lowest 40 per cent of income earners.

1.5 Changing probabilities of transitioning between tenures or leaving home

- Longitudinal survey data from 2002 to 2016 indicates that:
  - The probability of transitioning from public housing to private rental increased for those on the very lowest incomes, but decreased across age groups from 25 to 64 (with the largest decrease among older households).
  - The probability of transitioning from private rental to home ownership decreased across all age and income groups with the exception of households on very low incomes (noting this came off a very low base) and households aged 50–64.
- Census data for the five year period to 2016, indicates that around 20 per cent more young people aged from 15 to 34 remained in the parental home with the highest concentrations in Greater Adelaide.

2 Background and context

2.1 Context of this report

While South Australia has been largely protected from the extreme housing affordability problems well documented in Melbourne and Sydney, it has faced a number of challenges in recent years that directly affect the housing market. Its population and economy are smaller, and even though both are growing, they are shrinking in relative terms compared to much faster growth in other parts of Australia. The economy also has an historical investment in manufacturing, which has previously left the state vulnerable to local economic effects of restructuring. Although South Australia has been actively shifting its industrial focus from its traditional reliance on manufacturing over the last few decades, there were still large-scale job losses associated with manufacturing closures in the last 5 years. The most widely publicised of these were the approximately 1,600 retrenchments from the Holden factory in 2017 in addition to a sizeable number of workers who were retrenched over this time associated with the Whyalla Steelworks, Santos, BHP and ASC.

Such large-scale job losses affect the housing market in various ways. Unemployment for some puts them at risk of unaffordable housing costs, and households may 'fall out' of home ownership and be forced to enter the local rental market. The search for replacement employment may also drive people to leave the local area, relocating to areas or cities where there are employment opportunities. In addition to the specific, but indirect, housing market threats arising from regional economic restructuring there are national trends in the increasing casualisation of the workforce, including more precarious employment opportunities that impact on housing outcomes along with aspirations and housing behaviour. Population ageing, the growth of single person households and rising incidence of house sharing (facilitated by digital marching platforms such as AirBnB) also play important roles in driving housing system change, and behavioural change. These issues are outside the scope of this report but feature prominently in the suite of current and recently completed AHURI research projects.

Political considerations also play a role in shaping housing outcomes, as well as housing policy. Of relevance to this report is the fact that in March 2018 South Australia elected a new government, and this report is therefore timely given that it scopes the supply and demand for housing in the State, with a particular focus on affordability pressures, and begins to set the scene for the development of a new housing strategy.

2.2 Auditing housing assets and supply indicators

This report uses Census data to develop a picture of South Australia's housing assets and the households that live in them. Although the Census has fewer housing questions than housing-specific surveys, it simultaneously collects information about dwellings (location, building types, rent/mortgage costs) and their occupants (household composition, age, tenure, income) via a process that is repeated every five years. As such, Census data can consistently describe the broader market—along with smaller segments—over time and support the identification of further areas for consideration in future research and policy development.

At the most basic level, housing supply is the number of dwellings in an area. However, supply varies across building types, quality, design, cost, location and use (regular occupation, holiday homes, short term leasing, vacant for sale or redevelopment). Underlying these factors are the two potential sources of supply:

- New supply—new construction less demolitions; and
- New or improved availability of existing supply—households exit the system (mortality, migration, merging with another household); households change to dwellings that better match their household size or affordability level; or parts of dwellings become available when single/family households seek to become group households by placing underutilised capacity (spare bedrooms) into the market.

This report uses ABS data regarding unoccupied dwellings (existing supply) and new building approvals (new supply) as indicators of supply in different parts of South Australia, along with administrative data about the level and distribution of social housing. Access to additional data sets along with primary data collection may provide opportunities to better understand supply and how it meets different levels or types of demand.

2.3 Housing demand

The vast majority of the population is housed at any given time so the most basic approach to considering demand may suggest that it is effectively met with the exception of those who are homeless and future members of the community for whom a home does not currently exist. However, such an approach does not consider: whether a dwelling meets a household's financial and non-financial needs; how much a household pays to access or sustain a home; or whether existing dwellings contain one or more people who wish to form a new household. As such, this report uses two approaches to develop a broad picture of demand—a quantitative assessment of households that face affordability pressures in the market; and a discussion of data that indicates key trends.

With regard to the first approach, demand for housing is largely driven by:

- Population—the number of people (natural change and migration) and changes within household compositions (marriages, separations, group household changes) drives underlying demand; and
- Relative prices—changes in the ratio of income to housing costs may cause new households to emerge from existing ones or the reverse.

This report uses the number of households in social housing (indicator of met demand) plus the number of households in low income rental stress (indicator of unmet demand) as a baseline to estimate the number of current households that may require more affordable options than those available in the open market. Noting that that this approach does not capture every level and type of demand, a computer simulation is used to model the current and future housing market that incorporates both: current households that face affordability pressures; and those that cannot enter, or sustainably remain in, the market. The relatively small size of the South Australian population that is spread over a vast area, along with the range of variables that may affect demand, means that forecasts of multiple market segments (e.g. dwelling types, household composition, price points) or further periods into the future may be less reliable. Access to additional data sets and further development of computer simulation models may support more reliable estimation of these in the future.

With regard to the second approach, the report examines indicators of demand pressures such as frustrated desires to form new households or to change dwellings. This includes homelessness, overcrowding, group households, children living with parents into adulthood, mobility rates (changing areas) and housing transitions

(changing tenures). Public housing administrative data are also used to support the second approach by describing households that live in, or have been approved for, housing with affordability protections.

In future research, consideration may be given to the collection of primary data that provides a more detailed understanding of housing suitability, including: the trade-offs between housing costs and other consumption; and the extent to which the location, design and size of homes meets the needs of our changing population (ageing, disability, household sizes, emerging consumer preferences etc.).

2.4 Unmet demand and low income rental stress

In 2012 the National Housing Supply Council (NHSC) reported[1] that the housing gap in 2011 had closed compared to 2001—the latter year representing a “high water mark for Australia’s housing consumption”. Yet in this final report published in full before the abolition of the NHSC, they reported change in underlying demand of approximately 163,000 households in Australia, compared to a supply increase of only 135,000 dwellings. They reported a total cumulative backlog or housing gap of 228,000 dwellings. Thus the picture that existed in 2011 was that Australia had a significant and rising (albeit at a falling pace) level of unmet housing need. The NHSC reported that the disparity varies quite considerably within Australia. In South Australia, for example, the most recent report shows that the market was in "virtual balance" at the aggregate level. However, this observation was followed by the caveat that this cannot be assumed to be the case for all "localities, tenures and population subgroups", reflecting that the balance between housing demand and supply is not homogenous across the community. One approach to expressing this imbalance is to estimate the level of low income rental stress as an indicator of households whose needs are not being met via the open market.

Low income rental stress is a widely used measure of housing affordability but it is important to acknowledge both the limitations of the measure and variation within this group of households. At the margins, a low income household paying slightly more than 30 per cent of income for rent may be better off than a low income household paying slightly less than 30 per cent due to non-rent factors such as a good design, energy efficiency or locations with access to transport, family and friends, services and employment. As such, individual households may choose to pay more than 30 per cent of income and view this as good value, and without adverse effects on other forms of consumption (meeting everyday needs and necessities). However, as housing costs escalate beyond this point, the trade-offs between housing costs and other benefits may be less reflective of value-based choices and increasingly reflect an imbalance between demand and supply for this group. Low income rental stress is a valuable indicator that can be reliably estimated, however it: does not measure the duration of an individual household's need; may exclude people who are homeless or not paying rent at the time of data collection; and may include some households with low income but who have assets to supplement income. Notwithstanding these limitations, changes in low income rental stress over time reflect important changes between housing costs and income that impact the wider market.

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[1] National Housing Supply Council (2012) Housing supply and affordability—key indicators, 2012, Australian Government, ISBN 978-0-642-74817-1

This report uses Census data to estimate low income rental stress for: the whole of South Australia; Greater Adelaide and the rest of South Australia; and the seven SA4 regions that cover the state. Data procured directly from the ABS, based on analysis of multiple SIH periods, provides an indication of the levels of stress within this group—the number of low income households paying 30 per cent to 40 per cent of income for rent, those paying 40 per cent to 50 per cent and those paying more than 50 per cent. Due to the SIH being a survey rather than the Census, these estimates are not available for individual SA4 regions. Administrative data from the Commonwealth Department of Social Services, published by the Productivity Commission, is used to provide insight into the types of households that pay more than 30 per cent or 50 per cent of income for rent although this is restricted only to recipients of Commonwealth Rent Assistance that excludes households such as low wage earners without children.

Organisations apply slightly different methodologies to the calculation of housing stress indicators such as how they treat Commonwealth Rent Assistance and whether they use predetermined bands for income and housing costs rather than specific numbers. Whilst this may cause some variation between point-in-time estimates from different sources, the trends that arise within the same sources provide important insights into the direction and level of changes within the housing market over time.

Data are also provided about households in mortgage stress (paying more than 30% of income for mortgage repayments) in different parts of South Australia but this is not included in estimates of demand for more affordable housing noting that these households have achieved a secure tenure in the existing market notwithstanding potential affordability pressures.

2.5 Social and affordable housing

Social housing is a term used to describe the combination of public housing (owned and managed by a government housing authority) and community housing. The majority of community housing is owned or managed by registered Community Housing Providers (CHP) although the term may also include, particularly in Census data, homes that are owned or managed by charitable, church or community organisations that may not be registered CHPs. Basic eligibility for social housing is generally linked to income with prioritisation then linked to vulnerability indicators such health problems, disability and homelessness amongst others.

Affordable housing has different definitions across jurisdictions and research groups but the term is variously used to describe: homes below a certain price point that are deemed affordable for very low, low, or moderate income households; and homes that are part of specific programs such as the discontinued National Rental Affordability Scheme (NRAS) or the ongoing South Australian Affordable Homes Program.

This report uses a combination of Census data, administrative data from the SA Housing Authority and extracts from the Productivity Commission's Report on Government Services (ROGS) to describe both of the supply of social and affordable housing along with a description of public housing households and those on the approved waitlist.

2.6 Data sources and presentation

Three broad types of data are used in this report:

Census Data	The Census is conducted every five years and collects household-level and person-level information from around 95 per cent of the approximately 10 million households in Australia. The many areas about which the Census collects data limits the number of detailed housing questions. However, Census data can provide observations about small locations and population groups without the higher margins of error (lower confidence/reliability levels) that arise with smaller surveys.
Survey Data	Surveys may be conducted more regularly than the Census (e.g. every two years rather than five years) and can include many detailed questions about a particular topic such as housing. Surveys may provide point-in-time (Survey of Income and Housing—SIH) or longitudinal data (Household Income and Labour Dynamics Australia—HILDA). However, even large surveys have sample sizes from 10,000 to 20,000 respondents—a fraction of one per cent of the Census size. As such, surveys can help to examine specific issues but their estimates about the prevalence of issues across the population have error margins and the results may not be reliable for small areas or groups.
Administrative Data	Administrative data may be collected very frequently and can provide a high level of detail about a defined group (e.g. tenants of public housing) but these records are often limited to those which are used for a particular purpose (e.g. prioritisation on a waitlist or rent calculations) and may not include contextual information. Further, administrative data on the same topic may be subject to different data definitions in different agencies and jurisdictions and therefore present challenges when linking or comparing data sets.

The Productivity Commission's Report on Government Services (ROGS) that is referenced in this report presents a combination of ABS survey data and administrative data from multiple jurisdictions.

Both Census and survey data are subject to: respondents' understanding of a question; question structures (e.g. asking for specific numbers or using predetermined ranges); and whether respondents answer some or all of the questions. Questions for which an answer is 'not applicable', 'not stated' or 'other' may cause raw numbers and percentages in similar tables to vary slightly depending on whether these are included or excluded in totals. Whilst these responses are a small proportion of the overall total, every 1 per cent of the local housing market is around 7,000 households so totals may vary from several thousand to several tens of thousands when presenting data about the whole state. ABS processes and data extraction tools may also contribute to small variations in data tables.

Although the authors have made efforts to highlight where subtle differences may arise between different data sources and tables, readers should be aware that different terminology or methodologies affect both numbers and their interpretation. For example, 'dwellings' are buildings that may be occupied or unoccupied whereas 'households' are the person/family/group that lives in an occupied dwelling. Even where the same term is used (e.g. households), two data sources can produce differing results. For example, the 2016 Census recorded 33,595 households living in 'state housing authority' (often referred to as 'public housing') accommodation in August

2016. The annual Report on Government Services, using administrative data for 30 June 2016, showed 37,646 households living in 'public housing' and 'state owned and managed Indigenous housing—SOMIH' (the sum of these are considered comparable to 'state housing authority' households). The Report on Government Services showed a total 39,621 public housing and SOMIH dwellings, as distinct from households, after including unoccupied homes.

A wide range of other research and data are publicly available regarding housing and homelessness that is not relied on in this report but which readers may find useful such as: *Housing Assistance in Australia* published by the Australian Institute of Health and Welfare; reports from peak/industry organisations; data sets published under state and Commonwealth open data programs; and various reports and research from AHURI.

Other unpublished data sets may also provide insights into elements of the housing market including information from land title registries, planning agencies and residential tenancy registers amongst others. Notwithstanding their potential value, the linking and/or comparison of these administrative data sets may present challenges due to differing definitions and collection dates along with a lack of contextual data. For example, residential tenancy data may provide information about location, initial rent level, landlord type and length of a tenancy but does not provide information about household composition or income level.

2.7 Definition of technical terms

ABS	Australian Bureau of Statistics
ACLD	Australian Census Longitudinal Dataset—dataset that links approximately 5 per cent (up to 500,000 households, more than one million people) of individual 2011 Census responses to corresponding 2016 Census responses.
CHP	Community Housing Provider
CRA	Commonwealth Rent Assistance—supplementary payment for eligible households in receipt of Social Security and Family Assistance payments.
Greater Adelaide	Geographical area being the sum of SA4s: Adelaide Central and Hills; Adelaide North; Adelaide South; and Adelaide West.
HH	Household(s).
HILDA	Housing Income and Labour Dynamics in Australia—national longitudinal survey conducted by the Melbourne Institute since 2001 with approximately 17,000 households.
Household/ family reference person	In Census forms 'Person 1' is the 'householder', 'Person 2' is the 'spouse or partner of Person 1', subsequent persons are others present in the house and all relationships are described relative to Person 1. Person 1 is used to analyse households based on a single reference person and this has previously been referred to as 'head of household' in earlier ABS publications.
Housing stress	Households paying more than 30 per cent of income on housing costs (may include renters and mortgagees at any income level).

Income quintiles	Very low income (lowest 20% of income earners); Low income (20% to 40%); Moderate income (40% to 60%); high income (60% to 80%); very high income (highest 20%).
Low income rental stress	Households in the lowest 40 per cent of income earners paying more than 30 per cent of income for rent.
Mortgagee	Household purchasing a home with a mortgage (does not include outright ownership).
NA	Not Applicable.
NS	Not Stated.
Rest of state	Geographical area being the sum of SA4s: Barossa-Yorke-Mid North; South East; and Outback.
ROGS	Report on Government Services—annual publication by the Productivity Commission.
SA4	Statistical Area 4—largest ABS statistical area below whole-of-state. South Australia consists of seven SA4 regions, four in 'Greater Adelaide' and three in 'rest of State'.
SIH	Survey of Income and Housing—biennial ABS survey (approx. 17,800 sample size).
Australian Bureau of Statistics—Dwelling Types	
Separate house	This is a house which is separated from other dwellings by a space of at least half a metre. A separate house may have a flat attached to it, such as a granny flat or converted garage (the flat is categorised under Flat or apartment—see below). The number of storeys of separate houses is not recorded.
Attached house	Semi-detached, row or terrace house, townhouse, etc. These dwellings have their own private grounds and no other dwelling above or below them. They are either attached in some structural way to one or more dwellings or are separated from neighbouring dwellings by less than half a metre.
Flat, unit, apartment	This category includes all dwellings in blocks of flats or apartments. These dwellings do not have their own private grounds and usually share a common entrance, foyer or stairwell. This category also includes flats attached to houses such as granny flats, and houses converted into two or more flats.

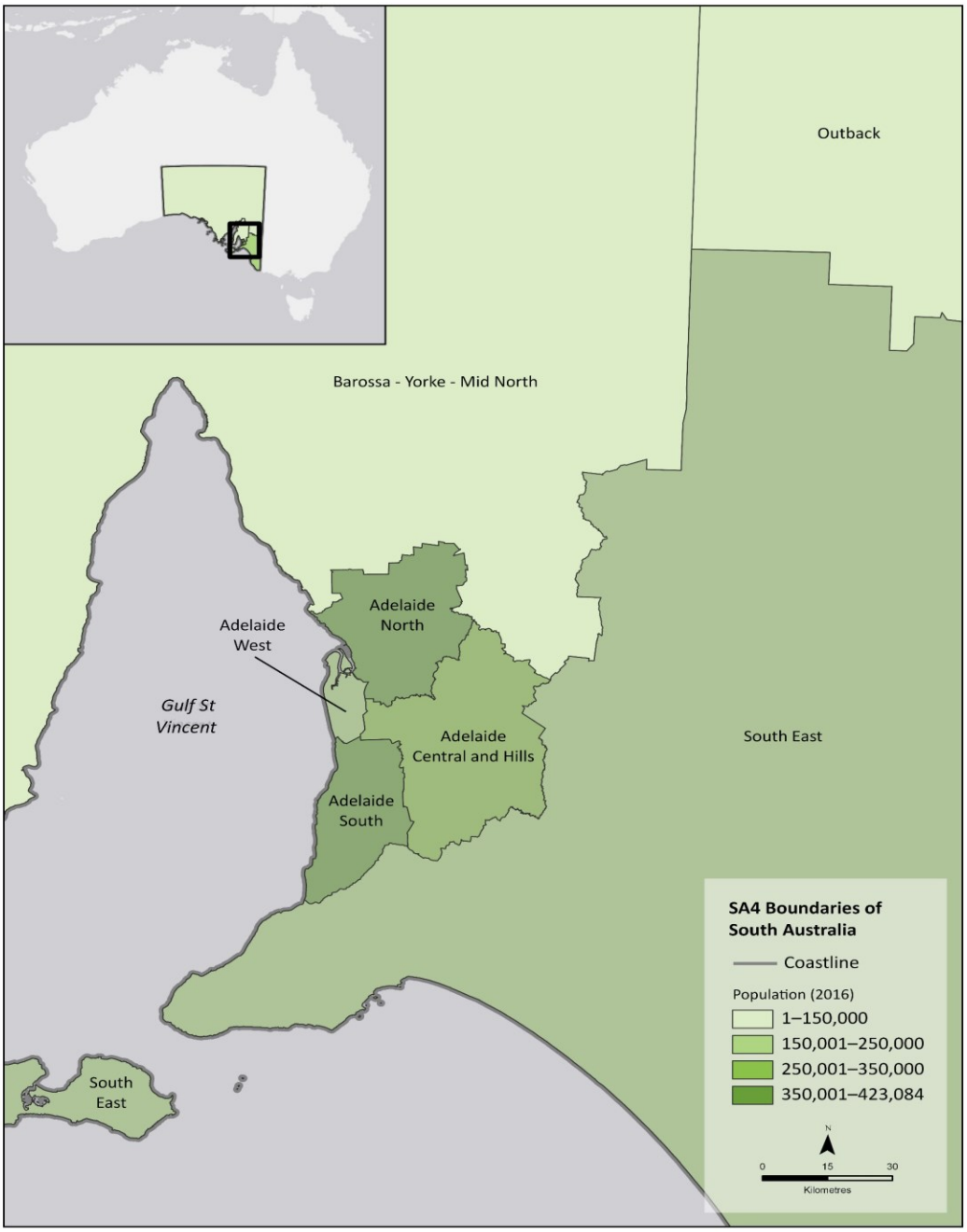
2.8 Definition of geographic regions

Throughout this report, reference is variously made to SA4 (Statistical Area Level 4) regions, Greater Adelaide, rest of South Australia (or rest of state) and South Australia. Figure 1 shows the boundaries of SA4 regions in South Australia.

From an ABS perspective, Australia as a whole is the largest area for statistical purposes and this consists of states and territories. The next largest units are SA4 regions, followed by the progressively smaller SA3, SA2 and SA1 regions—the last of which commonly has between 200 and 800 people.

South Australia has seven SA4 regions—four of which make up 'Greater Adelaide' (urban and peri urban areas) and three of which make up 'rest of South Australia' (country, regional and remote South Australia). Noting limitations on the map size below, the 'Outback' SA4 includes Port Augusta, Whyalla and Port Lincoln (and all of the Eyre Peninsula) but not Port Pirie—and stretches across the entire breadth of South Australia from the northern boundaries of the South East and Barossa-Yorke-Mid North SA4 regions. Appendices 1 to 10 provide a summary of each SA4 region, Greater Adelaide and rest of South Australia.

Figure 1: Boundaries of South Australian SA4 regions



Source: ABS 2016 Census

3 Profile of South Australia's housing stock and residents

3.1 Tenure, dwelling type and household composition

Australia, and most other countries in the Global North (developed countries), is suffering a housing affordability crisis combined with a rapidly ageing population, and the fiscal and economic growth consequences that flow from these issues. South Australia is reputed as a part of Australia that has escaped the worst of these issues, but it is by no means immune. As table 1 shows, owner occupation rates are falling in Greater Adelaide and in the rest South Australia. Meanwhile, the number of households renting is on the rise and, as social housing contracts and restructures, the private rental sector is taking up an increasing share. Table 1 also shows that the number of households is rising in Greater Adelaide and the rest of South Australia.

Table 1: Tenure structure in Greater Adelaide and rest of South Australia

	Greater Adelaide			Rest of South Australia			SA—2016	
Tenure	**2006**	**2011**	**2016**	**2006**	**2011**	**2016**	**Number**	**%**
Owned Outright	32.5%	30.7%	29.6%	37.6%	36.2%	35.5%	208,739	31.0%
Owned with Mortgage	34.8%	35.4%	35.1%	29.2%	30.0%	29.3%	227,204	33.7%
Rented	25.7%	27.5%	28.0%	25.5%	26.7%	26.0%	185,417	27.5%
Other Tenure Type	1.3%	1.4%	1.6%	1.2%	1.5%	1.4%	10,459	1.6%
Tenure Type Not Stated (NS)	5.8%	5.0%	5.7%	6.5%	5.7%	7.8%	41,727	6.2%
Total (N)	465,856	491,684	514,742	144,052	152,210	158,804	673,546	100%

Source: ABS Time Series Community Profile

Housing has become increasingly unaffordable to some households in society over the past 30 years. This has been accompanied internationally by an increase in housing densities and a general move away from low density separate houses towards attached houses and flats/units/apartments. This trend is also evident in South Australia, as shown in table 2. However, the change is not overwhelming. In Greater Adelaide, over the ten years since the 2006 Census, separate houses fell from around 77 per cent of dwellings to 74 per cent while attached houses increased from around 12 per cent to around 17 per cent. Perhaps surprisingly, the proportion of flats or apartments actually fell from 11 per cent to 8 per cent. In the rest of South Australia, the trend is much more muted with separate houses remaining higher than the proportion in Greater Adelaide (85.9%) with modest growth in the proportion of attached dwellings and a small decline in the proportion of flats/apartments. Of some minor interest is the near absence of 'other dwelling' in Greater Adelaide but this category, despite declining slightly over decade, now accounts for more of the market than 'flat, unit, apartment' in the rest of South Australia.

Table 2: Change in the dwelling stock between Census years

	Greater Adelaide			Rest of South Australia		
Dwelling Structure	**2006**	**2011**	**2016**	**2006**	**2011**	**2016**
Separate House	77.0%	76.6%	74.1%	85.7%	87.2%	85.9%
Attached house	11.9%	12.2%	17.1%	6.6%	6.1%	7.9%
Flat, Unit, Apartment	10.7%	10.8%	8.1%	4.5%	4.0%	2.6%
Other Dwelling	0.4%	0.4%	0.4%	3.1%	2.5%	2.8%
Structure NS	0.1%	0.0%	0.3%	0.0%	0.3%	0.8%

Note: Attached house includes semi-detached, row or terrace house, townhouse

Source: ABS Time Series Community Profile

When we examine the composition of households using a very broad typology (table 3), it is evident that demographic change has been modest in South Australia over the decade to 2016. The great majority of households are families (around two-thirds), followed by lone person households (slightly more than a quarter) with very a small proportion (2% to 4%) of group households. In Greater Adelaide, the proportions of these household types have remained remarkably stable but, in the rest of South Australia, there is evidence that lone person households are becoming more numerous relative to family households.

Table 3: Broad composition of households

Household Composition	Greater Adelaide			Rest of South Australia		
	2006	**2011**	**2016**	**2006**	**2011**	**2016**
Family HH	66.1%	66.2%	65.7%	66.1%	64.9%	62.1%
Lone Person HH	26.8%	26.7%	26.2%	25.8%	27.3%	27.9%
Group HH	3.5%	3.8%	3.8%	2.1%	2.2%	2.2%
Other HH	3.7%	3.3%	4.3%	6.0%	5.6%	7.8%

Source: ABS Time Series Community Profile

A basic combined state-wide summary of the above is presented below (see appendix 1 for source figures):

→ 77 per cent of all households (517,697 of 673,546) live in separate houses

- 70 per cent of which are occupied by families (57% ownership, 13% rental);
- 20 per cent occupied by single people (15% owned, 5% rented); and
- less than 3 per cent occupied by group households (1.5% rented, 1% owned).

→ 15 per cent of all households (100,674 of 673,546) live in attached houses

- 44 per cent of which are occupied by families (22% owned, 22% rented);
- 37 per cent occupied by singles (15% owned, 22% rented); and

- 5 per cent occupied by group households (4% owned, 1% rented).

→ 7 per cent of all households (45,782 of 673,546) live in flats, units or apartments

- 34 per cent of which are occupied by families (25% rented, 9% owned);
- 47 per cent occupied by singles (33% rented, 14% owned); and
- 6 per cent occupied by group households (almost all rented—less than 0.1% ownership).

A single combination of the three key variables accounts for 44 per cent of the entire market—families who own their home and live in a separate house represent almost 300,000 households alone. It should be noted that the sub-categories in the above summary tally to between 85 per cent and 90 per cent of all households. Inclusion requires that all of the relevant variables have been answered in the Census and that none of the answers are 'not applicable' or 'other'. Appendices 1 to 10 provide a detailed breakdown (dwelling type, household composition and tenure) of South Australia as a whole, Greater Adelaide compared to the rest of Australia and each SA4 region.

3.2 Housing Costs

Housing costs in South Australia are unquestionably rising, as summarised crudely in table 4. Median rents are rising as a proportion of household income—from 17.8 per cent in 2006 to 22.6 per cent in 2016 in Greater Adelaide and from 15.3 per cent to 18.4 per cent in the rest of South Australia. Curiously, the ratio of median monthly mortgage repayment to household income is not rising noticeably either in Greater Adelaide or the rest of South Australia. This may suggest that home ownership is becoming more polarised (more selective) and that households on lower incomes are being forced out of the tenure and into rental sectors.

Table 4: Housing costs—crude indicators

	Greater Adelaide			Rest of South Australia		
Housing costs	**2006**	**2011**	**2016**	**2006**	**2011**	**2016**
Median rent:HH income	17.8%	22.6%	22.6%	15.3%	17.5%	18.4%
Median mortgage:HH income	29.1%	34.8%	30.1%	27.5%	33.1%	28.4%

Source: ABS Time Series Community Profile

The rental sector is very broad and includes a number of distinct sub-sectors and household types who are not necessarily in competition with each other. As such, later in this report, this group is disaggregated further to examine the individual components of rental housing in South Australia.

3.3 Changes in age and tenure

Tables 5 through 7 are for occupied private dwellings and the age groups are for the household family reference person (formerly referred to as 'head of household'). Due to limitations in Census data, a consequence of disaggregating by tenure and age is that it is not possible to provide as much detail on smaller units of geography so this

information is for South Australia overall. The examination of these tables reflects a combination of the ageing population, a general drift away from home ownership toward rental along with some significant patterns within age groups. The total number of households in these tables are those for which the age of the household reference person is known (around 96% of all occupied dwellings) and total household growth for this group was around 10 per cent between Census periods (588,438 to 645,708).

Whilst coming off a very low base, the number of households headed by a person aged under 20 dropped more than a quarter in a decade. This links to observations later in this report that approximately 20 per cent more young people are remaining in the family home rather than forming their own households over five years. The proportion of 20–39 year olds renting is increasing rapidly (40% in 2006 and nearly 47% in 2016) and this tenure type has overtaken mortgagees as the most common for this age group. For the 40–59 age group, the clearest pattern is that the rate of outright home ownership is declining in favour of the rate owning with a mortgage (but the overall home ownership rate is about the same), and there is some increase in the proportion renting.

The population is rapidly ageing and this is reflected by the fact that the total number of households increased by around 10 per cent over a decade but the number of household reference persons aged 60+ increased by 28 per cent. In comparison, the raw number of household reference persons aged up to 39 years decreased over the decade to 2016 and growth in those 40–59 was only 4 per cent. The growth in the oldest group of households made up 88 per cent of net household growth (50,557 of 57,720). For this older group, rental rates remained stable and the proportion owning outright decreased slightly but there is significant growth in the number and proportion who own a home with a mortgage—the raw number more than doubled over a decade from 15,670 to 32,619.

Table 5: Tenure type of occupied dwellings by age group of household family reference person in South Australia (2006)

	Age band							
2006 Census	**Under 20**		**20–39**		**40–59**		**60+**	
Fully owned	406	9.4%	12,772	7.6%	71,419	30.4%	119,730	66.1%
Being purchased	608	14.0%	80,757	48.1%	106,826	45.5%	15,670	8.7%
Being purchased under a rent/buy scheme	22	0.5%	521	0.3%	410	0.2%	169	0.1%
Rented	2,895	66.9%	67,323	40.1%	49,089	20.9%	29,020	16.0%
Being occupied rent-free	101	2.3%	2,506	1.5%	1,916	0.8%	1,517	0.8%
Being occupied under a life tenure scheme	3	0.1%	105	0.1%	263	0.1%	4,573	2.5%
Other tenure type	31	0.7%	608	0.4%	781	0.3%	1,183	0.7%
Not stated	267	6.2%	3,452	2.1%	4,215	1.8%	9,285	5.1%
Total	4,328	100.0%	168,045	100.0%	234,922	100.0%	181,143	100.0%

Source: Census of Population and Housing, 2006, TableBuilder

Table 6: Tenure type of occupied dwellings by age group of household family reference person in South Australia (2011)

	Age band							
2011 Census	**Under 20**		**20–39**		**40–59**		**60+**	
Fully owned	341	8.6%	10,456	6.1%	61,860	25.5%	132,298	64.1%
Being purchased	607	15.3%	78,594	45.8%	116,335	47.9%	24,056	11.7%
Being purchased under a rent/buy scheme	24	0.6%	571	0.3%	393	0.2%	170	0.1%%
Rented	2,694	67.7%	75,858	44.2%	57,271	23.6%	32,676	15.8%%
Being occupied rent-free	85	2.1%	2304	1.3%	1,912	0.8%	1,648	0.8%
Being occupied under a life tenure scheme	3	0.1%	108	0.1%	347	0.1%	4,988	2.4%
Other tenure type	38	1.0%	646	0.4%	885	0.4%	1,962	1.0%
Not stated	184	4.6%	3,165	1.8%	3,792	1.6%	8,678	4.2%
Total	3,979	100.0%	171,699	100.0%	242,789	100.0%	206,472	100.0%

Source: Census of Population and Housing, 2011, TableBuilder

Table 7: Tenure type of occupied dwellings by age group of household family reference person in South Australia (2016)

	Age band							
2016 Census	**Under 20**		**20–39**		**40–59**		**60+**	
Fully owned	272	8.5%	9,108	5.4%	53,014	21.8%	145,002	62.6%
Being purchased	489	15.3%	73,866	44.1%	121,169	49.8%	32,619	14.1%
Being purchased under a rent/buy scheme	3	0.1%	163	0.1%	194	0.1%	271	0.1%
Rented	2,138	67.0%	78,008	46.6%	61,596	25.3%	36,474	15.7%
Being occupied rent-free	67	2.1%	2,068	1.2%	1,925	0.8%	1,683	0.7%
Being occupied under a life tenure scheme	4	0.1%	176	0.1%	346	0.1%	6,329	2.7%
Other tenure type	12	0.4%	501	0.3%	895	0.4%	1,597	0.7%
Not stated	198	6.2%	3,536	2.1%	4,260	1.8%	726	3.3%
Total	3,190	100.0%	167,419	100.0%	243,399	100.0%	231,700	100.0%

Source: Census of Population and Housing, 2016, TableBuilder

3.4 Transitions between tenure types

Table 8 summarises tenure transitions between 2011 and 2016 based on the Australian Census Longitudinal Dataset (ACLD). This data set links the Census responses from the same 5% (up to 500,000 households) of respondents in each Census and provides information about their change in circumstances over time. The analysis is for South Australia overall and cannot readily be broken down further, however, a number of interesting facts emerge.

Table 8: Inter-censal tenure transitions in South Australia (2011–2016) (Figures are percentages)

	Tenure and Landlord Type in 2011										
Tenure and Landlord Type in 2016	**Owned outright**	**Owned with a mortgage**	**Rent: Real estate agent**	**Rent: State housing authority**	**Rent: Person not in household**	**Rent: church/CHP**	**Rent: Other landlord type**	**Rent: Landlord type not stated**	**Other tenure type**	**Tenure type not stated**	**Tenure type not applicable**
Owned outright	74.7	13.1	4.5	3.1	6.6	3.6	7.4	19.3	23.5	30.9	22.1
Owned with a mortgage	12.3	72.8	32.1	6.7	28.6	10.8	28.6	22.5	14.7	25.9	23.8
Rent: Real estate agent	2.6	6.6	43.2	7.8	20.9	8.1	18.3	15.7	6.6	9.8	7.4
Rent: State housing authority	0.4	0.4	2.2	66.8	1.6	21.3	6.3	5.8	3.4	9.1	3.3
Rent: Person not in household	2.1	3.5	12.4	3.4	34.2	4.4	12.7	12.1	5.6	6.3	4.7
Rent: Church/CHP	0.3	0.2	0.7	3.2	0.6	37.0	1.4	2.3	2.4	0.5	0.9
Rent: Other landlord type	0.4	0.5	1.5	0.6	2.4	0.6	18.1	5.2	1.6	1.7	1.4
Rent: Landlord type not stated	0.2	0.2	0.5	0.9	0.9	2.0	1.4	5.5	1.3	0.7	0.9
Other tenure type	1.5	0.3	0.3	0.7	0.7	3.5	1.4	4.6	29.9	1.4	2.3
Tenure type not stated	1.9	1.2	1.3	3.7	1.7	3.0	1.6	3.5	4.3	7.3	1.2
Tenure type not applicable	3.5	1.3	10.	3.4	1.5	6.7	1.8	3.6	6.6	6.0	32.2
Total Persons	410,902	633,520	148,443	70,177	103,301	11,079	20,082	6,770	13,379	26,427	26,139

Source: ABS Australian Census Longitudinal Dataset, 2011–2016

The value of the data above is in identifying the relative level of stability between tenure types (the shaded diagonal line from top left to bottom right) and the pathways into other tenures (all other cells). An area for further consideration may be the meaning of tenure stability for different households and the relative desirability of transitions to, or from, a particular tenure. Regardless of tenure type, households would likely view changes (or the inability to change) differently based on whether they are based on choice compared to a lack of other suitable options. It should be noted that the percentages above relate to total number of persons (listed in the bottom row) rather than households.

With regard to home owners, similar proportions moved between its sub-categories with 13 per cent of mortgagees transitioning to outright ownership, and 12 per cent vice-versa, between Census years. Whilst the former has a potentially simple explanation of households progressively paying off their loans, the latter may be suggestive of a range of circumstances: households accessing equity in their home due to either financial instability (employment or investment loss) or additional needs (health or disability); family or lifestyle purposes (travel, assisting children with home deposits); or changes in household compositions such as separations in which equity must be divided and two previous outright owners become mortgagees.

Public housing demonstrated a very high level of stability with nearly 67 per cent of residents staying within the sector, 10 per cent transitioning to home ownership or purchase, and just over 10 per cent becoming private renters between 2011 and 2016. The level of tenure stability for public housing tenants was only surpassed by home owners (both outright owners and mortgage holders) that recorded rates in excess of 70 per cent.

However, transitions from the community housing sector are comparatively higher. Only 37 per cent of tenants remained in this sector (less than the 43% who remained renting from a real estate agent), with more than 21 per cent transitioning to public housing, more than 12 per cent to renting privately, and more than 14 per cent transitioning to home ownership or purchase.

The different transition patterns between public housing and community housing tenants may warrant further consideration although the relative size and composition of the groups, along with allocation and tenure policies, may drive some of these differences. For example, community housing tenancies are not homogenous with some homes linked to transitional or crisis programs that may provide housing for a limited period.

With regard to those renting from a real estate agent in 2011, 32.1 per cent transitioned to mortgaged home ownership, and only 6.6 per cent transitioned the other way, between Census periods. This demonstrates that a significant number of households in the private rental sector transition to more secure market housing. However, 12 per cent of those renting from real estate agents transitioned to renting from another person not in the same household. This latter group, consisting of around 49,000 households at the 2016 Census, includes a wide variety of household types: those in less formal, and potentially less secure, rental arrangements; people who are renting a home from family and friends who do so without using a real estate agent; landlords who choose to self-manage their rental properties; or people with temporary circumstances such as those renting between selling and buying a home and those seeking short term solutions when moving for work.

3.5 Aboriginal and Torres Strait Islander Households

Table 9 is a summary of the ABS Australian Aboriginal and Torres Strait Islander Peoples Profiles for 2006, 2011 and 2016. Over a decade, the number of households that reported at least one member who identifies as Aboriginal or Torres Strait Islander jumped 48 per cent from 9,951 to 14,801 with the latter representing around 2.2 per cent of all occupied dwellings. The increase of 48 per cent is much higher than the approximately 10 per cent increase in total households across the state and this may reflect a combination of factors: higher birth rates compared to the wider population; an increased propensity for individuals to identify as Aboriginal in surveys; or an increase in the number of households that include both Aboriginal and non-Aboriginal members (noting that the Census definition includes a household in this group if at least one member of the household identifies as Aboriginal).

Table 9: Aboriginal and Torres Strait Islander households by tenure 2006, 2011 and 2016

	2006	2011	2016	% of 2016 total
Owned:				
Owned outright	931	1,182	1,509	10.2%
Owned with a mortgage	2,442	3,028	3,734	25.2%
Total owned	3,373	4,210	5,243	35.4%
Rented:				
Real estate agent	1,217	1,913	3,114	21.0%
State or territory housing authority	2,872	3,380	3,425	23.1%
Person not in same household	831	1,135	1,368	9.2%
Housing co-operative/community/church group	645	578	505	3.4%
Other landlord type	262	308	304	2.1%
Landlord type not stated	122	116	129	0.9%
Total Rented	5,949	7,430	8,841	59.7%
Other tenure type	72	137	119	0.8%
Tenure type not stated	557	565	602	4.1%
Total	9,951	12,342	14,801	100%

Source: ABS Community Profiles - Australian Aboriginal and Torres Strait Islander Peoples Profiles 2006, 2011 and 2016

Despite the large increase in the number of relevant households between Census periods, the proportion of renters and home owners remained stable noting that Aboriginal households began with much lower rates of home ownership and much higher rental than the state average. Being such a small proportion of the overall

population, there are difficulties in providing detailed commentary at the regional level but state-wide figures show stark differences in tenure compared to other households.

Home ownership rates for Aboriginal households are only slightly more than half that of the state average (35% compared to 65%) although disaggregating this number provides further insight. The rate of mortgagees is moderately lower (25% compared to 35%) but outright home ownership is significantly lower at one third of the state average (10% compared to 30%). Whilst this report has not specifically investigated the age profile of Aboriginal people, there is a much higher rate of outright home ownership amongst older households and the lower life expectancy of Aboriginal people may influence this figure. As shown previously in table 7, the rate of outright home ownership in the wider population almost triples from the 40–59 age bracket (21.8%) to the 60+ age bracket (62.6%). Further analysis would be necessary to determine whether the characteristics of Aboriginal home owners differ significantly from other owners.

With regard to renting in 2016, Aboriginal households were more than twice as likely to be renters (60% compared to less than 30%) and more than four times as likely to be in social housing (26.5% compared to 6%). Between Census periods, the greatest change was in the proportion of renters in social housing (35% down to 26.5%) compared to private rental (21% up to 30%). Noting the significant growth in the total number of relevant households, proportional analysis can mask some interesting raw numbers: the proportion living in public housing dropped from 29 per cent to 23 per cent but the number increased from 2,872 to 3,425; both the proportion and raw number dropped in community housing although this may have been impacted by changes to remote housing programs between Census periods; the number in private rental more than doubled to 4,482 and the raw number of home owners increased by almost half to 5,243 even though the proportion remained stable.

As with many areas of this report, there are several matters from this section that may warrant further consideration including developing a better understanding of the overall growth pattern for Aboriginal households. Noting that Aboriginal households a more exposed to the rental market (double the rate) and social housing (quadruple the rate) than others, there may also be value in considering the extent to which these households are affected by higher rental costs relative to income (that are increasing faster than mortgage costs relative to income) and the contraction of social housing.

4 Housing supply indicators

Housing supply is difficult to estimate or abstract from any analysis of housing stock for a number of reasons.

First, there will always be a high correlation between the number of households by geography, and the number of dwellings in the same area. This, of course, is because the majority of dwellings will be occupied by households, and households are defined partly on the basis that they occupy dwellings. It is therefore important to look at and estimate the number of concealed households, and this is taken forward in a subsequent section of the report that examines housing demand. Other challenges in the estimation of supply include a lack of data about the suitability of individual dwellings for occupation, or occupation by a particular person or group, and a lack of data about the intended use of home. The latter of these items, intended use, can change at short notice and can move a dwelling from being available to being unavailable even though the dwelling remains in the same place and condition. Noting these challenges, this section examines new dwelling approvals and the rate of unoccupied dwellings as indicators of relative supply.

4.1 Housing supply—new building approvals and unoccupied dwellings

New-build supply is perhaps the best proxy for housing supply overall and is certainly one of the easier components to evidence. It is important to note that new supply will significantly under-represent housing supply overall because the latter includes dwellings supplied to the market from households moving to different dwellings, leaving the housing system, or dissolving altogether (dissolutions).

Table 10 reproduces data published by the SA Housing Authority about the volume and type of new supply at the state level for the five years to June 2017. This reinforces data in table 2 of this report about the gradual move toward higher density homes. It is noted: that the 'high density' category used by the SA Housing Authority includes some homes that are 'attached houses' in ABS data; and the use of financial years (table 10) and calendar years (table 11) causes some differences between the annual totals for 2016 and 2017.

Table 10: South Australia: total new supply disaggregated by density, 2012 to 2017

	Separate House		Medium Density		High Density		Total	
	number	%	number	%	number	%	number	%
2012 to 2013	6,837	80.1	1,179	13.8	522	6.1	8,538	100
2013 to 2014	8,396	75.9	1,749	15.8	922	8.3	11,067	100
2014 to 2015	7,894	70.3	1,701	15.2	1,630	14.5	11,225	100
2015 to 2016	8,418	67.5	2,253	18.1	1,792	14.4	12,463	100
2016 to 2017	7,807	68.1	2,267	19.8	1,398	12.2	11,472	100
Total	39,352	71.9	9,149	16.7	6,264	11.4	54,765	100

Source: Australian Bureau of Statistics (reproduced from SA Housing Authority Housing Affordability report)

Table 11: Housing supply—new dwelling approvals and unoccupied dwellings by regions

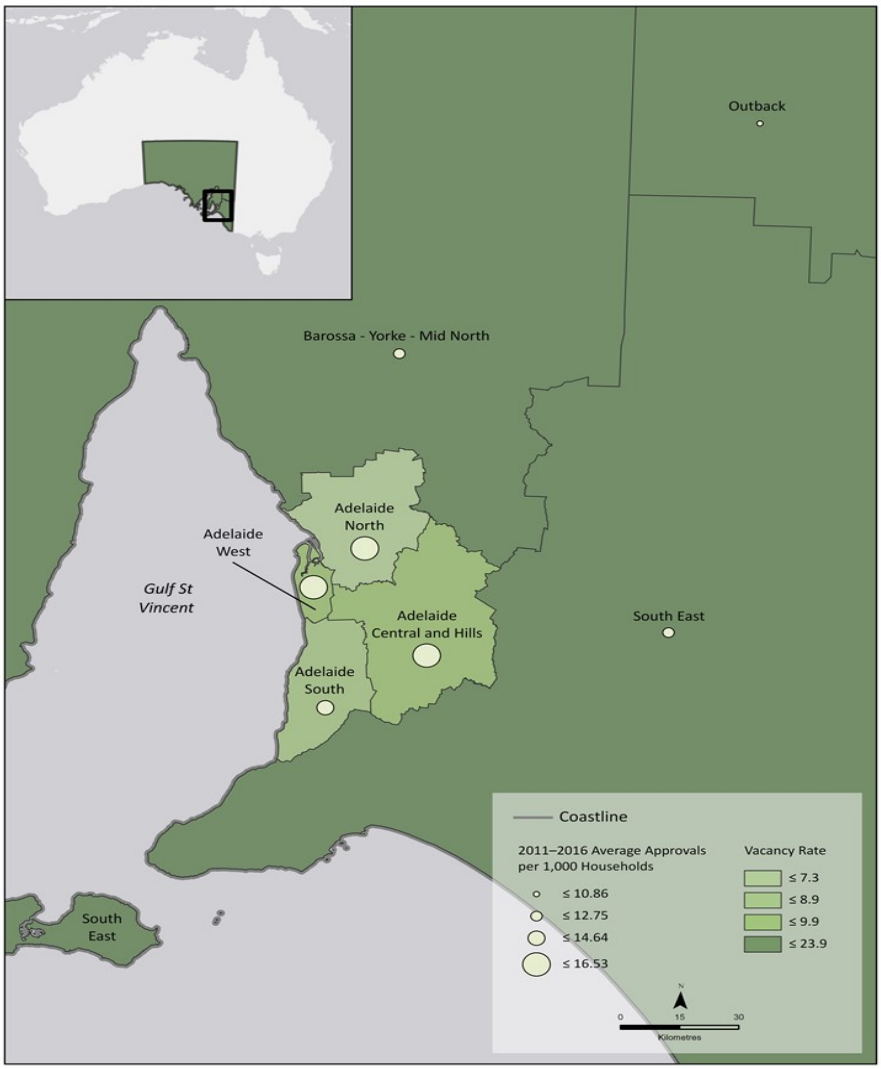
	Dwellings	Building approvals (dwellings)	Building approvals (dwellings)	Unoccupied dwelling rate	2011–16 average approvals
Geography	**2016**	**2016**	**2017**	**2016 (%)**	**per 1,000 dwellings**
Adelaide Central and Hills	128,743	3,153	2,477	9.9	16.53
Adelaide North	173,224	3,061	2,648	7.3	16.24
Adelaide South	156,207	2,381	2,143	8.9	12.90
Adelaide West	104,650	1,963	2,550	9.8	16.12
Barossa-Yorke-Mid North	59,645	581	513	22.8	11.52
South East	100,014	1,194	1,040	23.9	12.27
Outback	44,785	258	174	22.8	8.98
Greater Adelaide	562,821	10,558	9,818	8.8%	15.36
Rest of South Australia	204,435	2,033	1,727	23.6	11.33

Source: Australian Bureau of Statistics

Table 11 shows that new dwelling approvals vary significantly across regions and from year-to-year within individual regions. After allowing for the concentration of homes in Greater Adelaide, new approvals averaged around 14 homes per 1,000 dwellings across the whole state for the five years to 2016. This level of approvals represents around 1.4 per cent of the total dwelling stock in any given year. The lowest rate of new dwelling approvals amongst the SA4 regions in Greater Adelaide (Adelaide South—12.90) is still higher than the highest rate amongst the three country SA4 regions (South East—12.27)—with Adelaide South and Outback SA4 regions both standing out for being significantly lower than their metropolitan or regional counterparts.

As noted earlier in this report, total growth in households was approximately 10 per cent over a decade (averaging slightly less than 1 per cent per annum in compound growth) and new dwelling approvals were significantly higher at around 1.4 per cent per annum of all stock. At first glance, this could indicate a potential oversupply of new homes but the balance incorporates a range of factors including: approvals that do not progress to construction; demolitions of older homes; and properties that are built for the purpose of remaining unoccupied. Figure 2 provides a visual representation of both dwelling approvals and unoccupied dwellings at the SA4 level.

Figure 2: Unoccupied dwelling rate and approvals per 1,000 households



Source: ABS

Similar to new dwelling approvals, the rate of unoccupied dwellings is not a perfect indicator of available supply because an individual dwelling may or may not be an active component of supply. Many households own more than one dwelling and prefer to retain these as vacancies for a variety of reasons ranging from holiday homes (the popular coastal town of Robe had almost 63 per cent of homes unoccupied at the last Census) to future redevelopment or sale. Notwithstanding this limitation, the rate of unoccupied dwellings provides an indicator of homes that may be offered to the market in the right circumstances.

Interestingly, unoccupied dwellings increased from approximately 10 per cent of all private dwellings in 2006 (70,000), to more than 11 per cent (84,000) in 2011 and more than 12 per cent (92,000) in 2016. The rate varies a great deal spatially, but rates are almost three times higher outside Greater Adelaide. Within Greater Adelaide, they are lowest in Adelaide North and Adelaide South. Although there are many reasons for dwellings remaining vacant, it is interesting to note that Adelaide North has both a high rate of new housing supply in addition to the lowest rate of unoccupied dwellings in South Australia. As highlighted in the appendices that provide detailed information about SA4 areas, Adelaide North is somewhat of a conundrum. It is generally

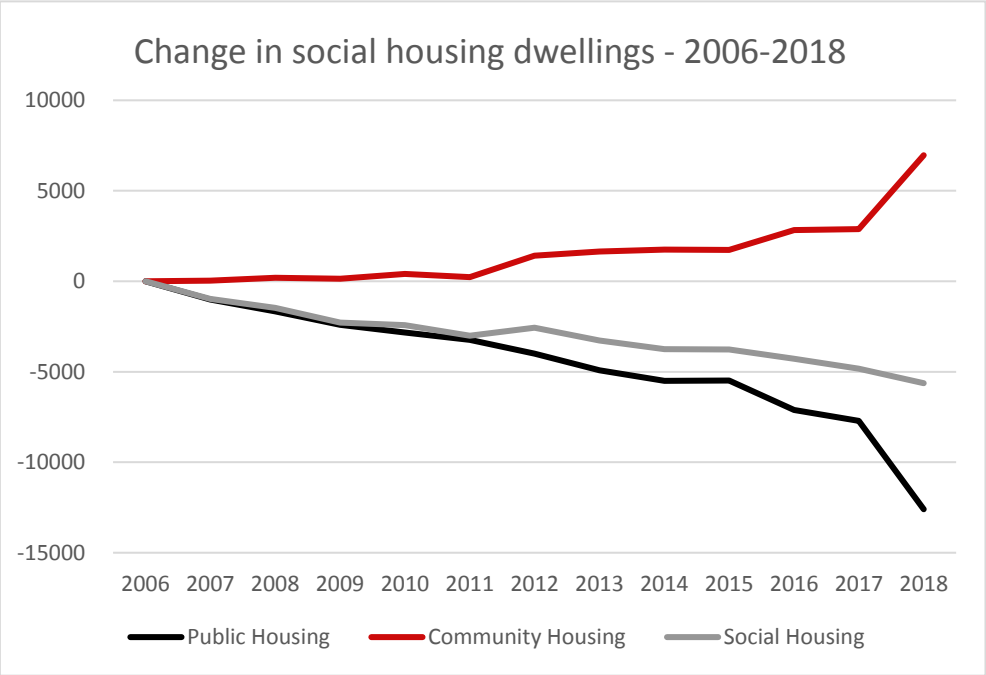
considered a lower-cost housing area and this section shows that it has a high rate of new supply but, as shown later in the report, it also has a high proportion of public housing and has the highest rate of low income rental stress in the state.

4.2 Supply of social housing

Social housing peaked in South Australia around 1993, a year in which public housing alone had more than 63,000 dwellings and represented more than 12 per cent of all housing. Noting that significant policy, funding and market changes have occurred since 1993, allocations (new households entering public housing) have reduced to between 2,000 and 2,500 per annum in recent years compared to approximately 8,000 at the peak in 1993. As such, new allocations have declined at more than double the rate of the decline in housing stock. This suggests that there are additional factors, beyond lower stock levels, that are reducing the number of vacancies arising within public housing that, in turn, may be offered to new households. This observation aligns with other sections of this report that highlight, over time, a lower probability of transitions out of public housing and this may suggest an area for further consideration.

Figure 3 uses government administrative data, published in the Productivity Commission's Report on Government Services, to show the change in South Australian public housing, community housing and overall social housing since 2006. Data are publicly available for earlier periods but 2006 has been used as a starting point in this report to align with other analysis that relies on Census data. Noting that administrative data are collected more regularly than the Census, figures are reported up to June 2018. Over this period: public housing declined from 46,732 dwellings to 34,135; community housing grew from 5,331 dwellings to 12,296; and total social housing declined by 5,632 units. The majority of the CHP growth is linked to the transfer of new homes under a previous Commonwealth Government stimulus package (2011 to 2012) and more recent transfers of approximately 5,000 existing public housing dwellings (2015 and 2017).

Figure 3: Increase / Decrease in social housing dwellings 2006 to 2018



Source—Productivity Commission, 2014 and 2019 Report on Government Services

The supply of social housing is important from an affordability perspective noting that policy generally limits rent to 25 per cent of assessable income—with some variations in community housing, other jurisdictions and an announced policy to charge local tenants up to 30 per cent from 2021 if they are on moderate or higher income. Critically, the level of rent is set at or below 30 per cent of income that is the threshold for low income rental stress. As a result, if there is unmet demand from low income households that pay more than 30 per cent of income in private rent, a reduction in social housing can lead to a direct increase in low income rental stress.

Noting the decline in overall numbers, table 12 examines the location of public housing over the decade to June 2016 (prior to the most recent large transfer of approximately 4,000 homes to CHPs late in 2017) and compares this to the location of all dwellings in South Australia from the 2016 Census.

Table 12: distribution of public housing compared to all dwellings

	Distribution of occupied public housing				Distribution of all dwellings		PH as % of all dwellings
	2006	**2011**	**2016**		**2016**		**2016**
Adelaide - Central and Hills	9.2%	9.4%	9.9%	3,715	16.8%	128,743	2.9%
Adelaide - North	29.5%	29.6%	28.8%	10,832	22.6%	173,224	6.3%
Adelaide - South	16.7%	17.0%	15.9%	6,000	20.4%	156,207	3.8%
Adelaide - West	22.8%	22.2%	23.4%	8,797	13.6%	104,650	8.4%
Barossa - Yorke - Mid North	3.8%	3.8%	3.9%	1,471	7.8%	59,645	2.5%
South Australia - Outback	9.7%	10.0%	10.0%	3,766	5.8%	44,785	8.4%
South Australia - South East	8.2%	8.0%	8.2%	3,076	13.0%	100,014	3.1%
Total	100%	100%	100%		100%		
Greater Adelaide	**78.3%**	**78.2%**	**77.9%**	**29,344**	**73.4%**	**562,821**	**5.2%**
Rest of SA	**21.7%**	**21.8%**	**22.1%**	**8,313**	**26.6%**	**204,435**	**4.1%**

Source: SA Housing Authority and ABS

In examining the table above, it should be noted that occupied public housing makes up around 5 per cent of all housing stock. Community housing, which is not included above, made up approximately 1 per cent of all dwellings in 2016. The public housing percentages referenced above show how the spread of public housing has changed over time even though total numbers have reduced. The final columns show the spread of all housing in South Australia and the approximate proportion of public housing in each area. The table shows two key things: the decline in public housing over the decade to 2016 was evenly balanced with only minor changes to the share of public

housing in any SA4 region; and public housing is not evenly distributed compared to overall housing stock. With regard to latter point, there are relative concentrations of public housing in the north and west of Adelaide along with the Outback region (a significant amount of which is located in Whyalla). The overall distribution of public housing is moderately more concentrated in Greater Adelaide than in the rest of South Australia.

4.3 Supply of affordable housing

The term ‘affordable housing’ does not have a consistent definition across jurisdictions and research groups but it is variously used to describe: homes below a certain price point that are deemed affordable for very low, low, or moderate income households; and homes that are part of specific programs such as the discontinued National Rental Affordability Scheme (NRAS) or the ongoing South Australian Affordable Homes Program. A key difference between social housing and affordable housing is that, while a property remains as social housing, it is required under policy to offer affordability protections to eligible residents. In contrast, affordable housing schemes may ensure affordability at the point of purchase or for a limited period.

The Productivity Commission's 2019 Report on Government Services, using data from the Survey of Income and Housing (SIH), provides broad estimates of new housing that is deemed affordable for households up to and including those on moderate incomes (the lowest 60% of income earners). These estimates are for the period 2007–08 to 2015–16 and are based on the 'number of new homes sold or built per 1,000 low and moderate income households' that are affordable for a household with income at the upper threshold of the group. In South Australia, the estimate was only around 30 affordable homes per 1,000 low and moderate income households. There are different ways to interpret this statistic but one is that, at current rates, it would take between 30 and 35 years for the number of new affordable homes to align with the number of low and moderate income households that exist today—noting that some of these households may already occupy an affordable dwelling.

The SA Housing Authority[2] has published data that uses a slightly different approach to the same issue and it is noted that it applies a different methodology to determining income thresholds than that used in this report. This report, having the benefit of full census data, counts all households and then determines the income level for the household at the top of the lowest 40 per cent of income earners to derive the upper boundary of low income. The SA Housing Authority begins with the median income (below which 50% of households exist) and then uses proportions of the median to estimate threshold levels for: very low income (incomes less than 50% of median); low income (incomes between 50% and 80% of median); and moderate income (incomes between 80% and 120% of median). Appendix 11 reproduces the source table for these observations with individual figures for the six years to June 2017. In conducting these calculations, it is also noted 'affordability' is linked to paying no more than 30 per cent of income for mortgage costs (noting that this is sensitive to movements in interest rates and assumes a minimum deposit) and the calculations do not take into account locational factors that may affect overall cost of living such as access to public transport, proximity to other government services and local employment conditions.

[2] SA Housing Authority, *Housing Affordability: Demand and Supply South Australia*, 2018

The SA Housing Authority data, using government records for house sale prices rather than ABS figures, estimates that approximately: 23 per cent of house sales are affordable to a household at the top of the moderate income group—that includes approximately 60 per cent of households; 7 per cent are affordable for a household at the top of the low income group—that includes approximately 40 per cent of households; and only 2 per cent are affordable to a household at the top of the very low income group—that includes approximately 20 per cent of households. These figures immediately show an imbalance between the proportion of households in each income group and the proportion of house sales (including established homes and new homes) that may be affordable for them. They further show that the imbalance grows more pronounced as we move down the income distribution. As striking as these figures may be, they tend to understate the affordability challenge. This is because 'affordability' is linked to the highest income household in each group. As such, the affordability challenge grows more acute for households at the mid and lower levels of each income grouping.

Whilst outside the scope of this report, other researchers including Wullf et al (2011) have examined housing along the cost/price distribution and the extent to which homes are occupied by households at a similar level on the income distribution. This work reflects ongoing interest in how effectively affordable housing is accessed by those who need it most, rather than simply measuring the volume of affordable supply relative to the volume of households that may need it. This also presents an area for further consideration in future research and analysis.

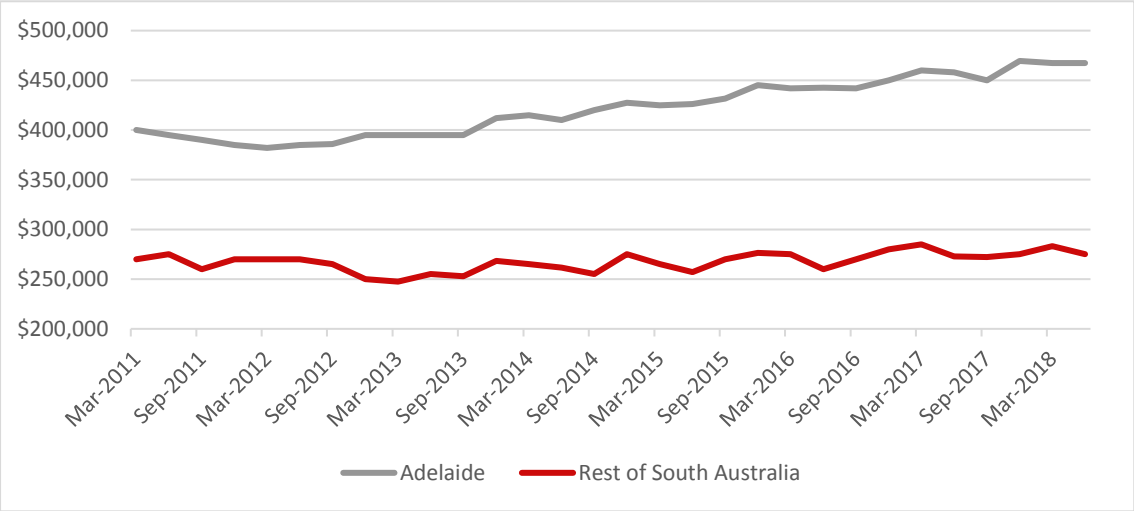
The differing approaches to estimating levels of affordable housing reflect an imbalance between the level of affordable housing supply compared to both overall housing transactions and the number of households on low and moderate incomes. The following section examines housing costs in more detail, including detailed estimates of both rental stress and mortgage stress across South Australia, that are useful in estimating the level of demand for more affordable accommodation.

5 Housing demand

5.1 Housing cost trends

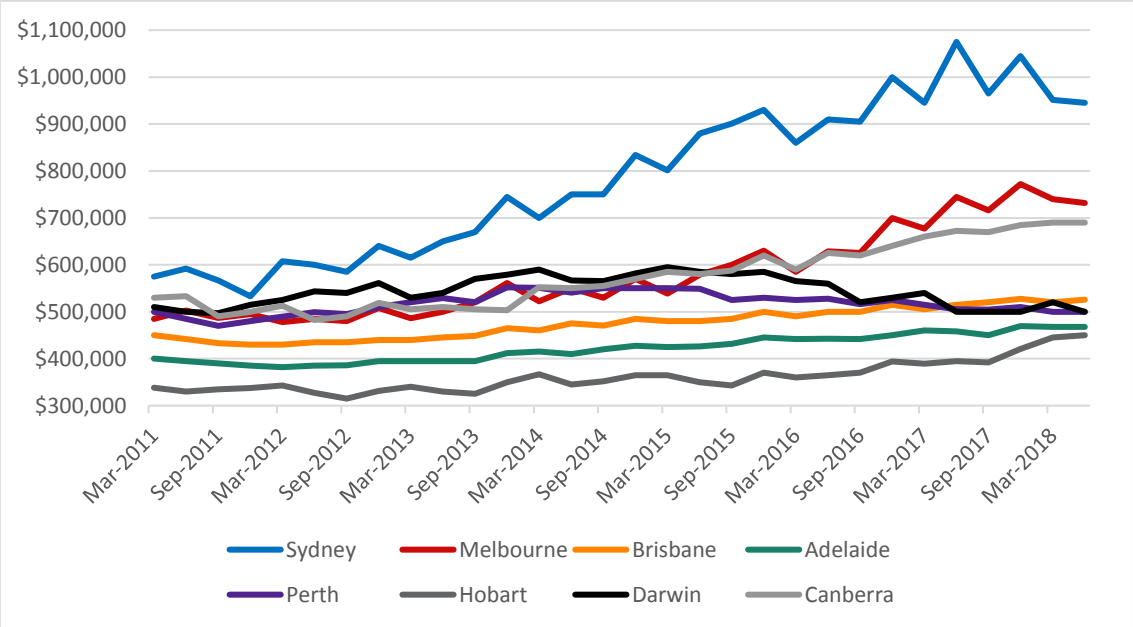
South Australia, Adelaide in particular, has the popular reputation of being one of the more affordable places to live in Australia in terms of its housing costs. However, analyses based on aggregate data run the risk of masking important differences and experiences for households within any housing system. One of the objectives of this section is to provide a more disaggregated analysis in order to explore particular areas in which housing costs are an issue for particular households or giving rise to frustrated demand or unmet housing need. First, we examine housing costs in South Australia and Australia more generally.

Figure 4: South Australia: Established median house prices



Source: ABS

Figure 5: Median established house prices for Australian Capital Cities



Source: ABS

Figures 4 and 5 confirm that median house prices in both Greater Adelaide and the rest of South Australia are modest by Australian standards and that price growth over the past 7 years has also been somewhat subdued compared to other states. Figure 4 also shows that the median house price in the 'rest of South Australia' group of SA4 regions has barely grown during this time period, even in nominal terms.

As table 13 summarises, there are variations in the housing cost inflation rate within South Australia. During the most recent three years annualised house price change ranges from -2.6 per cent (Outback) to 5.8 per cent (Adelaide Central and Hills). Private rents have increased more quickly in regional areas, however, with the rate of growth being between 2.5 per cent and 4 per cent in Greater Adelaide compared around 4.5 per cent in the rest of South Australia.

Table 13: Recent housing costs trends in South Australia

Geography	Annualised price change 2014–16 (%)	Annualised rent change 2011–2016 (%)
Adelaide Central and Hills	5.77	3.65
Adelaide North	3.14	2.59
Adelaide South	3.12	3.15
Adelaide West	5.41	3.93
Barossa - Yorke - Mid North	2.96	4.49
Outback	-2.64	4.34
South East	3.58	4.46

Source: ABS

5.2 Population and migration

When considering the likely future levels of housing need in South Australia, a number of aggregate trends need to be taken into account, including job growth, expected labour market earnings and housing costs. All of these factors depend in some way upon the size and composition of the population, and so any attempt to project future housing need and demand must take population projections into account. Unfortunately, population projections are subject to considerable uncertainty. For example, South Australia's population in 2060 could be as high as 2.44 million or as low as 2.04 million, according to ABS population projections. Official South Australian State Government population projections, that have been used in the computer simulation model, were only available based on the 2011 Census at the time of preparing this report.

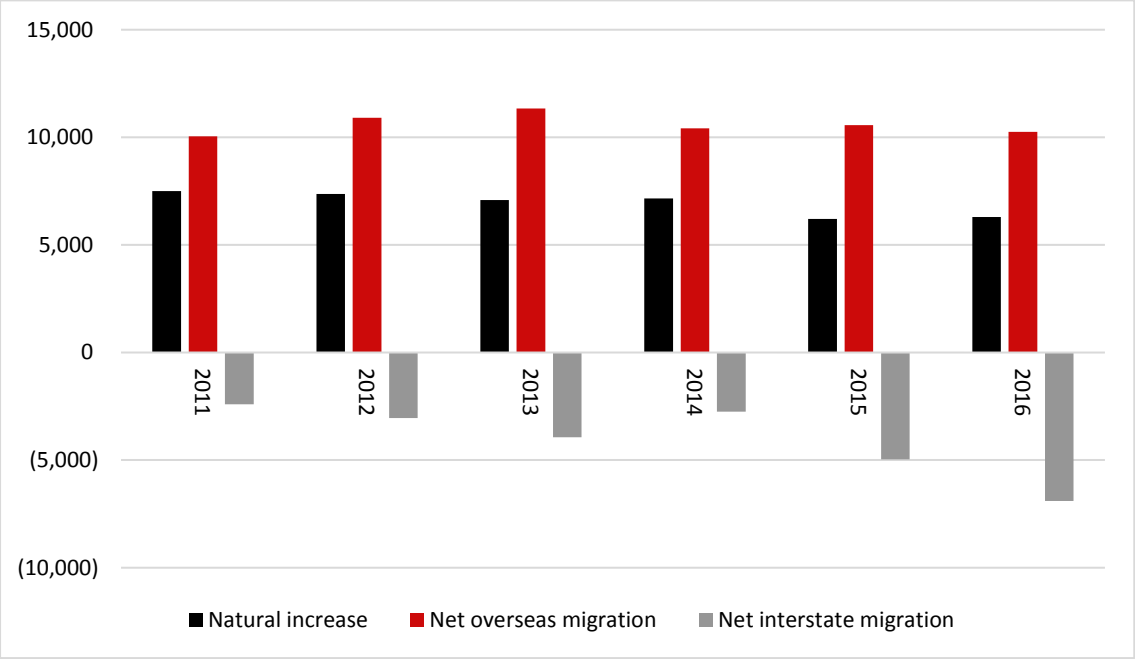
To understand why population projections vary so widely, it is helpful to consider the three main components of population change: natural change, net overseas migration and net interstate migration. The components are summarised in figure 6 for the years 2011 through 2016. It is obvious that net overseas migration has consistently outstripped natural change in recent years. Net overseas migration depends on a variety of factors including political and economic conditions abroad, the performance of the Australian and state economies, and both State and Commonwealth migration

policies. Given that net overseas migration is a large, and growing, component of population change in South Australia, it follows that the size of the population in the future will be very sensitive to migration policy.

A second trend that can be seen clearly in figure 6 relates to net interstate migration. South Australia is a net exporter of people to other states in Australia, and this trend is growing. It is not clear from the analysis, nor is there any reliable evidence generally available, to say whether interstate migration is increasing because net overseas migration is increasing, or whether this trend is emerging for some other (or collection of) reason(s). Nevertheless, the issue of South Australian population loss to other states and territories is intertwined with migration policy nationally, and both areas are hotly debated and politicised.

These factors combine to mean that the future pathway of population change in South Australia is very uncertain. To compound matters, migration policy also influences the composition of the population, and the likely (housing) needs of households. For example, migration policies designed to retain recent economic migrants in regional South Australia might be expected to increase the need for a higher supply of affordable housing in these areas. Meanwhile, policies designed to encourage the return of younger economically active people from elsewhere in Australia might have more subdued direct impacts on housing need.

Figure 6: Components of population change in South Australia



Source: ABS

The ABS Census and Migrants Integrated Dataset 2016 includes migrants who arrived in Australia from 1 January 2000 to 9 August 2016, with data available the SA4 level. Cross tabulations of interest are for South Australian SA4 regions 'Place of usual residence 2016 by Place of usual residence 5 years ago'. The 2011 categories are: Overseas; Did not move in last 5 years; Moved to SA from interstate; and Not Stated. An analysis of this data source is summarised in table 14. The analysis shows that the number of migrants who moved to SA from interstate over 5 years was 5,498. Most moved into Adelaide Central and Hills (1,346) and Adelaide North (1,703) with 88 per cent of interstate migrants settling across Greater Adelaide (4,840 of 5,498).

Table 14: South Australia: Persons, Place of usual residence 2016 by Place of usual residence 2011

Place of usual residence 2011					
			Did not move	Moved from interstate	
SA4 usual residence 2016	**Overseas in 2011**	**Not stated**	**South Australia in 2011**	**Rest of Australia in 2011**	**Total**
Adelaide Central & Hills	8,574	2,134	14,822	1,346	26,876
Adelaide North	12,410	4,210	28,033	1,703	46,355
Adelaide South	7,434	1,877	18,970	932	29,213
Adelaide West	6,971	2,256	13,710	859	23,797
Greater Adelaide	35,388	10,477	75,536	4,840	126,240
Barossa-Yorke-Mid North	389	143	1,031	117	1,681
Outback	558	184	1,135	190	2,067
South East	1,369	606	2,892	375	5,243
Rest of South Australia	**2,316**	**933**	**5,058**	**683**	**8,990**
No usual address (SA)	45	20	34	4	103
Total	**37,749**	**11,439**	**80,622**	**5,498**	**135,307**

Source: ABS

5.3 Disaggregation of rental tenure

Table 15 shows that the proportion of people renting (all landlord types) is increasing in the 20–39 age category, rising from 34 per cent in 2006 to nearly 41 per cent in 2016. This is a significant change and reinforces the notion that younger households are increasingly turning to the rental sector. However, the 40–59 age group has also increased over the past 10 years, albeit more modestly. Meanwhile, the 60+ age group has remained broadly the same. Overall the trends show an increase in persons in rental accommodation, with the trend being stronger in the younger age group. It should be noted that table 15 deals with all people in rental accommodation rather than the family reference person for households as described in tables 5 to 7. As such, the percentages in rental tenure vary slightly between the tables (noting that the rental tenure is slightly skewed away from family households toward single people) but both demonstrate a consistent trend of increased rental that is most pronounced in younger people and households.

Table 15: South Australia: percent of persons who rent by age 2006, 2011, 2016

Year	Less 20	20–39	40–59	60+	Total	No. in rental accommodation
2006	26.2	34.0	17.8	14.7	23.7	328,511
2011	29.1	38.7	20.4	14.3	26.1	385,260
2016	30.8	40.6	22.3	14.3	27.2	417,120

Source: ABS

The SA Housing Authority, using data from Consumer and Business Services (that has responsibility for private rental tenancies), publishes quarterly 'Rent Reports' on its website that describe the approximately 15,000 to 16,000 new rental bonds that are lodged each quarter. Information is provided by dwelling type, bedroom numbers and various locations (suburb, postcode, council area) with median rents and numbers of dwellings for each sub-category. These reports are not referenced further in this report noting that they do not provide information about households that live in the homes and do not capture households for which a formal bond is not lodged. However, readers with an interest in private rental may find the reports useful in understanding the volume, type, location and price of dwellings in the formal non-government rental sector.

Table 16 refers specifically to people living in rental accommodation provided by a state or territory housing authority (public housing) and we can easily see that this particular tenure/landlord type has reduced significantly during the ten year period. The table reflects a potential combination of: lower public housing stock levels; and an increase in single person households that may be influenced by both allocations into public housing and children leaving the family home whilst a parent remains in public housing. Here, the impact of age group is less clear, but there is a suggestion that the reduction in this landlord type has affected older people more so than younger age groups. For example, there has been a reduction by more than 10 percentage points for the 60+ age group, 9 percentage points for 40–59 and less than 6 points for those aged 20–39. In making this observation, this tenure type began the relevant period with a heavy weighting toward older age groups—nearly half of all older renters reported living in state housing authority accommodation in 2006.

Table 16: South Australia: Percent of persons who live in state or territory housing authority rental by age 2006, 2011, 2016

Year	Less 20	20–30	40–59	60+	Total
2006	21.5%	13.3%	29.4%	47.1%	23.2%
Individuals in this age group	98,785	128,767	70,045	40,731	342,328
2011	15.8%	9.8%	24.2%	42.0%	18.4%
Individuals in this age group	111,890	153,242	87,173	46,275	395,580
2016	11.4%	7.6%	19.5%	36.0%	14.8%
Individuals in this age group	118,037	164,382	94,961	52,850	430,230

Source: ABS

In examining table 16, it useful to note that: it deals with people rather than households; public housing makes up around 5 per cent of all dwellings but between 20 per cent and 25 per cent of all rental housing; and that public housing has around twice the level of single person households compared to the whole housing market. This may cause some variations with comparable figures/tables in other parts of this report.

When examining administrative data about the age of public housing tenants (immediately prior to most recent community housing transfer in late 2017), 38 per cent of all people living in public housing were aged 60+ with this rising to 46 per cent of all head tenants (comparable to the 'household reference persons' in tables 5 to 7). As a point of comparison, table 7 showed that 36 per cent of all household reference persons in South Australia were aged 60+ and therefore public housing includes a much higher proportion of older people than the wider community. This is of interest because older people have higher home ownership rates and more stable housing than other age groups that, in the absence of other factors, may suggest a lower level of need for social housing. When we examine the waitlist as distinct from tenancies, those aged 60+ reduce to 15 per cent of household reference persons and 11 per cent of all household members. This final point indicates that the age profile of the waitlist is significantly younger than those who are housed, potentially reflecting a combination of: an ageing population; low turnover in public housing; or extended waiting periods between application and being housed.

5.4 Change in public housing tenancies and waitlist

The public housing waitlist decreased from 25,750 households in June 2006 to 20,977 in June 2016 although the proportion of the waitlist that is assessed as 'Category 1' (those deemed homeless or at risk of homelessness) more than doubled over the same period. By 2018, this latter group had grown to around 4,000 households. This reflects other observations in this report about the differences between the wider community, in which prices and supply may be in relative balance, and smaller market segments in which households may be experiencing increasing barriers to accessing or sustaining a home.

Table 17: Public housing tenancies and waitlist by household composition 2006, 2011, 2016

	Couple	Couple + Children	Sharers	Single	Single Parent
2006 - South Australia - Waitlist	4.8%	6.5%	2.5%	58.6%	27.5%
2011 - South Australia - Waitlist	5.2%	7.2%	3.2%	55.9%	28.5%
2016 - South Australia - Waitlist	4.9%	6.9%	3.4%	57.1%	27.6%
2006 - South Australia - Tenants	11.5%	7.9%	4.0%	56.2%	20.3%
2011 - South Australia - Tenants	12.5%	7.8%	4.4%	53.7%	21.6%
2016 - South Australia - Tenants	9.8%	5.8%	6.5%	61.5%	16.4%

Source: SA Housing Authority

Table 17 provides a state wide summary for the household composition, based on administrative data from the SA Housing Authority, of public housing tenancies and the approved waitlist for 2006, 2011 and 2016 (to align with the Census periods that are examined in other parts of this report). Appendices 12 and 13 provide a detailed breakdown of household compositions for public housing tenants and the waitlist at the SA4 level for the same years. Comparison against the Census data trends in earlier parts of this report with this administrative data yields some interesting insights.

For example, single people make up a majority of households on the waiting list in all areas. Around 28 per cent of all households in the community are single people but this household type appears at more than twice that rate for both public housing tenants and those on the waitlist. The figure ranges from half to three quarters of the waitlist across different SA4 regions. Family households in the Census (incorporating couples, couples with children and single parents in the SA Housing Authority data) make up around two thirds of the wider population but only around one third of public housing customers—with single parents being the dominant sub-group within family households. The combination of single people and single parents make up 78 per cent of tenants and 85 per cent of those on the waitlist and this reflects the affordability challenges faced by households with only one primary income earner (either from government benefits or wages) compared to households with two or more adults. The rate of sharers on the public housing waitlist (comparable to 'group' households in the Census) is around the same (circa 3%) when comparing the wider community. However, the rate of public housing households who are sharers increased from slightly above the state average in 2006 (4%) to around double the rate in 2016 (6.5%). This is particularly interesting noting that public housing rent, being primarily based on household income, does not provide a direct incentive to share a home with another person.

The proportion of different household types on the waitlist only changed slightly between 2006 and 2016 but the patterns amongst existing tenants were more pronounced—single people and sharers increased noticeably whilst all others decreased. Further analysis is necessary to understand the extent to which the increase in single person households is driven by separations (couples becoming singles), children leaving home (single parent becoming a single) or new allocations (single people replacing other household types). An area for further consideration may be the suitability of homes as the tenant profile continues to change over time.

In addition to a high prevalence of single people and single parents amongst both tenants and those on the waitlist, public housing has a very high proportion of low income households. To an extent, this is a result of eligibility policy for social housing that applies income thresholds. However, when examining current households in more detail and comparing these to administrative data from the Commonwealth Department of Social Services (DSS)[3], some interesting observations emerge. Following the most recent transfer of public housing properties to community housing in late 2017, there are between 27,000 and 28,000 public housing households at any time who pay income-based rents for which detailed information is collected regularly. There are a further approximately 4,000 public housing households who pay market rent for which

[3] DSS Open Data, *DSS Payment Demographic Data*, June 2018

detailed information is not available. With regard to those who pay income-based rents, the most common income sources are:

- Disability Support Pension—12,000 recipients
- Age Pension—10,000 recipients
- NewStart Allowance—6,000 recipients
- Carer Payment (also referred to as Carer Pension)—2,000 recipients
- Parenting Payment Single—1,000 recipients

Each of the above payment types are mutually exclusive and may only be received by one person at a time (members of a couple may be on the same or different payments). Around 2,500 people reported wage income and around 4,000 received Family Tax Benefit payments although both of these may be received on their own or in combination with the payments listed above. DSS payment data from June 2018 shows that South Australia had:

- Disability Support Pension—67,000 recipients
- Age Pension—211,000 recipients
- NewStart Allowance—66,000 recipients
- Carer Payment—21,000 recipients
- Parenting Payment Single—18,000 recipients

When comparing the two data sets, 18 per cent of Disability Support Pensioners already live in public housing with further numbers in community housing and on the waitlist. Around 5 per cent of Age Pension recipients live in public housing—reflecting both that many older people, including pensioners, own the home in which they live but that those who do not own a home make up a large proportion of those who access social housing. The reason that the Disability Support Pension and Age Pension are important is that they are both linked to limited expected future income from the labour market. The two payments are the most common in public housing, totalling more than double the next three payment types combined, and this reflects that social housing is providing support to a high proportion of households who will have lower capacities to earn income and build assets in the future.

Around 10 per cent of both NewStart and Carer Payment recipients live in public housing along with slightly more than 5 per cent of those receiving Parenting Payment Single. Whilst these numbers provide some insight into the makeup of other public housing households, the payments are more commonly associated with varying periods of need rather than long term exclusion from the labour market. DSS open data also reports that around one quarter of all NewStart recipients have a partial capacity to work that may indicate health or disability issues.

A key driver of changes in the tenant profile over time are new allocations into public housing. Similar to all states in Australia, public tenant households in South Australia overwhelmingly have a low income. The 2019 Report on Government services notes that 98.6 per cent of income-based renters in public housing (this excludes approximately 4,000 households, or 12 per cent, who pay market rent are not required to declare current income) were classified as having incomes in the lowest 40 per cent of the income distribution in 2018. This figure aligns with the national average of 98.5 per cent, although the figure is slightly lower in community housing with 93.6 per cent of income-based renters being on a low income (national average 94.2%). The approximately 88 per cent of public housing households who pay less than market rent

(i.e. pay an income-based rent) has been stable for the last 5 years. Although this represents a substantial majority of tenants, it is lower than the Australian average of just over 92 per cent.

As well as targeting social housing to provide housing affordability, the sector also increasingly prioritises allocation to people and households who are deemed to be in 'greatest need' and 'special need'. These figures are published annually in the Report on Government Services along with a description of the groups, noting that a single household may be included in one or both groups:

> *Greatest need households are defined as households that at the time of allocation are homeless, in housing inappropriate to their needs, in housing that is adversely affecting their health or placing their life and safety at risk, or, have very high rental housing costs.*
>
> *Special needs households are defined as households that at the time of allocation have:*
>
> - *for public housing and community housing—a household member with disability, a main tenant aged 24 years or under, a main tenant aged 75 years or over, and/or satisfy the Aboriginal and Torres Strait Islander household definition;*
> - *for SOMIH (state owned and managed Indigenous housing)—a household member with disability, a principal tenant aged 24 years or under and/or a principal tenant aged 50 years or over.*

Over the past five years (2013–14 to 2017–18 inclusive) across Australia, greatest need allocations have accounted for three quarters of all allocations and special need allocations have for accounted more than half. In South Australia, whilst not having the highest proportions, figures were above the national average. In South Australia during 2017–18:

- Public housing allocated 88.2 per cent to greatest need and 69.7 per cent to special need
- Community housing allocated 84.3 per cent to greatest need and 53.6 per cent to special need
- SOMIH allocations were 91.3 per cent to greatest need and 50.5 per cent to special need.

5.5 Concealed households

This section attempts to provide a crude estimate of the number of concealed households in South Australia in 2011, and in 2016. Deciding whether individuals are prospective but frustrated heads or members of a new household, or not, is a difficult business. Many young adults choose to, and are free to, live in the parental home while they pursue training or employment goals, or are simply saving for a home deposit or other financial goals. For others, this outcome is less of a choice and is more driven by necessity and the decision to defer household formation is a sub-optimal one. Previous research (Nikolaev, 2015) has shown that young adults may benefit from improved mental wellbeing (in addition to financial) outcomes if they continue to live in the parental home into their 20s. However, there comes a point (in the late 20s or early 30s) at which this advantage turns to a disadvantage and exerts a negative impact on wellbeing.

Therefore, we need to be very careful about drawing any conclusions based on the number of young adults who continue to live in the parental home, or choose to share accommodation with other unrelated adults. In a full study of housing need, demand and aspirations, the research method would include a primary phase in which qualitative data are collected from a sample of respondents. This would condition the inferences made on the basis of the secondary quantitative (Census) analysis. In this short study, focused on auditing South Australia's housing assets, it was not within scope to run such in-depth analyses. Instead, the analysis is based on information readily available from the Census.

Table 18 indicates the number (and proportions) of children aged 15–24 and 25–34 still living in the parental home. This provides a crude indicator of potential latent (frustrated) demand although, as noted above, in the absence of qualitative evidence on which to calibrate the findings this can only represent a basic proxy. It is also obviously not ideal that the 15–24 age group is defined so widely and includes children of an age that they would ordinarily be expected to be resident in the parental home, as well as others in their early 20s who might have formed new households in other circumstances.

In Greater Adelaide, the proportion of 15–24s living in the parental home is smaller in Adelaide Central and Hills and Adelaide West compared to the North or South. In regional South Australia the patterns are more mixed. The proportion living in the parental home is actually lower in Outback than anywhere else in South Australia. When we turn to examine the 25–34 age bracket the patterns are much more consistent within Greater Adelaide, with between 10 per cent and nearly 12 per cent remaining in the parental home. In the rest of South Australia the proportion is much lower, ranging from 6 per cent through 8.5 per cent. This may be suggestive that housing pressures are less, and more conducive to young adults forming new households, or that incentives to leave may be higher for work or education.

Table 18: Children aged 15–24 and 25–34 living in parental home, 2011

Age group	Living arrangement	Adelaide Central and Hills	Adelaide North	Adelaide South	Adelaide West	Barossa - Yorke - Mid North	Outback	South East
15–24	Living in parental home	21,903	33,983	28,791	16,322	6,802	4,823	11,040
	Living elsewhere	18,013	20,835	15,908	11,872	4,260	5,761	8,101
	Total	39,916	54,818	44,699	28,194	11,062	10,584	19,141
25–34	Living in parental home	3,507	6,476	4,672	3,622	827	642	1,213
	Living elsewhere	31,446	49,216	37,933	27,039	8,896	9,942	16,296
	Total	34,953	55,692	42,605	30,661	9,723	10,584	17,509
15–34	Total	74,869	110,510	87,304	58,855	20,785	21,168	36,650
		%	**%**	**%**	**%**	**%**	**%**	**%**
15–24	Living in parental home	54.9	62.0	64.4	57.9	61.5	45.6	57.7
	Living elsewhere	45.1	38.0	35.6	42.1	38.5	54.4	42.3
25–34	Living in parental home	10.0	11.6	11.0	11.8	8.5	6.1	6.9
	Living elsewhere	90.0	88.4	89.0	88.2	91.5	93.9	93.1

Note: Persons living at home includes natural, adopted, step and foster children

Source: ABS Census table builder 2011 (usual residence)

There are some interesting shifts in these patterns as we move to examine the 2016 Census results, as shown in table 19. In fact, the proportion of children aged 15–24 living in the parental home remains broadly unchanged from 2011, with some very minor variations. But the proportions of 25–34 year olds living in the parental home increases in every SA4 area between 2011 and 2016. Some of these increases are modest, such as a rise from 11.6 per cent to 12.6 per cent in Adelaide North or the rise from 11.8 per cent to 12.8 per cent in

Adelaide West. Others are more pronounced, such as the rise from 6.9 per cent to 9.1 per cent in South East or from 8.5 per cent to 10.9 per cent in Barossa-Yorke-Mid North. Although these changes are in the order of one to two percentage points, they apply to the low base of circa 10 per cent of young adults living in the parental home, so the movements are quite substantial within a period of only 5 years. We could say that around 20 per cent more young adults are continuing to live in the parental home in 2016 compared to 2011. We cannot say anything about whether these individuals are doing so through choice or through lack of affordable housing opportunities without further research or primary data collection.

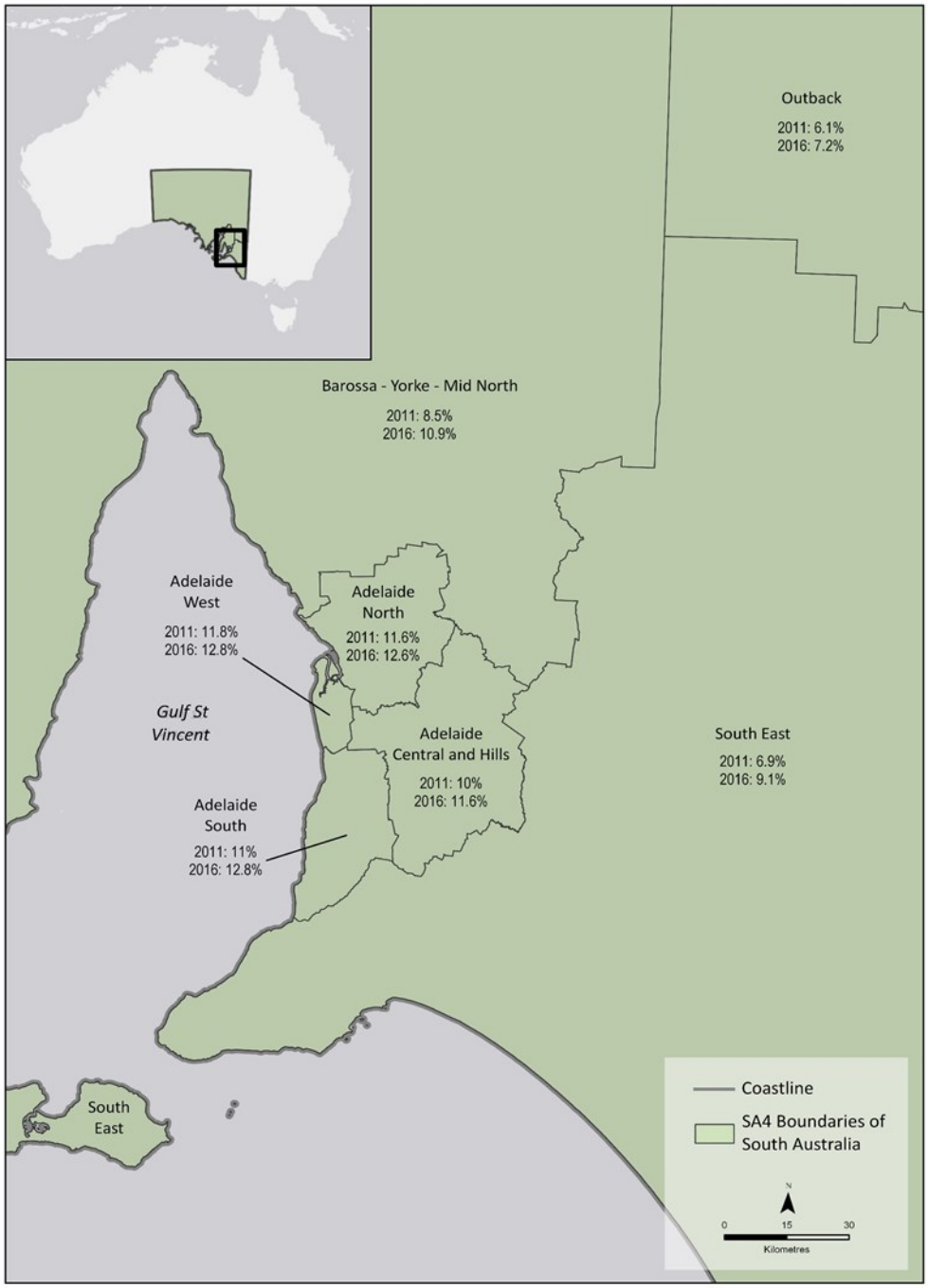
Table 19: Children aged 15–24 and 25–34 living in parental home, 2016

Age group	Living arrangement	Adelaide Central and Hills	Adelaide North	Adelaide South	Adelaide West	Barossa - Yorke - Mid North	Outback	South East
15–24	Living in parental home	22,662	35,637	28,639	17,246	7,089	4,475	11,288
	Living elsewhere	17,537	20,121	15,469	11,600	3,962	4,727	7,767
	Total	40,199	55,758	44,108	28,846	11,060	9,202	19,055
25–34	Living in parental home	4,305	7,909	5,736	4,342	1,130	768	1,655
	Living elsewhere	32,705	54,760	39,065	29,480	9,191	9,957	16,549
	Total	37,010	62,669	44,801	33,822	10,321	10,725	18,204
15–34	Total	77,209	118,427	88,909	62,668	21,381	19,927	37,259
		%	**%**	**%**	**%**	**%**	**%**	**%**
15–24	Living in parental home	56.4	63.9	64.9	59.8	64.2	48.6	59.2
	Living elsewhere	43.6	36.1	35.1	40.2	35.8	51.4	40.8
25–34	Living in parental home	11.6	12.6	12.8	12.8	10.9	7.2	9.1
	Living elsewhere	88.4	87.4	87.2	87.2	89.1	92.8	90.0

Note: Persons living at home includes natural, adopted, step and foster children

Source: ABS Census table builder 2016 (usual residence)

Figure 7: Proportion of 25–34 year olds living in the parental home, 2011 and 2016



Source: ABS

In concluding this section, we also acknowledge another often-hidden housing need cohort—people who are unable to meet their housing needs in the conventional market. This group is composed of people who may live in non-private dwellings, informal housing, caravan parks, and people who are classified as homeless. A recent

study commissioned by Commonwealth Treasury[4] attempted to estimate the size of this population using Census data for Australia. It revealed a large number of Australians (between 135,000 and 167,000 persons) who were, at the time of the Census, living in these types of accommodation or homelessness because of inability to enter the formal rental market. It also showed that the number of persons in this type of housing need was rising.

5.6 Homelessness

The ABS uses six Homeless Operational Groups to estimate the number of people likely to be homeless on Census night. These are:

1. Persons living in improvised dwellings, tents, or sleeping out
2. Persons in supported accommodation for the homeless
3. Persons staying temporarily with other households
4. Persons living in boarding houses
5. Persons in other temporary lodgings
6. Persons living in severely crowded dwellings

In addition to these groups, the ABS also estimates those living in ‘other marginal housing’, including:

1. Persons living in other crowded dwellings
2. Persons in other improvised dwellings
3. Persons who are marginally housed in caravan parks
4. Other Marginal Housing

Using the ABS data files ‘counting persons estimating homelessness, 2011 and 2016’ some characteristics of persons in the Homeless Operational Group and 'other marginal housing' are shown in table 20. The data shows homelessness has increased over the last five years in all areas except the Outback SA4. Noting that Aboriginal and Torres Strait Islander people have among the worst housing conditions and outcomes in Australia, and represent two thirds of those who are homeless or in marginal housing in the Outback region, the data may suggest that housing outcomes do not appear to be declining further in the area. Of the 791 Aboriginal persons in the Outback region in table 20, 345 were living in ‘severely crowded' dwellings, 312 were living in 'other crowded dwellings' and 95 persons in 'supported accommodation for the homeless'. At a state-wide level, it is noted that Aboriginal people make up slightly more than 2 per cent of the population and households but are more than 12 per cent of those deemed to be homeless or in marginal housing.

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[4] Baker, E, Lester, L, Beer, A and Bunce, D (2012), *Households responses to declining housing affordability*, Report Commissioned by Australian Government Treasury, http://www.treasury.gov.au/PublicationsAndMedia/Publications/2012/Households-responses-to-declining-housing-affordability.

Table 20: South Australia by SA4, Characteristics of persons in Homeless Operational Groups and 'other marginal housing', 2011 and 2016

SA4	Number in 2011	Number in 2016	% Male (2016)	% Female (2016)	% 0–19 (2016)	% 20–39 (2016)	% 40–59 (2016)	% 60+ (2016)	Same address one year ago	Aboriginal and Torres Strait Islander
Adelaide Central and Hills	1331	1515	62.9	37.8	15.9	40.2	30.3	12.6	673	107
Adelaide North	2,456	3,306	56.5	43.2	34.9	37.9	20.6	6	2,053	131
Adelaide South	1,246	1,485	55.5	44.1	29.8	38.6	22	8.9	715	134
Adelaide West	1,492	1,641	60.2	39.1	29	42.4	21.3	7.3	870	127
Greater Adelaide	6,525	7,947	58.3	41.5	29.1	39.4	22.9	8.1	4,311	499
Barossa - Yorke - Mid North	432	430	54.2	44.2	25.9	23.8	27	20.1	225	15
Outback	1,644	1,190	50.4	48.8	32.8	32.8	22.5	11.4	815	791
South East	879	1,091	62.2	37.9	19.9	36.2	26.8	14.9	512	42
Rest of SA	2,955	2,711	55.7	43.7	26.5	32.7	25	14.2	1,552	848
South Australia	9,473	10,674	57.7	42.3	28.8	37.9	23.6	9.8	5,858	1,347

Source: ABS TableBuilder, Counting persons estimating homelessness, 2011 and 2016

As table 20 shows, males are more likely to be homeless or in other marginal housing than females, but the ratio varies within the State and ranges from nearly 63 per cent in Adelaide Central and Hills to 50 per cent in Outback. This observation is made in the context of a number of recent reports that have focused on the growing number of older women who are becoming homeless or experiencing housing stress—and raises an area for further consideration that is outside the scope of this report about the prioritisation of responses to existing needs versus emerging needs. There is also variation between age groups. For example, Adelaide North has the highest rate of homeless young adults (nearly 35% of homeless are in this age group). Older people are less likely to be homeless than younger age groups and this reflects two things that have been highlighted earlier in this report: the positive correlation between age and home ownership; and the high proportion of older renters who are in social housing. However, this also almost certainly reflects the lower life expectancy of people who have had long or repeated episodes of homelessness earlier in life, often compounded by complex needs including mental health issues, alcohol and/or drug dependency. Yet, more than 20 per cent of homeless people in Barossa-Yorke-Mid North were in the 60+ age group with the smallest proportion (6%) in Adelaide North.

As noted above, ABS homelessness data are separated into 'homeless' and 'other marginal housing' that included, respectively, 6,224 persons and 4,450 persons in 2016 for a total of 10,674. These two groups are then separated into further sub-categories as outlined above. The 'other marginal housing' group is dominated by those 'living in other crowded dwellings' who made up 85 per cent of the total (3,808 of 4,450) in 2016. Of interest is that this group increased by 74 per cent from 2,193 in 2006 to 3,808 in 2016.

Table 21: South Australian totals for Homeless Operational Groups 2006, 2011 and 2016

	improvised dwellings, tents, or sleeping out	supported accommodation for the homeless	staying temporarily with other households	living in boarding houses	in other temporary lodgings	living in 'severely' crowded dwellings	All homeless persons
2006	436	1,474	1,328	977	30	1,362	5,607
2011	257	1,620	1,389	975	27	1,714	5,982
2016	387	1,433	1,323	906	31	2,140	6,224
% change	-11.2%	-2.8%	-0.4%	-7.3%	3.3%	57.1%	11.0%

Source: ABS—Estimating Homelessness 2049.0

Overcrowding and severe overcrowding, the latter of which increased by 57 per cent over a decade, are subject to definitions linked to the number and age of people in a household compared to its size or number of bedrooms. Some households that fall into these definitions may not consider their housing situation to be problematic and, as noted earlier in the report, overseas migration makes up the major proportion of population growth. This point is relevant in that households from different cultures and countries, particularly new arrivals, may have different norms and expectations regarding household size (e.g. number of children and living with extended family) compared to the existing population. Notwithstanding these matters, the substantial increase in both categories of overcrowding over a decade suggests that a small but increasing proportion of the population cannot form new households. Overcrowding is one of several logical end points for frustrated demand, the others being high housing costs (indicated by low income rental stress) or, in the most severe circumstances, having no accommodation whatsoever.

With regard to the table above, it is further observed that the number of people in boarding houses and supported accommodation for the homeless is supply-driven (with minimal change in supply of this accommodation over a decade) and the small changes in these numbers likely represent variations in occupancy on Census night. Without further complicating matters, 'boarding houses' have a certain definition in ABS data whereas the Residential Tenancies Act 1995 (South Australia) provides for rooming house arrangements (also commonly referred to as boarding house arrangements) when three or more people occupy the same home but in different bedrooms. As such, there is likely some cross over between people who live under 'rooming house' arrangements and those who are reported as being in overcrowded dwellings.

Separate to ABS data on people who are considered homeless or in marginal housing, other data sets are available such as those collected by the Australian Institute of Health and Welfare that examine the people who use specialist homelessness services. The most recent *AIHW Specialist Homelessness Services Annual Report* for 2017–18 notes that: around 20,000 South Australians sought assistance from these services; the majority were housed (most commonly in private rental) at the time of seeking assistance; and that reasons for seeking assistance commonly included matters beyond an acute housing crisis such as domestic violence, mental health issues and housing stress/affordability. Appendix 15 provides a full summary of reasons for seeking assistance from specialist homelessness services.

5.7 Housing costs relative to income

Earlier in this section we noted that South Australia, in general, has the reputation of being one of the more affordable locations within Australia. The aggregate market trends in terms of prices and rents seem to bear this out given that the changes in housing costs over the past 5–10 years have been nowhere near as dramatic as in other parts of Australia. We note that New South Wales and Victoria have been particularly acutely affected although, as shown earlier in figure 5, prices have recently come off their historic peak. As noted earlier, typical housing costs considered in isolation of household circumstances (including labour market conditions and earnings) have only limited meaning. A more disaggregated analysis is required before we can consider whether housing costs are a problem for a significant number of households.

As table 22 shows, between 2006 and 2016, the number of households renting privately in both Greater Adelaide and the rest of South Australia, has risen more quickly than mortgagees (38% growth compared to 11%). As noted earlier in the report, the proportion of mortgagees remained relatively constant over a decade but there has been a decline in outright ownership (that is not discussed in this section) in favour of rental. This helps to explain why the number of mortgagees increased in line with overall household growth but the number of renters increased much more significantly. The median rent paid by households, and the median monthly mortgage payment, have also risen quite sharply. This tends to contrast with the analysis of broad market indicators shown earlier in the section. The overall impression is that housing costs are actually rising more quickly for private renters than owner occupiers in South Australia. Tables 23 and 24, that show levels of both low income rental and mortgage stress levels at the SA4 level, also reveal a striking difference in the income level between the lowest 40 per cent of renters and the lowest 40 per cent of mortgagees. Across the state, mortgagee households at the top of the lowest two income quintiles have income levels that are approximately 75 per cent higher than renters at the same point on the income distribution—with the largest difference in Adelaide South (90% higher—$850 per week compared to $1,619 per week). This may, in part, be attributable to different household compositions (home ownership has higher proportion of family households with rental having more single people) but also reflects an observation earlier in this report that home ownership may be becoming more selective and polarised.

Table 22: Mortgagees, renters and housing costs in South Australia

	South Australia			Greater Adelaide			Rest of South Australia		
Characteristic	**2006**	**2011**	**2016**	**2006**	**2011**	**2016**	**2006**	**2011**	**2016**
Median HH Income (wk)	885	1,042	1,204	929	1,105	1,262	753	885	1,030
HH in Private Rental *	96,083	117,280	132,577	76,441	92,959	105,917	19,642	24,326	26,658
Median Rent (wk)	$150	$220	$260	$165	$250	$285	$115	$155	$190
HH with a Mortgage	204,076	219,478	227,039	162,052	173,892	180,466	42,019	45,588	46,573
Median Mortgage (mth)	$1,018	$1,500	$1,491	$1,083	$1,540	$1,517	$828	$1,170	$1,170

Note: Includes Private Rental from Real Estate Agent & Rented from person not living in same HH

Source: ABS Census

Table 23: Private renters and housing cost stress in South Australia

	South Australia	Greater Adelaide	Rest SA	Adelaide Central & Hills	Adelaide North	Adelaide South	Adelaide West	Barossa Yorke Mid North	Outback	South East
HH in Private Rental	127,742	102,346	25,249	25,555	30,296	25,657	20,695	6,613	5,514	13,012
HH - Rent > 30% Income	54,252	45,052	9,175	11,016	13,629	11,715	8,596	2,526	1,724	4,914
% HH - Rent is >30% Income	42.5%	44.0%	36.3%	43.1%	45.0%	45.7%	41.5%	38.2%	31.3%	37.8%
HH - lowest 40% of oncome	52,158	41,771	10,403	10,430	12,405	9,346	8,458	2,743	2,316	5,344
Income per week - level below which are 40% of HH	$883	$927	$738	$1,013	$848	$850	$968	$713	$837	$721
Rent > 30% of Income and Income in bottom 40%	46,584	37,745	8,274	9,898	12,219	9,802	7,020	2,301	1,640	4,473
% low income rental stress	36.5%	36.9%	32.8%	38.7%	40.3%	38.2%	33.9%	34.8%	29.7%	34.4%

Notes: Income NS and NA categories are not included. The sum of SA4 regions does not equal the state total for households in stress—calculations are performed individually for each region.

Source: ABS Census

Table 24: Mortgagees and housing cost stress in South Australia

	South Australia	Greater Adelaide	Rest SA	Adelaide Central & Hills	Adelaide North	Adelaide South	Adelaide West	Barossa Yorke Mid North	Outback	South East
HH with Mortgage repayments	218,033	173,819	44,263	33,796	58,517	50,236	26,228	13,341	8,231	20,869
HH Mortgage >30% Income	59,563	48,363	11,212	9,270	17,065	13,975	7,985	3,548	1,956	5,681
% HH Mortgage >30% Income	27.3%	27.8%	25.3%	27.4%	29.9%	27.8%	30.4%	26.6%	23.8%	27.2%
HH - lowest 40% of oncome	87,167	65,454	17,709	14,020	23,962	20,689	10,856	5,535	3,441	8,750
Income per week - level below which are 40% of HH	$1,531	$1,644	$1,284	$1,923	$1,441	$1,619	$1,647	$1,257	$1,432	$1,252
Rent > 30% of Income and Income in bottom 40%	44,903	38,787	8,574	9,270	13,949	11,207	6,127	2,711	1,628	4,339
% in low income mortgage stress	20.6%	22.3%	19.4%	27.4%	23.8%	22.3%	23.4%	20.3%	19.8%	20.8%

Notes: Income NS and NA categories are not included. The sum of SA4 regions does not equal the state total for households in stress—calculations are performed individually for each region.

Source: ABS Census

Tables 22 and 23 explore the relationship between housing costs and income in more detail. By calculating the household income and housing cost distributions at SA4 level (rather than for South Australia overall, or splitting into Greater Adelaide and the rest of South Australia) we derive some insights as to the relative severity of housing cost stress within the State. As a reminder, households are considered to be experiencing housing cost stress according to the '30/40 rule' if they are paying 30 per cent or more of their income by way of housing costs, and if their household income is such that they occupy the bottom 40 per cent of the income distribution. According to this definition, just over 36 per cent of private renters are in housing cost stress in South Australia, but the proportion ranges across SA4 regions from less than 30 per cent in Outback to more than 40 per cent in Adelaide North. When we consider home owners, the rate of housing cost stress is much lower, from 19.8 per cent in Outback to 27.4 per cent in Adelaide Central and Hills.

It should also be noted that the sum of households in housing stress (both mortgage and rental) in the seven SA4 regions, or the sum of Greater Adelaide and the rest of South Australia, will not equal the total for the whole state. In developing these housing stress estimates, an income threshold was developed for each relevant area to allow for local variations in both income and housing costs. The state-wide figure for low income rental stress uses a single income level and rent amount across the state. Previous analysis, that helps to add context to the figures above, has been conducted regarding low income rental stress and is discussed below.

The Productivity Commission, using administrative data from the Commonwealth Department of Social Services (DSS), has published information regarding low income rental stress amongst households that receive Commonwealth Rent Assistance (CRA)[5]. This data deals with the 96,862 South Australian recipients of CRA in June 2018 and shows that, even after allowing for CRA, 33.6 per cent were paying more than 30 per cent of their income in rent with 8.7 per cent (approximately one quarter of the group) paying more than 50 per cent. This data: counts actual 'income units' (potentially more than one per household for groups/sharers) rather than relying on a sample to estimate total numbers. However, the data does not capture households in low income rental stress who do not receive CRA such as minimum wage earners without children. The same data shows the highest prevalence of those paying more than 50 per cent of income to be amongst younger people aged under 24 where the rate was 16.4 per cent compared to the average of 8.7 per cent. This may be attributable, in part, to youth-focused social security payments that are lower than both pensions or the NewStart payment and the application of a 'sharer rate' of CRA that reduces payments by one third for some recipients in group households.

Analysis published by the Productivity Commission[6], based on the ABS Survey of Income and Housing (SIH), estimates that the proportion of low income South Australian households in rental stress rose from 22.4 per cent in 2007–8 to 39.4 per cent in 2015–16—an increase from around 31,600 to 47,600. After excluding low income households in social housing and focusing only on those in private rental, the same analysis estimated that more than half of low income private renters experienced rental stress. These estimates are based on samples rather than a full count of households so specific figures represent the middle of a range that is expected

[5] Productivity Commission (2019) Report on Government Services 2019

[6] Productivity Commission (2019) Report on Government Services 2019

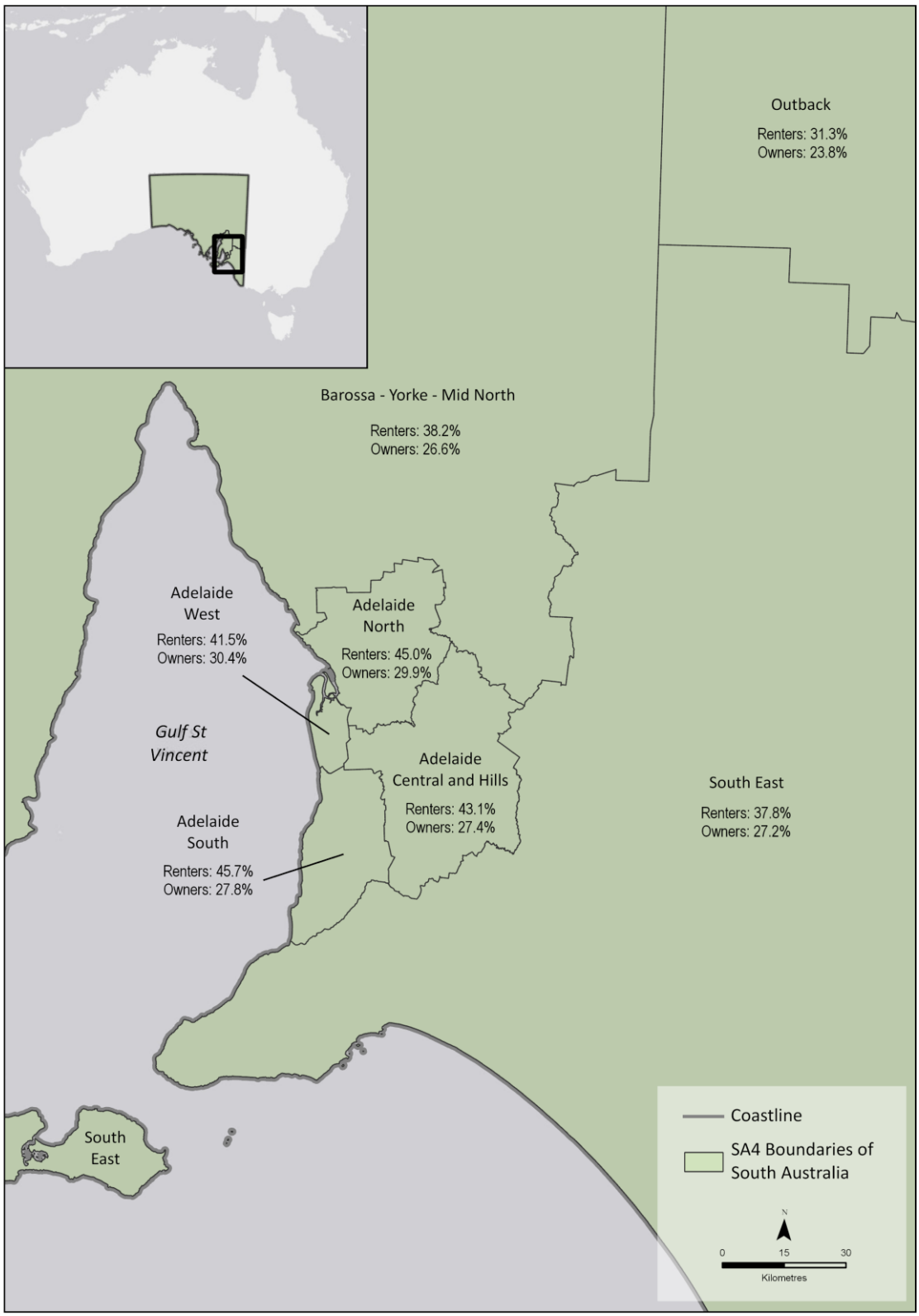
to include the actual number. A key observation from this analysis is that both the raw number and proportion of households in low income rental stress increased significantly over a relatively short period.

The SA Housing Authority procured data from the ABS that further interrogated low income rental stress estimates from the SIH. This work estimated that 45,095 South Australian private renter households were in low income rental stress in 2015–16, comprising: 14,709 paying between 30 per cent and 40 per cent of income for rent; 11,082 paying 40 per cent to 50 per cent of income; and 19,304 paying more than 50 per cent of income. Each of these estimates, being based on samples rather than whole-of-population data, exist within ranges that are fully outlined appendix in 14 of this report. As an example, the total number of low income private renters that are estimated to pay more than 30 per cent of income for rent (45,095) is the mid point of a range from 35,264 to 54,296 households. A key observation from this analysis is that the majority of low income households who pay more than 30 per cent of income for rent are paying significantly more than the basic threshold.

The SIH is based on a national sample of 17,000 households that includes less than 1,500 South Australian households. Notwithstanding the small sample size, the estimates developed from the SIH for local housing stress (47,648 and 45,095) were remarkably close to the actual number (46,584) that was counted after analysing Census data for hundreds of thousands South Australian households. As such, whilst still recognising the limitations that apply to sample-based survey data, these similar results provide some confidence in using the SIH data to better understand gradients within the group of households that experience low income rental stress.

The various estimates of low income rental stress over time and across different groups suggest several things: the potential benefits of developing a more consistent national approach to the calculation of housing affordability indicators (noting that this work is underway as part of the National Housing and Homelessness Agreement); the potential benefits of better understanding the duration of need amongst individual households in low income rental stress as distinct from its prevalence across the market at a point in time; and that, regardless of the estimation method, low income rental stress affects several tens of thousands of local households and that many of these are paying rents that are above 40 per cent and 50 per cent of their income rather than the basic threshold of 30 per cent.

Figure 8: Proportion of renters and owners living with housing cost stress



Source: ABS

6 Forward projections

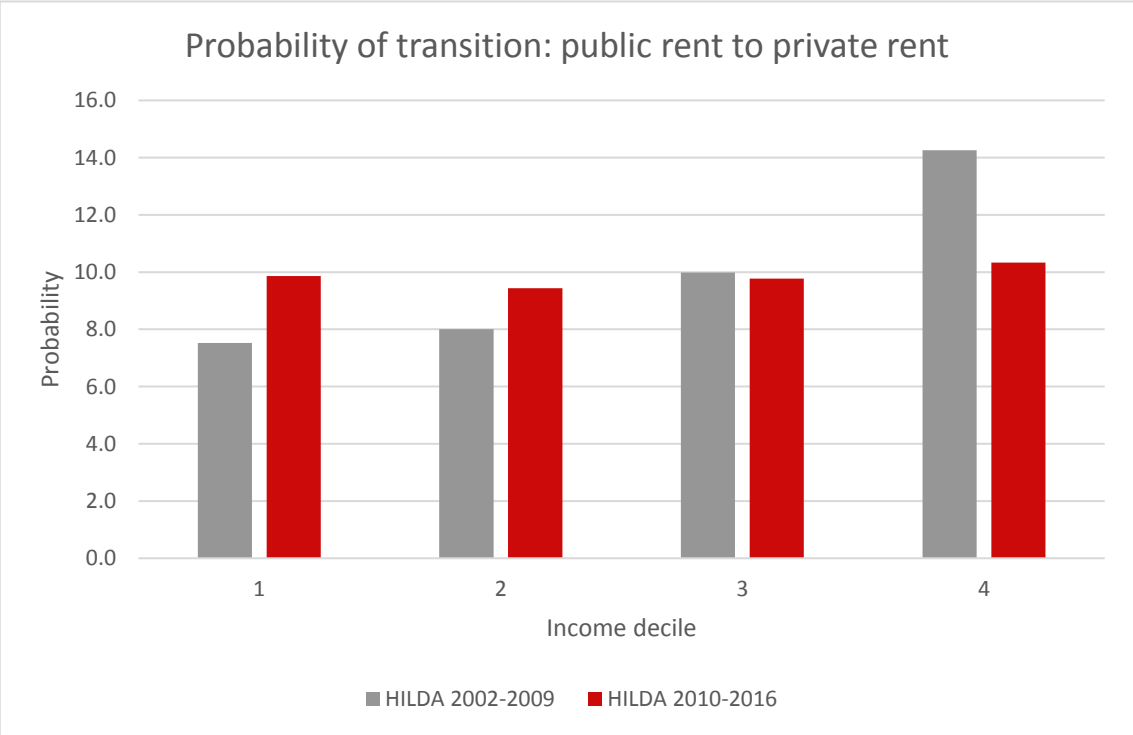
In order to shed some light on the possible future housing demand scenarios that may arise in South Australia in the medium term (the next 5–10 years), the research team undertook two separate strands of analysis. The first is focused on econometric modelling of tenure transitions as revealed by the South Australian observations of the nationally representative Household Income and Labour Dynamics Australia dataset (HILDA). The second is based on a re-appraisal of results reported by Rowley et al (2017) and flow from an econometric and simulation modelling exercise designed to provide broad estimates of the numbers of households likely to be in housing need over a forward time period.

6.1 Tenure Transitions

In order to explore whether there has been any change in tenure transition probabilities over time, we segmented the HILDA data by age group, income decile and gender, and compared two time periods: 2002–2009 and 2010–2016.

To simplify the results, we have summarised the transition probabilities here in figures 9 to 12. Full econometric results are available from the authors on request. Where there were insufficient observations of a given income, age or tenure group for reliable probability estimates, these have not been included in the figures below (e.g. transitions from public housing to home ownership). There were sufficient observations to estimate transition models from public rental to private rental, and from private rental to home ownership.

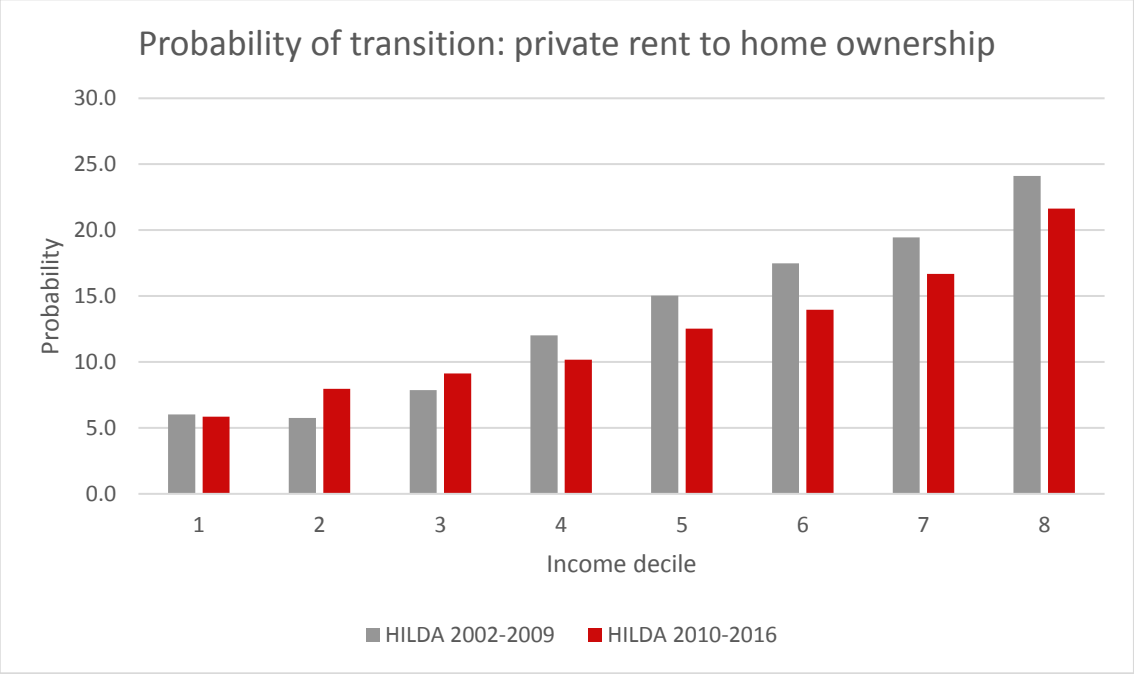
Figure 9: Changing probabilities of transition from public to private renting by income



Source: HILDA

The four income deciles in figure 9 (transitions from public housing to private rent) equate to the two lowest income quintiles that represent low and very low income households. Figure 9 shows that the probability of moving from public to private renting increased between the two sample periods for the lower two income deciles but fell for the third and fourth income deciles. This is a very interesting finding and is suggestive that the very lowest income households are transitioning out of public housing more quickly over time compared to those on higher incomes. Further research is required to better understand this observation noting that exits from public housing into private rental may be linked to a range of personal, property-related or neighbourhood issues. Notwithstanding the limits of the HILDA observations, it may be an issue of concern if those on the absolute lowest incomes are not able to retain important affordability protections in public or community housing.

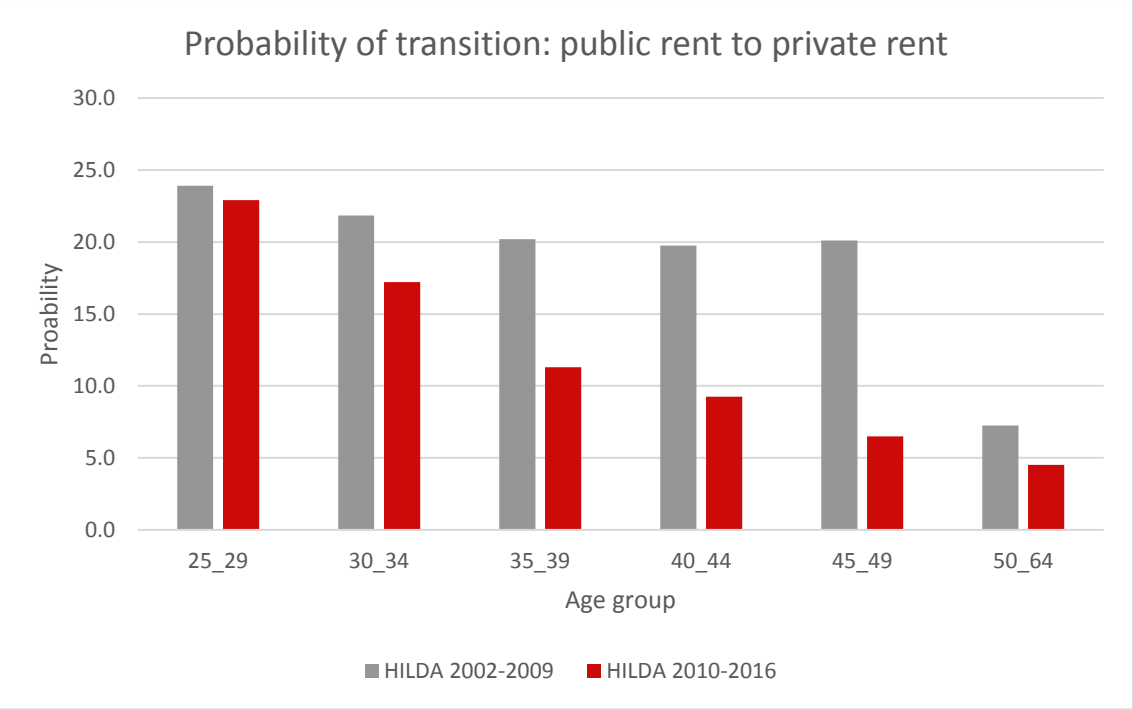
Figure 10: Changing probabilities of transition from private renting to home ownership by income



Source: HILDA

The eight income deciles in figure 10 (transitions from private rental to home ownership) include a further two income quintiles compared to figure 9—moderate income and high income. Figure 11 shows that the probability of transitioning from private rental to home ownership is generally falling over time, but the results suggest that the decline relates mainly to higher income groups. This observation links to earlier sections of this report that showed a trend toward renting over home ownership—with the HILDA data suggesting that more people are staying longer in, or potentially never exiting, private rental. Interestingly, across two of the three lowest income deciles, the probability of transition actually rises over time but this occurs from a very low base.

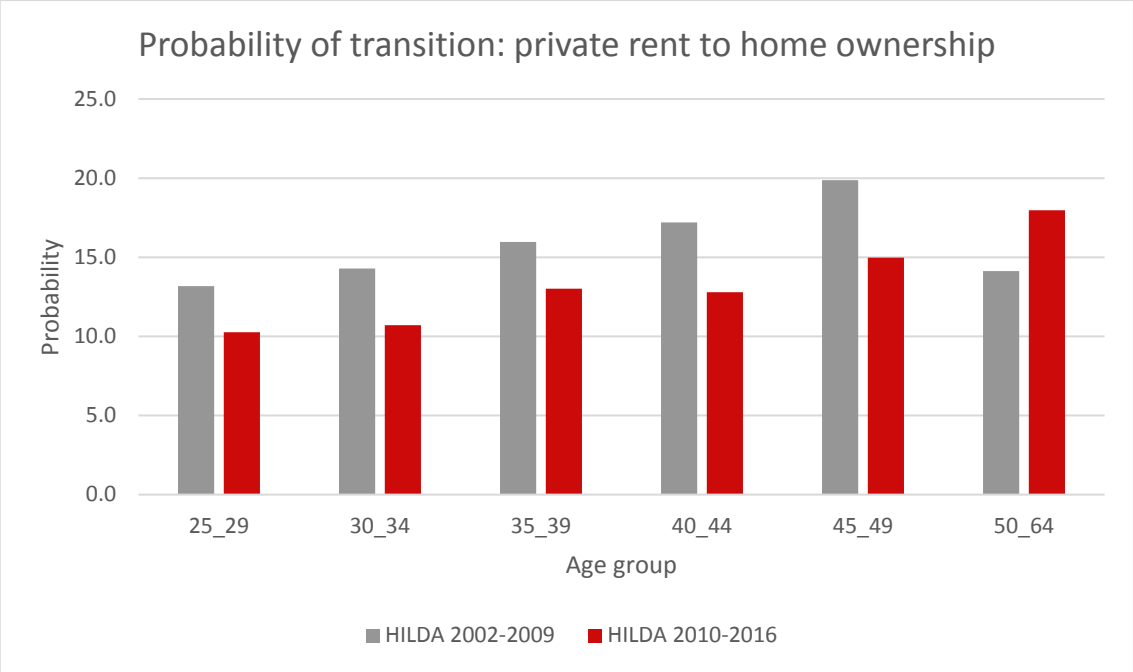
Figure 11: Changing probabilities of transition from public to private rent probabilities by age



Source: HILDA

The results summarised in figure 11 are much more illuminating. The analysis shows that the great majority of tenants tend to stay in public housing once they have entered the tenure and this reflects earlier observations in this report about tenure transitions in the ACLD. But the probability of transition from public to private rental falls significantly between the two time periods studied. However, the decline is very pronounced indeed for the older age groups and increases with age. This reinforces the notion that the population of public housing renters is ageing rapidly, but also the idea that younger households are more likely to leave the tenure and enter private rental. This data also reflects comments earlier in the report about the older age of public housing tenants based on both Census data and public housing administrative data. Further research about exits from public and community housing, both the reason for leaving and any subsequent housing arrangements, presents another possible area for further consideration.

Figure 12: Changing probabilities of transition from private rent to home ownership by age



Source: HILDA

Finally, figure 12 summarises the econometric predictions for transitions from private renting to home ownership. We can immediately see that these probabilities fall for all age groups other than 50+ between the two time periods. Overall, the message is that moving from private renting to home ownership is getting much more difficult for the majority of private renters who are delaying home purchases until they are older or possibly not purchasing at all.

6.2 Level of demand for more affordable housing

The second strand of the forward-looking analysis is derived from work originally reported by Rowley et al (2017[7]). As noted earlier, this state level model of housing need is a complex simulation model in which labour market choices and wage rates, housing prices and rents and household formation are predicted in each jurisdiction. The predictions are based on the econometric results reported in the AHURI report referenced here but depend on assumptions about the future values of key variables. This includes economic variables at national and state levels, and assumptions about population change. The latter is particularly important and reflects policy decisions on migration in addition to internally determined processes (such as the rate of new household formation, and the relationship of that process to housing costs and labour market earnings).

Based on current conditions, the simulation predicted that approximately 56,000 households (who do not live in social housing or own a home) face high relative costs

[7] Rowley, S., Leishman,C., Baker, E., Bentley, R. and Lester, L. (2017) *Modelling housing need in Australia to 2025*, Melbourne: Australian Housing and Urban Research Institute (AHURI), 10.18408/ahuri-8106901

or fail to enter, or remain in, the market. This is used as a proxy for current unmet demand for more affordable housing. Next, we examine a low economic growth and low population change scenario, a higher population change scenario, and a combined high economic growth and high population change scenario. Higher rates of economic growth generally exacerbate the accessibility of housing to very low through moderate income households. The high economic growth and high population change scenario therefore represents the more negative of the scenarios considered in this context. However, it should be noted that the underlying AHURI model used to form these estimates was designed to operate at national and state levels and cannot (currently) provide insights at smaller units of geography, so this is a clear limitation.

The low growth scenario predicted that, in five years, the level of unmet demand for housing assistance would grow by approximately 6 per cent from 56,000 to 59,360. The high growth scenario predicted that demand would grow by approximately 7.5 per cent from 56,000 to 60,200. Noting the relatively narrow range between the high and low estimates, it is expected that demand will increase by approximately 4,000 households.

The simulation model uses a range of broader economic indicators (prices, labour market returns etc.) and population figures along with assumptions about household-level changes (formation and dissolution) over time. It does not use Census-based calculations for housing stress or homelessness as a baseline.

Whilst caution must be applied in drawing conclusions based on similar numbers, it is of interest that two separate approaches have developed very similar estimates of potential demand. The computer simulation predicted unmet demand from 56,000 households whilst an analysis of Census data showed more than 46,500 households in low income rental stress plus more than 10,500 people (as distinct from households) who were homeless or in marginal housing. Many of the people in the homeless and marginal housing groups are not likely to be in rental stress—particularly those who live in supported accommodation, improvised shelters and overcrowded conditions (the latter of which are more likely to be in unsuitable conditions but pay less on average due to more people being in the home).

Noting the possibly limited cross-over between the Census-derived figures of approximately 46,500 households in low income rental stress and 10,500 people who are homeless or in marginal housing, it may be tempting to add them together and state that: the current level of unmet demand is 57,000 households; and this aligns closely with a separate computer simulation model that estimated 56,000 households. A more nuanced, approach is to observe:

- More than 46,500 households experienced low income rental stress approximately two years ago on Census night;
- Trends over the past decade have shown a consistent and significant increase in rental stress so this figure may be even higher today, although this will need to be checked in the next SIH and next Census;
- Between the Census and June 2018, social housing stock declined by around 600 homes and each home that leaves the system removes a property with an inbuilt protection against low income rental stress;
- Further reductions in social housing may increase low income rental stress in the absence of other housing assistance options;

- More than 10,500 people were homeless or in marginal housing on Census night and this group is likely to include people and households with levels or types of need that exceed those in rental stress alone;
- Over the coming five years, it is predicted that a further 4,000 households will require housing options that are more affordable than is expected to be available in the open market.
- The current number of households in social housing (44,000) effectively represents met demand for housing assistance and the additional 56,000 households predicted by the computer simulation indicates unmet demand. Together, they total approximately 100,000 households or around 15 per cent of all households in South Australia.
- Whilst this number may sound large at first, it represents slightly more than one third of all low income households who make up the lowest 40 per cent of the income distribution.
- On a positive note, almost two thirds of those on low incomes are not demanding more affordable housing but this group likely includes significant numbers of Age Pension recipients who have low income but own the home in which they live or have access to accumulated assets.

7 Areas for consideration

The analyses summarised in this report reinforce the notion that the headline figures show that housing affordability in South Australia has not deteriorated as rapidly or significantly as in other parts of Australia—notably in Sydney and Melbourne. But this does not necessarily mean that the patterns of unmet housing need are stable within South Australia, or between different household types or demand groups. Indeed, in light of the significant economic restructuring that has been going on in the state in recent years, the expectation should be that the shape and width of the housing cost and income distributions will have been shifting during the past ten years.

The differential impacts of economic restructuring and the changing shape of the housing cost and income distributions play out in a number of ways. In terms of tenure, this audit has shown that:

- → Compared to home owners, private renters have, on average, experienced a substantially large increase in housing costs relative to income during the decade to 2016.
- → South Australians aged under 40 years are increasingly likely to rent privately. For those aged over 40 years, there is a growing rate of mortgage indebtedness and a falling rate of outright home ownership.
- → There is a growing incidence of owning with a mortgage for people aged 60+ (and a corresponding decrease in outright home ownership for this group).
- → Although the likelihood of renting is rising for younger people, those aged 40–59 are also increasingly turning to the rental sectors, but at a lower rate.

Public and community housing play a critical role in the provision of housing to meet households' minimum acceptable needs, but the evidence is that the characteristics of tenants is changing. In particular:

- → There are very few exits from public housing into either home ownership or private renting. There is a higher rate of mobility from community housing to both of these market tenures although further analysis may be required of tenant characteristics and tenure arrangements.
- → The probability of private rental tenants becoming home owners has fallen over time, for all but the second and third income deciles. This is a concerning trend overall, but there is an encouraging sign that may warrant further investigation—the slight increase for the second and third income deciles is in the part of the income distribution that is targeted by policy measures such as HomeStart products that help low income households to buy home.
- → When we examine transition probabilities (private rental to home ownership) by age group, they fall for all but those who are 50+. This probably reinforces the idea that those on low incomes who do transition to home ownership tend to be older.
- → There is a worrying trend in the increasing probability of the very lowest income public housing tenants transitioning into the private rental sector over time.
- → The probability of public renters transitioning to private renting is falling sharply over time for households headed by tenants aged 35–49.
- → If the decline in social housing continues, there may be a need to consider other options that address term-limited and long term housing needs.

There are inter-generational and spatial effects at work throughout Australia. In South Australia, this appears to be playing out in several ways:

- → Young adults are remaining in the parental home for longer, and this probably suggests increasing difficulties in accessing housing as independent households.
- → When looking beyond the family home, the number of households headed by a person aged under 60 is stagnating—reinforcing the view that younger households face significant challenges to enter either the rental or purchase markets.
- → Of the seven SA4 regions, between 2011 and 2016, Adelaide North simultaneously had: the highest rate of new supply; the lowest rate of rent increase and an above average level of public housing. However, it still recorded the highest rate of low income rental stress of any region in 2016. This suggests a range of potential areas for further consideration: an increasing concentration of households on the lowest incomes; that supply alone is not necessarily driving better affordability; or that higher income households are displacing lower income households in more affordable accommodation.
- → There is a need to consider matters that were outside the scope of this report, including:
    - non-financial aspects of housing such as location and design that are increasingly important to an ageing population; and
    - more detailed analysis of demand segments—young people who cannot enter the market; older people who are increasingly taking on, or remaining in, mortgage debt; people with disability and other health needs for whom affordability is one of only several factors that is necessary for a sustainable home; and Aboriginal households that are over-represented in rental, social housing and homelessness or marginal housing.

Finally, the estimates in this report show that:

- → The current level of gross demand for more affordable housing options is approximately 100,000 households that consists of:
    - Met demand—approximately 44,000 households who live in social housing; and
    - Unmet demand—approximately 56,000 households that are an amalgam of individuals currently unable to meet their minimum housing needs through market housing, plus those who will enter or remain in private renting but with insufficient income to avoid housing cost stress.
- → This level of demand is expected to increase by approximately 4,000 households to a total of approximately 104,000 households over the coming five years—representing around 15 per cent all households

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Appendix 1: South Australia

Household Composition	Dwelling Structure	Owned outright	Owned mortgage	Rented	Other tenure	Not Stated	Total
Family HH	Separate house	126,170	168,389	69,932	2,186	5,366	372,046
	Semi detached, row, terrace, townhouse	8,367	13,057	22,555	1,558	850	46,387
	Flat or apartment	1,720	2,320	10,918	426	311	15,692
	Other	648	299	285	24	34	1,290
	Not stated	357	540	393	52	51	1,396
	Total	137,266	184,609	104,080	4,247	6,610	436,818
Lone person HH	Separate house	51,340	27,132	25,498	1,748	4,535	110,262
	Semi detached, row, terrace, townhouse	9,424	6,327	22,408	2,688	2,109	42,962
	Flat or apartment	3,685	2,859	14,808	927	1,040	23,323
	Other	870	105	471	17	134	1,604
	Not stated	221	129	367	37	220	972
	Total	65,554	36,557	63,549	5,421	8,038	179,120
Group HH	Separate house	2,247	3,588	7,975	112	574	14,494
	Semi detached, row, terrace, townhouse	322	665	3,920	42	217	5,161
	Flat or apartment	105	227	2,526	18	105	2,982
	Other	29	7	77	0	8	126
	Not stated	13	11	51	0	8	88
	Total	2,716	4,504	14,545	176	915	22,855
Visitor, NS, NA	Separate house	1,695	1,003	1,419	199	16,570	20,895
	Semi detached, row, terrace, townhouse	243	144	630	52	5,097	6,164
	Flat or apartment	96	76	594	27	2,986	3,785
	Other	1,047	124	611	112	1,540	3,430
	Not stated	143	30	104	27	174	474

Household Composition	Dwelling Structure	Owned outright	Owned mortgage	Rented	Other tenure	Not Stated	Total
	Total	3,227	1,376	3,357	419	26,376	34,753
Total	Separate house	181,452	200,112	104,824	4,245	27,045	517,697
	Semi detached, row, terrace, townhouse	18,356	20,193	49,513	4,340	8,273	100,674
	Flat or apartment	5,606	5,482	28,846	1,398	4,442	45,782
	Other	2,594	535	1,444	153	1,716	6,450
	Not stated	734	710	915	116	453	2,930
	Total	**208,763**	**227,046**	**185,531**	**10,263**	**41,939**	**673,546**

Source: ABS Census of Population and Housing, 2016, TableBuilder

To maximise consistency and comparability, data and commentary in appendices 1 to 10 are based on Census data with the most recent observations in 2016. It is noted that some indicators such as unemployment have fluctuated in the period since that time and may also fluctuate more rapidly than broader housing market indicators such as population and housing supply.

Tables in appendices 1 to 10 summarise the distribution of household compositions by dwelling type and tenure. The limitations of Census data are such that it is only possible to provide information on three broad household compositions (families, lone adults and group households) and three main dwelling types (separate houses, attached houses and flats/apartments). Noting the various building types that fall into the latter two categories (see definitions section for more detail), for the purposes of this section, they are referred to as medium and high density housing. There are three broad tenure types in the analyses: outright home ownership, owning with a mortgage and renting. The latter is a very broad category covering all forms of private, public and other social renting.

Around 5 per cent of Census surveys are recorded as 'visitor', 'not stated' or not applicable' for household composition and more than 8 per cent of responses had 'other' or 'not stated' for the dwelling type. As such, commentary in the appendices on some groups will not refer to a full 100 per cent of the reference group.

Examining the SA4s from a broad population and household perspective:

- In 2016, the Adelaide Central and Hills region had a population of almost 300,000 people, clustered into 116,000 households. The region's population grew only moderately (9.2% growth) compared to other parts of the state in the decade preceding.
- The Adelaide North region in comparison was not only the most populous South Australian region (423,086 persons), but also the region with the highest rate of population growth (16.5% since 2006).
- The second largest population was contained in Adelaide South, which comprised more than 350,000 residents and 143,000 households in 2016.
- Adelaide West, was smaller, with 228,000 persons, although its population grew slightly above the state average (11%) between 2006 and 2016.

- Compared to these largely urban regions, the expansive non-metropolitan Barossa Yorke Mid North region had a relatively small population of 110,000. It is notable though, that the number of households in this region grew much more substantially than the number of persons, suggesting a growth in lone person rather than family households. Although causation is not clear from the data, lone person households in regional areas may arise from people moving to the area for affordability, 'tree changers' or family households becoming singles if children move to other areas for work or education.
- In the South East, the population grew to 185,000 and the number of households grew by just over 12 per cent in the decade to 2016.
- The Outback region, though geographically large, contained just 83,000 people in 33,000 households. This region experienced the smallest level of growth (1.2%) of any region over the period decade.

Prior to examining results for individual SA4s, it is useful to recall some earlier state-wide observations:

- Families are the dominant household composition (65%) and are the most common occupiers of both separate houses and medium density homes. Single people (lone person households—27% of all households) are the most common occupants of high density accommodation and make up the majority of public housing tenancies and the waitlist. Group households (3.4%) make up a very small proportion of households and are neither the majority nor plurality in any dwelling type.
- Ownership is the dominant tenure type with this being skewed toward families (65% of all households own a home but this rises to 73.7% of families) and progressively reduces as we move to singles and group households, the latter of which has an ownership rate of around half the state average.
- Separate houses are the dominant dwelling type—overwhelmingly so outside of Greater Adelaide.
- Aboriginal people and households make up around 2 per cent of the community.
- Social housing makes up around 6 per cent of all dwellings (5% public housing and 1% community housing in 2016).

Appendix 2: Adelaide—Central and Hills

Household Composition	Dwelling Structure	Owned outright	Owned mortgage	Rented	Other tenure	Not Stated	Total
Family HH	Separate house	22,583	26,172	8,137	325	672	57,893
	Semi detached, row, terrace, townhouse	2,459	2,931	4,299	277	139	10,108
	Flat or apartment	604	904	4,045	114	76	5,740
	Other	55	38	48	0	8	150
	Not stated	54	89	59	10	12	219
	Total	25,755	30,138	16,588	730	907	74,113
Lone person HH	Separate house	8,206	3,100	2,547	301	520	14,676
	Semi detached, row, terrace, townhouse	2,654	1,375	3,637	687	390	8,742
	Flat or apartment	1,272	1,054	4,622	344	304	7,593
	Other	43	13	56	0	7	117
	Not stated	41	17	62	13	53	183
	Total	12,218	5,552	10,928	1,344	1,279	31,317
Group HH	Separate house	386	381	1,420	17	89	2,294
	Semi detached, row, terrace, townhouse	99	142	1,117	13	48	1,415
	Flat or apartment	63	87	1,368	7	47	1,572
	Other	5	0	25	0	0	30
	Not stated	0	0	20	0	0	22
	Total	553	613	3,947	34	188	5,329
Visitor, NS, NA	Separate house	269	139	177	27	1,994	2,615
	Semi detached, row, terrace, townhouse	85	35	146	14	965	1,252
	Flat or apartment	33	30	283	14	1,062	1,425
	Other	31	5	33	0	163	233
	Not stated	5	5	14	4	21	43
	Total	427	213	654	59	4,210	5,563

Household Composition	Dwelling Structure	Owned outright	Owned mortgage	Rented	Other tenure	Not Stated	Total
Total	Separate house	31,444	29,792	12,281	670	3,275	77,478
	Semi detached, row, terrace, townhouse	5,297	4,483	9,199	991	1,542	21,517
	Flat or apartment	1,972	2,075	10,318	479	1,489	16,330
	Other	134	56	162	0	178	530
	Not stated	100	111	155	27	86	467
	Total	**38,953**	**36,516**	**32,117**	**2,167**	**6,584**	**116,322**

Source: ABS Census of Population and Housing, 2016, TableBuilder

Housing costs (median rent/mortgage to median income) in Adelaide Central and Hills in 2016 represented on average approximately 22 per cent income for renters and 29.6 per cent for mortgagees. While relative housing costs as a proportion of income rose by more than 20 per cent for renters between 2006 and 2016 (17.7% to 21.5%), this proportion remained static for home owners in the region. Low income rental stress was 36.9 per cent in 2016 whilst low income mortgage stress was 27.4 per cent, the latter of which was the highest in South Australia.

The local population was slightly more residentially mobile than South Australians on average, with 37 per cent of all Adelaide Central and Hills households changing address between 2011 and 2016. Similarly, the proportion of households who rent followed the South Australian average, rising very slightly in the decade to 2016 (from 26% in 2006 to 28% in 2016). Compared to the South Australian average, this region had a lower unemployment rate in 2016 for both males (6.6%) and females (6.1%).

More than a quarter (27%) of households in this region live alone and, perhaps unsurprisingly given the region represents the centre of the state's capital city, it is the region with the highest proportion of group households (4.6%). Also related to its urban character, the region has a high relative rate of people speaking languages other than English (22% of households). The region's population contains the smallest proportion of Aboriginal and Torres Strait Islander people (0.6%).

Adelaide Central and Hills has a higher proportion of family households in home ownership who live in medium (9.6%) or high (2.7%) density housing (combined total of 12% compared to state average of 8%). The difference is larger still for lone person households in home ownership living in medium or high-density housing (36% compared to the state average of 22%). However, the overall proportion of those renting is the same as the state at 28 per cent. This may suggest that households with aspirations for home ownership are able to deliver on this objective, but with some choosing a medium or high-density dwelling type to make ownership more affordable. The area has the lowest rate of public housing (as a proportion of all dwellings) in Greater Adelaide at around 3 per cent.

Appendix 3: Adelaide—North

Household Composition	Dwelling Structure	Owned outright	Owned mortgage	Rented	Other tenure	Not Stated	Total
Family HH	Separate house	26,904	47,795	20,931	505	1,517	97,660
	Semi detached, row, terrace, townhouse	1,065	2,683	5,811	413	213	10,188
	Flat or apartment	149	281	1,477	58	58	2,019
	Other	93	34	48	3	0	175
	Not stated	33	110	67	3	11	228
	Total	28,241	50,906	28,333	986	1,797	110,265
Lone person HH	Separate house	10,405	7,845	6,487	413	1,056	26,210
	Semi detached, row, terrace, townhouse	1,394	1,413	5,463	509	455	9,232
	Flat or apartment	399	382	1,871	108	145	2,899
	Other	154	9	72	0	14	254
	Not stated	26	15	44	10	33	126
	Total	12,371	9,668	13,942	1,034	1,704	38,719
Group HH	Separate house	483	1,124	1,966	37	175	3,781
	Semi detached, row, terrace, townhouse	56	184	765	4	41	1,054
	Flat or apartment	9	27	239	0	21	292
	Other	5	0	13	0	0	16
	Not stated	0	0	10	0	3	11
	Total	558	1,343	2,988	45	231	5,157
Visitor, NS, NA	Separate house	226	184	248	36	4,062	4,752
	Semi detached, row, terrace, townhouse	21	30	112	3	1,310	1,473
	Flat or apartment	8	6	41	3	375	423
	Other	42	4	19	0	76	142
	Not stated	9	7	5	0	12	38
	Total	303	230	424	45	5,829	6,826

Household Composition	Dwelling Structure	Owned outright	Owned mortgage	Rented	Other tenure	Not Stated	Total
Total	Separate house	38,018	56,948	29,632	991	6,810	132,403
	Semi detached, row, terrace, townhouse	2,536	4,310	12,151	929	2,019	21,947
	Flat or apartment	565	696	3,628	169	599	5,633
	Other	294	47	152	3	90	587
	Not stated	68	132	126	13	59	403
	Total	**41,473**	**62,147**	**45,687**	**2,110**	**9,561**	**160,967**

Source: ABS Census of Population and Housing, 2016, TableBuilder

Housing costs (median rent/mortgage to median income) in Adelaide North in 2016 were on average just under 23 per cent of household income for renters and 30 per cent for mortgagees. Housing costs as a proportion of income rose by 27 per cent (17% up to 22.8%) for renters between 2006 and 2016, and a much smaller 6 per cent for mortgagees in the region. The population were equally as residentially mobile as average South Australians, with 34 per cent of households in this region changing address between 2011 and 2016. The proportion of renters was close to the state average at 28 per cent. Adelaide North had the highest rate of unemployment for both genders in the state in 2016. The unemployment rate of males rose from 5.9 per cent in 2006 to 10 per cent in 2016, whilst the unemployment rate of females was 5.7 per cent in 2006 and rose to 8.6 per cent over the same period. Low income rental stress was the highest in South Australia in 2016 at 40.3 per cent with low income mortgage stress at 23.8 per cent.

Just over 24 per cent of households in this region lived alone in 2016, a relatively small proportion compared to other regions in the state. This proportion has been quite stable since 2006. Group households were close to the state average of 3 per cent and this proportion remained stable over the decade. The increase in the proportion of households in the region who speak a language other than English is notable; between 2006 and 2016, this proportion rose from 13 per cent to 21 per cent. The proportion of population who identify as Aboriginal and/or Torres Strait Islander people is close to the state average (2%).

Adelaide North is something of a quandary for a number of reasons:

- → 82 per cent of all dwellings are separate houses (close to the level outside of Greater Adelaide) and this reduces the capacity to make observations about the housing consumption of different household compositions or tenures;
- → Almost half (47%) of single people two and thirds of group households live in separate houses. In isolation, this may suggest better affordability levels but the home ownership rate (64%) barely differs from the state average (65%); and
- → There is a high rate of new supply and a higher than average rate of public housing but the area also has the highest level of low income rental stress in South Australia.

Appendix 4: Adelaide—South

Household Composition	Dwelling Structure	Owned outright	Owned mortgage	Rented	Other tenure	Not Stated	Total
Family HH	Separate house	26,065	40,764	13,881	355	1,044	82,110
	Semi detached, row, terrace, townhouse	2,041	2,760	4,309	404	162	9,676
	Flat or apartment	539	538	1,955	193	60	3,286
	Other	72	36	39	0	7	151
	Not stated	53	83	68	24	4	235
	Total	28,769	44,179	20,256	984	1,280	95,463
Lone person HH	Separate house	10,232	6,058	4,528	300	843	21,968
	Semi detached, row, terrace, townhouse	2,449	1,465	4,197	685	461	9,249
	Flat or apartment	1,061	671	2,823	365	250	5,177
	Other	125	8	104	4	13	247
	Not stated	33	25	48	14	27	148
	Total	13,897	8,231	11,705	1,361	1,600	36,787
Group HH	Separate house	494	838	1,701	24	110	3,169
	Semi detached, row, terrace, townhouse	60	135	744	10	70	1,024
	Flat or apartment	14	50	354	4	13	434
	Other	0	0	8	0	0	8
	Not stated	0	3	10	0	0	17
	Total	574	1,022	2,820	34	198	4,646
Visitor, NS, NA	Separate house	244	168	204	28	3,071	3,712
	Semi detached, row, terrace, townhouse	53	24	93	13	992	1,171
	Flat or apartment	28	19	74	9	629	758
	Other	28	4	40	7	72	153
	Not stated	17	4	15	0	12	48
	Total	372	222	421	57	4,764	5,842

Household Composition	Dwelling Structure	Owned outright	Owned mortgage	Rented	Other tenure	Not Stated	Total
Total	Separate house	37,035	47,828	20,314	707	5,068	110,959
	Semi detached, row, terrace, townhouse	4,603	4,384	9,343	1,112	1,685	21,120
	Flat or apartment	1,642	1,278	5,206	571	952	9,655
	Other	225	48	191	11	92	559
	Not stated	103	115	141	38	43	448
	Total	**43,612**	**53,654**	**35,202**	**2,436**	**7,842**	**142,738**

Source: ABS Census of Population and Housing, 2016, TableBuilder

Rental housing costs (median income to rental) in Adelaide South in 2016 represented 23 per cent (up from 17.9% in 2006) of household income with mortgagees paying 29.6 per cent (up from 28.4% in 2006). Though the ratio for both renters and mortgage holders in Adelaide South has risen over the past decade, both occurred roughly in parallel with South Australian averages. In the five years to 2016, 34 per cent of households changed their residential address which is almost identical to the state average. A smaller than average proportion of households rent in Adelaide South (25%), and although this proportion has increased since 2006, the increase has been small. Compared to the South Australian average, this region had a lower unemployment rate in 2016 for both males (7.7%) and females (6.2%). Low income rental stress was high at 38.2 per cent whilst low income mortgage stress equalled the average for Greater Adelaide at 22.3 per cent.

Just under 26 per cent of households in this region live alone and group households are close to the state average (3.3%). Both of these proportions have been stable since 2006. Compared to the other metropolitan regions, Adelaide South has a low proportion of households that speak languages other than English (12% of households), and a relatively small proportion of Aboriginal and Torres Strait Islander people within the population (1.2%).

Adelaide South has a slightly higher rate of home ownership at 68 per cent overall but appears to be more polarised than Central and Hills, or North, given that the proportion of lone person households living in medium or high-density housing is relatively high (25% for home owners and 60% for renters). Public housing is below the state average at 3.8 per cent.

Appendix 5: Adelaide—West

Household Composition	Dwelling Structure	Owned outright	Owned mortgage	Rented	Other tenure	Not Stated	Total
Family HH	Separate house	15,739	17,907	8,227	202	651	42,725
	Semi detached, row, terrace, townhouse	2,028	3,637	5,418	269	211	11,565
	Flat or apartment	299	516	2,804	28	76	3,728
	Other	60	36	31	4	0	131
	Not stated	34	99	41	3	8	180
	Total	18,158	22,204	16,525	511	947	58,338
Lone person HH	Separate house	6,798	2,859	3,012	157	537	13,372
	Semi detached, row, terrace, townhouse	2,014	1,565	4,915	509	441	9,456
	Flat or apartment	686	666	3,410	48	177	4,985
	Other	37	6	33	0	3	78
	Not stated	23	8	60	0	24	117
	Total	9,557	5,112	11,432	717	1,182	28,007
Group HH	Separate house	315	462	1,510	18	98	2,392
	Semi detached, row, terrace, townhouse	79	155	1,009	7	39	1,294
	Flat or apartment	18	59	469	0	32	579
	Other	4	5	16	0	0	21
	Not stated	3	4	9	0	3	24
	Total	417	688	3,010	28	163	4,309
Visitor, NS, NA	Separate house	134	105	106	17	1,581	1,949
	Semi detached, row, terrace, townhouse	50	30	125	6	1,022	1,230
	Flat or apartment	13	12	86	3	592	709
	Other	36	3	21	6	82	144
	Not stated	4	0	8	4	4	26
	Total	236	149	351	33	3,281	4,058

Household Composition	Dwelling Structure	Owned outright	Owned mortgage	Rented	Other tenure	Not Stated	Total
Total	Separate house	22,986	21,333	12,855	394	2,867	60,438
	Semi detached, row, terrace, townhouse	4,171	5,387	11,467	791	1,713	23,545
	Flat or apartment	1,016	1,253	6,769	79	877	10,001
	Other	137	50	101	10	85	374
	Not stated	64	111	118	7	39	347
	Total	**28,368**	**28,153**	**31,318**	**1,289**	**5,573**	**94,712**

Source: ABS Census of Population and Housing, 2016, TableBuilder

Across both rent and mortgage payments, the population of Adelaide West had a high average ratio of housing costs to income. In 2016, housing costs (median rent to income) for renters was 23.5 per cent (up from 19.2% in 2006) of household income, whilst mortgagees used 34.1 per cent of household income (down slightly from 34.6% in 2006). The population was marginally more residentially mobile than South Australians on average, with 35 per cent of all Adelaide West households changing their address between 2011 and 2016. A relatively high proportion of the population rent their house (33%), a figure that has risen slightly since 2006. Unemployment in the region was roughly equivalent to the state average for both males (8.5%) and females (7%) in 2016.

The proportion of lone person households in the region (30%) is higher than average, although interestingly, this proportion has been steadily decreasing since at least 2006. The proportion of residents living in group households has gradually increased over the last decade rising to 4.5 per cent in 2016. Although the proportion of the population who identify as Aboriginal and Torres Strait Islander people is small (1.6%), this proportion has grown slightly since 2006. Notable in Adelaide West is the very high proportion of households who speak a language other than English at home (28%). This is the highest rate of any South Australian region and has steadily increased since 2006. This area, as a proportion of all dwellings, has the equal highest rate of public housing at more than 8% along with the Outback SA4.

Adelaide West has a relatively low rate of home ownership at 60% and a relatively high proportion of family households living in medium or high-density housing (16% of owners and 50% of renters). There is a distinct difference between the proportions of lone person households living in medium or high-density housing when we compare outright owners (28%) to owners with a mortgage (44%). Lone person households in the rental sector are disproportionately in medium or high-density property types (73% in Adelaide West compared to 56% in Adelaide North).

Appendix 6: Barossa-Yorke-Mid North

Household Composition	Dwelling Structure	Owned outright	Owned mortgage	Rented	Other tenure	Not Stated	Total
Family HH	Separate house	11,502	11,334	4,976	200	389	28,397
	Semi detached, row, terrace, townhouse	147	107	347	69	22	689
	Flat or apartment	28	11	59	17	4	122
	Other	120	57	40	4	0	221
	Not stated	63	63	35	0	10	174
	Total	11,860	11,569	5,454	289	431	29,603
Lone person HH	Separate house	5,261	2,395	2,637	173	458	10,909
	Semi detached, row, terrace, townhouse	215	73	868	91	60	1,312
	Flat or apartment	54	4	292	23	40	404
	Other	160	18	39	4	29	249
	Not stated	37	12	38	3	14	108
	Total	5,722	2,503	3,870	284	599	12,986
Group HH	Separate house	168	260	339	5	22	790
	Semi detached, row, terrace, townhouse	6	0	38	0	0	47
	Flat or apartment	0	0	3	0	0	8
	Other	6	4	4	3	0	12
	Not stated	0	0	0	0	0	5
	Total	173	265	387	5	27	866
Visitor, NS, NA	Separate house	264	133	157	38	1,709	2,298
	Semi detached, row, terrace, townhouse	3	3	29	3	143	180
	Flat or apartment	0	5	15	0	46	59
	Other	189	15	87	29	230	547
	Not stated	26	5	8	0	17	52
	Total	481	157	292	66	2,137	3,133

Household Composition	Dwelling Structure	Owned outright	Owned mortgage	Rented	Other tenure	Not Stated	Total
Total	Separate house	17,195	14,122	8,109	416	2,578	42,394
	Semi detached, row, terrace, townhouse	371	183	1,282	163	225	2,228
	Flat or apartment	82	20	369	40	90	593
	Other	475	94	170	40	259	1,029
	Not stated	126	80	81	3	41	339
	Total	**18,236**	**14,494**	**10,003**	**644**	**3,194**	**46,588**

Source: ABS Census of Population and Housing, 2016, TableBuilder

The non-metropolitan region of Barossa-Yorke-Mid North has comparatively affordable housing costs. On average, rental costs (median rent/mortgage to median income) were 19.5 per cent of household income in 2016 (up from 16.1% in 2006) while mortgagees paid 28.5 per cent (up from 27.3%). The population appears to have become slightly less residentially mobile with less than 29 per cent of households changing their address in five years to 2016. Compared to the South Australian average, this region had a lower unemployment rate for both males (6.8%) and females (6%) in 2016. Low income rental stress was 34.8 per cent in 2016 (the highest of the regional SA4s but lower than any urban SA4) with low income mortgage stress at 20.3 per cent.

Lone person households make up 28 per cent of households in the region—very close to the state average. Similar to the other non-metropolitan regions, very few households in the Barossa-Yorke-Mid North region live in group households (1.9%), and only a very small proportion of households speak a language other than English at home (2.5%). Those who identify as Aboriginal or Torres Strait Islander people account for just over 2 per cent of the total population.

The area has an above average home ownership rate of 70 per cent but stands out because of its very high proportion of all household types living in separate houses. This is highest for owner occupier families (98% in separate houses) but is also high for families in the rental sector (91% in separate houses) and sole person households (94% of owners and 68% of renters). Group households—a potential indicator of latent or frustrated demand—represent only 1.9 per cent of all households, which is the lowest proportion of any SA4 in South Australia. The region also has the lowest rate of public housing of any part of South Australia (2.5%)—around half the state average.

Appendix 7: South Australia—South East

Household Composition	Dwelling Structure	Owned outright	Owned mortgage	Rented	Other tenure	Not Stated	Total
Family HH	Separate house	17,637	18,019	9,222	509	792	46,172
	Semi detached, row, terrace, townhouse	259	235	1,007	100	38	1,644
	Flat or apartment	70	44	373	9	21	522
	Other	163	60	52	8	3	297
	Not stated	73	69	62	6	5	223
	Total	18,209	18,430	10,716	642	863	48,847
Lone person HH	Separate house	7,807	3,648	4,332	322	791	16,901
	Semi detached, row, terrace, townhouse	426	162	1,627	199	162	2,572
	Flat or apartment	157	58	1,087	30	85	1,423
	Other	233	40	105	0	24	402
	Not stated	37	30	56	0	39	160
	Total	8,663	3,936	7,211	552	1,103	21,469
Group HH	Separate house	308	402	747	16	60	1,537
	Semi detached, row, terrace, townhouse	8	6	117	0	12	144
	Flat or apartment	0	11	62	0	0	74
	Other	8	0	13	0	3	22
	Not stated	0	3	6	0	0	10
	Total	324	423	948	16	77	1,789
Visitor, NS, NA	Separate house	387	200	282	32	2,837	3,739
	Semi detached, row, terrace, townhouse	24	4	57	4	279	368
	Flat or apartment	6	0	58	4	152	220
	Other	166	15	110	13	274	570
	Not stated	37	3	32	6	35	118
	Total	618	229	535	53	3,576	5,014

Household Composition	Dwelling Structure	Owned outright	Owned mortgage	Rented	Other tenure	Not Stated	Total
Total	Separate house	26,139	22,269	14,583	879	4,480	68,349
	Semi detached, row, terrace, townhouse	717	407	2,808	303	491	4,728
	Flat or apartment	233	113	1,580	43	258	2,239
	Other	570	115	280	21	304	1,291
	Not stated	147	105	156	12	79	511
	Total	**27,814**	**23,018**	**19,410**	**1,263**	**5,619**	**77,119**

Source: ABS Census of Population and Housing, 2016, TableBuilder

The average proportion of income required for housing costs in the South East is markedly similar to the Barossa Yorke Mid North area. Renting households pay (median rent to income) on average just below 19.6 per cent of household income (up from 16.1% in 2016) and mortgagee households pay 28.3 per cent (down from 29.1% in 2006). The residential mobility of the South East population has declined since 2006, with 32 per cent of households changing residential address between 2011 and 2016. The unemployment rate for both males (6.5%) and females (5.5%) in the South East was comparatively lower than the South Australian average in 2016. Low income rental stress was 34.4 per cent in 2016 with low income mortgage stress at 20.8 per cent.

The proportion of the population living alone (28%) is close to the state average, whilst 2.3 per cent of households in the region are group households. Though higher than in the Barossa Yorke Mid North region, the proportion of households that speak languages other than English (5.5%) is notably low. 2.4 per cent of the region's population identify as Aboriginal and Torres Strait Islander people.

The South East demonstrates similar patterns to the Barossa-Yorke-Mid North region, albeit with a slightly lower home ownership rate at 66 per cent. Among sole person and group households, the proportions living in separate houses are also high (over 90% for home owners, more than 60% for sole person renters and 79% for group renters). At 2.3 per cent of households, the proportion of group households is lower than the state average. The rate of public housing is also below the state average at approximately 3 per cent.

Appendix 8: South Australia—Outback

Household Composition	Dwelling Structure	Owned outright	Owned mortgage	Rented	Other tenure	Not Stated	Total
Family HH	Separate house	5,740	6,395	4,558	91	301	17,086
	Semi detached, row, terrace, townhouse	370	706	1,362	16	63	2,514
	Flat or apartment	23	21	212	5	8	267
	Other	88	41	27	7	6	166
	Not stated	53	28	55	3	0	141
	Total	6,276	7,193	6,208	115	387	20,183
Lone person HH	Separate house	2,629	1,232	1,948	91	328	6,226
	Semi detached, row, terrace, townhouse	284	273	1,690	10	135	2,398
	Flat or apartment	54	23	702	11	48	837
	Other	121	9	61	13	37	255
	Not stated	27	14	52	3	22	122
	Total	3,124	1,548	4,466	123	580	9,834
Group HH	Separate house	88	123	290	3	18	526
	Semi detached, row, terrace, townhouse	18	29	129	3	10	187
	Flat or apartment	0	0	29	0	0	30
	Other	5	0	7	0	0	12
	Not stated	4	0	5	0	0	4
	Total	117	148	453	3	39	764
Visitor, NS, NA	Separate house	170	75	241	24	1,320	1,834
	Semi detached, row, terrace, townhouse	9	14	72	4	393	495
	Flat or apartment	4	0	48	5	132	192
	Other	565	78	300	67	646	1,653
	Not stated	50	3	24	4	70	153
	Total	793	174	682	99	2,565	4,316

Household Composition	Dwelling Structure	Owned outright	Owned mortgage	Rented	Other tenure	Not Stated	Total
Total	Separate house	8,627	7,825	7,037	209	1,967	25,672
	Semi detached, row, terrace, townhouse	681	1,022	3,253	33	601	5,594
	Flat or apartment	81	44	991	21	188	1,326
	Other	779	128	395	87	689	2,086
	Not stated	134	45	136	10	92	420
	Total	**10,310**	**9,063**	**11,809**	**340**	**3,571**	**35,097**

Source: ABS Census of Population and Housing, 2016, TableBuilder

The population of the Outback region is distinct in many of its characteristics. In 2016, rental costs (median rent to income) accounted for 15.6 per cent of household income (up from 12.7% in 2006) while mortgagees paid 27.9 per cent (up from 24.1% in 2006). Although housing costs as a proportion of income increased from 2006 to 2016, the growth began from a lower base than other areas. Between 2011 and 2016, fewer than 30 per cent of all households changed address, so the population of the region appears to be more stable than the South Australian average. Almost 34 per cent of households were renters—significantly above the state average—and this is not a recent phenomenon, with high rates of rental found throughout 2006, 2011, and 2016. Unemployment was 8.9 per cent for males and 6.8 per cent females. Low income rental stress was the lowest of all SA4 regions at 29.7 per cent with low income mortgage stress also the lowest in South Australia at 19.8 per cent.

More than a quarter (28%) of households in this region live alone, and a very small proportion live in group households (2.2%). Interestingly the proportion of households classified as group households has decreased slightly since 2006. Only 7 per cent of households in the region speak languages other than English at home. Importantly, more than 10 per cent of the region's population identify as Aboriginal and Torres Strait Islander people—a rate that far exceeds both the state average and any other region.

South Australia Outback has a low rate of home ownership (55%) and it is immediately apparent from the tables that a higher proportion of households are living in medium or high-density housing—noting that further work is required to disaggregate this between large regional towns and smaller population centres. In the Outback SA4 73 per cent of dwellings are separate houses, 15.9 per cent are medium density (around double the average for 'rest of South Australia') and only 3.8 per cent are high density housing. This implies that 81 per cent of medium or high-density housing are semi-detached, row, terrace or townhouses—interestingly, this may be a reflection of the historic building of 'double unit' accommodation by the South Australian Housing Trust in Whyalla.

Of owner occupier family households living in medium or high density housing the proportion is only 8 per cent, but for renters the proportion is 25 per cent. Of lone person household owners without a mortgage, 11 per cent live in medium or high-density housing, but this rises to 19 per cent for owners with a mortgage, and 54 per cent for renters. However, only 2.2 per cent of households are group households, which is a lower rate than South Australia overall (3.4%), and among the

lowest of any SA4 area. The rate of public housing was the equal highest of any SA4 region at more than 8 per cent of all dwellings—again potentially reflecting historic investment in by the South Australian Housing Trust in major regional centres in this region.

Appendix 9: Greater Adelaide

Household Composition	Dwelling Structure	Owned outright	Owned mortgage	Rented	Other tenure	Not Stated	Total
Family HH	Separate house	91,294	132,642	51,177	1,389	3,886	280,394
	Semi detached, row, terrace, townhouse	7,591	12,012	19,837	1,371	727	41,541
	Flat or apartment	1,589	2,249	10,276	400	274	14,777
	Other	275	148	162	8	16	608
	Not stated	171	379	239	38	36	862
	Total	100,920	147,427	81,700	3,202	4,933	338,177
Lone person HH	Separate house	35,641	19,868	16,582	1,173	2,957	76,220
	Semi detached, row, terrace, townhouse	8,506	5,818	18,216	2,390	1,744	36,679
	Flat or apartment	3,420	2,773	12,722	860	875	20,652
	Other	353	38	263	3	40	702
	Not stated	122	68	218	32	142	583
	Total	48,039	28,561	48,003	4,460	5,766	134,827
Group HH	Separate house	1,677	2,806	6,597	93	467	11,635
	Semi detached, row, terrace, townhouse	297	622	3,637	30	190	4,783
	Flat or apartment	104	216	2,431	20	103	2,870
	Other	13	3	55	0	3	76
	Not stated	7	12	41	0	5	71
	Total	2,101	3,662	12,754	149	773	19,438
Visitor, NS, NA	Separate house	872	597	741	110	10,710	13,024
	Semi detached, row, terrace, townhouse	205	114	477	41	4,281	5,125
	Flat or apartment	84	69	485	21	2,653	3,313
	Other	134	15	111	11	396	664
	Not stated	35	20	33	6	55	154
	Total	1,333	816	1,847	197	18,097	22,290
Total	Separate house	129,484	155,913	75,097	2,765	18,020	381,273

Household Composition	Dwelling Structure	Owned outright	Owned mortgage	Rented	Other tenure	Not Stated	Total
	Semi detached, row, terrace, townhouse	16,599	18,566	42,167	3,832	6,942	88,128
	Flat or apartment	5,197	5,307	25,914	1,301	3,905	41,612
	Other	775	204	591	22	455	2,050
	Not stated	335	479	531	76	238	1,670
	Total	**152,393**	**180,466**	**144,304**	**8,008**	**29,569**	**514,732**

Source: ABS Census of Population and Housing, 2016, TableBuilder

Greater Adelaide, being the sum of the four urban and peri urban SA4 regions, covers an area from Roseworthy to Sellicks and from the ocean into the Adelaide Hills.

In brief, and drawing on comments in earlier appendices and the report more broadly, compared to the rest of South Australia, Greater Adelaide is characterised by higher levels of new supply, lower levels of unoccupied dwellings and a much higher number of households that speak a language other than English at home. Rental costs (median rent to income) were 22.6 per cent of household income in 2016 (up from 17.8% in 2006) with mortgagees paying 30.1 per cent of household income (up from 29.1% in 2006). Low income rental stress across Greater Adelaide was 36.9 per cent in 2016 with low income mortgage stress at 22.3 per cent.

Households on low income, specifically those in receipt of government benefits, receive the same income wherever they live and this also means that social housing providers charge similar rents (for households on income-based rents) regardless of location. The higher raw housing costs (e.g. market rents) in Greater Adelaide therefore create a larger differential between the level of social rent and prevailing market rates—creating a higher incentive for people to seek assistance while imposing greater opportunity costs on social housing providers.

Appendix 10: Rest of South Australia

Household Composition	Dwelling Structure	Owned outright	Owned mortgage	Rented	Other tenure	Not Stated	Total
Family HH	Separate house	34,877	35,750	18,758	794	1,478	91,660
	Semi detached, row, terrace, townhouse	777	1,043	2,713	183	122	4,846
	Flat or apartment	129	75	641	32	38	917
	Other	374	152	120	17	22	687
	Not stated	188	164	150	16	16	537
	Total	36,350	37,179	22,382	1,049	1,677	98,636
Lone person HH	Separate house	15,696	7,271	8,917	579	1,573	34,039
	Semi detached, row, terrace, townhouse	918	510	4,191	299	362	6,281
	Flat or apartment	267	88	2,085	65	173	2,668
	Other	518	73	205	17	95	904
	Not stated	107	63	146	3	75	390
	Total	17,509	8,001	15,548	964	2,276	44,289
Group HH	Separate house	565	780	1,380	21	109	2,858
	Semi detached, row, terrace, townhouse	25	42	284	9	28	381
	Flat or apartment	0	7	92	0	0	106
	Other	16	3	24	3	8	49
	Not stated	6	3	11	0	3	17
	Total	618	840	1,789	30	145	3,416
Visitor, NS, NA	Separate house	821	408	682	87	5,867	7,873
	Semi detached, row, terrace, townhouse	32	23	157	9	819	1,037
	Flat or apartment	11	4	112	7	331	465
	Other	912	106	495	100	1,148	2,769
	Not stated	111	16	67	16	113	320
	Total	1,896	554	1,511	220	8,283	12,466

Household Composition	Dwelling Structure	Owned outright	Owned mortgage	Rented	Other tenure	Not Stated	Total
Total	Separate house	51,959	44,209	29,737	1,481	9,027	136,430
	Semi detached, row, terrace, townhouse	1,752	1,618	7,345	500	1,331	12,545
	Flat or apartment	407	174	2,930	104	542	4,156
	Other	1,820	334	844	137	1,273	4,409
	Not stated	412	246	374	35	207	1,264
	Total	56,373	46,574	41,230	2,263	12,381	158,807

Source: ABS Census of Population and Housing, 2016, TableBuilder

Prior to making broad commentary, it must be reiterated that the 'rest of South Australia' group of three SA4 regions covers a vast geographical area—touching both the east and west borders of South Australia and stretching from Port Lincoln in the south to the Northern Territory border. As such, aggregate data covers coastal areas, inland agricultural areas, holiday towns and regional centres with industrial bases along with remote Aboriginal communities.

Notwithstanding the major differences between its constituent components, the rest of South Australia tends to have lower raw housing costs and lower relative housing costs (median rent/mortgage to median income). Between 2006 and 2016, rental costs increased from 15.3 per cent of household income to 18.4 per cent whilst mortgage costs increased from 27.5 per cent to 28.4 per cent. Low income rental stress was 32.8 per cent in 2016 with low income mortgage stress at 19.4 per cent. The housing stock is disproportionately skewed toward separate houses that may reflect a combination of lower cost of land, consumer preferences and local industry.

The much higher rate of unoccupied dwellings in regional South Australia, that includes a large proportion of separate houses that can be offered to the market in the right circumstances, may also slow the rate of change toward higher densities over time. In some regional areas, market rents on properties are such that there is little or no difference with income-based rents in social housing noting that social housing provides other benefits beyond affordability protections. It is further noted that this report has not been able to assess any data that indicates the relative quality of homes (between social rental and private rental) in individual areas or their suitability for particular residents.

Whilst not an area of focus in this report, it is also important to consider a more holistic cost-of-living analysis when drawing conclusions about the relative circumstances of one region over another. In this instance, it suffices to remind readers that longer distances from a capital city or major regional centre, in addition to lower raw housing costs, often result in: less access to government services; less competition between private businesses; higher transport costs (both personal transport costs and those incorporated into purchases); and greater exposure to seasonal variations (e.g. harvest periods, holidays) and business cycles (e.g. mining booms and busts). Regional areas continue to provide important economic opportunities for households in addition to non-financial benefits such as greater community interaction and more convenient access

to recreation/nature activities. How individual households balance these various costs and benefits may provide yet another area for further consideration in the future.

Appendix 11: South Australian Property Sales by affordability level, 2011–12 to 2016–17

	Detached and semi-detached		Flats, units and apartments		Total private sales	
	number	%	number	%	number	%
very low income households (up to 50% of the median income)						
2011–12	322	1.3	32	0.1	355	1.4
2012–13	548	2.1	63	0.2	610	2.3
2013–14	703	2.4	65	0.2	770	2.6
2014–15	616	2	56	0.2	670	2.2
2015–16	538	1.8	53	0.2	590	1.9
2016–17	579	1.9	67	0.2	645	2.1
Total	3,305	1.9	335	0.2	3,640	2.1
low income households (50–80% of the median income)						
2011–12	995	3.9	127	0.5	1,120	4.4
2012–13	1,448	5.5	387	1.5	1,835	6.9
2013–14	1,977	6.7	659	2.2	2,635	9
2014–15	1,450	4.7	406	1.3	1,855	6.1
2015–16	1,458	4.8	456	1.5	1,915	6.2
2016–17	1,647	5.5	554	1.8	2,200	7.3
Total	8,975	5.2	2,590	1.5	11,565	6.7
moderate income households (80–120% of the median income)						
2011–12	3,360	13.3	1,090	4.3	4,450	17.6
2012–13	5,022	19.0	1,508	5.7	6,530	24.7
2013–14	6,654	22.7	1,825	6.2	8,480	28.9
2014–15	5,020	16.4	1,776	5.8	6,795	22.2
2015–16	4,941	16.1	1,826	6.0	6,765	22.1
2016–17	5,468	18.2	1,587	5.3	7,055	23.5
Total	30,465	17.7	9,610	5.6	40,075	23.2

	Detached and semi-detached		Flats, units and apartments		Total private sales	
	number	%	number	%	number	%
All Sales						
2011–12	22,070	87.4	3,185	12.6	25,255	100
2012–13	23,040	87	3,445	13	26,485	100
2013–14	25,480	86.9	3,850	13.1	29,330	100
2014–15	26,050	85.1	4,570	14.9	30,620	100
2015–16	25,880	84.5	4,765	15.5	30,645	100
2016–17	25,915	86.2	4,150	13.8	30,070	100
Total	148,440	86.1	23,970	13.9	172,410	100

Source: Data from South Australian Government Land Services Group, published by SA Housing Authority in *Housing Affordability: Demand and Supply South Australia (2018)*

Appendix 12: Household composition of public housing tenancies 2006, 2011, 2016 (SA4 regions)

	Couple	Couple + Children	Sharers	Single	Single Parent
2006					
Adelaide - Central and Hills	7.6%	3.5%	3.0%	73.1%	12.7%
Adelaide - North	12.5%	9.7%	4.1%	49.7%	23.9%
Adelaide - South	11.6%	7.2%	4.0%	56.9%	20.3%
Adelaide - West	11.0%	6.8%	4.6%	60.0%	17.7%
Barossa - Yorke - Mid North	11.7%	7.1%	3.2%	62.0%	16.0%
Outback	11.7%	8.9%	4.1%	53.8%	21.4%
South East	13.8%	10.2%	3.5%	49.3%	23.2%
South Australia	**11.5%**	**7.9%**	**4.0%**	**56.2%**	**20.3%**
2011					
Adelaide - Central and Hills	6.9%	3.3%	4.4%	73.6%	11.8%
Adelaide - North	11.2%	8.6%	5.4%	53.6%	21.1%
Adelaide - South	11.0%	6.1%	5.9%	58.3%	18.7%
Adelaide - West	10.3%	6.1%	5.6%	61.9%	16.1%
Barossa - Yorke - Mid North	11.3%	5.5%	4.1%	65.5%	13.7%
Outback	10.7%	7.8%	5.3%	54.8%	21.3%
South East	12.5%	7.8%	4.4%	53.7%	21.6%
South Australia	**10.6%**	**6.9%**	**5.3%**	**58.7%**	**18.5%**
2016					
Adelaide - Central and Hills	6.4%	2.7%	4.8%	75.4%	10.6%
Adelaide - North	11.0%	7.0%	6.8%	56.6%	18.6%
Adelaide - South	9.9%	4.7%	6.3%	62.6%	16.5%
Adelaide - West	9.0%	5.5%	7.4%	63.7%	14.5%
Barossa - Yorke - Mid North	11.5%	5.2%	4.4%	65.9%	13.0%
Outback	9.7%	7.0%	6.1%	57.8%	19.4%
South East	11.4%	7.0%	6.3%	56.2%	19.1%
South Australia	**9.8%**	**5.8%**	**6.5%**	**61.5%**	**16.4%**

Appendix 13: Household composition of public housing waitlist 2006, 2011, 2016 (SA4 regions)

	Couple	Couple + Children	Sharers	Single	Single Parent
2006					
Adelaide - Central and Hills	3.6%	6.1%	2.4%	66.9%	21.0%
Adelaide - North	4.7%	6.7%	2.3%	53.2%	33.0%
Adelaide - South	4.9%	6.0%	1.8%	58.3%	29.0%
Adelaide - West	4.2%	7.1%	3.6%	60.7%	24.3%
Barossa - Yorke - Mid North	7.9%	6.6%	1.8%	57.3%	26.4%
South Australia - Outback	5.6%	6.3%	2.8%	58.7%	26.5%
South Australia - South East	7.3%	7.5%	2.7%	52.7%	29.8%
South Australia	**4.8%**	**6.5%**	**2.5%**	**58.6%**	**27.5%**
2011					
Adelaide - Central and Hills	4.9%	6.2%	2.5%	64.8%	21.7%
Adelaide - North	5.1%	8.8%	3.5%	48.5%	34.1%
Adelaide - South	4.9%	6.0%	2.6%	55.5%	31.0%
Adelaide - West	4.1%	8.2%	4.0%	56.6%	27.1%
Barossa - Yorke - Mid North	9.7%	5.7%	2.3%	57.1%	25.1%
South Australia - Outback	6.0%	5.9%	3.4%	57.3%	27.4%
South Australia - South East	7.1%	7.3%	2.9%	56.2%	26.5%
South Australia	**5.2%**	**7.2%**	**3.2%**	**55.9%**	**28.5%**
2016					
Adelaide - Central and Hills	4.9%	5.6%	2.4%	67.2%	19.9%
Adelaide - North	5.0%	8.6%	4.0%	48.9%	33.5%
Adelaide - South	5.1%	6.4%	2.8%	55.8%	29.9%
Adelaide - West	4.0%	8.8%	3.6%	56.7%	26.9%

	Couple	Couple + Children	Sharers	Single	Single Parent
Barossa - Yorke - Mid North	8.6%	5.7%	3.6%	55.7%	26.5%
South Australia - Outback	5.7%	4.7%	3.2%	60.3%	26.1%
South Australia - South East	5.9%	6.5%	3.4%	59.9%	24.3%
South Australia	**4.9%**	**6.9%**	**3.4%**	**57.1%**	**27.6%**

Appendix 14: ABS analysis, procured by SA Housing Authority, of SIH rental stress data for South Australia

	2009–10	2011–12	2013–14	2015–16
Total Social Housing Renters (PH, AH, CH)	46,423	46,660	46,278	44,852
Total Private Rental Renters	127,941			141,812
Total Private Rental Renters - Low Income Households	52,739	51,200	58,823	71,924

Sources:
Total Social Housing Renters (PH, AH, CH) - Report on Government Services 2013 (Table 16A.4)
Total Private Renters - 2011 ABS Census (Table B32) - Total Rented Households less 'State or territory housing authority' and 'Housing co-operative/community/church group'
Total Private Renters - 2016 ABS Census (Table G33) - Total Rented Households less 'State or territory housing authority' and 'Housing co-operative/community/church group'
Total Private Renters Low Income Households - ABS Survey of Income and Housing, Australia, 2009-10 & 2011-12 (Unpublished results)

Low Income Private Rental Households (Percentage of Gross Household Income spent on Rental Expenses)

Estimate	2009–10		2011–12		2013–14		2015–16	
Spent 30% or less of their gross household income on rental expenses	20,853	40%	19,600	38%	20,341	35%	26,829	37%
Spent 30–40% of their gross household income on rental expenses	14,873	28%	13,700	27%	11,835	20%	14,709	20%
Spent 40–50% of their gross household income on rental expenses	6,815	13%	10,200	20%	11,150	19%	11,082	15%
Spent more than 50% of their gross household income on rental expenses	10,198	19%	7,700	15%	15,497	26%	19,304	27%
Total low income households who were private renters	52,739	100%	51,200	100%	58,823	100%	71,924	100%

Source: ABS Survey of Income and Housing, Australia, 2009–10 & 2011–12 (Unpublished results)

Estimate	2009–10		2011–12		2013–14		2015–16	
Spent more than 30% of their gross household income on rental expenses	31,886	60%	31,600	62%	38,482	65%	45,095	63%
Spent more than 40% of their gross household income on rental expenses	17,013	32%	17,900	35%	26,647	45%	30,386	42%
Spent more than 50% of their gross household income on rental expenses	10,198	19%	7,700	15%	15,497	26%	19,304	27%
Total low income households who were private renters	52,739		51,200		58,823		71,924	

ABS Survey of Income and Housing, Australia, 2009–10 to 2015–16

Number of Low Income Households who were Private Renters and spent more than 30%, 40% and 50% of Gross Household Income on Rental Expenses

Estimate		2009–10 range	2011–12 range	2013–14 range	2015–16 range
Spent more than 30% of their gross household income on rental expenses	no.	25573 - 38199	23763 - 39437	30170 - 46794	35264 - 54926
Spent more than 40% of their gross household income on rental expenses	no.	12624 - 21402	12029 - 23771	19132 - 34161	23033 - 37740
Spent more than 50% of their gross household income on rental expenses	no.	6873 - 13523	4558 - 10842	9515 - 21479	13745 - 24864
Total low income households who were private renters	no.	45145 - 60333	41677 - 60723	48235 - 69411	59409 - 84439

Note: Range based on Relative Standard Error of Estimate

Notes

- Low income households are defined as the 40 per cent of households with equivalised disposable household income at the 40th percentile, calculated for capital city and balance of state, on a state-by-state basis.
- Rental expenses include amount paid in rent plus rates.
- Excludes households in collection districts defined as very remote.
- 2015–16 data have been randomly adjusted to avoid the release of confidential data. Discrepancies may occur between sums of the component items and totals.
- This spreadsheet presents information from the 2009–10 Survey of Income and Housing (SIH) which collects detailed information about the income and household characteristics of person aged 15 years and over in private dwellings throughout Australia.
- Previous comparable SIH data is available for 1994–95, 1995–96, 1996–97, 1997–98, 1999–2000, 2000–01, 2002–03, 2003–04, 2005–06 and 2007–08.
- The statistics in this table do not exclude Commonwealth Rent Assistance (CRA) from the calculation to determine low income households. Therefore, the data in this table in not comparable to data that does exclude CRA from the calculation to determine low income households.
- The statistics in this table do not exclude Commonwealth Rent Assistance (CRA) from Gross Household Income and Rental Expenses. The result is households receiving CRA will have higher percentage of Gross Household Income spent on Rental Expenses than if CRA was excluded from the calculation. Therefore, the data in this table is not comparable to data that does exclude CRA from Gross Household Income and Rental Expenses.
- Extract from Australian Institute of Health and Welfare report—*Specialist Homelessness Services 2017-18*—reasons for South Australian clients seeking assistance

Extract from Australian Institute of Health and Welfare report—Specialist Homelessness Services 2017–18—reasons for South Australian clients seeking assistance

Group	Reason for seeking assistance	Males	Females	Total clients (number)	Total clients (per cent)
Financial		*2,412*	*2,801*	*5,213*	*26.5*
	Financial difficulties	1,537	1,946	3,483	17.7
	Housing affordability stress	872	1,127	1,999	10.2
	Employment difficulties	387	224	611	3.1
	Unemployment	960	729	1,689	8.6
	Problematic gambling	41	23	64	0.3
Accommodation		*5,519*	*6,996*	*12,515*	*63.7*
	Housing crisis	3,450	4,532	7,982	40.6
	Inadequate or inappropriate dwelling conditions	2,317	2,748	5,065	25.8
	Previous accommodation ended	795	966	1,761	9.0
Interpersonal relationships		*2,148*	*6,501*	*8,649*	*44.0*
	Time out from family/other situation	288	469	757	3.9
	Relationship/family breakdown	874	1,375	2,249	11.5
	Sexual abuse	27	180	207	1.1
	Domestic and family violence	1,182	5,369	6,551	33.4
	Non-family violence	81	164	245	1.2
Health		*2,136*	*2,392*	*4,528*	*23.1*
	Mental health issues	1,368	1,815	3,183	16.2
	Medical issues	733	778	1,511	7.7
	Problematic drug or substance use	661	452	1,113	5.7
	Problematic alcohol use	399	204	603	3.1
Other		*2,471*	*2,595*	*5,066*	*25.8*
	Transition from custodial arrangements	599	152	751	3.8
	Transition from foster care and child safety residential place	19	30	49	0.2
	Transition from other care arrangements	147	81	228	1.2
	Discrimination including racial discrimination	121	138	259	1.3
	Itinerant	718	625	1,343	6.8
	Unable to return home due to environmental reasons	155	225	380	1.9
	Disengagement with school or other education and training	296	391	687	3.5
	Lack of family and/or community support	927	1,161	2,088	10.6
	Other	348	568	916	4.7
Not stated		—	—	—	. .

Notes:

1. A record of all reasons a client has presented to any specialist homelessness agency during the reporting year. The number of reasons is greater than the number of clients because a client can specify multiple reasons for seeking assistance. However each individual reason is counted only once per client across support periods.

2. The reason group is a count of unique clients within all categories in the group; therefore it is not the sum of the components.

3. Percentages have been calculated using total number of clients as the denominator (less not stated): 19,641.

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