

# Small Rise in Sydney Rents

Housing Minister Frank Terenzini released latest figures showing there's been another small rise in rents right across Sydney.

Mr Terenzini said that over the September quarter, the average rent across Sydney increased to \$420 per week - \$25 higher than a year ago and \$10 higher than the previous quarter.

"These latest figures show rental increases were again marginally higher for the quarter but they also show the rate of rental increase remains stable.

The quarterly figures, now on line at Housing NSW's website, cover July to September 2010 for rents and April to June for property sales.

"The slight ease in the Sydney rental market vacancy rate recorded in the June quarter has again tightened according to the latest Real Estate Institute figures which show that in September quarter, the average rental vacancy rate was down from 1.6% to 1.2%.

"It has also tightened in the Hunter from 1.7% to 1.3% while the Illawarra's vacancy rate remains the same at 1.6%.

"Compared with 12 months ago, the all-dwellings median rent increased in the Sydney Statistical Division (SD) by \$25, in the Inner Ring by \$40 and in the both Middle and Outer Rings by \$20.

"Outside the Sydney Metropolitan Area the only annual increases in median rent exceeding 10% were in Cessnock and Maitland for three bedroom houses and in Maitland, Wollongong and Cessnock for two bedroom units." Mr Terenzini said.

"Rent rises in these regional centres over the past 12 months reflects market forces at work in response to increased demand from people wanting to live in these popular regions but rents in these towns remain comparatively affordable.

Mr Terenzini said the Federal and NSW Governments are investing billions of dollars in affordable housing projects across the State to better meet increasing demand.

"Apart from the 6,300 homes being delivered under the Federal Stimulus, another 3,000 are being funded by a billion dollar allocation from the State Government.

"In recent months I have announced the \$100-million dollar Riverwood North joint housing partnership which will provide 450 affordable homes, the \$580-million Telopea Urban Renewal project delivering more than 1,900 homes over the next ten years, and just last week, the \$170-million Cowper St Glebe Project delivering a mix of 450 affordable and social housing.

"Also working to increase affordability is the new Home Builder Bonus, announced in the June budget:

- Zero stamp duty for new homes that are purchased pre-construction, before the foundations have been laid
- 25% reduction in stamp duty where construction has already started

"The simple fact is, these measures are making it easier to for low and middle income earners to buy their own home" Minister Terenzini said.

"Up to \$22,490 in stamp duty can be saved, which is making a real difference for families across the state"

"And we are working to increase housing land supply by:

- o Reducing council levies;
- o Streamlining planning processes, including the Housing Code;
- o Rezoning land for housing; and
- o Delivering ready-to-build-on land to the market.

"Government stimulus measures, planning measures and reductions in stamp duty and levies have helped position the State as the national leader in new dwelling approvals.

And right now we have enough housing land zoned to build over the next ten years ... so it's now up to the developers to lodge their applications and

start building."

For house sales in the 2010 June quarter, Mr Terenzini said that over the past 12 months the Sydney SD recorded a 19.6% increase for non strata dwellings and 17.7% for strata dwellings.

## Average rent per week - September 2010 quarter

### Cheapest one bedroom homes

1. Wyong (\$180)
2. Blue Mountains (\$190)
3. Gosford (\$195)
4. Holroyd (\$210)
5. Blacktown (\$215)

### Cheapest four bedroom homes

1. Wyong (\$380)
2. Wollondilly (\$395)
3. Blue Mountains, Campbelltown & Penrith (\$420)
4. Hawkesbury (\$440)
5. Fairfield & Gosford (\$450)

### Most expensive one bedroom homes

1. Sydney (\$460)
2. Willoughby (\$455)
3. Canada Bay (\$440)
4. Manly (\$430)
5. Woollahra (\$420)

### Most expensive four bedroom homes

1. Mosman (\$1770)
2. Woollahra (\$1225)
3. Manly (\$1100)
4. Waverley (\$1075)
5. Willoughby (\$995)

## RENTAL FIGURES FOR THE SEPTEMBER 2010 QUARTER

**INNER RING** includes: Ashfield, Botany Bay, Lane Cove, Leichhardt, Marrickville, Mosman, North Sydney, Randwick, Sydney, Waverley and Woollahra

**MIDDLE RING** includes: Auburn, Bankstown, Burwood, Canterbury, Canada Bay, Hunters Hill, Hurstville, Kogarah, Ku-ring-gai, Manly, Parramatta, Rockdale, Ryde, Strathfield and Willoughby

**OUTER RING** includes: Baulkham Hills, Blacktown, Blue Mountains, Camden, Campbelltown, Fairfield, Gosford, Hawkesbury, Holroyd, Hornsby,



Liverpool, Penrith, Pittwater, Sutherland, Warringah, Wollondilly and Wyong

• Average rents in the Sydney SD for two bedroom units increased \$30 to \$430 in the year.

• Within Sydney, average rents for two bedroom units increased over the quarter in the Inner Ring by 1.9% to \$550, Middle Ring by 1.3% to \$395, Outer Ring by 2.9% to \$350 and the Rest of GMR by 3.8% to \$270.

• The biggest annual rent percentage increases for two bedroom units in the Sydney area were 18% in Ku-Ring-Gai (\$80 to \$525), 12.5% in Fairfield (\$30 to \$270) and 11.1% in Waverley (\$55 to \$550).

• In the Greater Metropolitan Region the largest annual dollar increase in the average rent for a two bedroom unit was \$50 experienced in Maitland (25% to \$250) followed by \$33 in Wollongong (12.9% to \$285).

• For three bedroom houses in Sydney, average rents increased by 8.3% (\$30) over the year and by 2.6% (\$10) over the quarter to \$390.

• Within Sydney, quarterly average rents for three bedroom houses increased by 2.1% to \$480 in the in the Middle Ring, 2.9% to \$360 in the Outer Ring and by 3.1% to \$330 in the Rest of GMR, but remained unchanged at \$700 in the Inner Ring.

• The biggest percentage increases in rent over the year to June 2010 for three bedroom houses occurred in the Local Government Areas of Leichhardt at 18.3% (\$110 to \$710), Willoughby 18.1% (\$118 to \$768) and Kogarah 15.6% (\$70 to \$520).

• In the Rest of the Greater Metropolitan Region, the rent for three bedroom houses rose by 10% (\$30 to \$330) over the year and 3.1% (\$10) over the September quarter.

## Boost for Boarding Houses

Housing Minister Frank Terenzini announced an extension to the Boarding House Financial Assistance Program to encourage construction of affordable housing across the State.

Mr Terenzini said the NSW Government has launched a range of initiatives to support affordable housing delivery and new boarding houses with self-contained rooms will help address the shortage of this kind of accommodation.

"New generation boarding houses form part of a diverse housing market and provide cost effective, appropriate and affordable accommodation for a range of people including singles, couples and key workers, such as retail workers and assistant nurses and students.

"This expanded Program aims to support the delivery of over 230 new self contained boarding house rooms in areas close to employment centres and public transport over the next 5 years.

"New generation boarding house rooms are self-contained with en-suite bathrooms and kitchen facilities and are exactly the sort of accommodation that will contribute to the prevention of homelessness.

Mr Terenzini said this Program builds on the incentives NSW Government's Affordable Rental Housing State Environmental

Planning Policy (ARHSEPP) administered by the NSW Department of Planning.

"The ARHSEPP facilitates the construction of boarding house developments in a wider range of areas and allows local councils to raise contributions where new developers will cause existing low cost accommodation to be lost.

"The expanded Boarding Housing Financial Assistance Program will be part-funded by these contributions.

"This program highlights the State Government's ongoing commitment to funding affordable housing for those most in need in our community, Mr Terenzini said.