A Home in Moreland
The housing we need now and in the future

Moreland City Council
AUGUST 2018
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MORELAND IS DIVERSE AND GROWING

If you walk the streets of Moreland you see a vibrant community, characterised by diversity. Change is evident in new development projects, but there is also continuity in historic buildings and streetscapes that reveal the city’s past.

Like Moreland’s buildings, the residents are a mix of old and young. Some have lived here all their lives, others are more recently arrived.

Since the start of the 21st century Moreland’s population has been growing quickly. As more residents move in and make Moreland home, new businesses pop up to serve their diverse needs and tastes - especially when it comes to food and drink. There are cafes, bakeries and specialist groceries catering to every possible type of cuisine. Greek cake shops, Turkish restaurants and Italian social clubs established decades ago by post-war European migrants nestle beside newer businesses set up by more recent arrivals from India, Pakistan and China.

The variety and vibrancy of the retail outlets reflects the changing settlement patterns in Moreland. One in three Moreland residents was born overseas in more than 100 different countries.
The cultural and linguistic backgrounds of the people who make a home in Moreland shape the social mix but equally influential are the occupations, skills and income levels of local residents. These are shifting too, along with the changing nature of Melbourne’s economy and labour market. Thirty years ago, many Moreland workers laboured in factories, workshops and warehouses; these days they are more likely to be found in offices, clinics and classrooms.

All of these factors — cultural diversity, employment, income, education, age and household size — have an influence on the quantity and type of housing that Moreland needs today and in the future.
Figure 1: **Moreland’s population is diverse**
Selected indicators for selected suburbs, 2016

<table>
<thead>
<tr>
<th>Population diversity</th>
<th>Brunswick East</th>
<th>Coburg</th>
<th>Pascoe Vale South</th>
<th>Fawkner</th>
<th>Glenroy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population aged 65+</td>
<td>10%</td>
<td>13%</td>
<td>14%</td>
<td>17%</td>
<td>16%</td>
</tr>
<tr>
<td>Households renting</td>
<td>51%</td>
<td>33%</td>
<td>20%</td>
<td>27%</td>
<td>34%</td>
</tr>
<tr>
<td>Families with children</td>
<td>24%</td>
<td>41%</td>
<td>51%</td>
<td>50%</td>
<td>43%</td>
</tr>
<tr>
<td>University attendance</td>
<td>12%</td>
<td>9%</td>
<td>6%</td>
<td>5%</td>
<td>6%</td>
</tr>
<tr>
<td>University qualification</td>
<td>49%</td>
<td>36%</td>
<td>30%</td>
<td>20%</td>
<td>22%</td>
</tr>
<tr>
<td>Median household income</td>
<td>$1,747</td>
<td>$1,605</td>
<td>$1,859</td>
<td>$1,080</td>
<td>$1,258</td>
</tr>
<tr>
<td>Born overseas</td>
<td>30%</td>
<td>30%</td>
<td>20%</td>
<td>46%</td>
<td>42%</td>
</tr>
<tr>
<td>Socio-Economic indexes for areas (SEIFA)</td>
<td>1066</td>
<td>1024</td>
<td>1057</td>
<td>916</td>
<td>949</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Location diversity</th>
<th>Brunswick East</th>
<th>Coburg</th>
<th>Pascoe Vale South</th>
<th>Fawkner</th>
<th>Glenroy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medium density (2016)</td>
<td>40%</td>
<td>29%</td>
<td>16%</td>
<td>15%</td>
<td>37%</td>
</tr>
<tr>
<td>High density (2016)</td>
<td>31%</td>
<td>7%</td>
<td>0%</td>
<td>0%</td>
<td>1%</td>
</tr>
<tr>
<td>Median house price (2017)</td>
<td>$1,187,500</td>
<td>$812,000</td>
<td>$853,000</td>
<td>$633,000</td>
<td>$612,000</td>
</tr>
</tbody>
</table>

Population clocked in at 177,000 in 2017. Resident numbers have been increasing by about 2.6 per cent per year, which is roughly in line with Melbourne’s overall rate of population growth.

Two connected factors drive population growth: migration and new births. It helps to look at each in turn and then at the link between them.

In the post-war years, international migrants mostly came from Europe, especially Italy. Matty, for example lives with his wife and son in a Brunswick West house that his Italian grandparents originally bought brand new in the 1950s. His Irish mother grew up in the housing estate next door. ‘My parents literally met over the back fence,’ says Matty. ‘Dad could tell whether Mum was home or not by looking out the window to see if her bedroom light was on.’ Italian remains the second most common language spoken at home in Moreland after English, but this may not be true for much longer.
These days migrants are more likely to come from Asia or the Middle East than Europe. Over the past decade, Arabic has overtaken Greek as the third most common language spoken at home, and Urdu has replaced Turkish at number four. Mandarin is steady at number five.

Since migrants tend to be younger, they feed into the second driver of population growth: new births and growing families. Take Irfan for example, an electrical engineer and telecom systems designer originally from Pakistan. Irfan migrated to Australia seven years ago and has lived in Moreland almost since the day he arrived. Initially he rented with friends, but then he got married and he and his wife, who also migrated from Pakistan, bought a house in Fawkner in 2015. Now they have two Australian-born children. ‘With a growing family you need open space for kids to roam around,’ says Irfan. ‘We are next to a park with soccer fields and tennis courts, the sort of thing you expect in a posh suburb.’
Not all ‘migrants’ come to Moreland from overseas of course. Some come from interstate. Take empty nesters Barbara and Kevin. They moved from Brisbane for work, expecting to stay a year at most, but got a taste for a style of inner city living that enables them to walk almost everywhere they want to go. ‘We really got hooked on the culture,’ says Barbara. After initially renting, Barbara and Kevin bought a one bedroom apartment in the Tip Top development and have settled into new lives in Brunswick East.
Migration and births are not the only factors increasing demand for housing. Also important is household size. If more people live alone or — like Barbara and Kevin — as couples without children, then more housing will be needed to accommodate everyone even if the population remained the same.

An example helps to illustrate this issue. Madi is 20 years old and has always lived in the same family home in Coburg. Until recently it was a household of six made up of Madi, her parents, her older brother David, her twin sister Bec and Bec’s boyfriend Julian. But Bec and Julian recently married and moved to a rented townhouse in Glenroy. Now Madi is planning to leave home too and she is determined to stay in Moreland. As twins, Madi and Bec have a special bond, ‘Being nearby is a big thing,’ she says. ‘My sister has just had a baby. It’s a crucial time. I want to be close.’

Figure 3: Madi’s household lifecycle story
When one household becomes four
The story of Madi’s family is indicative of a clear shift towards smaller households, although the growth in smaller households in Moreland was driven primarily by young couples without children, rather than older empty nesters. The number of people living alone also grew. At the other end of the spectrum, there are more group households than in the past, and they tend to be getting bigger, perhaps because people are sharing more in an effort to cope with rising housing costs.

You might think that families with children would primarily live in larger separate houses, while singles and couples would opt for smaller units and apartments. You might anticipate too, that people would choose to downsize to smaller housing as they age, and as children leave home. But the number of people in a household, and the age profile of its members, does not match neatly onto the type of housing they live in, or the number of bedrooms in their home. In Moreland, all sorts of households live in all sorts of housing.
In 2006, around one in four couples without children lived in medium and high density dwellings. Now it is closer to one in two. The share of people living alone in medium and high density housing is also significant and growing.
Medium density living is also the norm for an increasing number of families. About a quarter of all families with children live in medium density housing. This is unlikely to be a temporary situation as families with young children save up to buy or rent a bigger place, since around one in five persons aged 10 to 19 are living in medium density housing.
Another noticeable shift in housing in Moreland over the past decade is the increase in renting. This trend is relevant to all age groups but is particularly noticeable amongst young adults and people approaching retirement age. Ten years ago, young adults living in Moreland were just as likely to be paying off a mortgage as paying rent; these days there is a much greater chance that they’ll be tenants than homeowners.

There was also a large increase in the number of school-aged children living in rental accommodation over this period, which indicates that fewer families own their own homes in Moreland than in the past.
A shifting pattern of residential development — from detached houses to townhouses, units and apartments — means today’s Moreland offers residents a greater diversity of dwelling types than in the past. This diversity can help households to stay living in Moreland as their circumstances and needs change.

Figure 9: Moreland’s housing has changed significantly over the past 20 years
Dwelling structure, Moreland (% of total occupied dwellings)

In twenty years’ time, it’s anticipated that Moreland’s population will be almost half as big again as it is now, with a net gain of 78,600 people. Household size is also expected to keep declining. By 2036, people living alone will replace couples with children as the most common type of household in Moreland.
Accommodating this growth and change in household size means Moreland needs an extra 38,000 dwellings over the next two decades. In other words, to keep up with demand Moreland has to add at least 1,900 new dwellings to its housing stock every year. Over the past 10 years about 1,150 new homes have been built per year, so this can only be achieved if the trend to more medium and high density housing continues.

GROWTH AND CHANGE WILL INFLUENCE THE HOUSING WE NEED IN THE FUTURE

Figure 11: Forecasts show strong growth in smaller household types
Change in the number of household, 2016 – 2036, Moreland

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>Lone person households</td>
<td>12,074</td>
<td>17,758</td>
</tr>
<tr>
<td>Couples without children</td>
<td>6,957</td>
<td>15,886</td>
</tr>
<tr>
<td>Couple with children</td>
<td>9,744</td>
<td>19,404</td>
</tr>
<tr>
<td>Single parent families</td>
<td>3,675</td>
<td>6,259</td>
</tr>
<tr>
<td>Group households</td>
<td>2,020</td>
<td>5,571</td>
</tr>
<tr>
<td>Other families</td>
<td>764</td>
<td>2,134</td>
</tr>
</tbody>
</table>

Lone persons replace couples with children as the dominant household type in Moreland
Even though the average size of households in Moreland is declining, with more people living alone and in couples, much of the housing stock in Moreland is still geared towards the needs of larger family-type households. Maintaining and expanding the diversity of housing types into the future will respond to the trend for people to live in smaller households.

Figure 12: **Housing stock is still geared towards the needs of larger households**

% of all dwellings (2016)

- **Housing stock still geared towards larger households**
  - Large: 3+ bedrooms, 3+ persons (40% households, 53% dwellings)
  - Small: 0 - 2 bedrooms, 1 - 2 persons (60% households, 40% dwellings)

Source: ABS Census of Population and Housing (2016)
THE COST OF HOUSING IN MORELAND IS RISING

Historically, Moreland has been a more affordable place to live than other parts of the inner Melbourne. But the shift of work from manual work to office and essential service jobs has seen employment growth concentrate in the inner city.

The past two decades show that strong rates of new residential development has not been enough on its own to curb the escalation in Moreland’s house prices. In fact, housing costs have outstripped income growth which means households now need a relatively high income and the ability to save a significant deposit in order to be able to afford to buy a house.

Take professional actors Luke and Kellie, for example, who rent in Pascoe Vale. Ultimately, they want a bigger place because they hope to have two children, but as much as they love Moreland, they can’t see themselves ever buying a house. ‘For people who already own, the housing boom is a great thing’ says Luke. ‘For people who don’t it’s terrifying.’

Figure 13: House price escalation effects all households
Affordability and dwelling change, Moreland

Strong dwelling growth has not been enough to curb house price growth

<table>
<thead>
<tr>
<th>Year</th>
<th>Ratio of house price to household income</th>
<th>Increase in number of dwellings</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>7.3</td>
<td>2,856</td>
</tr>
<tr>
<td>2011</td>
<td>9.2</td>
<td>4,066</td>
</tr>
<tr>
<td>2016</td>
<td>10.6</td>
<td>7,347</td>
</tr>
</tbody>
</table>

Figure 14: **Housing cost growth outstrips income growth**
Income growth and housing cost growth - % change 2006 to 2016 – Moreland

- **62%** Income
- **125%** House prices
- **77%** Unit prices
- **74%** Rental costs

Source: ABS, Valuer-General Victoria 2016, DHHS

Figure 15: **House prices have grown significantly across most suburbs of Moreland**
House price growth by small area, 2006 - 2016 (Average annual price growth %)

- Brunswick East: 11.0%
- Brunswick: 10.8%
- Hadfield: 10.0%
- Coburg North: 9.6%
- Fawkner: 9.4%
- Moreland*: 8.9%
- Brunswick West: 8.5%
- Pascoe Vale South: 8.3%
- Pascoe Vale: 8.2%
- Glenroy: 8.1%
- Coburg: 7.9%
- Oak Park: 7.8%
- Gowanbrae: 5.7%

Source: Valuer-General Victoria 2016
Steeply rising house prices put home ownership in Moreland beyond the reach of most very low and low income households. Even families on moderate incomes now face challenges buying a separate house, with prices considerably higher than their budget can stretch to. Although increases in the price of units, townhouses and apartments have also outstripped the growth in household incomes, the difference has not been so stark. This means that for a family on a moderate income, medium and high density dwellings become an affordable alternative to separate houses.

Figure 16: **Home ownership is beyond the reach of most**

What households can afford to buy (’$000) by household income group

Source: .id based on Valuer-General Victoria 2016 and ABS Census of Population and Housing
The rapid growth in house prices is a big factor in explaining the strong growth in the number of rental households in Moreland over the past decade.

Again, rents have risen faster than incomes, but the gap is not nearly as large as the gap between incomes and house prices.

It appears that higher housing costs could be pushing increasing numbers of households out of Moreland to more affordable locations like Hume and Whittlesea. If this trend continues, then it threatens to remove the opportunity to live in Moreland from those who need it most, by seeing residents on very low to moderate incomes moving further away from job opportunities, services and access to public transport.
Figure 18: Many households are seeking more affordable locations
Major net migration flows, 2011 - 2016, Moreland

Source: .id based on ABS Census of Population and Housing (2011 and 2016)
There are around 10,000 lower income households in Moreland living in what is called housing stress and most of them are renters. Housing stress is when the people in a household spend more than 30 per cent of their income on keeping a roof over their heads. Housing stress constrains the ability to live a good life, because after covering their housing costs residents don’t have enough money left over to pay for other essentials like food, heating, healthcare, and education. In the long term, rental stress can damage physical and mental health, reduce educational attainment and limit lifetime opportunity and prospects.

Figure 19: Housing stress is limiting the ability to live a good life in Moreland
Housing stress by income group, Moreland 2016 (Number of households)

<table>
<thead>
<tr>
<th>Income Group</th>
<th>Mortgage</th>
<th>Renting</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very low income</td>
<td>830</td>
<td>860</td>
<td>1,067</td>
</tr>
<tr>
<td>Low income</td>
<td>4,235</td>
<td>2,228</td>
<td>6,463</td>
</tr>
<tr>
<td>Moderate income</td>
<td>1,036</td>
<td>713</td>
<td>1,755</td>
</tr>
<tr>
<td>Total</td>
<td>9,903</td>
<td>7,176</td>
<td>7,176</td>
</tr>
</tbody>
</table>

Source: ABS custom data order
Unless the supply of affordable housing in Moreland increases, then the options for many households are limited — they may be forced to live with a level of housing stress that could damage their wellbeing or could be pushed out of Moreland to somewhere that is cheaper, but is not so well connected to jobs, transport, education and services.

In the worst case scenario, they may find themselves homeless.
When people have safe and affordable housing, it makes a huge difference to their lives.

Six months ago, Helen moved into a new social housing development, where her rent is fixed at an affordable 25 per cent of her income. At last she has a place to call home. ‘I have a lounge room, a bedroom and a balcony,’ she says. ‘I can invite people over. I can lie down and have a nap in the afternoon without noise or interference. I have privacy.’ Before this, Helen had endured six years of insecure and unstable housing. ‘At first I didn’t classify myself as homeless,’ she says. Like many others, she thought the term only applied to people who were sleeping rough. Now she understands that homelessness can take many forms, including severe overcrowding, couch surfing or living in temporary and often unsafe accommodation like motels and boarding houses.
People with disability can be especially at risk of experiencing housing stress and homelessness. Elderly renters are also extremely vulnerable to housing stress. The number of people in both of these categories is likely to increase significantly in the next two decades.
Moreland needs more social and affordable housing. Affordable housing is housing that is appropriate for very low, low, and moderate income households. Around 4,000 households were estimated to have an unmet need for affordable housing in 2016. In other words, there were 4,000 fewer affordable dwellings than required. Even if this shortfall were met, that would do nothing to meet the new need that is sure to emerge over the next two decades. On current trends, the gap between affordable housing supply and affordable housing need is expected to exceed 7,000 households by 2036.

The delivery of new affordable housing in well serviced locations and adaptable for people living with disability will enable a diverse range of households to live locally and independently and take advantage of the opportunities that Moreland offers in terms of jobs, education, transport and social support.
The lack of affordable housing could undermine the diversity and vibrancy that has been Moreland’s traditional strength. Increasing housing costs in Moreland go hand-in-hand with increasing inequality.

While this means Moreland is richer overall, it means that low income residents face added cost pressures and risk living in higher levels of stress or being pushed out of the area or potentially into homelessness. Rising house prices and increasing inequality don’t just have an impact on the poor and the vulnerable though. These factors can also make life tougher and more challenging for the average household. The concern is not just with household budgets, but with living in a community that is cohesive and inclusive and doesn’t leave people behind.

**Figure 24: Household income quartiles, Moreland**

% of households

- **Lowest group**
- **Highest group**

- **Sharp decrease in lower income households**
- **Sharp increase in higher income households**

The trends outlined here provide an insight into the type of housing that the residents of Moreland will want and need in the future. Responding to the findings of this research is a complex and multi-faceted exercise that will involve multiple stakeholders and levels of government. *A Home in Moreland* explains the housing we have in Moreland now, and the houses we will need in the future.

The most successful places support diversity through increased housing options. This gives residents greater choice and helps meet the shifting needs and preferences of households as they mature and change.

Given the right settings, Moreland’s journey of growth and diversity can continue into the future.