



Dwelling Mix Justification

Compass Centre, Bankstown

Prepared for Barings

May 2025 | 2220681

Acknowledgement of Country



Ethos Urban acknowledges the Traditional Custodians of Country throughout Australia and recognises their continuing connection to land, waters and culture.

We pay our respects to their Elders past, present and emerging.

In supporting the Uluru Statement from the Heart, we walk with Aboriginal and Torres Strait Islander people in a movement of the Australian people for a better future.

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Authorship

Version	Author	Date	Review	Date
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Introduction and Summary

This Economic Statement has been prepared in order to respond to Canterbury-Bankstown Council's request for information in relation to the dwelling mix proposed as part of the redevelopment of the Compass Centre at 83 – 99 North Terrace, Bankstown (the Subject Site).

The Proposed Development seeks to deliver a dwelling size mix that responds to an identified market demand and need to accommodate singles, professionals, young families and downsizers as well as deliver on more affordable housing options through the delivery of smaller apartments.

An analysis of the local demographic profile, current and future residential market trends as well as the potential for the Proposed Development to **improve affordability and housing choice** in the local area is considered.

The Statement finds that there is **strong demand, and a clear market need for smaller dwellings** in Canterbury-Bankstown Local Government Area (LGA). As such, the 1, 2 and 3-bedroom dwelling mix proposed at the Subject Site will deliver an appropriate supply response in much-needed smaller dwelling typologies.

The Proposed Development seeks to deliver a dwelling size mix that responds to an identified market demand and need to accommodate downsizers, key workers, singles, professionals, young families as well as deliver on more affordable housing options through the delivery of smaller apartments.

Furthermore, the Proposed Development and dwelling mix will assist in appealing to a broad demographic profile through the provision of a range of dwelling sizes, including smaller apartments to complement the provision of larger, separate dwellings already available in the market.

Dwelling Mix	Proposed Dwellings (no.)	Proposed Dwelling (% of total)
Studio	54	16%
1-bed	130	39%
2-bed	131	39%
3-bed	21	6%
Total	336	100%

Source: Barings

Housing Stock and Diversity

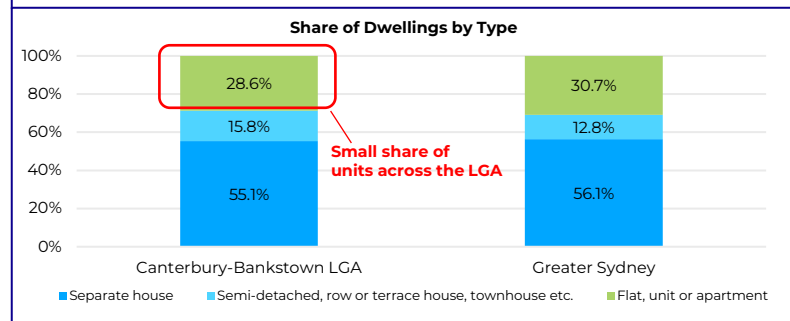
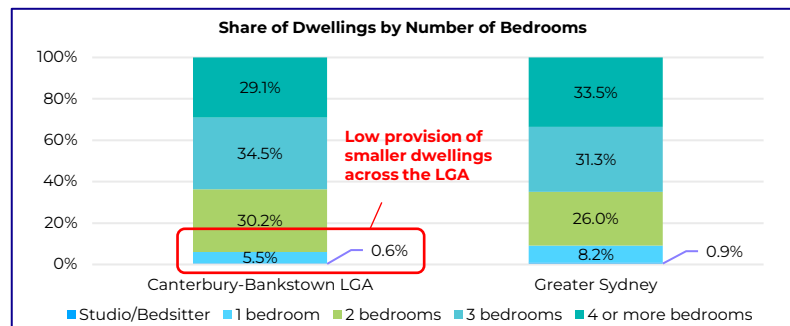
A review of existing dwelling stock as at the 2021 Census reveals the following:

- Within Canterbury-Bankstown LGA, **separate Houses were the most common dwelling type** accounting for 55.1% of dwellings in Canterbury-Bankstown LGA, followed by flats, units and apartments at 28.6%. These shares roughly align to that in Greater Sydney at 56.1% and 30.7%, respectively.
- Examination of bedroom mix indicates that of all dwellings in the Canterbury-Bankstown LGA the mix is **primarily focused on 2- and 3-bedroom dwellings**, followed by 4-bedroom dwellings.
- **Only 0.6% of dwellings are classified as studios in Canterbury-Bankstown, whilst only 5.5% are 1-bedroom dwellings.**

The Proposed Development is planned to offer a point of difference from existing stock in the market through offering a higher share of studio and 1-bedroom units.

The Proposed Development consisting of mostly 1- and 2-bedroom units would be considered highly appropriate to complement, support and expand housing diversity in the Canterbury-Bankstown LGA.

Share of studios and 1 bedroom dwellings is significantly below other dwelling sizes - highlighting the need for smaller dwellings



Dwelling Size	Canterbury-Bankstown LGA		Greater Sydney	
	No.	%	No.	%
Studio	650	0.6%	16,190	0.9%
1 bedroom	6,350	5.5%	147,860	8.2%
2 bedrooms	34,750	30.2%	470,210	26.0%
3 bedrooms	39,680	34.5%	565,470	31.3%
4+ bedrooms	33,470	29.1%	605,420	33.5%
Total	114,910	100.0%	1,805,150	100.0%

Source: ABS Census of Population and Housing 2021, Ethos Urban

Note: Figures rounded

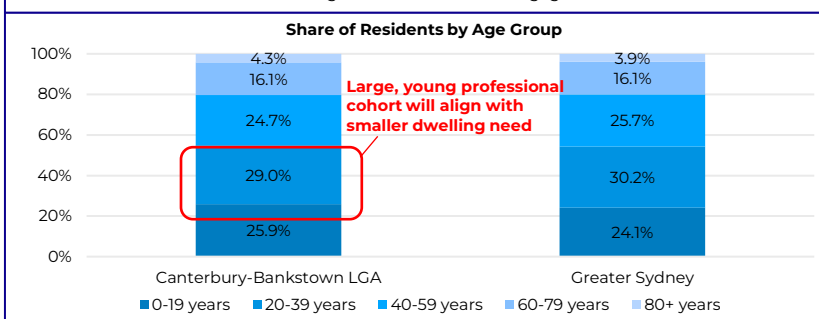
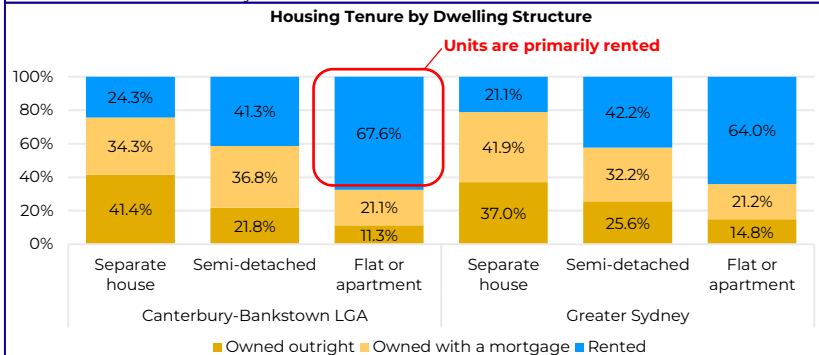
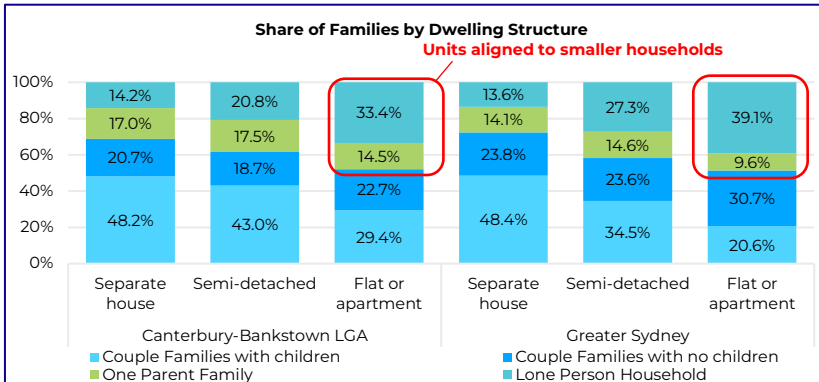
Demographic Profile

A review of the ABS Census of Population and Housing 2021 for Canterbury-Bankstown LGA shows the following local community profile:

- **Lower incomes** with a median annual individual income of \$32,610 and a median annual household income of \$81,140 in Canterbury-Bankstown. This is notably lower than the Greater Sydney benchmark at \$45,930 and \$108,750, respectively.
- **Residents are typically younger with a median age** of 36.5 years in Canterbury-Bankstown, compared to 37.3 in Greater Sydney. 29.0% of residents are aged 20-39 years, comprising young professionals and workers who would reside in smaller dwellings.
- **Flats and apartments are primarily occupied by smaller households** across both Canterbury-Bankstown and Greater Sydney.
- Canterbury-Bankstown had a slightly **higher share of rented dwellings** at 38.7%, compared to 36.1% across Greater Sydney. While 67.6% of flats or apartments are being rented, compared to 64.0% in Greater Sydney.
- **Growing population with an additional +60,330 residents** over the period 2025 to 2041, reaching 444,010 residents by 2041.
- Future projections indicate the population will continue to age, while average household sizes will decline.

In summary, the Canterbury-Bankstown LGA is typically characterised by a lower-income population that includes a mix of older residents as well as young families, with a mix of white- and blue-collar workers. Residents typically live in separate houses and have higher rates of rental tenure when compared to the Greater Sydney average.

Future households will be older and smaller, highlighting the need for smaller dwellings into the future to serve both downsizers as well as young singles, couples and families.



Housing Suitability

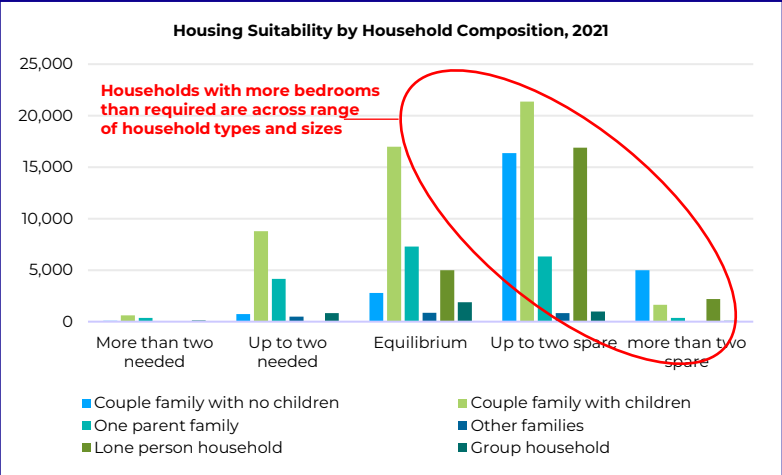
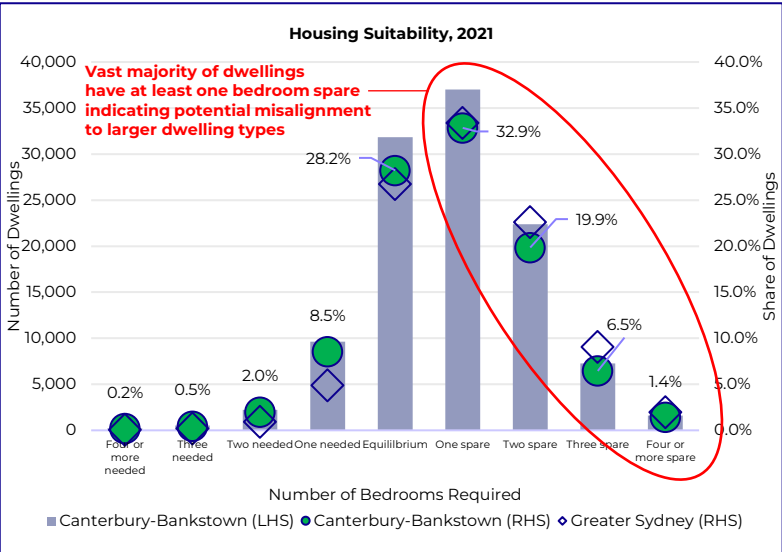
A review of housing suitability in the Canterbury-Bankstown LGA shows **a misalignment between the typical household need and dwelling size**, which is leading to an oversupply of larger dwellings than desired by segments of the community.

Data from the 2021 Census provide a measure of the alignment of dwelling size to household need. This measure of housing suitability compares the number of bedrooms required (based on population) with the actual number of bedrooms provided in the dwelling. This measure considers factors such as the number of residents within a household, their relationship with each other, their age and sex. This measure helps to identify if a dwelling is either under or over utilised based on the needs of the residents/household.

Key findings are as follows:

- The vast majority of households (60.5%) in Canterbury-Bankstown LGA have **at least one bedroom spare**. This is slightly below the share across Greater Sydney (67.1%).
- Couple families with children, lone person, and couple families with no children comprise the majority of these dwellings with at least one spare bedroom.
- 28.2% of households are in **‘equilibrium’**, indicating alignment between typical household need and actual dwelling size. These households are primarily couple families with children.
- A small share of households (11.2%) **require at least one additional room**. These households are typically couple families with children who would typically locate in detached and semi-detached dwellings.

The Proposed Development and planned dwelling mix will help to rebalance housing suitability through providing smaller dwellings. This will assist in enabling households to ‘right-size’ based on their dwelling requirements, also supporting affordability outcomes. This could include down-sizers moving from larger dwellings, freeing up dwelling stock for families seeking larger dwellings. As a result, the Proposed Development will better align with housing need across the LGA.



Housing Affordability

Housing affordability remains a social, economic and political challenge, particularly in NSW. The ability to provide for increased housing stock in key strategic centers and locations, will support affordability and result in increased community benefits.

Measuring housing affordability is a key metric to provide insight into household welfare and there are several different ways to measure this. A typical measure of reviewing housing affordability is expressed as the ratio of housing costs to gross household income. At each Census period, the ABS releases this measure, with 2021 results summarised in the table below. Key insights from this data include:

- Of dwellings being rented in the Canterbury-Bankstown LGA, **42.8% of households were facing rental stress**, with rents greater than 30% of household income, this compares to 35.3% across Greater Sydney.
- Of the dwellings owned with a mortgage in the Canterbury-Bankstown LGA, 25.6% of households were facing mortgage stress, with mortgage repayments greater than 30% of household income, this compares to 19.8% across Greater Sydney.

Since the 2021 Census, household stress is likely to have increased in line with rising mortgage interest rates and increases in weekly rents. As such, it is likely the figures summarised below understate the housing affordability challenge for households in the Canterbury-Bankstown LGA and Greater Sydney.

The ability to provide for increased housing supply will help deliver more affordable housing options for the local community. This includes any provision of affordable dwellings within future projects specifically.

Measure	Canterbury-Bankstown LGA	Greater Sydney
Weekly rent payments		
Renter households where rent payments are less than or equal to 30% of household income	48.2%	57.0%
Renter households with rent payments greater than 30% of household income	42.8%	35.3%
Unable to determine ^a	9.0%	7.7%
Monthly mortgage repayments		
Owner with mortgage households where mortgage repayments are less than or equal to 30% of household income	63.1%	69.8%
Owner with mortgage households with mortgage repayments greater than 30% of household income	25.6%	19.8%
Unable to determine ^a	11.4%	10.4%

Source: ABS, 2021

Notes: ^a Unable to determine includes those households in which income and/or housing costs were not, or were only partially stated, by persons in the household.

High levels of housing stress relative to Greater Sydney indicate need for improved housing affordability through supply and better aligning dwelling sizes with household needs

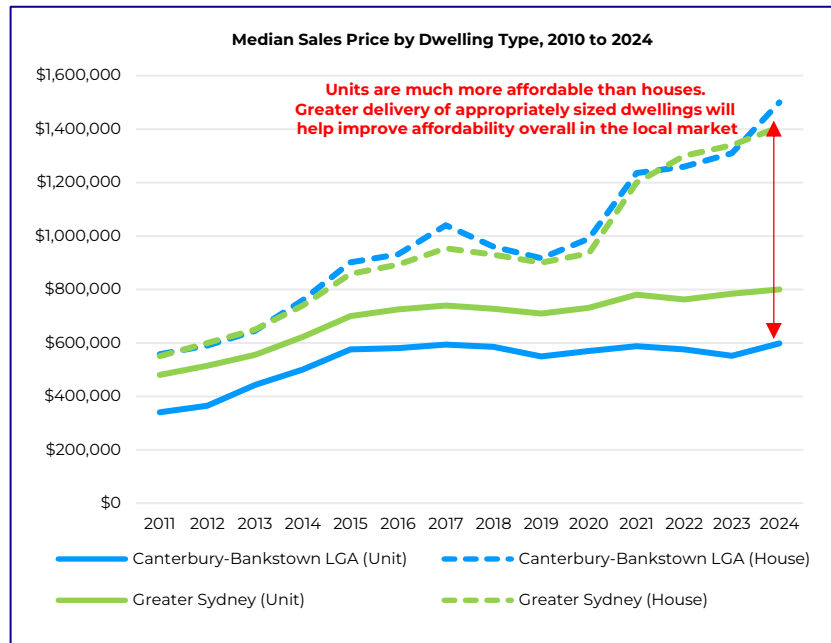
House and Unit Price Trends

House prices provide an indication of demand from residents who want to live in a particular area and provide an indication of how supply may be responding to demand.

A review of residential market activity, including sales transactions and vacancy rates, has been undertaken for dwellings in the Canterbury-Bankstown LGA. Data in this analysis has been sourced from Pricefinder, RPData and FACS, with key findings including:

- **House price trends.** Specifically, house prices in Canterbury-Bankstown show a premium that is 1.15 times greater than the Greater Sydney median. Prices across both units and houses have increased over the past 10 years, however, house price growth has accelerated for houses significantly faster than units across Greater Sydney.
- **Unit price trends** – more affordable units within the Canterbury-Bankstown LGA have performed below the Greater Sydney average in terms of sales price growth, indicating the relative cost-effectiveness and affordability for unit buyers within the LGA. In 2024, the median unit price in Canterbury-Bankstown was 25% lower than the Greater Sydney median.
- **Vacancy rates.** A low residential vacancy rate of 1.1% was recorded in April 2025 for the Canterbury-Bankstown LGA (which incorporates the Subject Site) compared to 7.3% in 2021, indicating tightening demand and limited supply for residential dwellings in this part of Sydney.
- A review of price trends show that **units offer a more affordable price point** compared to free standing homes, indicating there is a slight premium attached to houses compared to units with the same number of bedrooms within Canterbury-Bankstown LGA. Since 2010, the median house price has on average been 1.03 times greater than the median unit price in Canterbury-Bankstown LGA. By contrast, over the same period, median unit prices in Canterbury-Bankstown were on average only 0.8 times the price of units in Greater Sydney.

It is evident that units can offer a more affordable housing option compared to houses. Given the low share of units, and the relatively high levels of housing unaffordability and housing stress in Canterbury-Bankstown LGA, a greater provision of units should be provided to support improved affordability and conditions. Additional supply in affordable product types will help to address housing diversity, housing stress and affordability issues across the local government area.



Source: Pricefinder, Ethos Urban

House and Unit Rents

Market rent data can be used as an indicator of the demand and desirability to live within a local area. Rental data is sourced from the Department of Family and Community Services (FACS) which provide median weekly rents for all dwelling types, houses, flat/units, and townhouses.

Median rental data was examined for 2020 and 2024, a summary of the findings is as follows:

- Across the Canterbury-Bankstown LGA weekly median rents have increased across all dwelling types.
- Median rents within Canterbury-Bankstown LGA are typically **higher for houses and townhouses and lower for flat/units** indicating better rental affordability for flats/units.
- **Median rents across flats/units have increased at a faster rate than houses over the same period**, growing at 42.5% for all flats/units compared to 41.5% for all houses, and 40.3% for all town houses. The higher proportional increase in flat/unit rents compared to houses highlights the increased desirability for these dwelling types, with relative affordability likely to be a key factor.
- Across all dwellings, flats, units and apartments in the LGA were the only typology achieving below the total market rents and therefore considered to be an affordable option, with the **premium for houses and townhouses >20% than the total market rent prices**.
- In 2024, across 1-Bedroom dwellings, rents were higher for flats, units and apartments when compared to total market rent for all dwellings. This 6.4pp difference highlights the **need for 1-Bedrooms dwellings to be delivered in the flat, unit or apartment typology**.
- The difference in rent achieved across 3-bedroom flats, units and apartments is also less than the total market rent price for 3-Bedroom dwellings (at 2024), **indicating that 3-Bedroom houses and townhouses are in greater demand**.

Overall, rental data indicates that Canterbury-Bankstown LGA remains in high demand as a place to live and rent. It is noted that rental growth in recent years has likely contributed to reduced rental affordability for households within Canterbury-Bankstown LGA.

Dwelling Size	Total	House	Flat/Unit	Town Houses	Total	House	Flat/Unit	Town Houses
	2020				2024			
Bedsitter	\$276	\$-	\$227	\$-	\$-	\$-	\$-	\$-
1 bdrm	\$346	\$300	\$376	\$-	\$485	\$390	\$516	\$-
2 bdrms	\$399	\$444	\$391	\$450	\$568	\$600	\$560	\$649
3 bdrms	\$535	\$535	\$495	\$560	\$745	\$764	\$717	\$763
4 or more	\$688	\$667	\$-	\$706	\$990	\$988	\$-	\$995
Total	\$440	\$550	\$391	\$576	\$626	\$778	\$557	\$808
Median Rents by Dwelling Size					Rents for 1 bdrm (units) exceed median rental price for 1 bdrm (all dwellings) indicating potential unmet demand			
Bedsitter	100.0%	-	82.2%	-	-	-	-	-
1 bdrm	100.0%	86.7%	108.7%	-	100.0%	80.4%	106.4%	-
2 bdrms	100.0%	111.3%	98.0%	112.8%	100.0%	105.6%	98.6%	114.3%
3 bdrms	100.0%	100.0%	92.5%	104.7%	100.0%	102.6%	96.2%	102.4%
4 or more	100.0%	96.9%	-	102.6%	100.0%	99.8%	-	100.5%
Total	100.0%	125.0%	88.9%	130.9%	100.0%	124.3%	89.0%	129.1%

Source: FACS, Ethos Urban

Proposed Development Mix Justification

Dwelling Size	Target resident and the proposed unit mix
Studio (1 person/household)	16% Studios • <u>Studios are underrepresented</u> in Canterbury-Bankstown LGA, making up only 0.6% of existing stock, compared to Greater Sydney at 0.9%. • Significantly below implied demand with the share of lone person households accounting for 21.2% of dwellings. • A total of 11.5% of dwellings (other than flats, units and apartments) are accommodating lone person households. Target Resident • Students, post-graduates, keyworkers (e.g. healthcare and hospital workers), downsizers and lone person households • Studios are the most affordable unit type for this price point.
1 Bedroom (1-2 persons/household)	39% 1-Bedroom • <u>1 Bedroom dwellings are significantly underrepresented</u> in the Canterbury-Bankstown LGA at 5.5%, compared to Greater Sydney at 8.2%. • Significantly below combined implied demand, with lone person households and couple families without children accounting for 21.2% and 19.8% of all dwellings, respectively. • A total of 26.3% of dwellings (other than flats, units and apartments) are accommodating lone person households and couple families without children. Target Resident • Lone person households or couple families without children – inbound skilled migrants, young professional couples, healthcare and hospital workers. • 1 Bedrooms are an affordable unit type for these price-conscious cohorts.
2 Bedroom (2-3 persons/household)	39% 2-Bedroom • 2 Bedroom dwellings account for 30.2% of all stock in the Canterbury-Bankstown LGA, compared to Greater Sydney at 26.0% of dwellings. • Couple families with children represent 39.6% of Canterbury-Bankstown households • There is still less 2-bedroom product in Canterbury-Bankstown than what is demanded by its residents. Target Resident • Metropolitan families with 1 or 2 children (subject to age of the second child), young sharers, downsizers, key workers. • 2 bedrooms are the most affordable 'entry point' for accommodation in a market, particularly in couples with 1 to 2 children.
3 Bedroom (~4 persons/household)	6% 3-Bedroom • Existing 3-bedroom supply in Canterbury-Bankstown LGA accounts for 34.5% of stock and 29.4% of flats, units and apartments containing couple families with children. • Couple families with children overall represent 39.6% of households. Target Resident • Metropolitan families with 2 or more children, noting that this demographic typically prefer separate houses or townhouses. • Least affordable, particularly if 3rd bedroom is not utilised.

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