

Abstract – Housing affordability: An economic development issue

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Housing affordability is typically considered a social issue and is given limited attention in many economic development strategies. Research by .id shows that if housing is no longer affordable for lower income workers or Key Workers such as teachers, nurses and cleaners, then this will have an impact on the productivity of a place because the local economy needs Key Workers to function.

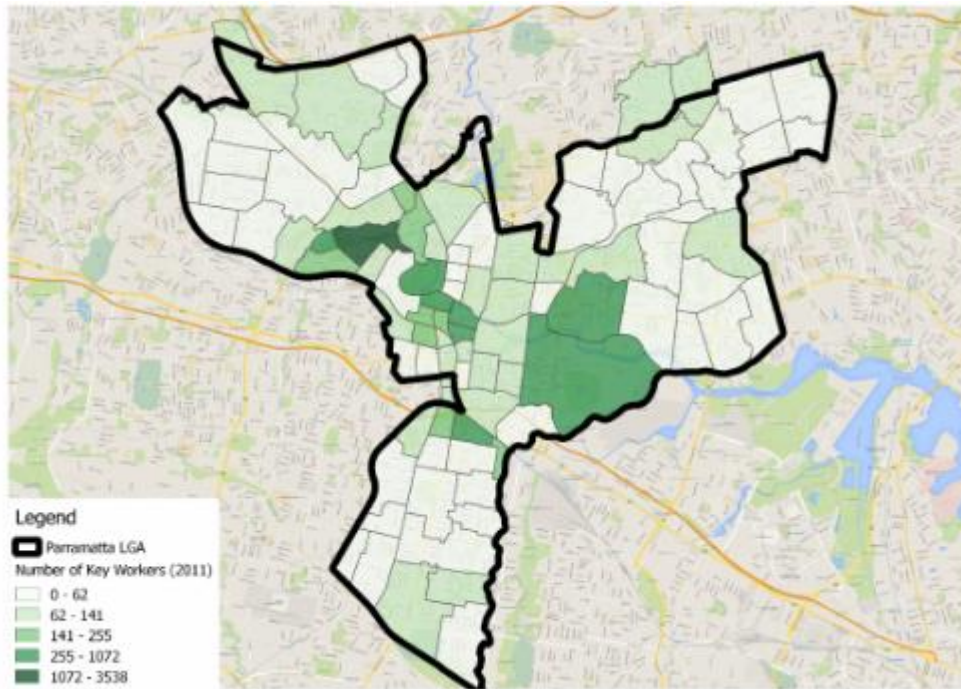
This abstract summarises our analysis of Key Workers in the City of Parramatta. This research points to the conclusion that there is now a need more than ever for Councils to develop urban renewal or housing strategies to combat housing affordability as a key pillar of economic development.

.id developed a methodology to assess key worker issues and future demand in the Parramatta City. The report analyses the importance of key workers to the economy and identifies key drivers of future growth. Key Worker Profiles are also provided alongside a Rental Affordability Analysis to help understand the nature of this growth, particularly in terms of housing needs. We prepared Employment Forecast Scenarios to estimate key worker employment growth over the next 20 years. The presentation will answer questions like:

- ▣ How important are key workers to the local economy?
- ▣ How many key workers currently work in Parramatta and how much are they forecast to grow?
- ▣ What is the demographic profile of key workers?
- ▣ Are key workers facing housing affordability pressure?

.id found that key workers play a valuable economic and social role in the Parramatta economy. In 2014 there were an estimated 17,360 key workers in the City of Parramatta. This represents 14.6% of all workers and 97 key workers for every 1,000 people in Parramatta. As a group, there are as many key workers as there are people employed in the Public Administration and Safety Industry which is Parramatta's second largest industry. The economic role of key workers is set to become even more important over the next 15 years.

This will be due to strong forecast population growth, a younger demographic, and robust employment growth driven by service sector industries.



This report provides important context for the development of future housing and economic development strategies in the City of Parramatta (and other regions where health, education and services are driving job growth). These observations point to the conclusion that sustainable economic growth needs to be underpinned by an urban renewal plan to grow housing stock.

Housing Strategy	Economic Outcomes
Increase housing affordability	To increase economic productivity.
Increase housing supply	To maximise the labour force pool.
Increase housing supply in multiple/specific locations	To support employment precincts and increase activity levels / viability of uses.
Lifting barriers to housing growth	To increase economic productivity
Improve public transport connections to major employment precincts	To reduce overall living costs and increase the labour force pool available.
Understanding housing need from key groups – e.g. nurses	To improve the competitiveness of a location and attract skills