

URBAN TASKFORCE

URBAN LIVING INDEX



Urban Taskforce
AUSTRALIA

mccrindle
FORECASTS • STRATEGY • RESEARCH

CONTENTS

Introduction	4
Sydney is shifting from being suburban to urban	4
Sydney - a global city	5
Executive summary	6
Research Overview	9
Methodology	9
Urban Living Index data	9
1,000 respondent Sydney survey	10
Interactive maps	10
How to navigate the interactive maps	10
Combined category scorecard	11
Urban Living Index	12
Explanation	12
Section 1: Urban Living Index results	14
By planning region	14
Planning regions overall	15
Top SA2s within each planning region	16
By suburb (SA2)	17
A closer look at superior SA2s	18
Top 20 Urban Living Index suburbs in Sydney	19
High density dwellings	20
Top 10 high density suburbs in Sydney	21
How Sydneysiders rate their suburb	22
Likelihood to recommend area	22
Likelihood to recommend high density living	23
Section 2: Index category analysis	24
Single category scorecard	24
Affordability	25
Top suburbs for affordability	26
Sydneysider affordability sentiment	26
Affordability for the next generations	27

URBAN LIVING INDEX

Affordability in 3 years.....	28
Addressing Sydney’s affordability crisis.....	29
Community.....	31
Top suburbs for community.....	32
Sydney’sider community sentiment.....	33
<i>Community Builders versus Asset Builders</i>	34
Employability.....	36
Top suburbs for employability.....	37
Sentiment toward local employment options.....	38
Amenity.....	39
Top suburbs for amenity.....	40
Sentiment toward amenities in the local area.....	41
Accessibility.....	42
Sentiment toward accessibility of local area.....	44
Future application.....	45
Application of the Urban Living Index.....	45

INTRODUCTION

SYDNEY IS SHIFTING FROM BEING SUBURBAN TO URBAN

The Urban Taskforce represents the developers, financiers and associated disciplines that deliver the new built environment. We are at the front line of change but only deliver what the market wants. Over the last decade there has been a big swing in Sydney to more urban living generally in apartments. This trend is changing the very form and structure of Sydney as a city. The previous model for living in Sydney had been the detached house in a suburban setting but current development approvals are running at 70% for apartments and the balance of the city is changing. If the current trends continue Sydney will be half suburban dwellers in detached houses and half urban dwellers in apartments in a few decades.



It is important that we understand just why this change is happening. It is partly that the size of the city is now at a point where horizontal spread is becoming unsustainable, it is partly an affordability issue as land and house prices escalate but we believe there is also a cultural shift at play. Many younger people want to live in a bustling cosmopolitan environment and many older people are finding that on retirement the suburbs are just too quiet.

In the context of the shift towards urban living, the Urban Taskforce wanted to understand more about which parts of Sydney had become most urban and what were the ingredients that make a suburb rate highly as an urban living environment. We commissioned Mark McCrindle, an expert in researching demographic data to develop an Urban Living Index to tell our members just where the best urban neighbourhoods were. Mark took the study further and surveyed 1,000 Sydneysiders to find out their attitudes to increased density.

While the data in this report will help the suppliers of urban density in the form of apartments we see it having a much broader use. The soon to begin Greater Sydney Commission can use the index through the 6 planning regions they will administer and drill down to 228 suburbs. Councils will also find this data very useful. To fully explore the index we have developed a website at www.urbanlivingindex.com. Check it out!

Chris Johnson

A handwritten signature in blue ink, appearing to read 'Chris Johnson', written in a cursive style.

CEO, Urban Taskforce Australia

SYDNEY - A GLOBAL CITY

As Sydney closes in on its next population milestone of 5 million, it remains Australia's leading city, not only in size but in other measures as well. Yet more importantly it is a global city with a very strong international brand that stands in the top listings of many measures from liveability to business performance, from diversity to climate and amenity. Sydney is also an innovative city, continually adapting to the trends and shown through its rich cultural diversity, strength in attracting investment and responsiveness to the ever-changing generations.



The challenge for Sydney's future is to ensure that it responds to population growth yet maintains its world-beating lifestyle and that its liveability rises to match its increasing density. This is the purpose of this Urban Living Index. We have designed it to track the five key categories that produce a measure of liveability in a city that is moving from suburban spread to urban growth. While a city can always improve, these results show that the city planning and unit development are creating thriving urban communities, as evidenced by the results that show superior liveability in high density Sydney suburbs.

There remain some infrastructure shortfalls and affordability challenges, however this inaugural Urban Living Index shows that the vertical communities of the 21st century are meeting the lifestyle needs of Sydneysiders just as those achieved by the horizontal suburbs of the 20th century.

Mark McCrindle

A handwritten signature in black ink, appearing to read 'Mark McCrindle'.

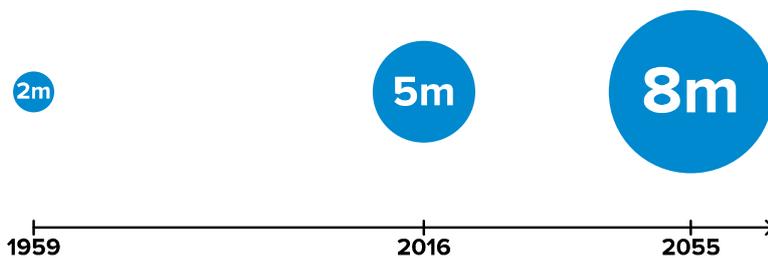
Principal
McCrindle Research

EXECUTIVE SUMMARY

The population of Sydney is projected to reach 8 million in 2055, increasing by 3.1 million over the next 40 years. As Sydney's population grows, it also increases in densification.

The Urban Living Index explores the suburbs that are most equipped to deal with the densification of the population and cater for the needs of people living in high density housing.

Sydney's population milestones (millions)

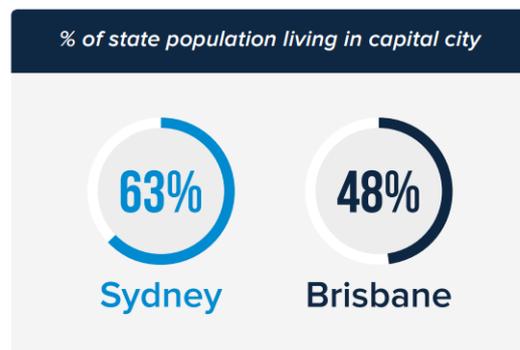


Snapshot of housing in Sydney

Sydney is Australia's most densified city with 39% of all dwellings being medium or high density. With more than 1 in 4 (26%) dwellings being high density, this is almost twice the national average.

	Detached home	Medium density	High density	Medium & high density combined
Australia	76%	10%	14%	24%
Sydney	61%	13%	26%	39%

In fact of the 7.6 million residents of NSW, Australia's largest state, almost two thirds of them (63%) live in the state capital of Sydney compared to less than half (48%) of Queensland's population which lives in state capital of Brisbane.



URBAN LIVING INDEX

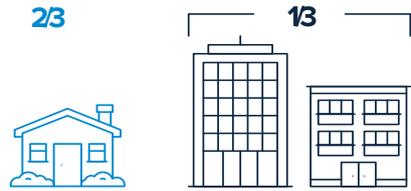
Housing density in Sydney

Sydneysiders living in high density housing now represent 28% of Sydney's population with a further 13% living in medium density housing.

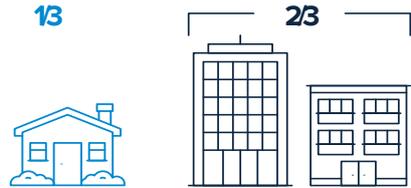
Housing approvals in Sydney

As the nation grows, the cherished Aussie dream of the quarter acre block becomes less achievable than ever and the focus turns to the quality of life that can be achieved in higher density housing. High and medium density dwellings are now being built at almost twice the rate of stand-alone houses in Sydney with 29,127 building approvals for dwellings other than houses in the period 2014-15, compared to 14,656 standalone housing approvals for the same period¹.

Sydney currently – detached houses compared to units / townhouses



Sydney's new housing approvals



So what do Sydneysiders think of high density housing?

Sydnesider sentiment toward high density housing

7 in 10 (70%) Sydneysiders either **have lived in a unit / apartment or currently live in one**. Furthermore, 1 in 2 (50%) Sydneysiders who have never lived in a unit / apartment **would consider living in one**.

Of Sydneysiders who have never lived in a unit / apartment, those living in the Central (69%) and North (66%) regions are the most likely to consider living in a unit / apartment in the future.

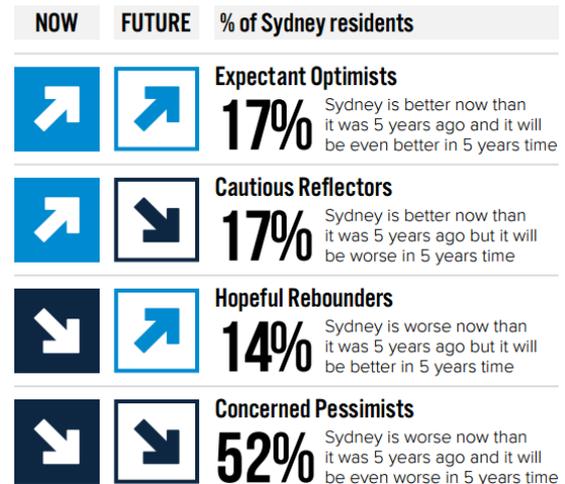
Of those who have never lived in a unit / apartment	West	West Central	North	Central	South	South West	Sydney average
I would consider live in a unit / apartment in the future	30%	47%	66%	69%	56%	40%	50%

Generation Y (63%) and **Baby Boomers** (53%) are the Sydneysiders most open to living in a unit / apartment if they haven't previously lived in one, compared to **Generation X** (41%).

¹ ABS Cat 8731.0. *Building Approvals Australia*, August 2015.

URBAN LIVING INDEX

As Sydney grows, current and future liveability is on the minds of Sydneysiders. Over half of Sydney residents believe that current liveability is not only worse than 5 years' ago but will be even worse in 5 years' time.



Urban Living Index results

The Urban Living Index considers the factors of affordability, community, employability, amenity and accessibility in assessing the areas of Sydney that are most equipped to cater for the needs of people living in high density housing, of which there is increasing demand for.

The areas of Sydney with the highest Urban Living Index rating correlate closely to the areas with the highest proportion of high density dwellings. These areas congregate around business hubs such as the City of Sydney and have been established such that the infrastructure caters to the needs of these dense populations. Such features include public transport, high number of employing businesses and a high prevalence of retail, food and recreation businesses, all facilitating the liveability and community of these areas.

RESEARCH OVERVIEW

METHODOLOGY

Urban Taskforce commissioned McCrindle Research in September 2015 to November 2015 to conduct research to better understand the lifestyles of Australians living in medium or high density housing and the liveability of high density housing.

This research provides insight into the liveability of Sydney's suburbs taking into account the affordability, community, employability, amenity and accessibility of suburbs across Sydney. These components are five characteristics of the liveability of an urban environment. Exploration of these characteristics through the Urban Living Index assists the identification of the areas of Sydney that are the best equipped to satisfy the needs of Sydneysiders living in high density dwellings.

The *Urban Living Index* is an ongoing measure of the liveability of suburbs in Sydney, and this report is comprised of Australian Bureau of Statistics data and a survey of more than 1,000 Sydneysiders.

Urban Living Index data

- *ABS Census 2011*
- *ABS Cat. 81650, Counts of Australian Businesses, June 2014*

Geography – SA2s

The smaller areas used are called Statistical Area Level 2 (SA2) which are slightly different to suburbs but give a more robust overview of the area, especially when comparing areas. This is because SA2s have smaller variations in population whilst still being designed around suburbs. They often represent single suburbs but due to variations in suburb population, suburbs may be amalgamated or split up when put into SA2s.

Individual SA2s each have an Urban Living Index score that determines their rating as Superior, Excellent, Very Good, Good and Fair.

Geography – Sydney's Planning Regions

The Urban Living Index also evaluates liveability across Sydney's six NSW Planning Regions. Planning Regions are areas defined by the NSW Government to facilitate the implementation of infrastructure planning for the future of Sydney. The Index shows that the Central and North regions have the highest levels of liveability.

1,000 respondent Sydney survey

A survey of Sydneysiders (1,020 completes) was conducted from 29th September to the 4th October to gain insight into the sentiment that Sydneysiders feel toward the areas in which they live and the density of housing that they live in.

The sample of survey respondents closely aligns with the proportion of Sydneysiders living in high / medium / low density housing.

% living in each dwelling type	Respondents in the study	Sydney overall
High density housing (e.g. unit, apartment)	28%	28%
Medium density housing (e.g. semi-detached, townhouse)	16%	13%
Low density housing (e.g. detached, stand-alone house)	56%	59%

INTERACTIVE MAPS

There are three interactive maps available to explore the Urban Living Index data. These are as follows:

1. [Urban Living Index Total Score by NSW Planning Regions](#)
2. [Urban Living Index Total Score by Sydney SA2s](#) (also includes High Density data)
3. [Urban Living Index Category Scores by Sydney SA2s](#) (includes 5 categories for navigation)

How to navigate the interactive maps

Choose categories from the “Visible Layers” tab at the top-right of the page to navigate through the different sections of each of the maps. Ensure that there is only one layer selected each time for viewing. Viewing more than one layer at a time will lead to lack of clarity of the data.

COMBINED CATEGORY SCORECARD

The overall results of the 20 measures across the five categories of affordability, community, employability, amenity and accessibility indicate whether the liveability in each Sydney suburb is Superior, Excellent, Very Good, Good or Fair or below based on their Urban Living Index score. The Index is indicative of the areas of Sydney that best meet the needs of people living in high density housing.



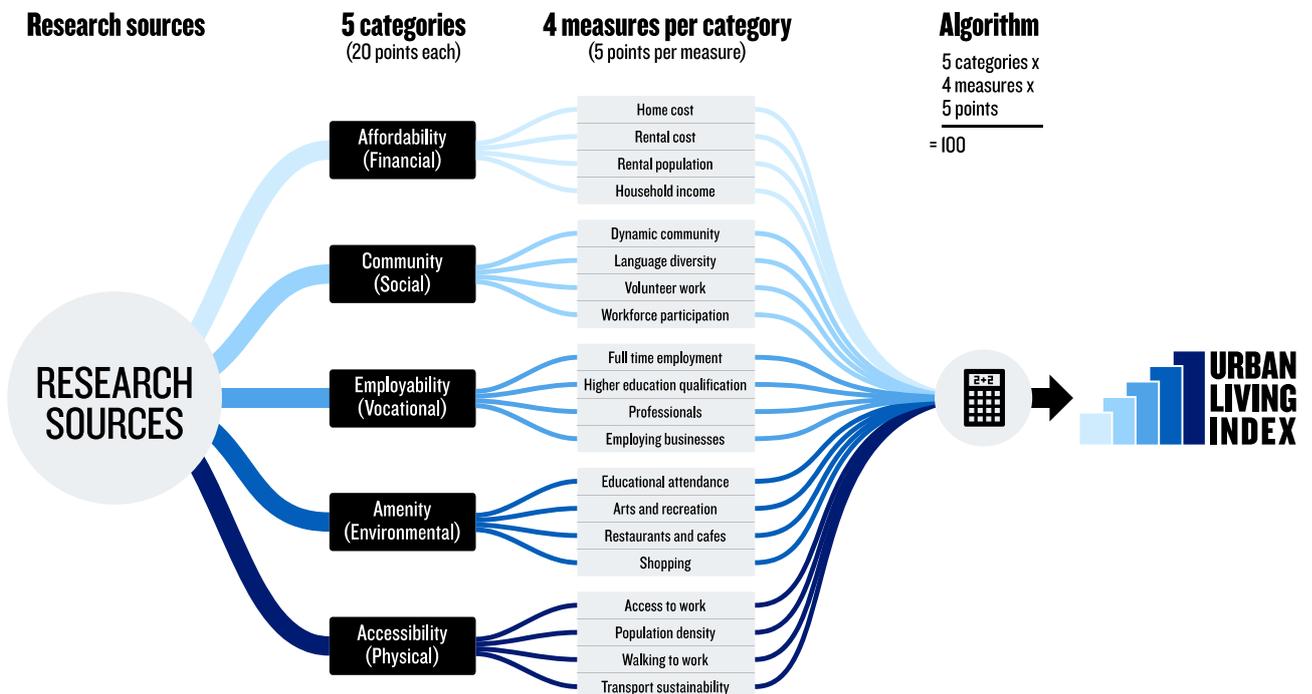
URBAN LIVING INDEX

EXPLANATION

The McCrindle developed Urban Living Index is an ongoing measure of the liveability of suburbs in Sydney. This instrument considers the **affordability**, **community**, **employability**, **amenity** and **accessibility** of an area to determine how liveable it is.



Each of these categories has four measurements. SA2s are given a score out of 5 based on all twenty category measures. The twenty inputs are all based on the *ABS Census 2011* and *ABS Counts of Australian Businesses* data. Sydney SUA (Significant Urban Area) is used as the benchmark from which comparison quintiles are derived. For example, the average rental cost in each suburb is compared to the 5 rental quintiles within Sydney SUA, and given a score based on these quintiles. If the proportion of professionals in an area is high and falls into the highest quintile of the proportion of workforce who are professionals in Sydney SUA, this suburb (SA2) is given a score of 5 for that given category. Throughout the report SA2s will be referred to as suburbs.



The suburbs in Sydney are scored out 100, each suburb given a maximum score of 5 for each of the twenty measurements. Each measure is a factor that contributes to the liveability of an urban environment. The following outlines the categories and their measurements:

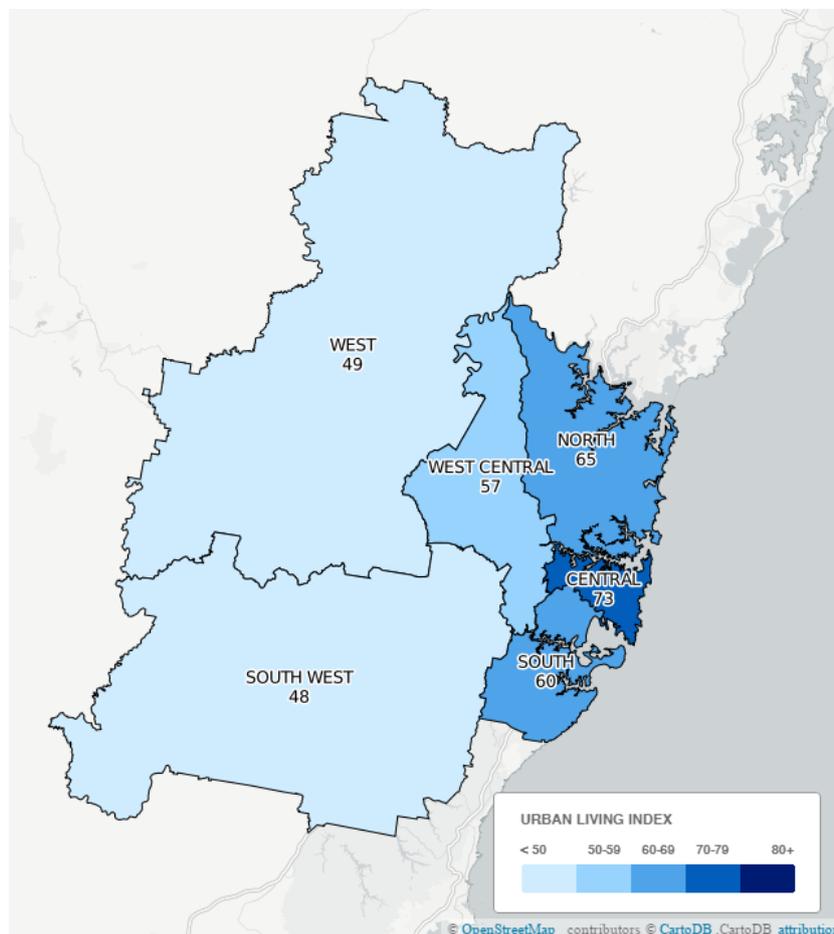
URBAN LIVING INDEX

Measure	Description of measure
Affordability	
Home cost	Weekly mortgage repayments are an indicator of the affordability of an area.
Rental cost	Weekly rental costs are an indicator of how much it costs to rent in an area.
Rental population	A high proportion of renters in an area correlates with low affordability.
Household income	Low average household income of an area is an indication of the affordability of living in that area.
Community	
Dynamic community	Increased cultural diversity in communities creates a rich and vibrant community life.
Language diversity	Language diversity, similarly to cultural diversity, creates vibrancy and energy in a community.
Volunteer work	Involvement in volunteer work is a measure of active community participation.
Workforce participation	Engaging in the workforce is a measure of social participation and contribution to the Australian community.
Employability	
Full-time employment	The proportion of the population with an area that are employed on a full-time basis is an indication of the employment opportunities provided in close proximity to an area.
Higher education qualification	People who have a Bachelor degree or higher qualification have higher employability prospects.
Professionals	The economic vibrancy of an area is enhanced by a well-educated, broadly skilled and business-generating workforce.
Employing businesses	The total employing businesses in an area directly correlate to the employment opportunities of an area.
Amenity	
Educational attendance	The proportion of individuals in attendance at post-school educational institutions indicates high levels of drive and determination, as well as the proximity of higher education institutions to an area.
Arts and Recreation	Arts and recreation businesses foster community engagement.
Restaurants and cafes	Restaurants and cafes are hubs for community activity and social interaction therefore fostering vibrant communities.
Shopping	The ability to shop locally creates greater social cohesion with more opportunities and time for local community connection.
Accessibility	
Access to work	Catching public transport to work is indicative of the accessibility of an area by means other than car.
Population density	Higher density areas have greater overall accessibility.
Walking to work	The proportion of a population who walk to work is an indication of the accessibility their area provides to local employment.
Transport sustainability	Households who can get by without a car have greater accessibility overall not only to their workplace but also to other amenities close-by.

SECTION 1: URBAN LIVING INDEX RESULTS

BY PLANNING REGION

The six NSW Planning Regions of Sydney were defined by the NSW government to assist with the integration and implementation of growth planning in Sydney. Subregions were developed to allow for cohesive and integrated planning under *A Plan for Growing Sydney*². Exploring the Index across the six regions assists in understanding how the regions are equipped to respond to a high density population and where there are opportunities for improvement in the quality of urban living.



The numbers in the above map are the Urban Living Index scores for each planning region. Please click on the image or [here](#) to access the interactive map.

² NSW Government Planning and Environment. *A Plan for Growing Sydney*, 2014.

Planning regions overall

Region	Average Urban Living Index Score	Average Proportion of High Density Dwellings
West	49	5%
West Central	57	15%
North	65	29%
Central	73	52%
South	60	29%
South West	48	7%

The *Average Index* score is derived from the average of all the SA2 Urban Living Scores within each planning region. The *Average Proportion of High Density Dwellings* figure provides comparison of the Index score with the proportion of all dwellings which are high density in that region.

The results show a strong correlation between the proportion of dwellings in the regions that are high density and the Urban Living Index score for each region. Central has the highest Index with a score of 73 and more than half (52%) of dwellings being high density dwellings.

URBAN LIVING INDEX

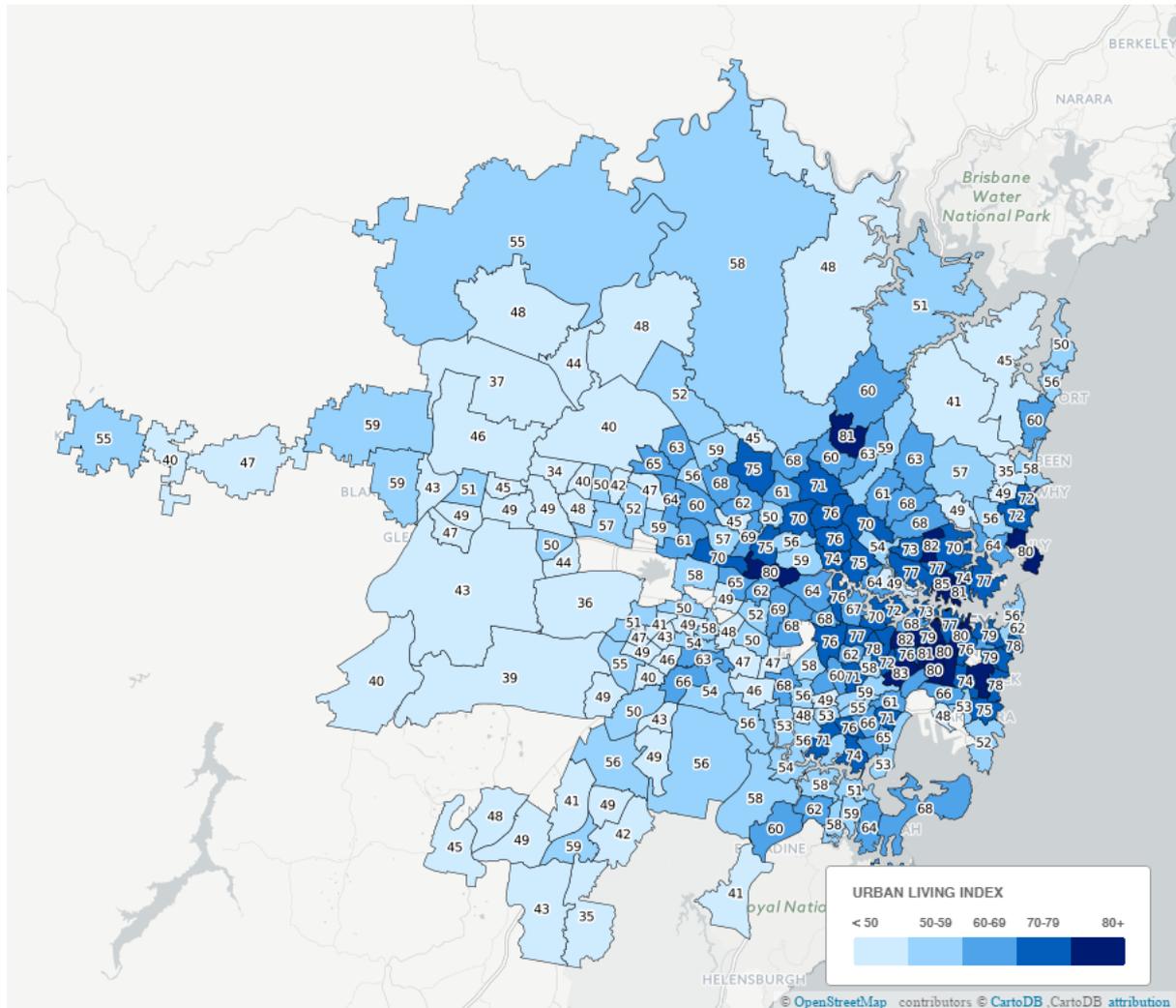
Top SA2s within each planning region

The Index considers the infrastructure, community amenities, public transport and employment opportunities in an area which are all key to planning for population growth. The table below highlights the top five suburbs in each of the planning regions according to their Urban Living Index score:

	Planning Region	Urban Living Index	Urban Living Index Rank
Central			
1	Surry Hills	85	1
2	Marrickville	83	3
3	Pyrmont - Ultimo	83	3
4	Leichhardt - Annandale	82	5
5	Randwick	82	5
North			
1	Crows Nest - Waverton	85	1
2	North Sydney - Lavender Bay	82	5
3	Chatswood (East) - Artarmon	82	5
4	Hornsby - Waitara	81	10
5	Neutral Bay - Kirribilli	81	10
South			
1	Hurstville	76	31
2	South Hurstville - Blakehurst	74	42
3	Canterbury (South) - Campsie	71	53
4	Mortdale - Penshurst	71	53
5	Rockdale - Banksia	71	53
West Central			
1	Parramatta - Rosehill	80	13
2	North Parramatta	75	38
3	Castle Hill	75	38
4	Girraween - Westmead	70	57
5	Auburn	69	62
West			
1	Springwood - Winmalee	59	108
2	Blaxland - Warrimoo - Lapstone	59	108
3	Dural - Kenthurst - Wisemans Ferry	58	118
4	Katoomba - Leura	55	140
5	Kurrajong Heights - Ebenezer	55	140
South West			
1	Liverpool - Warwick Farm	66	74
2	Cabramatta - Lansvale	63	85
3	Campbelltown - Woodbine	59	108
4	Fairfield	58	118
5	Ingleburn - Denham Court	56	130

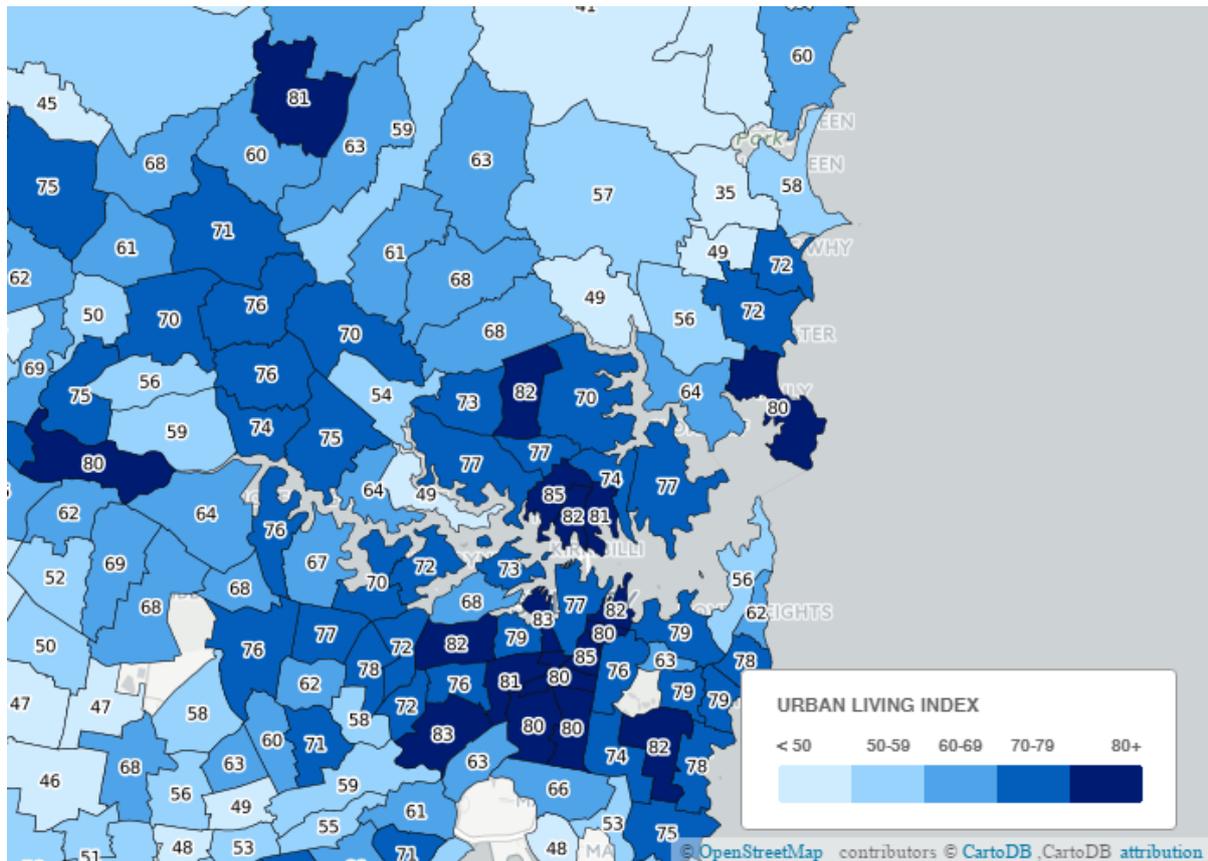
BY SUBURB (SA2)

The map below shows how Sydney suburbs (SA2s) rate in the Urban Living Index. The dark blue areas are the SA2s with the highest Urban Living Index. The close correlation of the Index to the population density is due to the amenities and infrastructure that are built to cater for the needs of the large numbers of residents in a dense geographical area.



The numbers in the above map are the Urban Living Index scores for each SA2. Please click on the image or [here](#) to access the interactive map.

A closer look at superior SA2s



All of the suburbs (SA2s) with a Superior rating (scoring 80+) are in the planning regions of North or Central with the exception of Parramatta – Rosehill which sits in the region of West Central. Key features of these suburbs include public transport, shopping and entertainment and places of work.

Whilst the Urban Living Index is a score out of 100, it is difficult for SA2s to score more than 85 due to the category of affordability. Affordability has a direct impact upon the liveability of an area with housing and rental costs being a significant factor in choosing an area to live in. Of those suburbs with a score over 80, just Parramatta – Rosehill and Marrickville had an affordability score of more than 10 out of 20 (12 and 11 respectively).

Top 20 Urban Living Index suburbs in Sydney

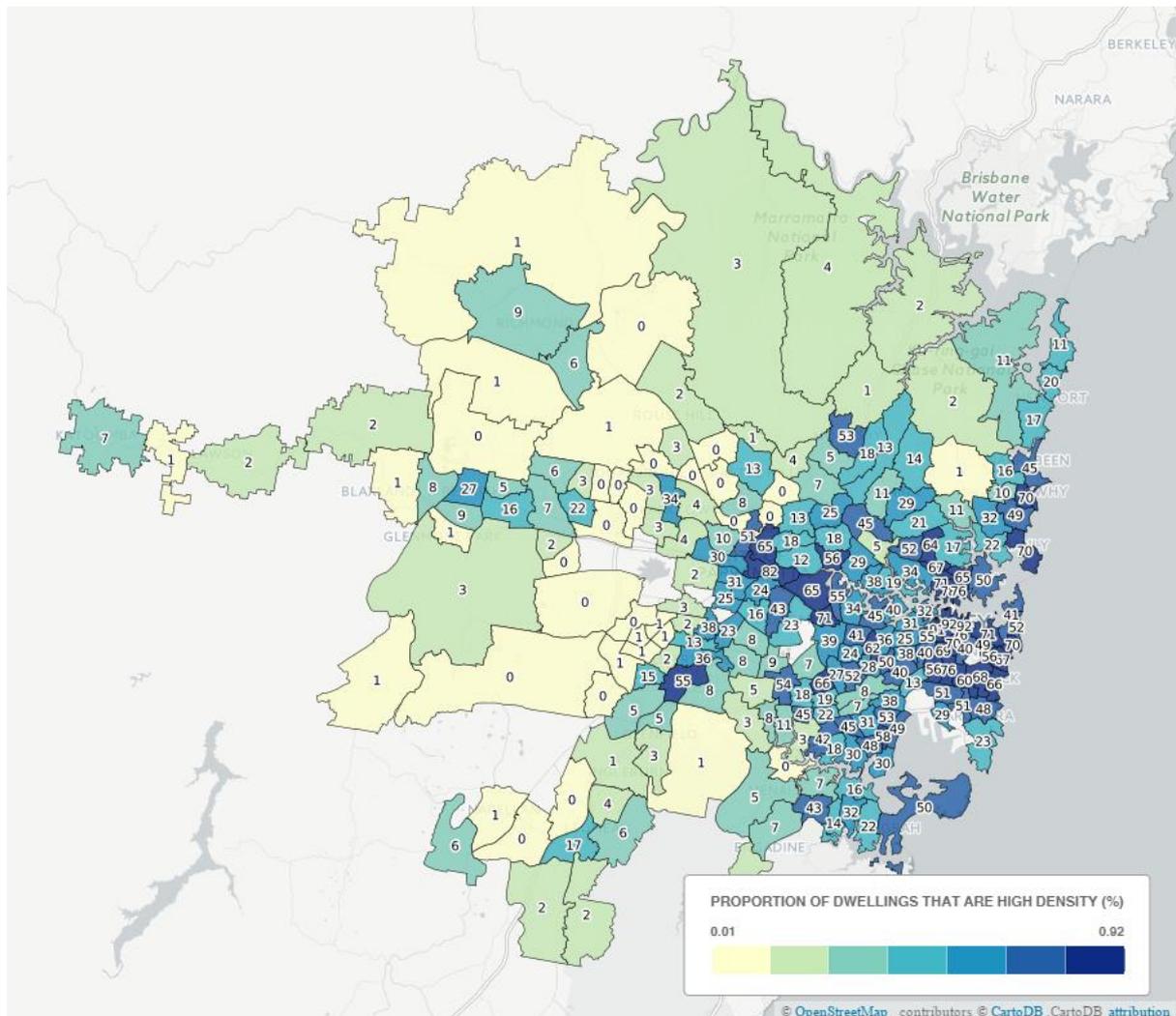
Below are the top 20 ranking suburbs (SA2s) in the Urban Living Index for all of Sydney.

Crows Nest-Waverton and Surry Hills ranked equal as first, scoring 85 out of 100. This score is a combination of how the suburbs (SA2s) rank out of a score of 20 across affordability, employability, community, amenity and accessibility. These categories will be further explored individually later in the report.

Suburb (SA2)	Index	Index Rank	Proportion of dwellings that are High Density	HD Rank
Crows Nest - Waverton	85	1	71%	11
Surry Hills	85	1	70%	14
Pymont - Ultimo	83	3	91%	3
Marrickville	83	3	40%	62
Potts Point - Woolloomooloo	82	5	92%	2
North Sydney - Lavender Bay	82	5	78%	5
Randwick	82	5	68%	17
Chatswood (East) - Artarmon	82	5	64%	25
Leichhardt - Annandale	82	5	25%	91
Neutral Bay - Kirribilli	81	10	76%	7
Hornsby - Waitara	81	10	53%	36
Newtown - Camperdown - Darlington	81	10	40%	63
Parramatta - Rosehill	80	13	82%	4
Darlinghurst	80	13	76%	6
Waterloo - Beaconsfield	80	13	75%	8
Manly - Fairlight	80	13	70%	15
Redfern - Chippendale	80	13	69%	16
Erskineville - Alexandria	80	13	56%	29
Double Bay - Bellevue Hill	79	19	71%	9
Bondi - Tamarama - Bronte	79	19	67%	18

HIGH DENSITY DWELLINGS

The distribution of high density housing throughout Sydney closely correlates with Urban Living Index scores. Of the ten suburbs with the highest population density, seven are Superior suburbs according to the Urban Living Index. This is largely due to the infrastructure in those areas such as public transport and a large number of employing businesses.



The numbers in the above map are the proportion of dwellings that are high density (unit or apartment) in each SA2. Please click on the image or [here](#) to access the interactive map. This is the same as the Urban Living Index map. Please switch the visible layers by following the instructions on the interactive map.

Top 10 high density suburbs in Sydney

The ten SA2s with the highest proportion of high density housing are as follows

High density Rank	Suburb (SA2)	Proportion of dwellings that are high density	Urban Living Index	Urban Living Index Rank
1	Sydney - Haymarket - The Rocks	92%	77	26
2	Potts Point - Woolloomooloo	92%	82	5
3	Pymont - Ultimo	91%	83	3
4	Parramatta - Rosehill	82%	80	13
5	North Sydney - Lavender Bay	78%	82	5
6	Darlinghurst	76%	80	13
7	Neutral Bay - Kirribilli	76%	81	10
8	Waterloo - Beaconsfield	75%	80	13
9	Double Bay - Bellevue Hill	71%	79	19
10	Homebush	71%	68	64

Sydney – Haymarket – The Rocks, Double Bay – Bellevue Hill and Homebush are the only three suburbs (SA2s) that have an Index score below 80 that make it into the ten suburbs with the highest proportion of high density housing. The following table shows how these suburbs scored out of 20 in each category of the Index:

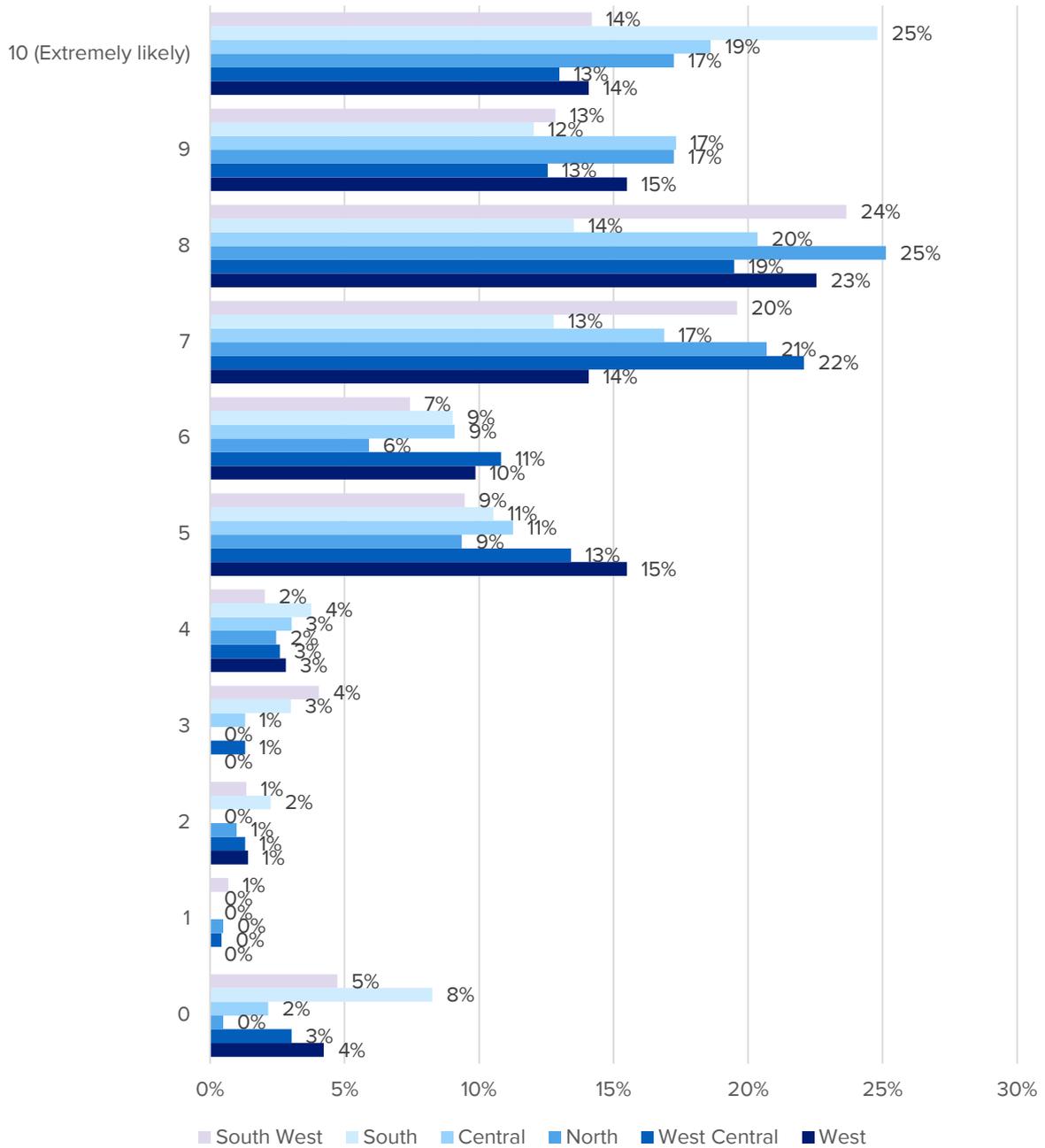
	Affordability	Community	Employability	Amenity	Accessibility
Sydney - Haymarket - The Rocks	6	15	16	20	20
Double Bay - Bellevue Hill	9	14	19	17	20
Homebush	9	15	15	15	14

In addition to a low affordability score, which is common among suburbs (SA2s) that score highly in the Index, these areas also have higher community and employability scores. Sydney – Haymarket – The Rocks however have the highest scores in amenity and accessibility. This is reflective of the high prevalence of retail, food and recreation businesses in these areas as well as their close proximity to public transport and employment.

HOW SYDNEYSIDERS RATE THEIR SUBURB

Likelihood to recommend area

Q. Thinking about the area of Sydney in which you live, how likely would you be to recommend your area to other people as a place to live?



URBAN LIVING INDEX

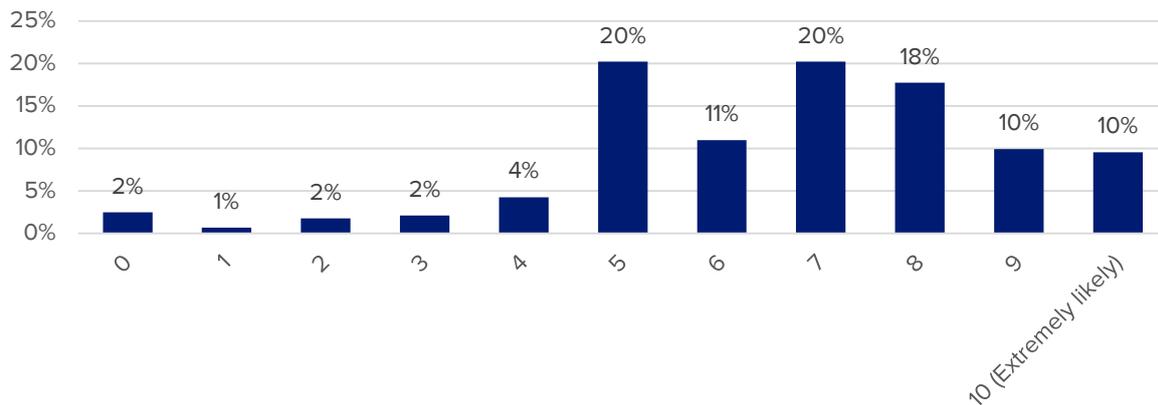
Sydneysiders living in the regions of North and Central are the most likely to recommend their area as a place to live to other people. 4 in 5 (80%) North region residents would be extremely or very likely to recommend their area to others and 73% of Central residents would do the same.

	West	West Central	North	Central	South	South West
Extremely likely (9 and 10)	30%	26%	34%	36%	37%	27%
Very likely (7 and 8)	37%	42%	46%	37%	26%	43%

Likelihood to recommend high density living

The following question was only asked of people living in high density housing:

Q. Thinking about the type of housing in which you live (i.e. high, moderate, low density housing), how likely would you be to recommend this type of housing to other people?



1 in 5 (20%) Sydneysiders who reside in high density housing are **extremely likely** (9 and 10) to recommend high density housing to other people. A further 38% are **very likely** (7 and 8) to recommend high density housing to other people.

SECTION 2: INDEX CATEGORY ANALYSIS

The affordability, community, employability, amenity and accessibility of an area all inform the liveability of an urban environment. The scores derived for each of the categories of suburbs (SA2s) are combined to form the Urban Living Index. The suburbs (SA2s) which score the highest in the Index do not necessarily score the highest in each of the index categories.

SINGLE CATEGORY SCORECARD

On page 11, the Urban Living Index **combined category scorecard** provides an overview of how the 20 measures across the five categories of affordability, community, employability, amenity and accessibility are scored.

The following **single category scorecard** provides a measure of how areas score within each single category, with a total possible total score of 20. Each of these single category scorecards comprise a fifth of the total Urban Living Index Score.

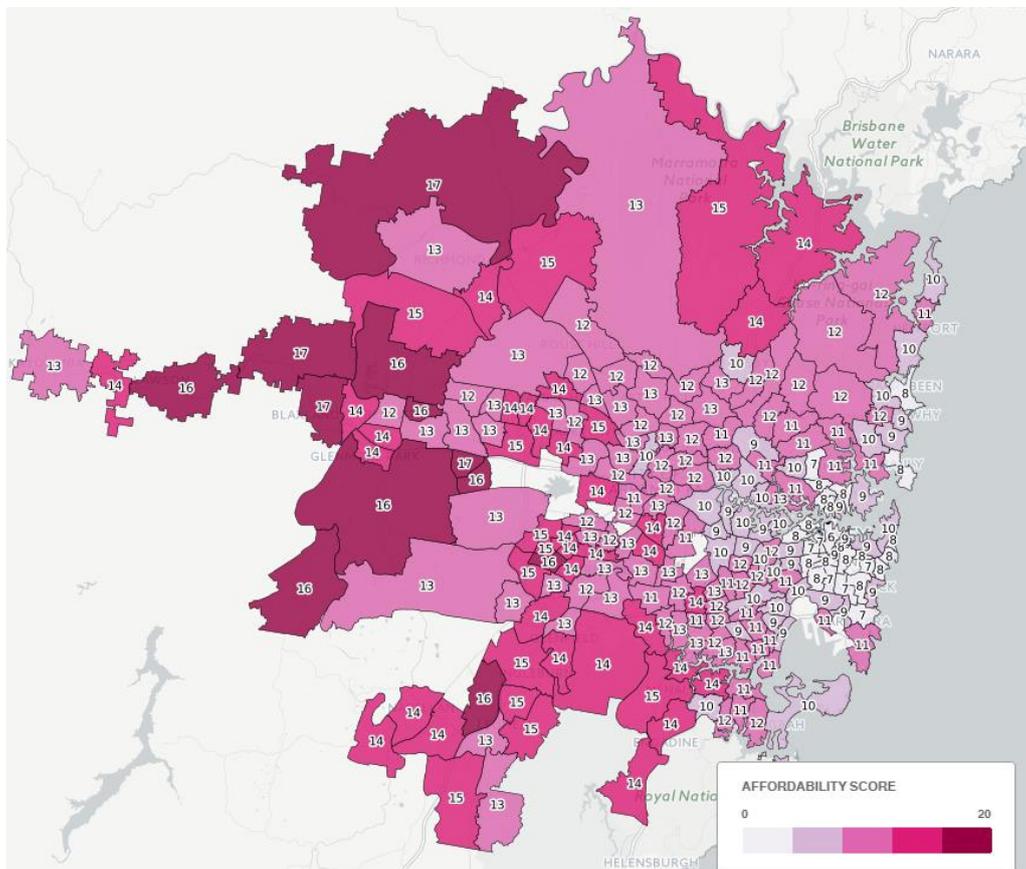


AFFORDABILITY

The affordability of an area is determined by average rental and mortgage repayment costs. When dwellings are unaffordable, this often results in a high proportion of individuals renting in an area. Household income also corresponds with how affordable an area is and influences residents' ability to afford rent or mortgage payments. Those with higher incomes are more likely to live in suburbs where housing prices are higher.

Measure	Description of measure
Affordability	
Home cost	Weekly mortgage repayments are an indicator of the affordability of an area.
Rental cost	Weekly rental costs are an indicator of how much it costs to rent in an area.
Rental population	A high proportion of renters in an area correlates with low affordability.
Household income	Low average household income of an area is an indication of the affordability of living in that area.

The following map shows how the Sydney suburbs score in affordability. The darker the area, the more affordable the SA2 is.



The numbers in the map are the Affordability scores for each SA2. Click [here](#) for the interactive map.

Top suburbs for affordability

The table below shows the four suburbs with the highest affordability ranking of 17 out of 20, yielding a superior score.

Suburb (SA2)	Score	Rank
Kurrajong Heights - Ebenezer	17	1
Blaxland - Warrimoo - Lapstone	17	1
Springwood - Winmalee	17	1
St Clair	17	1

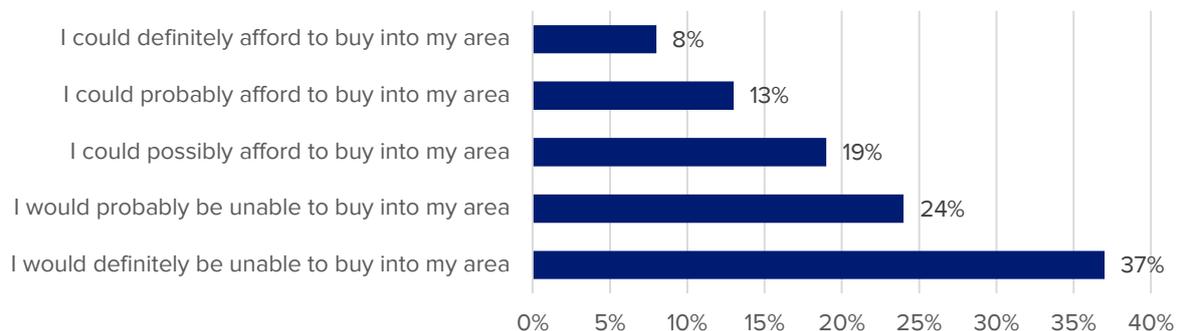


Cost of housing is identified by Sydneysiders to be the second biggest challenge they face after cost of living. This is easy to understand when the average median house price in Sydney is more than 13 times the average annual full-time earnings. Four decades ago the average house price was just five times average annual full-time earnings.³

The nature of this measure favours the suburbs on the outskirts of Sydney.

Sydneysider affordability sentiment

Q. If you were starting over and had to buy into your area in the current property market, to what extent could you afford to?



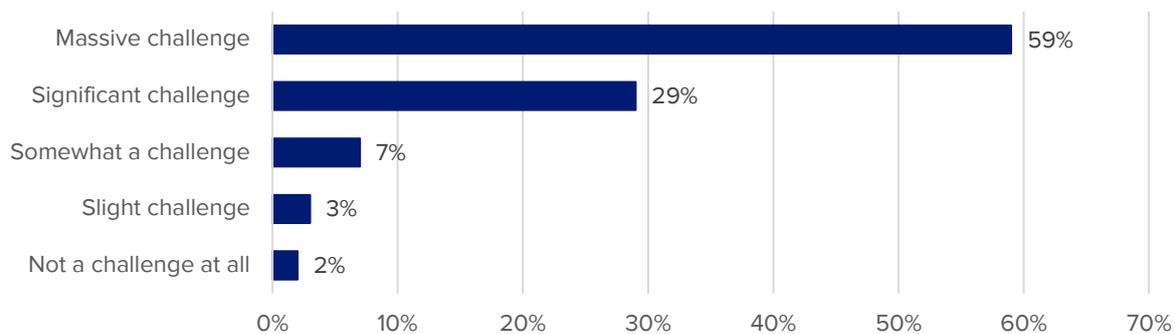
³ McCrindle Research. *Future of Sydney Report*, 2015.

More than 3 in 5 (61%) Sydneysiders would **be unable to buy into their area** in the current property market.

This is consistent across generations and Sydneysiders living in high, medium, and low density housing. Whilst this would be assumed to be the case for **renters** (of which 76% indicated that they would be unable to buy into their area), an additional 52% of individuals who **own their home outright** and 54% of **owners with a mortgage** also indicate that they would be unable to buy into their area in the current property market.

Affordability for the next generations

Q. To what extent do you think Sydney's housing affordability is a challenge for your children and the next generation?

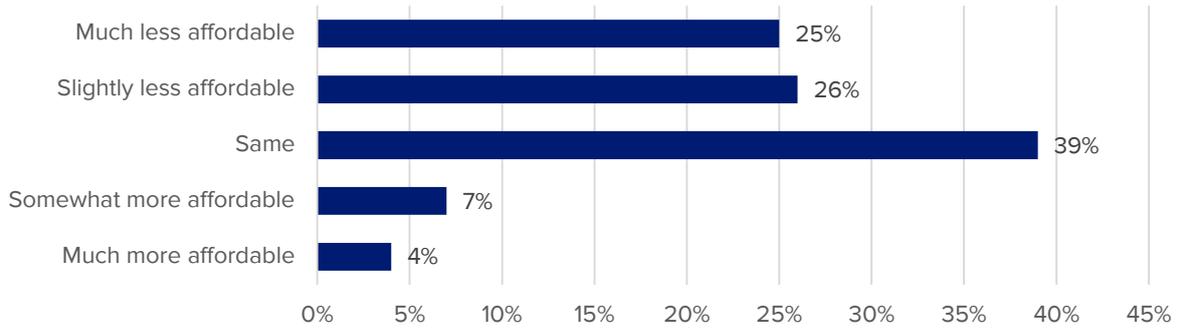


Almost 9 in 10 (88%) Sydneysiders think Sydney's housing affordability is a **massive or significant challenge** for their children and the next generations.

This sentiment is more prevalent amongst **Baby Boomers** (92%) who are slightly more likely than **Generation X** (87%) and **Generation Y** (88%) to think that Sydney's housing affordability is a **massive or significant challenge** for their children and the next generations. This is likely front of mind for many Baby Boomers whose children are currently in the life stage of acquiring their first property.

Affordability in 3 years

Q. Compared to today, based on the costs of living balanced with employment opportunities, how affordable do you think it will be for you and your household to live in your area in three years' time?



Half of Sydneysiders believe that based on the costs of living balanced with employment opportunities, it will be **less affordable** for their household to live in their area in three years' time. 1 in 4 (25%) say that it will be **much less affordable** for their household to live in their area.

More than half of **West** (56%) and **Central** (55%) residents believe that their area will be at least somewhat less affordable for their household in three years' time.

	West	West Central	North	Central	South	South West
Much or somewhat less affordable	56%	46%	50%	55%	49%	49%

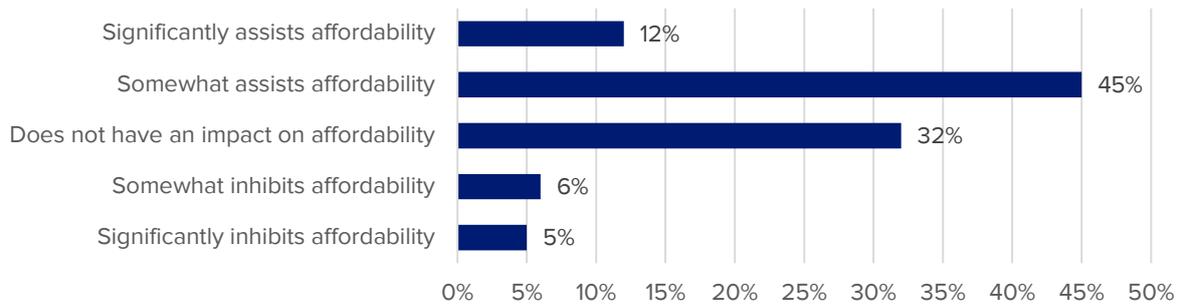
The younger generations are the most pessimistic about future affordability with more than half of **Generation X** (56%) and **Y** (53%) believing that it will be **less affordable** to live in their area in three years' time (cf. 47% of **Baby Boomers**).

	Generation Y	Generation X	Baby Boomers
% who think it will be more affordable in 3 years	19%	12%	7%
% who think it will be less affordable in 3 years	56%	53%	47%

Renters (60%) are more likely than dwelling **owners** (41% of those who own their home outright and 50% of those who have a mortgage) to believe that it will be **less affordable** for their household to live in their area in three years' time.

Addressing Sydney's affordability crisis

Q. To what extent does the increase in the number of units and apartments in Sydney create affordability options, when compared to building detached homes only?

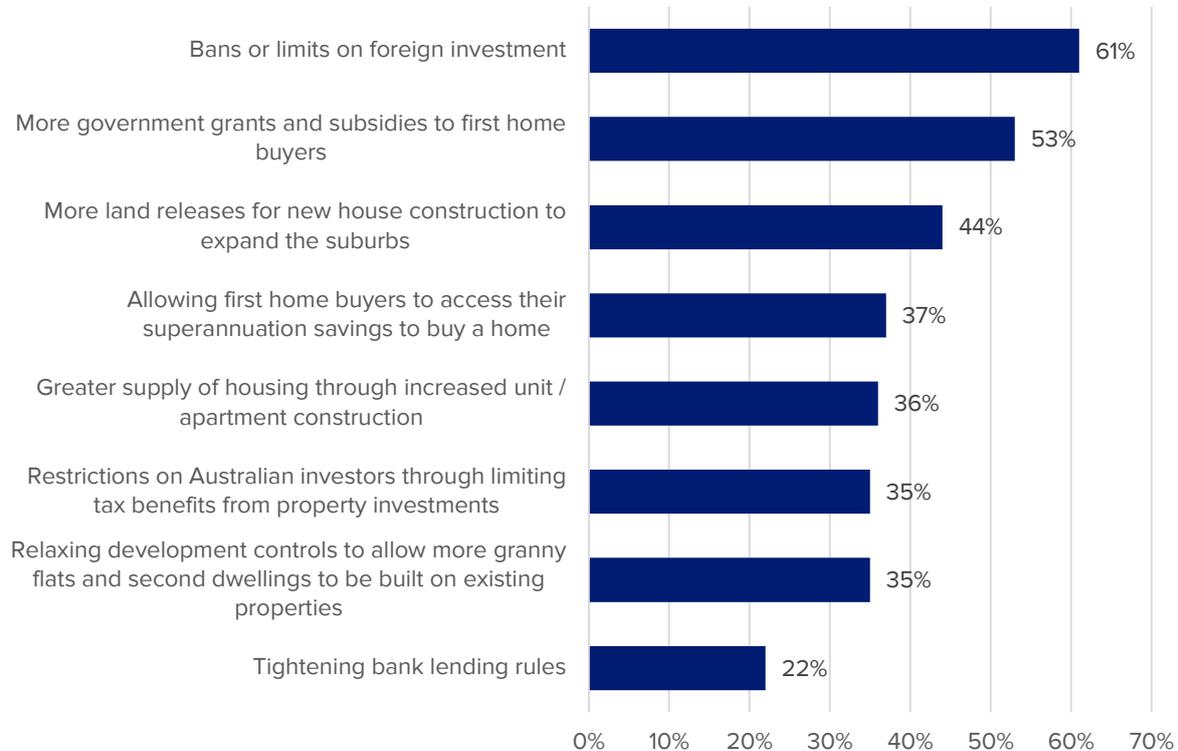


Sydneysider sentiment toward the affordability of housing for the next generation raises the question of how the availability of affordable options can be increased in Sydney.

57% of Sydneysiders think that increasing the number of units and apartments in Sydney would be an effective method of at least **somewhat assisting affordability** options.

Q. Which of the following ideas on effectively assisting housing affordability in Sydney would you support?

Please select all the apply.



More than one third (36%) of Sydneysiders would support the idea of **increasing the supply of housing through increased unit or apartment construction** to effectively assist housing affordability in Sydney.

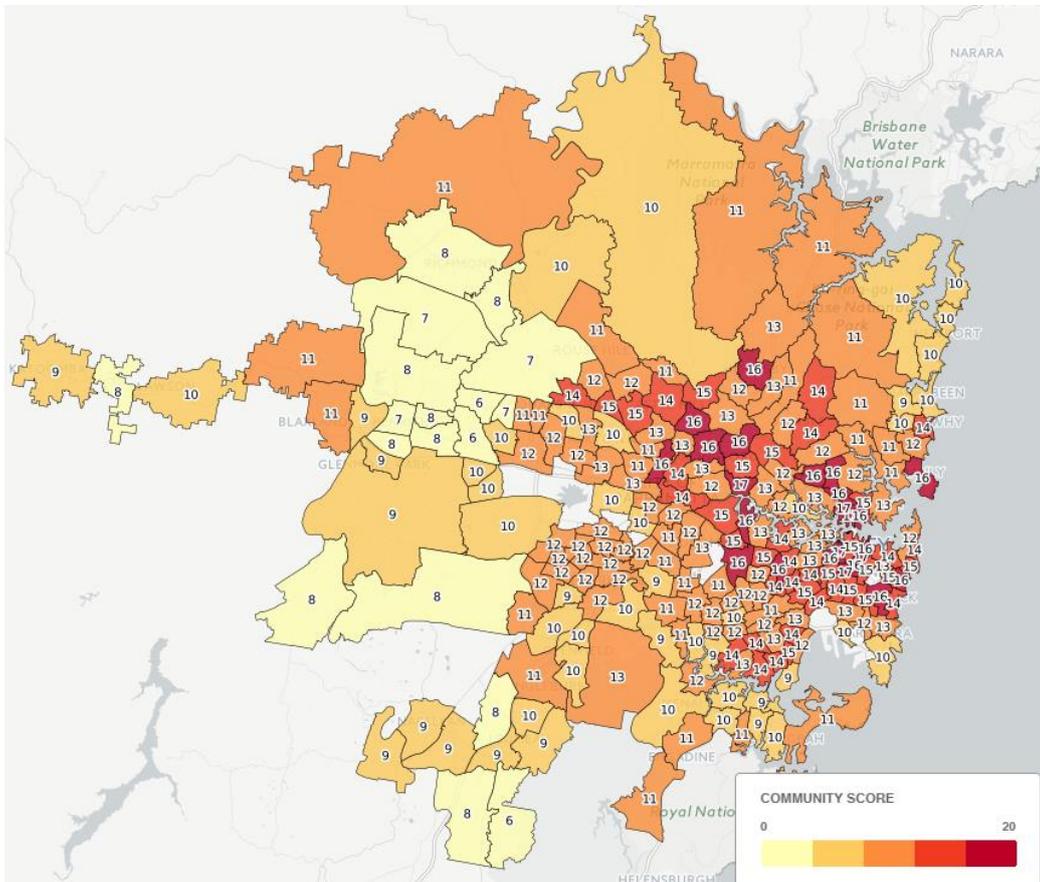
High density housing dwellers (43%) are particularly likely to support the **greater supply of housing through increased unit or apartment construction** as a method to effectively assist housing affordability in Sydney compared to those living in **medium** (36%) and **low** density (33%) housing.

COMMUNITY

Quality of living is influenced significantly by the social interaction and welcoming environment of a community. High levels of diversity in both culture and language promote a rich and vibrant community. Further to this, community is influenced directly by social interaction, with individuals who undertake volunteer work and/or employment more socially connected to their community. This category takes into account each of these factors in assessing the community of areas across Sydney.

Measure	Description of measure
Community	
Dynamic community	Increased cultural diversity in communities creates a rich and vibrant community life.
Language diversity	Language diversity, similarly to cultural diversity, creates vibrancy and energy in a community.
Volunteer work	Involvement in volunteer work is a measure of active community participation.
Workforce participation	Engaging in the workforce is a measure of social participation and contribution to the Australian community.

The following map shows how the suburbs of Sydney scored in community, the darker the area, the higher the score.



Top suburbs for community

The table below shows the six suburbs with the highest community ranking of 17 out of 20, yielding a superior score.

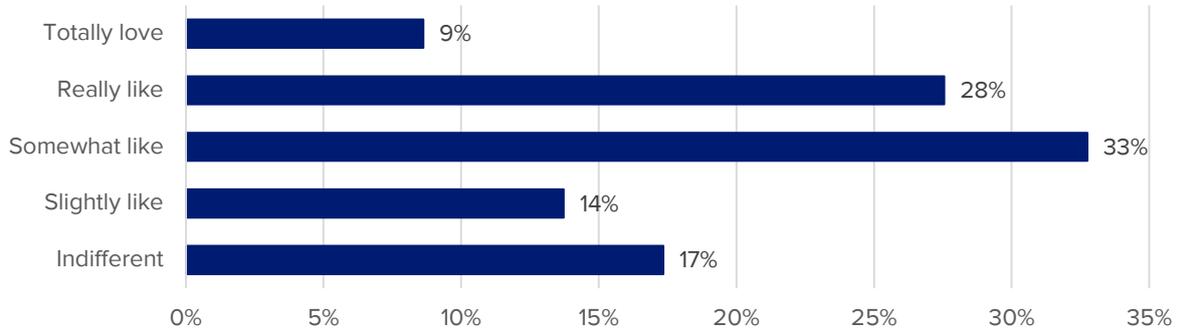
Suburb (SA2)	Score	Rank
Redfern - Chippendale	17	1
Pyrmont - Ultimo	17	1
Darlinghurst	17	1
North Sydney - Lavender Bay	17	1
Crows Nest - Waverton	17	1
West Ryde - Meadowbank	17	1

< 10	10-11	12-13	14-15	16+
Fair or below	Good	Very good	Excellent	Superior

High community scores are indicative of high levels of resident engagement through volunteering and work. These suburbs are also culturally diverse, reflective of the richness of multicultural Sydney.

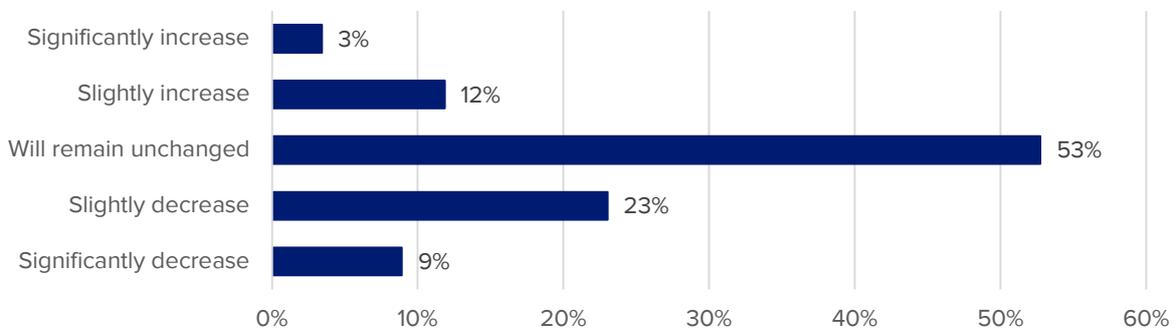
Sydneysider community sentiment

Q. How much do you like your neighbours?



Sydneysiders have a strong tendency to like their neighbours (84%). Over a third (37%) of Sydneysiders **totally love** or **really like** their neighbours. A further 1 in 3 (33%) **somewhat like** their neighbours.

Q. Compared to today, do you believe the cohesion and harmony of your community will increase or decrease in three years' time?



Sydneysiders are generally optimistic about their community with 2 in 3 (68%) believing that the cohesion and harmony of their area will either **increase** or **remain unchanged** in three years' time.

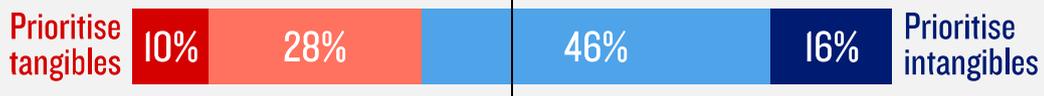
Community Builders versus Asset Builders

In assessing the sentiment of Sydneysiders toward community, it is important to understand the values Sydneysiders hold and their practical engagement with their communities. The following questions were asked of Sydneysiders and indicate their connection and interaction with their local communities as well as their priorities when considering a place to live.

Two categories of Sydneysiders emerge – those who are *Community Builders* (blue) and those who are *Asset Builders* (red), based on their priorities when considering the place in which they live.

Q. When looking for a place to call home which of the following matters most to you,

- the building and fittings or
- the location and community?

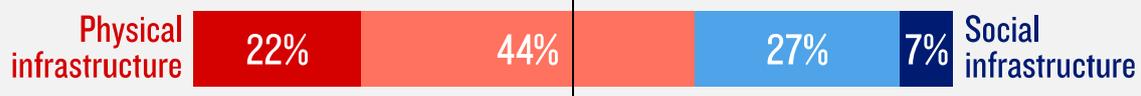


- The building and fittings matter much more
- The building and fittings matter a bit more
- The location and community matter a bit more
- The location and community matter much more

The location and community matters more than the buildings and fittings to 3 in 5 (62%) Sydneysiders when looking for a place to call home.

Q. What is more important to you in thinking about your local area,

- the physical assets or
- places for community to connect?

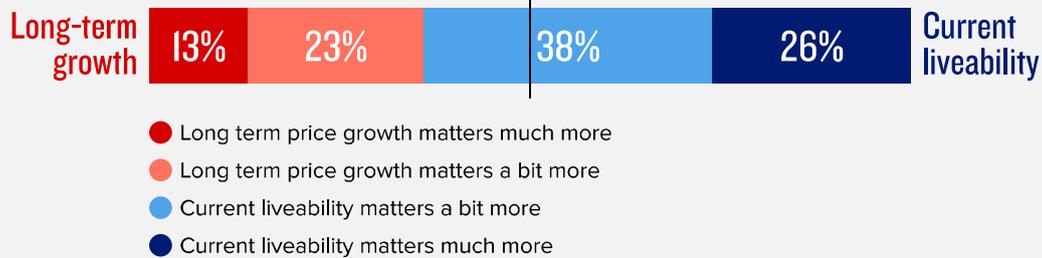


- The physical assets matter much more
- The physical assets matter a bit more
- The places for community to connect matter a bit more
- The places for community to connect matter much more

Although Sydneysiders prioritise the intangibles, the physical assets are more important to them than places for community to connect. Overall, Sydneysiders (66%) consider physical infrastructure (shops, libraries, offices and train stations) to be more important than the social infrastructure (parks, public spaces, cafes and gathering points) in their local area.

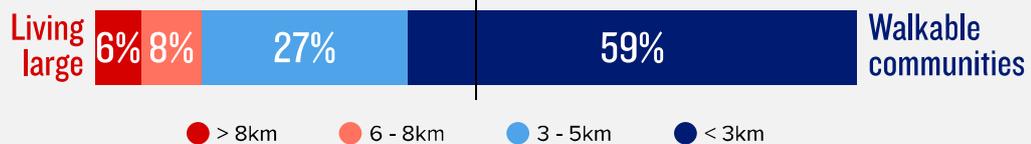
Q. In thinking about a possible place to live, which of the following matter more,

- the long term property price growth opportunities or
- the current liveability of your area?



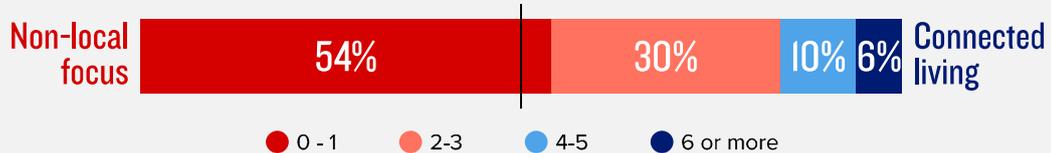
Whilst the long-term price growth (36%) is important, the current liveability (64%) of an area is more important to Sydneysiders.

Q. Thinking about where you do most of your shopping and recreational activities, how far is this from where you currently live?



This measure and the one following are indicative of the time Sydneysiders spend within their local community. 3 in 5 (59%) Sydneysiders do most of their shopping and recreational activities within 3km of their home indicating that a large proportion of Sydneysiders live locally and are able to walk to the places they visit regularly.

Q. How many friends that you catch up with periodically live within walking distance of your home?



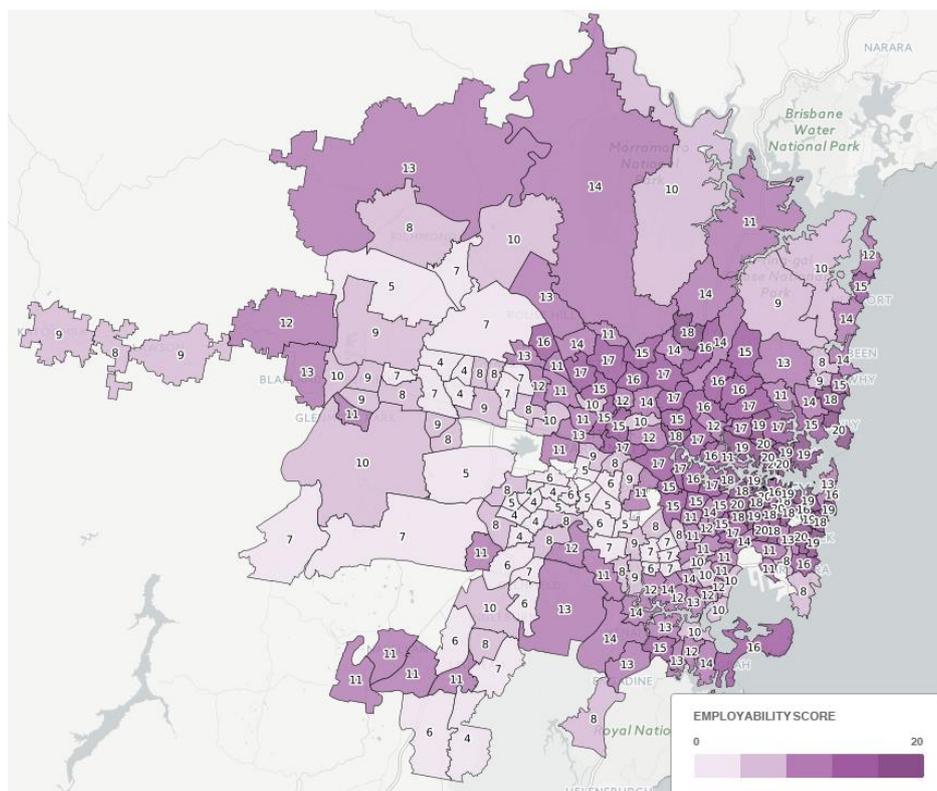
Community connections within a close geography are however are not particularly common amongst Sydneysiders. Just 16% of Sydneysiders have 4 or more friends living within walking distance of their home.

EMPLOYABILITY

Employment opportunities are one of the most influential factors people consider when choosing where to live. When thinking about the employability of an area there are a number of significant measures to consider. Higher education qualifications increase job prospects for individuals and professionals are seen to be highly employable due to the adaptability of their skillset. A high proportion of people in an area employed full-time is indicative of the range of employment opportunities located within close proximity of the area. The number of employing business in the area also directly influences the employability of an area.

Measure	Description of measure
Employability	
Full-time employment	The proportion of the population with an area that are employed on a full-time basis is an indication of the employment opportunities provided in close proximity to an area.
Higher education qualification	People who have a Bachelor degree or higher qualification have higher employability prospects.
Professionals	The economic vibrancy of an area is enhanced by a well-educated, broadly skilled and business-generating workforce.
Employing businesses	The total employing businesses in an area directly correlate to the employment opportunities of an area.

The following map shows how the suburbs of Sydney scored in employability, the darker the area, the higher the score.



Top suburbs for employability

The table below shows the ten suburbs (SA2s) with the highest affordability ranking of 20 out of 20, yielding a superior score.

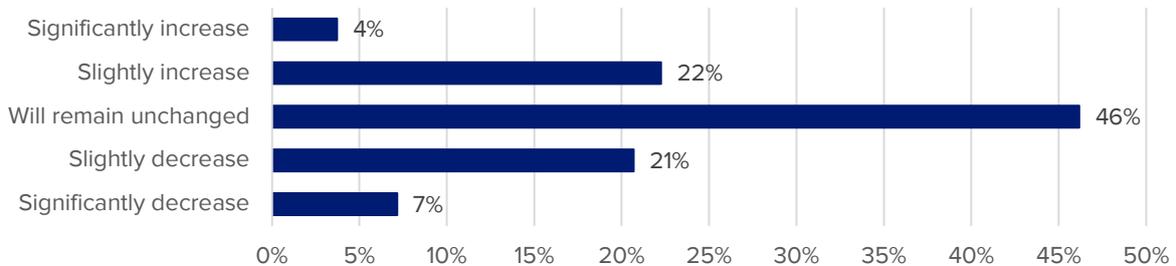
Suburb (SA2)	Score	Rank
St Leonards - Naremburn	20	1
Erskineville - Alexandria	20	1
Randwick	20	1
Surry Hills	20	1
Pyrmont - Ultimo	20	1
Leichhardt - Annandale	20	1
North Sydney - Lavender Bay	20	1
Neutral Bay - Kirribilli	20	1
Crows Nest - Waverton	20	1
Manly - Fairlight	20	1

< 10	10-11	12-13	14-15	16+
Fair or below	Good	Very good	Excellent	Superior

As cities grow and commute times increase, workers seek to live closer to their respective workplaces. The suburbs (SA2s) with a superior employability rating have high proportions of highly educated individuals, professionals and full-time workers. These suburbs also have a high prevalence of employing businesses.

Sentiment toward local employment options

Q. Compared to today, do you believe the employment opportunities in your community will increase or decrease in three years' time?



The future employability of areas across Sydney be a significant determinant of the population density in that area. The graph above shows the degree to which Sydneysiders believe the employment opportunities in their area will change in the next three years.

1 in 4 (26%) Sydneysiders believe that the employment opportunities in their community will **increase** in three years' time. A further 46% believe these will **remain unchanged**.

South West region residents (32%) are the most likely to believe that employment opportunities in their community will increase in three years' time.

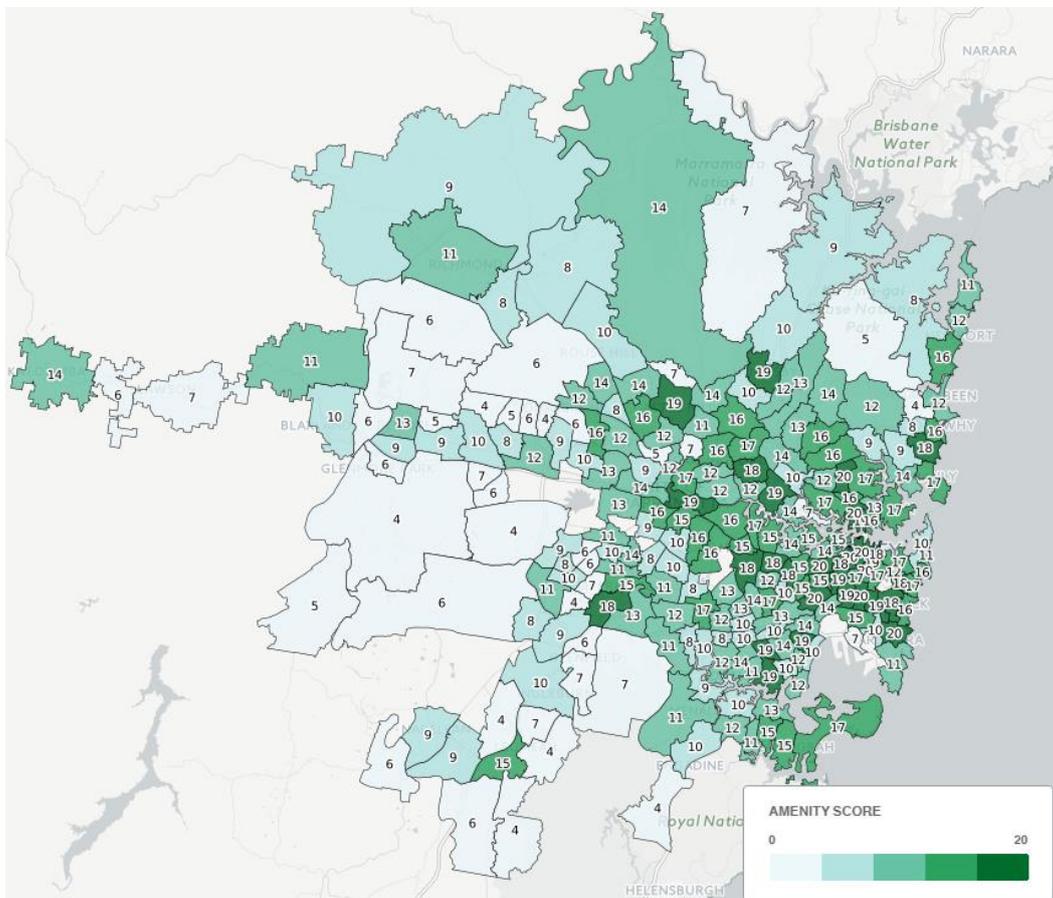
	West	West Central	North	Central	South	South West
% who believe employment opportunities will increase	28%	28%	27%	22%	20%	32%

AMENITY

High liveability of an area assumes that occupants do not have to travel far to access day to day amenities. Higher education attendance is indicative of the proximity of tertiary training institutions such as TAFEs and universities to an area. The prevalence of retail, arts and recreation and restaurant and café businesses in the local area are a strong measure of amenity presence and the amount of time residents spend in their own communities.

Measure	Description of measure
Amenity	
Educational attendance	The proportion of individuals in attendance at post-school educational institutions indicates high levels of drive and determinations, as well as the proximity of higher education institutions to an area.
Arts and Recreation	Arts and recreation businesses foster community engagement.
Restaurants and cafes	Restaurants and cafes are hubs for community activity and social interaction therefore fostering vibrant communities.
Shopping	The ability to shop locally creates greater social cohesion with more opportunities and time for local community connection.

The following map shows how the suburbs of Sydney scored in amenity, the darker the area, the higher the score.



Top suburbs for amenity

The table below shows the nine suburbs with the highest amenity ranking of 20 out of 20, yielding a superior score.

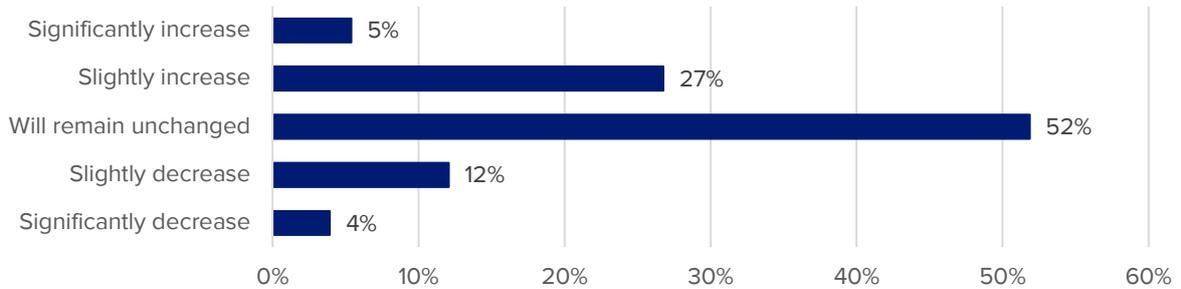
Suburb (SA2)	Score	Rank
Surry Hills	20	1
Pyrmont - Ultimo	20	1
Chatswood (East) - Artarmon	20	1
Maroubra	20	1
Marrickville	20	1
Sydney - Haymarket - The Rocks	20	1
Waterloo - Beaconsfield	20	1
Leichhardt - Annandale	20	1
Crows Nest - Waverton	20	1



The superior suburbs in the amenity category are rich in community amenities such as shopping, recreational and food outlets. The proximity of these amenities are essential to the liveability of an area. These SA2s are also hubs for students because of their positioning in relation to tertiary education providers, which is critical to the trend towards lifelong learning.

Sentiment toward amenities in the local area

Q. Compared to today, do you believe the amenities in your community will increase or decrease in three years' time?

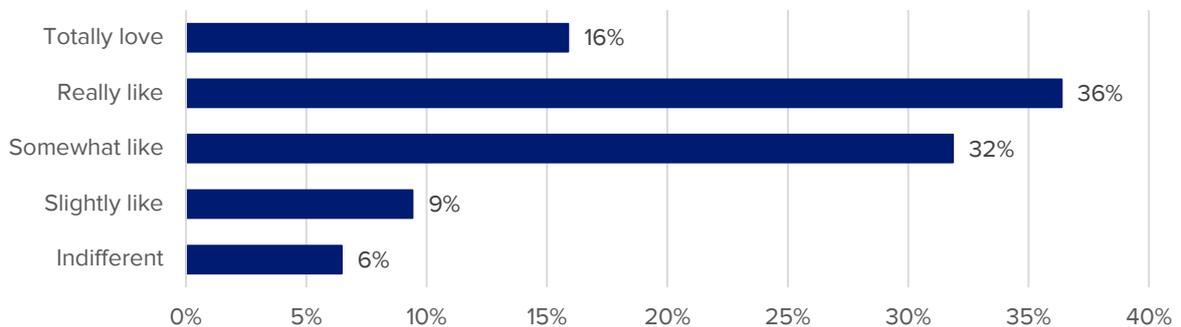


32% of Sydneysiders have the expectation that the amenities in the area in which they live will have increased in three years' time.

Central residents are the most optimistic about the amenities in their community, with 2 in 5 (38%) believing that they will in three years' time.

	West	West Central	North	Central	South	South West
% who believe amenities will increase	25%	32%	29%	38%	29%	34%

Q. How much do you like the local assets in your community such as shops and cafes?



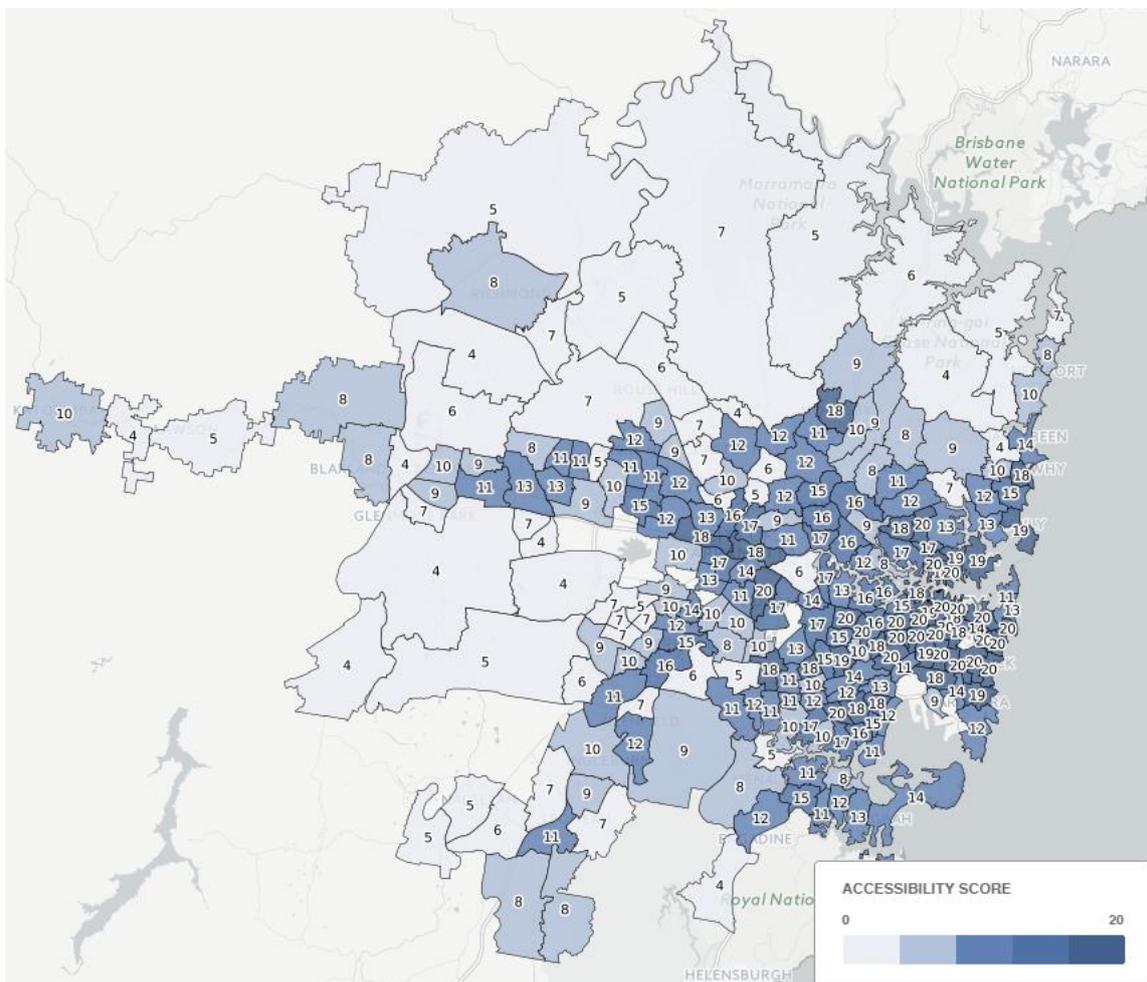
Half of Sydneysiders (52%) really like or totally love the local assets in their area.

ACCESSIBILITY

The accessibility of an area is dependent on public transport availability. Public transport and close proximity to work and other amenities influences the proportion of residents who have the ability to live without a care and access their work by walking or public transport.

Measure	Description of measure
Accessibility	
Access to work	Catching public transport to work is indicative of the accessibility of an area by means other than car.
Population density	Higher density areas have greater overall accessibility.
Walking to work	The proportion of a population who walk to work is an indication of the accessibility their area provides to local employment.
Transport sustainability	Households who can get by without a car have greater accessibility overall not only to their workplace but also to other amenities close-by.

The following map shows how the suburbs of Sydney scored in accessibility, the darker the area, the higher the score.



URBAN LIVING INDEX

The table below shows the 24 suburbs with the highest affordability ranking of 20 out of 20, yielding a superior score.

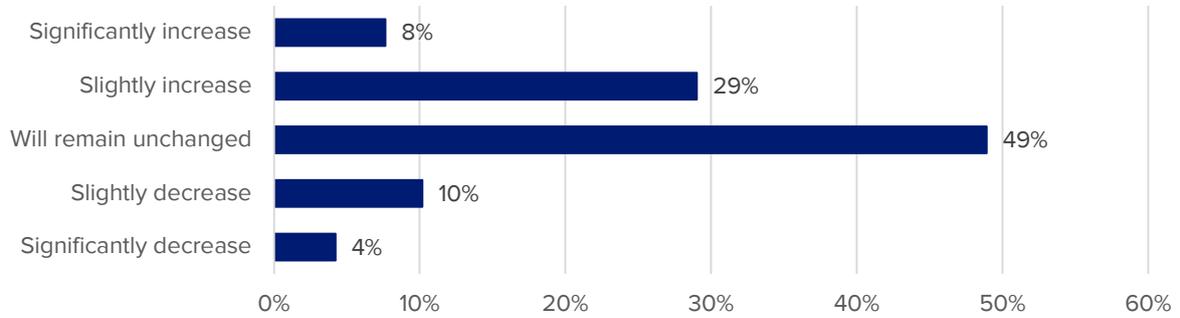
Suburb (SA2)	Score	Rank
Burwood - Croydon	20	1
Newtown - Camperdown - Darlington	20	1
Potts Point - Woolloomooloo	20	1
Randwick	20	1
Bondi Beach - North Bondi	20	1
Bondi Junction - Waverly	20	1
Coogee - Clovelly	20	1
Kensington - Kingsford	20	1
Redfern - Chippendale	20	1
Surry Hills	20	1
Hurstville	20	1
Chatswood (East) - Artarmon	20	1
Ashfield	20	1
Glebe - Forest Lodge	20	1
Marrickville	20	1
Petersham - Stanmore	20	1
Sydney - Haymarket - The Rocks	20	1
Waterloo - Beaconsfield	20	1
Bondi - Tamarama - Bronte	20	1
Double Bay - Bellevue Hill	20	1
Leichhardt - Annandale	20	1
Neutral Bay - Kirribilli	20	1
Crows Nest - Waverton	20	1
Auburn	20	1



The superior scoring of these suburbs indicates that there is a high proportion of people living in these suburbs who walk to work or access work using public transport, and in less need of using a car. These areas also have a high population density which is indicative of the accessibility residents have to a large range of physical assets in the area.

Sentiment toward accessibility of local area

Q. Compared to today, do you believe the accessibility of your community will increase or decrease in three years' time?



Less than 2 in 5 Sydneysiders (37%) believe that the accessibility of their area will increase in three years' time. Nearly half indicate that things will remain unchanged (49%).

2 in 5 West Central (42%) and Central (42%) region residents believe that the accessibility of their community will increase in three years' time. This closely aligns with a range of planning and development projects underway in these areas.

	West	West Central	North	Central	South	South West
Increase	24%	42%	35%	42%	29%	36%

FUTURE APPLICATION

APPLICATION OF THE URBAN LIVING INDEX

The Urban Living Index is designed to be applied as a longitudinal instrument to assess areas of a city over time and analyse changes across the measures of affordability, community, employability, amenity and accessibility. While in this edition applied to Sydney, the Urban Living Index can be adapted across other major cities in Australia to better identify the urban liveability of those cities.

The Urban Living Index is intended as a measurement and tracking tool to assist Australia's cities to better cater for population growth and the needs of people living in high density housing amidst the shift from suburban sprawl to vertical living.

To find out more about conducting the Urban Living Index outside of Sydney, please contact McCrindle Research.

For further research and information on urban development in Sydney, contact Urban Taskforce:

Urban Taskforce

Level 12, 32 Martin Place Sydney

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