

Housing as Social and Economic Infrastructure

Key finding

The Hunter and Central Coast housing challenge is not simply how many homes to build, but whether people can access jobs, services and opportunities. Housing should be managed as social and economic infrastructure because it shapes who can participate in the region's prosperity.

Context

The Hunter is undergoing significant economic and demographic change. Large-scale investment is being concentrated in locations such as the Newcastle city centre, Broadmeadow, Williamstown, health precincts and industrial transition areas, while population growth is occurring differently across Newcastle, western growth corridors and coastal communities. At the same time, housing affordability has deteriorated and the region's traditional affordability advantage over Sydney has narrowed.

Just as transport, energy and digital infrastructure enable social and economic outcomes, housing increasingly functions as part of the infrastructure required for regional development.

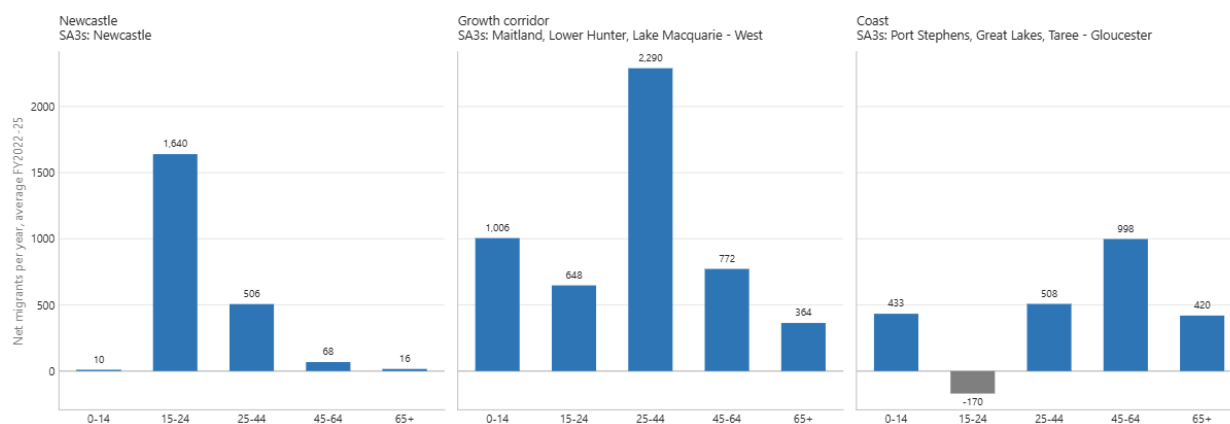
Implications

Regional Population Change

The wider Hunter and Central Coast are projected to continue growing over coming decades, but that growth will not be evenly distributed across places or age groups.

Figure 1: Population change by age and sub-region

Net migration by age and sub-region, average FY2022-25



Source: ABS Regional internal and overseas migration estimates by age, SA3 (RIML/ROML), FY2022-25 average. Each column is net internal plus net overseas migration.

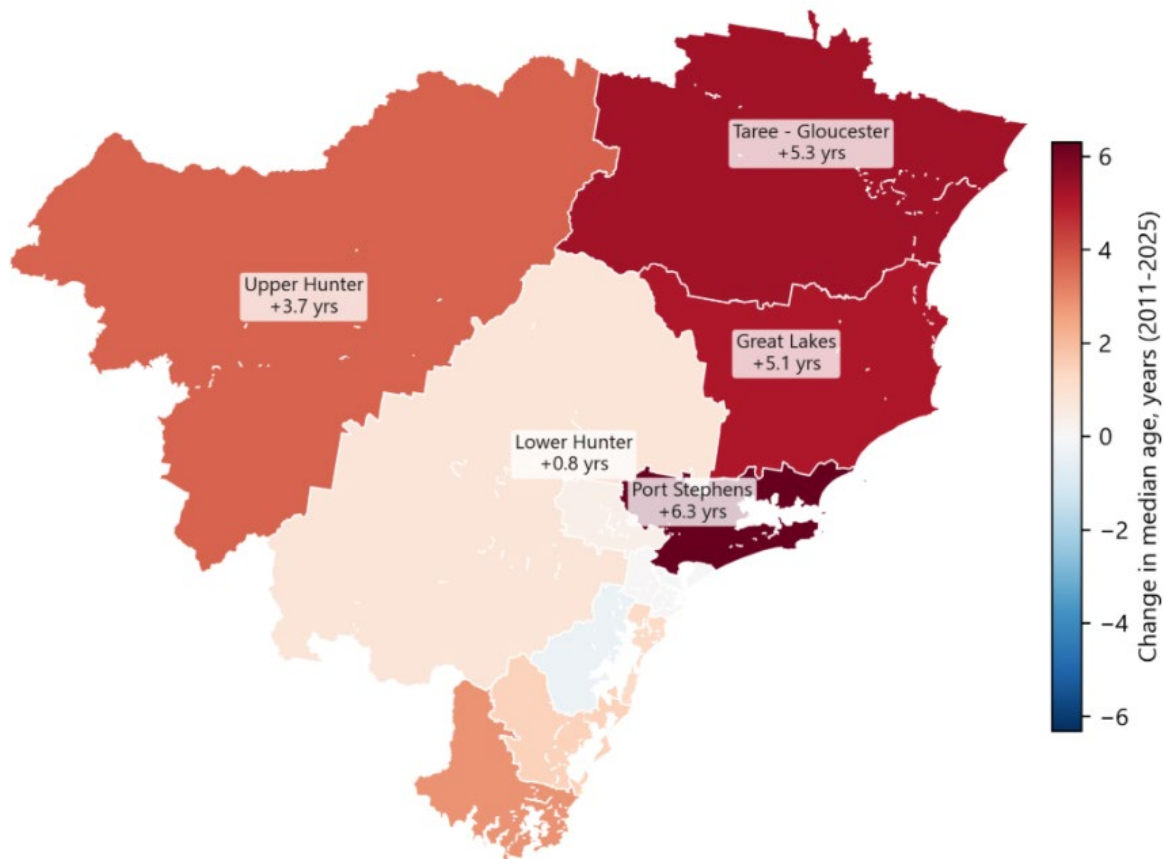
The region is simultaneously attracting young adults into Newcastle, families to inland growth corridors and older residents to coastal communities. Meanwhile, the upper Hunter continues to see a reduction in 15 – 24-year-olds, within an overall flat population trend. The Central Coast follows a different pattern again, growth is primarily driven by overseas migration, while internal migration from elsewhere in Australia is broadly balanced. It attracts internal migration of families and pre-retirees in modest numbers but loses young adults more heavily than anywhere else in the region.

Internal regional movements also play a significant role. About 5,700 people a year move from Newcastle and Lake Macquarie to the outer Hunter Valley and about 4,100 move the other way, a net migration within the region of around 1,650 a year toward the outer Hunter Valley.

Those trends overlay existing demographics, contributing to faster ageing in the northern sub-regions. This has implications not only for housing requirements, but also for health and aged services demand and the type of workers required.

Figure 2: Population ageing by sub-region

Change in median age by SA3, 2011-2025



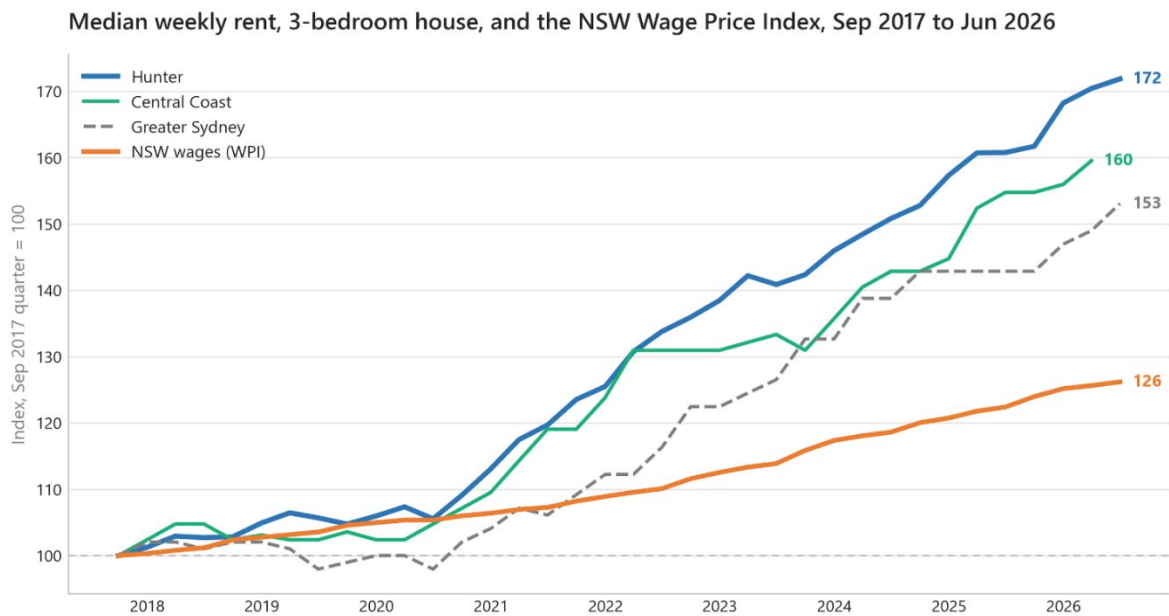
Source: ABS Estimated Resident Population by age, SA3. Median age is interpolated linearly within 5-year age ranges.

Regional housing supply-demand balance is not simply a question of quantity. Different locations require different housing responses to support changing population and workforce needs. Newcastle needs rental housing that young adults and new arrivals can afford. The corridor needs family housing near schools and jobs. The coast needs accessible housing for older residents and, critically, housing that care workers can afford within reach of the service.

Regional Workforce

Housing affordability is increasingly becoming a workforce issue. Since 2017, rents have increased substantially faster than wages and have risen more quickly than in Greater Sydney.

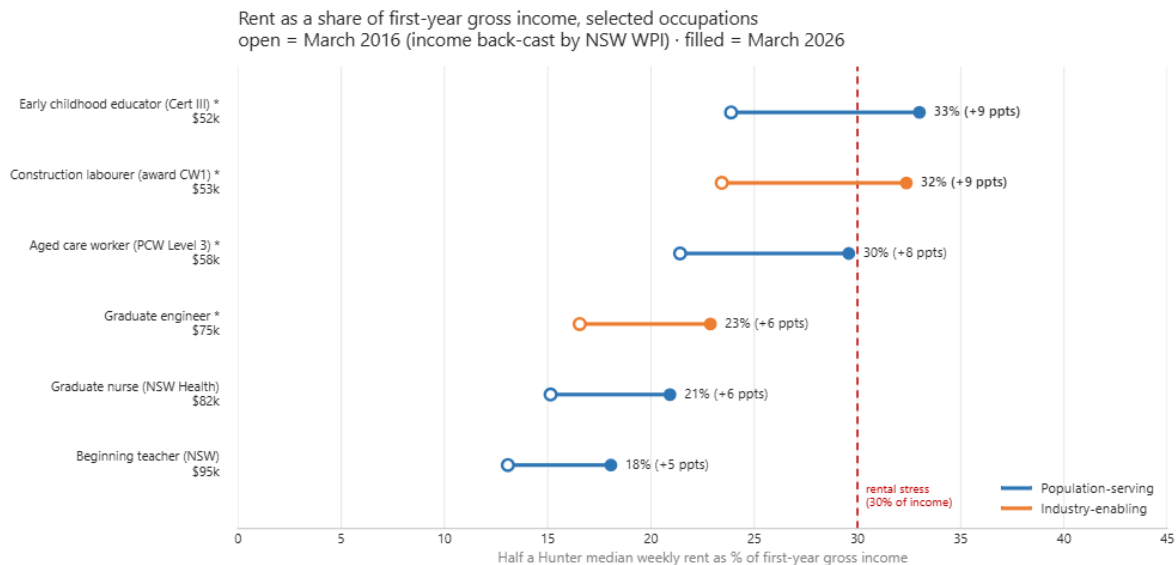
Figure 3: Rents compared with wages



Source: NSW DCJ Rent and Sales Report (Hunter = population-weighted 10-LGA median); ABS Wage Price Index, NSW, total hourly rates of pay excluding bonuses.

Many early-career workers now face significantly higher housing costs than a decade ago.

Figure 4: Rent as a proportion of entry-level incomes



Source: NSW DCJ Rent and Sales Report; ABS Wage Price Index; award and employer pay scales. NOTE: Incomes marked with an asterisk are estimates. Share of the rent paid by one worker is 50% of rent costs. Rental stress threshold is 30% of income.

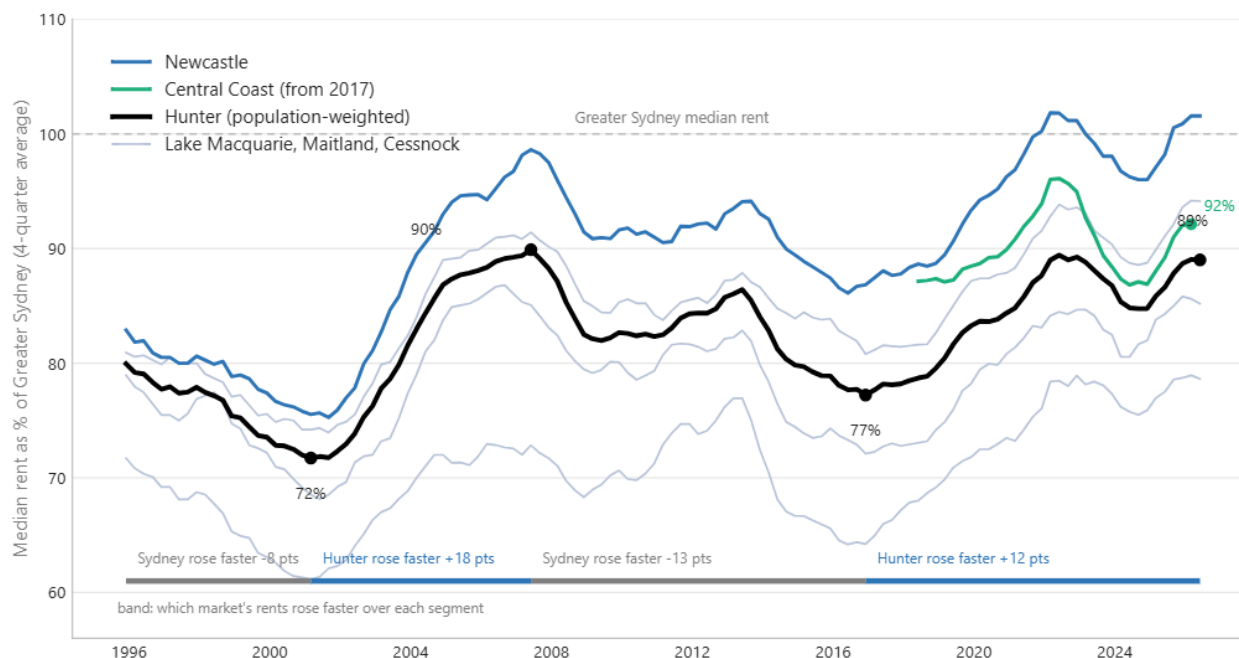
Attracting young workers is key to both essential services and industry growth. A third of transport workers and a quarter of education, utilities and health workers are aged 55 and over, requiring workforce renewal to meet the demands of population growth and ageing. Construction and hospitality industries have younger profiles and depend on the steady flow of new entrants who must be able to afford to live in the region.

This is particularly important for occupations that support both economic growth and day-to-day community services, including childcare workers, aged care workers, health professionals and skilled trades. As demand for these occupations increases, housing affordability may become an increasingly important factor shaping workforce availability.

Regional Competitive Advantage

Historically, the region offered a substantial housing cost advantage relative to Sydney. While the gap has fluctuated over time, the recent growth in Hunter and Central Coast rents has significantly reduced that advantage. In some parts of the region, housing costs are now at or above Sydney levels.

Figure 5: Hunter rents relative to Sydney



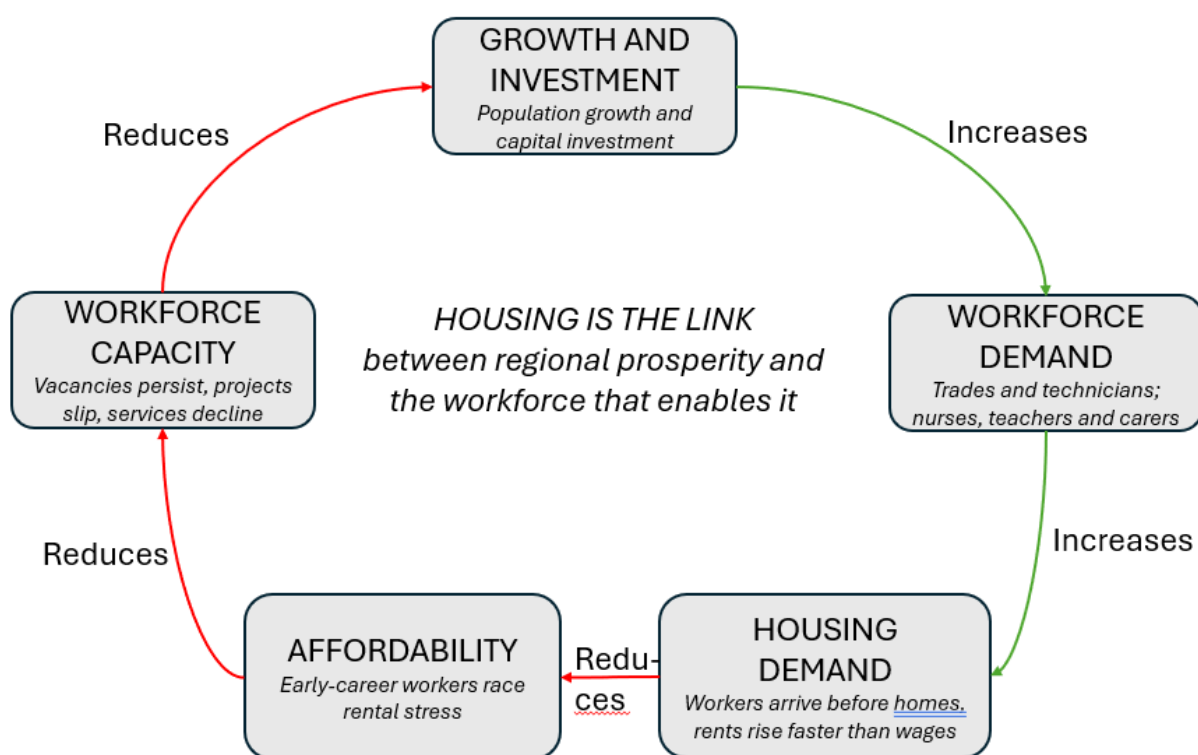
Source: NSW DCJ Rent and Sales Report, median weekly rent for 3-bedroom houses by LGA. Hunter = population-weighted composite of the 10 Hunter LGAs (fixed 2022 ERP weights). Central Coast starts in the September 2017 quarter - the earliest DCJ workbook held locally that carries the LGA - and is not part of the Hunter composite. Turning points are the maxima and minima of the smoothed Hunter series within set search windows; segment drivers compare Hunter and Sydney rent growth over each segment.

Source: NSW DCJ Rent and Sales Report, median weekly rent for a 3-bedroom house by LGA. Hunter = population-weighted composite of the 10 Hunter LGAs (fixed 2022 ERP weights). Earliest available Central Coast data starts from the September 2017 quarter. Turning points are the maximum and minima of the smoothed Hunter series.

For much of the post-war period, housing was treated as an outcome of growth: jobs attracted people, people required housing and the market expanded accordingly.

Today that relationship increasingly works in both directions. Housing availability and affordability are becoming critical determinants of workforce participation, labour mobility and regional productivity.

Figure 6: Housing and Regional Prosperity



Why this matters now

Housing serves many purposes: shelter, security, wealth formation and community stability. Increasingly, it must also be understood as social and economic infrastructure that connects people to jobs, education, care and opportunity.

The region's future housing challenge is therefore not simply one of supply, but of participation. Future prosperity will depend on whether workers, families, students, older residents and younger generations can access housing that allows them to contribute to and benefit from regional growth.

How to get more information

The Institute for Regional Futures' 30 September Hunter Insight Series event, **Can the Hunter Afford To Grow?**, will bring together leaders from industry, academia and the community sector to examine the major forces shaping the future of the Hunter and Central Coast.

When: 30 September, 7.30am - 9am

Where: University House, corner of Auckland and Hunter Streets, Newcastle

IRF is the only organisation currently providing this level of regional analysis for the wider Hunter and Central Coast. Journalists seeking additional regional data or comment should contact IRF via media@newcastle.edu.au.

