
Sydney Lifestyle Study

Redefining Sydney's urban lifestyles

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Urban Taskforce
AUSTRALIA

mccrindle

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Research objectives

In November 2017, Urban Taskforce Australia commissioned McCrindle to analyse demographic and psychographic characteristics of Sydney's apartment dwellers.

The *2017 Sydney Lifestyle Study* provides an overview of the different demographic segments living in Sydney apartments and sheds light on their lifestyle choices, habits, motivations and reasons for choosing apartment living.

Research methodology

The insights published in the *2017 Sydney Lifestyle Study* are derived from analysis of the Australian Census of Population and Housing and the results from a new online study of 1,503 Sydney households.

1. Census of Population and Housing

This report analyses Census data supplied by the Australian Bureau of Statistics for 2016, 2011 and 1991. Reference to 'Sydney' refers to the geographic parameters of the Sydney Urban Area (SUA).

2. Online survey of Sydney households

A survey of 1,503 Sydneysiders was conducted from 20 November to 1 December 2017. The intention of this survey is to gain insights into psychographic characteristics of Sydney's households, adding to the story of what is discoverable through the Census data.

The survey includes a sample of 753 residents living in high density housing (i.e. a unit or apartment) and 750 residents living in low density housing (i.e. detached or stand-alone house). The survey respondents were all residents living within the boundaries of the Sydney Significant Urban Area (as defined by the Australian Bureau of Statistics in 2016).

The changing lifestyle of Sydneysiders

Australia in the 1990s

A nation of 16 million

Over a quarter of a century ago in the year 1991, the population of Australia had just surpassed 16 million. The median age was 32 years old and median individual income was just \$13,950 per annum. More than one in three (36%) Australians lived in New South Wales where individual income was slightly higher at \$14,395. Home owners in New South Wales paid a median monthly mortgage repayment of \$627 while renters paid just \$128 per week.

In Sydney, the state's capital, the population had reached 3.1 million persons growing steadily at a rate of less than 1% each year. More than two in three households (68%) lived

in traditional detached homes, one in five (21%) lived in apartments and less than one in ten (9%) were living in medium density housing (i.e. row or terrace housing).

In the early 1990s detached houses were mostly homes for families with children (60%). The second most common detached home household structure was couples without children (22%) followed by lone person households (12%). Apartments, on the other hand, were most likely home to lone persons. Two in five apartments were occupied by a lone person (41%), followed by families with children living in apartments (23%) and couples with no children (21%).

Modern Sydney

25 million and beyond

Fast-forward to today and the Australian population is on track to reach 25 million persons in early 2018. That's more than 50% higher than in 1991. Population growth has increased our median age to 38, both nationally and in New South Wales. Today, median personal income in New South Wales has reached \$34,528 per year while median mortgage repayments have more than doubled at \$1,986 per month. Median rent has nearly tripled to \$380 per week.

In Sydney's urban centre, the resident population has grown to 4.4 million, at a rate

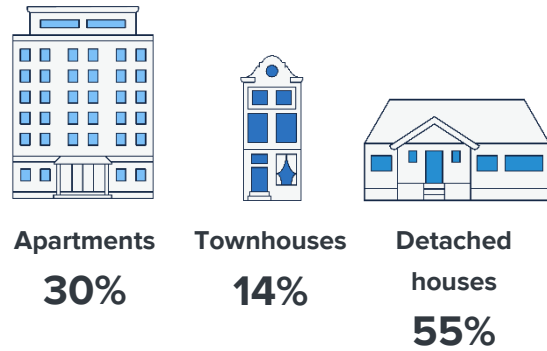
that is twice as fast as in 1991 (2% per year). The cost of living in the capital is also higher with median monthly mortgage repayments equal to \$2,167. Sydney householders who own their home with a mortgage (33%) face a growing affordability crisis. One in 12 families (8%) are experiencing mortgage stress (with mortgage repayments greater than or equal to 30% of their household income) and a further 14% face rental stress (paying more than 30% of their income to a landlord). Combined, 22% of Sydneysiders face significant housing affordability challenges. That's more than one million residents.

Growth of rental and high density stock in Sydney’s housing market

The rapid price increase of traditional detached houses has become a barrier for many potential homeowners. Alternate occupancies are now being considered. Rental households have become more common than any other occupancy type accounting for more than one in three (35%) dwellings (compared to 33% dwellings owned with a mortgage and 29% owned outright). Median rent in Sydney is nearly 20% higher than the rest of the state at \$450 per week (compared to \$380 NSW).

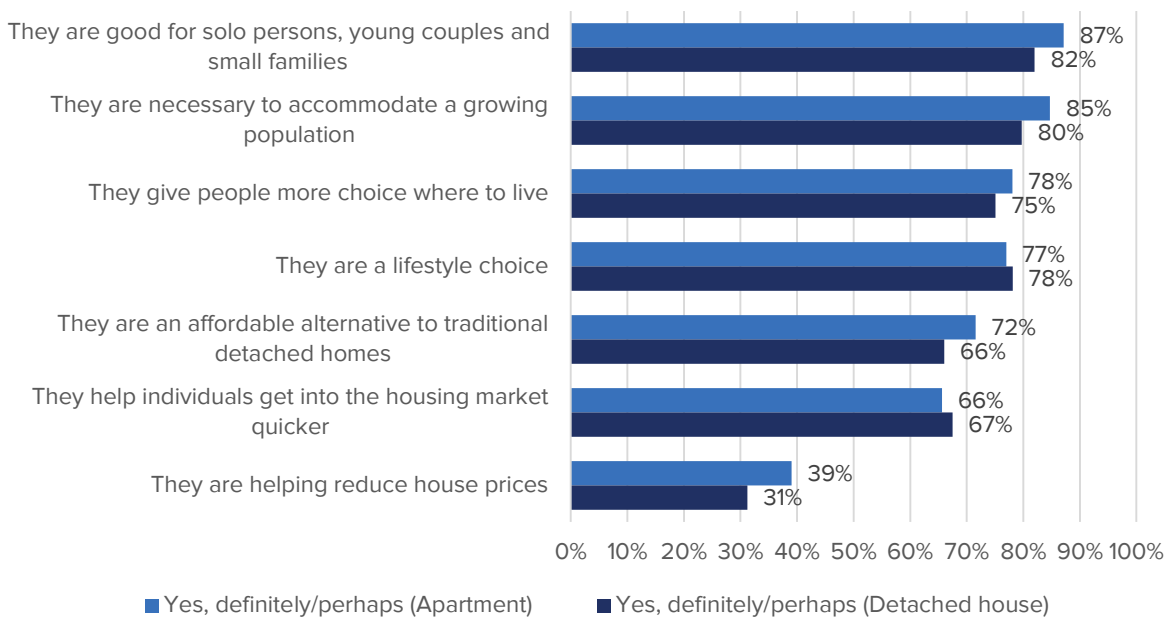
Not only has home ownership changed over the years, so too have housing types. Sydneysiders have been trading traditional detached homes for apartments at an increasing rate. Over the past five years the number of occupied apartments has grown by 17% while the number of traditional houses has seen little change (0%). While the traditional standalone home is still slightly more common

(comprising 55% of occupied dwellings in Sydney), the trend towards increasingly densified living means that apartments now represents 30% of all occupied private dwellings in Sydney (townhouses make up 14% and other dwellings 1%).

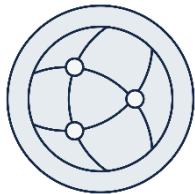


As apartment living increases it presents an opportunity for Sydneysiders to reconsider strongly-held views on high density living, and to better understand who are apartment dwellers.

Q. To what extent do you agree with the following statements about the growing number of apartments in Sydney?



Who are Sydney's modern apartment dwellers?



Engaged and culturally connected

It's clear that Sydney's urban landscape is rapidly changing. The demographic trends have revealed that the number of Sydneysiders seeking apartment style accommodation is on the rise. Apartment living now represent three in ten Sydney households (30%) and the Sydney of today looks very different to that of the 1990s.

Sydney's apartment dwellers are highly engaged, socially minded and more focused on an experiential lifestyle than accumulating wealth or capital.

Four in five modern apartment dwellers (80%) are highly engaged with current issues in society, always or often reading about and engaging with such things. Their engagement with current societal issues is likely motivated by their strong social consciousness. Nearly three quarters (74%) believe that the government should spend more money addressing social issues, such as improving social services, even if doing so results in a government budget deficit. This growing segment of society are also more likely to be politically progressive.



Living for the moment, mobile, and diverse

Those living in apartments are not only more likely to be highly engaged with current issues, they are also likely to live life for the moment. More than seven in ten (72%) claim they are more focused

on life experiences than accumulating wealth for themselves. This experiential attitude permeates the many facets of their life, even motivating their housing preferences. Two thirds of apartment dwellers (66%) choose to live in an apartment because of lifestyle and location reasons, not just due to financial reasons.

Urban apartment dwellers are motivated by a desire to live their chosen lifestyle rather than build wealth. When thinking about where to live, three in five (61%) apartment dwellers say that liveability is more important than price growth.

Apartment dwellers live mobile lifestyles with more than half (55%) having lived in their current home for less than 5 years. They are nearly twice as mobile as those who live in detached homes, of whom around a quarter (27%) have lived in their homes for the same period of time. Sydneysiders who live in detached homes aren't going anywhere fast. Nearly one in three (32%) have lived in their current residence for more than 20 years, compared to just 8% of apartment households.

Apartment dwellers are not only more likely to be mobile and untethered to a mortgage but are also younger and more formally educated than those in detached houses. Nearly half (46%) of apartment dwellers are Gen Z and Gen Y (aged between 18 and 37) compared to one third of those who live in detached homes (33%). They are also more likely to be formally educated. More than half of apartment dwellers (54%) have a Bachelor degree level of education or higher compared to two in five of those who live in detached houses (40%).

Rich in diversity, more than two in five (42%) apartment dwellers are born overseas, whereas

this is one in four (25%) for those living in detached homes.



Benefits of apartment living

According to those who live in apartments, the three

greatest benefits of their housing choice are the low maintenance required (44%), access to public transport (39%) and the price (36%). More than seven in ten (72%) agree that apartments are an affordable alternative to traditional detached living.

Access to public transport is of high importance to apartment dwellers. This is considered the most influential factor when deciding where they live (56%). More than half (56%) use public transport regularly at least a few days per week. Demand for accessibility is followed by the desire for affordability (50%) and the recognition that apartment living provides a higher standard of safety and security (31%).

Sydney's urban apartment dwellers increasingly live in walkable communities. Nearly one quarter (23%) of people living in apartments live less than 500 metres from important local amenities such as shops and recreational facilities compared to less than one in ten (9%) of those living in detached homes.

The changing Sydney apartment dweller

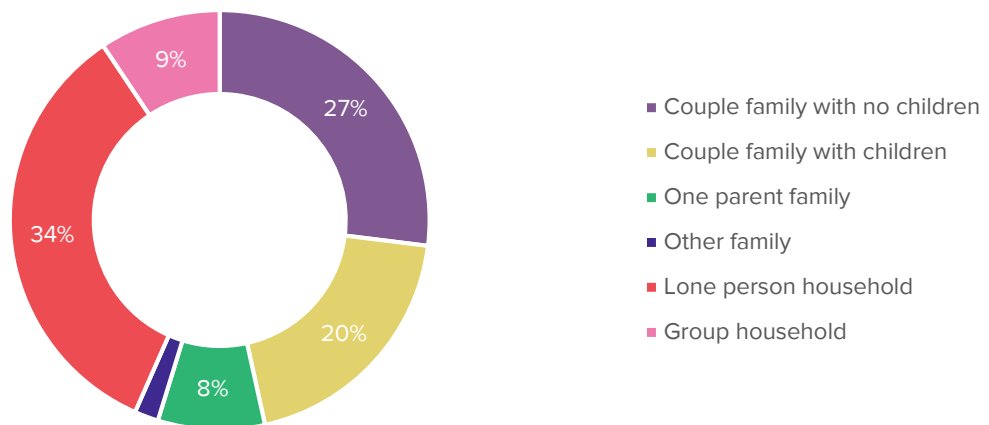
Families in apartments on the rise

While Sydney’s apartments are still most likely to be occupied by lone persons (34%), the number of urban families living in apartments has grown rapidly, increasing by 40% over five years. These urban families consist of traditional couple families with children, couples without children and a growing number of single parents. In 2011, less than half of all apartments were occupied by families (47%). Today, this mixture of family types makes up more than half (55%) of all apartment households.

Emerging urban households

Sydney’s growing apartment market is comprised of nearly half a million households who represent many diverse cultures, languages and backgrounds. McCrindle has identified four emerging urban family household types within Sydney’s apartment market. These are *Vertical Families*, *Cosmo Couples*, *Solo Metropolitans* and *One-Parent Households*.

Household Composition - Apartments (2016)





Vertical families

1 in 5 (20%) apartment dwellers are families with children. These Vertical

Families have grown by 34% over five years from just 65,000 families in 2011 to over 87,000 today. If this rate continues, by the year 2025 the number of couples with children living in apartments in Sydney will be close to 150,000.

They are most likely to be young Gen Ys as nearly two in three (64%) are aged between 23 and 37. Similar to most apartment dwellers, they are most likely to be renting (61%).

Vertical families are likely to be employed full-time (51%) and have a total household income between \$62,400 and \$104,000 per annum (38%). They are much more likely to travel to work via train (58%) or bus (36%) than drive their own car (34%).

Those who are not in full-time employment are most likely to spend their time attending to home duties (21%) or being employed on a part-time or casual basis (18%).

Vertical families are active. Two thirds prefer to spend their leisure time being active (66%) rather than resting and relaxing (33%). Their choice to live in an apartment is influenced by access to public transport (45%), affordability (43%) and safety and security (35%).

For them, the greatest benefits of living in an apartment are the low maintenance required (42%), the price (40%) and knowing that their family is safe and secure (40%).

Vertical families are also most likely to be politically left-leaning with 52% having a preference for the Australian Labor Party. Sydney’s vertical families are most likely to be found in the booming North-West and South-West growth corridors, particularly in areas such as Parramatta, Bankstown and Westmead.

Top 10 suburbs for Vertical Families

- 1 Parramatta
- 2 Bankstown
- 3 Westmead
- 4 Liverpool
- 5 Campsie
- 6 Chatswood
- 7 Lakemba
- 8 Hurstville
- 9 Dee Why
- 10 Auburn



Cosmo couples

Within Sydney’s increasingly urbanised environment, more than a third of couples

with no children (35%) live in apartments. The number of these couples living in apartments has grown by 21% over five years. Couples with no children now represent over a quarter of all apartment households (27%). This burgeoning demographic is made up of both young couples and empty nesters.

Urban couples are most likely to be aged between 23 and 37 (43%), employed full-time (43%) and earn between \$62,400 and \$104,000 per year (33%). Unlike other apartment dwellers, urban couples are more likely to own their home outright or with a mortgage than to be renting (52% cf. 48%).

They are most likely to travel to work via train (47%) or bus (36%) and one in eight are close enough to walk (13%).

Their priorities are similar to vertical families, choosing their apartment location based on access to public transport (59%), affordability (51%) and safety and security (31%). They

believe the greatest benefits of apartment living are the low maintenance required (31%), the safety and security it offers (37%) and access to public transport (36%).

When thinking about the future, urban couples prefer apartment living. Half (50%) see themselves staying in high density housing for at least the next three years while 27% could see themselves moving into low density housing and a further 23% into medium density housing.

Urban couples are most likely to be conservative voters preferring the Coalition (36%).

Urban couples live close to business hubs and CBDs in areas such as Randwick, Parramatta and Sydney.

Retired Cosmo Couples

Nearly one in four (24%) Cosmo Couples, however, are retirees. These retired Cosmo Couples are significantly more likely to own their apartment either outright or with a mortgage (88%) than be renting (12%).

Top 10 suburbs for Cosmo Couples

- 1 Randwick
- 2 Parramatta
- 3 Dee Why
- 4 Sydney
- 5 Waterloo
- 6 Manly
- 7 Cronulla
- 8 Mosman
- 9 Pyrmont
- 10 Surry Hills



Solo metropolitanites

Sydney's largest apartment segment is made up of lone persons (34%). Three in five are renters (63%) and the largest generation represented are Baby Boomers aged between 53 and 71 (37%). Solo Metropolitanites are more likely to be on low incomes and 34% earn less than \$36,400 a year.

While they are most likely to be employed in a full-time capacity (44%), nearly one quarter are retired or aged pensioners (23%) and one in seven (15%) work part-time or casually.

Their choice of apartment style living is motivated by their need to access public transport (47%), engage in low maintenance (42%) and benefit from lower prices (35%). More than half of solo urbanites see themselves continuing to live in high density housing in the future (55% in three years' time). Nearly nine in ten (87%) think Sydney's growing number of apartments are necessary to accommodate the growing population.

When it comes to political preferences, lone homeowners are more likely to favour the Australian Labor Party (40%).

Solo Metropolitanites live in inner city areas such as Mosman, Randwick and Surry Hills.

Top 10 suburbs for Single Metropolitanites

- 1 Mosman
- 2 Randwick
- 3 Surry Hills
- 4 Dee Why
- 5 Waterloo
- 6 Cronulla
- 7 Darlinghurst
- 8 Maroubra
- 9 Sydney
- 10 Camperdown



One-parent families

The fourth urban segment is one of the smallest but by no means insignificant. Single parents with children comprise one in 12 apartment dwellers (8%) in Sydney. The number of single parents seeking apartment style living has grown by 14% since 2011.

Single parents living in apartments are most likely aged between 38 and 52 (49%) and are most commonly renting (78%).

With a typical annual income between \$62,400 and \$104,000, single parents living in apartments are likely to be employed full-time (39%), part-time or casual (24%) or engaged in home duties (15%). When travelling to work single parents in apartments typically travel by train (53%) or bus (50%). Often stressed by the busyness of life, they prefer to spend their leisure time relaxing (54%).

When deciding on their apartment location, single parents are motivated by access to public transport (51%), affordability (46%) and proximity to local schools or childcare (39%).

For nearly one in three (32%) one of the greatest challenges to living in an apartment is that they are often not pet friendly.

Single parents say that the greatest things that Sydney has to offer as a city is the natural environment (37%), its cultural diversity (29%) and the weather (29%).

Politically they are most likely to consider voting for the Australian Labor Party (41%).

Single parents prioritise their children’s wellbeing and education and can be found in transitioning urban areas such as Liverpool, Bankstown and Dee Why.

Top 10 suburbs for One-parent Families

- 1 Liverpool
- 2 Bankstown
- 3 Dee Why
- 4 Campsie
- 5 Hurstville
- 6 Chatswood
- 7 Cabramatta
- 8 Randwick
- 9 Maroubra
- 10 Parramatta

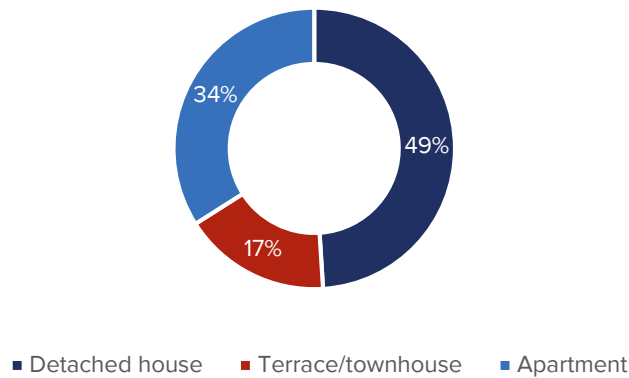
The future of Sydney housing

Sydney in 2024

If the current trends observed across Sydney over the past five years continue, the number of traditional detached houses could drop to 49% by as early as 2024. Filling the gap

apartments would then make up 34% of Sydney’s total housing stock. The remaining housing stock (17%) would be made up of semi-detached or terrace housing.

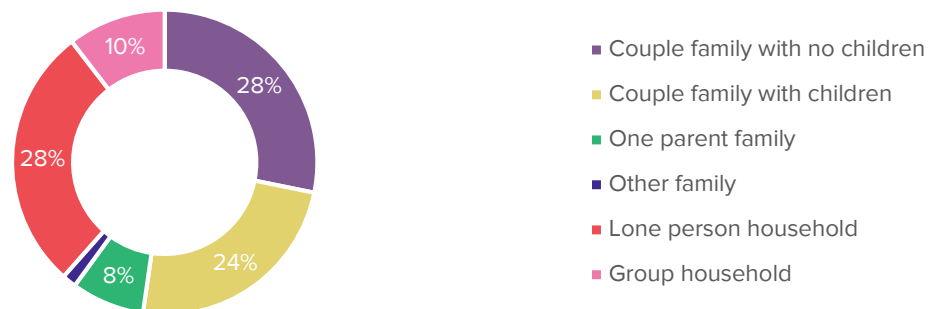
Sydney Dwelling Structure (Projected, 2024)



In the same year, Sydney’s population will have passed the 5 million mark (estimated at 5.2 million residents). According to estimates, lone person apartments will still be among the most dominant apartment segment in 2024 (28%), but they will be matched by couples with no children (28%). Although the proportion of apartments occupied by lone persons is

projected to decline (from 34% in 2016 to 28% in 2024), this does not mean that the number of lone person apartments will decline in raw terms. The number of lone person apartments is projected to increase by over 11,000. The proportional decline, however, is a result of the growth in families with children living in apartments, projected to increase by 53,000.

Household Composition - Apartments (Projected, 2024)

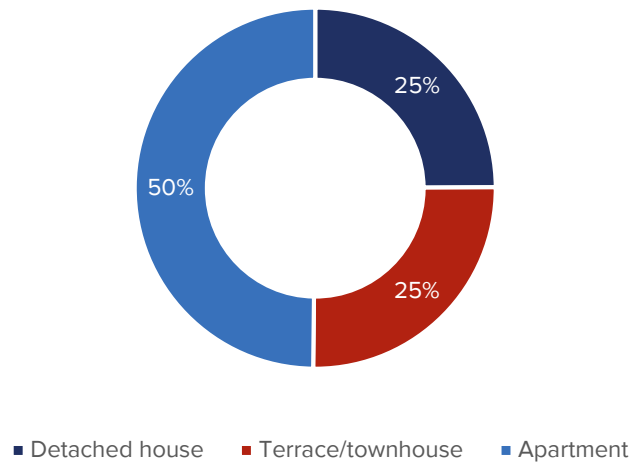


Sydney in 2057

In the middle of the century, it is projected that the population of Sydney will be on the verge of reaching 10 million people. Towards the end of the 2050s, apartments will become the most dominant housing type of any other

accommodation in Sydney. Apartment-style living may comprise 50% of all private dwellings by 2057 (alongside 25% detached homes and 25% semi-detached/terrace houses).

Sydney Dwelling Structure (Projected, 2057)



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Sydney, Australia

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