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## Introduction

Urbanization occurs because of economic development. The urban areas continue to account for an increasing share of the Gross National Product (GNP) in many countries. Australia is one of the most urbanized countries in the world with a majority of its population living in cities. The housing market has had a huge impact on the economy through the investment effect. An increase in the price of houses will result to high investments due to the capital gain expectation, which in turn will lead to economic development. House prices have also had an impact on consumer expenditure (Matteo, 12). The significant rise in the price of houses increases the value of wealth of house owners. An increase in the housing wealth can promote household consumption that ultimately contributes to the economic growth of that region. With the rapid urbanization in most areas, the issue of housing affordability becomes evident. Housing affordability is housing that is deemed affordable to those individuals/households with a median house income. With a median income of 6. 3, Australia ranks as one of the countries with unaffordable housing in the world (Johanson, 1). The population of Australia is mainly concentrated in the eight largest cities that have seen a significant rise in the cost of houses. The Sunshine Coast region is one of the regions that have seen a significant rise in housing price over the years. This paper would attempt to discuss housing affordability in Sunshine Coast and examine its short-term, medium-term and long-term effects on the regions urban growth and development.   
Australia has undergone significant housing growth over the years. This rise has triggered the issue of housing choice and housing affordability in many places and regions such as the Sunshine Coast (Healey, 4). Many studies that have been carried out have focused on the house marketing policies, but little is known about effect of housing affordability to a regions social, and economic sustainability (Malone, 3). The paper would also attempt to investigate the relationships between housing affordability, macro-economic performance, and social demographic trends in the Sunshine Coast region.   
Housing affordability is one of the major socio-economic issues that have attracted the attention of policy makers, urban planners and urban researchers in Australia (Healey, 12). The Australian housing market ranks third in terms of housing affordability. Many of the regions in Australia, Sunshine Coast included, have seen a significant rise in the price of houses over the years. The National Housing Supply Council (NHSC) reported that close to 30% of income was spent housing on the year 2009. This is an upward trend, and it is expected that more people would spend their income and fortune on houses in the coming years. Many urban regions all over the country have experienced persistent and significant levels of increases in house prices due to the high demand and less supply of houses. This increase in house price is often accompanied by changes in regional and economic performance, and results in market restructuring (Malone, 8).

## Sunshine Coast Overview

Sunshine Coast is located north of Brisbane and is mainly recognized for its natural attributes that include the beaches and the unspoilt hinterland. The region is regarded as one of the most desirable places to live in mainly because of its abundance of natural resources and the great lifestyles (Sunshine Coast Regional Council, 2). However, the region is also one of the most rapidly regions of Australia and hence experiencing high costs in house prices. Urbanization in Sunshine Coast has mainly taken a linear form. The region has experienced a significant population growth and economic growth over the years. The high population growth has continued to put pressure on the demand of housing in the region. It has been noted that the approvals of buildings has fallen sharply since the 2008 global financial crisis which has led to a mismatch between the housing supply and housing demand. The increased demand for houses has seen a significant rise in the price of houses that has greatly contributed to the high unaffordability rates in the region. Currently, the region is experiencing a shortage of affordable housing that has had a huge impact on economic growth and social well-being. This scenario has prompted the formulation of a strategy that would improve housing affordability and also improve the sustainability of the current and future generations. The unaffordability of houses in the Sunshine region can mainly be attributed to micro-economic factors such as local demand and supply, urban development policies and town planning and highest best use.

## Micro-economic Factors Leading to House Affordability in Sunshine Coast

Local Demand and Supply   
A number of studies have investigated the driving forces of house affordability in Australia. It has been noted that the house affordability problem is mainly driven by the housing demand and supply (Payne, 4). The population growth in Australia has had a huge impact on the Australian housing market. The NHSC reported an exponential growth in the number of potential house buyers. In 2010, for example, there were 178, 000 more buyers than the number of houses that were available. The same applies to Sunshine Coast that has experienced and increase in its population over the years. There has been a rapid population growth in the region with an average annual growth of 3% since the year 1991. This growth has had a significant pressure on the ways of lives; infrastructure and natural systems. The constraints of land and construction together with the mechanisms of supply and demand have placed an additional strain on house affordability (Holmes, Kerry & Sheehan, 5). The region has noted that the number of potential house buyers has exceeded that of the available houses. As a result, the prices of houses have sharply risen to a level that the low-income earners cannot afford. People with a median house income have been greatly affected as the houses are neither available nor available to them. With the continued population growth, it is expected that demand would exceed supply that would ultimately lead to higher prices that may affect house affordability. The higher the gap between house demand and house supply, the higher the impact on house price and affordability. There is also the problem of competition between tourist and permanent residents’ accommodation. The needs of the two sets of people often compete and sometimes towards the same dwelling products. The demand for such dwellings varies depending on the economic times and may influence housing affordability through the supply and demand. Controlling population growth in Sunshine Coast and building of affordable houses would greatly reduce the house affordability problem.

## Town Planning and Highest Best Use

The change in the housing structure is another issue that has greatly crippled the Southern Coast housing market. It is now evident in the region that there is a shift towards single parent and couple-only households. Sunshine Coast is now observing a decrease in the number of households and an increase in the ageing population. The houses currently being built in Australia are large according to international standards (Hugo, 2010). It has been noted that there has been an increase in size from the 150m2 in 1989 to 215m2 in 2010. With households with fewer members and detached housing units, there has been the wastage of land units. In Sunshine Region, the scenario is the same with households containing few members, but occupying houses deemed too big for them. It has been noted that these households prefer houses that are affordable and smaller. Song (2010, 4), studied the relationships between housing affordability and housing characteristics and found out that life events such as marriage and child birth are trigger factors for house availability demand and affordability. With households with fewer members, it would be a waste of space to occupy big houses that offer more than what they need. Decreased household sizes are more suited to and would prefer smaller dwellings. These types of houses are not readily available in sunshine Coast. The factoring of this issue in town plans for Sunshine Coast would not only lead to affordable housing units but also make them available for the lower income individuals.

## Urban Development Policies

Urban Development policies are also partly to blame for the escalating housing affordability problem in Sunshine Coast. Southern Coast has well developed and defined urban policies. Southern Coast is vast with plenty of lands and hence the urban development policies are not geared towards effective land utilization. The rapid population growth in the urban region and linear development has seen a gradual shortage of land. The urban policies formulated need to encourage real estate development of the satellite towns around the Sunshine Coast region. Such a move would not only reduce the pressure on the region but will also encourage and promote urbanization in a larger scale.

## Effects of House Affordability in Sunshine Coast Region

Housing affordability is founded on the values equity, sustainability, inclusion, and affordability. There is a shift of focus in Sunshine Coast region to improve house affordability and availability. Efforts are aimed at protection of the valuable natural resources, reduction of consumptive behavior, and promotion of sustainable and equitable economic growth. Affordable housing is an integral part to social, economic, and personal development (Sunshine Coast Regional Council, 7). It is also a fundamental right as the Sunshine Coast Regional council found out. Adequate housing provides both a sense of physical and emotional security. According to the Sunshine Coast Regional Council, housing affordability can lead Sunshine Coast to be one of the most vibrant, diverse and green regions in Australia. Sustainability would explore the relationship between social equity, economic prosperity and environmental quality.

## Social Effects

Having in place policies that factor in housing affordability, building of affordable housing units and controlling urban development would lead to the promote equity and encourage inclusiveness. It would lead to an improvement to the quality of life in the region and other neighboring regions. The current unchanged situation has led to houses that are highly unaffordable to individuals with low incomes. It has also undermined the social cohesion in that focus has always shifted to having gated communities rather than have interactions between households. The current situation has also undermined the sense of community within the region. A changed scenario with a focus on providing affordable housing units, on the other hand, would promote community cohesion and promote equity and inclusiveness among the various households in the region. This move would be as the result of the less geographical distribution disadvantage in the region. The presence of housing security in the Sunshine Coast region would also foster bonds and friendships. With the improvement of the social mechanisms, the ultimate result would be an improvement in the quality of life in Sunshine Coast region (long-term effect). Affordable housing influences family stability and the health stability of the individual members.

## Economic Effects

The current situation offers an undersupply of affordable housing units. City development, currently, should focus on house mobility and house affordability; a situation that is absent in Sunshine Coast. The unsustainable transport patterns that the current situation offers negatively affects labor markets because of the mismatch between jobs and markets (Nelson, 3). This is the case especially in relation to the unavailability of lower-paid workers in these expensive regions. Sectors of the economy that are supported with these low income earners may be greatly affected and hence affecting economic growth. The current situation also brings the transportation problem as the high-income earners would mainly rely on their own means of transport. The lack of control of housing would bring about a transportation crisis in the region. The current situation also does not offer housing mobility.   
A shift towards provision of affordable housing units would greatly boost the economy of the Sunshine Region. This is because there would be houses that are affordable and could cater for the needs of both the high-income earners and the low-income earners. There would not be a case of mismatch between jobs and job markets because the low-income earners would also have a chance to dwell in these regions. Housing mobility would also be greatly enhanced with this new focus. People would be able to move freely and access services and social amenities. People would also be able to shift from houses to houses with ease depending on their needs. Controlled development would also promote sustainable transportation within the Sunshine Coast region. Long-term economic effects would be greater economic stability and efficiency in the region because of the numerous employment and economic opportunities that would be created. There would also be an improvement in lifestyles reflecting the social and economic sustainability. This new development model would encourage economic growth to be sustainable and equally distributed.

## Environmental effects

The inappropriate housing developments that do not reflect the changes in family structures have led to an increase in the demand for resources used to build these houses. This demand does not factor in the decreasing number of individuals within households. The extensive use of such resources does not promote sustainable development as it leads to the depletion of the finite resources found in the area. Building materials contribute highly to unsustainable development. The high number of vehicles contributes to the emission of greenhouse gases to the atmosphere that leads to global warming and climate change. The current situation also encourages the over-reliance on fossil fuels for energy.   
The factoring of housing affordability in development of Sunshine Coast would lead to a reduction in the resources used as building materials. This controlled housing development takes into account the decreased household sizes that prefers smaller affordable dwelling units. A reduction in the number of vehicles used on the roads would also reduce the ecological footprint of the region. Such a move would promote sustainable development in the area and ensure the meeting of the needs of both current and future generations (Downs, 10).

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