

# Research Agenda

## **National Housing Research Program**

### **Research Agenda 2012**

**Australian Housing and Urban  
Research Institute**



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# 1 PURPOSE

AHURI's [National Housing Research Program](#) (NHRP) Funding Round 2012 offers exciting opportunities for conducting housing and homelessness research in Australia. There were significant changes in the policy environment in 2009, with the implementation of the [National Affordable Housing Agreement](#) (NAHA) and the attendant National Partnership Agreements. The National Housing Research Program Research Agenda reflects this shift to an integrated whole of housing system approach. The NAHA will expire in December 2014 with a review to be completed by December 2013. The National Housing Research Program Research Agenda 2012 (hereafter *Research Agenda 2012*) continues to emphasise the importance of establishing the links between the housing system and the broader social context.

The eight [Strategic Research Issues](#) reflect the strategic interests of the current housing policy reform agenda. AHURI seeks to continue to provide greater scope for the research community to explore innovative research questions, whilst maintaining a focus on those issues of strategic importance to the policy frameworks of government.

The overview of the policy context indicates the current policy priorities and provides guidance to researchers as to topics and issues that are of immediate relevance to policy-makers. In addition to this, the Research Agenda 2012 provides a brief overview of the existing evidence base pertaining to each of the Strategic Research Issues. Applicants are strongly encouraged to ensure that research proposals contribute to the development of this cumulative evidence base, and build upon the research already completed. A companion document to the Research Agenda 2012 [catalogues AHURI funded projects](#) by theme.

The National Housing Research Program includes a capacity building component and will award two Postdoctoral Fellowships in the NHRP Funding Round 2012. Based on the positive response to the new research vehicles introduced in 2010, AHURI will continue to consider proposals for Essays and Investigative Panels on topics within the scope of the Research Agenda. These research vehicles offer an innovative approach to engaging policy-makers, practitioners and the research community in the exchange of ideas. The design of these research vehicles takes into account the requirement for a timely response to emerging policy issues.

The structure of the National Housing Research Program Research Agenda was informed by the [2009 review](#) of previous Research Agendas by a leading international academic, Professor Susan Smith. The research community is strongly encouraged to continue to explore new research designs and approaches in the forthcoming NHRP Funding Round. The Research Agenda 2012 provides guidance to researchers on research approaches sought, including ways to identify current gaps in the evidence base in terms of research contexts, and methods and data sets. The review is also available on the AHURI website, and can be used as a reference in developing research applications.

The Research Agenda 2012 should be read in conjunction with the NHRP Funding guidelines for applicants, Funding guidelines for Postdoctoral Fellowships, the Ethical principles and guidelines for Indigenous research. Applicants should use the forms provided on the AHURI website at: [http://www.ahuri.edu.au/research\\_agenda\\_funding/about\\_funding/](http://www.ahuri.edu.au/research_agenda_funding/about_funding/).

## 2 POLICY RESEARCH CONTEXT

This section identifies key contemporary policy issues that may require new housing research activities to inform policy considerations.

### 2.1 Current policy context—new research directions

The context of housing research for the NHRP Funding Round 2012 is informed by a number of contemporary policy issues. Housing policies, such as the National Affordable Housing Agreement (NAHA), are nested in the context of other social policies, such as those of homelessness, aged care, mental health and changes to the health system, for instance; as well as broader policy responses to the role of cities and regions, population changes and environmental sustainability, and an economic policy focus on increasing participation and productivity. There is also the particular circumstance of Indigenous Australians and the series of policy responses to Closing the Gap on Indigenous disadvantage.

#### 2.1.1 National housing reform agenda

The National Affordable Housing Agreement (NAHA) has been in operation since January 2009. This ongoing agreement between the Australian Government and state and territory governments integrates a range of policy initiatives designed to affect housing outcomes across tenure types and generate change by way of householders' social and economic participation. The NAHA extends the housing reform agenda beyond the traditional focus on social housing provision and private rental assistance to a whole of housing system approach. This approach recognises the interrelationship of issues of housing tenure, dwelling type, location and financing. AHURI research continues to make a timely contribution to policy debates and the use of a high quality evidence base to inform the NAHA and related [national housing reforms](#).

The reform program specified in the NAHA and associated national partnership agreements are shaping housing policy for the short and longer term, particularly in the areas of homelessness, Indigenous and social housing.<sup>1</sup> Governments have committed to:

- Improve integration between the homelessness service system and mainstream services.
- Reduce concentrations of disadvantage that exist in some social housing estates.
- Improve access by Indigenous people to mainstream housing, including home ownership.
- Enhance the capacity and growth of the not-for-profit housing sector.
- Introduce planning reforms for greater efficiency in the supply of housing.<sup>2</sup>

This does not imply that these areas of the NAHA reform agenda are the only issues of focus in the Research Agenda 2012. However, given the breadth and importance of the NAHA it remains an important reference point for future housing research.

#### 2.1.2 Affordable housing supply

There is an ongoing policy focus on developing a range of affordable housing options across different tenures. This is occurring in the context of the need for an adequate

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<sup>1</sup> See also the National Partnership Agreement on the Nation Building and Jobs Plan: Building Prosperity for the Future and Supporting Jobs Now, for policy direction in social housing construction and reform.

<sup>2</sup> Council of Australian Governments' meeting, 29 November 2008. [http://www.coag.gov.au/coag\\_meeting\\_outcomes/2008-11-29/attachments.cfm#attachmentc](http://www.coag.gov.au/coag_meeting_outcomes/2008-11-29/attachments.cfm#attachmentc)

supply of housing to accommodate the projected growth in Australia's population. The last report of the National Housing Supply Council showed a significant gap developing between projections of underlying demand and land and housing supply over 20 years from 2009 to 2029.

Initiatives such as the National Rental Affordability Scheme (NRAS) have aimed at providing support for the construction of more new affordable housing. NRAS was launched in July 2008 to stimulate supply of affordable rental dwellings, to reduce rental costs for low and moderate income households, and encourage large scale investment and innovative delivery of affordable housing. Over 3000 dwellings have been built and a further 19 400 dwellings are proposed across the nation.<sup>3</sup> On the basis of the NRAS experience, research is needed to review ways of attracting institutional investment to increase the supply of affordable housing provision.

Traditionally, private rental was seen to be a stepping stone for households leaving the family home before continuing on a housing pathway to homeownership. Given the increasing housing affordability problem in Australia, private rental is emerging as a permanent housing tenure for many households, including many on low incomes. In 2006 there was a shortfall of 211 000 dwellings in the supply and availability of dwellings affordable to very low income households. This underlines the importance of the National Rental Affordability Scheme to drive supply at the lower end of the private rental market.

AHURI is currently researching the longer-term trends in the private rental market and has also commissioned a research project examining the dynamics of the marginal housing rental market, which includes boarding houses, long-stay caravan parks and the interface with specialist homelessness services. Also of interest for policy-makers is an understanding of the broader Australian housing market and where and how many sub-markets operate. For example, which households use particular housing sub-markets, how does this change over time and what housing outcomes are provided?

With the private rental market remaining the largest significant provider of housing for some low-income households, there is a need to understand how the private rental system can better meet the housing needs of some of those currently residing in social and public housing. Of interest for policy-makers are questions about the effectiveness of existing state and Commonwealth financial support mechanisms in assisting low income households to access and sustain private rental, and the effect on economic participation.

Research is also warranted on opportunities for increasing the supply of affordable, secure and adequate housing through the private rental market and the institutional (and financing) arrangements required. There is policy interest in ways of promoting an institutional scale, privately funded rental sector that delivers quality, secure and affordable rental housing. From a research perspective, consideration could be given to the systemic transformations needed to improve rental housing as tenure of choice, such as finance/investor behaviours, regulation, and institutional arrangements. Such an exploration would usefully examine mechanisms to overcome any barriers to institutional investment in the private rental and social housing markets.

Research on this issue could include a focus on the potential for institutional investors to enter the market and offer more attractive tenancy options for low-income households such as longer-term, secure tenancies. A comparative analysis of international examples would be one useful point of reference, particularly with regard to institutional arrangements providing for security and affordability that could be

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<sup>3</sup> See Shevlin, J. (2011) *National Rental Affordability Scheme*, presentation to the National Affordable Housing Exchange, 14–15 April 2011, Sydney <<http://exchange.in-sync.com.au/images/Shevlin.pdf>>

transferable to the Australian context. Included in a policy focus on private rental markets is the housing circumstance of Indigenous households located in urban areas. Approximately 75 per cent of Indigenous people live in cities and regional areas and the experiences of Indigenous people in the private rental market is an area of interest for policy-makers.

An integral part of the provision of affordable housing options is the ongoing expansion of the not-for-profit housing sector. It is recognised that increased scale in the community housing sector is required to deliver the necessary increase in affordable housing supply.<sup>4</sup> Work is still underway to develop a national regulatory framework that will support the not-for-profit community housing sector, as well as exploring mechanisms to attract private investment into the sector. This latter issue has been the subject of some AHURI research but there is a need to further identify practical mechanisms to facilitate institutional investment to fund the scaling-up of affordable housing provision.

Underpinning policy considerations of increasing affordable housing supply are questions about how costs of construction and materials can be reduced, especially for medium and higher density construction. Research could examine current practice and identify examples of best practice in different jurisdictions, as well as any lessons that can be learned from international experience.

Planning is also an area warranting further research, especially the use of innovative planning approaches to support the supply of affordable housing. The National Partnership Agreement on Social and Affordable Housing, and the Nation Building and Jobs Plan have funded the construction of a large number of social housing dwellings. A number of innovative planning mechanisms were implemented to ensure timely construction of these dwellings across the nation. What these planning mechanisms have delivered in terms of overall housing and urban outcomes, including built form and social benefits, is a matter of policy interest. Research could usefully examine how effective measures such as the VC56 for Nation Building and the NSW [State Environmental Planning Policy \(Affordable Rental Housing\) 2009](#) speed up development approval of social and public housing and what policy lessons could be learned.

### *2.1.3 Housing, social support and social inclusion*

The targeting of public housing to those most in need has been associated with a closer coupling of forms of housing assistance with support services. There is an ongoing policy discussion about the provision of 'joined-up' and 'wrap-around' services, as well as the benefits of greater service integration across multiple service fields including specialist homelessness services, mental health, disability and drug and alcohol services. This increasingly requires State Housing Authorities to work more closely with providers of welfare services and support both within and outside government departments. This also requires a different set of expertise, skills and capacity within a State Housing Authority to work with an increasingly complex tenant group.

Research in this area would inform an understanding of the changing institutional setting of State Housing Authorities; originally established as providers of public housing to the 'working poor', they have increasingly become providers of accommodation and support services in collaboration with other welfare services. It is anticipated that this policy issue would benefit from an historical analysis of the changing institutional setting and role of public housing provision. Research could also

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<sup>4</sup> Speech by Minister the Hon Mark Arbib to the National Affordable Housing Exchange, 14–15 April 2011, Sydney <[http://www.markarbib.fahcsia.gov.au/speeches/Pages/address\\_nat\\_affordable\\_house\\_14042011.aspx](http://www.markarbib.fahcsia.gov.au/speeches/Pages/address_nat_affordable_house_14042011.aspx)>

contribute to an understanding of the type of staff skills and professional development and support required by staff to address the increasing complexity of clients.

Research to determine the mix of accommodation and support services for high- and low-need client groups, the length of the provision of accommodation and support provided and the depth of the housing and support subsidy required is also pertinent. This could include consideration of the effect (or not) of different rent setting models and social housing delivery and funding models upon tenant and community outcomes. These issues of providing different mixes of accommodation and support is especially pertinent in aged care where the recent draft report by the Productivity Commission into *Caring for Older Australians* highlighted the need for age-friendly housing and neighbourhoods. Further research could usefully focus on additional policy areas such as disability.<sup>5</sup>

More broadly, the aspirational objective of the NAHA is 'that all Australians have access to affordable, safe and sustainable housing that contributes to social and economic participation'<sup>6</sup>, is complemented by a whole of government focus on social inclusion. This is expressed in the Social Inclusion Agenda as well as the formation of the Social Inclusion Unit within the Department of Prime Minister and Cabinet, and in the formation of the Australian Social Inclusion Board.

Research that informs these objectives would explore the role of housing as a social policy instrument for responding to, and effecting, social transitions.<sup>7</sup> The dimensions of wellbeing (e.g. social and economic participation, health and financial security) are a measure for governments to gauge the success of national and local policy interventions within and beyond the housing reform agenda.<sup>8</sup> In particular, place and the importance of place-based approaches are an important component of the delivery of housing and related human services. A more obvious example is large public housing estates which combine the provision of social housing and support services to a defined geographic area. A related issue is the effect of anti-social behaviour on the wellbeing and perception of safety of residents and communities.

AHURI has recently commissioned a large Multi-Year Research Project (MYRP) to explore the specific issue of housing and the concentration of social disadvantage. This project will examine the role of housing, housing policies and programs in understanding and addressing spatial concentrations of disadvantage. In particular, this project will explore how concentrations of social disadvantage have been conceptualised and how this relates to our broader understanding of the operation and impacts of housing and urban systems.

There remains a research opportunity to further policy understanding of broader place-based approaches with an emphasis on the role of housing in the delivery of a range of welfare and support services, such as aged-care, disability support and primary health care, to a particular neighbourhood or locale. Of policy interest is the question of a place based approach to sustaining tenancies and the role of housing allocations policy, public/private mix, pro-active tenancy management (such as housing and health outreach and supported referral) on outcomes for public and social housing tenants. From a research perspective, this means shifting the level of

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<sup>5</sup> See Productivity Commission (2011) *Caring for Older Australians*, Issues Paper, Canberra <[http://www.pc.gov.au/data/assets/pdf\\_file/0008/104894/14-chapter10.pdf](http://www.pc.gov.au/data/assets/pdf_file/0008/104894/14-chapter10.pdf)>

<sup>6</sup> National Affordable Housing Agreement, clause 5

<sup>7</sup> Smith, S. (2009) *AHURI Research Agenda: looking forward*, AHURI, March 2009, p.8

<sup>8</sup> See for example, the terms of reference for the review of Australia's tax system (Ken Henry), which seeks recommendations to enhance overall economic, social and environmental wellbeing with a particular focus on ensuring there are appropriate incentives to facilitate access to affordable housing, <<http://www.treasurer.gov.au/DisplayDocs.aspx?doc=pressreleases/2008/036.htm&pageID=003&min=ws&Year=2008&DocType=0>>

analysis to a neighbourhood or place level rather than a focus on the behaviour of households.

The burgeoning growth of the community housing sector as a provider of affordable housing raises questions about the comparative outcomes for social housing tenants resident in public and community housing. Research is required to measure tenant outcomes across a number of areas including housing outcomes (such as levels of satisfaction and security), economic participation (including education and training), and social participation. It is anticipated that many of these household level outcomes are dependent on factors occurring at a neighbourhood level, such as social mix, and require a complementary level of analysis.

#### *2.1.4 Homelessness*

The Australian Government's White Paper on homelessness has elevated the issue of homelessness reform to a national level. The White Paper outlines three related areas for attention: prevention; improving and expanding services; and breaking the cycle of homelessness. Homelessness is also a significant work area for all governments as part of the NAHA. The intent is to improve integration between the homelessness service system and mainstream services. Different states and territories have also developed homelessness strategies and implementation plans. These developments complement the activities of the Australian Government and build on current initiatives within the non-government sector.

The changing policy environment for homelessness requires research that reflects the focus on prevention and early intervention and ways of responding to different disadvantaged groups. Of policy interest are questions about the optimal role of preventative services and forms of assistance to avert the loss of housing for different households. Considerable research has been undertaken by AHURI and others (such as through the current FaHCSIA research agenda) on different aspects of homelessness. Any additional research in 2012 through the AHURI National Housing Research Program needs to complement and augment the cumulative evidence base.

There is a policy need to understand how different households move into and between different types of homelessness over time, as well as the effect of different types of government interventions in preventing homelessness. The notion of different types of homelessness refers primarily to the common distinction in the Australian policy context between primary homelessness (people without conventional accommodation, such as rough sleepers), secondary homelessness (people who frequently move between temporary accommodation, emergency shelters, sleeping on couches etc.) and tertiary homelessness (people who have insecure tenure and who may be staying long-term in boarding houses where they do not have private bathroom or kitchen facilities). From a policy perspective, there is a difference between someone briefly staying with friends or relatives and a person 'sleeping rough' over an extended period of time. Research would usefully identify these issues and assess the service interventions required.

#### *2.1.5 Closing the Gap*

Equality of access for Indigenous Australians to housing services and opportunities cuts across each area of future policy activity under the NAHA. Ambitious targets have been set by the Australian Government for closing the gap between Indigenous and non-Indigenous Australians living in urban, rural and remote areas. This includes Closing the Gap in the areas of housing, health, education and employment outcomes. Healthy homes has been identified as a strategic platform in achieving these targets and there is scope for future research to analyse the impacts of housing interventions upon these targets.

A continued focus on the specific issues of improving the quality and supply of Indigenous housing and infrastructure in remote communities remains a policy priority for research. COAG has committed \$5.5 billion over ten years to improve housing in remote areas through the National Partnership Agreement on Remote Indigenous Housing (NPARIH). The NPARIH aims to facilitate dramatic improvement of the housing stock and significant reform of property and tenancy managements, addressing issues of overcrowding, homelessness, poor housing condition and severe housing shortage in remote Indigenous communities.

There is also policy interest in Indigenous homeownership as well as the effects of housing on non-shelter outcomes for Indigenous households. A further area of policy interest is the development of innovative housing service models in urban, regional and remote settings and the outcomes achieved. There is policy interest in supporting homeownership for Indigenous households in urban areas and the affect this may have on employment opportunities, skills development and health. There is also policy interest in exploring the industry development opportunities of the Indigenous Community Housing Organisations (ICHOs). Building on previous AHURI research on the ICHO sector, this requires analysis of the current and potential capacity of providers and consideration of the strategies required (including the role of government) to support a sustainable development of the ICHO sector to provide a range of housing services.

To contribute to an evidence informed policy discussion on Indigenous housing issues, AHURI is developing an Indigenous Multi-Year Research Project (I-MYRP). This project will proceed over three years and it is anticipated that the issue of urban-rural-remote housing systems for Indigenous people will form part of the focus. The final scope of this project will be determined in consultation with the policy community.

### *2.1.6 Urban and regional context*

The release of the Australian Government's [Our Cities Discussion Paper](#) highlights the ongoing commitment by the Australian Government to consider the urban context.<sup>9</sup> This follows the establishment of the Cities, Housing and Planning Unit by Federal Treasury and the focus of the Council of Australian Governments (COAG) on capital cities and strategic planning systems.

Cities make a significant contribution to the national economy and the housing system is, in turn, an integral part of how cities function. As noted in the Our Cities Discussion Paper, there is a need to facilitate the supply of appropriate and mixed income housing for different household groups.<sup>10</sup> Research is needed to explicate the effects of housing on the functioning of cities, its impact on economic participation and productivity in urban settings, and the consequences of these developments for different household groups across the life course.

There is also a greater policy focus on regional Australia and the need to balance economic and social activity between cities and regions. As outlined in the recent Federal Budget (2011–12), there is a renewed national commitment to working with local communities to find creative and place-based solutions to issues particular to these communities. As shown by completed AHURI research, housing is an important part of local infrastructure and supports the economic and social participation of households. For example, AHURI research points to the specific nature of housing markets in some rural and regional centres, as well as documenting the unique

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<sup>9</sup> See Department of Infrastructure and Transport (2011) *Our Cities, Our Future - A National Urban Policy for a productive, sustainable and liveable future*, Canberra <<http://www.infrastructure.gov.au/infrastructure/mcu/urbanpolicy/index.aspx>>

<sup>10</sup> *ibid*

pressures in resource boom towns which adversely affect housing outcomes for service sector employees.

There is a need to develop a housing evidence base that focuses on the effects of how Australian cities are formed on a range of housing outcomes such as housing affordability, social inclusion and concentrations of disadvantage. Likewise, an evidence base on the housing circumstances of regional Australia is also warranted. Accordingly, housing research needs to go beyond the household and individual level to accommodate the impacts of policy interventions for communities, cultures, neighbourhoods, institutions, and the state.

### *2.1.7 Housing, household composition and population growth*

The issue of housing supply and the growth of our cities has been cast into relief by the increased prominence given to population growth. The [Sustainable Australia—Sustainable Communities](#) strategy seeks to enhance the wellbeing and opportunities of current and future generations through more effective anticipation, planning and responses to the impacts of a changing population on our economy, environment and communities.<sup>11</sup> Such considerations highlight the long-term effect that population growth and changes in household composition have on housing demand. The Australian population is projected to grow from 22.2 million to 35.9 million by 2050.<sup>12</sup> To sustain this, an increased and more efficient housing supply is required.

Previous research by AHURI on the intergenerational effects of population ageing on housing provided one perspective on this policy debate. However, further research may be warranted into the way population growth will affect housing demand in different areas of Australia, including the impact of an ageing population more generally. Demographic ageing of the population, and falling homeownership rates amongst those over 45 years of age are likely to place increased demands on health and aged care expenditure. Research could include, but would not be limited to, modelling of forecast changes in tenure patterns (and implications for different forms of housing assistance), wealth transfer within and between generations, and the changing geography of cities and regions. This policy issue also lends itself to a focus on changes for different groups in Australian society including Indigenous households.

A related issue is the effect of housing wealth on social mobility. AHURI research highlights how the current housing system produces inequities in housing outcomes as well as differences in housing wealth (either as an owner-occupier, renter or investor in rental stock). Research could usefully examine the effect of the transfer of housing wealth (through mechanisms such as inheritance) on social mobility and the creation of education and employment opportunities. The distribution of housing wealth within and between generations is often linked to questions of social mobility such as educational achievement, economic participation and overall levels of opportunity and wellbeing. This policy issue is applicable to the ageing of the population and the transfer of housing wealth by the *baby boomer* generation. It is equally of relevance when considering the financial and non-financial outcomes of the transfer of housing wealth (or the absence of it) for Indigenous households.

### *2.1.8 Housing and environmental sustainability*

Alongside policy issues of sustainable population growth is the role of housing in environmental sustainability. Environmental issues remain an ongoing policy

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<sup>11</sup> Department of Sustainability, Environment, Water, Population and Communities (2011) *Sustainable Australia—Sustainable Communities*, Canberra <<http://www.environment.gov.au/sustainability/population/publications/pubs/population-strategy.pdf>>

<sup>12</sup> The Treasury (2010) *The 2010 Intergenerational Report*, Canberra; <<http://www.treasury.gov.au/igr/igr2010/>>

challenge and issues of housing supply, affordability, housing design and the urban form within which housing is located—all have implications for environmental sustainability. For example, there is a growing focus on the social and economic sustainability of housing, as evident with current discussions on social rates of investment in the community housing sector.<sup>13</sup> A related issue is the differential effect of environmental sustainability measures across housing tenure and housing types including public housing. This has particular implications for low-income households who typically are residing in less environmentally friendly and more costly dwellings.

National policy debates about the introduction of a carbon tax as one mechanism to address carbon emissions and other environmentally unsustainable practices remain current. Recent policy debates are focusing on the application of a carbon tax and its effect on different household groups. What is less clear is how questions of carbon pricing, and the broader policy issue of environmental sustainability, relate to housing policy and forms of housing assistance. Research is required to understand the nature of this relationship, with questions about carbon being an important point of reference. It is anticipated that these research issues will be framed in terms of the whole of housing system effects, such as the effects of housing assistance. Research should build on, but not be restricted to, issues of housing design.

### 2.1.9 *Housing, productivity and economic participation*

All of the aforementioned policy issues occur in the context of economic growth and the fair distribution of opportunity, including housing outcomes, for all members of the community. An outstanding policy issue is the role of housing (and cities) in achieving productivity gains, given the need to drive productivity in the Australian economy. Further research is required to identify the changing position of housing in relation to the wider economy. This refers both to the macro-economy of the Australian nation, states and territories, and to the micro-economy of households.<sup>14</sup> Whilst the Australian economy has emerged from the effects of the Global Financial Crisis (GFC), projections in the 2011–12 Federal Budget suggest there remain a number of risks to Australia's economic outlook largely based on instabilities in the international economy.

Ongoing changes in the economy are affecting many Australian households and their housing prospects, especially those households that are marginally attached to the labour market. The continued development of a *two-speed* economy, with the mining and associated sectors currently growing at a high rate, while the other sectors are experiencing declining activity, points to the vulnerability of some households. It is also expected that the continued upward movement in interest rates will have a flow-on effect on housing demand and will likely place financial pressure on those households at the greatest risk of housing stress. Some concern has been expressed by the Reserve Bank of Australia about an increase in mortgage arrears, albeit from a low base, and a concern that some first-home purchasers may have over committed themselves financially in order to enter the market and are now vulnerable to rising interest rates.<sup>15</sup> The potential generation of negative equity amongst home purchasers could put homeownership at risk. Consequently the prevalence of financial and social stress is expected to remain, with implications for housing affordability, housing markets, the construction and allocation of affordable housing, and demand for housing linked support programs.

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<sup>13</sup> See Wyatt, R. (2011) *Social Return on investment—measuring what matters in the community housing sector*, presentation to the National Affordable Housing Exchange, 14–15 April 2011, Sydney <<http://exchange.in-sync.com.au/images/Wyatt.pdf>>

<sup>14</sup> Smith, S. (2009) *AHURI Research Agenda: looking forward*, AHURI, March 2009, p.8

<sup>15</sup> Battellino, R. (2011) Address to Annual Stockbrokers Conference, Sydney, 26 May 2011 <<http://www.rba.gov.au/speeches/2011/sp-dg-260511.html>>

Policy would benefit from an understanding of the role of the housing sector as part of the broader economy. For example, the housing construction, finance and real estate industries are large employers. Housing is also a significant consumption item for households and is supported through various forms of direct housing assistance (such as Commonwealth Rental Assistance) and indirectly through the tax transfer system. Research is required to inform a policy understanding of the contribution of the housing sector to a productive economy, such as its role as an employment generator, as well as the way the housing system may encourage over consumption and because of its role within the tax and income transfer system.

There is also the related issue of how skills development, accessing employment and economic improvement impact on housing outcomes. Governments have long been concerned about the poor rates of employment participation by public housing tenants compared to households in other tenures, particularly households in private rental on Commonwealth Rent Assistance (CRA). The Henry Tax Review drew attention to the workforce disincentive effects of the income based rent setting mechanisms used by all Australian housing authorities. Research into the employment dynamics of public housing tenants would help to develop policies to address these issues.

A related issue is the changing housing consumption behaviour of households. In the context of changes in the housing market (such as falling rates of homeownership, affordability issues, a trend towards longer periods renting privately), many households are altering their housing aspirations and making corresponding changes in the type and timing of their housing consumption decisions. Some of these behaviours are well known, such as the delayed exit of young people from the family home and occasional 'orbiting' back when required. Other potential issues concern trade-offs made by housing consumers (e.g. moving to outer fringe suburban areas) and the costs (e.g. on transport, social and physical infrastructure) borne both by households and at the level of the regional and macro-economy. From a policy perspective, it is surmised there are a range of other housing consumption behaviours that are less well known but are affecting housing outcomes for some households and having unintended consequence for paid employment, education, household formation. An important issue is the housing decisions and behaviour of Indigenous households and how this is affecting housing outcomes.

#### *2.1.10 Conclusion: building on a whole of housing system approach*

An ongoing feature of the AHURI National Housing Research Program Research Agenda is a whole of housing system approach. This entails a broadening of the predominant focus of past AHURI research on housing assistance for vulnerable households to encompass a cross-section of the Australian population, their tenure choices and associated financial and other risks. A spread of housing research is needed that assesses the impacts on, and of, housing policy for individuals, households and properties, on the one hand, and communities, neighbourhoods, regions, institutions and the state on the other. There is an opportunity to build on this evidence base through a focus on the contribution of housing to economic participation, productivity and population.

### 3 STRATEGIC RESEARCH ISSUES

Below are eight Strategic Research Issues that derive from the new policy environment for housing. Research responding to these strategic issues will advance national housing policy development. Applications for funding are invited in response to these Strategic Research Issues. Keeping in mind the policy context outlined in the previous section, applicants are requested to:

- design a research question addressing a Strategic Research Issue, or aspect thereof
- articulate the policy relevance of the research question they are proposing
- specify the potential contribution to policy development of undertaking the research.

Diverse research activities are sought on the following Strategic Research Issues. The potential outputs of these activities could include Essays, Investigative Panels and/or Research Projects:

1. Housing and related systems that prevent homelessness and promote wellbeing and stable housing outcomes.
2. Housing choice in a social/affordable housing system with diverse providers and increased supply.
3. Housing and neighbourhoods that generate social inclusion, economic opportunities and wellbeing.
4. Housing opportunities for Indigenous communities that support improved amenity, wellbeing and economic sustainability.
5. Structures within the housing system, including finance, support services, and tenure arrangements that enable households to access housing as their needs change over time.
6. Efficient land and housing markets that meet demand (affordably and appropriately), enable labour market and other mobility and support productivity gains in the economy.
7. Understanding and responding to the impact of systemic shifts (e.g. global financial crisis, social transitions, environmental change) upon structures within the housing system and housing outcomes.
8. Understanding and responding to the effects of non-housing policies and programs upon housing outcomes and wellbeing (e.g. health, education, land use planning, aged care, labour market programs, tax, carbon pollution reduction, water use etc.).

#### **3.1 Housing and related systems that prevent homelessness and promote wellbeing and stable housing outcomes**

##### *3.1.1 Key understandings from existing AHURI research*

- Defining homelessness accurately is important because the way we understand homelessness shapes prevention strategies.
- Addressing homelessness is cost effective for governments.
- Adequate and appropriate housing along with support services that address non-housing needs is critical to preventing future episodes of homelessness.

### 3.1.2 Homelessness prevention and achieving stable housing outcomes

Defining homelessness accurately is important because the way we understand homelessness shapes prevention strategies. In Australia, there is broad agreement in research and government policy that homelessness is not simply people sleeping on the streets. A commonly used definition includes three categories<sup>16</sup>:

- People without conventional shelter such as rough-sleepers or squatters.
- People who are constantly moving between temporary accommodations such as emergency shelters or family and friends' couches.
- People who have long-term accommodation without access to private cooking facilities or bathrooms, and without any security of tenure. One example of this type of homelessness is boarding house residents.

In addition, AHURI research examining Indigenous homelessness finds that the causes of, and solutions to Indigenous homelessness are significantly different to those of non-Indigenous Australians and mainstream concepts of homelessness do not necessarily reflect Indigenous understandings. These understandings are influenced by traditional roles and the kinship system. For Indigenous people, homelessness could be better redefined as losing one's sense of control over, or legitimacy in, the place where one lives. Three broad categories of Indigenous homelessness emerge from the research:

- public place dwellers
- those at-risk of homelessness
- spiritually homeless people ([Project 20168](#); [Project 80368](#)).

Indigenous mobility patterns can make it difficult for housing services to distinguish between housing exclusion and culturally motivated temporary mobility. AHURI research ([Project 40526](#)) identifies the risk of homelessness for different 'mobility groups' which are distinguished on the basis of the motivation for travel (voluntary or involuntary), and the length of time away from home.

Addressing homelessness is cost effective. AHURI research finds that homeless people with complex needs impose a greater cost burden on support services compared to clients in stable, secure housing with similar needs. Further research indicates that homelessness programs are cost-effective as they produce positive outcomes for clients. Further research is currently underway which is contrasting the cost of homelessness with the net cost of homelessness programs ([Project 80604](#)). This is built on an early study on the costs of homelessness to government ([Project 80306](#)).

Adequate and appropriate housing along with support services that address non-housing needs is critical to preventing future episodes of homelessness. This is consistent with the policy focus on both preventing and breaking the cycle of homelessness once it does occur. Location is also important to sustaining tenancies and preventing homelessness as access to familiar services and social networks can reduce social isolation for people. There is strong evidence that those at-risk of becoming homeless when they lack support will overwhelmingly sustain their tenancies with support ([Project 80372](#)). Research is underway that will examine the role of community housing in meeting the housing and support needs of homeless people ([Project 70686](#)).

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<sup>16</sup> Chamberlain, C. and Mackenzie, D. (1992) Understanding contemporary homelessness: issues of definition and meaning. *Australian Journal of Social Issues*, 27(4), pp.274–297

AHURI research has been conducted with a variety of different groups – older people ([Project 70135](#)), people with a mental illness ([Project 70072](#)), newly arrived migrants ([Project 40006](#); [Project 40048](#)), ex-prisoners ([Project 70068](#)), Indigenous people and young people in rural areas ([Project 40160](#)) and young people ([Project 70020](#); [Project 30156](#)) young people leaving state care ([Project 30540](#)). It consistently finds that addressing homelessness requires more than the provision of a house; linkages between housing and other support services are crucial to good outcomes.

AHURI research that examined integrated housing and support for tenants with complex needs finds that successful integration requires ([Project 70311](#); [Project 20336](#)):

- Leadership at both strategic and operational levels.
- A shared understanding of roles and responsibilities.
- A shared appreciation for partnerships and an understanding of how they can better deliver outcomes for clients.
- Accountability to these outcomes.
- Strong relationships between different service delivery organisations.

A number of current projects are underway. As the AHURI evidence base in relation to housing and homelessness is relatively mature, the focus of these projects has shifted to the examination of specific approaches or specific population groups. For example, one project is examining the role of assertive outreach in addressing primary homelessness ([Project 20607](#)), another is examining how well and to what effect homelessness services link with mental health and drug and alcohol services ([Project 80568](#)), and a third project is examining intergenerational use of the Supported Accommodation Assistance Program (SAAP) ([Project 80516](#)).

Two projects are examining homelessness in relation to particular population groups. The first is looking at how independent housing can increase access to community support services for young people in recovery from mental illness ([Project 50682](#)), and the second is looking at homelessness prevention for women and children who have experienced domestic and family violence ([Project 50602](#)).

## **3.2 Housing choice in a social/affordable housing system with diverse providers and increased supply**

### *3.2.1 Key understandings from existing AHURI research*

- Our current housing system does not provide adequate supply or choice for low-income households, resulting in high and growing levels of housing affordability stress.
- Australia needs an increased supply of affordable rental housing for low-income households.
- Real investment in public housing stock has declined over the last decade.
- The private rental market fails to provide adequate supply at the low-end of the market.
- Governments must commit to an ongoing capital and recurrent operating subsidy in order to build a strong and sustainable social/affordable housing system with diverse providers and increased supply.
- Growing the not-for-profit housing provider sector through financial, regulatory and capacity building interventions has proven successful and cost-effective internationally.

- Improving linkages between social housing providers can result in better client outcomes.

### 3.2.2 *Our current system does not provide adequate supply or choice*

The AHURI National Research Venture 3 (NRV3) has found that housing affordability is a structural, long term problem in Australia:

- The amount spent on housing costs across all households has risen from around 11 per cent of household income in the mid-1970s to just over 15 per cent in 2003–04 ([NRV3 Final Report](#)).
- The decline in house purchase affordability is a structural problem caused by house prices growing faster than incomes over the last half century. Between 1960 and 2006 real house prices increased at an average of 2.7 per cent each year compared to 1.9 per cent growth in real incomes ([NRV3 Final Report](#)).
- Currently around 15 per cent of all households pay at least 30 per cent of their income in meeting their housing costs. This percentage has remained relatively stable over the past decade ([NRV3 Final Report](#)).
- However, the burden of paying high housing costs is not equally distributed: the proportion of lower-income households paying high housing costs is 28 per cent, almost double the average, and has risen from 24 per cent over the last decade ([NRV3 Final Report](#)).

The AHURI National Research Venture 3 found that 862 000 lower-income households in 2002–03 were in housing stress and nearly half of these households (417 000) were paying more than 50 per cent of their gross income on housing. In addition, another 164 000 moderate income households were also paying more than 30 per cent of their income on housing costs ([NRV3 RP3](#))<sup>17</sup>.

The 2002–03 analysis found that almost 40 per cent of all households in housing stress (326 000) were lone person households, while another 354 000 were households with children in housing stress ([NRV3 RP3](#)).

### **Real investment in public housing has declined over the last decade**

AHURI research has documented the decline in capital and operational funding for public housing up to 2005–06 and the impact on the supply of dwellings ([Project 30154](#)). Hall and Berry (2004) report that the total stock of public and community sector housing has been declining since 1996–07, from a peak of around 382 000 dwellings, to 375 000 dwellings in 2000–01, followed by further losses of 10 100 dwellings to 2005–06.

Berry and Hall report that over the decade between 1990–91 and 2000–01, total real capital funding for public housing in Australia fell by 25 per cent ([Project 30282](#)). In addition, the rental revenue base has been in decline largely as a result of increased targeting of public housing to low and very low income tenants. Over 87 per cent of tenants were on rebated rents over the period 2000–01 to 2005–06 and over 40 per cent of new tenancies were allocated to high needs priority applicants ([Project 30282](#)).

### **The private rental market fails to provide adequate supply at the low-end of the market**

AHURI has established there is persistent market failure at the low-rent end of the private rental sector. Wulff et al.'s (forthcoming) most recent analysis of 2006 Census data identifies a worsening affordability problem for low-income private renters, over the ten years from 1996–2006 ([Project 50502](#)).

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<sup>17</sup> The research used data from the 2002–03 *Survey of income and housing*

While the number of households renting privately has grown, there has been a net decline of stock in the low-rent segment of the market.

Private rental grew by 11 per cent between 2001 and 2006, compared to 8 per cent growth in the previous period between censuses ([Project 50502](#)). While private rental stock in the four lowest rent categories declined from 50 to 37 per cent between 2001 and 2006.

Most importantly the availability of the remaining low-rent stock to low income renters is declining, with worst conditions recorded in the capital cities and some Queensland regional centres. The experiences of low-income households excluded from the private rental sector in Australia are the focus of research currently underway ([Project 20610](#)).

The research finds a consistent phenomenon of higher income households occupying lower cost dwellings. In 2006, 56 per cent of existing low-cost dwellings were occupied by higher income households, resulting in a shortfall of 211 000 available affordable private dwellings. This means there was only one dwelling available for every five *very low-income* households ([Project 50502](#)).

Geographically, Sydney records the greatest shortages, followed by the Gold Coast and the Sunshine Coast and then Melbourne and Brisbane ([Project 50502](#); [Project 60190](#)).

It is therefore unsurprising that low-income private renters experience the greatest incidence of housing affordability stress in Australia ([NRV3](#)).

### **Demand for affordable rental housing is stronger than ever**

Explicit demand for public and community housing is stronger than ever ([Project 50318](#); [Project 50347](#)). There is latent demand which is not even registered on waiting lists. Those who apply for public housing are generally seeking increased security of tenure over locational and dwelling choice ([Project 50142](#)).

There is evidence of different needs and preferences for public housing. Demand for particular dwelling types such as high-rise can vary between ethnic groups and locations. Areas with high private sector rents also have high unmet demand for public housing. Analysing demand through the lens of *housing submarkets* may assist providers in improving the delivery of public housing in the shape and location where it is most needed ([Project 50347](#)).

### *3.2.3 Governments must commit to an ongoing capital recurrent subsidy*

#### **Existing financing mechanisms for the state and territory housing authorities are inadequate to increase the supply of affordable rental housing sector**

Changes to the Commonwealth-State Housing Agreement in 1996 caused six out of nine state/territory housing authorities to run in deficit. AHURI has demonstrated that Commonwealth funding of the gap between public tenant rental charges and the market value of those units would allow all but one of these authorities to run in surplus ([Project 30154](#)).

Australia's public housing receives relatively low subsidies compared to international counterparts. This undermines its potential for financial viability. Australian social housing authorities are required to provide both affordable housing for low income households and financial viability for the organisations that manage the housing stock. In other comparable countries, additional subsidies are provided to housing providers to allow them to discount rents. Another approach is to pay specific subsidies to households on a case-by-case basis ([Project 50226](#)).

Increased targeting of housing and concessional rents are costing governments tens of millions of dollars in lost rental revenue. Small increases in the percentage of income paid in rent by these tenants would go a long way towards reversing this financial trend ([Project 30352](#)). Recent research by AHURI found that there is resistance to reinvesting in public housing because of its poor reputation and the significant costs of providing support to its disadvantaged residents. This research concludes that there are systemic, reputational and ideological challenges to the viability and legitimacy of public housing which throw its long term future into question ([Project 40561](#)).

*3.2.4 Growing the not-for-profit housing provider sector through financial, regulatory and capacity building interventions has proven internationally successful and cost-effective*

### **Increasing supply by growing the not-for-profit housing sector**

International examples and case studies suggest that growing the not-for-profit housing sector (e.g. community housing associations) is a successful way of increasing the supply of low-cost housing stock ([Project 60504](#); [Project 60323](#); [Project 60191](#)).

Regulatory support, reliable, adequate ongoing government subsidy and capacity building are critical for growing an effective and functional not-for-profit housing sector. An effective regulatory framework for community housing associations is essential for ensuring that social housing objectives are met ([Project 60504](#)). A strong regulatory framework could assist with attracting private investment into affordable housing by meeting investors' risk assessment needs ([Project 60504](#); [Project 60118](#)). Research is currently underway that examines the factors shaping organisational change amongst not-for-profit, or Third Sector Organisations, and the implications of this for policy-making and maximising social outcomes in coming years ([Project 70689](#)).

The financial, environmental and social sustainability of affordable housing projects is a focus of new research currently underway ([Project 70617](#)). An AHURI assessment in 2005–06 found that most Australian community housing providers were small-scale organisations, with high levels of volunteer labour and ageing stock. They also had insufficient resources for professional stock management. Whilst operating costs were generally lower for community housing than for public housing, associations tended to severely understate their real operating costs. Most organisations were found to have a backlog of maintenance ([Project 30355](#)).

The Indigenous community housing sector varies widely, according to its location and the types of services delivered. Those with a larger stock of houses tend to perform better, as do those in urban and large centres, and those who only manage housing rather than multiple types of services ([Project 80316](#)). Research is currently underway that explores the opportunities presented by the Community Land Trust model for increasing the supply of affordable housing for Indigenous people ([Project 70639](#)).

An important consideration is attracting increased investment to help grow the not-for-profit housing sector. AHURI has modelled various options for expanding the supply of affordable housing, ranging from: increasing subsidy to state and territory governments to borrow for social housing; launching an equity vehicle on the stock exchange dependent upon Commonwealth equity injection and state revenue subsidies to meet investor returns; and the formation of a non-profit company financed by injection of non-refundable equity by state government, complemented by state borrowing and developer contributions. It found that government subsidies were significantly leveraged by private investment in all cases, with outcomes sensitive to

the level of capital gains, changes in incomes of tenants, and charges such as stamp duty ([Project 30021](#)).

In another project, AHURI also sought to develop a financial product and vehicle through which private retail investors could invest in community housing with the assistance of the expertise of Macquarie Bank. It found that to utilise private retail investment for the expansion of community housing some form of additional government intervention is necessary, either in the form of capital or operating subsidies to the Community Housing Organisations (CHOs). Land tax, stamp duty and other exemptions could be used but not one would be sufficient to enable a CHO to break even. Private sector investment is only feasible if those renting have some form of private income ([Project 50022](#)).

Some researchers have partnered with major investment companies to develop models for private investment in community housing. One such project proposed a pooled fund, much like a listed property trust. However, they calculated a 3 per cent, per annum return, which is too low to attract significant interest. Therefore, they suggest that private investment will not take place without ongoing government investment ([Project 50022](#)).

Over the past decade, partnerships between government, private and not-for-profit sectors have emerged in the delivery of services and infrastructure in Australia ([Project 70588](#)). Public Private Partnerships (PPPs) working in the Australian housing and urban policy context has been characterised by a limited number of high-profile initiatives. PPPs increase the need for coordination across different government departments, consistent regulatory frameworks and the need for clear strategic lines of accountability.

Defence Housing Australia (DHA) is an example of a successful model of public/private housing partnerships ([Project 70575](#)). The sales and leaseback model used by DHA demonstrates a way to attract private investment into the sector with benefits for investors and affordable housing providers.

Research into good practices for managing Australia's community and public housing assets found that working jointly with private sector practitioners, and greater use of shared services with other authorities may offer benefits such as developing skills, providing further education and training and better knowledge management within the sector ([Project 50366](#)).

A number of other countries have successfully implemented private investment schemes. AHURI has analysed those operating in the Netherlands, France, UK, Switzerland, Austria and the US. A wide range of mechanisms to facilitate affordability are explored. Of particular interest to policy-makers includes those implemented in Austria (housing construction convertible bonds model), and the syndicated bonds issuer in the UK ([Project 30439](#)). A research project is currently underway to explore the possibilities of adapting bond finance (and the Austrian model of Housing Construction Convertible Bonds in particular) to the Australian context ([Project 30652](#)).

### **Establishing linkages between providers in a diversifying housing system**

The social housing system in Australia is currently undergoing significant change, in particular the diversification of social housing providers. How these changes are experienced by clients is a key question being tackled by research currently underway ([Project 70615](#)). This research recognises that pathways into and within the social housing system are shifting. For some, these changes may potentially improve access into more appropriate social housing placements. At the same time, it is possible that this may disadvantage some households more than others.

As there has recently been increasing integration between mainstream and culturally specific housing services, a particularly important issue is the need to ensure that social housing is provided in ways that are consistent with cultural values and Indigenous aspirations. Research is currently underway that explores best practice in culturally appropriate service delivery for Indigenous people ([Project 70569](#)).

Community housing providers can make a significant contribution to strengthening local communities, particularly where there are low levels of public housing and in high cost city areas. Community strengthening activities include brokering access to services, personal development and supporting social and economic development ([Project 60025](#)).

### **3.3 Housing and neighbourhoods that generate social inclusion, economic opportunities and wellbeing**

#### *3.3.1 Key understandings from existing AHURI research*

- Housing assistance can significantly improve social inclusion for disadvantaged households.
- There is no clear link between densification and an increase in social disadvantage.
- Safe, stable, secure and affordable housing enhances wellbeing ([Project 60008](#); [Project 70068](#)).
- The location of housing affects a number of aspects of social wellbeing. The stigmatisation of living in a poorer area, the lack of access to health and education services and low housing affordability are all linked to poorer wellbeing ([Project 40600](#); [Project 80188](#); [Project 50300](#); [Project 50361](#)).
- The location, cost and type of housing can have a significant impact on economic participation, as most people live and work in a single region or adjoining regions.
- Successful community development programs start with local people identifying local issues and build on the strengths of the existing community. They also minimise the social disruption where relocation is part of the approach.
- In older areas, urban renewal programs can significantly improve housing stock. This can lead to improved non-shelter outcomes as well as building greater wellbeing and social participation amongst residents.
- Regional investment in social and physical infrastructure can reduce geographic disparities and strengthen communities.

#### *3.3.2 Social inclusion*

- Social cohesion has three key dimensions: social connectedness, inequality and cultural environment. Many aspects of housing, including tenure type and location, affect the level of social cohesion within a community ([Project 50300](#)).

AHURI research has shown that the provision of housing assistance can significantly improve social inclusion for disadvantaged households. Assistance programs can have lifetime benefits for individuals, such as improved access to education, employment and income support. Research demonstrates that these benefits far outweigh the costs to governments ([Project 10003](#)).

The location and urban form of a community can also impact on individuals' participation in society. Recent research into workforce participation for women living in public housing found that if the housing was conveniently located for work or provided access to community courses and activities, or offered paid traineeship programs, it could enable participation ([Project 50515](#)). However, in other respects

living in public housing could also restrict participation in paid work, for example, if the neighbourhood was seen as unsafe, this heightened fears about leaving children alone.

AHURI research has demonstrated that the redevelopment of middle-ring suburbs that are poorly serviced by transport and other infrastructure can actually result in concentrations of disadvantage through large and rapid increases of low-cost housing ([Project 50224](#)).

Although there is no clear link between densification and an increase in social disadvantage, there is a perception that high-density housing leads to concentrated social disadvantage. This is largely due to the historical investment in public housing towers.

Four AHURI research projects currently underway will explore the ways in which housing services and social isolation can either contribute to or alleviate disadvantage and socio-economic exclusion ([Project 40585](#); [Project 40601](#); [Project 50566](#); [Project 50599](#)).

Additionally, AHURI will commission a Multi-Year Research Project (MYRP) on concentrations of social disadvantage commencing in 2011.

### 3.3.3 *Economic opportunities*

The location, cost and type of housing can have a significant impact on economic participation. Housing costs vary by location and the location of affordable housing affects people's access to jobs and their transport time and choices. AHURI research has found that in large metropolitan centres such as Melbourne and Sydney, most people live and work in a single region or adjoining regions ([Project 50024](#)).

Those receiving unemployment benefits tend to move to areas with better employment opportunities. Those in high-cost housing areas are most likely to move, as are young singles and those with some other form of non-benefit income ([Project 70065](#)).

Recent research on gentrification in Sydney and Melbourne show that locations undergoing gentrification gain in high income households, two income households, non-family households and professional households ([Project 40548](#)). In contrast, both cities are losing low income households, family households, households without an employed adult and persons employed in lower status occupations from these locations.

AHURI has also shown that moves from cities to regional areas are often driven by lifestyle and affordability choices. Moves from regional areas to cities are more usually driven by the need to access improved employment opportunities ([Project 70175](#)).

Whilst housing costs do not appear to be the primary driver, high housing costs can provide a disincentive for low-income households to live in those areas with high cost housing and fewer jobs. Older, industrial suburbs tend to have higher unemployment than urban fringe locations. There has been an increase in the number of master designed estates on the urban fringes of major cities in recent years. This has reduced concentrations of disadvantage in these locations ([Project 50024](#)).

In remote Indigenous communities, housing is often the largest investment that is made by governments in infrastructure ([Project 20583](#)). Depending on the way that housing is procured, it can present economic opportunities in the form of employment and training for those living in the community. There is also the potential to strengthen existing governance structures within remote communities. The provision of appropriate housing can also support cultural practices and wellbeing.

### 3.3.4 Wellbeing

Housing can play a central role in promoting social, emotional and physical wellbeing. AHURI researchers have explored community strengthening approaches and found that successful programs start with local people identifying local issues, and build on the strengths of the existing community ([Project 70026](#); [Project 60025](#)). Other important factors are:

- Locally based housing management and community policing ([Project 70026](#); [Project 70111](#)). Social rather than physical interventions are required to achieve a reduction in crime in public housing estates. Intense interagency collaboration and non-traditional community policing are important elements in crime reduction ([Project 70111](#)).
- AHURI research has also shown that community housing associations can make a significant contribution to strengthening local communities, particularly where there are low levels of public housing and in high housing-cost city areas. Their community strengthening activities include brokering access to services, personal development and supporting social and economic development ([Project 60025](#)).

In older areas, urban renewal programs can significantly improve housing stock—leading to improved non-shelter outcomes—and build greater wellbeing and social participation amongst residents. The most effective approaches to urban renewal start with empowering local people and ensuring minimal disruption to existing social networks ([Project 70026](#); [Project 70110](#); [Project 80125](#)). Other important understandings emerging from AHURI research in this area are as follows:

- AHURI research examining the effects of an urban renewal project on the wellbeing of Indigenous communities found that social wellbeing could be diminished despite physical improvements to housing and a de-concentration of poverty. This occurs where there is a lack of understanding of the role that Indigenous relationships with place, family and extended kinship networks play in creating a sense of belonging and community ([Project 80125](#)).
- One of the frequent aims of urban regeneration programs is to build social cohesion through greater social diversity. Whilst there may be some improvement in community spirit, there is little evidence of significant social networks developing between tenants and new property owners ([Project 70110](#)).
- Private sector-led urban development and industrial regeneration can have some positive socio-economic outcomes. However, this may be limited to certain locations and may not filter out to a whole region, or flow across different socio-economic groups ([Project 30035](#)).

Regional investment in social and physical infrastructure can reduce geographic disparities and strengthen communities. Spatially targeted housing assistance has the potential to enhance regional wellbeing, with flow-on effects for the entire country ([Project 70030](#)). Regional investment in social and physical infrastructure can also reduce spatial polarisation of different socio-economic groups.

- Suitable and affordable housing is a vital component of regional development policy and programs. The provision of a broader range of housing types, including specialised housing for cultural groups and people with disabilities, subsidised housing for key professional groups, all play a vital role in attracting and retaining a more diverse community ([Project 60029](#); [Project 80031](#)).

AHURI research examined the impacts of housing on childhood development and wellbeing; this research will be further developed by a new project based on empirical data from the Longitudinal Study of Australian Children, and the Longitudinal Study of Indigenous Children ([Project 80551](#); [Project 80651](#)). The earlier study identified

crowding, affordability, home ownership, frequent moves, and homelessness as significant in impacting children's social inclusion and wellbeing ([Project 80551](#)).

### **3.4 Housing opportunities for Indigenous communities that support improved amenity, wellbeing and economic sustainability**

#### *3.4.1 Key understandings from existing AHURI research*

- Indigenous housing needs differ to non-Indigenous housing needs.
- There are relatively high levels of unmet Indigenous housing need.
- Indigenous dwelling conditions are generally poor.
- Indigenous housing providers are inadequately funded to maintain existing housing stock and to provide additional housing.
- Social housing is a very significant tenure for Aboriginal people and Torres Strait Islanders in Australia, with three in ten Indigenous households living in social housing.
- Housing design is crucial to improving housing amenity and Indigenous involvement in planning and design can improve the functionality and lifespan of housing.
- The causes and solutions for Indigenous homelessness are significantly different to those of non-Indigenous Australians.
- Access to tenancy and other social support services are critical for some Indigenous Australians in maintaining stable tenancies and avoiding homelessness.
- Home ownership can be important to Indigenous people's wellbeing.
- AHURI research indicates that housing provides one of the few genuine opportunities for economic and community development in remote Indigenous communities. The extent to which these outcomes are realised depends on how the housing is procured.
- The viability of Indigenous Community Housing Organisations (ICHOs) is dependent on a number of variables.

#### *3.4.2 Overall findings*

Indigenous housing needs differ to non-Indigenous housing needs. The causal factors are multi-dimensional and resultant from historical circumstances but include:

- Geographic diversity: 25 per cent of Indigenous people live in remote or very remote areas compared to 2 per cent of non-Indigenous Australians, 43 per cent live in regional areas and 32 per cent live in major cities compared to 64 per cent of the total Australian population<sup>18 19</sup>.
- Demographic factors: the Indigenous population is young and growing. Only 3 per cent of the Indigenous population is over the age of 65 compared to 13 per cent of the non-Indigenous population and 37 per cent of the Indigenous population are under the age of 15 years compared to 19 per cent of non-Indigenous

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<sup>18</sup> ABS (2008) *Year Book Australia*. Number 90. Canberra: Australian Bureau of Statistics, page192;  
ABS (2007b) *Housing Occupancy and costs*. 4130.0.55.001. Canberra: Australian Bureau of Statistics

<sup>19</sup> AIHW (2008) *2.02 Overcrowding in housing*. Canberra: Australian Institute of Health and Welfare, p.5

Australians<sup>20</sup>. The *total fertility rate* for Indigenous mothers is 2.1 babies compared to 1.8 babies for non-Indigenous mothers<sup>21</sup>.

- Cultural factors: kinship responsibilities motivate and support high levels of Indigenous mobility, which impacts living arrangements, homelessness and overcrowding ([Project 20260](#); [Project 80368](#)).

There are relatively high levels of unmet Indigenous housing need.

- The Indigenous population experiences a disproportionately high level of homelessness, which is 3.5 times the rate of non-Indigenous homelessness<sup>22</sup>.
- Indigenous people experience greater rates of overcrowding with 27 per cent of Indigenous people living in overcrowded homes (according to the Canadian National Occupancy Standard) compared to 5 per cent of the total population<sup>23</sup>.

### 3.4.3 Improved amenity

Indigenous dwelling conditions are generally poor. This experience is particularly acute for those households renting from community housing associations and those households living in remote areas.

It is estimated that 80 per cent of Indigenous social housing tenants live in urban areas ([Project 70569](#)). However, mainstream housing policy settings in urban contexts are not necessarily responsive to the needs and preferences of Indigenous clients. There is scope for much more adaptation of policies and local flexibility to allow for cultural values, preferences and lifestyles to improve client outcomes. This can be achieved through more effective integration between mainstream and culturally specific housing services.

In 2006, 30 per cent of dwellings in discrete Indigenous communities required major repairs or replacement and this was highest in remote areas (36%)<sup>24</sup>. Indigenous housing providers are inadequately funded to maintain existing housing stock and to provide additional housing. AHURI research has established that remote area housing construction is significantly more expensive than new construction in urban areas. For example in Queensland, a State Owned and Managed Indigenous Housing Organisation (SOMIH) house costs 84 per cent more and an ICHO house costs 66 per cent more to build in a remote area compared to an urban area ([Project 30282](#)).

This poor quality, high maintenance, remote housing stock is the primary reason for large deficits reported by ICHOs and SOMIH, which are on average, nine times that of non-Indigenous housing providers ([Project 30282](#)).

Housing design is crucial to improving housing amenity and Indigenous involvement in planning and design can improve the functionality and lifespan of housing. AHURI research identifies significant liveability issues resulting from a lack of concern for core cultural issues, inappropriate settlement planning, lack of functionality of internal and external spaces and ineffective management of the housing process. The evidence shows that housing in remote Indigenous communities requires increased design

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<sup>20</sup> ABS and AIHW (2008) *The Health and Welfare of Australia's Aboriginal and Torres Strait Islander Peoples*. ABS Catalogue No. 4704.0. Canberra: Australian Bureau of Statistics, Australian Institute of Health and Welfare, p.4

<sup>21</sup> AIHW (2008) *2.02 Overcrowding in housing*. Canberra: Australian Institute of Health and Welfare, p.79

<sup>22</sup> AIHW (2005) *Indigenous housing needs 2005: A multi-measure needs model*. AIHW Cat. No. HOU 129. Canberra: Australian Institute of Health and Welfare, p.26

<sup>23</sup> AIHW (2008) *2.02 Overcrowding in housing*. Canberra: Australian Institute of Health and Welfare, p.597

<sup>24</sup> ABS (2007a) *Housing and infrastructure in Aboriginal and Torres Strait Islander communities: Australia, 2006*. 4710.0. Canberra: Australian Bureau of Statistics, p.2

diversity, should include integrated community planning, and must avoid expediency measures because these only shift costs to the future ([Project 30354](#)).

In the delivery of Indigenous housing in remote communities the procurement process, that is, the contractual arrangements for the construction and management of new housing projects, is as important as the final housing product ([Project 20583](#)). The alliance method of contracting is more likely to realise the potential social and economic benefits of new housing construction in remote communities because it is more flexible and risk is shared. This contracting arrangement is therefore better able to respond to the risks associated with employing a transient and low skilled workforce.

#### 3.4.4 *Wellbeing*

Indigenous Australians are highly mobile and this significantly impacts their housing arrangements and need. Indigenous mobility, or visiting your relations, is a critical part of Indigenous culture and creates bonds which provide resilience in times of need, including during loss of housing. Culturally sanctioned visiting may result in short-term over-crowding but has a positive benefit for the community ([Project 80368](#); [Project 80317](#)).

Kinship is the driving force behind Indigenous mobility in northern Australia. It defines broad regions of travel, provides accommodation for travellers and is maintained through mobility. AHURI research has established that these mobility patterns require a re-think of housing design in order to accommodate fluctuating numbers of residents ([Project 40586](#); [Project 20260](#); [Project 80317](#)). Patterns of mobility are unlikely to change in the foreseeable future, so housing and other services need to be planned and delivered in a way that assumes ongoing mobility ([Project 20260](#); [Project 40586](#)).

There is a need to distinguish between culturally motivated mobility and mobility that results from prolonged and severe housing shortage ([Project 40586](#)). It is possible to distinguish the risk of homelessness for different 'mobility groups' based on the length of time spent away from home and the voluntariness of travel. Seven different mobility groups can be identified which range from visitors to between place dwellers, to those who are chronically homeless ([Project 40586](#)).

The causes and solutions for Indigenous homelessness are significantly different to those of non-Indigenous Australians. AHURI research finds that mainstream concepts of homelessness do not necessarily reflect Indigenous understandings. A lack of permanent shelter is not an indication per se of homelessness. Rather it could be better redefined as losing one's sense of control over, or legitimacy in, the place where one lives. The research identified the importance of spiritual homelessness resulting from a disconnection from traditional land or country ([Project 20168](#)). This is related to lack of access to (suitable) housing, substance misuse and violence ([Project 80368](#)). Recent research indicates that Indigenous people are more likely to experience intergenerational homelessness than non-Indigenous people ([Project 80516](#)).

There is a strong relationship between homelessness and overcrowding. Overcrowding occurs because of strong kinship obligations which mean that housed kin will provide shelter to their family in need. Indigenous homelessness is concealed by overcrowding and if prolonged can become a destructive force in the family or lead to the breakdown of the household ([Project 80368](#)). Research is currently underway that will examine ways to understand, measure and manage crowding in urban Indigenous households ([Project 20640](#)).

Access to tenancy and other social support services are critical for some Indigenous Australians in maintaining stable tenancies and avoiding homelessness ([Project 80372](#)). Tenancy incentive schemes also offer some benefit ([Project 80234](#)).

AHURI research finds that Indigenous women and their children have particular difficulties accessing and maintaining tenancies. They are often disconnected from their community, which can isolate them from the services they need in order to achieve stable, secure housing. Support services that assist women to improve their financial management and urban living skills as well as assisting them to access information and source other service providers may also help to break the cycle of unstable, substandard housing that they experience ([Project 40158](#)).

Home ownership can be important to Indigenous people's wellbeing. AHURI research has established that Indigenous attitudes towards home ownership do not depend on whether they live on communal land. The social benefit of being able to pass property on to younger generations is the main motivation for investigating home ownership. And for some, the economic benefits of investing in property are not significant ([Project 20501](#)).

Whilst less Indigenous people aspire to or achieve home ownership compared to non-Indigenous Australians, this is likely to reflect disproportionately low incomes. A previous history of home ownership in the family is more likely to pre-dispose younger generations to purchase a home ([Project 80317](#)). Research is currently underway that explores the potential for Community Land Trusts to enable Indigenous people to access the benefits of home ownership ([Project 70639](#)).

An AHURI research project is currently underway that will examine the role that housing factors play in children's development and wellbeing ([Project 80651](#)). Building on the earlier scoping study into the relationship between housing and children's developmental outcomes ([Project 80551](#)), this research will draw on data from the Longitudinal Study of Indigenous Children.

### *3.4.5 Economic sustainability*

AHURI research indicates that housing provides one of the few genuine opportunities for economic and community development in remote Indigenous communities. The chief means for achieving this are the construction, management and maintenance of housing, as well as related infrastructure and services ([Project 80124](#)).

The viability of ICHOs is dependent on a number of variables. The Indigenous community housing sector is very diverse. AHURI research found that overall, those with a larger stock of houses tend to perform better, as do those in urban and large centres compared to those in remote areas. Specialists in housing management did better than those running multiple types of services. Critical dimensions of an organisations' viability are: location, governance, human resource management and housing management ([Project 80316](#)). A Victorian case study that is scoping the capacity of ICHOs is currently underway ([Project 80398](#)).

An AHURI research project that examines the relationship between Indigenous housing procurement and the broader economic and social objectives of Indigenous communities is currently underway ([Project 20583](#)). The Indigenous Multi-Year Research Project will examine the proposition that where the nature of welfare obligations or contractualism accords with the nature of Indigenous kinship and community obligations, program outcomes will be more readily achieved.

### **3.5 Structures within the housing system, including finance, support services, and tenure arrangements that enable households to access housing as their needs change over time**

#### *3.5.1 Key understandings from existing AHURI research*

- Overwhelmingly, the AHURI evidence base indicates that older Australians and those with a disability or other health impediments want to age-in-place, live independently and actively engage in their communities.
- Home-based care is more cost-effective than existing forms of residential care.
- Housing affordability is a significant issue for older Australians who do not own their own home.
- Well-integrated housing and support services facilitate the best outcomes for older people and those with additional care needs.
- Home ownership provides real or perceived wealth that can facilitate choice for older Australians about how and where they age.
- Decreasing housing affordability trends and an ageing population will significantly shape tenure arrangements for older Australians in coming years.
- Younger people with a disability are more likely to be living in the community than older disabled persons, but the trend towards deinstitutionalisation has not been matched with adequate resources.

#### *3.5.2 Overall findings*

Older Australians value stable, secure, affordable accommodation that facilitates maximum levels of independent living for as long as possible ([Project 20170](#); [Project 50318](#); [Project 70233](#); [NRV3](#)). In addition, older Australians who have or are experiencing homelessness and people with mental health issues also value these things ([Project 50102](#); [Project 50018](#); [Project 70072](#); [Project 70135](#)).

For older Australians in particular, outdoor and indoor space, such as a private garden or an extra bedroom, is important as people tend to engage in more home-based activities with age ([Project 50318](#); [Project 70392](#)).

Younger people with a disability are more likely to be living in the community than older disabled persons. However, trends towards deinstitutionalisation have not been matched with adequate resources for younger people living with disabilities. One critical factor for living in the community successfully is appropriate and accessible housing with support services to meet the complex needs of residents ([Project 60019](#); [Project 50102](#); [Project 70311](#); [Project 20335](#)).

Research currently underway will provide evidence about how housing assistance can make a vital contribution to promoting greater social inclusion amongst people with disabilities ([Project 40585](#)). Further research will examine how housing policy interventions can assist young people who are recovering from mental illness, by analysing how independent housing assists them to access informal resources ([Project 50682](#)).

A current research project is conducting a meta-analysis systematic literature review of Australian and international evidence on older people's housing policy ([Project 70636](#)).

Two new essays will engage with the existing research evidence base to better understand the changing needs of households. One will draw on recent Census data quantifying the number of multi-generational households, consider the drivers of

cohabitation amongst adults of different generations and raise questions about the effects of multi-generational households on psychological, economic and social wellbeing ([Project 70688](#)). The second will establish whether there is a link between housing policies and residential mobility, and what housing policy-makers might need to know to better anticipate and meet the needs of households when they relocate ([Project 70695](#)).

### 3.5.3 Finance

Home-based care is more cost-effective than existing forms of residential care. One of the few cost-benefit studies comparing the types of care for ageing Australians found that providing home-based care is less costly on average than residential care. The annual average cost of residential care is reportedly \$48 710 per person (in 2005) whereas in-home formal care costs on average \$7520 per annum. When in-home formal and informal care are implemented together the costs are on average \$11 370 and where in-home informal care is used in isolation it is valued at \$10 880 per recipient ([Project 60313](#)).

Unsurprisingly both formal and informal care costs increased with age but did not significantly vary according to geographic differences. Tenure, however, does matter with public housing tenants recording the highest care costs and owner-purchasers recording the lowest care costs. Whilst a causal link remains unclear, the evidence indicates that it is not related to differences in care needs as residents across the different tenures reported similar rates of medical conditions, cognitive impairments and similar degrees of severity of these impairments ([Project 60313](#)).

AHURI evidence also indicates that home modification and maintenance support can facilitate independent living and that it is more cost-effective to modify houses that are built according to adaptable design guidelines than to retrofit non-adaptable designed homes ([Project 70392](#)). A new project aims to understand the extent of downsizing amongst older Australians, who is doing it, and the motivations, obstacles and financial and social consequences of downsizing ([Project 70687](#)).

Housing affordability can be a significant issue for older Australians. AHURI research finds that the loss of a partner through bereavement, separation or divorce significantly impacts housing affordability and disrupts home ownership aspirations. In one study, home ownership rates reportedly fell from 69 per cent to below 50 per cent within two years following divorce or separation. The same study found that housing affordability stress is particularly acute for low-income private renters. These people often have less wealth than home owners and do not experience a reduction in rental payments in line with a shift to a single income like their public housing counterparts ([Project 30315](#)).

A body of research is developing which examines housing and ageing in light of Australia's population forecasts. One project looking at reverse mortgages found that there is a need for increased regulation, better advice to consumers, reduction in break fees and continued monitoring of the situation of reverse mortgage holders given the nature of the product and of the client group ([Project 70512](#)). Another is examining the current state of the age-specific housing market in Australia, its popularity and potential growth amongst low to moderate-income older persons ([Project 70589](#)).

### 3.5.4 Support and support services

Well-integrated housing and support services facilitate the best outcomes for older people or those with additional needs. AHURI evidence indicates that this approach can sustain tenancies and promote tenant wellbeing ([Project 70311](#); [Project 70135](#); [Project 20287](#)).

For older people in particular, home modifications and maintenance make a significant contribution towards a tenant's ability to age in place. The evidence indicates that older people who have used these services value them highly ([Project 20335](#); [Project 40005](#); [Project 50318](#)).

### 3.5.5 Tenure arrangements

Home ownership can provide real or perceived wealth that can facilitate choice for older Australians about how and where they age. AHURI research indicates that home ownership provides older people with a greater sense of self-determination and choice over where and how they live in old age. In contrast to home owners, older private renters (especially women) are reportedly more fearful for the future. This can be largely attributed to their lack of wealth and security of tenure that is perceived to be important to living well in old age ([NRV3](#)).

Decreasing housing affordability trends and an ageing population will significantly shape tenure arrangements for older Australians in coming years. Demand by older Australians for public housing is projected to significantly increase ([Project 30315](#); [Project 20170](#)). Indeed, researchers have forecast that the number of people aged over 65 years in low-income private rental housing will more than double by 2026 and two-thirds of these households will be sole women ([Project 20170](#)). One study found that high rates of home ownership among the elderly has underpinned success in government policy on retirement incomes and that increasing numbers of asset poor older renters could challenge this ([Project 30563](#)). This study also found that those who fall out of home ownership are more likely than renters to require housing assistance.

Research has found that women living in public housing have a disproportionate level of unemployment and that the limited advantages gained by their tenure are related to the proximity of public housing to work experience, paid traineeships and employment opportunities ([Project 50515](#)).

New research will examine how private rental housing is changing over time. In particular, this research addresses key knowledge gaps in relation to this tenure: the location of private rental dwellings, types and quality of private rental dwellings, the extent of security and mobility within tenancies and the stability of household types in private rental ([Project 50683](#)).

Given the growing affordability problems in the mainstream housing market, AHURI recently issued a brief seeking to commission further research into marginal housing markets in Australia.

## 3.6 Efficient land and housing markets that meet demand (affordably and appropriately), enable labour market and other mobility, and support productivity gains in the economy

### 3.6.1 Key understandings from existing AHURI research

- Australia does not currently have an efficient or sustainable land and housing market.
- The amount spent on housing costs has been gradually rising across all households since the mid-1970s.
- The existing housing system is found to be fiscally unsustainable and inter-generationally inequitable ([Project 60314](#)).
- Australia's existing housing supply does not meet demand.

- The efficiency of land and housing markets can be impacted by planning, regulatory and financial barriers.
- International case studies and economic modelling indicate that supply-side and demand-side actions are needed in order to achieve affordability goals.
- Governments can influence and shape affordable housing supply outcomes via financial, regulatory and planning mechanisms.

### 3.6.2 *The problems with meeting housing demand*

#### **Australia does not currently have an efficient or sustainable land and housing market**

The AHURI National Research Venture 3 found that 862 000 lower-income households in 2002–03 were in housing stress, and nearly half of these households (417 000) were paying more than 50 per cent of their gross income on housing. In addition, another 164 000 moderate income households were also paying more than 30 per cent of their income on housing costs ([NRV3 RP3](#))<sup>25</sup>.

AHURI research has rigorously established that Australia has a long-term structural housing affordability problem:

- The amount spent on housing costs has been gradually rising across all households from around 11 per cent of household income in the mid-1970s to just over 15 per cent in 2003–04 ([NRV3 Final Report](#)).
- The decline in house purchase affordability is a structural problem caused by house prices growing faster than incomes over the last half century. Between 1960 and 2006 real house prices increased at an average of 2.7 per cent each year compared to 1.9 per cent growth in real incomes ([NRV3 Final Report](#)).
- Currently around 15 per cent of all households pay at least 30 per cent of their income in meeting their housing costs. This percentage has remained relatively stable over the past decade ([NRV3 Final Report](#)).
- However, the burden of paying high housing costs is not equally distributed: the proportion of lower-income households paying high housing costs is 28 per cent, almost double the average, and has risen from 24 per cent over the last decade ([NRV3 Final Report](#)).

In 2008, the existing housing system was found to be fiscally unsustainable and inter-generationally inequitable. The heavy reliance on demand side interventions (Commonwealth Rent Assistance & First Home Owners Grant) could not reduce the growth of housing affordability stress and the consequent impacts on home ownership rates has implications for the wellbeing of an ageing population ([NRV3 RP11](#); [Project 60314](#)).

House and rental price instability has significant consequences for the broader economy by impacting on household spending patterns and generally reinforcing economic volatility. Lack of affordability in particular areas affects employment and a generation unable to purchase homes would lead to widening and unsustainable inequalities ([NRV3 RP4](#); [RP5](#); [RP10](#); [RP11](#)).

Housing affordability problems can push people into more marginal forms of housing. AHURI research has examined some of the problems arising in less common housing situations including boarding houses ([Project 20180](#)) and long term caravan parks ([Project 70109](#)).

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<sup>25</sup> The research used data from the 2002–03 Survey of income and housing

Housing affordability differences between regional areas and major cities can affect people's choices about where to live ([Project 70066](#); [Project 70175](#)), and the impact of financial disadvantage ([Project 30295](#)).

### **Australia's existing housing supply does not meet demand**

At a national level, demand is significantly greater than supply across all tenures (home-purchase, private and social rental) although there is some variation across geographic sub-markets (e.g. lower demand in some regional areas and within certain types of public housing estate).

Public housing has become financially unviable and the decline of public housing stock has put additional pressure on the private rental market, resulting in worsening affordability ([Project 30282](#)).

The private rental market fails at the low-cost housing end, warranting ongoing government intervention ([Project 20280](#); [Project 30521](#); [Project 50502](#)).

One current project will also explore the housing sector labour market. It is anticipated to identify the principle constraints faced by the housing sector labour force in meeting the challenge of increasing housing supply ([Project 30634](#)). Another project will seek to test the hypothesis that delays in housing construction are at least partly caused by difficulties in the work processes, management systems and productivity of subcontractors by tracking the current use and practices of subcontractors ([Project 30643](#)).

### **The efficiency of land and housing markets can be impacted by planning, regulatory and financial barriers**

In Australia, planning system complexity, uncertain timeframes, inconsistent planning requirements and a lack of adequate resources at the local government level have all been identified as planning barriers to achieving affordable housing ([Project 70393](#)). The research suggests that these barriers are of greater concern to developers than fixed charges or infrastructure contributions ([Project 70393](#)).

A new research project aims to examine two models of public engagement in planning approval processes—Third Party Objection and Appeal Rights (TPOAR) and Fast tracked planning (e.g. as used as part of approving developments funded under the Nation Building Stimulus Package)—to see how they impact on housing supply, resident perceptions and realisation of planning goals ([Project 30678](#)).

Barriers to large scale private investment in low-cost rental housing market include:

- Financial risks such as the changing value of dwellings and land, small rental yields, limited capital gains and the illiquidity of housing.
- Regulation such as landlord-tenancy legislation and taxation settings that favour small rental holdings.
- Management and operating risks related to maintenance issues, rental arrears and vacancy rates ([Project 30021](#); [Project 30063](#); [Project 20346](#)).

### **Addressing housing affordability problems in Australia**

Governments must intervene to increase the amount of housing available for the lower end of the market and not just provide subsidies to consumers. International case studies and economic modelling indicate that supply-side and demand-side actions are needed in order to achieve affordability goals ([Project 60323](#); [Project 60504](#); [Project 30399](#); [Project 30206](#)).

Governments can influence and shape affordable housing supply outcomes via financial, regulatory and planning mechanisms.

The not-for-profit sector has been identified in the AHURI research as an institutional vehicle for increasing and managing affordable housing ([Project 60323](#); [Project 60504](#); [Project 60322](#)).

### 3.6.3 *Government regulation, planning and housing supply*

Planning regulations, land release systems and urban planning policies all impact on housing supply, urban development and economic productivity gains. Geography and the location of housing can significantly impact people's mobility, labour force participation and housing affordability.

#### **Planning and meeting demand**

Along with regulatory and financial mechanisms, planning mechanisms can be employed by governments to shape housing supply and demand. Given Australia's poor housing affordability trends, much of the recent research examines how planning mechanisms can be effectively used to increase the amount of low-cost housing stock.

Planning plays a central role in a number of European and North American states in maintaining and increasing the supply of affordable housing. A range of planning mechanisms can be used to preserve or offset the loss of affordable housing in redevelopment settings, reduce barriers to the development of low-cost housing, and facilitate the increased supply of new affordable housing. These mechanisms include affordable housing targets in new developments, density bonuses and inclusionary zoning ([Project 60322](#)). A new Investigative Panel will draw on international evidence and experts to understand how planning performance links with housing market efficiency and how these factors will be affected by the housing reform agenda ([Project 70694](#)).

One research project found that developer contribution charges constitute the largest quantifiable planning-related cost to developers, averaging around \$45 000 to \$100 000 per lot across Australia ([Project 70393](#)).

There is a growing interest in research on planning and aspects of housing affordability. One project established the link between land use planning policies and mechanisms and the form of housing supplied. It examined details of both planning policy and housing supply ([Project 30590](#)). An Investigative Panel is underway which aims to identify the scope and processes required for a new development model that is capable of delivering more affordable and sustainable medium density housing through the regeneration of greyfield precincts ([Project 50593](#)). A new Investigative Panel will explore barriers and solutions to in-fill housing in two capital cities as a means of increasing supply of affordable housing and will involve panel meetings in two states ([Project 80649](#)). A new project aims to review the new planning powers in NSW, South Australia and Queensland under the State Environmental Planning Policy to examine how planning and housing policy domains can work together to increase affordable housing supply and their effectiveness ([Project 70691](#)).

#### **Mobility, access to opportunity and labour force participation**

Housing costs vary by location and the location of affordable housing affects people's access to jobs, and their transport time and choices. AHURI research has found that in large metropolitan centres such as Melbourne and Sydney, most people live and work in a single region or adjoining regions ([Project 50024](#)).

Low-income households tend to move away from those areas with high cost housing and fewer jobs, although housing costs do not appear to be the primary driver for the move. High unemployment tends to be found in older, industrial suburbs rather than all being located at the urban fringe. In contrast, recent years have seen an increase in the number of master designed estates on the urban fringes of major cities, which

have reduced the incidence of concentrated disadvantage in these locations ([Project 50024](#)).

In low-amenity, car-dependent parts of middle-ring Melbourne, a rise in largely unplanned sub-divisions of existing house lots is creating smaller, more affordable private rental housing accessible to low income households. In turn, this is resulting in the concentration of disadvantaged people in poorly serviced areas ([Project 50224](#)).

Regional investment in social and physical infrastructure can reduce spatial polarisation of different socio-economic groups. Spatially targeted housing assistance in regional areas can potentially enhance both regional and national wellbeing. It is vitally important to include suitable and affordable housing in regional development programs. Such housing needs to cater for a wider range of housing types, cultural groups, and people with disabilities. It also needs to include subsidised housing for key professional workers in areas of severe skill shortage ([Project 70030](#); [Project 80031](#)).

AHURI has investigated rates and reasons for moving between cities and regional areas. Mobility rates are similar, however, motivations differ. The majority of moves from the city to a regional area are driven by affordability and lifestyle choices. Moves in the opposite direction are usually driven by the search for improved employment opportunities ([Project 70175](#)).

Recent research by AHURI on gentrification in Melbourne and Sydney highlighted issues to consider in the frameworks and strategies of State housing and planning departments including; local market needs for lower cost labour, the maintenance of vital and socially diverse neighbourhoods, and the social and economic costs of displacement, Melbourne and Sydney show similar patterns of gentrification. The most vulnerable households being displaced in the Melbourne and Sydney contexts are working age private renters in lower status occupations or not in the labour force ([Project 40548](#)). A new project compares the house price profiles before and after the introduction of neighbourhood renewal programmes to consider the impact of these programmes on perceived amenity ([Project 30670](#)).

Recent research which mapped the house prices and rents, income and labour market change in Melbourne over the past 20 years found that the gap in median house prices between Melbourne's highest and lowest cost Statistical Subdivisions more than doubled, which considerably restricted the potential residential location choices of Melbourne's low income households. The net result is that this income inequality has become mapped onto the city, creating neighbourhoods of extreme advantage and disadvantage ([Project 50382](#)).

### **3.7 Understanding and responding to the impact of systemic shifts upon structures within the housing system and housing outcomes**

#### *3.7.1 Key understandings from existing AHURI research*

→ There is a considerable volume of research around demographic change (e.g. ageing, changing of household size and composition, worsening affordability, gentrification and socio-spatial polarisation of urban settlements). Environmental sustainability is an area of increasing interest.

#### *3.7.2 Systemic shifts: environmental sustainability*

##### **Environmental sustainability (climate change, carbon trading, drought etc.)**

One early project found that governments are increasingly looking to improve the sustainability of new residential subdivisions and master-planned communities, whilst

maintaining affordability. This is primarily achieved through increased densities and a trend towards smaller houses ([Project 70137](#)).

One project found private rental households do not consume more energy or water than owner-occupiers, even when a range of factors such as income, household size and dwelling type are held constant. However, private rental investors consulted cited a lack of financial incentives to install water and energy saving measures ([Project 40560](#)). An Investigative panel which is nearing completion is scoping the processes required for an integrative development model capable of delivering more affordable and sustainable medium density housing through the regeneration of greyfield precincts in Australia's capital cities ([Project 50593](#)).

Two AHURI-supported PhD candidates are also currently working on environmental sustainability projects:

- Promoting pro-environmental behaviour in Australian households: determining best practice and policy applications (Anna Cooke, UQ).
- Reframing affordability: how may the concept of housing affordability be reframed to take stock of the environmental sustainability of housing (Bronwyn Meyrick, RMIT).

### 3.7.3 *Systemic shifts: social transitions*

#### **Ageing population**

AHURI has completed a large body of research around the ageing population and their housing needs and aspirations. There is growing concern about the decline in home ownership so critical to housing policy for older Australians and the issues associated with the lack of affordable rental accommodation. Research completed to date falls into four broad categories:

- The housing needs, aspirations and preferences of older Australians ([Project 20170](#); [Project 70223](#); [Project 30315](#); [Project 70392](#)).
  - Older Australians want to age in place, live independently and actively engage in their communities ([Project 50018](#); [Project 70072](#); [Project 50102](#); [Project 70135](#); [Project 70233](#); [Project 20170](#); [Project 50318](#); [NRV3](#)).
  - Demand for public housing by older Australians is projected to significantly increase due to affordability issues in the private rental market.
  - It is anticipated that the number of low-income private renters over the age of 65 will increase by 115 per cent by 2026 ([NRV3](#); [Project 30315](#)). Losing a partner whether through divorce, separation or bereavement poses a serious threat to the housing and related financial health of those affected and this will impact particularly on women ([Project 30315](#)).
  - A current project is assessing the state of the age-specific housing market in Australia, its popularity and potential growth amongst low to moderate-income older persons ([Project 70589](#)).
  - A new Essay will critically examine whether high rates of home ownership can be sustained into the next century and the policy settings that are optimal to enable people to access and retain ownership of their homes ([Project 30653](#)).
- The costs and benefits of ageing in place ([Project 60313](#); [Project 50318](#); [Project 20335](#)).
  - One cost-benefit analysis found that home-based care is less costly on average than residential care ([Project 60313](#)).
  - Unsurprisingly both formal and informal care costs increased with age but did not significantly vary according to geographic differences. Tenure, however,

does matter, with public housing tenants recording the highest care costs and owner-purchasers recording the lowest care costs ([Project 60313](#)).

- A new project will examine the motivations, obstacles and financial and social consequences of downsizing amongst older Australians ([Project 70687](#)).
- Linkages with services for older people ([Project 20287](#)).
- For older people with complex needs, well-integrated housing and support services facilitate the best outcomes. These additional services can greatly enhance tenant wellbeing and can sustain tenancies ([Project 70311](#); [Project 70135](#); [Project 20287](#)).
  - Home modifications and maintenance for older people significantly contribute to a tenant's ability to age in place ([Project 20335](#); [Project 40005](#); [Project 50318](#)).
  - AHURI research indicates that successful elements of a well-integrated system include:
    - a coordinated, whole of government approach
    - close interdepartmental working relationships
    - individualised support where a trusting relationship can develop between client and worker
    - a variety of support options ([Project 70392](#)).
- Housing equity and use of homes.
- Outdoor and indoor spaces are important as people tend to engage in more home-based activities with age ([Project 50318](#); [Project 70392](#)). These spaces include private gardens or extra bedrooms, and are often used for alternative recreational activities or for visiting relatives.
  - One project found that if reverse mortgage products are to be accessed to enable ageing in place by supplementing the housing and care support needs of older homeowners, greater guidance and support is required for the most frail and vulnerable. ([Project 60512](#)).

### **Gentrification**

One project found that a rise in largely unplanned sub-divisions of existing house lots in low-amenity, car-dependent parts of middle-ring Melbourne is creating smaller, more affordable private rental housing, which is accessible to low income households ([Project 50224](#)). However, this is resulting in the concentration of disadvantaged people in poorly serviced areas ([Project 50224](#)).

One project has investigated how gentrification has impacted on the supply of affordable housing in these areas in Sydney and Melbourne ([Project 40548](#)).

### **Social transition—socio-spatial polarisation of cities**

Two projects have explored the socio-spatial polarisation of cities ([Project 70030](#); [Project 20257](#)). They found that significant demographic, social and economic change in Australia over the past few decades has resulted in polarisation of household income, as well as increasing social and spatial inequalities ([Project 20257](#)).

Researchers also found that regional investment in social and physical infrastructure can reduce geographic disparities and strengthen communities. Spatially targeted housing assistance has the potential to enhance regional wellbeing, with flow on effects for the entire country ([Project 70030](#)). However, recent research has found that many of Australia's rural and regional centres have not been immune from the housing crisis that has been widely acknowledged within metropolitan Australia and

that the suite of housing programs being rolled out nationally has had a variable and often muted level of impact in rural and regional housing markets ([Project 50586](#)).

### **Home ownership rates and household structures**

One group of researchers re-examined Australian housing careers and found that it is no longer possible to talk in terms of the traditional linear career path, due to major demographic and socio-economic change. Changes of particular impact are young people leaving home later, reduced ability to maintain home ownership due to increased divorce rates, and the increase of house prices to the point where few renters have sufficient savings for a deposit ([Project 80151](#); [Project 70179](#); [NRV3 Final Report](#); [NRV3 RP4](#); [RP5](#); [RP10](#); [RP11](#)).

- The decline in house purchase affordability is a structural problem created by house prices growing faster than incomes over the last half century ([NRV3 Final Report](#)).
- House and rental price instability has significant consequences for the broader economy by impacting on household spending patterns and generally reinforcing economic volatility. Lack of affordability in particular areas affects employment and a generation unable to purchase homes would lead to widening adversity and unsustainable inequalities ([NRV3 RP4](#); [RP5](#); [RP10](#); [RP11](#)).
- Two new essays will contribute to debate in this area, one looking at multi generation households ([Project 70688](#)) and another looking at housing policy and mobility ([Project 70695](#)).

#### *3.7.4 Systemic shifts: changing financial conditions*

### **Financial boom and bust cycles**

This area is little understood and is under-researched. Research has commenced recently which will begin to build the AHURI knowledge base in this area. Two projects have examined the nature and implications of changing home ownership rates as well as mortgage default among Australian home owners over the last several years ([Project 40503](#); [Project 30529](#)).

### **Tax reform**

A very small amount of research on taxation reform found that changes in taxation laws can mean additional tax burdens for providers of alternative accommodation such as boarding houses and caravan parks. The additional costs cannot often be passed on to low-income tenants, so these changes often lead to a reduction of supply, particularly in areas with sluggish growth in property values ([Project 80023](#)).

Another looked at the way landlord investment decisions are linked to financial costs and retirement status. Tax, monetary and retirement incomes policies are all relevant to increasing the supply of private rental investment ([Project 30521](#)).

A new project is modelling the impacts of the Henry Review in relation to negative gearing and also in relation to land tax and stamp duty, both of which have implications for investments in housing ([Project 80647](#)).

## **3.8 Understanding and responding to the effects of non-housing policies and programs upon housing outcomes and wellbeing**

### *3.8.1 Key understandings from existing AHURI research*

AHURI has a broad body of evidence on the effects of housing policy on non-shelter outcomes. However, the reverse—the effects of non-shelter policy on housing outcomes—has been largely untouched. The only real exception to this is in the area

of urban (land-use) planning. AHURI researchers have contributed a small but significant number of projects in this area.

- Urban planning can have significant impact upon housing costs and ongoing sustainability of urban settlements.
- Local governments can use planning policies such as housing strategies to examine and provide for emerging local housing needs. They can use mechanisms such as inclusionary zoning, density bonuses and affordable housing targets for new developments.
- Whilst there is a small amount of evidence about the effects of housing on health outcomes, there is no evidence currently around the effects of health and health policy on housing outcomes.

### 3.8.2 *Non-housing policies*

#### **Urban planning**

Urban planning is the orderly development of urban areas, in both cities and towns. It can influence the type, location, environmental sustainability and affordability of housing. A small number of AHURI projects have examined urban planning processes to assess their impact on the cost of housing developments and to identify mechanisms for improving the supply of affordable housing and the environmental and social sustainability of urban areas.

- Several projects have demonstrated that planning, regulatory and financial mechanisms can be used to encourage private sector investment in affordable housing, particularly where this is managed by not-for-profit housing associations ([Project 60323](#); [Project 60504](#); [Project 60322](#)).
- In Australia, planning system complexity, uncertain timeframes, inconsistent planning requirements and a lack of adequate resources at the local government level have all been identified as planning barriers to achieving affordable housing. Developer contribution charges constitute the largest quantifiable planning-related cost to developers, currently averaging around \$45 000 to \$100 000 per lot. One project suggested that these barriers are of greater concern to developers than fixed charges or infrastructure contributions ([Project 70393](#)).
- Local governments play a role in planning for housing. They can use statutory planning regulations to ensure that an adequate supply of affordable housing is delivered, and they can ensure that housing is located close to necessary services. Statutory mechanisms include affordable housing targets in new developments, density bonuses and inclusionary zoning ([Project 60322](#)).
- One way in which local governments seek to influence housing is through Housing Strategies ([Project 60132](#)). The keys to successful implementation of local housing strategies are consistent local leadership, effective partnerships with state governments and private developers, and the ability to leverage internal and external funding.
- Environmental and social sustainability of housing can be improved through encouraging and mandating initiatives such as more effective passive solar design, smaller house sizes and increased housing density ([Project 70137](#)). There is a perception that high density housing leads to concentrated social disadvantage. However, there is no clear link between densification and an increase in social disadvantage.
- A recent project examined the impact of planning reform and land release on the supply of housing in Melbourne and found that market pressures were more influential on the type and location of housing supplied than planning policy ([Project 30590](#)).

- Recent research into delivering more affordable and sustainable medium-density housing through the regeneration of greyfield precincts found that new planning and policy frameworks and infrastructures will need to be established to reduce the level of risk and uncertainty associated with larger-scale redevelopment in the middle suburbs ([Project 50593](#)).
- Research is currently underway that will explore the effects of resident third party objections and appeals against planning applications on the development of medium density and social housing ([Project 30678](#)).

### **Aged care**

AHURI researchers have built a strong evidence base on the housing needs of an ageing population. Research to date has demonstrated that the influence of housing on wellbeing is largely psychological, affecting areas such as companionship, happiness, depression, morale and ability to cope with life. This connection between health and mental state is reinforced by recent research on loneliness, which identifies older people as a key group who are at risk ([Project 40601](#)).

Wellbeing also varies with the type of housing tenure and demographics ([Project 40601](#); [Project 40005](#)); there are a range of options for adequately housing ageing Australians within the community ([Project 20287](#); [Project 60019](#)); and older people appreciate flexibility of options and home modifications which allow them to remain in their chosen dwelling longer ([Project 70223](#); [Project 20335](#)).

A recent AHURI research project reported that there is an overall lack of coordination between the community based aged care support sector, the residential aged care sector and housing policy, it argues that there is a need for increased integration between housing and care services ([Project 20287](#)).

Research using Australian and international data shows that whilst preferring to age in place, greater frailty can force relocation in order to receive needed care. This can, in turn, increase demand for care-enriched housing by older adults, the provision of this care to older people who are asset poor and on low incomes is a key challenge ([Project 30563](#); [Project 70589](#)). Downsizing by older Australians will be examined by research that is currently underway ([Project 70687](#)).

### **Labour market programs**

AHURI research has examined the impact of the resources boom on rural and regional housing markets ([Project 40586](#); [Project 80370](#)). In many regions this has resulted in bifurcated housing markets: one segment of the market is focused on high income, often temporary, mine workers; while the established population working in ancillary industries, or not working at all, are forced to compete for less expensive properties at the bottom end of the housing market ([Project 40586](#)).

Several AHURI studies have tracked the labour market participation of those receiving housing assistance. Stable housing allows public housing tenants to participate in the labour market. However, some subsidies such as rent assistance appear to provide a disincentive to work ([Project 60203](#); [Project 70073](#); [NRV1](#)). People who live in social housing may experience stigma as a result of the low levels of labour market participation among social housing residents ([Project 40600](#)). Research on women who live in public housing finds that despite the recognised barriers it can present to employment, when public housing is conveniently located, or provides access to community courses and activities, or offers paid traineeship programs; public housing can also enable workforce participation ([Project 50515](#)). Once again, these projects focus on how housing interventions affect non-shelter outcomes rather than the other way round.

Changes in demographics are altering the patterns of home ownership and transitions between renting and purchasing homes ([Project 40010](#); [Project 80151](#)). For example, the ageing of the Australian population has accounted for a 1.5 per cent increase in rates of outright home ownership in the period 1996–2006, however, changes in household type and marital status account for a decrease of 0.7 per cent in younger cohorts—therefore the home ownership rate rose by only 0.8 per cent overall ([Project 40503](#)).

Research is currently underway that will examine the housing security consequences of underemployment ([Project 30674](#)).

## Health

A small but growing body of evidence explores the links between housing and health outcomes. Current AHURI work in this area explores the effects of housing on health, but research into the effects of health issues and policy on housing has not been examined. A small number of studies have examined links between stable housing and the management of mental illness:

- Strong linkage with outside agencies is a key element that ensures the success of Indigenous tenant support programs. These programs must not only address the immediate tenancy-related issues, but also the underlying health needs of clients in areas such as mental health, drug and alcohol dependency, urban life skills and family relationships ([Project 80372](#)).
- With appropriate housing and support, people with significant psychiatric disabilities can maintain stable housing. The provision of suitable housing, trusted people to provide support, medication and/or treatment, and a clear identification of threats to the stability of their housing are all critical success factors ([Project 50018](#); [Project 50102](#)). Where these people fall into homelessness, it is not due to a steady decline towards less stable housing. Rather, they experience cycles of homelessness where they move through a variety of situations and periods on the street ([Project 70072](#)).

Research is currently underway that examines the linkages between homelessness services and other health services such as drug and alcohol recovery and mental health ([Project 80568](#)). In addition to this, new research is underway that will examine the role of informal community resources in supporting independent housing for young people recovering from mental illness ([Project 50682](#)).

Research indicates that people who are lonely report being twice as unhealthy as people who are not, and because housing plays an important role in developing social bonds, there are different rates of loneliness for people living in different tenures ([Project 40601](#)). Loneliness is particularly high among people living in single person dwellings, public housing and private rental housing. Certain groups such as divorced or separated men, single parents and older people are particularly vulnerable ([Project 40601](#)).

- The connections between housing and childhood development outcomes were explored by a scoping study which found that the health impacts of housing included; environmental allergens, toxicants, cleanliness, and safety and opportunities for outdoor play ([Project 80551](#); [Project 80651](#)). Further research on housing and childhood development which draws on longitudinal Australian data sets is currently underway ([Project 80651](#)).

## Education

Once again, research into the effects of education policy upon housing has not been extensive. There is evidence that suggests that accessing education services is a key driver of Indigenous mobility, which consequently impacts on the need to provide

temporary housing services to those who are forced to travel to access such services ([Project 40586](#)). Three AHURI studies in the reverse direction show that stable housing can significantly improve education outcomes for tenants and their dependents across all age groups ([Project 10001](#); [Project 60008](#); [Project 70020](#)).

## **Tax**

Research is underway that models the impacts of the Henry Tax Review recommendations on supply and affordability, particularly negative gearing, land tax and stamp duty ([Project 80647](#)).

Research indicates that non-financial motivators like personal goals or personal and family circumstances play a key role when deciding to invest in the private rental market. However, these factors do not exert a major influence on the decision to exit the market. Instead, financial variables such as increased after-tax economic costs (rates, maintenance and repairs) are likely to influence an investor's decision to sell ([Project 20280](#); [Project 30521](#)).

## **Environmental policy (inc. carbon emissions trading and water use)**

Until the 2010 Funding Round for the National Housing Research Program, there were very few studies addressing environmental policy's effects on housing. One project investigated ways in which housing and urban development could incorporate triple bottom line sustainability ([Project 70137](#)). A small amount has been published in the context of urban planning around the financial impact on housing costs of additional sustainability requirements ([Project 70393](#)) and how to best improve the environmental, economic and social sustainability of new affordable housing projects ([Project 70137](#)).

Recently completed research on the attitudes towards waste, water and energy conservation by Australian households found the significant changes to usage in recent years have largely been brought about by good feedback about appropriate water and energy usage, media reminders and incentives, cost savings associated with conservation and bottom up education processes ([Project 20550](#)). The research found that owners were more likely to engage in water and energy conservation practices than renters.

AHURI research has also examined the design of policies that are aimed at increasing the environmental sustainability of Australia's private rental stock, in line with the undertaking to reduce Australia's carbon emissions ([Project 40560](#)). This research found that there is currently a 'split incentive' for investment in energy and water efficiency technologies given that landlords of private rental properties are responsible for bearing these costs while tenants receive much of the benefit of reduced energy and water bills. This is particularly noticeable at the lower end of the private rental market.

## 4 RESEARCH APPROACHES

### 4.1 Contexts

In 2009, AHURI commissioned a review of the previous National Housing Research Program Research Agenda by a leading international housing researcher, Professor Susan Smith (University of Durham). The outcome of this review assisted in the subsequent design of the National Housing Research Program Research Agenda 2010 and informs the current Agenda. Researchers are encouraged to see how their research fits into a broad framework for understanding housing and homelessness research. This framework will assist AHURI in categorising all its housing and homelessness research, (regardless of the precise policy instruments involved) by linking it to wider environmental, social and economic processes. It can capture how housing issues may impact (or be impacted by) environmental, welfare and economic outcomes (see Table 1). The framework also encourages researchers to consider the context at which the impact might be felt—at the individual or household level, or at a community, institutional or national level. For example, the impact of mortgage defaults might be felt very acutely amongst those households affected, but may also (as we have seen in the United States) impact on the macro-economy at a national (or even international) level.

**Table 1: A pallet of clusters and contexts**

|                          |  | Research clusters  |  |   |
|--------------------------|--|--|--|---|
|                          |  | Environmental change   | Welfare transitions  | Economic shifts and shocks                                    |
| <b>Research contexts</b> | <b>Systemic</b>  | Whole of housing system<br>(changing pattern of risks and rewards)       |  |   |
|                          | <b>Individuals, households and properties</b>                | e.g. Technologies and practices of domestic energy and water use         | e.g. Housing for health; housing wealth and wellbeing                      | e.g. Enhancing financial capability; assessing financial risk |
|                          | <b>Communities, cultures Neighbourhoods and Institutions</b> | e.g. Monitoring environmental risks; measuring resilience                | e.g. Creating and sustaining care-full or therapeutic housing environments | e.g. Paths of neighbourhood change                            |
|                          | <b>Nation/states</b>   | e.g. The production /construction of environmentally sustainable housing | e.g. Synergies between housing and social policy                           | e.g. Housing and the macro-economy                            |

Source: Adapted from Smith, S. (2009) *AHURI Research Agenda: looking forward*

### 4.2 Methods and research vehicles

AHURI also wishes to support the use of a wide range of innovative research methods, provided they are appropriate to the research question and data source chosen. In specifying the proposed research methods, researchers should show a clear appreciation for data sources, methodology (see Table 2), and measurement models. Research that utilises innovative or mixed methods is encouraged. For example, a Research Project might involve quantitative analysis of longitudinal data and qualitative analysis of housing and household biographies to gain a stronger understanding of what is happening over time. Alternatively, researchers might devise a data set capable of generating both qualitative and quantitative analysis.

**Table 2: A matrix of methods**

|  | <b>Approaches</b>  |   |   |
|--|--|---|---|
|  | <b>Quantitative</b>  | <b>Qualitative</b>  | <b>Mixed methods</b>  |
| <b>Literature and data review methodologies</b>  | Systematic or structured review  | Snowballing (key works/ bundling/ scoping) and meta-analysis  | Limited examples as yet, but wide scope   |
| <b>Scenario building</b>                         | Modelling  | Expert (and lay) deliberation of alternative futures  | Straightforward combination   |
| <b>Interventions and experiments</b>             | Variant of randomised control trial using 'natural' experiments  | Case study comparisons  | A variety of experimental designs and participatory methods   |
| <b>Original analyses of cross-sectional data</b> | Secondary use of existing survey resources; new household surveys (whole instruments or new questions) | Semi-structured and open-ended interviews, focus groups, group interviews, home and neighbourhood tours, ethnographic studies | New data resource?<br>A combined qualitative database (individual projects, plus core, perhaps drawn in a sift from a major survey) |
| <b>Original analyses of longitudinal data</b>    | Panel/ cohort survey analysis  | House biographies<br>Housing pathways   |   |

Source: Smith, S (2009) *AHURI Research Agenda: looking forward*

### 4.3 Dissemination: AHURI published outputs

AHURI aims to publish high quality research that provides an accessible and relevant evidence base for the development of policy. AHURI publishes research on the AHURI website and it is publically available. There is no limitation on the types of written work being published. For example, in the past AHURI has published research findings, modelling results and practice guides, each within the Final Report series. Researchers are encouraged to be innovative. AHURI will publish outputs in three publication series:

- Positioning Papers
- Final Reports
- Research and Policy Bulletins.

Reports published in the Positioning Paper and Final Report series are subject to a rigorous quality assurance process prior to publication. This includes double-blind peer review by two peer reviewers, professional editing and formatting. The quality assurance process is the responsibility of the AHURI National Office. In addition to Final Reports and Positioning Papers, AHURI publishes Research and Policy Bulletins (non peer reviewed) which are otherwise subject to the same quality assurance processes. All reports must be submitted using the templates provided in the Project leader's toolkit on the AHURI [Member extranet](#). Directions for access to the extranet should be sought through the relevant [Research Centre Director](#).

There are some limitations on the length and content of reports in each of these publication series so that they meet the needs of a policy-maker audience:

#### *4.3.1 Positioning Papers*

A positioning paper presents:

- A comprehensive review and analysis of the academic and policy literature to establish what is known about the issue.
- A discussion of conceptual issues involved in the research questions, and the theoretical framework that informs the research and research methodology.
- An identification of knowledge gaps and a methodological statement that details how the research aims to fill such knowledge gaps.
- A specification of how the new information will productively inform policy development.

#### *4.3.2 Final Reports*

A Final Report presents:

- A summary of the key policy, practice and research issues identified in the Positioning Paper.
- A comprehensive account of the conduct of the research.
- The findings from the investigation, specifically identifying the unique contribution of the work to housing, homelessness and urban studies rather than a descriptive account of what the research has done.
- The key implications for the development of housing, homelessness and urban policy.

#### *4.3.3 Research and Policy Bulletins*

A Research and Policy Bulletin presents:

- A succinct summary of less than 2000 words outlining the context, research approach and main findings from the research.
- A clear identification of the implications of the research (not recommendations) for the development of housing, homelessness and urban policy.
- Research and Policy Bulletins are informed by a RAP Summary completed by researchers, but are authored by AHURI.

### **4.4 Dissemination: events**

AHURI gives high priority to effective dissemination of research findings and works closely with the research teams to ensure that research is of value to policy-makers and practitioners. In addition to the publication of reports, the AHURI National Office takes an active role in identifying possible ways of pursuing the topics and issues that emerge from research and developing and discussing the policy implications. AHURI is committed to innovation in strategies for dissemination and engagement with the policy community, other stakeholders and the public.

Researchers are expected to take an active part in dissemination activities including presentations at seminars, roundtables and conferences. Researchers should give consideration to dissemination opportunities in research application timelines.

#### *4.4.1 AHURI Research Seminars*

- Are an open event hosted by AHURI and other stakeholders presenting completed AHURI research.

- Present an overview of the policy and practice context of the research.
- Highlight key research findings that are relevant to the audience.
- Outline the possible implications of these findings for policy and practice.

Timing of the presentation will be negotiated with research team leaders and is dependent on AHURI's program of events for the year which is coordinated by the AHURI National Office.

#### *4.4.2 AHURI Policy Roundtables*

- Are closed door, Chatham House Rules events.
- Are designed to draw out the policy implications of AHURI research through discussion of the research findings with a select number of senior policy-makers.

AHURI Policy Roundtable events are coordinated by the AHURI National Office but will involve research team leaders.

#### *4.4.3 Conferences*

Conferences are face-to-face presentations of the results of research by the research team leader to a number of attendees at an AHURI or other housing or social policy related conference. The audience would comprise a range of interested parties including policy-makers responsible for social welfare policy.

### **4.5 Engagement**

AHURI encourages the development of innovative and meaningful engagement strategies in research projects. Each research application needs to detail the approach to engaging with the policy and practice community throughout the research process. Engagement with the policy community throughout the research process aims to:

- Enable researchers to seek advice from policy-makers about the policy focus of research and how the research might most productively inform policy development.
- Provide information to the research team about the progress of policy development.

The purpose of engagement is to ensure that research projects are policy relevant and that the implications of research for policy development are fully explored. The AHURI National Office will provide support to research teams in managing policy engagement activities, and identifying appropriate policy representatives. The format for policy engagement is to be proposed by the research team, and outlined in project applications. These arrangements will be negotiated with the AHURI National Office when the research is contracted. The National Office is able to assist in coordinating User Group meetings, and coordinating nominations from the policy and practice communities.

#### *4.5.1 User Group meetings*

These are teleconferences between policy-makers and research team leaders, convened by AHURI National Office. These meetings are held to discuss report drafts prior to publication. Policy-makers provide feedback on the report, and have an opportunity to communicate comments, criticisms or questions directly to the research team. Researchers have the opportunity to access information about recent policy developments, potential data sources and potentially arrange further collaboration activities.

#### *4.5.2 Reference Groups and Advisory Groups*

These are meetings between policy-makers, practitioners, and other relevant expert advisors (for example from non-government organisations) held at appropriate stages in the research process. They offer the opportunity to gain early feedback on report drafts, and for further discussion of research findings as well as an opportunity to exchange information about policy developments. These meetings are tailored to suit the requirements of the research project, and are likely to involve one or more face to face meeting and more active involvement from key individuals over the course of the research.

#### *4.5.3 Investigative Panels*

These offer the opportunity for direct participation in a research project by experts including researchers, policy-makers and practitioners (including from the industry and community sectors). Researchers could include an Investigative Panel in a broader research project a method of engaging policy and practice.

## 5 INDIGENOUS HOUSING RESEARCH

AHURI will be implementing a new Indigenous housing research initiative in 2012 in the form of a MYRP. This will address the identified need for large-scale longer-term research on Indigenous housing issues and research capacity building.

The I-MYRP offers the opportunity to conduct a sustained research effort that will meaningfully contribute to the development of Indigenous housing policy. This investment will also include a significant proportion of funds allocated to postgraduate capacity building; a MYRP offers the scope for excellent opportunities for early career researchers to participate.

As with previous NHRP Funding Rounds it is expected that research proposals will incorporate the Indigenous aspect of any topic, and will be budgeted accordingly. Applications that do not include an Indigenous component should specify why the research topic precludes it.

### *5.1.1 Ethics of Indigenous research*

All research must adhere to appropriate principles and protocols as specified in the [NHRP Guidelines for applicants](#). Research that includes a focus on Indigenous housing issues must adhere to appropriate research ethics as specified in [Ethical principles and guidelines for Indigenous research](#). These principles and protocols apply to all stages of the research—including development of the proposal, assessment of the proposal, conduct of the research, and dissemination of the research findings. An important element is the need for consultation with Indigenous people at key stages throughout the research process.

## 6 INTERNATIONAL RESEARCH COLLABORATION

International collaboration is an integral feature of the activities of AHURI, and it is a growing feature of the National Housing Research Program. AHURI Limited has formal agreements in place with OTB Delft in the Netherlands, the Joseph Rowntree Foundation in the United Kingdom and the Centre for Housing Policy at York University in the United Kingdom. AHURI is a member of the European Network for Housing Research (ENHR) and the Asia Pacific Network of Housing Research (APNHR).

Housing researchers are encouraged to explore prospective collaborative and comparative research activities with international partners. Research applications through the NHRP Funding Round 2012 will be considered favourably where international collaboration relevant to the proposed research topic is included.

International collaboration should aim to meet the following objectives:

- Leveraging NHRP funding by securing additional resources (cash and in-kind) by international partners.
- Adding quality to research through international comparative analysis by experts in other countries.
- Building research capacity by creating international exchange and professional development opportunities.
- Building the profile of AHURI as an institute of international standing.
- Enabling AHURI to present and participate in international research events.
- Supporting AHURI events programs by encouraging international experts to visit Australia.

## 7 NHRP FUNDING ROUND

### 7.1 Funding mechanisms

The National Housing Research Program consists of:

- The annual NHRP Funding Round driven by the publication of the Research Agenda 2012 which calls for research funding proposals.
- The annual NHRP Funding Round capacity building component which consists of two Postdoctoral Fellowships for 2012.
- Larger scale Multi-Year Research Projects which are integrated suites of projects that extend over 3 years, and tackle research questions that are complex and/or longitudinal in nature.
- Research Briefs which are used to commence particular research activities that have emerged as critical issues between the NHRP Funding Rounds.
- AHURI also funds research via research capacity building activities, primarily through Top-up Scholarships to postgraduate students and an annual postgraduate symposium.

### 7.2 NHRP Funding Round 2012

Up to \$2 million is available to AHURI's NHRP Funding Round 2012 to fund research projects.

**Table 3: NHRP 2012 dates**

|                             | Opening              | Closing                                  |
|-----------------------------|----------------------|--|
| <b>NHRP Funding Round</b>   | Monday 1 August 2011 | Monday 26 September 2011<br>12 noon AEST |
| <b>Postdoctoral Fellows</b> | Monday 1 August 2011 | Monday 26 September 2011<br>12 noon AEST |

Applications for funding must not duplicate existing research from AHURI or elsewhere. It is therefore vital that all applicants familiarise themselves with the findings, aims and foci of completed and current research in this document and the companion document that catalogues a description of AHURI funded projects since 2000. These documents provide guidance about the extent to which each topic is being addressed in the existing AHURI research program.

Funding applications should identify which Strategic Research Issue the proposal primarily addresses. The policy context that informs each research area is quite distinctive and applicants must ensure that it is clear how the proposed research will contribute to addressing policy objectives. Postdoctoral Fellowships are awarded based on the excellence of the candidate, the capacity of the Research Centre to support and mentor the work of the Fellow and the contribution to the National Housing Research Program Agenda.

All research proposals and Postdoctoral Fellowship applications must be submitted using an AHURI funding application pro-forma; these are available on the AHURI website. The pro-forma is used for automatic data entry.

An AHURI Research Centre Director must submit all applications for funding and a submission form signed by an AHURI Research Centre Director must accompany each application. Details of all AHURI Research Centre Directors can be found on the AHURI website.

Strict word limits apply to all research proposals. Any application that does not fall within these word limits will not be accepted for consideration. For further details about how to apply for AHURI research funds see the NHRP Guidelines for applicants, also available on the AHURI website.

### *Research Briefs*

Where the NHRP Funding Round has not been successful in eliciting appropriate research proposals to meet Priority Research Questions, the AHURI Limited Board may choose to approve issuing a Research Brief. Research Briefs might also be issued to respond to emerging issues of policy relevance. Research Centres would be encouraged to submit applications to the AHURI National Office within a defined period of time to answer the brief. Applications are assessed through the same process and need to conform to the relevant requirements provided under the [NHRP Guidelines for applicants](#).

### *Research capacity building*

Research capacity building aims to develop the skills and resources of the housing researchers involved in AHURI research in Australia. Research capacity building is funded through the conduct of all AHURI National Housing Research Program research as well as by discrete activities such as the AHURI Postgraduate Top-up Scholarship program, and the annual postgraduate symposium. Guidelines and application forms for Postgraduate Top-up Scholarships are issued separately from this document. The Postdoctoral Fellowships are released with the National Housing Research Program Research Agenda. All research done through research capacity building needs to conform to the Strategic Research Issues in the Research Agenda 2012.

## 8 MORE INFORMATION

### AHURI Research Centre Directors

Applications for funding through the annual AHURI National Housing Research Program Funding Round are invited from participant researchers through the AHURI Research Centres. For further information about applying for the research funding, please contact the AHURI National Office (03 9660 2300 or [information@ahuri.edu.au](mailto:information@ahuri.edu.au)) or contact the relevant Research Centre Director:

- **AHURI Queensland Research Centre**  
Professor Andrew Jones
- **AHURI RMIT Research Centre**  
Dr Robin Goodman
- **AHURI Southern Research Centre**  
Associate Professor Keith Jacobs
- **AHURI Swinburne-Monash Research Centre**  
Professor Terry Burke
- **AHURI UNSW-UWS Research Centre**  
Professor Peter Phibbs
- **AHURI Western Australia Research Centre**  
Dr Steven Rowley
- **AHURI University of Western Australia Research Centre**  
Professor Paul Flatau

For contact details for each of these Research Centre Directors, please go to [http://www.ahuri.edu.au/about/research\\_centres/](http://www.ahuri.edu.au/about/research_centres/)

### State Liaison Officers

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RMIT Research Centre

Southern Research Centre

Swinburne-Monash Research Centre

UNSW-UWS Research Centre

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