

Research Agenda 2005 Review Paper

**Australian Housing
and Urban Research Institute**

www.ahuri.edu.au

July 2005

ISBN: 1 920941 82 7 [Report]

TABLE OF CONTENTS

| | |
|---|----|
| SECTION 1: INTRODUCTION..... | 1 |
| SECTION 2: REVIEW OF RESEARCH FINDINGS 2000-2005..... | 1 |
| 2.1 Review of Theme 1: Housing Assistance Programs..... | 1 |
| 2.1.1 Review of research findings in ‘Housing Assistance and Non-Shelter Outcomes’ | 1 |
| 2.1.2 Review of research findings in ‘Housing Assistance and Shelter Outcomes’ | 3 |
| 2.1.3 Review of research findings in ‘Housing Management Practice’ | 6 |
| 2.2 Review of Theme 2: Housing Futures..... | 8 |
| 2.2.1 Review of findings in ‘The Future Environment for Housing Policy’..... | 8 |
| 2.2.2 Review of research findings in ‘Ageing and Housing’ | 10 |
| 2.3 Review of Theme: 3 Program Integration and Housing Assistance..... | 10 |
| 2.3.1 Review of research findings in ‘Housing Assistance Linkages’..... | 10 |
| 2.4 Review of Theme 4: Affordable Housing..... | 12 |
| 2.4.1 Review of research findings in ‘The Supply of Affordable Housing’..... | 12 |
| 2.5 Review of Theme 5: Urban Management and Infrastructure | 14 |
| 2.5.1 Review of research findings in ‘Labour Markets, Housing Markets and Shifting Metropolitan Balance’ (not in Research Agenda 2005)..... | 14 |
| 2.5.2 Review of research findings in ‘Sustainability - Housing and Urban Development’ | 15 |
| 2.6 Place holder | 15 |
| 2.7 Review of Theme 7: Indigenous Housing | 16 |
| 2.7.1 Review of research findings in ‘Housing Futures, Needs and Aspirations’ | 16 |
| 2.7.2 Review of research findings in ‘The Housing System’ | 16 |
| 2.7.3 Review of research findings in ‘Housing and Non-Shelter Outcomes’..... | 17 |
| 2.7.4 Review of research findings in ‘Sustainability’ | 17 |
| 2.7.5 Review of research findings in ‘Homelessness – place, house and home | 17 |
| 2.8 Review of Theme 8: Homelessness and Marginal Housing..... | 18 |
| 2.8.1 Review of research findings in ‘Homelessness and Marginal Housing’..... | 18 |
| 2.9 Review of Theme 9: The Housing System..... | 21 |
| 2.9.1 Review of research findings in ‘The Dynamics and Drivers of Supply and Demand’..... | 21 |
| 2.9.2 Review of research findings in ‘Housing, Housing Markets and Non-Shelter Outcomes’ | 22 |
| 2.10 Review of Theme 10: The Policy Horizon..... | 23 |
| 2.10.1 Review of research findings in ‘The Policy Horizon’ | 23 |

LIST OF TABLES AND FIGURES

| | | |
|-------------|---|---|
| Table 2-1: | AHURI Research Agenda Research Themes 2000-2005..... | 1 |
| Figure 2-1: | Comparing different measures of housing need: percentage above affordability benchmarks or below poverty line or revised budget standard, 1998-99 | 5 |

SECTION 1:INTRODUCTION

The purpose of this paper is to:

- review progress in the development of the Institute's evidence base against each Research Agenda theme and research area; and
- make recommendations regarding policy research priorities for Research Agenda 2006.

The paper is intended as a consultation document that will assist AHURI Ltd and its stakeholders to work together to develop a clear focus for research activities in Research Agenda 2006.

Given the scope of the AHURI Research Agenda and its associated evidence base (119 projects across 10 research themes), this review paper is inevitably of some length. To make the paper as accessible as possible it has been structured into two sections with two appendices.

Section One provides the rationale for and structure of the paper.

Section Two provides a stock take of the research findings, theme by theme, and research area by research area. Each sub-section:

- states the overarching policy research aim of the theme (or research areas within the theme);
- analyses the status of the evidence base in relation to the overarching policy research aim of the theme (or research area); and
- identifies the current projects that will extend the evidence base in relation to the policy research aim.

It is important to note that this is a stock take of AHURI research with regard to what has been found against each policy research aim, rather than a full synthesis of 'what is known' or a systematic analysis of the rigour of the research methods that lie behind particular findings. These latter tasks will evolve in further iterations of this paper but their resource intensive nature prevents them being undertaken in one pass.

Appendix A is an historical summary of how the AHURI Research Agenda has evolved from 2000 to 2005, noting when new themes and research areas have been introduced and removed. It also details the number of completed and current projects funded under each theme and research area.

Web links for projects are included to provide rapid access to the research reports, if you are viewing this document on-line or as an electronic copy. These web links are indicated as [\(Project xxxxx\)](#). If you are viewing this document in a hard copy, please refer to the *Research Agenda 2005 Review Paper Appendices* document, which list the Project Codes, Project Titles and Key Findings.

Appendix B contains a series of tables that list the titles of the completed and current projects for each research area. For the completed projects a brief summary of the key findings is included.

SECTION 2:REVIEW OF RESEARCH FINDINGS 2000-2005

Each AHURI Research Agenda is structured into ‘research themes’ and within these, ‘research areas’.

The themes of Research Agendas 2000-2005 are detailed in Table 2-1. More information on the evolution of the themes and research areas is in Appendix A.

Table 2-1: AHURI Research Agenda Research Themes 2000-2005

| Theme Number | Research Theme |
|--------------|--|
| 1 | Housing Assistance Programs |
| 2 | Housing Futures |
| 3 | Program Integration and Housing Assistance |
| 4 | Affordable Housing (renamed in 2005) |
| 5 | Urban Management and Infrastructure |
| 6 | Transforming Communities (transferred to other themes in 2005) |
| 7 | Indigenous Housing (from 2001) |
| 8 | Homelessness and Marginal Housing (from 2001) |
| 9 | The Housing System (from 2002) |
| 10 | The Policy Horizon (from 2003) |

This section reviews the completed projects for each theme and research area of Research Agendas 2000-2005. For each research area there is a:

- statement of the overarching policy research aim;
- summary analysis of key findings in relation to the overarching policy research aim¹; and
- note about current projects that will progress the policy research aim.

Appendix B contains a series of tables that list the projects completed, current, and to be contracted, by research theme and research area. For each completed project a summary of the key findings is included.

2.1 Review of Theme 1: Housing Assistance Programs

This broad theme has three distinct research areas within it:

- Housing Assistance and Non-Shelter Outcomes
- Housing Assistance and Shelter Outcomes; and
- Housing Management Practice

Each research area encompasses a distinct policy research aim.

2.1.1 Review of research findings in ‘Housing Assistance and Non-Shelter Outcomes’

The research area ‘Housing Assistance and Non-Shelter Outcomes’ has the policy research aim: to understand the attributes of housing assistance that make a

¹ The project source of the findings is identified by the project reference number in parentheses and can be cross-referenced with the list of projects at Appendix B.

difference (positive and negative) to the economic and social participation outcomes of individuals, households and communities.

The attributes of housing assistance that have been examined thus far are: security of tenure, housing affordability, reduced crowding, and location. The economic and social participation outcomes that have been examined thus far are: well-being, health, education, and employment.

Security of tenure in public housing has been found to make a positive difference, amongst old-old adults, to the provision of support that can reduce other stresses and delay entry into residential care facilities ([Project 40005](#)).

Amongst 151 recent entrants to public housing in Queensland, security of tenure was found to reduce levels of stress and thereby improve health outcomes ([Project 60008](#)).

Improved housing affordability outcomes for recipients of Commonwealth Rent Assistance (CRA) have been found to have a positive impact upon education participation with 70% of recipients stating it had been a factor in their decision to study ([Project 50007](#)).

Improved housing affordability for a group of 151 recent entrants to public housing in Queensland provided more money to buy better food and to participate in exercise programs, which in turn led to health improvements. The extra disposable income available to public tenants since entering public housing enabled some to reduce their employment and to provide extra care to a household member or spend more time with children. Others felt more able to look for work now that their housing crisis had been resolved ([Project 60008](#)).

This dual tendency in the relationship between housing affordability and employment outcomes is confirmed by quantitative analysis of the Household Income and Labour Dynamics Australia (HILDA) survey. Work ready public housing tenants are 25% more likely to report receipt of a wage/salary than work ready CRA recipients or a comparison group of income support recipients. Yet, if people are in employment, entrants to public housing are found to reduce their working hours by just under 2 hours per week and those exiting public housing are found to increase their working hours by just under 2 hours per week. If people are in employment, receipt of CRA is found to have no impact on the number of hours worked ([Project 60203](#)).

These adjustments in working hours by those entering and leaving public housing logically relate to work disincentives that are heightened by public housing rent setting methods. The effective marginal tax rates (EMTRs) faced by public tenants can be as high as 60%. In contrast CRA makes a negligible contribution to such work disincentives for most beneficiaries because the 'stacking' of Commonwealth Rent Assistance and other government benefits is avoided.

It is also clear that such EMTRs are not just 'theoretical' but are understood and acted upon by public tenants – 56% of public renters surveyed expressed at least some concern that if they increased their hours, this might affect their rent, and 35% of public renters disagreed that they would be better off if they earned more from paid work and rent increased. Four in five housing assistance recipients were looking for a clear financial advantage of over \$100 per week above income support to enter work ([Project 70073](#)).

To deepen our understanding of the interrelationship between housing assistance and workforce disincentives, current work is examining the labour force participation of housing assistance recipients over time. Analysis of the Department of Family and Community Services Longitudinal Data Set will allow tracking of the movement in and

out of the labour force of housing assistance recipients, as well as changes in hours in work, income and the receipt of pensions and benefits ([Project 20257](#)).

Reduced crowding as a result of moves into public housing is found to result in improved health outcomes via reduced stress. Amongst previously heavy users of Medicare services, the average benefits per person per month fell from \$152 before entry to public housing to \$106 after entry to public housing. A significant number of households share with friends and relatives before entering public housing. The reduced crowding also contributed, in part, to improved school performance by approximately half of the children as they now could do homework undisturbed by siblings ([Project 60008](#)).

The **location of public housing** incorporates physical access to facilities and services and a social setting of neighbours and peers. In these ways location has been found to be important to both health and education outcomes. Entrants to public housing reporting improved health outcomes cited improved access to medical facilities and more support from neighbours as important. As well the improved school performance of children of new public tenants was related to the better quality of the neighbourhood and the school, and a more motivated group of peers ([Project 60008](#)).

Across a range of economic and social participation outcomes there is a detailed empirical picture of the multi-dimensional nature of disadvantage experienced by public tenants and low-income private tenants, in relation to community strength, crime rates, poverty, social exclusion, perceived well-being, anomie, health, education, and labour force participation ([Project 20004](#)) and on health outcomes ([Project 30002](#)). Whilst this disadvantage is the reason such households are able to enter and remain in a targeted public housing system, it is clear that the receipt of public housing is not sufficient to ameliorate such wide ranging disadvantage.

A new research project will develop a clear conceptual understanding of, and empirically examine, the relationship between housing, housing assistance and social cohesion. Social cohesion is a concept that describes social connectedness, including family and community well-being, taking account of economic inequalities. The research will extend existing literature by drawing together aspects of housing and housing assistance and well-being within a coherent conceptual framework, and provide the first detailed empirical account of these relationships in the Australian context ([Project 50300](#)).

2.1.2 Review of research findings in 'Housing Assistance and Shelter Outcomes'

The research area 'Housing Assistance and Shelter Outcomes' has the policy research aim: to understand the effectiveness of current and future ways of delivering housing assistance that helps secure different shelter outcomes (affordability, security, adequacy, location) for a range of population groups in different housing market settings (urban, regional, rural and remote).

Thus far research has examined the effectiveness of demand subsidies for private renters, the financial viability of public housing, the relative efficiency of different forms of housing assistance (dollars per household assisted), the effectiveness of housing assistance in improving housing affordability, and the effectiveness of housing assistance in providing secure tenure, adequacy, and a 'good' location.

With regard to **demand subsidies for private renters** an international comparative review found that, in Australia, New Zealand, Canada and the United States, such subsidies are embedded in income support systems and thereby driven by welfare rather than housing policy goals. This context means that demand subsidies for private

renters typically do not centre on specific housing outcomes such as affordability or adequacy ([Project 50049](#)).

The **effectiveness of public housing** in Australia is limited by the financial viability of the eight State and Territory housing authorities (SHAs). Research finds that the 1996 Commonwealth State Housing Agreement (CSHA) constrained income for SHAs from government grants and tenant rents and targeted available public housing on low-income households with multiple and complex needs. Six out of eight SHAs were running operating deficits in 2000-01 that are not financially sustainable ([Project 30154](#)).

Comparing the **relative efficiency of different forms of housing assistance** (rent assistance, public housing, home ownership assistance, a housing bond for affordable housing) in different capital city housing market contexts, research has found that significant efficiency gains (meaning more households assisted per dollar) could be achieved by tailoring packages of housing assistance options to local housing markets and the various risks that characterise each market. Given this, a general policy approach of 'horses for courses' rather than 'one size fits all' is implied ([Project 30096](#)) and ([Project 30204](#)).

In terms of the **effectiveness of housing assistance in improving housing affordability** the value of indirect housing assistance to home owners is estimated to be \$21 billion in 2001 (capital gains tax exemption \$13 billion, imputed rent tax exemption \$8 billion). The regressive distribution of these subsidies limits their impact on housing affordability. On average outright owners receive more than five times the amount of assistance provided to home purchasers; high income outright owners (\$1210 to \$2260 per week in 1999 dollar value) receive a total tax benefit of close to \$9000 per household per year; home purchasers in the bottom 80% of the income distribution (below \$1200 per week in 1999 dollar value) receive a benefit of less than \$500 per household per year through the tax system ([Project 60098](#)).

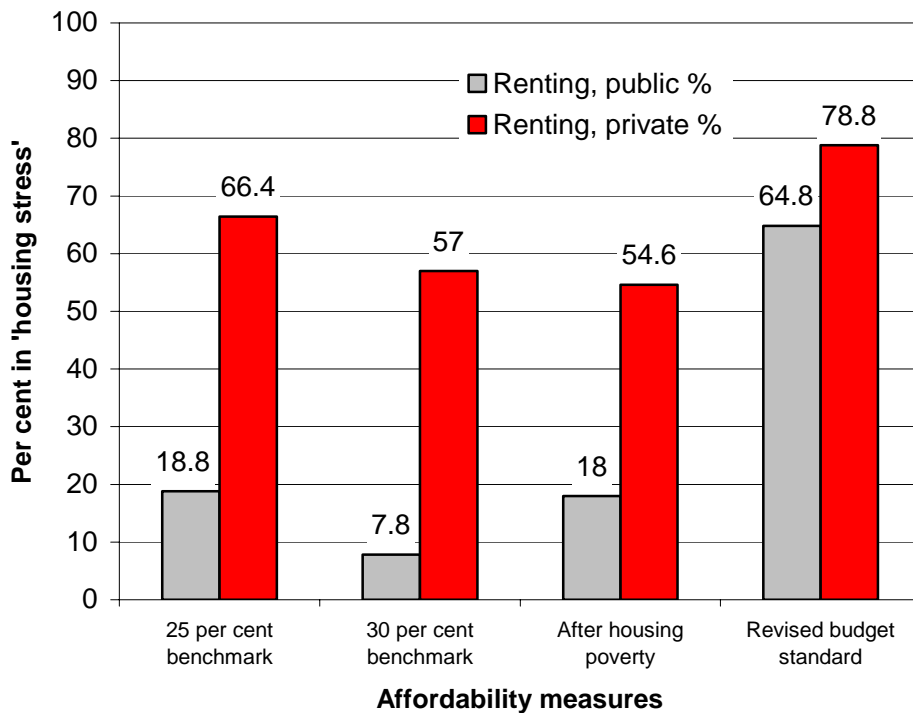
Estimates of the effectiveness of the First Home Owners' Grant (FHOG) in improving accessibility to home ownership for private renters, found that the \$14,000 grant sharply reduced the mortgage borrowing constraints faced by private renters but that the grant primarily enabled earlier entry to home ownership by those who would have entered home ownership anyway. By what period of time FHOG advanced entry to home ownership is unclear ([Project 80088](#)). Estimates of the impact of the current Building Write-Off Allowance with regard to promoting the supply (and hence affordability) of low-cost private rental dwellings to low-income households find that a Low-income Housing Tax Credit would be more effective ([Project 80088](#)).

Comparison of the housing affordability outcomes of sole parents in public housing and those receiving CRA in the private rental market finds that those in public housing typically fare better ([Project 50012](#)). However, affordability is not always an overriding consideration for public housing applicants – between 70% and 85% of public housing waiting list applicants were willing to pay more for certain amenities such as better location, quality, safety or size of dwelling ([Project 50142](#)).

Assessment of the effectiveness of public housing and CRA in improving housing affordability is contingent upon which measures of housing affordability are used. Analysis of the Housing Expenditure Surveys 1975-99 compares the before and after housing cost affordability outcomes of public and private tenants and highlights that the housing affordability benchmark of 30% of gross income of the bottom 40% of the income distribution is a limited indicator of housing affordability when consideration is given to the resources required for basic living expenses. Figure 2-1 provides a summary of the housing affordability outcomes of public tenants and low-income private tenants using different affordability measures. The public renters found to be in

housing stress using these measures, given that rents in public housing are typically set around the 25% benchmark, is due to the data being based on: (i) disposable (after tax) incomes, whereas public housing rent rebates are based on pre-tax income and, (ii) includes service charges, house or contents insurance, and any expenses designated by the respondent such as self-maintenance ([Project 50107](#)).

Figure 2-1: Comparing different measures of housing need: percentage above affordability benchmarks or below poverty line or revised budget standard, 1998-99



Current work through the Collaborative Research Venture 3 (CRV3), 'Housing affordability for lower-income Australians' is further reviewing the various ways it is possible to conceptualise and measure housing affordability.

The effectiveness of CRA in improving housing affordability is distinctly regionalised and is governed by regional differences in rents in the private rental market interacting with the Australia-wide settings of CRA. Improving the effectiveness of CRA on housing affordability in high rent regions does not require the development of a 'regional formula'; it can be achieved by adjusting the nation-wide settings of CRA but at considerable expense ([Project 30147](#)).

Further work in this area will examine the regional impact of housing costs and housing assistance on financial disadvantage ([Project 30295](#)).

With regard to the **effectiveness of housing assistance in providing secure tenure** a comparison of sole parents in public housing and in receipt of CRA in the private rental market found that the latter group experienced high rates of residential mobility ([Project 50012](#)). This finding is confirmed by findings about the experiences of recent entrants to public housing that saw improvements in the school performance of children due, in part, to the residential stability experienced in public housing which was a marked contrast to a very mobile past in the private rental market that included a number of school changes ([Project 60008](#)).

It is also clear that security of tenure is an important factor for those putting themselves on waiting lists, and for many they would forego a low paid job to retain it ([Project 50142](#)).

It is not clear however that policy reform should focus on improving security of tenure in the private rental market. Research found, amongst those surveyed, that a higher priority was given to greater flexibility and choice in living conditions, than to a longer-term lease. Though the survey was unable to secure a sample of low-income private renters, this finding suggests that if housing assistance in the private rental market were to pursue particular housing outcomes, then security of tenure may not need to be one that is generally included ([Project 20033](#)).

Further work on the effectiveness of housing assistance in providing secure tenure will examine the factors that lead to 'success or failure' in public housing through a longitudinal study of positive tenancy outcomes ([Project 20290](#)).

With regard to the effectiveness of housing assistance in providing secure tenure in the private rental market, current research is examining the contribution of Private Rental Support Programs to assisting tenants on low-incomes to gain access and maintain private rental housing tenures ([Project 40194](#)).

As noted above, CRA does not seek to secure **housing adequacy outcomes**. Entrants to public housing from the private rental market noted the opportunity to prepare their own foods rather than to buy take away since they had a functioning kitchen, and improved living conditions in their dwelling ([Project 60008](#)).

With regard to the **effectiveness of housing assistance in achieving 'good' locational outcomes** the locational amenity outcomes of public tenants have been found to outweigh those of public tenants and assisted home owners in Perth ([Project 80038](#)), and the location of public housing does not lead sole parent households to concentrate in areas that are particularly disadvantaged. Rather, it is the underlying poor economic conditions of particular areas that is the key explanatory factor ([Project 50011](#)).

2.1.3 Review of research findings in 'Housing Management Practice'

The research area 'Housing Management Practice' has the policy research aim: to understand the nature, costs and benefits of the range of different housing management models and practices.

The elements of housing management practice examined to date are: place management, allocations, tenancy management, and regulatory frameworks for community housing.

Both costs and benefits can be found in the implementation of **place management practices**. Concentrations of public housing tenants fell significantly in those areas where estate renewal was undertaken and the proportion of economically active people increased at a rate above local metropolitan averages. The evidence for tenure diversification and greater social mix leading to greater social cohesion was mixed. While some tenants felt that community 'spirit' had improved as a result of renewal, there was little evidence that social networks between tenants and new owners had developed. Indeed, social networks on the renewal estates were considerably disrupted through the development process ([Project 70110](#)).

The key factor in promoting resident participation in neighbourhood renewal is a community development approach that involves local people in the identification of local issues and gives residents the confidence and skills to influence outcomes. The effect of such resident participation upon positive community level outcomes remains less clear ([Project 70026](#)).

Current research is turning to the issue of how governments might develop exit strategies for housing regeneration and renewal programs ([Project 40200](#)).

Tenancy databases are a feature of **allocations** in private rental management practices. Variable data quality standards in tenancy databases and opaque listing procedures by database contributors limit the effectiveness of tenancy databases as a mechanism for aiding efficient management practices in the private rental sector. These limitations in tenancy databases are likely to transfer 'tenancy risks' to the social housing sector ([Project 20094](#)).

Half of community housing workers surveyed believe that there is no need to make changes to their allocations system, compared to only 11% of public housing workers. The changes to allocations that public housing workers would like to see are: more time to interview applicants to fully assess needs (50%), more local rules about allocations (47%), and placing quotas on the number of priority applicants (44%). Only 22% of community housing workers and 19% of public housing workers thought that some integration of public and community housing waiting lists would improve their allocations systems ([Project 50141](#)). Further work is underway on this matter of common housing registers documenting the outcomes of international practice ([Project 50297](#)).

Poor awareness of public housing and long wait times for public housing means some younger, low-income private renters do not apply for public housing, even though they may be eligible. These households, in the private rental market, value choice over location and dwelling. The absence of these features from the public housing system is a key reason such households do not apply ([Project 50142](#)).

Rises in the incidence of anti-social behaviours (from littering to harassment and intimidation to alcohol and solvent abuse) have placed a focus on the effectiveness of **tenancy management practices**. Young people under the age of 16 are reportedly the most frequent perpetrators of anti-social behaviour. However, some housing staff also link incidents of anti-social behaviour with deinstitutionalisation policies in health care, which have led to more people with mental health problems living in public housing estates. Housing managers use a range of proactive strategies to prevent incidents of anti-social behaviour – an important role that should be acknowledged through the provision of training and support. Establishing good working relationships with police, educational and welfare professionals are viewed as very valuable in addressing anti-social behaviour, especially less formal cooperation at the local level. Policies such as legal procedures and the threat of eviction need to be in place to deal with persistent anti-social behaviour offenders who do not respond appropriately to complaints about their behaviour ([Project 40163](#)).

Further work on tenancy management practices is examining strategies for the management of tenancy evictions ([Project 40192](#)), and a review is underway on tenant incentive schemes ([Project 40253](#)).

An appropriate regulatory framework for community housing could provide assurance to governments considering the transfer of public housing stock to housing associations and enable new financing opportunities with financiers, developers, local government and churches, as well as ultimately improving outcomes for tenants ([Project 60118](#)).

A supportive infrastructure to deliver meeting places; to share experiences, solutions and strategies; to provide education and training; gain accreditation; and share policy and systems development, is also required for the not-for-profit organisations that manage independent living units (ILUs). The research found that there are 34,700 independent living units Australia wide providing 27% of social housing for older

persons – much of it in parts of capital cities where there is little public housing. However, the not-for-profit organisations that manage ILUs face many management difficulties. The majority of ILU organisations manage less than 50 units. Whilst many ILU organisations have transformed themselves in recognising the rights of residents, some are only slowly becoming aware that their current style of management is at odds with these demands. Some ILU organisations are struggling to manage their ILUs properly; they lack a good knowledge of their primary legal framework, have difficulty in managing their broader legal responsibilities, and have inadequate written policies and procedures ([Project 50138](#)).

New research is considering the effect of **rent setting** and rental reform in social housing on a range of tenant outcomes ([Project 50226](#)). The study will consider various aspects of rent policy including rebates, rent assistance and supplementary payments, and examine options for reform that might be consistent with the contemporary objectives of social housing management.

2.2 Review of Theme 2: Housing Futures

This research theme includes two research areas:

- The future environment for housing policy; and
- Ageing and housing.

2.2.1 Review of findings in ‘The Future Environment for Housing Policy’

The research area ‘The Future Environment for Housing Policy’ has the policy research aim: to understand future scenarios for housing assistance delivery, housing policy and broader public policy in a context of population ageing and socio-economic change.

Research has so far examined housing scenarios for 2025, the future demand for housing assistance to 2011 and 2031, and the future of home ownership.

A ‘futures study’ designed to identify a small number of **scenarios of the Australian housing system in 2025** found that political leadership, coordinated across all levels of government, will be needed to build new institutional arrangements and policy settings to help deliver ‘the best’ and avoid ‘the worst’ case housing scenarios. The ‘background status’ of housing policy means a ‘housing crisis’ is likely before such political leadership will be apparent (e.g. social unrest in areas of disadvantage). A hallmark of the new institutional arrangements and policy settings is that they will connect to rather than substitute for the housing market. Economic growth is a necessary but not sufficient condition of the ‘best case’ scenario in 2025. Explicit housing and urban policy goals will be needed to ensure positive housing and urban outcomes, despite strong economic growth ([Project 50225](#)).

The future demand for housing assistance will be driven by demographic change. Projections for 71 regions across Australia, by household type, by dwelling type, and by tenure to 2011, and Australia-wide to 2031, find that the demand for new dwellings in Australia is expected to remain high until 2011, particularly in the outer regions of the major capital cities, driven by falling household size and an ageing population. Overall demand for public housing is projected to remain high from 2002-11, amounting to a further 71,600 dwellings required across Australia. The demand for public housing is driven by an increase in the aged population and the continuing increase in single parent families ([Project 10014](#)). This work is being extended through microsimulations of the projected demand for housing assistance at the small area

level. This work will provide more information on the characteristics of households seeking housing assistance into the future and their likely locations ([Project 30205](#)).

Deinstitutionalisation of people with intellectual disabilities has and will continue to shape demands upon housing assistance. Whilst there remain a significant number of people who could be deinstitutionalised, the rate of deinstitutionalisation is slowing across most jurisdictions in Australia, with the exception of New South Wales and Victoria. In New South Wales, almost 2,500 people are planned to move into community based housing by 2011. Another 900 people, according to reports from other states, will make this move by that date. The research concludes that as people with disabilities often cannot meet their needs for secure, affordable and appropriate housing in the private market and with relatively small numbers of people with intellectual disabilities likely to move from institutions to community living in the near future, then it appears that deinstitutionalisation will have minimal impacts on housing markets. The overwhelming impact of the housing demand created by deinstitutionalisation is likely to fall upon the social housing sector ([Project 70015](#)).

As long as home ownership remains a preferred tenure then much of the demand for direct housing assistance will result from an inability to access home ownership. The **future of home ownership** in Australia is thus key to the future demand for housing assistance and the shape of housing policy. Aspiring to home ownership was more prevalent amongst the baby-boomers (1943-61) than later birth cohorts ([Project 20017](#)), but remains important – 72% of renters stated it was important to buy a home in the next 3 years ([Project 10016](#)). Within a particular birth cohort life-cycle stage continues to be an important indicator of housing aspirations ([Project 20017](#)). In particular, the most significant factor associated with entry to home ownership is marriage (meaning formal marriage) ([Project 10081](#)). Amongst renters, those who reported that having a child in the next three years was important or very important, were almost seven times as likely to want to buy a home than those without strong childbearing intentions. Whilst aspiring to home ownership remains important to Australians, less than one third of these respondents were able to achieve it within that time frame. Employment status had the strongest impact on the fulfilment of home ownership aspirations. Dual income couples were three times more likely to buy a home than single-income households and five times more likely than unemployed people (either single or with a partner) ([Project 10016](#)).

As the proportion of people who never marry across their lifetime is likely to continue increasing, so we might predict that home ownership levels will fall. A lower rate of home ownership in Australia in the future has significant implications for pension rates, CRA expenditure, ageing in place strategies and the availability of personal assets to support care in older age ([Project 10081](#)).

This research signals changes in the 'typical' housing career of a period of renting followed by home ownership. The Collaborative Research Venture 2 (CRV2) addresses the nature of changes in housing careers in Australia. The available evidence suggests that the family life course is no longer the pre-dominant driver of housing careers and that housing careers at any point in time are increasingly shaped by the interaction between housing opportunities and labour markets. CRV2 considers the nature and direction of housing careers into the 21st Century for the Australian population at large and the implications of these changing patterns of housing consumption for housing policy in Australia. In particular, CRV2 will advance the evidence base by shedding light on how shifts in household structure, the labour market, fertility patterns, attitudes to home ownership and government assistance, will influence the demand for government interventions in housing markets over the next 10, 20 and 30 years.

2.2.2 Review of research findings in 'Ageing and Housing'

The research area 'Ageing and Housing' has the policy research aim: to understand the implications of demographic ageing and the housing needs, aspirations and preferences of older population cohorts, for the housing market, the housing stock and housing assistance measures.

At present there are no completed projects in this research area though there are a number of projects in progress.

Research is examining the economic and social circumstances of home-owners at mid-life in order to predict future demands and capacities to pay for housing and other services ([Project 70223](#)). However, older non-home owners pose a significant policy challenge over the next two decades. A demographic analysis to identify the size and characteristics of the population of older, low-income, non-home owners; a policy analysis to document current policies and programs; a financial analysis of private sector investment in appropriate housing provision; and a consumer analysis will explore the experiences, preferences and satisfaction of older people who are not home owners ([Project 20170](#)). This research will be complemented by work examining the effectiveness and efficiency of 'affordable rental villages' provided by the private sector as an alternative model of meeting the rental housing needs of older Australians ([Project 20288](#)).

'Ageing-in-place' and the expectation of older people to remain in their home and communities are central policy tenets. A research brief has been developed for a project to determine the costs and benefits of using private housing as the home base for care for older people, and will examine the whole-of-government costs when not using the home. These could include the cost of premature admission to residential aged care and the use of acute, sub-acute and primary care services due to preventable injuries within the home. Research is also underway ([Project 20287](#)) to identify, describe, classify and evaluate the full range of program options for integrating housing, support and care for older Australians. A project is also being developed on the implications of partner loss for older private renters on income support.

2.3 Review of Theme: 3 Program Integration and Housing Assistance

This research theme has included one research area 'Housing Assistance Linkages'.

2.3.1 Review of research findings in 'Housing Assistance Linkages'

The research area 'Housing Assistance Linkages' has the policy research aim: to understand how to integrate housing assistance with other government assistance programs to improve overall outcomes.

To date the research has examined the linkages between: public housing and disability support services, housing assistance and training and employment for young people, housing assistance, neighbourhood renewal and crime reduction, and housing assistance and regional development.

Effective links between **public housing and disability support services** are important as approximately 12% of adults aged 20-59 and 10% of adults aged 60 plus, with disabilities and residing in the community, have public housing tenancies – roughly twice the rate of the general population. The public tenants surveyed were no more likely to need formal care than those in private rental or home ownership, but were more likely to live alone ([Project 60019](#)).

The key to successful integration between housing assistance and human services for people living with a mental illness is coordinated case management. A case manager providing assistance in accessing housing, giving attention to unique needs and providing practical support in obtaining other services is critical to a stable housing outcome ([\(Project 50018\)](#) and [\(Project 50102\)](#)). The security of tenure provided by public housing enhances the prospects of a successful link between housing assistance and disability support services, and the delivery of ageing in place strategies, particularly for those aged 60 plus ([Project 60019](#)).

The integration of housing assistance with services for people with a disability is supported by the CSHA and Commonwealth State Disability Agreement (CSDA) but a national coordinating policy framework for housing and support services for people with disabilities would help to clarify Commonwealth and State responsibilities, reduce cost-shifting, and promote efficient and equitable provision. Lacking this coordinating policy framework most linkages between housing assistance and service provision are informal co-operative arrangements ([Project 60019](#)).

A new research project on supporting the tenancies of people with complex needs will add to our understanding of the factors that support the “seamless” delivery of housing and support to people with complex needs. In particular it will focus on outcomes of secure housing and appropriate support for people with disabilities and people with a mental illness ([Project 70311](#)).

The evaluation of the Miller Foyer model assessed the success factors associated with the **integration of housing assistance and training and employment initiatives** for young people. The Foyer model has been developed and implemented in Europe and supports young people who are homeless or in housing need to achieve the transition from dependence to independence. It adopts a holistic approach to a young person’s needs and integrates access to accommodation, training and job search facilities. The Miller Foyer program has been successful by integrating the provision of accommodation and support for independent living. This provides the basis for those in the Foyer to concentrate on their education and training needs, based on goals outlined in an Action Plan agreed with Campus Management ([Project 70020](#)).

Housing assistance, neighbourhood renewal and crime reduction strategies characterised by social rather than physical interventions are associated with reductions in crime on public housing estates. Whole-of-government strategies and intensive inter-agency collaborations create a context within which social interventions flourish. Empathetic housing management and ‘non-traditional’ community policing are effective in reducing crime. Neither selling public housing to increase the tenure mix nor Radburn-reversals are associated with reductions in crime ([Project 70111](#)).

Housing assistance and regional development programs could achieve more productive linkages through the development of three key features of policy frameworks:

- recognition that housing assistance can be productive, rather than unprofitable, for regional well-being;
- recognition that universal programs which provide the same assistance to all regional areas need to give way to greater targeting of programs to regions which have the greatest need; and
- emphasising regional cohesion rather than trying to prioritise the needs of rural areas over cities or vice versa ([\(Project 70030\)](#), [\(Project 40028\)](#), [\(Project 60029\)](#), and [\(Project 80031\)](#)).

2.4 Review of Theme 4: Affordable Housing

The research theme 'Affordable Housing' includes the research area 'The Supply of Affordable Housing'.

2.4.1 Review of research findings in 'The Supply of Affordable Housing'

The research theme 'The Supply of Affordable Housing' has the policy research aim: to understand how government's use of housing assistance and other policy levers can increase the supply of affordable housing.

Thus far, research has examined: mechanisms for private sector and community sector involvement in the provision of low-cost housing, and the policy levers that can impact on the supply of affordable housing.

There have been attempts by Australia governments to create new **mechanisms for private sector and community sector involvement in the provision of low-cost housing**, with limited success. The barriers to private sector financing of affordable housing by institutions are clear: in the current circumstances, the expected rate of return on rental housing investment in Australia is too low, relative to the myriad risks that this investment entails, and to the more attractive range of alternative investments on offer ([Project 30021](#)). Similarly, attracting private sector retail investment (individuals rather than institutions) in affordable housing initiatives will require a subsidy from government if commercial rates of return are to be achieved ([Project 50022](#)). The research identifies a range of ways in which housing assistance and other policy levers could be used to create new opportunities for private sector and community sector involvement in low-cost housing provision, but each requires a level of government subsidy to make it financially feasible. One policy package option to bridge the difference between what investors would require by way of a return on rental housing and the current level of rents that are affordable by target groups is: an identified stream of subsidy support, a mechanism for delivering that support, and a marketable set of financial instruments for investors to acquire in order to finance the resulting housing ([Project 30021](#)). But research has distilled some 121 policy options using the balanced score card approach and developed a model and manual for housing authorities to use to assess the financial viability of different affordable housing policy options in their particular housing market circumstances ([Project 60099](#)).

In the UK government action to create a nationally consistent regulatory framework for housing associations, a commitment to government funded rent subsidies for low-income households, a supply-side subsidy to leverage private finance for new construction, and use of land-use planning instruments to mandate the provision of affordable housing have all been key to securing 34 billion pounds of investment from the private sector into affordable housing since 1986. This money has come primarily from banks and been lent primarily to housing associations. The rationale for government action on affordable housing in the UK included recognition of the risks of inaction – both macro-economic (e.g. general consumption) and macro-social (e.g. social cohesion) ([Project 30206](#)).

Work has commenced on an evaluation framework for affordable housing initiatives in Australia. Early results from a stakeholder forum run as part of the project indicate that there has been little in the way of comprehensive evaluations undertaken of affordable housing strategies across jurisdictions, despite the presence of policies being developed in this area.

A wide range of **other policy levers can impact, positively and negatively on the supply of affordable housing**. Reducing the costs to landlords of providing housing

in the private rental market can lead to increased provision of low-cost accommodation. Thus, it is important to understand what impact new policies, not necessarily focused upon housing outcomes, might have upon the supply of affordable housing. In favourable economic conditions the new tax system (introduced in 2000) is estimated to have increased rents in boarding houses and site fees in caravan parks by five to six per cent. The size of these rent increases is likely to have varied according to geographic variations in the strength of the property market. Those cities with higher capital gains on property values may have been able to hold rent and site fee increases lower. Either way because the tenants living in boarding houses and caravan parks are on very low incomes, proprietors would have found it difficult to pass on any cost increases, making it more economic for them to exit the business, thereby reducing the supply of affordable housing ([Project 80023](#)).

The supply of affordable housing can be improved not only by new additions but also by retention of existing stock. Governments are undertaking a number of interventions to retain private sector investment in boarding houses: demolition and redevelopment controls to restrict the redevelopment opportunities of boarding house sites; financial and other support to help private operators to achieve minimum fire and safety standards; land tax and rates exemptions or reductions to encourage new development. These interventions show variable levels of effectiveness with the take up of the initiatives often low. The research suggests a number of other interventions could be considered to try and retain private sector investment in boarding houses: assistance with building and public liability insurance; assistance in the ongoing management of boarding house tenancies; re-development grants to compliment the current loans, and; streamlining planning approval processes for new boarding houses ([Project 20180](#)).

Amongst Australia's most effective not-for-profit affordable housing organisations it is their capacity to draw upon a number of mechanisms to leverage finance that enables them to be cost effective and flexible providers of affordable housing. Key amongst these mechanisms are savings on developer margins because of their not-for-profit status; GST exemptions on the supply of housing, again because of their not-for-profit status; cross subsidies from allocating higher income tenants into developments; capacity for tenants to receive CRA and thereby pay more rent and increase the organisation's revenue; limited developer contributions and gains through the land-use planning system. It is concluded that the sector could achieve scale economies through government incentives and a clearer policy framework ([Project 60191](#)).

A new project is examining the supply of affordable housing to particular occupation groups and their residential locations relative to their places of employment ([Project 60279](#)).

2.5 Review of Theme 5: Urban Management and Infrastructure

Two distinct research areas have been included within this research theme:

- Labour markets, housing markets and shifting metropolitan balance (not in Research Agenda 2005); and
- Sustainability - housing and urban development.

2.5.1 Review of research findings in 'Labour Markets, Housing Markets and Shifting Metropolitan Balance' (not in Research Agenda 2005)

The research area 'labour markets, housing markets and shifting metropolitan balance' has sought to understand the current and potential relationships between housing markets and labour markets, particularly the role that housing plays in facilitating or hindering labour market access.

To date the research has examined: the geographical interrelationships between housing and labour markets, and the residential mobility of households in relation to employment.

Completed projects in this research area have explored aspects of the relationship between housing and labour markets at different spatial levels, from metropolitan wide, to a local area level, to the experience of individual households.

There are strong and stable geographic links between housing markets and labour markets within the Melbourne metropolitan area. Analysis of Census data from 1986-96 finds that **most people live and work in one region**, or travel to an adjoining region to work. Employment related to the 'New Economy' (such as property and business services, communication, and knowledge based occupations) has grown in the inner core of the city, where numbers of 'Old Economy' (manufacturing) jobs have declined. In these areas, housing is expensive and is occupied by the skill-rich. In line with broader trends, numbers of Old Economy jobs declined overall during the period, and within the city, manufacturing workers relocated to suburban regions. Effectively, during the 1990s Melbourne became increasingly separated into areas of strong employment growth and social advantage and areas of low jobs growth and social disadvantage ([Project 50024](#)). The stability of this regional self-containment of housing and jobs in Melbourne was confirmed with 2001 data. It was in the outer suburban areas that in 2001 the most affordable housing in Melbourne was to be found. Unemployment was also concentrated in these outer suburbs, especially in declining industrial areas ([Project 30233](#)). However, it is precisely these declining industrial areas that, due to cheaper land, are a particular focus of private sector-led urban development, for example Melbourne's western suburbs. Levels of employment and income in such new suburbs are high, but this relative advantage has not had, as yet, a positive effect upon more disadvantaged neighbouring suburbs ([Project 30035](#)).

Given regional variation in employment opportunities, another key aim of research projects to date has been to understand the **capacity and experience of households to move to areas with better job opportunities**. Unemployed people that move to areas of better employment opportunities, typically increase their likelihood of leaving income support. Unemployed persons in the private rental market are most likely to move, followed by public renters, with low-income homeowners least likely to move for work. Significantly, the research points to a link between housing costs and employment rates by highlighting that people with low skill levels live in areas of higher unemployment, where housing costs are relatively low. Arguably, more unemployed people could find work if they were more able to move to areas of better employment prospects and higher housing costs ([Project 70065](#)).

Within Australia approximately 63,500 welfare recipients moved from metropolitan to non-metropolitan areas and about 54,000 moved in the opposite direction. Exploring the main drivers of moves, two clear findings emerge. First, low-income people in receipt of income support who move from metropolitan to non-metropolitan areas do so primarily due to high housing costs in urban areas (45% said it was “very important” and 22% “important”). However, there is also significant migration of low-income households into metropolitan areas. The search for ‘job opportunities’ was the most significant driver of these moves (41% “very important” and 11% “important”). Though the reasons tend to relate to the type of income support being received, the findings show that most of those of working age - the unemployed and single parents - typically move from regional to urban centres in search of paid work ([\(Project 70066\)](#) and [\(Project 70175\)](#)).

2.5.2 Review of research findings in ‘Sustainability - Housing and Urban Development’

The research area ‘Sustainability – Housing and Urban Development’ has the policy research aim: to understand how infrastructure, land and environmental resource pressures associated with urban management impact upon local housing markets and sustainable housing outcomes.

The completed research has examined: the links between housing and planning policies in local government, and the sustainability of different forms of urban development.

With many of the planning instruments associated with the pursuit of sustainable urban development being the domain of local government, ***the links between housing and planning policies in local government*** is paramount. An increasing number of metropolitan councils are developing local government housing strategies to pursue affordable housing outcomes and sustainable urban development. These local government housing strategies link housing policy aims with local government planning mechanisms and those councils that have been most successful in implementing integrated housing strategies have had strong and consistent local leadership, been able to leverage internal or external funds and have developed effective partnerships with a state government or housing providers ([\(Project 60132\)](#)).

An assessment framework for evaluating ***sustainability outcomes of different types of urban developments*** has been developed. The framework draws together social, economic and environmental indicators to analyse different forms of urban development (master planned communities and traditional sub-divisions). It is not clear that triple-bottom line outcomes can be effectively monitored at the neighbourhood scale – town and city-wide is more likely to be appropriate. The relative weighting of social, economic and environmental outcomes is a political judgement ([\(Project 70137\)](#)).

Current work seeks to test whether there are any links between increased dwelling densities introduced through urban consolidation policy and the spatial concentration of socio-economic disadvantage ([\(Project 50224\)](#)).

2.6 Place holder

Projects under this research theme have been relocated to other themes including Housing Assistance Programs (1) and Urban Management and Infrastructure (5)

2.7 Review of Theme 7: Indigenous Housing

Five distinct research areas are included in this research theme:

- Housing futures, needs and aspirations;
- The housing system;
- Housing and non-shelter outcomes;
- Sustainability; and
- Homelessness – place, house and home.

2.7.1 Review of research findings in 'Housing Futures, Needs and Aspirations'

The research area 'Housing Futures, Needs and Aspirations' has the policy research aim: to understand how housing need is shaped by subjective aspirations and preferences and by trends in family and household formation, labour market participation and residential mobility.

Research, thus far, has examined how subjective aspirations shape housing need, and the implications of residential mobility for housing need.

To properly understand **Indigenous housing need and how it is shaped by subjective aspirations** it is important to have effective consultation methods. A simplified and outcome oriented planning regime based upon research and a robust consultation and communication method is essential to sustainable community development in remote Indigenous communities, yet these methodologies currently do not appear in national guidelines that inform built environment programs. The multi-dimensional and interrelated issues of the built environments of remote Indigenous communities are not recognised by the limited or narrow meaning of 'housing'. Standardised housing and planning solutions fail in remote Indigenous communities – for example overcrowding will not be solved by providing more bedrooms alone. Disregard for climatic and topographical contexts, and coordination deficiencies between service providers are common failings that lead to dysfunctional built environments. A national database of cross-cultural and cross-disciplinary consultation regarding built environment programs would serve the mutual interests of clients and service providers by reducing the need for repeated and often invasive consultation. Finally, post-occupancy evaluations for the communities are essential to the sustainability of positive outcomes ([Project 40184](#)).

Current work is examining the implications of **residential mobility** in remote and rural Indigenous settlements for housing need ([Project 20260](#)). This research aims to quantify and contextualise mobility patterns, in particular to distinguish between circular regional mobility and extra-regional mobility. Understanding such patterns and trends will assist in identifying the locations in which infrastructure maintenance and upgrading is required, and where special forms of transient accommodation may be required. With regard to housing management the research will assist in identifying the frequency with which tenancies are destabilised, and the difficulties households have in managing variation in household size and mobile kin.

2.7.2 Review of research findings in 'The Housing System'

The research area 'The Housing System' has the policy research aim: to understand the dynamic interrelationships between the different tenures, their associated forms of housing assistance and their role and function in the overall housing system.

The Housing Ministers' 10-year Statement of New Directions for Indigenous Housing: Building a Better Future: Indigenous Housing to 2010 (BBF) affirms a shared

commitment by jurisdictions to improve housing outcomes for Indigenous people. [Project 30235](#) has developed an **evaluation framework to assess the implementation of the BBF**. The framework can usefully guide an evaluation of the mid-term and final reviews, and focuses on both the implementation of policies and programs and their outcomes.

An important component of the *BBF* strategy is to improve Indigenous access to mainstream public and community housing. While mainstream public and community housing provides an accessible housing option for many Indigenous households, steps are required to build on current initiatives by jurisdictions to measure and enhance levels of Indigenous access ([Project 80234](#)).

An important part of the Indigenous housing system is Indigenous Community Housing Organisations (ICHOs), especially in remote areas. Research is underway to examine the real costs of providing long term Indigenous housing; to clarify why cost differentiation exists between the provision of Indigenous specific public and community housing and mainstream public and community housing; and to provide information to assist the development of future formulae for capital and recurrent funding applications ([Project 30282](#)). This will be completed by further research to profile the different types of organisational structures of ICHOs and to describe and examine the factors that affect the viability of this sector.

2.7.3 Review of research findings in 'Housing and Non-Shelter Outcomes'

The research area 'Housing and Non-Shelter Outcomes' has the policy research aim: to understand how housing policy and housing assistance might be designed to assist the development of better environmental health, education and employment outcomes for Indigenous people.

Research thus far has examined the links between the management of housing assistance in remote communities and community sustainability, and developed a framework for measuring shelter and non-shelter outcomes from housing assistance.

Case studies of **Indigenous housing assistance and governance in remote communities** in WA and NT find that the ways in which housing and essential infrastructure are built and the management and maintenance practices associated with these (the governance issues) are central to sustainable communities for remote Indigenous people. Greater integration of housing assistance programs and improved consultation at the regional and local levels will assist remote Indigenous communities to achieve better management and maintenance of their housing ([Project 80124](#)).

Project 80037 has developed and trialled a **framework for measuring the impact of housing programs on a range of shelter and non-shelter outcomes** within Indigenous communities. The framework provides a preliminary set of indicators that can be used as a basis for evaluating housing outcomes and family and community well-being. This investigation formed the basis for the AHURI Ethical Principles and Guidelines for Indigenous Research.

2.7.4 Review of research findings in 'Sustainability'

The research area 'Sustainability' has the policy research aim: to understand the longer-term economic, social, environmental and cultural outcomes of current housing policies and programs.

No projects have been funded in this research area.

2.7.5 Review of research findings in 'Homelessness – place, house and home'

The research area 'Homelessness – place, house and home' has the policy research aim: to understand the 'place, house and home' needs of Indigenous peoples and how

to address these needs through housing and other service responses that secure sustainable solutions and support stable life conditions.

To date research has examined Indigenous understandings of home and homelessness and the need for outreach services to assist homeless Indigenous women and their children.

European-based ***understandings of 'home'***, grounded in the notion of 'private space' that is contrasted with 'public space', inform the concept of homelessness in housing policy and research. These mainstream concepts of 'homelessness' do not serve Indigenous people well. A key aspect of the re-conceptualising of Indigenous homelessness is the idea that it is not necessarily defined as a lack of accommodation. Homelessness can be redefined as losing one's sense of control over, or legitimacy, in the place where one lives. In this instance, the notion of place is equally applicable to a dwelling or a public space ([Project 20168](#)).

Outreach personal and family services, including the development of life skills can assist Indigenous women and their children, who are highly mobile and disconnected from community life, to develop stable housing and sustainable tenancies. The high mobility and disconnection from community life of these women and their children means that they are often 'hidden'. Standard homelessness services are unable to maintain contact with them. Factors contributing to the homelessness of these women and children include drug and alcohol abuse, sexual abuse, family violence and debt. Feelings of shame and low literacy can prevent such women from: seeking help, reporting family violence, gaining access to services, and attending training programs ([Project 40158](#)).

2.8 Review of Theme 8: Homelessness and Marginal Housing

2.8.1 Review of research findings in 'Homelessness and Marginal Housing'

The research area 'Homelessness and Marginal Housing' has the policy research aim: to understand how to prevent homelessness, how to address the needs of those in housing crisis or at immediate risk of homelessness, and how to assist the homeless to secure sustainable housing solutions as a basis for supporting stable life conditions.

Research has examined: homelessness prevention and early intervention programs for school children, young people in rural areas, older people; the costs and benefits of homelessness for governments; how to meet the needs of those in housing crisis or at risk of homelessness, and; how to assist the homeless to secure sustainable housing solutions.

Some impressive ***prevention and early intervention programs*** are successfully addressing the prevention of homelessness amongst young people ([Project 30156](#)). Effective prevention programs (broad based activities directed to all students in schools to build protection against homelessness) include:

- funding for community network meetings to support an exchange of information and provide a forum for discussing issues and assist in developing personal and professional relationships which enable 'things to get done'. The Victorian School Focused Youth Services program deploys 41 workers to facilitate coordinated service delivery between schools and community agencies and is found to be very effective and worthy of replication;
- national benchmarks for student welfare in secondary schools to implement good practice strategies and appropriate resource levels for student support services.

Effective early intervention strategies (focused on assisting particular young people who are at the earliest stages of homelessness) include:

- family mediation services to co-ordinate and facilitate a range of services and supports as required on a case-by-case basis. The Australian Government funded Reconnect program is found to be very effective and worthy of replication;
- community residential placement schemes to provide an accommodation option that gives homeless school students an alternative to crisis accommodation facilities. Often, homeless students stay temporarily with friends or relatives when they first leave home and then move on to crisis accommodation. To retain contact with family and peer networks, and reduce pressure upon Supported Accommodation Assistance Program (SAAP) services, support to sustain accommodation in the community may be a viable alternative.

Work on the prevention of youth homelessness in rural areas, suggests that while young people living in rural areas face many of the challenges confronting urban youth, their experiences of homelessness are distinctive. This includes difficulties in finding employment, tight rental housing markets and fewer services for homeless young people. Those services that are available tend to be concentrated in larger regional centres. Governments, in partnership with communities, can take steps to address these issues, with the Foyer models, developed and implemented in Europe, offering considerable potential as a practical strategy of dealing with homeless young people living outside the capital cities ([Project 40160](#)).

With regard to older homeless people, identifying the housing and support needs of older homeless and marginally housed people is contingent upon the history and needs of the individual, their health profile and the housing options available. The overwhelming preference of clients was for public housing because it provided appropriate facilities for independent living as well as much needed security of tenure and affordability. For this group of people, sustainable housing outcomes were relatively easy to achieve if the challenge of accessing suitable, affordable accommodation was overcome ([Project 70135](#)).

A systematic review of the literature revealed that little research had been undertaken on the costs of homelessness to government and the benefits of homelessness prevention to government. The research pointed to suitable methods for undertaking such work in the future and, indeed, a new project is commencing that will quantify the costs of homelessness and costs of not preventing homelessness in Western Australia ([Project 80306](#)).

How to address the ***needs of those in housing crisis or at immediate risk of homelessness*** is contingent upon whose needs are being considered. Amongst ex-prisoners ([Project 70176](#)), half of the people studied exited prison to homelessness or transience. The two strongest predictors of return to prison were lack of appropriate accommodation (indicated by moving two or more times in a three month period) and drug use. The study found that a case worker needs to be assigned to every prisoner pre release to establish housing and support requirements. This case worker would continue to coordinate housing and support needs post release to ensure that common problems for ex-prisoners, such as drug use, unsatisfactory housing arrangements, and difficulties negotiating complex bureaucratic procedures for public housing, were avoided ([Project 70068](#)).

All permanent residents of caravan parks are at risk of homelessness with the exception of itinerant workers. Older people, who tend to reside in caravan parks as a lifestyle choice, are at risk of homelessness if the park owner decides to sell the land on which they have located their van. Elderly people in caravan parks are also unlikely to be able to access services that would allow them to age in place (due to the usual location of caravan parks outside metropolitan areas) or have sufficient wealth to relocate to alternative accommodation such as a nursing home or hostel ([Project 70109](#)).

Due to a shortage of affordable housing, caravan parks are being increasingly used as crisis accommodation or as exit points from supported accommodation. People and families placed in caravan parks are forced to live in basic conditions with minimal facilities, lack of security of tenure, limited access to community, health, education and support services and often with little knowledge of their rights as a tenant. These people are unlikely to secure permanent housing due to low-incomes, unemployment, complex support needs or because they are unable to be active in the workforce and are at risk of homelessness ([Project 70109](#)).

Refugees to Australia (Permanent Protection Visa [PPV] holders and Temporary Protection Visa [TPV] holders), after an initial period of multiple moves, establish themselves in the housing market within one year. They are typically housed in the private rental market and are primarily assisted to do so by family, friends and the community. The on arrival accommodation and housing assistance provided to PPV holders eases the settlement process compared with TPV holders. PPVs holders are typically sponsored into and remain in the private rental market, typically moving three times within the first year. TPV holders are slightly more mobile, moving four times within 12 months of release from detention. They typically spend their first night post detention in a hotel, motel or backpacker hostel, with subsequent moves into the private rental sector, and stay with friends, relatives or community members. Based on the conventional standards applied in Australia, at least one-third of respondents have been homeless at some stage since their arrival in Australia - primarily due to the temporary and transitory nature of their accommodation. Support provided by friends, family and community members is important in the settlement process, particularly for those refugees sponsored by family members ([Project 40048](#)).

The third policy research aim within the theme of Homelessness and Marginal Housing examines how to **assist the homeless to secure sustainable housing solutions** as a basis for supporting stable life conditions

Amongst psychiatric patients living in the community those who had managed to achieve a point of stability in their often chaotic lives were usually connected to a particular support or accommodation service that provided holistic care. Developing relationships, addressing core traumatic issues and assisting clients to acquire positive coping mechanisms was key to ensuring they maintained adequate housing ([Project 70072](#)). From the perspective of people with a mental illness, case management that tailors specific solutions to the needs of clients (i.e. more or less intensive as required) was most effective in supporting them to achieve and maintain the tenancy of their choice ([Project 50102](#)).

Without access to secure, affordable housing illicit drug users are unable to access drug treatment programs that provide maintenance, withdrawal and detoxification treatments or family services aimed at assisting the children of drug users. As such, sustainable tenancies for many heroin users are dependant on them receiving a range of health and community services. If drug users are inappropriately housed or not supported to maintain their tenancy, they will continue to put their health and the well-being of others at risk ([Project 30056](#)).

2.9 Review of Theme 9: The Housing System

The research theme 'The Housing System' has two research areas:

- The dynamics and drivers of supply and demand; and
- Housing, housing markets and non-shelter outcomes.

2.9.1 Review of research findings in 'The Dynamics and Drivers of Supply and Demand'

The research area 'The Dynamics and Drivers of Supply and Demand' has the policy research aim: to understand the dynamics of the housing system in Australia in particular the interrelationship between the different tenures and their role and function in the overall housing system; and the impacts of different forms of housing assistance upon the balance of supply and demand across different tenures.

Research has examined the interrelationship between the different tenures and their role and function in the overall housing system, and the role of the private rental market in the overall housing system.

Home ownership is the dominant housing tenure in Australia with over two thirds of households either purchasing or owning their homes. To understand the ***interrelationship between the different tenures and their role and function in the overall housing system*** one must understand the changing demand for home ownership and thereby understand how the role of this tenure within the housing system might be changing.

According to Census data, between 1986 and 1996, the national home ownership rate fell 2.2 percentage points from 68.2% to 66%, mainly due to a decline in the percentage of home purchasers. For people in the 25-44 year old age group in metropolitan areas, there was a 10 percentage point fall in the rate of home purchase. The main reason for the declines in home ownership was raising house prices rather than changes in demographic structure or changes in the distribution of incomes. Census data for 2001 portray little change in the overall home ownership rate since 1996 ([Project 60064](#)). Furthermore, nearly 90% of a sample of 2,769 private tenants did not have the savings needed for a home ownership deposit ([Project 80151](#)).

Nonetheless, demographic factors are also at play. The age at which young people leave the parental home has risen in the recent generation to a median age of 21, up from lows in the 1980s for men (a median age of 19.6) and early 1990s for women (a median age of 18.9). Higher school retention rates, improved higher education participation rates, delays in partnering and marriage, as well as housing affordability problems and unemployment rates are all important drivers of this change. Lower rates of parental home exit in Sydney and Melbourne imply housing affordability is having a particular impact in such cities. Furthermore, the home ownership rate could be forced down by rising divorce rates that are not matched by rising remarriage rates. Those who are divorced or separated have much lower rates of home ownership than continuously married couples and similar rates to singles that never married. Divorcees have a 9 percentage point lower probability of home ownership in comparison to the continuously married, all other things being equal. However, divorcees who have remarried exhibit rates of home ownership very similar to that of married couples who have never been through a separation or divorce. As divorce rates are rising but remarriage rates are not an increasing number of divorcees will remain unmarried, and if this eventuates there will be a negative impact on Australia's home ownership rate ([Project 80151](#)).

Amongst those that have managed to enter home ownership, changes in house purchasing behaviour are observable and relate to changes in the nature of employment. Based on an analysis of survey data from 508 first home buyer households (1999-00) in Greater Adelaide, Mount Gambier, Murray Bridge and Port Lincoln, 60% of respondents reported that job insecurity affected their home purchasing behaviour. These households responded to their labour market circumstances (compared to those in secure employment) by borrowing less, buying cheaper homes and paying their mortgage off as quickly as possible. Moreover, security of employment (as indicated by the categories permanent, causal, contract, self employed) had a stronger statistical association with home purchase price than level of household income ([Project 40010](#)).

The interrelationship between the different tenures and their role and function in the overall housing system is different in different parts of Australia – that is, housing markets are spatially segmented. Current research on trends in non-metropolitan housing markets will provide important information on their performance in comparison with metropolitan housing markets ([Project 50264](#)).

The **private rental market plays a crucial role and function in the overall housing system** in Australia as our housing assistance framework is increasingly reliant upon an effective supply of low-cost private rental accommodation to meet the needs of CRA recipients. In 2001, there was an overall shortage in affordable and available housing suitable for low-income households (defined as receiving less than \$335 per week) equal to 134,000 dwellings. Shortages were especially acute in cities such as Sydney, Darwin, Canberra and Melbourne. Households with low income occupied only 39% of low rent dwellings, but 60% of private renters on low incomes were paying rents above the lowest rent segment. These latter findings underpin the important ‘clearing’ role that home ownership plays in the Australian housing system enabling mobility up and through the affordable stock ([Project 60190](#)).

Current research seeks to map the location of low-income private renting households and the location of low rent housing to see whether there is a locational dimension to affordable housing ‘mismatch’ identified above and to ascertain whether the housing system and the payment of CRA are leading to spatial concentrations of disadvantaged households ([Project 70217](#)).

A key issue in relation to the supply of private rental housing is the role played by investors – a new project will explore the motivations of rental investors in four states ([Project 20280](#)).

2.9.2 Review of research findings in ‘Housing, Housing Markets and Non-Shelter Outcomes’

The policy research area ‘Housing, Housing Markets and Non-Shelter Outcomes’ has the policy research aim: to understand how housing (tenure, type, price, location, density) and housing markets make a difference (positive and negative) to the non-shelter outcomes of households, communities, economies and societies and the implications of these for housing policy.

There are no completed or current projects in this research area.

2.10 Review of Theme 10: The Policy Horizon

2.10.1 Review of research findings in 'The Policy Horizon'

The research theme 'The Policy Horizon' has the policy research aim: to understand key concepts that provide the foundations of housing studies and their relationship to housing policy making and housing program implementation.

Research has examined: social exclusion, evidence-based policy making, and research-policy linkages.

The term social exclusion has been used in Australian housing policy debates to simply label disadvantaged areas, such as public housing estates, as 'socially excluded'. Such an approach undervalues the concept, which can highlight the interconnected nature of deprivation and provide support for whole-of-government approaches. The literature review also draws the distinction between 'exclusion through housing' and 'exclusion from housing' to draw attention to the active ways in which housing can be a part of the social exclusion process. For example, housing tenure differences such as the insecure tenancy of private renters can undermine local social cohesion and thereby promote social exclusion ([Project 40199](#)).

The international literature on research-policy linkages emphasises the critical importance of sustained engagement between researchers and policy practitioners to achieve evidence-informed public policy ([Project 20216](#)). Effective ways of achieving this are to develop research-policy networks built on partnerships and interaction, which provide regular, formalised opportunities for sustained engagement, rather than structures solely based on contractual relations. The research advocates that AHURI is ideally placed given its structure and purpose to develop such networks more fully.

AHURI Research Centres

Sydney Research Centre
UNSW-UWS Research Centre
RMIT-NATSEM Research Centre
Swinburne-Monash Research Centre
Queensland Research Centre
Western Australia Research Centre
Southern Research Centre

Affiliates

Charles Darwin University



Australian Housing and Urban Research Institute
Level 1, 114 Flinders Street, Melbourne Victoria 3000
Phone +61 3 9660 2300 Fax +61 3 9663 5488
Email information@ahuri.edu.au Web www.ahuri.edu.au