

AHURI's contribution to the cumulative evidence-base to inform the national housing reform agenda

authored by

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PURPOSE

This paper outlines the current and anticipated contribution of AHURI research through the National Housing Research Program (NHRP) to inform the national housing reform agenda.

BACKGROUND

A centrepiece of reform process is the creation of the National Integrated Housing Strategy (NIHS). This will build on and expand the work currently being progressed under the 25 national housing reforms arising from the National Affordable Housing Agreement; the three National Partnership Agreements on Homelessness, Social Housing, and Remote Indigenous Housing; and the Nation Building and Jobs Plan Social Housing initiative.

In 2009 Housing Ministers proposed bringing the suite of existing reforms into an integrated strategy that would realise an agreed vision for a vibrant housing and homelessness system into, and beyond, the second decade of the 21st century across the following areas:

- Improving outcomes and demonstrating benefits for all Australians from the social housing and homelessness systems, private rental assistance, home ownership assistance and the tax and transfer system to create a range of responses to existing and emerging challenges.
- A strategy to assure the long term sustainability of funding for the social housing system across a range of providers and products with clear target groups identified and a rational system for service delivery.
- A clear national framework which clarifies the roles and responsibilities of all levels of government, the community housing sector and the private sector in the delivery of housing and homelessness outcomes.
- Improving the responsiveness of the supply side of the housing sector to meet the needs of a growing population, including through adequate land supply, and strategic and efficient planning, zoning and development assessment processes.
- Providing affordable housing within sustainable, liveable cities, in line with the forthcoming recommendations of the COAG Taskforce on Capital Cities strategic planning.

This direction was endorsed by COAG at its meeting on 7 December 2009.

THE AHURI EVIDENCE-BASE

AHURI research through the National Housing Research Program (NHRP) makes a valuable contribution to most of the key elements of the national housing reform including the National Integrated Housing Strategy (NIHS).

The National Housing Research Program Research Agenda is informed by an integrated whole-of-housing-system approach, which emphasises the importance of establishing the links between the housing system and the broader social context. An important feature of the NHRP is a whole-of-housing-system approach that is not restricted to social housing per se but acknowledges the interrelationship between different housing tenures.

There are eight Strategic Research Issues that reflect the strategic interests of the current housing policy reform agenda:

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.).

Pages 4 to 31 of this paper summarises *relevant* completed, current and proposed research¹ (including research undertaken through AHURI National Research Ventures or NRVs, and the National Cities Research Program (NCRP)) in respect to the seven major reform themes of the housing reform framework:

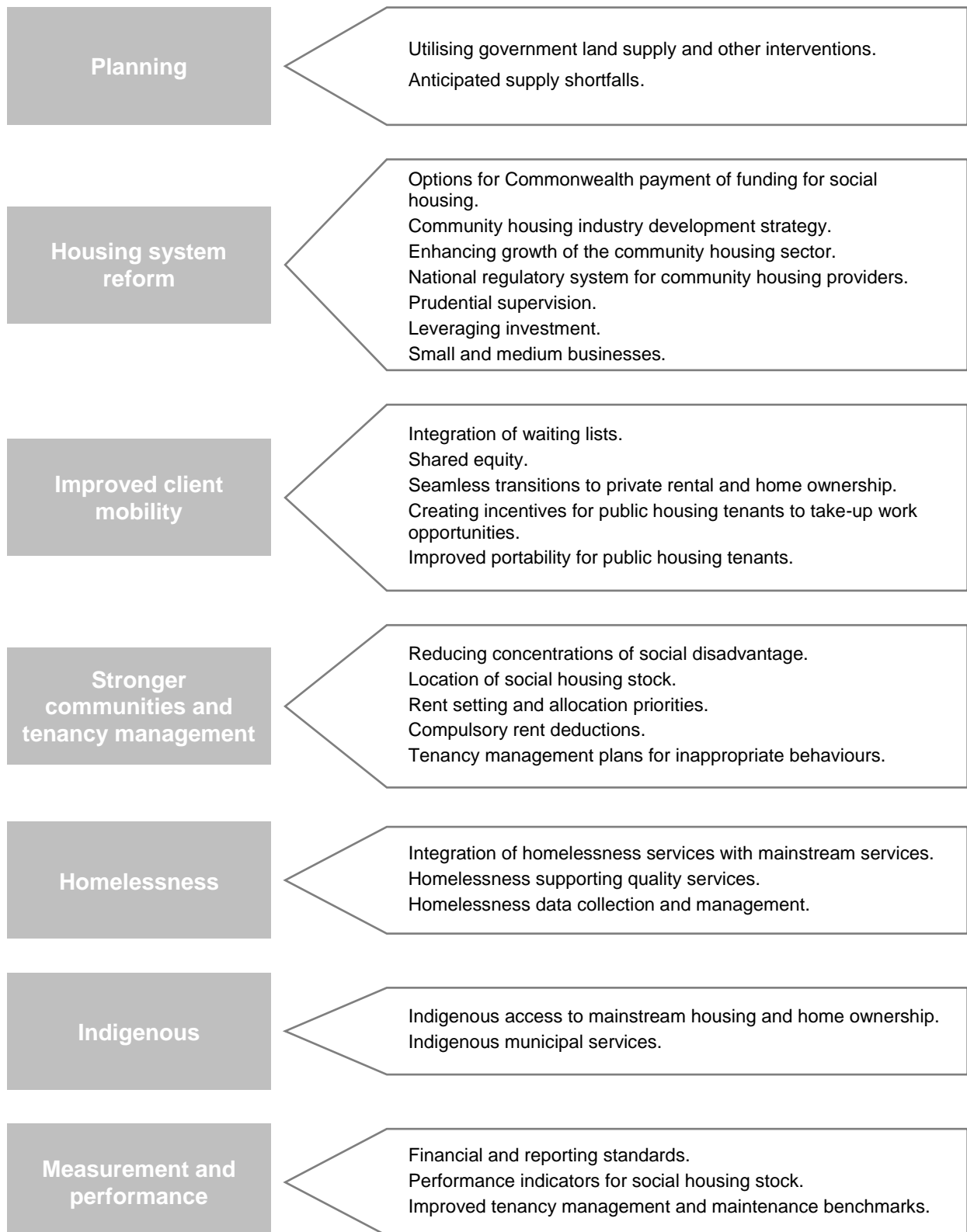
- Planning.
- Housing system reform.
- Improved client mobility.
- Stronger communities and tenancy management.
- Homelessness.
- Indigenous.
- Measurement and performance.

¹ A full account of AHURI research can be found at:

http://www.ahuri.edu.au/downloads/Research_Agenda/AHURI_Research_catalogue_2010.pdf

The research undertaken by AHURI is pertinent to most but not all of the 25 national housing reforms.

National housing reform projects



SUMMARY TABLES

Planning	Housing Reform 9: Utilising government land supply and other interventions
<p>What we know (AHURI evidence-base)</p> <p>Given Australia’s poor housing affordability trends, much AHURI research examines how planning mechanisms can be effectively used to increase the amount of low-cost housing stock.</p> <p>Better connections between planning approaches and other government policies, funds and incentives can increase housing supply. 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 (or concessions) and inclusionary zoning (Project 60322). Other government interventions that have proven successful focus on promoting private investment in affordable housing, using the existing private rental market for improved housing outcomes, reinventing social housing to improve choice and diversity and promoting housing and neighbourhood sustainability (Project 60323).</p> <p>The Austrian bonds model is of particular interest because it demonstrates the role of institutions in channelling the finance, the tax incentives that have encouraged investors to purchase bonds, the regulations surrounding the use of funds raised for affordable housing and their role in moderating the cost of finance across the wider mortgage market. A new research project will draw on international evidence, experts and financial modelling to explore the possibilities of adapting bond finance (and the Austrian model of Housing Construction Convertible Bonds in particular) to the Australian context as an instrument to channel investment towards affordable housing (Project 30652).</p> <p>An analysis of the planning system in Melbourne (Project 30590) has suggested that the impact of planning policy on the outcomes in the housing system is limited, with planners expressing frustration about their inability to enforce strategic policy and bring about desirable changes in terms of the range of housing sizes and types available. The urban growth boundary was not linked to changes in land prices (prices were seen to be linked more to land banking practices of developers). There was also a concern that taxes and charges were passed on to consumers, and influenced developers to reduce lot sizes. An emerging issue was also the growth in use of restrictive covenants that prevent further subdivision.</p> <p>Three new research projects will investigate links between planning and housing supply. One will examine models of public engagement in planning approval processes (Third Party Objection and Appeal Rights, TPOAR; and Fast tracked planning) to see how they impact on housing supply, resident perceptions, and realisation of planning goals (Project 30678). Another project will review the new planning powers in NSW 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). 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. An evidence-base will be established to quantify, enhance and monitor planning system performance in relation to housing supply and affordability indicators (Project 70694).</p>	

An Investigative Panel on the development of a **new model for housing regeneration in greyfields precincts** is currently underway. This project is investigating both new modes of dwelling construction and labour market flexibility to meet the demand for new forms of medium density, affordable and sustainable housing. The research will specifically look at middle ring suburbs in capital cities ([Project 50593](#)). Another Investigative Panel will explore barriers and solutions to **in-fill housing in two capital cities as a means of increasing supply of affordable housing** ([Project 80649](#)). Key challenges addressed in the panel will include:

- How to increase the supply of housing through infill development.
- How to deliver a range of diverse housing products in infill developments.
- How to deliver affordable and sustainable housing.
- How to minimise development costs with direct effects on housing affordability.
- Identifying land supply and ownership issues and addressing how these issues affect the development process.
- Identifying the optimum delivery strategy for infrastructure to support infill development.

The project will provide a list of recommendations designed to increase the supply of appropriate, diverse and affordable housing through in-fill development.

A recently completed study has found that the suite of housing programs rolled out nationally, in response to the housing crisis widely acknowledged within metropolitan Australia, has had a variable and often **muted level of impact in rural and regional housing markets** ([Project 40586](#)). This study found that

- Lack of supply in the rental market is a particular concern in regional and rural areas. The private rental market appears under-developed because of a shortage of investors and inappropriate planning regulations. However, there is demand for rental housing and this is driven by the low wage, highly variable labour markets in these regions.

Social housing provision in these areas is also inadequate. The National Affordable Housing Agreement has delivered some social housing but has had a low profile in regional Australia, and the National Rental Affordability Scheme hasn't delivered units in areas suitable for many low-income families that rely on public transport.

Relevant AHURI projects, underway

- 50593** Towards a new development model for housing regeneration in greyfield precincts (Investigative Panel)
- 30652** Housing supply bonds – a suitable instrument to channel investment towards affordable housing in Australia?
- 30678** Resident third party objections and appeals against planning applications: implications for medium density and social housing
- 70691** Affordable housing, urban renewal and planning: emerging practice in NSW, SA and QLD
- 70694** Quantifying planning system performance and the national housing reform agenda (Investigative Panel)
- 80649** Delivering diverse and affordable infill housing development (Investigative Panel)

Relevant AHURI projects, completed

- 40586** The drivers of housing supply and demand in rural and regional centres
- 60323** International housing trends and policy responses

60322 International practice in planning for affordable housing

30590 Planning reform, land release and the supply of housing

Planning

Housing Reform 10: Anticipated supply shortfalls

What we know (AHURI evidence-base)

AHURI research has shown that governments can influence and shape affordable housing supply outcomes via financial, regulatory and planning mechanisms. **International case studies and economic modelling** indicate that supply-side and demand-side actions are needed in order to achieve affordability goals. Planning plays a central role in a number of European and North American states in maintaining and increasing the supply of affordable housing. ([Project 60322](#)). These planning approaches must be matched to housing market contexts, for example, protective mechanisms are important in high growth regions and incentive and concession schemes will be effective in contexts where land costs or building costs are high enough to generate a valuable bonus.

In recognition of the increasing importance of **research on supply-side approaches**, AHURI released two briefs for research on housing supply in June 2010. These briefs resulted in two projects that are currently underway. One will model the impacts on supply and affordability of two sets of proposed changes under the Henry Tax Review: to alter the negative gearing arrangements and stamp duties and land tax ([Project 80647](#)). The other aims to better understand the housing sector labour market and will answer the question: What are the principle constraints faced by the housing sector labour force in meeting the challenge of increasing housing supply? ([Project 30634](#)). Building on research in this area, another project is adopting a range of quantitative and qualitative research methods to yield better ways of **managing the subcontracting process and procurement strategies**, thus contributing to policies directed at overcoming Australia's housing supply shortage ([Project 30643](#)).

A small number of AHURI projects have examined urban planning processes to assess their impact on the cost of housing developments. It has been found that a **lack of approval process transparency, inconsistent planning requirements** across local government areas and a lack of trust between developers and local councils are significant non-financial barriers to negotiating the planning system which can have significant impact on development costs ([Project 70393](#)). These barriers are of greater concern to developers than development contributions and other planning related costs, and smaller developers are particularly affected. Developers identified major infrastructure investment by government before the release of greenfield sites, as well as a negotiated approach to setting infrastructure contribution agreements prior to commencement as good practice.

The need for low rent stock in the private rental market was established by research that found that there is a **shortage of stock available to low income private renters**, with 24 per cent of low income earners in 2006 facing affordability problems as a result ([Project 50502](#)). A recently completed project found that **gentrification has significantly impacted on the supply of affordable housing** in Sydney and Melbourne ([Project 40548](#)).

Another project reported on **supply shortfalls in rural and regional areas** ([Project 40586](#)). Lack of supply in the rental market was found to be a particular concern. The private rental market appears under-developed because of a shortage of investors and inappropriate planning regulations. However, there is demand for rental housing and this is driven by the low wage, highly variable labour markets in these regions. Social housing provision in rural and regional areas is also inadequate. The National Affordable Housing Agreement has delivered some new social housing but has had a low profile in regional Australia, and the National Rental

Affordability Scheme hasn't delivered units in areas suitable for many low-income families that rely on public transport.

Relevant to this topic are two projects funded through the National Cities Research Program (NCRP). The first of these will **investigate infill targets and governance** with a focus on the strengths and weaknesses of different approaches in regards to housing supply and affordability ([Project 96002](#)). The other is an Investigative Panel and will focus on **evaluation approaches to city shaping strategies and projects** ([Project 76001](#)).

In recognition of the shortfall in low rent stock in the private rental market, AHURI released a brief for research on the **marginal rental housing market** in May 2011, to better understand the supply and demand dynamics of marginal rental housing forms such as caravan parks and rooming houses.

Relevant AHURI projects, underway

- 30634** Understanding the patterns, characteristics and trends in the housing sector labour force in Australia
- 30643** Current labour processes and management of subcontractors: impacts on productivity in the housing construction industry
- 50502** Australia's private rental market: changes (2001–2006) in the supply of, and demand for, low rent dwellings
- 80647** Modelling the impacts of the Henry Review tax recommendations on housing supply and affordability
- 96002 NCRP** Metropolitan planning governance in relation to affordable housing supply
- 76001 NCRP** Reviewing methods for evaluating the costs and benefits of major city shaping infrastructure projects (Investigative Panel)

Relevant AHURI projects, completed

- 70393** Planning, government charges and the cost of land and housing
- 60322** International practice in planning for affordable housing
- 60132** Housing policy and sustainable urban development: evaluating the use of local housing strategies in Queensland, New South Wales and Victoria
- 40586** The drivers of housing supply and demand in rural and regional centres
- 40548** The housing impacts of neighbourhood change: gentrification, affordability and displacement

Housing system reform	Housing Reform 2: Options for Commonwealth payment of funding for social housing
<p>What we know (AHURI evidence-base)</p> <p>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). 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).</p> <p>Evidence about the progress in moving towards a more diversified social housing sector system (especially in terms of the growth in the number of dwellings in a not-for-profit</p>	

community housing sector) is that progress thus far has been meagre and limited to certain jurisdictions ([Project 60191](#) & [Project 60504](#)). There is consistent evidence that there is a need for a national Government support to provide a funding stream to support the development of this sector ([Project 60504](#)). The financing approaches to affordable housing have been compared with the UK ([Project 30206](#)), and this finds that the UK has had significant infusion of investment compared to Australia, and this has been due to differing policy frameworks.

Australian and overseas **policy initiatives to promote economic participation** have been documented ([NRV1, RP2](#)). The most promising in an Australian context appear to be: evaluation of effectiveness of current direct employment by public housing agencies, pilot programs to redesign rent formulae, more systematic linking of employment services with public housing tenants, and community initiatives to support tenant engagement with work.

In relation to public housing, previous AHURI evidence (e.g. [Project 30359](#)) has documented the shortfalls in funding at a state level for funding existing public housing stock levels. This has **constrained the capacity of states and territories to build new stock, and** has in fact led to a net loss of stock over the period 1996–97 to 2005–06. This can lead to a lack of transparency and equity between jurisdictions. Another study ([Project 50226](#)) comparing Australia’s public housing rental systems with others overseas shows that Australian public housing subsidies are insufficient to make up the deficit between income based rent and the costs faced by public housing providers. Other more recent research ([Project 40561](#)) argues that, notwithstanding recent investments in public housing under the Stimulus plan, policy-maker informants expect that **the growth in public housing is likely to stagnate in the absence of significant new investment.**

An Investigative Panel found that government policies have worked to congregate socially disadvantaged people in social housing neighbourhoods while under-investing in the tenure, and that this has had a **stigmatising effect on these social housing neighbourhoods** ([Project 40600](#)).

Relevant AHURI projects, completed

- 40600** The problem of social housing stigmatisation and innovations that can minimise its effects (Investigative Panel)
- 60504** Innovations in the provision of affordable housing
- 60191** A practical framework for expanding affordable housing services in Australia: learning from experience
- 50226** Rental systems in Australia
- 30359** Operating deficits and public housing: policy options for reversing the trend: 2005/06 update
- 30154** Operating deficits and public housing: policy options for reversing the trend
- 30282** Indigenous housing—assessing the long term costs and the optimal balance between recurrent and capital expenditure
- 30206** Financing affordable housing: a critical comparative review of the United Kingdom and Australia
- NRV1** An audit of Australian and overseas policy initiatives designed to promote housing policy and economic participation goals (RP2, November 2005)
- NRV1** The relationship between public housing waiting lists, public housing tenure and labour market outcomes (RP9, August 2008)
- 40561** What future for Australia’s public housing? A critical analysis

Housing system reform

Housing Reform 3: Community housing industry development strategy
Housing Reform 14: Increase percentage of stock owned by community housing

What we know (AHURI evidence-base)

An AHURI assessment in 2005–06 found that most community housing providers were small-scale organisations with high levels of volunteer labour and ageing stock. While they are financially viable, their **financial position was underpinned by reduced costs provided through volunteer labour and the lack of provision for depreciation** ([Project 30355](#)).

AHURI research ([Project 60191](#)) argues that because of high costs, learning curves and long lead times to set up new agencies, the most cost effective and efficient way to expand affordable housing is for government to further develop existing organisations (some of which are presently underutilised). Capacity needs to be built in the sector in a range of areas. There is evidence that skill levels could be improved and would benefit from government investment in capacity building and skills development for the existing community housing sector, particularly in relation to governance, development financing and project management skills. There is also a need to address regulatory and funding frameworks. The most recent research ([Project 60504](#)) indicates that the most innovation and capacity building is occurring in Victoria.

Public private partnerships are also being built ([Project 70588](#)). The evidence is that clarity, certainty, trust, leadership and communication were important in all models regardless of whether they were joint venture, alliance or Private Finance Initiative types of ventures.

Defence Housing Australia has been found to have a number of lessons for the provision of affordable housing in Australia ([Project 70575](#)). Key lessons include that successful housing development requires scale, large maintenance contracts help drive down cost, successful asset management requires trading of stock, and robust design guidelines will help organisations acquire and develop appropriate housing. There are also important lessons in relation to governance, staff management, use of sales and lease-back models, and the fostering of a network of affordable housing players.

The **role of the community housing sector in addressing homelessness**, in the context of the expansion of the community housing sector will be the focus of a new research project ([Project 70686](#)). Current policies for increasing the supply of affordable housing in Australia envisage a greatly increased role for community housing organisations (CHOs), including as a provider of housing for homeless people. This study will produce findings about the sector's capacity to provide sustainable housing and support to this group.

Another project investigated the viability of the public housing sector and provided a commentary about the future of Australian housing policy and the specific role of public housing ([Project 40561](#)). The research explored the rationale behind the **proposal to transfer public housing stock to community housing agencies**. The researchers found that investment in the public housing system has reduced and it is increasingly targeted to serve the most disadvantaged welfare recipient households, which has undermined its financial viability. At the same time, the reputation of public housing has suffered with many policy-makers seeing public housing in a position of intractable decline. The research suggests that this is what has led to radical longer-term proposals including the transfer of stock to community housing agencies, with State Housing Authorities (SHAs) acting as enablers of social housing rather than as providers.

Relevant AHURI projects, completed

- 40561** What future for Australian public housing? A critical analysis
- 70588** Partnership working in the design and delivery of housing policy
- 30355** Operating deficits in community housing
- 60191** A practical framework for expanding affordable housing services in Australia: learning from experience
- 60504** Innovations in the provision of affordable housing
- 70575** Lessons of Defence Housing Australia for affordable housing provision

<p>Housing system reform</p>	<p>Housing Reform 4: National regulatory system for not-for-profit housing providers</p>
<p>What we know (AHURI evidence-base)</p>	
<p>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 and Project 60118).</p>	
<p>Research suggests that the regulatory frameworks overseas have faced particular problems that Australian policy-makers should seek to avoid (Project 40559). In the UK there were concerns about over-regulation and ritualistic regulation. In the Netherlands, it would appear that there was regulatory capture in that the needs of private finance shaped the whole system. In the USA, the flexibility afforded by a contract-based system of regulation has helped providers to grow, without losing sight of their social objectives, but there appears to be higher risk to tenants through organisational failure. The study concluded that there should be regular reviews of regulatory arrangements built into national and state legislation to identify and manage possible stakeholder conflicts, and address concerns about administrative burdens.</p>	
<p>Changes to housing policy and the regulatory environment have presented not-for-profit housing organisations with opportunities to grow and diversify their business. In this context, a new study will examine decision making, leadership and organisational dynamics in the Australian not-for-profit housing sector, drawing on international studies and experts (Project 70689).</p>	
<p>Relevant AHURI projects, underway</p>	
<p>70689 Understanding leadership, strategy and organisational dynamics in the not-for-profit housing sector</p>	
<p>Relevant AHURI projects, completed</p>	
<p>40559 Regulatory frameworks and utility for the not for profit housing sector</p>	
<p>60504 Innovations in the provision of affordable housing</p>	
<p>60118 Stakeholder requirements for enabling regulatory arrangements for community housing in Australia</p>	

Housing system reform	Housing Reform 7: Prudential supervision
<p>What we know (AHURI evidence-base)</p> <p>AHURI research suggests that prudential supervision is not systematic across the public housing sector (Project 50366). Other evidence suggests that supervision in the Indigenous community housing sector (Project 30282) is very poor. The oversight in community housing organisations is also likely to be patchy (Project 30355).</p>	
<p>Relevant AHURI projects, completed</p> <p>50366 Good practices for managing Australia's public housing assets</p> <p>30282 Indigenous housing—assessing the long term costs and the optimal balance between recurrent and capital expenditure</p> <p>30355 Operating deficits in community housing</p>	

What we know (AHURI evidence-base)

AHURI research ([Project 30021](#) and [Project 30063](#)) argues that to bridge the difference between what investors would require by way of a rate of return on rental housing and the current level of rents that are affordable by target groups would require action by government.

Barriers to large scale investment in low cost rental housing 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.

An appropriate policy package would include **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.

Feasible policy packages would need to satisfy the criteria of: equity; efficiency; the capacity to generate large volumes of private finance; and financial and political feasibility. Three policy approaches were modelled.

- Model 1 depended on a Commonwealth outlay subsidy to support the States and Territories borrowing to finance an increase in the stock of social housing.
- Model 2 entailed launching an equity vehicle on the Australian Stock Exchange, dependent on a Commonwealth equity injection and State revenue subsidies to meet investor returns.
- Model 3 is a non-profit company financed by an initial non-refundable, dividend-free equity injection by a State government, complemented by State borrowing and voluntary developer contributions.

In each model, the **government subsidies provided were significantly leveraged by private investment**, so that more new affordable housing could be provided than if government funding alone was committed. In the base case of Model 1, \$4.50 of private investment was committed for every \$1 of government subsidy. A \$2 billion expansion of the affordable stock could, in this model, deliver about 15 000 extra dwellings for a Commonwealth subsidy commitment of \$440 million. The outcomes of the models are sensitive to the level of capital gain on the housing provided and to factors including changes in the incomes of tenants, the level of charges such as stamp duty on sale and purchase and the initial cost of the dwellings.

A new research project will explore the possibilities of adapting bond finance to the Australian context as an instrument to channel investment towards affordable housing ([Project 30652](#)). It will look at the Austrian model of Housing Construction Convertible Bonds in particular.

AHURI has drawn on the experience of housing policy-makers and community sector partners in understanding the issues and principles involved in **pursuing partnerships—whether they be joint venture, alliance or private finance initiatives** ([Project 70588](#)). The findings of this study indicate that most of the relationships have been characterised by contractual and collaborative relationships. By contrast, partnerships using private finance initiatives have been limited to date reflecting their complexity and the lack of expertise in these arrangements within the community housing sector.

Further research looking at the financial sustainability of affordable housing projects will consider the leveraging outcomes of contemporary affordable housing projects ([Project 70617](#)).

Relevant AHURI projects, underway

- 30652** Housing supply bonds – a suitable instrument to channel investment towards affordable housing in Australia?
- 30653** Sustaining home ownership in the 21st century: emerging policy concerns (Essay)
- 70617** How sustainable are Australia's contemporary affordable housing projects?

Relevant AHURI projects, completed

- 70588** Public private partnerships (Positioning Paper available, Final Report draft available, pending peer review)
- 30021** New approaches to expanding the supply of affordable housing in Australia: an increasing role for the private sector (May 2002)
- 30063** Policy options for stimulating private sector involvement in affordable housing combined with the alternative forms of private financing to expand affordable housing supply in Australia (May 2002)

What we know (AHURI evidence-base)

Work by AHURI ([Project 50141](#)) has found **some resistance among community housing sector** towards change in the allocations system with half of community housing workers believing there was no need to change their current system. Only 22 per cent of community housing workers and 19 per cent of public housing workers surveyed thought that some integration of public and community housing waiting lists would improve their allocations systems. Other research ([Project 50297](#)) has discussed the implementation of integrated waiting lists in other countries, but there have been **few attempts at any systematic evaluation of their outcomes**, though there is some limited evidence that it reduces double counting and therefore improves efficiency.

The study also found that there was some concern from providers overseas that it might limit their capacity to respond in a sensitive way to special needs. Other concerns about exclusion of particular groups including less visible people like the homeless have been met partly by making exclusion illegal and statutory obligations to assist those in need. The focus of attention has been on the stages in developing common housing registers, governance and organisational issues, resourcing (particularly information and communications technology), the specific forms of registers implemented, and the views of social housing providers (though not of applicants).

A new AHURI project ([Project 70615](#)) will look at **how applicants access social housing and their pathways within the system**, and examine their own experiences of the allocation system. The research will include interviews of social housing tenants from Queensland (which has been the first jurisdiction to implement a common housing register).

Relevant AHURI projects, underway

70615 Pathways and choice in a diversifying social and affordable housing system (Positioning Paper submitted, in peer review)

Relevant AHURI projects, completed

50141 The changing role of allocation systems in social housing (March 2005)

50297 Improving access to social housing: common housing registers and other potential reforms (April 2007). Includes a resource kit for practitioners

What we know (AHURI evidence-base)

Research by AHURI ([Project 70394](#)) found that there is **room for Australian Government involvement in shared equity schemes to provide long-term commitment and greater certainty**, for example through consistent taxation and regulatory frameworks for all parties involved, and potentially an umbrella guarantee to facilitate this certainty. . A national framework in support of financing arrangements would also help provide scale, help spread location risk across different housing markets and enhance cost effectiveness. A commitment of this sort needs to be considered in terms of how appropriately targeted schemes can play a role in delivering the aims and objectives of the National Affordable Housing Agreement

The research suggests that **principles that need to be taken into account** in the development of shared equity schemes might include:

- Use of arms length agencies with sound relationships to departments, and the use of sound social, ethical and business objectives.
- Commercial operation—including the need to provide a product that meets the demands of consumers and runs on a commercial basis (in this sense, schemes that provide the capacity for consumers to sell on an open market and staircase up to full ownership are preferred).
- The need for government to play a facilitative role.
- Consideration of the market context in which shared equity consumers purchase houses to ensure it does not lead to adverse outcomes.
- Targeting of appropriate groups (not those most in housing need but low to moderate income earners).
- Consideration of the risk shared between private and public sectors in financing shared equity products, including regulation or prudential safeguards.

The project looked at shared equity programs in Australia and overseas, but evidence on outcomes from such programmes is limited.

Relevant AHURI projects, completed

70394 Innovative financing for home ownership (August 2009)

What we know (AHURI evidence-base)

AHURI has established there is **persistent market failure at the low-rent end of the private rental sector**. Wulff et al.'s 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](#)). New research will provide information about the **mobility of private renters**, in response to policymakers' need for more up to date information about the state of private rental markets, and in particular the effects on households of long term private rental ([Project 50683](#)).

One group of researchers have examined **changes in 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 ([NRV2](#)). 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](#), [NRV3 Final Report & RP4, RP5, RP10 & RP11](#)).

Recent evidence ([Project 50514](#)) suggests it is getting progressively **harder for low-moderate income households to purchase a home** and avail themselves of the potential financial and other benefits of ownership. If the purchase patterns of the last decade are sustained into the future, overall rates of home ownership will fall. Furthermore the scale and intensity of mortgage stress (as measured by the 30/40 ratio of mortgage expenditure to household income) was considerably greater in 2007–08 compared to 1981–82 for low-moderate income purchasers. There is also evidence that **families are finding it increasingly difficult to access home ownership**, and are increasingly forced to purchase outer suburban housing.

A new study will look particularly at **under-employment and its possible effects on housing security** ([Project 30674](#)). The project will provide a comprehensive population-wide analysis of the consequences of increasing rates of under-employment as it relates to different housing tenures and household groups, and its link to housing stress.

Considering these barriers to entering and maintaining home ownership, a new Essay will 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](#)). Recent AHURI research explores the utility of the **residual income measure** of housing affordability ([Project 50514](#); [Project 50597](#)). This approach recognises that the affordability of mortgages is linked with non-housing expenditures which vary according to household size and type. The expenditures required to meet the non-housing needs of different sizes and types of households at a specified level of adequacy (low cost or modest budget standards) is estimated, and based on this the maximum percentage of income that can be devoted to mortgage repayments is calculated. This provides a more nuanced understanding of housing affordability than the more common 30/40 ratio measure.

A new project seeks to understand the **extent of downsizing amongst older Australians** ([Project 70687](#)). Although it is popularly thought that older people prefer to downsize to smaller dwellings, the evidence suggests there is a reluctance to do so.

Relevant AHURI projects, underway

- 50683** Changes in the private rental system and the effects of long-term private rental
- 30653** Sustaining home ownership in the 21st century: emerging policy concerns (Essay)
- 30674** The housing security consequences of underemployment

- 50502** Australia's private rental market: changes (2001–2006) in the supply of, and demand for, low rent dwellings
- 20610** Bridging the divide: the experiences of low-income households excluded from the private rental sector in Australia
- 70615** Pathways and choice in a diversifying social and affordable housing system (Final Report due November 2011)
- 50597** Residual incomes in Australia: analysis and implications

Relevant AHURI projects, completed

- 80151** What drives housing outcomes in Australia? Understanding the role of aspirations, household formation, economic incentives and labour market interactions
- NRV2** 21st century housing careers and Australia's housing future
- NRV3** Housing affordability for lower income Australians
- 50514** The advantages and disadvantages of home ownership for low-moderate income households

What we know (AHURI evidence-base)

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](#)).

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, the structure of some subsidies, e.g. income eligibility testing in public housing, provides a disincentive to work ([Project 60203](#), [Project 70073](#) and [NRV1](#)).

Changes in demographics are altering the patterns of home ownership and transitions between renting and purchasing homes ([Project 40010](#) and [Project 80151](#)). In times of economic uncertainty or instability of employment, people tend to purchase lower-priced houses.

Positive employment outcomes for women (who have in other studies been found to face the greatest barriers to employment) have been associated with education and training, voluntary work and job flexibility (which accommodated either caring responsibilities or working with a health condition). Working was perceived positively, but as much for reasons of building confidence and belonging, as building financial independence. Indeed, the evidence from the project suggested that working mainly casual and unskilled jobs and welfare compliance issues made it difficult for many to make significant financial headway ([Project 50515](#)).

Two new projects will provide findings on the relationship between **housing stress and under-employment**. One will examine whether there is a link between measures of housing stress and other measures of social and economic wellbeing ([Project 80650](#)). The study seeks to determine whether variations (geographical, demographic and across tenures) in housing stress correlate with similar variations in other measures of wellbeing, to evaluate whether housing stress measures are useful for policy decision making. Another project will provide a comprehensive population-wide analysis of the consequences of time related under-employment as it relates to different housing tenures and household groups, and whether there is any link with housing stress ([Project 30674](#)).

It is suggested that **housing policy interventions may help young people recovering from mental illness access employment** ([Project 50682](#)). A new study will examine the way independent housing assists young people in recovery from mental illness access informal community resources that may promote other outcomes—such as employment, social inclusion, and better health.

Relevant AHURI projects, underway

- 30674** The housing security consequences of underemployment
- 50682** The role of informal community resources in supporting independent housing for young people recovering from mental illness
- 80650** Housing stress and household wellbeing in Australia

Relevant AHURI projects, completed

- 80151** What drives housing outcomes in Australia? Understanding the role of aspirations, household formation, economic incentives and labour market interactions
- 70073** Housing costs, housing assistance and work disincentives: attitudes to work and employment decisions

- 60203** An analysis of the determinants of the labour market activities of housing assistance recipients
- 50024** Labour market, housing market interdependence within metropolitan Australia: a case study of Melbourne
- 40010** The implications of changes in the labour market for the ownership aspirations, housing opportunities and characteristics of first home buyers
- NRV1** An audit of Australian and overseas policy initiatives designed to promote housing policy and economic participation goals (RP2, November 2005)
- Housing assistance and economic participation (Final Report, July 2008)
- Home life, work and housing decisions: a qualitative analysis (RP7, February 2008)
- The relationship between public housing waiting lists, public housing tenure and labour market outcomes (RP9, August 2008)
- 50515** Public housing and employment: challenges and strategies

What we know (AHURI evidence-base)

Previous research by AHURI has shown that **concentrations of low income households can develop in the private rental market and not just in social housing estates** ([Project 70217](#)). The research literature in this field currently lacks a broader insight into how housing variables contribute to the concentration of disadvantage.

A recently completed study examined the **polarisation of income distribution in Melbourne** ([Project 50382](#)). Over the period 1986–2006, the income distribution in Melbourne polarised: the numbers of low and high income households increased while those with middle incomes fell. At the same time, 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. An Investigative Panel found that government policies have also contributed to concentrations of social disadvantage, by working to **congregate socially disadvantaged people in social housing neighbourhoods while under-investing in the tenure**. This has had a stigmatising effect on these neighbourhoods ([Project 40600](#)).

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](#) and [Project 80125](#)). Australian State Housing Authorities have used urban renewal programs to improve housing stocks and strengthen service delivery within poor communities with concentrations of social housing ([Project 30670](#)). New research seeks to measure the benefits of these programs by using house prices as a proxy for amenity in the neighbourhood. It differs from previous AHURI research (e.g. [Project 70110](#)) by using quantitative techniques to derive financial benefits of renewal programs.

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](#)). 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](#)).

To investigate this topic further, an Investigative Panel was established by AHURI to determine the scope, design and the research feasibility of a multi-year research investment into concentrations of social disadvantage. The multi-year research project will be contracted in mid-2011.

A new Essay is examining whether there is a link between housing policy and residential mobility ([Project 70695](#)). Policies to influence residential mobility—such as the US Moving to Opportunity program—may be a way by which governments can reduce concentrations of social disadvantage.

Relevant AHURI projects, underway

30670 Cost-effective methods for evaluation of neighbourhood renewal programs

70695 'Moving Home': the role of housing policy in responding to and promoting mobility (Essay)

50599 Social inclusion and housing: a household and local area analysis

50566 Housing public policy and social inclusion

Relevant AHURI projects, completed

Concentrations of social disadvantage (Investigative Panel)

50382 Housing and income inequalities in the city (Draft Final Report available, pending revisions by author)

40600 The problem of social housing stigmatisation and innovations that can minimize its effects (Investigative Panel)

40548 The housing impacts of neighbourhood change: gentrification, affordability and displacement

80125 The effects of New Living on Indigenous community wellbeing: a case study on urban regeneration

70217 Rent assistance and the spatial concentration of low income households in metropolitan Australia

70110 The benefits of tenure diversification: best practice models

70026 Resident participation, social cohesion and sustainability in urban renewal: developing best practice models

60025 Community housing management and stronger communities

50224 Housing and community in the compact city

40200 Developing appropriate exit strategies for housing regeneration programs

30035 Community regeneration in Melbourne's west

What we know (AHURI evidence-base)

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](#)).

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](#)).

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](#)).

A recent Investigative Panel found that government policies that have worked to **congregate socially disadvantaged people in social housing neighbourhoods** while under-investing in the tenure have had a stigmatising effect on those neighbourhoods ([Project 40600](#)).

Research indicates that **social housing provision in rural and regional areas is inadequate** ([Project 40586](#)). The National Affordable Housing Agreement has delivered some social housing but has had a low profile in regional Australia, and the National Rental Affordability Scheme hasn't delivered units in areas suitable for many low-income families that rely on public transport.

Relevant AHURI projects, completed

- 40600** The problem of social housing stigmatisation and innovations that can minimise its effects (Investigative Panel)
- 40586** The drivers of housing supply and demand in rural and regional centres
- 50347** Submarkets in public sector housing
- 50024** Labour market, housing market dependence in metropolitan Australia: a case study of Melbourne
- 70065** Housing, location and employment

What we know (AHURI evidence-base)

Work is currently underway on understanding the range of pathways into and within the current Australian social and affordable housing system ([Project 70615](#)). The preliminary research indicates there remains considerable variety between each state and territory and the public and community housing sectors in the rules applied in allocating people to social housing.

AHURI has developed a body of research on access to social housing, which specifically investigates allocation systems including **common housing registers** ([Project 50297](#), [Project 50141](#) and [Project 50142](#)). The financial impact of existing allocations systems on social housing providers has also been examined, demonstrating that current policies can affect the financial viability of social housing provision ([Project 30352](#) and [Project 50226](#)).

Although submarkets are more commonly identified in private housing markets, research by AHURI conducted in cooperation with the Victorian Office of Housing has shown that **submarkets exist for particular client groups, and across different locations in public housing** ([Project 50347](#)). Information on public housing submarkets might assist policy-makers to fine-tune their allocation, rent and asset management policies. For example, some clients may be willing to pay more rent to access housing in a location of their choice.

A new project will examine whether there is a link between measures of housing stress (using the 30/40 rule) and other measures of social and economic wellbeing ([Project 80650](#)). **Housing stress measures do not currently take into account the quality aspects of housing.** Some householders might face housing stress in order to access appropriately sized or better quality housing, while others trade off quality to avoid housing stress. This study will make comparisons between a household's degree of housing stress and the quality of their dwellings and neighbourhood conditions.

Allocation policies for Indigenous households can impact on the high levels of crowding, which is connected to household breakdown ([Project 80368](#)). Research is currently underway that will provide policy-makers with better ways to **understand, measure and manage crowding** in urban Indigenous households ([Project 20640](#)).

Relevant AHURI projects, underway

- 80650** Housing stress and household wellbeing in Australia
- 20640** Overcrowding for Indigenous households in non-remote areas
- 70615** Pathways and choice in a diversifying social housing system

Relevant AHURI projects, completed

- 50347** Submarkets in public sector housing
- 30352** Financial impact of changing public housing client profiles
- 50297** Improving access to social housing: common housing registers and other potential reforms
- 50141** The changing role of allocation systems in social housing
- 50142** Entering rental housing
- 50226** Rental systems in Australia
- 80368** Indigenous homelessness: place, house and home

What we know (AHURI evidence-base)

AHURI has completed a number of projects on tenancy management of inappropriate behaviours. A systematic examination of good policy and practice for managing demanding behaviours was conducted that included a review of international and Australian literature, as well as interviews with 24 housing providers ([Project 40327](#)). Changes in the profile of public housing tenants in recent decades have seen a growth in the number of tenants with complex needs and demanding behaviours, however, eviction of families and households in these situations can create profound hardship, including homelessness and this response only shifts the cost of these problems around an already struggling system. **A sustaining tenancies approach to managing these behaviours requires housing providers to focus on strategies for organisational learning including; adequate officer training, information management and sharing systems and preventative strategies.**

This research built on earlier research by AHURI on managing anti-social tenant behaviour which concluded a mix of preventative strategies and sanctions is most effective, and that these strategies are most effective with cross agency support ([Project 40163](#)). The importance of **interagency and whole-of-government approaches** was also highlighted in research that investigated ways to reduce crime in public housing areas ([Project 70111](#)) which found that reducing crime with community renewal requires social, rather than physical, interventions. Housing managers also regard tenant incentive schemes as effective ([Project 40253](#)).

Recent research conducted an assessment of programs Australia-wide that assist clients to sustain their tenancies which identified eighteen specialist tenant support programs operating nationally, as well as a number operating within as components of broader support programs ([Project 80372](#)). Case studies were conducted with programs offering support specifically to Indigenous tenants at risk of eviction. A key finding of this research was that strong linkage with outside agencies contributes to the success of Indigenous (and mainstream) tenant support programs. **Tenant support 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.

A recent study on housing responses to Indigenous patterns of temporary mobility finds that housing services assume a sedentary population and are poorly designed to respond to cultural practices requiring temporary mobility ([Project 40526](#)). There is a need to deliver **more flexible and well communicated policies in relation to tenant absences**; policies on absence could be reviewed to provide more flexible provisions permitting longer periods away, and that tenants need to be informed and understand the risks that accompany unannounced departures.

Relevant AHURI projects, completed

- 40526** Improving housing policy responses to Indigenous patterns of mobility
- 40327** Managing demanding behaviour
- 40163** Developing effective housing management policies to address problems of antisocial behaviour
- 40253** A review of housing management tenant incentive schemes
- 70111** Linkages between housing, policy and other interventions for crime and harassment reduction on public housing estates
- 80372** Sustaining high risk Indigenous tenancies

What we know (AHURI evidence-base)

The AHURI Research Agenda has identified the development of new homelessness policies and programs would also be supported by research that provides insight into the **links between the homeless specialist service system and other systems**; and building up the evidence base on homelessness assistance program delivery in Australia. Rigorous evaluative studies are needed to respond to the enormous change taking place in the current system. AHURI research specifically examines the integration of homelessness support services with the child protection system ([Project 30540](#)), mental health and drug and alcohol services ([Project 80568](#)) and issues associated with service integration in relation to Indigenous housing ([Project 70569](#)).

The research on the **housing pathways of young people leaving state care** found that the majority exit into transitional accommodation, and particular operational features of this accommodation could either facilitate good housing outcomes or result in chronic housing instability and homelessness ([Project 30540](#)). A holistic or *joined up* approach to service delivery that provides individuals a range of supports across different policy areas was found to be important in supporting care leavers to find stable housing and avoid homelessness.

Research underway on **service integration of homelessness services with mental health and drug and alcohol services** is examining the provision of 'joined up services' across the policy areas of housing and health in recognition of the difficulties homeless people face in accessing and sustaining long term housing and addressing their personal, social and health needs ([Project 80568](#)). This will provide insight into the challenges faced by government and non-government services in implementing integrated programs, as well as identifying 'best practice' through case studies of services currently operating in this manner.

Research on **the integration of Indigenous housing with mainstream services** will also contribute to the evidence-base on the principles and practices that support the integration of cross sectoral services. An earlier project on Indigenous access to mainstream public and community housing concluded that better integration of the mainstream public and community housing sector with homelessness services and other elements of the crisis and emergency accommodation sector are also critical elements in an integrated housing response to reduce housing need levels for Indigenous people ([Project 80234](#)). However, this paper also warns of potential pitfalls associated with reducing the independence of Indigenous community housing organisations.

A recently completed study examined housing responses to Indigenous patterns of temporary mobility ([Project 40526](#)). The research identified **different types of Indigenous mobility and the link between mobility and the risk of falling into homelessness**. Strategies suggested for addressing temporary mobility include: provision of appropriate hostel style accommodation and well-managed camp sites; provision of additional space in households that host many visitors; integrating housing support with drug and alcohol and mental health services; and more flexible, and well communicated policies in relation to tenant absences.

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

One study has examined the experiences of low-income households excluded from the private rental sector ([Project 20610](#)). Little is currently known about how people excluded from private rental secure new accommodation for themselves, however, the early evidence suggests that this group is not being directly or adequately addressed by policy or practice.

Another study has looked at the way people access different pathways and choice in a diversifying social housing system ([Project 70615](#)), which will also include some exploration of the pathways from homelessness and transitional housing into more permanent social housing. This research found that pathways of households were characterised more by constraint than choice, with income being the main criterion for access to social housing. Even so, there remains considerable variety between each state and territory and the public and community housing sectors in terms of the rules applied for pathways.

A new study will investigate the **role of the community housing sector in addressing homelessness**, in the context of an expansion of the Community Housing sector more generally ([Project 70686](#)). Current policies for increasing the supply of affordable housing in Australia envisage a greatly increased role for community housing organisations (CHOs), including as a provider of housing for homeless people.

Relevant AHURI projects, underway

- 70686** The role of community housing in meeting the housing and support needs of homeless people
- 80568** Homelessness and services and system integration
- 70569** Service integration and Indigenous housing
- 20610** Bridging the divide: the experiences of low-income households excluded from the private rental sector in Australia
- 70615** Pathways and choice in a diversifying social and affordable housing system

Relevant AHURI projects, completed

- 40526** Improving housing policy responses to Indigenous patterns of mobility
- 80234** Indigenous access to mainstream public and community housing
- 70311** Supporting the tenancies of people with complex needs: applying best practice models in the Australian context
- 30540** Improving housing outcomes for young people leaving state out of home care
- 20336** Social housing diversity and integration

What we know (AHURI evidence-base)

There are significant **weaknesses in the evidence-base on homelessness assistance program delivery** in Australia as there are very few high-quality, rigorous evaluative studies and only one significant cost-effectiveness study. One AHURI project currently underway 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](#)) which found that addressing homelessness is cost effective. This study examined the whole of government costs associated with homelessness, comparing the cost of providing homelessness services against the cost burden of homelessness on the justice and health systems. 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. For example, those at-risk of becoming homeless when they lack support will overwhelmingly sustain their tenancies with support ([Project 80306](#)).

The current study on the cost effectiveness of homelessness will expand on these findings by assessing **the whole of government cost burden of homelessness beyond health and justice to encompass child protection and employment services** ([Project 80604](#)). The study will focus on street to home initiatives and it will examine programs operating in four capital cities: Perth, Adelaide, Sydney and Melbourne.

A large study combining both qualitative and quantitative techniques including a survey of more than 300 people on **the intergenerational use of the homelessness service system** has been conducted ([Project 80516](#)). This study will provide estimates of the extent to which those who experience homelessness as an adult (aged 18 years or over) also experienced homelessness as children and the pathways they followed; the extent to which their parents also experienced homelessness; and the extent to which their own children (if they have children) have experienced homelessness. It will also provide insights into the factors associated with greater risk of intergenerational homelessness and use of homelessness services, and the types of effective support or other interventions that may avert or break the cycle of intergenerational homelessness.

AHURI research has also been conducted about a variety of different groups: older people ([Project 70135](#)), people with a mental illness ([Project 70072](#)), newly arrived migrants ([Project 40006](#) and [Project 40048](#)), ex-prisoners ([Project 70068](#)), Indigenous people and young people in rural areas ([Project 40160](#)) and young people ([Project 70020](#) and [Project 30156](#)) young people leaving state care ([Project 30540](#)). It consistently finds that addressing homelessness requires more than the provision of a house.

The causes and solutions for Indigenous homelessness are significantly different to those of non-Indigenous Australians ([Project 80368](#)). Secondary homelessness is of particular concern among the Indigenous population. Overcrowding and homelessness are connected, in that often overcrowding is often a result of homelessness, and it can be a cause as overcrowded households are more likely to face eviction. Research into crowding in urban Indigenous households is currently underway ([Project 20640](#)).

AHURI research has developed and refined categories of Indigenous homelessness and explored how the Indigenous people's experience of homelessness differs from that of non-Indigenous people ([Project 20168](#) and [Project 80368](#)). Access to tenancy and other social support services are critical for some Indigenous Australians in maintaining stable tenancies and avoiding homelessness ([Project 80372](#)).

A recent project examined **Indigenous patterns of temporary mobility and how to improve housing service responses and reduce the risk of homelessness** ([Project 40526](#)). It argued for a better understanding of the different types of Indigenous mobility, and outlined how housing policy-makers might respond to increased rates of temporary mobility of Indigenous people. The study suggests that there is a need to consider early intervention to prevent homelessness by considering temporary mobility needs of Indigenous people. Strategies for addressing temporary mobility include: provision of appropriate hostel style accommodation and well-managed camp sites; recognition of key hosts and provision of additional space in households that host many visitors; integrating housing support with drug and alcohol and mental health services; and more flexible, and well communicated policies in relation to tenant absences.

The role of **assertive outreach** in addressing primary homelessness ([Project 20607](#)) has also been addressed. Assertive outreach services in the Australian context are identified, including services for Indigenous people who are homeless or are public place dwellers. The model is contested and questions are raised over whether it is client centred in practice, whether it coercively disadvantages those accessing public space and whether it can be adequately resourced to fulfil its promise.

An Essay is underway to critically analyse **how the Housing First approach could be successfully applied to the system of supported housing in Australia** ([Project 30655](#)). Housing First approaches are based on the concept that a homeless individual's first and primary need is to obtain stable housing, and that other issues that may impact the household can and should be addressed once permanent housing is obtained. However, there are features in the Australian housing market and supported housing system that create potential tensions to effectively transferring and implementing this model. The Essay will discuss the appropriateness and practicability of transferring the housing first model to Australia. The Essay will help to scrutinise the evidence on which the housing first model is based, so that this might contribute to service delivery and policy development in Australia.

Relevant AHURI projects, underway

- 30655** Homelessness and 'Housing First': Issues for Australian policy and practice (Essay)
- 80604** The cost of homelessness and the net benefit of homelessness programs: a national study
- 80516** Intergenerational homelessness and the use of homelessness services
- 20607** The role of 'Assertive Outreach' in addressing primary homelessness
- 20640** Overcrowding for Indigenous households in non-remote areas

Relevant AHURI projects, completed

- 40526** Improving housing policy responses to Indigenous patterns of mobility
- 80306** The effectiveness and cost effectiveness of homelessness programs
- 70135** Housing options and independent living: sustainable outcomes for older people who are homeless
- 70072** Understanding iterative homelessness: the case of people with mental disorders
- 40048** A comparative study of housing needs and provisions for recently arrived refugees
- 70068** Ex-prisoners and accommodation: what bearing do different forms of housing have on social reintegration for ex-prisoners?

- 40160** Developing models of good practice in meeting the needs of homeless young people in rural areas
- 30156** The development of prevention and early intervention services for homeless youth: intervening successfully
- 30540** Improving housing outcomes for young people leaving state out of home care
- 80368** Indigenous homelessness: place, house and home
- 20168** Categories of Indigenous homeless people and good practice responses to their needs
- 80372** Sustaining high-risk Indigenous tenancies
- 40006** The housing and other service needs of recently arrived immigrants: a whole of government perspective
- 70020** Evaluating the Miller Foyer Pilot Project

What we know (AHURI evidence-base)

AHURI has undertaken a number of projects that contribute to the evidence-base for *Closing the Gap*.

A significant study conducted in Western Australia, Queensland, New South Wales and the Northern Territory examined **Indigenous people's attitudes towards home ownership** ([Project 20501](#)). It found significant interest in home ownership among Indigenous people, including Indigenous people living on community title lands. Of more than eighty Indigenous people interviewed, close to half had investigated their options for home ownership. The eligibility of those interviewed to access and maintain home ownership was assessed on the basis of financial capacity and ability to take on responsibility for repairs and maintenance and approximately one quarter of people met the criteria. The study found that Indigenous people are more motivated by the desire to pass a home down in their families and secure and stable housing than they are by the financial benefits of home ownership. 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 underway that will explore **Community Land Trusts as an alternative means by which Indigenous Australians on lower incomes may be able to access the benefits of home ownership** ([Project 70639](#)). There is potential for this model to provide a viable alternative way of providing affordable and secure housing to Indigenous communities in a range of urban and regional settings.

A recent study by AHURI looks at **Indigenous patterns of temporary mobility and how to improve housing service responses** to mobility ([Project 40526](#)). Seven categories of mobile Indigenous people are identified: visitors, migrants, boarders, between place dwellers, involuntary travellers, transients, and the chronic homeless. Each category has a different risk profile and service need, with visitors and boarders having the lowest vulnerability to homelessness, while other groups are high risk. The study suggests that there is a need to consider early intervention to prevent homelessness by considering temporary mobility needs of Indigenous people. The study (drawing on case studies in Western Australia, Northern Territory and South Australia) also found that migration out of remote communities was linked to defunding of Indigenous Community Housing Organisations, changes to CDEP and liquor restrictions. This was offset by some in-migration of those returning to homelands. Outcomes in locations remain uncertain given the early stage of many of the recent reforms, but even in areas with more promising economic prospects there is a concern that without assistance Indigenous people will struggle to access mainstream housing markets.

Recent research has examined the **integration of mainstream and Indigenous housing services in urban and regional areas** ([Project 70569](#)). The research investigated how social housing services are provided to Indigenous clients and the respective roles of mainstream and culturally specific housing services and how effectively these are integrated. It examined the links between Indigenous disadvantage and housing provision. The report provides principles to guide approaches to service delivery to Indigenous clients and offers examples of leading and innovative practices. It also offers a review of current practice and evidence from national and international literature. This builds on earlier research conducted on Indigenous access to mainstream community housing ([Project 80234](#)).

The supports required to assist Indigenous people to maintain tenancies have been studied in a number of projects including ([Project 40158](#)) which focussed on Indigenous women and children, and another that examined mainstream and Indigenous tenancy support services across Australia ([Project 80372](#)).

A new research project will also look at building a model of Aboriginal house crowding in non-remote areas, this model will provide policy-makers with a more nuanced approach to understanding, measuring and managing crowding in urban Indigenous households ([Project 20640](#)).

Relevant AHURI projects, current

- 70569** Service integration and Indigenous housing
- 20640** Overcrowding for Indigenous households in non-remote areas
- 70639** Community Land Trusts and Indigenous Housing Outcomes

Relevant AHURI projects, completed

- 40526** Improving housing policy responses to Indigenous patterns of mobility
- 20501** Indigenous home ownership on communal title lands
- 80317** The housing careers of urban Indigenous households
- 80234** Indigenous access to mainstream public and community housing
- 80368** Indigenous homelessness: place, house and home
- 80372** Sustaining high-risk Indigenous tenancies
- 40184** Best practice models for effective consultation towards improving built environment outcomes for remote Indigenous communities

What we know (AHURI evidence-base)

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](#)).

A recently completed project sought to understand how **housing procurement strategies impact on outcomes for Indigenous people in remote settlements** ([Project 20583](#)). It explored examples of government led housing procurement processes and how these were successful in also achieving improvements in social, cultural and economic outcomes as part of the housing design and construction process. The research found that the way contracts for procurement are arranged can play an important role in enhancing or creating positive social and economic outcomes such as employment, education and community capacity building. The research found that traditional design and build contracts are driven by economic imperatives (including minimising financial risk and maximising financial gain in set timeframes), and are unlikely to provide employment opportunities to the workforce in remote Indigenous settlements which are largely unskilled and highly mobile. In the design of procurement contracts, a number of factors were found to contribute to the achievement of positive outcomes that are sustainable and have a longer-term legacy, including:

- Devising appropriate timeframes for staging of projects so that apprentices can finish their training over the course of one project rather than have to pick up work elsewhere to complete training.
- Taking account of the specific social and environmental context (e.g. one project failed to take account of appropriate design for people with disabilities even though it emerged as an issue after the houses had been built).
- Allowing for flexibility in contracting through ‘alliancing’ or ‘partnering’ so that risks (e.g. associated with a transient or a truant labour force) are appropriately shared.
- Ensuring meaningful community engagement early in the project so that the community has a high sense of ownership over the end product, people are involved in capacity building and the design is appropriate to their needs.
- Establishing supportive organisational cultures which involve, amongst other things, good communication between tiers of government departments and those undertaking grass-roots activities, and resourcing local organisations not adequately skilled or equipped to take on larger projects.

A landmark study on the **viability of Indigenous Community Housing Organisations** found that many are responsible for municipal services. This study found that Indigenous Community Housing Organisations 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 ([Project 80316](#)).

An earlier study examined **Indigenous housing and governance in Western Australia and the Northern Territory** and involved a survey of management and maintenance of housing infrastructure in remote Indigenous communities ([Project 80124](#)). The project studied the extent of local and regional capacity building necessary to improve management and maintenance of housing and infrastructure and recommend how policy-makers can respond to this need. The study found that to be effective program integration mechanisms require:

- Recognition that Indigenous systems of control and organisation cannot be measured by the *service delivery* methodology alone.
- Understanding the differences in approaches to capacity-building—those that recognise individuals as well as collective management processes build strong Indigenous leadership and control.
- Community-based development of these capacity-building initiatives.
- Continued development of longer term (in this case 5-year) rolling programs that build on partnerships for service delivery at the regional and local levels.

Research is underway to understand how housing factors play a role in child development and wellbeing, and will include analysis of the Longitudinal Survey of Indigenous Children ([Project 80651](#)). It builds on understandings from international studies showing that the housing circumstances of children can have significant impacts upon their development and that **adequate housing may be an important mediating force in preventing the transmission of disadvantage from one generation to another.**

Relevant AHURI projects, underway

80651 Housing and children’s development and wellbeing: evidence from Australian data

Relevant AHURI projects, completed

20583 Remote Indigenous housing procurement and post-occupancy outcomes—a comparative study

80124 Indigenous housing and governance: lessons from case studies of remote communities in WA and NT

80316 Scoping the capacity of Indigenous Community Housing Organisations

40158 Sustainable tenancy for Indigenous families: what services and policy supports are needed?

What we know (AHURI evidence-base)

Landmark studies have been completed by AHURI on operating deficits in public and community housing ([Project 30355](#), [Project 30359](#)). These studies developed **definitions of operating deficits** including component line items which made up these deficits. This enabled identification of trends contributing to the deficits. These reports can assist in the development of financial and reporting standards across the community sector.

AHURI has recently completed a major study to identify good practices for managing Australia's public and community housing (social housing) assets ([Project 50366](#)). The study found that service delivery procedures and budgeting systems are inconsistent across the sector and it would benefit from; a system for collecting and categorising real property inventory, a valid engineering-based system for assessing facility conditions with adequately trained personnel and multiple levels of review and prioritised budget allocations based on physical conditions, mission relevance, life cycle costs and budgets. Public housing organisations tend to define asset management as data systems, as opposed to management processes. **Good strategic asset management is most frequently practised at technical, operational levels where issues like maintenance, condition assessments, and capital budgeting for new works predominate thinking and practice.** There may be benefit in working jointly with private sector practitioners, and greater use of shared services with other authorities to develop skills, and provide further education and training and better knowledge management.

Relevant AHURI projects, completed

- 50366** Good practices for managing Australia's public housing assets
- 30355** Operating deficits in community housing
- 30359** Operating deficits and public housing: policy options for reversing the trend: 2005/06 update

What we know (AHURI evidence-base)

AHURI has developed a general evidence-base about the social housing system including tenancy management. Of particular interest may be a number of projects completed around the **needs of particular client groups**. Well-integrated housing and support services facilitate the best outcomes for **older people** or those with **mental health issues** and other **complex needs**. AHURI evidence indicates that this approach can sustain tenancies and promote tenant wellbeing ([Project 20170](#), [Project 50102](#) and [Project 70311](#)). 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 50318](#)).

Specific research on the appropriate evaluation methods and indicators for **Indigenous housing** programs has been undertaken. It examined the relevance and appropriateness of existing qualitative and quantitative evaluation methods and methodologies, and assessed the efficacy of existing indicators in measuring these outcomes for individuals, families and communities ([Project 80037](#)).

AHURI also has a project underway that explores the use of residual measures of housing affordability which can contribute to the development of rent setting policies ([Project 50597](#)). Previous AHURI research has framed housing affordability within the 30/40 benchmark measure. Research on the residual income measure approach can offer a complementary method for understanding housing affordability that may provide more adequate guidelines for policy, particularly with respect to housing assistance. This research will help to develop a deeper understanding of housing stress which will assist in:

- Formulating indicators of housing stress that can complement the established indicator.
- Devising rent-setting formulas for social housing that better correspond to need.
- Improving the efficiency and equity of housing subsidy allocation.
- Better assessing risk in home purchase.

A recent study on Indigenous patterns of temporary mobility has shown that housing responses—including tenancy management—should be reconsidered in light of these patterns ([Project 40526](#)). Housing services assume a sedentary population and are poorly designed to respond to cultural practices requiring temporary mobility. In particular, the researchers argued there is a need to deliver **more flexible and well communicated policies in relation to tenant absences**. The study suggests policies on absence could be reviewed to provide more flexible provisions permitting longer periods away, and that tenants need to be informed and understand the risks that accompany unannounced departures.

Maintenance benchmarks have been considered in a recent project in relation to the **environmental sustainability of Australia's private rental stock** ([Project 40560](#)). The study revealed that many stakeholders from the community sector believe that the introduction of minimum standards is the most effective way to support low-income household tenants adopt energy and water saving measures. In Victoria and Tasmania, the residential tenancy acts do not include a minimum standard, however, there are ad hoc default standards set out in other pieces of legislation.

Relevant AHURI projects, current

50597 Residual incomes in Australia: analysis and implications

Relevant AHURI projects, completed

- 40526** Improving housing policy responses to Indigenous patterns of mobility
- 80037** Investigating appropriate evaluation methods and indicators for Indigenous housing programs
- 80372** Sustaining high risk Indigenous tenancies
- 20170** Rental housing provision for lower income older Australians
- 50318** Older persons in public housing
- 50102** Linkages between housing and support – what is important from the perspective of people living with a mental illness
- 70311** Supporting the tenancies of people with complex needs: applying best practice models in the Australian context
- 40327** Managing demanding behaviour
- 40163** Developing effective housing management policies to address problems of antisocial behaviour
- 40253** A review of housing management tenant incentive schemes