What the latest evidence tells us
Social housing exits: incidence and motivations

Dr Ilan Wiesel
AHURI Research Centre—RMIT University
Overview

- Background, research questions and methods
- Exit rates—administrative data
- Reasons to stay in public housing
- Reasons to leave public housing
- Employment status and exits
- Conclusions
Background

- Public housing vacancies reduced by 30% from 2003–04 to 2009–10
- Reduction attributed to declining turnover rates in social housing
- Tenants in paid employment ‘encouraged’ to exit social housing, to create vacancies for higher need applicants
Background

- Concerns about social housing exits:
  - Unsustainable exits
  - Reduced rental revenue for housing providers
  - Spatial concentration of disadvantage
‘Unfortunately now, the public housing system has become a trap rather than a springboard for some Australians, who are capable of working and bouncing out of poverty but face big disincentives to leave public housing.’ (Arbib 2011)
Research questions

- How many tenants voluntary leave public housing?
- Under what circumstances and for what reasons do tenants leave public housing?
  - How does paid employment influence motivations and incidence of exits?
- What are the consequences for tenants who exited social housing?
Methods

- Analysis of administrative records on tenant exits in 2012/13 (nationally)
- HILDA analysis
- Public housing tenants survey (NSW and Victoria)
- 95 in-depth interviews (NSW and Victoria)
  - Tenants in first public housing tenancy (36)
    - recruitment focused on tenants in paid employment
  - Re-entered public housing tenants (21)
  - Former social housing tenants (38)
  - Metropolitan and non-metropolitan areas
### Table: Vacancy categories as a percentage of total public housing stock

<table>
<thead>
<tr>
<th></th>
<th>NSW</th>
<th>Vic</th>
<th>ACT</th>
<th>Tas</th>
<th>SA</th>
<th>WA</th>
<th>Qld</th>
<th>Aus</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Transfers</strong></td>
<td>2.4</td>
<td>2.3</td>
<td>2.3</td>
<td>2.3</td>
<td>2.3</td>
<td>2.6</td>
<td>3.1</td>
<td>2.5</td>
</tr>
<tr>
<td><strong>Other newly arising vacancies</strong></td>
<td>6.4</td>
<td>5.9</td>
<td>7.7</td>
<td>10.9</td>
<td>7.6</td>
<td>8.2</td>
<td>8.5</td>
<td>7.2</td>
</tr>
<tr>
<td><strong>Total vacancies</strong></td>
<td>8.8</td>
<td>8.2</td>
<td>9.9</td>
<td>13.1</td>
<td>9.9</td>
<td>10.8</td>
<td>11.6</td>
<td>9.7</td>
</tr>
<tr>
<td><strong>Public housing stock, 2011 (000s)</strong></td>
<td>112</td>
<td>65</td>
<td>11</td>
<td>11</td>
<td>42</td>
<td>34</td>
<td>52</td>
<td>327</td>
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</tbody>
</table>
## Administrative data

### Reason for vacation

<table>
<thead>
<tr>
<th>Reason for Vacation</th>
<th>NSW</th>
<th>Vic</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Outgoing transfer within social housing</td>
<td>27</td>
<td>29</td>
</tr>
<tr>
<td>2. Former tenant death</td>
<td>20</td>
<td>13</td>
</tr>
<tr>
<td>3. Age/health related</td>
<td>12</td>
<td>10</td>
</tr>
<tr>
<td>4a. Eviction (tenancy breach, all types)</td>
<td>9</td>
<td>8</td>
</tr>
<tr>
<td>4b. Eviction (fixed term tenancy terminated)</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>6. Imprisonment</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>7. Purchased own home</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>8. Move to private rental/other</td>
<td>28</td>
<td>38</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>
Motivations to stay in public housing

- Most participants in public housing had no plan to leave public housing in the foreseeable future
- Being in paid employment—and paying full or close to full ‘market’ rent—had no impact on motivations to exit
Motivations to stay in public housing

- Affordability
- Secure occupancy
  ‘In private rental, if you lose your job and are renting with a contract for 12 months, you still need to pay full rent for the full 12 months. In public housing, if you lose your job they just adjust your rent down.’
- Attachment
  ‘I’ve become attached to the house. It’s not much but it’s my home … I’ve been in this area that long … I’m settled and I want to stay there.’
Motivations to leave public housing

- Neighbours and neighbourhood: safety and stigma

  ‘I just couldn’t handle it, I was getting sick with stress.’

  ‘Goodness gracious me, this not me. What am I doing living in a place like this?’

  ‘We’re not the sort of people who should live in this sort of area… we can do better than this… it is quite embarrassing to say where you live … to other people … it sort of isolates you a little bit.’
Motivations to leave public housing

- Poor condition or unsuitability of public housing dwelling
  - Physical accessibility, mould, safety.
    'It looks like barracks. It is an eye sore and should be pulled down.'
    'It was disgusting … it was horrible.'
Motivations to leave public housing

- Moving in with a partner
  - Partnering a common exit driver among female participants
    ‘I said to myself, bugger this, I’m going to risk it all, we’re going to become one family unit.’
Motivations to leave public housing

- Moving in with, or closer to, relatives
  → Common exit driver, particularly among older social housing tenants
  → To provide or receive care; be closer to family
  → Exit destination typically a regional town
  → Financial assistance from relatives

  ‘Having a grandchild changes everything. We really wanted to move closer to where our grandchild was.’
Motivations to leave public housing

- Exit to home ownership
  - Tenants would leave public housing only to transition into home ownership, but not to private rental
  - Desire to purchase own public housing dwelling
  - Exits to owner-occupation achieved through partnering or by receipt of a significant lump-sum
  - City to country moves
Exits and employment

- Employment an ‘enabler of’ but not a ‘motivator of’ exits
- Proportion of exiting tenants in paid employment is in decline (from 64% in 2002 to 48.5% in 2010)
Exits and employment

- Disincentive to exit: the insecurity of work coupled with insecurity of private rental
  - Almost all employed current tenants interviewed (19 of 21) had no desire or plan to move into private rental
  - Only 6 of 38 former tenants interviewed were in paid employment
Exits and employment

‘In private rental, if you lose your job and are renting with a contract for 12 months, you still need to pay full rent for the full 12 months. In public housing, if you lose your job they just adjust your rent down.’ (RW2)

‘It is good to know that I’ve always got somewhere that I can live regardless of what happens in my life. That’s one good thing about being in public housing … the security of knowing that you’ve got somewhere you can afford to live if you do lose your job or whatever.’ (CM7)
Exits and employment

- Employment as an enabler
  - Histories of long-term employment—superannuation or insurance payouts enabling exit to home ownership
  - Earned income alone insufficient to facilitate an exit, but a ‘safety net’ when the tenant decided (e.g. to move in with a partner)
Conclusions

- Declining exits significantly reducing effective supply
- Most exits are voluntary
- Voluntary exits are primarily motivated by
  - Personal relationships
  - Negative push factors
  - Exit to home ownership? Yes!
  - Exit to private rental? No!
- Long-term employment ‘enabler’ but not ‘motivator’ of exits; data inconsistent
Conclusions

- Low exit rates evidence of a ‘trap’?
- Yes, but the trap is in the private rental sector
- Do we really want employed tenants to exit?
References