Housing needs and the future of housing assistance

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The need for secure and affordable housing

- We forecast a 39% increase in the number of persons living in private rental housing 2011 – 2031 as its tenure share creeps up toward 30% of all Australians.
- We project a 31% real increase in the housing assistance budget (from $25b to $32.8b) over the time frame 2011 – 2031, even if the number of households in public housing remains unchanged.
- At present 897,000 households living in private rental housing satisfy income eligibility tests for public housing.
- 652,000 are either elderly (65 years or over), disabled (or with a long term health condition) or parents with dependent children.
Secure leases

- These households typically place a high value on security of tenure
- In current budgetary circumstances expansion of public housing to satisfy this unmet need is not going to happen
- Might we pay a premium to landlords prepared to offer 5 year leases?
- Rents set at market levels at onset of lease but rent increases over the secure lease period capped to increases in the CPI
- Our estimates are that over 5 years the government budget cost to house 657000 households in secure lease arrangements is $10b.
- On an annual equivalent basis it is $2.38b. The average annual premium that landlords can expect is $3498 in each year of the 5 year lease