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THE IMPLICATIONS OF CHANGES IN THE LABOUR MARKET FOR THE OWNERSHIP ASPIRATIONS, HOUSING OPPORTUNITIES AND CHARACTERISTICS OF FIRST TIME HOMEBUYERS

Executive Summary

STRUCTURE OF THE PAPER

The paper begins with an introduction to the project, a brief discussion of labour market change in Australia and the aims of the research. It provides a policy framework for the project before reviewing some of the current literature on labour market change, linkages between housing and labour markets, patterns of home ownership in Australia, explanations offered for changes in levels of home ownership and the wider implications for the housing sector. The paper includes the proposed methodology, and concludes with a summary of the project followed by appropriate appendices.

INTRODUCTION TO THE PROJECT

This project seeks to foster research within Australia into the links between labour and housing markets. The research outcomes of this project will focus on an assessment of the implications of labour market change for the housing system within South Australia, with a particular emphasis on first time homebuyers. The paper seeks to establish how access to home ownership has been, or is being affected, by recent changes in the Australian labour market. This is an important research question given the evidence suggesting that the traditionally high proportion of homebuyers in Australia – as distinct from outright owners within the population has fallen by about ten per cent over the last decade (Yates 1997, 1999).

The literature relating to the issue of labour market change suggests that while work patterns in Australia are changing significantly in terms of increasing part time and casual employment, the outcomes for the housing market are less clear. This study will focus on how experiences of the labour market change may be influencing the characteristics, attitudes to ownership and housing opportunities of new purchasers. It will explore to what degree new entrants into the housing market believe home ownership to be impacting on their employment opportunities. It will also examine to what extent first time buyers view home ownership as a means of future income either through capital gain or through renting out their property to others. It is seen as an introductory project with a committed time line that will establish some base line research in the area.

The study will focus on South Australia where the project team has immediate access to, and familiarity with the necessary data. As well significant findings will be of immediate interest in a state which exhibits the fastest ageing population, the rapid sell off of what were considerable levels of public housing stock, the highest level of casual and part time employment in Australia and the highest mainland unemployment rate. It will support this assessment with a profile of the main changes in the Australian and South Australian labour markets. The project will include three towns outside the Adelaide Statistical Division (ASD) Mt Gambier, Murray Bridge

and Port Lincoln in order to canvass regional identities and non-metropolitan issues in terms of labour and housing markets. The project is envisaged as an important base upon which further research could be undertaken, in particular how the South Australian (SA) housing system, including the need for housing assistance, is impacting upon metropolitan labour markets.

AIMS OF THE PROJECT

This project seeks to survey first time homebuyers who have bought in South Australia (SA) within the last two years (January 1999 through to December 2000). The survey will include the Adelaide Statistical Division (ASD) and three regional towns, Mt Gambier, Murray Bridge and Port Lincoln.

The survey aims to

- determine first time buyer profiles including the nature of their employment, their expectations and attitudes to job security, and if and how, this has influenced the timing, location, borrowing arrangements, or nature of their home purchase,
- identify how financially well off they believe themselves to be and any future commitments in terms of the Higher Education Contribution Scheme (HECS),
- document the purchasing of these first time buyers explicitly within a two-year period and identify when, where, how, and what they are buying in terms of housing and prices paid,
- explore their experience of renting and their attitude to both tenures in terms of their ability or willingness to relocate for job opportunities,
- explore future housing investment intentions in order to identify those who have bought for others to rent, while renting themselves, the so-called “rational renters”,
- identify and map purchaser levels for particular types of property in particular locations by means of linkage to the SA Sales History Property File (Department of Administrative and Information Services (DAIS), SA) and the SA Digital Cadastre Data Base (DAIS, SA).

BACKGROUND TO THE PROJECT

Within the context of the new millennium, a newspaper article in the *Adelaide Advertiser* (16th February 2000) ran the heading “No jobless fears, say those in work”. The article cited the recent Australian Bureau of Statistics (ABS) report entitled *Forms of Employment, Australia* (ABS 2000) and suggested, that the 1998 survey upon which the report was based, showed that the overwhelming majority of Australia’s 8.4 million workers were not worried about losing their jobs going into the next century. Instead, the article suggested, the survey showed that 88 per cent of Australian workers including the self employed, were confident they would still be with their current employer or business 12 months after the survey.

However the same survey also reveals that in terms of job permanency, only 38 per cent of employed persons had worked for their current employer/business for over five years. Twenty one per cent of employed persons had worked for their current employer/business for less than one year and a further 21 per cent had worked for their current employer/business for only one to two years. The majority of self identified casual workers and other employed persons had worked for their current employer/business for two years or less (ABS 2000). While the media article described the expectation of employment with the same employer beyond the next 12 months as “no jobless fears” this ABS survey revealed that as of 2000, security of employment beyond two years did not exist for almost 50 per cent of the Australian workforce.

POLICY FRAMEWORK FOR THE PROJECT

Australia’s welfare and housing policies have been predicated for fifty years on the perceived merits of home ownership. Welfare benefits both during employment and on retirement have been based on household investment being extended over time through home ownership. Retirement pension levels and retirement village ownership arrangements anticipate the majority of Australians entering retirement as outright homeowners. Tenure within retirement villages is offered in the form of a license or lease, the price of which normally reflects close to market prices for similar types of property. These licenses extend for the duration of time within a village and must be paid in full upon entry. There are no mortgages or loans offered and as such if they wish to enter a retirement village, most retirees must sell the family home in order to afford entry. For an ageing population any significant change in purchaser behaviour particularly in the cohort who would traditionally have entered home ownership as early as possible, merits review.

Historically most Australians have been able to secure a home through the market place although well subsidised via cheap sale of public housing and first home owners schemes. Home ownership levels have remained stable at approximately 70 per cent over the last 30 years (Yates 1999). However this is beginning to change and falling levels of home ownership in Australia have been documented by Bourassa (1995), Yates (1999), 2000) Berry (2000) and Winter and Stone (1999). If home ownership is declining then this will have an impact not only on those who would traditionally have entered this tenure but also upon the people whom they may displace in other housing tenures (Wulff & Evans 1998). Single income households find it increasingly difficult to purchase as housing prices and borrowing arrangements reflect the purchasing power of the dual income household. When home ownership becomes less attractive the demand on the private rental sector increases which usually triggers a rise in rental housing costs and a lowering of vacancy levels. This in turn displaces those at the lower end of the rental market, which increases pressure on public housing (National Shelter 2000).

For SA issues of employment, job mobility and security, and costs attached to career changes, retraining and the upgrading of tertiary qualifications, are particularly significant in a state which has struggled with economic restructuring compounded by public sector cutbacks, resulting in considerable job losses and discernible out migration (Badcock 1995). SA has one of the fastest ageing populations with some 28 per cent of its population over the age of 50. Declining propensities for home ownership are significant in a welfare system that has been premised on the notion that most people will enter old age owning their own home. A more sustainable

private rental market may better match the needs of the emerging SA labour market and facilitate new job growth and interstate mobility (Maclennan 1996).

LABOUR MARKET CHANGE IN AUSTRALIA AND IMPLICATIONS FOR FIRST TIME HOME BUYERS

The literature relating to the issue of labour market change and implications for first time buyers suggests that while work patterns in Australia are changing significantly, the indications for the housing market are less clear.

Background to the labour market

ABS findings (1998, 1998a, 1998b) indicate that within the Australian workforce some 14 per cent change their job or business, or the locality of their workplace approximately every 12 months and that of this group some 25 per cent are represented by those between the ages of 20 to 24 years. In Australia between 1973 and 1993 part time jobs grew by 164 per cent while full time jobs grew by only four per cent (Kemp 1996). Currently over twenty six per cent of Australian employees now work part time (ABS 1998) with 50 per cent of all jobs described as part time with a proportion of workers holding down more than one part time job.

As well as a relatively high unemployment rate of about 8 per cent, there is significant under employment in the Australian workforce. As of September 1997 some 30 per cent of all part-time workers wanted more hours and 19 per cent of all part-time workers wanted full time hours. Some 50.3 per cent of part time workers are working part time for work related reasons that is there is no other employment available (ABS 1998).

Links between housing & labour markets

The literature linking housing and labour markets is growing. Most writers seek to demonstrate the association qualitatively through sociological analysis such as Allen & Hamnett (1991), Paris (1993), Winter & Stone (1998), Malone (1996), Badcock & Beer (2000). Or quantitatively through models which attempt to identify points of equilibrium between the two markets Bover *et al* (1989), Blanchflower (1989), Meen (1997), and Meen & Andrew (1998). In both approaches housing outcomes are recognised as the consequence of interacting variables and relationships between people, dwellings and organizations. Housing is seen within a framework which recognises that housing provision, tenures and prices are part of a wider process of social and economic change (Paris 1993)

Changing nature of labour markets

Stimson, Taylor & O'Connor (1997) suggest that employment patterns and labour force characteristics are important indicators of the social and economic progress of a country. They are convincing in their argument that, in a world that is rapidly changing and increasingly complex, patterns of employment and labour force characteristics provide a fertile and relevant field of research (Stimson, Taylor & O'Connor 1997).

Stephen Long (1998 p21) has described a bleak picture of the Australian labour market as being fractured by globalisation which he considers is dividing cities and regions into districts of success and failure. He writes of globalisation “splitting cities along fault lines of employment opportunity, dividing the wealth boroughs where knowledge workers reside from the marginalised industrial suburbs housing routine producers and the jobless” (Long 1998 p21). He confirms that Sydney is capturing most of the high status employment in the knowledge economy while regional cities such as Adelaide are “engaged in a bidding war for the mortgage processing centres and phone farms that house the knowledge economy’s back office functionaries” (Long 1998).

Alternative investments & rational renters

Badcock & Beer (2000) recognise that a major problem in sustaining current levels of home ownership is the difficulty in recruiting new homeowners. Yates’ (1999) explanation for declining propensities for home ownership for younger couples at the higher end of the income distribution includes the onset of compulsory superannuation contributions, the impost of Higher Education Contributions and the introduction of full fees for post graduate studies. Such costs further increase the perceived risk of the mortgage contract. As well as these imposts it is suggested that the range of investment options open to individuals has increased significantly.

Malone (1998) also suggests that the need for greater job mobility may be resulting in an increasing tendency for households to live in the rental market. He writes that those moving out of home ownership could indicate a more permanent change associated with the need for greater mobility in a dynamic and more flexible labour market. Mudd (1999) proposes the notion of “rational renters”. He suggests that private renting is becoming the tenure of choice not only for those who cannot afford anything else but also for the job mobile who wish to invest elsewhere. These are households who may consider it more financially beneficial to invest in assets other than owner occupied housing. This he proposes may apply to people capable of achieving high rates of return in increasingly broad avenues of investment or where opportunities for home ownership are in areas of low appreciation. Alternatively they may have a deliberate strategy of renting themselves but also owning other property to rent to others.

METHODOLOGY OF THE PROJECT

Introduction

The main purpose of the research is to examine if there is any relationship between recent (1999 and 2000) first time home buyers and the labour market. The specific research questions that address the issue are:

- Do first time homebuyer expectations and attitudes to job security influence the nature of their housing purchase?
- How financially well off do first time buyers consider themselves to be and what is the level of their financial commitment for instance to HECS?
- What, where, when and how are first time housing buyers purchasing housing?

- Do first time buyers believe home ownership to have any influence on their ability and willingness to relocate for employment opportunities?
- To what extent are “rational renters” part of the first time housing buyer market?
- Are the answers to these questions different between metropolitan and non-metropolitan areas?

Research instrument

The main research instrument is a postal survey of first time home buyers who made their purchase during the period 1st January 1999 to 31st December 2000. The study area covers the Greater Adelaide Metropolitan Area (GAMA) and the rural townships of Mount Gambier, Murray Bridge and Port Lincoln. A pilot survey is currently being conducted of 100 purchasers randomly drawn from high, medium and low priced suburbs. The purpose of the pilot is to ensure comprehension and clarity of the survey instrument, so that any necessary changes could be made before final implementation. It will also be used to gauge response rates and non first time home buyer rates across the differently priced suburbs. The information gathered will be used to make adjustments to the sample size and to determine the proportions from each suburb to be used in the sample (refer to the section on sample selection). The survey instrument will comprise of an Introduction Letter, the Questionnaire, and a self addressed reply paid envelope. Participants will be given 3 weeks to respond before a follow up letter is mailed.

Typically some six per cent of Australian households have purchased their first home within the last 3 years (ABS 2000). For Australia this represents at least 400,000 households. For NSW some 140,000 households have bought their first home over this period. In SA and WA approximately 30,000 households in each state have bought for the first time in the last three years (ABS 2000). This represents approximately 4000 sales per month to first time buyers in NSW and 850 sales per month to first time buyers in WA and SA. For SA this provides a potential population of about 30,000 sales for the two-year period of the survey.

Reporting of findings

The survey findings would be summarized using mainly descriptive and multivariate statistics including discriminant analysis with SPSS as the main statistical tool. The survey responses including employment histories, would be linked to the sales history file in order to profile significant purchaser and property characteristics in light of changes in the labour market. The Valuer-General collects property characteristics for all residential properties in South Australia as part of the valuation data base for rating and taxing. The registered sales at the Land Titles Office (in full) are linked to the valuation data base to provide a sales history file that records, among other things, the characteristics of the property at the date of sale. The property characteristics include the land use, the number of main rooms, the equivalent main living area of the residence in square metres, the roof construction material, the external wall construction material, the general physical condition of the residence, the year the residence was constructed, the architectural style, the allotment area in square metres, the number of storeys and the registered sale price. With the aid of software packages such as ArcView, any significant purchaser and dwelling findings will be mapped on a suburb basis. This will be achieved by linking the Digital Cadastre Data Base (DCDB) for SA with Collection District (CD)

maps produced from the 1996 Australian Bureau of Statistics (ABS) Census of Housing & Population.

The results of the survey will be supported by the 1999 ABS Housing Survey results. The ABS survey has not explicitly sought attitudes to and experiences of home ownership in light of job security or other employment issues but could be used to ensure the SA sample is representative in terms of population and housing makeup. The SA survey findings would also supplement those of the ABS in terms of providing attitudinal results. The research will also complement work that has been undertaken in the UK by MacLennan et al (1997) under the auspices of the Joseph Rowntree Foundation.

CONCLUSION

This study is being undertaken at a time of significant change within the Australian labour market, change which may be in a process of translation into the housing market through the decision making of first time buyers. Anecdotal evidence from the property sector in Sydney would suggest that significant numbers of young professionals are making a conscious decision not to occupy the homes they buy long term and that this is creating discernible displacement in the rental market. This remains untested. Despite the lowering of real interest rates and GST incentives the same evidence would suggest a similar switch in attitudes could be taking place in SA and this study may go some way towards documenting such intentions.

This study will seek to determine whether employment related items such as job security are as important in terms of when and if to purchase a home, as current interest rates, affordable prices and the ability to raise a deposit. It will explore whether consideration of employment risk by purchasers is apparent in terms of the amounts borrowed, loan terms, prices paid and debt to equity ratios. For a proportion of first time buyers house purchase is seen as a means of future income. This study seeks to detect such purchasers and to establish their intentions in order to identify so called "rational renters" (Mudd *et al* 1999).

1 Introduction

1.1 STRUCTURE OF THE PAPER

The paper begins with an introduction to the project, a brief discussion of labour market change in Australia and the aims of the research. It provides a policy framework for the project before reviewing some of the current literature on labour market change, linkages between housing and labour markets, patterns of home ownership in Australia, explanations offered for changes in levels of home ownership and the wider implications for the housing sector. The paper includes the proposed methodology, and concludes with a summary of the project followed by appropriate appendices.

1.2 INTRODUCTION TO THE PROJECT

This project seeks to foster research within Australia into the links between labour and housing markets. The outcomes of this project will focus on an assessment of the implications of labour market change for the housing system within South Australia, with a particular emphasis on first time homebuyers. This research seeks to establish how access to home ownership has been or is being affected by recent changes in the Australian labour market. This is an important research question given the evidence that the traditionally high proportion of homebuyers in Australia – as distinct from outright owners within the population has fallen by about ten per cent over the last decade (Yates 1997, 1999; ABS 2000). The literature relating to the issue of labour market change suggests that while work patterns in Australia are changing significantly in terms of increasing part time and casual employment, the outcomes for the housing market are less clear. This study will focus on how experiences of labour market change may be influencing the characteristics, attitudes to ownership and housing opportunities of new purchasers. It will explore to what degree new entrants into the housing market believe home ownership to be impacting on their employment opportunities. It will also examine to what extent first time buyers view home ownership as a means of future rental income. It is seen as an introductory project with a committed time line that will establish some base line research in the area.

As an initial study it will focus on South Australia where the project team have immediate access to, and familiarity with the necessary data. As well significant findings will be of immediate interest in a state which exhibits the fastest ageing population, the rapid sell off of what were considerable levels of public housing stock, the highest level of casual and part time employment in Australia and the highest mainland unemployment rate. It will support this assessment with a profile of the main changes in the Australian and South Australian labour markets. The project will include three towns outside the Adelaide Statistical Division (ASD), Mt Gambier, Murray Bridge and Port Lincoln in order to determine if there are any differences between metropolitan and non-metropolitan areas in terms of labour and housing markets. The project is envisaged as an important base upon which further research could be undertaken, in particular how the South Australian (SA) housing system, including the need for housing assistance, is impacting upon sub and non metropolitan labour markets.

1.3 BACKGROUND TO THE PROJECT

Within the context of the new millennium, a newspaper article in the *Adelaide Advertiser* (16th February 2000) ran the heading “No jobless fears, say those in work”. The article cited the Australian Bureau of Statistics (ABS) report entitled *Forms of Employment, Australia* (ABS 2000) and suggested that the 1998 survey upon which the report was based, showed that the overwhelming majority of Australia’s 8.4 million workers were not worried about losing their jobs going into the next century. Instead, the article suggested, the survey showed that 88 per cent of Australian workers including the self employed, were confident they would still be with their current employer or business 12 months after the survey. However the same survey reveals also that in terms of job permanency, only 38 per cent of employed persons had worked for their current employer/business for over five years. Twenty one per cent of employed persons had worked for their current employer/business for less than one year and a further 21 per cent had worked for their current employer/business for only one to two years. The majority of self identified casual workers had worked for their current employer/business for two years or less. While the media article described the expectation of employment with the same employer beyond the next 12 months as “no jobless fears” this ABS survey reveals that as of 2000, security of employment beyond two years did not exist for almost 50 per cent of the Australian workforce.

What are the implications of such job insecurity for home ownership in Australia and for first time buyers in particular? More than two million households in Australia are actively repaying mortgages. Of the 400,000 households who have bought their first home in the last three years, almost 90 per cent require a loan in order to purchase their home (ABS 2000a). Homeowners with mortgages face risks. Their loan periods are often protracted during which household relationships may change; equity may disappear through property value collapse; interest rates both variable and fixed may rise and finally employment, in terms of place and security, may alter.

Writers in Australia such as Yates (1999, 2000) and Mudd *et al* (1999) have begun to document the implications of increased demand for labour market flexibility and mobility on this type of long term commitment. Home ownership levels may be compromised if households begin to perceive the risks of home ownership in a changing job market, as exceeding the long held tenets of capital gain, security of tenure, and inflation hedge. Hughes (1996) suggests that in the United States housing is no longer regarded an “infallible savings machine” and that there appears to be a “much more conservative outlook on home ownership’s financial and investment potential”.

1.4 AIMS OF THE PROJECT

This project seeks to survey first time homebuyers who have bought in South Australia (SA) within the last 2 years (1st January 1999 through to 31st December 2000). The survey will include the Adelaide Statistical Division (ASD) and three regional towns, Mt Gambier, Murray Bridge, and Port Lincoln.

The survey aims to

- determine first time buyer profiles including the nature of their employment, their expectations and attitudes to job security, and if and how, this has influenced the timing, location, borrowing arrangements, or nature of their home purchase,
- identify how financially well off they believe themselves to be and any future commitments in terms of the Higher Education Contribution Scheme (HECS),
- document the purchasing of these first time buyers explicitly within a two-year period and identify when, where, how, what they are buying in terms of housing and prices paid,
- explore their experience of renting and their attitude to both tenures in terms of their ability or willingness to relocate for job opportunities,
- explore future housing investment intentions in order to identify those who have bought to rent to others, while renting themselves, the so-called “rational renters”,
- identify and map purchaser levels for particular types of property in particular locations by means of linkage to the SA Sales History Property File (Department of Administrative and Information Services (DAIS), SA) and the SA Digital Cadastre Data Base (DAIS, SA).

The results of the survey will be supported by the 1999 ABS Housing Survey. The ABS survey has not explicitly sought attitudes to and experiences of home ownership in light of job security or other employment issues but could be used to ensure the SA sample is representative in terms of population and housing makeup. The SA survey findings would also supplement those of the ABS in terms of providing attitudinal results. The research will also complement work that has been undertaken in the UK by MacLennan *et al* (1997) under the auspices of the Joseph Rowntree Foundation.

2 Policy Framework for the Project

2.1 INTRODUCTION

Australia's welfare and housing policies have been predicated for fifty years on the perceived merits of home ownership. Welfare benefits both during employment and on retirement have been based on household investment being extended over time through home ownership. Retirement pension levels and retirement village ownership arrangements anticipate the majority of Australians entering retirement as outright homeowners. Units within retirement villages are commonly occupied under a lease or license and their purchase price typically reflects market prices for similar types of property. These licenses which must be paid in full upon purchase of the unit, extend for the duration of time spent within a village and are redeemable upon exit but with certain restrictions placed on their disposal. There are no mortgages or loans offered to assist in the purchase and as such most retirees must sell the family home in order to afford entry into a retirement village. Thus for an ageing population any significant change in purchaser behaviour particularly in the cohort who would traditionally have entered home ownership as early as possible, merits review.

Increased job insecurity is presumed to be impacting on home ownership aspirations and sustainability across all income groups but is largely untested. This impact may be financial for many but for others may result in strategic and deliberate tenure choices which are linked to career paths, choices which allow for increased flexibility and opportunity. The Federal Government's First Home Owners Grant Scheme which came into effect on July 1st 2000 and is targeted for those wishing to buy and occupy may have implications for those looking to invest though not occupy early in their housing careers.

2.2 SHIFT IN HOUSING MARKET PHILOSOPHY

Housing provision in Australia is no longer viewed by government as a form of investment but as an avenue for consumption. Since the 1980s there has been a shift in Australian housing policy away from supply measures to an emphasis on demand side subsidies (Yates 1997, Dalton 2000). With this shift there has been an overall reduction in home purchase assistance and public housing provision towards direct rental assistance (Yates 1999) with the emphasis on reducing the disparity between subsidies for public and private tenants (Wulff & Evans 1998, DSS 1996). This change represents a fundamental move towards a market philosophy in terms of housing outcomes in Australia and reflects the view that income support should be less of an entitlement and more of a social contract between government and the individual (National Shelter 2000). However while those who traditionally could have afforded to enter home ownership may be losing interest, rent assistance may also be acting as a deterrent to home ownership for tenants on lower incomes. Any increase in earnings results in lower subsidies, which after tax, may result in lower disposable income than before. Such an arrangement provides no incentive for moves out of the existing tenure (DSS 1993) and could act as a significant deterrent to those considering home ownership for the first time. In the UK Kleinman (1995) warns of "welfare ghettos" in which households, relying on housing benefits, are condemned to remaining out of work for fear of being made worse off by taking up a job offer.

2.3 DISPLACEMENT OF HOUSING OUTCOMES

Historically most Australians have been able to secure a home through the market place although well subsidised via cheap sale of public housing and first home owners schemes. Home ownership levels have remained stable at approximately 70 per cent over the last 30 years (Yates 1999). However this is beginning to change and falling levels of home ownership in Australia, particularly of new purchasers, have been documented by Bourassa (1995), Yates (1999, 2000), Berry & Dalton (2000) and Winter & Stone (1999). If home ownership is declining then this will have an impact not only on those who would traditionally have entered this tenure but also upon the people whom they may displace in other housing tenures (Wulff & Evans 1998). Single income households find it increasingly difficult to purchase as housing prices and borrowing arrangements reflect the purchasing power of the dual income household. When home ownership becomes less attractive the demand on the private rental sector increases which usually triggers a rise in rental housing costs and a lowering of vacancy levels. This in turn displaces those at the lower end of the rental market, which increases pressure on public housing. Public housing tenants in turn may not be keen to move for casual or insecure job opportunities or to take on home loans even with incentives (DSS 1993).

In the UK Galster (1997) discusses the arguments for and against a demand based policy of housing vouchers or direct benefits and a supply based policy of subsidizing the construction of housing by public or not for profit organisations, in order to reduce the rent charges to low income tenants. He writes of problems associated with the supply of rental housing in the UK, US and Europe which he suggests is primarily the result of the attractiveness of alternative investments for landlords. Governments in France and the UK have introduced a range of financing arrangements to attract more private money into social housing. However, in order to offset risk, these new arrangements are resulting in public housing becoming more standardized and of lower quality.

Thus Galster (1997) considers supply incentives to have resulted in increased output but of lower quality, with higher rents being paid for more remote housing. Alternatively he writes of concern over the escalation of housing allowances paid as direct benefits to low income households. There is criticism that this is resulting in over consumption of housing with little attempt on the part of householders to shop for the "best rental bargain". However he defends demand side policies which he argues "directly attack the root of the fundamental housing problem in most markets, the inability to afford decent quality housing at current rents for such" (Galster 1997 p575). He argues against a rent ceiling and while he suggests that no single policy whether demand or supply orientated will attain all goals, he maintains that the market, if left alone, will respond to supply more housing to the quality level at which demand is concentrated. However in Australia Yates and Wulff (2000) using data from the 1986 and 1996 census, have demonstrated that the quality of rental accommodation which is taken up, is not always matched by ability to pay. They conclude that the take up of low cost rental accommodation by higher income households is displacing those who need it most and exacerbating an existing shortfall of low cost rental stock.

2.4 CONCLUSION

The logic of Galster's (1997) argument thus poses a problem for the Australian rental market which, if it is becoming more attractive to young professionals, will result in higher rents for the best properties in the best locations and an upward drive on all prices. As in the UK incentives to rehabilitate inner city housing for social rental may disappear (Galster 1997) with the poorest either locked into what remains of social housing or occupying the corner of the private rental sector which has been disregarded by the rest of the market.

Maclennan (1996, 1997) believes that the volatility of the labour market in terms of decreased security should force a rethink of the merits of home ownership. He questions whether pushing for higher rates of owner occupancy is meaningful given the long term labour market trends towards short term and less secure employment contracts. Instead the need for increasing mobility and flexibility should allow for a large and efficient private rental sector. He argues that a housing market which facilitates employment needs through offering realistic tenure options, will create opportunities for economic growth and thus for employment growth. Based on work in the UK and Europe, he stresses that while economic change shapes the housing system, there are links back from housing to the economy (Maclennan 1996).

For SA issues of employment, job mobility and security, and costs attached to career changes, retraining and the upgrading of tertiary qualifications, are particularly significant in a state which has struggled with economic restructuring compounded by public sector cutbacks, resulting in considerable job losses and discernible out migration. A more sustainable private rental market may better match the needs of the emerging SA labour market and facilitate new job growth and interstate mobility. However SA also has one of the fastest ageing populations in Australia with some 28 per cent of its population over the age of 50. Declining propensities for home ownership as discussed above are significant in a welfare state that has been premised on the notion that most people will enter old age owning their own home. (National Shelter 2000). Most of the assumptions underpinning welfare benefits do not reflect housing costs. Unemployment and parenting benefits do not consider housing needs when calculating payment levels. As Winter & Stone (1998) have reflected if fewer households buy homes then fewer households are able to distribute their income through to their retirement. This impacts negatively on the horizontal distribution of income for individuals through time and the vertical distribution between individuals within the Australian community at one point in time. The implications of increasing numbers of Australians who are unable to enter old age as home owners is as yet uncertain but has been raised by Beer and Badcock (2000) as a matter of concern.

What are the implications of insecure work for the Australian housing market in terms of home ownership and new entrants? The next section provides a background to labour markets and considers some of the literature which has reviewed falling home ownership levels against a background of greater job insecurity and changing attitudes to risk and investment.

3 Background to Labour Market Change in Australia and Implications for First Time Home Buyers

3.1 INTRODUCTION

The literature relating to the issue of labour market change and implications for first time buyers suggests that while work patterns in Australia are changing significantly, the indications for the housing market are less clear. This review provides a background to labour markets in Australia before discussing some of the literature that identifies links between the two markets. It then examines the changing nature of labour markets and the possible implications for housing markets including levels of new home ownership.

3.2 BACKGROUND TO LABOUR MARKETS

Among OECD countries Australia is one of the larger employers of part time labour but the average hours worked are lower than in other countries (ABS 1997). Two factors account for the growth in part-time work in Australia throughout the 1990s. The first of these is growth in the service sector, which is more suited to part time employment (ABS 1995). Total employment in the recreation, personal and other services industry almost doubled in Australia between August 1984 and August 1994. Similarly the finance, property and business services industries have increased by two thirds. Part time employment in all these industries sectors has more than doubled (ABS 1997). The second factor is the increased desire of women to participate in the labour force particularly on part time basis (ABS 1995).

3.3 CASUALISATION OF EMPLOYMENT

It is generally understood that employers take on casual workers, as they are cheaper and easier to dismiss, while employers can vary hours in response to market fluctuations more easily (ABS 1995)). This translates into higher levels of labour turnover. ABS findings (1998, 1998a, 1998b) indicate that within the Australian workforce some 14 per cent change their job or business, or the locality of their workplace approximately every 12 months and that of this group some 25 per cent are represented by those between the ages of 20 to 24 years.

As well as a relatively high unemployment rate of about 8 per cent, there is significant under employment in the Australian workforce. In Australia between 1973 and 1993 part time jobs grew by 164 per cent while full time jobs grew by only four per cent (Kemp 1996). Currently over twenty six per cent of Australian employees now work part time (ABS 1998) with 50 per cent of all jobs described as part time reflecting the substantial number of employees both full and part time, holding down more than one job. As of September 1997 some 30 per cent of all part-time workers wanted more hours and 19 per cent of all part-time workers wanted full time hours. Some 50.3 per cent of part time workers are working part time for what the ABS describes as a work related reason that is, there is no other employment available (ABS 1998).

Thus the Australian labour market shows significant loss of job stability as jobs have disappeared, professionals and middle managers have been retrenched and restructuring has forced career changes. The nature of employment into 2001 recognises the contractual nature of jobs, that wage bargaining has become more decentralized, with competitive tendering,

outsourcing, and the propensity for skilled and managerial groups to lose jobs, adapt and seek reemployment. There has been an increased need for mobility in terms of job location and job type particularly for those under 30 years (Kemp 1996). School leavers into 2000 can expect to change their career, not just their job, three times in their working life (Kemp 1996). A graduate can expect to change jobs seven times and four of these will be involuntary (Kemp 1996). The least job mobile are those who have family members living in the same household, those born in non-English speaking countries and those aged 55 to 69 years (ABS 1998).

While Australia has one of the highest casual employment rates among developed countries, Adelaide in particular has been recognised as the capital of part-time employment. John Spoehr (2001) comments that while Australia has a much higher density of casual employment than other nations SA stands out within the nation as being the most precarious labour market. He writes of how the decline in male dominated full time jobs is creating further job pressure with men now competing with women for part time and casual employment. SA experienced a net loss of 20,000 full time jobs in the decade 1990 to 2000 with part time and casual employment the main job growth area (ABS 1998). Ninety six per cent, that is 17,000 of the 18,000 jobs created in the three years up to 2000, were part time. The proportion of the SA workforce employed casually is about 30 per cent, some 3 per cent higher than the national average (ABS 1998) while the median weekly earnings of a casual worker in SA are only 44 per cent that of a permanent employee.

3.4 LINKS BETWEEN HOUSING & LABOUR MARKETS

The literature linking housing and labour markets is growing. Most writers seek to demonstrate the association qualitatively through sociological analysis such as Allen & Hamnett (1991), Paris (1993), Winter & Stone (1999), Malone (1996), Badcock & Beer (2000). Or quantitatively through models which attempt to identify points of equilibrium between the two markets Bover, Muelbauer & Murphy (1989), Blanchflower (1989), Meen (1997), Meen & Andrew (1998). In both approaches housing outcomes are recognised as the consequence of interacting variables and relationships between people, dwellings and organizations. Housing is seen within a framework which recognises that housing provision, tenures and prices are part of a wider process of social and economic change (Paris 1993).

3.4.1 Neoclassical analysis

Historically econometric studies have shown that housing prices have an important role in wage formation and hence employment levels (Bover, Muelbauer & Murphy 1989, Blanchflower & Oswald 1989). Other studies have examined how labour market developments have affected different sectors of the housing market with labour market experience predicting housing tenure (Wadsworth 1999). Research carried out along neoclassical lines has identified that the housing market may have important effects on the labour market in terms of restricting labour mobility (Hughes 1986) or in raising unemployment Minford, Peel & Ashton (1987).

Alternatively Meen (1998) has shown that labour markets have profound outcomes for housing demand. He suggests that “for the majority of families, the largest source of income and contribution to savings is derived from earnings and therefore the structure of the labour market

and shocks to it are expected to have profound implications for household behaviour in the goods, credit and housing markets” (Meen 1998 p396). He discusses the influence of structural changes in labour markets on housing demand and demonstrates that the income elasticities of aggregate housing demand are lower as a result of changes in the labour market. In other words rising incomes are not being reflected in proportionally higher levels of housing demand as labour market restructuring is creating uncertainty and acting as a shock mechanism to discourage demand.

Yong Tu (1999) implies that in the long run real housing prices in Australia are determined in part by real weekly earning per employee with the elasticity of 2.32 and by the national unemployment rate with the elasticity of -2.82 . That is housing demand in Australia and hence price is particularly responsive to labour market items such as weekly earnings and unemployment levels. Yong Tu (1999) demonstrates that in the short run Australian house price fluctuations are determined by changes in unemployment rates, nominal mortgage rates and housing starts.

Maclennan (1996, 1997) believes that the volatility of the labour market in terms of decreased security should force a rethink of the merits of home ownership. He questions whether pushing for higher rates of owner occupancy is meaningful given the long term labour market trends towards short term and less secure employment contracts. Instead the need for increasing mobility and flexibility should allow for a large and efficient private rental sector. He argues that a housing market which facilitates employment needs through offering realistic tenure options, will create opportunities for economic growth and thus for employment growth. Based on work in the UK and Europe, he stresses that while economic change shapes the housing system, there are links back from housing to the economy (Maclennan 1996). A housing system that facilitates labour mobility, will more easily meet regional and metropolitan labour shortages and improve productivity. While Maclennan considers the impact of housing systems on economies through labour markets, Green (1994) has examined the effects of different kinds of investment on the business cycle in the USA and has concluded that residential investment creates GDP growth. He believes that policies designed to funnel capital away from housing may produce severe economic dislocations.

3.4.2 Social analysis

Neoclassical discussion of the housing market alone may fail to recognize many of the inefficiencies and realities of the housing market in which consumption is constrained by capital markets and finance and where provision is often out of step with demand. Doogan (1996) suggests that most studies have emphasized the impact of the housing market on labour markets and that there have been few systematic attempts to establish the interrelationships between labour and housing markets. He picks up on criticisms of the neoclassical approach in which he suggests “remarkable little effort is expended in ascertaining cause and effect in the mathematical relationships” (Doogan 1996 p202)).

Badcock (1984) argues that as housing is a commodity so many aspects of housing provision can best be explained in terms of how markets actually work in practice. The provision of housing within a society may be considered either in terms of a system (Paris 1993) or as a market (Randolph 1991) with the identification of submarkets distinguished by tenure and purchaser characteristics. The concept of a housing system is essentially descriptive but seeks to use empirical study to provide a focus on links within housing.

In Australia the housing market has been analyzed in terms of social structures by Winter & Stone (1998) who review socio tenurial polarization and come to the conclusion that the housing market is a means of ameliorating inequalities arising from the labour market. "Our empirical findings lead us to conclude that the housing market appears to be acting to ameliorate rather than exacerbate those inequalities arising from the labour market" (Winter & Stone 1998 p17).

Marcuse (1991) and Watson (1991) explore the class and gender dimensions of the two markets. Marcuse (1991) concludes that the tenure divisions of the housing market are not consequent with the class divisions of the labour market and that a narrow economic view of the linkage between work and housing would not be productive. Rather that "research needs to look at the internal connections between changes in the processes of works and changes in the focus of housing, what they are, how they influence each other, how they can be influenced by public policy" (Marcuse 1991 p131). Watson (1991) discusses the role of gender in the shifting relationship between home and work and explores definitions of class from a feminist perspective. She discusses the increasing role of women in the part time and informal sectors of the labour market against a background of declining welfare provision and reduced public expenditure which place further demands on women as carers within society (Watson 1991). Badcock (1995) writes that "workforce restructuring, growing long term unemployment and shrinking resources does have important implications for equity within cities, equity which is embedded in the separate markets for labour, housing and services".

Badcock (1995) highlights the relationship between the two markets by recognizing that the impact of the changing division of labour on the household will be quite selective according to whether or not and how many members are actively employed. He suggests this will continue to stratify household incomes in Australia and that a strong dichotomy is anticipated between those households with no wage earners and those with two and this dispersion of incomes will be translated into the housing market. Those households that have two wage earners are most likely to become home owners; those without a wage earner will find it increasingly difficult to find affordable accommodation in any tenure.

Forrest and Murie (1991) suggest that the links between housing and jobs are complex and advance the thought that tenure divisions may not be the major divides within housing. They believe that the limited theoretical work conducted would indicate that the links are in both directions. Labour markets both affect and are affected by housing market conditions. They believe that the divergent opportunities of households within the same tenure are related primarily to labour market segregation. Forrest and Murie (1991) suggest that more than

income differences, job security or status, it is the type of job that impacts most on housing opportunities. Susan Smith (1989) argues also that the housing histories of individuals are strongly influenced by employment imperatives. However she considers the picture to be a complex one and suggests there is no single unidimensional relationship between income and access to properties of different price. In other words there is no single housing ladder.

In contrast to much of the literature which now routinely links the two markets Randolph (1991) points out the complexity and variation in the housing labour market relationship. He stresses that the two markets are relatively autonomous and may also be relatively non synchronous in the sense that change in one may result in little necessary change in the other. The housing market he suggests is the more stable of the two exerting a frictional drag on labour market change in that it may hinder labour market flexibility by reducing the propensity or ability of workers to actively seek job relocation. However in summary he does describe labour markets and housing markets as existing in a reciprocal relationship in that labour markets exert demand for housing and housing represents an important factor in the supply of labour (1991).

Hamnett (1991) also questions some of the underlying assumptions upon which discussion of the relationship between the two markets is based. He suggests that most of the evidence on the links between housing and labour markets has been based over time on the assumption of individuals in full time paid employment with their choice of home and work limited to spatially defined labour and housing market areas. Hamnett (1991) writes that because houses are immobile and employment is increasingly mobile there is a growing problem of differential adjustment between the size and structure of the labour market and its housing needs.

3.5 CHANGING NATURE OF LABOUR MARKETS IN AUSTRALIA

Stimson, Taylor & O'Connor (1997) suggest that employment patterns and labour force characteristics are important indicators of the social and economic progress of a country and are convincing in their argument that, in a world that is rapidly changing and increasingly complex, patterns of employment and labour force characteristics provide a fertile and relevant field of research.

Stephen Long (1998 p21) has described a bleak picture of the Australian labour market as being fractured by globalisation which he considers is dividing cities and regions into district of success and failure. He writes of globalisation "splitting cities along fault lines of employment opportunity, dividing the wealth boroughs where knowledge workers reside from the marginalised industrial suburbs housing routine producers and the jobless." He confirms that Sydney is capturing most of the high status employment in the knowledge economy while regional cities such as Adelaide are "engaged in a bidding war for the mortgage processing centres and phone farms that house the knowledge economy's back office functionaries". Long writes (1998 p21) that we are no longer in "Robert Reich's Work of Nations same large boat lifted and propelled together". Instead only those who are able to compete in a global labour market will continue to float. The rest, Long suggests, will sink.

Ulrich Beck (1986) in his influential thesis wrote of the destandardization of labour almost two decades ago when he questioned the premise of the continuity of the traditional employment system. He wrote of a risk fraught system of flexible, pluralized, decentralized underemployment and the extent to which there might be a whole scale conversion of full time jobs into the broadest spectrum of part time positions. He identified the productivity benefits of such a workforce in terms of flexible working hours with respect to orders received and the ability to decouple production time from work time which utilized the production arrangement longer and more intensively. Part time work and underemployment he suggested generally broaden the scope of action for business in personnel policy, make it easier to push through work changes, by breaking apart the relationship between the labour contract and the labour market.

Robert Castel (2000) also writes of societies at risk, of social disaffiliation through insecure work and vulnerable relationships. He argues that “present day insecurity largely results from the growing fragility of protective regulations which were implemented from the nineteenth century onwards in order to create a stable situation for workers. We can describe the specific nature of present day insecurity as relating to the structure of wage society, its crisis or its disintegration since the mid-1970s” (Castell 2000 p520).

3.6 CHANGING PATTERN OF HOME OWNERSHIP IN AUSTRALIA

As discussed earlier in this paper falling home ownership levels in Australia over the last ten years especially in terms of new purchasers, have been documented (Yates 1999, Bourassa Greig & Troy 1995, Berry & Dalton 2000). Badcock and Beer (2000) have forecast a continuation of this decline and suggest that the current national level of 66 per cent will be down to 50 per cent and probably closer to 40 per cent in Sydney, Melbourne and Brisbane within the next 30 years. According to Badcock and Beer (2000) labour market changes are having one of the most dramatic effects in that changes in employment characteristics have implications for people’s housing options. Demands that the merging work force be more flexible and mobile may reduce opportunities for, but also inclinations towards, long term housing commitments.

3.7 FUTURE RISKS

Yates (1999) has identified a decline in Australia’s propensity for home ownership over the past twenty years. She suggests that a declining willingness to commit to home ownership appears greatest for couples with children at the lower end of the income distribution, and for young couples at the higher end of the income distribution. Yates (1999) proposes that the decrease in home ownership propensities within Australia could reflect a greater risk aversion on the part of lower income households, households with family commitments and households with low equity, which are also likely to be younger households.

In Australia the age of entry into home ownership for young people is increasing. Winter & Stone (1998) show that the percentage of homeowners who entered home ownership by the age of 26 has declined from 66 per cent for those who bought between 1956 and 1960, to 31 per cent for those who bought between 1990 and 1996. Thus the percentage of households

entering home ownership below the ages of 30 is decreasing. This delaying of house purchase may be either because they cannot afford it and, if they come from the lower income groups, may never achieve it, or through choice.

Susan Smith (1986) suggests that different forms of employment shape housing histories in qualitatively different ways and that the stability of employment albeit with a lower threshold, is more important than absolute income for sustaining housing loan repayments. As well she has identified circumstance with respect to leaving the parental home as a significant point in any housing career. For women continuous employment increased the probability of attaining home ownership by $2\frac{1}{2}$ times. This reflects the crucial importance of regular secure employment for negotiating mortgage finance and sustaining loan repayments especially in the early years when housing costs account for a particularly large proportion of disposable income.

3.8 THE WORKING POOR

For some households labour restructuring has created the phenomena of the working poor, (Berry & Dalton 2000) a pool of low paid but employed workers for whom home ownership is increasingly out of reach. Ford & Wilcox (1998) document the increasing numbers of employees who are in low paid employment with a proportion of these having incomes from employment that are less than the income subsistence benefit. They believe that for the UK the macro picture of growing low paid employment understates the level of change at the micro level. Kleinman (1995 p35) writes that in the UK there is a "serious problem of higher social rents for the crucial group who are in low paid work. For this group, their incomes are high enough to disqualify them from housing benefit but too low to enable them to afford owner occupation or market rents in the private sector."

These trends in the UK and in Australia suggest that conditions of home ownership increasingly necessitate two income households where single income households are finding it increasingly difficult to buy a home as housing prices and borrowing arrangements reflect the purchasing power of the dual income household. Thus there is a growing gap between households on one or no incomes as opposed to households on dual incomes, with implications for sustaining home ownership as single income families are totally priced out of the market. An early study in the US by Myers (1983) was able to link wives earnings, that is second incomes, with the rising costs of home ownership.

3.9 ALTERNATIVE INVESTMENTS & RATIONAL RENTERS

Badcock & Beer (2000) recognise that a major problem in sustaining current levels of home ownership is the difficulty in recruiting new homeowners. Yates' (1999) explanation for declining propensities for home ownership for younger couples at the higher end of the income distribution includes the onset of compulsory superannuation contributions, the impost of Higher Education Contributions and the introduction of full fees for post graduate studies. Such costs further increase the perceived risk of the mortgage contract. As well as these imposts it is suggested that the range of investment options open to individuals has increased significantly. Whitehead (1996) considers that in the UK there has been significant pressure for

disinvestment in the housing market given other investment opportunities while at the same time the value of tax benefits to owner occupation has decreased significantly.

King and Baekgaard (1996) also identify for Australia a significant increase in the number of households in young age groups with no housing wealth. For those moving into employment for the first time, opportunities for investment have never seemed greater. Some of these opportunities are in the so-called new economy where the mystic of the share market is rapidly disappearing to be replaced by an accessible e-commerce market. Though considered superficial and bound for collapse, web based share trading continues to defy the experts and for many young professionals may be a more important avenue for investment than the bank savings account or the quarter acre block.

Malone (1996) suggests that the need for greater job mobility may be resulting in an increasing tendency for households to live in the rental market. He writes that those moving out of home ownership could indicate a more permanent change associated with the need for greater mobility in a dynamic and more flexible labour market.

Mudd et al (1999) also propose the notion of "rational renters". Private renting is becoming the tenure of choice not only for those who cannot afford anything else but also for the job mobile who wish to invest elsewhere. These are households who may consider it more financially beneficial to invest in assets other than owner occupied housing. This they suggests may apply to people capable of achieving high rates of return in increasingly broad avenues of investment or where opportunities for home ownership are in areas of low appreciation. Alternatively they may have a deliberate strategy of renting themselves but also owning other property for others to rent. Mulder & Manning (1994) write of the strategies of nest leavers in the Netherlands, in terms of "settling down" versus flexibility. They conclude that for most householders surveyed singles hardly ever become homeowners and that the propensity to migrate is strongly associated with initial tenure.

3.10 RISK OF EXIT

Yates (1997) writes that uncertainty about job security in face of entrenched unemployment figures may impact on middle as well as low income groups. "The decision to purchase housing is not only constrained by current incomes and expenditure commitments. It is also constrained by the variability and uncertainty surrounding incomes and expenditure commitments" (Yates 1997 p274). Whitehead (1996) speculates on the risk not of entry, but of exit, that is the difficulties of selling or otherwise adjusting payments if household circumstances change and with this fear of change a reluctance to take the risk in the first place. Middle income earners in the UK now see owner occupation as riskier than in the past because of factors such as negative equity, repossession, or reduced capacity to trade down or out of the sector (Whitehead 1996).

Ford and Wilcox (1998) also suggest that exit stages in terms of home ownership are being weighted more heavily when entrance decisions are made. Hughes (1998) shows that in the US it is also becoming harder to trade up or sideways. He demonstrates that home ownership

rates in the US remain far below their 1980s peak with the widest gaps in the younger age groups not likely to be eliminated in the foreseeable future. He suggests that in the US the first time buyers of the 1990s are the children of a generation with lower savings rate whose bank accounts may already have been stressed by the higher cost of education. Hughes proposes that as the Baby Boomers worry about their own level of retirement resources and depleted home equity reserves, they are no longer so generous about down payment assistance to their children.

3.11 OVERVIEW OF LITERATURE AND RATIONALE FOR PROJECT

In conclusion, most writers are convinced of the relationship which exists between housing and labour markets and the impact of labour market change on home ownership as a tenure option is coming under examination. Analysis and application of the current literature offers an important conceptual and policy platform for this project. The project sets out to document the housing aspirations of Australia's next generation of home owners, aspirations which are set against a backdrop of rising credit levels, contractual employment, single households and alternative investment paths. The implications of increased labour market change are presumed to be impacting on home ownership aspirations across all income groups. However there has been no attempt to specifically seek out, in a disaggregated form, the attitudes and coping mechanisms of first time buyers when faced with job insecurity, rising debt and casualisation of employment. How convinced are these new purchasers of the long term viability of their tenure choice. What strategies are being adopted if any, what compromises are being made if known, which will enable new owners to deal with increasing labour market competition and insecurity? Given the significant increase in gearing by households in terms of overall debt levels, even modest rises in interest levels may mean considerable imposts. By the end of 2001 households are anticipated to pay some 7.5 percent of their disposable income in interest, the highest level of debt servicing since 1991 when interest rates were around 14 percent (NAB 2001). What are the mechanisms if any for sustaining home ownership in light of such debt levels?

Yates has documented the increasing propensity for younger aged cohorts to remain in the rental sector longer. Badcock and Beer (2000) have discussed how labour market changes may be reducing not just opportunities for, but also inclinations towards, long term housing commitments. However there has been little documentation of whether the attitudes of new home purchasers to the rental tenure differ significantly from those in the past. Moving into home ownership may offer financial incentives but for others their tenure choices may be more strongly linked to career paths; choices that allow for increased flexibility and opportunity. Is there an opportunity for incentives which might open up the rental market rather than continuing to prop up the buyer sector. Might it be realized late rather than early that there has been some shift in tenure demand? This project is innovative in that it specifically reviews the long and short term intentions of recent house purchasers in terms of owning and renting. Thus it will attempt to document Whitehead's thesis (1996) that there is significant pressure for disinvestment in the housing market given other investment opportunities.

This research will explore the internal connections between changes in the processes of work and changes in the focus of housing by testing the hypothesis it is the type of job that impacts most on housing opportunities that rather than income differences, job security or status (Forrest & Murie 1991). It will review the premise that stability of employment is more important than absolute income for attaining home ownership (Smith 1986) by documenting the strategies of recent purchasers in their negotiation and repayment of mortgage finance. This premise has also been supported by Yates (1997) who suggests that home ownership is significantly constrained not just by overall income levels but also by the variability and uncertainty surrounding incomes and expenditure commitments.

Finally Malone (1996) has suggested that the need for greater job mobility may be resulting in an increasing tendency for households to live in the rental market. He writes that those moving out of home ownership could indicate a more permanent change associated with the need for greater mobility in a dynamic and more flexible labour market. Those who do buy but remain themselves in rental accommodation reinforce this trend (Mudd 1999). Mudd et al (1999) also propose the notion of "rational renters". This research will attempt to identify the strength of conviction about home ownership as a financial goal and whether it is viewed as any form of encumbrance to job mobility. Private renting may become the tenure of choice not only for those who cannot afford anything else but also for the job mobile who wish to invest elsewhere. These are households who may consider it more financially beneficial to invest in assets other than owner occupied housing. This they suggest may apply to people capable of achieving high rates of return in increasingly broad avenues of investment or where opportunities for home ownership are in areas of low appreciation. Alternatively they may have a deliberate strategy of renting themselves but also owning other property to rent to others. This project will be innovative in attempting to identify these so called rational renters who have the potential to displace other households in greater need within the private rental market.

4 Project Methodology

4.1 INTRODUCTION

The main purpose of the research is to examine if there is any relationship between recent (1999 and 2000) first time housing purchasers and the labour market. The specific research questions that address the issue are:

- Do first time homebuyer expectations and attitudes to job security influence the nature of their housing purchase?
- How financially well off do first time buyers consider themselves to be and what is the level of their future financial commitments for instance to HECS?
- What, where, when and how are first time housing buyers purchasing housing?
- Do first time buyers believe home ownership to have any influence on their ability and willingness to relocate for employment opportunities?
- To what extent are “rational renters” part of the first time housing buyer market?
- Are the answers to these questions different between metropolitan and non-metropolitan areas?

The method used to answer these questions is a postal survey of a representative sample of first time housing purchasers drawn from the Greater Adelaide Metropolitan Area (GAMA) (Figure 1), and the rural townships of Mount Gambier, Murray Bridge and Port Lincoln. The success of the survey is dependent on an accurate identification of first time housing purchasers and that the respondents to the survey are representative of the population of first time homebuyers.

Typically some six per cent of Australian households have purchased their first home within the last 3 years (ABS 2000). For Australia this represents at least 400,000 households. For NSW some 140,000 households have bought their first home over this period. In SA and WA approximately 30,000 households in each state have bought for the first time in the last three years (ABS 2000). This represents approximately 4000 sales per month to first time buyers in NSW and 850 sales per month to first time buyers in WA and SA. For SA this provides a potential population of about 20,000 sales for the two-year period of the survey.

4.2 METHODOLOGY

The main research instrument is a postal survey of first time homebuyers who made their purchase during the period 1st January 1999 to 31st December 2000. The study area covers the Greater Adelaide Metropolitan Area (GAMA) (Figure 1), and the rural townships of Mount Gambier, Murray Bridge and Port Lincoln. These townships have been included in order to identify whether labour market issues are different between metropolitan and non-metropolitan areas. A pilot survey is currently being conducted of 100 purchasers randomly drawn from high, medium and low priced suburbs. The purpose of the pilot is to ensure comprehension and clarity of the survey instrument, so that any necessary changes could be made before final implementation. It will also be used to gauge response rates and non first time home buyer rates across the differently priced suburbs. The information gathered will be used to make

adjustments to the sample size and proportions used the sample selection process for each suburb (refer to the section on sample selection). The survey instrument will comprise of an Introduction Letter, the Questionnaire, and a self addressed reply paid envelope. Participants will be given 4 weeks to respond before a follow up letter is mailed.

4.3 SELECTION OF PARTICIPANTS

In South Australia the transfer of real estate is registered at a central government agency, The Lands Titles Office (LTO), Department of Administrative and Information Services (DAIS). During the study period 53239 transfers of residential property were recorded for the GAMA. The transfers comprise first time home buyers who intend to occupy their home, first time home buyers who intend to rent their home, and home buyers who have previously or still own other real estate. The sales were filtered to remove properties purchased in a company or government agency name and those properties where the purchaser had previously owned other real estate in SA. This resulted in a sales population of 30256 sales. Based on their experience of managing the data base DAIS suggest that approximately 70 per cent of these sales (21179) are predicted to be first time home buyers (DAIS 2000), the balance comprised of purchasers who have previously owned real estate under a different registered name or have previously owned real estate either interstate or overseas. Figure 1 displays the estimate of the number of first time home buyers for each suburb in the GAMA. The distribution of first time home buyers is non-uniform and first time home buyers are active across all suburbs.

FIGURE 1. Estimate of First home buyers Adelaide Metropolitan Area, 1999-2000 , 1999-2000

FIGURE 2. First home buyers Adelaide Metropolitan Area: Estimate as a proportion of all Sales for each suburb 1999-2000

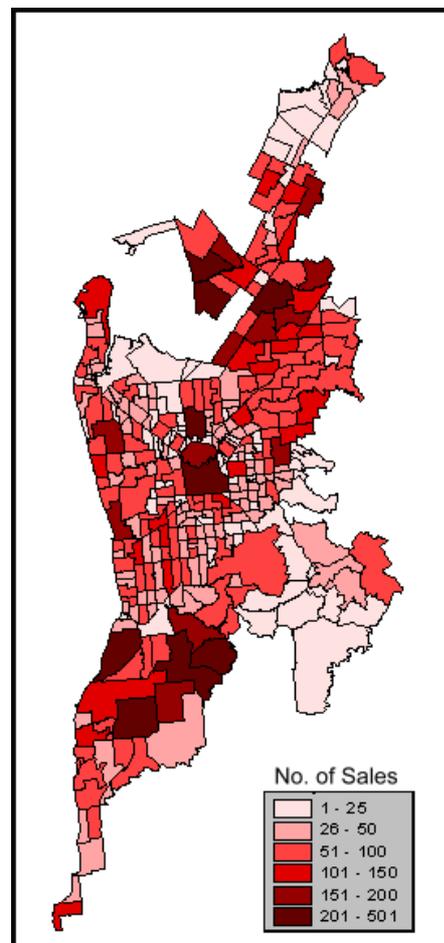
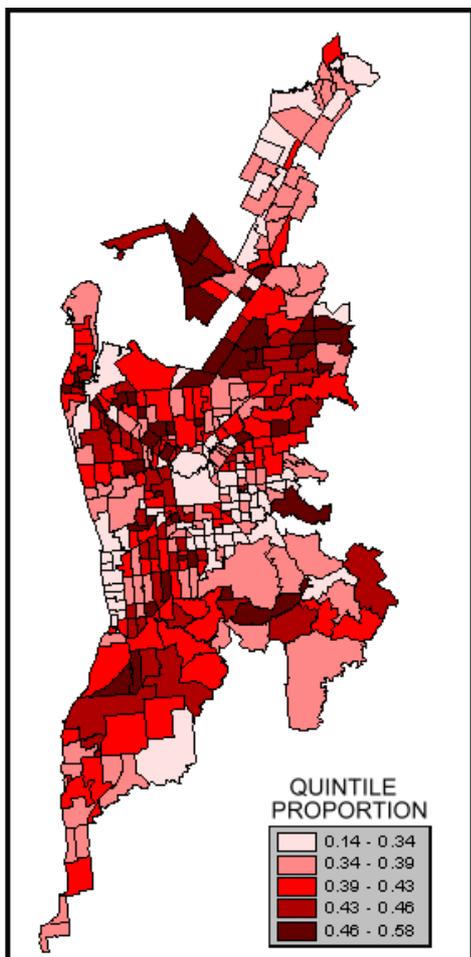


Figure 2 displays the standardised number of first time home buyers as a proportion of the total number of residential sales in each suburb. Again the distribution is non-uniform. Most purchases occur in the low to middle priced suburbs with the exception of the high priced city centre. Reasonable numbers of first time home purchases have also occurred in the moderately high priced inner southern and seaside suburbs (Figure 3).

4.4 FRAME ERROR

The population of 30256 sales is assumed to contain the entire population of first time home buyers. However it is possible that the identification process eliminated some first time home buyers who had previously owned vacant land. The number is not expected to be significant and also this group is not expected to possess significantly different characteristics when compared with the population and is therefore not expected to bias the results. There is no feasible cost effective approach for validating this assumption.

4.5 SAMPLE SIZE

It was calculated for GAMA that to meet the objectives of the study 700 completed questionnaire responses was required. Based on previous experience of this type of survey (Marano 2000) it is expected that a response rate of 20 to 25 per cent is realistic. This equates to about 3 per cent of the population which is considered adequate for statistical purposes. The response rate is relatively low compared to other studies because it is difficult to obtain the exact mailing address from the sales history file. To improve the accuracy of the mailing addresses, where the property address does not match the address of the purchaser the mailing address will be checked with electoral roll and corrected where necessary. Also questionnaires that are returned "address unknown" will also be checked with the electoral roll and re-mailed. Therefore after allowing for the estimated number of non first time home buyer sales in the population a sample of 4000 purchasers was required.

4.6 SAMPLE SELECTION

Figures 1 and 2 show that the sales are represented across all suburbs but in a non-uniform way. To ensure that with respect to location the sample is representative of the population the population was stratified by suburb and then a proportional random sample was drawn from each suburb. Figure 3 gives an indication of median house price across the metropolitan area while Figure 4 shows the number of first time buyers by suburb contained within the sample.

4.7 QUESTIONNAIRE DESIGN

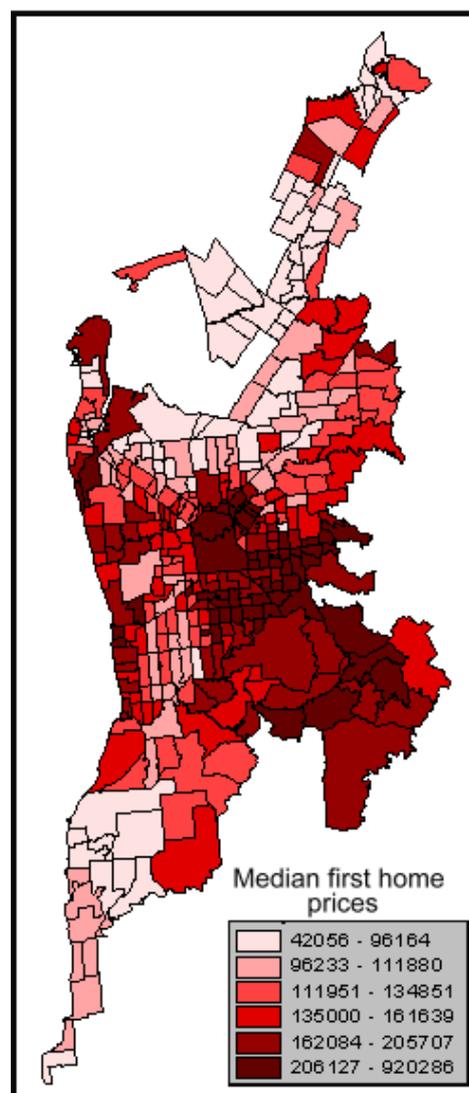
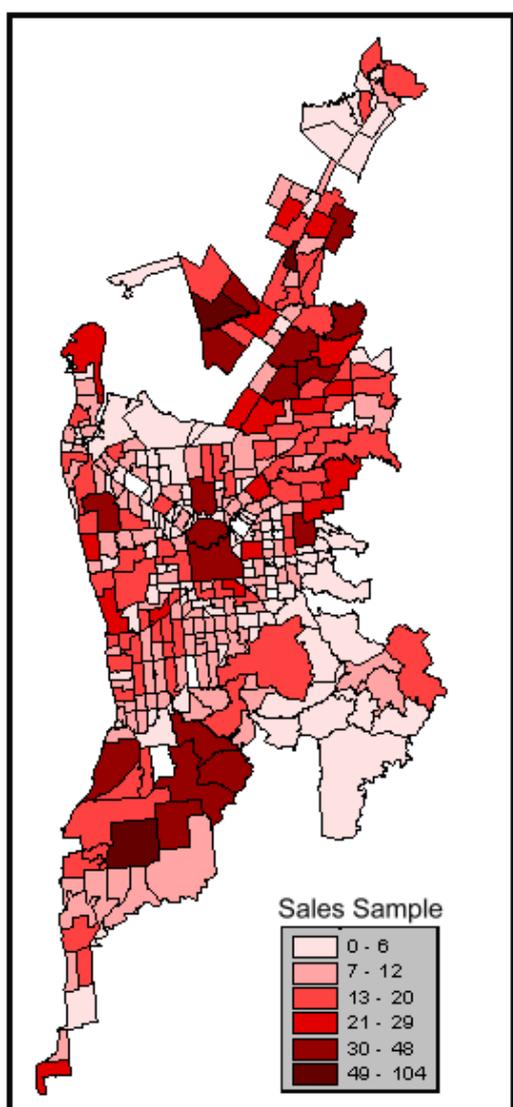
The survey instrument is included in the Appendix A and aims to

- Identify first time buyers,
- Confirm a representative sample through household, income and education characteristics,
- Identify the perceived financial well being of respondents,

- Identify the nature of their home purchase, previous tenure, reasons for moving, and any financial assistance sought,
- Explore reasons for the type and timing of purchase,
- Identify whether any perceived compromise had been made in the purchase,
- Identify any intentions to use the property as an investment either now or in the future,
- Identify the conditions of their housing loan,
- Explore attitudes of respondents to purchase over renting,
- Identify the employment characteristics and labour market experiences of respondents,
- Identify their attitudes towards home ownership in terms of job security and relocation,
- Determine whether job security has influenced their decision to purchase a home.

FIGURE 3. Median first home prices:
Adelaide Metropolitan Area, 1999-2000

FIGURE 4. First home buyers sales
sample: Adelaide Metropolitan Area, 1999-
2000



4.8 REPORTING OF FINDINGS

The survey findings will be summarized using mainly descriptive and multivariate statistics including discriminant analysis with SPSS as the main statistical tool. The survey responses including employment histories, would be linked to the sales history file in order to profile significant purchaser and property characteristics in light of changes in the labour market. The Valuer-General collects property characteristics for all residential properties in South Australia as part of the valuation data base for rating and taxing. The registered sales at the Lands Title Office are linked to the valuation data base to provide a sales history file that records, among other things, the characteristics of the property at the date of sale.

The property characteristics include the land use, the number of main rooms, the equivalent main living area of the residence in square meters, the roof construction material, the external wall construction material, the general physical condition of the residence, the year the residence was constructed, the architectural style, the allotment area in square meters, the number of storeys and the registered sale price. With the aid of software packages such as ArcView, any significant purchaser and dwelling findings will be mapped on a suburb basis. This will be achieved by linking the Digital Cadastre Data Base (DCDB) for SA with Collection District (CD) maps produced from the 1996 Australian Bureau of Statistics (ABS) Census of Housing & Population.

5 Conclusion

This study is being undertaken at a time of significant change within the Australian labour market change which may be in a process of translation into the housing market through the decision making of first time buyers. Yates has documented the increasing propensity for younger aged cohorts to remain in the rental sector longer. Badcock and Beer (2000) have discussed how labour market changes may be reducing not just opportunities for, but also inclinations towards, long term housing commitments. However there has been little documentation of whether the attitudes of new home purchasers to the rental tenure differ significantly from those in the past. Moving into home ownership may offer financial incentives but for others their tenure choices may be more strongly linked to career paths; choices that allow for increased flexibility and opportunity. This project is innovative in that it specifically reviews the long and short term intentions of recent house purchasers in terms of owning and renting.

This study will seek also to determine whether employment related factors such as job security are as important in terms of when and if to purchase a home, as current interest rates, affordable prices and the ability to raise a deposit. It will explore whether consideration of employment risk by purchasers is apparent in terms of the amounts borrowed, loan terms, prices paid and debt to equity ratios. This project will specifically seek out, in a disaggregated form, the attitudes and coping mechanisms of first time buyers when faced with job insecurity, rising debt and casualisation of employment.

For a proportion of first time buyers house purchase is seen as a means of future income. This study seeks to detect such purchasers and to establish their intentions in order to identify so called "rational renters" (Mudd *et al* 1999). Anecdotal evidence from the property sector in Sydney would suggest that significant numbers of young professionals are making a conscious decision not to occupy the homes they buy long term and that this is creating discernible displacement in the rental market. This remains untested. Despite the lowering of real interest rates and GST incentives the same evidence would suggest a similar switch in attitudes could be taking place in SA and this study may go some way towards documenting such intentions.

Falling levels of home ownership in Australia, particularly of new purchasers, have been documented by Bourassa (1995), Yates (1999, 2000), Berry & Dalton (2000) and Winter & Stone (1999). If home ownership is declining then this will have an impact not only on those who would traditionally have entered this tenure but also upon the people whom they may displace in other housing tenures (Wulff & Evans 1998). When home ownership becomes less attractive the demand on the private rental sector increases which usually triggers a rise in rental housing costs and a lowering of vacancy levels. This in turn displaces those at the lower end of the rental market, which increases pressure on public housing. Thus in Australia the poorest may either be locked into what remains of social housing or occupying the corner of the

private rental sector which has been disregarded by the rest of the market (Galster 1997). Maclennan (1996, 1997) believes that the volatility of the labour market in terms of decreased security should force a rethink of the merits of home ownership. He questions whether pushing for higher rates of owner occupancy is meaningful given the long term labour market trends towards short term and less secure employment contracts. Instead he argues that the need for increasing mobility and flexibility in labour markets will create demand for a large and efficient private rental sector. This project will offer insights as to the advantages and disadvantages of such a tenure shift within the housing market of South Australia from the viewpoint of its most recent home purchasers.

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7 Appendix: First Home Buyers Questionnaire

**University of South Australia
School of International Business
Survey of Home Buyers 2001**

To answer the questions please tick ✓ the appropriate box. If you do not wish to answer a question please leave it blank and move on to the next. The survey should be filled in by (or on behalf of) **the main** or if joint, **one of the main**, income earners in your household. **Only one person in your household needs to answer the survey.**

Questions about yourself

Q 1. Gender

Female Male

Q 2. Which of the following ranges includes your age. *(please tick one)*

<input type="checkbox"/> under 25 years	<input type="checkbox"/> 40 to 44	<input type="checkbox"/> 60 to 64
<input type="checkbox"/> 25 to 29	<input type="checkbox"/> 45 to 49	<input type="checkbox"/> 65 to 69
<input type="checkbox"/> 30 to 34	<input type="checkbox"/> 50 to 54	<input type="checkbox"/> 70 to 74
<input type="checkbox"/> 35 to 39	<input type="checkbox"/> 55 to 59	<input type="checkbox"/> 75+years

Q 3. How would you describe your household? *(please tick one)*

<input type="checkbox"/> Single	<input type="checkbox"/> Couple with dependent children under 18 yrs
<input type="checkbox"/> Couple with no children	<input type="checkbox"/> Couple with dependent children 18 to 24 yrs
<input type="checkbox"/> Couple retired	<input type="checkbox"/> Couple with independent children
<input type="checkbox"/> Sole parent with dependent children under 18 yrs	<input type="checkbox"/> Other <i>(please specify)</i> _____
<input type="checkbox"/> Sole parent with dependent children 18 to 24 yrs	

Q 4. Which best describes your level of education? *(please tick one)*

<input type="checkbox"/> Did not complete secondary	<input type="checkbox"/> Bachelor degree or higher
<input type="checkbox"/> Completed secondary	<input type="checkbox"/> Other <i>(please specify)</i> _____
<input type="checkbox"/> Trade or other certificate or diploma	

Q 5. Where were you born? *(please tick ✓ one)*

<input type="checkbox"/> Australia	<input type="checkbox"/> South East Asia
<input type="checkbox"/> United Kingdom	<input type="checkbox"/> North East Asia
<input type="checkbox"/> Europe	<input type="checkbox"/> Other <i>(please specify)</i> _____
<input type="checkbox"/> Middle East	

Q 6. Are you currently studying? *(if a couple please include your partner)*

You		Your partner	
<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Yes	<input type="checkbox"/> No

If No please go to Q 7

If **Yes** is your study?

You		Your partner	
<input type="checkbox"/> Part time	<input type="checkbox"/> Full time	<input type="checkbox"/> Part-time	<input type="checkbox"/> Full time

At what type of educational institution are you currently enrolled?

You

- School
 TAFE College
 Higher Education
 Other (please specify) _____

Your partner

- School
 TAFE College
 Higher Education
 Other (please specify) _____

Q 7. As a household what is your main source of income? (please tick one)

- Salary
 Own business
 Government pension or allowance
 Private pension or annuity
 Austudy
 Newstart allowance/unemployment benefit
 Other (please specify) _____

Q 8. Please give an indication of your gross weekly household income. (please tick one)

- Nil income
 \$1-\$119
 \$120-\$299
 \$300-\$499
 \$500-\$699
 \$700-\$999
 \$1,000-\$1,499
 \$1,500-\$1,999
 \$2,000 or more

Q 9. Do either you and/or your partner have a deferred Higher Education Contribution Scheme (HECS) debt to pay?

- Yes No

If **Yes** about how much is your HECS liability?

You

-

Your partner

- Less than \$5000
 \$5000 to \$10000
 \$10000 to \$15000
 \$15000 to \$20000
 \$20000 to \$25000
 over \$25000

Q 10. As a household has your annual income changed in the last 12 months?

- No change (If No change please go to Q 12)
 Decreased
 Increased

Q 11. As a household why has your total income changed? (please tick any which apply)

- Pay rise
 Pay decrease
 Increased working hours
 Decreased working hours
 Started own business
 Closed own business
 Rise in interest rates
 Drop in interest rates
 Investment/dividends increased
 Investment/dividends decreased
 Paid a lump sum
 Drop in pension
 Rise in pension
 Loss of employment
 Gain in employment
 Taken on second job/partner working
 Loss of second job/partner working
 Don't know
 Other _____

Q 12. As a household how would you describe your financial circumstances generally? (please tick one)

- Very well off
 Managing pretty well
 Getting by
 Finding it difficult
 Other _____

Questions about your recent dwelling purchase

Q 13. As a household is this the first dwelling you have bought?

Yes No

If **No** in what year did you buy your first dwelling? _____

Q 14. In the past have either you or your partner owned or had a financial interest in a home, jointly, separately or with some other person?

Yes No

Q 15. Would you ever consider renting out the property you have recently purchased as an investment for rental income?

either now Yes No
or in the future? Yes No

Q 16. Are you living in the dwelling you recently purchased?

Yes **(If yes please go to Q18)** No

Q 17. Are you ((*please tick one*)

- Already living in a home you own
- Renting the home you are currently living in
- Living with family/friends
- Waiting to get married
- Other (*please specify*) _____

Is the dwelling? (*please tick one*)

- Being rented in the short term
- Being rented long term
- Vacant
- Other (*please specify*) _____

Q 18. What was your tenure before you purchased this dwelling? (*please tick one*)

- Owned outright
- Process of being bought with mortgage
- Rented from private landlord
- Rented from State Government/Defence Housing Authority
- Rent to Buy Scheme from State Government/Defence Housing Authority
- Rented from Housing Cooperative/Community or Church Group
- Lived with parents rent free/nominal rent
- Other (*please specify*) _____

Q 19. How long did you live in your previous dwelling?

- under 12 months
- 1 to 2 years
- 2 to 5 years
- Over 5 years

Q 25. As a household how important were the following in terms of **when** you bought this dwelling?

	Not Important	Of some Importance	Very Important	Don't Know
Low interest rates	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Flexible lending arrangements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Low inflation rate	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
House prices were affordable	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Had saved enough for a deposit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Federal First Home Owner's Grant	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Introduction of GST	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
State stamp duty exemption on offer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Expected house prices to rise in next 12 months	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Expected interest rates to rise in next 12 months	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Expected rents to rise in next 12 months	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Pay rise	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Getting hard to find rental accommodation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Birth of a child	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Child starting a new school	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
New job	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Relocation in present job	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Relationship change	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other (please specify) _____				

Q 26. Did your house purchase reflect what you were originally looking for when you recently decided to buy?

Yes **(If Yes please go to Q 27)** No

If **No** what changed? (please tick any which apply)

- | | |
|--|--|
| <input type="checkbox"/> Purchased a unit/flat instead of detached house | <input type="checkbox"/> Purchased home was more expensive |
| <input type="checkbox"/> Purchased a detached house instead of unit/flat | <input type="checkbox"/> Purchased block size is smaller |
| <input type="checkbox"/> Purchased in a different location | <input type="checkbox"/> Purchased block size is larger |
| <input type="checkbox"/> Purchased a different internal design | <input type="checkbox"/> Purchased house/unit is older |
| <input type="checkbox"/> Purchased home was less expensive | <input type="checkbox"/> Purchased house/unit is more modern |
| | <input type="checkbox"/> Other (please specify) _____ |

Q 27. Did you obtain a housing loan in order to purchase your dwelling?

Yes No **(If No please go to Q 37)**

If **Yes** from where did you obtain your housing loan? (please tick one)

- | | |
|--|---|
| <input type="checkbox"/> Bank | <input type="checkbox"/> Insurance Company |
| <input type="checkbox"/> Building Society | <input type="checkbox"/> Friends/family |
| <input type="checkbox"/> Credit Union | <input type="checkbox"/> Other (please specify) _____ |
| <input type="checkbox"/> Mortgage Manager e.g. Aussie Home Loans | |

Q 28. What type of housing loan do you have? (please tick one)

- Fixed rate
 Fixed rate for 1 or 2 years then variable
 Fixed rate for 3 to 5 years then variable
 Variable rate
 Line of credit loan
 Other (please specify) _____

Q 29. How long did you take your loan out for? *(please tick one)*

- 30 years
- 25 years
- 20 years
- 15 years
- 10 years
- less than 10 years

Q 30. About what size is your housing loan? *(please tick one)*

- Less than \$50,000
- \$50,000 to \$75,000
- \$75,001 to \$100,000
- \$100,001 to \$125,000
- \$125,001 to \$150,000
- \$150,001 to \$175,000
- \$175,001 to \$200,000
- Over \$200,000

Q 31. Did you take out the maximum loan available to you?

- Yes No

If **No**, why not? _____

Q 32. Have you now paid out your mortgage? Yes **(If Yes please go to Q 37)** No

Q 33. About what percentage of your after tax household monthly income are your monthly mortgage repayments?
(please tick one)

- more than 40%
- 40%
- 35%
- 30%
- 25%
- 20%
- 10%
- less than 10%

Q 34. How many members of your household contribute directly to the mortgage repayments? *(please tick one)*

- 1 2 3 more than 3

Q 35. How frequently do you pay your housing loan? *(please tick one)*

- Weekly
- Fortnightly
- Monthly
- Other (please specify) _____

Q 36. How soon do you hope to pay off your housing loan? *(please tick one)*

- 30 years
- 25 years
- 20 years
- 15 years
- 10 years
- less than 10 years

Q 37. Based on your own experience would you tend to agree or disagree with any of the following statements on renting as against owning a home?

	Strongly Disagree	Disagree	Neither Agree or Disagree	Agree	Strongly Agree
Owning a house ties you down	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Buying is a better long-term investment than renting	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Buying a house ties up your money	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Buying a house means you have a place to call your own	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
It's important for young couples to own their own home	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Owning a house gives you more security of tenure	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Buying is always cheaper than renting over time	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Buying a house is a substantial risk	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Owning a house makes your future more financially secure	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
It's hard to find what you want when you rent	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
It's hard to find what you want when you buy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Renting allows you to live where you can't afford to buy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The only way to get a nice place is to buy one	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Renting allows you to invest your money in other ways	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
It's important for families with young children to own their own home	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Questions about your employment

Q 38. Are you **and/or** your partner currently employed?

Yes No

If **No** i.e. neither you nor your partner is currently employed **please go to Q 48**

If **Yes** please describe the nature of your main employment **and/or** your partner if employed (*please tick appropriate boxes*)

You	Your partner
<input type="checkbox"/>	<input type="checkbox"/> Full time permanent
<input type="checkbox"/>	<input type="checkbox"/> Full time contract
<input type="checkbox"/>	<input type="checkbox"/> Full time casual
<input type="checkbox"/>	<input type="checkbox"/> Part time permanent
<input type="checkbox"/>	<input type="checkbox"/> Part time contract
<input type="checkbox"/>	<input type="checkbox"/> Part time casual
<input type="checkbox"/>	<input type="checkbox"/> Self employed (Full time <input type="checkbox"/> or Part time <input type="checkbox"/>)

Q 39. In your main job do you work? (*please tick*)

You	Your partner
<input type="checkbox"/> For an employer for wages or salary	<input type="checkbox"/> For an employer for wages or salary
<input type="checkbox"/> In your own business with employees	<input type="checkbox"/> In your own business with employees
<input type="checkbox"/> In your own business with no employees	<input type="checkbox"/> In your own business with no employees
<input type="checkbox"/> Without pay in a family business	<input type="checkbox"/> Without pay in a family business
<input type="checkbox"/> Other (please specify) _____	<input type="checkbox"/> Other (please specify) _____

Q 40. How long have you been in your main job? (*please tick*)

You	Your partner
<input type="checkbox"/> More than 10 years	<input type="checkbox"/> More than 10 years
<input type="checkbox"/> 5 to 10 years	<input type="checkbox"/> 5 to 10 years
<input type="checkbox"/> 2 to 4 years	<input type="checkbox"/> 2 to 4 years
<input type="checkbox"/> 1 to 2 years	<input type="checkbox"/> 1 to 2 years
<input type="checkbox"/> Under 12 months	<input type="checkbox"/> Under 12 months

Q 41. In your main job how many hours a week do you work on average? *(please tick)*

- | | |
|---|---|
| You | Your partner |
| <input type="checkbox"/> More than 40 hours | <input type="checkbox"/> More than 40 hours |
| <input type="checkbox"/> 35 to 40 hours | <input type="checkbox"/> 35 to 40 hours |
| <input type="checkbox"/> 30 to 34 hours | <input type="checkbox"/> 30 to 34 hours |
| <input type="checkbox"/> 25 to 29 hours | <input type="checkbox"/> 25 to 29 hours |
| <input type="checkbox"/> 20 to 24 hours | <input type="checkbox"/> 20 to 24 hours |
| <input type="checkbox"/> Less than 20 hours | <input type="checkbox"/> Less than 20 hours |

Q 42. Do either you or you partner have a second job?

- | | |
|--|--|
| You | Your partner |
| <input type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/> Yes <input type="checkbox"/> No |

Q 43. In your main job do either you and/or your partner work overtime? Yes No

If **Yes** on average how many hours per week? *(please tick)*

- | | |
|---|---|
| Yourself | Your partner |
| <input type="checkbox"/> Over 20 hours overtime | <input type="checkbox"/> Over 20 hours overtime |
| <input type="checkbox"/> 15 to 20 hours | <input type="checkbox"/> 15 to 20 hours |
| <input type="checkbox"/> 10 to 14 hours | <input type="checkbox"/> 10 to 14 hours |
| <input type="checkbox"/> 5 to 9 hours | <input type="checkbox"/> 5 to 9 hours |
| <input type="checkbox"/> Under 5 hours overtime | <input type="checkbox"/> Under 5 hours overtime |

If **Yes** is it?

- | | |
|---|---|
| Yourself | Your partner |
| <input type="checkbox"/> Unpaid <input type="checkbox"/> Paid | <input type="checkbox"/> Unpaid <input type="checkbox"/> Paid |

Q 44. Which best describes your and/or your partner's main job category? *(please tick)*

- | | | | |
|--------------------------|--|--------------------------|--|
| You | Your Partner | | |
| <input type="checkbox"/> | <input type="checkbox"/> Manager | <input type="checkbox"/> | <input type="checkbox"/> Sales or Service |
| <input type="checkbox"/> | <input type="checkbox"/> Administrator | <input type="checkbox"/> | <input type="checkbox"/> Manufacturing |
| <input type="checkbox"/> | <input type="checkbox"/> Professional | <input type="checkbox"/> | <input type="checkbox"/> Transport Worker |
| <input type="checkbox"/> | <input type="checkbox"/> Semi - Professional | <input type="checkbox"/> | <input type="checkbox"/> Labourer |
| <input type="checkbox"/> | <input type="checkbox"/> Tradesperson | <input type="checkbox"/> | <input type="checkbox"/> Other <i>(please specify)</i> |
| <input type="checkbox"/> | <input type="checkbox"/> Clerical | | |
-

Q 45. Which best describes your and/or your partner's main area of employment? *(please tick)*

- | | | | |
|--------------------------|---|--------------------------|---|
| You | Your Partner | | |
| <input type="checkbox"/> | <input type="checkbox"/> Agriculture, Forestry, Fishing | <input type="checkbox"/> | <input type="checkbox"/> Communication Services |
| <input type="checkbox"/> | <input type="checkbox"/> Mining | <input type="checkbox"/> | <input type="checkbox"/> Finance & Insurance |
| <input type="checkbox"/> | <input type="checkbox"/> Manufacturing | <input type="checkbox"/> | <input type="checkbox"/> Property & Business Services |
| <input type="checkbox"/> | <input type="checkbox"/> Electricity Gas or Water | <input type="checkbox"/> | <input type="checkbox"/> Government Admin & Defence |
| <input type="checkbox"/> | <input type="checkbox"/> Construction | <input type="checkbox"/> | <input type="checkbox"/> Education |
| <input type="checkbox"/> | <input type="checkbox"/> Wholesale Trade | <input type="checkbox"/> | <input type="checkbox"/> Health and Community Services |
| <input type="checkbox"/> | <input type="checkbox"/> Retail Trade | <input type="checkbox"/> | <input type="checkbox"/> Cultural & Recreational Services |
| <input type="checkbox"/> | <input type="checkbox"/> Hospitality/Cafes etc. | <input type="checkbox"/> | <input type="checkbox"/> Personal & other Services |
| <input type="checkbox"/> | <input type="checkbox"/> Transport & Storage | <input type="checkbox"/> | <input type="checkbox"/> Other |

Q 46. In which suburb is your place of main employment?

You _____ Your partner _____

Q 47. Do either you and/or your partner ever work from home with your actual place of employment sited elsewhere?

Yes No

If **Yes** how often do you work from home? (*please tick one*)

1 or 2 working days every week
 1 or 2 working days every month
 Occasionally
 Rarely

Please go to Q 53.

Q 48. If **no one in your household is currently employed** are either you and/or your partner **looking for work**?

Yes No **(If No please go to Q 53)**

If **Yes** how long have you been **looking for work**? (*please tick one*)

Yourself

less than 3 months
 3 to 6 months
 6 to 12 months
 over 12 months

Your partner

less than 3 months
 3 to 6 months
 6 to 12 months
 over 12 months

Q 49. If you are currently **looking for work** which best describes the **job category** in which you are seeking work? (*please tick any which apply*).

You

Manager
 Administrator
 Professional
 Semi - Professional
 Tradesperson
 Clerical

Your partner

Sales or Service
 Manufacturing
 Transport Worker
 Labourer
 Other (*please specify*) _____

Q 50. If you are currently **looking for work** which best describes the area of employment in which you are seeking work? (*please tick any which apply*).

You

Agriculture, Forestry, Fishing
 Communication Services
 Manufacturing
 Electricity Gas or Water
 Mining
 Property and Business Services
 Government Admin & Defence
 Education
 Health and Community Services
 Cultural & Recreational Services

Your partner

Personal & Other Services
 Hospitality/Cafes etc
 Transport and Storage
 Finance and Insurance
 Wholesale Trade
 Retail Trade
 Construction
 Other (*please specify*) _____

Q 51. As a household do you anticipate having to move house in order to find work?

Yes No

Q 52. If you are **looking for work** do you believe owning a home makes finding employment? (*please tick one*)

- More difficult
 - Less difficult
 - Makes no difference
 - Don't know
-

Q 53. How many full time jobs have you had in the past 5 years? (*please tick*)

- | You | Your partner |
|--------------------------|--|
| <input type="checkbox"/> | <input type="checkbox"/> Over 6 full time jobs |
| <input type="checkbox"/> | <input type="checkbox"/> 4 to 6 full time jobs |
| <input type="checkbox"/> | <input type="checkbox"/> 2 to 3 full time jobs |
| <input type="checkbox"/> | <input type="checkbox"/> one full time job |
| <input type="checkbox"/> | <input type="checkbox"/> no full time job |

Q 54. How many part time jobs have you had in the past 5 years? (*please tick*)

- | You | Your partner |
|--------------------------|--|
| <input type="checkbox"/> | <input type="checkbox"/> Over 6 part time jobs |
| <input type="checkbox"/> | <input type="checkbox"/> 4 to 6 part time jobs |
| <input type="checkbox"/> | <input type="checkbox"/> 2 to 3 part time jobs |
| <input type="checkbox"/> | <input type="checkbox"/> one part time job |
| <input type="checkbox"/> | <input type="checkbox"/> no part time job |

If you are currently not employed **please go to Q 62**

Q 55. Has relocation in your and/or your partner's main job required you to move house?

- Yes No

If Yes

- within the last 12 months
within the last 2 years
within the last 5 years

Q 56. Do you and/or your partner anticipate having to move house because of relocation in your present job?

- Yes No

If Yes

- within the next 12 months
within the next 2 years
within the next 5 years

Q 57. In the past 5 years have either you and/or your partner worked in another state/country?

- Yes No

If **Yes** which state/country? _____

Q 58. Do you believe owning a home makes relocation in a job *(please tick one)*

- Less difficult
- More difficult
- Makes no difference
- Don't know

Q 59. Do you believe owning a home makes changing job *(please tick one)*

- Less difficult
- More difficult
- Makes no difference
- Don't know

Q 60. As a household would you be willing to move house in order to find work?

- Yes No

If **Yes** what would you be most likely to do with your existing dwelling? *(please tick one)*

- Sell it
- Rent it out
- Let it out to relatives/friends at nominal rent/rent free
- Leave it vacant

Q 61. Into the future how concerned are you about your present job security? *(please tick one)*

	Not at all	Of minor concern	Quite concerned	Very concerned
Over the next 12 months	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Over the next 5 years	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If your partner is currently working how concerned is he/she about their present job security? *(please tick one)*

	Not at all	Of minor concern	Quite concerned	Very concerned
Over the next 12 months	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Over the next 5 years	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Q 62. In the past how concerned have you been about your job security? *(please tick one)*

	Not at all	Of minor concern	Quite concerned	Very concerned
Over the past 12 months	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Over the past 5 years	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

In the past how concerned has your partner been about their job security? *(please tick one)*

	Not at all	Of minor concern	Quite concerned	Very concerned
Over the past 12 months	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Over the past 5 years	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Q 63. Finally do you believe either your and/or your partner's **experience of job security** has had an influence on your decision to buy a home?

Yes had an influence No had no influence Don't know

If **Yes** please tick ✓ any of the following to indicate how your experience of job security has influenced your decision to buy a home

- | | | | |
|---|--------------------------|---|--------------------------|
| I/We delayed buying a home | <input type="checkbox"/> | I/We obtained our loan through a | <input type="checkbox"/> |
| I/We bought a home as soon as possible | <input type="checkbox"/> | Building society/ mortgage manager | <input type="checkbox"/> |
| I/We looked at more homes | <input type="checkbox"/> | I/We reduced the term of our loan | <input type="checkbox"/> |
| I/We looked at fewer homes | <input type="checkbox"/> | I/We extended the term of our loan | <input type="checkbox"/> |
| I/We looked in a lower price range | <input type="checkbox"/> | I/We took out a smaller loan | <input type="checkbox"/> |
| I/We looked in a higher price range | <input type="checkbox"/> | I/We took out a larger loan | <input type="checkbox"/> |
| I/We looked for a longer period than expected | <input type="checkbox"/> | I/We took out a loan with a fixed interest component | <input type="checkbox"/> |
| I/We looked for shorter period than expected | <input type="checkbox"/> | I/We took out a loan with no fixed interest component | <input type="checkbox"/> |
| I/We bought a less expensive home | <input type="checkbox"/> | | |
| I/We bought a more expensive home | <input type="checkbox"/> | | |
| I/We obtained our loan through a Bank | <input type="checkbox"/> | | |
| Other (please specify) _____ | | | |

If there are any general comments you would like to make about your experience of buying a house or any aspect of this survey please add them below.

Thank you very much for your help and time

