

## EXECUTIVE SUMMARY

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# Housing aspirations of precariously housed older Australians



**From the AHURI Inquiry:** Inquiry into housing policies and practices for precariously housed older Australians

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# Executive summary

## Key points

- The supporting structures that exist to assist older Australians to make housing decisions are not always easy to navigate, nor comprehensive and are often delivered in a form that does not meet the preferences of older lower income Australians.
- There is an opportunity to develop a central repository of local housing information, with staff to assist those in need by providing up-to-date housing information and to bridge the gap in supporting structures.
- Presented with seven alternative housing options, lower income older Australians expressed a clear preference for a shared equity home ownership model, a cooperative housing model and a transportable home model. Just over one in ten respondents did not like *any* of the alternative housing options presented in this research.
- Choosing to live in one of the alternative housing options would require lower income older Australians to make trade-offs from their ideal housing attributes, particularly with regard to preferences for home ownership. Nevertheless, the options were regarded as meeting the short and long-term housing needs of these households.
- A typology of preferred housing characteristics illustrates that older low-income Australians favour private indoor and outdoor spaces, private car bays and easy access to shops and public transport. Locations in outer suburbs or regional areas were preferred over CBD or inner suburbs.

An increasing number of older Australians are retiring without outright home ownership, placing them at risk of housing insecurity, and potentially, homelessness. Prior research indicates that some of these households are more open to alternative housing options than those in other tenures. However, not only are there limited alternative housing options available, there is also limited information regarding such options, how to access them, legalities and other information pertinent to decision making.

This project investigates lower income older households' preferences for a range of alternative housing models and examines which of these would best meet their needs, as well as identifying and discussing the structures that support households to navigate their housing options.

## **Key findings**

### **Structures assisting the navigation of housing options**

Structures that support lower income older Australians to make housing decisions are often fractured or unable to provide the information needed. Further, there is a reliance on digital technology to deliver information through online resources. These factors reduce the reach of the limited information available, particularly for those who are not digitally literate or who are from non-English speaking backgrounds. Where in-person support is offered, the effectiveness of this support in making housing decisions is highly dependent on the knowledge of the individuals delivering the information.

There is a need for a centralised and comprehensive ecosystem of supporting structures providing housing information for older people, especially accessible information on alternative housing options and the facts and costs/benefits about these options, to support effective decision making.

### **Lower income older Australians knowledge of housing options**

Older lower income Australians generally have good knowledge of the mainstream housing system sectors with which they have interacted, particularly the social housing and private rental sectors. Their knowledge of alternative housing options is less well developed. To make effective housing decisions, this cohort need to have both knowledge of the opportunities available to them, and established supporting structures where they can obtain information about these options and what they are committing to, in terms of legal, financial and tenure arrangements.

### **Preference for innovative housing models**

Seven alternative housing models were presented to a representative sample of older people nationally. These composite models were developed in an earlier Inquiry project (Tually, Coram et al. 2022), from a review of national and international literature and experience. From the seven alternative housing models presented, three were substantially preferred by lower income housed older Australians:

- a shared equity home ownership model
- a cooperative housing model, and
- a transportable home model.

All three alternative housing models met the short and long-term housing needs of the respondents. The models would also deliver benefits in terms of people's non-shelter aspirations for home including independence, privacy, security of tenure, ability to have companion animals, and room for friends, family or a carer to stay. However, none of the three neatly matched the ideal housing attributes articulated by the survey respondents—a detached dwelling that they own with two or three bedrooms. As a result, trade-offs were required when indicating preferences for the alternative housing models on offer.

## Typology of favoured housing characteristics

From the alternative housing options considered by older people, a typology of housing characteristics was developed based on the most favoured characteristics. Characteristics that emerged as being frequently favoured by a majority of respondents were: private indoor spaces (living room, kitchen and laundry), private outdoor spaces, easy access to shops and public transport, and private car bays. Other characteristics which were favoured with high frequency included home ownership and a detached house with at least two bedrooms, findings which mirror previous research into older Australian household more generally (James, Rowley et al. 2019).

### Typology of housing characteristics liked in each housing option

High frequency (>70%)	Medium frequency (50-69%)	Low frequency (<50%)
<ul style="list-style-type: none"> <li>• <b>Private indoor spaces</b></li> <li>• <b>Private outdoor spaces</b></li> <li>• <b>Private car bays</b></li> <li>• <b>Easy access to the shops and public transport</b></li> <li>• Ownership</li> <li>• Long lease options</li> <li>• Separate houses</li> <li>• Two-bedrooms</li> <li>• Outer-suburbs or regional areas</li> <li>• Storeroom</li> <li>• Pets permitted</li> <li>• Smart home technology</li> <li>• Environmental sustainability</li> </ul>	<ul style="list-style-type: none"> <li>• Apartment</li> <li>• Located in the inner suburbs</li> <li>• Communal indoor space</li> <li>• Mixed age residents</li> <li>• Older residents only</li> <li>• Shared outdoor space</li> <li>• Shared governance and management</li> <li>• Land owned and retained by the government</li> </ul>	<ul style="list-style-type: none"> <li>• One bedroom</li> <li>• Studio/bedsit</li> <li>• Located in the CBD</li> <li>• Shared outdoor space</li> <li>• Car share scheme</li> <li>• Shared laundry</li> </ul>

Note: **Bold** = frequency of 90%+.

Source: National online survey.

## Policy development options

There are a range of ways in which policy innovation could improve the accessibility and delivery of essential information required to enable lower income older Australians to make sound housing decisions and support the development of a range of alternative housing options to meet the needs of the cohort.

### Effective access to housing information

Older lower income Australians need access to clear, effective information sources to make informed decisions about their housing futures. This information, delivered through person-to-person contact and reinforced with easily understood information provided through an online portal, is required to support households long before they are in housing crisis.

From a policy perspective, there is an opportunity to deliver a widely-accessible, linguistically-diverse central information system and point of contact where people can access information about their housing options. This platform should function as a starting point from which participants are directed to localised and individualised services. Such a service would benefit from reciprocal links and support connections with other agencies while providing the overall support people need to ensure positive housing and wellbeing outcomes. Effective referral pathways to the service will support older Australians in negotiating the complexities of the housing market and associated financial, legal and other support structures.

## Supporting delivery of alternative housing options

The housing aspirations of older lower income Australians reflect those of older Australians more generally. Regardless of their income or wealth, this cohort seeks stable and secure housing, privacy, two or three bedrooms in a detached or private dwelling, the ability to have a pet and access to amenities and services. Where this cohort differs is their greater appetite for alternative housing options (James, Rowley et al. 2019). Lower income older people are also prepared to make trade-offs from their ideal housing attributes to achieve many of these elements. Policy can assist lower income Australians to achieve stable and secure housing by supporting the scaling of alternative housing options currently on the ground or in concept phase.

### Shared-equity schemes

The expansion of shared-equity schemes would meet lower income older Australians' aspiration for home ownership. For those older people with some funds, shared equity products were appealing as they enable households to preserve their wealth, provide opportunities for capital growth, and allow people to accumulate an asset to bequeath to the beneficiaries of their estate. Any expansion of shared-equity schemes nationally must consider bridging the deposit gap, the extent of co-equity required to deliver affordability if a mortgage is required, and how finance can be assured for loan applicants who are older at the time they take on a loan.

### Cooperative housing models

Internationally, cooperative housing has been successful in providing affordable housing for older people. Support for the expansion of these models presents a policy opportunity in Australia. The expansion of this sector must consider:

- The requirement that cooperatives take a proportion of new tenants from a common housing register contravenes cooperative legislation which guarantees cooperatives choice of members (CHIA n.d.) and the impact of the loss of autonomy over allocations on governance and management capacity.
- That while older people may have more time for the shared governance and management, such responsibilities can be a significant burden when tenants cannot 'retire' from these obligations. Options should be explored to permit professional managers to reduce the administrative burden on tenants.

### Transportable homes

Despite requiring considerable trade-offs, the transportable home on land owned and retained by government was considered to meet the short and long-term housing needs of almost half of those respondents who preferred it. From a policy perspective, there is an opportunity for state and local government to work with community housing providers, other not-for-profit organisations and philanthropists to identify appropriately located vacant government land where transportable homes could be located, not permanently, but for an extended period.

### Alternative housing options in the regions

The frequency of respondents who indicated a preference for living in regional areas was high. This could be an opportunity to mitigate the barrier reported by older lower income Australians that there was a lack of availability of alternative housing options in their preferred locations. Providing fully self-contained dwellings with private indoor and outdoor space, off-street parking, and two or more bedrooms however is a financial challenge and has implications for where such housing can be located. Investment in regional locations where the land is relatively more affordable than within existing metropolitan areas may present an opportunity to expand appropriate housing options for older people who wish to live in regional locations. To be workable this option must take account of access to necessary services: health, medical, social and transport.

## The study

This project is part of an *Inquiry into housing policies and practices for precariously housed older Australians*. The Inquiry consists of a series of interrelated projects designed to:

1. portray and map Australia's current and future cohorts of lower income older people (Barrie, Cebulla et al. forthcoming), and
2. examine appropriate housing models for precariously housed pre-retirement and retirement households (Tually, Coram et al. 2022).

This report is the output of the third project, which aimed to determine *How do older lower income Australians understand and navigate available alternative housing options and to what extent could new options meet their housing needs?*

Together the research projects address the overarching question of the Inquiry:

**How can we deliver the types of housing precariously housed individuals, in or approaching retirement, want and need to support their life aspirations, wellbeing, participation and inclusion?**

The rising number of older Australians entering retirement without the security of home ownership is well documented (HAAG 2018; Hodgson, James et al. 2018; James, Rowley et al. 2019; Ong, Wood et al. 2019; Pawson, Milligan et al. 2020). So too, are the specific risks faced by older, lower income Australians who do not own their own home outright.

Housing costs, particularly for those on the Age Pension or with limited savings may lead to housing stress (Freilich, Levine et al. 2014). The private rental sector offers inadequate tenure security and there are limited options within the social housing sector. Older Australians living in the private rental sector are therefore at risk of being exposed to precarious housing scenarios, elder abuse, potential premature entry into aged care or homelessness (Fiedler and Faulkner 2017; Hurren 2020).

Private and social housing tenants are more open to alternative housing options than those in other tenures (James, Rowley et al. 2019). However, not only are few alternative housing options available, information regarding these options, including the tenure, legal and financial obligations, is often limited (Fiedler and Faulkner 2017; Fiedler and Faulkner 2019).

A mixed methods study was designed to answer the overarching research question for this project. The study involved three sequential stages. A detailed desktop review examined older people's knowledge of housing systems and housing aspirations, particularly with regard to non-mainstream models, and the structures that currently exist to assist older lower income Australians to navigate their options and access appropriate and affordable housing.

The knowledge of the cohort and their preferences for alternative housing options were explored through a national survey, using a modified discrete choice approach (n=2,336). A qualitative component in the form of focus groups and interviews captured the lived experiences of lower income older Australians (n=47) in metropolitan and regional South Australia, Western Australia, New South Wales and Victoria. These in-depth engagements with lower income older people offered a nuanced understanding of their experiences navigating housing information, as well as their preferences for the range of alternative housing options explored in this study.



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