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Mapping Australia's older, low-income renters



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

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Executive summary

Key points

- Changing demographics have led to ongoing evolution and innovation in health and social care policy, emphasising the importance of housing to wellbeing. However, housing policy and practice continues to lag behind market demands, especially in terms of providing the scale and diversity of appropriate housing types that lower income, older households want and need to age well.
- Projections indicate increasing numbers of older people needing affordable housing, with this expected to increase from approximately 200,000 households to about 440,000 households aged 55 years and over by 2031. It is unlikely that public housing will be able to meet this need. Evidence suggests that the current private rental sector stock is unsuitable and unsustainable for Australia's older non-home owners.
- Understanding the distribution and likely growth in low-income, older renter numbers is important for planning and provision of appropriate and affordable housing stock.
- There were 640,970 lower income renters in Australia aged 50+ years (LIRiA50+) at the time of the 2016 Australian Census; by 2032, this number is expected to increase to 839,123 low-income, older renters.
- The average LIRiA50+ is more likely to be female, to be in the 'young old' age cohort (between 50 and 65 years old), to live alone and not be in the labour force. They have lower education levels (high school level only) and a higher need for assistance with core daily activities than others of a similar age. Critically, the current LIRiA50+ cohort is more likely to be in private rental than in social or public housing, with the exception of the Australian Capital Territory and the Northern Territory.

- **The largest projected increases in the LIRiA50+ population across Australian Bureau of Statistics (ABS) Statistical Areas Level 2 (SA2s) in Australia are likely to be in peri-urban and outer-suburban regions, with some significant rises in regional and rural locations. This spatial disparity in the older, low-income renter population needs to be taken into account when considering where to target innovative housing solutions.**
- **With increasing longevity a reality in the Australian population, this demographic profile implies that there is an extant and growing need to have sustainable, affordable, long-term housing solutions to enable this low-income cohort to age in place for another 20–30 years. This provision of housing stock needs to consider the unlikelihood of this population group being able to transition to home ownership without considerable innovation in housing design, supply and ownership models.**

The study

This research is part of an AHURI *Inquiry into the Housing policies and practices for precariously housed older Australians*. As a program of research, the Inquiry addresses the overarching research question:

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?

Through a series of nested and intersecting projects, four core research questions are posed in this Inquiry:

1. Who and where are the cohorts (50–59 years, 60–69 years and 70 years and over) of lower income householders without the security of home ownership in Australia?
2. What workable and innovative housing options exist for lower income, low-resourced older households who are precariously housed?
3. How do older lower income Australians understand and navigate available alternative housing options and to what extent could new options meet their housing needs?
4. 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?

This project provides a geographic and demographic picture of the target population group (low-income renters in Australia aged 50+) as the basis to finding acceptable solutions to the challenges of population ageing and housing needs in the 21st century. It does this by analysing and bringing together a range of available quantitative data sources to answer RQ1 above, which has informed the work in other projects in this Inquiry (see James, Crowe et al. 2022; Tually, Coram et al. 2022).

As stated by Jones, Bell et al. (2007: 15):

Demography is a key factor underpinning the demand for housing at older ages and a clear understanding of current and future population dynamics is an essential element in the demand side of the rental housing picture.

We know from numerous studies to date that the current older generation of Australians exhibits greater diversity than previous generations in terms of demographic characteristics, family dynamics, socio-economic and health status, lifestyle, mobility, and housing preferences and needs (Beer and Faulkner 2011; Faulkner 2017; James, Rowley et al. 2019; Olsberg and Winters 2005). Further changes and possibly even greater diversity in terms of socio-cultural background, life circumstances, aspirations, identity and housing should be anticipated as the coming generations reach older age. Accordingly, their future needs and wants should come into sharper focus as part of longer term, outcomes-focused planning, policy and practice.

Little is known specifically about the target groups of this Inquiry – low-income, older Australians in or approaching retirement without the security of home ownership and facing precarious housing situations. This is a distinct subset of the population whose housing pathways vary from the general, home owning older population because of their circumstances: low incomes and few if any assets; tenuous connections to employment (if still engaged in the workforce at all); and a reliance on the private or social rental sector, with all the challenges renting brings (Eslake 2017; Faulkner, Verdouw et al. 2021; Hodgson, James et al. 2018; Jones, Bell et al. 2007).

Through the spatial mapping and analysis of key demographic variables from the 2016 ABS Census data, this project provides a clearer picture of *who* people in this emerging older cohort of low-income Australians are, and, critically, for the provision of innovative and sustainable housing solutions, *where* they are. It goes on to project the likely shifts in population numbers and locations of this subset of the older Australian population.

Demographic profile

A range of demographic characteristics, taken from the ABS 2016 Census, were considered in order to understand the LIRiA50+ cohort. A population profile is critical for planning and designing appropriate and affordable housing solutions for an older, low-income population. Demographic characteristics such as age, living alone and need for assistance with daily living may influence the size and style of housing that it is needed. Education levels and levels of employment are indicative of the ability to leverage finance for future housing aspirations.

The LIRiA50+ population cohort has a younger profile than the wider Australian population aged 50+ years, with 39.5 per cent aged 50–59 years and a further 31.8 per cent aged 60–69 years. The cohort reflects the general Australian older population in being slightly more likely to be female (55%). Neither of these variables differed significantly by state or territory.

Of particular importance for the housing and support needs of older Australians is the likelihood of living in a lone person household. Individuals in the LIRiA50+ cohort are almost twice as likely to be living alone than the total Australian population aged 50+ years (38% compared to 20% of all Australians 50+ years of age). Living alone has implications for both economic and social vulnerability and may influence demand for certain housing styles or designs, funding models and locations that need to be considered by planners and developers.

Along with household structure, a core need for assistance with daily activities was included in the profiling of the LIRiA50+ cohort. Need for assistance implies the need for services and support later in life – a critical component of being able to age well. The need for assistance can also be an indicator of being marginalised from the labour force, which, in turn, can impact potential funding options for housing and may influence demand for a particular type of housing (e.g. universal design features, no stairs, in a walkable neighbourhood or close to transport options).

The LIRiA50+ cohort is considerably more likely to have support needs than the average older Australian, with 18.4 per cent having a need for assistance compared to 10.6 per cent of all Australians aged 50+. Again, this disparity is consistent across all states and territories.

Education levels are strong indicators of employment opportunities across the life course and can represent a likelihood of accumulated wealth and home ownership levels. Approximately 20 per cent of LIRiA50+ left school at or before reaching Year 9 (apart from the Australian Capital Territory and Western Australia at about 17%). A further 30–40 per cent in each state or territory (except the Northern Territory with 28.4%) have only a secondary

school level of education. This means that over two-thirds of this population cohort have a high school education level or less, adding to the challenge this cohort faces in moving out of the lower income bracket and rental cycle later in life.

There are many factors that affect workforce participation in later life, including education levels, financial resources, disability or carer status, and, importantly, available work opportunities. The 'not in the labour force' census category can be complex to understand; it may include those who have retired, those who have given up looking for work, and those unable to work because of caring roles or a long-term disability. For the LIRiA50+ cohort, 52 per cent of those aged 50–59 years and 76.6 per cent of those aged 60–69 years were 'not in the labour force'. This compares to 20.7 per cent and 54.1 per cent of the total Australian population aged 50–59 years and 60–69 years, respectively, highlighting a disparity between this cohort and the general older Australian population.

Facilitating or encouraging older workers to stay in the workforce longer is often reported as a solution to housing precarity (Ong, Wood et al. 2021); however, as these figures imply, such a solution requires an appreciation of the longer, more complex challenge ahead given that the majority of LIRiA50+ are not in the labour force and generally have lower levels of education and higher needs for assistance.

Assuming there were new opportunities to (re)enter the workforce at the age of 50+ years, the ability of this cohort to then accumulate enough wealth in a timely manner to enter the housing market is very unlikely. This is a population cohort with few personal resources for whom traditional home ownership is likely to remain out of reach. Therefore, the cohort will continue to rely strongly on social and private rental markets or innovative housing solutions to meet its housing needs. This means that we need to have sustainable, long-term, secure and appropriate housing solutions to enable this cohort to age in place for another 20–30 years.

Geographic profile

According to the ABS 2016 Census data, within the LIRiA50+ cohort across Australia, over 400,000 individuals were renting from a private landlord. A further 226,406 were in social or public housing tenure arrangements, with 32,650 of this group in some form of social housing (e.g. church group housing or community and housing cooperatives). Victoria, Queensland and New South Wales had the highest proportions and highest numbers of the LIRiA50+ cohort reliant on private landlords at 66,125 (67%), 72,550 (68%) and 93,660 (57%) individuals, respectively.

Focusing on the balance between private landlords and social/public housing landlords, there are wide variations by state and territory, most likely reflecting the quantity of available housing stock and the variations in policies around priority populations. For example, while there is an even distribution across private and public/social landlord types in South Australia (48% and 46%, respectively), Victoria, Queensland, Tasmania and New South Wales all have much higher proportions reliant on private landlords. For Victoria and Queensland, private landlord tenure represents 67 and 68 per cent of all their LIRiA50+ tenure arrangements. The Australian Capital Territory and the Northern Territory have much larger proportions of LIRiA50+ living in social and public housing (mainly comprised of housing authority stock) than in private rental.

These variations are not surprising considering that responsibility for housing in Australia is shared between all three levels of government. As outlined by AHURI (2018), the Australian Government has responsibility for the policy levers impacting on housing demand, but it is the state and territory, and/or local governments, that are chiefly responsible for housing supply. As such, it is state-based priorities and policies that determine supply. However, these figures highlight where the focus on alternative housing models needs to be to avoid a crisis of older people on low fixed incomes in unaffordable private rental tenure over the longer term.

This examination of the LIRiA50+ cohort in relation to their current housing status highlights the ongoing demand for a sustainable, affordable housing supply that can meet their needs to age well 'in place' as they grow older. While the public and social housing sectors may not be able to meet or prioritise this burgeoning need, the private rental sector is not necessarily a solution, with high unaffordability in many locations, along with a lack of security and suitability for older tenants on low incomes.

In terms of population mobility, almost every SA2 across Australia reported some change in the population of LIRiA50+ between 2011 and 2016. However, overall net flows were small. In general, the population aged 50+ years in Australia is not highly mobile, suggesting that this is a highly stable population. Low levels of mobility indicate a stable demand for housing supply by location. As such, using ABS Census data to map older, low-income renters is likely to enable good planning of where rental and public housing demands are likely to remain high in years to come. Any new affordable housing developments or public/social housing options aimed specifically at an older population can rely on current population patterns to supply innovative housing where the population with the greatest need is already located.

In terms of population projections, there is now widespread recognition that Australia's population is ageing and that this has important implications for the national economy and society. We can have a very high degree of confidence around population projections because Australia's older population of the 2030s and 2040s is, by and large, already in Australia and aged in their 40s and 50s. Thanks to Australia's accurate and comprehensive census data, we not only know their numbers but also where they live and their economic and social characteristics. In terms of mobility, we know that there are high levels of geographic stability. This can provide us with a clear window through which to view the size and characteristics of Australia's future older population.

Projections for this project were informed by ABS data and Ong, Wood et al.'s (2019) study looking ahead to 2031 at the anticipated housing needs for Australians aged 55 or over, noting that Ong et al.'s projections are for all of Australia, whereas projections in this study aim to map change at SA2 level only.

The majority of SA2s expecting more than a 25 per cent increase in older populations by 2032 are in urban, capital city locations across all states and territories in Australia. However, there are a significant number of peri-urban and regional locations that are also likely to see significant increases in older, low-income renters. For example, in New South Wales, the inner-western suburbs are expecting increases in older, low-income renters of around 40–50 per cent. However, some of the outer-western suburbs are also expecting significant increases in LIRiA50+ populations. Notable regional locations within New South Wales are also expecting large increases in LIRiA50+ populations (e.g. Nowra, with a 58.3% increase [951–1,505 LIRiA50+ individuals] and Shellharbour–Flinders, with a 158.9% increase [381–971 LIRiA50+ individuals]).

We see similar patterns of increase in Victoria (Bacchus Marsh, Sunbury and Melton as well as peri-urban regions such as Doreen, Wollert and Mernda) and Queensland (Redlands, Coomera and much of the Sunshine Coast). Interestingly, Tasmania, the Northern Territory and the Australian Capital Territory show no significant population shifts across any SA2s, while in South Australia, increases are only expected in one or two peri-urban locations (i.e. Seaford and Aldinga).

In addition to these peri-urban and outer-suburban areas, the projection data highlight strong population increases (between 40% and 100%) expected in many regional centres across Australia up to 2032. For example, in New South Wales, increases in LIRiA50+ populations are expected in Orange North SA2 (117.5%), Muswellbrook (75.1%) and Maitland West SA2 (126.2%). In Victoria, such increases are expected in the regional centres of Horsham (48%), Shepparton (47%), Ballarat North (72.1%) and Wodonga (93%). For South Australia, Victor Harbor (68%), Port Lincoln (40%) and Murray Bridge (61.4%) are likely to see population increases of older, low-income renters. Western Australia is likely to see similar increases in Albany (54.6%) and Busselton (107.3%). In Tasmania, Sorell–Richmond is expecting a 97.1 per cent increase in older, low-income renters.

These proportional increases in peri-urban and outer-suburban locations are significant and need careful long-term planning to ensure the right housing stock is provided in the right places. This is particularly the case in regional and rural Australia where significant population changes, often in areas with limited resources, need planning strategies in place now to address these projected needs in 10 years' time. It is also important to note that these estimates were made prior to the advent of COVID-19 and it is not yet clear what its long-term effects on population mobility and housing pressure will be.

In summary

Demography is critical for understanding the demand for housing, and having a clear understanding of current (and future) population dynamics is essential for the provision of relevant and sustainable housing choices (Jones, Bell et al. 2007). Low-income renters aged 50+ years living in Australia represented approximately 640,970 individuals at the time of the 2016 Census; by 2032, this number is expected to increase to 839,123 individuals. This population group have lower levels of education and engagement with employment and are more likely to live alone and be in need of assistance with daily living than the wider Australian population aged 50+ years. Almost two-thirds (63.8%) of this low-income, older cohort are living in private rental housing, representing a challenge for Australian state and territory housing markets moving forward.

The data presented in this report highlight that the average low-income renter aged 50+ years in Australia is most likely to be female and belong in the 'young old' age cohort (50–64 years), live alone and have a higher need for assistance with activities for daily living than the average older Australian. This LIRiA50+ cohort are also most likely to have a lower education level (high school only) and not be in the labour force compared to other Australians aged 50+ years. They are also a highly stable population in terms of mobility.

In terms of current housing, this cohort is more likely to be renting from a social or public housing provider than in private rental. However, in New South Wales, Queensland and Victoria, over 40 per cent of the LIRiA50+ population depend on private rental for housing, and this corresponds to states with high levels of unaffordability in the private rental housing market.

The majority of SA2s expecting more than a 100 per cent increase in population by 2032 are in peri-urban and outer-suburban locations across all states and territories. However, there are also a significant number of regional locations that are likely to see significant increases in the population of older, low-income renters. The largest increases are likely to be in New South Wales, Queensland, Victoria and Western Australia. Significant population changes, often in areas with limited resources, need innovative planning strategies that begin *now* in order to address these projected housing needs in 10 years' time.

The increasing number and proportion of older renters in the private market has long been a concern and these projected population increases emphasise the increasing numbers of older people who will need affordable housing by 2032. It is unlikely that public housing will be able to meet this need as home ownership rates become more tenuous, the baby boomers continue to move into later life and improvements in longevity continue. Policy and planning in the housing sector needs to consider what forms of sustainable, affordable and innovative housing can best meet the needs of this population cohort.



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