

Wednesday 9 October 2024 | 12.00 – 1.00pm (AEDT)



# Hidden costs:

## Measuring the real affordability of housing

**Speakers:**

**Dr Adam Crowe**, Research Fellow, Curtin University

**Professor Rob Stokes**, Industry Professor in Environment and Sustainability, Macquarie University

**Facilitator:**

**Sarah Oberklaid**, AHURI



# The Australian Housing and Urban Research Institute (AHURI)

AHURI is a national independent research network dedicated exclusively to housing, homelessness, cities and related urban research.

Through our national network of university partners, we undertake research that supports policy development at all levels of government, assists industry in improving practice and informs the broader community.

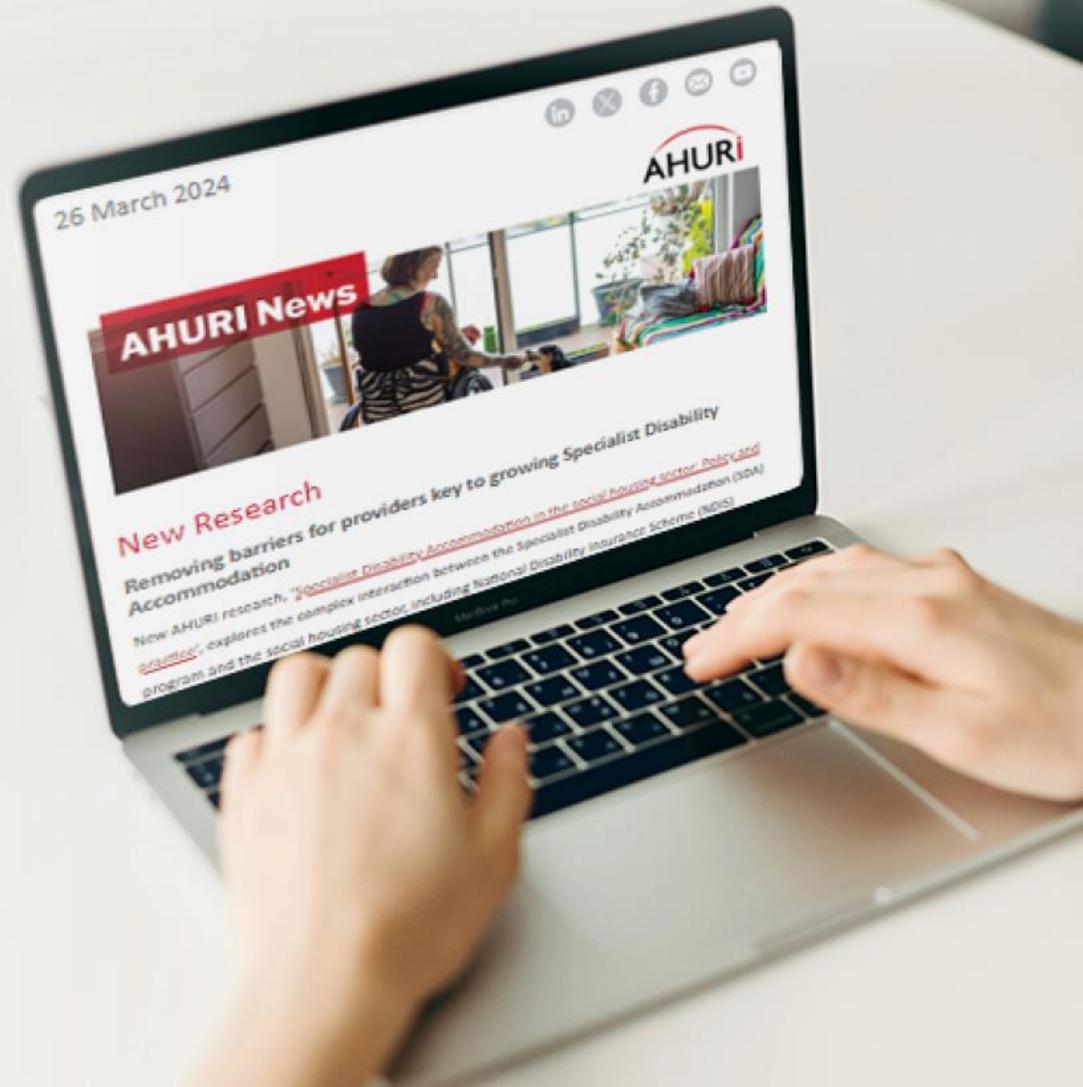
Research partners:



# Keep up to date with AHURI News



- Latest research on housing, homelessness and cities
- News and analysis
- Upcoming events

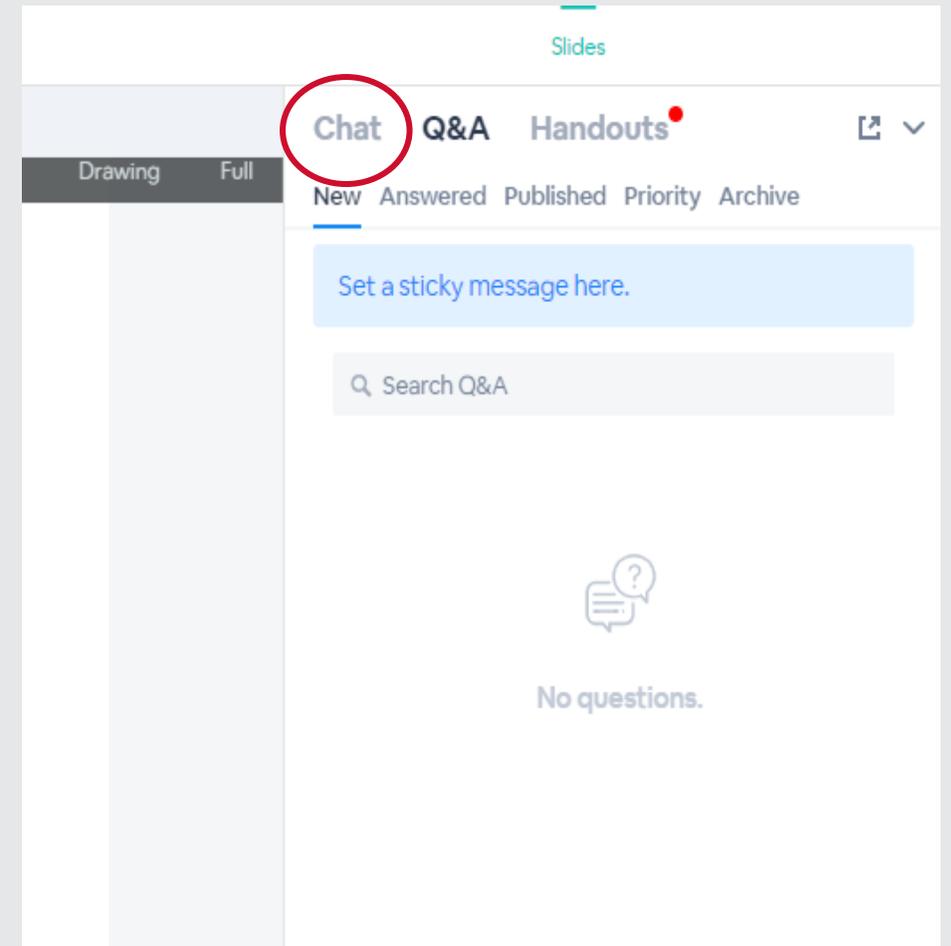


# Chat function

To post a comment in the chat function, click on **Chat** on the right hand side of the presentation. Use chat to share your thoughts with other participants.

Let us know what Lands you are joining us from.

Handouts, including the presentation are available in the **Handouts tab** on the right-hand side of the screen.



# Today's session

## Read the research:

[www.ahuri.edu.au/research/final-reports/427](http://www.ahuri.edu.au/research/final-reports/427)

## Webinar recording available at:

[www.ahuri.edu.au/events/hidden-costs](http://www.ahuri.edu.au/events/hidden-costs)

## Complete our survey:

Will be shared by email following webinar



Wednesday 9 October 2024 | 12.00 – 1.00pm (AEDT)



# Hidden costs:

## Measuring the real affordability of housing

**Speakers:**

**Dr Adam Crowe**, Research Fellow, Curtin University

**Professor Rob Stokes**, Industry Professor in Environment and Sustainability, Macquarie University

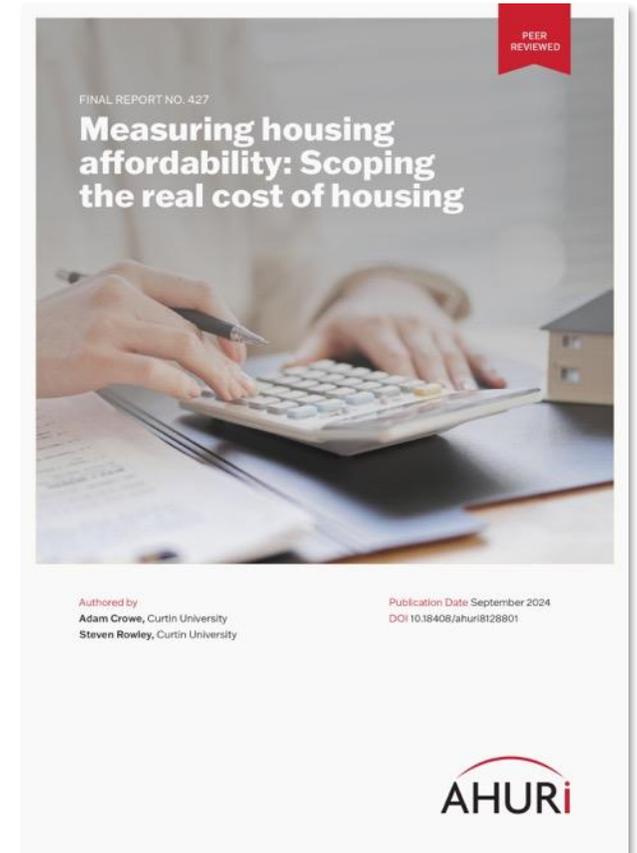
**Facilitator:**

**Sarah Oberklaid**, AHURI



# Measuring housing affordability: scoping the real cost of housing

1. How does the housing-quality-location nexus affect household expenditure, health & wellbeing?
2. To what extent does existing policy address housing affordability issues?
3. How could a more robust approach to housing affordability be developed?



# Trade-offs & outcomes omitted from conventional housing affordability measurement & policy

Trade-offs to meet housing costs can result in:

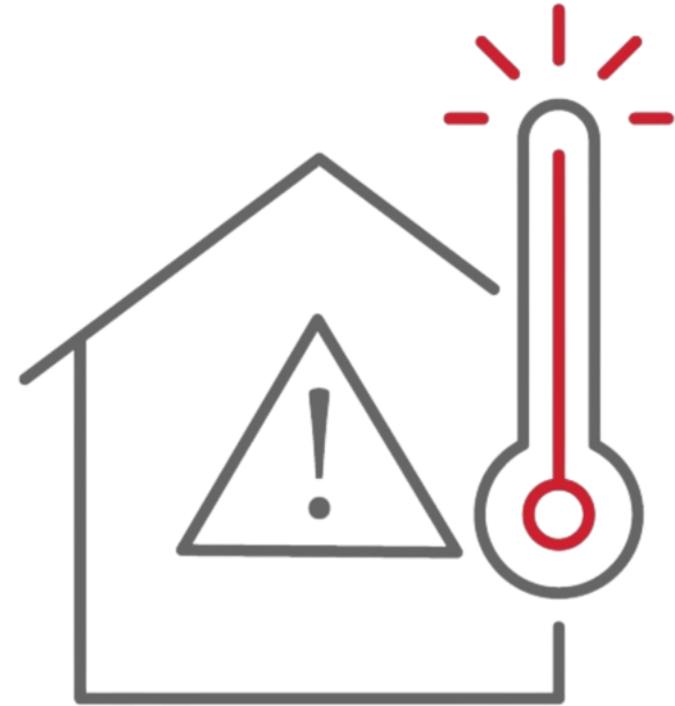
- material deprivation
- financial hardship, food insecurity & energy poverty
- health, wellbeing & life-satisfaction implications
- socio-spatial exclusion & isolation
- Transportation hardship



# Housing quality & comfortability

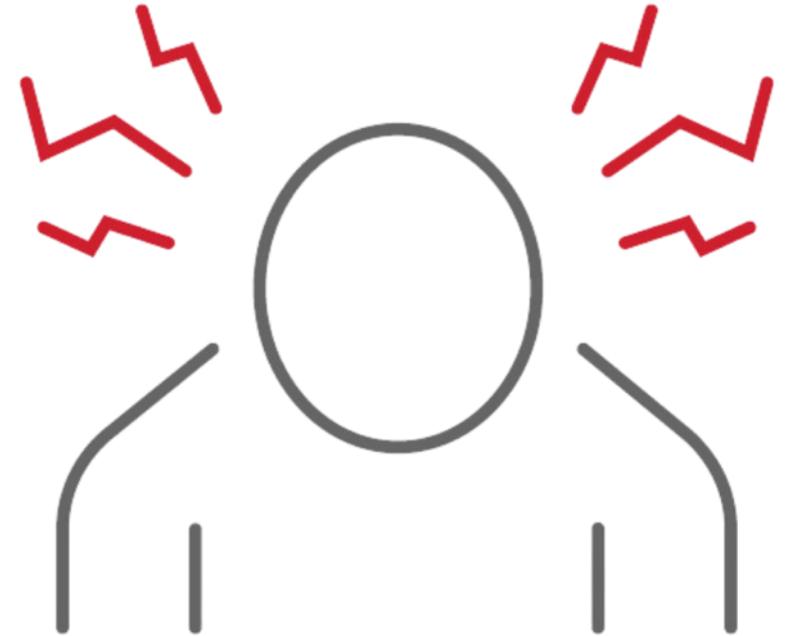
Housing affordability challenges can force some households into physically inadequate housing:

- poor thermal performance
- insufficient heating & cooling systems
- exposure to mould, damp, insect & vermin issues
- structural defects



# Housing quality & tenure

- Renters more likely to reside in substandard housing & spend more on energy
- Renters have few legal rights to improve the material conditions of their home
- Two-thirds of private renters struggle to maintain comfortable temperatures in their homes
- Up to 40% of renters were experiencing energy hardship (Barlow, Daniel et al. 2023)



# New building standards vary across Australia

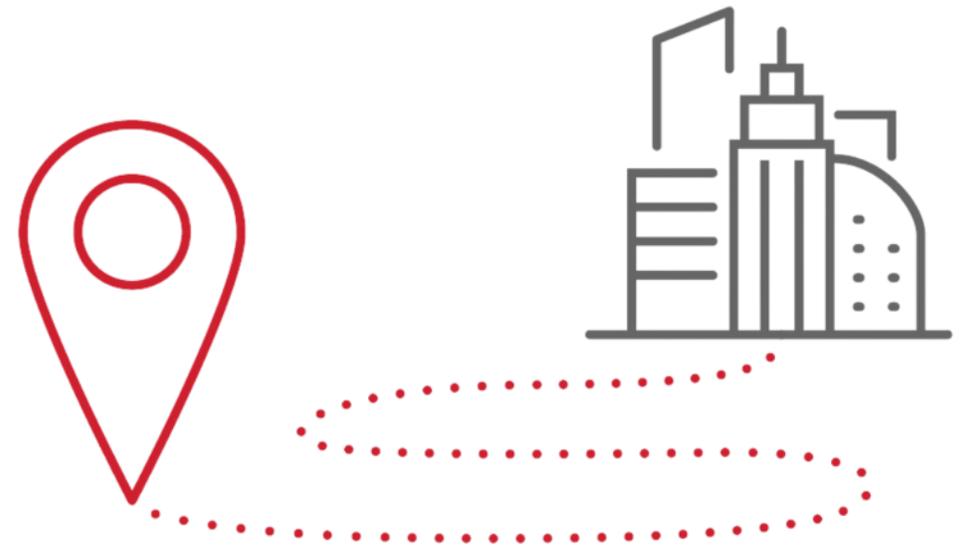
Table 2: NCC Implementation by state & territory

State / Territory	Housing energy efficiency	Apartment energy efficiency	Livable housing design
ACT	Adopting 7-star (from 15 January 2024)	Adopting 7-star (from 15 January 2024)	Adopting (from 15 January 2024)
NSW	Enhanced BASIX (1 October 2023)	Enhanced BASIX (1 October 2023)	Not adopting
NT	Limited to 5-star (1 October 2023)	Limited to 3.5-star (1 October 2023)	Adopting (1 October 2023)
QLD	Adopting 7-star (1 May 2024)	Adopting 7-star (1 May 2024)	Adopting (1 October 2023)
SA	Adopting 7-star (1 October 2023)	Adopting 7-star (1 October 2023)	Adopting (1 October 2023)
TAS	Not adopting	Not adopting	Adopting (1 October 2024)
VIC	Adopting 7-star (1 May 2024)	Adopting 7-star (1 May 2024)	Adopting (1 May 2024)
WA	Adopting 7-star (1 May 2025)	Adopting 7-star (1 May 2025)	Not adopting

Source: Authors.

# Locational attributes

- Spatial proximity & accessibility to essential amenities impact housing affordability challenges
- Accessibility/connectivity to key amenities is spatially varied across urban Australia
- Lower-income households often:
  - enter **housing stress** to reside in amenity-rich locations,
  - seek less-expensive, spatially dislocated housing and face **transportation hardship**.



# Housing, infill & inclusionary zoning targets

Table 3: Infill housing targets across Australia's major capital cities

Capital city	Housing targets	Infill housing targets	Inclusionary zoning targets
Sydney	725,000 homes by 2036	70% by 2036	5–10% of new development
Melbourne	1.6 million new dwellings by 2050	70% by 2050	Limited
Brisbane (SEQ)	863,800 new dwellings by 2046	60–70% by 2046	Not identified
Perth	880,880 new dwellings by 2050	47% by 2050	Not identified
Adelaide	248,000 new dwellings by 2040	85% by 2040	15% of new development
Hobart	36,000 new homes by 2030	70% by 2030	Not identified
Canberra	100,000 new dwellings by 2041	70% by 2041	15% of new development
Darwin	36,000 new dwellings by 2030	40% by 2030	Not identified

Source: Authors.

# Policy review findings



Policies supporting affordability across the **housing-quality-location nexus** vary by jurisdiction & intended target cohort.

Nationwide improvements to **new dwelling standards (NCC)** vary across the states and territories.

The standard of housing for households in **existing dwellings** is not likely to improve without additional policy measures.

Few measures apply a **spatial focus** to housing affordability

Fewer housing quality and location-related policies directly target **private renters**.

# Policy directions

- Mandatory disclosure of environmental performance
- Minimum housing standards across the continuum
- Energy efficiency measures in rental housing
- Proactive responses to **energy hardship**
- Inclusionary zoning to reduce spatial inequality
- Transport accessibility & assistance schemes



# Thank you

**Complete our survey:**

Will be shared by email following webinar

**Webinar recording available soon:**

[www.ahuri.edu.au/events/building-quality-standards](http://www.ahuri.edu.au/events/building-quality-standards)

Wednesday 9 October 2024 | 12.00 – 1.00pm (AEDT)



# Hidden costs:

## Measuring the real affordability of housing

**Speakers:**

**Dr Adam Crowe**, Research Fellow, Curtin University

**Professor Rob Stokes**, Industry Professor in Environment and Sustainability, Macquarie University

**Facilitator:**

**Sarah Oberklaid**, AHURI

