AHURi Australian Housing and Urban Research Institute

Young Australians and the housing aspirations gap

From the AHURI Inquiry
Housing aspirations and constraints for lower income Australians

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Acronyms and abbreviations used in this report

AHURI	Australian Housing and Urban Research Institute Limited
ABS	Australian Bureau of Statistics
AHA	Australian Housing Aspirations survey
CBD	Central Business District
CRA	Commonwealth Rent Assistance
NRAS	National Rental Affordability Scheme
NSW	New South Wales
PRS	Private Rental Sector
SIH	Survey of Income and Housing
WA	Western Australia

Glossary

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Executive summary

Key points

- This report investigates short and longer term housing aspirations and the housing aspirations gap among young emerging (18–24 years) and early adults (25–34 years).

- Based on the ABS Survey of Income and Housing (SIH), the share of emerging young adults living with parents increased from 58 per cent to 66 per cent between 2003–04 and 2015–16. At the same time, the share of early adults living with parents increased from 14 per cent to 20 per cent while early adults in group households increased from 11 per cent to 13 per cent.

- From the AHA survey the majority of emerging adults identify owner-occupation (60%) as their ideal. Fifty-four per cent aspire to live in a house and 34 per cent in an apartment. Around 32 per cent want four or more bedrooms compared to 30 per cent wanting one or two.

- Few emerging adults are actively planning for their housing futures with housing aspirations, for most, remaining secondary to pursuing education and employment goals (AHA).

- For early adults, the aspiration for owner-occupation increases to 70 per cent, but by this stage the income and education divide in being able to meet such aspirations becomes starker, with far greater proportions of degree-educated households being confident they can obtain ownership within five years compared to those educated to year 12 and below (AHA).

- Sixty-eight per cent of early adults aspire to live in a house compared to 21 per cent in an apartment and over 43 per cent want four or more bedrooms compared to 22 per cent wanting one or two (AHA).

- The housing aspirations gap in early adulthood is greatest for those in the private rental sector, particularly those on higher incomes, and narrowest for those in home ownership, regardless of income (AHA).

- Across both age groups, having somewhere safe and secure to call home was the top priority (AHA).

- The goal of policy makers should be to enable young people to move towards secure independence through a tenure neutral mix of housing assistance. This includes the key policy platforms of pursuing, and living near, opportunities for study and work; balancing flexibility with security within the dwelling and community; providing diversity and real choice in dwelling type, size and location; and helping households move towards independence and longer term financial freedom and security in owning or renting.

The challenges young adults now face in the move towards independent housing have been well rehearsed and debated across popular media, policy and academic forums for some time. This report, part of a larger Inquiry into the housing aspirations and constraints for lower income Australians, delivers a contemporary evidence base about the housing aspirations of young adults (18–34 years), in order to better understand how their aspirations are linked to a 'broader life project' across areas such as education, employment and family formation.

This current study uses the dual concepts of 'housing aspirations' and 'housing aspirations gap', which refer respectively to the housing that young adults aspire to in the short and longer term, as well as to the space between young adults' aspirations for an ideal home and the objective constraints in its attainment. We focus on how short and longer term aspirations differ among young adults in emerging adulthood (18–24 years) and early adulthood (25–34 years). The objective of this research is to inform policy responses that address the challenges associated with meeting the housing aspirations of the next generation of young adults.

We address here three research questions:

What are the shelter and non-shelter aspirations of lower income young Australian adults at emerging and early adulthood?

Where lower income young adults are unable to achieve their housing aspirations, what is the nature of their 'housing aspirations gap' and how does this vary across socio-economic status, tenure and location?

What current and innovative housing policy solutions should be implemented to assist young adults to meet their short and longer term housing aspirations?

In answering these three questions we consider whether housing is core to planning for possible futures or whether other aspects of life take higher precedence and how this varies across groups of young adults:

- remaining in the family home
- sharing in a group household
- living independently as a couple family
- living independently as a single person.

Key findings at emerging adulthood (18–24 years)

The housing aspirations of young people at emerging adulthood (18–24 years) coincide with transitions from secondary school and pursuing aspirations related to further training and education, gaining employment, travelling and forming relationships and independence outside the family home. We focus on emerging adulthood as a distinct period in order to gain insight into how housing aspirations, particularly shorter term aspirations, might be shaped and experienced by an extended phase of semi-dependence and 'the necessity of living with others'.

The following represent key findings from the Survey of Income and Housing (SIH) and Australian Housing Aspirations survey (AHA) surveys for young people at emerging adulthood. The data source is included with each point for clarity.

- Between 2003–04 and 2015–16 the share of young emerging adults living with parents increased from 58 per cent to 66 per cent. By 2015–16, only 17 per cent of emerging adults were living in an independent household (SIH).

- Owner-occupation was identified by the majority of young emerging adults (60%) as their ideal tenure. More than half (54%) aspired to live in a house and 34 per cent in an

apartment. Around 32 per cent wanted four or more bedrooms in their future dwelling and 30 per cent just one or two (AHA).

- Nearly a third (32%) of young emerging adults felt that purchasing a dwelling would be attainable within the next five years; just over a third (36%) judged owner-occupation as being attainable in 5–10 years. A further third did not feel it would be possible to purchase or were not intending to purchase a dwelling (AHA).

- Living in a group household met short-term (82%) but not longer term (25%) aspirations for this cohort. Similarly, living with parents mostly met short-term (76%) but not longer term (30%) aspirations. The aspirations gap for those living in group households or with parents is shaped by a desire for greater independence and affordability constraints (largely not being able to afford to live closer to a Capital City) (AHA).

- Living arrangements were constrained by low and often precarious incomes. Housing instability and informal sharing with friends and family was common with 34 per cent of young emerging adults who had lived out of the family home reporting periods of homelessness. Having a safe and secure place to call home, tenure flexibility and gaining housing independence are key priorities for this cohort (AHA).

- Few young emerging adults were actively planning for their housing futures. Living with parents and group housing provided for the pursuit of other life aspirations, including study and travel, and a buffer for insecure incomes. As such, longer term housing aspirations for most in this cohort remained secondary to pursuing educational aspirations and finding secure paid work (AHA).

- Many young emerging adults had a 'blind optimism' that they would be able to achieve their aspirations, while others were acutely aware of the constraints relative to their parents' generation (AHA).

Key findings at early adulthood (25–34 years)

The phase of early adulthood (25–34 years) is viewed traditionally as a period in which careers are consolidated, relationships stabilised and raising a family prioritised. With home ownership unattainable for many at the stage of early adulthood, this cohort now forms the core of 'generation rent', characterised by extended years in the PRS. A number of trends are apparent:

- The 'necessity of living with others', either with parents or in a shared household, persists, with the share of early adults living with parents increasing from 14 per cent in 2003–04 to 20 per cent in 2015–16. Early adults in group households increased from 11 per cent to 13 per cent in the same period (SIH). Neither living arrangement met the long-term housing aspirations for over 30 per cent of this age cohort (AHA).

- By the stage of early adulthood the aspiration for owner-occupation increases to 70 per cent, but the income and education divide is now starker. Nearly two-thirds (61%) of those with a tertiary educated member in their household believed it to be possible to purchase within five years, compared with just over a third of those with an education to year 12 or below (36%) and less than a quarter (23%) of those with an education to year 11 or below (AHA).

- The majority (68%) of early adults aspire to live in a house, and 21 per cent in an apartment. Over 43 per cent aspire to four or more bedrooms, and 22 per cent just one or two (AHA).

- The housing aspirations gap in early adulthood is greatest for individuals in the PRS, particularly among those on higher incomes, and narrowest for those in home ownership,

regardless of income. Moving back home or remaining with parents for this age cohort is associated with a narrowing of the aspirations gap (AHA).

• Whether current housing meets short and longer term aspirations varies according to living arrangement. The housing aspirations gap for short (92%) and longer term (60%) aspirations being met within current living arrangements is lowest for purchasers with low-to-moderate incomes, suggesting that when this group obtains home ownership their housing expectations are met. While the gap for short (76%) and longer term (20%) aspirations being met is largest for higher income private renters. Exploring these themes further in interviews and focus groups revealed that some early adults internalised the aspirations gap as a feeling of 'not quite having it all together', while others externalised 'the gap' with a growing sense of intergenerational resentment. The latter was expressed as a perception of being forgotten and without any real political representation despite having done 'everything right' (AHA and qualitative data).

• Nearly three-quarters (72%) rated somewhere safe and secure to call home as their most important priority (AHA). For interviewees renting privately, the requirement to move house was the one constant in their lives. Short-term aspirations for this group were shaped around horizontal moves or finding an arrangement slightly better than the previous move, but with no sense of moving upwards or closer to attaining longer term aspirations. For those who have not realised their aspirations, the desire for flexibility gives way to a growing sense of precariousness in their housing and their future.

Policy development options for closing the aspirations gap

Most young adults enter the rental and home purchaser markets when their incomes are low but upfront housing expenses high. As house prices and rents have risen ahead of incomes the time taken to attain secure independence in housing has become extended for most, while for some is not attainable in the foreseeable future. This has led to informal living arrangements that have been inequitably absorbed by young adults and their families and to a widening aspirations gap across generations. The goal of an aspirational policy framework should be to reduce the time that young adults are suspended in and cycling through a state of semi-dependence and insecure independence and to provide a clear pathway toward secure occupancy in rental or ownership tenures.

The figure below provides a stylised framework of the current pathways and policy assistance and the associated aspirations gap in being able to move towards secure independence. As depicted, the most direct and increasingly privileged pathway towards attaining secure independence is to move into home ownership or purchase an investment property after saving a deposit and/or drawing on transfers from parents and while living within the family home. This enables young adults to bypass a more chaotic and insecure pathway. However, many young adults in pursuing their aspirations in other areas of life will need to leave home or be forced to leave prematurely. As early adulthood approaches, the desired flexibility of sharing, living with others, and renting privately can give way to an ongoing cycle of precarious moves, often despite higher incomes and educational attainment. Existing informal and formal needs-based assistance does not enable young people trapped within this cycle to close their aspiration gap and move towards secure independence.

Towards an enabling and tenure-neutral mix of assistance for secure independence
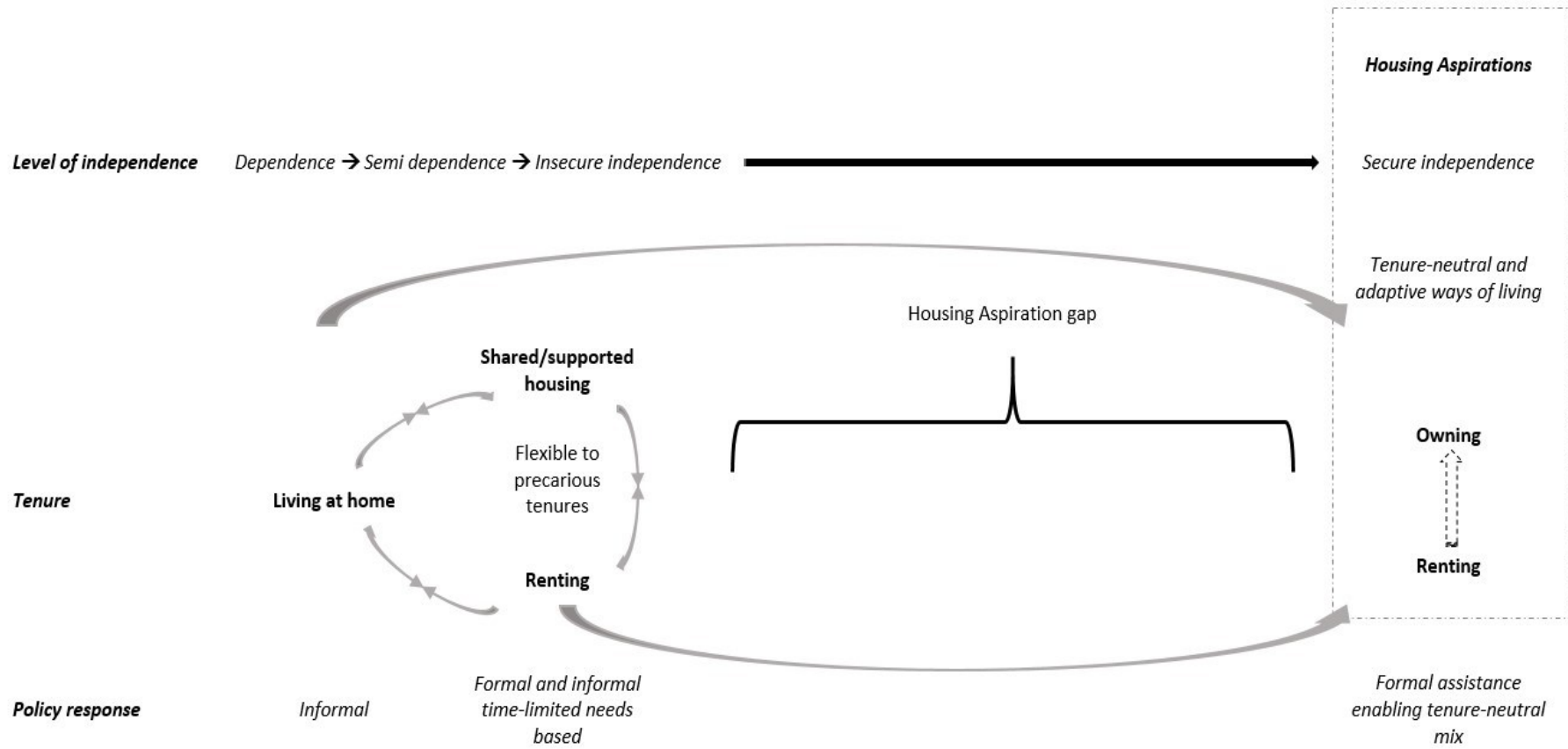
Findings of this research indicate an enabling mix of assistance towards secure independence should be based around four tenure-neutral policy enablers that directly link housing policy with broader social and urban planning policy:

- pursuing, and living near, opportunities for study and work
- balancing flexibility with security within the dwelling and community
- providing diversity and real choice both in the dwelling and location
- moving towards independence and longer term financial freedom and security

The core tenets of these policies ('enablers') are detailed below.

Pursuing and living near opportunities for study and work

- Monitor where PRS growth is occurring and declining, based on where young adults want to live and are engaged in education and employment.

- Promote mixed-used developments and precincts that include affordable rental dwellings/rooms and home ownership opportunities close or directly linked to transport hubs, major educational institutions and employment centres. This includes development of regional hubs and precincts of economic activity attracting investment, industry and education, alongside a mix of affordable and market housing.

- Provide individually tailored funding for educational, employment and housing packages targeted to young adults leaving school who have limited or poor access to further training and employment opportunities when living within the family home. This includes dedicated initiatives for young Indigenous Australians living in remote and regional areas.

- Promote better housing governance structures within education and training institutional settings, including greater provision of affordable room rental/shared housing.

- Adjust Commonwealth Rent Assistance (CRA)[1] to ensure it is better packaged to integrate aspirational goals across education and work. This includes ensuring that income and housing assistance does not cease during key transitions between education and employment to enable young adults to sustain their current housing, particularly when located near ongoing opportunities.

- Increase the base rates of Youth Allowance and Newstart to better align with cost of living, including incentives to relocate to areas with higher training and employment opportunities.

- Provide incentive packages with additional housing assistance subsidy to support retraining and upskilling for young people experiencing long-term unemployment, underemployment and casual employment.

- Extend and scale integrated models of training, education and employment, such as Foyer models, for young adults at risk of or experiencing homelessness, leaving institutions (including long-term state care), living with mental health or other disability or with experience of living in social housing or long-term private rental. Models need to include a range of accommodation options.

Balancing flexibility with security within the dwelling and community

- Provide for greater protection of tenants and enforcement of dwelling standards, including the room rental sector and online rental management platforms.

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[1] CRA is a non-taxable income subsidy available to eligible individuals who are currently paying rent in the private rental sector or community housing.

- Provide flexible lease durations (long and short) and removal of no grounds eviction across all Australian states in line with recent Victorian initiatives.

- Introduce incentives around PRS delivery, including affordable build-to-rent and re-establishing a renewed National Rental Affordability Scheme, particularly facilitated through the community housing sector.

- Provide integrated housing assistance packages, including the expansion of brokerage programs to enable young adults to sustain housing at key transition points, such as moving between rental dwellings, leaving care, leaving the family home or fleeing violence and abuse.

- Provide dedicated private rental support packages, including Indigenous advocacy and support workers to overcome barriers to access, particularly discrimination.

Providing diversity and real choice both in the dwelling and location

- Increase the supply of and mix of dwelling sizes, including number of bedrooms, of social and private affordable rentals to those on the lowest incomes in well-located areas accessible to transport. This can be facilitated via taxation incentives and planning restrictions to ensure that supply is targeted to particular segments.

- Ensure that new development of apartments and smaller dwellings adequately cater for the needs of family living, including apartment acoustics and communal garden and interactive space for children. This includes planning provision for larger and adaptive dwellings for multi-generational and multi-household living.

- Explore policy opportunities for innovation in digital technology to better match landlords and young adults, including young families, to particular types of rental situations and in locations that better meet their needs. This includes access to schools and other social infrastructure.

- Government-supported and led scaling up partnerships for the development of niche co-living and deliberate design models that seek to integrate sustainability and affordability such as Nightingale in the private sector context and housing cooperatives within community housing in social housing contexts.

- Government-based incentives to community housing associations and developers for shared home ownership and equity schemes for those wishing to enter home ownership via this channel.

Moving towards independence and longer term financial freedom and security

- Prioritise assistance to young adults whose parents do not have their own housing wealth to access low deposit schemes.

- Continue the promotion of home ownership to young Indigenous Australians through savings schemes such as those supported by Indigenous Business Australia. Deliver transitional housing models such as the East Kimberley transitional housing program to support Aboriginal Australians to move into home ownership (see discussion of the model in Rowley, James et al. 2017).

- Increase the superannuation personal contribution amount that can be accessed under the First Home Super Saver[2] scheme to enable savings to be linked to superannuation more flexibly.

- Provide government incentives to community housing associations and developers to provide shared home ownership and equity schemes for those wishing to enter home ownership via this channel.

- The First Home Loan Deposit Scheme due to commence on January 2020 pledges to guarantee up to 15 per cent towards a deposit when an eligible first time buyer has saved a minimum of 5 per cent. However, with capped assistance for only 10,000 borrowers the scheme will be limited in impact. There is also a need to expand the roll-out of products available under low deposit first home buyer programs, including building on the success of programs such as Keystart and HomeStart that provide options for supported rental-to-purchase pathways.

- Increase government support for affordable home ownership initiatives, such as HomeStart and Habitat for Humanity, for early adults who have persistent low-to-moderate but stable incomes.

- Provide taxation exemption or rebates for private rents to be redirected into superannuation savings as a means of accumulating wealth for low-income renters unable to access home ownership.

- Raise financial literacy and knowledge of housing assistance programs and consumer rights through independent broad-based interactive online information and advice platforms for emerging and early adults.

The study

This research forms part of an integrated inquiry on housing aspirations across the life course. The Inquiry draws on a mixed-methods approach with primary and secondary data sources. These include:

- Cross-sectional analysis of the ABS Census of Population and Housing (Census) in the period 2001 to 2016 and the Survey of Income and Housing (SIH) from 2003–04 to 2015–16.

  — We examine the changing tenure and demographic trends over time with a specific focus on those with low-to-moderate incomes. A typology was constructed in order to examine the specific characteristics of young adults residing in the family home or group households, and separate analysis was undertaken for young emerging (18–24 years) and early (25–34 years) adults.

- An online Australians Housing Aspirations survey (the AHA survey) generating a sample of 7,343 responses nationally, of which 2,477 were from persons aged 18–34 years.

  — The AHA survey consists of a core module relevant to all age groups as well as specific modules for each of the separate cohorts of young adults and mid- and later-life adults.

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[2] As of 1 July 2018, individuals are now able to apply for the release of voluntary superannuation contributions made after 1 July 2017 for the purposes of a home loan deposit. The maximum amount that can be released is $30,000 of personal contributions plus associated earnings. See https://www.ato.gov.au/general/new-legislation/in-detail/super/first-home-super-saving-scheme/

- — The survey captured details on current housing circumstances, the housing required to meet changing household needs and preferences and trade-offs. Questions also captured planning intentions, the types of housing assistance required and adaptive ways of moving towards identified aspirations.

- Focus groups and semi-structured interviews conducted in metropolitan and regional (New South Wales (NSW), Victoria and Western Australia (WA), including dedicated engagement of Indigenous persons.

  - — Six focus groups were undertaken to inform the development of the AHA survey tool and explore aspirations for housing and other life events and potential housing assistance relevant to young adults. A total of 55 young adults aged between 18–34 years attended the focus groups.

  - — Fifty interviews, including 18 with young Indigenous persons, were undertaken with young adults to complement the AHA survey and secondary analysis by contributing a more in-depth exploration of the nature of the aspirations gap. Young adults with experience of homelessness, with low incomes, living in shared housing or with parents, and with experiences of both social and private rental housing were targeted to ensure that the voices of individuals most in need of housing assistance were included in the research.

1   Introduction

- Sustained growth in house prices in major cities combined with demographic and labour market restructuring over the past 20 years has altered the ability of many young adults to realise their housing aspirations in both private rental and home ownership markets.

- This report investigates the extent and nature of the short and longer term housing aspirations gap among young emerging (18–24 years) and early adults (25–34 years).

- Examining how aspirations differ among young people living with parents, in shared group households or living independently reveals how aspirations are linked to a broader 'life project' in education, work and household formation and the policy mix of assistance required to enable young adults to move towards secure independence.

The challenges young adults now face in the move towards independent housing have been well rehearsed and debated across popular media, policy and academic forums for some time. Sustained growth in house prices in major cities, combined with demographic and labour market restructuring over the past 20 years, has altered the ability of many young adults to realise their housing aspirations in both the private rental and home ownership markets (Campbell, Parkinson et al. 2014; Hulse and McPherson 2014; Hulse, Reynolds et al. 2015; Kohler and van der Merwe 2015; Parkinson, James et al. 2018; Yates 2012).

This growing housing 'aspirations gap' (Crawford and McKee 2016) between generations is reflected in the tendency for young adults to remain in or move in and out of the family home well into their adult years, commonly expressed as a 'failure to launch' or 'boomerang' children. The housing aspirations gap is reflected also in the growing number of young adults now joining the ranks of 'generation rent' locked out of home ownership, and an increased necessity for shared living (Baum and Wulff 2003; Bruce and Kelly 2013; Burke, Stone et al. 2014; Clapham, Mackie et al. 2014; Furlong, Woodman et al. 2011; Hoolachan, McKee et al. 2017; Kins and Beyers 2010; McKee 2012).

Despite the barriers, the cultural aspiration for home ownership remains resilient in Australia and is shaped by the trade-offs young adults as first-time buyers make to reduce the aspirations gap (Burke, Stone et al. 2014; Bruce and Kelly 2013). These trade-offs include assuming higher levels of debt, moving further out from the centre of cities, investing in one area and living in another, purchasing smaller dwellings and remaining in the family home longer in order to save money and a deposit.

However, the central focus to date on home ownership in aspirational research has detracted from better understanding the significance of shorter to mid-term aspirations associated with an extended 'in between' phase of semi-dependence and how this may be linked to aspirations in other life areas, including education, work and family formation (Antonucci, Hamilton et al. 2014). To what extent do living arrangements such as remaining in the family home or extended sharing and renting match aspirations in other aspects of young adults' lives? Are they associated with a growing housing aspirations gap, or do they represent a shift in broader life aspirations? Might these changed living circumstances be generating new normative structures that enable young adults to realise aspirations across different life domains (Druta and Ronald 2016)?

This report aims to provide a national and comprehensive review of the housing aspirations of young adults, herein defined as those aged 18–34 years, in order to better understand how their aspirations are linked across life domains such as education, employment and family formation. It forms part of a larger Evidence-Based Policy Inquiry on housing aspirations across the life course, including the stages of mid and later life.

Current policy responses have begun to address some of the challenges in meeting the housing aspirations of the next generation of young adults attempting to navigate a changing housing market. However, such responses have been based on long-held assumptions around the desirability of and routes into home ownership for first time buyers, rather than the provision of a policy mix which supports secure pathways to independence regardless of tenure. While issues associated with extended periods of living in the family home, shared housing or temporary housing have been documented, there has been limited investigation into how such tenure arrangements might alter or enable the attainment of aspirations in other life areas. Moreover, there has been limited large-scale national research into how the subjective aspirations and consumption practices of young adults differ across Australian cities and regions, tenures and family and cultural backgrounds.

The focus of this report, therefore, is to better understand the nature of the housing aspirations gap for the distinct phases of emerging and early adulthood, and the potential role for policy makers in reducing this gap. To this end, our overarching research question is:

How can existing and innovative policy be harnessed to assist lower income young adult Australians to achieve their shelter and non-shelter housing aspirations and improve housing opportunities?

It does so via addressing three critical research questions:

RQ1. *What are the shelter and non-shelter aspirations of lower income young Australian adults at emerging and early adulthood?*

RQ2. *Where lower income young adults are unable to achieve their housing aspirations, what is the nature of their 'housing aspirations gap' and how does this vary across socio-economic status, tenure and location?*

RQ3. *What current and innovative housing policy solutions should be implemented to assist young adults to meet their short, mid and longer term housing aspirations?*

1.1   Conceptual framework

This report draws on the concept of a 'housing aspirations gap', which can be viewed as the dissonance or space between a young person's subjective aspirations for a 'good home' and the objective constraints in its attainment (Crawford and McKee 2016; Ray 2006; Edwards 2005). Conceptually, understanding the housing aspirations gap requires greater insight into how young adults think about, make decisions and develop meaning around the constraints and opportunities they face in their housing, and how this might differ from past generations.

Building on the concept of a Housing Aspirations Gap, we draw on the insights of a 'social generation' approach (Furlong, Woodman et al. 2011), which situates enduring and/or changing aspirations within the unique set of opportunities, challenges, risks and constraints peculiar to the generation of young adults who are the focus of this research. Many youth scholars have situated the plight of young adults within the structural transformations associated with a 'risk society' across the Global North, whereby processes of individualisation and market precarity are dramatically altering the timing and sequencing of their life transitions or pathways.

Taking a social generational approach, Arnett (2004) argues that the transition towards adulthood has become extended and more fragmented with distinct differences in the phases of

emerging and early adulthood. Consequently, the historical link between transitions to independent housing and aspirational goals thought to signal the emergence of adulthood (such as 'accepting responsibility for oneself', 'making independent decisions' and 'becoming financially independent') is weakening (Arnett 2004: 48).

Although the concept of emerging and early adulthood is critiqued (Hill, Lalji et al. 2015) for overemphasising the significance of the individual agency of young adults over structural processes, the distinction between emerging and early adulthood is nonetheless useful empirically in framing how aspirations might differ during the earlier and later years of entering adulthood. Others have argued that extended years in education, increasing labour market precarity and partnering and having children at an older age have delayed the transition to independence. This has led to an 'in-between' space of semi-dependence where young adults may be earning their own income but continue to depend on their families or the State to meet other material and essential needs, including housing assistance (Antonucci, Hamilton et al. 2014).

While the majority of young adults have low incomes, particularly those aged 18–24 years, each young person will have a different capacity to achieve their aspirations according to their location, social class and access to family support. In framing our research, we recognise that the transitions, or more flexible housing pathways (Clapham 2005; Clapham, Mackie et al. 2014), are not necessarily linear in terms of traditional 'standardised' housing careers. Within a housing pathways framework, the specific constraints and opportunities present, including family background and resources, influence the way aspirations are formed and realised. Housing aspirations throughout emerging and early adulthood, as such, can be viewed as part of a broader 'life project' that links aspirational housing pathways with those of education, work and family formation and are socio-culturally transmitted and reproduced (Crawford and McKee 2016; Lux, Samec et al. 2016).

Within this framing both emerging and early adults will typically have to navigate, prioritise or reprioritise the ordering of their pathways as they link across housing, education, work and partnering domains. In turn, the subjective meaning that young adults attach to the importance of this ordering will shape their action in the context of the constraints and opportunities that they face. For instance, a preference or perceived necessity to spend extended periods of time in education in order to be competitive in a changing labour market will influence the timing and sequencing of pathways in housing and other life domains. This suggests that understanding aspirations is also about how young adults reframe what they feel may be achievable to avoid experiences of 'cognitive dissonance' when faced with insurmountable obstacles in entering the market of their choice. Identifying a single aspiration for a young person over their life course is therefore likely to be unrealistic (Baum and Wulff 2003).

This research assumes that not all young adults are necessarily ready, want to, or are able to enter into the commitment of home ownership. Developing a better understanding of the significance of being able to meet short to medium-term aspirations thus is critical not only in reducing perceived aspirations gaps, but in understanding how young adults might adjust their aspirations in response to more systemic market constraints and uncertainty. Of policy relevance, short to medium-term aspirations focus on the ways that young adults remain in and form households as a response to housing necessity while establishing and/or pursuing other life priorities. A focus on short to medium-term aspirations in the context of a broader 'life project'—a set of related aspirations across a range of life domains—will reveal the types of assistance that may be needed at different life stages and the consequences of being confined to a pathway where longer term aspirations cannot be achieved.

In examining both short and longer term aspirations for young emerging and early adults we focus on four core household groups. Those:

- remaining in the family home

- sharing in a group household

- living independently as a couple family

- living independently in a lone person household.

1.2 Generational change, inequality and the housing aspirations gap

The conception of a housing aspirations gap is premised on the view that young adults today no longer share the same housing opportunities available to their parents. This phenomenon is not unique to Australia and is attributed to broad global processes of economic restructuring which have deepened inequality between the generations (Baum and Wulff 2003; Burke, Pinkney et al. 2002; Burke, Stone et al. 2014; Forrest and Hirayama 2015; Mckee, Moore et al. 2015; Mackie 2016). The growth of intergenerational inequality persists despite young adults in Australia generally being more highly educated. However, the extent to which young adults perceive their housing aspirations to be 'blocked' or their housing aspirations gap increasing—reflected in a perceived necessity to remain living in the family home, in shared housing or in private rental—is not clear, compounded by the normalisation of such practices among peers.

Almudena (2016) identify the 'delay in emancipation as the choice of young adults themselves' in adapting to the structural market constraints faced. Mckee, Moore et al. (2017) and Hoolachan, McKee et al. (2017), alternatively, discuss the 'fallacy of choice'. They suggest that the housing aspirations gap is a direct interaction between growing employment insecurity and being priced out of housing markets, which impacts the ability of young adults to 'settle down'.

Existing studies on young adult housing aspirations, including company-based market research, have typically focused on the end point of home ownership and support the cultural primacy of home ownership as a long-term goal, whether attainable or not. For example, the CoreLogic *Perceptions of housing affordability report 2017* found that 96 per cent of millennials (those aged 18–34) who rented or lived at home rated home ownership as important (CoreLogic 2017: 26). Other types of investing, including 'rent-vesting', whereby individuals live in and pay rent in a preferred location and purchase elsewhere (typically in a more affordable area), are also gaining importance.

Within much aspirational or tenure preference/consumer choice based research, young adults as a group tend to be homogenised without adequate consideration of the fluidity of their aspirations and needs and associated implications for housing assistance policies. For example, in their research on aspirations of lower income groups, UK Shelter found that being able to live in a 'good home' was considered most important for future housing and was not necessarily tied to home ownership (Edwards 2005).

Moreover, much research does not consider aspirational time horizons to the detriment of better understanding shorter term or alternative pathways that deviate from a traditional linear housing career (Burke, Stone et al. 2014; Druta and Ronald 2016; Lux, Samec et al. 2016). What young adults aspire to when they are 18 or 24 years will be different from those approaching 30. Changing family values and norms can make a state of semi-dependence in the family home a more appealing and strategic option than failed aspirations for young adults striving to save or pursue a range of parallel aspirations (Billari and Liefbroer 2010). Different aspirations for renting of middle-class young adults may be linked to the desire for flexibility while deciding on career goals, rather than an inability to enter into home ownership or a tenure of their choice.

The impact of growing inequality is not only felt between generations but is influencing the strategies that families draw upon to assist their children to gain a competitive edge in

accessing the housing market. This contributes to a widening intergenerational inequality among young adults themselves. Family of origin is now a key determinant in whether young adults seeking to remain in the major cities will be able to achieve their aspirations, and significantly impacts the (unequal) opportunities for young adults raised in regional areas (Mackie 2016). Parents, through wealth transfers, advances in inheritance and in-kind support are increasingly the conduit for the transmission of 'traditional values of home ownership' that will likely reproduce housing wealth divides into the future as young adults become progressively more constrained in making this transition independently (Druta and Ronald 2016; Forrest and Hirayama 2015; Lux, Samec et al. 2016).

The presence of family support, wealth or class, as well as cultural background including indigenous and migrant status, also influences the types of now fragmented pathways into adulthood: from chaotic and early home leaving, student, shared, young family home makers, returners and stayers (Clapham 2005; Clapham, Mackie et al. 2014; Parkesa, McRae-Williams et al. 2015). The lack of suitable and affordable housing options for young adults with a disability may have significant impact on the realisation of their aspirations and contribute to prolonged enforced dependence on parents or carers (Wright, Muenchberger et al. 2015). Young adults unable to remain at home or return when needed, or who find themselves trapped in the PRS, are likely to face significant barriers in respect to their ability to save and attain longer term housing and life aspirations. Young adults whose parents rent privately or occupy social housing are increasingly disadvantaged in a market relying on familial support and financing to get ahead.

Shared housing has long been a core part of the transition to independence for young adults unable to remain at home due to study or choice. Shared housing facilitated by a changing room rental sector and associated online platforms is assuming different forms in terms of living with family or strangers or friends formally and informally (Parkinson, James et. al. 2018). However, there has been limited focus on the types of sharing experiences, the extent to which sharing is a preference or necessity and the consequences for those unable to share or remain in the family home. The extent to which shared housing meets short-term aspirations will likely differ according to background and household relationships (Kemp 2011). Shared living, however, is not always the 'tenure of choice' for young adults who have lived in institutional settings, are fleeing violence and abuse, have experiences of trauma, have high support needs or have been 'burnt' from bad sharing experiences (Parkinson, James et al. 2018).

The spatial restructuring of cities also reinforces unequal opportunities in attaining aspirations. The extent to which disadvantaged places shape connected aspirations for education, work and housing has been examined internationally (Kintrea, St. Clair et al. 2015) but has rarely been a focus in Australia. Limited affordable housing opportunities in urban centres has increased the demand for dwellings in particular locations (e.g. near tertiary institutions) and sub-markets (e.g. shared housing). This has led to a concentration of young adults in particular areas and a 'youthification' that acts to reinforce the desirability of the location and perpetuate the tenure cycle (Moos 2016). However, the aspirations of lower income individuals to move to more advantaged areas and the trade offs they are prepared to make as housing markets become less affordable in inner and middle urban areas has not been adequately explored (Yates 2012; Bruce and Kelly 2013; Darrah and DeLuca 2014; Burke, Stone et al. 2014; Hulse, Reynolds et al. 2015).

Parental background is also influential in shaping the types of neighbourhoods that young adults see as desirable. Hochstenbach and Boterman (2017) found that, despite their low incomes, young adults of more wealthy parents were most likely to move to gentrifying neighbourhoods, thereby reproducing processes of gentrification and spatial inequality. Similarly, the aspiration for more intensive urban living among families identifying as 'urbanites' can override the

importance of tenure type or additional space associated with a middle-ring or outer suburban lifestyle (Karsten 2007).

1.3 Policy context

At present Australia does not have a distinct housing policy addressing the housing aspirations of young adults. Rather, the policy and institutional landscape comprises several related and sometimes contradictory policy and program responses that directly and indirectly impact the housing aspirations of young adults.

The period of emerging and early adulthood typically coincides with lower individual and household income and wealth relative to other age cohorts (Parkinson, James et al. 2018). As such the housing opportunities and living arrangements of young adults, perhaps more than at any other stage of life, are also made up of both formal and informal solutions such as sharing or remaining at home with parents for extended periods to meet short through to longer term aspirations. The 'welfare mix' (Antonucci, Hamilton et al. 2014) of informal and formal housing and income assistance that young adults package together to manage their aspirations and tenure risks has long shaped the timing and sequencing of their housing pathways.

Sharing with strangers or friends, living in inadequate or insecure dwellings, or occupying small and modest dwellings has been a culturally accepted rite of passage in the transition to independence. This has in part shaped a tolerance or normalising of sometimes highly inadequate and insecure living arrangements for large groups of young adults, particularly students, those in receipt of Newstart or other income supports or the precariously employed. Such living arrangements may precipitate or add to the risk of homelessness and frequent mobility (Mallet, Rosenthal et al. 2010).

A key theme missing in current aspirations literature has been an absence of focus on housing assistance for lower income young adults in particular. In a changed rental and home ownership market, young adults are likely to rely more on their informal supports and networks, particularly families, to meet their housing needs and move towards attaining their longer term aspirations. The extent to which less formal living arrangements are ideal for young adults in the short term or enable them to more easily meet their longer term housing aspirations has not been examined at great length.

Policy responses to meet aspirations within the PRS have thus sat alongside this 'standardised' informal trajectory, providing interventions only for those most vulnerable, such as young adults at risk of or attempting to exit homelessness, leaving care, or living with a disability. A raft of smaller-scale programs have been implemented in different state and territory jurisdictions, such as Reconnect,[3] the Geelong Project[4] and youth-specific brokerage programs. Intensive case management that focuses directly on high-risk young adults is vital in early intervention and providing a supported pathway into permanent housing (Parkinson, James et al. 2018; McKenzie 2018; Mallet, Rosenthal et al. 2010). Similarly, Youth Foyer models and the Certificate I in Developing Independence for young adults leaving care, implemented by the Brotherhood of St Laurence, integrate education and employment opportunities with accommodation for young adults with experience of or at risk of homelessness (Coddou and

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[3] The Reconnect program uses community-based early intervention services to assist young people aged 12–18 years who are homeless or at risk of homelessness, and their families. Reconnect assists young people to stabilise their living situation and improve their level of engagement with family, work, education, training and their local community.

[4] The Geelong Project is an innovative early intervention community and schools-based program for young people at risk of homelessness.

Borlagdan 2018; Borlagdan and Keys 2015). However, they often provide time-limited assistance and young adults are generally locked out of longer term social housing initiatives and directed into the more precarious PRS or reliance on informal supports such as family and friends.

Moving back into the PRS can increase the risk of further homelessness and protracted periods of living in highly insecure informal living arrangements.

Low-income students and individuals who are casually employed, underemployed, live in the family home or occupy shared housing, have traditionally sat outside any direct policy intervention beyond the provision of supplementary income support, bond assistance and rent assistance. These supports are typically designed to assist basic living needs, rather than the attainment of longer term aspirations. A key recurring theme in policy debates is the inadequacy of statutory incomes and associated housing assistance for individuals in receipt of Newstart and Youth Allowance relative to housing costs. Such low incomes inhibit the formation of independent households, suspending young adults in a state of semi or even full dependency on others. This prolonged reliance on informal housing solutions can increase the risk of homelessness. Young adults, particularly those in receipt of income supports and/or with insecure jobs who do manage to rent privately, may find themselves trapped in a cycle of cashflow deficit and be unable to save. This may result in them being 'locked out' from moving towards longer term aspirations for home ownership.

Opportunities for young adults in the housing market have been shaped significantly by the historical legacy and institutional tenure bias towards home ownership. The institutional preference for home ownership over renting in Australia has led to more favourable taxation and political support for existing home owners in the form of capital gains, and investors through negative gearing. Until recently this has inflated rapid house price growth and more precarious private rental experiences (Hulse, Parkinson et al. 2018). In a rapidly rising house price market, notably between 2000 and 2017, housing assistance initiatives such as the First Home Owner Grant were ineffective in increasing the competitiveness of first home buyers against investors, with deposit gains typically offset by rising state-based stamp duties linked to housing price increases. The adverse impact of this institutional environment for young adults remains despite slowed growth and falls in house prices in certain cities, particularly Sydney and Melbourne.

Recent initiatives to retard investor activity have contributed to a steady slowdown in the rate of housing price growth, particularly in Sydney and Melbourne. However, over-inflated prices mean that housing within close proximity to major city centres will continue to be beyond the reach of many young adults for the foreseeable future. In 2017, the Victorian Government introduced stamp duty concessions and exemptions on more affordable dwellings, which opened up opportunities for first home buyers.[5] The reduction in stamp duties may, however, create incentives to purchase smaller dwellings or apartments closer to the city centre which may not meet longer term aspirations for raising a family, or larger dwellings further out which have limited access to services, amenities or employment opportunities.

The Liberal Government's announcement to introduce the First Home Loan Deposit Scheme[6] during the election provides some recognition of the difficulties first time buyers face in overcoming the deposit gap to enter the market. Under the proposed scheme, the Government

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[5] From 1 July 2017, first home buyers are exempt for a principal place of residence (PPR) valued up to $600,000, or a concession for a PPR with a dutiable value from $600,001 to $750,000. Off-the-plan concessions apply for land and building packages or a refurbished lot. See State Revenue Office for more details https://www.sro.vic.gov.au/first-home-owner.

[6] See Liberal Party 'Our Plan to Support First Home Buyers', https://www.liberal.org.au/our-plan-support-first-home-buyers

has pledged, via the National Housing Finance and Investment Corporation, to fund up to 15 per cent of the deposit for eligible first time buyers who have saved a minimum deposit of 5 per cent. The scheme, expected to commence in January 2020, will provide some assistance for first time approved borrowers. However, capping the guarantee to only 10,000 borrowers is likely to have limited impact on closing the aspirations gap for a large cohort of young people. Moreover, it is unlikely to assist low to moderate income earners who are unable to assume a large amount of debt and additional payments over the life of the loan.

The PRS in Australia is undergoing significant growth relative to other tenures. It is also changing with respect to the diversity of tenants occupying rooms and dwellings on a short- to long-term basis and in the way tenancies are managed via digital intermediaries (Hulse, Parkinson et al. 2018). These changes are not without consequence. By international comparison, the Australian PRS still lacks many of the institutional safeguards that can ensure secure occupancy, affordability and adequate quality standards (Martin, Hulse et al. 2018; Hulse, Milligan et al. 2011). The regulation of tenancies and the provision of housing assistance have not kept pace with the rate of change, particularly in terms of how young adults navigate access and the informal and self-organising strategies they increasingly rely on in lieu of formal entry via real estate intermediaries (Parkinson, James et al. 2018).

Young adults, especially those aged 25–34 years, represent the largest cohort renting privately in Australia today (Hulse, Parkinson et al. 2018). As more young adults find themselves renting for longer, any policy and legislative changes seeking to directly improve conditions for tenants are likely to have significant flow-on effects to provide a better match of housing and for shorter to longer term aspirations to be met. Legislative changes introduced in Victoria in 2018 increase the rights of tenants to modify dwellings, have pets, and provide for increased tenure security. Similar changes are under consideration in other states. Longer lease trials underway in Victoria also provide significant inroads into providing greater security for tenants. Additionally, the appointment of a Commissioner for Residential Tenancies in Victoria places the PRS firmly on the reform agenda. Such reforms signal the move towards a more tenure-neutral approach where renters are not only afforded greater security and rights of occupancy, they also have the ability to establish their rental dwelling as a home.

1.4   Research approach

This research forms part of an integrated inquiry on housing aspirations across the life course. The Inquiry draws on a mixed-methods approach with primary and secondary data sources. These include:

- cross-sectional analysis of the Census in the period 2001 to 2016 and the SIH from 2003–04 to 2015–16

- an online housing aspirations survey (AHA survey)

- focus groups and semi-structured interviews conducted in metropolitan and regional NSW, Victoria and WA, including dedicated engagement of Indigenous persons.

Ethics approval and participant informed consent was sought and granted for all research modules.

1.4.1   Secondary data analysis

Secondary data sources including the Census and SIH were analysed to examine changing tenure and demographic trends over time and to provide a population baseline for the AHA survey with a focus on those with lower to moderate incomes. As many young adults, particularly those aged 18–24 years, do not form their own independent households, analysis of SIH data was considered more suitable in identifying changes in living arrangements over time.

An innovative approach was used to construct a typology from the relationship in the household and family type variables to examine the specific characteristics of young adults. This enabled the identification of independent and dependent children living in the household. This was then combined and cross-referenced with measures of family type. The construction of this measure provided insight into different living arrangements for those currently residing in the family home and group households. This framework is explained in more detail in the discussion on past and current living arrangements (sections 2.1 and 3.1).

Separate analysis was undertaken for emerging (18–24 years) and early adulthood (25–34 years). Census and SIH data were used also to inform the design of a specific module on young adults for the AHA survey and questions explored in the focus groups and interviews.

1.4.2   Focus groups with young adults

A total of six focus groups were conducted in NSW (Sydney and Bega region), Victoria (Melbourne and Shepparton) and WA (Perth and Bunbury). The focus groups were conducted to inform the development of the AHA survey tool and explore experiences and decision-making processes surrounding short and longer term housing aspirations and associated aspirations for education, training, employment and family formation. The focus groups additionally enabled the researcher to observe the normative conversations that occur within social generations around key housing and life stage challenges. These informed the thematic analysis throughout the research. From a policy perspective, the focus groups were important in identifying areas for potential housing assistance and policy directions most relevant to young adults. The focus groups also provided a means of testing themes both from the existing literature and secondary analysis and honing these within the survey design period, and provided a means of validity testing interview data across the age groups. The sessions were audio recorded with the consent of participants and transcript notes were typed up and analysed with the key themes emerging from the research interviews.

A total of 55 young adults aged 18–34 years attended the focus groups across the three states. Young adults with experience of homelessness, low incomes, living in shared housing and/or living with parents, including experiences of social or private renting, were targeted to ensure that the voices of individuals most in need of housing assistance were included in the research. Recruitment was conducted via community agencies such as the Brotherhood of St Laurence, Youth Foyers, neighbourhood centre youth programs and local government maternal and child health young mothers parenting groups. Social media, via local government community events pages, was used to promote the groups, particularly in regional areas. Each participant received a $50 Coles voucher in recognition of their time and travel expenses. Location and participant characteristics appear at Appendix 1.

1.4.3   Australian Housing Aspirations (AHA) survey

The AHA survey was purposively designed by the research team and administrated online. It generated a sample of 7,343 responses nationally, including 2,477 young adults aged 18–34 years. Respondents were recruited and managed through Qualtrics, an online survey provider with access to a national population panel for large-scale survey research. Population-based quotas were established across a range of characteristics including age, income and gender to ensure the most representative sample possible. Resource constraints limited the number of quotas applied with associated implications for broader survey representativeness. Hence, caution should be applied, as with all surveys, when extrapolating or generalising findings.

A more detailed discussion on the sample distribution for specific groups, including those living in the family home, in shared housing and in independent tenure, is provided in sections 2.1 and 3.1, where we compare AHA survey responses to the SIH survey. The overall sample distribution across age cohorts is shown in Table 1 below.

Table 1: Total sample numbers across age cohorts

	Number	%
18–24	911	12.4
25–34	1,566	21.3
35–44	1,236	16.8
45–54	1,208	16.5
55–64	1,143	15.6
65–74	1,003	13.7
75+	276	3.8
Total	7,343	100.0

Source: AHA survey 2018.

The AHA survey consists of a core module relevant to all age cohorts, as well as modules specific to each of the separate cohorts of young, mid- and later-life respondents. The unit of respondents is individuals, however questions are measured at both the individual and household levels where relevant. The survey captured details of current housing and household circumstance, planning intentions and unmet or anticipated future housing needs including preferences and trade-offs. The concept of 'housing' was considered as a bundle of attributes: tenure, dwelling types, physical characteristics, location, amenities and financial components. Questions also captured identified housing assistance requirements and examined support for new adaptive ways of living, including options for co-housing, 'rent-vesting' and shared ownership.

Specific sets of questions with direct relevance to young adults included themes relating to living in and leaving the family home, experiences of shared housing, housing instability and homelessness and accessing private rental. A series of questions addressed perceptions and expectations for home ownership. Demographic questions also focused on experiences of security within employment and characteristics relevant to young adults.

The survey was designed over several months with reference to previous housing surveys conducted by the authors (Cassells, Duncan et al. 2014; Duncan, James et al. 2016; Rowley and James 2018), the SIH, existing aspirations literature and fieldwork undertaken by the research team. The draft survey was piloted with a range of individuals including academics and previous research participants and modifications made. The survey was then released by Qualtrics and the first 100 responses analysed to ensure the survey was working as intended. Minor modifications were made after ceasing sampling at the first 10 per cent of quota responses.

1.4.4   Interviews with young adults

Interviews with young adults were undertaken to complement the AHA survey and secondary analysis by enabling more in-depth exploration of the nature of the housing aspirations gap: for example, how young adults might be adjusting their expectations and assuming new adaptive ways of living and how the gap might be closed. The qualitative sampling was purposive and designed to engage young adults living in the family home, sharing and renting independently in emerging and early adulthood. A total of 32 interviews were undertaken by telephone in NSW, Victoria and WA, with sampling in both metropolitan and regional areas. The summary characteristics of interviewees are shown at Appendix 2.

Young adults were recruited via a number of outlets including the online classified platform Gumtree, a dedicated research Facebook page, community agencies and 'snowballing'. With the informed consent of participants, interviews were conducted by telephone, audio recorded and transcribed in full. Two participants did not agree for their interviews to be recorded and extensive notes were taken during the interview and typed up immediately following completion.

The research also included a dedicated focus on Indigenous households with a further 18 interviews undertaken in NSW, WA and Victoria to ensure Indigenous representation. See Appendix 2 for participant representation by location. Following the formation of an Indigenous research advisory group, a separate ethics process was undertaken to ensure that the research approach was culturally appropriate and consistent with ethical standards for the conduct of research with Indigenous communities. Recruitment of young Indigenous people occurred via Indigenous community services and a public sector Koori unit, and broader cultural networks and communities. The Indigenous interviews were undertaken in person at designated sites by Dr Spinney, a highly experienced Indigenous researcher, following an informed consent process approved by the ethics committee and Indigenous advisory committee.

All interview participants received a $50 Coles voucher in recognition of their time and travel costs. Interviews with non-Indigenous and Indigenous young adults were analysed by age cohort (emerging and early adulthood), Indigenous status and living arrangement (remaining in the family home; living in shared housing; living independently as a lone-person or couple family household). This framing allowed integration with the broader framework for the SIH and AHA surveys.[7] Pseudonyms are used to protect the identity of participants when using direct quotes in the report.

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[7] Research instruments used for the qualitative research can be provided upon request from the authors.

2 Understanding aspirations during emerging adulthood

- Housing aspirations during emerging adulthood (18–24 years) are shaped by an extended phase of dependence to semi-dependence and the growing necessity of living with others either in the family home or in shared (group) housing. Only 17 per cent of young emerging adults were living in independent households at this stage of life (SIH).

- Although 60 per cent felt that home ownership was their ideal tenure, very few were actively planning for home purchasing and most were unsure how to attain it (AHA).

- More than half of the emerging adults surveyed (54%) aspired to live in a house and 34 per cent in an apartment. Around 32 per cent aspired to four or more bedrooms, compared to 30 per cent who stated a preference for one or two (AHA).

- Having somewhere safe and secure to call home was the most important ideal. Long-held values and cultural assumptions of home ownership, including dwelling type and size, still dominate but are less persistent than assumptions and values held by older cohorts (AHA).

- Short-term aspirations for emerging adults are focused on education, careers and protracted labour market uncertainty, with housing a secondary consideration (AHA).

- The short-term aspirations gap is increased by locational mismatch, high mobility, tenure insecurity, homelessness and informal living arrangements characterised by unstable relationships and lack of personal space (AHA).

- The longer term aspirations gap is highest among young adults living at home and in shared households, compared with those living independently (AHA).

Housing aspirations for young adults at emerging adulthood (the stage most often associated with 'youth') typically coincide with transitions from secondary schooling to pursing aspirations related to further training and education, gaining employment, travelling, forming relationships and achieving independence outside the family home (Andres and Wyn 2010). Although emerging adulthood as a phase of life is becoming more fluid and might extend for some into their late twenties (Arnett 2004), we limit it in this report to those aged 18–24 years. We focus on this age range as a distinct period to gain a more in-depth insight into how housing aspirations, particularly shorter term aspirations, might be shaped and experienced by an extended phase of semi-dependence, characterised for many as the necessity of living with others.

In examining shelter and non-shelter aspirations, we consider whether housing is core to planning for possible futures or whether other areas take higher precedence, and how this varies across groups of young adults. We consider also how the broader context of changing

market and cultural structures and expectations influence the way young adults navigate and make sense of the timing of their current and future housing opportunities.

Youth studies scholarship has consistently described how the transitions of young adults are becoming more fragmented or destandardised from a 'traditional' housing career or pathway. As a cohort, those aged 18–24 years typically have the lowest earnings and are often the most precarious in their employment (Dhillon and Cassidy 2018). At the same time, increased participation in tertiary education has opened up opportunities that may disrupt longer term housing aspirations and plans. In this sense, individual earnings are likely to be comparable both for those participating in education and those in lower skilled employment. Rather, it is the access to parental or other informal supports that can significantly shape shorter term aspirations and enable young adults to realise their longer term housing goals.

An early or chaotic exit from the family home can impact housing pathways and aspirations significantly. The risk of homelessness, particularly frequent moves between friends, is typically highest during emerging adulthood and can become chronic for young adults with experience of childhood or adolescent trauma and cumulative disadvantage (Clapham, Mackie et al. 2014; Mallett, Rosenthal et al. 2010). Leaving institutional settings, including foster care, without support, significantly disrupts what young adults can hope to attain for their futures. It can also enforce a more rapid progression towards independence (Greeson and Thompson 2015). This can lead to a disproportionate amount of available income or savings and time being directed to providing for private rental housing at the expense of pursuing other equally important goals, such as education, that contribute to more sustainable outcomes and life trajectories into the future.

Young people within the current emerging adult cohort, more so than others before them, have altered expectations for the timing of partnering up and lowered expectations of securing ongoing employment in their foreseeable future (Cuervo, Crofts et al. 2013). Being able to 'settle-down' is likely to be intricately connected to changing expectations in a range of life domains, with these, in turn, shaping a greater sense of freedom to pursue alternative pathways. However, the extent to which broader market and cultural shifts have altered what young emerging adults perceive to be possible, in terms of their housing futures, has not been well studied on a national basis in Australia. The influence of past and current living arrangements on housing expectations is also important in this context.

2.1 Past and current living arrangements

This section uses Census and SIH data to illustrate how housing opportunities and living arrangements used by emerging adults (aged 18–24 years) have changed over time and are likely to continue to shape future housing aspirations. An analysis of current living arrangements for this age group from the AHA survey is also included.

2.1.1 The growing necessity of living with others

The housing aspirations of young adults in emerging adulthood are shaped by opportunities that both constrain and enable moves to independence. In a preliminary analysis of SIH data it was found that the significant majority of young adults aged 18–24 were not living in independent housing or households. The housing circumstance of individuals in this age group are frequently concealed in household analyses as they typically are not counted as the reference person or household head. To overcome this issue in the analysis of the SIH data, a typology was constructed that combined household type with relationship in the household measures. This then provided for a profile of young adults and their household type. The subsequent analysis, therefore, takes both an individual and household approach. This method of linking young individuals to their household living arrangement is also applied to the AHA survey.

Figure 1 below presents long-term cross-sectional trends in living arrangements for young emerging adults. This stage of life is clearly marked by the growing 'necessity of living with others' with very few emerging adults forming independent households as traditionally defined. The survey showed that while sharing with unrelated persons had marginally declined, sharing with family members had increased. In the period 2015–16 less than a fifth (17%) were living independently as a couple (13.7%) or single-headed (3.5%) household, compared with 22 per cent in 2003–04. At the same time, the proportion of 18–24 year olds living in the family home increased from 57 per cent to 63 per cent. This indicates the growing significance of drawing on family-based and informal supports for housing solutions amidst changing market opportunities.

Figure 1: Changing household composition: emerging adults (18–24 years), 2003–04 and 2015–16
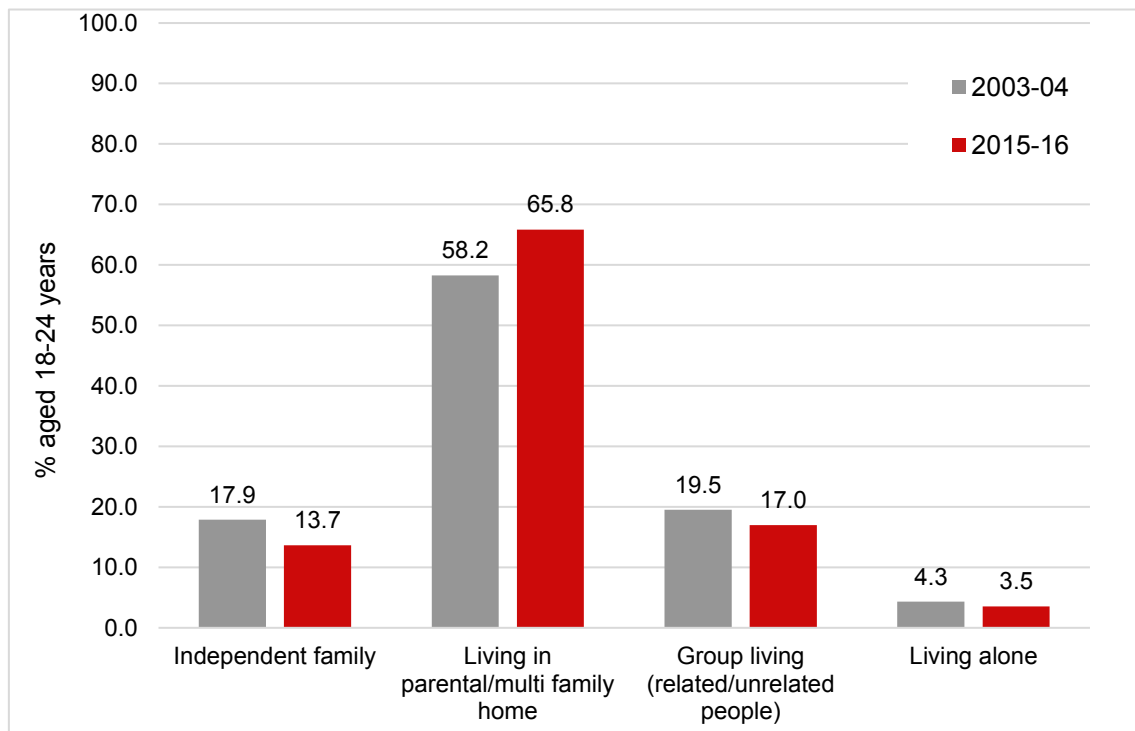
Notes: 'Living in parental/multi-family home' includes dependent students and non-dependent children aged 18–24 years and some young couples or lone parents in multi-family households. 'Group living' includes young adults living with related or unrelated people (including other families), but not with their own parent(s).

Source: SIH 2003–04 and 2015–16.

A more detailed profile of changes in living arrangements for each Capital City is provided at Appendix 3. Increases among young people aged 18–24 years living in the family home is most marked in Brisbane (42% in 2003–04 versus 70% in 2015–16) and Sydney (68% in 2003–04 versus 82% in 2015–16).

At face value the growing trend towards living with others, particularly families, reinforces notions of a 'failure to launch' (Furlong, Woodman et al. 2011). However, the qualitative findings from this research and the AHA survey reveal that remaining at home is shaped by a continuum of unintentional through to highly strategic decisions about how an ideal life can be attained at this point in time. This has implications for how subjective assessments of the aspirations gap are framed and experienced.

The shift in independent household formation is part of a long-term trend. However, less well described is how the aspirations of young adults compare across different living arrangements. For the remainder of this chapter we draw on the AHA survey and qualitative fieldwork to flesh

out the extent to which the short through to longer term aspirations of emerging adults are and can be met while living at home, sharing or living independently.

The following discussion examines current living arrangements and the rationale provided by emerging adults for their current housing solution in their specific circumstance. Table 2 below presents the overall sample of young adults in the 18–24 year age cohort according to a shared and independent living arrangements framework. While following a close distribution to the SIH analysis, the AHA survey slightly over samples those living independently as either a single or couple household and those sharing in a group household, and under samples those living in the family home. The higher sampling of those living alone and sharing could reflect the sizable cohort of migrants, including international students, captured by the survey in this age group. For example, 40 per cent of individuals sharing in a group household were born overseas and 71 per cent of this group reported that their resident status was a student visa. These groups are less likely to be well represented in the SIH.

Table 2: Living arrangements: emerging adults (18–24 years) and total young adults

Living arrangement	18–24 years		Total young adults (18–34 years)		Total survey distribution	
	%	N	%	N	%	N
Living alone	10.6	97	11.4	282	17.9	1,318
Living independently as a family/couple	21.4	195	39.8	985	54.9	4,033
Living in parental/multi-family home	47.9	436	33.2	822	17.1	1,255
Sharing in a group household	20.1	183	15.6	385	9.5	698
Other					0.5	39
Total	100	911	100	2,474	100	7,343

Notes: Responses classified as 'Other' are excluded from the analysis. Living with parents/multi-family includes individuals and couples living with a parent/s or guardians with or without other related persons present, not including siblings.

Source: AHA survey 2018.

2.1.2   Profiling current living arrangements

In this section we use AHA survey data to examine the broad demographic profile of young emerging adults according to their living arrangement. The intention of this analysis is to gain an understanding of potential variables and characteristics influencing these living arrangements. As most young people in the emerging adult cohort have low to moderate incomes, we do not undertake a separate analysis by income group for this cohort.

The significant majority of young emerging adults living at home (92%), sharing in a group household (94%) and living alone (91%) have low-to-moderate individual incomes. When living independently, more than two-thirds of couples (70%) fall into the low-to-moderate income group. As the incomes of young adults are concentrated in the lowest income groups, and emerging young adults as a cohort typically require significant assistance to move towards their longer term aspirations, we do not undertake a separate analysis by income group for this cohort. However, we do compare whether home ownership is perceived as being attainable, by education status. In Chapter 3 we undertake a more detailed comparison across income and

education status groups as they start to differentiate over time. This is likely to present a more realistic view of 'life time' or serve as proxy for permanent income as most young adults would have commenced some form of study by early adulthood (25–34) years.

Figure 2 below presents the type of tenure occupied by the different household groups according to 'household head'. For example, in the case of young adults living at home, the tenure reflects that of their parents or guardians. The majority (72%) of young adults living with parents occupy dwellings that are owned outright or mortgaged. However, around a quarter (24%) of young adults living at home are in the PRS. Three-quarters of those sharing in a group household, and just under half (47%) of those living independently as a single person, are renting privately. The highest proportion of emerging adults living in social housing are living independently on their own (9%). Among those living independently as a couple, just under a quarter (24%) were living in housing they were purchasing and a further 17 per cent were living in dwellings that were owned outright.

Figure 2: Housing tenure and living arrangement: emerging adults (18–24 years)
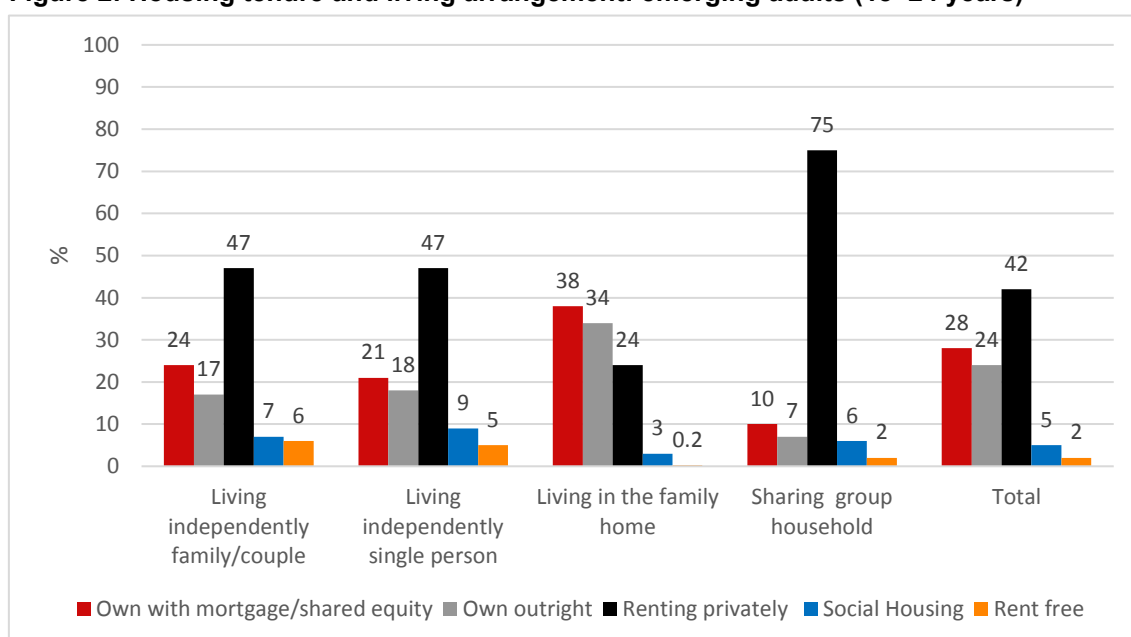
Source: AHA survey 2018.

Most young adults living in the family home (92%) occupied a detached or semi-detached house of typically three to four bedrooms. Single persons living independently were more likely than other households to occupy apartments (39%), followed by those living as a couple (27%). The main dwelling types occupied by lone individuals were three-bedroom houses (22%), followed by one-bedroom (17%) and two-bedroom (17%) apartments.

Next we present a summary profile of the key demographic characteristics for each household group (see also Appendix 4).

Couples living independently

Couples living independently at emerging adulthood had relatively high levels of education compared with other groups with one or both members possessing either a degree or higher level qualification (41%) or a diploma/apprenticeship (21%). Those living independently as a couple household were more likely to be in receipt of government income support (53%) than those in other groups. Individuals with an Indigenous background (16%) were more highly represented among couples living independently compared with other groups. In just over a third of all couple families, both partners were in full-time employment while just under a quarter

had one member in full-time and another member in part-time employment (23%). Few couple families had children (8%) at this stage of life.

Living alone

Single persons living alone tended to be male (67%). Just over a third had a degree or higher education (34%) and just under a third (31%) had completed Year 12. A quarter of single persons were either studying full time (24%) or combining study with part-time work (12%). Individuals living alone were nearly twice as likely than other groups to be working full time (31% versus 16% living in the family home and 17% in a group household). Compared with other groups those living alone had a higher proportion with permanent (37%) or fixed-term (20%) employment.

Despite relying on a single income, fewer persons living alone were in receipt of income support (32%) compared with couples (53%), but slightly more were in receipt of income support than those living with parents or sharing (each 26% when rounded). Although individuals living alone fall into the low-to-moderate income threshold there are fewer in the lowest income category (up to $31,000) than those sharing or living in the family home. The overall profile of those who are living alone at this stage of life suggests a slightly stronger financial position. However, because they rely on a single income, the trade-off for living independently comes at the cost of struggling financially and ultimately being able to save and get ahead in the future. This is a cost some are prepared to absorb, as reflected in 'Sarah's' comments:

> I had lived with housemates in the past and decided it wasn't for me, so I had a look at my finances and my situation and decided that it was in my best interest to rent by myself…. Even though it's a little bit more of a strain, I'm happier. ['Sarah', independent sole renter, inner suburbs Melbourne.]

Living in the family home

Although the largest share of individuals living at home reported they were currently studying, either on a full-time (31%) or part-time (17%) basis, they also reported the highest rate of unemployment (13%) across all groups. Individuals living in the family home typically had the lowest individual income across all groups, with 65 per cent earning or receiving under $31,000 per annum. Among those in employment, nearly 34 per cent were permanent employees, 45 per cent were casually employed and 13 per cent were on a fixed-term contract. As a group, they were most likely to be Australian born (81%), although this does not mean that their parents were born in Australia. The highest education level for two-fifths (39%) of this group was Year 12. The most common age for moving out of home was 18 (32%) or 19 years (14%).

Deciding to remain within the family home was based not only on having a low or precarious income, but also on having a mutually comfortable relationship with parents. This included the ability to express one's own individuality and independence. Living at home enabled young adults to 'live the life they want to live' without having to compromise shorter term aspirations because of high housing and living costs. As 'Ben' shares:

> I haven't moved out of home formally, but I have for three months, I was house sitting, so I didn't have the burden of rent, although I did experience what it was like to support myself in terms of having to pay for things around the house that I didn't think I ever would have to…. It's obviously I'm in a position where I could afford to live out of home, but I couldn't live a comfortable lifestyle, I couldn't live a lifestyle that I wish to live. ('Ben', living with parents in outer Perth)

'Tracey' wanted to continue living in kinship care with her grandmother, as she had done for many years. She was aware, however, of the rental cost pressure this caused her grandmother, who was living on a pension:

For me I feel like I'm not ready yet. But Nan thinks otherwise—I should get my own house. ('Tracey', Indigenous Australian living with grandmother in regional Victoria)

Living in a shared household

Individuals aged 18–24 living in shared housing were most likely to be born in Australia (60%), although shared housing was the least preferred living arrangement for the Australian-born respondents (Appendix 4). They were also more likely to have a degree (44%) and less likely to be in receipt of income support (26%), potentially reflecting the non-permanent residence status of many (71% of immigrants in this age cohort held a student visa). Those living in shared housing were typically studying full time (32%), working part time (18%) or doing a combination of part-time work and study (20%). Roughly equivalent numbers were working full time (17%) and part time (18%) and 51 per cent were casually employed. The main reasons stated for sharing at this stage of life were because the young people enjoyed living with their friends (36%), were studying (32%) or due to affordability considerations (30%). A further 15 per cent reported that sharing allowed them to live in their preferred location.

I had to move away from home to study at uni. I had to move away from my family house and living on campus was expensive, quite expensive that's why I chose going with off-campus accommodation….This is the best possible arrangement. ('Sally', shared rental, regional Victoria)

I'd say just cost versus a lifestyle really, like for example, it was very cheap for us to move like where we are, we're living, it's quite cheap between us all. And the relationships that we all have like we're all—we all get along quite well. ['Michael', shared rental, outer suburbs Melbourne.]

'Barbara', an Indigenous Australian higher education student, was happy to accept her current form of housing for now.

It's like a mature-aged household even though I'm like 21. I've been living there for a few years. Living with other people. So, having to share like a bathroom, sharing the kitchen and stuff. Or when people have other people over, I don't really mind. ('Barbara', 21, Indigenous Australian, shared rental, WA)

2.1.3 Experiences of housing insecurity and homelessness

In this section we examine three dimensions of insecurity relating to affordability, mobility and homelessness. A key research and policy concern is the extent to which living arrangements at the point of emerging adulthood impact future housing trajectories, and the ways in which this plays out for young people in the short term.

Affordability

Figure 3 below uses data from the AHA survey to explore cost-of-living pressures directly associated with housing for individuals in each of the four living arrangements. As Figure 3 demonstrates, individuals in all groups generally felt they were able to meet essential expenditure costs, including basic food items, after paying their housing costs. However, a larger proportion (around a third) were constrained in meeting non-essential costs, typically highest for those living alone. Being able to save or invest remaining income was considered more difficult, especially for those sharing in a group household, despite dividing up housing costs. More than a third of those living at home with parents (38%) felt they had insufficient funds to save or invest, despite many typically paying no, or significantly below, market rent.

Figure 3: Not enough left over after paying housing costs: emerging adults (18–24 years)
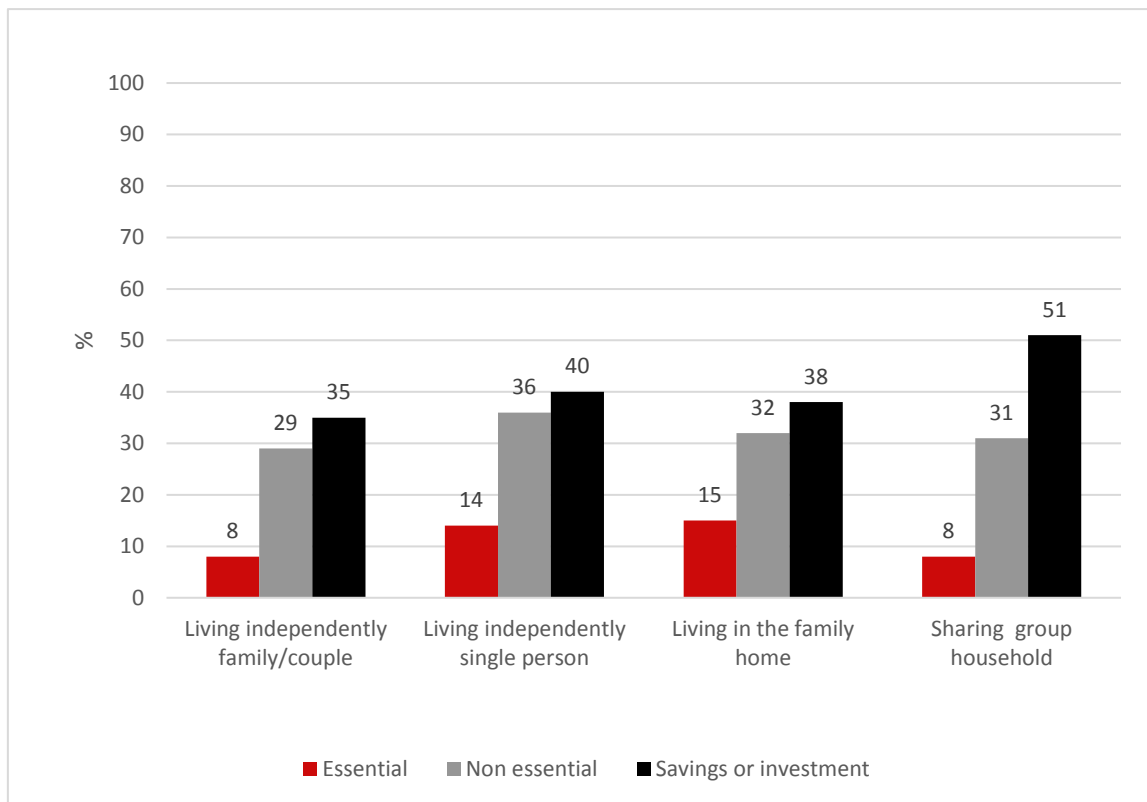
Notes: Essential expenditure includes expenditure necessary for day-to-day living including bills, basic food and drink, clothes, transport etc. Non-essential expenditure includes social activities, holidays, TV, non-essential food and drink, such as alcohol etc. Savings or investment refers to discretionary use of income for that purpose.

Source: AHA survey 2018.

Mobility

Emerging adults are highly mobile across all groups at this stage of life. However, typically there is greater housing stability associated with living in the family home. As Figure 4 below shows, more than half (56%) of those living with parents remained in the same dwelling for more than five years. For those who had moved out of home, more than half (58%) had done so on one occasion while a further 28 per cent had moved out and back again on two occasions. The main reasons for moving back home generally related to having incomes or earning potential reduced due to study (35%), affordability constraints (25%) and insecurity in paid employment (23%). Living at home was also viewed as a strategic way to save money in preparation for moving out again (29%) and for other living expenses or activities (20%). For around a quarter (24%), moving back home was considered convenient for their current needs. Appendix 4 lists the full range of reasons provided by respondents.

Figure 4: Duration in current dwelling: emerging adults (18–24 years)
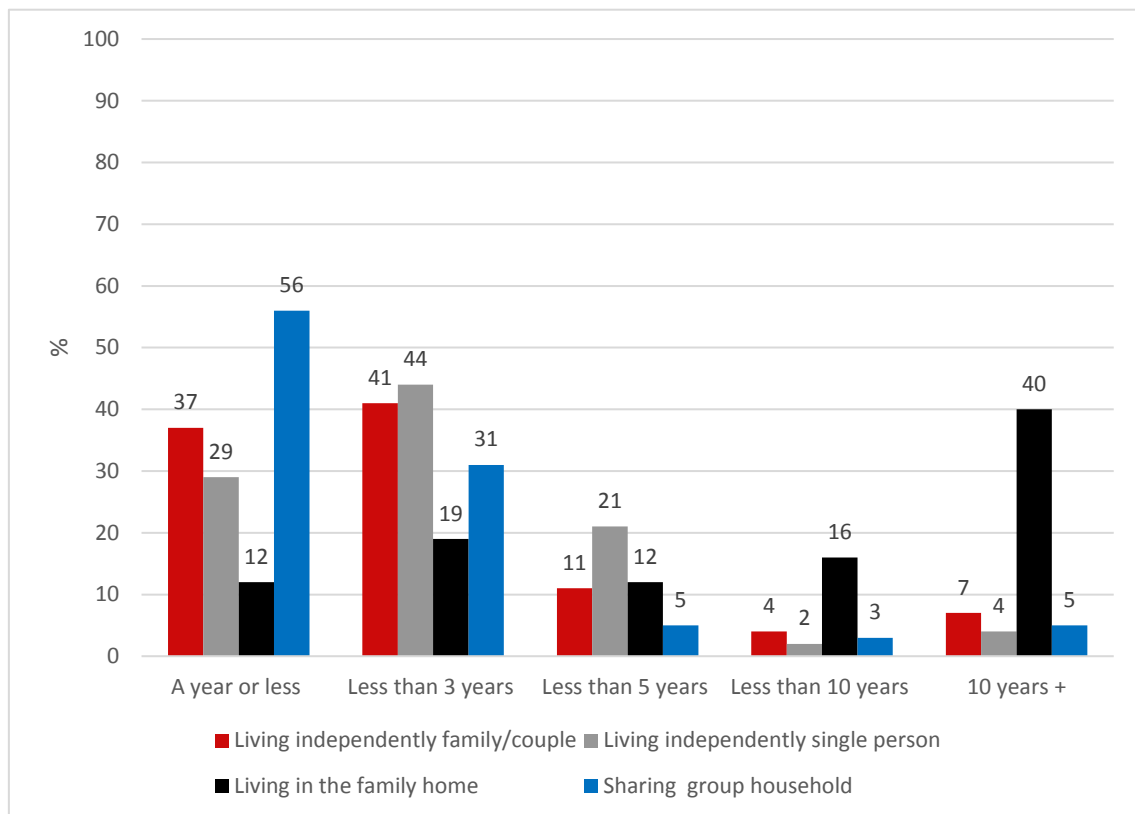
Source: AHA survey 2018.

The research interviews and focus groups similarly suggested that decisions to move back to or remain at home were shaped by an interaction of circumstances and motivations. 'Alex' recalls:

> So, I moved back in with my parents about—that would have been about a year-and-a-half ago. Probably, what's most important is that I hardly have to pay any rent here and I get to hang out with my parents, that's quite nice. Yeah, so that's about it, it's mainly an economic decision. I was living down in Melbourne and trying to study and live off Centrelink got quite difficult. ('Alex', living with parents, regional town NSW)

Young Indigenous Australians considered that racism added to their housing insecurity:

> No one helps me. Don't help me. As soon as I open my mouth they know I'm Aboriginal. ('Brenda', Indigenous Australian, Sydney)

Shared renting was the most unstable living arrangement with more than half (56%) residing in their current dwelling for less than one year. Singles and couples had typically been living in their current dwelling for between one and three years.

Homelessness

Young adults, with the exception of those who had remained within the family home, were asked if they had ever experienced a time when they did not have a permanent place to live. This question was a proxy for experiencing some form of homelessness in the past. Within this cohort, 34 per cent of emerging adults reported that they had experienced homelessness at some stage of their lives. Among those, 18 per cent indicated that their most recent experience was in the past year, 11 per cent indicated that they had experienced homelessness between one and five years ago and 5 per cent noted an experience of homelessness more than five years ago.

The main types of temporary arrangements used by young adults in periods of homelessness are shown in Figure 5 below. Most reported that they had been supported informally rather than via welfare services or an institution. Typically, the majority would stay with or rely on friends for temporary accommodation. This was particularly so for those who were currently sharing in group households. Individuals sharing in group households were the least likely to stay temporarily with family and most likely to have stayed in some form of institutional setting, such as care, psychiatric or detention (14%). However, they were the least likely to have accessed a welfare service for accommodation. Individuals currently living alone (18%) and those living with parents (17%) were the most likely to have accessed a welfare service for temporary accommodation.

Figure 5: Living arrangement when lacking a permanent place to stay: emerging adults (18–24 years)
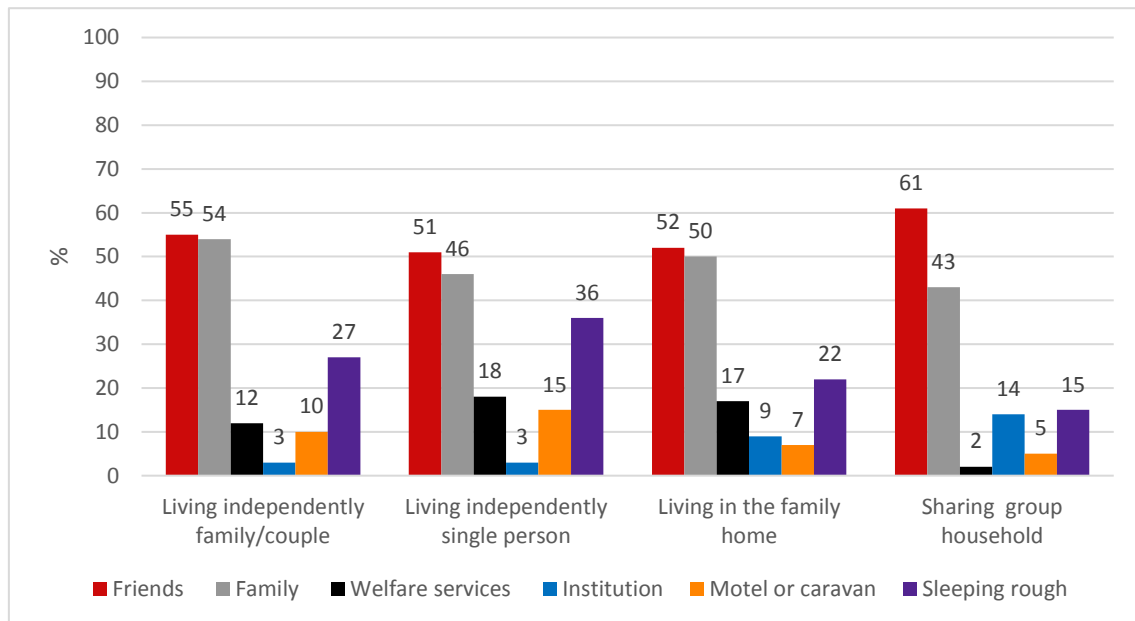
Source: AHA survey 2018.

Experiences of housing insecurity and homelessness among young adults can mean that short-term aspirations become focused on getting by each day, and if persistent over time can inhibit capacity for the realisation or even consideration of longer term aspirations. For many young adults at this stage of life their short-term housing aspirations are very much tied to 'just having a roof over my head', 'making do' and being less committed to a particular type of living arrangement. This is especially true for 'singles' sharing in the PRS.

The young adults with experiences of supported housing or care who participated in the interviews or focus groups had a much greater preference for living independently rather than sharing with others, particularly where they had high support needs. Individuals with more complex needs in receipt of supportive housing assistance also felt that the duration of time-limited support did not enable them to move towards full independence. This included establishing themselves in a secure job and completing education and training.

'Amy' reflected on her experience of receiving subsidised rental support for three years. While 'thankful' for this assistance, she noted that she still struggles to move towards her longer term aspirations for employment and providing opportunities for her young children:

> *At the end of three years, they can say you know, we've helped you we've set you up, now this is your turn to go on your own. But it's like this new support is like they don't help you as much. Everyone is different and I reckon it should be the same. Same*

amount of support. I know my friend, she's struggling, she didn't get as much support as I did. She's out there getting everything on her own. ('Amy', single parent, renting through supportive housing program, middle suburbs NSW)

Similarly, 'Melissa' reflected on her past experience of long-term homelessness and lack of family support. She noted that she stills struggles to settle into more secure housing and regrets not taking up the option for longer term affordable housing when it was offered to her at a younger age:

I think at the moment I put too much stress on wanting a place in my area and need to focus on the steps in front of me instead of the ones way down the path… I was on the waiting list when I was [young age] through [Housing service] to get a one-bedroom unit for myself, and I only heard back about it once I was about 20 that I was near the top of the list and I wasn't at that time interested in it. But now I look back I probably should've taken that option I guess. ('Melissa', multi-family with daughter, regional town Victoria)

2.2   Keeping options open for a possible future

The uncertainty of what lies ahead during the phase of emerging adulthood means that young adults have to work through multiple future scenarios without necessarily knowing how each aspect of their lives will come together. This uncertainty in the aspirations literature is framed around the notion of 'possible futures' (Stehlik 2010). As a concept for housing, this translates to how young adults view housing in the broader context of imagined possible futures: whether it takes centre stage; whether it is considered a means to an end; or whether it remains in the background relative to other aspirational goals.

For many who participated in the interviews or focus groups, aspirations for housing in emerging adulthood remained secondary to all other aspirations for study, building a career, living 'in the now' and trying to figure out what they wanted to do with their lives in the future. Respondents spoke of 'keeping my options open' and the importance of 'having multiple plans' or 'ideas on the go'. One noted: 'if I stay single than I'll probably stay where I am but I'm also open to sharing if the opportunity arises'.

The expression of having multiple plans or goals relates to micro uncertainties inherent in short-term decision frameworks and actions where there exists only a vague notion of the ultimate destination or outcome: for example, applying for rental properties, choosing a particular course or embarking on a particular career trajectory. For the young people interviewed, current living arrangements provided a frame or lens for what was possible in the short term and whether longer term aspirations such as home ownership were at all attainable. The idea of keeping options open across all life domains influenced a 'going with the flow' approach to housing, rather than putting in place deliberate plans. For many it was difficult to predict the type of housing that would be attainable in the future or where they would be living. Discussions centred on alternate possibilities.

For some, living at home or with others in a group household provided the flexibility to change pathways or pursuits 'halfway' if they were no longer enjoyable. For many, having this flexibility was considered critical to working towards a life you wanted to live. Young adults living at home had an awareness of the need to 'move out one day', but this was secondary to putting in place other life priorities, including longer term income security or 'travelling first'. 'Alex' explained:

… living back in with parents, a lot of people seem to be doing that. Even, it's less of a—for most people—well, most of my friends, less of a permanent thing… It's more of an intermittent while they choose to do one thing or the other… It gives people a bit more control over where they're actually going to end up. Like, most people when they

first go into their first apprenticeship or whatever else, they realise they don't actually like it halfway through. And, then they might come back and then do another apprenticeship or whatever, maybe completely change their career to something that they do like. So, it gives them the option to do that, rather than just being stuck in whatever they've trained in from, living life skills. ('Alex', living with parents, regional town NSW)

For 'Ben', living in shared housing while focusing on building his career was the best possible situation for him in his current circumstances. While not knowing 'where he would end up', the expectation of earning a higher income in the future meant that he traded off saving in the short term in order to live more comfortably on his limited income:

I'd say a lot of my, because all of my aspirations are about my career and stuff like that, I think what would almost change my course on this or it would just be like relationship stuff or like if I started a family, that would kind of steer that in a different direction…. I haven't really spent too much time budgeting or thinking about a deposit in the future, I've been more like just building my career or the sort of assets that I need for that… like what I can save now if try to—I feel like would be, not insignificant, but not as much as what I could save in a few years once I'm far more established in what I do and obviously making more income. So I am definitely prioritising career over like long-term housing option at the moment. (Samual, shared rental, outer suburbs Melbourne)

Similarly, 'Sarah' noted:

Definitely international travelling because I'm not planning on purchasing a house until I've had the opportunity to work and live overseas, so I eventually would like to—I eventually see myself settling in Melbourne, but not until I've—got most of my travelling done and gone around. ('Sarah', independent sole renter, inner suburbs Melbourne)

The desire or necessity of keeping options open at this stage of life can be captured in the extent to which emerging adults reported in the AHA survey that they were actively planning to meet their housing aspirations. Typically, planning ahead was not a high priority across all groups, although couples living independently were the most likely to report that they had plans in place to meet their short (55%) and longer term (50%) aspirations (Figure 6 below). Young adults living with parents were the least likely to be making plans to meet either their short or longer term aspirations. The main reasons across groups for not having plans in place to meet longer term aspirations were 'just haven't thought about it' (53%) followed by 'not having the knowledge' (20%) about housing options to make any plans.

Figure 6: Have plans in place to meet aspirations: emerging adults (18–24 years)
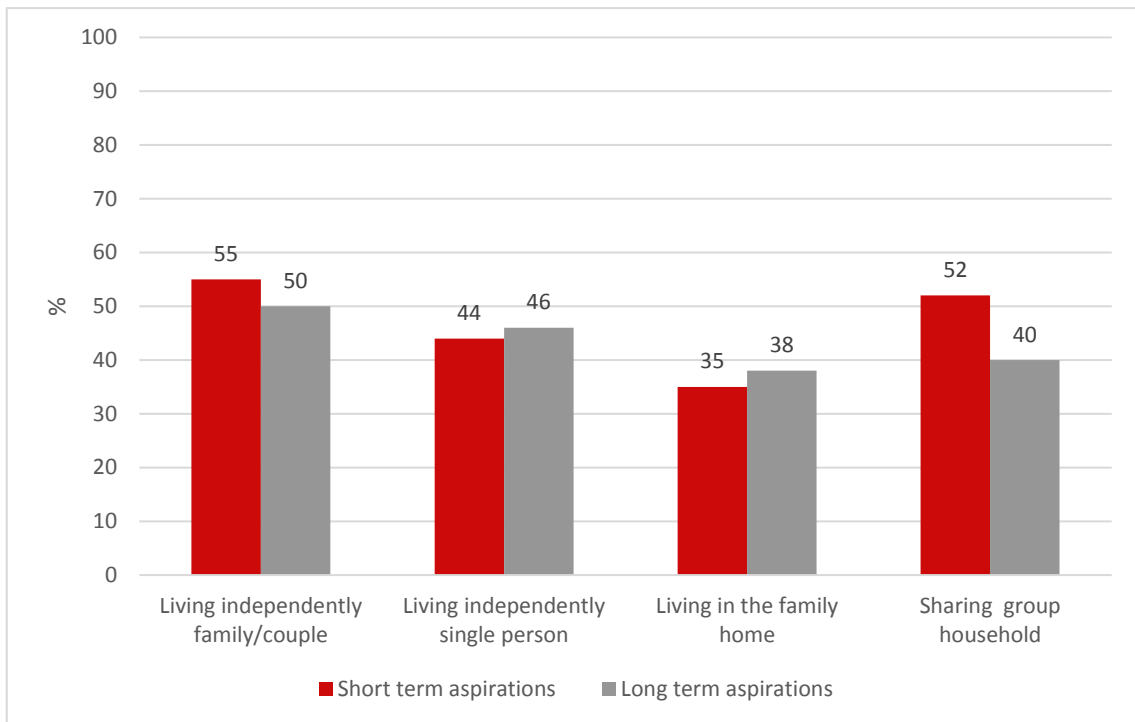
Source: AHA survey 2018.

Intending to stay or go in the short term

Although many young people in emerging adulthood were not actively putting in place plans to meet their longer term aspirations, they still had a notion of whether they would be staying in their current dwelling or moving voluntarily or involuntarily in the shorter term. Table 3 below shows intentions to move or stay in the next 1–2 years, including proximity from existing dwelling for intended moves. Individuals living alone were significantly more intent on remaining in their current dwelling (52%) than those living in a group household (32%) or living with parents (34%). Consistent with the existing mobility literature (see, for example, Whelan and Parkinson 2017) most aspired to move within 10 km of their current housing. Those living in shared rental (11%) or with parents (10%) typically were more open to relocating to another state or country compared with those in the other groups.

Table 3: Intentions to move or stay in the short term: emerging adults (18–24 years)

Intention to move or stay	Living independently as a single person	Living independently as a couple/family	Living with parents/multi-family	Sharing in a group	Total
Stay	51.5	37.4	33.9	31.7	36.1
Move within 10 km	19.6	28.7	26.4	28.4	26.6
Move within region further than 10 km	12.4	22.6	23.6	18.6	21.2
Move to a different part of current state/territory	10.3	6.7	6.0	10.4	7.5
Move to a different state/country	6.2	4.6	10.1	10.9	8.7
Total	100	100	100	100	100

Source: AHA survey 2018.

Affordability was a key factor in intentions to stay or move with the main reason for staying in the current dwelling relating to 'it being the most affordable option for now', particularly for those living in shared housing (43%) or living as a couple (37%). Around a third of those living with parents, in a group or couple household did not want to move from the convenience of their current location or the safety and security they felt in their current dwelling. Those living with parents (37%) were most likely to report that moving out would be too expensive.

More than half of those currently living in shared rental (59%) expected to be still sharing in the next two years, while a further 30 per cent anticipated that they would be sharing for three to five years. The remaining 11 per cent anticipated sharing for longer than five years. For some, being able to come and go with less formal restrictions on the tenancy was important to feeling comfortable in the shared housing space and relationships with others in the household. Similarly, when relationships were working out particularly well, expressed in terms of a 'dream house', there was less imperative to move and deal with the difficulty of locating another dwelling:

> I moved over with my best friend and we got a two-bedroom place initially for two years, a little apartment in [inner Melbourne]. My boyfriend and his brother have slowly moved across in that two-year timeframe so we just got a house all together. We just signed a year lease. It's a fantastic house. It's our dream house. If all goes well, we'll probably continue. It was really hard to find a place though. It's insanely competitive. We applied for about 40. It took us about six weeks to find a place and we found this place by an absolute fluke. ('Meg', shared rental, inner suburbs Melbourne)

The main reasons for wanting to move for young adults living at home (41%) or in a shared living arrangement (19%) related to gaining some independence or living with just one other person. As 'Ben' observed, there comes a time when all parties are ready to move on with their lives:

> I preferably am wanting to move out in the next year or less, probably less. I feel like my parents are coming to an age where they're ready to retire and they want to live their own lives and they don't really need children around them, you know 20-year-old children hanging around the house. So, it's both for myself, where I want to live my

own life, I want to become my own person and establish my own route somewhere else. And also, I want my parents to be able to live the rest of their lives not having to accommodate me and what I do in and out of the house. ('Ben', living with parents, outer suburbs Perth)

Conversely, 'Clinton', who is currently renting, saw moving back home as a 'safety net' and chance to build himself up again:

I may move back home in a couple of weeks because my work isn't going that well…. I think of it just like a safety net, the chance to go back home and build yourself back up. ('Clinton' shared rental, inner suburbs Melbourne)

For independent couples, being able to access a dwelling that was more suitable to their needs, such as having more bedrooms (21%), was the main motivator for wanting to move followed by the desire to purchase a dwelling (13%). Among those living alone, wanting to be closer to a better quality location (17%), moving to somewhere more affordable (13%) and wanting to be closer to family (13%) were the main reasons for wanting to move. Having to settle on what was available in the price range was often at the heart of compromise in respect to shorter term aspirations. 'Melissa' weighed up in her thinking:

I'll probably move at the end of my lease because I wasn't able to find a place with any sort of private outdoor space and that's something that I want in the future…. It was one that I really liked from what I had available, but if there were properties with slightly different things available, I probably would have not gone for this one particularly. It was more price versus availability. ('Melissa', multi-family with daughter, regional town Victoria)

Across all groups, difficulties relating to affordability, the high cost of moving and a lack of savings were the main barriers preventing a move. Affordability was an important consideration in decisions to move for more than half of the emerging adults living at home (51%) and more than a third of those in shared housing (39%).

I'm an apprentice, so I don't get paid a lot. So, if I was to move out of home, it would be pretty much, every dollar would go towards living, and then whatever I have left, maybe some for savings, maybe some for luxury items…. Preferably I'd like to live in at least a two- to three-bedroom home, but I don't think I'd be willing to share with anyone but my partner. That's just we're kind of at a stage in our lives where we both live with our parents, we want to move out, but what's the point of moving out and then moving in with other people, when we kind of want to move out, be on our own and have our own independence, not have to structure our lifestyles and our movements around other people, so yeah. ('Ben', living with parents, outer suburbs Perth)

2.2.1 What is most valued and ideal for the longer term

Respondents to the AHA survey were asked about their 'ideal' choice for tenure, dwelling type, dwelling size and location. The subjective assessment of 'ideal' reflects what is most desired given an individual's current circumstances and capacity to project forward to what a possible future might look like. What a young person considers to be ideal at a given point might therefore alter over time as aspects of their lives change. Despite this, long-held values and cultural assumptions around home ownership and type and size of dwellings were found to dominate and differ little across groups living independently, sharing or living with parents.

Table 4 below shows that 60 per cent of young emerging adults viewed independent home ownership as their ideal tenure. However, when we examine aspirations for independent home ownership for those whose parents had not owned a dwelling, its appeal as an ideal tenure dropped to 51 per cent. This suggests that housing aspirations can be shaped by what is

knowable and perceived as attainable. Renting privately across all types (19%) was considered more ideal than options for shared ownership (8%), suggesting that young adults would rather continue to rent than enter into shared investments with others, including family.

Table 4: Ideal tenure type: emerging adults (18–24 years), Column %

Tenure preference	Living independently single person	Living independently as a family/couple	Living with parents/multi-family	Sharing in a group household	Total
Independent ownership	63.3	57.9	61.1	59.8	60.4
Rent from a private landlord	5.6	7.3	3.8	5.9	5.2
Rent through a real estate agent	5.6	9.0	6.1	7.1	6.8
Rent from a state or community housing provider	6.7	2.2	2.3	0.0	2.3
Live with parent(s)/guardian(s)	1.1	3.4	6.8	4.7	5.0
Shared ownership/equity (dwelling ownership shared with state government or a not-for-profit provider)	2.2	3.4	2.0	1.2	2.2
Live in a lifestyle or retirement village	4.4	2.2	1	1.2	1.6
No preference	3.3	3.4	4.3	1.8	3.5
Other	0.0	0.0	0.3	1	0.2
Jointly owned with a joint mortgage shared with friends and family	3.3	7.9	6.1	4.7	5.9
Renting in a shared house/flat/room with friends/family	4.4	3.4	6.6	13.0	7.0
Total	100	100	100	100	100

Source: AHA survey 2018.

Living in a separate or detached house was considered the most ideal type of dwelling for couples (47%) and those living with parents (46%) or in a group household (44%) (Table 5

below). For lone individuals, living in an apartment was considered most ideal (48%), although just under a third (31%) felt that a separate dwelling would be ideal.

Table 5: Ideal dwelling type: emerging adults (18–24 years), Column %

Dwelling preference	Living independently single person	Living independently as a family/couple	Living with parents	Sharing in a group household	Total
Separate (detached) dwelling	31.1	47.2	45.7	44.4	44.2
Apartment (more than 4 storeys)	28.9	14.6	19.7	20.1	19.7
Apartment (less than 4 storeys)	18.9	14.6	13.6	11.8	14.0
Attached dwelling (semi-detached/terrace/ townhouse etc.)	7.8	11.2	9.6	10.7	10.0
No preference	5.6	5.1	7.1	7.7	6.6
Ancillary dwelling/granny flat	2.2	2.2	1.5	1	1.6
Caravan or other temporary structure	3.3	3.4	1.0	1.8	1.9
Other	2.2	1.7	1.8	3.0	2.0
Total	100	100	100	100	100

Source: AHA survey 2018.

Three bedrooms were considered ideal by the greatest proportion of respondents overall (34%), and by the majority of respondents in each of the four living arrangement groups (Table 6 below). A four-bedroom dwelling was the next preferred option (27% overall), followed by a two-bedroom dwelling (25% overall). Perhaps predictably, couple or single status has some impact on what is considered ideal. The next preferred option after a three-bedroom dwelling was two bedrooms for those living alone or in a shared household, and four bedrooms for those living in the family home or independently as a couple family.

Table 6: Ideal number of bedrooms: emerging adults (18–24 years), Column %

Ideal number of bedrooms	Living independently single person	Living independently as a family/ couple	Living with parents/multi-family	Sharing group household	Total
1	16.7	2.2	3.5	3.0	4.6
2	26.7	21.9	26.0	26.0	25.2
3	28.9	36.0	31.3	39.6	33.7
4	16.7	33.7	27.5	23.7	26.9
5+	6.7	5.1	5.1	4.1	5.0
No preference	4.4	1.1	6.6	3.6	4.6
Total	100	100	100	100	100

Source: AHA survey 2018.

In addition to ideals around tenure, number of bedrooms and dwelling type, young adults were asked to rate their housing aspirations for the next 5–10 years against a list of eight aspirations (most important to least important). As listed in diminishing order of importance in Table 7 below, 70 per cent overall rated somewhere safe and secure to call home as of highest importance in the next 5–10 years, and more than half overall rated beginning to purchase (53%) followed by security and control (52%) as of next importance. These three aspirations were strongest among couples living independently. Building wealth (41% overall), having an asset to fund retirement (35% overall) or owning an asset to leave to children (31% overall), although important were not the main priorities attached to housing. Individuals living alone or in a couple household were more interested than other groups in having a property for use as a business by renting out dwellings, rooms or other commercial activities.

Table 7: Long-term aspirations rated as important, next 5–10 years: emerging adults (18–24 years), Column %

Housing aspiration	Living independently single person	Living independently as a family/couple	Living with parents/multi-family	Sharing group household	Total
Somewhere safe and secure to call home	61.9	76.4	69.0	70.5	70.1
Begin to purchase my own place	51.5	61.0	51.6	49.2	53.1
Security and control	51.5	55.4	50.2	53.0	52.0
Pay off mortgage	45.4	47.7	40.8	44.8	43.6
Wealth creation (through housing)	47.4	45.6	39.0	35.0	40.5
To have an asset to fund retirement	44.3	43.6	31.0	31.7	35.2
Own an asset to leave to children	37.1	45.6	27.5	22.4	31.4
Property for use as a business	26.8	22.6	14.4	11.5	16.9
Total	100	100	100	100	100

Source: AHA survey 2018.

Young adults who had made the move to independent housing had a much clearer idea of what they wanted from their housing in the future. For this group, the need to build their sense of independence from their parents was considered a higher order value and ideal, despite the potential consequences this might pose for attaining longer term aspirations. For some, living independently was a deliberate strategy to avoid having to live and share with others, either due to adverse experiences in the past or commencing family formation at an early age. For others, living with parents was not an option either due to study or work pursuits or not being able to remain at home. Those still figuring out where they were heading in the longer term just wanted to have somewhere to live. They attempted to create a sense of home where they lived regardless of the length or type of their housing tenure. 'Alex' commented:

> My need from housing is pretty much a roof over my head. Then, I guess yeah, flexibility comes into it as well, because I don't really plan on sticking around in the same area for more than say five years at a time. So yeah, I do feel that flexibility. I don't think I'd ever purchase a place at this point, if that's what you're asking. I pretty much feel at home anywhere where I'm like in a stable and safe environment where I have nice people that I live with, where I can cook, where I can relax, and yeah. ('Alex', currently living with parents, regional town NSW)

'Sally' had a slightly different perspective:

> *For me, it's more like living with people that I know, with my friends. I think living with someone you know well and someone you trust is a very important component to making the house feel like home. ('Sally', shared rental, regional town Victoria)*

For others, feeling safe in the neighbourhood and in the house were the most important aspects. This was particularly true for young women including Indigenous women, in particular women fleeing violence or with experiences of threats to their safety in previous dwellings. What constituted safety and security differed depending on living arrangements and other priorities at the time. Living temporarily with a relative and young child after fleeing a bad relationship, 'Melissa' recalled:

> *I think if the house wasn't secure enough I would stress if it wasn't in a good neighbourhood…. Yeah definitely. At the moment I've moved five times in the last year, so somewhere that I could stay permanently for a couple of years would be lovely. ('Melissa', multi-family, regional town Victoria)*

As an independent sole renter, 'Sarah' prioritised the safety of the dwelling and neighbourhood above all other considerations in deciding where to live:

> *I don't even bother looking at houses because they're more isolated than apartment buildings, so as long as I was deciding to live solo, I wouldn't consider living in a house. Yeah. I'm a young girl and I live by myself, so making sure that I feel comfortable in the neighbourhood is one of the most important things when I'm looking for a place… could never be comfortable if I didn't feel safe in the property. ('Sarah', independent sole renter, inner suburbs Melbourne)*

For others the 'whole vibe' of an area which taps into an identity they feel aligned to was important: lifestyle, accessibility, shops, culture, community, public space and music:

> *Things that are important, I guess I like a bit of vibrancy, a bit of life, where there's a feeling of community, where there is interchange between your neighbours, where you can actually converse with your neighbours. Well, obviously lots of greenery, yeah and close to shopping areas as well. Not having a car, that was really important, being able to go shopping either on public transport or walk or ride my bike or something, yeah. ('Alex', living with parents, regional town NSW)*

2.2.2   The nature of the aspirations gap

The housing aspirations gap is the gap between current living arrangements and living arrangements aspired to in the next 1–2 years (short-term aspirations) and 5–10 years (longer term aspirations). Drawing on data from the AHA survey, we examined the short and longer term aspirations gap for our four living arrangement groups. 'Meets short-term' aspirations looks at the full sample of 'yes' responses for each living arrangement group. Meets 'long-term' aspirations includes the sample of all respondents, including those who reported that their short-term aspirations were not met in their current housing. The housing aspirations gap is the difference remaining from the 'yes' responses and 100 per cent. For example, in the first bar of those living alone, 72 per cent felt their short-term aspirations were being met in their current housing with the housing aspirations gap equating to the remaining 28 per cent.

Figure 7 below shows that most 18–24 year olds felt that their current living arrangement met their short-term aspirations, especially for individuals living in shared housing (82%) and in the family home (76%). This equates to a small aspirations gap in the short-term, ranging from 28 per cent for those living alone to 18 per cent for those in shared housing. However, continuing to live with others in a shared group (25%) or remain in the parental home (30%) in the longer term was the least preferred living arrangement, corresponding with a respective

aspirations gap of 75 and 70 per cent. The longer term aspirations gap is reduced for those living independently as a couple (60%), but still remains high. This suggests that the necessity of living with others during a stage of dependence through to semi-dependence is not something that young adults wish to do indefinitely, and that making the transition to independence remains their long-term ideal. It also suggests that the majority of those already living independently are not yet meeting their housing aspirations at this stage of life.

Figure 7: Housing meets short and long-term aspirations: all emerging adults (18–24 years)[a]
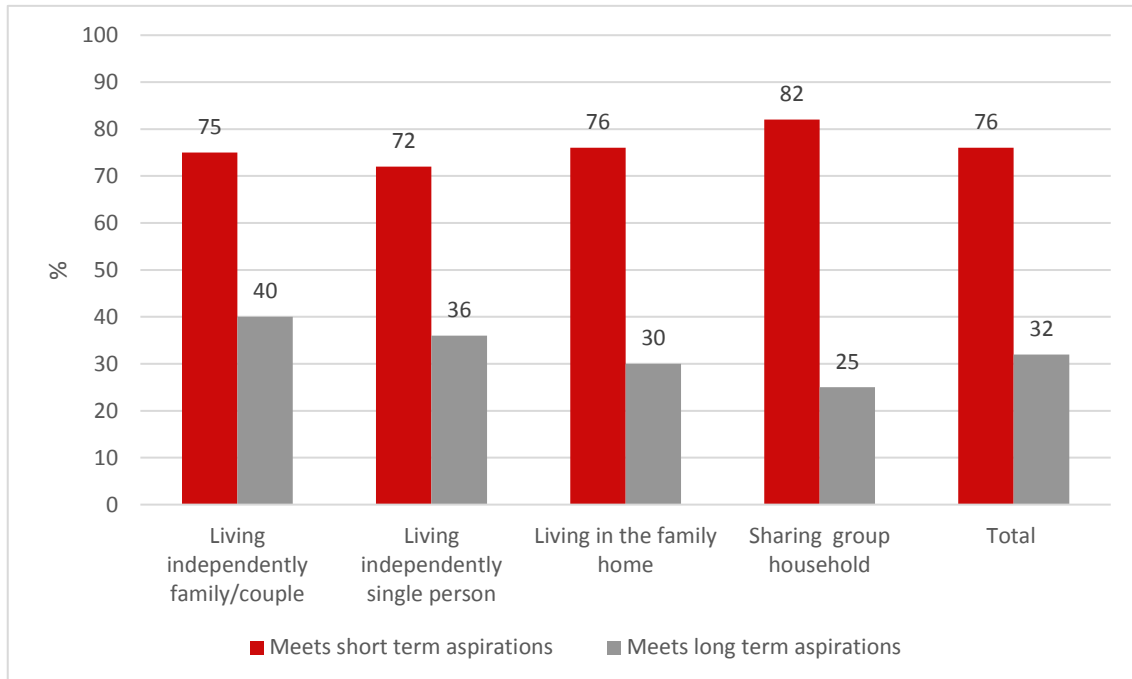
Notes: *(a) Whether current housing meets short-term aspirations is based on the full sample of 'yes' responses from each living arrangement group. 'Meets long-term includes the total sample, including those who reported that their short-term aspirations were not met in their current housing.*

Source: AHA survey 2018.

Figure 8 below compares the short and longer term aspirations gap for those living independently (combining couples and single persons), living with parents or living in a shared group household. Those living in a shared group household renting privately (85%) or with parents (71%) were more satisfied that their living arrangement met their shorter term aspirations than those living independently in the PRS (69%). However, those living with parents renting privately were least likely (22%) to report that this living arrangement met their longer term aspirations, equating to a housing aspirations gap of 78 per cent. The difference in the housing aspirations gap for young adults living with parents in rental housing may be linked to lower place-based attachment compared with those living with parents who are owner-occupiers. In general, current living arrangements in the PRS are not considered to be meeting longer term aspirations for the majority of young people.

Figure 8: Housing meets short and long-term aspirations: emerging adults renting privately (18–24 years)[(a)]
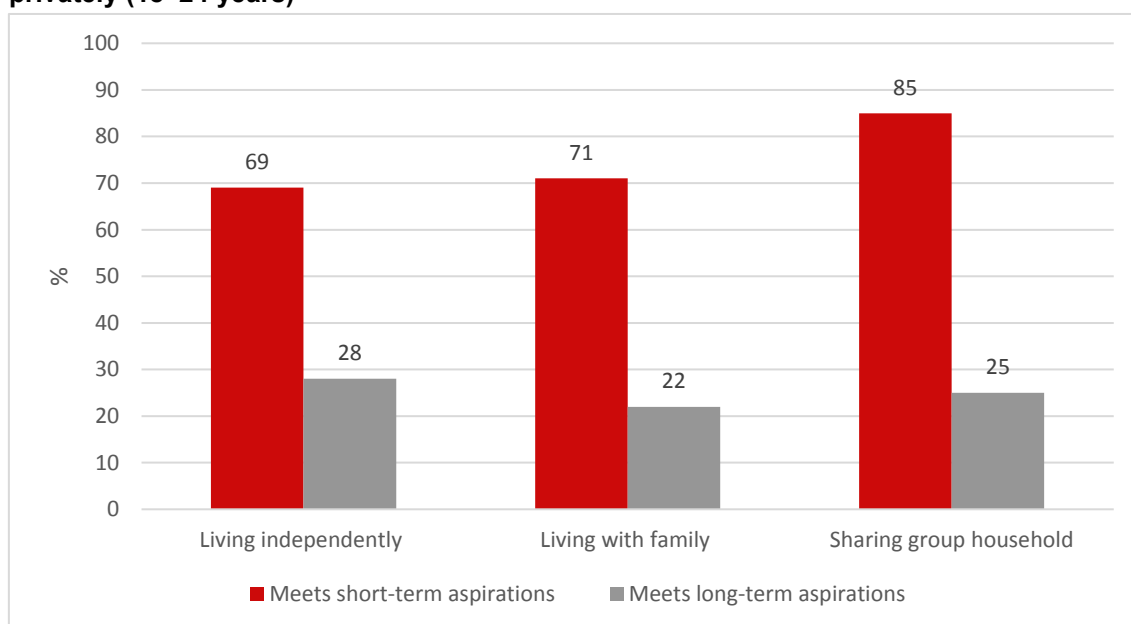
Chart data:

	Meets short-term aspirations	Meets long-term aspirations
Living independently	69	28
Living with family	71	22
Sharing group household	85	25

Notes: (a) Whether current housing meets short-term aspirations is based on the full sample of 'yes' responses from each living arrangement group. 'Meets long-term for all' includes the total sample, including those who reported that their short-term aspirations were not met in their current housing.

Source: AHA survey 2018.

Shared housing was embraced as an ideal way to live in the shorter term, given income constraints, and provided an opportunity to meet or spend time with like-minded people. In this sense, shared housing was meeting aspirations for living in the present and provided the freedom to pursue different paths and relationships. Shared housing was a strategy also to be 'closer to the action' and to an individual's place of work or education. Sharing allowed young adults to choose a larger house with external space, rather than being confined to a small single apartment which they would struggle to afford. The short-term aspirations gap typically centred on the use of space including storage, outside space and private personal space.

> I'm trying to work to get a one room just for myself instead of living with other people. ('Clinton', shared rental, inner suburbs Victoria)

> At this stage, yeah. Just the costs involved with living solo would be a bit too much for me. I'd say yeah I'd be open to it in the future but a lot of other things would have to change to be in a position to be able to do that. And considering that in the future like if I can in a year from now, I probably will, or at least look at something similar so maybe like sharing with one person or two other people as opposed to three. ('Samuel', shared rental, outer suburbs Melbourne)

Similarly, young adults living at home did not necessarily perceive this arrangement to be problematic. There was an awareness that the housing landscape was somehow different for them, and feelings of a housing aspirations gap were lessened where there was openness in being able to express their own identities without having to move out. The interviews and focus groups suggested that most of those who remained in the family home did not consider the parent relationship to be constraining, and that a degree of independence could still be expressed. This ultimately influenced the extent to which young adults perceived a short-term housing aspirations gap to be emerging.

I definitely feel like I have a sense of independence. My parents always brought me up to be independent from a young age. I think about 14 up until now I've always worked, so I've always supplied a source of income for myself to get the things I wanted. ('Ben', living with parents, outer suburbs Perth)

A further measure of the aspirations gap was whether the young adult's current location matched their 'ideal location'. Figure 9 below presents the percentage difference between current location and ideal location for different living arrangements. Positive values equate to preferred locations, while negative values capture the least ideal. The small differences across groups and locations (typically less than 15 per cent) indicate that the majority of young adults felt that their current location matched their future aspirations. However, those living in the family home were the most likely to experience a mismatch between their current and ideal location, with around 15 per cent wanting to be closer either to the central business district (CBD) or inner city areas. A similar pattern was evident for individuals living alone. For couples the mismatch related either to wanting to be closer to the inner city and city centre or to a small regional town rather than living in a middle ring or major regional area. Those who were not currently living in their ideal location typically wanted to be closer to the CBD.

Figure 9: Percentage difference in whether current location matches ideal location: emerging adults (18–24 years)
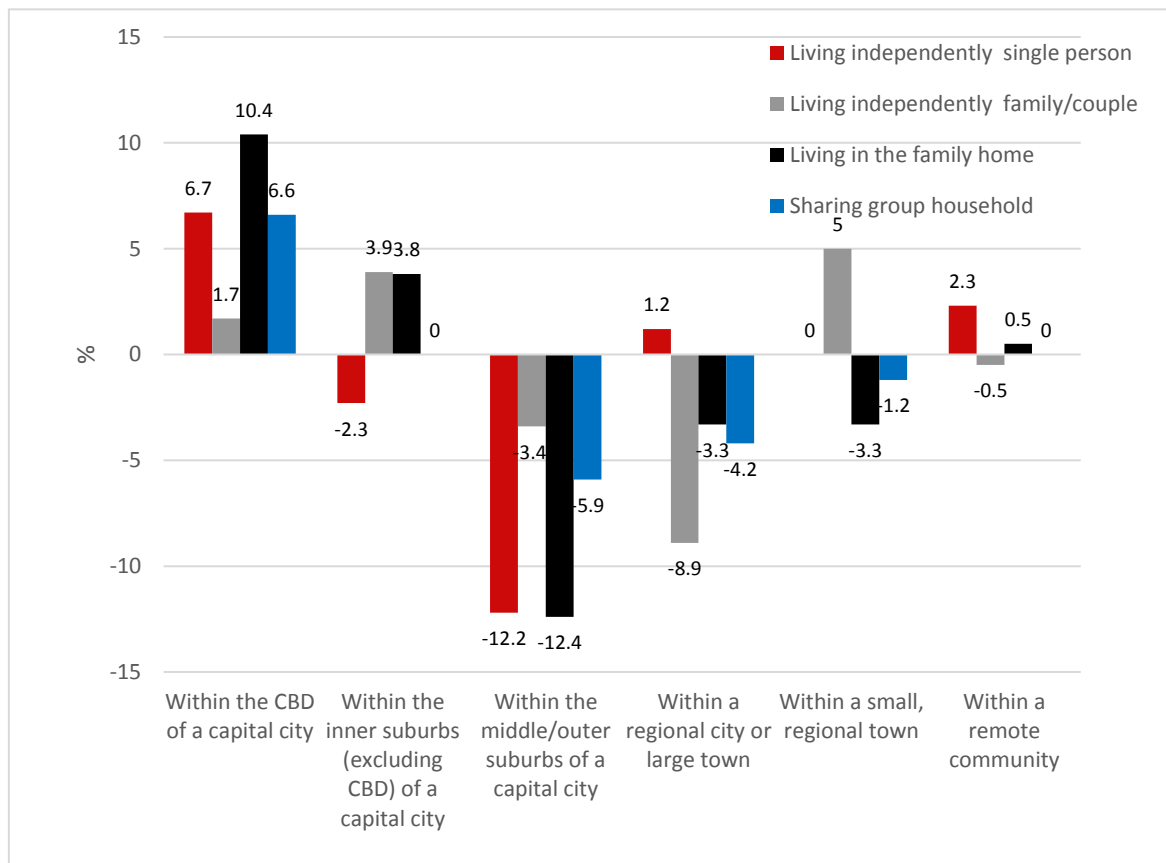
Note: Positive and negative values reflect the areas whether there is a mismatch between current and ideal.

Source: AHA survey 2018.

The interviews and focus groups identified that blocked aspirations or gaps in the main emerged through a lack of choice in the location and other features of the dwelling. Those living at home noted in some instances that the family home was not close to friendship networks, university or work, or convenient to where they wished to establish their future lives. The hassle of the daily

commute to study and work was a factor. Such considerations would be the eventual tipping point to move out.

> *I'd say definitely for me in Melbourne either close to the city or if I'm to move then yeah something like that. Like I am married to the idea of living closer to where I go out on the weekends, so like inner suburbs rather than outer suburbia which is where we are now. So for me like the progression would be to sort of downsize so I can live with less housemates and just move closer to the city. ('Samuel', shared rental, outer suburbs Melbourne)*

Owning is ideal but is a long way off

The AHA survey included a question on purchasing intentions. While emerging adults generally aspired to home ownership, most did not consider it to be realistic in the short-term, especially among those without any post-school qualifications. Across all groups, as shown in Figure 10 below, 32 per cent felt they would be in a position to enter the property market in less than five years, while 36 per cent felt it would be possible in 5–10 years' time. A further 32 per cent felt it was not possible or were not intending on purchasing (20%) or didn't know (12%) when they could purchase a property.

Young people without any post-school or certificate level qualifications were most likely to report that it was not possible, had no intention or were unsure when they would be in a position to purchase a property. At this stage of life, differences in perceptions of being able to purchase according to educational status could be influenced by an age effect where those at the higher end of the age category are also those most likely to have completed their studies. Additionally, individuals with a degree may have greater expectations of income security into the future. We explore the role of education in purchasing expectations for early adults in more detail in the next chapter.

Figure 10: When possible to purchase a property, by education: emerging adults (18–24 years)
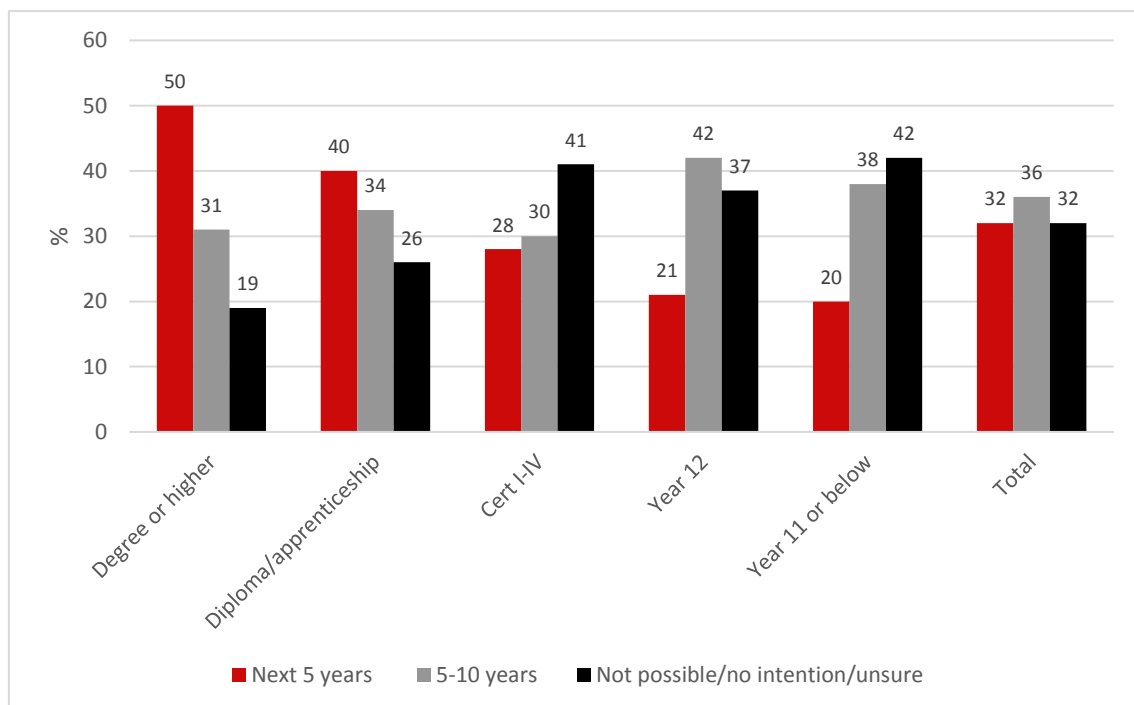
Source: AHA survey 2018.

The main barriers emerging adults identified to purchasing a dwelling included: the deposit gap (the amount required and time taken to save for a typical home loan deposit) (53%); insufficient income (44%); and a lack of permanent employment (34%) (see Appendix 4 for a more detailed list of barriers).

Most young adults did not consider the gap between their current and ideal for home ownership to be a major concern for them individually at this stage of life, but collectively many were cognisant that their market opportunities, both in work and in housing, differed from their parents. The realisation for some that home ownership might not be attainable was reframed positively as 'opening up new avenues', including settling in another country. However, the pursuit of different opportunities was based on probable scenarios and in some instances a 'blind' optimism that the future would somehow work out. Others didn't quite know how to make their aspiration for home ownership a reality:

> Yes, well pretty much all of my friends, they all live in share housing. Not many of them actually own houses, and most of them are rather realistic about realising that they probably won't own houses in the near future, so that's definitely a big change. It's definitely a problem…. we'll never have the stability that home ownership gives you, the solid income and the investment that you can then provide on to the future, to your children or whatever relatives you have in the future. But, then again realising that, you probably won't own a house, it's not actually that bad, because it opens up your options a bit more, and it lets you go, alright if I can't own a house, maybe I have the flexibility to move around a lot more, have the ability to go live in places that I probably didn't consider before. Maybe I might go eventually settle somewhere in other countries where it's not so expensive. It opens up my aspirations to go see the world a lot more. ('Alex', living with parents, regional town NSW)

> Immediate future, I would be quite happy staying here. Long term, ideally I would love to build but obviously financially that's a long-term goal. Where the housing market is at the moment and especially how it affects young adults is very disheartening …. It's just something that I know I would like to do at some point eventually and I'd probably like to do it with my partner or build a home together but I've never put any kind of serious thought into it. ('Meg', shared rental, inner suburbs Melbourne)

Others set on purchasing independently were less certain what it might look like, as their final choice would ultimately be shaped by their circumstances at the time.

> I definitely know that I want to own a property, but it would completely depend on where I'm at. I am very set that I want to go into this on my own. I don't want to be sharing the mortgage because I want to own it in my own name, so it's very important for me to set myself up before I'm in a position to do that before I join forces with someone else. ('Sarah', independent sole renter, inner suburbs Melbourne)

There was a sense that being able to move towards longer term aspirations, such as home ownership, was too distant a goal. Those thinking about it more actively felt that purchasing would only be achievable if they rented out rooms and shared their housing to help pay off the mortgage. In the longer term a home was seen as something beyond shelter that would be tied into their work practices and identities: 'would have to have space for my studio' or animals; need for green space; 'allow me to continue to work from anywhere in the world'. For some, the aspiration for home ownership was linked to a time marker, expressed by some as not 'my forever house' and by others in terms of life outcomes and events, such as partnering/repartnering, family formation, future income and employment security and so forth.

The young adults talked about the importance of setting goals which they felt were attainable. They equivocated over whether they could achieve the same sense of security within the rental

sector, or whether it was something that could only be achieved in home ownership. Some felt they were at a crossroad in their decision framework: whether to move into the rental sector or bypass renting and 'wait it out at home' until they were in a position to purchase:

It doesn't really worry me…. I wouldn't be too worried if I don't buy my own house one day but I'm living like—I can say at least I'm not at risk of being kicked out or anything, I could live comfortably so it doesn't worry me too much…I set goals that I can achieve …. I think I could achieve them renting but then again I would like to aim to own a house one day, but it'd probably take a while or so. ('Chris', living at home with parents, regional city Victoria)

So, we're kind of at the moment we're in a stalemate as in—so, my girlfriend, she's a teacher, so she earns a decent salary, so she's kind of like well, if I stay at home for another year-and-a-half, I could be buying a house. But, then it's like well do I want to stay at home for another year, year-and-a-half…. Do we rent or do we buy, and for me, I'd rather rent somewhere that is more central and just be paying rent, instead of having to buy a house that is maybe affordable, but maybe not exactly where you'd live for a long period of time…. I know that for me, the first house that I buy won't be the house that I live in forever, so…. When it comes to the time that I do buy a house, I will be looking for a foot in the door. ('Ben' living with parents, regional town NSW)

Others spoke also of the pressures stemming from a growing 'generational conflict' relating to differences in parental expectations of taking steps to settle down and purchase a property, including investment property, versus readiness of the young adult to commit to that step.

Yeah. I want to—I guess it's the same with all of my plans, housing and otherwise, I want to achieve everything that I've set out to before I'm willing to settle down and be happy with what I've achieved I guess… My parents would disagree with that but that's where my plans are at the moment. They're generally very supportive of all of the things that I do, just that they're very insistent that I need to own a house to be in a financially stable position in the future and I disagree with the placement. I definitely want the house, I just disagree with the timing that that needs to be at. I don't want to be the landlord of a property while I'm living overseas for one or two years… Dad has offered to put money towards purchasing a house soon, but it's not something that I want to have to deal with at this point of my life, regardless of whether I'm paying for it or somebody else is. It's not something that I'm willing to take on at this point I guess. ('Sarah', independent sole renter, inner suburbs Melbourne)

On the other hand, some young adults who participated in the interviews or focus groups were well rehearsed on 'how to play the market', knowing where to buy and the type of property or multiple properties they aspired to own. For this group, housing aspirations were a first priority linked into a broader strategy for building wealth outside of a career and contingent on the young person living at home with their parents in order to realise this goal. Pursuing this housing pathway meant being fully informed about the best investment strategies and armed with knowledge about how to enter into the market with the least upfront and recurrent costs, including buying off the plan. Individuals following this pathway demonstrated a high degree of financial literacy relative to their peer group.

2.3   Policy implications

Young adults are spending extended periods of time pursuing their aspirations in non-housing domains including education, work, career development, travel and relationships in order to build the foundations for an ideal life. For most, longer term housing aspirations, including home

ownership, are not at the forefront of their planning because the uncertainty of their circumstances across these life domains makes it difficult to plan ahead.

The growing reliance on and necessity for informal housing supports in order to realise housing aspirations in the short and longer term is increasing the inequality of housing opportunities. Living at home necessarily advantages this group of emerging adults relative to those living more independently, but can also lead to an increased financial burden on families and a spatial mismatch for young adults needing to access education and employment pathways and opportunities elsewhere.

Planning towards longer term housing aspirations can be more difficult for emerging adults in independent rental or shared housing arrangements, due to housing instability and affordability constraints. The inability to plan adequately for the future can lead to more chaotic and precarious pathways characterised by a high risk of housing transience and homelessness with limited prospect of the accumulation of savings or wealth.

For our cohort of emerging adults, short-term housing aspirations gaps were linked in the main to a mismatch between their preferred housing versus the housing they could secure for rent, and the proximity of this housing to education, training and employment opportunities. Lack of choice in securing quality affordable rental dwellings in appropriate areas was a key theme. In building the foundations for the realisation of longer term aspirations, young adults require policies that enable more seamless forward transitions to secure independence by providing better integration of housing, education and employment assistance and balancing reliance on informal and more formalised sources of support. Providing income and housing-related assistance at key transition points—for example, during education and training and at the point of completion—will enable a more seamless progression into paid employment without the added burden of housing disruption or displacement once other supports cease. More detailed discussion of potential policy initiatives are outlined in Chapters 4 and 5.

3   Understanding aspirations during early adulthood

- By early adulthood (25–34 years) most young adults have transitioned to their own independent households. However, this proportion has been declining over time. Between 2003–04 and 2015–16 the proportion of those living in an independent couple family decreased from 66 per cent to 60 per cent, and those living in lone independent households decreased from 9 per cent to 7 per cent. During the same period, individuals living in the family home increased from 14 per cent to 20 per cent, and those living in group housing with unrelated or related persons increased from 11 per cent to 13 per cent (SIH).

- For early adults, the aspiration for owner-occupation increases to 70 per cent (emerging adults 60%), but by this stage the income and education divide in the capacity to realise these aspirations becomes starker with far greater proportions of degree-educated households being confident of obtaining home ownership within 5 years, compared to those educated to year 12 and below (AHA).

- The aspirations of early adults broadly reflect traditional Australian housing norms. A significant 68 per cent aspire to live in a house, and only 21 per cent in an apartment. Over 43 per cent want four or more bedrooms, compared to 22 per cent wanting one or two (AHA).

- The housing aspirations gap in early adulthood is greatest for those in the PRS, particularly for those on higher incomes, and narrowest for those in home ownership, regardless of income (AHA).

- Safety, security and ultimately individual home ownership as ideals prevail, but connection to location, lifestyle and social networks are also important. Support for home ownership as an ideal is lower among those living with parents and for those whose parents do not own their dwelling (AHA).

- The long-term aspirations gap increases for those continuing to rent, particularly for higher income earners facing the realisation that home ownership is still a long way off or that they may not be able to realise their aspirations without making significant adjustments to their expectations (AHA).

- Early adult Indigenous Australians share many of the housing aspirations of other young Australians. Their ideal homes differ, like others, according to their personal preferences, but also the needs of their families. Indoor and outdoor space for family and visitors is a priority for many (AHA).

The phase of early adulthood for most young adults has traditionally been a time where careers are being consolidated, relationships are becoming more stable and raising a family assumes priority. However, with increasing numbers of early adults locked out from progressing to the next stage of their housing careers, historically evidenced in home ownership, this cohort of young adults has come to form the core of what has been termed 'generational rent' (McKee, Moore et al. 2017).

Some have argued that the impact of changing housing markets and generational change is most acutely felt for the early adult cohort as they attempt to establish greater independence away from the family home. Previously it was argued that if young adults had not entered into home ownership by age 35 it was unlikely to occur (Winter and Stone 1998). More recently this age has been extended to 45 years (Sharam, Ralson et al. 2016), recognising that many will spend extended years in the PRS attempting to save for an expanding deposit gap either for home ownership or property investment. As such, early adulthood is now recognised as a phase where growing numbers of young adults will reach the realisation that they may never attain their housing aspirations, unless they make significant adjustments to their expectations.

In this chapter we follow a similar format as the previous chapter to examine the shelter and non-shelter aspirations of young adults during the phase of early adulthood. For the purposes of this analysis we define early adulthood as 25–34 years. An important question is whether the aspirations identified during the phase of emerging adulthood are closer to being realised in this period. Young adults in emerging adulthood spoke of their aspirations for independence and security. While for some this was tied to home ownership, for others it was simply being able to put in place the foundations that would enable them to move forward towards their ultimate life goals.

In the following section we revisit the living arrangements framework of living independently, with parents, or sharing in a group that we used for emerging adults, and examine the extent to which the aspirations gap is narrowing, remaining the same, or widening for individuals in these groups. While there is evidence that more young people in this older age cohort are able to move towards independence and attain greater security, the ability to realise aspirations nonetheless remains a distant and faded dream for many.

3.1   Past and current living arrangements: early adults (25–34 years)

While more young adults aged 25–34 years live in independent families or alone compared with those in the emerging adult cohort, there is an increasing trend towards sharing with family and unrelated persons. Figure 11 below shows that between 2003–04 and 2015–16, the proportion of early adults living in an independent couple family decreased from 66 per cent to 60 per cent, while those living alone decreased from 9 per cent to 7 per cent. In the same period, individuals living in the family home increased from 14 per cent to 20 per cent, while those living in a group household with unrelated or related persons increased from 11 per cent to 13 per cent. These figures reveal important shifts in the way emerging and early adulthood trajectories are continuing to reflect underlying shifts in the attainment and/or adjustment of housing aspirations.

A comparison of changing living arrangements for early and emerging adults in Australia's major capital cities (Sydney, Melbourne, Perth, Brisbane, Hobart, Adelaide) is provided at Appendix 3. All capital cities experienced a decline in the proportion of independent family households. Sydney, Melbourne, Brisbane and Perth experienced similar increases in the proportion of group households, while both Adelaide and Hobart experienced a decline.

Figure 11: Changing household composition: early adults (25–34 years)
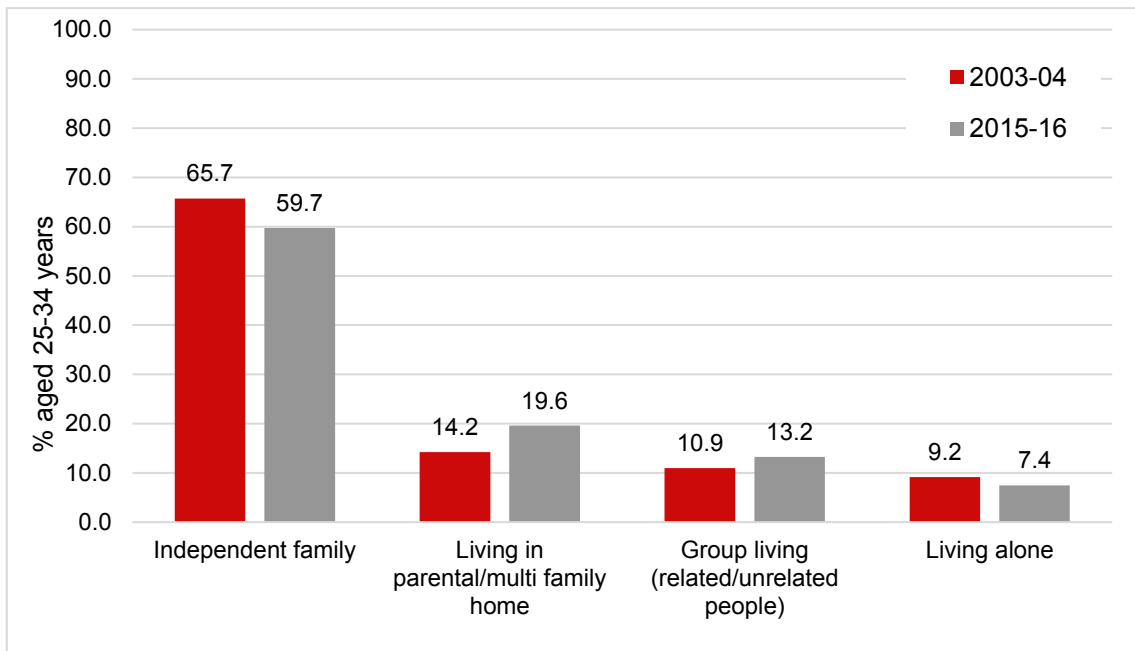
Notes: 'Living in parental/multi-family home' includes dependent students and non-dependent children aged 18–24/25–34 years, and some young couples or lone parents in multi-family households. 'Group living' includes early adults living with related or unrelated persons (including other families), but not with their own parent(s).

Source: SIH 2003–04 and 2015–16.

3.2   Getting closer to independence and security

The following sections present findings from the AHA survey, research interviews and focus groups for early adults in the 25–34 year age cohort. We focus on the interaction of housing tenure, income and education, and impacts for short and longer term housing aspirations.

Table 8 below shows that a greater proportion of the early adult cohort, relative to that for emerging adults, has moved to living independently either as a couple (51%) or lone-person household (12%). However, a quarter (25%) remain in or have returned to live in the family home and a further 13 per cent are sharing in a group household. This sample roughly equates to the distribution in the SIH, although there is a slightly higher sampling in the AHA survey of lone persons and those living with parents.

Table 8: Living arrangements: early adults (25–34 years) and total young adults

	25–34 years		Total young adults 18–34 years		Total survey distribution	
	%	N	%	N	%	N
Living independently single person	11.8	185	11.4	282	17.9	1,318
Living independently as a family/couple	50.5	790	39.8	985	54.9	4,033
Living with parents/multi-family	24.7	386	33.2	822	17.1	1,255
Sharing in a group household	12.9	202	15.6	385	9.5	698
Other					0.5	39
Total	100	1,563	100	2,474	100	7,343

Notes: Responses classified as 'Other' are excluded from the analysis.

Source: AHA survey 2018.

3.2.1 Profiling current living arrangements

Being able to realise aspirations is shaped not only by current incomes and longer term employment security, but also by living arrangements that enable young adults to move forward rather than becoming trapped in their current tenure. A key determinant of declining affordable home ownership has been the cumulative impact of slow wage growth associated with a prolonged transition from education to secure full-time work (Cairnduff, Fawcett et al. 2018).

Figure 12 below presents the housing tenure occupied by each of the household groups. As this figure shows, although the majority of individuals surveyed had moved to independent living, less than half of the couple families (48%) and a third of independent 'singles' (33%) occupied a dwelling they owned outright or with a mortgage. (The whole-of-population rate sits just below 70%.) Private renting is the main tenure across all groups and, surprisingly, just over a fifth (21%) of those living in the family home occupy housing in the PRS. Just under a fifth of group households share housing that is owned by a household member. Individuals living alone have slightly above average representation in social housing and living in housing rent free.

Figure 12: Housing tenure and living arrangement: early adults (25–34 years)
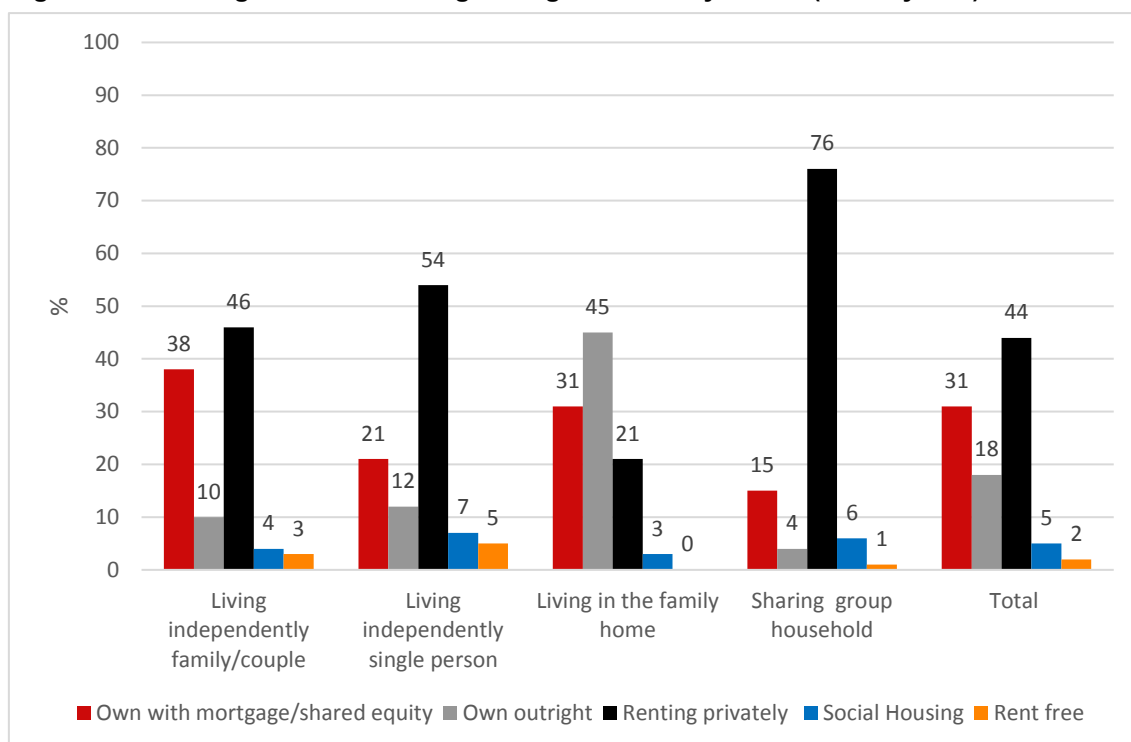
Source: AHA survey 2018.

Comparison of incomes across groups

Examining how the incomes of early adults influence their housing aspirations requires greater insight into the interaction between individual earnings with other household members and living arrangements. This includes the extent to which assumptions around income pooling remain valid. Unpacking this relationship becomes more critical as the necessity of living with others grows (Parkinson, James et al. 2018). Within the constraints of an online survey (AHA survey), individuals were asked to estimate their individual income if they lived alone; were in a group household; or were living in the family home. If an individual was in a couple living in the family home they were asked to report on the combined income category for themselves and their partner. This framework is assumed to approximate the income that can be drawn upon (excluding parental support) in shaping current, short-term and longer term aspirations.

Table 9 below uses this crude income measure to determine the income threshold (lower–moderate income = up to $89,999; higher income = $90,000 plus) applicable to each living arrangement group. The table shows that just under two-thirds of those in the early adult cohort fell within the low-to-moderate income group. This included the significant majority of those living alone (88%) and those sharing in a group (88%). A third of early adults living at home with parents had higher incomes, which may reflect a broader strategy for saving and working towards longer term aspirations.

Table 9: Living arrangement by income group: early adults (25–34 years)

Income group	Living independently single person	Living independently family/couple	Living in the family home	Sharing group household	Total
Higher income	12.2%	48.0%	33.0%	12.2%	35.4%
Low–moderate income	87.8%	52.0%	67.0%	87.8%	64.6%
N	172	736	352	189	1,449
%	100%	100%	100%	100%	100

Notes: Low–moderate income is based on individual income for those living alone, with parents or in a shared group household. Income omits missing values for those reporting that they were not prepared to disclose. The income bands align closely with the taxation income thresholds for low-to-moderate incomes (under $90,000). The income bands were also selected based on sample sizes and being easier to understand (as they are round numbers) than the weekly figures used by ABS.

Source: AHA survey 2018.

Compared with those in the emerging adult group (18–24 years), disparities in income between living arrangement groups start to become more apparent in the 25–34 year age group. Table 10 below shows that the majority of young independent couples still renting in the PRS (65%) remain within the low-to-moderate income group, while the majority of those who have moved into home ownership (62%) occupy the higher-income categories. In subsequent sections we examine whether shorter and longer term aspirations differ between these low–moderate and higher income private renters.

Table 10: Income group of couple purchasers and renters: early adults (25–34 years)

Income group	Independent couples	
	Paying a mortgage	Private rental
Higher income	62.2%	35.0%
Low–moderate income	37.8%	65.0%
Total	100	100

Source: AHA survey 2018.

In the following sections we provide a brief summary of the demographic profile of each living arrangement group. This summary comparison provides further insight into differing capacities that are likely to shape short and longer term aspirations. For a more detailed overview of characteristics for each group, see Appendix 5.

Couples living independently

Individuals living independently as a couple were typically better off with more stable employment and higher levels of education relative to the other living arrangement groups. More than half had at least one member with a degree or higher level qualification (54%). However, it should be noted that this includes the education of either or both partners. Just over a quarter (26%) within this household group had children. The majority were either both working full time (38%), had one member working full time and the other part time (26%), or had one member in full-time employment and the other working unpaid as a full-time carer (22%). Couples living independently typically had at least one member employed, with only 4 per cent indicating that neither member of the couple had paid employment. However, a third (33%)

were in receipt of income support, most typically in the form of family tax benefit payments. The more affluent and family-based profile of couples is likely to shape aspirations for longer term, more secure housing arrangements, including home ownership, and conversely greater dissatisfaction when living in unstable rental arrangements.

Some Indigenous Australians had continued to live independently but had made major changes to their living arrangements in order to accommodate a changed lifestyle, including training for a new career:

> *I owned a home a while back. And I was able to do that, but it was before I had children so this time around might be a little bit more difficult in saving up the deposit of that size. I wasn't happy doing the job I was doing before so I wanted a change and to make that change happen I needed to sell the house. And we were really attached to the house because we built it to what we wanted and things like that. But no, there's no regret because we're in a much happier place now. ('Toby', Indigenous Australian, WA.)*

However, others found themselves in desperate circumstances that necessitated a change in housing:

> *I just chucked my house in. I literally just when I come to that, I let DOCS take my kids again. I had to let DOCS take my kids again. That's how and why we lost it because if I left them with me I knew it would end up me being dead in front of my kids or me killing him. I don't want my kids to see the violence. I got to the point where I'd have to defend myself and my children were seeing it from them. ('Anna', Indigenous Australian, Sydney.)*

> *We lost our four investment properties and we were forced to move down here to find work and rent. We voluntarily handed them back to the bank, otherwise we would have had to have gone bankrupt ourselves. So, luckily we didn't have to go bankrupt and the bank wore the deficit after the properties were sold. But we're now not in a position to buy or build because we've got no equity, we've got no cash, we've got no savings. ('Karen', Indigenous Australian, regional WA.)*

Living alone

Although the majority of individuals living alone were in the low-to-moderate income group, as a group they tended to have higher individual incomes than those who were sharing or living with their parents. More than a third (34%) had incomes between $60,000–$89,999, compared with 12 per cent of those living with parents and 17 per cent of those in shared housing. This difference is likely to influence decisions to live alone as opposed to sharing in a group or with parents. While the majority of individuals living alone were employed either full time (58%) or part time (16%), a relatively high proportion were unemployed (15%). The proportions in casual (24%) and fixed-term employment (16%) are slightly lower than those sharing who were employed casually (28%) or fixed term (17%). Three per cent of those living alone were single parents.

Living in the family home

Despite a comparable educational status to other groups, young adults living with parents in early adulthood have lower overall engagement with the labour market. Just over a fifth (21%) were unemployed, 6 per cent higher than those living alone (15%) or sharing (15%). They were also more likely to be in receipt of income support (35%) when compared with those who lived alone (28%) and in a shared household (23%). Most who were employed (64%) and living at home had permanent jobs (61%). However, as a group they had the largest share of employment based on part-time hours (29%), potentially indicating higher rates of underemployment. As with individuals living alone, those living with parents at this stage of life

were more likely to be male (59%). Individuals with an Indigenous background (11%) were also slightly overrepresented among this group compared with the overall sample cohort (7%).

Well over half (59%) of young adults living in the family home had moved out previously, with the average age of first leaving 20 years. While the largest proportion move out of home at 18 years (19%), the numbers 'dribble out' by 9 per cent for each year up to 21 years of age and then by around 5 per cent each year until age 25. By this time most have left, albeit some temporarily. Among those returning to live with parents, half (50%) had done so on one occasion, while 29 per cent had moved out on two occasions. A further 21 per cent had moved or 'boomeranged' back home and out again three or more times.

The reasons for moving back home were many and varied. They reflect concerns not only over affordability but being able to save money to move out again (29%). The convenience of living at home was identified as a key motivator for returning home for a quarter of young adults in this age group (25%), as was the feeling of being content living with parents and having no pressure or need to move out (21%). However, a fifth reported that they wanted to move out but could not afford it (20%), and others that their jobs were not secure enough to move out (20%) or that they had to remain at home to care for parents (19%) (see Appendix 5 for a complete list of reasons).

However, as with emerging adulthood, the decision to live at home in early adulthood was the result of a series of related considerations for attaining the most ideal living arrangement given past, current and future needs and constraints. Emma expressed it this way:

> So, in terms of how I explain it to myself—why I'm there at the moment—I work part-time now, but I have a history of mental illness. At times, that has meant that my income has fluctuated considerably, through periods of not working. That has, kind of, resulted in moving back into the family home, in the hope of eventually being able to move out again. There's also—I guess, there's a couple of other factors. I have a dog—a large dog, too. A golden retriever. And so, that—particularly for if I was seeking a share-house arrangement, which is probably more within the realm of what I could afford—it's a little bit more challenging to find an appropriate place. Yeah. And, I guess, living at home with my parents—my father has a degenerative illness. So, my mother is his carer. And, being there, sometimes, allows me to support them, as well. ('Emma', living with parents, regional town Victoria)

Living at home was also for some part of a deliberate financial strategy to enter into home ownership more quickly and avoid paying significant rent. Aaron observed:

> I'm currently living in Sydney so the biggest one for me is affordability. I can't really afford to move and rent…. I'm currently a property investor so my main goal has been to build my portfolio and to try and stretch the dollar as far as I can. I purchased my first investment property in 2014 off the plan and moved in during 2016. Living at home has helped me in being able save the deposit and because I bought off the plan I only needed 10 per cent and was able to save money while the property was being built. I also saved on stamp duty. I had to make some lifestyle compromises and went out less and lived in the property for the first 6 months and then moved out. ('Aaron', living with parents, middle suburbs Sydney)

Indigenous Australian women frequently spoke of their experiences of family violence and the impact that this has had on their living arrangements, including their need to move back in with family:

> I currently have Department housing, but I can't go back there due to domestic violence. So I'm staying at my dad's house. He's—it's in Department housing. And

I've been there since September. And I have two kids. ('Beverly', Indigenous Australian, Sydney)

One Indigenous Australian woman gave up her own public housing after a relationship breakdown because she did not like bringing up her child alone:

I just didn't want to live on my own, so I decided to move in with my mum. ('Cathy', Indigenous Australian, Sydney)

Sharing

Individuals living in shared households were among the most culturally diverse. Among those sharing, 37 per cent were born outside of Australia with a large proportion on student visas. Despite their lower incomes, more than half of those living in shared housing had a degree or higher-level qualification (53%). While more than half of those in shared housing (53%) were employed full time, their employment contracts were most likely to be casual (28%) or fixed term (17%). As with those living alone, males were overrepresented (57%) in shared households.

This group also had the lowest proportion in receipt of income support, potentially reflecting the high proportion of residents born elsewhere who were in Australia on student visas. The main motivation for sharing (see Appendix 5 for a full list) was affordability (40%). Being able to live with friends (31%) rated highly and was a key consideration. Living in a preferred location was also considered important by some (14%). From the qualitative interviews and focus groups, affordability, establishing careers, living with like-minded people and location collectively influenced the decision to share housing, 'Todd' reflects:

So, location—I'm living right across the street from the train station. I don't drive so having access to the train is really important to me. So, yeah, that was a big factor of why I chose here. One of the other reasons is the price, it's very affordable for this area. Like I'm paying $735 a month to live in a three-bedroomed house with a couple of really good house mates in the middle of Richmond basically. ('Todd', shared rental, inner suburbs Melbourne)

3.2.2 Experiences of housing insecurity and homelessness

Homelessness and housing insecurity were highly prevalent among emerging adults, with more than a third having experienced homelessness and nearly a fifth experiencing some form of homelessness in the past year. Again, for those in early adulthood, we examine three indicators of housing insecurity—affordability, mobility and homelessness—to gain insight into how shorter term aspirations, in particular, can be impacted by the necessity of simply having to 'keep a roof over your head'.

Table 11 below shows that similar proportions of those in early and emerging adulthood reported experiencing homelessness at some point in their lives (33%). Twelve per cent of early adults reported experiencing homelessness in the past year, revealing that while the incidence of homelessness decreases with age it remains unacceptably high.

Table 11: Ever experienced homelessness: early adults (25–34 years)

Ever experienced homelessness	Living independently as a single person	Living independently as a family/couple	Living in the family home	Sharing in a group household	All
Never	74.6	69.1	57.2	65.3	67.4
In the last year	9.7	9.5	19.7	14.9	11.9
1–5 years ago	10.8	8.6	11.4	11.4	9.7
More than 5 years ago	4.9	12.8	11.8	8.4	11.0
Total	100	100	100	100	100

Source: AHA survey 2018.

Some early adulthood Indigenous Australians had already experienced multiple living arrangements and highly precarious housing:

> I have lived everywhere. I have lived in a caravan that I have rented out and put on someone's place. I lived in a hotel that was—the time I got there it was being turned into housing for people, and not just a hotel anymore. I have lived at people's—I went and moved into a house with a friend. I lived in a room at my nan's house. But, for the last four years, I have been living in (public) housing … until I moved down here and I was in a refuge. I was in a hotel, then I stayed at mum's for a week, then I went to a refuge which was like a hotel. It was really good. And then, I moved to transitional for about two months, and then got my private rental, my first private rental. I fled down here. That was the best choice I ever made. ('Iris', Indigenous Australian, Melbourne)

> For about the last three years I was homeless. I chucked my house to get away from my ex partner who was abusive. I didn't want to deal with that. It wasn't till about six, seven months ago. I have my house now. It's a bedsitter. It's a roof over my head. It's all right. I don't mind except I have a terrible neighbour that Housing can't do anything about. ('Anna', Indigenous Australian, Sydney)

Several of the young Indigenous women had sole responsibility for their children and were struggling to provide a home for them in spite of having experienced acute disadvantage:

> Then, I ended up in a women's shelter for a bit, then I got my own Aboriginal Housing house. Then, I left that place because I ended up in prison for a little while. I came over here, and at first was on the street. Got a boarding room, then I met my second son's father and we got a private rental together. From there, I ended up in women's shelter again. Now I am in transitional with my son for over a year, hopefully we will be getting somewhere soon. ('Rose', Indigenous Australian, Melbourne)

As with emerging adults, staying with friends was the main source of temporary living arrangement for those currently living alone (53%) or in a shared group house (57%) (Figure 13). For those currently living in the family home (58%) or independently as a couple (51%), the main form of temporary housing was with family. Single persons currently living alone (42%) were more likely than others to have slept rough during their experience of homelessness and to have accessed welfare services (23%). Those living in the family home with recent experiences of homelessness were more likely than other groups to have stayed in an institution (20%), reinforcing the significance of informal family supports for young adults with more complex support needs. The use of welfare services family homes by this group (17%) was also higher than for individuals living independently as couples or in group households.

Figure 13: Types of temporary living arrangements: early adults (25–34 years)
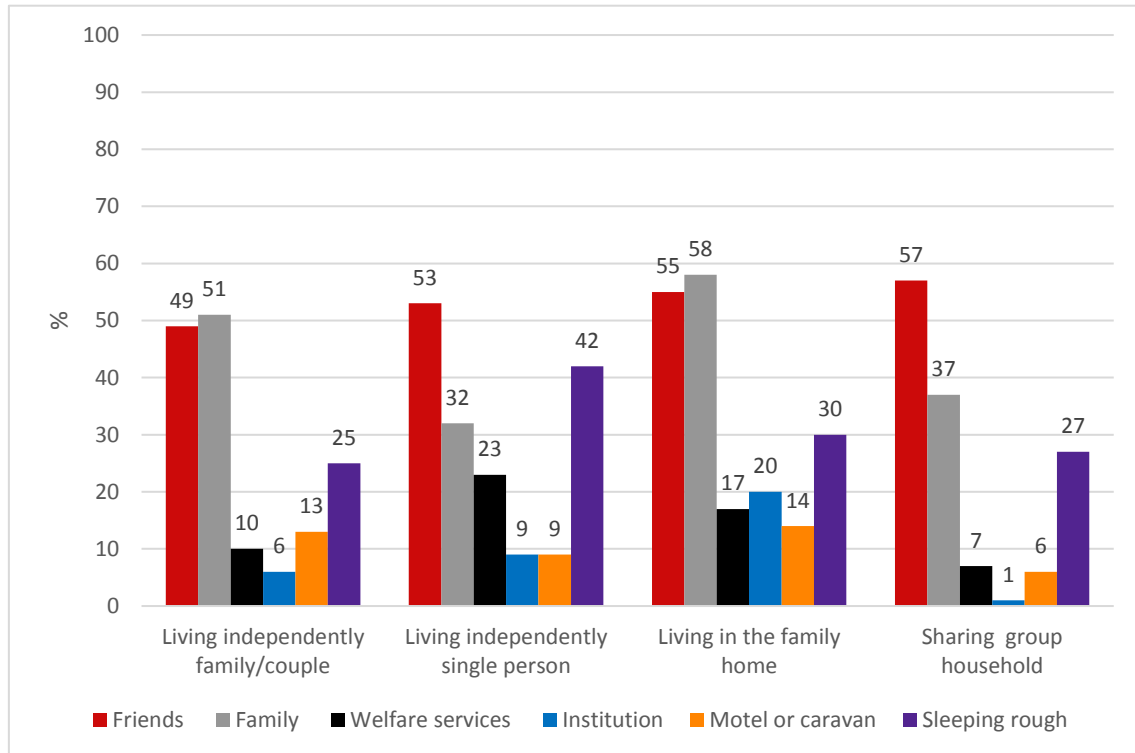
Source: AHA survey 2018.

Despite greater numbers moving towards independence, housing arrangements continue to be marked by high residential mobility, precariousness and a necessity of living with others. Figure 14 below compares how long each group have been residing in their current dwelling. It shows that living in shared housing remains the most precarious living arrangement with 42 per cent reporting that they had been in their current dwelling for less than a year, and a further 38 per cent reporting that they had been in their dwelling for between 1 and 3 years. Around a quarter of those living independently as a couple had lived in their dwelling for less than a year (this increases to 36 per cent if in private rental). A similar pattern is evident for those living alone, with 22 per cent residing in the dwelling for under a year (increasing to 28 per cent if in private rental). As with emerging adults, the greatest stability comes with living in the family home. However, there is less stability for this cohort of early adults than emerging adults, reflecting more movement in and out of the family home.

Figure 14: Duration in current dwelling: early adults (25–34 years)
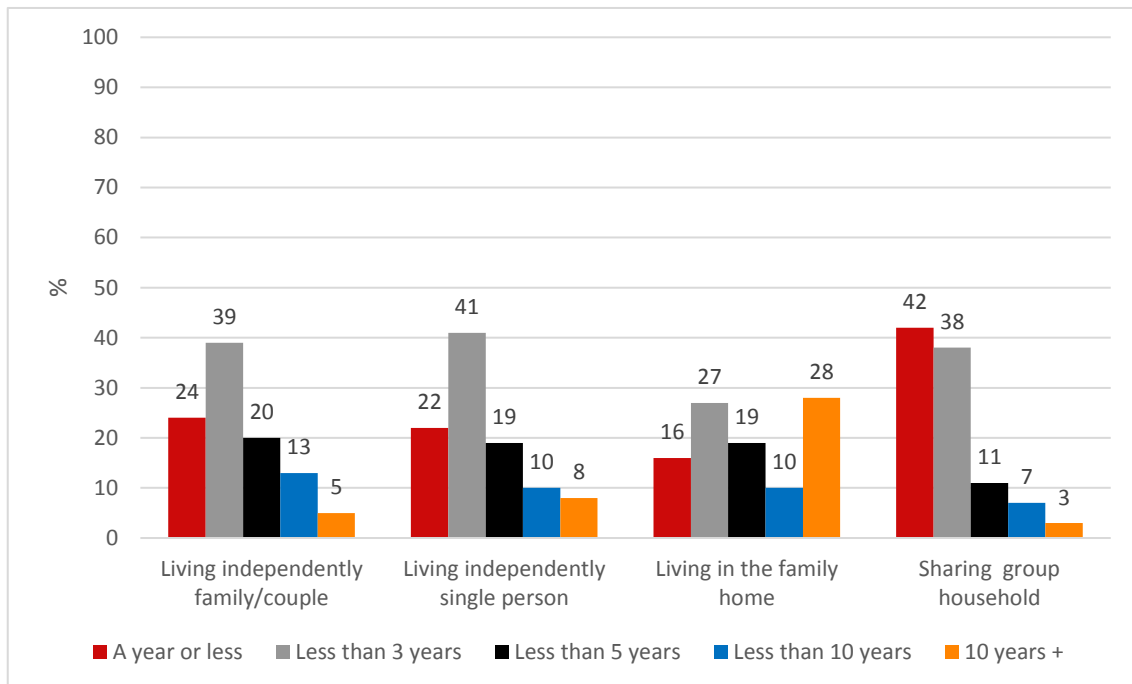
Source: AHA survey 2018.

A further dimension of housing security impacting the attainment of short and long-term aspirations is whether current living arrangements exceed capacity both to get by and to accumulate savings for the future. Figure 15 below compares perceptions of adequate income for essential and non-essential consumption and savings after paying for current housing costs. For those living independently, either by themselves or as a couple, the analysis is further divided according to whether they have a mortgage or are renting privately. In Figure 17 below we then examine whether there are adequate funds remaining after housing costs for those living as a couple in the PRS with either low–moderate or higher household incomes.

Across both Figures 15 and 16, we can see that most groups have enough left over for essential items. Generally, those living independently as a single or couple in private rental, or living in a group household, are least able to save or have sufficient left over after paying for housing costs. This is especially true for couples renting with low-to-moderate incomes, with more than half (55%) being unable to save. This suggests that once making the transition to independent renting, particularly for couples, there will be significant constraints in moving towards a more ideal housing situation if low household incomes persist over time.

Figure 15: Not enough left over after paying for housing costs, by living arrangement: early adults (25–34 years)[a]
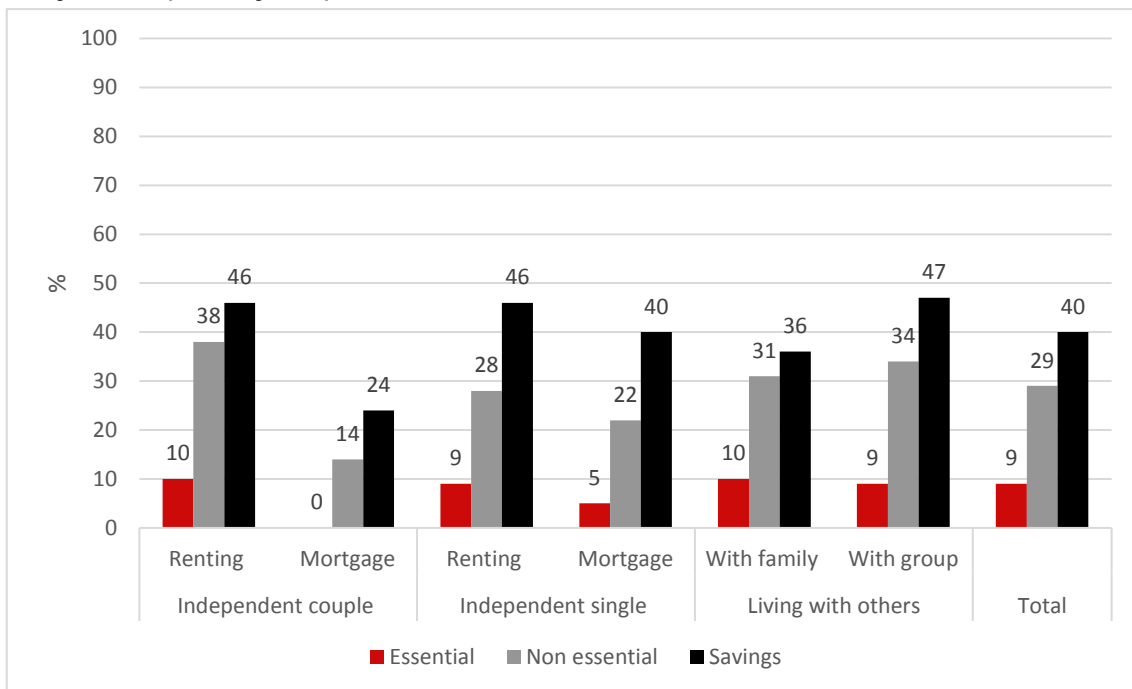
Notes: (a) Essential expenditure includes expenditure necessary for day-to-day living including bills, basic food and drink, clothes, transport etc. Non-essential expenditure includes social activities, holidays, TV and non-essential food and drink such as alcohol, etc. Savings or investment refers to discretionary use of income.

Source: AHA survey 2018.

Figure 16: Not enough left over after paying for housing costs: early adult low–moderate and higher income independent couples (25–34 years)
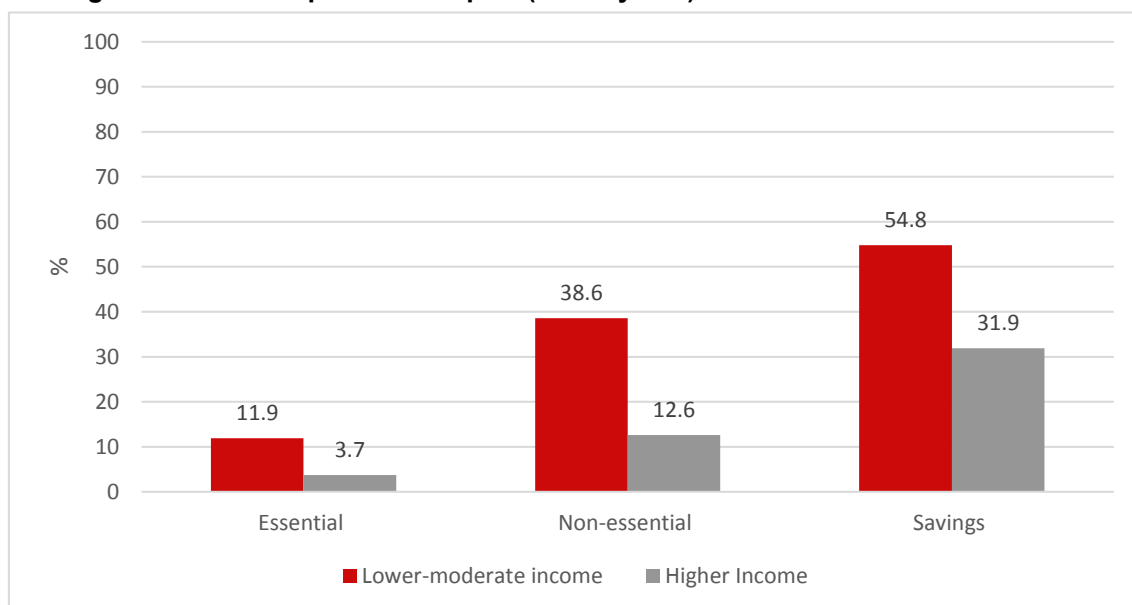
Source: AHA survey 2018.

3.3   Narrowing down multiple possible futures

Chapter 2 looked at the short and longer term aspirations of emerging adults, finding that many had a vague notion of what was ideal but had not settled on a distinct path. Short-term housing aspirations for most revolved around establishing themselves in further education and training or employment with housing a secondary consideration. By early adulthood, more active or deliberate planning toward meeting longer term housing aspirations was evident in the qualitative research and AHA survey responses. However, it was also a stage where the perceived aspirations gap had become amplified for those constrained in moving toward their housing of choice, especially for independent individuals still in private rental in a shared living or lone household capacity.

We found that the majority of early adults had not yet reached their longer term aspirations, be that for home ownership or greater security and independence. This means that, like their counterparts in the United Kingdom, rather than 'settling down' (Hoolachan, McKee et al. 2017) many continued to contemplate uncertain or multiple possible futures with some experiencing the stark awakening that their ideals might never be attained. This reality is confronting, and was perceived by many as highly unjust.

While early adults had a clearer sense of what they wanted from their housing in the longer term, compared with those in emerging adulthood, just under half (47%) did not have clear plans in place to achieve this. Couples living independently were most likely to have put plans in place toward longer term housing aspirations (55%), but a large proportion were still choosing or being forced to 'go with the flow'.

Table 12 below presents the main reasons for why young adults in the early adult cohort have not actively planned for their future housing. The most common response, chosen by 50 per cent of the respondents, was 'I/we just haven't thought about it yet'. This suggests that other aspects of their lives have taken priority. Just under a fifth (18%) indicated a loss of hope that they would ever meet their aspirations so felt there was no point in attempting to plan, while a similar proportion (18%) believed they didn't have the knowledge to do it.

Table 12: Reasons for not actively planning for longer term housing aspirations: early adults (25–34 years)

I/we just haven't thought about it yet	49.6
There is no point, I'll/we'll never meet my/our aspirations	18.4
I/we don't have the knowledge to plan	17.8
I/we don't need to plan as I/we will meet my/our aspirations anyway	7.1
I/we have no control over my/our choice of dwelling	7.1
Total	100

Source: AHA survey 2018.

The extent to which affordability cripples the capacity of young adults to plan ahead, not commit to any particular course of action or to think about the future is often overlooked. 'Rachel' reflects on her persistent housing instability:

> I guess I've never really thought about it that much. I just need somewhere to live that I can afford and I might not be there for ages and ages because—I'm not really sure, I don't know why I haven't saved—because I've always been in share houses and I guess sometimes I've moved to a different state or like I couldn't afford rent anymore

so I moved in with my parents for a while, so I guess the problem is affordability. ('Rachel', shared rental, middle suburbs Perth)

Conversely, 'Anna', an Indigenous woman from Victoria, had carefully considered her housing aspirations for the future:

I have two dreams. One for my working career, and one for when I move on a bit in life and the kids are a bit older. Right now, my perfect house would be in the location that I am in. Nothing with a big backyard, right now. I would love a patio with a barbecue, at the back. Four bedrooms because I love having family over. I love having my family around. Big, open-plan living. Economically friendly. Environmentally friendly. So, if I could have a house that is built out of recycled materials, I would love that. That is also for our future retirement house. Something that is close to my parents because my son is really close with his grandfather. I don't even have my kid at home half the time because he is always there. But, eventually I want to have more kids so if I have enough space where my son can remove himself to have his own space, because he is a little bit older. Pre-teens, hormones, all that kind of stuff. He can go away from me and have his own space to scream and yell and hate me all you want, somewhere else. Close to shops. All that kind of stuff. But, my future aspiration is to buy and build a house. ('Anna', Indigenous Australian, Victoria.)

'Dean' also had clear housing aspirations but knew there would be financial obstacles:

My partner and I are going to be looking to buy a house in the next 12 to 18 months, but given that where the housing market is at, at the moment it's quite difficult for young adults to get into it with house prices being quite high. So I guess what can support me in doing that I would say government being able to influence and provide some support to young adults looking to get into the housing market to make it more accessible for when they were trying to get into the housing market, I guess. Because most of the politicians have all got many, many houses that they own, I'm sure. And back 30 or 40 years ago when they were buying a house I'm sure it was much easier than what it is right now. ('Dean', Indigenous Australian Victoria.)

Intentions to move or stay in the near future

While the desire for flexibility has become equated with a sense of greater freedom during emerging adulthood, many in early adulthood remain highly mobile (both voluntarily and involuntarily) until a more optimum housing solution can be found. However, both in the shorter and longer term, young adults still wish to remain connected to particular locations, lifestyles or social networks that matter to them or make other aspects of their lives easier to negotiate or manage.

Table 13 below shows that the majority of early adults expected to change their living location in the next one to two years. This was especially the case for those living with parents (69%) or in shared housing (67%). Most expected that this move would either be within 10 km of where they were currently living (32%) or further out but within the same region (16%). Those who were sharing were most likely to be considering a long-distance move, either interstate or overseas.

Table 13: Intentions to move or stay in the short term: early adults (24–35 years)

Intention to move or stay	Living independently as a single person	Living independently as a couple	Living in the family home	Sharing with others in a group household	Total
Stay	46.5	46.5	31.1	33.2	40.9
Move within 10 km	31.4	30.3	34.5	30.7	31.5
Move within region further than 10 km	13.0	13.8	22.3	18.8	16.4
Move to a different part of current state/territory	3.8	4.9	4.9	7.4	5.1
Move to a different state/country	5.4	4.6	7.3	9.9	6.0
Total	100	100	100	100	100

Source: AHA survey 2018.

Just under half (49%) of those in shared households expected to be sharing for the next 3–5 years. Around a third (35%) expected to be sharing for up to two more years and the remaining 16 per cent for longer than five years.

The main reasons prompting a desire to move are listed in Table 14 below. There is some variance across groups, indicating different aspirations underpinning shorter term mobility intentions. For young adults living with parents, the desire for greater independence (27%) is the most commonly reported reason for intending to move, followed by the desire to purchase a dwelling (14%). For those sharing, wanting to move to a better location (13%), gaining independence (12%) and purchasing a dwelling (13%) were rated as most important, while for couples living independently dwelling size, number of bedrooms and external space strongly influenced moving intentions (24%). Couples (18%) and those living alone (16%) also indicated that planning to purchase a dwelling was a key motivation for moving in the next year or two.

The top four reasons across all groups preventing a move (see full list in Appendix 5) related to factors associated with costs such as affordability (40%), moving expenses (30%), lack of savings (33%) and also to current employment (20%).

Table 14: Main reason would like to move to a different dwelling: early adults (25–34 years), Column %

Reason for move					
To gain some independence	7.1%	2.6%	27.1%	11.9%	11.5%
To move to a better quality location e.g. better amenities, transport links	4.0%	8.3%	7.5%	12.6%	8.2%
To move to a better quality dwelling	14.1%	13.7%	5.3%	10.4%	10.8%
To access to better employment opportunities	9.1%	6.9%	8.3%	9.6%	7.9%

Reason for move					
To access a dwelling more suitable for your needs e.g. more bedrooms, larger/smaller backyard etc.	6.1%	23.9%	9.0%	10.4%	15.7%
To move somewhere more affordable	13.1%	7.1%	7.1%	8.9%	8.0%
To feel more safe and secure	8.1%	5.0%	8.3%	1.5%	5.7%
To purchase a dwelling	16.2%	17.7%	14.3%	13.3%	15.9%
To move closer to family	8.1%	5.2%	5.6%	5.9%	5.7%
To find somewhere that feels like home	9.1%	6.1%	5.6%	8.1%	6.6%
Other	5.1%	3.5%	1.9%	7.4%	3.8%
Total	100	100	100	100	100

Source: AHA survey 2018.

The qualitative interviews demonstrated that for those who had been living in or renting in a particular location for a given period, maintaining a sense of community was a key motivation for remaining in the area despite the dwelling or living arrangement being less than ideal. At the same time, however, there was a realisation that the network would eventually dissipate as people dispersed to form their own households. Gaining access to home ownership in some respects was delayed due to attachment to community and place.

3.3.1 What's most valued and ideal for the longer term

Aspirations at early adulthood, as with emerging adulthood, continue to be shaped by the uncertainty of timing as to when key aspects of their lives will fall into place. The ability to focus on aspirations in other life domains through pursuing passions, seeking out meaningful work or changing course altogether was still valued at this stage of life. For those for whom this was important, not being committed to a mortgage, location or even a country shaped housing decisions and aspirations. For others, figuring out what was most ideal reflected a more pragmatic weighing up of possible futures influenced by who was in their life and their particular circumstances at a given point in time. 'Anne' reflects:

> If it's just single income like right now, probably renting. But if I have a partner in the future, I think buying is more viable and more feasible…. so if circumstances change, say I've got a partner or kids, of course my aspirational apartment wouldn't be one bedroom so close to the city. It probably would be a house somewhere further away. ('Anne', shared rental, inner suburbs Sydney)

On the other hand, some were committed to pursuing long-term aspirations regardless of their relationship status, where preferences for financial independence and freedom became the overarching aspirational goal.

Contrary to national trends, home ownership among Indigenous Australians increased from 32 per cent to 38 per cent in the period 2001–16 (AIHW 2019). As with non-Indigenous Australians, entering home ownership is a core aspiration and frustration for many Indigenous young Australians:

> … my partner and I are going to be looking to buy a house in the next 12 to 18 months but given that where the housing market is at, at the moment it's quite difficult for

young people to get into it with house prices being quite high. ('Dean', Indigenous Australian, Victoria)

Ideal housing tenure

The ideal of individual home ownership is shaped by perceptions of whether it is attainable and how well current living arrangements might provide for similar opportunities including security and control over the dwelling. Table 15 below shows that 61 per cent of young adults living with parents reported independent home ownership as their ideal tenure, compared with 80 per cent of higher income couples. There was limited support for joint ownership when in partnership with friends or family members. Generally private renting was considered less ideal compared with home ownership, but more palatable than other discrete tenure arrangements. Individuals currently living alone (19%), with lower to moderate incomes (14%), or who were currently sharing (14%) were more likely to report private renting as ideal. Among those stating that their ideal tenure would be private rental, most would rather rent via a private real estate agent than a private landlord.

Table 15: Ideal housing tenure: early adults (25–34 years), Column %

Ideal tenure	Living independently single person	Living independently as a family/couple			Living in the family home	Sharing group household	Total
		Lower to moderate income	Higher income	All			
Ownership	68.5	73.1	80.1	76.6	60.5	65.1	70.2
Rent from a private landlord	6.0	5.1	2.2	3.6	4.9	4.3	4.3
Rent through a real estate agent	12.5	9.1	4.2	6.6	5.8	10.2	7.5
Rent from a state or community housing provider	1.2	1.7	.8	1.3	2.0	2.2	1.6
Live with parent(s)/guardian(s)	.6	1.1	.6	.8	8.4	.5	2.6
Shared ownership/equity	.6	.6	1.1	.8	1.2	.5	.8
Live within a lifestyle or retirement village	1.2	.3	.8	.6	1.4	1.1	.9
Jointly owned with a joint mortgage shared with friends and family	4.8	4.8	7.8	6.3	6.1	6.5	6.1
Renting in a shared house/flat/room with friends/family	4.8	1.4	1.1	1.3	6.1	6.5	3.5
No preference	0	2.5	1.1	1.8	3.5	2.7	2.1
Other	0	0.3	0.3	0.3	0.3	0.5	0.3
Total	100	100	100	100	100	100	100

Source: AHA survey 2018.

Ideal dwelling type

Table 16 below shows that most couples living independently, whether with lower (64%) or higher (69%) incomes, viewed separate detached dwellings as their ideal dwelling type. Similar proportions of individuals living alone (42%) as those in shared housing (41%) identified detached dwellings as their ideal, but a third (33%) of each group preferred apartments.

Table 16: Ideal dwelling: early adults (25–34 years), Column %

	Living independently single person	Living independently as a family/couple			Living in the family home	Sharing group household	Total
		Lower to moderate income	Higher income	All			
No preference	5.4	2.3	3.3	2.8	7.2	6.5	4.7
Apartment (less than 4 storeys)	14.9	6.8	5.5	6.2	10.1	19.9	10.0
Apartment (more than 4 storeys)	18.5	6.2	7.8	7.0	13.0	13.4	10.6
Separate (detached) dwelling	41.7	63.5	68.7	66.1	51.9	40.9	56.3
Attached dwelling (semi-detached/terrace/townhouse etc.)	13.7	12.7	9.1	10.9	12.1	11.8	11.7
Ancillary dwelling/granny flat	2.4	2.0	1.7	1.8	4.0	3.8	2.7
Caravan or other temporary structure	.6	2.5	1.1	1.8	0.9	1.1	1.3
Other	3.0	4.0	2.8	3.4	0.9	2.7	2.6
Total	100	100	100	100	100	100	100

Source: AHA survey 2018.

Family formation and children were a consideration for many by early adulthood and influenced ideal tenure choices. While some were prepared to adjust their aspirations to live in apartments with children, others felt strongly that buying into apartments was not what they wanted, even if they were more affordable. This latter group did not conceive apartments as a space in which to create a home. There was a view, however, that apartments could be a more ideal longer term option if they offered genuine communal space and better kitchen and bedroom layouts, but that recent designs had not made them attractive as a long-term option. Apartments 'with thin walls' were not considered desirable.

Many of those who had made the transition to independent living expressed a strong preference for not living with others and the importance of their own personal and private space: being able to 'grow things' or have room for pets. 'Marcus' explained:

> *I think having space, whether it's a back yard or a bit bigger block to grow things is something that is really at the heart of what I want out of a home…. I don't like living in apartment buildings. I don't like having neighbours behind the next wall, sort of thing. I find that pretty challenging….The other thing is, having a back yard or even more space on a bigger block would suit me, because I really like gardening and growing things, and having some kind of outside private space. ('Marcus', renting with children, regional city NSW)*

Several Indigenous Australians expressed their priority for space:

> *I'd really like a bigger house and I'd really like—I know you can't help it, nicer neighbours but I've got one really nice neighbour. I love it. He's the best. But, other than that, you have always got weird people where you live …. I have only got a shower, I want a bath. I really miss a bath. ('Anna', Indigenous Australian, Sydney)*

> *Enough backyard for the dog and the kids to play. ('Karen', Indigenous Australian, WA)*

> *I just want like something with a yard so the kids can play, because I'm in a unit. I was in a unit. And you know, I had a really little backyard so the kids can play in it. So I just want something that accommodates us all and safe. And just—I want around like [place name] because that's like where my family lives. ('Beverly', Indigenous Australian, Sydney)*

> *It would be around the [place name] area but I would want a bigger block. I know a lot of the blocks there have become small because people are building houses behind houses now. It's a lot more multicultural. It's easy to blend in. There's a lot of food options, a lot of international food shops and things like that. The amenities are great. I grew up in that area myself. Yeah, it's home. So, my ideal house in that area would be a nice big block and that I could build a granny flat on for my mum to stay there…. And I would also like to have some workshop space in the backyard for me to work on my hobby and projects there as well. In terms of the house itself, I'm modest, I don't really want anything too extravagant or anything like that, as long as it's functional and the children are comfortable, that's what I want. ('Toby', Indigenous Australian, WA)*

Other respondents were prepared to compromise and 'downsize' to live in their preferred location, but with the condition that the 'smaller' dwelling was still appropriate for raising a family:

> *… it does also need to be somewhere that suits a family. But I'm also more than happy to raise a family in a unit if that's the most appropriate way to live where we want to live and live in an affordable sort of situation. Like I don't see the necessity of*

having a backyard and a fence and all that sort of stuff. But I know a lot of people do. ('Todd', shared rental, inner suburbs Melbourne)

Ideal dwelling size

More than a third of young adults at early adulthood were aspiring to a four-bedroom dwelling (36%), with the three-bedroom 'standard' retaining its historic appeal to a further third (33%) (Table 17 below). Those living in couple households particularly favoured four-bedroom dwellings with lower (44%) or higher (47%) incomes appearing to have only limited impact. Individuals living alone (37%) typically felt that three bedrooms were most optimal, but were also open to two bedrooms (30%) over a one-bedroom dwelling. This suggests a desire for additional space, perhaps to accommodate guests or a home workspace or for partnering in the future. Three bedrooms were considered most ideal also for those sharing (36%) (potentially to contain the household size), but more than a quarter of those in shared living arrangements expressed a preference for two-bedroom (26%) or four-bedroom dwellings (26%).

> *It's got three bedrooms, because I've got two children, and that sort of thing, but I would hope for something—especially being back at school I want a study area that isn't my bed, so I can actually go to bed to sleep rather than being there to study. So I would've hoped for an extra bedroom or something like that. ('Karen', single parent, multi-family household, regional Victoria)*

> *I think we'd both prefer to live in a big place with a couple of really close friends and have that extra luxury so you can split the rent a bit more … speaking in terms of two to five years from now I can't imagine wanting to live anywhere else to be honest. This is quite ideal for me now. And I don't have any goals beyond. ('Daniel', shared rental, middle suburbs Perth)*

Table 17: Ideal number of bedrooms: early adults (25–34 years), Column %

| Number of bedrooms | Living independently single person | Living independently as a family/couple | | | Living in the family home | Sharing group household | Total |
		Lower–moderate income	Higher income	All			
1	15.5	2.5	.8	1.7	2.9	5.4	4.1
2	29.8	12.7	11.1	11.9	19.0	25.8	17.6
3	36.9	30.3	31.0	30.7	36.3	36.0	33.4
4	11.3	44.2	46.8	45.5	34.6	26.3	36.2
5+	3.6	10.2	9.4	9.8	5.5	4.8	7.5
No preference	3.0		.8	.4	1.7	1.6	1.2
Total	100	100	100	100	100	100	100

Source: AHA survey 2018.

In addition to the type of tenure, bedrooms and dwellings, early adults were asked what priorities and motivations underpinned their longer term aspirations. Listed in order in Table 18 below, almost three-quarters (72%) rated somewhere safe and secure to call home as most

important. Also rating highly was the importance of having security and control over their dwelling (59%). These two aspirations were strongest among couples living independently. More than half rated beginning to purchase (57%) or pay off the mortgage (52%) as being important. Building wealth (45%), having an asset to fund retirement (43%) or to leave to children (37%), although important for many were not the main priorities attached to their housing.

Table 18: Longer-term aspirations considered important: early adults (25–34 years), multiple responses %

	Living independently single person	Living independently as a family/couple	Living in the family home	Sharing group household	Total
Somewhere safe and secure to call home	62.7	76.7	63.7	73.8	71.5
Security and control of dwelling	51.9	63.9	53.4	55.9	58.9
Begin to purchase my own place	43.8	59.6	55.2	60.4	56.7
Pay off mortgage	37.8	58.1	47.7	49.0	52.0
Wealth creation	41.1	44.9	45.6	45.0	44.7
To have an asset to fund retirement	33.0	45.6	42.7	44.1	43.2
Own an asset to leave children	20.5	43.2	34.5	32.7	37.0
Property for use as a business	13.0	17.0	21.5	17.3	17.7

Source: AHA survey 2018.

3.3.2   The nature of the aspirations gap

As with emerging adults, most early adults perceived that their short-term (1–2 years) aspirations were being met regardless of whether they were sharing, living independently or residing with parents. However, the perceived longer term aspirations gap becomes amplified for those constrained in moving towards their ideal housing of choice, especially among individuals remaining in private rental.

Figure 17 below shows the extent to which current housing meets short and longer term aspirations for those living alone or with parents, sharing or living independently. While in the next Figure 18, we show the extent to which the short and longer term aspirations gap differs according to lower and higher income status for those currently living as a couple either in private rental or purchased housing.

Figure 17: Meets short and long-term aspirations: early adults (25–34 years)[a]
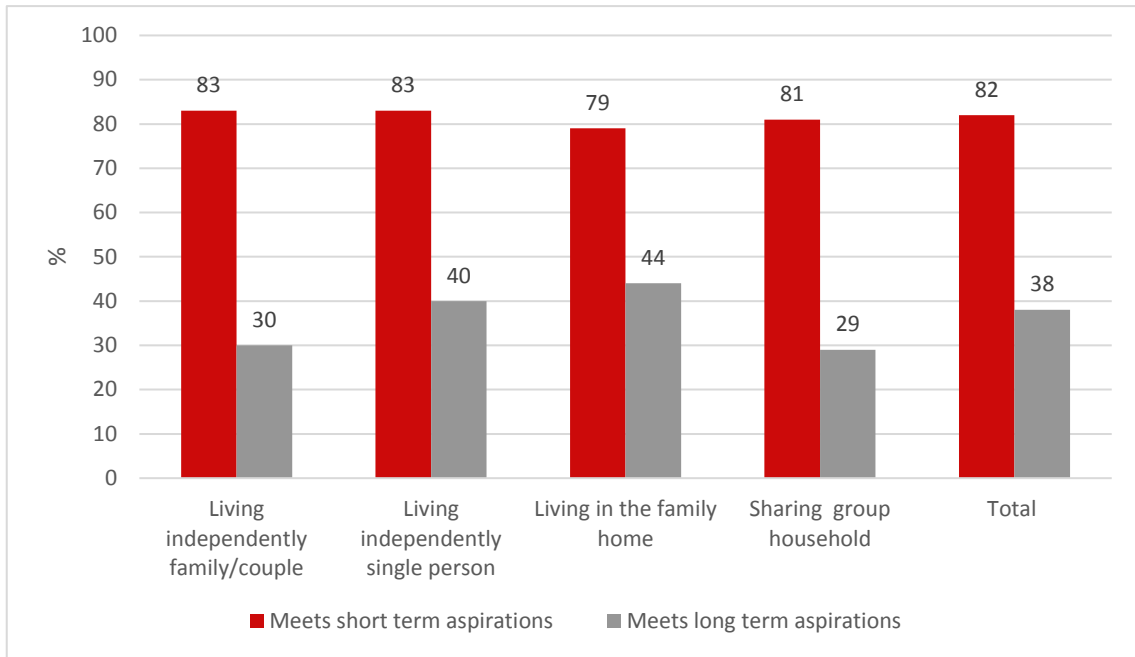
Notes: *(a)Whether current housing meets short-term aspirations is based on the full sample of 'yes' responses from each living arrangement group. Meets long-term aspirations includes the total sample, including those who reported that their short-term aspirations were not met in their current housing.*

Source: AHA survey 2018.

Figure 18: Meets short and long-term aspirations: early adult renters and purchasers (25–34 years) living independently as a couple[a]
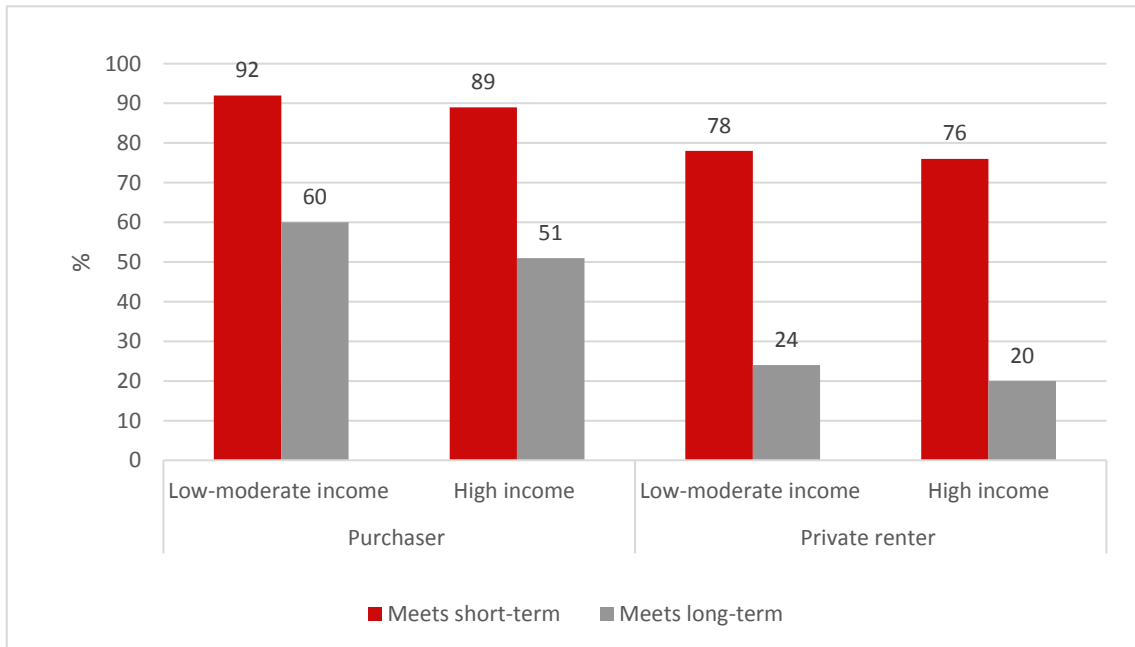
Notes: *(a)Whether current housing meets short-term aspirations is based on the full sample of 'yes' responses from each living arrangement group. Meets long-term aspirations for all includes the total sample, including those who reported that their short-term aspirations were not met in their current housing.*

Source: AHA survey 2018.

Across both figures 18 and 19 we can see that the match between current and short-term dwelling aspirations is highest among low–moderate income couples who are purchasers (92%), and lowest among higher income couples renting in the PRS (72%). This equates to a short-term aspirations gap in the range of 8–28 per cent.

Low–moderate income couple purchasers also tend to be the most content that their current dwelling will meet their longer term aspirations (60%). Just under half of the higher income purchasers felt that their current dwelling would meet their longer term aspirations. This suggests that many may have purchased a dwelling to enter the market, rather than a dwelling that would be their most ideal. Both higher income (20%) and lower income (24%) couple private renters were the least likely to perceive that their current dwelling met their aspiration for where they would like to be living in 5–10 years. This represents respective aspirations gaps of 80 per cent and 76 per cent from current to more desired housing.

Interestingly, the gap between current, short and longer term aspirations was smaller among early adults living with parents, compared with their younger counterparts. As Figure 17 above demonstrates, 79 per cent of early adults currently living with parents felt that their short-term aspirations were being met while 44 per cent reported that this living arrangement would also meet their 5–10 year aspirations. This suggests that there was no immediate hurry to move out for a large proportion living with parents by early adulthood.

Living with parents at this stage of life was linked to having to move back home after a period of renting independently or sharing. It was viewed as a place to work towards other goals, reprioritise and strategise—a rational decision to achieve longer term goals, rather than a reflection of failing to grow up. Compared with the prospect of long-term renting, living with parents might well provide the best 'possible future' for young adults on limited incomes that are unlikely to rise rapidly in the foreseeable future.

> *Certainly. I'd really like not to be living with my mum and dad. Yeah. I'm 32 years old. So, my age and ability to have an independent relationship from them—to set some clear boundaries would be really helpful. And, yeah. Just having that independence and freedom…. So, very long-term, it would be great for me to be able to buy a home. Affordability is going to be one thing…. If I was talking in the present, then, it would be my current income level. And, concerns regarding being able to maintain a consistent income would be another separate one. And then, thinking about if I was to try and increase income, and increasing my time fraction in my employment, the consistency may—there's higher risk of the consistency being an issue, I think. So, I feel like those factors are very much intertwined. ('Emma', living with parents, regional town Victoria)*

For others, the necessity of being supported by family (and, in turn, supporting family members) meant that living at home was meeting the young adult's current aspirations: where they 'were at' in that moment in time. In this regard, the short-term aspiration was to be supported, safe, have an opportunity to get back on their feet, recover from an illness or life event and provide mutual support and care for family members. For those from culturally diverse backgrounds, remaining at home was not an atypical aspiration and was not necessarily perceived as a 'gap' but an expectation. For some, this time was to be used productively by working towards accumulating longer term assets, including family investments.

While the majority of those living alone (83%) or in a group household (81%) felt that their living arrangement met their short-term aspirations, the arrangement was not viewed as an ideal way to live in the longer term. Indeed, just under a third of these young adults indicated that this would satisfy their longer term aspirations. Individuals living alone typically had an expectation to partner and upsize their dwelling and living arrangements, while those in shared housing typically had an expectation to 'downsize'.

Among those who were sharing, the aspirations gap was most pronounced when sharing was considered a necessity to reduce costs combined with an absence or limited connection with others in the household. Being able to remain in a preferred location was linked to feelings that shared housing was meeting shorter term aspirations. The number of people in the shared dwelling could contribute to the aspirations gap, particularly if there was a preference to live with only one other person.

A challenge raised among couples who were in shared housing was having to adjust personal aspirations to that of their partner's, and the process by which this was negotiated. For example, when one partner has a preference to keep sharing to save money and the other wants to live independently, the discord can turn to more intense relationship stress and a growing awareness of an aspirations gap. Sharing was considered a more ideal living arrangement when people were at a stage of life where they were still wanting to keep their options open, including residency as an Australian citizen or the pursuit of other life goals. For this group there was a sense of not being able to commit to longer term aspirations until other things were set in place.

Labour insecurity remains an ongoing concern for those living in shared housing and sharing is a strategy used to cushion some of the risks associated with taking on housing costs alone. The flexibility of being able to negotiate payments with housemates created a sense of security where this occurred. On the flipside, some housemates wanted to avoid sharing because of the pressure to carry others. Sharing was viewed by some respondents as 'fine for now', while others were acutely aware of being 'over' shared living. It was generally not considered a space to raise a family, but there was a sense that couples were increasingly sharing with others or renting out a room.

> *I guess with the competitiveness of the Sydney market it's actually quite difficult to find a place which would work for you in terms of budget, location and everything else. The place I'm staying at works for me in terms of location, but I'm not used to the idea of sharing a place because back home we don't normally share with people who you don't know, who you've never met, who are not your friends. ('Laura', shared rental, inner suburbs Sydney)*

> *It's fine for now, I mean I wouldn't want to raise a family—I've got a girlfriend, but we live separately right now, but yeah, I like sharing. It's fun, but I wouldn't like to raise a family in a share house. ('David', shared rental, inner suburbs Melbourne)*

> *Because I have an unpredictable lifestyle, I enjoy living in a shared house and renting because I have no commitment to stay. So that's really important. And I want to keep living like that for the next bunch of years until I've settled down. ('Luke', shared rental, inner suburbs Perth)*

A further dimension examined in the aspirations gap is whether current location matches an ideal location. Figure 19 below presents the calculated difference between the percentage reporting the location where they currently live and where they would most like to live. Both negative and positive values measure the mismatch between current and ideal location. Positive values equate to preferred locations, while negative values capture the least ideal. Generally, the majority of early adults wished to continue living within the broader area where they were currently residing. However, as Figure 19 illustrates, the greatest mismatch between current and ideal is identified for those living in middle and outer suburban areas and regional cities/large towns who would prefer to be living closer to the CBD or inner city areas. This is especially evident for young adults living with parents.

Figure 19: Percentage difference in whether current location matches ideal location: emerging adults (25-34 years)
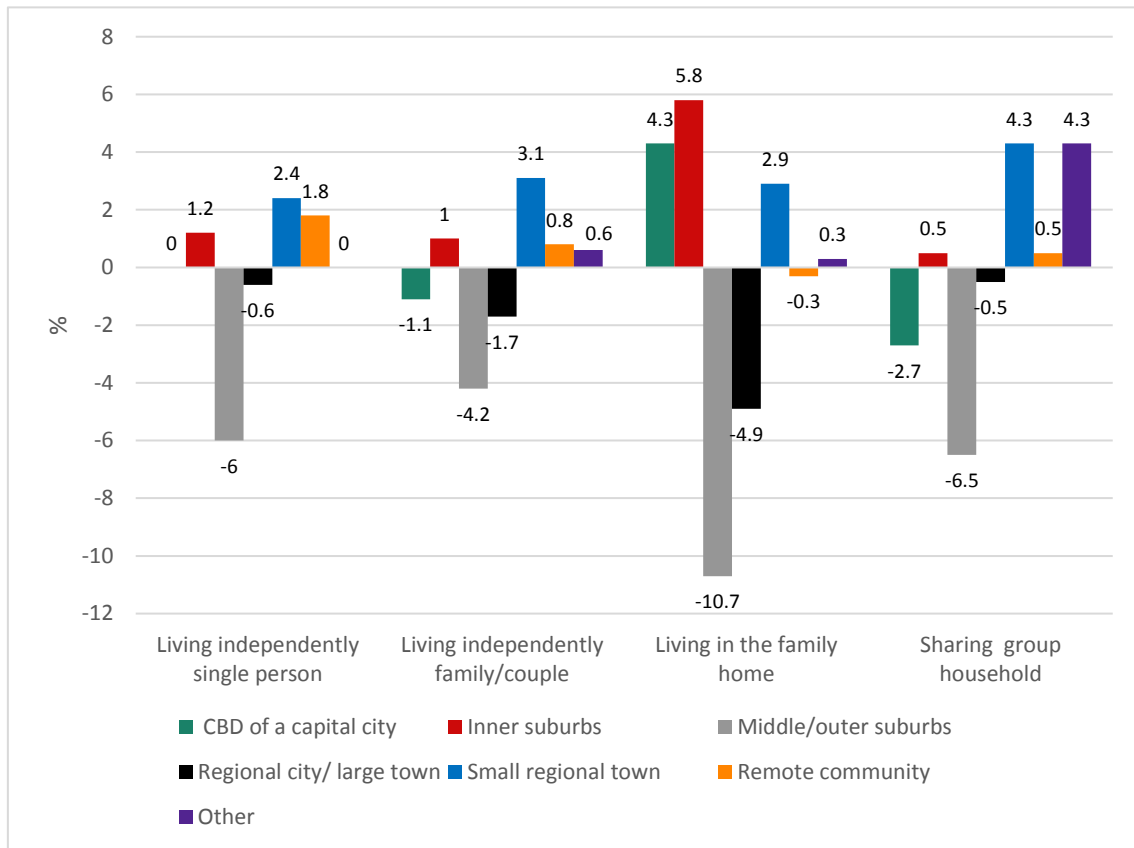
Note: Positive and negative values reflect the areas where there is a mismatch between current and ideal.

Source: AHA survey 2018.

The importance of social infrastructure in shaping aspirations, including schools and activities that help build a sense of community, was more apparent at this stage of young adulthood. However, it also created some indecision about where to settle when ideal locations were out of reach. Being centrally located in the inner to middle suburbs was considered most ideal and some were prepared to move to smaller dwellings or rent an apartment as an interim strategy. Proximity to work was a key driver in locational preferences.

> *Yeah, I mean I'm from Melbourne, and in the last 10 or 20 years, Melbourne's become a real international city, you can really notice there's a lot more people here now, and a lot more high-density housing, so I'd like to live in an area relatively close to the city in a nice suburb where there's a lot going on, you know, restaurants and cafes, and things to do and see, and stuff like that. ['David', shared rental, inner suburbs Melbourne.]*

Thoughts of moving to outer or regional locations were shaped by the existence of personal networks in these areas and previous attachment: for example, whether a young adult had grown up in the area and was moving back.

The polarising of expectations and fading dreams

The impact of long-term unemployment and income insecurity was most acutely felt in early adulthood. The implications of long-term job insecurity for some led to a sense of frustration that many longer term aspirations, particularly if these were living in the major cities of Sydney and Melbourne, would never be met despite recent falls in prices and slowed housing price growth.

While some young adults may have access to family financial support, for example to raise a deposit, the ability to service a loan over time is a major concern in committing to home ownership.

By early adulthood 'moving' has become the one predictable aspect of housing for many young adults. Aspirations are shaped around horizontal moves or achieving only a slightly better living arrangement and housing outcome than the last. There is a limited sense of moving upwards or closer to attaining longer term aspirations.

> It's just been the relentless pattern of our life since we've been living together, since about 2005 that we move on average every two years. It's just become utterly predictable, even if it doesn't look like there's any particular reasons, we get to about that two years and then suddenly there's some reason to move. ('Marcus', renting independently with children, regional city NSW)

Some internalised their seeming inability to progress longer term aspirations as feelings of 'not quite having it all together'—a constant feeling of instability associated with having to wait and see what would happen with the housing market. 'Marcus' reflects:

> Because the institutional supports have been chipped away at, and there's just no real certainty that those kind of things, especially looking forward to the back half of our lives, it's—I won't say it's scary, because I've just spent nearly 10 years being aware that things aren't going to go happily on forever the way they are, so I've had a fair bit of time to come to terms with it. But, I don't know, there's just always this element of having to wait and see what happens, and hold off on planning. ('Marcus', renting independently with children, regional city NSW)

However, others externalised 'the gap' as a growing sense of intergenerational resentment—the perception of being forgotten and lacking any real political representation despite having done 'everything right'.

> I just feel so frustrated, like my generation's done everything right, and the Baby Boomers, the older generation are telling us that it's not good enough, and that we have to work harder, and save more, and sacrifice our youth in order to get trained so we can have higher paying jobs, and with all the money we just pour it into a house that costs 10 times what it did 15 or 20 years ago. It's such victim-blaming bullshit, you know? ('David', shared rental, inner suburbs Melbourne)

While the majority of early adults nominate home ownership as their ideal tenure, the extent to which they consider this possible in the foreseeable future is a key component of the aspirations gap. More than half (52%) of those who aspired to purchase a property felt it would be possible within five years, and just under a quarter (24%) in five to ten years. A further 24 per cent either did not know when they might be in a position to purchase a property or believed it was impossible in the foreseeable future.

Perceived capacity to purchase a home, by education and income status

In Figures 21 and 22 below we examine early adults' perceptions of their capacity to purchase a home in the next five to 10 years, according to educational attainment (education status) and income group (or that of their partner's income if living in a couple). As Figure 20 indicates, differences across education status are stark. When individuals or their partner have a tertiary education or higher, the majority (61%) report that they believe it will be possible to purchase within the next five years. This expectation significantly declines with a fall in education status, where only 23 per cent of those with an education of Year 11 or below believe it possible to purchase in the next five years and the majority of those with a Certificate or secondary only education do not know or are not intending to purchase in the foreseeable future. Historically,

possessing tertiary education was not a precursor to home ownership for the parents of this cohort. However, education now appears to be an important marker in the polarisation of expectations.

Figure 20: Perceptions of capacity to purchase a home in the next 5 to 10 years, by education status: early adults (25–34 years)
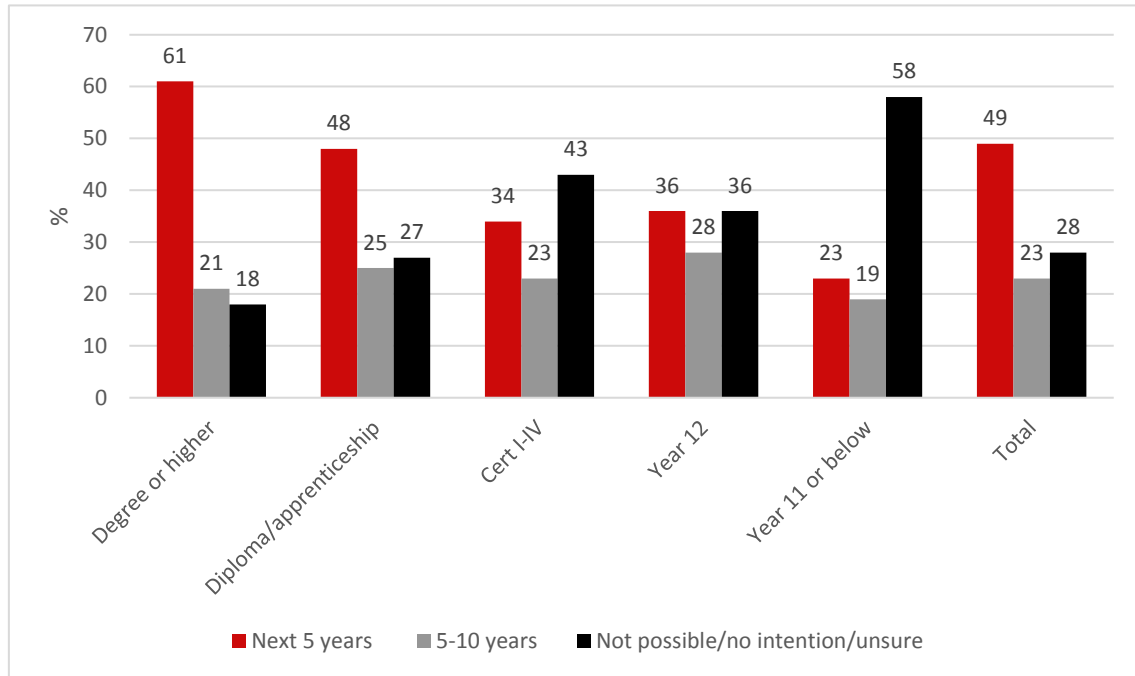
Source: AHA survey 2018.

Consistent with the findings related to education status, Figure 21 shows that 60 per cent of those with higher incomes expect to be able to purchase in the next five years, compared with 44 per cent of those with lower to moderate incomes. However, the impact across educational groups appears to be more clearly delineated. While this finding could potentially reflect the broader groupings of incomes, education status is more likely to be a better marker of future 'permanent income' or the expectation for future income growth compared with current income.

Figure 21: Perceptions of capacity to purchase a home, by income group: early adults (25–34 years)
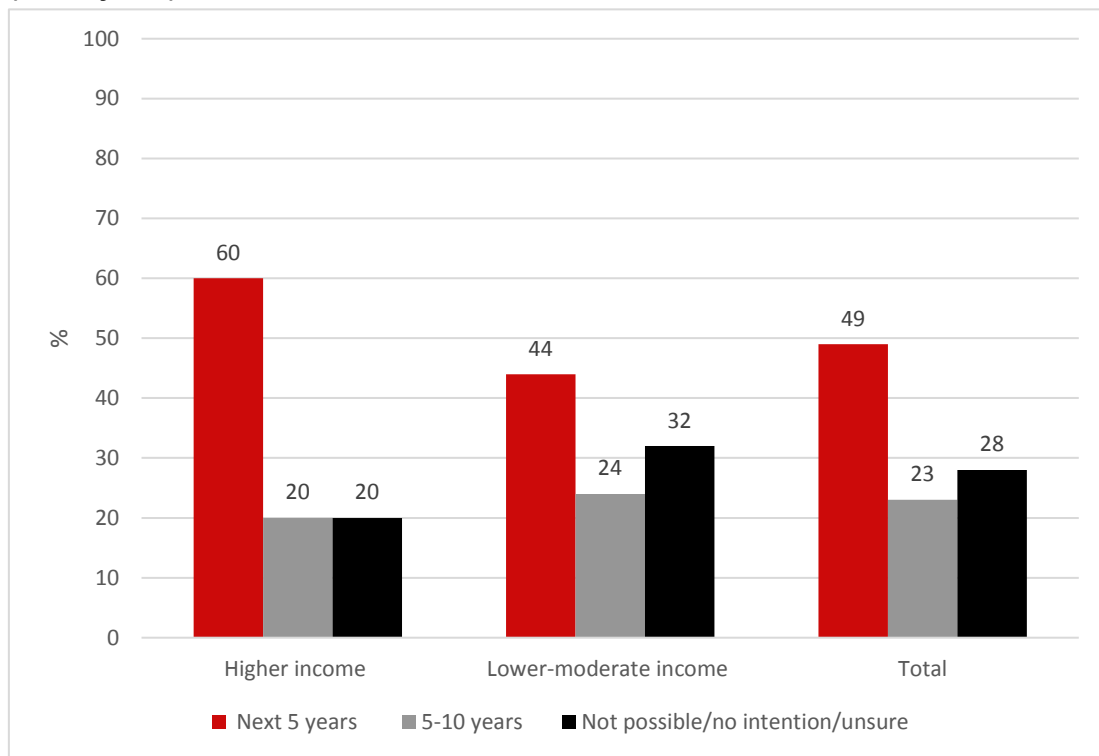
Source: AHA survey 2018.

Consistent with long running discussions on affordability, more than half of young adults (54%) stated that the primary reason for not being able to purchase a property was due to the 'deposit gap' followed by an insufficient income (39%). Just under a quarter (24%) were holding out for house prices to stop rising so rapidly, while a further 23 per cent attributed not having permanent employment as their main obstacle to purchasing.

For many at this stage, weighing up the trade-offs between renting versus buying and maintaining their current lifestyle versus moving away created a sense of suspended limbo and inaction. For others there was a clear sense of just getting on with life, not putting off having a family any longer and not worrying about 'never owning' as a way of overcoming or reducing experiences of 'cognitive dissonance'. For most, there was a desire to pay as little as possible in rent 'when we can't get what we really want'.

Selection of housing was often dependent on the first thing that became available but was often not necessarily an ideal choice. There were particularly strong views about the limited choices of dwellings in regional areas.

> *I don't expect stability in my employment, and because of that I'm very wary of getting in to debt. I won't do it in the current situation, given that the prices are just ridiculous... So, I'm not—in that situation it takes pressure off….but it also means that I've just got to put up with the other options, which is renting something which is less than ideal…. At the moment the best thing about it is that it is relatively cheap. It's a pretty small two-bedroom apartment, but it's cheap, so it's less than ideal, but I'm not paying something I'm unhappy with for it. Then it's sort of waiting for an opportunity and something to change where I might feel confident enough in income and savings and whatever to take on some debt at a time where it's a much more reasonable proposition. At the moment it's just obscene…. I mean, we certainly couldn't wait to have children, you know. ('Marcus', renting with children, regional city NSW)*

I'd like to own a house eventually, but probably not until I'm approaching retirement age where I can't work anymore. I think the reason I'm not that worried about it is because I'm not sold on the fact that I'll be in Australia for the rest of my life. I would like to, at least for some period, experience living in a different country. So for that reason, I kind of have no aspiration of investing in real estate in Australia until I'm a lot older. ('Luke', shared rental, middle suburbs Perth)

There was a sense among some that they would be closer to achieving what they wanted in their housing if they had remained at home longer, believing that having to support oneself ultimately inhibited the attainment of longer term aspirations. However, the desire to pursue creative passions or what they were good at ultimately decided what kind of life they wanted to lead and therefore were prepared to trade off...

So financially I feel like there's a barrier between my actual aspirations. I would like to own a house, some people may not, but I would like that security in my later life… I could go through uni and get good grades and get a higher paid job, but I just can't envision myself doing another career. I don't know, I think part of it is growing up seeing, you know, why are my parents not doing anything that they were good at or that they like doing and earned all the money and they were very unhappy for their whole life….I'd really have to dramatically change… Now I wish I'd stayed at home til I was 25… but I only thought of that retrospectively and there's no way to fix that. I get upset because it's really different from my parents' lifestyle and they're like they assume that you should be able to afford a house and all of that, but I guess this generation there's more people making choices on what they want to do and not what people think they should do. ('Rachel', shared rental, middle suburbs Perth)

Some have also previously owned their own home and then lost it due to relationship separation.

I haven't thought too much about it just because I've been preoccupied with trying to get stable rent. So it was just, 'This is temporary, this is temporary', and it turned into two and a half years of, 'This is temporary', and it does show with even my children because my eldest, I bought my first home when he was not even one so he really didn't know anything prior to that. So a lot of his younger years he had the one home whereas my other child who's eight, he started to move around when he was still quite young and so he's like, 'In the next house we get, can we have a bigger backyard?' So the fact that he's even thinking of that. He shouldn't even be thinking of the fact that there's a next house. It's already like it's not home. ('Karen', multi-family renting, regional Victoria)

3.4 Policy development implications

By early adulthood household groups begin to polarise by income and education and the perceived aspirations gap becomes more apparent. While young adults with lower education status are least likely to view home ownership as attainable, the findings show that it is the higher income renting couples who are most dissatisfied and perceive their longer term aspirations gap to be greatest. As such, higher income renting couples are likely to under-consume rental accommodation in order to move into home ownership more quickly. This has implications for the availability of rental dwellings and the short-term aspirations of lower to moderate income groups. Lower income purchasers remain the most satisfied with their current housing arrangements.

While the long-term aspirations gap among those living with parents becomes smaller with the transition to early adulthood, it may be to the detriment of attaining life aspirations in other domains among those with parents who live far from education and employment opportunities.

Indigenous early adult Australians share many of the housing aspirations of their age group. In order to counter socio-economic disadvantage and reduced opportunity to inherit housing wealth, targeted housing policies designed to enable Indigenous Australians to become owner-occupiers will need to be continued for the foreseeable future.

Policy settings need to be adaptable to accommodate the different experiences of young adults. The goal of policy should be to ensure that aspirations can be better aligned across all groups to ensure the movement towards long-term independence rather than an ongoing precarious housing cycle. This includes promoting the active participation in the full life project and the economic benefits that come from that, not a singular focus on housing assistance.

4   Closing the aspirations gap

The aspirations gap is concerned not only with 'generation rent' but with the sustained period of 'in-betweenness' or 'semi-dependence' that accompanies the growing necessity of living with others. In Chapter 1 we outlined the wider conceptual and policy framework, integrating ideas of a social generation approach and the policy 'welfare mix' of both informal and formal assistance that young adults typically draw upon as they progress towards independence.

The growing policy interest in housing aspirations internationally has been premised on the recognition that managing generational change requires new policy frameworks to enable young adults to move towards aspirations for 'secure independence'. There is also a growing recognition that what 'secure independence' looks like in the current and future context will differ from preceding generations. In this chapter we present findings from the interviews, focus group and survey responses on what young adults identify as important for them in being able to close their short-term and longer term aspirations gap during the stages of emerging and early adulthood.

4.1.1   Representation and political vision in creating hope for the future

Closing the aspirations gap requires the political will to reorient thinking from managing and responding to market volatility to more proactive long-term policy planning for how the next generation(s) will attain security and independence in their housing as they age. In recent years there have been some pivotal steps towards greater recognition of the structural divide growing between generations. However, many young adults participating in the research felt that this was just 'tinkering around the edges' without providing a longer term vision and a range of viable alternatives for those left behind, trapped or 'spiralling backwards'.

Young adults, particularly as they approach early adulthood, are acutely aware that entering into the rental or home ownership market now is more competitive and risky than for past generations, regardless of whether prices are rising or falling. They are also aware that the multiple pathways they have to pursue differ from the expectations that were placed on their parents. There was a strong sentiment in the interviews, focus groups and open-ended survey responses of a lack of representation and political vision in reducing the gap which some felt was feeding into a simmering generational resentment.

> *We're basically not represented, really forgotten and disregarded and, yeah, I think that's the main thing, just not accounted for anywhere. It's become obvious it's not just the difficult thing of young adults getting left out of discussions or whatever, it's just a continuing pulling up of the ladder in front of us…. I mean, there's generations now that, they've just missed out, they're not getting that, whatever they may have been promised in the unwritten social contract or whatever. I don't know when that finally breaks out into a concrete thing that's going to make things happen…. the thing that they're also failing to address is not providing any hopeful vision of the future for people to get behind, the people who haven't got into the market and won't because it's too ridiculous. Those people are not addressed or engaged. Their reality is not one of increased prosperity at all. It just becomes one of ongoing struggle, and whoever works out how to capture the imagination of those people and promise them something, I hope whoever that is figures out how to do it sooner rather than later. ('Marcus', renting with children, regional city NSW)*

4.1.2   Rebalancing the mix of informal and formal assistance

Increasing numbers of parents are providing informal support and housing assistance to young adults well into early adulthood. Most young adults responding to the interviews and focus groups generally felt they were able to rely on their parents for support if they needed to move

back home. However, most would not consider, or have parents who were in a position to, finance a move into home ownership.

By early adulthood those living at home were more likely to own or be purchasing a property that they were not currently living in (38%) than other household groups. In contrast, young adults whose parents were not home owners felt their chances of accessing home ownership were remote, forcing a readjustment of their aspirations.

Young adults also indicated how living at home enabled them to support their parents or assist them financially in paying for housing costs. Contributing to mortgage payments for parents was seen as a longer term family approach to sharing an asset in the future. The parental asset was also considered a guarantee for longer term security for some young adults, thereby reducing their apprehension about not getting into home ownership themselves. This expectation of banking on 'mum and dad' to secure their long-term future has not necessarily taken into account the potential requirement for parents to draw on their accumulated wealth as they age. 'Lisa' and 'Daniel' speculated:

> No, absolutely not, other way around, I've been helping my parents pay their mortgage because they both, yeah, have bad mental health so they're both not working, so they're both on disability and so in the past when I have worked sixty hours a week I was then helping them, like two hundred dollars a week with their mortgage.... But that house will be mine one day as well…so that's something to know that I'm going to have that. ('Lisa', shared rental, middle suburbs Perth)

> Well I think at the moment that it's looking like the only way I will own a house is by inheriting a property or whatever that's pretty much—When my mum bought her house, it sounds really selfish, but I was like, 'Cool that's good'. ('Daniel', shared rental, middle suburbs Perth)

In the AHA survey, if there was a gap between respondents' current and ideal living arrangements, they were asked about the type of housing assistance they would require to meet their longer term aspirations. Just under a third (30%) of young adults in emerging adulthood and 24 per cent in early adulthood indicated they would require some kind of assistance to achieve their aspirations. A further 19 per cent each of emerging and early adults reported that they were unsure if they would require assistance.

Table 19 below compares the supports needed and can be accessed among individuals reporting either 'yes' or that they were unsure if they require further assistance. The large majority of young adults across both age cohorts indicated a desire for all types of formal government and informal assistance. Both emerging (41%) and early adults (31%) reported that they were least able to access products for shared home ownership, potentially indicating a lack of familiarity with these products. Despite indicating a requirement for this assistance, more than half of emerging adults (51%) and just under a third of early adults (38%) reported that they did not think they would be able to access subsidised rental assistance.

While most young adults indicated that they would need parental help with a deposit, not all felt that they could access this support. This was especially so for early adults, with only 56 per cent reporting that they believed they could draw on their parents for support with a deposit and 37 per cent an inheritance. It may be that early adults still requiring housing assistance at this stage of life come from families who are least able to assist their children financially in entering into either rental housing or a home ownership.

Table 19: Types of housing assistance needed and able to be accessed to meet longer term housing aspirations: all young adults

Type of assistance	Assistance required	Able to access assistance	Assistance required	Able to access assistance	Assistance required	Able to access assistance
	18–24 years		25–34 years		Total	
	%		%		%	
Financial and legal advice	97	76	96	77	96	77
Low deposit home loan	97	72	95	64	96	67
Parental assistance to help with a deposit	97	67	94	56	95	60
Government grants to help with deposit	96	61	96	56	96	58
Government savings scheme	96	64	94	53	95	58
Stamp duty relief	92	54	93	54	93	54
Inheritance	92	51	92	37	92	43
Subsidised rent in PRS	91	51	80	38	84	44
Shared ownership with friends	87	56	80	39	82	47
Shared ownership products through government	86	41	83	31	86	35

Source: AHA survey 2018.

4.1.3   Aspirational integration

Currently young adults perceive that their options or aspirations are having to be traded off, pursuing one at the expense of the other. The diversity or fragmentation of housing experiences and living arrangements for young adults means that policy responses need to be better integrated. This requires consideration not only of how income support, access to education and

employment assistance is framed for the most vulnerable in society, but how policies can best be designed to enable a seamless transition into secure, independent housing.

> *Because I know definitely when you're on Centrelink you just can't save. You can't save a dollar. I live week to week. It just gets—I just get enough to get me through. So, I definitely need to get a job and there definitely needs to be more support to help me get there, do you get what I mean? ('Amy', renting supportive housing, middle suburbs Sydney)*

Young adults who participated in the interviews and focus groups reported that the types of housing assistance they received did not provide sufficient time for them to become secure and independent in their housing. Rather, the support often ended abruptly and resulted in their cycle of insecure housing repeating. Specific examples of disjointed forms of assistance were raised in relation to Youth Allowance and the cessation of Rent Assistance after study completion. While Rent Assistance is integrated into income support, it is not well integrated into other transitions as young adults move from one status (for example, education) to the next (for example, employment).

> *Well, I mean, it would definitely be useful to have slightly longer for—if the youth allowance program meant that I could afford to live and not have to worry about working more than one day a week, but it ended two weeks after exams finished, which is not actually enough time to have looked at and applied for and gotten a new job, or the place I'm currently working doesn't have any more hours available and so it's suddenly just like I don't have enough money to pay rent anymore, but I don't have any other options easily. So, there's just this gap in what services offer. Yeah, having some kind of briefing point or like extending things like youth allowance for, say, two months after the completion of study so there is actually enough time rather than two weeks. ('Kelly', renting independently, inner suburbs Perth)*

Interviewees who had experience of Foyer models or time-limited supportive housing also spoke of a disconnect in relation to support and living arrangements after the completion of these programs and not knowing how to make the transition into the PRS.

Flexibility in housing remains important in the formative stages of study and employment pathways. However, often this flexibility results in insecurity and frequent moves between different types of living arrangements as the entry points back into more formal housing become blocked.

Young adults need to be able to draw on individually tailored packages of support to ensure that transitions in other life domains do not place their housing at risk.

> *I was in a situation when I moved out of home where I was not considered independent yet but my parents earnt too much money for me to get any sort of government help at all, so I guess my biggest concern with the policies that are in place at the moment is that they're not very accessible. My parents weren't—they're willing to support to an extent, but they're not willing to support my entire lifestyle and so, I was just in a really hard situation where I did have to move away for further education, but I couldn't get any support from the government, so I've had to slow down my degree to be able to afford to live in Melbourne. ('Sarah', independent sole renter, inner suburbs Melbourne)*

The higher rates of unemployment among young adults living at home and the wider aspirational locational gap among those living with parents signals a potential disconnect between the informal safety net and the ability to access employment opportunities in the locations where their parents live. Young adults spoke of the necessity of moving away from major cities, particularly if living in Sydney or Melbourne, as the only way of achieving their

aspirations, recognising that housing security was intrinsic to the attainment of aspirations in other life domains. Some spoke of the necessity of creating a viable alternative for 'possible futures':

> *The key problem is that houses are too expensive, it's because of supply and demand, we need to decentralise Australia, we need to set up government departments in other places other than the capital cities so that there's more places where people actually want to live. Like people want to live in Melbourne because there's opportunities here, there are jobs here, there's things to do and see. We need to make it so that Melbourne isn't the only place in Victoria where you can go to the footy, and go to a museum, and find work. We need decentralisation so that not everyone has to live in the same city. ('David', shared rental, inner suburbs Melbourne)*

> *I think that's, the underlying problem is population growth, it hasn't been planned or managed that well. It's really only benefited a shrinking section of the population, and the costs of it are far outweighing the benefits for most people at this point in terms of the cost of living and quality of life... I mean, for me, with Sydney, it hasn't been planned to support high density, it hasn't been planned at all, it's just metastasised out to the west …. It's just been a can that's been kicked further down the road each time. ('Marcus', renting with children, regional city)*

4.1.4 Reducing the deposit gap

Most young adults enter the rental and home purchaser markets when their incomes are low but upfront housing expenses high. As house prices and rents have risen ahead of incomes the time taken to attain secure independence in housing has become extended for most, while for some it is not attainable in the foreseeable future. This has led to informal living arrangements that have been inequitably absorbed by young adults and their families and to a widening aspirations gap across generations. The growing deposit gap has been well documented and is at the core of affordability concerns for young adults wishing to enter into home ownership.

Chapter 3 found that the aspirations gap is highest among higher income renters. Many within this higher income group will be able to enter into home ownership but this is often only achieved by occupying more affordable dwellings than they would normally consider ideal in the short term. Paying full market rent slows this process further and directs young adults into dwellings that are cheaper but which often do not meet their short-term aspirations contributing to higher mobility and crowding out more affordable dwellings at the low end (Hulse, Reynolds et al. 2015).

In addition to growing inequality in access to family support, access to higher education is becoming even more of a cleavage than before with those without a degree most likely to believe that they will not be able to meet their aspirations. This is the group that is more likely to experience extended periods of employment insecurity and underemployment, paying excessive rents relative to incomes and finding it almost impossible to move out of this trap.

> *I think the main thing is basically the cost of them, the price increase has been so substantial over the past 20 years, and it hasn't nearly matched wage growth…. You do need a high income to get into it, and I think that's a problem because you shouldn't need a high income to have a house. ('Luke', shared rental, middle suburbs Perth)*

The AHA survey revealed that over a third of emerging adults (36%) were currently saving towards their longer term housing aspirations. Among this age group, couples living independently were most likely to be saving (44%) and those sharing (31%) or living with parents the least likely to be saving (33%). By the next phase of early adulthood, the proportion

of those who were actively saving had only marginally increased to 41 per cent, with those living with parents (43%) the most likely to be saving.

Most young adults were aware of the first home owners grant and were generally supportive of it. However, some were also mindful that it did not necessarily make housing more affordable. What's more, some believed it channelled them into a narrow range of alternatives that were not necessarily their most ideal type of dwelling which was perceived to carry more risks, such as buying off the plan.

4.1.5 Access to balanced information

Large numbers of young adults are not actively planning for their future housing. While much of this stems from not knowing which direction their lives are headed in, others reported not knowing where to begin. The variety of pathways, financial products and entry points into both rental and purchaser markets is often a minefield for young adults as they attempt to navigate their options. Most of their information was reported to come from informal sources, mainly via friends and family. As the expected script breaks down between a 'rational taken-for-granted' trajectory source of informal information from parents and others, this can lead to further confusion and at times 'aspirational conflict' between generations. There was a continuum of financial literacy where some reported reading various books to inform themselves of how they can break into the market and become rich, i.e. *The Barefoot Investor* by Scott Pape (2004), as well as building relationships with a 'good broker', keeping abreast of products and investment ideas to those who did not know even where to begin to understand their most basic rights in the PRS.

Closing the information gap means that young adults will be able to make more informed choices within the realm of what they can realistically move towards and the steps they need to take and the types of assistance that are available to help them. There was a desire for impartial information from governments or not-for-profit agencies rather than from private advisors with vested interests. Information remains siloed around different aspects of the housing system. There was also a need expressed for more centralised and accessible information across the housing system that helped young adults to package together their options for study, work, and housing.

Young adults were also not necessarily aware of the major consumer rights centres, often only stumbling on this type of information when problems arose rather than using this material for planning ahead or thinking through their various options and how they link together. Young adults spoke of the necessity for information to be developed and disseminated in a format that would readily reach them, such as Facebook social media or developing housing apps or in schools that could walk them through different options in thinking about and moving towards future goals.

> I think I would like, because I guess every town's different, every council's different. I'd like to see it on a local level, like on a council level. Like a conversation perhaps….So similar to that is like what they do with the drink spike, anti-drink spiking campaigns where everyone's getting the same level of education but then having a chat locally as well. But just more information on how to approach it, because I don't have a clue. And I guess that does tie in with the whole managing your own super, the credit market, I think there's a big kind of gap of financial education happening, unless you go and study commerce or economics or something. ('Lisa', shared rental, middle suburbs Perth)

> So if there was somewhere that I could say, 'I've been trying for X amount of weeks, months, whatever to try and find a rental, I cannot due to these barriers, can you help me?' and someone to advocate for me or just have a link up or have extra information or who knows?....Some of them help out a little bit with housing, but it all goes back to

this one agency, and it's literally crisis accommodation, it's not doing the preventative stuff. For people like me, which I'm very lucky like I said with my family, that's great but that doesn't ever help me actually overcome everything. ('Melissa', multi-family with daughter, regional town Victoria)

4.2   Towards secure adaptations

Approaching early adulthood with the feeling of not being any closer to achieving longer term aspirations has required young adults to make adjustments to what may be more possible for their housing in the future. Many spoke of their eventual decisions to just get on with living and making the best of their situation despite it being far from ideal, unsettling and hard to plan a future. As 'Marcus' who is currently renting in a one-bedroom apartment with a new baby reflects:

We make everywhere we live homely, and we've realised at this point that we can't just put off living your life until some ideal thing arrives, because there's no certainty as to when that will be. It doesn't prevent us from doing that, or many other things it doesn't prevent us from doing, so, yeah, it's just, unfortunately, it's a matter of adjusting your expectations compared to what our parents had. I don't know if they understand it. They've never said anything, they've never asked, why are you still doing this at this point in your life? ('Marcus', renting with children, regional city NSW)

Despite current rhetoric that young adults are not motivated enough or that their expectations are too high, many are prepared to make adjustments or sacrifices in order to meet their longer term aspirations. As shown in Table 20 below, the most commonly reported response to the type of trade-offs that young adults would be prepared to make in order to meet their longer term aspirations was to increase the number of hours that they worked, both among emerging (33%) and early adults (28%). A further 27 per cent across each group reported that they would be prepared to move to a more affordable location. While living with parents to save a deposit was considered a viable trade-off for those in emerging adulthood (31%), it was less ideal for the older group (20%). Generally, while having to seek financial support from family, delaying having children, renting out dwellings were supported by a few, they were not considered the main sacrifices that people were prepared to make.

Table 20: Trade-offs to meet longer term aspirations

	18–24	25–34
	%	**%**
Increase number of hours worked	32.5	28.0
Move to a cheaper location than planned	27.3	27.1
Live with parents/other family to save a deposit	30.9	19.5
Seek financial support from my/our family	15.2	18.2
Delay having children	17.0	13.4
Rent out the property as an investment but not live in it	15.2	13.4
Use superannuation funds	7.3	12.8
Spend more money on my mortgage than I/we am comfortable with	9.1	10.3
Buy into a shared ownership arrangement with family/friends/others	11.0	9.2

Source: AHA survey 2018.

Currently, the aspirations of young adults are shaped by what has been culturally reproduced for decades in relation to the single detached home because it provides a recognisable vision of how their lives might work out in that ideal—including space for families and needs for privacy. As populations grow and cities continue to develop adjusting this ideal will require liveable alternatives, better planned communities and precincts. Adaptive ways of living that enable the gap to be closed should not offer a poor quality alternative. Initiatives directed at sustaining more adaptive ways of living need to help young adults move towards what they ultimately want to settle into in the longer term and which can enable them to pursue other life goals. Currently the market does not provide this alternative for many and so they have held off jumping in and accumulating large amounts of debt for something that they do not want to live in and that does not enable broader life goals to be pursued.

> *I feel like I'm the kind of person that would just love to live in a tiny cabin in the middle of the woods. To me that seems really appealing, but it's just a shame that for some reason it doesn't seem logical because of all of the strings that are attached to living in a city and stuff. It's really hard to leave once you're in a city and you've got all this stuff that you need to do all the time. ('Daniel', shared rental, middle suburbs Perth)*

> *And then also I guess that the types of houses as well, like I wouldn't want a panel townhouse, like I'd want a brick house, I'd want a home. But a lot of people have already brought all the beautiful houses and the ones they're building now aren't particularly appealing to me. ('Lisa', shared housing, middle suburbs Perth)*

Providing incentives for more environmentally sustainable rental dwellings was also desired by some:

> *Like if the Government is really keen on actually reducing our carbon emissions, then they say, all right, if you've got a rental property that's got an old water heater, we'll match your, we'll make it cost half for you. Or we'll give you a subsidy or something like that…. Something else that I think would be really good is if there was an opportunity to have solar in rental properties. ('Todd', shared rental, inner suburbs Melbourne)*

There is also a growing awareness of potential alternatives to purchasing a house to live in including co-housing models, remaining as a live-in renter while renting out another investment property or 'rent-vesting' with mixed views on the desirability of different options. While single young adults expressed a short-term desire for apartments, many did not want this option in the longer term. Respondents were asked whether they would consider living in a number of different scenarios in order to access more affordable and longer term housing opportunities. In general, there was greater support for more traditional housing options rather than embracing other alternatives, which are likely to target or appeal to niche groups. Those in emerging adulthood were most supportive of living in an apartment (37%) compared with early adults (30%). They were also typically more supportive of sharing with people of their age (32%) compared with the older cohort (18%). (See appendix 5 for a more detailed table across household groups). Young adults currently living in shared housing across both age groups were most supportive of sharing with people their own age while couples already living independently were the least supportive of sharing. Having to compromise on safety by living with strangers in order to live more affordability was not a trade-off that some were prepared to make, particularly for females.

> *I guess mostly just that people are having to compromise safety for affordability a lot of the time, is something that I have a big problem with which is something that I would like to see changed because either they're having to live in worse environments or they're having to live with bad, dangerous housemates because they can't afford to live by themselves. ('Sarah', independent sole renter, inner suburbs Melbourne)*

For young adults, the flexibility of the PRS is critical in building up their lives, most especially those aged 18–24 years were in favour of shorter term leasing arrangements that did not lock them into a less than ideal housing arrangement. Living in a long-term secure rental arrangement was seen as a viable option by more than a quarter of young adults in both cohorts (26%), however those currently living with parents were the least likely of all groups to support this option. Shared ownership with a family member would also be considered as an alternative option for a quarter of the youngest cohort (25%) and a fifth of early adults (20%).There was some support for build-to-rent options among the younger cohort who were already renting independently in a couple household with or without children (24%). Individuals in the youngest cohort currently living alone were most open to sharing with an older (21%) or younger person (25%) and also living in a Tiny House (24%).

> *I really like communal spaces though as well….I think if it makes the process more realistic and attainable, then I'm definitely the kind of person that is able to share space with people to some degree. But then again everyone's got their limits and they need to go to their room and be alone once in a while or whatever. ('Daniel', shared rental, middle suburbs Perth)*

> *At this point I'm also thinking of other ways to get something like our ideal situation that doesn't involve buying a house. So, other—some kind of co-housing arrangement, like a jointly-owned bit of land but separate dwellings or something like that. Also, ideally it would be somewhere a little bit further out from cities, I suppose. Definitely not in Sydney, I think it's unliveable to be honest. ('Marcus', renting with children, regional city)*

Practises of purchasing a dwelling while living elsewhere, including renting or living with parents, was also examined as an adaptation to entering 'live in' ownership. A quarter of early adults and 13 per cent of emerging adults reported that they have previously owned a dwelling that they no longer live in. The main reason for no longer living in the dwelling is that it is now currently being rented out (40%). The proportion who own a dwelling that they no longer live in increases to 38 per cent for early adults who are currently living with their parents. The main reasons why this group were no longer living in their dwelling were because they were either renting it out (42%) or it was a holiday home (28%).

While the strategy of 'rent-vesting' or 'parent-vesting' is used and promoted as a way to enter into an unaffordable market without having to absorb the full living costs, it can also be difficult to move back into these dwellings and service a mortgage on their own. However, the long-term sustainability of this strategy also needs to be considered in the context of the flow-on effects to the spatial distribution of rental dwellings becoming more concentrated in outer city areas (Hulse and Reynolds 2017). Some young adults have linked this strategy to broader aspirations for financial freedom, including being able to move out of the workforce altogether, as 'Aaron' outlines his plans for the future and how he has entered into the market while living with his parents:

> *I see property as a vehicle to be able to generate wealth and hopefully the property investment will build up the wealth to be my own boss, travel and spend more time with family. I would be still comfortable renting in five to 10 years if it meant I could live where I wanted to. I would also consider relocating to another country if the opportunity arose. It would depend on jobs and whether I could transfer. But I don't really know where I'm going to be in five years so I have a rough plan to keep building up my wealth as my main strategy. The plan is loose and vague, but I expect to keep going with the investment approach. ('Aaron', living with parents, middle suburbs Sydney)*

Similarly, 'Todd' has thought about the different ways that he could make additional money off property in order to gain access, including negative gearing and renting out rooms. He also reflects on how the mindset and the way that young adults go about purchasing and use their property has changed among his own network of friends.

> *From my own personal view, I'm of the opinion that I will be better off just to be renting, because anywhere that I want to live is too expensive to buy. I'm better off using that money to purchase property somewhere else and then possibly gear that, well depending on income and stuff like that, it might be beneficial and negatively gear….I've got like a few married friends who actually have a spare room in the house that they rent out and stuff like that. So, that's becoming a lot more common. Like I know 20 years ago, people would never think about doing that, because they never had to. But now it's like that's how they can pay off their mortgage. ('Todd', shared rental, inner suburbs Melbourne)*

5   Policy development options

Young adults have been at the forefront of public discussion and debate for some time with distinct divisions on who is to blame for their growing housing aspirations gap and what young adults themselves should be doing differently to increase their chances of securing housing as they enter a volatile housing market. This research contributes to this debate by identifying how aspirations differ among individuals in the emerging and early adulthood age cohorts, and the size and nature of their short and longer term aspirations gap. This concluding chapter considers existing and possible innovative housing policy solutions that might assist young adults to close the aspirations gap and move towards secure independence.

In this report we have found that young adults at both emerging and early adulthood are making significant trade-offs and adjustments in the type of housing they occupy. They are also having to make trade-offs in respect to the life aspirations they choose to pursue in a highly constrained housing market. Forfeiting their independence, including the right to secure housing, is a common consequence. As both private rental and home ownership markets move out of reach of young adults with low-to-moderate incomes, the necessity of sharing and living with others continues to increase over time.

This research adds nuance to debates about generational change in home ownership trends. In the short term, we found that young adults want housing that enables them to live within their means while focusing on their longer term aspiration of establishing themselves in further education and training, employment, relationships and family formation. While the majority of young adults continue to aspire to home ownership, there are clearly large segments of the population, especially among those unable to lift their wages by early adulthood, who have lost hope in being able to attain their longer term aspirations for home ownership.

Despite this, we find that the housing aspirations gap by early adulthood (25–34 years) is highest among those who feel home ownership is within reach in the next 5–10 years. Typically, these are higher income private renters living as a couple. We identified that owner occupation is considered the ideal tenure by 80 per cent of higher income couples but declines to 73 per cent among their low–moderate income counterparts and further for those living alone (69%), sharing (65%) or living with parents (61%). This suggests that what is considered most ideal is shaped by what is viewed as being attainable. Hence, the nature of aspirations among young adults within the broader Australian community is likely to continue to change along the lines of widening inequality.

5.1   Towards an enabling mix of housing assistance

A core goal of policies attempting to close the housing aspirations gap should be to ensure that young adults are able to move with ease from a state of dependence in their families of origin towards secure independence as they enter and progress through adulthood. However, this thesis is not borne out in the evidence. Instead, as we find in this research, young adults have varying pathways. Some are able to achieve independence directly, while others continue to cycle back and forth between varying living arrangements. Housing for those in the latter category can become increasingly precarious over time and lead to the young adults being suspended in a state of insecure semi-dependence for sometimes lengthy periods. For many, this has led to periods or repeated cycles of living and relying on informal assistance, primarily friends and family, with frequent moves between rental dwellings and tenure types. While flexibility remains an important short-term aspiration for many young adults, particularly those in emerging adulthood, becoming trapped in this cycle in the longer term is at odds both with individual aspirations and societal expectations of transitions into adulthood.

The most direct and increasingly privileged pathway towards attaining secure independence used by young adults is to move into home ownership after saving for a deposit and or drawing on informal supports and transfers from parents. This enables them to bypass the more chaotic and insecure pathway of long-term renting. However, while some young adults can build a career and pursue education or aspirations in other areas while living in the family home, many more are forced or choose to move. This can be due to a range of circumstances including proximity to work or study, parents with limited financial means or challenges in the family dynamic. Young adults in the latter category who do not have the support of parents may find themselves forced to leave home early and prematurely in a state of insecure independence. This can have long-reaching consequences for educational attainment, life goals and employment. This broad cohort of young adults are most vulnerable to becoming further disadvantaged over time.

Figure 22: Towards an enabling and tenure-neutral mix of assistance for secure independence
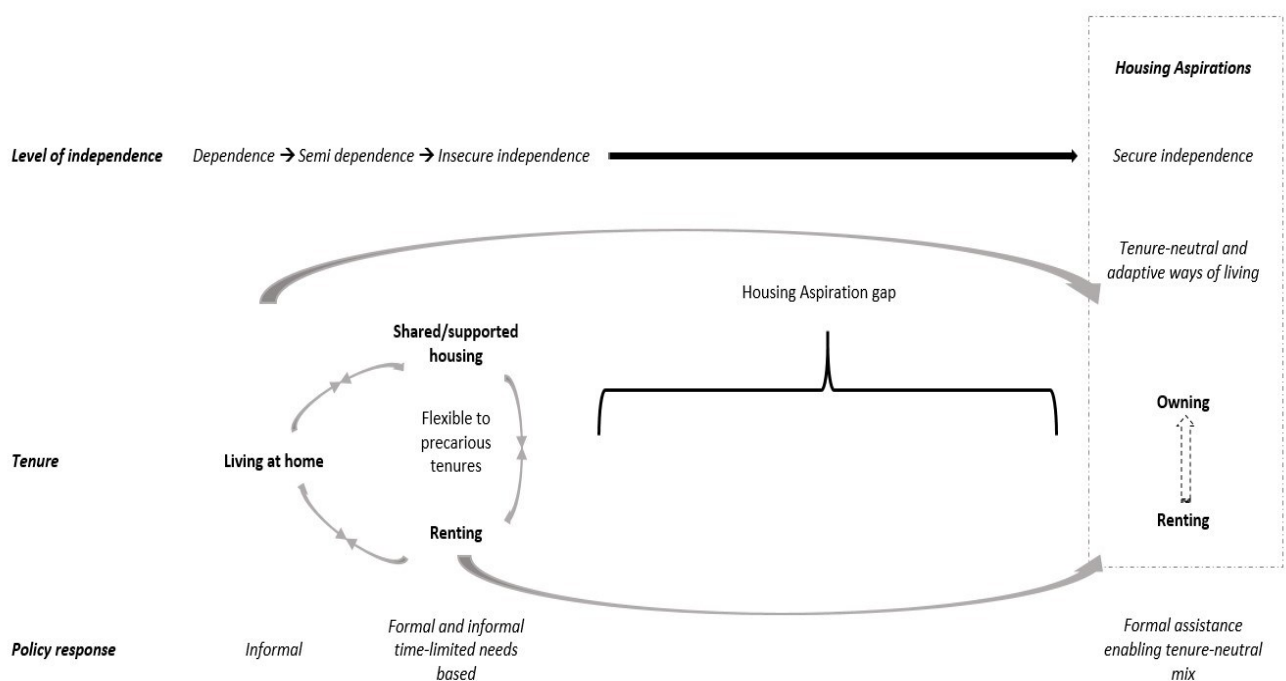
Source: Authors.

As Figure 22 above illustrates, being able to effectively package together an enabling mix of assistance to close the aspirations gap requires the provision of more tenure-neutral responses. Such responses not only reduce the gap between those who rent and own but can also provide more adaptive ways of living in order to attain longer term security for the future. Currently, time-limited or once-off housing supports designed to assist young adults, such as First Home Owner grants and stamp duty savings, benefit those who are in a position to gain access to home ownership and service debt repayments in the longer term. This remains important, in particular for helping higher income renters exit the PRS and therefore close their aspirations gap.

However, at the other end of the income and needs spectrum, policies targeting those most vulnerable that provide time-limited relief in the form of rental brokerage and or rental subsidies do not always alleviate housing stress or help young adults to move towards or even consider a housing future different from that they are currently living. Similarly, having to rely on time-

limited informal housing-related supports from friends and family is at best an interim solution. They may provide a way to reduce housing costs in the short term or alleviate the risk of tertiary homelessness, but young adults do not generally consider this a longer term solution to their housing needs.

Policy makers need to take stock of the ways that young adults have been adjusting their consumption and the longer term implications if these trends are to continue. Living with parents, sharing and remaining in the rental sector well into early adulthood are current markers of emerging and, more significantly, early adulthood. An inability to progress towards secure independence will have flow-on effects for other policy areas including welfare and income support, family formation, living wages, retirement and economic productivity more broadly.

In reframing policy directions towards the achievement of aspirations at key transition points, the question arises as to the types of interventions that might be needed to allow young adults not only to get by in their housing but put in place the various goals and elements of education, employment, family formation and housing as an intricately connected package of opportunities. To this end we have identified four core tenure-neutral aspirational domains that recognise the circumstance of emerging and early adults and should be a priority for government in moving from a needs-based policy framework to a more aspirational enabling mix of housing assistance.

Aspiration 1: To pursue and live near opportunities for study and work

Aspiration 2: To balance flexibility with security within the dwelling and community

Aspiration 3: To provide diversity and real choice in the dwelling and location

Aspiration 4: To move towards independence and longer term financial freedom and security.

Aspiration 1: To pursue and live near opportunities for study and work

The aspiration to pursue education and work opportunities is at the forefront of decision-making for young adults with the type of housing lived in often based on necessity and availability rather than an explicit housing aspiration. Strengthening the integration of housing with broader life aspirations is likely to achieve better alignment and outcomes across all life domains. For example, if young adults become trapped or blocked from meeting aspirations for study or work because of precarious employment or living arrangements, or a lack of family support, aspirations can be put on hold. This can lead to a state of semi-dependence to complete dependence on others, including the State. Moreover, rental dwellings historically have developed haphazardly and there is a need for better planning across a range of domains including the supply of public housing, community housing and private rental. Better integration of the aspiration to pursue and live near work opportunities should include the following initiatives.

Pursuing and living near opportunities for study and work

- Monitor where PRS growth is occurring and declining based on where young adults want to live and are engaged in education and employment.

- Promote mixed-used developments and precincts that include affordable rental dwellings/rooms and home ownership opportunities close to or directly linked along transport hubs, major educational institutions and employment centres. This includes development of regional hubs and precincts of economic activity attracting investment, industry and education alongside a mix of affordable and market housing.

- Provide individually tailored funding for education, employment and housing packages targeted to young adults leaving school who have limited or poor access to further training

and employment opportunities when living within the family home. This includes dedicated initiatives for young Indigenous Australians living in remote and regional areas.

- Promote better housing governance structures within education and training institutional settings, including greater provision of affordable room rental/shared housing that is affordable to all.

- Commonwealth Rent Assistance[8] needs to be better packaged to integrate aspirational goals across education and work and ensure that income and housing assistance does not cease during key transitions between education and employment. This will enable young adults to sustain their current housing, particularly when located near ongoing opportunities.

- Increase the base rates of Youth Allowance and Newstart to better align with costs of living including incentives to relocate to areas with higher training and employment opportunities.

- Provide incentive packages with additional housing assistance subsidy to support retraining and upskilling for those experiencing long-term unemployment, underemployment and casual employment.

- Extend and scale integrated models of training, education and employment, such as Foyer models, for young adults at risk of or experiencing homelessness, leaving institutions (including long-term state care), living with mental health or other disability or with experience of living in social housing or long-term private rental. Models need to include a range of accommodation options.

Aspiration 2: To balance flexibility with security within the dwelling and community

At the stage of emerging adulthood, flexibility is critical to enable young adults to have time to discover their potential and pursue alternative pathways without their housing becoming insecure. In early adulthood the need for greater security in housing increases with the challenges of juggling the demands of employment with partnering and family formation. Balancing flexibility with security within a tenure neutral policy framework requires closing the gap between the experience of renting versus owning. Strengthening the institutions of the PRS while also providing greater opportunities to enter into home ownership will mitigate disruptions associated with insecure tenure and enable young adults to embed in communities.

Strengthening the Institutions of the PRS

The AHURI Inquiry into the future of the PRS and other reports over the past decade have outlined the need to improve the affordability, security, conditions, professionalisation and institutions of the PRS to enable tenants to create a home of choice (see, for example Hulse, Parkinson et al. 2018; Parkinson, James et al. 2018; Rowley and James 2018). The move towards improved rental conditions and tenant rights through recent reviews of tenancy legislation in various states has been pivotal in beginning to reduce the housing aspirations gap. The appointment in Victoria of a Commissioner responsible for tenancy reform, for example, elevates the significance of the PRS as part of critical social infrastructure that requires more strategic governance. Key initiatives within the PRS that remain critical or require expansion to other states are outlined below:

- greater protection of tenants and enforcement of dwelling standards including those for individuals sharing in the room rental sector and using online accommodation platforms

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[8] Commonwealth Rent Assistance (CRA) is a non-taxable income subsidy available to eligible individuals who are currently paying rent in either the private rental sector or in community housing.

- flexible lease durations (long and short) and removal of 'no ground' eviction across all Australian states in line with recent Victorian initiatives

- incentives around PRS delivery, including affordable build-to-rent and re-establishing a renewed National Rental Affordability Scheme, particularly facilitated through the community housing sector

- integrated housing assistance packages, including the expansion of brokerage programs to enable young adults to sustain housing at key transition points such as moving between rental dwellings, leaving care, leaving the family home or fleeing from violence and abuse

- dedicated private rental support packages, including access to Indigenous advocacy and support workers to help young people overcome barriers to housing including discrimination.

Aspiration 3: To provide diversity and real choice in the dwelling and location

Demand for niche segments within the PRS is likely to increase as it houses more diverse population groups (Hulse Parkinson et al. 2018). However, the supply of PRS dwellings does not adequately cater to the needs of different population segments, including those with incomes falling within the lowest 20 per cent of the population distribution, key workers and professionals, international and domestic students and families, new arrivals and Indigenous young Australians.

While many young adults expressed a preference for a 3- to 4-bedroom detached dwelling, there is still an appetite for smaller dwellings or niche housing models, and a growing recognition of having to adjust expectations. While some young adults were prepared to 'downsize' their aspirations in order enter the property market, the current supply focus on small apartments geared to single person living do not easily accommodate families. Subsequently, smaller apartments generally were not a tenure of choice—particularly for early adults entering into family formation. Direct initiatives that are likely to promote greater choice include:

- Increase the supply of and mix of dwelling sizes, including number of bedrooms, of social and private affordable rentals in well-located areas accessible to transport to those with low individual and household incomes. This can be facilitated via taxation incentives and planning restrictions to ensure that supply is targeted to particular segments.

- Ensure that new development of apartments and smaller dwellings adequately cater for the needs of family living, including apartment acoustics and communal garden and interactive space for children. This includes planning provision for larger and adaptive dwellings for multi-generational and multi-household living.

- Explore policy opportunities for innovation in digital technology to better match landlords (including social landlords) and young adults (including young families), to particular types of rental situations and in locations that better meet their needs. This includes access to schools and other social infrastructure.

- Government-supported and led scaling up partnerships for the development of niche co-living and deliberate design models that seek to integrate sustainability and affordability such as Nightingale in the private sector context and housing cooperatives within community housing in social housing contexts.

- Government-based incentives to community housing associations and developers for shared home ownership and equity schemes for those wishing to enter home ownership via this channel.

Aspiration 4: To move towards independence and longer term financial freedom and security

Ultimately young adults want to be able to move to a position where their future long-term security is assured as they enter into mid and later life. However, the importance of planning ahead is difficult to contemplate when the steps or paths are uncertain. Some young adults were of the view that they would not be able to contemplate home ownership until much later in life or would have to wait for an inheritance. Assisting young adults to move towards longer term security requires a more concerted commitment from governments to address the equity divide by targeting those who have been locked out of housing in the longer term.

Reducing the deposit gap

Young adults identified the deposit gap as among the most significant obstacles to entering into home ownership, particularly in Sydney and Melbourne. State-based initiatives are key to ensuring a more level playing field for young adults. However, existing policies, including varying amounts of stamp duties, serve to further reinforce area-based differences in home ownership access. The 'wait and see' approach, which many young adults have been applying to the market, has paid off for some as house prices enter into a period of 'correction'. However, this approach has also meant that some have placed their lives on hold. The *First Home Loan Deposit Scheme* (Liberal Party 2019) due to commence on January 2020 with capped assistance for only 10,000 borrowers will be limited in impact, especially among those with the lowest incomes. Ultimately, reducing the deposit gap into the future requires better institutional management of the rate of house price growth to avoid the kind of speculative rises witnessed in the past decade and find a more equitable balance between the interests of investors and first time purchasers. This includes:

- assisting young adults whose parents do not have housing wealth to access housing opportunities

- increasing the superannuation personal contribution amount that can be accessed via the '*First Home Super Saver*'[9] scheme introduced in July 2017 to enable savings to be linked to superannuation more flexibly

- expanding the roll-out of products available under low deposit first home buyer programs, including building on the success of programs such as Keystart and HomeStart and Habitat for Humanity that provide options for supported rental-to-purchase pathways and entry for those with low-to-moderate but stable incomes

- continue the promotion of home ownership to young Indigenous Australians through savings schemes such as those supported by Indigenous business Australia—also expand transitional housing models such as the East Kimberley transitional housing program (Rowley, James et al. 2017) to support Indigenous Australians to move into home ownership

- provide taxation exemption or rebates for private rents to be redirected into superannuation savings as a means of accumulating wealth for low-income renters unable to access home ownership

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[9] As of 1 July 2018, individuals can apply for the release of voluntary superannuation contributions made after 1 July 2017 for the purposes of a home loan deposit. The maximum amount that can be released is $30,000 of personal contributions plus associated earnings. See https://www.ato.gov.au/general/new-legislation/in-detail/super/first-home-super-saving-scheme/.

- raising financial literacy and knowledge of housing assistance programs and consumer rights through independent broad-based interactive online information and advice platforms for emerging and early adults.

5.2 Key questions answered in the research

The focus of this research has been to better understand the nature of the housing aspirations gap within the distinct phases of emerging and early adulthood. The aim is to harness more effective policy frameworks to enable young adults to move towards secure independence. In considering this challenge we sought to address three key research questions. The following discussion addresses each of these questions in turn.

RQ1. What are the shelter and non-shelter aspirations of lower income young Australian adults at emerging and early adulthood?

In addressing the first research question we found that the shelter and non-shelter aspirations for those in emerging adulthood (18–24 years) are shaped by an extended phase of dependence to semi-dependence and the 'growing necessity of living with others' either in the family home or sharing.

The SIH revealed that only 17 per cent of emerging adults were living independently either as a couple or lone-person household in 2015–16. However, for early adults the proportion living independently is significantly higher with most having transitioned to independent households when surveyed in 2015–16. However, the proportion of young adults in the 25–34 year age cohort living independently is declining over time, decreasing for independent couples from 66 per cent in 2003–04 to 60 per cent in 2015–16, and for those living alone from 9 to 7 per cent in the same period. This means that around a third of early adults are continuing to live either with their parents or in group households.

The motivations for living in different living arrangements differ for emerging and early adults. For emerging adults, remaining or moving back with parents or living in a shared household reflects concerns around affordability but is also a strategy used to pursue aspirations in other areas of life that take precedence over planning for housing futures. Relative to early adults, emerging adults as a cohort have greater parity in individual incomes. This shapes similar short-term aspirations, be that studying, travelling, working or looking for work. Many in this age group had a vague notion of their ideal living arrangement (around 60% felt that home ownership was their ideal tenure) but had not settled on a distinct path. Very few were actively planning for entry into the housing market and some were unsure how to go about it. Notwithstanding, nearly a third (32%) felt that purchasing a dwelling would be attainable within the next five years, and just over a third (36%) thought it would be attainable between 5–10 years. A further third were not sure, did not feel it was possible to purchase or were not intending to purchase.

Short-term housing aspirations for most in the emerging adulthood cohort revolved around establishing themselves in further education and training or employment with housing a secondary consideration. For some at this stage of life, aspirations for independence and security were tied to home ownership, while the focus for others was on putting in place the foundations that would enable them to move forward towards their ultimate life goals. Having somewhere safe and secure to call home was the most important ideal; long held values and cultural assumptions around home ownership and dwelling type and size were found to still dominate but were not as persistent as for older cohorts.

For early adults (25–34 years), having somewhere safe and secure to call home remains the most important ideal. Individual home ownership is a pervasive ideal for the majority of early adults (70%), but this continues to be shaped by perceptions of whether it is attainable and how well current living arrangements might serve them into the future: particularly, opportunities for

security and control over their housing tenure. For instance, those living with parents in early adulthood were less likely to feel that home ownership was their ideal (61%), compared with 80 per cent of independent higher-income couples. Quality of life domains were also important with early adults placing value on being connected to a particular location, lifestyle or social network that mattered to them or which made other aspects of their lives easier to negotiate or manage.

Disparities in income between those living independently, living with parents and living in shared households become more marked by the stage of early adulthood and shape growing inequity in the attainment of aspirations. Individuals continuing to share are most precarious in their employment and were the most culturally diverse in the sample in respect to their country of birth. Those remaining or moving back to live with their parents are more polarised with this group notable both for the highest share of unemployment in their age cohort and the highest rates of permanent employment. Education status is an important determinant in shaping aspirational divides for home ownership. Nearly two-thirds (61%) of those who are tertiary educated believe it will be possible to purchase a property within five years, compared with just over a third of those matriculating with Year 12 (36%) and less than a quarter (23%) of young adults with an education to Year 11 or below.

Although early adult couples living independently (55%) were most likely to have plans in place for their future housing, a large proportion were still choosing or being forced to 'go with the flow'. Many were weighing up the trade-offs between renting and buying including maintaining their current lifestyle (via renting in place) or moving away (to purchase in a more affordable area). This created a sense of suspended 'limbo' and inaction. Others were committed to pursuing longer term aspirations regardless of their relationship status, where preferences for financial independence and freedom became the overarching aspirational goal.

RQ2. Where lower income young adults are unable to achieve their housing aspirations, what is the nature of their 'housing aspirations gap' and how does this vary across socio-economic status, tenure and location?

In considering the nature of the housing aspirations gap we looked at the interaction between income group, housing tenure and location (proximity to education, training and employment opportunities and locational disadvantage). We found that the 'gap' becomes more pronounced over time from emerging to early adulthood, especially among those who rent in the PRS. While many young adults in emerging adulthood had a 'blind optimism' that they would be able to meet their aspirations, others were acutely aware of the constraints ahead and how these differed from their parents. There was a sense of being at a crossroad: whether to move into the rental sector or bypass renting and 'wait it out at home' until they were in a position to purchase or pursue other pathways.

For most emerging adults their current living arrangements met their short-term aspirations, given their income constraints. Short-term housing aspirations at this stage of life typically are met when an individual's living conditions enable movement towards aspirations in other areas, such as education, employment, community and so forth. The short-term aspirations gap is increased by locational mismatch, high mobility, insecurity (housing tenure, income/employment, relationships and so forth), homelessness and informal living arrangements characterised by unstable relationships and lack of personal space. Collectively, and individually, these can inhibit the move towards secure independence. The longer term aspirations, or 5–10 year gap, begin to expand among young adults living at home and sharing, compared with those living independently.

By early adulthood, the perceived aspirations gap has become amplified for those constrained in moving towards their ideal housing of choice, especially among those remaining in private rental either sharing or living independently. For those locked out of home ownership, 'moving'

has become their one predictable factor with short-term aspirations shaped around horizontal moves or finding an arrangement only slightly better than the previous move, but with no sense of moving upwards or closer to attaining longer term aspirations. For those who have not been able to attain their ideal living arrangement, both short and longer term aspirations gaps are underpinned by constraints on capacity to save. The desire for flexibility now gives way to a growing sense of precariousness and relentless instability.

Some internalised this aspirations gap as a feeling of 'not quite having it all together', while others externalised the gap with a growing sense of inter-generational resentment. This was characterised by a perception of being 'forgotten' and lacking any real political representation despite having done 'everything right'. Affordability, in terms of the deposit gap, insufficient income, employment insecurity and 'waiting for the market to settle down' were the main barriers to moving towards longer term aspirations and goals.

The longer term aspirations gap increases for those continuing to rent in early adulthood, and is particularly evident among higher income earners. This is likely due to the realisation that their ideal living arrangement is still a long way off, or recognition that its achievement will be contingent on significant adjustments to expectations. Lower income purchasers have the smallest gap between short and long-term aspirations, suggesting that the very attainment of home ownership satisfies their expectations. Early adults living with parents 'settle' in at this stage with the gap closing compared with those in the younger cohort. The locational aspirations gap is highest for those living in outer urban areas of cities with greater aspirations to move closer to inner and CBD areas.

RQ3. What current and innovative housing policy solutions should be implemented to assist young adults to meet their short, mid and longer term housing aspirations?

In considering the final research question we propose that managing generational change requires new policy frameworks to enable emerging and early adults to move towards aspirations for 'secure independence'. The goal of an aspirational policy framework should be to reduce the time that young adults are suspended in a state of semi-dependence and insecure independence and to provide pathways of choice towards ideal housing futures. Finally, we propose that an enabling mix of assistance towards secure independence includes targeted tenure-neutral policies focusing on four key aspirations:

- pursuing and living near opportunities for study and work

- balancing flexibility with security within the dwelling and community

- providing diversity and real choice in the dwelling and location

- moving towards independence and longer term financial freedom and security.

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Appendix 1: Focus group participants

Table A1: Focus group participants, Western Australia: Metropolitan area

Number	Income band	Age cohort	Household type
1	$40,000–44,999	18–24	Shared household
2	50,000–54,999	18–24	Living with parents
3	25,000–29,999	18–24	Living with parents
4	15,000–19,999	18–24	Living with parents
5	20,000–24,999	18–24	Living with parents
6	25,000–29,999	25–29	Couple
7	DNA	25–29	Living with parents
8	45,000–49,999	30–34	Couple
9	60,000–69,000	30–34	Single
10	less than $10,000	18–24	Living with parents

Table A2: Focus group participants, NSW: Metropolitan area

Number	Income band	Age cohort	Type of household
1	Less than $10,000	34+	Single parent
2	$20,000–24,999	18–24	Couple with 2 children plus mum and dad
3	Less than $10,000	18–24	Single parent
4	$10,000–14,999	18–24	Single parent and her parents
5	$10,000–14,999	18–24	Couple and her parents
6	$25,000–29,999	25–29	Couple with children
7	$15,000–19,999	25–29	Single parent
8	$15,000–19,999	25–29	Lives with child(ren) and a friend
9	Less than $10,000	18–24	Couple with children

Table A3: Focus group participants, Victoria: Metropolitan area[a]

Number	Income band	Age cohort	Type of household
1	$10,000–14,999	18–24	Single
2	Less than $10,000	18–24	Single
3	Less than $10,000	18–24	Single
4	$20,000–24,999	18–24	Single parent

Table A4: Focus group participants, Western Australia: Regional

Number	Income band	Age cohort	Household type
1	less than $10,000	18–24	Lives with grandparents
2	less than $10,000	18–24	Couple
3	$10,000–14,999	25–29	Couple
4	$30,000–34,999	18–24	With parents
5	$40,000–44,999	25–29	With parents
6	$60,000–69,999	30–34	Couple
7	$55,000–59,999	30–34	Single
8	$10,000–14,999	18–34	Couple with children
9	$60,000–69,000	23	With parents

Table A5: Focus group participants, Victoria: Regional

Number	Income band	Age cohort	Type of household
1	$30,000–34,999	25–29	Single parent
2	$80,000+	30–34	Couple
3	$50,000–54,999	30–34	Couple
4	$55,000–59,999	25–39	Couple
5	$40,000–44,999	18–24	Single
6	$25,000–29,999	25–29	Couple with children
7	$30,000–34,999	30–34	Single parent
8	$60,000–69,999	18–24	Couple
9	Less than $10,000	18–24	Single with children not living with him
10	$60,000–69,999	18–24	Couple with children
11	$15,000–19,999		Single parent
12	$20,000–24,999	25–29	Single
13	$50,000–54,999	25–29	Couple with children
14	$25,000–29,999	30–34	Single

Table A6: Focus group participants, NSW: Regional

Number	Income band	Age cohort	Type of household
1	$10,000–14,999	18–24	Student living at home
2	$10,000–14,999	18–24	Student living at home
3	$10,000–14,999	18–24	Shared rental
4	$10,000–14,999	18–24	Shared rental

Number	Income band	Age cohort	Type of household
5	$10,000–14,999	18–24	Shared rental
6	$30,000–34,999	25–34	Working living at home
7	$10,000–14,999	25–34	Studying living at home
8	$10,000–14,999	18-24	Studying living at home

Appendix 2: Interview participants

Table A7: Interview participants

ID Number	Age	Gender	State	Current location	Relationship in household
ID1MSAsp_Vic	18–24	Male	Vic	Outer suburbs	Shared rental
ID2CMAsp_Vic	30–34	Female	Vic	Inner Suburbs	Couple rental Independent
ID3ACAsp_Vic	18–24	Female	Vic	Inner Suburbs	Shared rental
ID4CSAsp_Vic	30–34	Male	Vic	Inner Suburbs	Shared rental
ID5TD_Vic	25–29	Male	Vic	Inner Suburbs	Shared rental
ID6YCT_Vic	25–29	Male	Vic	Middle suburbs	Shared rental
IDJL7_Vic	18–24	Male	Vic	Inner Suburbs	Shared rental
IDAC8_Vic	25–29	Female	Vic	Outer suburbs	Shared rental
IDSK9_Vic	18–24	Female	Vic	Regional town	Shared rental
IDSS10_Vic	18–24	Female	Vic	Regional City	Living at home with parents
IDCB11_Vic	18–24	Male	Vic	Regional City	Living at home with parents
ID12LT_Vic	30–34	Female	Vic	Regional City	Living at home with parents
ID13BC_Vic	18–24	Female	Vic	Regional town	Multi-family with children
ID14MS_Vic	30–34	Female	Vic	Regional town	Multi-family with children
ID15FB_Vic	18–24	Female	Vic	Inner Suburbs	Living independently renting alone
ID1CCAsp_NSW	25–29	Male	NSW	Middle suburbs	Living at home with parents
ID2RKAsp_NSW	18–24	Female	NSW	Middle suburbs	Living independently single parent
ID3EKAsp_NSW	25–29	Female	NSW	Inner Suburbs	Shared rental
ID4TT_NSW	18–24	Male	NSW	Outer suburbs	Shared rental
ID7YV_NSW	25–29	Female	NSW	Inner Suburbs	Shared rental
ID5PM_NSW	30–34	Male	NSW	Regional City	Living independently with children renting
ID6TD_NSW	30–34	Female	NSW	Regional town	Multi-family
ID8SP_NSW	25–29	Male	NSW	Regional town	Living with parents

ID Number	Age	Gender	State	Current location	Relationship in household
ID1EA_WA	18–24	Female	WA	Inner Suburbs	Living independently renting alone
ID2AD_WA	18–24	Male	WA	Outer suburbs	Living with parents
ID3JS_WA	18–24	Female	WA	Regional town	Living independently couple with child
ID4RJ_WA	30–34	Female	WA	Regional town	Living independently with children
ID5TV_WA	25–29	Female	WA	Middle suburbs	Shared rental
ID6KD_WA	30–34	Female	WA	Middle suburbs	Shared rental
ID7JG_WA	25–29	Male	WA	Middle suburbs	Shared rental
ID8GF_WA	25–29	Male	WA	Middle suburbs	Shared rental
ID9JK_WA	25–29	Female	WA	Metro	Living at home

Table A8: Interviews with young Indigenous Australians

Location	Number
Metropolitan NSW	7 (4 Females; 3 Males)
Regional NSW	0
Metropolitan Victoria	3 (Female)
Regional Victoria	2 (Female)
Metropolitan WA	0
Regional WA	6 (5 Females; 1 Male)

Appendix 3: ABS and SIH household groups, by Capital City

Table A9: ABS and SIH household groups, by Capital City

	Sydney		Melbourne		Brisbane		Adelaide		Perth		Hobart
18–24 years	2003–04	2015–16	2003–04	2015–16	2003–04	2015–16	2003–04	2015–16	2003–04	2015–16	2003–04
Living independently as a family	11.5%	7.6%	10.7%	9.0%	25.3%	15.6%	17.0%	13.6%	21.1%	14.0%	21.4%
Living in family home/multi-family	68.1%	82.4%	65.9%	69.3%	42.3%	70.1%	62.7%	65.0%	56.2%	66.4%	64.2%
Group household, living with unrelated or related families	17.1%	8.6%	20.0%	16.9%	27.2%	11.8%	16.2%	16.9%	18.7%	16.9%	9.7%
Living alone	3.3%	1.4%	3.4%	4.8%	5.2%	2.5%	4.0%	4.6%	3.9%	2.7%	4.7%
	384,472	431,557	344,669	442,046	180,195	235,785	117,930	120,165	143,547	187,334	19,232
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**
25–34 years	Sydney		Melbourne		Brisbane		Adelaide		Perth		Hobart
Living independently as a family	57.0%	54.7%	61.1%	54.7%	70.6%	62.7%	66.3%	62.3%	58.3%	56.2%	67.0%
Living in family home/multi-family	21.1%	24.7%	16.8%	23.0%	8.3%	14.9%	12.4%	19.3%	16.4%	21.8%	12.0%

Group household, living with unrelated or related families	13.1%	14.5%	13.0%	14.1%	13.4%	15.4%	14.0%	11.3%	13.5%	15.6%	8.2%
Living alone	8.8%	6.1%	9.2%	8.2%	7.8%	7.0%	7.3%	7.0%	11.7%	6.3%	12.9%
	647,136	**790,803**	**564,121**	**738,073**	**247,374**	**353,217**	**147,559**	**194,749**	**205,818**	**330,582**	**25,694**
Total %	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Notes: 'Living in family home/multi-family includes dependent students and non-dependent children aged 18–24/25–34 years and some young couples or lone parents in multi-family households. 'Group living' includes young adults living with related or unrelated people (including other families), but not with their own parent(s).

Appendix 4: AHA survey characteristics: emerging adults (18–24 years)

Table A10: Selected demographics, AHA survey: emerging adults (18–24 years), Column %

	Living independently as a single person	Living independently as a family or couple	Living in the family home	Sharing with others in a group household	Total
Gender					
Female	33.0	54.4	49.5	49.7	48.8
Male	67.0	44.1	48.6	47.0	49.3
Transgender female	0.0	0.5	0.5	0.0	0.3
Transgender male	0.0	0.0	0.2	0.5	0.2
Gender variant/non-conforming	0.0	0.4	0.9	1.3	0.6
Have children					
Couple with children	0	7.7	0	0	
Lone parent	1.4	0	0	0	
Single/couple with children in parent's home	0	0	5.6	0	
Single/couple with children, group household	0	0	0	2.6	
Country of birth					
Australia	77.0	76.2	81.4	60.3	75.5
New Zealand	2.1	2.3	2.8	2.3	2.5
United Kingdom	1.8	2.4	1.9	2.9	2.3
India	2.8	5.8	2.8	4.7	4.3
Italy	0.7	0.5	0.2	0.3	0.4
China	3.2	1.1	1.5	2.6	1.7
Vietnam	0.7	0.5	0.4	3.4	0.9
Other	11.7	11.1	9.0	23.6	12.4
	100	100	100	100	100
Resident status for immigrants					
Temporary entrant, e.g. 457 visa	4.0	18.5	3.3	14.5	9.7
Permanent resident	32.0	33.3	24.6	4.8	20.0

Citizen	24.0	18.5	55.7	6.5	28.0
Student visa	32.0	7.4	14.8	71.0	36.0
Other	8.0	22.2	1.6	3.2	6.3
Cultural identity					
Aboriginal and Torres Strait Islanders	6.2	16.4	6.4	4.4	8.1
Non Aboriginal and Torres Strait Islanders	93.8	83.6	93.6	95.6	91.9
Highest education					
Degree	33.0	41.0	23.3	44.3	32.3
Diploma/apprenticeship	16.5	20.5	13.1	13.1	15.1
Certificate I–IV	12.4	10.8	17.1	12.0	14.2
Year 12	30.9	19.0	39.2	26.8	31.5
Year 11 or below	7.2	8.7	7.4	3.8	6.9
	100	100	100	100	100
Receives income support	32.0	52.8	25.7	26.2	32.3
Low-to-moderate income[a]	90.6	69.7	92.3	94.2	87.2
Parents owned their home when you were growing up	85.6	75.4	73.6	83.1	78.8

Notes: (a) Low income based on individual income for those living alone, with parents or in a shared group household. Income omits missing values for those reporting that they were not prepared to disclose.

Table A11: Individual employment and income, AHA survey: emerging adults (18–24 years), Column %

	Living independently as a single person	Living in the family home	Sharing with others in a group household	Total
Employment status				
Work full time	31.3	15.9	17.0	18.8
Work part time	18.8	19.2	17.6	18.5
Work full time and study	3.1	2.7	2.0	2.6
Full-time carer			0.7	0.3
Unemployed	10.4	12.6	8.5	11.3
Other	1.0	2.2	2.6	2.2
Study full time	24.0	30.8	32.0	29.9
Work part time and study	11.5	16.5	19.6	16.3
	100	100	100	100

	Living independently as a single person	Living in the family home	Sharing with others in a group household	Total
Employment contract				
Casual employee (without leave entitlements	35.0	45.1	51.4	41.9
Fixed term employee (with leave entitlement, and fixed end date)	20.0	13.4	11.0	13.1
Permanent employee (with leave entitlement and no end date)	36.7	33.7	30.3	36.0
Self employed	8.3	4.1	3.7	4.8
Other	0.0	1.6	0.9	1.8
Agency work	0.0	2.0	2.8	2.3
	100	100	100	100
Income group				
Under $31,000	36.5	56.0	46.4	50.5
$31,000–$59,999	26.0	20.9	24.8	22.7
$60,000–$89,999	17.7	7.1	9.2	9.1
$90,000–$124,999	1.0	1.4	0.7	1.3
$125,000–$149,999	1.0	0.0	0.7	0.3
$175,000–$199,999	1.0	0.0	0.7	0.3
$200,000 or over	3.1	0.3	0.0	0.8
Not prepared to say	12.5	13.2	17.0	14.1

Table A12: Employment of couples, AHA survey: emerging adults (18–24 years), Column %

Both of you work full time	34.1
One of you works full time and one works part time	22.5
One of you works full time (the other is a full-time carer or retired, for example)	15.4
Both of you work part time	7.7
Neither of you work	7.1
Other	3.3
One of you works part time (the other is a full-time carer or retired, for example)	5.5
Both of you study full time	4.4

Table A13: Reasons for moving back home, AHA survey: emerging adults (18–24 years), Multiple responses %

I/we am studying and living at home is convenient	34.9
I/we am trying to save money to move out	28.9
I'm/we're happy living at home for now and there is no need to move	24.8
I/we want to move out but can't afford it	24.5
It is convenient for my/our current needs	24.3
My job is not secure enough to afford to rent/buy my own dwelling	22.5
I/we am trying to save money for other expenses/activities	20.4
I/we need to look after my/our parents	6.2
I/we need help from my parents, e.g. health care	6.4
Other	2.1

Table A14: Main reason would like to move to a different dwelling, AHA survey: emerging adults (18–24 years), Column %

	Living independently as a single person	Living independently as a family or couple	Living in the family home	Sharing with others in a group household	Total
To gain some Independence	6.4	8.2	41.0	19.2	26.6
To move to a better quality location, e.g. better amenities, transport links	17.0	9.0	6.9	7.2	8.2
To move to a better quality dwelling	6.4	12.3	3.8	12.8	7.7
To access better employment opportunities	8.5	11.5	12.8	13.6	12.4
To access a dwelling more suitable for your needs, e.g. more bedrooms, larger/smaller backyard etc.	10.6	21.3	6.6	10.4	10.8
To move somewhere more affordable	12.8	8.2	5.2	7.2	6.9
To feel more safe and secure	8.5		3.5	1.6	2.7
To purchase a dwelling	6.4	13.1	8.3	4.8	8.4
To move closer to family	12.8	5.7	2.8	6.4	5.0

To find somewhere that feels like home	8.5	9.0	5.6	9.6	7.4
Other	2.1	1.6	3.5	7.2	3.8
	100	100	100	100	100

Table A15: Ideal tenure, by whether parents own their dwelling, AHA survey: emerging adults (18–24 years), Column %

	Parents owned a home when you were a child	Did not own when you were a child	Total
Home ownership	61.1	51.3	59.2
Shared ownership/equity (dwelling ownership shared with state government or a not-for-profit provider)	2.6	1.7	2.5
Jointly owned with a joint mortgage shared with friends and family	5.5	6.1	5.6
Renting in a shared house/flat/room with friends/family	7.1	7	7
Rent from a private landlord	5.7	7.8	6.2
Rent through a real estate agent	7.3	7.8	7.4
Rent from a state or community housing provider	2.6	3.5	2.8
Live with parent(s)/guardian(s)	3.8	6.1	4.2
No preference	2	6.1	2.8
Within a lifestyle or retirement village	2	1.7	1.9
Other	0.20	0.90	0.40

Table A16: Barriers preventing moving, AHA survey: emerging adults (18–24 years), Multiple responses %

	Living independently as a single person	Living independently as a family or couple	Living in the family home	Sharing with others in a group household	Total
Affordability	23.4	36.1	51.4	39.2	43.3
High cost of moving	29.8	29.5	42.4	32.0	36.4
Lack of savings	23.4	29.5	42.4	32.0	35.9
Current employment (you or your partner)	10.6	16.4	26.7	18.4	21.5
Nothing, I/we just haven't got round to it	19.1	13.1	8.3	14.4	11.5
Pets	10.6	6.6	8.7	5.6	7.7

	Living independently as a single person	Living independently as a family or couple	Living in the family home	Sharing with others in a group household	Total
Lack of choice in your preferred locations	8.5	13.9	8.0	8.0	9.3
Too much disruption	4.3	3.3	5.2	6.4	5.0
Too difficult due to health/disability	2.1	5.7	3.8	2.4	3.8
Need to be close to family/friends	8.5	8.2	6.3	5.6	6.7

Table A17: What has prevented you buying a dwelling? AHA survey: emerging adults (18–24 years), Multiple responses %

	Total
I/we can't afford the deposit	52.6
My/our income not sufficient to buy	44.2
I/we do not have permanent employment	34.1
I/we just don't want to buy a dwelling	13.8
I'm not in a stable relationship and do not want to commit to a mortgage on my/our own	16.8
Saving for a deposit is not a priority at the moment	14.3
Waiting for house prices to stop rising	19.9
Continually outbid for dwellings I/we want to purchase	2.8
There are no affordable places to buy where I/we want to live and work	16.1

Table A18: What would be your ideal location? AHA survey: emerging adults (18–24 years), Column %

	Living independently as a single person	Living independently as a family or couple	Living in the family home	Sharing with others in a group household	Total
The CBD of a Capital City	28.9	20.8	16.7	17.8	19.1
The inner suburbs of a Capital City	24.4	21.3	27.5	32.0	26.8
The middle/outer suburbs of a Capital City	12.2	23.0	26.5	23.1	23.5

	Living independently as a single person	Living independently as a family or couple	Living in the family home	Sharing with others in a group household	Total
A large regional city or town	15.6	16.9	13.6	11.8	14.2
A small regional town	8.9	14.6	8.6	7.7	9.7
A remote community	5.6	0.6	1.8	1.8	1.9
Other		1.1	0.8	1.2	0.8
No preference	4.4	1.7	4.5	4.7	4.0
	100	100	100	100	100

Appendix 5: AHA survey characteristics, early adults (25–34 years)

Table A19: Selected demographics, AHA survey: early adults (25–34 years), Column %

	Living independently as a single person	Living independently as a family or couple	Living in the family home	Sharing with others in a group household	Total
Gender					
Female	43.8	58.5	39.4	42.6	50.0
Male	55.7	41.1	58.5	57.4	49.3
Transgender female	0.5	0.1	0.8	0.0	0.3
Transgender male	0.0	0.0	0.4	0.3	0.2
Gender variant/non-conforming	0.0	0.4	0.9	1.3	0.6
Have children					
Couple with children	0	25.8	0	0	
Lone parent	2.7	0	0	0	
Single/couple with children in parent's home	0	0	10.1	0	
Single/couple with children in group household	0	0	0	2.0	
Country of birth					
Australia	73.2	83.1	83.0	62.8	77.9
New Zealand	1.0	2.6	3.0	2.7	2.6
UK	2.1	3.1	2.5	2.2	2.5
India	4.1	0.5	0.5	3.8	1.5
Italy	1.0	0.5	0.2	0.0	0.3
China	5.2	1.5	0.7	2.7	1.8
Vietnam	1.0	0.5	0.5	3.8	1.2
Other	12.4	8.2	9.6	21.9	12.1
Resident status for immigrants					
Temporary entrant, e.g. 457 visa	5.9	15.4	7.4	17.5	13.5
Permanent resident	26.5	48.4	38.2	26.3	39.6

Citizen	47.1	23.6	44.1	18.8	28.6
Student visa	14.7	6.6	8.8	35.0	14.0
Other	5.9	6.0	1.5	2.5	4.4
Cultural identity					
Aboriginal and Torres Strait Islanders	7.6	5.3	10.9	4.5	6.8
Non Aboriginal and Torres Strait Islanders	92.4	94.7	89.1	95.5	93.2
Highest education					
Degree	49.2	53.8	47.8	53.0	51.7
Diploma/ apprenticeship	18.9	19.1	19.8	12.6	18.4
Certificate I–IV	14.6	12.5	14.1	10.6	12.9
Year 12	9.7	9.9	12.5	15.2	11.2
Year 11 or below	7.6	4.7	5.7	8.6	5.8
	100	100	100	100	100
Receives income support	27.6	33.2	34.5	22.8	31.5
Low to moderate income[a]	87.8	52.0	67.0	87.8	64.6
Parents owned a home when you were a child	80.0	83.3	83.0	78.2	82.1

Notes: [a] *Low income based on individual income for those living alone, with parents or in a shared group household unless they are living with their partner. Income omits missing values for those reporting that they were not prepared to disclose.*

Table A20: Employment of couples, AHA survey: early adults (25–34 years), Column %

Both of you work full time	37.7
One of you works full time and one works part time	26.1
One of you works full time (the other is a full-time carer or retired, for example)	21.7
Both of you work part time	2.8
Neither of you work	4.1
Other	2.4
One of you works part time (the other is a full-time carer or retired, for example)	4.3
Both of you study full time	0.9

Table A21: Individual employment and income, AHA survey: early adults (25–34 years), Column %

	Living independently as a single person	Living in the family home	Sharing with others in a group household	Total
Employment status				
Work full time	58.4	33.0	53.4	46.1
Work part time	15.7	24.0	13.0	18.3
Work full time and study	1.6	2.0	1.4	1.6
Full time carer		2.0		1.2
Unemployed	15.1	21.0	15.1	18.3
Other		4.0	1.4	2.1
Study full time	6.5	9.5	8.9	8.0
Work part time and study	2.7	4.5	6.8	4.4
Type of contract				
Casual employee (without leave entitlements)	23.6	15.7	27.7	21.9
Fixed-term employee (with leave entitlement and fixed end date)	16.0	13.4	17.3	7.9
Permanent employee (with leave entitlement and no end date)	55.6	60.9	44.3	56.3
Self-employed	3.5	5.9	8.3	9.3
Other	1.4	3.9	0.7	2.6
Agency work	0.0	0.2	1.7	2.0
Income group				
Under $31,000	24.3	35.5	28.1	30.9
$31,000–$59,999	23.2	23.5	37.0	27.6
$60,000–$89,999	34.1	16.5	23.3	23.6
$90,000–$124,999	8.1	5.5	4.1	6.1
$125,000–$149,999	2.2	2.5	0.7	1.7
$150,000–$174,999		0.5		0.2
$175,000–$199,999	0.5			0.2
$200,000 or over	0.5	2.0		0.9
Not prepared to say	7.0	14.0	6.8	8.9
	100	100	100	100

Notes: Individual income is for single persons, including those living in a shared group household.

Table A22: Barriers preventing moving, AHA survey: early adults (25–34 years), Multiple responses %

	Living independently as a single person	Living independently as a family or couple	Living in the family home	Sharing with others in a group household	Total
Affordability	36.4	40.2	43.6	37.8	40.4
High cost of moving	26.3	29.6	35.7	23.0	30.0
Lack of savings	28.3	31.4	35.3	35.6	32.8
Current employment (you or your partner)	11.1	22.9	20.7	17.8	20.3
Nothing, I/we just haven't got round to it	22.2	12.1	9.4	18.5	13.3
Pets	7.1	8.0	10.5	6.7	8.5
Lack of choice in your preferred locations	11.1	10.4	13.5	9.6	11.3
Too much disruption	7.1	8.3	5.6	6.7	7.2
Too difficult due to health/disability	6.1	2.6	7.1	1.5	4.1
I am actively looking just haven't found the right dwelling yet	10.1	12.3	12.4	6.7	11.3
Need to be close to family/friends	2.0	3.8	10.2	7.4	6.0
Children's education	0.0	7.8	8.3	3.7	6.5
No state or community housing alternatives available	5.1	3.8	5.3	1.5	4.0

Table A23: Reasons for moving back home, AHA survey: early adults (25–34 years), Multiple responses %

I/we am trying to save money to move out	28.8
It is convenient for my/our current needs	25.4
I/we am trying to save money for other expenses/activities	21.2
I'm/we're happy living at home for now and there is no need to move	21.0
I/we want to move out but can't afford it	19.9
My job is not secure enough to afford to rent/buy my own dwelling	19.7
I/we need to look after my/our parents	19.4
I/we need help from my parents, e.g. health care	11.4
I/we am studying and living at home is convenient	10.9
Other	4.1

Table A24: Reasons for sharing, AHA survey: early adults (25–34 years), Multiple responses %

I/we can't afford any other option	40.1
I/we like living with friends	31.2
It allows me/us to live in my preferred location	14.4
I/we like living with family	9.9
I/we am a student	7.4
I/we have no other option	6.4
I/we don't want to live with parents	4.0
I/we don't want to live on my/our own	3.5
Other	8.9

Table A25: What has prevented you buying a dwelling?, AHA survey: early adults (25–34 years), Multiple responses %

	Total
I/we can't afford the deposit	53.8
My/our income not sufficient to buy	39.4
Waiting for house prices to stop rising	24.2
I/we do not have permanent employment	22.7
There are no affordable places to buy where I/we want to live and work	18.2
Saving for a deposit is not a priority at the moment	13.8
I'm not in a stable relationship and don't want to commit to a mortgage on my/our own	12.8
I/we just don't want to buy a dwelling	10.2
Continually outbid for dwellings I/we want to purchase	5.7

Table A26: What would be your ideal location?, AHA survey: early adults (25–34 years), Column %

	Living independently as a single person	Living independently as a family or couple	Living in the family home	Sharing with others in a group household	Total
The CBD of a Capital City	20.2	11.9	24.2	11.3	15.8
The inner suburbs of a Capital City	25.6	26.1	28.0	34.9	27.6
The middle/outer suburbs of a Capital City	24.4	31.2	25.6	24.2	28.1
A large regional city or town	16.1	15.8	8.9	14.0	13.9
A small regional town	10.1	10.8	8.6	8.6	10.0
A remote community	2.4	1.5	0.9	2.2	1.6
Other		1.1	1.2	1.6	1.1
No preference	1.2	1.5	2.6	3.2	2.0
	100	100	100	100	100

Appendix 6: Adaptive ways of living

Table A27: Adaptive ways of living, AHA survey: emerging adults (18–24 years), Multiple responses %

Are there any circumstances under which you would consider:	Living independently as a single person	Living independently as a family or couple	Living in the family home	Sharing with others in a group household	Total
Living in an apartment	37.1	34.5	36.6	41.0	37.1
Living in a house share arrangement with people of your age	35.1	28.2	27.8	42.1	31.5
Living in a long-term, secure rental dwelling	27.8	28.5	22.4	31.7	26.1
Shared ownership with a family member	23.7	26.9	23.7	24.0	24.5
Purpose-built rental dwelling owned and managed by a private sector organisation (build-to-rent)	20.6	23.8	12.0	15.8	16.2
Living in a house share arrangement with older people	20.6	16.0	10.4	14.2	13.4
Living in a house share arrangement with younger people	24.7	16.5	10.1	9.8	13.0
Living in a Tiny house (i.e. around 20m2)	23.7	14.0	10.2	10.9	12.6
Living in an inter-generational household	16.5	14.4	9.5	13.7	12.2
Living in a housing cooperative (a community working together to deliver their housing needs)	15.5	17.0	8.3	11.5	11.6
Living in public or community housing	18.6	18.0	9.2	6.6	11.6

Table A28: Adaptive ways of living, AHA survey: early adults (25–34 years), Multiple responses %

Are there any circumstances under which you would consider:	Living independently as a single person	Living independently as a family or couple	Living in the family home	Sharing with others in a group household	Total
Living in an apartment	31.9	21.7	36.4	42.1	29.2
Living in a house share arrangement with people of your age	13.0	9.9	26.2	35.1	17.5
Living in a long-term, secure rental dwelling	24.5	21.7	31.3	30.2	25.5
Shared ownership with a family member	15.1	14.7	28.3	27.2	19.7
Purpose-built rental dwelling owned and managed by a private sector organisation (build-to-rent)	11.9	13.1	19.5	13.9	14.6
Living in a house share arrangement with older people	8.6	7.0	17.4	13.9	10.6
Living in a house share arrangement with younger people	9.7	7.7	17.4	13.4	11.1
Living in a Tiny house (i.e. around 20m2)	14.6	7.7	20.7	15.3	12.7
Living in an inter-generational household	6.5	7.7	19.5	9.4	10.7
Living in a housing cooperative (a community working together to deliver their housing needs)	8.7	6.9	14.3	12.4	9.6
Living in public or community housing	10.3	7.7	16.9	13.9	11.1

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