



Final Report

21st century housing careers and Australia's housing future

authored by
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1 OVERVIEW

This report presents the findings that have emerged out of the second AHURI funded National Research Venture (NRV2), 21st century housing careers and Australia's housing future. The report identifies the major drivers of housing careers in Australia in the first part of the 21st century, as well as policy implications.

The major conclusions of the three-year NRV2 research program are:

- Housing careers have become more diverse in Australia and there is less conformity in the pathways through the housing market negotiated by individuals and households through their life course. Housing careers are now more appropriately thought of as housing transitions;
- Demographic processes remain an important driver of housing transitions, with the processes of relationship formation and the birth of children critical to the shape of 21st century housing transitions. However, they are less important drivers when compared with the second half of the 20th Century because of societal change. For example, one-third of Australian women will not have children and therefore the demographic processes around the arrival of the first child are less important than in the past;
- The dissolution of households has emerged as an important driver of 21st century housing transitions, with divorce and marital separation affecting a significant number and percentage of households;
- Change in housing career, now and over the next 30 years, will be greater in older age than at any other part of the lifecycle;
- Affordability is a significant impediment to entry to home purchase. Through the 1990s Winter and Stone (1998; 1999) argued that marginal attachment to the labour market reduced the capacity of many households to enter home purchase. That is, the individual's status as a casual or part-time employee limited their capacity to secure a loan and enter the tenure. This research finds that the liberalisation of housing finance has enhanced access to mortgage finance for low income groups, but individuals and households are reluctant to take up the opportunity to enter home purchase because of subsequent high housing costs;
- Assistance with entry into home ownership is increasingly important, with the Australian Government's First Home Owners Grant accounting for just half of the incidences of assistance with home purchase;
- The overwhelming majority of tenants continue to aspire to home ownership but almost half believe that they will not be able to enter the tenure within the foreseeable future because of high housing costs;
- The single greatest motivation for movement through the housing market is consumption. Households move in order to occupy a better dwelling or live in a better neighbourhood;
- For many Australians consumption aspirations are an increasingly important component of their housing career and this is reflected in the burgeoning home renovation sector. Almost one-third of all respondents to our national survey had either renovated their current dwelling or planned to renovate their dwelling;
- A majority of Australians report that their housing is part of a broader 'life plan', with most reporting success in achieving their aspirations;

- Some 22 per cent of households reported that one or more persons was affected by a disability and 19 per cent of the population aged under 65 reported one or more persons in their household had a disability or long-term health condition;
- The greatest rates of disability were recorded amongst the older population;
- In households where the respondent was aged under 65 and one or more persons was affected by a disability, household incomes were low and there was a high degree of concentration in public rental housing;
- The housing transitions of persons with a disability vary significantly by type and severity but key issues include low participation rates in the formal labour market, reliance upon family support, and the impact of the way in which the disability was acquired;
- Many persons with a substantial disability (referred to as a profound or core activity limitation (AIHW 2003)) have extremely restricted housing transitions because of low incomes and the absence of options within the housing system.

21st century housing transitions are a reflection of changing demographic, social, economic and public policy processes. The evidence suggests that the majority of Australians are able to construct successful and satisfying housing transitions through their participation in the housing market, but some vulnerable groups are increasingly left behind. In the long-term the challenge for housing policy in Australia will be to continue to nurture an efficient housing market, while helping those with both short-term and long-term needs.

1.1 Research Approach

The central aim of NRV2 was to develop an evidence base around 21st century housing careers in Australia in order to inform the development of policies that ensure high-quality housing for all Australians through their lifetime.

1.1.1 Research Questions

The NRV set out to answer the overarching question:

How are housing careers changing in Australia and what are the implications of change for government-provided housing assistance and housing policy?

The research specifically focused on the potential impact of shifts in household structure, changes in the labour market, fertility patterns, and attitudes to home ownership and government assistance. Within the overarching question, the Research Plan for NRV2 identified four broad-scale questions:

1. What are the processes and events that will drive housing careers in Australia through the 21st century?
2. What are the gaps in our knowledge of the current and anticipated housing careers of the Australian population and particular sub-groups of Australians?
3. Is there a consensus on the most appropriate policy interventions to address shifting housing careers?
4. Can we place shifting housing careers within the context of a changing relationship between governments, housing markets and the provision of supports to individuals?

NRV2 has differed in its execution from NRV1 and NRV3 in that it has included a specific focus on a segment of the housing market, namely persons with a disability. This component of NRV2 has been funded by the Helen McPherson Smith Trust and the Gandell Trust and recognises that persons with a disability, and their carers, are often invisible in national level analyses of social and economic trends. NRV2 has sought to integrate the investigation of the housing transitions of persons with a disability (and family members with significant care responsibilities) into the wider research project. NRV2 set out to investigate the lack of choice, and constraints upon choice with regard to housing and location outcomes for people with a disability, as well as choices, preferences and aspirations. It recognised that the housing transitions of people with disabilities have been shaped by the full range of factors affecting all participants in the housing system (family life stage, labour force participation, age, gender, and so on), and that disability adds to this complexity rather than being the sole driver of housing transitions.

NRV2 was also charged with focusing on two other groups within the Australian population of particular interest to policy-makers and those involved with developing housing policies into the 21st century. These two groups were persons aged 25 to 34 and those aged 55 to 64. The former cohort was of interest because previous research had shown that first home buyers typically fell into this age range (Neutze and Kendig 1991) but that the rate of entry into home purchase had fallen significantly for this group (Yates 1996). There had been debate around the long-term prospects for this group entering home purchase with some suggesting that their entry into home ownership had been cancelled, while others contend that home purchase has simply been delayed to a later stage of the life cycle (Baxter and McDonald 2004). Persons aged 55 to 64 were considered significant also because they are the 'leading edge' of the baby boom cohort and there is an expectation that their housing decisions in later life will substantially vary from those of earlier generations. baby boomers, it is argued, have both the capacity and inclination to take different pathways in their housing compared with earlier cohorts because of wider access to superannuation savings; a longer life expectancy; greater levels of female participation in the labour force; elevated levels of divorce and repartnering; wealth accumulated through the housing market since the year 2000; and, changing attitudes to 'house' and 'home'.

These research questions were addressed in a series of publications published both on the AHURI website and the Southern Research Centre website. A full list of these outputs is provided in Appendix A.

Finally, it is important to acknowledge that NRV2 has not specifically addressed the housing transitions of Indigenous Australians. Instead AHURI Ltd commissioned a separate piece of research on Indigenous housing transitions and this work has now been published (Birdsall-Jones and Christensen 2007). It is important to note that the housing transitions of Indigenous Australians differ significantly from those of non-Indigenous Australians with some of the points of difference including: the impact of extended kinship networks and family obligations; the level of participation in the formal labour market; the long-term impacts of dislocation from traditional 'country' and high levels of mobility through the housing stock. The issue of Indigenous housing transitions is covered in as much detail as practical in a later section of this report, but it is important to acknowledge that we have not been able to cover this issue comprehensively.

1.1.2 Research Stages

As outlined in Chapter Two, the research was structured into four distinct stages: Stage 1 set out to further refine our understanding of contemporary housing transitions in Australia; Stage 2 involved the collection and analysis of large scale quantitative data; Stage 3 involved the use of qualitative analysis to both confirm the findings of Stage 2 and develop deeper insights into 21st century housing transitions while Stage 4 comprised policy workshops and dissemination activities.

Stage 1 comprised four projects operating in parallel:

- Project A involved a comprehensive review of the literature relating to 21st century housing transitions in Australia and internationally;
- Project B was a review and analysis of existing data sets in order to develop insights into 21st century housing transitions. These data sets were used to inform our own data collection exercise; and
- Project C involved qualitative analysis of the housing preferences and consumption patterns of key consumer groups including persons aged 55 to 64; 25 to 34 year olds and persons with a disability.

Stage 2 was comprised of the design, development, implementation and subsequent iterative analysis of a large scale survey on 21st century housing transitions. This data collection exercise – known as the Housing 21 Survey (Project D) – had two incarnations – a mainstream survey focussed on the Australian population in total and a version of the survey directed at persons with a disability and family members with significant care responsibilities. The latter was focussed on three regions in Victoria: inner Melbourne (Darebin and surrounding local governments), Gippsland and outer Melbourne – the local government areas of Melton and Brimbank. In addition, the survey was focussed on four disability groups (and family members with care responsibilities): persons with a sensory disability, the mobility impaired, persons with a psychiatric disability and persons with a cognitive impairment. The third Stage of NRV2 (Project E) involved the collection of qualitative data in order to better understand the Stage 2 findings and investigate in greater depth some of the key issues and findings emerging from the Housing 21 Survey. Stage 4, policy workshops and dissemination allowed for the presentation of the findings and for interaction between the policy-makers, the investigators, other academics and members of the housing community. These four stages and their component parts are discussed in more detail in Chapter Two.

The relationship between the research questions, the Stages within the NRV, the research outputs and the sections within this Final Report are shown in Table 1. Critically a great deal of attention and research effort has been directed at the first research question as it is fundamental to all subsequent investigations.

Table 1: Research questions, stages and outputs

<i>Research Question</i>	<i>Stage</i>	<i>Research Outputs</i>	<i>Final Report</i>
What are the processes and events that will drive housing careers in Australia through the 21 st century?	Stage 1	Project A Report: Beer <i>et al.</i> 2006;	Section 2,3,4, 5 & 6
	Stage 2	Project C Reports: Kroehn <i>et al.</i> 2007;	
	Stage 3	Zacharov & Minnery 2007; Minnery & Zacharov 2007; Project D Reports;	

		Beer <i>et al.</i> 2007.	
What are the gaps in our knowledge of the current and anticipated housing careers of the Australian population and particular sub-groups of Australians?	Stage 1	Project B Report: Wulff <i>et al.</i> 2006	Section 1, 2
Is there a consensus on the most appropriate policy interventions to address shifting housing careers?	Stage 1 Stage 2 Stage 3 Stage 4	Project C Report; Tually 2007; Zacharov & Minnery 2007; Project A Report; Beer <i>et al.</i> 2006	Section 7
Can we place shifting housing careers within the context of a changing relationship between governments, housing markets and the provision of supports to individuals?	Stage 1 Stage 2 Stage 4	Project C Report; Tually 2006, Project A Report; Beer <i>et al.</i> 2006; Zacharov & Minnery 2007	Section 7

1.1.3 Research Strategy

NRV2 has brought together information from a range of sources including:

- A review of the literature on past, contemporary and future housing careers and how housing careers may be being reconfigured in 21st century Australia;
- A review of policy documents on the integration of housing and disability policies in each Australian jurisdiction;
- The investigation of the opinions of experts on the major trends in the housing careers of persons with a disability;
- Consultations with policy-makers;
- In-depth interviews with individuals from groups of particular policy interest, including persons aged 55-64; those aged 25-34 and persons affected by disability;
- The collection of quantitative data through a Computer Aided Telephone Interview (CATI) with 2,600 Australians;
- Focus groups with persons from groups of particular interest, including those with disabilities, the young and those approaching retirement.

The research involved a substantial collection of primary data both through telephone interviews and face-to-face contact with the public. There was also ongoing contact with policy-makers and the community sector, especially in the disability dimension of the research. Much of the disability-focused data collection involved working in partnership with non government organisations, local government and the public sector. Policy sector input was guaranteed through the workings of a user group comprised of State, Territory and Australian Federal Government officers. In addition, the disability component of the research was supervised by a user group drawn from government, the non government sector, the organisations funding the research and representatives of the disabled community. Both user groups met on a six monthly basis and considered progress and other reports on the conduct of NRV2.

1.2 Key Research Findings

The outcomes of NRV2 clearly indicate that housing transitions in 21st century Australia have become more complex both at the level of the individual and society as a whole. There are now more pathways through the housing market – and greater diversity in their depth and direction – than previously. Many factors have contributed to this change including declining marriage and fertility rates; institutional change; the ageing of the population and the associated phenomenon of increasing life expectancy; the buoyant economy; movements in the housing market; growing rates of participation in higher education and an increasing tendency to link housing to broader consumption – and lifestyle – aspirations.

1.2.1 *New Housing Careers/New Housing Transitions*

One of the important early outcomes of NRV2 was the development of a new conceptualisation of housing career. The review of the literature showed that the concept of a housing career was established in the 1970s (Kendig 1981, 1984; Farmer and Barrell 1981) but that it had fallen out of favour because of its implied unidirectionality (that is, that housing careers only proceed ‘upwards’). The literature produced through the 1970s and 1980s demonstrated an empirically strong link between life course events and progression through the housing market. Marriage and the birth of the first child, for example, were held to be strong predictors of entry into home ownership (Kendig 1979) while the death of a partner was often seen to precipitate movement into purpose built aged person housing. Demographic ‘pushes and pulls’, therefore, were largely seen to drive housing careers. In the 1990s Winter and Stone (1998; 1999) suggested that there had been a ‘decoupling’ of housing market position from life course events, largely as a consequence of changes in the labour market. They suggested that younger households were confronted by a marginal attachment to the labour market (that is, they were employed on a part-time, casual or short-term contract basis) which effectively prohibited entry into owner occupation (see also Badcock and Beer 2000).

Our review of the literature offered an alternative interpretation of the drivers of 21st century housing transitions and one which was based on the writings of the British sociologist David Clapham (Clapham 2002; 2004; 2005). His work suggested that increasingly individuals in developed economies placed their housing consumption close to the centre of their sense of identity and therefore awarded priority to different meanings and values with respect to their housing than twenty or thirty years previously (for a fuller discussion see Beer, Faulkner and Gabriel 2006). Importantly, Clapham (2002; 2004; 2005) suggested that consumption aspirations are a central driver of housing transitions. Clapham (2005) also suggested that the term ‘housing pathway’ should replace ‘housing career’ because it better reflected the observed complexity of movement through the housing market and did not imply that only upward progression was possible.

The conceptual development undertaken through the early phases of NRV2 has been critical in all subsequent stages because the data collected in those projects have explicitly addressed the competing interpretations or understandings of housing transitions. The direction of the research has also been shaped – in a very productive way – by the inclusion of an explicit disability component. The addition of the disability focus to NRV2 has meant all phases of the research have investigated disability issues, which in turn has challenged the broader understanding of housing transitions in 21st century Australia. Its worth noting, for example, that 22 per cent of Australian households have one or more members affected by disability and a significant

percentage of households have care responsibilities for either a person within their dwelling or someone living elsewhere. Indeed it could be argued that one of the defining features of housing transitions into the 21st century, when compared with the late 20th century, will be the growing importance of disability and the need to meet the care needs of adult relatives. There are profound policy implications embedded within this observation and they will be discussed later in this Final Report.

Through the course of NRV2 we found that 21st century housing transitions had been reshaped and that some of the drivers of change included:

- The ongoing impact of demographic processes on 21st century housing transitions in Australia but that while the processes of household formation have remained important in shaping housing decisions, the processes of household dissolution have now achieved a degree of impact not previously discussed in the research or policy literature. That is, the processes of divorce and separation have a measurable influence on housing transitions and are a key driver of households 'falling out' of home ownership. Households that have left owner occupation for this reason now constitute approximately one per cent of the private rental market;
- The substantial impact of demographic change, with fully 30 per cent of all respondents to our major survey aged between 55 and 64 owning at least one other dwelling. Such financial resources suggest a level of choice within the housing market unknown to previous generations of retirees;
- Households affected by disability had a high level of representation in public housing, had lower average incomes and wealth holdings than the general population and were less likely to participate in the formal labour market. There was also evidence that households where one or more persons were affected by a disability moved less frequently through the housing market, suggesting truncated housing transitions;
- Many people with a disability have few housing options and have a high level of dependence on both government accommodation and support services;
- Housing transitions for persons with a disability vary considerably and while there are commonalities with respect to the use of public services and an often heavy reliance upon family members, there are substantial differences also across disability type with respect to tenure, capacity to be active in the labour market, and needs with respect to the structure of the dwelling. How the disability is acquired may also affect the housing career;
- The affordability of home loan repayments has emerged as an important impediment to entry into home ownership. Critically, the research undertaken as part of NRV2 leads us to conclude that marginal attachment to the labour force is no longer a major driver of housing transitions, but instead the high cost of housing deters many public and private tenants from taking on a mortgage. In large measure this shift reflects relatively recent changes in the lending practices of the home lending sector (including non bank lenders) (Stephens 2007; Yates and Milligan 2007) as well as escalating house prices;
- Almost half of all private tenants reported that they did not aspire to home purchase because they believed it was outside their financial reach now and for the foreseeable future;
- Many households have entered home purchase courtesy of cash assistance. While the Australian Government's First Home Owners Grant (FHOG) is an important source of assistance into the tenure, an equal number of households receive assistance from other sources – mostly family. In some instances this

additional capital is very substantial (up to \$500,000). The dependence on additional assistance reflects the challenges households face in entering owner occupation;

- The research undertaken as part of NRV2 supports Clapham's contention that increasingly housing decisions are guided by consumption aspirations. The research found that one-third of all households had either renovated their current dwelling (that is undertaken a major structural change, involving the alteration of the dwelling's floor plan) or planned to do so in the foreseeable future;
- The majority of households reported that their housing decisions were part of a broader 'life plan' and this was most evident for home purchasers and outright home owners. This suggests a purposive or intentional element to housing transitions absent from earlier debate on lifetime movement through the housing market;
- Both position within the labour market and education were important determinants of housing outcomes, both with respect to tenure and the realisation of housing market aspirations;
- The housing transitions of women in the 21st century are increasingly distinctive from those of men (Tually, Beer and Faulkner 2007) and there is evidence that this gap will widen over time. Some of the drivers that serve to further distinguish the housing transitions of women relative to men include: a gap in the superannuation of women and men; the greater time women have out of paid labour compared with men as a result of child rearing and other care responsibilities; the ageing of the population; unequal housing outcomes post or pending divorce and/or separation; and, a declining rate of marriage.

1.2.2 Housing Transitions in Early Adulthood – 25 to 34 Years

The housing transitions of young adults have continued to change through the 21st century, but in many respects the key issues that have emerged from the analysis reflect a continuation of trends identified in the latter part of the 20th century. Key outcomes include:

- There is no evidence that offspring continue to remain in the parental home well into adult life. Most young Australians leave the parental home by their early 20s, with only three per cent of 25 to 34 year olds resident in the family home. The transition to independent living takes place over an extended period – fifteen years – and most young people are in paid employment when they first live independently;
- That entry into home ownership has not been delayed amongst 25 to 34 year olds and that the rate at which younger Australians are entering home purchase has increased over the last two decades. This finding contradicts earlier research and scholarship (Yates 1996; 1999; Baum and Wulff 2003; Badcock and Beer 2000; Baxter and McDonald 2004) and this new understanding reflects the unique insights offered by the Housing 21 Survey which includes the collection of data on the previous housing career, not just a point in time (i.e. the Census date). Importantly, the rates of home purchase of younger Australians appear lower in Census enumerations because a higher percentage of young Australian now enter home purchase and then exit the tenure – largely due to divorce or relationship breakdown;
- The qualitative data has indicated that Higher Education Contribution Scheme (HECS) payments have served as an impediment to entry into home purchase;

- Housing affordability appears to be a major impediment to entry into home purchase for this group with persons aged 18 to 34 more likely to be in housing stress if they are home purchasers than private tenants. This outcome is contrary to the trend for the total population;
- Persons aged 25 to 34 have a high reliance on the private rental market, with more than forty per cent of young households living in this tenure compared with under twenty per cent of the total population;
- Persons aged 25 to 34 were concentrated in couple, and family households, but as would be expected, younger adults were also found in non-conventional households including the sharing of housing with un-related adults. Group households, however, were a minority tenure for both the total population and respondents aged 25 to 34;
- Those aged 25 to 34 in rental housing were more likely than adults 35 to 44 to believe that they will enter home purchase in the next five years;
- Males aged 25 to 34 living outside a relationship differed significantly from females of the same age, they were more likely to be living with their parents or living in work-provided accommodation. Male incomes for this group were slightly higher than for women;
- Women aged 25 to 34 were much more likely to be sole parents than males of this age.

1.2.3 Housing Transitions and the Leading Edge of the Baby Boom

Persons aged 55-64 have been seen to constitute a watershed in Australian housing transitions because they are the first wave of the baby boom generation, and baby boomers have often been described as 're-writing' life histories and ushering in substantial social, economic and housing market change (Salt 2004; Strauss and Howe 1992). Persons of this age have also felt the impact of substantial policy and social transformation, including the fact that as a cohort they are the first group to have benefited from (relatively) substantial superannuation as a result of the superannuation guarantee levy introduced in the early 1990s; smaller family sizes with the number of children born per woman reducing substantially from the 1970s and increased rates of female participation in the labour market. Research undertaken as part of NRV2 found that:

- The age cohort 55 to 64 years represents a significant transition in housing circumstance and housing transition as it represents the 'leading edge' of the baby boom generation. This cohort is differentiated from previous generations entering retirement age by their much greater asset base, especially housing wealth, but also superannuation;
- Fully 30 per cent of households where the respondent to the Housing 21 Survey was aged 55 to 64 owned at least two properties, with the overwhelming majority owning a second property as an investment. This was twice the rate for the population of respondents as a whole;
- The population aged 55-64 was, as expected, the wealthiest cohort within the Housing 21 Survey;
- Very few persons aged 55 to 64 had made a transition to purpose-built aged accommodation but the data suggest that when they do choose to do so, they will have a greater range of options available to them when compared with previous generations and this is a reflection of their stronger financial position;

- Fully 85 per cent of older Australians who are private tenants had been home owners or purchasers at some stage in their life;
- There is evidence that older Australians will be much more mobile in their housing transitions when compared with the past and that they will make several housing moves post retirement age.

1.2.4 Housing Transitions for Persons with a Disability and their Family Members

The Housing 21 Survey showed that approximately 22 per cent of households in Australia have one or more household member affected by a disability or a long-term health condition. For many people, disability is a relatively minor part of their life, while for others disability is a consequence of the ageing process (Hugo 2007). The Australian Institute of Health and Welfare (AIHW) (AIHW 2003; 2007) estimates that some six per cent of the Australian population is affected by a profound disability, defined as 'a severe or profound core activity limitation' where they require assistance with meeting their daily needs. Policy change has had a significant impact on the housing of persons with a disability and their family members as a result of the process of deinstitutionalisation and the integration of persons with a disability into the wider community (Quibell 2004; Zakharov and Minnery 2007).

- The prevalence of disability within an ageing Australian population in combination with deinstitutionalisation policies has ushered in a profound shift in 21st century housing transitions. In the latter part of the 20th century 'home' was an important place for caring for children. In the 21st century 'home' will be increasingly important for the provision of care for adults. The Housing 21 Survey found that 13 per cent of households provided care for a person living within their home and nine per cent provided care for a person living in another household;
- Research undertaken through NRV2 shows that all Australian jurisdictions follow broadly similar strategies, and have broadly comparable priorities, with respect to housing and disability. Across Australia public housing is seen to be a primary vehicle for the delivery of affordable and appropriate housing for persons with a disability (Tually 2007);
- Disability policy focuses upon the provision of care to persons with a disability and does not directly address their housing requirements;
- NRV2 research has shown that disability affects the housing transitions of all members of the household. It does so through reduced household earnings and higher living costs associated with dealing with the disability;
- There are significant variations in the housing transitions of persons affected by different disabilities. The housing transitions of persons affected by sensory disability, mobility impairment, psychiatric disability and cognitive impairment all vary;
- How a disability is acquired can have a significant impact on housing transitions. Persons disabled through an accident or event for which they can be compensated (e.g. work or road accident) may have more housing options available to them than those available to persons disabled at birth or through ill health;
- The housing transitions of many persons with a disability are significantly constrained by their limited participation in the labour market;
- Overall, persons with a disability are less mobile within the housing market than the total population and this reflects the joint constraints of reduced resources (wealth and income) with which to purchase housing within the market and the

limited stock of housing available to some groups. The mobility impaired, for example, reported significant problems in finding accommodation that was appropriate to their needs;

- Many persons with a disability rely heavily upon family members who carry significant care responsibilities with respect to both their housing and care. The ageing of carers raises substantial challenges for both the care provider and the person with a disability. For example, parents aged in their 70s and 80s may no longer be able to provide care for a cognitively-impaired child in their 40s or 50s.

1.3 Policy Implications of the Transformations in Housing Career

Housing transitions in the 21st century will generate new challenges for governments. In the latter part of the 20th century housing policy enunciated several goals, including the desire to accommodate 'working men and their families' (Marsden 1996); provide housing for those in greatest need and; build national participation in home ownership (Hill 1959; Beer 1993). NRV2 suggests that 21st century housing transitions will ask new questions of governments with respect to their capacity to assist them achieve their housing goals. Key policy implications include the fact that:

- Many households will achieve their housing aspirations through the market and will have the financial resources and other resources to select the housing options that best meet their needs in both the short and longer term. It is envisaged that there will be an ongoing role for government in educating consumers about their options – for example, with respect to retirement housing – and in encouraging diversity in the market;
- One of the important ways that governments should look to direct the housing market is by encouraging the adoption of universal design principles in all new housing, as well as significant redevelopments. The challenge of providing 'lifelong' housing is acute and this issue will become more pressing as Australian society continues to age;
- Housing aspirations have risen across Australian society with many individuals and households now expressing the view that their housing is part of their sense of identity and an important constituent of a lifetime plan. Rising aspirations appear to be one reason some households do not remain in public rental dwellings for long, even when they may have waited for five years or more to enter this tenure;
- Life events – marriage, divorce, repartnering, relocation for employment, entering hospital for one's physical or mental health – increasingly intrude on the housing transitions of some individuals. Housing policy frameworks need to be adaptable to accommodate such changes;
- Housing affordability remains a significant impediment to home ownership for many households. NRV3 (Yates and Milligan 2007) has documented in considerable detail the range of policy responses needed to provide an adequate response to this set of circumstances. It is important to note here that government provided home purchase assistance was considered to be both important and invaluable by respondents to the Housing 21 Survey. In addition, the number of households to receive government provided assistance into home purchase was matched by those receiving help from other sources – namely family. These data suggest that there is an ongoing need for specific assistance to help households become home purchasers and this conclusion is entirely consistent with the recommendations of NRV3;

- It is sometimes suggested that governments can choose between long-term housing assistance and 'point of time' assistance, where subsidies or other help is provided for a limited period of time as the household re-establishes itself following job loss, relationship breakdown or other adverse events. NRV2 suggests that this polarised approach to housing assistance does not adequately match 21st century housing transitions because while some move on with their housing career others do not. Some groups are more vulnerable – such as supporting parents, those with low levels of education – and they may require housing assistance in the longer term;
- The level of housing need amongst persons with a disability and their families is enormous and it is worth asking whether public housing bodies are adequately equipped to meet the needs of this important client group. AIHW data (2002) suggests that 40 per cent of all new entrants into public rental housing have a disability. The Housing 21 data re-emphasises the high level of reliance on public rental housing amongst persons with a disability. There is a need for social housing into the future to be able to meet the needs of the disabled population both with respect to the quantity of demand as well as the quality of housing required. Housing for people with a disability often needs extensive modification to ensure that it is appropriate;
- Many people in the public rental sector express deep gratitude for the support they receive through their tenure. The value they attach to their tenancy in public rental housing highlights the ongoing need for social housing through the 21st century.

1.4 Conclusion

This section has provided an overview of NRV2, its purpose, goals, research strategy, key findings and policy implications. The following sections of the report consider these matters in greater depth.

Section Two examines changing Australian housing transitions at a broad level. It presents a discussion of how housing transitions have been conceptualised in the past and how we would suggest they should be viewed in the light of the findings of NRV2.

Section Three presents a range of data on 21st century housing transitions and the likely future of housing for Australia. In this Section material is presented to support our conceptualisation of housing transitions in the 21st century. Issues of gender, the housing of persons from culturally and linguistically diverse (CALD) backgrounds, the use of housing assistance, demographic change and the capacity of individuals to express their housing needs and wants within the market are examined.

Section Four considers the housing transitions of younger Australians. It focuses in particular upon the 25 to 34 year cohort, but also considers the housing circumstances of those aged 18 to 24 and the 35 to 44 year cohort. It examines the rate of entry into home purchase by younger Australians, their use of 'group' households of un-related adults, the dwelling stock they occupy, relationship formation and their attitudes to housing.

Section Five examines the housing transitions of older Australians and in particular the first wave of the baby boom cohort, aged 55 to 64. The section considers how this age cohort makes use of its housing and whether its assets and attitudes differ from those of earlier generations. As discussed previously, this section tests the hypothesis

that baby boomers will have different housing transitions from earlier generations and demand different forms of housing assistance from governments in the future.

Section Six reviews housing transitions for persons with a disability in Australia. Drawing upon a range of data sources – the Housing 21 Survey, focus groups, in-depth interviews and the focused survey of persons with a disability and their family members with care responsibilities – the section presents both a conceptual and empirical framework for understanding the housing transitions of persons with a disability. It draws particular attention to their marginal position within the housing market – due to low rates of participation in paid work, low incomes etc. – and the ongoing reliance of many persons with a disability on government assistance. The section considers the ways in which the housing transitions of persons with a disability are differentiated by disability type and location. The housing transitions of family members with care responsibilities for persons with a disability are examined and their circumstances compared with the Australian population at large.

Section Seven concludes this Final Report for NRV2 and draws out the major policy implications of this substantial program of research. It suggests that housing policy in the 21st century will differ from that evident in the latter part of the 20th Century but that the seeds of change are already evident. The growth in the aged population will present one set of challenges to policy-makers, but so too will the increasing diversity in living arrangements and the need for policies that are consistent with population aspirations (Costello 2002, 2007; Government of South Australia 2004).

2 RESEARCH APPROACH

2.1 Introduction

This chapter provides details on the program of research undertaken for NRV2. This research program was developed with a focus on the nature and direction of housing transitions into the 21st century and the implications of these changing patterns of housing consumption for housing policy in Australia. In particular the central aim of NRV2 was to develop and advance the evidence base around 21st century housing transitions in Australia and shed light on how shifts in household structure, the labour market, fertility patterns, attitudes to home ownership and government assistance will influence the demand for government interventions in housing markets over the next 10, 20 and 30 years.

2.2 Structure of NRV2

The NRV2 – a three year program of research – was undertaken in four stages.

Stage 1 comprised a number of projects operating in parallel:

- a comprehensive review of the literature relating to 21st century housing transitions in Australia and internationally;
- review and analyse of existing data sets for insights into 21st century housing transitions; and
- qualitative analyses of the housing preferences and consumption patterns of key consumer groups. These included early retirees, 25 to 34 year olds, youth etc.

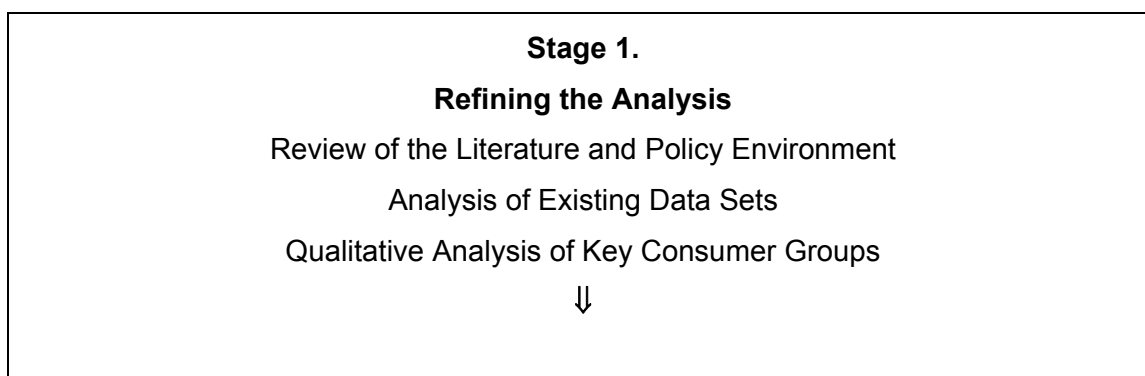
The results from Stage 1 were used in Stage 2 to frame a major data collection exercise – the Housing 21 Survey – alongside a process of consultation with key stakeholders about the Stage 1 findings. Stage 2 consisted of the design, development, implementation and subsequent iterative analysis of this data set.

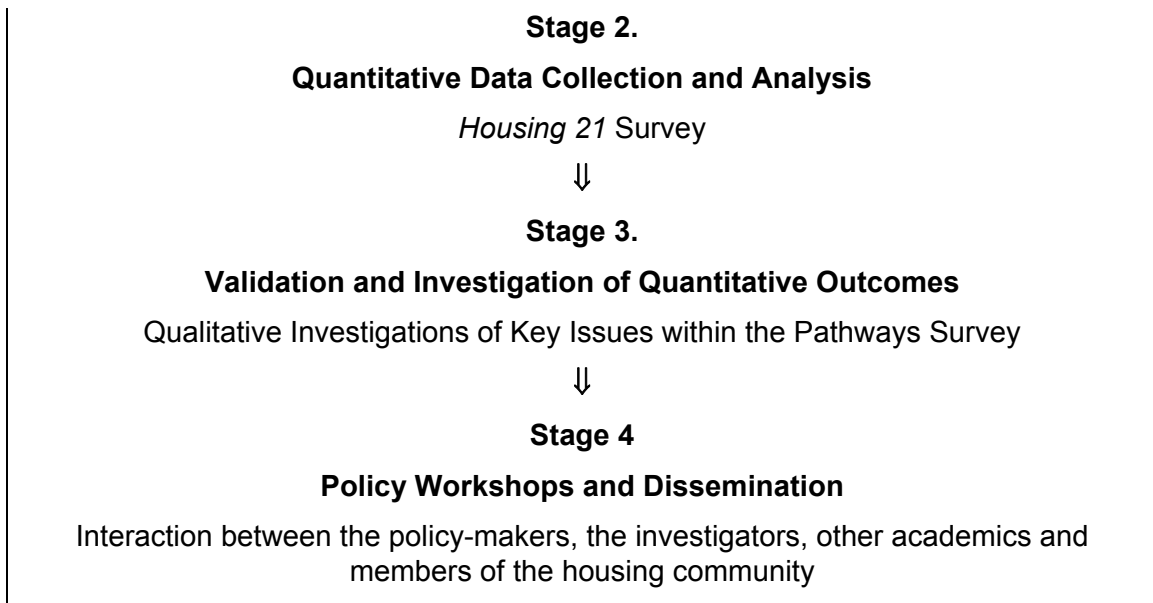
In Stage 3 further qualitative analysis was undertaken. This additional stage used a range of qualitative methods to investigate in greater depth some of the key issues and finding emerging from the Housing 21 Survey.

Stage 4 comprised policy workshops and dissemination activities. While the individual projects within the NRV have produced a range of written outputs, the policy workshops have allowed for interaction between the policy-makers, the investigators, other academics and members of the housing community around these issues and provide a forum for a wider government engagement with housing policy.

These four stages are illustrated in Figure 1 below.

Figure 1: Staging of NRV2





Integrated into the broader research program and running in parallel with the mainstream NRV2 was research on the 21st century housing careers of people with a disability and carers of people with a disability. All parts of the NRV2 research were mirrored for the analysis of the housing transitions of people with disabilities and this offers the following advantages:

- Greater comparability between the housing transitions of the mainstream population and the housing transitions of people with disabilities. It assisted researchers, non government organisations and policy-makers to more easily draw out the differences and similarities in the housing experiences of the two groups;
- Development of a comprehensive evidence base around the Housing Careers of People with Disabilities with information drawn from existing data bases, qualitative research, expert opinion and quantitative analysis;
- A systematic program of research dissemination to raise awareness of the issues shaping the housing transitions of persons with disability through the early part of the 21st century. This material was produced with financial support from The Gandel Charitable Trust, the Helen Macpherson Smith Trust, and Supported Housing Limited".

The disability research focused on the housing transitions of persons – and their carers – affected by four types of disability:

- Mobility impairment;
- Sensory impairment;
- Psychiatric disability;
- Cognitive disability.

The research was further focused on three regions within Victoria: Darebin as an example of an inner metropolitan region; Gippsland as an example of a non-metropolitan region; and Sunshine/Brimbank as an example of an outer metropolitan region. While the research was undertaken in Victoria the results, it is believed, are transferable to other jurisdictions given the similarity of policy frameworks linking housing and disability across the states and territories (Tually 2007).

An important dimension of the NRV were User Groups that operates alongside the NRV2 mainstream and NRV2 Disability Projects in each of the three stages. The User Group's primary role was to offer strategic direction and policy advice as the NRV2 unfolded.

2.3 Stages of the NRV2

2.3.1 Stage 1 Refining the Analysis

Project A – Review of the Literature

This stage of the project involved the production of a Positioning Paper (Beer, Faulkner and Gabriel 2006) and a report on the Integration of State and Territory Housing and Disability Policies in Australia (Tually 2007).

The Positioning Paper provides a comprehensive review of the literature on housing transitions in Australia and other developed nations and informed the development of further stages of the research venture. The Positioning Paper examined:

- The concepts of housing transitions, housing pathways and housing histories and the need to incorporate a wider perspective than has occurred in the past;
- A number of overlapping processes that have contributed to change in 21st century housing transitions
- Housing transitions from a number of perspectives in particular the housing transitions of identifiable generations such as the austerity and baby boom generations as well as generation X and generation Y;
- Specific groups – younger households, older households and groups with identifiable needs including people with a disability and carers of people with a disability.
- The paper provided the conceptual basis for the collection of qualitative and quantitative data

The second publication on the integration between housing policies and disability policies at the level of each State and Territory explored the extent to which relevant state and territory policies and plans addressed the housing and assistance needs of people with disabilities, and what strategies were in place in each jurisdiction to address the growing housing assistance demand from people with disabilities.

The literature reviewed – and the conclusions drawn from these reports – informed the development of other parts of the NRV2. In particular, the reports shaped the empirical components of NRV2, including the collection of quantitative and qualitative data.

Project B – Analysis of Existing Data Sets

This component of NRV2 canvassed a range of key data sets related to housing and household transitions in order to explore their potential for the Housing 21 Survey design. The report examined a number of nationally representative Australian surveys. In brief, the following surveys were examined:

- Housing and Locational Choice Survey 1991 (face to face interviews with 8,530 household reference persons in Sydney and Melbourne) Data collected by AGB McNair.
- Housing and Locational Preference Survey 1991 (face to face interviews with 3,615 household reference persons in Adelaide and Canberra). Data collected by the Australian Bureau of Statistics.

- Australian Housing Survey 1994 (face to face interviews with 'any responsible adult' in 16,200 households to collect information on all persons in the household aged 15 year or older. Data collected by the Australian Bureau of Statistics.
- Australian Housing Survey 1999 (face to face interviews with 'any responsible adult' in 13,788 households across Australia. (27, 688 persons aged 15 years or older within these households). Data were collected by Australian Bureau of Statistics.
- Negotiating the Life Course 1997 (Wave 1) – Telephone interview with 2,231 persons aged 18 to 54 years across Australia. Data collected by the Australian Institute of Family Studies.
- HILDA Wave 1 (2001) and Wave 2 (2002) – Face to face interviews with 'responsible adult' in 11,693 households across Australia. Data collected by the Melbourne Institute of Applied Economic and Social Research, Melbourne University.

The researchers (Wulff, Walter and Gabriel 2006) found that while there was valuable information on emerging housing transitions to be found within existing data sets, there was very little to be gleaned on the housing transitions of persons with a disability or the carers of persons with a disability. The particular contribution of Project B was two-fold: first, it ensured an accurate picture of housing transitions in the late 20th Century so the data collected through NRV 2 could more clearly draw out the differences between new and emerging housing transitions on the one hand, and past housing transitions on the other. Second, the research played an important methodological role as the analysis included an examination of the most effective questions used in previous surveys.

Project C – Qualitative data collection on 21st century housing transitions

This project built upon the outcomes of Project A and Project B and provided the first opportunity for primary data collection within the NRV. Critically, this project tested some of the insights and hypotheses that emerged from the earlier work.

Project C mainstream involved the collection of qualitative information on the housing transitions of key groups within the market – young households (25-34 year olds) and the first wave of the baby boomers (55-64 years). This project drew upon fieldwork in Queensland, Tasmania, Adelaide and Melbourne. The research highlighted the complex pathways individuals follow through the housing market and the inherent difficulties arising from attempts to identify coherent pathways through the housing market (Minnery and Zacharov 2006). The purpose of this phase of the research was to ensure that the NRV's large-scale data collection exercise – The Housing 21 Survey – was appropriately focused and asked questions of policy relevance. Project C included the use of three qualitative data collection tools – focus groups, in-depth interviews and Delphi analysis, an expert opinion technique.

Within the disability component of Project C, both Delphi analysis and qualitative analysis – focus groups – were used to identify key issues in the housing transitions of persons with a disability and carers of people with a disability. The purpose of this component of the research was to add depth to our insights into the housing transitions of persons with a disability and those of family members of persons with a disability who have care responsibilities. Two reports arose from this section of the research, one based on the Delphi analysis (Zacharov and Minnery 2007) and one on the outcomes of focus groups with people with a disability and carers of people with a disability (Kroehn et al. 2007).

2.3.2 Stage 2

Project D – The Housing 21 Survey

The Housing 21 Survey is a survey of housing consumers aged over 18 years that is representative at both the national and State/Territory levels. The Housing 21 Survey was developed through 2006 as a ‘flagship’ product within NRV2. The intellectual foundations for the survey and its content can be traced back to the NRV 2 Research Plan and Stage 1 of NRV2.

The Housing 21 Survey sought to investigate the relative importance of three potential drivers of contemporary housing careers: demographic change, labour market circumstance, education, and the importance of housing – and its component attributes – in the value set of the respondents. The survey also included identifiers for people with a disability and contained questions on the caring responsibilities of family members. A copy of the survey instrument is included in Appendix A.

Following a competitive tender, the survey was contracted to the Population Research and Outcomes Studies Unit within the South Australian Government’s Department of Health. The report outlining the Methodology, produced by the Department of Health (2007), is available from the Southern Research Centre of AHURI at <http://www.socsci.flinders.edu.au/ahuri.src/nrv2>

The survey was undertaken using a Computer Aided Telephone Interview (CATI) Method, a long standing tested method of collecting data. Of course all survey methods have their advantages and disadvantages and Table 2 outlines a number of these advantages and disadvantages of this method of data collection.

Table 2: Advantages and disadvantages of computer aided telephone interviewing

<i>Component of Interview Technique</i>	<i>Advantages</i>	<i>Disadvantages</i>
Interview	<ol style="list-style-type: none"> 1. Efficient way to obtain information 2. Can target specific sub groups of the population 	<ol style="list-style-type: none"> 1. Self-reporting can often be a problem 2. The ability of persons to understand the questions 3. Willingness of people to provide information 4. There may be a need for data to be validated
Telephone	<ol style="list-style-type: none"> 1. Cost effective 2. Provides large samples 3. Can provide instant results 4. Random digit dialling assists with providing random sample 5. Can facilitate the asking of sensitive questions 	<ol style="list-style-type: none"> 1. Excludes people without telephones or may exclude those with silent numbers 2. More difficult to establish rapport over the phone 3. May be more difficult to ask sensitive questions over the phone 4. Random digit dialling reach invalid numbers 5. Limits to length of survey (time taken to answer) 6. Cannot show visual aids 7. People are tired of telemarketing and phone surveys

Computer Assisted	<ol style="list-style-type: none"> 1. Helps interviewers (on-screen instructions) 2. Facilitates data collection (consistency checks, question skips) 3. Facilitates data entry (direct entry, programmed coding) 4. Can accommodate the multiple pathways anticipated in the study of housing transitions within the population 	<ol style="list-style-type: none"> 1. Large initial cost (hardware, software, personnel) 2. Requires specific software 3. Need time to train interviewers 4. Possible data entry errors
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Source: adapted from Choi 2004

The target sample size for the *Housing 21* Survey was 2,695 completed interviews, with a minimum of 385 surveys in each of the seven States and Territories (with NSW and the ACT combined). Respondents were randomly selected from within each State/Territory and compiled in a master list comprised initially of 4,851 respondents, with a subsequent batch of 4,545 respondents drawn at a later date to offset non-responses and refusals (Dept of Health 2007). There were no replacements for non-contactable persons and if the selected person was not available the interview was conducted with an alternative household member.

An introductory letter was sent to the household of the randomly selected respondents. The letter informed the household of the purpose of the survey and indicated that they could expect a telephone call in the near future (Dept of Health 2007). A pilot survey was conducted with 50 randomly selected households prior to conducting the main survey and the original survey was amended slightly on the basis of the information obtained.

Data collection commenced on the 31st of October 2006 and ended on the 16th of January 2007. Calls were generally made between 9.30 am and 11 pm on weekdays, and from 9.30 am to 3 pm on Saturdays, as well as from 10 am to 8.30 pm on Sundays. On contacting the household the interviewer identified themselves and the purposes of the survey and the interviews were conducted in English unless an interpreter conducted the survey (Dept of Health 2007). Provision was made to conduct the survey in several languages including Chinese, Vietnamese and major European languages.

At least ten call backs were made to the telephone number selected for the interview, with each call back scheduled for different times of the day. If a person was not available for immediate interview, a time was made for subsequent interview.

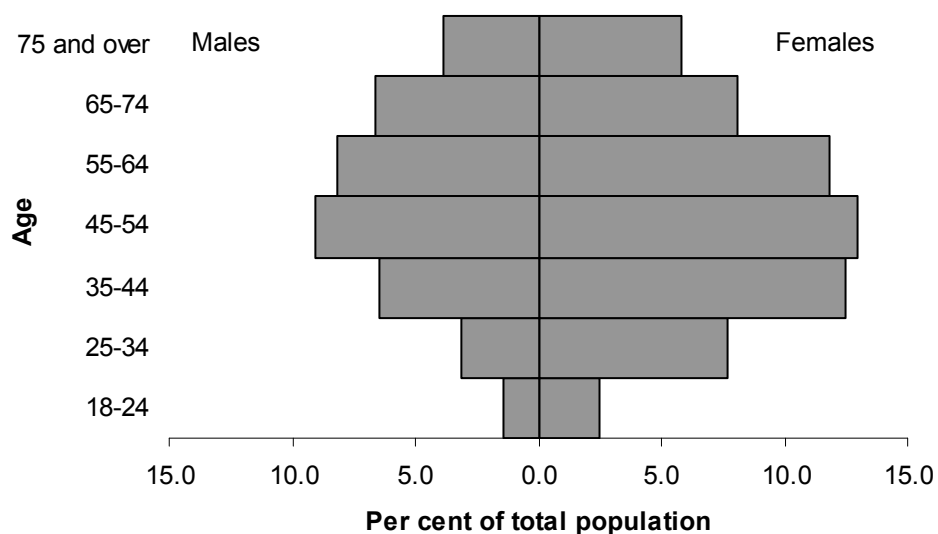
The overall response rate was 38.8 per cent, taken from a sample of 9396 households. Sample loss occurred through non-connected telephone numbers (2027); fax/modem connections (176) and the death of the respondent (5). The response rate for each jurisdiction and the reasons for non-participation in the survey are set out in Appendix B.

Frequencies from the *Housing 21* data and brief commentary can be found in an overview report (Beer, Faulkner and Cutler 2007).

Comparison of survey data with the 2006 census

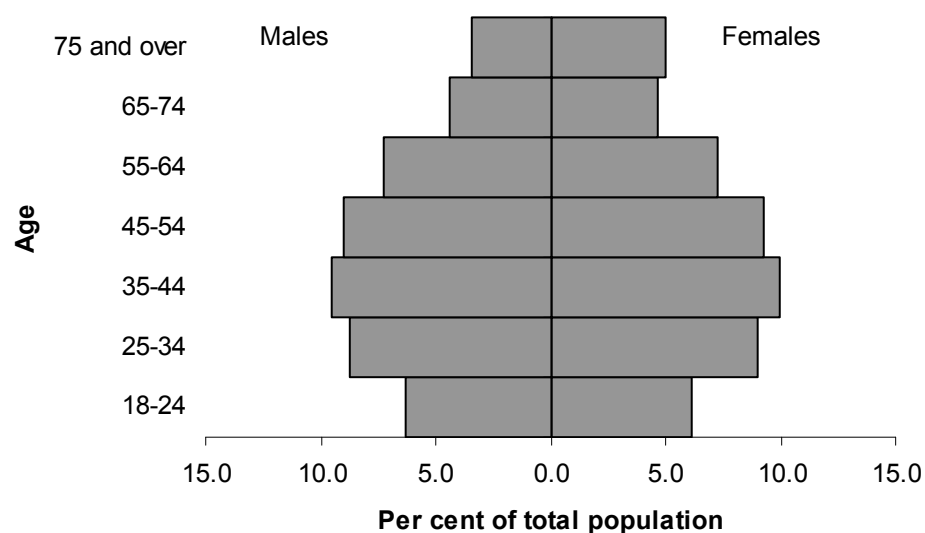
No post survey weighting has been applied to the survey data presented within this report to correct for unequal selection probabilities and non-response. Provided below however are some comparisons between the characteristics of respondents to the *Housing 21 Survey* and 2006 Census data for all of Australia. In terms of age the survey (Figure 2) had an under-representation of younger participants and an over-representation of female participants in comparison to census data (Figure 3). Although efforts were put in place to try to counteract this trend it is to be expected in phone survey as younger people are likely to defer to an older person to talk and it follows the long standing bias towards female respondents in surveys.

Figure 2: Age structure of the respondents housing 21 survey



Source: *Housing 21 Survey*

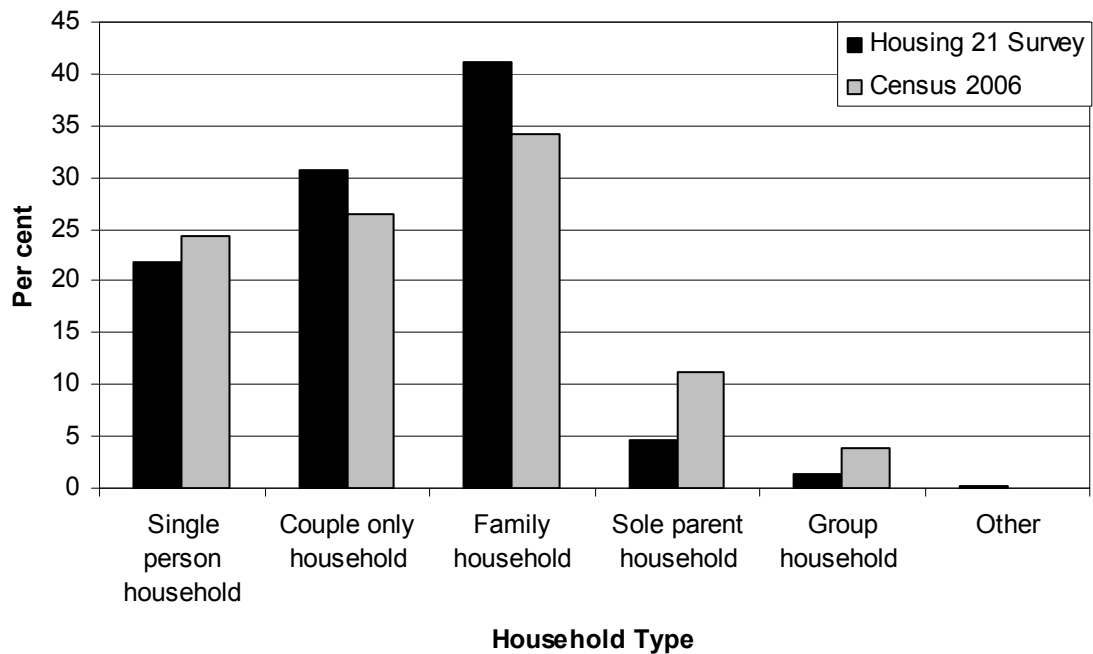
Figure 3: Age structure of the Australian population 2006 census



Source: ABS 2006 Census

In relation to household type the general distribution is the same however the survey has an over-representation of households that classified themselves as a 'family household' and a 'couple only household'.

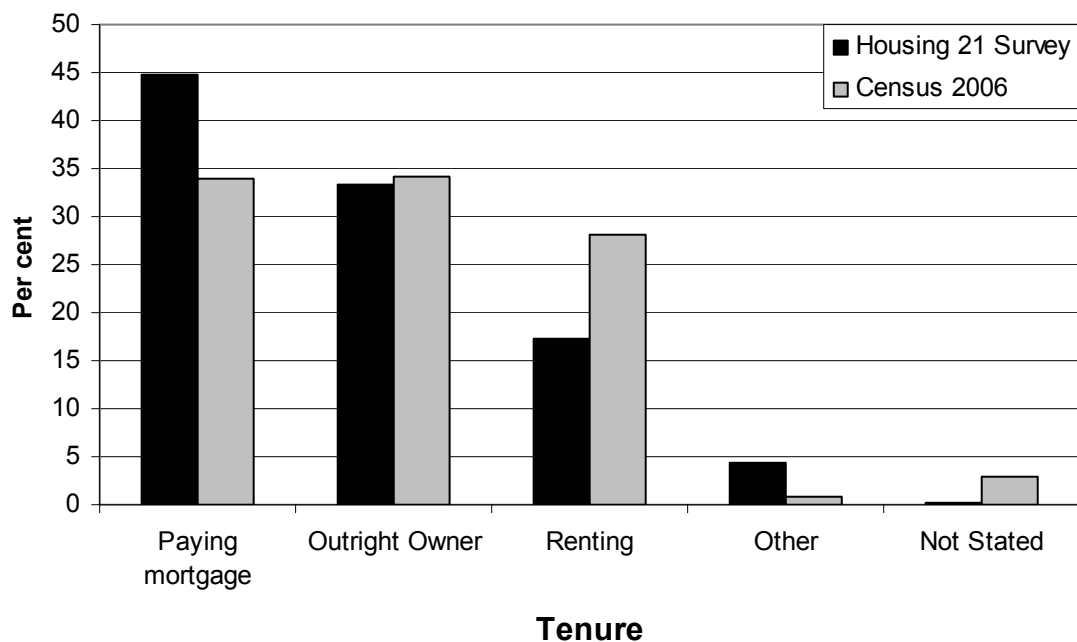
Figure 4: Household type, housing 21 survey and Australian population 2006 census



Source: *Housing 21 Survey* and ABS 2006 Census

It appears the survey has been less successful in capturing the more vulnerable and perhaps more mobile groups such as lone parents (Figure 4) and renters (Figure 5).

Figure 5: Tenure, Housing 21 survey and Australian population 2006 census

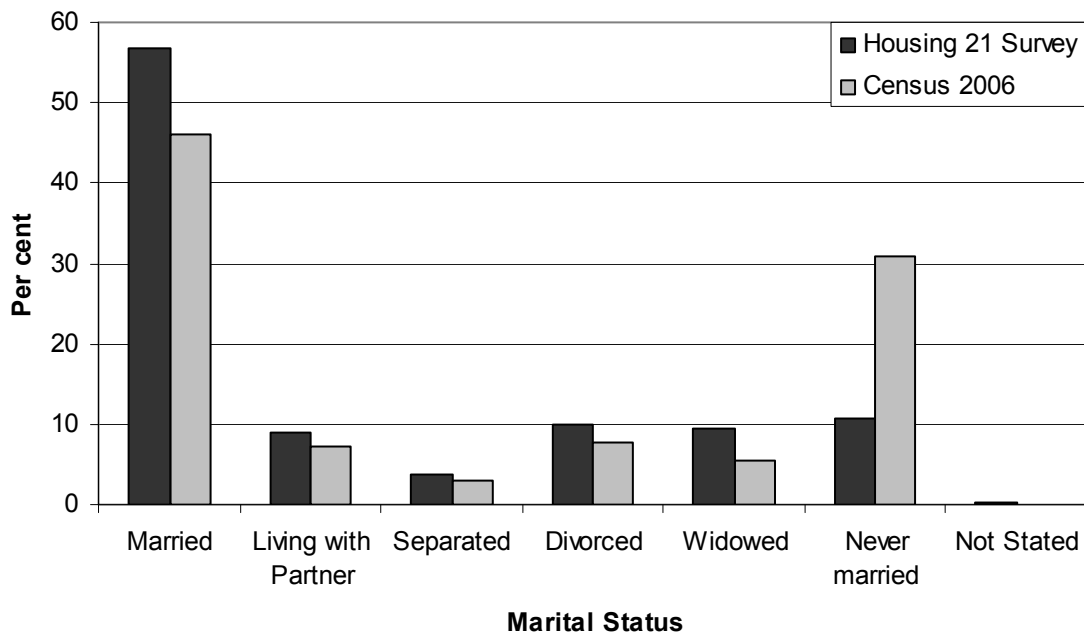


Source: *Housing 21 Survey* and ABS 2006 Census

In terms of marital status the survey has mirrored the patterns at the 2006 Census except for persons who classified themselves as never married. This anomaly is the

result of the under-representation of younger respondents in the survey whom of course are more likely to be 'never married' (Figure 6).

Figure 6: Marital/Partnership status, Housing 21 survey and Australian population 2006 census

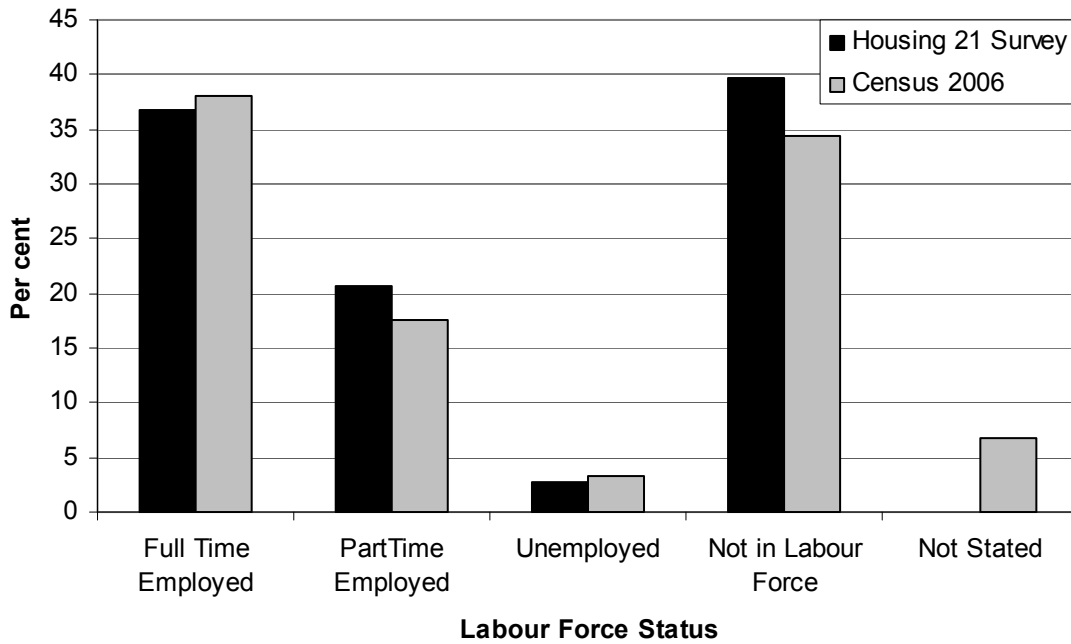


Source: *Housing 21* Survey and ABS 2006 Census

The representation of labour force status and household income in the *Housing 21* Survey is similar to that of the 2006 Census (Figures 7 and 8).

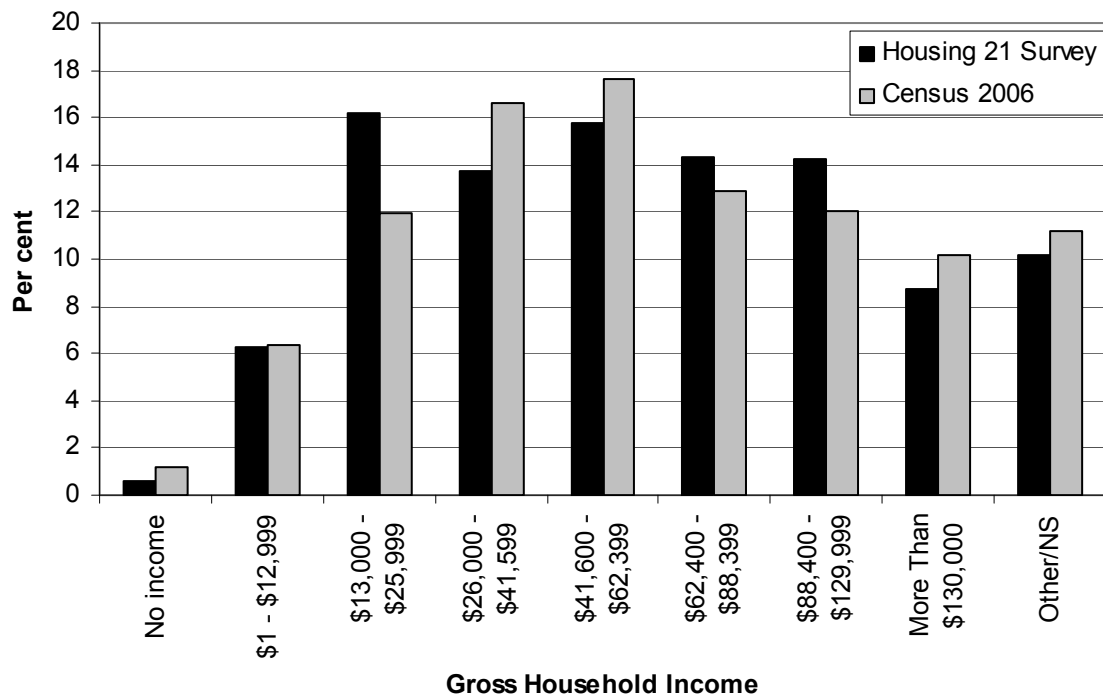
In summary in reviewing the results of the *Housing 21* Survey throughout this report the comparisons provided here of the characteristics of the survey respondents with 2006 census data for Australia should be taken into consideration. In addition analyses of the data in detail within this report is at times limited by small cell sizes and the adequacy of the sample sizes in respect of the issues examined.

Figure 7: Labour force participation, Housing 21 survey and Australian population 2006 census



Source: *Housing 21 Survey* and ABS 2006 Census

Figure 8: Gross household income, housing 21 survey and Australian population 2006 census



Source: *Housing 21 Survey* and ABS 2006 Census

***Housing 21* surveys for people with a disability and carers of people with a disability**

The *Housing 21* Survey asked all respondents five questions that relate to disability and the provision of care for persons with a disability:

Including yourself, how many people in the household have any long-term health condition, disability or impairment that has lasted 6 months or more and restricts everyday activities?

Which person in the household has the disability?

Does this person /Do you need help or assistance with self-care, mobility or communication?

Does anyone in this household / Do you provide care and assistance (that is not part of their / your occupation) on a regular basis to any person who has a long-term health condition, is elderly or has a disability?

Is this care or assistance given to someone living in your household?

Is this care or assistance given to someone living elsewhere?

The inclusion of these questions in the main survey instrument enabled the analysis of any aspect on the *Housing 21* data with reference to disability.

In addition the *Housing 21* Survey was used as the basis for a separate data collection exercise involving interviews with persons with a disability and the carers of persons with a disability living in three regions of Victoria. The surveys were developed in a way that the findings are broadly comparable with the outcomes of the *Housing 21* Survey although the survey for people with a cognitive impairment had to be considerably modified.

The disability and carer survey respondents are not drawn from a representative sample but are the people identified through the numerous organisations in Victoria who agreed to provide assistance to the project. Surveys were completed by way of various means including face to face interviews, phone interviews and via the post.

Table 3 sets out the target for each region and disability group but a number of difficulties were encountered in recruiting participants.¹ As a result the target was unachievable, however around 140 interviews with carers and 250 interviews with persons affected by a disability were completed. While the targets have not been reached it is worth acknowledging that substantial data have been collected and this research represents an important contribution to an understanding on housing and disability in Australia.

¹ Such difficulties for example included finding organisations to partner with and who could arrange surveys to be completed in any volume; the use of the general questionnaire from the *Housing 21* survey – an explicit component of the study in order to deliver data that is comparable between the mainstream and disability affected population – discouraged some respondents who found the questionnaire too long and not relevant to their circumstances; the concept of a ‘carer’ does not have traction with some disability groups and there is some evidence that the population affected by disability is over-studied, with potential respondents ‘burnt out’ from repeated exposure to data collection.

Table 3: Collection framework for disability focussed research

	<i>Gippsland</i>	<i>Inner Melbourne</i>	<i>Outer Melbourne</i>
Sensory Disability	25	25	25
Carers of Persons with a Sensory Disability	25	25	25
Mobility Impairment	25	25	25
Carers of Persons with a Mobility Impairment	25	25	25
Psychiatric Disability	25	25	25
Carers of Persons with a Psychiatric Disability	25	25	25
Cognitive Impairment	25	25	25
Carers of Persons with a Cognitive Impairment	25	25	25
Total	200	200	200

2.3.3 Stage 3

Project E – Validation and Investigation of Quantitative Outcomes

This stage of NRV2 investigated in greater depth some of the key issues and finding emerging from the Housing 21 Survey. Project E was included in the NRV2 plan in order to provide a qualitative assessment of the outcomes of Project D. As with many other parts of this National Research Venture, Project E was divided in two, with the Swinburne/Monash Research Centre producing a report on the housing transitions of persons with a disability on the basis of qualitative interviews (Saugeres 2008) and the Southern Research Centre (Tually 2008) producing a report on the housing transitions of – persons who have fallen out of home ownership, persons who have been divorced or separated, families with children and persons living in social housing – based on interviews undertaken in Western Sydney, Tasmania and in South Australia.

2.3.4 Stage 4

Policy Workshops and Dissemination

Five events were organised with policy-makers and the broader community to disseminate the findings and to receive feedback. These events were held between June 2007 and November 2007. The events were:

- a workshop at the Art Gallery of South Australia in August 2007;
- a seminar and discussion with policy staff and managers from the Office of Housing in Victoria in November 2007;
- a seminar presentation and all day workshop with staff from the Department of Family, Community Services and Indigenous Affairs (FACCSIA) in November 2007;
- a presentation to staff of the Department of Family and Community Services (FACS) in South Australia in November 2007;
- a workshop in Traralgon focussed on the housing transitions of persons with a disability and held in November 2007.

2.4 Conclusion

This chapter has provided an outline of the program of research undertaken over the three year duration of NRV2. All of the published findings, reports and papers produced to date have been published on the AHURI National website at <http://www.ahuri.edu.au> or the AHURI Southern Research Centre at <http://www.socsci.flinders.edu.au/ahuri.src/nrv2>. Information about additional work arising from this project will be provided on the AHURI Southern Research Centre website.

3 TWENTY-FIRST CENTURY HOUSING TRANSITIONS IN AUSTRALIA

NVR2 was established to answer the overarching question:

How are housing careers changing in Australia and what are the implications of change for government-provided housing assistance and housing policy?

Much of the research effort embedded within NRV2 has focused on understanding the processes and dynamics of change within 21st century housing transitions. The policy implications of such change are discussed in full later in this report. There are strong grounds for expecting housing transitions to have changed in advanced economies over the last 20 years as many of the foundations of earlier housing transitions – for example, the link between marriage, the birth of children and entry to home ownership; male life expectancy just seven years greater than retirement age etc – have either been eroded or vanished altogether. At the same time, the combination of greater prosperity and reduced fertility has raised disposable incomes for many sections of the population and given these households greater choice within the housing market. Many have chosen to exercise their greater power by purchasing more housing and/or housing of higher quality. This section of the report discusses the ways in which housing transitions have been conceptualised in the past and now. It also outlines the theoretical framework suggested by NRV2. This includes a brief review of material covered in the Project A Positioning Paper (Beer, Faulkner and Gabriel 2006) as well as research that has been published since the completion of that work. The section then goes on to present the empirical evidence that supports this new way of understanding housing transitions and the housing decisions of Australians through their life course.

3.1 Previous Perspectives on Lifetime Movement Through the Housing Market

3.1.1 Housing Careers

Housing careers are most easily understood as the sequence of housing circumstances an individual or household occupies over their life. The concepts of housing careers, housing pathways and housing histories first received widespread attention within the academic literature in the 1970s and early 1980s (Forrest 1987; Kendig 1984; Payne and Payne 1977; Pickvance 1974). This body of research noted that there is a strong correlation between stage in the life cycle and the type of housing an individual occupies. Households, it was argued, progress through the housing market in response to their changing demographic, economic and social circumstances. Households were seen to simultaneously ascend three discrete but related ladders: an employment career; a life stage progression (implicitly raising children); and a housing career. The pattern of housing consumption was also seen to reflect local housing market conditions as the specific circumstances in any place – such as the cost of housing, the type of stock available and tenure structure – influenced outcomes. Importantly, this body of research recognised that housing careers or housing histories reflected the balance of constraints and opportunities that direct households into particular situations within the housing system.

In Australia the concept of a housing career has been used to explain the strong correlation between the type of dwelling a household occupied and its stage in the life cycle. Kendig (1981) examined the housing careers of households in Adelaide in his study of household moves undertaken during 1975/76. The principle concern of his

study was the motivation behind moves between residences. Importantly, Kendig tested the common assumption

...that nearly everybody follows the same housing progression or 'career'. It is usually supposed that young adults with their own income leave the family home to rent a flat and enjoy the single life. After marriage, both partners work and economise on rent so they can save a deposit to buy a house in which they will rear their children. Although a few move later to bigger houses as before their children grow up or to own their flat after children leave home. It is usually assumed that most households remain in their first owned home into old age, enjoying the low costs and security of outright ownership (Kendig 1981 p. 1).

Through the 1980s the concept of a housing career was associated with the owner occupied sector in particular (Thorns 1981; Forrest and Kemeny 1983). Socially and economically aspiring households were considered to possess a housing career that paralleled their career within the work place (Saunders 1990). A series of moves into progressively more expensive housing was seen to accompany occupational success. Dwellings were seen to be exchanged to either improve the level of housing amenity enjoyed by the household, increase opportunities for capital gains through housing, or as a consequence of the movement to a new housing market as a result of a job transfer. Thorns (1981) considered the latter to be a significant influence within the housing market in Christchurch, New Zealand, while Forrest and Kemeny (1983) outlined a typical housing career for owner occupants in Britain in their discussion of the relationship between furnished private rental housing and home ownership. They argued that owner occupants became investors in that section of the rental market as their economic position changed and as they took advantage of the housing circumstances around them.

A housing career is essentially an Anglo-Celtic concept and indeed some researchers have criticised the concept for relating to a specific generation or generations with relatively stable housing circumstances (Watt 2005). Households and individuals from backgrounds other than Britain and Ireland may have very different housing careers and increasing cultural diversity has contributed to a widening of housing outcomes, both at a point in time and over the life course. We also need to recognise that the housing careers of Indigenous Australians vary considerably from those of the remainder of the population. Cyclical mobility is a feature of the housing careers of some Indigenous households (Taylor 1997), while others are confronted by problems of homelessness (Allwood and Rogers 2001), discrimination (Paris 1992), eviction from public and private rental accommodation (Flatau et al. 2004) and limited housing options. Many Indigenous households have successful housing careers in home ownership or community based housing, though the home purchase rate amongst Aboriginal Australians is roughly half that of the population as a whole (Roberts et al. 2005).

3.1.2 Housing Histories

The concept of a housing career offers useful insights into the position of individual households within the housing market. The concept of a housing career makes most sense if it is expected that most households will achieve outright home ownership and that – to a degree at least – all housing circumstances up until that point are transitional stages. This conceptual framework does not shed light on the housing outcomes of those who do not become home owners, and privileges one set of moves through the housing market – that prompted by the desire to achieve greater levels of housing satisfaction in their housing or realise a capital gain – over others. Individuals and households are seen to advance their material position, choosing only to

consume less housing during the later part of their life when a substantial dwelling may no longer be appropriate. In addition, the concept of a housing career explicitly emphasises choice within the housing market and the individual household's ability to achieve its desires. It presents an interpretation of personal experiences within the housing market that suggest that housing outcomes are a product of free will. Each household is seen to be situated within a tenure, location and specific dwelling because that housing meets their aspirations and requirements. Clearly, not all moves through the housing market are an outcome of choice (Slatter and Beer 2003) and the concept of a housing career therefore underplays the impact of financial, demographic and market-based constraints on housing outcomes. Finally, it can be argued that the concept of a housing career places too great a priority on demographic factors in shaping housing outcomes. The concept of a housing career appears to privilege stage in the life cycle and assume away other important influences, including economic resources, the values and attitudes of individuals and the impact of government policy. This latter critique has become more poignant over recent decades as fertility rates have fallen in most advanced economies. For example, it is estimated that one-third of all Australian women will now end their fertile years without having had children (Tually, Beer and Faulkner 2007).

Forrest (1987) discussed the definition of housing histories and their relationship to the specific processes shaping housing markets. He distinguished the term housing history from the alternative notions of housing career and housing pathways (Payne and Payne 1977). Forrest (1987) argued that there are sets of housing experiences shared by persons on the basis of class, gender, race and locality. Groups of households will experience particular outcomes with respect to their housing on the basis of where they live, what they are able to earn and the accommodation subsidies available to them. Forrest (1987) argued that factors external to the housing market determine housing outcomes with the household's position within the labour market exerting the single greatest influence. Other considerations, such as location, ethnicity and gender, may act as additional influences on housing opportunities.

The importance of constraints within the housing market cannot be denied. Forrest (1987) recognised that while many housing histories contained a strong career element, 'others are chaotic and characterised by constraints and coping strategies' (Forrest 1987 p. 1624). Kendig (1984) found corroborating evidence. Fully 43 per cent of movers in Adelaide in 1975/76 changed their residence for reasons that had little to do with dissatisfaction with their previous dwelling (Kendig 1984 p. 274). Moves compatible with the concept of 'a housing career' did occur, especially among young people. Other influences, however, precipitated a considerable volume of relocation and tenure shift and from this perspective, identifiable housing careers were lost amidst the multitude of social processes shaping the housing market and the trajectory of individuals through that market.

'Housing careers' and 'housing histories' can be viewed as diametrically opposed concepts. The concept of a housing career emphasises free choice within the market and implies an upward trajectory. From this perspective, households are seen to move in order to better their situation with respect to tenure or the quality and quantity of housing consumed. The notion of a housing history, by contrast, relates households to the structural constraints on their housing situation, especially their position within the labour market.

3.1.3 Housing Pathways

Over the last decade the British housing researcher David Clapham (2002; 2004; 2005) has argued that there needs to be a focus on housing pathways that explicitly link the objective analysis of movements through the housing market with the subjective analysis of individual experience. Clapham explicitly links this paradigm to both social constructionism (see Jacobs and Manzi 2004) and Giddens' (1984) theory of structuration. Clapham's (2002; 2004) ideas on housing pathways need to be understood with reference to these other – very substantial – bodies of research.

Clapham (2002; 2004) argues that much housing research is both atheoretical and focused on government policy. For Clapham the key failing in contemporary housing scholarship is the failure to address both structure (the set of institutional arrangements that shape behaviours in the housing market) and agency (the decisions, values and subjective experiences of individuals and households). The failure to address agency is seen to be a particular gap because as authors such as Giddens (1990) and Beck (2000) have argued, globalisation; the emergence of new technologies and production processes; and other social and economic processes have encouraged individualism and eroded the institutions that have previously influenced people's lives (Clapham 2002 p. 59). Individuals and individual households are now better placed than in the past to shape their own lives. Clapham (2002) concurs with Giddens (1991) argument that there has been an 'opening out' of social life in which individuals are more able to make their own lives by actively making choices. This is encapsulated by the concern with 'lifestyle' by, which is meant, the desire to choose an individual identity, which leads to self fulfilment (Clapham 2002 p.59).

Housing, it is argued by Clapham (2002; 2004), is a critical part of the search for a lifestyle that leads to self-fulfilment and that housing 'is a means to an end rather than an end in itself' (Clapham 2002 p. 59). Housing is seen as a place of security and enabling for a household (King 1996), an essential ingredient in the search for what could be thought of as the equivalent of Maslow's 'self actualisation'.

Clapham (2002) recognises that not all households can achieve self-fulfilment through their housing. Individualisation carries with it greater levels of risk – risk of unemployment, risk of short-term contracts, risk of divorce etc. There is also variable risk according to stage in the life course. Young adults may be at risk of not securing appropriate housing, while older people may be at risk of not securing appropriate accommodation when specialist supports and services are needed to assist them with disability or ill-health. Persons with a disability may be at risk of not finding, or not affording, appropriate accommodation in an era when governments no longer provide institutional care for persons with a disability.² Within Clapham's pathways paradigm, housing is seen to contain many sets of meanings and it is these meanings that need to be positioned at the centre of any analysis. This is a significant departure from both the housing history and housing career perspectives as they focus on measuring change in housing circumstances and assessing the structural influences that have shaped those movements. By contrast, Clapham's (2002; 2004) framework of analysis focuses on how individuals and households interpret and understand their progression through the housing system.

Housing pathways research, Clapham (2002; 2004) suggests, should be thought of as a 'framework for analysis – a way of framing thought' (2002 p. 63) that focuses upon the concept of a housing pathway, which is defined as

² Recognising, of course, that many people with a disability do not want institutional care and the sector as a whole has campaigned to move away from this form of housing.

...patterns of interactions (practices) concerning house and home over time and space (2002 p. 63)

and,

...the continually changing set of relationships and interactions which it (the household) experiences over time in its consumption of housing.... a housing pathway....seeks to capture the social meanings and relationships associated with this consumption in the different locales (2002 p. 64).

Critically, housing pathways research is seen to embrace all the elements of conventional housing career research, but extends its reach to explore the meanings attached to the home, the relationship with other life events and interactions within the neighbourhood. Clapham (2002) argues that his approach accommodates the fact that a household's housing circumstances change, even if they don't move dwelling or tenure. A housing career perspective would see these households as not having experienced change, while a pathways approach would seek to investigate how their circumstances have shifted as a result of the new tenure arrangements and would endeavour to investigate the views of tenants of the impact of this transformation on their lives. Similarly, Clapham (2005) notes that the meaning attached to 'home' may be very different for older people than those in middle age, even if they have continued to occupy the same dwelling for 30 years or more.

Clapham (2002; 2004) ties his housing career paradigm to concepts of life planning and identity, with the former drawing heavily on the work of Giddens (1984). In essence, the concept of life planning recognises that households do not consume housing in isolation from other dimensions of life and that 'households undertake life planning in search of identity and self-fulfilment' (Clapham 2002 p. 65). A housing pathway follows a life course pathway that includes education, employment, the decision to have children (or not), housing and relationships. Moreover, households recognise this fact and

...develop a long term view of where they would like to be in the future and formulate a strategy to achieve this that will frame individual decisions. The existence of a strategy is a guide to the extent to which they engage in what Giddens calls life planning by actively seeking to organise and control their lives (Clapham 2004 pp. 99-100).

In support of his argument Clapham (2004) cites other researchers (McCrone 2004; Anderson, Bechhofer and Kendrick 1994) who reported that a significant fraction of households in their surveys had explicit and deliberate housing strategies.

Identity is an important part of the subjective inquiry that distinguishes the pathways framework from other perspectives. Clapham recognises both ontological identity – self identity – and categorical identity, 'the labels which are ascribed to us by ourselves, and by society' (Clapham 2002 p. 65). Housing clearly affects both ontological and categorical identity: we are a 'home owner', a 'home purchaser', or a 'tenant'; and, the housing we occupy may shape how we perceive our place in the world. Clapham (2002) recognises that 'disability' is one of the categories around which discourse and conflict is constructed, with competing views presented by various parties. He notes that

...the discourses associated with physical and mental disability have been actively contested by professions, government agencies and interest groups in what has been called the politics of identity. It is here that the power games outlined earlier are played in which the actors attempt to mobilise their

resources to ensure their discourse is the one adopted in public policy and in general discourse (2002 p. 65).

Clapham (2002) therefore urges researchers to investigate the politics of identity associated with particular housing pathways.

Clapham's (2002; 2004) ideas on housing pathways are original and stimulating and he suggests researchers need

...to employ ethnographic or biographic methods to understand the meaning of individuals and households and the conscious aspects of behaviour. However, the unconscious aspects need to be explored bearing in mind the constraints and opportunities, which structure them and are reproduced by them (2002 p. 66).

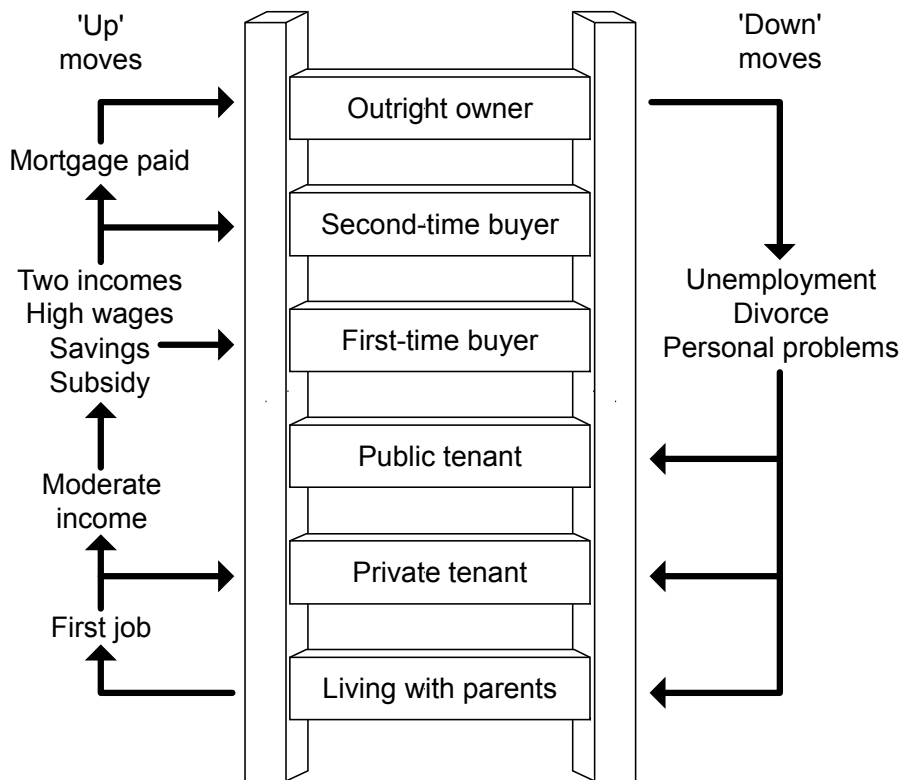
The focus of research, he suggests, must be on the factors which are associated with a change in the pathway: with the life plan either being redrafted, or being departed from for external reasons. He also suggests that it is important to generalise from individual pathways to the broader population by focussing on the meanings households attach to their housing; recognising how individuals create their own life plan in association with their life style decisions; and, by recognising the dynamic nature of pathways and how they change over time.

3.1.4 Housing transitions: towards a better understanding of housing careers in the 21st century

Published research and scholarship on housing histories, housing careers and housing pathways has explicitly informed the conduct of NRV2 with the ideas and issues embedded within the literature included in all aspects of data collection. It is worth noting, for example, that the Housing 21 Survey, our large scale data collection exercise, included questions on demographic change and position in the labour market, as well as the meanings attached to home. The Housing 21 Survey would be the first large scale survey of housing choices and preferences to include a strong focus on the meaning of home and housing (Wulff, Walter and Gabriel 2006). The use of the published literature on housing histories, careers and pathways is important because the conclusions we have been able to draw, and the conceptual developments we have forged, have been shaped by these formative ideas. The lessons to be taken from NRV2 – both for housing theory and housing policy – are distinctive when compared with previous research because the range of questions posed through the research is innovative, while established questions have been recast in a new light.

One way of understanding and reflecting upon the different ways of examining the interaction between life course and the housing market is to consider how these issues have been represented in earlier discussion. Figure 9 is taken from Kendig, Paris and Anderton (1987) and presents the conventional housing career. The centre of the figure implies an upward movement through the housing market, while the arrows to the sides respectively indicate both pathways 'forward' and the mechanisms for slipping 'backward'. The figure implies a start point and a destination and also suggests a hierarchy of tenures, as well as a household structure amenable to repaying a mortgage.

Figure 9: The housing career “ladder”

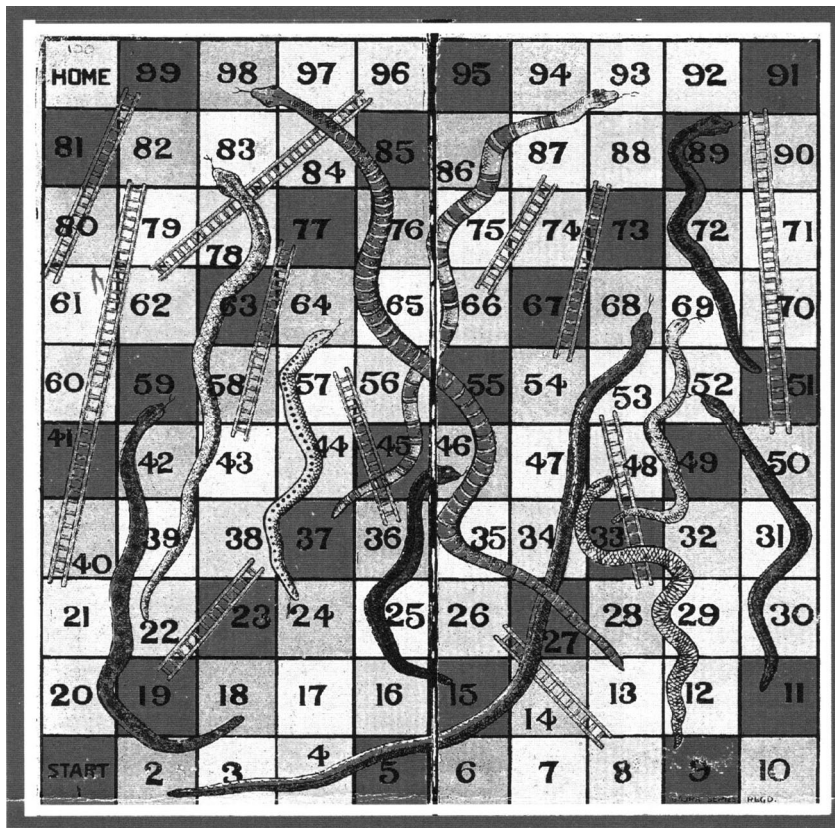


Source: based on Kendig, Paris and Anderton 1987 p. 30.

Badcock and Beer (2000) presented their understanding of transitions in the housing market as a game of 'snakes and ladders' (Figure 10) as they argued that 'it is no longer good enough to presume that home ownership is an escalator for everyone, or to assign home owners to a class position and leave it at that' (p.9), noting that 'not everyone enjoys the fruits of capital accumulation' (p. 10). Badcock and Beer's (2000) understanding, and imagery for, the way individuals interact with the housing market was a reflection of its time, with a greater appreciation of households falling out of home ownership (AHURI 1998) and the busts as well as the booms of the housing market.

In many ways 'snakes and ladders' constitutes an intuitively attractive metaphor for the housing market because it does not imply one pathway or direction and captures some of the complexities many people face as they seek to balance their housing aspirations with other dimensions of life. However, it is a flawed representation because it implies a single start point and destination – 'home' – and because it suggests that ultimately all participants achieve that single goal.

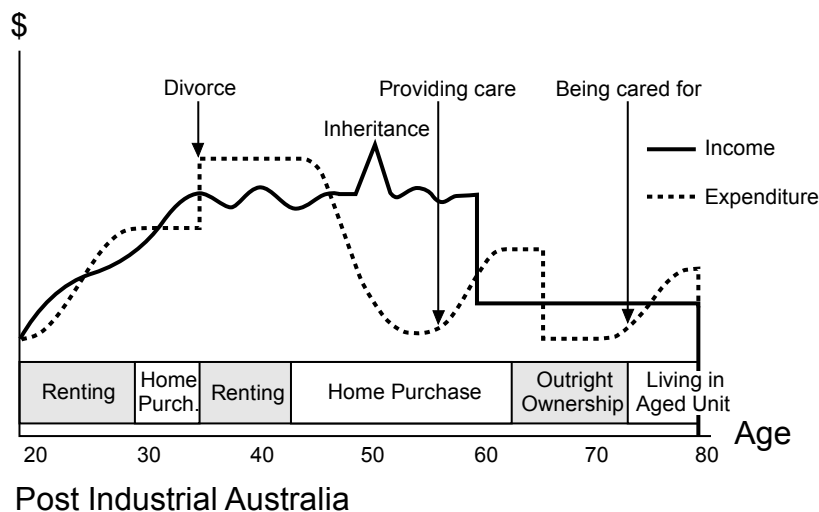
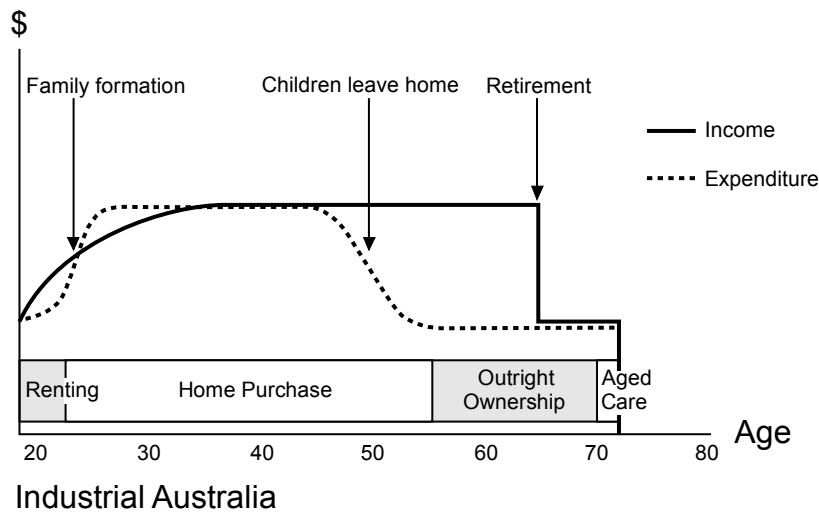
Figure 10: The board game of snakes and ladders



Source: Badcock and Beer, 2000 p. 9.

It is challenging to attempt to capture our current understanding of housing transitions and/or housing pathways into a single figure or representation. The work of Clapham (2005) and others has added greater complexity to our comprehension of how individuals interact with the housing market and at the same time there is now a greater appreciation of the diversity of directions and outcomes people take with their housing. As discussed above, this more nuanced understanding matches increasing complexity within society and the life course of individuals. The first published output for NRV2 (Beer, Faulkner and Gabriel 2006) drew upon work by Peter Williams (Williams 2003) to suggest the depth and extent of change in 21st century housing careers (Figure 11). The insights offered by this image remain powerful and accessible – and therefore valuable – but it does not reflect the full complexity of processes and outcomes evident in contemporary Australia. An additional instrument for conceptualising and visualising 21st century housing transitions is desirable.

Figure 11: Changed life histories and changing housing careers



Source: Adapted from Williams 2003 p. 166.

Figures 12, 13, 14 and 15 offer an alternative way of viewing housing transitions with Figure 12 focusing on housing decisions at any point in time. It suggests that housing decisions, and the ability to realise preferences within the housing system, reflect five dimensions:

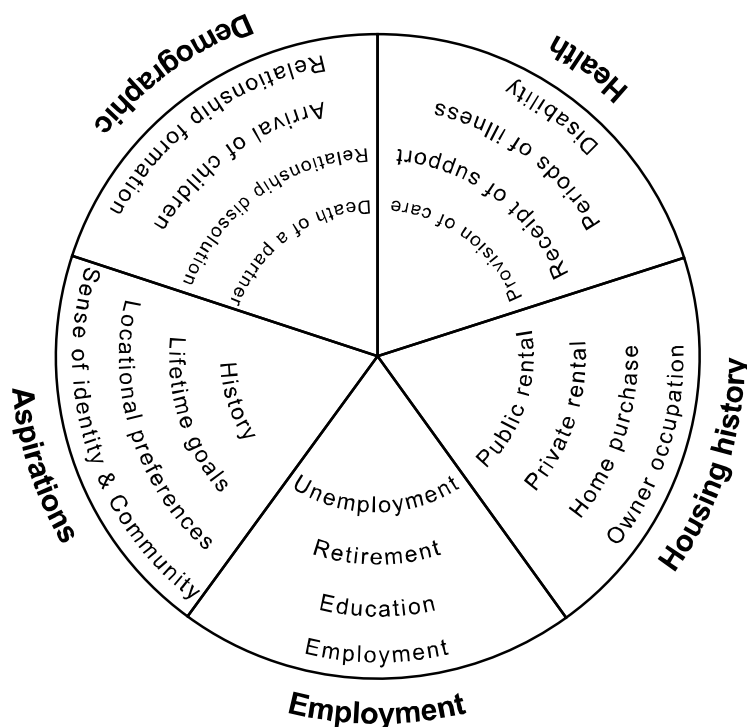
- a lifecycle dimension;
- a position within the labour market and economic resources dimension;
- a health, disability and wellbeing dimension;
- a tenure dimension; and
- a lifestyle values and aspirations dimension.

Each dimension is seen to exert an influence, potentially or in fact, on housing decisions at any point in time and that housing decisions reflect the relative balance and standing of each of these dimensions in the instance. Early in the life course, for example, demographic factors such as marriage and the birth of a child may be an

important influence on decisions taken about housing, but position in the labour market, and the type and quality of housing aspired to will be important also. In mid life, demographic factors may have relatively little influence on housing decisions, but tenure may exert a greater influence through the accumulation of housing wealth that effectively opens up a greater range of housing options, as well as anticipated retirement income.

From this perspective, the focus is not on the housing career, but on the lifetime housing decision framework. This framework is one where individuals are increasingly unconstrained by financial and demographic trends and moves over the life course, coming into effect when housing emerges as a critical feature in the life course through the arrival of children, increased affluence (or reduced circumstances), retirement, death of a partner, divorce or separation and other factors. It is recognised that some individuals and households have far greater capacity to enact their preferences than others and it is not assumed that all start from an equal basis. Importantly, the processes of transition through the housing market have cumulative impacts and are affected by all five dimensions outlined above. For example, the housing decisions of individual baby boomers over the next decades will, in part, reflect their accumulated experience – and wealth – in the housing market. Those who have been home owners for the major portion of their adult life will have far greater capacity to meet their lifestyle aspirations – and potentially retire earlier – than those who have lived in rental housing.

Figure 12: The housing decision framework



The cumulative aspect of lifetime housing decisions are presented in Figure 3.6 which attempts to show how the capacity of individuals to express choice in the housing market varies over time and in ways that reflect a broader life path. The three illustrative cases highlight the way in which an individual has variable market power within the housing system and how the culmination of events over the passage of time shapes housing outcomes. The example of the successful baby boomer highlights the way in which the accumulation of financial assets, in combination with the arrival and eventual departure of children, results in a rapid increase in the capacity to

express choice within the housing market in later life. In this instance, the ability of individuals and households to realise their housing aspirations at an age greater than 50 is not simply a factor of income at that point in time: it is a reflection of lifetime savings; access to superannuation; capital gains through the housing market; the restructuring from a family to a couple only household etc. Similarly, the illustration of a person affected by the onset of disability in mid life emphasises the impact of key life events such as disability or ill-health. The figure suggests a lifetime housing trajectory very similar to the 'successful Boomer' up until mid life, followed by a dramatic reduction in the capacity to realise aspirations within the housing market later in life. Significantly, we would suggest that even with the onset of a disability, previous life events and participation in housing and labour markets continue to be important as the accumulation of resources at an earlier age serves as a cushion or buffer post that event. As will be discussed later in this report, persons who have acquired a disability in adulthood often have a greater range of housing options available to them when compared with those born with a disability. The final example provided in Figure 13 is of a low income tenant, whose participation in paid employment is less secure and less financially rewarding than for others. Once again, lifecycle events such as the birth of children, marriage and separation can be seen to affect purchasing power in the housing market and these operate in combination with periods of employment and unemployment. In this instance, capacity to enact preferences within the housing market is seen to erode with older age, as hours worked decline, income falls and there are no housing assets to serve as a buffer within the housing market.

Figure 13: The capacity to express choice within housing over time

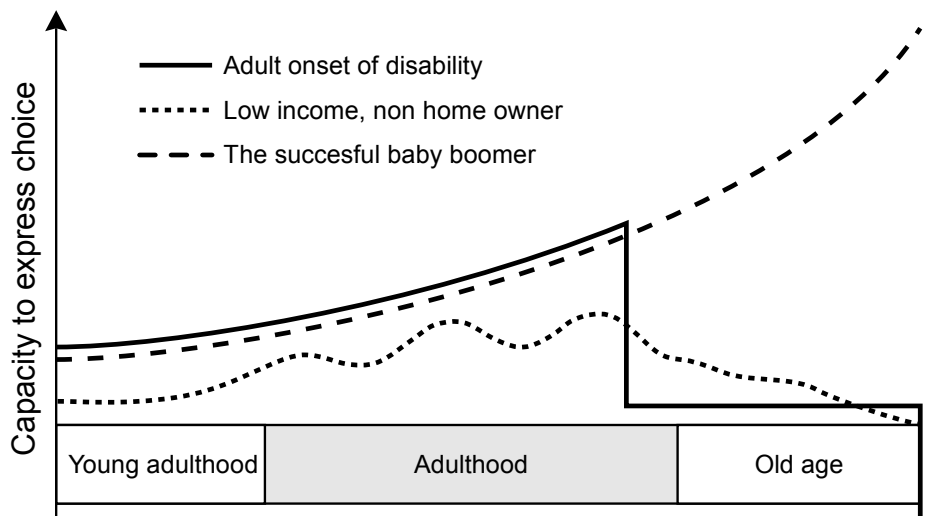


Figure 14: Housing decision making over time, the variable influence of lifecycle, labour market, wellbeing, tenure, and lifestyle aspirations

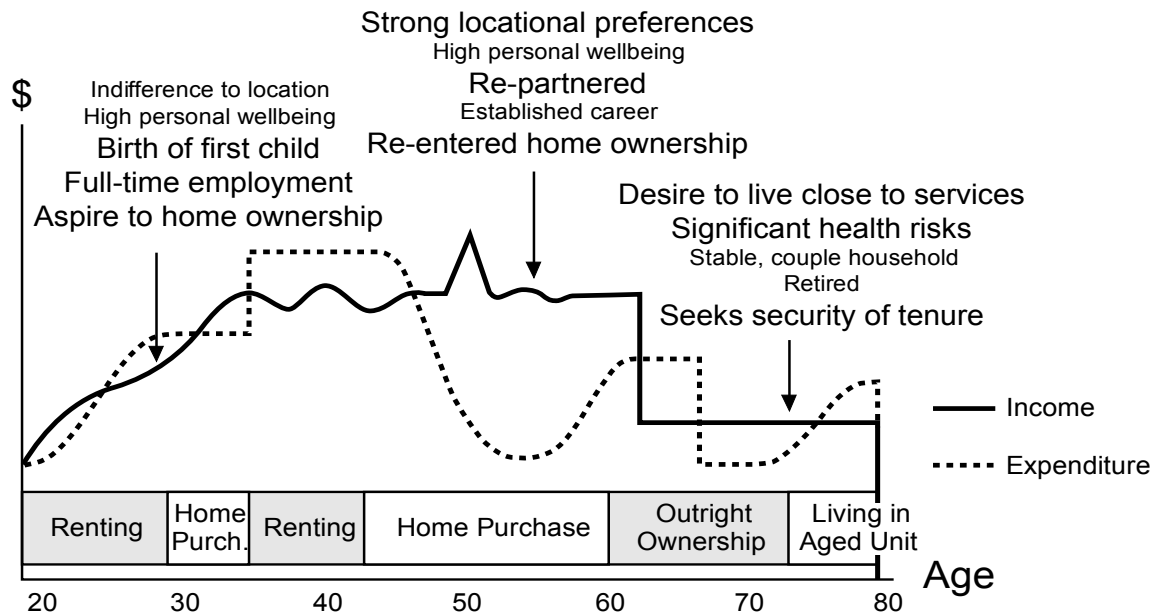


Figure 14 illustrates the impact of the five dimensions of housing decisions over the life course, showing how the relative influence of each changes and how each is transformed with the passage of time. The housing decisions of an individual at three points in time is illustrated:

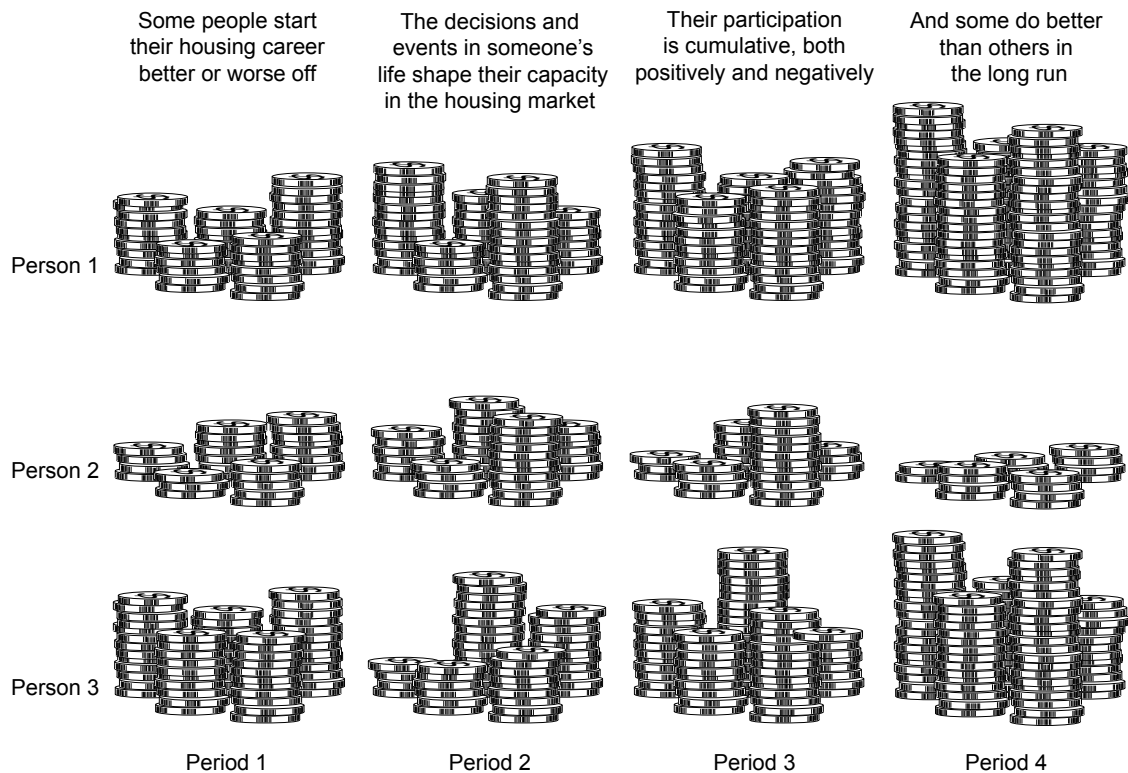
- In the first period, the housing decision set is heavily influenced by lifestyle factors and the aspiration for home ownership, as well as the arrival of the first child. Location or consumption aspirations are relatively insignificant, while personal wellbeing – long-term health and/or disability – exerts virtually no impact;
- In the second period, the individual is seeking to re-enter home ownership, and is able to do so with the benefit of previously accumulated housing wealth. An established career means that labour market factors are an important enabler within the housing market and this – in combination with housing wealth – assists in the movement into a desirable location and/or dwelling;
- In the third period, health and wellbeing is seen to exert a considerable influence on the housing decision framework, with resources previously accumulated through the housing market and the labour market allowing those needs to be met. In this instance health and wellbeing has both a direct impact on the decision making of individuals – the type of dwelling occupied, the design of the dwelling, access to care and other support services – as well as an indirect influence with respect to locational preferences.

It is interesting to note that as a consequence of demographic change, Australia as a whole is moving to a point where wellbeing factors are increasingly a determinant of behaviour in the housing market.

Finally Figure 15 attempts to provide a graphic representation of the differing outcomes and the variable level of resources affecting individuals in their transitions through the housing market. In the figure the three individuals commence their transect of the Australian housing system with differing stocks of education and labour market resources; health or disability status; household structures that are conducive to the more advantageous tenures; lifestyle aspirations and values; and, experiences of the housing market. How these factors can vary is illustrated in the empirical

discussion in later stages of this report on the level of family assistance into home ownership available to some households. The position of any individual or household in the housing market, and housing market decisions, are subsequently influenced by their current circumstances, as well the decisions and events in their past. Long-term outcomes are not equal and those who enter the housing market with a greater stock of enablers within the housing market will fare better.

Figure 15: Housing outcomes through the life course



This section concludes with the observation that the term housing transitions better reflects the movement of individuals and households through the housing market over time and across the life course than the more commonly used 'housing careers'. The term housing transitions implies change but does not suggest a single source or destination. It is also free of the social constructionist connotations embedded within Clapham's (2002; 2004) account of housing pathways. The term is entirely consistent with the findings of other research, including work by Seelig et al. (2005) on the housing consumption patterns of income support recipients. They found considerable mobility within the housing market, but this activity was marked by an ongoing directionless 'churn' rather than purposive steps along a housing career ladder. A 'housing transitions' perspective also accords with the conclusions of Minnery and Zacharov (2007, p. 56) that housing careers or pathways are changing in Australia but they are not changing from a relatively simple past to a more complex present and future. Housing pathways in the past (as exemplified by this group of 55-64 year olds) demonstrate considerable complexity, in addition to uncertainty and chance. This complexity is likely to remain. From a policy perspective it is worth noting that the transitions framework carries no implications as to long-term housing outcomes – positive or negative – and therefore challenges both the delivery of housing interventions that are sustained in the long term, as well as a reliance on short time measures that explicitly assume a transition to a 'better' housing state.

4 THE EVIDENCE BASE ON THE 21ST CENTURY DRIVERS OF HOUSING TRANSITIONS

An empirical evidence base is needed to support the interpretation of 21st century housing careers outlined above. Policy-makers and researchers alike need to be aware of the relative magnitude of impact of each of the five dimensions identified within the housing decision framework and how they shape housing transitions over the life course. This section of the report considers each of the five dimensions that shape housing decisions in 21st century Australia and presents a range of data from NRV2 that indicates their influence. Some of this material is then considered in greater depth in later sections of the report.

4.1 Recent Studies on Contemporary Drivers of Housing Transitions

There is a recent Australian literature on housing transitions with Flatau et al. (2004) examining the labour, social and economic determinants of housing careers through an examination of the first wave of data from the Household Income and Labour Market Dynamics in Australia (HILDA) survey as well as the ABS Survey of Income and Housing Costs. Flatau et al. (2004) developed a model of housing transitions 'from one step of the housing career ladder to another' (p. i) in order to answer three key questions:

- Are young Australians taking longer to make the transition from the parental home, and if so what is driving this change? Is this likely to have an impact on home ownership rates for this generation?
- Are financial barriers constraining access to homeownership for many Australians?
- Are Australians increasingly experiencing an interrupted housing trajectory? Does divorce or separation have significant and permanent impacts on homeownership and other patterns of tenure and does remarriage improve outcomes? (Flatau et al. 2004 p. ii).

The research also set out to investigate the Oswald thesis that homeownership may contribute to higher rates of unemployment and that housing subsidies in public and private rental housing may operate as work disincentives. Flatau et al. (2004) concluded that younger Australians are taking longer to make the transition to independent housing, and that this phenomenon was strongly associated with the time spent in education. They found that there are significant financial barriers to entry to home ownership and that divorce or separation has an adverse impact on prospects for homeownership. Interestingly, the researchers concluded that

Separation has an even larger negative impact on home ownership prospects. Separated individuals have a 21 percentage point lower probability of attaining or retaining home ownership as compared to the continuously married. In contrast, household dissolution due to the death of a partner does not impact on the homeownership prospects of the widow (Flatau et al. 2004 p. v).

This finding is significant given later discussion about younger persons falling out of homeownership because of marital separation. Importantly, Flatau et al. (2004 p.38) used the AHURI 3M econometric model to predict tenure (specifically home ownership or rental) and concluded that the probability of a household being in owner occupation:

- Increased if permanent income relative to house prices rose;

- Fell if the cost of owning relative to renting increased; and,
- Reflected relationship status, with being single, divorced or separated reducing the probability of home ownership.

More recently Wood et al. (2007) have examined the implications of the loss of a partner for older private tenants. This study used the Third Wave of HILDA and concluded that low income renters are particularly vulnerable in the event of the loss of a partner and that 31 per cent of individuals moved into a position of housing affordability stress within one year of the dissolution of the household. They also concluded that ‘there is an abrupt change in tenure pathways in the first year following the loss of a partner with home ownership rates falling 25%’ (Wood et al. 2007 p. 11), and this disruption is not quickly reversed with the home ownership rate of affected households continuing to fall for a further two years. The researchers also found that many households were forced to unlock housing wealth in order to retain their home ownership. Interestingly, existing tenure affects housing transitions following the loss of a partner. Wood et al. (2007 p. 63) reported that

Nearly half (14 out of 32) of those who were outright owners when they lost their partner had remained in the family home as had two of the four who were in public housing. In contrast, nine out of the ten people who were purchasing a property when they lost their partner had subsequently moved, as had 13 out of the 15 people who were in private rental.

The research reported by both Flatau et al. (2004) and Wood et al. (2007) provide important insights into housing transitions in Australia in the 21st century. However, it is important to acknowledge that the statistical techniques used by both projects do not provide a general model of housing transitions because the complex of factors shaping housing transition is too broad and variable. However, what is clear from these analyses is that the key determinants of housing transitions include – but are not necessarily limited to – participation in education, existing or current tenure, household income, relationship status, and the cost of home purchase relative to renting.

4.2 The Lifecycle Dimension

Transitions within the lifecycle have conventionally been seen as the driver of housing transitions. As the discussion above has shown, key demographic processes such as births, deaths, relationship formation and ageing have been recognised as the key markers of, and drivers, of housing transitions. The analysis undertaken as part of NRV2 shows that demographic processes continue to exert an important influence on housing transitions in the first part of the 21st century in Australia and are likely to remain important for the foreseeable future.

4.2.1 Relationship formation and housing transitions in the 21st century

The processes of relationship formation – marriage, the establishment of a long-term relationship with a partner – have been identified as a driver of housing transitions in late 20th Century Australia (Kendig 1979) and a determinant of the state of the housing market (Paris 1992). A key question for NRV2 is whether relationship formation remains important in shaping 21st century housing transitions in Australia and if those impacts have been transformed, in what ways?

In the past, leaving the family home to enter a long-term relationship – usually entry into marriage – was the point at which an individual’s housing career commenced. Marriage and ‘setting up home’ was an unambiguous and socially sanctioned

transition to independence and engagement with the housing market. Table 4.1 demonstrates that while this demographically determined transition to an independent housing career remains important for the younger age groups, its importance has declined significantly. Whereas 48 per cent of 65 to 74 year olds originally left home to enter marriage or other relationship, just 22.3 per cent of 25 to 34 year olds left home for that reason. The transition to independent living amongst the younger cohorts was more likely to be precipitated by education-related factors, the desire to live independently or with friends and as a consequence of personal circumstances. In many instances 'personal circumstances' mean conflict with parents or other guardian. It would appear reasonable to assume that persons seek to live with friends, live alone or move out of home for 'personal' reasons because of consumption related factors – both the capacity and desire to live away from their family – and in total consumption aspirations accounted for 38 per cent of departures from the family home for those aged 25 to 34. This outcome is consistent with the qualitative findings of Project C, with Minnery and Zacharov (2007) concluding that most departures from the family home were associated with a desire to live independently as well as problems in the family home. Interestingly, the significance of employment related movement away from the family home has declined amongst the younger cohort, while military service was a significant component of the movement away from home of the cohort aged 65 and older.

Table 4: Reason for leaving the family home by age

	<i>18-24 years</i>	<i>25-34 years</i>	<i>35-44 years</i>	<i>45-54 years</i>	<i>55-64 years</i>	<i>65-74 years</i>	<i>75 years +</i>	<i>Total</i>
Education	19.4	20.1	13.3	11.2	6.6	4.6	5.6	10.3
Employment	12.9	13.8	20.3	24.6	23.9	26.9	24.2	22.5
Marriage/ to live with partner	25.8	22.3	21.1	29.9	42.9	48.7	46.8	34.5
To live with friends	8.1	11.0	9.3	6.5	4.0	1.3	1.5	5.8
To live on own	8.1	15.2	15.1	11.5	7.5	3.6	2.6	9.6
Military service	0.0	0.7	1.4	1.0	1.9	3.8	8.2	2.4
Personal circumstances	12.9	12.0	12.5	9.6	6.6	4.4	5.9	8.7
Travel (work or study overseas)	0.0	2.8	5.0	4.1	5.1	4.6	2.6	4.2
Other	4.8	1.8	1.8	1.0	1.5	2.1	2.2	1.7
Don't know	4.8	0.4	0.0	0.2	0.0	0.0	0.0	0.2
Refused	3.2	0.0	0.2	0.2	0.0	0.0	0.4	0.2
Total Number of Respondents	62	283	503	581	531	390	269	2,619
Total Percentage of Respondents	100	100	100	100	100	100	100	100

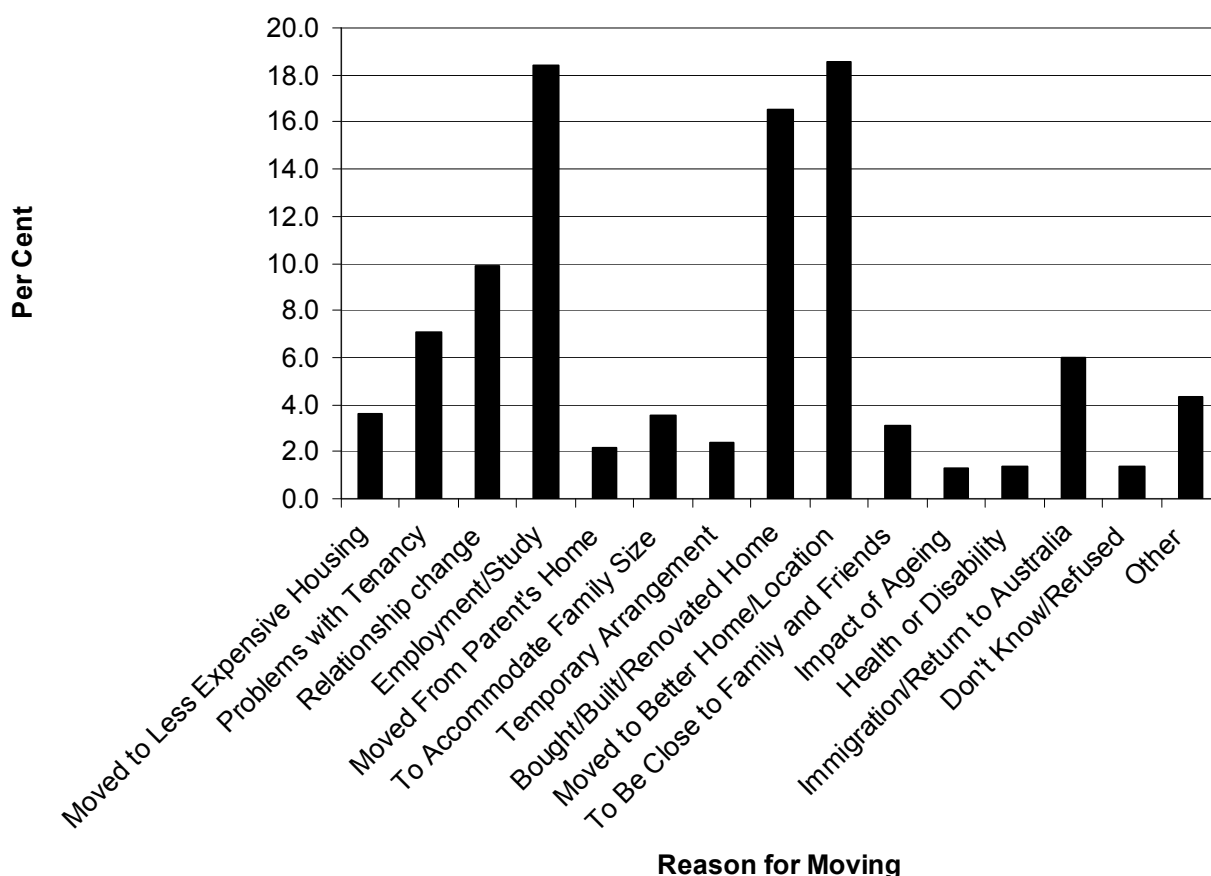
Source: *Housing 21 Survey*

Based on the evidence presented in Table 4, we can unequivocally conclude that housing transitions and transitions in 21st century Australia do not follow the patterns evident in the second half of the 20th Century when half the population first left the family home in order to enter marriage and a further quarter left for employment related reasons. The drivers to independent living are now more complex and include the acquisition of education; the desire, and capacity, to live independently or with friends; and personal reasons that include conflict with parents. Clearly, relationship

formation – a demographic determinant of movement through the housing market – has become less influential in triggering a move from the family home.

The Housing 21 Survey focused on the housing transitions of respondents for the period 1996 to 2007, partly to limit the impost of data collection on respondents and in order to focus on the current drivers of movement through the housing market. The survey asked respondents to list all their movements through the housing market – that is, the relocation from one dwelling to the next – and asked them to list the primary reason for their move. Allowance was made for up to ten movements through the housing markets, though many respondents had not moved at all and the majority had moved once or twice only. The primary reasons for movement were aggregated with approximately 2,800 ‘primary’ reasons for moving presented in Figure 17. It is worth reflecting on the fact that these data indicate the ‘first tier’ drivers of change through the housing market over the last decade. The data presented in Figure 17 indicates that demographic factors are not prominent amongst the primary reasons people give for moving and that consumption oriented factors – especially the processes of purchasing a home in order to enter owner occupation, the building of a new home that meets the aspirations of the household and the renovation of an existing home on the one hand, and the movement to a better home or location on the other – dominated, accounting for almost 34 per cent of responses.

Figure 16: Primary reasons for moving, 1996 to 2006



Source: *Housing 21 Survey*

Embedded within the data presented in Figure 17 are a number of interesting trends:

- The most commonly cited reasons for movement were the need to shift home for employment and education as well as the desire of households to relocate to a better home or neighbourhood;

- Only a handful of respondents indicated that the birth of children was a primary reason for residential relocation. While it may be that many households moved tenure or dwelling in anticipation of the birth of children, the arrival of children per se did not emerge as a key driver of 21st century housing transitions;
- Relationship change was an important driver of movement through the housing market but only accounted for 10 per cent of movements through the housing stock;
- Three per cent of households relocated in order to secure less expensive housing and an equivalent percentage moved in order to accommodate expanded family size, which implies a demographic driver of change;
- Approximately one per cent of moves through the housing market were attributed to the impact of health or disability while a further one per cent reflected households moving to smaller dwellings as a consequence of ageing;
- Shifts from the family home to independent living only accounted for two per cent of all moves;
- Problems with a tenancy – including the landlord selling the property or returning to live in the property – were more important than anticipated, given that only 20 per cent of households rent. Some seven per cent of all moves through the housing market appear to be ‘forced moves’ or evictions (Beer et al. 2005);
- Six per cent of moves through the housing market were associated with immigration and/or a return from a period spent overseas. The latter was the more significant numerically with large numbers of both young adults and mid age adults spending periods in Europe and other parts of the world. Many moved out of their accommodation in order to travel overseas and then found new accommodation upon their return. This appears to be a new driver within the housing market;

Overall the Housing 21 Survey suggests that demographic processes are an important driver of transitions through the housing market but household change alone – and especially household formation – can no longer be seen as the driver of movement through the housing market. The evidence supporting this conclusion is discussed later but it is worth noting that 28 per cent of respondents to the Housing 21 Survey (768 persons) had changed their relationship status over the last decade, including relationship formation as well as dissolution. Of that group, 434 persons, or 16 per cent of the total felt that their relationship changes had affected their housing transitions.

4.2.2 The Impact of Relationship Breakdown and Divorce on Housing Transitions

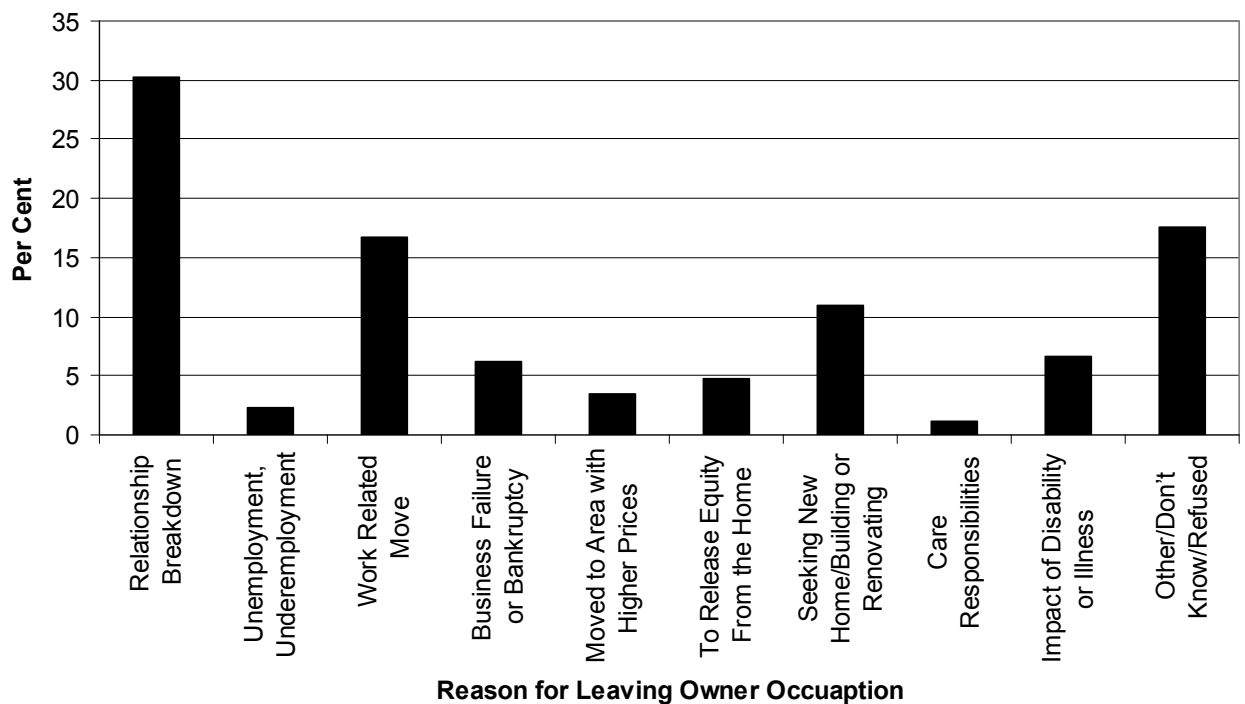
Our analysis suggests that whereas previous accounts of housing transitions tended to emphasise the processes of household formation (see Neutze and Kendig 1991) our analysis based on – but not limited to – examination of the Housing 21 data suggests that the processes of household dissolution appear to be exerting a far greater impact on housing transitions than in the past. The processes of household dissolution are affecting 21st century housing transitions in a number of ways:

- Divorce and separation has played a substantial role in persons leaving owner occupation and entering rental housing. Just under ten per cent of respondents (257 persons) to the Housing 21 Survey were persons who had ‘fallen out’ of home ownership. Of this proportion, one-third had left owner occupation for rental housing because of a relationship breakdown (Figure 4.2). The termination of a relationship was the single most significant reason for departing home

ownership, twice as important as the next most significant cause – business failure or bankruptcy;

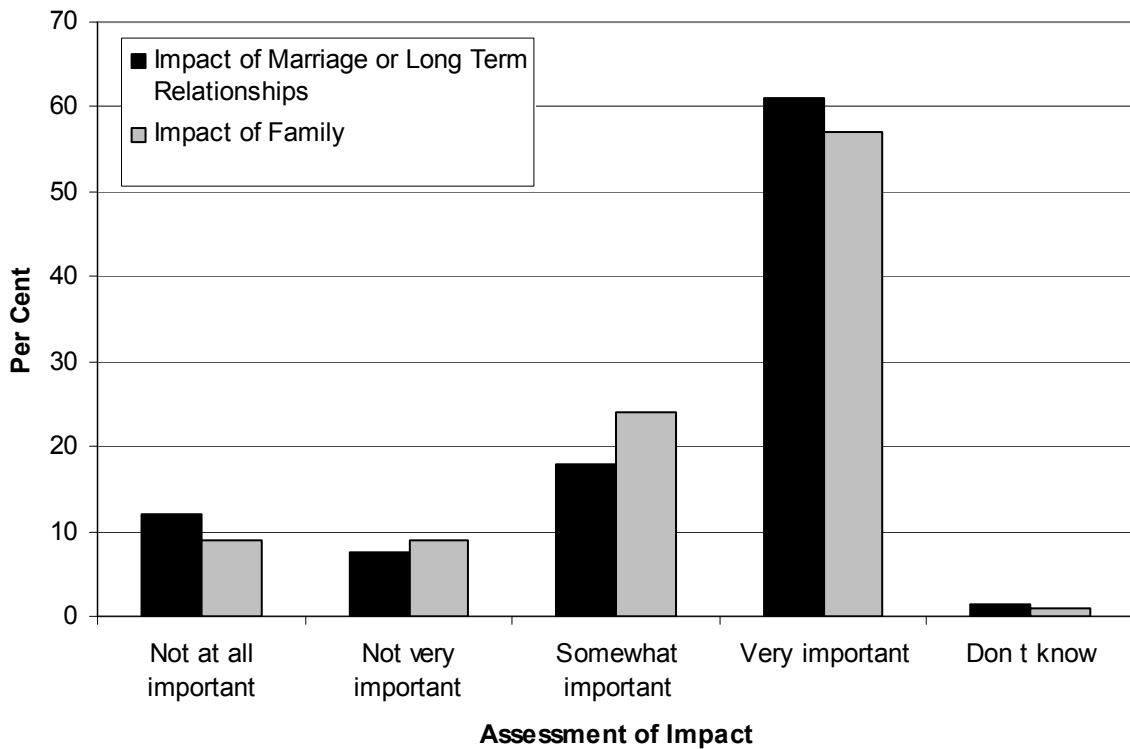
- Of the 129 respondents to the Housing 21 Survey who withdrew equity from their property some 15 per cent (19 households) did so in order to reach financial settlement following divorce;
- Fully 20 per cent of respondents to the Housing 21 Survey described their relationship status as divorced or separated;
- In total 28 per cent of respondents (or 768 persons) had changed their relationship status over the last decade, and this includes both relationship formation as well as dissolution. It is worth noting that men are more likely than women to establish a new relationship (Tually, Beer and Faulkner 2007) with many women living in single parent households following divorce or separation.

Figure 17: Reasons for leaving owner occupation and shifting to rental housing



Source: *Housing 21 Survey*

Figure 18: Assessment of the impact of relationships and family on long-term housing transitions



Source: *Housing 21 Survey*

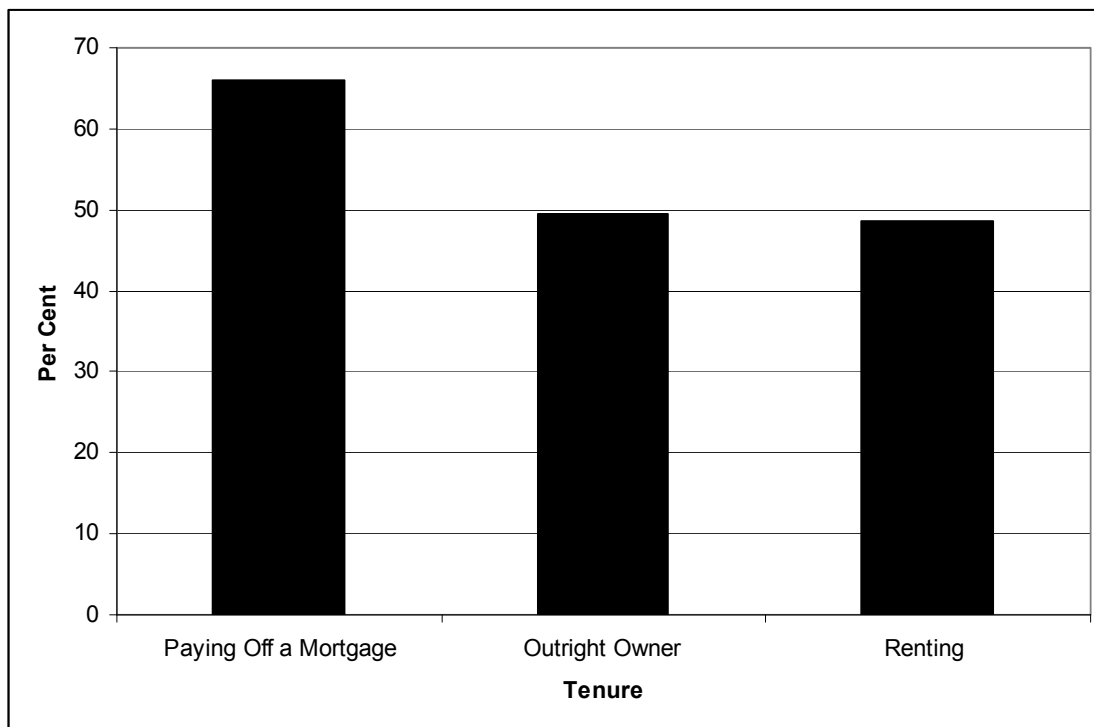
When asked to assess the impact of marriage and long-term relationships on lifetime housing decisions some 61 per cent of respondents to the Housing 21 Survey indicated that relationships had been a very important influence. Family considerations also exerted an important influence on the lifetime housing decisions of many respondents. Only financial circumstances (discussed below) were of critical importance for more people. We can conclude, therefore, that demographic processes remain important to the formation of housing transitions within the Australian population but that demographic processes have taken on a new complexion – and new dynamics – when compared with two or three decades previously.

4.2.3 The Birth of Children and Links to Housing Transitions

Marriage and the birth of children have conventionally been seen as pivotal markers of the move from rental accommodation to home purchase (Neutze and Kendig 1991) and it is important to question whether this relationship holds in the 21st century, when we are suggesting that non-demographic factors are increasingly central to movements within housing markets. The evidence from the Housing 21 Survey as to the impact of the birth of children on housing transitions is mixed: as presented in Figure 20 and discussed above, relatively few households suggested that the arrival of children was their primary reason for moving from one dwelling to another through the period 1996 to 2006. In addition, if we consider the dwellings persons currently occupy, only 21 per cent reported that there had been changes to their household through the birth or adoption of one or more children. Interestingly, a higher percentage (22.8 per cent) reported that their current household structure had changed through the departure of children from the family home. On the other hand, amongst respondents aged 18 to 54 a higher percentage of home purchasing households reported the presence of one or more children in their home (Figure 20)

and 57 per cent of all households accommodating children were home purchasers. These data suggest a relationship between family formation and home purchase but cannot suggest light on the strength or direction of this influence.

Figure 19: Presence of children aged under 18 in the home for respondents aged 18 to 54 by major tenure



Source: *Housing 21 Survey*

Through the Housing 21 Survey it is possible to calculate the time between first entry into home ownership and the birth of the first child. This figure was calculated for all respondents who had entered home purchase and where the eldest child in the household was under 20 years of age. These data showed that fully 67 per cent of the 610 respondents who had entered home ownership at some stage in their life and also had children, did so prior to the year of birth of their first child. Some 36 per cent entered home purchase in the five years prior to the arrival of their first child, 10 per cent became home buyers in the year their first child was born and 13 per cent entered home purchase in the five years after the arrival of their firstborn. In aggregate, more than 60 per cent of households to enter home ownership did so in the period five years before or five years after the arrival of their first child. The year the first child was born was also the single most common year for entering owner occupation. Overall the data suggest that the arrival of children remains an important driver for some households to enter home purchase and that while it remains a significant influence, the increasing proportion of older households within the housing stock, the impact of relationship breakdown and lower fertility rates amongst women has reduced its overall significance. We should also acknowledge that there is a growing lag between relationship formation and the arrival of the first child, such that many households may enter home purchase in the expectation of children at some stage, even if it is not the primary driver for residential relocation.

The qualitative interviews with families with children undertaken as part of project E provides a rich source of evidence on the impact the arrival of children on housing

needs and preferences. The extent of this impact was reflected in a comment from one interviewee that

It's all about the children really; more people, more rooms, more needs. (Tually 2008 p. 47)

Tually (2008 p.51) noted that interviewees with families recognised the impact the presence of children has had on their housing transitions and decisions

all respondents in this group indicated that having children strongly influenced their housing decisions. For many respondents, and especially among the baby boomers interviewed, planning for having a family or having a family prompted them to move into homeownership, i.e.

...the reason we originally wanted to buy was because we wanted to start a family and have them in a secure environment and I think you always want to have a secure home when you've got children so that they can settle somewhere and if you want to get sand pits for them and things like that, you can do that if it's your own home. You can't always do it if it's a rental property. (P1, female, aged 58)

This trend was also evident among the younger homeowners surveyed, and among both respondents who had formally married and those in a significant relationship when they had their children. For the private renters in the group having a child or children spurred many of them to move out of their share housing arrangement into a larger private rental property or to move from one private rental property to a larger more family friendly property. As one respondent stated when questioned about the influence of children on her housing:

She governs all my decision making. I suppose I didn't want to live in a flat because I wanted her to have enough space and not that we always use the yard but the older she's gotten so – and also I suppose it affected where – our location. So I wanted to live [in]...an area that had lots of parks around us and was close...to getting to her child care and all that sort of thing. (P42, aged 35, single mother)

For the vast majority of respondents – and regardless of tenure and income – having children motivated them to seek out and move to what they considered to be stable and secure housing for their family. Again, for many respondents, or rather for those who could afford it, stable and secure housing equated with (and, for many, still equates with) entering homeownership and having control over their housing environment and its location.

Tually (2008) recognised that the impact of children on a family's housing transitions is not limited to their arrival: instead their current and future needs continue to shape housing preferences. Tually (2008 p.52) noted that many interviewees wanted

to live near a "good" school or schools was also a primary motivating factor in the housing moves of many respondents. Most of the group discussed the importance of living in a "good area", near a "good" school and public transport, as well as other facilities such as parks, sporting clubs or grounds (soccer fields and the like) and child care facilities. Living near these facilities was considered essential by most of the respondents, and schools were clearly important determinants of where people with children chose to live – and more so than career. As one respondent stated:

...they [children] ground you. You've got five years and then you have to send them to school. You can push it to make it six years but you got five

years and then you've got to have the stability for the kids. (P78, female, aged 41, single mother, public housing tenant)

4.2.4 Understanding the interaction between demographic processes and housing transitions in 21st century Australia

There has been substantial change in the way in which demographic processes shape housing transitions in the 21st century when compared with the latter decades of the 20th Century. It is not suggested that the processes of household formation are no longer important in driving housing transitions, instead it is the contention of this report that the ageing of the population has resulted in a more complex set of demographic transitions within the population of households and this is reflected in their housing transitions. This process occurred in conjunction with broader social and economic change, as the increased wealth of the baby boom generation in particular (a consequence of the ability of many to benefit from substantial capital appreciation in housing since the year 2000, and wider access to superannuation since 1990) has driven much of this change. The conception and arrival of children remains an important driver of housing transitions in for some households, but with one-third of women in Australia never having children, this driver of housing transition is not as widespread as previously. For households with offspring, the birth of one or more children precipitates change in housing circumstances through the movement into home purchase or relocation into larger rental housing (Tually 2008). The presence of children in the household encourages parents to seek stability in their housing and to seek out attractive residential environments that offer the prospect of access to good schools and public facilities.

4.3 Position within the Labour Market and Economic Resources

Through the 1990s Winter and Stone argued that social and economic change from the mid 1970s onwards had ushered in greater levels of risk (Beck 2000) and that many households were unable to move into home ownership because of delayed household formation and the inability to find secure, full-time work (see also Badcock and Beer 2000; Kupke and Marano 2002; Baum and Wulff 2003). Attention was focussed in particular on the growth of part-time and casual work and the way in which insecure and short-term employment was incompatible with a long-term financial commitment, such as a housing mortgage. More recently, NRV1 has considered the relationship between workforce participation and housing assistance (Wood and Ong 2005). Kupke and Marano (2002) noted the potential impact of the emergence and expansion of 'permanent casual' employment and the ways in which home purchasing households attempted to manage the risks associated with insecure and contract employment. Clearly labour market status and forms of employment have a significant impact on the housing transitions of Australians in the 21st century but the nature and direction of that impact needs to be better understood if appropriate policies are to be formulated to support the nation's housing aspirations. Critically, it is important to understand the significance of labour market conditions and forms of employment on the capacity of households to enter home purchase and maintain that tenure.

4.3.1 Labour Market Position and Tenure

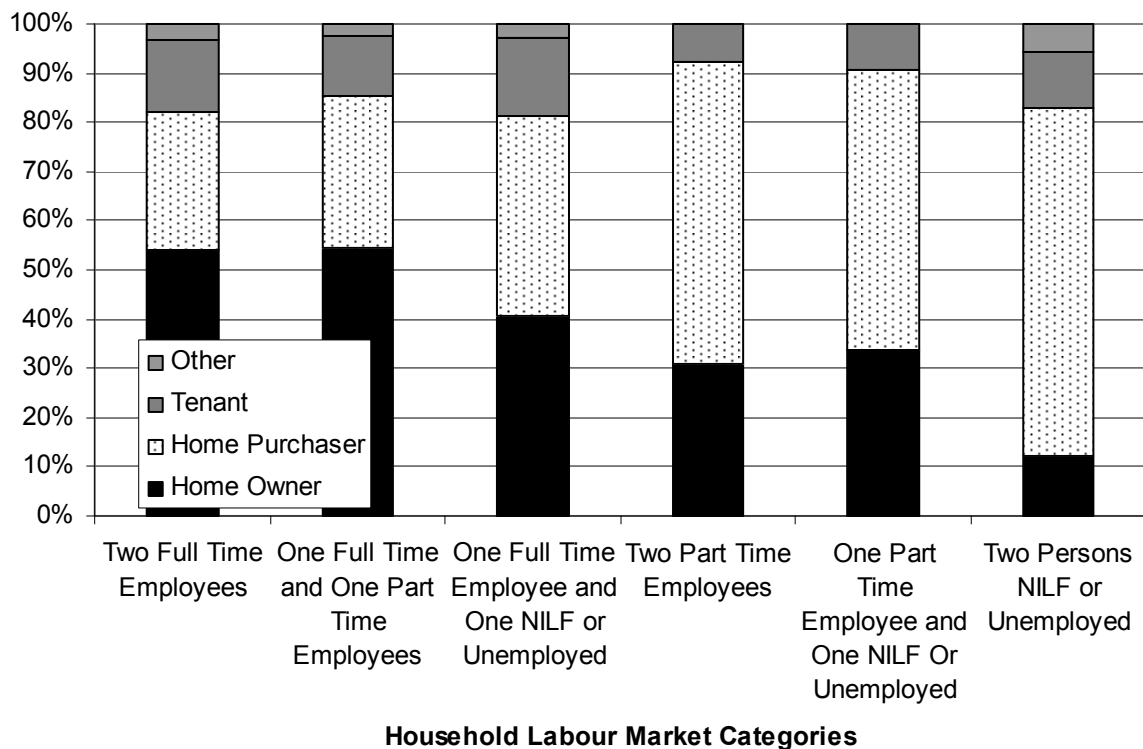
The position a household occupies within the labour market is complex and that complexity has increased over time as forms of employment have changed, part-time and casual work has increased, rates of participation in higher education have increased and as some individuals and households retire prior to age 65. An

individual's workforce status can range across full-time work, part-time work, casual work, study, household duties, unemployment, underemployment, retirement, withdrawal from the workforce due to ill health or disability and care duties. From a housing perspective, it is the labour market status of the household as a whole that is relevant, rather than the individual, because housing costs are distributed across all household members. As Wood et al. (2007 p. 10) suggested, marriage and relationship formation is

...primarily an economic arrangement that promotes division of labour and hence economies of scale.

Labour market status largely determines the income and wealth of households and as Flatau et al. (2003) showed, change in permanent income has a measurable impact on tenure.

Figure 20: Tenure by household employment status for households where the respondent was aged under 65 and where two or more adults resided³



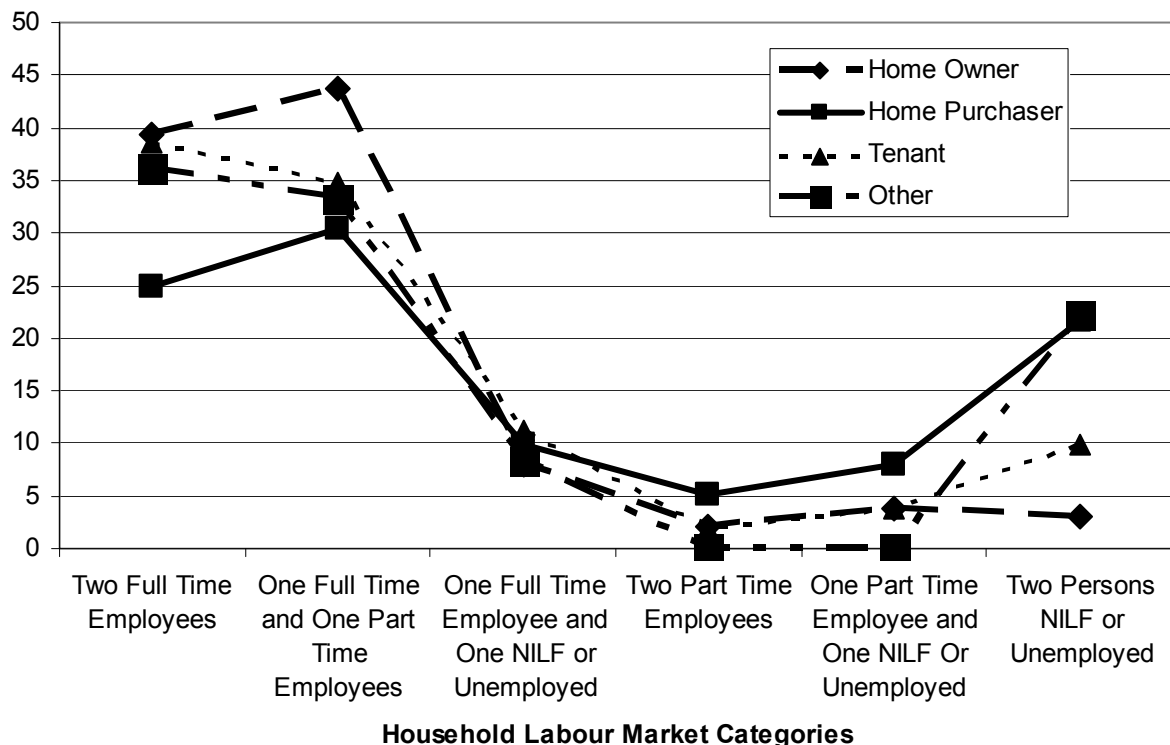
Source: *Housing 21 Survey*

The complex relationship between household employment status and tenure is reflected in Figure 21. It is important to acknowledge that the data relate to the population aged under 65 years of age only and that the data do not include individuals whose primary income is derived from investments or a self-managed business. Only persons aged under 65 are included because the tenure of older Australians reflects their previous working lives – and housing decisions – rather than current circumstances. Figure 21 does, however, present data from 1,233 cases and it is clear that while there is a strong association, it is not possible to ‘read off’ tenure on the basis of a household’s position within the labour market. While there were only 39 households where both adults were part-time employees, over 90 cent of that group

³ NILF stands for Not in Labour Force.

were either home owners or home purchasers. Households with one full-time and one part-time employee were the single largest group and 84 per cent were either home owners or home purchasers. Households where both adults worked part-time were only slightly less likely to be in owner occupation (81 per cent). The tenure category 'other' in this figure includes a range of tenure arrangements, including accommodation provided by the employer and living rent free and was not significant for any group. Figure 22 presents the same data but shows each tenure as a percentage of all households with a particular employment profile. The outcome to stand out most clearly from the this figure is that households with a more marginal attachment to the labour market are concentrated in 'other' housing and rental housing. Figure 22 highlights the fact that most households with two or more adults under 65 years of age have at least one adult in full-time employment and they are concentrated in outright home ownership and home purchase.

Figure 21: Tenure as a percentage of household employment profile, where respondent is aged under 65

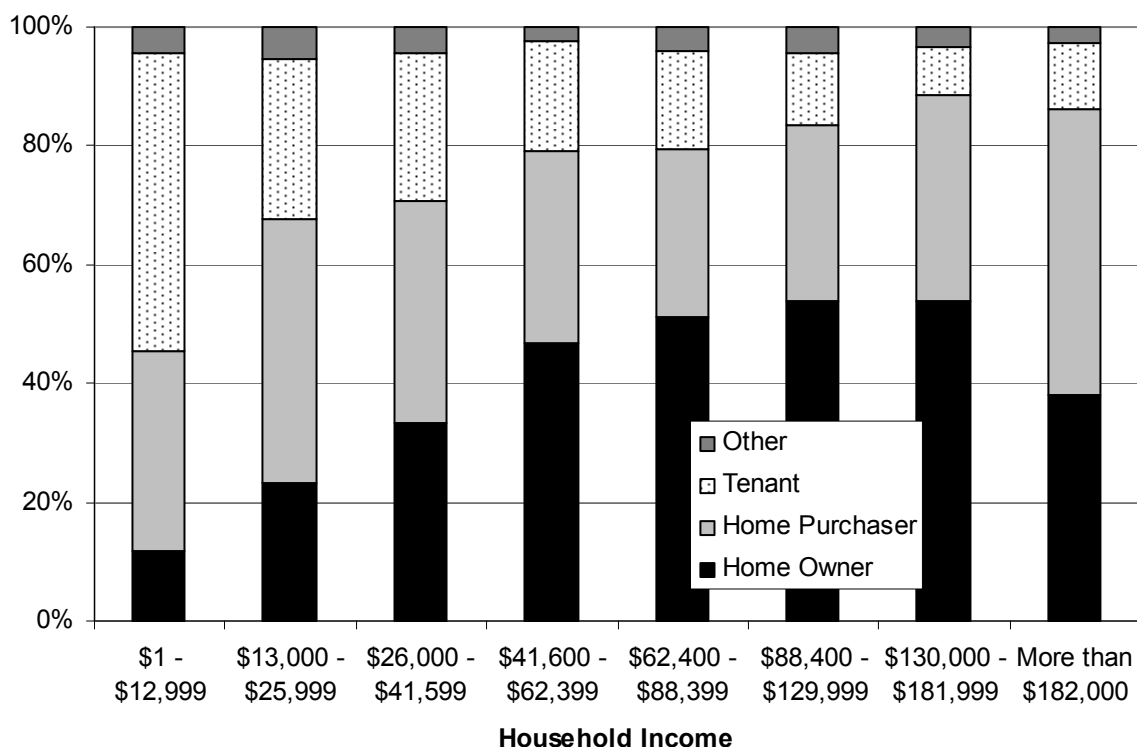


Source: *Housing 21 Survey*

The relationship between household income and tenure is much more straightforward than that evident in the relationship between employment status and tenure (Figure 23). Households in the higher income categories are much more likely to be outright home owners, and owner occupation in total – that is purchasers and owners combined – increases across the income spectrum, peaking at household incomes of \$130,000 to \$182,000 per annum. The rate of home purchase appears to fall between the \$13,000 to \$25,999 and the \$130,000 to \$181,999 categories, but this is more than compensated for by higher rates of outright ownership. Fully 50 per cent of households in the lowest income category were tenants, as were 27 per cent of those with incomes between \$13,000 and \$25,999 and 25 per cent of households with incomes of \$26,000 to \$42,000. Clearly then, amongst Australians of working age, low income households have much higher representation in rental accommodation than

other income groups, but only the lowest income group recorded a majority of respondents in rental housing.

Figure 22: Tenure by income for households where the respondent was aged under 65 years



Source: *Housing 21 Survey*

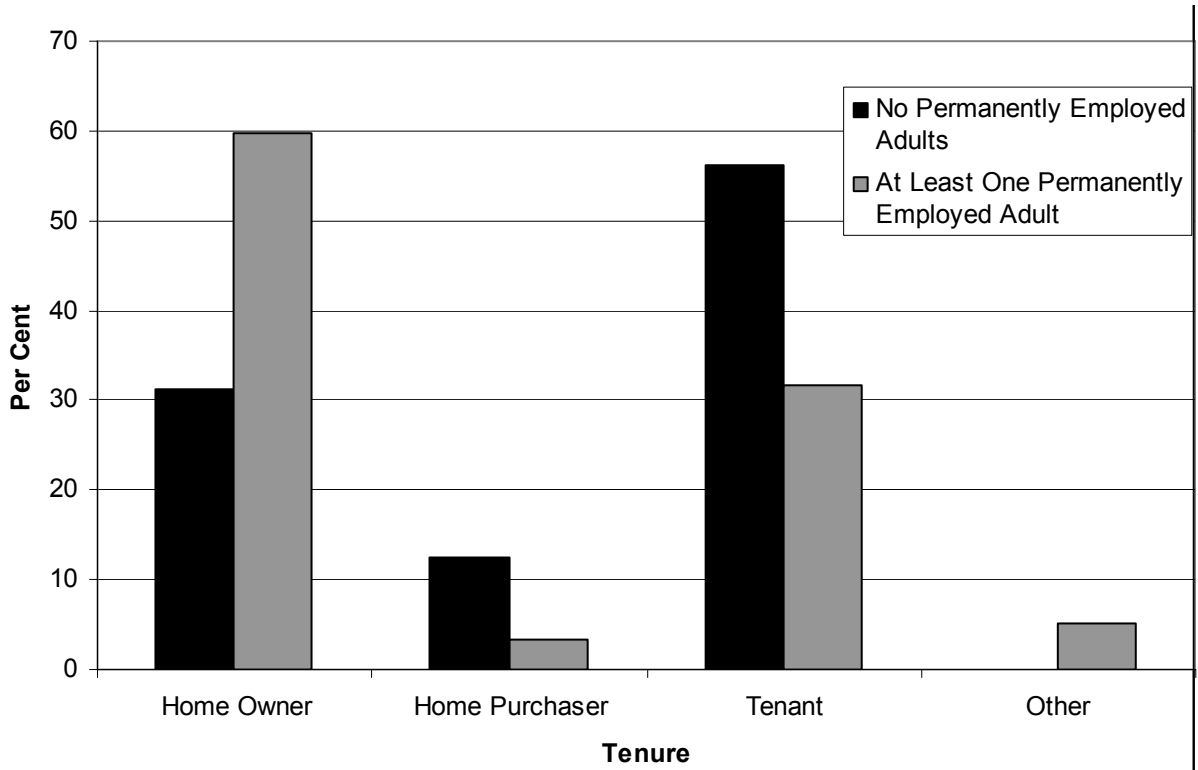
4.3.2 Marginal Attachment to the Labour Market or Income and Purchasing Capacity within the Housing Market

Household income has an easily understood relationship with, and impact on, tenure. The connection between the labour force status of the household and housing consumption is more ambiguous, partly because of the impact of other dimensions shaping transitions through the housing market, including previous tenure, health, values and aspirations and household structure. We can also question whether housing affordability has an impact on entry into home purchase. Importantly, if marginal attachment to the labour market does exert an influence on access to home ownership, the impact will be concentrated in the younger cohorts.

Figure 24 presents data from the Housing 21 Survey and is drawn from 138 households where two adults are resident and the age of the respondent was between 18 and 34. Households were divided into two: in the first group – the smaller of the two – none of the adults held a permanent contract of employment. For the second at least one adult, and potentially both, held an ongoing job. It is important to acknowledge here that self-employed persons have been excluded from this analysis because it is not clear that they have either a ‘marginal’ or ‘secure’ attachment to the labour market and are therefore not relevant to this debate, though there is a high level of home ownership for this group, even at this age. Figure 24 shows that for households in the younger age cohorts, there is a clear relationship between the form of employment and tenure. Those with permanent employment were twice as likely to be home owners and three times as likely to be home purchasers as those where no adult member of the household held full-time work. Households where the respondent

was aged 18-34 and neither adult held a permanent position were concentrated in rental housing. The results, therefore, are broadly supportive of the arguments put forward by Winter and Stone almost a decade ago. Interestingly, for both households with and without at least one adult member in permanent employment, outright home ownership was significantly more frequent than home purchase.

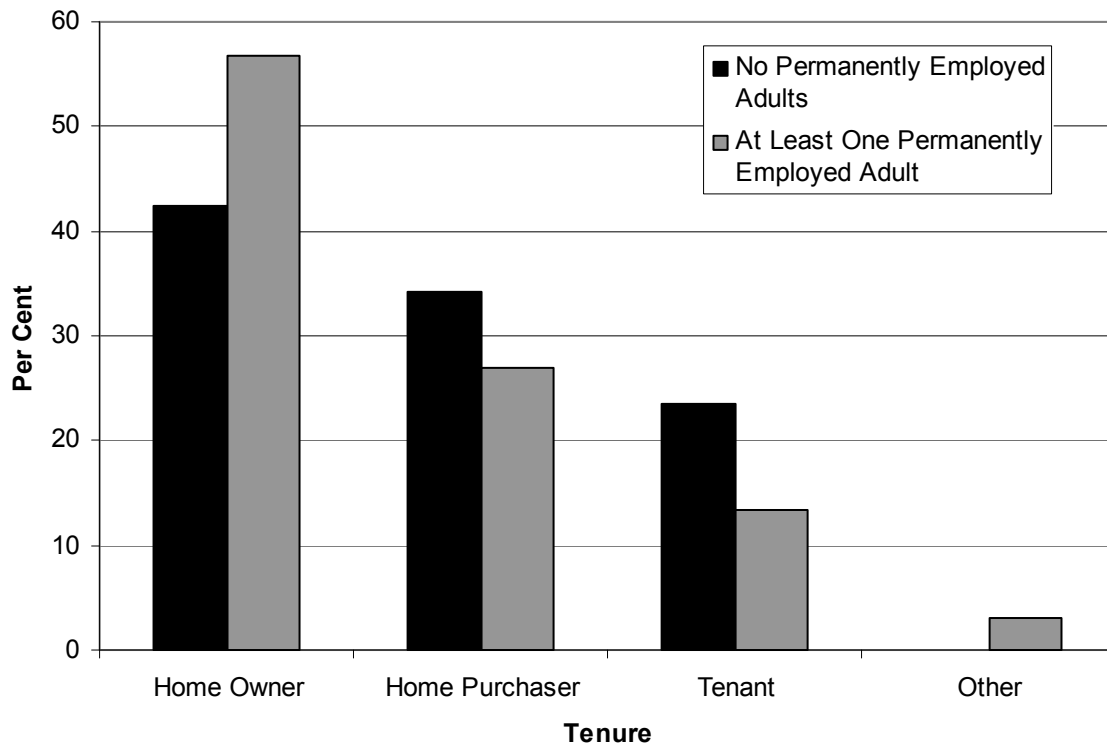
Figure 23: Tenure of two person households where respondent is aged 18-34 by employment status of the household



Source: *Housing 21 Survey*

Figure 25 presents the same data, but for the entire working age population: that is, those aged under 65. The data show that once again, permanent employment correlates with long-term tenures – home ownership and home purchase – but the relationship is far less evident for the working age population as a whole. There is, however, a clear association between tenancy and the absence of permanent forms of employment.

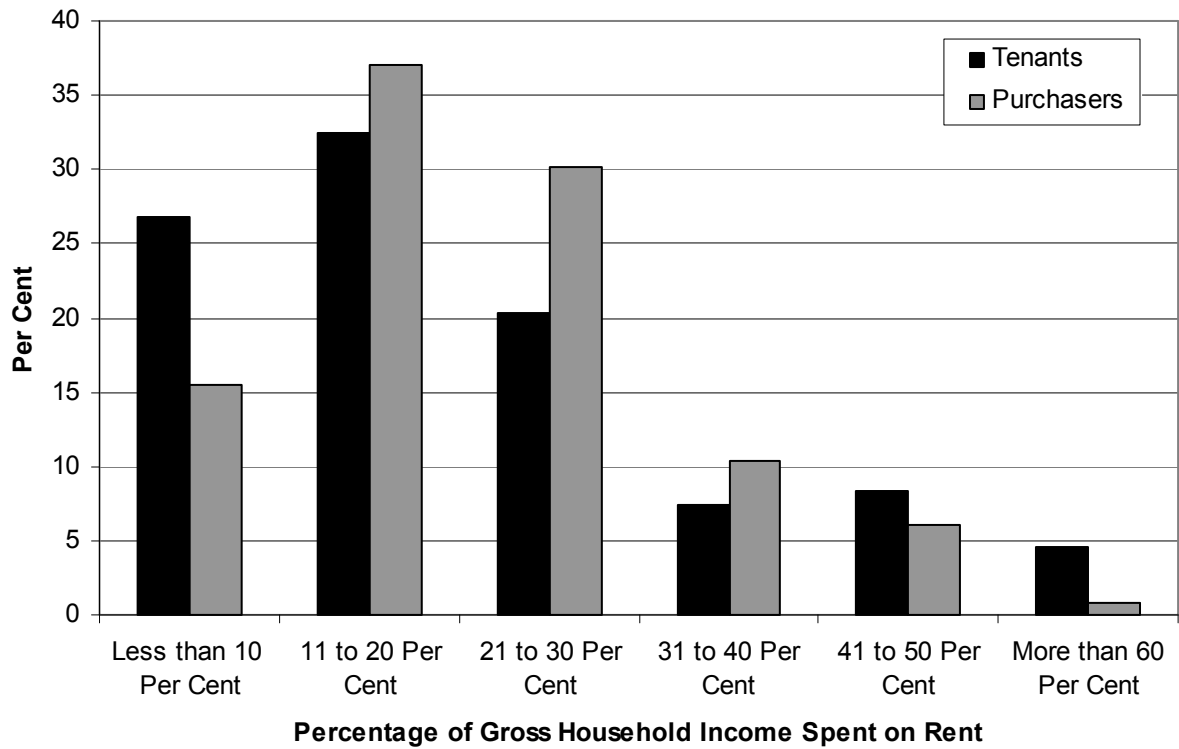
Figure 24: Tenure of two person households where the respondent is of working age by employment status of the household



Source: *Housing 21 Survey*

Figure 26 provides additional insights into housing affordability and the impact it may have on the housing transitions of persons early in the life course. Wood et al. (2007) concluded from their analysis of the third wave of HILDA data that housing affordability had a measurable impact on recruitment into home ownership and that the rate of entry into the tenure fell as the cost of purchasing rose relative to renting. The figure shows that for households where the respondent was aged 18 to 34 years renting was more affordable than home purchase and that while 57 per cent of tenants paid less than 20 per cent of their household income in rent, home purchasers were over-represented relative to tenants amongst purchasers paying 20 to 40 per cent of income for their housing. Some 42 per cent of purchasing households paid between 20 and 40 per cent of income for their housing compared with 26 per cent of tenants. However, while tenants were concentrated at the affordable end of housing, they were also more likely to be paying 50 per cent or more of their income for housing and this result is entirely consistent with Census based studies of the incidence of 'extreme housing stress' (Baker and Beer 2007).

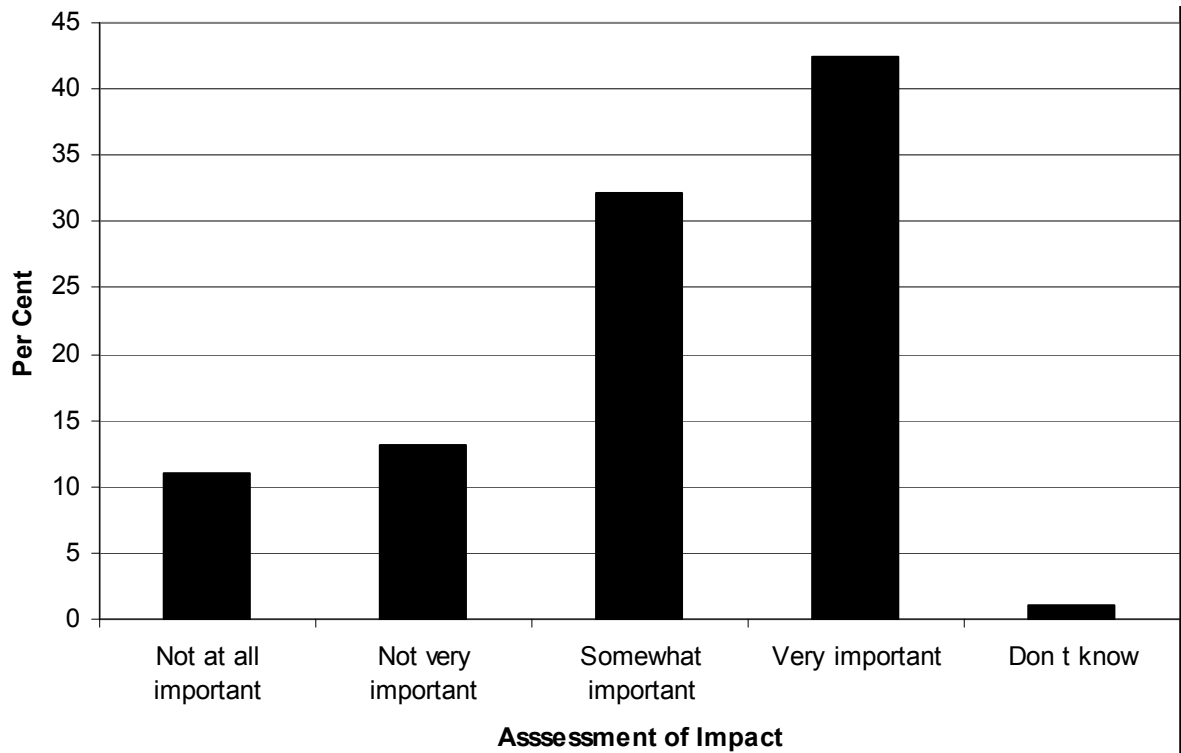
Figure 25: Housing affordability for tenants and purchasers aged 18-34



Source: *Housing 21 Survey*

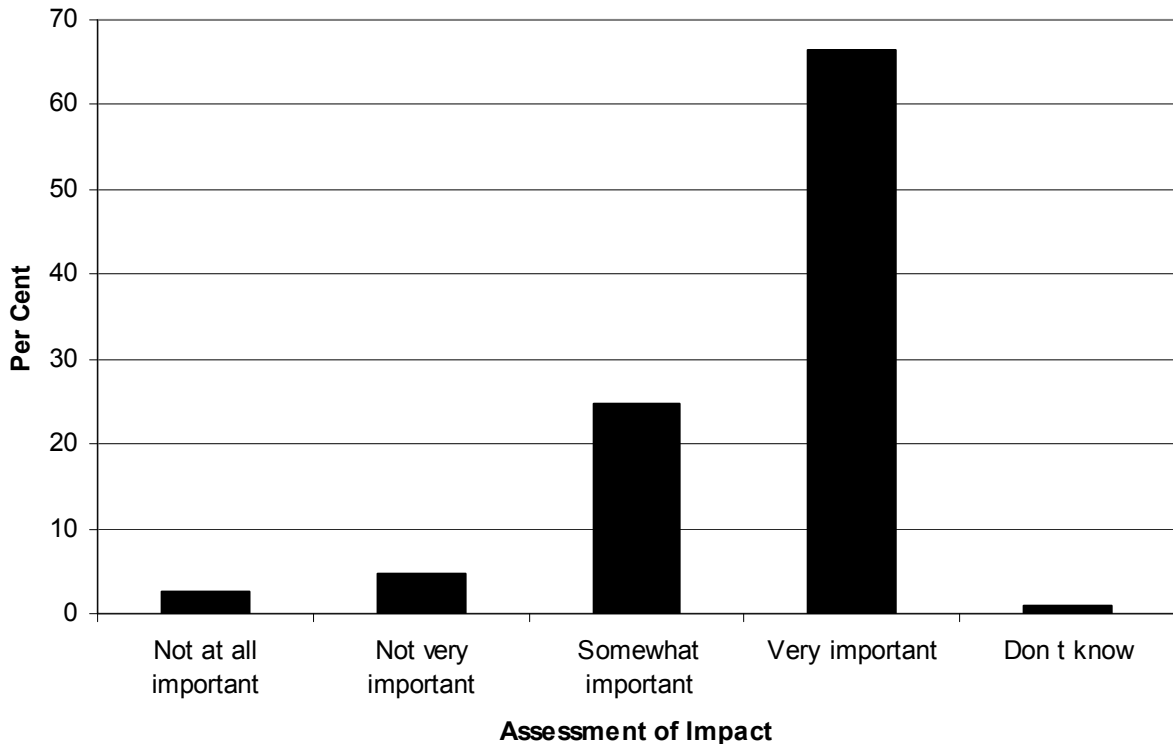
Respondents to the Housing 21 Survey were asked to self-evaluate the impact of various factors on their lifetime housing decisions. Figure 27 shows that fully 42 per cent of respondents believed that their employment and career prospects had had a major impact on their housing career. However, a greater percentage of respondents (66 per cent) believed that their financial circumstances had a very important impact on their lifetime housing decisions (Figure 28), and this was the highest level for any of the evaluative questions. Only marriage and relationships approached this level of impact. The influence attributed to financial circumstances on lifetime housing decisions suggests that affordability is the most substantial factor in shaping 21st century housing transitions in Australia.

Figure 26: Self assessment of employment and career prospects on lifetime housing decisions



Source: *Housing 21 Survey*

Figure 27: Self assessment of financial circumstances of lifetime housing decisions



Source: *Housing 21 Survey*

Overall, therefore, the data on housing affordability and forms of employment supports both an interpretation that suggests that changes in how individuals engage with the world of paid work has contributed to lower levels of home ownership amongst younger cohorts and that affordability concerns have deterred many potential home buyers. That is, the objective data support both interpretations and we need to acknowledge that the phenomena are related: young individuals with non-permanent forms of employment are likely to have lower incomes on average and therefore experience a double impact on their housing career. The attitudinal questions included within the Housing 21 Survey indicate that affordability concerns are the more important of the two factors. Moreover, this conclusion must be placed within the context of earlier discussion of change in the dynamics of household formation. The Housing 21 data reflect a social context in which many individuals are affected by the combined impact of non-standard forms of employment, unaffordable housing and the impact of disruption to, or delay in the formation of, long-term relationships.

Affordability or marginal attachment to the labour market: the views of respondents

The views and opinions of respondents to the Housing 21 Survey can shed light on the relative impact of marginal attachment to the labour force and housing affordability with respect to entry into home purchase. The attitudinal questions within the Housing 21 data set suggest that marginal attachment to the labour force is a less significant factor in shaping entry into home purchase. Instead, the affordability of housing – especially entry into home purchase – and the ability to meet mortgage repayments appears to be shaping Australian housing transitions in new ways. Key indicators of the impact of affordability include:

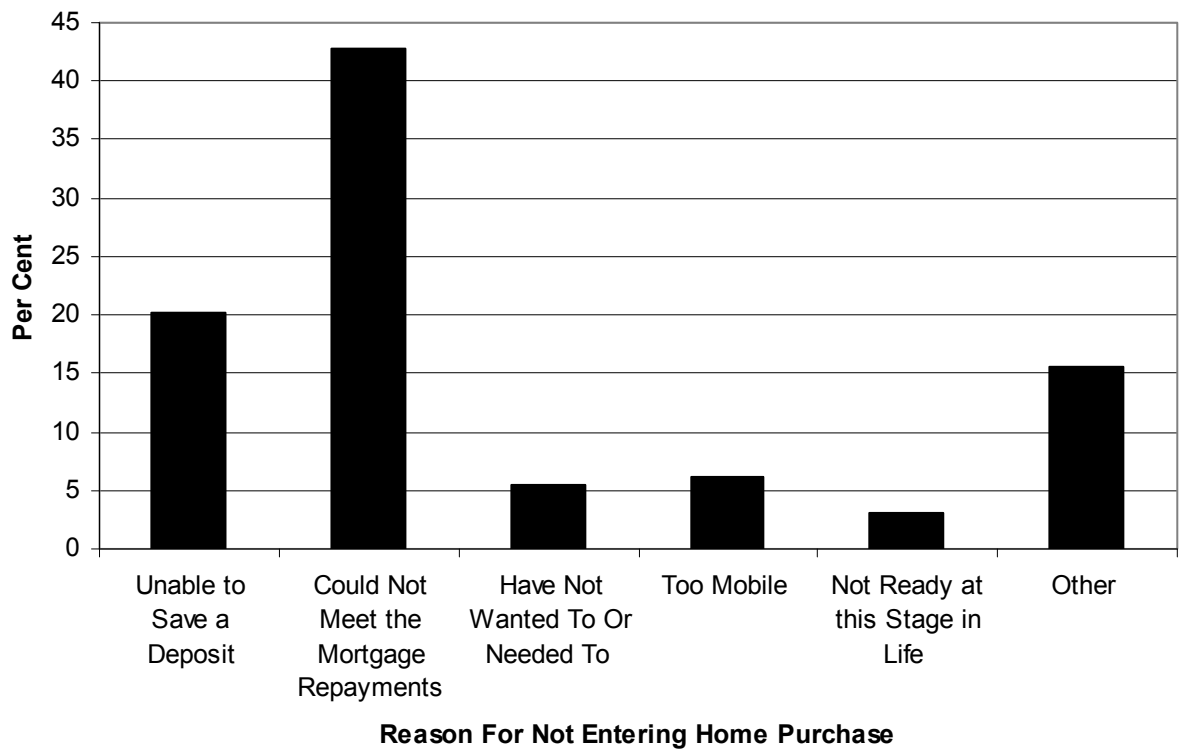
- 43 per cent of tenants indicated that they have not purchased a home because they believed they could not afford the mortgage payments (Figure 29). This was significantly greater than the 20 per cent of respondents who had held off home purchase because of an inability to save for a deposit;
- half of all tenants reported that they expected to buy their own home within the next five years, but 45 per cent of tenants were concerned or very concerned about their ability to afford home purchase (Figure 30), though it is worth noting that the single largest response was the 29 per cent of tenants who reported that they were not at all concerned about their capacity to move into home purchase over the next five years. The data provide insights into attitudes towards entry to home purchase but we should be mindful of Baum and Wulff's (2003) conclusion that an individual's expectations of entry to home ownership are a poor predictor of outcomes;
- some 35 per cent of tenants indicated that buying a home was unimportant to them because of anticipated problems in affording the mortgage (Figure 31) while less than one per cent said that the inability to save a deposit had impeded their entry into owner occupation. Age was the second most common reason for not entering home purchase with 17 per cent of those who responded to this question indicating that they were 'too old' to worry about home ownership. Some 41 per cent of persons who gave this response were aged over 75 and a further 30 per cent were aged 65 to 74. This group included those who had entered retirement villages or Independent Living Units (McNelis 2004). Some of the responses given to this question provide a sense of how ageing may affect tenure choices and transitions in the housing market. One respondent noted that they were

too old to be thinking of a mortgage at my age

while another said.

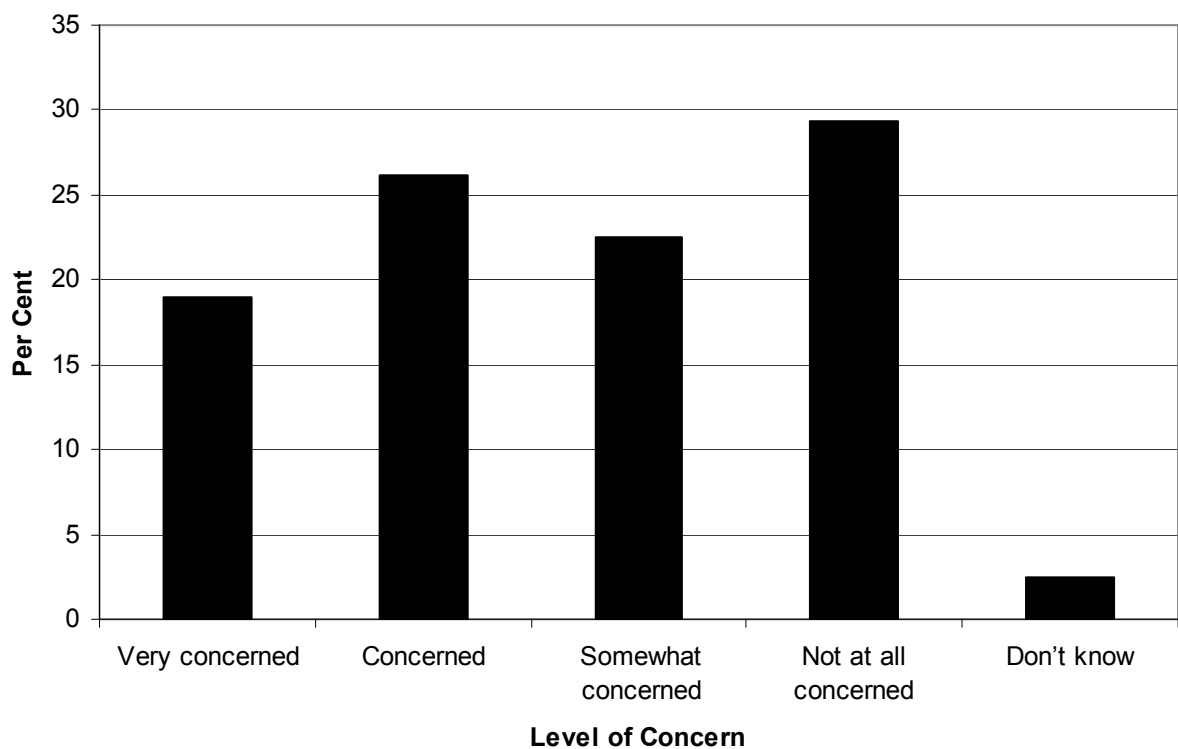
Due to my age and the fact that I have ill health.

Figure 28: Reasons for not entering home purchase



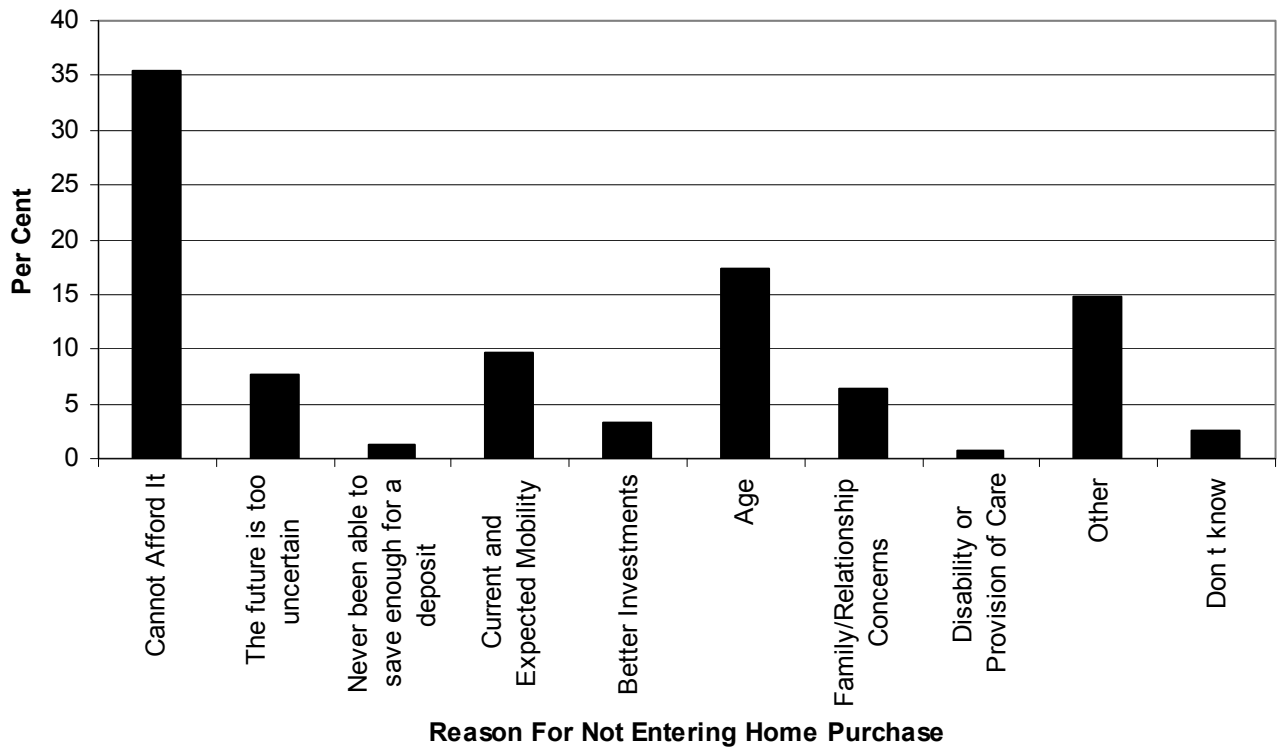
Source: *Housing 21 Survey*

Figure 29: Reported level of concern amongst tenants about capacity to enter home purchase within the next five years



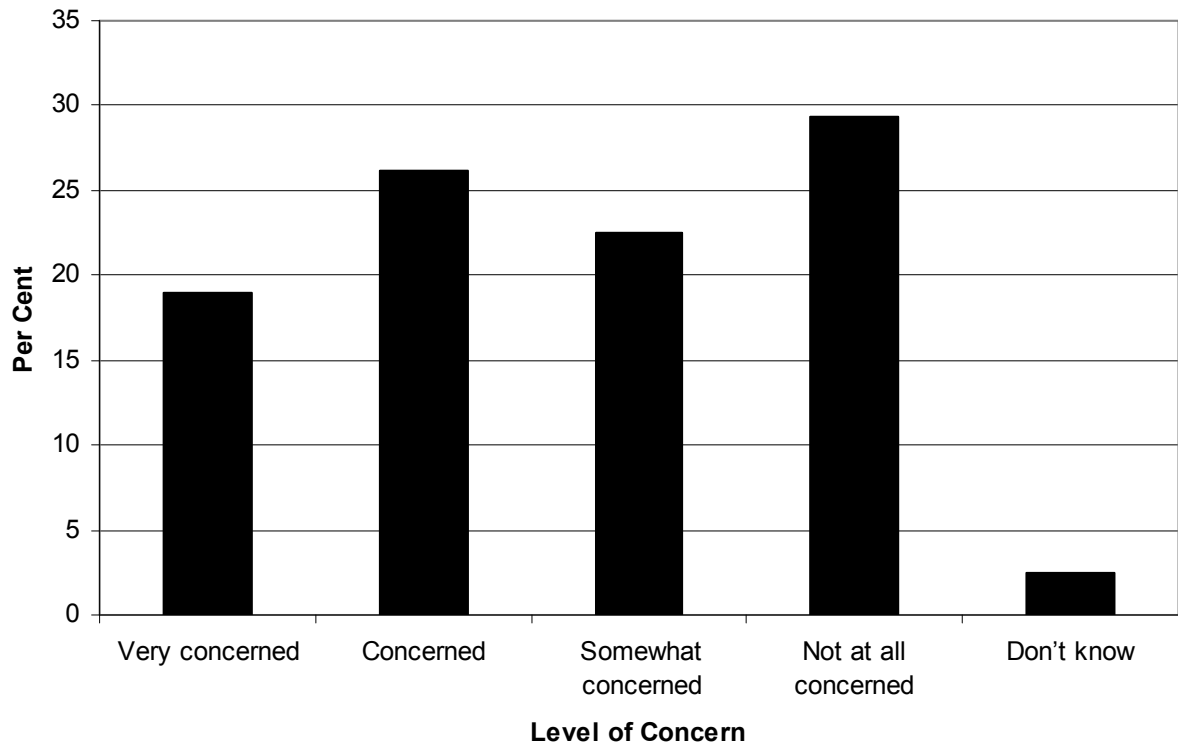
Source: *Housing 21 Survey*

Figure 30: Reason for not entering home purchase by tenants



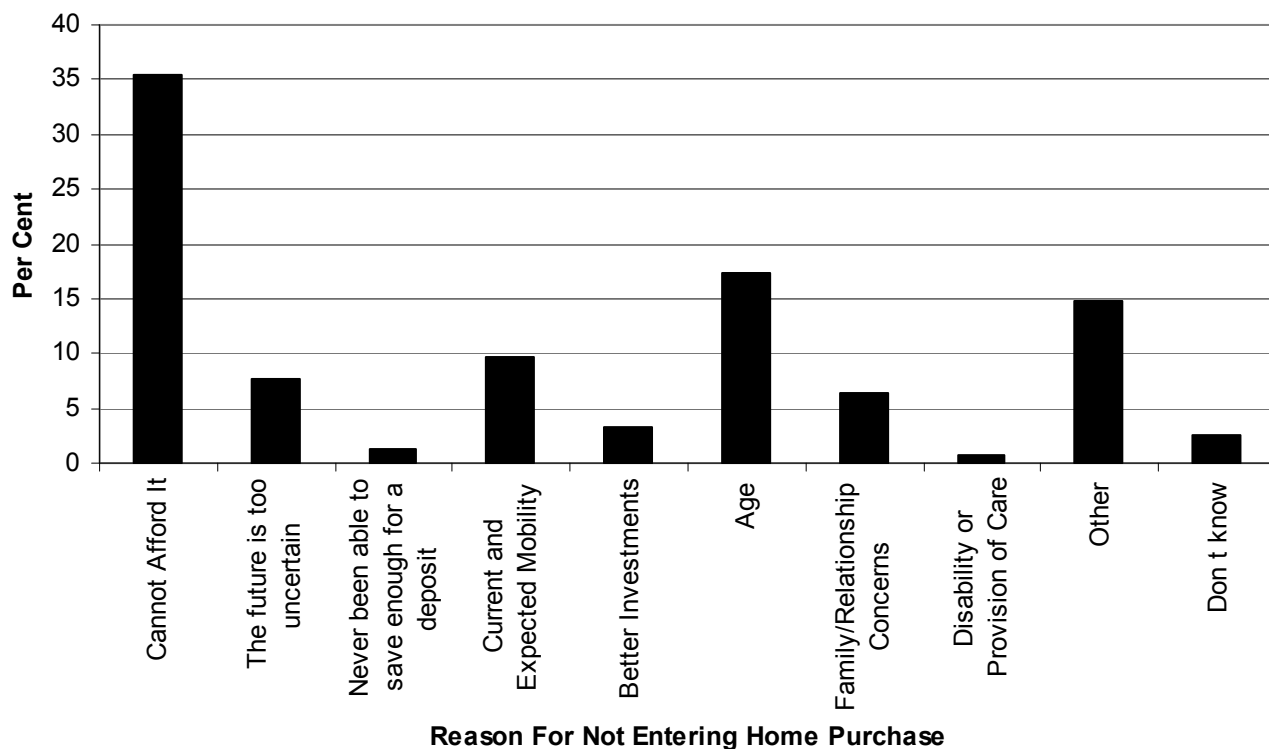
Source: *Housing 21 Survey*

Figure 31: Reported level of concern amongst tenants about capacity to enter home purchase within the next five years



Source: *Housing 21 Survey*

Figure 32: Reason for not entering home purchase by tenants



Source: *Housing 21 Survey*

In many ways, the fact that housing affordability is a barrier to home ownership is self-evident (Yates 2007; Yates and Milligan 2007). However, this finding needs to be interpreted in the light of both historical and contemporary lending practices in Australia. Previously, home lending was dominated by the four major banks⁴ and prior to 1983 access to mortgage finance was rationed (Beer 1993). Deregulation of housing finance in the mid 1990s saw the major banks maintain their dominance in the mortgage lending market and the application by them of conservative lending policies. Under these circumstances, low income households struggled to secure a mortgage and/or had to save a substantial deposit for their first home. From the mid 1990s onwards alternative mortgage providers entered the home lending market, with the net result that prudential margins were reduced, more liberal interpretations of income were accepted and many households were able to enter home purchase with little or no deposit. The House of Representatives (2007) estimates that ‘non conforming’ loans now represent two per cent of the mortgage market, a four-fold increase in five years. Under these circumstances, access to housing finance has largely disappeared as a major impediment to home purchase; instead mortgage costs were the key barrier. Stephens (2007) suggests there have been similar impacts in other parts of the globe where financial markets have been liberalised.

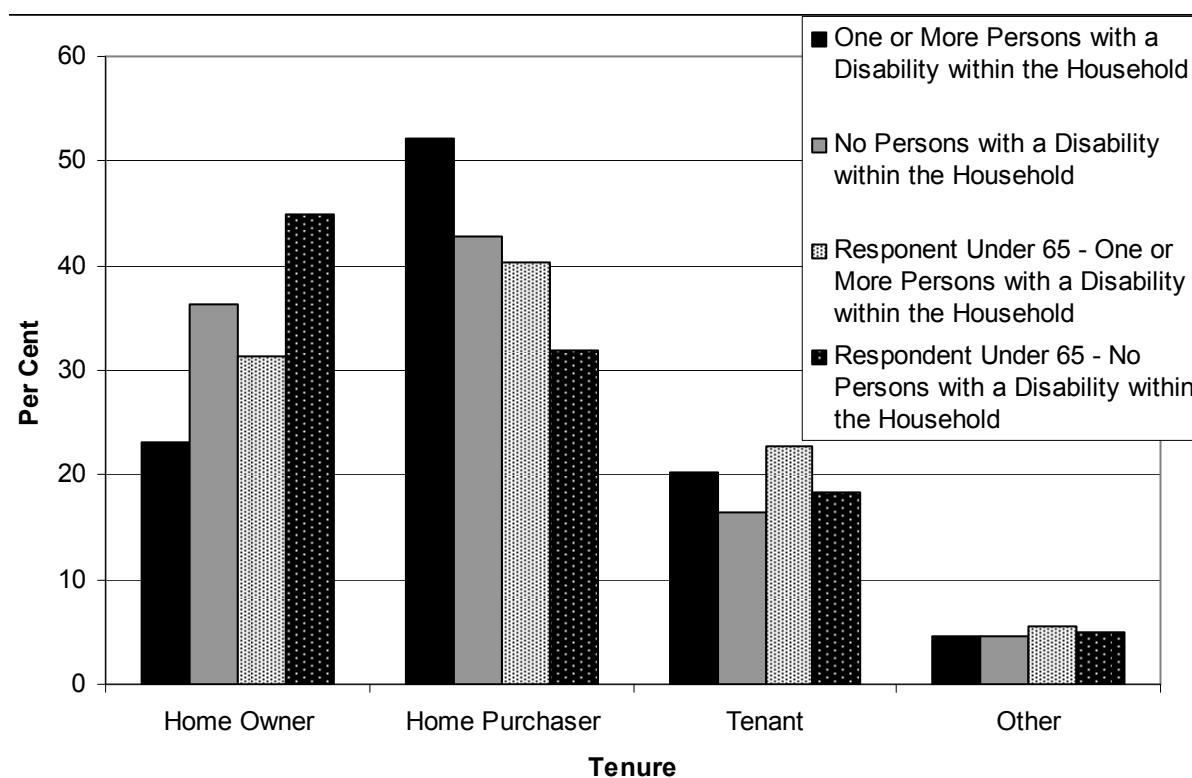
Health, disability and wellbeing

It has been argued earlier in this report that health, disability and wellbeing has emerged as a primary driver of housing transitions in 21st century Australia. Fully 22 per cent of households, and 19 per cent of those where the respondent was aged under 65 years of age, reported that one or more members of the household has a

⁴ The Commonwealth Bank of Australia, the ANZ Bank, the National Australia Bank and Westpac.

disability or long-term health condition. Further, some 113 respondents or 5.6 per cent of the total indicated that the person with a disability within their household needed assistance with self-care, mobility or communication. This figure is in accordance with AIHW (2003; 2007) estimates of the incidence of disabilities associated with 'severe and profound core activity limitations'. In some 13 per cent of households one or more members provided care to an individual who required care or assistance. The housing transitions of persons with a disability are discussed in considerable detail in a separate section later within this report. It is important to acknowledge the impact of health and disability considerations on housing transitions in Australia and provide some indication of the scale of that impact.

Figure 33: Tenure by presence of disability within the household, for all age groups and those aged under 64

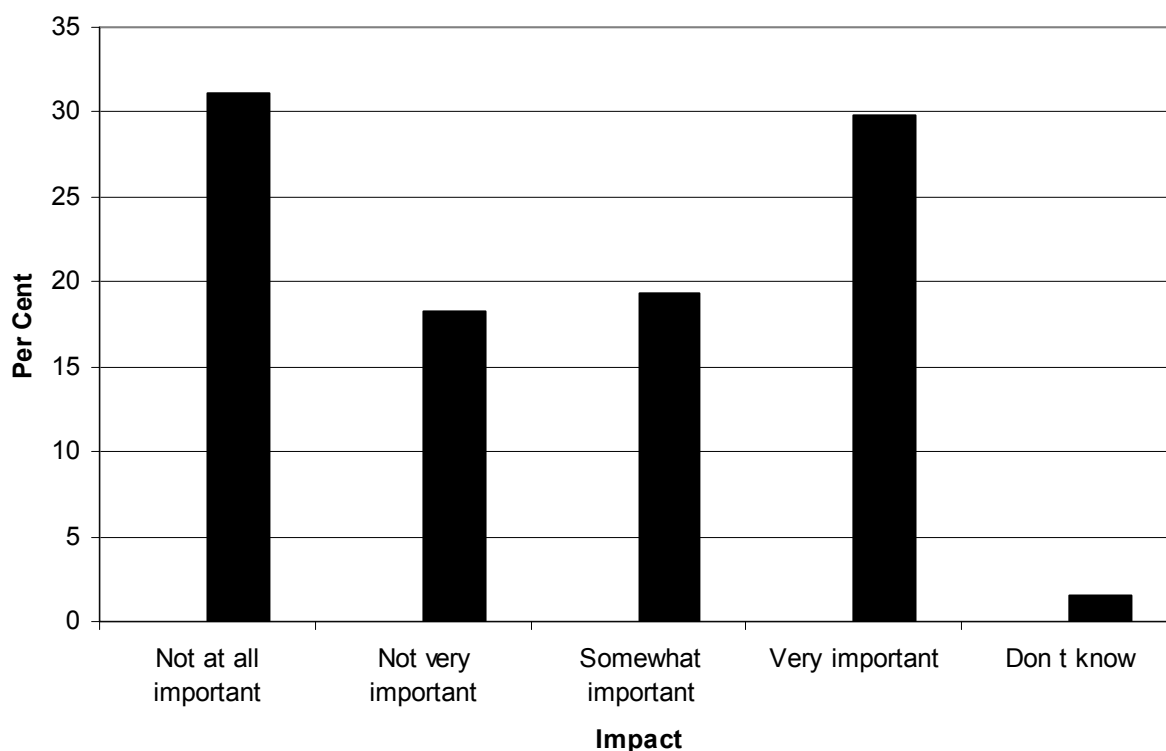


Source: *Housing 21 Survey*

Figure 34 provides a readily accessible indication of the extent and depth of impact or the presence of a disability or long-term health condition has on housing outcomes. Data are presented for both the total population and those aged under 65 because age is strongly associated with disability (Hugo 2007) and because separate – but related – policy responses are needed to deal with both age-related disability and the housing needs of persons who acquire a disability earlier in life. The figure shows that households affected by disability are differentiated from the remainder of the population by tenure, with those affected by disability less likely to be home owners and more likely to be home purchasers and tenants. This observation holds for both the working age population and the total population, although the size of the impact varies. The tenure outcomes evident for households where a disability or long-term health condition is present were reproduced in households where a resident needed assistance with self-care, mobility or communication: 28 per cent were outright owners, 41.6 per cent were home purchasers, 23 per cent were tenants and 7 per cent lived in 'other' tenures.

A second important indicator of the impact of health on the housing transitions of all Australians is provided in Figure 35, where just under 30 per cent of all respondents recognised that health considerations had been very important in the housing decisions across their life course. A further 19 per cent indicated that health factors had been somewhat important in shaping their housing decisions. In examining these data it is important to recognise that respondents indicated that many other factors had also shaped their housing decisions – such as, financial circumstances, employment prospects, broader goals in life etc. – but the relative significance of health factors is unexpected because it has not previously been considered by analyses of the drivers of housing transitions.

Figure 34: Respondent’s assessment of the extent to which health considerations have shaped their housing decisions

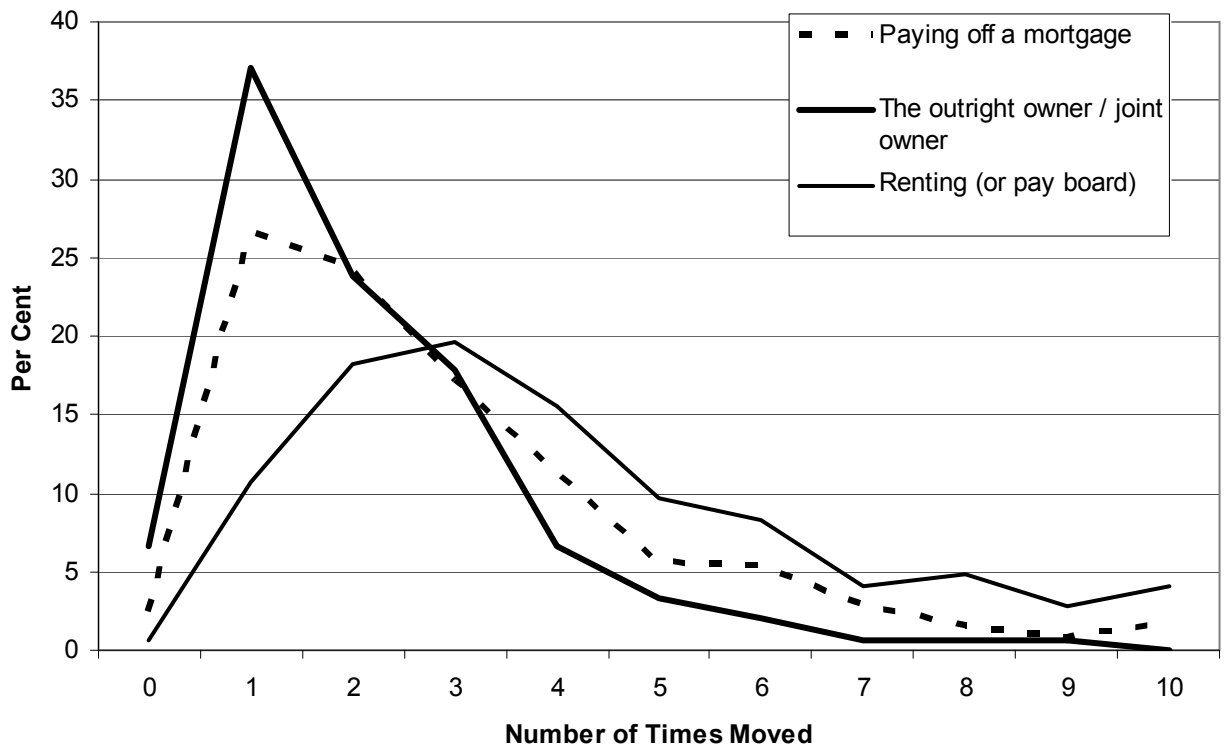


Source: *Housing 21 Survey*

4.3.3 *Housing History, Tenure Aspirations and Impacts*

As argued previously, movement through the housing market has cumulative impacts on the housing transitions or transitions of individuals and households. Put simply, previous engagement with the housing market, through the renting of a dwelling or home ownership, exerts a strong influence on future housing consumption decisions. Figure 36 shows that households in the rental sector are much more mobile than either outright owners or home purchasers and this impact is relatively independent of age, with data for persons aged under 55 years of age presented in the Figure. Tenants are subject to both lower transaction costs associated with movement through the housing stock and, as discussed with reference to Figure 17, are more likely to be the subject of forced moves, through landlord repossession, dispute with the landlord or the sale of the property.

Figure 35: Number of moves through the housing market, 1996-2006, persons aged under 55 years



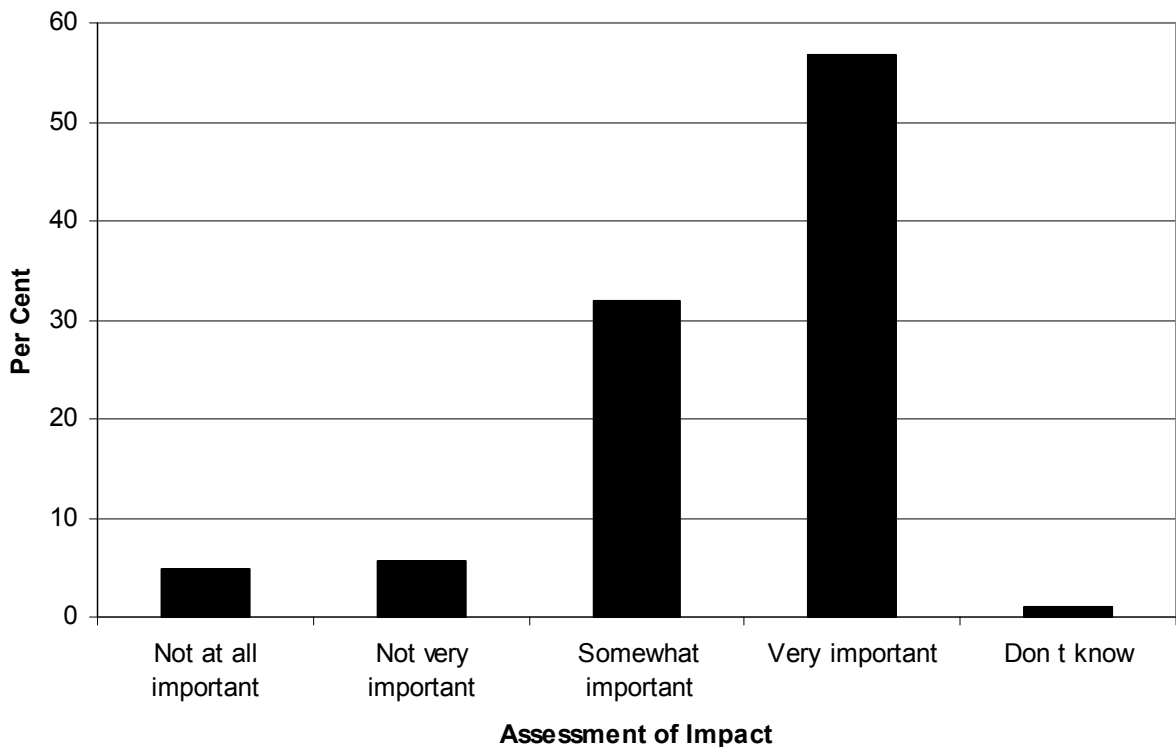
Source: *Housing 21 Survey*

4.3.4 Lifestyle Values and Aspirations

David Clapham’s work (2002; 2004; 2005) suggests that increasingly housing is used both as a location for, and object of, higher level consumption. And that while the consumption aspects of housing have always been significant (see, for example, Saunders 1981) they have become a more important driver of housing transitions over the most recent decades when compared with the past. The analysis of the Housing 21 data suggests overwhelming support for the hypothesis that consumption motives are driving change in the housing market:

- As noted above the two most significant reasons for moving through the housing market for respondents to the Housing 21 Survey was to move to a better home or location – essentially ‘trading up’ within the existing housing stock; and moving in order to build a new home or renovate their existing property: ‘trading up’ by adding to or improving the housing stock;
- As Figure 37 shows, over half of the respondents to the Housing 21 Survey reported that the quality of the residential environment had a very important influence on their lifetime housing decisions. We can conclude that households as consumers seek ‘quality’ in their residential environments and this influence is more pronounced than in the past;

Figure 36: Assessment of impact of the quality of the environment and or location in shaping lifetime housing decisions



Source: *Housing 21 Survey*

- 11 per cent of respondents in the survey who had moved from home purchase to rental did so because they were renovating/extending their existing home and needed to find alternative accommodation while the site works were completed. Households that have moved out of homeownership while renovating their home appear to represent one per cent of the demand for rental housing and this appears to be a fundamentally new driver within the Australian rental market;
- fully half of all mortgage holders who responded to the Housing 21 Survey had refinanced their loan in some way. Importantly, households did not – in the main – refinance in order to achieve a lower interest rate or to extend the life of their loan. Instead they refinanced in order to withdraw housing equity and this finding is consistent with research by Nygaard and Wood (2007) and the Reserve Bank of Australia (2007);
- respondents to the Housing 21 Survey were asked to nominate the one main reason they refinanced and the three most significant responses were: for the refurbishment of the current dwelling (28.7 per cent); as an outcome of a relationship breakdown (14.7 per cent); and, to purchase an investment property (10.9 per cent). Many households withdraw equity from their mortgage and use that money for a number of purposes. The Housing 21 Survey captured some of this diversity by asking respondents to nominate the two main uses for the money they received from refinancing. Of the persons withdrawing money from their mortgage or refinancing:
 - 157 undertook renovations;
 - 51 consolidated debt;
 - 40 used all or part of the money to invest in real estate;

- 13 invested the money outside the property market;
- four used the capital to meet education expenses;
- 16 used some or all of the money for business related reasons;
- 28 used some or all of the money to pay for a divorce;
- two needed the money to pay taxes;
- 75 withdrew housing wealth to pay for other consumption;
- 29 used equity withdrawal as a strategy to maximize savings.

Importantly, the most significant reason for withdrawing equity was to undertake renovations, with relatively few households using the additional capital to consolidate debt or repay outstanding liabilities. In larger measure, amongst household's withdrawing equity from their property their participation in owner occupation has resulted in further expenditure on housing consumption, even if part of their commitment could be viewed as investment (Reserve Bank of Australia 2007; Stretton 1974).

The Housing 21 Survey asked respondents questions on renovations they had undertaken in their home and their intention to renovate. Some 537 respondents, or just under 20 per cent, of the total had undertaken a major renovation since moving into their current dwelling. In this instance, a renovation was defined as structural change to the dwelling that altered its floor plan. When asked why they undertook a renovation:

- 66 respondents indicated that they had always intended to renovate and had purchased the property with that intention;
- 120 respondents renovated because the dwelling was not appropriate to their needs and they wanted more space;
- 19 indicated that they renovated as they were reluctant to move from their dwelling;
- 14 reported that they renovated because they did not wish to move from their neighbourhood or area;
- six reported that they renovated rather than move in order to avoid stamp duty costs;
- one person renovated as a result of an inheritance;
- 11 people renovated their housing in order to meet the needs of an older person;
- seven respondents reported that they undertook renovations to meet the needs of a person with a disability;
- 28 respondents said they renovated because their house was out of date;
- and 42 renovated for other reasons.

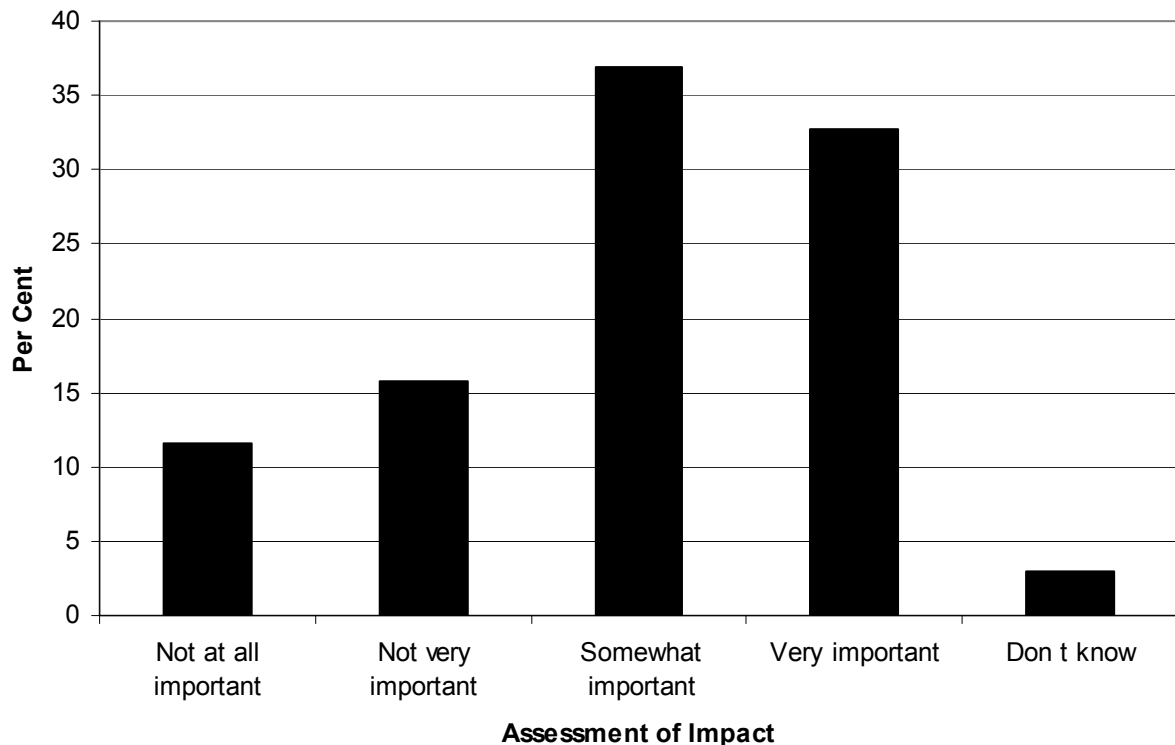
A further 323 reported that they intended to renovate their dwelling in the future. This group, of course, includes some households that have already renovated their current dwelling, but the data serves to emphasise the very high level of consumption/investment focused on the existing housing stock. This result should also be considered with reference to the discussion of equity withdrawal, as the ability to refinance existing mortgages has both fuelled renovation activity and has been a driver of equity withdrawal.

Finally, it should be recognised that 67 per cent of respondents indicated housing was an important or very important part of broader lifetime goals (Minnery and Zacharov 2007), with 45 per cent saying that the type of dwelling, and 58 per cent saying home ownership, was a very important feature of lifetime housing goals (Figure 4.20). These data support the notion of a conscious 'lifeplan' for housing consumption (Clapham 2002) that many Australians work towards over time. Housing most likely plays a subtle but powerful role in the 'lifeplan' of individuals because while two thirds of respondents to the Housing 21 Survey acknowledged this influence, such plans with respect to housing are generally expressed at a very general level. Minnery and Zacharov (2007) concluded from their analysis of qualitative data that

Responses by the participants implied a generally low level of deliberation about their future housing. Their housing future was more often expressed in terms of generalised goals (such as improving the quality of their house, or obtaining housing that suited their current life circumstances) than in terms of deliberate detailed planning and informed choice; or it was expressed in terms of seizing opportunities as they arose. (p. 56)

Housing is undoubtedly central to the savings and consumption aspirations of home owners, and this dynamic has been given greater impetus by the ageing of the population – with asset rich baby boomers able to pursue their consumption aspirations in the housing market, the taxation treatment of housing and shifts in household structure that have resulted in greater disposable incomes for some – especially those without children.

Figure 37: Assessment of the impact of broader lifetime goals on housing decisions



Source: *Housing 21 Survey*

Overall, the Housing 21 Survey shows that withdrawal of housing wealth is an important feature of 21st century housing transitions with just under half of all mortgagees refinancing through the life of their loan. While a minority of respondents change their mortgage in order to achieve a less expensive loan or shift away from an

unsatisfactory lender, most respondents used the equity that they have released to upgrade their existing house and/or finance other consumption expenditures. This finding stands in contrast to recent work by the Reserve Bank of Australia (Schwartz 2007) which found that most equity withdrawal in Australia results in further investment rather than consumption, though that paper considers expenditure on the current dwelling as productive investment.

4.4 Multinomial Analysis using the Housing 21 Data

Multifactorial analysis has conventionally been used to understand key aspects of the housing transitions within advanced economies (Nathanael et al. 2006; Clark and Dieleman 1996; Clark, Deurloo and Dieleman 1997). Multinomial techniques have been used to shed light on the determinants of entry into home ownership (Wood et al. 2007), the impact of marital status on tenure (Nathanael, Lauster and Fransson 2006) and the relationship between tenure and future income (Zhu 2007). It is important to acknowledge that no form of multifactorial analysis provides 'the test' of housing transitions or provides a definitive statement on how housing transitions are constructed through the life course. Instead, they provide a point in time analysis of key issues and provide a quantitative tool for analysing the relative importance of multiple factors in the housing outcomes of the population. Multinomial techniques were integrated into the analytical component of Project D through:

- The development of a General Linear Model of the propensity to move;
- The application of a General Linear Model and factor analysis to questions relating to the respondent's attitudes to housing;
- The use of two General Linear Models (one for persons aged under 45 and one for persons aged over 45) on the determinants of tenure choice.

The full details of this analysis and its implications are found in Flood (2007) and readers with an interest in the methods used should refer to that document.

4.4.1 Propensity to Move

Work undertaken as part of NRV 2 (Flood 2007) used a General Linear Model (GLM) on the Housing 21 data to examine the factors that shape the likelihood to move through the housing market. The research found that tenure was the most important determinant of the propensity to move, with this single factor explaining approximately 25 per cent of the variation in the model. Age was also important, explaining 12 per cent of the variation, followed by marital status and employment status. Two other factors were also significant within the model: household type and whether or not the dwelling had been renovated by the current household.

Tenure is clearly an important determinant of the propensity to move, with approximately one-quarter of all private renters moving in the past year, but only four per cent of owners or social tenants. At the same time, younger households were more likely to move, with one-third of respondents aged 18 to 24 moving in the last year and 18 per cent of 25 to 34 year olds, but only 7 per cent of 35 to 44 year olds and four per cent of 45 to 64 year olds. Persons living together were more likely to move (with 18 per cent moving in the last year) compared with single and separated persons (11 per cent moving in the last year) and married people (5 per cent). As noted above, employment was a significant determinant of the propensity to move, with 22 per cent of unemployed people moving in the past year, compared with 13 per cent of students and persons engaged in home duties, and nine per cent of those working fully time. Only three per cent of retirees moved in the last year, emphasising the relative immobility of some groups within the aged population. Group households

were the most mobile household type, with 25 per cent moving within the last year, followed by sole parents at 12 per cent and six percent of families and single people. Flood (2007) was also able to identify several second order effects, including those that arise out of the interaction between work status and household type; work status and tenure; work status and age; and marital status and age. Clearly work status is highly influential in the propensity to move.

Flood (2007) interpreted these findings as showing that young unemployed people tended to be highly mobile through the housing market, as were younger singles and younger partnered couples. He noted that

These results confirm the conventional wisdom that:

- Private rental and group houses are common arrangements for mobile people – while these tenures can also require people to move more frequently.
- Young people move frequently till they settle down in later years. Mobility falls off exponentially with age.
- Relationship change is a significant determinant of mobility. Many unemployed people move, either to find cheaper lodgings or to look for work. Students are also frequent movers (Flood 2007 p. 2).

The outcomes of the multinomial analysis on the propensity to move are entirely consistent with the conclusions drawn elsewhere on the nature and dimensions of household mobility and movement through the housing stock.

4.4.2 Attitudes to Housing

Principle components analysis was used to examine the 28 attitudinal questions within the Housing 21 Survey. Flood's (2007) analysis focussed on the broader opinions and values respondents expressed about housing and related social phenomena. His analysis showed that some groups had a much stronger preference for the achievement of home ownership and the realisation of specific housing aspirations than others. Those that did not exhibit a substantial commitment to the values of home ownership included:

- Renters, especially those who rent from personal choice;
- People in group and sole parent households;
- Never married, divorced and separated;
- People with changed marital status, particularly those that think it impacted on their housing choice;
- People with degrees, students, and unemployed;
- People with no or very low household incomes;
- Those who are likely to move in the next 12 months.

While persons of Southern European and Asian backgrounds were much more likely to be committed to the achievement of home ownership and other specific housing goals.

Clearly, as the analysis undertaken by Flood (2007) has shown, some groups exhibit a much lower tendency to place a concrete value on the various components of housing – tenure, dwelling quality etc. – although it is open to question whether these expressed preferences are shaped by their circumstances. The preference of some groups of immigrants (Southern Europeans and those from Asia) for home ownership is in accord with Census analysis of the attainment of home ownership by birthplace

group (Hugo and Maher 1996). It is also consistent with the importance attached to home ownership and housing by Australian-born blue collar workers and conventional families.

4.4.3 Determinants of Tenure

The capacity of Australians to enter home purchase has been an area of significant policy interest for at least a decade with research (Yates 1996) showing that some groups have not entered home ownership and that rates of entry into owner occupation have declined for younger cohorts relative to their parent's generation. As part of his work for NRV 2 (Flood 2007) developed a General Linear Model of tenure choice for persons aged over 45 and those under 45 years of age. Importantly, Flood (2007) set out to test whether all persons who wish to enter home ownership are able to do so by mid life, and if not, why not?

Flood's (2007) analysis found that few socio-economic measures appeared to have a significant impact on the propensity of individuals to be renting past the age of 45 years. Only marital status and age were associated with the likelihood of renting, with marital status exerting a critical influence as 'Single persons and sole parent households are over-represented among private renter households, while couple only households are mostly owners – probably showing the improved purchasing power of a couple without children (Flood 2007 p. 7). Flood (2007) also noted the importance of marital dissolution on housing outcomes

There are about double the proportion of private renters (13.3 per cent) as the average among people who have changed marital status in the past 10 years. The effect is particularly strong among the older divorced, separated and also the never married, with 18 per cent renting privately. Overall home ownership is about 90 per cent for older couples and about 65-70 per cent for singles and divorced.

Finally, Flood (2007) noted that a number of attitudinal factors were highly significant in understanding the propensity of older persons to be tenants and these included not having housing as one of their long-term goals and the belief that entry into home ownership constituted a major risk.

Overall, the persons most likely to be tenants after the age of 45 are never married people or those who have experience the dissolution of a relationship. They are also less likely to award priority to housing and home ownership as a good in itself and more likely to focus on the risks associated with home ownership.

Flood's (2007) analysis of the determinants of tenure amongst younger renters found this group was affected by the same factors evident amongst older tenants but that attitudinal factors were less important while the significance of marital status increased greatly. He noted that for respondents aged under 45 years, some 80 per cent of the married were home ownership, fifty to 60 per cent of the partnered and divorced were home ownership and 40 per cent of separated people and the never married were owner occupants. In the younger age cohort couples had a greater capacity to enter home purchase and this had a determining influence on which groups within society were likely to be tenants.

Overall Flood (2007) concluded that structural factors within Australian society such as position within the labour market and income are more important in determining tenure for younger people, while attitudes appear more significant for older tenants. His research also offers insights into which groups within Australia subscribe to the 'Great Australian Dream' (Kemeny 1983; Badcock and Beer 2000) with home ownership highly valued by upwardly mobile immigrants, families with children, and blue collar workers. Those who do not 'buy into' the Great Australian dream, or do so

to a lesser degree, include the tertiary educated and those on the margins of society (Flood pers comm). These observations are consistent with some of the findings reported by Tually (2008 p.24) as part of Project E. She concluded that

I think it's very relevant, most people do want that security (P42, emphasis added);

I don't think all Australians do aspire to own their own home. I think a large proportion of society don't want to, because it's a lot of responsibility. But then the problem is, that the housing, you know like if there were low rent accommodation available to support that lack of wanting, then it would be fine because a lot of countries in the world there's you know not really like our home ownership level, but the government makes sure that people are not really disadvantaged by it, whereas here, that's not the case. You know, there's not enough support for people who don't own their own homes and not enough help to get into your own home (P51);

and

...that might have been true at one stage, I think for a lot of younger people it's probably just so far out of the question that it's no longer a universal – if it ever was – sort of widely held aspiration. I think a lot of people would still like to be able to do that, I just don't think it's [achievable]... unless you've got you know maybe two people working and decent incomes and even then it's pretty hard. And particularly in bigger cities, very difficult (P35)

and

the only Indigenous respondent interviewed contributed an important cultural perspective on the statement: "*I think it's relevant for Australians but not for my people*" (P18) (Tually 2008 p. 24).

This final comment is particularly insightful given the low rates of Indigenous home ownership in Australia and this issue is discussed in greater detail below.

4.5 Sectoral Perspectives on 21st century Housing Transitions

4.5.1 Gender and housing in 21st century housing transitions

Demographic, social and policy change over the last three decades has contributed to increasingly divergent housing transitions between the sexes for some groups within society. As discussed elsewhere within this report, the traditional housing 'career' based on a conventional 'family' household has been replaced by a much more complex set of housing transitions over time, resulting in divergent outcomes. Gender-differentiated housing transitions are an important component of this wider shift. This section focuses on two key issues pertinent to gender and housing transitions: sole parent households and lone person households. It is important to acknowledge that the majority of men and women live in households where both sexes are present: couple households or 'family' households.

Sole Parent Households

Sole parent households constituted 126 cases, or approximately five per cent, of respondents to the Housing 21 Survey. This group was dominated by women. Ninety-

seven sole parent respondents were women and just 29 were men⁵. As would be expected, female headed sole parent households were more likely to have children resident in the household and on average such households were larger than those headed by males. Women sole parents were more likely to live in a house (83.5 per cent) than male sole parents (75.9 per cent) but both groups were slightly over-represented in semi-detached housing and flats/units relative to the general population. The greater concentration of female headed sole parent households in separate households is likely to be an outcome of the distribution of assets following the break up of a relationship. This conclusion is supported by the fact that 28.3 per cent of female headed sole parent households in owner occupation reported that they did not take out a mortgage to pay for their housing, compared with 17.6 per cent of male sole parent households. Interestingly, male sole parent households were much more likely (85 per cent of owner occupants) than their female headed counterparts to have refinanced their mortgage, and this reflects their need to restructure their home loan in the wake of the termination of a relationship or marriage. However, 63 per cent of female headed sole parent owner occupant households had refinanced their property and this level was substantially higher than the 48 per cent of all owner occupants in the Housing 21 Survey in this category. As might be expected, 42 per cent of male sole parent households and 30 per cent of female sole parent households who had refinanced their property did so in order to settle a divorce.

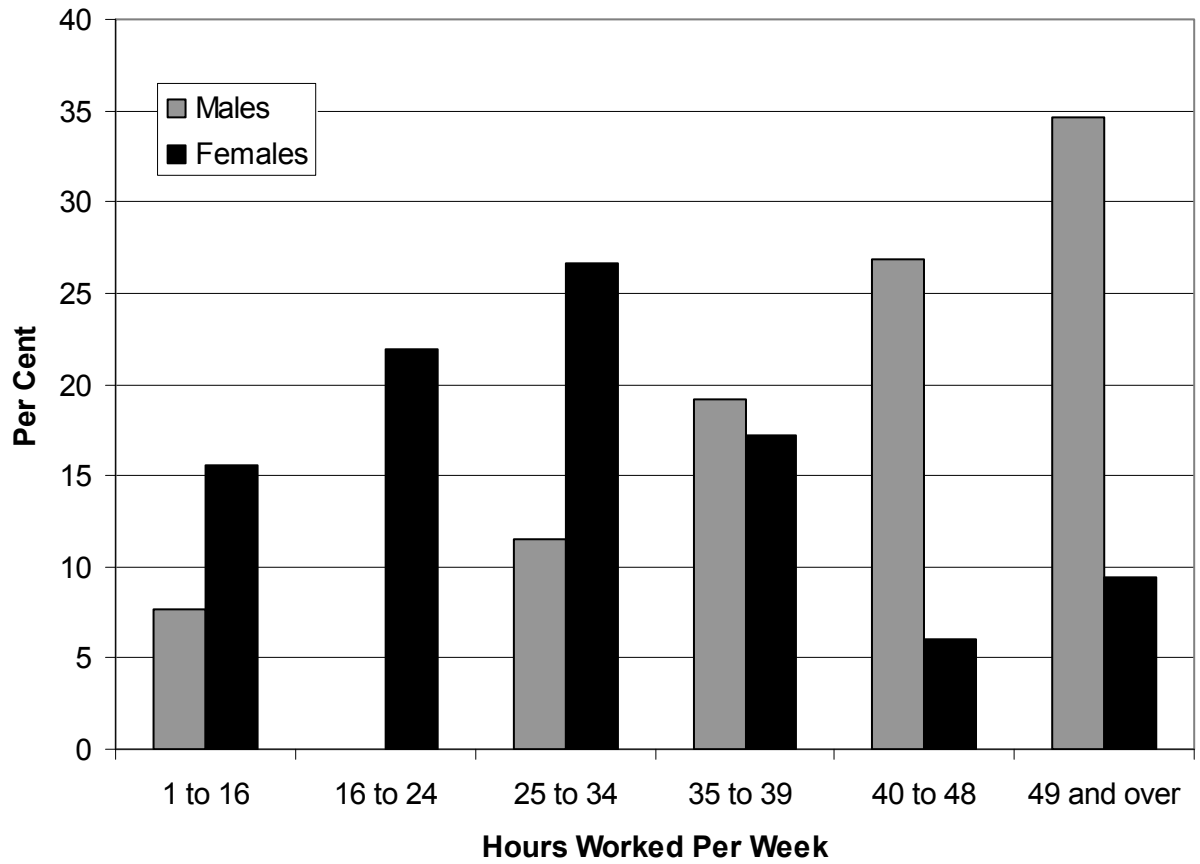
Economic resources, including wealth and access to paid work, clearly have an important influence on the housing circumstances of all households. Most sole parent households captured by the Housing 21 Survey were in the economically active ages, with 72 per cent of male sole parents and 71 per cent of female sole parents aged between 35 and 54 years. Women sole parents, however, worked many fewer hours than men (Figure 39) with 36 per cent of female sole parent respondents working less than 24 hours a week and 62 per cent working under 34 hours per week. By contrast, 34 per cent of males in this category worked in excess of 49 hours a week. It would appear, to a certain extent at least, that one of the consequences of divorce or relationship breakdown for Australian fathers is to work longer hours through necessity or choice. The differences in the hours of work, and care responsibilities, between male and female sole parents has a significant impact on household income, with fully two thirds of female sole parent households in the Housing 21 Survey reporting an income of less than \$41,600 and 46 per cent living on less than \$25,999. Male sole parents, by contrast, had much higher incomes with 41 per cent enjoying household incomes greater than \$62,400 (Figure 41).

The gap in household earnings is reflected in the wealth of male and female sole parent households (Figure 43). Fully 15 per cent of female headed households had wealth – exclusive of housing – of less than \$10,000 and 50.6 per cent had assets less than \$50,000. Male sole parent households by contrast, had much greater wealth, with just seven per cent holding wealth apart from housing of less than \$10,000 and three quarters holding assets in excess of \$50,000. Sole parent households of both genders were over-represented in rental housing and under-represented in home ownership (Figure 45). Women were more likely to be renting from the public sector than men (20 per cent for female sole parents compared with 10 per cent for males) but the low number of responses makes it difficult to attach great significance to these data. Female headed sole parent households were more likely to be in rental accommodation and those who remained in owner occupation

⁵ Given the low numbers involved, considerable caution needs to be exercised in generalising the findings of the Housing 21 Survey as they relate to sole parent households. The data relating to lone person households are more robust because of the greater number of respondents in this category.

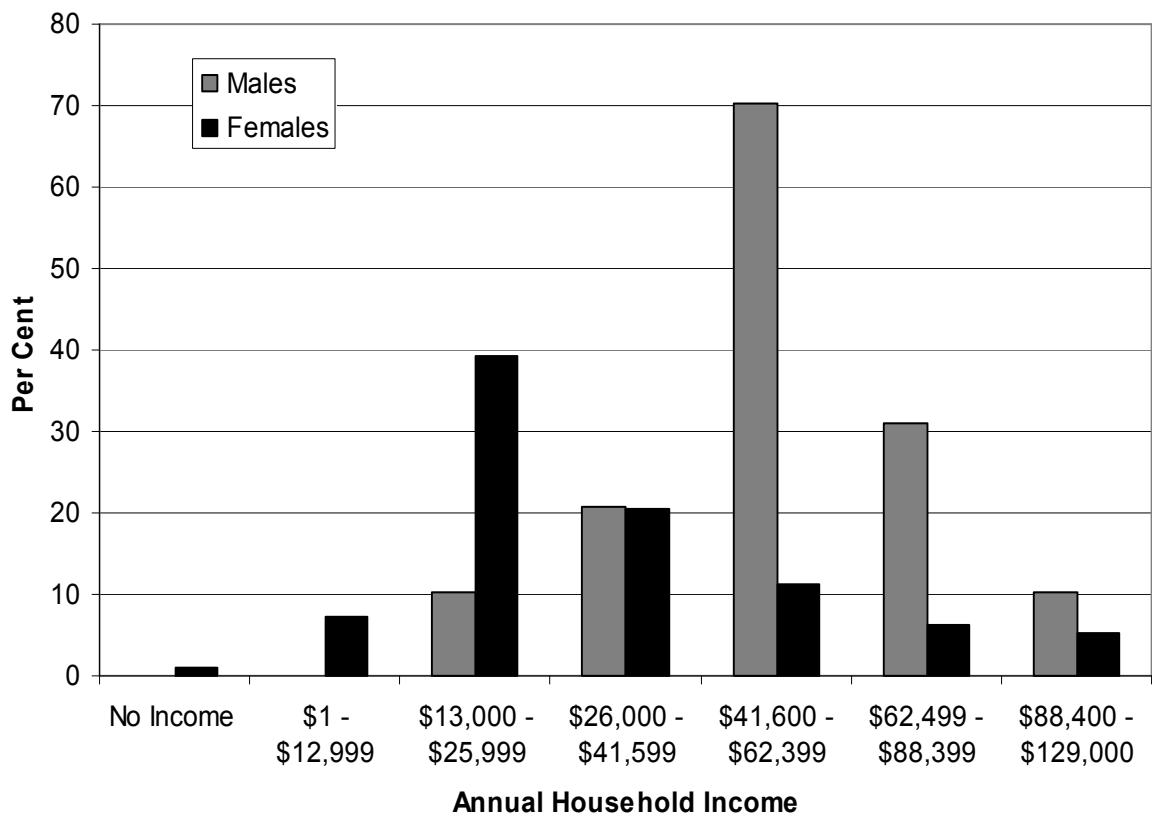
were more likely to be outright home owners than home purchasers. Just under one-third of female headed sole parent households were paying off a mortgage.

Figure 38: Average hours worked per week, male and female sole parent households



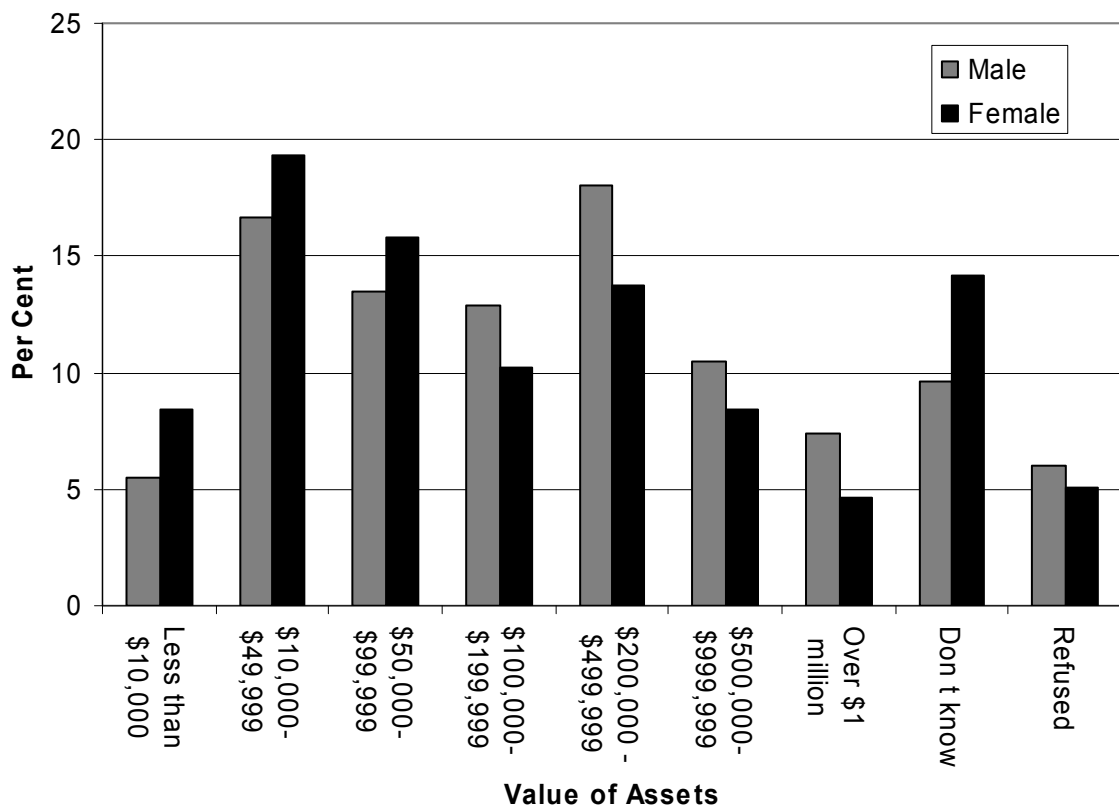
Source: *Housing 21 Survey*

Figure 39: Annual household income, male and female sole parent households



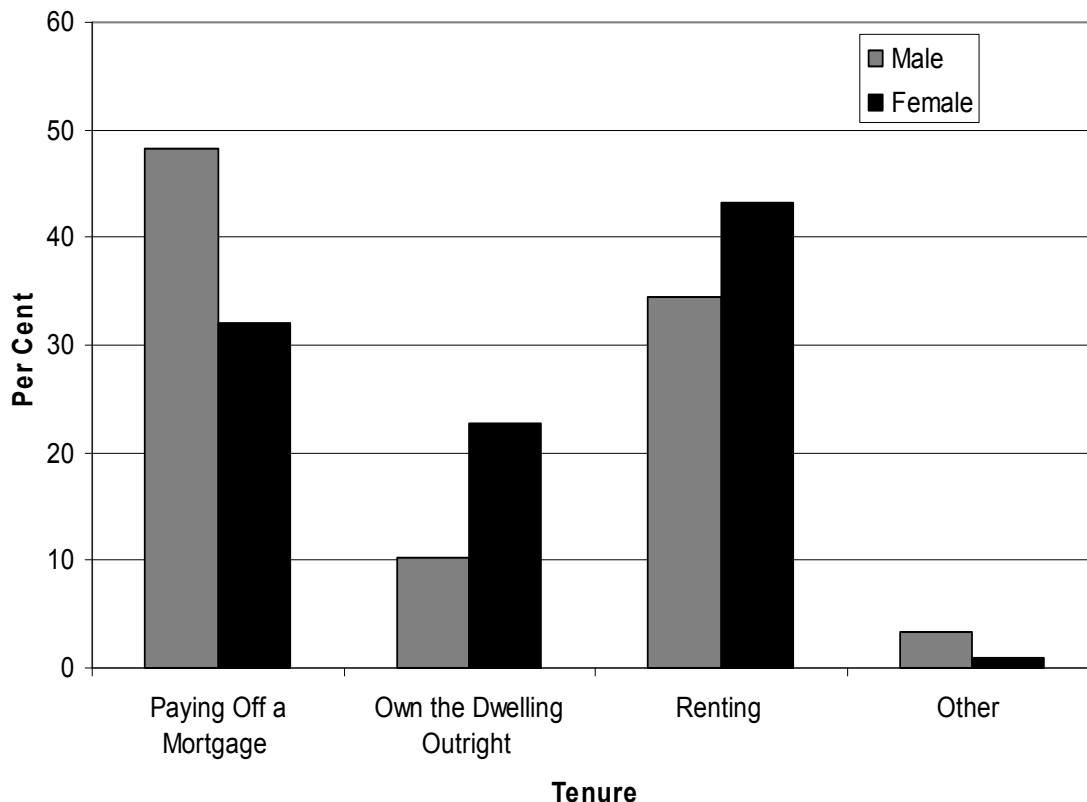
Source: *Housing 21 Survey*

Figure 40: Estimated value of non housing assets of sole parent households by gender



Source: *Housing 21 Survey*

Figure 41: Tenure by gender, sole parent households



Source: *Housing 21 Survey*

Sixty-seven per cent of female headed sole parent households who had moved from home purchase into the private rental market indicated that they did so because of a relationship breakdown. Most women sole parents fell out of home ownership because they couldn't afford the mortgage, while just one female sole parent moved to private rental because their ex partner received the dwelling. By contrast, just one male sole parent left owner occupation because they couldn't afford home purchase. Female sole parents also had a high reliance on rent assistance payments, with just under one-third of those who had left home ownership reporting that the availability of private rental assistance had influenced their decision to remain in the rental market.

Amongst sole parent households in the rental sector, men placed greater importance on entering home purchase, with 67 per cent reporting that they felt it was very important for them to buy a home, compared with 47 per cent of women sole parents. Male sole parents also had a far higher expectation that they would be able to buy in the next five years, with 73 per cent in this group, compared with just 32 per cent of women. This outcome is entirely consistent with the income and wealth data presented earlier. Female sole parents were also more likely to be concerned about their capacity to afford to enter into home ownership, with 40 per cent reporting that home ownership was unimportant to them simply because they couldn't afford the mortgage.

Women sole parents were more likely to have applied for public housing than men and of those who applied, just over one-quarter were on the public housing waiting list. No male sole parent households were on the waiting list. Approximately half the female sole parent households who had applied for housing had been offered

housing, and 77 per cent of such households had taken up that offer. Most sole parent households felt that it was very unlikely that they would be moving over the next 12 months. However, data collected on the number of times respondents had moved home since 1996 suggests that female headed sole parent households were much more mobile than male sole parent households; a reflection of the insecurities of the private rental market as well as their changing household circumstances. Female sole parents were also less likely to believe that their housing choices had been part of a longer term plan (59 per cent for male sole parents and 50 per cent for women) and this may also reflect their relative powerlessness within the housing market. By contrast, male sole parents placed a greater emphasis on entering home ownership as a factor influencing their lifetime housing goals. In part this is a function of the fact that when asked a series of questions about the values attached to home and housing, female sole parents were both more likely to see their home as an important investment and more likely to see home purchase as a risk. It is therefore likely that the low incomes of female sole parent households have significantly shaped their attitudes to housing as both a desirable and a 'risky' investment.

The Housing 21 data suggest that male and female sole parents had differing attitudes to their housing decisions and transitions. Women were more likely to report that their relationships had affected their housing transitions, while men considered that their financial circumstances had been more important. These results suggest that the sounder financial circumstances of most male sole parents have given them greater capacity within the housing market when compared with female sole parents.

Female headed sole parent households were much more likely than male sole parents to live in a household where one-or more persons had a long-term health condition, disability or impairment. Some 20 per cent of female headed sole parent households reported the presence of a disability, compared with 3.4 per cent for male sole parents. Eight female sole parents had a disability or long-term health condition, compared with just one male sole parent. A child or children with a disability were the most frequent persons with a disability in sole parent households. Clearly female sole parent households carry greater care responsibilities and this is reflected in the fact that female headed sole parent households reported that they provided regular care to a person with a long-term health condition or disability. Just one male sole parent reported such caring responsibilities.

The data from the Housing 21 Survey needs to be placed within the context of the material collected as part of Project E, as the qualitative data provides a greater depth of insight into the transitions confronting sole parent households. Gwyther (2007) interviewed 33 persons who had fallen out of home ownership in Western Sydney, with the majority women who had lost their homes through divorce or separations. Gwyther (2007) noted that women are more likely than men to fall out of home ownership after relationship breakdown (Feijten 2005) and that men are more likely than women to repartner after divorce or separation. Gwyther (2007) identified five main housing transitions amongst women affected by divorce or separation from their partner:

- Remaining in the owner occupied family home;
- Using the proceeds of the sale of the owner occupied family home to down size into another home;
- Moving from owner occupation into private rental;
- Entering social housing;
- Experiences of homelessness.

It is interesting to note that at least two of the women interviewed experienced primary or secondary homelessness while many of the others saw a significant decline in the quality and quantity of their housing. Gwyther (2007) also noted the relationship between the incidence of domestic violence and homelessness amongst women. Her research led her to conclude that

separated women do not make decisions about their housing transitions lightly, particularly when children are involved. The decisions they make are weighted heavily in the interests of their children....planning for their children's future became paramount in their housing decisions following the breakdown (Gwyther 2007 p. 13).

From this perspective, the housing circumstances of women post divorce or separation should be viewed with an eye to both immediate needs and the long-term impact – on both the parent and children – of inadequate housing.

Tually (2008 p.9) drew upon the full 87 interviews undertaken as part of Project E and concluded that women escaping violence in the home

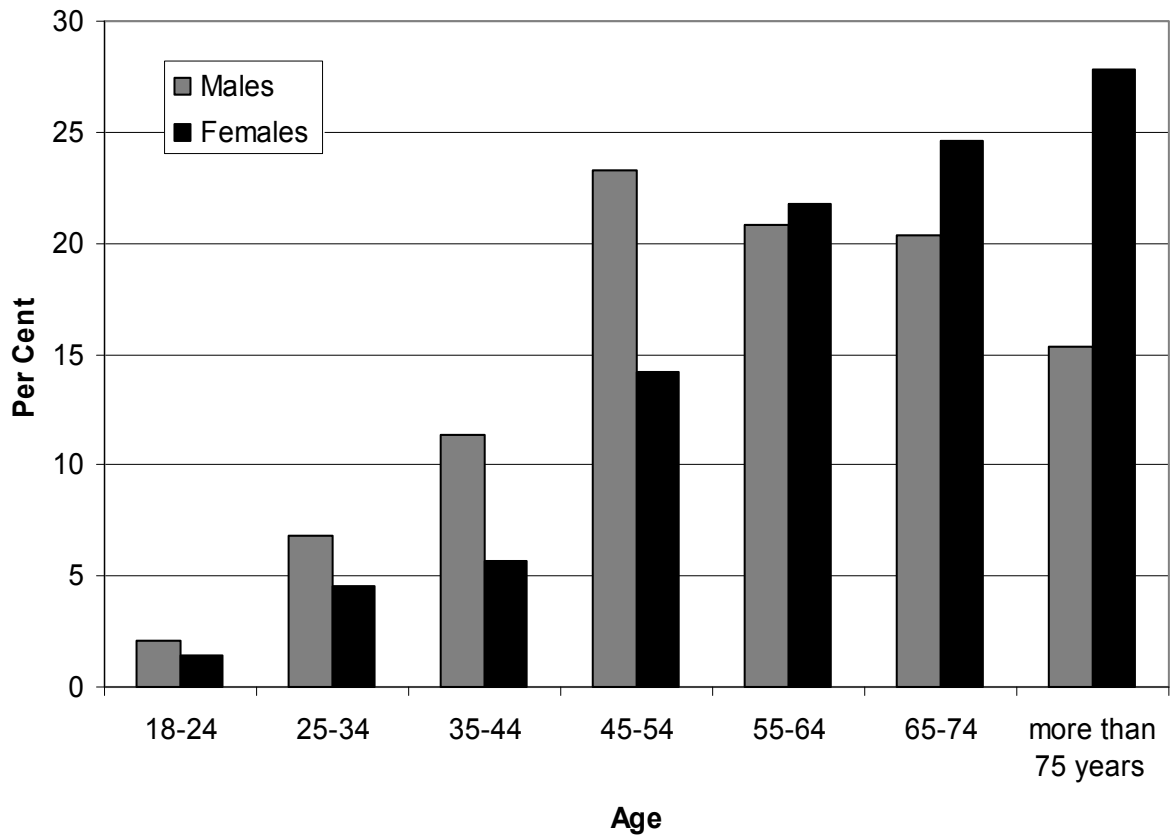
...reported that they had left their violent partner with nothing and this had precipitated the pathway into social housing for many of them. Others struggled in the private rental market and many had spent a considerable time during their life homeless or 'couch surfing'.

Tually (2008 p.9) also observed that remarriage or repartnering was 'clearly one of the most important pathways back into home ownership and financial security' a finding consistent with the outcomes of earlier research by Wulff (1991). Importantly, however, the establishment of a new relationship did not always guarantee a secure housing career, with several women who had multiple marriages or relationships falling out of home ownership as a result of the dissolution of the second or third relationship, despite having entered owner occupation in the first relationship.

Lone Person Households

Lone person households are the second significant group of gender differentiated households within the Australian population. Some 589 respondents to the Housing 21 Survey lived in lone person households – just under one-quarter of the total. Of this number, 236 were males and 359 were female. The majority of lone person households are older female lone person households and this reflects the greater number of older women relative to men (Figure 42). Ageing and the phenomena associated with the ageing process – patterns of income and expenditure, health status etc. – are clearly important in understanding the housing circumstances of female headed lone person households in Australia.

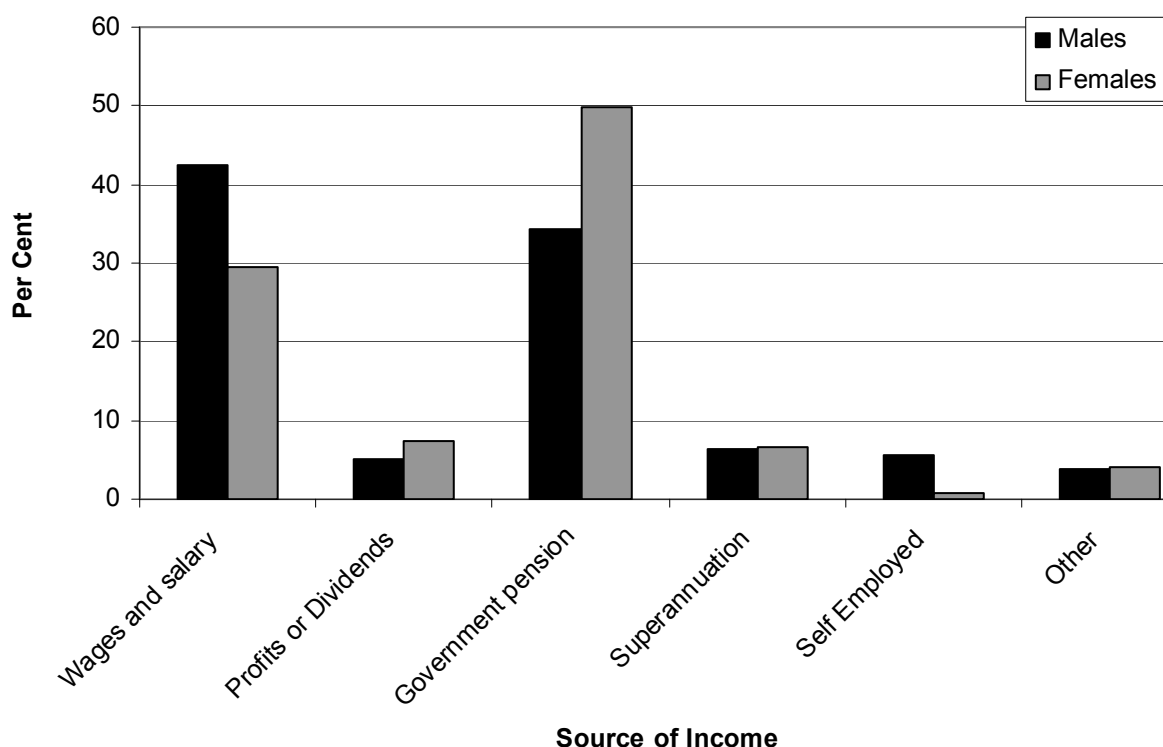
Figure 42: Age of lone person households by gender



Source: *Housing 21 Survey*

Government provided pensions and/or allowances are the single most important source of household income for female lone person households (Figure 43) and 49.9 per cent of female lone person respondents reported them as their main income source. Government provided pensions outstripped wages and salaries as the main source of income by 20 percentage points amongst women lone person households. Critically this relationship did not apply for men, with 42.4 per cent of male lone person households deriving their main source of income from wages and salaries, and another 34.3 per cent relying upon government benefits or allowances.

Figure 43: Source of income by gender, lone person households

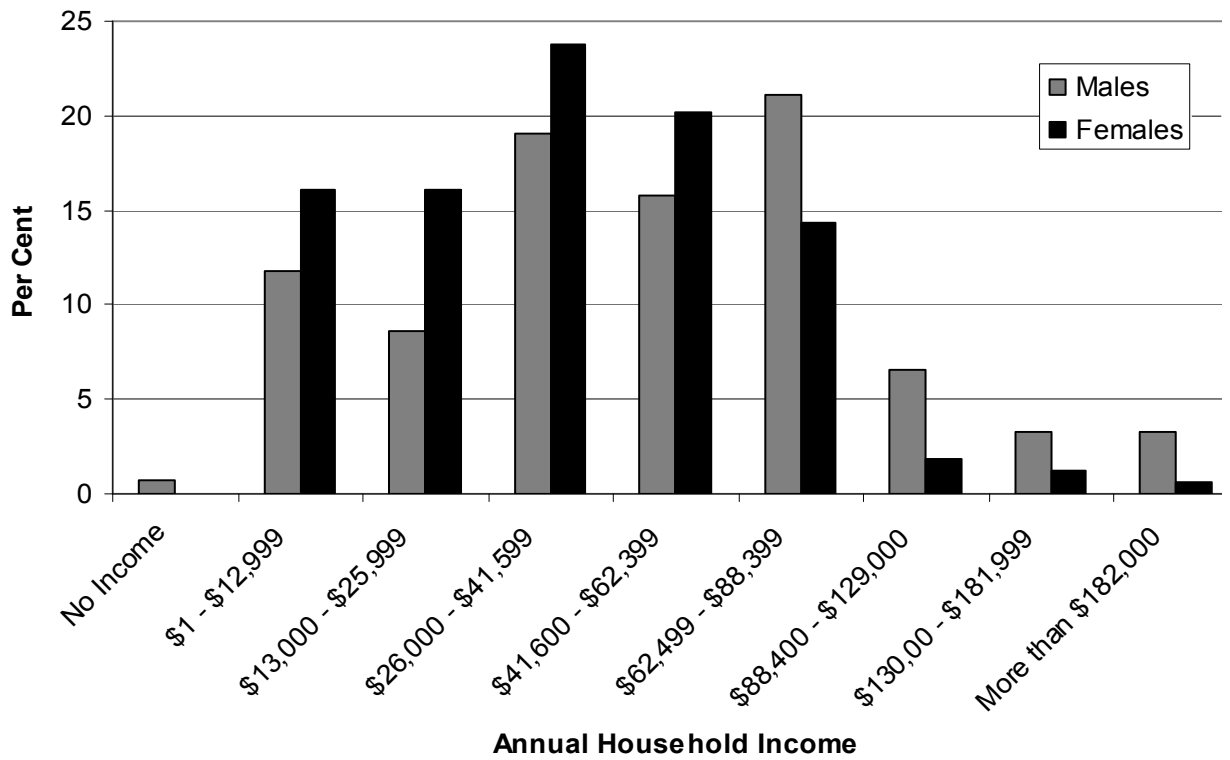


Source: *Housing 21 Survey*

The Housing 21 Survey showed that female lone person households aged under 65 had lower incomes than male lone person households, even allowing for age (Figure 44). Expressed another way, a higher percentage of female lone person households had low incomes, with 32 per cent of women lone person households earning less than \$26,000 per annum. By comparison 21.2 per cent of men had low incomes. Poverty and limited financial resources are therefore more likely to be a concern for women living alone than men. Similarly, female lone person households aged under 65 had fewer non-housing assets than men, with 57.7 per cent of women living alone holding less than \$100,000 in assets, compared with 47.2 per cent of men (Figure 45).

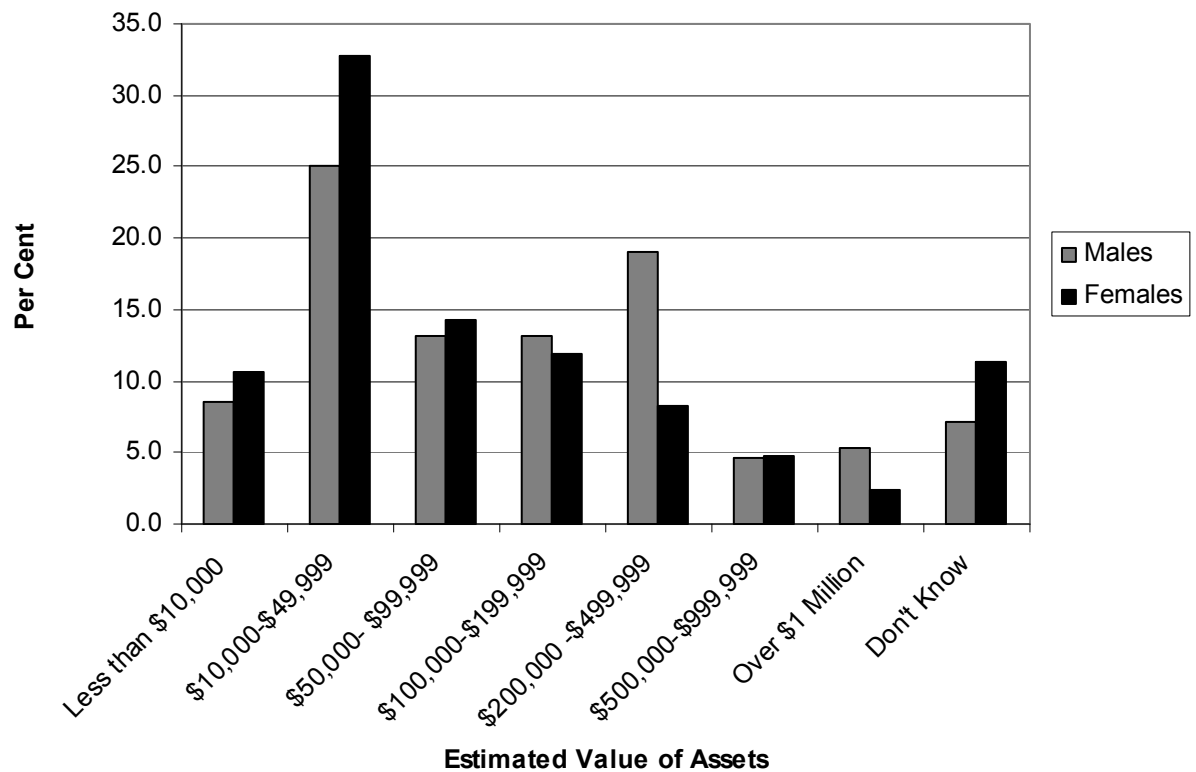
As would be expected, the Housing 21 data shows that lone person households are under-represented relative to the general population in detached housing and over-represented in higher density housing forms. For both genders, approximately one-quarter of lone person households live in flats, units or apartments, while 65 per cent reside in a separate house. Lone person households were also more likely than the total population to be a tenant, with 24 per cent renting. Men were more likely to be living in accommodation provided by their employer, while women had a slightly greater representation in public rental housing. Fully 42 per cent of lone person households comprised of women who were renting from the government, compared with 40 per cent for men. Importantly, lone person households of either gender were an important part of the demand for government housing assistance. Women were much less likely than males living alone to be paying off a mortgage, with 25 per cent of males purchasing a home and only 17 per cent of females doing the same thing. By contrast, women were much more likely to be outright home owners (56 per cent compared with 45 per cent) and this reflects the older age profile of lone household women and possibly also the impact of widowhood.

Figure 44: Household income of lone person households under 65 years of age by gender



Source: *Housing 21 Survey*

Figure 45: Estimated value of non housing assets of lone person households aged under 65 by gender



Source: *Housing 21 Survey*

Some 168 lone person households were tenants and of this group almost 49 per cent had been in owner occupation at some stage in their life. Slightly more women than men were tenants (53.1 per cent and 46.9 per cent respectively). The single largest reason for falling out of home ownership was the break up of a relationship (42.7 per cent), followed by work related moves and the inability to meet mortgage repayments. Significantly, men were more likely than women to have left owner occupation because of a divorce or relationship break up and the key difference was that 19.4 per cent of male respondents who left home ownership did so because they divorced and their partner received the family home; only 5.9 per cent of women had the same experience. On the other hand, amongst lone person households who have only ever rented, women were more likely to say they had not entered home ownership because of insufficient resources – never had a deposit, could not afford repayments – than men. This is an important issue, because female lone person households in the rental sector are substantially more likely than men to report that owning a home is of little importance to them as they cannot afford the repayments (42.5 per cent compared with 28.6 per cent). Male tenants in lone person households were also more likely to report that they expected to buy their own home within the next five years.

Government provided housing is an important source of accommodation for lone person households. Male and female lone person households reported similar rates of application for government provided housing, but in percentage terms, men were more likely to be offered government housing, though in terms of absolute numbers the rates were comparable. However, men were more likely than women to have been offered public rental housing and to have taken up that offer once made. On the other hand, female lone person households tended to live in public rental housing for much longer periods, with 23.5 per cent of those in the tenure resident there for 20 years or more, compared with only nine per cent of male lone person public tenants.

4.5.2 The Housing Transitions of Immigrants to Australia

Immigration has been integral to Australia's growth and development and as one of the most culturally diverse countries in the world and the housing transitions of immigrants will almost invariably differ from those of the Australian born population. A range of factors shape the housing transitions of migrants including cultural and attitudinal differences; variations in socio-economic status, differences in family and household size, the presence or absence of community support and the category of visa with which immigrants enter Australia. Those who settle in Australia from English speaking nations such as New Zealand, UK or the United States are likely to have housing, family and labour market transitions that are very similar to those of the Australia-born population. Immigrants from culturally and linguistically diverse backgrounds (CALD) are more likely to experience housing transitions that diverge from the Australian norms.

The overseas born are represented by 587 households or 21.8 per cent of the Housing 21 Survey households. Although over 50 countries are represented in the sample, 56 per cent of respondents were born in the UK and Ireland or New Zealand (Table 5). It is important to acknowledge that the number of overseas born persons who participated in the Housing 21 Survey was relatively small and the results are therefore less robust than for the population overall. However, we believe that it is important to include a focus on the overseas born because of their significance within the Australian population. We would note, however, that caution must be applied in

extrapolating these results to the total population of overseas born persons resident in Australia.

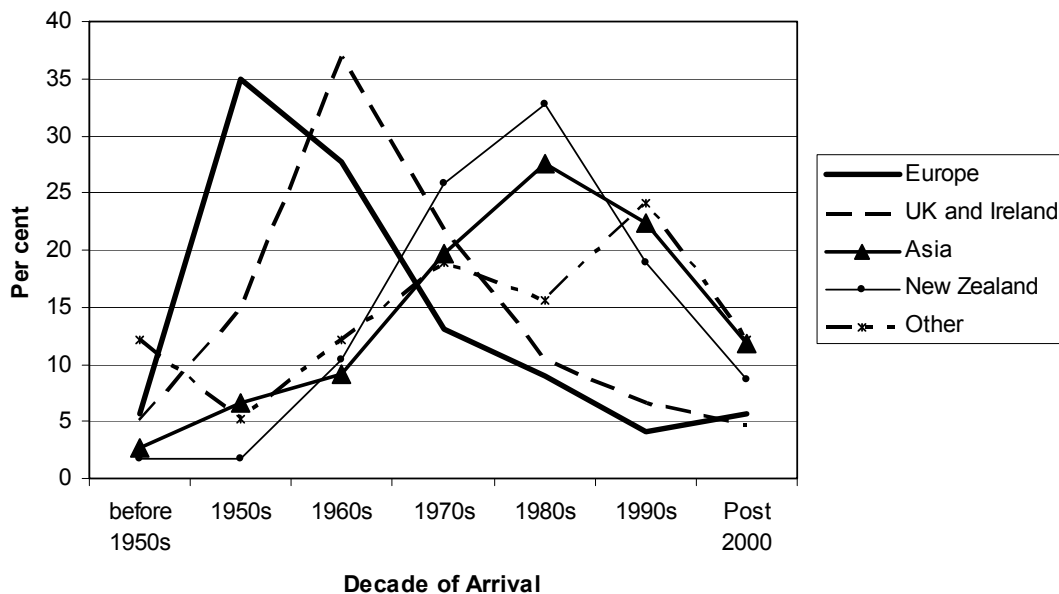
Table 5: Main countries of birth in the housing 21 survey

<i>Country/Region</i>	<i>Number</i>	<i>Per cent</i>
UK and Ireland	269	45.8
New Zealand	60	10.2
Germany	26	4.4
Netherlands	24	4.1
Italy	18	3.1
Malaysia	15	2.6
India	11	1.9
Malta	8	1.4
Singapore	8	1.4
Greece	7	1.2
South Africa	7	1.2
Other	134	22.7
Total	587	100.0

Source: *Housing 21 Survey*

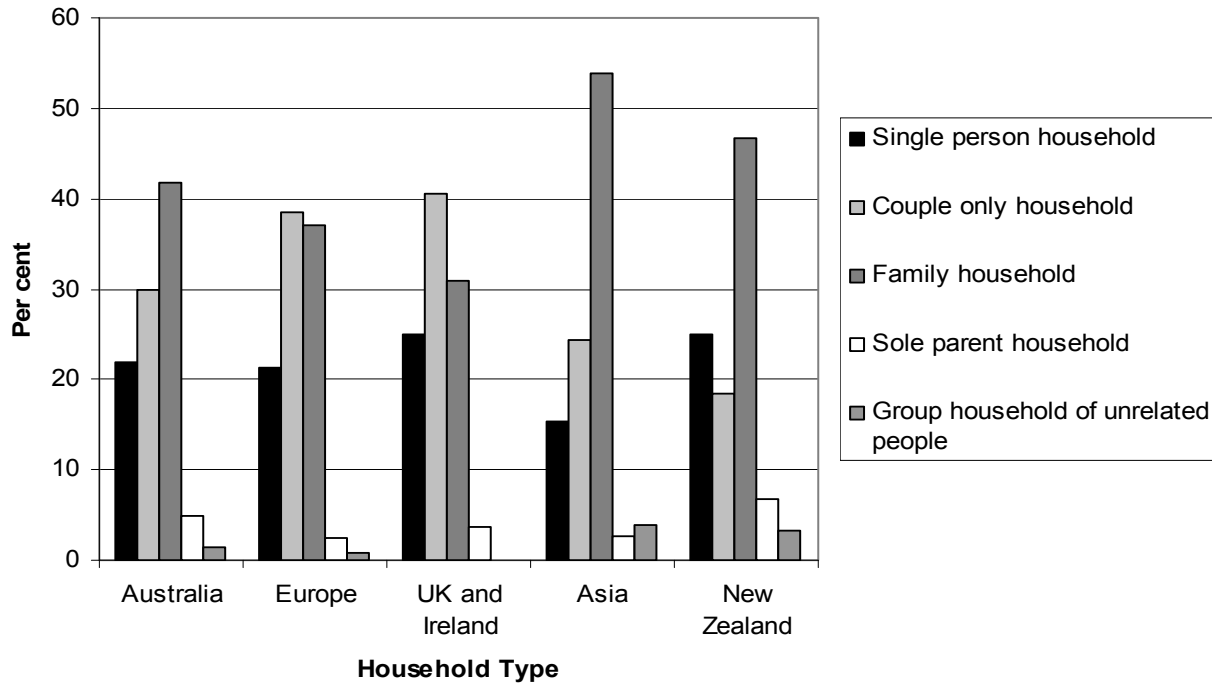
Figure 46 highlights the pattern of immigration to Australia of the major groups in the survey. The different waves of migration are clearly evident. In the immediate postwar period the major influx of migrants was from Europe in particular the countries of Italy, Greece, Germany and the Netherlands followed soon by migrants from the United Kingdom and Ireland. In the 1970s and 1980s these groups declined as new groups of migrants arrived particularly from South East Asia and New Zealand. In the 1990s and the first years of this century countries in the Middle East, such as Iraq, Asian countries such as China, India and Indonesia and African countries such as Sudan and South Africa have been relevant (ABS 2007).

Figure 46: Decade of arrival in Australia of persons born overseas



The timing of these different waves of migration influence household type (Figure 47). For example a greater proportion of respondents of European origin are single person households or couple only households (21 and 39 per cent respectively) while nationalities of more recent waves of migration, Asia and New Zealand, for example, are likely to form family households.

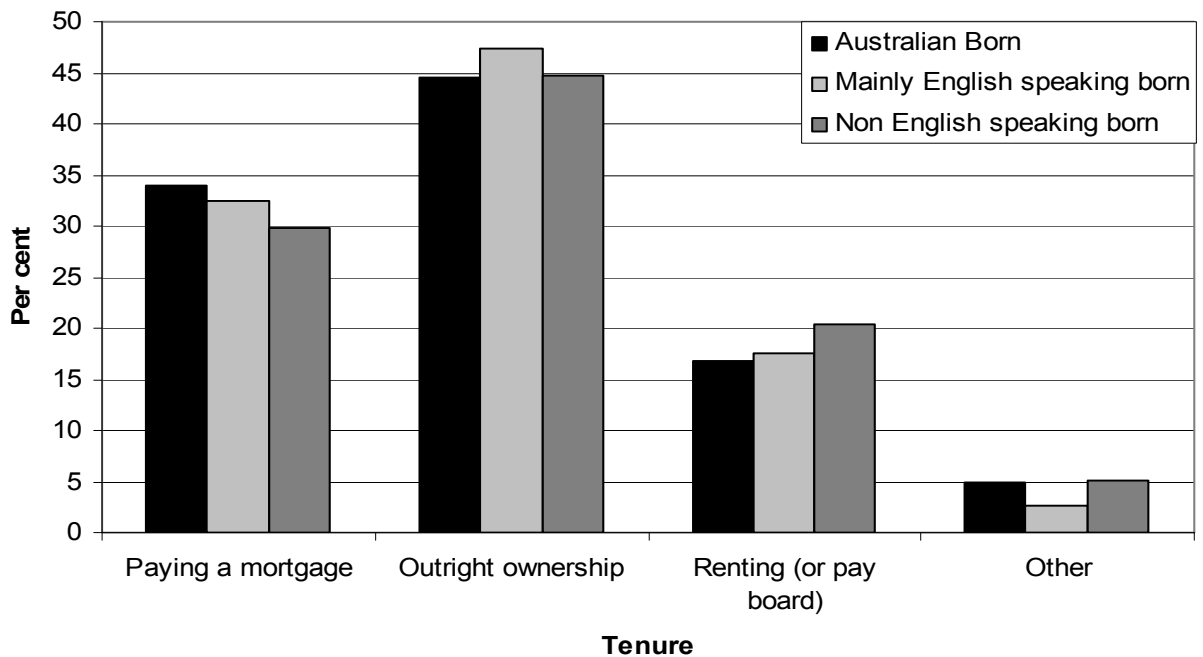
Figure 47: Household type by selected birthplace groups



Source: *Housing 21 Survey*

There is a clear consensus within the literature that owner occupation is the preferred tenure of many immigrant groups (Burnley et al. 1997; Coughlan 1991; Hassell and Hugo 1996). Figure 48 shows home ownership was the dominant form of tenure for migrants both from mainly English speaking countries and those from predominantly non-English speaking backgrounds. Migrants from mainly English speaking countries had slightly higher levels of outright home ownership than the Australian born and those persons from non-English speaking countries, where slightly more migrants were currently located in the rental market.

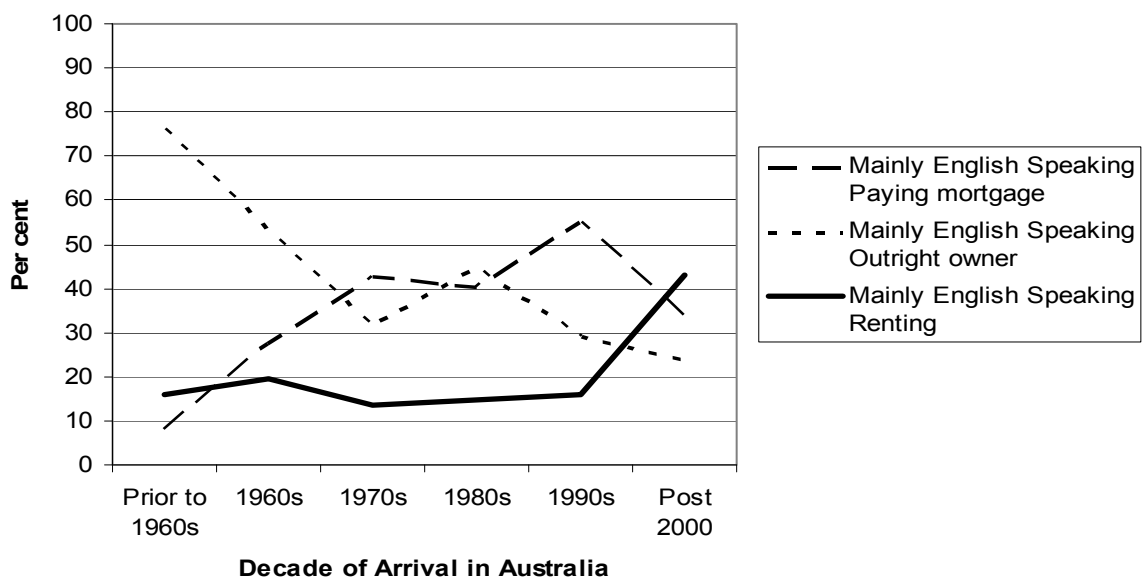
Figure 48: Tenure status of immigrants



Source: *Housing 21 Survey*

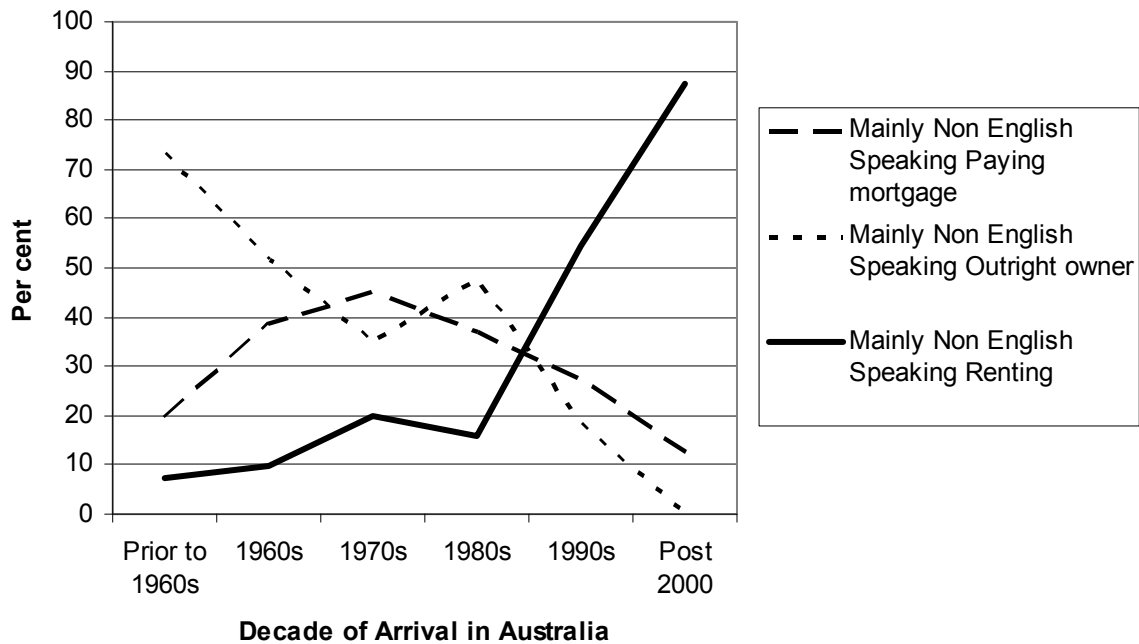
Clearly rates of home ownership are affected by a range of factors including length of residence in Australia. Longer established immigrants are likely to have higher rates of home ownership than more recently arrived migrants. This is immediately apparent from Figures 49 and 50. Migrants who settled in this country prior to the 1960s have very high rates of outright ownership. For those from mainly English speaking countries, 76 per cent were outright owners and another 8 per cent were paying a mortgage.

Figure 49: Decade of arrival in Australia of immigrants from mainly English speaking countries by tenure



Source: *Housing 21 Survey*

Figure 50: Decade of arrival in Australia of immigrants from mainly non-English speaking countries by tenure



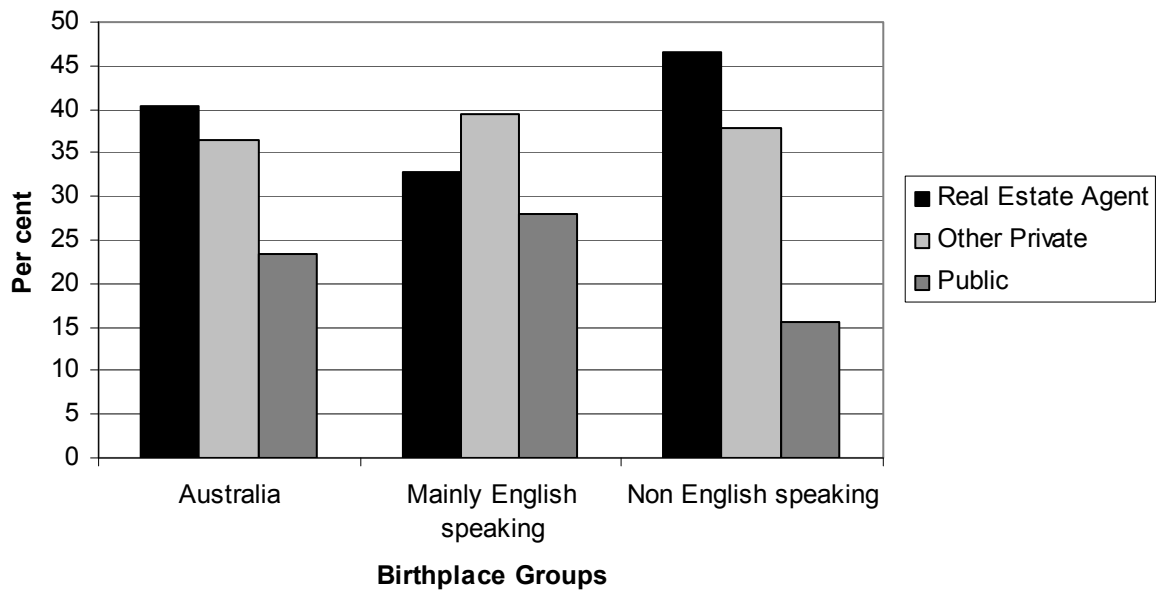
Source: *Housing 21 Survey*

Although slightly fewer migrants from non-English speaking countries were outright owners at the time of the survey (73 per cent), many more (19 per cent) were mortgage holders. These data suggest that 92 per cent of migrants from non-English speaking backgrounds would become outright owners compared with 84 per cent of persons from mainly English speaking backgrounds. A small proportion of migrants appear to have remained in rental accommodation.

The change in this pattern over the last 15 or so years is striking. Though the numbers are small upon which to base trends, it appears that in the 1990s and since the year 2000 it has become increasingly difficult for people from non-English speaking backgrounds to enter the home ownership market. At the time of the survey only 27.3 per cent of persons who arrived in Australia in the 1990s from a non-English speaking background were paying a mortgage and only 18 per cent were outright owners. This compares to 54.8 per cent of persons who arrived in the 1990s from a mainly English speaking country who were paying a mortgage and another 29 per cent who were outright owners. Immigrants from both CALD backgrounds and mainly English speaking backgrounds who were tenants reported that they remained in rental housing because of cost barriers: either the difficulty of saving a deposit or the inability to afford mortgage payments. In fact 45.6 per cent had not been able to save a deposit while an additional 21.1 per cent believed they could not afford the repayments on a mortgage. An additional 8.9 per cent stated they were recent migrants and therefore renting was a first option. The availability of rental assistance had provided an incentive to around one-quarter of tenants to remain in private rental housing.

Relatively few immigrants live in public rental housing and this is likely to reflect the difficulty of accessing this housing under the current policies and, for some, the inappropriateness of this housing (Figure 51).

Figure 51: Landlord type by main birthplace grouping



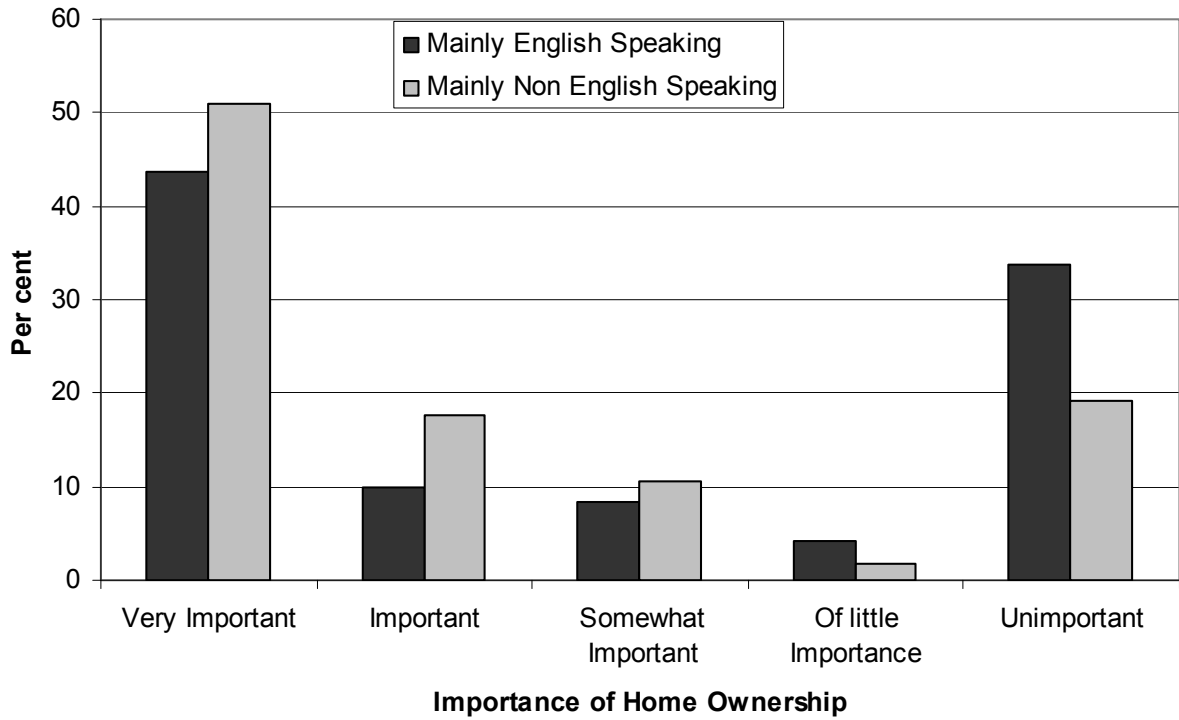
Source: *Housing 21 Survey*

Research by the Social Planning Consortium (1985) into the housing preferences of Polish, Turkish and Indochinese people in Melbourne noted public housing is often too small for the extended families of some groups and the inability to modify the dwelling can create other problems of cultural accessibility. As evident in Figure 52 the public housing sector is largely occupied by the Australia-born and the UK and Ireland-born. Around 16 per cent of respondents from culturally and linguistically diverse backgrounds were living in public rental housing at the time of the survey compared to 23 per cent of the Australia born and nearly 28 per cent of those born in English speaking countries. Only a very small number of immigrants in the private rental sector at the time of the survey had their name on a waiting list for public housing, 10.5 per cent of those persons from culturally and linguistically diverse backgrounds and nearly 14 per cent of those from mainly English speaking backgrounds. Public housing over time has been important for particular non- English speaking groups such as the Egypt-born and the Turkey-born, the Vietnam-born and Cambodia-born, the Chile-born and the Poland-born (Hassell and Hugo 1996) and for refugee and humanitarian arrivals (Beer and Cutler 1999). Demands upon public housing may grow if the barriers to entry to home purchase increase.

Earlier research (Hassell and Hugo 1996; Haezbroek et al. 1994) suggests immigrants and intending migrants aspire to home ownership regardless of their current housing or employment situation. The data from the Housing 21 Survey not only shows the high rate of home ownership among settlers to Australia (Figure 48) but for those currently renting it is clear from Figure 51 that home ownership remains a goal in life. For respondents from CALD countries (mainly non-English speaking) 68.2 per cent believed it was very important or important for them to own a home one day while this was the case for 53.6 per cent of respondents from mainly English speaking countries. The relatively high proportion of mainly English speaking respondents who thought it was unimportant were almost solely people born in the UK and Ireland, many of whom believed they could not afford to enter into home purchase and ownership. This reflects the feeling among many of the other respondents who felt a degree or level of concern about being able to afford a home (Figure 53). Over 30 per cent of respondents to the question on housing affordability were concerned or

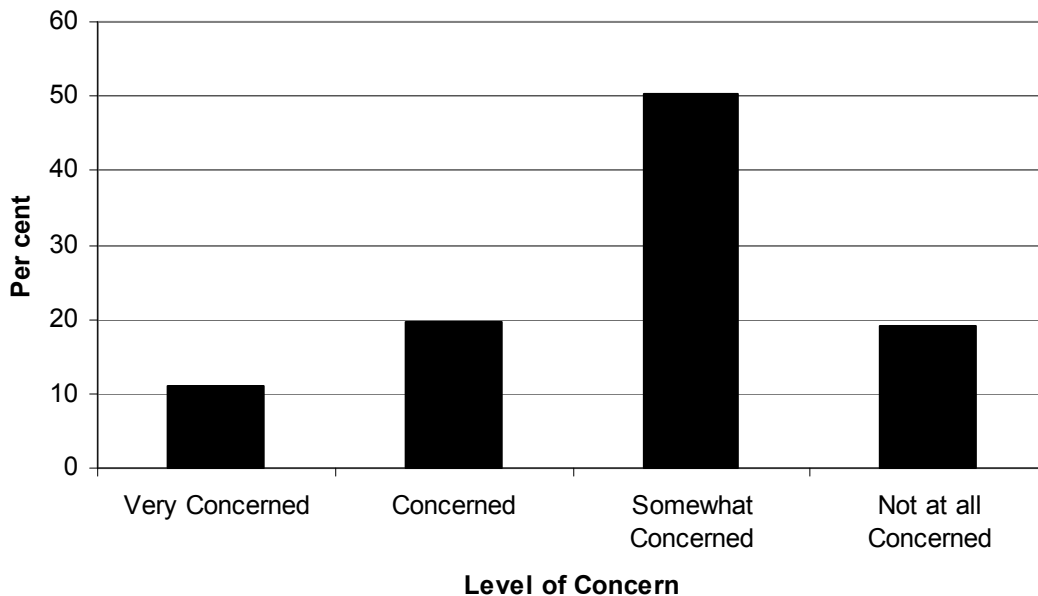
very concerned about their ability to enter the home purchase market while another 50 per cent had some concerns.

Figure 52: Importance of home ownership to tenants who immigrated to Australia



Source: *Housing 21 Survey*

Figure 53: Level of concern about affordability of home ownership amongst immigrants to Australia



Source: *Housing 21 Survey*

4.6 Evidence on the Housing Transitions of Indigenous Australians

Research into Indigenous housing patterns and trends has increased considerably over the last two decades but there is a paucity of information on Indigenous housing transitions (Birdsall-Jones and Christensen 2007). While vulnerable population groups⁶ such as the Indigenous population are likely to be under-represented in CATI data collections like the Housing 21 Survey, two questions were included in the survey to identify households that included Indigenous residents:

Are you of Aboriginal or Torres Strait Islander origin?

Are any other adult household members in the household of Aboriginal and/or Torres Strait Islander origin?

As with the overseas born population, the number of Indigenous respondents to the Housing 21 Survey was small, and caution must be applied in extending the results presented here to the total population of Indigenous Australians. In addition, the CATI methodology inevitably resulted in selection bias amongst Indigenous Australians with the responses skewed to those living in urban areas, those on higher incomes and those more likely to be living in households where one or more persons are in paid work. In this sense, the analysis presented in this section provides an important set of insights into the housing careers of one group within the Indigenous population – a group that is often overlooked in public debate and research – and adds to the evidence base on the housing careers of all Australians. The results, therefore, should be read with caution, but they should be considered or risk excluding an important and potentially vulnerable group within Australian society. We would also note that while analysis of the Housing 21 data provides some insights into the housing transitions of Indigenous Australians, the nature of their settlement patterns and their kin based local and regional attachments requires a more focussed approach. For a greater understanding of Indigenous housing transitions the recent work of Birdsall-Jones and Christensen (2007) is important.

At the 2006 Census 2.3 per cent of the Australian population identified themselves as of Aboriginal or Torres Strait Islander descent. Of the 2,698 households who participated in the Housing 21 Survey 47 (1.7 per cent) participants identified themselves as Aboriginal or Torres Strait Islander origin and another 20 (0.7 per cent) participants although not claiming to be Indigenous status themselves, stated that other household members were Indigenous. Table 6 provides information on the distribution of these respondents across Australia.

Table 6: State/Territory distribution of indigenous households

<i>State or Territory</i>	<i>Indigenous Participant</i>	<i>Other Households with Indigenous Member(s)</i>
New South Wales/Australian Capital Territory	4	1
Queensland	5	1

⁶ Across a range of areas including education levels, income, employment, health status and housing, the Indigenous population of Australia has long been recognised as disadvantaged. As a group more likely to suffer from overcrowding, poor dwelling conditions, inadequate basic utilities and homelessness the Indigenous population has significant housing needs (ABS and AIHW 2005; AIHW 2005).

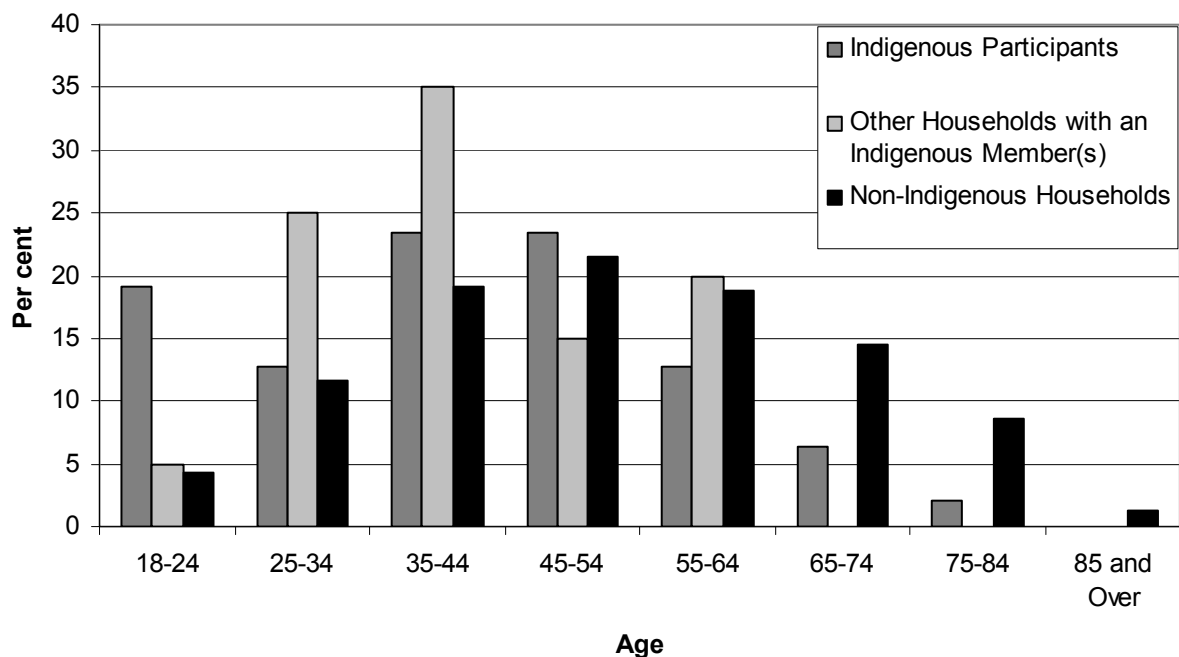
Victoria	0	0
South Australia	3	0
Western Australia	6	2
Tasmania	4	5
Northern Territory	25	11
Total	47	20

Source: *Housing 21 Survey*

As is the case nationally, the Indigenous population in the Housing 21 Survey was younger than that of the non-Indigenous population. From Figure 54 it is clear that 31.9 per cent of the participants identifying as of Indigenous background were aged under 35 and only 21.3 per cent were aged 55 years and over compared to 16 and 43.2 per cent respectively for the non-Indigenous population. A similar age structure exists for households where the respondent did not identify as Indigenous but contained other Indigenous household members.

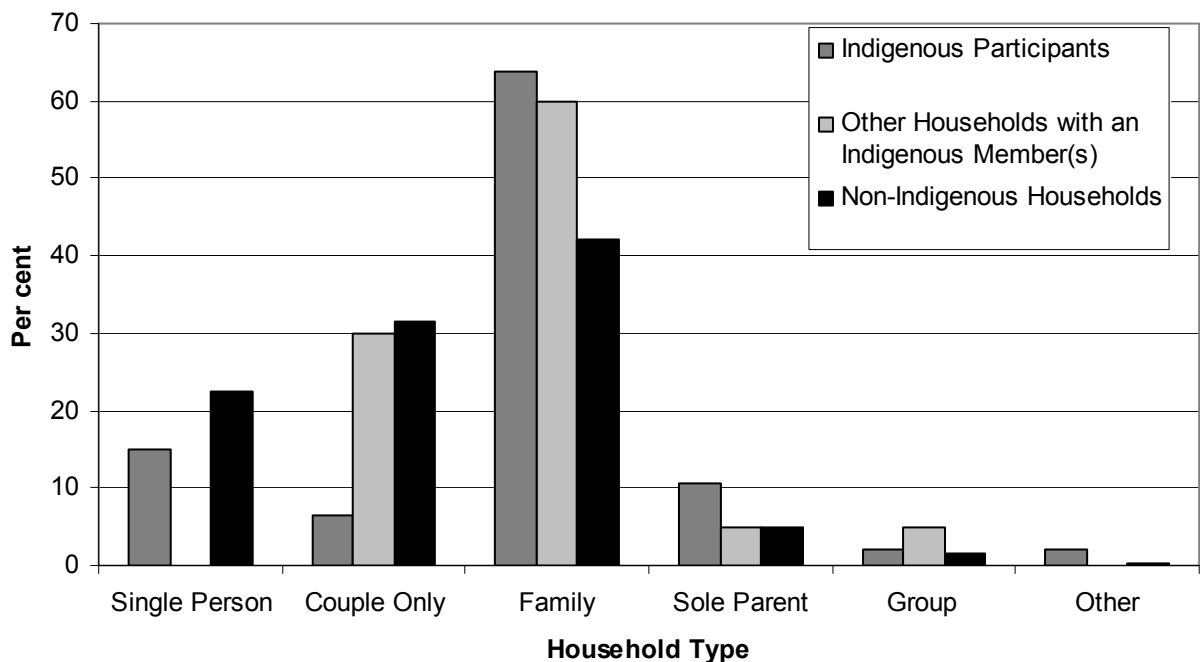
The dominant household type among this group is family households, as it is for non-Indigenous households, however the number of family households for the Indigenous population is double that of the non-Indigenous population. Nearly 64 per cent of all households among the Indigenous participants in the survey and 60 per cent of other households containing Indigenous members were classified as family households (Figure 55). While Indigenous people are less likely to be in lone person households the proportion living in sole parent households is relatively high particularly where the participant identified as being of Aboriginal or Torres Strait Islander origin (10.6 per cent). As identified in Section 4.4.1 most sole parent households overall are headed by women and in general they fair relatively poorly compared to other households in relation to workforce participation, income, assets, and housing options and choices. All but one of the six Indigenous sole parents captured in the Housing 21 Survey was female, with five of the six looking after two or more children and for many their income was less than \$25,000 per year.

Figure 54: Age structure by indigenous household type



Source: *Housing 21 Survey*

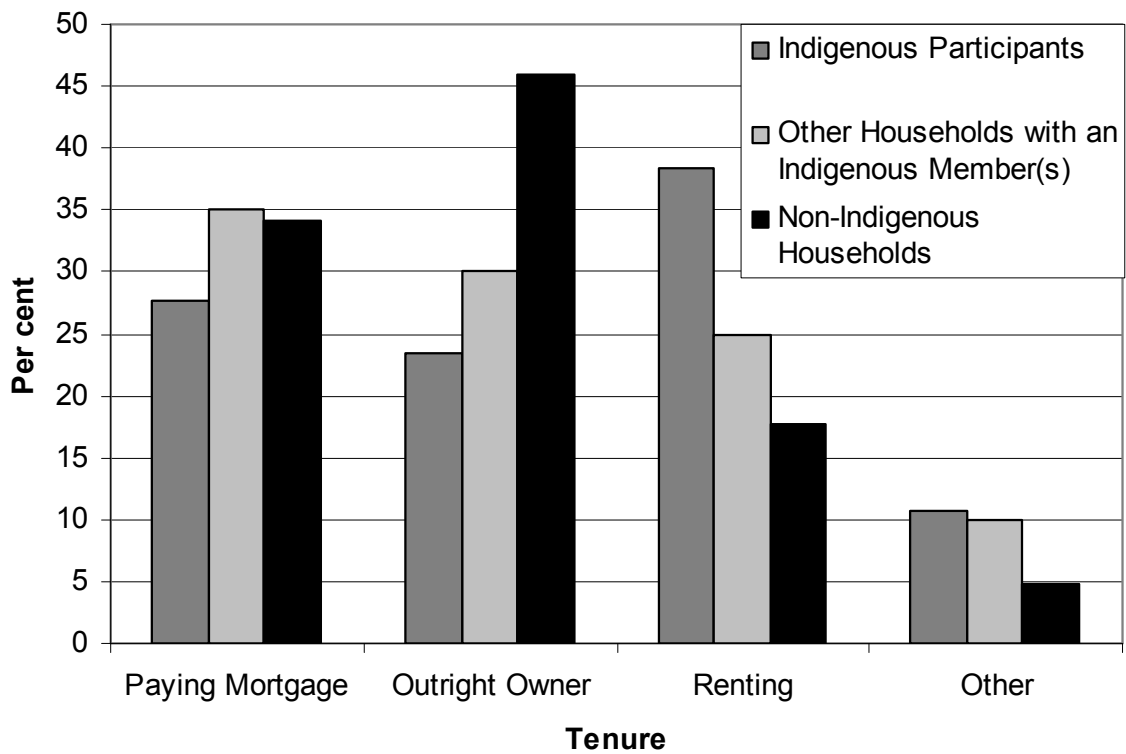
Figure 55: Household type by indigenous household type



Source: *Housing 21 Survey*

In households where at least one Indigenous person resided the average household size was 3.3 persons. Overall most households containing Indigenous people in the Housing 21 Survey were resident in separate houses (83.6 per cent) as was the case for the non-Indigenous population at 84.8 per cent (Beer, Faulkner and Cutler 2007). In contrast to the non-Indigenous population renting is a much more dominant and important tenure for Indigenous households. This is particularly so for households where the participant identified as Indigenous with 38 per cent of respondents renting. While the figure was lower for other households with an Indigenous member or members, the proportion renting was still considerably higher at 25 per cent than was the case for the general population at 17 per cent (Figure 56). These figures diverge somewhat from Census data, with the Housing 21 Survey capturing an over-representation of outright owners and an under-representation of renters. At the 2006 Census only 11.6 per cent of Indigenous persons were outright owners (24.4 per cent were purchasing a home compared with 23 and 27 per cent respectively in the survey) and 63.3 per cent were renters. This difference is almost invariably the result of the nature of the data collection process – a telephone interview. It is much more likely that home owners and purchasers would have greater access to a phone than many renters who are much more mobile.

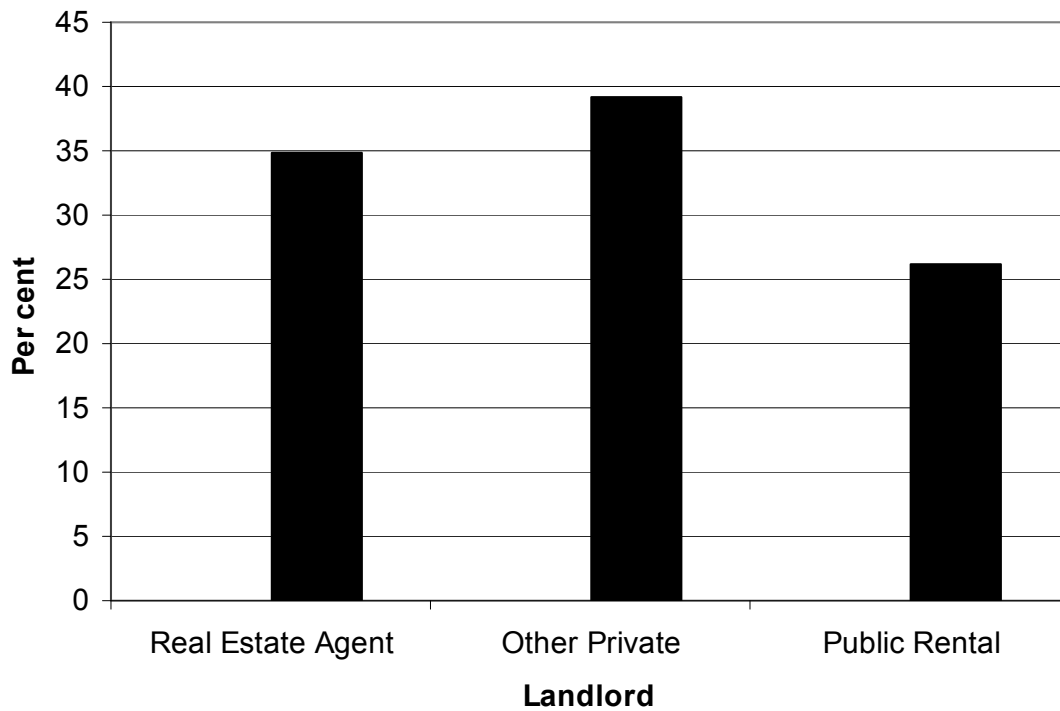
Figure 56: Tenure by indigenous household type



Source: *Housing 21 Survey*

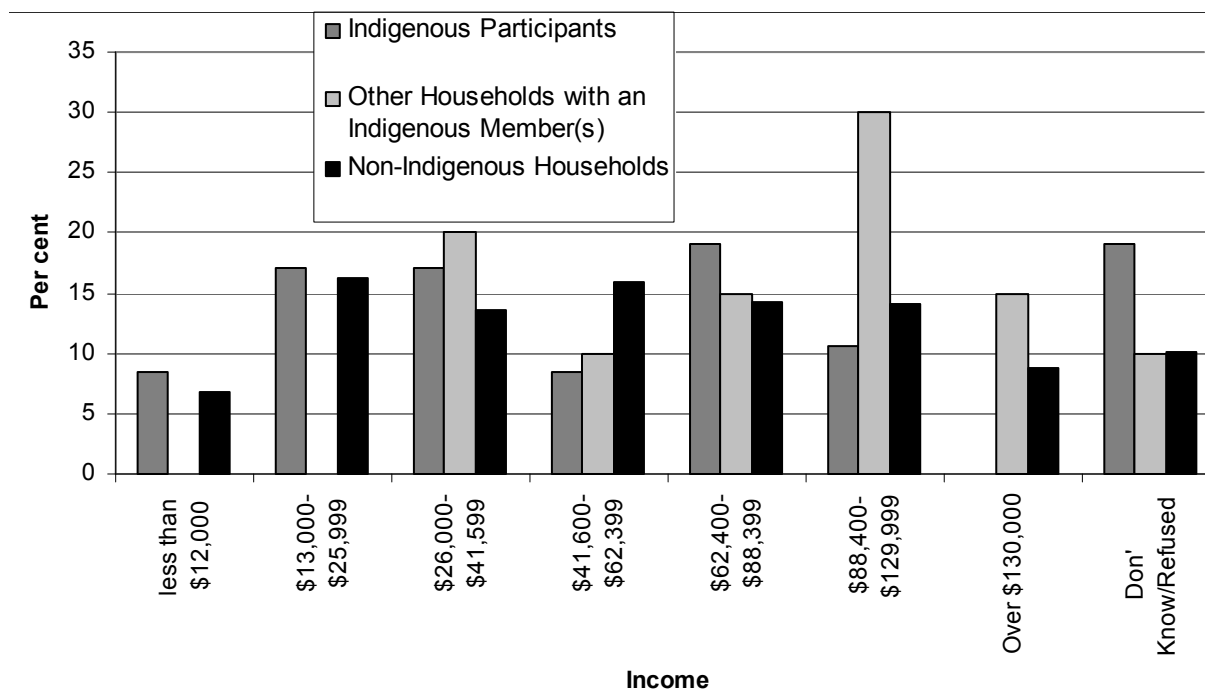
Of the renters in the survey most were renting in the private sector – 74 per cent (slightly higher than the 66 per cent at the 2006 census not renting from a State or Territory Housing Authority) – (Figure 57) and this is likely to have significant consequences for the affordability of housing. While Indigenous households have access to a range of housing assistance programs, housing costs remain high relative to incomes for many Indigenous households in Australia (AIHW 2005). While the sample of Indigenous households in the Housing 21 Survey is small, Indigenous participants were more likely to be concentrated in the lower income ranges (Figure 58). Of the twelve participants in the Housing 21 Survey that provided information both on the level of rents and household income, two were paying more than 30 per cent of their income in rent and three were paying more than 60 per cent.

Figure 57: Landlord type for households containing indigenous members



Source: *Housing 21 Survey*

Figure 58: Household income by indigenous household type



Source: *Housing 21 Survey*

Of those renting, a small number (five of eighteen Indigenous participants; three of five 'other Indigenous' households) had previously been home owners but had entered the rental market. In the main these households left home purchase as a result of marriage breakdown, because of loss of employment and consequent

inability to afford the costs of the home, as well as the need to relocate for work employment.

While many of the Indigenous respondents to the Housing 21 Survey valued home ownership (87 per cent of Indigenous participants and 71.4 per cent of other households where Indigenous people live), 64 per cent of tenants were concerned about their ability to afford a home. Just over 50 per cent hoped to be able to move into home ownership within the next five years. Some 73.7 per cent stated that they had not previously purchased a home because they did not have a deposit/or they couldn't afford the repayments.

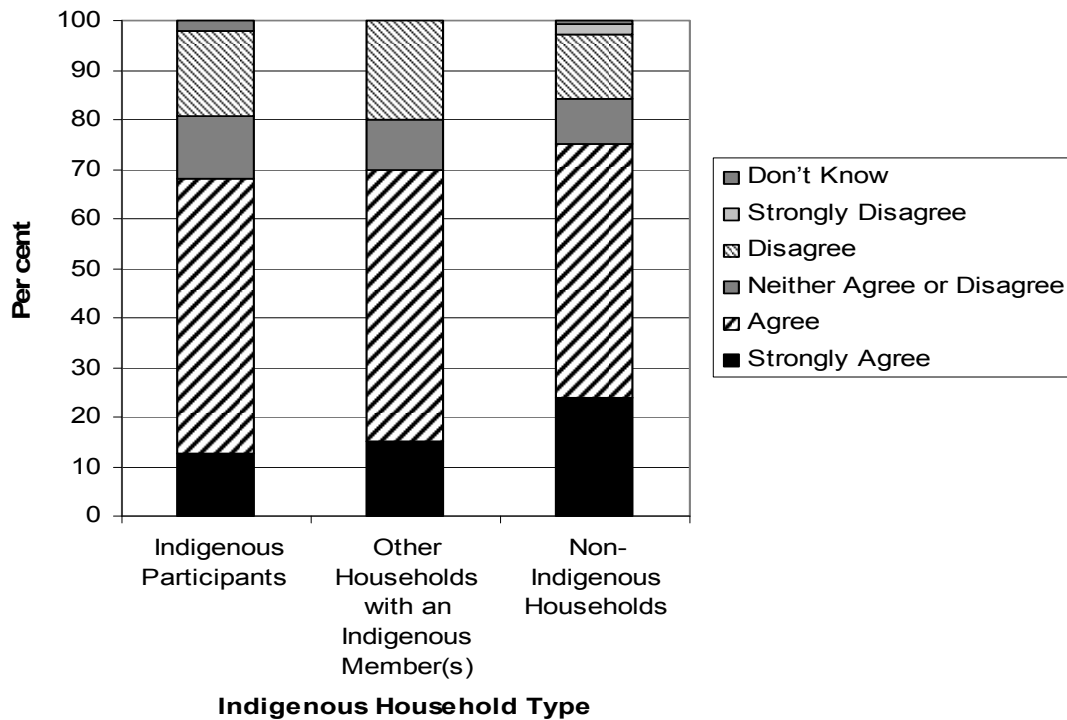
For some owning a home was of little importance or unimportant to them and this was often related to the need to move from one place to another – “I move around a lot”, “not planning to stay long”, “I don't feel the need to own a home – I don't want to feel tied down at the moment”. These sentiments perhaps also reflect a difference in the significance of housing in defining Indigenous and non-Indigenous people's identities. For example, the Housing 21 Survey included a question asking people how strongly they agreed with the statement ‘My home is important in defining who I am (happiness, identity, fulfilment in life) and the lifestyle that I lead’. As can be seen from Figure 59, stronger feelings about this statement were expressed by the non-Indigenous population. One Indigenous respondent to the qualitative survey (Tually 2008 p. 25) thought that home ownership was “relevant for Australians but not for my people.” This statement suggests Indigenous Australians award a low priority to housing in establishing their identity as individuals as well as the disadvantaged position of the Indigenous population overall.

...so home ownership I think is for people with resources and the knowledge that they've got that resource and I think that it's about a presumed place of privilege as well. There's the expectation that they'll have those things that come with being part of society, and we're not really regarded as being part of that.

(Qualitative Surveys, Indigenous woman NSW)

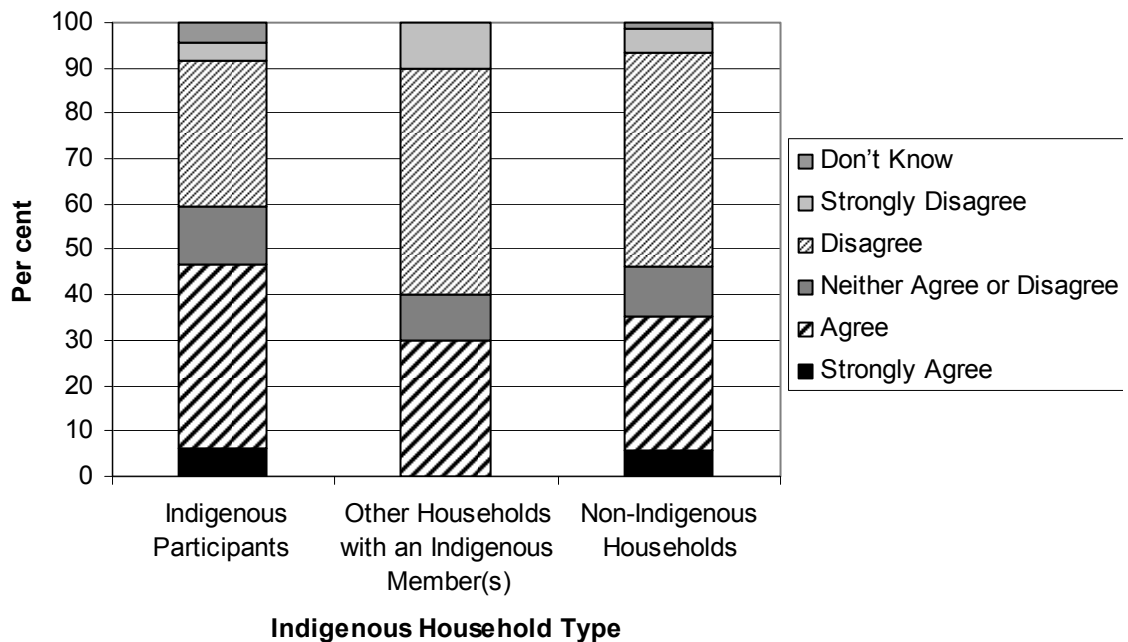
Home ownership is seen as a major risk by a greater proportion of the participants that identified as Indigenous than the non-Indigenous households (Figure 60) and again reflects their more vulnerable position in society and the difficulties they have in entering home purchase. Of the households where at least one Indigenous person lived in an owner occupier home 30 per cent acknowledged the receipt of housing assistance to help with the purchase of the home and for all of these households the source of assistance was the First Home Owners Grant (FHOG). Many considered it to be important in the decision to buy a home and similarly many believed it had been influential in the timing of the household's move into home ownership. Clearly, the ability of many Indigenous households to enter the home ownership market is reliant on the availability of housing assistance in one form or another.

Figure 59: Relevance of the statement 'My home is important in defining who I am (happiness, identity, fulfilment in life) and the lifestyle that I lead' by indigenous household type



Source; Housing 21 Survey

Figure 60: Attitude towards home purchase or ownership as a major risk by indigenous household type

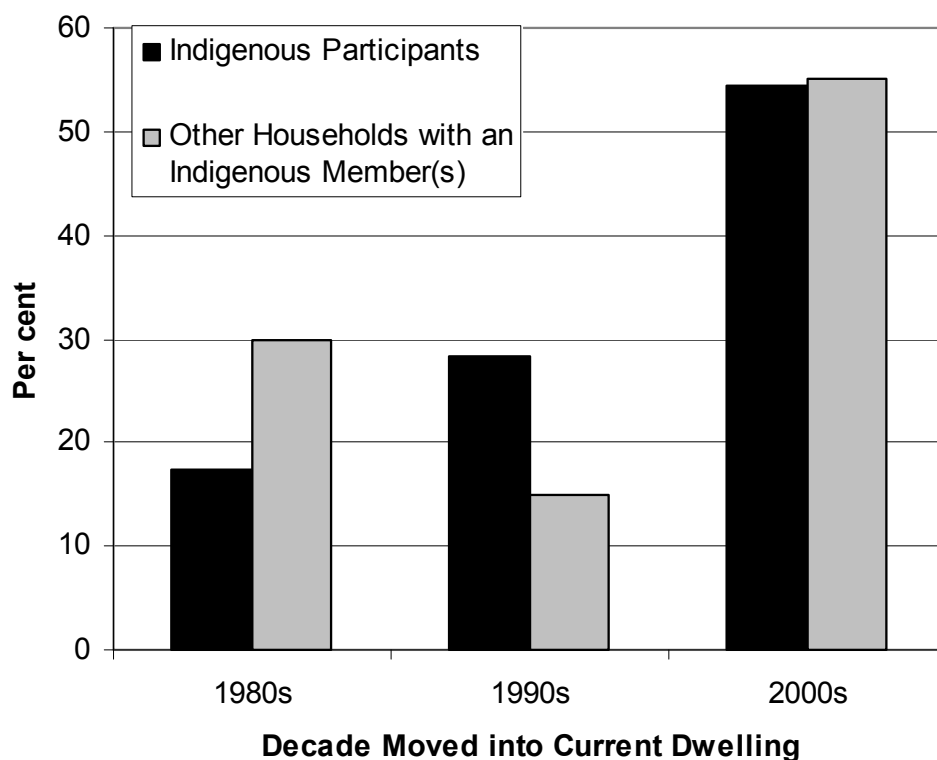


Source: Housing 21 Survey

4.6.1 Length of Residence and Mobility

Many Indigenous respondents had only relatively recently moved into their current house. As can be seen from Figure 61 around 54 per cent of Indigenous participants had moved into their home since the year 2000. This was also the case for 55 per cent of households where the interviewee did not identify as Indigenous but the household contained Indigenous members. While this partly reflects the younger age structure of the groups, it also reflects the domiciliary instability of the Indigenous peoples (Birdsall-Jones and Christensen 2007).

Figure 61: Decade moved into current home



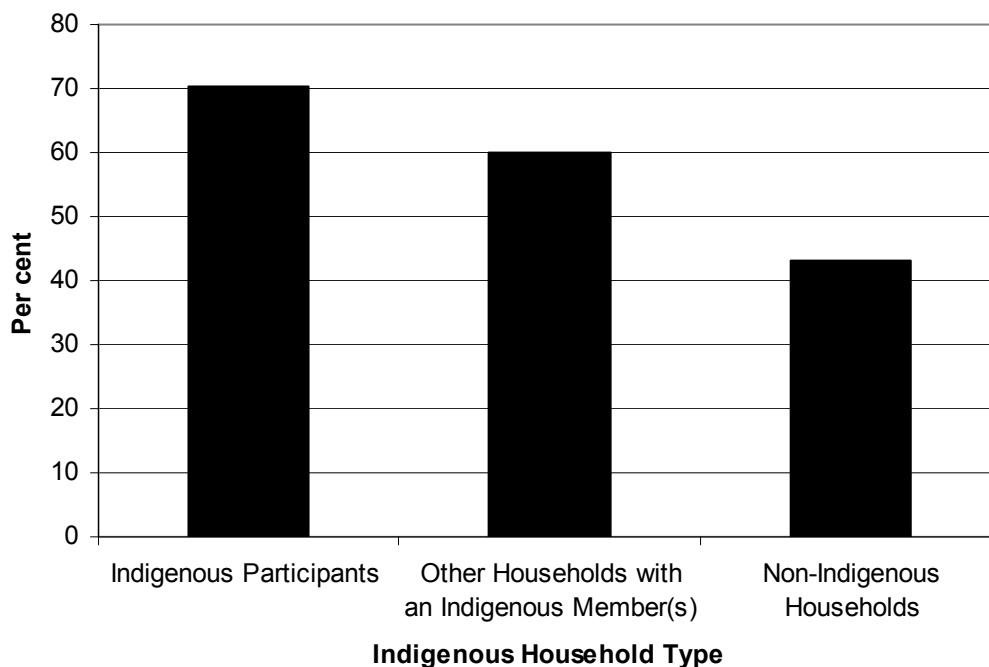
Source: Housing 21 Survey

While Indigenous people have strong attachments to local areas and regions they are known for a higher level of mobility within the housing stock when compared with the non-Indigenous population. The high degree of residential mobility among the Indigenous population is readily evident from the Housing 21 Survey data. Of the households where the respondent was identified as Indigenous 70 per cent had moved over the period from 1996 to 2006. Slightly less, 60 per cent of households where a person other than the respondent was Indigenous had moved over this period (Figure 61). While some had only moved once during this time period some people had moved up to seven times with 42.4 per cent of Indigenous participants moving four or more times and 66.7 per cent of respondents in the 'Other Indigenous' households moving at least four times.

Birdsall-Jones and Christensen (2007) suggest that a number of factors both internal and external to Indigenous culture and communities are responsible for their high degree of mobility. Figure 63 highlights the reasons provided by the Indigenous households in the Housing 21 Survey. Improving the home or location was the major reason for both groups accounting for 28.5 per cent and 32 per cent of all moves for

Indigenous respondents and the other respondents for whom there was an Indigenous household member. The necessity to move for employment or study reasons was also significant as was the need to find alternative accommodation because of eviction or affordability issues.

Figure 62: Proportion of respondents who moved home between 1996 and 2006 by indigenous household type



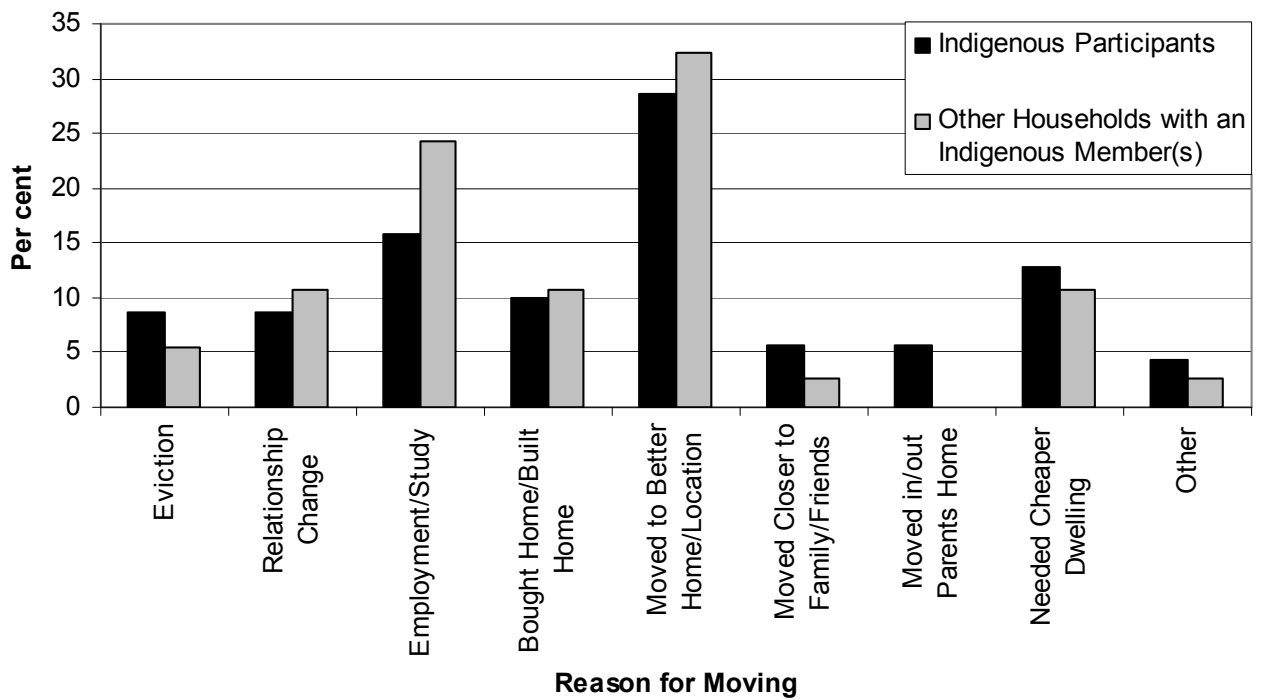
Source: Housing 21 Survey

The Housing 21 Survey also included a question on intentions to move over the next 12 months. For the Indigenous participants 23.4 per cent felt it was ‘likely’ or ‘very likely’ they would move while an additional 14.9 per cent were not sure. For the households where a person other than the respondent was Indigenous only 10 per cent thought it was at least likely they would move and one person was unsure. Three main reasons were given for moving – to purchase a home, the size and quality of the home, and for proximity to work.

4.6.2 Lifestyle Values and Factors Shaping Housing Transitions

For the non-Indigenous population their financial and marital/partnership status were seen to be the most influential factors in shaping housing decisions. For the Indigenous respondents to the survey, they were very important to around 51 and 47 per cent of the population respectively, but of less importance than they were to the non-Indigenous population.

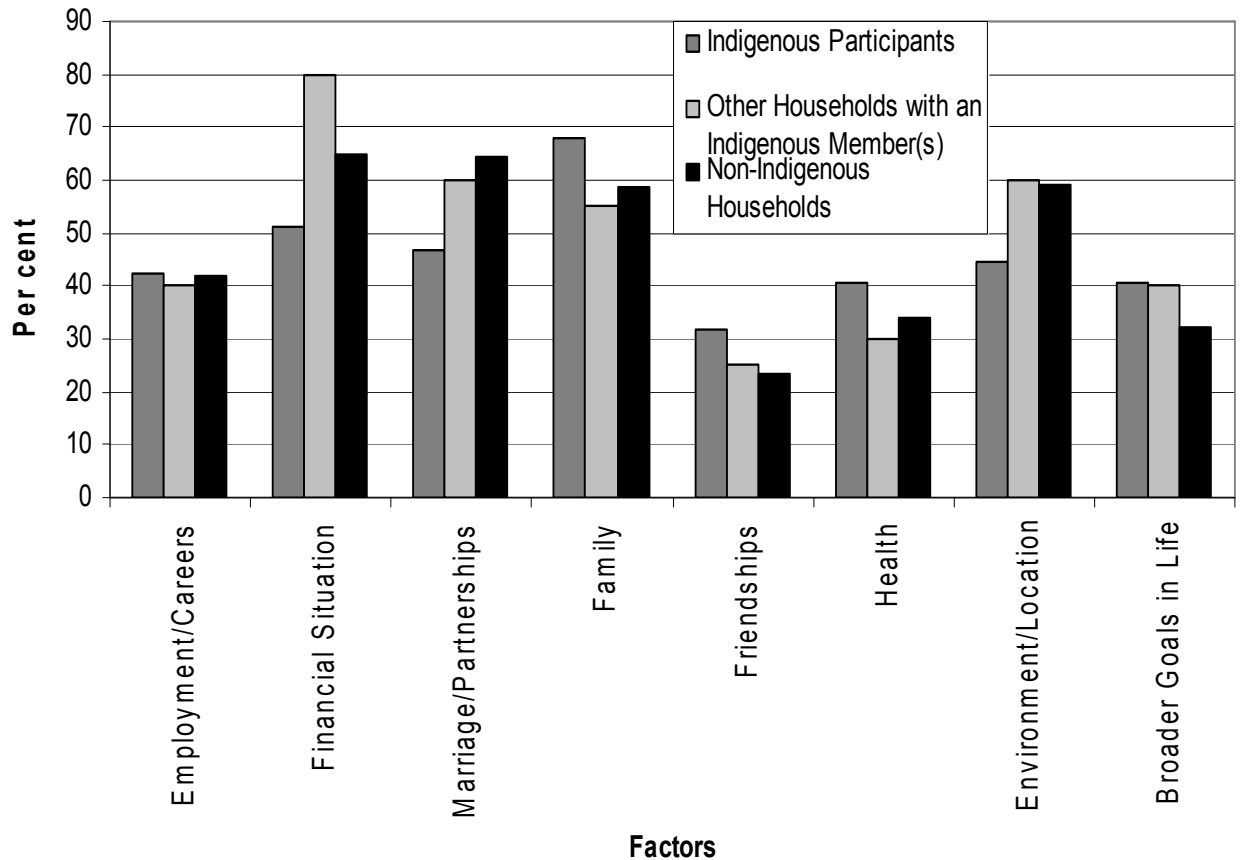
Figure 63: Reasons for moving home between 1996-2006 by indigenous household type



Source: Housing 21 Survey

Family was the most influential factor shaping the housing transitions of the majority of Indigenous participants, with 68 per cent of respondents believing it to be very important in shaping their housing decisions (Figure 63). Family was more important than financial considerations in shaping their lifetime housing decisions. This outcome is consistent with other research on the housing of Indigenous Australians, but it is worth noting that this factor is far more important for this group than for non-Indigenous Australians. Kin is central to Indigenous attachment to place and locality. Birdsall-Jones’ research has identified that ‘kin based attachments to place are a major factor in residential choice and household formation’ in all of the regions she has examined in Western Australia (Birdsall-Jones and Christensen 2007).

Figure 64: Factors rated by respondents to be very important in shaping housing decisions by indigenous household type



Source: Housing 21 Survey

Health was of more importance in shaping Indigenous housing transitions than it was for the ageing non-Indigenous population, and this trend was evident despite the younger age structure of the Indigenous population. Some 25.5 per cent of Indigenous households identified that a person(s) in the household had a long-term disability impairment that restricted everyday activities compared with 22 per cent of all non-Indigenous respondents to the survey. This outcome reflects the inferior health status overall of the Indigenous population and therefore the need for appropriate and suitable housing.

A survey which represents the Australian population will inevitably be challenged to provide adequate depth of insight into the housing transitions of the Indigenous population, a population whose values, ideals and aspirations are shaped by significant regional variations, widely varying economic circumstances and differing cultural beliefs and norms to that of the general population. What is evident from this small sample is the importance of home ownership to the Indigenous population but the low proportion of people who at this stage have been able to enter that market, the importance of housing assistance, the instability of Indigenous housing and the importance of family in influencing the decision making process.

The research of Birdsall-Jones and Christensen (2007) has focussed on the housing transitions of the Indigenous population in Western Australia and will significantly add to the stock of knowledge on Indigenous housing transitions. The research has the capacity to inform the research and policy community about the use of, or lack of

access to, various forms of housing assistance and the role of formal and informal support structures in determining housing transitions.

5 THE HOUSING TRANSITIONS OF YOUNG ADULT AUSTRALIANS

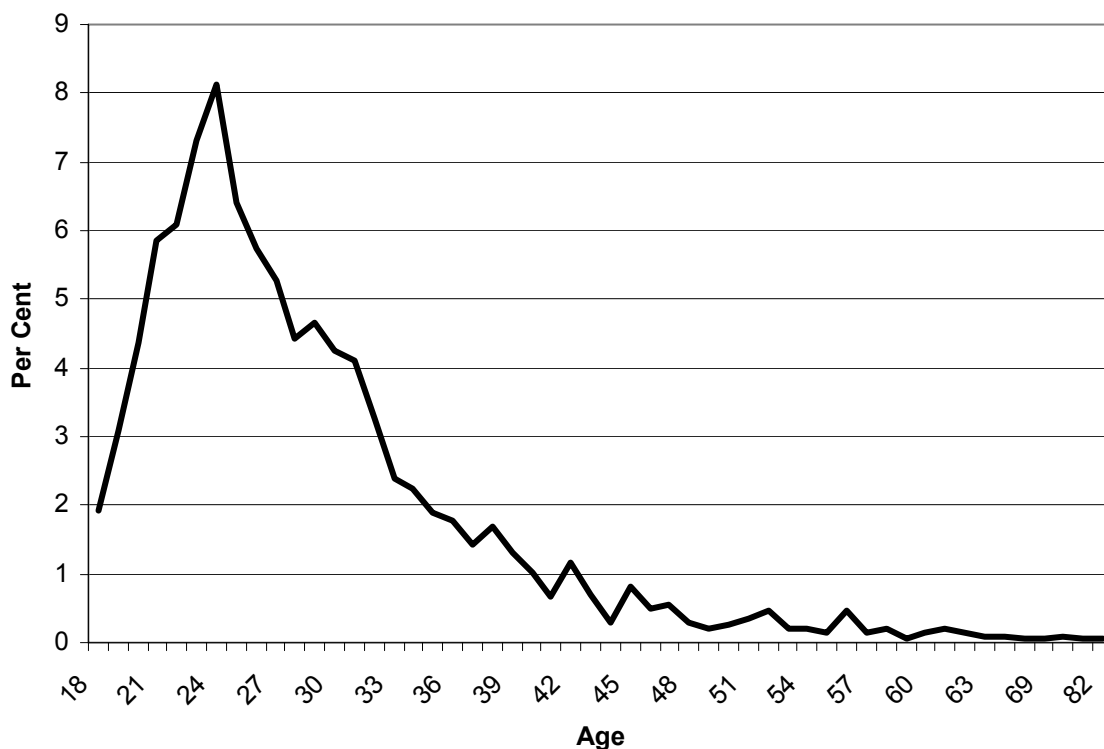
5.1 Entry into Home Ownership into the 21st century

One of the key sub-questions for NRV2 is whether younger Australians are able to gain access to home ownership given that earlier research (Yates 1996; Yates 2003) unveiled a significant decline in the rate of entry into home purchase for those aged 25 to 34 years. Work by Baxter and McDonald (2004) drawing upon the Negotiating the Life Course Survey concluded that younger Australians are postponing, rather than cancelling, entry into home ownership and that most households achieve the tenure status of earlier generations by age 44. While the results presented by Baxter and McDonald (2004) are robust, they have not been verified by other data collection instruments and some doubt as to capacity to generalise those findings must remain. This section considers the issue of entry into home ownership and whether there has been a fundamental shift in the capacity of younger Australians to achieve home ownership.

5.1.1 Age of Entry into Home Purchase

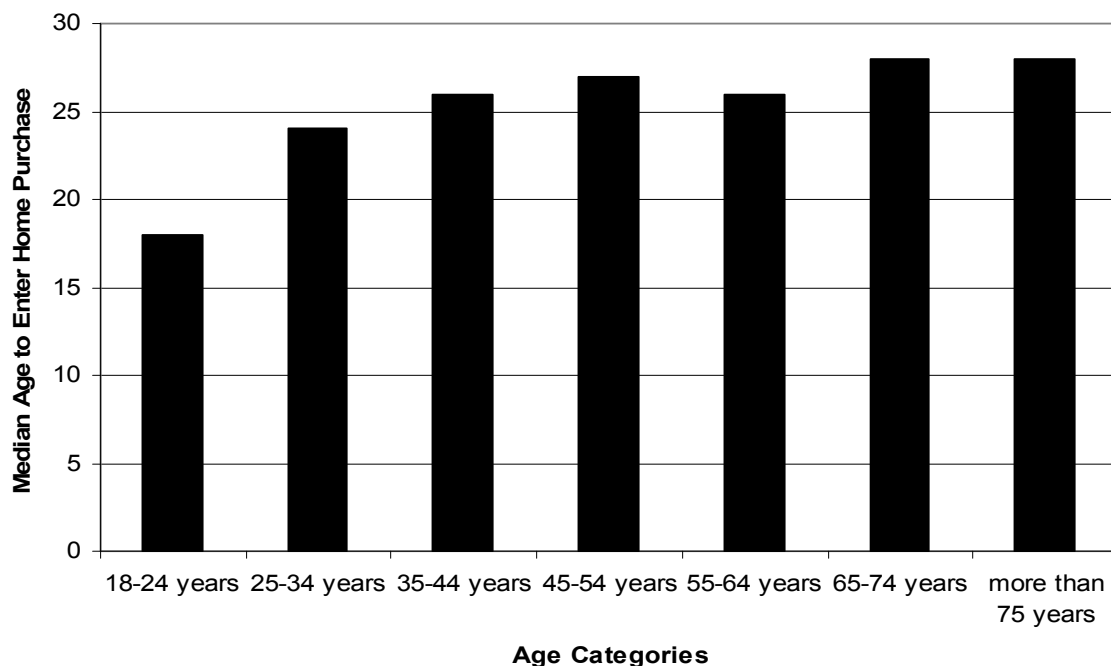
As Figure 65 shows, most Australians who become owner occupants enter home purchase relatively early in their adult lives with 67 per cent of respondents to the Housing 21 Survey doing so by age 30. These data, however, relate to all of the approximately 1,900 respondents who had entered home purchase regardless of current age. The data presented in Figure 66 shows that amongst those who have achieved home ownership, there is relatively little variation in the median age of entry into the tenure. Indeed the younger age cohorts show a slightly lower median than the older groups but this reflects the incomplete nature of data for this cohort with those who will purchase later in life not yet part of home ownership.

Figure 65: Age at which entered home purchase, all respondents



Source: *Housing 21 Survey*

Figure 66: Median age of first home purchase for those who have achieved home purchase by age group



Source: *Housing 21 Survey*

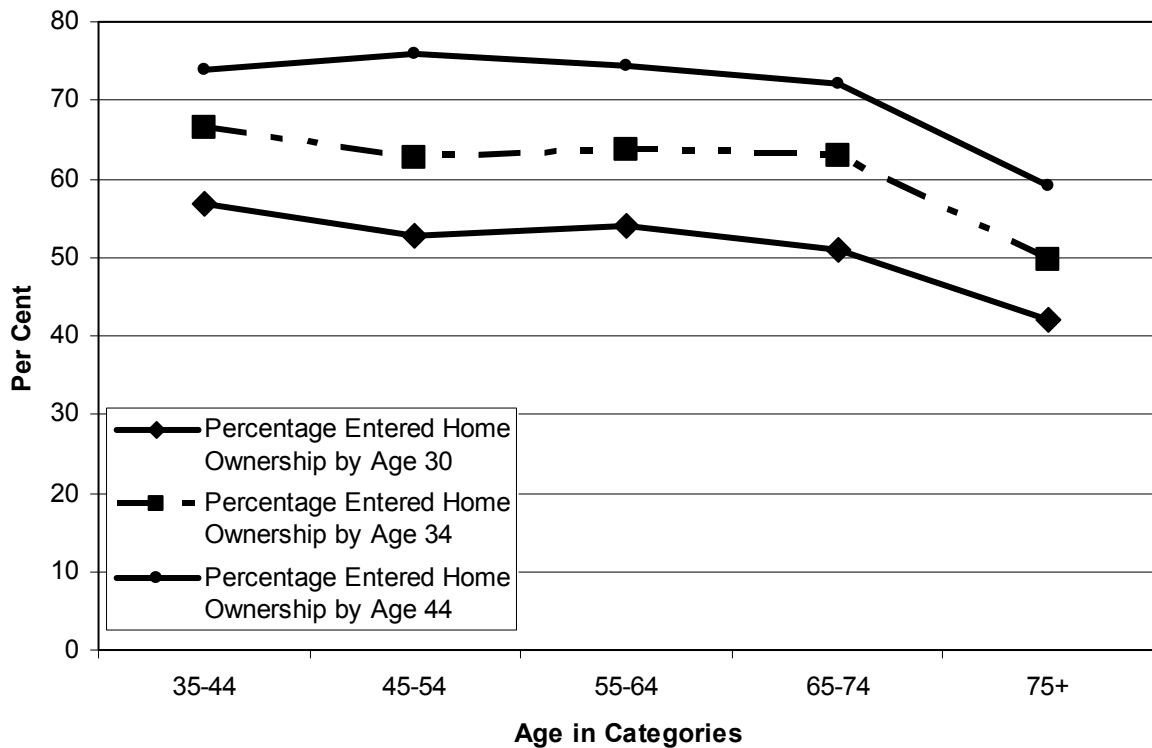
The data presented in Figure 66 suggests that the median age for entry into home ownership for those who have achieved this tenure has declined slightly over the past 40 years. A more important question, however, is the percentage of each cohort to enter home ownership by a particular age, and especially age 34 and 44, the traditional and emerging thresholds for measuring the rate of recruitment into owner occupation. The Housing 21 data permitted the calculation of the age at which the respondent first entered home ownership and for the total population (including persons currently tenants) 51 per cent had taken out their first mortgage on a home by age 30 and 16 per cent of those aged 18-24 were already home buyers. The more critical data is the percentage of each cohort to become home purchasers or owners at a benchmark date and Figure 67 reveals that the results contradict the conventional interpretation that younger cohorts have found it more difficult to enter home purchase than older groups did at the same age. For those aged 25-34, fully 56.7 per cent had entered home purchase by the age of 30, this compared with 56.8 per cent with the 35-44 cohort, 52.6 per cent of the 45-54 group, 53.9 per cent of those aged 55-64, 50.8 per cent of the cohort aged 65-74 and 41.9 per cent of those aged over 75. Similar trends are evident at the other benchmark ages of 34 and 44 years and it is worth noting that the percentage of households to have entered home purchase by age 44 is broadly comparable between 35 to 44 year olds and 45 to 55 year olds, even though the majority of the former group had not achieved that age at the time the survey was conducted. Put simply, the Housing 21 data show that more Australians have been able to enter home ownership at younger ages over recent decades.

The introduction of the First Home Owners Grant (FHOG) in 2000 contributed to early entry into home purchase with Wood, Watson and Flatau (2003) showing that the FHOG 'brought forward' home purchase decisions for a significant number of households. Kupke and Marano (2002) concluded that for those households able to secure the FHOG, the timing of home purchase was determined by access to the

grant. However, the FHOG alone does not explain the younger ages for entry to home purchase because of the relatively modest level of assistance provided and the high rates of entry to home purchase amongst those currently aged 35 to 44. While the overall finding appears to be at odds with earlier analyses (Yates 1996; 2003; Baxter and McDonald 2004), it is consistent with the outcomes we would expect within a liberalising housing market and an increasingly prosperous economy. The older generations were confronted by the need to save for an extended period in order to secure a home loan, had lower household incomes and had higher rates of entry into public housing. Moreover, some groups, such as women, were effectively excluded from entry into the housing market by discriminatory lending and employment practices (Watson 1988).

It is important to consider why the results on entry into home ownership by age from the Housing 21 Survey appear to contradict earlier research. Critically the data discussed here report on the age at which the respondent entered home ownership, regardless of their current tenure. A significant percentage of those who have entered home purchase would have left the tenure subsequently and as discussed previously, this would be due to a number of factors of which divorce/relationship breakdown is the most significant. Other research has simply considered the age of the population at a point in time – for example the 1996 or 2001 Census – and their current tenure, regardless of whether they have ever been an owner occupant. Importantly, our results lead us to conclude that entry into home ownership for younger age cohorts is not the major challenge, instead it is the rate at which they leave the tenure. The Housing 21 data show that younger Australians are both more likely to enter home purchase and exit from that tenure. The policy challenge, therefore, may be in assisting people to retain owner occupation following divorce, rather than increasing the rate of entry. The findings also suggest that in terms of being a determinant force within housing transitions, in the 21st century divorce or relationship breakdown has a comparable standing to that held by marriage in the 20th Century. It is a pivotal life course event that is likely to be associated with change in an individual's housing circumstances in a significant way.

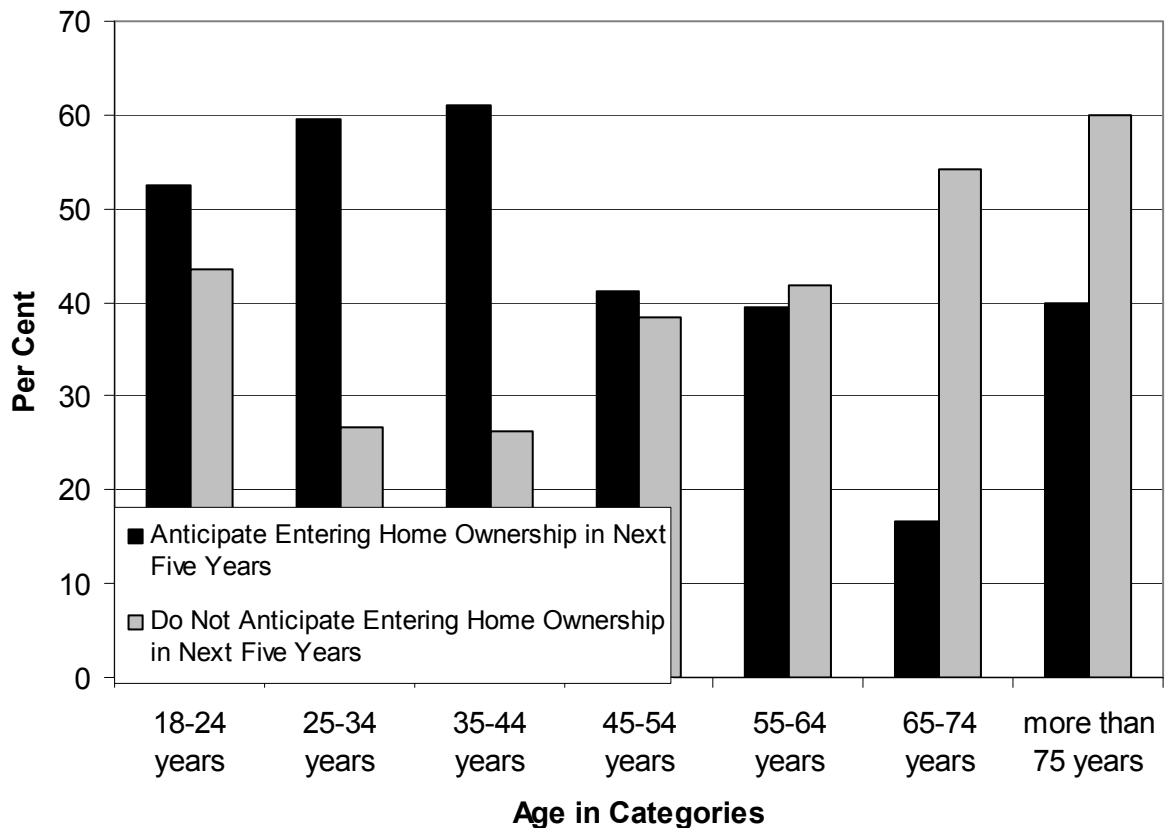
Figure 67: Percentage of the population who have entered home purchase by cohort, at age 30, 34 and 44



Source: Housing 21 Survey

Baum and Wulff (2003) examined existing data sets on the aspirations of home ownership amongst young renting households in Australia. They concluded that there was a decline in home purchase expectations amongst 25 to 34 year olds between the late 1970s and early 1990s. The Housing 21 data suggest that fully 60 per cent of 25-34 year old respondents believed they would enter home purchase within the next five years, though it is important to acknowledge Baum and Wulff's (2003) observation that the expectation of entry to home purchase has a low predictive capacity. The data does, however, speak to the respondent's perception of the barriers to home purchase and how easily they could be overcome. As Figure 68 shows, it is the older age groups that do not believe they will purchase a home within the next five years.

Figure 68: Expectation to enter home purchase by age category



Source: Housing 21 Survey

Across the age groups younger tenants had the lowest level of concern about their capacity to enter home purchase in the future, but some 50 per cent were concerned or very concerned about this issue (Figure 69). The percentage of households not at all concerned about their capacity to become home owners was greatest amongst the older cohorts, and this reflected the perception amongst older respondents that home ownership was out of reach and that it could constitute a burden into the future. For example, one older respondent commented

At my age it is not worth it and also my rental conditions are good and I have life tenure if I want.

While another older person noted that they did not aspire to owner occupation

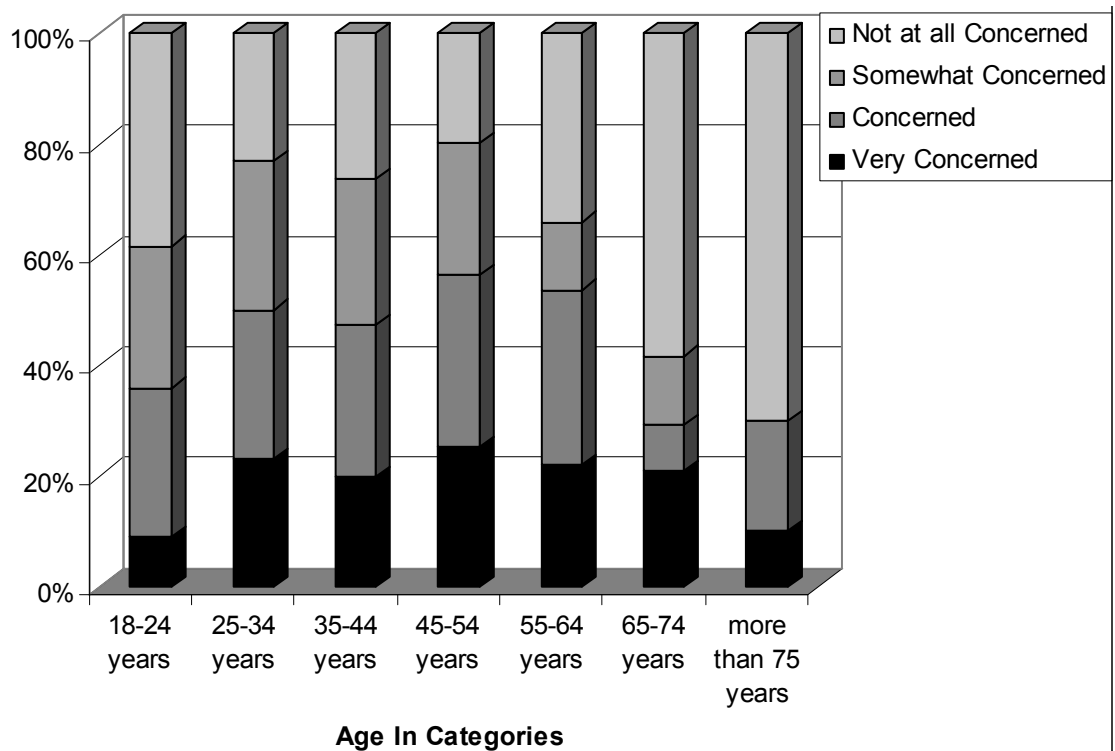
Due to my age and the fact that I have ill health.

A respondent aged 25 to 34 observed that

I don't feel the need to own a house - I don't want to feel tied down at the moment.

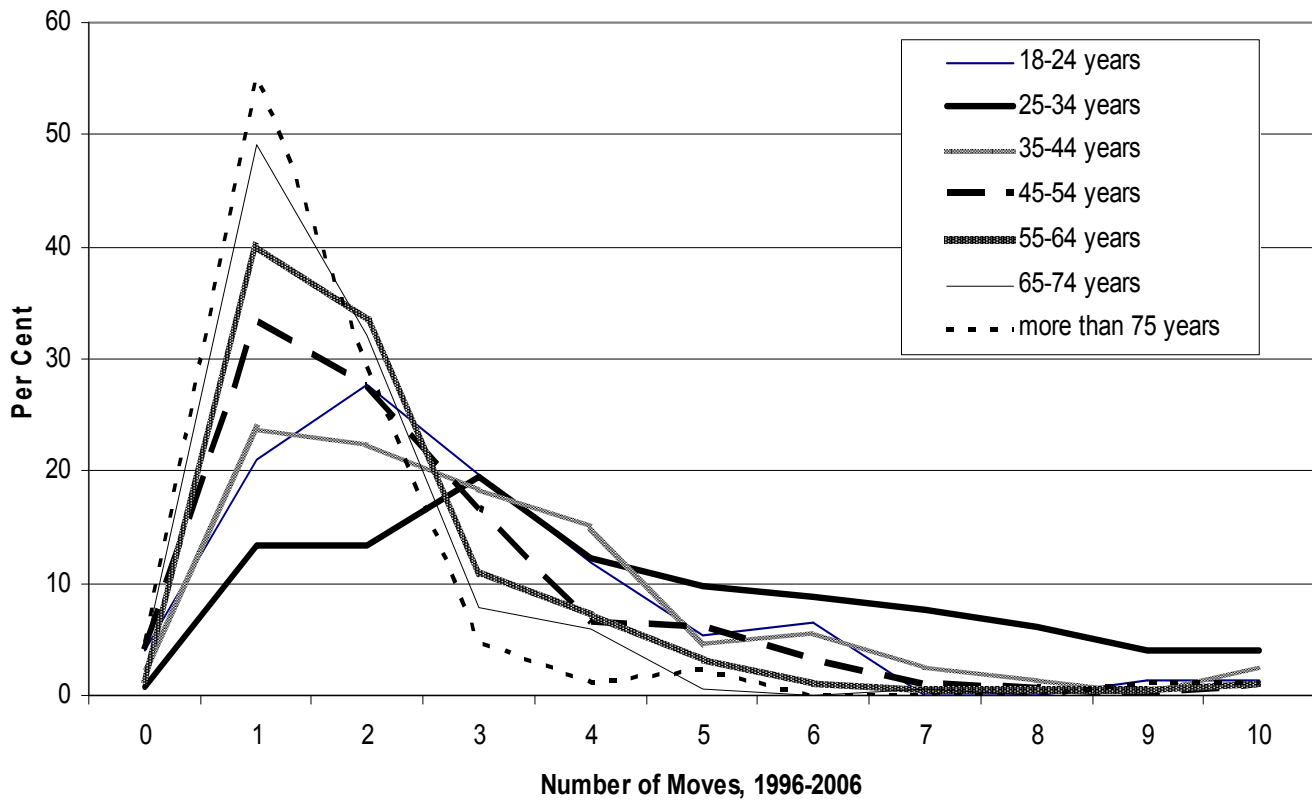
This qualitative information is consistent with Baum and Wulff's (2003) finding that lifestyle factors had become more important amongst younger people with respect to the reasons why they had not purchased a home.

Figure 69: Level of concern amongst tenants about their capacity to enter home purchase, by age group



Source: Housing 21 Survey

Figure 70: Number of moves through the housing market, 1996 to 2006 by age cohort



Source: Housing 21 Survey

Finally, it is worth noting that persons aged 25 to 34 are the most mobile group within the housing market (Figure 70) and they were the only age cohort to record a modal number of moves greater than two. Minnery and Zacharov (2007) noted from their qualitative analysis of the 25 to 34 year cohort that

The early housing pathways of the younger group were in many cases very chaotic – with moves around many dwellings and types of accommodation (p. 29)

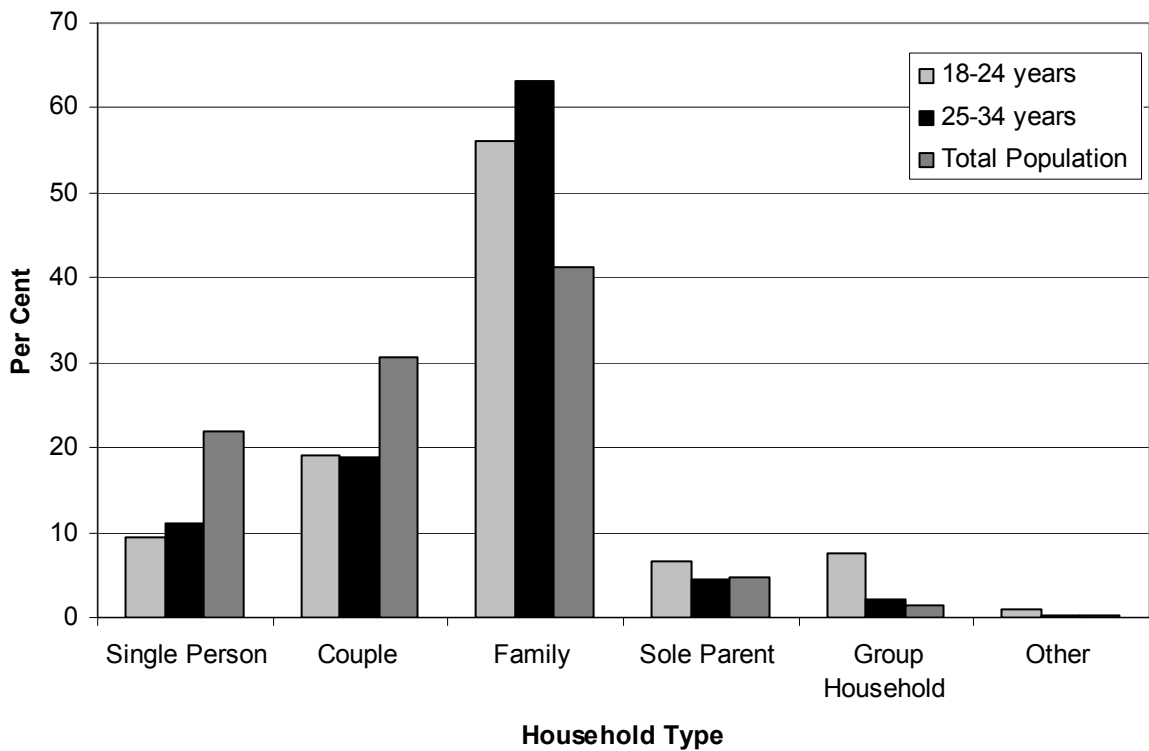
One focus group participant of this age group from Launceston noted that I've moved trillions of times (Minnery and Zacharov 2007, p. 34). Much of this movement appears to be involuntary and driven by changing relationships, unstable households (such as group housing), the demands of education and employment opportunities, as well as returning to the family home. Those aged over 75 were the least mobile through the housing market. The frequency of movement through the housing market for persons aged 18 to 24 reflects their tenure, their engagement with higher education, their position within the labour market and the formation and dissolution of relationships.

5.2 The Households of Younger Australians

One hundred and five people aged 18 to 24 and 291 aged 25 to 34 years participated in the Housing 21 Survey. As Figure 71 shows the two younger age cohorts live in broadly comparable household types and are distinguished from the total population of respondents by the fact that they are more likely to live in conventional 'family' households and less likely to be part of a couple only household or live alone. In many ways the younger population is firmly entrenched within 'established' household types, with 62 per cent of 25 to 34 year olds living in family households. It is worth acknowledging that a percentage of both cohorts live in family households because they continue to live with their parents. The incidence of unconventional household types amongst the younger population is relatively small, with just 7.6 per cent of 18 to 24 year old and 2.1 per cent of 25 to 34 year olds living in households comprised of groups of unrelated adults.

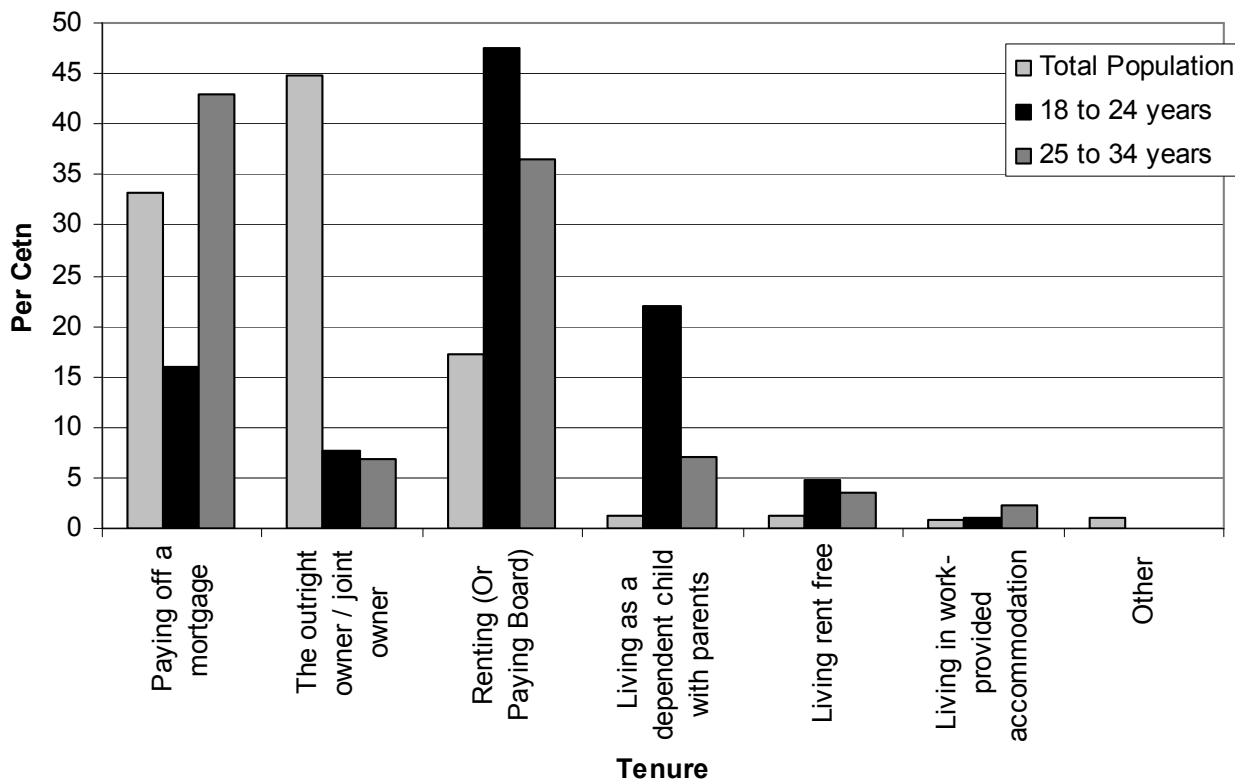
The data presented in Figure 72 reinforces the discussion above on the widespread entry into home purchase amongst 25 to 34 year olds. Forty three per cent of home purchasers were paying off a mortgage when interviewed for the Housing 21 Survey. Ninety one per cent of both age cohorts who had entered home purchase did so with the assistance of the First Home Owners Grant. The FHOG was much more important to the 18 to 24 year olds who had entered home purchase than the 25 to 34 year cohort, with 55 per cent saying it was very important in their decision to purchase, compared with 29 per cent. Figure 72 also shows that while 22 per cent of 18 to 24 year olds reported that they lived with their parents as a dependent child, only seven per cent of 25 to 34 year olds did so. Some offspring living with their parents will have reported that they are renting from, or paying board to, their parents but overall the data suggest a much lower level of dependence on parents than some of the research literature suggests (Beer, Faulkner and Gabriel 2006).

Figure 71: Household type for persons 18 to 24, 24 to 35 and total population



Source: *Housing 21 Survey*

Figure 72: Tenure for persons 18 to 24, 24 to 35 and total population

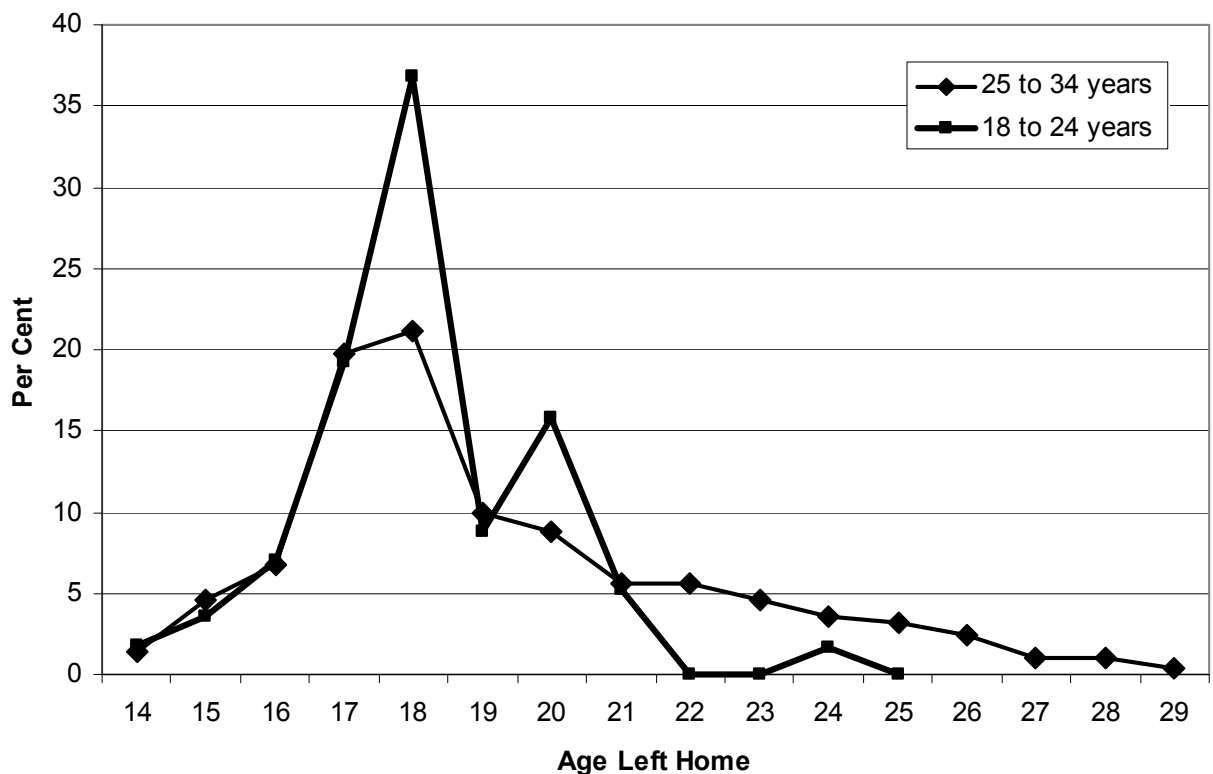


Source: *Housing 21 Survey*

Home purchasers aged under 34 years tended to take standard variable interest loans, with 10 per cent of 18 to 24 year olds and 12 per cent of 25 to 34 year olds taking fixed rate loans. Only five per cent of the former and 7.5 per cent of the latter group took out 'honeymoon' rate mortgages. Forty per cent of home purchasers aged 25 to 34 had refinanced their mortgage, with 44 per cent doing so in order to free capital for other purposes and most did so in order to renovate or extend their property. Only 16 per cent used the equity they withdrew from their home loan to consolidate debt. In this respect, the behaviour of this age cohort is consistent with that of the broader population.

Questions in the Housing 21 Survey on how the household living in the current dwelling had changed revealed that persons aged 18 to 24 were much more likely to report that one or more children had entered the household than those aged 25 to 34 years (62 per cent compared with 22.4 per cent) and this reflected the arrival of themselves or their siblings. For the latter group, the arrival of children into the household largely reflected the birth of their own children. Similarly, persons aged 18 to 24 were much more likely to report that their household had changed composition through a child leaving home, once again reinforcing the interpretation that most young Australians leave the parental home in their early 20s. Some 26 per cent of 18 to 24 year old respondents indicated that the composition of their household had changed through a partner, parent or adult sibling leaving home. By contrast, only four per cent indicated one or more adult offspring had returned to the family home. Importantly, while 41 per cent of 18 to 24 year olds still lived in the family home, only three per cent of 25 to 34 year olds still lived with their parents.

Figure 73: left home for the first Time, 18 to 24 year olds and 25 to 34 year olds



Source: Housing 21 Survey

As Figure 73 shows, most young Australians leave home in their late teenage years through to their mid twenties. The process appears more concentrated for the 18 to 24 cohort because the figure does not – and cannot – include the moves of persons still

resident in their parent's home. It is worth noting, however, that the departure of young people from the family home stretches over 15 years and that those who left the family home first had already spent half their life away from the family home by the time the last depart. We can, however, conclude that the percentage of offspring remaining in the family home until well into their adult years is small: just 12 per cent of respondents to the Housing 21 Survey aged 25 to 34 left the family home at age 24 or older. While some young adults may return to the family home, it appears to be a relatively small scale and temporary phenomenon.

5.3 The Housing Transitions of Younger Australians: A Conclusion

This section has examined the housing transitions or housing transitions of younger Australians. In many ways it is inevitably a truncated discussion because the housing transitions of a significant percentage of this group remain unformed. The analysis has focused on two critical issues within public policy and academic debate: the ability of young people to enter home purchase (and the common perception that entry to home purchase has become more difficult for young adult Australians) and the idea that significant numbers of young adults remain in the family home. The discussion in this section has shown that young Australians are entering home purchase at a younger age than their parents or grand parents and that while the percentage of 25 to 34 year olds enumerated as home purchasers at the Census has fallen, this is a reflection of their inability to remain in the tenure, rather than enter owner occupation at all. This insight leads to a fresh set of policy prescriptions focused on assisting households at risk maintain their mortgage and their tenure. The research has also shown that many young adults live in conventional family households and this includes the majority of 25 to 34 year olds. Most of this age cohort (88 per cent) had left the parental home by age 24 and while some may return to the family home for one or more periods, it is not a large scale phenomenon and is largely invisible (at just 3 per cent) amongst the housing types for this age group.

6 THE HOUSING TRANSITIONS OF OLDER AUSTRALIANS

This chapter examines the housing transitions of the older Australians and in particular the leading edge of the baby boomers, represented here by those aged 55-64. The baby boomers are a group of particular interest to policy-makers not only because of their sheer numbers but because of their distinctive and varied life experiences that set them apart from earlier generations.

NRV2 began with the presumption that the baby boomer generation has both experienced new types of housing transitions when compared with earlier generations and also generated new forms of housing consumption. These shifts are seen to stem from diverse changes (demographic, economic, social) evident in Australian society over the since the 1960s. It has been suggested that many baby boomers have both the capacity and inclination to take different pathways in their housing when compared with earlier generations (Beer, Faulkner and Gabriel 2005). This group is also the first to feel the brunt of social, economic and policy change that may restrict housing options and increase pressure for new and varied forms of housing assistance. It is anticipated that the changes in their life course that baby boomers will experience over the next decades will be considerable and they will have a significant impact on the housing market and the demand for assistance.

Research has emphasised an array of demographic, social, economic, personal and community factors along with cohort effects that influence the housing and living arrangement choices of older people and there is debate over whether demographic or economic considerations are more important in the decisions older people make about their housing transitions. The Housing 21 Survey allows an insight into some of the influential forces that have shaped and are shaping the housing transitions of the population aged 65 years and over as well as those representing the cusp of the baby boomer generation; people aged 55-64 years.

6.1 Factors Driving Housing Needs and Preferences

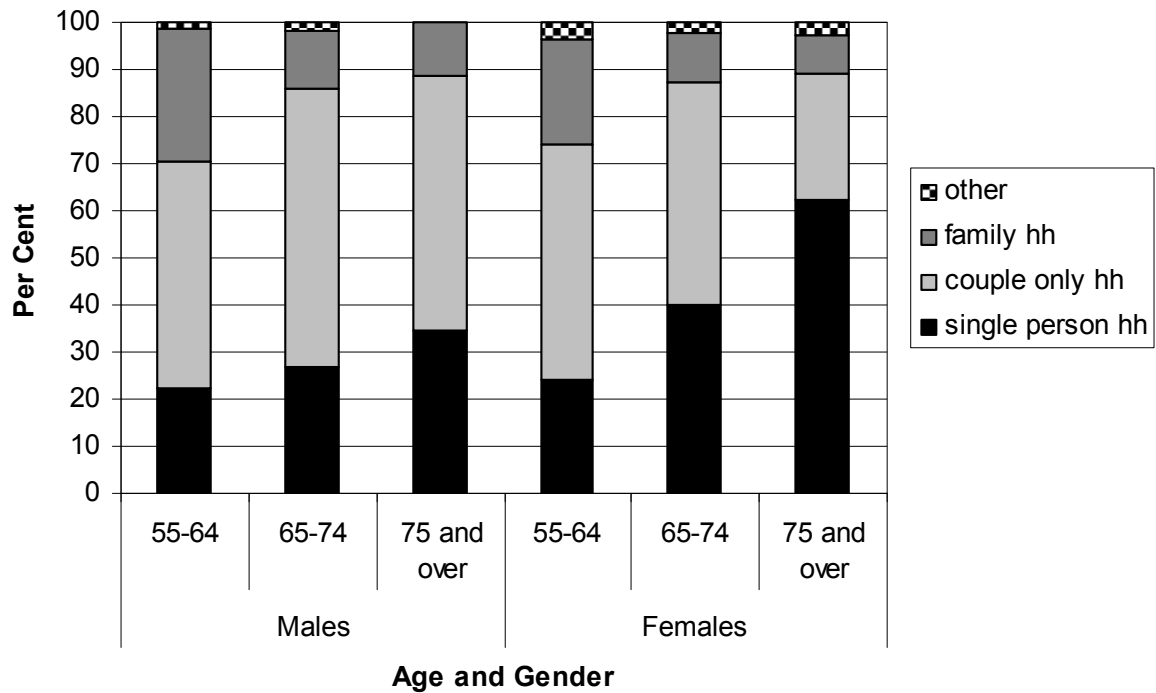
6.1.1 Living Arrangements

The living arrangements of the population aged 55 years and over in many respects dictates the type of housing older people occupy and desire as they age. Data from the Housing 21 Survey representing the trends in the general Australian older population, indicate while for the population aged 18-54 family households dominate (for example at age 45-54 they account for 50 per cent of all households), at the age of 55-64 such households only account for 24.6 per cent of all households. This age is a period of transition and evaluation of housing circumstances and needs as adult children leave home. The decline in family households is matched by a significant increase in couple only households (Figure 74).

Couple households increased by more than 100 per cent to represent 49.3 per cent of all households (Figure 74). At ages 65-74 partnering decreases as widowhood becomes an event affecting close to 20 per cent of respondents. This subsequently results in an increase in single person households and there is evidence of a move by some respondents towards smaller housing types such as a flat, unit or apartment (Figure 75). Single person households dominate for the population aged 75 years and over, though for men, couple only households remain the dominant household type.

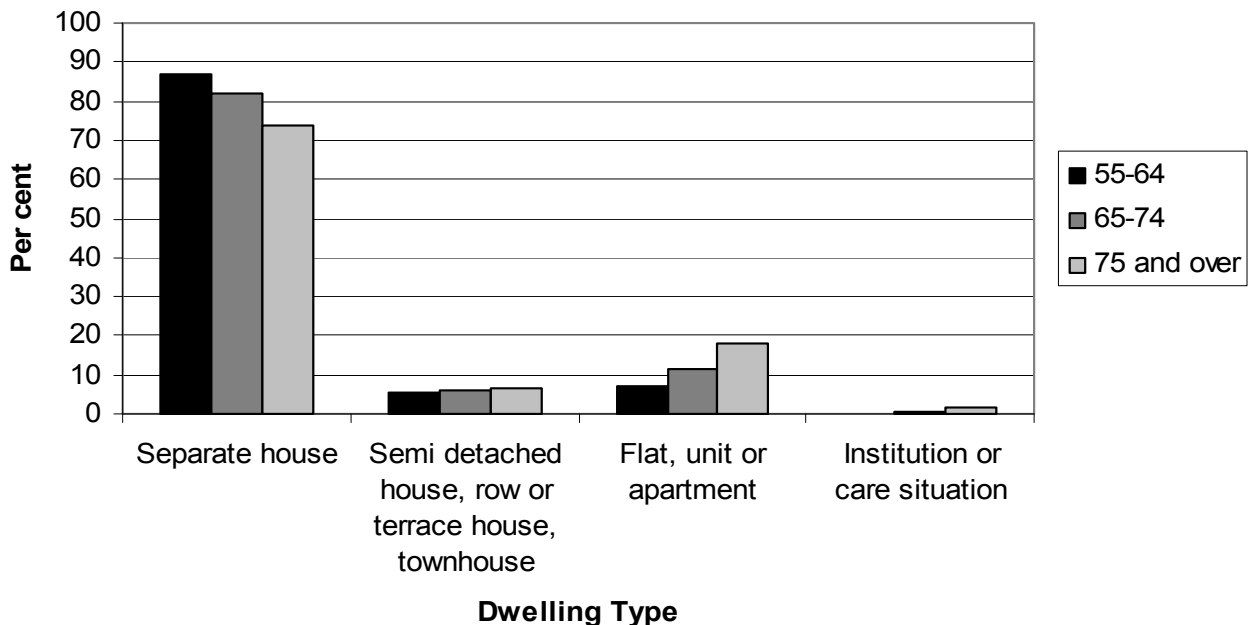
Though many at this age remain in separate dwellings, around one-fifth were living in smaller dwellings.

Figure 74: Household type by age for persons aged over 55 years



Source: *Housing 21 Survey*

Figure 75: Dwelling type by age for persons over 55 years



Source: *Housing 21 Survey*

One of the most significant changes as the baby boomers move into the older age will be the growth in single person households. It is anticipated that lone person households will expand from 844,000 households to 962,000 by 2026. This household type will represent between 34 and 39 percent of all Australians aged 75 years and

over by 2026, and between 40 and 42 per cent of all people aged 80-84 years. Women are projected to represent 55 per cent of those aged 75 years and over living in single person households. This growth will be due to a number of factors including increased life expectancy, higher incidences of childlessness, lower fertility and smaller families, increasing incidence of divorce as well as the policy focus on home based care and services to assist with ageing in place or ageing in the community.

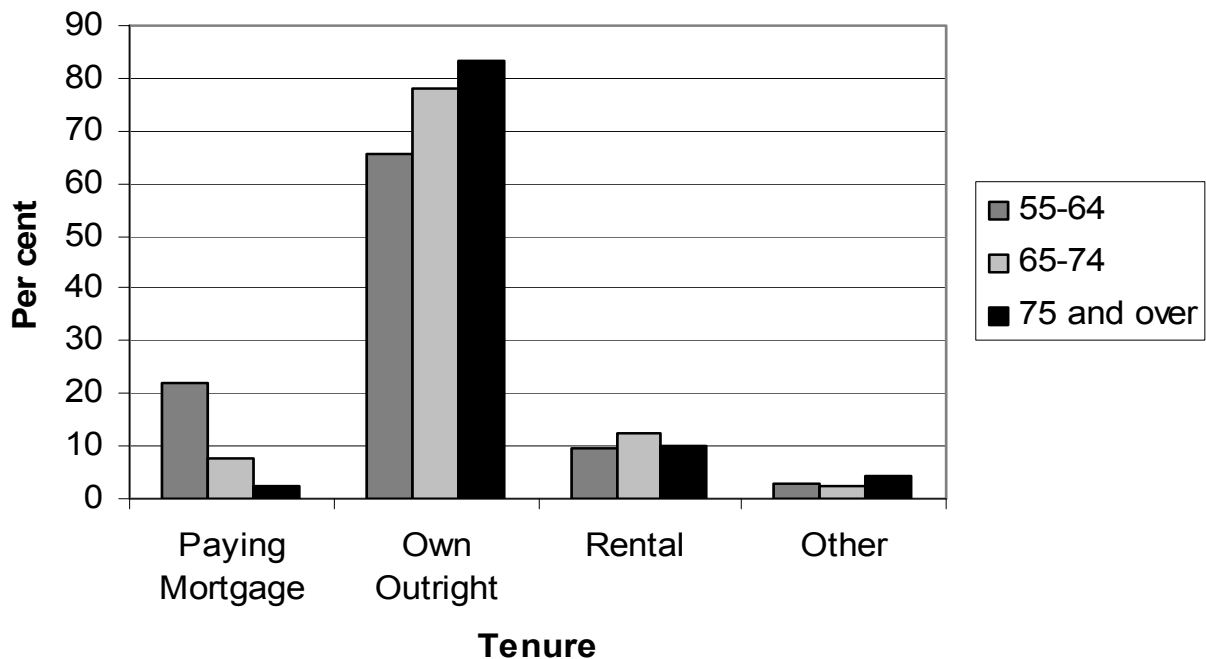
With the increased life expectancy of males, couple only households will increase by between 957,000 and 1.2 million representing 39 to 49 per cent of all people aged 75 years and over (ABS 2004).

The significant growth in couple only and single person households will place considerable pressure on the housing market to provide suitable and desirable accommodation. In addition the growth in single person or lone person households may result in different living arrangement preferences for some of the baby boomer generation. This generation overall has been more mobile and had greater experience of living with unrelated people than previous generations. They therefore may be more open-minded about sharing in their ageing years, although this may be countered by long periods of time living on their own or as part of a couple. Sharing a home may also be a strategy to enable these people, in particular women, to receive support and age in place for longer.

6.2 Tenure

Home ownership is highly valued by the older population and as such home ownership/purchase in Australia is very high for the older age groups. This is reflected in the Housing 21 Survey data. Overall close to 87 per cent of the population aged 55 years and over were outright home owners or were paying a mortgage (Figure 76). The leading edge of the baby boomers are less likely to have paid the mortgage but the age of 55-64 also appears to be the time when the majority of people aspire to, or finally have a greater opportunity to achieve home ownership perhaps as children leave home. At ages 55-64 nearly two thirds of respondents owned their home outright (in comparison to only just over one-third of people aged 45-54 years) with another 22 per cent paying a mortgage. Outright ownership increases with increasing age with 78 per cent of people aged 65-74 being outright owners and for those aged 75 years and over nearly 80 per cent of males and 86 per cent of females were outright owners.

Figure 76: Household tenure by age

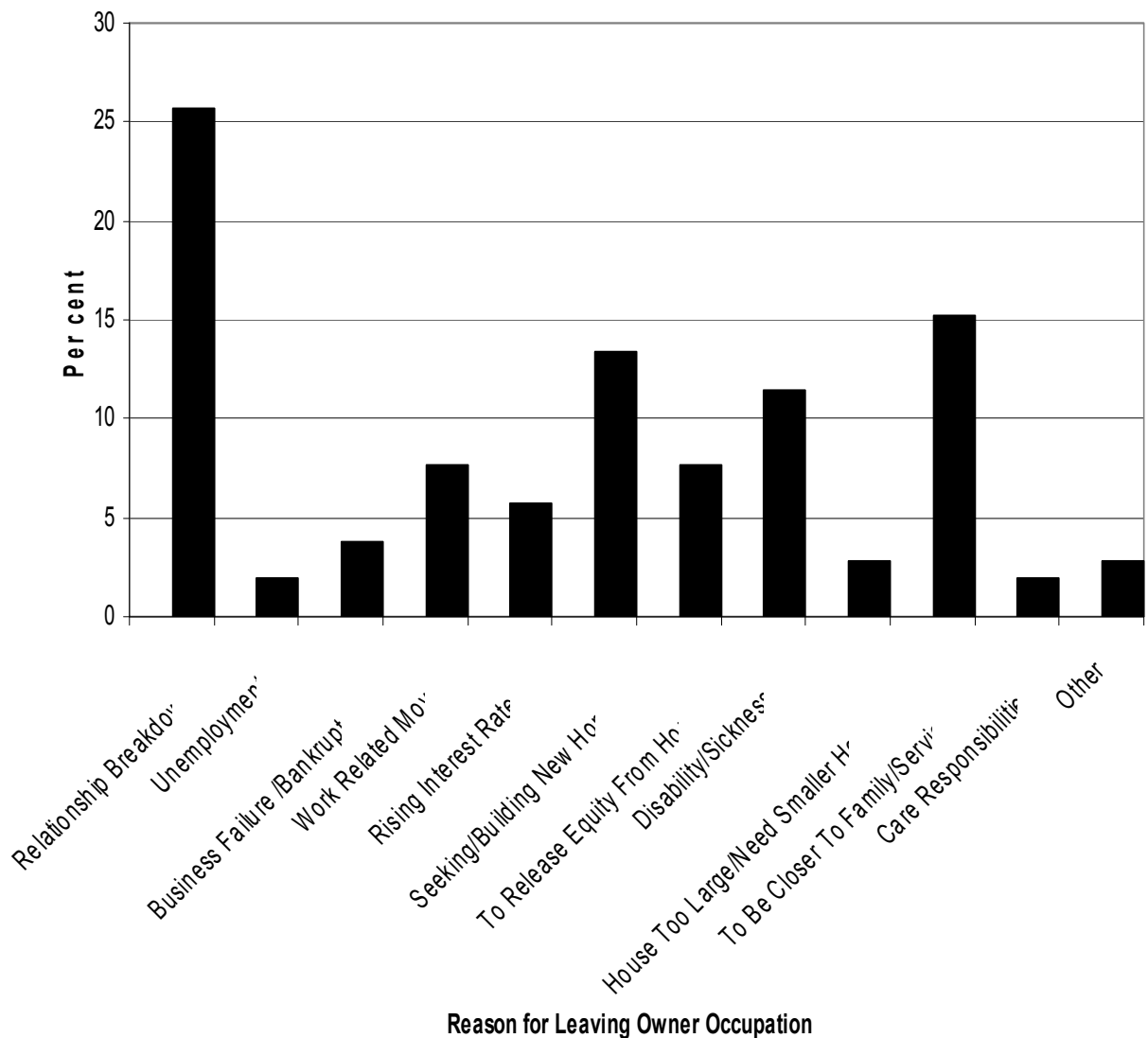


Source Housing 21 Survey

Rental accommodation is significant for a small proportion of the older population. Public rental housing has traditionally been provided as a long-term alternative to private ownership and it has been an important avenue of accommodation for single older people, especially women (Faulkner 2001). Public housing is able to provide housing that specifically caters for the needs of older people and is generally viewed positively (Faulkner and Bennett 2002; Jones et al. 2004). It is anticipated that as baby boomers age the number of older renters will increase. Part of this increase will result from people who are unable to sustain home ownership. Remarkably, 82 per cent of renters aged 55 years and over in the Housing 21 Survey indicated they had previously been in the home ownership market. The reasons for moving represent both voluntary and involuntary factors with relationship breakdown accounting for over one-quarter of the responses (Figure 77). Such moves are going to place increasing pressure on the public housing system yet the reduction in the provision of public housing (AHURI 2004; Kendig and Bridge 2007) will mean many low income people who have not been able to enter the home ownership market or have fallen out of the home ownership market, will be forced into private rental.

Figure 77 highlights the demands placed temporarily on the private rental market by people in the process of finding or building a new home. This new phenomenon is most prominent for the baby boomers who sell their home, move into rental accommodation for 12 months or so and then move back into the home ownership. These new dwellings are not necessarily designed for future needs. Some have also moved into the rental market to release the equity in their home, often for lifestyle reasons. Wood et al.'s research (quoted in Flatau et al. 2004 p. 15) suggests that older Australian home owners would be financially better off if they became renters. This trend is likely to increase either through necessity or in order to achieve lifestyle aspirations amongst the baby boomers.

Figure 77: Reasons for leaving owner occupation and shifting to rental housing

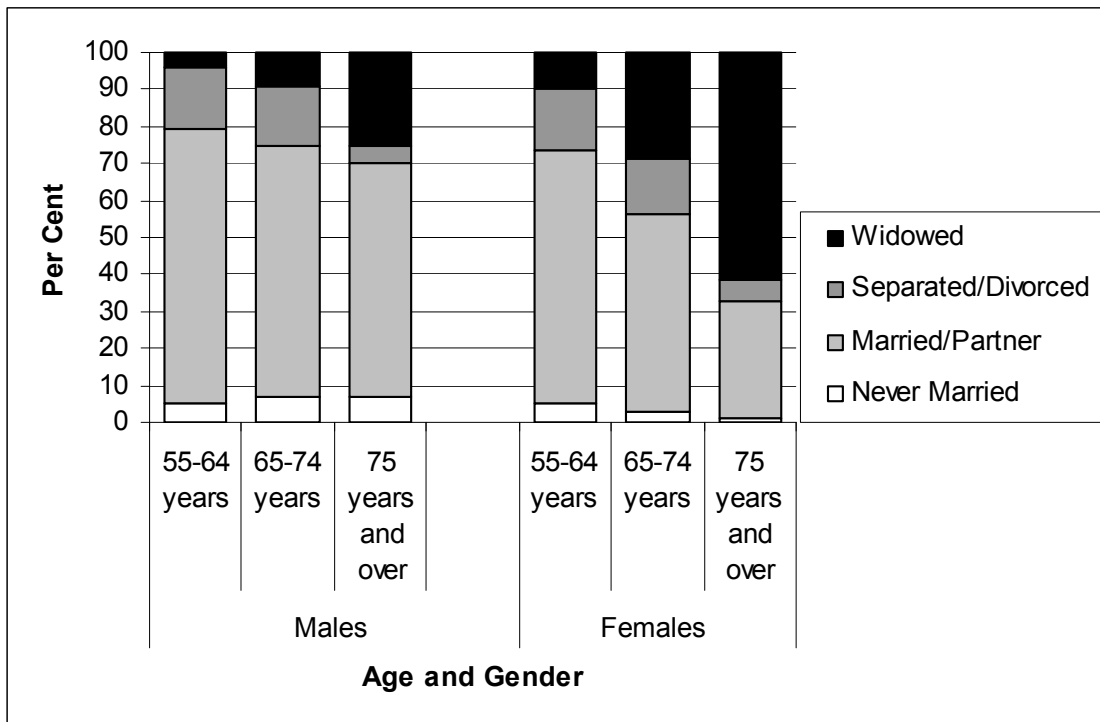


Source: Housing 21 Survey

6.3 The Impact of Marital Status on the Housing Transitions of Older Australians

An understanding the housing transitions of the older population must be informed by an appreciation of their marital status as it influences affordability, space needs, attachment to home, support and need for care with increasing age and disability. Marital status varies considerably for the population aged 55 years and over and this is reflected in the survey data. While overall around 61 per cent of the population were married, this changes considerably with increasing age as widowhood becomes an increasingly significant event (Figure 78). For the younger age groups separation and divorce is considerable, affecting around 16 per cent of males and females respectively at ages 55-64 and 65-74. At all ages a greater proportion of men than women within the Housing 21 Survey were married and living with a partner than was the case for women in the sample and therefore in many respects housing for the very old is about housing women. For example by the age of 75 years and over, 68.6 per cent of women were living alone compared with 48 per cent of men.

Figure 78: Marital status by age and gender

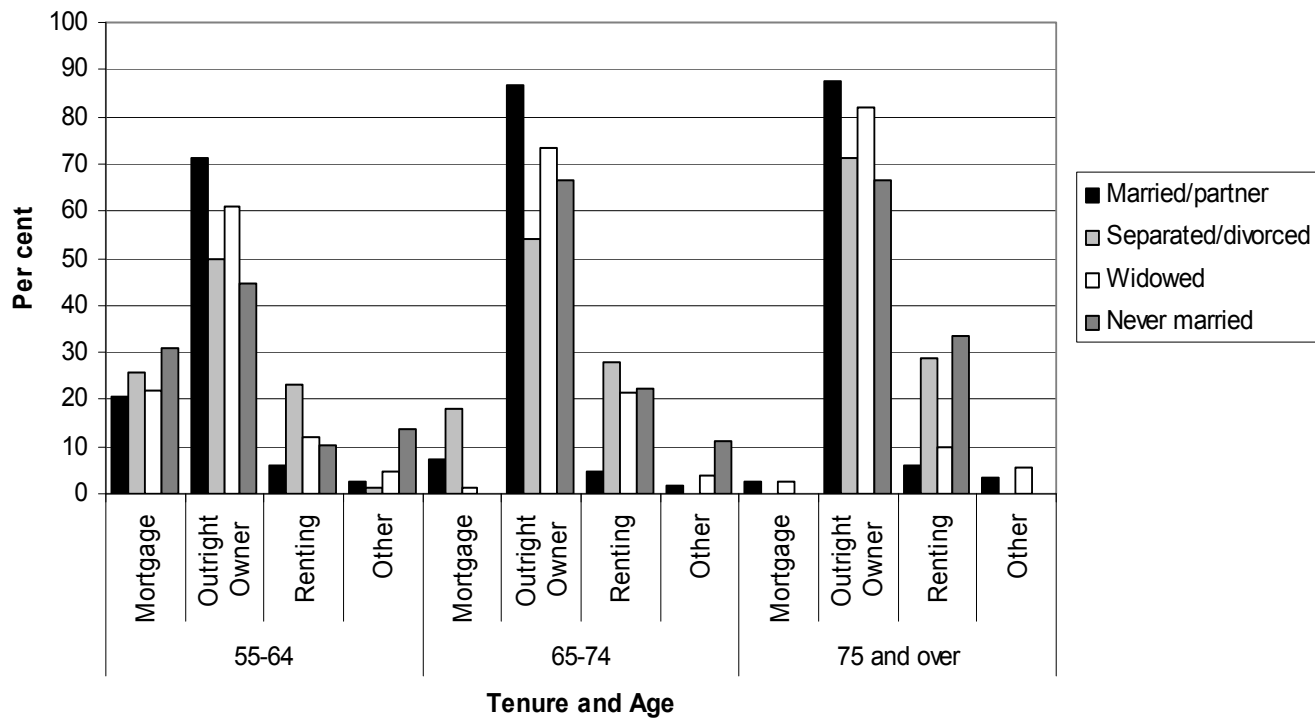


Source: Housing 21 Survey

Baxter and McDonald (2004) suggest marriage is the most significant factor associated with home ownership. Data from the Housing 21 Survey (Figure 79) clearly supports this for the older age groups:

- For all age groups those people who were married or living with a partner were more likely to be an outright home owner than was the case for other marital status groups.
- For those older people aged 55-74 who were separated or divorced only around one half had been able to obtain outright ownership at the time of the survey, although around 26 per cent of those aged 55-64 and 18 per cent aged 65-74 were paying a mortgage suggesting that outright ownership for these people may have been delayed due to partnership break-up.
- At ages 75 years and over people who were separated or divorced were either outright home owners or reliant on the rental market.
- Rental accommodation is important at any age for those separated or divorced.

Figure 79: Marital/Partnership status by tenure and age



Source: Housing 21 Survey

- Though in many instances the numbers are low upon which to state definitive trends, for the older age groups (65-74 and 75 year and over) rental accommodation is important to those people who classed their marital status as never married however it appears for the group representing the leading edge of the baby boom generation (55-64) rental accommodation is not as important with access to home ownership being greater than for the older groups. While only 44 per cent currently own a home outright 31 per cent currently have a mortgage;
- People aged 55-64 who were widowed were more likely to still have a mortgage to pay compared to the older groups, who with widowhood, had the benefit of outright ownership.

Changes in marital status can result in housing changes. This older population group is quite susceptible to marital/partnership status change due to the increasing prevalence of widowhood with increasing age and for the 'younger' older groups the increasing incidence of separation and divorce.

The Housing 21 Survey asked respondents if their marital/partnership status had changed over the decade preceding the survey and whether they believed this change had affected their housing options. Over the 10 years prior to the survey many people experienced a change in their relationship:

- For people aged 55-64, 16.3 per cent of respondents had experienced a partnership change. Though the numbers are small, there was a relatively even spread across the marital status categories with the data suggesting around one-third having partnered over the previous 10 years, one-third had separated or divorced and one-quarter had been widowed;
- Of this 16 per cent, 56.8 per cent believed the change in marital status had affected their housing options. Around 85 percent of those who were married/living with a partner or widowed were home owners or purchasers but

this applied to only 31 per cent of those separated or divorced who were mostly in the rental market⁷;

- At ages 65-74, 17 per cent of the survey population had experienced a change in marital status and in contrast to the previous age group, widowhood becomes much more prevalent though separation and divorce remains significant. Home ownership or purchase is the main tenure for this group although 43 per cent of those separated or divorced were living in rental accommodation;
- At the oldest ages widowhood accounts for almost all the change in marital status. Eighty one per cent in this group were outright home owners.

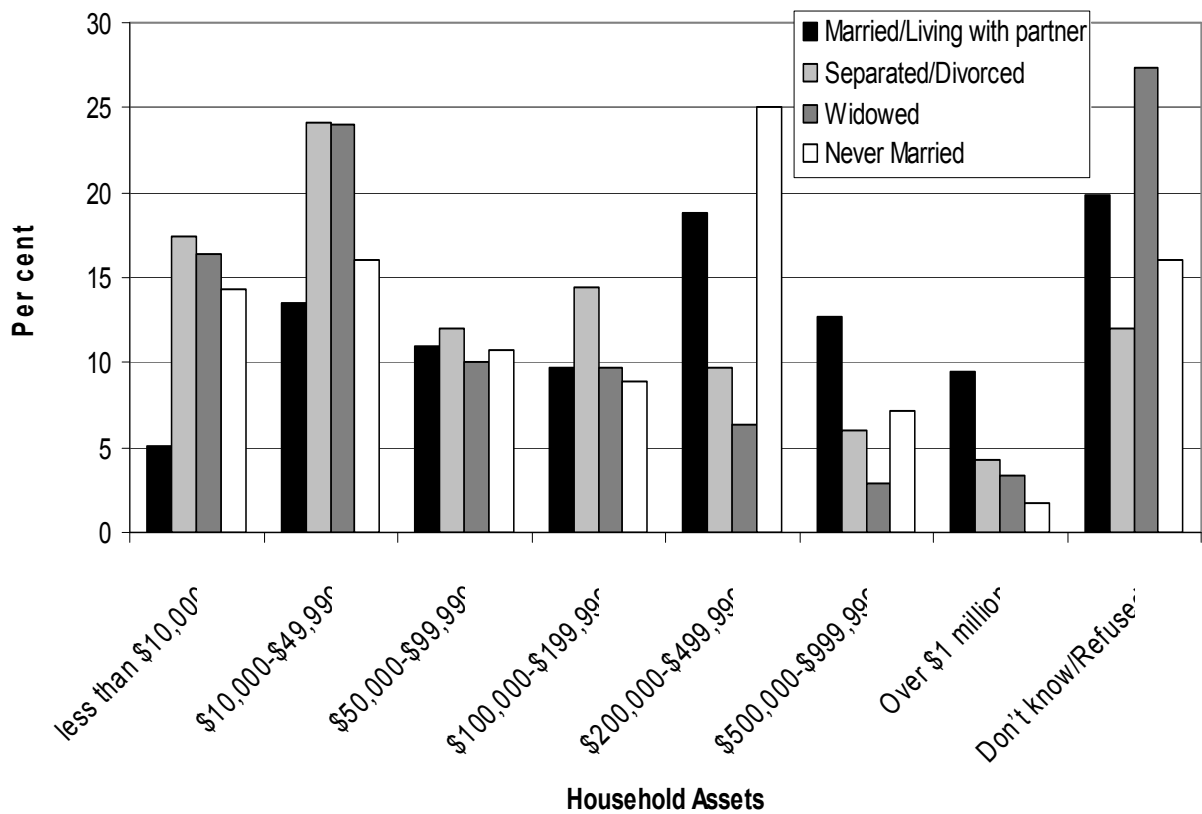
It appears for the older participants in the Housing 21 Survey that a change in marital status can affect the housing options people feel are available to them. This feeling declines as people age as they have had a greater opportunity to become outright home owners, though some outright owners still felt vulnerable particularly once widowed. Research by Wood et al. (2007) clearly indicates that people who experience a change in marital/partnership status through separation or widowhood often experience financial hardship and disruptions to home ownership aspirations. Often there is a gender bias with more women than men likely to be adversely affected.

In fact it is clear from Figure 80 that marital/partnership status has a substantial influence on reported assets other than the family home. A greater proportion of people who were married or living with a partner had assets within the higher value ranges while the other marital status groups were over-represented in the lower asset value ranges. For example, 40 per cent of people separated/divorced or widowed had assets of less than \$50,000 compared with just 18.7 per cent of people married or living with a partner. In contrast 22.1 per cent of married people or living with a partner indicated they had assets of over \$500,000 compared with 10 per cent of people separated/divorced, 6.2 per cent of widowers and 8.8 per cent of those never married.

Clearly these results highlight the importance of the achievement of home ownership in increasing the opportunities people feel they have in relation to housing options if their marital/partnership status changes later in life.

⁷ For the population 45-54, 26.5 per cent experienced a change in marital status with 51 per cent at the time of the survey currently separated or divorced. In addition over half (53.5 per cent) believed the change in marital status had affected their housing options. This indicates marital breakdown is going to become a much more prevalent issue in relation to housing as the baby boomers move into the older age groups.

Figure 80: Marital/Partnership status by value of household assets

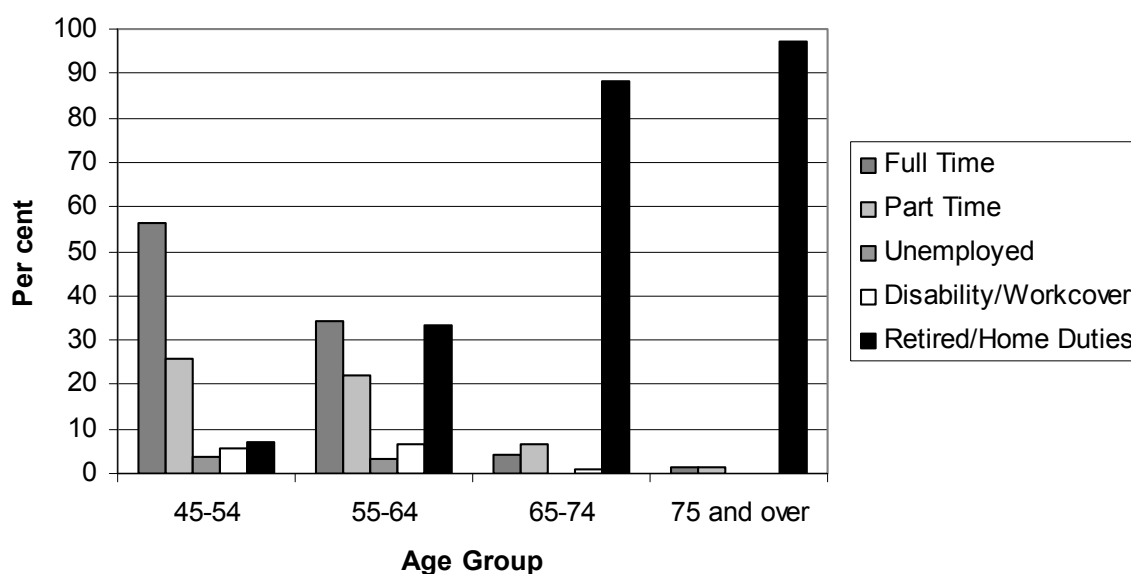


Source Housing 21 Survey

6.4 Workforce Status, Income and Assets Amongst Older Australians

The ages of 55-64 years heralds a significant change in workforce status of the population and close to half the respondents in this category were retired, considered themselves unemployed or were not working because of Workcover or disability. As the population ages this trend becomes much more pronounced such that by the age of 75 years and over 97 per cent of the population considered themselves to be retired (Figure 81).

Figure 81: Workforce status by age



Source: Housing 21 Survey

The age of 55-64 is traditionally a time to plan for retirement and achievement of home ownership at this time is likely to be a goal. A review of the data on workforce status and tenure indicates a relationship between achieving outright ownership and retirement. Table 7 highlights the percentage of respondents and their partners still attached to the workforce in either a full-time or part-time capacity by tenure. Of the younger cohort with a mortgage, 73.9 per cent were still attached to the workforce in either a full-time or part-time capacity and of those with a partner in this group, 77.9 per cent of partners were still in the workforce in some capacity. This relationship holds for those aged 65-74 years and 75 years and over. If entry into home ownership is delayed at earlier stages in life then this may have consequences for the capacity of people to achieve outright ownership in their older years, prior to retirement or soon afterwards.

Table 7: Workforce status (part-time or full-time work) and tenure

<i>Tenure</i>	<i>Work Force Status of individual</i>		
	<i>Age Group</i>		
	<i>55-64</i>	<i>65-74</i>	<i>75 Years and Over</i>
Paying Mortgage	73.9	36.7	16.7
Outright Owner/Joint Owner	53.0	9.4	3.2
Renting (paying Board)	42.3	6.1	0.0
Other	50.0	0.0	0.0
<i>Tenure</i>	<i>Work Force Status of Partner</i>		
	<i>Age Group</i>		
	<i>55-64</i>	<i>65-74</i>	<i>75 Years and Over</i>
Paying Mortgage	77.9	58.8	0.0
Outright Owner/Joint Owner	50.0	15.5	3.0
Renting (paying Board)	60.9	0.0	0.0

Board)

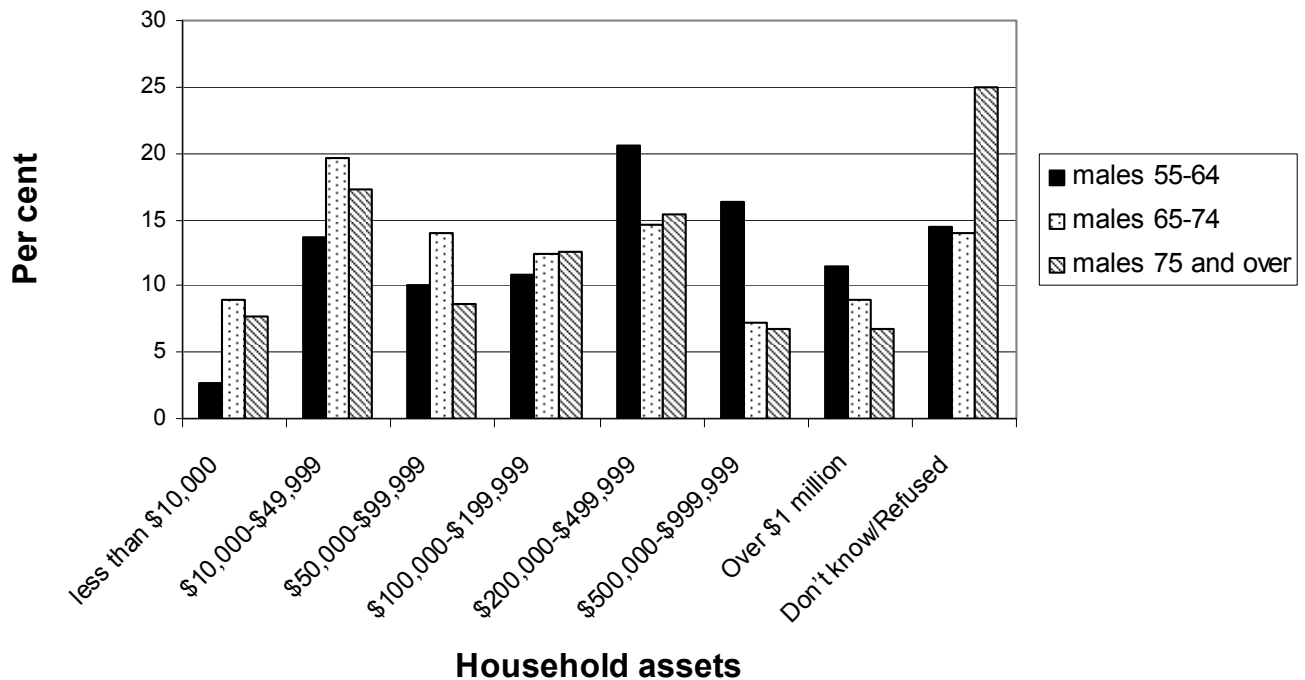
Other 50.0 25.0 0.0

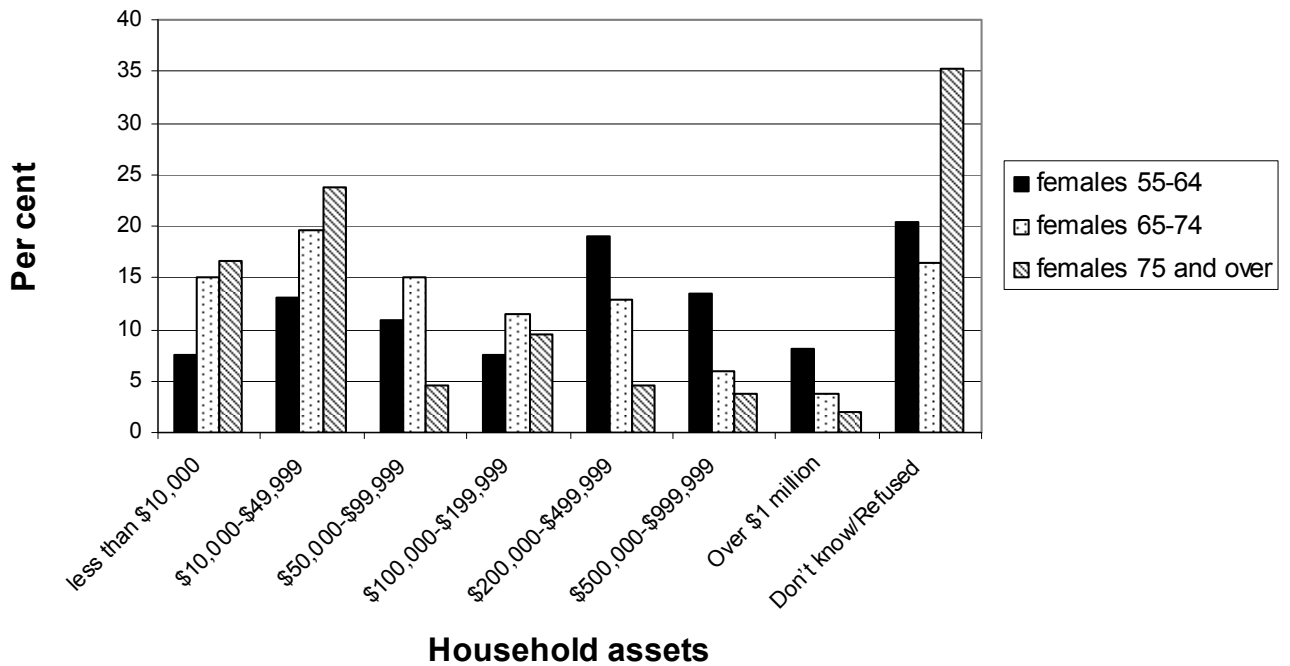
Source: Housing 21 Survey

Due to the level of outright ownership among the older population and the increasing value of housing assets the older population is considered to be relatively wealthy. Research by NATSEM indicates the population aged 65 years and over in Australia is almost double the wealth of the population aged 15-64 years (Kelly 2003).

Many aged 65 years and over, however, have few assets other than the family home and this is particularly so for women. Though the 'don't know/refusal category' is very high for women (older women were much more guarded about divulging their assets) it is clear from Figure 82 that for those who provided information between 30-40 per cent of women aged 65 years and over had less than \$50,000 in assets. Men aged 65 years and over fared a little better with around 26 per cent having less than \$50,000 in assets. At the other end of the spectrum around 15 per cent of males and 8 per cent of females aged 65 years and over could be considered prosperous with assets in excess of \$500,000.

Figure 82: Household assets by age and gender

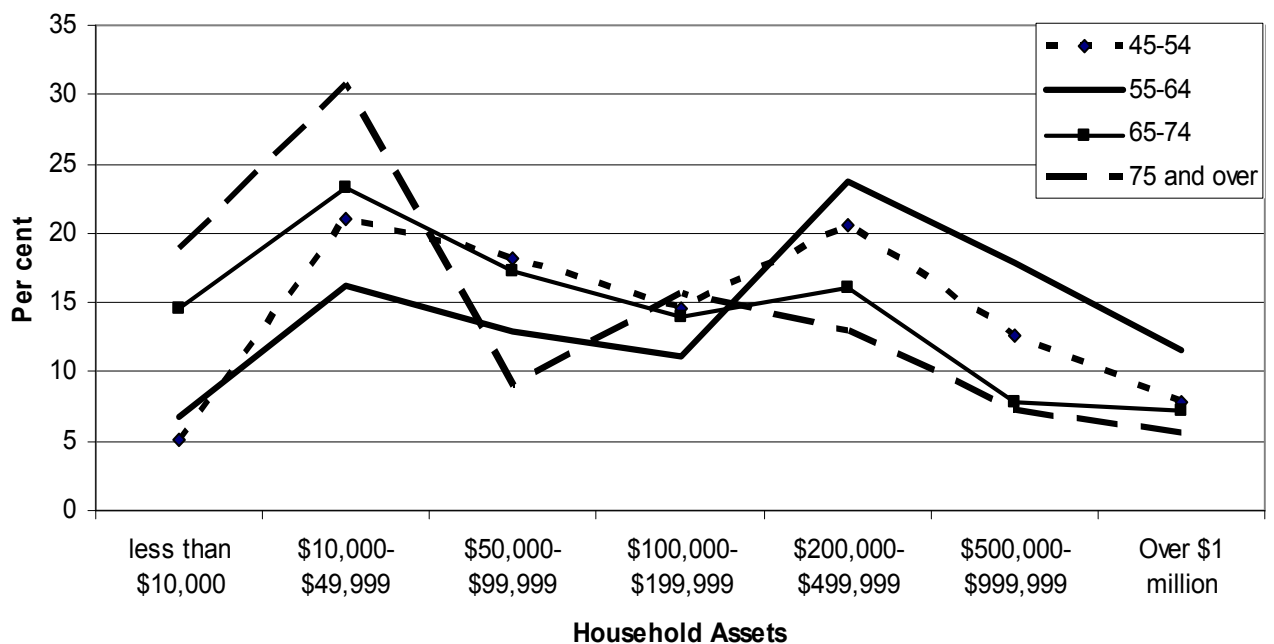




Source: Housing 21 Survey

The baby boomers growing up in a time of prosperity, greater employment opportunities for men and women and a greater opportunity to acquire wealth than previous generations have fared better. It is clear from the Housing 21 Survey that there is a much more even spread of assets for those aged 55-64. At the time of the survey over one-quarter of males and one fifth of females had assets in excess of \$500,000. The baby boomer generation, as expected, was the wealthiest cohort within the Housing 21 Survey (Figure 83). Greater access to superannuation for those aged 55-64 years has contributed to the increasing wealth of the baby boomer cohort, as has the rapid appreciation of the housing stock since the year 2000.

Figure 83: Household assets by age



Source: Housing 21 Survey

The compulsory superannuation system has been very successful in increasing the percentage of people with superannuation and increasing the average superannuation balance (Clare 2007). Current data suggest that although outcomes will improve as the compulsory super system matures, the superannuation entitlements of many baby boomers will remain modest. For example

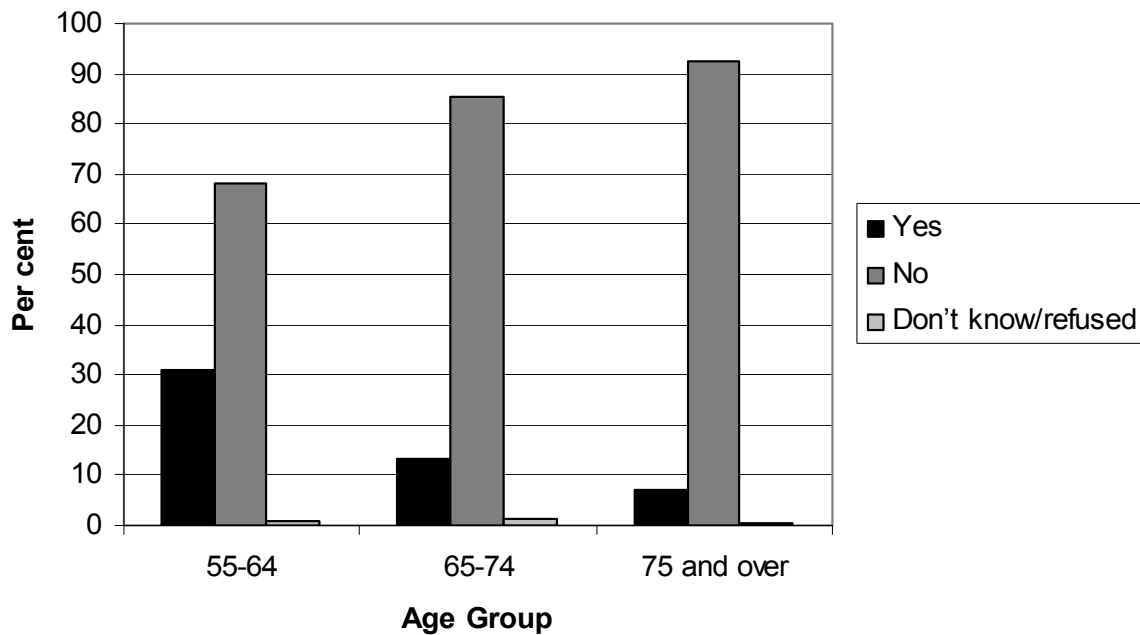
- At present it appears only around one-quarter of men and only 12 per cent of women aged 55-59 years have superannuation balances in excess of \$100,000;
- Based on current trends the average retirement payout at 60 for men currently aged 35-44 will be around \$183,000 and for females around \$93,000. It is expected however that up to 70 per cent of retirees in this age group will have less than the average balance (Clare 2007).

Many baby boomers will need to rely heavily on the aged pension but they still will have some additional income that has not been available to many of the current older retirees. In addition to superannuation and other investments, the assets of the baby boomer generation have been boosted considerably by ownership of a second property. Much of the blame for the present housing affordability problem has been directed at the baby boomer generation and older wealthier people:

A large proportion of the debt increase comes from older and wealthier people buying bigger houses in better areas, or purchasing investment properties. That exuberance has had a ripple effect on housing prices everywhere, including among those who can afford it less (Hewett 2007, p 21).

Figure 84 provides evidence of the extent of ownership of property other than the principal dwelling from the Housing 21 Survey. For the population aged 75 years and over ownership of a second home was low and indicative of the traditional reason for owning a home – as a place to live. Many also do not have, and would not have had through their lives, the disposable income and opportunity to invest in another property. The proportion increases significantly (an increase of nearly 80 per cent) for the population aged 65-74 but it is for those people aged 55-64 years that housing has become a consumer item not just a place of residence with nearly 31 per cent owning property other than the dwelling of residence.

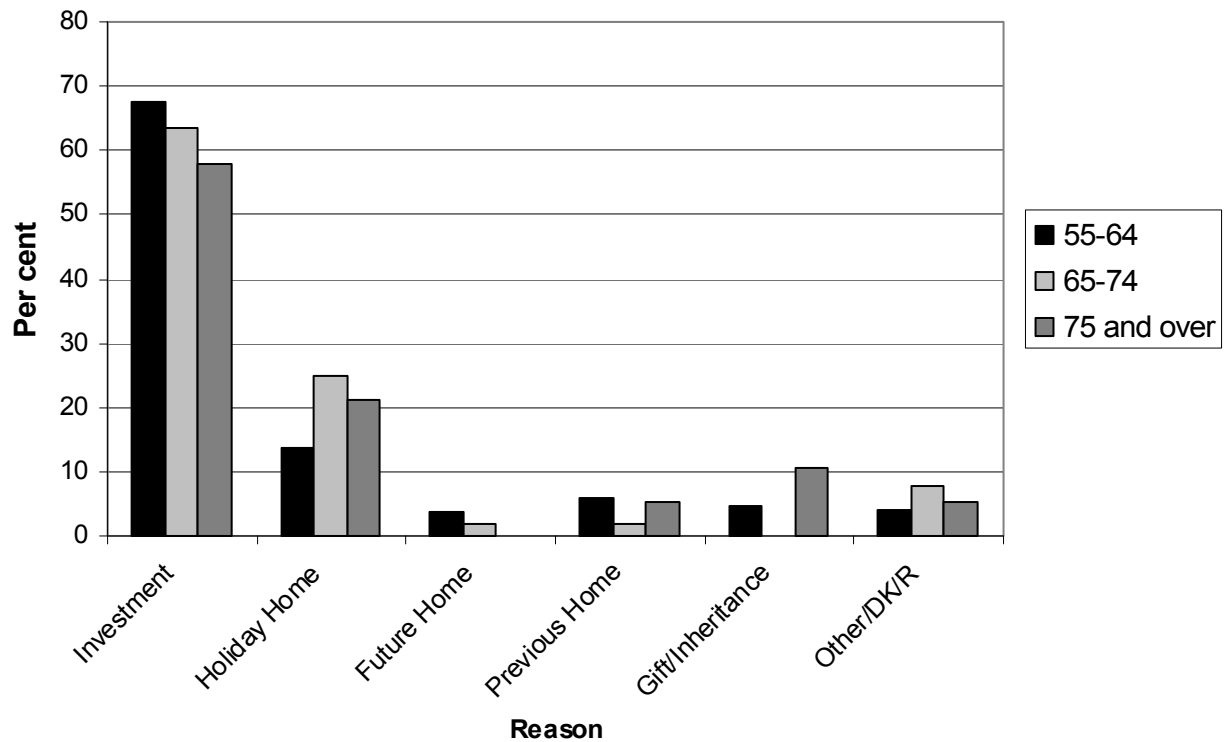
Figure 84: Ownership of property other than the principal dwelling



Source: Housing 21 Survey

While people may own property other than the principal home for a number of reasons it is clear from Figure 85 that the overwhelming reason was for an investment. These data clearly supports the notion that the financially able baby boomers moved into the property market in the late 1990s and early years of this century in order to boost their total wealth in preparation for retirement.

Figure 85: Reason for ownership of property other than the principal dwelling

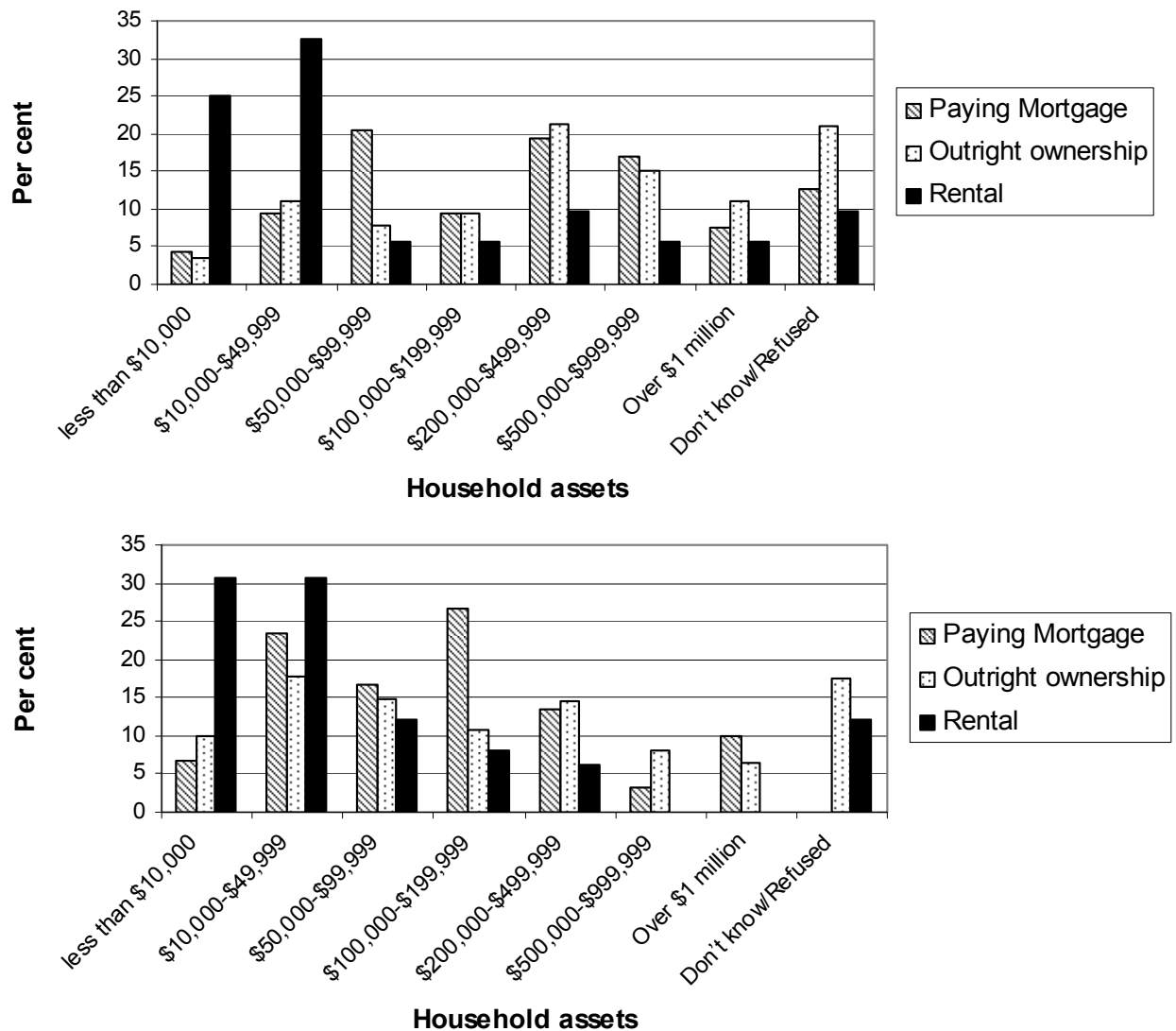


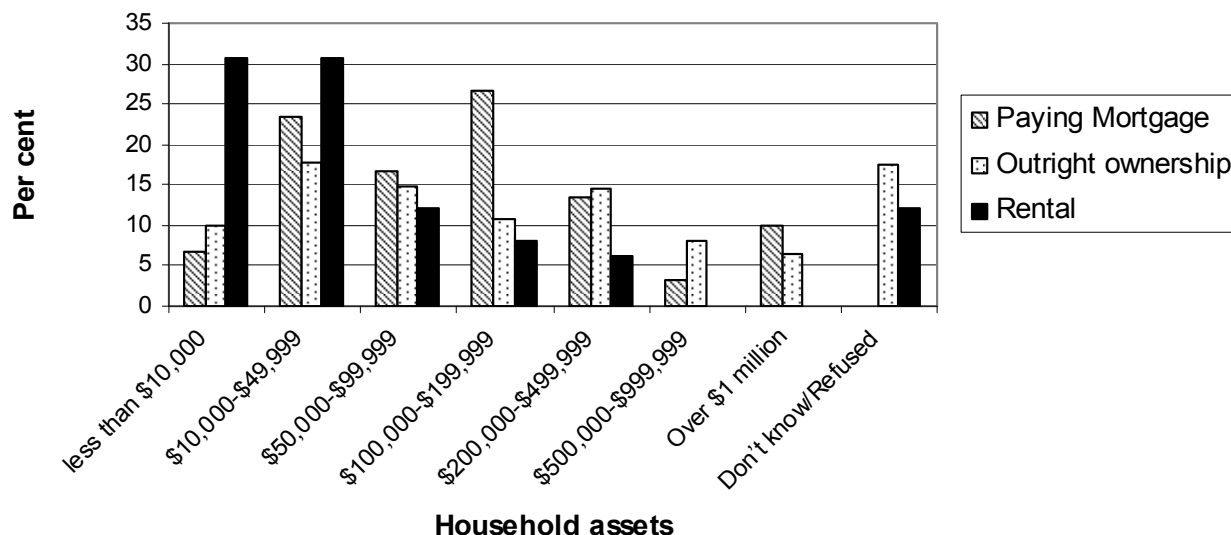
Source: Housing 21 Survey

Despite the overall increase in wealth of the baby boomer cohort still 16 per cent of males and nearly 21 per cent of females aged 55-64 years in the Housing 21 Survey had assets of less than \$50,000. For all age groups a greater proportion of women tend to be in a more precarious situation than men. This reflects in many instances their tenuous connection to the workforce and the negative outcomes of relationship breakdowns which tend to have a greater impact on women (Tually, Beer and Faulkner 2007).

The ownership of a home provides older people with the means to alter their housing situation to suit their changing needs, but those people, who for one reason or another have been unable to achieve home ownership, are very disadvantaged, as at all ages non home owners have few assets. As Figure 86 shows people in the rental market are overwhelmingly concentrated in the lower asset ranges. For the baby boomers aged 55-64 years, 58 per cent of renters had less than \$50,000 in assets and the proportion with low assets increases with age to 61 per cent of renters aged 65-74, and to 64 per cent of renters aged 75 years and over.

Figure 86: Household assets by tenure and age

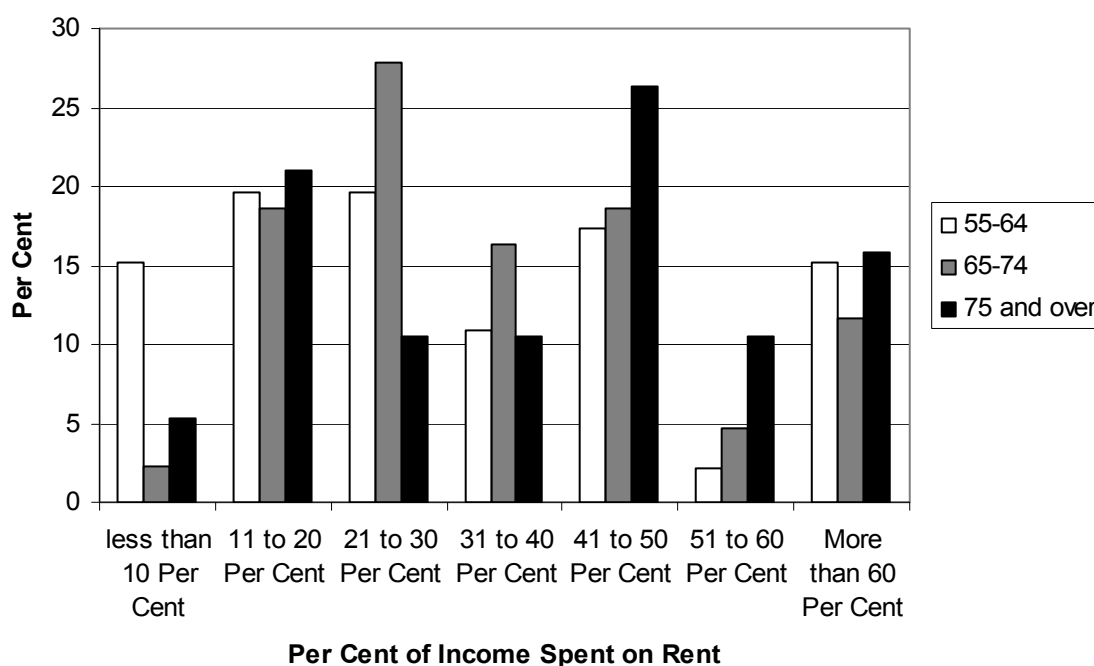




Source: Housing 21 Survey

This lack of resources severely restricts the housing options available to older renters and this is exacerbated by the ongoing decline of public rental housing. Aged persons living in the private rental sector have long been identified as those in greatest housing need (Kendig 1990; Roberts 1997). Older people in the private rental market have to contend with insecurity of tenure, inappropriateness and lack of suitability of accommodation as they age, and affordability issues. ABS data on housing occupancy and costs (ABS 2005) indicates that many older households spend more of their gross household income on housing costs than any other lifecycle group. Data from the Housing 21 Survey indicates that a significant proportion of renters, no matter what their age, spend more than 30 per cent of their household income on housing costs (Figure 87).

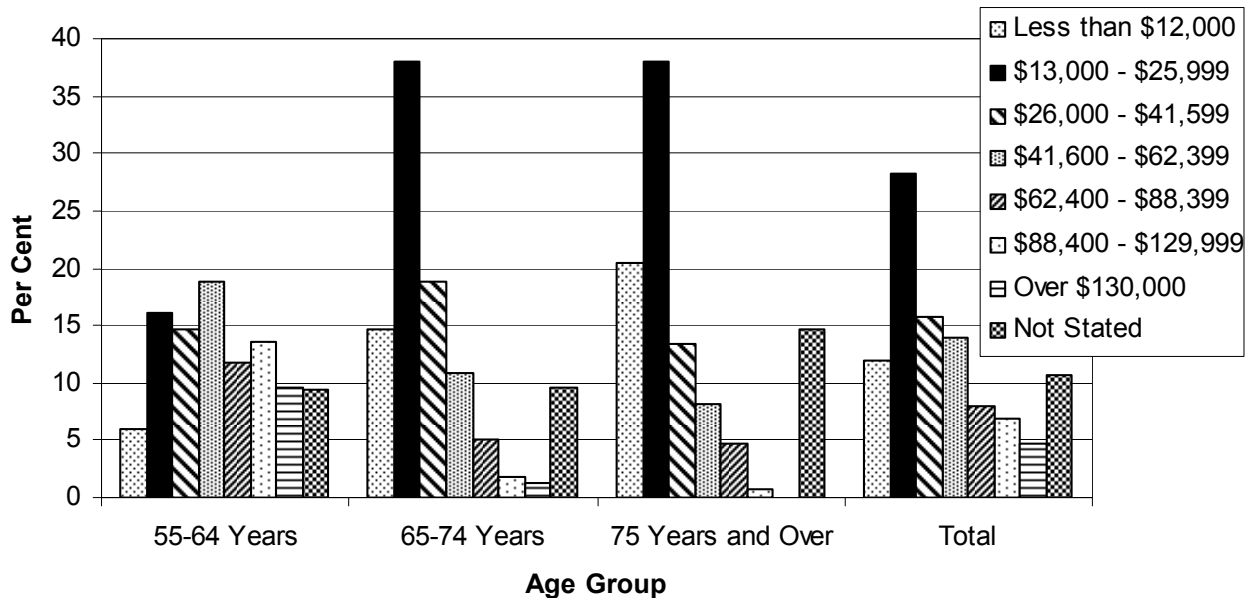
Figure 87: Housing affordability for tenants



Source: Housing 21 Survey

The average household income of the majority of older tenants is low (Figure 88) and high housing costs leave little income for the other necessities of daily living. If the older population face difficulties in accessing affordable and stable housing this can only have the effect of increasing the degree of housing mobility and hardship among this group.

Figure 88: Household income by age



Source: Housing 21 Survey

6.5 Health and Disability

Population surveys measuring levels of disability within the Australian population clearly indicate the significance of disability with increasing age (AIHW 2001). In the latest survey of Disability, Ageing and Carers held in 2003 (ABS 2004) 51 per cent of the Australian population aged at least 60 reported a disability that lasted or was likely to last for at least six months and restrict everyday activities. Nineteen per cent of people aged 60 years and over had a profound or severe core activity limitation. Around 9 per cent of people aged 60-64 had a profound or severe core activity limitation and this increased to 58 per cent of those aged 85 years and over.

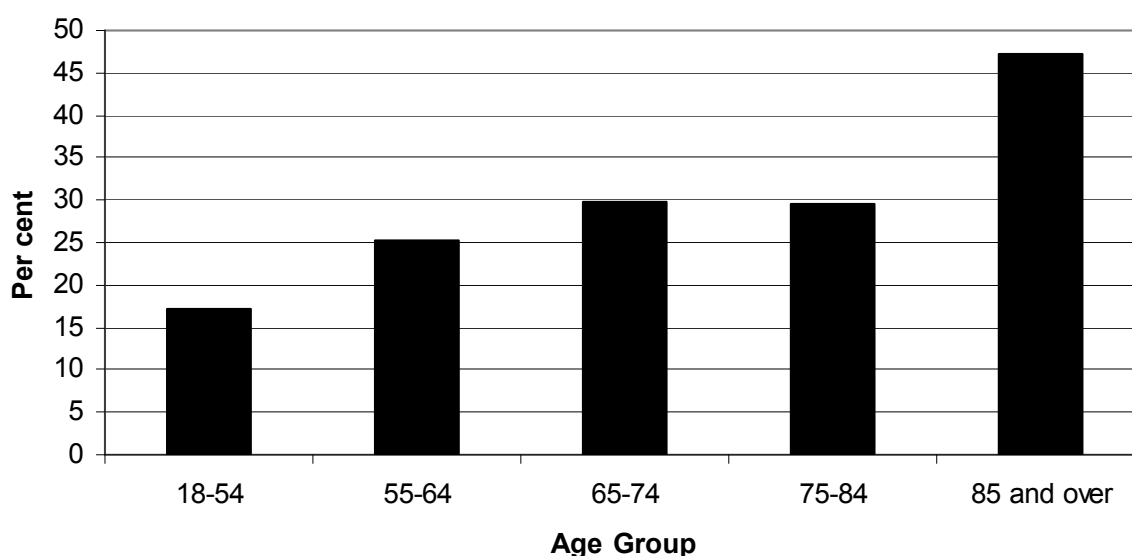
For the first time in 2006 the ABS Census included questions regarding the need for assistance in day to day activities because of a profound or severe disability. Here it was found that rates were relatively low for people aged 55-64 with only 4.9 per cent of the population recording a need for assistance because of a disability. However, the proportion begins to increase considerably with increasing age of the population, with 7.7 per cent of the population aged 65-74 and 20.1 per cent of those aged 75-84, needing assistance. The rate doubles for those aged 85 years and over to 47.4 per cent. Disability levels are higher for women than men from the age of 65 years onwards. At age 85 and over 57.5 per cent of women needed assistance because of a disability compared to 43.5 per cent of men (ABS 2006 Census; Hugo 2007).

Although there is evidence within some OECD countries, of a decline in disability prevalence for the older age groups, Mather (2007) suggest that at present there is no clear evidence of this trend in Australia. He notes that even if age specific rates were to fall over the next 10-20 years it is likely that prevalence and severity rates will increase with the ageing of the population as a higher proportion of the population will

be in the oldest age groups where disability levels are higher. Health and disability therefore are likely to exert a considerable influence on housing decisions.

Of the 2,698 households who participated in the Housing 21 Survey some 22 per cent of households reported that one or more household members had a long-term health condition, disability or impairment that had lasted six months or more that restricted everyday activities. As can be seen from Figure 88 the likelihood of disability within the household increased with the increasing age of the respondent. At ages 55-64, 25 per cent of all households, had at least one occupant with a long-term health condition and this increased to 47 per cent of all households where the respondent was aged 85 years or older.

Figure 89: Percentage of households with a person with a long-term health condition, disability or impairment that has lasted six months or more and restricts everyday activities by age



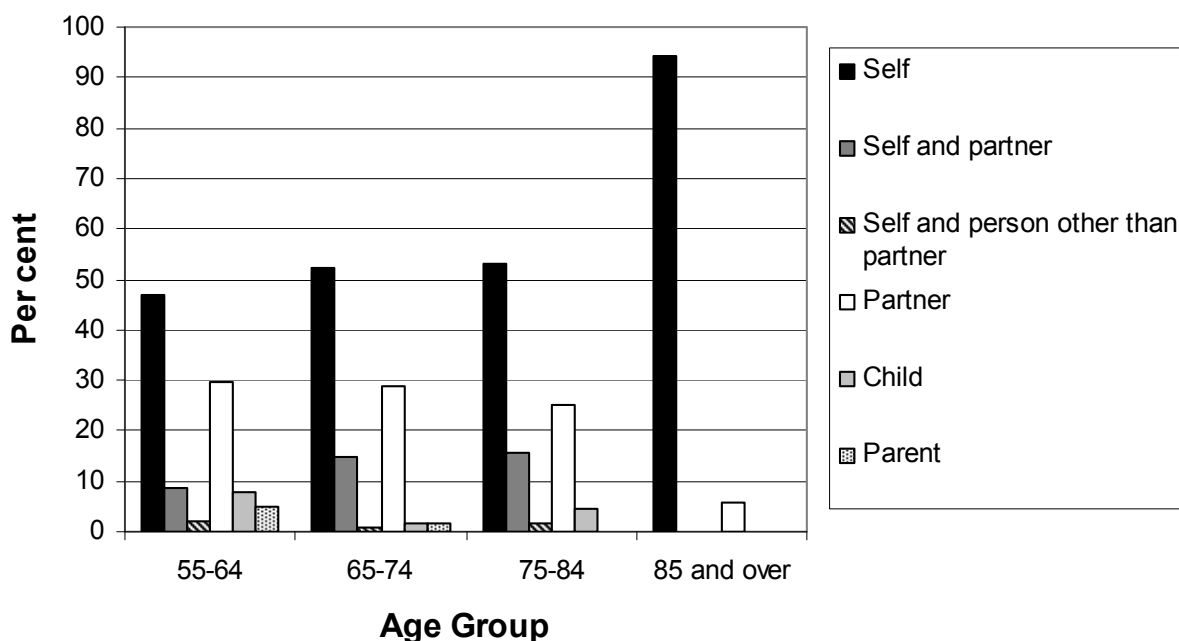
Source: Housing 21 Survey

Figure 90 indicates the person or persons within the household with a disability or impairment. At 85 years and over the person in the household with the disability was, in over 90 per cent of cases, the older respondent themselves, reflecting the fact that most people of this age are living on their own. Without the support of a partner or family within the household, disability or impairment can act as significant push factor in the relocation of older people, particularly if housing is unsuitable and appropriate support services – including informal care - are unavailable or inadequate. In fact as noted in section 6.2 around 7 per cent of households in the rental market who had previously been home owners had moved to the rental market because of a disability and 5 per cent of people who had moved in the last ten years did so primarily because of health issues or disability (Section 6.5.2).

In a number of households more than one person had a disability. In most cases the respondent and their partner were coping with health conditions or disabilities that affected and restricted daily activities. It should be noted that in households where the respondent was aged 55-64 and 65-74 a small proportion of these people were caring for children with a disability. This can often be a difficult situation as sometimes the parents worry about the future housing and care of their child and a lack of housing and/or care options can mean the parents procrastinate about making plans for their

children if in the future they themselves are no longer able to care for them (Kroehn et al. 2007).

Figure 90: Person in the household with a long-term health condition, disability or impairment that has lasted six months or more and restricts everyday activities by age

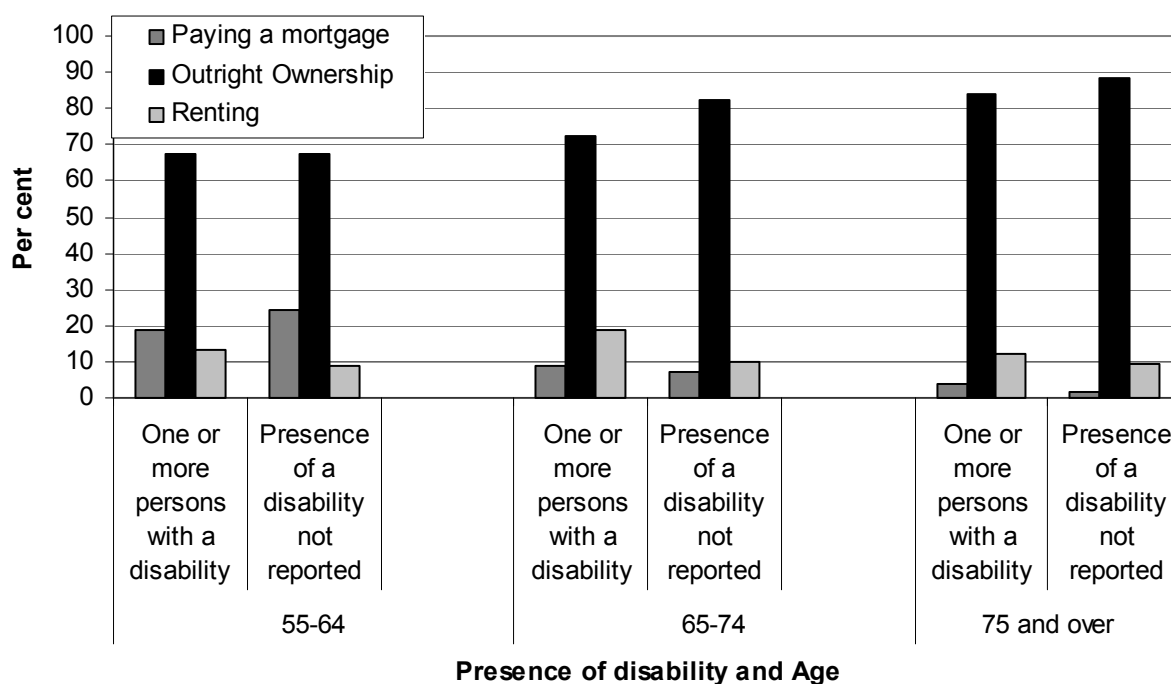


Source: Housing 21 Survey

Most households where the respondent was aged 55 years and over lived in owner occupied housing however, households where one or more persons had a disability were disproportionately over-represented in the rental sector (Figure 91). For those households where the respondent was aged 75 years and over, 70 per cent were in public rental housing and this is likely to represent long-term tenants ageing in place. Households where the respondent was aged 55-64 or 65-74 years and one or more persons within the household had a disability they were more likely to be found in the private rental market – 39 per cent and 57 per cent of households aged 55-64 and 65-74 years respectively were in private rental. Of course it should be mentioned here that the private rental market in many cases is unsuitable for people with disabilities and finding appropriate housing within the tenure is often difficult (Kroehn et al. 2007).

A significant proportion of households (112) where the respondent was aged 55 years and over and where a person or persons with a disability was reported also identified that this person/persons needed help or assistance with self-care, mobility or communication. This was the case for 31.4 per cent of households where the respondent was aged 55-64 and where a person or persons with a disability was reported, 28.9 per cent where the respondent to the survey was aged 65-74 and in nearly 40 per cent (39.8) of households where the respondent was aged 75 years and over. At ages 55-64 and 65-74 many of these people lived in family or couple only households where care and assistance could be provided by an immediate family member. In those households where the respondent was aged 75 years and over 36 per cent were living on their own so care and assistance would need to be provided through the formal care system or informally through non-resident family and/or friends.

Figure 91: Tenure for households by presence of a disability by age



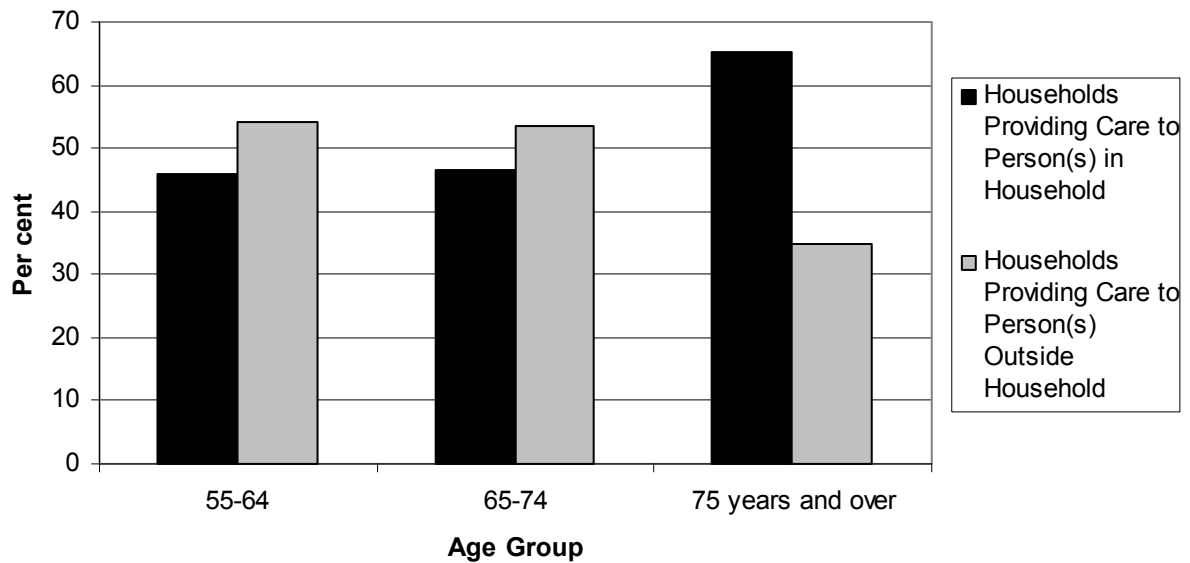
Source: Housing 21 Survey

The Housing 21 Survey enquired about the provision of care and assistance on a regular basis by any member of the household to any person who has a long-term health condition, is elderly or has a disability. Households where the respondent was aged 55 years and over were more likely to be providing care on a regular basis than households where the respondent was aged 18 to 54 years. For households where the respondent was aged 55 years and over 21.0 or 17.6 per cent of households were providing care compared with 11.3 per cent of households where the respondent was aged less than 55 years of age. Of those households where the respondent was aged 55 years and over:

- 20.6 per cent of households where the respondent was aged 55-64 were providing care;
- 14.6 per cent of households where the respondent was aged 65-74 were providing care; and
- 16.5 per cent of households where the respondent was aged 75 years and over were providing care.

In terms of where that care was provided, it is clear from Figure 92 that for people aged 55-74 provision of care is fairly evenly split between caring for someone in the household and caring for someone outside the household, in many instances this would be caring for elderly parents living elsewhere. By the age of 75 years and over more people are having to care for someone in the household than for people living elsewhere and this responsibility generally falls on women. In addition, and increasingly with age, many older people (particularly women) with a disability, are living on their own and therefore have no partner for care and support (Figure 93). These people are totally reliant on the provision of informal care from family or friends or formal support services and are most vulnerable to moving to residential care.

Figure 92: Provision of care by age to persons within the household and persons living outside the respondent's household



Source: Housing 21 Survey

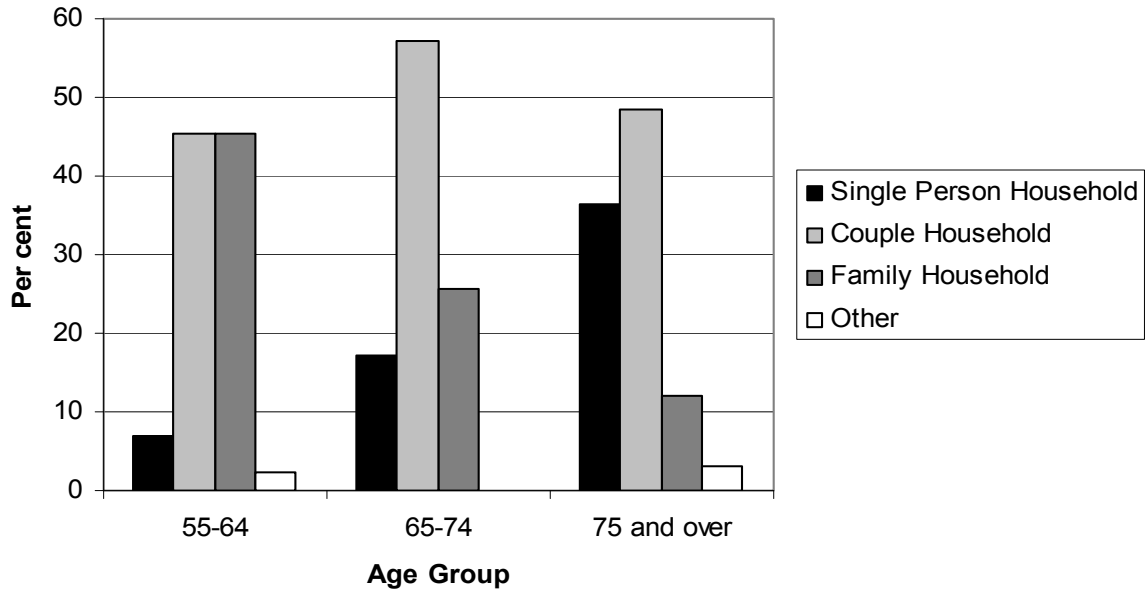
The availability and the provision of informal care is vitally important to the ability of many people to remain living in the housing of their choosing. The availability of informal care however is expected to diminish as the baby boomers age (Percival and Kelly 2004). Informal carers are increasingly in the workforce and are themselves ageing and hence may become less capable of intensive caring responsibilities. In addition the baby boomers have fewer children to take on caring responsibilities and these children are likely to live at greater distances from their parents than has been the case for previous generations (Hugo 2003; Percival and Kelly 2004; Productivity Commission and Melbourne Institute of Applied Economic and Social Research 2006).

Many will need to rely on publicly funded services or purchase services privately. Publicly funded aged care services in Australia are already overstretched and service providers face a number of challenges including the fact that they can only provide a small proportion of the assistance needed. The 2006 Productivity Commission Report on Government Services (2006, 12.34, Table 12.6) found that the needs of over one-third of people aged 65 years and over who needed assistance with at least one everyday activity in 2003 (35.7 per cent) were not met. In addition, organisations are already finding it difficult to recruit and retain staff to provide existing services (Angle and Newman 2002).

As the baby boomers move into the older age groups more older people will need to purchase services privately if their needs are going to be met. While the baby boomers in general will have more money available to them than previous generations, many older people with a disability are disproportionately on lower incomes than those older households where no disability was reported. Figure 93 shows that 50 per cent of households where a disability was reported had a household income of less than \$26,000 per year, compared to just 36 per cent of those households where a disability was not reported. This is the case for all household types (Figure 95). Over 40 per cent of single person households with a person with a disability were reliant on less than \$12,000 per year. With nursing costs presently at around \$63.00 per hour and home support/care work \$32.00 an hour the cost of private services could be substantial (Bawden 2007). Such low incomes also

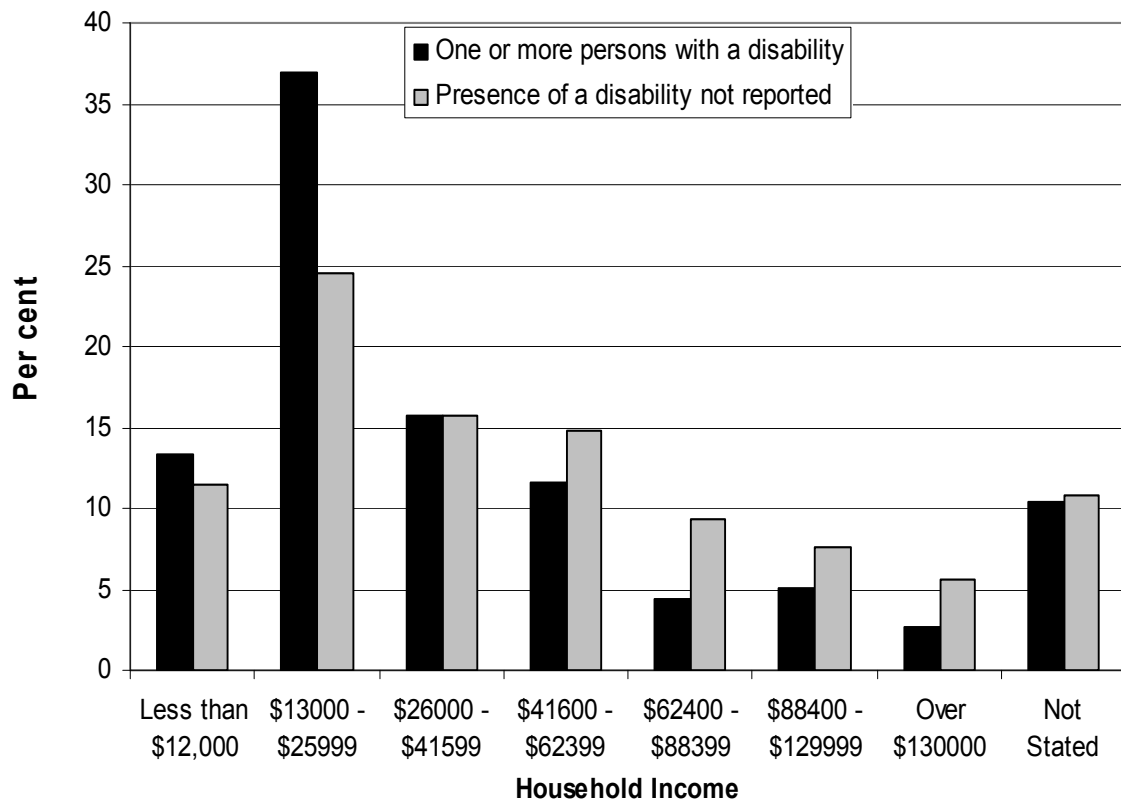
means the capacity of many of these households to undertake necessary housing modifications to accommodate a disability, to find appropriate and suitable housing if necessary both as an owner occupier or renter is severely restricted.

Figure 93: Household type for households where a household member with a disability needs care and assistance with self-care, mobility or communication



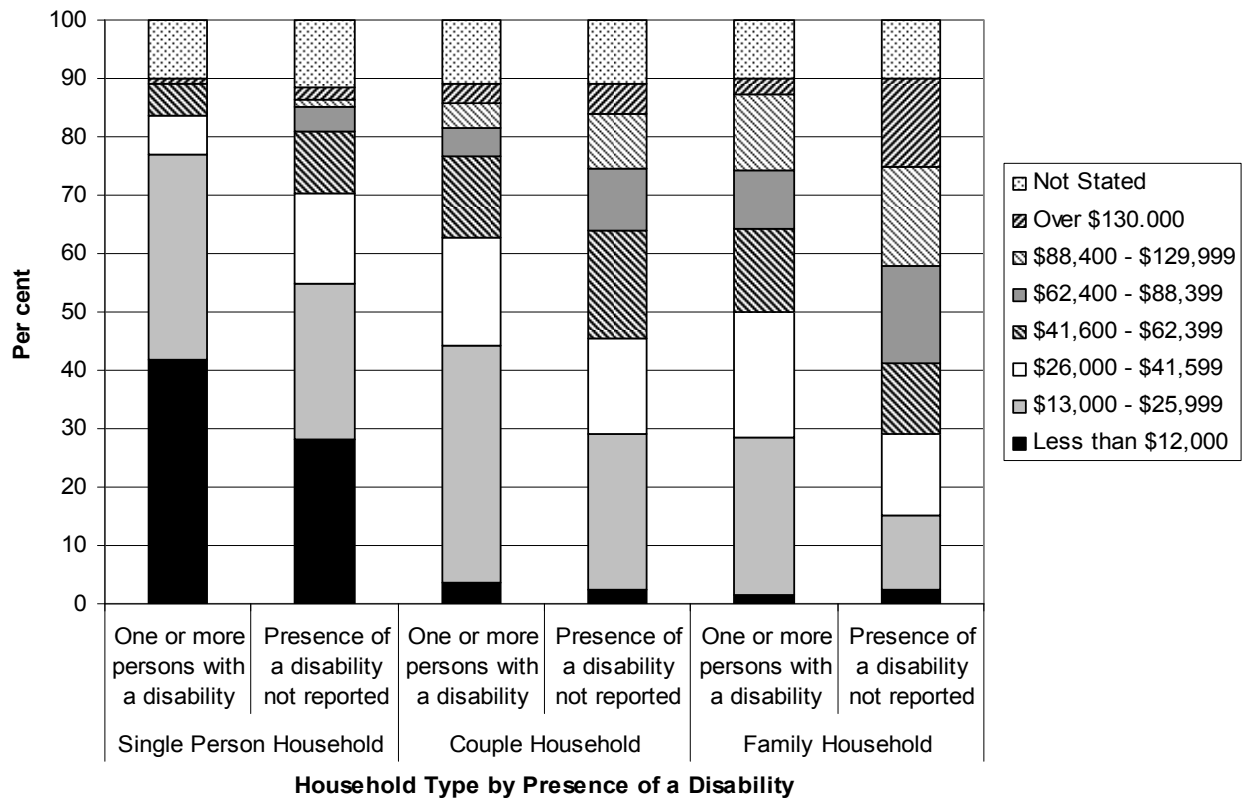
Source: *Housing 21 Survey*

Figure 94: Household income by presence of a disability for persons aged over 55



Source: *Housing 21 Survey*

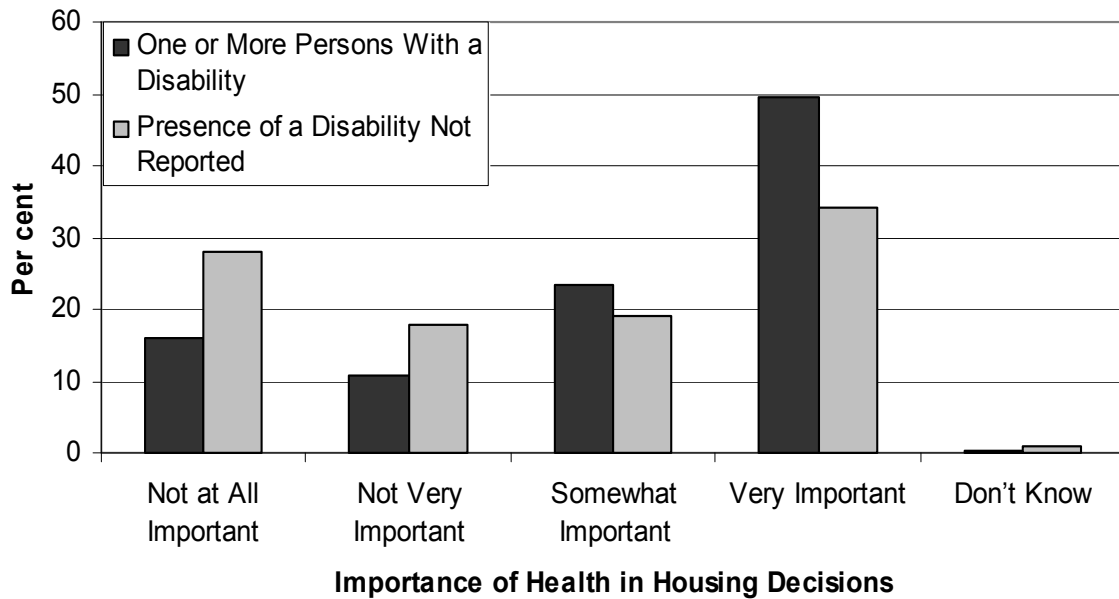
Figure 95: Household income by household type by presence of a disability for respondents aged over 55



Source: Housing 21 Survey

As is the case for the households with one or more persons with a disability and where the respondent was under 65 years of age, the presence of health issues or disability for persons in households where the respondent is 55 years and over significantly influences people’s attitudes to the importance of health in housing decisions. Clearly, the experiences of such households affected their views about the importance of health in influencing their housing options and decisions. The data presented in Figure 96 indicates that 50 per cent of respondents where one or more persons in the household has a long-term condition or disability believed health had been very important in shaping housing decisions. Another 23 per cent thought it had been somewhat important.

Figure 96: How important do you think health has been in shaping your housing decisions by presence of a disability



Source *Housing 21 Survey*

6.5.1 Mobility

The traditional housing career model assumes that older households have limited aspirations for future housing changes and therefore mobility among this group is low or infrequent. This is related to the social, economic and labour force conditions experienced during older people's lifetimes, resulting in many older people developing a strong sense of attachment to their family home and to their particular community around which life revolved. The lifetime experiences of the baby boomers (greater education and employment opportunities, changing family structure, greater affluence, increased consumerism, greater mobility and varied housing experiences, for example) coupled with increasing life expectancy, an extended period of retirement, and easy access and awareness of new lifestyles and associated forms of consumption, however, is very different from the experiences of previous generations.

Increasingly people are making choices about where they want to live, how they want to live and with whom they want to live and the lifestyles they wish to lead. Making conscious choices about where to live, as Phillipson (2007, p. 330) points out, is not new but 'the idea that substantial groups of older people are able to control and shape their environment is relatively new'. Research by Olsberg and Winters (2005) identified that the baby boomers (respondents aged between 50 and 59 years) were the least likely to wish to age in place and were the most comfortable with moving. While census data in Australia identifies that older people have lower levels of mobility (Bell and Hugo 2000) than the rest of the population, survey research is able to identify multiple moves and suggests rates of housing mobility among the older ages may be higher than census data suggests. Olsberg and Winters (2005) found from their survey of 7,000 Australians aged 50 years and over that one in three respondents had moved in the previous five years and a similar proportion expected to move in the future. Their results confirm earlier survey research (Faulkner and Bennett 2002; Manicaros and Stimson 1999) showing higher rates of housing mobility occur among the older age groups than is apparent from Census data.

The Housing 21 Survey provides an insight into the mobility patterns of the population through a series of questions relating to the decade in which respondents moved into their current home, how many times they had moved since the 1st January 1996 and what their likelihood is of them moving in the next 12 months. Table 8 provides details on the decade that people aged 55 years and over moved into their current home. It is immediately apparent that nearly 27 per cent of the population aged 55 years and over had moved into their home in just the last six years and nearly 53 per cent had moved into their current dwelling since 1990. While mobility declines with increasing age, 20 per cent of people aged 75 years and over at the time of the survey had moved in the six years prior to the survey.

Table 8: Decade people moved into their current house by age (percentages)

<i>Decade</i>	<i>Age Group</i>			<i>Total</i>
	<i>55-64</i>	<i>65-74</i>	<i>75 and over</i>	
Before 1960s	1.1	3.8	14.2	4.8
1960s	3.3	12.8	7.7	7.4
1970s	13.9	14.9	12.3	13.9
1980s	23.7	16.9	19.2	20.5
1990s	28.0	24.4	25.4	26.2
Post 2000	29.4	27.2	20.4	26.7
Don't know	0.6	0.0	0.8	0.4
Total	100.0	100.0	100.0	100.0

Source: Housing 21 Survey

To gain a more detailed understanding of the mobility circumstances of the population, survey participants were asked details about the moves they had made in the ten years prior to the survey. Respondents were asked how many times they had moved since the 1st of January 1996 to the time of the survey in late 2006 and information on each of these moves was collected. Surprisingly 41.5 per cent of people aged 55-64 had moved at least once with 25.7 per cent of these people moving three or more times, 37 per cent of people aged 65-74 had moved at least once (15.7 per cent more than three times) and 29 per cent of people aged 75 years and over had moved at least once (Table 9).

Table 9: Number of moves through the housing market by age group, persons aged over 55

<i>Number of Moves</i>	<i>Age group (years)</i>		
	<i>55-64</i> <i>Per Cent</i>	<i>65-74</i> <i>Per Cent</i>	<i>75 and Over</i> <i>Per Cent</i>
1	40.9	51.0	61.3
2	34.2	33.3	32.0
3	12.2	8.2	2.7
4	7.2	6.1	1.3
5 or more	6.3	1.4	2.7
Total Number of People Moved	224	147	75
Total percentage	100.0	100.0	100.0
As a proportion of the total population	41.5	37.0	28.8

Source: Housing 21 Survey

Table 10 provides details on the general characteristics of the respondents who moved in the decade preceding the survey. The data reflects both the voluntary and more involuntary nature of housing transitions. While people with a range of characteristics and living arrangements move, those with a greater propensity to move over the preceding decade were:

- People with a tenuous attachment to the workforce – those working part-time, the self-employed, unemployed and those people on Workcover;
- People at the higher and lower ends of the income scale;
- Vulnerable households such as sole parent households and single person households; and
- Renters and those still paying a mortgage.

It is clear that owner occupiers are the least likely to have moved and the least likely to have moved more than twice over the 10 year period (Table 11). Much of the movement was away from separate dwellings to higher density accommodation such as a townhouse, unit or apartment reflecting the desire of older people to move to smaller more manageable accommodation with as they age.

Table 10: Percentage of each age group to move by gender and marital status, persons aged over 55

<i>Characteristic</i>	<i>Age Group</i>		
	<i>55-64 (n=540)</i>	<i>65-74 (n=397)</i>	<i>75 and over (n=260)</i>
<i>Per cent moved last 10 Yrs</i>	<i>41.5 (n=224)</i>	<i>37.0 (n=147)</i>	<i>28.8 (n=75)</i>
<i>Gender</i>			
Male	40.6	36.0	29.8
Female	41.6	37.9	28.2
<i>Marital Status</i>			
Married/partner	42.1	37.0	24.3
Separated/divorced	44.4	45.0	57.1
Widowed	39.0	32.9	28.7
Never Married	27.6	27.8	44.4
<i>Housing Type</i>			
Separate House	38.3	31.1	18.8
Semi detached	72.4	65.2	52.9
Flat	57.9	60.9	57.4
Other	33.3	100.0	75.0
<i>Household Status</i>			
Single Person	39.7	40.4	33.8
Couple Household	43.6	38.9	25.5
Family Household	38.3	17.8	16.0
Sole parent Household	50.0	60.0	33.3
Group Household	20.0	0.0	0.0
<i>Housing Tenure</i>			
Paying Mortgage	50.4	43.3	0.0
Own Outright	34.4	32.3	22.0
Private rental	70.6	61.5	70.0

Public Rental	63.2	48.0	31.3
Employment Status			
In labour force			
Full-time	38.7	31.3	0.0
Part-time	40.0	33.3	50.0
Unemployed	57.9	0.0	0.0
Disability/Workcover	57.1	66.7	0.0
Retired/Home Duties	40.0	35.3	29.0
Main source income			
Wages, Salary	37.2	31.8	66.7
Self Employed	48.0	36.4	0.0
Interest/Dividends	42.9	19.4	12.9
Government Pension	46.5	42.8	32.4
Superannuation	38.9	32.4	17.9
Other (Incls NS, Ref)	61.1	22.2	0.0
Household Income			
Less than \$12,999	46.9	43.1	37.7
\$13,000 - \$25,999	47.1	37.1	24.2
\$26,000 - \$41,599	32.9	32.0	31.4
\$41,600 - \$62,399	37.3	34.9	28.6
\$62,400 - \$88,399	25.0	50.0	25.0
\$88,400 - \$129,999	52.1	42.9	0.0
Over \$130,000	46.2	60.0	0.0
Not Stated	50.9	28.9	28.9

Source: *Housing 21 Survey*

Table 11: Tenure by number of moves through the housing market for persons aged over 55

Movement	Tenure			
	Paying Mortgage (per cent)	Own Outright (per cent)	Renting (per cent)	Other (per cent)
Percentage of people moving by tenure	47.1	31.3	59.8	61.1
Number of Moves				
1	26.0	55.3	35.5	63.6
2	32.9	33.8	35.5	22.7
3	21.9	5.8	10.5	4.6
4 and over	19.2	5.1	18.4	9.1
Total Per cent	100.0	100.0	100.0	100.0
Total Number of Persons Moving	73	275	76	22

Source: *Housing 21 Survey*

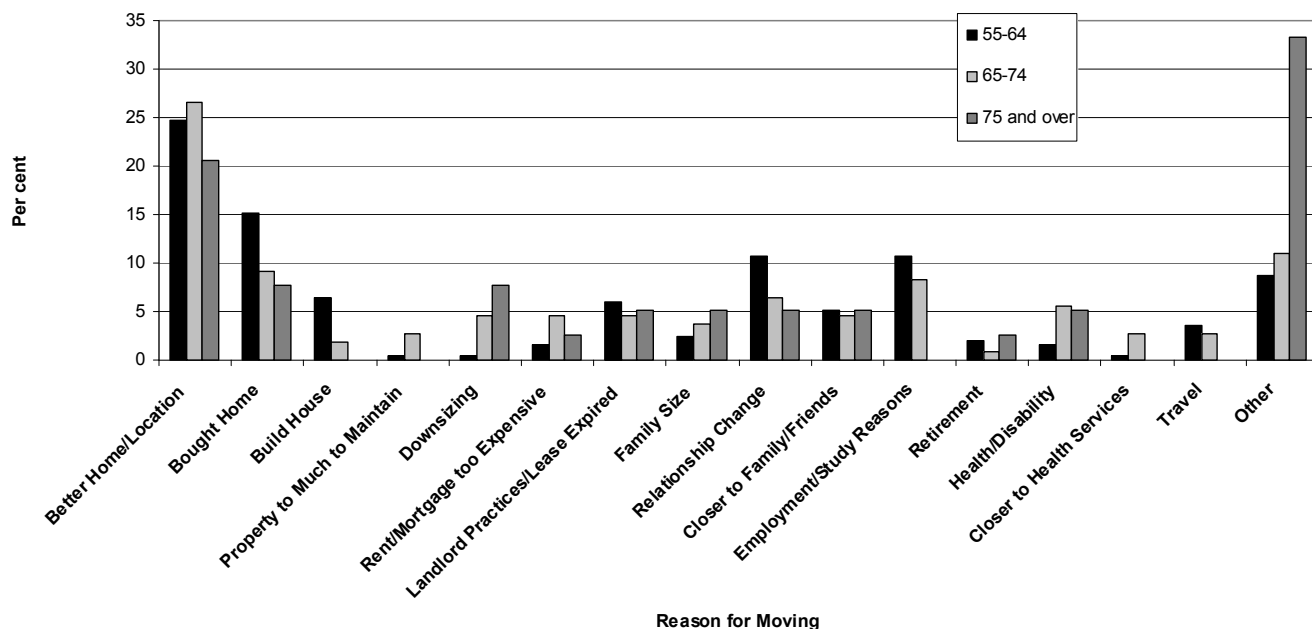
6.5.2 Reasons for Moving in the Last Ten Years

As highlighted in Section 3.2.1 for the overall sample population of the Housing 21 survey demographic factors were not prominent among the primary reasons people gave for moving. Consumption oriented factors dominated housing moves – especially the processes of purchasing a home, the building of a new home that meets the aspirations of the household, movement to a better home or location as well as downsizing – accounting for 44 per cent of responses.

The other important reasons given were (Figure 96)

- Relationship change – an important driver of movement through the housing market particularly for those aged 55-64 years accounting for 10 per cent of movements through the housing stock;
- Employment, though not as important as for the total sample of respondents was the primary reason for movement through the housing market for nearly 11 per cent of those aged 55-64 and 8 per cent of those aged 65-74. Retirement accounted for an additional two and one per cent respectively, and for 2.6 per cent of the housing movements of people aged 75 years and over;
- Health and disability became more important with increasing age accounting for 5 per cent of moves for those aged 65 years and over. Living closer to family and friends also accounted for 5 per cent of moves for this age cohort;
- Three per cent of households relocated in order to secure less expensive housing and 5 per cent moved because of landlord practices (the landlord selling the property, evicting the tenant) or expiration of a lease; and
- Travel was a reason for moving home for 3.8 per cent and 2.6 per cent of people aged 55-64 and 65-74 years respectively.

Figure 97: Reasons for moving over the last ten years by age

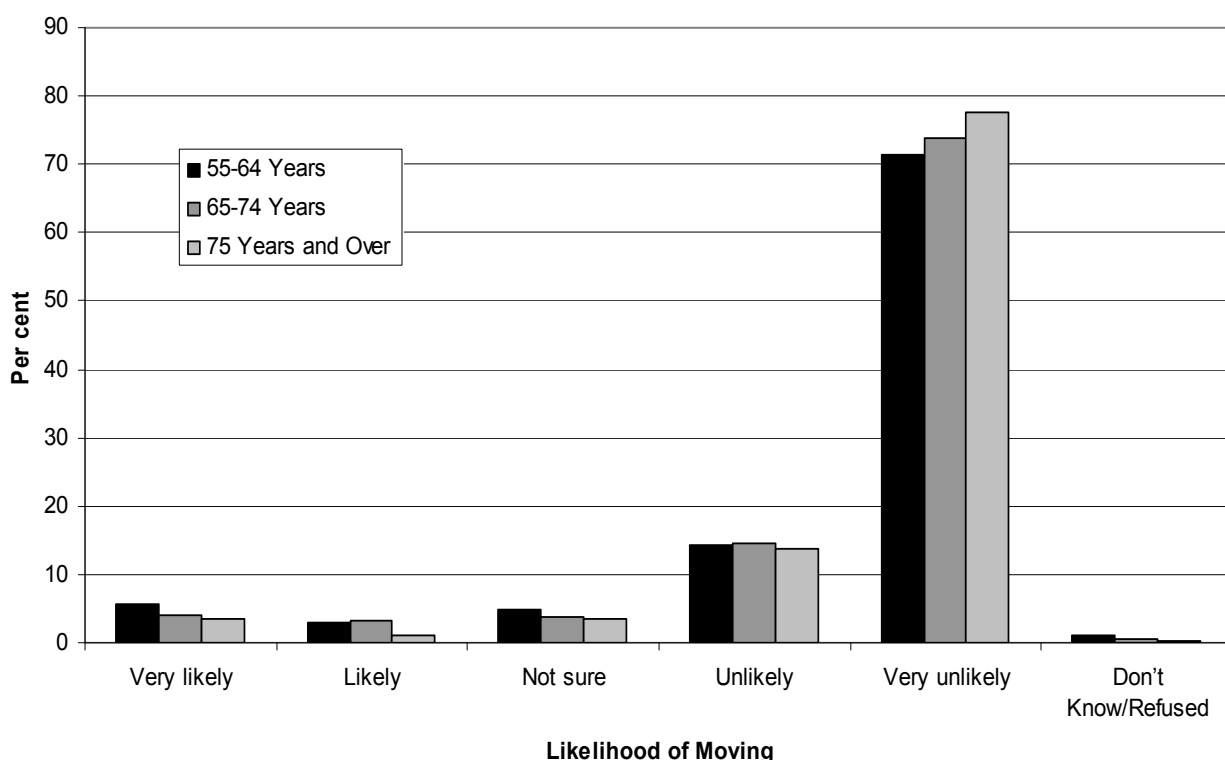


Source: Housing 21 Survey

Future Moves

In addition to seeking information on people's moves over the last ten years an indication of their likelihood to move over the next 12 months was also sought. Data presented in Figure 98 shows that overall 7.3 per cent of respondents indicated it was very likely or likely they would move in the next 12 months. This is much lower than the 34.8 per cent found in the study by Olsberg and Winters (2005) though in this study there was no time frame on their indication of intention to move. Intentions were greatest for those aged 55-64 and lessened with increasing age. Tenure had a significant impact on intentions to move with 5.5 per cent of outright home owners intending to move, 7.7 per cent of mortgage holders and 18.9 per cent of renters believing it was likely or very likely they would move in the following 12 months.

Figure 98: Likelihood of people moving in the next 12 months



Source: Housing 21 Survey

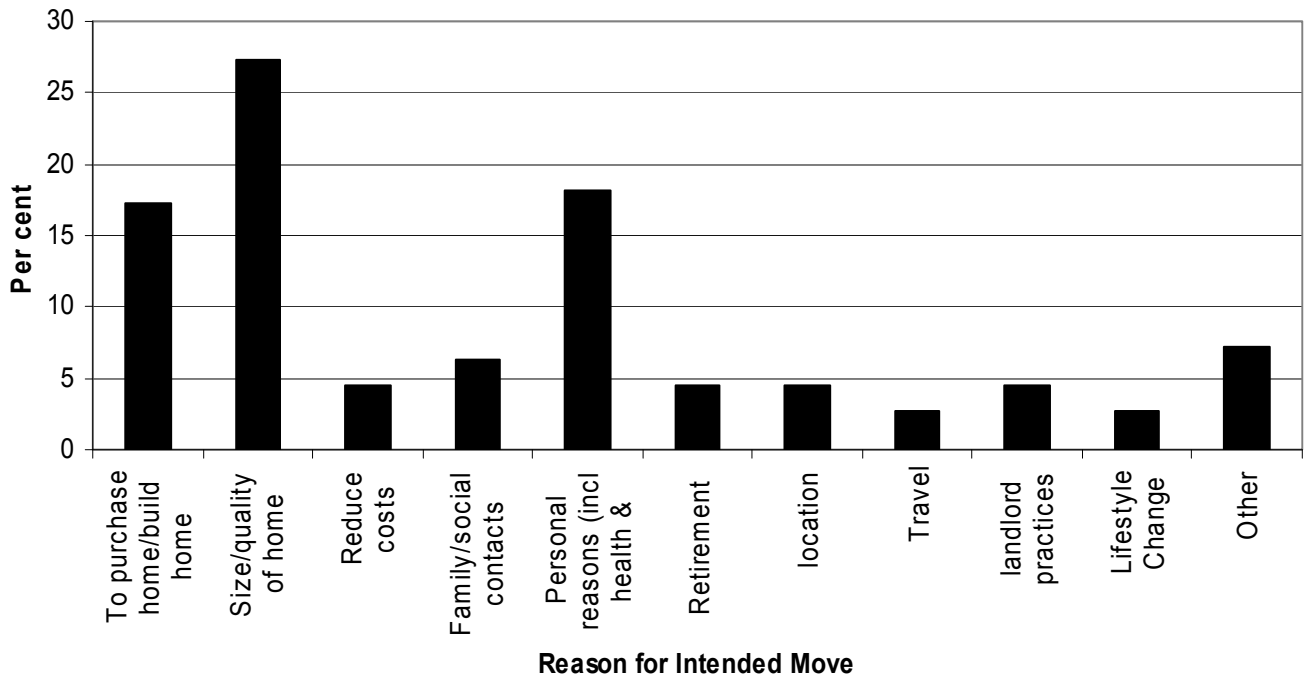
For the population aged 55 years and over as a whole three main reasons were identified as to why people intended to move in the 12 months following the survey, to purchase or build a new home; to vary the size and or quality of the home; and personal reasons such as health or disability (Figure 99).

The reasons for moving varied by age (Figure 100):

- At ages 55-64 there was a greater range of reasons than was the case for the older age groups and the reasons revolved around lifestyle factors – building or purchasing a new home, to change the size and quality of the home as well as travel and a desirable location.
- Changing the size or quality of the home became an increasingly important reason with increasing age and this reflects the issues older face in maintaining their homes and gardens, particularly with the onset of medical issues, disability or the loss of a spouse or partner.

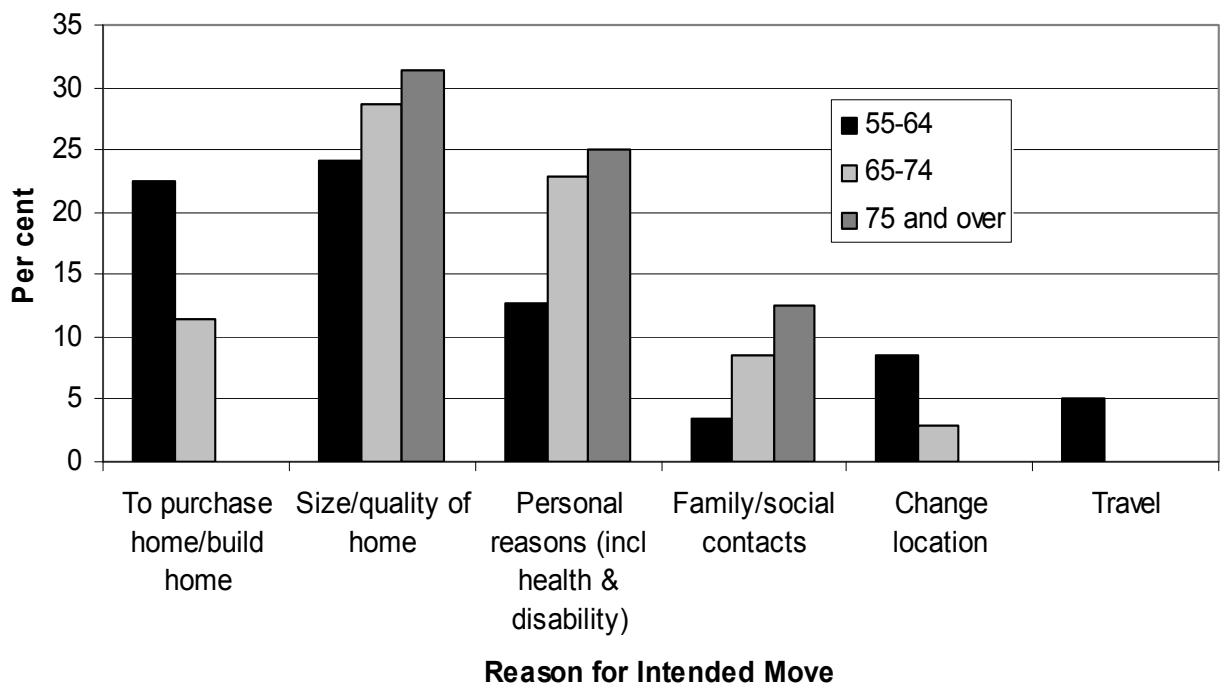
→ At the oldest ages it is believed health and disability will become an important reason for moving and this is directly related to the need to downsize and move closer to family.

Figure 99: Reasons for intended moves over the 12 months post survey



Source: *Housing 21 Survey*

Figure 100: Reasons for intended moves over the 12 months post survey by age



Source: *Housing 21 Survey*

Lifestyle Values and Aspirations

Debate exists as to the drivers of housing transitions and whether demographic or labour force and economic resources are more important. A more recent perspective suggests that in addition to the above, lifestyle values and aspirations are becoming more important and housing is now used increasingly now as a form of luxury consumption rather than a place for the provision of the basic necessities of life – shelter, warmth, and a place to belong. In many respects this is changing the purpose and therefore the meaning of home.

Analysis of the data from the Housing 21 Survey for the total survey population (Section 3.3.4) indicates that indeed consumption motives are driving changes in the housing market. This appears also to be the case for the older population. In Section 5.4 the ownership of properties other than the principal place of residence was examined and it was immediately clear that the baby boomer generation in particular has invested in other real estate for investment purposes. In addition, Table 12 highlights the fact that of the older cohorts with a mortgage 47.2 per cent of those aged 55-64 had refinanced this loan, as had 59.1 per cent of those aged 65-74 and two of the four people aged 75 years and over. While some had refinanced to achieve a lower interest rate, the majority had refinanced to withdraw housing equity.

Table 12: Main reason for refinancing previous loan or for placing a mortgage on a property owned free or clear of debt

<i>Reason for Refinancing</i>	<i>Age Group</i>					
	<i>55-64</i>		<i>65-74</i>		<i>75 and over</i>	
	<i>No</i>	<i>Per cent</i>	<i>No</i>	<i>Per cent</i>	<i>No</i>	<i>Per cent</i>
For lower interest rate	2	3.9	4	30.8	0	0.0
Increase payment period of loan	1	2.0	0	0.0	0	0.0
Reduce payment period of loan	0	0.0	0	0.0	0	0.0
For better loan conditions	3	5.9	0	0.0	0	0.0
To receive cash or increase the outstanding balance of loan	45	88.2	4	30.8	2	100.0
Other	0	0.0	5	38.4	0	0.0
Total	51	100.0	13	100.0	2	100.0
Total number with mortgage	108		22		4	
Per cent refinanced	47.2		59.1		50.0	

Source: *Housing 21 Survey*

Respondents to the survey were asked to nominate the main reasons they refinanced (Table 13). These reasons were:

- Investment in property
- Other purchases
- Business related reasons
- For modifications to the home
- To consolidate debt

Table 13: Main reasons for refinancing a previous loan or for placing a mortgage on a property owned free or clear of debt

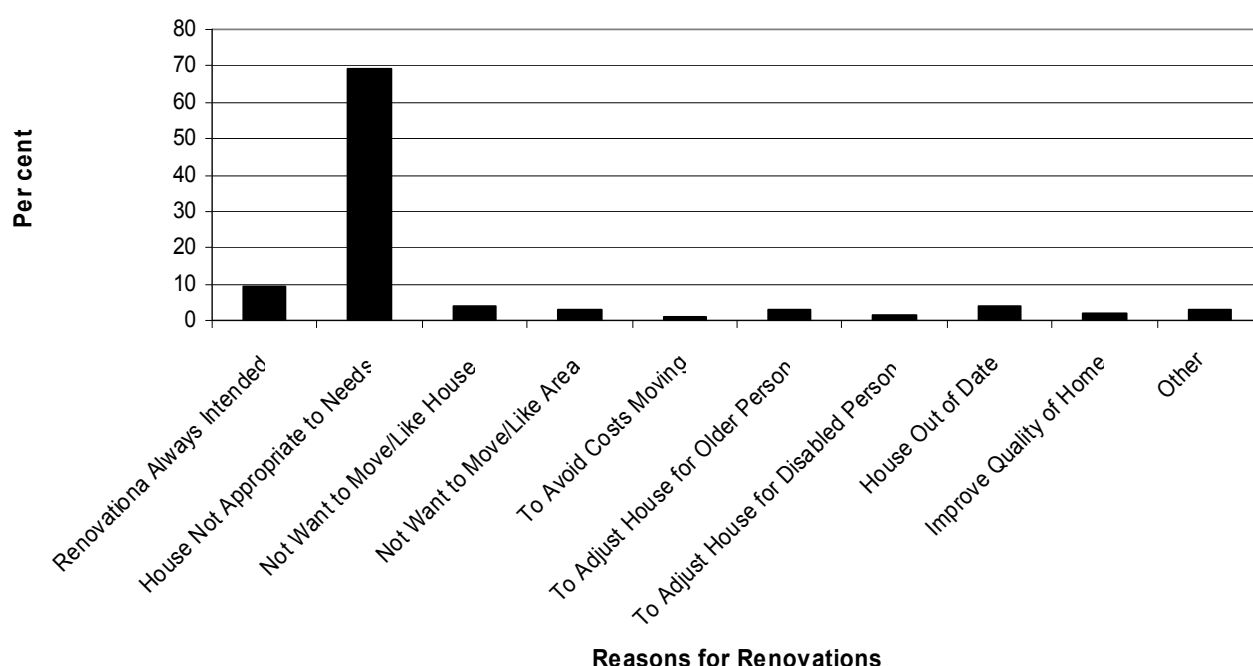
<i>Reasons for Refinancing</i>	<i>Number</i>	<i>Per cent</i>
For additions, improvements or repairs to property	9	11.5
To consolidate debts	8	10.3
For investment in real estate	16	20.5
For other types of investment	4	5.1
For educational or medical expenses	1	1.3
For business related reasons	10	12.8
To settle a divorce	3	3.8
To pay taxes	1	1.3
Other purchases	13	16.7
To save money	5	6.4
Living expenses	1	1.3
Line of credit	4	5.1
Assist family	3	3.8
Total	78	100.0

Source: *Housing 21 Survey*

As well as information on refinancing loans the Housing 21 Survey sought information on renovations respondents had undertaken in their home and intentions to renovate.

Some 26.9 per cent of homeowners aged 55-64, 27.1 per cent aged 65-74 and 16.9 per cent aged 75 years and over had undertaken a major renovation that had altered the floor plan of the dwelling. As Figure 100 shows the overwhelming reason for renovating was that the house was not appropriate for the households needs. For example, more space was needed or extra rooms were needed (including sunrooms, dance room, dining room), suggesting many of the changes were made for lifestyle reasons. Few modifications were made to accommodate the needs of an older person or a person with a disability.

Figure 101: Reason for renovating current home



Source: Housing 21 Survey

A further 8.7 per cent of home owners aged 55 years and over intended to renovate. The intention to renovate varied by age – from 12.2 per cent of those aged 55-64 to 6.9 per cent of those aged 65-74, and for just 4.8 per cent of those aged 75 years and over.

While some invested money in their home or in investment properties other respondents were providing their children with financial assistance to enter the home purchase market. As can be seen from Table 14 this help is significant with over 20 per cent of respondents aged 55 years and over providing some assistance.

Table 14: Provision of financial assistance to children or younger family members to purchase a home

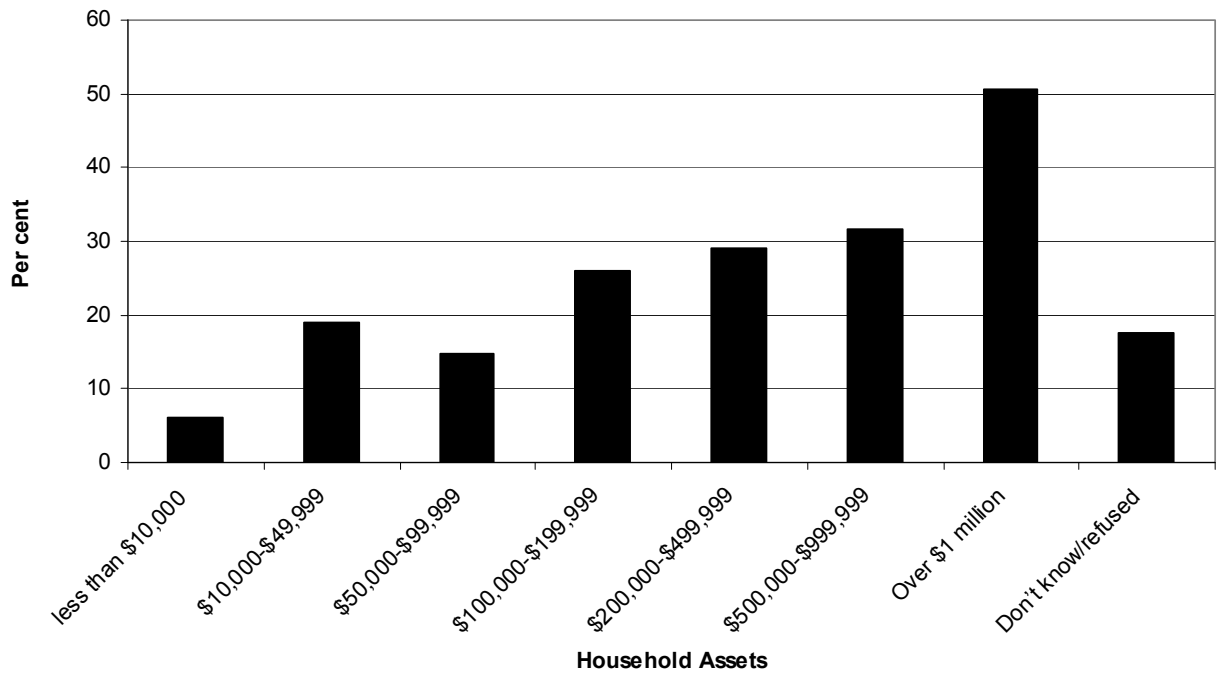
<i>Provision of Assistance</i>	<i>Financial Age Group</i>			<i>and Total</i>
	<i>55-64</i>	<i>65-74</i>	<i>75 over</i>	
Yes	22.6	23.4	25.4	23.5
No	75.4	75.3	73.5	74.9
Don't know/Refused	2.0	1.3	1.1	1.6
Total	100.0	100.0	100.0	100.0

Source: Housing 21 Survey

While those in a better financial position are more able to provide help even those with few assets had provided financial assistance to their children. Fifty per cent of those with over \$1 million in assets had provided assistance to their children. Around 20 per cent of people with less than \$50,000 and around 6 per cent of those respondents with less than \$10,000 in assets had also assisted their children. Many believed their children would be unable to enter the housing market without their assistance. This is clearly an important means by which some young people are able to enter the home ownership market and it also reflects older people's beliefs in the importance of home

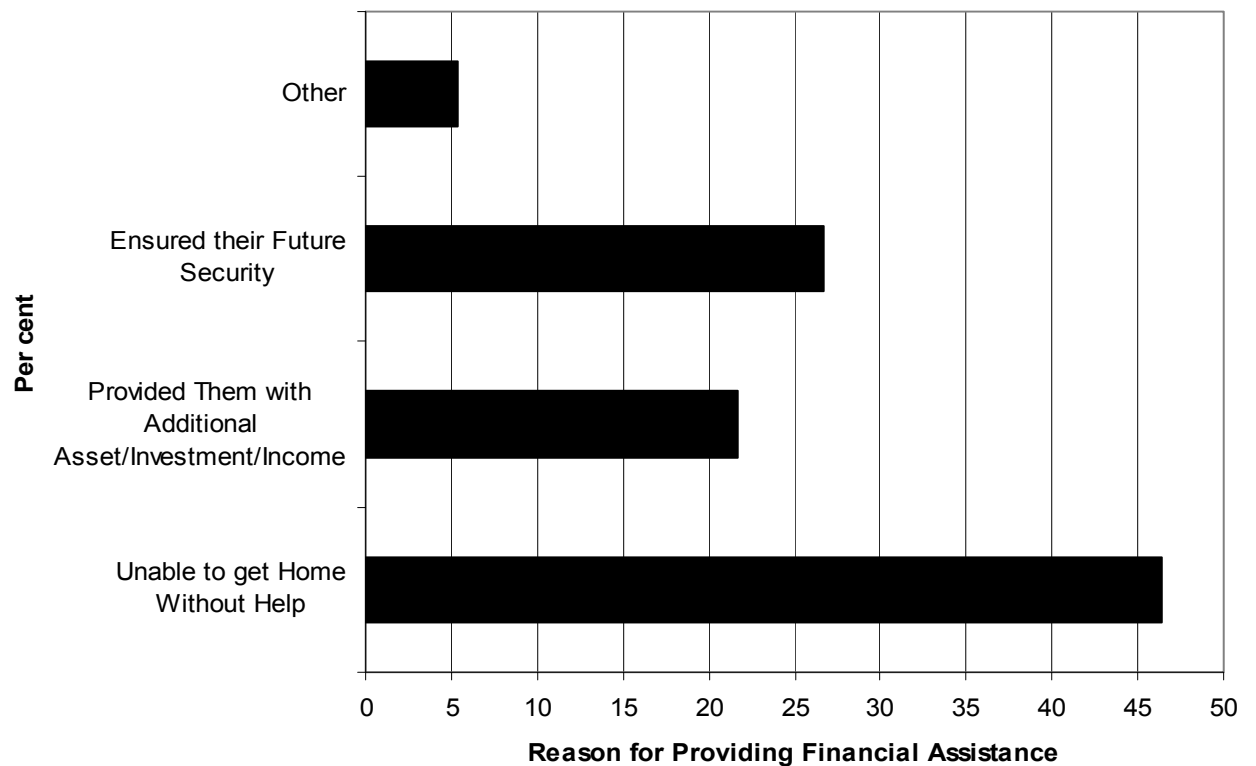
ownership for future financial security and wellbeing. Other respondents provided financial assistance so that their children could purchase investment properties (Figures 102 and 103).

Figure 102: Financial assistance by household assets



Source: *Housing 21 Survey*

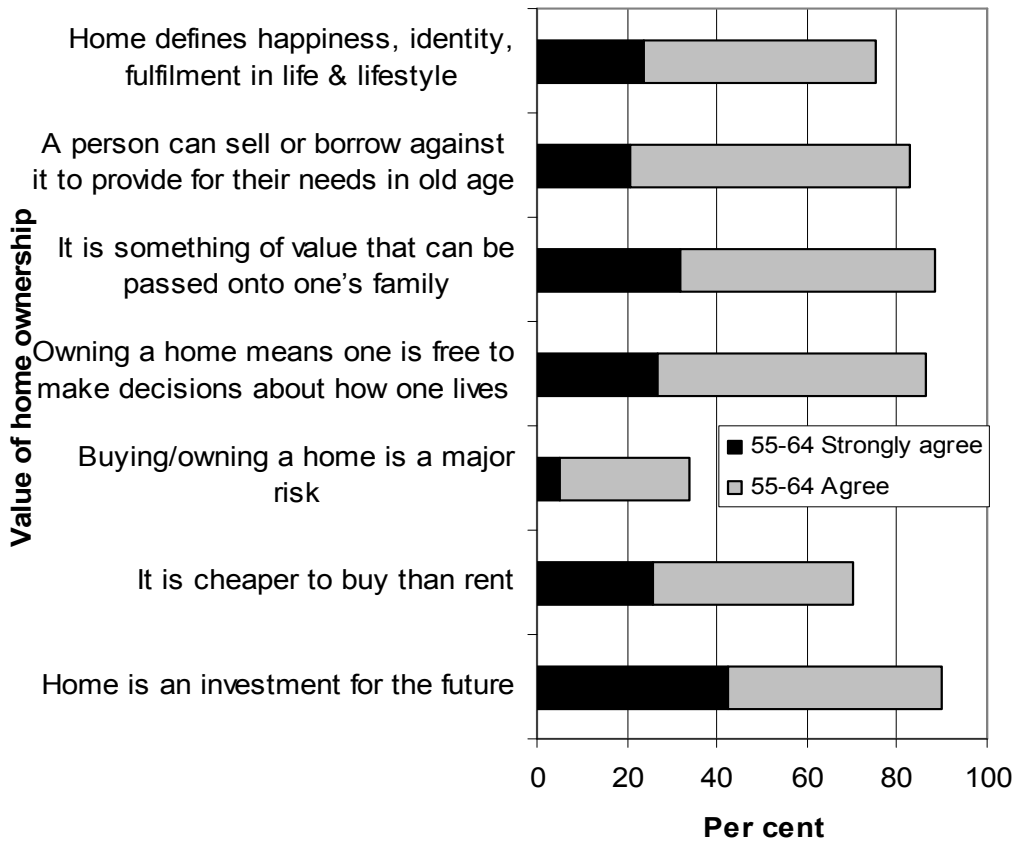
Figure 103: Reason for providing financial assistance

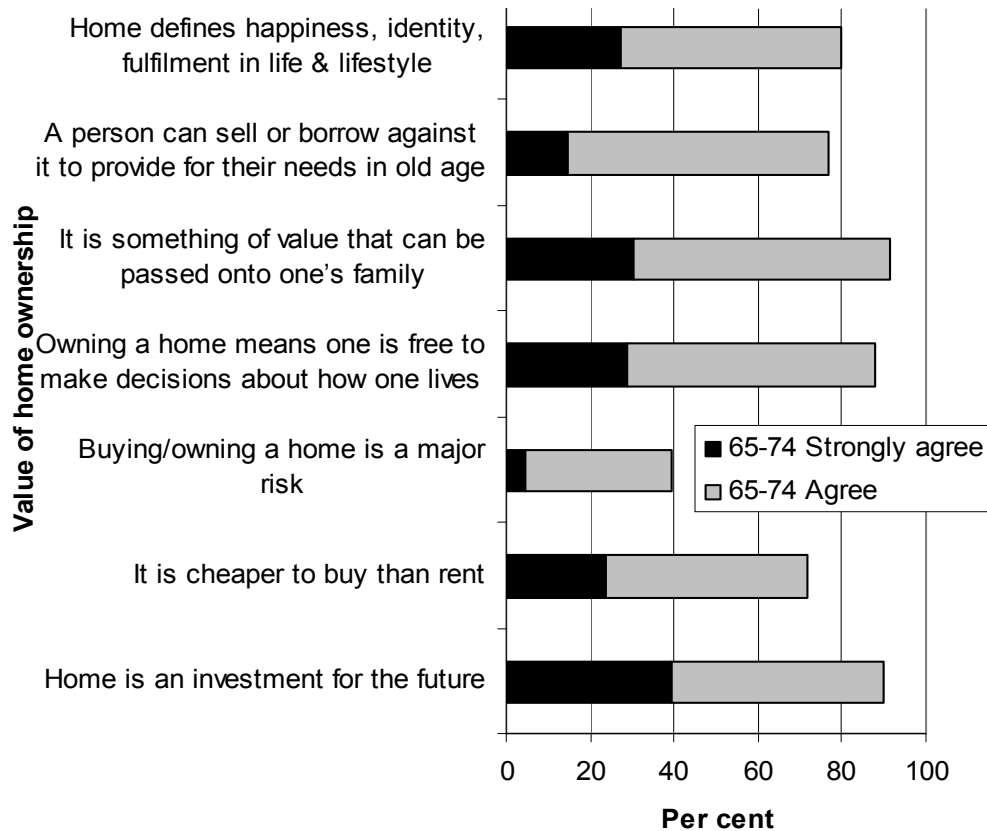


Source: *Housing 21 Survey*

The value of home ownership was explored through a series of statements provided in the Housing 21 Survey and as examined by Olsberg and Winters (2005) in their study of Australians aged 55 years and over (Figure 103). As home ownership is so central to the Australian way of life it is not surprising that in many respects the views of the baby boomers presented here (aged 55-64) are similar to those of the older age groups generally.

Figure 104: Attitudes to the value of home ownership by age





Source: Housing 21 Survey

Home ownership is clearly seen as an investment for the future and not only financially but in providing a hedge against life's experiences or challenges.

Consequently, few respondents saw buying or owning a home as a major risk. Home is very important in allowing people the freedom to choose how they want to live and was clearly felt to define one's identity – especially as people aged.

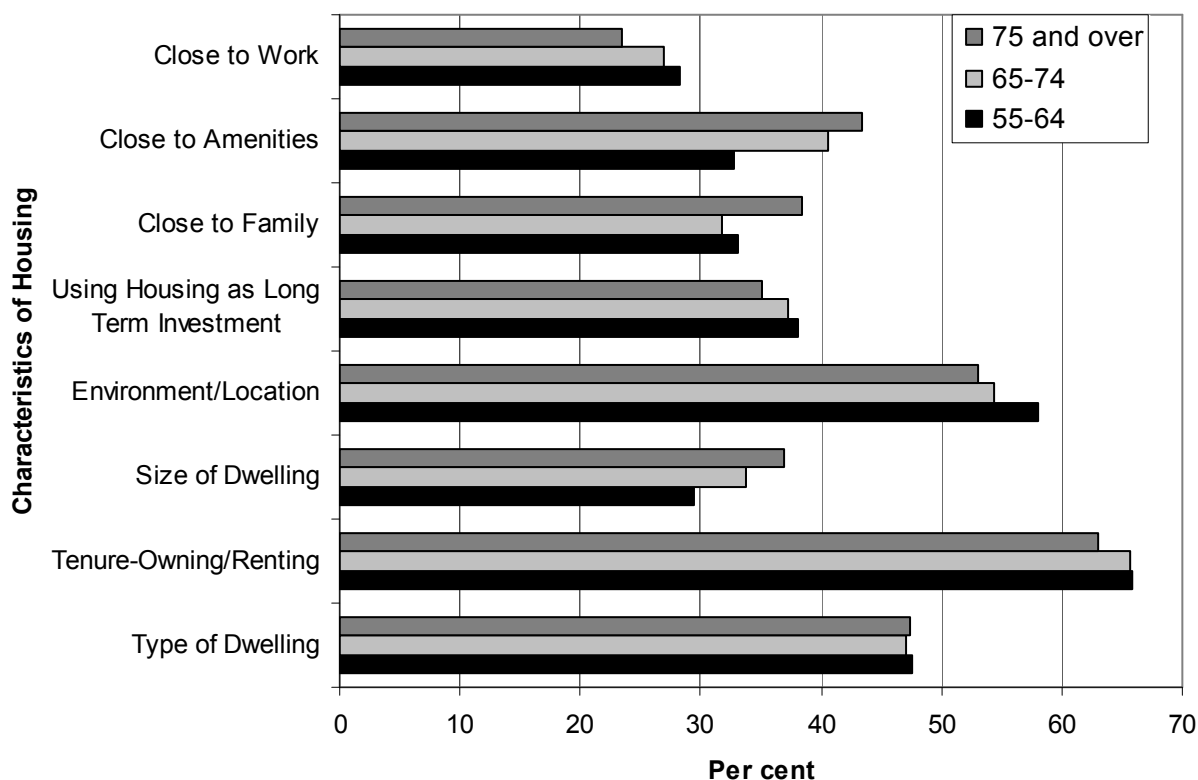
The biggest difference of opinion among the older age cohorts concerned the use of equity within the home to provide for needs in older age. Nearly 83 per cent of respondents aged 55-64 agreed or strongly agreed that a person can sell or borrow against a home to provide for their needs in old age, compared with just 65.8 per cent of people aged 75 years and over. This tends to support the contention of Olsberg and Winters (2005) that community attitudes to the use of housing wealth may be changing.

With many older people facing increasing hardship – due for example to outliving financial savings, increasing numbers of user pays services (including for care and assistance), lack of public assistance to maintain homes, capital growth in value of homes resulting in increases in associated costs such as rates and taxes and the willingness to use equity for consumption purposes and to finance lifestyle aspirations – there has been a rise in the demand for home equity products (Hickey, Handley and Sorvello 2007). While international research highlights the important contribution equity release can make to the living standards of older people (Davey 1996), recent research by COTA Victoria suggests people's understanding of these products is very poor and therefore could leave older people very vulnerable (COTA 2007). In addition, the extent to which older households deplete their wealth before death will affect future generations, in particular the baby boomers, and have important policy implications (Harding, King and Kelly 2002; Olsberg et al. 2004).

While the experiences of individuals provide an insight into housing transitions, people's thoughts about what they believe have been influential in determining their housing pathways is also important. The Housing 21 Survey sought to tap into people's thoughts and ideas about what factors in life and specific aspects related to housing had so far been influential in determining their housing pathways. Respondents were asked to consider a range of factors and how important they thought each factor had been in shaping their lifetime housing goals. As expected, and Figure 105 highlights, tenure and location were both very important:

- More respondents believed tenure had been 'very important' than any other factor. Regardless of age, around 65 per cent of respondents rated it as very important;
- Similarly, location and environment were seen to be very important in shaping people's housing goals;
- Being close to family and amenities increased in importance with increasing age of the respondents and, although not shown in Figure 104, these factors were more important to women than men; and
- Being close to work was the least influential factor.

Figure 105: Proportion of respondents who rated the housing characteristic as 'Very Important' in reaching housing goals



Source: Housing 21 Survey

More broadly, respondents were asked to consider a range of factors that shaped their housing decisions overall. Though there was some variation by age and gender (Figure 106) the responses are remarkably similar.

- Marriage and partnerships were seen to be very important by the greatest proportion of respondents reflecting the influence this has had on the housing transitions of the older population. For the oldest age group (75 years and over) marriage and partnerships were ranked 'very important' by 78.8 per cent of males and 75.6 per cent of females respectively;
- Employment and career were 'very important' to around 40 per cent of respondents. The importance of this factor may be tempered by the fact that many in this group are no longer attached to the workforce, or if they were, employment is no longer an influential factor in determining housing decisions whereas the fruits of this employment – finance – remains as a driving force in decisions;
- As expected, finances rank highly in influencing the housing decisions people have been able to make. In fact, more women aged 55-64 ranked finances as 'very important' than any other factor and this probably reflects the poor financial position many find themselves in as a result of separation/divorce, sole parenthood and/or to a lesser extent widowhood. Conversely the opportunities that exist today for single women to enter into home ownership if they are in a suitable financial position means the relevance of marriage and partnerships in achieving home ownership may not be so crucial today as in the past;
- The location of housing ranked highly for all age groups but was considerably more important to females aged 55-74 than males; and

- Health, family and friendships become of greater importance to people with increasing age.

Having considered the factors that influenced their housing decisions respondents were asked if they saw the housing choices they had made in their life was part of a longer term plan regarding where they wanted to live, the type of housing, and whether they wanted to own or rent (Figure 107). Overall 67.7 per cent of all respondents aged 55 years and over believed the housing choices they had made had been or had become part of their longer term plans regarding the life course. This varied little by age and gender, however, this was not the case when tenure was considered. As expected, a higher proportion of those buying a house or who owned a house outright felt that housing had been part of a longer plan. Less than half of the renters felt the same way (Table 15).

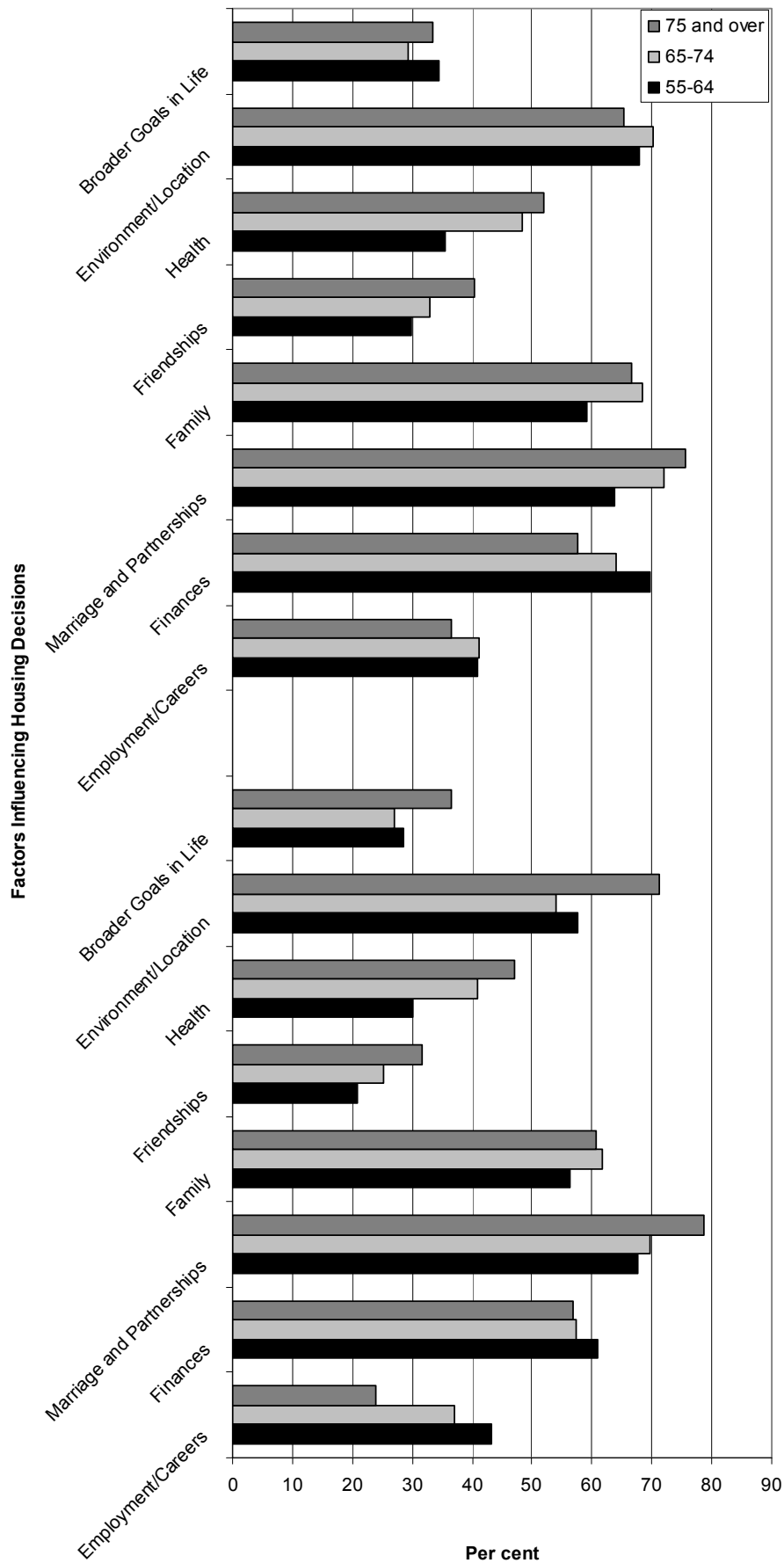
Finally, respondents were asked if they believed they had been successful in reaching their housing goals (Figure 108). Around 70 per cent thought they had been very successful in reaching their housing goals; 24 per cent felt they had been somewhat successful. Again, this varied by tenure. As highlighted in Figure 5-35 outright owners generally were more likely to feel they had been 'very successful' while renters were less likely to feel they had been 'successful' at all and then they were more likely to choose somewhat successful rather than 'very successful'.

Table 15: Housing as part of a long-term plan by tenure

<i>Tenure</i>	<i>Yes</i>	<i>No</i>	<i>Don't Know Refused</i>	<i>Total Per cent</i>	<i>Number</i>
Paying Mortgage	71.6	27.1	1.3	100.0	155
Outright Owner/ Joint Owner	71.1	25.5	3.4	100.0	879
Renting (paying Board)	41.7	50.4	7.9	100.0	127
Other	58.8	41.2	0.0	100.0	34
Don't Know/Refused	0.0	50.0	50.0	100.0	2
Total	810	345	42		1,197
Opinion as a per cent of Total Number	67.7	28.8	3.5	100.0	1,197

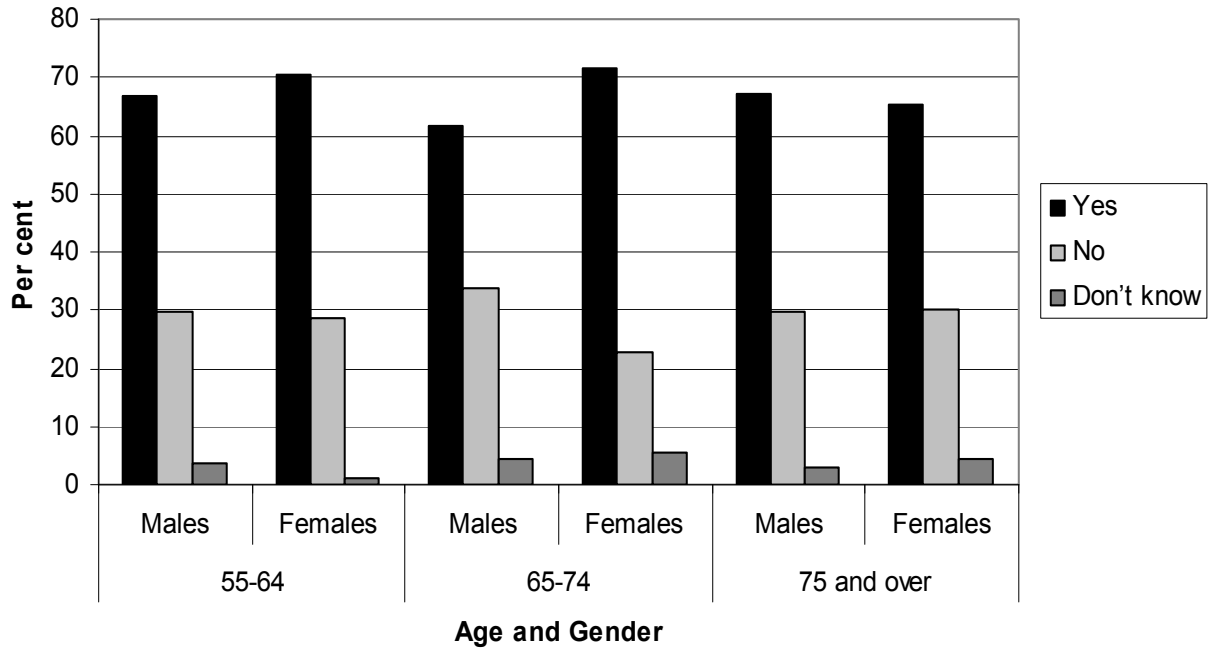
Source: *Housing 21 Survey*

Figure 106: Factors that shaped housing decisions overall by age and gender



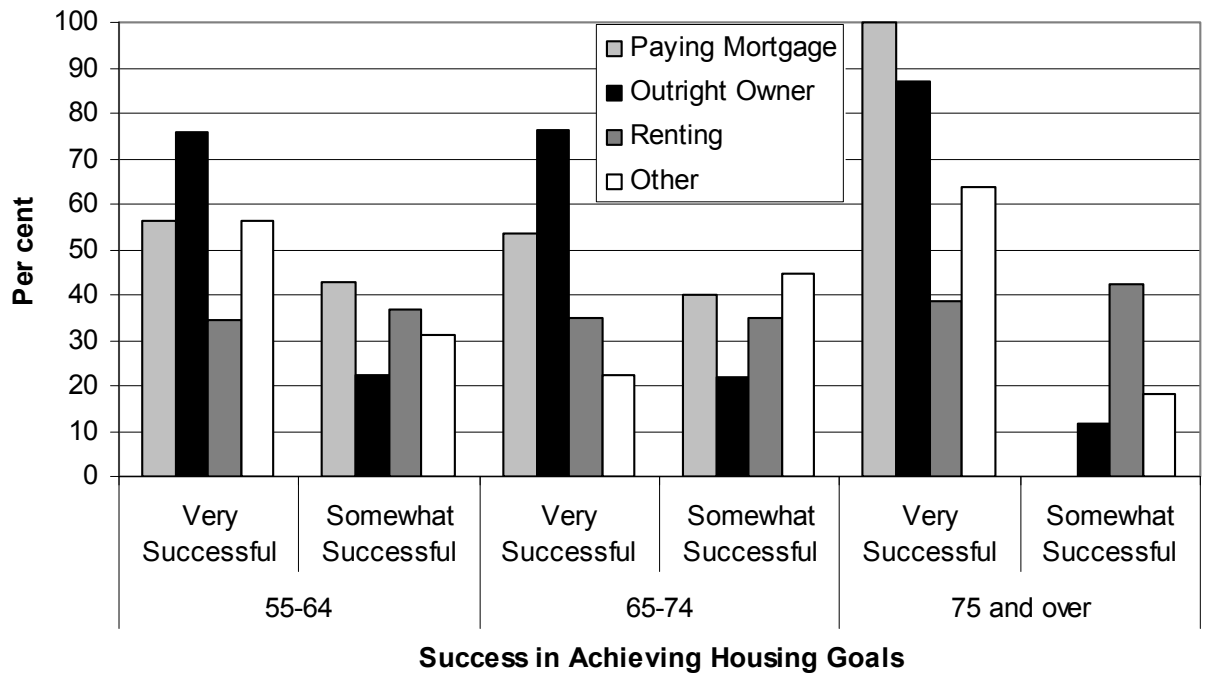
Source: *Housing 21 Survey*

Figure 107: Housing choices as part of longer term plan



Source: *Housing 21 Survey*

Figure 108: Degree of success in reaching housing goals



Source: *Housing 21 Survey*

6.6 Conclusion: The Housing Transitions of Older Australians

This chapter has outlined the housing circumstances of those traditionally classified as the older population, those aged 65 years and over, as well as those representing the cusp of the baby boom generation – people aged 55-64 years in the first decade of the 21st century. It is clear that the baby boomers have the potential to create significant demand within the housing market and especially in terms of demand for assistance from governments into the future.

This chapter has shown:

- The age of 55-64 is a period of transition – transition from the workforce to retirement, transition in household structure from family households to couple only households, and achievement of outright ownership of housing.
- Home ownership is highly valued by older Australians and with good reason. It provides a financial base for future changes in housing, and security of tenure. Many who are not home owners are considerably disadvantaged.
- Marriage and/or partnership stability is crucial to the ability of people to obtain outright home ownership or to remain in the home ownership market and accumulate assets for future choices and needs. People who are separated or divorced often experience financial hardship and disruptions to home ownership aspirations.
- As outright home owners the older age groups have substantial equity in their homes and many have some superannuation so they will have the capacity to afford a greater range of housing options, at least in the first years of retirement.
- The baby boomers are wealthier than previous generations with nearly one-third owning property other than their principal place of residence. However, wealth and income disparities will continue to limit the housing choices of many older Australians.
- Though the older population is known to move less than younger groups, mobility among the baby boomers will be significant and they will be an important source of demand for new housing.
- The baby boomer generation tend to view housing in a different light to older age groups. Housing is seen more as an investment rather than just as a place of shelter and comfort than has been the case in the past. There are indications the baby boomers may be more willing to access reverse mortgage or equity release products to fund lifestyle aspirations than previous generations.
- Disability will continue to be a significant determining factor in where people live and with whom. Many of the baby boomers with a disability, in particular women, will be living on their own. The availability and provision of formal and informal care will be vitally important in the ability of many people to remain living in the housing of their choosing. Similarly, the availability of a home-based care is just as important and unfortunately in Australia as Kendig and Bridge (2007, p. 222) highlight 'while government policies to support care at home have progressed there has been a retraction of corresponding housing programs that sustain a home base'.

While the baby boomers will be better able to provide for themselves and will create increasing demand for new and diverse forms of housing, for those that are less well off financially it is important that the Australian Government recognises the importance

of housing to older people's wellbeing and housing remains a priority. For, as the National Strategy for an Ageing Australia states:

Housing is an essential requirement for people of all ages. Safe and secure housing is particularly important for older people, and access by all older Australians to housing (private and public) that is affordable, accessible and suitable to their needs will be a priority as the population ages (Department of Health and Ageing 2002, p. 26).

New and different forms of assistance will be required, as just providing financial support in the form of rent assistance does not provide security of tenure, a secure and stable place for receiving care or the guarantee of maintenance and/or address the suitability of accommodation with changing needs.

7 HOUSING CAREER AND DISABILITY

In addition to its core task, NRV2 set out to undertake a parallel piece of research into the housing transitions of persons with a disability and their family members with care responsibilities.⁸ The overarching research question for this component of the research is

How are housing careers for persons with a disability and their family members with care responsibilities changing in Australia and what are the implications of change for government provided housing assistance?

The disability-focused component of the research was supported by the Helen McPherson Smith Trust and the Gandel Trust and was undertaken in Victoria. The goals of this component of the research included drawing comparisons between the housing transitions of the mainstream population and those of people affected by disability; the development of a comprehensive evidence base on the housing transitions of persons affected by disability; and the dissemination of the findings to the broader community in order to raise awareness of the challenges to successful housing transitions confronting persons with a disability. Crucially, the research was commissioned with the intention of 'mainstreaming' the discussion of the housing transitions of persons with a disability in order to promote policy solutions that are not limited to the disability sector alone. As discussed in the first section of this report, research on the housing transitions of persons with a disability paralleled all elements of the broader NRV, with an explicit disability component to Projects A through E and in some instances the output has been integrated with the outcomes of the broader project and on other occasions separate outputs have been produced. A full list of the reports and working papers is included in Appendix A.

The disability research focused on the housing transitions of persons – and their carers – affected by four types of disability:

- Mobility impairment;
- Sensory impairment;
- Psychiatric disability;
- Cognitive disability.

The research was further focused on three regions within Victoria: Darebin as an example of an inner metropolitan region; Gippsland as an example of a non-Territories the metropolitan region; and Sunshine/Brimbank as an example of an outer metropolitan region. While the research was undertaken in Victoria the results are transferable to other jurisdictions. A policy review paper undertaken as part of NRV2 (Tully 2007) demonstrated that across Australia's States and policy frameworks linking housing and disability are broadly similar. In addition, the Commonwealth State Territory Disability Agreement (CSTDA) that funds many of the support services for persons with a disability results in a degree of uniformity across States and Territories, as do Australian Government income support payments such as the Carers Pension and the Disability Support Pension. In all jurisdictions publicly-owned housing is seen as the primary vehicle for assisting persons with a disability with their housing. In addition, there is a strong focus on providing services that support individuals maintain as much independence as possible.

⁸ For the sake of brevity family members with care responsibilities will be referred to as carers. This group does not include professional carers.

The primary data collection instruments in the disability component of the research included:

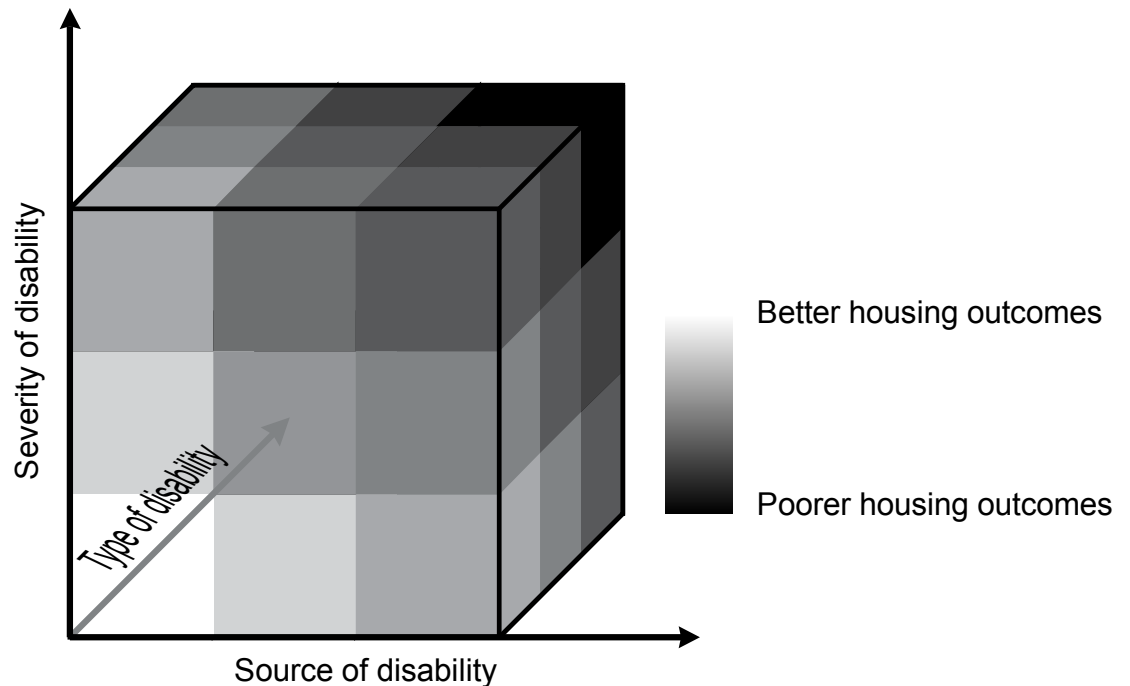
- Six focus groups undertaken as part of Project C. These focus groups were undertaken in Melbourne, Morwell, and Sale. These focus groups included people with a sensory disability (deafness); persons with an acquired brain injury; persons with a mobility impairment; those with a psychiatric disability and their carers;
- The inclusion of disability and carer questions within the Housing 21 Survey in order to identify the incidence and impact of disability on the housing transitions of the broader population;
- A specialist survey of persons with a disability and family members with care responsibilities, targeted to the three regions and four disability groups discussed above;
- In-depth qualitative interviews undertaken as part of Project E.

This section draws upon all parts of the data collection – and the earlier review of literature (Beer, Faulkner and Gabriel 2006) and data sets (Wulff et al. 2007) – to shed light on the 21st century housing transitions of persons with a disability and family members with significant care responsibilities.

7.1 Housing Career and Disability: Conceptualising the Relationships

In many ways the concept of disability is problematic within the context of the discussion of housing transitions. The term disability implies a certain degree of uniform impact on housing career with all persons affected by disability perhaps sharing a set of housing outcomes and affected by uniform processes. The reality is that disability is not uniform and the impacts upon housing transitions vary significantly according to the source of the disability, the nature of the disability and the severity of the disability. Each can be thought of as a significant determinant of housing transitions for persons with a disability (Figure 109) with an individual's position on each axis exerting a determinant influence on housing outcomes. A person with a mobility impairment acquired through an accident for which they can be compensated – for example, a work related injury or a car accident – will have a very different housing career when compared with someone who has had an identical mobility impairment – such as paraplegia – since birth. Moreover, the housing career impacts of the same type of disability can vary significantly according to the severity of the condition. To continue with the mobility impairment example, a person in a wheelchair may have a very different set of housing needs from a person who relies upon a walking frame. In addition some disabilities – such as a mobility impairment associated with polio – worsen over the life course, such that potential and actual housing transitions change over time. To further complicate the analysis, many persons have more than one condition, they may, for example, have both a hearing disability and an intellectual disability or they could have suffered a stroke and experience both the loss of mobility and cognitive function. Importantly, we have to acknowledge that housing transitions vary considerably for persons with a disability, and that while there are common elements between and across disability groups, an individual's housing transitions will be determined by the nature, scale and source of the disability.

Figure 109: Conceptualising disability and its impact on housing career



Source: Housing 21 Survey

Prior to moving to consider the ways in which disability shapes housing transitions in 21st century Australia it is important to examine how households are affected by disability. The household rather than the individual is the primary unit of analysis in the overwhelming majority of housing research because it is the household as a whole that occupies the dwelling, is affected by decisions to move or relocate and which jointly pays for accommodation. The review of the literature on disability and housing (Beer, Faulkner and Gabriel 2006) noted there was substantial discussion in the published research around the impact of disability on the housing transitions of family members. Research has noted that parents with care responsibilities may face higher housing costs and greater transport costs as a consequence of disability and that one parent is often unable to engage in paid work – thereby reducing household income – due to their care responsibilities (Hughes 2007). Lower household income reduces the level of choice within the housing market and may truncate housing transitions. Society, however, relies upon the efforts of unpaid carers to meet the needs of those affected by disability (Jenkins et al. 2003). Importantly, we can conclude that it is the housing career of the household as a whole that is affected by the presence of a disability.

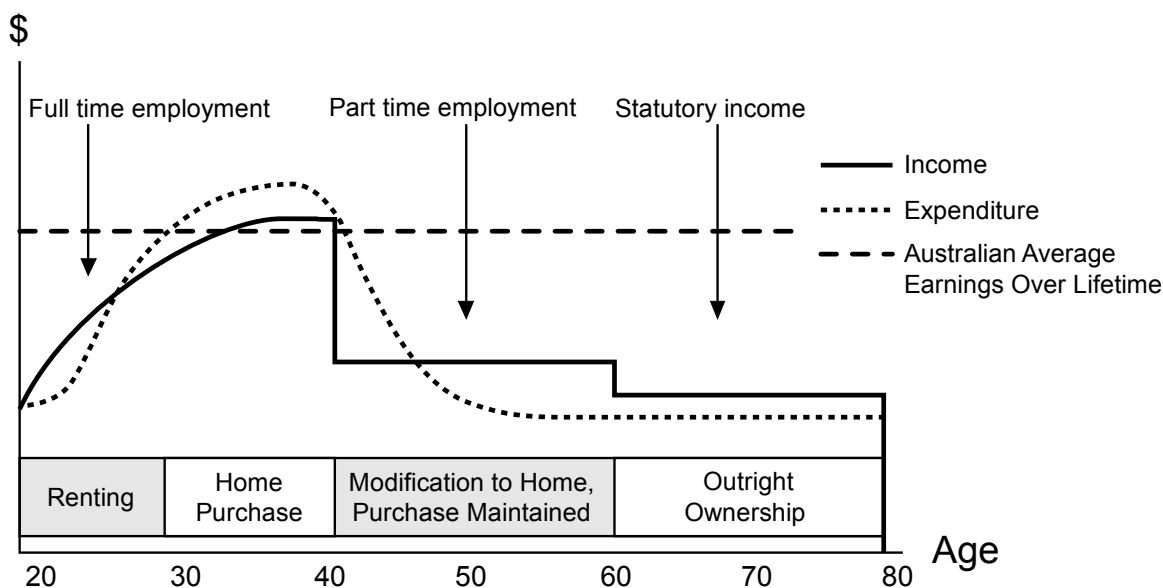
7.1.1 Indicative Housing Transitions by Type of Disability

As outlined previously, the type of disability significantly affects housing transitions. Figures 110 to 114 provide an indicative housing career of persons affected by disability. The figures draw upon the outcomes of focus groups undertaken as part of Project C (Kroehn et al. 2007) and are meant to illustrate outcomes rather than provide a definitive account. A more detailed discussion of housing career by type of disability will be provided later alongside an examination of the factors shaping housing transitions for persons with a disability. The figures have deliberately been drawn to mirror Figure 110 and thereby provide a point of contrast to the housing transitions of the mainstream population. A line indicating Australian average earnings

over the lifetime has been added to the figures in order to highlight the low incomes of people with a disability.

The housing career of a person affected by mobility impairment as a consequence of an accident is presented in Figure 110. In the figure the housing career is seen to track the trajectory for the mainstream population, after which income falls, expenditure falls and the individual maintains their position within the housing market through modification of the home they are purchasing – paid for by a compensating body such as a motor accident commission or work-related insurance – and then remains in that dwelling through to old age. Implicit within the figure is a high degree of immobility because of the challenge of finding an accessible dwelling in combination with limited income.

Figure 110: Indicative housing career for a person with mobility impairment acquired through injury



Mobility Impairment through Injury

- Few or no moves through the housing stock post mobility impairment
- Home modification through compensation

Source: Housing 21 Survey

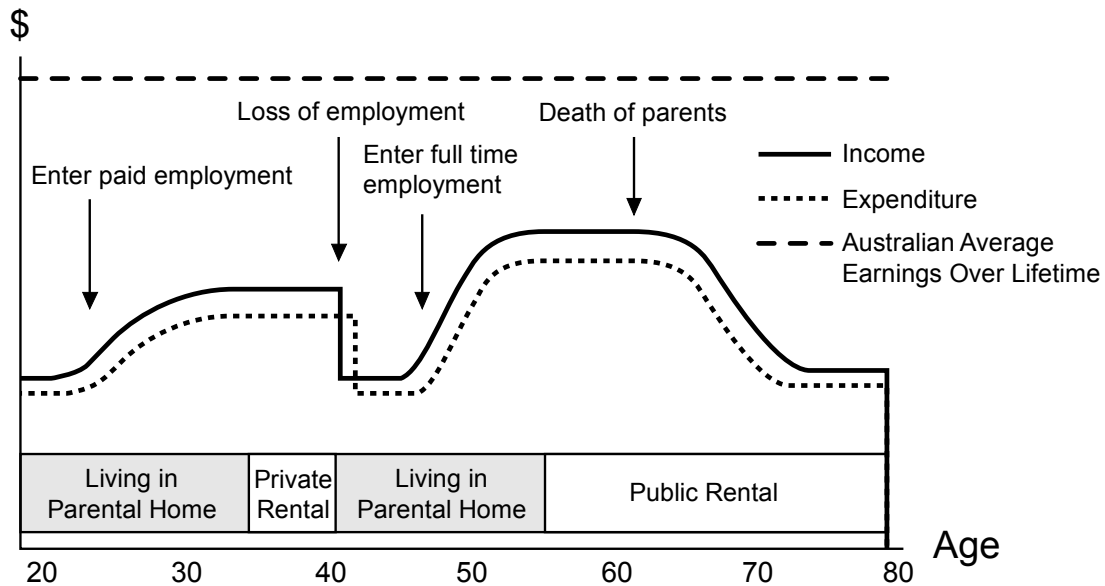
Figure 111 offers an indicative housing career for a person with a mobility impairment present since birth and this figure differs substantially from its predecessor even though the disability is the same. The figure highlights the potential significance of the source of disability with both the end point and stages in the housing career varying significantly. Key issues include:

- Lower lifetime earnings because of an inability to secure well-paid employment and periods of un- or underemployment;
- A longer period living in the parental home;
- A return to the parental home in adult life due to the absence of appropriate and affordable alternatives;
- The impact of the death of parents, who have had substantial care responsibilities;

→ A housing 'career' that terminates in public rental housing rather than owner occupation.

Figures 110 and 111 therefore both emphasise how the source of disability can affect housing career and demonstrate the ways in which disability per se can be seen to shape housing outcomes through the life course. There is not a single housing career for persons affected by mobility disability but there are common factors in terms of lower income and the need to live in an accessible dwelling that influences housing consumption.

Figure 111: Indicative housing career for a person with a mobility impairment present since birth

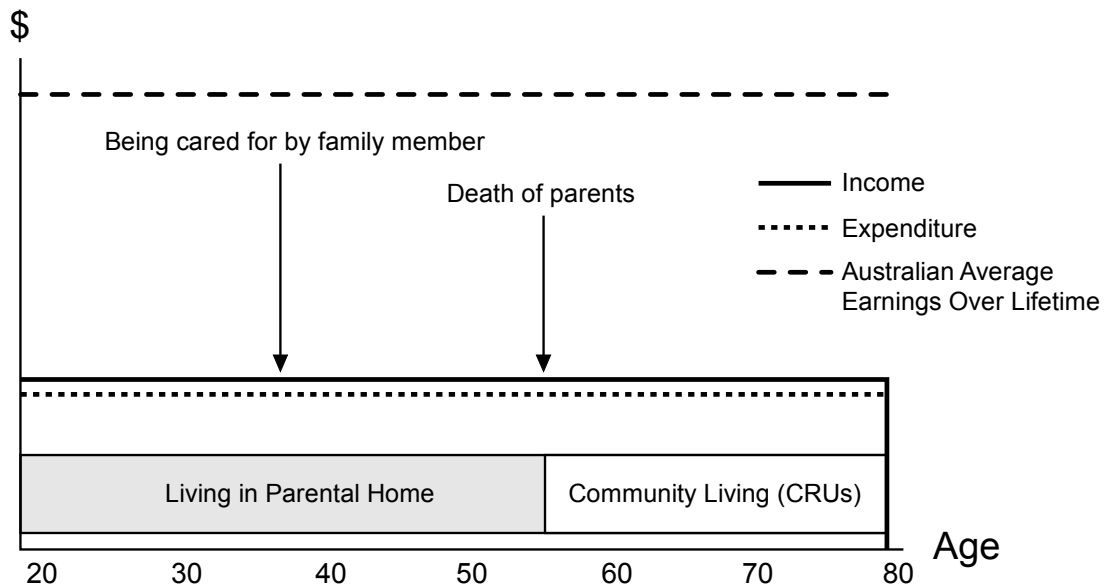


Mobility Impairment from Birth

Source: Housing 21 Survey

Figure 112 offers a different perspective on the housing transitions of persons with a disability by focusing on the housing of persons born with a cognitive impairment. In this instance the individual has a flat employment and housing career: living with their parents until late middle age (when the parents either die or are unable to continue to provide care) and then living in a community facility. The individual's income is low throughout their life, with employment provided through a specialist facility or activity centre. There is only the one significant transition through the housing market and it is precipitated by the demographic processes of the carers. This issue will be discussed in more detail later, but it highlights the considerable care responsibilities of many parents and siblings.

Figure 112: Indicative housing career for a person with a developmental disability



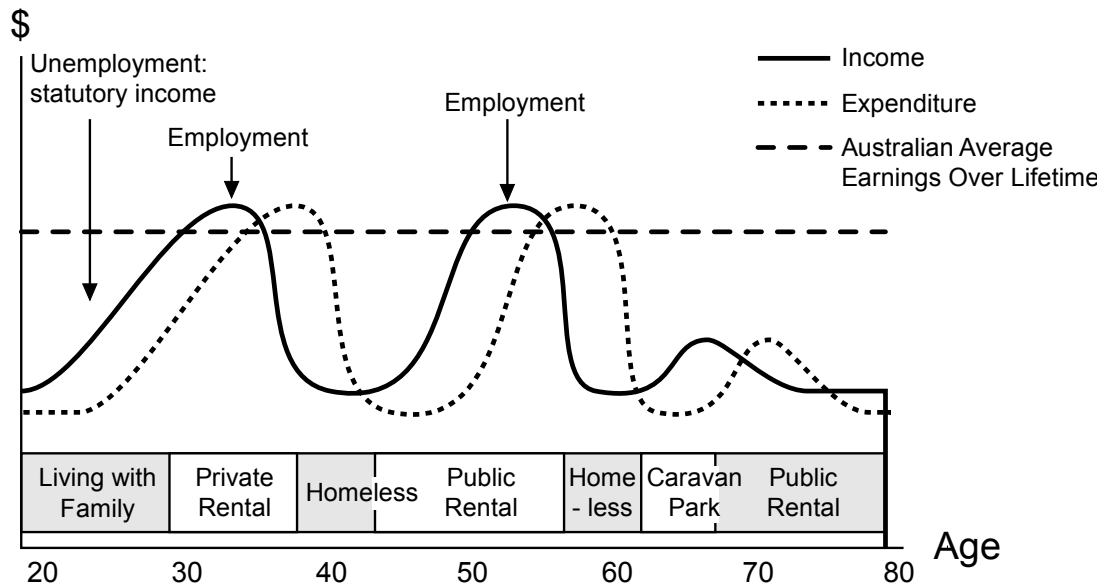
Developmental Disability

Source: Housing 21 Survey

Persons with a psychiatric disability are likely to have a much more variable housing career than persons affected by other disabilities (Figure 113). The episodic nature of much mental illness results in both periods in and out of employment, as well as significant transitions through the housing market. Unlike the previously discussed disabilities, persons affected by a psychiatric disability are likely to report periods of homelessness, incidences of living in caravan parks or other insecure accommodation, there is a high probability of eviction and there is ongoing transition from one tenure to the next. Figure 112 attempts to show how periods of mental illness have lag-effects that flow through to the transitions an individual makes in the housing market. Importantly, home ownership is not represented as the outcome of the housing 'career' for this group, instead public rental housing is suggested.

Finally, Figure 114 illustrates the likely housing career of a person affected by a sensory impairment and in this instance it draws upon the experiences of persons with a hearing impairment. They are represented as having both a stable housing career and stable employment, though the latter is not necessarily well paid. Significantly, persons born profoundly deaf often live within the private rental market because their disability is insufficient to secure public housing and they are unable – for a range of reasons – to easily enter home purchase. Those unable to hear have relatively few employment opportunities – which limits their income and therefore their capacity to repay a mortgage. In addition, they may not have access to information on how to purchase a home as they have no access to English. Figure 113 suggests that home ownership is eventually achieved through the inheritance of a dwelling, as family members provide significant assistance throughout their lives, even though the hearing-impaired enjoy a high level of independence.

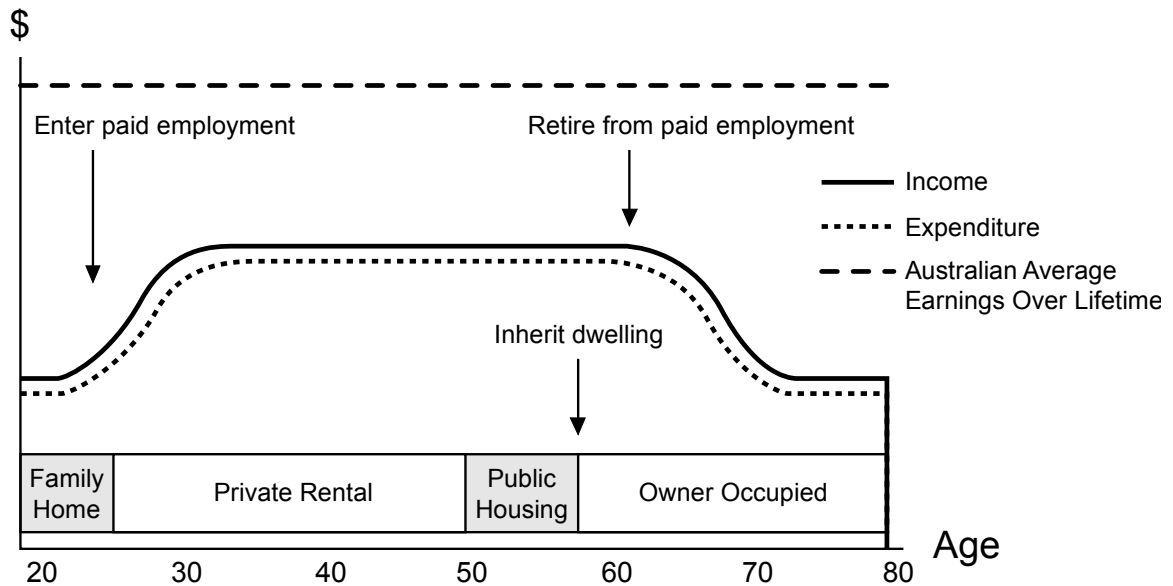
Figure 113: Indicative housing career for a person with a psychiatric disability



Psychiatric Disability

Source: *Housing 21 Survey*

Figure 114: Indicative housing career for a person with a sensory impairment



Sensory Disability

Source: *Housing 21 Survey*

The five figures present an abstract 'ideal type' based in large measure on the qualitative data collected as part of NRV2. The diagrams suggest both similarities and differences across circumstances, and also indicate drivers of housing transitions for persons with a disability that are very different from those evident for the population as a whole. Key issues to consider include:

- In four of the five figures persons with a disability are seen to have less variability in their housing transitions than the population as a whole. This stability is a

consequence of the limited options available to many persons with a disability and their limited capacity to express their housing needs as effective demand within the market. Low incomes – and potentially truncated working transitions – result in little choice within the housing market. The absence of movement is significant because it may mean that persons have little opportunity to adjust their housing to meet their current needs as they pass through each stage of the lifecycle;

- How the disability is acquired can be highly significant. Commonly disabilities acquired through injury are subject to compensation – for example, motor accidents or employment related incidents – and this group’s subsequent housing transitions may be very much different from those of persons who have had a mobility impairment since birth, or who acquired that mobility impairment through illness;
- Persons with a psychiatric disability can have complex housing transitions that reflect episodes of psychiatric illness and associated difficulties in maintaining employment. Importantly, persons with a psychiatric disability are more likely than other groups to have periods of homelessness or inadequate housing as part of their housing career. This may, in part, reflect difficulties in staying in the family home or in sustaining relationships;
- Public housing is much more prominent in the housing transitions of persons with a disability than for the general population and they are more likely to enter the tenure because of their considerable disadvantage including low income, discrimination and higher living costs confronting many persons with a disability;
- Persons with a developmental disability may have a housing career that is largely determined by the housing opportunities that family members are able to provide. The inability of family members to continue to provide care – through death or their own ill-health – can force a transition in the housing of this group. Family members with care responsibilities are aware of the need to plan for the housing of their family member for when they are no longer able to care for them, but find it difficult because the alternatives are seen to be unattractive.

These figures do not offer a definitive account of the housing transitions of persons with a disability, but they do suggest some themes that deserve exploration in the analysis of the quantitative data. They also raise issues of policy importance: as the stability of the housing circumstances of many persons with a disability suggests that it should be possible to engage in long-term planning for their needs. In addition, the figures emphasise the importance of integrating disability planning with planning for social housing.

7.2 The Impact of Disability on Housing Transitions

The presence of a disability has the potential to affect housing transitions in a number of ways. This section briefly considers the ways in which NRV2 has sought to develop a better understanding of the housing transitions of persons affected by a disability before moving to consider the results of the analysis.

The inclusion of disability related questions in the Housing 21 Survey was one of the most important ways that NRV2 sought information on the impact of disability on 21st century housing transitions. The Housing 21 Survey asked all respondents a suite of five questions that related to disability and the provision of care for persons with a disability.

How many people in the household have any long-term health condition, disability or impairment?

Does this person/Do you need help or assistance with self-care, mobility or communication?’

Does anyone in this household provide care and assistance on a regular basis to any person who has a long-term health condition, is elderly or has a disability?’

Is this care or assistance given to someone living IN YOUR HOUSEHOLD

Is this care or assistance given to someone living ELSEWHERE

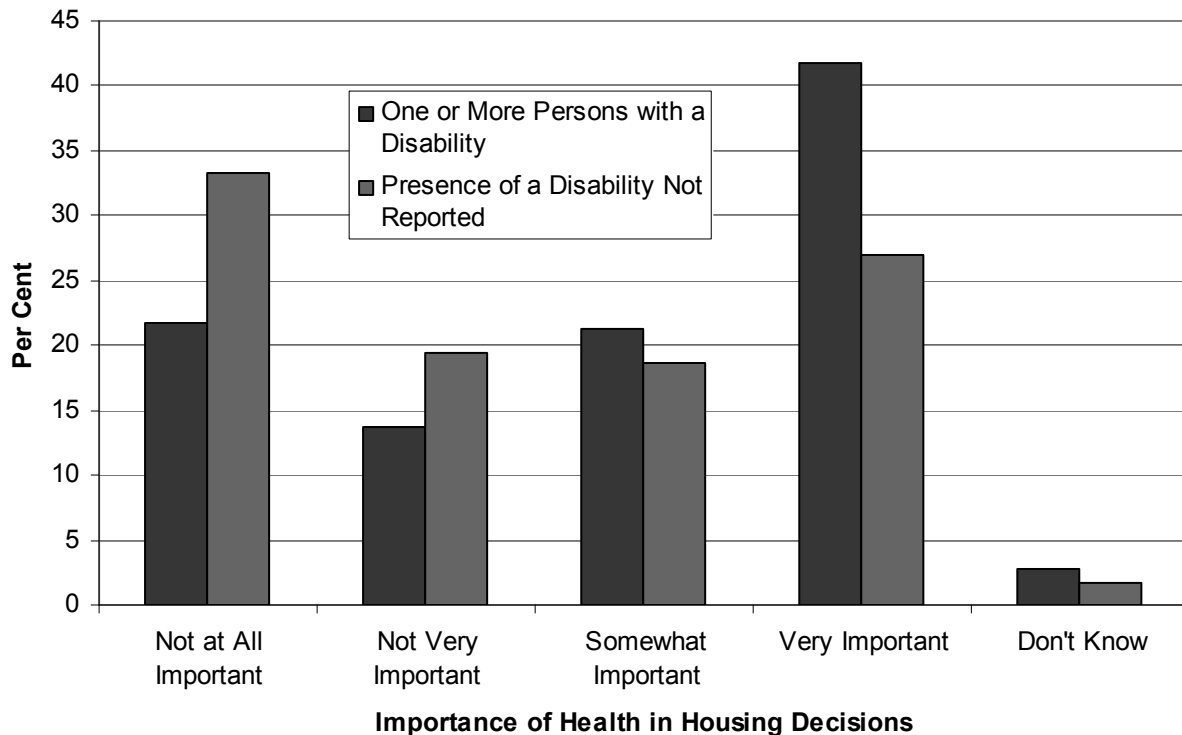
Through these questions it is possible to identify all households where one or more persons has a disability or health condition, and where one or more household members provide care on an ongoing basis. It is important to acknowledge that these questions provide a relatively blunt instrument for the examination of the impact of disability on housing transitions in the 21st century because many of those who indicate they have a disability will have acquired that disability with older age and the data collection did not include information on either the type of disability or its severity⁹.

Of the 2,698 households who participated in the Housing 21 Survey some 595 households (22 per cent) reported that one or more household members had a long-term health condition, disability or impairment. This rate of self-reported disability is consistent with both the 2006 Census (Hugo 2007) and earlier Australian Bureau of Statistics data collections on the prevalence of disability. In most instances only one household member had a disability, but in 74 cases two persons were reported as disabled and in three instances there were three people with a disability in the household. In 182 instances – some 7 per cent of the total population and 30 per cent of households living with a disability – respondents reported that a household member was needed to provide assistance with self-care, mobility or communication. The figure is compatible with the AIHW’s (2003) estimate of the incidence of persons affected by a disability to the extent that it represents a ‘core activity limitation’.

Some 381 respondents reported that they or a member of their household provided care and assistance to a person with a health condition or disability. Of this group, just over half (53 per cent) were assisting a person living within their household, while 54 per cent reported that a household member was assisting a person living outside their household. In approximately ten per cent of cases household members were assisting both a person within their household and a person living elsewhere.

⁹ It was simply not practical to collect detailed information on the type or severity of a disability through a CATI survey directed to the general population.

Figure 115: How important do you think your health has been in shaping your housing decisions? For households where respondent was under 65 years of age by presence of a disability



Source: Housing 21 Survey

Potentially the presence of a disability within a household can have a profound impact on housing transitions. The data presented in Figure 115 suggests that this potential impact has been realised with over 40 per cent of households where one or more members has a long-term health condition or disability reporting that health and disability factors have had a very important impact on their lifetime housing decisions. It is important to note that data are only presented for households where the respondent was under 65 years of age, as this controls for age-related disabilities and health conditions. Clearly households affected by disability believe their health or disability circumstances have affected their housing options and decisions – and therefore housing career – and how this finds expression in the housing market will be discussed in subsequent sections.

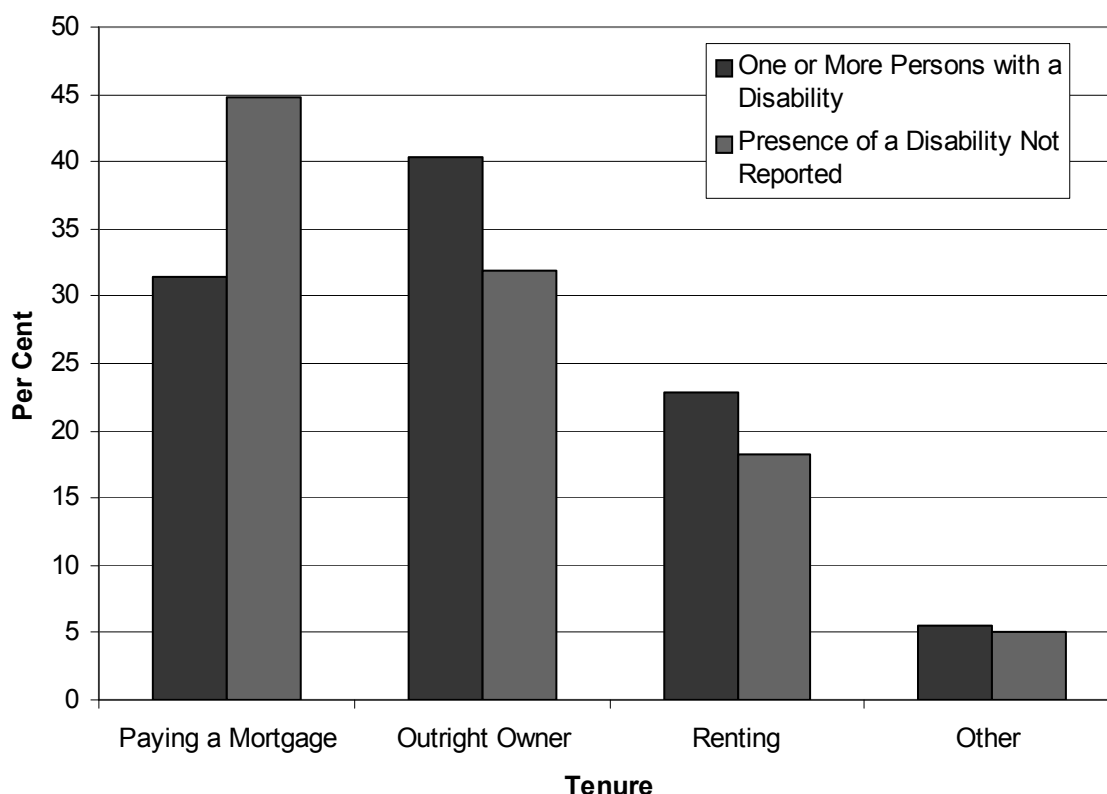
7.3 Household Type, Tenure and Income of Persons with a Disability

Household type, tenure and income are some of the critical dimensions of housing consumption for any group within the population and each is likely to be affected by the presence of disability within the household. Data from the Housing 21 Survey revealed that households where the respondent was aged under 65 and a disability was present were less likely to have children present than for the general population: some 64.8 per cent of households in the economically active range where a disability was present did not report the presence of children, compared with 54 per cent of households where a disability was not reported and the respondent was less than 65 years of age. Overall, households where one or more persons had a disability tended to be smaller than households where no disability was present, with two person

households accounting for 43.4 per cent of the total. The smaller number of conventional ‘families’ would account for this difference.

Analysis of the Housing 21 data revealed significant variation between the tenure of households where the respondent was under 65 years of age and one or more persons had a disability on the one hand, and the population of households where no member of the household reported a disability or long-term health condition on the other (Figure 116). The former households were – in percentage terms – less likely to be home purchasers, and more likely to be outright home owners. At the same time, households where a disability was present were more likely to be renting or paying board.

Figure 116: Tenure for households where respondent was under 65 years of age, by presence of a disability



Source: Housing 21 Survey

Importantly, the source of tenancy varied between households affected by disability and those where disability was not reported and while 22 per cent of respondents to the Housing 21 Survey were tenants within the public rental sector, fully 39 per cent of households where a disability was present rented from a government agency, compared with 16.1 per cent of the population of households where disability was not recorded in the household (Figure 117). These data are consistent with information on new housing allocation released by the AIHW (2007). Persons with a disability were also over-represented in community housing. Tually (2008 p.9) commented that

Acquiring a disability was also a key pathway out of homeownership for respondents and for many of the social housing tenants interviewed was the reason they were allocated their dwelling. Four of the social housing tenants who were interviewed were previous homeowners who had been forced to sell their home because of medical reasons and were granted a social housing dwelling as a medical necessity. That is, because they had to be near

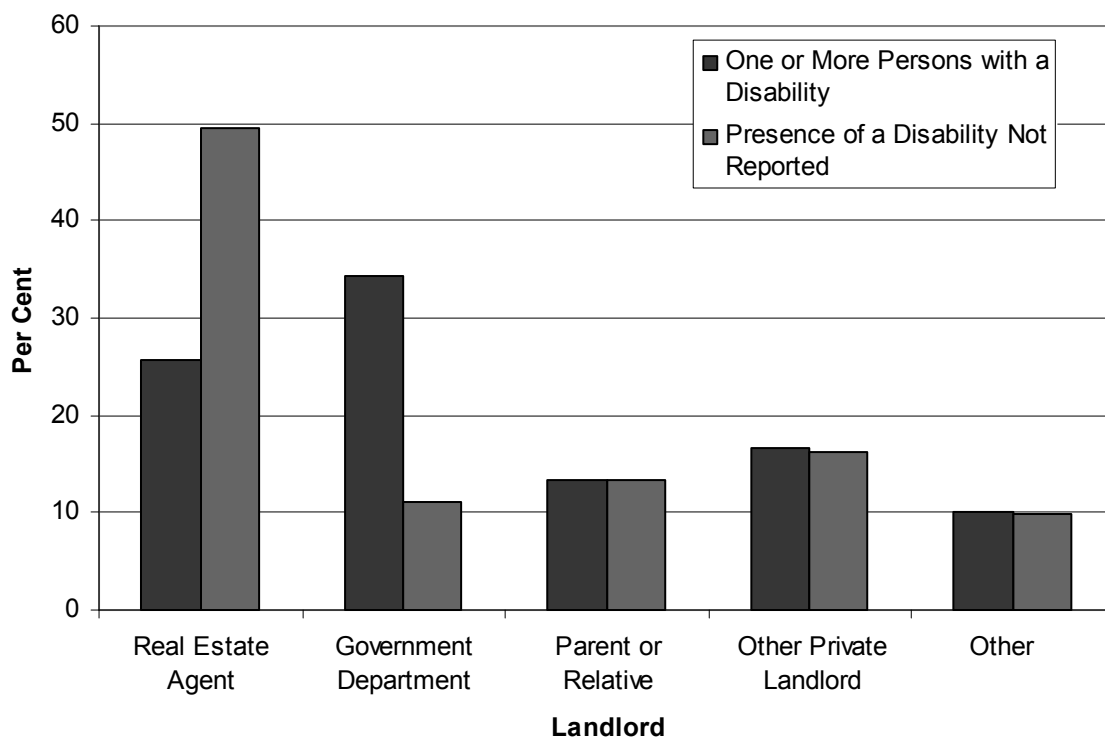
particular major medical facilities and because renting privately was affecting their health and wellbeing; mostly because their housing was insecure and unaffordable.

Tually's (2008) findings suggest that one of the reasons persons with a disability are under-represented amongst households purchasing their home is that these households are unable to maintain their tenure. This conclusion underlines the vulnerability of this population within the housing market and reinforces their dependence on social housing.

Just under 50 per cent of tenants where a disability was not present in the household rented from a real estate agent, compared with only 24 per cent of households where a disability was present. Overall the tenure data suggest a significant concentration – and/or dependence – of households where one or more persons have a disability in the social housing sector. This outcome reflects contemporary allocation policies and the tight rationing of the social housing stock (Parkin and Hardcastle 2004).

The incidence and impact of discrimination was one of the particularly unattractive aspects of rental accommodation for persons with a disability. A significant number of participants in the focus groups felt they had been discriminated against in the rental housing market because of their disability. Discrimination was seen to take a number of forms, including the landlord being unwilling to rent to a person with a disability, unfair treatment once the tenancy had commenced and a reluctance to agree to modest modifications to the home in order to make the dwelling more appropriate to the person with a disability. Persons with a psychiatric disability felt especially vulnerable to discrimination but as one participant from Morwell said, 'it doesn't matter what disability you have, the landlords and the real estate agents treat you terribly'.

Figure 117: Landlord type for households where respondent was under 65 years of age by presence of a disability



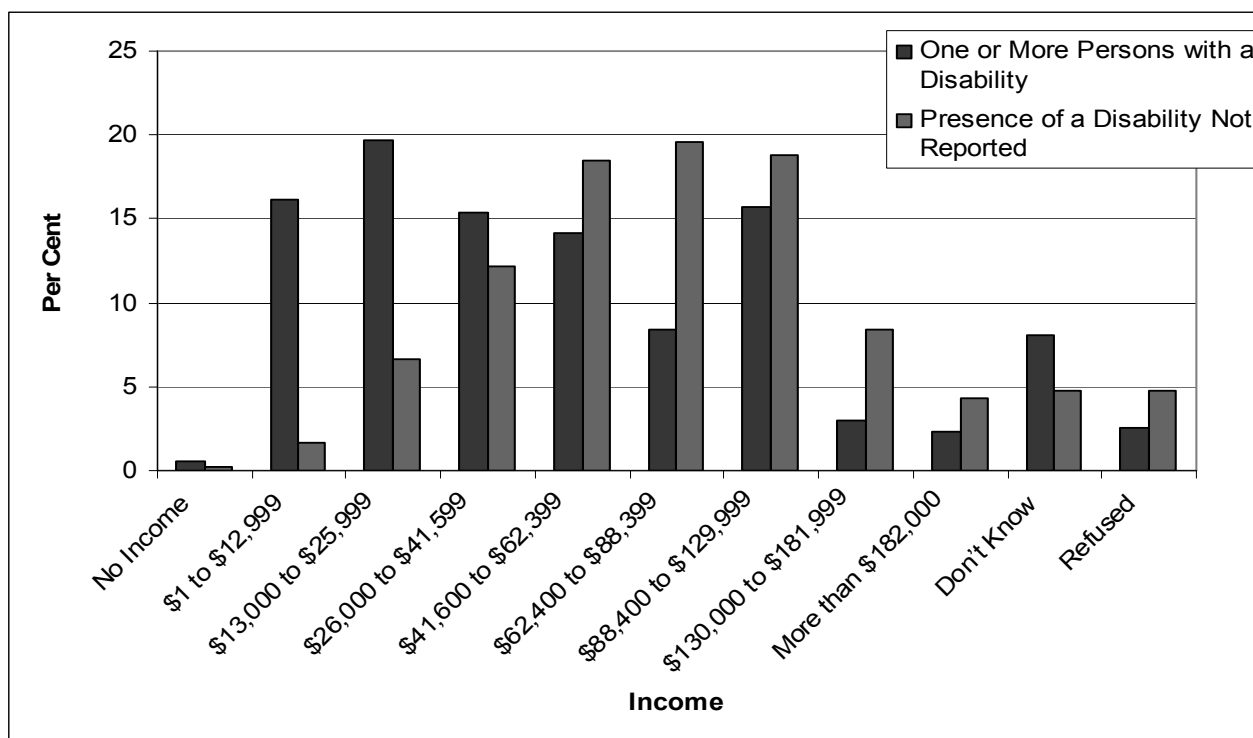
Source: Housing 21 Survey

7.4 Housing Affordability and its Impact on Housing Transitions

The affordability of housing is clearly an important determinant of housing transitions and a factor likely to be affected by the presence of a disability within the household. Income data for households where the respondent was under 65 years of age are presented in Figure 118 which emphasises the significantly lower incomes of many households affected by disability. Fully 35 per cent of households where a disability was reported had incomes of less than \$25,000 per year, compared with just 10 per cent of those where a disability was not reported. Clearly the capacity of these households to meet their housing needs within the market would be severely constrained. A measure of the impact disability has on earnings and housing transitions is provided in this quote by a wheelchair-bound participant in a focus group in Gippsland who said:

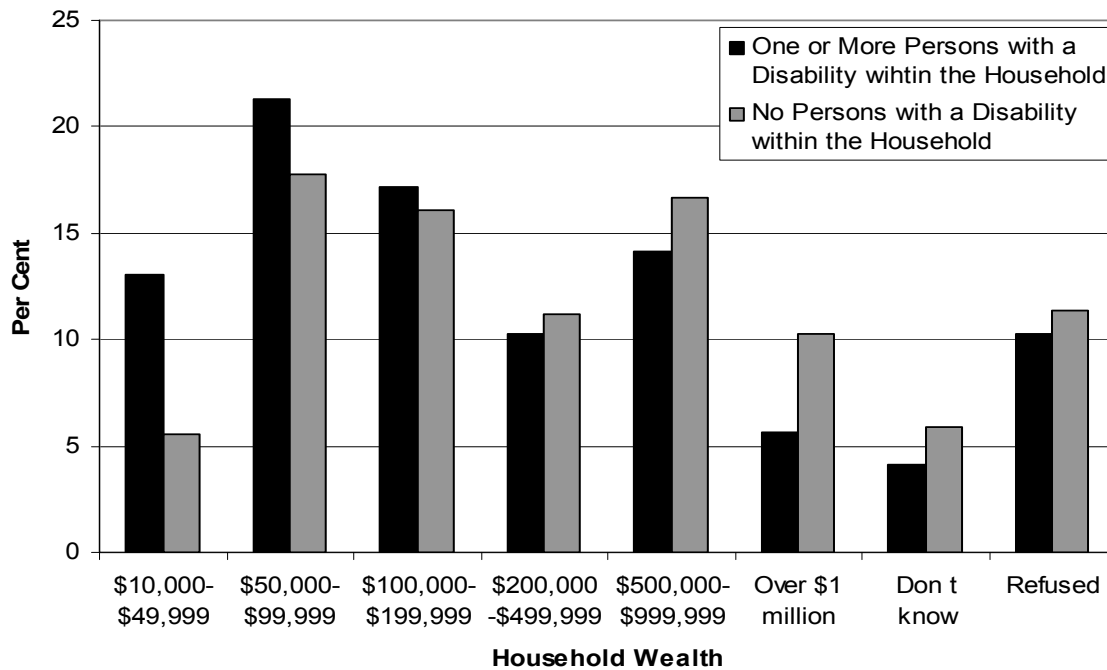
Before my disability I was earning \$40,000 plus and after the accident went down to a pension of \$11,000. This made my life and that of my family very uncertain and has had an immense emotional and financial impact on my whole family. (Kroehn et al. 2007, p. 7)

Figure 118: Household income for households where respondent was under 65 years of age by presence of a disability



Source: *Housing 21 Survey*

Figure 119: Estimated household assets for households where respondent was under 65 years of age by presence of a disability

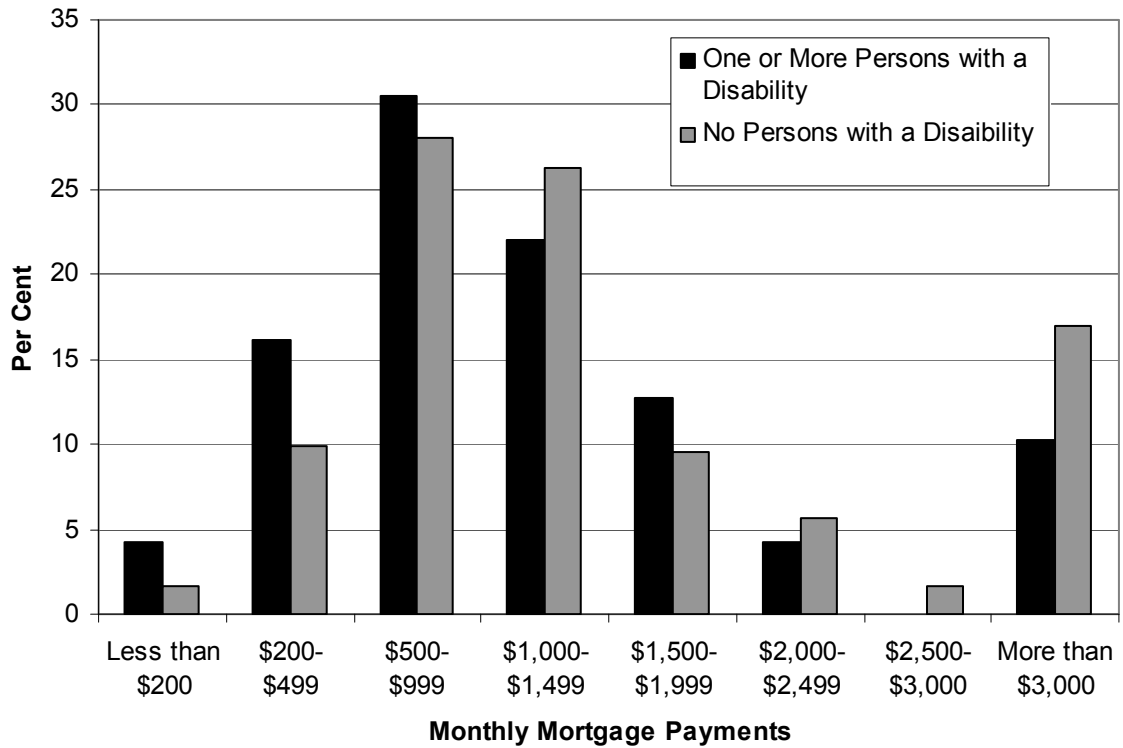


Source: Housing 21 Survey

The assets a household owns are an important economic resource, particularly in gaining access to home ownership. As Figure 119 shows, households in the Housing 21 Survey where one or more members of the household had a disability or long-term illness had significantly fewer assets than the general population. This estimate of assets includes the value of the family home and the relatively substantial reliance of households affected by disability on public rental housing in particular which would contribute to the lower wealth of this group. Significantly from a housing career perspective, low wealth – both with respect to housing and more liquid assets – narrows the range of housing available to any group in the future.

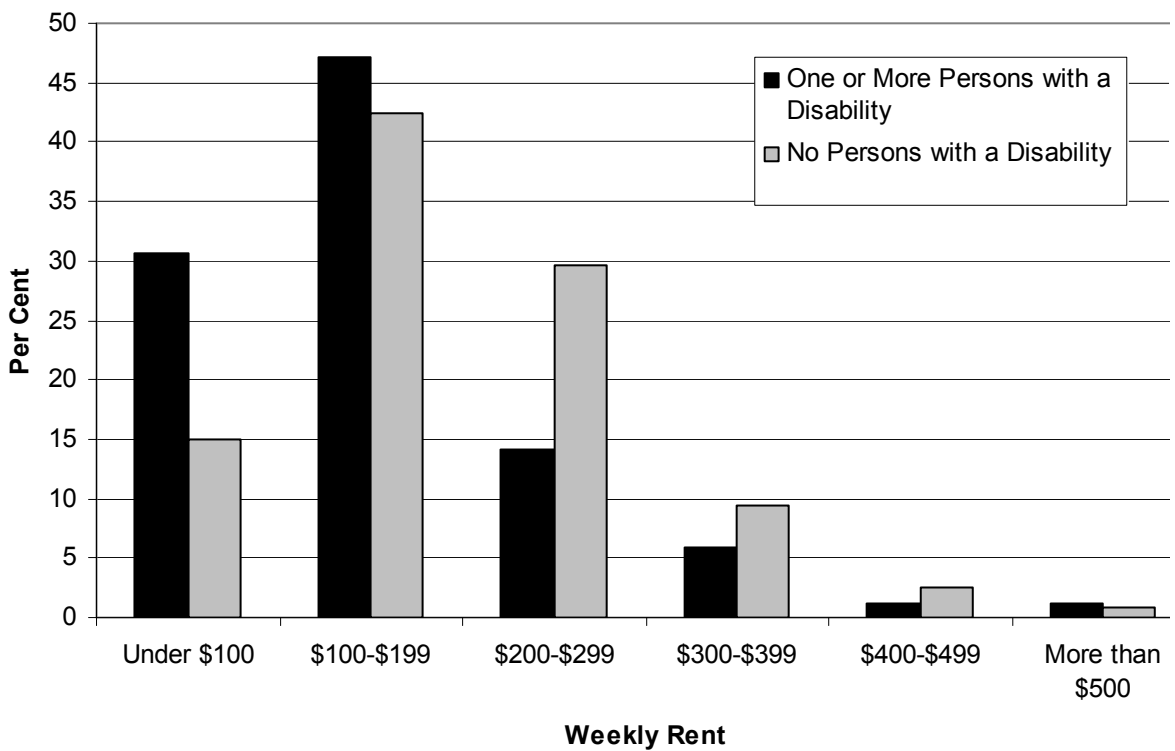
Households where one or more persons are affected by a disability tend to have both lower mortgage payments and lower weekly rents than the general population (Figures 120 and 121). Significantly, while the lower rents paid by households affected by disability reflect the more modest cost of housing in the public rental sector compared with the private rental sector, mortgage payments clearly do not. Households where one or more persons have a disability or long-term health condition must engage in one or more behaviours that limit their mortgage liabilities. What these strategies may be will be considered later in this report.

Figure 120: Monthly mortgage payment for households where respondent was under 65 years of age by presence of a disability



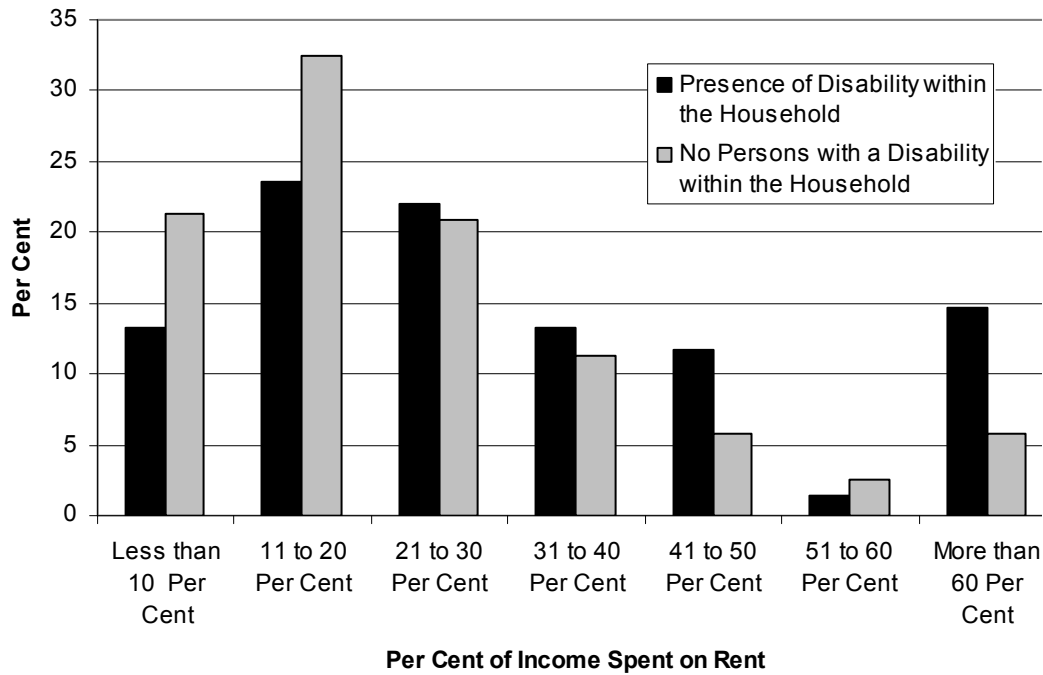
Source: *Housing 21 Survey*

Figure 121: Weekly rent for households where respondent was under 65 years of age by presence of a disability



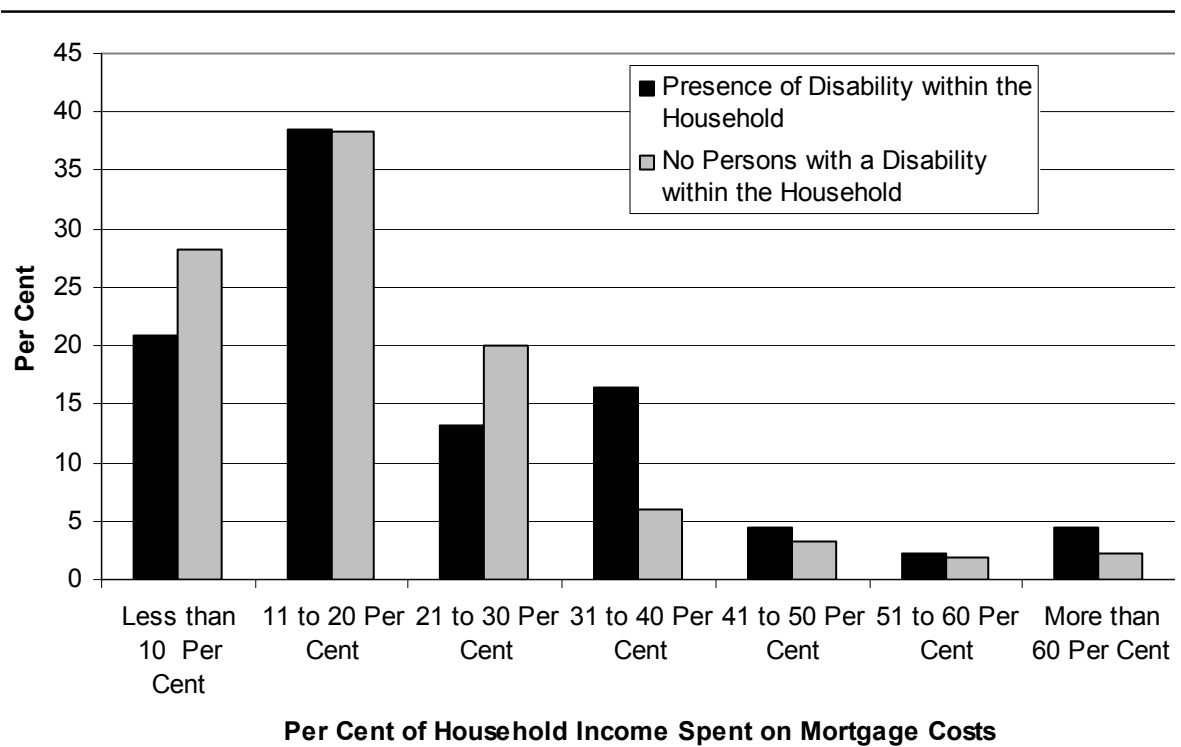
Source: *Housing 21 Survey*

Figure 122: Housing affordability for tenants aged under 65 years by presence of a disability



Source: *Housing 21 Survey*

Figure 123: Housing affordability for home purchasers aged under 65 years by presence of a disability



Source: *Housing 21 Survey*

It is important to acknowledge that lower incomes than the general population and lower housing costs may, or may not, result in a greater incidence of affordability problems for households affected by disability. The data presented in Figures 122 and 123 suggest that housing affordability is a major challenge for households affected by disability, especially within rental housing. Just under 15 per cent of households where one or more person was affected by a disability or long-term health condition who were renting paid more than 60 per cent of their gross income for their housing¹⁰. Fully 36 per cent of households affected by disability and accommodated within rental housing (including public rental housing which is capped at approximately 25 per cent of household income) paid more than 30 per cent of their income for their housing.

Those households affected by disability purchasing their home are less likely to be confronted by unaffordable housing and this reflects both their higher household incomes relative to tenants and the impact of historical – rather than current – housing costs, as a majority have been home purchasers for a considerable period of time. This said, home purchasing households affected by disability were more likely than the general population of home owners to be paying more than 30 per cent of income on housing with some 27 per cent paying more than 30 per cent of gross household income for accommodation compared with 13 per cent for the general population of purchasers.

Clearly the private rental market presents significant challenges for persons with a disability and their family members. The difficulty of sustaining private rental accommodation is highlighted by the experience of a male participant with a psychiatric disorder interviewed as part of the in-depth interviews undertaken as part of NRV2 to provide greater insight into the personal experiences, of and issues confronting, people with disabilities

I tried private rental in [north-western suburb] and living on a pension and paying private rental ... It was extremely hard. I was evicted ... I couldn't maintain the rent, yeah ... It was a friend that I played cricket with, it was one of his properties. He sort of said, yeah, that's fine, as long as you maintain the rent then we'll have no problem. But yeah, I fell behind. (Saugeres 2008, p. 21)

Other people had to compromise on the quality of their accommodation in order to afford to rent privately.

The insights offered by the Housing 21 Survey are entirely consistent with the findings of the qualitative research. Many of those who participated in the qualitative research voiced the view that the combination of high house prices and low incomes meant that persons not already owner occupants would find entry into the tenure difficult. A group from Sale in Gippsland who were already owner occupiers were thankful that they had their own places as they believed 'it would be impossible to enter the housing market due to rising prices' and 'securing a loan on part-time or casual work was difficult' (Kroehn et al. 2007 p. 20). One participant in a Morwell focus group explicitly acknowledged the importance of receiving an insurance settlement for his disability – and by implication the source of his disability – noting that 'Being paid out made buying a home and modifying it possible to do. I don't know where I would be without the payout'. Tenants by contrast, noted that finding appropriate accommodation was difficult and diminished greatly the options for where they lived,

¹⁰ It is important to discount the argument that those paying 60 per cent or more of their income in housing were living in an institutional or community care setting where living costs and housing are provided as a bundle. In common with other CATI surveys, such living arrangements were under-represented in the Housing 21 survey.

even within an affordable housing market such as Morwell. Participants in a focus group in Melbourne affected by a mobility impairment felt that the city's housing market had either failed them – or was not relevant to them. Only one member of the group was an owner occupier and no-one rented privately. At least one participant and one carer had rented privately in the past, but the private rental market was seen to be difficult because of the inaccessibility of the housing stock, high rents and the inability to find and sustain work.

Respondents reported that while work is available for them, it is often short term in duration, part-time and not especially rewarding financially. Those who could find work part-time often struggled financially as the income earned was little more than what was available through the Disability Support Pension. In addition the fact that the DSP is income tested could be a disincentive to finding full-time employment particularly as the health of many of these people is unstable and reliance on this pension is anticipated long-term. A young respondent in the qualitative interviews expressed this concern about what would happen if she lost her DSP due to gaining full-time employment

I'm a bit concerned about that, yes. If I earn too much money I will lose my disability pension and there goes, you know, I won't be able to see a doctor, I'll have to pay and things like that ... I am a bit concerned about that because it is a bit of a security net, you know? ... Like I only get my granny flat because I have a disability pension ... So I might lose my granny flat as well. So I don't really want to do that. (Saugeres 2008, p. 22)

7.5 The Accessibility and Suitability of the Housing Stock

The accessibility of the housing stock was a major issue for many people with a disability as many participants in the qualitative data collections reported that much housing was not suitable for them because of the limitations imposed by their disability. The type and severity of disability has a clear impact on the need for housing that is appropriate to their condition. While there is a general perception that individuals with mobility impairment – and in particular those in a wheelchair – are most affected, people in a variety of circumstances need to modify their dwelling and/or find accommodation that is appropriate to the individual's condition. The deaf, for example, may need a range of modifications to their home including flashing alarms and telephones, access to a computer for communication etc. Concerns about the suitability of the housing stock, therefore, are not limited to one type of disability or set of circumstances.

Owner occupiers who participated in the focus groups believed that they were fortunate that they were able to live in their own homes because they were not confronted by the stress of uncertainty over their future living arrangements. Home owners were seen to be better off than renters because they could undertake modifications to their dwelling while tenants were confronted by housing that was unsuitable in many instances and landlords were often unwilling to sanction modifications to the home. Even when changes were approved by landlords, tenants could not be secure in their tenure and may lose the benefit of such changes when the lease expired. Modifications to houses were a significant challenge for private tenants for two reasons;

- It was financially impossible to carry out modifications to premises that were not ideally suited to the modifications required. As one renter stated 'different disabilities require different housing modifications';

- Landlords were not receptive to modifications being carried out. One participant in a focus group had undertaken modifications to their bathroom and considered these modifications to be very minor. However, they reported that they were harassed by the landlord over this matter.

Owner occupiers also voiced their concern regarding the expense of modifications. One person had door handles lowered, light switches lowered and remote controlled doors installed and this cost approximately \$50,000. These costs were substantial and many home purchasers could not afford both the cost of their loan repayment and the modifications. The absence of some modifications adversely affected these people. Most prominent among the desired modifications was the provision of access for wheelchairs which usually involved ramps and doorway widening. Other changes to the dwelling frequently sought by participants in the focus groups were the repositioning of door handles, easier access to light switches, bathroom modifications, the installation of grab handles and the removal of carpet.

A group of carers in Sale noted that each had put substantial effort into modifying their home to meet the needs of a wheelchair bound relative. Two had spent several thousand dollars adding handrails to their property, removing steps and grading paths to link outside areas to doorways. One, a former builder, had completely rebuilt their home to meet his wife's needs:

We had a nice old house, but after the accident my wife was in the chair. So we bulldozed the old house and built a new one. I like it because of the garden and it's suitable for my wife. During her rehab I gained a good understanding into what wheelchairs require. So it all came together.

Tenants in public rental housing had a generally positive attitude to the Office of Housing and it was praised for keeping maintenance up to date and for making minor amendments to the housing stock – such as the addition of grab rails and ramps. However, public tenants were concerned that the Office would not consider more substantial modifications that would better suit persons with a disability. For example, a couple who had a house built for them by the Office of Housing at Broadmeadows asked for kitchen benches at wheelchair height. This request was refused on the basis that it may reduce the future capacity to let the dwelling to other tenants. From the qualitative in-depth interviews conducted by Saugeres (2007) as part of NRV2 one woman aged 60 described her difficulty in trying to get the Department of Housing to provide her with more suitable accommodation for her disabled grandson. Only by contacting her MP was she finally able to get the accommodation that allowed her to continue to provide care:

I needed a house with no steps because I had to open big double gates because the ramp was at the back of the house. That meant in winter he was getting soaking wet before he could get into the house. I needed a big bathroom, where the one we had, I couldn't put his wheelchair in. I needed a hoist on the ceiling because the hoist I was using, if you put him in a manual hoist it swings, the sling will swing like a swing. Now I can't push a manual hoist and hold him at the same time – it's impossible. I needed a safety door where he couldn't get into the kitchen when I was cooking, I didn't have that. (Saugeres 2008, p.12)

Carers of persons with a disability in Gippsland who were renting from the Office of Housing appreciated their tenure but felt that the housing stock was not always suitable. They noted that funding for the remodelling of public housing is available but 'you can wait a long time' and 'everything is a compromise'. One focus group participant explained how she liked a bath but had to move from a house with a bath

to a home with a bathroom more accommodating of her partner's disability. In addition, they had to relocate from Morwell to Traralgon to enter public housing and to be closer to services and this meant moving away from family and familiar schools.

7.5.1 Housing and Transport

Discussion of the suitability and accessibility of the housing stock inevitably results in consideration of access to transport and especially public transport. Many people with a disability rely upon public transport because they do not hold a licence or cannot drive. Focus group participants in Melbourne reported that while they frequently used taxis, they were often seen to be unreliable, especially for persons in wheelchairs, as access cabs prefer other customers whose transport needs can be dealt with more quickly and simply. Focus group participants living in Melbourne generally reported a very high level of public transport use and a generally good quality of service. Not all regions were equally served, however, with some individuals noting the challenges of finding housing that was both close to public transport and affordable. For many of those with a disability there is a very sharp trade-off between house prices and access to public transport that has shaped their housing decisions.

As would be expected, people in rural areas reported much poorer access to public transport. The focus group participants in Sale who were carers stressed the importance of transport

You can't talk about housing without talking about transport. It's quite easy for transport in general. But there is only one bus. If you live in a country town with a disability, life is dramatically different if you can't drive.

Most of the carers in the Sale focus group relied upon cars as there is little public transport. They used trains to get into Melbourne when required to travel to medical appointments or attend family events. All the participants in the focus group drove a car and the person they cared for was reliant on them for their mobility and access to services, socialisation and shopping needs. When asked what they liked or disliked about their current housing and where they lived they all generally liked the structural form of their housing but disliked the location relative to suitable transportation. Access to services, principally transportation, was a major concern and the low level of train services to Melbourne made getting to medical specialists a very substantial logistical exercise. A participant summed this up by saying:

Travelling to appointments and accessing various services was all the more difficult if you could not drive and it was a big effort to get to Melbourne to doctors and required a 5.30 start in the morning and getting home at 10.30 or 11.00 o'clock at night.

The participants in the focus group were unanimous in agreeing that the scheduling of rail services to larger centres from Sale and Bairnsdale was poor and that this should be improved as there were no buses. Interestingly, those with a disability who lived with these carers also believed that inadequate public transport was a major impediment to achieving independence in their lives. Many would like to move and the main reasons were the lack of public transport and the limited opportunities and activities in Sale. One participant said he would like to move to Melbourne as the 'younger have better options and access to broader range of activities. Spare parts (for wheelchair) are also more accessible and I don't have to wait 2-3 weeks as I do now'.

Overall the accessibility and unsuitability of much of the Australian housing stock is a major impediment for many persons with a disability and their carers. Tenants reported having a limited number of dwellings they could move into because they

simply could not live in many of the dwellings available in the market. Properties need to be accessible to public transport and have a physical structure that facilitates independence within the dwelling and property. Owner occupants were also affected by the dual concern about access to transport and the suitability of the stock because while some funding is available in Victoria from the Department of Human Services to modify the family home, it is a modest amount and would quickly be eroded by extensive renovations to a property.

7.5.2 Access to Services, Social and Support Networks

The lack of available transport and the need to be closer to services can be a significant driver of changes in housing for households with persons affected by a disability while the need to find suitable housing can distance households from their social networks. A number of people interviewed as part of the in-depth qualitative interviews stated they had moved from the country or the outer suburbs of Melbourne to be nearer to services such as special schools, support services and programs. For example, a male sole parent aged 60 with an intellectually-disabled child moved from his home and place of work as a town planner in rural Victoria to a home he owned in Melbourne for the sake of his son

I decided for his future, it would be best for him to be in the city ... just better services ... support agencies and all that sort of thing. I had been trying to work and I had a job that required me to go to lots of meetings at night and so on, while I was there, and some of these would be called at fairly short notice, so I was always having problems trying to find someone to look after him while I was at meetings and things. So anyway, I'd taken a redundancy payment, so I was able to come back to the city. (Saugeres 2008 p. 12)

Some people with a disability reported that they were not happy with their living arrangements because they lived with their families (i.e. in their parent's home) or occupied a dwelling rented from the Office of Housing that was distant from family, friends or support services. For example a wheelchair bound woman aged 52 interviewed as part of the qualitative research of NRV2 lived in a house in Darebin with her son that she rented from a housing association. She would have preferred a home in a suburb closer to the CBD where she had family and friends. She stated she would have liked to be closer to the city primarily 'for my son's sake. All his friends were around Carlton and Brunswick. I thought, for his sake, and again most of my friends ... She believed however that if she declined this home, if I didn't take this place I could have been sent even further out'. (Saugeres 2008, p. 18)

Another participant who was wheelchair bound and living with his parents was unhappy with his parent's move from the inner city to a home they built in an outer western suburb

I don't like the location, Richmond was a lot better, more central to everything, everything like was around the corner. Now, yeah, if I wanted to go to the shops it's sort of a lot more harder for me now and I'm further away from things ... Like work and, you know, some friends and stuff like that ... If it was my choice I would've stayed in Richmond, because I know the community, I know the neighbours. (Saugeres 2008, p. 18)

Clearly for many trying to balance the need for suitable and appropriate accommodation and the need for access to services, social networks and transport is very difficult and highlights the limits on choice available to many households.

7.5.3 *Need for Care and Assistance*

The need for care and assistance from others particularly from the informal sector, that is family and friends, often has a significant bearing on the housing choices and housing outcomes of people with a disability. Many with a disability need care either on a part-time or full-time basis. While some are able to manage to live independently with the help of professional carers, most in need are reliant on a family member living close by or they need to live with family members as there are few acceptable alternatives. One parent (aged 63) with a son with MS was concerned about what would happen if the son's current live-in care ceased, as he was ageing and felt it would become too difficult to provide for his son. He was willing to use his own money with the assistance of agencies to set up a house where a number of people with a disability could receive care for an extended period of time:

My dream with this thing was to build a complex, if you like, that would have something like 14 or 15 young physically disabled people in it at different levels of disability. We might have, say, four single bedroom units for people who just need a little bit of supervision or a little bit of help or a little bit of guidance, so they're pretty good, they can live in there, almost no care. Then we would have people that, say, where Jade is now where they need help for, you know, four or five hours a day. They need help in the morning, they need help with their meals and medication and so forth. And then you would have another four or five people who need 24/7. Which means that these people can move in here and say, gee, I can stay here for life, right? (Saugeres 2008, p.30)

While this parent had received support from the Affordable Housing Unit of the Victorian Government complications for over two years had delayed the project.

The lack of supported accommodation suitable to the needs of people with different types of disability not only severely restricts the options and choices available to the people with a disability but caring for someone with a disability can place limitations on the opportunities, expectations and housing outcomes of carers.

7.6 The Role of Carers and the Impact of Care Responsibilities on Housing Transitions

Family members take on a very considerable workload and care responsibilities in providing assistance for their relatives with a disability. Amongst the focus group participants there was a view that providing care was more than a full-time occupation: that they were on call 24 hours a day, seven days a week. The provision of care to a family member with a disability was seen to dominate all other aspects of life such as the ability to find employment, time to pursue social activities etc. Amongst the carers there was a general consensus was that there was no time for anything else – 'there is no other life'. From a housing career perspective, this means that one or more adults within the household are unable to engage in full-time work, thereby lowering household income, while the disability itself has the potential to add to medical and other costs. For example, none of the carers in the Sale focus group worked due to their status as full-time carers and the burden on their time associated with that role. The financial impact of not working and caring was a major theme among the participants. As one woman said

X was born with a disability. It is a huge financial adjustment to live with a person with a disability and support a person with a disability. This is before any costs related to modifications of the house come into it.

Carers commonly rely upon either the carers allowance or the carers pension, the latter of which is both more generous – equivalent to the aged pension – but means tested. Three of the four carers who participated in the Sale focus group received the carers allowance and only one received the carers pension. The lower disposable income available to households where someone is providing care to a person with a disability limits the choices available to them in the housing market. The financial burden of caring for persons with a disability is clearly portrayed by the plight of one family interviewed as part of the qualitative interviews of Project E (Saugeres 2008). Sole reliance on the Carers Pension and the need to provide care 24 hours a day to twin daughters with severe disabilities as well as providing for the needs of a son with Attention Deficit Hyper Activity Disorder (ADHD) has left one couple unable to meet their expenses forcing them to place their adaptable mortgaged house on the market. This has serious consequences for the care of their twin girls:

Housing is always a problem....., if I had to go into a rental now, and it is a big possibility still at this stage. But if I went into a rental, there is nowhere available that would cater for my girls ... which basically means that I would have to give up the girls and I would have to put the girls in permanent care. Which is dumb. Because the government has got nowhere where they can put them....the chances are, my girls would be split up, which is not fair on them either ... There is not enough out there. Kids like ours, there is a fair chance my girls would end up in somewhere like a nursing home, if they were put into permanent care, because there is nowhere else to put them. And that is not right. (Saugeres 2008, p 24)

Many respondents who were interviewed as part of this project believed the Carers Pension and Carers Allowance did not reflect the amount of work or the costs associated with caring for someone with a disability.

Some people with a disability receive care assistance provided by the State Government and in Victoria these packages of assistance are provided by the Department of Human Services. The level of assistance provided is determined on the basis of need. For family members who provide care, this external assistance is an important form of respite. For example, a mother of a daughter with an acquired brain injury felt she (and her daughter) were very fortunate to receive around 30 hours a week of care (five hours per day, six days a week). This care included housework, shopping and taking her daughter out into the community. This assistance released the carer to go away at times and to do voluntary work for disability organisations such as Headway Victoria (an advocacy and information service for people with acquired brain injuries). Respite was an important issue for many carers as many felt that their care responsibilities limited their involvement with sporting, social and other groups as caring is a 'twenty four/seven' responsibility. The participants noted that providing care is both mentally and physically tiring and, to a certain extent, socially isolating. One carer in Gippsland, however, commented on the partial nature of any release from care responsibilities

My husband usually tells me when I should shower him. When I get help they shower him and I get a 'break' and get to read the newspaper. It's the frustration and it is mentally tiring. When a carer gives you time off you can't really leave the house you have to see them in. You get to read the newspaper and have a coffee, that's about it.

It is important to acknowledge that in the overwhelming majority of instances care paid for by governments is supplementary to that received from family members. Amongst focus group participants one person received two or so hours per fortnight of paid care with assistance provided in cleaning the house, others had three to four hours

per week, seven hours per week, ten hours per week and one had more than ten hours. All participants strongly emphasised that family and friends contributed large amounts of time to their care and in nearly all cases this was unpaid. Any paid care to family members was minimal and the focus group participants felt this needed to be addressed. One participant expressed their dissatisfaction at the poor level of funding available to family carers and said

I would love someone from government to come along and experience our lives for a couple of days as they would soon realise the difficulties we face.

Many carers recognised that they in turn would benefit if the person they cared for had a wider range of housing options available to them, including the capacity to live with a greater degree of independence. The ability of a younger person with a disability to move out of the family home would open up housing opportunities for their parents. As one carer in the focus groups said

At this stage of our life we all deserve a better lifestyle. Quality of life, safety, how can we guarantee this for her? We can't think about pensions or retirement because of the need to provide for her and ensure she had a future.

A similar view was expressed by one of the older participants in the more in-depth interviews who at 69, was caring for her 39 year old daughter with schizophrenia, who lived with her. She commented that the most difficult aspect of caring was:

Having a lot of responsibility at my age. When I brought them all up [her children], after my husband and I had divorced, I brought the three of them up on my own. I had enough responsibility. I mean, I got sick. There was no-one to care for me. I had to manage myself, and here I am looking after someone again. I will because I love her and I want her to get fine, but it seems very unfair.

People of a similar age who are not carers of someone with a disability have a greater range of choices. Preparing for life after being a carer (if that happens at all) is put on hold due to the drain on finances and time. As one female carer put it

We have to replace the car, the daughter wants to leave home, these costs are huge. My husband is four years from 60 and wants to stop working someday!

For carers and persons with a disability alike the prospect of carers no longer being able to provide support is challenging because they can see few attractive alternatives. For example, one older person in a Morwell focus group summed up their resignation at not knowing what will happen in the event of losing their spouse by saying "I will get a spot outside the cemetery and wait". Carers – especially older carers looking after their now adult children – expressed similar sentiments as they were all too aware of their inability to maintain their care responsibilities indefinitely. Such concerns may not directly affect the housing transitions of persons with a disability and their carers but they do raise significant issues of public policy as de facto disability policy in Australia relies heavily upon family members to provide care. Shifts in attitudes towards the provision of care would have a significant impact on the demand for more formal assistance, which in turn would affect public sector outlays. Policies and programs that could assist carers in providing support for their family members for longer, and which offer the prospect of an attractive alternative in the foreseeable future, could both improve the quality of life for carers and persons with a disability, as well as limiting demands on public outlays.

7.7 Housing Transitions by Type of Disability

As discussed previously, the type of disability, when and how it was acquired, can significantly affect a household's housing career. This section examines the variability in the housing transitions of people with a mobility impairment, developmental disability, psychiatric disability and sensory disability. As Figure 7.1 indicates, how disability affects the housing transitions of an individual or household varies considerably according to the nature of the disability, the severity of the disability and the way in which the disability was acquired. The Housing 21 Survey provides some indications of the way in which disability shapes housing outcome, but it provides no indication on any of these three dimensions. To overcome this gap, a specialised disability survey was undertaken in Victoria, focused on three regions: Gippsland as an example of a non metropolitan region; the region in and around Darebin, an inner metropolitan area; and Melton/Brimbank as an example of an outer metropolitan region. Data collection was further focused on four disability groups and associated family members with care responsibilities: persons with a mobility impairment, persons with a sensory impairment, persons with a psychiatric disability, and persons with a cognitive impairment. In all instances a modified version of the Housing 21 Survey was applied, in order to facilitate comparison with that national data collection instrument. The survey instrument had to be truncated considerably for application to persons with a cognitive disability and in other instances the questionnaire was modified to reflect the potential impact of disability on housing career.

In total the disability focused survey set out to complete some 600 interviews (Table 16), with participants recruited through advertisements in relevant newsletters (e.g. the Wheelchair Sports Association of Victoria), email lists (e.g. Victorian Women with a Disability Network; Blind Citizens Australia; InfoXchange); snowball recruitment; through the assistance of non government organisations (such as Carers Australia) and through the efforts of rural access workers in Gippsland. Data collection for this phase of the project commenced in November 2006 and persisted under November 2007.

Table 16: Proposed data collection framework for disability focused research

	<i>Gippsland</i>	<i>Inner Melbourne</i>	<i>Outer Melbourne</i>
Sensory Disability	25	25	25
Carers of Persons with a Sensory Disability	25	25	25
Mobility Impairment	25	25	25
Carers of Persons with a Mobility Impairment	25	25	25
Psychiatric Disability	25	25	25
Carers of Persons with a Psychiatric Disability	25	25	25
Cognitive Impairment	25	25	25
Carers of Persons with a Cognitive Impairment	25	25	25
Total	200	200	200

Table 17 presents data on the number of surveys completed through this survey. In total 281 interviews were completed with persons affected by disability and some 137 were completed with family members with care responsibilities. Several factors

contributed to our inability to achieve our targets for the data collection exercise for persons with a disability:

- The targeting of regions and disability groups limited the potential pool of respondents to the survey, thereby complicating the data collection process and ruling out some data collection strategies;
- In some cases organisations believed they had the capacity to assist us in completing large numbers of surveys but found that they could not deliver against this expectation;
- Some members of target groups refused to participate because they did not believe they had a disability;
- The concept of a ‘carer’ does not have validity with some disability groups. For example, the focus group with persons with a disability highlighted the way in which few lived with a person who could be considered a ‘carer’;
- There is some evidence that the population affected by disability is over-studied, with potential respondents ‘burnt out’ from repeated exposure to data collection;
- The use of the general questionnaire from the Housing 21 Survey – an explicit component of the study in order to deliver data that is comparable between the mainstream and disability affected population – discouraged some respondents who found the questionnaire too long and not relevant to their circumstances;
- Some organised events did not have the expected number of participants and this contributed to either under or over sampling of a particular group;
- Finally, it is important to acknowledge that we did not anticipate the complexity of the lives of some households affected by disability with some affected by multiple disabilities.

Despite these failings, it is worth acknowledging that substantial data have been collected and that it represents an important breakthrough in research on housing and disability in Australia. This results of the analysis of this survey will complement the data collected through the Housing 21 Survey and provide a more detailed understanding of the housing circumstances of persons affected by substantial disability.

Table 17: Achieved data collection framework for disability focused research

	<i>Gippsland</i>	<i>Inner Melbourne</i>	<i>Outer Melbourne</i>
Sensory Disability	32	17	7
Carers of Persons with a Sensory Disability	9	8	1
Mobility Impairment	21	7	22
Carers of Persons with a Mobility Impairment	4	2	16
Psychiatric Disability	27	19	41
Carers of Persons with a Psychiatric Disability	1	24	3
Cognitive Impairment	25	10	9
Carers of Persons with a Cognitive Impairment	14	23	15
Other/Multiple Disability	25	10	9
Carers of Other/Multiple Disability	1	2	14

7.7.1 *Psychiatric Disability*

The qualitative research of Kroehn et al. (2007) and Saugeres (2008) undertaken as part of NRV2 clearly highlights the disruptive effect of a psychiatric disability not only on housing transitions but on every aspect of a person's life. The episodic nature of the illness, resulting in high levels of unemployment, reliance and dependency on the Disability Support Pension (DSP), and consequently low incomes restricts choices within the housing system. Moving house for these people is often a recent and recurrent phenomenon through the private and public rental system.

Many of these people are single as they find it difficult to maintain good relationships with others including family and as a consequence they do not have strong networks of support from family and friends as is the case for other disability types. Whereas people affected by other disabilities are often highly dependent on the support provided by family, Saugeres (2008) for example found many with a psychiatric disability could not turn to their families for support (even though some did against their better judgement in times of crisis) because their families could no longer deal with their circumstances or the person had been abused by one or more family members earlier in life.

The lack of interaction with family and friends, poor engagement with social welfare and other support agencies and the inability of some persons with a psychiatric disability to make responsible decisions, makes this group particularly vulnerable to social isolation and poor housing outcomes. This circumstance has the capacity to heighten the impact of their illness. Unsuitable and inappropriate housing outcomes include boarding houses, caravans and ultimately homelessness. Their lack of financial and human resources makes them particularly vulnerable to living in situations of risk – abuse, vulnerability to drugs and alcohol.

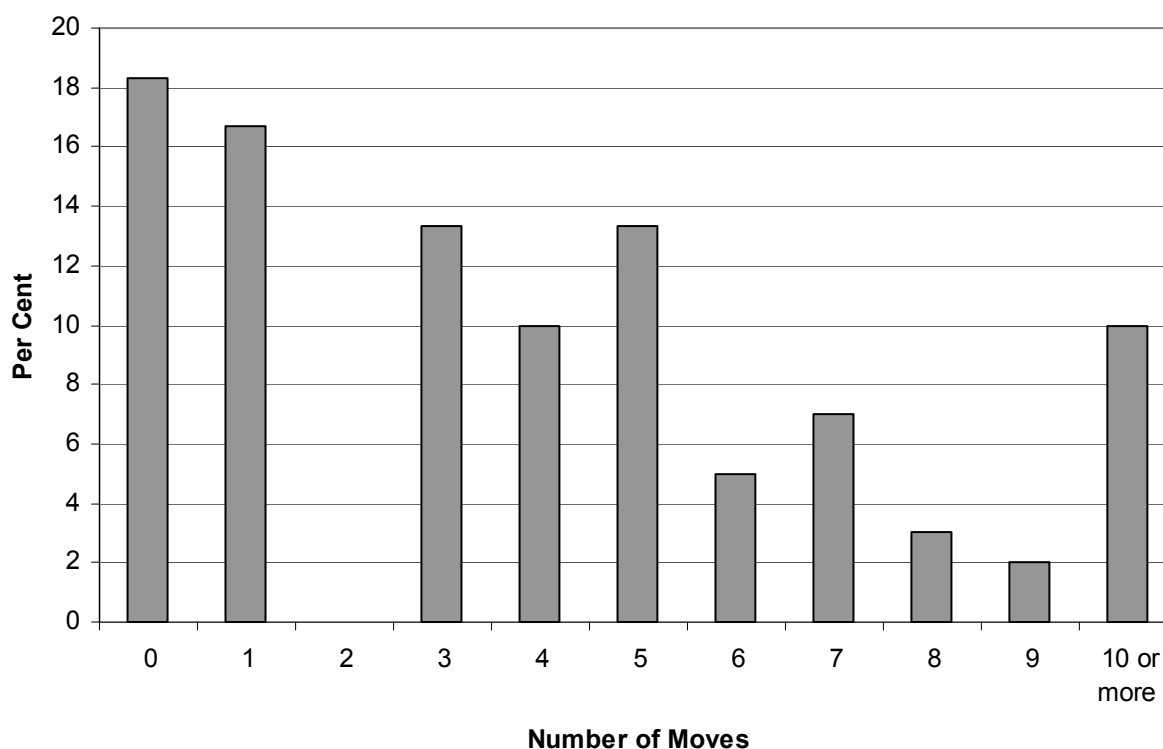
Housing assistance is essential to the maintenance of stability in these people's lives and though many that were interviewed were currently living in public housing, for some this had taken several years to access. Many of these people do not find stable housing until assisted and supported by case workers or particular agencies such as Alcohol Related Brain Injury Australian Services (ARBIAS). This support in many cases needs to be ongoing because persons with a psychiatric illness may make poor decisions, including choosing to not take medication. Such behaviour increases the risk of psychotic episodes and hospitalisation, or threatens their housing situation by increasing the risk of eviction (Saugeres 2008; Reynolds, Inglis and O'Brien 2002).

Some 77 persons with a psychiatric disability responded to the specialist survey of persons with a disability with most respondents aged 25 to 55 years. Some 55 per cent of respondents lived by themselves and a further 31 per cent lived in a household with just one other person. Half lived in a flat, unit or caravan park, while 39 per cent lived in a separate house. Fully 71 per cent were renting. This outcome is partly a function of the way in which participants were recruited for this part of the study – with several accommodation and service providers collecting the data on our behalf – but it is also likely to reflect a more general trend amongst the population affected by psychiatric disability. Some 61 per cent of tenants (and 42 per cent of all respondents) rented from Office of Housing with a further 22 per cent renting from real estate agents and 5.6 per cent from a parent or other relative. Over 27 per cent of respondents with a psychiatric disability had applied for public housing at some stage and 13 per cent were currently on the public housing waiting list. Over 55 per cent of tenants reported that they rented because they couldn't afford mortgage payments.

Only eight per cent of our respondents were home owners and nine per cent were paying off a mortgage.

Persons with a psychiatric disability were relatively satisfied with their dwelling with respect to both their current needs and their needs in five years' time. Unlike the mobility impaired (discussed elsewhere in this report), persons with a psychiatric disability do not require physical modification of the dwelling stock and are therefore more likely to report satisfaction with the dwelling. Access to support services, however, presents different challenges and is an important reason why 49 per cent of respondents indicated that they would like to move to a different home. In large measure they indicated that they wished to move for personal reasons (including disability and health), in order to live by themselves and to improve access to family and other social contacts. Importantly, as Figure 124 demonstrates, persons with a psychiatric disability tend to be very mobile through the housing market as they struggle maintain stable housing. Fully 40 per cent of respondents had moved five times or more over the past decade.

Figure 124: Number of times persons with a psychiatric disability have moved, 1996-2006



Source: Housing 21 Survey

Of the 77 persons affected by a psychiatric disability within the specialist survey, 47 per cent reported that their disability had been present throughout their life, with the remainder indicating that the disability was more recently acquired. Fully 50 per cent of persons with a psychiatric disability reported that living close to services and support was a very important part of their lifetime housing goals and a further 36 per cent said it was an important component. In common with some other disability groups, the location of the home was either very important (50 per cent) or important (40 per cent) to persons with a psychiatric disability and this finding is consistent with the qualitative material collected as part of Project C (Kroehn et al. 2007). The investment dimensions of housing were relatively unimportant for this group (with 30 per cent saying it was unimportant), as was proximity to employment and family.

Forty two per cent of respondents recognised that their disability had been important in shaping their lifetime housing goals and almost 80 per cent felt that they had been very successful or somewhat successful in achieving their lifetime housing goals. Some 67 per cent acknowledged that their health had been a very important influence on their housing decisions across the life course.

Unlike some other groups, few persons with a psychiatric disability reported that they needed assistance with self-care, though 18 per cent reported that they required help with caring for their health and 43 per cent needed assistance with communication. Over half relied upon others to assist them with transportation and 40 per cent needed assistance with property maintenance. Some 39 per cent of respondents with a psychiatric disability indicated that their needs for assistance were only met in part and 5.6 per cent believed their need for assistance was not met at all. Assistance was provided from diverse sources, including partners (13 per cent), parents (26 per cent), children (10 per cent) and other relatives (8.6 per cent). Government (14.3 per cent) and non government organisations (14.3 per cent) were also important sources of help and are far more prominent in the pattern of care-giving than for other disability groups. Importantly then, one of the determinants of difference in housing transitions between disability groups is the varying patterns of assistance each receives.

Some 20 per cent of persons affected by a psychiatric disability who responded to the survey lived with at least one other person with a disability. However, 40 per cent of persons with a psychiatric disability lived by themselves and this is a very atypical household structure compared with the Australian population as a whole. Some 47 per cent of persons with a psychiatric disability had never married or formed a permanent relationship, 13 per cent were separated from their partner, and 19.5 per cent were divorced. Only 16 per cent of respondents were currently married and four per cent were living in a de facto relationship. This is a very distinctive household structure which inevitably generates housing transitions that are not shared with the broader community. Critically, 40 per cent of persons living in a household with at least one other person shared their living arrangements with another person with a disability.

Very few persons with a psychiatric disability had full-time employment (31.1 per cent) with 35 per cent reporting that they were unable to work because of disability pension or Workcover issues, and 15 per cent working part-time or casually. Fully 77 per cent of respondents received the Disability Support Pension (DSP) and a government pension or allowance was the major source of income for 94 per cent of households. Incomes for this group were very low, with 34.5 per cent of respondents with a psychiatric disability reporting a household income of less than \$12,999 and 90 per cent reporting a household income less than \$26,000.

7.7.2 Mobility Impairment.

The housing circumstances of people with a mobility impairment varies depending on whether the disability is a lifelong condition or more recently acquired as the result of an accident or medical condition in adulthood.

The housing transitions of people affected by long-term mobility issues differ substantially from that described above for people with a psychiatric disability. Some had moved a number of times through the rental system, often to seek independence and then often returning to the family home for long-term stability and support. One of the most significant difference between this group and those affected by a psychiatric illness is that most are helped by family members with their housing, either financially, or by being able to continue living with the family way past adulthood. This places a considerable burden on many families as modifications are needed to the home to

accommodate the disability and care is generally required on a daily basis. While people with a long-term mobility impairment may have periods of employment the nature of their disability and changes in their health levels over time mean many are unable to sustain long productive periods in the work force limiting their access to home ownership. Some households are able to afford home ownership through assistance from family or partners but many are reliant on the public rental system.

The housing career of a person affected by mobility impairment later in life is generally much more stable as these people often owned or had substantially paid off the mortgage at the time of becoming disabled. While other forms of accommodation may be necessary while the family home undergoes modifications, most return to the family home but now require support and assistance from partners and family members. Being able to sustain home ownership in the event of an accident however is difficult for some. One focus group participant who had acquired his disability in the last five years had lost his job and as a consequence he could no longer afford the mortgage payments, selling the home and moving into rental accommodation. This was very disheartening as they now lived in an area determined by the availability of rental properties. It was not where they would like to live and the uncertainty of the rental market affected them in a negative way. The participant had to accept rental accommodation in areas where there was easy access to services. The rentals that met this criteria did not offer accommodation to suit their needs (Kroehn et al. 2007). The provision of care and support is vital to the stability of housing for people with a mobility impairment.

Data collected through the disability focused survey provides quantitative insights into the housing transitions with a mobility impairment. Forty nine valid survey responses were analysed for this group, with most respondents aged 45 to 54 years. Two thirds of this group lived in a separate house, with a further 20 per cent in a flat, unit or apartment and 10 per cent in a semi detached home. Forty five per cent of respondents lived in family households, 25 per cent in single person households and an equivalent percentage in couple only households. Five per cent lived in a group household of unrelated people. Approximately half the respondents had a mobility impairment for all or most of their lives, with the remainder acquiring an impairment in adulthood.

Persons with a mobility impairment were much under-represented in home purchase, with just 14 per cent buying a home, compared with 39 per cent outright owners and 37 per cent renting. Some four per cent lived rent free and a further four per cent lived as a dependent with their parents. Fully 56 per cent of tenants with a mobility impairment rented from a State Housing Authority and a further six per cent rented from a cooperative or equivalent organisation. Just 18 per cent of tenants with a mobility impairment rented from a real estate agent and 35 per cent of tenants with a mobility impairment had applied for public rental housing at some stage of their life. Thirty two per cent of tenants with a mobility impairment had been owner occupants at some stage in their life, and this finding is consistent with the discussion elsewhere in this report that the onset of disability frequently results in households 'falling out' of home ownership. Just under half of tenants with a mobility impairment reported that owning their home one day was important or very important to them, but 20 per cent said it was unimportant. However, 90 per cent of tenants with a mobility impairment did not expect to enter home ownership in the next five years and the contrast with the expectations of the general population of tenants is stark.

Just over one-quarter of respondents with a mobility impairment had undertaken major renovations of their home because 'the house was not appropriate to needs' (eight respondents), to 'avoid the costs of moving' (one respondent) and 'to adjust the

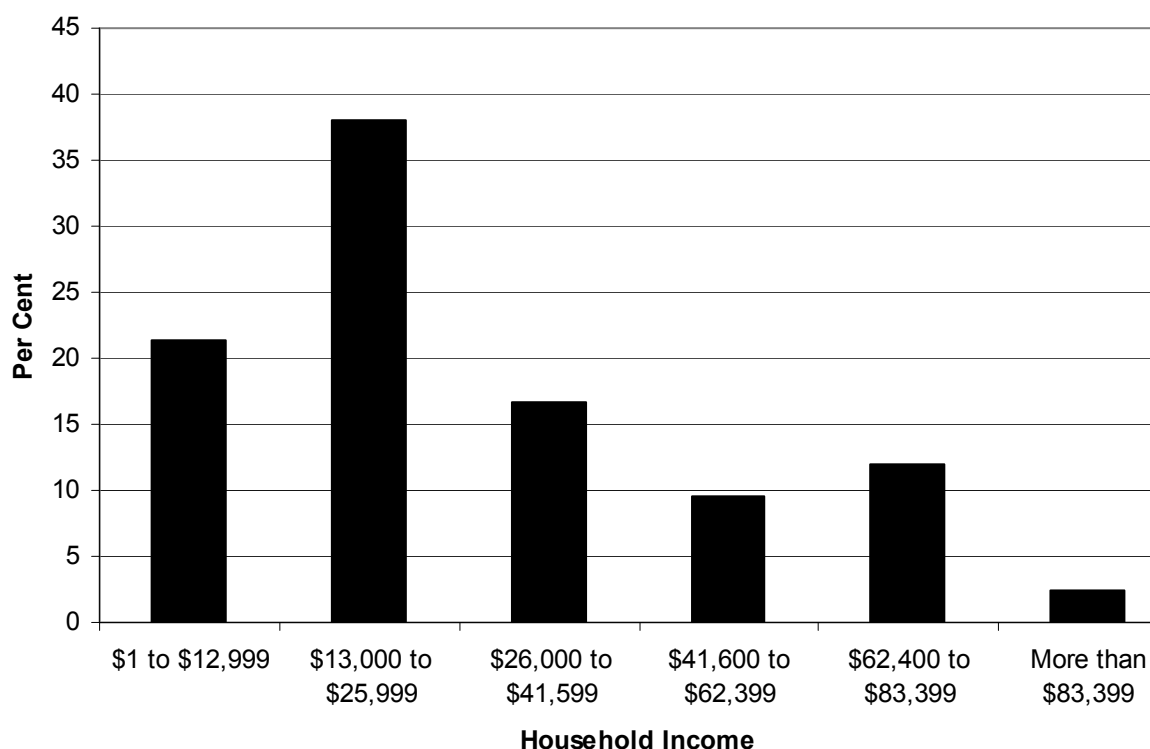
house for a person with a disability' (nine respondents). Clearly, the challenges of living in the housing stock drive many households affected by a mobility impairment to modify their dwellings. Half the respondents reported that their current dwelling fits their needs very well, and a further 28 per cent said it met their needs well. However, 19 per cent believed that their home did not meet their needs well at all. Participants in the survey were more concerned about how well their present home will meet their needs into the future, with 19 per cent indicating that they did not believe their home would meet their needs very well in five years and nine per cent indicating that their home would not meet their needs at all. Respondents indicated that insufficient finances, the absence of continuing employment and the lack of suitable housing options prevented them from moving to more appropriate housing. Significantly, 42 per cent of households affected by a mobility disability had not moved dwelling in the decade to 2006 and 71 per cent had experienced one or no moves over that decade. These data reinforce the argument that households where a mobility impairment is present have a limited capacity to move through the housing market and secure housing that better meets their needs.

Mobility impaired respondents to our survey reported attitudes to housing through their life course that differed from the general population: they were less likely to attach value to the material/asset dimension of housing, but were more likely to value highly the physical environment of the dwelling and the access it offered to services. Amongst the mobility impaired, only 31 per cent rated as very important the capacity to live close to work, but 63 per cent considered living close to services and support a very important feature of housing. In addition, fully 78 per cent of the mobility impaired acknowledged that their disability had been a very important determinant of their lifetime housing goals and 66 per cent felt that their health had been very important in shaping their housing decisions.

Most respondents (98 per cent) with a mobility impairment needed some assistance or care and while 54 per cent said their needs were fully met, 43 per cent said their needs were only met in part. Partners (58 per cent), parents (12.5 per cent) and children (4.2 per cent) were very important sources of assistance, with government provided care of first order importance for 10 per cent of respondents. The provision of care is a significant issue, especially given that 30 per cent of respondents reported that at least one other member of the household had a disability.

Relatively few respondents with a mobility impairment were engaged with the labour market with six per cent in full-time employment, 31 per cent in part-time or casual employment, 12 per cent unemployed, 20 per cent retired or engaged in home duties, and 26.5 per cent unable to work because of Workcover compensation arrangements. Fully two thirds of respondents received the Disability Support Pension and that was the major source of household income for 57 per cent of households and this in turn contributed to low household incomes: twenty one per cent had a household income of less than \$13,000; 60 per cent had a household income of less than \$26,000 and 76 per cent had a household income of less than \$42,000 (Figure 125).

Figure 125: Household income for persons with a mobility impairment



Source: Housing 21 Survey

7.7.3 Cognitive Impairment

Twenty-nine persons with a cognitive disability participated in the disability survey and they ranged in age from 22 to 61 years, with a mean age of 40 years. It is important to note that all members of this group had a developmental disability, rather than a cognitive impairment acquired later in life. Twelve of the respondents were male and 17 were female. Just under half this group lived in a house and 16 per cent lived in a flat, unit or apartment. Some 20 per cent lived in a community residential unit (CRU) and seven per cent lived in other supported accommodation. Forty per cent of respondents lived with their family, 20 per cent lived with friends and a further 20 per cent lived with other un-related adults. Only 13 per cent lived by themselves.

Seventy per cent of the respondents affected by a cognitive impairment paid rent or board and many reported very stable housing transitions: only 22 per cent had lived in their current dwelling for less than five years and six per cent had lived in the same dwelling all their life. Just over 55 per cent of respondents had not moved at all within the last ten years, and 96 per cent had moved three times or fewer over the last decade. These data support the argument that this population group typically experiences a very stable or 'flat' housing career.

Respondents reported very favourable attitudes to their current housing, with few looking to move and most valuing their home for the people and relationships embedded in that place. Only 12 respondents worked and they mostly worked one or two days a week only. Family members were nominated as the most important care givers in their life, with staff from support organisations the second most important source of care and assistance. Cooking, assistance with transport and help with craft activities were the most important forms of assistance reported.

7.7.4 *Sensory Impairment*

The housing transitions of people with a sensory impairment such as a hearing or vision impairment can vary considerably depending on whether they have partners and are able to participate in the workforce. Fifty two persons with a sensory disability participated in the focused survey with almost 90 per cent of interviews completed via telephone interview conducted by VisionAustralia. The results, therefore, provide a snapshot of the vision-impaired population rather than persons with a hearing disability. The population interviewed was an older group, with 47 per cent aged over 75 years and 72 per cent aged over 54 years. Sixty per cent had had their disability for their entire lives and 34 per cent were married, 19 per cent were widowed, 15 per cent were divorced and 23 per cent had never married. As would be anticipated given the age distribution of the group, 43 per cent lived by themselves and 38 per cent lived with one other person. Fifty eight per cent lived in a separate house and 30 per cent lived in a flat, unit or terrace house. Single person households dominated at 38 per cent of the total, followed by couple households (32 per cent) and family households (23.6 per cent).

Outright home ownership was the largest single tenure amongst the sensory impaired, accounting for 47 per cent of the total, followed by 33 per cent in rental housing and 11 per cent paying off a mortgage. Significantly, 5.5 per cent had been given life tenure of their property by a relative and 3.6 per cent were living rent free. No other disability group reported similar levels of direct family assistance with housing. Only a small percentage of persons with a sensory disability had renovated their property or intended to do so in the foreseeable future.

Exactly half the persons in this category who were renting their property rented from the Victorian Government's Office of Housing with 25 per cent renting from a private real estate agent, 18 per cent renting from a relative and six per cent renting from a community housing group. Nine of the 16 sensory impaired persons renting their housing had previously been owner occupants and 80 per cent of this group that had fallen out of home ownership had changed tenure because of the difficulty of affording mortgage repayments. Fully 85 per cent of this group did not expect to enter home purchase in the next five years.

Most persons with a sensory disability believed that their present home suited their needs well (38.8 per cent) or very well (57.1 per cent). They anticipated that their housing would continue to meet their needs over the next five years. That said, one-quarter of respondents indicated that they would like to move to a different home, though few expected that this would happen. Finances and the lack of ongoing work were the major impediments to relocation. Overall, the sensory impaired – consistent with their age profile – were a stable population, with 61 per cent not moving at all over the previous decade and 24 per cent moving once only.

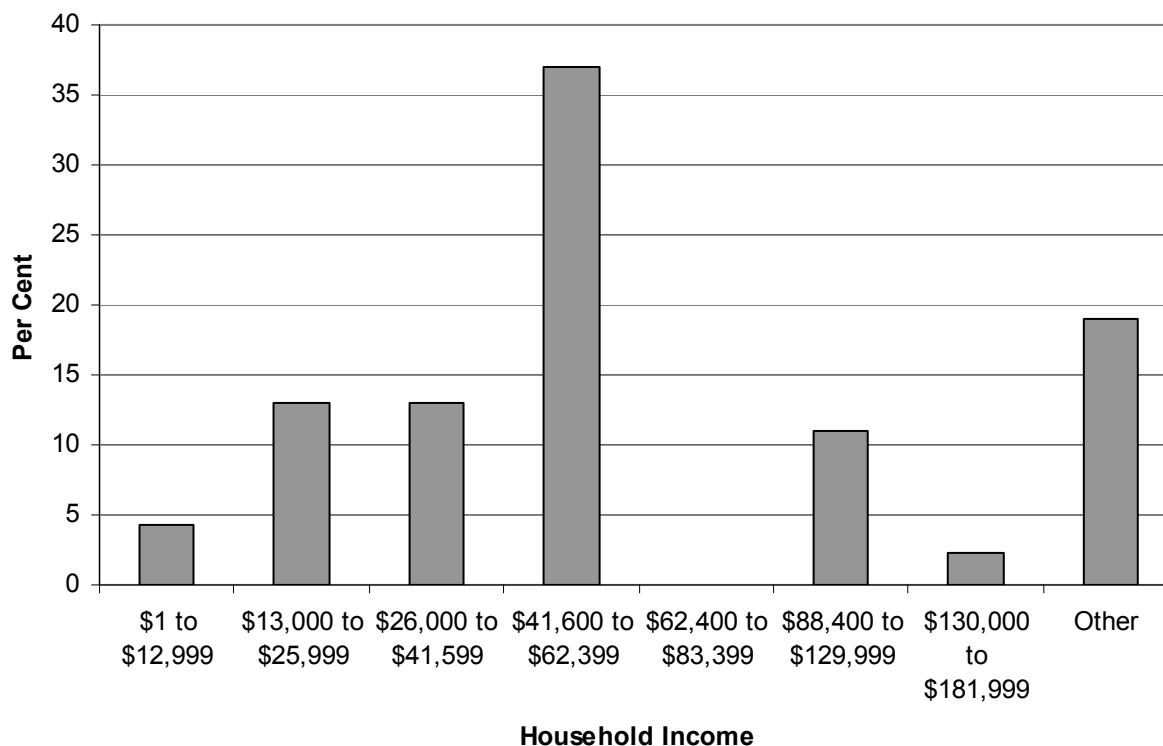
In common with the other disability groups discussed in this section of the report, persons with a sensory disability placed a great emphasis on the location and/or environment of their housing. Forty one per cent considered location had been very important in shaping their lifetime housing goals and 34 per cent believed it had been important. Just under 50 per cent of respondents indicated that being close to amenities had been a very important influence in shaping their lifetime housing goals and 30 per cent said it was an important influence. Similarly, 44 per cent rated living close to services as an important influence on lifetime housing decisions and 20 per cent considered it important. Clearly, for all disability groups, the ability to gain ready access to services is one of the key drivers of their lifetime housing decisions. Persons with a sensory disability also recognised that their impairment had shaped their lifetime housing goals, with 39 per cent assessing it as a very important influence

and 32 per cent as an important influence. Significantly, 73 per cent believed they had been very successful or successful in achieving these goals.

The respondents with a sensory disability required less care and assistance from others than some of the other groups covered in the disability focus survey. Only 25 per cent needed assistance with self-care and 26 per cent needed help with health care. Just over one-third needed assistance with the preparation of meals and one-quarter needed help with communication. Just 12 per cent needed assistance with mobility, though 57 per cent needed help with property maintenance and 30 per cent with housework. While 70 per cent needed assistance with transport, the need for assistance with routine tasks appears limited – emphasising the relative independence of this group. Fully 60 per cent of respondents believed their care needs were fully met, while 32 per cent indicated that their needs were partially met and the remainder reported that they had no need for care. The provision of care largely fell to partners (40 per cent), parents (25 per cent), other relatives (10.4 per cent) and children (8.4) per cent. Government providers were nominated as the most important care givers in just 8.3 per cent of cases.

Just over half the population with a sensory disability were employed part-time or casually and 14 per cent were employed full-time. Intriguingly, the rate of employment was the highest of the four disability groups considered in this section and this was despite their elevated age profile. Some 60 per cent received a Disability Support Pension and 17 per cent received the age or widow’s pension and for 78 per cent of households a government pension was the major source of income.

Figure 126: Household income for respondents with a sensory disability



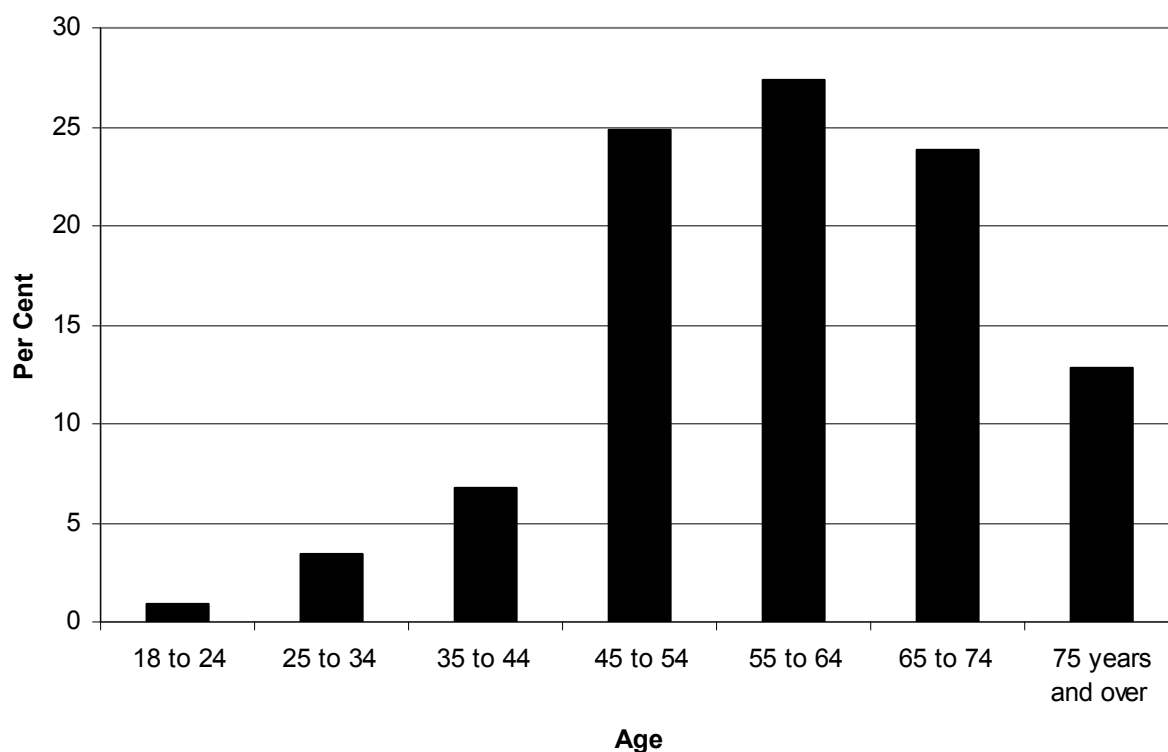
Source: Housing 21 Survey

Persons with a sensory disability (Figure 126) reported the highest household income of any of the disability groups, although their incomes were still modest relative to the total population.

7.7.5 Carers

Family members who provide support for people with a disability have housing transitions shaped by their care responsibilities. Providing care can have a significant impact on families and individuals with respect to their social networks and mental health (Edwards et al. 2007), financial resources (Hughes 2007) and other relationships (Spicer 2007). Carers participated in the disability focused survey and 80 per cent of the respondents were female. This gender imbalance reflects the unequal distribution of care responsibilities, with women much more likely to take on the role of unpaid carer than men. The carers who participated in the survey had an elevated age profile (Figure 126), with three quarters of the total aged between 45 and 74. Most lived in households of two or three people and 22 per cent of respondents reported the presence of children under the age of 18 in their home. Seventy four per cent of respondents described their household as a family, but 14 per cent were sole parent households and this reflects the relatively high rate of relationship breakdown amongst households where a disability is present. Couple only households accounted for 9 per cent of the total, while lone person households accounted for 2.5 per cent. Twenty four per cent of respondents provided care to their partners, but children were the greatest recipients of care, with 36 per cent providing care for a son or sons and 31 per cent caring for one or more daughters. Only four per cent of respondents cared for their mother and two respondents provided care for a brother.

Figure 127: Age of carers participating in the disability focussed survey



Source: Housing 21 Survey

Carers were concentrated in owner occupation with 65 per cent outright home owners and a further 20 per cent home purchasers. Just 13 per cent were tenants and two per cent lived rent free. This tenure distribution is consistent with the age distribution of the carers included in the survey and highlights the fact that the provision of unpaid care is strongly associated with home ownership. It is interesting to speculate whether

a decline in the home ownership rate has the potential to trigger a fall in the rate at which family members are willing and able to provide unpaid care for their relatives or partners. Just under 15 per cent of carers received assistance with the purchase of their home and while six per cent of carers received government assistance, 7.6 per cent received assistance from family with the purchase of the home. A loan from a parent or other relative was the most common form of assistance received, but other forms of assistance received included loan guarantees, gifts from parents and the inheritance of a house. Clearly, family assistance is an important part of the housing career of family members with care responsibilities in Australia.

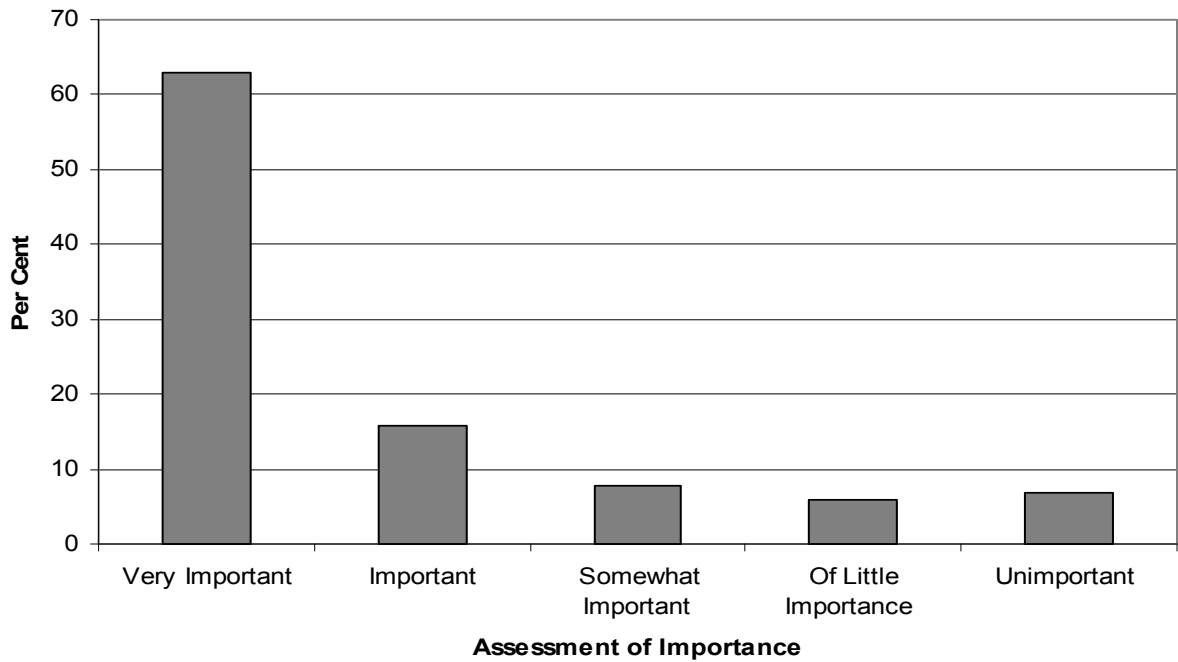
Carers in rental housing most commonly leased their property from a real estate agent (40 per cent of cases), followed by the Office of Housing (27 per cent) and other private landlords (13 per cent). Some 44 per cent of carers who were tenants had previously been owner occupants and of those to fall out of home purchase, two thirds did so because of relationship breakdown. A further 17 per cent fell out of home ownership because of the cost of providing care and an equivalent percentage was forced to return to rental housing because of the loss of employment. Interestingly, no carers who were currently in the rental market expected to enter home ownership in the next five years.

Slightly more than one-third of carers had renovated the property they lived in and 53 per cent reported that they had renovated the property because it did not meet the household's needs. Respondents suggested a number of ways in which their housing choices had been shaped by the care and disability needs of their family member

- ...the suburb we live in is dictated by need to be close to services,
- ...doorways had to be wider,
- ...moved from country to city for child,
- ...would have moved to another suburb/area if did not need to care for person with a disability,
- ... two-storey house but live on the ground floor,
- ...loss of independence. Because have to care full-time, time is not their own, bought house before they knew they would have to care for disabled family members. Now need to modify and restructure.

In common with persons affected by the disability and the respondents to the Housing 21 Survey, carers were asked a battery of attitudinal questions that related to the values and needs that had shaped housing decisions across the life course. Many of their responses mirrored those of the population affected by disability, with participants in the survey placing a premium on the environment in which they live and their ability to gain access to services. Respondents were also asked, How important has caring for a person with a disability been in shaping your lifetime housing goals? As Figure 128 demonstrates, care responsibilities have exerted an overwhelming impact on the housing aspirations of the carers who participated in the survey. Some 90 per cent of the respondents believed they had been successful or very successful in achieving their lifetime housing goals and a substantial majority placed considerable value on housing for its capacity to serve as an investment and the ability of home owners to choose how they live. It is important to acknowledge that these values reflect both the status of the respondents as carers and their position as an older, home owning, group.

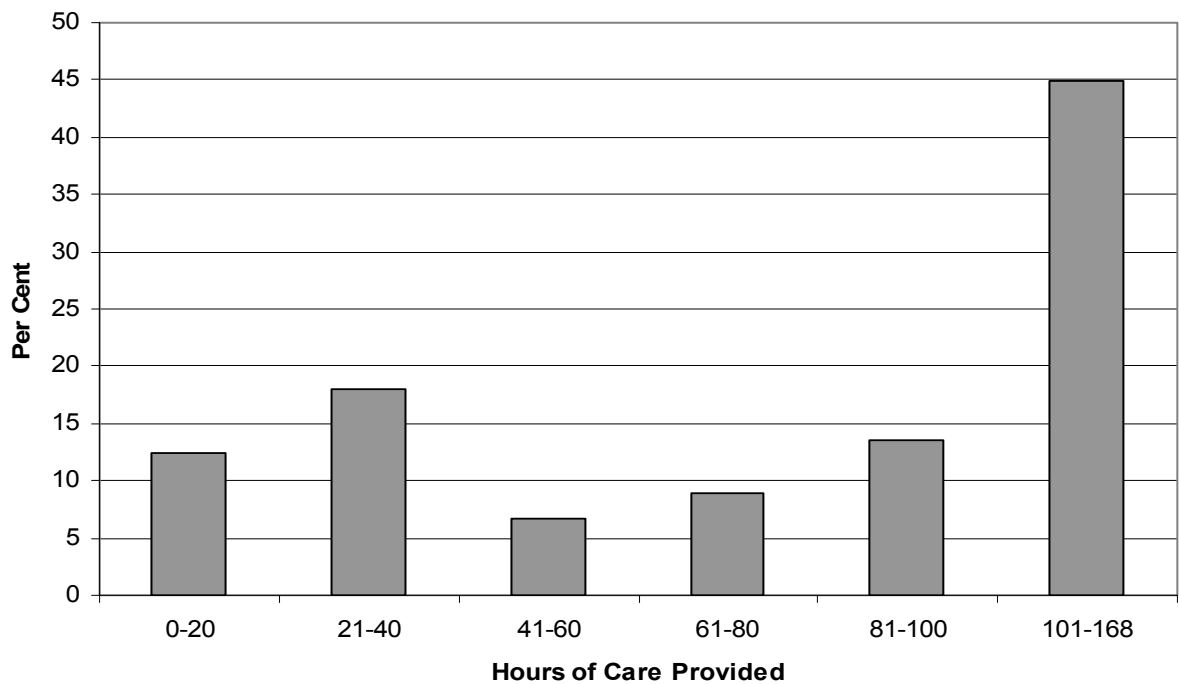
Figure 128: Assessment of the impact of caring responsibilities on lifetime housing goals



Source: Housing 21 Survey

The impact of care responsibilities on the lives of family members providing care is reflected in Figure 129 with fewer than 30 per cent of respondents indicating that they provide under 40 hours of care per week. Forty five per cent of respondents indicated that they provided more than 100 hours of care per week and the single biggest response to the 'How many hours of care do you provide each week?' was 168 hours; that is, '24/7'.

Figure 129: Estimate of the hours of support provided by carers



Source: Housing 21 Survey

A reduced capacity to engage in paid employment is one impact of the substantial care responsibilities many individuals bear. Only 10 per cent of carers participating in the disability survey were in full-time employment, while 22 per cent were employed part-time. Fully 28 per cent reported that they had retired from the formal labour market while 21 per cent nominated 'home duties' as their current work status. Fourteen per cent indicated that they were a full-time carer while 2.5 per cent were not in paid employment because of their own disability. One-third of those in paid employment worked fewer than 24 hours per week.

Household incomes for carers participating in the disability survey were low, with seven per cent reporting an annual household income of less than \$13,000, 30 per cent had an income of between \$13,000 and \$26,000 and a further 30 per cent indicated an income of between \$26,000 and \$41,600. Forty four per cent received the carers allowance or payment, 27 per cent received the aged or widow's pension, and 12 per cent received a disability pension. Fifty three per cent of carers reported that a government pension or benefit was the household's main source of income.

Finally, carers were asked to nominate those aspects of the place in which they live that makes housing for caregivers difficult. Many indicated that transport was a major concern for them

- ...no transport where I live and don't know what I will do when I can't drive,
- ...Travelling time/distance from country to Melbourne for health care,
- ...Lack of suitable public transport.

Others noted that the cost and availability of professional carers affected their quality of life

- ...Cost of carers
- ...Living rural makes it difficult to get paid carers to travel to home – especially with fuel costs so high.

While the physical quality of the housing stock and the urban environment challenged other carers

- ...Uneven footpaths make pushing a wheelchair difficult,
- ...Very hard for disabled persons to enter or leave the house.

For others, social factors were more important

- ...Lack of emotional understanding and support – feeling isolated because of the stigma of mental illness.

Overall it is worth noting that carers reported the challenges facing those they supported – accessibility, social attitudes etc. – as affecting them, reflecting their very substantial link to the wellbeing of the family member to whom they provide care.

7.8 The Impact of Government Housing Assistance on Persons with a Disability

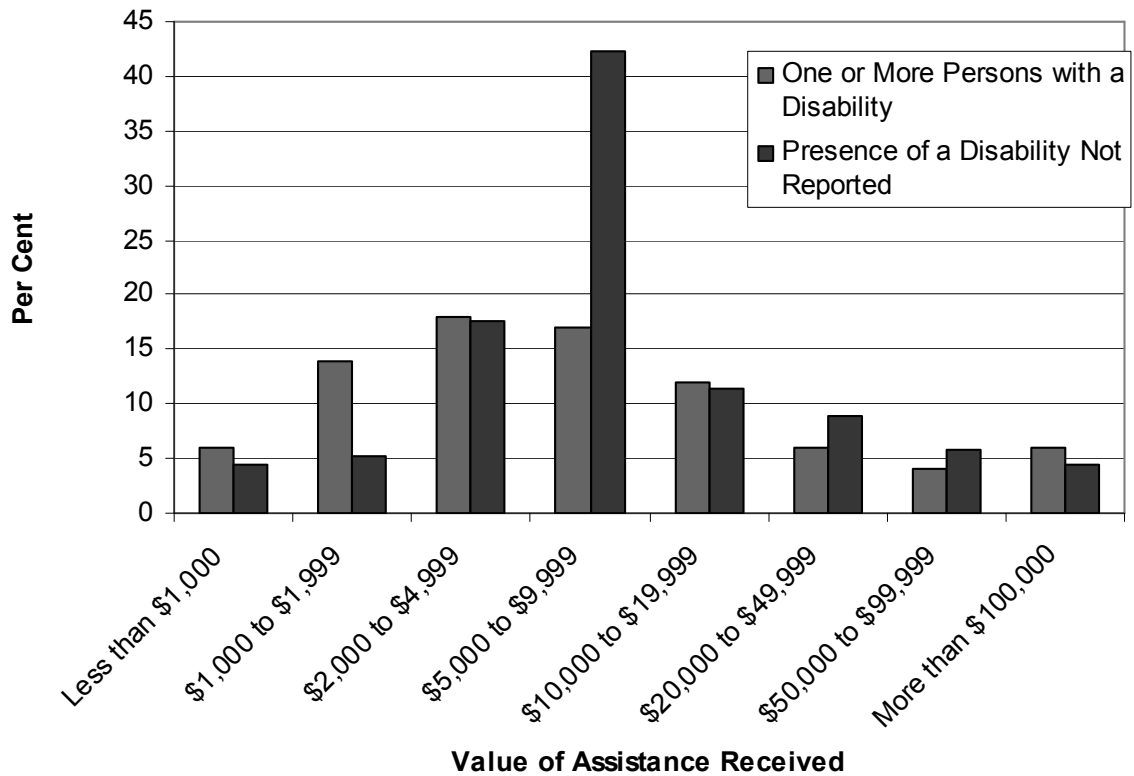
Assistance from governments is an important component of the lives of persons with a disability and family members with care responsibilities. Assistance takes a number of forms, including the provision of income support, through to funding professional care, access to public housing and the ability to benefit from other mainstream housing programs. The provision of care is one of the important ways in which governments provide specialist disability support that assists people with their housing. It makes it possible for some people to live independently when otherwise they could not. For

others it reduces the burden placed on family members who provide full-time care, helping them stay in that setting. Information collected through the focus groups undertaken in Project C of NRV2 suggests that there is a widely held view that help and assistance (support packages) are relatively difficult to obtain and that they are more easily secured by persons with a physical disability, 'if you can't see a disability then you haven't got one'. Even though there is a policy of individualised service, some participants in the focus groups felt the structured selection criteria for assistance excluded some categories of people or made it very difficult for them to secure help.

Access to public housing is one of the most significant forms of housing assistance provided to persons with a disability. As the AIHW (2001) has shown, over the last decade approximately 40 per cent of all new entrants to public rental housing have a disability of some type and this pattern of entry into public housing has been reflected in the tenure data for households affected by disability discussed above. At a qualitative level, focus group participants were concerned that governments appeared to no longer build public rental housing on any scale and that while the Victorian Government's Office of Housing (OoH) has a building program to meet the needs of persons on the waiting list, the program was slow to provide housing relative to demand. Focus group participants believed that persons with a disability did not get priority with respect to the OoH waiting list. In addition, they did not believe that the OoH provided housing in all parts of the metropolitan area and that public housing for disabled people 'was really only available in outer suburbs that were flatter'.

One of the most significant forms of government assistance with entry into home ownership is the First Home Owners Grant with approximately \$1.6 billion spent on this measure annually (Yates 2007). FHOG is cash assistance to the value of \$7,000 but Figure 130 suggests that while this form of assistance is significant for the general population, households where one or more persons is affected by a disability have taken up this program to a very limited degree.

Figure 130: Value of assistance to purchase a home for households where respondent was under 65 years of age by presence of a disability



Source: Housing 21 Survey

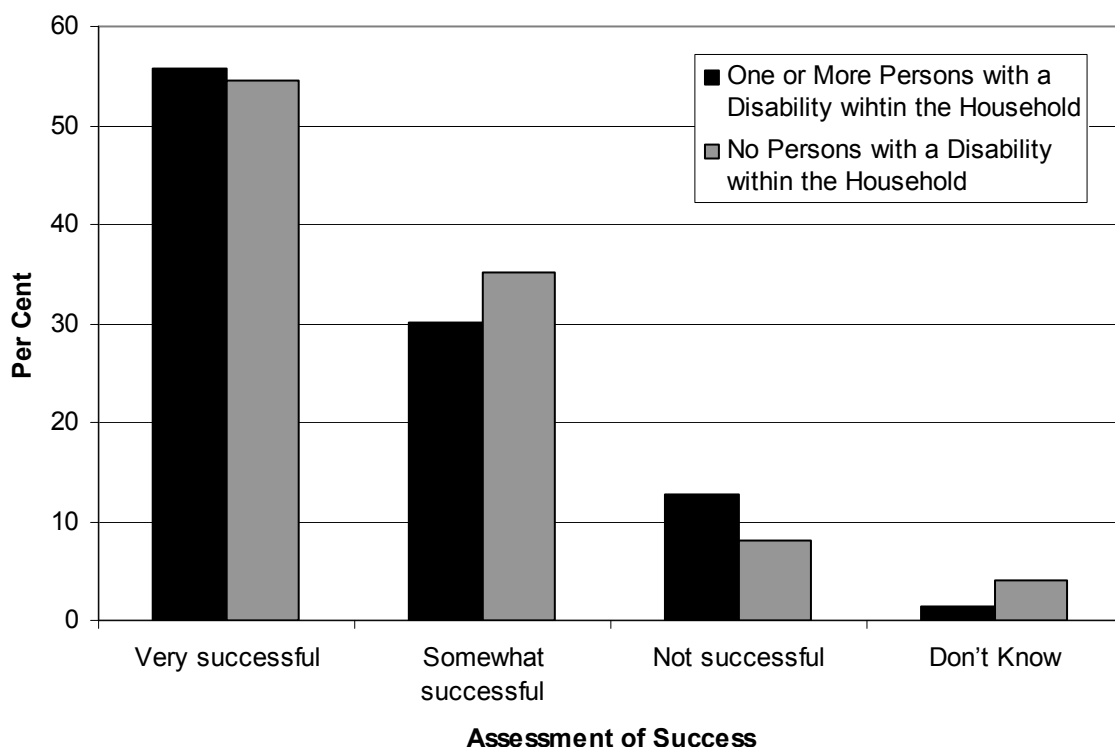
The relative unimportance of the FHOG for households affected by disability reflects the lower rate of home purchase within this group, their lower household incomes and their relative inactivity within the housing market over the last decade. The latter issue is discussed in greater depth in the next section. Figure 130 raises an important issue of public policy because it illustrates the way in which a mainstream policy measure has had little or no take up amongst that section of the population affected by disability. Our analysis would suggest that a more targeted measure is needed to specifically assist low income households affected by disability enter and sustain home purchase.

7.9 Conclusion: disability and 21st century housing transitions

This section has considered the 21st century housing transitions of persons with a disability and carers from a number of viewpoints. The discussion has drawn upon the data from the Housing 21 Survey, the specialist survey of persons with a disability and carers, and the qualitative data collection processes instituted as part of NRV2. In many ways it has been a wide-ranging discussion because many of the issues affecting the housing transitions of those with a disability and their carers are unique. It has been important to understand the nature of those issues in order to comprehend their potential and actual impact on housing transitions. The discussion overall has highlighted the significant differences in housing career depending upon the source, type and severity of the disability and how the housing career of all household members are affected by disability. While it is, perhaps, dangerous to extrapolate across disability types, the available evidence suggests that in the 21st century the housing transitions of households affected by disability are flatter, more focused on

the public rental sector, are affected by health and disability concerns to a considerable degree and less likely to be driven by consumption aspirations when compared with the broader population. It is essential to acknowledge that in many important respects the housing transitions of persons with a disability are significantly different from those evident in the latter part of the 20th Century when support for independent living was largely unknown and institutional forms of accommodation were common across a range of disabilities (Quibell 2004). It could be argued that there has been policy innovation in bringing the population of persons with a disability into the mainstream of society but that transition has not translated into opportunities to participate fully in the housing market. This is a concern because persons with a disability are missing out on the opportunity to have their housing needs met through the market and, incidentally, participate in an important mechanism for the creation of wealth.

Figure 131: How successful have you been in reaching your housing goals? Respondents aged under 66 by presence of a disability in the household



Source: Housing 21 Survey

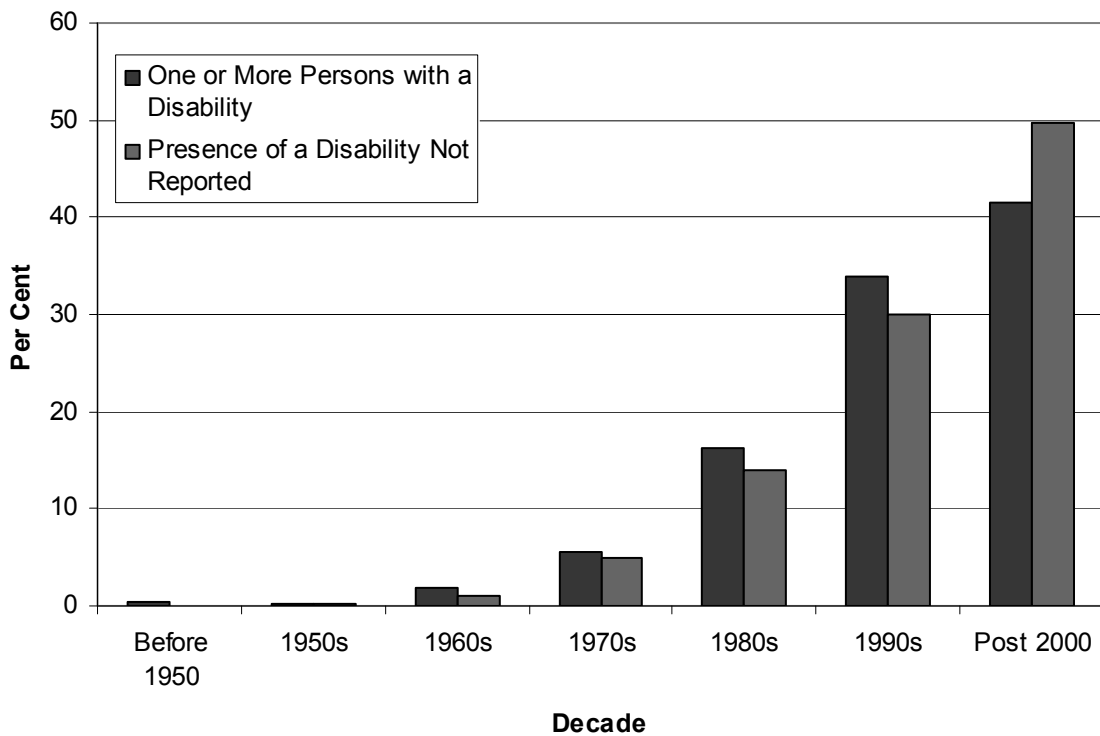
The available evidence does not suggest that households affected by disability feel a greater level of frustration in their housing transitions than the population overall (Figure 131). However, as the discussion above has shown, there are limited housing options for this group, there is considerable pressure on carers, access to home ownership is problematic and there are already substantial expectations on the public housing system to deliver accommodation for this group. Looking forward to Australia's housing future, we would conclude that these pressures are likely to increase as we move into the second decade of the 21st century. There is therefore an increasing imperative for appropriate policy initiatives.

The 'flatter' housing transitions of households affected by disability are significant. As Figure 132 shows, households where one or more persons were affected by a disability were less likely to have moved in the previous seven years, the period when house prices in Australia escalated. More broadly, households affected by disability

made fewer moves through the housing market over the period 1996 to 2006 (Figure 132) with fully 40 per cent of households affected by disability not moving or only moving once over that decade, compared with 30 per cent of households unaffected by disability. In combination these data are strongly suggestive of households affected by disability being priced out of the housing market and this interpretation is, in part, supported by the qualitative insights generated through Projects C and E. Kroehn et al. (2007 p. 6) reported that

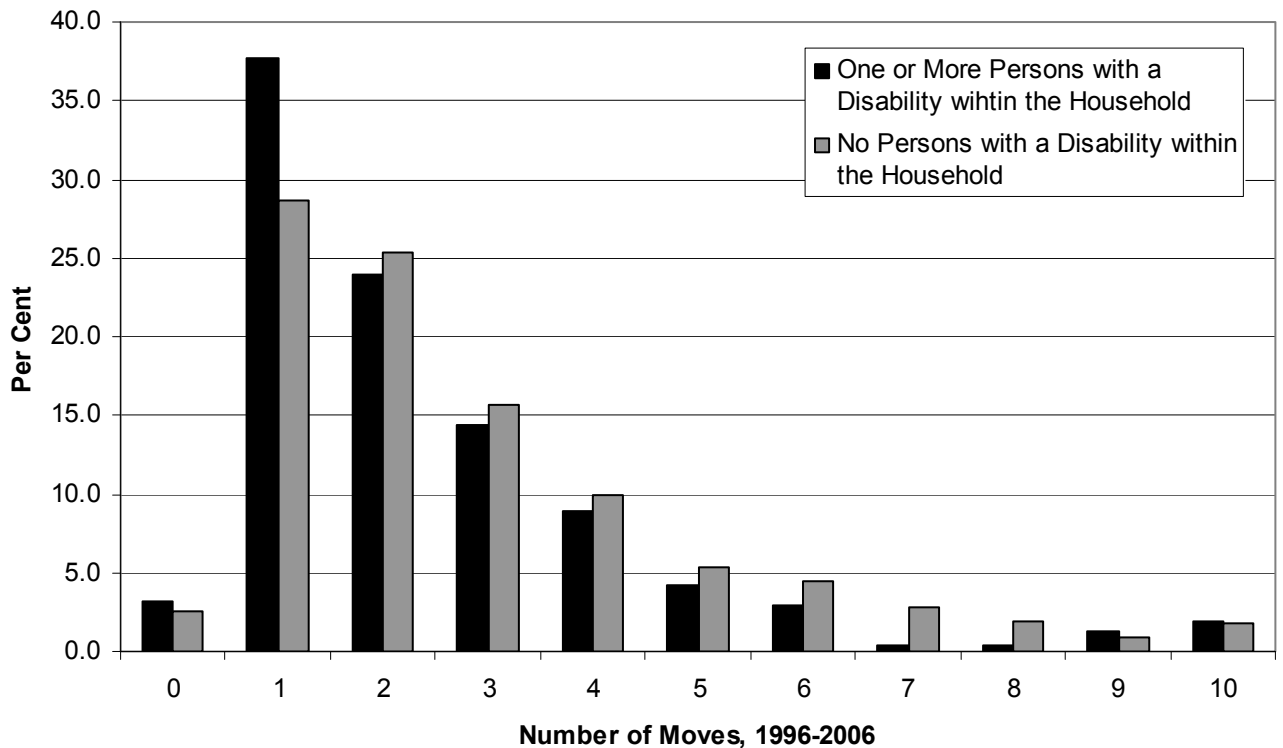
A general consensus within the group was that there was a major disincentive to sell their current home and try to find something more appropriate structurally or that was in a better location. This solely reflected the costs of buying and selling a home. Some participants said this forced them to make modifications to homes that were not ideally suited to the required modifications and were poorly located with respect to their future needs. There were also 'sunk costs' incurred in modifying current homes not ideally suited to the required modifications and this expenditure would be lost in any move.

Figure 132: Decade moved into current home for households where respondent was under 65 years of age by presence of a disability



Source: *Housing 21 Survey*

Figure 133: Number of times moved, by presence of a disability, all households, 1996-2006



Source: Housing 21 Survey

Movement through the housing market was seen to be inhibited by both dwelling and locational factors. For example, one woman living in Darebin who was interviewed as part of the specialist disability survey noted that her current dwelling did not meet her aspirations or those of her partner. However, she was reluctant to move because she did not believe she could find a dwelling in a more attractive neighbourhood that was affordable, offered access to public transport that was equal to that available from her current home and was accessible for a person in a wheelchair. She also noted that she had modified her current home to make it appropriate for her disability when she first moved in. Any relocation would require an equivalent additional investment in the new dwelling and she expected that would be beyond her means. Similar sentiments were expressed by carers in Sale who noted that Sale and its region were seen to offer superior services and closer contact with relatives than would be possible in Melbourne. This was seen to include strong familiarity with the available services provided, personal contact and relationships with the relevant groups (e.g. with social workers, disability access workers at Councils), and the investment already made in home modification and renovation to accommodate the person's disability. As one participant commented,

We have done renovations. We own our own home and we have built and lived in three homes. The need for equipment is significant. I have created more space, accessible space, extra room out of colonial solid timber, and we put in two double doors. We graded the driveway onto the carport. We have roll in showers, double barn doors.

Finally it is worth recognising that the relative immobility of households affected by disability should be a matter of policy concern because, as Baker (2007) notes, residential relocation is one of the most important ways in which a population adjusts its housing to better meet its needs, including its health needs. A population unable to

move through the market because of unaffordable housing may be trapped in accommodation that does not suit its circumstances or adversely affects its health.

8 CONCLUSION AND POLICY IMPLICATIONS

NRV2 set out to answer two policy related questions around the housing transitions of Australians in the 21st century:

- Is there a consensus on the most appropriate policy interventions to address shifting housing transitions?
- Can we place shifting housing transitions within the context of a changing relationship between governments, housing markets and the provision of supports to individuals?

On reflection, the aspiration to identify consensus approaches to the policy challenges to emerge from the analysis of 21st century housing transitions appears overly ambitious. There are, however, a number of policy issues to emerge both from the analysis undertaken through NRV2 and consultations with policy-makers. This final section of the report draws out the major conclusions to be taken from NRV2 and potential policy responses. It draws upon workshops with policy-makers undertaken in August and November 2007 in Adelaide, Melbourne and Canberra to map out policy priorities and potential solutions.

8.1 Policies to Better Address Disability and Housing

Throughout this Final Report it has been argued that health and disability issues have emerged as an important driver of housing transitions in 21st century Australia. Fully 22 per cent of households included in the Housing 21 Survey, and 19 per cent of those where the respondent was aged under 65, had one or more household members affected by a disability or long-term health condition. Some 36 per cent of respondents to the same survey reported that health or disability concerns had shaped their lifetime housing decisions. One of the challenges for governments and policy-makers into the 21st century is to better integrate accommodation requirements for persons with a disability and other forms of assistance, including care or assistance packages.

The housing policy environment for disability has now moved beyond a stage where the processes of deinstitutionalisation are unfolding (Quibell 2004) and the challenge over the next decade is to develop and implement programs that meet the needs of a disability-affected population that lives within the broader community. The research undertaken by Tually (2007) as part of NRV2 showed that in all States and Territories governments view public rental housing as the most appropriate vehicle for responding to the housing needs of those affected by disability. However, as the Allen Consulting Group (ACG) (2007) recently noted, the stock of public housing in Australia has fallen, with the Australian Institute of Health and Welfare (2007 p. 103) noting that the number of public housing dwellings in Australia has declined from 359,000 in 2001 to 341,500 in 2006. Moreover, the impacts of a tightening supply of public rental housing are exacerbated by other factors, including the difficulties people with a disability have in finding accessible and appropriate public housing and 'the fact that their rents are not adjusted to reflect the higher costs of tailoring their homes to their particular needs' (ACG 2007 p. 12). The AIHW (2007) concluded from their study of met and unmet needs in the disability sector that accommodation and respite services were one of the greatest areas of unmet need while the Steering Committee for the Review of Government Service Provision (2007) noted that government expenditure on accommodation support for persons with a disability has risen in all States and Territories. Clearly there are significant policy challenges at the intersection of housing and disability services. Bridge et al. (2003) noted that there

has not been the establishment of effective linkages between housing and other services for people with a disability. The ACG (2007 p. 10) observed that

This lack of co-ordination is partly a function of the involvement of different levels of government. Commonwealth programs provide some services, while others are funded and provided at the state level. This can lead to a fragmented service offering where either people with a disability or their families must acquaint themselves intimately with the details of both State and Commonwealth Government policy arrangements. This fragmentation can, as Bridge et al. (2003 p. 3) observes, 'hinder efficient and fair service delivery'.

As Bridge et al. (2003) also note, the lack of integration evident in this approach also imposes inefficiencies on service providers and government departments. By failing to link public housing with support services, policy-makers may not be extracting the public value that would accrue from closer integration between health, disability, accommodation and care services.

Ultimately, however, the failure to link support and housing effectively limits the scope of people with a disability to live independently. Regardless of the direction of public policy towards encouraging independent living, if support does not allow people to take up the opportunity to live independently, then policy will not succeed.

The comment by ACG (2007) highlights the multiple policy challenges that need to be overcome in order to produce more effective housing outcomes for persons with a disability. For many individuals affected by disability, it is not simply a matter of State/Territory support relative to Australian Government programs, or even housing programs relative to support services, instead the capacity to secure appropriate housing lies at the intersection of all these elements. This complexity becomes more acute when we recognise the need to integrate policies on ageing. The impacts of structural ageing within the population have to be seen to be part of the policy mix, as persons with a disability age and many persons acquire a disability later in life.

8.1.1 Developing a More Appropriate Social Housing Supply for Persons Affected by Disability

As discussed by Tually (2007) current policy frameworks view public rental housing as the most appropriate mechanism for directly assisting persons affected by disability with their housing need. This has contributed to a concentration of persons with a disability in the public housing stock, with fully 40 per cent of new entrants to public housing disabled (AIHW 2003). However, as the discussion in the section above has shown, much of the publicly owned housing stock is seen to be physically inappropriate for persons with a disability – because of the design of the dwelling, distance from public transport, poor quality maintenance etc. It is also appropriate to question whether the systems of public housing management are appropriately focused on the needs of persons with a disability, given the current and growing demand from this group.

International experience can suggest ways in which social housing can become better focused on the housing needs of a population with disabilities. UK experience suggests that housing will need to change with respect to allocation processes, the quality and the design of the stock. In their work on Medical Priority Rehousing in England, Smith, Alexander and Easterlow (1997) emphasised the positive impact of housing on the wellbeing of persons relocated for medical or disability related reasons – including psychiatric disability. It is important to acknowledge that this stock is of a high quality, it has been designed for persons with a disability, it is often clustered into groups and includes contact with a warden who can assist with a range of needs. Such a model appears to better recognise the circumstances of persons with a

chronic health condition or disability who need assistance. Such models could be trialled in Australia.

At an institutional level, a number of jurisdictions have investigated new models for the supply of social housing for persons affected by disability. The Disability Housing Trust (DHT) was established by the Victorian Government 'to promote and develop new housing options and encourage new investment in housing for people with disabilities' (ACG 2007 p. v). This initiative was established in June 2006 and is still within the early stages of implementation, but it is expected that the DHT will build and let social housing units for persons with a disability, and also encourage the development of new vehicles for private investment – including family members – in disability housing. Other policy options include the use of government home lending agencies to support access to home ownership for people with a disability. Both Keystart in Western Australia (ACG 2007) and HomeStart in South Australia have specialist packages for persons with a disability.

8.1.2 The Adoption of Universal Design Principles in New Housing and Renovations

The adoption of universal design principles into the Building Code of Australia (BCA) would result in a more accessible housing stock for persons affected by disability and their households. Many of the physical attributes of the Australian housing stock make that housing difficult, if not impossible, for persons affected by mobility or other disabilities to occupy those dwellings (Ward and Daly Smith 2005). Persons affected by disability report that government programs to modify the housing stock are inadequately funded relative to need and the more holistic approach would be to build and renovate dwellings such that all members of Australian society can gain access to them into the future. As will be discussed below, such an initiative is entirely consistent with the planning that is needed, and should be in place, for an ageing population.

8.2 Demographic Change in the 21st century and Housing Assistance

8.2.1 Policies for an Ageing Population

The ageing of the population both numerically and structurally will have a profound impact on Australian housing and Australian housing transitions over the next fifty years. It will generate demand for new forms of housing and housing support services, as well as reshaping existing government support programs:

- At the 2006 Census 13.3 per cent of Australia's population was aged 65 years and over and 23 per cent of private households included at least one older person;
- By 2021 nearly one fifth (19 per cent) of the population will be aged 65 years and over and it is estimated that every four in ten households will have at least one older person, with many living alone (ABS 2004);
- Growth in the population aged 85 years and over is projected to be even more pronounced, more than doubling between 2001 and 2021 to more than 500,000 people and by 2041 they will number over 1.2 million (ABS 2004).

Of course these are projections and it is possible they may be an undercount of what will happen if net overseas migration is less than 100,000 persons per year, the Total Fertility Rate continues to decline and life expectancy continues to increase. The ageing of the Australian population is the outcome of a combination of processes, including a fall in fertility levels (with fertility rates below net replacement levels since

the mid 1970s), greater life expectancy, a lower rate of immigration relative to the total population and the ageing of particular cohorts. The latter is important because the 'baby boom' generation – born between 1946 and 1961 – is significantly larger than its predecessor, outnumbering them by approximately 1.6 million persons at the 2006 Census (Table 18).

Table 18: Australian generations: Age ranges, numbers and per cent of populations at the 2006 census

<i>Generation Label</i>	<i>Year of Birth</i>	<i>Age</i>	<i>Persons</i>	<i>Per Cent</i>
	Before 1931	75 years and over	1,270,934	6.4
The Austerity Generation	1931-1946	60 to 74 years	2,331,521	11.7
baby boomers	1946-1961	45 to 59 years	3,997,112	20.1
Generation X	1961-1976	30 to 44 years	4,337,305	21.8
Generation Y	1977-1991	15 to 29 years	3,981,199	20.1
	post 1991	under 15 years of age	3,937,217	19.8

Source: updated from Beer, Gabriel and Faulkner 2006

Current estimates suggest around three per cent of older Australians live in self-care retirement villages (Stimson et al. 1997) compared with around seven per cent of US citizens. There is no clear definition of what constitutes a retirement village and the legal definitions vary between the States and Territories. In the next 10-15 years in Australia there is likely to be considerable growth in the retirement village sector. This will be due both to the ageing of the population and the increasing prominence of the active marketing of retirement villages to the older population as a housing and lifestyle option. It is expected the retirement village industry will 'boom over the next 20 years with investment opportunities in the construction of new villages estimated at between \$8-\$19 billion' (UQ 2002). Demand over the next decade or so will stem from people who are currently retired or close to retiring and who will move into the older age groups over this time. It is assumed their needs and aspirations are similar to those retirees who have already taken up retirement village living (Stimson 2002). There is little research about how the baby boom generation will view retirement village living but many baby boomers will want to age in their own home, or live in housing outside a village. We can be certain that the majority of baby boomers will not move into a retirement village and that very few will participate in a 'seachange' or 'treechange' experience. Indeed, those that move to the coast or the country in their fifties and early sixties, often find themselves moving back to the city as they age and their health and other needs increase. Policies are needed, therefore, that support a variety of housing options with respect to the structure of the dwelling, diverse tenure arrangements and differing price points within the market. Governments also need to initiate – and in some instances strengthen – policies and programs that support people to age in place. There is a need for a formal strategy on the housing of the older population.

Strengthening the Communities in which Older Australians Live

Recent research has emphasised that most older Australians want to grow old in the communities and neighbourhoods in which they currently live (Oldsberg and Winter 2005). Older Australians make an important contribution to the wellbeing of the broader community: they are the group most likely to serve as volunteers for a whole range of community activities (ABS 2006) and many play an important role in the care

of children. Good urban policy would provide a range of housing opportunities for older Australians in all parts of the city and in all price ranges. This goal could be achieved by local governments reviewing their planning systems to ensure that older members of their communities can find attractive and appropriate properties within the market. There is also a need for State and Territory Governments to stimulate the supply of purpose-built and affordable aged housing in all parts of the cities, as well as in regional Australia. This could take the form of purpose-built public housing or through initiatives undertaken with partners that increase the supply of social housing more generally.

Adaptable Housing

The rate of disability within the population increases with age (Hugo 2007) and many households are forced to experience the cost and expense of movement because they can no longer live in their family home. A commitment to adaptable housing policies by Australian Governments through the Building Code of Australia would endure the construction of new housing that is more in tune with people's needs as they age. It would also benefit the 1.2 million Australians affected by a disability not related to age (AIHW 2007). Building adaptable housing is more expensive than the construction of conventional dwellings, but the price differential is not great and it is far cheaper to build an adaptable home at construction than to retrofit as needs arise. Adaptable homes are also more appropriate for households with infants and small children. Greater access to adaptable housing in all tenures would reduce the impost on public health budgets as older Australians would be able to stay in their own home for longer and would do so with a greater level of wellbeing.

The Provision of Appropriate Urban Services

Good housing isn't just about bricks and mortar. While the immediate environment, the home, is very important to wellbeing and one's ability to remain independent, equally important is the influence, or fit, of the wider environment, the neighbourhood, local region or city. The quality of the physical environment (quality of footpaths, traffic levels, provision of walking and cycling tracks), the proximity to services and facilities (public transport, shops, health centre, post office), the provision of an attractive environment (parks, trees, interesting scenery) and a pleasant social environment providing opportunities for social interaction and integration, are critical. Governments have the capacity to plan for an ageing population and can work to improve the fabric of our cities by improving public transport and the provision of services. Urban planning that allows for increasing urban densities will result in better access to services, enhance the viability of public transport and provide options for housing in older age. Older Australians are often more dependent on locally-provided services than other groups, but programs and policies that meet the service needs of this group also benefit other groups within Australian society. Families with young children, couple only households where both partners work, younger people living alone or in groups are all better off when there is good access to parks, rail transport, buses, public meeting places, community health centres and other urban services.

Facilitating Ageing in Place

21st century housing transitions are typified by far greater levels of mobility in the housing market at older age than previously recorded. The Council on the Ageing in South Australia suggests that older Australians now anticipate four moves through the housing market post retirement (Fisher 2007). While considerable attention has been directed to the movement of some households to attractive coastal or rural locations (Salt 2004; Burnley and Murphy 2004) and the retirement industry has considered the transition of some older people into retirement villages (Property Council of Australia

2007) the majority of older persons seek to age in their own home and the neighbourhoods where they have spent much of their lives as adults (Oldsberg and Winter 2005). There is therefore an ongoing need to provide housing and services that meet the needs of the older population and this includes providing a range of housing – including social and affordable housing – in the neighbourhoods where people live already. Access to public transport and services is a key ingredient in this policy mix. Governments should make a formal commitment to the development of policies on housing and urban services for the aged.

Giving the Aged Greater Priority in Gaining Access to Social Housing

All Australian jurisdictions assign public and other social housing on the basis of needs (FACSIA 2006). Housing jurisdictions report that half or more of those entering public housing are aged under 45 years, largely because of the presence of children within the household and the associated need to provide a safe and secure environment for this vulnerable group. Many older Australians simply cannot gain access to public rental housing and are exposed within the private rental market where – as the previous discussion has shown – costs are high and a considerable proportion of households in this circumstance are confronted by unaffordable housing. Further, the number and proportion of older households within the private rental market will grow over the next decades as the Australian population ages and as the ‘Austerity’ generation – which recorded low levels of divorce and separation through their life course – is replaced by the baby boomers in the post age 65 cohorts. The argument for assigning greater priority to older Australians in the allocation of public housing is strengthened by the realisation that the demographic processes that drive housing transitions in the 21st century include the separation and repartnering of adults, and that many of those currently assisted into public housing do not remain in that tenure as they form new relationships and move into new housing opportunities. It could be argued that for this group, time limited forms of assistance may be a more appropriate form of government intervention. Older Australians of low income in the private rental market, by contrast, have limited prospects for improving housing circumstances as they are unlikely to form a new relationship and access to paid employment is exceptionally limited. Research undertaken by Faulkner et al. (2007) noted that some groups of low income private tenants see government funded nursing homes as their only viable housing option and look to enter this tenure as early as possible. Providing older Australians with better access to social housing would help many maintain a higher quality of life and reduce public sector health costs.

8.2.2 Changing Household Structures and the Need for Housing Assistance

Change in the demographic drivers of housing transitions in the 21st century has been one of the key themes of this Final Report. The processes of household dissolution have added a new dimension to the Australian housing market, placing some households at risk, especially households headed by women. As Table 19 shows, supporting parents – 93 per cent of whom are women – constitute the single largest group of recipients of Commonwealth Rent Assistance (CRA).

In the 21st century government interventions in housing need to be better attuned, and more sensitive, to the processes of household dissolution. The discussion of this issue brings forward the wider question of what philosophy of housing assistance is appropriate for the 21st century. In the past, much housing policy was based around the provision of public housing for households in need, with support provided indefinitely. This policy framework has changed, with some jurisdictions (for example NSW and Queensland) introducing limited tenure within public housing. At the same time greater emphasis has been placed on providing ‘point in time’ assistance. That

is, governments seek to offer help that is seen to allow households to 'get back on their feet' and resume their housing career. Our analysis suggests that both philosophies of housing assistance are misplaced and out of step with 21st century realities: on the one hand, many households do not have a 'housing career' to resume and a reliance on short-term policy levers results in some households in indefinite receipt of 'short-term' housing assistance. On the other hand, the conventional policy framework based on public housing appears blind to the demographic realities of the 21st century. There is a need, therefore, for a more fine-grained approach to housing assistance, with policies that can accommodate a range of outcomes that match the breadth of circumstances affecting persons of low income in housing need.

The results of the Housing 21 Survey support the contention that new philosophies of housing assistance are needed for an emergent century. For example, only 10 per cent of respondents to the Housing 21 Survey (250 households) had ever applied for public housing and some 160 households had been offered public housing at some stage. Only 22 households (less than one per cent) were currently on the waiting list and approximately five per cent of respondents lived in social housing at the time of the interview. Critically, social housing is a small tenure and the stock of households assisted is small relative to the level of need within the community. Moreover, households do not necessarily remain in public housing for extended periods, as they relocate to other living and tenure arrangements (Seelig et al. 2007).

Table 19: Number of people or couples receiving rent assistance at 10 June 2005

<i>Primary Payment^a</i>	<i>People or Couples Receiving Rent Assistance</i>		<i>Gender of Recipients</i>			
	<i>Number</i>	<i>%</i>	<i>Female Only (%)</i>	<i>Male (%)</i>	<i>Only</i>	<i>Both Members of a Couple (%)</i>
Age Pension	72	168,4	17	53	27	19
Disability Support Pension	43	179,8	19	41	51	8
Newstart Allowance	98	170,0	18	42	55	4
Parenting Payment Partnered ^b	0	28,71	3	90	9	1
Parenting Payment Single	93	204,9	21	93	7	0
Youth Allowance	1	83,72	9	60	39	1
FTB ^c	6	94,21	10	83	16	1
Other	6	35,17	4	64	26	10
Total	29	965,2	100	62	32	6

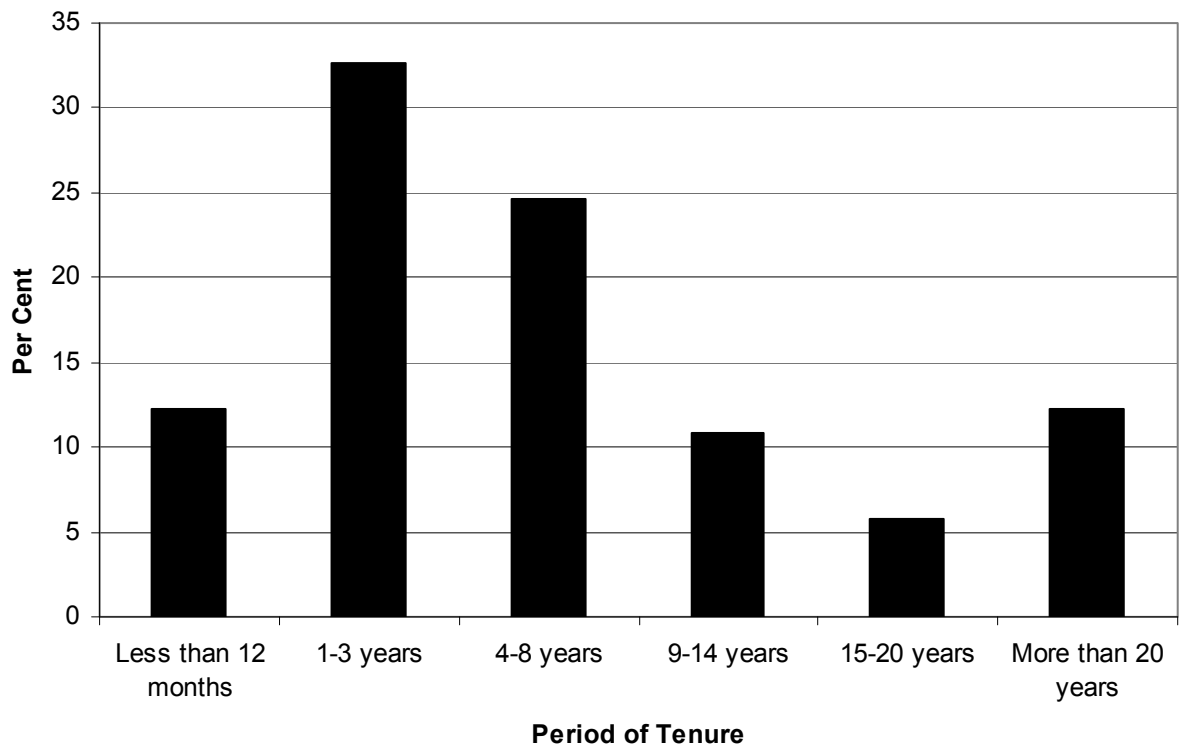
^a One member of a couple is treated as the reference person depending upon the type of payment received.

- ^b A couple is reported as receiving Parenting Payment (Partnered) only if neither member of the couple receives another social security payment.
- ^c A person or couple is reported as receiving Family Tax Benefit only if neither the person nor partner receives a social security payment.

Source: Department of Family and Community Services Annual Report, 2004-2005, Section 2.2.

As Figure 134 shows, just under 50 per cent of those living in public housing at the time of the Housing 21 Survey had been resident there for three years or less. The data suggest a relatively high 'churn' through the public housing stock because of shifting life circumstances, more attractive opportunities in other tenures or other factors. Some households stay in public rental housing for twenty years or more and it could be argued that a policy framework that is appropriate for 21st century housing transitions would recognise both sets of outcomes and put in place programs of assistance that set out to assist some target groups for limited periods, while others – such as persons with a disability and older renters – would be expected to receive longer term help.

Figure 134: Period of residence in public housing



Source: Housing 21 Survey

8.2.3 Support for Home Ownership

Earlier discussion on the age of entry into home ownership challenged the conventional wisdom within the Australian housing literature (Yates 1996; 1998; 2000; 2003) and showed that younger Australians are now more likely to have entered home purchase by ages 30, 34 and 44 than their parents or grandparents. In many ways this finding is not surprising given the deregulation of labour markets that has taken place in Australia over the previous 15 years and the growing level of prosperity within the community (Stephens 2007). Home purchase rates appear to have fallen for younger Australians because at the date of the Census enumeration many households who had previously entered home purchase had 'fallen out' of the tenure.

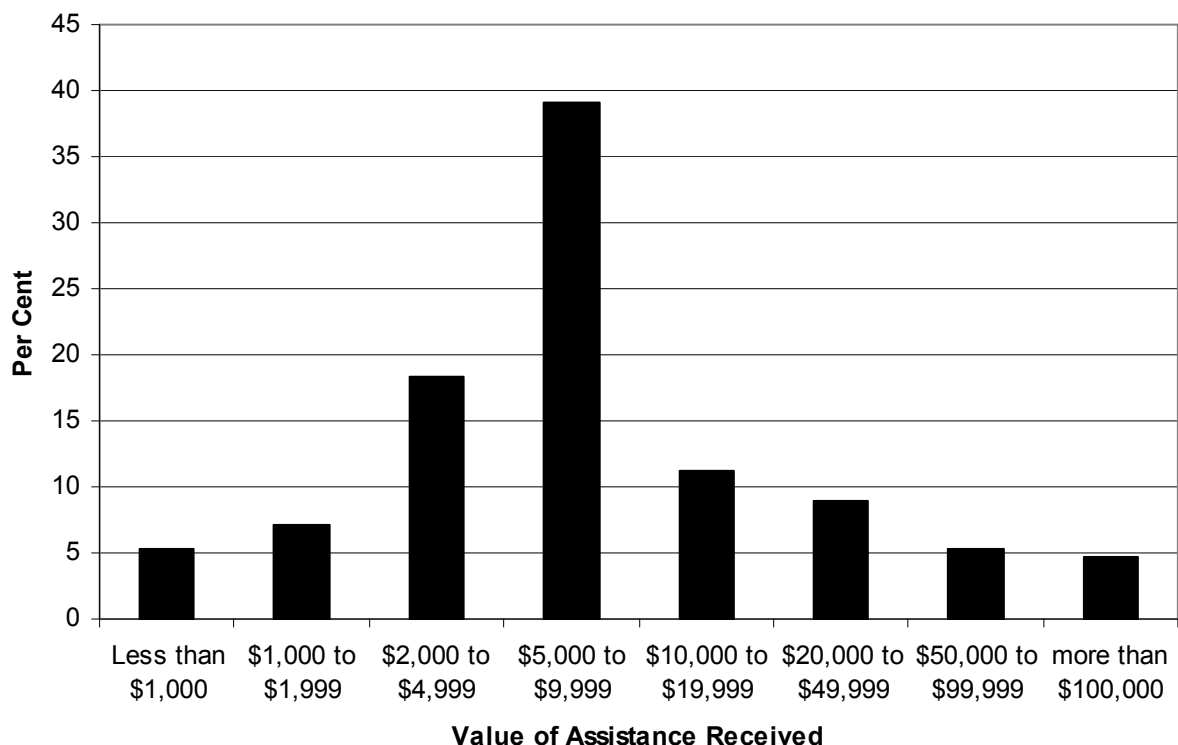
In large measure they had left owner occupation because of divorce or separation, with 20 per cent of Housing 21 respondents reporting that they were divorced or separated and 28 per cent recording that they had been divorced or separated at some stage in their life. The implications of this finding are substantial as to date policy attention has focused on assisting young households into home purchase whereas there is a more pressing need to help households maintain home purchase, especially when confronted by the realities of divorce or relationship breakdown (Gwyther 2007). This issue was discussed in some depth at the policy workshops held in November 2007 with considerable support for 'some form of CRA for home purchasers'. That is, it was recognised that there would be benefits with respect to both public sector expenditures and the wellbeing of the community if home owners at risk of leaving the tenure were assisted to remain in owner occupation. It was felt that a no-interest loan for a set period would be an attractive policy option, as it would maintain vulnerable households in their housing without unduly subsidising individuals. We would argue that such an approach would be an essential component of a suite of programs designed to assist Australians with their housing transitions through the 21st century.

We suggest that the first priority of governments in assisting households with the challenge of becoming home owners is the provision of appropriate, targeted supports to those at risk of falling out of owner occupation. The Household Organisational Management Expenses (HOME) Advice Program funded by the Australian Government's Department of Family, Housing, Community Services and Indigenous Affairs (HCSIA) provides support to families at risk of becoming homeless. An evaluation of the program (McKenzie, Desmond and Steen 2007) found that this intervention was effective in reducing the incidence of homelessness, with most recipients resident in the private rental markets. The evidence from the Housing 21 Survey presents a very strong case for extending and expanding this program, with a specific focus on households at risk of falling out of home ownership because of divorce or relationship breakdown. It is important to acknowledge that even in its current form the potential demand for this service exceeds provision (McKenzie, Desmond and Steen 2007). However such a policy initiative would have a significant impact on households at risk of falling out of owner occupation and the beneficiaries of such a program will include some of the most marginalised groups within society, including sole parent mothers and their children. There are also grounds for arguing for an ongoing role in assisting with first entry into the tenure. Yates and Milligan (2007) have argued for the tighter targeting of the Australian Government's First Home Owners Grant (FHOG). The Housing 21 Survey suggests that the FHOG is viewed favourably by the community although there is evidence that the level of assistance offered is insufficient in itself to bring many households into home purchase. It is also important to acknowledge that the FHOG was not established as an instrument of social or housing policy, instead it was implemented to compensate the building industry following the introduction of the Goods and Services Tax (GST) (Beer 1999).

Some 381 respondents from the Housing 21 Survey reported that they had received assistance in entering into home purchase, with approximately one-quarter (94 households) being in receipt of the FHOG. It is likely that a higher proportion had received FHOG but could not recall the source of their assistance. FHOG was very important to the Indigenous Australians who had entered home purchase. Importantly, 88 respondents received assistance from family members to enter home ownership and as Figure 8.2 shows, while the majority of respondents received modest assistance, some received very substantial support to become home purchasers.

Interestingly, the Housing 21 data confirms the findings of research by Wood, Watson and Flatau (2003) which concluded that FHOG played an important role in bringing forward the demand for housing. Some 40 per cent of recipients said the FHOG was very important in shaping their decision to purchase a home, while a further 11 per cent said it was important. One-third said it had been very important in the timing of the decision to purchase a home, while 16 per cent said it had been important. These findings give us the opportunity to reconsider the nature of first home ownership assistance from the perspective of the life course. If we now know that more Australians are entering home purchase at younger ages and that more are falling out of the tenure than previously, perhaps it is timely to consider new forms of assistance for entry to home ownership that might result in later, but more secure, home purchase. This could take a number of forms including access to subsidised income protection insurance, tax exempt savings accounts and new forms of mortgage protection insurance.

Figure 135: Value of assistance received by first home buyers, all sources



Source: Housing 21 Survey

8.2.4 Housing Policies for an Aspirational Society

It is important to consider how the policy environment can best respond to a housing market shaped by increased aspirations and consumption. One way to consider the increased aspirations of home owners in particular is to focus on what they are seeking through the processes of home renovation and relocation. The Housing 21 data show that households increasingly seek to live in subjectively 'good' neighbourhoods: those with an attractive physical environment, good access to employment opportunities, ready access to services and an urban fabric conducive to their lifestyle and other needs. Many households said they undertook a renovation simply because they liked the area where they lived and did not wish to move from the locality. Others purchased a property with the intention of demolishing or renovating the dwelling, simply because they liked the environment. Increasingly, the

neighbourhood environment within which a dwelling sits is an important part of the meaning of 'home' and households seek the best experience possible. These trends are significant and governments at all levels have a role in building the sorts of neighbourhoods and communities that households find attractive. Strategies such as the improvement of footpaths, planning for shops and other services, community building activities and ensuring adequate provision of public transport will enhance residential satisfaction levels and encourage individuals to age in place. They could therefore play an important role in Australian society in meeting the challenge of an ageing population.

Participants in one of the policy-maker workshops believed that the rise in the incidence and prominence of renovations and additions reflected the different tax treatment of residential relocation compared with modifying the existing home. That is, moving home attracts a significant tax burden in the form of stamp duties which Wood (1991) has argued is inefficient. Renovations and additions, however, do not necessarily attract stamp duties. It was argued, therefore, that there is an opportunity for the Government to tax renovations and thereby generate additional income for governments. Such an argument, however, is not consistent with the stated reasons individuals undertake renovations, with respondents to the Housing 21 Survey noting that they renovated their home because they liked the area, with few acknowledging that stamp duties swayed their views on renovating rather than moving. We should also acknowledge that the costs of construction for home renovations and additions are higher than with new cottage construction, as the building industry has priced in the stamp duty differential. Taxation of home renovations would appear to be a politically unpalatable policy option, but the proposal raises broader issues about the home renovation/luxury home market and how it is integrated with wider societal goals. The home renovations and additions market should be seen as an important component of policies designed to deliver more environmentally sustainable development. There is also scope to consider the ways in which this phenomenon could contribute to the supply of affordable housing. Households keen to increase the size of their properties while maintaining an affordable mortgage may be willing to consider an Accessory Dwelling Unit (ADU or 'Granny Flat') in the short, medium or long-term. Such an approach would require reconsideration of the planning system in many jurisdictions.

8.3 Conclusion

NRV2 was established to answer the overarching question:

How are housing careers changing in Australia and what are the implications of change for government-provided housing assistance and housing policy?

In addition it set out to answer four sub-questions:

- What are the processes and events that will drive housing careers in Australia through the 21st century?
- What are the gaps in our knowledge of the current and anticipated housing careers of the Australian population and particular sub-groups of Australians?
- Is there a consensus on the most appropriate policy interventions to address shifting housing careers?
- Can we place shifting housing careers within the context of a changing relationship between governments, housing markets and the provision of supports to individuals?

Overall we can conclude that housing transitions in Australia have changed in the first part of the 21st century relative to the latter part of the 20th Century and some of the key changes include:

- A recognition that it is no longer appropriate to discuss housing careers, instead it is more appropriate to consider housing transitions as there is such greater diversity through the housing market that many individuals no longer follow a pathway that could be conceived as a 'career';
- The ageing of the population as a whole and the extension of life to 80 years and beyond. Increasing life expectancy has contributed to more complex housing transitions in later life and this complexity will increase over the next 20 years as a higher percentage of Australians take significant superannuation and housing wealth into their later years. There will be demand for better quality housing for older people, a need for services to support them and a desire to live close to friends and families;
- A significant transition in the Australian population as changes in policy frameworks and the ageing of the population have resulted in a significant number of households affected by disability living in the community. This group occupied alternative housing in the past;
- Younger households are entering home ownership owner then previous generations and are exiting from the tenure at higher rates. Divorce and separation is now a key driver of housing transitions in Australia and for the individuals the impact of divorce or separation on housing transitions is likely to be greater than the establishment of the relationship in the first instance;
- Baby boomers have demographic characteristics similar to older generations but are distinguished by their far greater wealth holdings, especially housing wealth. Their stock of assets will play an important role in their housing transitions over the next thirty years;
- Housing affordability, as well as position within the labour market, is the key determinant of access to home purchase;
- Health and wellbeing are now a significant influence on the housing transitions of many Australian households. Importantly, whereas the home was a place for the provision and care of children in the latter part of the 20th Century, in the 21st century it will take on a considerable role in the provision of care for adults;
- There does not appear to be a consensus on appropriate policy interventions into the 21st century, but this work has led to the call for new, more fine-grained, approaches to the provision of housing assistance and the potential re-ordering of priorities in the light of what we know about 21st century housing transitions. It is worth noting that home ownership remains a priority of all tiers of government and both Labor and Coalition parties;
- Shifts in the relationships between individuals and governments have had an appreciable impact on housing transitions and the need for government assistance. This change is seen most clearly in the areas of housing for older Australians and persons with a disability where established, largely institutionally-based, policy interventions have been abandoned in favour of greater integration with the broader community. This shift has generated new demands for housing assistance and support with independent living and it is likely that this will be an area of considerable program development over the next two decades.

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APPENDIX A

Outputs from NRV2

Project A.

Beer, A. Faulkner, D. and Gabriel, M. 2006 21st Century Housing Careers and Australia's Housing Future, Positioning Paper and Literature Review, AHURI, Melbourne.

Tually, S. 2007 A Brief Review of the Integration of State and Territory Housing and Disability Policies in Australia, AHURI, Melbourne.

Project B.

Wulff, M. Walter, M. and Gabriel, M. 2006 An Analysis of Housing Histories and Pathways Through The Investigation of Existing Data Sets-Final Report, Southern Research Centre, Adelaide.

Project C.

Kroehn, M. Hutson, K. Faulkner, D. and Beer, A. 2007 The Housing Careers of Persons with a Disability and Family Members with Care Responsibilities for Persons with a Disability, AHURI, Melbourne.

Minnery, J. and Zacharov, R. 2007 The Quality of Housing Careers, Southern Research Centre, Adelaide.

Zacharov, J. and Minnery, R. 2007 21st Century Housing Careers – Disability Delphi Study, AHURI, Melbourne.

Project D.

Beer, A. and Faulkner, D. 2008 21st century housing careers and Australia's housing future, Final Report, AHURI, Melbourne.

Beer, A. Faulkner, D. and Cutler, C. 2007 NRV2 Information Paper 1: The State of Australian Housing – Overview, Southern Research Centre, Adelaide.

Flood, J. 2007 Multinomial Analysis for Housing Careers Survey, Southern Research Centre, Adelaide.

Project E.

Saugeres, L. 2008 21st century housing careers of people with a disability and carers: a qualitative study, AHURI Southern Research Centre, Adelaide.

Tually, S. 2008 Understanding the Housing Careers of Families, Those Who Have Left Home Ownership and Public Tenants in the 21st Century, Southern Research Centre, Adelaide.

APPENDIX B

Table 20: Response rates for individual states and territories – Housing 21 Survey

	<i>New South Wales / Aust Capital</i>		<i>Victoria</i>		<i>South Australia</i>		<i>Queensland</i>		<i>Western Australia</i>		<i>Northern Territory</i>		<i>Tasmania</i>	
	<i>n</i>	<i>% (of eligible sample)</i>	<i>n</i>	<i>% (of eligible sample)</i>	<i>n</i>	<i>% (of eligible sample)</i>	<i>n</i>	<i>% (of eligible sample)</i>	<i>n</i>	<i>% (of eligible sample)</i>	<i>n</i>	<i>% (of eligible sample)</i>	<i>n</i>	<i>% (of eligible sample)</i>
Initial Eligible Sample	1543		1593		993		1193		1318		1793		963	
Sample loss (disconnections, non-residential, fax/modem, respondent deceased or not in the area, tel no or household in sample twice)	424	27.5	359	22.5	225	22.7	272	22.8	335	25.4	629	35.1	215	22.3
Eligible Sample	1119		1234		768		921		983		1164		748	
Refusals	452	40.4	482	39.1	250	32.6	368	40.0	392	39.9	376	32.3	236	31.6
Non-contact after ten attempts	140	12.5	232	18.8	78	10.2	84	9.1	58	5.9	299	25.7	74	9.9
Incapacitated	62	5.5	45	3.6	22	2.9	51	5.5	24	2.4	34	2.9	38	5.1
Respondent unavailable	22	2.0	15	1.2	8	1.0	31	2.3	48	4.9	36	3.1	6	0.8
Completed interviews	385		385		388		385		385		385		385	
Response rate*		34.4		31.2		50.5		41.8		39.2		33.1		51.5
Participation rate**		85.3		79.7		88.8		88.6		86.0		71.1		89.0

- * completed interview/initial eligible sample
- ** completed interview/(initial eligible sample–non-contact after ten attempts)

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