

Is de-concentrating social housing a useful policy to promote wellbeing?

WELLBEING OF LOWER INCOME RENTERS IS HIGHER WHERE THERE ARE LOWER CONCENTRATIONS OF SOCIAL HOUSING.

KEY POINTS

- Social housing is becoming less concentrated in particular areas. Areas are also becoming more tenure diverse, with fewer areas with only home ownership. But with the exception of inner city areas, higher 'tenure diverse' areas have relatively high concentrations of low-income renters (both social and private renters) compared to the average, meaning they tend to be poorer.
- Living away from major urban areas and individual measures of social inclusion and economic security are the strongest predictors of positive social wellbeing.
- Tenure *per se* is not associated with lowered wellbeing but living in high density dwellings is, particularly for social renters.
- Living in areas with lower concentrations of social housing is associated with higher mental wellbeing and satisfaction with safety and the neighbourhood across tenure groups. Moving from areas with high concentration of social rental results in improved wellbeing outcomes. Outcomes are better in areas with moderate tenure diversity.

*This bulletin is based on research conducted by **Dr Sharon Parkinson** at the AHURI Research Centre—Swinburne University of Technology, **Dr Elizabeth Taylor** and **Dr Melek Cigdem** at the AHURI Research Centre—RMIT University, and **Associate Professor Rachel Ong** at the AHURI Research Centre—Curtin University. The research sought to understand whether the social quality of life of lower income renters is better or poorer in areas with high tenure diversity and/or concentrated social housing.*

- The chances of being employed in areas with high concentrations of social housing and high tenure diversity are better for moderate to higher income renters but not for social and lower income private renters.
- Mobility in and out of disadvantaged areas does not increase the chances of being employed in the short-term for those who do not have a job to go to.

CONTEXT

In Australia, policy-makers have pursued tenure mix policies in local areas to promote social diversity. The assumption has been that social renters will be better off living in the same areas, and often next door to, more well-off neighbours. However, such assumptions are not well tested, nor is there robust evidence that concentrated areas of social housing have an 'area effect' above and beyond the characteristics of those who live there. This study sought to test these assumptions.

RESEARCH METHOD

Isolating the 'area effects' of high mixes of tenures or concentrations of social housing on wellbeing outcomes (above and beyond the effects associated with the characteristics of individuals selecting into particular locations) requires the use of robust longitudinal multilevel methods. This research employed descriptive analysis and multilevel statistical modelling using longitudinal data from the Household Income and Labour Dynamics in Australia (HILDA) survey merged with recent area data (SLA level) from the Australian Census.

The research focused on four dimensions of wellbeing informed by a *Social Quality* framework including: subjective measures of mental health, satisfaction with safety and with the neighbourhood; and an objective measure of employment participation.

Wellbeing outcomes are examined across all tenure groups with a particular focus on lower income renters living in private rental (who were in receipt of income support and/or falling in the bottom 40% of the income distribution based on

equivalent disposable income) and those renting from a social or community landlord.

Tenure diversity was measured using an entropy score method (maximum diversity is where an SLA has equal representation of all tenure types), while concentrations of social housing measured the proportion of households in an SLA that reside in social housing. Densities of dwelling lived in (from single to multiple story buildings), were also analysed since it was hypothesised that dwelling density might affect concentration of tenure disadvantage for social renters in particular. Finally, area disadvantage was also measured using the Socio-economic index for areas (SEIFA index).

KEY FINDINGS

Areas are becoming more tenure diverse and social housing less concentrated.

Between 2001 and 2011 the percentage of areas with very low rates of tenure diversity (i.e. they had mainly home ownership and no rental) declined from 26 per cent to 16 per cent. The average percentage of SLAs with social housing in the 'very high' concentration category dropped from 12.4 per cent to 9.5 per cent. This is likely to reflect both social housing policies of spot purchase in new suburbs as well as the movement of home owners and private renters into areas with the formerly highest concentrations of social housing. The area based mapping also revealed that tenure area diversity is spreading away from the inner areas as more home owners occupy these areas and private renters are moving further outwards into the fringes.

Highly tenure diverse areas and those with concentrations of social housing are on average poorer.

Areas with high concentrations of social housing tend to be 'poorer' areas and also have high unemployment. Areas with 'moderately high' and 'high' tenure diversity are on average 'poorer', but interestingly, very high tenure diverse areas (mainly in inner city areas which have high income earners and lower unemployment) have slightly higher average income. However, areas

with high concentrations of social housing and diversity do not necessarily equate with areas of overall disadvantage—predominately due to more recent processes of gentrification in the formerly inner urban working class areas.

Living away from major urban areas and individual measures of social inclusion and economic security are the strongest predictors of positive social wellbeing.

Living away from a major urban area is the strongest area based measure of wellbeing. Individuals living in major urban areas are significantly less 'happy' and satisfied with both their neighbourhood and safety.

Individual measures of social cohesion, social inclusion and socio economic security are also strong predictors of mental wellbeing, satisfaction with safety and the neighbourhood. In particular, having good social networks lifts wellbeing whilst threats to socioeconomic security, such as financial stress, depress mental wellbeing, satisfaction with safety, and satisfaction with the neighbourhood.

There is some indication of independent area effects associated with concentrations of social housing and tenure diversity.

Satisfaction with safety and the neighbourhood

Across all tenures, residents' satisfaction with safety and neighbourhood was found to increase with declining concentrations of social housing in the area, which could potentially reflect to some extent the stigma placed on social housing tenants. Social renters living in high density dwellings in particular have lower satisfaction with their safety and neighbourhoods compared with social renters living in detached and medium density dwellings.

Generally, the models indicate that remaining in areas with high concentrations of social housing and disadvantage between consecutive years significantly decreases satisfaction with safety and the neighbourhood. The concentration of social housing may be more influential in residents' perceptions than the overall disadvantage of the area.

Mental wellbeing

The mental wellbeing of both *social and especially low-income private renters* declines with highest concentrations of social housing and tenure diversity. Conversely, moderate-to-higher income private renters tend have better mental health when they reside in more diverse areas and those with higher concentrations of social housing.

Lower income private renters' wellbeing declines significantly when they remain in areas with a high concentration of social housing and places of disadvantage, and is lifted when they move out of these areas.

The wellbeing of social renters is somewhat 'better' in areas with moderately low area diversity and or concentrations of social housing. Living in a high density dwelling also significantly depresses mental wellbeing, satisfaction with safety, and satisfaction with the neighbourhood.

Employment participation

Tenants living in locations of highest concentrated social housing and high tenure diversity often remain within job rich locations with the chances of being employed higher in these locations compared with other areas. However, they may not be the areas that provide job opportunities for lower income renters whose chances of being employed decrease in areas with high concentrations of social housing, especially after longer term exposure.

The move out of a disadvantaged area (and the reverse transition) for those who are unemployed does not lift the chances of employment participation compared to remaining in a better off area. It is not clear whether the same mechanisms are operating in both directions. As we control for those who move for work, such findings could suggest that those who move out of disadvantaged areas may not be moving far from their original areas and may still remain constrained in their job search. Those who move to a disadvantaged area may be moving to more affordable housing rather than in search of employment.

POLICY IMPLICATIONS

This research shows the need for both individual and place-based policies in promoting wellbeing. It shows that efforts to de-concentrate social housing will serve to improve wellbeing outcomes since few people (even social housing residents themselves) like to be congregated within concentrated social housing estates. This is especially the case in more urban settings and those in high density public housing estates.

The findings indicate that some degree of tenure mix may be desirable and that there is potential merit in policies around de-concentration of social housing and/or aiming for social mix to be more moderated across locations through the provision of affordable housing in the moderately diverse areas. But a pressing concern for policy-makers should also be how to address the needs of low income private renters in the same locations, both through improved access to employment and affordable housing. Localised strategies for urban renewal and land use planning might also help improve safety and neighbourhood satisfaction levels in disadvantaged areas.

FURTHER INFORMATION

This bulletin is based on AHURI project 53001, *Wellbeing outcomes of low-income renters: a multilevel analysis of area effects*.

Reports from this project can be found on the AHURI website: www.ahuri.edu.au or by contacting AHURI Limited on +61 3 9660 2300.

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