AHURI Research & Policy Bulletin

Long-term housing futures for Australia: using 'foresight' to explore alternative visions and choices

POLICY CHOICES NOW: EXPLORING THE RANGE OF FUTURE SCENARIOS FOR HOUSING IN AUSTRALIA.

CONTEXT

Aiming to engage housing researchers and policy influencers, this research process used the foresight method to develop possible housing and urban development scenarios for the year 2025.

A series of workshops were held in Brisbane, Sydney and Melbourne, with participants ranging from chief executive officers to front-line housing workers. Participants were encouraged to consider issues and policy options using strategic foresight about alternative futures for Australia's housing, specifically the identified themes of housing choice and assistance.

METHODOLOGY

Foresight analysis is an internationally used research methodology, which considers issues and policy options that might not otherwise be examined within normal operational boundaries. In this context, it undertakes a system-wide approach, taking into account social, economic, political and environmental parameters when contemplating future possibilities for housing provision. However, the method acknowledges the 'organic' aspects of the human experience, such as environmental and human disasters, that have substantial impacts on society and the individual.

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FUTURE SCENARIOS

Workshop participants using foresight methodology and facilitation developed five scenarios. These ranged from the worst possible scenario, through to a virtual utopia. The scenarios developed are:

Scenario 1: Australia divided – worst case housing choice

This scenario sets a scene where housing choices are constrained, particularly for low and moderate-income earners. Urban and suburban living environments are isolated from each other, causing 'spatial polarisation' where suburbs and service provisions are divided according to the income of residents. Overcrowding and contagious diseases are rife in the disadvantaged urban fringe, which echo the inner city ghettos of New York in the 1990s. Additionally, high crime rates, intergenerational poverty, rioting, social exclusion and unemployment plague the outer areas.

The inner city areas are expensive and only the very wealthy are able to afford housing and transport. Younger, more affluent households continue to rent, rather than buy housing in the dysfunctional, badly serviced outer suburbs.

Aged people are particularly at risk of substandard housing, particularly baby-boomers who did not adequately plan for housing costs during their working lives. As a result, they are forced to remain in the workforce and often share their housing with adult children who are also unable to afford housing, or take in boarders.

Housing form and design has not incorporated family size, affordability or environmental considerations. 'McMansion' estates abound, and with very few resident children, are places of loneliness and frustration.

Scenario 2: Flexible choices

This scenario is less restricted by disadvantage, envisaging a community that provides flexible housing choices that support a differentiated economic and social landscape. In an environment of increased economic growth, Generation X and Y enjoy increased housing choices due to stable income streams. The building sector has become more attuned to the individual and environmental needs of housing and development, with new dwellings required to meet minimum standards for environmental sustainability and adaptability. Recycling, durability and reduced energy usage are now considered 'normal'.

Housing is diverse and responds to individual needs through flexible options such as the conversion of 'McMansions' to allow for shared, but independent, households of single people. Integrated community living has been revived, making gated communities and retirement homes unpopular due to their restrictive community groupings.

Renewed private and public investment and the rebirth of public transport have ensured that the polarisation envisaged in Scenario 1 will not occur.

Scenario 3: The outrider scenario: crisis drives localism and the corner shop returns

In an environment of conflict and diminishing resources, petrol costs rising to $5.00 per litre is likely in the not-too-distant future. This scenario was established to explore the implications of this price increase on housing, travel and work.

Due to the expense of petrol, households who can afford to live close to public transport have relocated, thus substantially increasing housing costs and pushing low and moderate-income level households into outer suburbs that are not well serviced by public transport.

Coastal and small inland towns are stagnating, with larger regional towns seen as an alternative to city living. There is increased pressure to work from home, however, this does not suit everyone and astronomical transport costs mean that low to moderate-income earners simply cannot afford to travel into the cities or larger towns for work. This has a substantial impact on the availability of key workers such as waiters, cleaners and shop assistants.

As a direct result of transport costs and difficulties, people are less likely to drive to large shopping centres, with walking and cycling becoming favoured forms of transport. The demise of the shopping mall has revitalised main streets and encouraged the comeback of the 'corner store'.

Scenario 4: Housing assistance – for very few

Based on housing policy set in 2005, this scenario acknowledges declining investment in public housing, the entitlement based private rent assistance system and support offered to landlords and homeowners through tax treatment of investment and owner-occupied housing. Housing choice is limited, particularly for singles and childless couples.

Public housing is in crisis, amounting to less than 3 per cent of all dwellings. It is still highly targeted and expensive to run. Happily, some public housing estates have become more diverse with a mix of public and private ownership and an increased incidence of community cohesion. However, for some estates, private sales have meant that landlords have capitalised on the accommodation requirements of low-income residents by providing housing stock that is degenerating into slums.

Private rental ghettos are numerous in cities with overcrowding and boarding common. Homelessness is endemic with carparks inhabited by families living in their cars. Caravan parks and low-cost factory built housing provide some options, however, the chronic disadvantage of their occupants has stigmatised this choice.

There has been no significant growth in the community housing sector.

Scenario 5: Australia cares for its own

This scenario attempts to depict the perfect housing system, with assistance provided to those in need, creating a more responsive and vibrant housing system. Policy instruments include social, public, affordable and private investment housing – giving a much more flexible choice to households across the income brackets.

Social housing, due to a significant injection of funds, has increased substantially and been able to adequately respond to the needs of groups with special and complex needs. The private rental market now includes long-term rental leases, which provide security of tenure for low income groups, including older people. Community housing organisations, through increased investment and sector development, work closely with private sector landlords to provide affordable and appropriate housing.

Employers now appreciate the accommodation needs of their staff and have started to provide housing options,

developed in conjunction with community organisations and government. Green technologies are encouraged, particularly water and energy efficiency.

Importantly, values have shifted away from insecurity and exclusion, to a society that seeks to strengthen communities through political engagement both at home and internationally.

POLICY IMPLICATIONS

This research investigated a range of scenarios and the housing policy, and other settings that could contribute to them. The range of housing, social, environmental and economic impacts associated with these scenarios are considered.

Arguably, the implications for current and future policy development are substantial, particularly if scenarios one and/or two were to eventuate. It is clear that innovative leadership, research and policy development are required to avoid the worst case scenario. It is in this context that a set of values for policy development were identified, including:

- Diversity – including housing in forms that are flexible and accommodate the different needs and uses of society, not simply a 'one size fits all' approach.

- Opportunity – through reduced barriers within and between tenures, increase the opportunities to choose housing without limiting employment, education or healthcare. The provision of housing assistance that minimises barriers to entering the workforce and the expansion of home ownership opportunities for all income groups.

- Inclusiveness – provision of housing that helps build and maintain communities.

- Affordability – provision of dwellings that are appropriate and affordable for all income groups.

- Sustainability – provision of housing that has a minimal impact on the environment through reduction in energy and water consumption, care for the local environment and durability to reduce long-term costs.

- Security – security of tenure across tenures, not just in public housing, is essential to build strong communities and instil a sense of safety and security.

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FURTHER INFORMATION

This bulletin is based on AHURI Project 50225, *Long-Term Housing Futures for Australia: Using 'Foresight' to Explore Alternative Visions and Choices.*

Reports from this project can be found on the AHURI website: www.ahuri.edu.au

The following documents are available:

• Positioning Paper

• Final Report

Or contact the AHURI National Office on +61 3 9660 2300.

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