

EXECUTIVE SUMMARY

FINAL REPORT NO. 337

The housing aspirations of Australians across the life-course: closing the 'housing aspirations gap'



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

Authored by

Wendy Stone, Swinburne University of Technology

Steven Rowley, Curtin University

Sharon Parkinson, Swinburne University of Technology

Amity James, Curtin University

Angela Spinney, Swinburne University of Technology

Publication Date September 2020

DOI 10.18408/ahuri-5117001

Title

The housing aspirations of Australians across the life-course: closing the 'housing aspirations gap'—Executive Summary

Authors

Wendy Stone, Swinburne University of Technology
Steven Rowley, Curtin University
Sharon Parkinson, Swinburne University of Technology
Amity James, Curtin University
Angela Spinney, Swinburne University of Technology

ISBN

978-1-922498-01-4

Key words

Housing aspirations; social housing; private rental sector; life-course; Indigenous housing.

Series

AHURI Final Report

Number

337

ISSN

1834-7223

Publisher

Australian Housing and Urban Research Institute Limited
Melbourne, Australia

DOI

10.18408/ahuri-5117001

Format

PDF, online only

URL

<https://www.ahuri.edu.au/research/final-reports/337>
(full report)

Recommended citation

Stone, W., Rowley, S., Parkinson, S., James, A. and Spinney, A. (2020) *The housing aspirations of Australians across the life-course: closing the 'housing aspirations gap'*, AHURI Final Report No. 337, Australian Housing and Urban Research Institute Limited, Melbourne, <https://www.ahuri.edu.au/research/final-reports/337>, doi: 10.18408/ahuri-5117001.

Related reports and documents

James, A., Rowley, S., Stone, W., Parkinson, S. Spinney, A. and Reynolds, M. (2019) *Older Australians and the housing aspirations gap*, AHURI Final Report 317, Australian Housing and Urban Research Institute Limited, Melbourne, <https://www.ahuri.edu.au/research/final-reports/317>, doi: 10.18408/ahuri-8117301.

Parkinson, S., Rowley, S., Stone, W., Amity, K., Spinney, A. and Reynolds, M. (2019) *Young Australians and the housing aspirations gap*, AHURI Final report 318, Australian Housing and Urban Research Institute Limited, Melbourne, <https://www.ahuri.edu.au/research/final-reports/318>, doi: 10.18408/ahuri-5117101.

Stone, W., Rowley, S., James, A., Parkinson, S., Spinney, A., Reynolds, M. and Levin, I. (2020) *Mid-life Australians and the housing aspirations gap*, AHURI Final Report No. 336, Australian Housing and Urban Research Institute Limited, Melbourne, <https://www.ahuri.edu.au/research/final-reports/336>, doi: 10.18408/ahuri-5117201.

Inquiry panel members

Each AHURI Inquiry is supported by a panel of experts drawn from the research, policy and practice communities.

The Inquiry Panel are to provide guidance on ways to maximize the policy relevance of the research and draw together the research findings to address the key policy implications of the research. Panel members for this Inquiry:

- Ian Yates, COTA Australia
- Rebecca Mullins, My Foundations Youth Housing
- Shane Hamilton, Aboriginal Housing Office, Family and Community Services, NSW Government
- Peta Winzar, Community Housing Industry Association
Louise Gilding, Community Services Directorate, ACT Government
- Alex Dordevic, Department of Health and Human Services, Victorian Government
- Paul Whyte, Housing Authority, WA Government
- Paul McBride, Department of Social Services, Australian Government

AHURI

AHURI is a national independent research network with an expert not-for-profit research management company, AHURI Limited, at its centre.

AHURI's mission is to deliver high quality research that influences policy development and practice change to improve the housing and urban environments of all Australians.

Using high quality, independent evidence and through active, managed engagement, AHURI works to inform the policies and practices of governments and the housing and urban development industries, and stimulate debate in the broader Australian community.

AHURI undertakes evidence-based policy development on a range of priority policy topics that are of interest to our audience groups, including housing and labour markets, urban growth and renewal, planning and infrastructure development, housing supply and affordability, homelessness, economic productivity, and social cohesion and wellbeing.

Acknowledgements

This material was produced with funding from the Australian Government and state and territory governments. AHURI Limited gratefully acknowledges the financial and other support it has received from these governments, without which this work would not have been possible.

AHURI Limited also gratefully acknowledges the contributions, both financial and in-kind, of its university research partners who have helped make the completion of this material possible.

The authors wish to acknowledge the research support and assistance of colleagues who assisted in the research projects reported on here:

- Ms Margaret Reynolds
- Dr Viktoria Adler
- Dr Iris Levin
- Ms Zoe Goodall.

The authors wish to thank an Indigenous Advisory Group (anonymous) that included members with housing office, community services and research experience and generously guided the development of the methodology and its adaptation for Indigenous data collection.

The authors are grateful for the guidance and input from international advisors to this research who generously commented at various stages and acknowledge the sad passing of Professor Emeritus Ray Forrest:

- Professor Emeritus Ray Forrest (1951–2020) – Leader Cities and Social Change, Lingnan University, Hong Kong and Emeritus Professor at the University of Bristol, UK
- Dr Kim McKee – Senior Lecturer in Social Policy and Housing, University of Stirling, Scotland
- Professor Emeritus in Housing Economics Christine Whitehead – London School of Economics, England

The Inquiry included the participation of more than 7,000 Australians. Without the generosity of survey respondents nationally and participants to in-depth interviews and focus groups in metropolitan and regional areas across three states, who shared details of their life stories and their housing aspirations, this research and the projects supporting it would not have been possible.

Disclaimer

The opinions in this report reflect the views of the authors and do not necessarily reflect those of AHURI Limited, its Board, its funding organisations or Inquiry panel members. No responsibility is accepted by AHURI Limited, its Board or funders for the accuracy or omission of any statement, opinion, advice or information in this publication.

AHURI journal

AHURI Final Report journal series is a refereed series presenting the results of original research to a diverse readership of policy makers, researchers and practitioners.

Peer review statement

An objective assessment of reports published in the AHURI journal series by carefully selected experts in the field ensures that material published is of the highest quality. The AHURI journal series employs a double-blind peer review of the full report, where anonymity is strictly observed between authors and referees.

Copyright

© Australian Housing and Urban Research Institute Limited 2020

This work is licensed under a Creative Commons Attribution-NonCommercial 4.0 International License, see <http://creativecommons.org/licenses/by-nc/4.0/>.



Executive summary

Key points

- The Australian housing system no longer meets the needs and priorities of many moderate to lower-income Australian households. This Inquiry Final Report, along with its three companion projects exploring the housing aspirations of younger, mid-life and older Australians, identify aspirations and policy measures that could address identified aspiration gaps.
- Australia's housing system enables a large majority of households to meet their short-term housing aspirations. Eighty-seven per cent of all respondents to the Australian Housing Aspirations survey conducted as part of this research indicated their current housing and living arrangements met their short term (1–2 years) housing aspirations.
- However, only 36 per cent of young adults believe their current housing will enable them to achieve longer-term housing aspirations (5-10 years). This figure rises to 56 per cent of mid-life and two-thirds of older Australians.
- Supporting households to sustain their current housing and allowing households to maintain ownership through critical life events is essential. Ongoing tenancy reform which helps replicate the safety and security aspects of home ownership is a key element of this support.
- Social housing continues to play a critical role supporting those in need of deep assistance including times of income and/or household change.

- **Understanding what individuals and households want from their housing is a key component of effective housing assistance and housing policy design. This includes key population groups such as Indigenous Australians.**
- **A lack of housing diversity and choice is a major barrier to aspirations. Policy settings need to deliver greater choice across dwellings *and* locations. Diverse, adaptable dwellings are needed to cater for households across the life-course.**
- **New models of housing delivery, including housing finance, can support households' aspirations across the life-course. Government should support such models, including build to rent, to become mainstream sources of housing supply.**
- **An agile, nuanced welfare mix is needed to respond to dynamic household assistance needs and help achieve housing aspirations. Existing housing assistance options, including private rental assistance (PRA), can be better utilised to support a more responsive, early intervention-oriented welfare system.**
- **An independent, broad based, interactive online information and advice platform would improve the 'housing literacy' of all Australians and provide one mechanism to bridge the housing aspirations gap across the life-course.**

Key findings

‘Safety and security’ are fundamental to the housing aspirations of young, mid- and later life Australians

Overwhelmingly, the key attribute households seek from their housing is ‘safety and security’. Seventy-five per cent of respondents indicated that these basic characteristics are the key housing attribute they value. At an aggregate level, ‘safety and security’ is the most highly valued characteristic of a wide range of socio-legal, material, locational and environmental options presented. This attribute is most highly valued by older cohorts (86%), however it is also valued highly by large proportions of households in all age groups and across income groupings.

Housing aspirations gaps now and in the future

When asked about how well their current housing and living arrangements meet their aspirations at key life stages, we find a large majority of Australians across age cohorts, income groups and housing tenures are currently housed well. Eighty-seven per cent of all households overall indicate this to be the case, ranging between 8 per cent of young adults (18–34 years), to 94 per cent of later life Australians (55 years and older). Large aspirations gaps emerge in the longer term (5–10 years) for all cohorts, income groups and tenure groups, with just 58 per cent of all households reporting their current housing meets their longer-term aspirations. This falls to just 36 per cent of young adults and 46 per cent of all private renters.

Table 1: How well current housing meets short-term and longer-term housing aspirations, showing age cohort, income and tenure group differences

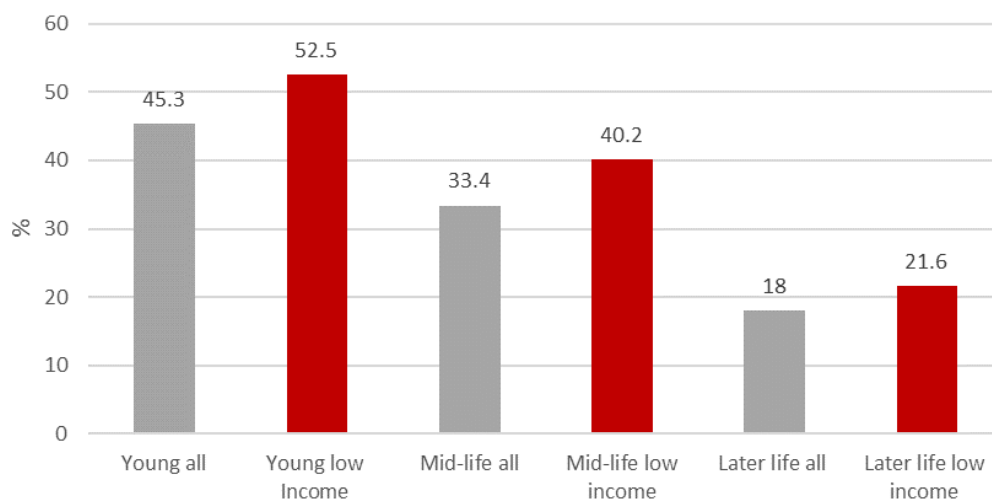
	Short term	Longer term
All households	87%	58%
Young	80%	36%
Mid-life	87%	50%
Older	94%	67%
Ownership	92%	69%
Private rental	82%	46%
Social housing	84%	57%
Very low income	83%	52%
Low income	89%	59%
Moderate income	87%	59%

Source: Original analysis of Australian Housing Aspirations survey (2018) data, unweighted.

Who needs support to meet their housing aspirations?

We find housing support is needed at all ages, by those in receipt of income support as well as many households who are not. This finding implies a need for consideration of decoupling housing assistance from income support more broadly.

Figure 1: Households indicating a need for assistance to achieve their future housing aspirations



Source: Original analysis of Australian Housing Aspirations survey (2018) data, unweighted.

Generational opportunity gaps in the longer term

When we examine the current living arrangements of households in young, mid- and later life in comparison to their longer-term housing aspirations we can clearly see how the aspirations gap is greatest in younger adult years, reduces in mid-life and is smallest for older cohorts.

Housing tenure is key to housing aspirations. Home ownership, detached or semi-detached houses of average size in Australia (three bedrooms) dominate longer-term aspirations. By far the biggest aspirations gaps relate to home ownership. Over half of all younger households currently not in home ownership aspired to be, in contrast with around 15 per cent of older Australians. For private rental, in all cohorts, more respondents wanted to move out of their tenure than into it, the same being the case for social housing. The policy issue here is clear; there is still a demand for home ownership, even in younger cohorts.

For dwelling type, the aspirations gap is much smaller, partly as a result of a lack of diversity in the housing stock of most Australian cities. In terms of number of bedrooms, for younger and mid-life cohorts, there was a gap between current accommodation and demand for four bedroom dwellings while a relatively large portion of older Australians wanted to move out of larger dwellings and into two and three bed dwellings.

A significant proportion of younger people want to move out of middle/outer suburbs and regional cities/large towns (many of these younger Australians will be living with their parents) and into more central areas. More mid-life and older Australians want to move out of middle/outer suburban areas than want to move in and most of these households want to move to small regional towns and regional cities. This identifies opportunities to decentralise living for many mid-life and older Australians, providing the right type of housing is actually available in these locations. One of the biggest challenges facing Australian cities is creating greater opportunities for CBD and inner area living, which are accessible to households on a range of incomes. While apartment development thrives, there are few alternative dwelling types being constructed and which meet the aspirations of those seeking a house.

Policy development options

Property rights and welfare mix: towards a safe, secure housing tenure mix

A large majority of households indicate an aspiration to attain safe, secure housing via ownership. In the context of declining and high-cost home ownership, there is scope to innovate to:

- enable households to enter home ownership by reducing entry costs and barriers
- develop hybrid rent-buy models of housing provision which can enable households to transition from rental to home purchase with reduced transaction costs
- emulate the safety and security features of home ownership within both privately rented tenures as well as within social housing tenures, such as via tenancy reform, and
- scale up collaborative and cooperative forms of housing and land ownership or rental that provide the aspirational elements of the housing bundle needed to support transitions and life changes to households at young adulthood, mid- and later life.

Built form: diversification of dwelling and locational options

- While there remains a very strong preference for detached and semi-detached housing, findings indicate an additional appetite for smaller, quality dwellings.
- Policy settings that explore the pairing of industry, jobs and housing in regional and decentralised metropolitan areas are outlined in this report.
- Innovations in housing financing, design and delivery that integrally involve would-be resident occupants from initiation of concept through to completion are likely to provide the types of housing diversity and innovation that are sought by households across key life stages.

Housing pathways, knowledge and capability: toward an enabling approach

- Some households not in receipt of income support may benefit from forms of housing assistance that help them make transitions within and between tenures and dwellings.
- Increased housing knowledge and housing market skills could play a significant enabling role for households across the life-course. Education programs, increased access to relevant information and assistance in housing transition planning are shown to enable housing aspirations.

Additional insights from this Inquiry relate to the way housing policy is made and implemented:

Toward a dedicated understanding of Indigenous housing aspirations

- Citizen-led housing developments, including a range of property rights models, design models and support systems, warrant future exploration for many population groups, including an Indigenous-specific policy.
- Aspirations as a foundation for housing policy and housing system co-design
- Development of evidence about Australians' housing aspirations brings to sharp relief the lack of resident and citizen voices within Australian housing policy making. Participatory models of co-design could fruitfully be explored for housing policy.

Policy thinking across life stages, lifetimes and generations

- When long-term lifetime and generational views are used in housing research, usual approaches focusing on point-in-time need for assistance are challenged. Findings strongly indicate the need for intergenerational and lifetime policy thinking in housing policy development and innovation.

The study

This Inquiry addresses the research question:

How can existing and innovative policy be harnessed to assist lower-income Australians achieve their shelter and non-shelter housing aspirations, and improve housing opportunities across the life-course?

To address the primary research question, the Inquiry includes an integrated suite of three generation-specific supporting projects, exploring in depth the common and generational specific housing aspirations and aspirations gaps in young adults (18–34 years), mid-life (35–54 years) and later life (55 years and older), respectively:

- Young adult Australians and the housing aspirations gap
- Mid-life Australians and the housing aspirations gap
- Older Australians and the housing aspirations gap

The Inquiry contributes a much needed account from Australian households about the housing aspirations they hold, as well as their perspectives around housing opportunities and forms of assistance that will most effectively support them at key life stages and across the life-course. The Inquiry sits within a ‘housing aspirations’ and ‘aspirations gap’ framework, supported by the dual concepts of housing pathways (Clapham 2005) and the housing bundle (Basset and Short 1980).

Housing aspirations are defined as the housing that meets life stage priorities, in context. Consistent with Preece, Crawford et al. (2020), housing aspirations are conceptualised as related to but different from need, trade-offs, preferences, mobility or choice.

Underpinning the integrated suite of Inquiry reports, is a linked methodology, comprising:

- **Phase 1:** Literature review, refinement of conceptual framing and methods.
- **Phase 2:** Cohort analysis of Australian Bureau of Statistics (ABS) Survey of Income and Housing (SIH) (various years) concentrating on changing patterns of occupancy and expressed demand over time.
- **Phase 3:** Focus groups with lower-income Australians in three states, including households at each life-course stage, in metropolitan and regional areas and including Indigenous and non-Indigenous participants to develop a rich, qualitative understanding of housing aspirations and directly inform survey design and development.
- **Phase 4:** Development and delivery of a new large-scale national Australians' Housing Aspirations (AHA) survey. The Australian Housing Aspirations survey collected responses from 7,343 Australians split across the three age cohorts, including 2,477 from young people aged between 18–35 years, 2,444 from those aged 35–54 years and 2,422 from respondents aged 55 years and over (Stone, Rowley et al. 2020 forthcoming).
- **Phase 5:** Follow-up interviews within each cohort to examine survey findings and more closely examine current and innovative policy solutions across life-course stages.



Australian Housing and Urban Research Institute

Level 12, 460 Bourke Street

Melbourne VIC 3000

Australia


+61 3 9660 2300

information@ahuri.edu.au

ahuri.edu.au

 twitter.com/AHURI_Research

 facebook.com/AHURI.AUS

 Australian Housing and Urban Research Institute