



**EXECUTIVE SUMMARY**

# The changing geography of homelessness: a spatial analysis from 2001 to 2016

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## Executive summary

### Key points

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- Homelessness on a per capita basis remains highest in very remote areas but is becoming more dispersed nationally with concentrations in major cities growing over time, particularly in the most populous states (NSW and Victoria). By 2016 capital cities accounted for just under two-thirds of all homelessness nationally.
- Changes in homelessness rates between 2001 and 2016 are largely due to factors specific to regions, with little of the change accounted for by the mix of homelessness operational groups in a region, or overall national trends.
- Homelessness is rising in areas with a shortage of affordable private rental housing and higher median rents. This rise is most acute in capital city areas, specifically, Sydney, Hobart and Melbourne.
- The area supply of affordable private rental housing is statistically significantly associated with the variation in homelessness rates nationally, in capital cities and regional areas. Overcrowding accounts for a large part of this variation across areas after controlling for other area-based attributes.
- The impact of labour markets vary across capital cities, regional towns and remote areas. Overcrowding in capital cities is strongly associated with weak labour markets and poorer areas that have a higher than average concentration of males. However, these associations do not hold for overcrowding in remote areas.
- Nationally and in capital cities rates of overcrowding are highest where there is a concentration of children aged less than 14 years. For other forms homelessness, rates are elevated in areas with high concentrations of those aged between 25 and 40 years. In regional and remote areas, rates of all forms of homelessness are elevated in areas with high proportions of children aged below 14 years. Homelessness is lower in city, regional and remote areas where there is a higher than average concentration of married people.
- Area based overcrowding is most strongly associated with areas that are more culturally and linguistically diverse. The area based share of Indigenous persons remains the strongest determinant of homelessness in remote areas.
- There is substantial mismatch between the distribution of homelessness and specialist homelessness service capacity. Nationally, in 2016, 48 per cent of Specialist Homelessness Services (SHS) accommodation capacity and 44 per cent of support capacity would need to shift across SA3 boundaries to better

align with the distribution of homelessness. Service mismatch is most obvious in the areas where Indigenous people are living in overcrowded dwellings<sup>1</sup>

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The risk and experience of homelessness is shaped by the places in which people live and gravitate to, either by choice or necessity. Yet most research has focussed on understanding individually based causes, triggers or pathways into and out of homelessness and its consequences for individuals. This research offers policy makers evidence on the changing geography of homelessness. It outlines the extent to which homelessness is becoming more spatially concentrated over time, where it is rising and falling, and of the importance that housing affordability, poverty and labour market opportunities play in reshaping its distribution over time. It seeks to address the policy question:

What structural factors are important in driving changes in the geography of homelessness over the period 2001–2016, and is service delivery to those with experience of homelessness matching these spatial dynamics?

The following research questions address this policy theme:

- RQ1: How does the incidence of homelessness and its components vary within and between regions, states and territories, and is it becoming more or less geographically concentrated?
- RQ2: Is homelessness rising or falling in areas where there are shortages of affordable private rental housing, and are Specialist Homelessness Services (SHS) well located to intervene?
- RQ3: What role do structural factors such as housing and labour markets, demographics and other area-based indicators, play in shaping differences in rates of homelessness between Australian regions, states and territories over the study period 2001–2016?

## Key findings

The key findings based on a descriptive, mapping and spatial modelling analysis of aggregate homelessness rates between 2001 and 2016 are summarised under the key headings below.

### Where is homelessness rising and falling?

- Homelessness rates and shares are becoming more concentrated in major cities, particularly in the most populous states: NSW and Victoria. By 2016, capital cities accounted for just under two-thirds of all homelessness nationally.
- Geographical shifts in the location of rough sleepers and those who are homeless because of severe overcrowding are the most important components steering this urbanisation of homelessness towards metropolitan areas. While homelessness remains moderately spatially concentrated, it is slowly becoming more dispersed over time.
- Homelessness is rising in areas with a shortage of affordable private rental housing, as measured by the match between supply and demand for low-cost housing and median

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<sup>1</sup> In 2016, there were 358 SA3s in Australia, with populations typically ranging from 30,000 to 130,000. Broadly, SA3s are designed to coincide with areas of economic, social and transport activity. In urban areas, SA3s closely align to an area serviced by a major transport and commercial hub. In regional areas they represent the areas serviced by regional cities with populations over 20,000 persons; in outer regional and remote areas SA3s are recognised as having a distinct identity, or similar social and economic characteristics (ABS 2018a).

rents. This rise is most acute in capital city areas, specifically, Sydney, Hobart and Melbourne.

### **Are services well located to respond to the changing geography?**

- There is substantial mismatch between the distribution of homelessness and specialist homelessness service capacity. Nationally, in 2016, 48 per cent of SHS accommodation capacity and 44 of SHS support capacity would need to shift across SA3 boundaries to better align with the distribution of homelessness across the nation.
- Spatial mismatch of service capacity has been improving in regional and rural areas and worsening in major capital city areas between 2001 and 2016. Both outward migration and more targeted interventions to address overcrowding in remote areas are likely to be shaping this trend.
- In major capital cities, most SHS capacity is located in and around inner capital city areas but homelessness rates, particularly overcrowding, are increasing within urbanised locations.
- Homelessness counts, especially for those in severely crowded dwellings and who are sleeping rough, have been rising in line with population growth, yet only a small fraction are accessing supported accommodation on any given night.

### **In what types of areas are people most at risk of homelessness?**

- A shift-share analysis reveals that changes in homelessness rates between 2001 and 2016 appear to be largely due to factors specific to regions (such as local housing market conditions, labour markets and local economies, or demographic profiles), with little of the change accounted for by the growth or mix of operational groups (i.e. sleeping rough, staying in supported accommodation, overcrowding) in a region, or overall national trends.
- The supply of affordable private rental is significantly associated with the variation in homelessness rates nationally, in capital cities and regional areas. Overcrowding accounts for a large part of the variance in the effect of housing affordability supply in capital cities after controlling for area-based attributes.
- In capital cities and regional towns—when omitting those in supported accommodation—rates of homelessness are significantly associated with poorer areas with weaker labour markets. However, this relationship does not hold in remote areas, which may potentially relate to the larger geographical expanse of these areas.
- Homelessness rates are significantly lower in areas where the concentration of married people is highest.
- In capital cities, as distinct from other areas, rates of homelessness are strongly associated with areas that have high concentrations of males, and this effect increases significantly when looking separately at overcrowding.
- Nationally and in capital cities, overcrowding is more typical in areas with young children aged less than 14 years, but for other forms homelessness rates are elevated in areas where those aged between 25 and 40 years are more prevalent. In regional and remote areas, rates of all forms of homelessness are elevated where there are higher concentrations of young children less than 14 years.
- Areas that are more culturally diverse—whether due to having an Indigenous or non-English-speaking background—have higher rates of homelessness, especially overcrowding. A large component of area-based overcrowding is linked to more culturally diverse areas.

- Indigenous background remains the strongest determinant of homelessness in remote areas and much of this effect is accounted for by overcrowding. Within capital cities, the areas where Indigenous people are accommodated informally are different from those here they are supported formally by homeless services.

## Policy development options

National, state and territory government responses have made inroads into reducing and containing some of the growth of homelessness. This research raises new questions, and reinforces the challenges ahead in keeping pace of broader structural changes that are serving to deepen inequality across Australian cities and regions and how services can be best placed to respond.

- Continued efforts need to be devoted to ending homelessness in remote regions of Australia. Policy makers and providers also need to plan for and direct additional resources to address the increasing urbanisation of homelessness *between* capital cities, regional and remote areas, as well as the concurrent suburbanisation of homelessness *within* capital cities, particularly in our most populous states. This includes understanding how different types of living arrangements or components of homelessness are distributed across locations, particularly within the more suburban areas of capital cities that appear to be most vulnerable to severe crowding.
- Rising rental costs and a shortage in the supply of affordable rents coincide with areas where the growth of homelessness has been most marked over time. A continued and expanded affordable housing supply-side response is critical to making inroads into preventing and resolving homelessness. Current service agreements emphasising commitments to housing supply need to consider the location and key priority areas for new housing development as well as review the amounts of rents that are sustainable in the long term.
- There is a critical need for supply-side initiatives to increase the stock of and the accessibility of housing to lowest income individuals and households, including single persons, particularly males, living in overcrowded conditions. New stock developed needs to cater better to a range of household sizes, including options for multiple- and single-bedroom dwellings. Innovative solutions to include additional living space for families on existing properties could also alleviate crowding.
- The supply of affordable housing needs to match areas of population growth among lower income individuals and households in a way that also provides access to broader services, employment and amenities.
- Flexible models to rent and purchase transitional and permanent supportive housing in middle and outer suburbs and non-capital city areas should be further explored and scaled up to overcome difficulties gaining access to private rental that is affordable.
- Careful planning in the allocation and supply of affordable housing is required to ensure that new dwellings and housing assistance packages enable people to remain within their communities and close to support, including the exploration of more innovative responses to address issues of overcrowding—particularly among those with young children and extended kinship groups.
- Services are not currently well aligned with the changing geography of homelessness. Most service capacity for accommodation and support is located in and around inner capital city areas with less capacity in regional and remote areas.

- Service mismatch has implications for how homelessness episodes are resolved. As individuals may find it more difficult to gain support if they have to travel outside their local area services are better located in areas with higher demand. Similarly, if people remain in disadvantaged areas without formal assistance—including housing and support—reliance on informal housing solutions for extended periods could push individuals into even more precarious living arrangements.
- There is a need to gain more detailed insight into the service needs of those who are living in overcrowded dwellings. This includes the need for more targeted and culturally appropriate service responses to individuals and households from culturally diverse backgrounds—including Indigenous people, and people with English as a second language—within urban and suburban areas. This may include increased outreach and outposted services within areas that are more diverse that are not already well serviced by housing and support services.

## The study

This research provides a comprehensive descriptive and spatial modelling analysis of the incidence of homelessness and the area-based attributes associated with elevated risk nationally and across cities and regions. It draws on a pooled panel dataset of the 2001–2016 Census Homelessness Estimates, the Australian Bureau of Statistics (ABS) Time Series Profile dataset and AIHW Specialist Homelessness Service Collection (SHSC) data, and special request data from the ABS on the supply and demand for affordable private rental housing. This analysis builds upon a unique panel data set (2001–2011) assembled by the research team for AHURI project 53027.

In undertaking a detailed spatial analysis of the geography of homelessness, we focus on how two key measures of homelessness (the rate per 10,000 persons and national share for each area) have been changing over the past 15 years. The share of national homelessness reveals where most homelessness is located, while the rate reveals the prevalence of homelessness in an area after accounting for population size. We apply novel spatial econometric models to determine the area-based attributes associated with elevated homelessness rates—using separate models across capital cities, regions and remote areas and disaggregated measures of homelessness components, including a separate set of models on overcrowding. A key advantage of spatial econometric techniques is that they allow the researcher to investigate interrelationships between homelessness in a region and homelessness in adjacent regions.

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