

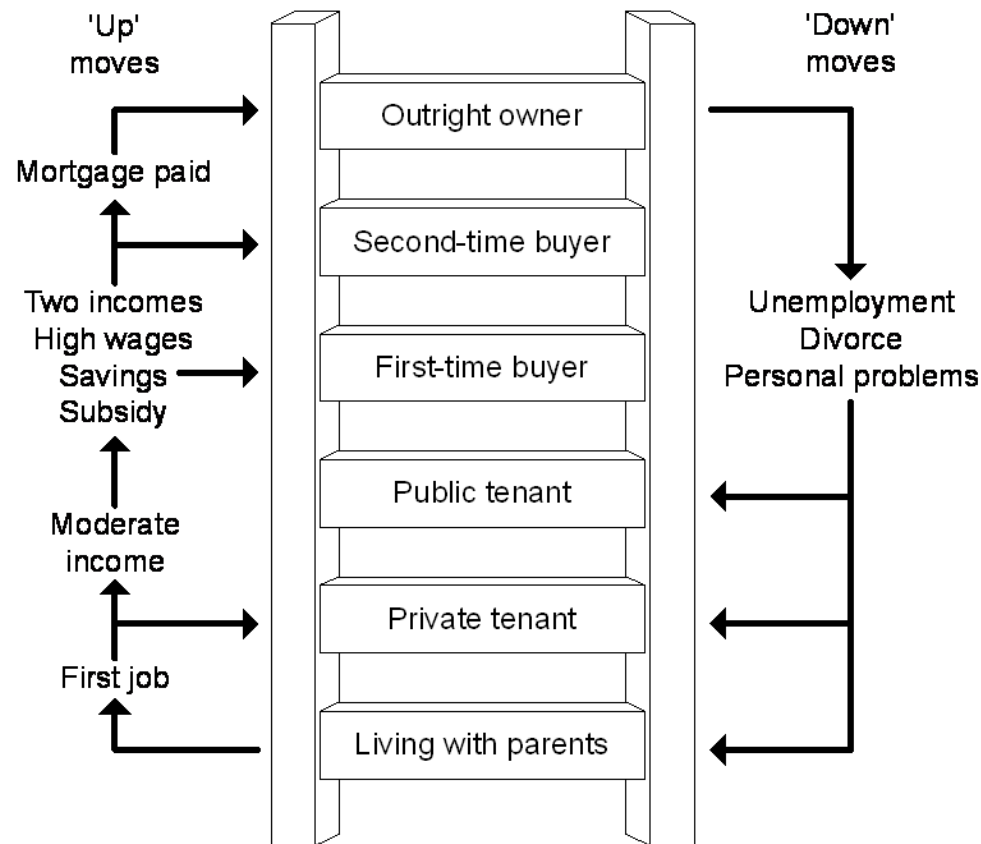
# 21<sup>st</sup> century housing careers

## Policy challenges, policy options

Professor Andrew Beer  
AHURI Southern Research Centre

21 February 2008

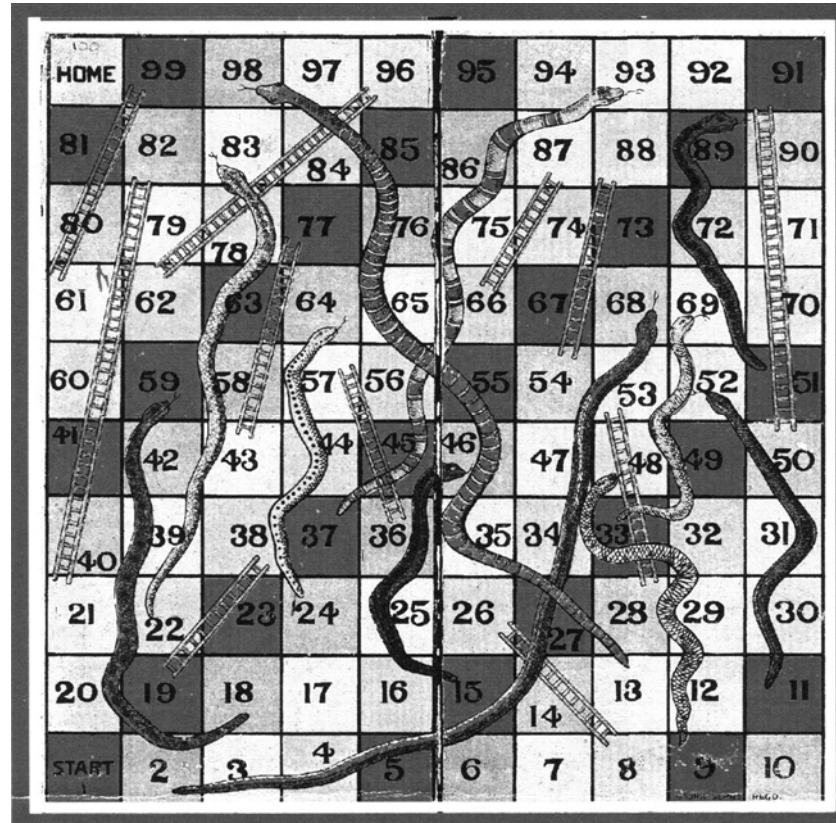
# Reconceptualising housing careers



The housing career 'ladder'

# Reconceptualising housing careers

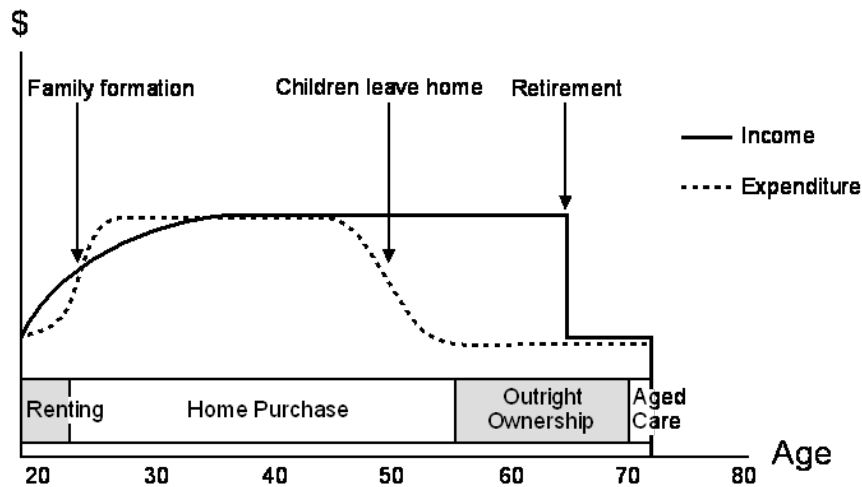
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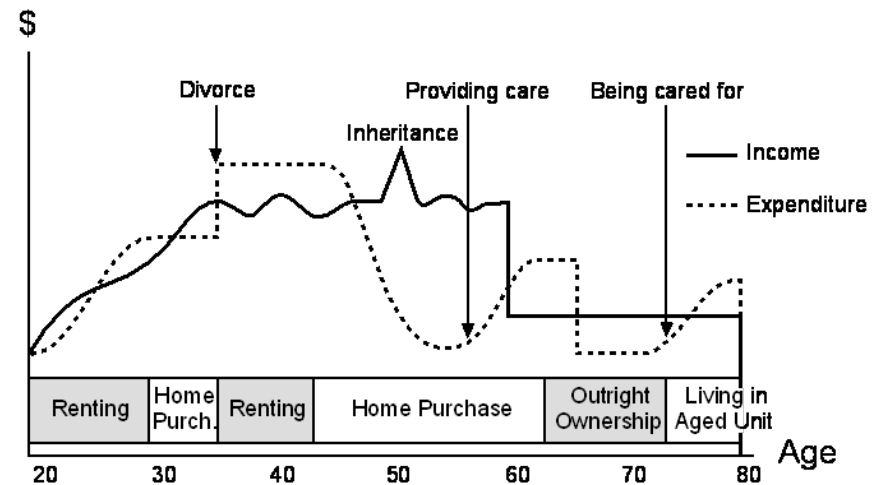
The board game of snakes and ladders

# Reconceptualising housing careers

Cont...



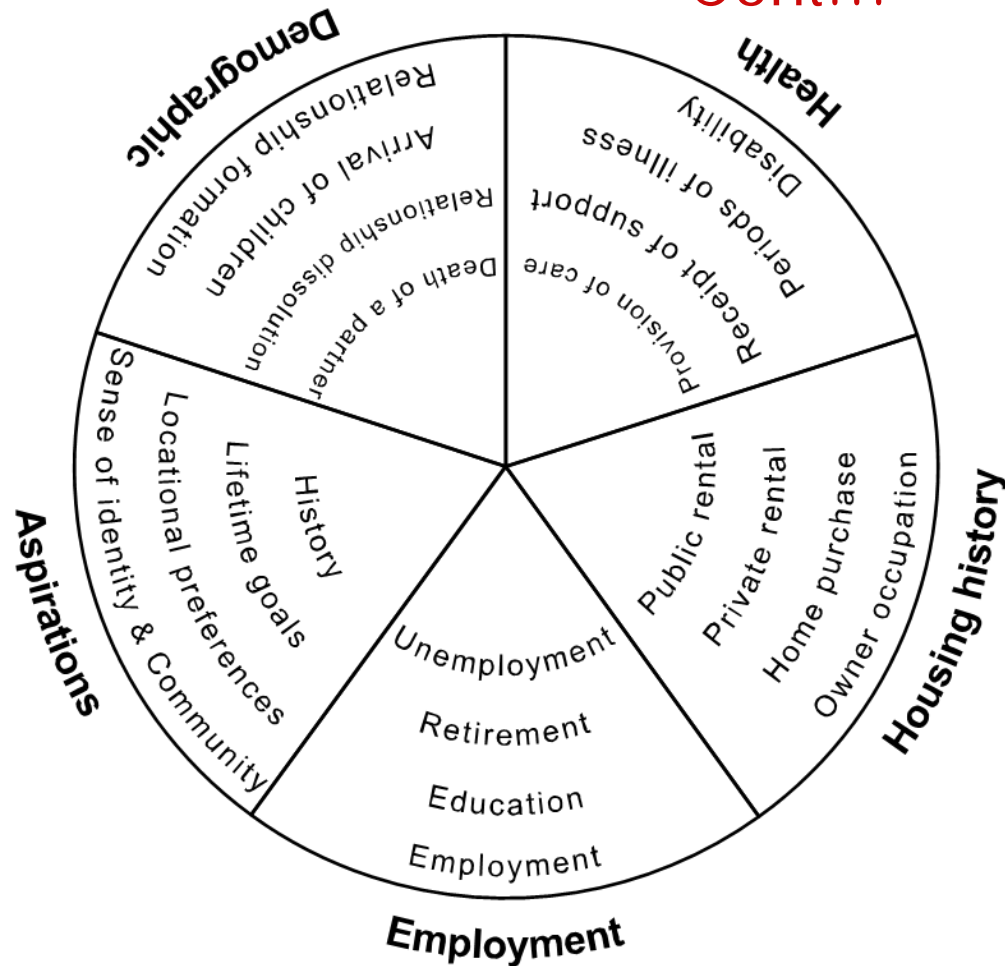
Industrial Australia



Post Industrial Australia

# Reconceptualising housing careers

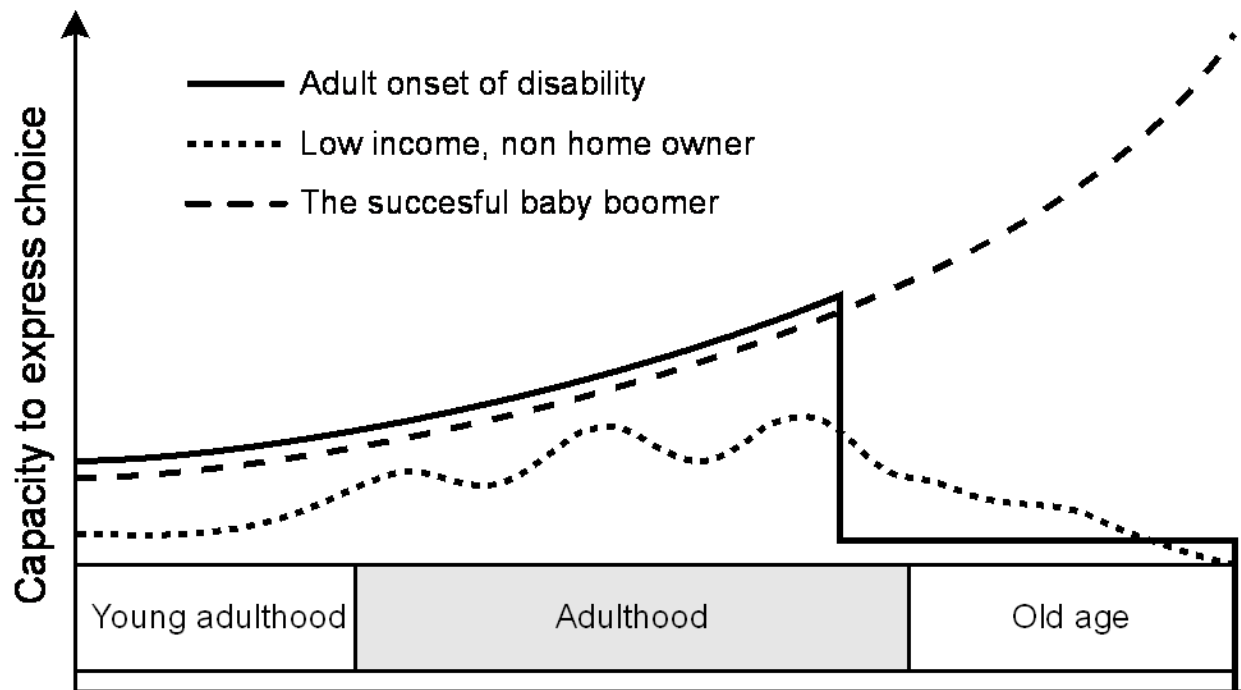
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The housing decision framework

# Reconceptualising housing careers

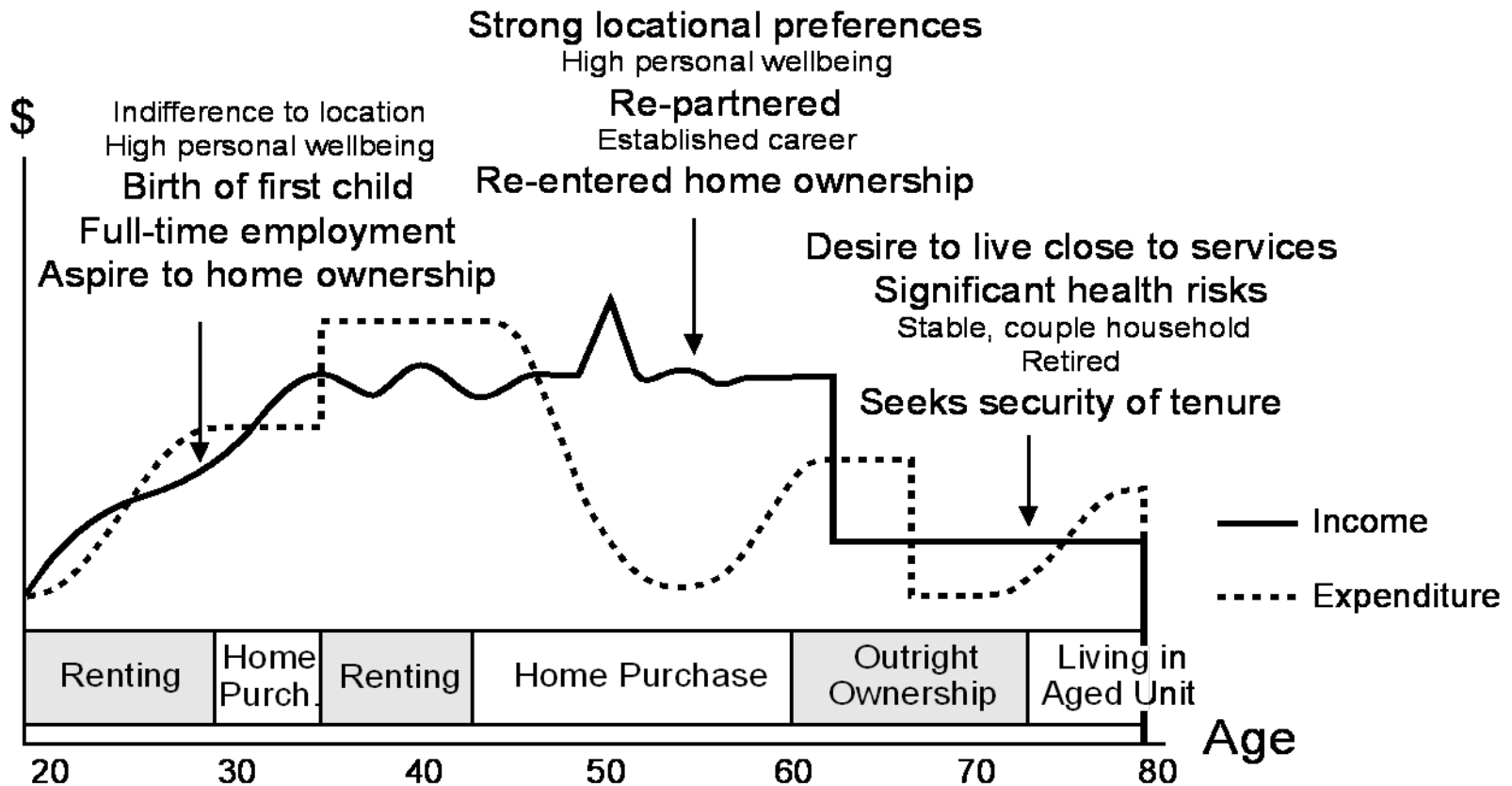
Cont...



The capacity to express choice within housing over time

# Reconceptualising housing careers

Cont...



Housing decision making over time.

The variable influence of lifecycle, labour market, wellbeing, tenure, and lifestyle aspirations

# Reconceptualising housing careers

Cont...

Some people start  
their housing career  
better or worse off

The decisions and  
events in someone's  
life shape their capacity  
in the housing market

Their participation  
is cumulative, both  
positively and negatively

And some do better  
than others in  
the long run

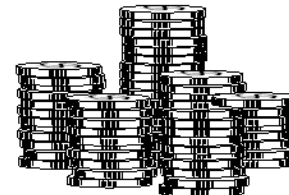
Person 1



Person 2



Person 3



Period 1

Period 2

Period 3

Period 4

Housing outcomes through the life course

# Reconceptualising housing careers

Cont...

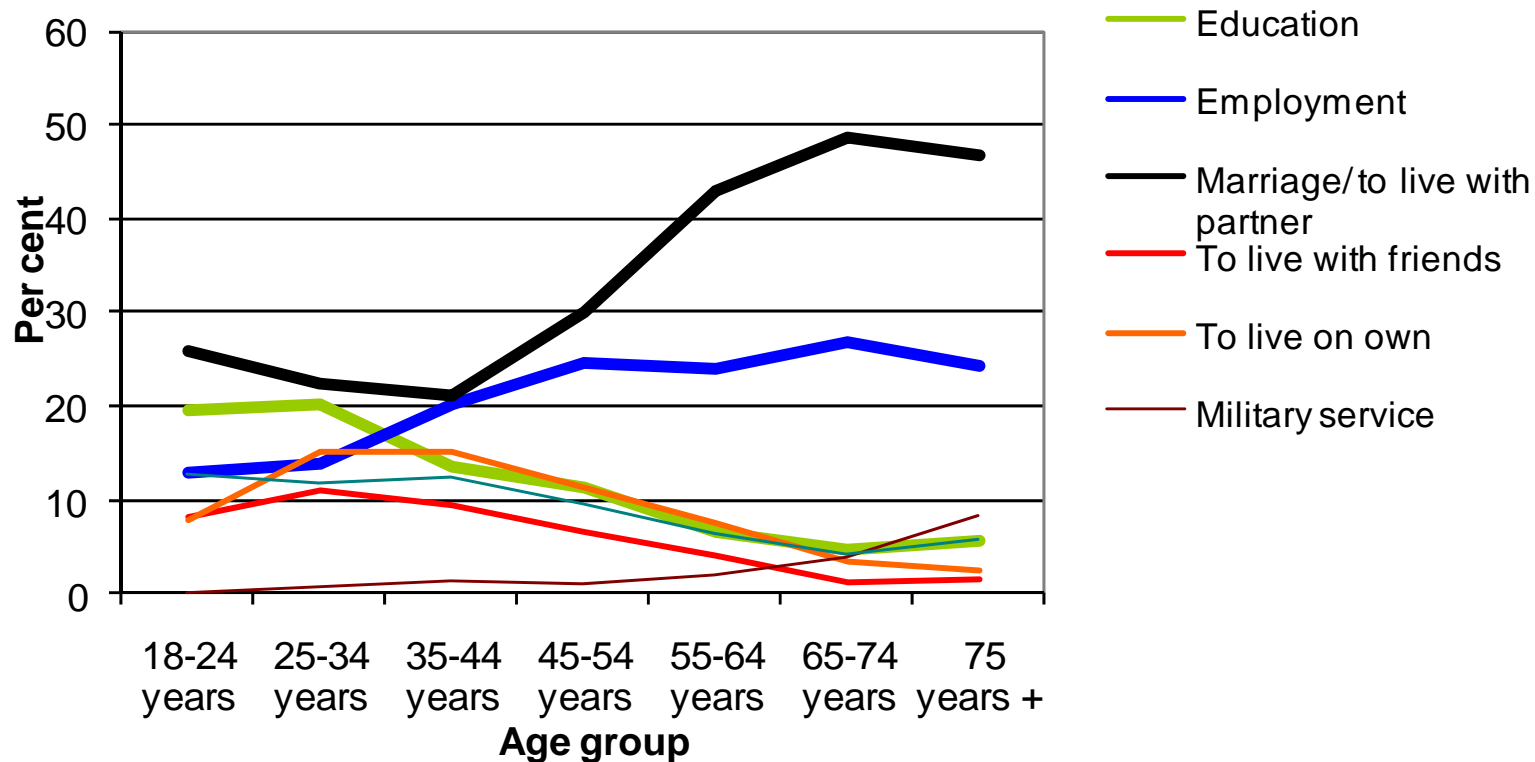


The term *housing transitions* better reflects the movement of individuals and households through the housing market over time and across the life course...it implies change but does not suggest a single source or destination.....

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.

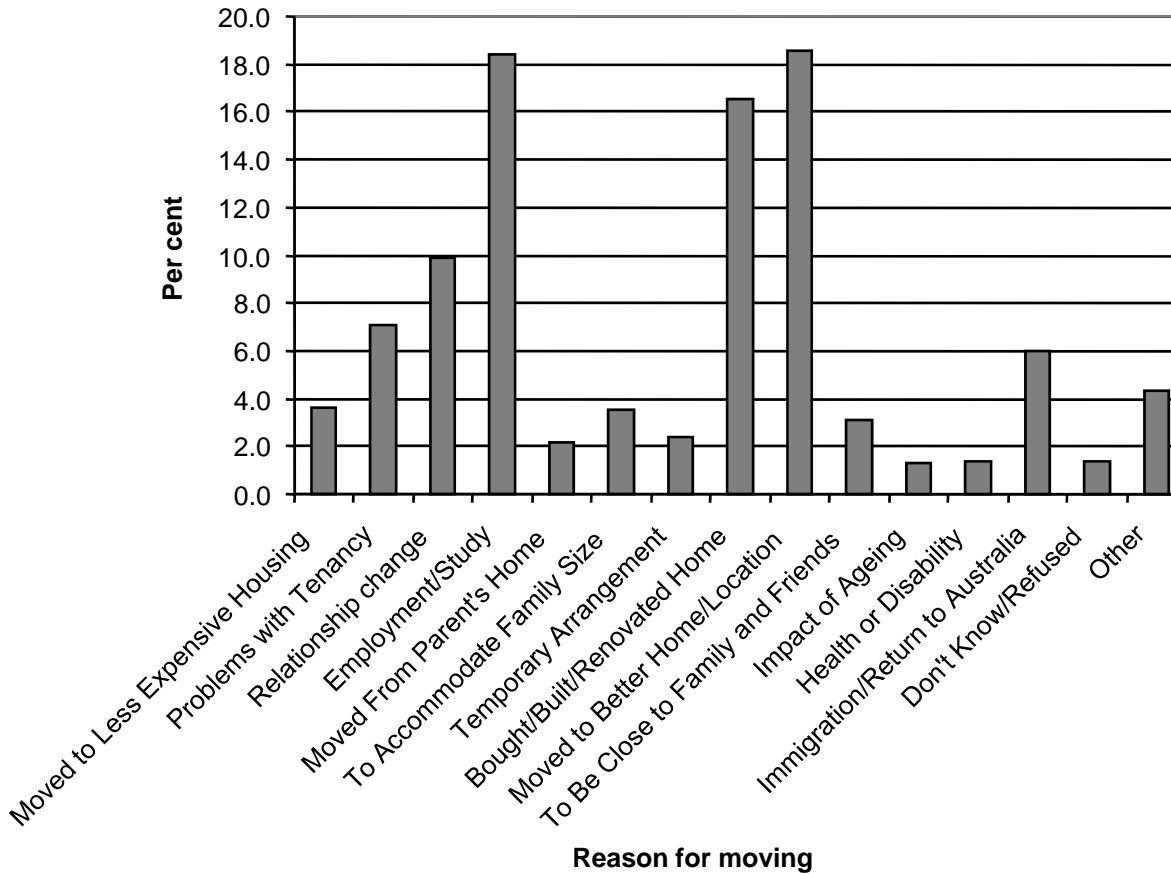
# The evidence base

## Demographic factors



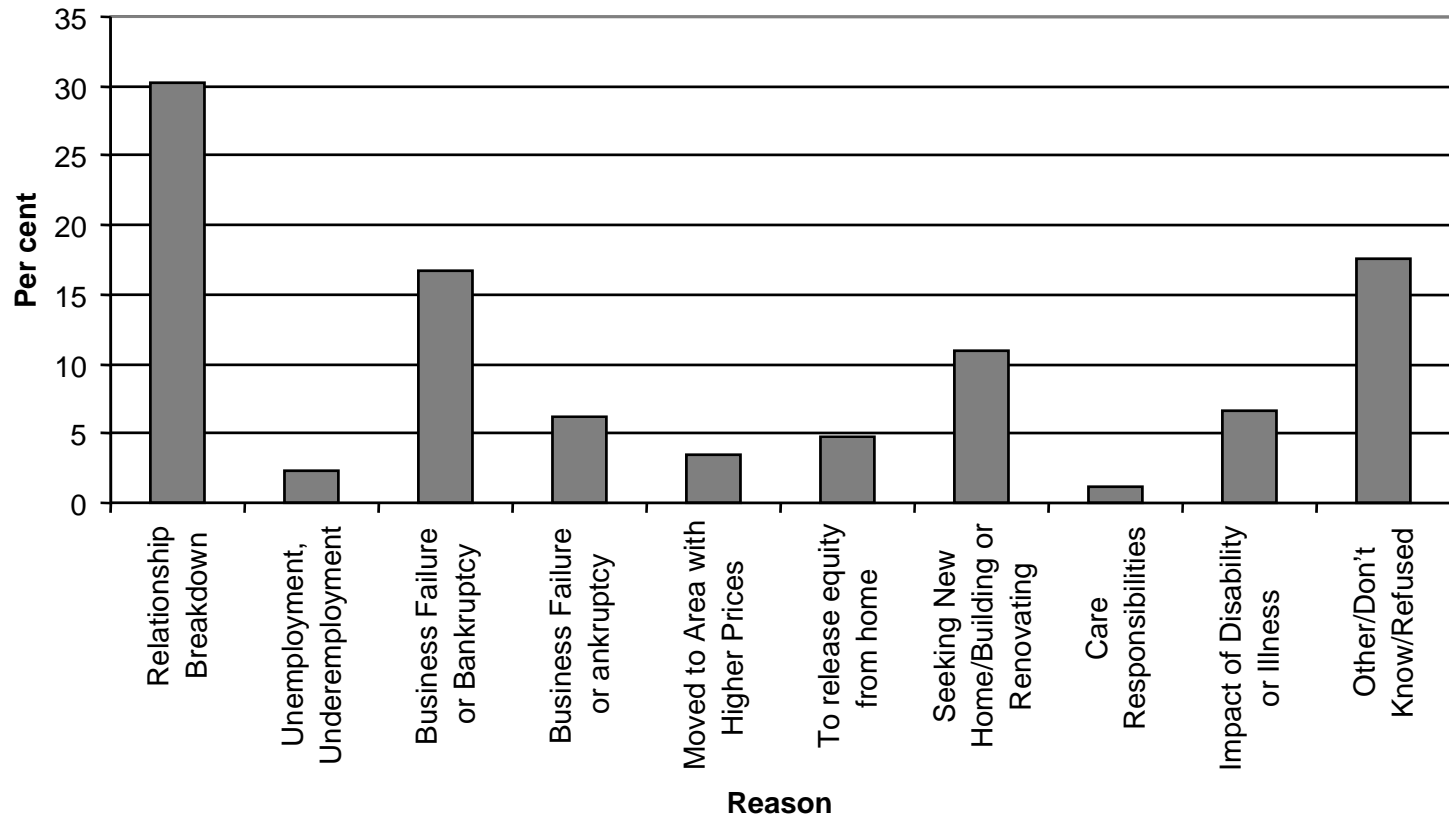
Reason for leaving family home by age

# The evidence base



Primary reasons for moving, 1996 to 2006

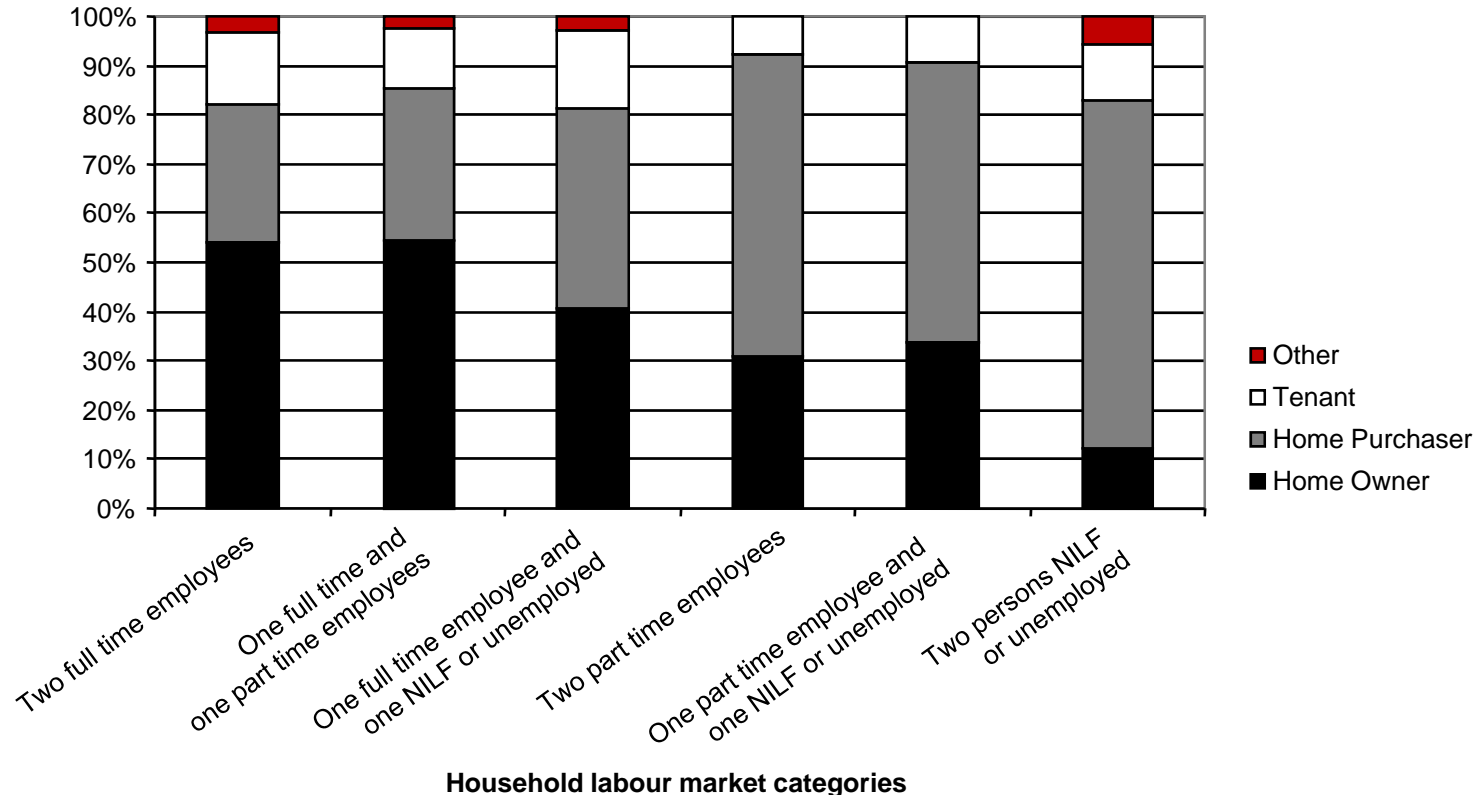
# The evidence base



Reason for leaving home ownership

# The evidence base

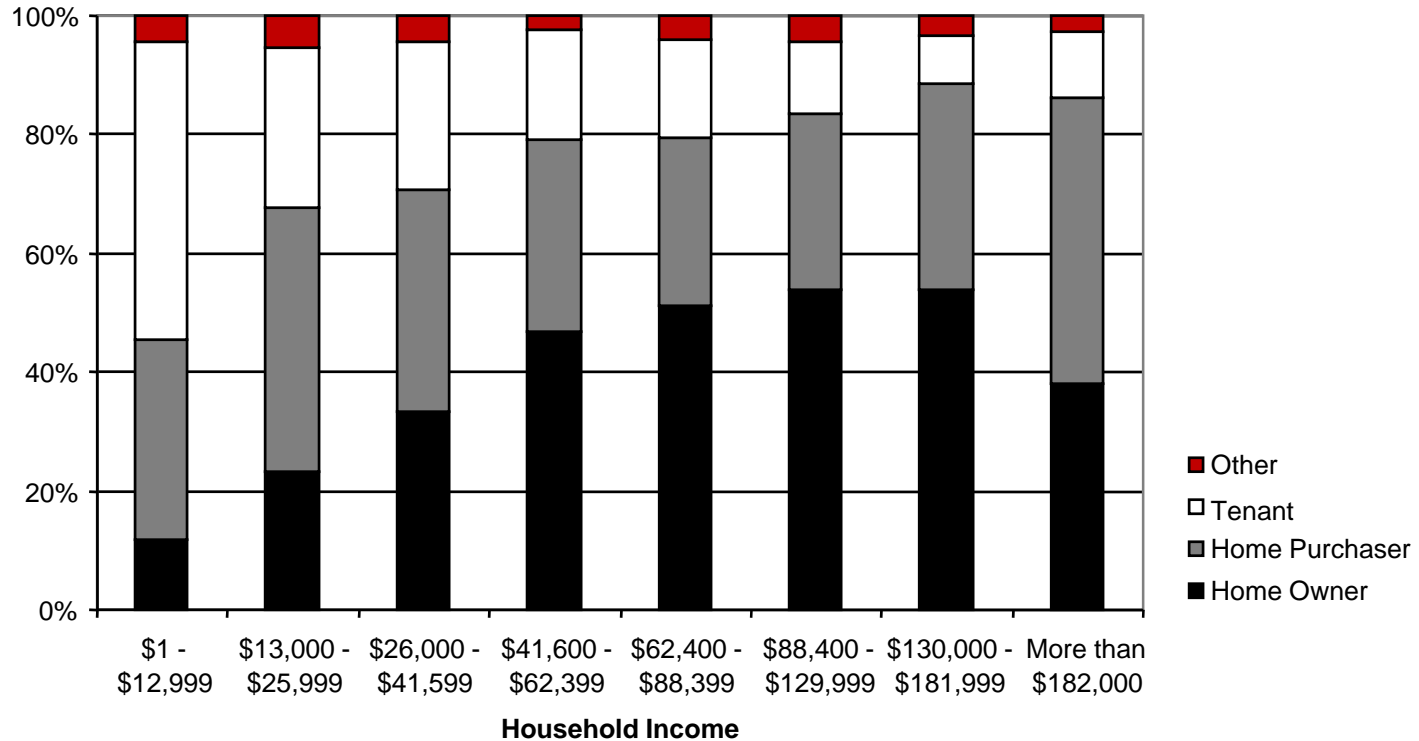
Marginal attachment to the labour market  
or affordability?



Tenure by household employment status

Households where the respondent was aged under 65 and  
where two or more adults resided

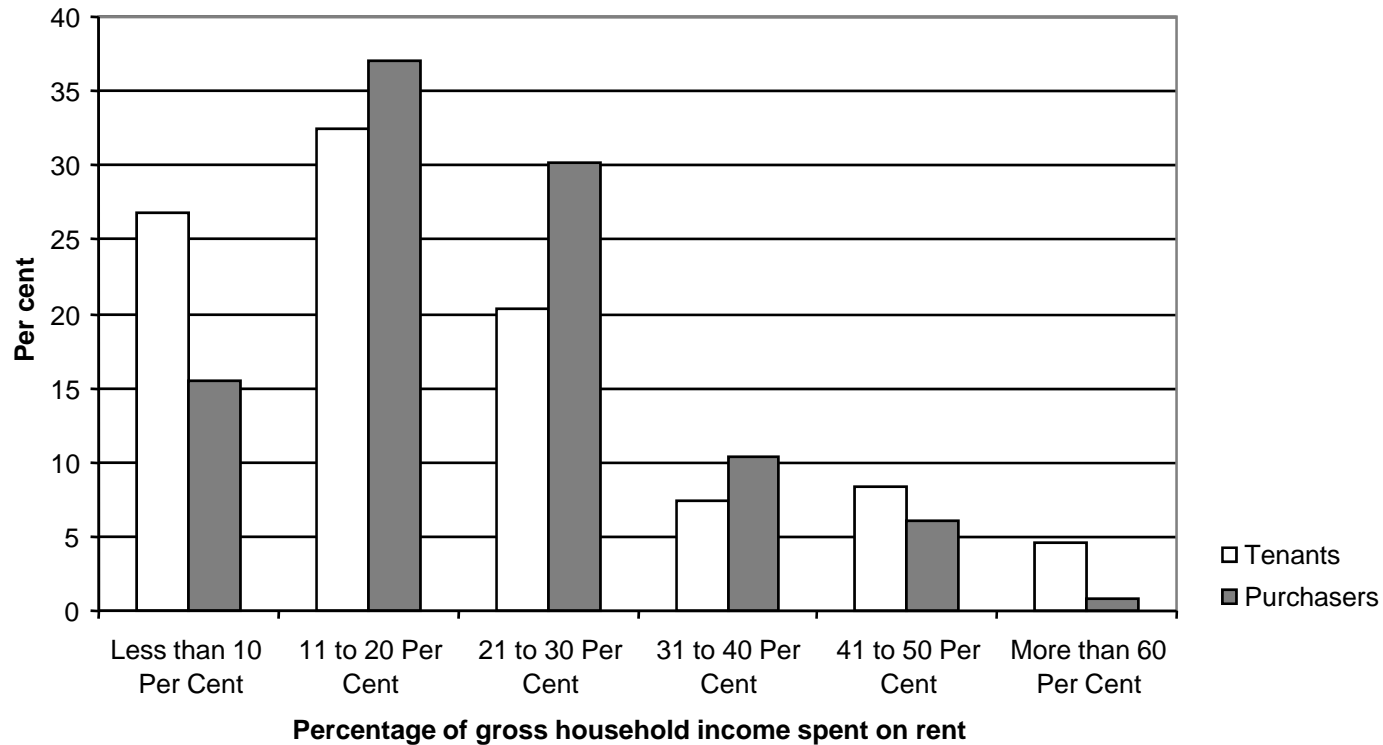
# The evidence base



## Tenure by income

Households where the respondent was aged under 65

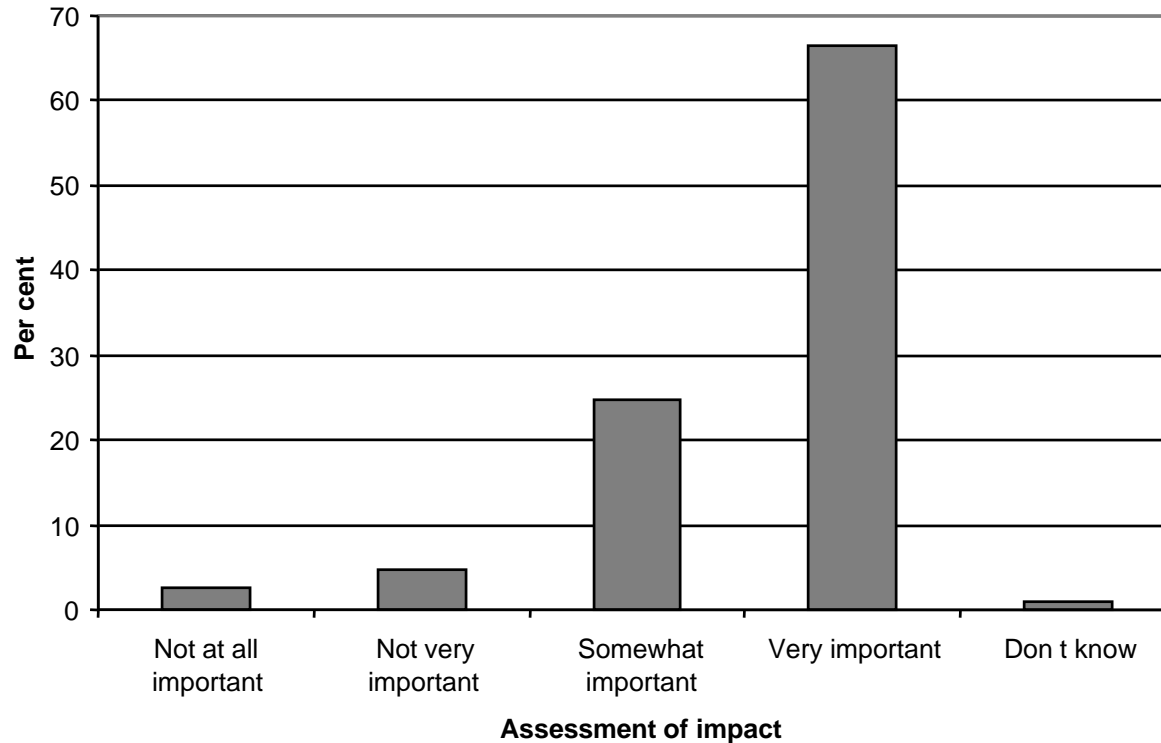
# The evidence base



Housing affordability  
Tenants and purchasers aged 18-34

# The evidence base

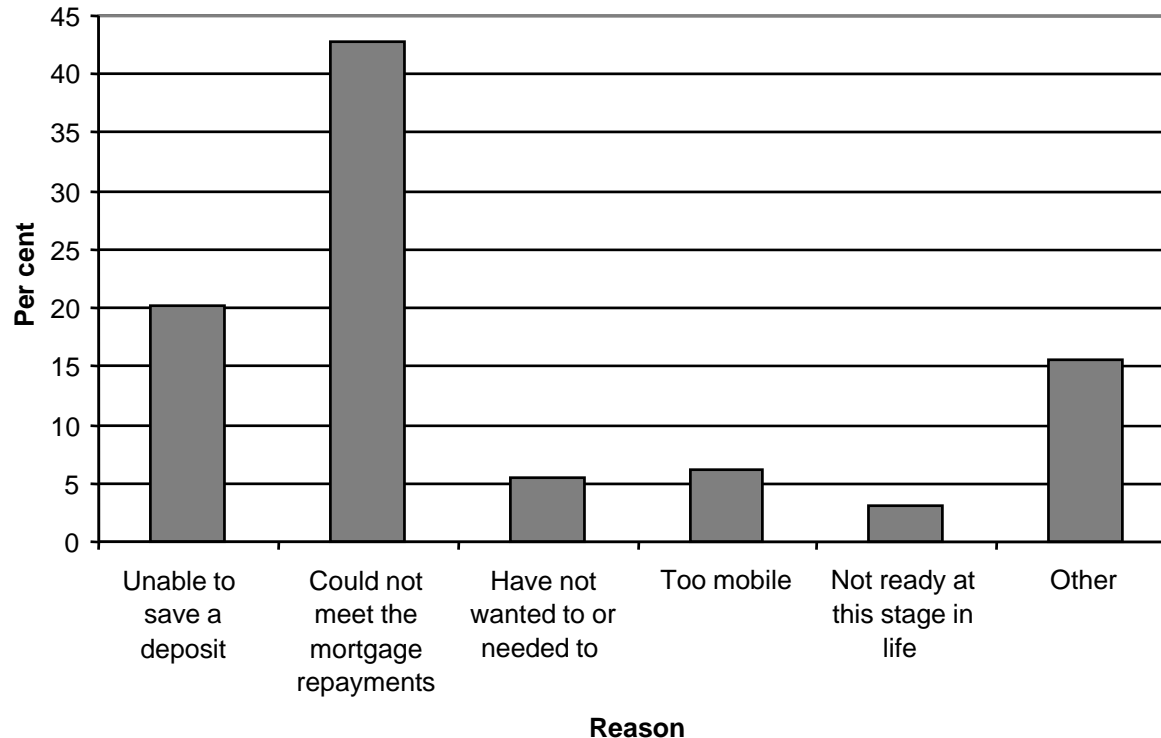
Marginal attachment to the labour market  
or affordability?



Self assessment of financial circumstances on  
lifetime housing decisions

# The evidence base

Marginal attachment to the labour market  
or affordability?



Reasons for not entering home purchase

# The evidence base

## Health, disability and care

Health, disability and wellbeing has emerged as a primary driver of housing careers in 21st century Australia.

- 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 disability or long term health condition.
- 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 ‘core activity limitations’.
- 13 per cent of households one or more members provided care to an individual who required care or assistance.

# The evidence base

## Consumption motives

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.
- 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.

# The evidence base

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.

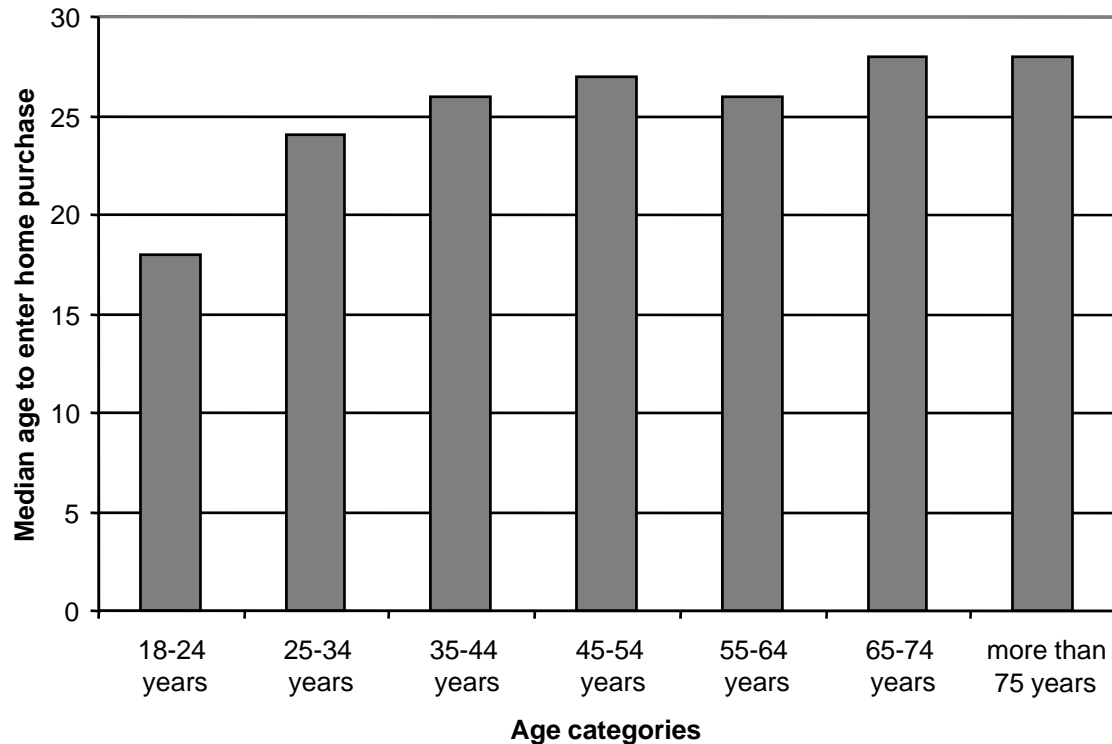
**Households that have moved out of homeownership while renovating their home appear to represent one per cent of the demand for rental housing and this appears to be a fundamentally new driver within the Australian rental market.**

Fully half of all mortgage holders who responded to the Housing 21 survey had refinanced their loan in some way.

- 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).

# Policy issues

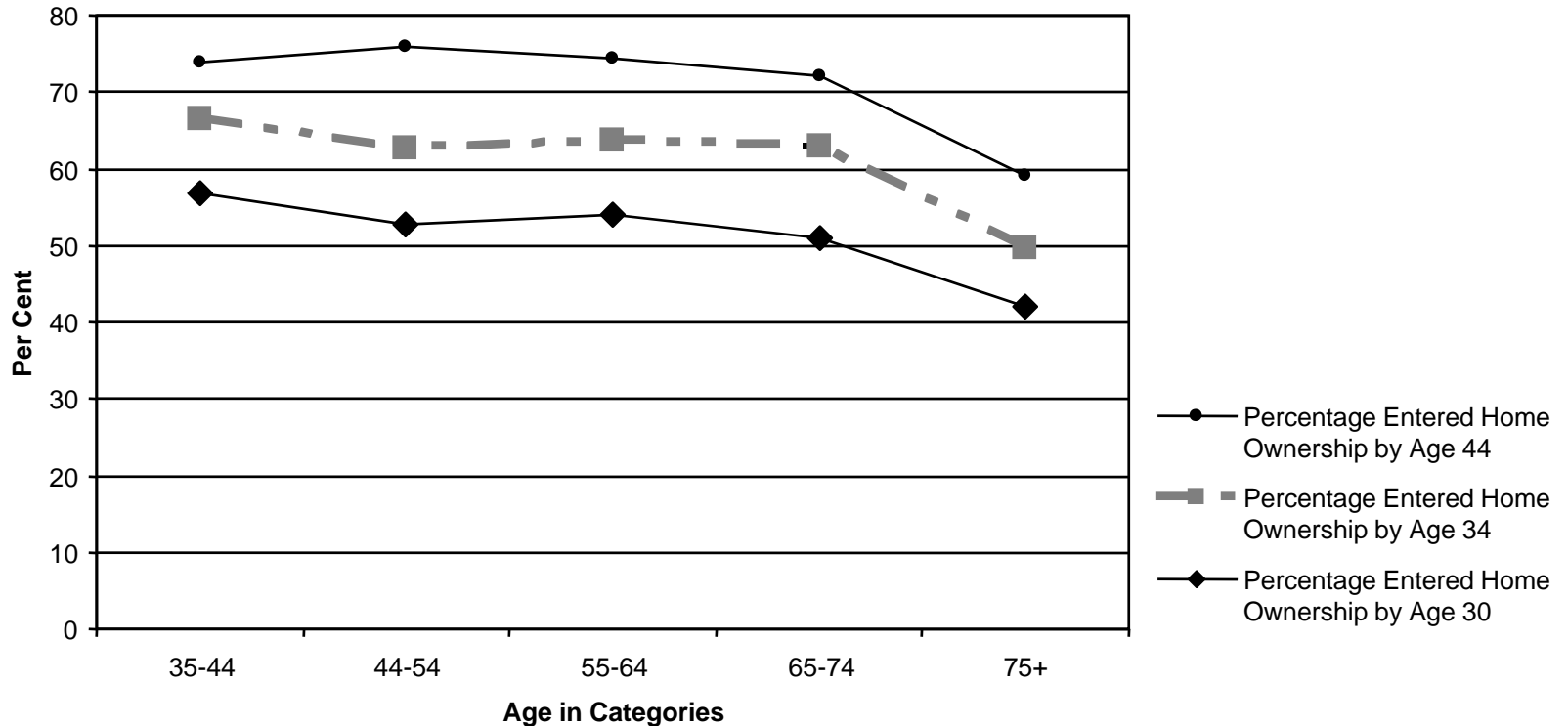
Do we need to help young people into home ownership?



Median age of first home purchase  
Those who have achieved home purchase by age group

# Policy issues

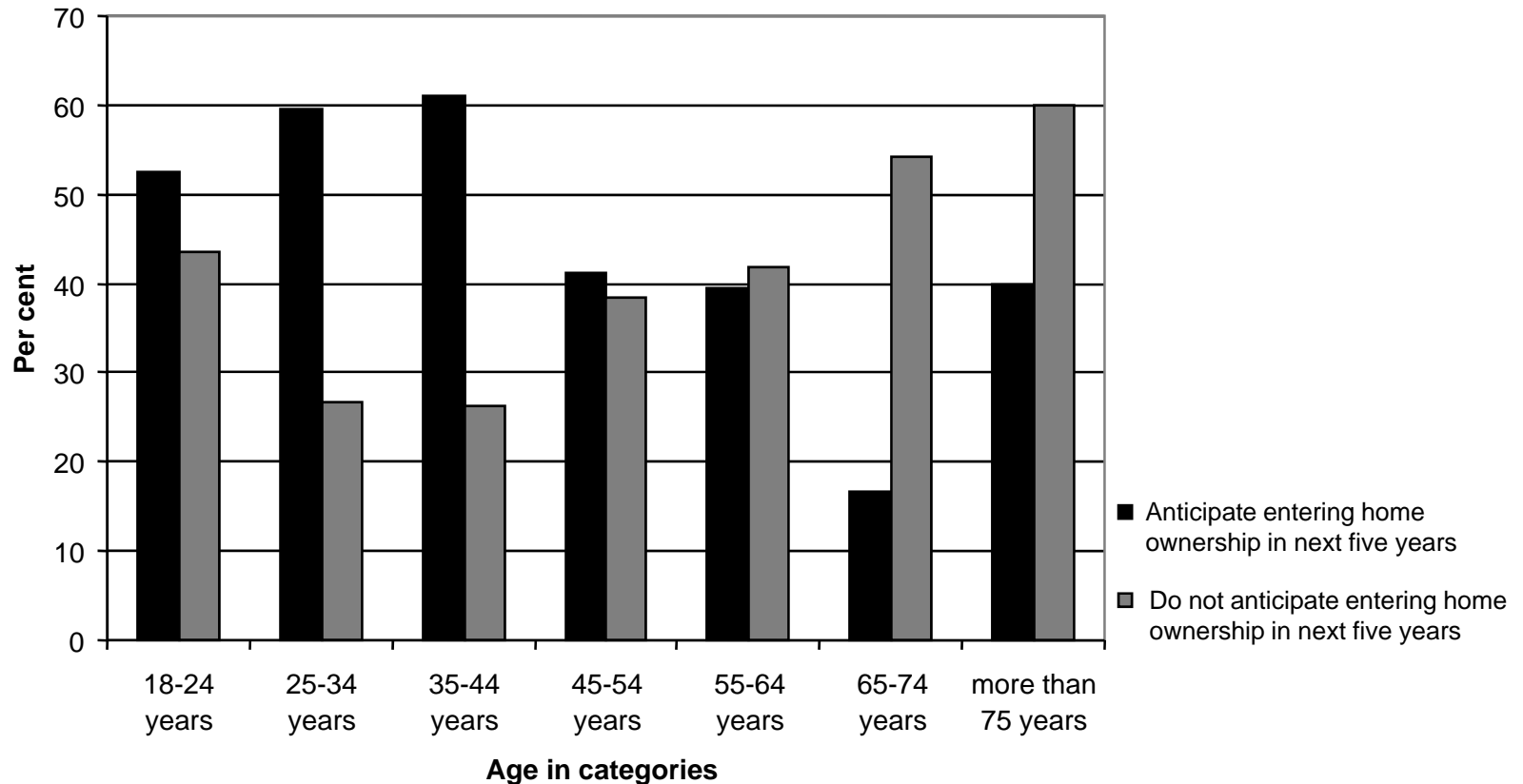
Do we need to help young people into home ownership?



Percentage of population to enter home purchase  
By cohort, at age 30, 34 and 44

# Policy issues

Do we need to help young people into home ownership?

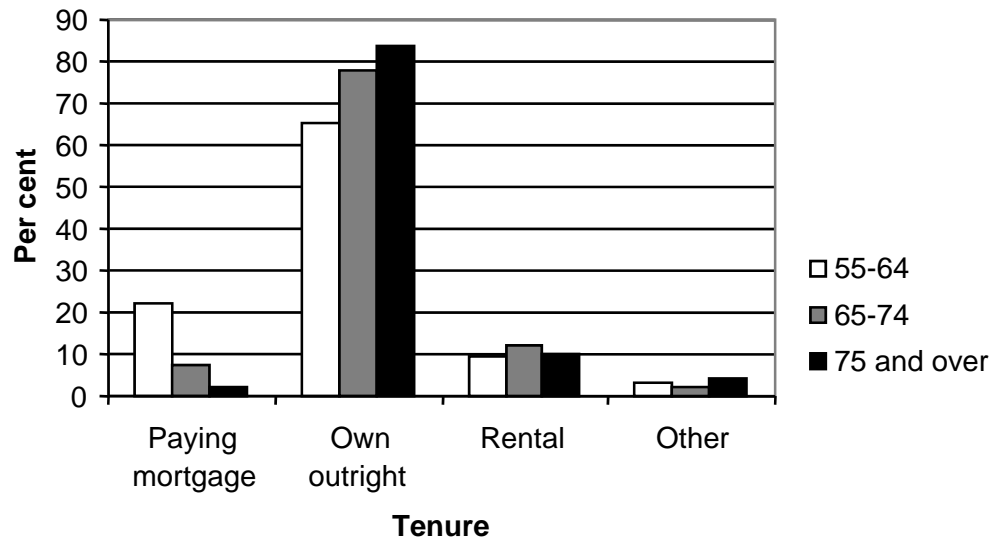


Percentage of population to enter home purchase  
By cohort, at age 30, 34 and 44

# Policy issues

## Ageing and housing in the 21<sup>st</sup> century

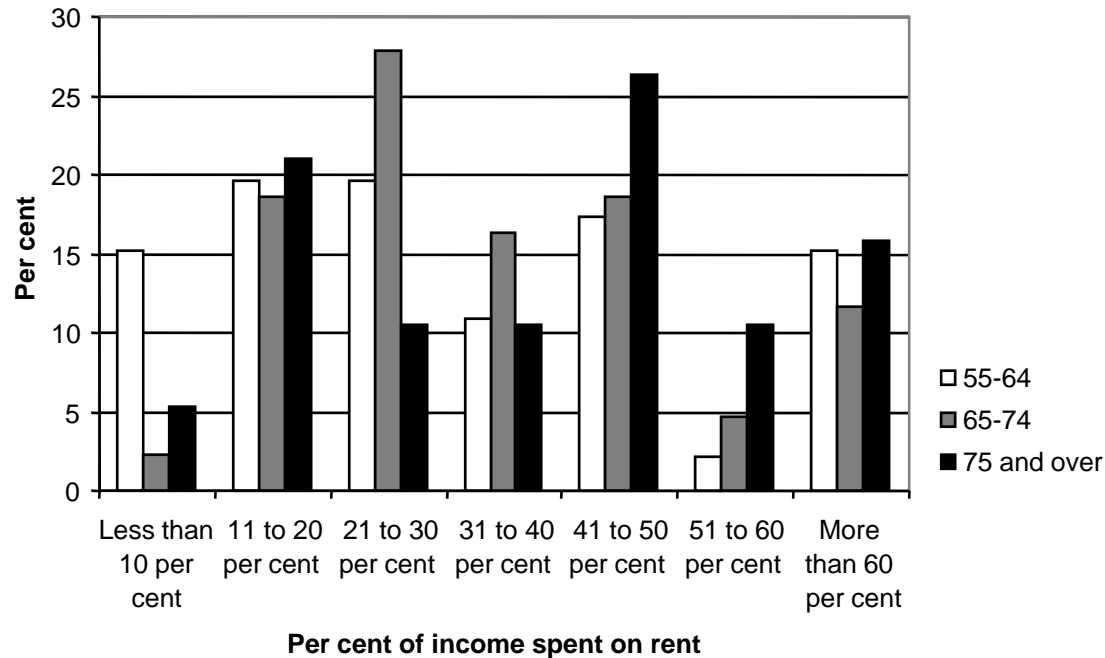
Remarkably 82 per cent of renters aged 55 years and over in the Housing 21 Survey indicated they had previously been in the home ownership market.



Household tenure by age

# Policy issues

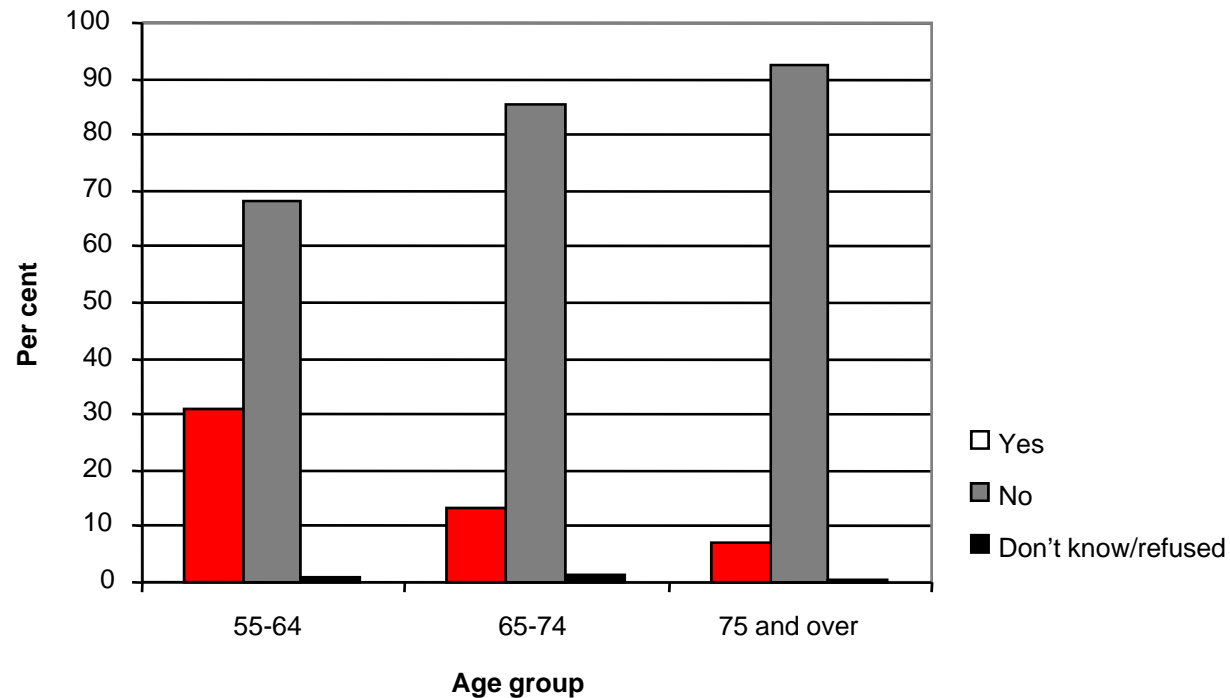
## Ageing and housing in the 21<sup>st</sup> century



Housing affordability for tenants

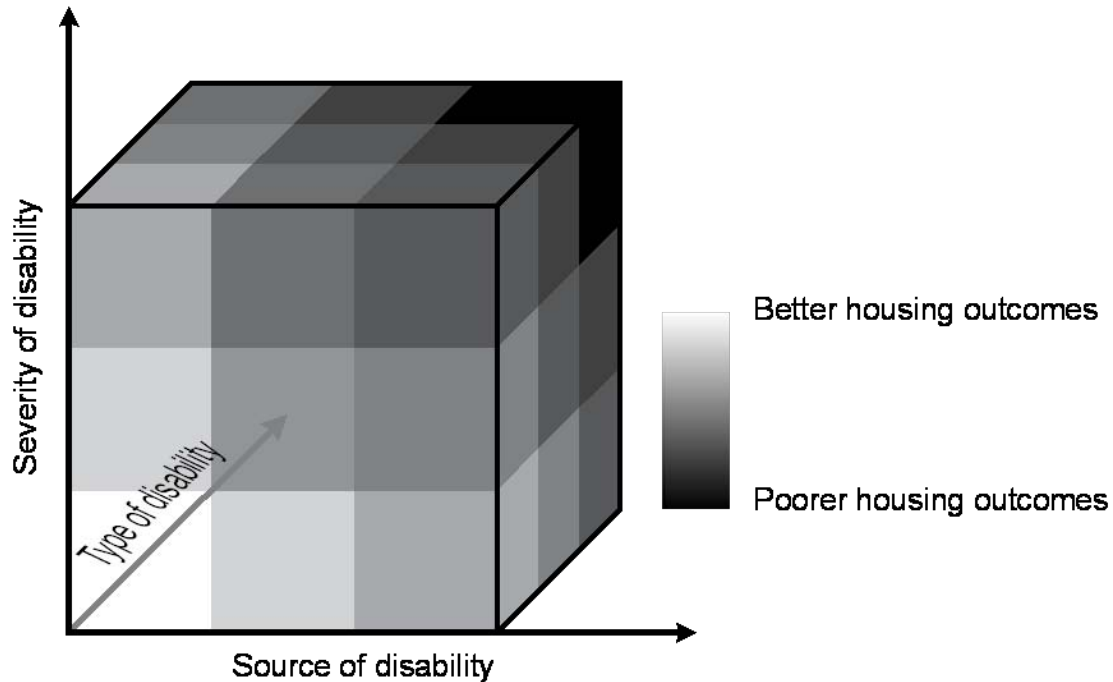
# Policy issues

And then there is housing wealth



Ownership of property other than principal dwelling  
Persons over 55 years of age

# Disability and housing policy into the 21<sup>st</sup> century



Conceptualizing disability and its impact on housing career

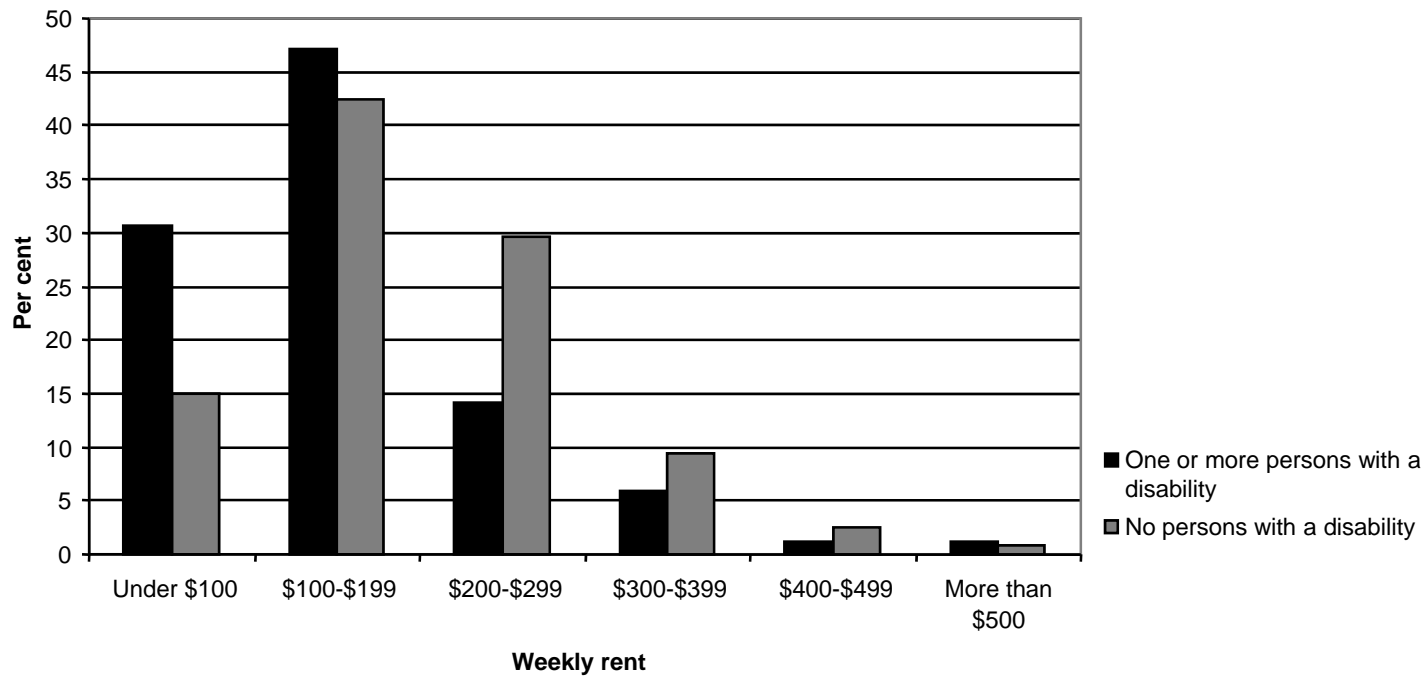
# Issues

- Low incomes, high housing costs
- Lack of accessible housing stock
- Poor mobility through the market
- Access to public transport
- Need for some to use support services

# Issues

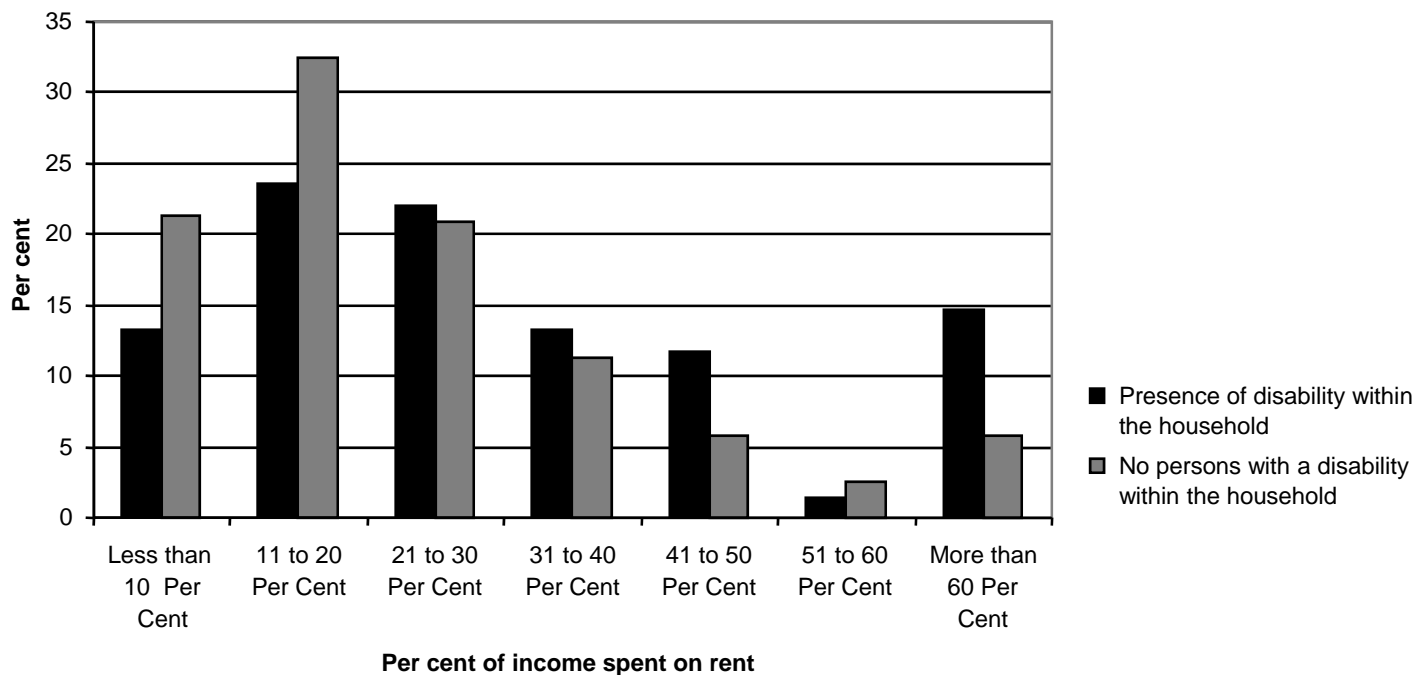
Cont...

- Impacts on carers
- Difficulties in planning for future housing
- Public housing system not designed for a disabled population
- Need for long term assistance – as per labour market interventions advocated by Mental Health Australia
- Integration with CSTDA



## Weekly rent

For households where respondent was under 65 years of age,  
by presence of a disability.



## Housing affordability

For tenants aged under 65 years, by presence of a disability

# Conclusions

- Housing transitions – policy frameworks need to accommodate the diversity of outcomes within the market
- The impact of divorce/separation on 21<sup>st</sup> century housing careers is substantial
- Consumption aspirations drive much of the market

# Conclusions

Cont...



- In the latter part of the 20<sup>th</sup> century, home was a place for the provision of care for children, increasingly in the 21<sup>st</sup> century it will be a place for the provision of care for adults
- Supporting people to enter and maintain home ownership is critical
- Ageing – increased life expectancy and increased assets for future generations of the aged – but a significant minority left very vulnerable.