

EXECUTIVE SUMMARY

The Winston Churchill Memorial Trust
Report by Jennifer Kulas, 2020 Churchill Fellowship

To investigate innovative housing models for women and women-headed households.

CONTEXT

Australia is experiencing a housing affordability crisis. The increasing cost of housing continues to outstrip wage growth. As higher levels of household debt are required to access home ownership, Australians are now among the most indebted population in the world. Despite successive government policies that aim to facilitate the purchase of a home, overall home ownership rates are falling among younger generations and more Australians are renting for longer.

Against the background of this broader affordability crisis, Australian women face particular challenges as lifelong financial inequities deteriorate their ability to access appropriate and affordable housing. Such inequities include the gender pay gap, elevated risk of experiencing family violence, and an increased share of childrearing and unpaid caring responsibilities.

In recent years there has been increasing media attention promoting the statistic that homelessness is growing among single women aged over 55 faster than any other demographic. This fact is sobering. In reality, women can face challenges that impede their ability to achieve financial equality, and access to secure housing, at almost all life stages.

The prevalence of housing insecurity amongst women is further pronounced as gender intersects with other identity factors, such as cultural background. The experience of homelessness and housing insecurity is elevated amongst Aboriginal women and women from non-English speaking migrant backgrounds.

Family composition is another relevant consideration. Eight out of ten sole parent households in Australia are headed by women. Sole parent households headed by a woman are twice as likely to live below the poverty line when compared to sole parent households headed by men.

Women experience homelessness differently to men and are more likely to seek insecure housing arrangements over rough sleeping, such as couch surfing, temporary stays with friends or family, or sleeping in their car. This is reason to believe that the extent of homelessness and housing precarity experienced by women is not

adequately captured in broad data collection activities such as the national census.

Without a significant change in the current approach, housing affordability will continue to decline in Australia, both among women and the general population. This has the potential to cause greater avoidable hardship for many, reduce economic productivity, and increase government spending in areas such as policing, mental health and family violence support services. Various recent studies indicate that public spending on nonprofit housing represents an exceptional value for money investment for Government.

In Australia today, the overwhelming majority of Commonwealth spending on housing takes the form of 'subject' subsidies, cash payments to households which assist them to meet housing costs, most commonly on the private rental market. This report advocates for shifting to a model of increased 'object' subsidy spending, or in other words, investing in creating nonprofit housing that can be tenanted by eligible residents at below-market rents.

There is also need for clarity from all levels of government as to what constitutes social and affordable housing. Relatedly, greater regulation in the housing sector is necessary to provide long-term housing security for renting residents.

As social and affordable housing currently represents such a small percentage of overall housing stock in Australia (hovering at about 4 per cent), the potential to expand targeted housing responses for women is inherently limited. Put plainly, we cannot have a specialised housing response at scale when we don't have a general one.

In the first half of the 20th century, successive governments provided housing subsidy and support to working class or moderate-income families. Today, with such little nonprofit housing stock, support has necessarily come to target the most needy. In every city visited as part of this Fellowship, a broad segment of the population, from very low- to moderate-income earners, are eligible for some form of rental housing at below-market rent.

It is clear we must find our way back to a broad base

housing support system. Urgent action and investment is needed if we are to avoid further escalation of the current housing affordability crisis.

So many of the systems and legislation required to increase the breadth and depth of submarket nonprofit housing already exists in Australia. So too is there a talented and values-driven network of stakeholders currently working in the submarket housing space, however the potential of this sector remains under-utilised as it is starved of consistent subsidy and clear regulation.

We must find the will to adapt our existing tools and unlock the incredible potential of these actors. Investigation of the international case study cities shows that this is possible, viable and attainable; an inspiring precedent that can be replicated to increase access and affordability of housing for more Australian women.

PROJECT DESCRIPTION

The objective of this research is to understand the factors that have made it possible to deliver innovative nonprofit housing projects for women internationally. From this research, it is my aim to apply these learnings to an Australian context and increase the breadth and depth of nonprofit housing models for women.

The primary research methods of the fellowship included site visits to a range of completed and in-construction projects to witness firsthand how these innovative housing models function. This was supplemented with stakeholder interviews conducted with policy makers, government officers, nonprofit housing providers, architects, developers, financiers, community actors/activists, and most importantly, residents.



Figure 1: Map of cities visited as part of eight-week Churchill Fellowship travel period

KEY FINDINGS

Every one of the case study cities investigated as part of this Fellowship are experiencing heightened housing affordability pressures when compared to the broader national contexts in which they exist. It was quickly evident that cities are becoming, by necessity, the “engine rooms for change” when it comes to tackling housing affordability challenges.

In no city was a ‘perfect system’ observed but in every city a greater effort was being made to create genuine reform and address the issue of housing affordability than is currently evident in Australia.

Despite varying cultural and political influences and consistent financial and growth pressures, every one of the case study cities are implementing policies to create and maintain access to nonprofit housing that is affordable to people on very low- to moderate-incomes.

Unsurprisingly, in cities where greater subsidies are available and there is a higher percentage of below-market nonprofit housing, there is also a greater diversity of housing models and more innovative projects.

Gender-specific government policies with the stated aim of creating housing access for women were not commonplace among the studied cities. Despite this, a collection of exemplar women’s housing projects exists thanks to the exceptional efforts of grassroots women actors, including those of the *ro*sa* building communities in Vienna and residents of New Grounds *Older Women’s CoHousing* (OWCH) in London.

Encouragingly, all studied cities were taking similar actions to generally facilitate access to submarket housing in the following ways:

1. Every city has a stated target to either increase or maintain a percentage of overall housing stock as nonprofit housing rented at below-market rates;
2. Every city has slowed or completely ceased selling public land to private actors, instead choosing to retain public ownership and use land assets, such as via long-term ground leases, for nonprofit housing;
3. Every city is implementing a broad base housing policy with a focus on addressing the housing needs of very low- to moderate-income households;
4. Every city is benefiting from both ‘subject’ and ‘object’ subsidies from least one level of government, and often multiple;
5. Every city has mandatory inclusionary zoning as part of the planning scheme which require

private multiresidential developments to include a percentage of housing offered to eligible households at below-market rate; and

6. Nonprofit housing providers in every city are regulated to ensure that subsidised housing continues to operate as submarket nonprofit housing in the long-term.

These combined actions have the effect of either increasing the percentage of nonprofit submarket housing in recent times, such as is the case in Helsinki, or maintaining the overall percentage in the context of a booming speculative development market, as is the current situation in Zurich.

While women-focused housing policies were not prevalent, the availability of subsidies, intentional housing policy settings, and ongoing monitoring of the housing sector serve to stimulate both a greater breadth and depth of nonprofit housing delivery, which significantly improves housing outcomes for women.

At present, a significant amount of public spending on housing in Australia takes the form of tax concessions and subsidies for home buyers and owner-investors to purchase market housing. This public spending would be far more efficient at addressing the housing needs of very low- to moderate-income households if directed to delivering more nonprofit rental housing.

Providing public subsidies to stakeholders with the expertise to deliver quality housing entitles government to place regulations and qualifying conditions on a given project in exchange for financial support. This means that any housing created can be maintained as nonprofit submarket housing stock in the long-term.

CONCLUSIONS

This investigation of innovative housing models for women in Vienna, Helsinki, Zurich, Basel, Paris, Amsterdam, and London tells a compelling story.

Taking the state of Victoria as an example, current efforts to increase access and delivery of below-market nonprofit housing outcomes in Australia are comparatively weak. Key departures from international best practice are as follows:

1. While the drafting of a national housing strategy (*National Housing and Homelessness Plan*) by the Commonwealth Government is underway, there is currently no national or state-based commitment to maintain or increase the percentage of social and affordable housing in Victoria.

2. It is commonplace for various levels of government to sell public land at the highest achievable price; meaning that it is most often sold to private entities willing to engage in speculative development and with no inclusionary zoning requirements.
3. Object subsidy and current housing policy settings continue to be particularly susceptible to politicisation by various successive governments, which has severely limited the capacity of the nonprofit housing sector to devise and deliver long-term strategies.
4. Registered Housing Agencies (RHAs) are largely confined to delivering social housing for people on very low incomes and in acute housing need, rather than having the scope to address housing needs for a broader segment of the population.
5. Subject subsidies such as *Commonwealth Rent Assistance* and home ownership/ investor-owner tax incentives are having a reduced effect on improving broader housing affordability, while costing taxpayers more over time.
6. No general mandatory inclusionary zoning requirements exist within the state planning scheme, which would ensure a percentage of below-market housing was delivered in step with the overall growth of speculative housing across the state.
7. Whilst a legislated definition of ‘affordable housing’ exists in Victoria, in practice variations of this term are inconsistently applied by the State Government, RHAs and private developers which corrodes its meaning and deteriorates the capacity to regulate ongoing compliance.
8. Subsidy and planning obligations generally require social and affordable housing to remain as this tenure type for a period of only 10 to 20 years. This means that it can be readily converted into speculative housing in the medium term. This is far shorter than the time limits observed in case study cities.
9. Per capita spending on housing subsidies is comparatively low and there has only been modest value capture mechanisms implemented to direct funding to the sector, particularly given the rapid population and construction growth that has occurred in Melbourne and surrounding regional cities over the last several decades.
10. Rental laws in Australia are among the least regulated in the world. This legislation is generally drafted to favour the interests of owner-investors and are less regulated than the residential tenancy laws applicable in all the case study

cities. Creating greater tenant protections has the potential to improve housing security for the large cohort of women who live in private rental housing in Australia; without need for subsidy or the time it takes to construct new dwellings.

As a result of these factors, in recent decades Victoria has witnessed an overall decline in the number of submarket homes as a percentage of overall housing.

The *Big Housing Build* announcement in 2020 is a welcome investment in submarket nonprofit housing in the state. However, without an ongoing commitment of a similar scale, this amount will only bring the state’s percentage of submarket housing stock back in line with the national average.

The scale and ongoing growth of housing development in Australia means that there is more potential than ever before for below-market nonprofit housing to exist alongside market development, and to collectively stimulate jobs and the broader economy in the process.

It is also encouraging that many of the mechanisms required to increase the percentage of submarket nonprofit housing in Australia already exist.

This Fellowship revealed some truly inspiring examples of nonprofit housing, many of which could conceivably exist in Australia and provide the submarket housing we so desperately need.

No one solution can singlehandedly address the current housing affordability crisis and yet every attempt to tackle this problem has the potential to contribute to meaningful change.

The cities explored in this report should inspire the confidence to make bold policy changes. Investment in the nonprofit housing sector, paired with clear regulation, will provide greater housing outcomes for very low- to moderate-income households, capturing a significant number of women and their families.