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FINAL INQUIRY REPORT

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

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Publication Date September 2020

DOI 10.18408/ahuri-5117001

**AHURI**

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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>

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

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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

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Acronyms and abbreviations used in this report

ABS	Australian Bureau of Statistics
AHA survey	Australian Housing Aspirations survey
AHURI	Australian Housing and Urban Research Institute Limited
AIHW	Australian Institute of Health and Welfare
NSW	New South Wales
PRA	Private rental assistance
SIH	ABS Survey of Income and Housing
WA	Western Australia

Glossary

A list of definitions for terms commonly used by AHURI is available on the AHURI website www.ahuri.edu.au/research/glossary.

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

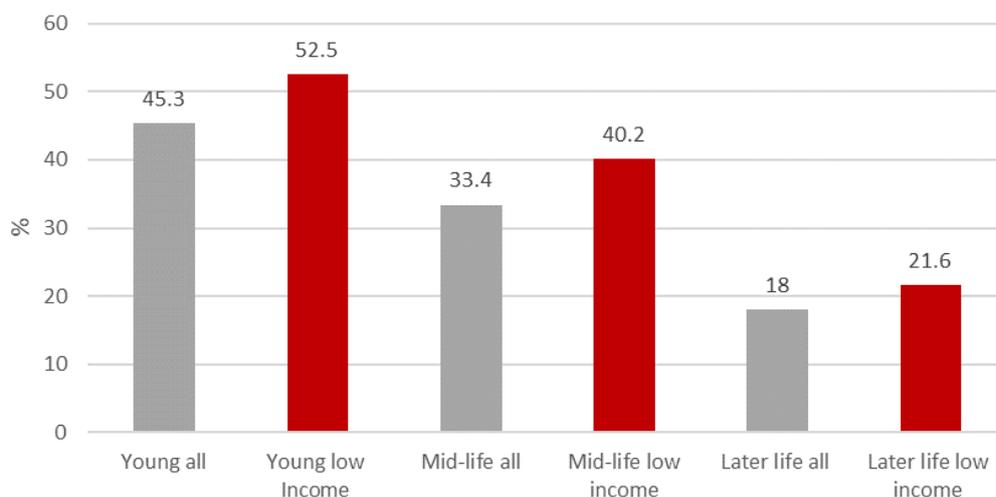
	Short term	Longer term
All households	87%	58%
Young	80%	36%
Mid-life	87%	50%
Older	94%	67%
Ownership	92%	69%
Private rental	82%	46%
Social housing	84%	57%
Very low income	83%	52%
Low income	89%	59%
Moderate income	87%	59%

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.

1. Housing aspirations: why and how they matter

- **Generational housing opportunities are changing. Existing evidence points to reducing opportunity for younger generations, in particular, to access home ownership, with large proportions of households now living in the private rental sector including long term.**
- **Low income intersects with life stages in different ways at young adulthood, mid-life and later life and requires a more integrated policy response.**
- **The Australian ‘housing affordability crisis’ presents the opportunity and necessity to rethink and reform the alignment between what households at key life stages want and need from their housing, with the types of assistance, options and housing futures available to them.**
- **An evidence-base founded in the concepts of housing aspirations and aspirations gaps provides insights into what households wish to achieve and types of policy innovations that can most effectively reduce current and longer-term housing aspirations gaps.**
- **This report is the fourth and final report in a series of integrated research that presents in detail the housing aspirations and aspirations gaps in young adulthood (18–34 years), at mid-life (35–54 years) and in later life (55 plus years).**

1.1 Why an Inquiry into the housing aspirations and constraints of lower-income Australians?

The Australian housing system no longer meets the needs and priorities at key life stages of many moderate to lower-income Australian households. More than a decade of AHURI and other evidence has traced the changing nature of occupancy, affordability and housing consumption and the disinvestment in public housing and expansion of private rental living and demand. Ongoing demographic change and shifts in labour and housing markets are altering traditional pathways into home ownership, particularly among younger, single income, lower-income and insecurely employed households (Wood and Ong 2015; Campbell, Parkinson et al. 2014; Burke, Stone et al. 2014; Yates 2012; Baxter and McDonald 2005).

Existing evidence suggest many households make considerable trade-offs—financial, location, tenure and type—to attain home ownership, even on low-to-moderate incomes (Department of Housing (WA) 2013; Rowley and Ong 2012; Hulse, Burke et al. 2010) and many will drop out of home ownership (Sharam, Byford et al. 2018; Ong, Wood et al. 2014). Private rental is the major alternative to home ownership yet provides few of its benefits (Hulse and Burke 2015). Lower-income households in private rental are at heightened risk of housing stress and forced residential mobility (Stone, Sharam et al. 2015; Hulse, Reynolds et al 2015; Stone, Burke et al. 2013). Evidence also indicates that exiting from social housing into private rental is not necessarily the most viable pathway and that hybrid or supported tenure forms may prove most effective in assisting households towards independence (Wiesel, Pawson et al. 2014; Powell, Meltzer et al. 2019; Muir, Powell et al. 2020 forthcoming; Baker, Leishman et al. 2020).

Indigenous Australians experience housing discrimination (Bielefeld and Altman 2015) and other constraints in higher overall proportions than other Australians across the life-course (Moran, Memmott et al. 2016; Productivity Commission 2020) which has profound impacts on whole-of-life education, training, employment, health, and justice equalities (Andersen, Williamson et al. 2017; Altman 2012; McDonald 2011). The types of housing and housing supports available to Indigenous people living in remote, regional and metropolitan contexts is likely to shape future housing aspirations.

Similarly, population groups, such as those living with disability or chronic poor health and their carers, face particular forms of deep constraints, the impacts of which are profound and important to understand within housing and broader social policy (Wiesel, Laragy et al. 2015; Baker, Bentley et al. 2013).

The depth and extent of housing problems now facing many moderate and low income Australian households across the life-course cannot be addressed by existing policy levers, or at least not in isolation. Innovative approaches to housing provision are essential to provide households with alternatives to current models of delivery.

Despite the critical and potentially prolonged impact of housing affordability constraints and the associated housing assistance cost burden, there has been limited life stage analysis focused specifically on the shelter and non-shelter aspirations of lower-income households at key life stages. One of the last large scale investigations of what Australians want from their housing was undertaken by Beer and Faulkner (2011), a study that highlighted inequities between generational housing opportunities as well as challenges facing those with limited capacity to engage in employment and live long-term without disability or direct housing assistance.

As housing affordability pressures have continued to escalate in the last decade, we know little about what households in the young adulthood, mid-life and later life cohorts require from the 'housing bundle' (Bassett and Short 1980), including shelter (such as control over occupancy, reduced lifetime housing costs) and non-shelter benefits (including stability/flexibility, psycho-social, work, training and wealth accumulation) (Bridge, Cockburn-Campbell et al. 2003).

1.1.1 Young adult life

Housing constraints for young people are far more significant than housing alone—they affect engagement in the economy and society, family formation and futures. Sustained growth in house prices in major cities combined with demographic and labour market restructuring over the past 20 years has altered the ability of many young people to realise their housing goals in both private rental and home ownership markets (Campbell, Parkinson et al. 2014; Hulse and McPherson 2014; Hulse, Reynolds et al. 2015; Kohler and van der Merwe 2015; Parkinson, James et al. 2018; Yates 2012).

This growing housing opportunity gap between generations is reflected in the tendency for young people to remain in or move in and out of the parental home well into their adult years, commonly expressed as a ‘failure to launch’ or ‘boomerang’ children. It is also reflected in the growing numbers of young people now joining the ranks of ‘generation rent’—locked out home ownership and with an increased necessity for shared living (Baum and Wulff 2003; Bruce and Kelly 2014; Burke, Nygaard et al. 2020; Burke, Stone et al. 2014; Clapham, Mackie et al. 2014; Furlong, Woodman et al. 2011; Hoolachan, McKee et al. 2017; Kins and Beyers 2010; McKee 2012).

But the capacity for young people to establish themselves in private rental housing is also affected by low and precarious incomes, and participation in education and training that can prompt forced returns and delayed exits from the parental home or increase the necessity for shared living (Campbell, Parkinson et al. 2014). This has shaped a tolerance for normalising of (at times) highly inadequate and precarious living arrangements for large groups of young people—particularly students, those in receipt of income support, or the precariously employed—which may precipitate or add to the risk of homelessness and frequent mobility (Mallet 2010). In a changed rental and home ownership market young people have been forced to or willingly rely more on their informal supports and networks, particularly families, to meet their housing needs and to help them move towards attaining their longer-term aspirations. The extent to which less formal living arrangements are ideal for young people in the short term or whether they enable them to more easily meet their longer-term housing aspirations was a key theme explored for young people in this Inquiry (Parkinson, Rowley et al. 2019).

Additionally, an increasing body of evidence internationally points to generational changes similar to those seen in the Australian context, whereby younger generations in particular are bearing the brunt of housing opportunity shifts that result in reducing access to home ownership, with limited alternative housing options in place that provide the perceived benefits of ownership. Baum and Wulff (2003), Bruce and Kelly (2014), Burke, Stone et al. (2014), Clapham, Mackie et al. (2014), Furlong, Woodman et al. (2011), Hoolachan, McKee et al. (2017), Kins and Beyers (2010), McKee (2012) and others point to these trends in the UK and through Europe, while Forest and Yip (2013) point to similar trends emerging for age cohorts within at least some Asian countries, including Hong Kong.

1.1.2 Mid-life

Home ownership is in decline for those at mid-life (Yates 2015; Burke, Stone et al. 2014; Ong, Wood et al. 2014) with the primary alternative being private rental (Stone, Burke et al. 2013). However, renting privately among lower-income households is associated with heightened risk of housing affordability stress, unwanted mobility, risk of exploitation and reduced capacity to save for a home purchase deposit due to high rental costs (Stone, Sharam et al. 2015; Hulse, Reynolds et al. 2015; Sharam and Hulse 2014; Stone, Burke et al. 2013). Housing affordability concerns are compounded by the casualisation of labour markets and disrupted and diversified patterns of family formation, coupled with population mobility (domestic and international) that enable or constrain households from becoming financially independent (Campbell, Parkinson et al. 2014; McDonald and Temple 2013).

For family households providing for dependent children and/or ageing parents, housing stability, dwelling size, type and proximity to employment/amenity are likely to be paramount. However, in a low affordability housing market, increasing numbers of families with children (i) live long term in financial housing stress, (ii) experience high rates of unwanted mobility in the private rental sector, and (iii) increasingly follow more affordable ‘investment corridors’ of low rent housing in outer metropolitan areas, far from employment and amenity (Hulse, Reynolds et al. 2015; Burke, Stone et al. 2014).

Unmet shelter and non-shelter aspirations and needs result in increased demand for a range of types of government provided housing assistance, either for tenure/dwelling transition, or to maintain occupancy. The housing assistance cost burden for mid-life households in Australia is increasing annually (AIHW 2019), reflective of significant housing-related disadvantage for growing proportions of households in this age cohort (Sharam, Byford et al. 2018), as well as a substantial cost for current governments and future budget risk.

Administrative reporting indicates demand for home purchase support schemes such as First Home Owners Grant is high at mid-life; increasing numbers of mid-life lower-income families living in the private rental sector are in receipt of Commonwealth Rent Assistance payments and Private Rental Assistance supports; and for households in State Owned and Managed Indigenous Housing, mid-life is the peak period of occupancy, with more than 25 per cent of tenants aged 35–54 years. Evidence shows many mid-life households rely on a range of homelessness and housing support services in response to extreme housing precarity at this life stage (Sharam, Byford et al. 2018; AIHW 2016).

1.1.3 Later life

Population ageing is a significant and lasting demographic phenomenon that will usher in major social and economic transitions globally. Based on current trends in fertility, life expectancy and migration rates, the Australian Bureau of Statistics (2013; 2018) projects that the number of persons aged 55 and over will more than double, from 5.8 to 14.1 million between 2012 and 2062.

Due to decreasing affordability, patterns of housing consumption, an expanding private rental sector and a dramatic fall in public housing investment, the Australian housing system is not meeting the needs of all Australians (Beer and Faulkner 2011; Stone, Burke et al. 2013). Many households are making trade-offs in terms of location and dwelling type to meet life stage priorities (Rowley and Ong 2012; Department of Housing (WA) 2013), falling out of home ownership (Ong, Wood et al. 2014) and increasingly residing in the private rental sector (Hogdson, James et al. 2018). Little, however, is known about the shelter and non-shelter housing aspirations of older lower-income Australians.

Previous studies have shown that older persons have very different shelter and non-shelter priorities than younger populations, which in turn inform their housing aspirations (Beer and Faulkner 2011). While moves in earlier stages of the life-course are often motivated by employment and family formation factors, post-retirement moves are more likely to be related to other factors such as lifestyle choices (Gurran 2008) and the departure of adult children from the family home (Clark and Deurloo 2006). Many people, however, adapt their housing aspirations as they become increasingly exposed to vulnerabilities during the process of ageing (Annard, Lacey et al. 2015). It is important to understand what households want from the 'housing bundle' in terms of key shelter and non-shelter aspirations, as well as how, why and for whom aspirations may be constrained.

Beer and Faulkner (2011) show that in terms of 21st century housing careers, there is an increased diversity of households, household needs and pathways, due to rapidly changing and diversifying employment, family and global trends. This variation will influence the way in which older Australians aspire to consume their housing (Flatau, Hendershott et al. 2003, Beer and Faulkner 2011). In addition, an increasing proportion of older Australians are entering retirement without home ownership (James, Rowley et al. 2019) which, coupled with a policy environment of decreasing social housing opportunities, has resulted in an increase in the proportion of older Australians residing in the private rental sector (Jones, Bell et al. 2007; Beer and Faulkner 2011; Morris 2016; James, Rowley et al. 2019). Given the variation in the circumstances of later life households, housing aspirations and assistance to meet those aspirations, such as welfare support, will also vary (Beer and Faulkner 2011: 93).

1.1.4 New policy approaches for a changed context

In terms of housing need, a combination of evidence suggests that the scale of households requiring housing assistance in order to access or afford shelter is greater than the social housing, private rental housing, and low-cost home ownership segments of the Australian housing system can accommodate. Rowley, Leishman et al. (2017) have modelled estimates of the overall extent of housing need and its growth to the year 2025. Using a measure of 'the aggregate of households unable to access market-provided housing or requiring some form of housing assistance in the private rental market to avoid a position of rental stress', their assessment shows a shortfall of assistance that is increasing.

Similarly, focusing again on the private rental housing sector—in which increasing proportions of lowest income households reside in Australia—Hulse, Reynolds et al. (2015; 2019) show an absolute supply shortage of low rent, accessible and affordable dwellings in real terms, which is increasing annually. Growing proportions of households are exposed to periods of homelessness or risk of homelessness (ABS 2017; Batterham 2019), including first time homelessness in later life (Petersen 2017; Sharam and Hulse 2014).

The above picture cumulatively points to a shift in the nature of the social contract in Australia that has, for much of the period since the establishment of wide-ranging housing and social policy reforms following World War II, enabled large proportions of Australians to be housed and employed well (Burke, Nygaard et al. 2020; Jacobs, Hulse et al. 2016; Fitzpatrick and Watts 2017; Forrest and Hirayama 2015; Castles 1989). In housing terms, indirect forms of assistance such as tax concessions remain in place, yet benefit a reducing proportion of households overall, and a proportion increasingly skewed to older rather than younger generations.

Direct forms of housing assistance—such as cash payments to offset rental costs for very-low-income households, in the form of Commonwealth Rent Assistance (CRA) and various smaller-scale support mechanisms such as bond loans and arrears assistance in the form of private rental assistance (PRA)—are increasing, and their overall impact on housing-poverty alleviation and the housing system is relatively under-evaluated. Social housing remains highly pressured and targeted across all state and territory jurisdictions nationally (Lawson, Pawson et al. 2018; AIHW 2016).

In summary, while the housing assistance cost burden is increasing in direct and indirect forms of subsidy, housing pathways and futures of a growing proportion of households are increasingly uncertain and/or bleak. The 'housing affordability crisis' that faces Australia currently presents the opportunity and necessity to rethink and reform the alignment between what it is households at key life stages want and need from their housing, with the types of assistance available to support them to achieve this. The breadth of housing affordability stress, ranging from lowest-income households to those with moderate incomes, implies a further need to consider the ways direct and indirect settings can support Australians across and within age cohorts, to be well housed.

Key to achieving a housing system that most effectively aligns with the wants and needs of households currently not achieving their housing needs and aspirations, is understanding what we refer to in this Inquiry as Australians' 'housing aspirations' and 'housing aspirations gaps', and recognition of the validity of household aspirations in policy development. Understanding the shelter and non-shelter housing aspirations of lower and moderate-income Australians, is key to developing innovative policy that can be harnessed to support households to achieve them.

1.2 Inquiry conceptual framework

This Inquiry is framed by the dual concepts of 'housing aspirations' and 'housing aspirations gap'. 'Housing aspirations' are the desires households have in relation to their housing outcomes (Baum and Wulff 2003). These shape the decisions households make in response to price signals and other contextual factors, including access to employment, the nature and quality of the available stock and tenure preferences. They are based in values that are individual yet also fundamentally shaped by the wider social, cultural and political context (Crawford and McKee 2016; Ray 2006). There are also generational influences affecting what cohorts across the life-course view as optimal, normal, achievable and ultimately want from the 'housing bundle': the suite of shelter and non-shelter attributes associated with their housing (Bassett and Short 1980).

Where households make decisions within the context of financial constraint, they make trade-offs, prioritising some attributes of housing over others (such as dwelling size and location). In this research, a '*housing aspirations gap*' means households are unable to achieve their housing aspirations due to highly restricted options, considerable constraints and limited housing opportunities—the 'gap' is the difference between current housing circumstances and desired housing outcomes. Evidence suggests that aspirations are grounded in a known realm of opportunity, suggesting that an aspirations gap is likely to be tangible rather than fanciful (Crawford and McKee 2016)—a critical point in relation to policy development solutions.

In their review of contemporary housing aspirations literature and related housing and housing policy concepts, Preece, Crawford et al. (2020) conclude: 'housing aspirations are a crucial element of housing systems and that the significant and rapid changes in contemporary housing systems may be realigning housing aspirations to a greater extent than in recent decades.' (Preece, Crawford et al. 2020: 100)

Consistent with the review undertaken by Preece, Crawford et al. (2020), in this research housing aspirations are conceptualised as being related to but different from the concepts of housing *need*, housing *trade-offs*, housing *preferences*, housing *mobility* or housing *choice*. As those authors outline, housing needs (Bramley et al. 2010; Rowley, Leishman et al. 2018), housing choice (Quiggly and Weinberg 1977), housing preferences and the related concept of residential mobilities (Baum and Wulff 2003; Clark and Huang 2003) are founded within frameworks that emphasise rational choice making, ideal types and forms and in which assumptions about the capability of residents to make housing decisions and enact predicted housing behaviours are incongruent with sociological understandings that emphasise contextual, historical, psychological and relational aspects of household experience that also shape observed outcomes.

In addition, we argue that aspirations as a central conceptual framework within the Inquiry research enables multiple foci, including on those housing attributes which are valued by residents (the housing bundle), what it is households aspire to in their present lives in relation to achieving their life stage priorities and goals (situated, life-course priorities) as well as what it is that households wish to achieve in their housing in future. This final component is arguably increasingly lacking in contemporary housing policy, particularly within direct housing assistance administration and provision settings, which focus instead upon current eligibility criteria and immediate outcomes (Clapham 2005).

It is important to understand how, why and for whom constrained aspirations may be problematic. Building upon a housing aspirations gap framework is a focus on discrete attributes of housing, rather than a tenure-based analysis, recognising that housing provides a 'bundle of services' (Bassett and Short 1980). Policy development requires evidence about what households want from the 'housing bundle' in terms of key shelter and non-shelter aspirations held by diverse household types. 'Shelter' includes control of occupancy, housing costs, reduced lifetime housing costs while 'non-shelter' includes factors including stability/flexibility, psycho-social (ontological) security and wealth accumulation (Bridge, Cockburn-Campbell et al. 2003).

Combining these points, an aspirational approach focuses on present as well as future housing goals, in addition to discovering the aspirations held by any given household that might include prioritisation of a single household unit and/or multi-household or intergenerational priorities and strategies. In short, housing aspirations as a research concept can accommodate the potentially increasing strategic role housing plays in occupants' lives, in the short, long and multiple household/intergenerational view.

The research draws on key developments in housing analysis to explore the nature of housing aspirations and households' aspirations gaps, including a focus on housing pathways (Clapham 2005). The implication of using a housing pathways approach is not only a focus on the dynamic relationship between households and housing aspirations across the life-course, but also an emphasis on households as actors. Understanding the types of information, skills and housing information households require will result in a discrete set of policy recommendations to support households to navigate constrained and complex housing options. As well the research is informed by, and touches on, housing and homelessness research and policy thinking approaches that seek to integrate capabilities frameworks into housing policy thinking (Batterham 2019; Kimhur 2020; Nussbaum 2011; Sen 1999).

Both the pathways and capabilities approaches are consistent with a focus on housing aspirations, as both concepts concentrate on household views, values and experiences, household planning and futures, as well as the resources required to achieve aspirational housing. The additional capabilities focus emphasises the role that citizens might play in shaping housing policy and innovation in future.

Within this research, housing aspirations are understood as being shaped by—as well as having the potential to shape, develop and innovate—the socio-legal, housing assistance and provision, built form and locational aspects of housing futures and the housing ecosystem.

In drawing together the findings from the three supporting projects within this research Inquiry, this Final Report focuses on how housing aspirations can contribute to policy development, innovation and practice with regard to (i) institutional settings, including property rights and associated socio-legal and financial elements such as housing tenure, (ii) the housing assistance available to households as they enter, exit, live in and move between living arrangements, housing tenures and sectors, and (iii) the built forms and types of locations, neighbourhoods and regions in which households live. It also highlights the potentially important role that residents can play as active participants in housing policy co-design. The development of a wide ranging evidence-base about the housing settings and systems residents aspire to, is a step toward this opportunity.

Table 2: Aspirational housing contexts included within analytic scope of this Inquiry

Aspirational housing contexts	Scope	Aspirations concept implications: examples
Institutional settings	Property rights, tenure socio-legal and financial contexts	Types of housing tenure to support life stage aspirations and priorities
Governance and welfare	Housing assistance, provision and administration	Type of assistance needed to achieve housing aspirations
Built form	Material/infrastructure aspects of dwellings, neighbourhoods and regions	Type of dwelling and location needed to achieve life stage priorities
Housing pathways and capabilities	Entry, exit and movement between systems and sectors	Types of information, capability and support needed to navigate housing aspirations in complex systems
Aspirations evidence as a step toward housing policy co-design	Citizen collaboration in housing system contexts	How can the voices of residents and occupants be included in policy, system, dwelling and precinct design?

Source: Authors.

1.3 Inquiry research questions and methods

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?

It does so via three inter-related projects, answering the following key questions:

- How have Australians' housing opportunities during young adulthood, mid- and later life changed over time, including by socio-economic, demographic and locational characteristics?
- What are the shelter and non-shelter housing aspirations of lower-income Australian households during young adulthood, mid- and later life?
- Where households are unable to achieve their housing aspirations, what is the nature of their 'housing aspirations gap', how does this vary within and between generations, and for whom are its impacts problematical?
- How can current and innovative housing policy solutions be harnessed to assist households meet their short and long-term housing aspirations across the life-course?

1.4 Researching housing aspirations of Australian households: data and methods

Housing aspirations were explored through a staged mixed methods approach. Qualitative focus groups and interviews undertaken across three states informed the development and complemented a national specific purpose online survey—the Australian Housing Aspirations (AHA) survey. The three states broadly representative of Australian jurisdictions were chosen including Victoria, New South Wales and Western Australia. The former states were selected as they represent high growth housing markets. Western Australia was included because it is undergoing a period of adjustment in both labour and housing markets. These market variations influence housing decisions. Focus groups and interviews were conducted in the metropolitan cities of each of these states and in selected regional locations including Bega and Batemans Bay in NSW, Shepparton in Victoria and Geraldton and Bunbury in WA. Regional locations were selected by size and their capacity to provide access to cohorts from all age ranges for the qualitative work. Each of the key stages of the research is outlined below.

Table 3: Research project aims and data sources

Research question	Data sources
RQ1: How have Australians' housing opportunities during young adulthood, mid- and later life changed over time, including by socio-economic, demographic and locational characteristics?	<ul style="list-style-type: none"> • Secondary data analysis • Focus groups with young, mid-life and older households • Australian Housing Aspirations survey • Interviews with young, mid-life and older households, including Indigenous Australian households.
RQ2: What are the shelter and non-shelter housing aspirations of lower-income Australian households during young adulthood, mid- and later life?	<ul style="list-style-type: none"> • Secondary data analysis • Focus groups with all cohorts • Australian Housing Aspirations survey • Interviews with all cohorts, including Indigenous Australian households.
RQ3: Where households are unable to achieve their housing aspirations, what is the nature of their 'housing aspirations gap', how does this vary within and between generations, and for whom are its impacts problematical?	<ul style="list-style-type: none"> • Focus groups with all cohorts • Australian Housing Aspirations survey • Interviews with all cohorts, including Indigenous Australian households.
RQ4: How can current and innovative housing policy solutions be harnessed to assist households meet their short and long-term housing aspirations across the life-course?	<ul style="list-style-type: none"> • Focus groups with all cohorts • Australian Housing Aspirations survey • Interviews with all cohorts, including Indigenous Australian households. • Evidence-based policy Inquiry Panels

1.4.1 Secondary data analysis

Secondary data sources including Australian Census (2006–2016) and the ABS Survey of Income and Housing (SIH) were analysed to examine changing tenure and demographic trends overtime and to provide a population baseline for the AHA Survey, with a specific focus on households with lower to moderate incomes. Household income quintiles were calculated using the distribution of households within the income ranges published by the ABS (2006; 2011; 2016). Only households with fully stated incomes were included in the distribution and those households with 'neg/nil incomes' were excluded. For the purpose of qualitative research on this project 2016 quintiles were used to screen participants. Moderate income households were defined as those with annual incomes ranging from 65,707 to 104,049 a year, while low-income households had annual incomes between \$36,482 and \$65,706 and households with very low incomes received \$36,481 or less a year.

Cohorts were treated differently in the analysis in ways that highlight their life stage and living arrangements, for example young adults living in the family home, mid-life and older adults in shared housing.

Table 4: Household income levels, showing low and moderate income levels used in this research (2015–16 SIH)

Total current weekly HH income from all sources			
N	Valid	8,962,301	
	Missing	0	
Mean		\$2,103.15	
Median		\$1,615.25	
Percentiles	20	\$701.55	\$36,481 Q1
	40	\$1,263.60	\$65,707 Q2
	60	\$2,000.96	\$104,050 Q3
	80	\$3,095.12	\$160,946 Q4

Source: ABS Census of Population and Housing, 2006, 2011 and 2016 (TableBuilder).

For the purposes of this Inquiry, low income can be seen as normal among, for example, young adults who are yet to engage in employment that is of sufficient pay level or hours per employment period, to lift them to median income levels (see project cohort report, Parkinson, Rowley et al. 2019). Similarly, those households managing retirement-level incomes live, on average, with a low proportion of their prior wage, with many living below median income levels (see project cohort report, James, Rowley et al. 2019). A key difference between these two cohorts are average household-based housing and property wealth. The implications of these and other lifetime dynamics within and between generational cohorts for the present research, are complex and are explicitly engaged with in this Inquiry in relation to constrained aspirations and impacts.

1.4.2 Focus groups

Focus groups took place in NSW (Sydney and Bega/Eurobodalla region), Victoria (Melbourne and Shepparton) and WA (Perth and Bunbury) between November 2017 and March 2018. The recruitment strategy for the focus groups explicitly sought to engage lower-income and groups in need of housing assistance. Over 180 individuals participated, recruited through social media, organisations such as the Brotherhood of St Laurence, Youth Foyers, Neighbourhood Centre Youth programs, local government youth programs, maternal and child health young mothers parenting groups and local libraries.

The groups were held at a variety of venues including neighbourhood centres, in local government activity rooms or libraries, at cafes and public spaces, regional community centres, and in family services facilities. Themes explored in the focus groups included current shelter and non-shelter outcomes; short to long-term housing aspirations; perceived constraints and adaptations in attaining future aspirations; and housing assistance needed to attain future aspirations. Participants were compensated in appreciation of their time. Each focus group was audio recorded with the consent of participants and transcript notes were typed up and analysed thematically. Details about the fieldwork, data and methodologies for each age cohort are described in full within each cohort project report.

1.4.3 Australians' Housing Aspirations (AHA) survey

The Australian Housing Aspirations (AHA) survey (2018) (Stone, Rowley et al. 2020) collected responses from 7,343 Australians 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. The survey captured details on current housing and household circumstances and the housing required to meet the changing needs of the household including preferences and trade-offs. Housing was considered as bundle of attributes (tenure, dwelling types, physical characteristics, location, amenities and financial components) and the importance of each was explored. Once identified, these attributes were reassembled to identify the housing that would meet aspirations and the nature and extent of the housing aspirations gap for each age cohort.

The survey was designed over a period of several months with reference to previous housing surveys conducted by the authors (Department of Housing (WA) 2013; Cassells, Duncan et al. 2014; Duncan, James et al. 2016; Rowley and James 2018), the ABS Survey of Income and Housing, the Household Income and Labour Dynamics in Australia (HILDA), Journeys Home, the British Household Panel Survey and the broad literature on the conceptualisation and measurement of housing and non-housing aspirations. Qualitative fieldwork from interviews and focus groups conducted as part of the research also informed the development of the questions.

The draft survey was piloted across a range of individuals including academics and previous research participants and modifications made. The survey was then released by the panel data company, Qualtrics, and the first 100 responses used as a pilot to ensure the survey was working as intended. Further, minor modifications were made after collection of the first 10 per cent of responses.

While AHA provides a large national sample of individuals, as with all surveys, caution is necessary when making statements about the population as a whole. The three project reports analyse the representativeness of the survey against the distribution of key population demographic characteristics related to each cohort group (Appendix 2). A decision was made to report responses for the individual age groups and across tenure, where relevant, rather than weight responses, which would need to be done across a number of different variables to deliver a fully representative sample. Survey respondents were recruited through a panel data company with quotas for age cohorts and state population, and gender matched against broad population distributions.

Aspirations gaps were identified by comparing current household housing circumstances such as house type, tenure, size and location with responses to questions around ideal housing outcomes in the short and longer term. Using this methodology, it was possible to identify gaps between current and aspirational housing outcomes at the household level and then combine for different cohorts such as age, income and current tenure.

1.4.4 Interviews with Australian households

A total of 132 individual semi-structured interviews were conducted by telephone in regional and metropolitan Victoria, New South and Western Australia. Of these interviews, 45 were specifically dedicated to Indigenous Australians to gain deeper insight into how housing aspirations connect with culturally significant aspirations surrounding family and connection to country and the impacts of racism on meeting household aspirations. Interviews with Indigenous people were guided by an Indigenous research reference group¹. All interviews explored narratives surrounding shelter and non-shelter aspirations, as well as provided insight into a consumer perspective on potential policy solutions across diverse life-course, cultural and indigenous groups. Non-indigenous participants were recruited through a dedicated Facebook page for the research, community agencies and online classifieds such as Gumtree. Indigenous participants were engaged via Indigenous community agencies, professional and personal contacts as well as via flyer distribution. All interviewees were compensated in recognition of their time. Interviews were recorded with participant consent before being transcribed and analysed thematically.² Details of all interviews are described in full within cohort project reports.

The housing aspirations of Indigenous Australians

The range of Indigenous participants and perspectives to this Inquiry is diverse and varied. Many housing aspirations are shared regardless of whether participants are Indigenous or not; of all people a large majority want a safe, long-term home. However this Inquiry has also revealed through in-depth qualitative interviews in three states that Indigenous Australians find it more difficult to reach their housing aspirations than others in the same life stage. The effects of poverty and entrenched racism have deep and significant impacts on Indigenous Australians' ability to enter the private rental sector and owner occupation. A high proportion live in social housing as a result of these impacts; not because Indigenous Australians hold a preference for the tenure. Several of our participants also talked of a longing to 'return to country' and to live on the land that their ancestors occupied. Further research which includes culturally specific conceptualisation, framing and methodology is needed in order to further understand these issues. Indigenous aspirations reported on in this research provide insight into future directions in Indigenous housing aspirations research.

Indigenous housing aspirations were explored in detail in each of the three life stage, cohort-based projects within this Inquiry, and this research provided a clear understanding of how Indigenous aspirations mirror and/or differ from those of non-Indigenous Australians in young adulthood, mid- and later life. Select key findings of this and other qualitative analysis are included in this report, however much of the analysis is not detailed here. In many cases in this report, Indigenous perspectives are included in results without being isolated or compared with non-Indigenous view points and experiences.

¹ An Indigenous research reference group was established for this project to advise on appropriate recruitment techniques, suitable information about the research, notification of participants' consent and of research progress; and final reporting.

² Focus groups for those in mid-life years and some Indigenous cohorts were skewed toward women, with men at mid-life in particular proving 'hard to reach'—see project reports for specific details.

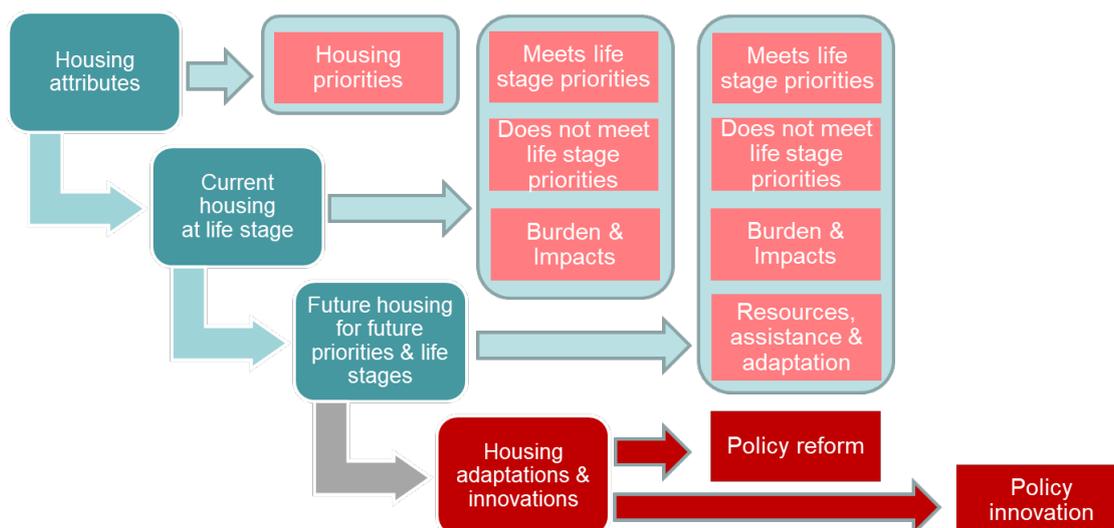
1.4.5 Analytic approach to understanding housing aspirations at key life stages

The original data designed and collected as part of this research Inquiry includes multiple ways of examining housing aspirations. Consistent with our conceptualisation of the concept, we explore aspirations held by households at key stages of the life-course in three ways: aspirational priorities as part of the housing bundle (i.e. priority elements); current and short-term housing aspirations in relation to current life stage priorities, how well these are met in current living arrangements, and the impacts/constraints associated with any potential short-term aspirations gap; and longer-term housing aspirations in terms of built form, location and tenure.

Integrated within this analytic approach, we developed research questions to examine adaptations households make in relation to meeting aspirations; the types of assistance, if any, households believe they need to achieve their aspirations; and contextual and demographic information that assisted us to explore responses to these lines of inquiry.

The analytic approach used in this research Inquiry is visualised at Figure 2.

Figure 2: Analytical approach within the inquiry into housing aspirations and constraints of lower-income Australians



Source: Authors.

1.4.6 Housing aspirations research as a step toward participatory policy development and co-design

While much existing housing research focuses on the experience and perspectives of residents and citizens, typically any given study focuses on one segment or sector of the housing system, such as social housing or privately rented housing (Muir, Powell et al. 2020 forthcoming; Hulse, Reynolds et al. 2019).

Alternatively research focuses on the experience of particular population groups within a segment of the housing system or in relation to a housing problem of interest, such as how people living with disability or chronic poor health can be housed well, or how such housing intersects with social policy designed to support these population groups (Wiesel, Laragy et al. 2015). Important insights are gleaned from such research and evaluation studies that lead to policy development and sometimes to policy innovation (Pettit, Crommelin et al. 2018).

In urban planning, urban design and social policy, acceptance of integrated research to policy pathways via participatory methods are emerging. These policy development methods are used for urban design planning, participation within system evaluation of how fields or sectors work together, as well as for understanding complex fields of social policy concurrently, and how these affect end users (Hyysalo, Lukkarinen et al. 2019; Frantzeskaki, Broto et al. 2017; Stoker and Evans 2016; Evans and Terrey 2016). This is understood as a democratisation of policy making and innovation.

Participatory methods often include the establishment of a wide-ranging evidence-base about broad themes related to a system—such as housing and housing assistance—as one of the foundational or first stages in a process toward participatory policy development, or co-design. In addition to specific research findings, the evidence-base developed within this research Inquiry can be conceptualised in this way—a step toward innovative participatory methods in housing and housing system design.

1.4.7 Evidence-based policy Inquiry Panels

Two evidence-based Inquiry Panels were held during the course of this project. The purpose of these panels was to provide a forum for direct input from policy makers, community representatives and industry on the project. This direct communication with policy makers was designed to ensure that the research would achieve the policy outcomes.

The first panel, held in November 2017 as a teleconference, was designed to introduce the members to the project and ensure that AHA survey, in particular, was being developed to meet the needs of the project. In addition, the panel confirmed that the Inquiry outcomes would be able to inform future policy and practice directions.

The second panel was held in November 2018 in Melbourne. This panel communicated the preliminary findings to panel members including the diverse and nuanced housing aspirations of low- to moderate-income households across key life stages and where gaps existed. This was presented as the base from which policy, practice, industry development and innovation can be informed in regard to 'closing the housing aspirations gap' and providing housing to assist households in achieving their priorities within young adult, mid- and later life. Insights from panel members assisted throughout the research process to guide the Inquiry's research direction. During the Inquiry Panel meeting the research team collaborated with policy and industry to develop strategies for research dissemination and policy and industry take-up.

1.5 Structure of this report

This Inquiry Final Report draws heavily upon the respective reports of the three cohort-specific projects included in this evidence-based Inquiry, however focuses on the policy implications of these reports rather than their detail. Detailed, original conceptualisation and empirical investigation of the way housing aspirations and aspirations gaps manifest for households at young adulthood, at mid-life and in later life can be found in the cohort-based reports:

1. Young adults
2. Mid-life
3. Later life

The Final Report presents select cohort-based findings in a comparative way, with a focus on policy development options associated with these. In the following chapters, the report is structured as follows:

- **Chapter 2:** Australian housing aspirations: existing evidence
- **Chapter 3:** Closing current and future housing aspirations gaps
- **Chapter 4:** Summary, policy development priorities and concluding remarks.

2. Australians' housing aspirations and short-term aspirations gaps: understanding the evidence

- **Housing aspirations are explored, first, in terms of shelter and non-shelter aspects of the 'housing bundle' that matter most to households at key life stages and their the short-term and longer-term aspirations.**
- **Seventy-five per cent of households across all adult age cohorts combined identify 'Safety and security' as their most important housing aspiration.**
- **In regard to current and short-term housing aspirations, Australia's housing system enables a large majority of households to meet their housing aspirations well:**
 - 87 per cent of all adults indicate their current housing and living arrangements meet their current housing aspirations and provide the housing they need in the short term (1–2 years).
 - 94 per cent of older Australians aged 55 years and over have achieved their short-term housing aspirations.
 - 87 per cent of mid-life Australians aged 45–54 years have met their housing aspirations in the short-term via their current housing and living arrangements.
 - 80 per cent of young adults aged 18–34 years are also satisfied that their current housing and living arrangements meet their short-term housing aspirations, that enable them to pursue their priorities at this stage of life.

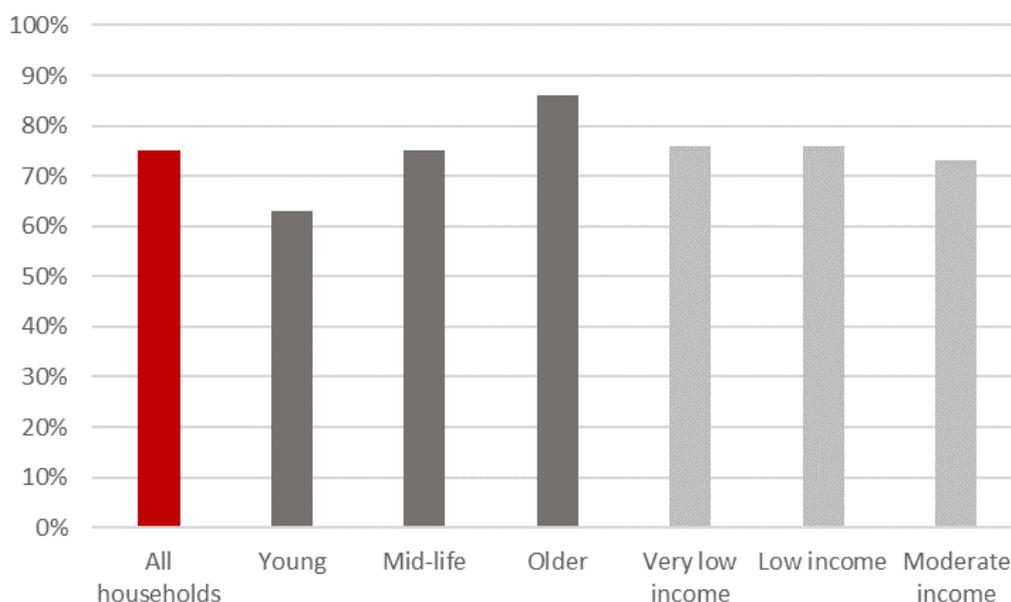
2.1 Housing aspiration priorities: the 'housing bundle'

To begin to explore the housing aspirations of Australians across life stages, income levels and living in a range of housing circumstances, we first explore the 'housing bundle'. Following Bassett and Short (1980), the Australian Housing Aspirations (AHA) survey includes questions about the key components of socio-legal, material, and locational aspects of living arrangements. For each cohort, we examined which aspects of the 'housing bundle' matter most. They are important, as housing bundle attributes can either act as drivers of housing and locational decisions, or indicators of how well current housing meets the priorities and housing aspirations of households across the housing system. AHA survey respondents were asked to identify the socio-legal, material, dwelling, and locational aspects of the housing bundle they valued most.

2.1.1 Safety and security

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, it is the most highly valued characteristic of a wide range of socio-legal, material, locational and environmental options presented. This attribute is most important to older cohorts (86%), however it is also valued highly by large proportions of households in all age groups and across income groupings, including 75 per cent of mid-life households and more than 60 per cent of young adults aged 18–34 years.

Figure 3: Most valued housing bundle attribute 'safety and security', showing, age cohort and income groups



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

The significance of both safety and security is highlighted in qualitative interviews and focus groups with lower-income households across age groups. For older generations, this more typically relates to the ability of residents to feel safe and stable/secure within their own home that they own, whereas for those at mid-life and in younger cohorts, sense of security strongly relates to the ability to either meet housing costs of adequate dwellings and/or to secure rental leases for dwellings of adequate quality to ensure their safety. In some cases, this additionally relates to protection from violence and other household and neighbourhood risks and threats. Indigenous households indicated these similar priorities at life stages, with an additional focus on discrimination within rental sectors that can act to undermine both physical and socio-legal aspects of their safety and housing security.

2.1.2 'Housing bundle' priorities

Variation exists in the extent to which young, mid- and later life cohorts rank safety and security relative to other highly valued attributes such as characteristics of dwellings, including size, build form, number of bedrooms and environmental features, and locational attributes (Parkinson, Rowley et al. 2019). Within the earliest years of adulthood, many young adults are satisfied with living at home, sharing with others and living in what they consider to be appropriate housing to support their current life stage, and while safety and security is the top priority, it is followed closely by aspirations to purchase.

At mid-life it is the ability of households to secure stable housing that is most prominent in their immediate housing aspirations (Stone, Rowley et al. 2020 forthcoming). The significance of secure, long-term housing is borne out in responses to a ranking of housing priorities that mid-life households indicate are most important to them for future housing aspirations. Topping this priority list is 'secure long-term, stable housing'. This housing attribute is ranked highest by mid-life households in all tenure groups (owners, private renters, social housing tenants) as well as by all household types. This attribute is clearly associated with full ownership by those aged 35–54 years, with three-quarters of all purchaser/owners in this age bracket seeking to achieve full ownership of their housing, and high proportions of mid-life households living in both private rental (51 per cent) and social housing (54 per cent) also seeking to own their own dwelling without mortgage debt.

High value placed on the quality of the dwelling by mid-life households as well as the ability to modify dwellings and use dwellings in adaptable/multiple ways is also clear, with these attributes valued by mid-life households across housing tenures. For those in rental housing, either private or social, flexibility in rental payments is also significant.

For older Australians, James, Rowley et al. (2019) found that in later life the housing priorities which underpinned their housing aspirations were focussed on secure and stable housing, home ownership and living in quality housing. Interestingly, financial returns were not considered as being important to a majority of this cohort. The interviews revealed that being able to provide an inheritance remained important to older Australians in a range of tenures including home owners and those in shared ownership arrangements.

Other factors that form part of the housing bundle emerged from the interviews, including the ability to remain independent from children and residential care—a finding which was also linked to being able to age in place. In addition, particularly to those in the private rental sector, continued participation in the labour force was important. The aspirations of other households were shaped by family responsibilities such as looking after children or grandchildren.

2.2 Short-term housing aspirations and aspirations gaps

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 housed well, by this standard. Table 5 shows 87 percent of households state their current housing meets their short-term housing aspirations, with the figure being highest for older Australians (94%) and lowest for young Australians (80%). Owners are much more likely to be satisfied with their current housing than those in the private rental sector. There are only small differences between moderate- and low-income households.

Table 5: Current housing and short-term housing aspirations

	Short-term
All households	87%
Young	80%
Mid-life	87%
Older	94%
Ownership	92%
Private rental	82%
Social housing	84%
Very low income	83%
Low income	89%
Moderate income	87%

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

Table 6 reports on analysis of current housing against household aspirations across dwelling characteristics. It identifies where households are satisfied their current housing meets their longer-term aspirations but also the gaps where policy intervention could deliver better outcomes. It presents aspirations around the four key concepts of size (number of bedrooms), dwelling type, housing tenure and residential location.

Starting with the number of bedrooms, the greatest gap between current and preferred bedrooms is for young people with a greater number wanting more rather than less bedrooms. Three bedrooms seems to be the size that delivers greatest satisfaction, particularly for older Australians, yet recent census data shows the proportion of three bedroom dwellings has fallen by 5 per cent in the 10 years from 2006 to 2016 (47% to 42% of all dwellings).

In contrast, the proportion of four and five bedroom dwellings have increased by 4% (23% to 27%) and 1% (5% to 6%) respectively (ABS 2006 and 2016 census data). Larger dwellings seem to be replacing smaller dwellings over time, at odds with the aspirations of many households, particularly older Australians. Yet older Australians seem the most satisfied with their dwelling size and young people the least. What is obvious is the need for a supply of dwellings across the full range of sizes, but one that better reflects the aspirations shown.

Only a small proportion of those currently occupying one bedroom dwellings say their current housing is meeting aspirations yet this product clearly plays a role in delivering housing that would not otherwise be accessible to households, particularly when it comes to ownership. It is important to note that while a dwelling might not meet longer-term housing aspirations it will often play a transitional role, delivering short-term outcomes on the pathway to longer-term aspirations.

Dwelling type shows a clear divide between the aspirations of many younger Australians and those in mid-life and older. While a house (separate or attached) meets the aspirations of over 85 per cent of those mid-life and older, the figure falls to two-thirds of younger Australians. This is tied to the number of younger Australians wanting smaller dwellings in areas with high level of amenity. Almost a fifth of younger Australians would like to move from a house to an apartment to meet their aspirations, well over double the rate of the other two age cohorts. However, for those currently living in an apartment well under half state such a dwelling type meets their longer-term aspirations.

This raises concerns about the prevalence of apartment development in Australian cities. Many regard apartments as a transitional dwelling type and around half see a move out of an apartment into a house as a way to meet their longer-term aspirations. There is certainly an appetite for non-traditional dwelling types. Almost 10 per cent of younger Australians and 7 per cent and 6 per cent respectively of mid-life and older Australians, stated their housing aspirations would be met by an alternative dwelling type. This might be an ancillary dwelling, a tiny house or temporary structure but shows some level of dissatisfaction with the narrow range of dwelling products available.

2. Australians' housing aspirations
and short-term aspirations gaps:
understanding the evidence

Table 6: Current housing and housing aspirations: all income groups

	Young	Mid-Life	Older
Bedrooms			
Current number of bedrooms meets aspirations	39%	48%	53%
Want more bedrooms	23%	19%	31%
Want less bedrooms	38%	33%	16%
1 bedroom meets aspirations	15%	34%	26%
2 bedrooms meets aspirations	38%	44%	59%
3 bedrooms meets aspirations	41%	55%	66%
4 bedrooms meets aspirations	40%	46%	38%
Dwelling type			
House meets aspirations	67%	85%	86%
Apartment meets aspirations	40%	37%	47%
Move from a house to an apartment to meet aspirations	21%	8%	7%
Move from an apartment to a house to meet aspirations	49%	54%	47%
Move to an alternative dwelling type to meet aspirations	9%	7%	6%
Tenure			
Ownership meets aspirations	90%	95%	93%
Private rental meets aspirations	19%	19%	20%
Social housing meets aspirations	3%	16%	27%
Aspiration to move from private rental to ownership	78%	77%	68%
Aspiration to move from ownership to private rental	6%	2%	1%
Location			
CBD location meets aspirations	66%	59%	50%
Inner suburb location meets aspirations	65%	64%	68%
Middle/outer suburb location meets aspirations	59%	64%	69%
Regional city or large town meets aspirations	48%	65%	66%
Small regional town meets aspirations	57%	76%	81%
Remote community meets aspirations	26%	40%	49%
Aspiration to live in the CBD (net)	22%	16%	-1%
Aspiration to live in the inner suburbs (net)	12%	0%	0%
Aspiration to live in the middle/outer suburbs (net)	-19%	-23%	-24%
Aspiration to live in a regional city or large town (net)	-13%	2%	10%
Aspiration to live in a small regional town (net)	25%	53%	69%

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

2. Australians' housing aspirations and short-term aspirations gaps: understanding the evidence

Tenure is the most straightforward of the four factors, with over 90 per cent of all groups currently in ownership stating this tenure meets their longer-term aspirations. The private rental sector met the needs of around a fifth of all groups, but the vast majority of renters wanted to move into ownership to meet aspirations, demonstrating that private rental is still a transitional tenure for most despite growing numbers in the sector. With ownership being such a strong preference and current rates of home ownership falling rapidly among young and mid-life households, policy makers need to urgently address this mismatch between aspirations and what is attainable for those on low to moderate incomes.

Either ownership needs to become much more affordable—which means deep and prolonged price falls across most of Australia—or government needs to create products that enable households greater access to ownership. Such products exist in some states such as low deposit home loans, shared ownership products and land rent schemes (Rowley, James et al. 2017).

While such products may not work in the highest value markets in Australia, such as Sydney, they do have potential in the lower value areas outside capital cities, so should not be readily dismissed by policy makers, as has happened in the past. Housing policy cannot revolve solely around Australia's capital cities as the housing markets in regional and rural areas have many different characteristics (Beer, Tually et al. 2011).

In addition to improving access to ownership, policy needs to make the private rental sector an aspirational tenure via improvements to tenancy legislation—such as greater security of tenure and longer leases. Increasing the supply of dedicated, professionally managed rental property across markets would be a step in the right direction, and for households on lowest incomes, a supply of subsidised rental accommodation is essential.

Housing affordability pressures nationally play a large role in the ability of households to meet their aspirations. Among those whose housing aspirations were not being met in the short term, financial considerations including entry costs to home ownership, secure employment and ability to meet the running costs of purchased and/or rented dwellings are prominent barriers (Table 7). These findings point to the extensive financial gap between housing costs and income and earnings across the life-course.

Lack of choice in housing options is a third key barrier identified in this research, again consistent with emerging evidence about the lack of diversity within housing sub-markets that can cater to a range of life stage and household incomes. Additionally, the research highlights the significance of housing knowledge and know-how, affecting the ability of households to plan housing transitions, as well as managing immediate housing options in some cases.

Table 7: Barriers to meeting housing aspirations, across age cohorts and income groups

	Young	Mid-life	Older	Very low income	Low income	Moderate income
Lack of savings (deposit)	67%	64%	53%	67%	65%	70%
Lack of stable employment	38%	36%	19%	45%	30%	21%
Meeting rent or mortgage payments	35%	34%	37%	37%	36%	35%
Lack of knowledge on how to achieve the housing I/we want	24%	11%	13%	21%	16%	14%
Unable to secure a mortgage from a lending institution	18%	25%	23%	22%	25%	26%
Lack of housing choice	19%	20%	22%	24%	17%	22%
Health issues	8%	15%	39%	26%	20%	10%
Don't perceive any barriers	5%	5%	8%	4%	5%	4%
Having children	12%	7%	1%	4%	7%	10%
Other	4%	4%	10%	6%	3%	5%

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

2.3 Impacts of short-term housing aspirations gaps

While the majority of Australians report their housing does meet their short-term needs, for those where it doesn't the impacts of aspirational housing gaps are wide and diverse, including locational displacement and time/costs associated with living far from work and family; paying unaffordable amounts for housing; and living in neighbourhoods and housing unsuitable for life needs at key life stages.

Table 8: Select impacts of housing aspirations, across age cohorts and income groups

Problems with current dwelling	Young	Mid-life	Older	Very low income	Low income	Moderate income
Spend too much time commuting	16%	12%	4%	7%	14%	15%
Dwelling too expensive	14%	18%	4%	17%	17%	14%
Live too far away from ideal location	20%	15%	14%	21%	19%	14%
Not suitable for needs	30%	36%	37%	34%	38%	32%
Not preferred tenure	21%	21%	13%	17%	24%	18%
Few employment options	16%	15%	3%	13%	19%	12%
Poor quality neighbourhood	17%	21%	12%	20%	22%	17%
Access to quality education	6%	5%	4%	4%	5%	8%
Lack of certainty	11%	9%	10%	10%	8%	9%
It doesn't feel like home	25%	30%	23%	31%	29%	24%

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

Qualitative insights explored in detail in the project report about young adults (Parkinson, Rowley et al. 2019) indicate most young people did not consider the gap between their current and ideal for home ownership to be a major concern for them individually at this life stage, but collectively many were cognisant that their market opportunities, both in work and in housing, differ from their parents'. The realisation for some that home ownership might not be attainable was viewed as opening up new avenues to pursue, including settling in another country. However, this reality of being able to pursue different opportunities was based on probable scenarios and for some there was still a 'blind' optimism that the future will somehow work out ok, while for others there was a sense that they didn't quite know how to make their aspiration for home ownership a reality.

The interviews and focus groups also indicated that by early adulthood from 25 years onwards, security and stability become critical factors for many young adults seeking to establish themselves as adults. The extent to which affordability cripples capacity to plan or not commit to any particular course of action or thinking about the future is often overlooked.

At mid-life, 36 per cent indicate that their current dwelling is not suitable for their needs. Households living in home owning tenures are most likely to indicate this to be the case (40%) suggesting some compromises in expectations and needs are being made by a minority of mid-life households in order to purchase property. Among households renting privately, 36 per cent also indicate that their current dwelling doesn't meet their needs, suggesting again that substantial trade-offs are being made to attain housing in a high-cost rental market, characterised by low vacancy rates in a majority of housing sub-markets nationally (Stone, Rowley et al. 2020 forthcoming).

A smaller proportion, one-fifth, of social housing tenants who indicated their current living arrangements did not meet their housing aspirations, also report their housing is not adequate to meet their immediate needs. This relatively lower figure indicates that although social housing is limited in overall quantum, the sorting mechanisms associated with household size and needs relative to housing allocation may be more effective than within private market contexts. A counter point to this, noted above, are the significant locational compromises that appear to be made by social housing tenants in order to secure dwellings. In the case of 'meeting life priorities', for example, social housing tenants identify poor quality neighbourhoods, commute times and distance from family/friends as some of the locational compromises made to secure housing.

Indeed, there are several indications in responses to this question that suggest that a small minority of mid-life households are making significant locational trade-offs to secure their current dwellings. These findings are consistent with existing and recent Australian evidence about the significant role residential mobility and 'trading neighbourhoods' can play in housing strategy. Locational compromises indicated here include commuting time and cost (12% of all mid-life respondents), living far from family/friends (15%) and living in poor quality neighbourhoods (21%).

Almost all older Australians who participated in the survey agreed that their current dwellings met their *short-term* housing aspirations (93–96%) (James, Rowley et al. 2019). Overall, the AHA survey found that older respondents' housing felt like home, was safe and in a secure location.

The very small proportion of respondents who indicated that their housing did not meet their short-term aspirations were likely to be renters in both the public and private sectors. As a majority of older Australian survey respondents were living in homes which met their short-term aspirations, there were insufficient responses to accurately explore the reasons why current dwellings and locations made it difficult to meet aspirations and life priorities.

2.3.1 Indigenous Australian households' housing aspirations and aspirations gaps

In addition to sharing many of the experiences of housing aspirations gaps impacts with non-Indigenous Australians at each cohort, Indigenous interviewees highlighted the deep impacts of discrimination on their housing pathways. In all three states where interviews took place people talked of the racism they experienced, and the steps they had to take in order to try and ameliorate the effect of racism on their ability to obtain housing;

My partner, he's dark skinned, so I would never take him with me to get the keys and stuff like that, because immediately they think we're going to go and take all their taps off their house or—you know what I mean? They think that you're going to go in and steal things from an empty house. There's that kind of—yeah, so I do have to do a lot of that on my own. Even, there's been many times that I've put down that I'm single, a single Mum, just so my partner isn't like, you didn't get it because of me. (*Mid-life female, Melbourne*)

Yeah the other thing I found is that when I went into a private [rental] is that it was all yes on paper, 'Yeah-yeah-yeah, good,' but if they saw me and that I was Aboriginal, they said, 'No, your name's on the national list,' some list. (*Mid-life male, regional WA*)

I've been to some viewing and been the only one showing up and she 'couldn't find the keys'. Well go home and get a key—I'll go back to the office and get the keys. I'm going to call you back and make another viewing.' (*Mid-life female, regional WA*)

Yeah my husband, he said, 'Should I just not come into the interview?' and let me get the house. I said, 'I don't think so.' (*Mid-life female, regional WA*)

No one helps me. Don't help me. As soon as I open my mouth they know I'm Aboriginal. (*Young female, Sydney*)

Some of the things that used to happen to our mob. When they'd go for private rental because of the colour of the skin and that, one minute you'd be on the phone and you'd have a house or a flat or whatever and when you got into the real estate it'd gone just like that. (*Older woman, regional Victoria*)

Clearly measures to remove discrimination of any cohort should be a policy priority.

2.4 Housing priorities and short-term aspirations: policy implications

To a relatively large extent the housing bundle priorities and short-term housing aspirations for a large majority of Australian adults are met via their current living arrangements. Evidence from related research, however, as well as the analysis included here about the impacts of short-term housing gaps, where these are experienced, point to significant social costs borne by some households in meeting their housing aspirations at key life stages.

Indigenous Australians in particular reported experiencing racism which directly impacted on their ability to meet their housing aspirations. Stronger action to reduce racism, particularly within the private rental sector by landlords and their agents, is necessary if Indigenous Australians are to have the same opportunities as non-Indigenous Australians.

Between a quarter and a third of households across the life-course experience considerable impacts and social costs to achieve their current and short-term housing aspirations. There is also considerable adaptation and compromise made by some households by living in inadequate or inappropriate housing and/or not achieving a 'sense of home'. Implications for policy include wide ranging measures to reduce affordability pressures across the life-course, as well as to reduce the travel time cost burden for those households, particularly at mid-life, for whom commuting in order to attain adequate and affordable housing causes additional strain on households.

3. Longer-term aspirations, aspirations gaps and how to close them

- While a majority of households occupy housing that meets their short-term aspirations, many households at all life stages face longer-term housing aspirations gaps—they do not believe their current housing enables them to achieve what they aspire to in the long run.
- Only 36 per cent of young adults believe their current housing will enable them to achieve longer-term housing aspirations. This figure rises to 56 per cent of mid-life and two-thirds of older Australians.
- Young people typically reported a higher need for assistance in meeting aspirations (45.3%) compared with mid-life (33.4%) and older (18%) cohorts.
- The main types of assistance that low-income households felt would help them move towards their aspirations was financial and legal advice (31%), parental and other family support (27%), followed by access to low deposit home loans (26%). Low-income mid-life individuals also rated financial and legal advice as their most important need (19%), followed by low deposit home loans (15%) and then stamp duty relief (13%).

In the previous chapter, the tenure, dwelling and locational aspirations and aspirations gaps experienced by households in the short term, at key life-course stages, were explored. The analysis presented in this chapter builds on this, to focus more explicitly on the households that indicate that their longer-term housing aspirations will be difficult to achieve and that they need assistance in order to do so. The perspectives of households at key life stages about the types of supports they believe will address their longer-term housing aspirations gaps are examined. This includes an indication of roles for government, industry, welfare sectors and civil society.

The chapter is structured to highlight three policy development priority areas:

- First, the extent and depth of need for assistance is examined in relation to housing aspirations. Who indicates they will need some form of assistance to attain their aspirations, and how does this relate to a range of family/community, government and industry/finance options and levers that households identify as important to them?
- Second, the types of assistance and welfare mix of households in relation to their housing aspirations is considered. Here the focus is on the types of housing assistance types cohorts indicate they would consider drawing on for support, including family, community, government, industry/financial sectors.
- The third key focus is on a concept we call 'housing literacy'. This is a term used to indicate the extent to which households understand how to access necessary information and utilise this effectively in assessing options and planning for housing futures. Housing literacy and the ability of households to use knowledge well, is identified in this research as a recurring theme across cohorts and one that warrants greater exploration and development.

3.1 Longer-term housing aspirations gaps

One of the key advantages of an aspirations focus in housing research is to ascertain how current living arrangements relate to future aspirations, what resources, capabilities and plans are in place to achieve them, barriers to these, needs for support and support options. As Table 9 shows, large aspirations gaps emerge for all cohorts, income groups and tenure groups when we ask households at key life stages about the extent to which their current housing and living arrangements support their ability to meet their longer-term housing aspirations (5–10 years and beyond):

- Only 36 per cent of young adults believe their current housing will enable them to achieve longer-term housing aspirations;
- Less than half (46%) of private rental tenants feel their housing will meet their longer-term housing and life aspirations;
- Just 50 per cent of those at mid-life, aged 35–54 years feel their current housing will meet their longer-term aspirations;
- Even those whose shorter-term aspirations are met well, such as older cohorts (94%) show that there is uncertainty about the extent to which their current housing will meet their longer-term aspirations, with just two-thirds of this cohort indicating this to be the case (67%).

Table 9: How well current housing meets longer-term housing aspirations, showing age cohort, income and tenure group differences

	Longer term
All households	58%
Young	36%
Mid-life	50%
Older	67%
Ownership	69%
Private rental	46%
Social housing	57%
Very low income	52%
Low income	59%
Moderate income	59%

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

3.1.1 The depth and distribution of longer-term housing aspirations gaps

Generational opportunity gaps in the longer term

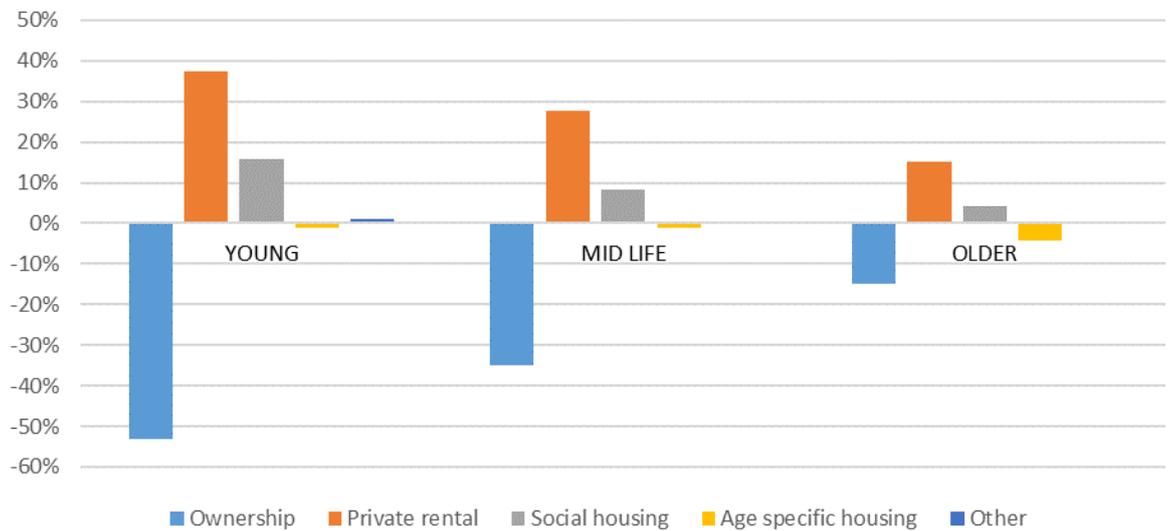
When we examine the current living arrangements of households in young, mid- and later life in comparison to their longer-term housing aspirations we can clearly see that the aspirations gap is greatest in younger adult years, reduces in mid-life and is smallest for older cohorts. By breaking housing into four key components of tenure, dwelling type and size and location, interesting patterns emerge.

Housing tenure is key to the housing aspirations—and hence housing aspirations gaps—of cohorts who cannot achieve the fundamental tenure form they desire, and who feel that their current housing and living arrangements are unlikely to meet their aspirations in the longer term, framed in this research as the next 5–10 years or more. As the following figures show, home ownership, detached or semi-detached houses of average size in Australia (3 bedrooms) dominate longer-term aspirations—households seek what is normative as their key priority. The figure compares the current tenure of each household to their ideal tenure in order to identify whether a gap exists for that respondent.

By far the biggest aspirations gaps relate to home ownership. In Figure 4, over 50 per cent of all younger households were currently not in home ownership but wanted to be. Contrast that 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.

3. Longer-term aspirations, aspirations gaps and how to close them

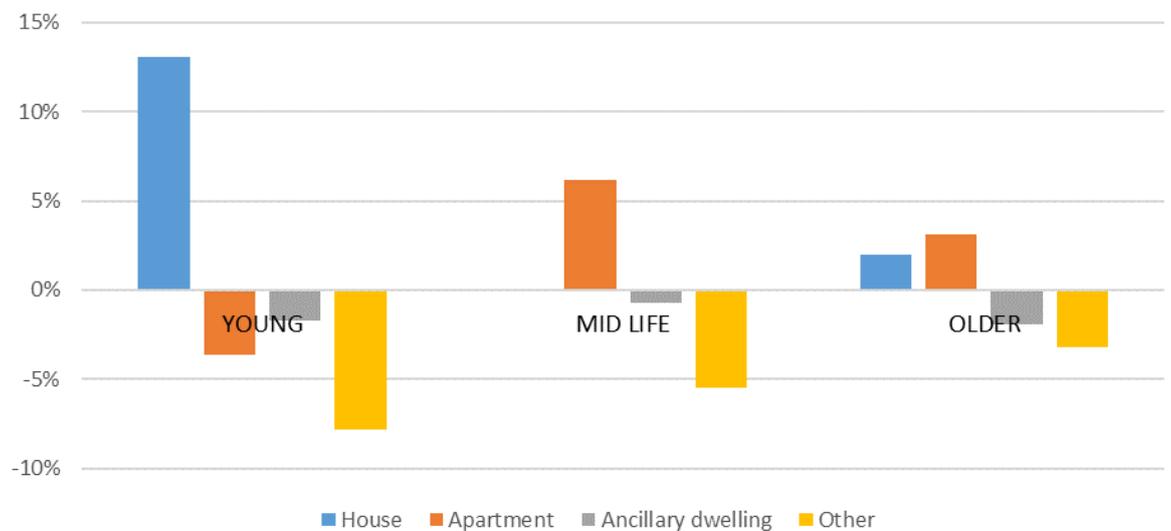
Figure 4: Generational longer-term housing aspirations gaps: housing tenure.



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

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. Younger Australians once again had the biggest gap, with 13 per cent identifying a house as their ideal preference while currently living in another dwelling type. In contrast, for both mid-life and older households, there were more households wanting to move into an apartment than wanting to move into a house. This partly reflects the prevalence of house living but also an appetite for downsizing in later life (James, Rowley et al. 2020). In terms of number of bedrooms, in younger and mid-life cohorts there was a gap between current accommodation and an aspiration for a four bedroom dwelling, while a relatively large portion of older Australians wanted to move out of larger dwellings and into two and three bedroom dwellings.

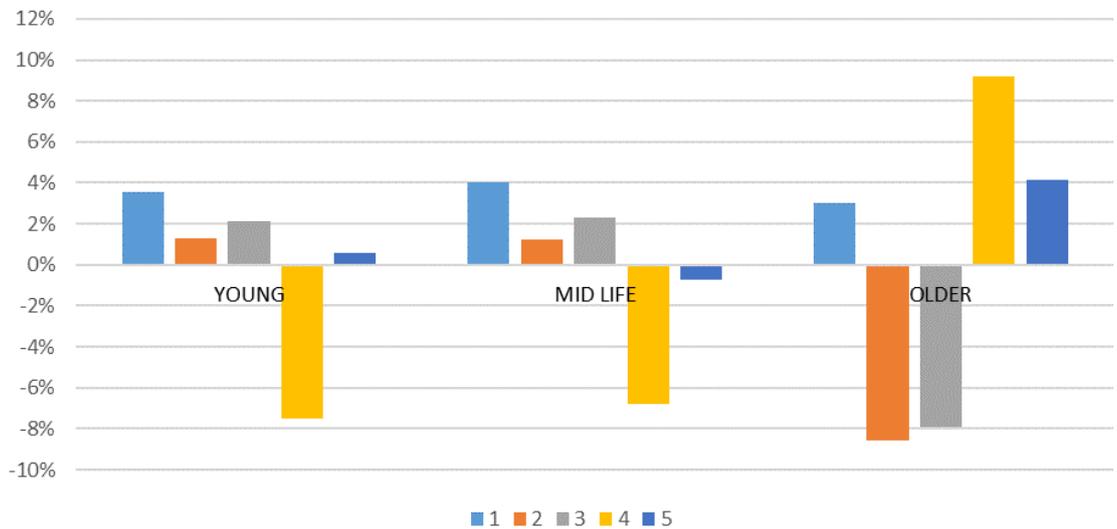
Figure 5: Generational longer-term housing aspirations gaps: dwelling type



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

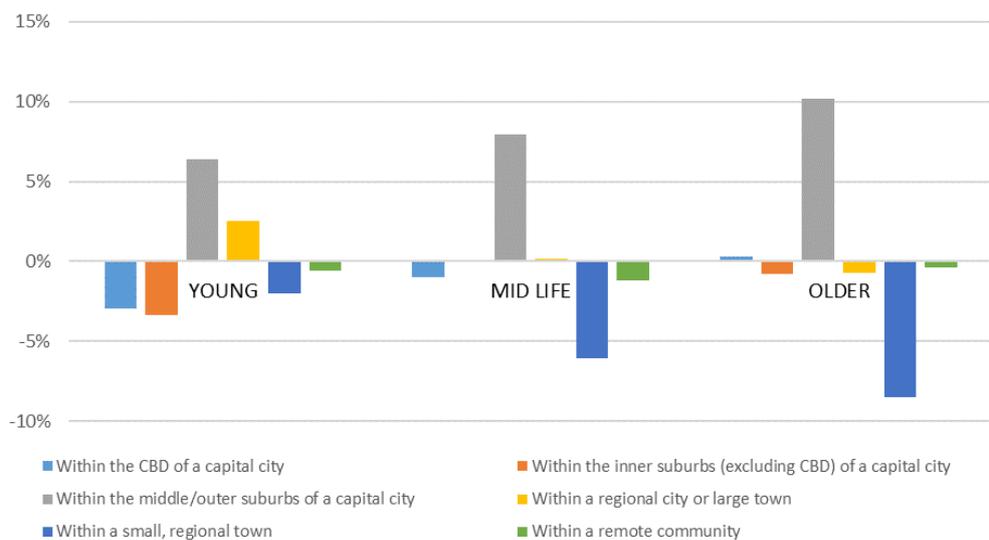
3. Longer-term aspirations, aspirations gaps and how to close them

Figure 6: Generational longer-term housing aspirations gaps: dwelling size (number of bedrooms)



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

Figure 7: Generational longer-term housing aspirations gaps: residential location



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

A significant proportion of younger people want to move from middle/outer suburbs and regional cities/large towns (many of these younger Australians will be living with their parents) to 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.

The housing aspirations and gaps experienced by non-Indigenous Australians mirrored those felt by older Indigenous Australian households. Where these gaps were significant, however, they related to deep, entrenched poverty, intergenerational poverty and deeply embedded place-disadvantage, as well as additional housing aspirations barriers faced by Indigenous Australian households, such as providing accommodation for extended families.

Income inequality and housing opportunity gaps in the longer term

When we examine the current living arrangements of households according to their current income, we also see considerable differences between lower and higher-income households, in relation to how well current housing will meet and support longer-term housing aspirations. Income and age cohort generations are inherently linked, so there is a combined effect that we see in these results. Larger proportions of young adults and older households—each of whom has limited engagement with the labour market relative to mid-life households—have lowest incomes on average and overall.

The qualitative interviews and focus groups undertaken with age cohorts living with low and moderate incomes across generations provide insights into how the combination of age, life stage and lower income intersect. In the young adult years, low income can be normalised as part of a launching process, as detailed in the cohort specific report from this research (Parkinson, Rowley et al. 2019). At mid-life, low income can reflect either the experience of long-term poverty or low to moderate income or is associated with life disruptions in the form of critical life events (Stone, Sharam et al. 2015) such as divorce/separation, loss of employment or the onset of poor health (Stone, Rowley et al. 2020 forthcoming). At later life income and wealth take on a more combined role in the extent to which households can meet their overall aspirations for safe, secure housing, largely dependent on adequate wealth accumulation through their working years (for in depth analysis see James, Rowley et al. 2019).

3.1.2 Dwelling and locational compromises to achieve future housing aspirations

To provide further indication of the extent to which households prioritise the relative attributes of their housing and locational living arrangements, survey participants were asked about which aspects of their future housing aspirations they would be willing to compromise or adapt.

Table 10 presents the percentage of households unwilling to compromise on a particular factor in order to meet their housing aspirations. They show a significant appetite for compromise on dwelling type and size, with at most a third being unwilling to vary their dwelling type to meet other aspiration factors. However, when it comes to tenure there is much less flexibility outside the younger cohorts and existing private renters.

These findings reinforce the significant variations held by cohorts at different housing and life stages as well as the overwhelming preference and prioritisation of all households for home ownership, the tenure most associated with security.

3. Longer-term aspirations, aspirations gaps and how to close them

Table 10: Willingness to compromise in order to meet longer-term housing aspirations, across age cohorts and income groups

Unwilling to compromise in order to meet longer-term housing aspirations	Dwelling type	Number of bedrooms	Location	Tenure
All households	29%	21%	17%	40%
Young cohort	23%	16%	15%	29%
Mid-life cohort	33%	23%	18%	41%
Older cohort	33%	29%	21%	59%
Very low income	23%	17%	16%	29%
Low income	30%	22%	16%	38%
Moderate income	30%	21%	15%	43%
Owners	26%	22%	20%	54%
Private renters	26%	20%	15%	26%

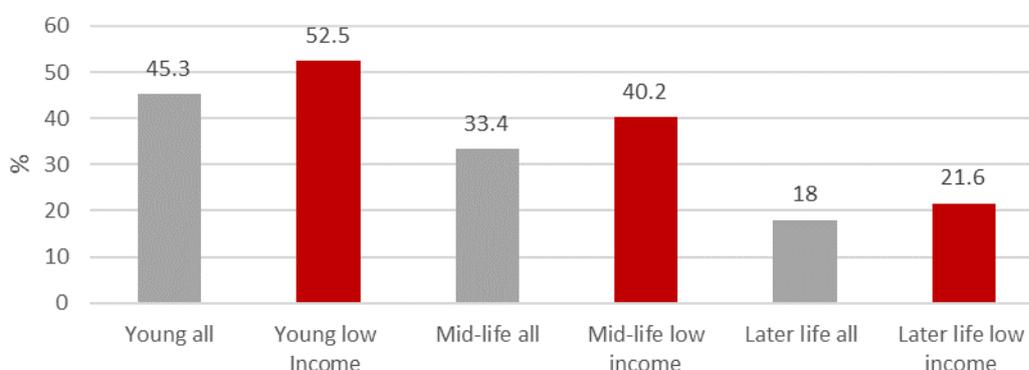
Source: Original analysis of Australian Housing Aspirations Survey (2018) data, unweighted.

3.2 Need for assistance to achieve housing aspirations

All age cohorts were asked whether they would firstly need assistance and if so what types of assistance would be most beneficial to them in reaching their longer-term housing aspirations. As shown in Figure 8, young people typically reported a higher need for assistance compared with mid-life and older cohorts, particularly among lower-income young people (53%). However, the need for assistance remains prevalent by among a third of all mid-life households, and two-fifths of low income households.

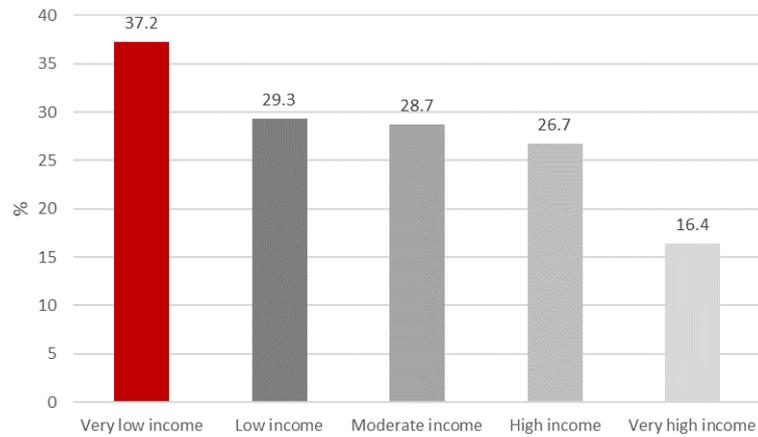
The need for assistance to be able to meet housing aspirations is greatest among the very lowest income households (37%). However, interestingly, low (29%), moderate (29%) and high (27%) income households report relatively comparable needs for assistance to meet their aspirations. Tenure, also influences perceptions of whether assistance would be needed to meet aspirations, with private and social tenants most likely to report requiring additional support. This likely reflects both higher concentrations of lower-income households within these tenures and a larger aspirations gap associated with private and social rental.

Figure 8: Need for assistance to meet aspirations, by cohort and low income groups



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

Figure 9: Need for assistance to meets aspirations, by income groups

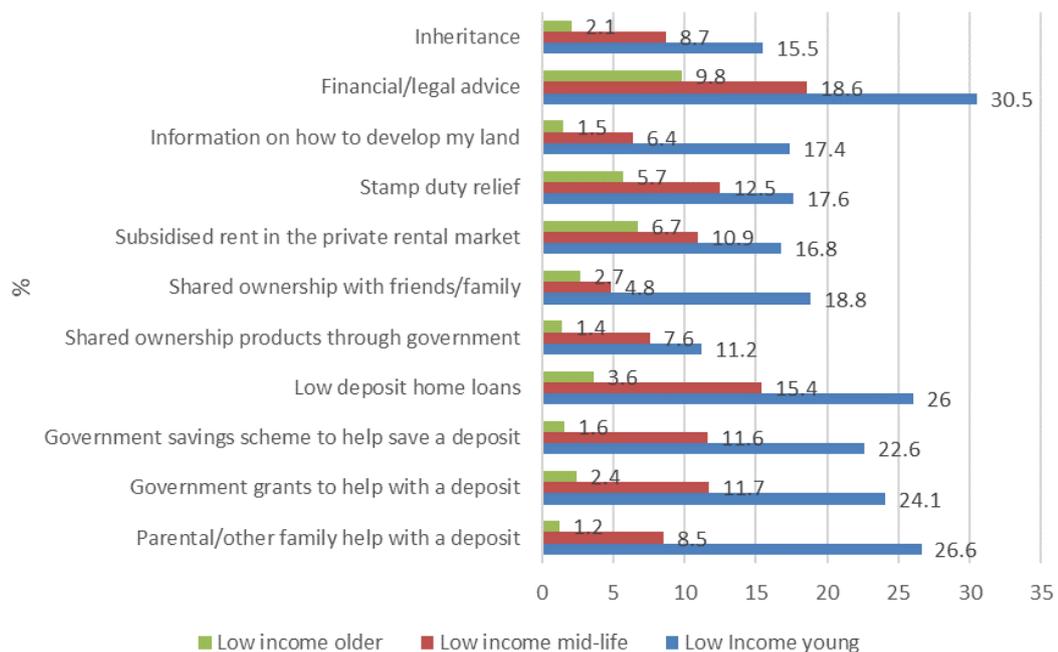


Source: Original analysis of Australian Housing Aspirations Survey (2018) data, unweighted.

3.3 Types of assistance

The main types of assistance that each low-income cohort group felt would help them move towards their aspirations is presented in Figure 10. Low-income young people report the highest needs across all forms of assistance, but the most commonly identified was financial and legal advice (31%), parental and other family support (27%), followed by access to low deposit home loans (26%). Low-income mid-life individuals also rated financial and legal advice as their most important need (19%), followed by low deposit home loans (15%) and then stamp duty relief (13%). Of later life individuals reporting that they required assistance, financial and legal advice again topped their priorities (10%), following by subsidised rent in the private rental market (7%) and stamp duty relief (6%).

Figure 10: Type of assistance needed to meet longer-term housing aspirations, showing age cohort differences



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

3. Longer-term aspirations, aspirations gaps and how to close them

In addition to barriers, households identified the types of strategies they were employing to achieve aspirations, where an aspirations gap existed. Findings point to a very broad mix of support types being used by households, including government supports, those associated with family and financial packages. Again, across all age cohorts, being able to share or cooperate with family members or others in ways such as sharing, informal borrowing and similar, are emphasised in these findings as highly significant to households strategising to meet their housing aspirations.

Table 11: Strategies employed to meet housing aspirations, showing age cohorts and income groups

Unlikely to implement	Young	Mid-life	Older	Very low income	Low income	Moderate income
Saving for a deposit	11%	31%	62%	41%	29%	23%
Sharing ownership with another individual	42%	65%	76%	61%	60%	54%
Sharing ownership with government or a community housing provider	68%	80%	88%	74%	76%	77%
Borrowing from relatives	60%	81%	95%	76%	71%	75%
Investigating moving to a different location/dwelling	30%	42%	37%	40%	35%	30%
Building a dwelling for future needs	47%	64%	77%	69%	61%	54%
Researching age segregated communities	67%	78%	62%	70%	68%	67%
A co-operative style development	65%	82%	88%	73%	75%	74%

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

3.4 ‘Housing literacy’: knowledge, know-how and ability to plan for housing futures

The perceived access to or lack of information available to households about their housing options, how households can access these, and assistance for households to manage their current housing when support is needed, were themes subsequently explored in the AHA survey. Respondents reported how well they felt they understood the housing market and system, for example in terms of buying a house, renting a dwelling, accessing housing finance or their legal rights. Questions focused on self rating of market knowledge and the types of supports households would utilise to help them bridge their knowledge gaps. Full findings are available in the cohort specific reports.

For young Australians, both housing literacy and the extent to which young adults are actively planning for housing futures showed tremendous variation. Young adults reported challenges associated with the complexity of knowing where and how to being to plan for multiple pathways. For some this meant not planning at all for the longer term at this life stage, whereas for others, information, planning and enacting housing literacy were key (Parkinson, Rowley et al. 2019).

In contrast with young adults, by mid-life years, a majority of households rated their own level of housing market knowledge or understanding as either good or average. Of note, lowest income households as well as mid-life households living in either private or social rental tenures were more likely than others to rate their level of understanding as poor. Focus group discussions and qualitative interviews with mid-life households attempting to navigate complex housing systems or access private rental dwellings or social housing indicated a dearth of knowledge was accessible to them to assist with the process of accessing housing, or about sustaining housing options.

To improve their knowledge, mid-life households indicated they would use a range of options, including reliance on information from informal networks, to professional advisors, with many identifying dedicated websites as well as traditional media outlets. Higher income and ownership households showed the most likelihood of utilising a range of sources, while results for all households indicate the significant direct role governments can play in providing trustworthy information to households seeking housing knowledge.

Sixty per cent of older Australians rated their housing literacy as good or excellent, but when asked about planning for the longer term, it was clear that well under half of older households were actively planning to meet their aspirations (James, Rowley et al. 2019). The middle cohort indicated that they were doing the least planning. Home owners and renters in the private sector showed similar levels of planning, and social renters were the least active planners for future housing aspirations.

3.5 Policy development implications

Housing policy implications of our analysis of longer-term housing aspirations and the ability of all age groups to achieve these indicate that in addition to alleviating affordability and related pressures to enable households to achieve their aspirations (Chapter 2), there is considerable scope for policy development and innovation to assist households to achieve long-term housing aspirations.

For younger adults this includes transitional support arrangements that are not necessarily attached to any form of income support payments. At mid-life housing assistance and support interventions will enable and support households to achieve their caring roles while being housed securely and planning for their futures. For older Australians there is a need for support in adjusting housing to meet the security and dwelling form requirements of this life stage.

What is clear from the generational approach in the analysis above is relying only on point-in-time support is likely to be insufficient for many households to overcome their housing constraints. The challenges faced in young adult life differ from those at either mid- or later life. Although challenges and constraints tend to have the common factor of housing affordability, they also show differences. Consistent with the pathways approach (Clapham 2005), in some cases supports need to be geared around residential mobility, while in others support is required to change housing assistance in place. For some Indigenous Australians, intergenerational housing disadvantages across generations as well as involving mobility are particularly challenging.

4. Key findings and implications for policy development

- **Understanding the housing aspirations of Australian households in young, mid- and later life highlights common and life stage policy implications for existing and emerging policy directions.**
- **Supporting access to home ownership is critical as it offers the safety and security households want. Policies allowing households to maintain ownership through critical life events are also important.**
- **Ongoing tenancy reform which helps replicate the safety and security aspects of homeownership is essential. Governments must continue to support social housing due to its critical role housing those in need of deep assistance.**
- **A lack of housing diversity and choice is a major barrier to aspirations. Policy settings need to deliver greater choice across locations. Diverse, adaptable dwellings are needed which cater for households across the life-course. Current and emerging policy can support better building design across regional as well as metropolitan living.**
- **New models of housing delivery, including housing finance, can support the housing aspirations of households 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 to achieve housing aspirations: existing housing assistance options including PRA can be better utilised to support this.**

- **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.**
- **Residents' and citizens' housing aspirations are an underutilised resource in housing, housing assistance and housing policy design. This includes key population groups such as Indigenous Australians.**
- **The particular disadvantages of Indigenous Australian households in terms of experiencing racism, shorter life expectancy and lower average incomes must be addressed in order to achieve equality with non-Indigenous Australians in meeting housing aspirations.**

In the final chapter of this report, we examine policy development and policy innovation options designed to close the housing aspirations gap. The chapter addresses five key areas with the policy development options briefly summarised below:

- Institutional settings;
- Governance and welfare;
- Built form;
- Housing pathways and capabilities; and
- Aspirations evidence as a step toward housing policy co-design.

4.1 Housing aspirations and aspirations gaps: a new lens for responding to changing housing opportunity

Conceptualised within a 'housing aspirations' and 'aspirations gap' framework, supported by the dual concepts of housing pathways (Clapham 2005) and the housing bundle (Bassett and Short 1980), the Inquiry contributes evidence from Australian households about their housing aspirations, as well as their perspectives around housing opportunities and forms of assistance that will most effectively support them across the life-course.

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?

This research Inquiry points overwhelmingly to three broad findings. First, in the context of generational home ownership decline in Australia, a large majority of households aspire to achieve housing **safety and security** in the short and long term, and this element underpins their housing aspirations, as outlined in Chapter 2. Second, **younger adults face a wider housing aspirations gap** than later life Australians, with those at mid-life situated between these extremes. Third, while the current housing of a majority of households meets their short-term aspirations relatively well, there is a wide **'aspirations gap' across all age cohorts**, particularly in relation to tenure.

In this final chapter of the Inquiry Final Report, we consider the implications for policy development of the detailed empirical findings set out in the three related reports (Parkinson, Rowley et al. 2019; Stone, Rowley et al. 2020 forthcoming; and James, Rowley et al. 2019) as well as the findings presented in this report.

4.2 Toward aspirational institutional settings and property rights: current and innovative tenure options

Original findings in this research indicate an overwhelming priority among a large majority of households for secure, long-term stable housing. Households at all life stages seek to achieve this priority via home ownership. The use of a housing bundle approach is helpful in this regard. It has de-coupled, in an artificial way for analysis purposes, what it is households want from the actual housing available to them. The implications of this approach are to assess the important aspects and features of a house, home, dwelling, or location of any sort.

The overwhelming aspiration Australians have for secure, long-term housing suggests that policy mechanisms that (i) support direct entry to home ownership (ii) enable households to remain in their homes through periods of instability, and (iii) deliver indirect assistance to support home ownership are warranted. The findings also suggest strong support for regulatory reform of tenancy legislation across Australia to increase security and control for tenants living in the private rental sector. Other policy initiatives are also supported by these findings, including the development of options to assist renters (public, community or private) into home ownership, such as low deposit home loans, shared equity and co-operative housing models.

Social housing is either a transitional housing tenure or an end goal, depending on the aspirations and capabilities of any given household. Findings suggest the need for social housing to operate in both of these ways, and there is a clear implication in this research for ongoing and deep support by governments to households requiring extensive housing assistance and related income support. This contrasts with households who indicate that deeper support is required in a shorter-term or transitional sense, to assist for example in periods of income interruption or to manage critical life events such as poor health, family separation or recovery from family violence.

Among those whose housing aspirations were not being met in the short term, financial considerations, including entry costs to home ownership, secure employment and ability to meet the running costs of purchased and/or rented dwellings are prominent. Consistent with existing evidence, these findings point to the extensive financial gap between housing costs and income and earnings across the life-course for many households. Lack of choice in housing options is a third key barrier identified in this research, again consistent with emerging evidence about the lack of diversity within housing sub-markets that can cater to a range of life stage and household incomes. Additionally, the research highlights the significance of housing knowledge and know-how, affecting the ability in some cases of households to plan housing transitions as well as managing immediate housing options.

4.2.1 Implications for policy development

Growing evidence suggests that increased affordability pressures across the housing system (Yates 2012), coupled with a context of deregulation and increased labour market and financial insecurity in Australia (Burke, Nygaard et al. 2020), leave a growing proportion of Australians unable to attain the housing to which they aspire (Daley, Coates et al. 2018; Burke, Stone et al. 2014; Burke, Nygaard et al. 2020; Beer and Faulkner 2011; Baum and Wulff 2003; Baxter and McDonald 2005). Evidence highlights increasing affordability pressures, manifesting as an increased burden on various forms of direct housing assistance provision (Productivity Commission 2020; Rowley, Leishman et al. 2017).

The move toward a dual tenure housing policy context in Australia is supported by the findings of this research. This includes support for home ownership as well as current moves to significantly enhance the security of occupancy in privately rented dwellings.

- Schemes such as the First Home Owners Grant (FHOG), low deposit home loans and other forms of assistance to home ownership, for households who can afford deposit savings and mortgage repayments, are supported by these findings, as are schemes enabling household mobility such as stamp duty relief.
- Private rental reforms in Victoria, New South Wales, and the Australian Capital Territory that promote a move toward longer-term tenancy leases, the ability to live with companion and assistance animals, and the removal of 'no grounds eviction' clauses in some jurisdictions, are supported by our findings, and suggest that secure occupancy could include far longer-term leases for particular cohorts (e.g. families, older persons).
- Increasing the diversity of providers of privately rented dwellings, to include large scale institutional investors as well as private household 'mum and dad' investors may lead to a private rental sector that can include more long-term as well as flexible lease options and enhance the security of occupancy within the sector overall (Hulse, Martin et al. 2018).
- Our findings strongly support the continuity of investment and commitments by governments to social housing, and the growth of the community housing sector, as a means to provide long-term housing security. This is consistent with the concept of social housing as infrastructure (Lawson, Pawson et al. 2018) as well as with the acknowledgement of social housing as an infrastructure of care (Power and Mee 2019).

4.2.2 Implications for emerging and innovative approaches

The strong emphasis on safety and security lends support to innovative means for households across the life-course to achieve these housing priorities. This includes various new and emerging forms of collaborative and co-housing, as well as hybrid tenure models such as rent-to-buy schemes. Land rent schemes that enable households to begin to purchase a home at a reduced upfront cost are an example of a hybrid model. In such cases, governments may own land that they lease to dwelling purchasers, enabling a mixed rent and purchase option to facilitate affordability and reduce entry costs.

Box 1: Hybrid tenure models: Land Rent Scheme Australian Capital Territory

The Land Rent Scheme is part of the ACT Government's Affordable Housing Action Plan (2007–2017). The scheme gives people the option of renting land through a land rent lease rather than purchasing the land to build a home. Under the scheme, people who purchase a single-dwelling residential block (previously unleased land) from the Suburban Land Agency can apply for their Crown lease to be a land rent lease. For potential lessees, choosing this option means reducing the up-front costs associated with owning a home. Lessees don't need to finance the cost of the land; they need to finance only the costs associated with the transfer of the land (such as duty) and the construction of the home.

Source: <https://www.revenue.act.gov.au/home-buyer-assistance/land-rent-scheme>

Other forms of organisational collaboration can also achieve security. Collaborative housing options across Europe, Northern America and other continents demonstrate that such innovations can occur at scale and take a multitude of forms. This includes time-shared housing, where occupants 'own' a dwelling or part of a dwelling for an agreed time period, ownership in schemes which provide access to secure housing across a choice of dwellings (such as where a collective owns multiple apartment buildings and in which apartments can be occupied in the 'best fit' ways), and/or options including small and large scale collaborative communities. These can in some cases be organised privately, or in others with the assistance and/or management and administration of social housing providers (for example, co-housing within the community housing sector, see Crabtree, Grimstad et al. 2019).

4.3 Toward aspirational housing assistance and provision: a nuanced and agile welfare mix

A range of housing assistance forms are required to address the common and specific life stage needs of households across tenures.

4.3.1 Implications for policy development

In the context of declining affordability, there is a need to continue current policy interventions that enable households to enter home ownership. Also required are reforms that emulate the safety and security features of home ownership within rental tenures, through tenancy reform and large scale, professionally managed, dedicated institutional investment products that could be delivered through build to rent schemes. The findings indicate that social housing plays a critical role in ensuring housing safety and security for households unable to access home ownership or private rental housing.

Not all households that require housing assistance are in receipt of income support. This research Inquiry's findings are strongly consistent with the emerging policy discourse and evidence-base around social housing as a form of essential infrastructure (Lawson, Pawson et al. 2018). The findings indicate that there is a role for community housing providers to become larger providers of housing for low and moderate-income earners across key life stages, and not only for households in receipt of income support as their primary income. Qualitative insights gained in this research indicate that some households who are not in receipt of income support may benefit from various forms of housing assistance that assist them to make transitions within and between tenures and dwellings. Consistent with Stone, Parkinson et al. (2016), this includes marginal workers, households in income brackets that are moderate rather than very low, and households who experience considerable household member change (households in transitional states).

Interventions that fast track entry to home ownership are also needed. Schemes such as Keystart in Western Australia, that enable households to purchase property with a low deposit government loan and similar schemes that reduce barriers to ownership, are strongly supported by the findings of this research. These approaches offer the affordability and support required by many households to gain access to a secure housing option that, in the long term, can achieve their housing aspirations in a supported, stable way. Far greater investment and understanding of the operation and outcomes of these types of innovations, and how they can be implemented at a larger scale across low and middle income households, is warranted.

Box 2: Shared equity as property rights innovation

Shared equity innovations assist people to purchase homes by having a 'silent partner' co-own a share of the property. Home loan amounts are then based only on the person's share, reducing the cost of their monthly repayments. An example of this is Keystart's shared ownership home loan, in which the WA Housing Authority co-owns a share of the property and funds up to 30 per cent of the purchase. The purchaser can then increase their share of the property when they are able to do so.

Source: Keystart (2020), <https://www.keystart.com.au/loans/shared-ownership-home-loan>

Privately rented housing now plays a significant role in the Australian housing system as the main alternative to ownership (Hulse, Martin et al. 2018; Hulse, Reynolds et al. 2019; Muir, Powell et al. 2020 forthcoming). In addition to regulatory reforms that seek to increase private rental security, findings of this research indicate that there is a critical role for schemes that seek to support tenancies (Tually, Slatter et al. 2016; Stone, Sharam et al. 2015). Currently, levels of private rental assistance (PRA) utilised by state and territory housing departments are far lower than the findings of this research suggest is required. Existing schemes such as bond assistance, temporary payment support, low interest loans and assistance with financial matters to minimise and reduce debt, could play a far more effective role in achieving current Australian households' housing aspirations than they do currently. Future policy development could usefully explore why such schemes remain relatively small scale and how the schemes could be scaled up for residents across all housing tenure forms.

4.3.2 Implications for emerging and innovative approaches

Innovations in housing assistance and mainstream schemes that enable hybrid tenure models such as rent-buy models of housing provision are likely to enable households to transition from rental to home purchase with reduced transaction costs, and support them to achieve short and long-term aspirations in their housing and life stage goals.

The provision of pathways that enable various kinds of housing, alongside a continuum of support, and thereby avoiding potentially insecure and destabilising housing, is likely to support the aspirations held by many households. This includes for households that participated in the Inquiry research who were living with, or had previously experienced, homelessness or risk of homelessness. A recent example of such innovation has been undertaken in Victoria as a collaboration between welfare services, government financiers and local government—and has led to the use of vacant land to provide secure housing for people who were formerly homeless.

Box 3: Housing assistance innovation from homelessness to secure occupancy

An example of housing assistance innovation can be seen in the collaboration between Launch Housing and Harris Capital, funded by the Victorian Property Fund. The Harris Transportable Housing Project, in Melbourne's inner west, used parcels of unused government land to create 57 tiny homes for people with chronic experiences of homelessness. The housing is long term and pet-friendly. It allows residents to live privately and independently, although there are 6–12 homes on each site, 'creating small communities within a larger community'. The project was featured on the television program *The Block*.

Source: Launch Housing (2020) <https://www.launchhousing.org.au/harris-transportable-housing-project/>

Other forms of collaborative housing, including co-housing within private or social housing contexts, which have a strong emphasis on safe, secure housing should be developed and expanded to become a mainstream supply of housing options.

4.4 Toward aspirational built form: dwellings and locations

The Australian Housing Aspirations survey showed that while there remains a very strong preference for detached housing, there is a significant proportion of households across age cohorts and income groups who seek to live in either apartments or smaller/attached houses.

Most striking is the wide range of location options households indicate they want. Policy settings that explore the pairing of industry, jobs and housing in regional and decentralised metropolitan areas are outlined in the project reports of this Inquiry. Households in young, mid- as well as later life age groups indicate considerable interest in residing in regional areas and centres. Therefore, delivering housing choice across locations is essential in order to meet the housing aspirations of all three age cohorts.

While there is a high degree of satisfaction with current dwelling locations, location aspirations are diverse, with younger Australians the least satisfied with regional locations and the most likely to want to move to CBD and inner suburban areas. Older Australians are least satisfied with CBD living and most satisfied with regional living. 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. Around a quarter 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 in many areas, there are few alternative dwelling types being constructed and which meet the aspirations of those seeking a house.

The aspiration analysis highlights the challenges facing the housing and planning industries in Australia. The challenge is about providing a diverse range of housing options because housing aspirations themselves are so diverse. Yet many parts of Australia remain dominated by detached house building activity while others offer little new supply other than apartments. Cities, small and large, and small regional towns need strategies to deliver housing diversity, given the findings of this research. This diversity includes tenure and size as well as dwelling type. Piecemeal infill development is not the solution—a coordinated approach to delivering large scale, precinct style outcomes is necessary and this requires strong leadership and vision (Rowley, James et al. 2017; Rowley and Phibbs 2012; Newton, Murray et al. 2011).

Also implied by the desire of people to live in regional areas is a need to safeguard existing housing stock from 'short-termism' and diversion to tourist-oriented markets such as Airbnb. Qualitative evidence explored in more depth in the cohort specific reports indicates that the displacement of households engaged in care activities, such as families and older persons in particular, is prevalent in some regional and metropolitan areas and perceived to be directly related to the increased use of short-term whole of dwelling letting. In combination with low vacancy rates in rental sectors this presents significant challenges for some low to moderate-income households wishing to escape from the higher costs typically associated with inner and middle suburbs of larger metropolitan areas.

Relatedly, these findings support a national policy promoting regional Australia as an employment, productivity and housing destination.

Box 4: Regional housing policy

The Australian Department of Social Services (DSS) implemented the Building Better Regional Cities (BBRC) program from 2011 to 2014. The program 'aimed to facilitate the provision of affordable housing for low to moderate-income earners in regional Australia.' The DSS provided funding to local councils, who contributed by providing discounts or rebates on housing for eligible purchasers. Across four states (NSW, QLD, Victoria and WA), fifteen projects were funded and completed.

Source: DSS (2020) <https://www.dss.gov.au/housing-support/building-better-regional-cities-program>

4.4.1 Implications for emerging and innovative approaches

Innovations in housing financing, design and delivery that integrally involve would-be resident occupants from initiation of concept through to completion will likely provide the types of housing diversity and innovation sought after by households across key life stages. This includes young adults seeking independence within a family home; households at mid-life requiring highly adaptable modular living to accommodate their changing care responsibilities of younger and older generations; as well as older Australians seeking to downsize or 'rightsized' (James, Rowley et al. 2020). Deliberative development (Sharam 2020) is key to this innovation. In the Melbourne context, the Nightingale apartment building development, for example, included new financial models to support affordable housing, architects, designers, planners and residents within the initial design team. The result is a mixed development site of single, two bedroom and multiple bedroom apartments within a sustainable building design in inner city Melbourne that is proximate to transport and amenity. In their study of 'matching markets' Sharam, Byford et al. (2018) illustrate how digital platforms can be utilised to disrupt business as usual models of matching future residents to vacant dwellings, reducing inefficiencies including lengthy vacancy, and achieving optimal outcomes in low vacancy, high cost contexts (Sharam, Byford et al. 2018).

Box 5: Deliberative development

'Deliberative development' (Sharam 2020) is a model of housing development wherein the future owner-occupiers of a multi-unit property lead the development. Instead of being in the hands of a speculative developer, properties are in the hands of the community who will reside there. This can reduce project costs and remove the profit-led motivation of usual development, meaning that often these properties foreground environmental and communal values. Nightingale Housing in Melbourne is one well-known example.

Source: Lynch (2017) <https://www.foreground.com.au/private-domain/deliberative-development-suburbs/>

Innovation such as this can also lead to precinct development. Various examples exist nationally, with White Gum Valley in Western Australia one of the most recent and well-known. This development included design consultations and participation of multiple actors to recreate a precinct design area based on affordability, sustainability as well as equity principles. This particular example includes creativity as a primary and integral component of the living arrangement in which artists as well as non-artists reside.

Box 6: Collaborative development of precincts

WGV at White Gum Valley is a LandCorp 'Innovation through Demonstration' project designed to create a vibrant and highly sustainable community of more than 80 homes with a people-friendly, rather than car-dominated, layout and lots of green space. It's 3 kilometres from the centre of Fremantle, which is a One Planet City. WGV includes single lots for self-build detached dwellings, maisonettes and apartment buildings. There are also several demonstration housing projects aimed at providing affordable housing to people in their twenties and thirties and an artist's cooperative developed by Access Housing (Western Australia's leading not-for-profit housing provider).

Source: <https://www.bioregional.com/projects-and-services/case-studies/wgv-at-white-gum-valley-innovation-in-sustainable-and-affordable-self-build-homes>

4.5 Toward aspirational housing pathways and capabilities

Increasing housing knowledge and financial literacy skills can play an important role for households across the life-course. Our research indicates that education programs, increased access to relevant information, and assistance in housing transition planning can enable households to draw closer to achieving their short and longer-term housing aspirations. This is consistent with developments within housing scholarship focusing on the ways that enhanced capabilities among residents and communities can support more successful housing for people who have experienced considerable poverty and disadvantage and/or homelessness (Batterham 2019; Kimhur 2020; Nussbaum 2011; Sen 1999). Our findings suggest that capability building to enhance housing pathways within complex housing systems has widespread potential application and warrants considerable future investment as a focus of policy intervention.

Increasing knowledge, housing literacy and capabilities of individuals and households cannot replace institutional housing systems and structures that provide safe, secure housing (Flanagan, Martin et al. 2019), however our research indicates there is a role for more well-supported consumers and citizens with the enhanced housing knowledge needed to navigate the complex housing systems existing in Australia.

Combining current practice with innovation around information access, capability building for optimal use of information by households including those requiring assistance, and a supported platform through which complex information can be considered within one integrated realm is required. We suggest the following:

- An independent, broad-based, interactive online information and advice platform to improve the 'housing literacy' of all Australians and provide one mechanism to bridge the housing aspirations gap across the life-course. Based on this Inquiry, housing literacy comprises understanding the Australian housing system, including the available tenures, housing options, access to these components and the ability to plan and manage a housing career in Australia. For younger households this information would include knowledge of housing assistance programs, finance and consumer rights. As households move through the life-course, their information needs will change. In mid-life, where a third of survey participants indicated their understanding of the housing system as 'average to poor', information on how to access housing support services, the availability of alternative housing options or hybrid ownership options would close the aspirations gap. By later life, older Australians largely indicated they did not need significant formal support of government incentives to achieve housing aspirations, however, a need for more information on planning housing for later life, understanding how housing can facilitate ageing in place, and factors to consider so that the chance of the next move being triggered by crisis is reduced, was identified to assist this cohort to meet their aspirations.
- Some broad information about all housing sectors would be useful across all cohorts, such as how to enter the private rental sector, rights and responsibilities, home purchase advice and a guide to government incentives and initiatives which are available by state. It might explain the social housing sector and provide an advice line for users to access personalised assistance. There is evidence to suggest that investment in a broad-based interactive online information and advice platform would improve housing literacy among young Australians (starting with school age education), which would have follow on benefits to those in mid-life and later life.
- The diversification of welfare mix types, housing pathways, living arrangements and the varied ways of attaining aspirations across the life-course suggest that future policy directions engage explicitly with 'capabilities approaches' that are increasingly influencing the way policy makers think about enhancing housing options for residents. This is consistent with an approach that focuses on aspirations—what households want, and how they want to get from here to there.

4.6 Toward a dedicated understanding of Indigenous Australians' housing aspirations

This research Inquiry included a focus on Indigenous housing aspirations as part of the broad research approach, and has benefited from dedicated input of an Indigenous Advisory Group, as well as the experience of researchers who have undertaken research involving Indigenous communities previously, and dedicated interviews with Indigenous Australian households in three states.

The survey sample size of Indigenous households included in the AHA survey (2018) underpinning this research is relatively small. However, insights gleaned in this Inquiry and related dedicated Indigenous research and policy work could usefully inform a future research program that focuses more closely on the housing and urban aspirations of Indigenous Australians across metropolitan, rural and remote contexts. This would require collaboration and co-design of research with First Australians. Findings of this Inquiry suggest it ought to also include a dedicated focus on the impacts of intergenerational disadvantage, racism as a housing barrier, as well as on Indigenous Australians' desire to return to, or stay on, country.

The East Kimberley transitional housing program (Rowley, James et al. 2018) was a successful attempt at a new model linking secure housing with educational and employment outcomes. Housing and integrated programs such as these that explicitly lead to multiple outcomes may provide the types of safe, secure housing pathways and aspirational futures that the Indigenous participants in this research indicated they wish to achieve to support their life stage priorities. This includes facets of the policy development objectives mentioned above such as hybrid, supported housing tenures and deliberative development of diverse, modular and flexible housing design for intergenerational and multi-household living.

Citizen-led housing developments such as those examined by Crabtree (2018) including a range of property rights models, design models and support systems warrant future exploration for many population groups, including an Indigenous specific policy exploration. Existing evidence such as Moran, Memmott, et al. (2016) indicates that such an approach needs to include a genuine Indigenous life perspective, coupled with supported participatory design approaches. While the findings here indicate Indigenous housing aspirations in many ways mirror those of other Australians, they also, along with existing evidence, suggest a future investigation of Indigenous housing aspirations, potentially as a participatory co-design process, could be a fruitful step toward innovative Indigenous housing solutions and futures.

Box 7: Citizen-led housing initiatives

Citizen-led housing initiatives comprise housing-related activity organised by a group of individuals acting in their shared interest. Such initiatives are 'driven by social, economic, and/or environmental justice objectives, which shape resultant housing forms and outcomes, including legal and design features' (Crabtree 2018: 18). Citizens access, manage and develop housing in ways that diverge from mainstream models. These initiatives are variously referred to as 'self-organised housing', 'community-led housing' and 'self-managed housing', among other terms, in different international contexts.

Source: Crabtree (2018).

4.7 Aspirations as a step toward housing policy co-design

Within Australian housing policy development processes there is limited opportunity for occupants and citizens to contribute their voices, views and experiences.

Using an aspirations lens, the values, views and experiences of residents are viewed as integrally important within the policy development process. Reframing Australian households' role to experts will ensure the best fit between housing policy and program delivery and households' aspirations.

A key direction for future research and policy is how to involve population cohorts, including those who require support of various forms, in increased participation and engagement in policy development arenas that lead to real world transformation of policy settings and housing options and opportunities. Models such as deliberative development (Sharam 2016) provide a roadmap for how such engagement might happen within niche settings. The challenge for policy makers and residents is finding meaningful policy development co-design models that can assist in housing policy innovation, in the Australian housing system.

In this way, co-design of policy can be thought of as taking the concept of deliberative development, in which future residents are integrally involved in the visioning and design of their future dwellings (Sharam 2016) and applying this to institutional housing settings, housing governance, housing assistance provision and to a scaled-up form of deliberative development in urban precinct and regional participatory policy development. These forms of innovative research to policy practice have foundations in urban design and transitions innovation for sustainable built environment context internationally (Hyysalo, Lukkarinen et al. 2019; Frantzeskaki, Broto et al. 2017; Stoker and Evans 2016; Evans and Terrey 2016). Understanding the ways residents might engage in participatory policy co-design practice is a direction that stems directly from this research, and may lead to considerable future housing policy innovation if adopted and undertaken openly and with care.

4.8 Final remarks: housing aspirations as a pathway to better housing futures

Considering the housing aspirations of Australians in diverse circumstances within their current life stage as well as more widely, across lifetimes and life stages as well as intergenerationally, prompts a fundamentally long-term approach to housing policy and housing assistance thinking.

When taking a long-term lifetime and generational view within housing research and social policy broadly, the usual approaches that focus on low income and need for assistance are challenged. As an increasingly nuanced body of existing evidence indicates, household and generational dynamics across housing, employment and family pathways determine exposure to low income and assistance need—as well as the depth of need—in new as well as more traditional ways.

Additionally, assessing lifetime and life-course need for housing assistance brings into stark relief the increasingly poor fit between current policy and housing assistance settings within Australia's welfare infrastructure, with the extent and depth of need for support felt by a broad and growing proportion of Australians facing the costs and consequences of a high-cost housing market dominated by private housing provision.

The housing aspirations lens used in this research provides insights into how a generational view within housing research and housing policy can be utilised and included in policy development options. Long-term, intergenerational thinking that involves the aspirational perspectives of individuals and households in genuine ways, including exploration of forms of system co-design, will be fruitful ways to achieve policies that best fit the housing futures to which Australians aspire.

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Appendix A: Select demographic characteristics – Australian Housing Aspirations (AHA) survey (2018)

Table 12: Comparison of AHA respondents and ABS population

Age group	Number	Percent	ABS population
18-24	911	12%	12%
25-34	1566	21%	19%
35-44	1236	17%	17%
45-54	1208	17%	17%
55-64	1143	16%	15%
65-74	1003	14%	11%
75+	276	4%	9%
Total	7,343		

State	Frequency	Percent	ABS population
New South Wales	2213	30%	32%
Queensland	1398	19%	20%
Western Australia	727	10%	10%
Victoria	1957	27%	26%
South Australia	537	7%	7%
Northern Territory	47	1%	1%
Australian Capital Territory	320	4%	2%
Tasmania	144	2%	2%
Total	7343	100%	100%

Source: Original analysis of Australian Housing Aspirations Survey (2018) data, unweighted. ABS Census 2016.

Table 13: AHA survey respondent characteristics

State – regional/metro breakdown	Metro	Regional
New South Wales	63%	37%
Queensland	59%	41%
Western Australia	81%	19%
Victoria	76%	24%
South Australia	79%	21%
Northern Territory	60%	40%
Australian Capital Territory	95%	5%
Tasmania	47%	53%
Australia	70%	30%

Current location within state	Percent
Within the CBD of a capital city	10%
Within the inner suburbs (excluding CBD) of a capital city	21%
Within the middle/outer suburbs of a capital city	39%
Within a regional city or large town	18%
Within a small, regional town	11%
Within a remote community	1%

Household/individual Income	Percent
Very low income (up to \$31k)	24%
Low income (\$31k-\$59,999)	27%
Moderate income (\$60k-\$89,999)	22%
High income (\$90,000-\$149,999)	19%
Very high income (\$150,000+)	7%
Proportion moderate income or lower	73%

Household type	Percent
Single person no children (includes independent individuals living with parents)	33%
Couple living together, no children	31%
Couple living with children (dependent and/or independent)	29%
Single person living with child(ren) (dependent or independent)	8%

Tenure	Percent
Own with a mortgage/shared equity	28%
Own outright	33%
Renting privately	31%
Rent from a state or community housing provider	6%
Rent free	1%
Retirement village	1%
Total	100.0

Source: Original analysis of Australian Housing Aspirations Survey (2018) data, unweighted. ABS Census 2016.

Table 14: AHA household respondent characteristics and ABS population

Dwelling type	Percent	ABS
House	78%	84%
Apartment	19%	14%
Other	2%	1%

Number of bedrooms	Percent	ABS
1 bedroom	7%	3%
2 bedrooms	20%	14%
3 bedrooms	40%	40%
4 bedrooms	26%	33%
5 or more bedrooms	6%	9%

	Percent	ABS
Postgraduate qualification or higher (PhD etc)	14%	8%
University undergraduate degree	28%	18%
Diploma/Associate Diploma/Associate Degree	17%	10%
Certificate III or IV	12%	18%
Certificate I or II	2%	0%
Less than year 10	3%	9%
Year 10 and above	24%	37%

Source: Original analysis of Australian Housing Aspirations Survey (2018) data, unweighted. ABS Census 2016.

Table 15: AHA survey respondent characteristics

	Percent
Receive govt. income support	
Yes	41%
No	59%
Receive CRA	
Yes	27%
No	73%

Affordability	Very low income	Low income	Moderate income	High income	Very high income	ALL
Essential expenditure	82%	90%	94%	96%	98%	91%
Non-essential expenditure	51%	66%	74%	81%	92%	70%
Savings and investment	34%	47%	56%	66%	81%	53%

Source: Original analysis of Australian Housing Aspirations Survey (2018) data, unweighted. ABS Census 2016.

Appendix B: Housing aspirations – key ‘housing bundle’ attributes valued by age and income cohorts

Table 16: Key housing bundle attributes valued by age cohort

Attributes	ALL households	Young	Mid-life	Older
Safety and security	75%	63%	75%	86%
Number of bedrooms	75%	64%	75%	82%
Local shopping	69%	57%	69%	83%
Good internal and external quality	69%	58%	66%	80%
Dwelling security	65%	52%	62%	78%
Dwelling type	64%	46%	65%	81%
Full ownership	63%	53%	62%	75%
A walkable neighbourhood	62%	53%	61%	73%
Adequate parking	61%	47%	58%	76%
Security – long term, stable housing	61%	53%	60%	69%
Number of bedrooms (apartment)	59%	60%	64%	64%
Quality – well maintained, not dangerous	57%	50%	52%	68%
Dwelling security (apartment)	56%	51%	59%	70%
Size of living area(s) (apartment)	55%	60%	61%	56%
Easy access to health services	54%	40%	49%	75%
Adequate storage space (apartment)	52%	50%	55%	63%
Easy access to a major shopping centre/high street	52%	40%	49%	67%
Quality public transport	50%	45%	48%	58%
Number of bathrooms	50%	44%	49%	55%
Access to high speed internet	49%	51%	48%	57%
Size of the lot	48%	42%	50%	50%
Proximity to family/friends	42%	38%	38%	50%
A large backyard	42%	45%	47%	31%
Local open space	39%	29%	38%	49%
Easy access to public facilities – library, swimming pool etc.	37%	32%	37%	43%
Easy access to a major road	36%	30%	35%	43%

Appendix B: Housing aspirations
 – key 'housing bundle' attributes
 valued by age and income cohorts

Attributes	ALL households	Young	Mid-life	Older
Sustainability features such as solar panels	36%	27%	35%	44%
Number of bathrooms (apartment)	35%	43%	33%	34%
An established dwelling	35%	25%	33%	46%
Entertainment amenities e.g. bars, cafes, cinemas etc.	35%	36%	33%	34%
Building materials	34%	28%	33%	40%
Easy access to work for members of your household	32%	37%	40%	20%
Living in an area with similar people to me/us	32%	25%	30%	41%
Ability to modify the dwelling	31%	31%	32%	29%
Easy access to employment opportunities	30%	42%	36%	13%
Adaptability/Flexibility of internal space (universal design)	28%	28%	27%	27%
Flexibility – being able to use space for a variety of uses	27%	27%	25%	27%
Child friendly spaces	24%	32%	29%	12%
Easy access to education (schools/university/TAFE etc.)	24%	33%	29%	8%
A pool and/or gym (apartment)	19%	29%	17%	13%
Sustainability features such as solar panels (apartments)	19%	20%	20%	21%
Flexible rent or mortgage payments	19%	25%	21%	10%
Smart wiring	18%	22%	15%	18%
Smart wiring (apartment)	18%	24%	16%	16%
Living in an area with a mix of different people	17%	16%	16%	18%
A new dwelling	16%	19%	15%	14%
Financial return	15%	21%	16%	8%
Communal living areas (apartment)	15%	20%	15%	12%
Access to a network of cycle paths	13%	13%	15%	12%
Bike storage space	9%	13%	11%	5%
Renting out spare rooms to earn income	8%	12%	8%	4%
Flexibility – being able to move at short notice	8%	12%	7%	5%
Part ownership	5%	6%	4%	4%

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

Table 17: Key housing bundle attributes valued by income cohort

Attributes	ALL households	Very low income	Low income	Moderate income
Safety and security	75%	76%	76%	73%
Number of bedrooms	75%	71%	74%	73%
Local shopping	69%	72%	72%	69%
Good internal and external quality	69%	66%	68%	69%
Dwelling security	65%	66%	67%	64%
Dwelling type	64%	61%	67%	62%
Full ownership	63%	52%	64%	66%
A walkable neighbourhood	62%	61%	64%	61%
Adequate parking	61%	55%	57%	60%
Security – long term, stable housing	61%	62%	62%	61%
Number of bedrooms (apartment)	59%	65%	72%	63%
Quality – well maintained, not dangerous	57%	56%	58%	56%
Dwelling security (apartment)	56%	68%	65%	61%
Size of living area(s) (apartment)	55%	59%	65%	61%
Easy access to health services	54%	59%	58%	50%
Adequate storage space (apartment)	52%	60%	61%	57%
Easy access to a major shopping centre/high street	52%	52%	55%	50%
Quality public transport	50%	54%	49%	48%
Number of bathrooms	50%	40%	46%	50%
Access to high speed internet	49%	56%	51%	48%
Size of the lot	48%	40%	46%	48%
Proximity to family/friends	42%	43%	43%	41%
A large backyard	42%	39%	40%	42%
Local open space	39%	35%	38%	39%
Easy access to public facilities – library, swimming pool etc.	37%	40%	36%	38%
Easy access to a major road	36%	33%	36%	37%
Sustainability features such as solar panels	36%	35%	38%	35%
Number of bathrooms (apartment)	35%	31%	40%	41%
An established dwelling	35%	37%	36%	34%
Entertainment amenities e.g. bars, cafes, cinemas etc.	35%	32%	33%	35%
Building materials	34%	29%	34%	35%
Easy access to work for members of your household	32%	25%	28%	36%
Living in an area with similar people to me/us	32%	33%	33%	29%
Ability to modify the dwelling	31%	29%	30%	32%

Appendix B: Housing aspirations
 – key 'housing bundle' attributes
 valued by age and income cohorts

Attributes	ALL households	Very low income	Low income	Moderate income
Easy access to employment opportunities	30%	31%	28%	32%
Adaptability/Flexibility of internal space (universal design)	28%	27%	27%	26%
Flexibility – being able to use space for a variety of uses	27%	27%	26%	27%
Child friendly spaces	24%	20%	22%	27%
Easy access to education (schools/university/TAFE etc.)	24%	24%	20%	24%
A pool and/or gym (apartment)	19%	21%	22%	23%
Sustainability features such as solar panels (apartments)	19%	26%	25%	19%
Flexible rent or mortgage payments	19%	22%	19%	19%
Smart wiring	18%	19%	16%	17%
Smart wiring (apartment)	18%	20%	21%	19%
Living in an area with a mix of different people	17%	17%	17%	16%
A new dwelling	16%	13%	16%	17%
Financial return	15%	13%	12%	16%
Communal living areas (apartment)	15%	17%	18%	17%
Access to a network of cycle paths	13%	13%	11%	13%
Bike storage space	9%	9%	12%	9%
Renting out spare rooms to earn income	8%	10%	9%	6%
Flexibility – being able to move at short notice	8%	8%	8%	7%
Part ownership	5%	6%	4%	4%

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



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