‘The importance of housing is that its distribution, more so than the distribution of either land or fixed productive assets, may presage the future direction of wealth distribution’
(McKinlay et al, 1992)

‘Home has always been the focal point in human life and this is as true in the 21st century as it was for our cave-dwelling ancestors’
(Lowe, 2011)

What we do

Led by Professor Hal Pawson, the City Futures Housing Policy and Practice (HPP) sub-program specialises in topical, policy-relevant, research.

As well as spanning both private and social housing, our agenda also encompasses area regeneration and social inclusion. Although relating primarily to Australia, our projects often contain international comparative elements.

We also seek to engage with academic and theoretical debates especially in social policy, and have a strong track record of academic publication informed by our empirical studies. Recently published journal articles and books drawing on HPP staff research in the housing sphere have included:

• Gilmour, T. & Milligan, V. (2012) Let a Hundred Flowers Bloom: Innovation and Diversity in Australian Not-for-Profit Housing Organisations, Housing Studies 27(4) 476-494
• Randolph, B. & Freestone, R. (2012) Housing Differentiation and Renewal in Middle-ring Suburbs: The Experience of Sydney, Australia; Urban Studies 49 (12) 2557-2575

Our diverse agenda

HPP projects reflect a diverse range of housing-related interests and expertise within the City Futures staff team. Selected projects among our recently completed and ongoing (2012) portfolio include studies on:

• Homelessness – ‘The homelessness consequences of policy and economic change’ (Hal Pawson); funded by CRISIS UK - ongoing 2012
• Indigenous housing – ‘Community Land Trusts and Indigenous housing’ (Vivienne Milligan); funded by AHURI - completed 2011
• Private rental housing – ‘Secure occupancy and rental housing: an international comparative study’ (Vivienne Milligan, Hazel Easthope, Hal Pawson); funded by AHURI - completed 2011
• Housing development financing – ‘Financing and institutional arrangements for provision of rental housing’ (Vivienne Milligan, Ilan Wiesel, Shanaka Herath, Hal Pawson); funded by AHURI - ongoing 2012
• Housing markets and the geography of poverty – ‘Addressing concentrations of disadvantage’ (led by Hal Pawson with Swinburne University and University of Queensland); funded by AHURI - ongoing 2012
• Public and community housing management – ‘Public housing stock transfers, past, present and prospective’ (Hal Pawson, Vivienne Milligan, Ilan Wiesel, Shanaka Herath); funded by AHURI - ongoing 2012

Housing policy and practice program

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Our main research funders

Australian Housing and Urban Research Institute - AHURI

Our key research partners

• Cambridge University, England
• Heriot-Watt University, Scotland
• OTB Delft University, The Netherlands
• RMIT University
• Swinburne University
• University of Queensland
• University of Western Sydney
• A/Prof Judy Yates (University of Sydney)
Defining affordable housing

Affordable housing is priced below market housing and is specifically provided for low and moderate income households who cannot afford to pay full market costs.

Forms of affordable housing include rental housing, low cost home ownership and innovative shared ownership options.

Social housing is a form of affordable rental housing for households with special needs - including people with disabilities or the aged - and other very low income households, such as the long term unemployed or those who experience persistent homelessness.

The need for affordable housing

Over half a million lower income private renters and over 300,000 lower income homebuyers were paying 'unaffordable' housing costs in 2009/10. 'Lower income' as used here relates to households in the lowest 40% of the income distribution. For such households, rents or mortgage costs exceeding 30% of incomes are defined as causing affordability stress. Those affected by this long term problem are effectively being pushed into poverty by high housing costs.

Nationally, in 2009/10 around a half of all low income renters and housebuyers were paying more than 30% of their income for their housing. In NSW this was true for 54% of low income housebuyers and 62% of renters – for both groups an incidence of housing stress higher than in any other state or territory.

Nationally, (see graphic) housing stress is particularly concentrated in the rental sector. In terms of rental dwellings available and affordable to lower income households, it is estimated that there is a shortfall of some 540,000 homes.

Our affordable housing research

Governments across Australia have been striving to increase the supply of affordable housing, especially through growing the not-for-profit housing sector or ‘community housing’. Post-2007 funding initiatives which have expanded not-for-profit housing provision have included:

- the $5.6 billion social housing component of the Nation Building Economic Stimulus Package (NBESP)
- the National Rental Affordability Scheme (NRAS) which is scheduled to generate 50,000 homes for rent at below market prices by 2016.

City Futures Research Centre, primarily with funding from the Australian Housing and Urban Research Institute – AHURI, has led the way in researching what affordable housing is being provided and how it is funded and delivered.

Aspects of affordable housing policy and delivery covered in recent City Futures projects have included:

- Affordable housing not-for-profit business models
- Housing and planning policies for affordable housing
- Regulation and financing of affordable housing
- International models of affordable housing provision
- The affordable housing contribution of government land agencies
- Affordable housing project performance

Incidence of housing stress in Australia in 2002/03 - % of low/moderate income households affected

<table>
<thead>
<tr>
<th>Incidence of stress (%)</th>
<th>Numbers in stress (000s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lower income purchasers</td>
<td>0  100  200  300  400  500</td>
</tr>
<tr>
<td>Lower income private renters</td>
<td>0  100  200  300  400  500</td>
</tr>
<tr>
<td>Moderate income private renters</td>
<td>0  100  200  300  400  500</td>
</tr>
<tr>
<td>Moderate income purchasers</td>
<td>0  100  200  300  400  500</td>
</tr>
</tbody>
</table>

Components of the affordable housing industry

Recent City Futures research projects have explored all of the distinct components of the affordable housing model as schematised below.

Ongoing and recently completed projects

Numerous affordable housing studies have been completed by City Futures in recent years, often in collaboration with partner universities in the AHURI network. Major projects have included:

- ‘Developing sustainable affordable housing: A project level analysis’ (Ilan Wiesel, Gethin Davison Vivienne Milligan, Bruce Judd (with University of Western Sydney)); funded by AHURI; completed 2011
- ‘Regulatory frameworks and their utility for the not for profit housing sector’ (Vivienne Milligan, Tony Gilmour (with University of Tasmania and University of Queensland)) funded by AHURI; completed 2011
- ‘International measures to channel investment towards affordable rental housing’ (Vivienne Milligan and Tony Gilmour (with RMIT)); funded by AHURI; completed 2010
- ‘Innovation in affordable housing in Australia: Bringing policy and practice for not-for-profit housing organisations together’ (Vivienne Milligan (with University of Western Sydney, University of Queensland and Sydney University)); funded by AHURI; completed 2009
- ‘Innovative financing for homeownership: the potential for shared equity initiatives in Australia (Simon Pinnegar, Bill Randolph, Hazel Easthope (with Cambridge University)); funded by AHURI; completed 2009

AHURI; completed 2012

- ‘Understanding leadership, strategy and organisational dynamics in the not-for-profit housing sector’ (Vivienne Milligan, Gethin Davidson, Hal Pawson (with Swinburne University)); funded by AHURI, ongoing 2012
- ‘Affordable housing, urban renewal and planning: emerging practice in Queensland, South Australia and NSW’ (Gethin Davison, Ryan van den Nouwelant, Simon Pinnegar, Bill Randolph) funded by AHURI, completed 2012
- ‘Housing Supply bonds - a suitable instrument to channel investment towards affordable housing in Australia?’ (Vivienne Milligan (with RMIT and Judy Yates)); funded by AHURI; completed 2011
Addressing concentrations of disadvantage: An AHURI-funded project

The research

While slums and ghettos are absent from Australia’s cities, distinct concentrations of poverty and disadvantage can be found in almost every major conurbation and larger regional centre. For residents, this often means contending with poor housing and inadequate local amenities, as well as insufficient family income.

City Futures is leading one of the largest studies of Australia’s disadvantaged neighbourhoods ever undertaken. Jointly with Swinburne University and the University of Queensland, this project involves:

• Mapping the geography of poverty in Sydney, Melbourne and Brisbane
• Differentiating between ‘disadvantaged areas’ and develop a typology of such places
• Probing the causal factors which drive the development and persistence of ‘poverty neighbourhoods’
• Investigating the consequences of living in a ‘poverty neighbourhood’
• Documenting and analysing the policy responses attempted by federal and state governments in addressing the problems of such areas

This AHURI study runs from 2011 to 2014

Building on existing City Futures research insights

The research award recognises the leading role played by UNSW academics in Australian urban studies and the scope for building on the substantial body of relevant work already undertaken by CFRC’s Professor Bill Randolph and colleagues; in particular:


In particular, the research is being shaped by two key CFRC insights on the nature and location of Australia’s poverty neighbourhoods:

• Due to shifts in our urban geography recent decades have seen a distinct suburbanisation of poverty in Australia’s cities. With many such localities remote from employment and services a further problematic dimension is added to residents’ life chances.

• While certain large public housing estates stand out as problematic areas, many poverty neighbourhoods are in fact composed substantially of privately owned housing, sometimes including a high proportion of private rental. The problems of such areas have been tended to be particularly neglected by urban policymakers.

Concentrated disadvantage not only here....

...but also (potentially) here

The backdrop for the research is the changing extent of poverty and income inequality across society. As officially defined (see graphic), Australia’s incidence of ‘vulnerability to poverty’ in has remained fairly constant over the past 15 years or so. However, in common with many other advanced countries, income inequality has increased (see graphic).

Research methods

The study involves three main stages:

1. Secondary data analysis mainly drawing on ABS census data: (i) to identify concentrations of socio-economic disadvantage, and (ii) to construct a typology of disadvantaged areas

2. Residents survey: face to face interviews with 800 households in four contrasting types of disadvantaged areas in Sydney - to be undertaken in 2013

3. Detailed case study work in six disadvantaged areas in Sydney, Melbourne and Brisbane – including indepth interviews with key stakeholders, policymakers and residents, in part to identify and evaluate historic or ongoing policy interventions to address local problems.

The study is due for completion in 2014.
Researching housing across frontiers

Like other policy areas, housing has seen a rising incidence of policy transfer over the past 10-20 years. Increasingly, governments have beyond their own borders in the hope of borrowing models and approaches believed effective in addressing common problems and dilemmas. Playing on our strong international linkages, City Futures has been at the forefront of studies critically analysing the essence and potential Australian applicability of policy developments in other advanced countries. While policymaking has arguably seen something of a convergent trend, international housing markets in the past few years have seen a marked divergence. With property values here having remained at close to peak levels since 2008, Australia stands in stark contrast with many European countries, as well as the USA, where markets have not only crashed, but have remained severely depressed.

Why do we do comparative research? There are, perhaps, a number of specific factors which drive interest in comparing housing problems and policies across international borders.

- Gain insights from international experience
- Analyse explanations for similar/different national approaches to a policy question or challenge
- Test our theories in contrasting social and/or policy contexts
- Identify innovations and new ideas potentially relevant for informing local policy and practice

In different combinations, all of these have provided impetus to City Futures work in this area.

Ongoing and recently completed comparative housing studies

Projects recently completed and incorporating international comparative perspectives include studies under a number of headings including:

- How different countries procure and finance affordable housing

  - Social housing strategies and financing mechanisms: international review and update of post-2007 developments’ (Hal Pawson and Vivienne Milligan) with RMIT; commissioned by Housing NSW, completed 2011
  - ‘Financing and institutional arrangements for provision of rental housing’ (Vivienne Milligan, Ilan Wiesel, Shanaka Herath, Hal Pawson); funded by AHURI, ongoing 2012

- National approaches to regulating rental housing

  - Secure occupancy in rental housing: a comparative analysis’ (Vivienne Milligan, Hazel Easthope and Hal Pawson (with Kath Hulse, Swinburne University)); funded by AHURI, completed 2011
  - ‘Regulatory frameworks and their utility for the not-for-profit housing sector’ (Vivienne Milligan (with University of Tasmania, University of Queensland); funded by AHURI, completed 2011

- Evolution of not-for-profit housing systems and organisations

  - Understanding decision-making in the not-for-profit housing sector’ (Vivienne Milligan, Gethin Davison (with Swinburne University)); funded by AHURI, ongoing 2012
  - ‘Public housing stock transfers in Australia: past, present and prospective’ (Hal Pawson, Vivienne-Milligan, Ilan Wiesel, Shanaka Herath (with Swinburne University)); funded by AHURI, ongoing 2012

- Comparing housing policies relevant to Indigenous people (e.g. in Canada, New Zealand, USA)

  - Community Land Trusts and Indigenous Housing’ (Vivienne Milligan (with University of Western Sydney)); funded by AHURI; completed 2012
  - ‘Service integration and Indigenous housing’ (Vivienne Milligan, Hazel Easthope, Edgar Liu (with University of Queensland)); funded by AHURI; completed 2011

- Latest PhD student

  - Wenjie Cai - Evolving state and market relationships in the Chinese housing system (case study: Wuhan)

International comparative perspectives in academic publications

Increasingly, an international comparative perspective is a required component within any policy-related academic journal paper. Recently published housing-related articles by City Futures staff and incorporating international comparisons as a central theme have included: