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Housing Insecurity and Homelessness



Surviving or Thriving?

Older People at Risk of Homelessness in the Private Rental Market

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Housing insecurity is a major problem experienced by a rapidly growing group of older people when they reach retirement age. Helping older people to move out of unstable housing and find secure accommodation that sets them up for the rest of their lives is the fundamental role of Housing for the Aged Action Group's (HAAG) *Home at Last — Older Persons Housing Information and Support Service*. *Home at Last* is a Victoria-wide initiative that is funded by the Department of Human Services as an Innovations Action Project until June 2015 that aims to address the needs of older people at risk of homelessness.

Since the service began operating in June 2012 over 1000 older people have been assisted to move from precarious housing circumstances into long term affordable housing. Many more thousands have been provided with information and resources to assist them to plan for their retirement housing future. However, our ageing population of renters requires significant government planning, increases in housing supply and a range of retirement housing options to address the projected future needs.

A great deal has been learned over the 22 months of the *Home at Last* project that is helping us to better understand the causes of homelessness for older people in the private rental market. So who exactly are we talking about when we describe older people at risk of homelessness? What are their characteristics? Are they different from other people who present to homelessness services? What is it about private rental housing that is so unsuitable for an ageing population? What is the best way to assist a group of people

who have not had much experience accessing social services, let alone needing homelessness service support? Often recognised as a hidden problem, how can we make services available to this group? What does it all mean for the housing future of an ageing population?

Recent media articles in the Victorian daily press have highlighted the situation of older people who do not have secure housing by the time they reach retirement. These stories have been headlined with banners such as 'middle-class homelessness', demonstrating that this is a problem reaching deeper into Australian society than had previously been the case. Recent research supports this view. It shows that homeownership amongst older people is declining as people 55 years of age and over who own their home outright has dropped significantly from 63.8 per cent to 60.5 per cent between 2006 and 2011. On the other hand people aged 55 and over with mortgages went up from 14.5 per cent to 17.7 per cent.

With the proportion of older people living in public housing remaining static, the situation in the private rental market is quite different. The proportion of older private renters has been steadily on the rise with an increase from 8.6 per cent to 10.8 per cent in the five years between 2006–2011. This increase brings the total of older private renters in Australia to 336,174, an increase of 44 per cent over the five year period.¹

While not all of these people are on low incomes, overall the trend is clear:

- lower rates of home ownership
- more people potentially bailing out of home ownership due to the

high cost of a mortgage as they enter their retirement years

- a lack of affordable housing to house those on low incomes and the numbers of older people forced to rent in the unregulated private rental sector set to double every ten years.

Traditionally homelessness services have focused on assistance to rough sleepers, mainly men, who have complex problems that contribute to the circumstances that cause them to be living on the streets or in dire circumstances. Organisations such as Wintringham provide wonderful services that transform the lives of this highly vulnerable group. However, older renters in the private market are the rapidly growing face of homelessness in Australia who often reach their retirement years without secure and affordable housing.

Women are particularly vulnerable because they have had careers on lower wages than men and less superannuation due to years out of the workforce raising families. They have been less able to accumulate savings to buy a home and were unable to find secure and affordable rental housing due to ineligibility for public housing as their working income put them above the eligibility guidelines. Caught in the 'wedge' of private rental housing, they were able to cope with high rents whilst they were working. However, once reaching retirement and needing to manage on the age pension, their ability to afford to pay their rent disappears.

Landlords are often likely to seek an eviction order as they prefer working tenants who can pay higher rents. Homelessness for this group is mainly caused by structural problems of an unregulated private rental market and a thirty year decline in public housing

investment by governments. Most are facing homelessness for the first time in their lives. It has been predicted that the number of older people on low incomes needing affordable rental housing will reach 419,000 by 2026. The greatest projected change is in the 85 and over age range where the number of low-income renters is estimated to increase by 194 per cent from 17,300 to 51,000.²

In general terms the following factors represent the major barriers for older people in the private rental market:

- Private rental housing is too expensive for older people on aged pensions. The now de-funded National Housing Supply Council reported in 2010 that 35 per cent of renters over 65 years of age are paying more than 30 per cent of their income in rent (this includes the addition of rent assistance to their income).³ The average rent paid by *Home at Last* clients is usually in the range of 50 per cent to 80 per cent of income as they reach the tipping point of affordability.
- Private rental housing offers limited security of tenure as leases, if a tenant is able to negotiate one at all, are rarely greater than six or 12 months in duration. Older people, to be able to age-in-place, need the security of long term tenure. It is evident that housing insecurity is a major factor in the cause of ill health for older people facing the stress of homelessness, having to find other accommodation and relocate.
- There are no minimum housing standards in private rental housing. This means that many of the health and safety factors that are essential to the well-being of older people cannot be guaranteed in this form of accommodation. This is particularly the case for older people on low incomes who access the least expensive and therefore poorest quality, accommodation. Landlords do not have to provide housing that has heating, insulation or be draught-proof. Other aspects of housing standards that older people need, such as secure doors and windows and reliable appliances, are not required to be provided by law in Victoria.

- Private rental housing is not adaptable as people age. There are no legal requirements for landlords to agree to the installation of home modifications such as ramps, rails, walk-in-showers etc. Even if a landlord provides permission for such alterations, they have the right to demand they be removed when a tenant vacates, further financially penalising older people on exiting their home. For aged pensioners, this usually means foregoing the modifications completely. This causes severe inconvenience and reliance on more substantial and expensive aged care services.

What else has *Home at Last* learned about the experience of older people at risk of homelessness in the private rental market? Since *Home at Last* started operation a number of trends have become clear regarding the kinds of people needing assistance and the problems they are experiencing. This data, along with landmark research being led by Dr Maree Petersen from the University of Queensland, provides significant evidence to inform the development of older persons' housing policy into the future.

Private rental housing is the key housing tenure that causes problems for older people with 71 per cent of all *Home at Last* clients seeking help to move from this form of housing. This mainly represents self-contained dwellings but also includes rooming houses, caravan parks, shared accommodation and other forms of market provided housing.

An additional 17 per cent of clients had already been evicted, and, rather than making contact with homelessness support services for emergency housing assistance, had sought their own short-term 'solution' by living with family or friends.

This demonstrates a number of key issues that need to be addressed:

- the inappropriateness of specialist homelessness services for older people
- the fear many older people have about approaching such services
- older people facing homelessness for the first time in their lives with little idea where to go for help

- the loss of pride and the embarrassment older people feel about becoming homeless after a lifetime of adequately coping with life's battles.

Therefore vulnerable older people often will find their own short-term solution such as sleeping in cars, couch surfing and relying on the care of family and friends. However, without being able to find a long term solution these arrangements can become strained and in many cases these living arrangements can create the environment where older people become victims of domestic violence and elder abuse.

Approximately 70 per cent of *Home at Last's* clients are women and, as stated previously, this is caused by a number of factors related to the greater financial vulnerability of older women at retirement age.

Significantly, 35 per cent of *Home at Last* clients have a Culturally and Linguistically Diverse (CALD) background. Some of the reasons for assistance include:

- clients that have entered Australia under an Assurance of Support are wholly dependent on families and the financial and accommodation pressures can become unbearable
- clients have reported intergenerational conflicts between values and cultural norms of their home country and Australia
- basic language barriers can deny many people fundamental access to information about their housing options, understanding the processes required to access affordable housing and find services that can provide advocacy.

Home at Last believes that greater understanding is needed of the homelessness risk factors for CALD communities. Targeted research is needed to understand this issue more thoroughly. *Home at Last* is partnering with the Ethnic Communities Council of Victoria to develop a project to improve our knowledge in this area so that services can be developed accordingly.



There are three main reasons older people contact *Home at Last* for assistance.

Firstly, 33 per cent have reached a crisis point due to receiving a Notice to Vacate. In most cases this is due to market activity based on a landlord selling their home, renovating or moving in themselves. A remarkable finding is that a small group have had legal action taken against them because of rent arrears as most older people find a way to pay rent, even if their rent is costing them as much as 80 per cent of their income.

Secondly, 29 per cent of clients contacted *Home at Last* because they are having difficulty affording their rent.

Thirdly, 27 per cent of clients make contact because their living conditions are very poor or they need other housing that is modified for their health and ageing needs.

Other reasons for seeking assistance include family breakdown and a small

but increasing number of clients are seeking a range of information to assist them to plan ahead for their retirement future.

The most unremarkable statistic from *Home at Last's* service is that over the first 22 months of operation 100 per cent of clients have stayed securely in their accommodation and have required little further advocacy and assistance. Housed mostly in public housing, social housing and not-for-profit independent living units, *Home at Last* clients go on to lead normal, active, independent lives with, at most, some level of ongoing aged care support required. They often report significant improvements to their health and wellbeing as their basic needs are met: Secure accommodation that is affordable, in good condition and well designed.

Overall, *Home at Last* finds that the largely unregulated private rental housing market is unsuitable for the needs of an ageing population. The worrying trend is that more and more older people are being forced

to live in poverty and squalor in this form of housing. More policy focus is needed to address this problem in terms of law reform, improved services, affordable housing supply and appropriate retirement housing options. Ultimately it is up to our governments to make decisions about the quality of rental housing we should expect older people to be living in or, as Professor Andrew Jones has stated '*If Australians are to age well, they must be housed well*'.⁴

Endnotes

1. Petersen M and Jones A 2013, *Addressing Later Life Homelessness*, Institute for Social Science Research, University of Queensland.
2. Jones A et al 2007, *Rental Housing Provision for Lower Income Older Australians*, Australian Housing and Urban Research Institute, Melbourne.
3. National Housing Supply Council 2010, *2nd State of Supply Report*.
4. Jones A 2005, *Housing: the foundation for sustainable strategies to tackle the challenges of Australia's ageing population*, presentation to Australia's Ageing Population Summit, Sydney.