NO HOME AT THE END OF THE ROAD?

A survey of single women over 40 years of age who do not believe they will own their housing outright at retirement.
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Dr Andrea Sharam
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The Salvation Army Australia Southern Territory
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ACKNOWLEDGEMENTS

The author would like to thank the many women from across Australia who participated in the survey, and the many who contacted the author to thank us for conducting the research. The Salvation Army Southern Territory commissioned this research in response to the feminisation of poverty in Australia, which is increasingly affecting older women. Elli McGavin, Territorial Social Policy and Programme Manager, approached the Swinburne Institute to undertake the research and has been a passionate and insightful collaborator in the process.

Many organisations, especially women’s organisations, worked hard to promote the survey and ensured its success. Likewise, many individual women passionate about women’s issues used their networks diligently to garner support for the survey. Housing organisations were also important, and indeed the North East Housing Service (NEHS) and WISHIN in Melbourne planted the seed for this study back in 2007 when they decided to investigate the reasons for the rising number of older, low needs women presenting to their services. That work identified an emerging issue, upon which this research builds, with the aim of discovering models that will provide safe, affordable housing for older, single women.

At the Swinburne Institute, Professor Terry Burke, Professor Michael Stone and Liss Ralston provided the Residual Income Model of Housing Affordability, a new methodology for determining how much an individual or family can spend on housing and maintain a modest capacity to meet life’s other essentials. Dr Nicola Brackertz provided advice and feedback throughout. In addition, Terry, Liss and Associate Professor Kath Hulse provided invaluable advice, assistance and encouragement. And finally, thank you to David Hudson who edited the report.
EXECUTIVE SUMMARY AND RECOMMENDATIONS

Single, older women in Australia have emerged as a group vulnerable to housing insecurity and as being in danger of homelessness in their old age. Wage inequality and interrupted working lives due to childcare responsibilities are contributing factors and have meant that women, especially single women, have a decreased capacity to acquire housing equity or retirement savings in their own right. In addition, social changes that permit women to choose whether or not they marry and which also enable serial monogamy means there has been significant growth in the number and proportion of single, older women in the population. These social changes mirror the lives of the post-Second World War baby boomers and the cumulative impacts are now being felt as this generation approaches retirement. These women now face further disadvantage in the housing market as purchase prices and rental costs have risen, reflecting a number of factors including a shortage of housing supply.

The Women and Housing Affordability Survey sought to understand whether there is a potential market for a new affordable housing scheme for older, single women in Victoria. The model is based on a land trust model:

→ that separates land ownership from dwelling ownership, and assumes the land is provided at no cost;
→ where the dwelling is purchased by individual women through private mortgage finance;
→ where the women could afford to purchase housing for at least $150,000 and potentially up to $350,000;
→ that imposes restrictions on eligibility, sub-letting and bequests;
→ that does not permit the capture of capital gains by purchasers.

To understand whether single women were likely to be candidates for such a scheme, each respondent needed to be assessed for their capacity to pay a mortgage of at least $150,000. The income they had available for housing was determined using the budget standard developed by Burke, Stone and Ralston (2011 forthcoming). This provided a maximum housing purchase price, maximum loan amount and a minimum figure for savings to cover the deposit and stamp duty. Information about debt, savings, capacity to save and retirement and superannuation were sought. The housing scheme proposes modifications to key elements of housing ownership as it is commonly understood so the women’s attitude to these key variations was sought. Finally, they were asked if they would be willing to move to access this housing and how far.

The survey received 111 responses from the target group of single women over the age of 40, with or without children, who did not believe they would own their housing outright when they retired. Basic characteristics of the respondents were as follows:

→ 86 were renting and 25 were purchasing;
→ 81% were under 55;
→ 44% lived alone;
→ median income was $49,000 p.a.;
→ 58% expected to have less than $100,000 superannuation at retirement;
→ one quarter lived in rural and regional Victoria.

Of the renters, 34% were in housing stress with 65% of all the renters carrying debt. Of those purchasing, three were in housing stress and each of these was a single parent.

Out of 81 renters, 53 earned sufficient incomes to finance a housing purchase of $150,000 but only 11% could have proceeded immediately. A further 28% would be able to purchase if they could also access a rent-to-buy scheme. The respondents were very positive towards the modifications to traditional forms of home ownership that would be required, including having the willingness to forego capital gains.

The major problem was that most of the women who could afford the $150,000 required by the proposed model to enter the housing market had debts which would need to be addressed before they could commence saving for a deposit and stamp duty. Their age and existing debt mean the time they had to pay off a mortgage was reduced to such an extent that it would not be possible for them to be debt free at retirement (at 67).
While many respondents had above average incomes of between $60,000 and $80,000, few could afford properties in the open market. This is in part due to the high cost of housing (the deposit requirement on the average priced house is daunting in its own right, with $60,000 savings needed for a house costing $425,000). Consequently, they did not believe they could purchase. However, it may also be the case that their capacity to save is actually less. Many of the women were living with non-dependent children or related others. It may be that they financially contribute to the needs of others and this reduces their disposable income available for housing. A number of women indicated that these other people could, however, also contribute to the costs of a mortgage.

Most of the women renters earning above $49,000 p.a. were not in housing stress and many had considerable disposable income. They could, accordingly, afford to carry the debts they had, but very few were saving and thus will be wholly or partially reliant on the age pension when they retire and are still paying rent.

Single parent renters not currently working had grossly inadequate incomes on which to live and were accumulating debts, but there was a clear pattern that once their earnings increased they switched to saving. The debt, however, negated their chances of ever purchasing in the market. Many parents on higher incomes could afford $150,000 required to enter the housing market as proposed by our model, but the others are currently vulnerable to homelessness and if they do not go on to earn significantly more will remain so.

The women who were purchasing felt pessimistic about getting to retirement without housing debt but they had specific strategies including downsizing that they hoped would allow them to meet their future housing needs. However, they were going to have to make considerable compromises and it was going to involve risk.

Based on the information collected, the study calculated how much respondents could save for their retirement. Only 30% of the renters could accumulate $321,750 which is the maximum saving allowed before the age pension begins to be reduced. For the women, this would mean an annual retirement income of only $28,600 from which rent needs to be paid. This is likely to mean that they would have inadequate income for their non-housing needs and would be using the capital to live on.

The forecast of a growing number of single women facing housing insecurity if not homelessness in their older years is reflected in the responses to the Women and Housing Affordability Survey. The contribution of poorer economic position is clearly discernable and some of these women are currently at risk of homelessness and most are at risk later in their lives. These are the women who are already presenting to services.

However, the surprise is the number of women on higher incomes who have assumed, correctly, they cannot afford to purchase but who are not compensating by saving for retirement. The implication of this finding is that an even greater number of single, female renters are at risk of homelessness in their old age. The immediate consequence is that many of these higher income earners who would otherwise be eligible for a shared equity scheme would miss out.

The findings suggest that it is crucial to find an affordable housing solution that permits single older women to provide for their retirement by contributing to housing equity. The respondents indicated a willingness to embrace the shared equity model proposed in this research. Over time with education and information this would mean women would not need to miss out.
**Recommendations**

1. Undertake a national survey to ascertain the size of the potential market, including capacity and willingness to pay; and of the savings problem identified;

2. Further development of a land trust based-shared equity scheme, including the establishment of a register for expressions of interest;

3. Further research is required to understand:
   a. attitudes and choices about saving and indebtedness and its impact on housing choices;
   b. extent to which single women without formal dependents contribute financially to other people needs;
   c. beliefs, strategies and the extent to which current superannuation is drawn down on a hardship basis;

4. That advocacy occurs in relation to the underlying issues that cause the inequalities;

5. That financial literacy education needs to be aimed at young people and should take account of the gendered nature of work and care.
INTRODUCTION

The Women and Housing Affordability Survey is a project commissioned by The Salvation Army and conducted by the Swinburne Institute. The research sought to find out more about:

→ single, older women’s current housing situation and needs;
→ their aspirations and capacity for meeting their longer-term housing needs;
→ their attitudes towards alternative models of financing home ownership.

It was anticipated that the findings could be used to inform alternative models of housing affordability schemes offered by not-for-profit organisations in Victoria and to inform services targeted at women experiencing housing stress.

The survey was aimed at single women over the age of 40 with or without children who did not believe they would own their housing outright when they retired. The survey was distributed across Australia, and the Victorian responses have been drawn upon for this report.

WHY OLDER, SINGLE WOMEN?

Research on women and housing predicts that the continuing gender wage gap and caring responsibilities mean women will generally continue to be poorer than men and that this will have adverse outcomes for women’s housing security over the next 15 years (Tually, Beer and Faulkner 2007). This finding was informed by ABS population forecasting that projects a significant increase in the number and proportion of lone female households to 2026. De Vaus and Richardson (2009: 9) conclude that ‘on average, women who live alone are considerably older than men who live alone’ and that marital status is a ‘risk’ factor for whether or not a woman will live alone.

The growth in the number of single women has been driven by a number of factors, but the widespread availability of oral conception from the 1960s and ‘no fault divorce’ law reform in 1974 has enabled a dramatic shift to serial monogamy as the norm (Farouque and Rumble 2007). Only a few couples today could expect to follow what was once regarded as the norm of getting married, buying a house, having the kids, and paying off the mortgage in time for retirement. As Beer and Faulkner (2009) suggest, divorce, in its housing impact, is comparable to marriage in the twentieth century. The accumulation of housing equity for many people is now punctuated by significant (and sometimes repeated) financial reversals that occur with relationship breakdowns. For women, post-divorce/separation frequently means living on the lesser wage and having the majority of child care. Flatau et al. (2003) found that, although women may be more likely to acquire the family home in a divorce settlement, it does not mean they can afford the mortgage payments.

There are also increasing numbers of women who do not partner or who do not purchase housing with a partner and subsequently separate. There is anecdotal evidence to suggest that ‘white knight syndrome’, where women wait for a partner to purchase housing, is a factor.

Other changes also affect the ability to accumulate housing equity. Home purchase is increasingly delayed by participation in education and the age at which people ‘settle down’ (that is, believe they are partnering for life). Delay in childbearing also has the consequence that the children are younger when the parents separate, with implications for ability to engage in employment.

Starting to accumulate housing equity in mid-life is financially difficult in any period, but housing prices have risen far faster than inflation over the last decade: ‘the average house price in the capital cities is now equivalent to over seven years of average earnings; up from three in the 1950s to the early 1980s’ (Select Committee on Housing Affordability in Australia 2008).

Rental housing costs have risen in tandem with purchase prices, and sustained under-supply of housing will mean that neither will abate greatly for some time. Many Australians feel they are unable to buy housing but are subject to increasing rents.

Single women without children receive just 4% of the national spending on homelessness services but have been identified as a new group increasingly seeking assistance from the Supported Accommodation and Assistance Program (SAAP) (McFerran 2010). There is concern that the rate of homelessness amongst single women
(with and without children) is higher than SAAP data suggests because women adopt different homelessness adaptation strategies to men (Robinson and Searby 2006; Sharam 2008; Hill 2009). As women age, however, strategies such as swapping sex for a place to sleep, partnering or housekeeping become less viable.

**Housing in retirement**

Australia’s age pension system assumes full home ownership at retirement. The value of the pension is very close to the Residual Income Model of Housing Affordability (RIMHA) budget standard for non-housing costs. The consequence of failing to own one’s housing at retirement is that the pension is needed to pay rent. Commonwealth rent assistance is available but provides only partial relief and is capped. Unless the renter has savings she will be in chronic poverty (Burke, Stone and Ralston 2011 forthcoming). Inability to meet rental payments then puts her at risk of homelessness. The increasing gap between pension incomes and rents, and the sale of rental properties, is behind the growing number of aged people, mostly women, seeking assistance from homelessness services (Westmore and Mallett 2011).

**Preventing future homelessness**

While the crisis is already being felt by frontline housing services, the opportunity exists to model demand and get ahead of the problem. Many women affected by these various factors have years of working life ahead of them. From a market perspective their long-term prognosis may not be favourable, but many have good medium-term prospects. They may not be able to afford to purchase housing for $400,000 but they could afford $150,000 to $200,000. Given their current capacity to pay, shared equity schemes should have potential. A shared equity scheme based on a land trust model requires a pool of purchasers so there needs to be sufficient viable demand. The danger is that the target group may actually be too poor to support the scheme.

Another significant reason to explore shared equity is that community housing providers (CHOs) face downsizing in the face of lack of access to capital funding as governments scale back funding. Finally, there is significant and mostly untapped land equity available. Separating ownership of land from ownership of the dwelling (capital improvements) through land trusts would enable the development focus to shift from ‘land’ to ‘space’. There are many public, community and, indeed, private owners of space that are potential donors of this equity. A scheme such as this can lock in perpetually affordable housing while permitting vulnerable people to accumulate equity, and bring a new source of capital funds into the affordable housing sector.

The survey accordingly sought details of the women’s living situation, their income and housing expenditure, their superannuation and other savings or debt. From this, an assessment was made to determine whether their current housing costs are affordable, using the RIMHA, a budget standards approach developed by Professor Terry Burke, Professor Michael Stone and Liss Ralston at the Swinburne Institute at Swinburne University of Technology. Each woman’s capacity to afford a mortgage was determined, then their responses were sought in relation to four key aspects that underpin a proposed shared equity scheme. Shared equity housing products are different from traditional housing finance and those differences need to be accepted by the target market. Finally, there was a need to understand how much impact location could have. Equity in the form of land is a fixed point in space. Are these women willing to move?

The next sections present a brief explanation of the RIMHA, the current funding position of CHOs in Victoria, and land trusts as a basis for shared equity. The methodology for the research will then be presented, the findings of the survey outlined and discussed, and conclusions made.
THE RESIDUAL INCOME MODEL OF HOUSING AFFORDABILITY (RIMHA)

The development of the RIMHA proceeded from a perceived inadequacy of the commonly utilised 30/40 measure to determine housing affordability. In that method, a household (sometimes only those in the lowest two quintiles and sometimes all households) spending more than 30% of gross (or sometimes disposable) income on housing is deemed to be in housing stress. The 30/40 rule can result in people living in public housing on social security benefits being deemed as paying affordable rent, and a person earning $150,000 and paying $60,000 on a penthouse apartment as being in housing stress. In contrast, the RIMHA uses the budget standards approach developed by the Social Policy Research Centre at the University of New South Wales (Saunders et al. 1998) which takes the income available after modest living costs are accounted for as the basis of determining whether the household is in housing stress. Moreover, distinction is made between different costs faced by different household types, for example, a single person has lower basic costs than a household with two children.

There are two key impacts in utilising the RIMHA. Firstly, it presents those on lower incomes as having far greater housing affordability problems, and secondly, it suggests that those with higher incomes have greater capacity to pay. Burke, Stone and Ralston (2011 forthcoming) suggest that these impacts can explain Australia’s flat retail spend (as housing costs crowd out other disposable spending for lower income households and families) and the buoyancy of the inner urban apartment market (single people having far more capacity to pay than the 30/40 rule suggests and being prepared to commit a greater proportion of their income to housing costs). This suggests that banks use something like the RIMHA rather than the 30/40 rule in their mortgage lending.

The RIMHA has explanatory power for women’s housing affordability experience but, importantly for this study, it is actually more market orientated, that is, the shared equity product being proposed would be subject to real consumer demand. Such a scheme needs to understand, as do the mortgage providers, what women can actually pay in order to develop housing at specific price points.

The RIMHA, for practical purposes, is a spreadsheet. Each survey respondent’s key details are entered to determine a) their disposable income, b) percentage of income they could spend on housing, c) their maximum purchase price, d) their borrowing limit and e) how much they would need to have for a deposit and stamp duty.

Key assumptions used by the RIMHA are:

- The mortgage interest rate is deemed as 7.4%;
- The household would spend $2,000 on non-finance housing costs each year;
- A deposit of 10% and stamp duty are needed as prior savings;
- Sole parent income-based tax benefits and credits assume one child;
- Rent assistance is included in the determination of ‘affordable rent’.

The RIMHA is based on two profiles: low cost and modest (see Table 1). Indexed to July 2010, the following non-housing income is required to meet a low-cost budget standard (one which enables a minimum acceptable standard of living) and a modest budget standard (one which enables a more adequate standard of living over an extended period).

<table>
<thead>
<tr>
<th>STANDARD</th>
<th>SINGLE PERSON</th>
<th>AGED SINGLE PERSON</th>
<th>SINGLE PARENT WITH 1 CHILD</th>
</tr>
</thead>
<tbody>
<tr>
<td>LOW-COST</td>
<td>$14,322</td>
<td>$14,203</td>
<td>$28,947</td>
</tr>
<tr>
<td>MODEST</td>
<td>$20,453</td>
<td>$19,673</td>
<td>$41,980</td>
</tr>
</tbody>
</table>

This study uses the modest budget standard as it is assessing long-term housing affordability and willingness to pay.
The current funding position of community housing providers (CHOs) in Victoria

The community housing sector in Victoria has undergone rapid expansion in recent years. The sector has been subject to state and national regulatory reform intended to provide certainty to investors and tenants (amongst other things). This is in line with a general view that community housing should take a greater share of social housing provision. The former Labor Government in Victoria supported the growth of the sector with $510 million capital funding, and the Australian Government’s Nation Building Economic Stimulus $5.2 billion provided funding for a further 19,300 houses nationally. Victoria is expected to have around 16,000 community housing dwellings by the end of 2011. These once-off injections of funds permitted CHOs to scale up their operations.

The National Affordable Housing Agreement which replaced the Commonwealth-State Housing Agreement has two more years before it is renegotiated. This agreement, however, only delivers a trickle of capital funding to CHOs. It should be noted that capital funding from governments for community housing has historically tended to be on an ad hoc basis. CHOs therefore have had to be very opportunistic. This was demonstrated with the introduction of the National Rental Affordability Scheme\(^1\) where CHOs dominated the early rounds. This has proved to be an important source of capital funds for CHOs but is a relatively small pool of funds with restrictions on its usage.

Having grown in line with government intentions, CHOs in Victoria face a funding drought that is likely to mean downsizing. It is possible for them to obtain private finance for construction but the rental yield required to service such debt would mean targeting tenants with at least moderate incomes. Without capital subsidies, the lowest income tenants are unable to provide sufficient rental returns to support investment on their behalf. People in receipt of social security have such inadequate incomes that a deep subsidy will always be necessary in order to house them. Unless a CHO can generate significant cross-subsidies or find a donor of equity, very little new housing will come on line for the most vulnerable people in the community.

The consequence of this funding drought is that CHOs will need to privately finance a greater proportion of each development and to target people who work and have sufficient income to pay what will need to be far higher rents. If unable to do this, they will need to downsize and wait for new government funding.

An observation that can be made about the Australian housing system is that the losses are socialised – that significant subsidies are required from government or community in order to house vulnerable people. The corollary of socialising losses is that profits are privatised. As CHOs historically target people who have very low incomes, there cannot be profits in any sense. Because demand from older women can be forecast, intervention can be made earlier and some of the ‘profit’ that would have been transferred to their private landlords could in effect be used to fund their future social housing. That is, if on assessment they are likely to be future CHO tenants, then they should be housed earlier so that they can make a greater financial contribution to the cost of their housing. There is probably more than one way that this can work financially, but shared equity permits them to have a mortgage and hence allows the CHO to access a new source of funds for capital construction of new housing. The women’s ‘wealth’ does not slip away but works to provide for them in their old age.

CHOs have traditionally been good at attracting donors of equity, especially land, and the housing crisis is creating substantial awareness that donation or usage of land or space for affordable housing is an important priority.

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\(^1\) This provides a tax rebate (or equivalent for not-for-profit) for ten years for developers who rent the dwelling for 20% under market rent.
**LAND TRUSTS AS SHARED EQUITY**

An older single woman will still require a housing subsidy as she has fewer years in which to pay off a mortgage, but it would be a shallow subsidy rather than the deep subsidy provided to people in social rental housing. If she can afford to borrow for a purchase of at least $150,000, it means she can afford the cost of the dwelling. Land trusts offer the opportunity to separate dwelling ownership from land ownership.

Hundreds of ‘community land trusts’ operate in the US and the UK to provide affordable housing. Members purchase or build on trust land but in effect do not pay for the cost of the land they occupy. This is possible through government grants and philanthropy providing the land equity. In many cases, purchasers can access special low income housing finance schemes.

Land trusts use long-term ground leases to direct and control the nature of investment. They also determine the rules of access and exit and how to handle asset improvements and the like. The trust is the tool that ensures the housing remains affordable in perpetuity. The land trust model allows the ‘donation’ of land without the necessity of relinquishing actual ownership.

Leasehold is far more common in Australia than generally recognised. Land in the ACT is all leasehold and it was common in the Riverland region of SA. In the commercial sector it is quite common to have a land owner lease the land to another party who builds a facility on it and operates a business or who may lease that facility to a third party. There are well-established institutional structures to manage such arrangements. Strata title, which is very common, is a form of co-ownership of common land and property management. Land trusts are not much different. Land ownership is merely with a third party but it cannot be separated from the dwellings.

Local governments could lease land (or space, as air rights over at-grade car parks for example are an obvious opportunity) and could establish and oversight the trust itself. Local government has a long track record of successfully devolving this type of management, in effect, qangos (quasi-autonomous non-governmental organisations). There would be considerable benefit in the qango as private mortgage financiers would perceive strength and stability in a professional board of management.

Indeed, local government has a long history in housing and many would have or had independent living units (ILUs) for older people that were built on council land. These are sometimes rental and sometimes involve a licence. The land trust model again is not that different.

There are also non-government organisations that have land and airspace. They often have ageing assets and are at the point where redevelopment needs to occur or the asset needs to be sold off. An example is the Coburg RSL which is a single storey building and unused land in a development zone. They have a facility that needs upgrading to meet future needs, but they could also be meeting the housing needs of some of their members.

Traditionally, in Australia, shared equity presumes shared ownership of land and dwelling as a single title. There are schemes that have worked very successfully (e.g. Keystart shared equity home loans in WA). Victoria had a scheme that has attracted considerable criticism (Uniting Church in Victoria and Tasmania 2008) but each scheme also needs to have rules concerning entry, exit capital improvements and capital gain. Those that rely on capital gain as a means of the purchaser increasing their equity do have risks if the asset does not grow in value or declines in value. This type of scheme is intended, however, to assist individuals accumulate housing equity and is concerned with addressing the financial barriers which low income people face in acquiring home ownership. The land trust model can address low income as a barrier to home ownership but others are established to provide perpetually affordable housing, so capital gain is excluded as a factor in entry and exit cost formulae.

The SA Affordable Housing Unit has created an affordable home-ownership scheme in which the ‘space’ is transferred from private developers as a requirement of the inclusionary zoning regulations in the state’s planning scheme. Mortgage finance is provided through a government scheme.

Experience in development of eligibility criteria, rules for exit and capital improvement etc. already exists in Australia. Moreover, all the elements of a land trust model exist albeit separately and the legal and financial institutions are well positioned to adopt such a model.
The research used a web-based survey instrument; for those without internet access a paper-based survey was available on request. The survey was anonymous and took between 20 and 40 minutes to complete, depending on the women’s situation. Recruitment was largely web-based although one advertisement was placed in the Domain section of The Age. The recruitment strategy relied on it going ‘viral’; that is, on electronic distribution via personal email, websites, Twitter, Facebook and other electronic mailing lists. The engagement of a number of organisations was crucial. Unions such as the Australian Services Union sent the material to members, and women’s organisations such as the Equality Rights Alliance, Salvation Army networks and theYWCA promoted it among their networks. Other organisations posted it on their websites. It was assumed, however, that word of mouth would be important, and that people would send the notice on to those they recognised as being the target group. Recruitment started on 16 May 2011 and closed on 14 August 2011.

Respondents were offered the opportunity to win one of 20 gift vouchers worth $50. To do this, they needed to register their personal details separately from the survey. A high proportion did so.

The data was collected in a spreadsheet to enable analysis. A number of assumptions were used.

When each was assessed for how much they could save:

a. it was assumed that they would contribute monthly. The interest rate used was 4%, representing term deposit rate minus inflation (that is, 6% minus 2% for CPI);

b. their age was assumed as being the lowest in the age bracket, therefore the figure represents their optimal savings capacity in terms of age;

c. where they have debt, this has been included. Respondents nominated their debt in brackets, therefore the lowest figure in the bracket has been used. Those with debt of less than $500 were counted as not having debt;

d. a retirement age of 67 was used for all;

e. the impact of taxation on their savings as income was not assessed.

A web-based savings calculator was used.

When each was assessed for their debt carrying capacity (entered into the RIMHA spreadsheet):

f. it was assumed that retirement would be 67;

g. the number of years available to repay the mortgage was reduced to reflect time spent repaying pre-existing debt and accumulating a deposit.

The methodology reflected the absence of an appropriate sampling frame that would enable collection of data that would be generalisable to the population of single women in Victoria. The ABS Census data does not readily provide access to information about single women, as opposed to lone female households. The creation of a typology for a sampling frame using the 2011 Census should be the next stage of investigation.
FINDINGS

RESPONDENT CHARACTERISTICS/PROFILES

The survey received 111 valid responses. Of these, 25 were currently purchasing their home and 86 were renting (Table 2). One of the renters was also a part purchaser of an investment property. Table 2 shows that younger women are more likely to be renting than purchasing.

Table 2. Age of respondents and tenure

<table>
<thead>
<tr>
<th>AGE BRACKET</th>
<th>NUMBER</th>
<th>PURCHASING</th>
<th>RENTING</th>
</tr>
</thead>
<tbody>
<tr>
<td>40 – 44</td>
<td>41</td>
<td>4</td>
<td>37</td>
</tr>
<tr>
<td>45 – 49</td>
<td>18</td>
<td>3</td>
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<tr>
<td>50 – 54</td>
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<td>60 – 64</td>
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<tr>
<td>65 – 69</td>
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<td>1</td>
<td>1</td>
</tr>
<tr>
<td>UNSTATED</td>
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<td>2</td>
</tr>
<tr>
<td>TOTAL</td>
<td>111</td>
<td>25</td>
<td>86</td>
</tr>
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</table>

Table 3 shows that of the 111, 49 were sole person households, 34 were single parent households with dependent children, five were parents with non-dependent children, 15 lived with other related people, eight lived with unrelated people and there was one whose children lived with them sometimes.

Table 3. Household type and tenure

<table>
<thead>
<tr>
<th>HOUSEHOLD TYPE</th>
<th>HOUSING TENURE</th>
<th>NUMBER</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>SOLE PERSON HOUSEHOLD</td>
<td>RENTAL</td>
<td>33</td>
<td>49</td>
</tr>
<tr>
<td></td>
<td>PURCHASING</td>
<td>16</td>
<td></td>
</tr>
<tr>
<td>SINGLE PARENT WITH DEPENDENT CHILDREN</td>
<td>RENTAL</td>
<td>27</td>
<td>32</td>
</tr>
<tr>
<td></td>
<td>PURCHASING</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>SINGLE PARENT WITH NON-DEPENDENT CHILDREN</td>
<td>RENTAL</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>PURCHASING</td>
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<td></td>
</tr>
<tr>
<td>LIVE WITH UNRELATED PEOPLE</td>
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<td>RENTAL</td>
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<td>15</td>
</tr>
<tr>
<td></td>
<td>PURCHASING</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>SINGLE PARENT WITH CHILDREN SOMETIMES LIVING WITH YOU</td>
<td>RENTAL</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>SINGLE PARENT WITH DEPENDENT CHILDREN</td>
<td>RENTING WITH INVESTMENT PROPERTY</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td>111</td>
<td>111</td>
</tr>
</tbody>
</table>

Rural women were well represented, with almost a quarter of respondents living in the regions. The far greatest concentration was in the inner and middle northern suburbs (44%). Only one woman lived within 5 km of central Melbourne.

Income was varied, with some living on unemployment benefits and two on $110,000 p.a. The median income was $49,000 p.a. which is close to the Victorian average. As Table 4 shows, 43 women or 38% earned between $40,001 and $60,000.
In terms of housing affordability, 34% of the renters and 12% of the purchasers were paying more than the RIMHA deems as available for housing costs. Each of the purchasers in housing stress was a single parent. Amongst the renters, 65% carried debt, a quarter of whom had debts of more than $10,000.

**SUPERANNUATION AND SAVING**

Generally the women had quite low levels of superannuation. Table 5 shows that most did not anticipate having a large amount available at retirement. A further seven did not state how much they would have but all of them had less than $40,000 currently. The remainder did not respond to the question or indicated they were already ‘retired’. There were many non-responses or comments. Many struggled to say how much superannuation they have currently, let alone in ten or 25 years. It appeared as if they were simply guessing.

**Table 4. Income of respondents**

<table>
<thead>
<tr>
<th>INCOME RANGE</th>
<th>NUMBER</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0 – $20,000</td>
<td>11</td>
</tr>
<tr>
<td>$20,001 – $30,000</td>
<td>15</td>
</tr>
<tr>
<td>$30,001 – $40,000</td>
<td>11</td>
</tr>
<tr>
<td>$40,001 – $50,000</td>
<td>23</td>
</tr>
<tr>
<td>$50,001 – $60,000</td>
<td>20</td>
</tr>
<tr>
<td>$60,001 – $70,000</td>
<td>7</td>
</tr>
<tr>
<td>$70,001 – $80,000</td>
<td>9</td>
</tr>
<tr>
<td>$80,001 – $90,000</td>
<td>4</td>
</tr>
<tr>
<td>$90,001 – $100,000</td>
<td>1</td>
</tr>
<tr>
<td>$100,001 – $110,000</td>
<td>2</td>
</tr>
<tr>
<td>MISSING/INCOMPLETE</td>
<td>8</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>111</td>
</tr>
</tbody>
</table>

The respondents were asked at what age they believed they would retire (Table 6). The age at which a person retires places a limit on the years available to service a mortgage. For the calculations used in this report, 67 years was used as it is the age at which most of the women will be eligible for the age pension.

**Table 5. Anticipated superannuation at retirement**

<table>
<thead>
<tr>
<th>SUPER AT RETIREMENT</th>
<th>N = 95</th>
</tr>
</thead>
<tbody>
<tr>
<td>None</td>
<td>9</td>
</tr>
<tr>
<td>$100,000 OR LESS</td>
<td>56</td>
</tr>
<tr>
<td>$100,001 – $200,000</td>
<td>12</td>
</tr>
<tr>
<td>$200,001 – $300,000</td>
<td>1</td>
</tr>
<tr>
<td>$300,001 – $400,000</td>
<td>5</td>
</tr>
<tr>
<td>$400,001 – $500,000</td>
<td>1</td>
</tr>
<tr>
<td>$500,001 – $600,000</td>
<td>2</td>
</tr>
<tr>
<td>Don’t Know</td>
<td>9</td>
</tr>
</tbody>
</table>

**Table 6. Predicted age of retirement**

<table>
<thead>
<tr>
<th>AGE BRACKET</th>
<th>NUMBER</th>
</tr>
</thead>
<tbody>
<tr>
<td>55 – 59</td>
<td>7</td>
</tr>
<tr>
<td>60 – 64</td>
<td>13</td>
</tr>
<tr>
<td>65 – 69</td>
<td>21</td>
</tr>
<tr>
<td>70+</td>
<td>23</td>
</tr>
<tr>
<td>FINANCIALLY DO NOT SEE THEMSELVES AS EVER BEING ABLE TO RETIRE</td>
<td>37</td>
</tr>
<tr>
<td>DO NOT WANT TO RETIRE</td>
<td>1</td>
</tr>
<tr>
<td>ALREADY ON PENSION OR BENEFIT</td>
<td>8</td>
</tr>
<tr>
<td>UNSTATED</td>
<td>1</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>111</td>
</tr>
</tbody>
</table>
Table 6 indicates that a third felt that they would never have sufficient income on which to retire and at least another 20% felt they would need to keep working beyond 70. Less explicable are the 20 who believed they would retire prior to being eligible for the age pension. The results suggest that these women believe they will stop working before 67. This would have the impact of shortening the possible time to contribute to a mortgage. Or the women may be trying to say that they do not believe that they can work after that age. This suggests that they envisage themselves as being on unemployment or other benefits prior to going on the age pension. This would be a very poor prospect.

The survey did not ask whether or not they had drawn down any of their superannuation but, given the poverty in which many of the women lived, it would not be surprising if they had done so. More insight into the use and extent of superannuation drawn down under hardship provisions would be useful to gain a fuller picture.

Women born after 1 July 1957 (that is, who are aged 54 in 2011) are only eligible for the age pension once they turn 67. Those aged 55 to 69 are able to claim the age pension, according to a scale. The oldest at 69 could claim when she turns 60, and the 55-year-old would need to wait until she was 66.5. This means that 24 of the respondents were eligible for the age pension. However, all of these were working full-time or self-employed. Nine felt that they could never afford to retire and eight believed they would be 70 before they retired. Only one planned to retire before she was 60 and she had the financial and housing security to do so. This means the 20 who thought they would retire before the age of 64 were not eligible for the age pension. Ten were renters, and only one of them appeared to have enough savings and superannuation to retire. A few of the purchasers likewise thought they would be able to manage it. However, most did not appear to base their forecast on their own financial position. This may be ignorance about the pension eligibility age or it may be an indication of when they feel they will no longer be able to work. This has implications for their housing futures, and could also undermine a share equity scheme.

**Education**

A high proportion (79%) of the women had a tertiary education (Table 7). Of those who completed Year 10 or less, only one was under 45, with the other four being between 50 and 60. The propensity of higher education amongst lone female households is noted by de Vaus and Richardson (2009) who linked this ‘educational winner’ status with a propensity to have higher income. They then link higher income to capacity to pay for housing as a lone person. However, the affordability of the housing being occupied by their lone persons is not assessed. The incomes of the respondents to the survey (which includes single women living with others) do not correlate with educational achievements. The future issue for investigation is the extent to which housing affordability affects the capacity of lone persons to live alone, and what they do when they cannot afford to live alone. The decline in housing affordability between the 2006 and 2011 censuses should be revealing and should highlight the need to monitor ‘single persons’ rather than simply ‘lone person households’.

**Table 7. Highest education qualification achieved**

<table>
<thead>
<tr>
<th>QUALIFICATION</th>
<th>NUMBER</th>
</tr>
</thead>
<tbody>
<tr>
<td>COMPLETED UNIVERSITY/TAFE COURSE</td>
<td>86</td>
</tr>
<tr>
<td>STARTED UNIVERSITY/TAFE BUT NOT COMPLETED</td>
<td>15</td>
</tr>
<tr>
<td>COMPLETED YEAR 11/12/13</td>
<td>3</td>
</tr>
<tr>
<td>COMPLETED YEAR 10 OR LESS</td>
<td>5</td>
</tr>
<tr>
<td>TOTAL</td>
<td>109</td>
</tr>
</tbody>
</table>
Most respondents were under 55 and were far more likely to be renting than their older counterparts. Looking at when women purchased, the older age group had largely been able to buy before house prices had inflated dramatically.

The intention of the research was to test whether there was a potential market amongst single older women for a shared equity product in which they could contribute at least $150,000 through private mortgage finance. Each renter was assessed for their capacity to pay a mortgage. Current income was analysed using the RIMHA to determine their before housing costs and what was then available to spend on housing. This provided a maximum purchase price, maximum loan amount and a minimum figure for savings to cover the deposit and stamp duty. This assumed that they could spend 100% of their after (modest) living costs on housing.

Of 81 renters, 53 earned sufficient income to finance a housing purchase of $150,000. However, only six could take up such an offer if it was available now. A further two were very close in terms of their savings meeting the deposit requirement. Another could only afford about $141,000 but she had well over the minimum deposit so her savings would reduce the amount she would need to borrow and bring her within eligibility. This means only 11% of the renters could, in the near future, take up the scheme if it were on offer.

Another 23 could actually afford more than $150,000 but they either had no savings to use as a deposit or had debts. Rent-to-buy schemes are generally intended to provide the opportunity for prospective purchasers to save a deposit by paying an additional amount on top of their rent. The women with higher capacity to pay could go into a rent-to-buy scenario. In effect, the amortisation of their housing debt would include their existing non-housing debts. This would mean they could have the security of going into their ‘home’ sooner and certainty that their current rental costs would be contained. There were another nine whose incomes permitted purchase for between $150,000 and $200,000, but their debt and their age means that cannot ‘make up’ the deficit that would leave them debt free when they go onto the age pension at 67. It would be possible to include them on the basis of a small mortgage in their retirement.

Out of a sample of 81 just over 65% could, on the basis of their income, afford to purchase for at least $150,000, but only 49% could actually do so, and then only with further special assistance.

This problem is not simply about income, it is as much about age. One of the women on $110,000, for example, is already in her early 50s but has only small savings and virtually no superannuation. This indicates that she has been out of the workforce for a considerable time and is likely to have only just gone into employment that pays enough to save. Her age is likely to be a barrier to obtaining a mortgage so she probably would need to ‘save up’ to buy a property outright. High current income therefore does not mean there is no disadvantage.

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2 This excludes the respondent who had an investment property. Four others had missing values.
This finding needs to be put in the context that, of the 81 renters, only four could afford to purchase housing in the market for $500,000 and doing so would require a deposit of nearly $75,000. Saving for a deposit while housing prices are rising can be very demoralising and can make the task impossible. There were 18 who could purchase for $300,000, of whom 15 could go to $350,000, but there is relatively little housing available at that price and considerable compromise would generally need to be made.

Most of the women did not believe they could afford to purchase housing in the market and on assessment they were correct. This justifiable pessimism could explain why so few of those with capacity to save were doing so. Of the 81 renters, only 38 had savings, often small, but some had what were possibly divorce settlements ranging up to $200,000. Fifty-three percent were in debt although those with higher incomes, especially the non-parent households, could afford to carry debt, given their income and current housing costs.

There were quite a few women whose current income and expenses should have allowed them to feel that they could manage better than they indicated they were doing. The gap in perceptions between what the RIMHA says is necessary for a modest lifestyle and what the community thinks is reasonable is important in understanding how realistic a shared equity scheme needs to be. However, 20% of the women in the study lived with non-dependent children or other related people. These women may be nominally without dependents but financially supporting other adults. This could also be the case with women living alone. There is anecdotal evidence to suggest this. If so, the number of women with the theoretical capacity to afford to purchase housing reduces as these additional living costs diminish the funds available. It would also probably affect the assessment of the affordability of their current rent as we do not know the extent to which they may be subsidising other people. The flip-side, as many women indicated, was that this other person could contribute to the costs of borrowing.

**Single Parents**

A particular concern to emerge from the research was the situation of single parents. The RIMHA suggests that a single parent with one child needs $41,980 for non-housing consumption. This means the Parenting Allowance is grossly inadequate and this is reflected in the pattern of income and indebtedness of the single parent families in the study. While women were wholly or mostly reliant on Centrelink (which would typically be when the children are pre-school age), they were in debt if they did not have savings. This infers that those with savings are drawing on them for everyday expenses. As their incomes rise (presumably when they go back to work) and reach a particular level, they switch from being indebted to having savings, but they have to address their debts before they can commence saving. For the few who had prior savings, it looked like these were likely to have been from a divorce settlement, so they were probably eating into their old housing equity. Putting aside the issue of families being so impoverished when they have very young children, the problem with this as a pattern is that by the time these women get out of debt they are too old, even if they are earning $70,000 to $80,000 p.a., to afford to borrow the amount they need in the housing market.

**Women Purchasing Their Homes**

There were 25 women who were currently purchasing their housing. There were no group living arrangements amongst purchasers. They either lived alone (17), with dependent children (five) or with related others (three). Of the 25, 18 were over 50. There is a shift from the under 55 group being comprised of a mixture of sole persons and single parents to almost all sole person households in the over 55 group.

The earliest any had purchased was 1985 and the latest was 2011. All but five had purchased in the past ten years. The highest purchase price was $550,000. The median house purchase price was $240,000. Four appeared to have purchased with adult children or other relatives. Of the 25, 17 experienced unanticipated costs with the housing after they purchased. Of the 17, 13 had made allowance for additional costs.

In four cases, the women had subsequently borrowed more against the increased value of the housing. Two owed relatively little ($45,000 and $50,000), but both were over 60 and felt they would be still paying the mortgage in retirement.

Purchasers were generally well placed to acquire full home ownership at retirement if not before, despite a considerable degree of pessimism. There was clear evidence of strategic planning and willingness to be flex-
ible, including intention to downsize by 11 of the women. In most cases, each could contribute far more to their current housing costs than they were doing (putting aside that they may be subsidising others). Yet these purchasers were feeling insecure, which may relate to the inherent risks in downsizing or may be about how much compromise could be necessary. If they had to move (for example, to a rural area away from family, friends and support), they may be affordably housed but they may be deprived in other very significant ways. Looking at those who have purchased with others, there may be a risk that another equity holder may wish to sell in order to use the equity for other purposes. Purchasing does not seem to have bought peace of mind and it is clear that they do not have certainty. Actuarial assessment and ontological security (Hulse and Saugeres 2008) are both important considerations.

**Saving**

An alternative to buying a house and paying it off by retirement is to invest savings to create a nest egg, for example, through personal contributions to superannuation or through a term deposit. Taking account of existing debts and savings and the monthly contributions deemed possible by the RIMHA, the nest egg possible for each renter was determined. Only 15 of the 81 renters had time and sufficient surplus to invest to add to their superannuation to get to a minimum $500,000 nest egg that would then deliver an annual pre-tax income of around $30,000. Only nine envisaged having superannuation of over $200,000 when they retired.

Based on savings of $500,000 and $400 fortnight rent, the Centrelink estimator tool calculates an after tax annual income of $31,330. After rent, this puts her ‘living allowance’ on par with that of an age pensioner who owns her own home, which is also in line with the RIMHA non-housing budget standard for an aged person.

The problem is that most respondents already pay more than $400 per fortnight in rent. Very few would therefore be able to generate enough investment income at 67 to cover both their housing and non-housing costs.

Renters can have $321,750 in savings before their age pension payment is reduced. At this level of saving, their annual after tax income is $28,600. Only 26 women could accumulate $321,750 in savings. In terms of additional income there is not much incentive to save beyond the $321,750 (unless she can save something like $600,000). However, more capital means capital that can be drawn on to subsidise daily living. Given current rental costs, these 26 women are still likely to be dipping into their capital to survive, although it would probably suffice for the rest of their lives. This leaves the other 60 women who would be on the full pension and in receipt of rent assistance but either relying on their savings to subsidise daily living expenses or going into debt. For them, homelessness is a real prospect in their later years.

There were 47 women in the study who felt they could never afford to retire or would need to work into their 70s. There were some who expected to inherit cash or property but, if this were to be put aside, then almost 74% of the renters face a bleak housing future. Moreover, affordability is not the only issue. Availability of housing will also be crucial. If they have had to move in recent times they will be well aware of how competitive the rental market is and how those on low incomes are very disadvantaged in that competition.
The research wanted to test attitudes to key elements that are commonly associated with home ownership but which may be modified for shared equity schemes: 1) separation of ownership of land from ownership of dwellings (capital improvements), 2) opportunity to capture capital gains, 3) ability to lease the property and maximise return on capital by doing so, and 4) ability to transfer title at will or bequeath without restriction.

The respondents were asked to indicate their attitude in relation to the following hypothetical housing opportunity.

**Scenario**

*Imagine a well constructed apartment block, 3 - 8 stories high with 20 - 100 apartments. Each apartment is a good size with generous balconies in a location you like, near services and public transport. Some will be owner-occupied and some will be rented. Some apartments will be larger, some smaller.*

*Imagine you could have a 2 bedroom apartment here for $150,000 that would normally sell for at least $350,000. The price is low because a not-for-profit organisation owns the land and provides the land to you for free.*

They were asked four questions to which they could answer yes/no/don’t know (Table 8):

1. I would be interested in buying the apartment even if the land remained in the ownership of the not-for-profit organisation.
2. I would be interested in buying the apartment even if I could only sell it for the amount I purchased it for.
3. I would be interested in buying the apartment even though I could only rent it to eligible people in circumstances like my own (therefore could not charge a market rent), and would need the approval of the not-for-profit.
4. I would be interested in buying the apartment even if I could only bequeath the apartment to someone in similar circumstances to me, otherwise the apartment would need to be sold.

**Table 8. Interest in proposed alternative housing model**

<table>
<thead>
<tr>
<th>RESPONSE - INTERESTED IF ...</th>
<th>LAND OWNED SEPARATELY</th>
<th>COULD NOT TAKE CAPITAL GAINS</th>
<th>CONTROL ON RENTAL CHARGES</th>
<th>RESTRICTIONS ON BEQUESTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>YES</td>
<td>69</td>
<td>53</td>
<td>62</td>
<td>57</td>
</tr>
<tr>
<td>NO</td>
<td>12</td>
<td>12</td>
<td>12</td>
<td>16</td>
</tr>
<tr>
<td>DON’T KNOW</td>
<td>15</td>
<td>29</td>
<td>22</td>
<td>23</td>
</tr>
<tr>
<td>TOTAL</td>
<td>96</td>
<td>94</td>
<td>96</td>
<td>96</td>
</tr>
</tbody>
</table>

The questions aimed to establish women's attitudes to the likely key characteristics of the proposed scheme. Lack of familiarity, distrust or dislike of these basic tenets would be likely to render the scheme void. Separation of land from the dwelling provides an avenue for the donation of land or space as equity but is an uncommon property arrangement for domestic real estate. Schemes can choose whether or not capital gains can be taken on exit but, as this proposal aims at increasing the supply of perpetually affordable housing (rather than merely overcoming low income), there would need to be a ‘no capital gains’ clause in the purchase agreement. Likewise restriction would need to be placed on the owner’s ability to set rental charges and whom they could rent to, should they choose not to live there at some point. The same is true of bequests. To maintain the housing as perpetually affordable, only eligible people can live there. The donors of the equity need to be assured that their equity will always be used for the purpose intended. The equity of the purchasers is always protected, but they cannot profit from their ownership, unlike other forms of tenure. The ability to use real estate as an investment vehicle has meant many Australians view the profit potential of purchasing housing as an important criterion for buying. In the proposed scheme, the participants would be purchasing security of tenure and the opportunity to accumulate equity only. Anecdotal evidence suggested women had strong views both for and against such a proposal.

As Table 8 shows, there was a positive response to the compromises that may be involved in the proposed shared equity scheme. There was no significant difference in the attitude of purchasers and renters, other than
purchasers being less likely to be interested in restrictions on bequests (50% versus 66%). More than half (71% for land ownership and 55% for capital gains) responded with interest. These are complex ideas, and schemes of this kind require a good deal of education to ensure participants are comfortable. The muted response in relation to capital gains is interesting. Some shared equity schemes permit the purchaser to take a share of capital gain if they want to exit the scheme. Generally these schemes are aimed at increasing housing equity amongst lower income groups. In the case of Victoria, the problem is as much a deficit of affordable housing, especially within specific regions.

A fifth question asked what distance they would be prepared to move. Seven of the purchasers and five of the renters indicated no interest in such a proposal. A further four were not interested in moving at all, although two indicated some interest in elements of the scheme. The issue of willingness to move to access the scheme is important because a vital element will be the donation of land as equity. As this is a fixed geographic point, the women need to come to the housing. If they have strong views about where they are prepared to live, it may not be possible to match land to eligible women. If they are not strongly attached to an area, then this increases the potential for land donation, and the prospect that a viable development can be brought to fruition.

However, when the responses were compared with the assessment of their situation, only 29 would be financially able to meet eligibility in the near future and some only with further assistance mentioned for the renters. This also assumes the interested purchasers could realise enough capital from their current home.

Comparing their satisfaction with their current location and dwelling with their willingness to move revealed a high degree of satisfaction with their current location: 85% satisfied or very satisfied, and only 11% dissatisfied or very dissatisfied. Satisfaction with their dwelling was less at 64% for those satisfied or very satisfied and 22% dissatisfied or very dissatisfied. There was little difference between purchasers and renters. It would appear that location takes higher priority than dwelling. However, satisfaction with current location did not deter them from being willing to move substantial distances. This then suggests that, for those willing to move, housing security is more important than location.

The concentration of women in the inner and middle northern suburbs also means there is a concentration of women willing to embrace shared equity housing in this region. This is positive as it increases the likelihood of an equity partner providing land. Lack of concentration, however, is not necessarily bad. It may be the case that a social housing developer has a project that needs a small additional injection of capital to make it viable. One unit in a 10 unit development could be a shared equity property.
DISCUSSION

The finding that there are women who could afford a moderately priced dwelling is not unexpected, as is the finding that many women are currently in housing stress and cannot save. However, the extent of non-saving amongst those with capacity to do so is of concern as it suggests that the female population at risk of homelessness in their old age is greater than perhaps it would have been otherwise. Yet, as noted earlier, the savings required by a tenant need to be quite substantial before the risk of poverty in old age can be eliminated. So how much should female tenants save?

Home owners who are eligible for the full age pension receive $748.80 per fortnight or $19,468.80 p.a. which is close to the amount the RIMHA suggests is the minimum before housing costs ($19,673). A woman renting on the age pension receives $845.70 which includes rent assistance of $200 per week. The difference is $3,016 p.a. This leaves the renter $7,384 behind the home owner, effectively living on $12,289 which is well below the RIMHA minimum standard.

A tenant paying $10,000 p.a. in rent needs to have income of at least $30,000 in order to provide for their after housing costs. To retire at 67, a woman would need to save the following monthly amounts until she was 67 years old (Table 9). The likelihood of a woman over 50 having sufficient disposable income to save the required amount is not high.

Table 9. Savings needed to retire on $30,000 p.a.

<table>
<thead>
<tr>
<th>AGE</th>
<th>MONTHLY SAVINGS</th>
</tr>
</thead>
<tbody>
<tr>
<td>40</td>
<td>$620</td>
</tr>
<tr>
<td>45</td>
<td>$920</td>
</tr>
<tr>
<td>50</td>
<td>$1,420</td>
</tr>
<tr>
<td>55</td>
<td>$2,390</td>
</tr>
<tr>
<td>60</td>
<td>$4,880</td>
</tr>
</tbody>
</table>

Presented in this way, the impact of age is readily observable. A 40-year-old can probably manage the task but it would take considerable discipline. If in public policy terms the issue is about avoiding the housing costs associated with housing impoverished and homeless people in their old age, then encouraging individual saving is critical. Having the right savings vehicle then becomes important. The women in this survey indicated a desire to save through accumulating housing equity. The message in the failure to save is that they need something real and ‘now’ to believe in. A land trust model of affordable housing could deliver that for many of them. However, without some savings they will miss out. Intervention and education is necessary.

For many of the women it is too late in their life to borrow but a land trust scheme could allow them to purchase using their superannuation. If the superannuation did not provide the full amount the woman could also contribute a small rent charge.

This research arose because of the concern that single, older women increasingly face housing insecurity and homelessness. It suggests that the current housing affordability crisis is likely to capture higher income women who may otherwise have avoided such insecurity. However, women affected by low wages and caring responsibilities were already identified as vulnerable. This survey confirms that single parents are especially vulnerable because of their extraordinarily low disposable incomes. A land trust/shared equity model would assist very few. Their incomes are so low that public housing still means they are highly impoverished. Given an appropriate level of income support, child care and educational opportunities, however, the land trust/shared model could deliver single parents far greater flexibility and independence than the current public housing model.
The survey intended to test the market for a potential land trust based shared equity scheme that could cater for single women over 40, with or without children, who believed they would not achieve full home ownership by retirement. The scheme envisages a minimum purchase price of $150,000. Accordingly, the survey sought to understand capacity to pay and willingness to embrace the concept. It found, not unexpectedly, that many women are too poor even for an affordable housing scheme such as proposed. Of the women in rental, 34% were in housing stress.

Amongst the renters 65% could, on the basis of their income, afford to purchase a dwelling for $150,000 and 17% could afford $350,000. Very little housing is available in the market at $350,000, let alone $150,000, so the pessimism felt by the respondents reflects the reality of the market.

However, of the group who could afford $150,000, only 11% could have purchased in the near future. This mixed outcome reflects a poor level of savings and extensive indebtedness. For some this barrier could be overcome, but for others it could not. Overall, with some receiving further assistance, 49% could be eligible for the scheme. The pessimism of the wealthier respondents appears to have translated into a ‘head in the sand’ attitude. Saving would provide considerable income security for about 30% of renters in their retirement, but most of them are not saving. This means they will join the other 70% who face increasing impoverishment once they retire.

The finding that the single women tenants with middle to high incomes are failing to save although many have considerable disposable income raises the spectre of an even greater number of women being at risk of homelessness in their old age than previously thought.

The findings of this research suggest that the proposal for a land trust-based shared equity scheme would be successful in assisting women to ‘save’ for retirement through enabling them to contribute to housing equity and it would deliver them safe, affordable housing for their retirement. Such a scheme would capture women both at risk of homelessness in retirement as a result of their single status and lack of earnings, and those who are unnecessarily (but understandably) putting themselves at greater risk.


APPENDIX 1: SURVEY INSTRUMENT

WOMEN AND HOUSING AFFORDABILITY SURVEY

We currently seeking the views of single women, aged 40 and over (with or without children) who do not expect to own their home outright before they retire.

The data obtained from the survey will assist in developing a housing model to fit the needs of women in these circumstances.

The survey is being conducted by the Institute for Social Research at Swinburne University of Technology in conjunction with The Salvation Army.

Your views will be anonymous and all the data collected is treated confidentially.

The survey will take you about 20-35 minutes to complete.

If you wish, you can leave your contact details to enter into a draw for one of 20 $50 gift vouchers. Your details will be collected separately from the survey (see page 18). Prizes will be drawn on the 2nd of September 2011. Winners will be notified by correspondence.

Further questions

If you have any questions regarding this survey please contact:

Andrea Sharam
Swinburne Institute for Social Research
Phone: 03 9214 5465
Email: asharam@swin.edu.au

Approval that the research is ethical

This project has been approved by or on behalf of Swinburne’s Human Research Ethics Committee (SUHREC) in line with the National Statement on Ethical Conduct in Human Research. If you have any concerns or complaints about the conduct of this project, you can contact:

Research Ethics Officer
Swinburne Research (H68)
Swinburne University of Technology
P O Box 218
HAWTHORN VIC 3122
Tel (03) 9214 8468 or 9214 5218
resethics@swin.edu.au

I have read the above statement and understand the purpose of the research and that my responses are anonymous. I acknowledge that I have the right to make a complaint about the conduct of the research. (please circle your answer)

I wish to proceed with the survey .................................. 1
I do not wish to proceed with the survey ...................... 2
**Household Characteristics**

1. **Please describe your household type (please circle)**
   - Single or sole person .................................................. 1
   - Single parent with dependent children living with you permanently ....................................................... 2
   - Single parent with non-dependent children living with you permanently ............................................... 3
   - Single parent with children living with you sometimes ........................................................................... 4
   - Live with other related people .................................. 5
   - Group of unrelated people ........................................ 6
   - Other (please specify) .............................................. 7

2. **How many members of your household (including yourself) make a financial contribution to the cost of your housing?**

3. **What type of dwelling are you currently living in? (please select one only.)**
   - Detached house ......................................................... 1
   - Semi-detached house, terrace house or townhouse .. 2
   - Flat, unit or apartment ............................................. 3
   - Caravan or mobile home in caravan park ................. 4
   - Rooming house/boarding house ............................... 5
   - Other (please specify) .............................................. 6

4. **Overall, how satisfied or dissatisfied are you with the location of your home?**
   - Very satisfied ................................................................ 1
   - Satisfied .................................................................... 2
   - Neither satisfied nor dissatisfied............................... 3
   - Dissatisfied .................................................................. 4
   - Very dissatisfied ....................................................... 5

5. **Overall, how satisfied or dissatisfied are you with the dwelling itself?**
   - Very satisfied ................................................................ 1
   - Satisfied .................................................................... 2
   - Neither satisfied nor dissatisfied............................... 3
   - Dissatisfied .................................................................. 4
   - Very dissatisfied ....................................................... 5

6. **Where do you currently live?**
   - Suburb: ........................................................................ 1
   - Postcode: ..................................................................... 2

7. **Income/Debt/Employment**

8. **What are your main sources of income? (select as many as apply)**
   - Wages or salary (including from own incorporated business) .............................................................. 1
   - Self employed ................................................................ 2
   - Rental income ........................................................... 3
   - Dividends or interest ................................................. 4
   - Any Government pension or allowance .................... 5
   - Child support or maintenance .................................. 6
   - Superannuation or Annuity ..................................... 7
   - Workers’ or Transport Compensation ....................... 8
   - Family ........................................................................ 9
   - Other (please specify) ............................................. 10

9. **Could you please estimate your usual annual household income from all sources before income tax or anything else is deducted (please include any board received from children). We realise this can be difficult to calculate but we require this information in order to determine the level of affordability experienced by people in the housing market – please be assured that all responses are strictly confidential.**
   - Annual household income (pre-tax): $  .......................

23
9 Roughly how much debt from all sources do you have in total (e.g. credit cards, store cards, car loan, rental arrears, gas or electricity arrears, loans from banks and friends)?

None .................................................................1
Less than $500 ....................................................2
$501 to $2,000 ....................................................3
$2,001 to $5,000 ...................................................4
$5,001 to $10,000 ................................................5
More than $10,000 .............................................6

10 Could you please indicate how you intend to take your superannuation.

Pension ..............................................................1
Lump sum ............................................................2
Don't know ..........................................................3

11 Could you please estimate the amount of superannuation you will have when you retire.

Anticipated superannuation: $____

12 I believe I will retire when I am

Less than 54 years of age ......................................1
55 – 59 .................................................................2
60 – 64 .................................................................3
65 – 69 .................................................................4
70+ .....................................................................5
I am retired ..........................................................6
Finanically I do not see myself as ever being able to retire ....................................................7
I don't ever want to retire .....................................8

13 I believe my earning capacity between now and when I retire will

Increase ..............................................................1
Remain the same ................................................2
Decrease ............................................................3

14 Could you please estimate the amount of superannuation you currently have.

Current superannuation: $ ____________________

15 At your current address, do you rent or own the dwelling?

I am renting the dwelling from landlord/estate agent .................................................................1
GO TO QUESTION 16
I sub-let a room in a house/flat/apartment .......... 2
GO TO QUESTION 16
I rent a room in a private rooming/boarding house .. 3
GO TO QUESTION 16
I am in community housing rental ...................... 4
GO TO QUESTION 16
I rent public housing .......................................... 5
GO TO QUESTION 16
I occupy the dwelling rent free ........................... 6
GO TO QUESTION 16
I rent where I live but am purchasing another property elsewhere ...........................................7
GO TO QUESTION 16
I own my dwelling outright - Thank you for your interest, but as indicated earlier this survey is for women who do not currently own their homes outright .............................................9
I expect to own the property by the time I retire - Thank you for your interest, but as indicated earlier this survey is for women who do not expect to own their home outright at retirement ..................................................10
Other - please describe ....................................11
IF YOU ARE PURCHASING THE HOME YOU CURRENTLY LIVE IN GO TO QUESTION 56 OR IF YOU ARE PURCHASING BUT LIVE SOMEWHERE ELSE GO TO QUESTION 35
RENTING WHERE YOU LIVE

Renting

We would now like to ask you some questions about your current housing costs.

16 WHICH OF THE FOLLOWING STATEMENTS BEST DESCRIBES YOU? (SELECT AS MANY AS APPLY)

I am saving to purchase my own home ......................1
I would like to buy my own home but can’t afford to do so ................................................................. 1
I plan to buy a home ................................................. 3
I feel that I can afford to buy a home but cannot get a loan ................................................................. 4
I am satisfied to be renting for the foreseeable future .................................................................................. 5
I struggle to keep a safe and affordable roof over my head ......................................................................... 6
I would be satisfied with renting but am concerned about affordability and security of tenure ................. 7
I own another property as a means of securing my future ......................................................................... 8
I am currently purchasing another property as a means of securing my future ..................................... 9
Other, please describe ................................................................................................................................. 10

17 HOW MUCH IS THE TOTAL RENT FOR YOUR CURRENT DWELLING PER FORTNIGHT?

My total rent per fortnight is $ ....................................

18 WHICH OF THE FOLLOWING STATEMENTS BEST DESCRIBES HOW YOU MANAGE ON YOUR HOUSEHOLD INCOME AFTER PAYING YOUR RENT?

Manage very easily ............................................1
Manage easily .................................................. 2
Manage with some difficulty .............................. 3
Manage with considerable difficulty .................... 4
Can’t manage at all ............................................. 5

19 IF YOU CURRENTLY HAVE HOUSING COST PROBLEMS, ARE THESE LIKELY TO BE ONGOING OR TEMPORARY?

Ongoing .................................................................................1
Temporary ........................................................................... 2
No current housing cost problems ................................................................. 3
Don’t know .................................................................................. 4

20 WHY DO YOU THINK YOUR HOUSING COST PROBLEMS WILL BE ONGOING? (PLEASE SELECT ONE ONLY.)

It is unlikely that I will ever get a job that pays a sufficient income ......................................................... 1
Even with an improved income the cost of housing will be too high ......................................................... 2
Personal circumstances (i.e. health, relationship status, disability, etc) .................................................. 3
I do not have a housing cost problem ................................................................. 4
Other please explain ................................................................................................................................. 5

21 HAVE YOU PREVIOUSLY OWNED OR PURCHASED YOUR OWN HOME?

Yes .........................................................................................1
No........Go to question 23 ................................................. 2

22 PLEASE INDICATE WHY YOU NO LONGER OWN THE HOME YOU PREVIOUSLY OWNED/WERE PURCHASING? (SELECT AS MANY AS APPLY)

Relationship separation ................................................. 1
Drop in income .......................................................................2
Lost job .................................................................................. 3
Death of partner ........................................................................ 4
Considered it a bad investment ........................................ 5
Change of location needed .................................................. 6
Poor quality housing/couldn’t maintain ....................... 7
Illness/disability ..................................................................... 8
Other, please explain .......................................................... 9
### Purchasing Preferences Own Home

We would now like to ask you about your preferences if you were to purchase a property in which you intended to live. *Imagine that you have just enough money to buy a very modest home.*

#### 23 Which of the following would you consider buying? (Select as many as apply)

- Detached house .........................................................1
- Townhouse .............................................................. 2
- Flat/apartment ......................................................... 3

#### 24 Which of the following would be realistic for you to aim for?

- Studio/bedsit .............................................................1
- 1 bedroom .................................................................... 2
- 2 bedrooms .................................................................... 3
- 3 bedrooms .................................................................... 4
- 4 or more bedrooms...................................................... 5

#### 25 Thinking about your actual income and savings, what price could you realistically pay for a home? (Putting aside whether or not the houses exist)

<table>
<thead>
<tr>
<th>Price Range</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than $50,000</td>
<td>1</td>
</tr>
<tr>
<td>$50,000 - $100,000</td>
<td>2</td>
</tr>
<tr>
<td>$150,000 - $200,000</td>
<td>3</td>
</tr>
<tr>
<td>$250,000 – $300,000</td>
<td>4</td>
</tr>
<tr>
<td>$350,000 - $400,000</td>
<td>5</td>
</tr>
<tr>
<td>$450,000 - $500,000</td>
<td>6</td>
</tr>
<tr>
<td>Over $500,000</td>
<td>7</td>
</tr>
</tbody>
</table>

#### 26 If interest rates were to rise, how much more would you afford to pay? (An interest rate increase of 7.00% to 8.00% equals an additional $43 per fortnight for a mortgage of $150,000).

- Could not afford more ................................................1
- $25 per fortnight extra .............................................. 2
- $25-$50 per fortnight extra ........................................ 3
- $50-$75 per fortnight extra ........................................ 4
- $75-$100 per fortnight extra ....................................... 5

#### 27 Have you considered that when purchasing a home you would have to make budgetary allowances for ongoing housing costs such as council rates, maintenance, body corporate fees, insurance, utilities, etc.

- Yes .............................................................................1
- No ............................................................................. 2

#### 28 Do you have any savings/deposit to go towards buying a home?

- Yes, I have $ ...............................................................1
- No ............................................................................. 2

#### 29 Do you expect that someone else would be able to contribute to your ongoing mortgage repayments, for at least some of the time?

- Yes, an adult child living with me ..............................1
- Yes, an adult child not living with me ....................... 2
- Yes, another relative or friend living with me .......... 3
- Yes, a boarder/lodger ................................................ 4
- No ............................................................................. 5
- Other, please specific ................................................ 9

#### 30 Would you rely on your superannuation to pay down your mortgage?

- Yes .............................................................................1
- No ............................................................................. 2
- Don’t know ............................................................... 3
31 IS IT LIKELY YOU WILL RECEIVE FINANCIAL ASSISTANCE TO PURCHASE A HOME FROM YOUR FAMILY OR OTHER RELATIVES?
Yes .............................................................................1
No ....................... Go to Question 33 ......................... 2
Don’t know ........ Go to Question 33 ......................... 3

32 WHAT FORM OF ASSISTANCE DO YOU EXPECT THIS TO BE?
(SELECT AS MANY AS APPLY)
Inherit property .........................................................1
Inherit cash.................................................................... 2
A loan .......................................................................... 3
Gift ............................................................................. 4
Mortgage Guarantor .................................................. 5
Don’t know ............................................................... 6
Other please explain................................................. 7

33 WHAT WOULD YOU BE PREPARED TO GIVE UP IN ORDER TO PAY YOUR MORTGAGE?
(SELECT AS MANY AS APPLY)
Eating out .................................................................1
Eating take away ...................................................... 2
Going to the movies .................................................. 3
Going out with friends (e.g. to the pub) ...................... 4
Smoking................................................................... 5
Drinking alcohol ....................................................... 6
Holidays ................................................................... 7
Heating/cooling my home ......................................... 8
Buying new clothes ................................................ 9
Running a car .......................................................... 10
Pay TV (e.g. Foxtel) .................................................. 11
Gambling .................................................................. 12
Internet connection .................................................13
I wouldn’t make any compromises ..........................14
Other (please specify) .............................................14

34 THINKING ABOUT THE DWELLING YOU WOULD IDEALLY LIKE TO PURCHASE, WHAT COMPROMISES WOULD YOU BE PREPARED TO MAKE IN ORDER TO ENTER THE HOUSING MARKET? FOR EXAMPLE, YOU MAY END UP PURCHASING A SMALLER HOUSE THAN ORIGINALLY INTENDED. SELECT AS MANY COMPROMISES AS APPLY.
Larger mortgage.........................................................1
Smaller dwelling..........................................................2
Flat instead of a house ................................................ 3
Lower quality dwelling ............................................ 4
Lower level of security ............................................. 5
Different locality ....................................................... 6
Area with less services or facilities ......................... 7
Increased travel time to work .................................. 8
Less access to public transport ............................... 9
Live further from family/friends .............................10
Change children’s schools ....................................11
Less access to childcare .......................................12
I wouldn’t make any compromises .......................13
Other (please specify) .............................................14

If you are a renter who is NOT purchasing any property please go to Question 75
**Investment Properties**

We would like to ask you about your aims in purchasing an investment property.

35 **Which of the following statements applies to you? (Select as many as apply)**

I bought an investment property because I cannot afford to purchase in the area I want to live.............1

My investment property will ensure that I own the home I want to live in before I retire ...................... 2

My investment property will ensure that I own a property before I retire......................................... 3

Despite having some equity in my investment property, I still feel like I’m stuck in private rental ... 4

I want to have my mortgage at an affordable level to live on the pension............................................ 5

When I retire I will move into my investment property ......................................................................... 6

When I retire I will sell my investment property and purchase a home somewhere else...................... 7

Other - please explain ......................................................................................................................... 8

36 **How well do you think your investment property has performed since you purchased it?**

Very well .................................................................................................................................1

Quite well .............................................................................................................................. 2

Neither good nor poorly ........................................................................................................... 3

Quite poorly ........................................................................................................................... 4

Very poorly ............................................................................................................................ 5

37 **Where is your investment property located?**

Suburb/town: ..........................................................................................................................1

Postcode: .............................................................................................................................. 2

**Investment Costs**

We would now like to ask you some questions about the costs of your investment.

38 **How much did you purchase the investment property for?**

$ ........................................................................................................................................ 38

39 **Roughly, how much money do you think your investment property is worth now?**

$ ........................................................................................................................................ 39

40 **Which of the following sources of funds did you use to buy your property (including funds used for the deposit)? (Select as many as apply)**

Mortgage ...................................................................................................................................1

Personal savings ...................................................................................................................... 2

Gift from parents .................................................................................................................... 3

Loan from parents .................................................................................................................. 4

Cash inheritance ..................................................................................................................... 5

Inherited other property ......................................................................................................... 6

First Home Buyers Grant ........................................................................................................ 7

Personal loan .......................................................................................................................... 8

Sale of other assets e.g. house, shares, car ........................................................................... 9

Other, please explain ..............................................................................................................10

41 **To what degree did debt (for example a credit card debt, personal loan, HECS debt) affect your ability to purchase your investment property?**

Major delay ...........................................................................................................................1

Moderate delay ..................................................................................................................... 2

Minor delay ............................................................................................................................ 3

No delay .................................................................................................................................. 4

Not relevant to me .................................................................................................................. 5

42 **When purchasing your investment property, did you make any budgetary allowances for ongoing housing costs such as council rates, body corporate fees, insurance, maintenance, utilities, etc?**

Yes .........................................................................................................................................1

No .......................................................................................................................................... 2
43 AFTER PURCHASING YOUR INVESTMENT PROPERTY, DID YOU ENCOUNTER ANY UNEXPECTED COSTS, FOR EXAMPLE REPAIRS OR MAINTENANCE?

Yes .............................................................................1
No ............................................................................. 2

44 HAVE YOU BEEN ABLE TO NEGATIVELY GEAR YOUR INVESTMENT PROPERTY?

Yes .............................................................................1
No ............................................................................. 2
Don’t Know .................................................................. 3

IF YOU DID NOT TAKE OUT A MORTGAGE TO PAY FOR YOUR INVESTMENT PROPERTY PLEASE GO TO QUESTION 53

46 HOW MUCH DID YOU BORROW FOR YOUR INVESTMENT PROPERTY AT THE TIME OF PURCHASE?

$ .................................................................................
I did not need to borrow .... go question 53 ..............1

47 HOW MUCH DID YOU PUT TOWARDS THE DEPOSIT FOR YOUR INVESTMENT PROPERTY AT THE TIME OF PURCHASE?

$ .................................................................................

48 DID YOU REQUIRE SOME ELSE TO BE A GUARANTOR FOR YOUR MORTGAGE?

Yes .............................................................................1
No ............................................................................. 2

49 HOW MUCH ARE YOUR TOTAL MORTGAGE REPAYMENTS ON YOUR INVESTMENT PROPERTY PER FORTNIGHT?

I pay $ ........................................................................ per fortnight

50 HOW MUCH MONEY IS STILL OWED ON YOUR MORTGAGE?

$ .................................................................................

51 IF INTEREST RATES WERE TO RISE, HOW MUCH MORE WOULD YOU AFFORD TO PAY?

AN INTEREST RATE INCREASE FROM 7.00% TO 8.00% EQUALS AN ADDITIONAL $43 PER FORTNIGHT FOR A MORTGAGE OF $150,000).

Could not afford more ................................................1
$25 per fortnight extra ............................................... 2
$25-$50 per fortnight extra ......................................... 3
$50-$75 per fortnight extra ......................................... 4
$75-$100 per fortnight extra ....................................... 5

52 WHICH OF THE FOLLOWING STATEMENTS APPLIES TO YOU?

SELECT AS MANY AS APPLY

I believe I will pay off the mortgage on my investment property before I retire .................................................................1
I will have a mortgaged investment property after retirement .............................................................................................. 2
I am relying on my superannuation to pay off the mortgage on my investment property .......................................... 3
I will sell my investment property before I retire ...................... 4
Other, please explain .......................................................... 5

53 WHICH OF THE FOLLOWING STATEMENTS BEST DESCRIBES HOW YOU MANAGE ON YOUR HOUSEHOLD INCOME AFTER PAYING YOUR MORTGAGE AND/OR RENT?

Manage very easily......Go to question 75 ..................... 1
Manage easily ..............Go to question 75 ................. 2
Manage with some difficulty .......................................... 3
Manage with considerable difficulty .............................. 4
Can’t manage at all .......................................................... 5

54 IF YOU ARE CURRENTLY SHARING YOUR PLACE OF RESIDENCE WITH OTHERS PLEASE INDICATE THE REASONS FOR THIS. SELECT AS MANY AS APPLY

It allows me to make larger mortgage repayments on my investment property ..................................................1
To reduce my overall housing costs .................................. 2
I do not want to live alone ............................................... 3
It allows me to live in the locality I want ......................... 4
I am not sharing my current place of residence ............ 5
Other, please explain ..................................................... 6
If you are not also purchasing the home you live in please go to Question 75

**Purchasing own home**

We would now like to ask you some questions about your experience of purchasing your home

**Purchasing own home**

56 **In what year did you purchase your current home?**

Year: .................................................................1

57 **Was this the first home you have ever purchased in Australia to live in?**

Yes .............................................................................1
No .............................................................................2

58 **My home is**

Studio/bedsit ..............................................................
1 bedroom ..................................................................2
2 bedrooms ..................................................................3
3 bedrooms ..................................................................4
4 or more bedrooms ..................................................5

59 **Thinking about your current dwelling, did you have to make any compromises when you purchased this dwelling? For example, you may have originally wanted a bigger house than what you ended up with. Select as many compromises as apply.**

Larger mortgage than I wanted to pay .......................1
Smaller dwelling than I wanted ..................................2
I had to buy a flat when I really wanted a house .......3
The quality of the dwelling was lower than I wanted ....4
There was a lower level of security than I was happy with .................................................................5
I had to relocate to an area I would not otherwise have chosen ..........................................................6
My access to service/facilities decreased ..................7
My travel time to work increased ..............................8
My access to public transport decreased .................9
I could not be as close to family/friends as I would have liked ..............................................................10
My children had to change schools .........................11
My access to childcare was more difficult ..............12
I don’t feel that I made any compromises ...............13
Other (please specify) .............................................14

**Housing costs**

We would now like to ask you some questions about your current housing costs.

60 **How much money did you purchase your dwelling for?**

$ ..............................................................................

61 **Roughly, how much money do you think your home is worth now?**

$ ..............................................................................

62 **Which of the following sources of funds did you use to buy your current home (including funds used for the deposit)? Select as many as apply**

Mortgage ....................................................................1
Personal savings .......................................................2
Gift from parents .....................................................3
Loan from parents ...................................................4
Cash inheritance .......................................................5
Inherited other property ...........................................6
First Home Buyers Grant .........................................7
Personal loan ..........................................................8
Sale of assets e.g. house, shares, car .......................9
Other, please explain .............................................10
63 TO WHAT DEGREE DID DEBT (FOR EXAMPLE A CREDIT CARD DEBT, PERSONAL LOAN, HECS DEBT) DELAY YOUR ABILITY TO PURCHASE YOUR DWELLING?

Major delay ................................................................. 1
Moderate delay ........................................................... 2
Minor delay .................................................................. 3
No delay .................................................................... 4
Not relevant to me ...................................................... 5

64 WHEN PURCHASING YOUR CURRENT HOME DID YOU MAKE ANY BUDGETARY ALLOWANCES FOR ONGOING HOUSING COSTS SUCH AS COUNCIL RATES, BODY CORPORATE FEES, INSURANCE, MAINTENANCE, UTILITIES, ETC?

Yes ............................................................................. 1
No ............................................................................. 2

65 AFTER PURCHASING YOUR CURRENT HOME DID YOU ENCOUNTER ANY UNEXPECTED HOUSING COSTS, FOR EXAMPLE REPAIRS OR MAINTENANCE?

Yes ............................................................................. 1
No ............................................................................. 2

66 HOW MUCH DID YOU BORROW IN ORDER TO PURCHASE YOUR HOME?

My mortgage at the time of purchase was $ ............

67 HOW MUCH DEPOSIT DID YOU PAY AT THE TIME OF PURCHASE?

I put a deposit of $ .............. on my home at the time of purchase

68 DID YOU REQUIRE SOMEONE TO BE A GUARANTOR FOR YOUR MORTGAGE?

Yes................................................................................. 1
No.................................................................................. 2

69 HOW MUCH/WERE THE TOTAL MORTGAGE REPAYMENTS FOR YOUR DWELLING PER FORTNIGHT?

$ .............................................................................. per fortnight

70 HOW MUCH MONEY IS STILL OWED ON YOUR MORTGAGE?

$ ..............................................................................

71 WHICH OF THE FOLLOWING STATEMENTS APPLIES TO YOU?

I believe I will pay off my home loan before I retire....1
I will have a mortgage after retirement .................. 2
I am relying on my superannuation to pay off the mortgage............................................................... 3
I will need to downsize/move to pay off mortgage/make debt manageable ................................. 4
Other, please explain ..............................................

72 ARE YOU CURRENTLY SHARING YOUR DWELLING IN ORDER TO HELP WITH YOUR MORTGAGE REPAYMENTS?

Yes ............................................................................. 1
No ............................................................................. 2

73 IF INTEREST RATES WERE TO RISE, HOW MUCH MORE WOULD YOU AFFORD TO PAY? (AN INCREASE FROM 7.25% TO 8.25% EQUALS AN ADDITIONAL $43 PER FORTNIGHT FOR A MORTGAGE OF $150,000).

Could not afford more ............................................... 1
$25 per fortnight extra.............................................. 2
$25-$50 per fortnight extra ...................................... 3
$50-$75 per fortnight extra ...................................... 4
$75-$100 per fortnight extra .................................... 5

74 WHICH OF THE FOLLOWING STATEMENTS BEST DESCRIBES HOW YOU MANAGE ON YOUR HOUSEHOLD INCOME AFTER PAYING YOUR MORTGAGE?

Manage very easily..................................................... 1
Manage easily ........................................................... 2
Manage with some difficulty .................................... 3
Manage with considerable difficulty ...................... 4
Can’t manage at all ................................................. 5
**Scenario**

We are interested in your opinions on possible schemes to make housing more affordable.

**Scenario**

*Imagine a well constructed apartment block, 3-8 stories high with 20-100 apartments. Each apartment is a good size with generous balconies in a location you like, near services and public transport. Some will be owner-occupied and some will be rented. Some apartments will be larger, some smaller.*

*Imagine you could have a 2 bedroom apartment here for $150,000 that would normally sell for at least $350,000. The price is low because a not-for-profit organisation owns the land and provides the land to you for free.*

**75 Assuming you could afford to purchase the apartment, please indicate your level of agreement with each of the following statements.**

**A) I would be interested in buying the apartment even if the land remained in the ownership of the not-for-profit organisation.**

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
<th>Don't know</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
</tbody>
</table>

**B) I would be interested in buying the apartment even if I could only sell it for the amount I purchased it for.**

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
<th>Don't know</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
</tbody>
</table>

**C) I would be interested in buying the apartment even though I could only rent it to eligible people in circumstances like my own (therefore could not charge a market rent), and would need the approval of the not-for-profit.**

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
<th>Don't know</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
</tbody>
</table>

**D) I would be interested in buying the apartment even if I could only bequeath the apartment to someone in similar circumstances to me, otherwise the apartment would need to be sold.**

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
<th>Don't know</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
</tbody>
</table>

**76 How far would you be willing to move to access this affordable housing option?**

<table>
<thead>
<tr>
<th>less than 5 km</th>
<th>6 - 10 km</th>
<th>15-20 km</th>
<th>20-30 km</th>
<th>30-40 km</th>
<th>40-50 km</th>
<th>50-100 km</th>
<th>&lt; 100 km</th>
<th>I would not want to access this housing option</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
<td>8</td>
<td>9</td>
</tr>
</tbody>
</table>

**77 I think having a partner is a strategy for getting an affordable home.**

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
<th>Please comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
</tbody>
</table>

**Demographic information**

**78 How old are you?**

<table>
<thead>
<tr>
<th>40 – 44</th>
<th>45 – 49</th>
<th>50 – 54</th>
<th>55 – 59</th>
<th>60 – 64</th>
<th>65 – 69</th>
<th>70+</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
</tr>
</tbody>
</table>
79 What is the highest level to which you have studied?

- Completed Year 10 or less .................................. 1
- Completed Year 11/12/13 ................................... 2
- Started TAFE/university but not completed .......... 3
- Completed University/TAFE course .................... 4
- Other (please specify) ....................................... 5

80 How would you describe your employment situation?

(Please select as many that apply)

- Permanent full-time ...................................... 1
- Permanent part-time ..................................... 2
- Casual full-time .......................................... 3
- Casual part-time .......................................... 4
- Unemployed looking for work ......................... 5
- Unemployed not looking for work ..................... 6
- Retired ......................................................... 7
- Disabled and unable to work ............................ 8
- Full-time parenting ...................................... 9
- Student ....................................................... 10

81 Where were you born?

- Australia .................................................... 1
- Overseas ................................................... 2

**Thanks**

Thank you for your time and effort. Your responses will be valuable in developing new housing models for women.

You are eligible to enter into the draw for one of 20 $50 gift vouchers. If you would like to do this, please fill in the card included and return in the separate envelope.

Your contact details cannot be linked to your survey responses, so your information will remain anonymous.

If you are interested in keeping up to date with the project you may wish to join our Facebook page http://www.facebook.com/#!/pages/Women-and-Housing-Affordability-Survey/217710001588704

If you feel that you may need financial advice because you are:

- Struggling with your debts
- Unable to pay your bills
- Thinking about loan consolidation
- Considering bankruptcy

Speaking with a Financial Counsellor face to face might be the right option for you. Financial Counsellors offer free and independent advice to Victorians who are facing financial hardship.

To arrange an appointment to see a financial counsellor call the Financial Counselling referral line on: 1800 007 007
**APPENDIX 2: ADVERTISEMENT THAT APPEARED IN THE AGE AND EMAIL NOTICE**

**WOMEN & HOUSING AFFORDABILITY SURVEY**

http://opinio.online.swin.edu.au/s?s=10098

We currently seeking the views of single women, aged 40 and over (with or without children) who do not expect to own their home outright before they retire.

The survey is being conducted by the Institute for Social Research at Swinburne University of Technology in conjunction with the Salvation Army, *More info*

The data obtained from the survey will assist in developing a housing model to fit the needs of women in these circumstances.

The survey is *anonymous* and all data is treated *confidentially*.

The survey will take about 20-35 minutes to complete.

Survey respondents can enter into a draw for one of 20 $50 gift vouchers. Your details will be collected separately from the survey. Prizes will be drawn on the 2nd of September 2011 and winners will be notified by correspondence.

Paper-based surveys are available by contacting Andrea Sharam 92145465 or asharam@swin.edu.au

Survey closes Sunday 14th August 2011

We also encourage you to go to our Facebook page and leave comments