



YWCA CANBERRA

**2017 ACT Government  
Housing Strategy Submission**

## **About YWCA Canberra**

YWCA Canberra is a feminist, secular, not-for-profit organisation that has provided community services and represented women's issues in Canberra since 1929.

Through our national Member Association, YWCA Australia, we are part of the World YWCA network, which connects 125 countries across the globe.

Our rich history of supporting women and girls in Canberra through the Great Depression, the Second World War, and the rapid social and cultural changes Canberra has experienced in recent years, continues to inform and influence our work.

Today we provide quality, innovative services for women, girls and families in the ACT and surrounding regions. We work in the areas of children's services, community development, housing, youth services, personal and professional training, women's leadership and advocacy.

As a membership-based, non-religious organisation, we encourage the participation of people of all cultures, beliefs and ages in our movement. Strengthened by diversity, we welcome members who are committed to recognising and celebrating the value of every human being.

## **Our role in housing**

YWCA Canberra provides housing support to Canberrans through a number of programs. Our Housing Support Unit assisted 175 people in 2015-16, including 55 people seeking assistance due to domestic violence. We also operate three affordable housing properties: Lady Heydon House, two Eclipse Apartments, and Betty Searle House, amounting to a total of 15 tenancies for women in Canberra.

As part of a consortium with Woden Community Service and Belconnen Community Service, we also provide the Supportive Tenancy Service (STS). STS supports individuals and families to sustain their tenancies. In 2015-16 STS supported 333 people.

## **Introduction**

Appropriate, affordable and stable housing is essential to the wellbeing of both individuals and the community. However, for low and moderate income earners in the ACT, there are high levels of unmet demand for housing that is affordable and appropriate.

A shortage of affordable supply, and various factors fuelling demand for housing, has contributed to record high house prices and private rents. Canberra's higher than average level of income not only masks the extent of housing stress, but exacerbates it by pushing up the cost of housing and creating upward pressure on rental prices.

Over the past 15 years, the increase in rental prices has rapidly outstripped the inflation rate for the ACT, with average rent prices increasing at a rate 66 percent higher than the CPI.<sup>i</sup> The lack of affordable housing in the ACT is reflected in a number of key measures:

- ACT households have the second highest expenditure on housing compared with other jurisdictions, with average housing costs \$65 per week above the national average;<sup>ii</sup>

- Low-income households in the ACT spend, on average more than double the proportion of their weekly household income on housing costs than households in the highest income quintile;<sup>iii</sup>
- The proportion of rental stock in the ACT that is affordable for someone on the minimum wage is lower than the national average;<sup>iii</sup>
- Over the past five years, Anglicare's annual rental affordability snapshot has consistently shown Canberra to be one of the least affordable rental markets for people on low incomes; in 2015, the only affordable option for a person on Newstart was renting someone's lounge room;<sup>iv</sup>
- An estimated 20,000 Canberra households are experiencing housing stress, with housing costs exceeding 30 percent of household income.<sup>v</sup>

## The gendered nature of housing stress and homelessness

Housing affordability is by nature gendered, and single older women particularly suffer its consequences due to the longer term effects of gender bias, and ingrained structural inequality that manifests as an “accumulative poverty”<sup>vi</sup>.

A constellation of factors has contributed to the emergence of single older women as a group at heightened risk of housing insecurity, including years of unpaid caring, wage inequities, less secure work tenure, insufficient superannuation, relationship breakdown, and the rising costs of living<sup>vii,viii,ix,x,xi</sup>.

ACT Shelter collected data on women aged 45 years and older who reside in the ACT and found that one in four women in this demographic were experiencing housing stress, by the ‘30/40 rule’. The 30/40 rule is persons in the bottom 40 per cent of income brackets, who spend more than 30 per cent of their take home income on housing expenses – placing pressure on their ability to afford other living expenses.

ACT Shelter also found that, in 2011, there were 11,431 women in this demographic on low to median incomes who did not own their own home; in contrast, there were 7,356 men in this demographic living in these circumstances<sup>xii</sup>.

Given the gendered nature of housing stress and homelessness in the ACT, it is crucial that any new strategy must explicitly address women’s needs and circumstances. In addition, a gendered analysis must be central to the strategy development process.

## Recommendations

**Recommendation 1:** Ensure that the Housing Summit has a specific stream on women’s access to housing and homelessness services, and that a gendered analysis is undertaken as part of the strategy development process.

**Recommendation 2:** Introduce a tenancy advice and support service that is equipped to deal with older women’s needs, and can provide the expertise and support to help them navigate the housing and welfare landscape.

**Recommendation 3:** Invest in innovative housing models for women including options to provide appropriate and affordable single unit dwellings for older women.

**Recommendation 4:** Provide community housing operators with a pathway towards exemption from commercial real estate taxes and obligations.

**Recommendation 5:** Introduce brokerage programs or services that could represent low-income tenants to private landlords.

**Recommendation 6:** Provide landlords with incentives in the form of tax breaks and other concessions to offer flexible tenancies to older women: including rental subsidies, security of tenure, and allowing modifications to the rental property.

**Recommendation 7:** Offer affordable rentals at a much deeper level of subsidy than is currently provided under the 74.9 per cent market rate.

The Affordable Rental Scheme needs to set rental rates using a method that is more inclusive and results in housing options that are genuinely affordable. The scheme should be better targeted, responsive and effective, and take into account the real life situations of low income households.

## **Strengthening Social Housing Assistance**

In the ACT, the scarcity of safe and affordable housing for single women is a significant and growing area of unmet need.

Many women's homelessness services are targeted towards domestic and family violence, and are therefore unsuitable for older women who do not necessarily have complex needs or require support.

The Community Services Directorate evaluation found that for women not subject to domestic violence that there was a gap in service delivery, as their eligibility criteria and needs do not align<sup>xiii</sup>. Older women facing housing vulnerability may not meet the criteria necessary to access these services and many of them may fear going to transitional options such as refuges because the clientele typically have complex needs.

ACT Shelter note that older women often lack information on where to go<sup>xiv</sup>. Without an understanding of their options, older women may not present to frontline services, and therefore fall through the data collection cracks. For older women facing vulnerability for the first time later in life, many may not in fact be aware that their situations mean they are experiencing, or are on the precipice of, homelessness.

We support ACT Shelter's recommendation to fund a specialised service for "gendered tenancy advice and support to older women"<sup>xv</sup>. This is a critical step in connecting women with the avenues and options available, as well as ensuring that services are equipped to meet the diverse needs of women and older women.

Dr Maree Peterson's important research into pathways out of homelessness highlights that there are multifarious pathways into homelessness<sup>xvi</sup>. As such, nuanced policy solutions are required. Peterson found that permanent housing that is linked with support services is an appropriate model for older women of all backgrounds<sup>xvii</sup>. However to be successful, the design of these solutions must prioritise the diverse life experiences of women, their needs, preferences, and be tailored to the level of support needed by the residents.

When older women are consulted, they consistently express certain housing preferences<sup>xviii</sup>. Interviews undertaken by ACT shelter revealed that security of tenure is a critical issue and that independence and living alone are of high importance<sup>xix</sup>. They expressed a desire for housing programs focused on secure tenure, rather than mechanisms that necessarily enabled them to buy their own homes<sup>xxxi</sup>. Secondary dwellings, community land trusts, and co-housing arrangements are autonomous, secure, and are preferable affordable housing solutions for older women<sup>xxii</sup>.

Immediate actions must address the lack of affordable and appropriate housing solutions for women, and prioritise their need for stable housing. These solutions must prioritise proximity to a woman's existing social networks, and access to health care and services, as these are intimately linked to better health and wellbeing overall.

**Recommendation 2:** Introduce a tenancy advice and support service that is equipped to deal with older women's needs, and can provide the expertise and support to help them navigate the housing and welfare landscape.

**Recommendation 3:** Invest in innovative housing models for women including options to provide appropriate and affordable single unit dwellings for older women.

## Increasing Affordable Rental Housing

The majority of people in housing stress are in private rental, with 60 per cent of people on low incomes who are in private rental experience housing stress, and 25 percent spending over half of their income on rent.<sup>xxiii</sup> Some housing that is 'affordable' for people on low incomes may not be safe or appropriate housing.

The ACT private rental market produces rental stress, and housing poverty and exacerbates homelessness risk for many Canberrans. The high costs of private rental is a significant cause of homelessness in the ACT, both as an underlying driver of housing poverty, and an immediate trigger for eviction into homelessness.

Anglicare's 2017 rental affordability snapshot found that out of the 1,280 private rentals surveyed online, only 24 properties were affordable to single aged pensioners. Besides one granny flat and an apartment listed in Queanbean, the rest were shared houses.

Shared housing arrangements are not necessarily an appropriate or sustainable solution for older women. Sharam found that while older women had lived in shared accommodation on and off, this was a last resort, and not by choice<sup>xxiv</sup>. It was considered to be an unstable, short-term solution for these women.

Older women report experiencing discrimination and exploitation in the private housing market. The impact is that older women are priced out of the market and often end up in makeshift accommodation options where they become vulnerable to abuse and exploitation.

Given the current housing affordability crises and depleted social housing stock in the ACT that is unlikely to be addressed in the immediate future, supporting older women's entry into the private rental market is critical. Anecdotally, housing staff at YWCA Canberra describe older women as being exceptional tenants who pay their rent on time and take immaculate care of the rental properties.

Promoting women as preferred tenants<sup>xxv</sup> amongst landlords and negotiating terms that provide security of tenure and rent subsidised by the ACT Government could provide a mutually beneficial arrangement for both parties.

YWCA Canberra is fully supportive of the proposal of a not-for-profit real estate service, modelled on the Victorian Home Ground real estate agent. One of the key ingredients to Home Ground real estate's success, was the strong foundation that they began with: existing management and oversight functions, and an agency that had an understanding of the community they were serving, familiarity with the issue of homelessness, and knowledge of how to work effectively with these groups of people.

YWCA Canberra has recently formed a network of stakeholders from the commercial and not-for-profit sectors to scope out the feasibility of establishing a similar entity in the ACT. Whilst it is early days, stakeholders have demonstrated an appetite and enthusiasm for this innovative model.

**Recommendation 4:** Provide community housing operators with a pathway towards exemption from commercial real estate taxes and obligations.

**Recommendation 5:** Introduce brokerage programs or services that could represent low-income tenants to private landlords.

**Recommendation 6:** Provide landlords with incentives in the form of tax breaks and other concessions to offer flexible tenancies to older women: including rental subsidies, security of tenure, and allowing modifications to the rental property.

## **The Affordable Rental Scheme**

To improve access to affordable housing for people on low and moderate incomes, the ACT Government provides an Affordable Rental Scheme. This program is delivered by not-for-profit, non-government organisations, who must offer rents at a fixed rate that is determined independently according to market rental rates.

Eligibility for affordable rental housing usually begins where social housing income/asset thresholds cut out. For those accessing the affordable rental scheme, rent is generally calculated at a discounted rate of 74.9 per cent of market rent.

Despite the intent of this program, the reality is that for people on low incomes, the 74.9 per cent rental rate remains unaffordable. In the context of the ACT where there is a higher than average disposable income, this places upward pressure on the rental market and distorts what is calculated to be "market rent". So long as it is tied to market rental prices it will most likely result in payments that contribute to the hidden disadvantage in the ACT.

YWCA Canberra has witnessed first-hand the difficulties that low-income Canberrans can face in meeting day-to-day costs under the Affordable Rental Scheme. Many of our tenants are just making ends meet, and it only takes a single event to plunge them into a situation where they cannot pay their rent. Difficulties meeting the rent and basic costs of living can lead to desperation and despair, with some people on low incomes resorting to extreme lengths to obtain money to stay housed.

An ACT Shelter survey undertaken in 2015<sup>xxvi</sup> found that households in the bottom two quintiles are not only compromising on basic necessities such as food and healthcare costs, but are also increasingly falling prey to high-interest short-term lenders. The constant struggle to pay the rent and other living costs, and the perpetual sense of insecurity that this brings, takes its toll on people's health, their dignity and well-being.

Having appropriate and affordable housing for lower income ACT residents is of the utmost importance. If this is to be achieved, it is imperative that affordable rentals are offered at a much "deeper" level of subsidy than is currently provided under the 74.9 per cent market rate.

**Recommendation 7:** Affordable rentals must be offered at a much deeper level of subsidy than is currently provided under the 74.9 per cent market rate.

The Affordable Rental Scheme needs to set rental rates using a method that is more inclusive and results in housing options that are genuinely affordable. The scheme should be better targeted, responsive and effective, and take into account the real-life situations of low income households.

### **Increasing affordable home ownership via shared equity schemes.**

Shared Equity Schemes are increasingly presented as the panacea to the housing affordability crises. YWCA Canberra supports a model of shared equity that is tailored towards women's needs, whilst noting that this may not be a desirable arrangement for all women.

It is important to acknowledge that home ownership may not be the goal for someone who has recently exited a violent relationship and is currently dealing with trauma. Equally, older women who may not be motivated to accumulate equity, or be willing to invest the small amount of equity she holds.

The Women's Property Initiative recently undertook research<sup>xxvii</sup> to map international and national models of shared equity schemes. One of the key findings was these schemes need to be specifically designed for the target group in mind, and responsive to the specific market conditions of the context:

*"A shared equity scheme should service a particular policy goal and particular segment of the population."*

ARUHI's findings are consistent in their recommendations, concluding that shared equity models should be considered as part of a strategic whole of housing approach, and one of a range of options to ease pressure from the private rental market. They should remain on a small scale and carefully targeted and managed.

Shared equity schemes in Australia have traditionally meant the shared ownership of land and dwelling as a single title. Sharam<sup>xxviii</sup> proposes land trusts as a form of shared equity might be particularly appropriate for older women. In this scenario, the land and the purchasers are able to purchase and build on this land, which they do not own. The trust provides a long-term lease, thereby ensuring that the housing remains affordable.

This could be suitable for an older woman who may not be able to afford to pay a mortgage of \$400,000 but may be able to afford \$150-200,000. If she can afford to borrow for a purchase of at least \$150,000, it means she can afford the cost of the dwelling.

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