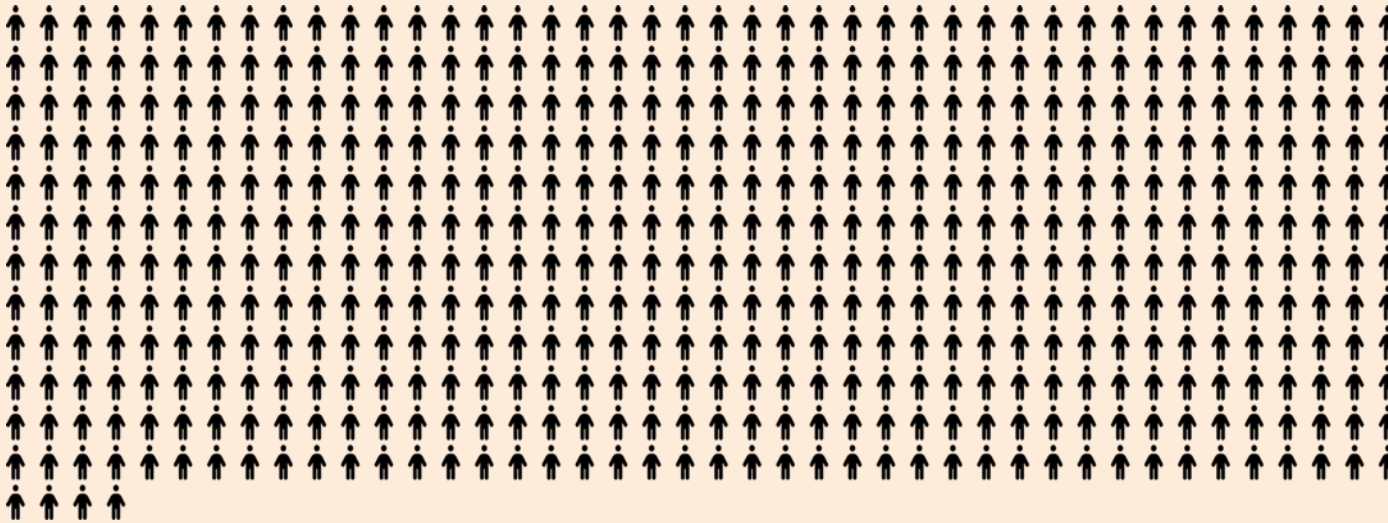


SUMMARY INFOGRAPHIC

# Not poor enough, not rich enough: older people falling through the housing assistance eligibility gap




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# Who is the “Missing Middle”?

This research estimates the number of Australians aged 55 or older at risk of ‘non-supported housing precarity,’ referred to here as the Missing Middle. This group includes older people who are neither ‘poor enough’ to qualify for housing assistance nor ‘wealthy enough’ to secure housing as they age, highlighting a significant gap in Australia’s housing system.

Our analysis of Australian Bureau of Statistics (ABS) Survey of Income and Housing (SIH) estimates that there were approximately 508,000 people in the Missing Middle cohort in 2019-20, meaning one  = 1000 older Australians in this cohort.





We based this on four criteria:

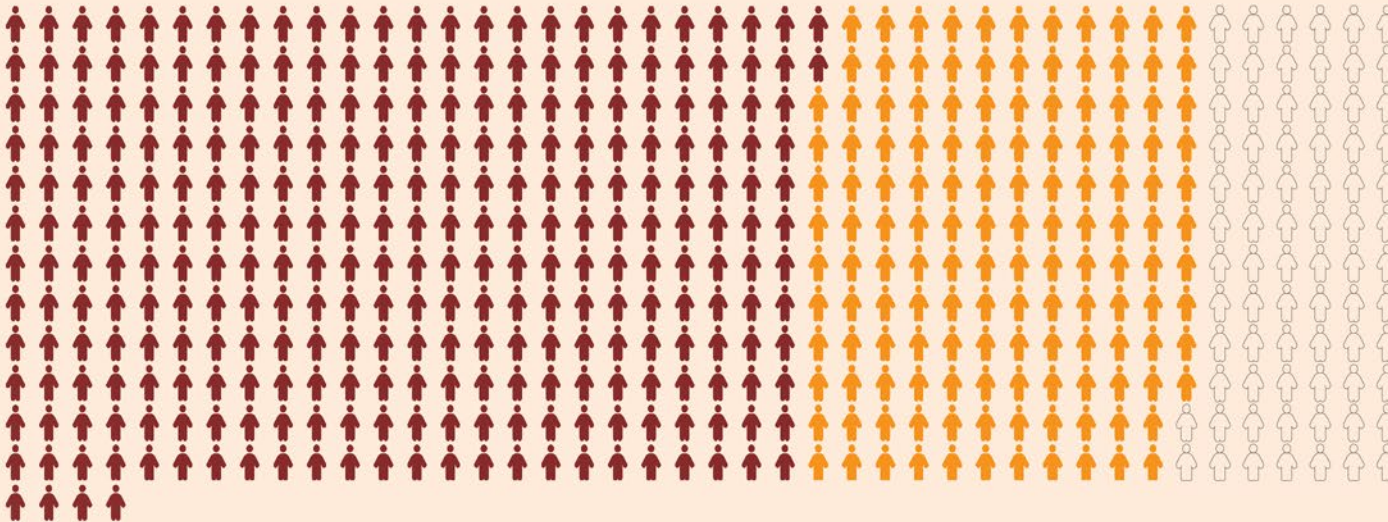
- » **Age** – throughout this report, the age groups are divided into 55-64 years and 65 years and older
- » **Housing tenure** – people living in private rental, purchasers (homeowners with mortgages) and those in “other tenures”.
- » **Household income** – people in the very low (Q1), low (Q2) and moderate (Q3) household income brackets
- » **Household wealth** – thresholds of household wealth selected based on social housing eligibility criteria and median home prices. We are presenting data on older people with very low wealth (up to \$35000), low wealth (\$35000-20000) and moderate wealth (\$200-500000)

# Where do the Missing Middle Live?

 306,566 live in private rental homes

 124,844 live in homes where they are paying off a mortgage

 76,573 live in other kinds of homes

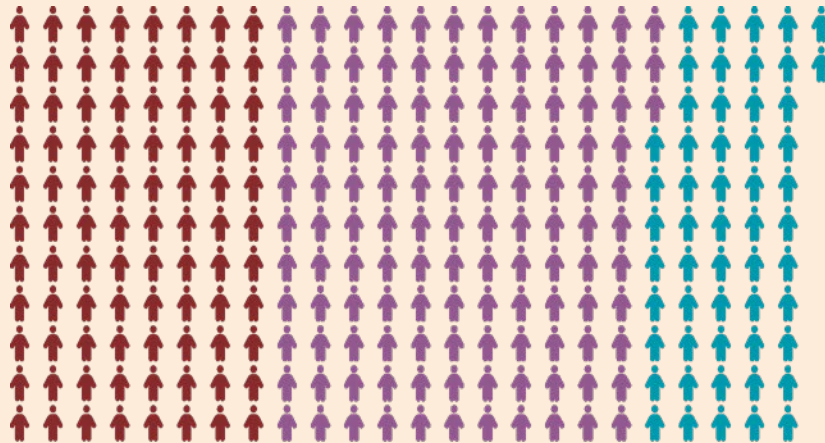


## Private renters face greater financial vulnerabilities

👤 97,805 older private renters have less than \$35,000 in wealth

👤 140,252 older private renters have between \$35,000 and \$200,000 in wealth

👤 68,509 have over \$200,000 in wealth



# 97,805 older private renters with very low wealth

## Who are the people in this picture?

- » People in this category have less than 35,000 in total wealth.
- » Rental laws in most states do not provide for security of tenure (for example, no-reason notice to vacate and short leases) and many states do not have adequate minimum standards.

## What currently exists for them?

- » They are likely to be receiving Commonwealth Rent Assistance, but are still facing financial hardship, for example, cannot afford to pay electricity and other bills.
- » Some State-based private rental assistance (many have asset and income limits which would not allow access to some in this cohort)
- » In most states, they would be eligible for public or community housing, but only 14% have applied.

## What are solutions that could work for them?

- » Increase public and community housing to 10% of the total housing stock by 2040 and allocate a proportion of these for people over 55 based on area and need.
- » Fund specialist services to support older people to navigate the complex housing application system to ensure equitable access to public and community housing across the country.
- » Strengthen nationally consistent rental laws, including providing for longer leases, minimum accessibility standards and energy efficiency and removing no-reason or no-fault evictions.

# 140,252 older private renters with low wealth

## Who are the people in this picture?

- » People in this category have wealth between \$35000-\$200000
- » in most states at least some of them would be eligible for public or community housing.
- » Most of them are not eligible for existing affordable housing schemes (due to low income) or shared equity schemes (due to requiring a commercial bank loan).
- » They do not have enough wealth to purchase a unit in a residential park or retirement village, and options such as Independent Living Units are rare.

## What currently exists for them?

- » Commonwealth Rent Assistance - does not provide housing security or affordability
- » Share housing – not the first option for many people, but necessity
- » Public and Community Housing – scarce supply and subject to varying asset limits
- » Affordable housing – tied to market prices, not income, so not genuinely affordable for those on very low or low incomes.
- » Housing co-operatives – many now have eligibility criteria that matches public and community housing; requires a commitment to co-operative living which does not suit everyone

## What are solutions that could work for them?

- » Make 'affordable housing' genuinely affordable by legislating a nationally consistent definition to cap rents at 30% of income for people on the low incomes and they should remain affordable housing in perpetuity.
- » Work with State and Territory Governments to align eligibility criteria for public and community housing, including a consistent asset limit
- » Create a shared equity scheme where government guarantees the loans of older people with criteria specific to the circumstances of older people with moderate savings but are unable to find other alternative affordable housing options in the private housing market
- » Scaling up appropriate shared ownership models such as those initiated by Women's Property Initiatives, co-housing or co-operatives.
- » Revitalise and reestablish support for the Independent Living Unit sector, to enable it to provide long-term secure rentals or ownership options for older people with low to moderate wealth.

# 68,509 private renters with moderate wealth

## Who are the people in this picture?

- » People in this category have wealth between \$200000-\$500000.
- » Most are not eligible for shared equity schemes, due to requiring a commercial bank loan not available to older people, and many of them are not first home buyers, for example, older women post-divorce.

## What currently exists for them?

- » Build to rent to buy schemes – most requires a commercial bank loan
- » Shared Equity models like Help to Buy – not available to those on low incomes.
- » Retirement villages and residential parks – have inconsistent contracts, unfair fees, poor management and inadequate dispute resolution
- » Independent Living Units – often managed by small not-for-profits who struggle to maintain their older stock to modern standards, or being sold off for more expensive forms of housing.

## What are solutions that could work for them?

- » Support removal of age-based discrimination practices in banking to enable older people to access schemes that assist home ownership, in line with responsible lending guidelines
- » Scaling up appropriate shared ownership models such as those initiated by Women's Property Initiatives, co-housing or co-operatives.
- » Revitalise and reestablish support for the Independent Living Unit sector, to enable it to provide long-term secure rentals or ownership options for older people with low to moderate wealth.
- » Improve regulation, management and dispute resolution in not-for-profit retirement villages and land lease communities so that they can provide a suitable and affordable housing option for older people with low-to moderate wealth.
- » Create a shared equity scheme where government guarantees the loans of older people with criteria specific to the circumstances of older people with moderate savings but are unable to find other alternative affordable housing options in the private housing market

# 124,844 purchasers with very low to moderate wealth

## Who are the people in this picture?

- » People in this category live in mortgaged homes, and although the majority have moderate wealth due to this asset, many are on very low incomes.
- » Two-thirds of people aged 55-64 are employed, while 81% aged 65+ are not in the workforce.

## What currently exists for them?

- » Home Equity Access Scheme. At least 76,712 older people under 65 can not access this scheme.

## What are solutions that could work for them?

- » Expand the existing support programs such as Home Equity Access Scheme to ensure older people are supported to retain their home ownership and age in place whilst paying affordable mortgages.
- » Guarantee fixed interest rate for the life of the loan for older people to prevent them from falling out of home ownership later in life due to interest rate fluctuations.



## Downward pressures

- » Less than \$500,000 wealth, often after sale of house due to changed family circumstances, or unable to continue mortgage repayments after retirement
- » Lack of options for home ownership
- » Age discrimination barriers to getting home loan
- » Stuck in unaffordable private rental
- » Not eligible for Public or Community housing
- » Limited Centrelink Support
- » Severe Housing Stress
- » Eligible for Public or Community housing but limited information available
- » Eligible for Public or Community housing but none available, too much wealth for priority housing assistance
- » **Facing Homelessness**



## Positive solutions

- » Expand Home Equity Access Scheme
- » Guarantee fixed interest rate
- » End age-based discrimination in banking
- » Improve regulation, management and dispute resolution in not-for-profit retirement villages and land lease communities
- » Create a shared equity scheme for older people
- » Scale up shared ownership models
- » Support the Independent Living Unit sector
- » Make 'affordable housing' genuinely affordable
- » Align eligibility criteria for public and community housing
- » Fund specialist housing support services for older people
- » Strengthen nationally consistent rental laws
- » **Build public and community housing**

## Who is missing from the missing middle?



This research does not include older people with household wealth of more than \$500000, social housing tenants, outright home owners, people who are homeless or people residing in non-usual dwellings like residential care.

The research is further limited due to what data is available in the Survey of Income and Housing. For example, we were unable to attribute wealth estimates to people who live independently from one another in one household, and so we restricted our household wealth estimates to those where there was only one income unit – people living alone, couples without children, lone parents or couples with dependent children.

Therefore we excluded approximately 25% of the cohort, for example, people living with independent adult children. This may mean we are under-counting, especially for culturally linguistically diverse people and women.

The research is based on the ABS Survey Income and Housing undertaken in 2020. Changing personal circumstances mean people's wealth can shift. Demographic growth, ageing population, and the deepening housing affordability crisis mean this report is likely to further underestimate the scale of the issue .

**Recommendation:** Ensure better data collection in relation to household wealth, housing tenure and composition by reassessing what is considered wealth for purposes of the Survey of Income and Housing to prevent artificial inflation of asset limits for older people.

## Want to know more about the missing middle?



This document presents a brief summary of the full research report *Not poor enough, not rich enough: older people falling through the housing assistance eligibility gap*. Access the full report by scanning the QR code, or visiting [oldertenants.org.au/missing-middle-report](https://oldertenants.org.au/missing-middle-report).