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Getting in front of homelessness: housing single older women now

Dr Andrea Sharam
Social Research
Swinburne Institute

Contact:
Dr Andrea Sharam
Social research
Swinburne Institute
ashram@swin.edu.au

Single older women in Australia have emerged as a growing population group vulnerable to housing insecurity and at risk of homelessness in their old age. Their vulnerability arises from the gendered nature of labour and child rearing in Australia which compromises women's lifetime capacity to earn, acquire and retain housing equity. This is exacerbated by inflated housing purchase prices, increasing rental costs, low rental vacancies, and an age pension system that assumes full home ownership at retirement.

The Salvation Army Southern Territory commissioned research in response to the growing number of women entering the welfare system in old age due to insufficient capital resources and income to provide for their retirement. A survey was undertaken, 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 research sought to find out more about their current housing situation and needs and their aspirations and capacity for meeting their longer-term housing needs. It also tested women's attitudes to an alternative affordable housing model based on a land trust where land would be donated and in which they would be required to contribute equity but would have restrictions, for instance, on capture of capital gains. The research wanted to understand whether an affordable housing model based on a land trust would be viable in terms of consumer capacity to pay and preferences.

Key words: single older women, housing, land trust, affordable, retirement

Introduction

Single older women in Australia have emerged as a group vulnerable to housing insecurity and at risk of homelessness in their old age. Wage inequality and interrupted working lives due to childcare responsibilities are contributing factors to women having less lifetime capacity to save for retirement. Social changes have added to the significant growth in the number and proportion of single older women in the population. These changes mirror the lives of the baby boomers and the cumulative impacts now being felt as this generation approaches retirement. It would also appear that single Gen X women are also vulnerable. These factors are exacerbated by inflated housing purchase prices, increasing rental costs, and low rental vacancies.

The *Women and Housing Affordability Survey* was commissioned by the Salvation Army Southern Territory in response to the growing number of women entering the welfare system in old age due to insufficient capital resources and income to provide for their retirement. The research was conducted by the Swinburne Institute and 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; and
- their attitudes towards alternative models of financing home ownership.

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. It was distributed across Australia, and the Victorian responses have been drawn upon for this report. The research also sought to understand whether there is a potential market for a new affordable housing scheme for single older 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;
- using private mortgage finance;
- purchase cost of at least $150,000 and potentially up to $350,000;
- has restrictions on eligibility, sub-letting and bequests; and
- prohibits 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 Residual Income Model of Housing Affordability (RIMHA), a budget standard approach developed by Burke, Stone and Ralston (2011). 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 was sought. The scheme proposed modifications to key elements of housing ownership so the women's attitude to these key variations was also sought. Finally, they were asked if they would be willing to move to access this housing and, if so, how far.

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.

Why single older women?

Population forecasting projects a significant increase in the number and proportion of lone female households to 2026 (AHURI 2004; ABS 2006). The continuing gendered wage gap and burden of care means women will generally continue to be poorer than men and that this will have adverse outcomes for their housing security over this period (Tually, Beer and Faulkner 2007). McFerran (2010) and Sharam (2008) argue that this demographic shift is reflected in recent increases to the number of single older women attending homelessness agencies.

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 enabled a dramatic shift to serial monogamy. De Vaus and Richardson (2009: 9) conclude that marital status is a housing 'risk' factor for whether or not a woman lives alone. The accumulation of housing equity for many people is now punctuated by significant (and sometimes repeated) financial reversals that occur with relationship breakdowns (Beer and Faulkner 2009). For women, divorce or separation frequently means living on her lesser wage whilst providing the majority of child care. As a result, although women may be more likely to acquire the family home in a divorce settlement, it does not mean they are able to sustain the mortgage payments (Flatau et al. 2003).

There are also increasing numbers of women who do not partner or who rent with a partner and subsequently separate. There is also anecdotal evidence to suggest that women wait for a partner to purchase housing (the so-called ‘white knight syndrome’).

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 decide to have children. Delay in childbearing also has the consequence that the children are younger when the parents separate, with implications for the carer’s ability to engage in employment.

Starting to re-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, with ‘the average house price in the capital cities … 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).

Australia's age pension system assumes full home ownership at retirement. Commonwealth Rent Assistance is capped and unless the renter has savings she will be in chronic poverty (Burke, Stone and Ralston 2011). 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).

While the crisis is already being felt by housing services, the opportunity exists to model demand and get ahead of the problem. Many single women have years of working life ahead of them. They may not be able to afford to purchase housing for $400,000 but they could possibly do so for $150,000 to $200,000. This means many women could potentially fund construction of a dwelling if land was provided free. Such a shallow subsidy would negate the need for a deep subsidy later (in the form of social housing). However, it is important to understand if there are sufficient women who can pay this amount to warrant the establishment of a scheme.

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. 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 affordable housing scheme. Land trust 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. Would women be willing to move?

The next section presents a brief explanation of the RIMHA and land trusts as a basis for an affordable housing scheme.

The Residual Income Model of Housing Affordability

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. 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.

Each survey respondent's details are used to determine a) their disposable income, b) the 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. The study used the modest budget standard in assessing long-term housing affordability and willingness to pay. Details of the RIMHA model and its assumptions are available at
<http://www.ahuri.edu.au/publications/download/50597_fr>.

Land trusts

Hundreds of 'community land trusts' operate in the US and the UK to provide affordable housing. They offer the opportunity to separate dwelling ownership from land ownership. Members rent or purchase but in effect do not pay for the cost of the land they occupy. This is possible through government, philanthropy or other donors providing the land equity either as a donation or through long term peppercorn leases. In many cases, purchasers can access special low income housing finance schemes or other subsidies.

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.

The 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 survey

Methodology

The research used a web-based anonymous survey and, for those without internet access, a paper-based survey was available on request. Recruitment was largely web-based with a social marketing focus. Recruitment started on 16 May 2011 and closed on 14 August 2011. Respondents were offered the opportunity to win a gift voucher worth $50.

A number of assumptions were used analysis in the analysis.

For how much they could save:
a) 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 the lowest in the age bracket, therefore the figure represents their optimal savings capacity in terms of age;
c) existing debt 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.

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.

Findings

The survey received 111 valid Victorian responses. Of these, 25 were currently purchasing their home and 86 were renting (Table 1). One renter was also a part purchaser of an investment property. The table shows that younger women are more likely to be renting than purchasing.

Table 1. Age of respondents and tenure

Age bracket	No.	Purchasing	Renting
40 – 44	41	4	37
45 – 49	18	3	15
50 – 54	26	8	18
55 – 59	18	8	10
60 – 64	4	1	3
65 – 69	2	1	1
Unstated	2	0	2
Total	**111**	**25**	**86**

Table 2 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 and eight with unrelated people.

Table 2. Household type and tenure

Household type	Housing tenure	No.	Total
Sole person household	Rental	32	49
	Purchasing	16	
Single parent with dependent children	Rental	27	32
	Purchasing	5	
Single parent with non-dependent children	Rental	4	5
	Purchasing	1	
Live with unrelated people	Rental	8	8
Live with related people	Rental	12	15
	Purchasing	3	
Single parent with children sometimes living with you	Rental	1	1
Single parent with dependent children	Renting with investment property	1	1
Total		**111**	**111**

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 of Melbourne (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 3 shows, 43 women (38%) earned between $40,001 and $60,000.

Table 3. Income of respondents

Income range	No.
$0 – $20,000	11
$20,001 – $30,000	15
$30,001 – $40,000	11
$40,001 – $50,000	23
$50,001 – $60,000	20
$60,001 – $70,000	7
$70,001 – $80,000	9
$80,001 – $90,000	4
$90,001 – $100,000	1
$100,001 – $110,000	2
Missing/incomplete	8
Total	**111**

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 4 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 currently had less than $40,000. 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. Anticipated superannuation at retirement

Super at retirement	n = 95
None	9
$100,000 or less	56
$100,001 – $200,000	12
$200,001 – $300,000	1

$300,001 – $400,000	5
$400,001 – $500,000	1
$500,001 – $600,000	2
Don't know	9

The respondents were asked at what age they believed they would retire (Table 5). 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 was used as it is the age at which most will be eligible for the age pension.

Table 5. Predicted age of retirement

Age bracket	No.
55 – 59	7
60 – 64	13
65 – 69	21
70+	23
Financially do not see themselves as ever being able to retire	37
Do not want to retire	1
Already on pension or benefit	8
Unstated	1
Total	**111**

Table 5 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, which 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, 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 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 64 were not eligible for the 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 6). Of those who had 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 these 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 do so.

Table 6. Highest education qualification achieved

Qualification	No.
Completed university/TAFE course	86
Started university/TAFE but not completed	15
Completed Year 11/12/13	3

Completed Year 10 or less	5
Total	**109**

Implications for the housing model

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 housing prices had inflated dramatically.

The intention of the research was to test whether there was a potential market amongst single older women for a affordable housing 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 assuming they could spend 100% of their after modest living costs on housing.

Of 81 renters,[1] 53 earned sufficient income to finance a housing purchase of $150,000. However, only six could take up such an offer if it had been available in 2011. 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 debt or no savings. The extra capacity to pay means that they could go into a rent-to-buy scenario that effectively paid their debts and allowed them to accumulate the deposit and then commence with their mortgage. There were another nine whose incomes permitted purchase for between $150,000 and $200,000, but their existing debt and their age would mean they would still have a mortgage at 67. If the mortgage was less than social housing rental (as they would carry other housing costs associated with ownership) then they could still be considered for the scheme.

Just over 65% could, on the basis on their income, afford to purchase for at least $150,000, but only 49% could actually do so, and then most 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 such a high paying job.

[1] This excludes the respondent who had an investment property. Four others had missing values.

Her age is likely to be a barrier to obtaining a large 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.

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 (size and location) 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; 53% 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 an affordable 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, which could also be the case with women living alone as suggested by anecdotal evidence. If so, the number of women with theoretical capacity to afford to purchase housing reduces as these additional living costs diminish their available funds. 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 currently purchasing their housing. There were no group living arrangements amongst purchasers. They either lived alone (17), with dependent children (5) or with related others (3). Of the 25, 18 were over 50. Almost all sole person households were over 55 years of age. The under 55 group was comprised of a mixture of sole persons and single parents.

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, and the median 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 they indicated 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 flexible, 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. Those who purchased with others may be at risk of the other equity holder wanting to use their equity for other purposes. Purchasing does not seem to have bought peace of mind and it is clear that they do not have certainty.

Saving

An alternative to buying a house is to invest savings, for example, in superannuation, term deposits or shares and the like. Taking account of existing debts and savings and the monthly contributions deemed possible by the RIMHA, the retirement income 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 fund 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 (in 2011) 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. The reductions to the pension mean there is not much incentive to save beyond the $321,750 unless they can accumulate something like $600,000. However, more capital means funds 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 the 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 60 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.

Attitudes towards the scheme

The research wanted to test attitudes to key elements that are commonly associated with home ownership but which may be modified for affordable housing schemes: 1) separation of ownership of land from ownership of dwellings, 2) opportunity to capture capital gains, 3) ability to lease the property, and 4) ability to transfer title 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 7).

Table 7. Interest in proposed alternative housing model

Interested if ...	Land owned separately	Could not take capital gains	Control on rental charges	Restrictions on bequests
Yes	69	53	62	57
No	12	12	12	16
Don't know	15	29	22	23
Total	**96**	**96**	**96**	**96**

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 features 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 could live there. The equity of the purchasers is always protected, but they cannot profit from their ownership. In the proposed scheme, the participants would be purchasing security of tenure and the opportunity to accumulate equity only.

As Table 7 shows, there was a positive response to the compromises that may be involved in the proposed affordable housing 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 that participants are comfortable.

A fifth question asked what distance they would be prepared to move. Seven purchasers and five renters had 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.

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: 64% 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.

Discussion

The finding that there are women who could afford a moderately priced dwelling is not unexpected, as is the finding that many are currently in housing stress. 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. (at 20 Sept. 2011) which is close to the amount the RIMHA suggests is the minimum before housing costs ($19,673). An age pensioner renting for $200 per week receives $845.70 including rent assistance. 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 retired (Table 8). The likelihood of a woman over 50 having sufficient disposal income to save the required amount is not high.

Table 8. Savings needed to retire on $30,000 p.a.

Age	Monthly savings
40	$620
45	$920
50	$1,420
55	$2,390
60	$4,880

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 costs associated with housing impoverished people in their old age, then encouraging individual saving is critical. Housing equity is the most obvious vehicle. The women in the survey indicated a desire to save through accumulating housing equity. A land trust model of affordable housing could deliver that for many of them.

For the much older 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, they could also contribute a small rental charge.

Conclusion

This research arose because of the concern that single older women increasingly face housing insecurity and homelessness. The survey intended to test the market for a potential land trust based affordable housing scheme that would require targeted women to contribute some equity. Aimed at single women over 40 who believed they would not achieve full home ownership by retirement, it found, not unexpectedly, that many are too poor even for the scheme as proposed.

The finding that single women with above average incomes are failing to save, although many have disposable income, suggests a greater number being at risk of homelessness in their old age than previously thought. While it was not clear that they necessarily had surplus funds, their pessimism about retirement was clear. The extent of enthusiasm for the proposed scheme demonstrates an awareness of the lack of options these women have and a willingness to invest in housing. This suggests such a scheme would be successful in attracting members and provide a crucial pathway to housing security in old age.

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