



FUNDING INNOVATIVE SENIORS HOUSING SOLUTIONS AS PART OF COVID-19 RECOVERY

PROBLEM

While the majority of older Australians have adequate resources to fund appropriate housing as they age, there are many that are still falling through the cracks and are at risk of homelessness.

Australia's economic recovery from the COVID-19 pandemic will require targeted stimulus spending by the Commonwealth to help key industries in operation and Australians in employment.

SOLUTION

Establish an Innovative Seniors Accommodation Fund to create opportunities for the construction of innovative, flexible and affordable accommodation options for older Australians as part of the COVID-19 economic stimulus response.

BACKGROUND

While ensuring Australians have access to safe, secure and affordable housing as they age is at the very foundation of health, welfare and wellbeing, there is currently little coordination or political leadership in the space at any level of government.

All three levels of government provide housing assistance programs and instruments, but with little coordination or emphasis on the needs of ageing Australians. Given the significant ageing of the population, this is an oversight that needs to be addressed urgently.

Governments have tended to approach housing policy separately as either a social or an economic asset, with “almost no coordination between different housing policy instruments nor a conceptual framework through which the role or purpose of these instruments is identified.”^[1]

Housing is clearly a complex area with charitable, market and government interfaces. But older Australians are paying a high price for a lack of leadership, funding and innovation in the area. Not only is the speed of ageing putting a strain on the demand for age appropriate and affordable housing, the housing asset base of older people is eroding.

These dual pressures are creating a growing new cohort of vulnerable older Australians. ACSA supports the principle that housing is a human right as set out in Article 25.1 of the Universal Declaration of Human Rights, and urges governments at all levels to give this fundamental issue the urgent political attention it requires.

KEY FACTS AND FIGURES

For further background, data and context, see ACSA's [Housing for Older People Discussion Paper](#), June 2020.

Fewer older Australians aged 65 and over own their own home outright than previously.

In 2002, 78% of older households owned their homes without a mortgage, but by 2011 this figure dropped to 71%.

Over 40% of people aged between 55 and 64 had a mortgage in 2010, compared to 20% in 2001.

Between 2006 and 2011, there was a 43% increase in the number of people 55+ in private rental. Of those older households in the private rental market, 102,600 were considered lower income households.

POLICY RECOMMENDATION

ACSA recommends that as part of its COVID-19 economic recovery package, the Commonwealth:

- Establish an Innovative Seniors Accommodation Fund to create opportunities for the construction of innovative, flexible and affordable accommodation options for older Australians, including those of low means.
- Ensure expert guidance and oversight of the fund and the evaluation of projects funded through a Governance Committee of members appointed for their experience and knowledge of social housing and senior accommodation;
- Ensure monies disbursed through the Fund are spent in a cost-effective way through a competitive and transparent grant process.

The Innovative Seniors Accommodation Fund would:

- Provide funding for the construction of a range of accommodation options for older Australians; including:
 - Pilot projects testing new and innovative senior accommodation options, such as smart-technology enabled homes;
 - Seniors housing that is sustainably built to minimise environmental impact and reduce ongoing energy costs to inhabitants;
 - Scaling and commercialising existing seniors accommodation types such as independent living units, retirement villages and cooperative housing;
 - New concepts of multi-generational and multi-purpose living communities that provide housing and community living arrangements for a range of ages and cohorts in locations close to essential infrastructure such as public transport and health services;
- Provide funding for the significant refurbishment and upgrade of existing senior accommodation constructed over 10 years ago, including:
 - Retrofitting accommodation to reflect new best-practice senior living arrangements;
 - Installing energy-saving measures such as solar panels, double-glazing and insulation;
 - Implementing technology upgrades and other new IT solutions;
- Identify key geographic areas or other cohorts experiencing vulnerability and seek grant applications to specifically meet their needs;
- Investigate the feasibility and commission pilot European-style 'build to rent' projects that may attract investment from superannuation funds; and
- Develop a model in which the Fund can act as a guarantor or co-investor in large-scale senior accommodation building projects that may otherwise fail to secure adequate investment due to the long-term investment return horizon.

COST-BENEFIT TO THE COMMONWEALTH

The Commonwealth Government has outlined its intention to soften the economic impact of the COVID-19 pandemic with targeted spending measures to stimulate economic activity. This represents an excellent opportunity to utilise stimulus measures to:

- Unlock short-term economic activity, stimulate domestic spending and create jobs;
- Invest in the availability of appropriate housing stock needed for the ageing population in coming decades; and
- Achieve lasting social impact by helping older Australians experiencing housing vulnerability now as well as those who may do so in the future.

Furthermore, research suggests that ensuring adequate appropriate housing for people at risk can actually save government money in the long-term. According to a 2016 University of Queensland study, it costs government more to keep a person chronically homeless than it costs to provide permanent supportive housing accompanied by case management.[2]

By deploying stimulus funding to invest in affordable and social housing, the Commonwealth can meet the dual purpose of accelerating economic activity while also achieving long-term cost savings in future housing and homelessness programs.

REFERENCES

[1] Dodson, J., de Silva, A., Dalton, T. and Sinclair, S. (2017) Housing, multi-level governance and economic productivity, AHURI Final Report 284, Australian Housing and Urban Research Institute Limited, Melbourne, p.28: <http://www.ahuri.edu.au/research/final-reports/284>,

[2] See <https://theconversation.com/supportive-housing-is-cheaper-than-chronic-homelessness-67539>