

LEE LI MING
PROGRAMME IN
AGEING URBANISM

Housing for Older Population¹

State of Low-income Elderly Housing and Independent Living Units (ILU), Australia

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By 2021, 18% of Australia's population will be aged 65 and above. Statistics suggest that by 2021, there will be at least 4 older persons in every 10 households; the majority living as a couple or alone.

On the housing front, currently, 73% of Australians aged 65+ are homeowners, about 6% are nearing ownership and 12% are renters. The rate of renters (65+) in the private sector has increased while that in the public sector has steadily decreased over recent years. Table 1 shows the diverse types of elderly housing in Australia.

¹ This is an evolving database. We will be adding more

examples and cases over time.

Table 1: Elderly Housing in Australia

Data Source: Productivity Commission, 2011

Affordable housing for the older population remains a challenge. As AHURI (2004) observed,

Population ageing is driving enormous changes in housing demand. Current policy settings and reliance on market forces are unlikely to deliver appropriate and affordable housing for all older Australians in the future – particularly for those with limited assets.

State of Housing for Low-income Elderly in Australia

The housing needs of older Australians, similar to other countries, seem to change and evolve as they age and as health conditions deteriorate. Mostly, people are seen to choose to live in their own homes as they age. This is coupled with home modifications and services to suit their changing needs.

Recently, public and private housing supply has been dwindling in Australia. This has led to an increase in competition for available spaces both for sale and renting. There are currently two kinds of housing measures that shape housing policies for elderly Australians:

- Housing support for low-income people; and

- Other interventions in the broader

<i>Type of Housing</i>	<i>Percentage</i>	<i>Average Age</i>
Home owners	73.4	74
Private rental	7.3	74
Residential aged care	6.6	84.5
Social housing	6.1	75
Retirement villages	4.5	81
Mobile home communities	2.1	67

housing market such as subsidies for homeownership, urban planning policies, land taxes and interest rate policies.

The major Australian housing policies aimed at supporting low-income population that affect older population include:

- a) Commonwealth-State Housing Agreement (CSHA) - focuses housing needs of low-income elderly within various forms of public housing;
- b) Commonwealth Rent Assistance (CRA) - aims to support people of all ages who prefer to rent. The CRA focuses on the private sector. The major barriers faced by recipients of this relate to the proximity of affordable housing to public transport, amenities and services.

Additionally, projects that bring together housing and services have been introduced at state level such as the Australian Government Assistance with Care and Housing for the Aged Programme (ACHA). This programme was set up in the early 1990s with an aim to support 'financially or socially disadvantaged older people who are renting or who are homeless to meet both their accommodation and care needs' (AHURI, 2003). The support between services and type of accommodation varies subject to availability. ACHA assists different types of housing, for example:

- **Abbeyfield-style accommodation:** This is a form of supported housing for older people. This is a shared accommodation, for about 10 people with provision of meals. It consists of private rooms and en-suite bathrooms and shared kitchen, living and dining spaces;
- **Boarding house:** This form of low-cost housing comprises of rooms that can be rented by older people. There is provision for meals and some support services. The house is equipped with shared bathroom facilities;
- **Community housing:** This is an alternative form of social housing that is jointly funded and managed by a non-government or not-for-profit

organisation. All facilities are shared by residents;

- **Clustered housing:** Separate units are organised into clusters to facilitate social contact among the elderly residents;
- **Crisis accommodation:** These are short-term temporary accommodation, similar to hostels, for elderly people displaced from their current stable housing;
- **Independent accommodation:** these are public or private rental accommodation occupied on an independent and relatively permanent basis;
- **Independent living units (ILUs):** Segregated housing (predominantly cottages or units) for older people, which provide a sheltered community or village environment;
- **Residential aged care:** Accommodation for people deemed eligible for high-level and low-level residential aged care, as determined by an Aged Care Assessment Team (ACAT) assessment;
- **Rooming house:** A form of low-cost accommodation (similar to a boarding house) with a number of rooms rented to individuals; shared bathroom

facilities, no meals or other support services;

- **Supported housing:** Accommodation that includes the provision of or coordination with social services to support people with high or complex needs;
- **Transitional accommodation:** Medium-term accommodation to assist homeless people in the transition from short-term crisis accommodation to independent living;
- **Transportable homes:** Caravans, mobile homes and modular homes capable of transportation – usually located on rented lots in mobile home parks.

That is, there is a variety of housing options for the older population in Australia like owner-occupied housing, various forms of private rental such as individual units, private hotels and special accommodation housing, public housing and community housing. Public and community housing options have been formalized within the framework of the Commonwealth-State Housing Agreement (CSHA) as well as other affordable housing supported by non-profit organisations such as independent living units (ILUs), self-care units (SCUs) or self-contained units.

Independent Living Units (ILU)

Despite the variety of housing options, affordable and appropriate housing options for older people, particularly for those with low income and limited assets, continues to be a major challenge in Australia. This is where affordable housing supported by non-profit organisations such as independent living units (ILUs), self-care units (SCUs) or self-contained units come into play. ILUs originated under the funding of the Aged and Disabled Persons Homes Act (ADPHA) in the 1980s.

ILUs cater to the most vulnerable group of older persons who have never owned their own home, have little/no assets and are currently renting in the private rental market. The primary target group is the older person who has assets less than A\$100,000. These ILUs are unique self-contained units specifically provided for people (65+) who can live independently with assistance from external agencies if required. Most of them are located in large retirement villages segregated from the broader community but co-located with other aged care services such as residential aged care facilities. Others form relatively small villages integrated into the local community.

Some of the factors that make ILUs a significant social housing option include:

- Alternate housing option - ILUs provide people with low incomes and low assets with an alternative housing and support/care option through not-for-profit and non-government organisations;
- Size of the sector - A major indicator of the significance of the ILU sector is its size relative to other forms of social housing, which provide access to older people with low incomes and low assets. ILUs constitute about 27% of social housing stock specifically constructed for older persons in the country²;
- Increase in demand - The housing demand from more vulnerable groups such as older people with low incomes and low assets is on a constant rise in Australia;
- The location of ILUs compared with other public/private housing - ILUs were set up even in rural areas, not just urban centres;
- Linkages with support/care services - Social housing managers play a key role in assigning support for residents (if needed) through the design of

dwellings, buildings and site, and by facilitating supportive communities.

The average cost for a two-bedroom ILUs is generally about 90% of the median house price in the area in which it is located. Older-style units (more than 30 years old) can be available for half the median house price. The ILUs also provide the elderly residents the option to pay for their preferred services such as meals, cleaning, etc.

ILUs, however, are limited to a certain group of non-profit organisations that have received subsidies under the Aged Persons' Homes Act (APHA) or the Aged or Disabled Persons' Homes Act, certain housing stocks that are subsidised through APHA along with certain independent housing and a specific group of elderly population.

Design of ILUs

ILUs are usually designed for elderly citizens who do not require assistance in their daily lives. These units are usually located in proximity to services and amenities and comprise of 1-, 2- or 3-bedroom units. The ILUs may be part of a high-rise apartment complex, stand-alone villa or a duplex with provision for car parking.

² Commonwealth Department of Health, Housing and Community Services (1990- 91)

Aged Care Reform Strategy: Mid-Term Review Report
AGPS, Canberra

They often provide other services such as a meeting room, an emergency alarm in each unit, and an on-site caretaker/manager. ILUs are often co-located with residential aged care services and located in areas, which provide good amenities for residents.

The site, building, facilities and design details are expected to facilitate ageing-in-place for the elderly. The site of ILUs is planned with the intention of promoting a close interaction between the elderly residents and the neighbourhood and ensuring a sense of safety. The provisions within the building are designed to transform to the changing needs of the residents, thus making them adaptable for future use.

Australia, like many other countries is now discussing the adoption of the concept of 'lifetime homes' to promote a uniform adaptable housing design standards for the elderly across the country. They target to adopt policies and implement strategies for adaptable housing in the country by 2020.

Future Challenges for ILUs

It is now 50 years since the first ILUs were constructed and 20 years since the last units were subsidised by the Commonwealth government. Given this, some of the challenges for the sustenance of ILUs in future include:

- The existing stock of ILUs is fairly old - 34% of the stock throughout Australia requires upgrade;
- Although there is considerable effort from ILU organisations to upgrade, reconfigure and redevelop this stock, there is now a gap between the condition of the units and the needs and expectations of older people. The older units are not geared to ageing in place and not easily adapted for frail older people;
- ILUs are generally treated as a peripheral service when compared to residential care and nursing homes;
- Despite rising demand for low cost housing, many ILU organisations are withdrawing from services as they do not have access to interest-free capital funds to upgrade, reconfigure and redevelop their stock; access to capital funds mould their future directions.

Withdrawal of a significant number of ILU organisations will result in a reduction of already inadequate housing options for older people with low-income and limited assets, increased pressure on public housing providers and greater difficulties in providing community care.

Source: S. McNelis & T. Herbert (2003) Independent living units: Clarifying their current and future role as an

affordable housing option for older people with low assets and low incomes, Australian Housing and Urban Research Institute, Positioning Paper No. 59; B. Bradbury & B. Gubhaju (2010) Housing costs and living standards among the elderly, Australian Department for Families, Housing, Community Services & Indigenous Affairs, Paper no. 31; Productivity Commission Research Paper (2015) Housing Decisions of Older Australians, Australian Productivity Commission; M. Roberts (1997) Housing with care: Housing Policies for an ageing Australia, Ageing International, 90-106; Housing futures in an ageing Australia (2004) AHURI Research & Policy Bulletin, issue 43.