

Housing policy and residential mobility

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Abstract

Does housing policy help or hinder people's decisions to move house? When might it be appropriate to assist or hinder residential mobility or alter the outcomes of residential moves? Housing policy in Australia has been mainly formulated around particular tenures. Assistance has been focussed in particular on encouraging home ownership, which has been culturally associated with stronger citizenship, stable family life and residential immobility, while rental accommodation has evolved as a tenure to accommodate residential transitions: such as the transition between family home and private renting in young adulthood and the transition between unemployment and employment.

This paper draws on recent AHURI research to understand residential mobility in relation to housing tenure but also in relation to other aspects of housing including location, home life and dwelling. It asks questions about: (a) why people move and whether housing policy (advertently or inadvertently) facilitates or reduces residential mobility; (b) the social and economic costs and benefits of residential mobility and immobility, (in particular whether workforce participation is improved through residential transitions), and who should bear risks associated with residential transitions.

1. Introduction

Residential mobility is defined as people changing their usual residential address within the same country. Over 7 million Australians (or two fifths of the population resident in 2001) had moved address in the five years to 2001. The propensity to move has historically been high in Australia and other 'new-world' immigrant nations. Even so, in 1996, Australian rates of residential mobility over one year were higher than in the United States and Canada. They were significantly higher than the United Kingdom or other European countries (Bell and Hugo, 2000). Rates of residential mobility, have also tended to increase over the last 25 years: the expected number of times an average male moves over the course of his lifetime rose from 10.4 in 1975-6 to 12.8 in 1995-96. This is only partly a result of increased life expectancy - 80 per cent is due to increased propensity to move (Bell and Hugo, 2000:31).

The frequency with which people change their residential location, why they move, and the patterns of movement are not just of relevance to real estate agents who make their living by the turnover in housing stock, but also to public policy makers. Movement is generally premised on the principle that the costs associated with

¹ The views in this paper are those of the author and do not represent those of AHURI Limited. Thanks to Ian Winter, Andrew Hollows for their comments on an earlier version of this paper. Any errors are the author's.

moving might be offset by benefits, including an improved lifestyle or better economic outcomes. From a welfare perspective, policy makers have been interested in residential mobility for at least three reasons:

- *Housing moves are required to improve a household's social or economic outcomes but may be impeded (ie. there is insufficient mobility)* Constraints on residential mobility might unduly inhibit job mobility, hamper economic development and constrain moves to independence or family formation. Tenure mobility might also be a concern – with low-income renters unable to ‘graduate’ to home-ownership.
- *Housing moves may not always be a matter of individual choice.* For example, if residential mobility is forced (such as through evictions or possessions, but also through other events such as divorce) this may compound problems relating to affordability or lead to disconnection from family, jobs or friends. At worst, it may lead to social exclusion or homelessness. Policy makers should be aware of the degree to which housing moves are forced or reflect forces beyond the individual's control.
- *Housing moves may not always result in better individual or social outcomes.* Even where the decision to move house is made on a voluntary basis, the decisions are made at an individual or household level, and may not be based on full information or entirely rational decision making processes. Given that these decisions are potentially risky, we ought to know how people fare after the relocation process has been completed. This is especially relevant to the vulnerable who potentially move house without the wider supports of family: such as young people, the unemployed, disabled, sole parents and Indigenous persons. Where people move is also of importance especially if it leads to spatial polarisation of rich and poor.

The extent to which policies and practices of government directly influence mobility decisions is not always clear, but it is in the interests of government to understand how policies or the policy framework may be (advertently or inadvertently) influencing such decisions.

Housing policy, and housing assistance, have a direct impact on the residential decisions made by Australians, and may be expected to have some impact on the moves households make between different residences. For example, one current concern for housing policy makers is the apparent lack of tenure mobility towards home-ownership by younger generation middle-income earners, which has intensified competition for low rent housing stock and heightened demands for Commonwealth Rent Assistance. On the other hand, high or increasing mobility by other groups may reflect inadequate housing policy to stabilise their housing circumstances if they would prefer longer-term housing. Whether mobility outcomes are appropriate depends on the context and the household involved.

This paper asks how housing policy might affect mobility decisions in Australia. To do this, it firstly analyses the reasons why people move, highlighting the reasons related to housing. It then analyses housing policy - with respect to four aspects of housing of dwelling, tenure, location and home-life – to understand how housing policies might influence mobility decisions. It shows how housing policies might affect mobility in different ways, and refers to some present Australian policies. The

framework may help policy makers understand the ways housing policy impacts on household moves.

The paper then asks whether policy adequately considers the choices, risks and social costs and benefits associated with mobility. It finds that the costs of mobility may be high amongst those least able to pay for it, and asks whether the considerable costs associated with moving house should be borne by the poor, especially if it is labour market related.

3. Explaining mobility: Choice and Structural factors

People make choices in either moving or staying put in a house, and this choice is considered a right in a democratic country – the freedom of movement. This right might be said to be balanced by a ‘right’ to a place of abode or shelter, although this right is constrained by the operations of a market for a limited supply of dwellings. The degree of security of tenure made available on each property is in some senses the result of market negotiation between demand and supply for different tenures as well as rental property types, though these conditions may be amended in public housing.

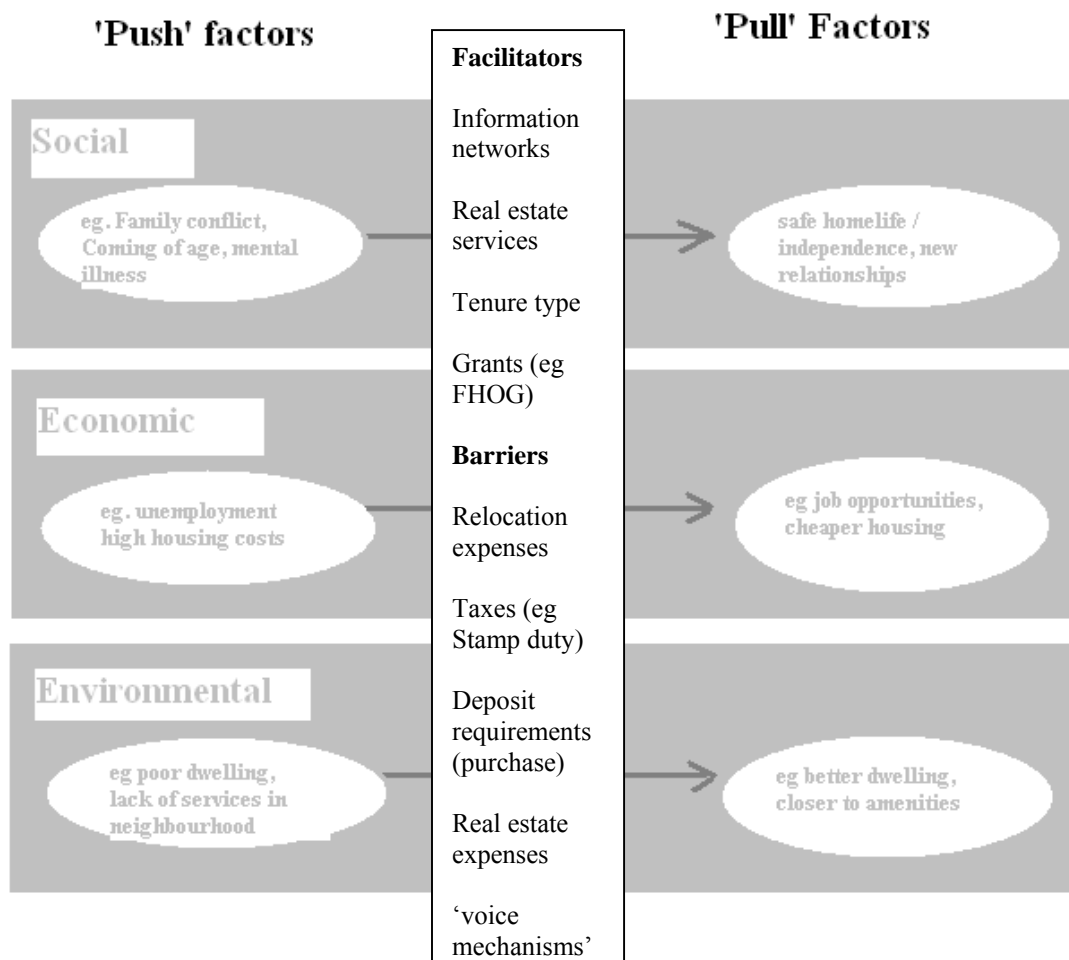
But a person’s or household’s choice is conditioned by a range of circumstances that they face. Are the conditions in their current abode intolerable? Do they have an alternative place of abode that is preferable? Thus, mobility decisions are a combination of ‘push’ factors (which to some degree reflect external forces like inadequate dwelling, eviction or family breakdown) that act to propel a person from a dwelling, and ‘pull’ factors (such as taking a better job) that attract that person into a different dwelling elsewhere.

These decisions also need to be understood in the light of various wider structural forces (social, economic, environmental) that impinge on those decisions to stay or move. For example, moving may result from broader trends, such as an increased tendency for family breakdown (social), higher housing costs or unemployment (economic), or different perceptions of environmental qualities in certain locations or inappropriate housing stock for the population (environmental).

Figure 1 below provides a stylised way to understand the structural factors that ‘push’ people from one house and the factors that ‘pull’ them into another. In between are various institutional or economic barriers or facilitators, which constrain or enable mobility. Each of the factors is described in turn.²

² Wulff, Flood and Newton (1992) outline the various models proposed to understand mobility, including the family life-cycle model, housing careers model, stress and awareness models, trade-off models and production/consumption based models. This model abstracts from these models.

Figure 1: ‘Structural’ Push and pull factors for residential mobility



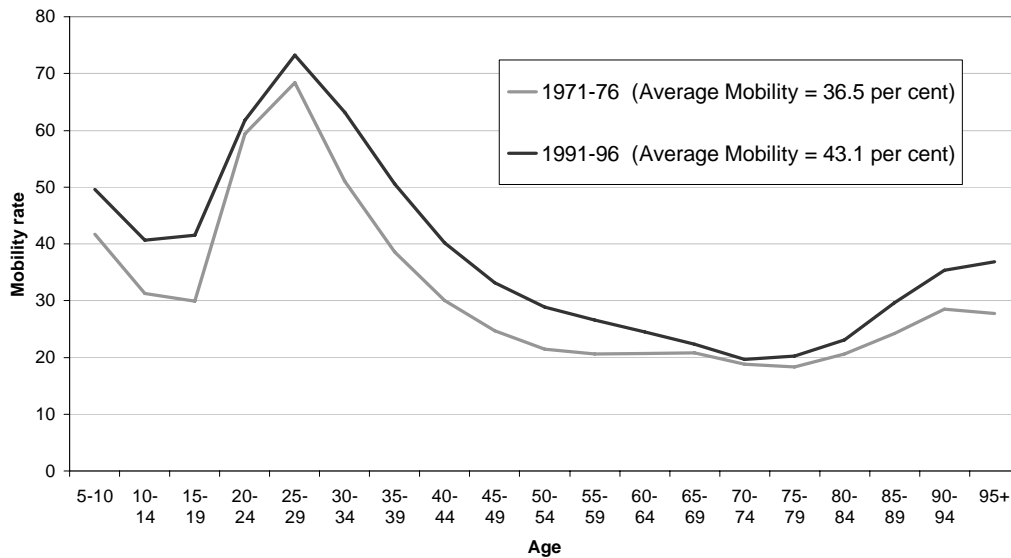
Social factors

Many of the residential moves that people make reflect normal transitions associated with the life-course: a person undertaking the typical housing career leaves the family home in early adulthood – either to marriage or independence to a house of their own (Rossi, 1955). Housing researchers have also talked about a normative ‘housing career’ that has related this lifecycle to particular housing types or tenures (eg Burke et al, 1986). People may ‘upsized’ their house to accommodate children and downsize when they leave the nest, then move into supported housing in later aged years. Home ownership and long tenures in a single dwelling were conceived as a norm with rental constituting a temporary tenure between longer periods of homeownership. Residential mobility was observed as a natural process undertaken by all younger persons in forming an independent household, or as a strategy to match housing needs with available housing stock types – though it was observed that transitions may be constrained by the housing types and tenures on offer.

Moves towards independence or family formation may not be the only precipitating force towards mobility – it can also reflect dissolution, and single people may move more frequently following independence. Some commentators (Buck and Scott, 1992, Stapleton 1980, Winter and Stone 1999) have argued that the career associated with the nuclear family is no longer so typical due to the delaying of marriage and

family, cohabitation before marriage, divorce and separation and the impact of longer lives for those retiring before or by the age of 65. The increased tendency for movement also extends to older groups. We know that mobility rates are higher amongst single people, divorcees and those separated and so the increased rate of divorce and separation, and the increased tendency towards single living will have increased mobility. As Figure 2 indicates, rates of mobility remain highest amongst the young, but over the 20 years to the mid 1990s, mobility increased for middle-aged and very old persons.

Figure 2: Mobility rates by age, 1971-76 and 1991-96



Source: ABS Census, from Bell and Hugo (2000)

At the other end of the life course, many older people do seek to move to either release equity from their house, or to seek a smaller or more appropriate dwelling. Badcock (1994) found that 9 per cent of homeowners had moved to release equity in their house on retirement in 1988-89. With the tendency for older people to ‘age in place’, there are concerns that this movement may not be as great as it might be in order to unlock housing stock for younger generations of homeowners, though there is evidence that the baby boomer generation may be more willing to move than their predecessors (Olsberg, 2005).

While community and kinship can work to keep people close by and inhibit mobility, they can also work the other way. Indigenous mobility rates were considerably higher than national average: over the five years to 1996, over half (52 per cent) moved compared to 43 per cent for non-indigenous persons (Bell and Hugo, 2000). The higher rate was also the case when standardised for the different age structures of the population. The reasons for this mobility are at least partly related to social factors including maintaining kinship ties with family in other parts of the country (see Memmott et al, 2005).

It might also be conjectured that migrants from overseas might experience disconnection from family and community networks as part of the process of adjusting to a new society and locating oneself in a new environment and community, and so affects their propensity to move. Bell and Hugo (2000) show that mobility rates amongst English speaking migrants tend to be higher than the Australian born population, but the reverse is true for those from other overseas countries. Mobility rates decline considerably the longer migrants have been in the country (even accounting for age structure effects). Even so, certain groups (Pacific islanders, Iraqis and Bosnians) have very high rates of mobility.

Economic factors

Whether a person or household moves will also be conditioned by economic factors – including the calculations about relative economic benefit on offer in relation to labour and housing markets in different locations.

Around 15 per cent of all workers in Australia are job mobile (move employer and or their locality at least once every year), and job mobility is higher for younger people.³ Many people, especially the young, also move location to undertake study or training in order to improve their prospects in the job market. These moves may entail residential moves especially if they need to move interstate or to another region. Bradbury and Chalmers (2003) found that 45 per cent of moves of income support recipients are within capital cities, 4 per cent were between capitals, 20 per cent were between capital and non-capital, and 31 per cent within non-capital regions.

Economic factors might be expected to be most acute for unemployed people who have the most to gain from relocation to areas of better employment prospects – indeed, they are more likely to move house than those employed. In the year 1995-96, 34 per cent of all unemployed people moved house compared to 18 per cent for all persons.

However households may weigh up returns from the labour market with whether any move results in an improved standard of living overall. This may include costs of living in the new location and whether there is access to affordable, or better value, housing. In this sense, wage signals or offers of employment may not mobilise labour if people are more attracted to areas of low housing cost. Table 1 shows that employment and training is actually less of a concern than reduction of costs (including housing costs) in many unemployed persons' calculations.

The more widespread the concern about housing costs, the more likely decisions might be made to move to areas of lower housing costs.

Marshall et al (2002 and 2004) find that for those welfare recipients moving from non-metro areas to the city (to Adelaide and Sydney), the key reason is for work, though this varied by benefit type and few nominated housing as a factor in moving. On the other hand, housing affordability is a significant reason for movement for income support recipients moving from Sydney and Adelaide to non-metropolitan areas (62 per cent of sole parents saw it as a key consideration), though lifestyle reasons and personal circumstances also guide their decision (see Table 2 below).

³ See ABS Labour Mobility (Cat 6209.0) February 2004. Around 25 per cent of 20-24 year olds are job mobile.

Table 1: Reasons for moving, by labour force status (per cent)

Reason for move	Unemployed	In paid work
marriage/family independence	10.3	10.3
separation/conflict	7.5	4.3
	7.5	4.1
reduce costs/ had to move	20.0	8.9
purchase home	8.9	21.3
employment/training	12.6	18.2
better house or area	20.9	22.3
Other	12.4	10.6
Total	100	100

Source: Wulff and Bell (1997), Australian Family Survey 1992.

Table 2: Reasons for moving - Housing costs as Very Important

	Movers from non-metro regions to city	Movers from City to non-metro regions
Unemployed	17 %	48%
Sole Parents	31%	62%
Aged	14%	49%
Disability	18%	51%
Total respondents	19%	53%

Source: Marshall, Burnley, Murphy and Hugo (2004) [AHURI paper 70175] and Marshall, Murphy Burnley and Hugo (2002) [AHURI paper 70066].

Environmental Amenity factors

A key factor in influencing whether and where people move is the issue of amenity – both within and outside the home. As table 1 above shows, around 22 per cent of moves in Australia were to improve the dwelling or local area people were living in.⁴

Some moves will be related to household type (especially with the addition of children). Rossi (1955) showed that, perhaps unsurprisingly, large households in small dwellings were more likely to indicate a preference to move. In this respect, sufficient variety of dwellings suitable for differing housing circumstances is of prime importance in determining whether people are likely to move. However, suitable dwellings may be in short supply in some regional areas, be inappropriate to a

⁴ Mobility rates are lower for those living in separate dwellings compared to other forms of dwelling (semi-detached, flats or other) (Bell and Hugo, 2000). However this may reflect the composition of those in such dwellings (oriented to couples with children) or tenure effects (more flats are for rental rather than owner occupation) rather than an implicit preference for detached forms of dwelling

household's needs, such as for many indigenous persons resident in public rental stock (Flatau et al 2005).

Mobility may also be a strategy to improve a household's dwelling quality. Poor housing quality – especially in the private rented sector – may be a precipitating factor in moves. All of these might lead to higher rates of movement away to other locations.

Neighbourhood and amenities will also play a role. This is partly related to access to services and other facilities that make human habitation possible (including schools, community facilities, health care facilities and shops), but might include other factors such as proximity to nature, beautiful landscapes or fresh air (such may be said to be the case for some 'sea changers' for example). Olsberg (2005) shows that the baby boomer generation (currently in their 50s and 60s) is also more willing to move than earlier cohorts, but this is driven mainly by lifestyle considerations, the need for flexibility and willingness to consider new locations. It may also be related to a sense of security. This may be partly related to familiarity with a particular location but also related to broader social problems like crime in the neighbourhood.

Barriers and facilitators of mobility

Between the push and pull factors, there are *barriers* and *facilitators* for residential mobility.

Key housing-related barriers to residential mobility include the costs of moving and the stamp duty on housing transactions. A household's likelihood of moving might also be reduced if they have access to, and are inclined to use, mechanisms to voice complaints about a residence (Moore and Harris, 1979). For example, if there are third parties to assist tenant obtain redress from landlords, this may assist in maintaining a particular tenure.

Facilitators to mobility might include information networks to provide information about jobs and housing opportunities elsewhere. Markets may assist in providing good or poor information about locations, and so other information may be necessary to inform potential migrants. Equally, housing related factors such as tenure type might facilitate mobility more or less easily.

3. Housing policy and mobility

I have chosen four 'attributes' of housing which policy makers seek to influence: tenure, dwelling, home-life, and location. This section considers the ways in which housing policy in particular impacts on mobility (impacts are summarised in Table 3 below).

Housing policies are defined to include tax, welfare or planning system policies as well as housing assistance as it is more commonly defined as mechanisms administered through the Commonwealth- State Housing Agreement.

Table 3: How housing policy currently impacts on residential mobility

Housing attribute	Policy	Impacts on mobility
Tenure	<p><i>Home-owner/purchaser policies</i></p> <ul style="list-style-type: none"> • significant entry and transaction costs, including stamp duty only partially offset by first home owner grant. • Taxation benefits further encourage home-ownership as tenure choice 	<p>▼ reduces mobility for present home-owners, and potentially movement into home ownership from rental but no adverse effects on labour market except in regional areas (Flatau et al, 2004).</p>
	<p><i>Private Rental Policies:</i></p> <ul style="list-style-type: none"> • Commonwealth Rent Assistance (CRA) provided to welfare recipients, regardless of location or housing stock • Limited access to relocation subsidies in some jurisdictions (PRSPs) • Protections for private renters from eviction but lack of security of tenure and no supports to extend features of home-ownership into this tenure 	<p>Enables mobility for welfare recipients. Assistance is ‘transportable’ with recipient.</p> <p>▲ Increases mobility. Assistance is provided to form house or move between housing rather than providing on-going support (see Jacobs et al, 2005)</p> <p>▲ Increases mobility. Most renters value flexibility, however some groups would prefer greater security of tenure (Minnery et al, 2003)</p>
	<p><i>Public rental</i></p> <ul style="list-style-type: none"> • Rental policies charge market rents for those earning but still below ‘real market’ rent. • Limited transferability within public housing (limited choice – Hulse and Burke, 2005) • High waiting lists, security of tenure and allocation policies 	<p>▼ Reduces mobility as incentives are to stay rather than leave.</p>
Dwelling	<ul style="list-style-type: none"> • Planning policies to support variety of dwelling stock in major cities • Regeneration programmes in public rental • Lack of suitable rental housing stock in particular regions 	<p>Affects capacity of household to find dwelling to suit needs in area of choice and affects mobility decision</p> <p>- may lead to forced exit of existing tenants.</p> <p>- reduces mobility to regional areas but may increase outward mobility</p>
Home-life	<ul style="list-style-type: none"> • SAAP and public housing seek to stabilise those at risk of homelessness • Migration services coordinate access to housing but some (TPVs) not eligible 	<p>▼ Intent is to reduce mobility for ‘at risk’ groups.</p> <p>▼ Reduces mobility for those seeking stable accommodation but gaps exist leading to high rates of mobility.</p>
Location	<ul style="list-style-type: none"> • Location of public housing • Movement to Area of Lower Economic Prospects (MALEP) policy • CRA locationally biased away from centres of employment growth. 	<p>- locate near to welfare services to reduce movement.</p> <p>- Seeks to improve direction of mobility towards best locations for jobs.</p> <p>- Increases mobility from high cost areas, which are often best locations for jobs.</p>

Tenure

It is not surprising that mobility rates vary considerably across tenure with higher rates recorded for those renting privately as opposed to purchasing or owning – private rental (as opposed to public rental) has historically been seen as a tenure to accommodate transition. Over 60 per cent of all households moving over the space of a year are renters, even though they comprise less than 30 per cent of all households (Bell and Hugo, 2000: 45). Furthermore, the increased reliance by policy makers on housing assistance directed towards private rental rather than social housing (and the concomitant rise of private rental as a tenure relative to public rental), might be expected to increase mobility more generally.

Commonwealth Rent Assistance for those in the private rental market assists affordability and hence durability of tenure, and can be transported to other private rental houses, so facilitates moves. In some jurisdictions, Private Rental support programmes provide assistance to move (relocation assistance) and assistance with bonds to help access private rental or to compensate for moving between houses, but do not help with the on-going problems of housing costs (Jacobs et al, 2005) and may be counter-productive if tenants end up moving from the house prematurely because they can't afford the rent.

Renters do have access to legislative protections in most states against arbitrary eviction, and short-term leases may also work well for tenants who may appreciate the flexibility. Most private tenants in one study were comfortable about short-term leases and felt they had control over how long they stay – nevertheless there were some groups that would benefit from receiving longer tenures, including sole parents and older people and those with school aged children (Minnery et al, 2003).

High transaction costs on sale constrain mobility in the home ownership market, and it is likely that mobility will only tend to increase when house prices are increasing rapidly. There is considerable evidence to show that transitions to first home-ownership have been delayed (Flatau et al, 2004, Bell and Hugo 2000, McDonald, 2003). Flatau et al (2004) show that up-front cash requirements (inflated by stamp-duty and mortgage insurance which account for 21 per cent of all up front cash requirements) far exceed the average savings a typical tenant has managed to save, (though they also show that exempting stamp-duty would only benefit less than 2 per cent of all renters). This may reflect affordability considerations. However it is still not clear whether the delay represents a permanent effect which may be corrected by more recent cohorts entering homeownership at a later stage (McDonald, 2004).

Social housing tends to have high barriers to entry through its waiting lists, and there are often lags to transferring within the tenure. The low rents, and high security of tenure can undermine incentives to leave as well. Hulse and Burke (2005) find that choices are limited for those in public housing (slightly less so in Community housing) if they want to move into housing or find another place through internal transfer, reflecting the constraints placed on mobility by a system under pressure.

A key concern is whether tenure choice undermines mobility for homeowners or public renters seeking to enter employment (Oswald, 1996). The high costs of transactions (through stamp duties) might affect the willingness to move. Flatau et al (2004) find that unemployed homeowners (especially outright owners) in outer

regional areas may not relocate to take up new job opportunities, however at a more general level, home owners were observed to move and take up jobs elsewhere, and mobility rates were generally high for home owners - in fact a 10 percent increase in the home ownership rate in a locality resulted in a drop in unemployment of 5 percent.

Dwelling

Policies directed at dwelling may also impact on mobility outcomes. For example, regeneration activities ostensibly aimed at improving dwelling, may displace some people out of certain neighbourhoods in favour of others, especially if it is combined with policies to change the social mix of certain neighbourhoods.

Planning systems to encourage more diverse housing stock may also encourage more mobility as people are able to find suitable accommodation. This may apply to regional areas in particular which may have unsuitable housing stock to attract key workers.

Home Life

Mobility may result where families break down or people have difficulty maintaining relationships, so policies that affect the home-life of tenants is of direct relevance. For example, Robinson (2004) finds that precipitating factors for iterative homelessness amongst those with mental illnesses to be relationship breakdown, domestic violence, deaths of friends and family members, incest, abuse, assault and accidents. They experience unstable and often unsafe housing and constant movement through a variety of accommodation types.

Policies in relation to home-life might work to reduce mobility for particular groups (eg home and community care for the aged; SAAP for homeless persons etc). There may be gaps in provision for certain groups. Beer et al (2004) found that high rates of mobility were experienced by refugees in the initial period of settlement, partly reflecting lack of services to those on Temporary Protection Visas, (though in most cases, those experiencing such homelessness did not think of themselves as homeless). Critical in reducing the risks associated with this mobility was the assistance from the ethnic community to which they belonged.

Location

Decisions about siting public housing has ramifications for how often tenants might need to move to access services they need to use, but stipulates clearly where they should live – whether this results in lower mobility is not clear.

Commonwealth Rent Assistance (CRA) compensates for housing costs in a relatively uniform fashion across locations and so it is less effective in more expensive housing markets (Melhuish et al, 2004), presenting some incentives to move away from such areas that may also be buoyant labour markets. Evidence from Bradbury and Chalmers (2003) found that in net terms, unemployment recipients tend to migrate *towards* lower unemployment regions.⁵ However, the move to areas of better

⁵ Evidence on movements across state are generally associated with equalisation of unemployment rates (Debelle and Vickery 1999), suggesting that either economic growth or labour mobility work in

employment prospects was often accompanied by higher rental costs, especially when it involved moving to capital cities. For those moving to an area with one percentage point higher travel region unemployment face on average a two percent increase in the number of fortnights of income support a year (Bradbury and Chalmers, 2003). By contrast, non-unemployment rate recipients (eg sole parents or Disability support pensioners) are more likely to go in the opposite direction (ie. towards low housing cost areas).

4. In what circumstances might government be concerned about residential moves?

Even if there is a high degree of choice in a move, there is a concern that in some circumstances the decisions made may not be optimal either for the individual or household concerned, or for society more generally.

The information available to people making decisions may be imperfect, or the decision-making ability of persons may be impaired. Some people have fewer resources to undertake a move than others, and some have better family or community supports to ensure a successful move.

In this sense, governments need to assess the risks (such as homelessness, increased unemployment and social disconnection) that may be occasioned by residential moves, but also consider the potential for mobility to lead to positive outcomes such as improved employment. Table 4 below gives a preliminary schema of potential risks associated with different groups of persons, which might be used to assess different types of mobility.

Table 4: Examples of groups making residential moves by type and level of risk

Type of Risk	Level of risk		
	Low	Medium	High
<i>Social Disconnection</i>	Tertiary students moving from family home	Refugees relocating within new city; Indigenous mobility	Secondary students with family troubles, Mentally ill.
<i>Unemployment/poor labour market outcomes</i>	Employees relocate to take up new jobs		Unemployed relocate to region of poor economic prospects
<i>Lack of access to suitable dwellings/amenities</i>	Home-owners upgrading dwelling within city	Older 'sea-changers' moving to coast	Disability support pensioners move to non-metro areas

5. Conclusions

A household's decision to move house reflects a combination of the household preferences, and social, economic and environmental factors which impinge on their

the right direction to clear interstate disparities, though Groenewold (1997) found that the signals were muted and equilibration of unemployment rates was very slow. But this only deals with a fraction of all residential moves made in a year – interstate moves account for only about 10 per cent of all moves.

choices. Social factors, such as the dissolution of households such as through divorce, can precipitate housing moves. Economic factors such as housing costs and employment opportunities are important, especially for welfare recipients moving away from the city and among younger people seeking to move away from home for the first time. Especially for those less constrained by social ties or employment considerations such as 'sea-changers', environmental factors such as choice over dwelling and location is also of high importance.

As the private rental tenure is the tenure that best facilitates mobility, Australian housing assistance policies to increase the numbers of households in the private rental tenure at the expense of the social housing sector can influence overall rates of residential mobility. However the increased capacity for mobility in the private rental sector should be weighed against the diminished capacity of the public rental sector to facilitate movement. Reduction of assistance to this sector may constrain the capacity of allocations systems to cope with internal transfers and movement between public housing and other housing.

High transactions costs of home sale and purchase are exacerbated by other taxation measures such as stamp duty and this might undermine mobility for households into and within home-purchase tenure. However it is not apparent that lack of mobility has had detrimental outcomes for employment at least in the major cities where residential mobility is less required to take up new jobs. Detrimental employment outcomes are more likely in country areas where home-ownership undermines job mobility.

However other housing policies factors apart from those relating to tenure also may impact on mobility – for example public housing regeneration policies to improve dwellings may involve forced movement. Supported accommodation programmes such as SAAP may serve to reduce mobility for the homeless. Rates of payment available for Commonwealth Rent Assistance may serve to promote moves away from high cost locations.

Mobility may be a means for a household to improve their lifestyle, dwelling or location or seek a new life. However it is a costly process and can also expose people to the possibility of poor social outcomes including homelessness, unemployment and inadequate housing or amenities. Even though on balance most unemployed persons go towards locations of improved employment prospects, these areas are often higher cost. Furthermore, many disability and sole parent pensioners tend to go away from good employment markets as they are more attracted to lower cost areas. Certain disadvantaged groups have high rates of mobility: including those with mental illnesses, indigenous people, refugees, unemployed persons, disability and sole parent pension recipients and divorcees, and so it is in the interest of governments to know whether this mobility is appropriate or effective.

Governments should understand their policies from the perspectives of residential mobility and its attendant risks to understand if policies are working in ways that are contrary to the best interests of citizens. If policy makers choose to rely increasingly on the private rental market as the best tenure to facilitate mobility (for labour market reasons or other), a risk-based approach focussing especially on welfare recipients may be fruitful in assessing outcomes of residential mobility decisions.

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