



# Tackling barriers to (beneficial) housing mobility

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# Outline

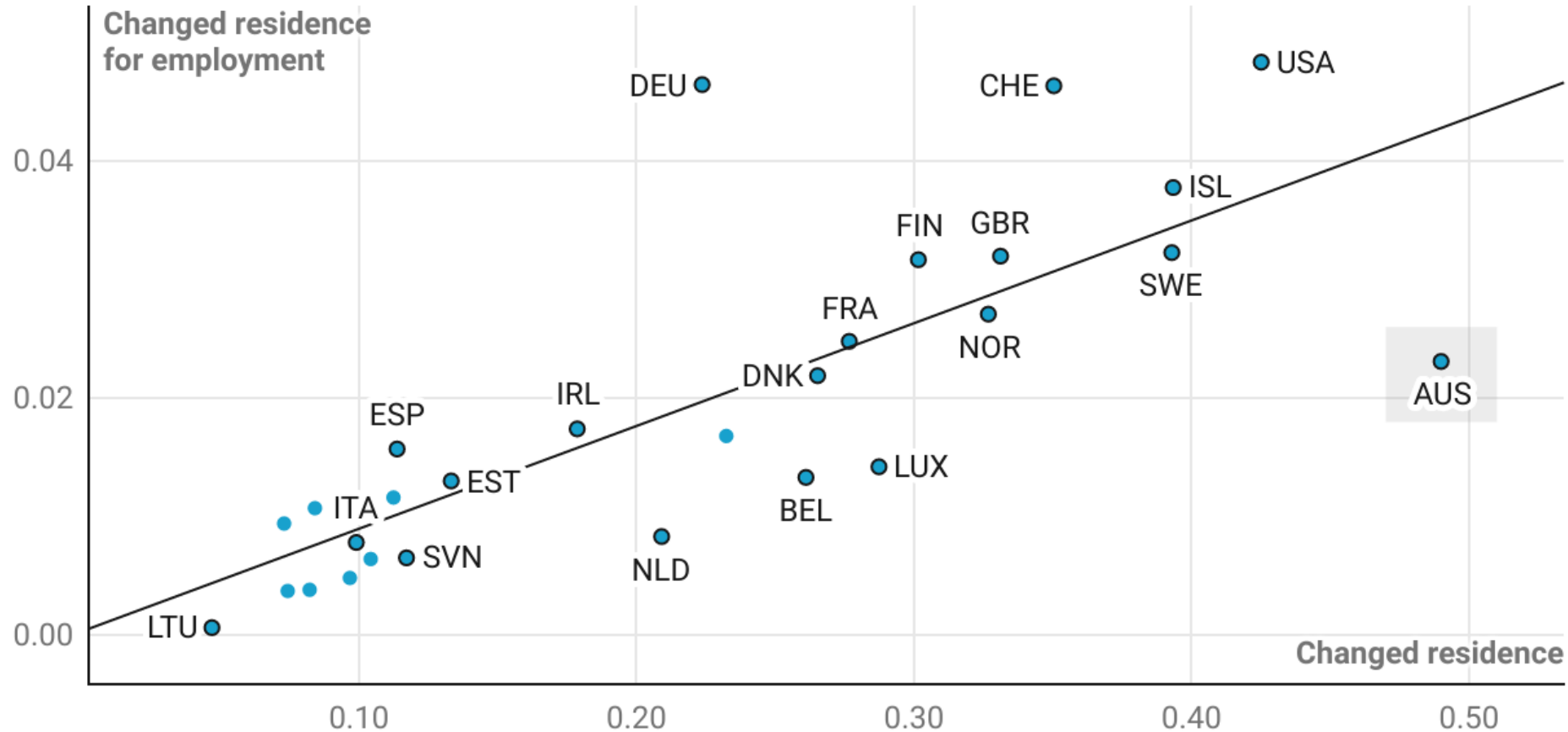


- Housing mobility important for labour market and individual wellbeing
- Australians move house a lot, but rarely for work
- Renting needs to be a more viable option
- Stamp duty is a barrier to mobility
- Lack of mobility contributes to housing mismatch

Disclaimer: This paper uses unit record data from Household, Income and Labour Dynamics in Australia Survey (HILDA) conducted by the Australian Government Department of Social Services (DSS). The findings and views reported in this paper, however, are those of the authors and should not be attributed to the Australian Government, DSS, or any of DSS's contractors or partners.

# Australians frequently move house, but rarely for work

Share of population moving in the previous 5 years

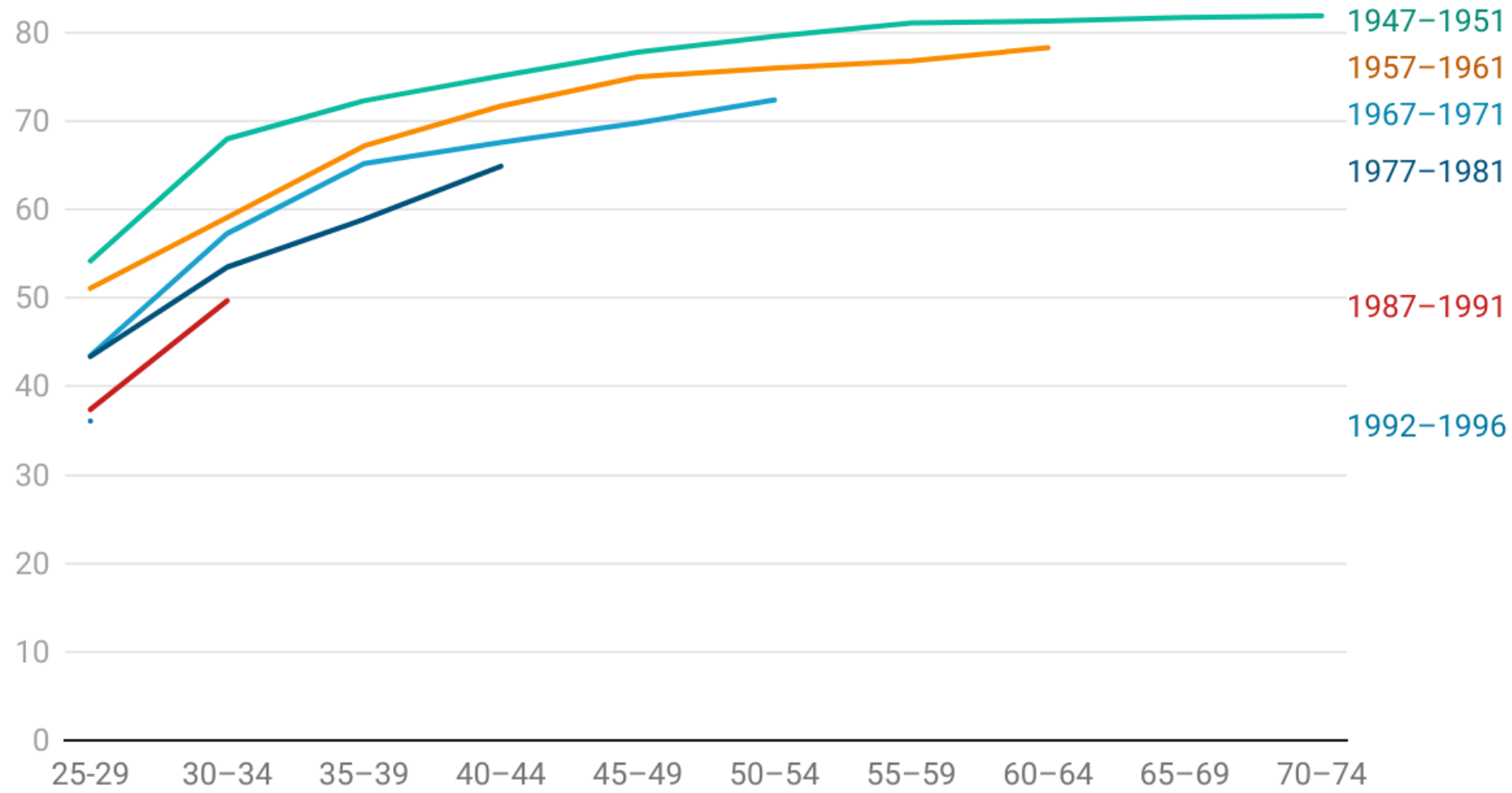


Source: Causa and Pichelman (2020) Should I stay or should I go? Housing and residential mobility across OECD countries  
• Created with Datawrapper



# Home ownership is lower among younger cohorts

Home ownership rate (per cent) by age and year household reference person was born

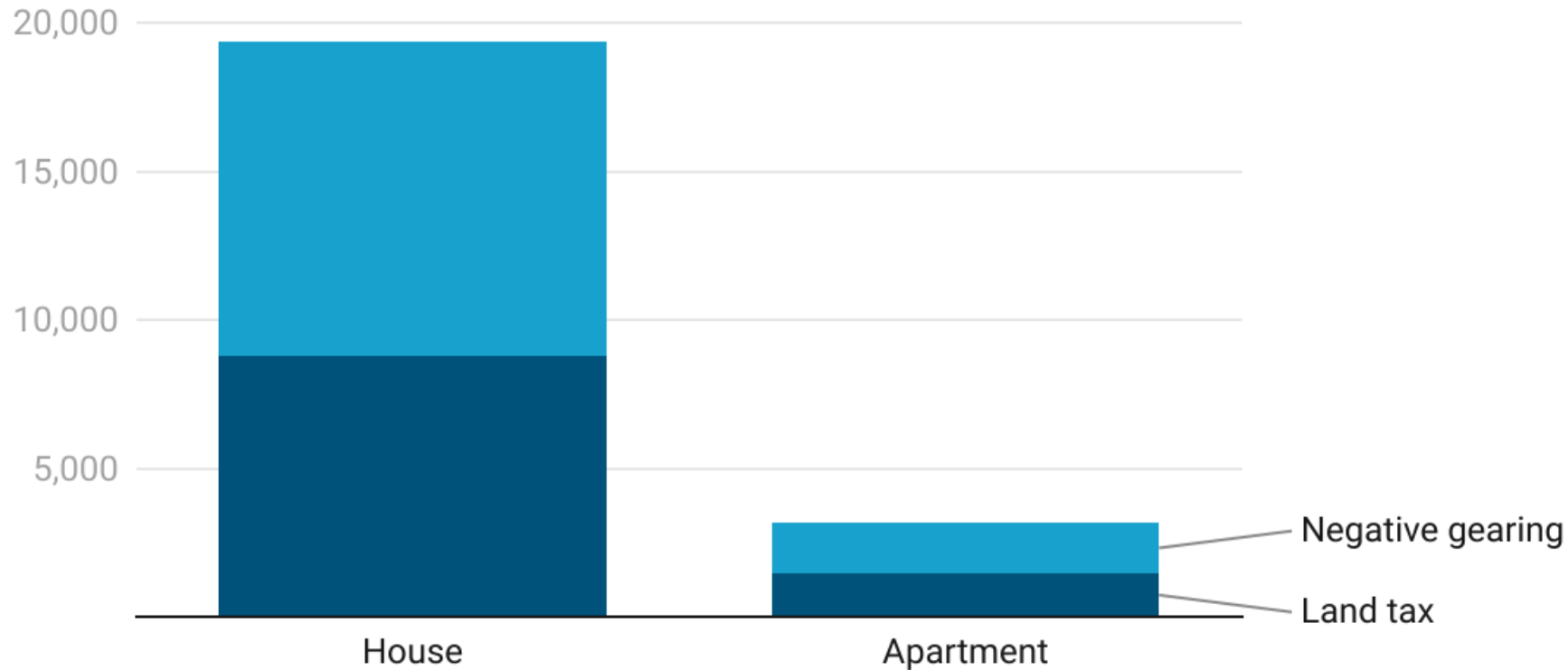


Source: AIHW 2022, Home Ownership and Housing Tenure • Created with Datawrapper



# Institutional investors face substantial tax disadvantages

Annual financial advantage to an individual landlord over an institutional investor (\$s)



*Based on the Sydney median house price (\$1.28 million) and apartment price (\$0.79 million) with median rental yields (2.6% and 4.1% respectively). The private investor owns one investment property, borrowing 80% of the value of the property at a 5% interest rate and pays the 47% top marginal tax rate. The institutional investor is liable for the top rate of land tax (2%) but benefits from the 50% land tax discount for build-to-rent in New South Wales.*

Source: CEDA calculations based on data from CoreLogic, SQM Research and the NSW Valuer General • Created with Datawrapper

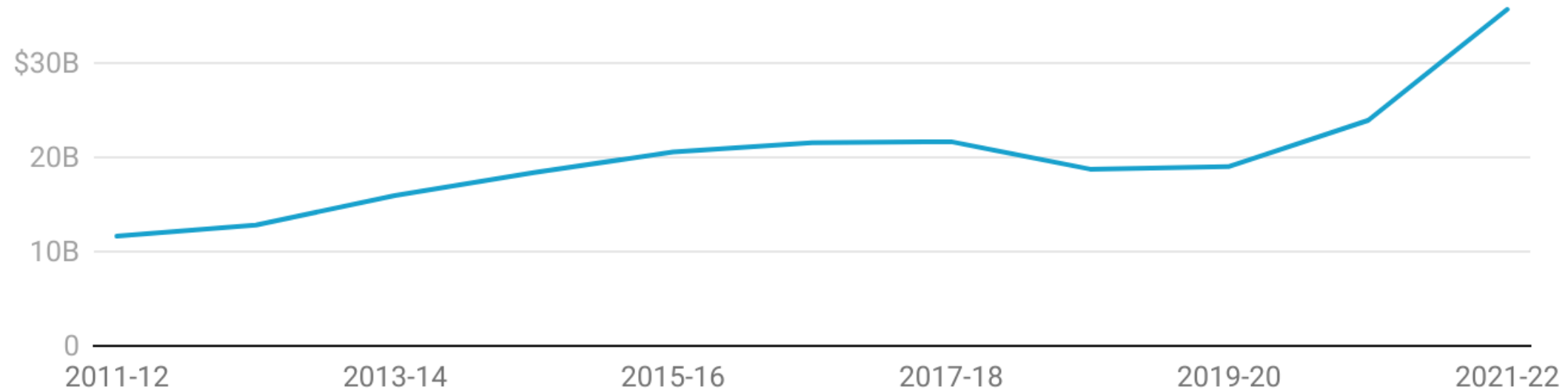


# Stamp duty is a barrier to mobility



## Stamp duty revenue has soared

Total all states and territories, \$ billion

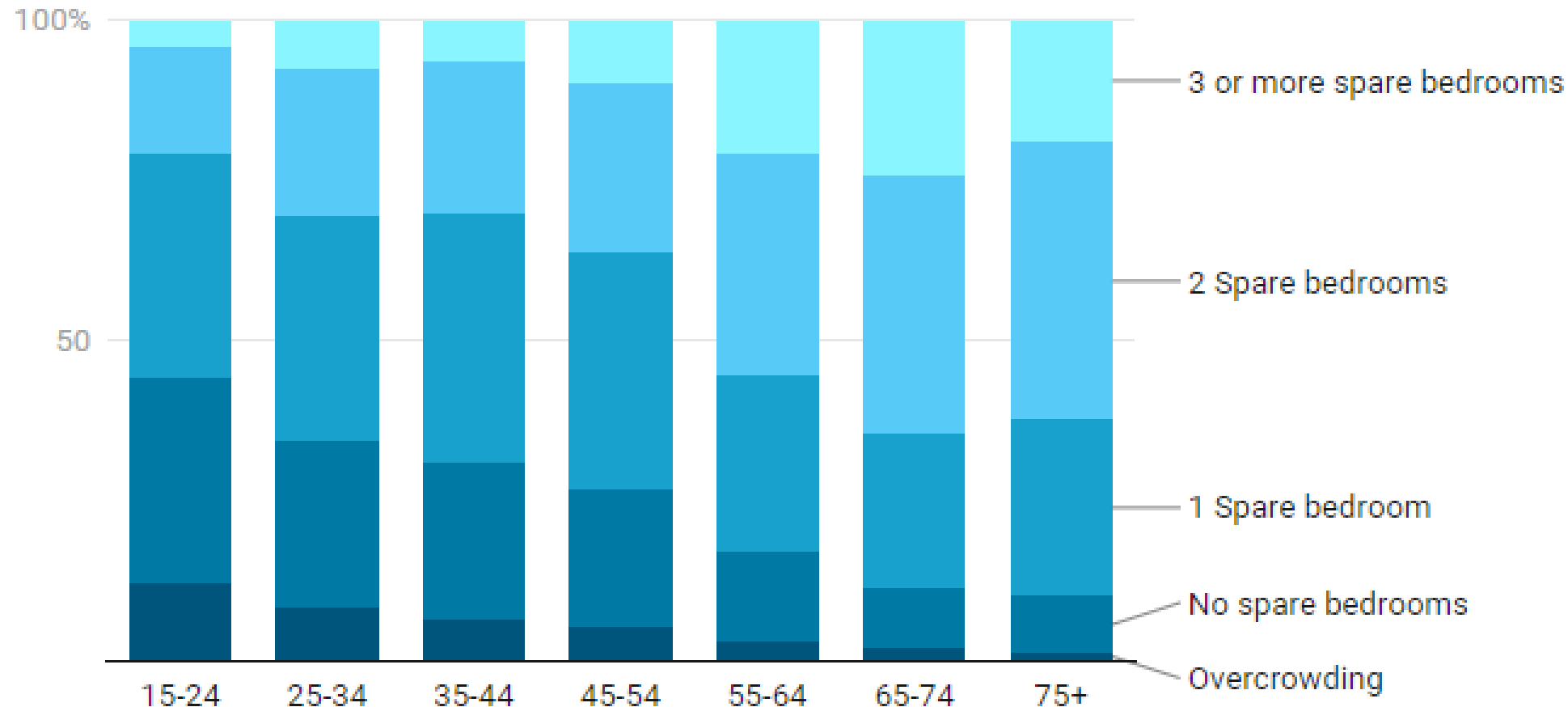


Source: ABS and state and territory governments • Created with Datawrapper

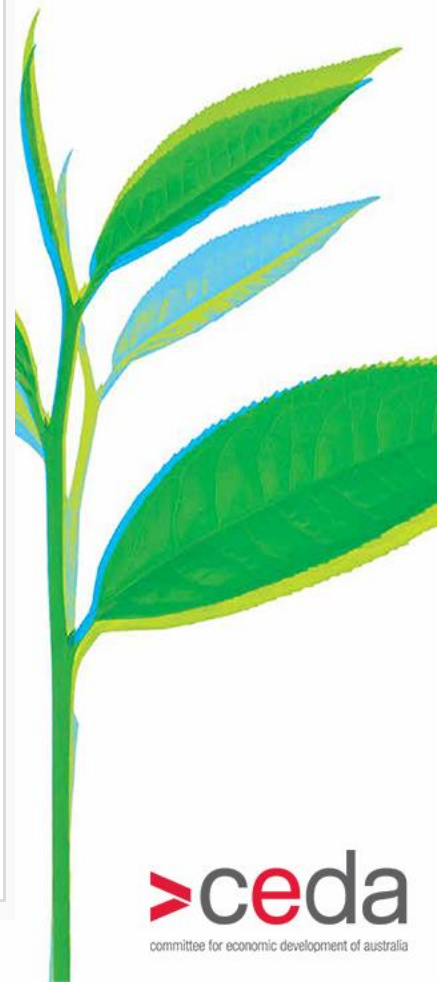


# Australians have more spare bedrooms later in life.

Housing utilisation for different age groups.



Source: ABS 2021 Census of population and housing  
• Created with [Datawrapper](#)



# A simple model of moving house



- Investigate potential for the pension to distort housing decisions
- Following Shan (2011), probability of moving house:

$$\text{Prob}(\text{Move}_{it} | \text{Pens}_t, \mathbf{X}_{it}) = \Phi(\beta \text{Pens}_{it} + \boldsymbol{\pi} \mathbf{X}_{it}) + \mu_{it}$$

Where  $\text{Move}_{it}$  is a binary indicator of moving house in year  $t$ ,  $\text{Pens}_{it}$  is a dummy variable for whether any pension income was received and  $\mathbf{X}_{it}$  a set of other explanatory variables

- Second specification:

$$\text{Prob}(\text{Move}_{it} | \text{Pens}_{t-1}, \mathbf{X}_{it}) = \Phi(\beta \text{Pens}_{t-1} + \boldsymbol{\pi} \mathbf{X}_{it}) + \mu_{it}$$



# Data



- Pooled data from 2001-2021 HILDA survey
- Over 27,000 observations from home-owner households with at least one resident aged  $\geq 66$  years
- Rate of moving house in last year
  - Did not receive pension: 4.6%
  - Received pension: 3.8%
  - Difference = 0.8ppts (p-value = 0.0038)

# Results



	Specification 1	Specification 2
Received pension in year of move	-0.08**	
Received pension in year before move		-0.06*
Age	-0.01***	-0.01***
Age squared	0	0
Income	0.75***	0.96***

\* Significant at 10% \*\* Significant at 5% \*\*\* Significant at 1%

Other controls: state of residence; number in household; marriage status; widowed in past year; sex; employment status; retired in past year; number of bedrooms in house (before move)

# Conclusions



- High housing mobility, but often the wrong type of mobility
- Australian renters more likely to be forced to move by their landlord than to choose to move for work or study
- Need to make renting a more viable option
  - Remove landlords' capacity to evict tenants without due cause
  - Level playing field for institutional investors
- Stamp duty is a barrier to mobility
- Correlation between receipt of pension and lower probability of moving house
  - But only weak relationship between pension receipt and chance of moving next year

A decorative background for the top banner featuring a network diagram of interconnected nodes and lines in light gray. On the right side, there is a small illustration of a green plant with three leaves.

# Thank you for your attendance!

Further feedback or comments welcome

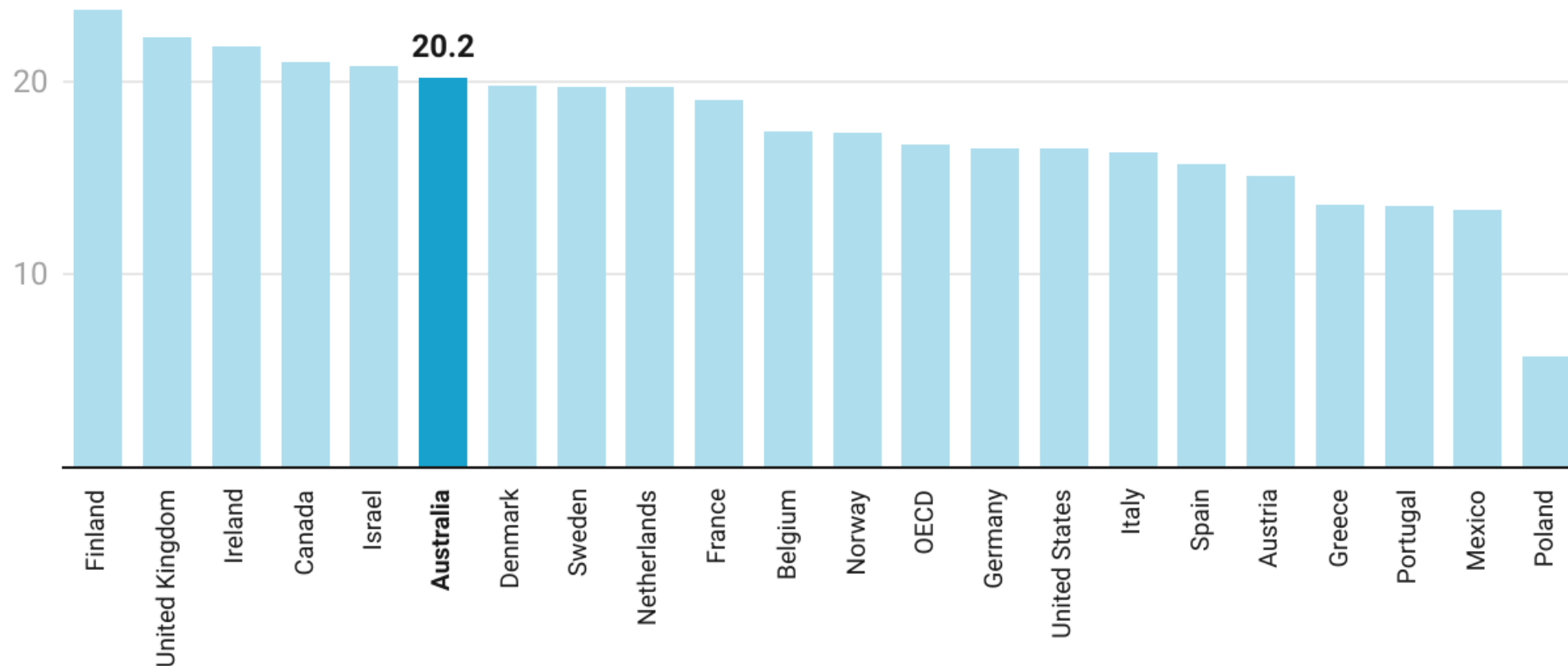
- Andrew Barker, Senior Economist, [Andrew.Barker@ceda.com.au](mailto:Andrew.Barker@ceda.com.au)



# Background slides

# A relatively high share of spending is on housing

Imputed and actual housing rentals (% of total household consumption)



*Imputed rent is the estimated price a household would pay if they did not own the house themselves.*

Source: OECD Affordable Housing Database • Created with Datawrapper

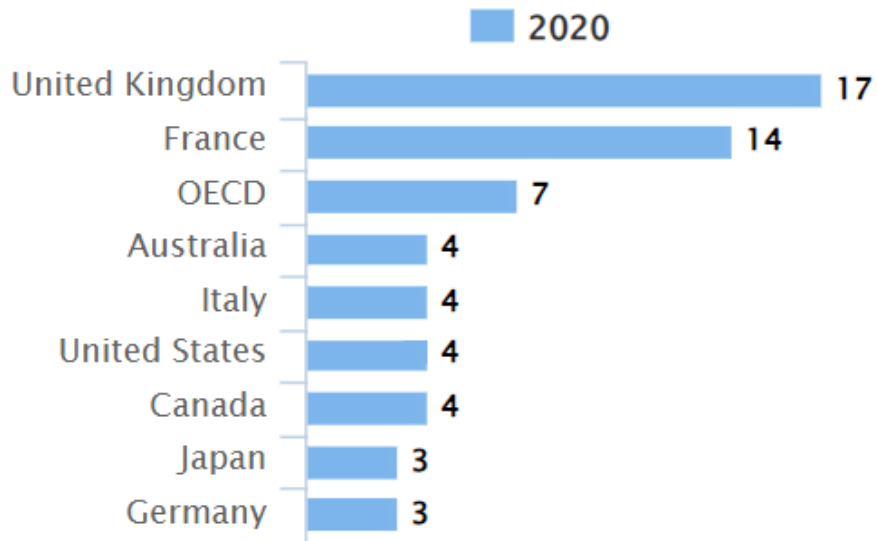


# Social housing and allowances are low



## Social Rental Housing Stock

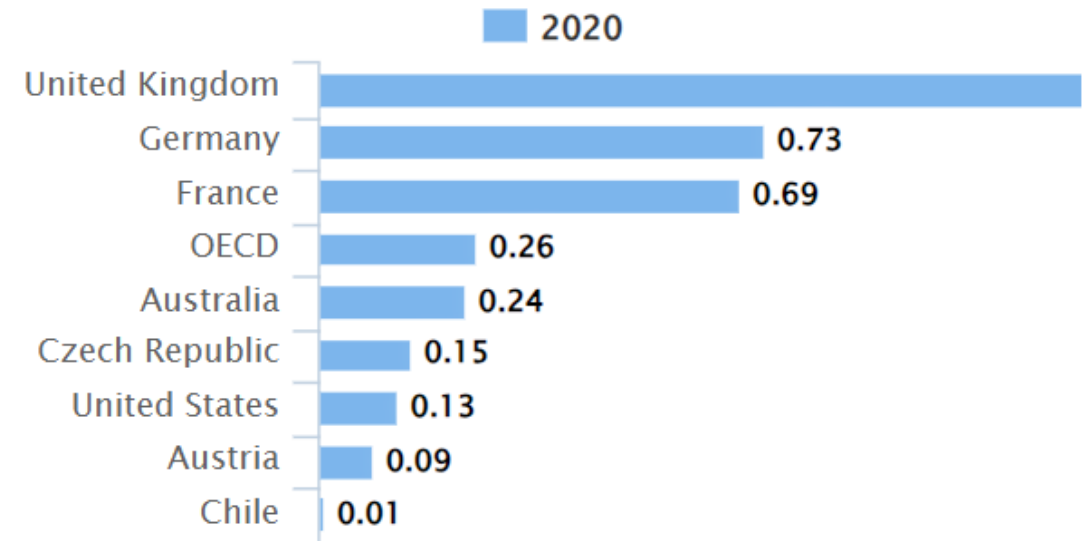
Social rental dwellings as share of total dwellings, 2020 or latest



Source: [OECD Affordable Housing Database](#)

## Public Spending on Housing Allowances

As a % of GDP, 2020 or latest



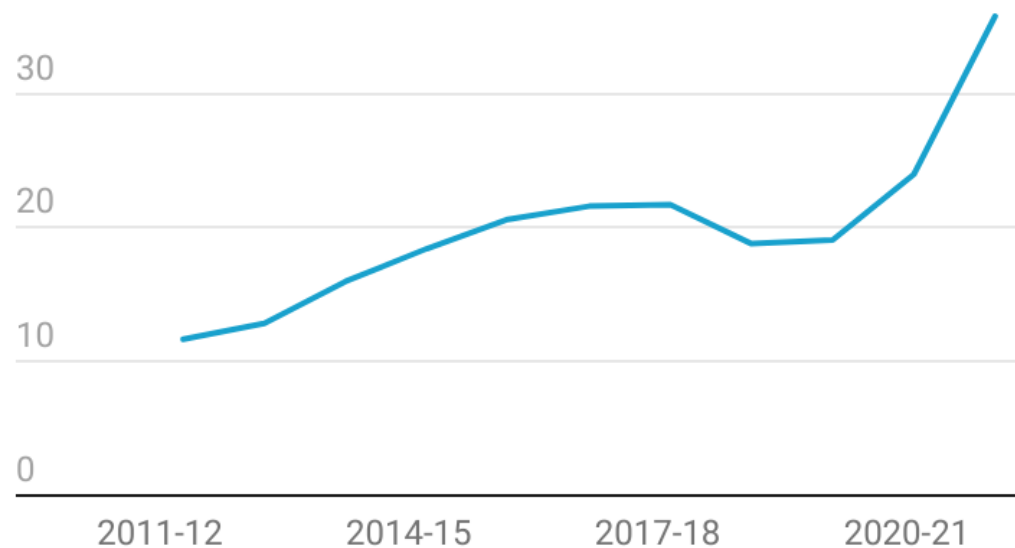
Source: [OECD Affordable Housing Database](#)





## Stamp duty revenue has soared

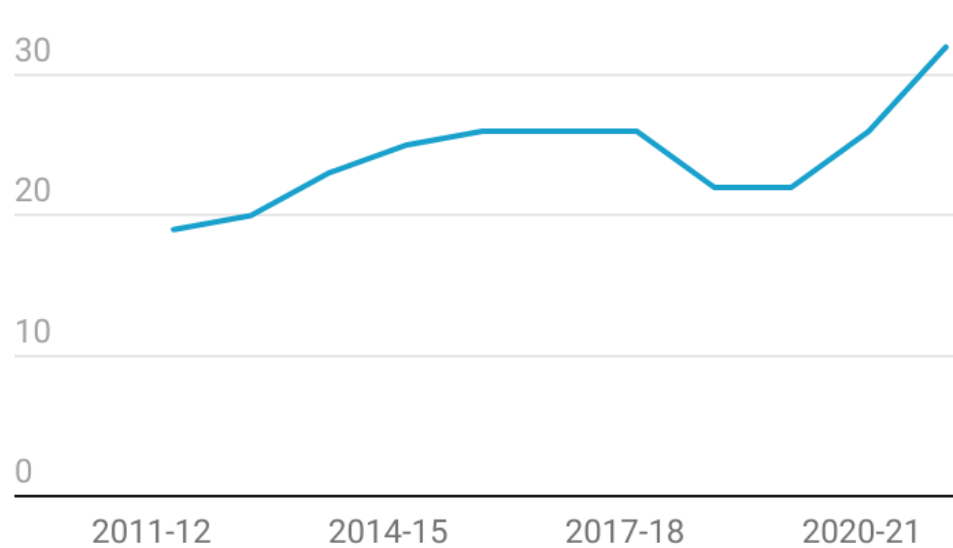
Total all states and territories, \$ billion



Source: ABS and state and territory governments • Created with Datawrapper

## Increasing its share of tax revenue

Total all states and territories, per cent



Created with Datawrapper

