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| Paper Title: | Australian Bureau of Statistics Submission to the House of Representatives Home Ownership Inquiry |
| Issue: | Key ABS data sources relevant to home ownership in Australia |
| Action: | For Information |
| To: | The House of Representatives Economics Committee Inquiry into Home Ownership |
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1. Purpose

- 1.1. This submission presents key data sources relevant to home ownership in Australia currently available from the Australian Bureau of Statistics.

2. Introduction

- 2.1. The Australian Bureau of Statistics (ABS) is Australia's national statistical agency, and aims to assist and encourage informed decision making, research and discussion within governments and the community by leading a high quality, objective and responsive national statistical service. The ABS conducts a comprehensive program of social and economic data collections that provide statistics on a range of matters related to housing and home ownership.
- 2.2. These statistics are sourced from the collection of a range of information on the size and nature of the dwelling stock, home ownership rates, house prices and housing affordability in order to meet the information needs of governments, researchers, and the community. The purpose of this submission is to outline the main data sources produced by the ABS that may be relevant to the Inquiry and that may inform public debate on the topic; and to detail future initiatives to improve the information base on home ownership and its outcomes
- 2.3. The key ABS data sources that may be relevant to the Inquiry are listed below. Note that the key summary publication containing aggregate data from each collection is listed in this submission. For most surveys, detailed microdata (confidentialised information for each individual or household, such as responses to individual questions on the questionnaire) are also available. Further data not contained in the summary publications or microdata releases is also available on request.
- 2.4. Detailed information on the data sources outlined in this submission, including periodicity, data items collected and examples of recent data are included in Appendix 1. For more information on collection methodologies used by the ABS, please refer to the following web pages:

Sample surveys

<http://www.abs.gov.au/AUSSTATS/abs@.nsf/DetailsPage/1299.01999?OpenDocument>

Census vs sample surveys

<http://www.abs.gov.au/websitedbs/a3121120.nsf/home/statistical+language++census+and+sample>

<http://www.nss.gov.au/nss/home.nsf/SurveyDesignDoc/20EDCFE8B204BE1FCA2571AB002479A2?OpenDocument>

Administrative data

<http://www.abs.gov.au/websitedbs/a3121120.nsf/home/statistical+language++data+sources>

Data Sources Related to Home Ownership

3. Current Rates of Home Ownership

3.1. **Survey of Income and Housing (SIH)** *(Please see Appendix 1, paragraphs 1.1.1 to 1.1.6. for more detail, and paragraphs 1.1.7 to 1.1.13 for examples of recent data)*

- 3.1.1. The SIH, with specific results published in *Housing Occupancy and Costs, Australia* (cat.no. 4130.0) is the most appropriate data source for data on home ownership. It is a sample survey primarily designed to collect information on housing occupancy, housing costs, income, assets, liabilities, net worth, and other characteristics of households and individuals in Australia (excluding very remote areas), including the distribution of income and wealth across the population.
- 3.1.2. The SIH collects more detailed and frequent income data and specifically allows for analysis on low income households (and low wealth and both low income/low wealth). Data is available biennially and is also available in a Confidentialised Unit Record File (CURF). The latest results are for the 2011-12 reference year, while data for 2013-14 will be released in the second half of 2015.
- 3.1.3. Data from the SIH is a more appropriate source of information on home ownership and tenure arrangements than Census data. The Census is designed to provide a snapshot on the nature of occupancy of the dwelling stock in Australia on Census night. For example, a household may be away from their usual residence on Census night. As such, the Census does not represent a comprehensive picture of ownership and tenure arrangements in Australia. This being said, Census results are comparable with SIH results and show a similar recent trend of declining home ownership.
- 3.1.4. Using Home Ownership as a proxy measure for housing affordability is not recommended. Ownership levels can also be influenced by other factors such as changing population mobility for example. The impact that changes in affordability have on ownership levels cannot be separated from the impact of changing preferences in tenure or demographic changes.

3.2. **Housing Finance, Australia** (cat. no. 5609.0) *(Please see Appendix 1, paragraphs 1.2.1 to 1.2.4. for more detail and paragraphs 1.2.5. to 1.2.7. for examples of recent data).*

- 3.2.1. *Housing Finance Australia* includes data on secured housing finance for owner occupation. Specific information on first home buyers (FHB) is also included. Levels of credit to owner occupiers may correlate with levels of property ownership, while levels of credit to FHBs may correlate with housing affordability and entry into the property market.

4. Demand and Supply Drivers in the Housing Market

- 4.1. The ABS has a number of publications and data sources that relate to the demand and supply drivers in the economy. The measures of housing demand can be split into Housing and Family projections, which look at projecting future demand, and may also be used by analysts to model underlying demand. Measures of met and market demand are included in the Housing Finance publication and National Accounts data. Measures of supply for the housing market include residential dwelling supply from the Census of Population and Housing, and the Building and Construction Surveys. These data sources are outlined below.

- 4.2. Generally, there are two types of demand for housing that are measured:

- Met or market demand, the number of 'transactions' during a period of time, such as dwellings sold or rental properties leased; and
- Unmet or underlying demand, defined by the National Housing Supply Council as "... how many households there would be - and accordingly how many dwellings would be needed - if the housing system (the housing market and various housing assistance measures) did not constrain people's choice about their living arrangements."

4.3. Measuring the current level of market demand is generally done by tenure, especially for the home purchase and rental markets. There are a number of measures that indicate the current level of demand including;

- the number of homes sold in a given period
- analysis of dwelling prices available in the Residential Property Price Index,
- the number of mortgage loans approvals of mortgage commitments available in Housing Finance,
- Auction clearance rates and Rental vacancy rate available from industry groups (eg. Housing Industry Association, Real Estate Industry of Australia).

4.4. The ABS does not produce a measure of underlying demand, although demographic data produced by in *Household and Family Projections, Australia* (cat. no. 3236.0) and Estimated Resident Population are used on external models analysing changes in Household Formation.

4.5. **The Census of Population and Housing (Census)** (*Please see Appendix 1, paragraphs 2.1.1. to 2.1.4. for more detail and paragraphs 2.1.5. to 2.1.7. for examples of recent data*).

4.5.1. The Census provides the most comprehensive counts of households and dwelling stock every five years. These counts are available for very small geographic areas, and can be examined by dwelling structure type and number of bedrooms alongside a wide range of personal and household characteristics.

4.5.2. A range of options for accessing Census data (including historical data) exist and can be found at www.abs.gov.au/census

4.6. **Building and Constructions surveys** (*Please see Appendix 1, paragraphs 2.2.1. to 2.2.5. for more detail and paragraph 2.2.6. for an example of recent data*).

4.6.1. The building and construction surveys provide regular data on dwelling supply. Monthly data is available through *Building Approvals, Australia* (cat. no. 8731.0) and quarterly through *Building Activity, Australia* (cat. no. 8752.0) and *Construction Work Done, Preliminary* (cat. no. 8755.0). These publications include all new home construction regardless of whether it is built on a 'greenfield' site, a vacant block or to replace a demolished house.

4.6.2. The ABS does not currently produce an overall dwelling stock count (net additions) between Census collections as data is not available on demolitions.

4.6.3. The ABS does not currently produce specific measures of dwelling supply as a factor of demand, often referred to as measures of dwelling over-supply or dwelling under-supply.

4.7. The **Residential Property Price Index** (Please see Appendix 1, paragraphs 2.3.1. to 2.3.5. for more detail).

4.7.1. The **Residential Property Price Index** (cat. no. 6416.0) acts as an indicator for the demand of housing. It cannot be used to pin point the actual demand of housing and it cannot be used to separate owner occupied housing and investment dwellings.

4.7.2. The ABS has compiled a House Price Index since 1986. The *Attached Dwellings Price Index* and the current headline series, the *Residential Property Price Index* are available from the September quarter 2003. Development of indexes covering areas outside the Greater Capital City Statistical Areas (GCCSAs) is continuing.

4.8. **The Australian System of National Accounts (ASNA)**. (Please see Appendix 1, paragraphs 2.4.1. to 2.4.6. for more detail and paragraphs 2.4.7. to 2.4.9. for examples of recent data).

4.8.1. The ASNA is a widely used measure of the economy and provides a picture of the economy from an industry and a sectoral perspective, including the household sector.

4.8.2 From the September quarter 2013, the quarterly Financial Accounts includes household balance sheets, which will improve the capacity to understand household assets and liabilities, including how changes in household wealth through fluctuations in property prices or equity values can in turn explain changes in household consumption and saving patterns.

4.8.3. Australian National Accounts: National Income, Expenditure and Product (cat. no. 5206.0) provides information on both residential housing supply and demand at the National level.

5. The proportion of investment housing relative to owner-occupied housing

5.1. A number of ABS publications include information that relate to the proportion of investment housing relative to owner-occupied housing. Information on foreign investment in real estate activities is also available at a National level.

5.2. The **Survey of Income and Housing (SIH)** collects data on the number of properties owned by households. (Please see Appendix 1, paragraphs 3.1.2. to 3.1.3. for examples of recent data).

5.3. **Housing Finance, Australia** (cat. no. 5609.0) presents statistics on housing finance commitments made by significant lenders. Total value of investment housing commitments is also included. The data shows housing loan commitments made to owner-occupiers and investors by investor type as proportions of total loan commitments. As the data relates to housing commitments not yet discharged by borrowers, it is not a comprehensive measure of home ownership. Data is available by national as well as state and territory levels. (Please see Appendix 1, paragraph 3.2.1. for more detail).

5.4. **Lending Finance, Australia** (cat. no. 5671.0) presents additional data on housing finance provided to individuals and corporations for business or investment purposes. (Please see Appendix 1, paragraph 3.2.2. for more detail).

5.5. International Accounts (*Please see Appendix 1, paragraphs 3.3.1. to 3.3.1. for more detail and paragraphs 3.3.5. to 3.3.6. for examples of recent data*).

5.5.1. The ABS publication *Balance of Payments and International Investment Position, Australia* (cat. no. 5302.0) provides a complete international investment position statement with details of the level of investment, investment flows and associated income.

5.5.2. Foreign investment in real estate is recorded in the Australian Bureau of Statistic's *Balance of Payments and International Investment Position* publication as a component of direct investment in equity as prescribed by the Balance of Payments Manual 6 (BPM6) and is not identified by ABS publications as a separately published series.

6. Closing Statement

The ABS is an important source of information related to housing ownership in Australia. The ABS works towards improving quality, accessibility and utility of a range of housing data. The ABS is currently undertaking a review of its Population and Social Statistics acquisition approach, with a view to increasing the efficiency, coherence and responsiveness its statistical processes and program. This review will seek to identify opportunities and capacity to produce, enhanced population and social statistics, potentially including information relating to housing outcomes and housing affordability for Australians.

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