Ageing well
Housing solutions for older Australians

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Housing utilisation and downsizing amongst older Australians

Professor Bruce Judd
AHURI Research Centre—University of NSW
The context
Population ageing

In the first half of the 21st C:
% 65+ likely to double
% 85+ likely to quadruple

<table>
<thead>
<tr>
<th>Year</th>
<th>65+</th>
<th>85+</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>14.2</td>
<td>1.9</td>
</tr>
<tr>
<td>2020</td>
<td>16.4</td>
<td>2.1</td>
</tr>
<tr>
<td>2030</td>
<td>19.4</td>
<td>2.7</td>
</tr>
<tr>
<td>2040</td>
<td>21.6</td>
<td>4.0</td>
</tr>
<tr>
<td>2050</td>
<td>23.2</td>
<td>5.1</td>
</tr>
<tr>
<td>2060</td>
<td>25.0</td>
<td>5.9</td>
</tr>
<tr>
<td>2100</td>
<td>28.9</td>
<td>9.3</td>
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</table>
Implications

- **Dependency Ratio**
  - Number of working age people to those aged 65 and over
  - Increasing need for health and aged care support services

- **Economic Impact**
  - Reduced Tax Revenue
  - Increased Expenditure
    - Age pension
    - Health
    - Aged care

Source: Productivity Commission 2013
Policy responses

- Ageing in place
- Increase in aged care services delivered in the home
- Changes to superannuation system to encourage greater independence
- Increase in age for pension eligibility and tightening of the assets test
- Stamp duty tax concessions (3 states & territories)
- Access to premises legislation
- Liveable housing design guidelines
- Planning emphasis on greater diversity of housing types
The issues

- Ageing in place—but what kind of place?
- How suitable is our housing stock?
- How suitable are our neighbourhoods?
- Perception of underutilisation of housing by older people
- If so why don’t they move—satisfied, or barriers?
- How many move and downsize, and why?
- What kind of housing do they move into?
- How do they go about the process of moving?
- With what social and economic outcomes?
- What policy settings might encourage moving/downsizing?
The projects

Dwelling, land and neighbourhood use by older home owners (2010)

- Co-funded by Department of Health and Ageing
- ABS data analysis
- Survey of 1604 aged 55 and over
- 70 in-depth interviews
- Cost-benefit analysis of visitable, adaptable and universal housing
- Age threshold 55+
The projects

Downsizing Amongst Older Australians (2014)
- ABS Census data analysis
- National survey of 2767 older people who had moved at least once since turning 50
- 60 in-depth interviews in 3 states (NSW, Vic, SA)
- Policy Forums in each state
- Age threshold 50+
- Downsizing = reduction in number of bedrooms
Older Australians and their housing

- 2006 Census of Population & Housing
  - 85% lived in detached houses
  - 83% three or more bedrooms
  - 54% one person households
  - 38% two person households
  - 88% underutilised by CNOS measure

- Suitability of the dwelling (survey)
  - 91% regarded their homes suitable for the needs of their household
  - 86% had one or more spare bedrooms

Older people appear to underutilise their housing
But what do they think?
Why do they want to stay put?

- Temporary residents (25% of those surveyed)
  - Child (37%), Other relative (20%), Grandchild (18%), Friend (14%), Elderly parent (5%), Tenant/boarder (1%)

- Alternative bedroom uses
  - Office space (34%), Guest bedrooms (27%), Hobby rooms (12%), Storage (9%), Ironing/Utility rooms (4%), Library/reading room (2%)

- Desire to age in place
- Attachment to home and neighbourhood
- Couple’s need for personal space
- Increased use of the home following retirement
How many do move and downsize?

- **2006 to 2011 Census**
  - 18% of Australians 50+ relocated
  - Breakdown by age group

- **Downsizing estimate**
  - Based on same cohort amongst survey respondents:
    - Half, or 9% of Australians aged 50+ were estimated to have downsized
    - 235,509 people Australia wide
    - In other words, not many downsize
What kind of development do they downsize into?

Most moved within the general community
One in five moved to a retirement village

<table>
<thead>
<tr>
<th>Development Type</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>General Community</td>
<td>97.6</td>
</tr>
<tr>
<td>Retirement Village</td>
<td>21.2</td>
</tr>
<tr>
<td>Other Seniors Housing</td>
<td>4.6</td>
</tr>
<tr>
<td>Other</td>
<td>3.1</td>
</tr>
</tbody>
</table>

(n=1213, 1210)

Former dwelling | Current dwelling
Development Type x Age

Retirement village living increases with age
What types of housing do they move into?

Less than half move to separate houses

A little over half into attached housing or apartments (including retirement villages)

<table>
<thead>
<tr>
<th>Dwelling Type</th>
<th>Former</th>
<th>Current</th>
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</thead>
<tbody>
<tr>
<td>Sep House</td>
<td>90.5</td>
<td>42.5</td>
</tr>
<tr>
<td>Attached Row House</td>
<td>5.4</td>
<td></td>
</tr>
<tr>
<td>Flat/Apartment</td>
<td>3.2</td>
<td></td>
</tr>
<tr>
<td>Caravan or Mobile Hm</td>
<td>0.2</td>
<td>4.2</td>
</tr>
<tr>
<td>Other</td>
<td>0.6</td>
<td>1.9</td>
</tr>
</tbody>
</table>
How many bedrooms?

Most lived previously in 4 or more bedroom dwellings

They moved mostly into 2 and 3 bedroom dwellings
What floor area?

Most moved from 200+ m² dwellings

And moved into less than 200 m² dwellings

(n=894)
Why did they move?

Lifestyle and maintenance were the main reasons.

Also children leaving home and retirement.

Financial difficulties are less common.
What were they looking for?
(important + very important)

They are looking for smaller, low maintenance dwellings, close to services and social networks.

Financial factors are less prominent.
Where did they seek information and advice?

Information and advice is sought mainly from family, friends and estate agents.

Rarely from Government or peak bodies.
What difficulties did they encounter? (difficult + very difficult)

26% encountered difficulties

Mainly availability of suitable housing, affordability and suitability of location

Financial difficulties were rare
Reasons for dissatisfaction

- Building/village defects/maintenance: 24.6%
- Building/village management issues: 21.7%
- Inadequate space: 20.3%
- Affordability: 15.9%
- Unexpected costs: 15.9%
- Neighbours/social issues: 13.0%
- Strata issues: 11.6%
- Dislike cohort living: 8.7%
- Poor construction quality: 8.7%
- Noise: 8.7%
- Crime/safety/security issues: 8.7%
- Lack of privacy: 7.2%
- Inappropriate/poor design: 7.2%
- Accessibility/location/transport: 5.8%
- Stairs: 2.9%
- Other: 10.1%

Only 10% were dissatisfied. Mostly with building/village defects and maintenance, inadequate space, affordability and unexpected costs.
## Barriers & policy options

<table>
<thead>
<tr>
<th>Type</th>
<th>Barriers</th>
<th>Policy Options</th>
</tr>
</thead>
</table>
| Dwelling & locational barriers | - Difficulty finding suitable (smaller), affordable, accessible dwellings in suitable locations (close to retail, transport and other services) | - Age friendly planning & urban design controls  
- Mandated Liveable Housing Design Guidelines |
| Financial Barriers          |   - Cost associated with moving:                                          |   - Stamp duty exemptions/ concessions or replacement with land tax (Henry Tax Review)  
   - Stamp duty  
   - Removalists fees  
   - Temporary accommodation  
   - Estate agent’s fees  
   - Impact on age pension eligibility  
   - Housing market fluctuations |   - Age pension assets test exemption (2013/14 budget)  
   - Older home owners grants |
| Psychological & practical barriers | - Emotional attachment to home and neighbourhood  
   - Stress of preparation for sale  
   - Stress of moving  
   - Difficulty of sorting, packing disposing of belongings | - More effective information, advisory & assistance services by government & NGO providers  
- Age-specific financial advisors & removalists |