Ageing well
Housing solutions for older Australians

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Housing utilisation and downsizing amongst older Australians

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The context
Population ageing

<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>
</tr>
</tbody>
</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
- Livable 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
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?

- **2006-2011 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?

<table>
<thead>
<tr>
<th>Development Type</th>
<th>Percentage</th>
</tr>
</thead>
<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>0.1</td>
</tr>
<tr>
<td>Other</td>
<td>0.1</td>
</tr>
<tr>
<td></td>
<td>2.3</td>
</tr>
<tr>
<td></td>
<td>3.1</td>
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</tbody>
</table>

(n=1213, 1210)
What types of housing do they move into?

<table>
<thead>
<tr>
<th>Dwelling Type</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sep House</td>
<td>90.5</td>
</tr>
<tr>
<td>Attached Row House</td>
<td>42.5</td>
</tr>
<tr>
<td>Flat/ Apartment</td>
<td>28.2</td>
</tr>
<tr>
<td>Caravan or Mobile Hm</td>
<td>3.2</td>
</tr>
<tr>
<td>Other</td>
<td>1.9</td>
</tr>
</tbody>
</table>

(n=1269,1262)

Former

Current
How many bedrooms?

<table>
<thead>
<tr>
<th>No of Bedrooms</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bed-sit</td>
<td>0.0</td>
</tr>
<tr>
<td>One</td>
<td>9.6</td>
</tr>
<tr>
<td>Two</td>
<td>47.1</td>
</tr>
<tr>
<td>Three</td>
<td>41.8</td>
</tr>
<tr>
<td>Four+</td>
<td>61.9</td>
</tr>
</tbody>
</table>

(n=1214)

*Former dwelling*
*Current dwelling*
What floor area?

(n=894)

Floor Area

- < 50 m²
- 50-99 m²
- 100-149 m²
- 150-199 m²
- 200-249 m²
- 250-299 m²
- 300+ m²

Percentage

- Former dwelling
- Current dwelling
Why did they move?

- Lifestyle preference: 37.9%
- Inability to maintain house/garden: 26.6%
- Child(ren) leaving home: 17.2%
- Retirement of self or partner: 16.4%
- Relationship breakdown: 11.9%
- Death of partner: 10.1%
- Financial gain: 10.1%
- Self/partner's illness: 7.5%
- Self/partner's disability: 6.8%
- Financial difficulties: 5.8%
- Distance from family: 2.4%
- Formed new relationship: 1.9%
- Dwelling too big: 1.7%
- Employment reasons: 1.7%
- Locational Dissatisfaction: 0.9%
- Other: 6.9%

Percentage of respondents
What were they looking for?
(important + very important)

Considerations

- Less maintenance of the home: 74.0%
- Less maintenance of the yard: 72.3%
- Smaller dwelling: 66.5%
- Lifestyle improvement: 57.2%
- Closeness to shops: 55.2%
- Closeness to public transport: 48.7%
- Closeness to health services: 47.5%
- More accessible home: 38.3%
- Closeness to children or relatives: 34.6%
- Reduce cost of living: 33.6%
- More attractive area: 33.2%
- Closeness to friends: 31.8%
- Closeness to aged care services: 29.2%
- More modern home: 24.4%
- Better investment: 23.5%
- Discharge or reduce a mortgage: 19.2%
- Larger dwelling: 14.4%
- Other: 14.5%

Percentage of Respondents
Where did they seek information and advice?

- Family: 52.2%
- Friends: 29.5%
- Real estate agent/website: 27.4%
- Financial advisor: 14.1%
- No one / own decision: 11.9%
- Health/aged care professional: 5.1%
- Local Government information: 3.9%
- State Government information: 3.9%
- Australian Government information: 3.8%
- Popular media: 3.2%
- Legal advisor: 1.6%
- Other seniors' organisation(s): 1.4%
- National Seniors Association: 1.3%
- Council of the Ageing (COTA): 1.2%
- Other: 3.7%
What difficulties did they encounter? (difficult + very difficult)

- **Availability of suitable housing type**: 64.3%
- **Cost or affordability of housing**: 44.9%
- **Suitability of available locations**: 32.5%
- **Distance from family or friends**: 17.8%
- **Distance to retail facilities**: 11.8%
- **Distance to health facilities**: 8.6%
- **Fees or stamp duty costs**: 5.4%
- **Difficulty obtaining finance**: 5.1%
- **Lack of information or advice**: 3.5%
- **Other**: 11.8%

74% found it easy or very easy

26% found it difficult or fairly difficult
90% were satisfied or very satisfied with the home they downsized into.
## Barriers & policy options

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