

# Downsizing amongst older Australians

ALMOST HALF OF ALL AUSTRALIANS WHO MOVED SINCE TURNING 50 YEARS OF AGE WERE LIKELY TO HAVE DOWNSIZED INTO A HOME WITH FEWER BEDROOMS. MOST DID SO FOR A CHANGE IN LIFESTYLE OR INABILITY TO MAINTAIN A LARGE HOUSE OR GARDEN RATHER THAN FOR FINANCIAL REASONS.

## KEY POINTS

- Forty-three per cent of respondents who moved since turning 50 years of age downsized into a home with fewer bedrooms, mostly within the general community and into smaller detached houses or retirement villages.
- The most common circumstances leading to downsizing was a desire for lifestyle change or an inability to maintain a large house or garden. Children leaving home or retirement were moderately important while financial reasons were only rarely a factor.
- In looking for a new dwelling, the most important considerations were low maintenance of house and yard, dwelling size, lifestyle improvement and a number of locational factors (to shops, public transport and health services).
- Of the 26 per cent of survey respondents who found the downsizing process difficult, lack of availability of suitable housing, its high cost or unaffordability and poor suitability of available locations were the main difficulties encountered in the moving process.
- The vast majority of downsizers were satisfied with their dwelling. For those few who were not, building defects and high maintenance, building or village management issues, inadequate space, unaffordability and unexpected costs were the main concerns.

*This bulletin is based on research conducted by **Professor Bruce Judd, Dr Edgar Liu, Dr Hazel Easthope, Ms Laura Davy and Associate Professor Catherine Bridge** at the AHURI Research Centre—The University of New South Wales. The research examined the phenomenon of downsizing amongst older Australians including who downsizes, to what housing types and locations, for what reasons, and with what outcomes.*

- Obstacles to downsizing include dwelling and locational availability, financial disincentives associated with moving, and psychological and practical barriers arising from the moving process.

## CONTEXT

Ageing in place—referring to a decision to remain in the same home or move to a more suitable home in the general community—is a key policy response to population ageing. However, a significant majority of older Australians live in detached suburban dwellings of three or more bedrooms which are often regarded by policy-makers as under-utilised, suggesting a need for a more diverse (generally smaller) housing stock into which older people might downsize. However, little research has been undertaken on older people’s downsizing behaviour.

## RESEARCH METHOD

The research was approached from a person-environment theory perspective using mixed quantitative and qualitative methods including:

- a literature review, analysis of the 2001, 2006 and 2011 ABS Censuses, and the 2003 and 2009 Surveys of Disability, Ageing and Carers (SDAC)
- a representative national survey of 2767 older people who had moved since turning 50 years of age
- in-depth interviews with 60 survey respondents in New South Wales, Victoria and South Australia
- three policy forums using the World Café method in those states.

## KEY FINDINGS

### ***Defining downsizing***

Downsizing can be defined in a range of ways including a literal reduction in the size of the dwelling (by number of bedrooms or floor area), a reduction in the land area associated with the

dwelling, a reduction in the financial value of the home (down-pricing) or even reduction in personal possessions (de-cluttering). A number of these were used but for practical reasons the second definition (based on the number of bedrooms) was used to conduct the ABS Census and survey analysis.

### ***The extent of moving and downsizing***

In 2011, most older Australians lived in detached dwellings that were larger (three or more bedrooms) and owner occupied. The proportion living in such properties has increased over the last decade.

Over the five-year period from 2006 to 2011, 18 per cent of Australians 50 years and over had re-located. Of the survey respondents who had moved since turning 50 years of age, 43 per cent had downsized into a dwelling with fewer bedrooms. The rate of downsizing during the five inter-census years 2006–2011 in the total Australian population is relatively larger, at 50 per cent. When applied to 2011 Census figures, it was estimated that 235 509 people (or 9% of the total Australian population 50 years of age and over) were likely to have downsized into a dwelling with fewer bedrooms during that five-year period.

### ***Demographic characteristics of downsizers***

Demographic differences between older downsizers and other older movers were not found to differ greatly. Compared to other movers, downsizers were found to be marginally more likely to be older, female, single, living in one person households, resident for fewer years in their current dwelling, fully retired, as opposed to working part or full-time, dependent upon either superannuation or the Age Pension for their income rather than wages and salaries, and on lower income (corresponding with the single and couple Age Pension).

### ***Housing characteristics of downsizers***

There were some distinct differences between the housing characteristics of older downsizers and other movers. Downsizers were more likely

to have moved from a separate house into a retirement village or multi-unit housing form, from a two-storey to a single-storey dwelling, from a larger former dwelling (both according to number of bedrooms and floor area) and to have relocated within the same postcode area than those who had moved without downsizing. However, downsizers were less likely to be outright owners or owner purchasers and more likely to be living under the loan/lease tenure arrangements common in many retirement villages. The greater dependence on retirement villages as a downsizing option is an underlying theme in these findings.

### ***Motivations leading to downsizing***

The most common motivations for downsizing were a desire for a change in lifestyle and inability to maintain the house and/or garden. Children leaving home, retirement and a variety of negative shocks (death of a partner, illness or disability) also figured in the decision to downsize. Financial issues were a factor in relatively few cases with financial gain from downsizing more important than financial difficulties. Compared to other people making moves, downsizers were more likely to be moving because of an inability to maintain house/garden, children leaving home, relationship breakdown, death of a partner or illness or disability.

### ***The process of downsizing***

In the process of moving, downsizers relied primarily on the advice of family, but also to some extent on friends and real estate agents. Only rarely were professionals, financial advisors, government services and seniors' organisations used to obtain advice around downsizing.

Close to three-quarters of downsizers found the process of moving easy or fairly easy. For the one-quarter who found the process difficult or very difficult, the main problems encountered were the availability of a suitable housing type, the cost or affordability of appropriate housing and the availability of suitable locations. Other locational factors (to family/friends, retail and health facilities) were of importance to relatively few respondents.

There were three main types of barriers and obstacles to downsizing. These included:

- *Finding suitable, age-friendly dwellings* in desirable locations (including in their existing neighbourhoods) with good access to services, shops, infrastructure and links to family and existing social networks.
- *Financial disincentives* including costs of moving (agent's fees, stamp duty, removalists, storage), impact on eligibility for the Age Pension, housing affordability and unpredictable housing market fluctuations.
- *Psychological and practical barriers* such as emotional attachment to the existing home and neighbourhood and to local family and social networks, the psychological stress of adjusting to a new home and environment, the physical and emotional challenges of the actual move including sorting, packing and disposal of belongings, and the process of preparing the existing home for sale and managing the sale process.

The importance of moving sooner rather than later while still in good health was stressed by both forum participants and some interviewees as critical, as was the importance of retirement planning rather than reactive moving in response to a crisis.

### ***Outcomes and impacts of downsizing***

The vast majority of downsizers were either very satisfied or satisfied with their current home. The interviews revealed that satisfaction was linked to achieving aspirations around lower maintenance, appropriate dwelling size and proximity to shops, transport and amenities.

Of the small percentage of downsizers who were dissatisfied or very dissatisfied, the most common reasons were building defects and higher than expected maintenance requirements, building or village management issues, inadequate space, affordability problems, unexpected costs and neighbourhood social issues. It was evident from this and the interview responses that such concerns were often amongst those who had downsized into retirement villages and strata title

apartments. Dissatisfaction with on-site care and support, lack of consultation by building management and stressful experiences on resident's committees of strata title developments were all issues. However, retirement villages were also applauded by some downsizer interviewees for the safety and security they provided.

## POLICY IMPLICATIONS

The evidence shows that while the percentage of older people who downsize is modest, most who do so are happy with their choice. However, there remains scope to increase the extent of downsizing through four areas of policy:

*Policies around housing* might prioritise availability of age-friendly, affordable housing in neighbourhoods of familiarity and choice of older people. Suitable housing is built on a single level, with a small easy to manage garden, with good neighbours in an area where older people have a personal history and emotional attachment.

*Planning policies* might develop more age-friendly urban environments with adequate transport, care, shopping and other services and amenities, this might involve removing planning barriers to innovation.

*Economic policy* might remove taxation disincentives to build appropriate housing (e.g. higher density smaller dwellings) by abolishing stamp duty or replacing it with a land or

property tax. It might also implement an 'Older Home Owner's Scheme' to help reduce the costs of moving, and to ensure that age pension eligibility is not adversely affected by releasing equity through the sale of the home.

Governments might also improve the availability of information about moving and downsizing in later life including age-specific services to assist with financial advice, preparing the home for sale, de-cluttering, evaluating housing and location options, undertaking the moving process and encouraging forward planning to avoid the need for moving in reaction to a crisis.

## FURTHER INFORMATION

This bulletin is based on AHURI project 70687, *Downsizing amongst older Australians*.

Reports from this project can be found on the AHURI website: [www.ahuri.edu.au](http://www.ahuri.edu.au) or by contacting AHURI Limited on +61 3 9660 2300.

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