



Effective downsizing options for older Australians

PUBLICATION DATE

February 2020

DOI

10.18408/ahuri-8118801

AUTHORED BY

Amity James
Curtin University

Steven Rowley
Curtin University

Wendy Stone
Swinburne University of Technology

| | | | | | |
|-----------|---------------------------------------------------------------------------------------------------------------------|------------------------------------|-----|------|-----------|
| Title | Effective downsizing options for older Australians | | | | |
| Authors | Amity James | Curtin University | | | |
| | Steven Rowley | Curtin University | | | |
| | Wendy Stone | Swinburne University of Technology | | | |
| ISBN | 978-1-925334-89-0 | | | | |
| Key words | Housing aspirations and careers, tax and housing policy, downsizing, older Australians, homeownership | | | | |
| Series | AHURI Final Report | Number | 325 | ISSN | 1834-7223 |
| Publisher | Australian Housing and Urban Research Institute Limited Melbourne, Australia | | | | |
| DOI | 10.18408/ahuri-8118801 | | | | |
| Format | PDF, online only | | | | |
| URL | http://www.ahuri.edu.au/research/final-reports/325 | | | | |

Recommended citation

James, A., Rowley, S. and Stone, W. (2020) *Effective downsizing options for older Australians*, AHURI Final Report No. 325, Australian Housing and Urban Research Institute Limited, Melbourne, <http://www.ahuri.edu.au/research/final-reports/325>, doi:10.18408/ahuri-8118801.

AHURI

AHURI is a national independent research network with an expert not-for-profit research management company, AHURI Limited, at its centre.

AHURI's mission is to deliver high quality research that influences policy development and practice change to improve the housing and urban environments of all Australians.

Using high quality, independent evidence and through active, managed engagement, AHURI works to inform the policies and practices of governments and the housing and urban development industries, and stimulate debate in the broader Australian community.

AHURI undertakes evidence-based policy development on a range of priority policy topics that are of interest to our audience groups, including housing and labour markets, urban growth and renewal, planning and infrastructure development, housing supply and affordability, homelessness, economic productivity, and social cohesion and wellbeing.

Acknowledgements

This material was produced with funding from the Australian Government and state and territory governments. AHURI Limited gratefully acknowledges the financial and other support it has received from these governments, without which this work would not have been possible.

AHURI Limited also gratefully acknowledges the contributions, both financial and in-kind, of its university research partners who have helped make the completion of this material possible.

Disclaimer

The opinions in this report reflect the views of the authors and do not necessarily reflect those of AHURI Limited, its Board, its funding organisations or Inquiry panel members. No responsibility is accepted by AHURI Limited, its Board or funders for the accuracy or omission of any statement, opinion, advice or information in this publication.

AHURI journal

AHURI Final Report journal series is a refereed series presenting the results of original research to a diverse readership of policy-makers, researchers and practitioners.

Peer review statement

An objective assessment of reports published in the AHURI journal series by carefully selected experts in the field ensures that material published is of the highest quality. The AHURI journal series employs a double-blind peer review of the full report, where anonymity is strictly observed between authors and referees.

Copyright

© Australian Housing and Urban Research Institute Limited 2020

This work is licensed under a Creative Commons Attribution-NonCommercial 4.0 International License, see <http://creativecommons.org/licenses/by-nc/4.0/>.



Contents

| | |
|-------------------------------------------------------------------------------------------------------------------------|-------------|
| List of tables | vi |
| List of figures | viii |
| Acronyms and abbreviations used in this report | ix |
| Glossary | ix |
| Executive summary | 1 |
| Key points | 1 |
| Key findings | 2 |
| Policy development options | 3 |
| The study | 5 |
| 1 Introduction | 7 |
| 1.1 Downsizing in later life | 8 |
| 1.2 Research project | 9 |
| 1.3 Typology of housing options for older people | 9 |
| 1.4 The housing aspirations of older Australians | 11 |
| 1.5 Research approach | 13 |
| 1.5.1 Australian Housing Aspirations survey | 14 |
| 1.5.2 Interviews with later-life Australians | 14 |
| 1.5.3 Local area analysis | 15 |
| 1.5.4 Existing policy and planning mechanisms delivering positive downsizing outcomes | 15 |
| 2 Government mechanisms delivering positive downsizing outcomes | 17 |
| 2.1 Existing federal government policy mechanisms encouraging downsizing | 17 |
| 2.1.1 Affordability and underutilisation of housing stock | 18 |
| 2.1.2 Housing and downsizing transitions | 19 |
| 2.1.3 Care, care packages and ageing in place | 19 |
| 2.1.4 Australian Building Codes | 20 |
| 2.1.5 Interactions between tiers of government | 21 |
| 2.1.6 Interactions with community housing providers | 23 |
| 2.2 Policy mechanisms delivering positive downsizing outcomes in South Australia, Western Australia and New South Wales | 23 |
| 2.2.1 South Australia | 23 |
| 2.2.2 Western Australia | 25 |
| 2.2.3 New South Wales | 28 |
| 2.3 Industry, government and advocate perspectives on downsizing | 29 |

| | | |
|----------|-------------------------------------------------------------|-----------|
| 2.3.1 | From 'downsizing' to 'rightsizing' | 30 |
| 2.3.2 | Communicating housing options | 30 |
| 2.4 | Summary | 32 |
| 3 | Downsizing preferences and experiences in later life | 33 |
| 3.1 | What does 'downsizing' mean to older Australians? | 33 |
| 3.2 | Downsizing preferences for later life | 35 |
| 3.3 | Experiences of downsizing | 38 |
| 3.3.1 | Changes to housing attributes during downsizing | 38 |
| 3.3.2 | Reasons for downsizing | 41 |
| 3.3.3 | Concerns prior to moving and overcoming barriers | 44 |
| 3.3.4 | Benefits of downsizing for households and individuals | 46 |
| 3.3.5 | Overall experience | 48 |
| 3.4 | Summary | 49 |
| 4 | Downsizing options available for older Australians | 50 |
| 4.1 | Changing demographics of ageing | 50 |
| 4.2 | Potential for downsizing | 57 |
| 4.3 | Dwelling suitability | 58 |
| 4.3.1 | Dwelling suitability: ABS Census data | 58 |
| 4.3.2 | Dwelling suitability: AHA survey data | 61 |
| 4.3.3 | Utilisation of space in later life | 62 |
| 4.4 | Housing availability | 63 |
| 4.5 | Summary | 65 |
| 5 | Downsizing barriers, benefits and catalysts | 67 |
| 5.1 | Barriers to downsizing | 67 |
| 5.1.1 | Financial barriers | 68 |
| 5.1.2 | Limited range of suitable housing options | 68 |
| 5.2 | Benefits of downsizing | 69 |
| 5.3 | Catalysts for downsizing | 70 |
| 5.3.1 | Assisted downsizing | 71 |
| 5.3.2 | Housing options that meet changing aspirations | 72 |
| 5.3.3 | Matching households with dwellings | 73 |
| 5.4 | 'I would prefer to stay put' | 74 |
| 5.4.1 | Unintentional downsizers | 75 |
| 5.4.2 | Emotional connection to home and belongings | 76 |
| 5.4.3 | Would only move if forced to do so | 76 |

| | | |
|----------|------------------------------------------------------------|------------|
| 5.5 | Summary | 77 |
| 6 | Conclusions and policy development options | 78 |
| 6.1 | 'Downsizing' in the context of older Australians | 78 |
| 6.2 | An appetite for downsizing among older Australians | 79 |
| 6.3 | Older Australians' experiences of downsizing | 79 |
| 6.4 | Facilitating downsizing among older Australians | 80 |
| 6.5 | Housing options available for downsizing older Australians | 81 |
| 6.6 | Policy options for delivering positive downsizing outcomes | 81 |
| 6.6.1 | Housing diversity and affordability | 82 |
| 6.6.2 | Central housing information service | 82 |
| 6.6.3 | Financial and wealth considerations | 83 |
| 6.6.4 | Secure occupancy and matching dwellings | 83 |
| 6.7 | Conclusion | 84 |
| | References | 86 |
| | Appendix 1: Housing aspirations by age group | 92 |
| | Appendix 2: Interviewee demographics | 93 |
| | Appendix 3: Case-study LGAs | 95 |
| | Appendix 4: Concession and exemption schemes | 97 |
| | Appendix 5: Dwelling type change of downsizers | 98 |
| | Appendix 6: Location change of downsizers | 99 |
| | Appendix 7: Reasons for downsizing | 100 |
| | Appendix 8: Benefits of downsizing | 102 |
| | Appendix 9: Barriers to downsizing | 103 |

List of tables

| | |
|----------------------------------------------------------------------------------|----|
| Table 1: Housing aspirations ‘gaps’ | 12 |
| Table 2: Stakeholder interviews by location | 16 |
| Table 3: Characteristics of households, by downsizing status | 37 |
| Table 4: Current housing outcomes of households that have and have not downsized | 39 |
| Table 5: Change to tenure during downsizing | 40 |
| Table 6: Changes to dwelling size and garden during downsizing | 40 |
| Table 7: Primary reason for downsizing, by age | 41 |
| Table 8: Population growth of older Australians: 2006–16 | 51 |
| Table 9: Population growth of older Australians, by state/territory: 2006–16 | 52 |
| Table 10: LGAs with highest numbers and proportions of older Australians | 53 |
| Table 11: LGAs with lowest proportions of older Australians | 56 |
| Table 12: Case-study locations | 59 |
| Table 13: Case-study LGAs: number of bedrooms | 60 |
| Table 14: Case-study LGAs: dwelling suitability | 61 |
| Table 15: Dwelling suitability by downsizing status | 62 |
| Table 16: Proportion of later-life households with spare bedrooms | 62 |
| Table 17: Suitability of current number of bedrooms for later life | 63 |
| Table 18: Utilisation of spare bedrooms | 63 |
| Table 19: Dwelling options available for purchase, per 1,000 residents | 65 |
| Table 20: Barriers to downsizing, for those who had considered moving | 68 |
| Table 21: Perceived benefits of downsizing | 69 |
| Table 22: Catalysts to move, for households who have thought about downsizing | 71 |
| Table 23: Reasons for not considering downsizing | 75 |
| Table A1: Housing aspirations of older Australians, by age group | 92 |
| Table A2: Later-life Australian interviewee demographics | 93 |
| Table A3: Descriptions of case-study LGAs | 95 |
| Table A4: State and territory concession and exemption schemes for older people | 97 |
| Table A5: Dwelling type change of respondents who had downsized | 98 |
| Table A6: Location change of respondents who had downsized | 99 |

| | |
|------------------------------------------------------------------------------------------------------------------|-----|
| Table A7: Primary reason for downsizing for respondents who had moved, by tenure, income and household structure | 100 |
| Table A8: Benefits of downsizing for respondents who had moved, by age and tenure | 102 |
| Table A9: Barriers to downsizing, for respondents who had thought about moving | 103 |

List of figures

| | |
|---------------------------------------------------------------------|----|
| Figure 1: A classification of housing options for older Australians | 10 |
| Figure 2: Number of bedrooms, by age group | 58 |
| Figure 3: Dwelling suitability, by state and age group | 59 |

Acronyms and abbreviations used in this report

| | |
|-------|---------------------------------------------------------|
| AHURI | Australian Housing and Urban Research Institute Limited |
| ABS | Australia Bureau of Statistics |
| ACT | Australian Capital Territory |
| AHA | Australian Housing Aspirations survey |
| AHURI | Australian Housing and Urban Research Institute Limited |
| CBD | Central business district |
| CHP | Community housing provider |
| IRSD | Index of Relative Socio-economic Disadvantage |
| LGA | Local government area |
| NSW | New South Wales |
| SA | South Australia |
| SEIFA | Socio-Economic Indexes for Areas |
| UK | United Kingdom |
| WA | Western Australia |
| WHO | World Health Organisation |

Glossary

A list of definitions for terms commonly used by AHURI is available on the AHURI website www.ahuri.edu.au/research/glossary.

Executive summary

Key points

This research shows that downsizing, or ‘rightsizing’ as it is often termed, is an integral part of the current and future housing preferences of older Australians. Findings are based on analysis of the Australian Housing Aspirations (AHA) survey and interviews with older Australians and key stakeholders.

- Of the 2,422 older (aged 55+) respondents to the AHA survey, 26 per cent had downsized, and a further 29 per cent had considered downsizing.
- Older Australians perceive downsizing as more than just a reduction in dwelling size. Rather, it refers to internal and external spaces becoming more manageable, and a reduction in belongings. It also includes a financial benefit to the household.
- Downsizers are mobile, with only 22 per cent staying in their original neighbourhood.
- One of the policy rationales for downsizing is to reduce the underutilisation of dwellings. However, this is at odds with the attitude of many older Australians who consider spare bedrooms necessary, using them as permanent guest rooms (58%), studies (50%), or dedicated rooms for children or grandchildren (31%). However, two-thirds of downsizers surveyed did move to a dwelling with fewer bedrooms, with three being the preferred size for older Australians (James, Rowley et al 2019).
- Older Australians who had downsized did so to achieve a particular lifestyle (27%); for financial outcomes (27%); because their garden or property required too much maintenance (18%); or because they were forced to do so (15%). Perceived benefits of downsizing for those who had not yet downsized included a reduction in property maintenance and household running costs.
- Among survey respondents who had considered downsizing, a change in health circumstances, either for themselves or their partner, was considered most likely to prompt a move—and the importance of this as a catalyst increased with age.
- Across the local government areas (LGAs) studied, there was a large variation in the availability of established dwellings that suit the size and tenure aspirations of older Australians.
- Forty per cent of potential downsizers said they would be likely to move if there were suitable housing in their preferred locations. Thus, policy that seeks to enable effective downsizing for older Australians should focus on delivering diverse and affordable housing options, in both metropolitan and regional locations and across tenures.

- Policy settings should also ensure: new dwellings adopt design principles that will enable households to age in place for longer; and better availability of information around downsizing options.
 - As more and more households rent into retirement, there will be an increasing need for secure, stable, affordable and appropriate housing options in the social and private rental sectors.
-

Key findings

Downsizing—commonly defined as the act of older people moving to a dwelling with fewer bedrooms, a smaller land area and a lower value (Judd, Liu et al. 2014), is viewed by Government as a way to address affordability and use the housing stock more efficiently (Australian Government 2017). Underpinning this view are two assumptions: that where the number of bedrooms exceeds the number of permanent residents, dwellings are not being fully utilised (ABS 2016a); and that there are appropriate and available dwellings into which older households can move (Hammond, White et al. 2018). This research examined the extent to which downsizing forms part of older Australians' housing preferences; the actual and perceived benefits of moving; as well as the availability of housing options into which this cohort can downsize. It proposes a number of policy strategies for delivering a range of housing alternatives for this cohort to meet their downsizing housing aspirations.

Downsizing aspirations

Older Australians viewed downsizing as more than just a move to a cheaper dwelling with fewer bedrooms and smaller land area. Rather, it was a way to achieve manageable internal and external spaces in dwellings; associated with a reduction in belongings; and, when undertaken by choice, usually accompanied by a financial benefit to the household.

Downsizing is clearly part of the current and future housing preferences of older Australians. Among the older (55+) respondents to the AHA survey, 55 per cent indicated that they had either downsized (26%) or were considering doing so (29%). Renters (public and private) were more likely to have already downsized than home owners. Households most likely to have thought about downsizing were aged 55–74, owned their home, were on a moderate to very high income, and were in a couple household.

Downsizing in practice

When households downsize, housing attributes do not substantially change. Home owners generally remained home owners, and renters remained in the rental sector. While tenure rarely changed with a downsizing move, half the survey respondents changed their dwelling type, and two-thirds moved to a dwelling with fewer bedrooms. Home owners and social housing tenants were more likely to move to neighbourhoods which were new to them, while private renters generally stayed in familiar locations.

Households downsized for a range of reasons, which differed by tenure. Renters in social housing and households with children were more likely to move for financial reasons, while home owners and purchasers were mainly motivated by lifestyle. A majority of downsizers were pleased with the outcomes of their decision. Benefits cited included: reducing belongings, a greater feeling of security, and financial stability. The stress of moving and finding the right time to move shaped the experience for some, while the lack of choice for those forced to downsize resulted in a less positive experience.

Older Australians who had considered downsizing identified the same advantages as those who had actually downsized. Home owners recognised the benefits of reduced time and cost of maintaining their property, and the ability to release equity or pay off the mortgage. Similarly, private renters identified the benefits of reduced housing costs and greater independence. Social housing tenants saw downsizing as an opportunity to increase their sense of safety and security, and improve their access to local support services. Among those respondents who had considered downsizing, very few (6%) considered there to be no benefit in downsizing, suggesting that there is value in assisting and enabling those who want to downsize to do so.

Facilitating downsizing

Barriers reported by those who had considered downsizing included being content in the current home (33%) and the timing not being right (23%). Financial aspects were a second-order barrier, as was a lack of suitable housing in preferred locations, probably because they hadn't yet started looking to move. Outright owners and those in the private rental sector were more likely to report that they were happy where they lived, while owners with a mortgage were more concerned by financial factors, and private rental tenants found that dwelling options were a greater barrier compared to those in other tenures.

Those respondents who had *not* considered downsizing were generally content with their current home (75%); many felt they needed their current space (28%); and some did not consider moving to be financially worthwhile (15%). Others reported barriers such as a lack of financial capacity (13%) or housing options in their preferred location (7%). Interviewees who had not considered moving expressed the importance of their emotional connection to their current home and belongings. There was a view among some of those who did not intend to downsize that their next move would be prompted by a crisis, rather than by choice.

Housing options for downsizers

Housing options and choices available and suitable for older Australians vary across jurisdictions at the state and local government level. Dwelling choice is dependent upon household resources, and those with limited resources had very few options in many of the nine case-study LGAs considered in this report, though more options were available in the regional, rather than metropolitan, areas. Older suburbs tend to have more three-bedroom dwellings, which meet the size preferences of many downsizers, but many such dwellings are older and have potential maintenance issues, and are on larger lots with gardens to maintain.

The assumption that spare bedrooms represent underutilised space is not a view shared by older Australians. Around two-thirds of respondents who had downsized still had spare bedrooms, and three-quarters of respondents were happy with the number of bedrooms they have. The utilisation of spare rooms—as guest rooms, offices, dedicated bedrooms for grandchildren, or for storage—reflect the broader housing needs of the cohort.

Survey and interview findings indicate a demand for a supply of smaller houses, detached or attached, in areas with high-quality amenities, for both purchase and rental. The absence of this supply presents a significant barrier to downsizing, and the lack of suitable and affordable housing for older Australians will be a major concern as the nation's population ages.

Policy development options

The current policy environment, at the state and local government level, broadly supports the direction of downsizing by recognising the need for appropriate, affordable housing that responds to the diverse needs of the ageing community. While downsizing is not always a stated objective, housing policies and strategies are often geared towards expanding dwelling diversity coupled with design principles that suit people of all ages, supporting the creation of places that enable ageing in place. From a policy perspective, mechanisms to encourage

downsizing could be congruent with those that encourage ageing in place. That is, by creating communities with a variety of dwelling options, households can move as housing needs change and yet stay within their own community—thus, ageing in place in the community.

Some barriers to downsizing can only be influenced by policy in secondary ways. These obstacles include such intangible factors as connection to place, community, housing or belongings. However, there is scope for support services to help clients overcome the practical obstacles associated with moving by providing assistance to reduce belongings, change utilities or cover moving costs. Such incentives would benefit home owners and renters equally.

Housing diversity and affordability

Given the cost of caring for older Australians in residential aged care and their preference to age in place, one of the key areas for reform is the provision of affordable and appropriate housing options. While policy settings in many jurisdictions support the development of a diverse range of housing products that would suit older Australians, reforms are needed to accelerate development of new supply or refurbishment of existing dwellings. These housing solutions need to offer a diverse range of dwelling options, as well as accessibility, to support ageing in place. Encouragingly, the Australian Building Codes Board is currently undertaking to set out minimum requirements for new buildings nationally, including for the amenity, accessibility, livability and sustainability of the design (Australian Building Codes Board 2018).

However, there need to be reasons for developers to deliver a medium-density housing product suitable for older Australians, rather than higher-density apartment developments, which, while suiting some older households, are not ideal for many. Medium-density development is problematic and not necessarily as profitable as higher-density development in many areas, so the planning system has an important role to play. Ensuring a supply of appropriate, affordable housing for lower-income older Australians is essential but, as with all affordable housing, requires a subsidy. Direct provision of affordable housing by state government is the best, if most expensive, solution. Alternatives include mandatory inclusionary planning requirements; incentives for developers through the planning system; and a scheme, similar to the National Rental Affordability Scheme (NRAS), that uses tax credits. The community housing sector has a key role to play in what will become an increasingly important space, with evermore households entering retirement with mortgage debt and rents to cover.

A central housing information service

Recent related research found that older Australians do not generally aspire to downsize (James, Rowley et al. 2019). Stakeholders interviewed for this study noted that this was partly due to a lack of education or understanding of how an appropriate dwelling can enable a household to age in place. To address this knowledge deficit, assistance could be provided in the form of a central housing information service, similar to the one proposed by James, Rowley et al. (2019). This service would provide information and education to assist households to make planned and informed decisions, explaining the various housing options and the role that housing plays in assisting people to age in place in their community.

Financial and wealth considerations

For many older households, the family home is their primary store of wealth. Releasing this equity can have implications for some home owners, including the loss of the Age Pension and associated benefits. The financial barriers to downsizing associated with the treatment of the family home in the asset means test, along with upfront costs such as stamp duty, agent fees, etc., need to be assessed so that downsizing is a financially worthwhile undertaking.

Older households are unlikely to be eligible for a traditional mortgage, and this creates another blockage to moving from one owner-occupied dwelling to another in later life. Smaller, shorter mortgage products may help those older Australians who need to fund a small financial gap

when downsizing and have the income to support repayment. However, many households are equity rich and may wish to build a new dwelling in which to downsize—they are often unable to borrow to construct a dwelling unless they have considerable capital available. To enable private sector development of housing appropriate for downsizing, there needs to be a way to forward finance a development without purchasers having to sell the primary home first and incur additional costs while building. Such a shift would require banks to restructure their loan assessment processes to allow lending based on a store of capital rather than a regular income.

Secure occupancy and matching dwellings

The proportion of older people who own their home outright is falling and the range of tenures among this cohort is becoming more diverse. We need to consider how later-life Australians in the private rental sector and the social housing sector can downsize and grow older in a community of their choice. Older people renting in the private and social housing sectors are among the most vulnerable members of society. Tenants in social housing are faced by insecurity of tenure, and downsizing is often forced upon them, rather than a choice. Previous research has proposed incentives for landlords who offer longer leases for quality dwellings to older tenants (Hodgson, James et al. 2018) and this concept could be extended to include specific locations that deliver the amenities required by older Australians. Investors could receive a stamp-duty concession for property purchases in these locations, and dwellings could then be rented out at a subsidised rent to ensure that they are affordable to lower-income older households. Additionally, incentives could be offered to landlords prepared to modify dwellings to allow downsizing older rental households to age in place. Similarly, grants could be made available to assist landlords with the cost of retrofitting dwellings to make them suitable for ageing tenants.

The study

This research project explored the importance and benefits of, and options for, downsizing as part of older Australians' housing careers, with a view to developing policies that could be used to deliver the range of outcomes necessary to meet this cohort's housing aspirations. Moreover, it considered how housing attributes change as home owners and renters move during retirement; factors that motivate different cohorts to move; and experiences of residential mobility in later life. The project also examined the barriers to residential mobility among older Australians in different tenures, and the factors that drive a move. It reviewed how existing policy and planning mechanisms encourage downsizing. Guided by the following research questions, this project contributes to the development of policy options that could facilitate effective downsizing among older Australians.

Research questions

- 1** To what extent does downsizing form part of the future housing preferences and aspirations of older Australians, and what catalysts are required to motivate those people interested in downsizing to undertake the move?
- 2** What have been the experiences of older home owners and renters who have downsized?
- 3** What housing options are currently available for older Australians looking to downsize, and what housing innovations could meet the aspirations 'gap'?
- 4** What policy development options exist and could be developed to deliver positive downsizing outcomes?

The research project used a mixed methods approach. First, downsizing aspirations and experiences were explored through a national survey and interviews with later-life Australians. An analysis of existing housing options for older Australians was then undertaken, through a

local area analysis, to understand what options were available and whether these met downsizing expectations. Finally, an analysis of contemporary policy development options, accompanied by interviews with a range of stakeholders, was used to understand the current policy context in three states.

Australian Housing Aspirations survey

The AHA survey, conducted in 2018 as part of related research (James, Rowley et al. 2019), collected responses from 7,343 Australians, including 2,422 later-life Australians (i.e. those aged 55 years and over). The survey captured details on current housing and household circumstances as well as housing aspirations, and included a module, specifically for this report, to investigate downsizing preferences and experiences.

Interviews with later-life Australians

To further understand the future housing preferences of older Australians, 30 telephone interviews were conducted with later-life Australians in regional and metropolitan Victoria, New South Wales (NSW) and Western Australia (WA). The interviews covered the catalysts required to motivate those people interested in downsizing to undertake the move, and the experiences of older home owners and renters who had downsized.

Local area analysis

Local area analysis was used to examine the options available to older Australians looking to meet their housing aspirations by downsizing. Using the housing aspirations identified by James, Rowley and colleagues (2019), we assessed the housing options, including retirement living options, available to meet typical dwelling requirements in nine case-study locations. This aspect of the research examined the extent to which the current housing market can meet the needs of older Australians looking to downsize.

Existing policy and planning mechanisms delivering positive downsizing outcomes

Policy and planning mechanisms delivering positive downsizing outcomes were explored through 21 telephone interviews with stakeholders in metropolitan and non-metropolitan WA, NSW and South Australia (SA). Participants in the semi-structured interviews included representatives from federal and state government agencies involved in housing and ageing, local government, and aged housing providers such as retirement villages, housing cooperatives and community housing providers (CHPs).

1 Introduction

This research project explored the importance and benefits of, and options for, downsizing as part of older Australians housing careers, with a view to developing policies that could be used to deliver the range of outcomes necessary to meet this cohort's housing aspirations.

- Federal government funding has, in recent years, been directed towards reducing the barriers to downsizing and ensuring the efficient utilisation of existing housing stock.
 - There is a growing range of housing options for older Australians to consider when downsizing from the family home, including private market options, age-specific housing (such as village or community living) and residential aged care.
 - Older Australians perceive 'downsizing' as more than just a move to a dwelling with fewer bedrooms, smaller land area and lower value. Rather, it refers to a residential move that meets their changing housing needs and is appropriate for the later stages of life.
 - While downsizing is usually considered from the perspective of home owners, the consumption of housing amongst older Australians is changing, with a growing proportion of older tenants living in private rental and social housing. All tenures are considered in this research.
 - The research project used a mixed methods approach. First, downsizing aspirations and experiences were explored through a national survey and interviews with older Australians. Second, an analysis of housing options for later life was undertaken in three states, through a local area analysis, to understand what options were available and whether these met downsizing expectations. Finally, an analysis of contemporary policy development options, accompanied by interviews with a range of stakeholders, was used to understand the current policy context in three states.
-

Australia's older population, defined in this research as people 55 years and over, is diverse in terms of their experiences, expectations and aspirations (Beer and Faulkner 2011, James, Rowley et al. 2019). There is a well-established body of research that describes the desire of this cohort to 'age in place': to grow old in their own home or within a familiar neighbourhood (Olsberg and Winters 2005, Boldy, Grenade et al. 2010, Davies and James 2011, Wiles, Leibing et al. 2011, Hillcoat-Nalletamby and Ogg 2013). While the Australian Government is invested in assisting older Australians to age in place, a parallel approach is being pursued. Federal government funding has been directed towards piloting and implementing incentives to reduce the barriers to downsizing. Framed as a means of addressing housing affordability, downsizing is described as a way to more efficiently utilise existing housing stock (Australian Government 2017). As in the United Kingdom (UK), this approach is accompanied by an inherent assumption that there are suitable and available dwellings into which older Australians can move (Hammond, White et al. 2018).

This research explored the importance and benefits of, and options for, downsizing as part of older Australians' housing careers, with a view to developing policies that could be used to deliver the range of alternatives necessary to meet this cohort's housing aspirations. We provide new evidence on downsizing, through a mixed methods approach that combines qualitative work utilising key industry stakeholders with a survey of more than 2,400 older Australians. The report discusses attitudes and barriers to downsizing, and examines the experiences of people who have made the move. Finally, we present potential policy options to deal with the pressing issue of effectively housing an ageing population.

1.1 Downsizing in later life

Downsizing has been defined in previous AHURI research as the act of those aged 50 years and over moving to a dwelling with fewer bedrooms, a smaller land area (garden) and a lower value (Judd, Liu et al. 2014). As the Productivity Commission (2015: 15) explains, there is a perception among policy-makers at all levels that downsizing is motivated by the need to move out of a dwelling which is not being fully utilised (i.e. with more bedrooms than permanent residents). However, there is evidence to indicate that when older people do move, they don't necessarily move to a smaller dwelling or into age-specific housing (Judd, Liu et al. 2014, Hammond, White et al. 2018).

In this research, downsizing refers to older Australians moving to a dwelling that can meet their changing housing needs in later life. Downsizing is thus not about moving to a dwelling with a reduced number of bedrooms, land area or dwelling value; rather, it is about moving to a dwelling that is appropriate for a household at this later stage of life. This broader definition reflects a shift in thinking both internationally and domestically (Grant Thornton 2014, Beach 2016, Rees and McCallum 2017, Hammond, White et al. 2018).

Earlier research has indicated some appetite for downsizing among older Australians (Productivity Commission 2015; Duncan, James et al. 2016; Rees and McCallum 2017). Less well known is the extent to which downsizing forms part of the future housing preferences and aspirations of older Australians. Older Australians cite various reasons for changing their dwelling in retirement: (in)ability to maintain their houses/gardens; lifestyle factors; and, to a lesser degree, financial motivations, such as releasing equity (Davies and James 2011, Judd, Liu et al. 2014, Beach 2016, Duncan, James et al. 2016). In moving, older people are seeking to respond to their changing housing needs.

Many older households demonstrate a strong desire to remain in their current neighbourhood (Judd, Liu et al. 2014, Annard, Lacey et al. 2015, Dockery, Duncan et al. 2015, Duncan, James et al. 2016, Altmann 2017, Daley and Coates 2017). This is due, in part, to the attachment people have to their community, rather than just to their physical home (Wiles, Leibing et al. 2011). Challenges faced by older people who show an interest in downsizing include the reported lack of suitable and affordable housing stock available (Judd, Liu et al. 2014, Annard, Lacey et al. 2015, Duncan, James et al. 2016); as well as financial barriers such as the costs of moving, including stamp duty, and real estate agent and conveyancing fees (Duncan, James et al. 2016). Since new dwellings account for only a small fraction of housing supply each year, downsizers will likely move into existing housing stock. Utilising and adapting existing housing to meet the needs of the ageing population is central to ensuring this cohort's ability to age well. This means adapting both the physical characteristics of stock and, to a certain extent, tenure. While downsizing is usually considered from the perspective of home owners, the consumption of housing among older Australians is changing, with a growing proportion of older tenants living in the private rental and social housing sectors (Faulkner 2016, Hodgson, James et al. 2018, James, Rowley et al. 2019).

1.2 Research project

The purpose of this project was to further understand downsizing aspirations and preferences among older Australians, defined as being 55 years and older, and assess the availability of suitable housing options for this group using nine case-study LGAs. Moreover, it considered how housing attributes change as home owners and renters downsize during retirement, factors that motivate different cohorts to move, and experiences of downsizing in later life. The project examined the barriers that older Australians in different tenures face when considering downsizing, and the factors that provide a catalyst to moving. Finally, it reviewed how existing policy and planning mechanisms support downsizing.

Guided by the following research questions, this project contributes to the development of policy options that could facilitate effective downsizing among older Australians.

- 1 To what extent does downsizing form part of the future housing preferences and aspirations of older Australians, and what catalysts are required to motivate those people interested in downsizing to undertake the move?
- 2 What have been the experiences of older home owners and renters who have downsized?
- 3 What housing options are currently available for older Australians looking to downsize, and what housing innovations could meet the aspirations 'gap'?
- 4 What policy development options exist and could be developed to deliver positive downsizing outcomes?

1.3 Typology of housing options for older people

There is a growing range of housing options for older Australians to consider when downsizing from the family home, including private market options, age-specific housing such as village or community living, and residential aged care (Productivity Commission 2015). Annard, Lacey et al. (2015) explain that many people still have a restricted view of what constitutes suitable housing for older people, believing that households should downsize into a retirement village or nursing home. The current cohort of Australians aged 55 years and over, however, have a broad range of aspirations for their housing in retirement (Beer and Faulkner 2011, James, Rowley et al. 2019).

Research has found that some older households seek or build dwellings with three or more bedrooms to cater for family or visitors, or repurpose spare bedrooms into sewing or computer rooms to suit their retired lifestyle (James 2009, Judd, Liu et al. 2014). A recent AHURI study found that few older people aspire to reside in age-specific dwellings (James, Rowley et al. 2019). Some members of the community articulate a desire to age in place, outside age-specific housing, to avoid being segregated from the community (James, Rowley et al. 2019). A variety of age-specific housing options are available and older Australians often move along the spectrum, for example, from 'independent living at home, to accessing low level support services in a retirement village, to ongoing nursing care in a residential aged care facility' (Productivity Commission 2015: 91).

The housing options available to older Australians have been conceptualised in Figure 1. It presents the housing sectors in which households reside (private, community and public) and the different household tenures (from home ownership to leasehold or renting in the social and private rental sectors). The conceptual model distinguishes between housing types available to all Australians regardless of age and those which are age-specific, showing the numerous housing options for older Australians. The framework builds on previous research (McNelis 2007, Davy, Bridge et al. 2010, Jones, Howe et al. 2010, Bridge, Davy et al. 2011). Age-specific housing options in Australia have been conceptualised as 'dwelling types which have been

specifically constructed for, modified for or allocated to older people' (Davy, Bridge et al. 2010: 8). Such dwelling types include retirement or lifestyle villages (referred to as 'village living' in Figure 1), community housing, mobile home communities, and age-specific boarding houses.

Figure 1: A classification of housing options for older Australians

| Sector | Private housing | | Community housing | Public housing | Residential aged care |
|-------------------------------------|------------------------------------------|-----------------------------------------------------|-------------------------------------------------------------------------------------------|--------------------------------|-----------------------------------------------------------|
| Tenure | <i>Owner, shared ownership, mortgage</i> | <i>Renting/leasehold</i> | <i>Renting</i> | <i>Renting</i> | <i>Upfront payment and/or daily accommodation payment</i> |
| Housing available to all age groups | Age in place | Age in place | Age in place | Age in place | |
| | Buy existing or build new | Rent existing or new dwellings (e.g. build to rent) | Subsidised rentals | Rent existing or new dwellings | |
| | Strata schemes | Strata schemes | Co-op housing | | |
| | | Shared/co-housing | Shared/co-housing | | |
| | | Residential parks | | | |
| | | Boarding houses | Boarding houses | | |
| Age-specific housing | Strata schemes for over 55s | Strata schemes for over 55s | Co-op housing | Existing or new dwellings | Hostels |
| | Village living | Village living | Subsidised rentals for 55s and over Village living (includes Independent Living Units) | Village living | Nursing homes |
| | Shared/co-housing | Co-op housing | Shared/co-housing | | |

Source: Authors.

Discussions about downsizing often assume that older people considering a move are in a position of home ownership (Productivity Commission 2015). Given the changing tenure structure among older Australians, it is necessary to consider the downsizing options available to those in a range of tenures. In addition to ownership or shared ownership of their home, older Australians may be renting in the private sector or through a state or community housing organisation (Consumer Protection 2010). In each case, they are protected by a tenancy agreement for a given term. Older Australians living in a retirement village may have purchased their property or may hold a license or lease which allows them to occupy the dwelling. In residential parks, also called lifestyle villages, dwellings (usually relocatable homes) can be owned or, in some cases, rented; however, the resident will always lease the land on which the dwelling is located (Consumer Protection 2010). Retirement villages, and the rights and responsibilities of operators and residents, are protected under state-specific legislation. Residential aged care facilities or aged care homes, however, are services funded or co-funded by the Australian Government, depending on eligibility (Australian Government n.d). The type of care required is determined by an Aged Care Assessment Team and residents typically make an upfront payment on entry and/or a daily accommodation payment (Consumer Protection 2010, Grant Thornton 2014).

It is within this framework of housing options that the current cohort of older Australians may move during retirement.

1.4 The housing aspirations of older Australians

The AHA survey is a large-scale national survey that identified the housing aspirations (representing both the preferences and expectations) of older Australians, in terms of location, dwelling type, number of bedrooms and tenure (James, Rowley et al. 2019). The associated study compared respondents' aspirations to their current housing circumstances in order to understand the housing aspiration 'gap' experienced by this cohort (see Table 1). The findings showed that 93 per cent of older Australians were currently in housing that met their short-term housing aspirations. When asked about longer-term aspirations, 69 per cent (72%/78%) of 55–64 years (65–74/75+) age groups reported their housing did meet such aspirations. The lowest levels of satisfaction with current dwellings were associated with: location, having a low or high number of bedrooms, and living in any tenure other than home ownership, particularly an apartment (James, Rowley et al. 2019). This means around 2 million older Australians may be looking for alternative housing options to meet their longer-term housing aspirations. Identifying housing aspirations is therefore key to understanding, and ensuring availability of, the preferred dwellings into which this cohort may downsize.

So, what do older Australians want from their housing? Table 1 presents the accommodation aspirations of older AHA survey respondents, considering current and desired location, dwelling type, number of bedrooms and tenure (see Appendix 1: Table A1: Housing aspirations of older Australians, by age group for aspirations by age cohort). The data shows the wide range of locations older Australians prefer. While the middle/outer suburbs of a capital city was the most popular location, this likely reflects the proportion of older Australians already living in those areas. Such locations therefore play an important role in delivering housing options, but tend to be characterised by a lack of housing diversity, thus limiting the options for people looking to reduce the size of their dwelling or release equity. Surprisingly, small regional towns were the second-most popular location. Only 13 per cent of respondents currently lived in a small regional town, yet around 20 per cent regarded it to be their ideal location (Table A1). Almost a quarter of respondents presently living in a larger regional town wanted to switch to a smaller regional town. Notably, over 80 per cent of small regional town residents were happy living there—by far the highest level of satisfaction of any location. Occupants of capital city central business district (CBD) dwellings were the least satisfied, at 41 per cent, with a fifth wanting to move to the inner suburbs. Given the spread of locational aspirations, it is vital to deliver housing options for older Australians across these different zones—this means increasing diversity in terms of type and price of dwellings in middle/outer suburbs and regional towns.

The separate dwelling was the preferred dwelling type across all age cohorts, with attached dwellings and apartments becoming marginally more popular in the 75+ group (Table A1). Between 12 and 15 per cent of respondents wanted to live in an apartment, ideally within a low-rise development, although only 38 per cent of current apartment dwellers were happy living there (Table A1), with half wanting to move to a house (either separate or attached).

Aspirational diversity is again reflected in the number of bedrooms desired (see Table A1). Half of respondents wanted a three-bedroom dwelling. Two bedrooms were more popular than four, particularly with those in the 75+ group. One-bedroom dwellings were favoured by only 2 per cent of participants, while even fewer wanted five or more bedrooms. Almost three quarters of those in a one bedroom dwelling wanted at least one extra bedroom, while around half of those with four or more bedrooms wanted one less bedroom. Generally, older Australians didn't seem that satisfied with the number of bedrooms in their current dwelling, with the highest level of satisfaction being 66 per cent for those with three bedrooms, compared with just 26 per cent for those with one bedroom. There was little appetite for alternative dwelling types (i.e. any housing that does not fit with the standard definition of a separate or attached house, apartment or ancillary dwelling, such as a caravan).

In terms of tenure, older Australians' aspirations were quite clear-cut. Around 80 per cent preferred ownership, and of those currently in ownership, 91 per cent were happy with the tenure. Across the three age groups, 5–8 per cent aspired to age-specific housing; however, only 43 per cent of the small number of respondents already in age-specific housing stated that it met their longer-term needs.¹ The majority of people currently in the rental sector wanted to switch to ownership (65% of private renters and 55% of social renters), while only 3 per cent of social housing tenants wanted to move into private rental.

In summary, the housing aspirations of older Australians are uniform in regard to tenure, with ownership being the clear preference, despite being out of reach for many. The separate house was the standout dwelling type, with attached dwellings and apartments playing supporting roles. When it comes to the number of bedrooms, three was by far the most popular choice, with two- and four-bedroom dwellings meeting the needs of around half of respondents. Location choices were varied, suggesting suitable housing options need to be available across all localities if older Australians are to meet their housing aspirations. The challenge for government and the private sector is to deliver a range of housing options that can meet the requirements of later-life Australians across a variety of locations.

Table 1: Housing aspirations 'gaps'

| | Current location | | | | |
|---------------------------------------|-----------------------|-------------------|--------------------------|--------------------------|-------------------------|
| | Capital city CBD (%) | Inner suburbs (%) | Middle/outer suburbs (%) | Regional town/city (%) | Small regional town (%) |
| Happy with current location | 41 | 67 | 68 | 64 | 82 |
| Want to move to the CBD | - | 4 | 2 | 2 | 0 |
| Want to move to inner suburbs | 18 | - | 9 | 3 | 2 |
| Want to move to middle/outer suburbs | 18 | 16 | - | 5 | 1 |
| Want to move to a large regional town | 14 | 6 | 8 | - | 13 |
| Want to move to a small regional town | 9 | 5 | 13 | 24 | - |
| | Current dwelling type | | | | |
| | House (%) | Apartment (%) | Ancillary dwelling (%) | Alternative dwelling (%) | |
| Happy with current dwelling type | 87 | 38 | 56 | 22 | |

¹ The number of respondents currently living in age-specific housing was very low, so this figure should be treated with considerable caution.

| | | | | | |
|-----------------------------------------|---------------|--------------------|--------------------|--------------------------|-----------|
| Want to move to a house | - | 50 | 33 | 59 | |
| Want to move to an apartment | 6 | - | 0 | 3 | |
| Want to move to an ancillary dwelling | 2 | 1 | - | 16 | |
| Want to move to an alternative dwelling | 5 | 11 | 11 | - | |
| Current number of bedrooms | | | | | |
| | 1 (%) | 2 (%) | 3 (%) | 4 (%) | 5+ (%) |
| Happy with number of bedrooms | 26 | 59 | 66 | 38 | 10 |
| Want 1 more bedroom | 52 | 34 | 10 | 2 | - |
| Want 2+ more bedrooms | 22 | 3 | 1 | - | - |
| Want 1 less bedroom | - | 4 | 22 | 46 | 52 |
| Want 2+ less bedrooms | - | - | 1 | 15 | 38 |
| Current tenure | | | | | |
| | Ownership (%) | Private rental (%) | Social housing (%) | Age-specific housing (%) | Other (%) |
| Happy with current tenure | 91 | 23 | 37 | 43 | 1 |
| Want to move to ownership | - | 65 | 55 | 43 | 79 |
| Want to move to private rental | 1 | - | 3 | 5 | 6 |
| Want to move to age-specific housing | 6 | 5 | 4 | - | 7 |

Source: Authors' analysis of AHA survey (2018) data, unweighted.

1.5 Research approach

The research project used a mixed methods approach. First, downsizing aspirations and experiences were explored through a national survey and interviews with later-life Australians. An analysis of existing housing options for later-life Australians was then undertaken in three states, through a local area analysis, to understand what options were currently available and whether these meet downsizing expectations. Finally, an analysis of contemporary policy development options, accompanied by interviews with a range of stakeholders, was used to understand the current policy context in three states.

1.5.1 Australian Housing Aspirations survey

The AHA survey (James, Rowley et al. 2019) conducted in 2018 collected responses from 7,343 Australians, including 2,422 from later-life Australians (i.e. aged 55 years and over). The survey captured details on current housing and household circumstances, as well as housing aspirations. A module of the survey, specifically designed for this report, investigated downsizing preferences and experiences. Questions in that module explored: whether or not participants considered themselves to have downsized; their reasons for downsizing (or not); changes made to housing attributes when downsizing did occur; and perceived benefits, barriers and catalysts for those who had not yet moved.

A panel data company recruited participants to the online survey, with quotas in place around age group (i.e. 55+), state and gender (although the majority of respondents were representing households). The number of quota categories was limited by resources, which had implications for the representativeness of the survey sample (see James, Rowley et al. 2019). Generally, the survey data is representative of older households (55+) spatially, by income and by gender. With over 1,000 observations for each of the two younger age cohorts (55–64 and 65–74), the survey results can be considered robust in terms of levels of confidence and margins of error. However, readers should approach findings regarding the oldest age group (75+) with caution, as this cohort was underrepresented. In addition, the relatively small number of survey respondents who had already downsized (around 600) increased the margin of error. Further details around response reliability are provided in the chapters reporting AHA survey results (Sections 3–5) and in Table 3: Characteristics of households, by downsizing status.

1.5.2 Interviews with later-life Australians

Interviews were used to further understand the extent to which downsizing forms part of the future housing preferences and aspirations of older Australians. Thirty telephone interviews were conducted with later-life Australians in regional and metropolitan Victoria, NSW and WA. Interviews were recorded with participant permission, transcribed and analysed thematically. Participants were thanked for their time with a \$50 Coles Myer voucher.

The interviews considered individuals' perceptions of 'downsizing'. Participants who had already downsized were asked to describe their experiences, the motivational forces for changing dwelling, and the benefits and barriers of their move. Those people who had not yet moved, or intended to stay put, were asked about the factors influencing this decision. Potential benefits of and barriers to downsizing were also explored from their perspective, as were the circumstances which may, despite their preference to remain, be a catalyst to downsize.

As shown in Table A2, a majority of interviewees were living in single-person households (63%), while 13 per cent were in couple households without children and 17 per cent were in couple households with children. A majority of participants were female (83%) and all interviewees were aged between 55–64 (47%) and 65–74 (53%) years. Participants generally had gross incomes under \$60,000 a year; more specifically, 40 per cent had annual incomes under \$31,000 and 37 per cent had incomes between \$31,000 and \$59,999. The remainder had incomes above \$60,000 (13%) or 'not stated' (10%). A large proportion of participants were retired (53%) or semi-retired (3%) which explains their relatively low incomes. Nevertheless, more than a third (37%) were still active in the labour force in full-time, part-time or casual positions. Around half of participants relied on the Age Pension or a part pension as their source of income, while a third received payments from Centrelink and a similar proportion were in paid employment or self-employed (23%). Half the respondents were living in their own homes as either outright owners (40%) or with a mortgage on their property (13%); the remainder were tenants in the private rental sector (27%) or the social housing sector (13%).

Most of the households interviewed had already downsized (63%), although only 23 per cent of these had downsized by choice. Among households who had been 'forced' to downsize were

renters, home owners and mortgagees. A further 20 per cent of respondents were intending to downsize in the future, while 17 per cent were not intending to downsize.

1.5.3 Local area analysis

Local area analysis was used to examine the options available to older Australians looking to meet their housing aspirations through a move, be it a downsize or otherwise. Given the housing aspirations identified by James, Rowley and colleagues (2019), we identified, within nine case-study locations (described in Table A3), the housing options available to meet typical dwelling requirements. We also examined retirement living options (i.e. housing specifically targeted to older people, such as dwellings in retirement villages). This analysis assesses the extent to which the current housing market can meet the needs of older Australians looking to move, including to downsize. If there are insufficient options available to meet the needs of older households in the local market, it is very difficult to downsize within an existing community or indeed to move to another desired location.

The analysis identified the number of housing options available per 1,000 residents. Three LGAs were chosen in each of the three states: one metropolitan location with a high number of older Australians, one regional LGA containing small regional towns, and an additional LGA with a very high proportion of older Australians. Housing options were identified by searching for dwellings currently available for sale or rent on the listings website realestate.com.au. Additional options for retirement living were identified using dedicated retirement living websites. The housing options identified included dwellings to purchase below \$500,000 and below \$400,000. Three bedrooms, being the preferred dwelling size as identified in the AHA survey, was also added as a criterion.

The analysis focussed on the cheaper end of the housing market, given lower-income/wealth Australians seeking appropriate housing are of greater policy concern than those with considerable resources at their disposal who are able to affect their aspirations without government support.

1.5.4 Existing policy and planning mechanisms delivering positive downsizing outcomes

Policy and planning mechanisms delivering positive downsizing outcomes were explored through 21 half-hour semi-structured telephone interviews with stakeholders in metropolitan and non-metropolitan areas of WA, NSW and SA. The number of interviews enabled us to capture appropriate representation from three states, as well as national policy and industry bodies. As shown in Table 2, interviews were undertaken with state government agencies involved in housing and ageing, representatives from local government, aged housing providers (e.g. retirement villages, housing cooperatives and CHPs), and a broad range of policy stakeholders and federal agencies. The interviews identified local strategies encouraging downsizing and benefits to the local housing markets, as well as testing the catalysts for, and benefits of, downsizing for individual households, and the benefits of downsizing for the housing market as a whole.

Interviews were recorded with participant permission, transcribed and analysed thematically. Following the interviews, existing policy frameworks in each of the three states (NSW, SA and WA) were examined to identify which were delivering, or had the potential to deliver, positive downsizing outcomes. In addition, the existing policies and strategies in one metropolitan area and one regional LGA in each state were analysed for their delivery of, or potential to deliver, positive downsizing outcomes.

Table 2: Stakeholder interviews by location

| Jurisdiction | Stakeholder affiliation | Number of interviews |
|---------------------|-------------------------------------------|-----------------------------|
| Western Australia | 1 x metropolitan LGA | 7 |
| | 1 x regional LGA | |
| | 2 x state government | |
| | 2 x not-for-profit service providers | |
| | 1 x retirement village provider | |
| South Australia | 2 x metropolitan LGAs | 4 |
| | 1 x regional LGA | |
| | 1 x state government | |
| New South Wales | 1 x metropolitan LGA | 3 |
| | 2 x CHPs | |
| National | 3 x Australian Government | 7 |
| | 2 x national retirement village providers | |
| | 2 x not-for-profit service providers | |
| Total | | 21 |

Source: Authors.

2 Government mechanisms delivering positive downsizing outcomes

- A range of policy mechanisms that relate to housing older Australians, and downsizing specifically, exist at Commonwealth, state and territory, and local tiers of government.
 - Australian Government levers primarily focus on affordable housing, as well as care packages; state and territory levers mainly focus on social housing, along with metropolitan and regional strategies for growth; while local government levers tend to focus on planning and infrastructure management in relation to immediate population pressures and demographic changes within local areas.
 - The policy environment associated with downsizing is complex as a result of variable prioritisation of housing for older people by governments and housing departments at the federal, state and local government levels.
 - A lack of coordinated and trusted information on seniors housing options is a barrier to older Australians identifying housing solutions to meet their needs.
 - The findings of this research suggest the importance of a dedicated cross-tier focus on the development of diverse housing options for older Australians and the provision of information about these options.
-

This chapter provides insight into the policies that relate directly and indirectly to downsizing for older Australians, at all levels of government. Broadly, the policy landscape affects housing stock and its affordability, housing transitions—and the ability and willingness of households to make these transitions—care and remaining in place, building codes and design of material and physical spaces and infrastructure, as well as the interactions between government tiers. Selected insights, starting with those related to federal government policy, followed by state/territory and local government concerns, identify some of the key tensions, barriers and potential opportunities facing households for whom downsizing may be an option.

2.1 Existing federal government policy mechanisms encouraging downsizing

Multiple policy logics interact at the Australian Government level, directly or indirectly impacting upon the decision-making processes of households contemplating downsizing. Taxation and health/aged care strategies are key, operating alongside housing affordability priorities and population growth management. Interviews with Australian Government representatives revealed that the range of factors associated with downsizing—and the potential for federal government and other stakeholders to create complementary, coherent options and/or competitive and incoherent outcomes—can be understood in both financial and non-financial terms. From a financial perspective, one Australian government stakeholder explained that they consider the 'kind of financial settings [that] should be in place, whether it be through exemptions from means assessing in the pension scheme, or the ability to contribute funds obtained through downsizing into your superannuation so you get special tax treatments'.

In some cases, stakeholders at the Commonwealth level noted that financial benefits or incentives for downsizing (such as freeing up equity through sale of the home and purchase of a smaller dwelling) were at odds with other policy settings, such as those geared towards enabling older people to remain in their homes as they aged. Factors identified in the interviews as being associated with downsizing included the availability and location of appropriate housing, as well as 'ancillary services or complementary services, and health, work and public transport' (Australian Government department stakeholder). Participants noted that the respective programs and policies might assist population cohorts in diverse ways and meet a broad range of downsizing and/or ageing in place needs in a variety of ways. The policy complexity associated with downsizing was articulated by one key stakeholder, who explained, in reference to an ageing population, that policy would need to consider mechanisms to 'achieve our [Australian Government] goal of having a more efficient use of the current housing stock, but meet their non-financial needs, as well as being able to access doctors and other services, which are important at their time in life'.

2.1.1 Affordability and underutilisation of housing stock

Downsizing in later life is viewed by Commonwealth Government as a way to address affordability and use existing housing stock more efficiently by making larger dwellings available for younger households (Australian Government 2017). Key stakeholders expressed an overarching belief that ensuring housing affordability for older people, as well as for younger generations, must be achieved through effective use of existing stock and in ways that enable households to transition as required between larger and smaller dwellings.

The broad position that the Commonwealth is wrestling with is an issue of affordable housing, and the supply of affordable housing in markets. And that comes from a number of angles. You know, whether it be the welfare approach of the provision of affordable housing and from that social housing, or the macro-economic approach about housing affordability ... [W]here downsizing becomes important to us is the ability then for older Australians to move from homes that no longer meet their needs, so that more homes may be made available for younger Australian families ... So it's about ... the efficient use of the housing stock that we currently have and what incentives are out there that enable that to take place (Australian Government department stakeholder).

The two competing interests for the Commonwealth are, on the one hand, the housing points [related to affordability], throughout the stock releasing ... but then also we have the financial aspects as well, about how do we use housing stock to enable greater self-reliance in older age? (Australian Government department stakeholder)

As noted by Judd, Liu et al. (2014), there is a potential tension between the level of support offered to assist people to remain in their own home as they age and the use of downsizing as a policy direction to reduce the underutilisation of dwellings. Government recognises the desire of many older people to remain in their own home (Productivity Commission 2015) and this has been supported by reforms to, and expansion of, the aged care system in Australia over the last five years. As part of these reforms, a review of the *Aged Care (Living Longer Living Better) Act 2013* was undertaken, including consideration of home care services and the ability to meet demand for these services. The review began in September 2016 and concluded in July 2017 with the tabling of the *Legislated Review of Aged Care 2017* (Department of Health 2017).

The continuum of care for older people currently includes two home-based care and support services: the Commonwealth Home Support Programme (CHSP) and the Home Care Packages Program (HCPP) (Department of Health 2017). Both programs aim to assist older people to remain at home and within their communities for longer by providing a range of personal and support services (Department of Health 2018, 2018). The magnitude of government investment

is evident in the number of people receiving care through these programs: in 2015–16 home support was provided to more than 925,000 older people, and home care packages were delivered to 89,000 people (Department of Health 2017).

2.1.2 Housing and downsizing transitions

Taxation and transfer policies

At the federal government level, home owners can benefit from both taxation and transfer monetary policies. For example, the principal residence is exempt from capital gains taxes under the main residence exemption (Australian Taxation Office 2018). While stamp duty arguably impedes downsizing by taxing housing mobility (Productivity Commission 2015), senior or pensioner concessions to stamp duty do exist in a number of states. These concessions are not exclusively designed to assist older people to downsize; however, they are likely to impact the decision-making process of seniors.

Four jurisdictions currently offer stamp-duty concession or exemption schemes for older Australians: the Northern Territory, Victoria, the Australian Capital Territory (ACT) and Tasmania. The schemes vary in generosity and duration. The longest-running scheme operates in the Northern Territory, where the purpose is to assist older citizens to acquire their first home by reducing the stamp duty payable by \$10,000. In Victoria and the ACT, a combination of exemptions and concessions are used. In Tasmania, a 50 per cent reduction is applied to properties with a dutiable value of \$400,000 or less. Further details of the schemes are presented in Appendix 4 (Table A4).

Calls for stamp-duty concessions for downsizing seniors were ignored in the 2018–19 WA State Budget, despite submissions from peak housing bodies such as the Real Estate Institute of Western Australia (REIWA). In their submission, REIWA argued that the cost of stamp duty and a lack of housing diversity were barriers to downsizing in the state, and recommended the budget include provisions for a '\$10,000 concession on transfer duty for seniors over 65' to encourage empty-nesters to downsize (Real Estate Institute of WA 2018: 10).

Stakeholders interviewed for this study also described the cost of stamp duty as a barrier to downsizing, particularly where households may wish to stay in the same community. As one local government representative explained: 'You have to pay stamp duty to move into a smaller house, which could cost you as much as the house you just left ... [That's] a big disincentive, especially if you want to remain in the same area'.

Transfer taxes such as stamp duty are also viewed as having a strong negative impact on housing mobility in the UK (Hilber and Lyytikäinen 2017).

2.1.3 Care, care packages and ageing in place

Principal residence, assets testing and the Age Pension

Entitlement to the Australian Age Pension is dependent on a household assets test. A key aspect in the context of downsizing is that the principal residence is currently exempt from the assets test—unless the family home is sold, in which case the Age Pension entitlement may be affected if the proceeds are not used for the purchase of another home within 12 months (Australian Securities and Investments Commission 2019). There is a body of research which argues that the exclusion of the family home from the assets test may impede downsizing by providing an incentive to retain the principal place of residence (Productivity Commission 2011, 2015, Yates 2016).

The rationale for the exemption of the family home in the assets test has been queried on equity and efficiency grounds (Jefferson, Austen et al. 2017, Eccleston, Verdouw et al. 2018). The 2015 Productivity Commission (2015: 117) questioned the extent to which housing and

investment decisions by older Australians are distorted by the existing Age Pension assets test structure and argued that including the full 'value of the principal residence in the Age Pension assets test would improve efficiency and equity' (p.117), while at the same time highlighting the extent to which home ownership is embedded in other government policies. Research by Judd, Lieu and colleagues (Judd, Liu et al. 2014: 15) found that the impact of the sale of the family home on pension eligibility is not straightforward, however, and outlined arguments that opposed the continued view of the Productivity Commission.

A key stakeholder from the Retirement Living Council explained that the exclusion of the family home from the assets means test for the Age Pension is of particular concern in the context of retirement villages. The outright cost of moving into a lease or loan arrangement in a retirement village or age-specific housing is often less than the cost of purchasing a smaller dwelling in a similar suburb, particularly as some of the management costs are deferred until exit. The sale of the family home may thus result in the release of equity, not all of which is absorbed by the cost of moving into the age-specific housing, leaving the resident with more money in their bank account than if they had moved into a private market dwelling. This will affect their pension, as well as the range of benefits attached to the pension (such as public transport concessions). Key stakeholders with an interest in age-specific housing and older Australians were of the view that the current treatment of the family home in relation to means testing is dissuading people from moving out of larger family homes.

Proceeds of principal residence sale to superannuation

In the 2011–12 Budget, the Australian Government trialled a means test exemption for older Australians eligible for the Age Pension of up to \$200,000 from the sale of their home, provided they had resided in that dwelling for 25 years or more. As Judd, Liu and colleagues ((Judd, Liu et al. 2014) note, the government's intention was to encourage downsizing. Following the pilot program, the 2017–18 Budget included a fiscal incentive designed expressly to encourage older households to move out of larger, family-sized properties. The aim was to reduce barriers to downsizing by allowing older households to 'contribute the proceeds from the sale of their home into superannuation' up to \$300,000 (Australian Government 2017: 1). As the incentive applies to individuals, couple households are able to contribute up to \$600,000 to superannuation, providing a far greater incentive than was offered in the 2011–12 trial. Available to Australians aged 65 years and over, the incentive took effect from 1 July 2018 and applies to proceeds from sale of a principal residence which has been held for at least 10 years. Under the scheme, existing rules and restrictions for voluntary, concessional and non-concessional super contributions are waived (Australian Government 2017).

Stakeholders identified the government's move to allow principal residence sale proceeds to be put into superannuation as 'a good start, because it does recognise that there are some issues in terms of people unlocking capital' (retirement village stakeholder).

2.1.4 Australian Building Codes

The Australian Building Codes Board (ABCB), a joint initiative of all three levels of government, is a regulator for the Council of Australian Governments (COAG) and reports to the Australian Government. One project being undertaken by the board is the Accessible Housing scheme, where 'accessible housing' is defined as 'any housing that includes features that enable use by people either with a disability or transitioning through their life stages. Other similar (but not identical) terms include "visitable", "adaptable", "livable" and "universal"' (Australian Building Codes Board 2018: 4). This project is significant in the context of downsizing as it provides direction and support on how to enable dwellings to accommodate lifestyle changes within the household and how to expand housing options within the community for Australians looking to move in later life.

The Accessible Housing project is developing minimum accessibility standards for housing, which will be applied by the National Construction Code (NCC). The consultation period had recently closed at the writing of this report, and a decision on the inclusion of accessible housing provisions is expected to be made by all levels of government in 2021 (Australian Building Codes Board 2018). The NCC sets out the 'minimum necessary requirements for safety and health, amenity and accessibility, and sustainability in the design, construction, performance and livability of new buildings (and new building work in existing buildings) throughout Australia' (Australian Building Codes Board 2018: 4). These minimum standards are based on the *Livable Housing Design Guidelines*, developed by Livable Housing Australia (a partnership between community, industry and government), which certify buildings at silver, gold or platinum levels based on the design (Livable Housing Australia 2019). These guidelines arose from discussions around universal design, and were established in recognition of the need to make Australian homes more versatile to meet the changing needs of households (Livable Housing Australia 2017).

Key stakeholders in organisations advocating for older Australians' rights, as well as local government representatives, welcomed this advancement.

We need the building code to be stronger, to make sure that more housing that is accessible is being built—at least to a basic standard, because that provides more opportunities for seniors to find places that are going to meet their needs as they age (not-for-profit seniors' advocacy stakeholder).

A local government stakeholder explained that, currently, universal design is 'advertised and pushed but not that strongly pushed ... because it is not mandatory'; however, if universal design principles were mandatory, 'it would make life so much easier'. The same stakeholder compared the introduction of such principles to energy ratings schemes, in so far as a universal design scheme could have a rating system that consumers become familiar with over time and can use for decision-making.

Local government representatives were aware of the importance of implementing accessible and adaptable design principles, looking at it from a long-term perspective of creating a community in which older households can safely move without being forced to move to another location. In the following two examples, stakeholders identified the benefits of constructing housing that incorporates universal principles from the outset in order to avoid retrofitting of costly, and potentially limited, modifications at a later time.

There is a lot of stuff which is difficult to retrofit but easy to do at the construction phase. At the most basic level: it's ... [e]asy to do when you build a house but much more difficult to do later (local government stakeholder).

If our designs now were more universal, then we wouldn't have dark areas, narrow hallways—without passive design principles in place, cost of heating and cooling are quite high. If you start from the here and now, you will see the benefit in stock in 10 to 15 years' time. We need to make that break between what is being built to what needs to be built (local government stakeholder).

2.1.5 Interactions between tiers of government

State and territory strategies for delivering social housing are widely perceived to have a greater influence on both housing costs and household wellbeing, due to the divisions that exist between Commonwealth and state/territory funding and roles. In the following example, a key stakeholder within an Australian Government department outlined the potential health effects and cost burden associated with a change of social housing provider to lower-income older tenants, at the state and territory level.

[I]f the states are moving public housing or moving people within public housing, how does that affect [the tenant's] ability to access health services? ... [It impacts the way in which] the Commonwealth is providing services or ancillary services around health, or providing extra other funds to another part of the state to provide those health services. So it's kind of a bit of a large complex chess game about how ... things fit together when those decisions are made (Australian Government department stakeholder).

The interaction of Commonwealth and state/territory governments can powerfully impact the provision of affordable housing options for older Australians, which then shapes the availability of opportunities to downsize. Formal agreements, notably the National Housing and Homelessness Agreement (NHHA), are perceived, at least by some parts of the Commonwealth, as providing mechanisms through which provision of affordable downsizing options can be examined with a broader lens and longer-term view than is possible when considering the provision of social housing alone. Stakeholders from the Australian Government explained that the bilateral agreements between Commonwealth and state/territory governments under the NHHA are seen as potentially enabling local-level responses to development and planning, using government funding, that could provide positive outcomes for older households.

It is important to recognise ... that states ... have most of the responsibilities for the supply side [of appropriate housing delivery] ... [through] planning and the zoning.... So part of the National Housing and Homelessness Agreement ... [includes asking] the states to commit to ... ways that supply, through inclusion and rezoning and planning, could be improved, so that the ... housing affordability needs of each state population could be better met (Australian Government department stakeholder).

In this regard, current activities being undertaken in Queensland are considered highly innovative. A range of planning, zoning and other relevant supply-side measures are being included within formalised Commonwealth–state bilateral agreements in ways that explicitly relate to the housing of the ageing population, including downsizing. As one Australian Government stakeholder described it:

[E]ach state has to identify whether the zoning was going to be an important consideration [in the bilateral agreements] ... Queensland has also gone further, in that it was having a taskforce on the residential transition for their ageing [population] ... and considering the housing for older [Queenslanders] ... So that is actually a key part to them ... thinking of ways to increase the supply in ... the centrally located areas, so that older households actually have somewhere to move. (Australian Government department stakeholder).

In responding to the need for housing diversity, Australian Government stakeholders pointed to the importance of cooperation between Commonwealth departments, as well as relationships between the Commonwealth and states/territories. Stakeholders also drew attention to the highly significant role of local governments in the provision and management of affordable housing options, including downsizing options, for older people. They described the relatively distant relationship between Commonwealth and local governments, and how this impedes federal government understanding of how Commonwealth and local initiatives interact.

[W]hen we start thinking about the provision of the funding and financials for the new builds and increasing the housing stock, or indeed for somebody who's looking at moving to downsize ... the provision [and availability] of land becomes very important.... particularly land which is co-located with other support services... The local councils become critical [as] they tend to have quite a lot of land or they can have great control over the local planning and arrangements and things ...

Understanding where the councils sit is a bit quiet at the moment (Australian Government department stakeholder).

2.1.6 Interactions with community housing providers

CHPs are playing an increasing role in the provision of social housing across states and territories. Geographically, housing providers are operating across both metropolitan and regional locations and are thus required to engage separately with all tiers of government. Nationally, there are trends towards transferring public housing properties and/or tenants to CHPs. This means that there is close interaction between the states and CHPs around provision of housing options, including social and crisis housing, as well as ongoing management and maintenance responsibilities. For some CHPs the transfer of stock has enabled them to more effectively match complex-needs households with dwellings that can meet their housing requirements.

For the particular package that we have received under the transfers, there is a large number of properties that are identified as targeted to older people. Our early engagement in that location has [shown us] ... that we will be delivering a service to a relatively older population ... the opportunity for us is to build on a service that we can tailor best to meet their needs (CHP stakeholder).

For CHPs, relationships with local government are considered critical for responding to planning issues, ensuring proximity to infrastructure, and providing the wrap-around services required to support older people in a mix of housing types and developments.

[The] local government level ... have responsibility for implementing planning requirements on developments, that would be the main area of negotiation we would have [with local government] ... [W]e would look at development opportunities [and liaise with local government with a view to] navigating those planning regulations—to maximise the use of the site, for instance (CHP stakeholder).

The other kinds of negotiations we have [are] ... about the support in the local community for people to access community transport or other facilities that local government may support and facilitate, and aged care. Home care services, that previously were home modification services—we provide those home modification services ourselves. The only place that they would be navigated would be through [the local government] (CHP stakeholder).

2.2 Policy mechanisms delivering positive downsizing outcomes in South Australia, Western Australia and New South Wales

2.2.1 South Australia

In SA, the policy and planning mechanisms delivering positive downsizing outcomes are subtle, rather than overt. The Office for Ageing Well (previously the Office for the Ageing), in the Department for Health and Wellbeing, provides strategic action plans for the state to assist people to age well in their own home or in their community. The Department of Planning, Transport and Infrastructure (DPTI) identifies areas that lack affordable, diverse housing and ensures that new developments meet the changing needs of the population. The state-level strategic direction informs the targets and objectives at the local government level, with themes of housing diversity and affordability feeding through from state to local level. While downsizing is not explicitly mentioned, SA's state and local government policies could function to encourage downsizing.

The state's ageing action plan, *Prosperity Through Longevity*, aims to 'bring the community together to create an all-ages-friendly state' (Office for the Ageing 2014: 5). Regardless of the stage of life, the plan seeks to ensure South Australians gain 'the maximum benefit from longevity linking personal wellbeing with social and economic productivity' (Office for the Ageing 2014: 5). The scheme is shaped by the state's affiliation with the World Health Organization's (WHO's) Age-friendly Environments Programme. The ageing plan recognises the demographic diversity within the older SA cohort, acknowledging that different experiences will generate a range of aspirations in later life (Office for the Ageing 2014). Strategy documents developed to support the plan's stated priorities reveal potential impacts on downsizing. For example, the *Age of Opportunity* policy framework included a project undertaken with industry and the community 'to explore innovative housing models for South Australia that meet the changing needs of older people' (Office for the Ageing 2017: 3). The work also developed a suite of age-friendly design principles based on an understanding of the potential interplay between well-designed homes and neighbourhood urban design. As one stakeholder explained, such principles are related to downsizing because:

... housing and urban design can assist people to age in their own home and community. So for some people that might mean downsizing, for some people that might mean living differently in their home, or potentially moving to a retirement village or aged care facility (state government stakeholder).

While the plan's strategies don't overtly encourage people to downsize, they do provide planners, policy-makers and the development industry with scope to deliver innovative housing options that respond to the changing needs and aspirations of an ageing population. The framework is underpinned by the concept that spaces which provide housing diversity and choices encompassing universal design principles, with good access to public transport and services, will foster community and create positive outcomes for the entire population, not just older South Australians.

From a planning perspective, the state's policy mechanisms to encourage downsizing mirror those conceived in the Office for Ageing Well. The *30-Year Plan for Greater Adelaide* recognises the lack of dwelling diversity in the metropolitan area, and a demand from the ageing population for accommodation that responds to their changing needs and lifestyle aspirations (Department of Planning Transport and Infrastructure 2017). The plan advocates for 'a strong focus on providing diverse housing options that are universally designed, affordable, support "ageing in place" and reflect the changing needs of our community' (Department of Planning Transport and Infrastructure 2017: 63), with a target of 'increas[ing] housing choice by 25 per cent to meet changing household needs in Greater Adelaide by 2045' (Department of Planning Transport and Infrastructure 2017: 152). The plan is accompanied by a policy that 'promote[s] universal and adaptable housing principles in new housing stock to support changing needs over a lifetime, including the needs of those who are less mobile' (Department of Planning Transport and Infrastructure 2017: 66).

SA's largest metropolitan LGA is the City of Onkaparinga. One local government stakeholder described the council's *Onkaparinga 2035* strategy as 'focussed on improving built form, medium-density outcomes and the best place for infill and medium-density development', thus ensuring the highest densities and most diverse forms of housing for downsizing have adequate access to public transport, services and facilities. While the strategy doesn't specifically focus on downsizing, it does take into account the changing housing needs and aspirations of the older demographic. The outcome is a plan which allows for the development of:

diverse housing opportunities, housing choice and diversity. [B]y doing that, by amending our policies to allow for smaller allotments, and taller buildings in those areas ... [the city is] encouraging more diverse forms of housing. Inherent in that is

having more affordable forms of housing, and that would apply for people who were downsizing or first home buyers (local government stakeholder).

City council stakeholders commented on the need to achieve better medium-density designs, both for people to downsize into, but also for young families.

The regional LGA of Victor Harbor has one of the highest median ages in Australia, having attracted 'sea changers' in retirement for over two decades. In terms of downsizing, one stakeholder explains that:

some people ... will move down here because it is cheaper and its [a] good lifestyle, and they may end up physically with a bigger dwelling than they had in Adelaide. Or they may end up buying a hobby farm (local government stakeholder).

Policy documents guiding the objectives of the council do not comment specifically on downsizing; however, they do include strategies that may encourage older people to downsize. The *Community Plan 2036* and *Urban Growth Management Strategy* (UGMS) recognise the continued population growth in the region, particularly in the cohort aged 65 years and over, and the implications this will have on 'the type and levels of services and infrastructure, as well as the varieties of housing that will be required' (City of Victor Harbor 2016: 8). The dwelling landscape is currently dominated by detached low-density housing, and the Community Plan seeks to 'plan for appropriate housing stock and diversity to meet current and projected needs' (City of Victor Harbor 2016: 22). More specifically, planning and development will include:

higher-density infill housing close to retail centres; increasing average housing densities in new land divisions; and providing a selection of 'affordable housing' and special needs housing options across the town [that] helps to support the smaller household composition of younger (and older) age groups (City of Victor Harbor 2013: 54).

Such incentivised development of a diverse range of affordable housing that is adaptable for changing needs would likely encourage older people looking to move to a smaller dwelling to downsize to the area.

2.2.2 Western Australia

In WA, the policy and planning mechanisms delivering positive downsizing outcomes range from indirect to overt. The state is an affiliate member of WHO's Global Network for Age-friendly Cities and Communities (Government of Western Australia 2018), which encourages partners to design cities to be inclusive and accessible for all ages. Consequently, the state government encourages local governments to consider and plan for their ageing communities by, inter alia, recognising the diversity of the cohort, and anticipating and responding to age-related needs and preferences with the understanding that this will benefit the community at large (Government of Western Australia 2018). The *State Planning Strategy 2050* is an overarching document guiding the direction of state, regional and local planning approaches and policies (Western Australian Planning Commission 2014). It is supported by a number of strategies that contribute to positive downsizing outcomes in the state, carried out through the Department of Communities, the Department of Local Government, Sport and Cultural Industries, and the Department of Planning, Lands and Heritage (DPLH).

The Department of Communities policy mechanism responsible for reforming long-term accommodation needs for low- and moderate-income households is the *Affordable Housing Strategy 2010–2020: Opening Doors to Affordable Housing* (Department of Housing 2010). The strategy's vision was to ensure 'sufficient affordable land and housing is available to support social, economic community development', and these outcomes were achieved (Department of Housing 2012: 9). In response to this success, the strategy was updated in 2016, with revised

goals to be achieved by the end of 2020 (Rowley, James et al. 2017). The *Affordable Housing Action Plan 2017–18 to 2019–20* includes the goal of ‘creating a housing system that is more responsive to current and future need’ (Department of Communities 2017: 9). This objective is informed by the common mismatch between household size and dwelling size, and the need to consider housing affordability at the planning and development stage, with the view of expanding housing choice and diversity (Department of Communities 2017). While the Affordable Housing strategy and plan are not specifically targeted to older Western Australians, this cohort is likely to benefit from the outcomes, including a larger suite of affordable and diverse downsizing options.

The Department of Communities is currently drafting a Seniors Housing Strategy. A discussion paper was released in November 2016 which specifically discusses the theme of downsizing, particularly in regard to the barriers older Western Australians face in accessing housing that is appropriate to their changing needs (Housing Authority 2016). State government stakeholders explained the need to:

create opportunities for people to move into dwellings that are going to be close to amenities, close to transport, able to be lived in for the whole of life ... we need to focus on the medium-density housing, rather than apartments necessarily, and looking at how we can create villas, maisonettes, townhouses that can enable ageing in place. That have appropriate liveable design in the bottom storeys so that when someone [needs to live downstairs only] grandkids can stay upstairs (state government stakeholder).

Additional themes addressed in the paper, which mirror other state policy mechanisms, include the need for better housing design and affordability, and the increased demand by older Australians to live in regional communities (Housing Authority 2016). The challenge for governments is that ‘people age differently—that is one thing that we are not very nuanced about in government’ (state government stakeholder).

The state government has implemented an initiative called Design WA, through the DPLH, to ensure that ‘good design is at the centre of all development in Western Australia’ (Department of Planning Lands and Heritage 2019). Stage One of this initiative became operational on 24 May 2019 and it is guided, in part, by the *State Planning Policy 7.0: Design of the Built Environment*. The policy refers to 10 design principles; however, in the context of downsizing, the most important is number 4.

Functionality and build quality: Good design meets the needs of users efficiently and effectively, balancing functional requirements to perform well and deliver optimum benefit over the full life-cycle ... Good design provides flexible and adaptable spaces to maximise their utilisation and accommodate appropriate future requirements without the need for major modifications (Department of Planning Lands and Heritage 2019: 9).

Dwellings with these ‘adaptable’ design characteristics could provide valid downsizing options to the ageing cohort.

The Department of Community (previously Local Government and Communities) developed the *Seniors Strategic Planning Framework 2012–2017*, which recognised the diversity within the growing cohort aged 60 years and over. Drawing together multiple state government departments, the framework’s principal aim was to ensure that older Western Australians are able to age well in their communities—with dignity, independence and respect (Department of Local Government and Communities 2016). While the framework does not refer specifically to downsizing, it does highlight the importance of housing and refers to the benefits of ageing in place, including how ‘supporting seniors to remain living in their own home and local community

helps to build strong, vibrant communities that care for and support each other' (Department of Local Government and Communities 2016).

On a more local level, the City of Melville participated in the WHO Age-Friendly Cities (AFC) project in 2010. Through this process they identified local needs and gaps requiring improvement to make the city more age friendly (Department of Local Government and Communities 2015) and produced the Age-Friendly Melville Plan. The plan identifies the need for 'raising community awareness about housing choices; providing opportunities for older residents to access information about affordable and appropriate housing options; work[ing] with the Melville Aged Services Network and provid[ing] funding through the Seniors Assistance Fund to support ageing in place initiatives [and] advocate[ing] for innovative housing and accommodation solutions for over 55s' (City of Melville 2017: 6). During an interview with a Melville City representative, it emerged that while ageing in place was the initial consideration for the LGA, the dialogue then expanded to examining how people could move out of their home while remaining in the area. One of the issues that arose was the need for universal design: 'if it's accessible for everyone, then it works for all ages' (local government stakeholder). Arguably, the benefits of universal design could be quite significant for the whole community.

An additional mechanism designed to assist older people to downsize in the community is the City of Melville's Local Housing Strategy. Adopted in 2018, the strategy highlights the outcomes of a housing needs survey, namely an 'unmet demand for homes on lots that are smaller than the standard in Melville' (City of Melville 2018: 51). It also addresses issues associated with affordability and housing diversity, as well as housing for people 55 years and above. Issues raised specifically in regard to seniors were a lack of housing diversity and the high cost of housing, which were found to affect opportunities to downsize locally. One stakeholder gave examples of feedback received by the city during consultation.

[They'd say,] 'If I want to move into a retirement home there is nothing available locally', or 'If I want to downsize I have to move outside the city and go to an area where I don't know anybody'. So we are trying to fix that (local government stakeholder).

The objective of the city's strategy is two-fold: 'To provide for a variety of lot sizes and housing types to cater for the housing needs of residents at all stages of life' and 'To encourage cost-effective and resource-efficient development with the aim of promoting affordable housing' (City of Melville 2018: 70). The strategy acknowledges that 'the current mix of housing is not suitable for Melville's changing population and only an increase in the number of smaller dwellings will resolve the issue' (City of Melville 2018: 62). It recognises the constraints around this issue, including: a lack of undeveloped or underdeveloped sites; large areas of industrial zoning; and very low-density zoning along the riverfronts. It also recognises the community's preference to maintain the 'low-key, suburban character of many areas', and locals' concern over multi-dwelling developments. Nevertheless, there remains a desire within the community for a greater range of housing choices near services, amenities and public transport routes (City of Melville 2018). The local housing strategy recommends a range of solutions to counter the barriers preventing older residents from downsizing, including: lobbying state government to abolish stamp duty; strengthening links to home support and transport services for older residents to enable ageing in place; improving education of seniors (and pre-seniors) about housing options; recognising the connections between land use planning, walkable lifestyles and health; and investigating the desirability of compulsory universal design (City of Melville 2018: 70).

Further north in WA, the regional LGA of Northampton is experiencing similar challenges. The shire is faced with an ageing population, many of whom are looking to move from farm properties into townships to be closer to services—wanting to reside in a small community but within access to a major regional centre such as Geraldton (local government stakeholder).

The shire's 2009 *Local Planning Strategy* is due to be revised. The current strategy does not mention downsizing, and refers to existing townships as being 'generally able to provide a wide variety of lot sizes and housing choice' (Shire of Northampton 2009). Over the last decade the population has aged and this has been recognised in subsequent shire strategies. The concepts of downsizing and ageing in place in the community have been at the forefront of past projects. The 2017 Pioneer Lodge scheme created downsizing opportunities through the refurbishment of eight independent living units, and the construction of an additional six one-bed units and two two-bed units in Northampton township (local government stakeholder). The project was funded by the shire, the state's Royalties for Regions program, and local fundraising (Department of Primary Industries and Regional Development 2017).

The *Community Strategic Plan* was updated in 2016. It reflects the ageing population and includes a strategy to provide better services for the aged (Shire of Northampton 2016). To achieve this, the shire will support the development of increased accommodation for the aged and infirm, as well as 'Ensure health services infrastructure is meeting community demand, population trends and future growth' (Shire of Northampton 2016: 11). The plan is underpinned by an understanding that major regional centres are already under pressure and that, therefore, providing these services locally will increase the opportunity for residents to grow old in the community (local government stakeholder). In this regional case study, the focus is enabling people to age in place in the community—which will, for many people moving in from farms, mean downsizing.

2.2.3 New South Wales

NSW is particularly under pressure from population growth associated with migration, as well as having very high housing prices and poor affordability. These factors are associated with the state's explicit, as well as implicit, focus on best matching of stock with households, across both metropolitan and regional areas, to accommodate population growth and change. Strategies aim to meet the challenges around how older households in a range of economic circumstances are best able to transition to more appropriately sized dwellings within the areas where they wish to reside, or alternatively to remain in place. A major barrier to downsizing is the 'missing middle', a term that refers to the limited supply and availability of housing stock that is medium density and smaller in design but which includes a number of the key features valued in detached and semi-detached housing. Townhouses fall into this category.

To offset the affordability issues within metropolitan and regional NSW, explicit attention has been paid to increasing social housing in regional areas, particularly in areas with a very high proportion of older residents. This has been achieved, in part, by transferring management of public housing stock to CHPs. The transfer trend was explained by one stakeholder as follows.

My understanding from the social housing Management Transfer is that there was only one district that was allocated in a metropolitan area. All the other areas were allocated outside the metropolitan area and are in regional areas (CHP stakeholder).

Members of regional communities indicated that these transfers were not always adequate to enable households within small township areas to downsize while remaining within their local communities (community cooperative stakeholder).

Seniors are able to make use of a State Environmental Planning Policy (SEPP) option to fast-track assessment of development applications, and can potentially build new dwellings for downsizing in recreation-zoned land (Department of Planning, Industry and Environment 2019). As outlined by the Department of Planning, the most recent changes associated with this policy lever include increased flexibility to site compatibility certificates. These are the mechanisms through which the government aims to increase the availability of affordable and well-designed housing for older households, as well as people living with disability.

However, it can prove difficult to actualise private downsizing projects, as they require financial institutions to lend money to older people with limited incomes. As outlined by one community cooperative stakeholder, the ability of older households to achieve viable housing development projects is often dependent on some form of underwriting of funds, because equity held in existing property takes time to be released when the current home is in the process of redevelopment, or during the transition from one home to the next. Financial barriers, rather than planning obstacles or land shortages, were in this case identified as the key barrier to achieving a project that could respond to 'the missing middle' problem and achieve positive outcomes for seniors in regional NSW.

Leaving aside the politics, policies and outcomes of public housing renewal schemes, one major NSW redevelopment program was singled out by Australian Government stakeholders as an example of a mixed development approach that could benefit older Australians who wish to age in their community as well as be close to amenities. The Ivanhoe Project demonstrated how an innovative response can be possible when projects are subject to key performance indicators, established cooperatively by the Commonwealth and states. An Australian Government stakeholder explained.

Having performance indicators around the delivery, particularly for priority cohorts, which include older Australians, is important in that ... [Regarding] the Ivanhoe project that came up in NSW recently ... there's a great combination of financial and financing and funding arrangements through the NSW government, provision of land, bringing together top-tier community housing providers and others to really build the kind of bespoke arrangement that deals with everything—from those who are going to purchase and be in the normal course through to affordable housing, through to those who need wraparound services and more on their almost specialist assistance disability side of the dwelling ... So we're starting to see those issues all kind of coming together. So it's still a little early to know how successful they're going to be. But clearly this is what we're trying to aim to achieve as part of the NHHA [and the associated bilateral agreements] (Australian Government department stakeholder).

The planned Macquarie Park redevelopment will include a dedicated focus on older people, with ageing in place options, as well as community facilities and infrastructure. It will include Ivanhoe Estate, 'a socially integrated neighbourhood of around 3000 to 3500 properties including over 950 social and 128 affordable rental apartments', to support tenants on the Housing Register to age in place in a combination of social housing, independent living units and residential aged care services (Communities Plus 2018).

2.3 Industry, government and advocate perspectives on downsizing

Representatives from industry and government, as well as advocates for older people and their housing provision, viewed the term 'downsizing' as indicating that the subsequent home is less valuable, in an intangible sense—as this stakeholder from a retirement village explains:

from an industry perspective, we'd like people to think that they are moving to a home which is a better size for them, rather than moving down in life or moving to something which is less than they had previously. So while in some ways it is semantics, I think for some people one of the bigger barriers to moving into a smaller home is the notion that they are surrendering status, or that they are surrendering some aspect of their life that they worked very hard to achieve (retirement village stakeholder).

Similarly, one advocacy agency stakeholder spoke of encountering resistance to downsizing in members of the community who hold a negative view of downsizing. Conversations about

downsizing might elicit comments such as: 'I don't want to be forced to downsize' and 'I'm just never going to move, they can take me out in a box' (not-for-profit service provider).

These findings demonstrate a disconnect between the views of older Australians and how industry, government, CHPs and seniors housing advocates perceive downsizing. State government representatives and not-for-profit seniors' advocates perceived downsizing as being about meeting housing needs.

[It's] not about the number of bedrooms, it is about size of garden and size of rooms ... they are accommodating hobbies, they are accommodating grandchildren coming to stay, they are accommodating a carer coming to stay after a hospital event (state government stakeholder).

[It's important] that they have a premises that has accessible bathrooms. So it's really just about the appropriateness, not just the size (not-for-profit service provider).

[It's about] how people's housing options and their home can meet their changing needs as they age (state government stakeholder).

[I]t allows people to remain in their homes longer and not have to access aged care services if they are able to downsize into a home that is more suitable to their needs (not-for-profit service provider).

2.3.1 From 'downsizing' to 'rightsizing'

According to the general industry view, downsizing is the process of responding to changing housing needs, where 'housing needs' refers not only to the dwelling but also to location. Importantly, downsizing from the industry perspective is about choice. As a National Seniors advocate explained, 'It's not about forcing people to downsize'; rather, there is a need to provide older Australians with opportunities and choices to facilitate downsizing if they choose to move to a dwelling that can meet their changing needs.

However, national advocates for seniors and age-specific housing have remarked that there are negative connotations around the term 'downsizing'. Industry, government and advocacy groups are thus increasingly referring to the process as 'rightsizing'—defined as moving to a dwelling that meets changing household needs, in a location or community of choice. Adoption of 'rightsizing' in the housing lexicon recognises that moves are made in response to changing housing needs, and the term has more positive connotations than 'downsizing' (Pannell, Aldridge et al. 2012). Use of 'rightsizing' also has support in the UK, where the International Longevity Centre noted that the term emphasises 'the opportunities for people to align their living situation with a property that best suits their needs and aspirations' (Beach 2016: 24).

As the term 'rightsizing' has limited traction in Australia at the moment, the remainder of this report will continue to use 'downsizing' to refer to residential moves made in response to changing household needs in later life.

2.3.2 Communicating housing options

The retirement village sector is delivering an age-segregated product designed specifically for later life. Retirement village dwelling attributes—such as width of doors and hallways, bathroom fittings and light switches, safety and security measures, and gardens—are designed to enable ageing in place. Sector stakeholders argue that the design aspects and service offerings within retirement village settings benefit the broader community and public purse by delaying entry into residential aged care, reducing doctor visits and hospitalisation from falls, and lessening social isolation (Grant Thornton 2014). While retirement village living meets the needs of a small cohort of older Australians, advocates for seniors voiced a desire to see alternatives.

Its only one way. Just because there is legislation set out for retirement villages, it doesn't mean that should be the way that older people should be housed (not-for-profit service provider).

The design model adopted by retirement villages, while beneficial to some, does not meet the needs of older people who seek to remain integrated with the broader community.

Some stakeholders observed that downsizing is not part of most older Australians' housing aspirations. For example, family homes are often sold as a last resort, with older people preferring to age in place (Ong, Wood et al. 2015, Productivity Commission 2015). Industry representatives linked the fact that downsizing is not an aspiration to a lack of information on the housing options that are (or could be made) available.

People aspire to go to the beach or to move into a bigger home but they don't necessarily aspire to go to live in a retirement community or in an apartment (retirement village stakeholder).

For older Australians to make informed choices about their housing futures, reliable and impartial information needs to be readily available (Housing Authority 2016). Stakeholders involved in the retirement village sector reported that the way in which information is presented to the community may disadvantage those for whom retirement villages may be a good fit. For example, in resources describing seniors housing, some states direct readers to the My Aged Care website (myagedcare.gov.au), which stakeholders felt portrayed a view that:

ageing in place and home care are the sorts of services that are offered to people in four-bedroom homes in the suburbs, as opposed to actually being complementary and in many ways very much core business for retirement communities (retirement village stakeholder).

A review of resources in WA, SA and Victoria found that information on retirement villages was balanced, providing other housing options in the community in addition to directing users to the My Aged Care site. Nevertheless, the lack of a coordinated response around provision of trusted information on seniors housing options may be a barrier to older Australians identifying a housing solution that meets their needs.

In WA, information about housing options is available through the Seniors Housing Advisory Centre. The Housing Authority recognises that, 'Supporting seniors and pre-seniors to make effective and timely decisions about their housing needs post-retirement may facilitate earlier transition to more appropriate housing' (Housing Authority 2016: 21). Retirement village providers explained that residents often only begin to investigate their downsizing options, including retirement villages, after a significant event or in response to a crisis. Moving, however, is stressful and stakeholders spoke of the need to change residences 'earlier, rather than later'.

We know that often if you have to pack up your whole life and move when you are 80, those can be very stressful experiences. Whereas if you start planning from 50-plus about how you want to age and where you might want to do that, and potentially moving to somewhere that has good community access earlier, you can then integrate yourself over time, rather than waiting until you're older and reliant on more things but don't have those connections in place (state government stakeholder).

To encourage older Australians to aspire to downsize, adequate information and education on the available options must be accessible. This will also ensure that decisions can be made at an earlier point in time, to reduce the stress of moving and facilitate ageing in place.

2.4 Summary

A number of challenges exist for people using and being influenced by policies relevant to downsizing, due to the degree of complexity of the issues involved, and potentially competing policy logics and variable prioritisation of housing for older people by governments and departments at Commonwealth, state/territory and local government levels. Some key inconsistencies in approach are explicit, such as: potentially competing policy agendas around taxation and aged care packages; and the relative ability of tiers of government to respond to population ageing and population increase within jurisdictions. The need to provide appropriate, affordable housing that responds to the diverse needs of the ageing community is recognised at state and local levels of government. While state and local policies do not always specifically mention downsizing, they do include a range of strategies that would, if enacted, encourage downsizing. By aiming to create spaces for all ages within the community, these strategies generate the possibility of widening housing diversity and delivering dwellings that could be appropriate for older people to move into. These policy directions are sometimes framed as opportunities to age in place in the community—which could, for some, be an opportunity to downsize. Therefore, from a policy perspective, mechanisms to support downsizing could be congruent with those that encourage ageing in place in the community.

As the Productivity Commission (2015: 18) explains, in order to enable older Australians to age in place, there is a need ‘to reduce the barriers to the supply of new housing options. Reforms in this area could potentially deliver the greatest gains in affordability and diversity of housing options for older Australians’ (2015: 18). Interviews with key stakeholders found that older Australians do not necessarily aspire to downsize, which may be a function of the information available, as well as a reflection of the time of life at which some seniors start to contemplate moving. One potential response to the increasing importance of downsizing for older households could be a dedicated cross-tier, multi-departmental focus on development of housing options, and providing information about these options, for older Australians. Currently, this degree of coherence is lacking.

3 Downsizing preferences and experiences in later life

- Older Australians regard downsizing as encompassing a reduction in dwelling size, a move to a dwelling and garden that is more manageable, the reduction of belongings, and being located close to services and amenities.
 - The 2,422 older Australian respondents to the AHA survey were asked if they had considered downsizing. About a quarter answered that they had already downsized and 29 per cent had thought about downsizing, indicating an appetite for downsizing by older Australians.
 - Households on low or very low incomes were more likely to have downsized when compared to those on higher incomes. Higher proportions of renters, in both the public (33%) and private (41%) sectors had already downsized when compared to home owners or those with a mortgage. A reduction in the number of bedrooms was a clear outcome among those who had downsized, while three-quarters of respondents moved to accommodation with a smaller (60%) or no (16%) garden.
 - Only 22 per cent of people who downsized stayed in the same neighbourhood as their original dwelling; 42 per cent moved to neighbourhoods that were new to them, and 37 per cent to a location that they already knew.
 - The most prevalent primary reasons for downsizing reported by survey respondents were: lifestyle (27%) and financial (27%) reasons; followed by the garden or property requiring too much maintenance (18%); and being ‘forced’ to move (15%).
-

This chapter examines the preferences and experiences of downsizing amongst older Australians. In the first instance, interview data was analysed to understand what the term ‘downsizing’ means to older Australians living in different tenures. This was followed by an analysis of AHA survey data to understand the extent to which downsizing forms part of the housing preferences of this cohort. The questions in both data collections asked respondents: if they had already downsized, if they intended to do so in the future, or whether they preferred to ‘stay put’ and grow old in their current home. Drawing on the survey and interview data, we explored the experiences of older home owners and renters who had already downsized, including: changes to housing attributes as they moved from one dwelling to another, the factors that motivated their move, their concerns prior to moving, and the benefits they experienced from having downsized.

3.1 What does ‘downsizing’ mean to older Australians?

In previous research, downsizing has been measured using proxies such as a reduction in the number of bedrooms, or in the size or value of the house/land, between one residence and another (Judd, Liu et al. 2014, Productivity Commission 2015). Interviews with later-life Australians provided an opportunity to explore what the term ‘downsizing’ means to older home owners and renters. During the interviews, a reduction in the number of bedrooms was used to

describe downsizing; however, in reality, the action of downsizing was found to be more complex than simply reducing bedrooms, as this interviewee explains:

for me, downsizing, that would be maybe a two-bedroom house. You need a second bedroom in case you get a visitor or your grandchildren or yeah. And a small kitchen—living area and—but I would like two bathrooms. Oh my gosh, that's big again. I mean that's downsizing to have a smaller place and not a big garden, because when you get older, the garden probably makes you more trouble. But you need a bit of a courtyard to sit outside and entertain your friends and sit in the sun or sit out in the fresh air (Female, home purchaser).

Thus, downsizing is not about creating a housing scenario without a garden; rather, it's about having a manageable outdoor space. Interviewees also revealed that the dwelling itself doesn't necessarily have to be smaller, but it does need to be more functional—that is, easier to clean/manage than the previous home: 'Your needs change. Your housing needs change' (Female, social housing tenant).

There is, of course, a financial consideration to downsizing. Downsizing was associated with moving to a property that is more economical to run, but which also constitutes a cost-effective transaction and locates them closer to amenities.

Going into something smaller and more economical ... cheaper to run ... less gardens, less lawns, less water, less power to heat and cool, those things. Maybe closer to amenities (Female, home purchaser).

The other thing with downsizing for me is it's got to be cost-effective or I'll just stay here, because it's twofold ... You know in your mind that you've given it to somebody who really needs it. You've gone to something that would suit you better and, at the same time, you've made something out of it and that's what everybody looks at ... if I can't make anything out of it, I'll just stay where I am because I don't want the expense (Male, home owner).

One of the key themes that emerged was an association between downsizing and a reduction of belongings (clutter, collectables, 'stuff'). Some interviewees articulated downsizing to be a conscious response to changing housing needs.

Doing the downsizing is getting rid of the clutter, working out what furniture you really need ... To be able to say, 'Well I don't use this anymore,' or 'I don't need this anymore,' and then being able to either sell it or give it to the family or give it to the op shop. It's got everything to do with furniture (Female, home owner).

Getting rid of your clutter and reducing your living space and your collectable items (Female, private sector tenant).

Despite the fact that a number of interviewees who rented had already moved to smaller dwellings, some renters still saw 'downsizing' as referring to moves made by home owners, rather than tenants.

Probably relates more to people that have the big four [bedroom] by two [bathroom home] they have brought their kids up in and the kids have all moved home, so they're looking at something smaller (Female, private sector tenant).

The term 'downsizing' I think about—it's probably a stereotypical view but I think of people with a great big four-bedroom rambling mansion with a double garage and huge backyard or something and all their children have grown up and moved house. And they're probably generally a couple that's still together and then they decide,

'Well, we're going to sell the big family home and buy an apartment in the city or in an inner-city suburb' (Female, private sector tenant).

Renters' descriptions of downsizing perhaps represent an 'ideal' housing career, which is different to their experiences in the private and social rental sectors, where choices can be constrained. One interviewee living in the private rental sector described this lack of choice:

I feel as though I've always been quite downsized, yeah. I've never been upsized (Female, private sector tenant).

While data on changes in the number of bedrooms, dwelling value and land size provide a useful snapshot of moves taken, qualitative responses allow a more nuanced understanding of downsizing. They demonstrate the complexity of these moves in retirement and highlight the differing perceptions between home owners and renters. Downsizing doesn't simply relate to the size of the house; rather it points to a housing aspiration where the internal and outdoors spaces are manageable, and represents a financially beneficial change in dwelling. While renters share these views, they are also conscious of the element of choice associated with the decision to downsize—something that is not always afforded to tenants.

3.2 Downsizing preferences for later life

This research explored the extent to which downsizing forms part of the future housing preferences and aspirations of older Australians. The AHA survey asked respondents about their intentions to downsize from their current dwelling and these findings are presented in Table 3. Overall, about a quarter of survey respondents had downsized (26%) and almost a third indicated that they had thought about moving (29%). Very few respondents indicated that they wanted to downsize but were unable to do so (2%), while 42 per cent stated that they had not considered downsizing. These results are similar to those of the Productivity Commission (Productivity Commission 2015), whose survey of 1,500 Australians aged over 60 years found that around 25 per cent of respondents had downsized their home since turning 50 and a further 15 per cent had strong intentions to do so in the future. The AHA results also reflect the findings from a Bankwest Curtin Economics Centre survey conducted in 2015, in which 1,160 respondents aged 55+ years were asked about their downsizing aspirations, with 20 per cent having already moved and 30 per cent suggesting they had considered doing so (Duncan, James et al. 2016). The results also mirror those of a national survey of 5,770 seniors in 2017 by National Seniors Australia, which found that 42 per cent intended to stay in their current home, 24 per cent were planning to move, and 34 per cent had already moved (Rees and McCallum 2017). Overall, the findings indicate that there is a strong appetite among older Australians to downsize their dwellings.

Data from the AHA survey revealed that people aged 75 years and over were the most likely to have already downsized (39%), with an equal proportion indicating that they did not want to move. Households currently living in a lifestyle or retirement village were the most likely to have downsized; however, it is worth noting that 14 per cent of people in this tenure type did not consider that they had downsized—rather, they described having moved between two dwellings with similar attributes.

Higher proportions of renters, in both the social housing (33%) and private (41%) sectors, regard themselves to have downsized when compared to home owners or those with a mortgage. Some of these moves were considered 'forced'. One renter in the community housing sector, who had had to leave their previous home, in the private rental sector, when it was sold, explained:

Yeah, I have [downsized] compared to Essendon where I was living there, that was quite a big two-bedroom unit with a lock-up garage and a front courtyard, backyard,

high fence around the front. It was quite nice. Into this, this is quite small, this is not much bigger than a caravan this place (Male, social housing tenant).

By contrast, those who owned their property outright (35%) or with a mortgage (33%) were more likely to have *considered* downsizing when compared to households in other tenures.

Respondents not wanting to downsize indicated that their preferred housing attributes were ownership of a separate house with three or more bedrooms, located in the inner or middle suburbs of a major city or in a regional town/city (large or small) (James, Rowley et al. 2019). Their current dwellings largely corresponded to this aspiration, with 84 per cent living in a separate house (84%) with three (46%) or four (29%) bedrooms, suggesting a good match between housing preferences and dwelling attributes.

Households on low or very low incomes were more likely to have downsized when compared to those on higher incomes. Households with moderate to high incomes were more likely to have thought about downsizing compared to those with lower incomes. Survey respondents with very low incomes were the most likely to be unable to downsize despite wanting to do so.

Around a third of all single-person households, and a similar proportion of couple households, had downsized, compared to only 11 per cent of couple households with children and 21 per cent of single-parent households. However, around a third of respondents living in a couple household (38%), or in a household with children—whether in a couple (33%) or as a single person (31%)—have thought about downsizing.

Households which are most likely to have thought about downsizing are: aged between 55 and 74 years; own their separate dwelling outright or with a mortgage; are on a moderate to very high income; and are either in a couple household (with or without children) or in a single-person household living with children.

Importantly, private renters and home owners living in separate dwellings, on low incomes, and in households that consist of couples with children, were the groups that most wanted to downsize but were unable to do so. In regards to policy that addresses the need to effectively house an ageing population, this cohort, though small, presents an opportunity to support people to move into housing better suited to their needs.

Table 3: Characteristics of households, by downsizing status

| | Have already downsized | Have not considered it | Have thought about it | Want to downsize but cannot |
|-------------------------------------------------------------------|------------------------|------------------------|-----------------------|-----------------------------|
| Age | (%) | (%) | (%) | (%) |
| 55–64 | 20 | 48 | 30 | 2 |
| 65–74 | 30 | 37 | 30 | 2 |
| 75+ | 39 | 39 | 21 | 1 |
| Tenure | (%) | (%) | (%) | (%) |
| Renting from state housing authority or CHP | 33 | 56 | 10 | 2 |
| Private renter | 41 | 35 | 21 | 3 |
| Owner with a mortgage | 19 | 43 | 35 | 3 |
| Outright owner | 23 | 42 | 33 | 2 |
| In a lifestyle or retirement village | 86 | 14 | 0.0 | 0.0 |
| Income quintile | (%) | (%) | (%) | (%) |
| Very low income | 31 | 43 | 21 | 4 |
| Low income | 32 | 40 | 26 | 2 |
| Moderate income | 21 | 44 | 34 | 2 |
| High income | 19 | 45 | 35 | 2 |
| Very high income | 18 | 45 | 36 | 2 |
| Household type | (%) | (%) | (%) | (%) |
| Single person, no children | 32 | 44 | 21 | 3 |
| Couple living together, no children | 29 | 38 | 32 | 2 |
| Couple living with children (dependent and/or independent) | 11 | 53 | 33 | 3 |
| Single person living with children (dependent and/or independent) | 21 | 45 | 31 | 2 |
| Dwelling type | (%) | (%) | (%) | (%) |
| House | 20 | 44 | 34 | 23 |
| Apartment | 54 | 35 | 11 | 1 |
| Ancillary dwelling | 46 | 46 | 9 | 0 |
| Other | 61 | 36 | 3 | 0 |

Source: Authors' analysis of AHA survey (2018) data, unweighted.

3.3 Experiences of downsizing

3.3.1 Changes to housing attributes during downsizing

Of those respondents to the AHA survey who stated they had already downsized (26%), 60 per cent were in ownership, 25 per cent in the private rental sector, and 7 per cent in age-specific housing (see Table 4). Only 10 per cent had four or more bedrooms, with 41 per cent having three bedrooms, 35 per cent two bedrooms, and 13 per cent one bedroom. A third (33%) lived in an apartment and 61 per cent in a house. In terms of location, 39 per cent lived in the middle/outer suburbs, 19 per cent in the inner suburbs, 20 per cent in a large regional town and 15 per cent in a small regional town.

Table 4 presents a comparison of the current dwellings of surveyed households that had downsized with households that had not. There are clear differences. Households that had downsized were less likely to be in ownership (60% versus 72%) and far more likely to be in age-specific housing (7% versus 1%). A reduction in the number of bedrooms was a clear outcome of downsizing, with only 10 per cent of downsizers living in a dwelling with four or more bedrooms, compared to 41 per cent of other households. Almost three times as many downsized households were living in two-bedroom dwellings compared to non-downsized households, and four times as many in one-bedroom dwellings. A third of downsizers were in an apartment, compared to one in ten non-downsizers. Around 20 per cent of downsizers went from a separate house to an attached house (see Appendix 5: Table A5). Downsizers were less likely than non-downsizers to reside in large regional towns and more likely to be in the suburbs of a capital city. More detail on dwelling type change can be found in Table A5.

Table 4: Current housing outcomes of households that have and have not downsized

| | Have downsized | Have not downsized | Difference |
|-----------------------------------------|-----------------------|---------------------------|-------------------|
| Tenure | (%) | (%) | (%) |
| Ownership (outright or with a mortgage) | 60 | 72 | -12 |
| Private rental | 25 | 18 | 7 |
| Social housing | 7 | 8 | -1 |
| Age-specific housing | 7 | 1 | 6 |
| Other | 1 | 0 | 1 |
| Number of bedrooms | (%) | (%) | (%) |
| 1 | 13 | 3 | 9 |
| 2 | 35 | 12 | 23 |
| 3 | 41 | 44 | -3 |
| 4 | 10 | 34 | -24 |
| 5+ | 0 | 7 | -7 |
| Dwelling type | (%) | (%) | (%) |
| House | 61 | 88 | -27 |
| Apartment | 33 | 10 | 23 |
| Ancillary dwelling | 1 | 0 | 1 |
| Other | 6 | 1 | 5 |
| Location | (%) | (%) | (%) |
| CBD of a capital city | 6 | 3 | 3 |
| Inner suburbs of a capital city | 18 | 12 | 6 |
| Middle/outer suburbs of a capital city | 39 | 34 | 5 |
| Regional city or large town | 20 | 32 | -12 |
| Small regional town | 15 | 13 | 2 |
| Remote community | 2 | 6 | -4 |

Source: Authors' analysis of AHA survey (2018) data, unweighted.

To understand the experiences of downsizing, we examined in further detail the extent to which those households who moved changed their housing attributes (i.e. tenure, number of bedrooms, size of garden). When downsizing from one property to another, some minor changes to tenure were evident: notably from ownership into private rental (see Table 5). This small cohort (13%) included some people who had sold their dwelling and moved into a retirement village, where the tenure is leasehold. Unsurprisingly, very few respondents moved from a rental into home ownership.

Table 5: Change to tenure during downsizing

| | % of respondents |
|---------------------------------------|------------------|
| No change—stayed a home owner | 65 |
| No change—stayed a renter | 19 |
| Changed—was a home owner now a renter | 13 |
| Changed—was a renter now a home owner | 3 |

Source: Authors' analysis of AHA survey (2018) data, unweighted.

Two-thirds of the respondents who downsized did reduce the number of bedrooms in their dwelling, although a third did not (see Table 6)—a finding which underlines the complex meaning of downsizing. The survey found that three-quarters of respondents moved to accommodation with a smaller garden (60%) or no garden (16%), which accords with previous research that cited gardens and the maintenance of outdoor spaces as a catalyst to downsizing (Rees and McCallum 2017). Only a small proportion of households moved to a dwelling with a garden of the same size or bigger. Stakeholder interviews revealed that social housing tenants don't have the same degree of choice as people in other tenures. They often found themselves trying to balance a number of housing attributes that would meet their changing housing needs. As one stakeholder explained:

even though there might be only one of them living in the dwelling, having a second bedroom—a utility room or a room that they could do their craft and hobbies in—was really important. So it was balancing those aspects. Whilst they may not need a big yard anymore, having access to private greenspace was very important (state government stakeholder).

Table 6: Changes to dwelling size and garden during downsizing

| Change in number of bedrooms | % of respondents |
|--------------------------------------------|------------------|
| Yes—now have fewer bedrooms | 67 |
| Yes—now have more bedrooms | 4 |
| No change | 27 |
| Change in size of the garden | |
| Yes—to a smaller garden | 60 |
| Yes—to a bigger garden | 10 |
| No—maintained a similar sized garden | 9 |
| Yes—to no garden | 16 |
| No—didn't have a garden in the first place | 6 |

Source: Authors' analysis of AHA survey (2018) data, unweighted.

When surveyed households downsized, 42 per cent moved to neighbourhoods that were new to them and 37 per cent moved to a location they already knew, either through friends or family or as a holiday destination (see Table A6). Only 22 per cent downsized their accommodation in the same neighbourhood as their original dwelling. More than other age cohorts, downsizers aged

55–64 moved within the same neighbourhood (26%), while those aged 75 years and over were most likely to move to a location with which they were familiar (43%).

Tenants in the social housing sector (29%) were more likely to have remained within the same neighbourhood when they downsized compared to those in other tenures. Private rental sector tenants (42%) and those in age-specific accommodation (38%) were much more likely to have moved to a location familiar to them, while those with a mortgage were the least likely to have done so (32%). Households who owned their home outright (43%) and social housing tenants (45%) were among those most likely to move to a neighbourhood which was new to them.

3.3.2 Reasons for downsizing

The most prevalent primary reasons for downsizing reported by survey respondents who had already moved were: lifestyle (27%) and financial (27%) reasons; followed by the garden or property requiring too much maintenance (18%); and being forced to move (15%) (see Table 7 and Table A7). Only a small proportion of respondents moved to help their family, or moved into a home that they already owned.

Table 7: Primary reason for downsizing, by age

| All respondents | % | | |
|---------------------------------------------------|-----------|-----------|---------|
| Lifestyle reasons | 27 | | |
| Financial reasons | 27 | | |
| The garden/property required too much maintenance | 18 | | |
| To move into a home that was already owned | 3 | | |
| To move to a familiar neighbourhood | 5 | | |
| To provide help to family | 4 | | |
| Forced (did not downsize by choice) | 15 | | |
| Age | 55–64 (%) | 65–74 (%) | 75+ (%) |
| Lifestyle reasons | 23 | 30 | 28 |
| Financial reasons | 35 | 24 | 19 |
| The garden/property required too much maintenance | 11 | 18 | 31 |
| To move into a home that was already owned | 4 | 4 | 2 |
| To move to a familiar neighbourhood | 4 | 6 | 5 |
| To provide help to family | 4 | 5 | 2 |
| Forced (did not downsize by choice) | 19 | 13 | 14 |

Source: Authors' analysis of AHA survey (2018) data, unweighted.

Lifestyle reasons

Those respondents who had downsized for lifestyle reasons were more likely to be aged 65 years and over, and to be home owners or to have moved into a retirement village. They were likely to have moderate to high incomes and be in couple households. The following home owner described the lifestyle afforded by her new home in a rural location.

It's my dream home. And I say that because over the period of time when I was looking to move, I drove past this house many times. Because it was by the lake and that was where I would take my dog to swim. And I'd often just look at it and just think, 'Oh, isn't that lovely' ... I could see that it was small. And it had a bit of character about it. I don't know when it would have been built ... probably built in the 1960s ... It has two bedrooms, one bathroom, a lounge room, a kitchen and a garage (Female, home owner).

A couple household who purchased into a lifestyle village told us that they did so to avoid being lonely in their previous neighbourhood. They explained that opportunities for interaction with their former neighbours was very limited and that they had to go out of the neighbourhood to socialise:

neighbours over on the corner, they're away overseas; neighbours next door to them, we rarely see them, probably once a week; neighbours across the road, rarely see them. So you just don't see anybody around here unless you actively go out (Male, home owner).

One interviewee, retired and on a full pension, had previously been renting. She realised that the cost of renting 'was going to seriously restrict my independence and my wanderings'. She explained the lifestyle and financial reasons for downsizing into a mobile granny flat on land rented from her son, as follows.

I like to go out. I love tourism. I like to go and travel, in the car or whatever, get away. And it's just what we're going to, and with the horses, it just wasn't going to work. So I could see I was going to be in quite a lot of difficulty to have a reasonable lifestyle. And so I decided to have this built and downsize ... So, it all boils down to money, [or the] lack of (Female, home owner).

Financial reasons

Households moving for financial reasons had a slightly different profile. These households were generally younger, aged 55–64 years, most likely to be social housing tenants and to be in couple or single households with children. The incomes of these households were likely to be either very low or high. The interviews revealed the broad range of financial reasons prompting moves, whether made by choice or 'forced. One household was convinced to downsize by the fact that the property developer for their new home would be paying the stamp duty:

what swayed me was the carrot, which was so good ... they pay the stamp duty ... They have an agreement with the state Government and they have a bank cheque ready that they apply at settlement and they've already calculated the amount. That, to me, is a big saver because it's—we don't get it as such, but it's transacted at settlement so it comes out to us in the long run. That was a big driving factor too, is that it made—if you're going to downsize, it's not an exercise, it's got to be to your benefit, otherwise you just stay and when we saw this benefit of them paying the stamp duty, it made it even more attractive ... The other thing is, when we did decide, we sat down and made sure that—we weren't greedy, but we needed to come out [ahead]. We told the agent, 'We're not going to move if it's not going to be to our benefit' and now we are providing this accommodation to a younger family with a growing family and it serves the purpose (Male, home owner)

By contrast, an interviewee in the private rental sector moved from a four-bedroom house to transitional housing because 'I couldn't pay the rent. It was as simple as that. All the other things aside, I just couldn't pay the rent' (Female, social housing tenant). A single parent in the private rental sector downsized as her children entered young adulthood. Initially prompted by one child leaving home, the move to a smaller property was motivated by financial reasons:

so I said to my daughter, 'I want to give this big place up' and I house-shared for six months then with a mate and told her to find some friends to house share with ... And I said, 'I've been doing this for too long now' and I was working two jobs and not really getting a lot to show for it. So it was financial [reasons] that made me originally downsize. And I thought, [you] kids are older enough now, you've got a job, go get your own places (Female, private sector tenant).

Although employed in a full-time position, the following mortgagee in a single-person household explained that she downsized to ensure financial security in the future:

when I have less income, when I'm not working so the house is not expensive to run. Say my water bill might be only \$25. [Previously I was paying] \$313. That's a big difference. And a lot of that is in maintaining lawns and gardens ... I think as you get older experiences and financial security are far more important than possessions (Female, home purchaser).

As these quotes highlight, the financial reasons to move are complex. Moving isn't always to release equity in their home; rather, it may be about safeguarding their financial security and lifestyle into the future. One single-person home owner, who had moved in response to changing household needs, described her sense of achievement and the importance of having a place in which she can express her independence.

Because I love my house and I love—I did this house on my own. I was married happily, but then also to be—because, like, in our age you married and you had a husband. You were a child, you married and then you had a husband and then you had children. I was never, ever independent in that way. And then when my husband passed away, as sad as it is, suddenly you're thinking, 'Oh my God, I'm so free. I can do whatever I want, because every decision I make is my decision'. There's nobody to say, 'You have to do this or this or this'. So to build this little house here—all my thoughts, all my decisions, all my things, my colours, everything is mine, it's empowering (Female, home purchaser).

Forced moves

Among those survey respondents who had downsized, 15 per cent stated that they were 'forced' to move to a smaller dwelling. Households forced to move were more likely to be in the younger age cohort (55–64 years), renting in either the private or social housing sectors, and on very low incomes. They were more likely to be single-person households or single parents living with children, or renters in the private or social housing sectors. Reasons for forced moves included the landlord selling the property, and discomfort with the landlord's proximity and behaviour. For these interviewees it was necessary to downsize to find a dwelling that was available and appropriate for the household's needs. One home owner had been forced to downsize, following the dissolution of their marriage, into a home which was previously the family's holiday home.

Often there is a perception that households benefit significantly during the process of downsizing because it results in reduced housing costs and less maintenance, therefore allowing more time and money to spend on leisure activities. The reality, for some, was that downsizing was a negative experience forced upon them due to financial constraints, and resulting in an unwanted reduction of dwelling size and space.

Changes to health status of household members emerged in the interviews as a common reason for forced downsizing. Some households needed to move closer to health services, for example. For others, a change in health provided the push needed to investigate other housing options, resulting in downsizing for some.

It's funny; you have reservations about moving out of a home that you've been in for so many years with the family, and then when you walk the walk and you see what's

out there—it's really impressed me because where we're going is a brand-new home (Male, home owner).

Another household moved to a retirement village that provided continued care, from independent living units through to high care, all on one site. The move for this couple household was prompted by the 'risk of being separated in later life' (Female, leasehold).

Pre-emptive moves

Several interviewees moved homes in early retirement, or prior to retirement, in preparation for later life. For some it was a very deliberate decision, made after reflecting on their changing household needs and their own capacity. For example, one home owner purchased a three-bedroom house in midlife and invested money to ensure that it was future-proofed by being wheelchair friendly and in close proximity to social networks:

I found the house and the wheelchair goes around good. But also it's very close to the city. It's on the main road going out of the city, so people drop in on me all the time ... I've done all the things that I think, if I wind up in a wheelchair, if the worse comes to the worst, I will still be able to live here (Female, home owner).

For others, early moves were less calculated, resulting simply from matching their housing with changing needs. For this cohort, it was only on reflection that they realised that they had actually downsized in preparation for later life.

Children leaving

Children leaving home was another motivation for downsizing. One home owner explained that once the children had left, they started looking for a newly built home that had a manageable garden and was easy to clean, could be locked up and left easily, and felt secure.

I guess I was just sick of having a property, an old property with an old house, and I just wanted to spoil myself and live in a nice place that wasn't this chore hanging around your neck anymore: what leaks, and what is broken? ... I guess I was just tired of that lifestyle that we'd had ... I was over that and I wanted to get something that was a lot more manageable ... I just wanted something new that I could just walk into (Female, home owner).

3.3.3 Concerns prior to moving and overcoming barriers

Moving house is a significant change at any stage of life. Interviewees were asked if they had any concerns before they moved to their new dwelling. One person in a couple household felt that the move to a retirement village occurred too soon. Their detached home had become hard to maintain and their children were encouraging them to downsize. After substantial research into their housing options, they chose to move to a retirement village. However, the dwelling sold more quickly than anticipated and thus the move was made before he was emotionally ready to downsize.

Another interviewee was worried about a lack of space, both inside and outside the new dwelling, when moving from a house they owned into transitional housing. Unfortunately, her concerns were realised:

Just having [enough] room. I feel very claustrophobic here. I can walk into the backyard, but there's so little of it and the traffic is so heavy that you can't sit outside and enjoy the sunshine (Female, social housing tenant).

A loss of independence was another concern revealed through the interviews. For example, an interviewee who had exited the private rental sector to live in a mobile granny flat was initially

concerned that by parking permanently on her child's property a level of independence would be forfeited, and that she might be a burden on her family:

Yeah, I was just concerned that I would lose my independence. Also, to be in my son's way, like, actually more so his partner's way, because they're starting a new life together and I just didn't want to be the mother or mother-in-law that's sticking her nose in and sort of make things uncomfortable for them, that's all (Female, home owner).

Another interviewee was concerned that in changing tenure from owner-occupier to renter, they would be giving up a dwelling that was theirs to be at the mercy of the landlords. This was viewed as a loss of independence:

Like, a lack of ... independence? Yes, yes. Yes, I think I had a feeling of not wanting to rent because I've always owned and built houses and stuff. And actually ... to give up what was mine and what I've always called mine, to going to living in other people's houses. Or renting and having to be at the mercy of landlords and so on (Female, private sector tenant).

A couple household who had downsized from one four-bedroom home to another, and maintained ownership, expressed how they mitigated their concerns about losing their independence by talking through their housing preferences during the decision-making process:

I said [to my wife], 'As long as we're not in a box, a little unit with two or three bedrooms, where you're on the fifth floor and even though it's old, elderly people, there's still noise. If we can just get our own [separate dwelling]...' and that's when we found this [4-bedroom, 2-bathroom separate dwelling]. We want that independence. That was important to us (Male, home owner).

Not having friends close by was a concern of another interviewee, who was forced to downsize into a community housing complex. As described below, his fears were somewhat alleviated after moving in:

Yeah, I did wonder what it was going to be like here, you know? And who I'd find as a friend and all that sort of thing. But there's only a couple of ladies that live on my floor here that I have really anything to do with. They're a bit younger than me but we went to the market together, the three of us, last Sunday ... so we're going to do it a bit more often, you know? But that's a start (Male, social housing tenant).

Another couple were worried, not about moving from one house to another, but about moving away from their daughter. While the physical dwelling they were moving away from was important, the greater concern was around leaving family. The move was made easier by the knowledge that their daughter may follow them to the new location at some point in the future:

Only [concern was] leaving [our daughter] and—that was all. I wasn't worried so much about leaving anything else. No, there wasn't anything else. It would only be [our daughter]. But I knew she probably would follow anyway. But yeah, because you can't get away from her. But no, I don't think there was anything else. But I did love my house. I loved my house that I had there. But then, it's a house. But I love this house more (Female, home owner).

Older Australians who had moved into retirement villages also held concerns. One interviewee was worried about 'the rules and regulations in the retirement village, the limitations placed on people [no music and parties], and living with older people'. She explained that the move felt final, so she 'had to be really sure that I wanted to lease this property' (Female, social housing tenant).

Interestingly, for each interviewee who had concerns about moving, an equal number indicated that they had no concerns prior to downsizing. Home owners saw the benefits of moving, recognised the control they had over the decision and the process of due diligence they had undertaken. One home owner explained that her friends were more concerned about the reduction of space than she was:

A few of my friends were like, 'No, I couldn't live in a small place like this', but next thing they're saying, 'My backyard, I've got to water it or this has happened and I need to fix it up. I don't want to do it. The garden is a mess' ... they're all going on about issues that they're having and I don't have those issues (Female, home owner).

Renters, on the other hand, explained that they were used to moving house, and many were familiar with their new destination—both of which reduced their concerns about downsizing. One renter noted that she had no initial concerns about moving to Sydney because she used to live there; but she did find it to have changed:

Not really, no [concerns about downsizing]. [But] I didn't realise how things had changed. I'd come down to Sydney once a year, for Christmas and New Year, so it's not like you're living there, but I knew people were overwhelmed by a lot of the developments going [on] ... it's just noisy and traffic's all over the place. And then the other thing is they've just privatised the buses in the area where I live and so, all of that stuff, which wasn't around when I was here 11 years ago. I didn't realise it was as bad as it was (Female, share house tenant).

Another interviewee explained that she had no concerns about downsizing because of her previous experiences: 'Just my background. In moving, I thought—I don't know. I was obviously confident that I'd find something that suited' (Female, private sector tenant). Another renter drew on professional and social networks to make the move as easy as possible:

I got a professional mover but friends came and helped me pack and whatever, and then other friends said, 'Come and stay with us after everything's gone. Stay with us for a few days until you move'. And then when I moved here, people came and helped me unpack (Female, share house tenant).

3.3.4 Benefits of downsizing for households and individuals

A large proportion of older Australians who had downsized reported that benefits of their move included reduced time maintaining their property (55%) and reduced maintenance costs (48%). Many also reported reduced housing costs (42%), a better location (40%), and feeling safer and more secure (36%) (see Appendix 8: Table A8). An increased sense of independence and releasing equity were less often considered to be among the main benefits of downsizing.

Respondents who had moved to a retirement village were the most likely to indicate that a main benefit of downsizing was a reduction in time spent maintaining the property (81%), and a majority of home owners (57%) and social housing tenants (57%) agreed. The perception of this benefit also increased with age. A home owner in a regional area described the pressure that was alleviated, and the freedom gained, when the household downsized to a property requiring less maintenance:

so downsizing for me was just making it so much easier, that I didn't have that weight hanging around my neck of, 'Oh, I can't go for a weekend away because the garden's a mess and I need to fix it up'. I just like that 'keeping it simple' and if I want to go away for the weekend, or a month overseas, I can, without having to get somebody to put the sprinklers on every other day and check the reticulation or make sure that the hand-watering of the pots is happening, or anything else. Just straightforward and easy (Female, home owner).

A renter who had downsized explained that one of the benefits was the opportunity to declutter her previous home, and how, as a result:

it's made me think twice before I gather up any more stuff and hoard any more stuff. I've got to make sure that I can manage it and that I really need something. I think twice before I buy anything. If I buy something new in clothes, I'm inclined now to get rid of one of the old things. Yeah, I guess I don't buy anything unless I really need it (Female, private sector tenant).

Renters in the private sector were more likely to view living in a better location as benefit of downsizing, compared to those in other tenures. Social housing tenants and residents of retirement villages, more than home owners, felt that downsizing had given them easier access to support services. Respondents who had moved to a retirement village were more likely than others to say that a benefit of downsizing was that they felt more independent.

Feeling safe and secure was identified as a main benefit by a majority of respondents in retirement villages (71%), as well as many social housing tenants (43%). As one home owner explained:

I feel a lot safer [in this property]. So that was a benefit. That was a boon. And then neighbours will keep an eye on your property if you're going away. You say, 'Look, I'm going away. I'm travelling or going to the desert'. They'll keep an eye on your place. They might feed your chooks (Male, home owner).

For another resident in a retirement village, the night guard and good lighting at night created a sense of security (Female, leasehold).

Seniors' advocates pointed out that in addition to tenants *feeling* safer, it is important to consider the practical safety benefits associated with being in a home that meets the housing needs and abilities of the household. Being in a dwelling that supports an individual as they enter later life results in a reduced chance of early entry into residential care (not-for-profit seniors' advocate stakeholder).

Releasing equity was a benefit identified by a small proportion of home owners (17%) and retirement village residents (14%). A couple household who had moved from one owned property to another did so because it was financially beneficial, providing a cash flow that would allow them to travel without using their savings:

Yeah, financially [downsizing was beneficial]. Because with that little financial gain, it's your little nest egg for—in other words, with us, next year we're looking ... to [travel back to where my parents were from] ... [Downsizing] gives me that little bit of finance to be able to contemplate going over there [travelling] and visiting before you can't visit anymore—and as you get older, your mobility is less. That was another little catalyst, I'd say, is that when we did our sums, we knew that there was something there for us without having to break into our life savings (Male, home owner)

Another home owner, who was forced to downsize, found that living in a regional setting was financially beneficial:

yeah, there was a financial benefit from downsizing ... the cost of living here is less in monetary terms than it is living in town ... You grow your veggies, you can collect your eggs, you can pick your fruit ... not totally self-sufficient, but it's a lot more cost-effective. The more self-sufficient you are, the less your overheads are ... Less washing, less use of resources. So there's a benefit, a cost benefit, living in a smaller dwelling in a rural setting, a bush setting (Male, home owner).

Nevertheless, as reflected in other research, selling the family home to access equity is not a significant reason for downsizing and, indeed, it is generally a last resort for older Australians (Ong, Wood et al. 2015, Productivity Commission 2015). One reason for this is that selling the family home can result in a reduction to the Age Pension due to the asset means test, so careful financial planning is required ahead of any decision.

Renters may also find downsizing to be financially beneficial, but for different reasons than home owners. For one renter we interviewed, the financial benefit was associated with the cost of rent, which was set to increase at the property they moved away from. In addition, there was the emotional benefit of feeling safe and secure in the relationship with the new landlord, and of being in a regional location: 'I guess I probably didn't realise how much happier I would be in a place like this' (Female, private sector tenant).

3.3.5 Overall experience

Generally, home owners described the overall experience of downsizing as positive. In one case, a single-person household moved, just before exiting the workforce, from the family home to a three-bedroom, two-bathroom dwelling designed for later life. She explained the smooth transition between dwellings was supported by her social networks:

So there was no stress and I think that was what was important to me. If I did have a stressful situation, there was always someone there who had the answer for me (Female, home owner).

Another home owner explained that the move to a retirement village was stressful, partly because she felt pressured to move by her family. She remarked that wouldn't have wanted to be older and going through the same process. However, the experience of reducing her belongings was viewed as positive, as was being able to move into a village in the same general area as her previous residence. Furthermore, even though the new dwelling was smaller, she found herself living in the same amount of space as in the old house (Female, leasehold).

A significant portion of older Australians, however, find moving in later life to be a challenging experience. The following respondent, for example, found downsizing to be stressful due to the uncertainty inherent in the processes of selling, buying and moving house.

Stressful. It is stressful. I'm not going to pretend it's not ... when the house was being sold, it was [prospective buyers] coming and accepting and declining and going, toing and froing. [During the open homes] you're having to present the house like a little doll house while you went out and everything was picture perfect. You didn't want to dirty the place (Male, home owner).

While there was evidence that moving gets harder with age, respondents' combined feedback identified a window within which a move would be optimal—essentially: not too early and not too late. This renter, who was forced to move for financial reasons, explained that:

as you get older it just gets harder, and I think you just become a bit more vulnerable and a bit more worn down and susceptible to the sadness and the emotional and physical toll of it all (Female, private sector tenant).

A new resident in a retirement village felt that moving before the age of 70 would have been premature, but also saw the need for a shift in cultural mind-set to prompt people to move earlier:

I don't think I could have done it before 70 years of age ... [T]here is a need [within the broader Australian community] to realise that you are getting older and get over it and

move. It's about being realistic with [one's] own limitations (Female, social housing tenant).

Other interviewees wished they had downsized earlier, to be able to enjoy the lifestyle offered by the new dwelling or location. In the following case, the person had downsized to a regional location.

Overall? Well, except that I'm getting older, I just wish I was younger. And so I could enjoy it for longer. I said when I got here, I wished I had 20 years (Female, home owner).

3.4 Summary

This chapter began by providing an understanding of how older Australians understand and use the term 'downsizing'. While, on the one hand, downsizing is associated with a reduction in the number of bedrooms or dwelling size, interviewees focussed more on other aspects, such as the dwelling being easier to clean, the gardens smaller and more manageable, and a reduction of belongings or clutter in the home. While financial considerations were mentioned, the cost or investment components of housing choices were not dominant themes. The survey findings confirmed that downsizing is part of older Australians' housing preferences, with more than half of respondents having already downsized or considered doing so. People who had already downsized were more likely to be renters; however, survey and interview data indicated that some of those moves were forced rather than by choice. The proportion of older Australians who would like to downsize but are unable to do so is small.

The current dwelling characteristics of downsizers are different from those of non-downsizers in terms of more varied dwelling types and a smaller number of bedrooms. Interestingly, 42 per cent of downsizers moved to neighbourhoods that were new to them, which is at odds with the assumption that households want to age in their local community. Households who owned their homes outright (43%) and social housing tenants (45%) were among those most likely to move to a neighbourhood that was new to them.

Survey respondents downsized for a number of reasons, including financial, lifestyle and property maintenance reasons, and not having a choice. Households aged 65 years and over were more likely to have downsized for lifestyle reasons, while younger households (55–64 years) were likely to be motivated by financial reasons. The latter cohort were also more likely to be renters. Downsizers who responded to the AHA survey were likely to have either very low or high incomes.

Some of the people who had downsized held concerns prior to moving, including loss of independence and being geographically removed from friends or family. However, an equal number of interviewees had approached downsizing with no concerns. The main benefits of downsizing were reported to be: reduced time maintaining the property; reduced maintenance and housing costs; living in a better location; and feeling more safe and secure. Factors such as an increased sense of independence and releasing equity, while mentioned during interviews, were less likely to be identified as benefits of downsizing.

The timing of the move emerged as an important aspect. Moves made by choice, and earlier in life, were deemed less stressful than moves forced or delayed until later in life.

The findings of this research highlight that downsizing is not, as is often assumed, only undertaken by home owners, but also by renters in both the social and private sectors. Albeit, when renters downsize it is less likely to be by choice. As the tenure profile of older Australians changes, and the proportion of renters rises, consideration must be given to assisting these households to ensure that their housing needs are met and they are appropriately accommodated in later life.

4 Downsizing options available for older Australians

- The number of Australian aged over 55 increased by almost 3 million in the 10 years between 2006 and 2016. The proportion of Australians over 55 is now 35 per cent, up from 32 per cent ten years ago.
 - LGAs with the largest proportions of older Australians tend to be in regional areas, often with relatively high levels of socio-economic disadvantage.
 - Australian Bureau of Statistics (ABS) data suggests two-thirds of older households are living in a dwelling with at least one spare bedroom, while AHA survey data suggests 75 per cent of respondents are happy with the number of bedrooms in their current dwelling.
 - Across the LGAs studied, there was large variation in the availability of established dwellings that suit the size and tenure aspirations of older Australians.
-

This chapter explores how the number and proportion of older Australians has changed over the period 2006–16, and how the growth in the population of people aged 55 and over is creating challenges for the housing market. The analysis identifies the proportion and number of older Australians, at the LGA level, across three states. Areas with high numbers and proportions of older Australians were selected as case studies to examine household and housing market characteristics. The chapter then considers the housing aspirations of older Australians, using the AHA survey to identify the type, tenure and location of housing preferred by households looking to move in the medium term. Analysis of current housing consumption, identified through an ABS measure of dwelling suitability, explores the potential for downsizing among older Australians. These results are then contrasted with data from the AHA survey. Finally, considering the case-study locations, we assess the availability of existing housing options for older Australians that match typical housing aspirations.

4.1 Changing demographics of ageing

The population of older Australians is growing quickly. The increase in the number of older households in areas across the country—whether those people were already living in the location or migrated from elsewhere—presents a major challenge to housing markets. It raises questions around how to accommodate such large, and increasing, numbers of households with very different housing needs. As shown in Table 8, the number of Australians aged over 55 increased by almost 1.6 million in the 10 years between 2006 and 2016, and this group now makes up 27.5 per cent of the population (a rise of 3%). The highest growth was in the 65–74 years group, which grew from 7 per cent to 9 per cent of the population.

While the growth of these age groups was relatively consistent across states, with a 2–4 per cent increase in the proportion of the total population, Tasmania saw a 6 per cent rise (see Table 9). Tasmania now has the highest proportion of the population above 55 years (34%), followed by SA (31%). In NSW and SA, the growth in the number of older Australians represented half of total population growth during the 10-year period while in Tasmania the growth in 55+ exceeded total population growth (net loss of younger people). In contrast, the increase in the number of people aged over 55 was only around a third WA, partly because population growth for most of the period was dominated by working-age adults taking advantage of employment opportunities.

Table 8: Population growth of older Australians: 2006–16

| Age | Total population | | Proportion of population (%) | | |
|-----------------------|------------------|--------------|------------------------------|------|--------|
| | 2006 | 2016 | 2006 | 2016 | Change |
| Under 18 | 4,765,562 | 5,208,016 | 24% | 22% | -2% |
| 18–24 | 1,875,923 | 2,144,968 | 9% | 9% | 0% |
| 25–34 | 2,676,386 | 3,368,461 | 13% | 14% | 1% |
| 35–44 | 2,937,839 | 3,144,950 | 15% | 13% | -1% |
| 45–54 | 2,762,524 | 3,105,014 | 14% | 13% | -1% |
| 55–64 | 2,192,668 | 2,753,738 | 11% | 12% | 1% |
| 65–74 | 1,373,440 | 2,076,712 | 7% | 9% | 2% |
| 75+ | 1,270,936 | 1,600,055 | 6% | 7% | 0% |
| Total | 19,855,278 | 23,401,914 | | | |
| Proportion 55+ | 24.4% | 27.5% | | | |

Source: ABS Census of Population and Housing (2006; 2016b); TableBuilder.

Table 9: Population growth of older Australians, by state/territory: 2006–16

| | New South Wales | Victoria | Queensland | South Australia | Western Australia | Tasmania | Northern Territory | Australian Capital Territory |
|----------------------------------------------|----------------------------|-----------------|-------------------|----------------------------|------------------------------|-----------------|-------------------------------|---------------------------------------------|
| Proportion of population aged 55+ in 2016 | 28% | 27% | 27% | 31% | 25% | 34% | 17% | 23% |
| Proportion of population aged 75+ in 2016 | 7% | 7% | 6% | 8% | 6% | 8% | 2% | 5% |
| Change in population 2006–16 | 931,048 | 994,129 | 798,654 | 162,363 | 515,354 | 33,475 | 35,972 | 73,352 |
| Change in number of 55+ | 482,096 | 390,627 | 350,402 | 109,580 | 179,371 | 41,188 | 13,460 | 25,744 |
| Change in number of 75+ | 100,183 | 83,608 | 71,895 | 19,715 | 37,904 | 7,695 | 1,768 | 6,186 |
| Change in proportion of 55+ | 3% | 2% | 3% | 4% | 2% | 6% | 4% | 3% |
| Change in proportion of 75+ | 1% | 0% | 1% | 0% | 0% | 1% | 1% | 1% |

Source: ABS Census of Population and Housing (2006; 2016); TableBuilder.

Moving to growth at the LGA level, Table 10 presents ten LGAs within each of the three case-study states (SA, WA and NSW), identifying first the five LGAs with the greatest *number* of people aged 55+ (non-shaded), followed by the five LGAs with the greatest *proportion* of people aged 55+ (shaded). The table records the overall population of each LGA and the proportion of the population over 55 in 2006 and 2016. In some cases, the growth in the number or proportion of older people in these LGAs is a function of structural ageing; however, in cases such as Victor Harbor in SA, migration is likely to be a more significant contributor to change. The table also shows housing diversity in each LGA, using the proportion of separate dwellings as a proxy (a higher proportion of separate dwellings reflects lower diversity). Also presented is a comparison of the average house price in the LGA with the average in the state, identifying whether the LGA price is above or below the state average and the extent of the difference (see table note). The Socio-Economic Indexes for Areas (SEIFA) Index of Relative Socio-economic Disadvantage (IRSD) provides a measure of the economic and social conditions of people living in an LGA (with scores out of 10: the higher the score the less disadvantaged the area).

The five South Australian LGAs with the largest number of older Australians had around 30 per cent of their population aged above 55 years in 2016 but less than 10 per cent above 75, which is very similar to the state average. Three of the five areas had a level of dwelling diversity above the state average, whilst two had very high levels of disadvantage. None of the five areas had an average price below the state average. The five SA LGAs with the greatest proportions of older Australians had between 43 and 53 per cent of the population aged 55+, were located in regional areas, had very little housing diversity, and four of the five were relatively disadvantaged. Three of those LGAs had house prices well below the state average, while two were very similar to the state figure. Given the prevalence of separate dwellings in these areas, and the general level of dissatisfaction reported by apartment dwellers (see Section 1.4), it is evident that work needs to be done on delivering alternative housing forms as well as designing apartments that better meet the needs of older Australians.

Table 10: LGAs with highest numbers and proportions of older Australians

| LGA | Total population | Proportion 55+ in 2016 (2006) (%) | Proportion of separate dwellings (%) | House price in relation to state* | SEIFA IRSD# |
|-------------------------|------------------|-----------------------------------|--------------------------------------|-----------------------------------|-------------|
| SA | | | | | |
| Onkaparinga | 163,896 | 30 (24) | 89 | = | 6 |
| Charles Sturt | 110,920 | 31 (31) | 62 | +++ | 6 |
| Salisbury | 137,634 | 25 (22) | 82 | = | 2 |
| Port Adelaide Enfield | 121,197 | 27 (27) | 68 | + | 3 |
| Tea Tree Gully | 96,223 | 31 (25) | 90 | + | 9 |
| Alexandrina | 25,114 | 44 (36) | 94 | = | 6 |
| Victor Harbor | 14,188 | 53 (49) | 86 | = | 4 |
| Copper Coast | 13,885 | 43 (39) | 93 | -- | 2 |
| Yorke Peninsula | 10,737 | 50 (89) | 97 | -- | 4 |
| Mid Murray | 8,577 | 43 (35) | 99 | -- | 2 |
| SA state average | | 31 | 86 | | |

| LGA | Total population | Proportion 55+ in 2016 (2006) (%) | Proportion of separate dwellings (%) | House price in relation to state* | SEIFA IRSD# |
|--------------------------|------------------|-----------------------------------|--------------------------------------|-----------------------------------|-------------|
| WA | | | | | |
| Stirling | 208,554 | 26 (26) | 53 | +++ | 9 |
| Joondalup | 152,604 | 28 (20) | 88 | ++ | 10 |
| Wanneroo | 185,421 | 19 (18) | 89 | = | 8 |
| Melville | 98,238 | 32 (27) | 75 | +++ | 10 |
| Swan | 132,667 | 21 (18) | 86 | = | 8 |
| Carnarvon | 8,294 | 42 (22) | 86 | --- | 3 |
| Northampton | 4,740 | 51 (31) | 87 | -- | 4 |
| Denmark | 5,777 | 41 (33) | 97 | = | 8 |
| Exmouth | 5,169 | 46 (21) | 94 | = | 9 |
| Bridgetown-Greenbushes | 4,589 | 41 (32) | 97 | -- | 6 |
| WA state average | | 26 | 88 | | |
| NSW | | | | | |
| Canterbury-Bankstown | 348,685 | 25 (n/a) | 56 | +++ | 3 |
| Blacktown | 339,477 | 21 (17) | 78 | + | 6 |
| Lake Macquarie | 194,063 | 33 (29) | 85 | -- | 7 |
| Sutherland | 216,531 | 29 (25) | 63 | +++ | 10 |
| Wollongong | 203,360 | 29 (26) | 68 | = | 6 |
| Port Macquarie-Hastings | 79,159 | 42 (n/a) | 74 | -- | 6 |
| Clarence Valley | 52,169 | 43 (33) | 87 | --- | 3 |
| Eurobodalla | 36,961 | 48 (39) | 83 | -- | 5 |
| Bega Valley | 33,132 | 44 (33) | 83 | -- | 6 |
| Nambucca | 19,364 | 45 (37) | 88 | --- | 2 |
| NSW state average | | 28 | 79 | | |

* = within 10% of state average, + 10–20% above state average, ++ 20–40% above state average, +++ more than 40% above state average, - 10–20% below state average, -- 20–40% below state average, --- more than 40% below state average.

Shaded cells are LGAs with highest proportions of older residents; non-shaded cells are LGAs with highest numbers of older residents. Higher IRSD values indicate lower levels of disadvantage in the area.

Source: ABS Census of Population and Housing (2006; 2016); TableBuilder; ABS SEIFA; SIRCA Corelogic price data.

In WA, the five LGAs with the highest numbers of older Australians had very low levels of disadvantage. Two of the five areas had greater than average levels of housing diversity, while

the other three were close to the state average. Three of the LGAs had prices well above the state average, while the other two, located on the edge of the metropolitan area, had prices very similar to the state average. In contrast, the LGAs with the highest proportions of older Australians were regional areas, with very little housing diversity, and varying levels of disadvantage. Prices in three of those areas were much cheaper than the state average, while the other two, both tourism hubs, had prices similar to the state average.

In NSW, all but one of the LGAs with the highest number of older residents had above-average levels of diversity. Proportions of older Australians in those areas were around the state average, with the exception of Blacktown, which was lower. Levels of disadvantage varied. Two of the LGAs were very expensive in comparison to the rest of the state, while the price in Wollongong was similar to the state average and Lake Macquarie was much cheaper. The five LGAs with the greatest proportions of older Australians were all regional, had an average house price well below the state average (as may be expected due to the skew towards high prices in the capital city), had generally lower than average levels of diversity, and were relatively disadvantaged.

The proportion of over-55s grew in almost all of the 30 LGAs between 2006 and 2016, with some increases of over 20 per cent. Increasing proportions of older Australians presents problems for local housing markets, including how best to deliver opportunities for older Australians to downsize. The house price analysis suggests that the majority of LGAs with the highest proportions of older Australians are cheaper regional areas, often with quite high levels of disadvantage. A question remains as to what extent older households are choosing to reside in regional areas because they are inexpensive, regardless of the services on offer. Such areas are often lacking in the support services vital for ageing households, meaning older Australians are unable to age in place. Further, the lack of housing diversity results in limited options for households seeking to downsize to smaller dwellings that are easier to maintain.

Table 11 presents the ten LGAs with the lowest proportions of older households in each state. There is considerable variation between states. In NSW the proportion of older Australians in the ten LGAs was around 20 per cent. The LGAs had high housing prices, very low levels of socio-economic disadvantage, and a diverse supply of housing options. The data indicates that older Australians are either priced out of these areas or the areas do not provide the type of housing considered desirable. In WA, proportions of older Australians were even lower, at between 14 and 19 per cent. While the NSW LGAs were mainly in metropolitan locations, those in WA were mostly in regional areas, many of which are mining locations (such as Karratha and Port Hedland). Traditionally, these areas have lacked the type of support services required by older Australians. None of the WA LGAs had an average price above the state level. In SA, the picture is mixed, with some of the LGAs in metropolitan areas and some in regional areas. Some of the areas are cheap and some are expensive. Proportions of the population over 55 were much higher than in the other two states, suggesting that the SA areas had neither the market nor geographical barriers of the LGAs examined in NSW and WA.

The analysis shows that there is no such thing as a 'typical' retirement location. While metropolitan LGAs have the highest number of older Australians due to their size, there are many regional LGAs that have high proportions of older Australians, and many of these are relatively disadvantaged. Some areas, typically tourist destinations, have quite high levels of socio-economic advantage. However, every LGA faces the same challenge: how to accommodate growing numbers of older Australians.

Table 11: LGAs with lowest proportions of older Australians

| LGA | Total population | Proportion 55+ in 2016 (%) | Proportion of separate dwellings (%) | House price in relation to state* | SEIFA IRSD# |
|-----------------------|-------------------------|-----------------------------------|---------------------------------------------|------------------------------------------|--------------------|
| SA | | | | | |
| Roxby Downs | 4,626 | 10 | 78 | -- | 9 |
| Anangu Pitjantjatjara | 2,328 | 15 | 92 | n/a | 1 |
| Playford | 88,948 | 23 | 80 | n/a | 1 |
| Adelaide | 29,999 | 24 | 12 | -- | 8 |
| Salisbury | 137,634 | 25 | 82 | +++ | 2 |
| Prospect | 20,221 | 27 | 68 | = | 9 |
| Port Adelaide Enfield | 121,197 | 27 | 68 | = | 3 |
| Mallala | 8,675 | 27 | 99 | +++ | 6 |
| Mount Barker | 32,888 | 28 | 95 | ++ | 9 |
| West Torrens | 57,838 | 28 | 63 | -- | 7 |
| WA | | | | | |
| Karratha | 25,262 | 14 | 77 | -- | 9 |
| East Pilbara | 17,933 | 15 | 84 | --- | 3 |
| Port Hedland | 17,373 | 16 | 73 | -- | 8 |
| Ngaanyatjarraku | 1,726 | 16 | 89 | n/a | 1 |
| Ashburton | 25,389 | 16 | 85 | -- | 9 |
| Laverton | 2,579 | 17 | 90 | n/a | 1 |
| Leonora | 2,810 | 18 | 87 | --- | 3 |
| Kwinana | 38,374 | 18 | 89 | - | 5 |
| Kalgoorlie-Boulder | 30,735 | 19 | 79 | -- | 8 |
| Coolgardie | 4,111 | 19 | 87 | --- | 2 |
| NSW | | | | | |
| Sydney | 249,517 | 16 | 2 | +++ | 9 |
| Camden | 77,785 | 20 | 93 | = | 10 |
| Blacktown | 339,477 | 21 | 78 | + | 6 |
| Liverpool | 206,000 | 21 | 74 | + | 4 |
| Cumberland | 217,813 | 21 | 56 | n/a | 3 |
| Waverley | 68,309 | 21 | 15 | +++ | 10 |

| LGA | Total population | Proportion 55+ in 2016 (%) | Proportion of separate dwellings (%) | House price in relation to state* | SEIFA IRSD# |
|-------------|------------------|----------------------------|--------------------------------------|-----------------------------------|-------------|
| Strathfield | 40,635 | 21 | 41 | +++ | 9 |
| Inner West | 181,977 | 22 | 24 | n/a | 10 |
| Parramatta | 233,529 | 22 | 44 | +++ | 9 |
| Randwick | 143,951 | 23 | 25 | +++ | 10 |

* = within 10% of state average, + 10–20% above state average, ++ 20–40% above state average, +++ more than 40% above state average, - 10–20% below state average, -- 20–40% below state average, --- more than 40% below state average.

Higher IRSD values indicate lower levels of disadvantage in the area.

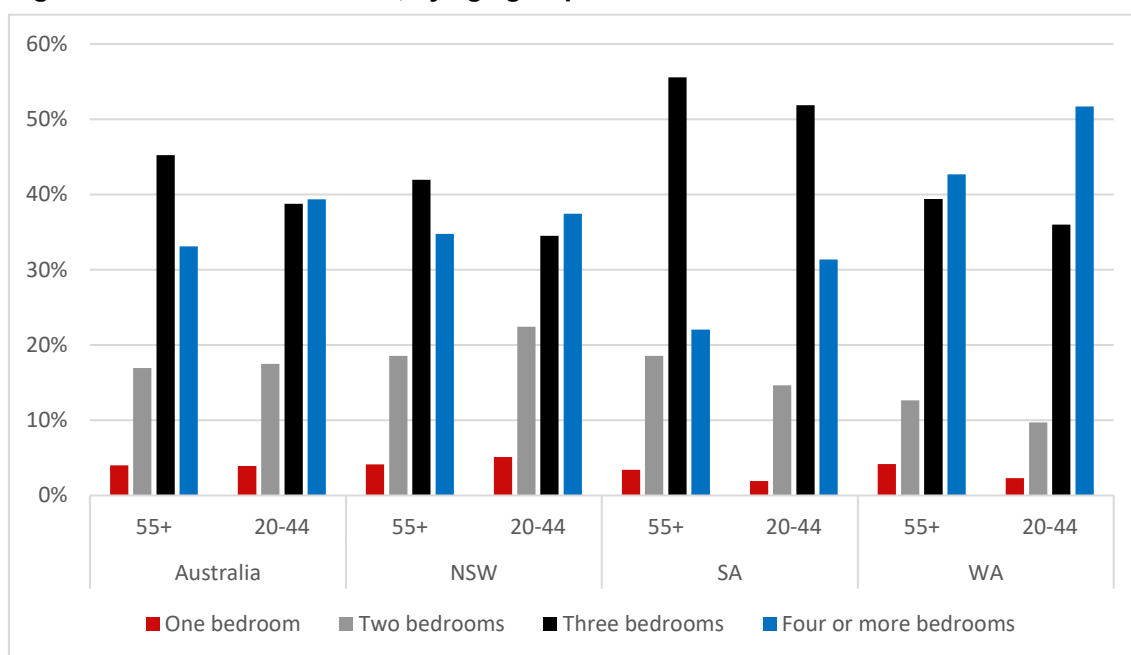
Source: ABS Census of Population and Housing (2006; 2016); TableBuilder; ABS SEIFA; SIRCA Corelogic price data.

4.2 Potential for downsizing

Our findings thus far show that, aside from a strong preference for ownership, housing aspirations of older Australians are diverse. In the analysis looking at number of bedrooms, around half of respondents currently in dwellings with four or more bedrooms stated that they wanted fewer bedrooms (see Section 1.4). In this section we examine the number of bedrooms in more detail, and the associated potential for 'downsizing' (in the strict sense of the definition: i.e. moving to a smaller dwelling). Using ABS data from the 2016 Census, Figure 2 presents the number of bedrooms across two age groups: 55+ years; and, for contrast, 20–44 years. The figure shows significant variation in the number of bedrooms by age group across the three case-study states. NSW quite closely reflects Australia as a whole, with three bedrooms being slightly more common in the 55+ group and four bedrooms more common in the younger group. SA has far higher proportions of three-bed dwellings in both groups, while WA has many more four-bed dwellings. NSW has double the proportion of the younger group living in one- and two-bedroom dwellings compared to WA.

In NSW there is not much difference in number of bedrooms across age groups, while in SA and WA the older groups are more likely to be living in smaller dwellings. While NSW has a variety of different house sizes, SA has a lower proportion of large dwellings, and WA, at the opposite end of the spectrum, is dominated by dwellings with three and four or more bedrooms. The analysis suggests there is varied opportunity for downsizing into established dwellings in each state. While NSW has the most diverse range of housing—seemingly offering the most potential for over-55s in large houses to find smaller alternatives—in WA there are few one- or two-bedroom options for people in dwellings of three bedrooms (or more). With few established smaller dwellings available, households in WA looking to downsize to two or fewer bedrooms must rely on new developments. SA seems to offer the most potential for older Australians in a four-bedroom dwelling to downsize into a three-bedroom.

Figure 2: Number of bedrooms, by age group



Source: ABS Census of Population and Housing (2016b); TableBuilder Pro.

4.3 Dwelling suitability

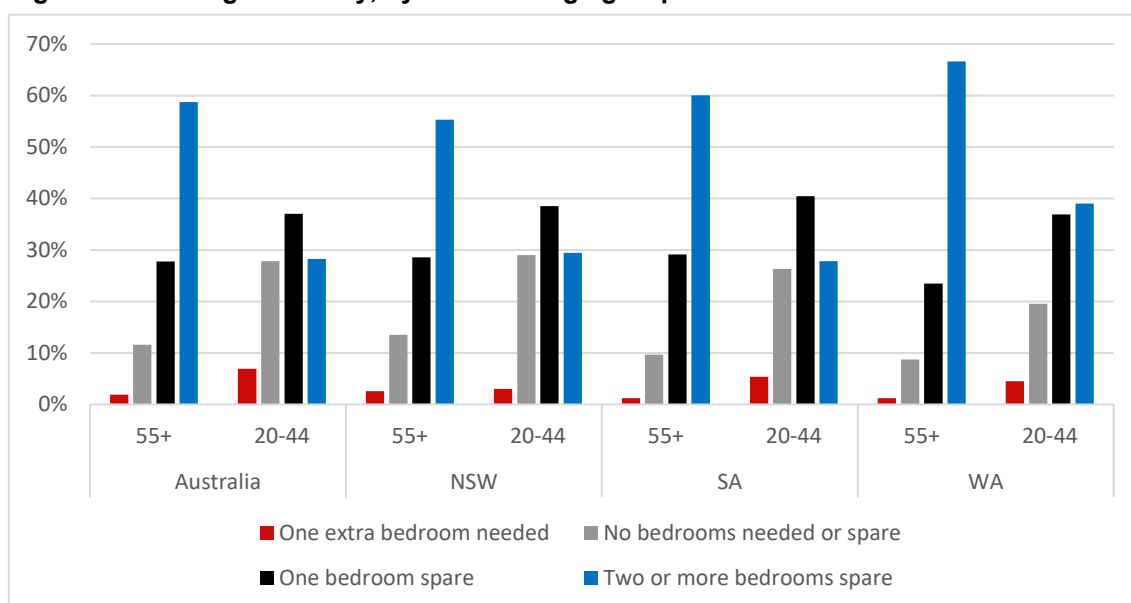
Dwelling suitability (or 'housing suitability' or 'utilisation') is 'based on a comparison of the number of bedrooms in a dwelling with household demographics such as the number of usual residents, their relationship to each other, age and sex' (ABS 2016a: 10). The criteria are based on the Canadian National Occupancy Standard (CNOS). The housing suitability item provides a useful measure of the proportion of households that could potentially downsize based solely on dwelling size. As described in Chapter 1, there is a perception among policy-makers at all levels that downsizing is motivated by the need to move away from a dwelling that is not being fully utilised—that is, there are more bedrooms than permanent residents. The analysis in the following section identifies the scope for downsizing if adopting a quantitative measure of dwelling utilisation. The following section (4.3.2) contrasts this with analysis of AHA survey data on the perceptions of survey respondents around what is an appropriate dwelling size for an older household.

4.3.1 Dwelling suitability: ABS Census data

States

In Figure 3, Census data on dwelling suitability is used to analyse potential for downsizing, comparing NSW, SA and WA. Unsurprisingly, given the prevalence of four-bedroom dwellings, WA has the largest proportions of 55+ households with two or more spare bedrooms (67%). Thus two-thirds of older people in WA, according to the dwelling suitability measure, have an excess number of bedrooms. This figure is 59 per cent for Australia as a whole, 60 per cent for SA and 55 per cent for NSW. The measure shows that almost 30 per cent of younger households in SA also have two or more spare bedrooms, while just 10 per cent of older households have the appropriate number of bedrooms (i.e. none needed or spare).

Figure 3: Dwelling suitability, by state and age group



Source: ABS Census of Population and Housing (2016b); TableBuilder Pro.

Case-study locations

Nine LGAs were chosen to examine downsizing potential and the range of existing housing options available in each area. The purpose of the case-study analysis was to assess whether downsizing options are similar across LGAs, or whether considerable variation exists between locations, making it more challenging to downsize in some areas than others. Three LGAs were chosen in each of the three states: one metropolitan LGA with a high number of older Australians, one regional LGA containing small towns, and an additional LGA with a very high proportion of older Australians. Table 12 lists the selected case-study locations and identifies whether they were chosen on the basis of the number or proportion of older Australians within the LGA. More details of each LGA can be found in Appendix 3: Table A3.

Table 12: Case-study locations

| LGA | State | Regional or metro | Selection based on proportion or number | Dwelling price relative to state |
|----------------------|-------|-------------------|-----------------------------------------|----------------------------------|
| Mitcham | SA | Metro | Proportion | +++ |
| Victor Harbor | SA | Regional | Proportion | = |
| Onkaparinga | SA | Metro | Number | = |
| Mandurah | WA | Metro | Proportion | - |
| Melville | WA | Metro | Number | +++ |
| Northampton | WA | Regional | Proportion | -- |
| Canterbury-Bankstown | NSW | Metro | Number | +++ |
| Eurobodalla | NSW | Regional | Proportion | -- |
| Bega Valley | NSW | Regional | Proportion | -- |

* = within 10% of state average, + 10–20% above state average, ++ 20–40% above state average, +++ more than 40% above state average, - 10–20% below state average, -- 20–40% below state average, --- more than 40% below state average.

Source: ABS Census of Population and Housing (2006; 2016); TableBuilder; ABS SEIFA; SIRCA Corelogic price data.

Table 13 and Table 14 present, respectively, analysis on the number of bedrooms and dwelling suitability in the case-study LGAs. Again, we compare data for the 55+ age group with the 20–44 years group. There was substantial variation across the nine LGAs, with the number of 55+ households living in dwellings with four or more bedrooms ranging from just 18 per cent in Northampton (regional WA) to 51 per cent in Melville (metropolitan WA). Three bedrooms was the most common dwelling type, with the exceptions of Mitcham and Melville. Although single-bed dwellings are not included in Table 13, it is worth noting that there were high numbers of bedsits and one-bedroom dwellings in Northampton (regional WA). The balance between four-or-more and three-bedroom dwellings suggests there were options for people in large dwellings to secure a three-bedroom, but limited opportunities for those in three-bedroom dwellings to downsize. A comparison between the 55+ age group and the 20–44 age group shows older Australians were more likely to already be living in a smaller dwelling, reflecting the AHA survey results and other research (e.g. Productivity Commission 2015), which show that around 30 per cent of older households have downsized. Consequently, there were lower proportions of 55+ households in dwellings with four or more bedrooms than households in the 20–44 age group in all LGAs. There were also higher proportions of 55+ households in two-bedroom dwellings in all but one LGA—namely, Canterbury-Bankstown, a metropolitan area in NSW with high dwelling prices relative to the other LGAs. This suggests that many people in the older age group have already made the shift to two bedrooms, but the lack of such accommodation does limit the available options.

In terms of the number of spare bedrooms (Table 14), with the exception of Canterbury-Bankstown, over 60 per cent of 55+ households had two or more spare bedrooms, while less than a third had a single spare bedroom. Very few older Australians had no spare bedrooms and even fewer were in need of an extra bedroom. The younger age group was more likely to have one spare bedroom than two, in most cases. Analysis of the ABS data shows, on the surface, that almost all of the case-study LGAs (the exception being Canterbury-Bankstown) have large numbers of households that would potentially be seeking to move and downsize.

Table 13: Case-study LGAs: number of bedrooms

| LGA | 4+ bedrooms | | 3 bedrooms | | 2 bedrooms | |
|----------------------|-------------|-----------|------------|-----------|------------|-----------|
| | 55+ (%) | 20–44 (%) | 55+ | 20–44 (%) | 55+ | 20–44 (%) |
| Mitcham | 42 | 65 | 39 | 28 | 15 | 5 |
| Victor Harbor | 21 | 39 | 54 | 49 | 23 | 10 |
| Onkaparinga | 25 | 36 | 59 | 57 | 14 | 6 |
| Mandurah | 30 | 40 | 50 | 41 | 17 | 17 |
| Northampton | 18 | 35 | 34 | 41 | 17 | 15 |
| Melville | 51 | 56 | 35 | 33 | 12 | 9 |
| Eurobodalla | 31 | 38 | 47 | 44 | 18 | 14 |
| Canterbury-Bankstown | 31 | 33 | 42 | 34 | 22 | 29 |
| Bega Valley | 27 | 37 | 48 | 45 | 20 | 15 |

Source: ABS Census of Population and Housing (2016b); TableBuilder Pro.

Table 14: Case-study LGAs: dwelling suitability

| LGA | Two or more bedrooms spare | | One bedroom spare | | No bedrooms needed or spare | | One extra bedroom needed | |
|----------------------|----------------------------|-----------|-------------------|-----------|-----------------------------|-----------|--------------------------|-----------|
| | 55+ (%) | 20–44 (%) | 55+ (%) | 20–44 (%) | 55+ (%) | 20–44 (%) | 55+ (%) | 20–44 (%) |
| Mitcham | 61 | 28 | 28 | 40 | 9 | 26 | 1 | 5 |
| Victor Harbor | 68 | 31 | 28 | 44 | 4 | 22 | 0 | 3 |
| Onkaparinga | 65 | 33 | 26 | 42 | 7 | 22 | 1 | 3 |
| Mandurah | 70 | 44 | 23 | 37 | 6 | 15 | 1 | 3 |
| Northampton | 60 | 36 | 27 | 37 | 12 | 22 | 1 | 4 |
| Melville | 69 | 39 | 23 | 39 | 6 | 18 | 1 | 3 |
| Eurobodalla | 68 | 29 | 24 | 37 | 7 | 26 | 1 | 6 |
| Canterbury-Bankstown | 38 | 14 | 33 | 29 | 21 | 34 | 6 | 16 |
| Bega Valley | 64 | 30 | 26 | 38 | 9 | 26 | 1 | 5 |

Source: ABS Census of Population and Housing (2016b); TableBuilder Pro.

4.3.2 Dwelling suitability: AHA survey data

The ABS Census data analysis (above) identified major potential for downsizing based on a dwelling utilisation standard that assumes all households consume housing in the most efficient manner (ABS 2016b). Relying on these figures alone would suggest 60 per cent of older Australian households will be looking to downsize at some point. In this section, we compare that finding with analysis of data collected through the AHA survey.

The 2,422 older Australian respondents to the AHA survey were asked if they had downsized or considered downsizing: 26 per cent had already downsized, 29 per cent were thinking about downsizing, 42 per cent had not considered downsizing, and 2 per cent wanted to downsize but could not. As shown in Table 15, similar proportions of respondents who had downsized (81%) and had not downsized or thought about it (83%) regarded their home as being suitable for later life. By contrast, a third of households who had considered downsizing, and half of the small number who wanted to downsize but couldn't, indicated that their home is not suitable for later life. From a policy perspective, this provides evidence of a cohort that could be responsive to policy initiatives assisting older Australians to downsize.

Where a dwelling was assessed by respondents as 'not suitable' for their needs, according to the ABS standard, the primary reasons reported were: because it did not meet the changing physical needs of the household (47%); and the garden (46%) and house (41%) were too big to maintain. Respondents were less likely to report poor dwelling quality (15%) or a lack of financial capacity to run the dwelling (11%) as reasons for the house not being suitable. Poor access to aged care services was not strongly regarded as a reason for a dwelling not being suitable (9%). When considered by tenure, the aspiration for renters to stay put was motivated by the extent to which the dwelling itself (size, quality, tenure) met the tenants' short-term housing needs, and a desire to avoid the disruption or costs associated with moving. By contrast, those in state or community housing were most likely to give affordability as a reason

to stay. As expected, outright owners indicated that their current dwelling 'feels like home', which was a motivation for staying, as was the convenience of the location. Compared to residents in other tenures, those in lifestyle or retirement villages were most likely to report safety and security as a reason to stay.

Table 15: Dwelling suitability by downsizing status

| | Have already downsized (%) | Have not downsized or thought about it (%) | Thought about downsizing (%) |
|--------------------------|----------------------------|--------------------------------------------|------------------------------|
| Dwelling is suitable | 81 | 83 | 59 |
| Dwelling is not suitable | 11 | 9 | 27 |
| Don't know | 8 | 8 | 14 |

Source: Authors' analysis of AHA survey (2018) data, unweighted.

4.3.3 Utilisation of space in later life

Rationales for downsizing are often centred around the underutilisation of dwellings, as highlighted in the analysis of ABS data in Section 4.3.1. This argument is at odds with the perceptions of many older Australians, who consider spare bedrooms as a necessary component of a dwelling. While 73 per cent of AHA survey respondents who had not downsized stated they had spare bedrooms (Table 16), almost 80 per cent of that group stated that their current number of bedrooms was suitable for their needs in later life, with just 4 per cent wanting fewer bedrooms (Table 17). The proportion of households with spare bedrooms was less among those who had already downsized, but was still almost two-thirds; thus, downsizing does not seem to result in full dwelling utilisation, at least in the way the ABS define it.

Overall, when asked if the number of bedrooms they currently have is suitable for their needs, three-quarters of respondents agreed (Table 17). For those households who had already downsized, only 1 per cent reported having too many bedrooms, while a quarter wanted more.

Table 16: Proportion of later-life households with spare bedrooms

| Spare bedroom(s) | I/we have already downsized (%) | Have not downsized (%) | Have thought about downsizing (%) | All households (%) |
|------------------|---------------------------------|------------------------|-----------------------------------|--------------------|
| Yes | 66 | 73 | 87 | 75 |
| No | 34 | 27 | 13 | 25 |

Source: Authors' analysis of AHA survey (2018) data, unweighted.

Table 17: Suitability of current number of bedrooms for later life

| Suitability of current number of bedrooms | Later-life households with spare bedrooms | | | |
|----------------------------------------------|-------------------------------------------|------------------------|-----------------------------------|---------------------------------|
| | Have already downsized (%) | Have not downsized (%) | Have thought about downsizing (%) | Want to downsize but cannot (%) |
| Would prefer more bedrooms | 23 | 16 | 7 | 19 |
| Would prefer fewer bedrooms | 1 | 4 | 23 | 35 |
| The number of bedrooms suits household needs | 76 | 79 | 70 | 46 |

Source: Authors' analysis of AHA survey (2018) data, unweighted.

'Spare' bedrooms are rarely used by the permanent occupants for sleeping, with only 11 per cent of respondents indicating that each partner has their own bedroom (Table 18). Commonly, spare bedrooms were used as a permanent guest room (58%), a study or office (50%), a dedicated room for children or grandchildren to sleep in (31%), or for storage (27%). Less frequently, these rooms were rented out (2%) or used as an additional living room (5%). The finding that households are using 'spare' bedrooms for specific purposes is in contrast to the ABS definition, which assumes these bedrooms represent underutilised space.

Table 18: Utilisation of spare bedrooms

| Spare bedroom use | Proportion (%) |
|----------------------------------------------------------|----------------|
| Spouse/partner each have a bedroom | 11 |
| Permanent guest room | 58 |
| Study/office/computer room | 50 |
| Sewing/craft/painting/activity room | 19 |
| Dedicated room for children/grandchildren to sleep in | 31 |
| Additional living room | 5 |
| Multi-use room (e.g. study and guest room when required) | 21 |
| Room for rent | 2 |
| Storage | 27 |
| Other | 3 |

Source: Authors' analysis of AHA survey (2018) data, unweighted.

4.4 Housing availability

This section examines the housing options available for those older Australians looking to meet their housing aspirations through a move, be it to downsize or otherwise. Focussing on nine case-study LGAs across the three states, we identified the housing options available to meet typical dwelling aspirations, as identified through our earlier analysis of AHA survey data (Section 3.2): ownership of a house with three-bedrooms. Retirement living options were also

examined. This element of the research examines the extent to which the current housing market can meet the needs of older Australians looking to move, including downsizing. If there are insufficient options available to meet the needs of older households in the local market, it is very difficult to downsize within an existing community, and moving to another desired location can also be problematic. If households cannot downsize, it limits the potential for younger households to 'trade up' to larger dwellings that may be more suitable for their housing needs.

The analysis focussed on the cheaper end of the housing market, given lower-income/wealth Australians seeking appropriate housing options are a policy priority. We estimated the number of housing options per 1,000 residents, to allow a direct comparison across all the case-study locations. Housing options were identified by searching for dwellings currently available for sale or rent on the listings website realestate.com.au. Options for retirement living (such as dwellings in retirement villages) were identified through dedicated retirement living websites. The housing options identified are described in Table 19 and include the number of dwellings available to purchase below \$500,000 and \$400,000. Three bedrooms, being the preferred dwelling size, was added as a criterion in some cases.

This analysis has some limitations. First, it assumes realestate.com.au provides a full and accurate representation of properties available to buy within a particular LGA, while in reality there may be dwellings advertised on different websites, or privately, that do not appear on the platform. The site also does not capture all new developments, such as apartments, available to purchase 'off the plan'. Nevertheless, realestate.com.au is the most-used real estate website in Australia, it likely covers a large proportion of the market, and this method permits comparisons across the LGAs. Second, the coverage of age-specific options on the website was variable—opportunities identified on realestate.com.au in the WA and SA markets closely matched those identified using specialist sites; this was not the case in NSW, where many dwellings classified as 'retirement living' on realestate.com.au could not be located on other sites. Some caution should therefore be applied when considering the NSW retirement living data. Finally, the analysis uses a 'snapshot in time' approach and, therefore, the results will quickly become dated as the market changes, and with it the options available to rent/buy. It should be noted that the analysis was conducted during a period of housing market weakness (early 2019), during which the number of dwellings available for purchase was above the decade average. Despite these limitations, the work provides an important contribution in assessing viable housing options available to older Australians looking to move.

Table 19 sets out the housing options available for each LGA, using the state average as a benchmark. In terms of dwellings available to purchase, those areas with high proportions of older Australians generally had a good supply available, well above the state average. Unsurprisingly, the three LGAs with the most expensive housing markets—Mitcham, Melville and Canterbury-Bankstown—had the fewest affordable dwellings for purchase per 1,000 residents, well below the state average. These LGAs had very few affordable options for older Australians looking to downsize, limiting the capacity of such households to age in their local community. There were also very few available retirement options in these locations, with less than 0.5 dwellings per 1,000 residents. Regional areas with high proportions of older residents fared better, with much greater availability of dwellings to purchase, well above the state average, including a good supply of established three-bedroom houses below \$400,000. Retirement options were available in two of the four regional LGAs, while there were very limited options available in metropolitan locations. The analysis shows greater opportunities for downsizing within regional areas, with established supply of appropriate housing very limited in metropolitan areas—with the exception of Mandurah and Onkaparinga, both of which are right on the edge of a metropolitan region.

The analysis shows the importance of new-dwelling supply in meeting the needs of older Australians. While there was a supply of established smaller, cheaper stock in many of the

regional areas, the quality of the dwellings cannot be determined and they may not be suitable for older Australians as they age and require more support. In many metropolitan areas, particularly the most expensive, established housing options were few and far between. Downsizing options within new developments are therefore essential, in both regional and metropolitan markets, to deliver housing suitable for older Australians in terms of price, number of bedrooms and physical characteristics. The lack of retirement living options is also a concern. Planning policy, therefore, has a very important role to play in ensuring new-dwelling delivery that meets the needs of older Australians, given the established market is unable to accommodate their needs.

Table 19: Dwelling options available for purchase, per 1,000 residents

| LGA | Total population | Dwellings available to buy | Dwellings below \$500,000 | Houses with 3 beds below \$400,000 | Retirement options below \$500,000* |
|----------------------|-------------------------|-----------------------------------|----------------------------------|-------------------------------------------|--------------------------------------------|
| SA | 1,720,000 | 10.0 | 7.6 | 3.8 | 0.1 |
| Mitcham | 20,739 | 21.5 | 6.5 | 1.1 | 0.4 |
| Victor Harbor | 7,511 | 59.1 | 46.5 | 11.4 | 1.2 |
| Onkaparinga | 163,896 | 10.0 | 8.0 | 3.3 | 0.1 |
| WA | 2,670,000 | 13.3 | 8.5 | 3.2 | 0.2 |
| Mandurah | 77,998 | 32.5 | 26.8 | 6.8 | 0.7 |
| Northampton | 4,740 | 27.0 | 21.5 | 7.6 | 0.0 |
| Melville | 98,238 | 12.3 | 3.3 | 0.6 | 0.3 |
| NSW | 7,890,000 | 6.6 | 2.3 | 0.9 | 0.1 |
| Eurobodalla | 36,961 | 27.5 | 18.2 | 16.2 | 0.8 |
| Canterbury-Bankstown | 348,685 | 3.7 | 0.8 | 0.0 | 0.0 |
| Bega Valley | 33,132 | 20.4 | 10.7 | 1.3 | 0.0 |

* Per 1,000 residents aged 55 or over.

Source: Realestate.com.au (March 2018); TableBuilder Pro.

4.5 Summary

The number of older Australians is growing rapidly, with some states and LGAs experiencing more growth than others. All housing markets are facing challenges around how to accommodate the specific needs of older Australians, and while some areas (notably regional locations) have established stock of the size and price that would suit many of these households, there is no guarantee that the dwellings are suitable for ageing households. For those households looking to age in their local community, few metropolitan LGAs offer the diversity of housing options necessary to accommodate the aspirations of older households, and those that do tend to be very expensive and well out of the reach of households with limited income and wealth. Increasing housing diversity across all locations is essential to providing options for older households to meet their aspirations. There is a clear role for local and state governments to play in this space. New-dwelling supply must deliver a range of housing options

that can specifically cater for the needs of older Australians, across a variety of price points, for those than can afford to purchase. The private rental market will become increasingly important in accommodating the growing number of older households.

This analysis has demonstrated large variations across states in terms of established dwelling size and availability. While some of the case-study areas have more options available than the benchmark for the state, particularly the regional locations, options tend to drop off quickly at the more affordable end of the market, and there are very few retirement living options in any of the case-study locations (with the exception of Mandurah in WA due to its history as a destination for retirees). Given locational variations, a one-size-fits-all approach to policy is inappropriate. Local housing market characteristics and conditions are important and need to be taken into account when formulating policy to deliver downsizing opportunities. For example, areas with already diverse, but expensive, housing markets will struggle to accommodate older households lacking significant existing wealth without some form of dedicated new housing supply. Regional areas may have a supply of cheaper, smaller dwellings, but these may not be suitable for older Australians as they age and thus may require expensive adaptation. For households entering retirement in the private rental market, serious intervention is required if they are to avoid spending the majority of their Age Pension on rent.

5 Downsizing barriers, benefits and catalysts

- Barriers to downsizing identified in the AHA survey included satisfaction with current dwelling/location (33%) and timing issues (23%). Economic factors were much less important considerations for households who had thought about downsizing.
 - Households who had considered downsizing considered the main benefits to be: the reduction in time needed to maintain the property (71%); and financial aspects, such as reduced maintenance (66%) and housing (43%) costs.
 - Financial components of downsizing were generally not viewed as being insurmountable, or even significant, barriers to households. However, survey respondents indicated that financial factors could prompt a move, for example: if downsizing was financially worthwhile (49%), if the government were to provide incentives (41%), or if suitable housing options were available (39%).
 - Among survey respondents who had considered downsizing their home and those who did not intend to downsize, the event most likely to prompt a move was a change in health circumstances, either for themselves or their partner. The importance of this catalyst increased with age.
-

This chapter explores the decision-making process of households who had considered downsizing and those who did not want to do so. The tangible and intangible barriers to downsizing were identified by drawing on a combination of interview and AHA survey data. The perceived benefits of moving were investigated, as were factors that could be a catalyst to downsizing. The chapter also draws on key stakeholder interview data to identify opportunities to facilitate downsizing among older Australians.

5.1 Barriers to downsizing

Around a third of older (55+) respondents to the AHA survey had considered downsizing. The barriers identified by this cohort included: being content in the current home; timing issues; financial reasons; and a lack of suitable housing in preferred locations (see Table 20). A third of survey respondents indicated that they were happy with where they lived, while 23 per cent stated that the timing was not right for a move. Respondents aged 75 years and over, outright owners and people in the private rental sector were more likely to report that they were happy with where they lived (see Appendix 9: Table A9). Timing was more of a barrier for households aged 55–74 years and mortgage holders, but not for people living in state or community housing. The interviews revealed that timing issues included children still living in the household—this prevented downsizing, although it may have been considered. Children remained at home for a range of reasons, including disability, to be able to afford to study, and to save money during the early years of employment. The resulting delay to downsizing was not seen as problematic but, rather, as part of being a parent. As one respondent explained, in regards to caring for her son:

when our son moves out, and seems to display to us where he's comfortable and confident, then we'll still have to leave the door open here in case he decides to come

back, just for a little while. It's a bit different than what most parents at my age have to do (Female, home owner).

Another interviewee commented that:

our son is living with us—at the moment this is very necessary for him that we provide the space that he can finish his studies and still work—that [is why] we don't kick him out (Female, private sector tenant).

Table 20: Barriers to downsizing, for those who had considered moving

| Barrier to downsizing | Proportion of respondents (%) |
|------------------------------------------------|-------------------------------|
| Happy where they are at the moment | 33 |
| The timing is not right | 23 |
| Financially, it is not worth moving | 9 |
| Spouse/partner does not want to move | 8 |
| Lack of suitable housing in preferred location | 7 |
| The cost of downsizing is too great | 7 |
| The current space is still needed | 4 |
| Moving would cause too much disruption | 3 |
| Family does not support moving | 1 |
| Other | 6 |

Source: Authors' analysis of AHA survey (2018) data, unweighted.

5.1.1 Financial barriers

Economic factors such as 'financially, it's not worth it' (9%) and 'the cost of downsizing is too great' (7%) were not often reported as substantial barriers to downsizing for households who had considered doing so. Households aged 55–64 years and those who owned their dwelling with a mortgage were likely to be more concerned about financial factors than other groups. For some households, economic aspects of moving were a barrier to downsizing, but they were not the primary factor preventing them from doing so. For example, one home owner explained that, while the costs involved in downsizing were of concern, other factors formed a greater barrier to moving.

The costs of selling a home and stamp duty was a factor ... When we were going through the painstaking decision of what to do ... So long as my son was taken care of, I don't really care ... obviously there would be a cost involved in downsizing, but I think—if ... my son was all settled, I don't think I'd care about the stamp duty in that case. I'm not saying I would like to pay it but it would just be an unnecessary evil cost (Female, home owner).

5.1.2 Limited range of suitable housing options

A lack of suitable housing in preferred locations was a barrier to downsizing for a small number (7%) of households who had considered moving. People living in the private rental sector were the most likely to view this as a barrier, compared to those in other tenures. As shown in Chapter 2, the strategic direction of planning in some states is responding to the need to create a range of opportunities to cater for the diversity within the 55+ years cohort, particularly in

regard to the increasing diversity of tenure. However, as highlighted in Chapter 4, a limited and homogenous stock currently exists in most locations with high proportions of older people, and it may be that this 'suitable housing' barrier is only apparent to those actively pursuing a move, rather than those just considering it.

5.2 Benefits of downsizing

AHA survey respondents who had considered downsizing were asked about the benefits that downsizing might deliver. The most common response was a reduction in time needed to maintain the property (71%), followed by a reduction in maintenance costs (66%) (see Table 21). Reduced housing costs and feeling more safe and secure were other benefits associated with downsizing. While financial considerations were unlikely to provide a barrier to downsizing (as noted above), the economic benefits of downsizing were recognised. Very few households who had considered downsizing indicated that they saw no benefits to doing so (6%). Responses differed little by age, although those in the younger cohort (55–64 years) were more likely to indicate the benefit of paying off the mortgage, while the 65–74 years group was more likely to identify the ability to release equity as a benefit, and the older cohort (75+ years) stated more often that downsizing would deliver the benefit of local support services, or that they saw no benefit at all.

Table 21: Perceived benefits of downsizing

| Benefits of downsizing | 55–64 (%) | 65–74 (%) | 75+ (%) |
|---------------------------------------|-----------|-----------|---------|
| Reduced housing costs | 45 | 40 | 43 |
| Reduced maintenance costs | 62 | 68 | 70 |
| Reduced time maintaining the property | 68 | 73 | 72 |
| Feel more safe and secure | 30 | 33 | 28 |
| Feel more independent | 18 | 16 | 18 |
| Better quality location | 29 | 28 | 23 |
| Local support services | 20 | 27 | 28 |
| Release equity | 21 | 26 | 18 |
| Pay off mortgage | 17 | 8 | 5 |
| No benefits | 6 | 6 | 10 |

Source: Authors' analysis of AHA survey (2018) data, unweighted.

There were clear distinctions between households in different tenures. Home owners and purchasers identified more benefits to downsizing than private renters, citing reduced maintenance costs and time maintaining the property, as well as the ability to release equity and pay off the mortgage. One home owner explained the benefits of moving to a smaller house:

Well, I would save money ... if I lived in [a smaller house]—I'd save on heating, I'd save on water, because I'd have a smaller toilet that was a composting toilet ... And I wouldn't have a whole room that's called a laundry. I wouldn't have a dining room and a lounge room and a kitchen. I could just have one area that covered all of those functions (Female, home owner).

By contrast, older Australians in the private rental sector were more likely to specify benefits such as reduced running costs and feeling more independent. Renters in the social housing sector thought that downsizing would make them feel more safe and secure, and give them greater access to local support services.

CHPs also recognised benefits for households opting to downsize. They mentioned the reduced overall responsibility and maintenance required by households for their property, and increased socialisation—most notably when older households could be co- or near-located. They also described the benefit of moving to housing that best suits the household's functioning and abilities, potentially including universal design or retrofitted infrastructure to assist residents to remain living in the community for as long as possible in later life.

For them, there are responsibilities attached to a tenancy agreement. Maintaining a larger size property as someone becomes older or becomes more frail, then [that] creates challenges for them. In a number of our multi-unit dwellings, specifically where they are targeted to older people, then we have lawns, grounds and cleaning programs that come in and maintain those communal areas, and so tenants have lesser responsibilities in those regards (CHP stakeholder).

In those higher- and medium-density properties where we might have a large number of small units of accommodation, we do tend to offer additional communal areas as well. That might mean that there [are] community rooms, communal garden spaces, and things like that, so that there is that opportunity for people to share, and for us to do community engagement and community development activities through those additional spaces (CHP stakeholder).

The other thing is that we can move them into multi-unit dwellings where they can share activities, or opportunities to socialise. They may have become more isolated living in a larger property by themselves, and perhaps family networks or community networks have shifted over time and they can find things—such as getting to and from the shops, the bus, the train, all those kinds of activities—more challenging (CHP stakeholder).

5.3 Catalysts for downsizing

For some households, downsizing is considered to be the next step in their housing career. It is an adjustment to cater to their changing household needs as they enter retirement, as this tenant explained:

Once we don't work as self-employed anymore we definitely would downsize that part because we use one room of the house as a studio to do our work in and if we don't need all the tools and equipment anymore that could be definitely one part of downsizing. And we always look at unnecessary items that we can pass them onto others, or give them away. And that's not just one big step in the future—that we constantly sort through what we don't need anymore ... An older friend told me once, 'It's nice to gather things when you are young—when you are older it becomes a burden' (Female, private sector tenant).

Among survey respondents who had considered downsizing, the event most likely to prompt them to move was a change in health circumstances, either for themselves or their significant other (see Table 22). The importance of this catalyst increased with age, with households aged 75 years and older much more likely to indicate this as a motivation to downsize than those aged 55–64 years. Health issues were much more likely to motivate home owners to move, compared to renters in both the social and private sectors.

Financial considerations were of secondary importance in prompting downsizing. While financial barriers to downsizing were generally not viewed as insurmountable (as noted earlier), survey respondents indicated that financial factors may incite them to move: if downsizing was perceived to be financially worthwhile (49%), if the government were to provide incentives (41%), or, to a lesser extent, if the costs of downsizing were reduced (35%). Using the financial proceeds of a move to assist family members was not indicated to be an important catalyst to downsize. Financial incentives to move were of more importance to the two older cohorts. Furthermore, home owners and private renters were much more likely to move if they thought that downsizing would be financially worthwhile. Government incentives were more likely to prompt private tenants to move than home owners.

The availability of suitable dwelling options within a respondent's preferred location was among the top catalysts to move, and there was little difference between age groups. However, availability of suitable options provided a much greater catalyst to mobility for private rental tenants than for people in home ownership or in the social housing sector. The presence of a quality lifestyle/retirement village in the local area was not in itself an incentive to downsize, which concurs with the findings of James, Rowley et al. (2019), in which age-specific housing was found to be a preferred housing option among only a small percentage of older Australians.

Table 22: Catalysts to move, for households who have thought about downsizing

| Catalyst to downsize | 55–64 (%) | 65–74 (%) | 75+ (%) |
|----------------------------------------------------------|-----------|-----------|---------|
| Quality lifestyle/retirement village available | 18 | 23 | 25 |
| Financially worthwhile | 51 | 47 | 51 |
| No other option, financially | 17 | 12 | 11 |
| Cost of downsizing reduced | 33 | 39 | 25 |
| Change in health circumstances | 51 | 63 | 74 |
| Suitable housing options available in preferred location | 40 | 40 | 38 |
| Government financial incentives | 38 | 43 | 44 |
| To provide financial support for family | 8 | 12 | 7 |
| Other | 8 | 5 | 2 |

Source: Authors' analysis of AHA survey (2018) data, unweighted.

5.3.1 Assisted downsizing

Not-for-profit organisations, both in Australia and overseas, use a number of methods to facilitate residential mobility among households. These practices may be applicable for residents in the public and community housing sectors, as well as for home owners. The Housing for the Aged Action Group (HAAG) often places people from the private rental sector into public and community housing. While the choices for these tenants are limited, with many moving from a larger to a smaller dwelling, HAAG smooths the journey. The organisation's process of physically showing people the dwellings, introducing them to a sometimes-new community (e.g. shops, parks, medical services), and then providing assistance to pack and physically move, transforms a constrained 'choice' into a positive experience.

In the UK, changes to the Welfare Reform Act in 2012 left households in council housing facing a penalty if they were 'under-occupying' their housing (defined as residing in a dwelling with spare bedrooms). Having bedrooms that were not permanently occupied could result in a

reduction in housing benefit for the household. This penalty was extended, in 2016, to apply to the older cohort of tenants. A range of downsizing incentive schemes was developed by councils, offering both financial and practical assistance. The financial component often consisted of a once-off payment as an incentive to move. For example, in Richmond upon Thames, a tenant would receive £2,500 for each bedroom given up in the process of downsizing, to a maximum of £7,500 (Richmond Borough Council n.d). In Basildon, a tenant could receive an incentive of £1,500 and then additional payments if they moved to shelter accommodation, or from a larger home to a small dwelling such as a studio (Basildon Council n.d). Some councils also provided an additional disruption allowance for each bedroom given up (Moray Council n.d). In addition to the financial incentive, councils offered practical assistance. This might take the form of disposing of unwanted furniture or providing a professional removal company (Richmond Borough Council n.d); assistance with decorating (e.g. carpets) (Basildon Council n.d); a packing service; the disconnection and reconnection of utilities (Thurrock Council n.d); and notifying agencies of the tenant's change of address (Moray Council n.d). Downsizing incentives are available to anyone meeting the criteria specified by their council, and some councils, such as Havering, include being 'of State Pension Credit age' as part of the criteria (Havering London Borough n.d)

One of the significant barriers to downsizing identified by CHPs was the insecurity of the private rental sector. Although CHPs may lease properties within the private rental sector to supplement the stock they own and manage, or manage on behalf of government, there is limited opportunity to use policy levers to create stable housing and living arrangements in this sector, including for households who are downsizing. 'No grounds eviction' was identified as particularly problematic and undermining of older Australian's housing security:

we don't have any extra levers to manage security of tenure. We routinely have to hand properties back and relocate as an impact from the RTA [Residential Tenancies Agreement] and the Act that enables landlords to execute a 'no grounds' notice ... So, for older tenants, that is quite a difficult experience for them. Where possible, we ... [have] been able to move some of those tenants—albeit at quite a cost—into a capital property where they can hopefully remain for a much longer period of time, and in accessible housing ... The [removal of the] 'no grounds eviction' clause would solve a number of issues for us (CHP stakeholder).

The methods used to facilitate downsizing in the social housing sector address some of the obstacles to downsizing for those who are most constrained by intangible barriers, or who can't perceive the benefits of moving as their needs change. A positive downsizing experience occurs when appropriate housing option are available to meet household needs.

5.3.2 Housing options that meet changing aspirations

Participants in the stakeholder interviews argued that there are greater number of housing options now available than in the past. Options include strata apartments, manufactured home estates, becoming a 'grey nomad' (a retired person who travels for long periods with a caravan), share housing, multi-age housing and co-housing. Such options offer safe and secure, low-maintenance housing that enables people to achieve their housing aspirations, including to downsize, but are not always widespread. Stakeholders felt that there is a greater 'willingness for older Australians to explore their options than in generations gone by', and that it would be these sorts of options, rather than incentives geared towards the household, that would motivate the current generation of older Australians to downsize from the family home (retirement village stakeholder). For example, although the proportion of older Australians living in retirement villages is very low—around 6 per cent of people aged over 65 years (Grant Thornton 2014)—the industry has responded to the changing desires of its target market:

25–30 years ago, the retirement village industry was building one- to two-bedroom units and the two-bedroom units were seen as the bigger apartments. Now ... two bedrooms are the norm, with people expecting 2.5 to three [bedrooms] as being a lot more desirable. [This size dwelling then includes] en suites and extra bathrooms for guests, whereas going back to the older product, a two-bedroom unit, you had a single bathroom and in some cases a single toilet. So the whole design process is changing to meet the needs of older Australians (retirement village stakeholder).

Stakeholders expressed the need for greater medium-density housing solutions to be made available in many Australian cities. They described it as an issue associated with planning, as well as the objections of residents in those areas, which have traditionally been characterised by detached housing (not-for-profit service provider). The retirement industry is now extending to the development of high-end products in which residents can age in place—for example, Aveo Newstead in Brisbane, an apartment complex on the waterfront that challenges previous ideas of retirement village life (retirement village stakeholder). Simultaneously, the social housing sector is demonstrating examples of meeting the needs of the target population through innovative design.

A key stakeholder described a recent example, in which public housing developers in Victoria consulted with organisations advocating for older people's housing needs regarding a future social housing development. The process resulted in the design and use of a modified dwelling type, which responded to the needs of older people (the development incorporated units with one and a half bedrooms, rather than a single bedroom). The importance of this small, but significant, change is explained by a key service provider stakeholder:

So it's basically little apartments with one bedroom, with another room that is about half the size, that can fit either a single bed or can be used for other purposes like a study or another form of recreation. We found [this] was really attractive for the people living in them because it gave them flexibility for the use of that space but also if they needed someone to come and stay with them, if they were unwell or to have good relationships with children or grandchildren, this provided a good option for them (not-for-profit service provider).

In this example, the benefits of good-quality design and the location of the building (close to transport and shops) outweighed the drawbacks of the small dwelling size. A service provider explained that, even though older social housing tenants were being given a very constrained choice:

People respond really positively to housing which has a contemporary feel about it and is well designed ... They get a sense that it is designed really well for them in terms of ageing. In terms of showers, open plan areas. I think people get really taken by the quality of design, it's not so much an issue as to whether it's a smaller space to what they have been used to. People have expressed a great sense of pride in their housing (not-for-profit service provider).

5.3.3 Matching households with dwellings

CHPs interviewed for this research described an ongoing management role in terms of stock utilisation, which includes matching households and their changing needs with appropriate dwellings, as this interviewee explained:

We do have strategies to manage under-occupying. That is when a household's needs have changed over time and you might end up with a three-bedroom property perhaps being occupied by just a single person, and how you can make some changes or approaches to offer them alternate accommodation so that you can house them in a property that meets their needs and offer that property to somebody who

might have a household complement that better matches that housing (CHP stakeholder).

In this way, CHPs may encourage older households to downsize so that existing dwelling stock is maximised—a goal which mirrors that of the Australian Government's tax concessions (discussed in Chapter 2).

The matching process also involves pairing of households to location and local amenity. In particular, CHP stakeholders spoke of the need to locate older people within close proximity to the types of services and health care they are likely to need regularly and with increased intensity as they age. A by-product, and closely aligned goal, of this approach is locating older households in local areas that best suit their needs, thus reducing the likelihood of a future move.

We are then matching people better, to take advantage of those housing options. So, it is about knowing, with such an extensive list—You don't have to look very far to make that match, or for very long. But importantly, it is about having suitable properties to meet the need of the people who may be in that under-occupied house. To relocate them to then meet their future housing needs and limit the reasons for them to relocate. So, if it was a single person, being able to find—perhaps an older single person—then being able to find a property that meets their longer-term needs. That is accessible. That accommodates an aging in place kind of approach (CHP stakeholder).

5.4 'I would prefer to stay put'

Not all respondents surveyed or interviewed were interested in downsizing in later life. As noted previously (see Section 3.2), more than 40 per cent of older AHA survey respondents (1,028 in total) stated that they had not thought about downsizing. For a residential move to take place, households need to overcome the inertia that is holding them in their current dwelling. That is, the perceived benefits at the destination need to outweigh those at the origin (Rossi 1955). Households who had not thought about downsizing reported, overwhelmingly, that the reason they did not want to move was because they were happy in their current dwelling (75%); the second most common reason was because they 'need the space' (28%) (see Table 23). A tenant in a housing cooperative explained that she didn't want to downsize because her dwelling met her current housing needs and she was happy living there:

I don't think I could do better. I really don't. I've got a lovely house and a terrific suburb, close to the city—it's a really desirable suburb ... It's close to the city, really well-resourced in terms of public transport and amenities. We've got a cinema five minutes' walk from my place. We've got bars and restaurants. There are art galleries up the road. It's a very vibrant cultural scene ... There is a lovely community feel about the area ... And it's also 'home' to us. My sons went to primary school here and they went to the local secondary school, and their friends are in the area ... So, really, it is unbeatable. I can't see myself doing any better (Female, social housing tenant).

Of the AHA survey respondents who had not thought about downsizing, 15 per cent indicated that moving was not financially worthwhile. A similar proportion (13%) reported that they didn't have the financial capacity to move. The least-common reason for not considering downsizing was a lack of housing options in the preferred location (7%), perhaps reflecting the fact that households not actively looking to downsize are unlikely to have explored the options available to them.

Table 23: Reasons for not considering downsizing

| Reason for not considering downsizing | Proportion of respondents (%) |
|----------------------------------------------------------------------------|-------------------------------|
| Happy living in the current dwelling | 75 |
| The space is needed | 28 |
| Financially not worthwhile | 15 |
| Lack financial capacity to move | 13 |
| Lack of housing options in preferred location | 7 |
| Other | 5 |
| Lack the physical capacity to move | 4 |
| I/we can generate income through a reverse mortgage on my current dwelling | 2 |

Source: Authors' analysis of AHA survey (2018) data, unweighted.

The complexity of reasons contributing to the decision to stay put was revealed through the interviews. As the following home owner explained, a combination of factors, including tenure, accumulated belongings, the size of her four-bedroom dwelling and uncertainty of financial benefit, all informed the decision to not downsize. Further, she implied that her next move would be the result of necessity, rather than choice.

I own my house outright. It would be up to somebody to tell me what would be of benefit to me to move from where I live; and I haven't yet figured that out ... Because my place is a bit cluttered now, I wouldn't consider downsizing in order to find things easier to keep things clean, because my place is not 100 per cent clean anyway, because I've got a lot of clutter ... I believe that if I can no longer look after myself, I might have to move into supported accommodation, I understand that ... why would I want to go to the expense of selling my present house, which I know, I love, I know my way around in, it's got a lot of memories for me, etcetera, etcetera. Why would I want to go to the expense of selling this place; and it would be expense in selling, and extra expense in buying. I wouldn't make any money out of moving out of my current place into somewhere smaller (Female, home owner).

Among the interviewees who did not want to downsize, the theme of remaining in the current home—ageing in place—was common. A home owner in a regional location said, 'I'm not going anywhere. I'm going out of here in a box ... I don't want to go anywhere else. I want to stay here as long as possible' (Female, home owner)—it was a sentiment expressed by many of those who did not want to leave their current home.

5.4.1 Unintentional downsizers

Several interviewees had made moves at the cusp of retirement, relocating themselves to a dwelling more suitable for later life. Interestingly, such moves were not always consciously undertaken in response to growing old, per se. Rather, some households had moved in response to changing housing needs and, in doing so, had reduced the size of their dwelling and created a manageable property for themselves. Some interviewees only realised they had downsized their dwelling in preparation for later life on reflection.

Yeah, I suppose [we did downsize] a little bit subconsciously, we didn't think about it. Like, I mean that in one respect you think about those kinds of things because our house isn't really big and it's flat ... Our house is comfortable enough for when we get

older. And we do intend to get older. Yeah, but we didn't plan it that way, really. No. We didn't think a great deal about it. I just liked this house (Female, home owner).

Similarly, as one stakeholder explained, some households move in response to their need to be located somewhere that had 'closer access to services, was a more age friendly community, was more walkable, had more access to public transport' (state government stakeholder). In some cases, these features are more readily available in the inner city, where dwellings are usually more expensive, rather than in the outer suburbs. The stakeholder explained that it was often the cost of inner-city housing that led to the purchase of a smaller property, rather than an intent to downsize.

5.4.2 Emotional connection to home and belongings

The emotional connection to home and belongings can make contemplating moving house very difficult. One stakeholder attested to this, based on findings from a consultation process undertaken by the agency.

[Participants] told us about the importance of home: it's not just about the bricks and mortar, it's having their stuff around them ... So it's all of those aspects that make their housing their home can sometimes be a barrier to downsizing because they are worried that they will not necessarily be able to have those in a smaller house (state government stakeholder).

A retirement village provider spoke of these attachments to material things as one of the biggest challenges faced by new residents: 'That is the hardest thing, realising that they are going to have to get rid of a lot of stuff'. Stakeholders associated with the retirement village industry had witnessed different approaches to the process of downsizing belongings, such as donating everything to a charity shop, or delaying the process by renting out a storage unit. They reported the need to have information available to older people in relation to this process and the timing of it in the lifecycle. In recognition of the magnitude of the challenge, some stakeholders suggested ways that the essence of the home could be captured, for example: 'It might be that there is a lovely piece of furniture that they can't bear to part with, so then in might be professionally photographed so that it can hang on the wall' (retirement village stakeholder).

5.4.3 Would only move if forced to do so

Many interviewees who said they didn't want to downsize, conceded that they would move if they were forced to do so. That is, if a change in their current scenario was significant enough, it would overcome the inertia that was making them stay put. Pointing to the fact that they were in good health as a reason to *not* downsize, a change in this state would prompt a move, as the following home owner explained:

No, I don't want to move. [I'm] very happy here, and I'm enjoying good health, so I don't wish to leave here ... So unless there was a deterioration in my health status, I'd want to stay here for the next 10 to 15 years ... I anticipate perhaps dying here (Female, home owner).

As well as changes to health, interviewees indicated that managing the house and garden could force a move—and viewed these two factors as interrelated.

If it got to the point where I couldn't manage the upkeep of the place, if I couldn't actually keep it, maintain it so that the house was healthy—but I'd be near death, I reckon, if it came to that. I mean, if it got to the point where something dreadful happened to me and I was physically unable to do any cleaning at all, then I'd have to, I suppose—you know, if I needed a disability accessible place, then yeah. If something like that happened, that would mean I would have to reconsider. But anyone would (Female, social housing tenant).

The impact of changing relationships was also mentioned. Some people recognised that if they entered into a new relationship, they may have to move out of their current home. One participant explained that she didn't want to move, but was in a relationship and recognised that this may at some point influence her decision to move. In another example, a woman who lived quite a distance from her partner acknowledged that they might each have to move and start living together in order to maintain the relationship while also allowing her partner to continue supporting his parents:

[His] parents are both alive, they're in their eighties, but he still goes there and mows the lawn, cleans the gutters, because he lives close to them, close enough to do these jobs. And I think, as a good child, you always feel a little bit—what do you call it, like you have to do this. Do you know what I'm saying? You would not say to your parents, 'No, I'm not doing this. I'm moving away and leaving you all alone'. I don't think you'd do that (Female, home purchaser).

These scenarios indicate that some older Australians will move, or recognise that they will be forced to move, as a result of relationship changes, or when health or other crises hit the household. Stakeholders noted that there is a need for older people, particularly those in home ownership, to move to, or make arrangements to be in, a dwelling that supports their housing aspirations *before* crisis is upon them. This gives them the opportunity to be involved in the decision-making process, or research a range of alternative housing options, rather than be forced to move and take the housing option that is available.

5.5 Summary

Downsizing forms part of future housing considerations for a significant group of older Australians who have not yet moved from their current dwelling (29%). This cohort described the main barriers to downsizing as: being happy with where they lived; and the timing not being right. The presence of children in the household was a factor in determining the right timing for downsizing, with some households waiting for offspring to leave before undertaking a move. More tangible barriers—such as downsizing not being financially worthwhile, the cost of moving being too great, or a lack of suitable housing in the preferred location—presented less important obstacles.

While economic considerations did not present significant barriers to downsizing, the financial benefits of doing so were recognised by households who had thought about moving. When asked about the benefits that downsizing might deliver, interviewees largely highlighted the financial benefits, such as reduced housing and maintenance costs, and reduction in the time needed to maintain the property.

Older Australians who did not want to downsize cited similar barriers to those households who had considered moving, including: being happy in their current dwelling; needing the space; and moving not being financially worthwhile. Only a small proportion mentioned a lack of suitable housing options as a reason to stay put; however, the absence of such options would likely only be noticed only if they were prompted to look for a new dwelling.

Older Australians who didn't want to downsize conceded that they may be forced to move. Some home owners and mortgagees who wanted to stay put imagined that their next move would be prompted by a crisis, and the destination would be residential aged care. As our population lives for longer, there is a need to educate older Australians about anticipating their changing needs and capacities, just as they did in the earlier stages of life. Downsizing should not be seen as a step down the housing ladder but, rather, as a side step onto a platform where retirement can be enjoyed comfortably and ageing in place is achievable.

6 Conclusions and policy development options

Australia's older population (aged 55 years and over), is diverse and growing; it has increased by almost 3 million people in the last 10 years. The cohort, encompassing two distinct generations, brings to retirement a range of experiences and expectations that shape their patterns of housing consumption. One of the key shifts among older Australians is the increasing proportion of people retiring without home ownership (Faulkner 2016; Hodgson, James et al. 2018; James, Rowley et al. 2019). Despite such changes, there remains a desire by this cohort to 'age in place' and to grow old in their own home. The Australian Government has invested in programs and policies to assist ageing in place—for example, home-based care and support services—while at the same time pursuing initiatives to encourage downsizing through policies allowing proceeds from sale of the principal home to be deposited into superannuation (Australian Government 2017). Motivated by concerns about housing affordability and the underutilisation of existing dwellings, this incentive to encourage downsizing assumes that affordable and appropriate dwellings are available and that these dwellings meet the aspirations of older Australians.

'Downsizing' in this research refers to older Australians moving to a dwelling that meets their changing housing needs in later life. This definition recognises that downsizing is about more than reducing the number of bedrooms, land area or value, and reflects shifting international and domestic perceptions of downsizing (Judd, Liu et al. 2014, Annard, Lacey et al. 2015, Beach 2016, Park and Ziegler 2016, Rees and McCallum 2017). The study employed a mixed methods approach to provide new evidence on downsizing. It used a national survey of over 2,400 older Australians, along with interviews with later-life Australians, key stakeholders at federal, state and local levels of government, and key industry stakeholders, to understand the extent to which downsizing forms part of the future housing preferences and aspirations of older Australians. The research explored the barriers and benefits associated with downsizing, as well as the availability of housing options that match the aspirations of this cohort in nine case-study LGAs. This chapter discusses potential policy options to deal with the pressing issue of effectively housing an ageing population.

6.1 'Downsizing' in the context of older Australians

Older Australians view downsizing as a residential move associated with more than just changes in the number of bedrooms, dwelling value and land area. Downsizing, according to older Australians in this research, is about simplifying and enhancing life by reducing maintenance and clutter, achieving manageable internal and external spaces, being in close proximity to services and amenities, making a move that is financially beneficial to the household, and responding to changing housing needs. In many respects, decisions around downsizing are driven by less the tangible aspects of moving house. While these views are shared by residents across all tenures, interviews with stakeholders and later-life Australians revealed that renters don't have the same choices, in regard to downsizing, as those in other tenures. Older Australians renting in the private or social housing sectors may be forced to downsize, with choice regarding the new dwelling constrained by factors such as affordability pressures and allocations policy. One of the challenges of housing the ageing population is ensuring that the needs of the cohort are met, irrespective of household income, wealth or tenure.

Industry and government stakeholders have argued for replacement of the term 'downsizing' with 'rightsizing', a direction that is supported by growing national and international research (Judd, Bridge et al. 2012, Pannell, Aldridge et al. 2012, Park and Ziegler 2016). This research has argued that the term carries preconceived ideas about seniors moving only to retirement

villages or residential care, and the (sometimes) negative connotations attached to those housing options. The stakeholders interviewed for this research felt that the term 'rightsizing' recognised that these residential moves are being made in response to changing housing needs—in this sense, their understanding of 'downsizing' mirrored that of older people themselves. The increasing life expectancy of Australians, coupled with diverse lifestyle choices among older cohorts, presents clear arguments for reframing the notion that the family home is the pinnacle of the housing career. 'Downsizing' can then be viewed as just another step in a series of adjustments to housing needs. Educating older Australians to detect changing household needs earlier, and to match housing needs with dwelling types and locations that will enable them to age in place, is fundamental to this. This process of adjusting housing to suit household needs may lead, incidentally, to downsizing or rightsizing outcomes.

6.2 An appetite for downsizing among older Australians

It is clear that downsizing is part of the future housing preferences of older Australians. This research has found that the cohort of older Australians who have downsized (26%) is smaller than the group who do not intend to do so (42%); however, a further 30 per cent have considered moving, so it is evident that there is some enthusiasm to downsize. Renters in both the private and social housing sectors were more likely to indicate that they have downsized than home owners or households with a mortgage, while the home owner/purchaser cohort was more likely to have considered downsizing. Lifestyle, finances and maintenance issues were the main reasons households downsized. However, 15 per cent did not downsize by choice; rather, they were forced by factors beyond their control.

Households most likely to have thought about downsizing were aged between 55 and 74 years, owned a separate dwelling outright or with a mortgage, were on moderate to very high incomes, and lived in couple households (either with and without children) or in single-parent households.

The appetite for downsizing among older Australians provides a strong base from which to explore ways that policy can shape the housing consumption patterns of this cohort. Effective policy responses will need to recognise the variations in experiences and aspirations between tenures and age cohorts, and be directed at households who intend to downsize as well as those who anticipate that they will move only in response to crisis.

6.3 Older Australians' experiences of downsizing

In seeking to understand older Australians' experiences of downsizing, the research examined changes to dwelling attributes when a move occurred. It also considered the factors that underpinned the decision to move, the barriers overcome, and the benefits delivered by downsizing. These results provide evidence for policy to draw upon to create positive downsizing options.

One of the key findings was that when households did downsize, housing attributes of the dwellings did not substantially change. Home owners generally remained home owners, and renters did not move out of the rental sector. Therefore, home owners were able to retain their equity for later stages of life, as well as maintain control and stability over their living arrangements. Social housing tenants retained security of tenure, while tenants renting privately continued with an insecure tenure. While tenure generally did not change, about half the survey respondents changed their dwelling type and two-thirds moved to a dwelling with fewer bedrooms. Home owners and social housing tenants were more likely to move to neighbourhoods that were new to them, while private renters generally stayed in familiar locations.

Households downsized for a range of reasons, with the two primary reasons being lifestyle and financial benefits, followed by the garden or house becoming too difficult to maintain. The importance of these factors differed between home owners and renters. Renters in social housing and households with children were more likely to be prompted to move by financial reasons, while home owners and purchasers were motivated by lifestyle outcomes. Couple households in home ownership and people who had moved to age-specific housing downsized to reduce property maintenance, while renters in the private or social housing sectors were most likely to have been forced to downsize. These findings contribute to an evidence base that informs how policy can respond to older Australians in different tenures, particularly renters in the private sector.

Reflecting on their downsizing experiences, survey respondents reported benefits including a reduction in time spent maintaining their property and a reduction in maintenance costs. Living in a better location was another important benefit, and feeling safer and more secure. Financial aspects, such as released equity, were less often considered to be among the main benefits of downsizing.

6.4 Facilitating downsizing among older Australians

Around a third of AHA survey respondents had thought about downsizing, but had not yet moved; the research explored the factors that were preventing them from moving. Barriers to downsizing included economic factors, but they were not the primary reasons. Instead, being content in the current home and timing were more important reasons to not move, followed by a lack of suitable housing in preferred locations. The findings suggest that the needs and/or aspirations of households who have considered downsizing but are yet to move are largely being met by their existing dwellings. An effective policy response to encourage downsizing must, then, take into account the importance of the cohort's housing aspirations in terms of preferred tenure, dwelling type and number of bedrooms, and deliver accommodation with these attributes in their preferred locations.

Among households who had considered downsizing, moves in later life were likely to be prompted by a crisis such as a change in their own, or their spouse's, health circumstances. Financial considerations—for example, the extent to which the move would be financially worthwhile, or the presence of government financial incentives—were of secondary importance as catalysts for moving, although they were of slightly more importance to home owners than renters. Policies that make it financially worthwhile to move, or reduce the costs associated with moving, may provide an incentive to downsize for this group. The availability of suitable housing options in a preferred location, particularly for renters, was equally as important as financial considerations. The presence of quality age-specific housing, such as retirement villages, was not identified as a catalyst for downsizing.

Older Australians who had thought about downsizing, but had not yet done so, identified the same benefits as those who had already downsized. Home owners perceived the benefits to be associated with reduced maintenance costs and time needed to maintain the property, as well as the ability to release equity or pay off the mortgage. By contrast, private renters identified the benefits as reduced housing costs and greater independence, while social housing tenants felt that downsizing would bring an increased sense of safety and security, and offer improved access to local support services. Encouragingly, among those who had considered downsizing but were yet to do so, very few imagined there would be no benefits. This suggests that there is potential value in assisting households who may want to downsize.

Recognising the reasons that 40 per cent of older Australians want to stay put is another important aspect of understanding downsizing. These households describe their reasons for not wanting to move as: being content where they are, being unable to identify a specific financial

benefit in moving; lacking the financial capacity to move; and lacking housing options in their preferred location. There was a perception among some members of this cohort that their next move was going to be prompted by a crisis. They believed the next step in their housing career was likely to be to residential or age-segregated care, which was not their preference. This suggests the need for information around the range of housing options that are available, as well as education about the benefits that well-designed and -located dwellings can offer older households. Another important component preventing these households from wanting to move was their emotional connection to housing and belongings. This is a less tangible issue and thus harder to respond to through policy, although provision of quality information and packing services (as offered by some CHPs) might help to alleviate this barrier.

6.5 Housing options available for downsizing older Australians

The research found that the assumption by government that spare bedrooms are underutilised by older Australians is not shared by older Australians. Around two-thirds of households who have downsized have spare bedrooms (as defined by the ABS (2016), and three-quarters of that group are happy with the number of bedrooms they have. These 'spare' rooms are used for specific purposes, most notably guest rooms (which are important for family and social networks), but also as offices, for storage, or as dedicated rooms for grandchildren to sleep in. The importance of these spaces in assisting older Australians to meet their broader housing needs is significant. These needs are reflected in the housing aspirations of older Australians, with three bedrooms being the most popular dwelling size.

Availability of housing suitable for older Australians varies across states and between LGAs. Long-established suburbs tend to have more three-bedroom dwellings, which would meet the size preference of many downsizers, but many such dwellings are older and have potential maintenance issues, and often they are on larger lots with gardens to maintain. A large proportion of new housing is either apartments or large four-bedroom detached houses, creating a supply that may not be suitable to meet the aspirations of potential downsizers. There is demand, instead, for a supply of smaller houses, detached or attached, in areas with high-quality amenities, for both purchase and rental. The current absence of this stock presents a barrier to downsizing.

Housing options affordable to downsizers depend, of course, on household resources. This research focussed on households with the fewest resources. Notably, private renters had very few options in many of the nine case-study locations examined, although more options were available in the regional (rather than metropolitan) areas—often areas with high levels of socio-economic disadvantage. Affordable options were limited in virtually all LGAs, as were retirement living options. The lack of suitable and affordable housing for older Australians will be a major concern as the country's population ages. The private sector will eventually respond to this growing demand, but planning policy needs to facilitate the development of medium-density housing product within established suburbs and also in regional Australia.

6.6 Policy options for delivering positive downsizing outcomes

The current policy environment at state and local government levels broadly supports downsizing, recognising the need to provide appropriate, affordable housing that responds to the diverse needs of the ageing community. Downsizing is not always mentioned specifically in policy; however, as strategies are often geared towards expanding dwelling diversity, and utilise design principles that cater for people of all ages, they indirectly support the creation of housing that older Australians can downsize into and where they can age in place. From a policy perspective, mechanisms to encourage downsizing could be congruent with those that encourage ageing in place in the community.

6.6.1 Housing diversity and affordability

Given the cost of caring for older Australians in residential aged care and their preference to age in place, one of the key areas for reform is in the provision of affordable and appropriate housing options in which older Australians can age. These may be smaller separate houses; attached houses; appropriately designed apartments; or alternative offerings such as cooperative housing developments or professionally managed, long-term leases within build-to-rent developments. If policy settings can support the development of a diverse range of housing, ensuring it is also affordable to households who have not built up significant equity in the family home and/or do not have very large superannuation balances, then greater options will exist to facilitate effective downsizing. One of the challenges is that housing suitable for downsizing is similar to the housing often preferred by first home buyers—this increases demand for these products, making it difficult to deliver affordability without some form of policy intervention.

There need to be incentives for developers to deliver medium-density housing products suitable for older Australians, rather than higher-density apartment developments, which, while suiting some older households, are not preferred by most. Ensuring a supply of housing affordable to lower-income older Australians, particularly those in the rental market, is essential. One avenue for achieving this is to offer a financial incentive to developers, potentially delivered through the planning scheme. Another approach would be to provide Commonwealth funding combined with a state government incentive, in a similar way to the NRAS.

New-dwelling supply needs to deliver a diverse range of housing options that are able to support ageing in place. There are lessons to learn from the retirement village industry in terms of the way that it has adapted to meet the changing housing aspirations of older Australians. The research found that there has been a shift in the product delivered by the retirement village industry over time in response to changing housing aspirations. Dwellings are now larger in size and a range of options exist, from high-end to affordable—all are accessible and suitable for ageing in place.

While policy settings in many jurisdictions support the development of a diverse range of housing products that would suit older Australians, reforms are needed to accelerate development of new supply or refurbishment of existing dwellings. Encouragingly, the Australian Building Codes Board is currently undertaking to set out minimum requirements for new buildings nationally, including for the amenity, accessibility, livability and sustainability of the design, which will support ageing in place.

Adapting existing dwellings to allow people to age in place is very important, particularly for households keen to stay in their local community or who cannot afford to move. Increasingly, households will continue to pay off mortgages into retirement, many while relying on only the Age Pension and for whom reverse mortgages would not be an option. These households will not have the capacity to move locally, so schemes to help them adapt their current dwelling to enable ageing in place would be prudent.

6.6.2 Central housing information service

Households who have considered downsizing, or who don't plan to move, cite a crisis as the most likely catalyst to making a move. The costs involved with retrofitting a dwelling or having to move at short notice, in response to diminished functionality, are high. Stakeholders argue that one reason for this cohort's lack of willingness to move to a dwelling that meets their changing housing needs *prior* to crisis is a poor understanding of how the appropriateness of a dwelling can enable a household to age in place. There is, therefore, a need to educate older Australians regarding the various housing options available to them—such as small houses, medium-density products such as townhouses or duplexes, and co-housing or sharing arrangements—as well as the benefits they may receive from downsizing or 'rightsizing'. This information needs

to be delivered in a coordinated way, from an impartial source rather than a privatised source, and be available to households early enough to be considered as part of their retirement planning. This approach takes into account the importance of timing with downsizing and the way it can contribute to successful housing outcomes.

Downsizing information could be delivered via a central housing information service, similar to the one proposed by James, Rowley et al. (2019) and in the WA Ageing in Choice initiative. This service would provide information and education to assist households to make planned and informed decisions, rather than defaulting to the option of 'staying put', which may result in moves being undertaken later in life in response to crisis. A central information service that educates older Australians on a wide range of housing options, the importance of being well located, and the role that housing plays in assisting people to age in place in their community, would support the housing diversity and affordability policies suggested above.

Some of the barriers to downsizing can only be indirectly addressed by policy. These barriers include intangible and emotional factors such as connection to place, community, housing or belongings, which are difficult to mitigate. Drawing on schemes developed by councils in the UK, there is scope to target the non-financial or practical obstacles associated with moving by providing assistance to reduce belongings, change utilities, or cover moving costs. Such incentives would benefit home owners and renters equally.

6.6.3 Financial and wealth considerations

For many households, the family home is their primary store of wealth. Releasing this equity can have implications for some home owners, such as loss of the Age Pension and associated benefits. The financial barriers to downsizing associated with the treatment of the family home in the asset means test and stamp duty need to be assessed so that downsizing is financially worthwhile. As it stands, for many older Australians there is little financial incentive to move. Although financial considerations were not found to be major barriers for older AHA survey respondents who were considering downsizing, removing these barriers would likely provide an incentive to move for some, particularly people at the margins of Age Pension and part-pension eligibility.

Older households are unlikely to be eligible for a traditional mortgage, which is one of the blockages to being able to move from one owner-occupied dwelling to another in later life. Smaller, shorter mortgage products could help households who need to fund a small financial gap when downsizing and have the income to support repayment. However, many older Australians are equity rich and may wish to build a new dwelling in which to downsize—they are often unable to borrow to construct a dwelling unless they have considerable capital available. To enable private sector development of housing appropriate for downsizing, there needs to be a way to forward finance a development without purchasers having to sell the primary home first and incur additional costs while building. It would require banks to restructure their loan assessment processes to allow lending based on a store of capital rather than a regular income. This would allow more collaborative forms of development, such as a group of likeminded individuals developing a site to deliver housing for a small community. Institutional recognition of ongoing pension payments as steady incomes would be another positive change in the way housing owned by older people is perceived and treated within finance sectors.

6.6.4 Secure occupancy and matching dwellings

The proportion of older Australians who own their home outright is falling. Consequently, there is a need to consider how households without home ownership, such as renters, could be supported to downsize. Older people renting in the private and social housing sectors are among the most vulnerable members of society. Tenants in social housing are faced by insecurity of tenure and downsizing is often forced upon them, rather than a choice. Previous

research has proposed incentives for landlords who offer longer leases for quality dwellings to older tenants (Hodgson, James et al. 2018) and this concept could be extended to include specific locations. Local governments could identify viable locations, in both metropolitan and regional areas, that offer access to services and a diverse range of housing options. Investors could receive a stamp-duty concession for purchases in these locations, and dwellings could then be rented out at a subsidised rent to ensure that they are affordable to lower-income older households. Additionally, incentives could be offered to landlords prepared to modify dwellings to allow downsizing older households to age in place. Similarly, grants could be made available to assist landlords with the cost of retrofitting dwellings to make them suitable for ageing tenants—in this case, the tenant would apply to the scheme, which then funds the adaptations.

Among older social housing tenants, the issue of choice was the most significant theme that emerged. Social housing tenants described constrained choices associated with downsizing, resulting in housing outcomes that were not suitable to their needs. Despite the limited funding for new public housing supply nationally, a Victorian example demonstrated how a well-considered design can ensure that even small dwellings are able to meet the housing needs of older social housing tenants.

Aside from advocating for best practice design, it is also desirable to provide opportunities for tenants to choose greater mobility within the social housing sector (i.e. public and community housing) in cases where this can also achieve a better fit between household size and dwelling size for community and public housing providers (Sharam, Byford et al. 2018). Viewing households as potentially longer-term tenants and allocating housing that can enable ageing in place is another part of such a matching strategy; one that will become increasingly important as social housing providers manage limited housing stock for an ageing population. Enabling CHPs (the growing arm of the social housing sector in Australia), to scale up their housing stock into a mix of owned and managed properties could enable providers to better respond to the changing needs of later-life households.

The usage of private rental dwellings by CHPs or public housing officers raises issues of housing security. Regulatory reforms in eastern states (notably Victoria and NSW) to increase the security of tenure available to tenants are a step towards greater surety and control of housing occupancy for older people and other tenants. Removing the ‘no grounds eviction’ option from tenancy legislations sets Victoria apart from other jurisdictions currently, and is likely to lead to increased security of tenure for private renters. In addition to these measures, there is scope for social housing providers to undertake larger-scale head-leasing arrangements of private rental housing that offer long-term leasing options as well as the ability to modify dwellings along principals of universal design and aged living. Financial models that de-risk housing options for tenants as well as investors, such as the model used by Defence Housing Australia, could be considered as part of a suite of housing options that enable agility and increase the mix of dwelling types, locations and sizes available for older people, including those opting to downsize.

6.7 Conclusion

The purpose of this report was to examine the downsizing aspirations and preferences of older Australians, and to identify the availability of suitable housing options for this cohort. The research found that all housing markets are facing challenges around how to accommodate the specific needs of older Australians. Few of the LGAs examined had the necessary diversity of housing options available to accommodate older households looking to age in their local communities, particularly in metropolitan locations. For older households to meet their aspirations and preferences, it is essential to increase dwelling, price and tenure diversity across all locations.

Downsizing clearly forms part of the future housing preferences of many older Australians, including a cohort who have already moved and a group who are yet to do so. Households who have downsized generally consider it to have been a positive move, identifying benefits both expected and unintended.

The barriers and catalysts identified by households who had considered downsizing ranged from being content with their existing home to considerations such as finances and the (lack of) availability of suitable housing. Even though around 40 per cent of survey respondents did not intend to downsize, many conceded that they may be forced to move at some point and that this would likely be prompted by a crisis.

To focus only on the economic aspects of downsizing ignores the complexity of the decision to move. The policy development options proposed here recognise the variation of responses required to support older people to affect their housing aspirations. At one level, the options respond to the financial and dwelling specific barriers to downsizing, while on another they respond to the need for a trusted source of information on housing options and strategies to assist older people to plan and achieve their aspirations. Policy must be designed to offer choice for those in all tenures, acknowledging that it is not just home owners who downsize their housing in later life.

Properly informed and carefully planned by individuals, industry and government, downsizing could provide an avenue for older Australians to move to suitably sized, designed and located dwellings that allow them to age in place and achieve their broader housing aspirations.

References

ABCB—see Australian Building Codes Board

ABS—see Australian Bureau of Statistics

ACT Revenue Office (2016) *Pensioner duty concession scheme*, ACT Revenue Office, <http://www.revenue.act.gov.au/home-buyer-assistance/pensioner-duty-concession>.

Altmann, E. (2017) 'Downsizing cost trap awaits retirees: five reasons to be wary', *The Conversation*, 31 July, <https://theconversation.com/downsizing-cost-trap-awaits-retirees-five-reasons-to-be-wary-80895>.

Annard, K., Lacey, W. and Webb, E. (2015) *Seniors downsizing on their own terms: overcoming planning, legal and policy impediments to the creation of alternative retirement communities*. National Seniors Productive Ageing Centre, Melbourne.

Australian Bureau of Statistics (ABS) (2006) *Census of Population and Housing*, cat. no 2914.0, ABS, Canberra.

Australian Bureau of Statistics (ABS) (2016a) *Census of Population and Housing: Census Dictionary*, cat. no. 2901.0, ABS, Canberra.

Australian Bureau of Statistics (ABS) (2016b) *Census of Population and Housing*, cat. no. 2001.0, ABS, Canberra.

Australian Building Codes Board (ABCB) (2018a) *Accessible housing: options paper*, Australian Building Codes Board, https://www.abcb.gov.au/-/media/Files/Resources/Consultation/Options_Paper_Accessible_Housing_2018_DOC.docx.

Australian Building Codes Board (ABCB) (2018b) *Accessible housing project timeline*, ABCB, <https://abcb.gov.au/Resources/Publications/Consultation/Accessible-Housing-Project-Timeline>.

Australian Government (2017a) *Reducing pressure on housing affordability: a comprehensive plan to address housing affordability*, Fact Sheet 1.1, Budget 2017, Canberra.

Australian Government (2017b) *Reducing pressure on housing affordability: reducing barriers to downsizing*, Fact Sheet 1.5, Budget 2017, Canberra.

Australian Government (c.2018) 'Aged care homes', *My Aged Care*, accessed 30 March 2019, <https://www.myagedcare.gov.au/aged-care-homes>.

Australian Securities and Investments Commission (2019) 'Selling the family home', *MoneySmart*, accessed 30 March 2019, <https://www.moneysmart.gov.au/superannuation-and-retirement/income-sources-in-retirement/selling-the-family-home>.

Australian Taxation Office (2018) *Your main residence*, ATO, accessed 30 March 2019, <https://www.ato.gov.au/general/capital-gains-tax/your-home-and-other-real-estate/your-main-residence/>.

Basildon Council (n.d.) *Downsizing incentive scheme*, Basildon Council, accessed 20 October 2019, <https://www.basildonchoice.org.uk/content/Information/DownsizingIncentive>.

- Beach, B. (2016) *Generation Stuck: exploring the reality of downsizing in later life*, International Longevity Centre UK, London, accessed 17 October 2019, <https://ilcuk.org.uk/wp-content/uploads/2018/10/Generation-Stuck.pdf>.
- Beer, A. and Faulkner, D. (2011) *Housing Transitions through the Life Course: Aspirations, Needs and Policy*, Policy Press, Bristol.
- Boldy, D., Grenade, L., Lewin, G., Karol, E. and Burton, E. (2010) 'Older people's decisions regarding "ageing in place": a Western Australian case study', *Australasian Journal on Ageing*, vol. 30, no. 3: 136–142.
- Bridge, C., Davy, L., Judd, B., Flatau, P., Morris, A. and Phibbs, P. (2011) *Age-specific housing and care for low to moderate income older people*, AHURI Final Report No. 174, Australian Housing and Urban Research Institute Limited, Melbourne, <https://www.ahuri.edu.au/research/final-reports/174>.
- City of Melville (2017) *Age Friendly Melville Plan 2017–2021*, City of Melville, Perth.
- City of Melville (2018) *Local Housing Strategy*, City of Melville, accessed 30 March 2019, <https://www.melvillecity.com.au/our-city/publications-and-forms/urban-planning/local-housing-strategy>.
- City of Victor Harbor (2013) *Victor Harbor Urban Growth Management Strategy 2013–2030*, City of Victor Harbor, Victor Harbor.
- City of Victor Harbor (2016) *Community Plan 2036 and Strategic Directions 2016–2020*, City of Victor Harbor, Victor Harbor.
- Communities Plus (2018) 'Ivanhoe Estate at Macquarie Park', *Communities Plus*, NSW Government, accessed 16 October 2019, <https://www.communitiesplus.com.au/major-sites/ivanhoe-1>.
- Consumer Protection (2010) *Your Home: a guide to housing options for people over 55*, *Consumer Protection*, Department of Mines, Industry Regulation and Safety, Perth.
- Daley, J. and Coates, B. (2017) 'Why older Australians don't downsize and the limits to what the government can do about it', *The Conversation*, 5 May, Melbourne.
- Davies, A. and James, A. (2011) *Geographies of Ageing: Social Processes and the Spatial Unevenness of Population Ageing*, Ashgate, Farnham.
- Davy, L., Bridge, C., Judd, B., Flatau, P., Morris, A. and Phibbs, P. (2010) *Age-specific housing and care for low to moderate income older people*, AHURI Positioning Paper No. 134, Australian Housing and Urban Research Institute Limited, Melbourne, <https://www.ahuri.edu.au/research/position-papers/134>.
- Department of Communities (2018) *Affordable housing action plan 2017–18 to 2019–20*, Government of Western Australia, Perth.
- Department of Health (2017) *Legislated review of aged care*, Department of Health, Canberra, accessed 10 October 2019, <https://www.health.gov.au/sites/default/files/legislated-review-of-aged-care-2017-report.pdf>.
- Department of Health (2018a) *About the Commonwealth Home Support Programme*, Department of Health, accessed 30 September 2018, <https://agedcare.health.gov.au/programs-services/commonwealth-home-support-programme/about-the-commonwealth-home-support-programme>.

- Department of Health (2018b) *Home Care Packages Program*, Department of Health, accessed 30 September 2018, <https://agedcare.health.gov.au/programs/home-care-packages-program>.
- Department of Housing (2010) *Affordable Housing Strategy 2010–2020: opening doors to affordable Housing*, Government of Western Australia, Perth, accessed 14 October 2019, http://www.housing.wa.gov.au/HousingDocuments/AHS_Report_final.pdf.
- Department of Housing (2012) *Affordable Housing Strategy 2010–2020—opening doors to affordable housing: progress report: 1 January 2010 to 03 June 2010*, Government of Western Australia, Perth.
- Department of Local Government and Communities (DLGC) (2015) *Age friendly communities: a Western Australian approach*, Department of Communities, Perth.
- Department of Local Government and Communities (DLGC) (2016) *Seniors Strategic Planning Framework*, Government of Western Australia, accessed 1 March 2019, <https://www.dlhc.wa.gov.au/Publications/Pages/Seniors-Strategic-Planning-Framework.aspx>.
- Department of Planning, Lands and Heritage (DPLH) (2019a) *Design WA*, Government of Western Australia, accessed 30 March 2019, <https://www.dplh.wa.gov.au/designwa>.
- Department of Planning, Lands and Heritage (DPLH) (2019b) *State Planning Policy 7.0: Design of the built environment*, Western Australian Planning Commission, Perth.
- Department of Planning, Transport and Infrastructure (DPTI) (2017) *The 30-year plan for greater Adelaide: 2017 update*, Government of South Australia, accessed 13 October 2019, <https://www.livingadelaide.sa.gov.au>.
- Department of Primary Industries and Regional Development (DPIRD) (2017) *Pioneer Lodge*, Government of Western Australia, accessed 30 March 2019, <http://www.drd.wa.gov.au/projects/Housing/Pages/Pioneer-Lodge.aspx>.
- Department of Treasury and Finance (2015) *Stamp Duty: senior, pensioner and carer concession*, Northern Territory Government, Darwin.
- DLGC—see Department of Local Government and Communities
- Dockery, A., Duncan, A., Nguyen, H. and Ong, R. (2015) 'Securing our future: meeting the challenges of WA's ageing population', *Focus on Western Australia Series*, Issue #6, Bankwest Curtin Economics Centre, Perth.
- DPIRD—see Department of Industries and Regional Development
- DPLH—see Department of Planning, Lands and Heritage
- DPTI—see Department of Planning, Transport and Infrastructure
- Duncan, A., James, A., Leong, K., Ong, R. and Rowley, S. (2016) 'Keeping a roof over our heads: BCEC Housing Affordability Report 2016', *Focus on Western Australia Series*, Issue #17, Bankwest Curtin Economics Centre, Perth.
- Eccleston, R., Verdouw, J., Flanagan, K., Warren, N., Duncan, A., Ong, R., Whelan, S. and Atalay, K. (2018) *Pathways to housing tax reform*, AHURI Final Report No. 301, Australian Housing and Urban Research Institute Limited, Melbourne, <https://www.ahuri.edu.au/research/final-reports/301>, doi:10.18408/ahuri-4111001.

- Family and Community Services (2018) *Vacant bedroom charge*, NSW Government, accessed 30 March 2019, <https://www.facs.nsw.gov.au/housing/living/rent-and-bills/vacant-bedroom-charge>.
- Faulkner, D. (2016) 'Housing and Environments of Ageing', in K. O'Loughlin, C. Browning and H. Kendig (eds), *Ageing in Australian*, Springer, New York.
- Government of Western Australia (2018) *Age Friendly Communities*, accessed 30 March 2019, <https://www.dlhc.wa.gov.au/CommunityInitiatives/Pages/Age-Friendly-Communities.aspx>.
- Grant Thornton (2014) *National overview of the retirement village sector*, The Property Council of Australia, Sydney.
- Hammond, M., White, S. and Walsh, W. (2018) *Reframing the housing offer for older people*, Greater Manchester Combined Authority, Manchester.
- Havering London Borough (n.d.) *Downsizing incentive scheme*, Havering London Borough, accessed 21 October 2019, <https://www3.havering.gov.uk/Documents/Housing/Council-tenants/Downsizing-Incentive-Scheme.pdf>.
- Hilber, C.A.L. and Lyytikäinen, T. (2017) 'Transfer taxes and household mobility: distortion on the housing or labor market?', *Journal of Urban Economics*, vol. 101, issue C: 57–53.
- Hillcoat-Nalletamby, S. and Ogg, J. (2013) 'Moving beyond "ageing in place": older people's dislikes about their home and neighbourhood environments as a motive for wishing to move', *Ageing and Society*, vol. 34, no. 10: 1771–1796.
- Hodgson, H., James, A. and Webb, E. (2018) *Older renters in the Western Australian private rental sector: strategies to enhance housing security for WA's older renters*, BCEC Research Report 19/18, Bankwest Curtin Economics Centre, Perth.
- Housing Authority (2016) *Seniors Housing Strategy: discussion paper*, Government of Western Australia, accessed 15 October 2019, http://www.housing.wa.gov.au/aboutus/affordablehousingactionplan/affordablehousingstrategy/Documents/Seniors_Housing_Strategy_Discussion_Paper.pdf.
- James, A. (2009) *Growing old in non metropolitan regions: intentions and realities from South Australia and Northern Ireland*, PhD thesis, Flinders University, Adelaide.
- James, A., Rowley, S., Stone, W., Parkinson, S., Spinney, A. and Reynolds, M. (2019) *Older Australians and the housing aspirations gap*, AHURI Final Report No. 317, Australian Housing and Urban Research Institute Limited, <https://www.ahuri.edu.au/research/final-reports/317>, doi:10.18408/ahuri-8117301.
- Jefferson, T., Austen, S., Ong, R., Haffner, M. and Wood, G. (2017) 'Housing equity withdrawal: perceptions of obstacles among older Australian home owners and associated service providers', *Journal of Social Policy*, vol. 46, no. 3: 623–642.
- Jones, A., Howe, A., Tilse, C., Bartlett, H. and Stimson, B. (2010) *Service integrated housing for Australians in later life*, AHURI Final Report No. 141, Australian Housing and Urban Research Institute Limited, Melbourne, <https://www.ahuri.edu.au/research/final-reports/141>.
- Judd, B., Bridge, C., Davy, L., Adams, T. and Liu, E. (2012) *Downsizing amongst older Australians*, AHURI Positioning Paper No. 150, Australian Housing and Urban Research Institute, Melbourne, www.ahuri.edu.au/research/final-reports/150.

- Judd, B., Liu, E., Easthope, H. Davy, L. and Bridge, C. (2014) *Downsizing amongst older Australians*, AHURI Final Report No. 214, Australian Housing And Urban Research Institute, Melbourne, <https://www.ahuri.edu.au/research/final-reports/214>.
- Livable Housing Australia (2017) *Livable Housing Design Guidelines: Fourth Edition*, Livable Housing Australia, Sydney.
- Livable Housing Australia (2019) *Welcome to Livable Housing Australia*, Livable Housing Australia, accessed 30 March 2019, <http://www.livablehousingaustralia.org.au/>.
- McNelis, S. (2007) *Older persons in public housing: present and future profile*, AHURI Research Paper, Australian Housing and Urban Research Institute, Melbourne, <https://www.ahuri.edu.au/research/research-papers/older-persons-in-public-housing-present-and-future-profile>.
- Moray Council (2017) *Tenant downsizing incentive scheme*, Moray Council, accessed 20 October 2017, http://www.moray.gov.uk/moray_standard/page_79631.html.
- Office for the Ageing (2014) *Prosperity Through Longevity: South Australia's ageing plan: our vision 2014–2019*, Government of South Australia, accessed 10 October 2019, <https://www.sahealth.sa.gov.au/wps/wcm/connect/Public+Content/SA+Health+Internet/About+us/Publications+and+resources/Plans/Prosperity+Through+Longevity+South+Australia's+Ageing+Plan/>.
- Office for the Ageing (2017) *Age of opportunity: a policy framework for the development of an ageing well industry for South Australia*, Government of South Australia, accessed 12 October 2019, <https://www.sahealth.sa.gov.au/wps/wcm/connect/public+content/sa+health+internet/resources/age+of+opportunity+policy+framework+2017>.
- Olsberg, D. and Winters, M. (2005) *Ageing in place: intergenerational and intrafamilial housing transfers and shifts in later life*, AHURI Final Report No. 88, Australian Housing and Urban Research Institute Limited, Melbourne, www.ahuri.edu.au/research/final-reports/88.
- Ong, R., Wood, G., Austen, S., Jefferson, T. and Haffner, M. (2015) 'Housing equity withdrawal in Australia: prevalence, patterns and motivations in mid-to-late life', *Housing Studies*, vol. 30, no. 7: 1152–1181.
- Pannell, J., Aldridge, H. and Kenway, P. (2012) *Market assessment of housing options for older people*, New Policy Institute, London.
- Park, A. and Ziegler, F. (2016) 'A home for life? A critical perspective on housing choice for "downsizers" in the UK', *Architecture MPS*, no. 9, vol. 2: 1–21.
- Department of Planning, Industry and Environment (2019) *Housing for seniors or people with a disability*, NSW Government, accessed 3 October 2019, <https://www.planning.nsw.gov.au/Policy-and-Legislation/Housing/Housing-for-Seniors-or-People-with-a-Disability>.
- Productivity Commission (2011) *Caring for older Australians*, Inquiry Report, vol. 2, no. 53, 28 June, Australian Government, Canberra.
- Productivity Commission (2015) *Housing decisions of older Australians*, Commonwealth of Australia, accessed 10 October 2019, <https://www.pc.gov.au/research/completed/housing-decisions-older-australians/housing-decisions-older-australians.pdf>.

- Real Estate Institute of Western Australia (2018) *WA pre-budget submission 2018–19: six-point plan for a fair, sustainable and prosperous property market*, Real Estate Institute of WA, Perth.
- Rees, K. and McCallum, J. (2017) *Downsizing: movers, planners, stayers*, National Seniors, Brisbane.
- REIWA—see Real Estate Institute of Western Australia
- Richmond Borough Council (2017) *Moving or downsizing*, London Borough of Richmond upon Thames, accessed 3 October 2019, https://www.richmond.gov.uk/moving_or_downsizing.
- Rossi, P.H. (1955) *Why Families Move: A Study in the Social Psychology of Urban Residential Mobility*, Free Press, Glencoe IL.
- Rowley, S., James, A. Phibbs, P. Nouwelant, R. and Troy, L. (2017) *Government led innovations in affordable housing delivery*, AHURI Final Report No. 289, Australian Housing and Urban Research Institute Limited, Melbourne, www.ahuri.edu.au/research/final-reports/289, doi:10.18408/ahuri-8113101.
- Sharam, A., Byford, M., Karabay, B. McNelis, S. and Burke, T. (2018) *Matching markets in housing and housing assistance*, AHURI Final Report No. 307, Australian Housing and Urban Research Institute, Melbourne, www.ahuri.edu.au/research/final-reports/307.
- Shire of Northampton (2009) *Local planning strategy*, Shire of Northampton, Northampton.
- Shire of Northampton (2016) *Community Strategic Plan 2016–2026*, Shire of Northampton, Northampton.
- State Revenue Office of Tasmania (2018) *Duty concession for pensioners downsizing to a new home*, Tasmanian Government, accessed 30 March 2019, <https://www.sro.tas.gov.au/property-transfer-duties/concessions-and-exemptions-for-property-transfer-duties/duty-concession-for-pensioners-downsizing-to-a-new-home>.
- State Revenue Office of Tasmania (2019) *Duty Concession*, Tasmanian Government, Hobart.
- State Revenue Office Victoria (n.d.) *Pensioner duty exemption or concession*, Victorian Government, accessed 30 March 2019, <https://www.sro.vic.gov.au/node/1458>.
- Thurrock Council (n.d.) 'Moving to different council housing', Thurrock Council, accessed 20 October 2019, <https://www.thurrock.gov.uk/moving-to-different-council-housing/help-to-downsize-your-property>.
- Western Australian Planning Commission (WAPC) (2014) *State Planning Strategy 2050*, Government of Western Australia, Perth.
- Wiles, J.L., Leibing, A., Guberman, N. and Reeve, J. (2011) 'The meaning of "aging in place" to older people', *The Gerontologist*, vol. 52, no. 3: 357–366.
- Yates, J. (2016) 'Why Does Australia Have an Affordable Housing Problem and What Can Be Done About It?', *The Australian Economic Review*, vol. 49, no. 3: 328–339.

Appendix 1: Housing aspirations by age group

Table A1: Housing aspirations of older Australians, by age group

| | 55–64 years (n=1,143) (%) | 65–74 years (n=1,003) (%) | 75+ years (n=276) (%) |
|----------------------------------------------------------|---------------------------------|---------------------------------|-----------------------------|
| Location | | | |
| Middle/outer suburbs of a capital city | 32 | 36 | 40 |
| Small regional town | 21 | 21 | 18 |
| Large regional city or town | 19 | 16 | 14 |
| Inner suburbs of a capital city | 16 | 18 | 21 |
| CBD of a capital city | 6 | 3 | 5 |
| Remote community | 3 | 2 | 0 |
| No preference | 2 | 2 | 1 |
| Other | 2 | 1 | 0 |
| Dwelling type | | | |
| Separate (detached) dwelling | 69 | 69 | 61 |
| Attached dwelling (semi-detached/terrace/townhouse etc.) | 9 | 11 | 14 |
| Apartment (less than 4 storeys) | 9 | 8 | 10 |
| Apartment (more than 4 storeys) | 4 | 4 | 5 |
| Ancillary dwelling/granny flat | 2 | 2 | 3 |
| Caravan or other temporary structure | 1 | 0 | 0 |
| No preference | 4 | 2 | 1 |
| Other | 1 | 2 | 4 |
| Number of bedrooms | | | |
| 1 | 2 | 2 | 3 |
| 2 | 25 | 25 | 35 |
| 3 | 51 | 52 | 47 |
| 4 | 20 | 19 | 13 |
| 5+ | 1 | 2 | 0 |
| Tenure | | | |
| Ownership (full, joint, shared) | 78 | 81 | 80 |
| Rental | 6 | 4 | 6 |
| Social housing | 5 | 3 | 2 |
| Age-specific housing | 5 | 8 | 6 |

Source: Authors' analysis of AHA survey (2018) data, unweighted.

Appendix 2: Interviewee demographics

Table A2: Later-life Australian interviewee demographics

| Downsizing status | Proportion of respondents (%) |
|-------------------------------------------|--------------------------------------|
| Downsized by choice | 23 |
| Downsized by force | 40 |
| Intending to downsize in the future | 20 |
| Not intending to move house in the future | 17 |
| Dwelling type | |
| Separate house | 57 |
| Villa | 13 |
| Unit | 17 |
| Granny flat | 7 |
| Farm House | 7 |
| Household type | |
| Single | 63 |
| Couple without children | 13 |
| Couple with children | 17 |
| Single parent | 3 |
| Share house | 3 |
| Tenure | |
| Home owner | 40 |
| Mortgagee | 13 |
| Renter | 27 |
| Social Housing | 13 |
| Retirement village | 7 |
| Annual gross income | |
| under \$31,000 | 40 |
| \$31,000-\$59,999 | 37 |
| \$60,000-\$89,999 | 13 |
| Not stated | 10 |
| Source of income | |
| Centrelink payment (e.g. NewStart, DSP) | 27 |
| Paid employment | 17 |
| Pension or Part pension | 50 |
| Self employed | 7 |

| Labour force participation | Proportion of respondents (%) |
|----------------------------|-------------------------------|
| Casual | 7 |
| FT Work | 13 |
| Part-time | 13 |
| Retired | 53 |
| Self employed | 3 |
| Semi-retired | 3 |
| Unable to work | 3 |
| Not stated | 3 |

Source: Interviews conducted for this research.

Appendix 3: Case-study LGAs

Table A3: Descriptions of case-study LGAs

| LGA, state, regional/metro | Selection based on proportion or number | Description |
|----------------------------------|--------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Mitcham SA Metro | Proportion | The City of Mitcham is located in the Adelaide metropolitan region, 6km from the CBD area with an area of 75.7 square kilometres. The LGA comprises 32 suburbs with a population around 63,000. The LGA has a higher proportion of families than the state average. The proportion of home owners is larger than for SA as a whole, with 38 per cent owning their home outright and 39.4 per cent with a mortgage, while renters only make up 18.3 per cent of all households in Mitcham compared to almost a third across the state. |
| Victor Harbor SA Regional | Proportion | The City of Victor Harbor, comprised of 11 suburbs over an area of 386.5 square kilometres, is located outside the metropolitan area, 80km south-east of the capital city of Adelaide at Encounter Bay. The LGA is a popular seaside holiday destination, with a population of 14,665 people, which grows during peak tourist seasons. The households predominantly consist of couples without children (61%). |
| Onkaparinga SA Metro | Number | The City of Onkaparinga is the southernmost LGA within the Adelaide metropolitan region. Comprised of 49 suburbs with a population around 171,000, the LGA stretches from the coast to the hills and includes the McLaren Vale Valley Wine Region, a popular tourist attraction. |
| Mandurah WA Metro | Proportion | The City of Mandurah is the southernmost LGA in the WA metropolitan region, situated around 70km south of the capital city, Perth. A coastal tourist destination, the LGA has an area of approximately 170 square kilometres and comprises 21 suburbs. With a population of 80,813, households predominantly consist of couples without children (45.7%), which is higher than the state average (38.5%). |
| Melville WA Metro | Number | The City of Melville is an inner-city LGA, situated around 8km south of the capital city, Perth. Bordering the Swan River, the LGA has an area of approximately 53 square kilometres and comprises 21 suburbs. It has a population of 93,038, and households predominantly consist of couples with children (47.6%), which reflects the state average. |

| LGA, state, regional/metro | Selection based on proportion or number | Description |
|-------------------------------------------|------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Northampton WA Regional | Proportion | The regional Shire of Northampton is located around 475 kilometres north of the capital city, Perth, in the WA Midwest region. Bound by the coast to the east and incorporating the Kalbarri National Park, the LGA comprises 7 townships or regional centres over an area of 12,499 square kilometres. |
| Canterbury-Bankstown NSW Metro | Number | The City of Canterbury-Bankstown is located in Sydney's south-western suburbs. It has a population of around 350,000 and is made up of over 30 suburbs. It is regarded as a very multicultural area and contains a mix of low- and higher-density housing. |
| Eurobodalla NSW Regional | Proportion | The coastal Shire of Eurobodalla in regional NSW comprises three major towns—Batemans Bay, Moruya and Narooma—and another 60 villages. Located about 300km south of Sydney, the LGA is bordered by the coast to the east and includes several national parks and state forests. With a population of 37,232, households predominantly consist of couples without children (55.3%), which is much higher than the state average. |
| Bega Valley NSW Regional | Proportion | The coastal Shire of Bega Valley is the most south-eastern regional shire in NSW. The LGA comprises 92 towns and villages and is located about 450km south of Sydney. It has a population of 33,253 and households predominantly consist of couples without children (52.7%), which is much higher than the state average. |

Source: Authors.

Appendix 4: Concession and exemption schemes

Table A4: State and territory concession and exemption schemes for older people

| State or territory | Scheme | Date commenced | Eligibility | Concession/exemption |
|--------------------|----------------------------------------|----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Northern Territory | Senior, Pensioner and carer Concession | 2010 | Not means tested Home must be valued at a maximum of \$750,000 Land must be valued at a maximum of \$385,000 Principal place of residence Cannot be used in conjunction with First Home Buyers Grants | After 28 April 2015—reduction up to \$10,000 off stamp duty payable |
| Victoria | Pensioner Duty Exemption or Concession | 2011 | Eligible pensioner Principal place of residence Cannot be used in conjunction with First Home Buyers Grants | Purchases \$300,000 or less are exempt from stamp duty Purchases between \$300,001 and \$750,000 receive a stamp-duty concession |
| ACT | Pensioner Duty Concession Scheme | 2016 | Eligible pensioner Must own a home Purchase of new or established home or vacant land before 30 June 2019 Principal place of residence | Properties valued at \$680,500 or less are stamp duty exempt Properties valued between \$680,501 and \$895,000 will attract a concession of \$15.05 for every \$100 or part thereof |
| Tasmania | Duty Concession | 2018 | Eligible pensioner Former home must have been place of residence for at least six months Purchase of established home in Tasmania between 10 February 2018 and 30 June 2019 New home must be principal place of residence for at least six months | 50 per cent reduction on stamp duty where an existing home is sold between 10 February 2018 and 30 June 2019 and another property, with a dutiable value of \$400,000 or less (and less than that of the former home), is purchased |

Source: (Adapted from Department of Treasury and Finance 2015, ACT Revenue Office 2016, State Revenue Office of Tasmania 2018, State Revenue Office 2019, State Revenue Office Victoria n.d).

Appendix 5: Dwelling type change of downsizers

Table A5: Dwelling type change of respondents who had downsized

| Dwelling type change | | | | |
|-----------------------------------------------------|----------------------|---------------------------|---------------------------|--|
| All respondents | (%) | | | |
| No change | 49.2 | | | |
| Moved from a house to an apartment | 23.2 | | | |
| Moved from an apartment to a semi-detached dwelling | 1.3 | | | |
| Moved from a house to a semi-detached dwelling | 20.7 | | | |
| Moved from a semi-detached dwelling to a house | 1.7 | | | |
| Moved from a semi-detached dwelling to an apartment | 1.7 | | | |
| Moved from an apartment to a house | 2.2 | | | |
| Age | 55–64 (%) | 65–74 (%) | 75+ (%) | |
| No change | 50.7 | 52.8 | 36.1 | |
| Moved from a house to an apartment | 22.5 | 22.4 | 26.9 | |
| Moved from an apartment to a semi-detached dwelling | 0.9 | 2.0 | 0.0 | |
| Moved from a house to a semi-detached dwelling | 18.5 | 19.1 | 29.6 | |
| Moved from a semi-detached dwelling to a house | 1.8 | 1.0 | 3.7 | |
| Moved from a semi-detached dwelling to an apartment | 1.8 | 1.3 | 2.8 | |
| Moved from an apartment to a house | 4.0 | 1.3 | 0.9 | |
| Tenure | Ownership (%) | Private rental (%) | Social housing (%) | |
| No change | 54.6 | 45.2 | 43.5 | |
| Moved from a house to an apartment | 18.6 | 29.0 | 26.1 | |
| Moved from an apartment to a semi-detached dwelling | 0.8 | 0.6 | 2.2 | |
| Moved from a house to a semi-detached dwelling | 21.5 | 18.7 | 15.2 | |
| Moved from a semi-detached dwelling to a house | 2.1 | 1.3 | 2.2 | |
| Moved from a semi-detached dwelling to an apartment | 0.8 | 3.2 | 2.2 | |
| Moved from an apartment to a house | 1.6 | 1.9 | 8.7 | |

Source: Authors' analysis of AHA survey (2018) data, unweighted.

Appendix 6: Location change of downsizers

Table A6: Location change of respondents who had downsized

| Location change | | | | | |
|--------------------------------------------------------------------|-------------------------|------------------|--------------------|------------------------------|-----------------------------------|
| All respondents | (%) | | | | |
| Stayed within the same neighbourhood | 22 | | | | |
| Moved into a home that you already owned | 5 | | | | |
| Moved into another neighbourhood or location that you already knew | 37 | | | | |
| Moved into a neighbourhood which was new to you | 42 | | | | |
| Age | 55–64 (%) | 65–75 (%) | 75+ (%) | | |
| Stayed within the same neighbourhood | 26 | 20 | 21 | | |
| Moved into a home that you already owned | 5 | 5 | 3 | | |
| Moved into another neighbourhood or location that you already knew | 34 | 37 | 43 | | |
| Moved into a neighbourhood which was new to you | 41 | 44 | 36 | | |
| Tenure | Own with a mortgage (%) | Own outright (%) | Private rental (%) | State/ community housing (%) | Lifestyle/ retirement village (%) |
| Stayed within the same neighbourhood | 24 | 21 | 23 | 29 | 24 |
| Moved into a home that you already owned | 7 | 7 | 2 | 0 | 0 |
| Moved into another neighbourhood or location that you already knew | 32 | 36 | 42 | 36 | 38 |
| Moved into a neighbourhood which was new to you | 41 | 43 | 36 | 45 | 43 |

Source: Authors' analysis of AHA survey (2018) data, unweighted.

Appendix 7: Reasons for downsizing

Table A7: Primary reason for downsizing for respondents who had moved, by tenure, income and household structure

| Primary reason for downsizing | (%) | (%) | (%) | (%) | (%) |
|----------------------------------------------------------------|-----------------|------------|-----------------|--------------------|------------------|
| Tenure | Home owner | Renter | Social housing | Retirement village | |
| The garden/property required too much maintenance | 19.4 | 10.3 | 13 | 40.5 | |
| For lifestyle reasons | 32.6 | 19.4 | 10.9 | 33.3 | |
| For financial reasons | 23.9 | 32.3 | 37.0 | 21.4 | |
| To move into a home that you already owned | 5.3 | 0.6 | 4.3 | 2.4 | |
| To move into a neighbourhood or location that you already knew | 5.6 | 3.9 | 0.0 | 0.0 | |
| To help your family | 4.8 | 5.8 | 0.0 | 0.0 | |
| Forced—it was not your choice | 8.5 | 27.7 | 34.8 | 2.4 | |
| Income quintile | Very low income | Low income | Moderate income | High income | Very high income |
| The garden/property required too much maintenance | 14.5 | 22.9 | 17.4 | 12.2 | 14.3 |
| For lifestyle reasons | 15.1 | 29.0 | 35.9 | 35.1 | 33.3 |
| For financial reasons | 32.4 | 22.9 | 25.0 | 31.1 | 23.8 |
| To move into a home that you already owned | 1.1 | 1.9 | 4.3 | 8.1 | 14.3 |
| To move into a neighbourhood or location that you already knew | 4.5 | 4.7 | 4.3 | 6.8 | 4.8 |
| To help your family | 5.6 | 5.1 | 3.3 | 2.7 | 4.8 |
| Forced—it was not your choice | 26.8 | 13.6 | 9.8 | 4.1 | 4.8 |

| Primary reason for downsizing | (%) | (%) | (%) | (%) | (%) |
|----------------------------------------------------------------|---------------------------------------|----------------------------------------------------|----------------------------------------|-----------------------------------------------------|------------|
| Household structure | Single person, no children | Couple living together, no children | Couple living with children | Single person living with child(ren) | |
| The garden/property required too much maintenance | 15.5 | 20.7 | 11.1 | 10.0 | |
| For lifestyle reasons | 18.9 | 33.7 | 20.0 | 20.0 | |
| For financial reasons | 29.1 | 23.5 | 40.0 | 36.7 | |
| To move into a home that you already owned | 1.5 | 4.5 | 4.4 | 0.0 | |
| To move into a neighbourhood or location that you already knew | 4.9 | 4.5 | 8.9 | 0.0 | |
| To help your family | 1.9 | 5.7 | 6.7 | 3.3 | |
| Forced—it was not your choice | 28.2 | 7.4 | 8.9 | 30.0 | |

Source: Authors' analysis of AHA survey (2018) data, unweighted.

Appendix 8: Benefits of downsizing

Table A8: Benefits of downsizing for respondents who had moved, by age and tenure

| Benefits | | | | |
|---------------------------------------|-----------------------|-------------------|---------------------------|-------------------------------|
| All respondents | (%) | | | |
| Reduced housing costs | 42.0 | | | |
| Reduced maintenance costs | 47.5 | | | |
| Reduced time maintaining the property | 55.0 | | | |
| Feel more safe and secure | 35.5 | | | |
| Feel more independent | 18.3 | | | |
| In a better location | 39.6 | | | |
| Easier access to support services | 23.0 | | | |
| Released equity | 13.2 | | | |
| Other benefits | 8.8 | | | |
| Age | 55–64 (%) | 65–74 (%) | 75+ (%) | |
| Reduced housing costs | 47 | 41 | 33 | |
| Reduced maintenance costs | 41 | 51 | 52 | |
| Reduced time maintaining the property | 51 | 57 | 57 | |
| Feel more safe and secure | 30 | 38 | 40 | |
| Feel more independent | 18 | 18 | 19 | |
| In a better location | 39 | 43 | 31 | |
| Easier access to support services | 13 | 25 | 37 | |
| Released equity | 11 | 15 | 11 | |
| Other benefits | 10 | 8 | 9 | |
| Tenure | Home owner (%) | Renter (%) | Social housing (%) | Retirement village (%) |
| Reduced housing costs | 40 | 44 | 41 | 43 |
| Reduced maintenance costs | 52 | 37 | 33 | 71 |
| Reduced time maintaining the property | 57 | 45 | 57 | 81 |
| Feel more safe and secure | 32 | 34 | 43 | 71 |
| Feel more independent | 15 | 20 | 22 | 33 |
| In a better location | 41 | 43 | 33 | 31 |
| Easier access to support services | 21 | 21 | 26 | 43 |
| Released equity | 17 | 8 | 2 | 14 |
| Other benefits | 8 | 8 | 11 | 5 |

Source: Authors' analysis of AHA survey (2018) data, unweighted.

Appendix 9: Barriers to downsizing

Table A9: Barriers to downsizing, for respondents who had thought about moving

| Barriers | (%) | (%) | (%) | (%) |
|------------------------------------------------|----------------------------|---------------------|-----------------------|---------------------------------|
| Age | 55–64 | 65–74 | 75+ | |
| Lack of suitable housing in preferred location | 8 | 7 | 8 | |
| The cost of downsizing is too great | 7 | 8 | 5 | |
| Financially, it is not worth it | 11 | 7 | 7 | |
| Spouse/partner does not want to move | 5 | 11 | 8 | |
| Don't have family support | 1 | 0 | 2 | |
| It is too much disruption | 3 | 2 | 7 | |
| Happy where you are at the moment | 33 | 32 | 43 | |
| The timing is not right | 22 | 25 | 15 | |
| Need the space | 5 | 3 | 2 | |
| Other | 5 | 6 | 5 | |
| Tenure | Own with a mortgage | Own outright | Private rental | State/ community housing |
| Lack of suitable housing in preferred location | 5 | 7 | 11 | 4 |
| The cost of downsizing is too great | 11 | 7 | 6 | 0 |
| Financially, it is not worth it | 12 | 8 | 10 | 0 |
| Spouse/partner does not want to move | 7 | 9 | 6 | 0 |
| Don't have family support | 0 | 0 | 0 | 6 |
| It is too much disruption | 1 | 3 | 2 | 0 |
| Happy where you are at the moment | 27 | 36 | 34 | 19 |
| The timing is not right | 29 | 21 | 18 | 13 |
| Need the space | 3 | 4 | 6 | 13 |
| Other | 4 | 6 | 6 | 13 |

Source: Authors' analysis of AHA survey (2018) data, unweighted.

AHURI Research Centres

AHURI Research Centre—Curtin University

AHURI Research Centre—RMIT University

AHURI Research Centre—Swinburne University of Technology

AHURI Research Centre—The University of Adelaide

AHURI Research Centre—The University of New South Wales

AHURI Research Centre—The University of South Australia

AHURI Research Centre—The University of Sydney

AHURI Research Centre—University of Tasmania

Australian Housing and Urban Research Institute

Level 12
460 Bourke Street
Melbourne Victoria 3000

T +61 3 9660 2300

E information@ahuri.edu.au

ahuri.edu.au

ACN 090 448 918



twitter.com/AHURI_Research



facebook.com/AHURI.AUS



evid.in/AHURI_LinkedIn