

Downsizing amongst older Australians

authored by

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for the

**Australian Housing and Urban
Research Institute**

UNSW-UWS Research Centre

August 2012
(revised January 2014)

AHURI Positioning Paper No. 150

ISSN: 1834-9250

ISBN: 978-1-922075-08-6

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Title	Downsizing amongst older Australians	
ISBN	978-1-922075-08-6	
Format	PDF	
Key words	Downsizing, health, wellbeing, ageing	
Editor	Anne Badenhorst	AHURI National Office
Publisher	Australian Housing and Urban Research Institute Melbourne, Australia	
Series	AHURI Positioning Paper, no.150	
ISSN	1834-9250	
Preferred citation	Judd, B. et al. (2012) <i>Downsizing amongst older Australians</i> , AHURI Positioning Paper No.150. Melbourne: Australian Housing and Urban Research Institute.	

Revised January 2014

With the publication of the Final Report from this project (AHURI Project 70687 Downsizing amongst older Australians), changes have been made to this Positioning Paper to ensure consistency with the Final Report. These include updates to the section on downsizing related to ABS data (Chapter 3 in both reports).

ACKNOWLEDGEMENTS

This material was produced with funding from the Australian Government and the Australian states 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 comprises a network of university Research Centres across Australia. Research Centre contributions, both financial and in-kind, have made the completion of this report possible.

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ACRONYMS

ABS	Australian Bureau of Statistics
ACSA	Aged and Community Services Australia
ACT	Australian Capital Territory
AHURI	Australian Housing and Urban Research Institute Limited
AIHW	Australian Institute of Health and Welfare
CALD	Culturally and linguistically diverse
CECODHAS	European Federation of Public, Cooperative & Social Housing
CMHC	Canada Mortgage and Housing Corporation
CNOS	Canadian National Occupancy Standard
COAG	Council of Australian Governments
COTA	Council on the Ageing
CSHA	Commonwealth State Housing Agreement
CURF	Confidentialised Unit Record File, Australian Bureau of Statistics
DVA	Australian Government Department of Veterans' Affairs
EU	European Union
FaCSIA	Australian Government Department of Families, Community Services and Indigenous Affairs
FaHCSIA	Australian Government Department of Families, Housing, Community Services and Indigenous Affairs
FHOC	First Home Owner Concession (from stamp duty)
HILDA	Survey of Household, Income and Labour Dynamics in Australia
HRS	Health and Retirement Study, USA
LEP	Local Environmental Plan
METRIX	Internet-based sub-regional planning tool, NSW
NRAS	National Rental Affordability Scheme
NSA	National Seniors Association
NSW	New South Wales
NT	Northern Territory
NZ	New Zealand
OECD	Organisation for Economic Co-operation and Development
PPPR	Principal Place of Residence Rebate
Qld	Queensland
RPIP	Reference Person Indicator, Australian Bureau of Statistics
RZ3/RZ4	Residential Zones, ACT

SA	South Australia
SEPP	State Environmental Planning Policy
SD	Statistical Division
SDAC	Survey of Disability, Ageing and Carers
SLID	Survey of Labour and Income Dynamics, Canada
SPRC	Social Policy Research Centre
SPSS	Statistical Package for the Social Sciences
Tas	Tasmania
U3A	University of the Third Age
UK	United Kingdom
US/USA	United States of America
Vic	Victoria
WA	Western Australia
WWII	World War 2

EXECUTIVE SUMMARY

The context for this research is the ageing of the Australian population and its implications for housing, particularly downsizing amongst older Australians. While a popularly used term, downsizing is a problematic concept to define as it may be more narrowly used to refer specifically to a process involving a reduction in the size of the dwelling and/or property, or more broadly to reducing the cost of housing (sometimes referred to as down-pricing), or even moving location for a variety of other reasons, all of which can be interrelated. For the purposes of this project, a broader definition is accepted as this allows consideration of these related factors associated with moving in later life. This includes decreases in the number of rooms and the spatial dimensions of the dwelling and/or garden/yard as well as in the value of the dwelling. The research focuses on such moves in private market housing rather than social housing or residential aged care.

The study builds on earlier AHURI research by a number of the authors on older home owners (Judd et al. 2010a) and age-specific low-income housing (Bridge et al. 2011). The former found that the majority of older people predominantly favour remaining in their own homes for as long as possible and utilise the space in their homes much more than is often assumed. However, other earlier AHURI research (Olsberg & Winters 2005) found that for the 35 per cent of older people likely to move the most common reason given (22%) was to 'move to a smaller house'. Similarly, an AHURI study by (Beer & Faulkner 2009) found over a quarter of intended moves amongst older people related to the size and/or quality of the home.

However, despite these indications there is little known about the extent of downsizing amongst older Australians: and particularly the who, the what, the when, the where, the why, and the how of downsizing. This knowledge is critical to how policy might facilitate housing transitions, such as downsizing in later life if when this is in the interests of older people and their care needs.

This research aims to address these issues by responding to the following 13 research questions:

1. What evidence is there from ABS Census Data of downsizing amongst older Australians, and has this increased over the last three Censuses?
2. What is the extent of downsizing amongst older Australians (55 and over)?
3. What are the demographic characteristics of downsizers?
4. What motivations and circumstances precipitate downsizing?
5. What types of accommodation do older people downsize into?
6. To what locations do downsizers move in relation to their previous dwelling?
7. What are the impacts of downsizing on familial, social and support networks?
8. What are the financial considerations and consequences of downsizing?
9. What processes do people undertake in downsizing?
10. How appropriate do downsizers find their new home for their needs and circumstances?
11. How does downsizing impact on access to care services?
12. What are the obstacles that prevent people who wish to downsize?
13. What are the policy options for encouraging or supporting downsizing for those who wish to do so?

Using a person-environment theory perspective, a mixed method approach has been adopted. Following the literature and policy review, an analysis of commissioned ABS Census and Survey of Disability, Ageing and Carers (SDAC) data will be undertaken; a national survey will be conducted via the National Seniors Association magazine '50 Something', and online via a number of other seniors websites and newsletter, followed by 60 in-depth interviews in three states (NSW, Vic & SA) and policy forums in each of the same states.

This Positioning Paper reports on the preliminary ABS and SDAC data analysis, the literature review and the policy review. From these it draws some preliminary conclusions, and informs refinement of the interviews and policy forums (the survey having already been conducted but not yet fully analysed). The key findings to date are summarised below:

- Downsizing was found to be a poorly theorized and researched area of housing studies.
- There is confusion about how downsizing is defined in terms of whether it includes only reductions in dwelling and land size or includes reduction in the economic value of housing.
- There is clearly a lack of evidence in available ABS statistical data on downsizing in Australia, and particularly on the extent of downsizing, the demographics of downsizers, and the type and size of housing to which they move.
- There is evidence from previous studies that moving (including downsizing) in later life is generally triggered by negative shocks, such as sudden change in household composition, employment status, decline in health, inability to maintain property, or for family or social support reasons.
- There is also a paucity of information on the processes of downsizing and its economic and social outcomes including access to care services.
- Compared to the United Kingdom (UK) and developments in the European Union (EU), Australia appears to be lagging somewhat in explicit policy development concerning downsizing, but has made some advances to facilitate moving (which may include downsizing) in older age by removing disincentives via reduction or exemption of stamp duties, removal of taxation and Age Pension asset and income test disincentives, and improved age-friendly housing regulation and guidelines.

The findings to date confirm the need for this research, and for more coherent policy around downsizing. They will be used to inform the later stages of the research, including the purchase and analysis of custom ABS data, the structure and content of the in-depth interviews and the framing of discussion in the policy forums.

The Final Report will contain the findings of these later investigations, and explore the implications for ageing and housing policy, the housing industry, and aged care provision. Most importantly, it is hoped that it will lead to better information and support for older Australians wishing or needing to downsize.

1 INTRODUCTION

1.1 Background to the research

The ageing of the Australian population is one of the most important systemic shifts and policy challenges of the 21st century. From 2004–51, the percentage of people aged 65 and over will have doubled and those 85 and over will have quadrupled; the percentage of older people in the population will also continue to grow until the end of the century (ABS 2006). The impact on the health and welfare system and the economy will be profound (Australian Treasury 2002) and is the subject of a recent Australian Government Productivity Commission (2011) report. Ensuring appropriate and affordable housing and home care services is a critical component of the policy response to an ageing population both for health and wellbeing and for reducing demand on the residential aged care sector. Encouraging ageing in place is a central plank in the policy response as is increasing the level of care available at home, but the suitability of existing and new housing stock remains a critical question.

It is often assumed or implied in housing and urban policy that downsizing is appropriate, desirable and inevitable for older people. An illustration of this is the Sydney Metropolitan Strategy's statement that 'The trend to smaller households is partly driven by the ageing of the population, which tends to result in more single and two person households. This will inevitably lead to a greater demand for smaller housing with good access to shops, transport and services such as health' (NSW Department of Planning 2005, p.24). Similar views about an ageing population being one of the drivers of demand for more diverse (implying smaller) housing types are expressed in the South East Queensland Regional Plan 2009–31 (Department of Infrastructure and Planning 2009, p.90) and in national urban policy documents (Department of Infrastructure and Transport 2011, p.56). However, evidence from earlier AHURI research (Judd et al. 2010a) revealed that a high percentage of older people regarded their larger homes as appropriate for their needs, even in the event of developing a disability or greater need for assistance. Ageing in place with professional support was also preferred over moving to a more suitable home or some form of age-specific accommodation. However, the likelihood of downsizing at some point in time or circumstances was also recognised by many of the respondents. Building on this and other AHURI research projects on ageing and housing (Faulkner & Bennet 2002; Olsberg & Winters 2005; Jones et al. 2008; Beer & Faulkner 2009; Bridge et al. 2011), this research will explore the complexities of downsizing, by examining the extent, demographics, motivations, experiences, barriers and impacts (both financial and social) of downsizing on older people in the private market, both from the perspective of those who have downsized and those expecting to do so.

For the purposes of this study, a broad definition of downsizing is adopted, not merely limited to a reduction in the actual spatial area of dwelling and/or land or the number of bedrooms, but also including reduction in the value of the dwelling.

This project focuses on older Australians in the private housing market. Social housing (public & community housing) is not included since any downsizing therein is more likely to depend more on the nature of the supply of social housing targeting older Australians on low incomes, allocation policies and available housing stock characteristics in the various jurisdictions rather than an older household's choice. While indigenous and other culturally and linguistically diverse (CALD) communities will not be excluded, additional sub-sampling is not a part of this research so it is likely that we will not capture sufficient number of indigenous or other CALD respondents to permit a meaningful analysis of differences. This is an important caveat as other

research has shown that social norms for these groups may differ and that this may influence and shape their downsizing outcomes.

Nevertheless, the research will provide valuable insights into the extent, motivations and social and economic outcomes of downsizing amongst average older Australians and will be useful in informing ageing, housing, and urban planning policies. It will also be of use to the development industry and home care providers. Finally, it will be helpful to older people themselves in making more informed choices. Accordingly, the dissemination phase of this research will ensure that in collaboration with seniors' organisations and the media, the information of most use to older persons in making downsizing choices is available to them in forms and languages that they can access.

1.2 Structure of the paper

The structure of this Positioning Paper commences in Chapter 1 with a discussion about theoretical perspectives on downsizing (Section 1.3), followed by an outline of the aims of the research (Section 1.4). Chapter 2 provides an outline of the research approach and methods used. Chapter 3 reviews Australian Bureau of Statistics (ABS) census data relevant to downsizing. Chapter 4 presents our literature review based on a systematic search of Australian and International literature relevant to downsizing by older persons. Chapter 5 examines both Australian and international policy concerning downsizing. Chapter 6 discusses how the findings inform the research questions. Chapter 7 concludes the paper with a summary of the key findings and their implications for later stages of the research project. The Appendices include copies of the questionnaire developed and used in the research; Participant Information Statement and Consent Forms in compliance with University of New South Wales ethics requirements; a list of definitions for survey variables; and the interview schedule.

1.3 Theoretical framework

Downsizing as an observable phenomenon in later life can be examined from a wide range of theoretical perspectives (Wahl & Lang 2004). Understanding the theoretical choices is important, as downsizing in later life is a complex geographical process mediated by institutions and other social forces (Cutchin 2003). Further, the perspectives chosen are influenced by discipline and context as all research occurs as a snapshot in time and is influenced by the professional knowledge and experiences of the researchers concerned (Pugh 1986). Discussing theoretical underpinning is important as theory plays an essential role in housing research as it guides the development of research questions, selection of methodologies and interpretation of results (Steggell et al. 2003).

The dynamic changing and transactional nature of current understanding becomes clearly apparent when some of the more prominent person-environment interaction theories are reviewed. For instance, as detailed in Chapter 4 when the downsizing and/or older person's housing transition literature is reviewed three theoretical perspectives are dominant. First, there is an economic framework derived from functionalism in architecture and this is often expressed theoretically as part of the 'housing equilibrium model' (Clark & Deurloo 2006). Second, either the 'lifecycle' (i.e. a gerontological approach stemming from notions of a biology) or 'life-course' (i.e. a sociological approach that assumes a sequence of socially defined events and roles that the individual enacts over time) models are cited. However, the 'life-course' model developed out of the 'lifecycle' model so they are linked and should not be viewed as discrete.

The critique of the predominant models used in the downsizing literature includes on the one hand, the housing equilibrium model's view that downsizing is mediated by ageist social expectations, social participations, social rights and obligations (Jaffe 1989). Also, according to Ytrehus (2000) the spatial tradition that underlies the housing equilibrium model originates in the well-known tradition of 'functionalism' in architectural practice and is clearly evident in housing allocation policies, possibly stemming from the notion that older people are widowers and empty nesters and so require less space than families. While on the other hand, the lifecycle and life-course models posit housing transitions based on normative peer behaviours and thus also assume potentially 'ageist' social norms. Further, Hanson and Gottschalk (2006) claim that previous downsizing research indicates that a lack of possible alternative dwellings versus an inadequate ability to cope with moving house and/or the costs of moving weakens any claim being made about satisfaction/dissatisfaction with housing location explanations and actual mobility outcomes.

Therefore, the theoretical basis chosen for this research study into downsizing, eschews housing equilibrium; lifecycle and life-course approaches on the basis of their potential ageist biases. These provide too narrow a framework for such an under explored phenomena, despite their predominance in the literature on downsizing. Instead we have chosen to draw on the wider person-environment theories because they have previously proved useful in determining considerations about moving in later life. For instance, research using this framework by Oswald et al. (2002) partially confirmed that relocation from home to home, in older age, was predominantly the result of an active and goal-directed process of person environment regulation. Particularly useful is the 'environmental press' theory (Lawton 1985) which posits that behaviour (e.g. activity performance) is a joint function of the person and the environment and that adaption functioning occurs in a physical environmental context. Press is the balance between a level of competence and an environmental stressor. In other words, the less ability a person has, the more impact the environment will have. Moreover, the heterogeneity of older people and their needs makes it imperative to consider who will use a feature of the environment in order to be able to predict whether the right point in the competence-press continuum is achieved (Lawton 1977). Additionally, use of the environment-press framework does not preclude an exploration of economic (i.e. an environmental stressor) nor biological influences (i.e. an older persons competence level) as within the person-environment framework both are viewed as part of the response continuum likely to impact housing transition decisions.

1.4 Aims and research questions

This project aims to understand the phenomenon of downsizing amongst older Australians by investigating:

- The extent of downsizing amongst older Australians.
- The demographics, motivations and circumstances precipitating downsizing.
- The considerations and consequences of downsizing, both financially and socially.
- The obstacles that older home owners face in downsizing.
- Which policies assist or hinder older home owners desiring to downsize.

These aims have been translated into the following 13 research questions, which are grouped in Table 1 below according to data sources and proposed methods.

Table 1: Research questions, data sources and methods

Research question	Data sources	Methods
1. What evidence is there from ABS Census Data of downsizing amongst older Australians, and has this increased over the last three Censuses?	1996, 2001 and 2006 Census data	Quantitative analysis using Statistical Package for the Social Sciences (SPSS): frequencies and cross-tabulations
2. What is the extent of downsizing amongst older Australians (55 and over)? 3. What are the demographic characteristics of downsizers? 5. What types of accommodation do older people downsize into? 6. To what locations do downsizers move in relation to their previous dwelling	National survey	Quantitative analysis using SPSS: frequencies and cross-tabulations
4. What motivations and circumstances precipitate downsizing? 7. What are the impacts of downsizing on familial, social and support networks? 8. What are the financial considerations and consequences of downsizing? 9. What processes do people undertake in downsizing? 10. How appropriate do downsizers find their new home for their needs and circumstances? 11. How does downsizing impact on access to care services?	National survey In-depth interviews	Quantitative analysis using SPSS: frequencies and cross-tabulations Qualitative analysis using NVivo
12. What are the obstacles that prevent people who wish to downsize?	National survey In-depth interviews Policy forums	Quantitative analysis using SPSS: frequencies and cross-tabulations Qualitative analysis using NVivo World cafe, small group conversation method and recording
13. What are the policy options for encouraging or supporting downsizing for those who wish to do so?	Policy forums	World cafe, small group conversation method and recording

2 METHODOLOGY

2.1 Research approach

As noted earlier, the methodology adopted to address the research questions is primarily qualitative, drawing on person-environment theories, because older people's housing decisions can best be understood in terms of broader ecological and competence-press theory. This provides the best framework for enumeration of the relevant variables required to examine housing: space, location, economics, attitudes, preferences and satisfaction; wellbeing and motivation in older persons' relocation decisions of which downsizing may or may not feature. Our approach and methodology is supported by the findings of our review of Australian and International literature (Chapter 4) and policies (Chapter 5) relevant to downsizing in later life.

A mixed method approach was selected because its methodological pluralism or eclecticism enables triangulation revealing convergence between findings (Johnson & Onwuegbuzie 2004). The methods selected for inclusion involved: analysis of ABS Census and SDAC data; a national survey of older people who have moved at least once since turning 50 years of age via a national seniors' magazine with a parallel online survey; followed by in-depth interviews conducted in three states (NSW, VIC & SA); and finally using policy forums in the three states to validate and test our findings. The methods are each outlined in detail below. Ethics clearance was sought and approved by the University of NSW's Human Research Ethics Advisory Panel in June 2011 for the conducting of the questionnaire survey and face-to-face interviews. See Appendices 2 and 3 for the Project Information Statement and Survey Consent form.

2.2 ABS data analysis

While there is no direct data on downsizing available from ABS Census or other national surveys, some indications can be drawn from Australian population and housing Census data. This includes whether people have moved, dwelling size (number of bedrooms), dwelling type (structure), tenure and mobility (between censuses). When cross-tabulated by age group, such analyses may provide a useful indicator of relocation behaviour. Trends over time can be studied by analysing data from previous censuses (see Chapter 3). In our Final Report we will present the results of both our in-house and our commissioned tables analysis. The customized tables purchased from the ABS will compare number of moves, tenure change over time and dwelling size outcomes from the last three censuses (1996, 2001 & 2006) cross-tabulated by five age groups (0–54, 55–64, 65–74, 75–84 & 85+).

Additionally, the ABS Survey of Disability, Ageing and Carers (SDAC), which includes data on motives for relocation due to a functional impairment or care need, will be analysed by the same age groups. Data is currently available for 2003 only, but is also expected shortly from the 2008 survey to enable inclusion in the Final Report. Customised data regarding relocation practice was also downloaded from the ABS' online program, Table Builder, to highlight national trends.

This Positioning Paper includes preliminary analysis of these ABS Census and SDAC data, from which the potential for further data purchase and analysis will be considered.

2.3 The national survey

A national survey was designed for dissemination via a national seniors' magazine (see Section 2.3.1) for return by pre-paid mail and was also available in online form

via a number of other sources (see Section 2.3.2). Importantly, the person-environment theoretical framework explicitly guided the type of questions asked in the survey. The survey included both closed and open-ended questions, and an invitation to participate in a follow up interview.

2.3.1 *The magazine survey*

A four-page paper survey was bound into the centrefold of the bi-monthly National Seniors Association's (NSA) magazine *50 Something* (See Appendix 1) with pre-paid postal return. The NSA has a membership of 256 000 members and is the largest circulation seniors' magazine in Australia with a total readership of 367 998 at the time, with the following representation from the various states and territories.

- New South Wales 25.7 per cent
- Victoria 15.2 per cent
- Queensland 40.4 per cent
- South Australia 4–5 per cent
- Western Australia 8.7 per cent
- Tasmania 1.8 per cent
- Northern Territory 1.1 per cent
- Australian Capital Territory 2.4 per cent

The survey was included in the August/September 2011 issue of the magazine.

2.3.2 *The online survey*

The online survey was developed using Key Survey software, as it provides a vehicle for collection and analysis of data in a secure, controlled environment. Use of the Key Survey tool facilitated survey creation and survey deployment, and its design mirrored the hardcopy paper-based version. The survey was advertised in the following magazines and websites for the months of August, September and October 2011.

Table 2: Website and newsletter advertising

Organisation	Medium	Circulation
Council on the Ageing (COTA)	<i>OneCota</i> magazine	30,000
Your Life Choices	E-newsletter	50,000
University of the Third Age (U3A)	Online link advertised on the Links for Seniors page of the University for the Third Age	64,160 (in 2008)
Retirement Village Residents Association	Email message	500 (E-mail) 5,000 (Newsletter)
Combined Pensioners and Superannuants of NSW	Advertisement in Newsletter	Over 37,000 membership
City Futures Research Centre	Hyperlink to Survey	N/A

Response to the survey

A total of 3293 completed surveys were received, 2938 on paper by mail and 355 online. Of these, 2812 had actually moved since turning 50 years of age, thus forming the database for further analysis. Of the remainder, 149 were either planning or expecting to move in the foreseeable future, and 123 thought they may do so. Responses received by mail were manually entered into Key Survey to create a

combined database which will be analysed using Statistical Package for the Social Sciences (SPSS) software.

2.3.3 Replicability and reliability

In order to ensure that the data collected is as reliable and valid as possible, in designing our methodology we were guided by the principles of measurement theory in regard to sample size calculations; survey design, processing and analysis.

Sample size

The following figure for total population is based on the numbers of Reference Person Indicator (RPIP variable from the Census) aged 55 and over who moved within Australia (excluding those moving from overseas) from 2001–06 (so if they reported as being 55 in 2006 they were 50 in 2001). This population includes all persons who changed residential address at least once during the period, so including multiple movers as well. From this value all RPIPs counted in non-private dwellings and also in the social rented sector were removed, private rental was retained. The RPIP variable can safely be read as a household count. Over 95 per cent of RPIP's are either the husband, wife or defacto partner in a single family household or a lone person in a non-family household.

This gives a population of 284 530 households out of the total of 1 598 224 households where the RPIP was 55 or older in 2006, or just over 17.8 per cent. This value will not be the absolute population of all Australian households meeting the criteria of the survey as it targeted any household with a respondent who had moved since turning 50. It can, however, serve as a useful minimum for the purposes of calculating sample size error. To achieve a maximum the value can be multiplied by 3 (853 590). This maximum is set under the assumption that in the preceding 15 years from 2006 the over 50 group was as mobile as observed in the 2001–06 period.

This maximum value becomes the population from which to draw a robust sample. To do this the Sample Size Calculator on the National Statistical Service's website <http://www.nss.gov.au/nss/home.nsf/pages/Sample+Size+Calculator+Description?OpenDocument> is used. The following table sets out the required sample size with a confidence level of 95 per cent and a confidence interval of 2 per cent. The 95 per cent confidence level is the standard used by social researchers.

Table 3: Sample size calculation

Confidence level	95%
Population size	853,890
Proportion	0.5
Upper	0.52
Lower	0.46
Standard error	0.01020
Relative standard error	2.04
Sample size	2,395

The required sample size needed to meet these assumptions is 2395. The survey returned 2764 households who had moved at least once since the respondent had turned 50. Due to the distribution methods of the survey as described above, the results may, however, still represent a potential bias towards English speakers and mostly those who subscribe to the *50 something* magazine.

Survey and interview question design

Participants will be asked standard demographic questions, including economic status and number of moves. Definitions of variables are given in Appendix 4. The survey tool was developed following a systematic literature search which revealed other instruments developed in other countries but no tool that had been statistically validated and none designed for distribution in Australia. At best, statistical piloting and validation of survey tools is a highly complex enterprise and in this case no 'norm-referenced' and 'criterion-referenced' test or gold standard yet exists. However, a small pilot sample was conducted with 12 older Anglo Australian users fitting our inclusion criteria. This revealed only a few minor issues resulting in some previously open ended answers being made closed and some minor changes in wording to improve clarity.

Data processing and analysis

Some variables to be collected in this study are nominal level measures, and some are interval. Variable type and question therefore will determine data analysis undertaken. For example, nominal level measures include counts of moves, number of bedroom etc. Since the study is primarily descriptive, initial analyses will focus on a descriptive summary of the data, especially the nominal measures. Histograms and cross tabulation tables will be the main descriptive devices for research questions.

- Where research questions imply comparison of two nominal variables, these will be analysed using chi square tests and loglinear analysis.
- Where research questions imply comparison of a nominal variable with an interval variable, these will be analysed with t-tests and point biserial correlation coefficients.
- Where, research questions imply an analysis of change in category membership over time, this will be done using the McNemar Test for the Significance of Changes.
- Research questions that imply comparison of changes over time in the relationship of nominal variables to interval variables will be analysed using factorial analysis of variance, with a between groups factor and a within groups factor.

2.4 In-depth interviews

Face-to-face interviews of approximately one-hour duration will be conducted in three states (NSW, Vic & SA) to provide a more nuanced understanding of downsizing experiences. Once again, the person-environment theory perspective has been used to guide the content based on the research questions. The draft interview schedule is included in Appendix 2.

The selected states reflect different housing markets and rates of ageing. NSW and Vic are higher value housing markets than SA, the lowest mainland state (see Table 18 in Section 5.2.3), with NSW having a greater proportion of higher density housing than the other two states. Our ABS analysis indicates that from 1996–2006 Victoria had aged at close to the national average whereas NSW and SA were the two lowest nationally (see Table 4). Victoria also has higher outmigration of older people to warmer climate states, which could be relevant to locational decisions of downsizers. The three states also vary in terms of key policy settings relevant to downsizing. For example, NSW has had general stamp duty concession for those aged 55 and over, Victoria has had an individually calculated concession for Age Pensioners only, and SA has had no stamp duty concessions at all (see Section 5.2.3 for more detail).

Sixty interviews will be undertaken (20 per state). Interviewees will be recruited via the paper and online surveys, where respondents were invited to indicate their willingness to be interviewed and provide their contact details. A purposive sampling frame will be developed to ensure representation across the selected age groups (<55, 55–64, 65–74 & 85+), gender and urban/regional location. The interviews will be of approximately one hour duration and will be recorded, transcribed and coded into NVivo qualitative data management software for analysis.

2.5 Policy forums

Three policy forums will be held, one in each of the states selected for interviews (NSW, Vic & SA). Participants will be selected from relevant government departments, seniors' organisations, the housing industry and residents' associations. The forums will be undertaken in two parts:

1. A presentation by the researchers of the preliminary findings of the survey and interviews for approximately 1 ½ hours.
2. A structured discussion using the World Café conversation process of approximately 2 ½ hours, a total duration of approximately four hours.

The World Café methodology has been used successfully in a previous AHURI project (Bridge et al. 2011), and is designed to mobilise 'dynamic networks of conversation and their systemic importance for large-scale collaboration, learning and change' (Brown & Isaacs 2001, p.1). Participants will be divided into a number of small groups at separate tables, each focusing on a different discussion question. A note taker will be stationed permanently at each table to keep a written record of the discussions. Participants will then be rotated between tables after 20-minute intervals, with the composition of the groups changing organically during each rotation. Linking small group and large group conversations to foster collective insight is an objective of the World Café method, and after each question has been considered by each group, the note takers will report key aspects of the discussion back to the group as a whole (Brown & Isaacs 2001, p.1). Questions will be left open-ended so as to encourage creativity in responses, 'generate energy, focus inquiry, and bring assumptions to the surface' (Schieffer et al. 2004, p.1). A written summary of the key findings of the discussion that inform policy will then be prepared by the researchers and will be incorporated into the Final Report.

3 ABS DATA ANALYSIS

This chapter presents an analysis of custom-purchased ABS data as described in Section 2.2 to show a 10-year trend of Australia's ageing population from 1996–2006. These trends are further differentiated by four housing variables to highlight the housing characteristics amongst different age groups in Australia. While the customised data were purchased at the Statistical Division¹ (SD) level, for clarity in explanation, only state and territory data is presented in table form in this section. Detailed analysis of data at the SD-level will be included in the Final Report.

In order to ascertain the incidence of downsizing amongst older Australians, customised tables were commissioned from the ABS from the 1996, 2001 and 2006 Census of Population and Housing. These customised tables comprised four housing variables—dwelling type, dwelling size, household size, and tenure. The analysis of dwelling type uses two of the categories of the ABS variable 'dwelling structure': 'detached' and 'flat dwellings'. The number of bedrooms in the dwelling is used as an indicator of dwelling size, and household size refers to the number of permanent residents in the dwelling as recorded in the ABS Census. For tenure, both fully owned and mortgaged categories are used.

Further, these customised tables were cross-tabulated by broad age groups (0–54 years, 55–64 years, 65–74 years, 75–84 years, and 85 years or older) to facilitate comparisons amongst younger and older Australians, including those in the younger (55–74 years) or older (75 or 85+) cohorts. The customised tables were further cross-tabulated with four housing variables—dwelling type, dwelling size, household size, and tenure—to highlight changes in housing characteristics for the different age groups. Purchasing the tables at the SD level, allowed analysis of potential regional differences, such as between those who live in metropolitan areas (e.g. Sydney SD) compared to those who live in a more rural setting (e.g. Murrumbidgee SD).

3.1 Ageing

Australia has a rapidly ageing society. As shown in Table 4, between 1996 and 2006, the percentage share of Australia's population that have reached retirement age (65 or older) increased from 12.1 per cent to 13.3 per cent. In 2006, the States of South Australia (15.1%) and Tasmania (14.5%) had the highest percentage share of their population of retirement age or older, while the two Territories of NT (6.5%) and the ACT (9.4%) had the lowest percentage shares. South Australia and Tasmania also had the highest percentage shares of their population aged 85 years or older. Of note also is the steady increase in the percentage share of persons in the pre-retirement age group of 55–64 years, increasing from 8.4 per cent in 1996 to 11.0 per cent in 2006 (see Table 4).

¹ A Statistical Division (SD) is an Australian Standard Geographical Classification (ASGC) defined area, which represents a large, general purpose, regional type geographic area. SDs represent relatively homogeneous regions characterised by identifiable social and economic links between the inhabitants and between the economic units within the region, under the unifying influence of one or more major towns or cities. They consist of one or more Statistical Subdivisions (SSDs) and cover, in aggregate, the whole of Australia without gaps or overlaps. They do not cross-State or Territory boundaries and are the largest statistical building blocks of States and Territories.

Table 4: Percentage share of population by age groups, Australian states and territories, 1996–2006

	1996		2001		2006					
	55–64	65+	55–64	65+	65+	0–54	55–64	65–74	75–84	85+
Australia	8.4	12.1	9.4	12.6	13.3	75.7	11.0	6.9	4.8	1.6
NSW	8.6	12.7	9.4	13.1	13.8	75.3	10.9	7.1	5.0	1.7
VIC	8.3	12.0	9.2	12.7	13.3	76.0	10.7	6.7	4.8	1.7
QLD	8.4	12.0	9.7	12.3	12.9	75.7	11.4	7.1	4.4	1.4
SA	8.6	13.8	9.7	14.4	15.1	73.3	11.6	7.4	5.7	2.0
WA	8.0	10.5	9.1	11.1	12.0	77.0	11.0	6.5	4.1	1.4
TAS	8.5	12.3	9.9	13.4	14.5	73.6	12.0	7.5	5.2	1.8
NT	6.6	4.9	8.1	5.3	6.5	82.9	10.6	4.6	1.6	0.3
ACT	6.6	7.1	8.2	8.3	9.4	80.2	10.4	5.1	3.3	1.0

Source: Australian Bureau of Statistics 2011, custom tables

Of special note, as evident in Table 5, is the absolute increase in the size of Australia's older population. This trend has a significant impact on the ensuing analysis of the ABS dataset, but also has implications for the needs of older Australians in general.

Between 1996 and 2006, the number of Australians aged 65 or older increased by nearly half a million people; this accounted for almost one-quarter of the total population growth Australia wide (2.2 million) during this period. Further, the number of older Australians in the pre-retirement aged group of 55–64 increased by 717 576 people during 1996–2006 and accounted for one-third of overall population growth. The significance of the demographic shifts since the mid-1990s, indicates that there is likely to be an increase in both their need for more age-friendly housing and the relative complexity of this need given the lack of heterogeneity in this population. The following sections provide a description of these changes between 1996 and 2006, as well as a preliminary analysis of the ABS census datasets to assist in understanding the phenomenon of downsizing.

Table 5: Absolute population change by age groups, Australian states and territories, 1996–2006

	1996–2006						
	65+	0–54	55–64	65–74	75–84	85+	Total
Australia	498,708	952,930	717,576	118,520	256,274	123,914	2,169,214
NSW	140,083	202,801	204,161	16,072	81,434	42,577	547,045
Vic	125,065	255,955	160,805	27,785	66,926	30,354	541,825
Qld	118,801	381,731	177,501	43,130	51,475	24,196	678,033
SA	30,819	-2,037	52,288	-945	20,491	11,273	81,070
WA	58,299	121,204	80,647	22,771	25,294	10,234	260,150
TAS	11,329	-17,678	17,484	2,938	5,225	3,166	11,135
NT	4,548	7,318	10,115	3,036	1,229	283	21,981
ACT	9,702	4,553	14,400	3,673	4,207	1,822	28,655

Source: Australian Bureau of Statistics 2011, custom tables

3.2 Dwelling size

In 2006, three-quarters (75.6%) of all Australians lived in larger dwellings (with three bedrooms or more), with most of the remaining (15.5%) living in small dwellings (with two bedrooms or fewer) and in non-private dwellings (3.4%). This section presents firstly the trends to smaller dwelling sizes in later life and secondly the trend to larger dwelling size. It concludes by comparing and contrasting these apparently contradictory trends.

The ACT (81.3%) and Western Australia (79.1%) have the highest percentage shares of people living in larger dwellings. One might presume that this may correlate in some manner to housing supply trends in these states. For instance, in the ACT in the early 1990s, a dramatic change in Australian dwellings began with the newer developments having much larger dwelling footprints (Turner 2011). However, there also appears to be a recent trend away from smaller dwellings in NSW (-9.4 percentage points), Victoria (-8.4 percentage points) and South Australia (-8.4 percentage points). Again this may reflect overall increases in dwelling sizes for all age groups.

In 2006, one quarter (25.1%) of older Australians aged 65+ lived in smaller dwellings with two or fewer bedrooms (Table 6). This percentage share is almost twice that of their younger counterparts, with only 13.6 per cent of 0–54 year-olds living in smaller dwellings. The likelihood of residing in a smaller dwelling appears to increase with age, so that 17.1 per cent of pre-retirement age Australians (55–64 years) lived in smaller dwellings, gradually increasing to 27.2 per cent for those aged 85 and over, after peaking at 28.8 per cent for those aged 75–84 years. Across the states and territories, the Northern Territory (30.3%) and Tasmania (28.9%) had the highest percentage shares of their older residents living in smaller dwellings, while the ACT had the lowest (15.1%).

Over time, however, the percentage share of smaller dwelling occupiers being older persons (65+) has decreased during 1996–2006 as well as for their pre-retirement counterparts (55–64). This observation holds true for most states and territories, with the 65+ population in NSW and SA noting the biggest percentage point decrease (-9.4 percentage points for both states). This decrease reflects the higher propensity of older Australians to live in detached houses, most of which have three or more bedrooms. The decrease may also reflect current public policies that encourage ageing in place, and therefore may see more (and larger percentage shares of) older Australians remaining in their (relatively larger) family homes rather than downsize into smaller dwellings.

Table 6: Percentage share of persons living in dwellings with two bedrooms or fewer by age groups, Australian states and territories, 1996–2006

	1996		2001		2006					
	55–64	65+	55–64	65+	65+	0–54	55–64	65–74	75–84	85+
Australia	20.9	33.2	18.7	28.8	25.1	13.6	17.1	22.1	28.8	27.2
NSW	22.8	35.2	19.9	30.1	25.8	17.0	18.1	22.7	29.4	28.2
VIC	18.3	32.1	16.3	27.3	23.6	13.5	15.2	19.8	27.8	26.7
QLD	21.8	30.0	20.5	27.8	25.4	11.9	18.6	24.1	27.9	24.5
SA	21.6	38.0	19.4	33.0	28.6	12.1	17.7	23.9	33.7	31.5
WA	18.2	30.9	15.9	26.3	22.3	8.3	13.7	19.4	25.9	25.3
TAS	22.2	35.8	20.8	32.4	28.9	13.1	19.6	25.5	33.3	30.3
NT	29.7	31.0	31.8	31.8	30.3	17.5	29.8	31.8	27.6	21.7
ACT	9.9	20.6	9.0	17.4	15.1	9.3	8.7	12.3	17.7	20.9

Source: Australian Bureau of Statistics 2011, custom tables

Table 7 shows the percentage share of the Australian population residing in larger dwellings (with three or more bedrooms). Younger Australians aged 0–54 years are more likely to live in larger dwellings (78.3%) than pre-retirement age (55–64-years, 75.1%) and older Australians aged 65 and over (60.5%) in 2006. In direct contrast to the trend toward living in smaller dwellings, the likelihood of living in a larger dwelling decreases with age, so that just over half of those aged 75–84 years (56.2%) and only one-third of those aged 85 and over (36.4%), lived in larger dwellings. Across the states and territories, the ACT (73.0%) and WA (62.9%) had the largest percentage share of older persons living in larger dwellings, while the NT had the lowest (42.7%). This observation reflects the housing stock available in these respective markets, with a greater proportion of larger dwellings available (for purchase and/or rent) in the ACT and WA than in the other states/territories.

Over time, the percentage share of older Australians living in larger dwellings has increased. In 1996, a little over half of older Australians (54.1%) lived in larger dwellings; this increased to 60.5 per cent in 2006. This observation is valid for all states and territories, though the percentage point increase varies from state to state. NSW, for example, had the largest percentage point increase (+7.5 percentage points) while the NT has the most modest (+2.5 percentage points). As discussed above, these increases likely reflect public policies that encourage ageing in place. These increases may also reflect changes in social structures, such as delay in first home-leaving and the increase of multi-generational households (Liu & Easthope 2012), both of which may see pre-retirement and older Australians choosing (or in some cases, needing) to remain living in their larger family homes.

Table 7: Percentage share of persons living in dwellings with three bedrooms or more by age groups, Australian states and territories, 1996–2006

	1996		2001		2006					
	55–64	65+	55–64	65+	65+	0–54	55–64	65–74	75–84	85+
Australia	73.4	54.1	75.6	58.9	60.5	78.3	75.1	69.1	56.2	36.4
NSW	71.7	52.6	74.2	57.7	60.0	75.0	74.3	68.7	55.8	36.5
VIC	77.2	56.0	78.8	60.7	62.4	79.8	78.2	72.4	57.6	36.1
QLD	70.7	55.5	73.0	59.4	59.5	79.2	72.5	65.9	56.1	39.1
SA	74.1	50.0	76.5	55.4	57.2	81.9	76.2	68.8	51.7	30.2
WA	75.6	56.5	78.1	61.5	62.9	81.9	76.9	70.9	58.7	37.4
TAS	73.2	52.6	75.0	56.7	58.2	80.8	74.3	67.5	53.0	34.0
NT	46.3	40.2	48.8	43.0	42.7	63.9	47.2	42.6	42.9	43.8
ACT	85.3	68.5	85.9	71.8	73.0	81.9	84.4	80.4	69.8	46.5

Source: Australian Bureau of Statistics 2011, custom tables

3.3 Dwelling type

2006 Census data indicates that more than three-quarters (78.5%) of Australians lived in detached dwellings. This is not surprising, as many might be expected to dwell in houses purchased following the post-war housing construction boom arising from the expansion of Australian manufacturing, low unemployment rates, the baby boom and the removal of rent controls. This percentage share was similar throughout all states and territories, with Tasmania having the highest percentage share of residents living in detached dwellings (88.1%) where housing was cheapest, and NT having the lowest (68.6%) where housing is more unaffordable. As indicated in Table 8, this national percentage share was also similar for older Australians, where 69.6 per cent of Australians aged 65 years or older were living in detached dwellings.

The conventional trend for older Australians has been, however, away from low-density housing (e.g. detached houses) as they age, so that only two-thirds (67.3%) of Australians aged 75–84 years and less than half (48.0%) of those aged 85 years or older lived in detached dwellings. Many of these older Australians may have moved into more age-friendly dwellings that require less on-going maintenance, to lifestyle retirement villages, or to low and high aged care facilities. Our time-series analysis of Census data in Table 8, however, shows that between 1996 and 2006 there were increasing percentage shares of older Australians (aged 65+) living in detached dwellings, though the percentage point increases varied from state to state. The NT has the largest percentage point increase (+5.7 percentage points) followed by WA (+4.0 percentage points), while QLD (+0.6 percentage point) and Victoria (+0.9 percentage point) only had marginal increases.

Table 8: Percentage share of persons living in detached dwellings by age groups, Australian states and territories, 1996–2006

	1996		2001		2006					
	55–64	65+	55–64	65+	65+	0–54	55–64	65–74	75–84	85+
Australia	79.8	68.0	80.1	69.0	69.6	79.8	79.9	76.2	67.3	48.0
NSW	77.7	67.1	77.8	67.5	68.5	74.5	77.6	74.7	66.5	48.3
VIC	84.5	72.0	84.4	72.9	72.9	81.3	83.4	80.9	70.3	48.5
QLD	76.8	66.6	77.7	67.5	67.2	82.0	77.7	72.0	65.2	49.5
SA	82.5	66.5	83.1	68.1	70.1	84.9	83.7	79.7	66.9	44.3
WA	78.4	64.1	79.6	65.9	68.1	84.2	80.1	75.1	64.7	44.8
TAS	88.4	76.3	88.9	78.0	77.8	90.0	88.8	85.6	75.3	52.7
NT	49.4	43.9	51.7	46.5	49.6	72.0	53.9	48.6	52.1	51.9
ACT	83.1	68.7	83.0	70.3	72.7	78.1	82.8	79.2	70.0	48.7

Source: Australian Bureau of Statistics 2011, custom tables

This observed shift of older Australians' increasing percentage shares in detached dwellings can be partially explained by the compact city agendas that major cities Australia-wide are continuing to adopt, so that increasing proportions of new housing stock constructed have been of medium or higher density, are located along or near main transport routes, and mostly have one or two bedrooms. While these medium and higher density dwellings have been marketed to young couples and older downsizers alike, the majority of this stock has been taken up by the younger cohorts, especially those in their 20s and 30s.

Further, this shift toward higher density living is also dependent on local housing markets and housing supply. The total number of flats in South Australia, for example, increased by 2864 (6.1%) between 1996 and 2006; in comparison, more than 40 593 new flats were built throughout Queensland over the same period, representing a 35.0 per cent increase (ABS 2007, Table B15).

As indicated in Table 9, there was a small decline in living in flat dwellings amongst Australians aged 65 and over in Australia between 1996 and 2006 but an increase amongst those aged 55–64. This was varied however amongst the states and territories with NSW, VIC, SA and the ACT all experiencing decreases in those 65 and over living in flats and QLD, WA, TAS and NT experiencing increases. All states and territories had, however, experienced an increase in those 55–64 living in flat dwellings over this decade, representing the first wave of the 'baby boomer' generation transitioning into older age. Living in flats can also be seen to have increased steadily with age Australia wide from 8.1 per cent amongst 55–64-year olds to 12.3 per cent for 75–84-year olds, then to decrease slightly to 11.9 per cent for those 85 and over. A similar pattern is evident for all states and territories, though SA, WA, TAS and the ACT continue to increase slightly into the 85 and over age group.

Table 9: Percentage share of persons living in flat dwellings by age groups, Australian states and territories, 1996–2006

	1996		2001		2006					
	55–64	65+	55–64	65+	65+	0–54	55–64	65–74	75–84	85+
Australia	7.3	11.2	7.6	10.8	10.9	9.6	8.1	9.6	12.3	11.9
NSW	9.7	13.2	10.2	13.1	12.5	14.1	10.6	11.4	13.7	13.7
VIC	6.5	10.8	6.3	9.4	9.7	9.0	6.9	8.3	11.1	10.9
QLD	7.5	10.8	8.5	11.7	12.3	8.0	9.1	11.5	13.8	11.0
SA	4.5	10.4	4.4	8.9	8.7	5.1	4.7	6.4	10.6	11.7
WA	3.8	7.1	4.0	7.6	8.1	4.4	4.6	6.4	10.1	10.4
TAS	4.4	8.0	3.9	6.7	9.2	4.5	5.0	7.4	11.0	11.9
NT	6.9	9.2	9.2	9.4	9.3	8.7	9.2	8.7	11.3	9.3
ACT	4.4	6.3	4.6	6.4	5.8	7.2	4.9	5.3	6.0	7.8

Source: Australian Bureau of Statistics 2011, custom tables

3.4 Tenure

Just under two-thirds (64.9%) of Australians lived in owner-occupied dwellings in 2006. Overall, more Australians were living in dwellings that were mortgaged (37.3%) than those that were fully owned (27.6%). For older Australians, however, the reverse was observed. More than half (58.6%) of Australians aged 55 years or older lived in fully owned dwellings and only 14.3 per cent lived in dwellings that were mortgaged. In general, the percentage share of older Australians living in fully owned dwellings continued to grow in relation to the age group they were in, peaking at two-thirds (67.1%) of 65–74-year olds who lived in fully-owned dwellings. This proportion then tapers off for the two older age groups as some move into retirement villages and non-private dwellings.

Table 10 shows the shift toward outright ownership amongst the 65 and over cohort during the late 1990s but has since declined to below a percentage share of two-thirds (63.2%) in 2006. Of the five age groups included in this analysis, 65–74-year-olds were most likely outright owners of their homes (67.1%), but this decreases gradually with age, so that less than half of those 85 and over lived in a fully owned home. Nonetheless, older Australians aged 65 and over were far more likely to own their homes outright compared to their younger counterparts, with just over half in the pre-retirement age group of 55–64 years (53.0%) and less than one-fifth of younger Australians (0–54 years) having full ownership of their homes. Across the states and territories, older people in Victoria (66.5%) and Tasmania (65.5%) were most likely to own their homes outright, while NT has the lowest percentage share of outright homeowners in 2006 (35.0%).

Over time, full home ownership has declined amongst the older age groups since 1996, with the ACT and the NT being the only exceptions where outright ownerships increased for older persons aged 65+ between 1996 and 2006. A decrease in full ownership is particularly noticeable for the pre-retirement age group of 55–64-year-olds where—again with the exceptions of the ACT and NT—there were around 14 percentage point decreases across all states during 1996–2006. This reflects lengthened mortgage repayment periods due to house price increases.

Table 10: Percentage share of persons living in fully owned dwellings by age groups, Australian states and territories, 1996–2006

	1996		2001		2006					
	55–64	65+	55–64	65+	65+	0–54	55–64	65–74	75–84	85+
Australia	67.2	67.0	64.2	68.2	63.2	17.7	53.0	67.1	63.4	45.5
NSW	68.0	68.0	65.0	68.8	63.9	18.0	53.3	67.6	64.4	47.1
VIC	70.8	70.0	68.1	71.4	66.5	19.9	56.4	71.0	66.9	47.3
QLD	63.5	64.7	60.0	65.8	60.2	15.2	49.7	63.5	60.2	44.0
SA	68.6	64.3	65.8	65.9	61.1	18.7	54.7	67.1	60.5	40.6
WA	64.4	64.3	61.1	65.7	60.6	16.3	50.4	64.5	60.5	42.3
TAS	70.2	68.5	67.4	70.1	65.6	19.8	58.3	70.2	65.4	47.2
NT	33.3	31.6	35.6	34.4	35.0	8.3	31.6	37.6	30.1	20.6
ACT	59.4	58.5	62.6	64.7	63.7	15.9	53.9	67.8	63.1	44.9

Source: Australian Bureau of Statistics 2011, custom tables

Converse to trends observed for full homeownership, living with a mortgage is becoming increasingly prevalent amongst older Australians. While only 6.7 per cent of older Australians aged 65 and over lived in a mortgaged home in 2006, this had increased from 4.8 per cent a decade prior. Further, nearly one-quarter (23.5%) of pre-retirement age Australians (55–64 years) lived in a mortgaged home in 2006, representing a 12.1 percentage point increase since 1996 when it was only 11.4 per cent (Table 11). This significant increase in pre-retirement Australians living in mortgaged homes during 1996–2006 is observed across all states but not in the two territories, where increases were only 5.8 percentage points for NT and 6.8 percentage points for the ACT. These two territories, however, have relatively high percentage shares of older and pre-retirement age Australians living in mortgaged dwellings (in both 1996 and 2006), reflecting a generally less affordable housing market.

Table 11: Percentage share of persons living in mortgaged dwellings by age groups, Australian states and territories, 1996–2006

	1996		2001		2006					
	55–64	65+	55–64	65+	65+	0–54	55–64	65–74	75–84	85+
Australia	11.4	4.8	14.0	4.3	6.7	44.7	23.5	8.5	5.0	3.8
NSW	10.0	4.4	12.3	3.9	6.6	43.1	22.7	8.3	5.0	3.8
VIC	11.8	5.2	14.0	4.4	6.5	47.8	24.0	8.4	4.7	3.7
QLD	11.7	4.9	14.9	4.7	7.1	42.3	23.4	8.7	5.5	4.4
SA	11.1	4.3	14.8	4.0	5.9	48.1	24.3	8.2	4.0	2.7
WA	13.6	5.6	17.3	4.9	6.9	46.3	25.1	8.9	4.9	3.7
TAS	10.6	4.4	13.1	3.8	5.4	46.9	20.9	7.1	3.9	3.1
NT	12.8	10.0	13.9	9.2	11.3	26.3	18.6	10.6	13.4	12.7
ACT	19.9	10.2	18.2	7.1	8.7	46.3	26.7	10.5	6.9	5.7

Source: Australian Bureau of Statistics 2011, custom tables

3.5 Relocation

In addition to the previously presented analysis of commissioned data tables, the ABS' online program Table Builder was used to collate and analyse information regarding the home relocations of Australians. The ABS/Universities Australia Agreement provides a range of products and services to universities including the University of New South Wales which is a signatory in the Agreement for 2009–11. This facilitates access to extensive information about Confidentialised Unit Record Files (CURFs) and these individualised records can be interrogated using Census Table Builder, an online tool made available by the ABS to enable researchers to create their own tables of Census data by accessing all variables contained in the Census Output Record File including age, housing, income, transport, family composition and more for all ABS geographic areas.

Census Table Builder allowed comparison between the SD of the current (2006) residence and five years prior (i.e. 2001).

Table 12 indicates that less than half of the Australian population relocated during 2001–06 (42.4%). QLD (49.4%) and NT (48.4%) residents were most likely to have relocated during 2001–2006, while SA (37.4%) and Victoria (38.8%) residents were least likely to have relocated.

Comparing across age groups, older Australians (65+) were about half as likely to have relocated than their younger counterparts (48.1%). Older Australians in the ACT (21.0%), SA (22.6%) and Victoria (22.8%) were least likely to have relocated, while older Australians in QLD (30.7%) and the NT (30.4%) were the most likely to have relocated.

The trend of home relocation decreases with age, so that Australia-wide a little over one-quarter of pre-retirement age Australians (55–64 years) relocated during 2001–06 (27.6%); decreasing to 24.0 per cent for Australians aged 75–84 years during the same period. The likelihood of relocation, however, increased for those aged 85 and over, with around one-third (32.9%) having relocated during 2001–06, most likely due to needs (e.g. relocation to a care facility) rather than personal choice. These trends are mirrored in all states and territories.

Table 12: Proportion of population by age group relocated during 2001–06

	2001–06						Total
	65+	5–54 *	55–64	65–74	75–84	85+	
Australia	25.2	48.1	27.6	24.2	24.0	32.9	42.4
NSW	23.6	46.5	25.6	22.6	22.5	30.5	40.6
Vic	22.8	44.2	23.4	20.5	22.4	33.6	38.8
Qld	30.7	55.2	35.6	40.8	28.7	36.7	49.4
SA	22.6	43.2	23.2	20.6	22.2	31.6	37.4
WA	28.1	52.7	31.2	27.9	26.4	34.7	47.0
Tas	25.5	44.6	27.5	24.7	24.2	32.7	39.5
NT	30.4	51.7	36.7	30.6	29.2	34.5	48.4
ACT	21.0	48.5	21.8	18.9	21.1	30.8	42.7

* This age group excludes those aged zero to four years who did not have an address five years prior
Source: Australian Bureau of Statistics 2008

The majority of the older Australians (65+) who relocated did so within their originating SD, implying that older people tend to move residences within much the same geographical area. For Sydneysiders, for example, three-quarters (76.5%) relocated within Sydney SD; there were similar proportions for most other SDs, with those from Darwin (56.2%) and the Gold Coast (61.5%) least likely to relocate within their own SD.

Further, a trend was observed where older Australians (55+) were more likely to relocate within their own SD than younger Australians (0–54 years). Among older Australians, however, the observed trend was that the likelihood to relocate within their own SD decreased with age. Using Sydney SD again as an example, 90.0 per cent of persons aged 55–64 years relocated within Sydney SD, while only 84.0 per cent of persons aged 85 years or older did the same. For Melbourne, this trend is starker, with 90.7 per cent of persons aged 55–64 years relocating within Melbourne SD and 79.2 per cent of persons aged 85 years or older relocating similarly between 2001 and 2006.

Aside from the Australian Census, the ABS Survey of Disability, Ageing and Carers (SDAC) is the only other Australian survey that collects data on the relocation practices of Australians. While pertaining only to relocation resulting from disability and/or old age, the dataset gives a rare insight into Australians' need (as opposed to the desire) to relocate. As illustrated in Table 15, in 2003 8.1 per cent of the SDAC respondents reported having had to relocate because of their disability or old age, compared to 91.9 per cent who did not. Persons aged 85 years or older were the most likely to have had to relocate (19.4%), followed by those aged 75–84 years (9.4%).

Differentiating by tenure type, renters (14.4%) and boarders (17.0%) were more likely to have had to relocate because of disability and/or age than owner-occupiers (5.7% for fully owned occupiers, 5.1% for those with a mortgage). This is likely due to the greater ease in home modification for owner-occupiers compared to other tenure types (Pynoos et al. 2006). Older boarders were the most likely to have relocated due to disability and/or old age (75.0% for persons aged 85 years or older, 33.3% for persons aged 75–84 years). The base populations for these categories were very small but nonetheless indicate the greater needs of older Australians who were not owner-occupiers but relocated due to disability and/or ageing.

Table 13: Relocation due to disability and/or old age, Australia, 2003

Age group	Had to move house		Has not had to move house		Total
55+ years	481	7.5%	5,903	92.5%	6,384
65+ years	340	8.2%	3,806	91.8%	4,146
0–54 years	315	9.1%	3,144	90.9%	3,459
55–64 years	141	6.3%	2,097	93.7%	2,238
65–74 years	139	5.9%	2,209	94.1%	2,348
75–84 years	138	9.4%	1,335	90.6%	1,473
85+ years	63	19.4%	262	80.6%	325
Total	796	8.1%	9,047	91.9%	9,843

Source: Australian Bureau of Statistics 2004

3.6 Summary

This preliminary analysis of customised Census data highlights that it is not easy to understand the phenomenon of downsizing. The types of data the Australian Census collects are inadequate for the purpose of this research; specifically, it fails to collect

any data that would indicate downsizing, except for the number of bedrooms in a dwelling. Further, the Australian Census is also a point-in-time snapshot of the Australian population and does not offer any means of conducting longitudinal analyses of any kind. While the SDAC provides some indication of the relocation practices of Australians, the data recorded only relates to relocation as a result of disability or old age. It also does not provide any information on the size of the movers' current and previous dwellings, and therefore cannot be a sufficient indication of downsizing in Australia. In fact, there is currently no Australian database that specifically and regularly collects (or collates) data regarding the downsizing practices of Australians. The national survey undertaken as part of this research, which asked respondents about the size and location of their current and previous dwellings, will help to fill this gap in data collection, the analysis of which will be included in the Final Report.

Despite the lack of data that could indicate downsizing in Australia, our analysis of ABS data suggests that older Australians are more likely to be living in larger rather than smaller dwellings. Further, between 1996 and 2006, the percentage share of older Australians (65+) that lived in larger dwellings with three bedrooms or more increased from 54.1 per cent to 60.5 per cent. This finding—where the percentage share of older people living in larger dwellings is persistently increasing—contradicts the preliminary analysis of our survey results, which indicates that a large number of respondents have downsized, with more intending to downsize in the near future. For older Australians who have downsized, or are intending to downsize, however, relatively large dwellings with three or more bedrooms appear to be their preferred dwelling size. This reflects their intended use of these 'extra' bedrooms as previously discussed in Judd et al. (2010).

Home relocation—whether it relates specifically to the practice of downsizing or just relocation in general—was a less common practice amongst older Australians, with only one-quarter having relocated during 2001-2006. For those older people who do move, relocations tended to be within the same SD. This is also reflected in the preliminary survey results of the current study, where downsizing 'locally' is an important consideration.

4 LITERATURE REVIEW

4.1 Introduction

In order to understand the phenomenon of downsizing among older households, the individual motivations and circumstances that lead to decisions to downsize need to be understood as well as the wider structural factors that impact upon older people's housing decisions more generally. This chapter investigates the existing literature on older people's downsizing both in Australia and internationally, to provide a context for this research project and inform its approach. It focuses on the following research questions:

- What is the extent of downsizing amongst older Australians?
- What processes do people undertake in downsizing?
- What are the demographic characteristics of downsizers?
- What motivations and circumstances precipitate downsizing?
- What are the obstacles that prevent people who wish to downsize?

It also examines the approaches or theoretical frameworks utilised in research into downsizing.

This review is divided into the following sections:

- Older Australians and their housing.
- Downsizing in Australia.
- Theoretical approaches to downsizing in the literature.
- Factors leading to downsizing.
- Obstacles to downsizing.
- International literature and contexts.
- Gaps in the literature.
- Summary and conclusion.

4.1.1 Methodology

Peer reviewed academic articles and reports were collected initially using a modified version of the systematic review methodology developed by Bridge and Phibbs for home modification research projects (2003). Systematic reviews use explicit methods to limit bias in identifying and rejecting studies, with the aim of reaching conclusions that are more reliable and accurate than a narrative review. While the purpose of a systematic review is to obtain a detailed answer to a specific, narrow question (Cook et al. 1997), this literature review is an exploratory piece of writing investigating the breadth and depth of available literature on downsizing in Australia and internationally. Therefore, the search frame used was based on synonyms and keywords related to downsizing of housing consumption and residential mobility (downsizing, down-pricing, housing adjustments, relocation, moving, housing options, housing choices); and older people and retirement (older people, elderly, seniors, retirement) rather than framed as a problem-based research question, although the basic principles remained the same. The inclusion criteria for this initial search required that material was accessible through the AHURI or the University of New South Wales databases or on the World Wide Web and that it was written in English. No date criteria were set in order to capture the full breadth of research on this topic. Once the materials had

been collected, themes were identified and collated as a narrative or thematic literature review in answer to the research questions outlined above. Additional materials were then searched for as necessary.

4.1.2 Definitions of downsizing

As a relatively under-researched and under-theorised area of study, definitions of downsizing as a concept within housing and particularly older people's housing have not been fully explored in the existing literature. However, there is a broad consensus within the articles reviewed for this report that downsizing refers to the consumption of less housing. For example, the US Federal Reserve simply defines downsizing as decreasing housing stock as opposed to 'upsizing', which involves increasing housing stock (Lehnert 2004). Significant ambiguities do exist, however, as to what 'less' housing consumption or decreasing housing stock actually entails. Some of these ambiguities can have very real impact on the findings reported by studies, and account for some of the differences between them.

As Banks et al. (2007) stated, downsizing can take many forms, including a reduction in the size of the dwelling (the general living areas and garden), a reduction in the number of rooms per dwelling, or a reduction in the financial value of the home, and/or a tenure transition from home ownership to renting. Research into downsizing tends to concentrate on one or more of these different facets or forms of reducing housing consumption. For example, Luborsky et al. focus on reduction in the size of the dwelling, describing downsizing as 'a residential move to smaller quarters and the necessary reduction of personal possessions' (Luborsky et al. 2011, p.1). The number of rooms per dwelling is used by many quantitatively focused studies as a method of determining whether a household has downsized as it is an objective and easily quantifiable measure: 'The most direct quantitative measure of housing consumption available ... is the number of rooms per dwelling' (Banks et al. 2007, p.27).

Some papers make explicit exclusions of these spatial dimensions of downsizing if the move does not also include the financial dynamic of down-pricing. For example, a 2010 Social Policy Research Centre (SPRC) report (Bradbury 2010, p.41) stated that reduction in dwelling size does not automatically constitute downsizing, 'as some elderly might move into smaller houses that are nonetheless just as valuable as their old house (e.g. if in a better location).' For these studies, 'downsizing essentially involves cashing in housing equity' (Banks et al. 2007, p.9) and thus the financial component or motivation is strongly emphasised: downsizing is moving to 'a lower valued property' (Bradbury 2010, p.6).

For the purposes of the current project, this review has adopted a more inclusive and broad definition of downsizing than many studies in order to tease out the issues and trends about downsizing available in the literature. This definition encompasses:

- Decreases in the value of the dwelling.
- Decreases in the number of rooms within the dwelling.
- Decreases in the spatial dimensions of the dwelling including living and garden/yard areas.

4.2 Older Australians and their housing

This section reviews literature on aspects of the Australian housing market and the desires and expectations of older Australians around their housing relevant to downsizing decisions. It also looks briefly at the current housing situations of older people in Australia, and the structural and demographic changes that could have an impact on downsizing trends and decisions in the future.

4.2.1 The importance of the home and of appropriate housing

Crucial to understanding the phenomenon of downsizing and the attitudes of older Australians to downsizing is the centrality of the home, home ownership itself, as well as ageing in place within the Australian context. It has been well-established in aged housing literature that older people wish to stay in their current home 'until their changing circumstances necessitate a move' (Quinn et al. 2009, p.58) reflecting a personal preference and a governmental policy emphasis for ageing in place within the community (Deans 2004; Howe 2003; ACSA 2004; Stimson & McCrea 2004; Quinn et al. 2009). Faulkner and Bennet (2002) describe the home as more than just a physical structure for most older people, but also as a symbolic and embodied place of belonging, comfort, security, autonomy, and a site of achievement and ownership. Older people often view their family home as the most appropriate dwelling situation for their needs even when faced with deteriorating health and increasing need for assistance, and would prefer to age in place with support from aged care and other services (Judd et al. 2010b).

The desire and ability to age in place is facilitated in part by the high rate of home ownership in Australia in the 65 years and over age group (Quinn et al. 2009). The proportion of older people who are owner-occupiers has increased dramatically over the last century (Jeffrys & Thane 1989) albeit less so since the 1960s. Home ownership provides security of tenure and allows for the leveraging of equity from the home to offset care or home modification costs if needed (Bridge et al. 2009). Home ownership is also viewed by older Australians as a source of financial security and expanded options. This high rate of home ownership has clear implications for the capacity of older Australians to downsize their housing consumption if they wish to, as does the policy environment in which the home is exempt from Age Pension eligibility. An AHURI report that surveyed older home owners found that 'more than four out of five respondents (82.8%) saw their home as an investment for the future, 86 per cent said that owning a home means that one is free to make decisions about how one lives, and three quarters (74.8%) said a person could sell the home or borrow against it to provide for needs in old age' (Olsberg & Winters 2005, p.viii). The literature has indicated that the housing situation for older people who are not home owners or public housing tenants is very different. Many commentators have described the great economic divide that exists between older people who are home owners and those who are renters (Howe 2003; Jones et al. 2004; Judd et al. 2004; Fiedler 2007). However, this report will focus on the circumstances of home owners as the most likely group to be considering downsizing.

Following retirement, people tend to spend more of their daily lives within the home, and coupled with increasing frailty and possible health concerns, this means that suitable and appropriate housing is crucial to the well-being of the older population (Fiedler 2008; Leith 2006; ACSA 2004). Faulkner and Bennet (2002) suggest that the goal of older people's housing should be a balance between security and autonomy. The report argues that with current government policy emphasising ageing in place, the home is also the primary context for the receipt of care services. The home is thus a key factor in the effectiveness of care and the benefits of care experienced by the individual. As Howe states: 'The potential for effective home and community care is very significantly compromised for those whose housing does not offer an adequate physical or social environment in which care can be provided' (2003, p.16). While remaining in the family home with assistance when required may be the ideal situation for many older people, for others 'the large dwelling on a large block with considerable distances between services and facilities may increasingly lead to the desire to move

into more suitable alternative housing often within the same neighbourhood or familiar environment' (Faulkner 2001, p.13).

There is thus a push and pull dynamic operating behind older people's housing decisions: a common desire to age in place and retain ownership of the family home, and a possible need to relocate to more suitable housing: 'For ageing in place to be successful there must be the right balance between a person's abilities and the demands of the environment' (Faulkner & Bennet 2002, p.12). A third dimension, that of also leveraging the financial equity of the home in order to fund post-retirement non housing consumption, also comes into play in downsizing decision making.

4.2.2 The housing expectations of older Australians

Far from being a homogenous group, Australia's older population comes from a vast array of social and cultural backgrounds and has a wide range of support needs personal preferences, and economic circumstances (AIHW 2009). However, some basic assumptions about the expectations and preferences of older Australians regarding housing can be gleaned from ageing and housing literature. Consumer studies have suggested that affordability, security of tenure, quality of dwelling and amenities, capacity to facilitate independence, good location, suitability for ageing in place and suitability of access to needs and interests are key attributes associated with satisfaction with housing for older people (Jones et al. 2008). Location, a safe and secure neighbourhood, linkages to facilities and services, and proximity to cities and major centres, are all highly desirable and important factors stressed by older households (Kelly et al. 2011). A desire to retain home ownership and age in place has already been discussed.

Some commentators have reported a shift in the values and priorities of older Australians and a different set of expectations emerging in the baby boom generation about their housing (Olsberg & Winters 2005; Towart 2005; Drury 2008; McMullen 2007; Stimson & McCrear 2004). Some of these purported shifts are important when considering the role that downsizing may play in the future. Faulkner states that 'the "young old" and the baby boom cohorts may be more willing to downsize to release money to fund lifestyle aspirations or to take up home equity options' (2007, p.154), while Olsberg and Winters suggest that 'desires for independence, flexibility, consumer and lifestyle choices increasingly take precedence, challenging traditional notions of old age and family obligations' (2005, p.vii), both having implications for downsizing decisions. Olsberg and Winters also argue that ageing in place has come to mean ageing within a particular neighbourhood and an associated attachment to location in more general terms rather than specifically to the family home. They propose that changing demographic cohorts of older people have approached moving home in different ways. Nowadays, older people, now particularly the emerging elderly baby boomer generation, are much more accepting of moving house and even changes in housing tenure: 'Almost three quarters (71%) of respondents 75 and over had no intentions of moving in the future, compared to just over half (53%) of the Baby Boomer respondents aged 50–59 years' (Olsberg & Winters 2005, p.viii). Living with extended family or children is largely rejected by older people as an unattractive option (Judd et al. 2010a; Olsberg & Winters 2005).

Having reviewed various housing preference surveys, the Grattan Institute Report 'The Housing We'd Choose' (Kelly et al. 2011) found that there was a broad consensus in the literature that Australians aspire to own a large, detached house. The report emphasised the importance of space as a preference for respondents within all age groups in their focus groups. Space was seen to provide freedom, flexibility and privacy: 'The importance of inside space (i.e. the number of bedrooms, living areas etc.) was repeatedly emphasised ... Some respondents in the 60 and

over age groups discussed the difficulties involved with maintaining a large home – but infrequently went as far as nominating a ‘small’ dwelling as a preference’ (Kelly et al. 2011, p.10). Lack of space was suggested to be one of the primary reasons for rejecting a potential house by respondents in this study. Detached houses were associated with increased privacy and autonomy: ‘The dream of “owning your own home” was often automatically associated with a detached house on a block of land, and seen as a mark of success and achievement. The dream is deep in Australia’s cultural psyche ...’ (Kelly et al. 2011, p.11). This preference for large detached homes is reflected in the older as well as the general population, as explored by Judd et al. (2010a) who found that the overwhelming majority of older people wish to remain in the family home as they age, only moving to a retirement village or age-specific housing situation if their circumstances necessitate this move. The extra space left in the dwelling once children have moved out is seen by most older people to be efficiently and effectively utilised within the additional time spent in the home after retirement (Judd et al. 2010a, 2010b). The reported reluctance of older people to downsize to a smaller dwelling will be discussed further in Section 3.6.

4.2.3 The housing situations of older Australians

The population aged 65 and over is currently 13.5 per cent (Australian Government 2010). This percentage is predicted to double by 2051, with the percentage of those aged 85 and over increasing fourfold. The vast majority of older households—77 per cent in total—own their own home (Davy et al. 2010). Therefore, there are considerable housing assets that could be utilised by older people to fund a more comfortable retirement. However, it is important to note that a high asset level does not necessarily equate to a high income level: a family home may not produce any income and may in fact be a source of great costs in maintenance, repairs, council rates etc. (Thorns 1994).

While this project is focusing on downsizing amongst older people, there is growing discussion within the housing and urban planning arenas for the need for higher density housing in the general population. In an article titled ‘Why don’t small households live in small dwellings? – Disentangling a planning dilemma’ Wulff et al. (2004) explore this discussion, suggesting that it is in response to problems, such as urban sprawl, inadequate housing supply concerns and affordability issues. However, the trends evident in private sector housing have not been in line with these policy emphases: there is little evidence of smaller households shifting to smaller dwellings, and houses are getting larger in size (Wulff et al. 2004). After analysing demographic changes and housing consumption trends in Australia, the authors conclude that while planners have often assumed the growth in smaller and lone person households will facilitate a shift to more compact cities, there is little evidence to support this. In fact, ‘most people who live alone prefer detached three-bedroom houses and many of them are able to realise this preference’ (2004, p.58). The average size of private houses in Australia increased by 15 per cent (from 187 to 215 square metres) from 1992–99, even though the average number of people per household remained at 2.6; while in terms of lone person households home ownership increased, as did the amount of living space consumed. This study shows that in the general non age-specific population the downsizing ‘solutions’ proposed by policy-makers and planners are not necessarily being enacted in practice.

In a presentation delivered at the Australian Financial Review Housing Congress in 2006, Yates explicates the link between changing household structures and housing prices in Australia. US researchers Mankiw and Weil (1989) predicted that the increase in housing prices created by increased demand for housing from the greater numbers of households emerging from the baby boom generation would be over by

2007. The 'baby-bust' of declining fertility would lead to a decline in housing prices by 3 per cent per year, or 47 per cent by 2007. However, as Yates explains, this failed to take into account structural changes in Australian and US households such as the increase in single person households due to increased longevity and later marrying, increased numbers of single parent families due to higher levels of divorce, and the increased numbers of two-person households without children. The result of these demographic changes is decreased household size in general and a great increase in the total number of households. Illustrating the extent of this increase, the ABS projected that by 2026, single-person households will increase to 3.1 million, or 30 per cent of all households, representing the fastest increase of all household types over the period 2001–26 (ABS 2010). Growth in household numbers leads to greater demand and drives up housing prices within the market, and 'greatest pressure will come from the effects of older home owning Australians remaining in their homes for longer periods of time ... These pressures will be greater, the wealthier are older home owners and the greater their capacity to extract their housing wealth while remaining in their home' (Yates 2006, slide 47).

Changing household structures are also having great impact on the housing situations of individual older Australians. A report commissioned by the Australian Institute for Family Studies on the consequences of divorce for financial living standards in later life (De Vaus et al. 2007) stressed that with the larger number of people entering old age the number of older Australians that have experienced divorce at some stage in their lives will increase dramatically in coming decades. Divorced singles are more reliant on the Age Pension, have lower asset levels, and are less likely to own their homes (De Vaus et al. 2007). Qu and Weston's 2003 study into the adequacy of older Australian's housing for their current needs also found that as older people age further, they are more likely to live alone. Because women are more likely to outlive their partners, older women are even more likely to live alone. At the 2001 Census, 28 per cent of women aged 65–74 and 39 per cent of women aged 85 years or over were living alone, while the proportions living with a partner were 56 per cent and 9 per cent respectively (Qu & Weston 2003). Only 7 per cent of people over the age of 65 lived in non-private dwellings. The proportion increased to 30 per cent for those over 85, but most older people still lived out their lives in private homes. The likelihood of living with other family members also increased with age, particularly for women: 11 per cent of women and 4 per cent of men aged 65–74 years; 16 per cent of women and 9 per cent of men aged 85 or more years.

4.3 Downsizing in Australia

The previous section looked at general themes and trends in literature on older people's housing that may have impact on the phenomenon of downsizing amongst older households. This section looks more specifically at the extent of downsizing in the Australian context.

Within the last decade in particular, a growing body of research on older people and their housing has emerged in Australia (Bridge & Jones 2009). Themes such as the growing retirement village industry, residential aged care, older people in private rental, and housing affordability have all been explored, but the phenomenon of downsizing has been largely neglected within this literature. However, a number of articles and reports do include some discussion of downsizing within a larger piece of work, and these are reviewed below.

4.3.1 Residential mobility amongst older Australians

Residential mobility in later life is a research theme that overlaps significantly with research into downsizing, and reference to this body of research will be made where

relevant or unavoidable. However, it is important to note that moving at older ages does not necessarily imply that downsizing of housing is occurring (Banks et al. 2007), and this literature review attempts to primarily focus on studies into downsizing as a phenomenon distinct to general residential mobility. Unfortunately, due to the limited amount of empirical data available on the specific nature of housing moves in later life, the extent of downsizing as opposed to moving in general can be difficult to gauge. Current statistical reporting yields information on residential mobility, but it is difficult to determine within these statistics whether older households who have moved have in fact downsized or not. In some cases, older households who move may be upsizing—relocating to a more expensive or larger home or to a more expensive area for lifestyle reasons—or they may be moving into a smaller home of the same price, or vice versa. Sometimes the reasons for these types of residential relocations may be very similar to those for downsizing, i.e. declining health and a desire for less home and garden maintenance, and at other times the reasons for downsizing, for example financial necessity, can be very different. It is also very difficult to report on research findings about the reasons older people downsize without reporting on the reasons for residential mobility amongst older households in general, as these distinctions are often blurred. This blurred focus is evident both in research from Australia, and in international research, reflecting the ambiguity of the term.

The degree of residential mobility amongst older Australian households is not great. An Australian doctoral thesis (Sane 2010) examined data relating to over 65s from the national survey of Household, Income and Labour Dynamics in Australia (HILDA). Looking at five-year age cohorts and two waves of the HILDA survey, the thesis found that mobility was from 4–6 per cent for every age group. The 80 years and older age group had the highest residential mobility, and the 75–79 years age group had the lowest residential mobility rate. The study also found that most older home owners remain owners after they have moved, and those renting usually remain renting. Renters are more likely to remain in the same area after they have moved, although out of area transitions are low for moves across/to all tenures (Sane 2010).

4.3.2 The extent of downsizing in Australia

As discussed above, there are significant barriers to determining the actual extent of downsizing among older households in Australia. This section will review what information is available from prior research, and further discussion of the data collection and analysis difficulties involved in gauging how many older people are downsizing will occur in Section 3.8 on gaps in the literature.

Downsizing has been identified by some commentators within Australian aged housing literature as a potential way for older Australians to fund their non-housing consumption post-retirement, as well as a strategy to better utilise housing stock. For example, Olsberg and Winters state: 'There may be pressure on housing tenure and attachment to the family home and upon intergenerational relationships as assets of older people, particularly housing assets, may be required by them to finance their needs for accommodation, residential care, health and other services and for their enhanced expectations for retirement lifestyles (2005, p.vi). As reported by Judd et al. (2010a), the Canadian National Occupancy Standard (CNOS) is widely used in Australia to measure the utilisation of housing space. Under this measure (which is contested), the vast majority (84%) of older persons' dwellings are deemed to be under-occupied and under-utilised, and this under-occupation has been increasing. Because of this, it has been suggested that older people should downsize to smaller and more appropriate housing to make for more efficient use of available housing stock (Judd et al. 2010a).

Two key reasons why downsizing is seen as a potential strategy for funding non-housing consumption is firstly, the high level of home ownership amongst older Australians and secondly, the perceived under-utilisation of their housing stock. However, research findings about whether or not older Australian households do downsize seem to suggest the phenomenon is not widespread (Bradbury 2010). As Beal states, 'housing wealth is not generally realised to fund more comfortable retirements' (2001, p.127). Australian literature indicates that older people only tend to use their housing wealth via downsizing to support themselves when financial circumstances leave few alternatives or there is a triggering shock experienced such as illness or death of a spouse (Beer et al. 2006, p.30). This is supported by the findings of the more extensive international-focused review of the reasons older people downsize presented later in this chapter.

The attitudes of older Australians towards downsizing are just as difficult to gauge as its extent, and are complicated by differing perspectives to downsizing and relocating between different age cohorts as discussed previously. Beal (2001) reported on a survey of older people's attitudes towards the use of housing wealth to fund retirement. The survey results suggested that home owners were divided in their attitudes towards the prospect of selling their homes to fund a more comfortable retirement, whether it was by selling and renting or selling and purchasing a cheaper house. About half of the survey sample indicated that they would, and the other half indicated they would not (Beal 2001). On the other hand, more recent AHURI research by Judd et al. (2010b) indicated that the vast majority of older people prefer to remain in their own homes with professional assistance for issues related to health decline and home maintenance. Most of the older people surveyed believed that their current homes were appropriate and suitable, and their space was well-utilised and efficiently used for a range of recreational activities and to accommodate permanent and temporary residents. Only a small number of surveyed older people indicated that the ongoing maintenance of the home, yard and garden was an issue of concern (Judd et al. 2010b).

A small number of studies have examined the extent of downsizing in the Australian context and have revealed that while not widespread, downsizing does occur to some degree. An AHURI report that conducted a national survey of 7000 older people found that 10.6 per cent of respondents who had moved recently had moved to a smaller home (Olsberg & Winters 2005). An Australian demand and supply study by Anna Howe (2006) also found that downsizing is a driver of housing demand. Retirees are looking to downsize the exterior space of their home such as the garden to minimise maintenance, however are much less interested in downsizing their interior space. Howe describes this as 'trading sideways rather than trading down', particularly as these older households are concerned to remain in their local area and neighbourhood. She identifies three key messages about the limits of downsizing:

- Downsizing does not always mean down-pricing. Many older people are hoping to down-price and invest capital after moving to new accommodation, however supply of small, age-friendly housing is limited on the general market, 'even for those whose present house was in the middle to upper price range' (p.24).
- In terms of older people's preferences, downsizing often means downsizing garden and open space, but maintaining the same level of internal space. Bed-sitter and one bedroom units were unattractive housing options in general. In terms of Independent Living Unit (ILU) accommodation in the ACT, high demand was reported for two-bedroom units and two-bedroom units with an additional study room, demonstrating high demand for large internal spaces among older people.

- Remaining in the neighbourhood of their previous housing was very important to most older people downsizing. In this ACT example, most moves occurred within a 12 kilometre radius of the former home. Proximity to services and local shops was also crucial (Howe 2006).

4.4 Approaches to downsizing

This section reviews the major theoretical perspectives and models present in the literature, both Australian and international, on downsizing. Many of the articles and studies reviewed drew from at least one of the following theoretical frameworks or models:

- The housing equilibrium model.
- The lifecycle model.
- The life-course model.

These theoretical models have wide implications for the way in which downsizing itself is approached in the literature, as each embodies certain assumptions and positions towards the phenomenon and its occurrence among older people which are explored below.

4.4.1 *The housing equilibrium model*

Literature on downsizing is commonly framed with reference to 'housing equilibrium', or 'housing disequilibrium', which are measured and discussed in various ways. Reference is also made to housing occupancy and utilisation in a spatial sense. Older households are often posited in this literature as being in 'disequilibrium', in that they are consuming more housing stock than their households require. For example, Reschovsky finds that nearly all older home owners in 'housing disequilibrium' over-consume rather than under-consume housing (1990). This article investigated why it is that in the United States, older households (65+) are about three and a half times less likely to move than younger households, and argues that the housing situations of older home owners are often not appropriate to their needs. It is largely the costs associated with moving and a lack of suitable housing alternatives that leads to residential immobility, it concludes, and these represent issues that should be of policy concern.

In this literature, housing consumption is often measured as a relationship between the number of persons and number of rooms, or the number of persons and square feet of living space in the home (Clark & Duerloo 2006). For example, in the United Kingdom, a measure named the 'bedroom standard' is commonly used across housing literature that deals with overcrowding and under-occupancy as well as downsizing. This standard stipulates a separate bedroom for a co-habiting couple, anyone over 21, gender segregation for children over 10 years, and a maximum of 2 persons per bedroom. 'Under-occupancy' is having two or more bedrooms over the bedroom standard. In Australia, the CNOS is widely used to measure housing occupancy, with the vast majority of older Australian households found to be under-occupying and under-utilising their dwellings.

Clark and Duerloo's study of downsizing in the Netherlands (2006) is based on a housing stress measure with four categories: neutral housing (defined as one more room than the number of people living in the home); crowded housing (any living situation with less space than neutral housing); spacious housing (two rooms more than the number of people); and very spacious housing (three or more rooms than the number of people). Under this framework, the study found that housing over-consumption increases with age, particularly in the 60–69 'empty-nest' stage, where

'nearly all households in that age group are over consuming' (Clark & Duerloo 2006, p.258). However, the proportion of over-consuming households in each category/type vary: greater in owners than renters, singles than couples, and higher income categories. Overall though, age was found to be the primary factor in determining housing overconsumption or downsizing. The study also found that the percentage of households over 70 in spacious or very spacious housing decreases, however, indicating that many older people are downsizing at this age. This trend for downsizing was observed over a range of tenure and household types: owners, renters, singles and couples, as well as across a range of income categories. This trend was also observed in the UK. As one article states, when relocation occurs, 'there is a tendency for housing consumption to change in a direction consistent with the correction of a disequilibrium position: there is some "downsizing"' (Ermisch & Jenkins 1999, p.312).

Residential mobility is presented as intimately linked to housing consumption and whether it is in equilibrium with household needs or not. In an article titled 'Aging in place and housing overconsumption' Clark and Duerloo suggest that when younger households relocate, they increase their spatial housing consumption, whereas when older households relocate, they decrease their housing consumption (2006). They argue that households move when their composition is no longer aligned with their housing consumption: 'A household that was in equilibrium with a family of two adults and two children naturally becomes an over-consumer as the children leave the "nest". It is this process which generates most of the increase in over-consumption of housing space' (Clark & Duerloo 2006, p.258). The article goes on to state that many older households occupy very spacious housing and home owners over the age of 60 are very likely to be over-consuming housing space, which creates a bottleneck in the housing market limiting the access of younger families to more spacious housing.

The emergence of the housing equilibrium model has been criticised by commentators from different perspectives. Wulff et al. (2004) state that expectations that older people downsize to a smaller dwelling because of their small households can arise from an overly static view of the lives of the inhabitants of these households. Some divorced older people may remarry, children and grandchildren may visit, some may work from home, etc. 'A genuine consideration of the housing "needs" of lone persons or persons in small households under current demographic conditions would take the changing life circumstances of householders into account as well as the increasingly complex uses to which their larger dwellings can be put' (Wulff et al. 2004, p.70). Harding frames his criticism of this model in stronger terms as 'ageist' (2007, p.3) and as misrepresentative of the negligible degree to which older people over consume housing more than the general population. This paper reports that the housing under-occupancy rate in the UK is 56 per cent in retirement, compared to 46 per cent in the general population, 'but as they represent a relative minority in the population, this difference is small' (Harding 2007, p.3). A recent AHURI report by Judd et al. (2010a) argues that older households use their housing space for recreational activities, hobbies, exercise, entertaining, visitors, and a host of other purposes that contribute to healthy ageing, and that these other uses are ignored within literature based upon this model.

4.4.2 The lifecycle model

The lifecycle model is a theoretical framework also utilised in many studies into downsizing (Ostrovsky 2002). The life cycle model poses that older people will use accumulated assets to support themselves in later life, and as the home is often the biggest asset available, older people are likely to downsize their housing or switch to renting to release this capital (Beer et al. 2006). This is explained as being a natural

part of the life cycle or life path of most households who require the family home when children are young but once children are older and have moved out, can downsize to a smaller and less expensive home in order to fund their retirement. This perspective is largely an economic framework used to approach downsizing, in which it is assumed that households will move in order to change levels of financial consumption on housing. Banks et al. state that older households often 'have more housing than they really need at this stage of their lives. Not downsizing puts the load on other forms of non-housing consumption to fall' (Banks et al. 2007, p.28). A higher household income is associated with a decreased likelihood to downsize in later life, and the authors of this study suggest that because of this trend, the amenities and attachments linked to a larger home can be seen as a luxury good which only some can afford.

There appears to be a distinction between lifecycle theory that focuses on economic factors and lifecycle theory that focuses on other events or life stages. The economic life cycle theory emerged first, and then as researchers began to investigate different factors surrounding and impacting upon older people's housing decisions, the life cycle model developed accordingly.

First of all, in economic terms, the central tenet of the life cycle model is that overall wealth and assets, particularly housing wealth, will be accumulated during working life and decumulated in retirement and as people age (Heiss et al. 2005; Kazi 2008; Banks et al. 2007). The model also assumes that 'retired households wish to consume much, if not all, of their bequeathable wealth' (Jones 1997, p.244). This classical version of the life cycle theory predicts that older people will reduce their housing equity, and a desire to adjust their housing to fund non-housing consumption should lead to high transition rates from ownership to renting and high mobility rates. As can be seen through the level of uncertainty in the literature as to the extent to which older people do downsize their housing, this assumption is highly contested: 'One of the more hotly debated issues regarding life-cycle patterns of consumption with age concerns whether households reduce their consumption at older ages' (Banks et al. 2007, p.33).

It has now been generally acknowledged in research on downsizing that housing transitions are also strongly related to non-economic life cycle events such as retirement and changes in family composition, especially the loss of a spouse. Ostrovsky (2002) points out that 'modern variants' on the life cycle theory take into account other planning factors when discussing life stages, such as precautionary planning on the part of older people, bequest motives, the operation of the market, and attachment to the home. Demographic and structural factors are incorporated in these modern variants, which makes it more difficult to distinguish between economic lifecycle models and the contextually embedded 'life-course model' discussed in the next section. For example, Banks et al. (2007) describe what is known as the 'demographic life cycle' in which the 'demographic ladder' of different life stages drives different levels of housing consumption: housing is demographically driven as people marry, and form families and therefore grow in their housing needs. In the first stage, an individual is living at home with their parents; in the second stage, they leave the family home and form partnerships; and in the third stage, they have children and expand their own housing. In stage 4, these children in turn grow up and leave home, and stage 5 represents widowhood. Housing demand thus grows in the early and middle stages, and may decline later in the demographic life cycle. The decrease in housing consumption with age is described in this study as occurring independently of other changes in individual circumstance or negative shocks or triggers, as 'these estimated age patterns are about the same when all the

demographic and work transitions are excluded from the model' (Banks et al. 2007, p.28)

4.4.3 Life-course model

The 'life-course' model of older person's housing consumption developed out of the life-cycle model, incorporating socio-demographic changes such as population ageing and marriage, divorce, and household formation patterns to its schema. It focuses on individual circumstances and decisions within their wider context: personal, familial, social and structural. An article by Thorns states that 'the extent of accumulated housing wealth in retirement is dependent upon the "life course" of the retired individual or family as much, if not more than, their retirement experiences' (1994, p.243). The article goes on to list the most important life course influences on housing wealth:

- Labour market history (e.g. an unbroken full time employment record).
- Superannuation scheme (e.g. whether they have a personal job-related source of superannuation or rely on government support).
- Family structure and relationships (i.e. Increased rates of separation and divorce have led to individuals experiencing a variety of tenure situations, and assets have been divided and re-divided over the life course).
- Situation and conditions upon entering the housing market.

The focus of this model, then, is on the housing wealth and consumption of the individual and their family as a product of their economic and social circumstances, as well as the housing policies and markets that have been in place throughout their lifetime. Retirement is seen as a stage within the life-course with many influencing factors (Thorns 1994).

Research utilising this model also tends to frame analysis and results in its terms. For example, Wulff et al. (2010) examine residential mobility amongst people in the pre-retirement age cohort of 45–65. Using a life-course perspective, the paper suggests that the transition to 'empty nester' status will heighten mobility among this age group: 'residential mobility was a natural response to a change in housing requirements as families progressed through stable life-cycle stages' (Wulff et al. 2010, p.308).

4.5 Factors leading to downsizing

Just as there is debate about how to define and frame theoretically the phenomenon of downsizing, and the extent to which downsizing is occurring amongst older households, there is considerable discussion in the literature about what the primary motivations or circumstances are that lead to downsizing. This section reviews the economic and non-economic factors that have emerged as key to older people's downsizing decisions in Australian and international literature.

The reasons older people choose to downsize or not to downsize are complex, mirroring the way in which the composition, backgrounds and circumstances of older households are extremely diverse. As Wulff et al. state:

People's housing decisions are multi-faceted, based on their current and future needs, and intermixed with aspirations about dwelling forms, owning or renting, location and neighbourhood, and affordability. Each of these decisions is constrained or enhanced by the level of household income. In summary, housing preferences are shaped by a combination of macro level factors (housing market, housing system, economic climate) and micro level factors

(age, household composition, income and current housing situation) (2004, p.59).

This section examines these factors thematically, looking first at the circumstances surrounding residential mobility in general among older people, then the reasons for downsizing in particular. It will discuss economic factors, then move to non-economic factors such as deteriorating health, the difficulties of home maintenance, family considerations including children's circumstances and changes in household composition, demographic factors and employment status.

As discussed in the previous section, research into the residential mobility of older people overlaps significantly with research into downsizing, and this overlap is evidenced in the circumstances and precipitators/triggers that lead older people to move or downsize as well. Similar motivations were found in the articles and studies reviewed for both phenomena, with the exception of some of the lifestyle moves that occur in later life i.e. tree change/sea change scenarios. Common reasons or triggers older people have for moving home are the problems of household and garden maintenance, a change in household structure such as divorce, marriage or the death of a spouse, downsizing, and lifestyle preferences such as moving to a more pleasant area or neighbourhood, or closer to services and facilities (Olsberg & Winters 2005). Bequest motives were not found to be prevalent in an AHURI report by Olsberg and Winters: 'Hardly any respondents had moved to live with family or had downsized to release money to assist children or other family members' (2005, p.38). Instead, lifestyle and health or disability reasons were more common, with many participants indicating they were moving to coastal regions, moving to be closer to support amenities/facilities, or to reduce household maintenance. This section focuses as much as possible on the triggers or factors leading to downsizing rather than residential mobility in general and thus excludes those lifestyle factors more likely to lead to upsizing.

4.5.1 Economic factors

According to classical life cycle and economic theories the motivations for downsizing are primarily economic. Older people are assumed or predicted to use their accumulated assets to support themselves in later life particularly what is likely to be their greatest asset, the family home. Within this literature, the primary reason for downsizing is to reduce housing consumption and use this housing wealth to finance current and projected non housing related consumption (Banks et al. 2007; Faulkner 2007). Woodbridge focusing on older people who had moved to a relocatable home found that moving to a smaller and more manageable home enabled participants to free up the capital invested in their family home and in many cases thereby release funds to cushion against future expenditure arising from deteriorating health (Woodbridge 2003, p.9).

As Faulkner identifies, however, empirical evidence on downsizing decisions has thus far demonstrated that older people do not tend to draw on their housing wealth 'unless non-housing wealth is all but consumed' or they experience a precipitating shock such as illness or the death of a spouse (2007, p.154). These findings are supported by Feinstein and McFadden (1989), who use a life cycle model to investigate downsizing decisions. The authors find that wealth does have a strong effect on the housing choices of older people as predicted by the life cycle model; however, housing decisions are also very strongly influenced by demographic shocks such as recent retirement and changes in household size or composition. Banks et al. acknowledge that there are many good reasons why older people do not choose to downsize, however state that 'the cost of not downsizing is that all other consumption may have to absorb more of the fall' (Banks et al. 2007, p.10).

Other economic factors noted in the literature that may impact on the decisions of older households to downsize include volatile housing markets, receipt of the Age Pension, and moving costs including stamp duty tax, legal costs and real estate fees. Some of these are explored further in the discussion of financial obstacles to downsizing later in the chapter. Housing, while often being the greatest financial asset of older people, could in itself represent a risky asset which some older people may wish to avoid if they live in housing price volatile areas (Banks et al. 2007). Whether or not older people are in receipt of the pension is also a crucial factor in the likelihood of downsizing. Sane states that pensioners demonstrate greater rates of mobility than non-pensioners, but are less likely to downsize when they move (2010). The loss of the Age Pension 'may frequently lead to a decision against moving and trading-down [downsizing]' (Sane 2010, p.88). A Canadian study (Lin 2005) based on longitudinal data from the Canadian Survey of Labour and Income Dynamics (SLID) shows that the residential mobility of older people in Canada is influenced primarily by moving costs, which vary considerably between owners and renters.

4.5.2 Non-economic factors

With the exception of articles that draw from traditional economic life cycle models, there is some degree of consensus within the literature that it is in fact primarily non-economic factors that are the main triggers for downsizing (Vander Hart 1998; Ellwood & Kane 1990; Megbolugbe et al. 1997). As Ermisch and Jenkins state, residential mobility is associated with life events as well as changes in financial circumstances (1999). Commonly cited life events or 'triggers' for both moving in general and downsizing more specifically are divorce, declining health, marriage or divorce, and changes in employment (Clark et al. 1994; Helderma 2007). Older people also often move to seek out heightened assistance with maintenance and care, or move in search of better amenities and services (Meyer & Speare 1985).

Again, it proves difficult at times to distinguish between the motivations for moving home more generally and downsizing particularly in the Australian context with limited literature available. However, an Australian doctoral study (Sane 2010) found that the top four reasons for residential moves are: 1) family; 2) health; 3) change in lifestyle; and 4) the desire to obtain a smaller home. The data used in this study did not show whether people moving for family, health or lifestyle reasons were downsizing or upsizing. The author also argues that moving to a smaller home does not necessarily mean moving to a cheaper home, a smaller home in a different location or with different amenities may be more expensive. This is a data concern that is widespread within the literature. However, the transition from home ownership to rental accommodation is suggested as the tenure change most evident of 'cashing in' housing equity (Sane 2010). The motivations for this sort of tenure transition were primarily health-related, the second most likely motivation was reported as 'wanting a smaller home' (for what reasons is not specified), and the least likely motivation reported was related to a lifestyle change.

Negative shocks as triggers for downsizing

A strand of the literature on downsizing depicts decisions to downsize as mainly triggered by negative shocks or negative and sudden life events. A work by Calvo et al. (2009) makes a distinction between 'reactors'—those who move in response to a sudden change in circumstances, and 'planners'—who plan for a move in advance to a better or more appropriate home to match their future needs or for other financial reasons. The authors identify particular socio-economic characteristics associated with each group: planners tend to have higher incomes and a higher level of education, better health levels, and do not discontinue home ownership, whereas

reactors tend to be less healthy, have lower income and education levels, and are no longer home owners after moving. The study finds that households experiencing negative shocks are more likely to discontinue home ownership and become renters when moving, and the rate was highest for newly divorced home owners (Calvo et al. 2009). Other research has also found that older households who had experienced the death of a spouse or ill-health tend to reduce their home equity, while other older households tend to increase their home equity (Venti & Wise 2004). This again is supported by Calvo et al. (2009), who found that there were very strong qualitative differences in the moving situations of older households who had experienced shocks and those which had not. Specifically, 'movers with a shock saw an average decline in home equity of about \$26 000. In contrast, movers without a shock experienced an average increase of nearly \$33 000' (Calvo et al. 2009, p.13). The authors suggest this means that older people who had experienced a shock such as ill health or widowhood may have chosen to downsize, whereas those who had not were more likely to have planned to move into a more expensive home in an area with better amenities. This is in turn reflected in the literature from the Australian context explored earlier, which stated that moving to a smaller dwelling does not seem to occur at all without these additional factors triggering a need or response in older households to downsize (Beer et al. 2006; Beal 2001).

Home and garden maintenance

A major contributing factor to decisions to downsize is the size of the house and garden and the associated difficulties in home maintenance as people age and become frailer. Home maintenance is a major concern for elderly people, and often the precipitating factor for downsizing or relocating (Faulkner & Bennet 2002; Painter & Lee 2009).

Home maintenance as a precipitator for downsizing is highlighted in Australian literature. A paper by Woodbridge (2003) compares the retirement housing decisions of older people, focusing on decisions to move to retirement villages and manufactured/relocatable homes. Surveys and in-depth interviews identified maintenance to be one of the major reasons that older people identified for moving to a relocatable home:

In particular physical and economical difficulties in maintaining a home that was, in many cases, too large and had been designed to accommodate families was discussed by all the participants ... For a number of the participants, it was a matter of planning for the future and making decisions before a crisis occurred which was the motivator for seeking alternative housing. The knowledge that their present home would require increasing amounts of physical and monetary expense in order to maintain its value as an asset was of major concern to them. (Woodbridge 2003, pp.7–9)

Howe's 2006 study of housing patterns in the ACT found that while most older people wanted to stay in their homes for as long as possible, staying in the family home was not always the best option for older people when large houses and particularly large gardens made continual maintenance difficult. Importantly, this was also raised by older people themselves: 'many people found that their houses and especially large gardens were increasingly unsuited to their needs as they aged and dependency increased' (Howe 2006, pp.27–28).

Change in household composition

A change in household structure or composition was one of the primary triggers for downsizing identified in the literature. Firstly, in accordance with the theoretical models described earlier, clearly there is an assumption from many commentators

that 'empty nester' status once children have left the family home will lead many older households to consider downsizing. For example, in a comparative study of downsizing in the United States and the United Kingdom, Banks et al. found that household demographic attributes are not strong predictors of housing demand, whereas reductions in the size of the household—the dominant direction of change during this phase of the life-cycle—are linked strongly with reduction in the size of the dwelling and number of rooms (2007, p.27). This was seen mainly in the US, though, with the transitions involved with children leaving home having much less effect in the UK. The influence of national policy environments on these other factors thus also cannot be underestimated.

Second, the loss of a spouse has been established in the literature as strongly connected to likelihood of downsizing (Painter & Lee 2009; Ermisch & Jenkins 1999; Venti & Wise 1989, 1990, 2004; Feinstein McFadden 1989; Lin 2005; Bonnet et al. 2010). Financial pressures can mean many recently widowed older people come under housing stress, and home ownership can become difficult to retain and many individuals in this situation transition to renting in the private market (Wood et al. 2008). Some researchers have even found that in general, older people do not reduce home equity at all except at the death of a spouse, and widowhood is the most consequential factor determining decisions to downsize (Venti & Wise 1990, 2004). Banks et al. (2007) found that widowhood leads to a reduction of the number of rooms for older households in the United States, but has much less impact in the United Kingdom, where residential mobility in general for older people is much lower. A recent French study by Bonnet et al. (2010) also investigates the effect of the loss of a spouse on housing and location choices, with the authors beginning with the premise that a partner's death induces a decrease in income which may lead to downsizing. Widowhood may also reveal new housing preferences, such as the need to be close to care givers and health services. Using the French Housing Surveys, this study confirmed that 'widowhood significantly increases residential mobility, especially at older ages and for those who have children' (Bonnet et al. 2010, p.94). New widows were found to be more likely to move to dwellings that are smaller, to apartments, and into the rental sector.

Third, divorce or marriage is also strongly connected to residential mobility in older households. Becoming a single head of household, whether precipitated by the death of a spouse or by divorce, was also identified by a number of studies as one of the key predictors for shifting tenure type from home ownership to rental when moving (Painter & Lee 2009, 2010; Heiss et al. 2005; Wood et al. 2008). Getting married or re-married in later life is also a strong predictor of residential mobility, sometimes more so than widowhood (Banks et al. 2007). In this study, the transition from being married to being single was associated with moving to a smaller dwelling, while the reverse was evident when people marry or re-marry; largely consistent with a housing equilibrium model.

Health concerns

It is well established in the literature that health concerns are a major influencing factor on older people's housing decisions. Studies have found that older households tend to reduce their housing consumption after triggers such as a sudden decline in health (Clark & Duerloo 2006). This is linked to some of the factors explored earlier, such as the difficulties inherent in maintaining a large house and garden area, and the desire to relocate closer to services and family or to a more age-friendly home. A study into the housing tenure transitions of older Americans based on longitudinal data found that deteriorating health was an important predictor for changing tenure type from home ownership to rental (Painter & Lee 2009). Banks et al. suggest that

older people may downsize their housing to fund increased out of pocket expenses due to ill health, particularly if they do not have complete health insurance. However, as Ostrovsky points out, this factor can also operate in reverse and lead to a decision not to downsize: 'Uncertainty about future medical expenses may prevent the elderly from downsizing ... particularly if housing is viewed as an asset of last resort to be used only to pay for nursing care or to support a surviving spouse' (Ostrovsky 2002, p.3).

Employment status

Changes in employment status (i.e. retirement) have been found in the studies reviewed to be associated with residential mobility more generally, but not necessarily downsizing (Ermisch & Jenkins 1999). Work transitions are strongly associated with residential mobility in both the US and the UK, however they are not statistically associated with changes in the size of the dwelling unless changes in household structure also occur (Banks et al. 2007).

There is a knowledge gap about to what degree changes in employment status impact on downsizing decisions, however this issue is also clearly tied to the very basis of economic theories around decisions to downsize and their origin in retirement. Beer et al. posed the following questions in 2006 that have yet to be answered by the literature:

Changing patterns of labour force participation raise a number of questions in relation to the housing careers of older people. Will longer attachment to the labour force delay housing moves or will the potential increase in savings and wealth increase the likelihood of housing changes? What type of changes will these be—to further increase housing equity or allow greater choice in downsizing? (2006, p.40)

Family reasons

Luborksy et al. highlight how embedded downsizing decision-making is in familial concerns:

Downsizing is not merely an individual decision in a vacuum divorced from familial considerations, but is oftentimes motivated and propelled by moral persuasion, when downsizing is cast not merely as a way to ease household chores that have become more difficult with age, but rather as a moral activity, supported by social pressure from family and friends who cast downsizing as an obligation to strengthen and contribute to the well-being of the entire family by bringing the family together. (2011, p.3)

The influence of family on the housing decisions of older people was also highlighted as very important in the literature: living in proximity to children and wider family networks lowers the likelihood of downsizing or becoming a renter. Some literature exists on intergenerational co-residence (Painter & Lee 2009, 2010) which suggests that geographic proximity to family members and the sharing of financial and non-financial resources between children and their elderly parents is also a factor in older people retaining ownership of their family home. Children who live close to their parents are more likely to assist with health needs and home maintenance, thus reducing need for downsizing. Older people may wish to remain in the family home so that children may visit and stay in the home they grew up in (Banks et al. 2007). It has also been suggested that having wealthier children increases the likelihood of downsizing as maintaining wealth from retaining home ownership is less of a concern in this scenario (Painter & Lee 2010; Hurd 1987). This hypothesis has however been sometimes contradicted in the literature, presumably due to lack of longitudinal data

that will allow the comparison to be made at this stage. For example, Chiuri and Jappelli (2010) state that wealth decumulation rates contradict one basic argument of the bequest hypothesis, namely that families with children should decumulate wealth more slowly than singles.

Demographic factors/circumstances

An older American study by Ferraro (1981) used longitudinal data from a national survey of 3402 older people to investigate the motivations behind housing relocation and demographic features of older households with high residential mobility rates. The article finds that older people with a higher level of mobility tend to be low income, low education level, single, white, and with a history of housing mobility. Income and asset level has also been identified as important indicative factors towards likelihood of moving in general and downsizing more specifically. Older households with greater housing wealth and/or greater non-housing financial wealth are more likely to retain home ownership, and less likely to make any sort of tenure transition (Painter & Lee 2009, 2010; Heiss et al. 2005). Older households with higher levels of income, education, and health are more likely to plan for downsizing in advance without relinquishing home ownership, while older households with lower health, income and education levels are more likely to transition to renting and be pushed into downsizing by sudden events or circumstances (Calvo et al. 2009).

As mentioned in the previous section, demographic factors are particularly highlighted in studies and articles using a 'life-course' model approach. A New Zealand article states: 'whether a household is asset-rich or asset-poor in the retirement years reflects the occupant's life course in previous decades' (Thorns 1994, p.246), which has major impact on housing moves and downsizing decisions. Factors such as the type and continuity of employment and broader economic and social conditions within New Zealand at important points in housing and career trajectories are all major influences on asset levels and therefore housing consumption decisions after retirement (Thorns 1994).

4.6 Obstacles to downsizing

Contrary to the assumptions made in traditional economic and life cycle theories that people will naturally downsize as they age, empirical studies have found that the phenomenon is not widespread and only some older households downsize. From the analysis of the literature conducted in this review, the overall results of most studies within Australia as well as in the United Kingdom, United States and New Zealand are that in the absence of precipitating shocks or a change in household composition, older people are unlikely to downsize (Shan 2010; Denton & Kusch 2006; Munnell et al. 2007; Beal 2001; Beer et al. 2006). This section, then, seeks to learn what the literature can reveal about the reasons for older people's reluctance to downsize without the triggers of precipitating shocks or events, as well as the external obstacles that exist that may discourage downsizing. These factors are complex, and there is limited Australian research to draw upon, so again this section will incorporate a review of relevant international literature. It should be noted that in the absence of a body of qualitative research conducted into downsizing amongst older households, many of the themes discussed in the literature are speculative.

4.6.1 Older people's attitudes towards downsizing

A number of studies have shown that older people do not view downsizing as a desirable housing option. Because of the low levels of downsizing revealed by many empirical studies amongst older households, 'the elderly are interpreted to be reluctant movers who often move out of necessity rather than economic

considerations' (Ostrovsky 2002, p.7). An AHURI literature review by Beer et al. (2006) states that reasons for older people's reluctance to downsize vary from country to country, but include external factors or obstacles such as high costs associated with moving, high levels of fluctuation in housing markets, as well as internal concerns such as desire to bequeath housing wealth to children and grandchildren, and the strong attachment many people feel for their homes. Other AHURI research by Judd et al. (2010b) found that surveyed older people feel their family home or current dwelling was well utilised through accommodating the home's permanent and temporary or visiting inhabitants, and through other uses such as incorporating a home office or study and space to engage in hobbies and exercise. Just over 90 per cent of older people surveyed in this project indicated they would prefer to remain in their own home with support from professional services rather than relocate.

Australian literature indicates that older people greatly value retaining the family home even when selling may lead to greater financial rewards (Howe 2006; Judd et al. 2010a). US researchers have commented on the deep-seated attachment many people have to their home and neighbourhood (Munnell et al. 2007), the 'habitual' demand older people develop for their current housing situation (Banks et al. 2007), and the psychological cost involved in moving from a familiar setting to a new dwelling (Rechovsky 1990).

There is still a lack of consensus in the literature about the extent to which attitudes or motives to bequeath housing wealth to children influences older households' decisions to downsize or not downsize. Many of the articles and studies reviewed indicated that a desire to bequest housing wealth to children was a factor contributing to older households' decisions not to downsize (Munnell et al. 2007; Banks et al. 2007; Beer et al. 2006). However, bequeath motives were not found to be prevalent among older households in an AHURI report by Olsberg and Winters: 'Hardly any respondents had moved to live with family or had downsized to release money to assist children or other family members' (2005, p.38).

4.6.2 Financial obstacles and other disincentives to downsizing

There are a number of out of economic factors and financial obstacles associated with moving home that can present disincentives for older people to downsize. Out of pocket expenses can pose affordability barriers, particularly for people on low to moderate incomes. These include the costs associated with moving belongings, stamp duty taxes, commissions to real estate agents, and mortgage origination fees (Rechovsky 1990; Faulkner 2001; Munnell et al. 2007).

Downsizing can also be viewed by older people as a risky move to make financially, particularly without the provision of appropriate information services. As the largest and sometimes only financial asset older people own, many are reluctant to release this asset, particularly if they are in receipt of a pension and unsure what ramifications selling their home would have on this entitlement (Faulkner 2001). The risk perceived by older households is greatly magnified when downsizing involves a tenure transition from home ownership to rental (Munnell et al. 2007). Retaining the family home could represent protection from the fluctuations of the rental market should a change in tenure type be the only option for downsizing.

Economic factors such as the exemption of the home from the assets tests associated with the Age Pension and DVA pension but inclusion of cash returns once a home is sold, also operate as financial disincentives to downsizing (Beer et al. 2006).

Though most countries have some form of tax concessions for owner-occupied housing, only in Australia is there a particular concession mainly focused on the elderly—the exemption of the owner-occupied home from the

means test. For a given level of total wealth, the Age Pension is either reduced or is unchanged if the share of wealth held in one's own home is reduced. Even though a 'down-valuing' of one's home might increase investment income (and possibly non-housing consumption), the incentive to not do so is still strong for most pensioners. (Bradbury 2010, p.v)

Unsuitable housing alternatives have been highlighted by a number of studies as a key obstacle to downsizing. Some older people are remaining in their current family homes because they are unable to find suitable alternative housing, as many dwellings incorporate undesirable physical features such as stairs and a lack of living or communal spaces (Howe 2006; Rechovsky 1990). Furthermore, studies into affordability have often focused on low income non home owners, when in reality the affordability of suitable housing after retirement can also be a problem for older home owners who are asset rich but income poor (Howe 2006). The time and effort associated with finding a new dwelling suitable both physically and financially for an older household also poses great practical barriers for many older people (Rechovsky 1990)

4.7 International contexts

The most developed body of international literature on downsizing has emerged in North America, with researchers in the ageing and housing fields writing on this topic since the 1980s. A small number of articles have referenced downsizing in the United Kingdom, however there has not been much evidence found of downsizing occurring to any significant extent in the UK. There are also isolated studies or articles from Europe and elsewhere that deal with downsizing. The ambiguities in definitions of downsizing can be found across this literature, and because of its sparseness, so too is the uncertainty about the extent to which it is occurring among older households, how, and why. This section will focus on reviewing the literature emerging from North America due to its extent and similarities in context between Northern America and Australia. It will also review literature from other countries including the United Kingdom, Canada, New Zealand and material emerging from Europe.

4.7.1 Northern America

There are some distinct similarities between the Australian and US housing contexts, which coupled with the body of work on downsizing emerging from the US makes it the most useful country for comparison. The US also is faced with the demographic changes associated with a rapidly ageing population rate, it also has a governmental emphasis on home ownership as a way for older people to self-fund their retirement consumption, and has similar levels of homeownership among older people as in Australia, about 83 per cent of all those over 50 years of age (Banks et al. 2007). Literature from the US, like that in Australia, stresses that older people have a strong preference to age in place (Luborsky et al. 2011).

An early Australian article by Kendig compares the housing situations of older people in Australia, the US and the UK, emphasising the similar division that exists between home owners and non-home owners in all three countries: 'Home ownership is one of the principal ways of redistributing income over the life cycle. Older people who have bought homes during their working years have a substantial asset which cushions the financial shock of reduced income in old age. But those who have never been able to buy can be hard pressed as housing costs continue at high levels' (1984, p.1). Prior to the recent US housing market collapse, many lower income older people in the United States had already struggled to gain access to appropriate and affordable housing (McNelis & Herbert 2003) within the market environment.

The prevalence of downsizing is often difficult to distinguish in the literature from residential mobility, due to limited data on the types of moves that older people make. In the US, people over the age of 80 are the most residentially mobile, however this reflects deteriorating health and the associated need to move in with relatives or into assisted living arrangements (Banks et al. 2007). Home owners in the US are found by one study to be less mobile than renters, with mobility rising amongst home owners with the value of the home, but declining with home equity once outstanding mortgage repayments have been subtracted from the value of the home (Banks et al. 2007). The authors suggest that this may be because a higher valued home implies higher housing consumption after retirement, and downsizing may present a way of reducing this consumption by reducing mortgage repayments.

While the US literature investigating downsizing—also known as ‘trading-down’—is more extensive than in Australia, it is also considerably mixed in its findings. There is no consensus as to the extent of downsizing: ‘it is controversial whether the elderly downsize housing in old age and extract equity for nonhousing consumption’ (Heiss et al. 2005, p.243). Heiss et al. (2005) and Sheiner and Weil (1992) report that home ownership in the US is reduced with age and the likelihood of renting increases, indicating a degree of residential mobility and tenure transitioning that could indicate downsizing. A number of studies report findings that older people over a certain age (generally 75 years and over) do tend to use their housing wealth to fund more suitable retirement situations (Sheiner & Weil 1992; Skinner 1996; Heiss et al. 2005; Banks et al. 2007), however a number of other studies (Merrill 1984; Kazi 2008; Feinstein & McFadden 1989; Venti & Wise 1989, 1990, 2004) have found that home owners typically do not use their housing wealth to support non-housing consumption in later life. Some of these mixed findings can be explained by differing samples and emphases or exclusions in the research conducted, i.e. it has also been found that wealthier households are less likely to move at all and particularly to downsize (Kazi 2008; Feinstein & McFadden 1989).

Banks et al. (2007) found that there was a slight decrease in rates of home ownership in the US for people from 50–70 years of age, and then for those aged over 80 home ownership declined to 66 per cent. The authors commented that: ‘Most of the decline in the probability of owning a home appears as an increase in renting but some of it, particularly among those over age 70, reflects an increase in the likelihood of living with others or in a nursing home’ (Banks et al 2007, p.16). Unfortunately, as discussed in the section on gaps in the literature, much of the research conducted into downsizing has not extended down into age cohorts, so the extent to which the decline in home ownership reflects downsizing or moves to aged care is unclear.

An American doctoral thesis (Kazi 2008) investigated changes in housing wealth comparing data from 1998 and 2004 surveys of the US-based Health and Retirement Study (HRS) in order to investigate whether retirees ‘spend-down’ (downsize) their home equity. This study found retired older people who moved experienced a decline in the median housing equity from the age of 71, and a decline in mean housing equity at age 76 (Kazi 2008), findings supported by other US studies (Venti & Wise 2004). This decline was traced to home owners who gave up ownership and transitioned to another form of tenure. Within the sample used, a quarter of retirees who moved reported that they were moving to downsize. This was also reflected in a study by Banks et al. (2007) which found that older people in the US who moved did tend to move into smaller dwellings. More specifically, on average new houses were about 0.7 rooms smaller than the previous home. Most of this average reduction in size occurred among older home owners who transitioned to renting a smaller home, although the tendency was for those who remained home owners to also purchase a smaller home (Banks et al. 2007).

US literature on downsizing stressed the importance of life events such as the death of a spouse in triggering downsizing (Heiss et al. 2005; Venti & Wise, 1990, 2001). Kazi (2008) had findings consistent with those in the rest of North America and in the Australian context with regards to divorcees and widows, concluding that housing equity tended to be substantially reduced after these life events. In an article entitled 'Refashioning one's place in time: Stories of household downsizing in later life' (2011), Luborsky et al. discussed the downsizing stories of 40 older people in the US state of Michigan. This article stated upfront that downsizing was an area that had been minimally researched in terms of qualitative insights but summarised what had been learnt about downsizing thus far in the literature: mobility rates for those over 75 years of age had been reported as being between 12 per cent and 30 per cent; many moves were unexpected; and deteriorating health or a sudden physical decline were major impetuses (Luborsky et al. 2011).

There are also important changes occurring in the American context. Kazi explains that in the past: 'Short of selling their homes there was virtually no other alternative for the elderly to extract housing wealth. In recent years, markets for home equity lines of credit and reverse mortgages have developed for tapping into home equity. Although these markets still remain small, they are gradually expanding' (2008, p.81). These new financial instruments, the author goes on to state, potentially offer many more opportunities for older Americans to access their home equity.

One Canadian article (Lin 2005) examined longitudinal data over three years to report on the characteristics and motivations of older movers and the types of housing transitions they made. The study found that in terms of general residential mobility, older people in Canada were moving less than younger cohorts. The study found that only two in five older people downsized to a house with fewer bedrooms when moving. Another two in five older Canadians moved to a house with the same number of bedrooms, and one in five upsized to a house with more bedrooms. The author stated: 'seniors who downsized tended to move from a house into an apartment or from one house into another house, and the majority also lived in a single generation household' (Lin 2005, p.25). Because of the focus on bedroom numbers, this would not however capture older people moving from a house to an apartment or smaller house with the same number of bedrooms to reduce maintenance. Most of those older people who did downsize sold their homes to enter rental arrangements.

The factors, motivations and triggers that lead to downsizing identified by this Canadian article were similar to those identified elsewhere in the literature: older people were more likely to move if they were renting; widowed older people were more likely to move than couples; and if someone joined or left an older household, a move was more likely to occur (Lin 2005, p.25).

4.7.2 United Kingdom

The UK housing market has many similarities to the Australian housing market, with the major difference being the UK's greater supply of social housing. A similar minority of older people in the UK live in residential/institutional care: 5–6 per cent of the older population (Tinker 1997), as opposed to 7 per cent in Australia. An emphasis on 'ageing in place' within the policy environment of the UK as well as in the choices made by older people themselves is also in common with the Australian context (Jones et al 2008). Care packages that facilitate the ability of older people to age in place are administered by local authority social services departments in the UK (Tinker 1997), whereas in Australia state and non-government agencies administer these packages, but for the same aims and purposes.

A policy brief by Harding states that according to the standard definition of 'under-occupancy' in the UK, 46 per cent of the British population are deemed to be living in under-occupied homes, and the focus on older households as the cause of shortages in available housing stock is 'ageist' (2007, p.3). He posits that the crucial factor in housing over-occupancy is wealth, rather than age. This report was written in response to concern that there was a contradiction between government policy promoting ageing in place, and discussion in housing and urban planning arenas around encouraging older people who own large properties to release family sized homes.

Older people in the UK appear less likely to be home owners than their counterparts in the US or Australia. Banks et al. (2007) found that about 70 per cent of those aged over 50 in the UK are home owners, with more older people likely to be renters. However, this may be a cohort effect. Never-the-less, a recent report from the Smith Institute (Heywood 2011) identifies a decline in home ownership in the UK from its high point of 70 per cent. This decline is attributed to 'Increased longevity, ... inadequate saving and pension provision, ... [and] the costs of elderly care' and that these factors are coming together to 'promote disinvestment in the housing market among older age groups' (Heywood 2011, p.11). This suggests that older people in the UK may have already been accessing their housing wealth to fund their ageing needs, even if that means ceasing to be home owners.

Residential mobility amongst older people is rare in the UK, half of that found in the USA (Ermisch & Jenkins 1999; Banks et al. 2007). Amongst older households in the USA, the age cohort with the highest rate of mobility being among those over 80 years of age, with those in their 50s the second most mobile. This is in contrast with the UK, where mobility is lowest for people in their 80s and highest amongst those in their late 50s, the so called 'empty-nester' cohort (Banks et al. 2007, p.27). According to a comparative study of downsizing in the UK and USA by Banks et al. (2007), there is evidence of less downsizing in the UK than there is in the US. In the US, housing consumption was found to reduce with age, whereas UK households are much more likely to remain in their homes throughout later life. The authors propose a number of explanations for the comparative absence of downsizing in the UK. First, the lower rate of residential mobility in general, i.e. there is less downsizing because there is less moving; the higher transaction costs associated with moving in Britain as opposed to the USA (stamp duties, fixed costs associated with housing sales); the differences between the two regions in the nature of inheritance and bequest tax bases; and differences in the way housing wealth is approached in other economic institutions between the two countries (Banks et al. 2007). Banks et al. also confirmed that, both in the UK and the USA, 'among those who moved at middle and older ages there is, on average, a reduction in the number of rooms in household residences as age increases. (Banks et al. 2011, p.1). However, none of these authors appear to have given due consideration to a possible fourth factor: the different patterns of aged care support in the two countries and the extent to which each system enables 'ageing in place', rather than requiring older people to downsize or sell to release funds for aged care needs.

Because of the low rate of residential mobility amongst older people, Ermisch and Jenkins posit that older home owners have to be 'greatly out of equilibrium' (1999, p.19) health-wise or in terms of over-occupancy in order to move. When they do move, it is likely to be 'in a direction consistent with the correction of a disequilibrium position', i.e. to a smaller dwelling.

Harding (2007) adds a cautionary note in terms of policy consideration, stating that policies that encourage downsizing will lead to greater numbers of older people

moving home, but that these policies need to include measures to ensure older people are aware of their options about downsizing, as well as to support those older people who wish to remain in their homes. However, as Heywood notes, 'much government policy and activity is predicated on high and rising levels of home ownership ... [including] economic policy, asset-based welfare policies such as elderly care in the community, revenue from taxation including stamp duty land tax, and a range of other services.' (Heywood 2011, p.6). Therefore, the societal impacts of downsizing, a significant disinvestment in housing, go beyond the individual and may be much more than have previously been considered. Particularly, the capacity of future generations of older people to contribute to their own aged care costs may be reduced if they do not have the wealth that a house currently represents.

4.7.3 Europe

Other European nations are also experiencing an ageing population and an increase in the number of retired persons due to the post WWII baby-boom. However, the nature of the housing markets and housing ownership differ markedly across Europe, especially with respect to their proportion of social/rental housing and their focus on providing sufficient housing for post-war generations. For this reason, much of the European literature on downsizing focuses on downsizing as a response to the overconsumption of housing.

A typical approach would be that taken by Clark and Deurloo (2006) where overconsumption or spacious lodging is defined as having two or more rooms than the number of residents in the household (it is assumed that kitchens and bathrooms are excluded from this calculation). In this context, no allowance is made for the need of older people, who may be ageing in place, to have a room for an overnight/emergency carer, or for family visitors. In their sample, Clark and Deurloo (2006) also found that over 90 per cent of older movers were motivated to move by their declining health or increasing care needs, or having more space than they could manage. Interestingly, they also identified older people's motivations for not moving. These included: having a dwelling suited to seniors; having the right household size; and having lived in that dwelling for a longer time. Clark and Deurloo also noted that 'aging in place creates the spacious living that is characteristic of many households ...' (Clark & Deurloo 2006, p.258) and that this overconsumption has come about as a result of various government policies, including rent subvention. However, they do not acknowledge that until the twentieth century, most older people lived in intergenerational households, where downsizing was neither necessary nor possible.

An article by French researchers Gobillon and Wolff (2011) states that older households are quite likely to decrease their housing consumption because of the income loss associated with retirement, but may also increase their housing consumption to benefit from more housing comfort for leisure. Through longitudinal survey analysis, the study found that both upsizing and downsizing is prevalent in France amongst retirees. Reference is again made to the 'disequilibrium' model in this article: 'In many cases, housing adjustments lead to a correction of the initial disequilibrium between the number of rooms and the number of occupants' (Gobillon & Wolff 2011, p.331). The inconclusive nature of these results, they posit, is due to a trade-off between the loss of income following the end of employment as well as the additional leisure time which this entails. However, their findings are similar to those of Judd et al. (2010a) on older Australian's use of their housing, which found that older people often fully utilised any extra rooms as offices, guest bedrooms, hobby rooms, gyms etc. to enhance their quality of life.

Tatsiramos (2006) found that whether or when older people in the central and northern countries of Europe move is associated with a number of factors, including

retirement, death of a spouse, having an outstanding home loan and excessive housing costs. However, this does not seem to be the case in the southern countries. He also found that the transitions often were from owning to renting, especially where housing suited to their needs was available for rental to older people. He noted that the high costs of buying and selling are a barrier to home owners moving, as compared to renters who were more likely to 'right size' their dwelling as they aged. This was consistent with lower rates of mobility in countries with higher rates of home ownership. Tatsiramos (2006) also found that, in all of the countries studied, those in higher wealth households are more likely to move. This may indicate that being able to choose where to go and being able to afford transaction costs, such as buying, selling and relocating, are important factors in older people's downsizing decisions. Tatsiramos concluded that 'transitions from ownership to ownership ... are associated with a reduction in the home size' (Tatsiramos 2006, p.12). However, for older renters who moved and owners who changed from owning to renting, this was not necessarily the case. There also appear to be strong motives for renters to 'right size' not only their dwelling, but, one assumes, their rent costs. However, the motivation of older homeowners is less clear.

In their international comparison, covering 15 Organisation for Economic Co-operation and Development (OECD) countries including Australia, on elderly people's use of housing equity, Chiuri and Japelli found that 'countries with more regulated markets exhibit higher rates of housing decumulation' (Chiuri & Japelli 2010, p.645). This was related to housing wealth being the major part of wealth for most older people in developed countries. They note that home owners have three ways to access their housing wealth as they age: selling the house; taking out a reverse mortgage; or opting to not undertake any maintenance or repairs. They also note the difficulty of much published data not excluding older people who have moved to some form of residential aged care (nursing home), a constant source of bias in research in this area. Chiuri and Japelli (2010) have attempted to address this issue through focussing on households with women owner-occupiers. They targeted factors such as transaction and moving costs, reverse mortgage availability, taxes, social security systems and the availability/accessibility of health and aged care services as well as mortality rate differences. Chiuri and Japelli found that moving from owning to renting was 'negatively correlated with transaction costs ... and the degree of the economy's regulation' (Chiuri & Japelli 2010, p.655) as well as 'some evidence that reverse mortgages tend to reduce home ownership transitions' (ibid. p.656). Interestingly, they also identified significant links between the degree of economic regulation in the housing market and whether those countries had a common law tradition or a French civil law tradition. This may explain some of the differences noted above between the northern and central countries of Europe and the southern countries of Europe that were identified by Tatsiramos (2006). Chiuri and Japelli (2010) concluded that ownership trajectories for older people were correlated with the extent to which market regulation encouraged the use of housing to accumulate wealth. This is similar to the situation in Australia where both the tax and social security systems favour home ownership as a wealth accumulation strategy.

In their study on residential mobility in older people, Angelini and LaFerrère (2011) were able to use longitudinal data from 11 European countries and separate those moving into aged care and older renters from older home owners. Mobility tended to decrease the longer that the older person lived in their home. This is consistent with the findings of Clark and Deurloo (2006) that the longer their tenure, the less likely older people will move. Angelini and LaFerrère (2011) also noted that higher transaction costs for moving, the capacity to adapt their home to their taste and the availability of reverse mortgages, were factors which influenced owner-occupiers to

stay in their homes as they aged. Angelini and Laferrère (2011), identified that ownership downsize moves were linked to having less income, i.e. the downsizing was probably a response to constrained income and therefore designed to release equity.

Another factor that induced older people to move was having three or more limitations with mobility. However, these owners did not necessarily move to ownership, many moved to rent. Angelini and Laferrère (2011) considered that this may be due to a need to have a dwelling that is easier to maintain and described this as 'maintenance downsizing'. Other factors that were correlated with older home owners downsizing included: becoming divorced or widowed; the last child leaving home; and having no children. Angelini and Laferrère (2011) also considered the effect of various taxes on downsizing decisions. They found that tax deductions for interest payments and capital gains tax exemptions increase home owner mobility, while reverse mortgages and high transaction costs reduce it. However, when these factors are added together for any one country, the net effect may be quite different to the effect of a single factor.

Angelini and Laferrère (2011) were also able to identify that, in addition to the known risks for moving to a nursing home of losing a spouse, declining health and increasing age/disability, the risk was also increased by having a low income. They have described the move to a nursing home as the 'ultimate downsizing'. In reviewing the change in size of dwelling for those who moved, Angelini and Laferrère (2011) found that older people were seeking to move to smaller homes and the older the person, the smaller the preferred home.

In looking at change of housing type, from home to apartment, Angelini and Laferrère (2011) identified that recent widows and those with disabling conditions were more likely to move to apartments, an example of maintenance downsizing, one assumes. They also found that the wealth of the older person played a key part in their downsizing decisions and that mobility among older people was 'twice income constrained; some probably are prevented to move [sic], while others would like to stay in their home longer' (Angelini & Laferrère 2011, p.22). These findings build on those of other researchers and analyse some of the finer detail by distinguishing between those older owners who move to rent, those who move because they wish to, those who move to release equity, those who move because of poor health/disability, and those who stay where they are. Angelini and Laferrère (2011) have also identified significant push and pull factors for downsizing, including tax exemptions, transaction costs, longevity of tenure, the availability of reverse mortgages, widowhood and declining health or increasing disability.

4.7.4 New Zealand

As in Australia, there is a high rate of home ownership among older people in New Zealand (Thorns 1994), with 'three quarters of New Zealanders aged 65 or over, usually resident in the community, lived in owner-occupied housing' (Davey et al. 2004, p.45). A similar division is described in New Zealand as in Australia between the situations of older people who own their homes outright and those who are renting in the private market or who are making mortgage repayments. Some other distinct similarities exist between the Australian and New Zealand housing contexts. Speaking from the structurally focused 'life-course model' perspective, Thorns (1994) describes the policy context of the 1950s and 1960s in New Zealand as being characterised by a high level of subsidised finance to first home buyers, and this, combined with relatively modest house price inflation and low interest rates meant households entering the market were in a good position to acquire and maintain housing wealth. By the 1970s and 1980s, however, housing prices fluctuated more dramatically, and

the boom of employment that occurred in the 1950s came to an end. According to Thorns '[t]he implications of these changes in housing market conditions for different cohorts to store wealth in their properties are quite significant' (Thorns 1994, p.244): i.e. those entering the market in the 1950s and 1960s and retiring in the 1980s and 1990s generally made good financial gains, whereas those entering the market from the 1970s through to the 1990s had accumulated less housing and financial wealth with more variety of experience dependent on price points of entry and exit from the market. As Davey points out, New Zealand also is experiencing a fall in home ownership, but with a differential impact: 'The fall in ownership rates over the last decade has affected all age groups and is especially marked for Maori and Pacific people' (Davey et al. 2004, p.173).

In their comprehensive report on accommodation options for older New Zealanders, Davey et al. (2004) summarised the benefits and costs of each housing option from the perspective of older people and from a government policy perspective. In these tables, cited below, downsizing is described as trading down.

Table 14: Options facing home owners from the individual's perspective

Option	Benefits	Costs
Remaining in own home	Independence Future options retained as capital asset remained intact	Maintenance Social isolation Distance from health services
Upgrading own home	Independence Improved health and mobility	Upgrading costs and on-going maintenance Social isolation Distance from health services
Trading down	Reduced maintenance costs Proximity to health services and other amenities Improved health / mobility Free-up capital for other spending	Removal and other transactions costs Social upheaval and/or isolation
Retirement village/ social village/ shared accommodation	Social interaction Proximity to health services/other amenities (and) ready access to continuum of care Sense of security	Capital entry cost Weekly rental/licence payment

Source: Table 25 Options facing home owners from the individual's perspective (Davey et al. 2004, p.69)

Davey et al. (2004) emphasized the role of appropriate housing with respect to older people's health and wellbeing, noting that 'Home is the locus of hospitality, reciprocity and social interaction' (Davey et al. 2004, p.170). They also drew attention to the additional choices home owners have, including downsizing, or trading down, but that there is often a lack of suitable housing that is affordable, well located and low maintenance. Factors identified by Davey et al. (2004) that force housing moves in older people included access and proximity to health services, proximity to family, and the unsuitability of existing housing for the ageing needs of the homeowner.

Table 15: Options facing home owners from the government's perspective

Option	Benefits	Costs
Remaining in own home	Reduced requirements for assistance for accommodation costs	Provision of disability and other health services direct to home or to wider region
Upgrading own home	Reduced requirements for health and disability related services, but still required direct to home or to wider region	Assistance to upgrade homes of low income persons
Trading down	Reduced requirements for health and disability related services, but still required direct to home or to wider region	
Retirement Village / Social Village / shared accommodation	Reduced requirements for health and disability related services Lower unit costs of disability services provision	Assistance with capital and weekly payments for those that meet qualifying criteria

Source: Table 27 Options facing homeowners from the government's perspective (Davey et al. 2004, p.1)

Overall, the situation on downsizing in New Zealand is very similar to that in Australia, Even where older people do wish to downsize, their choice may be limited by the lack of available housing that is affordable, appropriate to their ageing needs and located near their family and community.

4.8 Gaps in the literature

There are major knowledge gaps about the downsizing decisions of older households particularly in the Australian context, but also in international research. Very little is known about downsizing transitions and what regional and international differences might exist. The most glaring knowledge gap is information about the extent to which downsizing actually occurs. This is due to a lack of adequate data that is able to shed light not just on the residential mobility of older households, but on the nature of their housing moves.

From the Australian context, an SPRC research report commissioned by the Australian Government (Bradbury 2010) highlighted the lack of quantitative data that can illustrate the extent of downsizing among older households. It described the Household, Income and Labour Dynamics in Australia (HILDA) survey questions that collect information on older households' reasons for moving, and mentioned how none of the response options in the survey addressed specifically whether older people had moved to less valuable housing. A small 0.7 per cent of all older home owners, and 1.1 per cent of pensioners, said that they were moving to a smaller or cheaper house each year, and as the report stated, 'cumulated over the whole of the retirement period, this could amount to a substantial fraction downsizing' (Bradbury 2010, p.14). This is not certain however, as a smaller dwelling may not be a cheaper one, and thus would be excluded from some definitions of downsizing.

This lack of adequate data and empirical evidence poses a problem for understanding the phenomenon of downsizing in the US and the UK as well. Ermisch and Jenkins (1999) stated that in the UK, it was difficult to evaluate claims made about housing adjustments for retirees due to a lack of appropriate data. There is considerable controversy over even the basic facts concerning downsizing: 'even the basic

question of whether housing is downsized as people age is not well answered in the literature' (Banks et al. 2007, p.15). This article stated that this is due to primarily a lack of empirical long term data able to give insight into the issue, as well as differing and narrow definitions of downsizing, for example studies that consider only a tenure transition from home ownership to rental housing (Banks et al. 2007). This article advocated a more expansive definition of downsizing that includes selling the home to move to new smaller dwelling either as a renter or owner, renting out rooms within the home, moving in with family or friends, or moving to a new home with reduced need for maintenance and repairs.

Further, quantitative data used in research into downsizing often fails to take into account the implications of structural ageing, people who are over the age of 85 when they move are typically moving to live with family or into an aged care situation. The conclusions that are drawn about residential mobility and reduced housing consumption for this age cohort need to take these trends into account. Speculations about the extent of downsizing that examine data related to older people's housing transitions without distinguishing between different age cohorts are therefore flawed.

The lack of quantitative data is coupled with a lack of qualitative data about the experience of downsizing for older households. The US study by Luborsky et al. stated that downsizing was an area that had been minimally researched: 'We lack insights into what comprises the experiences of doing one's downsizing ... What do older adults consider when approaching when and how to downsize? A more meaning-centred approach, building from older adults' own personal experiences, is needed to illuminate the phenomenon of downsizing in order to identify and describe the contours of concerns by older adults undergoing this major late life transition' (2011, pp.1–2). With an absence of a body of research into the situation of older people who have gone through the downsizing process, it was impossible for this review to answer some research questions using just the literature, e.g. research questions 10: How appropriate do downsizers find their new home for their needs and circumstances? and 11: How does downsizing impact on access to care services? Further analysis will be undertaken in the Final Report using the data collected from the survey and interview components of this project, and should remain a continuing focus of research conducted into downsizing into the future.

4.9 Summary

As discussed in the beginning of this chapter, the suitability of current housing stock for Australia's ageing population remains a critical question. Downsizing has been posed by some commentators as a possible strategy towards resolving this question, but a number of key knowledge gaps exist around this issue and research into downsizing particularly in the Australian context is scarce.

This literature review has revealed that downsizing can certainly be a positive move for older people when relocation is driven by changing housing needs. Benefits include the release of capital/equity for non-housing consumption, reducing the burden of home maintenance and upkeep, more environmentally and socially efficient use of available housing stock and resources, and the opportunity to relocate within a closer proximity to services, family and friends (Harding 2007). Literature that examined downsizing as an explicit economic strategy planned for by older people found that it reduced housing overconsumption and disequilibrium, freeing up housing stock for younger households and presented older people with a way of funding their non-housing consumption after retirement.

However, the literature also overwhelmingly found that relocation and downsizing tend to be driven by sudden events, shocks or triggers that are likely to be negative, and

that downsizing often occurs due to necessity rather than fore-planning. Older people are often reluctant to move, and feel that their current dwellings are well-utilised and occupied, preferring to age in place with assistance from services with issues such as home and garden maintenance. Further, there are often barriers to downsizing, both practical and financial, that operate as disincentives for older home owners to downsize if they were to consider it, as well as a lack of suitable and appropriate housing alternatives to relocate into. In the Australian context, there is an incentive for older homeowners to hold onto their family home as it is exempt from the Age Pension asset test.

There is a dearth of comprehensive quantitative and qualitative research into downsizing among older home owners, particularly in the Australian context. A result of this lack of research is uncertainty about the extent of downsizing and of the outcomes for older people who have downsized. In order to understand the complexities of downsizing more fully, further research needs to be conducted in this area utilising a more inclusive definition that encapsulates both spatial and financial dimensions of the phenomenon, i.e. reductions in the number of rooms; reduction of yard and garden or general living space; and reduction in the value of the home. Research also needs to be conducted in which conclusions and analysis are formed around the results of empirical research and qualitative insight from older people themselves, rather than being driven by prior assumptions or predictions based on pre-conceived economic theory.

5 POLICY REVIEW

5.1 Introduction

This chapter reviews Australian and selected international policy related to the research questions:

- What are the financial considerations and consequences of downsizing?
- How does downsizing impact on access to care services?
- What are the obstacles that prevent people who wish to downsize?
- What are the policy options for encouraging or supporting downsizing for those who wish to do so?

Based on the literature review, and iteration throughout the retrieved materials, the main policy areas relevant to downsizing were identified as:

- Information on housing choice and downsizing.
- Taxation policies such as stamp duties on the sale of property.
- Planning policies affecting the location and appropriateness of housing.
- Policies related to the income and assets tests for the aged pension and the treatment of any 'profit' from the downsizing process.

Information provision to older Australians about making informed housing decisions is strongly associated with the income and assets tests for the aged pension.

Australian and key international policy with respect to downsizing, and the extent to which government policy supports or inhibits downsizing among older people, were reviewed using the World Wide Web, Google, parliamentary databases and government websites. As there were no project resources for translation, only international policy documents published in English were considered and the selected countries were Canada, the European Union, including the United Kingdom, New Zealand and the United States of America. For Australian government policies, websites and publications from the Commonwealth and all state and territory governments were reviewed.

5.2 Australian policy perspectives

In Australia, policies that impact on downsizing include those related to taxation, income support, aged and health care, urban planning and social housing. The first three areas are primarily federal responsibilities, while the states are responsible for planning, with social housing being administered jointly. Residential aged care has been a Commonwealth responsibility, with community care shared between the Commonwealth and each state or territory government. However, as a result of recent and current Council of Australian Governments (COAG) Reforms (COAG 2011), responsibility for aged care, both residential and community-based, is the sole responsibility of the Commonwealth from 1 July 2011.

The role of local government is determined by state, not national, legislation and varies somewhat between and within individual states. Responsibility for urban planning and coordination of local community services, including those directed toward the older population, are important responsibilities delegated to local government by state governments.

5.2.1 Current national policy

Commonwealth government policy concerning downsizing has until recently been included in national policies related to social and affordable housing, such as those embodied in the Housing Assistance Act 1996 (Department of Families Housing Community Services and Indigenous Affairs 2011) and the National Rental Affordability Scheme (NRAS) (Department of Families Housing Community Services and Indigenous Affairs (FaHCSIA) 2011). These policies have been primarily targeted at 'rightsizing'² or recycling social housing and ensuring effective housing occupancy to a formula, rather than about downsizing as an informed response by home owners or tenants to their current or future ageing needs. The formula usually used is based on the CNOS, a measure of overcrowding which rates the suitability of a dwelling for its occupants in terms of its number of bedrooms. No allowance is made for living spaces or bathrooms, nor for any special needs e.g. circulation space for wheelchairs or storage for residents' medical equipment. Under the CNOS, suitable housing is defined as: '... enough bedrooms for the size and make-up of resident households, ... means one bedroom for each cohabiting adult couple; ... A household of one individual can occupy a bachelor unit (i.e., a unit with no bedroom)', (Canada Mortgage and Housing Corporation (CMHC) 2011, p.127). While there is evidence to support the use of CNOS in measuring and managing overcrowding, it is currently being applied to older people's housing to measure under-occupancy, for which it was not developed.

A proxy of CNOS (Australian Institute of Health and Welfare 2003) has been developed as a reporting item for overcrowding under the Commonwealth State Housing Agreement (CSHA) and its successors. The limitations of the CNOS, and its Australian proxy, with respect to older people and their housing situation have been described by Judd et al. (2010a), who noted that the CNOS 'fails to take into account some important aspects of [older people's] space utilisation including the presence of temporary residents in the home, the additional time spent in the home following retirement, alternative uses of rooms for a range of activities that become more important post-retirement, as well as the important psycho-social aspects of the meaning and familiarity of home and neighbourhood' (Ibid, p.11).

The findings of Judd et al. are particularly relevant when seen in conjunction with the Australian aged care policy of 'ageing in place', which encourages and supports older people to age in their own homes for as long as possible. Ageing in place as a policy has developed from its original 1997 definition of staying in the same aged care facility as one's needs increased (Department of Health and Ageing 2011) to staying in one's own home and community with appropriate support for as long as possible. As a result of these developments in policy and perspective, Boldy and Horner (2008) have redefined ageing in place as now meaning: 'Meeting the needs of older people for assistance with independent living in: their current housing; their current neighbourhood; or a level of housing appropriate to their dependency' (Ibid, p.1). It would appear that a new paradigm is required to address the housing needs of older people that is independent of the overcrowding issue and addresses how they actually use their dwelling space.

5.2.2 Information provision

The policy of ageing in place has led to the development of information materials for older people to assist them to choose housing appropriate to their needs. FaHCSIA have released a booklet *Accommodation choices for older Australians and their*

² Right-sizing is a strategy designed to 'substitute ... housing for a smaller more efficient alternative' (Coalition of European NGOs 2010)

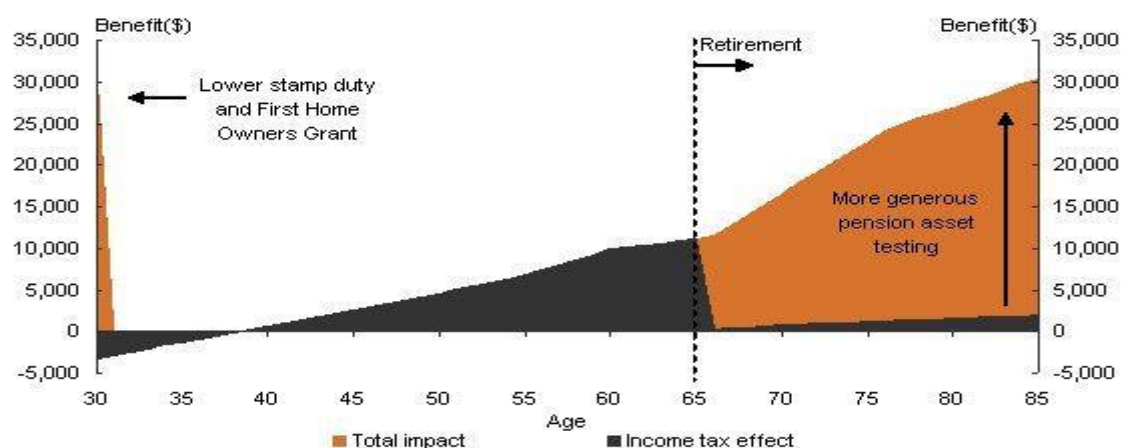
families (Department of Families Housing Community Services and Indigenous Affairs (FaHCSIA) 2010) to assist older people in this regard. Although it does not mention the term 'downsizing', this booklet specifically discusses the option of moving to a more suitable home as a lifestyle choice for older people, with particular emphasis on how selling the home may affect eligibility for the aged pension, how to find a home and plan the move, including settling in to the new location and re-establishing a social life. There are also specific sections on moving into a retirement village, a common form of downsizing; moving in with friends and family or into a granny flat (accessory unit); and moving to an aged care facility. There is a strong focus on how each of these choices affects eligibility for pensions and benefits. In addition, most states and territories publish general information about housing choices, but not downsizing per se, in their Seniors Guides for people (60+) who hold a Seniors Card. For example, New South Wales publishes a *Seniors guide* for older consumers which provides information about what to look for when buying, selling or renting housing among other things (NSW Government Fair Trading 2011). No information resources specific to downsizing are yet available. This lack of information specific to downsizing means that with respect to obstacles to downsizing, older Australians would have difficulty in identifying them as the primary obstacle may be the lack of information itself.

5.2.3 Taxation and stamp duties

Current Australian policies in a number of areas act to inhibit the choice to downsize by imposing significant penalties, usually financial, on people who choose to downsize. The most significant ones are tax disincentives and income support penalties.

The Henry Tax Review (Australian Treasury 2009b) considered a range of taxes that have impacted on housing including the changes to Capital Gains Tax in 1999; increased infrastructure charges; the introduction of the Goods and Services Tax on housing and the First Home Owners Scheme; as well as changes in rates, land taxes and stamp duty on conveyancing. The Review identified that the taxation treatment of housing purchasers, and their interaction with income support systems, has a significant effect on housing decisions and that the real annual benefit (or cost) varies with the age of owner over the life cycle of their housing. Figure 1 illustrates the real annual benefit (or cost) by age of owner of the impact of the various taxes, subsidies and concessions available to Australian home owners over their lifetime.

Figure 1: Tax-transfer treatment of owner-occupied housing compared to investment housing over a lifecycle



Source: Australian Treasury estimates published in (Australian Treasury 2009b).

With respect to stamp duties, the Henry Tax Review noted that ‘Stamp duties may discourage older Australians from moving to a smaller home and reduce the amount of equity withdrawn from a home if they do downsize’ (Australian Treasury 2009b, Box C2.3). In its assessment of the efficiency impact of different taxes and transfers, the Henry Tax Review (Australian Treasury 2009a, 2009b) also noted that: ‘The assessability of capital withdrawn from the home through relocation to a lower value property (or by way of a reverse mortgage) also discourages downsizing.’ (Ibid, ch.10.3)

In Australia, all states and territories levy a stamp duty on land title transfers, which comprise a variable percentage of all property sales. The effect of these on home owner decision making is significant. Yates (2009) concluded that: ‘For those who would prefer downsizing to a smaller house, stamp duties can pose an additional difficulty in the relocation process, by increasing the required return on the property sale before they are able to move.’(ibid, p.10). This means that decisions to downsize are potentially disproportionately influenced by the impact of stamp duties and older people may choose to stay in unsuitable housing rather than incur such costs.

In some states, the impact of stamp duties may be more than all other sale costs combined, including legal fees and removal costs. The Henry Tax Review (Australian Treasury 2009b) calculated the costs of moving house, including stamp duties, as a tax on moving. As shown in Table 18, the effective tax on moving was more than 100 per cent in some capital cities. This ‘tax’ effect combines with the impact of the means test for the aged pension to inhibit some older people’s decisions to move to more appropriate housing as they age.

Table 16: Stamp duty expressed as a tax on moving in capital cities

Capital city	Value of median home, June 2009	Stamp duty payable	Other moving costs	Total cost of moving	Effective tax rate on moving
	\$	\$	\$	\$	%
Sydney	544,000	19,970	21,320	41,290	94
Melbourne	441,900	18,484	18,257	36,741	101
Brisbane	419,000	5,915	17,570	23,485	34
Perth	450,000	15,390	18,500	33,890	83
Adelaide	359,000	14,280	15,770	30,050	91
Hobart	336,000	10,990	15,080	26,070	73
Canberra	458,000	18,240	18,740	36,980	97
Darwin	537,000	26,586	21,113	47,699	126

Source: Australian Treasury (2009c, p.255)

To allow older people to pay less or no stamp duty when selling an existing home in order to purchase a newly built home, some states and territories have recently commenced amending their stamp duties legislation to provide some exemptions or relief from stamp duties. Only the Australian Capital Territory, New South Wales, Northern Territory and Victoria have so far implemented some form of exemption for people who are downsizing, usually contingent upon the purchase of newly built housing. However, the link to the purchase of newly built homes tends to distort decisions in favour of retirement village and seniors living purchases, as these are more likely to meet the needs of older downsizers and be newly built. A summary of

progress regarding the removal of stamp duties that apply when older home owners decide to downsize is shown in Table 19.

Table 17: Comparison of stamp duty exemptions relating to downsizing

State	Exemption name	Key eligibility requirements	Nature of concessions/exemptions
ACT	Pensioner duty concession	ACT residents who hold an Australian aged/veterans/disability pensioner concession card ≥ 50 years; or disability support pensioner with a pensioner concession card; or applicants must satisfy a current and previous property ownership test; total value of the property must be less than the upper property value threshold amount ...	House and land: \$20 (minimum duty) for values less than \$465 000 and \$21.15 for each \$100 or part thereof for value between \$465 000 and \$585 000 Land only: \$20 for values less than \$208 300 or less and \$15.90 for each \$100 or part thereof for value between \$208 300 and \$257 200
NSW	The Seniors Principal Place of Residence Duty Exemption	Senior(s) are aged ≥ 65 years and must: move in within 12 months of completion of the agreement or transfer and occupy the property as their principal place of residence for a continuous period of at least 12 months have owned and occupied a home in NSW within the last 12 months before the date of the current agreement for sale dispose of such former home in the period either prior to, or within six months after the completion of the current agreement for sale. NB: An amendment was passed by NSW Parliament (May 2011) to include people aged 55–64 years as well.	A 25% duty reduction for the purchase of a completed new home, duty is payable within three months of the date that the agreement for sale or transfer is first executed. For an off the plan purchase, duty must be paid within three months of: the completion of the agreement for sale; or the assignment of the whole or any part of the purchasers' interest under the agreement for sale; or the expiration of 12 months after the date of the agreement for sale, whichever occurs first.
NT	Senior Pensioner and Carer Concession	One applicant must be: ≥ 60 years of age hold Northern Territory Pensioner and Carer Concession card occupy the home as their principal place of residence for a continuous period of at least six months	The SPCC is an amount up to \$8500 off the stamp duty payable, which represents the stamp duty on approximately the first \$263 200 of the value of the property acquired.
	Principal Place of Residence Rebate (PPRR)	Eligible persons must have previously owned a home in Australia to acquire and be acquiring another home, or land on which it is intended to build a home. The scheme is not means tested nor is there any limit on the purchase price or construction	Reduction of up to \$3500 off the stamp duty otherwise payable.

		cost of the home. The PPRR is not available to people who are entitled to the stamp duty First Home Owner Concession (FHOC) or the Senior Pensioner and Carer Concession (SPCC).	
Vic	Pensioner's Exemption	Eligible pensioners must: hold one of the relevant concession cards [DVA pensioner concession or health care card, Centrelink pensioner concession or health care card, family assistance or parenting payment partnered health care card] at the date of the transfer, being the settlement date; purchase the property for market value; and intend to reside in the home as their principal place of residence.	Exact amounts are calculated individually

These recent stamp duty exemptions, although mostly targeted at older people who are in receipt of the aged pension or equivalent low income, seem to be aimed at encouraging investment in new seniors-specific housing, such as retirement villages and seniors living housing, rather than enabling downsizing to a smaller residence in the general community that may not be newly built. The link to newly built housing may also prevent many older people downsizing in their existing community as retirement villages and seniors living units are often built in newer areas, not necessarily where older people currently live. Although the New South Wales exemptions are not specific to aged pensioners or equivalent, probably due to the higher housing/land prices in Sydney, the location of retirement villages and other seniors living units is more significant in the case of Sydney as the price of land makes it difficult to acquire sufficiently large parcels for retirement villages in the more densely populated areas of the city.

Other states have not yet implemented any exemptions other than those which apply to first home owners, who may not be downsizing. In some cases for example Northern Territory, the exemption may be combined with other exemptions designed to encourage people to move to and purchase housing in the Territory.

In any case, the high costs of stamp duties across Australia and limitations on the recent stamp duty exemptions mean that the financial considerations and consequences of downsizing are likely to remain significant for older Australians and act to constrain choice. Should the recommendations of the Henry Tax Review (Australian Treasury 2009b) be implemented with respect to replacing stamp duties with land taxes, then the impact on older Australians would be that the choice to sell their home and downsize or move elsewhere would attract no stamp duties. This would reduce the cost of downsizing by up to 50 per cent in some cases. In addition, if a land tax were introduced, older people may be encouraged to downsize when it becomes appropriate for them as the costs of maintaining more land than they need would be significant.

5.2.4 *Income-aged pension*

Most older Australians are in receipt of the full or part aged pension and it forms all or the major part of their income. Older Australians tend to structure their financial affairs at retirement so as to be eligible for at least a part pension as the other benefits that accompany the pension such as discounted medical/pharmaceutical costs are significant. Australia's current assets test for the Age Pension (Centrelink 2011) also encourages older Australians to hold as much of their capital as possible in their principal residence, as the value of the principal residence is excluded from the assets test for the aged pension and from capital gains tax. This means that older people wishing to downsize could breach the threshold for receipt of the Age Pension should they realise any profit as a result of downsizing their principal residence. Both the Henry Tax Review (Australian Treasury 2009b) and the Productivity Commission's Report on Caring for Older Australians (Australian Government Productivity Commission 2011), noted the distorting effect of the income and assets tests for the aged pension on older people's housing and retirement decisions. The Productivity Commission stated that: '... the current assets test has a significant deterrent effect on people's willingness to sell their home and move to more appropriate housing, particularly if that would involve renting or other forms of periodic payment for accommodation ...' (Australian Government Productivity Commission 2011, p.293). The Commonwealth government is currently considering the Productivity Commission's Caring for Older Australians report and its recommendations, so it is possible that this issue could soon be addressed. If so, then older people may be able to make different decisions about moving if they are confident that there is no negative effect on their aged pension income, which is a major financial consideration when downsizing.

5.2.5 *Urban planning and age friendly housing*

Older people's choice of housing for downsizing is influenced by the availability of suitable housing in their preferred location. Some key aspects that older people consider are access to family and friends, public transport, shops and services. Some older people also consider issues, such as disability access to the home and internal design features that support independent living as they age, and may seek out age-friendly housing which has those features.

Current planning frameworks for Australia and a selection of states and territories were reviewed to identify to what extent current planning policies supported age-friendly housing and communities. The case-example of New South Wales was used to examine how policy planning flowed vertically to ensure housing and communities appropriate to the needs of older people. The structures in the three most populous states, New South Wales, Queensland and Victoria, were considered. Victoria was excluded as its local planning arrangements are markedly different to all other states and territories. New South Wales was selected as having local government arrangements that were reasonably representative of most states and territories as well as having a large population, including of older people, and a mix of metropolitan, urban and rural communities.

Over 80 per cent of Australians live in urban areas and in the recently released *Our cities, our future* (Department of Infrastructure and Transport 2011), a national policy is set out for the development of Australian cities. However, older Australians are more evenly split across urban and rural areas as many have remained in the communities where they grew up or have retired to rural communities from urban areas. Table 20 (ACIL Tasman Pty Ltd 2003) shows that older Australians aged over

65 years are fairly evenly split between capital cities (56% in 2006) and rural and other urban areas.

Table 18: Aged population in capital cities versus balance of Australia, 2001

Location	2001 population	65+	75+	85+	65+ (%)	75+ (%)	85+ (%)
Capital cities	10,856,496	1,289,055	609,847	152,537	11.87	5.62	1.41
Non capital cities	8,124,069	1,101,282	481,892	110,424	13.56	5.93	1.36
Total	18,980,565	2,390,337	1,091,739	262,961	12.59	5.75	1.39

Note: Capital cities are Sydney, Melbourne, Brisbane, Perth, Adelaide, Canberra, Hobart and Darwin
Data source: Australian Bureau of Statistics, CDATEA2001, Census of Population and Housing, basic community profile

Moving down from the national to the local level, using New South Wales as the example, the recently released Australian national urban policy *Our cities, our future* (Department of Infrastructure and Transport 2011) and current New South Wales metropolitan strategies (NSW Department of Planning and Infrastructure 2010c) and Housing for seniors and people with disabilities policies (NSW Department of Planning and Infrastructure 2011b) were reviewed. These policies were then followed down to the Local Environmental Plan level to identify the vertical impact of these national and state planning policies. One of the major shortcomings of national, state and local planning policies is that they assume that the needs of older people and younger people with a disability require the same response, when there is no evidence to support this. Consequently, policies which are appropriate for younger people with a disability may fail to meet the needs of older people, and vice versa.

Our cities, our future calls for an increase in the availability of a 'variety of dwelling types ... to suit the growing proportions of smaller households and older people' and 'a re-think of how we provide suitable accommodation, such as ... options to downsize or age in place' (Department of Infrastructure and Transport 2011, p.56). In this policy, the Australian Government also commits to ensuring that 'housing programs accommodate our ageing population, including progressively increasing the supply of adaptable housing that is built to universal design standards to ensure access for the elderly and people with disabilities' (Ibid, p.61). However, successful implementation of these reforms would be predicated on all states and territories implementing them.

In the case of our example state, New South Wales, the complementary urban policy has already been developed in the form of the Metropolitan Plan for Sydney 2036 (NSW Department of Planning and Infrastructure 2010c), originally developed in 2005 and updated in 2010. The Metropolitan Plan has a focus on the integration of housing with workplaces and public transport, walking and cycling. The Plan mentions housing for older people only as part of the goal to 'plan for 770 000 additional homes with a range of housing types, sizes and affordability levels for a growing and ageing population' (Ibid, p.5). There is no specific link to the above mentioned national urban policy goal of increasing the supply of universally designed or adaptable housing.

The 10 sub-regional plans of the Metropolitan Plan for Sydney 2036 were also reviewed. Two of these were selected for further analysis with respect to the housing and community needs of older people. The two sub-regions were selected on the basis of their providing a contrast in population density and mix of housing types, as

well as the differences in their demographic profiles. The selected sub-regions were East Sydney, a densely populated metropolitan area with a significant older population (18%, 65+ by 2031) and varied housing mix (NSW Department of Planning and Infrastructure 2010a) and North West Sydney, a less densely populated, fringe metropolitan area with a younger population (16%, 65+ by 2031) (NSW Department of Planning and Infrastructure 2010b). These two sub-regional strategies were compared with that for the Central Coast, a semi-rural area with a high proportion, 18 per cent, of its population aged 65 years and over (Australian Bureau of Statistics, 2011a).

The East Sydney Plan has a specific target to 'Provide self-care housing for seniors and people with a disability', and recommends provisions for 'seniors living' housing in each Principal Local Environment Plan (LEP), housing for seniors near the Randwick Education and Health Specialised Centre and an appropriate range of residential zonings to cater for changing housing needs. A subregional planning tool, METRIX³, was developed to assist councils in undertaking local housing market analysis to inform their planning.

By way of contrast, the North West subregional strategy, despite an anticipated doubling of the North West's older population to 16 per cent by 2031, confines itself to general goals with the most specific being 'North West councils to provide an appropriate range of residential zonings to cater for changing housing needs' (NSW Department of Planning and Infrastructure 2010b, p.87). The North West focus is rather on the need to increase all forms of housing to meet the anticipated growth in the subregion's population, whose average age is 33 years. However, the recent change of government in NSW will impact on the goals of the North West subregional strategy and may reduce its focus on increasing medium density housing adjacent to public transport nodes, which is often what older people look for when downsizing. As part of amendments regarding affordable housing, the NSW Government has amended the relevant legislation so that 'Villa, townhouse and residential flat developments by the private sector will no longer be allowed in low density residential areas' (NSW Department of Planning and Infrastructure 2011a, p.1). Since North West Sydney is primarily a low-density area, this is likely to mean less development of medium density housing close to its limited number of major transport nodes in the near future.

The Central Coast on the other hand has an eclectic mix of young families moving there because of its affordable housing, although with long commute times, and older people retiring there for its general amenity. The Central Coast Strategy (NSW Department of Planning and Infrastructure 2006) notes that 'the proportion of the population over 65 is projected to increase substantially over the next 25 years to around 24 per cent. This is the highest percentage for the Greater Metropolitan Region ...' (Ibid, p.7) There will also be a focus on 'providing housing choice in appropriate locations, reflecting changing demographics and associated reduction in household size' (Ibid, p.8). This is being implemented through urban consolidation and an increased focus on medium density housing as well as encouraging local government authorities to consider 'the provision of more adaptable housing [which] will allow the ageing population to "age in place"' (Ibid, p.22). The strategy cites self-care housing for seniors or people with a disability as an example of a specific age-friendly housing for the Central Coast, but does not identify medium density housing as part of addressing older people's housing needs. The fact that age-specific aspects

³ The METRIX tool 'enables Councils to test scenarios for dwelling distribution across and outside centres ... taking into account the existing number and type of dwellings near centres of varying sizes and current land use and zoning regulations ... to facilitate determination of where best to accommodate growth ...' (Pinnegar 2007)

of medium density housing are not considered implies that no specific action is envisaged.

Enabling a supply of age-friendly housing relative to the numbers of older people was identified in the national, state, regional or sub-regional strategies and policies. Therefore, the analysis for New South Wales was extended down to the local government level. Waverley Municipality in the East Sydney subregion was selected as the local government authority example to consider, due to its dense population, high numbers of older people and varied housing type mix (Australian Bureau of Statistics 2011b).

Analysis of Waverley Municipality's LEP identified no specific goals relating to housing for older people. The Waverley LEP refers to older people only in the context of seniors housing as defined by the State Environmental Planning Policy (Housing for Seniors or People with a Disability) 2004, which covers aged care facilities, retirement villages and other housing specifically for seniors and younger people with a disability, but not mainstream housing such as general use apartments. The LEP has some general goals that could be interpreted as relevant such as: 'to encourage a range of housing types to meet the changing housing needs of the community' and 'to ensure that Waverley continues to be an accessible community' (Waverley Municipal Council 1996, p.5), but no specific strategies or actions are outlined which would ensure the supply and appropriateness of age-friendly housing proportional to the population.

It should be noted that none of these policies, national, state or local, yet incorporate any reference to the Disability (access to premises/buildings) Standards 2010 (Australian Government 2010) or the Livable Housing Guidelines (Department of Families Housing Community Services and Indigenous Affairs 2010). The former will require all new or substantially renovated public and residential buildings, other than individual housing, to be accessible in the common or public areas, while the latter are guidelines for more accessible/liveable design of the interior spaces of private homes. It is as if the standards needed for age friendly housing were being developed for a population that is not part of that for which the various planning instruments are designed.

Although the situation in New South Wales has been described in some detail, the situation in other states and territories is generally fairly similar, albeit with some notable exceptions. For example, in the Australian Capital Territory the ACT Standing Committee on Planning Public Works and Territory and Municipal Services undertook a significant review into medium density housing inquiry into RZ3 and RZ4 Residential Redevelopment Policies, Inner North Canberra (ACT Standing Committee on Planning Public Works and Territory and Municipal Services 2011). Included in the recommendations from the review are some related specifically to the availability and suitability of housing stock for 'ageing in place'. The recommendations took a universal design perspective and noted that 'that the inclusion of more universally designed dwellings, particularly in multi-unit development, would provide housing suitable for a range of residents and the opportunity to age in place' (Ibid, p.46). It is unclear to what extent these recommendations have been endorsed. Nevertheless they do provide a foundation which over time would increase the availability of housing suitable for an ageing population, most of whom wish to continue living in their existing communities as they age.

The approach to downsizing for most states and territories is similar to that taken by Queensland. The Queensland government provides services and publishes specific information for older people to assist them with renovating/modifying their home to make it safer for them to age in place (Queensland Department of Housing 2007), but provides no support or assistance for older people who wish to downsize.

5.2.6 Access to aged care services

Older people's decisions to downsize can also be affected by their actual or perceived access to aged care services, as well as health services. The current aged care system in Australia rations the supply of subsidised residential aged care and community care delivered to people in their own homes. This rationing is done on a population basis for the combination of the population aged 70 years and over plus indigenous people aged 50 years and over. However, the allocation of services to individuals is not consistent within and across areas. For example, two older people with identical service needs may receive very different service responses, including care options, fees, flexibility etc., depending on where they live, which service provider they approach and when that approach is made (Australian Government Productivity Commission 2011). In most areas there are significant waiting lists for aged care services, particularly those delivered in people's own homes, and there is no guarantee of portability. This means that if an older person or their partner were already receiving aged care services, they could not with any confidence move and be sure that they would receive the same services in another location.

Consequently, in *Caring for Older Australians* (Australian Government Productivity Commission 2011), the Productivity Commission has recommended that the supply of subsidised aged care be uncapped and that eligible older people who need aged care services receive those services as an entitlement. This would mean that older people could then take their aged care subsidies with them when they move as they would be able to choose their service provider and the funds would move with the older person, not stay with their former service provider. If this policy is endorsed and implemented, it would directly impact on older people who choose to change location, including for those downsizing, as they would be able to take their services with them and be confident that should they require new or additional services, they would receive the same assessment and access no matter where they lived.

Caring for Older Australians (Australian Government Productivity Commission 2011), also specifically deals with the issue of downsizing and the incentives/disincentives for older Australians to consider downsizing, even when it may be their best option. Specifically, the report recommends that identified barriers to downsizing should be removed. The relevant recommendations and their potential impact on older people's downsizing decisions are set out in Table 21 below.

Table 19: Productivity Commission recommendations and their potential impact on downsizing decisions

Recommendation	Impact on Downsizing
<p>The Australian Government should adopt separate policy settings (including for subsidies and co-contributions) for the major cost components of aged care, namely care (including personal and nursing care), everyday living expenses and accommodation.</p>	<p>If older people can choose to receive their aged care in any setting, then they are more likely to consider the suitability of their home for ageing in place. In many cases, this would inform a decision to downsize or modify.</p>
<p>The Australian Government should establish an Australian Age Pensioners Savings Account scheme to allow recipients of the age and service-related pensions to establish an account with the Government (or its agent) with some or all of the proceeds of the sale of their principal residence.</p> <p>The account would be exempt from both the Age Pension assets and income tests and would pay interest equal to the prevailing consumer price index to maintain its real value. All accounts would be free of entry, exit and management fees.</p> <p>Apart from the proceeds from the sale of a principal residence (including the sale of any subsequent principal residences), no other amounts should be able to be deposited into the account.</p> <p>Account holders would be able to flexibly draw upon the balance in the account.</p>	<p>Older people who choose to downsize will be able to quarantine any net proceeds of the sale from the assets test for the aged pension.</p>
<p>To facilitate greater consistency in co-contributions across community and residential care, comprehensive aged care means testing to determine care recipient co-contributions to care costs in both settings should be undertaken through the Australian Seniors Gateway Agency by Centrelink.</p>	<p>Older people would not pay higher care fees for choosing to access community care rather than residential care and this may influence their decision to downsize to housing that would enable ageing in place for longer.</p>
<p>The Australian Government should establish a Government-backed Australian Aged Care Home Credit scheme to assist older Australians to make a co-contribution to the costs of their aged care and support.</p> <p>Under the scheme, eligible individuals would receive a Government-backed line of credit secured against their principal residence, or their share of that residence.</p>	<p>Older people who choose to downsize will be able to use any net proceeds from that choice to fund their aged care costs, including purchasing additional aged care services.</p>
<p>The Australian Government should develop building design standards for residential housing that meet the access and mobility needs of older people. The Council of Australian Governments, within the context of its agreed housing supply and affordability reform agenda, should develop a strategic policy framework for ensuring that an adequate level of affordable housing is available to cost effectively meet the demands of an ageing population.</p>	<p>There would be an increased supply of age-friendly housing for older people to choose from, including affordable housing options, both purchase and rental.</p>

As Table 21 shows, the Productivity Commission has considered five principles relating to older people's housing and downsizing:

- Meeting one's housing needs is generally the older person's responsibility.
- Older Australians should be able to sell their house and 'bank' any net proceeds to pay for their aged care needs without negatively affecting their aged pension.
- Aged care fees for equivalent care should be the same whether the care is delivered in a residential care facility or in the older person's home.
- Older Australians should have access to a government guaranteed line of credit to facilitate their access to their housing equity for their care needs.
- Housing designs and building codes should be developed to support the provision of age-friendly housing suited for ageing in place.

If these Productivity Commission recommendations were endorsed by government and implemented, then their effects on older people would be to remove the distorting effect of the pension asset and income tests from people's consideration of their best housing option for ageing in place. In addition, an older person's choice of housing would no longer influence the aged care they could access, the fees they would pay or the care subsidies they would attract. In that environment, it could be expected that more older people may choose to downsize if suitable housing was available in the location of their choice.

5.2.7 Summary of Australian policy on downsizing

Overall, Australian policy regarding downsizing could best be described as being a work in progress. If implemented, the Productivity Commission's recommendations in the Caring for Older Australians report will have a significant impact on older people's decisions on downsizing in the future. The key recommendations of the report in this respect are those which relate to the treatment of the older person's home and any sale proceeds in regards to the assets test for the aged pension, and the uncapping of the supply of subsidised aged care services and their attachment to the individual, rather than the service provider.

Other policy developments in Australia which could impact on older peoples' decisions to downsize include the changes to stamp duties, which have already happened in some states and the territories. However, changes to stamp duties will be of limited impact if they are only available for the purchase of newly built homes.

5.3 International policy perspectives

As a comparison to the Australian policy context, a review of several international policy approaches to downsizing for older people were reviewed. Approaches to downsizing and providing suitable housing for older people vary from country to country and are culturally influenced. Resources were not available for translation, therefore, the review of international policy focused on published policy documents in English from the following sources: Canada, the European Union, New Zealand, the United Kingdom and the United States of America. These countries were chosen on the basis of some degree of shared culture with Australia.

While some of these countries have similar housing policies and mixes to Australia, the balance varies considerably, with many EU countries having a larger proportion of social housing, while others such as the USA have a larger proportion of private housing. Nevertheless, across the board, there is considerable encouragement for people who can afford to do so to acquire their own housing wherever possible during their working life so as to provide for themselves in their old age.

Perspectives on the right size and/or type of housing for older people also varies from place to place. Countries with a high proportion of social housing often consider downsizing to be a mechanism for managing their housing stock and their downsizing or rightsizing policies are aimed primarily at moving older (single) people into smaller dwellings (Coalition of European NGOs 2010; Harding 2007), in order to house larger households. These are essentially 'rightsizing' strategies aimed at benefitting the broader social housing population, not the individual older person; although the new accommodation may be specially designed or adapted to support ageing and disability.

However, there is an emerging area of policy in the EU, particularly the UK, with respect to downsizing for private home owners which focuses on encouraging/supporting older people to move to more suitable housing to age in place and/or free up equity (UK Government 2008). In addition, while some downsizing options are associated with facilitating access to care services; others are focused solely on the older person's housing situation and the suitability of their home as they age.

5.3.1 Canada

The major player in the housing policy area in Canada is the Canada Mortgage and Housing Corporation (CMHC). CMHC commissioned a report on this area entitled *Seniors' Housing for Seniors: A Feasibility Study* (Canada Mortgage and Housing Corporation (CMHC) 2006). This research looked at a specific form of downsizing, sub-dividing the existing dwelling space either permanently [dual occupancy] or by inviting others to 'homeshare'. No policies were found which were specifically aimed at assisting or encouraging older people to downsize to more suitable homes. Rather, the policies were aimed at increasing occupancy in larger dwellings in developed urban spaces to create more efficient land use. In that sense, the Canadian policies are more 'greyfields' policy than downsizing policy. Greyfields has been described by Newton as follows: 'greyfields is a term for describing the ageing, occupied residential tracts of suburbs that are physically, technologically and environmentally obsolescent and which represent economically outdated, failing or undercapitalised real estate assets' (Newton 2011). The CMHC do, however, provide support for home owners to modify or adapt their existing housing to their needs as they age or acquire a disability.

In an Australian context, the option of intensifying the occupancy of large residential blocks and dwellings may make sense in locations where larger lot sizes are/were the norm, e.g. rural towns, outlying suburbs of Canberra. This option may also be suitable where there are political, cultural or other impediments to medium/high density housing.

5.3.2 European Union

The situation in the European Union tends to span the full range of options and perspectives on the downsizing issue. Emerging policy has been clearly set out in a seminal report by Boulmier (Boulmier 2009). Boulmier develops 12 policy proposals that would position the EU to support older people to have access to suitable housing. The policy proposals cover all downsizing and aged housing policy aspects of relevance, including financing and tax and inheritance implications, as well as the need for trained, multidisciplinary professionals for effective implementation. The recommendations also address the need for incentives/support for social housing, dual occupancy, intergenerational housing and universal design ('adaptable housing' or 'design for all'), with the final recommendation being 'Creating a European platform on Housing and Ageing of Europeans ...' If implemented, these policies would

position the European Union to deliver appropriate housing to its older people while enabling them to remain in their existing communities.

This new policy approach is notable due to its wholistic focus on facilitating ageing in place. However, it does not specifically cite downsizing as an option, but rather looks at the societal availability of suitable housing for ageing in place and the structural barriers/facilitators to older people having access to suitable housing as they age. A major feature not seen in other countries' policies is identification of the need to address the issue of 'the majority rules applicable to jointly owned [strata title] properties in order to adapt common spaces to ageing'. It is possible that the decision-making structures of jointly owned (i.e. strata title) properties may be a factor in people's housing decisions. However, further research is required to identify whether that is the case. Certainly in government publications of advice for older people, this issue is specifically identified (Department of Families Housing Community Services and Indigenous Affairs (FaHCSIA) 2010)

Boulmier notes in her first report that 'As well as the fact that the elderly do not wish to move out of their home, any effort to encourage them into a specific form of housing implies the existence ... of adapted and affordable housing' (Boulmier 2009, p.5). She goes on to note that '... ageing is ... taken into account [in] town planning documents, but ... rarely given concrete expression ...' (Ibid, p.5). Boulmier's second report (Boulmier 2010) identifies the barriers to meeting the need for suitable housing stock for older people to age in place. The review of Australian planning policies set out above indicates that a similar situation exists here. Although statements are made in the planning policies, frameworks and regulations, there is little evidence of action to implement the policies at the local level.

Housing Europe (CECODHAS), formerly the European Federation of Social Housing, in their report, *Housing and Ageing in the European Union* (CECODHAS Housing Europe 2010), have built on Boulmier's work and outlined a general EU approach to the issue of suitable housing for older people, especially for supporting ageing in place, citing various examples across the EU. Key questions addressed include identifying how to progressively transform communities into comfortable, secure and accessible spaces for older people and how to provide older people with choice of housing. The 12 policy proposals of Boulmier have also been consolidated under 3 headings:

- The 'silent revolution' of ageing.
- Reconsidering housing and living spaces.
- Looking at the existing practices.

However, the only example cited of any form of downsizing is from Belgium, with a loans scheme to support intergenerational housing (CECODHAS Housing Europe 2010, p.19). These loans are available to any family willing to house at least one direct relative aged over 60 or who care for at least three dependent persons, including young people below 25 years old. Interest rates vary according to the composition of the family (number of dependent persons) and its disposable income.

Throughout the EU policy documents, there is a particular appreciation of intergenerational sensitivities in this area. Is this a response to a European cultural tradition of intergenerational living, or to a shortage of land, or recognition of the need to maximise the use of housing in suitable locations, that is near to older people's existing services and family?

In preparation for the European Year for Active Ageing and Solidarity between Generations, the Coalition of European NGOs (Coalition of European NGOs 2010)

published a jointly developed policy position, which focuses on intergenerational solidarity and cites various areas, including housing for older people, where this can be expressed and supported. With respect to downsizing, the main obstacle across the EU would appear to be ‘... across Europe, public space (the streets and transport systems), collective space (common recreational areas in private properties) and private space (the home) are not adapted to the needs of ... older people.’ This statement could easily be made of the public, collective and private spaces in any part of Australia and most other countries. The difference here is that it has been formally recognised and a clear link made between the three types of space.

In addition to the EU policy as a whole, individual European states and regions are making progress. The major examples are in the UK and these will be discussed separately. An interesting approach is that of the Cork City Council in Ireland. Their Downsizing Scheme for the Elderly: Owner Occupiers provides designated dwellings which are suitable for the needs of elderly persons from its rental stock of social housing. This scheme allows persons aged 60 years and over, whose home is in or rented from Cork City Council, to apply to rent a dwelling under the downsizing scheme. Eligible persons must be living in unfit accommodation, in need of housing on medical, compassionate or other similar grounds, not able to financially meet the cost of maintenance and upkeep of the accommodation they are occupying, or be financially unable to obtain suitable alternative accommodation. The net proceeds of the sale of the older person’s unsuitable home are divided between the older person and the council based on an age related formula, while the older person receives a life tenancy in suitable social housing (Cork City Council 2011). This policy makes sense in places where much of the potentially suitable housing for older people is held as social housing.

5.3.3 New Zealand

The situation in New Zealand is very different. The New Zealand government has recently updated its national housing policy and published its strategic directions for 2011–14 (Department of Building and Housing 2011). While the strategy recognises the fact that by 2051, one in four New Zealanders will be over 65 years old, the policy focus is on social housing and makes no mention of owner-occupiers or downsizing. However, there has been media recognition of the need ‘to accommodate residents’ desires to move into smaller, more manageable accommodation and be able to walk to town’ (Gillies 2008) and academic presentations made about the unsuitability of the New Zealand housing stock for older people (Saville-Smith 2009). There is as yet no emerging New Zealand policy on either age friendly housing or downsizing.

5.3.4 United Kingdom

The UK housing market has many similarities to the Australian housing market. However, it has a much greater supply of social housing. Therefore, UK housing policies with respect to downsizing focus on both downsizing for private home owners and ‘rightsizing’ through the reallocation of social housing according to an occupancy formula. The overall housing policy is set out in the Green Paper *Homes for the future: more affordable, more sustainable* (Department for Communities and Local Government 2007). The section on Housing for an Aged Population recognises not only the need for ‘houses ... to be easily accessible and ... [with] ... access to health, housing, transport and care services’ (Department for Communities and Local Government 2007, p.59) but also the need for housing that meets thermal and safety standards.

In response to the Green Paper, Age Concern, now Age UK, noted that ‘... getting it right for older people could contribute to the health of older people while increasing

the supply of larger housing on the market to meet the needs of new families ...' (Age Concern 2007, p.1). Age Concern's response to the Green Paper is broad ranging and covers all aspects of housing that impact on older people, including: consultation with older people; town planning issues including housing mix, infrastructure and environment; Lifetime Housing standards (similar to the new Australian Livable Housing Guidelines); downsizing; shared equity (HomeBuy); cohousing⁴; retirement villages; home adaptations (modifications); and aged care services and facilities.

The issue of downsizing is clearly linked to the paucity of supply of UK housing that is either of Lifetime Housing standard, adapted or adaptable. Models of shared equity and cohousing are aimed at expanding the pool of housing options for people who wish to downsize. The shared equity model (HomeBuy) is for older people who want to downsize but cannot afford anything suitable in their area. The cohousing model could be compared to a vertical retirement village where each person has an individual self-contained apartment with access to shared communal facilities. Cohousing may not be very different to some of the planned and existing high rise strata apartments or public housing apartments in Australia e.g. Benevolent Society's proposed Apartments for Life at Bondi Junction, Sydney (Benevolent Society 2011) or parts of the renewed Northcott Estate in Surry Hills, Sydney (McCamley 2011). Some organisations in Australia are currently researching whether cohousing models of vertical retirement villages in high density areas may be culturally appropriate for their communities (anon, personal communication, 12 September 2011).

The rapid development of UK policy for downsizing for private home owners has arisen from the allocation of national lottery funds to set up and manage the FirstStop website (Department for Communities and Local Government 2011). FirstStop is a one-stop shop for older people in the UK to assist them to find out about housing related issues for older people. Consequently, a wide range of information services and other supports are now available to assist older people in the UK to make informed choices about their housing; to decide whether, when and where to move, and how to finance the move. Resources include decision-making tools such as *Housing options: Different types of housing to suit your needs* (Age UK 2011), *How well does your home suit you?* (Elderly Accommodation Counsel 2011b) and *Moving to a more suitable property* (Elderly Accommodation Counsel 2011a). FirstStop also provides support to assist older people to find suitable housing and manage the logistics of the move, an overwhelming task for many older people. The support for this approach has even led to the development of a specialised real estate market to link older people with suitable homes.

The active implementation of UK downsizing policy stands in stark contrast to the downsizing policy implementation in all other jurisdictions investigated. Also notable is the extent to which it has been able to engage the private sector, as evidenced by the development of the specialised real estate market.

5.3.5 United States of America

In strong contrast to the other jurisdictions reviewed, the USA appears to have no government policies that specifically support downsizing. This has led to a proliferation of private websites e.g. My Retirement Paycheck (My Retirement Paycheck 2011) and businesses, which support older people to downsize. The focus seems to be on unlocking equity in the home to fund the older person's retirement years. Downsizing is viewed as a way of reducing maintenance burden and ongoing

⁴ Cohousing is described as 'A way of living co-operatively as well as independently. Each person has their own self-contained individual flat in a block with shared communal facilities'. www.cohousing.org.uk

costs and freeing up equity. The bonus is moving to a home that is more suitable for ageing in place and may offer a better social life.

Tax thresholds for relief of capital gains tax strongly influence decisions on when and where to downsize: 'If you sell your primary residence and purchase a less-expensive home or condo, the government lets you keep up to \$250 000 of gain tax-free for singles or up to \$500 000 for married couples' (Tornroos 2009, p.1). This could be compared to the situation in Australia where the capital gains tax free status of the primary residence tends to inhibit downsizing as there are no other investment options with the same tax status.

Specialist blogs have been set up in the USA specifically around the tax advantages and disadvantages of downsizing (Tornroos 2009). Typical blogs are: 'My husband and I are empty nesters, living in a large home and paying high property taxes. We figure we will be able to save more for our retirement if we downsize now instead of waiting' and 'I was paying a lot to have my grass cut, my driveway shoveled, my gutters cleaned and my pool maintained ... I have cut my costs in half by downsizing' (Tornroos 2009, p.1). It would seem that older people in the USA are identifying with the same issues around downsizing as older people in the UK, but without access to one stop shops and government support to assist with the move. This has led to the growth of a private market to assist with downsizing, especially to retirement communities, and to a growth in support services to assist people with the logistics of the move.

5.4 Summary

This review of Australian and international policy with respect to downsizing, and how or whether it is supported or inhibited by policy, has found that downsizing policy, with the exception of the UK, is relatively under developed. The UK's use of national lottery funds to support the development of downsizing policy and its implementation has already paid dividends for older people in the UK. In addition to the excellent range of websites, information products and decision-making tools about downsizing, the UK policy has enabled the development of a specialist residential real estate market to assist older people to find suitable properties for downsizing.

After the UK, the EU appears to be the most developed in terms of downsizing policy, particularly via the work of Boulmier (2010) whose work has led to an overarching policy statement that considers the relationships between public, communal and private spaces in the context of older people's housing choices and their impact on decision or opportunity to downsize. It also identifies the issue of the design and accessibility of communal and private spaces that are suitable for the needs of older people in jointly owned (strata title) properties. However, the implementation of these policies is yet to be achieved and so their full impact cannot yet be assessed.

In Australia, policy relevant to downsizing crosses all three levels of government. Commonwealth (federal) policy impacts on tax and assets testing for the aged pension (Australian Government Productivity Commission 2011; Australian Treasury 2009b); state/territory policy impacts on stamp duties and land tax and planning frameworks as illustrated in Table 21; while local government policies determine the supply and location of age friendly housing and communities (Department of Infrastructure and Transport 2011). At this stage, the shared focus of these three levels of government appears to be on social housing for older people, especially in terms of affordable or adaptable housing (Department of Families Housing Community Services and Indigenous Affairs (FaHCSIA) 2011). There is little emphasis on enabling older home owners to downsize without financial penalty or on

ensuring that a supply of age friendly housing will be available in the general community, where most older people currently live and wish to continue to live.

6 DISCUSSION

6.1 Introduction

This chapter discusses how the findings of the ABS data analysis, literature review and policy review inform the research questions, justify the need for the research and guide the future stages of the research project. In broad terms it concludes that the usual sources of data on population and housing (ABS Census, SDAC & HILDA) provide only indicative housing mobility data that does not identify downsizing per se as opposed to other dwelling relocation behaviour.

The literature review confirms that downsizing among older people is an under-researched and under-theorised area of housing research with little local or international academic literature addressing this topic. This justifies the need for this research project. The three main theoretical perspectives on downsizing evident in the literature are: the housing equilibrium model, the lifecycle model and the life course model. However, this research adopts a person-environment approach drawing on environmental press theory (Lawton 1985), with some reference also to the theory of housing adjustments (Morris & Winter 1975), the ecological approach (Bronfenbrenner 1986) and environmental congruence theory (Kahana 1975) as these are considered most useful in understanding moving and housing decision behaviour.

There remains confusion about how downsizing is defined. While there is general concurrence that downsizing represents reduced consumption of housing, it is not clear whether this means in terms of dwelling floor area or as implied by number of rooms or bedrooms, allotment size, financial value (down-pricing), relocation, or a combination of any of these. Since these are often interrelated, for the purposes of this study a broad definition of downsizing is used including decreases in the value of the dwelling, the number of rooms within the dwelling, and in the spatial dimensions of the dwelling and garden/yard areas.

It is also evident from the policy review that while there are significant advances in housing policy internationally concerning downsizing, particularly in the UK and Europe, it is relatively undeveloped in Australia. This is true both in regard to the quality and availability of information to support older people considering downsizing among other alternatives in later life, and/or incentives available to encourage this via the taxation, aged pension, planning and property transfer systems.

The following sections discuss more specifically how the findings inform the research questions which are clustered under the three following headings.

6.2 ABS Census and SDAC evidence of downsizing

Question 1: What evidence is there from ABS Census data of downsizing among older Australians, and has this increased over the last three censuses?

The analysis of ABS data confirms one of the assumptions underlying the need for this research, i.e. that Census data is not able to provide direct quantitative evidence on the phenomenon of downsizing. This results from the lack of questions in the Census on the previous dwelling and land characteristics and minimal information on the size (number of bedrooms only) or value of the current dwelling.

There are however, indications in ABS Census data about downsizing in later life when the number of bedrooms in dwellings is analysed according to the age of the occupants. What this indicates is that a lower proportion of older Australians live in larger dwellings compared to their younger counterparts, and that this tendency had

increased over the decade 1996–2006. However, it is acknowledged that cohort effects also could be influential here.

Likewise, indications of downsizing can also be observed by analysing dwelling type by age, on the assumption that residential flats are generally smaller than separate single dwellings. This indicates that Australians tend to move away from lower density (detached dwellings) to higher density (generally smaller) housing types (flats) as they age, and that this is an increasing trend over the 10 years from 1996–2006, albeit also influenced by cohort effects. However, the proportion of older people living in flats is polarised around the young-old (55–64) and the old-old (85+) with much lower levels in the middle 65–74 and 75–84 age groups.

Information is also available from ABS Census data about moving within one or five years of the census date. But while the size of the current home in terms of number of bedrooms is known, such details of the previous dwelling are not requested. This makes it impossible to distinguish whether downsizing of the dwelling has occurred.

From this analysis of ABS data, the evidence is indicative only, and inadequate for understanding the phenomenon of downsizing among older Australians. This affirms the need for the current research, which through the national survey and interviews will provide both quantitative and qualitative insights to fill this gap.

Question 2: What is the extent of downsizing among Australians aged 55 and over?

As indicated above, the investigation of ABS Census and SDAC data on ageing and housing demonstrates that there is no enumeration or reliable means of estimating the extent of downsizing among older Australians from these sources. There is some evidence from the literature on mobility among older people that indicates that land and dwelling size can be a factor in residential relocation among older people, but generally these sources do not distinguish between downsizing, upsizing or other relocating behaviour. The rare empirical studies that specifically identify downsizing suggest this may only be undertaken by a small percentage of older people. Conversely, there is considerable evidence from a number of studies that the majority of older people prefer to remain in the same location, age in place, and maintain a home with adequate space for visiting family and friends and to carry out a range of post retirement activities, and remain in the same location.

Therefore, it can be concluded that there is a dearth of information from both statistical sources and scholarly research on the phenomenon of downsizing, and therefore little evidence to substantiate that downsizing among older people has been significant in Australia. This national survey for this research will help to fill this gap.

6.3 The demographics and housing characteristics of downsizers

Question 3: What are the demographic characteristics of downsizers?

Demographics refer to the characteristics of a population (in this case downsizers) including age, gender, relationship status, household size, education, occupation and even geographic location. While the analysis of ABS census data indicates that the proportion of older people living in larger dwellings decreases with age, and that older people living in flats are polarised around the younger 55–64 and 85 and over age groups, this is not direct evidence of downsizing. It is clear from the literature that moving in older age does not necessarily mean downsizing, but can be the opposite (upsizing), down-pricing or ‘trading sideways’.

There is no evidence available from ABS sources on the age characteristics of downsizers per se, as distinct from those who have moved for other reasons, or with other outcomes. However, the fact that moving has been associated with triggering events such as the onset of illness, disability or the death of a spouse suggests that this is more likely to happen in the older-old, rather than younger-old cohorts. Likewise there is a lack of information on gender, relationship status, household size, education and occupational characteristics of downsizers.

The absence or paucity of such information makes it difficult to assess the extent of downsizing and hence its importance in terms of ageing and housing policy as well as the housing market and housing supply. The national survey (see Appendix 1) will address this problem by providing information on the demographics of those who have downsized, or are considering to do so which will help to fill this gap.

Question 5: What types of accommodation do older people downsize into?

It follows from the discussion in Section 6.2 that despite the general indications that older people tend to live in smaller dwellings (as indicated by number of bedrooms and dwelling type), the absence of Census data on the size and structure (dwelling type) of the previous dwellings makes it impossible to ascertain whether people have downsized or not, and hence what they have downsized into.

While there is some literature on residential mobility among older people that indicates that the size of the dwelling is a factor in moving, and in rare cases identifies downsizing specifically, this is generally not linked to particular housing types. This also confirms the need for the current research, which will use both quantitative survey data and qualitative interviews to explore the characteristics of both the previous and current dwelling to enable such an analysis, and thereby understand the housing choices of those who do (or do not) downsize when they move in later life.

Question 6: To what locations do downsizers move in relation to their previous dwelling?

ABS Census data does provide information on whether people have moved within a one or five year period and records the street number and name, suburb/locality, state and postcode of the previous dwelling. This allows considerable analysis of relocation patterns, which can be analysed according to the age of the person. Our preliminary analysis was undertaken at SD level only found that older people were more likely to relocate in the same SD than those who were younger, but that this decreases with age. Again, however, such relocations cannot be used to identify downsizing per se, which makes this question difficult to answer from ABS sources. However, the relocation patterns of older people are relevant to the research question and will be examined in later stages of the research at a finer geographical scale, and mapped accordingly.

The literature provides some interesting insights into the importance of location to older people. Australian studies indicate that remaining in their existing neighbourhood is important to many older people as is proximity to retail and other services. While there is a strong desire to age in place among many older Australians, this has been found particularly among the younger old and baby boomers, to be more about attachment to a particular location than the family home per se. Proximity to family is also an important consideration in decisions to move or stay put in older age both for maintaining quality family relationships and for accessing care and support, both formal and informal.

The question of the importance of location in downsizing decisions will be a major focus of the survey where information on the location of the previous and current

home will be sought and this will be able to be linked to downsizing and other moving behaviour. The importance of a number of locational factors will also be sought (closeness to children or relatives, friends, health services, aged care services, shops and public transport) for both triggering the move from the previous home, and/or expectations of a future move. The face-to-face interviews will provide the opportunity for a more nuanced understanding of the importance of location and reasons for past and/or future downsizing decisions.

6.4 Motivations processes and impacts of downsizing

Question 4: What motivations and circumstances precipitate downsizing?

There is no evidence from ABS data regarding motivation and circumstances pertinent to downsizing, other than age itself being related to living in smaller dwellings and particular housing types. However, the literature does provide a rich understanding of the reasons that people can choose to downsize. These can be for economic or other reasons. The principal economic reason is to reduce housing consumption by selling what is typically the most valuable asset—the family home—and redirect wealth to finance non-housing consumption such as living expenses or health/aged care. However, it is generally agreed that the most important triggers for downsizing are negative and sudden life events including:

- Inability or difficulty of maintaining home or garden, either physically or economically.
- A change in household composition, whether this be due to children leaving home, death of a partner or separation/divorce.
- Decline in health, and resulting increased health care costs or inability to maintain the home or garden.
- Change in employment status such as unemployment or retirement and consequent financial impacts.
- Family reasons such as pressure to downsize, need for geographical proximity to children for support or assistance or transferring wealth.

Much of the evidence for these triggers is from international research, with only limited information available from Australian studies, although Bridge et al. (2009) did find that reverse mortgages were used sometimes to transfer wealth between generations. Our research will attempt to remedy this by collecting detailed information on why older people have downsized or expect to do so both quantitatively via the national survey and qualitatively through the in-depth interviews undertaken in three states.

Question 7: What are the impacts of downsizing on familial, social and support networks?

Internationally, few studies were identified on the impacts of downsizing among older people and those that did were found focused on the economic rather than the social impacts. This indicates a significant gap in the research, which the national survey will seek to remedy by including questions on how satisfied those who have downsized are compared to those who have moved for other reasons, and if not satisfied what the reasons are for this. The in-depth interviews of selected survey respondents in New South Wales, Victoria and South Australia who have downsized will provide an opportunity for a richer understanding thus providing a necessary knowledge base on the social impacts of downsizing that can inform housing and ageing policy.

Question 8: What are the financial considerations and consequences of downsizing?

The literature search revealed only a few studies on the financial consequences of downsizing and these generally agree that housing equity is substantially reduced as a consequence. While there is no intention of quantitatively calculating the impact on household wealth and finances as part of the current study, the perspectives of older downsizers on such issues will be sought via the survey questions referred to above, and followed up in more detail in the in-depth interviews.

Question 9: What processes do people undertake in downsizing?

Likewise, the processes people go through in the downsizing process appear to be largely unresearched. Given the ageing of the population, limitations in the supply of age-friendly housing and neighbourhoods, and the complexity of issues around taxation and pension eligibility, clearly the availability of good information is critical. It is clear from the policy review that both national and state/territory governments do provide some information on housing options for older people, and outline the legal, financial and social considerations of moving in older age, but few make specific reference to downsizing as opposed to other housing alternatives. Typically, they have a more consumer protection focus on legal and financial issues, such as those related to retirement village contracts.

The survey will include questions on whether and from whom older people seek advice prior to moving, how easy it was to find an appropriate home and location, and what kinds of barriers and difficulties were encountered in this process. The in-depth interviews will provide an opportunity for a deeper understanding of the processes of moving to a smaller home.

Question 10: How appropriate do downsizers find their new home for their needs and circumstances?

Again, this was found to be a largely un-researched issue. Anecdotal evidence from previous AHURI studies suggest that some people who have downsized have not been entirely happy with either the dwelling or location they have moved to. Proximity to family and friends and access to health facilities seem to be key causes of dissatisfaction, sometimes precipitating a return back to an urban area from which they had previously moved. Clearly this may have significant financial implications if moving back into a more expensive housing market.

This question will also be able to be answered from responses to the survey questions on satisfaction with their current home and the reasons given for this, and in further depth in the interviews.

Question 11: How does downsizing impact on access to care services?

Little evidence was found in the literature on impacts of downsizing on access to aged care services. However, qualitative evidence from two previous AHURI research reports on older home owners and low-income age-specific housing indicates that for some older people access to care services is a reason why they do not want to move from the family home (Judd et al. 2010a) and for others a motivation for having moved to a retirement village, despite the reality of many care services being provided by external organizations rather than the village itself (Bridge et al. 2011). If taken up by government, the Productivity Commission's recommendation that care be disengaged from accommodation type may provide even less incentive to move from the family home to age-specific accommodation for such reasons (Australian Government Productivity Commission 2011).

Our survey will gauge how important closeness to aged care services is for those who have downsized or expect to do so, whether this is a reason for dissatisfaction with their current home, and whether this is a factor in any anticipated future moves. The interviews will explore this theme in greater depth.

6.5 Obstacles and policies for downsizing

Question 12: What are the obstacles that prevent people who wish to downsize?

The literature reveals that obstacles to downsizing fall into two major categories: the attitudes of older people themselves, and financial disincentives. In terms of attitudes, there is a general reluctance to move from the family home unless precipitated by a sudden shock (e.g. as a result of retirement, change in health, death of a partner or relationship breakdown) because of the strong emotional attachment to the home. Another reason can be the desire to transfer wealth to children or grandchildren. The need for space to accommodate temporary residents and family can also be a disincentive, as can the need for space in the home for hobbies, office work, exercise equipment and other activities. The psychological cost of moving can also be a factor.

In financial terms, a number of possible obstacles have also been identified. These include the financial costs associated with moving (agent's fees, stamp duty, conveyancing costs and removalists etc.); risk averse attitudes; lack of information on housing alternatives and the process of moving; uncertainty about the impact on pension entitlement; and lack of supply of appropriately designed and affordable housing alternatives.

Our study will test these findings in the Australian context. The survey includes specific questions on whether, and from whom, information was sought about moving from the previous home and any difficulties encountered in the process. Similar questions are included about likely future moves. These will be further explored in the in-depth interviews and in the policy forum discussions.

Question 13: What are the policy options for encouraging or supporting downsizing for those who wish to do so?

There is a clear relationship between the obstacles and disincentives referred to above and policy options for facilitating downsizing. Australian policy initiatives regarding downsizing fall under five main areas:

- Information: Provided by both federal (FAHCSIA) and state governments (seniors offices and consumer protection departments) about moving in later life, but rarely addressing downsizing per se.
- Taxation and stamp duties: Recent exemptions or reductions in stamp duty on the sale of the family home for older people, implemented in various forms by NSW, Victoria, the ACT and NT governments.
- Age Pension: Recent Henry Tax Review and Productivity Commission recommendations regarding exclusion of the proceeds from the sale of the family home from the assets test, currently under consideration by the Federal Government.
- Urban planning and housing design: At federal government level including: support for age-friendly neighbourhood design (in conjunction with the Australian Local Government Association (ALGA) and built environment peak organizations) and recent revisions to Access to Premises standards to include common areas of flats and apartments and voluntary Livable Housing Design Guidelines. At state

government level planning provisions to improve the supply, affordability, location and accessibility of smaller housing options including secondary dwellings.

- Aged care services: Yet to be implemented recommendations of the Productivity Commission to disengage care and accommodation; to provide consistency between the costs and co-contributions to community and residential care; and establish an Aged Care Home Credit Scheme to quarantine the proceeds of the sale of the family home so that they can be used for the provision of aged care services.

Internationally, the UK and Europe lead the way in policy development for downsizing. The UK government's 2007 green paper *Homes for the Future* paved the way to the introduction of Lifetime Homes design standards, an extensive one-stop-shop information, advisory and assistance service (FirstStop) supported by the national lottery fund, and a shared equity scheme (HomeBuy) to assist older people with affordability problems to downsize.

Building on a report by Boulmier (2009), the EU has also recently developed a wholistic approach to ageing and housing policy, but with a focus on ageing in place and the implementation of age friendly communities, rather than specifically on downsizing. Some member states have introduced specific measures for facilitating downsizing such as the loans scheme to encourage intergenerational living in Belgium. Local authority initiatives also exist, exemplified by the Irish County of Cork's downsizing scheme to facilitate the sale of unsuitable private housing and re-house people aged 60 or more in suitably designed social rental accommodation (Cork City Council 2011).

This study will explore the effectiveness or potential of these and other policy options via policy workshops in three states (NSW, Vic & SA) with participants invited from the government, seniors' organizations, residents associations, community service providers and the housing industry. The conclusions of the policy forums will inform the policy implications section of the final report, which in turn it is hoped will help to guide future policy development concerning the important but not yet fully understood phenomenon of downsizing among older Australians.

7 CONCLUSION

7.1 Summary of the key findings

The ABS data analysis, literature review and policy review all confirm the need for this research. It can be concluded from these investigations that:

- Downsizing was found to be a poorly theorised and researched area of housing studies.
- There is confusion about how downsizing is defined in terms of whether it includes only reductions in dwelling and/or land size or includes reductions in the economic value of housing.
- There is clearly a lack of evidence in available ABS statistical data on downsizing in Australia, and particularly on the extent of downsizing, the demographics of downsizers, and the type and size of housing to which they move.
- There is evidence from previous studies that moving (including downsizing) in later life is generally triggered by negative shocks such as sudden change in household composition, employment status, decline in health, inability to maintain property, or for family or social support reasons.
- There is also a paucity of information on the processes of downsizing and its economic and social outcomes including access to care services.
- Compared to the UK and developments in the EU, Australia appears to be lagging somewhat in explicit policy development concerning downsizing, but has made some advances to facilitate moving (which may include downsizing) in older age by removing disincentives to moving via exemption/concession of stamp duties, removal of Age Pension asset and income test disincentives, and improved age-friendly housing regulation and guidelines.

These findings are useful in informing the future stages of the research as outlined below.

7.2 Implications for future stages of the research

7.2.1 *Further ABS Data Analysis*

For the Final Report, we will carry out further data analyses of customised tables already purchased from the ABS. The analyses will focus on three SDs each in New South Wales, Victoria and South Australia, totalling nine SDs. These nine SDs will be chosen where responses to our survey are the highest in each of the three states. Analyses will be considered in relation to state/territory-level as discussed in this Positioning Paper, and will include enumeration and cross-tabulations of the key variables at a regional scale. This will assist us to ascertain the reliability of both datasets, specifically the representativeness of our survey (regarding match-up to the age profiles of each state/territory and the highlighted SDs) and the adequacy of using Census data to indicate downsizing.

Analyses of the 2009 SDAC data will also be included in the Final Report. We will replicate analyses as conducted for the 2003 SDAC to provide directly comparative data to facilitate a time-series analysis from 2003–09 on Australia's practice of relocation due to disability and/or age.

7.2.2 *The National Survey*

The survey is now completed having been included in the centrefold of the August–September 2011 edition of *50 Something* magazine, and advertised on five other

seniors' magazines, newsletters and email communications over a similar period. Our expected response of around 2000 hard copy and online surveys was exceeded with 3293 received and data entry completed. Though not being able to benefit from the findings of the data analysis, literature and policy review, the content of the survey is considered appropriate in the light of the findings of this Positioning Paper and will yield information to fill many of the gaps in knowledge about downsizing that have been identified. See Appendix 1 for the magazine survey form.

7.2.3 In-depth interviews

The findings of the literature and policy review will provide valuable guidance for the in-depth interviews. Following a brief confirmation of demographic details, themes for the semi-structured interview schedule will closely follow research questions and will include the following:

- The meaning of the term downsizing to the interviewee.
- Whether they have considered themselves as having downsized.
- Reasons and circumstances leading to moving/downsizing.
- Previous house and land characteristics that contributed to need to move/downsize.
- Importance of location in moving from previous home.
- Ease or difficulty in the process of moving/downsizing.
- Sources of information and assistance sought in the process of moving/downsizing.
- Financial considerations in moving/downsizing.
- Reasons for choosing type and size of dwelling.
- Satisfaction with choice of housing and location.
- Impact of moving/downsizing on financial situation.
- Impact of moving/downsizing on family relationships and social networks.
- Impact of moving/downsizing on access to health and aged care services.
- What government could do to assist moving/downsizing.
- What housing industry could do to assist moving/downsizing.

Participants are being selected from survey respondents who volunteered for interviews. Twenty will be chosen from each of the three states to cover the range of age groups, both genders, single and couple households as well as metropolitan and regional respondents. The sample will include movers who have and have not downsized in proportion to those revealed in the survey.

7.2.4 Policy forums

The policy forums will take place at the conclusion of the interview analysis. Themes and questions for discussion at the policy forums will be drawn from the literature and policy review and policy relevant issues raised in the in-depth interviews. Invitees will include representatives from:

- Government agencies with responsibilities for ageing and/or housing.
- Seniors' peak bodies and organisations.
- Older residents' associations.

- Community aged care service providers.
- The housing and development industry.

It is anticipated that 20–30 people will attend the four hour forums in each state.

The program for the forums will include:

- A welcome and introduction to the project (15 minutes).
- Presentation of preliminary findings (60 minutes).
- Morning tea (30 minutes).
- Group discussion of key policy questions (90 minutes).
- Reporting back on key themes from the discussion (15 minutes).
- An outline of next steps in the research (15 minutes).

The discussion will be strongly policy focused, with key themes related to the policy relevant research questions, including seeking views on current and potential future policy options identified in the literature policy reviews and interviews.

The World Café method involves participants working in groups and rotating between tables, except for the group convenor who will remain at the same table, and will be responsible for recording comments on the policy questions. The findings of the policy workshops will then be compiled and feed into the policy implications chapter of the Final Report.

7.3 Conclusion

This research is based on the premise that downsizing is an aspect of the housing behaviour of older Australians which remains relatively unexplored. It is considered important because of the rapid ageing of the Australian population, the increasing emphasis on ageing in place, and questions about the appropriateness of existing housing options available to older people who choose to move. There is much popular mythology about downsizing, even to the extent of assuming that it is, or should be, the norm when people reach older age. However, evidence from a previous AHURI and other studies suggests that this is not the case. Whether this is because of the desire to age in place in the family home and neighbourhood, or because of barriers arising from the taxation, pension or planning systems remains largely unanswered.

In the quest to understand more about this form of housing behaviour and its implications for ageing and housing policy in Australia, it is important to ask the who, when, where, why, what and how questions of downsizing: who downsizes in terms of age and other demographic characteristics; at what stages in life this is likely to occur; where do older people downsize to in terms of geographical location and access to facilities and services; why do they choose to move to a smaller dwelling; what types of housing they move into; how they go about this process; and with what social, economic and well-being outcomes. It is these questions that this research aims to explore and will be investigated in more detail in the future stages of the research. This will provide an understanding that will be useful to policy-makers, the housing industry, ageing organisations and indeed to older people themselves.

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APPENDICES

Appendix 1: Magazine survey form

Have Your Say


Downsizing Amongst Older Australians

What is this research about? We want to know why some people choose to move in later life: who moves, at what age, for what reasons, to what location and type of housing, and with what outcomes. Your answers will help governments and the housing industry to better understand and respond to the needs of older Australians. You can read the research *Project Information Statement*, and, if you prefer, complete the survey online, at the following website: <http://www.cityfutures.net.au>

Who can participate? Anyone who has moved house since turning 50.

Ensuring your privacy: Any information you give us will remain confidential. You will not be personally identified and the information you give us will only be used for research purposes.

This research has received ethics approval from the University of NSW. University ethics panel approval no. 115055.



UNSW
THE UNIVERSITY OF NEW SOUTH WALES

AHURI
Australian Housing and Urban Research Institute

BUILT ENVIRONMENT

To have your say, complete and return this four page questionnaire in a sealed envelope (NO STAMP REQUIRED) to:

Downsizing Survey
City Futures Research Centre
Faculty of the Built Environment
Reply Paid 61244
University of New South Wales
Sydney NSW 2052

FIRST SOME INFORMATION ABOUT YOU AND YOUR HOUSEHOLD

Question 1: How many times have you moved house since you turned 50 years of age?
☐ Not moved at all ☐ Once ☐ Twice ☐ More than twice (state no of times) _____

Question 2: Your gender? ☐ Male ☐ Female

Question 3: Your Country of Birth? _____

Question 5: Your age group?
☐ 50-54 ☐ 55-59 ☐ 60-64 ☐ 65-69 ☐ 70-74 ☐ 75-79 ☐ 80-84 ☐ 85+

Question 4: Do you have a partner living with you? ☐ Yes ☐ No

Question 5: If yes, in what age group is your partner?
☐ 50-54 ☐ 55-59 ☐ 60-64 ☐ 65-69 ☐ 70-74 ☐ 75-79 ☐ 80-84 ☐ 85+

Question 6: Any other permanent residents living with you? ☐ Yes ☐ No

Question 7: If yes, how many other permanent residents are living with you? _____ (number)

Question 8: Are you... ☐ Fully retired? ☐ Working part-time? ☐ Working full-time? ☐ Other?

Question 9: What is your main source of income?
☐ Wage or salary ☐ Part age pension ☐ Full age pension ☐ Self-funded superannuation
☐ Other (please specify) _____

Question 10: Which of the following household income groups are you in?
☐ Less than \$20,000 ☐ \$20,000-\$29,999 ☐ \$30,000-\$39,999 ☐ \$40,000-\$49,999
☐ \$50,000-\$59,999 ☐ \$60,000-\$69,999 ☐ \$70,000-\$79,999 ☐ \$80,000 or more

NOW SOME INFORMATION ABOUT YOUR CURRENT HOME

Question 11: Where is your current home located?
State/Territory _____ Locality _____ Postcode _____

Question 12: What type of dwelling is your current home?
☐ Single detached house ☐ Flat or apartment in a 1-3 storey building with a lift
☐ Semi-detached or duplex house ☐ Flat or apartment in a 4 or more storey building
☐ Attached, row, terrace or town house ☐ Caravan, mobile or manufactured home
☐ Flat or apartment in a 1-3 storey walk up building ☐ Other (specify) _____

Question 13: Where is your current home situated?
☐ The general community ☐ A retirement village ☐ Other seniors-only development ☐ Other

Question 14: What is the form of ownership or rental of your current home?
☐ Outright ownership ☐ Ownership with mortgage ☐ Public or Community Housing Tenant
☐ Private tenant ☐ Lease (as in retirement village, mobile or manufactured home)
☐ Live rent free ☐ Other (please specify) _____

Question 15: What form of title is your current home under?
☐ Separate (Torrens) Title ☐ Strata (Unit) Title ☐ Community Title ☐ Other ☐ Don't know

Question 16: How long have you lived in your current home? _____ Years _____ months

Question 17: How many bedrooms are there in your current home?

- ☐ Bed-sitting room ☐ 1 bedroom ☐ 2 bedrooms ☐ 3 bedrooms ☐ 4 or more bedrooms

Question 18: How many storeys are there in your current home?

- ☐ Single storey ☐ 2 storeys ☐ 3 or more storeys

Question 19: What is the approximate floor area of your current home in squares or square metres?

(Note: 1 square = 100 sq ft)

- ☐ Less than 5 squares (or 50 m²) ☐ 5-9 squares (or 50-99 m²) ☐ 10-14 squares (or 100-149 m²)
☐ 15-19 squares (or 150-199 m²) ☐ 20-24 squares (or 200-249 m²) ☐ 25-29 squares (or 250-299 m²)
☐ 30 or more squares (or 300+ m²) ☐ Don't know

NOW SOME INFORMATION ABOUT YOUR FORMER HOME

Question 20: Where was it located? State/Territory _____ Locality _____ Postcode _____

Question 21: What type of dwelling was your former home?

- ☐ Single detached house ☐ Flat or apartment in a 1-3 storey building with a lift
☐ Semi-detached or duplex house ☐ Flat or apartment in a 4 or more storey building
☐ Attached, row, terrace or town house ☐ Caravan, mobile or manufactured home
☐ Flat or apartment in a 1-3 storey walk up building ☐ Other (specify) _____

Question 22: Where was your former home situated?

- ☐ The general community ☐ A retirement village ☐ Other seniors-only development ☐ Other

Question 23: What was the form of ownership or rental of your former home?

- ☐ Outright ownership ☐ Ownership with a mortgage ☐ Lease (e.g. retirement village)
☐ Private tenant ☐ Public/Community Housing Tenant ☐ Live rent free ☐ Other

Question 24: How long had you lived in your former home? _____ Years _____ Months

Question 25: How many bedrooms did your former home have?

- ☐ Bed-sitting room only ☐ 1 bedroom ☐ 2 bedrooms ☐ 3 bedrooms ☐ 4 or more bedrooms

Question 26: How many storeys did your former home have?

- ☐ Single storey ☐ 2 storeys ☐ 3 or more storeys

Question 27: What was the approximate floor area of your former home in squares or square metres?

(Note: 1 square = 100 sq ft)

- ☐ Less than 5 squares (or 50 m²) ☐ 5-9 squares (or 50-99 m²) ☐ 10-14 squares (or 100-149 m²)
☐ 15-19 squares (or 150-199 m²) ☐ 20-24 squares (or 200-249 m²) ☐ 25-29 squares (or 250-299 m²)
☐ 30 or more squares (or 300+ m²) ☐ Don't know

Question 28: Which of the following circumstances contributed to moving from your former home?

(tick more than one if appropriate)

- ☐ Child(ren) leaving home ☐ Retirement of self or partner ☐ Financial gain
☐ Relationship breakdown ☐ Your or your partner's illness ☐ Financial difficulties
☐ Formed new relationship ☐ Your or your partner's disability ☐ Inability to maintain house/garden
☐ Death of partner ☐ Lifestyle preference ☐ Other (specify) _____

Question 29: Did you seek advice or information about moving from any of the following?

- ☐ Family ☐ Health/aged care professional ☐ Australian Government information
☐ Friends ☐ Council on the Ageing (COTA) ☐ State Government information
☐ Financial advisor ☐ National Seniors Association ☐ Local Council information
☐ Real estate agent ☐ Other seniors' organization(s) ☐ Popular media
☐ Other (please specify) _____

Question 30: How easy was it for you to find a suitable home?

- ☐ Very easy ☐ Fairly easy ☐ Fairly difficult ☐ Very difficult

Question 31: If it was Fairly Difficult or Very Difficult, what were the main difficulties?

- ☐ Cost or affordability of housing ☐ Difficulty obtaining finance ☐ Fees or stamp duty costs
☐ Availability of suitable housing type ☐ Suitability of available locations ☐ Distance to health facilities
☐ Distance to retail facilities ☐ Distance from family or friends ☐ Lack of information or advice
☐ Other (please specify) _____

Question 32: When moving from your former home to your current home, how important were each of the following considerations? (tick one box in each row)

	Very Important	Important	Neither	Not Very Important	Not Important	Not Applicable
Smaller dwelling	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Less maintenance of the home	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Less maintenance of the yard	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Discharge or reduce a mortgage	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Reduce cost of living	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Larger dwelling	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
More modern home	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
More accessible home	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Better investment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
More attractive area	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Closeness to children or relatives	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Closeness to friends	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Closeness to health services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Closeness to aged care services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Closeness to shops	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Closeness to public transport	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lifestyle improvement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Question 33: After settling in, how satisfied are you with your current home?

☐ Very Satisfied ☐ Mostly satisfied ☐ Neutral ☐ Not very satisfied ☐ Dissatisfied

Question 34: If you answered 'Not very satisfied' or 'Dissatisfied' in the previous question, what are the main reasons for your lack of satisfaction?

FINALLY, ABOUT YOUR PLANS OR EXPECTATIONS TO MOVE IN FUTURE

Question 35: Do you have any plans or expectations to move in the foreseeable future?

☐ Yes ☐ Maybe ☐ No ☐ Don't know

If you answered **No** or **Don't know**, please go to Question 49.

Question 36: If you answered Yes or Maybe to the previous question, how soon are you likely to move?

_____ Years (if less than one year) _____ Months

Question 37: What is/would be your preferred location?

State/Territory _____ Locality _____ Postcode _____

Question 38: What type of dwelling do you intend or expect to choose for your new home?

- | | |
|---|---|
| <input type="checkbox"/> Single detached house | <input type="checkbox"/> Flat or apartment in a 1-3 storey building with a lift |
| <input type="checkbox"/> Semi-detached or duplex house | <input type="checkbox"/> Flat or apartment in a 4 or more storey building |
| <input type="checkbox"/> Attached, row, terrace or town house | <input type="checkbox"/> Caravan, mobile or manufactured home |
| <input type="checkbox"/> Flat or apartment in a 1-3 storey walk-up building | <input type="checkbox"/> Other (specify) _____ |

Question 39: Where is your new home likely to be located?

☐ The general community ☐ A retirement village ☐ Other seniors-only development ☐ Other

Question 40: What form of ownership or rental would you be looking for in your new home?

☐ Outright ownership ☐ Ownership with a mortgage ☐ Lease (e.g. retirement village)
☐ Private tenant ☐ Public/Community Housing Tenant ☐ Live rent free ☐ Other

Question 41: What would be your preferred form of title for your new home?

☐ Separate (Torrens) Title ☐ Strata (Unit) Title ☐ Community Title ☐ Don't Care
☐ Don't Know ☐ Other (specify) _____

Question 42: How many bedrooms would you be looking for in your new home?

☐ Bed-sitting room ☐ 1 bedroom ☐ 2 bedrooms ☐ 3 bedrooms ☐ 4 or more bedrooms

Question 43: How many storeys is your new home likely to have?

- ☐ Single storey ☐ 2 storeys ☐ 3 or more storeys

Question 44: What approximate floor area in squares or square metres would you be looking for?

(Note: one square = 100 sq ft)

- ☐ Less than 5 squares (or 50 m²) ☐ 5-9 squares (or 50-99m²) ☐ 10-14 squares (or 100-149m²)
☐ 15-19 squares (or 150-199m²) ☐ 20-24 squares (or 200-249m²) ☐ 25-29 squares (or 250-299m²)
☐ 30 or more squares (or 300+m²) ☐ Don't know

Question 45: Which of the following circumstances could contribute to your decision or likelihood to move?

(tick more than one if appropriate)

- ☐ Child(ren) leaving home ☐ Retirement of self or partner ☐ Financial gain
☐ Relationship breakdown ☐ Your or your partner's illness ☐ Financial difficulties
☐ Formed new relationship ☐ Your or your partner's disability ☐ Inability to maintain house/garden
☐ Death of partner ☐ Lifestyle preference
☐ Other (specify) _____

Question 46: Have you sought, or do you intend to seek, advice or information about moving from any of the following?

- ☐ Family ☐ Health/aged care professional ☐ Australian Government information
☐ Friends ☐ Council on the Ageing (COTA) ☐ State Government information
☐ Financial advisor ☐ National Seniors Association ☐ Local Council information
☐ Real estate agent ☐ Other seniors' organization(s) ☐ Popular media
☐ Other (specify) _____

Question 47: Do you think there is adequate information available to older people about the options, process and consequences of moving in older age?

- ☐ Yes ☐ No ☐ Don't know

Question 48: How important will each of the following considerations be in your decision or expectation to move?

(tick one box in each row)

	Very Important	Important	Neither	Not Very Important	Not Important	Not Applicable
Smaller dwelling	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Less maintenance of the home	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Less maintenance of the yard	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Discharge or reduce a mortgage	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Reduce cost of living	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Larger dwelling	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
More modern home	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
More accessible home	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Better investment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
More attractive area	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Closeness to children or relatives	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Closeness to friends	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Closeness to health services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Closeness to aged care services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Closeness to shops	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Closeness to public transport	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lifestyle improvement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Question 49: We will be undertaking some in-depth interviews in NSW, Victoria and South Australia. If you would be prepared to be interviewed, please include your name and contact details below:

Name _____ State _____ Postcode _____



Telephone Number _____ Email _____

THANK YOU FOR YOUR ASSISTANCE

Please check that you have filled out all the relevant questions and post in a sealed envelope to the address shown on page 1

(NO STAMP REQUIRED)

Appendix 2: Project information statement

BE HREAP FORM 3 – PROJECT INFORMATION STATEMENT January 2007	page 1
PROJECT INFORMATION STATEMENT	
Date: 23 May 2011 Project Title: Downsizing amongst older Australians (survey – hardcopy)	 THE UNIVERSITY OF NEW SOUTH WALES
Approval No.: <i>(Insert once approval has been received)</i>	BUILT ENVIRONMENT
Participant selection and purpose of study You are invited to participate in a study on the practice of downsizing by older persons living in Australia. You were selected as a possible participant in this study because you are aged 55 year or older and are a reader of the National Seniors association magazine '50 something'.	
Description of study If you decide to participate, you will be asked to complete the questionnaire survey included in this magazine about (i) when, where and why you have decided to downsize from your previous home and/or (ii) whether and why you intend to downsize from your current home. The survey will take approximately 20 minutes to complete. Information collected through the survey will be used to describe the living conditions of older Australians aged 55 years or older and their practice of downsizing. We cannot and do not guarantee or promise that you will receive any benefits from this study.	
Confidentiality and disclosure of information Any information that is obtained in connection with this study and that can be identified with you will remain confidential and will be disclosed only with your permission, or except as required by law. If you give us your permission by completing this survey, we plan to discuss and publish the results through Australian Housing and Urban Research Institute (AHURI) publications, which will be freely-available for download on the AHURI website (http://www.ahuri.edu.au), or in academic journal articles. Any information that we collect from this survey will be used for academic research purposes only.	
Recompense to participants As a token of our appreciation of your time and input, you will be entered into a prize draw for one of four \$250 Coles gift voucher.	
Your consent Your decision whether or not to participate will not prejudice your future relations with The University of New South Wales, the Australian Housing and Urban Research Institute or other participating organisations. If you have any questions, please feel free to ask Associate Professor Bruce Judd (+61 2 9385 5274; b.judd@unsw.edu.au) and he will be happy to answer them.	
 Associate Professor Bruce Judd	
Complaints may be directed to the Ethics Secretariat, The University of New South Wales, SYDNEY 2052 AUSTRALIA (phone 9385 4234, fax 9385 6648, email : ethics.sec@unsw.edu.au).	

Note: A similar project information statement was included on the first page of the online survey.

Appendix 3: Project consent form

BE HREAP FORM 4 – PROJECT CONSENT FORM January 2007

PROJECT CONSENT FORM

Project Title: Downsizing amongst older Australians



You are making a decision whether or not to participate in a research project.

This PROJECT CONSENT FORM enables you to indicate your preparedness to participate in the project. By signing this form, your signature indicates that you have decided to participate.

You will be given a PROJECT INFORMATION STATEMENT that explains the project in detail, and that statement includes a revocation clause for you to use if you decide to withdraw your consent at some later stage. The PROJECT INFORMATION STATEMENT is your record of participation in the project.

This PROJECT CONSENT FORM will be retained by the researcher as evidence of your agreement to participate in this project.

Please complete the information in this box.

Please indicate which of the following options you agree to by ticking one of the following options:

- ☐ I consent to being quoted but wish to remain anonymous
- ☐ I do not want to be quoted or identified but am prepared to participate anonymously

.....
Signature of Research Participant

.....
Please PRINT name

.....
Date

Name of researcher: Associate Professor Bruce Judd

Appendix 4: Definitions for survey variables

The following table identifies the main concepts used in the Downsizing Survey, which provides a short interpretation of the concepts with an associate definition source where applicable. If no Australian source definition is available, a brief comment (final column) is provided to justify inclusion in the survey tool. Since the majority of the concepts utilised are commonly deployed by the Australian Bureau of Statistics in their Census tool, their application in the survey tool is drawn from there. For brevity, when a concept utilised in the survey is the same as the ABS Census definition, the source material is the *Census Dictionary Australia: 2006* (Reissue) ABS Catalogue No. 2901.0 and is referenced as 'ABS: 2901.0'.

Question(s) number	Concept	Interpretation	Definition source	Comment(s)
1	moved house	Relocated between physical residential dwellings.		The concept of moving house is endemic in contemporary adult Australian culture.
2	Gender	This variable records the sex of each person enumerated in the Census as being either male or female.	ABS: 2901.0	Gender utilised instead of sex.
3	Country of birth	Country of birth of person	ABS: 2901.0	Open ended question
4,5	Age	Age of respondent	ABS: 2901.0	Variable coded into ABS standard five year age bands
6,7	Permanent resident	Person(s) domicile at address not including temporary visitors.	ABS: 2901.0	ABS utilises concept of 'usual residence' that excludes the temporary visitors from the overall count of person usually living in the target household.
9	Income	Gross income includes wages, salaries, overtime, business or farm income (less operating expenses), rents received, dividends, interest, superannuation, maintenance (child support), workers' compensation, and government pensions and allowances (including all payments for family assistance,	ABS: 2901.0	

		labour market assistance, youth and student support, and support for the aged, carers and people with a disability).		
11,20,37	Locality	The name the respondent uses to describe their general geographical area in which their property is located.		The concept of suburb could be utilised to hold similar meaning, although it contains connotations with city or town living.
11,20,37	Postcode	Component part of standardised address delivery nomenclature	Statistical Geography Volume 2: Census Geographic Areas, Australia (cat. no. 2905.0).	
12,21,38	Dwelling	This variable classifies dwellings into basic dwelling types.	ABS: 2901.0	
13,22,39	Located	General location as perceived by respondent.		
14,23	Ownership or rental	Tenure		
15,41	Title	Legal definition of land title	NSW land and property information	
16,24	Lived	Less formal manner of asking 'length of residence'		
17,25,42	Bedrooms	Room in a dwelling set aside for sleeping.	Leslie, H. & Potter, R. (2004) Glossary of Building Terms. Fifth Edition, National Committee on Rationalised Building (NCRB) and Standards Australia, Sydney, Australia.	
18,26,43	Storeys	Space between consecutive floors; or	Leslie, H. & Potter, R.	Definition is for total stories of residence—for

		between floor and roof (ceiling) level, if there is no floor above.	(2004) Ibid.	respondents living in developments containing multiple residences (e.g. a block of flats) it is anticipated that the respondent will only have supplied the number of storeys as it relates to their property.
19,27,44	Floor area	Means- (a) in relation to a building—the total area of all storeys; and (b) in relation to a storey—the area of all floors of that storey measured over the enclosing walls.	Leslie, H. & Potter, R. (2004) Ibid.	Definition is for total area—for respondents living in developments containing multiple residences (e.g. a block of flats) it is anticipated that the respondent will only have supplied the floor area measurement as it relates to their property.
28,29	Moving	Causing or producing motion	Delbridge, A. & Bernard, J.R.L (Editors) <i>The Macquarie Concise Dictionary</i> , 3 rd Edition	The questions ask the respondent to consider both the reasons why they last moved (casual) and information resources they might have used to facilitate their move (producing).
30	Suitable	Such as to suit; appropriate; fitting; becoming	Delbridge, & Bernard, et al.	Suitable is used as the concept as it enables the respondent to subjectively assess other houses they may have considered against their current home.
31	Difficulties	The fact or condition of being difficult	Delbridge, & Bernard, et al.	
32	Considerations	To consider; take into account	Delbridge, & Bernard, et al.	Respondent asked to present some of the areas they took into account prior to moving.
33	Satisfied	To fulfil the desires, expectations, needs or demands of, or content (a person, the mind, etc.); supply fully the needs of (a person, etc.)	Delbridge, & Bernard, et al.	
35	Foreseeable	To see beforehand; have prescience of; foreknow	Delbridge, & Bernard, et al.	Respondent asked to make judgement if they were likely to move again based on current knowledge of situation.

Appendix 5: Draft interview schedule

Preliminaries

- Introduction—Interviewer to identify themselves, give a brief overview of the research project and confirm the confidentiality of information collected.
- Provide project information statement/Revocation and consent forms.
- Request permission to record the interview.
- Confirm key demographic characteristics (age group, marital status, household size and composition, employment/retirement status, main source of income).

Questions

- What does the term downsizing mean to you, and do you consider yourself (selves) to have downsized?
- How much bigger or smaller is your home and land than in your previous dwelling?
- What were the reasons and circumstances that led you to move?
- Were there any things about your previous home or land that contributed to your needing or wanting to move?
- How important was location to you when you moved, and what aspects of location were important to your new home selection?
- How did you go about the process of moving, and how difficult was it?
- Did you seek any advice from anyone about moving? If so, from whom did you seek advice and was this helpful in the process of deciding/moving or choosing your new home?
- Were there any financial reasons why you needed to move? If so, please explain what kind of issues?
- What were your reasons for choosing this type of dwelling? And what were the main features that attracted you to it?
- How satisfied are you with the choice of housing, its size and location?
- What impact did moving have on your financial situation?
- What impact did moving have on your family relationships, friendships and social networks?
- What impact did moving have on your health, wellbeing and access to aged care services (if required)?
- What more could the government and or the housing industry do to assist people wishing or needing to move (or downsize if appropriate)?
- How could the provision of care services be improved for people who move (or downsize if appropriate)?
- If you had your time over, would you do the same?
- Do you expect to move again in future, and is this likely to involve moving to less bedrooms or a smaller home?
- What circumstances or reasons are likely to influence your moving in future?

Appendix 6: Interview project information statement

BE HREAP FORM 3 – PROJECT INFORMATION STATEMENT January 2007

page 1

PROJECT INFORMATION STATEMENT

Date: 23 May 2011

Project Title: Downsizing amongst older Australians (interviews)

Approval No.: *(Insert once approval has been received)*



Participant selection and purpose of study

You are invited to participate in a study on the practice and intention of downsizing by older persons living in Australia. You were selected as a possible participant in this study because you completed a national survey linked to this project and have nominated yourself as a potential interviewee.

Description of study

If you decide to participate, we will conduct a face-to-face interview with you about (i) when, where and why you have decided to downsize from your previous home and/or (ii) whether and why you intend to downsize from your current home. The interview will take approximately 1 hour to complete. Information collected through the interview will be used to describe the living conditions of older Australians aged 55 years or older and their practice/intention of downsizing.

We cannot and do not guarantee or promise that you will receive any benefits from this study.

Confidentiality and disclosure of information

Any information that is obtained in connection with this study and that can be identified with you will remain confidential and will be disclosed only with your permission, or except as required by law. If you give us your permission by completing this survey, we plan to discuss and publish the results through Australian Housing and Urban Research Institute (AHURI) publications, which will be freely-available for download on the AHURI website (<http://www.ahuri.edu.au>), or in academic journal articles. Any information that we collect from this survey will be used for academic research purposes only.

Recompense to participants

As a token of our appreciation of your time and input, you will be given a \$50 Coles gift voucher.

Your consent

Your decision whether or not to participate will not prejudice your future relations with The University of New South Wales or other participating organisations. If you decide to participate, you are free to withdraw your consent and to discontinue participation at any time without prejudice by completing the statement below and returning this entire form to:

Associate Professor Bruce Judd
City Futures Research Centre
Faculty of the Built Environment
University of New South Wales
Sydney NSW 2052

If you have any questions, please feel free to ask Associate Professor Bruce Judd (+61 2 9385 5274; b.judd@unsw.edu.au) and he will be happy to answer them.

Associate Professor Bruce Judd

REVOCATION OF CONSENT.

Complaints may be directed to the Ethics Secretariat, The University of New South Wales, SYDNEY 2052 AUSTRALIA
(phone 9385 4234, fax 9385 6648, email : ethics.sec@unsw.edu.au).

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 Sydney

AHURI Research Centre—The University of Tasmania

AHURI Research Centre—The University of Western Australia

AHURI Research Centre—The University of Western Sydney



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