

Downsizing Amongst Older Australians: Recent Research Findings

Prof Bruce Judd

City Futures Research Centre
UNSW Built Environment



■ Downsizing can mean:

- A reduction in dwelling size/floor area
- A reduction in yard/land area or maintenance
- A change of dwelling type (eg house to apartment or attached)
- A reduction in personal belongings
- A change in lifestyle
- A reduction in housing value or equity

■ Our Definition

- *“Downsizing involves moving from a larger to a smaller dwelling (in number of bedrooms or floor area) and/or garden/yard requiring less maintenance often including a reduction in personal belongings (de-cluttering), lifestyle changes and occasionally reductions in housing value or equity”.*



- **Stimson & McRea (2004) 'Push-Pull Framework for Relocation to a Retirement Village'**
 - **Push factors:** change in lifestyle, maintenance, social isolation, health and mobility
 - **Pull factors:** built environment and affordability, location, maintenance of existing lifestyle and familiarity
 - Take-up very low overall: 5% for mid 70s and 7.6% for 85+
 - (2011 figures 5.3% of 65+ according to Productivity Commission)
- **Olsberg and Winters (2005) 'Ageing in Place' (AHURI)**
 - National survey of 6,789 Australians 50+
 - 65% preferred to age in place rather than move
 - 35% indicated they may consider a move in future
 - Main reasons for moving: smaller house (22%), location (17%), health or disability (15%), to release money to live on (11%)

Previous Australian Studies

(cont.)



- **Beer et al (2009) 21st Century Housing Careers (AHURI)**
 - Consumption factors dominated housing moves of 55+ (44%) to purchase, build, move to better home/location (incl. downsizing)
 - Other factors (11% or less): relationship change, employment, health & disability, living closer to family, travel
 - Reasons for moving varied with age
 - 7.3% likely to move in next 12 months (5.5% of outright owners)
 - Main reasons for intended post survey moves in order of importance: size/quality of home (27%), personal reasons/health (18%), to purchase or build a new home (17%), family/social contacts (6%) (Reasons vary with age – personal reasons and family/social contacts reasons increasing with age)
 - *“There is evidence that older Australians will be much more mobile in their housing transitions when compared with the past and that they will make several housing moves post retirement age.” (p. 10)*

Dwelling, Land and Neighbourhood Use by Older Home Owners (2010)

Bruce Judd, Diana Olsberg, Joanne Quinn, Lucy Groenhart & Oya Demirbilek

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



Downsizing Amongst Older Australians (2014)

Bruce Judd, Edgar Liu, Hazel Easthope, Laura Davy & Catherine Bridge

- ABS Census data analysis
- National survey of 2,819 older people who had moved at least once since turning 50 (1214 or 43% of whom had downsized)
- 60 in-depth interviews in 3 states (NSW, VIC, SA)
- Policy Forums in each state
- Downsizing = reduction in number of bedrooms





- **Housing Utilisation (the mismatch argument)**
 - Ageing population = more smaller households
 - Older households underutilise their homes
 - Older people should be encouraged to downsize
 - This will release their larger homes for younger families
 - Thus improving the efficiency of the housing market
- **Downsizing**
 - What housing options are available for downsizing?
 - To what extent do people downsize in later life?
 - Why do they downsize?
 - With what outcomes?
 - Are there barriers to downsizing?
 - How can these be addressed?



How Older People 55+ Were Housed

(2006 Census)

- 83% in households of 1 (38%) or 2 (54%) people
- 81% in detached suburban dwellings
- 83% in dwellings with 3 or more bedrooms
- 84% of all dwellings of 55+ 'underutilised' by CNOS measure
- 86% had one or more spare bedrooms

Older people appear to underutilise their housing

But what do they think?

Suitability of the dwelling

(Older Home Owner's Survey)

- 91% regarded their homes suitable for the needs of their household

Most didn't think so!

Why this apparent contradiction?

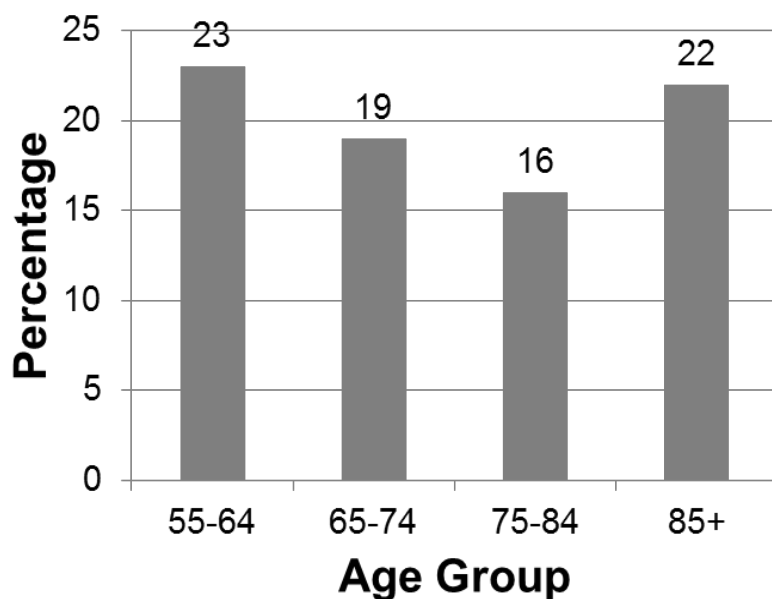
Why do they want to stay put?

- **Temporary residents**
(25% of those surveyed)
 - Child (37%)
 - Other relative (20%)
 - Grandchild (18%)
 - Friend (14%)
 - Elderly parent (5%)
 - Tenant/boarder (1%)
- **Alternative bedroom uses:**
 - Office space (34%)
 - Guest bedrooms (27%)
 - Hobby rooms (12%)
 - Storage (9%)
 - Ironing/Utility rooms (4%)
 - Library/reading room (2%)
- **Desire to age in place**
- **Attachment to home and neighbourhood**
- **Couple's need for personal space**
- **Increased use of the home following retirement**

How many do move and downsize?

2006 to 2011 Census

- 18% of Australians 50+ relocated
- Breakdown by age group

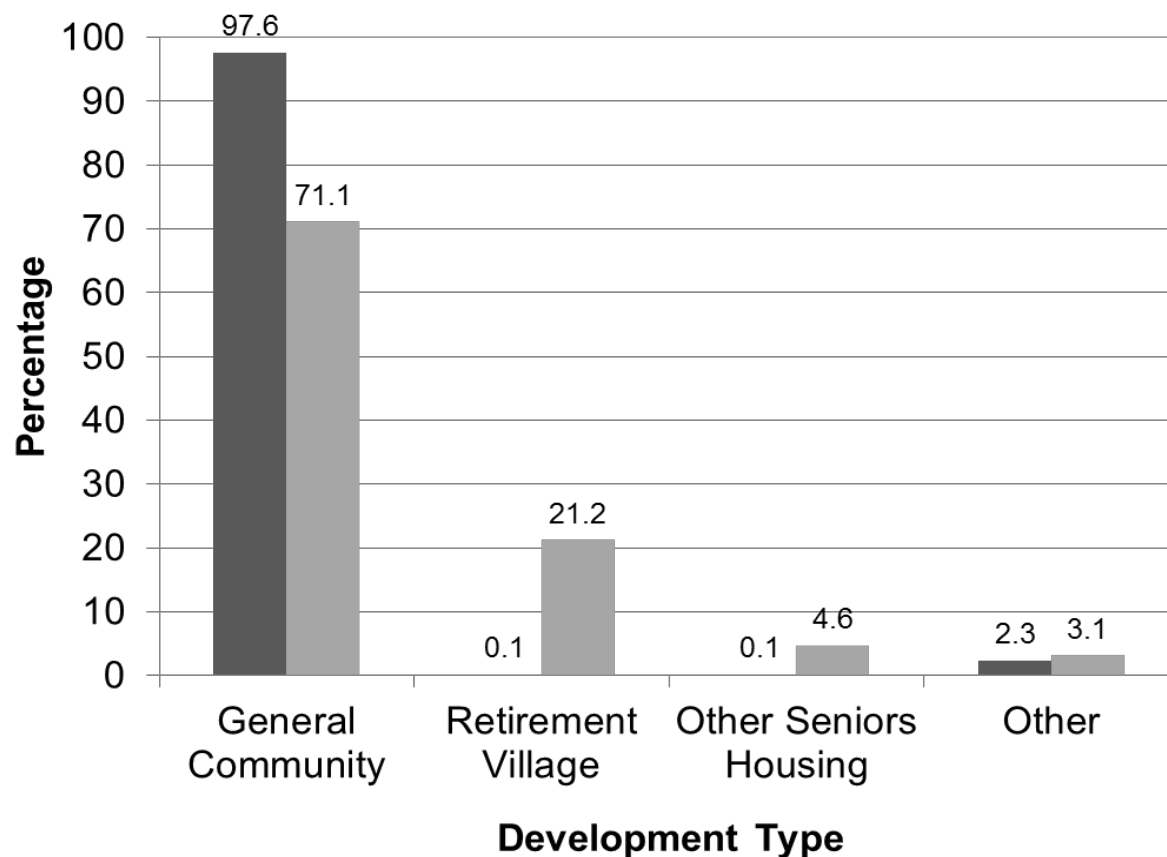


Downsizing estimate

- Based on same cohort amongst survey respondents:
- Half, or 9% of Australians aged 50+ were estimated to have downsized
- 235,509 people Australia wide
- In other words, not many downsize

What kind of development do they downsize from and into?

*CITYFUTUREs



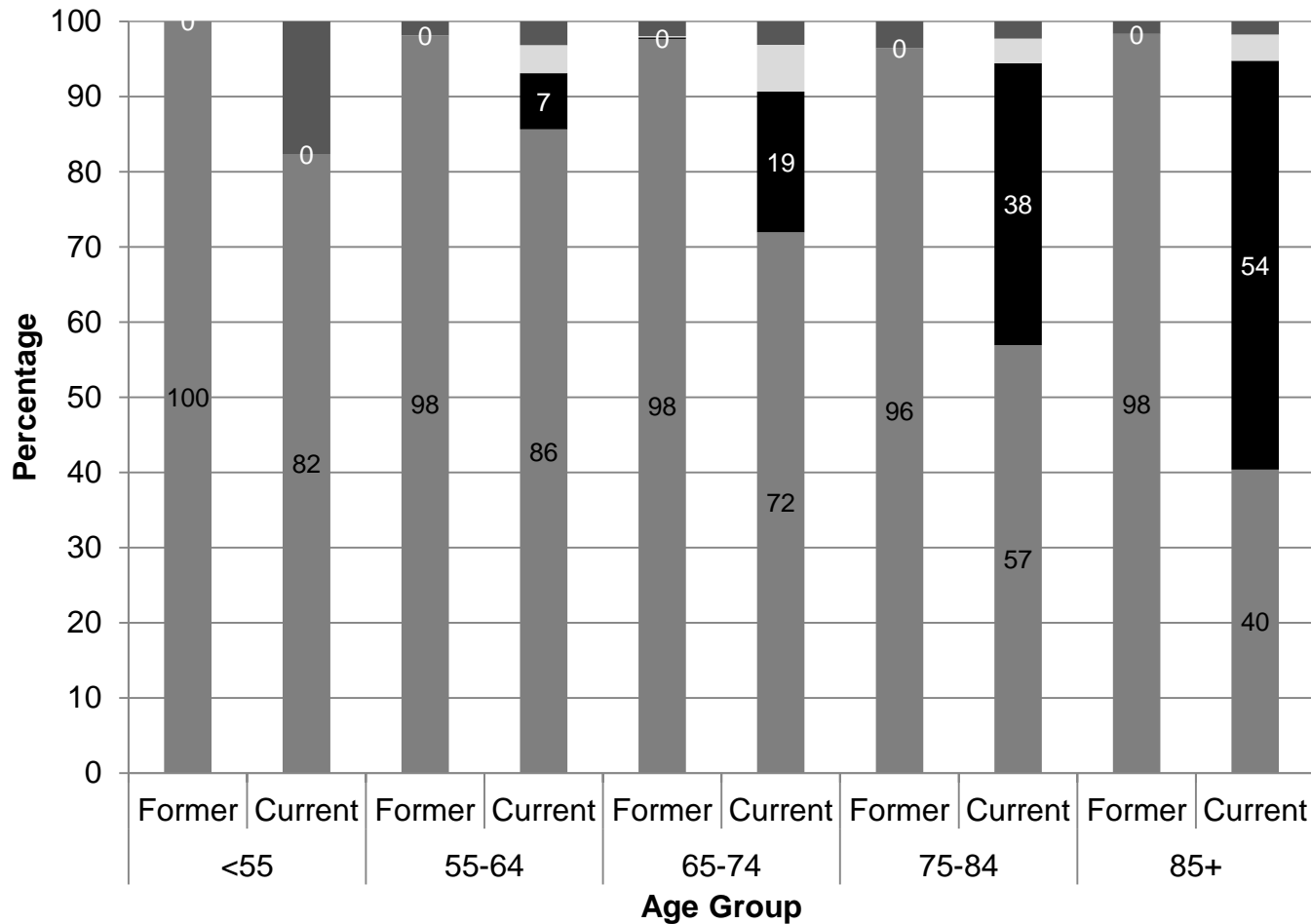
(n=1213, 1210)

■ Former dwelling ■ Current dwelling

Most moved within the general community

One in five moved to a retirement village

Development Type x Age

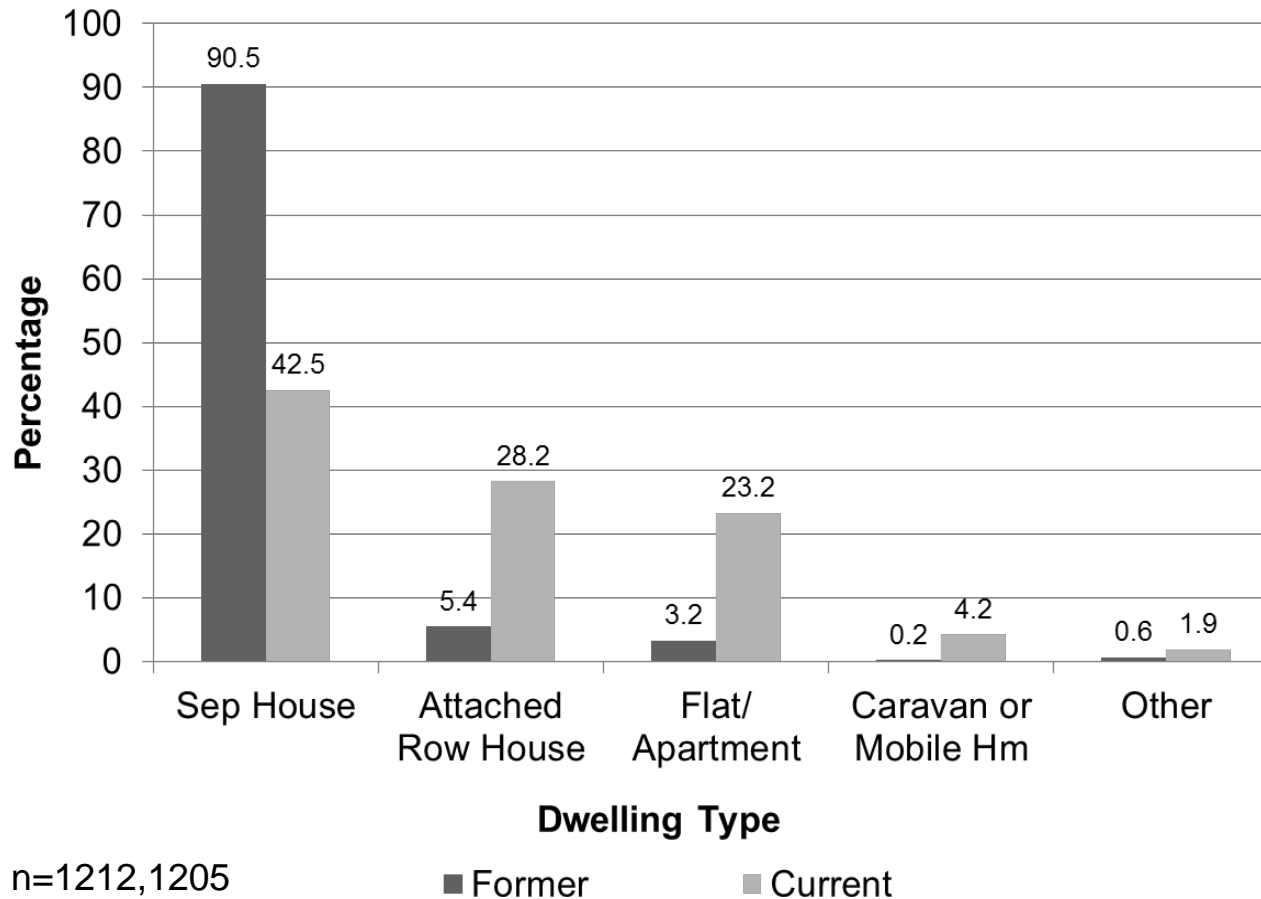


Downsizing to retirement villages increases with age

- Other
- Other seniors
- Ret village
- Gen community

What types of housing do they downsize from and into?

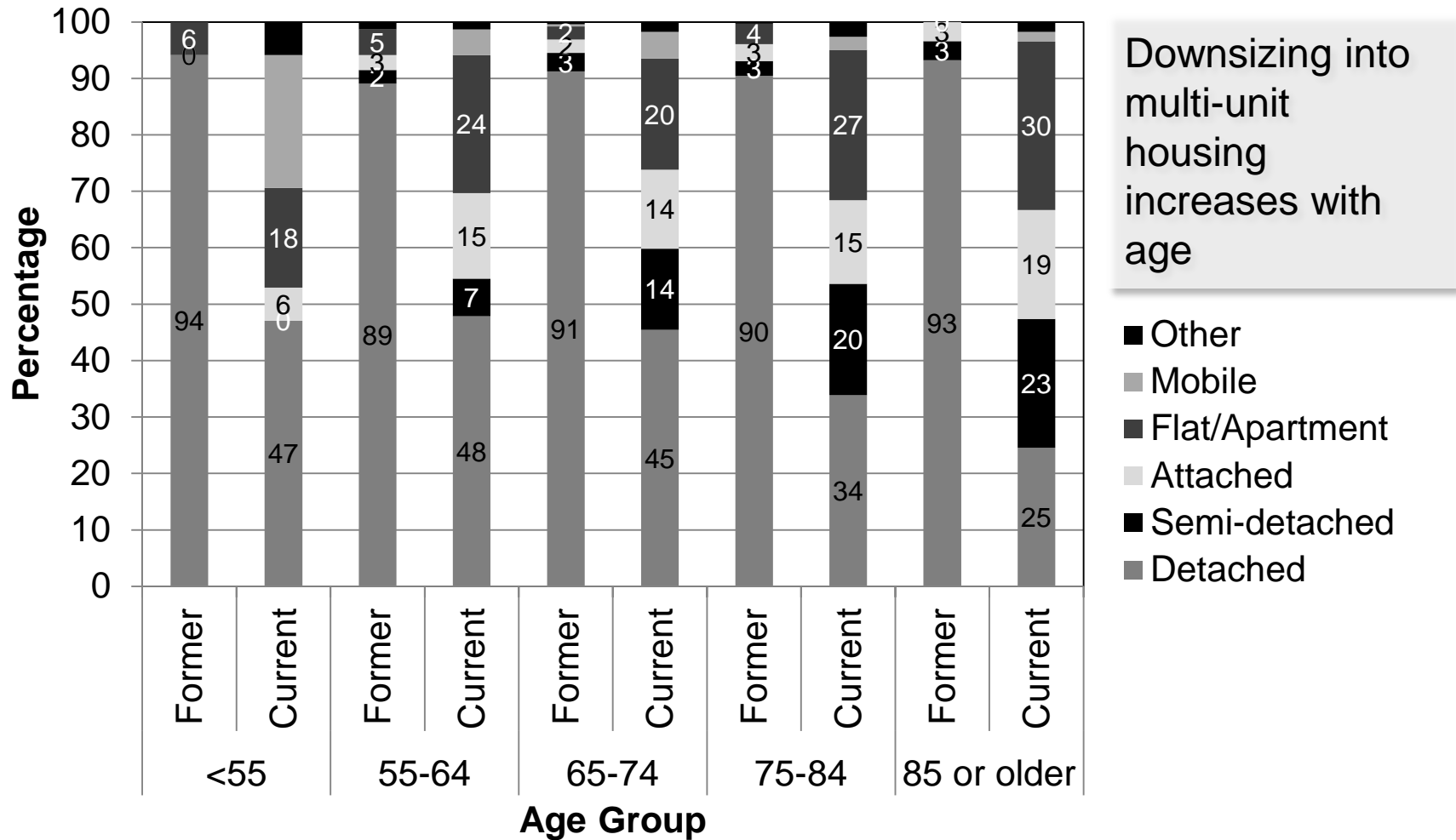
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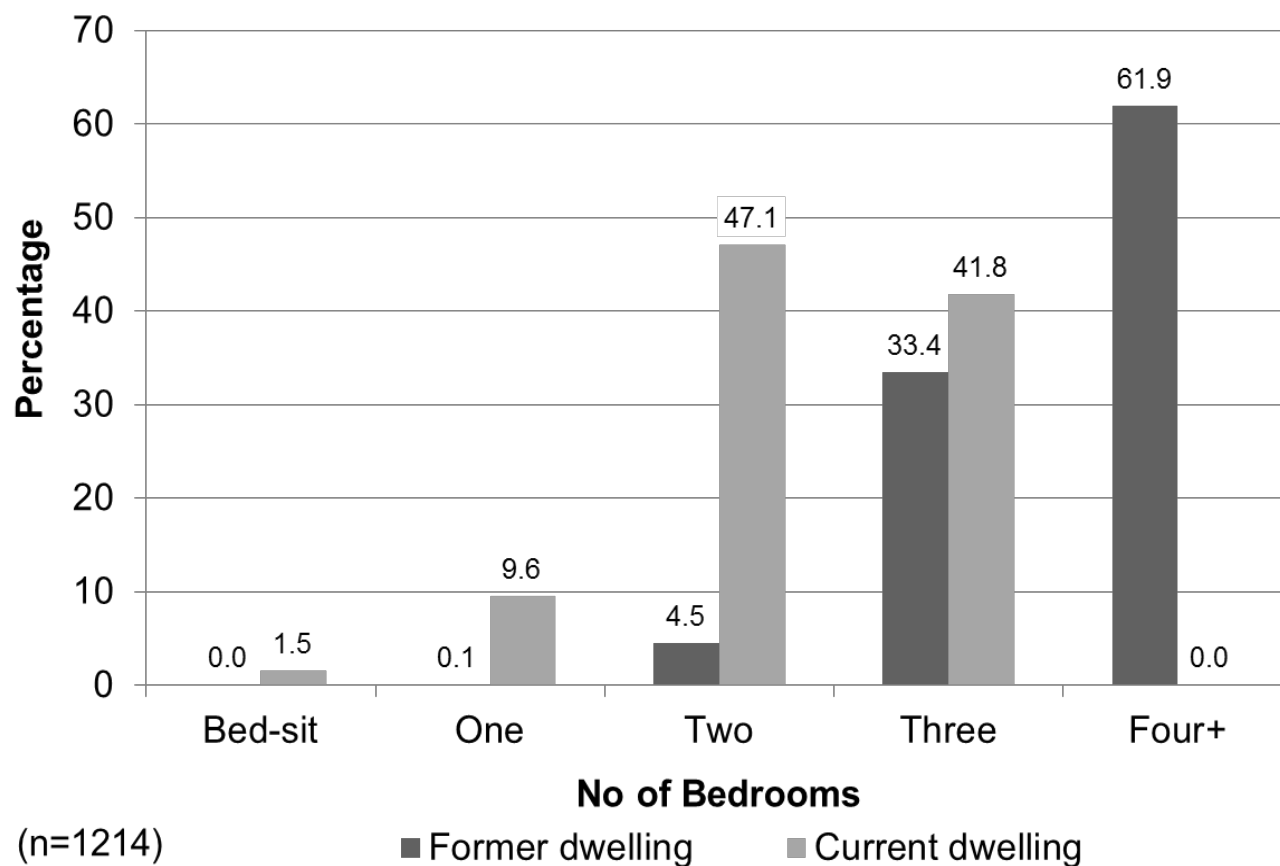
Less than half move to separate houses

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

Dwelling Type x Age



How many bedrooms?

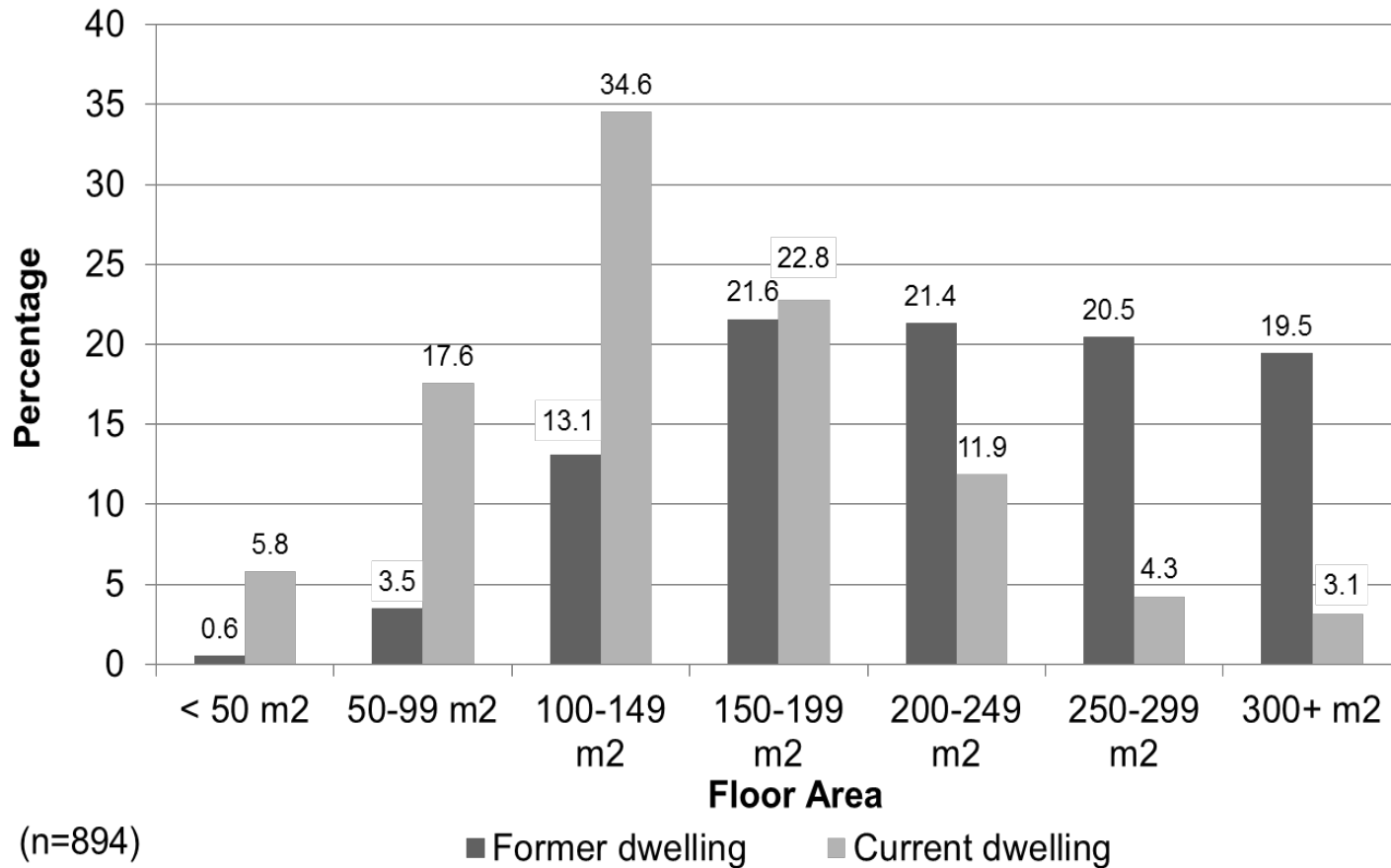


Most lived previously in 4 or more bedroom dwellings

They moved mostly into 2 and 3 bedroom dwellings

“smaller but not too small”

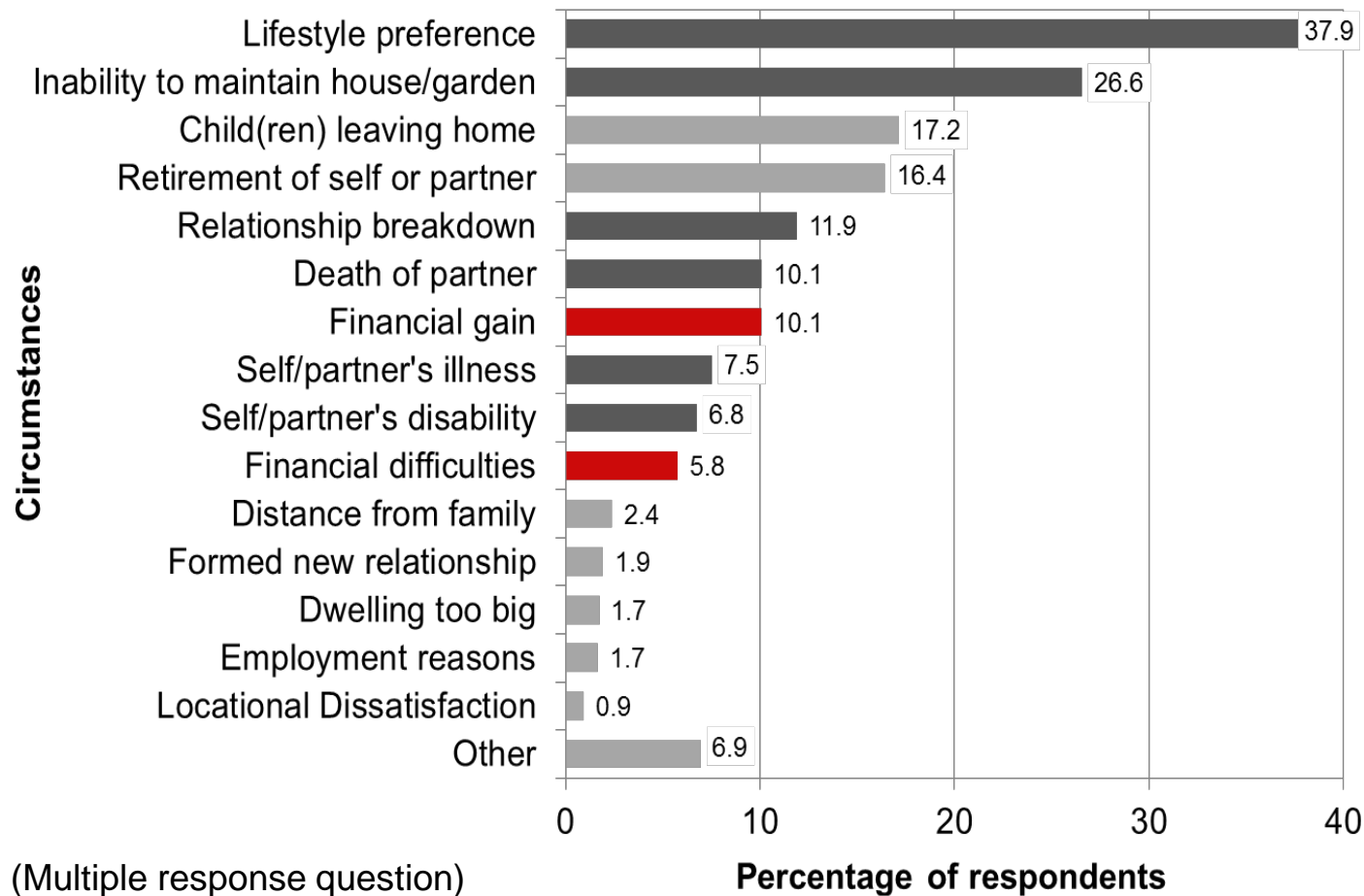
What floor area?



Most moved
from 200+m²
dwellings

And moved
into less
than 200m²
dwellings

Why did they move?



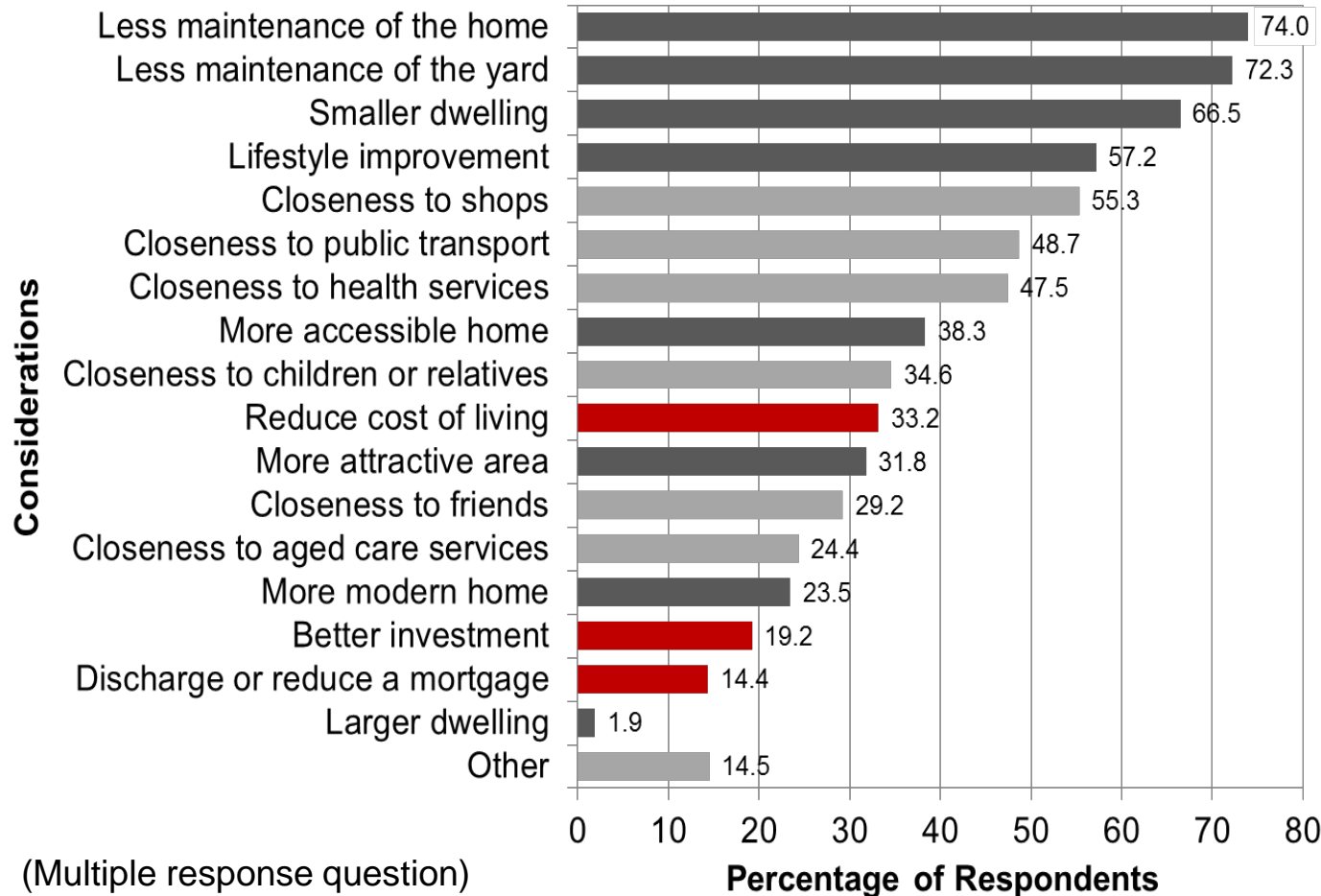
Lifestyle and maintenance were the main reasons

Also children leaving home and retirement

Financial difficulties are much less common

What were they looking for? (important + very important)

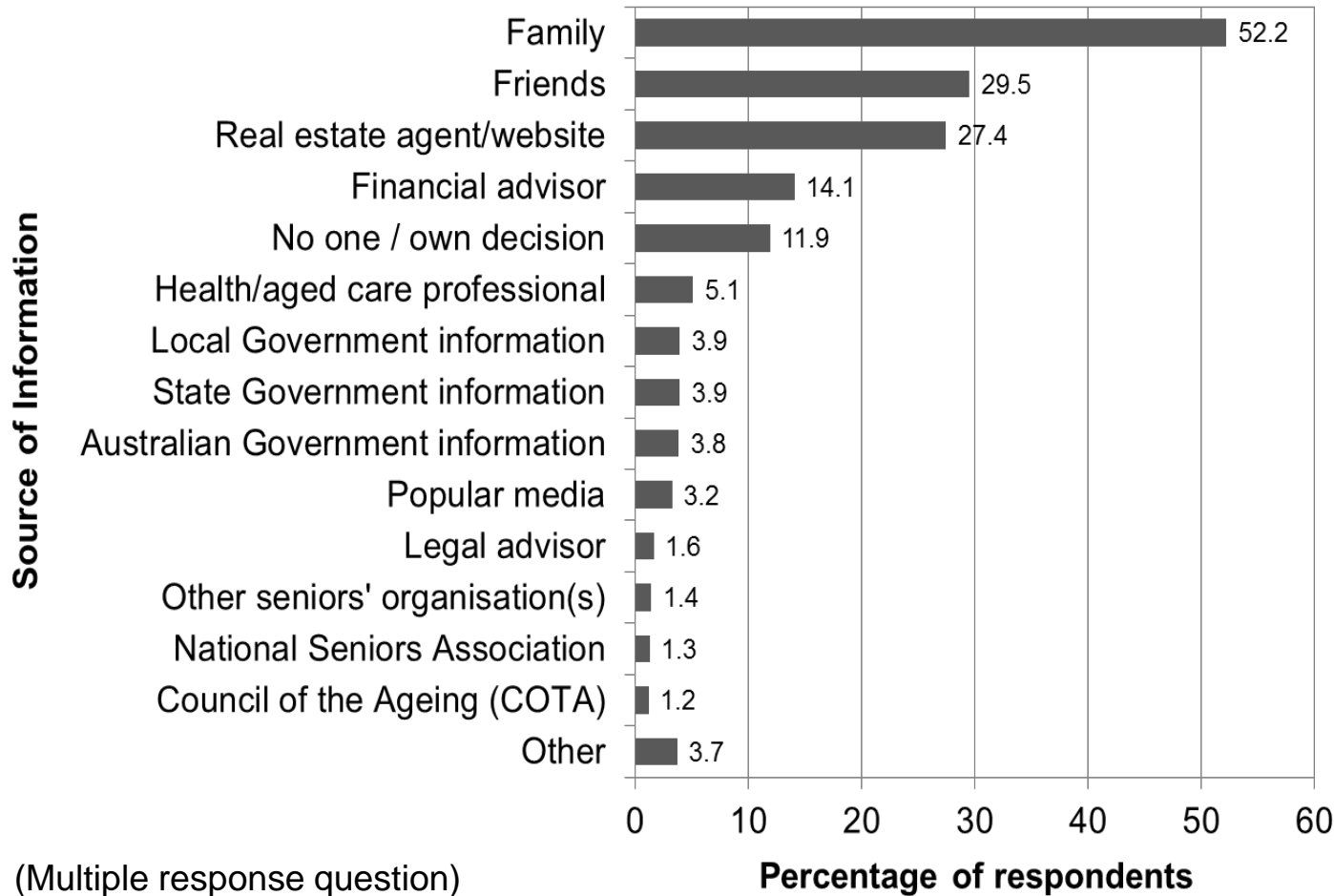
*CITYFUTURES



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

Financial matters are less prominent

Where did they seek information and advice?

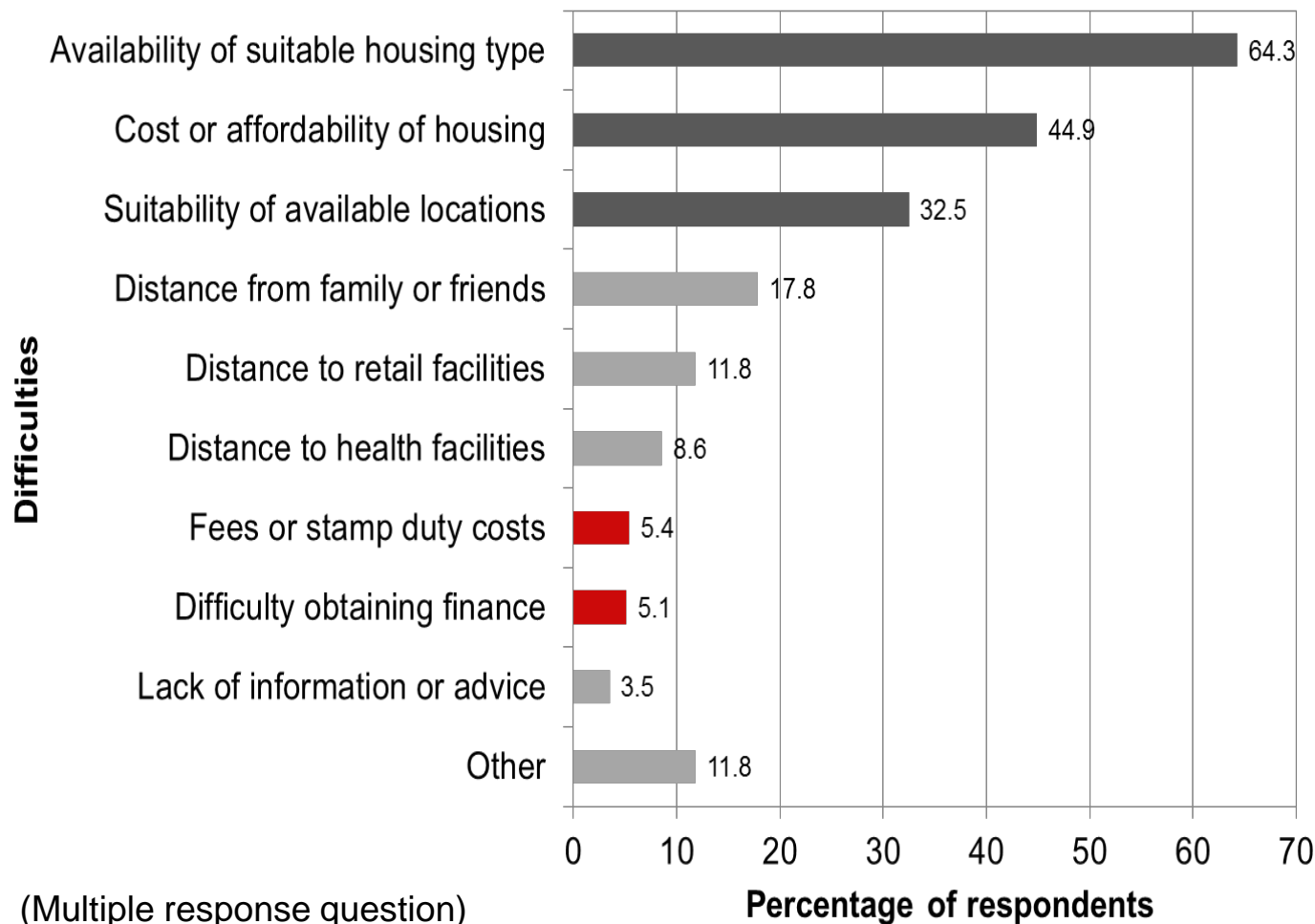


Information and advice is sought mainly from family, friends and estate agents

Less often by financial advisors

Rarely from Government or peak bodies

What difficulties did they encounter? (difficult + very difficult)

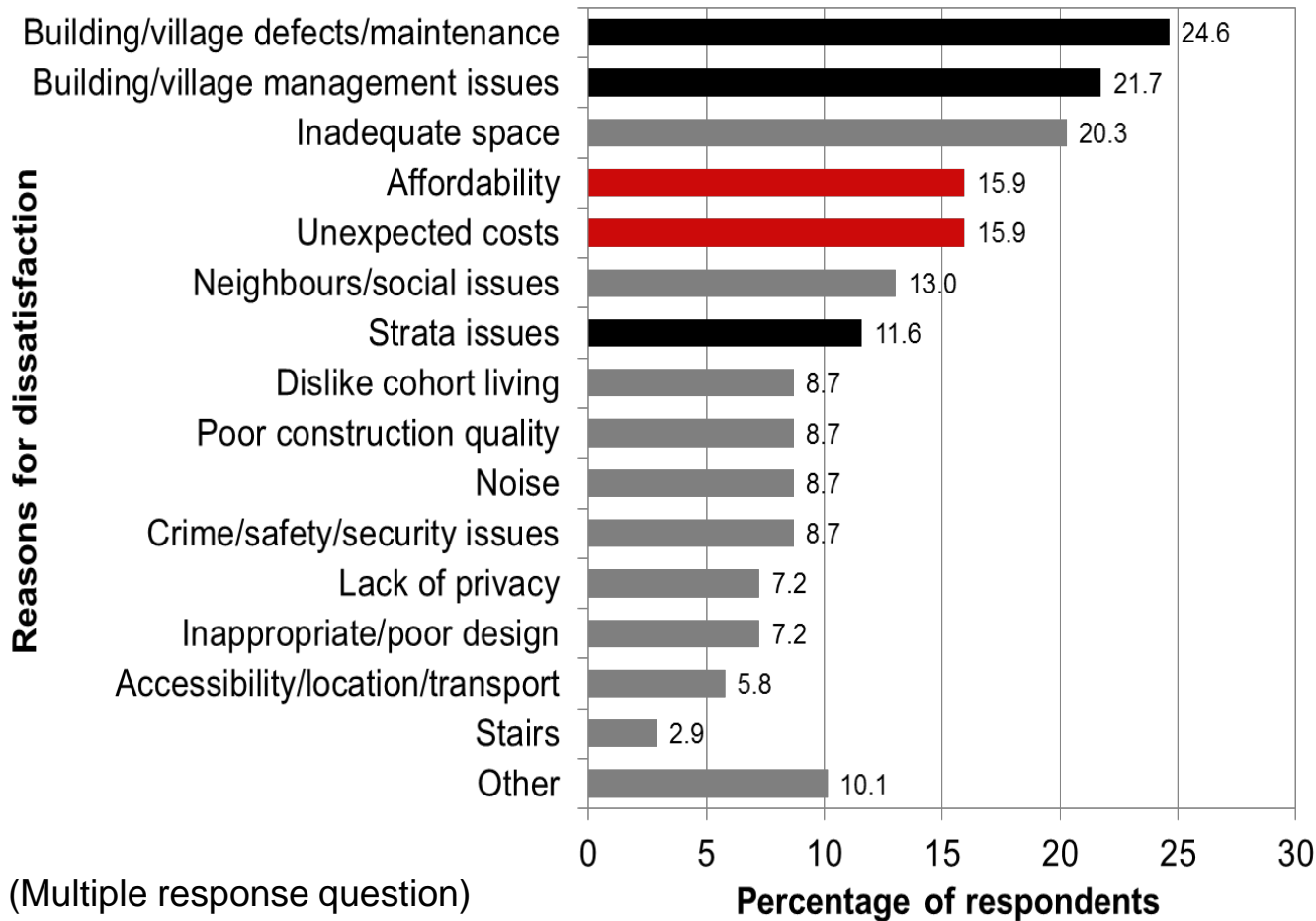


26% encountered difficulties

Mainly availability of suitable housing, affordability and suitability of location

Financial difficulties were rare

Reasons for dissatisfaction



Only 10% were dissatisfied

Mostly with building/village defects and maintenance, inadequate space, affordability and unexpected costs (strata title/retirement villages)

Barriers & policy options

Type	Barriers	Policy Options
Dwelling & locational barriers	<ul style="list-style-type: none"> • Difficulty finding suitable (smaller), affordable, accessible dwellings in suitable locations (close to retail, transport and other services) 	<ul style="list-style-type: none"> • Age friendly planning & urban design controls • Mandated Livable Housing Design Guidelines
Financial Barriers	<ul style="list-style-type: none"> • Cost associated with moving: <ul style="list-style-type: none"> ▪ Stamp duty ▪ Removalists fees ▪ Temporary accommodation ▪ Estate agent's fees • Impact on age pension eligibility • Housing market fluctuations 	<ul style="list-style-type: none"> • Stamp duty exemptions/ concessions or replacement with land tax (Henry Tax Review) • Age pension assets test exemption (2013/14 budget) • Older home owners grants
Psychological & practical barriers	<ul style="list-style-type: none"> • Emotional attachment to home and neighbourhood • Stress of preparation for sale • Stress of moving • Difficulty of sorting, packing disposing of belongings 	<ul style="list-style-type: none"> • More effective information, advisory & assistance services by government & NGO providers • Age-specific financial advisors & removalists



- **Adair et al (2014), National Seniors Productive Ageing Centre: 'Downsizing Decisions of Senior Australians'**
 - National Seniors Social Survey (Wave 3) (2018 cases, 50+)
 - 78% lived in separate houses
 - 22% regarded current dwelling as too large in size
 - 75% about the right size
 - 30% had considered moving to a smaller dwelling
 - 56% were not considering such a move
 - 10% had moved to a smaller place in last five years (c/f 9% ABS)
 - 55% of whom moved to separate houses with 3+ bedrooms
 - Reasons: physical difficulties (29%), cost (27%), lifestyle (24%)



■ **Adair et al (2014) (cont.)**

- 50-64 year olds in separate houses with 3+ bedrooms were most likely to consider downsizing
- Reasons for considering moving: 59% physical maintenance, 43% cost of maintenance of home/yard
- Factors discouraging: 44% too much effort, 35% ability to find a suitable residence, 33% cost of stamp duty, age pension assets test (20% of seniors or 30% of age pensioners)
- 28% of age pensioners stated that asset test exemption scheme would encourage them to downsize, 57% said it was unlikely or would not influence them

- Adair T, Williams R, Menyen T. (2014) *Downsizing decisions of senior Australians: What are the motivating and discouraging factors?* Melbourne: National Seniors Productive Ageing Centre: 2014.
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