



Finding the Best Fit: Intentions, Expectations & Practicalities of Downsizing

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Finding the Best Fit: Housing, Downsizing & Older
People in a Changing Society

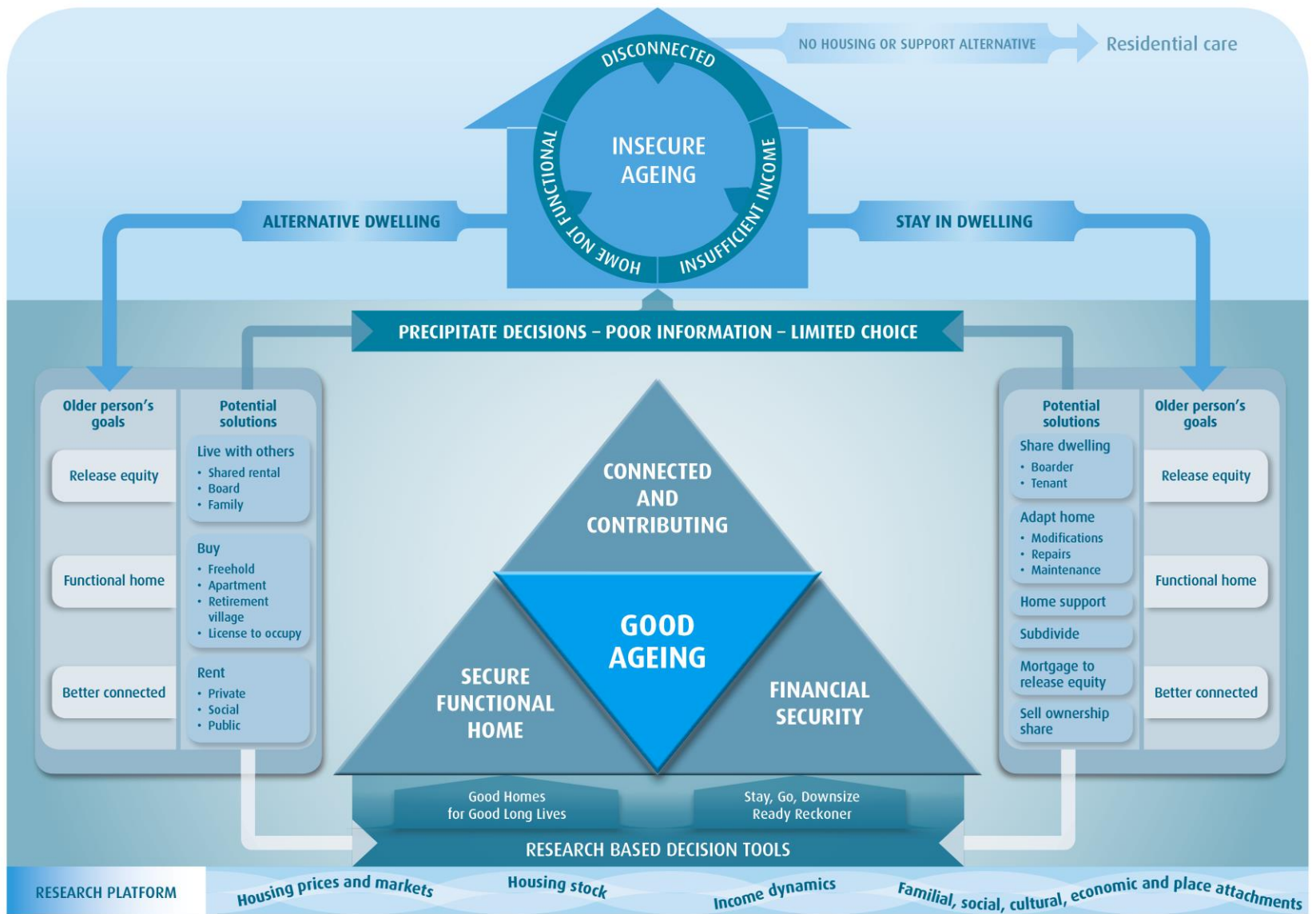
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Downsizing and All that

- Older people have considerable pressure put on them to downsize:
 - Family anxiety
 - Financial advisers
 - Friends
 - Popular discourse
 - Services
- Downsizing can mean
 - Equity release
 - Time release
 - More functional dwellings

Downsizing and All That

- Downsizing often associated with Moving Out
 - Anxiety about access to health services
 - Anxiety about home maintenance, gardens and management
- But there are many ways of dealing with change and needs which are often ignored
- Some of the selections that people make are:
 - Premature
 - Made in haste and when in shock
 - Limited by poor information
 - To please others



Retirement Villages

- About 13% of older people 75+ years
- Current business model for retirement villages
 - Unlikely to go higher
 - Although building in the pipeline is higher
 - People are often quite confused about retirement villages
- People often confused about retirement villages and the relationship with care

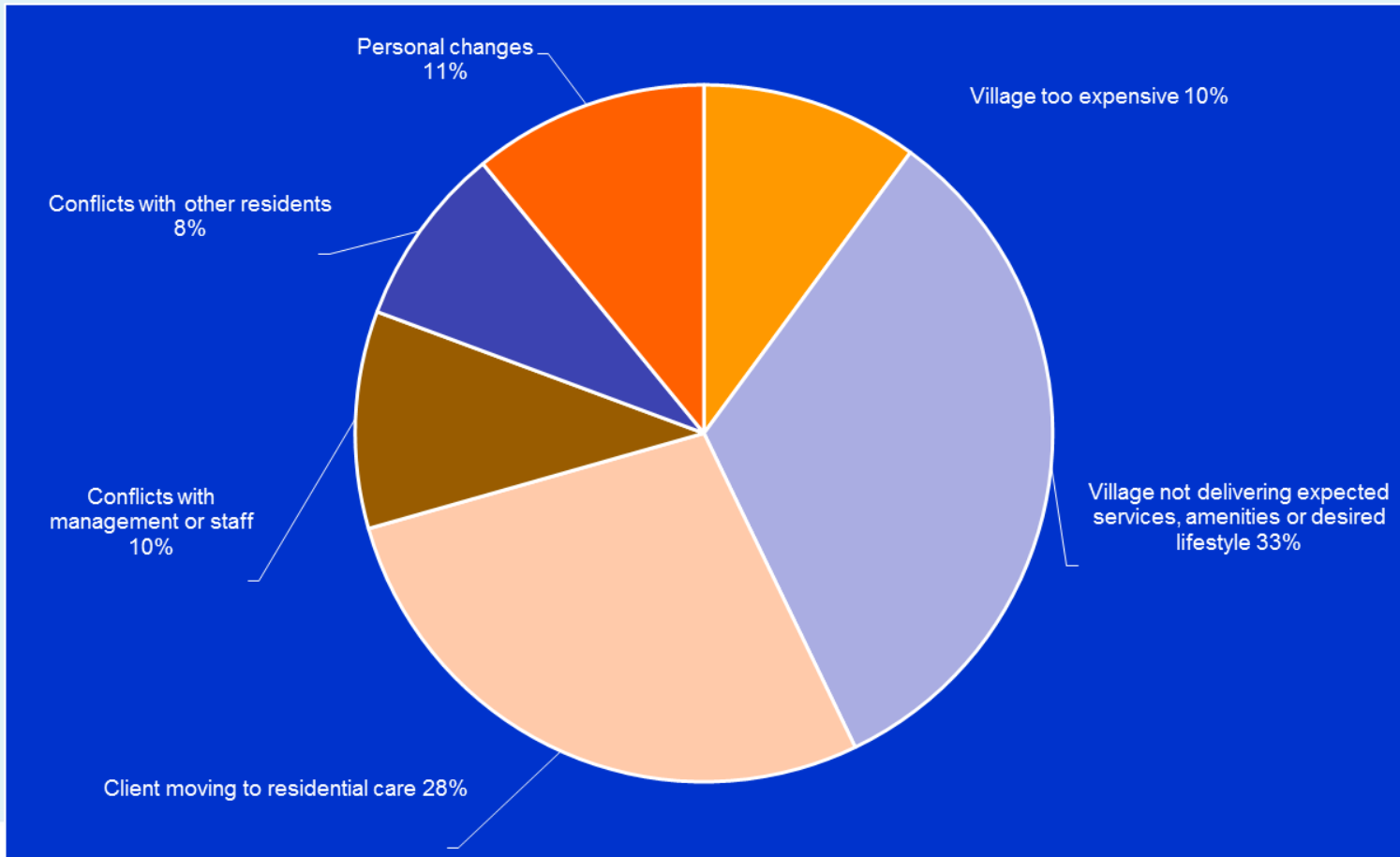
Retirement Villages

- Retirement Villages are not Rest Homes even if they are co-located
- A place in a Retirement Village may give priority to co-located residential care but does not guarantee it
- Services, obligations and responsibilities to think about
 - Access to DHB in-home support services
 - Access to modifications
 - Responsibilities and opportunities for gardening
 - Cost on single incomes
 - Conditions, processes and implications for moving on or moving out

Things People Don't Think About

Typically, have prospective village residents realistically considered:	Usually	Sometimes	Never
Their ability to terminate residence?(n=101)	14%	58%	28%
The affordability of a village if their financial circumstances change (eg., from loss of a partner and associated reduction in superannuation or an increase in fees?(n=101)	27%	57%	16%
The implications of continued residence or costs if a partner requires care in their unit or in a rest home?(n=99)	23%	62%	15%
The implications of continued residence or costs if they themselves require care in their unit or in a rest home?(n=100)	34%	50%	16%
Whether they can access District Health Board in-home care while resident in the village or whether they are required to purchase care services from the village?(n=101)	17%	39%	45%

Moving Out – It Does Happen



So What do Folk Do?

- Survey of 615 older people living in retirement villages
- Survey of 435 older people who are staying in place
- Survey of 115 older people who moved – one of whom actually moved to a retirement village.

RVS and Movers Profiles

- Age
 - 84.2% > 74 years – RV residents
 - 25.2% > 74 years - Movers
- Drivers license
 - 79.3% - RV residents
 - 95.7% - Movers
- Disability
 - 59.5% - RV residents with some sort of disability
 - 47.8% - Movers with some sort of disability

Movers to Retirement Villages

- 83.3% did not consider another option
- Health services proximity – 29.4%
- Security and safety – 26.2%
- Low home maintenance – 21.3%
- Aged care services proximity – 18.9%
- Low section maintenance – 15.1%
- Smaller home – 14%
- Companionship – 10.7%
- More accessible home – 10.4%

Retirement Village Residents

- The equity released from selling up and moving to a retirement village can be small
- Those moving to retirement villages fall into four categories:
 - De-managing
 - Smaller dwelling
 - Functional dwellings
 - Securing the future

115 Movers Want

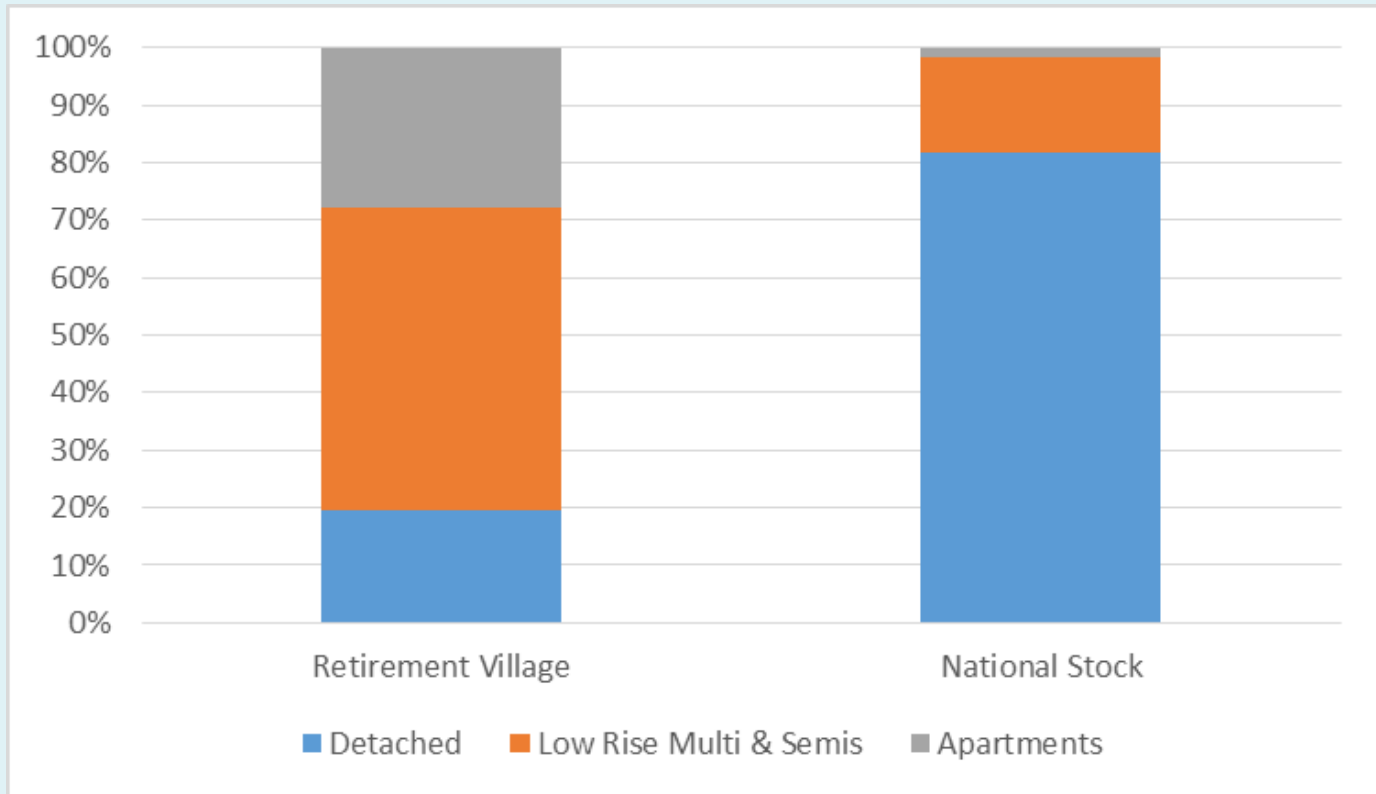
- Smaller homes – 30.4%
- Low section maintenance – 27.8%
- More accessible home – 27%
- Low home maintenance – 23.5%
- 13.9% considered a retirement village

Why Don't People Choose a Retirement Village?

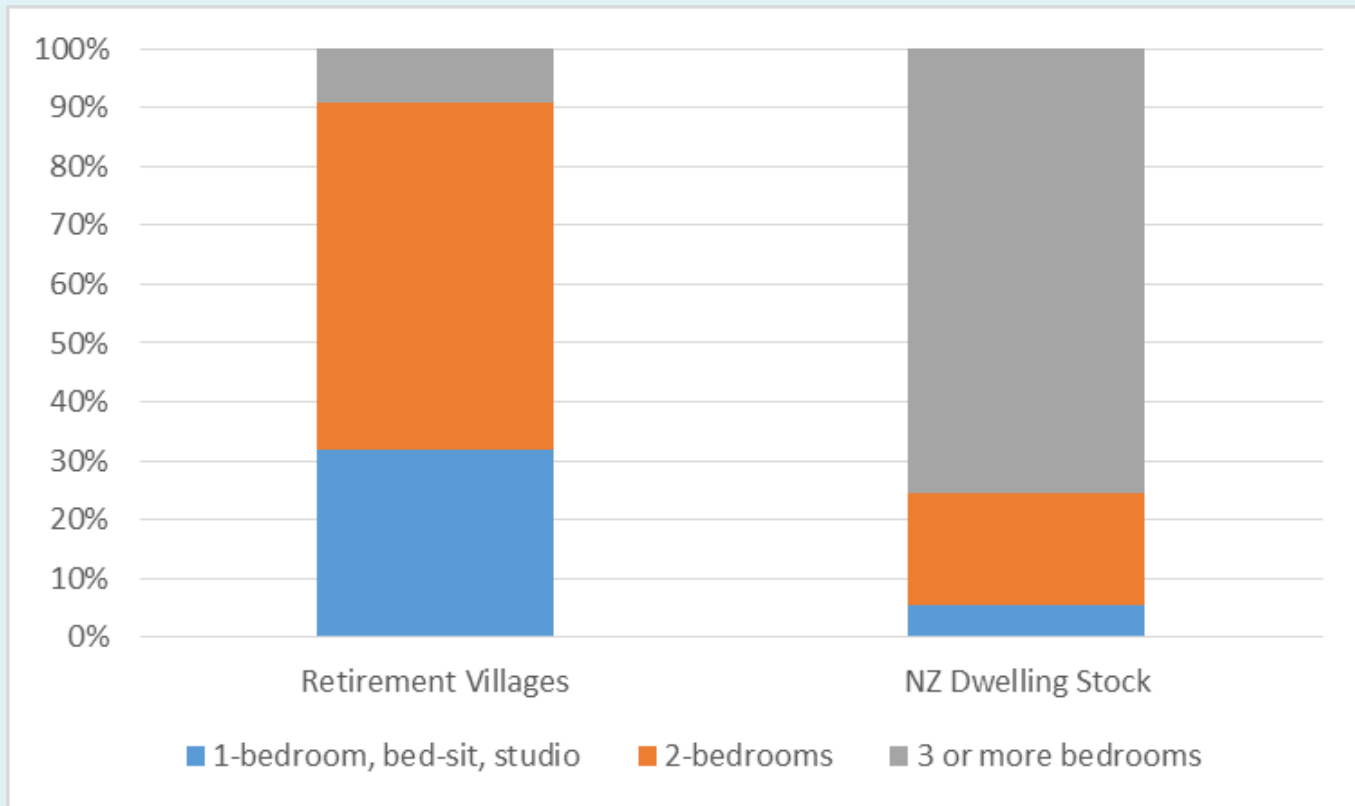
“I'm 92 and I don't feel old enough”

- Retirement villages = frailty
- Generational mix is desired
- Animal issue
- Proximity anxieties
- Service costs
- Tenure and sale issues

So What About Stock?



So What About Stock?



Releasing Equity – RV Residents

Retirement Village Residents – 17.2% wanted equity release

RV Movers Equity	Number	Percent
Less than \$25k	144	30.2
\$25k - <\$50k	80	16.8
\$50k - <\$75k	49	10.3
\$75k - <\$100k	38	7.9
\$100k or more	166	34.8

Releasing Equity - Movers (n=88)

Other Older Movers – 20.9% wanted equity release

OM Equity	Number	Percent
Less than \$25k	48	54.5%
\$25k - < \$50k	10	11.4%
\$50k - < \$75k	5	5.7%
\$75k - < \$100k	5	5.7%
\$100k or more	20	22.7%

Things to Think About

- What do I really want to achieve?
- Do I really want to leave where I am? If I want to stay can I make it work?
- If I leave what is best for me? How connected am I to my local community?
- Where will my children be? Does it matter?

If thinking about a Retirement Village

- Compare first – fall in love second
- Worry about the things that matter – lawyers often focus on investment
- Calculate the financial implications of exit
- Think about the trajectory of fees and the village