

Understanding Downsizing in Later Life and its Implications for Housing and Urban Policy

Never Stand Still

Built Environment

City Futures Research Centre

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Population Ageing in Australia

- First half of 21st Century
 - % 65+ expected to double
 - % 85+ expected to quadruple
- A major challenge for economic and social policy
- Also for housing and urban policy
- Ageing in place a key strategy
- Perception of underutilisation of dwelling stock by older people
- Existing housing stock not very age friendly in design & location
- Advances in design of new housing and neighbourhoods limited
 - ‘Access to Premises’ extended to apartments (2010)
 - Voluntary ‘Livable Housing Guidelines’ (2012)
- Little known about extent, motivations & outcomes of downsizing

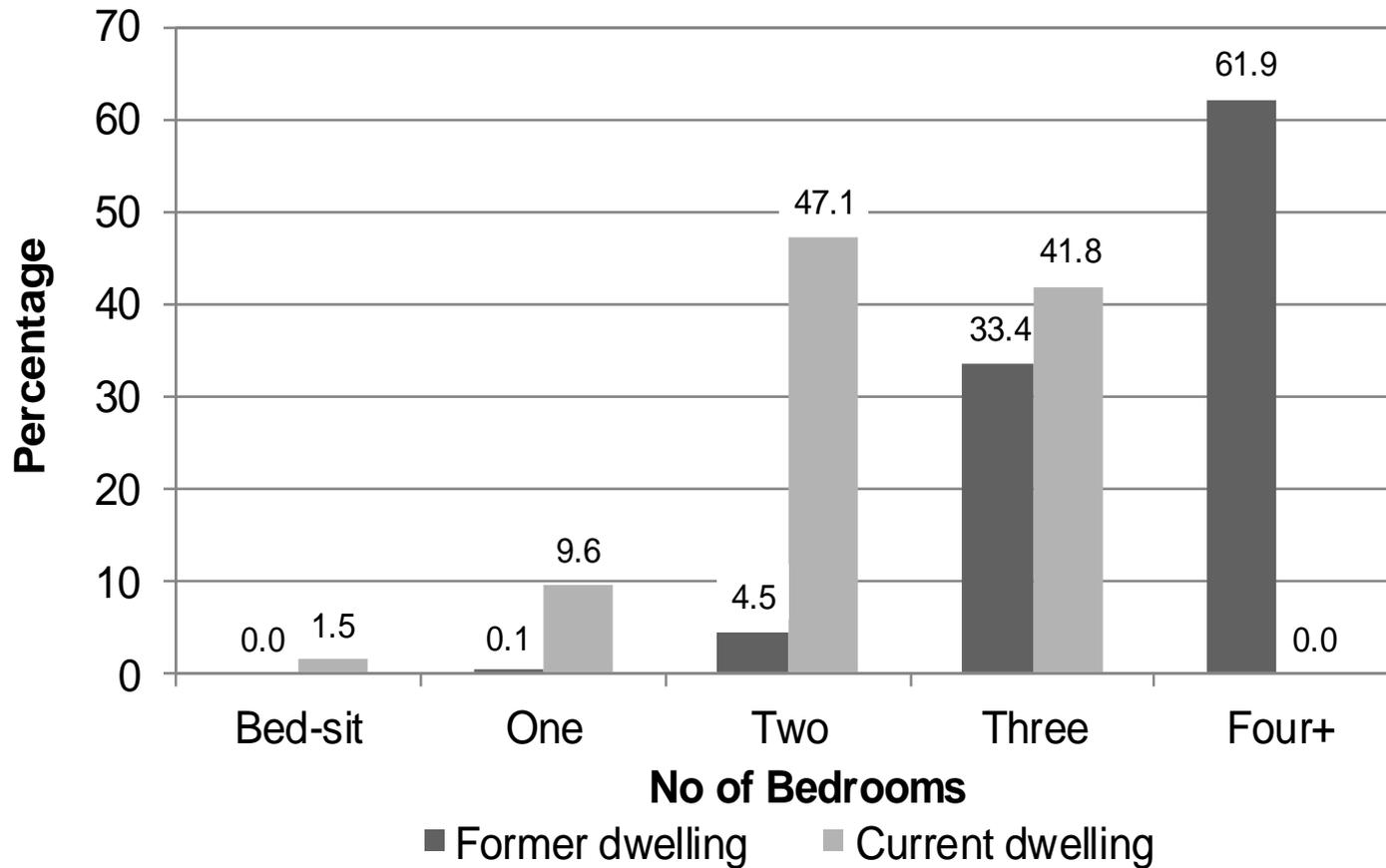
The Downsizing Study

- AHURI funded project
- Multidisciplinary research team (Judd, Liu, Easthope & Bridge)
- Builds on previous AHURI project on Housing, Land and Neighbourhood Utilisation by older Australians
- Multi method approach
 - Analysis of evidence from ABS Census data (1996-2011) and 2003 & 2009 Survey of Disability Ageing and Carers (SDAC)
 - National survey of 2767 older Australians who had moved since turning 50 years of age
 - 60 face-to-face interviews in three states (NSW, VIC & SA)
 - A policy forum in each of the three states
- ‘Older’ defined as 50+ to include the important pre-retirement group
- Downsizing defined as reduction in bedrooms and/or floor area

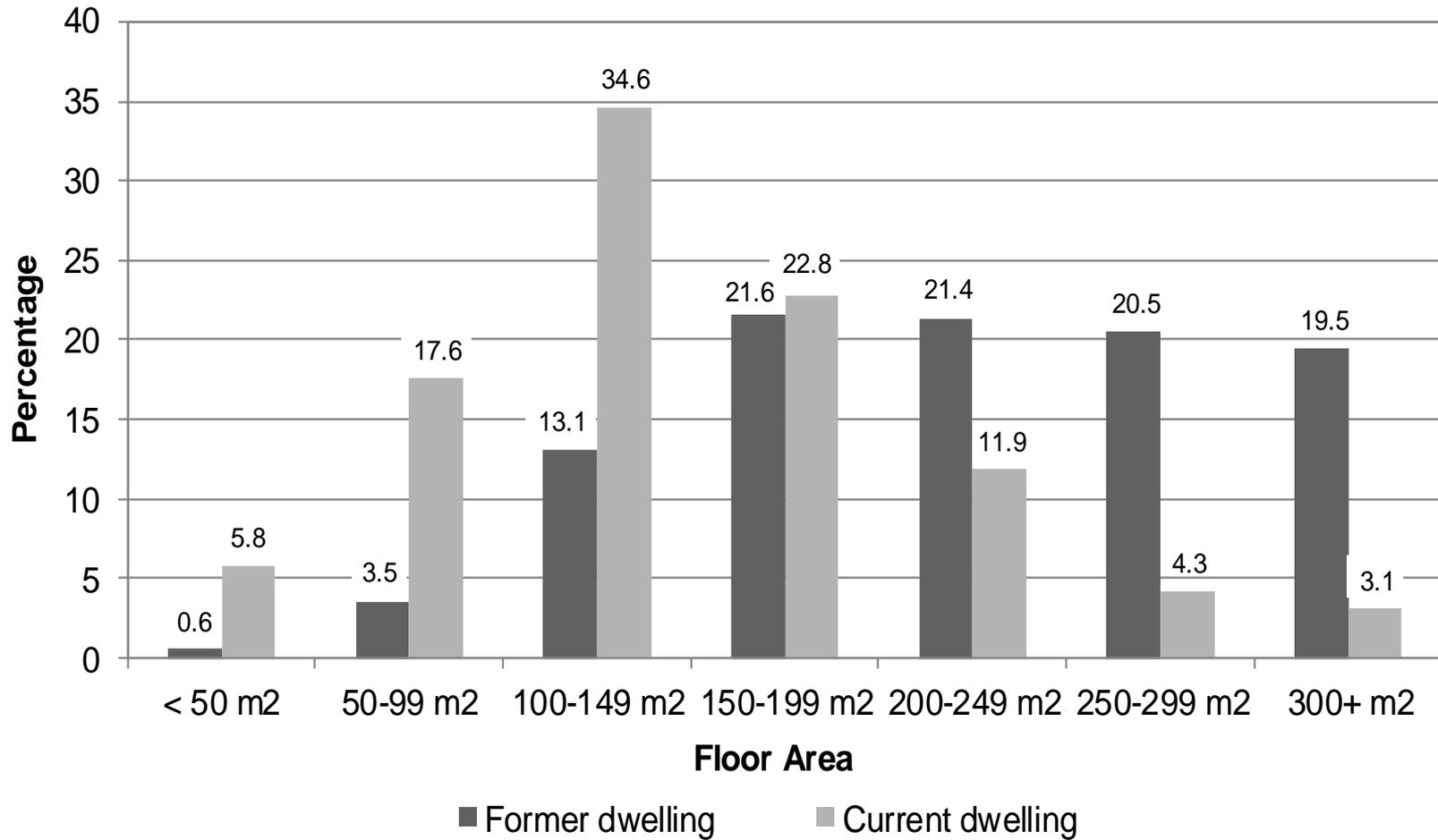
Estimating Downsizing

- ABS Census (2006-2011)
 - 18% of Older Australians (50+) had moved
- Survey response
 - 43% had downsized
 - 50% when matched to Census cohort (50+ in 2006)
- Estimate of downsizing for the 5 years 2006-2011
 - 9% of all older Australians 50+
 - 235,509 nationally
 - 59,773 in Sydney SD
 - 53,920 in Melbourne SD
 - 14,815 in Adelaide SD

Change in No of Bedrooms (Survey)



Change in Floor Area (Survey)

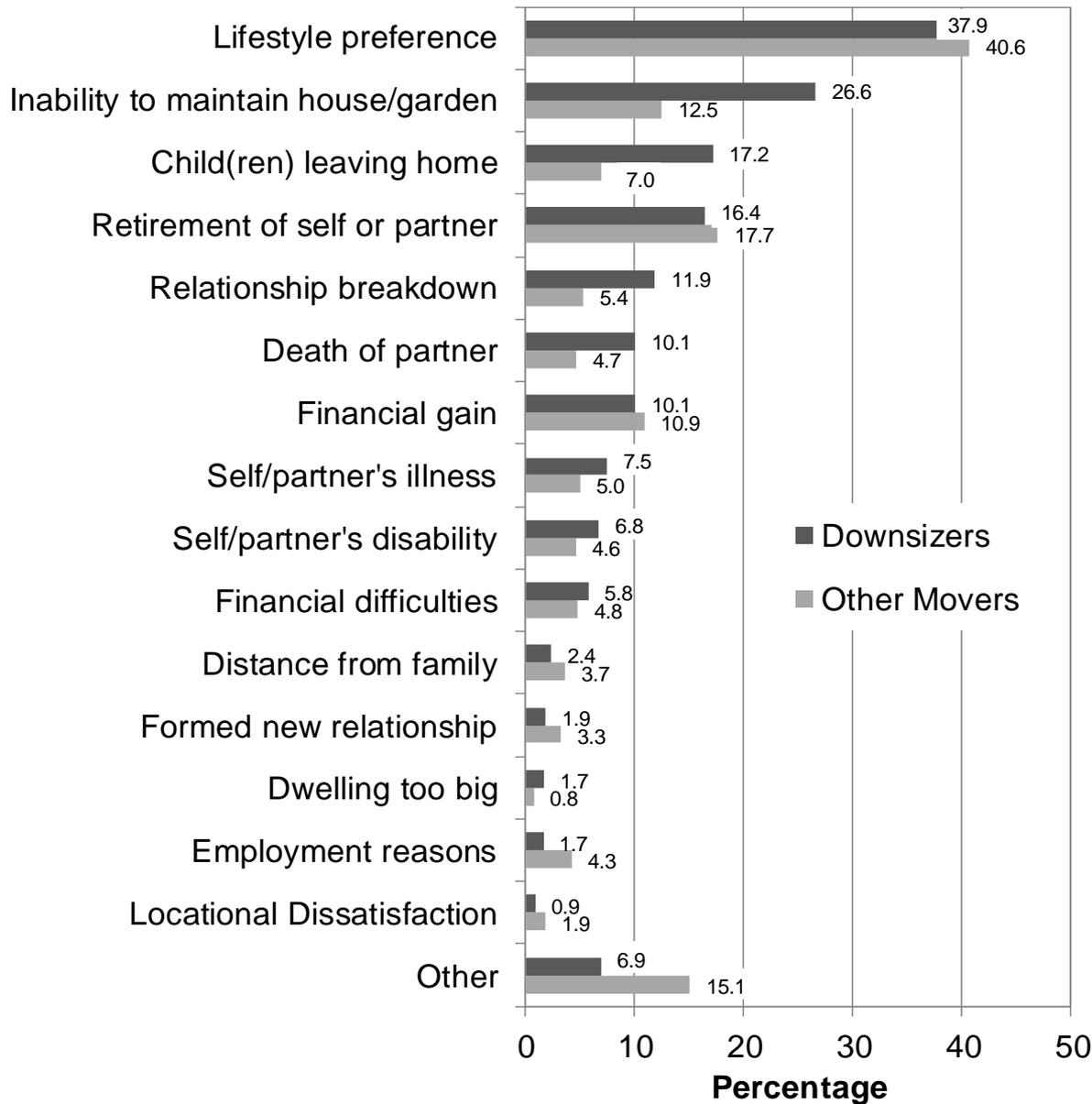


Conceptualising Downsizing (Interviews)

- Downsizing can mean a reduction in:
 - 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”.



Circumstances Leading to Downsizing (Survey)

* Multiple answer question – percentage of respondents

Circumstances Leading to Downsizing (Interviews)

- *“In [country town] no train, no bus, no shop. Very rural area. ‘though I loved it, I just decided four years ago that it was really time to be sensible and to move while I was still well and while I could still do things and to take on some activities that I hadn't had time to do before, and to be close to conveniences, of course. So that was this choice to move here, this was the downsize.” (Single Female, 65-69)*
- *“We had this stepped garden... I've always been used to doing everything...in the garden myself, and everything around the house myself. I've never had a tradesperson in the place in my life. It was just a question of [whether] I could do everything myself, and then we found that it was a wee bit too much for us when she had the broken ankle and I had my bad back, and trying to get lawnmowers up and down the different steps... We thought, oh, this is silly. We must do something about downsizing, and go to a smaller place on the flat, where we can do things.” (Couple, 80-84)*

Circumstances Leading to Downsizing (Interviews)

- *“[Our son] came back a year after quite unexpectedly and kick-started a uni course that he'd put his name down for, which meant he had to stay in the old family home for another three years. So rather than move and have him unsettled even more so, we thought, well it might be best for us to stay around so that he can complete his uni degree and then things will work out differently. So that's what we did. We waited until he finished his university degree and then his lady friend came along. He's married now so he left only about a year or two after the uni degree was completed. Then there was absolutely no real reason for us to stay there.” (Male with partner, 60-64)*
- *“So when [my] business was closed and I retired, there was no real reason to keep me in that area from a business perspective.” (Male with partner, 60-64)*

The Downsizing Process (Survey)

- Three Quarters of Downsizers found the process easy or very easy
- For the quarter who did not the main issues were:
 - Availability of a suitable housing type (64%)*
 - Cost or affordability of housing (45%)
 - Suitability of available locations (33%)
 - Distance from family and friends (18%)
 - Distance from retail facilities (12%)
 - Distance from health facilities (9%)
- Other issues from the interviews
 - Emotional attachment to the home and/or neighbourhood
 - Disruption to social networks

* Multiple answer question – percentage of respondents

The Experience of the Actual Move (Survey)

- Advice and assistance about downsizing was sought primarily from:
 - Family members (52%)*
 - Friends (30%)
 - Real estate agents (27%)
 - Professional/financial advisors (12%)
- Only rarely from: health or aged-care professionals, government information services, seniors organisations, popular media or legal advisors
- Moving proved challenging for some interviewees due to:
 - Sorting, packing and disposal of belongings
- Importance of moving sooner rather than later while still young enough to cope with the moving process was often emphasised

* Multiple answer question – percentage of respondents

Outcomes of Downsizing (Survey)

- 90% were either satisfied or very satisfied with the home into which they had downsized
- For the small percentage who were dissatisfied or very dissatisfied the key reasons were:
 - Building defects and maintenance (25%)*
 - Building or village management issues (22%)
 - Inadequate space (20%)
 - Affordability (16%)
 - Unexpected costs (16%)
- The majority of these issues relate to moves into multi-unit living or retirement villages

* Multiple answer question – percentage of respondents

Policy Implications (Policy Forums)

- General agreement that downsizing amongst older Australians:
 - Warrants greater policy attention
 - Offers a better match between preferences and housing
 - Releases larger housing stock for younger families
- Queried whether:
 - Downsizing is the best term ('rightsizing' better?)
 - Emphasis should be on choice and protecting the rights of older people, rather than an authoritative approach
- Concern about:
 - Lack of suitable alternatives in the marketplace
 - Downsizing could have negative impacts on health, social networks and access to services for some
 - Whether proceeds of sale sufficient to cover moving costs

Barriers to Downsizing (Policy forums)

- Dwelling and locational availability
- Financial disincentives
 - Stamp duty
 - Impact of releasing capital on Age Pension eligibility
 - Price creep and fluctuating housing markets
- Psychological and Practical Barriers
 - Lack of awareness of housing options
 - Lack of support services for decision-making
 - Lack of retirement planning leading to reactive moving in response to a crisis
 - Physical and psychological stress of moving (preparation for sale, sale process, temporary accommodation, disposal of belongings, and the actual move itself)

Policy Recommendations (Policy Forums)

- Foster greater innovation in the housing industry
- Removal of financial disincentives including:
 - Stamp duty
 - Impact on Age Pension eligibility
- Improved information provision about housing choices and practical aspects of downsizing (government and peak bodies)
- Specialised services to assist older people in the downsizing process
 - Forward planning for housing and care needs
 - Financial advice
 - Assistance in the moving process (eg specialised removalist services)