

# The Potential for Downsizing

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## Introduction and Data

Ageing in place is a key policy response to population ageing in Australia, this then raises the question as to the types of places seniors (those aged 65+) are choosing to live in (1). Studies have established that many seniors choose to live in detached dwellings often considered too large for them (2), notwithstanding that studies have also shown that seniors do utilise these “spare” bedrooms (3; 4). There remains the perception that if the surplus bedrooms could be accessed or if seniors could be induced to downsize this would address issues of housing supply, particularly in Sydney.

To determine the potential for downsizing the number of dwellings where seniors are living with spare bedrooms for each suburb was determined. This used ABS 2016 Census data for seniors living in one and two person households in dwellings with four or more bedrooms<sup>1</sup>. The results were nuanced, a number of suburbs meet the obvious stereotype of leafy northern suburbs, however Western Suburbs, regional centres and retiree locations were also identified. The implications are that any blanket policy intended for seniors in a particular type of location could have unintended consequences to those in other locations.

Using the above framework this has identified suburbs across New South Wales where in total 107,000 dwellings could be regarded as having potential for downsizing. Estimates for new housing requirements to meet demand in Greater Sydney are over 725,000 additional homes over the next 20 years (5). Therefore downsizing is not expected to make a significant difference to additional supply.

The suburbs where seniors are living in “size appropriate” accommodation were then determined. Using ABS 2016 Census data this identified seniors living in one and two person households in dwellings with two bedrooms or less. Again the results were nuanced; suburbs with apartment developments, retirement villages and small houses were noted. Nine of the suburbs featured in both of the lists and were locations noted for a significant ageing demographic.

## Results and Discussion

This research has identified a number of types of locations from where seniors could potentially downsize. These include suburban Sydney, the Western Suburbs, regional centres and retiree destinations (tree and sea change). The list of the top 30 suburbs by numbers of seniors living in accommodation with four or more bedrooms is contained in Table 1.

Downsizing has been well studied and factors contributing to this decision include a desire for a change in lifestyle, and inability to maintain the home and/or garden and changes including children leaving home and retirement (4; 6). In looking at these different locations different drivers for the downsizing decision can be identified along with factors encouraging seniors to remain in their existing property. Any policy attempting to encourage downsizing needs to consider whether seniors will/can move to more “size appropriate” accommodation.

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<sup>1</sup> Persons, Location on Census Night

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Suburban Sydney includes suburbs such as Castle Hill, Baulkham Hills, Wahroonga and Strathfield. These are established locations where seniors have been ageing in place in the family home after the children have departed, moreover the median house price is above \$1 million. They are noted for higher socio-economic levels therefore seniors can be anticipated to be in a position to pay for maintenance and other services while remaining in this family home. These are not locations where cost pressures would necessarily force seniors to downsize or relocate. Financial motivations are of low importance to downsizers (4) and seniors in these suburbs are considered less willing to compromise therefore downsizing choices would have to be similarly attractive to the family home.

Table 1: Top 30 suburbs (by numbers) of individuals aged 65+ living in dwellings with four or more bedrooms

Suburb	One person households	Individuals in two person households	Dwellings	Median House Price <sup>2</sup>
Castle Hill	254	1,661	1,085	\$1,590,500
Port Macquarie	278	1,580	1,068	\$565,000
Baulkham Hills	211	1,257	840	\$1,215,000
Dubbo	257	1,072	793	\$360,000
Orange	223	929	688	\$366,500
Kellyville	140	876	578	\$1,192,500
Cherrybrook	132	882	573	\$1,537,500
Carlingford	127	846	550	\$1,450,000
St Ives	125	823	537	\$2,050,000
Bowral	139	806	542	\$930,000
West Pennant Hills	104	833	521	\$1,668,000
Mosman	125	700	475	\$3,810,000
Wahroonga	108	688	452	\$2,032,500
Armidale	155	631	471	\$359,000
Coffs Harbour	131	654	458	\$469,000
Forster	111	668	445	\$537,000
Banora Point	135	576	423	\$580,000
Greystanes	113	589	408	\$861,000
Blacktown	117	529	382	\$742,000
Strathfield	91	550	366	\$2,545,000
Goulburn	125	514	382	\$400,000
Epping	88	520	348	\$1,840,000
Maroubra	99	501	350	\$2,041,500
Glenmore Park	67	528	331	\$760,000
Terrigal	69	521	330	\$895,000
Turrumurra	83	498	332	\$2,045,500
Frenchs Forest	85	485	328	\$1,650,000
Pymble	65	493	312	\$2,372,500
Engadine	71	476	309	\$1,000,000
Umina Beach	84	449	309	\$710,000

The Western Suburbs includes Greystanes and Glenmore Park again these are locations where seniors have aged in place in the family home and the median house price is between \$700,000 and \$900,000. While the western suburbs are usually associated with a younger demographic, these are now locations where suburbs and residents are reaching maturity. Similar to the suburban Sydney seniors those choosing to downsize would want an appropriate alternative to the family home. Seniors relocating do not necessarily remain within the same suburb; however the majority remain within the same region. There has been considerable apartment development in the Western Suburbs, however much of this has

<sup>2</sup> September 2017 Source CoreLogic

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been high rise near main transport nodes and designed to appeal to a younger commuter demographic therefore is less likely to appeal to seniors.

Regional centres include Dubbo, Orange, Armidale and Goulburn, again seniors age in place in the family home in these locations. A blanket policy designed to encourage Wairoonga matrons to relocate would also impact on seniors in Armadale possibly causing them to contact their local Member of Parliament. Moreover median house prices in these locations can make it difficult for seniors to relocate as often new nearby medium density developments are priced at a similar level.

Retiree destinations include Port Macquarie, Coffs Harbour, Terrigal and Umina Beach. These are locations where seniors mostly have moved there following retirement often for lifestyle reasons. Having relocated relatively recently they are unlikely to want to relocate again just to move to somewhere smaller. Therefore they can be assumed to prefer a larger dwelling for a variety of personal reasons.

In looking at these suburbs it is obvious that any blanket policy designed to drive seniors to downsize would have to accommodate a range of locations, alternative accommodation choices and economics. In addition to personal factors the lack of alternative accommodation is considered a major factor precluding seniors from downsizing particularly in the Western suburbs, regional centres and (parts of) suburban Sydney. Much of the new residential apartment construction in Greater Sydney is designed for working age commuters and does not offer an acceptable alternative for retirees. These different locations also face different cost factors, seniors living in suburbs with lower median house prices may find it financially difficult to downsize outside their local area.

The other side of this discussion is to determine locations where seniors can be considered to be living in “size appropriate” accommodation. This research has identified a number of types of locations and these include ones noted for high levels of retirement village development, apartment development and small houses. The list of the top 30 suburbs by numbers of seniors (one and two person households) living in accommodation with two or less bedrooms is contained in Table 2. Suburbs which appear on both lists have been highlighted and are noted for a significant ageing demographic.

Retirement Village locations include Port Macquarie, Castle Hill, Narrabeen, Wollongong, Banora Point, Erina and Kincumber. These are suburbs that have been noted for significant retirement village development, including two particularly large villages at Castle Hill and Narrabeen. Seniors relocate to both retirement villages and detached housing in the retiree destinations of Port Macquarie and Banora Point.

Apartment locations include Maroubra, Randwick, Dee Why, Waterloo, Chatswood and Hornsby, these comprise a variety of built form. Apartment developments in the beachside locations of Maroubra, Randwick and Dee Why are predominantly medium density with a range of ages. This is in contrast to the suburbs of Chatswood and Hornsby which have high density development and in the case of Chatswood appeal to a particular ethnic demographic. Waterloo is noted for high and medium density development with a significant amount of supply by NSW Housing.

Broken Hill and Taree are both locations where the built form includes traditional cottages, predominantly two-bedrooms. They are also locations where there have not been significant pressures to renovate and extend which has happened in many suburban locations.

Marrickville has both small houses, the old workingman’s cottages, and apartment developments with a range of ages. Similarly Wollongong has both small houses and retirement villages.

This analysis was also undertaken for seniors living in studio and one-bedroom accommodation. The results did not include suburbs with small houses however included those with significant apartment development including Surry Hills, Potts Point, Neutral Bay, Elizabeth Bay Darlinghurst and Glebe. Some of the suburbs identified comprise significant levels of NSW Housing. It is difficult to draw conclusions that cost pressures force seniors to locate in apartment developments due to the range of suburbs identified.

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Table 2: Top 30 suburbs (by numbers) of individuals aged 65+ living in dwellings with two or less bedrooms

Smaller Units	Single – studio	Couple – studio	Single – 1 bedroom	Couple – 1 bedroom	Single – 2 bedrooms	Couple – 2 bedrooms	Dwellings
Port Macquarie	16	5	370	124	1178	1338	2298
Mosman	15	0	313	63	584	657	1272
Maroubra	32	3	231	62	526	652	1148
Randwick	5	4	183	61	488	553	985
Coffs Harbour	15	10	174	20	555	513	1016
Dee Why	8	0	207	69	429	543	950
Tweed Heads	3	0	119	48	428	629	889
Dubbo	7	9	144	29	506	438	895
Castle Hill	13	0	284	77	327	431	878
Wollongong	12	3	152	24	447	460	855
Narrabeen	43	7	205	48	359	431	850
Banora Point	4	0	131	48	404	488	807
Cronulla	4	0	117	37	415	478	794
Ballina	5	5	125	12	479	407	821
Waterloo	122	12	209	42	311	318	828
Orange	5	4	128	21	496	353	818
Taree	9	0	110	32	448	396	781
Bankstown	14	6	110	42	354	464	734
Tweed Heads South	27	0	157	82	317	404	744
Chatswood	0	4	143	102	282	453	705
Ryde	3	4	161	45	337	378	715
Erina	0	0	59	15	399	447	689
Liverpool	4	0	116	50	276	459	651
Kincumber	0	0	46	25	381	451	665
Forster	10	0	78	33	385	395	687
Broken Hill	0	7	104	38	353	395	677
Hornsby	34	5	104	43	297	378	648
Campsie	5	0	43	48	261	503	585
Woy Woy	4	3	141	22	340	346	671
Marrickville	24	0	138	36	280	376	648

Suburbs which appear on both lists are highlighted

This analysis shows the variety of Australian seniors and their accommodation which is a function of personal history, socio-economic situations and available choices. There are clearly difficulties with any blanket policy promoting downsizing as different locations face different issues which could result in unintended consequences.

There are calls for promotion of more seniors' housing (7) and despite promotion of universal housing design the bulk of new housing and existing stock is not supportive of ageing in place (8). Not all seniors may want to live in retirement villages or apartments, however providing an acceptable choice facilitates downsizing.

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### References

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