Housing in an Ageing Society

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Presentation to Housing Stakeholders
Nelson, 18 September 2017
What we will cover today

- Housing trends in Nelson and Tasman
- Research themes and findings:
  - Housing that older people want
  - The importance of repairs and maintenance
  - The importance of resilient housing
  - Downsizing – things to think about
- What does this mean for Nelson and Tasman
- What can housing stakeholders do
- Information and decision-support tools for making housing decisions
Good Homes Research Programmes

- Good Homes Ageing in Place
- Community Resilience and Good Ageing
- Finding the Best Fit: housing, downsizing and older people
- Life When Renting
- Supporting older people’s resilience in homes and communities
- Understanding older people’s experiences and points of view
- Multi-method, multi-disciplinary
- Evidence-based solutions
Housing trends in Nelson & Tasman

• Big Issues in housing:
  • Declining home ownership
  • More renting among older population
  • Uncontrolled house prices
  • Poor stock alignment
  • Unaffordability owner occupation and unaffordable rentals
  • Poor stock maintenance
  • Poor resilience
  • Low take-up of LifeMark

• Older people are affected by these
  • Hard to down size
  • Increased rates – this is largely house price driven
  • Unaffordable rents
  • Insecurity
  • Poor housing conditions
  • Inaccessible and dysfunctional dwellings
Declining Owner Occupation - NZ

[Graph showing percentage of owner occupation from 1936 to 2013 with a decline from around 80% to around 50%]

[Table showing percentage change from 2001 to 2013 for different age groups: 65-69 yrs: -2.9, 70-74 yrs: -5.1, 75-79 yrs: -2.8, 80-84 yrs: 0.5, 85 yrs+: 5]
Home Ownership by Birth Cohort, Nelson City

Cohort Born:
- 2007-13
- 2001-06
- 1997-01
- 1992-96
- 1987-91
- 1982-86
- 1977-81
- 1972-76
- 1967-71
- 1962-66
- 1957-61
- 1952-56
- 1947-51
- 1942-46
- 1937-41
- 1932-36
- 1927-31
- 1922-26
- 1917-21
- 1912-16

Source: Natalie Jackson
Home Ownership by Birth Cohort, Tasman District

Cohort Born:
- 2007-13
- 2001-06
- 1997-01
- 1992-96
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- 1942-46
- 1937-41
- 1932-36
- 1927-31
- 1922-26
- 1917-21
- 1912-16

Source: Natalie Jackson
High House Prices Don’t Always Help – Sale and Purchase Among Older Movers

<table>
<thead>
<tr>
<th>Price Range</th>
<th>Paid Less</th>
<th>Same</th>
<th>Paid More</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than $100,000</td>
<td>1</td>
<td>5</td>
<td>1</td>
</tr>
<tr>
<td>$100,000 - $199,000</td>
<td>3</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>$200,000 - $299,000</td>
<td>4</td>
<td>3</td>
<td>6</td>
</tr>
<tr>
<td>$300,000 - $399,000</td>
<td>5</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>$400,000 - $499,000</td>
<td>6</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>$500,000 - $599,000</td>
<td>4</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>$600,000 - $699,000</td>
<td>3</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>$700,000 or more</td>
<td>9</td>
<td></td>
<td></td>
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</tbody>
</table>
Housing Stock Does not Accommodate Downsizing

Regional Older Age Population Ratios and % New Stock 1=2 bedrooms since 2001

- Older Age Ratio
- % Added Stock 1+2 Bedrooms

Percent
House size & household size
## Accommodation Supplement – A measure of Rental Unaffordability

<table>
<thead>
<tr>
<th></th>
<th>Number aged 65+ Renting with AS</th>
<th>Number aged 65+ Owner-occupier with AS</th>
<th>Number aged 65+ Boarding with AS</th>
<th>Total</th>
<th>Renters receiving AS as % of all renters 65+</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nelson City</td>
<td>293</td>
<td>75</td>
<td>34</td>
<td>402</td>
<td>38%</td>
</tr>
<tr>
<td>Tasman District</td>
<td>268</td>
<td>58</td>
<td>24</td>
<td>350</td>
<td>44%</td>
</tr>
<tr>
<td>Marlborough District</td>
<td>361</td>
<td>73</td>
<td>25</td>
<td>459</td>
<td>45%</td>
</tr>
<tr>
<td>NZ</td>
<td>26295</td>
<td>6744</td>
<td>3752</td>
<td>37446</td>
<td>40%</td>
</tr>
</tbody>
</table>
Older Renters Have Particular Needs

Older Tenants by Disability Status 2013 Census and Health Survey

- **Private Rental**
- **Council**
- **HNZC**

Disability Status: Disabled vs. Not Disabled
Older people Want Fit for Purpose Homes

- Most older people don’t want to move – Our downsizing research shows:
  - 78% had not moved in recent past and had no intention of moving
- Those that move are looking for:
  - Less house and section maintenance
  - Cheaper house running costs
  - Lifestyle improvement
  - Health and mobility concerns
  - Financial concerns
  - Closer to services
  - Closer to family or ‘back home’
Under maintained houses – not safe or comfortable

- Average value of older householder owner occupiers unmet repairs to bring to ‘new’ = $9,000 (2010/11)
- 34% reported problems with mould, damp, condensation
- 25% reported a slip or fall around home
- Deferral of repairs and maintenance due to expense, inconvenience, difficulties in obtaining trusted provider
- Unaddressed repairs and maintenance:
  - Health risks
  - Safety risks
  - Premature move to aged residential care
Older People need resilient homes

- A home resilient to adverse natural events:
  - Protects the residents
  - Minimises damage
  - Minimises costs and time in recovery and repairing damage
- Older people a very vulnerable
  - Physiologically
  - Financially
- Older people a huge resource for communities preparing, responding to and recovering from adverse events – So homes need to be resilient
Downsizing has Pros and Cons

- **Pros**
  - Improved dwelling performance and condition
  - Improved physical and mental health
  - Releasing capital to deal with mortgage, debt
  - Lower running costs
  - Maintain or improve connections
The downsides of downsizing

• The Cons
  • House prices
  • Moving costs
  • Unexpected costs
  • Divesting possessions – both good and bad experiences
  • Adjusting to new life, new environment
  • Housing preferences are not met by the market
    • Smaller size
    • Close to services
    • Accessible features
Equity release is not that simple

- The two main pathways are fraught with difficulty:
  - Reverse equity lending
  - Movement to a lower cost dwelling
- All sorts of shocks can de-rail things:
  - Adverse natural events
  - Adverse financial events – abuse, company collapse
  - Leaky building syndrome
- High house prices do not inherently deliver opportunities for equity release
Capital Equity Release is Modest

- Substantial proportion of movers in the open market were left with a surplus of less than $50,000

- Movers to retirement villages tend to:
  - Face higher costs
  - Face non-discretionary costs
  - Were very much wealthier in the first place
Expectations and Realisations
Ownership and License to Occupy

Ownership

- More Realisation than Planned: 10%
- Hoped But Nothing Much: 10%
- Planned Realisation Achieved: 42%
- Some But Less Than Hoped: 38%

License to Occupy

- More Realisation than Planned: 11%
- Hoped But Nothing Much: 14%
- Planned Realisation Achieved: 45%
- Some But Less Than Hoped: 30%
What does this mean for Nelson & Tasman?

- Increasing older population
- Probable decreasing aggregate population
- Nelson and Tasman dependent on older people’s well-being and productivity
- Declining home ownership, increasing renting
- Population vulnerability in adverse natural events
- Downsizing needs to be made real and positive
Fit for Purpose Housing in an Ageing Society

- House design is crucial – Lifemark, Homestar and resilience
- Diversifying the stock and tenure
- Affordability cannot be ignored
- Location is critical
  - Resilience
  - Independence
  - Contribution – social and economic
- Public transport and compact settlement investment
Opportunities for better services

• Support services linked with housing
• Connecting across sectors – housing providers, home care services, transport, health services, addressing elder abuse and isolation
• Best practice information and tools for the provision of rental housing for older people
• Housing provider partnering – community sector and private property investors
• Developing naturally occurring retirement communities
Tools Based on Research Findings

- Older people want to be actively involved in decision-making about their home-related needs
- Home-related decisions are complex:
  - Staying put or moving?
  - Is this a vulnerable site?
  - What are the financial implication of my choice?
  - Could I manage here with some help?
  - What are my future needs?
- Potential danger of jumping to the ‘solution’ before understanding the ‘problem’
Four Tools

• Good Homes – repairs and maintenance identification and solutions
• Resilient Homes – resilient dwelling design, materials and systems identification
• Selecting a Site for Your Home – residential site vulnerability identification
• My Home My Choices – home-related options identification and decision-support
• Solutions co-designed with older people and service providers