



Australian Government
Productivity Commission

Survey results

Housing Decisions of Older Australians
(Commission Research Paper)

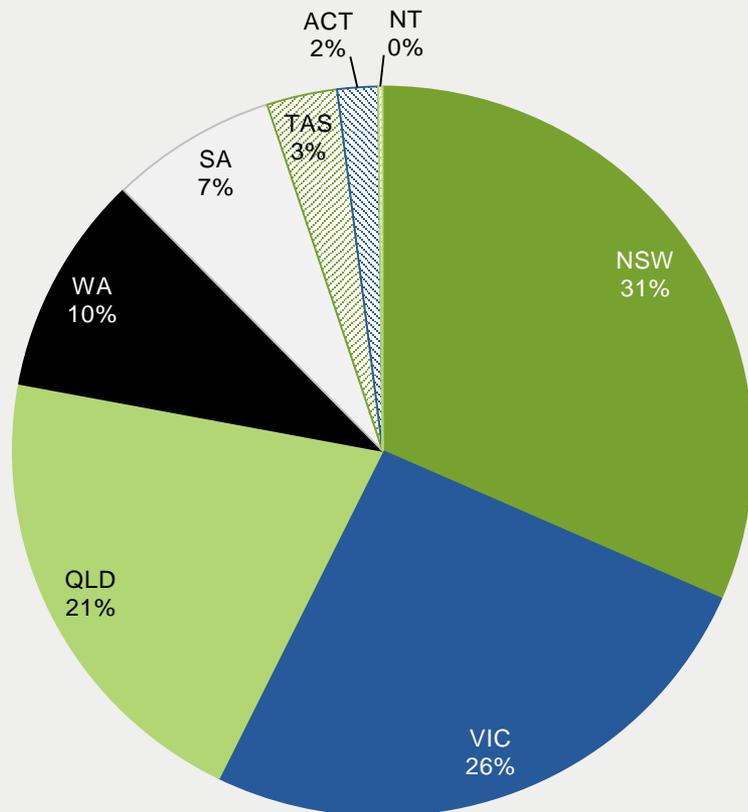
December 2015

About the survey

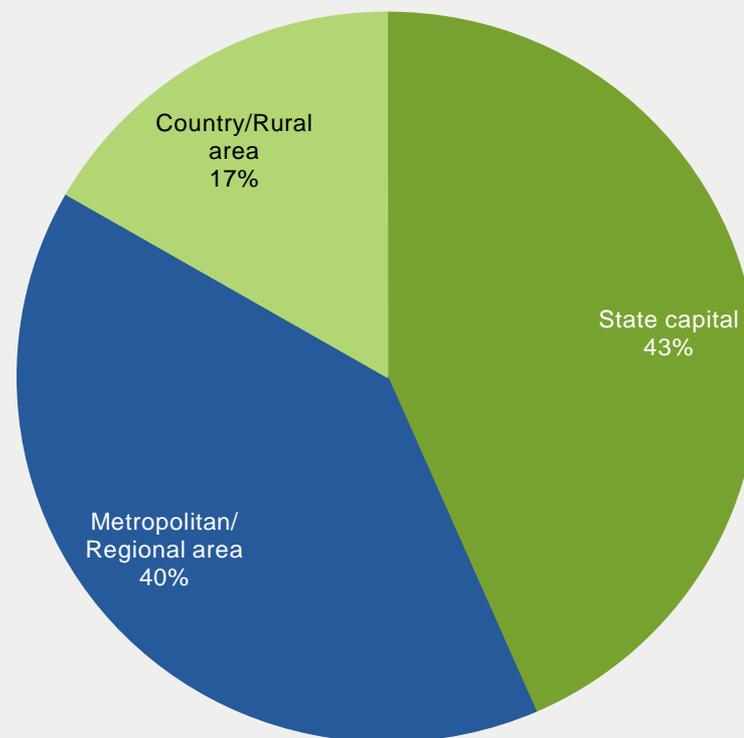
- Designed jointly by the Commission and RFi Group
- Sought the views of older Australians on various issues
 - *planning for retirement*
 - *housing preferences*
 - *downsizing*
 - *savings, debt and bequests*
 - *home equity release products*
- Conducted online in September 2015
- Involved 1524 Australians aged 60+
- Sample quotas applied
 - *Sample representative of the Australian population in terms of age, gender, state and area (regional, rural and metropolitan)*
 - *Exception: 80+ population set to minimum of 100*

Sample profile

What is your current state/territory of residence?



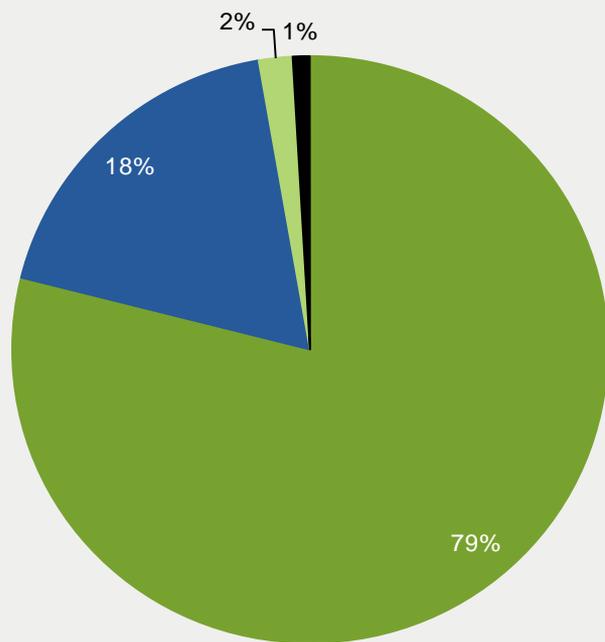
And in which of the following areas do you live?



All Respondents (n=1524)

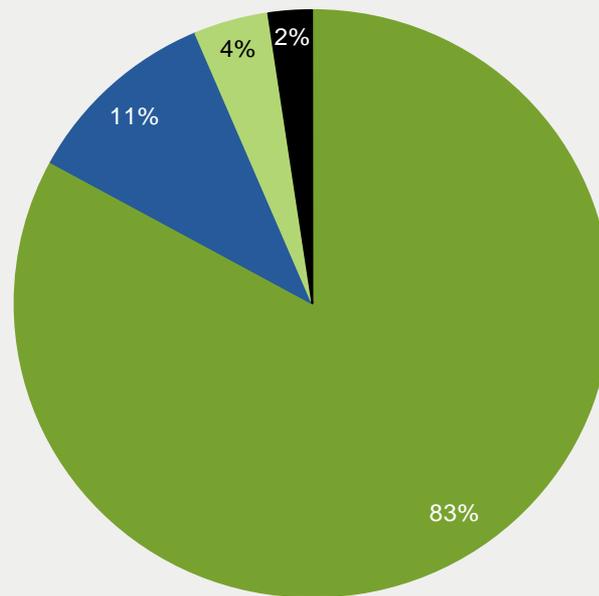
Sample profile

Do you currently...?



- Own the property in which you live
- Rent the property in which you live
- Live rent free in a property you do not own
- Live in a non-private dwelling such as residential aged care

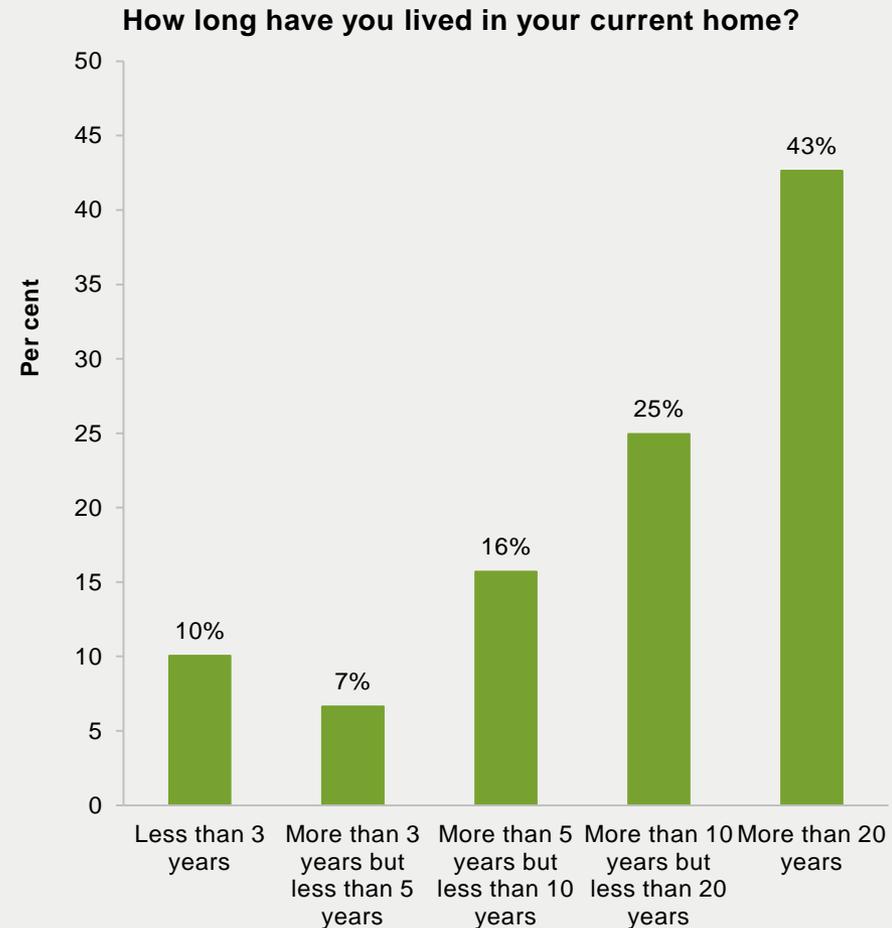
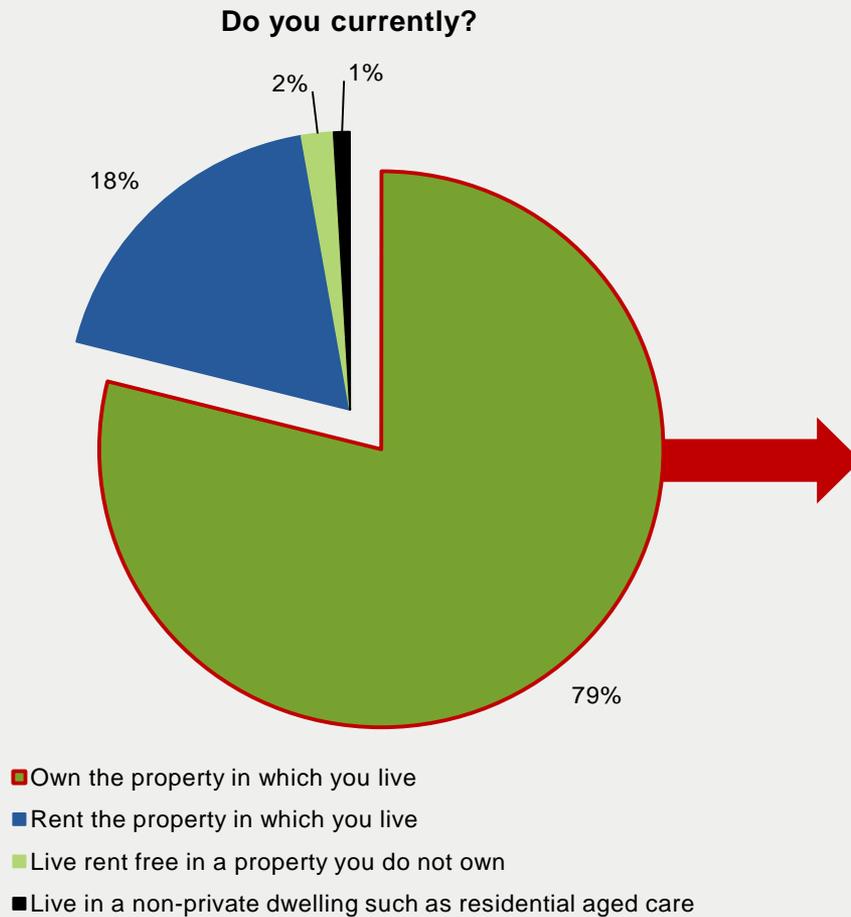
And do you live in any of the following?



- None of the above
- Other facility
- Retirement village
- Manufactured home park/Mobile home park

All Respondents (n=1524)

Living arrangements

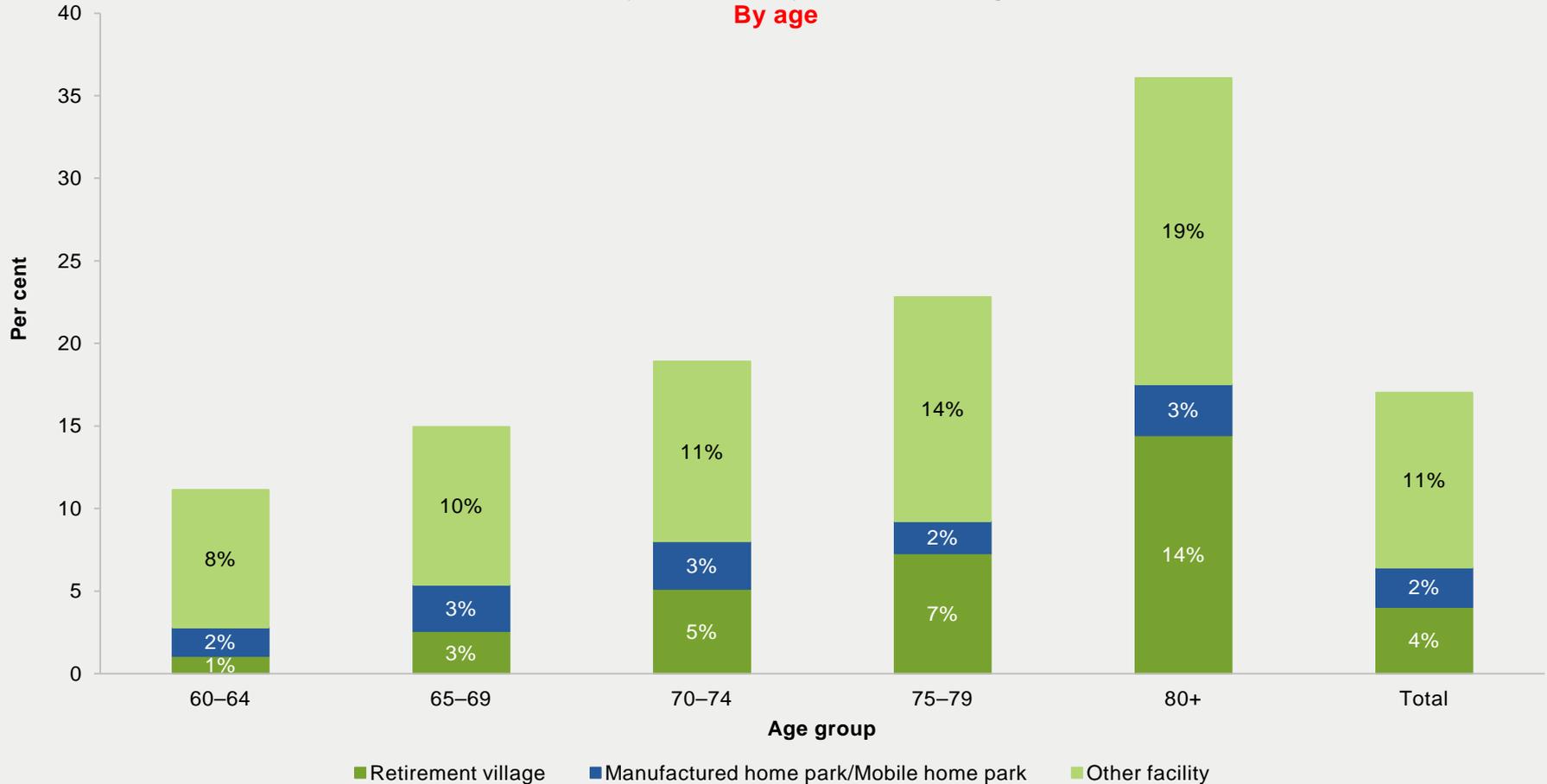


All Respondents (n=1524)

Living arrangements

And do you live in any of the following?

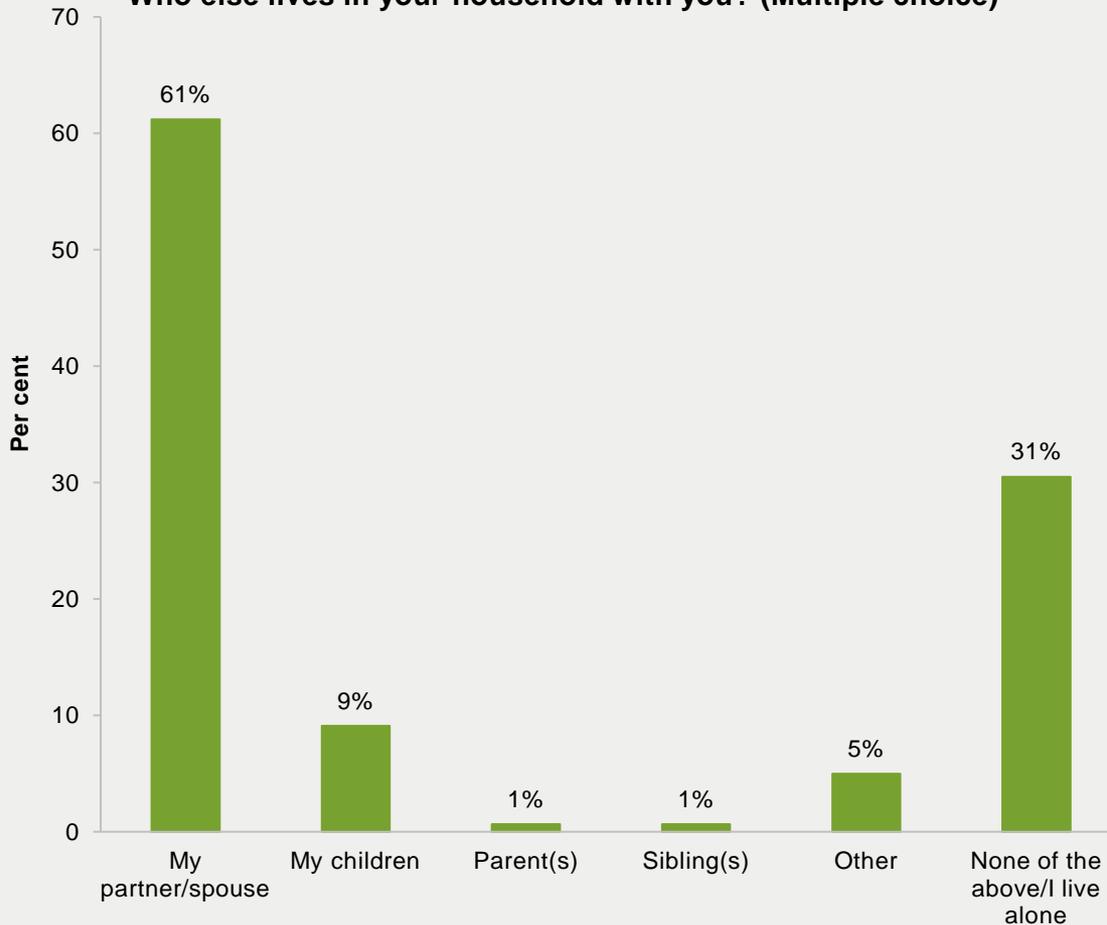
By age



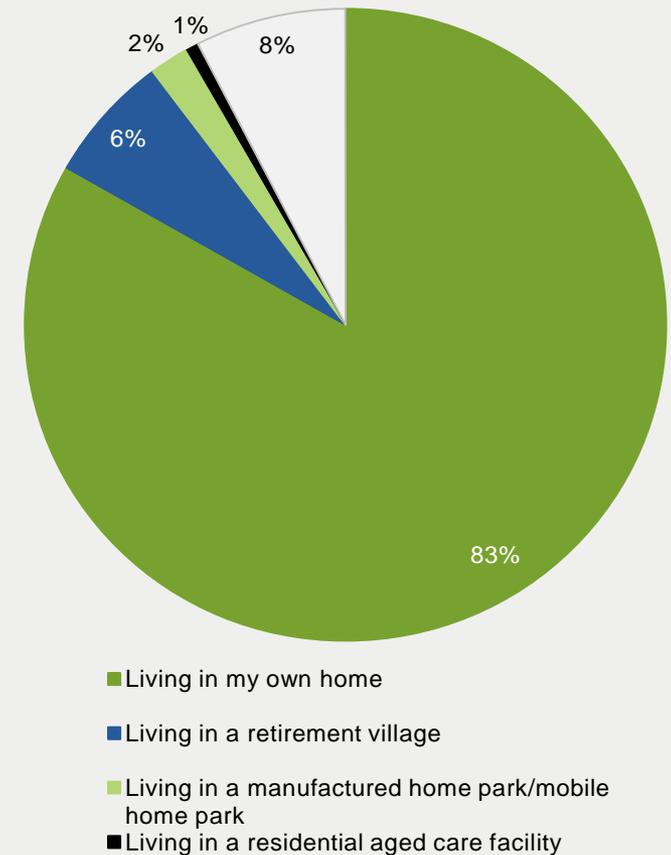
Respondents who live in a private dwelling (n=1510)

Living arrangements

Who else lives in your household with you? (Multiple choice)



What would you say is currently your preferred living arrangement?

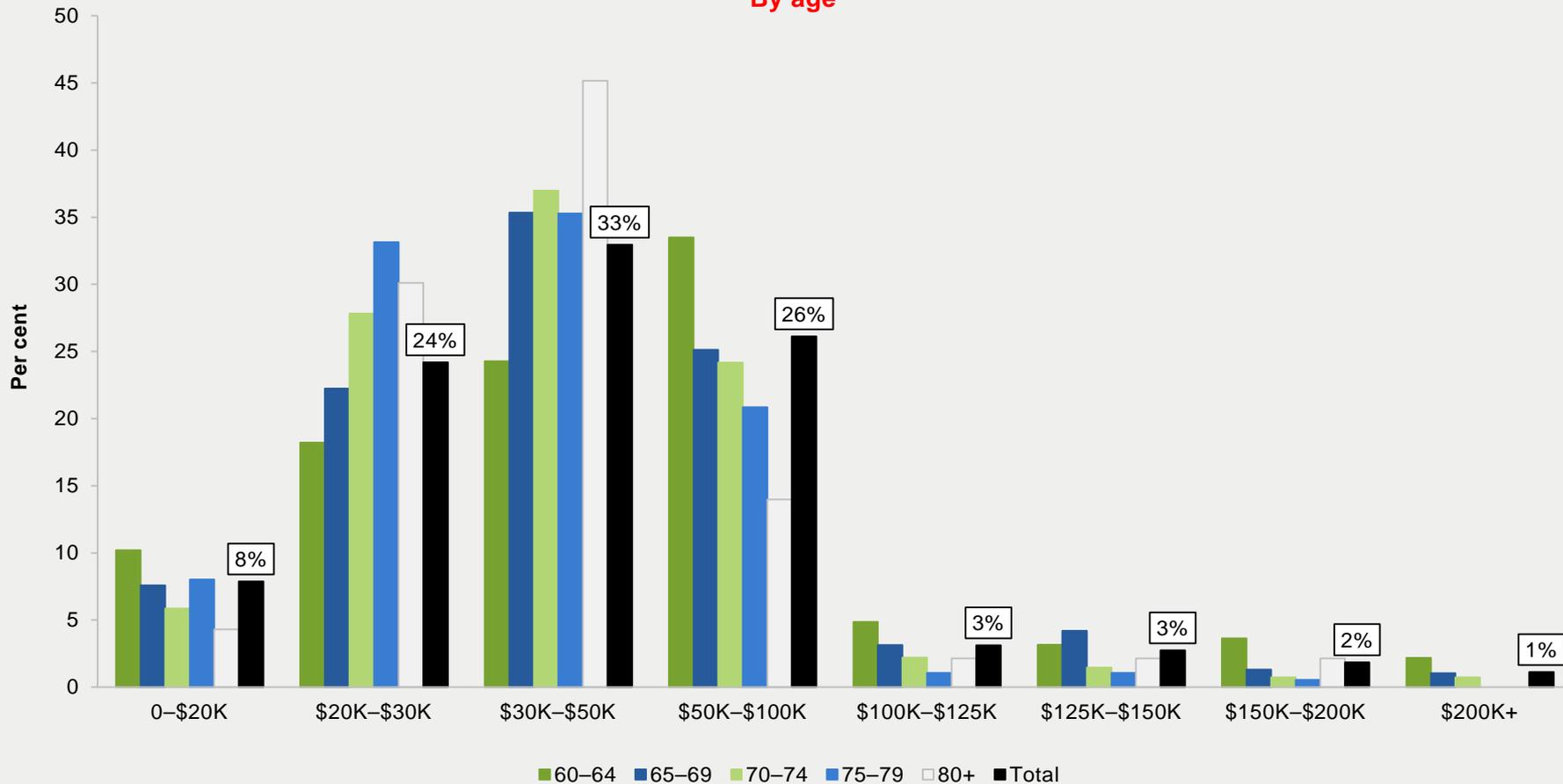


All Respondents (n=1524) (Percentages for 'who else lives with you' do not sum to 100 as respondents could choose more than one option)

Financial position

What is your annual household income before tax?

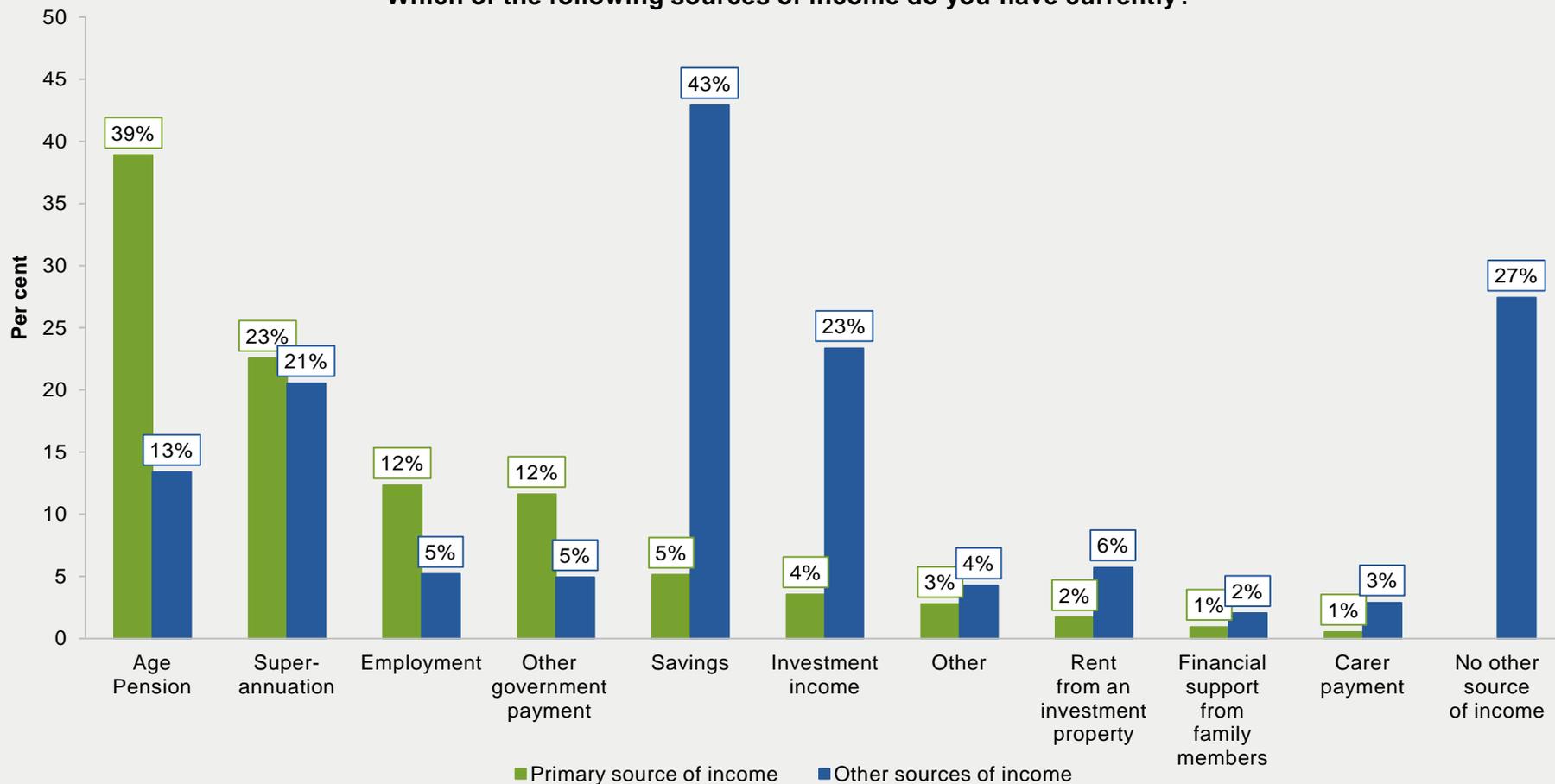
By age



Respondents who answered the question (60-64: 412, 65-69: n=382, 70-74: n=273, 75-79: n=187, 80+: n=93, Total: n=1347)

Financial position

Which of the following sources of income do you have currently?

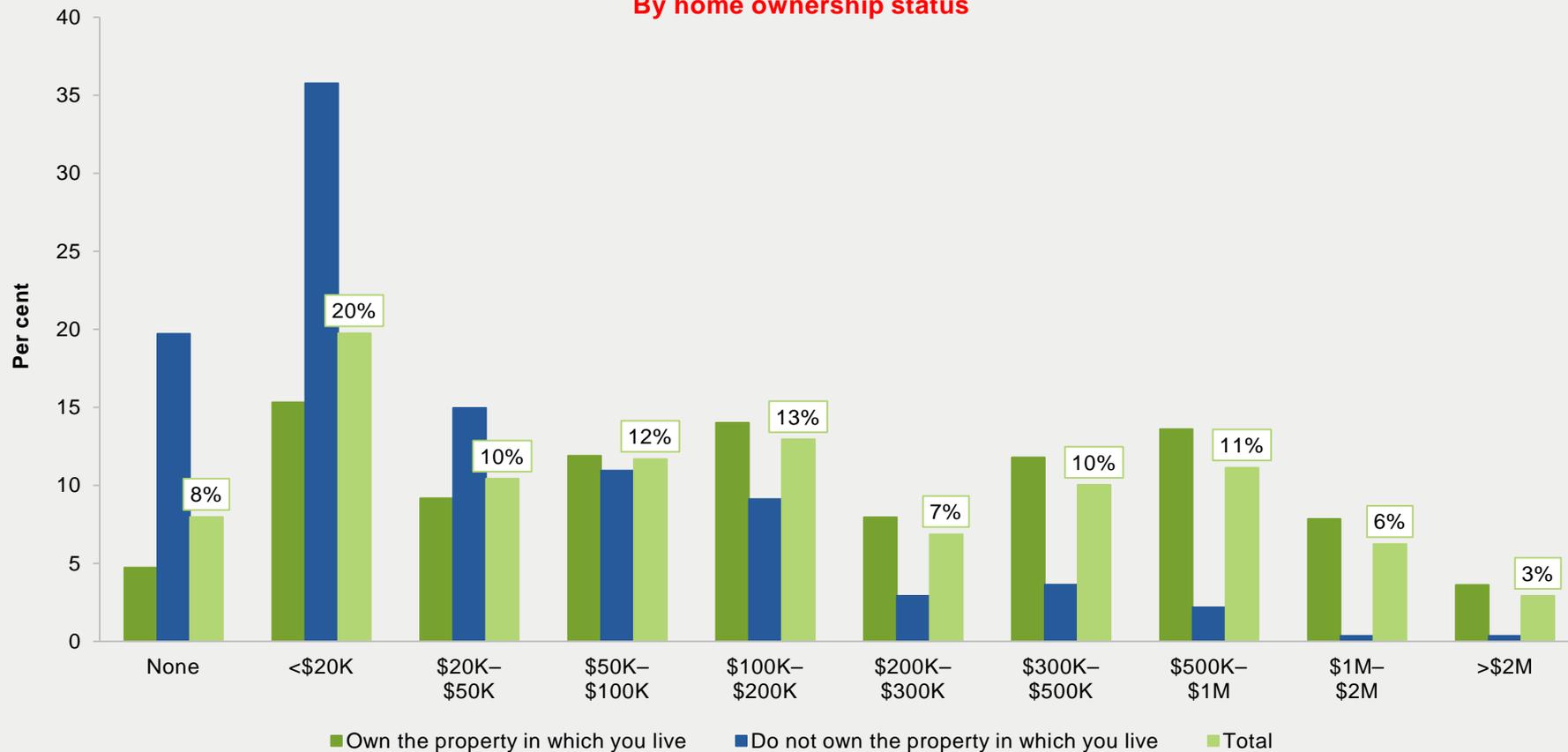


All Respondents (n=1524)

Financial position

Which of the following best reflects the TOTAL value of your household savings and investments (including superannuation, but not including the value of your home)?

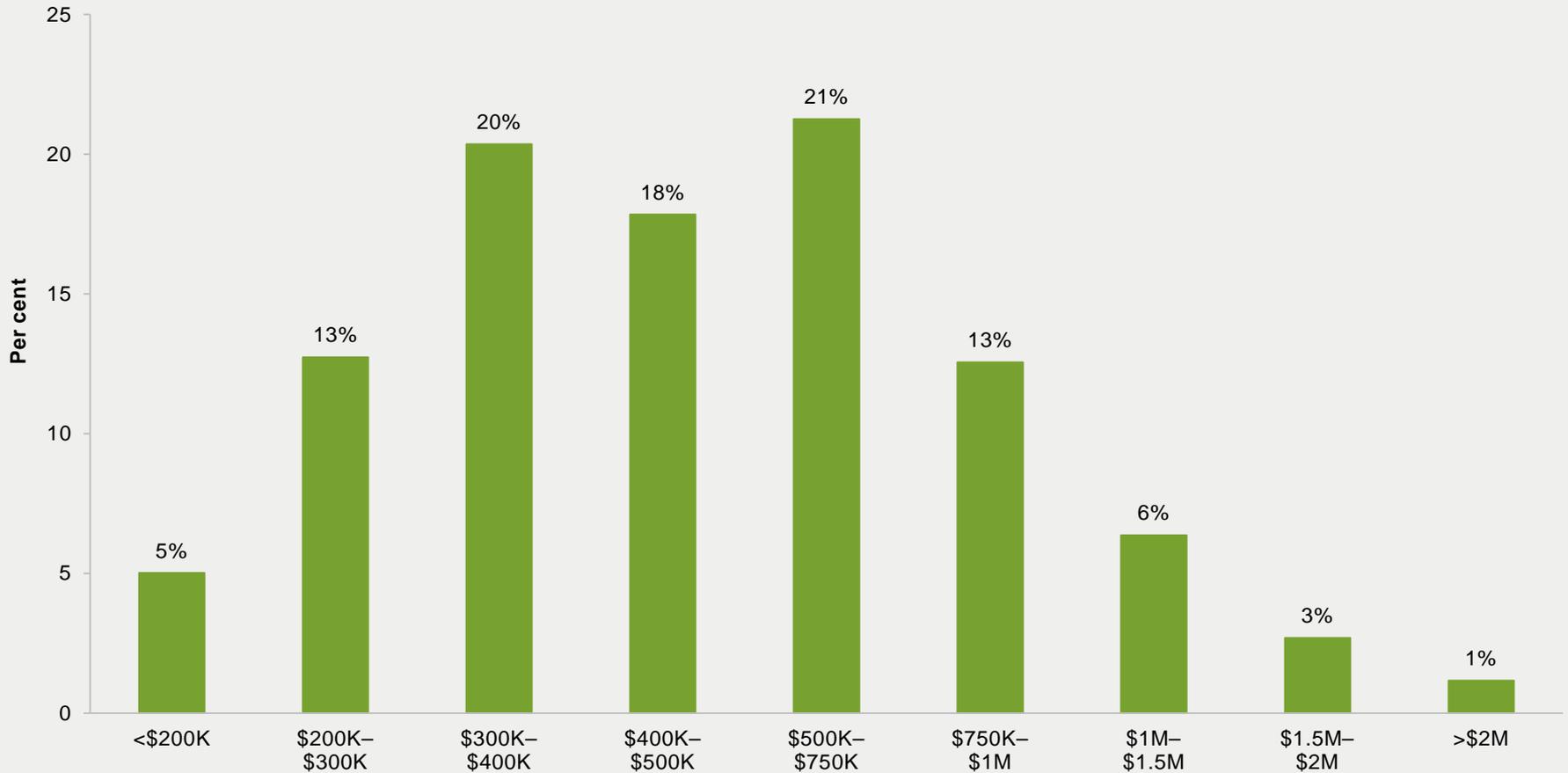
By home ownership status



Respondents who answered the question (Owners: n=992, Non-owners: n=274, Total: n=1266)

Financial position

What would you estimate to be the current value of your home?

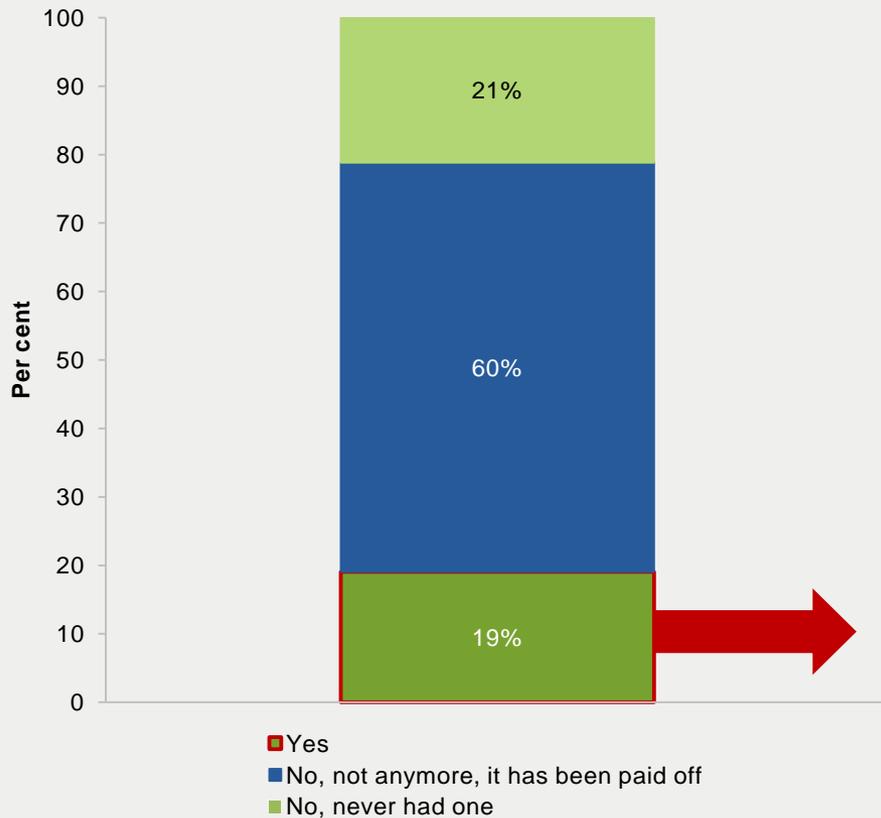


Respondents who own their home and answered the question (n=1115)

Financial position

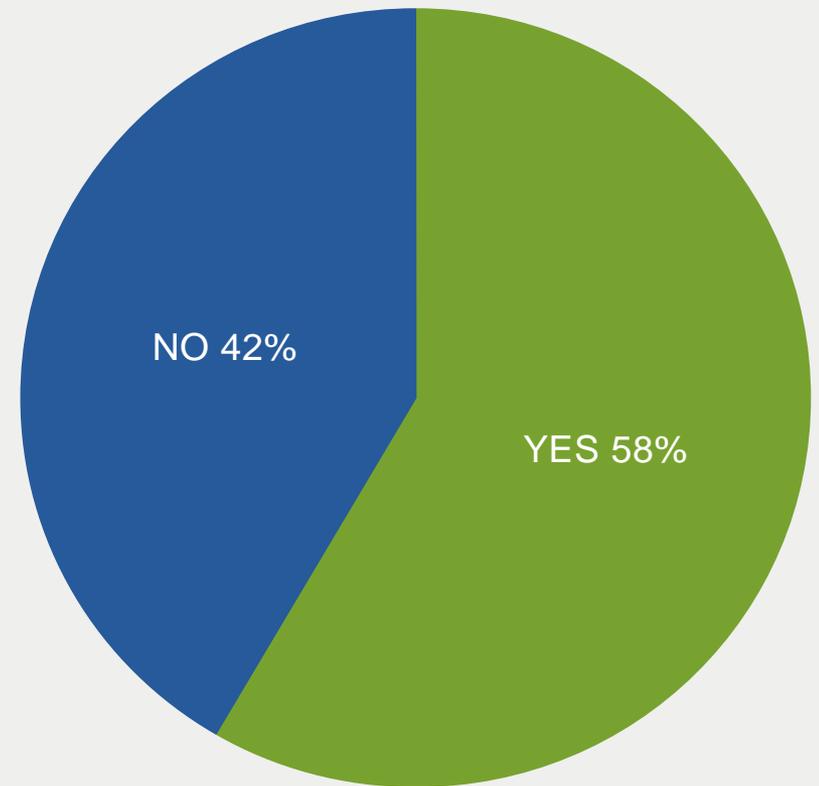
Do you currently have a mortgage on your own home?

Those who own their own home



Do you expect to have paid off your mortgage by the time you retire?

Those with a mortgage and not yet retired

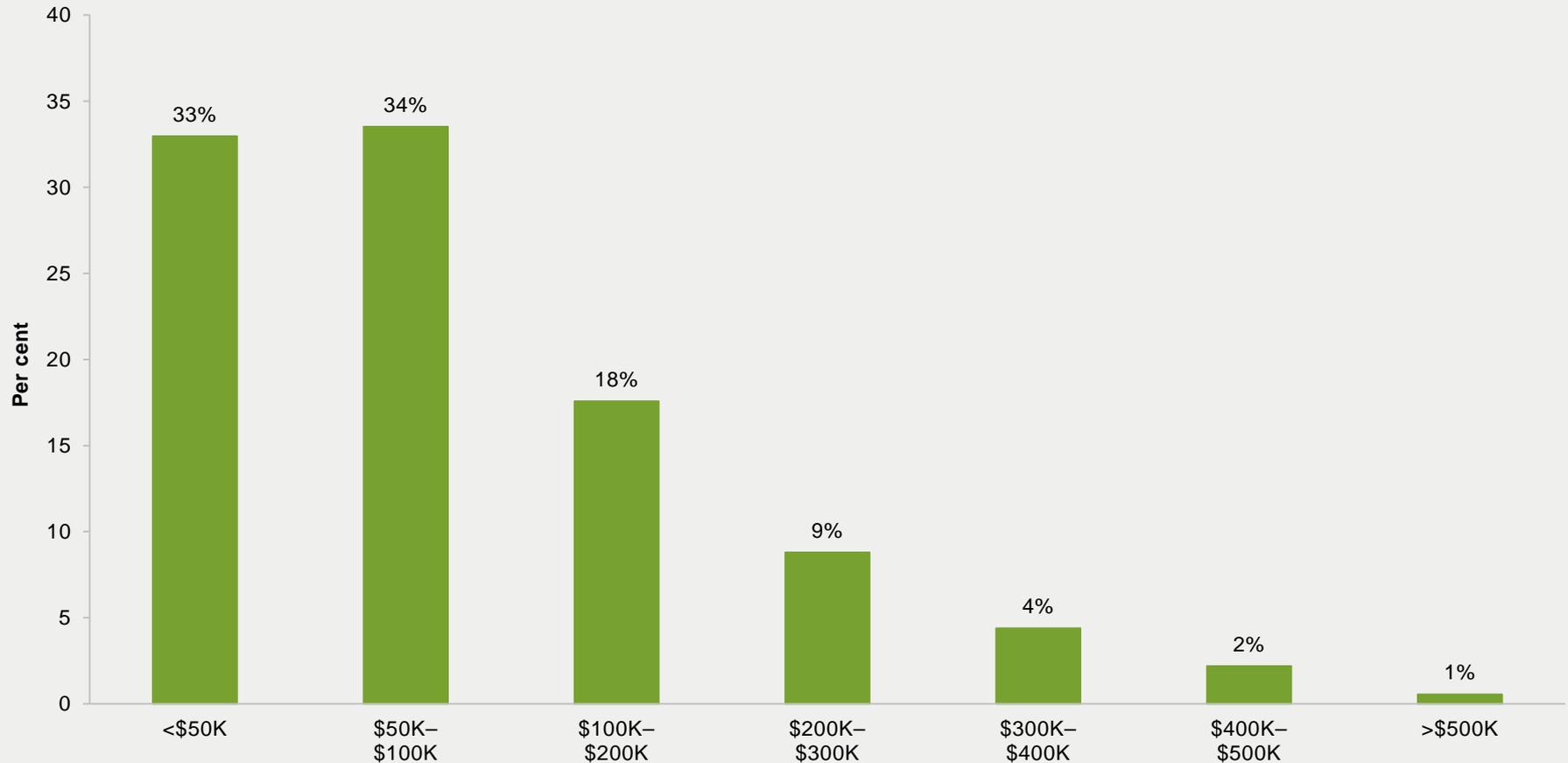


Respondents who own their home and answered the question (n=1029)

Respondents with a mortgage and in employment (n=77)

Financial position

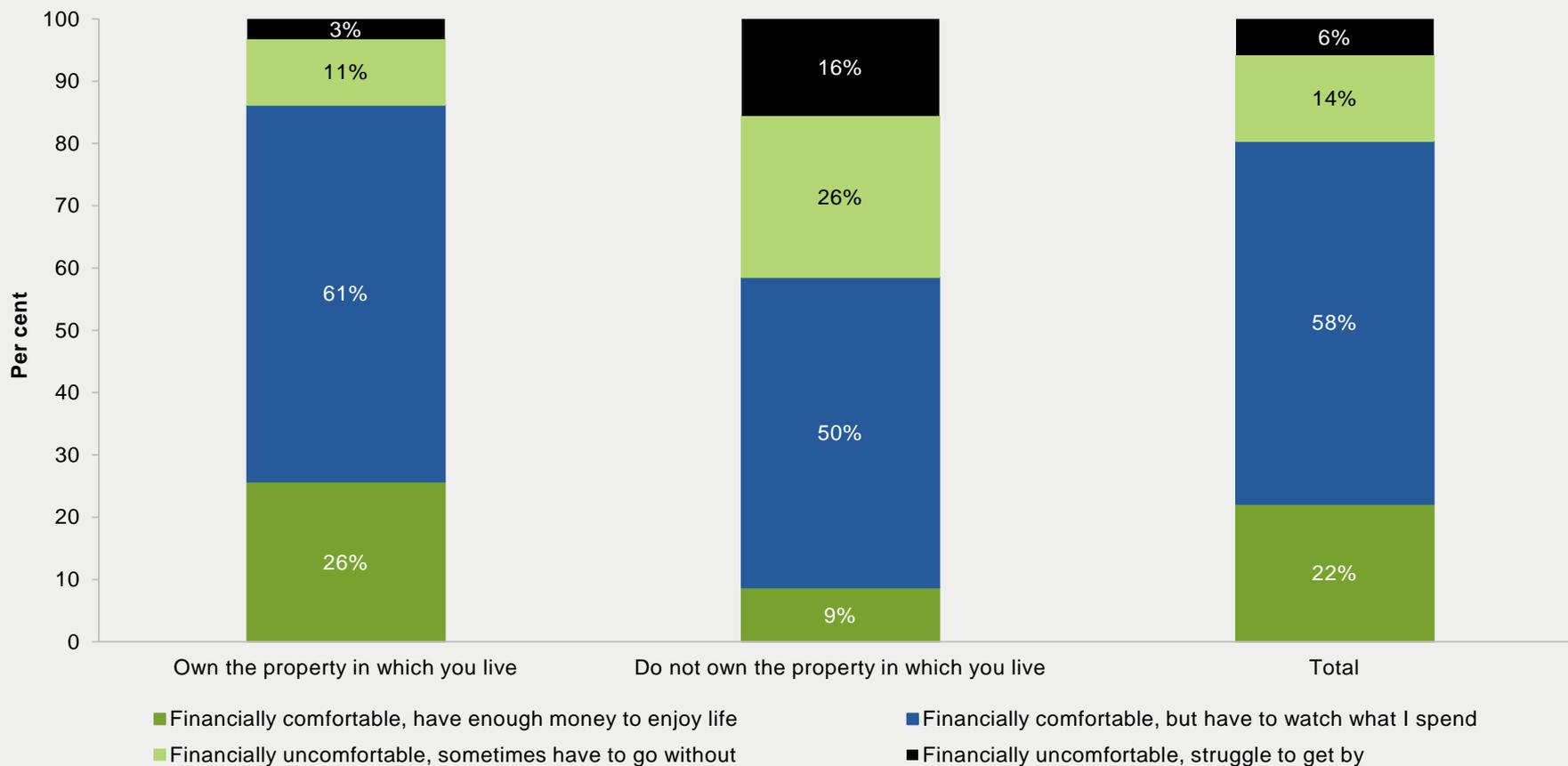
How much do you currently owe on the mortgage for your home?



Respondents who have a mortgage and answered the question (n=182)

Financial position

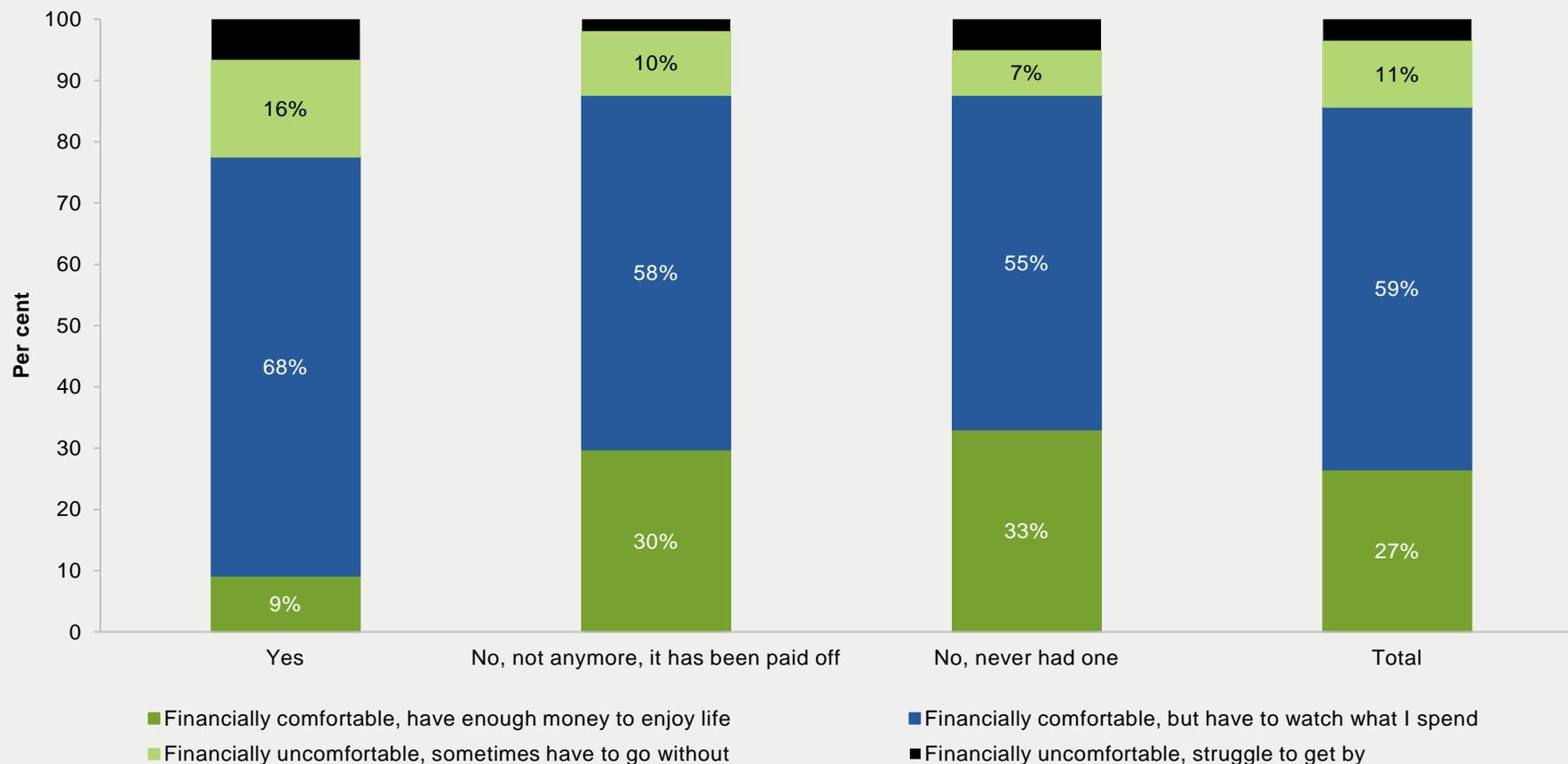
Which of the following statements best describes your current financial position?
By home ownership status



All Respondents (Own the property in which you live: n=1203, Do not own the home in which you live: 321, Total: n=1524)

Financial position

Which of the following statements best describes your current financial position?
By mortgage status

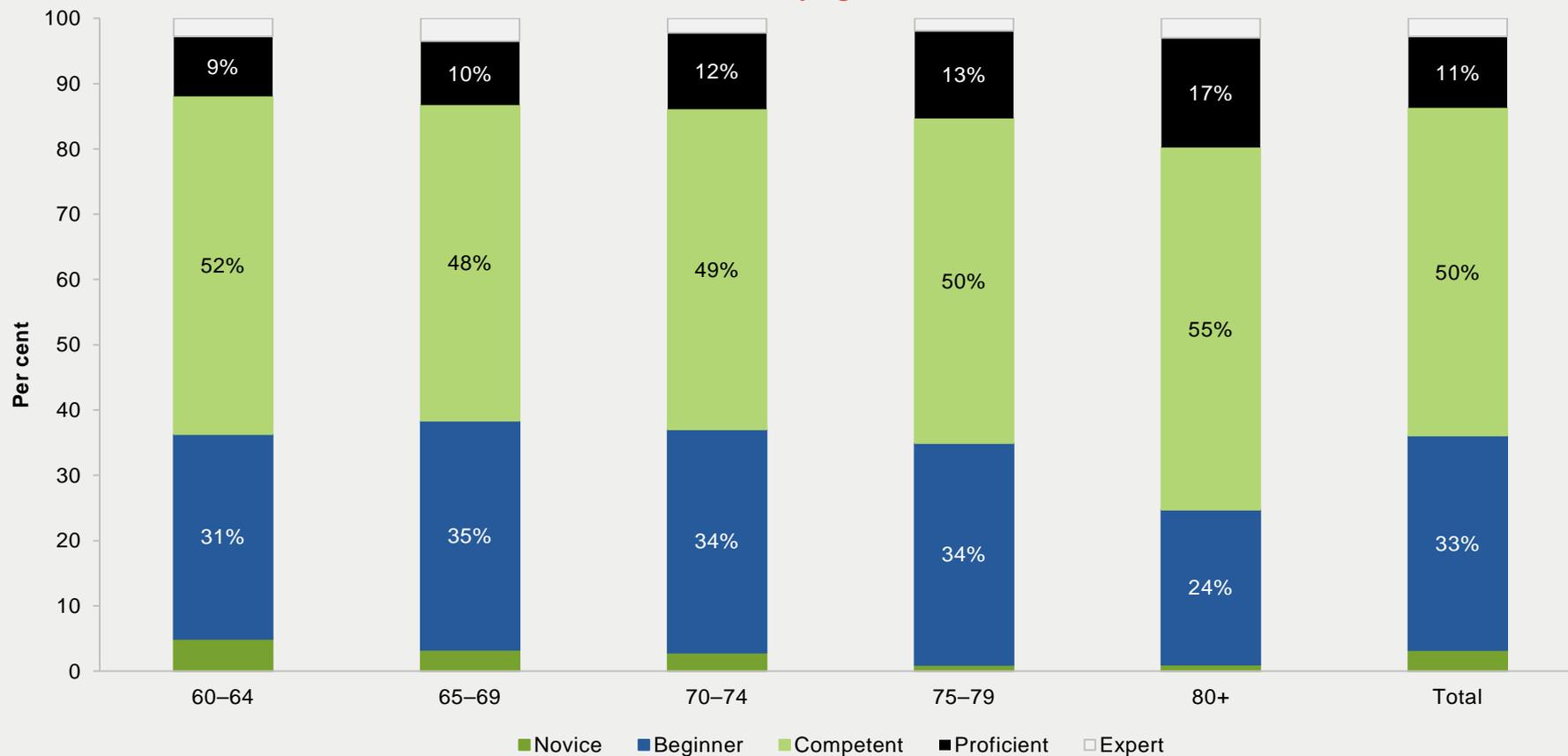


Respondents who own their home and answered the question
(Have a mortgage: n=192, Paid off mortgage: n=615, Never had a mortgage: n=218, Total: n=1029)

Financial position

When it comes to money and finances generally would you regard yourself as?

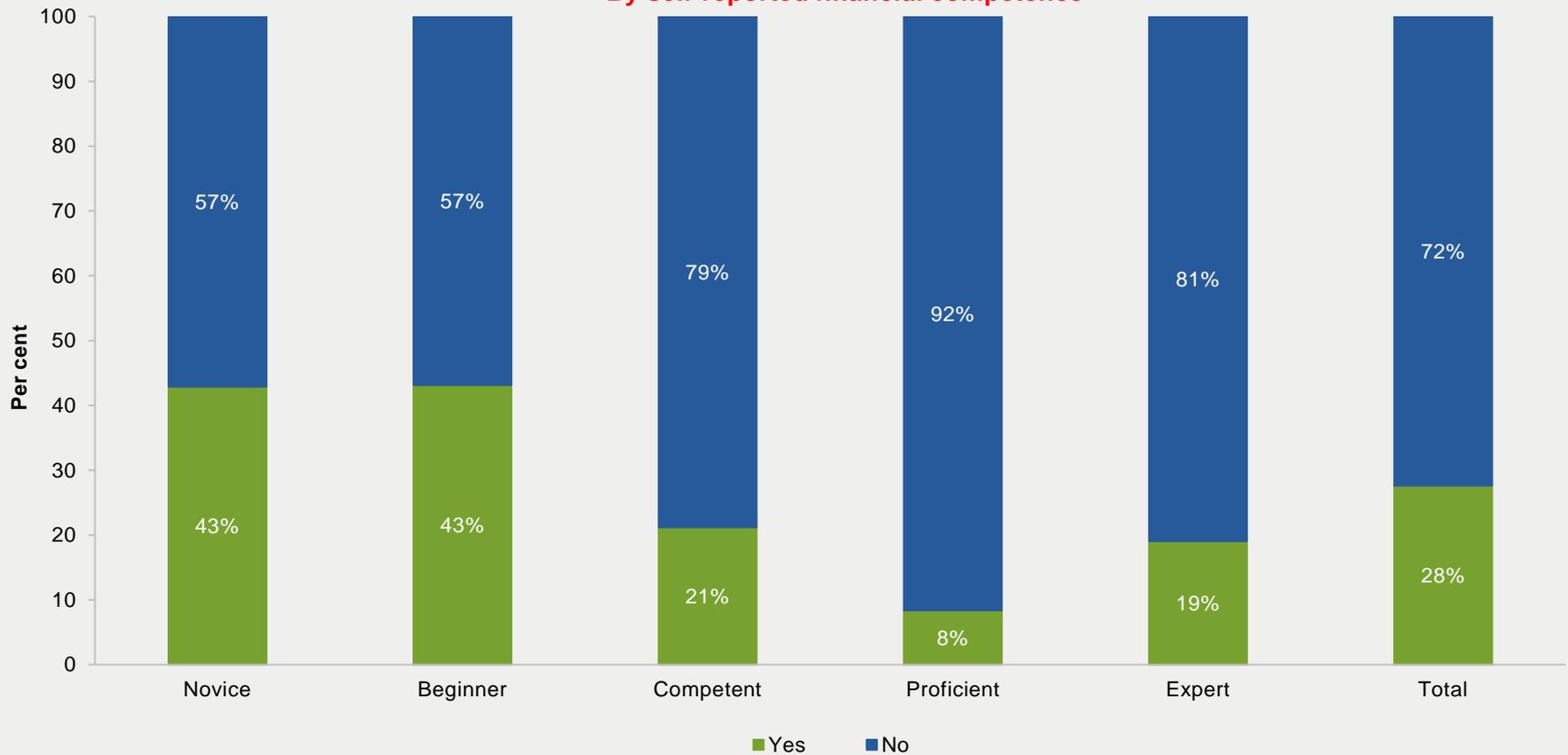
By age



All Respondents (60-64: n=468, 65-69: n=430, 70-74: n=316, 75-79: n=209, 80+: n=101, Total: n=1524)

Financial position

Do you currently use the services of a financial planner?
By self-reported financial competence

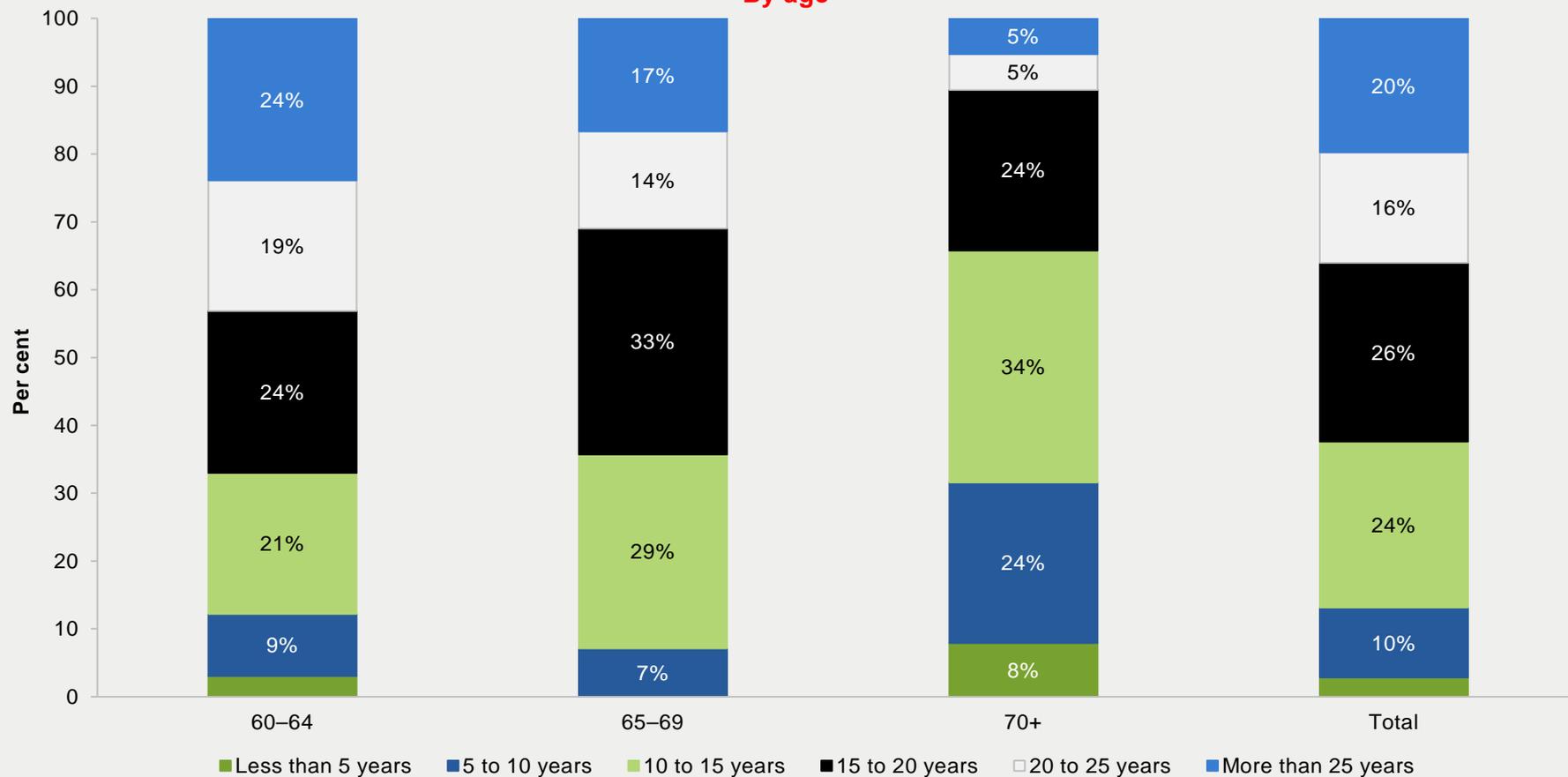


All Respondents (Novice: n=49, Beginner: n=501, Competent: n=765, Proficient: n=167, Expert: n=42, Total: n=1524)

Retirement planning

And how long do you expect to be retired for?

By age

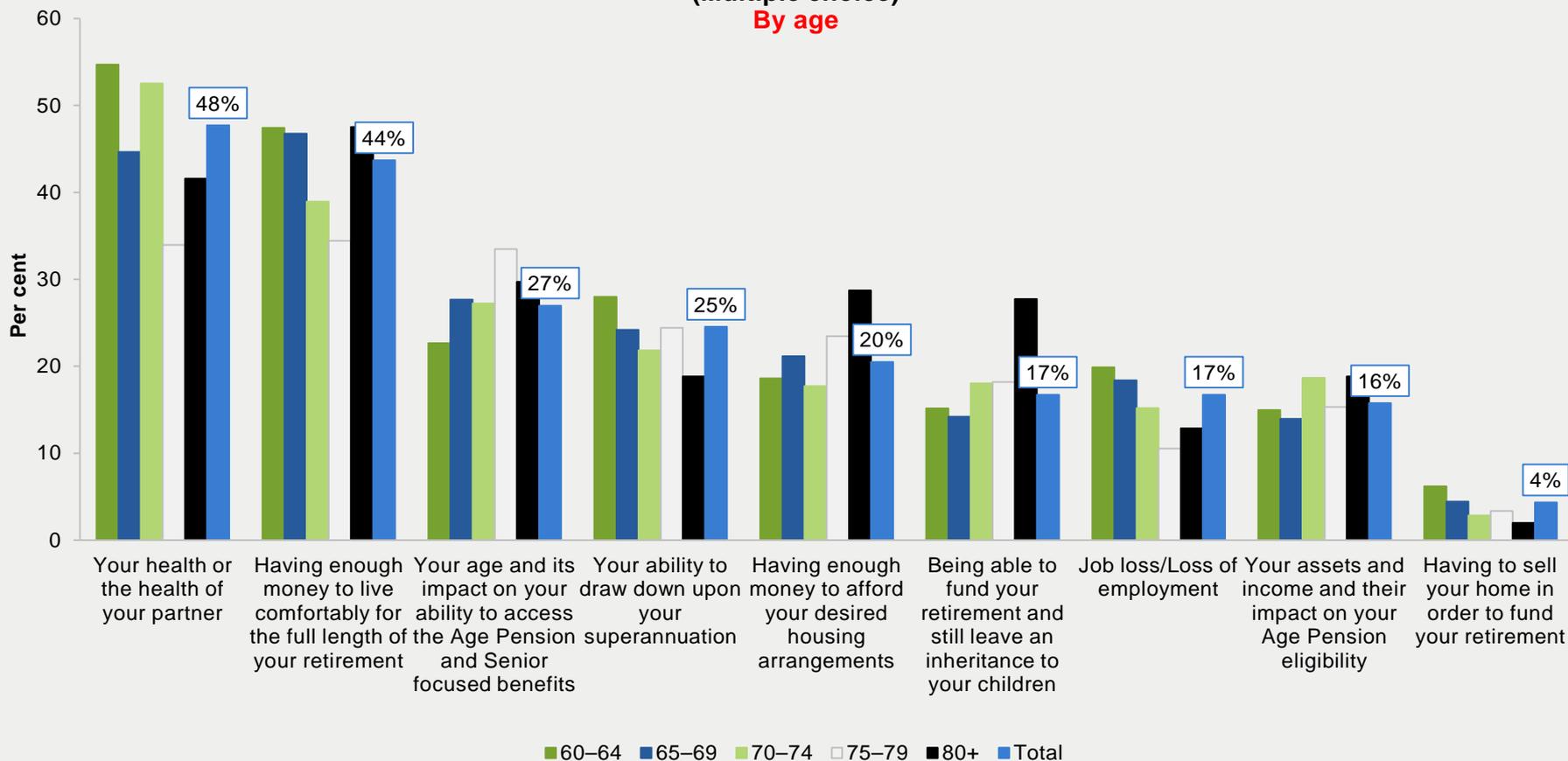


Respondents currently working and expecting to retire (60-64: n=197, 65-69: n=84, 70+: n=38, Total: n=319)

Retirement planning

Which of the following were/are considerations that influenced/will influence your retirement?
(Multiple choice)

By age



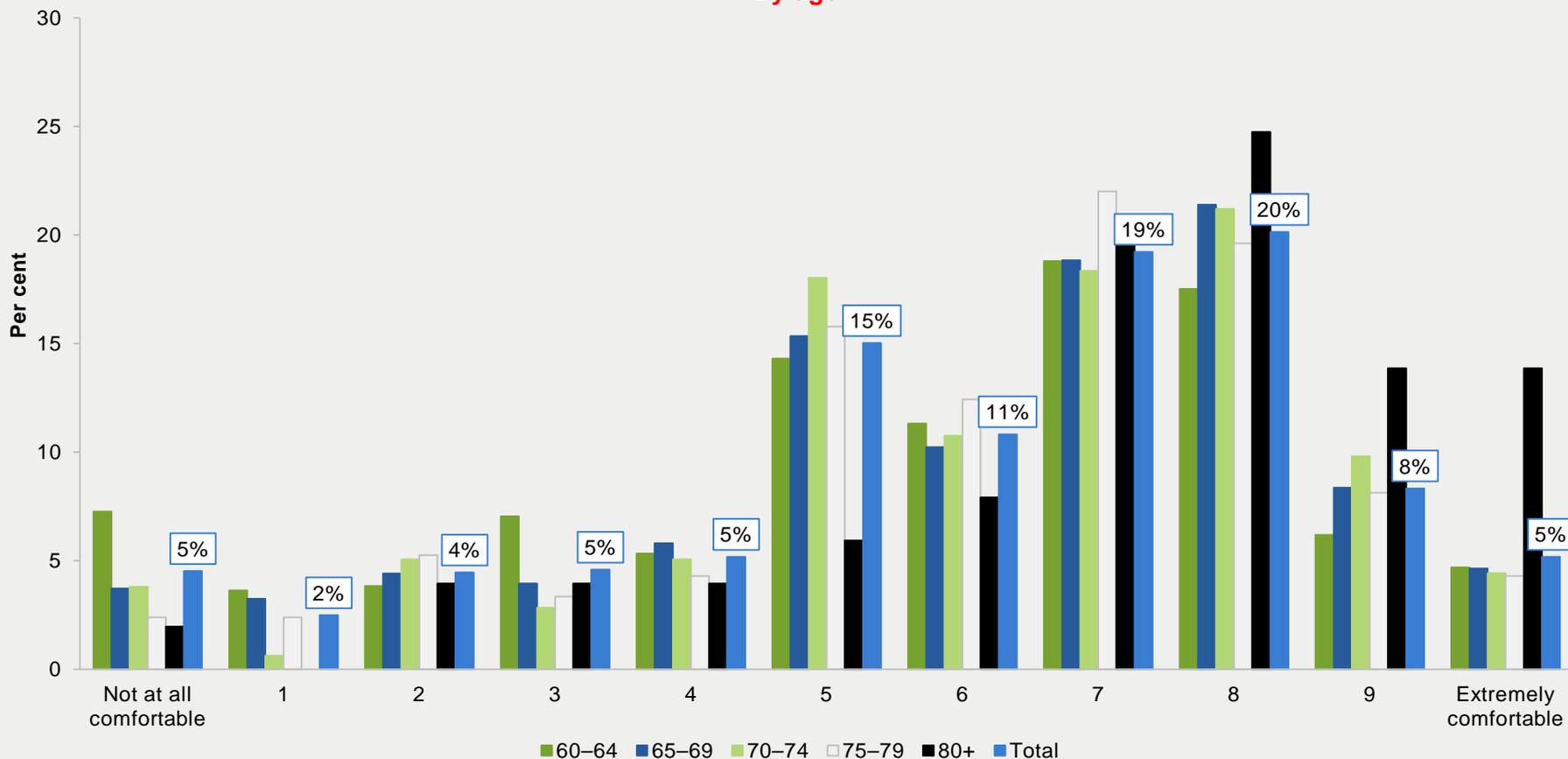
60-64 65-69 70-74 75-79 80+ Total

All Respondents (60-64: n=468, 65-69: n=430, 70-74: n=316, 75-79: n=209, 80+: n=101, Total: n=1524)
(Percentages for each age group do not sum to 100 as respondents could choose more than one option)

Retirement planning

Generally speaking, how comfortable are you with the plans you have for funding your retirement?

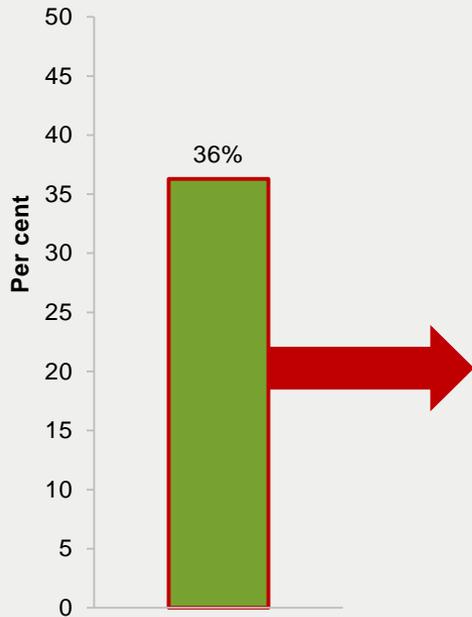
By age



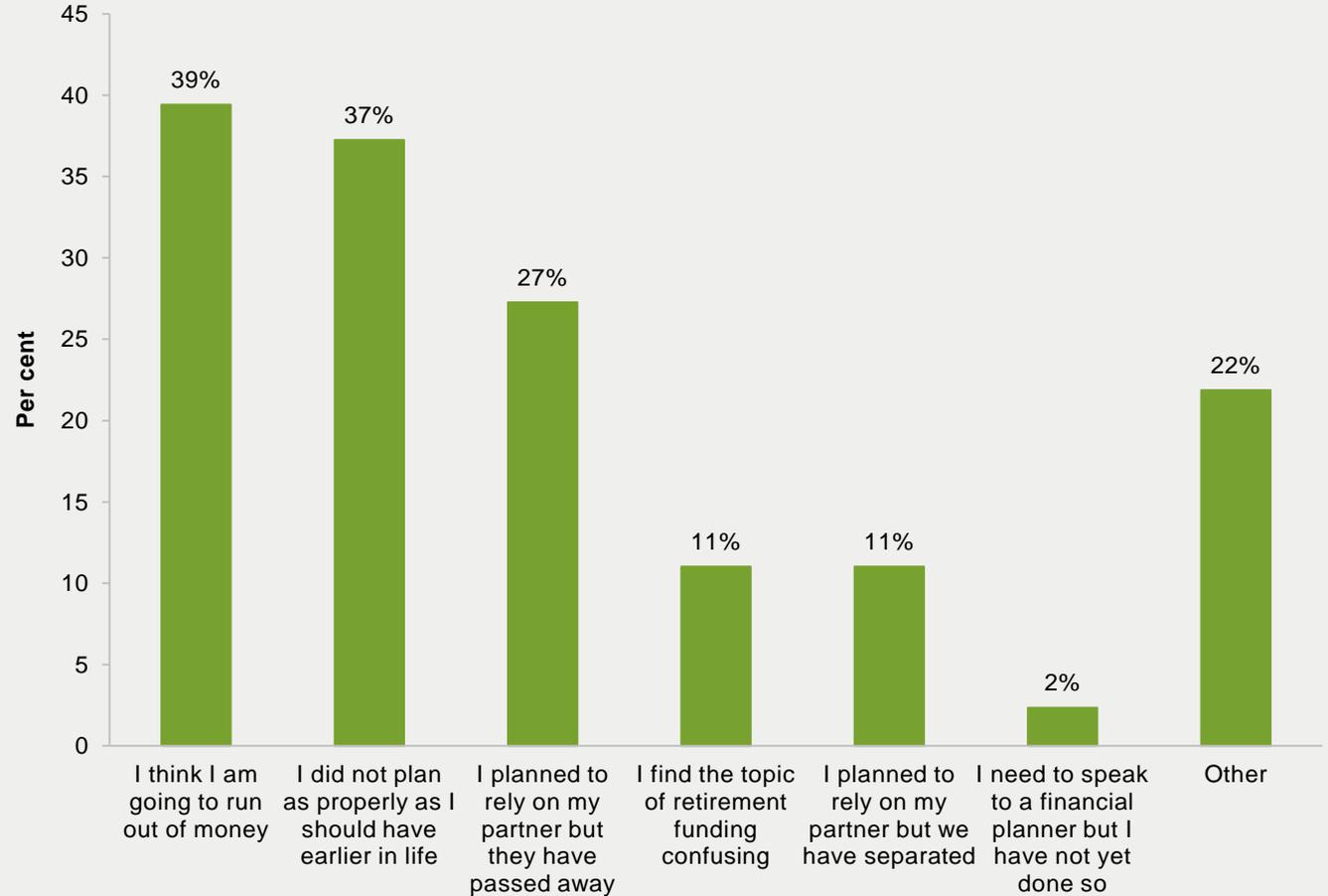
All Respondents (60-64: n=468, 65-69: n=430, 70-74: n=316, 75-79: n=209, 80+: n=101, Total: n=1524)

Retirement planning

Not comfortable
(0–5 out of 10)
with plans for
funding
retirement:



Why are you uncomfortable with these plans? (Multiple choice)



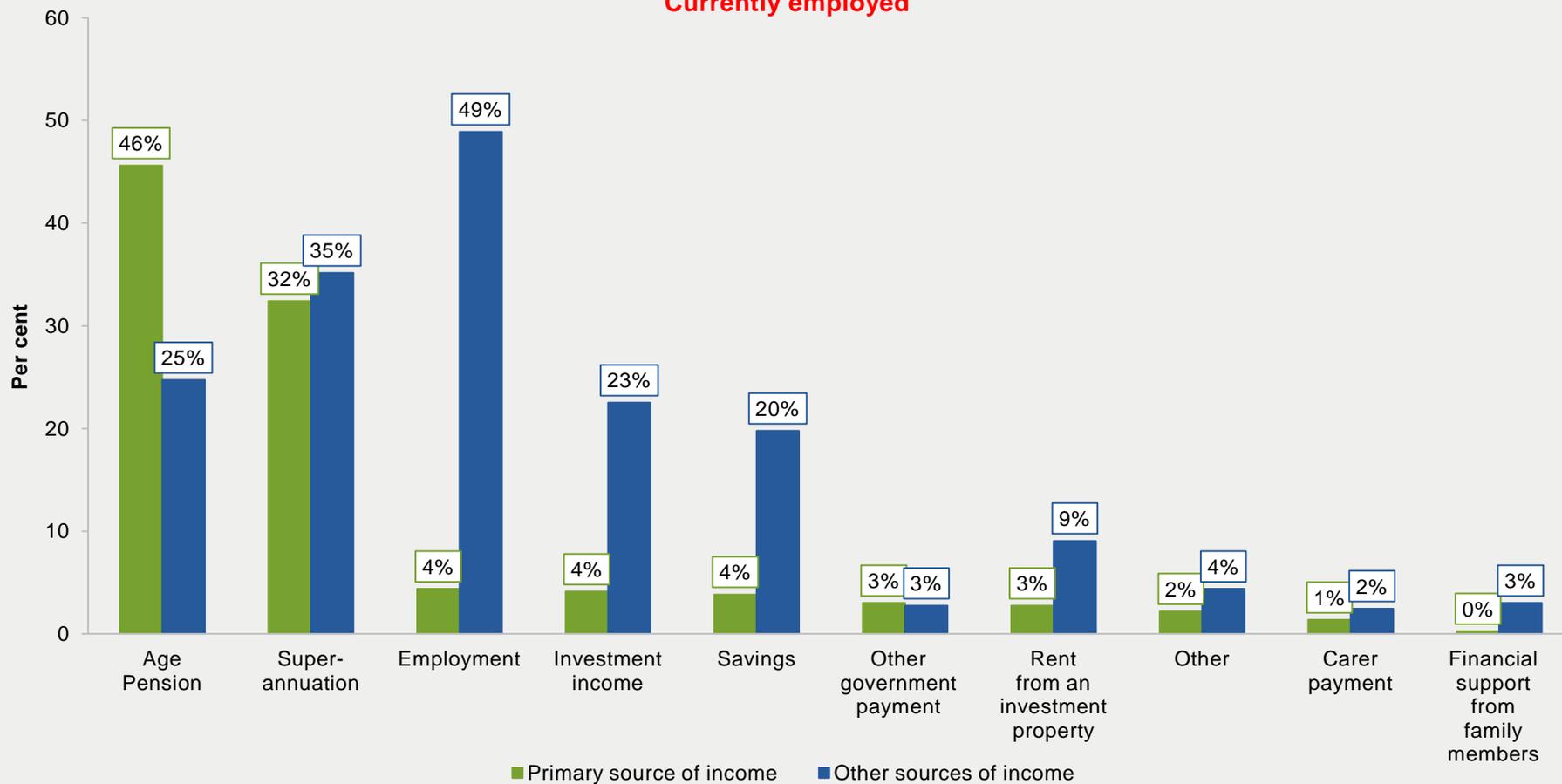
Respondents uncomfortable (0–5 out of 10) with retirement funding plans (n=533)
(Percentages do not sum to 100 as respondents could choose more than one option)

All Respondents (n=1524)

Retirement planning

Which of the following sources of income do you expect to have in retirement?

Currently employed

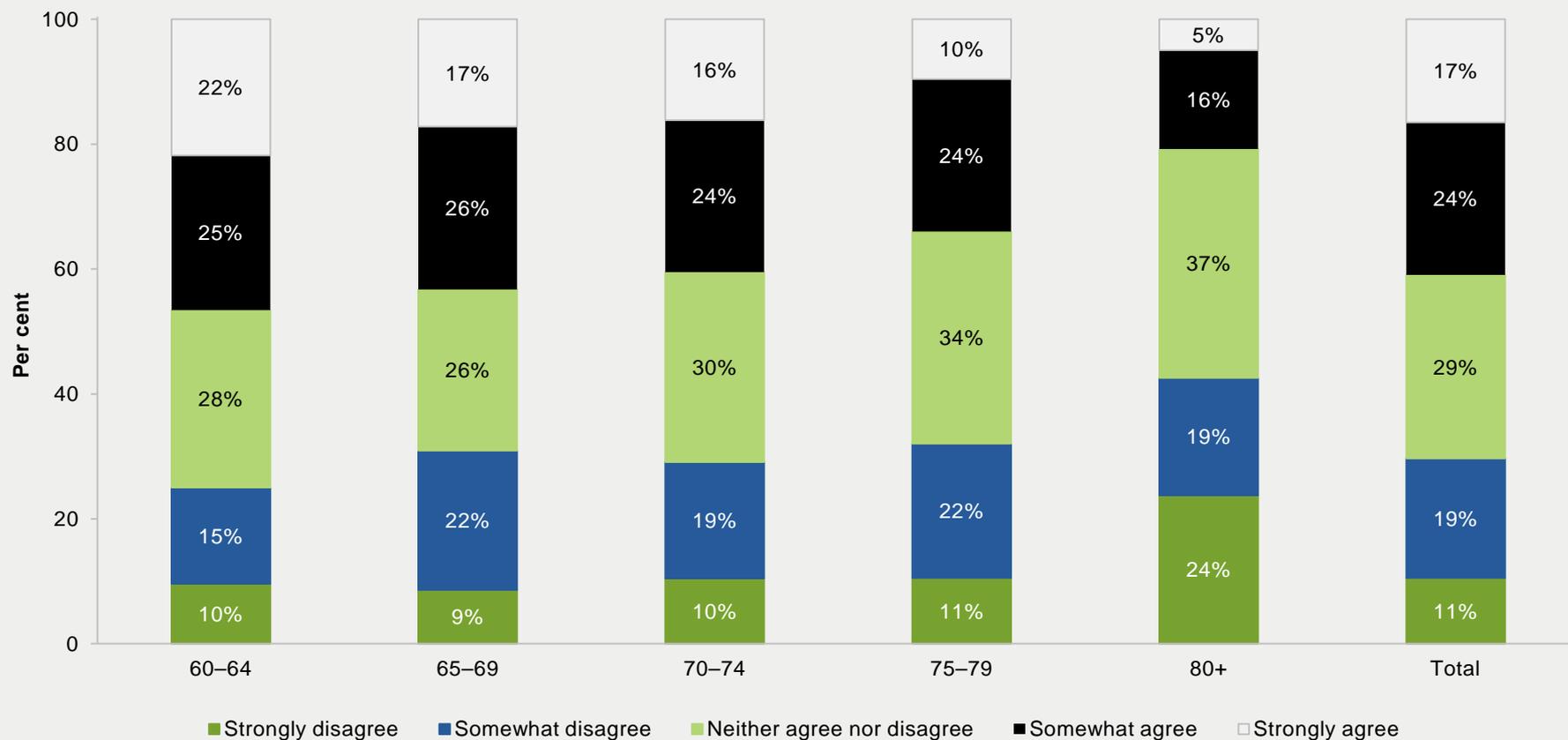


Respondents currently working (n=364)

Retirement planning

'I expect to exhaust my savings during my retirement'

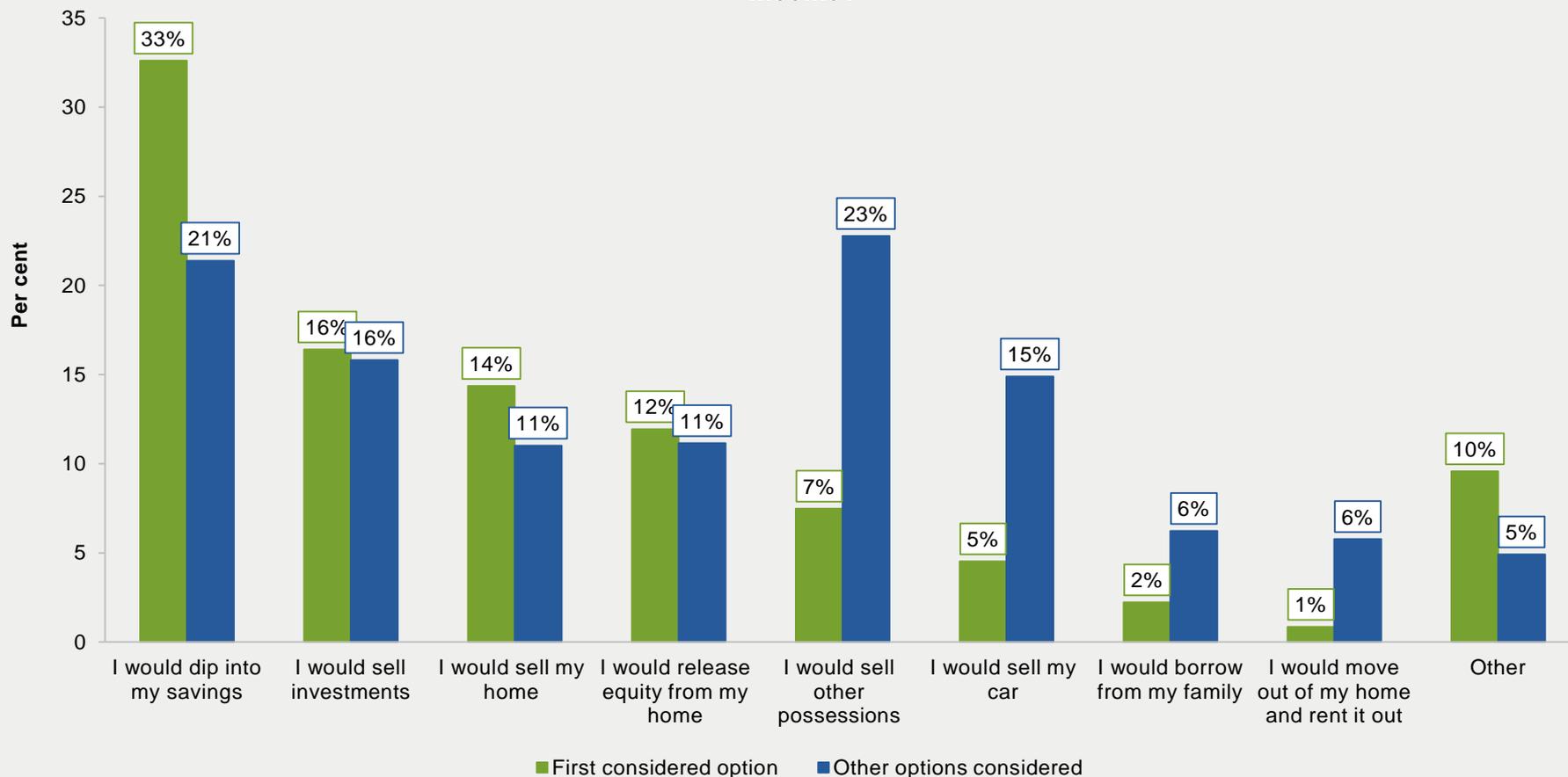
By age



All Respondents (60-64: n=468, 65-69: n=430, 70-74: n=316, 75-79: n=209, 80+: n=101, Total: n=1524)

Retirement planning

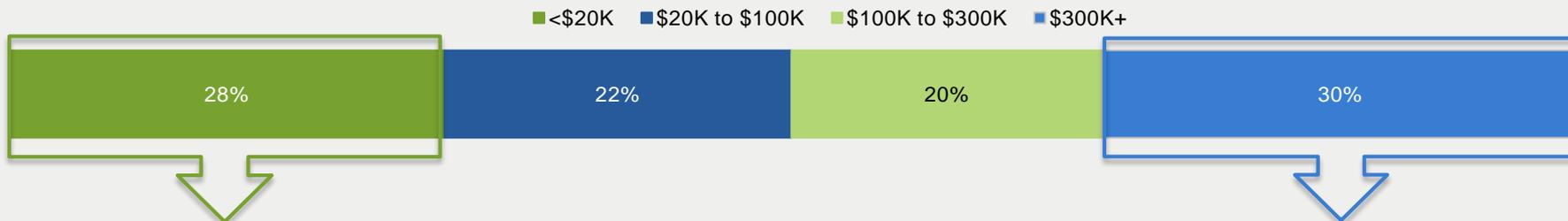
If you needed extra income in retirement, what options would you consider for sourcing this income?



All Respondents (n=1524)

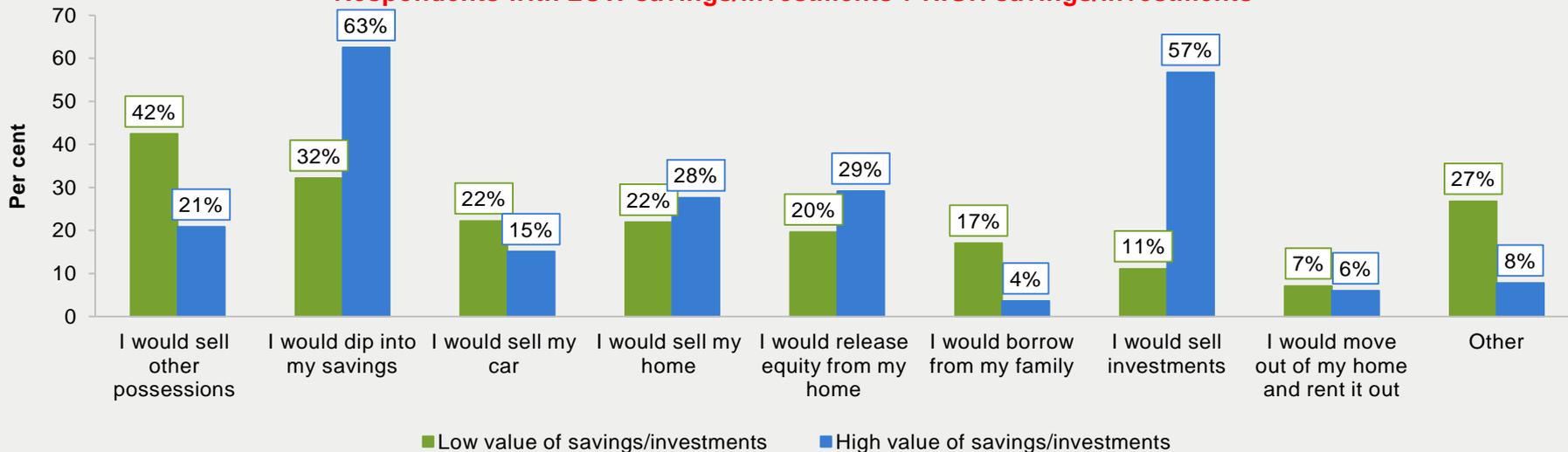
Retirement planning

TOTAL value of your household savings and investments (inc. superannuation, exc. family home)



If you needed extra income in retirement, what options would you consider for sourcing this income? (Multiple choice)

Respondents with LOW savings/investments v HIGH savings/investments

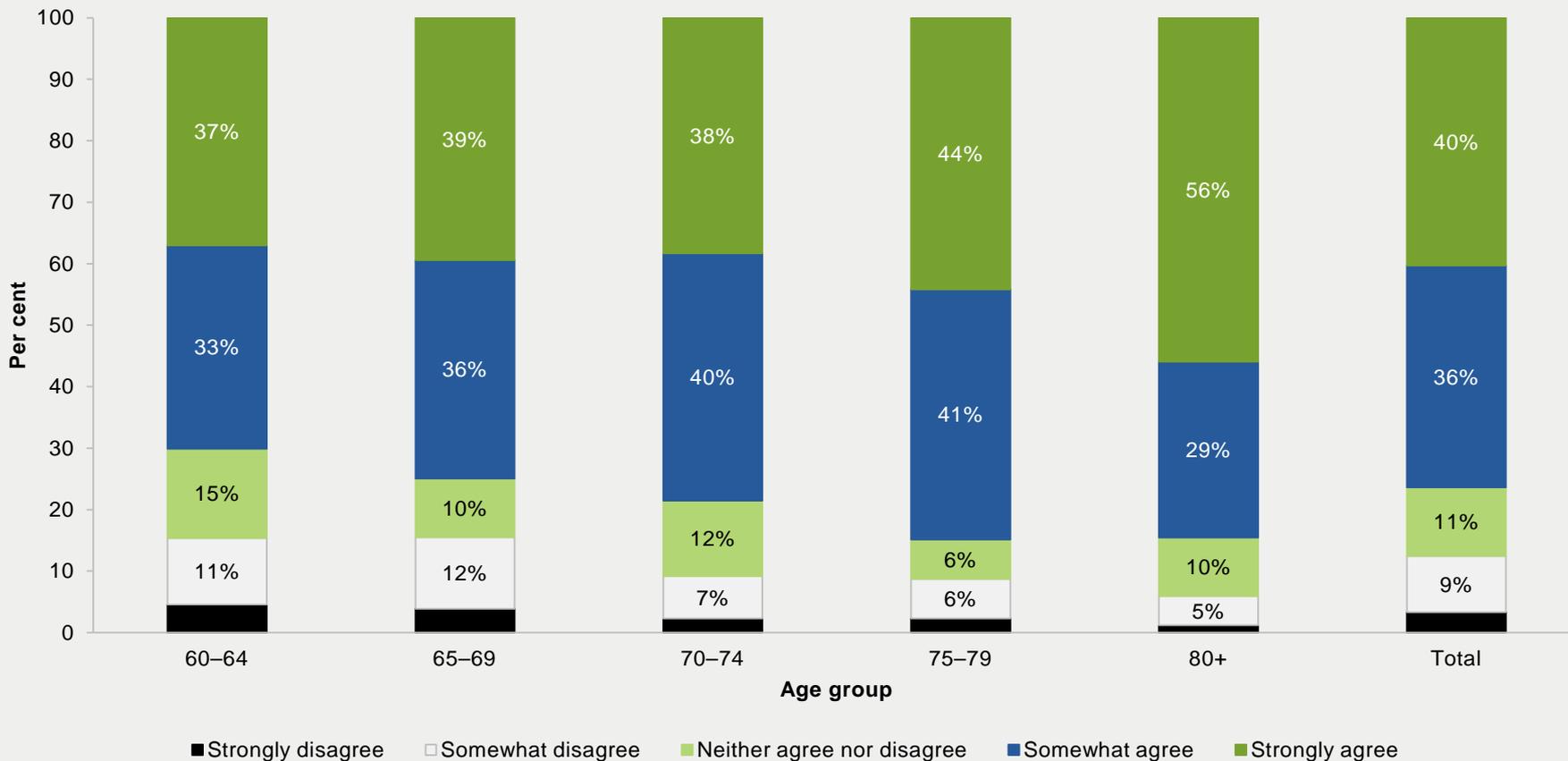


Base 1: All Respondents (n=1524) Base 2: LOW savings/investments: n=351, HIGH savings/investments: n=384 (Percentages do not sum to 100 as respondents could choose more than one option)

Attitudes towards home and debt

'I see my current home as the place I would like to see out my retirement'.

By age

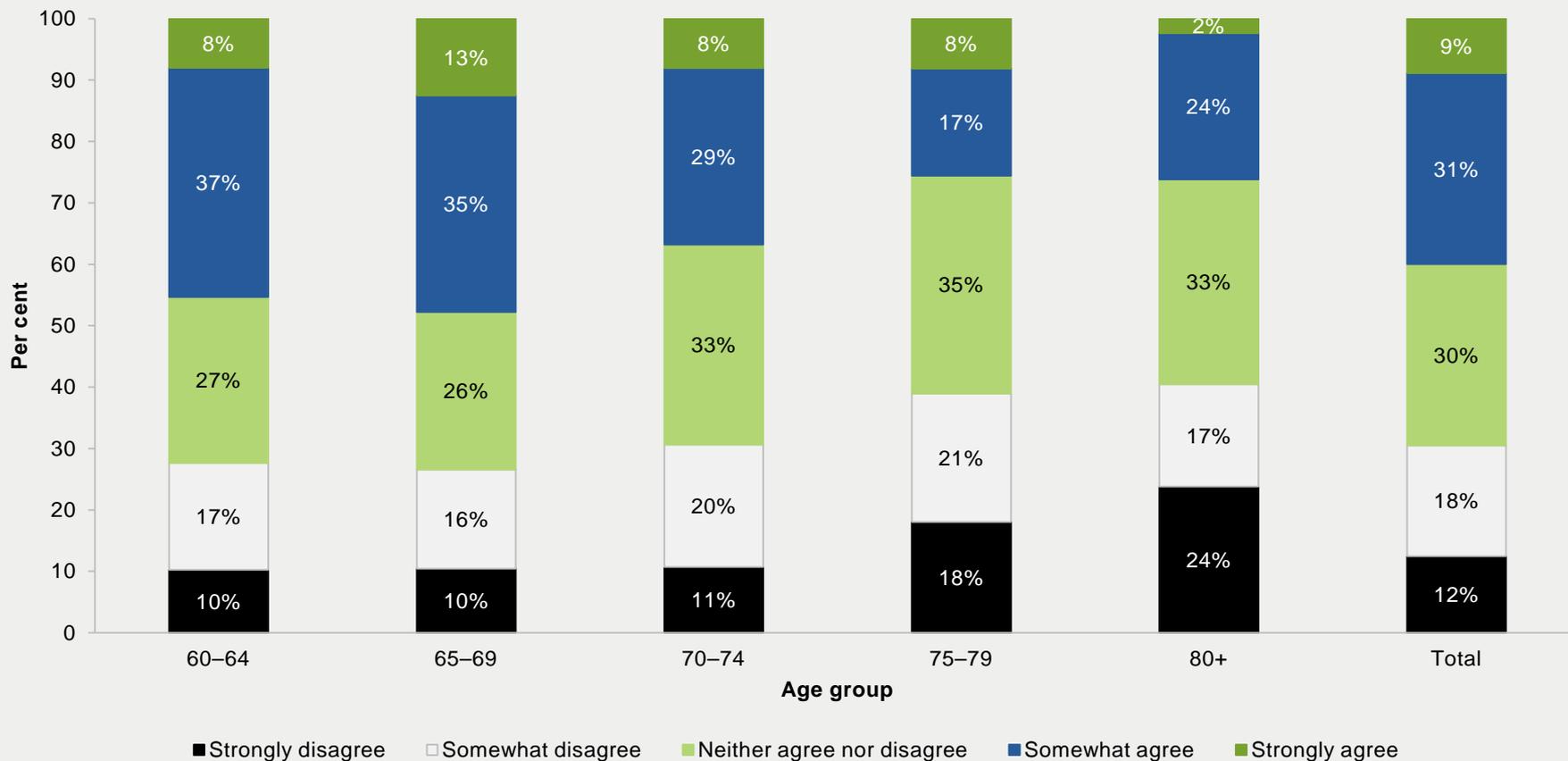


Respondents who own their property (60-64: n=351, 65-69: n=335, 70-74: n=261, 75-79: n=172, 80+: n=84, Total: n=1203)

Attitudes towards home and debt

'I see my current home as something I could potentially use to fund my retirement'.

By age

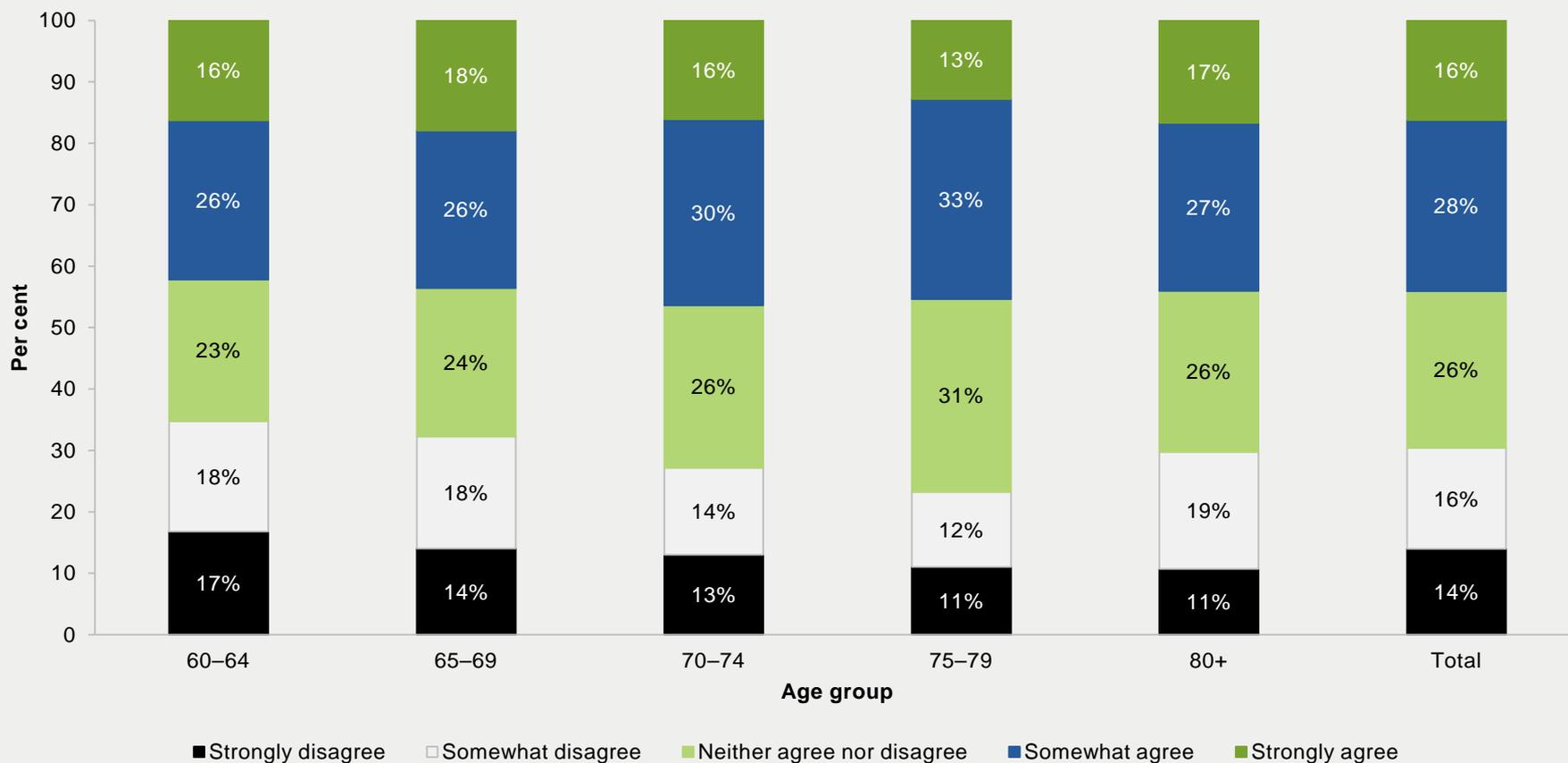


Respondents who own their property (60-64: n=351, 65-69: n=335, 70-74: n=261, 75-79: n=172, 80+: n=84, Total: n=1203)

Attitudes towards home and debt

'Keeping hold of my current home is a key objective so it can be passed to my children'.

By age

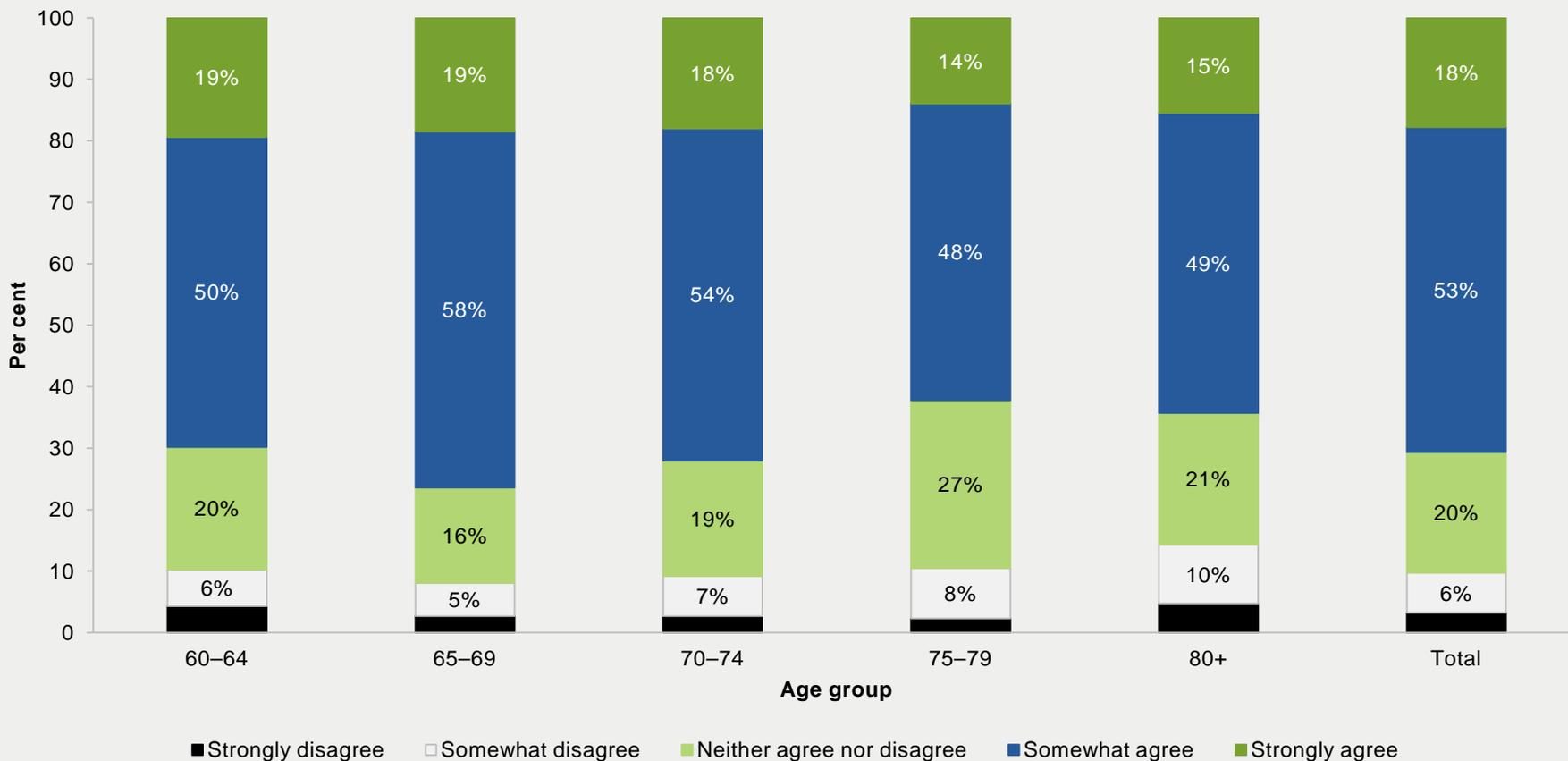


Respondents who own their property (60-64: n=351, 65-69: n=335, 70-74: n=261, 75-79: n=172, 80+: n=84, Total: n=1203)

Attitudes towards home and debt

'I see my current home as a safety net that could help me deal with future adverse financial events'.

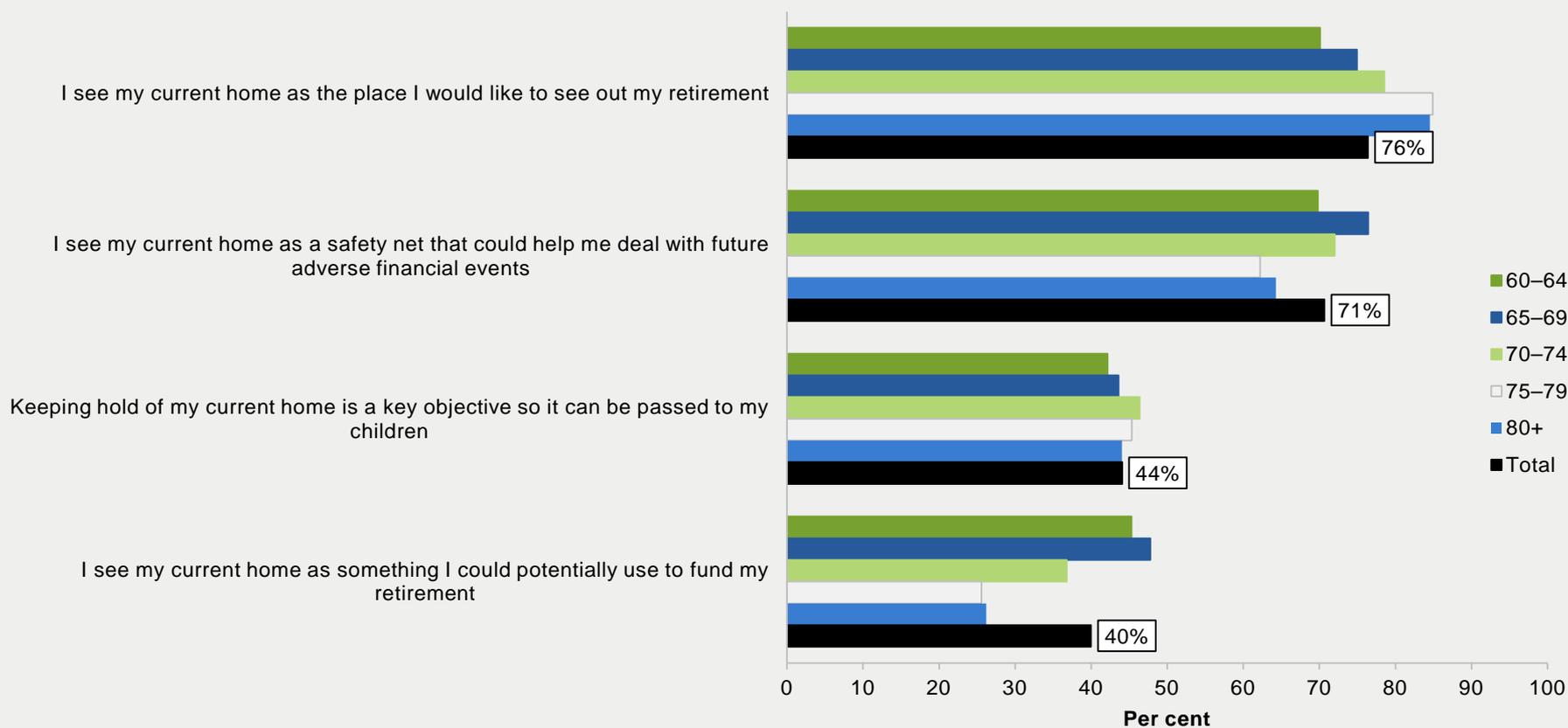
By age



Respondents who own their property (60-64: n=351, 65-69: n=335, 70-74: n=261, 75-79: n=172, 80+: n=84, Total: n=1203)

Attitudes towards home and debt

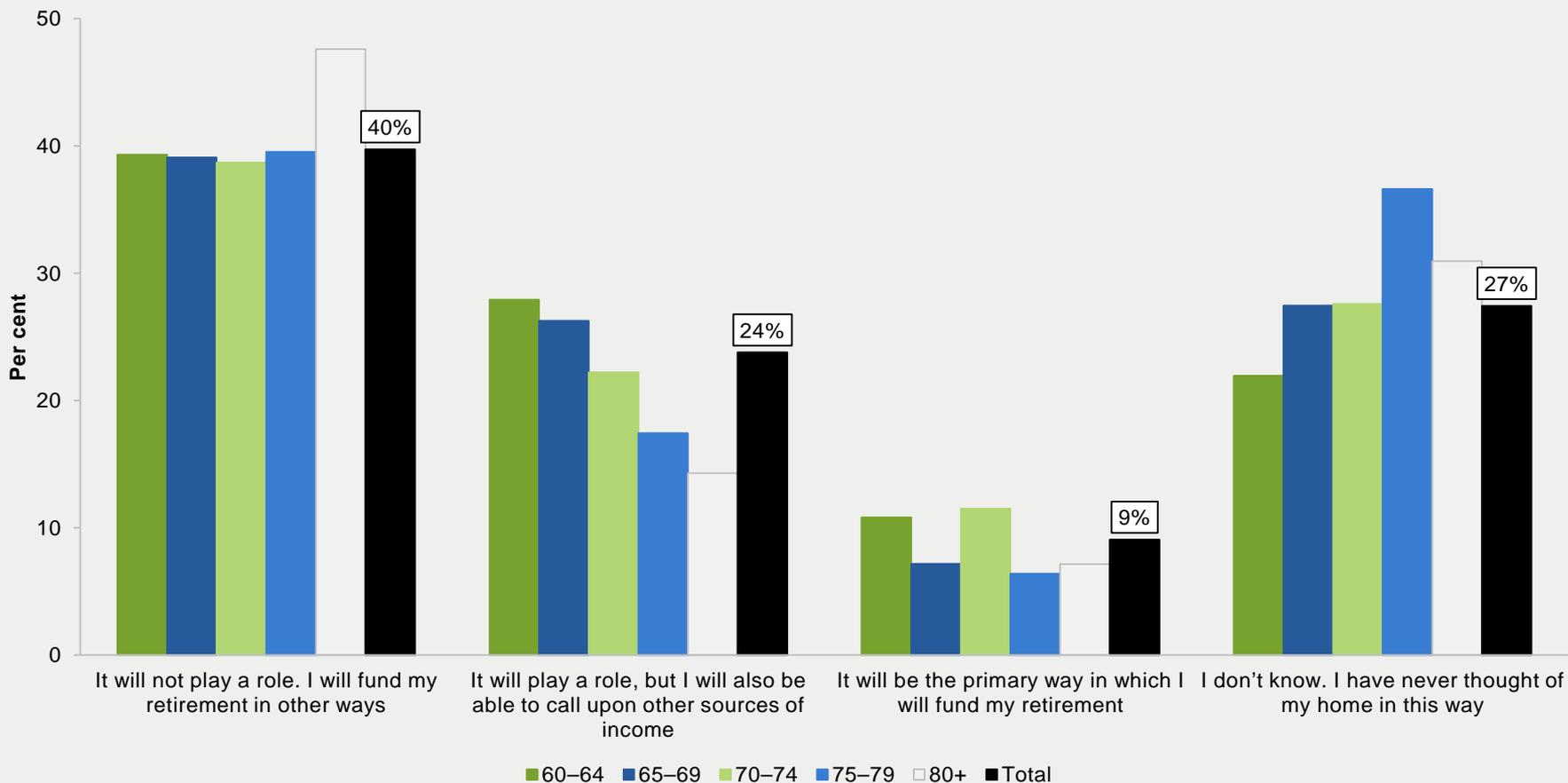
Proportion of Australian homeowners aged 60+ that agree (4–5 out of 5) with the following statements



Respondents who own their property (60–64: n=351, 65–69: n=335, 70–74: n=261, 75–79: n=172, 80+: n=84, Total: n=1203)

Attitudes towards home and debt

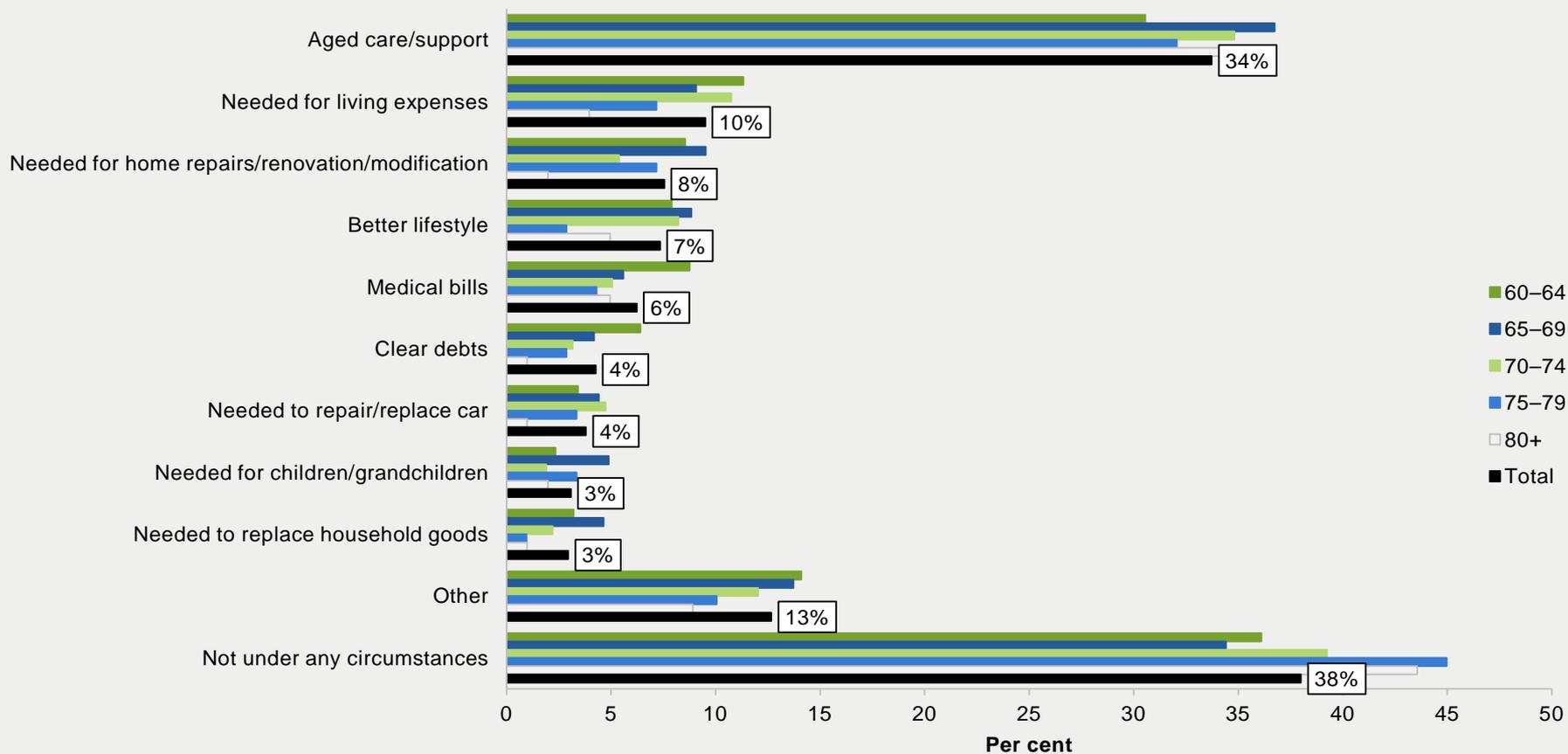
What role do you think your current home will play in funding your retirement?



Respondents who own their property (60-64: n=351, 65-69: n=335, 70-74: n=261, 75-79: n=172, 80+: n=84, Total: n=1203)

Attitudes towards home and debt

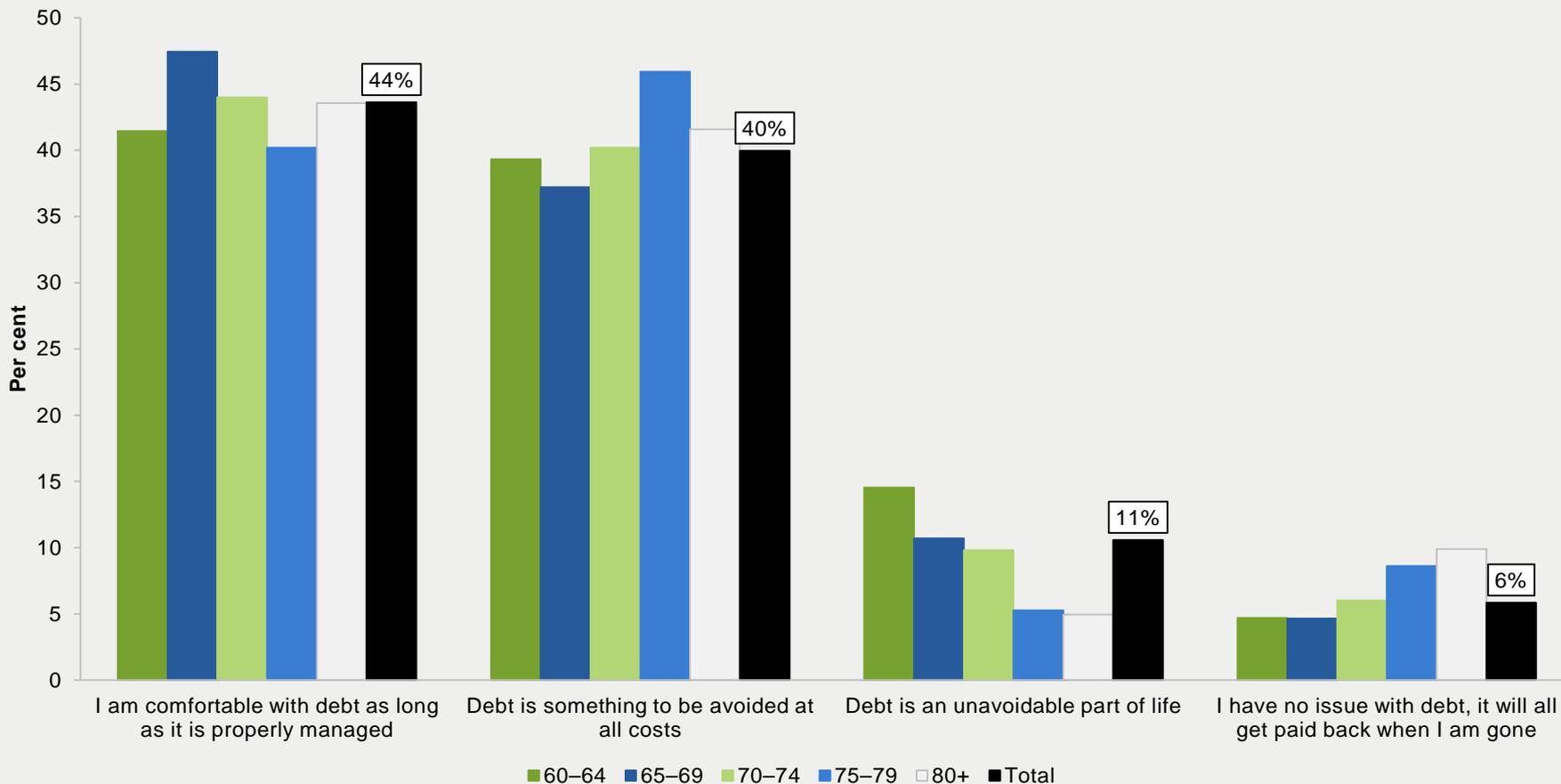
Under what circumstances would you use your home to fund your retirement? (Multiple choice)



All Respondents (60-64: n=468, 65-69: n=430, 70-74: n=316, 75-79: n=209, 80+: n=101, Total: n=1524)

Attitudes towards home and debt

Which of the following statements would you say you agree with most in regards to debt?

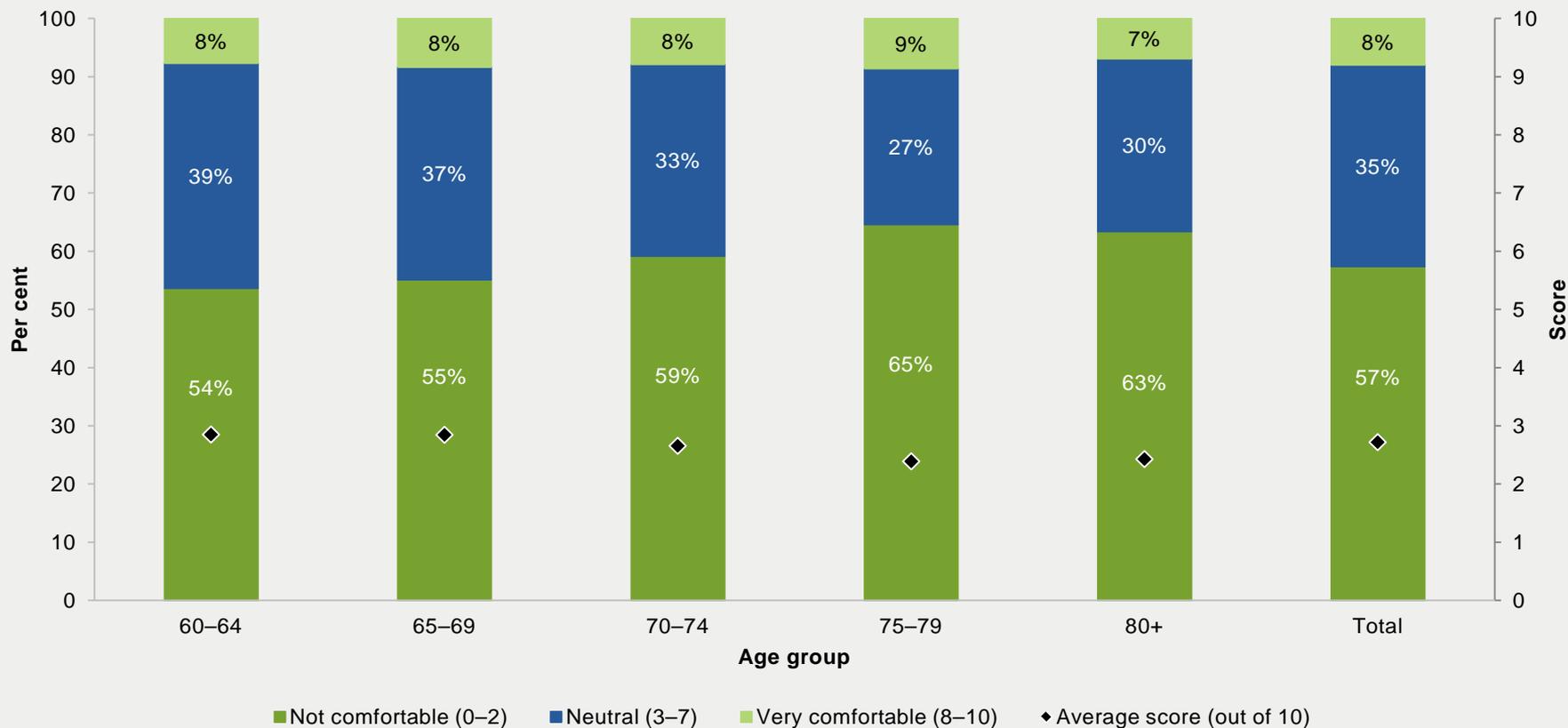


All Respondents (60-64: n=468, 65-69: n=430, 70-74: n=316, 75-79: n=209, 80+: n=101, Total: n=1524)

Attitudes towards home and debt

How comfortable are you having a mortgage during your retirement if it means being able to access you home equity?

By age

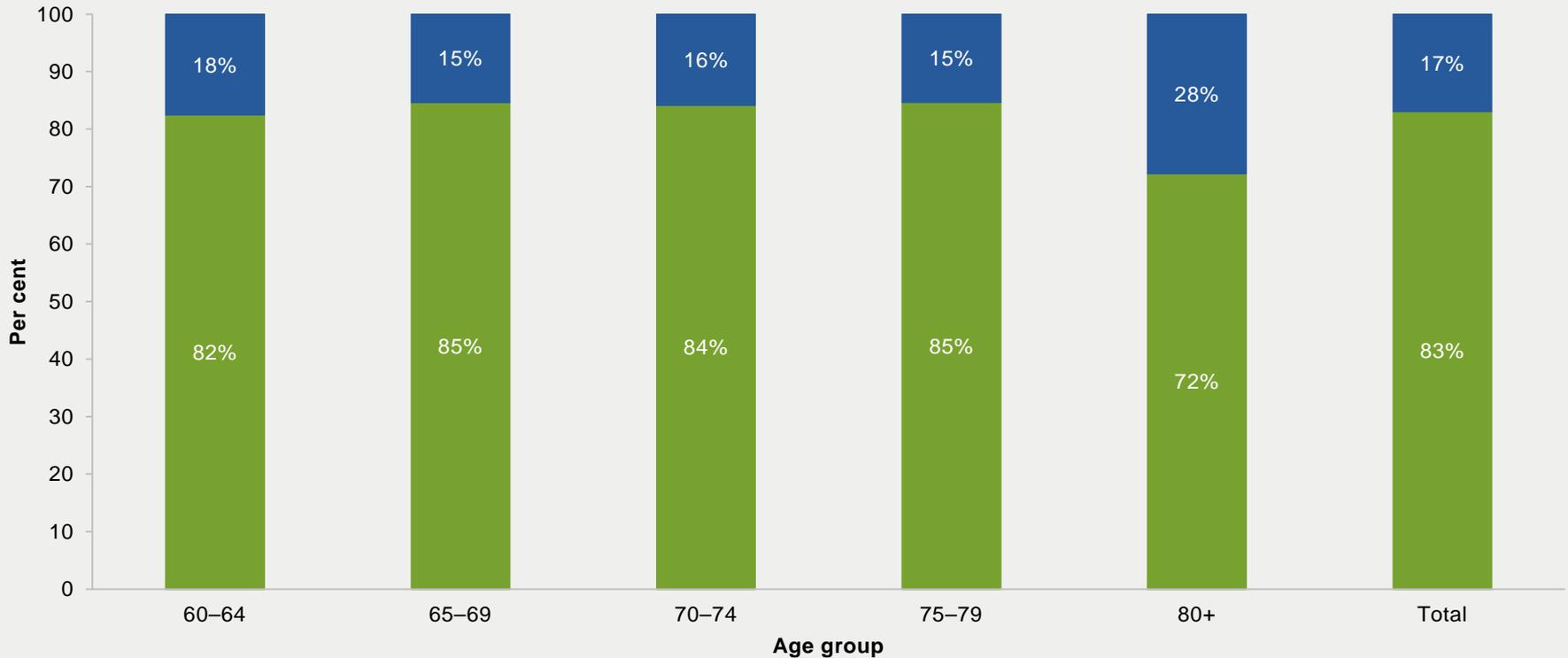


All Respondents (60-64: n=468, 65-69: n=430, 70-74: n=316, 75-79: n=209, 80+: n=101, Total: n=1524)

Inheritance

If you were forced to choose, which of the following would you regard as your greatest priority?

By age



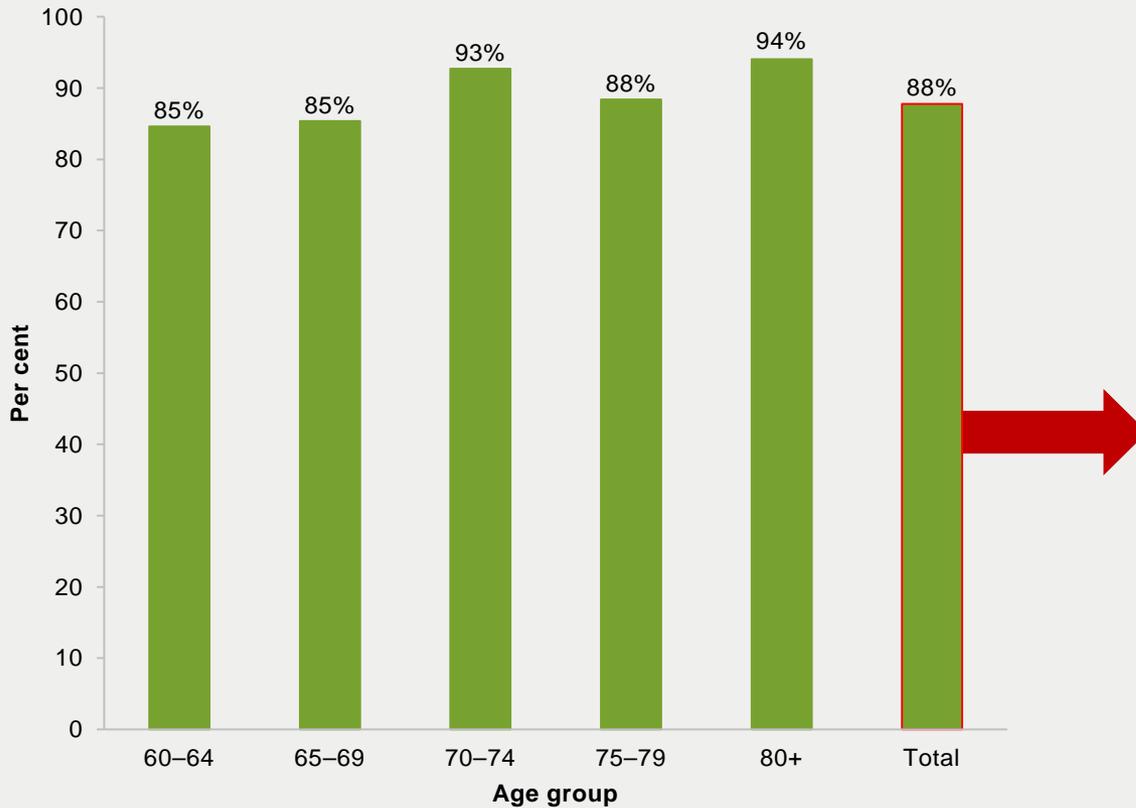
- Being able to leave as much as possible to your beneficiaries when you pass away even if that means going without some things now
- Having the best possible quality of life in retirement even if that means your beneficiaries receive less or nothing when you pass away

All Respondents (60-64: n=468, 65-69: n=430, 70-74: n=316, 75-79: n=209, 80+: n=101, Total: n=1524)

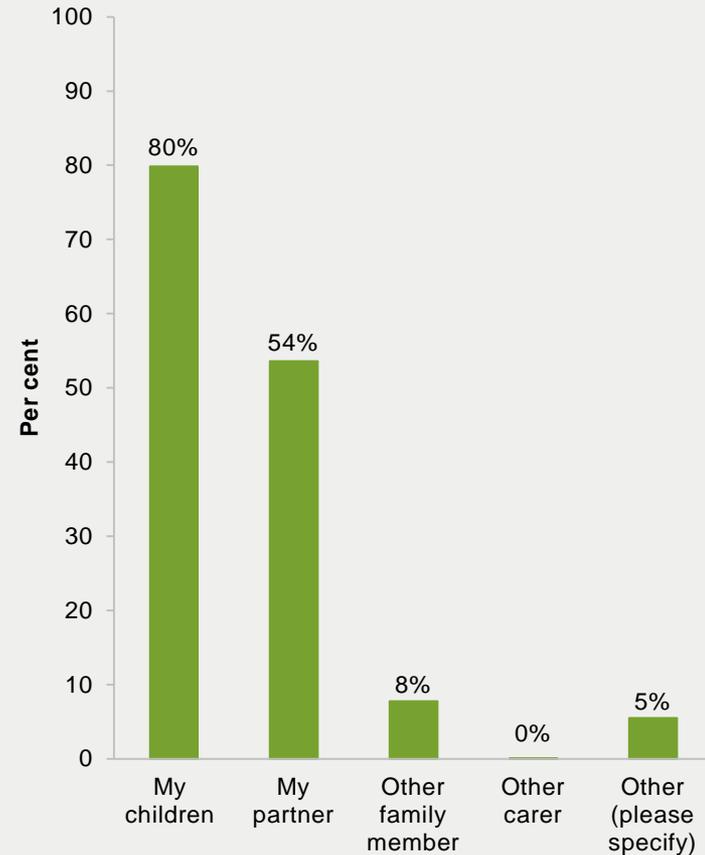
Inheritance

Do you intend to leave your home to your beneficiary(ies) as inheritance when you pass away?

By age



Who will be your beneficiary(ies)? Please choose all that apply.

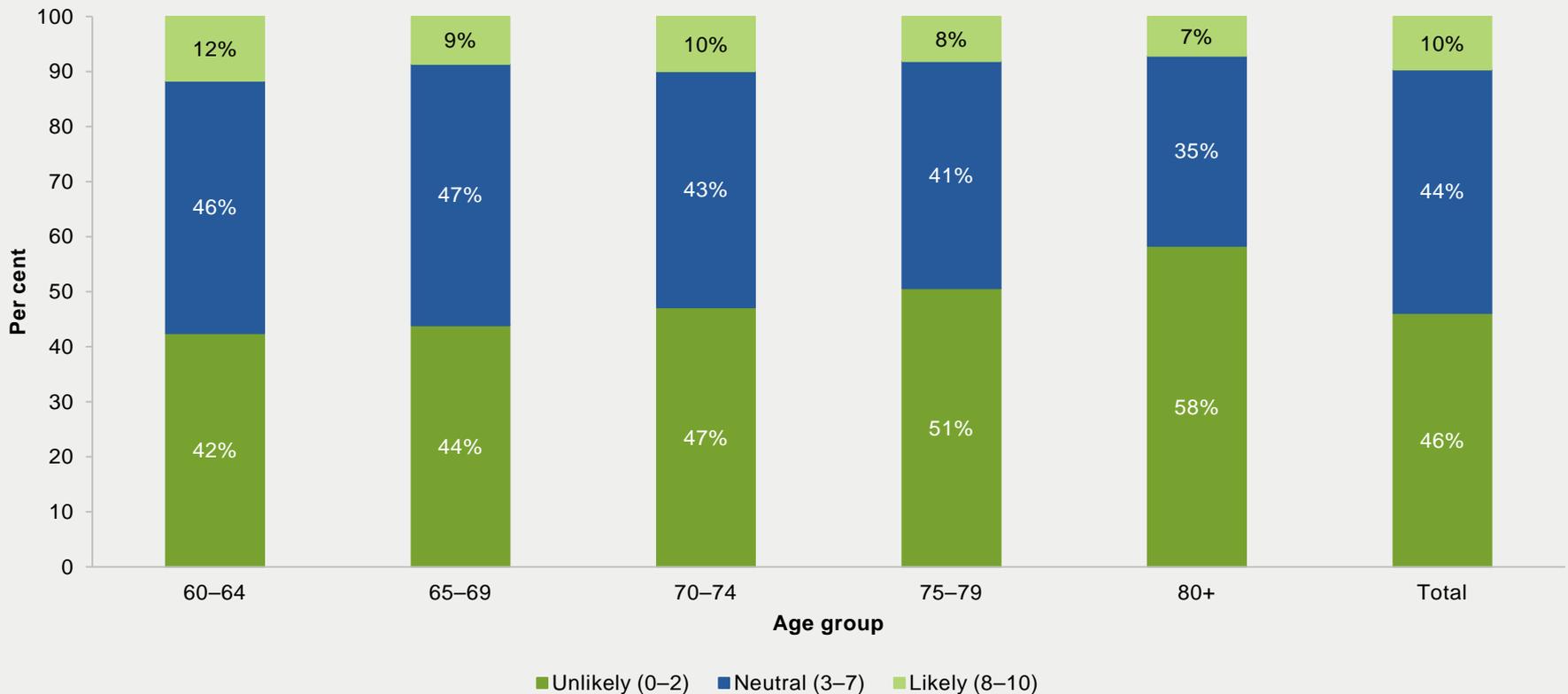


Respondents who own their property (60-64: n=351, 65-69: n=335, 70-74: n=261, 75-79: n=172, 80+: n=84, Total: n=1203)

Respondents intending to leave their home to beneficiary(ies) Total: n=1056

Inheritance

If there were a means to access the equity in your home to increase your income and standard of living how likely would you be to utilise this?
Please note that accessing the equity would result in you no longer being able to leave the full value of your

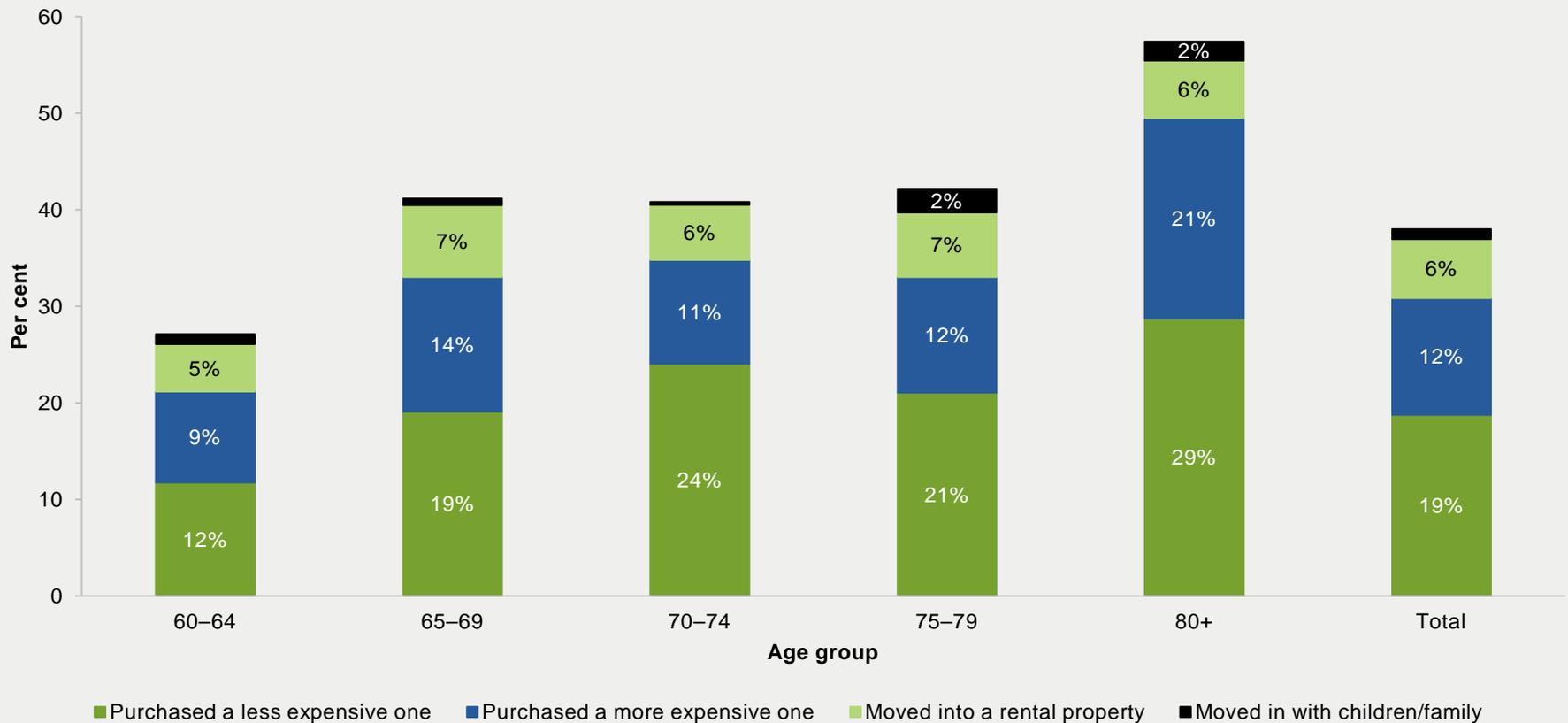


Respondents who own their property (60-64: n=351, 65-69: n=335, 70-74: n=261, 75-79: n=172, 80+: n=84, Total: n=1203)

Downsizing

Since turning 50 have you done any of the following?
Sold the property in which you live and...

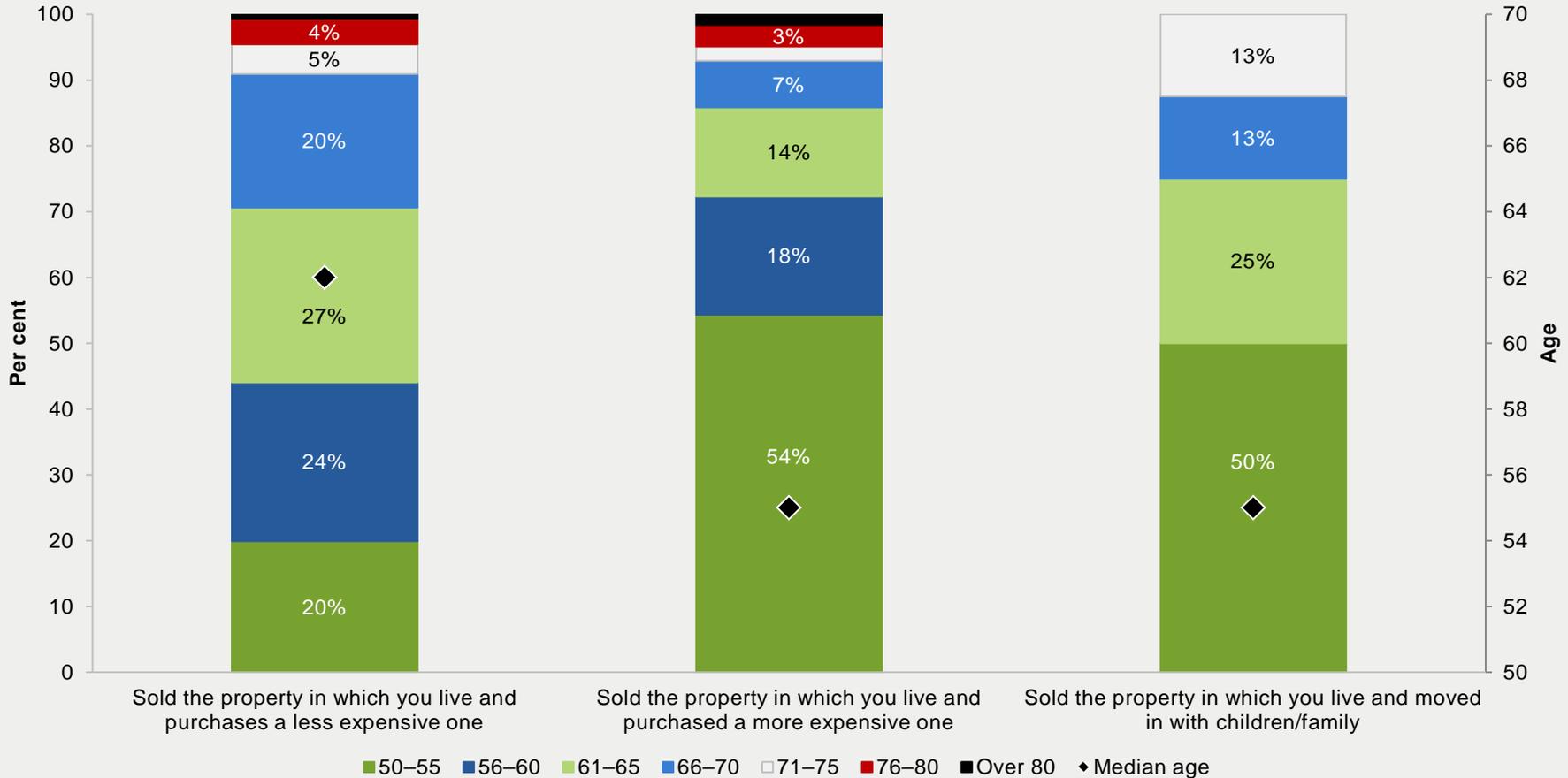
By age



All Respondents (60-64: n=468, 65-69: n=430, 70-74: n=316, 75-79: n=209, 80+: n=101, Total: n=1524)

Downsizing

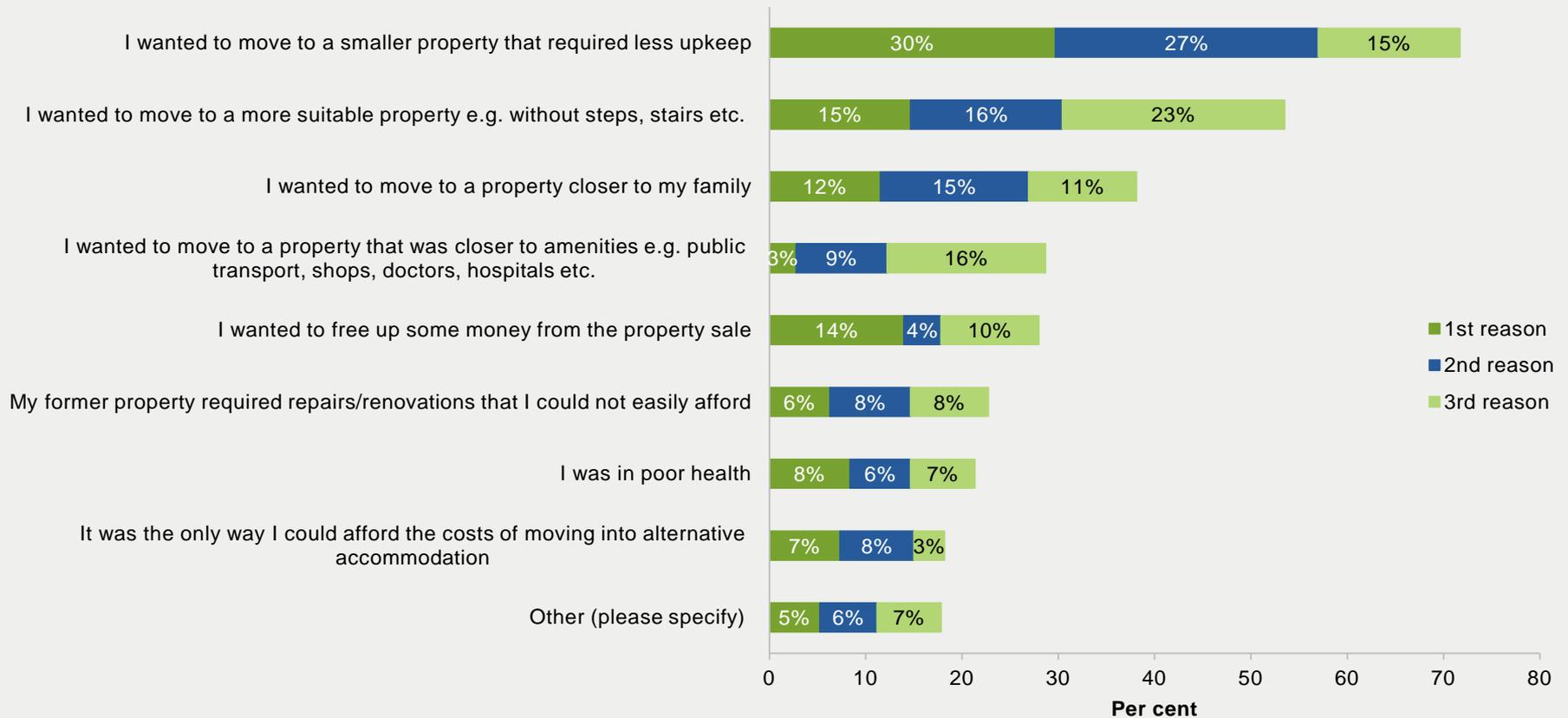
At what age did you first do the following?



Respondents who sold the property in which they lived and purchased a less expensive one (n=286), purchased a more expensive one (n=184), or moved in with children/family (n=16)

Downsizing

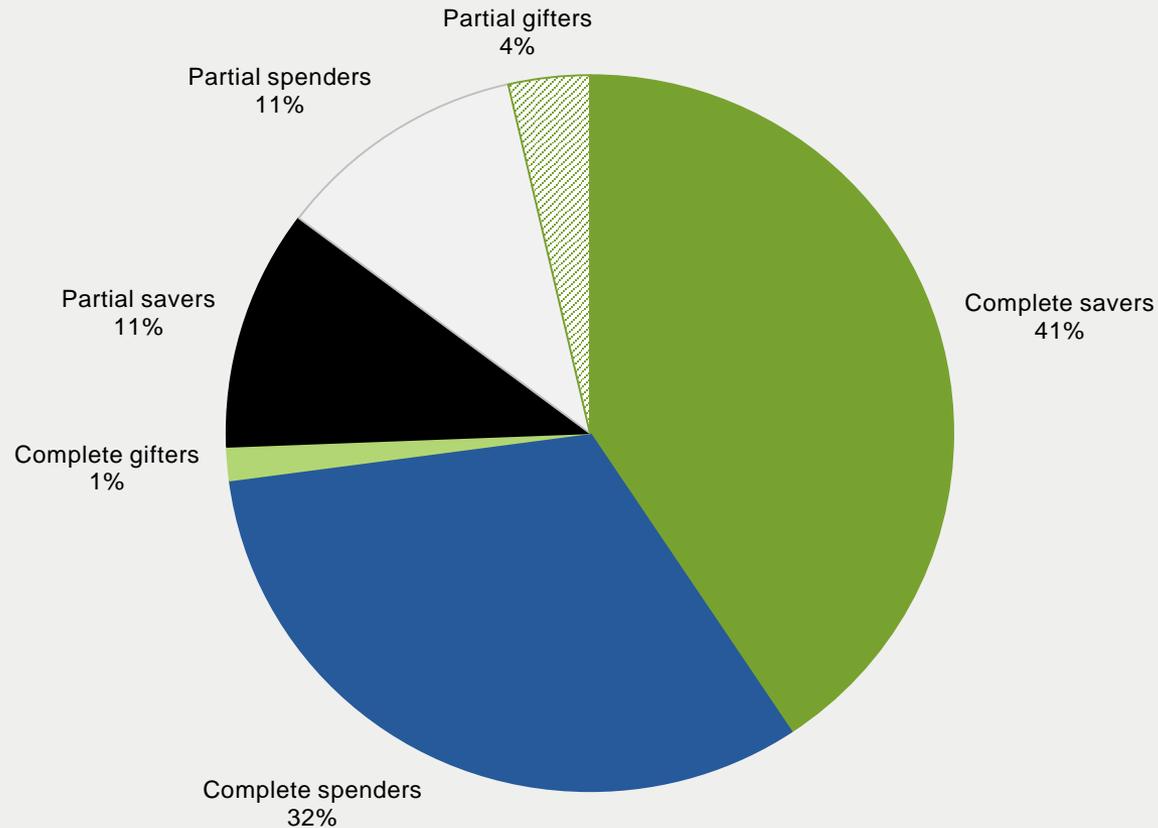
**What would you say were your main motivations behind your decision to sell your property?
Please choose three options from the list below in order of priority.**



Respondents who sold the property in which they lived and purchased a less expensive one (n=286)

Downsizing

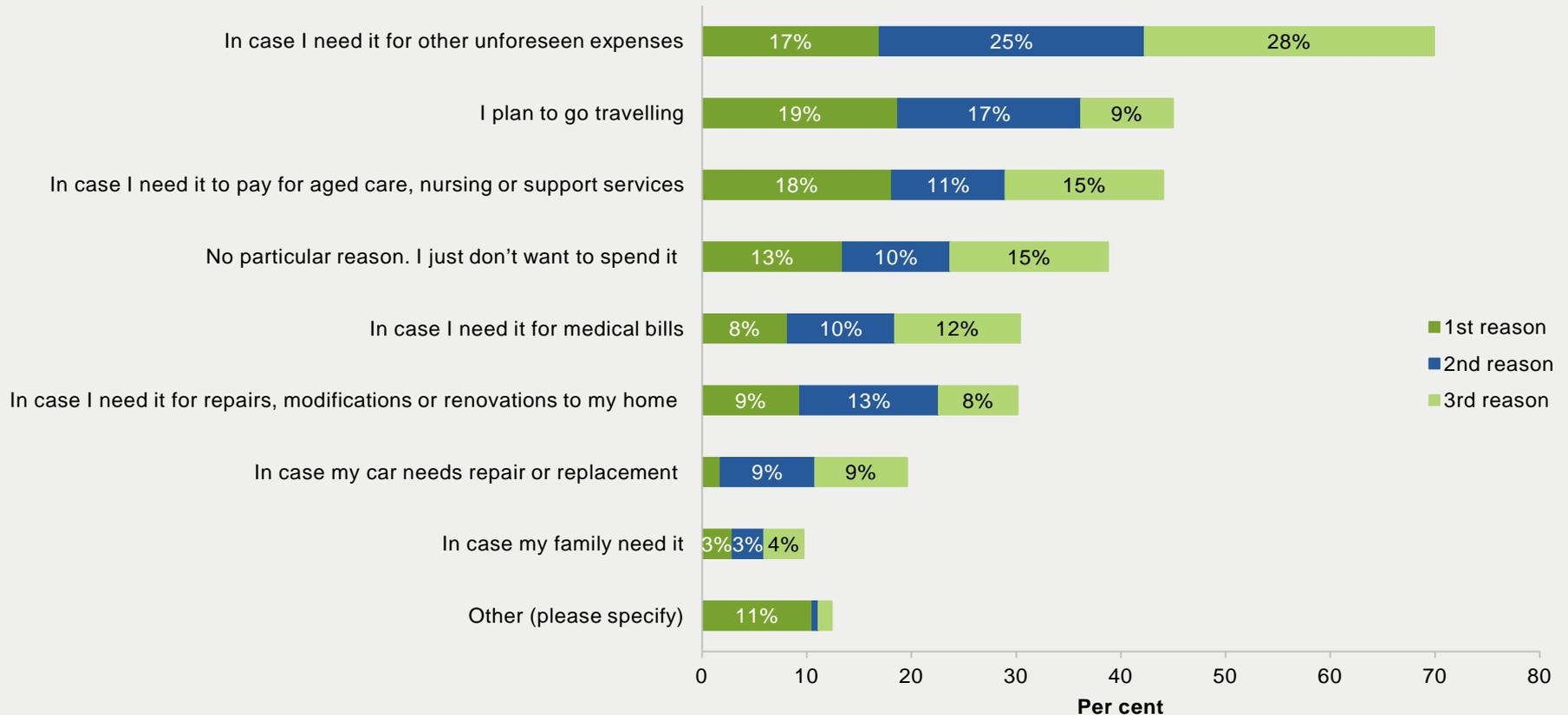
What did you do with the money freed up from the sale of your property?
Please choose all that apply.



Respondents who sold the property in which they lived and purchased a less expensive one (n=286)

Downsizing

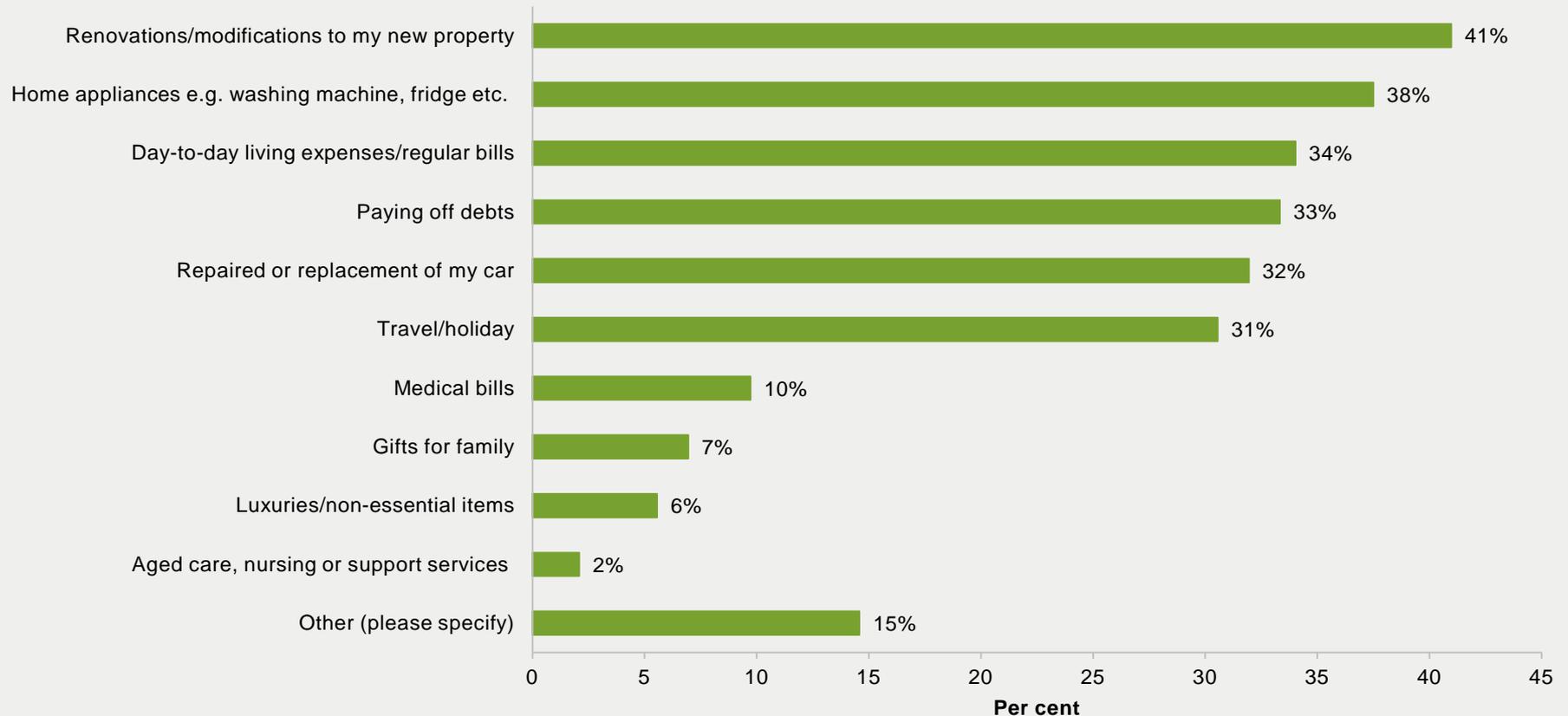
What are you saving this money for?
Please choose up to three reasons from the list below in order of priority.



Respondents who sold the property in which they lived and purchased a less expensive one and saved money freed up from the sale of their property (n=171)

Downsizing

What did you spend this money on?
Please choose all that apply



Respondents who sold the property in which they lived and purchased a less expensive one and spent money freed up from the sale of their property (n=144)

Downsizing

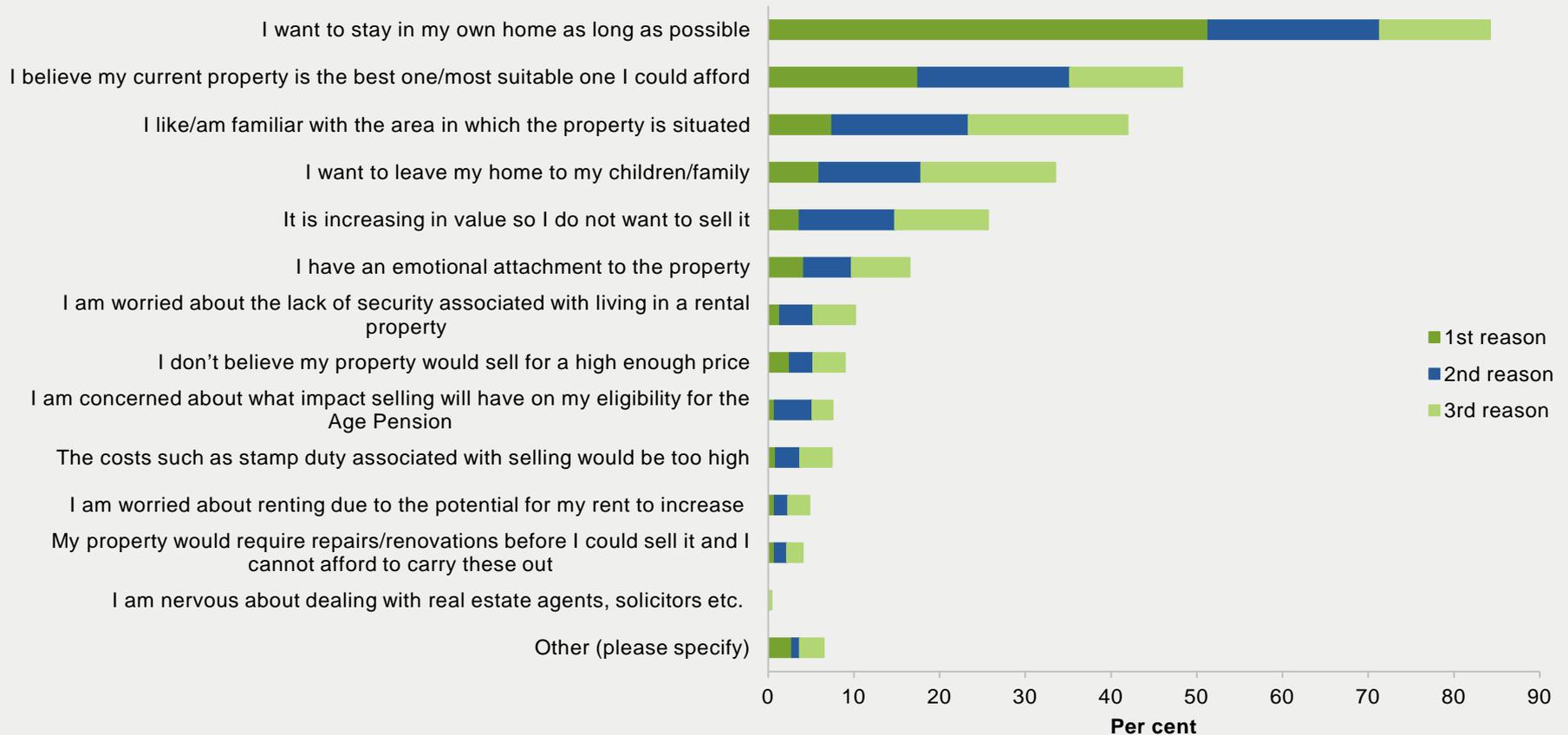
How likely do you think you are to do any of the following in the future?



Respondents who own their property (Total: n=1203)

Downsizing

You have indicated that you are unlikely to sell your home. Why is this?
Please choose up to three reasons in order of priority.

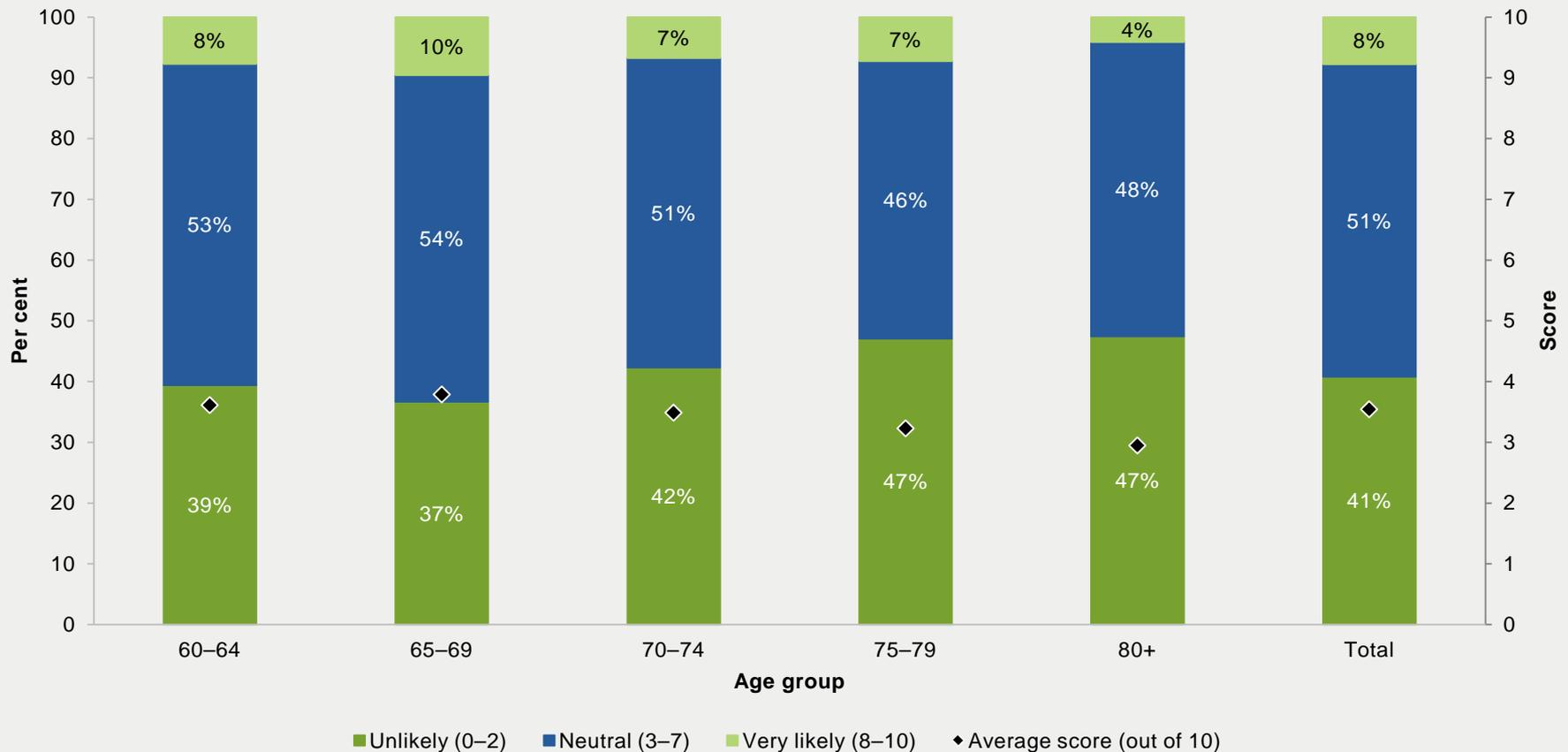


Respondents unlikely (6–10) to sell their home in the future (n=789)

Housing preferences

How likely do you think it is that you will ever move into a residential aged care facility?

By age

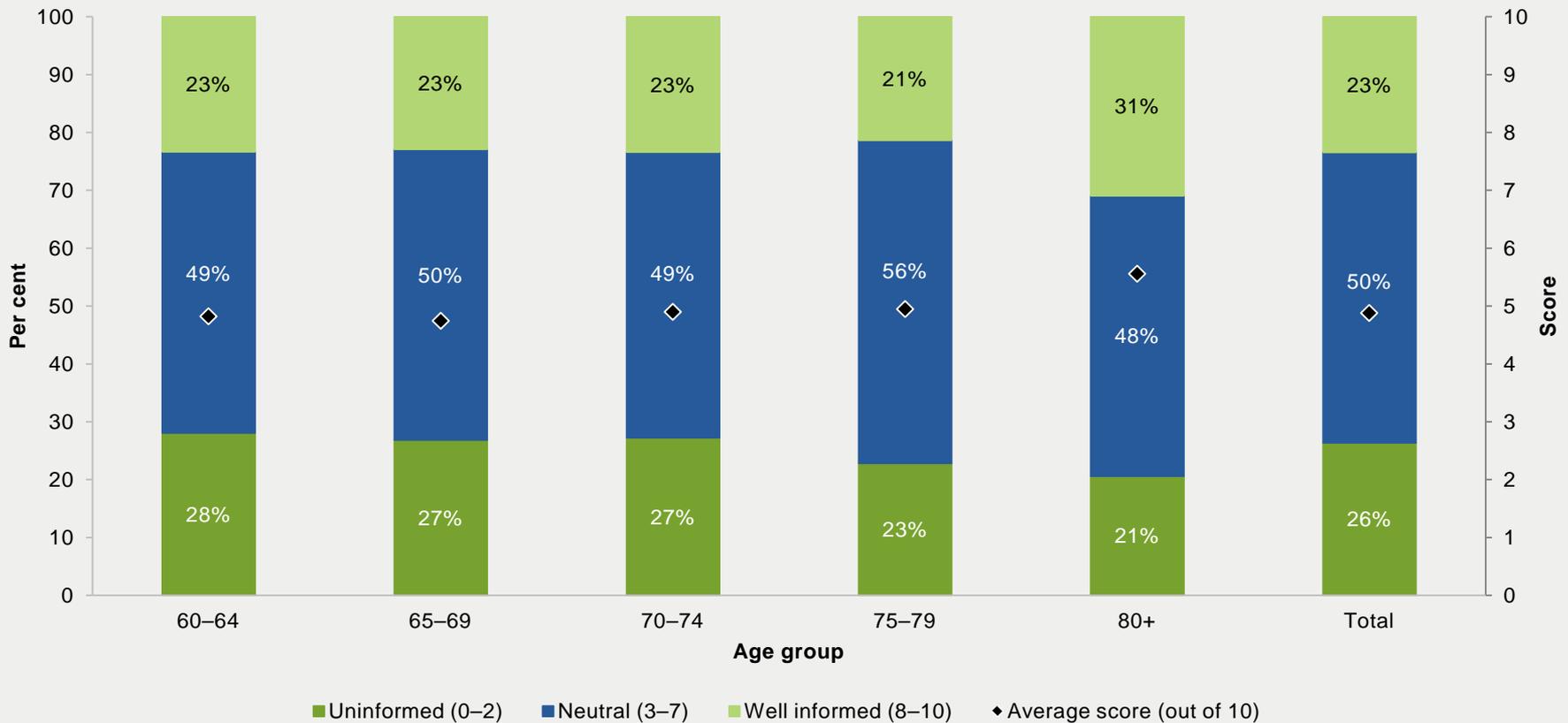


Respondents who do not live in a non-private dwelling or a mobile home estate (60-64: n=467, 65-69: n=428, 70-74: n=312, 75-79: n=206, 80+: n=907, Total: n=1510)

Housing preferences

How informed would you say you are about the costs associated with moving into residential aged care?

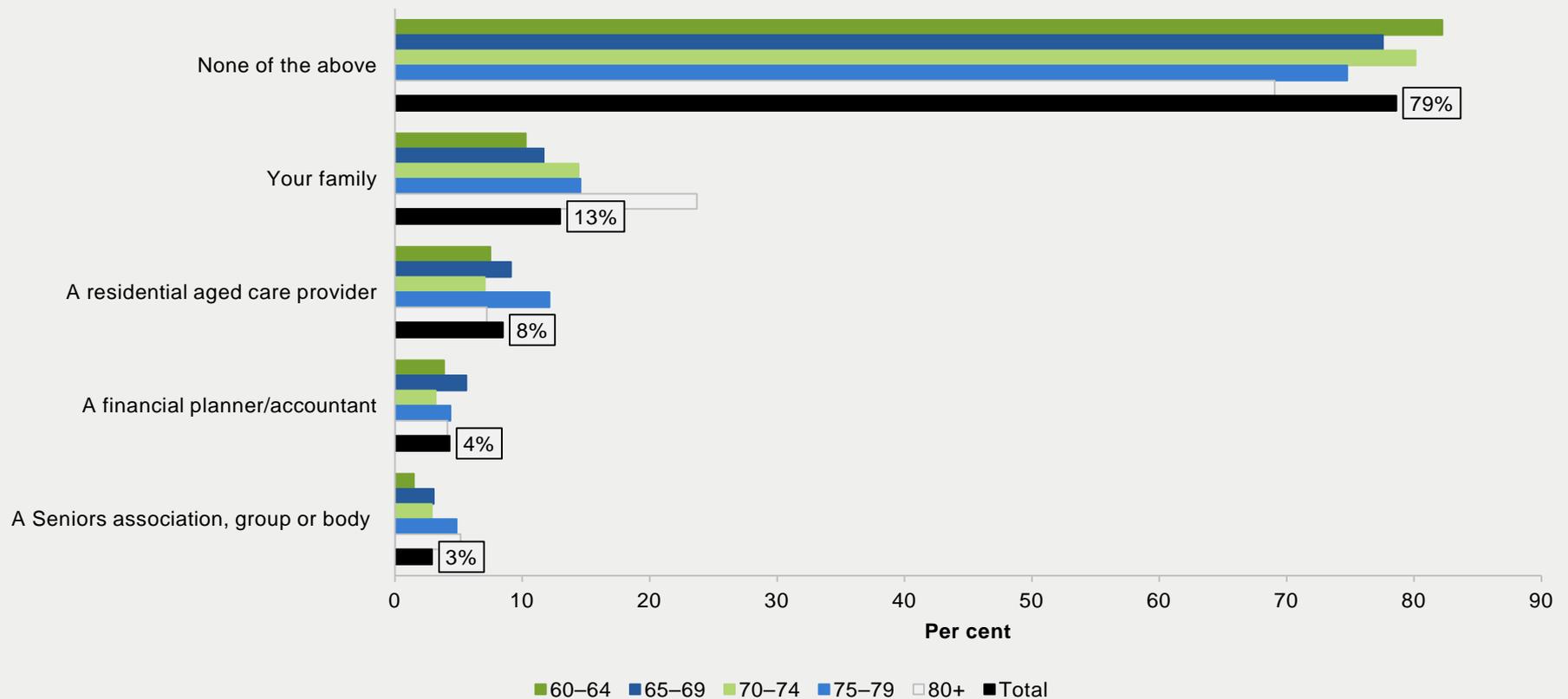
By age



Respondents who do not live in a non-private dwelling or a mobile home estate (60-64: n=467, 65-69: n=428, 70-74: n=312, 75-79: n=206, 80+: n=907, Total: n=1510)

Housing preferences

Have you spoken to any of the following about how you would fund the costs associated with moving into an aged care facility?
Please choose all that apply.

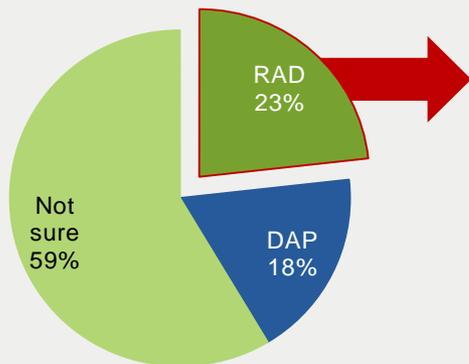


■ 60-64 ■ 65-69 ■ 70-74 ■ 75-79 □ 80+ ■ Total

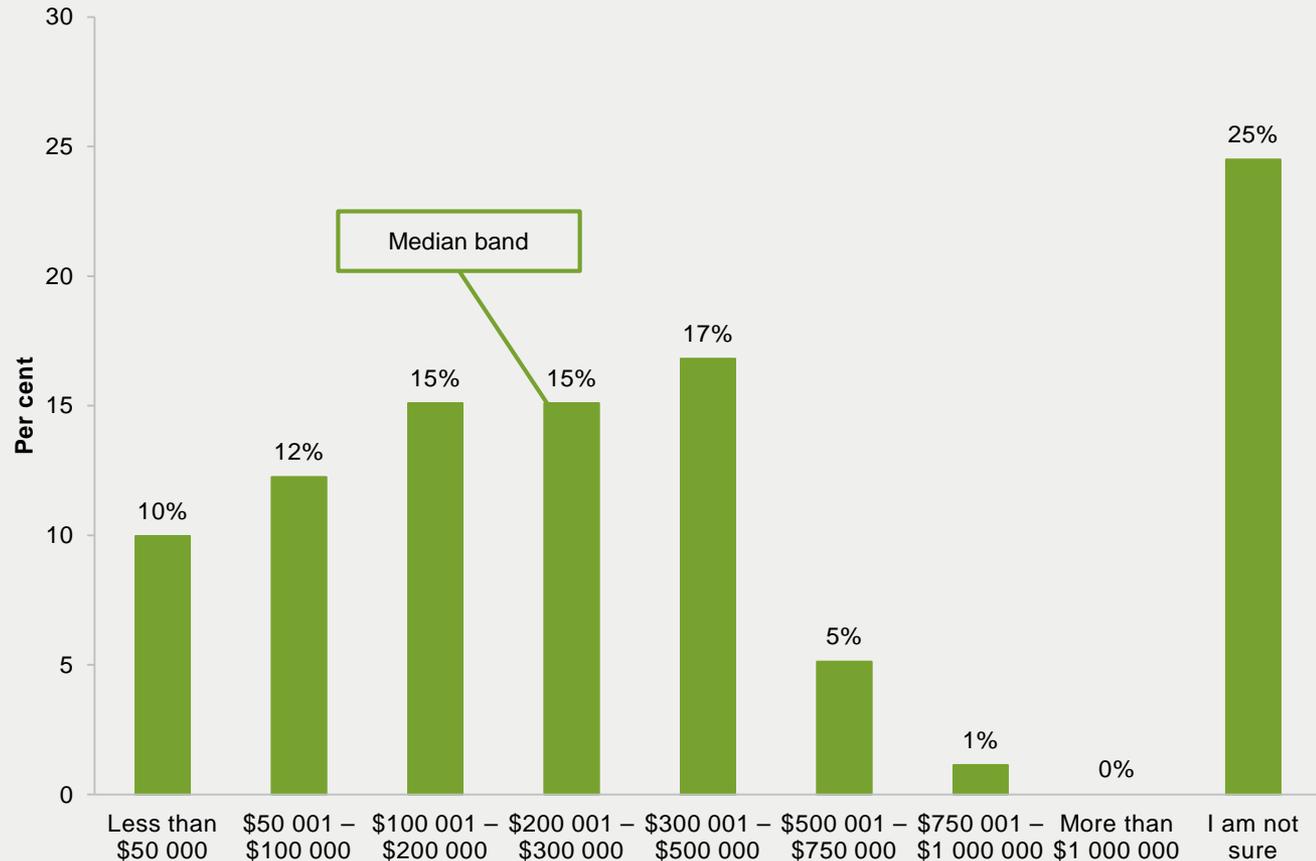
Respondents who do not live in a non-private dwelling or a mobile home estate (60-64: n=467, 65-69: n=428, 70-74: n=312, 75-79: n=206, 80+: n=907, Total: n=1510)

Housing preferences

If you were to move into an aged care facility would you prefer to pay a lump sum Refundable Accommodation Deposit (RAD) or a Daily Accommodation Payment (DAP)?



How much would you expect to pay as a lump sum Refundable Accommodation Deposit (RAD)?

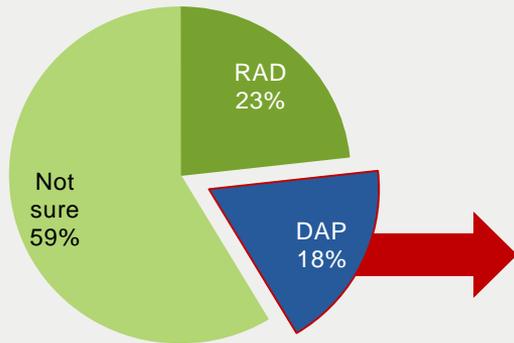


Respondents who said they would prefer to pay a lump sum RAD (Total: n=351)

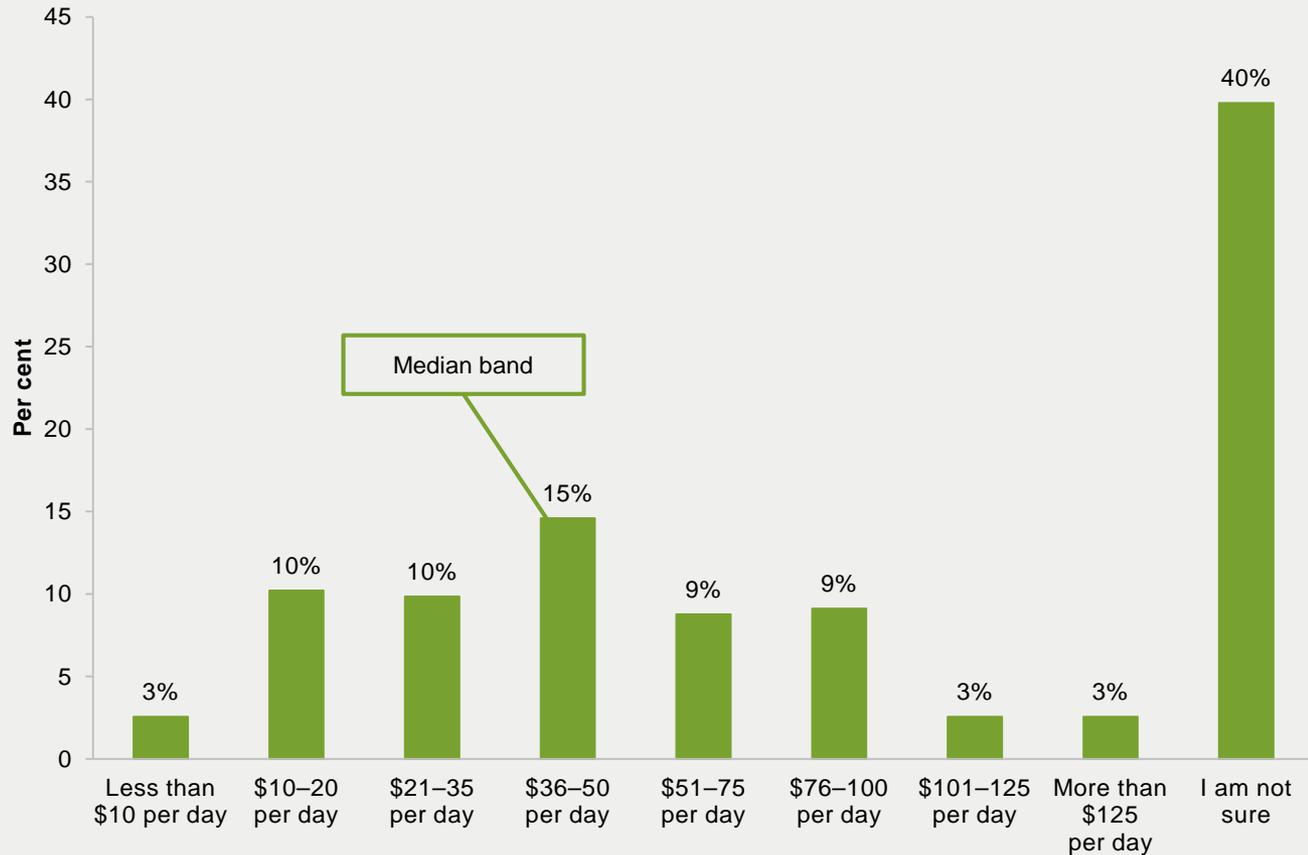
Respondents who do not live in a non-private dwelling or a mobile home estate (Total: n=1510)

Housing preferences

If you were to move into an aged care facility would you prefer to pay a lump sum Refundable Accommodation Deposit (RAD) or a Daily Accommodation Payment (DAP)?



How much would you expect to pay as an ongoing Daily Accommodation Payment (DAP)?



Respondents who said they would prefer to pay an ongoing DAP (Total: n=274)

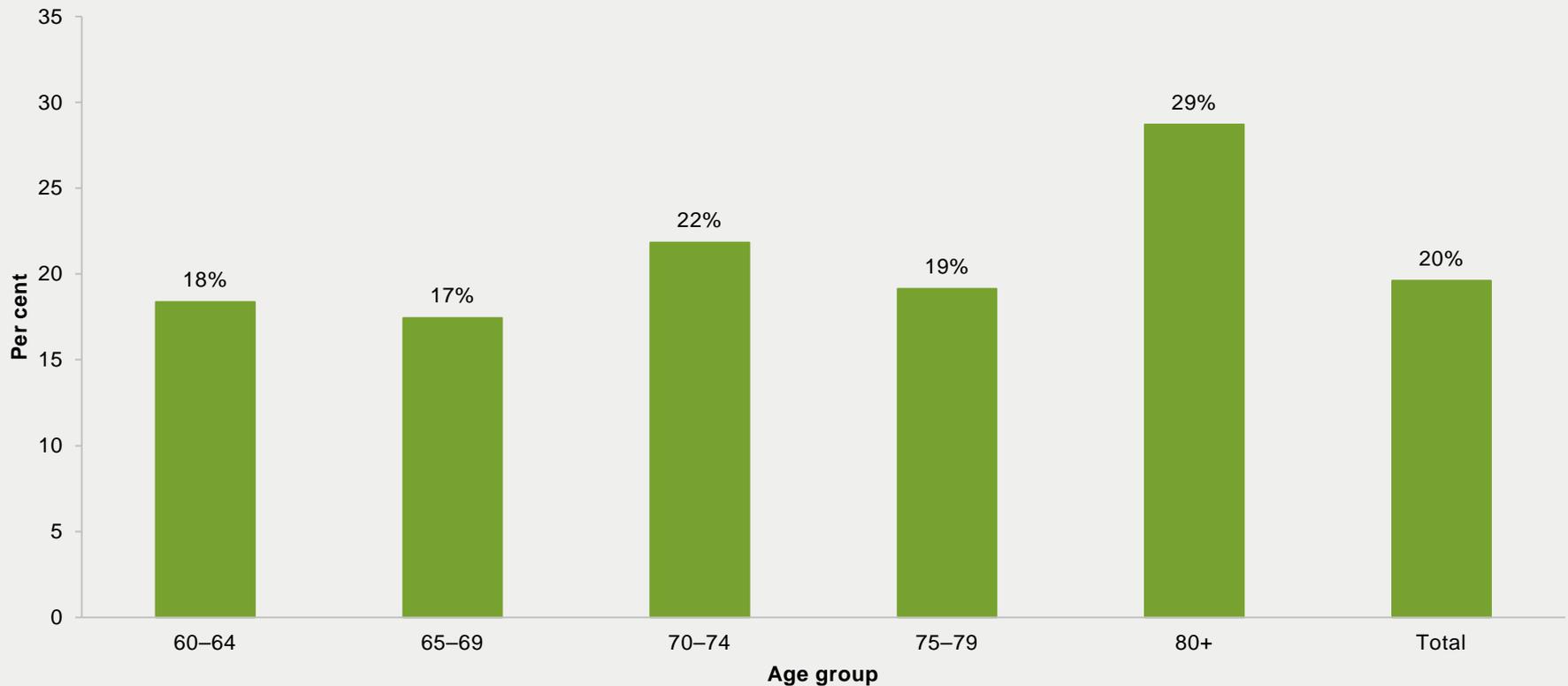
Respondents who do not live in a non-private dwelling or a mobile home estate (Total: n=1510)

Housing preferences

On the 1st July 2014, changes were introduced impacting the way in which individuals are required to contribute to the cost of residential aged care.

Before taking the survey today, were you aware of these reforms?

Yes — By age



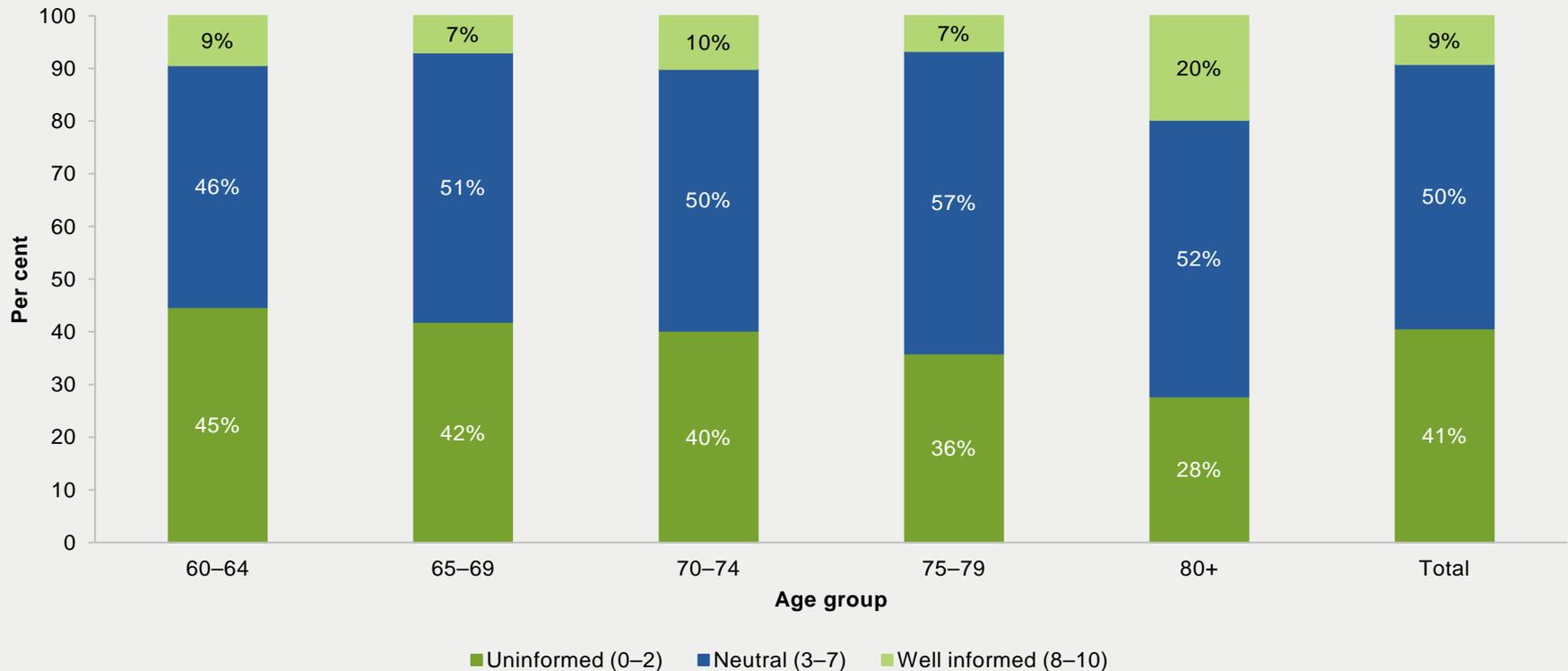
All Respondents (60-64: n=468, 65-69: n=430, 70-74: n=316, 75-79: n=209, 80+: n=101, Total: n=1524)

Housing preferences

The government provides elderly Australians with a variety of programs to support them in living independently in their own homes.

How well informed would you say you are about these programs?

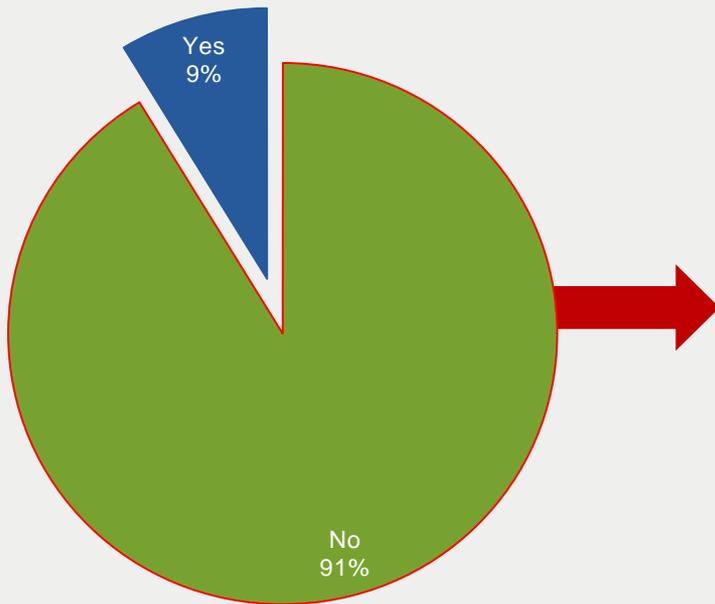
By age



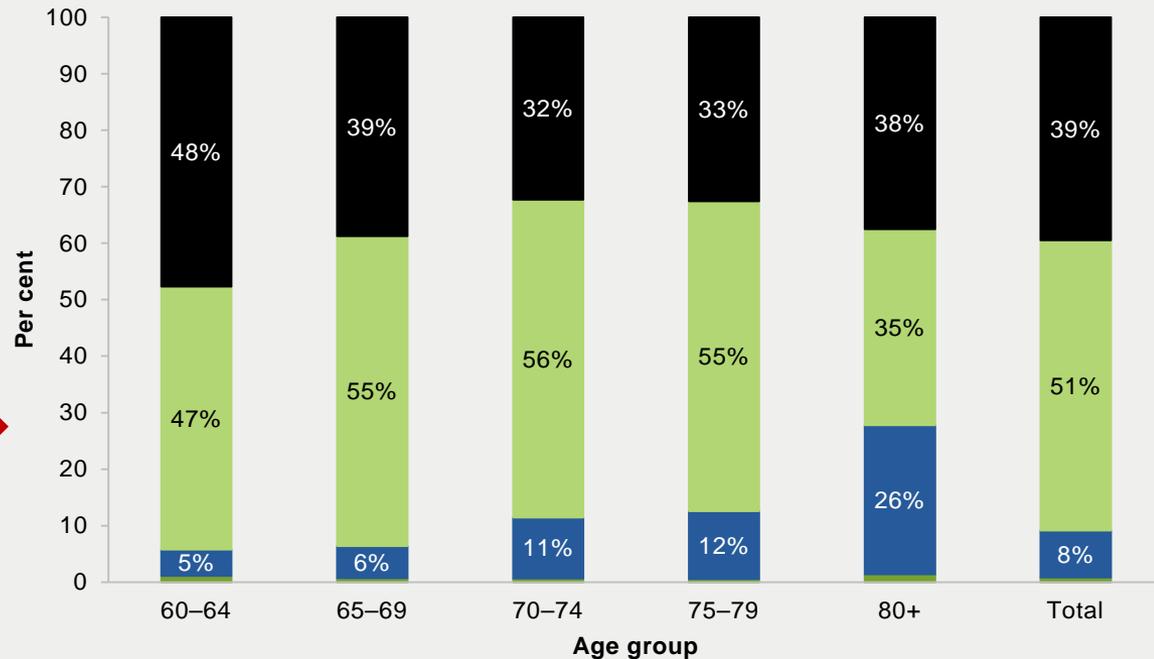
All Respondents (60-64: n=468, 65-69: n=430, 70-74: n=316, 75-79: n=209, 80+: n=101, Total: n=1524)

Housing preferences

Are you currently receiving any support via these programs?



Do you expect to ever use these services?
By age



- No, I do not expect I will need these services
- Yes, I expect to need these services but not for at least five years
- Yes, I expect to need these services within the next five years
- Yes, I need these services right now

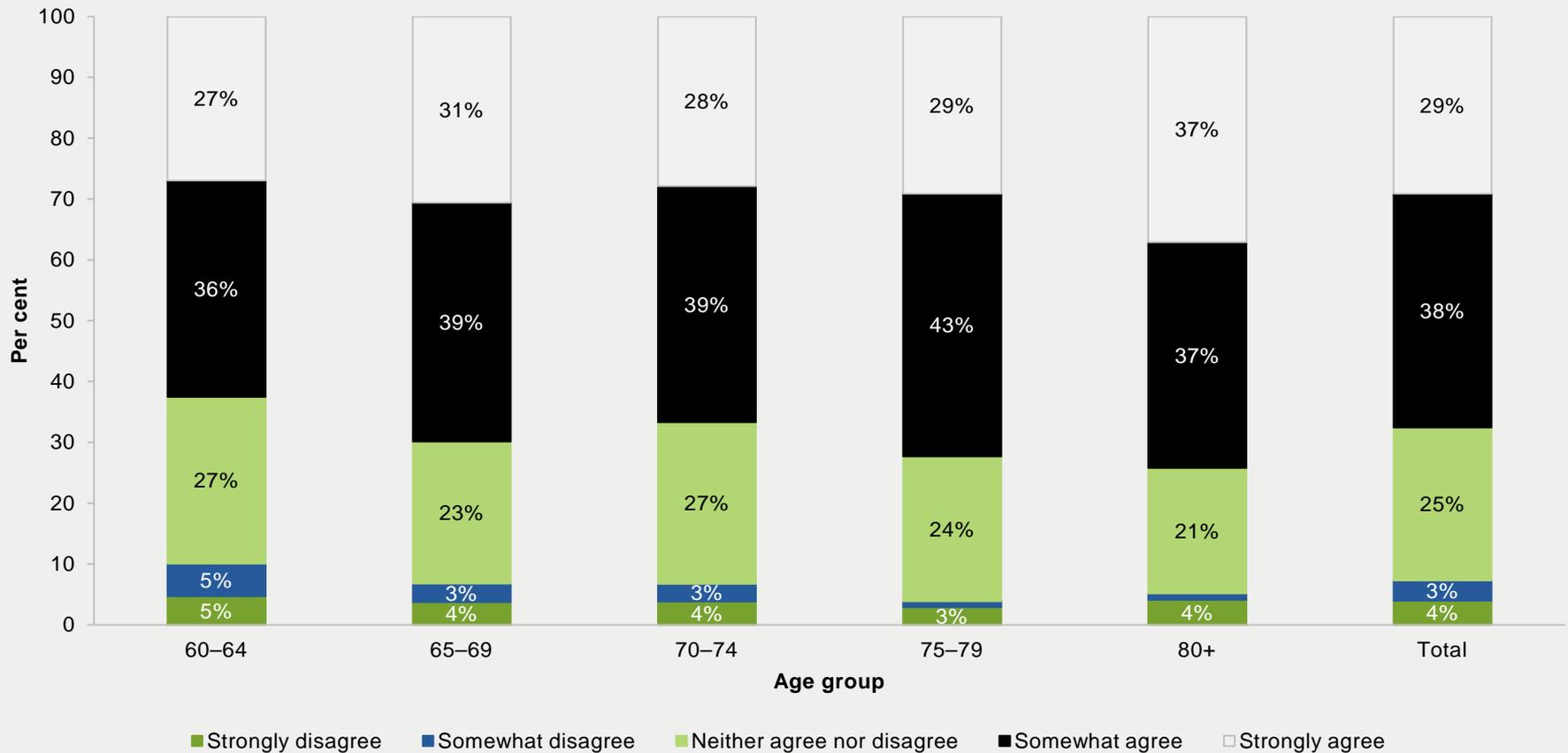
Respondents that do not currently receive support via these programs (60-64: n=451, 65-69: n=405, 70-74: n=288, 75-79: n=175, 80+: n=72, Total: n=1391)

All Respondents (Total: n=1524)

Housing preferences

'I am happy to pay for these services if they mean I can stay in my own home for as long as possible'

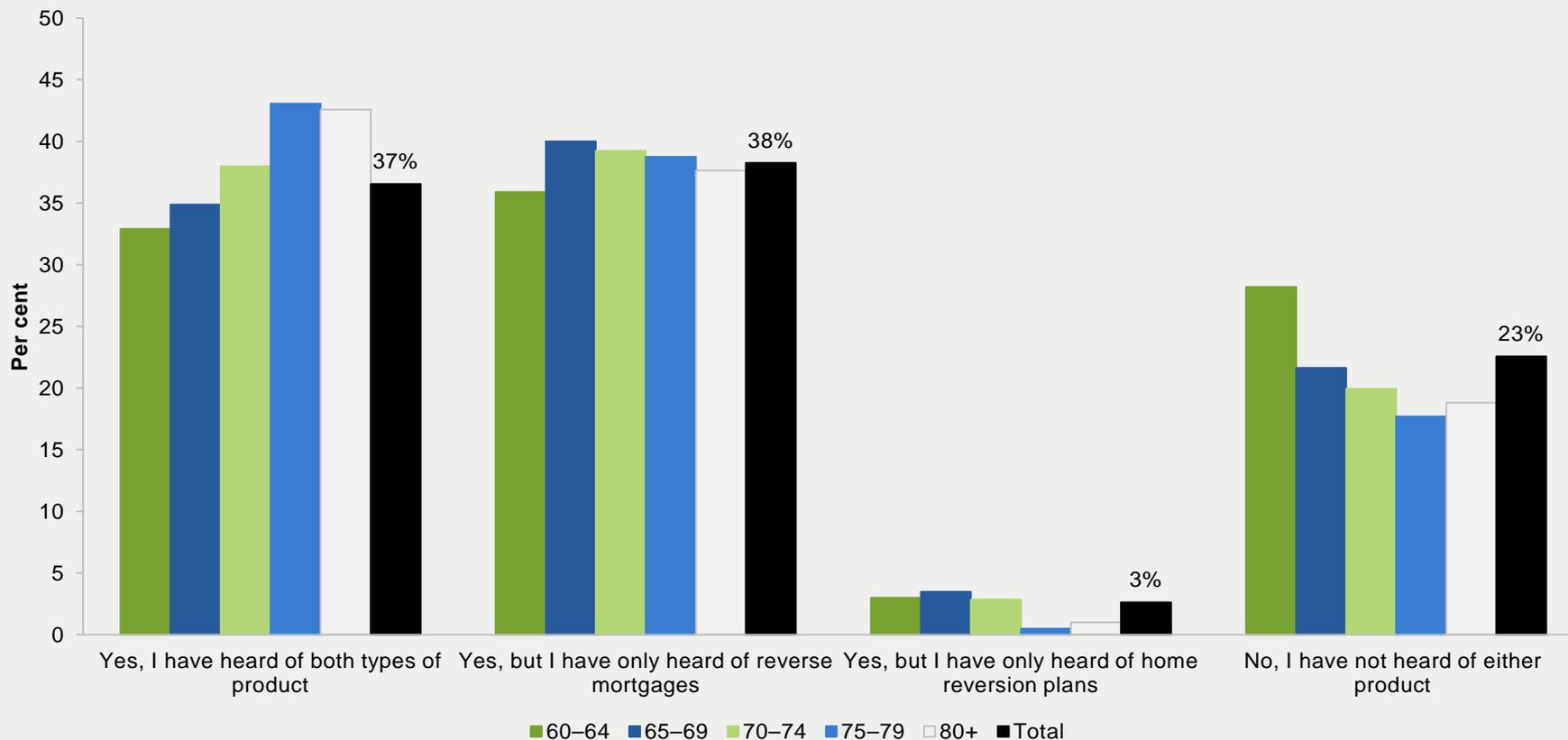
By age



Respondents who do not live in a non-private dwelling or a mobile home estate (60-64: n=467, 65-69: n=428, 70-74: n=312, 75-79: n=206, 80+: n=907, Total: n=1510)

Equity Release Products

Have you ever heard of equity release products such as reverse mortgages and home reversion plans?

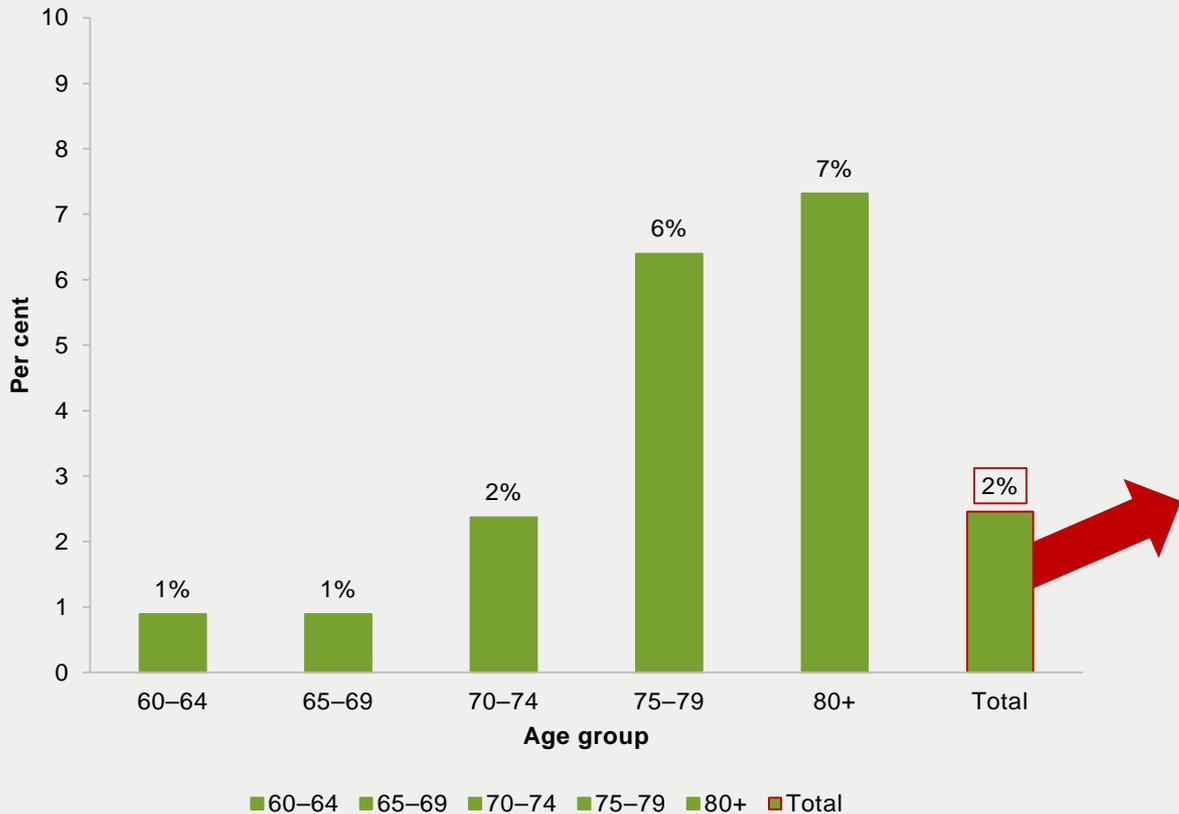


All Respondents (60-64: n=468, 65-69: n=430, 70-74: n=316, 75-79: n=209, 80+: n=101, Total: n=1524)

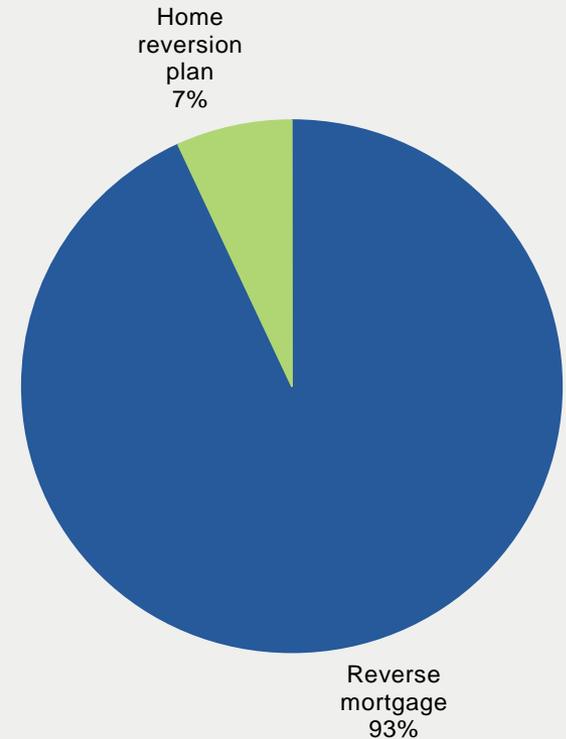
Equity Release Products

Are you currently using an equity release product such as a reverse mortgage or home reversion plan?

By age



Which type of product are you using?



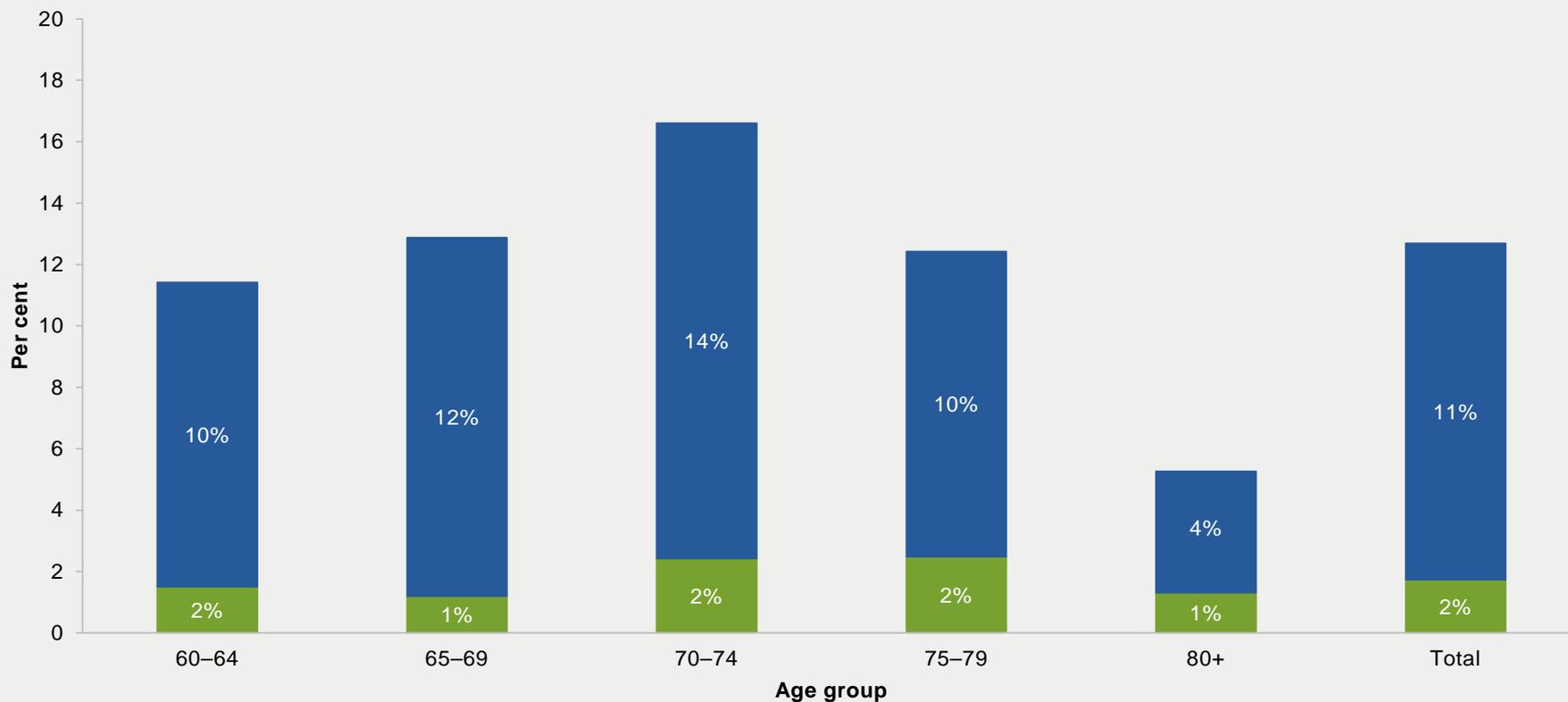
Respondents who had heard of either type of equity release products (60-64: n=336, 65-69: n=337, 70-74: n=253, 75-79: n=172, 80+: n=82, Total: n=1180)

Respondents who are currently using a product (n=29)

Equity Release Products

Have you ever considered using an equity release product?

By age



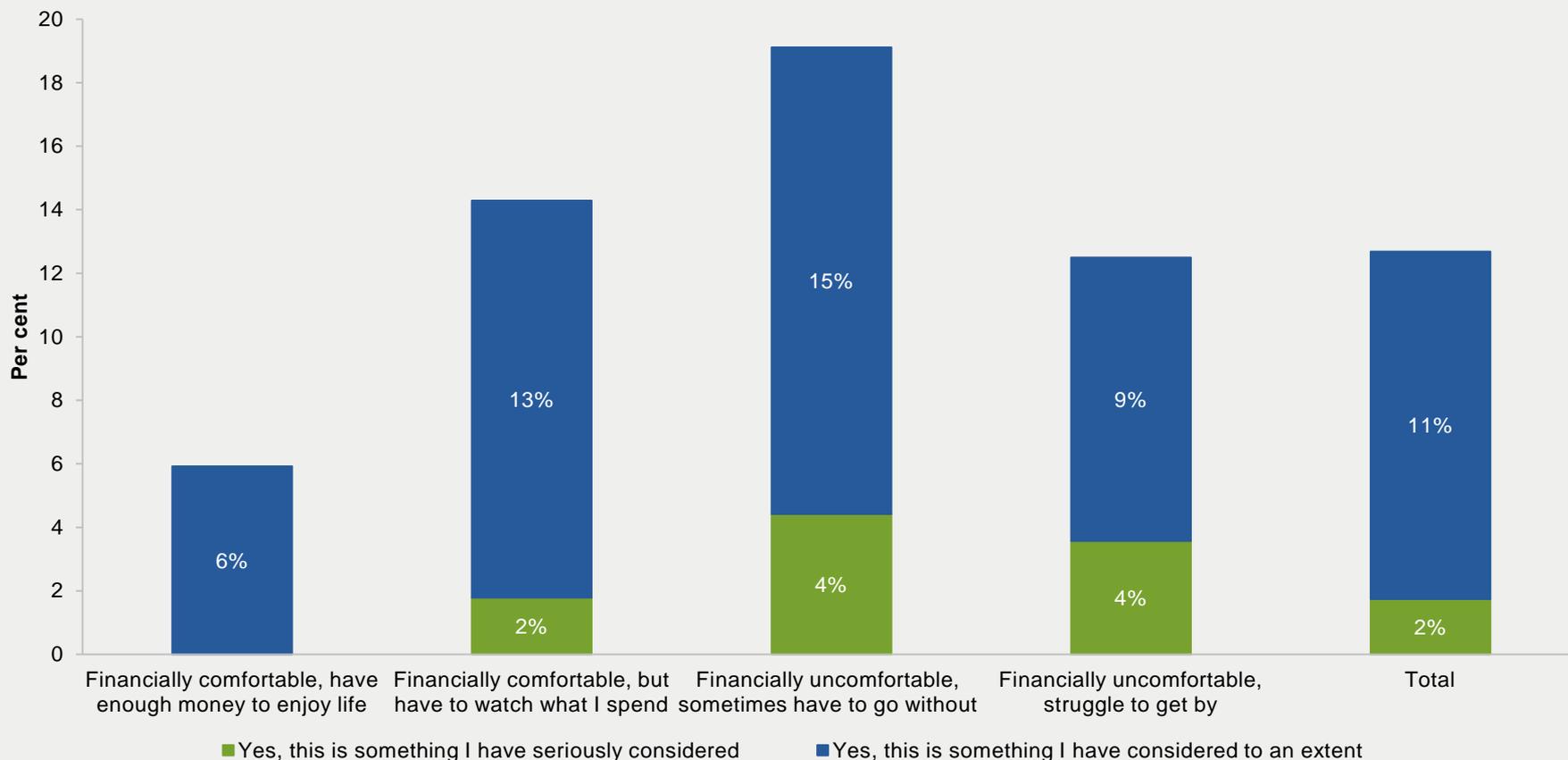
■ Yes, this is something I have seriously considered

■ Yes, this is something I have considered to an extent

Respondents who have heard of equity release products but are not currently using one (60-64: n=333, 65-69: n=334, 70-74: n=247, 75-79: n=161, 80+: n=76, Total: n=1151)

Equity Release Products

Have you ever considered using an equity release product?
By current financial position



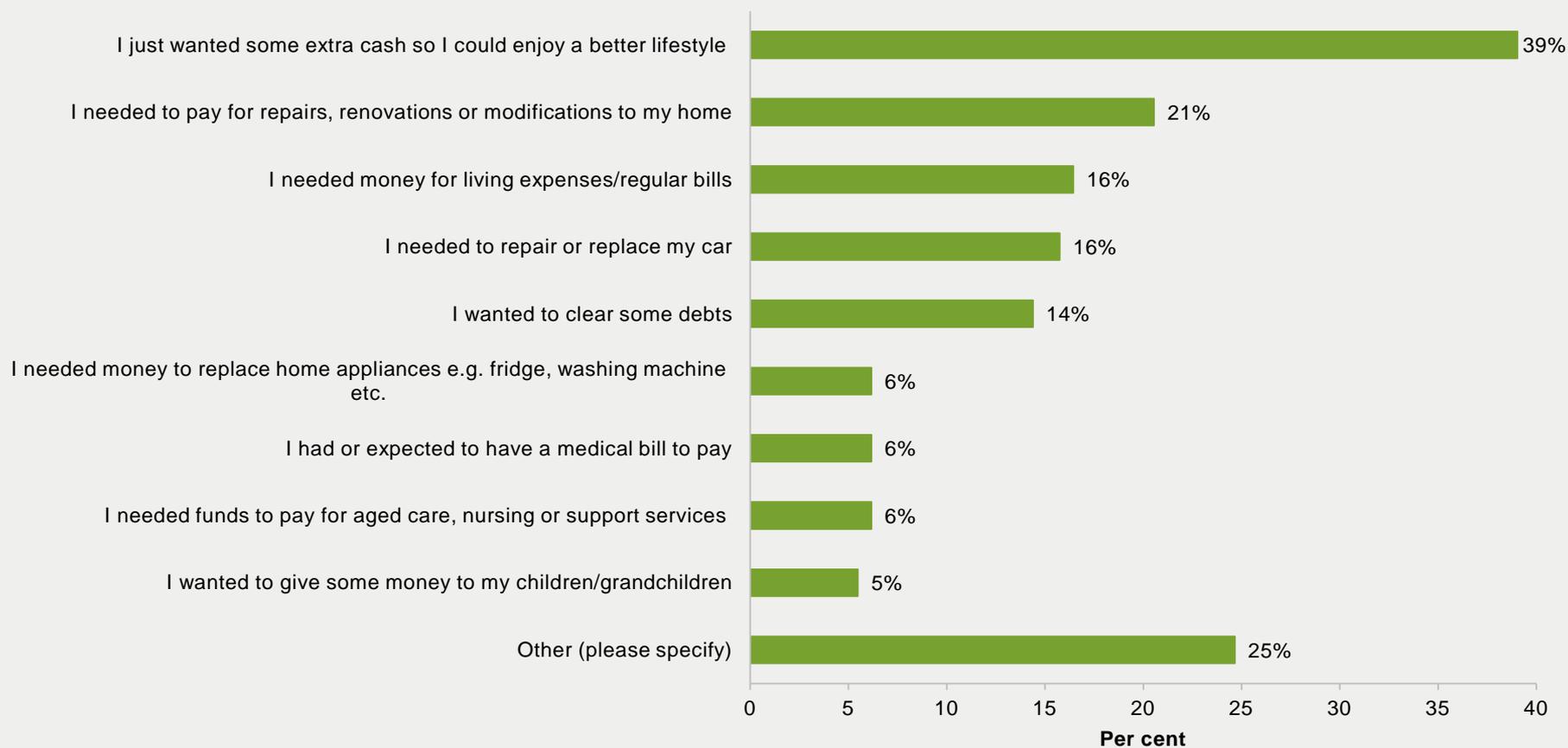
■ Yes, this is something I have seriously considered

■ Yes, this is something I have considered to an extent

Respondents who have heard of equity release products but are not currently using one (60–64: n=333, 65–69: n=334, 70–74: n=247, 75–79: n=161, 80+: n=76, Total: n=1151)

Equity Release Products

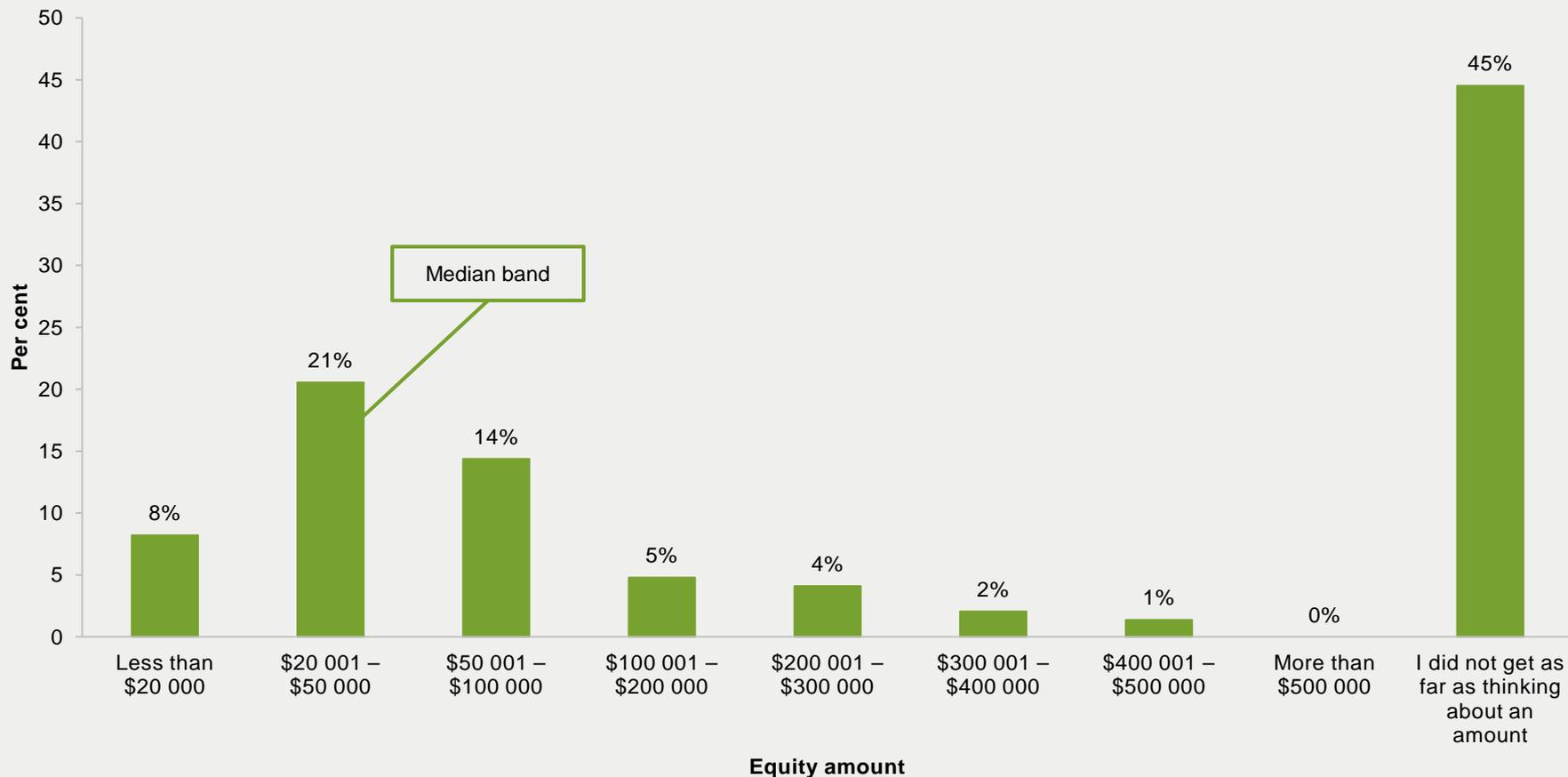
Why have you considered using an equity release product? (Multiple choice)



Respondents who have considered using equity release products (n=146)

Equity Release Products

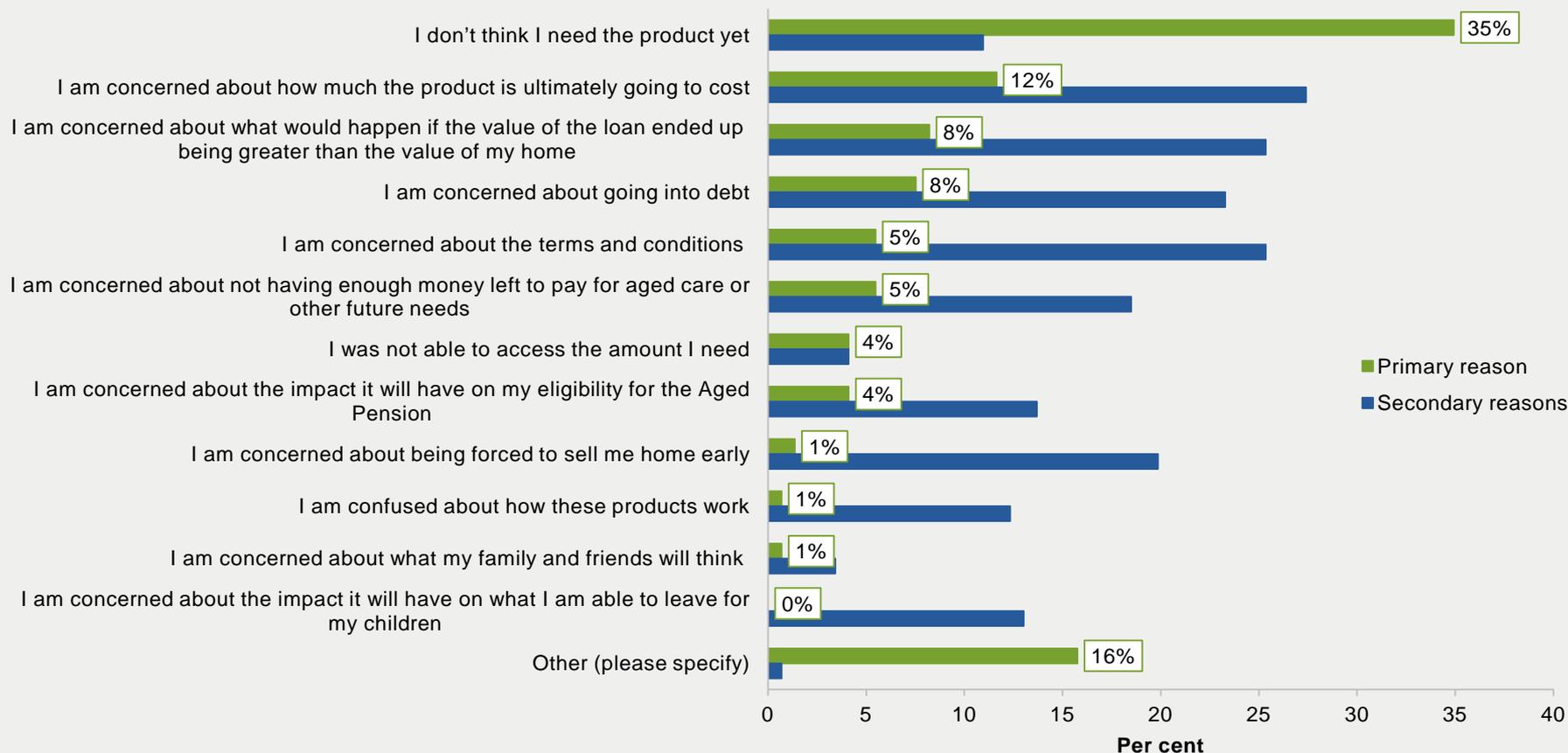
How much equity were you looking to access?



Respondents who have considered using equity release products (n=146)

Equity Release Products

Why did you decide against using an equity release product? (Multiple secondary reasons allowed)

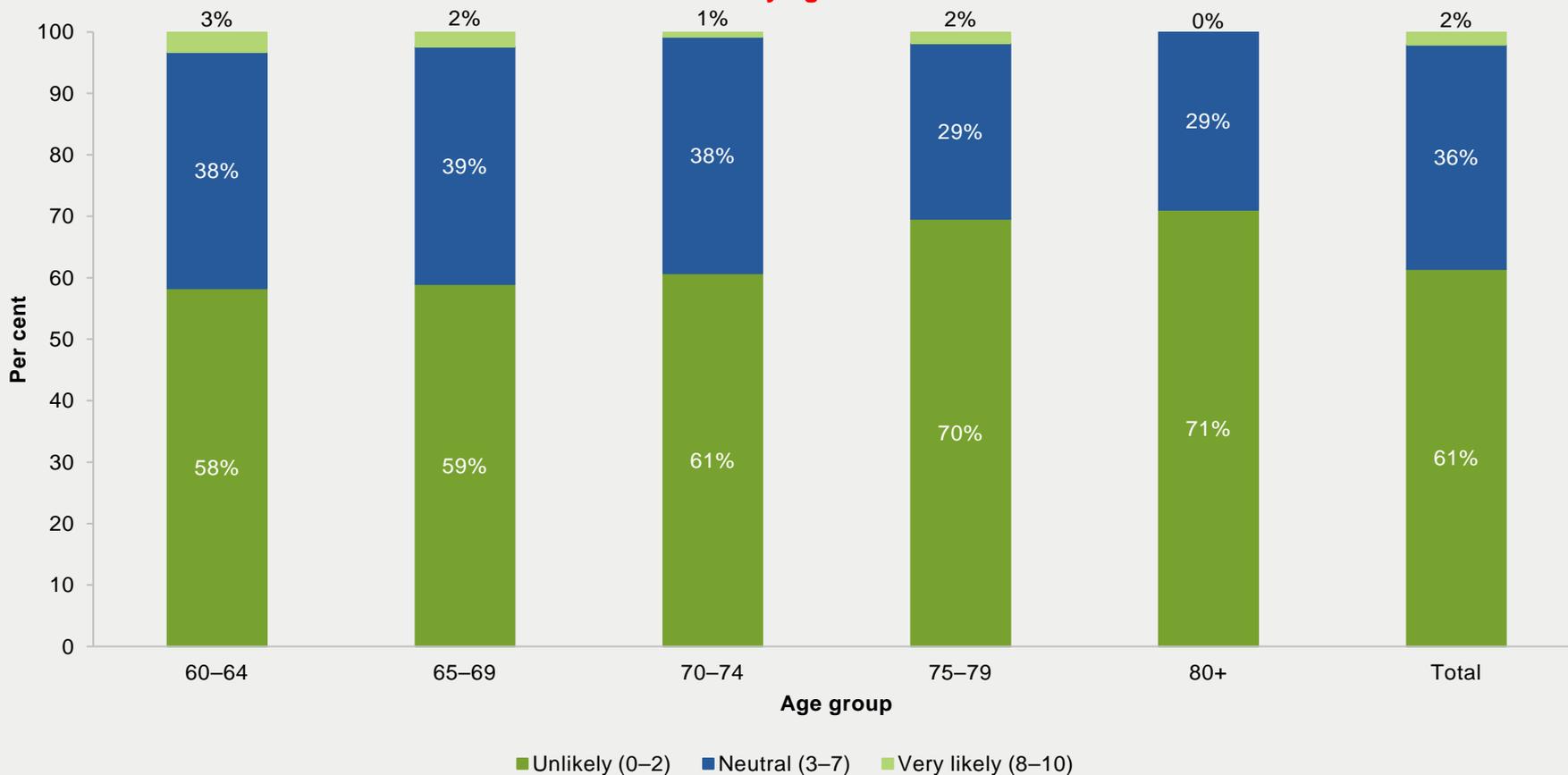


Respondents who have considered using equity release products (n=146)

Equity Release Products

How likely do you think you are to use an equity release product in your retirement?

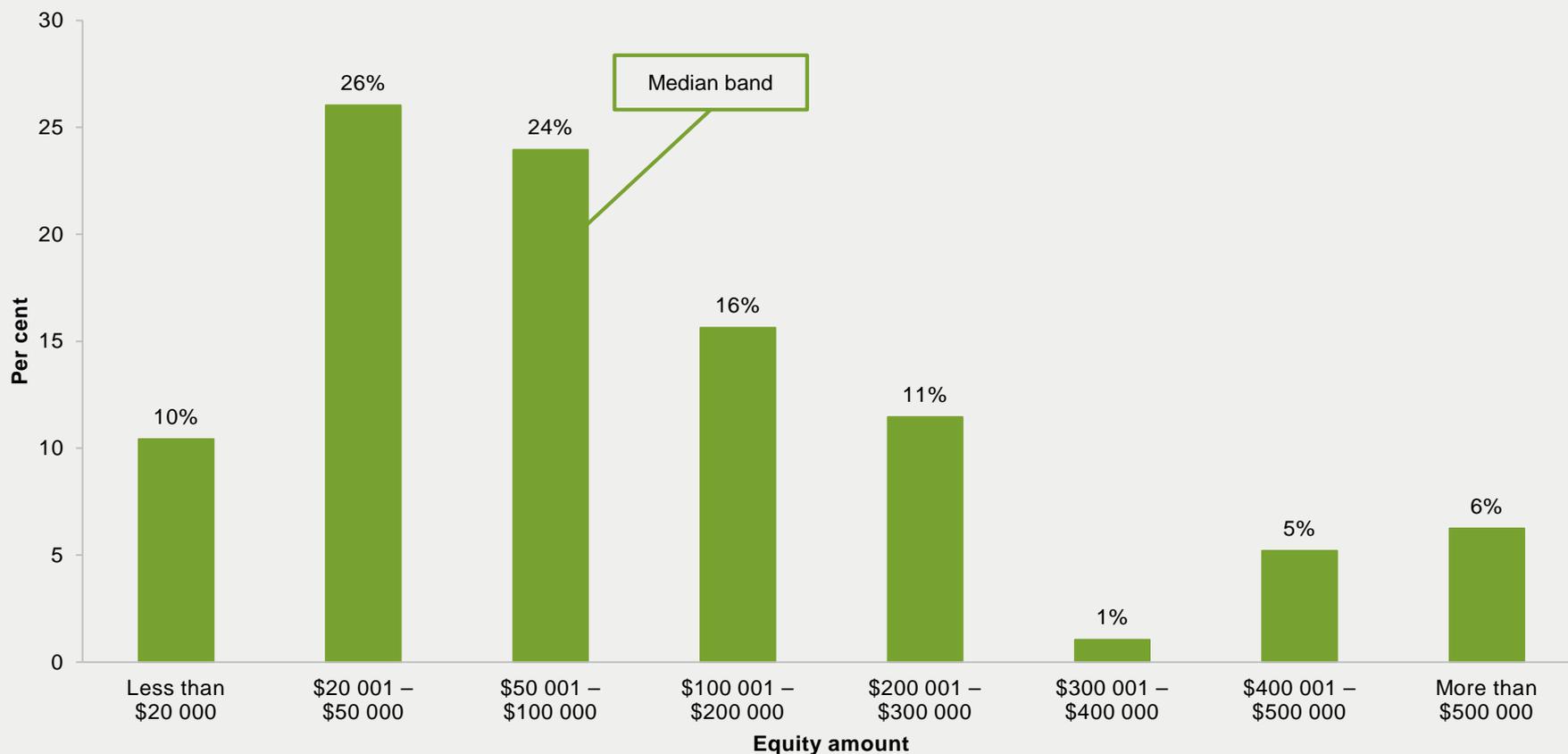
By age



Respondents who have heard of equity release products but are not currently using one (60-64: n=333, 65-69: n=334, 70-74: n=247, 75-79: n=161, 80+: n=76, Total: n=1151)

Equity Release Products

What would be the maximum amount you would be comfortable accessing via an equity release product?

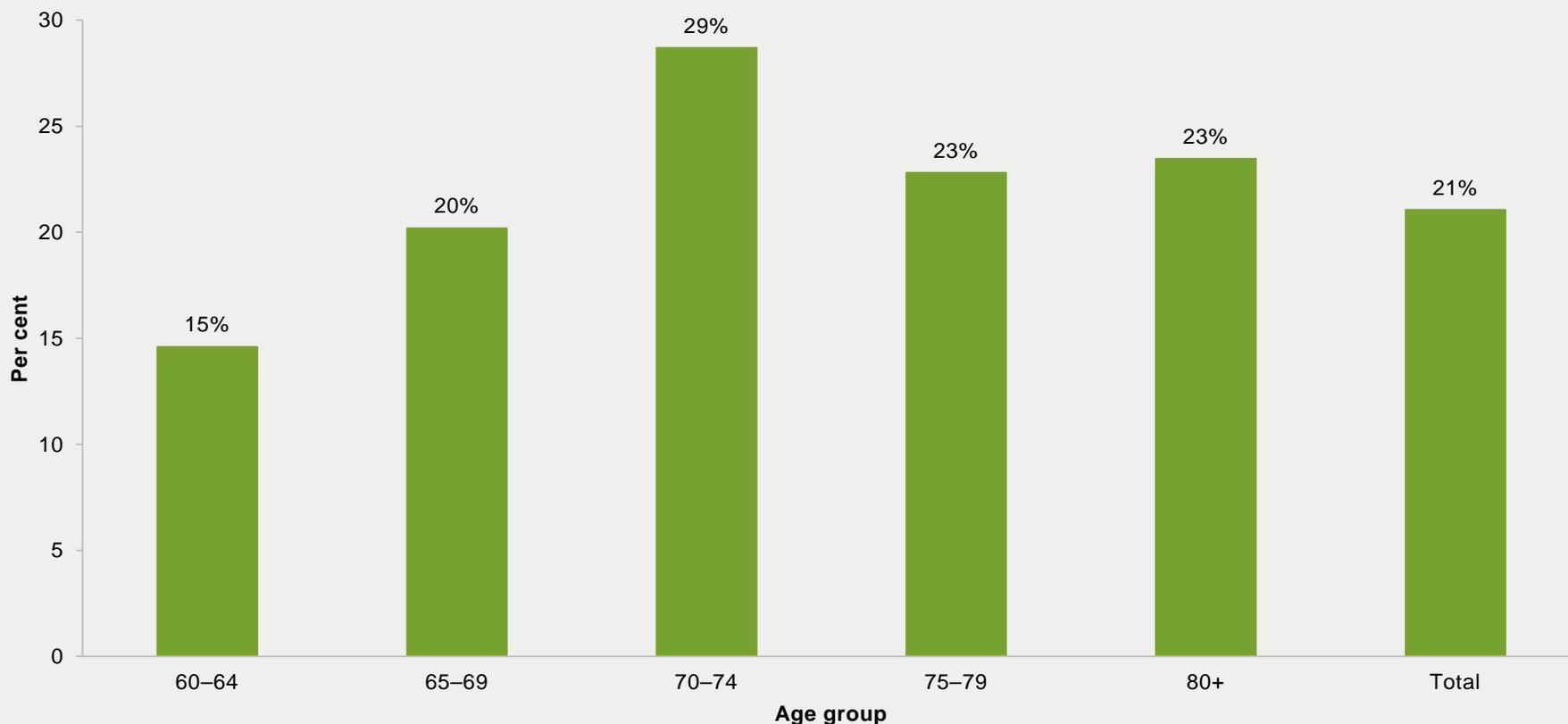


Respondents who are likely (6-10 out of 10) to access an equity release product (n=96)

Equity Release Products

In 2012 the government introduced statutory 'No negative equity guarantee' on all new reverse mortgage contracts. Before taking the survey today, were you aware of this change?

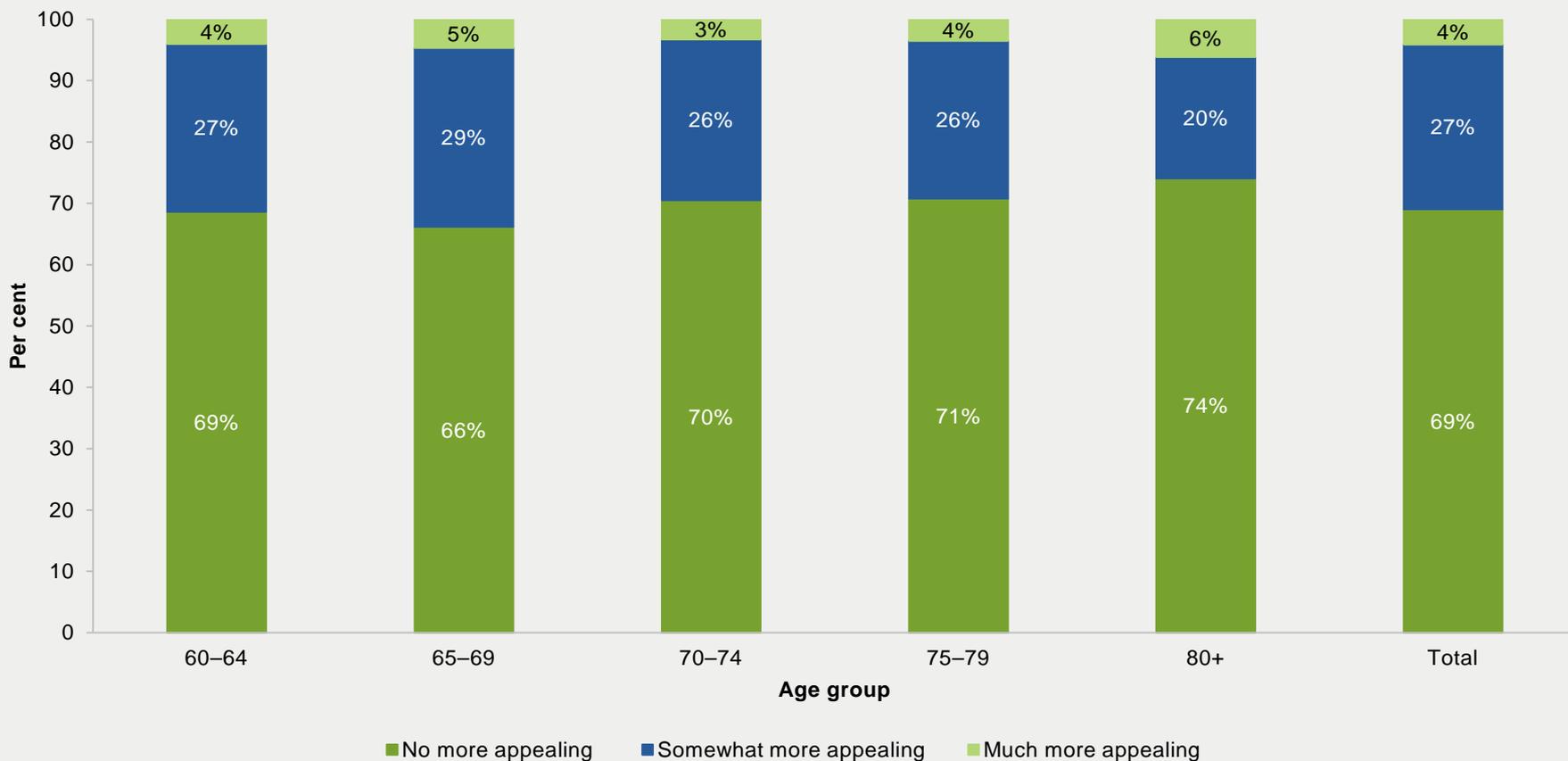
YES – By age



Respondents who have heard of both types of equity release products or just reverse mortgages (60-64: n=322, 65-69: n=322, 70-74: n=244, 75-79: n=171, 80+: n=81, Total: n=1140)

Equity Release Products

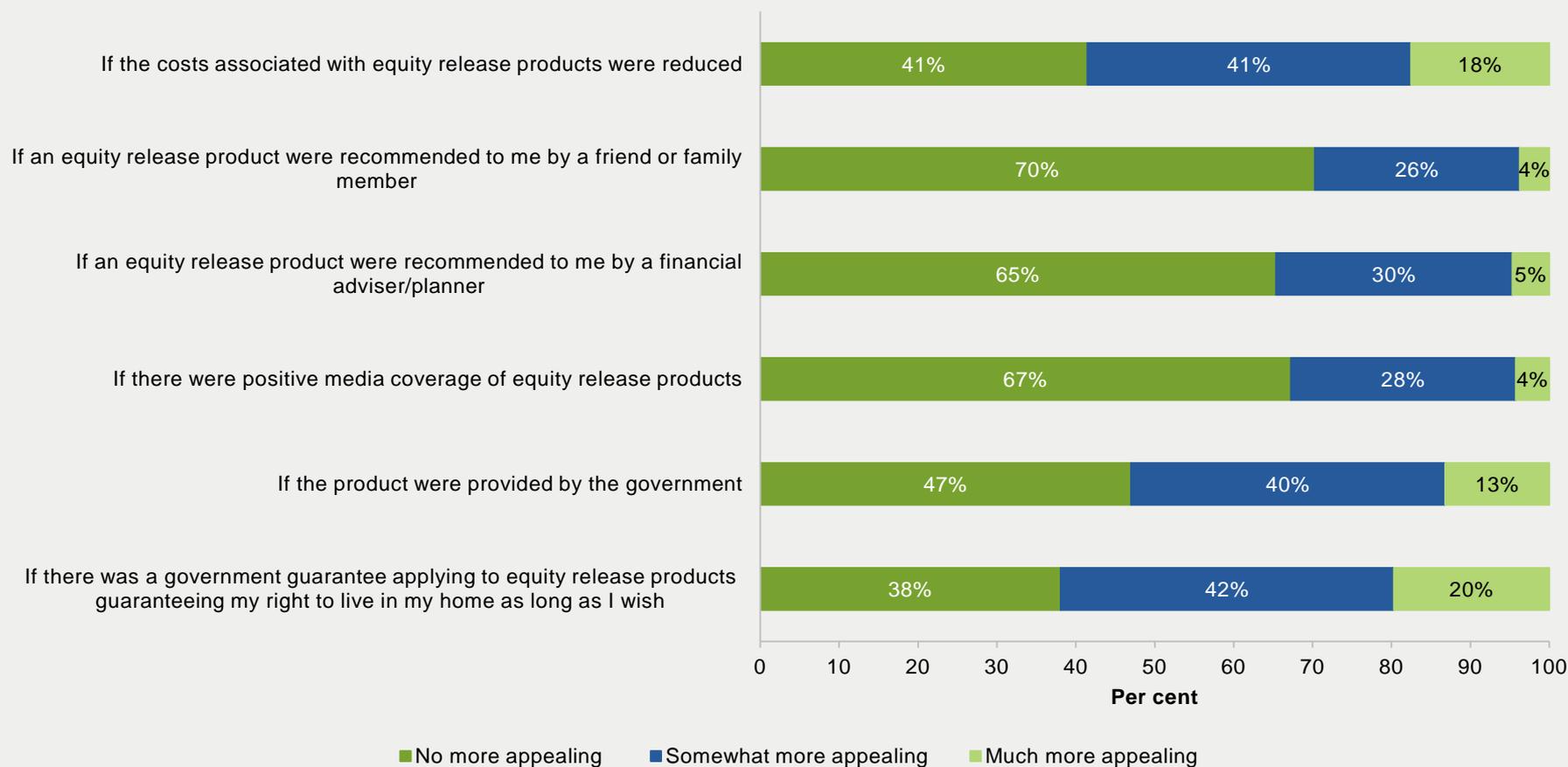
What impact does [the changes to the no negative equity guarantee] have on the appeal of reverse mortgage products to you?



Respondents who have heard of both types of equity release products or just reverse mortgages (60-64: n=322, 65-69: n=322, 70-74: n=244, 75-79: n=171, 80+: n=81, Total: n=1140)

Equity Release Products

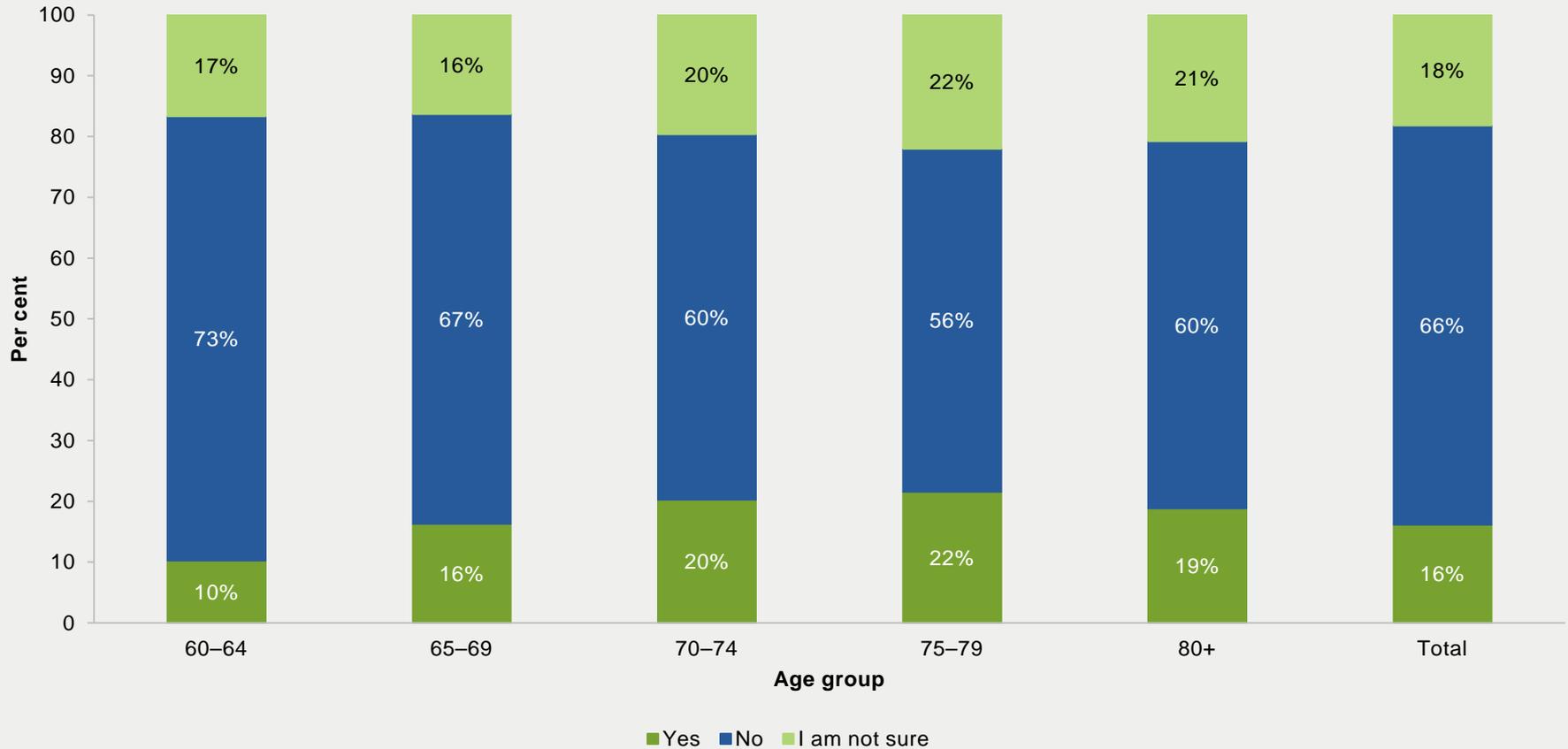
What impact would the following have on the appeal of equity release products to you?



All Respondents (Total: n=1524)

Pension Loan Scheme

Are you aware of the Pension Loan Scheme?
By age

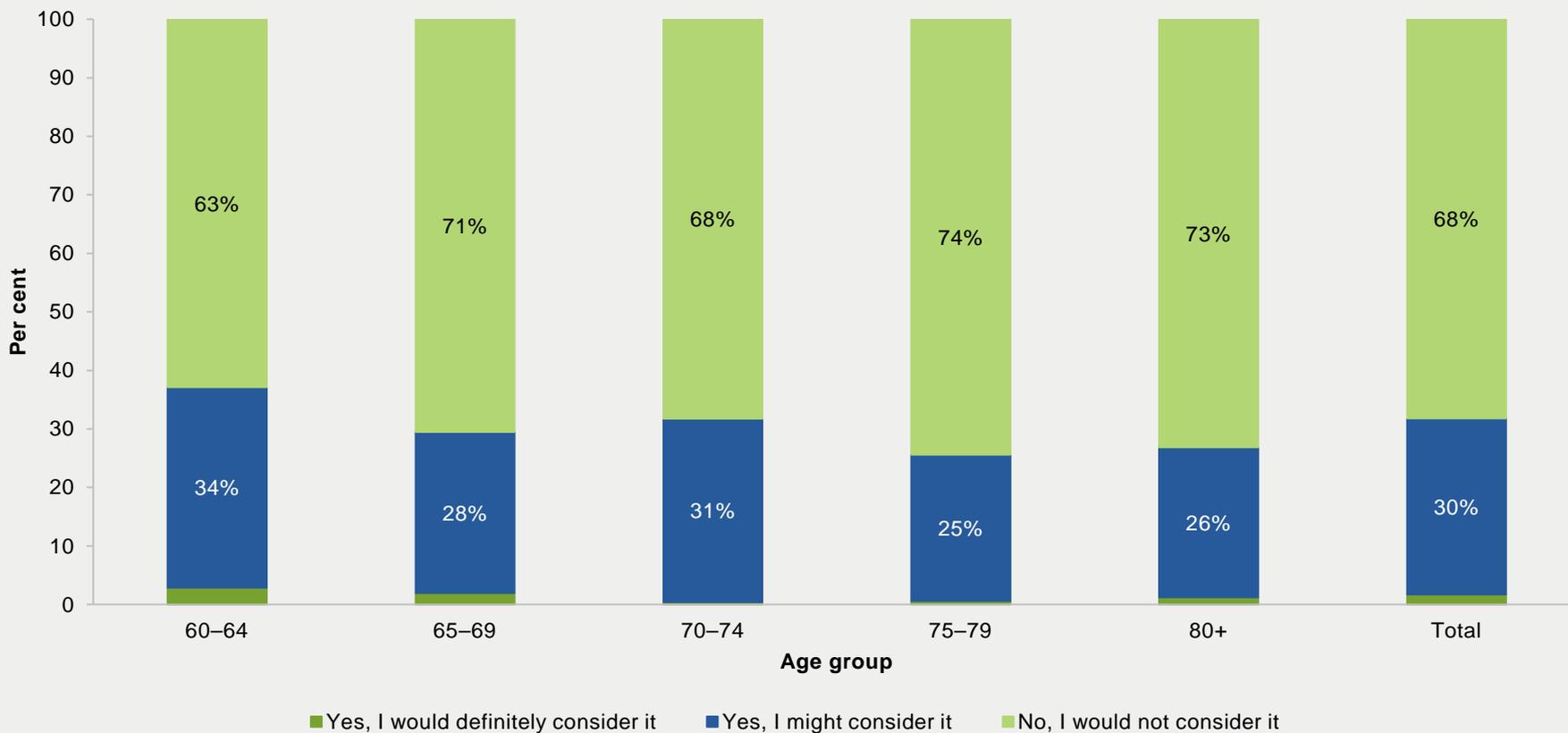


All Respondents (60-64: n=468, 65-69: n=430, 70-74: n=316, 75-79: n=209, 80+: n=101, Total: n=1524)

Pension Loan Scheme

Based on the previous definition [of the Pension Loan Scheme], would you ever consider taking out a loan via the Pension Loan Scheme?

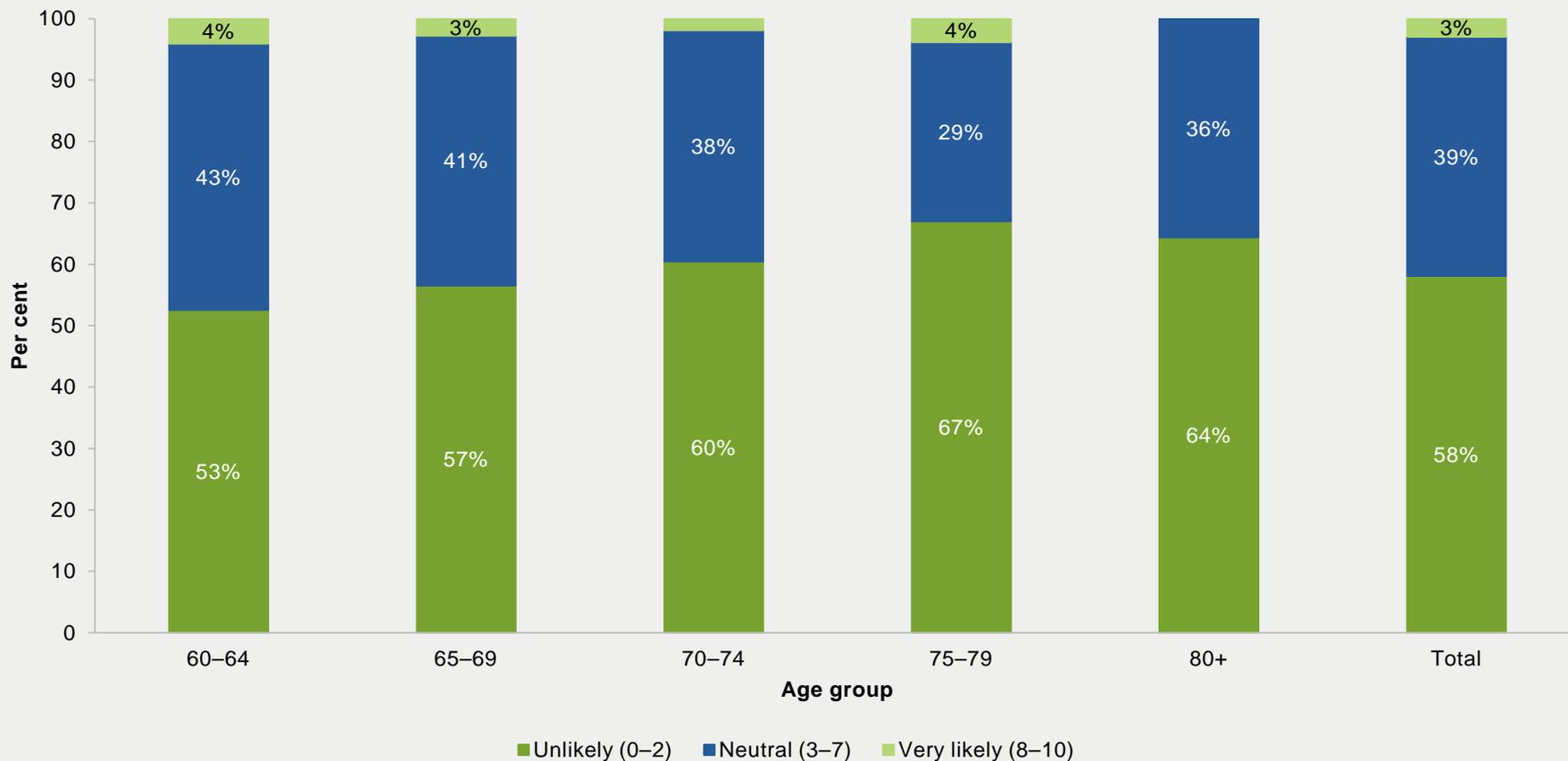
By age



Respondents who were unsure or had not heard of the Pension Loan Scheme (60-64: n=420, 65-69: n=360, 70-74: n=252, 75-79: n=164, 80+: n=82, Total: n=1278)

Rate deferral

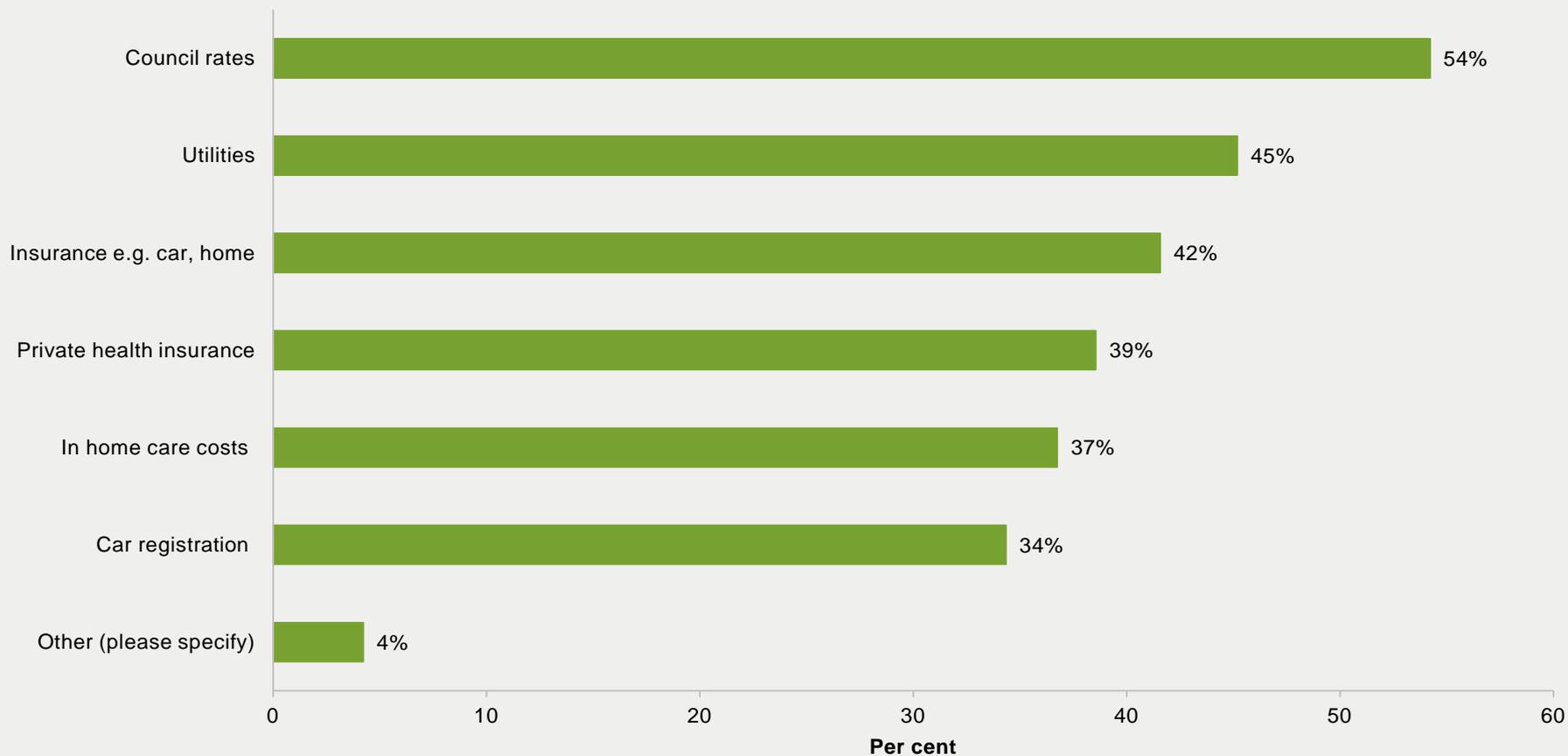
If there were the option for retirees to defer payment of certain bills, how likely would you be to make use of this?



All Respondents (60-64: n=468, 65-69: n=430, 70-74: n=316, 75-79: n=209, 80+: n=101, Total: n=1524)

Rate deferral

Which bills would you be interested in deferring? (Multiple choice)



Respondents who said they would be likely (6–10) to make use of rates deferral (n=166)



Australian Government
Productivity Commission

Productivity Commission 2015, *Housing Decisions of Older Australians*, Commission Research Paper, Canberra.

www.pc.gov.au