

# The housing transitions of seniors

by Jane Lin

Soaring sales of new and existing homes in 2004 brought to the forefront questions about the types of housing transitions people make at various stages in their lives: first-time homebuyers just starting out, families who have outgrown their homes, and seniors who are moving to accommodate their change in lifestyle. In fact, the housing transition patterns of seniors had been the focus of some attention in 2004 against a backdrop of concerns about the dwindling demand for rental properties.<sup>1</sup>

This article takes a closer look at this last group—seniors who downsize, those who upsize and others who move for lifestyle reasons. Using data from the longitudinal Survey of Labour and Income Dynamics (SLID) from 1999 to 2001, the article identifies the characteristics of senior movers, the life events associated with their move, and the various types of housing transitions they made.

## Seniors make up a small fraction of movers

An estimated 240,000 seniors (those aged 65 and older) made a residential move between 1999 and 2001. But while seniors accounted for 17% of the population aged 25 years and older, they were under-represented among movers at 9%. In contrast, the youngest age group, the 25- to 34-year-olds, accounted for more than their fair share; they represented 39% of movers, but accounted for just 21% of the population.



It is interesting to compare senior movers with pre-seniors (those aged 55 to 64) given that these two groups comprise roughly the same proportion of movers. Pre-seniors made up 14% of the population and accounted for 8% of movers. In addition, housing decisions made by pre-seniors may hint at future patterns and housing needs as baby boomers enter their senior years.

When senior Canadians moved, three-quarters of them stayed within 50 kilometres of their former residence. Their primary reason for moving was the desire to live in a smaller home, followed by purchasing or building a home, wanting to be close to family, relocating to a better neighbourhood, a decline in health, and access to more recreation and leisure activities.<sup>2</sup>

## Nearly one-half of senior movers are married

What are senior movers like as a group? To examine their profile, one needs to look at a breakdown of their characteristics. For example, nearly one-half of senior movers were married, more than three in

five owned their homes, and about three in five were women. In terms of life events, the vast majority did not have anyone join (89%) or leave (79%) the family between 1999 and 2001. And during these three years, only 5% experienced the death of their spouse.

## Widowed seniors are more likely to move than their married counterparts

While married/common-law seniors moved at a rate of 7%, their widowed counterparts had a significantly higher moving rate (12%). In contrast, divorced seniors moved at nearly the same rate (8%) as married individuals. Perhaps by the time people have finalized their divorces, they have already made the transition to a new living arrangement and have been settled in their homes for some time.

Senior renters were more than twice as likely to move as owners (14% versus 7%), perhaps because those who own their homes feel more settled and stable in their living quarters. A similar relationship exists between the moving rates of seniors

## GST What you should know about this study

This article uses data from the longitudinal Survey of Labour and Income Dynamics (SLID) to follow seniors and pre-seniors who made a residential move and to look at the types of housing transitions they made. Housing transitions include changes in tenure status from renter to owner or vice versa, and moving from a smaller to larger home or from a larger to smaller home (measured in terms of the number of bedrooms).

The sample in this study consists of seniors, those 65 years old and older (7,502 individuals), and pre-seniors, 55 to 64 years old (5,497 individuals), in 1999 who lived in private households in the 10 provinces. Only those who were present in the survey for all three years (1999, 2000 and 2001) were included in this study.

**Movers versus non-movers:** If seniors changed residences between 1999 and 2001, they were called “movers.” If not, they were classified as “non-movers.”

**Life events** occurred at any time during the three years from 1999 to 2001 to any member of the person’s economic family, that is, members who lived in the same household and were related by blood, marriage, common-law or adoption. As an example: A senior widow, who lives with her adult son, is said to have had a *marriage in the family* if her son was married during the course of the study.

**Housing tenure:** Owner households have at least one member of the household who owns the home. For simplicity, a household which does not own its residence is assumed

to be renting. The study looks at tenure only in 1999 and 2001, not in 2000. Thus, multiple movers, who represented 15% of senior movers and 15% of pre-senior movers, were categorized as owners for all three years if the tenure pattern was owner in year one, renter in year two, and owner again in year three.

**Downsize:** If a senior was a mover, then the number of bedrooms in 2001 was compared to the number of bedrooms in 1999. If the number of bedrooms decreased, then these seniors were said to have “downsized” to a home with fewer bedrooms; if the number of bedrooms increased, an “upsized” had occurred. Changes in tenure status were then investigated within the downsizer group. A limitation of using this variable is that the number of bedrooms is only an estimate of downsizing at the time of the study. Because unused bedrooms may sometimes be reported as a den/computer room or vice versa, number of rooms or size of the dwelling in square feet or metres would have been a preferred measure had it been available.

**Logistic regression** was used to examine the determinants of moving for older Canadians 55 years and over. Logistic regression estimates the probability that a particular outcome—in this study, a residential move—will occur as a function of several explanatory variables. The association between each explanatory variable and the probability of moving is examined while holding all other variables constant.

living in apartments (13%) and those who reside in houses (7%).

Seniors who had a person leave the family moved at a significantly higher rate than those whose family stayed unchanged (16% versus 8%). This shift in household composition could reflect new needs for space, or preferences for different lifestyles. For example, after an adult son leaves his elderly mother’s home, she might decide to move into a more senior-friendly dwelling that is easier to maintain.

The patterns of moving rates for pre-seniors aged 55 to 64 were similar to those of seniors.

### Seniors are more likely to move when they are renters...

A logistic regression model was used to see if certain life events and characteristics were linked to a senior’s likelihood of moving. To illustrate this, a reference person with a specific set of features was chosen. By varying each characteristic one at a time, while holding all others constant, the impact of the specific characteristic on the probability of moving can be seen. The selected characteristics were those most frequently occurring among seniors: the reference senior was a woman who was married or living common-

law, had an annual after-tax family income of \$20,500 to \$31,999, lived in an owned house<sup>3</sup> and did not experience any of the life events. According to the regression results, this woman had nearly a 5% chance of moving between 1999 and 2001.

Regardless of age, when all other factors are held constant, renters were more likely to have moved than owners. Among pre-seniors, however, renters were more than twice as likely to have moved as owners, while among seniors, renters were roughly one and a half times more likely than owners to have changed residences. For pre-seniors, renting could be

Estimated number	Senior movers	Moving rate	
	239,000	Seniors	Pre-seniors
	%		%
Total		9	10
Male	40	8	10
Female	60	9	10
<b>Marital status (1999)</b>			
Married/common-law	49	7	9
Separated	3	17	26*
Divorced	4	8	13
Widowed	36	12*	15*
Single (never married)	7	12	13
<b>Tenure (1999)</b>			
Owned	62	7	8
Rented	38	14*	21*
<b>Housing type (1999)</b>			
House	59	7	8
Apartment	41	13*	17*
<b>Income (1999)<sup>1</sup></b>			
Under \$20,500	28	10	13
\$20,500-\$31,999	29	8	10
\$32,000-\$45,299	26	11*	10
\$45,300-\$63,999	7	4*	12
\$64,000 and over	10	8	7*
<b>Life events (1999, 2000, 2001)</b>			
Person joined family/marriage in family			
Yes	11	18*	20*
No	89	8	9
Person left family/separation in family			
Yes	21	16*	17*
No	79	8	9
Death of spouse			
Yes	5	11	9
No	95	9	F

Note: Reference categories are marked in italics.

\* Significantly different from reference category ( $p < 0.05$ ).

F Too unreliable to be published.

1. Annual after-tax family income was split into five groups, each representing roughly 20% of all families.

Source: Statistics Canada, Survey of Labour and Income Dynamics, 1999-2001.

or common-law. Interestingly, those who were divorced or single (never married) were not significantly more likely to have moved than their married counterparts when other factors in the model were held constant. Seniors living in apartments also had a slightly higher chance of moving (7%) than those who lived in houses.<sup>4</sup>

**...or someone leaves or joins the family**

Seniors who experienced a separation in their family during the past three years, such as a family member moving out, were twice as likely to move (11%) as those who had not experienced these life events.

Similarly, if a person joined the family or if there was a marriage in the family, the chance of the senior moving rose, once again, to 9%. Since these events could happen at any point during the three years, the move might have occurred in anticipation of or subsequent to a change in family composition.

**Death of spouse lowers chances of moving**

Seniors whose spouse died during the three years of the study had a lower chance (3%) of moving in 2000 or 2001 than those who were still married, all other things being equal. Because death of one's spouse is one of the most traumatic life events, it is possible that the surviving partner does not want to compound this stress even further by moving to another location at this time.

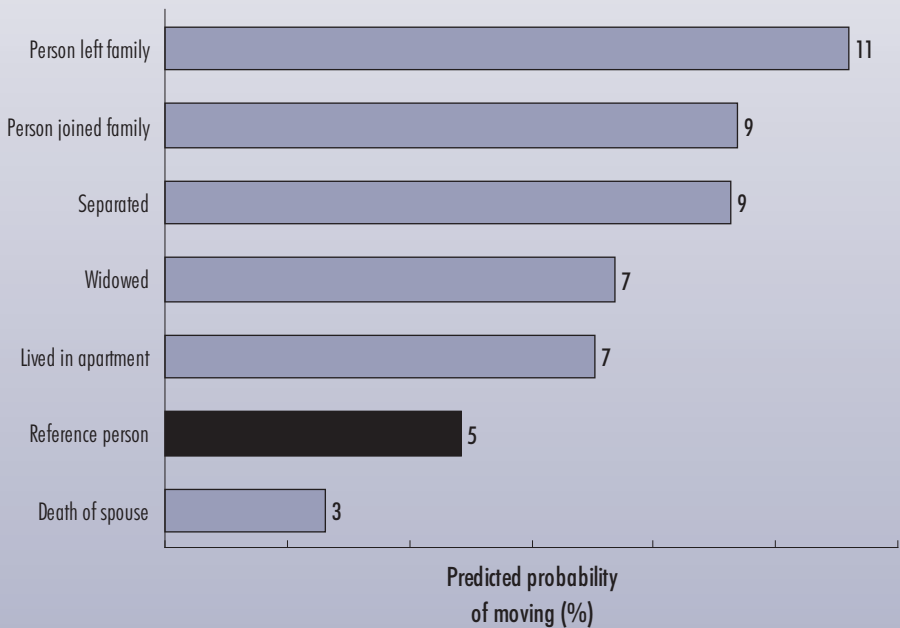
It may appear puzzling that, while death of a spouse was associated with a lower probability of moving, being widowed was linked to a higher probability of doing so. This apparent contradiction can be explained by the fact that seniors who were widows may have lost their spouse many years ago, while those who reported the death of their spouse went through this life event quite recently.<sup>5</sup>

a temporary solution as they face retirement and/or become empty nesters. Meanwhile, for many seniors, especially older ones, renting may be a more permanent choice and they may also be less inclined to move in the future.

**... they are widowed or separated...**

The predicted probability of moving between 1999 and 2001 was higher for widowed (7%) or separated (9%) seniors than for those who were married

**Seniors were most likely to move if someone left or joined the family**



Source: Statistics Canada, Survey of Labour and Income Dynamics, 1999-2001.

**Two in five senior movers downsize to smaller home**

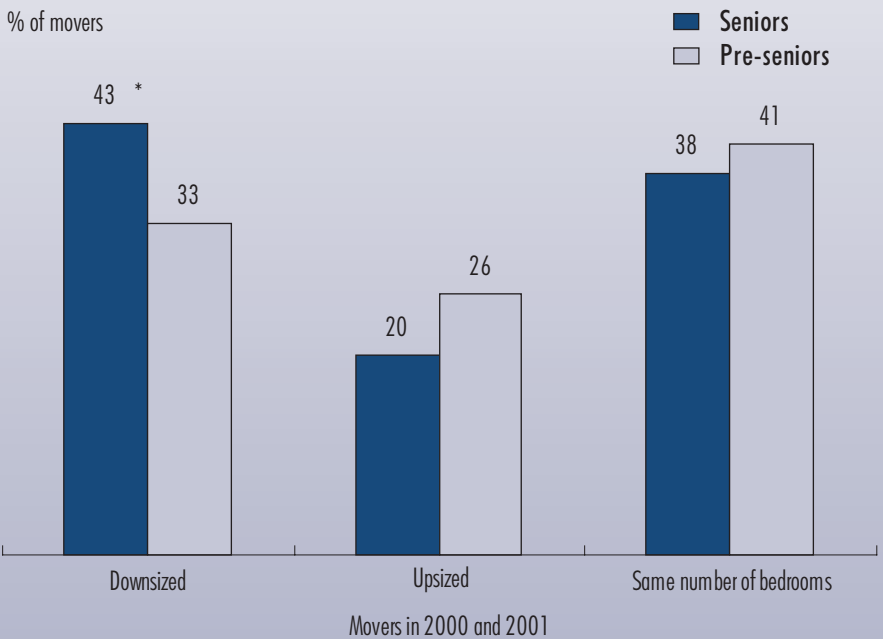
Between 1999 and 2001, 43% of seniors who moved downsized to a residence with fewer bedrooms. Another 38% moved to a home with the same number of bedrooms and the remaining 20% moved up in size to a place with more bedrooms. In contrast, most pre-seniors who moved chose a home with the same number of bedrooms (41%), about one-third (33%) downsized, and roughly one-quarter (26%) moved up in size.

Seniors who downsized tended to move from a house into an apartment or from one house into another house, and the majority also lived in a single generation household. Other studies confirm these senior living arrangements, in which nearly three in four seniors lived alone or with his/her spouse or common-law partner.<sup>6</sup>

While the reasons seniors downsize are clear,<sup>7</sup> their reasons for up-sizing—and one in five senior movers do so—are less obvious. It could be that these seniors up-sized to accommodate a live-in caregiver,<sup>8</sup> or perhaps they moved in with extended family. Furthermore, many of the seniors who up-sized were living in a single generation household in 1999 either by themselves or with a spouse, as opposed to living with their children or grandchildren. Most moved from one house to another house or from an apartment into a house.

Older seniors are more likely than younger seniors to favour apartments over houses. According to the 2001 Census, 70% of all seniors lived in houses and 29% in apartments. However, among older seniors—those 85 years and over—58% lived in houses and 41% in apartments.<sup>9</sup> Older seniors may trade their houses for apartments to reduce home maintenance costs or the amount of work it takes to keep up a home with a driveway, backyard and all their associated chores.

**Seniors were more likely to downsize than pre-seniors**



\* Statistically significant difference between seniors and pre-seniors (p < 0.05).

Source: Statistics Canada, Survey of Labour and Income Dynamics, 1999-2001.

## GST Most seniors live in private homes

The vast majority of Canadian seniors live in private dwellings. According to the 2001 Census, of the total 3.9 million individuals aged 65 and over, 93% lived in private homes and the rest in collective dwellings.<sup>1</sup>

According to the Survey of Labour and Income Dynamics (SLID), between 1999 and 2001 only 1% of seniors moved from a private dwelling into an institution. Results from the National Population Health Survey (NPHS) also showed that from 1994/95 to 1996/97, 1.7% of the senior household population moved from a private dwelling into an institution for long-term care. Most of these movers were older seniors, with 54% of them aged 80 years and over.<sup>2</sup>

Certain health conditions were found to be strongly linked to the likelihood of seniors living in a long-term health-care facility. Advanced age, lack of a spouse and few sources of income were also associated with institutionalization.<sup>3</sup>

1. Collective dwellings include, among others: hospitals, nursing care homes, and residences for seniors and facilities for the disabled. For more information on Census definitions of collective dwellings, please refer to the 2001 Census Dictionary available on-line at [www12.statcan.ca/english/census01/Products/Reference/dict/index.htm](http://www12.statcan.ca/english/census01/Products/Reference/dict/index.htm).
2. Statistics Canada. June 25, 1999. "National Population Health Survey, Cycle 2 - Residents of health care institutions." *The Daily*.
3. Trottier, H., L. Martel, C. Houle, J. Berthelot and J. Légaré. Spring 2000. "Living at home or an institution; what makes the difference for seniors?" *Health Reports* (Statistics Canada Catalogue no. 82-003): 11, 4.

### Most senior downsizers left home ownership to rent

Many seniors who downsized also sold their homes in favour of renting.<sup>10</sup> While in 1999 nearly three-quarters (72%) of senior downsizers owned their home, by 2001 this proportion dropped to 29%. Overall, a smaller proportion of pre-seniors than seniors downsized during their last move.

While 43% of seniors who downsized sold their homes to rent, only 20% of pre-senior downsizers were in this situation. Most pre-seniors were owners to begin with and stayed owners even as they moved into a home with fewer bedrooms (45%). Just over one-quarter of pre-senior downsizers (27%) remained renters.

### Summary

The proportion of movers who were seniors was small between 1999 and 2001. However, the total number of senior movers is likely to be on the increase in the years ahead as the baby boom cohort enters its senior years. This analysis showed that having a person leave or join the family, being widowed or separated, living in an apartment, and being a renter, was each associated with a higher likelihood of a move for the senior reference person. Conversely, the death of a senior's spouse was associated with a lower chance of a residential move.

Housing transition patterns were quite different for pre-seniors and seniors. From 1999 to 2001, many senior movers downsized to a home with fewer bedrooms, some of whom traded in their homeownership status to become renters. In contrast, most pre-seniors moved into a home with the same number of bedrooms as their previous residence and remained primarily homeowners.



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1. Partridge, J. September 30, 2004. "Demographics seen affecting rental sector." *Globe and Mail*. B10.
2. Che-Alford, J. and K. Stevenson. Spring 1998. "Older Canadians on the move," *Canadian Social Trends*. p. 15-18.
3. House or equivalent is defined as a single detached house, double, row, terrace or duplex building.
4. Although dwelling type and tenure status are related, just over a quarter of renters lived in houses, and nearly 10% of owners lived in apartments; therefore both variables are included in the model.
5. For information on the economic impact of death of a spouse, see Li, C. "Widowhood: Consequences on income for senior women." *Analysis in Brief* (Statistics Canada Catalogue no. 11-621-MIE2004015).
6. Clark, W. Autumn 2005. "What do seniors spend on housing?" *Canadian Social Trends*. p. 2-7.
7. Che-Alford and Stevenson. 1998.
8. Cranswick, K. and D. Thomas. Summer 2005. "Elder care and the complexities of social networks." *Canadian Social Trends*. p. 14.
9. Clark. 2005.
10. Looking at tenure only in the first year (1999) and last year (2001) underestimates tenure transitions and overestimates tenure maintenance because one could have been an owner in year one, then a renter in year two, and then an owner again in year three. This person would have been categorized as an owner all three years.