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Retired Tasmanians' experience of housing and financial security during the pandemic.

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The Tasmania Project has found that retired Tasmanians are more likely to be home owners and be more financially secure than other Tasmanians.

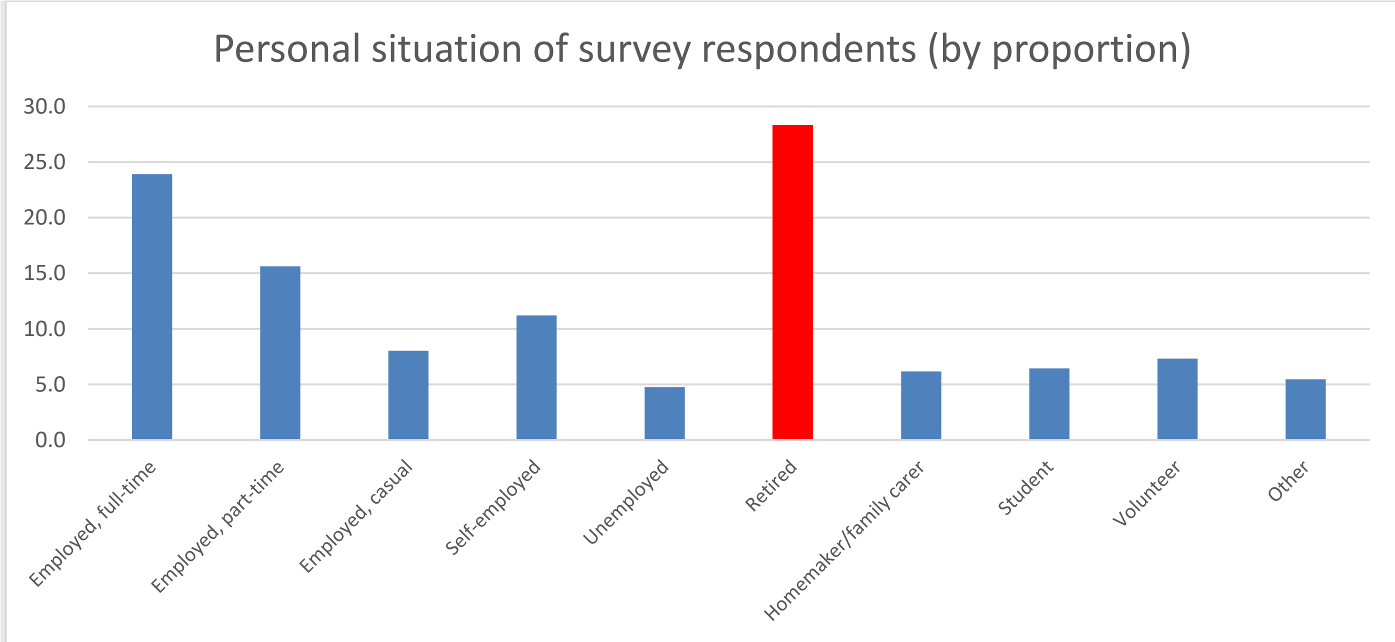
This survey has captured a robust subset of older Tasmanians who are retirees. High levels of home ownership is typical to this older demographic which provides security of tenure and a financial asset on which to draw on if necessary. However, survey results indicate that a fifth of retirees are concerned about their financial situation and 28% have reported a decrease in income since March 2020.

Previous survey results relating to housing found that a small proportion of home owners who owned their homes outright were still paying housing costs. This led to further exploration of Tasmanians who owned residential property other than their primary residence.

The main findings in this report come from The Tasmania Project's third general survey which collected responses from 1133 Tasmanian residents between 26 August and 6 September 2020. Other findings in this report come from The Tasmania Project's housing survey which ran from 23 June to 2 July 2020.

Key findings

- The majority (83%) of retirees owned their home outright with a further 6% paying off a mortgage.
- Fewer retirees were concerned or very concerned with their financial situation (22%) when compared with a third of all respondents.
- Household income decreased a little or a lot for 28% of retirees, while household spending increased for 13% of retirees.
- In relation to housing, just 4% of retirees reported that they needed to adjust spending to cover housing costs.
- A quarter of all retirees owned other residential property which is not their usual residence and 15% of retirees owed money on this residential property.
- Compared to non-primary residence property owners overall, retirees were less likely to use it for a long-term rental (43% compared with 57%) and more likely to use it as a shack/holiday house for their personal use only (37% compared with 21%).
- A fifth of retirees indicated that their non-primary residence property use had changed during the pandemic.



Survey results

The third general survey attracted a large response from older Tasmanians, with over a quarter of respondents (28%) indicating they were retired and 14% indicating they were receiving the age pension.

More than half of all respondents (51%) who own their own homes were retirees. A large majority of retired respondents (83%) owned their home outright and 6% were paying off a mortgage. A further 6% rented from a private landlord and 3% rented from a social housing landlord.

	Tenure of retired respondents				
	Own outright	*Own, mortgage*	*Rent, private landlord*	*Rent, social housing*	*Other**
% tenure	51.1%	6.3%	13.3%	29.7%	11.1%
% retired	83.2%	6.2%	5.6%	3.4%	1.6%

* boarding, living at home with family etc.

Financial wellbeing and tenure

A third (33%) of all respondents indicated that they were concerned or very concerned with their financial situation, including 22% of retirees. Financial wellbeing differed by tenure, with the highest rates of concern regarding finances expressed by respondents in private (51%) or social (53%) rentals. This was followed by respondents paying off a mortgage (35%) and those who owned their home outright (25%).

Around one in ten respondents (12%) indicated they needed to adjust spending to meet housing costs such as rent or mortgage, compared with only 4% of retirees. A small proportion (3%) of respondents who owned their home outright reported the need to adjust spending to cover housing costs. While this is a relatively small group, it indicates that respondents who own their homes outright may have additional housing costs relating to owning a residential property that is not their primary residence.

Household income decreased a little or a lot during the COVID-19 pandemic for 30% of respondents. This included 31% of respondents who owned their home outright, 29% of home owners paying off a mortgage and a third (33%) of private renters. Household income decreased a little or a lot for a similar proportion of retirees (28%).

Changes to household spending during the COVID-19 pandemic were common amongst the sample, with 18% of respondents reporting an increase in household spending and 45% reporting a decrease. Similar results were obtained for retirees, with household spending increasing for 13% and decreasing for 48%. Compared to the full sample, retirees were less likely to need to take financial actions to support basic living expenses. For example, drawing on accumulated savings or term deposits was the action taken by the greatest proportion of respondents (11%) but for only 9% of retirees.

Other residential property

A quarter of all respondents and equally, a quarter of all retirees, owned residential property which is not their usual residence. Half of the respondents with such property(s) (and who completed the question) owed money such as a mortgage on the property(s). The majority of these respondents had also indicated that they were also paying a mortgage on their primary residence. In comparison, 15% of retirees owed money on their non-primary residential property.

Residential property which was not the respondents' usual residence was predominantly used for long-term rental (57%). A further 21% had a shack/holiday house for personal use only. The profile of retirees' property differed, with 43% used for long-term rental and 37% as a shack/holiday house for personal use.

Due to the pandemic, 18% of respondents indicated that the use of their non-primary residence had changed. Of these, 28% were unable to visit the property due to the restrictions, 20% had received no bookings for their holiday rental and 13% did not have tenants for their long-term rental. A slightly higher proportion of retirees (20%) indicated that the use of their property(s) had changed, potentially driven by the higher proportion of holiday houses which were unable to be accessed.

The housing survey sample conducted earlier in the year examined non-primary residence ownership more closely. It also drew a high proportion of retirees, with a subset earning income through investment property. The survey found that of the respondents who owned residential property which was not their usual residence, 29% were retired and 52% were aged 55 years and over. Of the non-primary residence property owners, 67% earned an income from the property, and a quarter of these were retirees. Of those that owed money such as a mortgage on the property, 23% were aged 55 years and over.

Where next?

Housing impacts and household related financial data, including relating to income security, will continue be analysed to track changes throughout the pandemic, related restrictions and recovery.