



The new face of the housing market

Changing demographics are shrinking household sizes and creating new challenges such as alternative design homes for the elderly.



rhiannon
HOYLE

IT USED to be as simple as getting married, buying a home and then upsizing when the need arose. But we are doing it a little differently these days, and this, experts say, has had a huge effect on the real estate industry.

Changing family structures have seen the market rapidly expanding to keep up with demand, as the number of heads per household continues to diminish.

While in 1905 the average family boasted four children – and even in the 1960s it was 3.6 – that number now sits at just 1.8 for every woman of child-bearing age.

Meanwhile other social changes, such as high divorce rates and delays in marriage and children, are also resulting in smaller households than those of generations past.

Recent years show a steady decline.

Census data collected by the Australian Bureau of Statistics found the average household in 1991 to contained 2.6 people. It fell in 1996 to 2.5 and again in 2001 to 2.4.

Real Estate Institute of South Australia president Mark Sanderson said the changing face of family composition had affected urban growth across the state.

The expansion of the real estate market has far outstripped population growth, as the city has developed to allow for more property, each with fewer occupants.

Industry experts predict the State Government's population target of two million people, combined with declining household sizes, will result in the need for a further 300,000 homes over the next 50 years.

"The number of people per household has definitely diminished and there is no question the difference this has made to the marketplace over the past decade," Mr Sanderson said.

"If you look at overall population growth, it has not been significant in comparison to the supply that has come onto the housing market."

He said divorce had been a key factor.

"You have one family, two houses," he said.

"The kids might stay with mum for half the week, then dad the other half, but there are two homes there where there used to be one."

A trend towards cohabitation was reflected in last years AustraliaSCAN research, which backed the notion that the traditional family

structure is on the decline. However, as AustraliaSCAN researcher David Chalk pointed out: "Once, 60 per cent cohabiting would be married or still together five years down the track. Now it is less than half.

"They are much less likely to marry, far more likely to separate."

Furthermore, ABS data from 1997 found multiple family households made up 1.6 per cent of total households, while 2004 figures have it pegged down to 1 per cent.

During that time the number of couple-only households rose from 23.6 per cent to 26.1 per cent and the number of couples with children fell from 29.5 per cent to 27.1 per cent. Group households also dropped from 5 per cent to 3 per cent.

However, even though our family sizes are getting smaller, today's children are staying at home longer than previous generations.

In 1976, 20 per cent of 20-somethings lived with their parents. This proportion is now 40 per cent.

KPMG demographer Bernard Salt said Generation Y children took longer to move out of the family home for several reasons.

These include:

THE introduction of HECS in 1987 which prompted university students remain longer in the family home.

BABY boomers, as parents, having a more liberal attitude towards their children having partners 'stay over'.

GENERATION Y having developed a taste for middle class prosperity, which means for these kids to leave home it would result in a significant reduction in the standard of living.

"Gen Y will not leave home because they



have it too good," Mr Salt said. "Free meals, free laundry, free board, free access to the family car, the girlfriend can stay over (free sex): these kids ain't ever gonna leave home."

But once these children do decide to leave the nest, industry leaders said they often did so alone, rather than leaving to enter marriage like in the past.

In fact, one-third of homes in SA are sole occupancies. At 31.5 per cent, it is the highest proportion of any state. This figure is expected to further rise through the effects of divorce, separation, an increase in women's life expectancy, and young people delaying marriage.

REI president Mr Sanderson said this last factor had started to change the face of our first homebuyers, with young people not willing to wait until they are married to buy their first home.

"Young people see the benefits of getting an asset behind them early," he said.

"They will buy a house and live in it for a while before they even consider marriage."

Dylan Iacopetta did just that.

At the age of 19, and with \$10,000 in his savings, Mr Iacopetta was keen to purchase a new car. But his parents gave him one small piece of advice: don't.

"They told me I would be better off buying real estate," the now 21-year-old apprentice electrician said. "My parents had always been strong supporters of investing money in property rather than cars."

Mr Iacopetta is one of the growing number of South Australians taking on the challenge of home ownership alone.

While he had only planned to live in the one-bedroom unit for a few months, and then rent it out, he said "once I had lived there by myself I didn't want to leave".

Now he has an investment in the real estate market up his sleeve, he has also managed to save up and buy that car he was after.

"So it's the best of both worlds."

The ageing population is also partly responsible for the increasing numbers of one-person households.

To ensure we are catering to the needs of this trend, which will only grow as our population continues to age, the Master Builders Association has announced a new award for developers providing more "age-friendly" designs.

MBA chief executive Wilhelm Harnisch said the need to provide alternative building options for older Australians was "becoming increasingly urgent" and could not be met by standard design practices of the past.



YOUNG GUN: Dylan Iacopetta invested in his first house at 19.

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