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Article: Larger dwellings, smaller households

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SYMBOLS AND USAGES

billion	1,000 million
kg	kilogram
m	metre
n.a.	not available
n.e.c	not elsewhere classified
n.p.	not published
n.y.a.	not yet available
no.	number
'000	thousand
'000m	thousand million
\$	dollar
\$m	million dollars
\$b	billion dollars
\$US	American dollar
%	per cent
*	estimate has a relative standard error of 25% to 50% and should be used with caution
**	estimate has a relative standard error of greater than 50% and is considered too unreliable for general use
..	not applicable
—	nil or rounded to zero (including null cells)

Where figures have been rounded, discrepancies may occur between the sums of the component items and totals.

Larger dwellings, smaller households

In 2003–04, 57% of new separate houses purchased by owner occupiers had four or more bedrooms, compared with 36% of the existing stock.

The nature and composition of Australian households has undergone gradual change over recent decades. Traditional living arrangements associated with particular stages in the life cycle have given way to a more diverse array of household compositions that reflect demographic and social trends. Increasing life expectancy and declining fertility rates have contributed to an increase in the number of individuals living alone, more childless couples, and fewer children in those families that do have them. As a consequence, households are getting smaller. Over the nine years to 2003–04 the average number of people per household fell from 2.7 to 2.5.

Over the same time, the number of occupied dwellings has increased from 6.5 million to 7.7 million and house size (as indicated by the number of bedrooms) has increased slightly, from an average of 2.9 bedrooms per household in 1994–95 to 3.0 in 2003–04. Greater household incomes, low interest rates and easier access to existing equity in homes has allowed many home owners to 'trade up' or renovate existing homes in recent years. This is coupled with a desire by many 'empty nesters' to remain in the house in which they raised their children.¹

This article examines changes in household composition and size, and the increase in dwelling size between 1994–95 and 2003–04. The number of bedrooms per dwelling is used as a proxy for dwelling size.

Trends in household composition

In 2003–04, households composed of couple families with dependent children were the most common household type. They accounted for over a quarter (27%) of all households in 2003–04, down from 30% of all households in 1994–95.

Dwelling and household size

	1994–95	2003–04
	no.	no.
Average bedrooms	2.9	3.0
Average persons	2.7	2.5

'000 '000

Estimated number of households **6,546.6** **7,735.8**

Source: *Housing Occupancy and Costs, Australia, 2003–04* (ABS cat. no. 4130.0.55.001).

Data sources and definitions

Most of this article is based on data from the ABS 1994–95 and 2003–04 Surveys of Income and Housing (SIH).

An *owner-occupied* household is a household in which at least one member owns the dwelling in which they reside, either with or without a mortgage.

A *new* owner-occupied dwelling is a dwelling that was purchased new in the three years prior to interview. To be classified as 'new', the dwelling had to have been completed within 12 months of the lodgement of a loan application, with the borrower being the first occupant.

An *established* owner-occupied dwelling is a dwelling which, when purchased, was completed 12 months or more prior to the lodgement of a loan application, or which has been previously occupied.

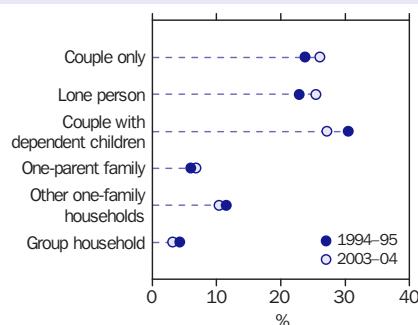
Recent home buyers are people who bought their dwelling in the three years prior to being interviewed.

Offsetting the proportional decline in couple families with dependent children in the past decade has been the increase in couple-only and lone-person households. Couple-only households comprised 26% of all households in 2003–04 and lone persons accounted for 25%, up from 24% and 23% respectively in 1994–95.

Household and dwelling size

Couple families with dependent children have larger homes than other households, averaging 3.5 bedrooms per dwelling, compared with 3.0 bedrooms per dwelling overall. However, with an average of 4.1 people per household in 2003–04, they

Household composition



Source: *Housing Occupancy and Costs, Australia, 2003–04* (ABS cat. no. 4130.0.55.001).

(and multiple-family households) had more people than bedrooms on average. In contrast, lone-person and couple-only households have more bedrooms than residents, with lone-person households averaging 2.4 bedrooms per dwelling, and couple-only households averaging 3.0 bedrooms per dwelling.

The relationship between bedrooms and people is also affected by age and life cycle stage. For example, couple-only households with a reference person aged less than 35 years had an average of 2.6 bedrooms per dwelling, increasing to a peak of 3.3 bedrooms in the 55–64 years age group (perhaps indicating the relatively larger homes of ‘empty nesters’). Likewise, lone-person households aged less than 35 years had an average of 2.2 bedrooms per dwelling, compared with 2.5 bedrooms per dwelling of lone persons aged 65 years and over.

According to the Canadian National Occupancy Standard, only a small proportion of Australian households might be considered overcrowded, with fewer bedrooms than required. In 2003–04, 77% of households had one or more spare bedrooms, with only 3% requiring extra bedrooms. The notable exception was

The Canadian National Occupancy Standard



The *Canadian National Occupancy Standard* for housing appropriateness is sensitive to both household size and composition. The measure assesses the bedroom requirements of a household by specifying that:

- ◆ there should be no more than two persons per bedroom
- ◆ children less than 5 years of age of different sexes may reasonably share a bedroom
- ◆ children less than 18 years of age and of the same sex may reasonably share a bedroom
- ◆ single household members aged 18 years and over should have a separate bedroom, as should parents or couples.

Households living in dwellings where this standard cannot be met are considered to be overcrowded.

Source: Housing Occupancy and Costs, Australia, 2003–04 (ABS cat. no. 4130.0.55.001).

multiple-family households, 27% (or 21,700) of whom had a requirement for one or more extra bedrooms. Nearly all (97%) of couple-only households had one or more spare bedrooms, while 85% of lone-person households also had surplus bedrooms.

Housing occupancy(a) by household composition — 2003–04

	Average number of persons in household	Average number of bedrooms in dwelling	Bedroom requirements						All households '000
			1 or more extra bedrooms needed	No extra bedrooms needed	1 bedroom spare	2 or more bedrooms spare	Total		
			no.	%	%	%	%		
Couple family with dependent children	4.1	3.5	4.8	30.4	44.6	20.2	100.0	2,094.8	
One-parent family with dependent children	2.9	3.0	7.6	44.9	40.1	7.5	100.0	526.6	
Couple only	2.0	3.0	**0.1	3.2	19.8	76.9	100.0	2,016.9	
Reference person aged under 35 years	2.0	2.6	n.p.	n.p.	33.2	58.8	100.0	411.7	
Reference person aged 65 years and over	2.0	3.0	n.p.	n.p.	20.3	77.5	100.0	656.7	
Other one-family households	3.0	3.3	3.0	24.6	48.2	24.1	100.0	804.8	
Multiple-family households	5.2	3.9	26.8	30.6	*17.2	25.4	100.0	80.8	
Lone person	1.0	2.4	—	15.1	34.5	50.4	100.0	1,962.1	
Aged under 35 years	1.0	2.2	—	23.4	39.6	37.0	100.0	336.1	
Aged 65 years and over	1.0	2.5	—	11.4	34.9	53.8	100.0	717.0	
Group households	2.4	2.8	8.6	54.1	31.5	5.8	100.0	249.7	
All households	2.5	3.0	2.7	20.6	34.9	41.8	100.0	7,735.8	

(a) Based on the Canadian National Occupancy Standard for housing suitability.

Source: ABS 2003–04 Survey of Income and Housing.

The average number of bedrooms per dwelling varies by type of dwelling. Separate houses contain on average the most bedrooms per dwelling (3.3), and flats, units and apartments the least (1.8), with semidetached, row or terrace houses or townhouses averaging 2.4 bedrooms per dwelling. The choice of dwelling type will in part reflect the life cycle stage of the household. Couple families with dependent children tend overwhelmingly to live in separate houses, with 92% living in this form of housing in 2003–04. Lone persons aged under 35 were least likely to live in separate houses (41%), but the most likely to live in either flats, units or apartments (41%) or semidetached, row or terrace houses or townhouses (17%). Couples aged 65 years and over were very likely to be living in a separate house (88%), with just 5% living in flats, units or apartments.

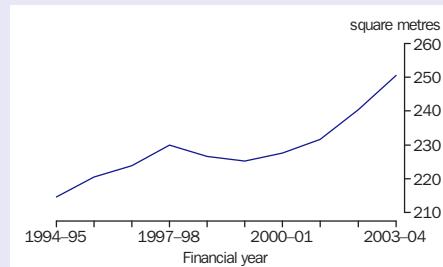
Owner-occupier households tended to have larger dwellings than renters. In 2003–04, there was an average 3.2 bedrooms in homes of owner occupiers, compared with an average of 2.5 bedrooms in rental dwellings. At the same time, owner occupiers had only slightly larger households with an average of 2.6 occupants, compared with 2.3 in rental households. The larger dwellings of owner-occupier households relative to renters is also reflected in the proportion

Case study: Perth

While an increase in the average number of bedrooms provides an indication of increasing dwelling size, the overall floor size of new houses can present a direct measure of the trend towards larger houses. Building Approvals data for Perth provide an example of recent trends for separate houses in capital cities between 1994–95 and 2003–04.

Between 1994–95 and 2003–04, the average size of new separate houses in Perth grew by 17%, from 215 to 250 square metres. During the same period, the average block size for residential housing in Perth declined by 7%, from 734 to 686 square metres.

Perth: floor size of new separate houses



Source: ABS Building Approvals, 1994–95 to 2003–04.

with spare bedrooms. In 2003–04, 84% of owner households had one or more spare bedrooms, compared with 59% of renter households.

Changes in housing stock

Changes in housing stock occur gradually over time through construction of new dwellings and alterations to existing homes. In the nine years from 1994–95 to 2003–04 an estimated 1.5 million new dwellings were completed in Australia (an average of 146,000 per year). These additional dwellings represent less than one-fifth (19%) of the 7.7 million households in 2003–04. Partly for this reason, the increase in the average number of bedrooms per household over the period (from 2.9 to 3.0) appears marginal.

To highlight the changing nature of dwelling size (as measured by bedrooms), the following discussion compares new owner-occupied dwellings with all owner-occupied dwellings. The analysis is restricted to the 70% of households which are owner-occupied, as 'new' housing among non-owners could not be determined.

In 2003–04, there were 232,000 dwellings that were purchased by owner occupiers as new within the three years prior to 2003–04. These new dwellings had an average of

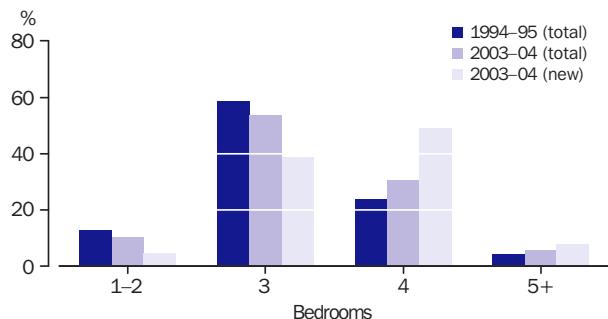
Dwelling type by family composition — 2003–04

	Separate house	Semidetached, row or terrace house/townhouse	Flat/unit/apartment	Other dwelling	Total
	%	%	%	%	%
Couple family with dependent children	92.4	3.9	3.6	0.1	100.0
One-parent family with dependent children	81.6	9.2	8.8	0.4	100.0
Couple only	84.4	7.0	8.3	0.4	100.0
Aged under 35 years	68.6	11.8	19.1	0.6	100.0
Aged 65 years and over	87.9	6.8	5.1	0.2	100.0
Other one-family households	89.6	5.3	4.6	0.5	100.0
Multiple-family households	93.4	4.3	2.4	—	100.0
Lone person	60.5	14.7	23.7	1.1	100.0
Aged under 35 years	41.2	16.7	41.0	1.0	100.0
Aged 65 years and over	69.1	14.7	15.4	0.8	100.0
Group households	55.3	15.3	29.3	0.1	100.0
All households	80.0	8.3	11.2	0.5	100.0

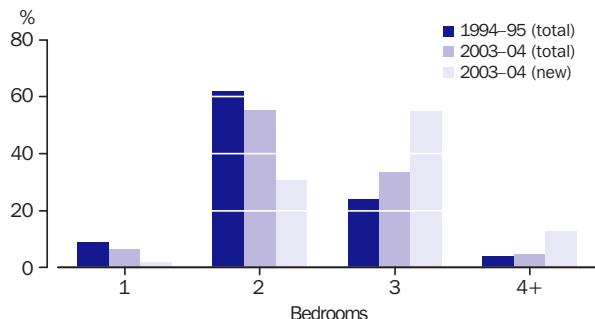
Source: ABS 2003–04 Survey of Income and Housing.

Number of bedrooms in owner-occupied dwellings

SEPARATE HOUSES



MEDIUM AND HIGH DENSITY DWELLINGS(a)



(a) Medium density dwellings include townhouses, terrace houses and semidetached-detached housing, high density dwellings include flats, units and apartments.

Source: ABS Surveys of Income and Housing 1994-95, 2003-04.

3.5 bedrooms each, and almost half (49%) had four or more bedrooms. In comparison, the total dwelling stock had 3.2 bedrooms on average, and one-third (33%) had four or more bedrooms.

The proportion of separate houses has remained at around 80% over the period from 1994-95 to 2003-04. Among separate houses, 57% of those purchased as new by owner occupiers in the 3 years prior to 2003-04 had four or more bedrooms, compared with 36% of the total stock held by owner occupiers in 2003-04 and 28% in 1994-95.

Among medium and high density housing, the trend has also been to more bedrooms. In the three years to 2003-04, 68% of new medium and high density owner-occupied dwellings (which includes townhouses, terrace houses and semidetached housing as

well as flats, units and apartments) had 3 or more bedrooms, compared with 38% of the total established owner-occupied stock in that period and 27% in 1994-95.

While new owner-occupied dwellings tend to be larger than established dwellings, they also contain slightly more people on average, with 2.8 persons per household, compared with an average of 2.6 in all owner-occupied households in 2003-04. This reflects the new housing market which attracts a higher proportion of couples with children (36%) than couple only (34%) or lone-person households (13%).

In 2003-04, nearly three-quarters (73%) of couple families with dependent children who were in a new dwelling had four or more bedrooms, compared with 52% for the total stock of owner-occupied dwellings. Other single family households in new dwellings also had a greater propensity for having four or more bedrooms. For example, 33% of couple only households in new dwellings had four or more bedrooms, compared with 26% for owner occupiers generally.

Owner occupiers: selected characteristics by household composition — 2003-04

	With 4 or more bedrooms		Average bedrooms per household	
	New dwellings	Total owner-occupied dwellings	Total owner-occupied dwellings	
			New dwellings	Total owner-occupied dwellings
	%	%	no.	no.
Couple family with dependent children	73.0	51.8	3.9	3.6
Couple only	32.7	25.7	3.1	3.1
Lone person	*11.6	11.4	2.8	2.7
All households	48.6	32.8	3.5	3.2
	'000	'000	'000	'000
All households	112.9	1,778.6	232.2	5,416.7

Source: ABS 2003-04 Survey of Income and Housing.

Endnotes

- 1 Victorian Government, Department of Sustainability and Environment, 2006, *Housing Decisions of Empty Nesters*, viewed 5 June 2007, <<http://www.dse.vic.gov.au/DSE/dsenres.nsf/LinkView/63EFFEC76D06C2E6CA2571DF002830B7?Open&Layout=DSE~PrinterFriendly>>.

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