Possibilities and limits of owner-occupied houses in the era of 100-year lifespan
Risk quantification and required social systems

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[SYNOPSIS]

This study quantifies the economic risks of owned houses acquired after World War II and the elderly who live in them by setting scenarios and financial planning (FP) methods, and examines the future state of the social system that corresponds to them. The average life expectancy of Japanese people for both men and women are among the highest in the world, and the Japanese government is seeking a social system for an era of 100-year lifespans. Against the backdrop of economic growth after World War II, the government promoted a "house ownership policy" that called for people's self-help in acquiring housing. As a result, the ratio of owner-occupied houses is currently high in the ownership relationship of Japanese houses. Compared to the past, the lifespan of Japanese houses has increased due to the expansion of their area and the progress of high durability based on the lessons learned from earthquakes and other disasters. As the average life expectancy of Japanese people has increased and the life expectancy of owner-occupied houses has increased, there is ample housing stock, but the vacant housing rate has reached 13.6%. In addition, changes in social systems such as marriage and family types that support homeownership are inevitable. In this study, we simulated FP using a scenario incorporating these settings and presented the results. The generation born in the 1960s, who will unexpectedly reach the age of 100 years, can maintain a positive savings balance up to the average life expectancy of 85 years, even with an average income and expenditure setting, owning a home, two children, and no spouse's income. If the spouse has a part-time job or other income, it is possible to add to the savings balance until the head of the household reaches the age of 100. If a household needs to move into a nursing home, it is necessary to propose a change in lifestyle to obtain the necessary savings balance at the time of moving in, and to develop social systems such as insurance to hedge the risks of living a long life.