



RESEARCH REPORT

**Tauranga/Western Bay of Plenty
Housing Affordability Stress Outcomes**

Prepared for Accessible Properties Ltd

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Kay Saville-Smith has undertaken this analysis as Director of the Centre for Research, Evaluation and Social Assessment Ltd (CRESA). In addition to that position, she is also the Chief Science Advisor for the Ministry of Housing and Urban Development (HUD). The analysis in this report is entirely independent from HUD and should not be taken to represent HUD's views, policies or ministerial advice on these issues. The opinions, findings, recommendations, and conclusions expressed in this report are those of the authors.



1. Executive Summary

In accordance with your instructions we have prepared our report on the housing affordability stress outcomes in Tauranga and Western Bay of Plenty. This report has been prepared for Accessible Properties Ltd to assist them to better understand trends in the housing stress in Tauranga and Western Bay of Plenty and how it compares to other locations. This report should not be used for any other purpose or by any other party. The goal of this report is to provide a profile of the current housing outcomes in Tauranga and Western Bay of Plenty and compare these with Auckland and the whole of New Zealand. This analysis is based on customised output from the 2019 household economic survey.

Context (Ian Mitchell - Livingston and Associates Ltd)

The Tauranga/Western Bay of Plenty sub region has been one of the fastest growing urban areas in the country. Tauranga City and Western Bay of Plenty established the Smartgrowth partnership in recognition of the pressures created by their high levels of population growth. The SmartGrowth Partnership has proactively undertaken substantial work that has been done to coordinate urban growth patterns and the development of the associated infrastructure in Tauranga City and Western Bay of Plenty District to ensure an adequate supply of land. However, despite these efforts larger societal changes in sub region’s demographics and external economic forces that cannot be controlled at a local level resulted in rising housing prices and rents. During the mid-2010s the Tauranga/Western Bay of Plenty housing market experienced an influx of buyers from other regions and overseas which effectively bid up the price of dwellings and rents resulting in significantly higher housing costs. Table 1.1 presents the trend in median house sale prices, rents, and household incomes between 1991 and 2019.

Table 1.1: Median house prices, median rents, and median gross household incomes – 1991 to 2019

	Median sale price, rents, and household income						% change 1991 to 2019	
	Mar-91	Mar-96	Mar-01	Mar-06	Mar-13	June 19 ¹	Total %	Annual Ave
House prices								
Tauranga City	\$110,000	\$165,000	\$197,000	\$366,000	\$381,000	\$654,000	495%	10.3%
Western BOP	\$110,000	\$135,000	\$184,000	\$350,000	\$349,000	\$570,000	418%	9.4%
House rents								
Tauranga City	\$140	\$195	\$200	\$280	\$340	\$490	250%	7.1%
Western BOP	\$120	\$160	\$175	\$230	\$280	\$450	275%	7.5%
Household incomes								
Tauranga City	\$28,600	\$29,900	\$33,300	\$45,500	\$55,800	\$70,800	148%	5.1%
Western BOP	\$27,000	\$30,400	\$35,500	\$46,800	\$55,600	\$70,800	162%	5.4%

Source: MBIE & Statistics New Zealand

¹ June 2019 income statistics are sourced from HES whereas for previous years census data is used



The deterioration in housing affordability is a result of housing costs increasing at a faster rate than household incomes. House prices have increased at approximately double the annual average compounded rate of growth of household incomes whereas rents have increased at between 2.0 and 2.1 percentage points per annum faster than household incomes. Even with the fall in interest rates these trends have had an impact on key affordability measures over time.

Housing affordability stress outcomes (Ian Mitchell - Livingston and Associates Ltd)

Tauranga/Western Bay of plenty not owned and owned with a mortgage households had the highest proportion of stressed households in the country's main urban areas. The proportion of stressed households was high for households earning less than the median income. For example, 68% not owned households earning less than 80% of regional median household income (RMHI) were stressed compared to 63% in Auckland and 62% nationally. In addition, 73% of not owned households earning between 80% and 100% of RMHI compared to 52% in Auckland and 40% nationally. The trend was similar for Tauranga/Western Bay of Plenty owned with a mortgage households. Other key trends include:

- Tauranga/Western Bay of plenty households (both owned with a mortgage and not owned) with reference people aged between 30 and 44 years and over 65 years of age had higher than Auckland and national average levels of housing stress.
- One parent households living in Tauranga/Western Bay of Plenty had very high proportions of stressed households (73% for owned with a mortgage and 89% for not owned households) when compared to Auckland (56% for owned with a mortgage and 54% for not owned households) and the national average(47% for owned with a mortgage and 56% for not owned households);
- Owned with a mortgage and not owned households living in Tauranga/Western Bay of Plenty with dependent children had levels of housing stress 8 to 10 percentage points higher than Auckland; and
- Tauranga/Western Bay of Plenty owned with a mortgage households identifying as Asian had high levels of housing stress whereas not owned households identifying as Māori had housing stress levels five percentage points higher than other ethnicities.

In the June 2019 approximately \$64.8 million of accommodation supplement (AS) payments were made to households (\$21.7 million to owner occupiers and \$43.1 million to not owned households) living in Tauranga/Western Bay of Plenty. In total 18% of households (37% of not owned and 10% of owner occupiers) living in Tauranga/Western Bay of plenty received the accommodation supplement. Households earning less than \$70,000 per annum received 60% of AS payments, households with incomes between \$70,000 and \$100,00 received 20%, and households earning more than \$100,000 received the balance. The accommodation supplement payments reduced the proportion of stressed not owned households by 2.0 to 2.5 percentage points at the different levels of housing stress while having no measurable impact (within the margins of error for the modelling) on the proportion of stressed owner occupier households. The additional accommodation supplement payments required to reduce the maximum level of housing stress to 30% of RMHI is \$112.4 million (\$62.1 million for not owned households and \$50.3 million for owned with a mortgage households). This suggests the accommodation supplement is inadequate and needs to increase by 175%.



Housing and inequality (Kay Saville Smith – CRESA)²

The importance of low-cost housing to stimulate or provide for a platform for people to reach their potential and optimise their life chances has been well demonstrated in New Zealand.³ That research also shows how low-cost housing both in owner occupation and in the rental market has diminished significantly over the last three decades. New Zealand faces an under-supply of housing in the aggregate, but an even more problematic under-supply of affordable housing and housing affordable to essential and key workers.

It is important to consider the impact of housing costs on both disposable incomes and material well-being when analysing housing market outcomes. Housing costs have a profound impact on material wellbeing for households for people in the lowest income quintile. The representation of seniors in the lowest income quintile is high at a quarter of low-income quintile households before housing costs. However, while there are between 5 to 9 percent of seniors have a very low material wellbeing index and low incomes after housing costs are deducted, seniors' representation in low income quintiles has shrunk significantly which is almost entirely due to high rates of mortgage-free owner occupation.

Seniors in New Zealand until recently have come from cohorts who were assisted into owner occupation in environments of comparatively low house prices. Through mortgage repayments over periods of twenty to thirty years, they effectively provided for their post-retirement living standards.⁴ Other households have been able to establish material well-being through what might be termed 'import' substitution or collective sharing of resources between extended family.

There has been a slow climb in inequality before housing costs are taken into account. Rising inequality is much more apparent after incomes have housing costs deducted. For the less dispersed range in which 60 percent of the population falls the extent of the inequality in after housing cost incomes is more modified than when the population as a whole (excluding very low and very high incomes) is taken into account.

As a range of research and experience has shown here and overseas, building more houses without cognisance of the unmet needs of low- and modest- income households means that those households are unable to actualise their housing demand on current housing markets. The data related to housing affordability stress and crowding from the Household Economic Survey 2019 shows the pattern of unmet or latent, unrealised housing demand. The inability to actualise housing demand and exposure to excess housing costs manifests in and drives inequality in New Zealand. It also suppresses the material well-being and living standards of New Zealand households.

² Kay Saville-Smith has undertaken this analysis as Director of the Centre for Research, Evaluation and Social Assessment Ltd (CRESA). In addition to that position, she is also the Chief Science Advisor for the Ministry of Housing and Urban Development (HUD). The analysis in this report is entirely independent from HUD and should not be taken to represent HUD's views, policies or ministerial advice on these issues. The opinions, findings, recommendations, and conclusions expressed in this report are those of the authors.

³ The latest research dealing with those issues may be found in Saville-Smith, K. (ed), 2019, *Revitalising the Production of Affordable Housing for Productive, Engaged & Healthy Lives: Integrated Report*, Revitalising the Production of Affordable Housing for Productive, Engaged & Healthy Lives research Programme, Judgeford: Building Better Homes Towns and Cities National Science Challenge.

⁴ Saville-Smith, K., 2019, *Housing, New Zealand's Tenure Revolution, and Implications for Retirement: A Paper for the 2019 Review of Retirement Income Policies*, Auckland, Commission for Financial Capability.

***Housing outcomes for the elderly in Tauranga/Western Bay of Plenty (Bev James - PPR)***

More people in mid-life and older are renting in New Zealand. This is a significant change, affecting not only the country as a whole, but also the Western Bay of Plenty sub-region (WBOP).

Older population is likely to be a source of significant demand for affordable rental properties now and in the future. However, seniors will need housing that meets their needs as they age. Currently the rental market responds poorly to the growing market of older renters. It is very difficult for older people to find a rental that is suitable for their needs; much existing housing potentially poses health and safety risks, which mitigate against ageing in place. Furthermore, much of the rental stock is unaffordable for seniors on limited incomes. The age 65 is the critical comparator used in this report because this is the age that people are eligible to receive national superannuation, and many retire from work. As a consequence, their available income is reduced, which has implications for the amount they are able to spend on rent (Perry, 2017). However, it is acknowledged that more people are reaching 65 years and continuing to work.⁵ The challenges that seniors encounter in the rental market in the sub-region are: a dearth of affordable rental housing, cold and damp housing, housing in poor repair, housing lacking accessible and age-friendly features, and a risk of homelessness.

A survey of 26 older renters identified some of their key experiences and they include:

- Unaffordable rents - difficulties paying rent prompted moving to cheaper accommodation. Rent stress is indicated by the 11 participants receiving the Accommodation Supplement. In addition, three had an income-related rent.
- Insecure tenure - New Zealand's lightly regulated rental tenure contributes to tenure insecurity of older tenants. The large majority of participants had moved at least once in the five years prior to their interview. Participants found they have to move through necessity, not choice. The two main reasons for moving are: the tenancy is terminated by the landlord (standard 90 day or 42 day notice), and the rent is unaffordable.
- Homelessness risk is associated with insecure tenure and unaffordable rentals.
- There is a lack of supply of suitable homes for an ageing population, particularly homes that are in good repair. Over one-third of participants reported unmet repairs and maintenance. Less than half reported that they were warm enough in winter and just under half reported problems with cold and dampness.
- There is a lack of housing for people who need accessible features and/or modifications installed to maintain their independence. Lack of accessible design and safety issues were identified by participants. Over one-quarter identified specific modifications that they needed to make their home safer and more accessible. The most commonly identified modification needed was a grab rail or handrail. Few had approached their landlord or property manager to request a modification to be installed.
- This study indicates a growing demand for rental accommodation suitable for older people who are moving to the sub-region.

⁵ One fifth of New Zealanders aged 65 or more are employed. <http://superseniors.msd.govt.nz/finance-planning/paid-work/changing-working-lives.html>



2. Introduction

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The goal of this report is to provide a profile of the current housing outcomes in Tauranga and Western Bay of Plenty and compare these with Auckland and the whole of New Zealand. This analysis is based on customised output from the 2019 household economic survey. The research examines the relative levels of housing affordability stress (households paying more than 30%, more than 40% and more than 50% of their gross household income in housing costs) by a range of household characteristics which include:

- Age of the household reference person;
- Household income;
- Household composition (household types will include couples without children, couples with children, one person, one parent and other);
- Household crowding and dwelling utilisation; and
- Household ethnicity.

We also provide analysis of:

- the current level of government support provided to households via the accommodation supplement by tenure and household income and the amount of additional income support required to ensure not owned households pay no more than 30% of their gross household income in rent – authored by Livingston and Associates Ltd
- Housing and inequality – authored by Kay Saville Smith of CRESA; and
- The impact of housing costs on low income older renters – authored by Bev James of Public Policy Research.

2.1 Context

The Tauranga/Western Bay of Plenty sub region has been one of the fastest growing urban areas in the country. Tauranga City and Western Bay of Plenty established the Smartgrowth partnership in recognition of the pressures created by their high levels of population growth. The SmartGrowth Partnership has proactively undertaken substantial work that has been done to coordinate urban growth patterns and the development of the associated infrastructure in Tauranga City and Western Bay of Plenty District to ensure an adequate supply of land. However, despite these efforts larger societal changes in sub region's demographics and external economic forces that cannot be controlled at a local level resulted in rising housing prices and rents. During the mid-2010s the Tauranga/Western Bay of Plenty housing market experienced an influx of buyers from other regions and overseas which effectively bid up the price of dwellings and rents resulting in significantly higher housing costs.



Housing affordability comes under pressure when housing costs increase at a faster rate than household incomes. Variations in interest rates can mask the underlying trends in first home buyer affordability in the short to medium term.

Table 2.1 presents the trend in median house sale prices, rents, and household incomes between 1991 and 2019.

Table 2.1: Median house prices, median rents, and median gross household incomes – 1991 to 2019

	Median sale price, rents, and household income						% change 1991 to 2019	
	Mar-91	Mar-96	Mar-01	Mar-06	Mar-13	June 19 ⁶	Total %	Annual Ave
House prices								
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Source: MBIE & Statistics New Zealand

The deterioration in housing affordability is a result of housing costs increasing at a faster rate than household incomes. House prices have increased at approximately double the annual average compounded rate of growth of household incomes whereas rents have increased at between 2.0 and 2.1 percentage points per annum faster than household incomes. Even with the fall in interest rates these trends have had an impact on key affordability measures over time.

These trends have had a significant impact on Tauranga and Western Bay of Plenty’s households’ ability to affordably pay the market rent and to buy their first dwelling. The sub-region now has some of the worst affordability outcomes in the country. The current level of housing affordability stress is addressed in this report.

⁶ June 2019 income statistics are sourced from HES whereas for previous years census data is used



2.2 Definitions

- Owned households include properties owned by a family trust where one or more of the occupants have a beneficial interest in the property.
- Not owned include households renting their properties from both private rented and social (including Kainga Ora) landlords
- Household reference person – This is the person who completes the dwelling census form and is typically used as the representative person for the household.
- Gross household income includes all income before tax from all sources including Government transfers (benefits);
- In the context of this analysis affordable housing costs assume no more than 30% of a households gross income is spent on housing costs;
- Housing affordability stress - Stressed household are those paying more than 30% of their household income in housing costs



3. Housing affordability stress in Tauranga and the Western Bay of Plenty

3.1 Introduction

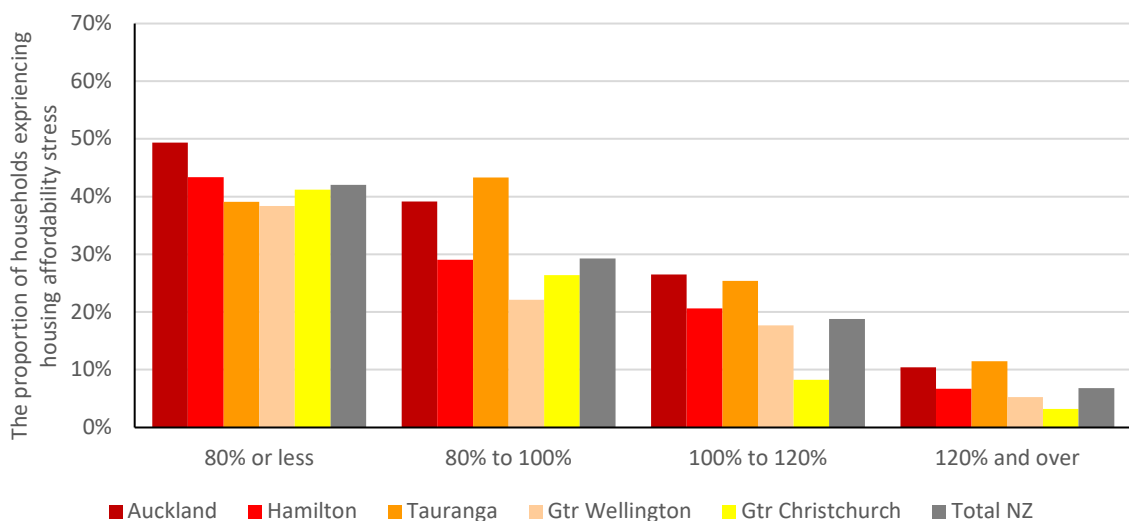
This section of the report presents the analysis of our research into housing affordability stress in Tauranga/Western Bay of Plenty sub-region in 2019. The primary source of data used in the analysis of housing affordability stress outcomes is customised data sets from Statistics New Zealand using the 2019 household economic survey (HES). The analysis compares the sub-region’s outcomes relative to other urban areas across a range of household’s demographic characteristics including:

- Tenure;
- Household income;
- Age of the household reference person;
- Household composition;
- Households with dependent children;
- Crowding; and
- Ethnicity.

3.2 Tenure & household income

Lower income households typically have poorer housing affordability outcomes than higher income households. Figure 3.1 presents the proportion of households (all tenures combined⁷) paying more than 30% of their gross household income in rent. Household incomes are divided into subgroups relative to their sub-region’s median household income.

Figure 3.1: Housing affordability stress outcomes by sub-regional median household incomes



Source: Statistics New Zealand - HES 2019

⁷ Includes social housing tenants



Tauranga/Western Bay of Plenty’s households have high proportion of households paying more than 30% of their income in housing costs (27% of all households in Tauranga/Western Bay of Plenty pay more than 30% of their gross household income in housing costs compared to 24% nationally). These outcomes, to some extent, are influenced by the proportion of households in each tenure sub-group within the region. These included social renters (housing costs are influenced by income related rental policy limiting costs to 25% of gross), private renters, owner occupiers with a mortgage and owner occupiers without a mortgage. Owner occupiers without a mortgage typically have low housing costs and are unlikely to experience housing stress unless they have very low incomes.

Table 3.1 presents the proportion of stressed households by key tenure groups in Auckland, Tauranga/Western Bay of Plenty and nationally relative to each area’s median household income.

Table 3.1: The proportion of stressed households by sub-regional gross median household income

Household income as a % of regional median	Auckland	Tauranga/Western Bay of Plenty	Total NZ
Owned with a mortgage			
80% or less	71%	78%	66%
80% to 100%	41%	53%	38%
100% to 120%	44%	53%	31%
120% and over	16%	19%	11%
Total households	32%	36%	25%
Not Owned			
80% or less	63%	68%	62%
80% to 100%	52%	73%	40%
100% to 120%	25%	S	19%
120% and over	8%	S	5%
Total households	41%	42%	38%
All Households			
80% or less	49%	39%	42%
80% to 100%	39%	43%	29%
100% to 120%	27%	25%	19%
120% and over	10%	11%	7%
Total households	30%	27%	24%

Source: Statistics New Zealand

Tauranga/Western Bay of Plenty renter and owned with a mortgage household have higher proportions of stressed households than Auckland and the national average across all income ranges and particularly for households earning less than the sub-regional median household income. Tauranga/Western Bay of Plenty has a higher proportion of owned without a mortgage households which reduces their overall average.



Table 3.2 presents the number of stressed and total households living in Tauranga/Western Bay of Plenty sub-regional by tenure and income range.

Table 3.2: the number of stressed and total households by tenure and income range

Hhld inc as a % of sub regional median	Not owned		Owned with a mortgage		Other (including owned with mtge)		Total	
	stressed	total	stressed	total	stressed	total	stressed	total
80% or less	6,000	8,800	3,200	4,100	1,900	15,500	11,100	28,400
80% to 100%	1,900	2,600	1,000	1,900	0	2200	2,900	6,700
100% to 120%	S	1,500	900	1,700	700	3100	1,600	6,300
120% and over	S	8,300	2,600	14,000	800	7400	3,400	29,700
Total	9,000	21,200	7,800	21,700	2,200	28200	19,000	71,100

Source: Statistics New Zealand

Approximately 74% of all stressed households earn less than the sub-regional median. Over 55% of the stressed households earning less than the sub-regional median are renters. Owned with a mortgage households have significant number of stressed households earning more than the sub-regional median.

Typically, when housing costs exceed 30% of median household income a household is assumed to have housing affordability stress. However, low income households in particular pay much higher proportions of their incomes in housing costs. Table 3.3 presents the proportion of households by tenure and sub regional household income paying either more than 30%, more than 35%, more than 40% and more than 50% of sub-regional gross hold income.



Table 3.3: The proportion of stressed households by sub-regional median household income and tenure

Hhld inc as a % of the sub regional median	Owned with a mortgage				Not Owned			
	At least 30%	At least 35%	At least 40%	At least 50%	At least 30%	At least 35%	At least 40%	At least 50
Less than 80%								
Auckland	71%	61%	56%	46%	63%	54%	48%	36%
Tauranga	78%	56%	51%	44%	68%	59%	53%	42%
NZ	66%	52%	45%	34%	62%	50%	42%	29%
80 to <100%								
Auckland	41%	29%	22%	9%	52%	32%	20%	7%
Tauranga	53%	42%	S	S	73%	42%	S	S
NZ	38%	24%	16%	8%	40%	22%	14%	5%
100 to 120%								
Auckland	44%	29%	20%	9%	25%	10%	S	S
Tauranga	53%	S	S	S	S	S	S	S
NZ	31%	17%	9%	4%	19%	8%	3%	S
Over 120%								
Auckland	16%	8%	4%	1%	8%	4%	S	S
Tauranga	19%	8%	S	S	S	S	S	S
NZ	11%	5%	3%	1%	5%	2%	1%	S
Total all hhlds								
Auckland	32%	23%	18%	13%	41%	32%	26%	18%
Tauranga	36%	22%	16%	11%	42%	34%	26%	20%
NZ	25%	17%	13%	9%	38%	28%	23%	15%

Source: Statistics New Zealand

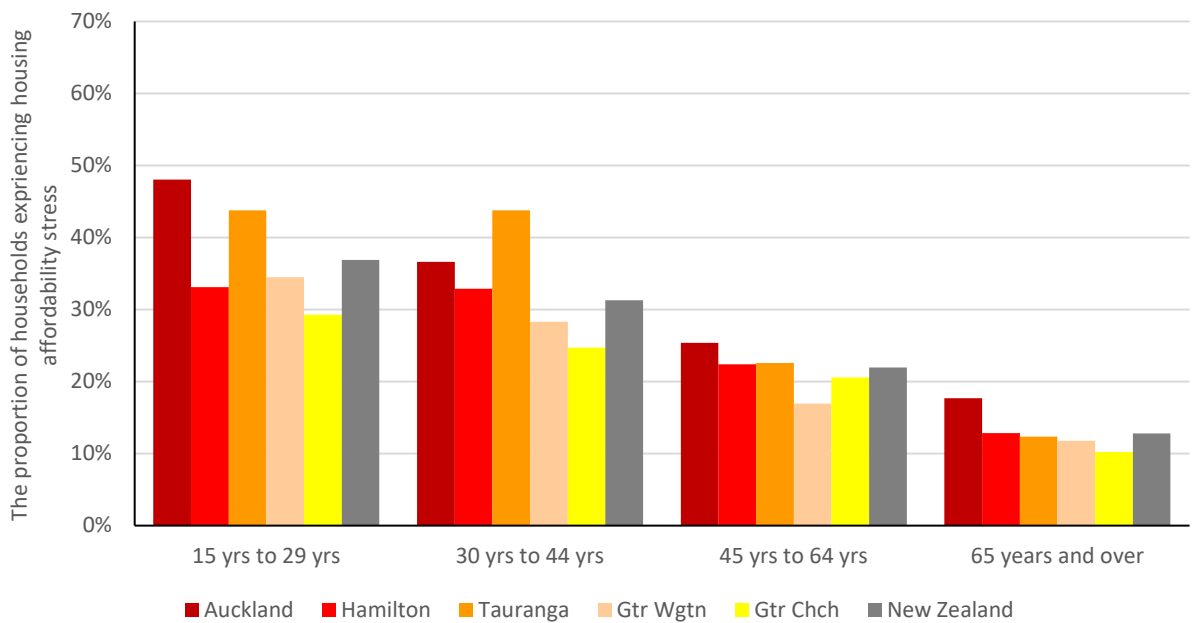
Tauranga/Western Bay of Plenty’s households typically have higher proportions of stressed renter and owned with a mortgage households than Auckland and nationally. Lower income households are paying high proportions of their gross household income in housing costs. For example, in Tauranga/Western Bay of Plenty 44% of owned with a mortgage households and 42% of renter households earning less than 80% of the sub-regional gross median household income are paying more than 50% of their gross income in housing costs.



3.3 Age of the household reference person

The proportion of households experiencing housing affordability stress varies with the age of the people living in the household. Figure 3.2 presents the trend in the proportion of stress households (all tenures combined) by age of the household reference person and sub-region.

Figure 3.2: Proportion of stressed households by sub-regional and age of the reference person



Source: Statistics New Zealand

Overall, the portion of stressed households declines as the age of the household reference person increases. However, this is not consistent across all tenures. Table 3.4 presents the proportion of stressed households by tenure and age of the household reference person.

Table 3.4: The proportion of stressed households by age of the household reference person

	15-29 years	30-44 years	45-64 years	65+ years	Total
Owned with a Mortgage					
Tauranga	S	40.6%	27.3%	S	35.9%
Auckland	42.1%	36.8%	26.2%	34.2%	31.9%
New Zealand	25.1%	27.8%	22.7%	29.0%	25.3%
Not owned					
Tauranga	39.6%	47.4%	36.1%	44.4%	42.5%
Auckland	52.4%	40.1%	35.8%	35.2%	40.7%
New Zealand	42.9%	37.8%	35.2%	35.2%	37.8%

Source: Statistics New Zealand



Table 3.5 presents the median household income and housing costs for stressed and total households by tenure and age of the household reference person for Tauranga/Western Bay of Plenty.

Table 3.5: Median household income and housing costs by age of the reference person and tenure

Age of the household reference person (years)	Median household income		Median housing costs	
	Stressed households	All households	Stressed households	All households
Owned with a mortgage				
15 to 29 yrs	S	\$93,800	S	\$23,500
30 to 44 yrs	\$71,500	\$108,500	\$28,300	\$25,800
45 to 64 yrs	\$80,700	\$123,600	\$30,600	\$27,300
65 years & over	S	\$63,600	S	\$10,800
Total	\$69,000	\$110,300	\$28,800	\$25,300
Not owned				
15 to 29 yrs	\$46,900	\$94,000	\$22,700	\$21,100
30 to 44 yrs	\$53,600	\$75,600	\$24,300	\$23,500
45 to 64 yrs	\$46,800	\$66,800	\$24,500	\$22,400
65 years & over	\$35,800	\$32,700	\$16,500	\$7,900
Total	\$46,700	\$67,600	\$23,500	\$21,700

Source: Statistics New Zealand

Table 3.6 presents the number of stressed and total households in Tauranga/Western Bay of Plenty by tenure and age of the household reference person.

Table 3.6: Number of stressed and total households by tenure and age of the household reference person

Age of ref person (years)	Not owned		Owned with a mortgage		Other (including owned without a mtge)		Total	
	stressed	total	stressed	total	stressed	total	stressed	total
15-29 yrs	1,900	4,800	S	1,600	900	0	2,800	6,400
30-44 yrs	3,600	7,600	3,900	9,600	200	400	7,700	17,600
45-64 yrs	2,200	6,100	2,400	8,800	1,000	9,900	5,600	24,800
65 yrs +	1,200	2,700	S	1,700	1,500	17,500	2,700	21,900
Total	9,000	21,200	7,800	21,700	2,000	27,900	18,800	70,800

Source: Statistics New Zealand

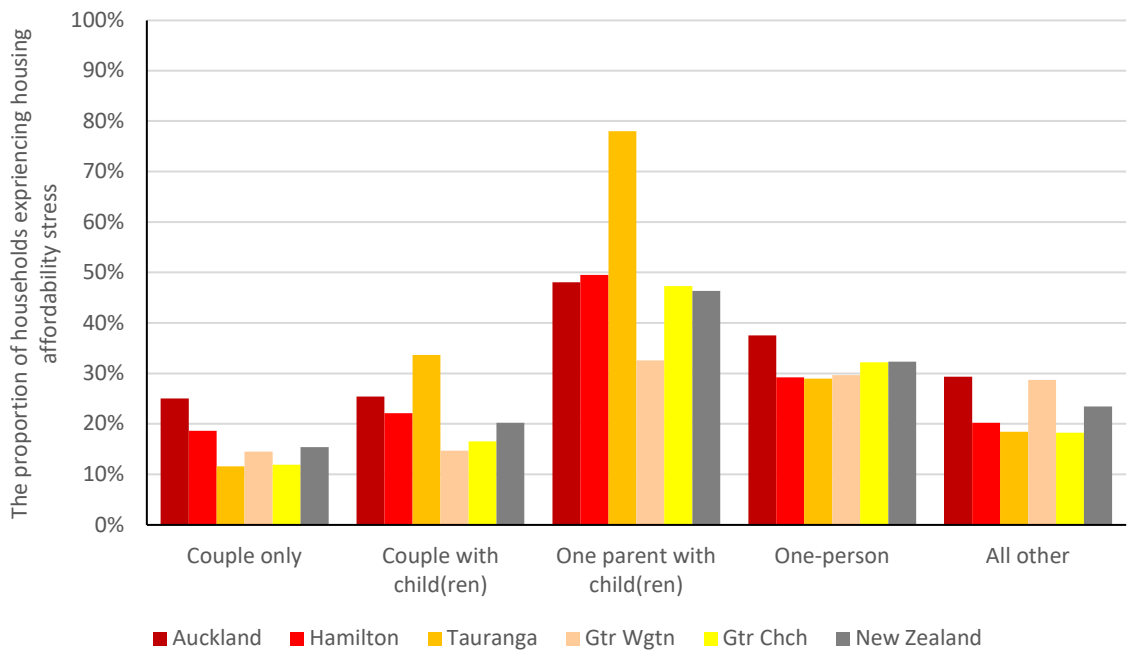
The majority of stressed households (56%) have reference people aged 44 or less. There is also a significant number of older (65 years and more) not owned stressed households.



3.4 Household composition

Household composition can have a significant impact on both housing costs (households with more people require larger dwellings which typically costs more) and household income (fewer people in the household mean there are fewer people earning to contribute to the combined household income. Figure 3.3 presents the proportion of stressed households by sub-regional and household composition.

Figure 3.3: The proportion of stressed households by sub-region and household composition



Tauranga/Western Bay of Plenty has higher proportions of stressed couples with children and one parent with children households than the national average.



Table 3.7 presents the proportion of stressed households by sub-region, tenure, and household composition.

Table 3.7: The proportion of stressed households by tenure, household composition and sub-region

	Couples only	Couples with Children	One parent	One person	Other	Total
Owned with a Mortgage						
Auckland	34%	26%	56%	60%	28%	32%
Tauranga/WBOP	24%	37%	73%	48%	5	36%
New Zealand	23%	20%	47%	49%	20%	25%
Not owned						
Auckland	40%	35%	54%	51%	36%	41%
Tauranga/WBOP	5	33%	89%	49%	23%	43%
New Zealand	29%	29%	56%	51%	31%	38%

Source: Statistics New Zealand

Tauranga/Western Bay of Plenty couples with children and one parent owned with a mortgage households and one parent with Children not owned households have significantly higher proportions of stressed households than Auckland and the national average.

Table 3.8 presents the number of stressed and total households in Tauranga/Western Bay of Plenty by tenure and household composition.

Table 3.8: Number of stressed and total households by tenure and household composition

Household composition (years)	Not owned		Owned with a mortgage		Other (including owned with mortgage)		Total	
	stressed	total	stressed	total	stressed	total	stressed	total
Couples only	5	3,100	1,200	4,900	1,400	14,400	2,600	22,400
Couples with	1,800	5,500	4,200	11,400	600	2,700	6,600	19,600
One parent	3,100	3,500	800	1,100	0	400	3,900	5,000
One person	1,700	3,500	1,100	2,300	1,200	8,000	4,000	13,800
Other	1,300	5,600	5	2,100	600	2,600	1,900	10,300
Total	9,000	21,200	7,800	21,700	2,200	28,200	19,000	71,100

Source: Statistics New Zealand

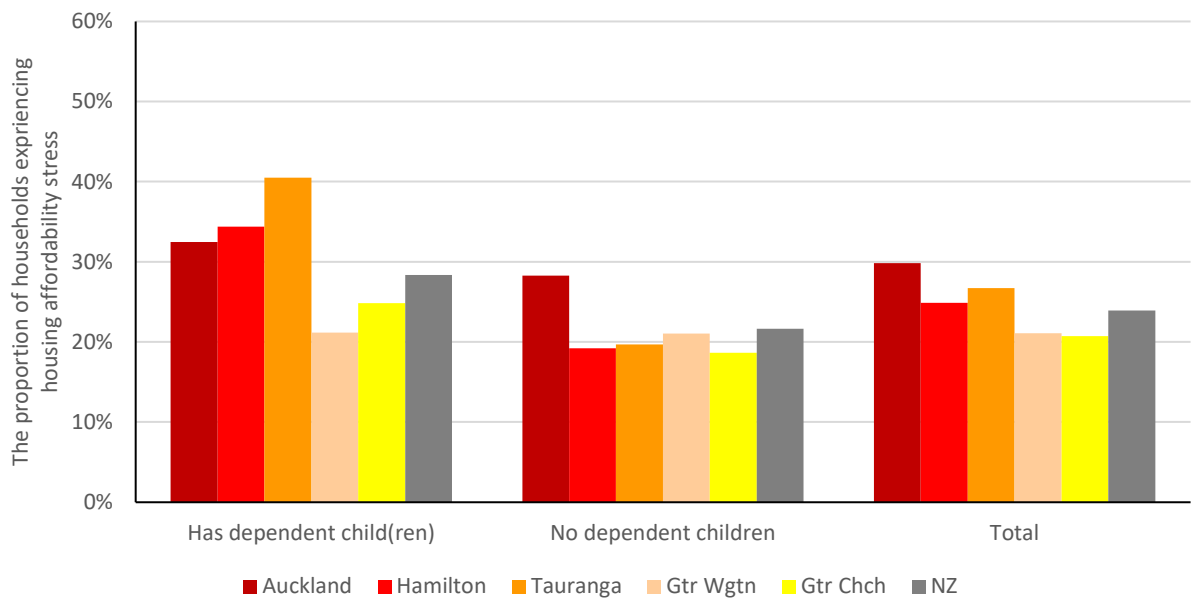
Over a third of not owned stressed households had one parent with children compositions whereas 54 % of owned with a mortgage stressed households were couples with children households.



3.5 Households with dependent children

Households with and without dependent children experience levels of housing affordability stress levels. Figure 3.4 presents the proportion of households experiencing housing affordability stress by sub-region and whether or not they have dependent children.

Figure 3.4: Housing affordability stress for households with and without dependent children



Source: Statistics New Zealand

Tauranga/Western Bay of Plenty households with dependent children had the highest proportion of stress households followed by Hamilton and Auckland. Table 3.9 presents the proportion of stress households by tenure and whether they have dependent children.

Table 3.9: Housing affordability stress for households with and without dependent children by tenure

	Has dependent child(ren)	No dependent children	Total
Owned with a mortgage			
Auckland	31.5%	32.4%	32.0%
Tauranga/WBOP	41.5%	28.7%	35.9%
New Zealand	24.7%	25.8%	25.3%
Not Owned			
Auckland	38.1%	42.5%	40.8%
Tauranga/WBOP	46.7%	38.3%	42.5%
New Zealand	37.9%	37.8%	37.9%

Source: Statistics New Zealand



Tauranga/Western Bay of Plenty not owned and owned with a mortgage households with dependent children has higher proportions of stressed households than Auckland and nationally. Table 3.10 presents the number of stressed and total households in Tauranga/Western Bay of Plenty by tenure and whether they have dependent children.

Table 3.10: Tauranga/Western Bay of Plenty households by tenure and whether they have dependent children

	Owned with a mortgage		Total owned		Not owned		Total households	
	Stress	Total	Stress	Total	Stress	Total	Stress	Total
Has dependent child(ren)	5,100	12,300	5,400	15,100	4,300	9,200	9,800	24,200
No dependent children	2,700	9,400	4,600	34,800	4,600	12,000	9,200	46,800
Total	7,800	21,700	10,000	49,900	9,000	21,200	19,000	71,100

Source: Statistics New Zealand

Approximately two thirds of the stressed owned with a mortgage households have dependent children compared to 48% of not owned households and 51% of all households. Table 3.11 presents the median gross household income by tenure and whether the households have dependent children.

Table 3.11: Tauranga/WBOP median gross household incomes by tenure and whether they have dependent children

	Owned with mortgage	Total Owned	Not owned	Total
Has dependent child(ren)	\$111,300	\$107,700	\$72,800	\$94,000
No dependent children	\$105,500	\$60,200	\$62,200	\$60,600
Total	\$110,300	\$76,000	\$67,600	\$74,100

Source: Statistics New Zealand

Households with dependent children had higher median household incomes. These households also had higher proportions of stressed households suggesting their housing costs are higher potentially due to demand for larger dwellings to allow space for the dependent children.



3.6 Crowding

Crowding⁸ is another symptom of unaffordable housing. As housing costs increase relative to incomes, households are faced with a number of alternatives. They can continue to pay increasing proportions of their income in housing costs, they can shift to lower cost locations either within the same housing market or relocate to other lower cost housing markets, or they can merge with other households to combine their incomes to cover the housing costs by decreasing the proportion of income paid by each on housing costs. This last strategy may reduce the number of affordably stressed households, however, may increase social stress within the enlarged households.

Table 3.12 presents the relative level of crowding by tenure and sub-region.

Table 3.12: The relative level of crowding by tenure and sub-region

	Number of households			As a % of total		
	Crowded	Neither crowded or with spare bdrm(s)	Spare bedroom	Crowded	Neither crowded or with spare bdrm(s)	Spare bedroom
Not owned						
Auckland	27,600	85,700	116,000	12%	37%	51%
Tauranga	1,500	6,000	13,700	7%	28%	65%
New Zealand	55,300	219,500	327,200	9%	36%	54%
Owned with mtge						
Auckland	6,500	31,000	146,700	4%	17%	80%
Tauranga	5	2,900	18,500	5	14%	86%
New Zealand	16,700	94,400	452,200	3%	17%	80%
Total						
Auckland	35,900	127,700	382,200	7%	23%	70%
Tauranga	2,200	10,900	57,900	3%	15%	82%
New Zealand	77,300	349,200	1,255,700	5%	21%	75%

Source: Statistics New Zealand

Tauranga/Western Bay of Plenty has lower levels of crowding than Auckland and the national average.

⁸ The Canadian National Occupancy Standard (CNOS) is used to determine whether a household is crowded. The CNOS was developed to determine the number of bedrooms a dwelling should have to provide freedom from crowding. The CNOS is based on the number, age, sex and interrelationships of household members. The CNOS states that no more than two people shall share a bedroom, parents or couples may share a bedroom, children under 5 years, either of the same sex or opposite sex may share a bedroom, children under 18 years of the same sex may share a bedroom, a child aged 5 to 17 years should not share a bedroom with a child under 5 of the opposite sex, and single adults 18 years and over and any unpaired children require a separate bedroom.



Table 3.13 presents the median household income for stressed and total households by tenure crowding status in Tauranga/Western Bay of Plenty.

Table 3.13: Median household income by tenure and crowding status

	Owned with a mortgage	Owned Other	Not owned	Total
MHI - Stress households				
Crowded	S	S	S	S
Neither crowded or with spare bdrm(s)	S	S	\$38,900	\$37,100
Spare bedroom(s)	\$71,500	\$18,100	\$46,800	\$56,800
Total all households	\$69,000	\$23,700	\$46,700	\$50,600
MHI - All households				
Crowded	S	S	\$94,000	\$94,000
Neither crowded or with spare bdrm(s)	\$151,500	\$29,100	\$53,600	\$58,200
Spare bedroom(s)	\$105,500	\$53,000	\$71,200	\$74,200
Total all households	\$110,300	\$51,200	\$67,600	\$74,100

Source: Statistics New Zealand

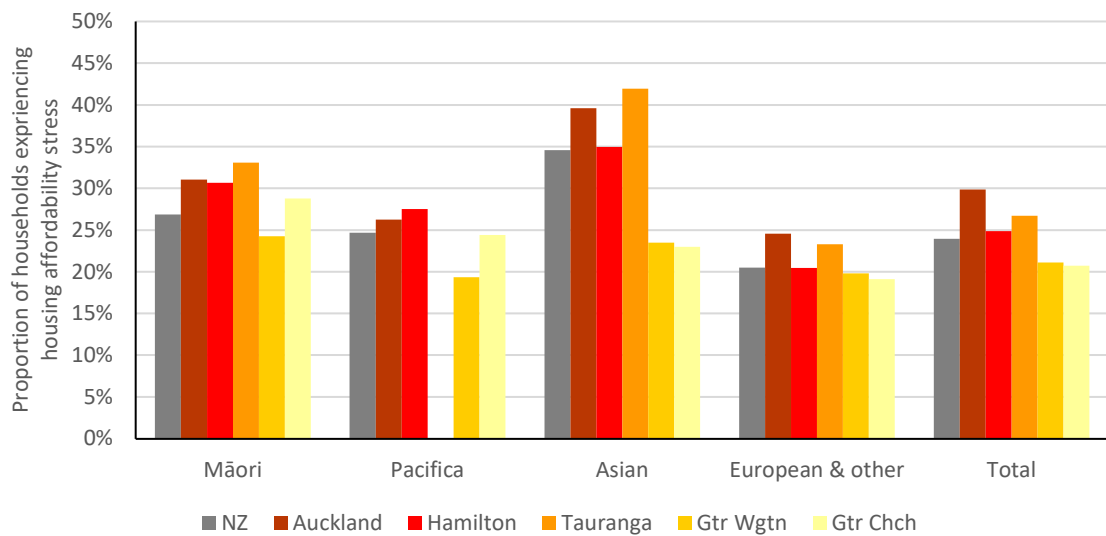
Crowded households median incomes was higher than those filled to capacity or with a spare bedroom(s).



3.7 Ethnicity

The perception is housing cost for some ethnic groups are significantly higher than others. Figure 3.5 presents the proportion of stressed households (all tenures combined) by ethnicity⁹ within the households.

Figure 3.5: The proportion of stressed households (all tenures combined) by ethnicity within the households.



Source: Statistics New Zealand

Tauranga/Western Bay of Plenty households identifying as Māori, Asian, or European ethnicities had higher proportions of stressed households than the national average. Table 3.14 presents the number of stressed and total households in Tauranga/Western Bay of Plenty by tenure and ethnicity.

Table 3.14: Number of stressed and total households by tenure and ethnicity

	Owned with a mortgage			Not owned			All households		
	Stressed hhlds	Total hhlds	Stressed %	Stressed hhlds	Total hhlds	Stressed %	Stressed hhlds	Total hhlds	Stressed %
Māori	1,400	4,700	30%	2,700	5,600	48%	4,300	13,000	33%
Pacifica	S	S	S	S	S	S	S	S	S
Asian	1,500	2,900	52%	S	3,000	S	2,600	6,200	42%
European & other	4,800	14,100	34%	5,100	12,000	43%	11,900	51,100	23%
Total	7,800	21,700	36%	9,000	21,200	42%	19,000	71,100	27%

Source: Statistics New Zealand

⁹ Ethnicity of the household is defined with an exclusive definition. For example if any member of the household identifies as Māori the household is classified as Māori, second for the reaming households if any member identifies as Pacifica the households is classified as Pacifica, for the remaining households if any member identifies as Asian the household is classified as Asian, the remaining households are classified as European and other.



Owned with a mortgage households identifying as Asian ethnicity had the highest proportion of stressed households when compared to other ethnicities. Not owned households identifying as Māori had the highest proportion of stressed households when compared to other ethnicities. Overall, households identifying as European account for 63% of stressed households and 72% of total household, Māori households accounted for 23% of stressed households and 18% of total households.

3.8 Government housing support in Tauranga/Western Bay of Plenty

The accommodation supplement is one of the Government’s key housing support benefits along with income related rents for social housing and temporary accommodation grants. Table 3.15 presents the total amount of benefits paid (excluding superannuation) to Tauranga/Western Bay of Plenty households in 2019.

Table 3.15: Government benefits paid to households living in Tauranga/Western Bay of Plenty

Benefit category paid in 2019	Total owner occupier		Not owned		Total households	
	\$(m)	% of total	\$(m)	% of total	\$(m)	% of total
Working for families	\$43.2	24%	\$45.3	22%	\$88.5	23%
Accommodation Supplement	\$21.7	12%	\$43.1	21%	\$64.8	17%
Core benefits	\$75.2	42%	\$79.5	39%	\$154.7	41%
Other benefits	\$40.3	22%	\$33.6	17%	\$74.0	19%
Total benefits (excluding superannuation)	\$180.4	100%	\$201.6	100%	\$382.0	100%

Source: Statistics New Zealand – HES 2019

The accommodation supplement accounted for 17% of all benefits paid in Tauranga/Western Bay of Plenty totalling \$64.8 million in 2019. Not owned households received 66.5% of all accommodation supplements paid. Table 3.16 presents the number of households receiving the accommodation supplement.

Table 3.16: Tauranga/Western Bay of Plenty households receiving the Accommodation Supplement

	Owner occupier households	Not owned	Total households
Households receiving AS	5,400	8,200	13,600
Total households	52,700	22,000	74,700
% receiving AS	10%	37%	18%

Source: Statistics New Zealand – HES 2019

Only 10% of owned occupied households receive the accommodation supplement, 37% or 8,200 not owned households receive the accommodation supplement.



Table 3.17 presents a breakdown of the payment of the accommodation supplement to households by tenure and gross household income (including the accommodation supplement).

Table 3.17: Accommodation supplement payments by tenure and household income

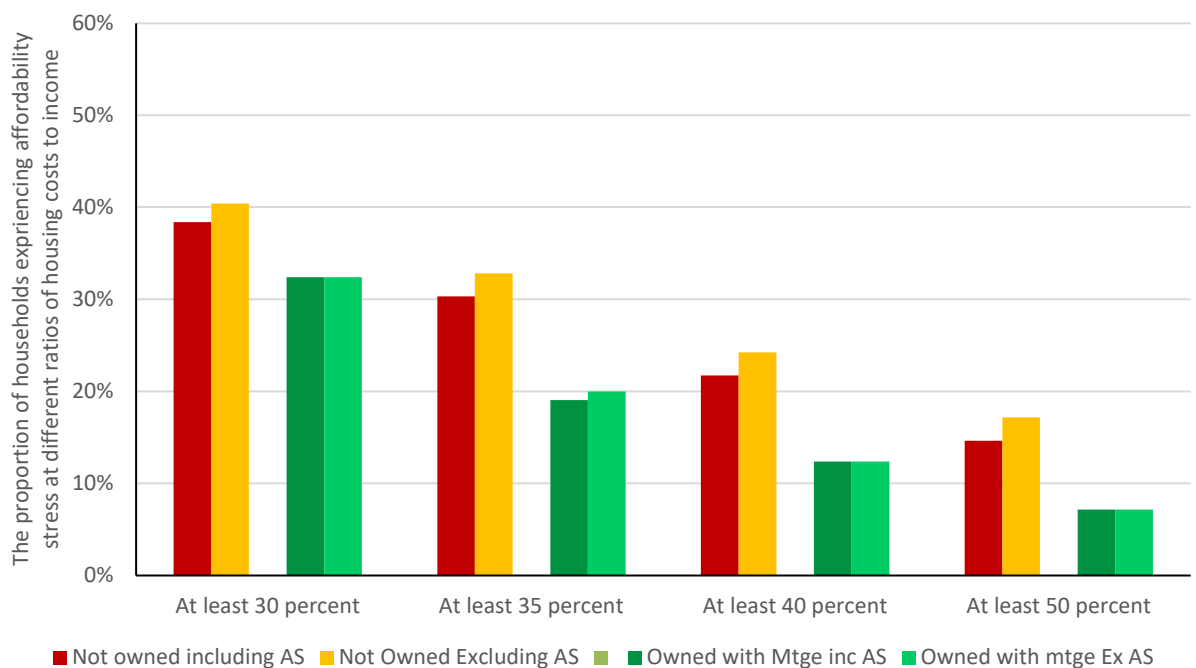
Household income (including AS)	Total owner occupier		Not owned		Total households	
	\$(m)	% of total	\$(m)	% of total	\$(m)	% of total
\$50,000 and under	\$9.5	44%	\$21.1	49%	\$30.7	47%
\$50,001 - \$70,000	\$2.2	10%	\$5.9	14%	\$8.1	13%
\$70,001 - \$100,000	\$5.5	25%	\$7.7	18%	\$13.2	20%
\$100,001 - \$150,000	\$2.5	12%	\$8.1	19%	\$10.7	16%
\$150,001 and over	\$1.9	9%	S	S	\$1.9	3%
Total	\$21.7	100%	\$43.1	100%	\$64.8	100%

Source: Statistics New Zealand – HES 2019

Approximately 60% of households receiving the accommodation supplement have household incomes less than \$70,000 per annum (63% of not owned and 54% of owner occupier households). Households earning less than \$70,000 per annum received 60% of the accommodation supplement.

Figure 3.6 presents the impact of the accommodation supplement on the proportion of stressed households by tenure.

Figure 3.6: The impact of the accommodation supplement on housing stress



Source: Statistics New Zealand – HES 2019



This analysis suggests the accommodation supplement has reduced the proportion of stressed not owned households by 2.0 to 2.5 percentage points at the different levels of housing stress while having no measurable impact (within the margins of error for the modelling) on the proportion of stressed owner occupier households.

Table 3.18 presents the impact of the accommodation supplement on the number of stressed households at different levels of income (as a % of sub-regional median household income).

Table 3.18: The impact of the accommodation supplement on number of stressed households by income

	Gross household income including AS			Gross household income excluding AS			Difference (AS's impact on the number of stressed hhlds)		
	30%+	40%+	50%+	30%+	40%+	50%+	30%+	40%+	50%+
below 80%	8,900	5,700	4,400	9,400	6,200	4,900	-500	-500	-500
80 to <100%	3,200	S	S	3,200	S	S	0	S	S
100 to 120%	1,800	S	S	1,800	S	S	0	S	S
120%+	2,800	S	S	2,600	S	S	200	S	S

Source: Statistics New Zealand – HES 2019

The accommodation supplement reduced the number of low income households in each of the household stress levels by 500. Tauranga/Western Bay of Plenty's median household income is \$74,000. Households earning less than the median received over 60% of all accommodation supplement. Approximately 40% of accommodation supplement payments went to households earning more than the median for limited impact on affordability outcomes.



Table 3.19 presents the additional supplement required¹⁰ to reduce housing costs so that the total payable equates to either 30%, 35% or 40% of gross household income.

Table 3.19 Additional supplement required (\$m per annum)

	Reducing housing costs to equivalent of 30% of gross household income	Reducing housing costs to equivalent of 35% of gross household income	Reducing housing costs to equivalent of 40% of gross household income
Not owned			
Less than median	\$57.4	\$40.8	\$34.0
More than median	\$4.7	\$4.5	\$
Total not owned	\$62.1	\$45.3	\$34.0
Total owner occupiers			
Less than median	\$35.4	\$24.8	\$19.4
More than median	\$14.9	\$2.4	\$
Total owner occupiers	\$50.3	\$27.1	\$19.4
Total all households			
Less than median	\$92.8	\$65.5	\$53.3
More than median	\$19.6	\$6.9	\$
Total	\$112.4	\$72.4	\$53.3

This analysis implies an additional \$72.4 million is required in supplement grants to reduce housing stress to no more than 35% of gross household income with 90% of the grant payable to households earning less than the median household income.

¹⁰ (Existing housing costs – additional supplement)/ gross household income including any accommodation supplement = wither 30%, 35% or 40% of gross household income



4. Material wellbeing and incomes: Housing as a critical component of decent lives

4.1 Introduction

The focus of this report is on the housing conditions extant in Tauranga and the Western Bay of Plenty. This section, however, places housing at the centre of the discussion and does so from a national perspective. It draws on data around income and non-income measures of well-being to highlight the importance of housing as a critical life platform¹¹ and was authored by Dr Kay Saville Smith of CRESA.

Kay Saville-Smith has undertaken this analysis as Director of the Centre for Research, Evaluation and Social Assessment Ltd (CRESA). In addition to that position, she is also the Chief Science Advisor for the Ministry of Housing and Urban Development (HUD). The analysis in this report is entirely independent from HUD and should not be taken to represent HUD's views, policies or ministerial advice on these issues. The opinions, findings, recommendations, and conclusions expressed in this report are those of the authors.

The importance of low-cost housing to stimulate or provide for a platform for people to reach their potential and optimise their life chances has been well demonstrated in New Zealand.¹² That research also shows how low-cost housing both in owner occupation and in the rental market has diminished significantly over the last three decades. New Zealand faces an under-supply of housing in the aggregate, but an even more problematic under-supply of affordable housing and housing affordable to essential and key workers.

This discussion focuses first on the issue of housing and living standards on material well-being. It finishes with a comment in inequality. Both discussions summarise and comment on analysis with a national focus.

4.2 Material wellbeing

It is well recognised that income is a significant component of material well-being and living standards. Here and internationally it has been recognised that well-being can be achieved even where incomes are low. In the New Zealand context, the classic example has been the past position of older people in mortgage-free owner occupation reliant on national superannuation. While the position of future older people is precarious because of New Zealand's tenure revolution, the living standards and life satisfaction of older people have been until recently marked by low incomes twinned with low living costs.

¹¹ The primary reports on these issues are: Perry, B., 2019, *Household incomes in New Zealand: Trends in indicators of inequality and hardship 1982 to 2018*, Wellington, MSD; Perry, B., 2019a, *The material wellbeing of New Zealand households: trends and relativities using non-income measures, with international comparisons*, Wellington, MSD; Grimes, A., and S. Hyland, nd. *The Material Wellbeing of New Zealand Households*, Wellington: Motu Economic and Public Policy Research Motu Note #21.

¹² The latest research dealing with those issues may be found in Saville-Smith, K. (ed), 2019, *Revitalising the Production of Affordable Housing for Productive, Engaged & Healthy Lives: Integrated Report*, Revitalising the Production of Affordable Housing for Productive, Engaged & Healthy Lives research Programme, Judgeford: Building Better Homes Towns and Cities National Science Challenge.

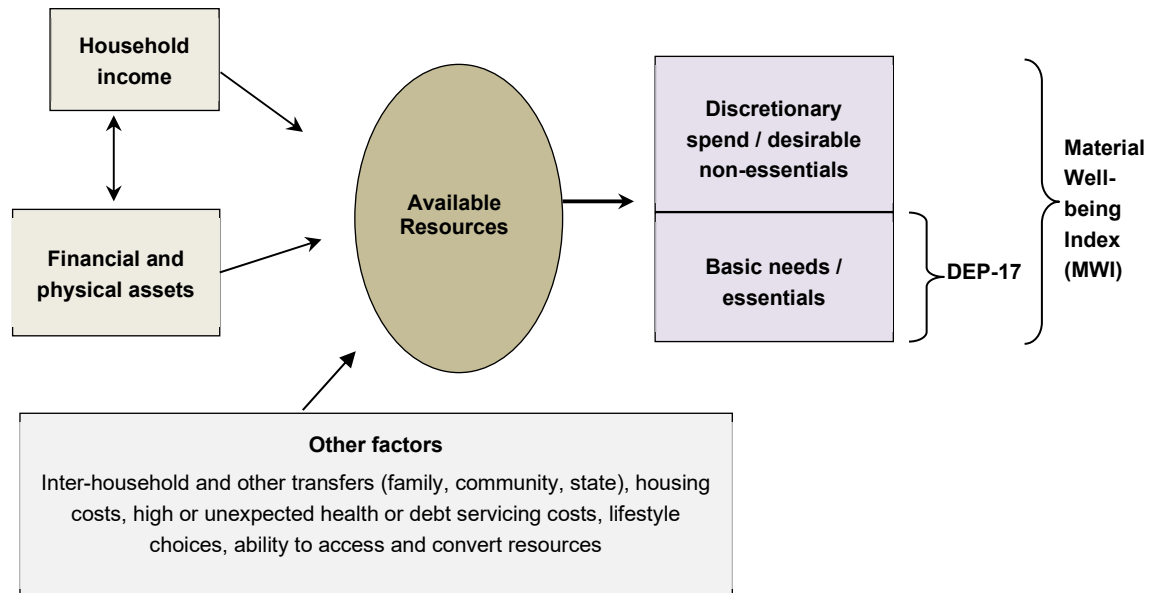


Seniors in New Zealand until recently have come from cohorts who were assisted into owner occupation in environments of comparatively low house prices. Through mortgage repayments over periods of twenty to thirty years, they effectively provided for their post-retirement living standards.¹³ Other households have been able to establish material well-being through what might be termed ‘import’ substitution or collective sharing of resources between extended family.

The latter has been most evident in the housing space with the power of parents and grandparents to underwrite or otherwise contribute to giving young people viable pathways to owner occupation.¹⁴ In the context of New Zealand’s heated house prices, the segments able to support younger generations into owner occupation have diminished, however. In addition, the ability, willingness, or capacity of households to ‘import’ substitute through such activities as food and cooking production have also reduced. This is in part a manifestation of skill loss but it is also associated with the increasing dependence on rental markets. Insecurity of tenure, degradation, and compaction of soils in the context of new builds, as well as resistance from landlords all mitigate against vegetable growing (which takes time and site modification and contributes to the development of food deserts and insecurity).

The Ministry of Social Development (MSD) and others have been actively framing material well-being to better understand poverty and well-being. Figure 4.1 is taken from MSD’s rendition of the relationship between income and other resources in generating material well-being.¹⁵

Figure 4.1: MSD conceptualisation of material well-being



¹³ Saville-Smith, K., 2019, *Housing, New Zealand’s Tenure Revolution, and Implications for Retirement: A Paper for the 2019 Review of Retirement Income Policies*, Auckland, Commission for Financial Capability.

¹⁴ Thorns, D., 1994, The role of housing inheritance in selected owner occupied societies (Britain, New Zealand, Canada), *Housing Studies*, 9(4):473-492.

¹⁵ Perry, B., 2019a, *The material wellbeing of New Zealand households: trends and relativities using non-income measures, with international comparisons*, Wellington, MSD:7.



Of particular importance in this framing of well-being is the idea of resilience provided by wealth. This is not simply any wealth. Housing wealth for many people including older people often assumed to be able to release housing equity, is, as New Zealand research shows, problematic to realise.¹⁶ Emphasis is placed on liquid wealth, cash assets that can be used to deal with 'shocks'. The minimum measure of resilience is whether a household has liquid assets that would allow them to pay for unexpected or essential bills of \$500 without borrowing within a month. MSD has differentiated households in quintiles for the 2017/18 Household Economic Survey (HES) and demonstrated very low levels of liquid wealth in lower quintiles.¹⁷

In the context of this discussion, what is most important is the impact of housing costs on both disposable incomes and material well-being. MSD has defined three measures to assist in understanding those dynamics. First, is BHC Income which is effectively household income prior to paying for housing. The inability to change housing costs, their significant impact on other forms of consumption, and differentials between household in relation to housing costs have together prompted the second measure. That is, the AHC Income which is the household income after housing costs are accounted for. This is a form of residual income measure. The final measure is the Material Well-being Index (MWI) which addresses patterns of consumption. Some of the items accounted for in the MWI are also included in New Zealand's deprivation index DEP-17. While those items have been adjusted over the years, they broadly encompass both actual consumption and restricted consumption (Table 4.1).

¹⁶ Saville-Smith, K., 2019, *Housing, New Zealand's Tenure Revolution, and Implications for Retirement: A Paper for the 2019 Review of Retirement Income Policies*, Auckland, Commission for Financial Capability.

¹⁷ Perry, B., 2019a, *The material wellbeing of New Zealand households: trends and relativities using non-income measures, with international comparisons*, Wellington, MSD:8.



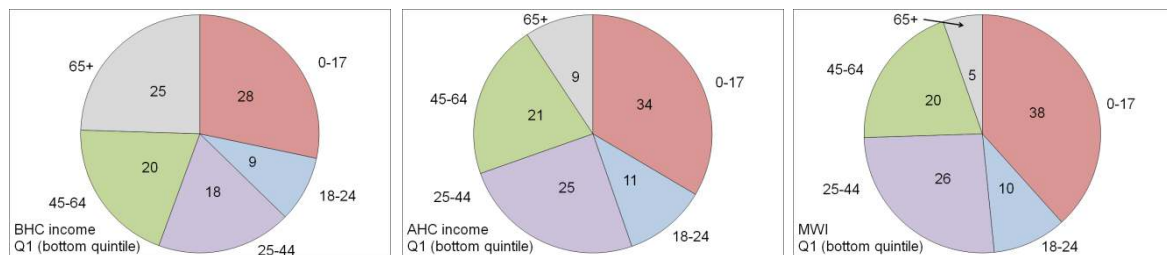
Table 4.1: Items included in New Zealand’s material well-being index

Ownership or participation
Two pairs of shoes in a good condition and suitable for daily activities
Suitable clothes for important or special occasions
Contents insurance
A meal with meat, fish or chicken (or vegetarian equivalent) at least each 2nd day
A good bed
Presents for family/friends on special occasions
Holiday away from home at least once every year
Overseas holiday at least once every three years
Gone without or cut back on fresh fruit and vegetables
Buy cheaper cuts of meat or bought less meat than you would like
Continued wearing worn out clothes
Put up with feeling cold
Do without or cut back on trips to the shops or other local places
Delay replacing or repairing broken or damaged appliances
Spent less on hobbies or other special interests than you would like
Postponed visits to the doctor
Postponed visits to the dentist
Access to car or van for personal use
Access to both a computer and internet connection at home
Have a get together with friends or extended family for a drink or meal at least once a month
Housing problems
Dampness or mould
Heating or keeping it warm in winter
Freedoms/Restrictions
When buying, or thinking about buying, clothes or shoes for yourself, how much do you usually feel limited by the money available?
\$300 spot purchase for an 'extra', not a necessity – how limited do you feel about buying it?
\$500 unexpected unavoidable expense on an essential – can you pay in a month without borrowing?
Delay replacing or repairing broken or worn out furniture
Financial strain (in last 12 months) (not at all, once, more than once)
Behind on rates or utilities
Behind on car registration, wof or insurance
Behind on rent or mortgage
Borrowed from family or friends to meet everyday living costs
Received help in the form of food, clothes or money from a welfare or community organisation such as a church or bank
\$1500 unexpected unavoidable expense on an essential – can you pay in a month without borrowing?
About how much money, on average, do you have each week for spending on things for yourself without consulting anyone else? (under \$10, 10-25, 26-50, >50)
Global self-ratings
Adequacy of income to cover basics of accommodation, food, clothing, etc
Satisfaction with life



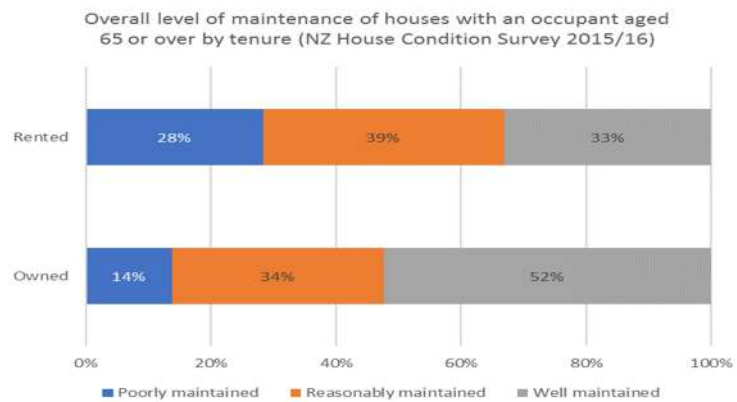
Perry’s analysis of these measures by age group demonstrates the profound impact of housing costs on each of these measures for people in the lowest income quintile (Figure 4.2). The representation of seniors in the lowest income quintile is high at a quarter of low-income quintile households before housing costs. However, while there are between 5-9 percent with very low MWI and low incomes after housing costs are deducted, seniors’ representation in those low quintiles has shrunk significantly. This is almost entirely due to mortgage-free home ownership.

Figure 4.2: Measures of income before and after housing costs and material well-being by age



This should not be taken as a commentary on targeting. It is critical that neither housing providers, funders nor policy advisers fall into statistical fallacy. The conditions of the 5-9 percent of older people who are in the AHC lowest income quintile and the lowest MWI quintile are extremely problematic for those households, for their communities and for the flow-on or spill-over effects for other systems, particularly the health system. Seniors in rental housing are exposed to very poor housing conditions compared to owner occupiers (Figure 4.3).

Figure 4.3 Maintenance of housing with a senior occupant



Seniors in New Zealand until recently have come from cohorts who were assisted into owner occupation in environments of comparatively low house prices. Through mortgage repayments over periods of twenty to thirty years, they effectively provided for their post-retirement living standards.¹⁸ Other households have been able to establish material well-being through what might be termed ‘import’ substitution or collective sharing of resources between extended family.

¹⁸ Saville-Smith, K., 2019, *Housing, New Zealand’s Tenure Revolution, and Implications for Retirement: A Paper for the 2019 Review of Retirement Income Policies*, Auckland, Commission for Financial Capability.



4.3 Inequality and housing costs

The issue of inequality in New Zealand has attracted considerable debate over the extent to which inequalities have increased and, if so, the rate of that increase. MSD has undertaken considerable work on this and to some extent the pattern and shift of inequality remains subject to interpretation. In particular, change in inequality is reasonably sensitive to the handling of population income data and the dispersion of the population. Percentile ratios tend to be used to manage those effects. Perry typifies the two percentile ratios that are perhaps most useful as follows:

“ The P90:P10 ratio provides a good indication of the full spread of the distribution, going as far as possible to the extremes without running the risk of being overly influenced by unrepresentative very high incomes or by the difficulties with bottom decile incomes. The P80:P20 ratio gives a reasonable indication of the degree of dispersion for the range within which the majority (60%) of the population fall and has less volatility than the P90/P10 ratio.”

Figure 4.4 Physical and mental health of seniors by owner occupation and rent

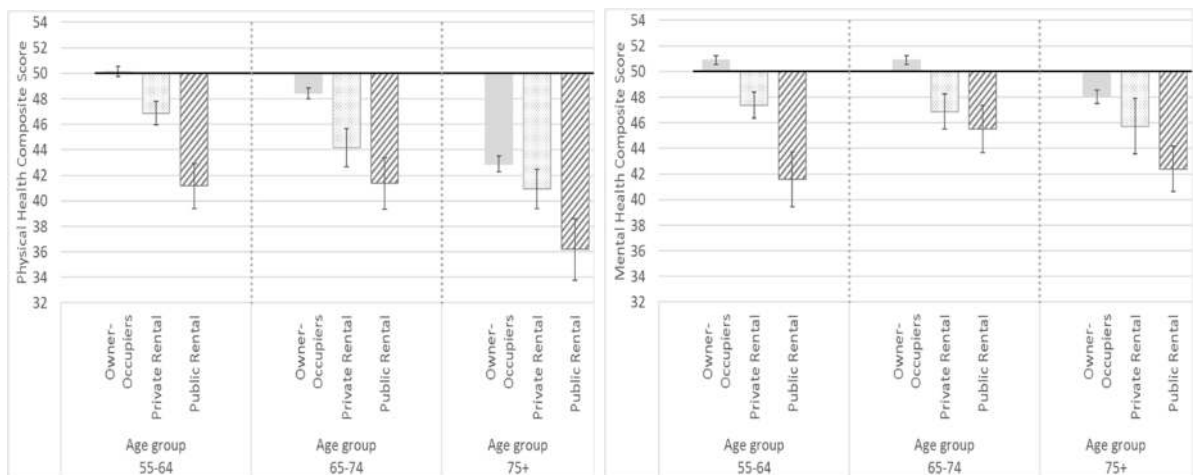
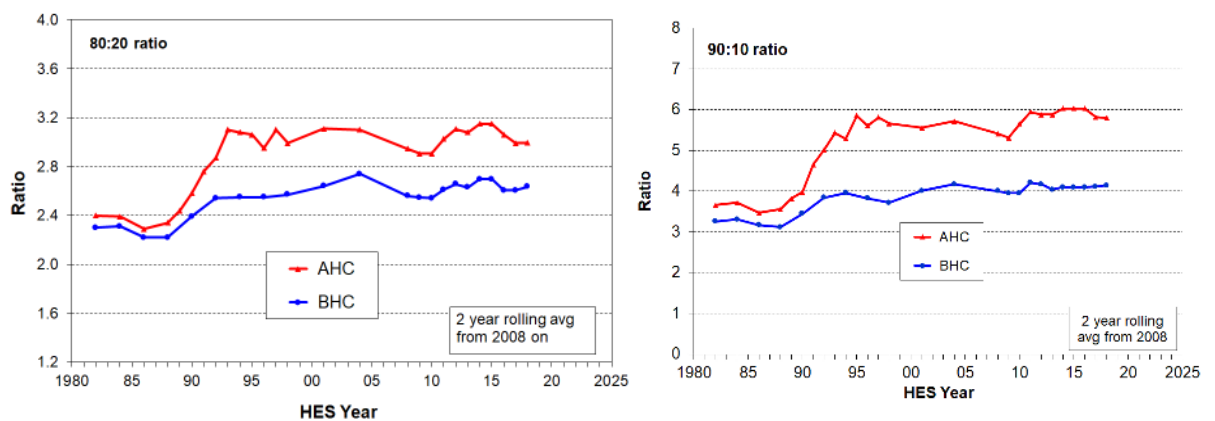




Figure 4.5 shows the P80:P20 for 1982 to 2018 and the P90:P10 ratio for the same period. Both graphs have a similar interpretation. In both there is a slow climb in inequality before housing costs are taken into account. Rising inequality is much more apparent after incomes have housing costs deducted. For the less dispersed range in which 60 percent of the population falls the extent of the inequality in after housing cost incomes is more modified than when the population as a whole (excluding very low and very high incomes) is taken into account. In P80:P20 there are distinct fluctuations for AHC but in P90:P10 those fluctuations are marked by a distinct upward trend.

Figure 4.5 Income inequality associated with housing costs



4.4 Summary

As a range of research and experience has shown here and overseas, building more houses without cognisance of the unmet needs of low- and modest- income households means that those households are unable to actualise their housing demand on current housing markets. The data related to housing affordability stress and crowding from the Household Economic Survey 2019 shows the pattern of unmet or latent, unrealised housing demand. The inability to actualise housing demand and exposure to excess housing costs manifests in and drives inequality in New Zealand. It also suppresses the material well-being and living standards of New Zealand households.



5. The impact of rising housing costs on older low income renters

5.1 Introduction

More people in mid-life and older are renting in New Zealand. This is a significant change, affecting not only the country as a whole, but also the Western Bay of Plenty sub-region (WBOP). This report is divided into two sections. Section 1 presents data showing the rising numbers and proportions of older renters in the sub-region. Section 2 presents data from in-depth interviews with 26 older renters living in the sub-region, about their renting experiences.

This section of the report was authored by Dr Bev James – Public Policy Research

5.2 Key findings

Both data sources reveal that the older population is likely to be a source of significant demand for affordable rental properties now and in the future. However, seniors will need housing that meets their needs as they age. Currently the rental market responds poorly to the growing market of older renters. It is very difficult for older people to find a rental that is suitable for their needs; much existing housing potentially poses health and safety risks, which mitigate against ageing in place. Furthermore, much of the rental stock is unaffordable for seniors on limited incomes. The age 65 is the critical comparator used in this report because this is the age that people are eligible to receive national superannuation, and many retire from work. As a consequence, their available income is reduced, which has implications for the amount they are able to spend on rent (Perry, 2017). However, it is acknowledged that more people are reaching 65 years and continuing to work.¹⁹

In summary, the challenges that seniors encounter in the rental market in the sub-region are:

- A dearth of affordable rental housing.
- Cold and damp housing.
- Housing in poor repair.
- Housing lacking accessible and age-friendly features.
- A risk of homelessness.

¹⁹ One fifth of New Zealanders aged 65 or more are employed. <http://superseniors.msd.govt.nz/finance-planning/paid-work/changing-working-lives.html>



5.3 Rising numbers and proportions of older renters

This section is based on analysis undertaken by Dr. Natalie Jackson on changes in homeownership, renting and residence in a home owned by a family trust based on the New Zealand Census of Population and Dwellings, for the Western Bay of Plenty sub-region (WBOP), by birth cohort, for the period 1986-2013. This is a customised database combining data about Western Bay of Plenty District and Tauranga City Council.²⁰ The birth cohort data are presented in 5-year age groups (from 0-4 years to 80-84 years). The earliest birth cohort is 1912-1916, and the youngest cohort is born 2007-2013.²¹

The data show rising numbers and proportions of older renters over the period 1986-2013. In summary:

- There are diminishing levels of homeownership, and rising levels of renting and family trusts (after 2006), for almost all birth cohorts.
- The reduction in homeownership levels is greater for each successively younger cohort.
- The decline in homeownership appears greater for most WBOP cohorts compared to their national level counterparts.
- Homeownership for WBOP cohorts falls from a higher peak than nationally, to lower levels than nationally.
- Homeownership in WBOP is not just falling faster, but by a much greater margin than nationally, so it is a bigger 'shock' for WBOP.
- The shift away from homeownership was led by the older cohorts, and has been occurring earlier in the life-cycle for each successively younger cohort.
- The cohorts born 1977-81 and 1982-86, at 30-34 and 25-29 years respectively in 2011, are still increasing their levels of renting, contrasting them with their older predecessors when at the same age.
- All WBOP cohorts have somewhat higher levels of living in a home owned by a Family Trust than nationally.
- Prospectively, the 2013 data indicate that:
 - WBOP cohorts that will turn 65 years of age by 2021 and 2026 (born 1952-56 and 1957-61) will have homeownership levels below 50 per cent.
 - Younger WBOP cohorts born 1962-66 and 1967-71, turning 65 years of age by 2031 and 2036 already have homeownership levels below 50 per cent, with levels trending downwards, but at a decelerating rate.
 - For cohorts born 1957-61 and 1962-66, turning 65 years of age by 2026 and 2031, renting levels are above 20 and 27 per cent respectively and trending upwards, suggesting future levels of above 30 per cent.
 - Renting levels are already above 30 per cent for the cohort born 1967-71, turning 65 years by 2036, suggesting future levels around 40 per cent.

²⁰ This work was funded through the Ageing Well National Science Challenge, Life When Renting research programme. A report based on this work was prepared for the Population Ageing Technical Advisory Group (Jackson and James, 2016).

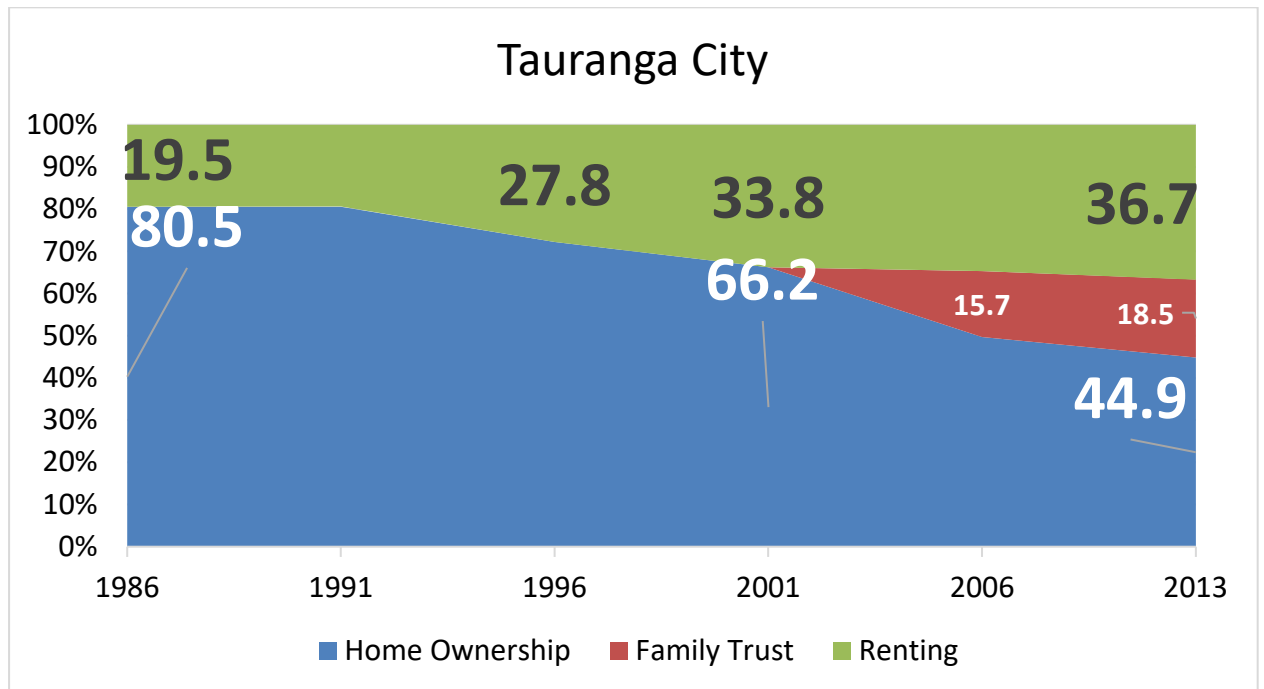
²¹ Note the last is a 7-year age group, due to the delay of the 2011 census until 2013.



5.3.1 Declining homeownership and increased renting

Figure 5.1 shows the overall decline in homeownership and increase in renting for the total Tauranga City population over the period 1986-2013. It also shows an increase in people living in homes in family trust ownership. Family trust data has only been available since 2006.

Figure 5.1: Decline in homeownership and increase in renting: Tauranga City



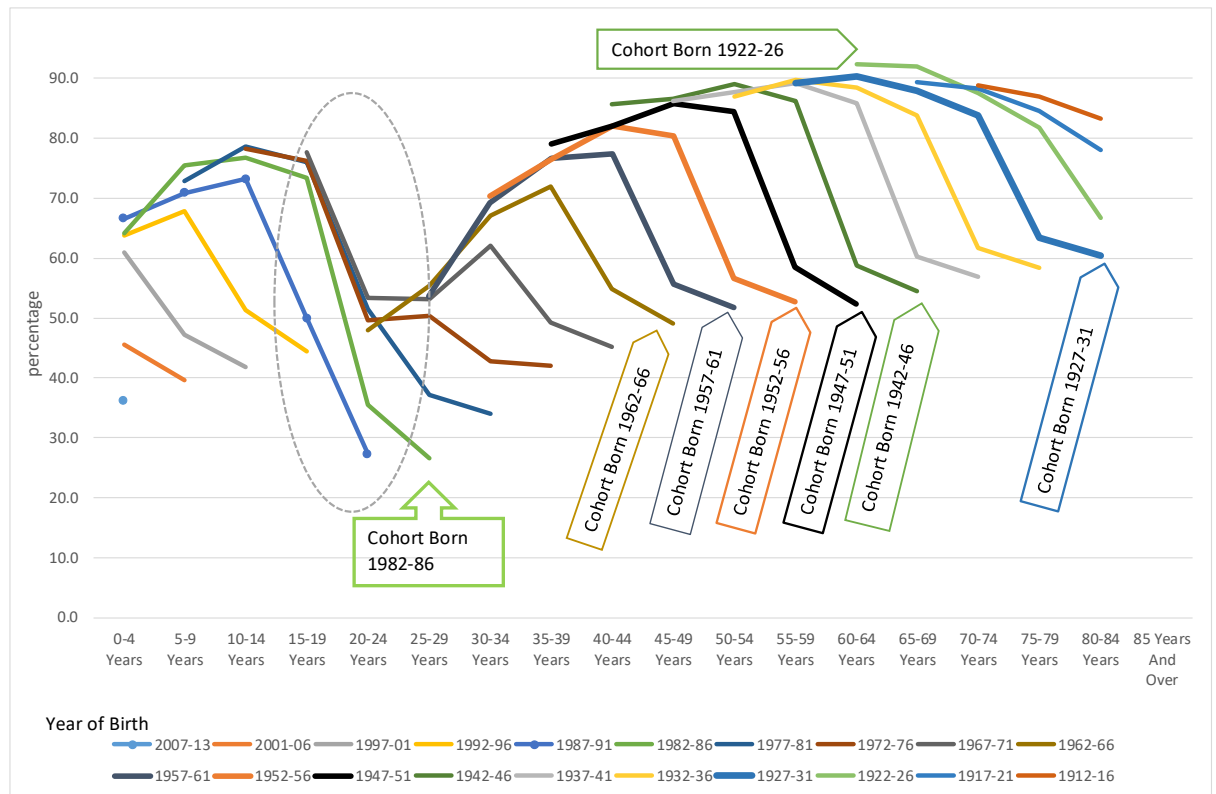
Source: N. Jackson, Statistics New Zealand customized census database housing tenure 1986-2013.

Cohort analysis helps us to see the future, because it enables understanding of the past, present and future trajectories of owner-occupation among younger age groups within the population. Figure 5.2 clearly shows younger cohorts are not entering into owner-occupation at the same rate that cohorts did in the past, at the same ages. This means that higher proportions of the population will age in rentals and demand for rentals will increase.



The decline in levels of homeownership is happening for all birth cohorts, and is happening at younger ages in the life cycle (Figure 5.2).

Figure 5.2: Homeownership* by birth cohort (all cohorts born since 1912), Western Bay of Plenty sub-region



*From 2006 (inclusive), those living in a Family Trust home are treated as a separate category

Source: N. Jackson, Statistics New Zealand customized census database housing tenure 1986-2013.

The cohort born 1922-26 experienced the highest peak home ownership levels of all (92.4 per cent) in 1986 when aged 60-64 years. In comparison, those in the middle of the baby boom (born 1952-56), who have reached age 65 or are about to, peaked at homeownership at 82.1 per cent, at ages 40-44 years.

Figure 5.2 is based on analysis of homeownership trends data from the 1986-2013 censuses, showing those living in a home owned or partly owned by a usual occupant. It considers homeownership trajectories for all age cohorts, from those born 1912-16 to those born 2007-13, and shows three broad trends:

- **A dip in living in an owned home in early adulthood, followed by a rise in homeownership.** This has been the assumed, typical pattern of housing trajectory in New Zealand. New households are formed as young people leave the parental home, usually starting as renters, and then eventually forming new families and setting up a new home in an owner-occupied dwelling. That pattern has changed, especially since the 1990s. Fewer people now and in the future are expected to enter homeownership. It also appears that a trend is emerging for people to achieve, then leave homeownership.



- Figure 5.2 shows the typical trajectory for those young cohorts moving out of the (owned) parental home to set up their own home, usually a rental (see cohort born 1982-86, with a homeownership rate of 26.6 per cent in 2013). During family formation years, from 20s-40s, households can expect to enter homeownership. This is shown by the upward trend of lines. For example, those in the middle of the baby boom (born 1952-56), peaked at homeownership at 82.1 per cent, at ages 40-44 years.
- **Falling owner-occupation in later life.** The cohort born 1922-26 experienced the highest peak homeownership levels of all (92.4 per cent) in 1986 when aged 60-64 years. By 2013 their homeownership rate was 66.7 per cent. That cohort's decline in owner-occupation reflects movement into dwellings owned by family trusts (that data has been collected since the 2006 census), into the housing of family members, which may be rented, or into their own rental dwellings. In future, as people age as renters the previous falling tail of owner-occupation evident in earlier cohorts is likely to be less pronounced for the older population, because they are already in the rental market.
- **Fewer people achieving homeownership across the lifecycle, and lower homeownership levels for younger age cohorts, when compared with older cohorts.** This trend is seen in the overall fall in homeownership rates for all cohorts, as well as younger cohorts not reaching as high a level of homeownership as older cohorts. For example, the latter trend is seen when comparing the 1922-26 cohort's peak homeownership level of 92.4 per cent, with the peak of the oldest baby boomer cohort, born 1942-46, at 89.0 per cent homeownership, and the homeownership peak of 72.0 per cent for the youngest baby boomer cohort born 1962-66. (See also Table 5.1). Cohorts born after 1952 are unlikely to have a late flush of owner-occupation, and their future is likely to be in the rental market. Jackson's estimates are that cohorts born 1952-56 and 1957-61 will have homeownership levels below 50 per cent by 2026. Cohorts born 1962-66 and 1967-71 already have homeownership levels below 50 per cent and those levels are trending down.

Table 5.1 below compares the drop in homeownership in the sub-region with total New Zealand. This shows that the decline has been greater for most sub-region birth cohorts than for their national counterparts, and has fallen from a higher peak.



Table 5.1: Selected Indicators of Homeownership* by birth cohort for cohorts born before 1971, Western Bay of Plenty sub-region and Total New Zealand

Cohort born	Western Bay of Plenty			Total New Zealand			% point difference	
	Peak %	Age	End % 2013	Peak %	Age	End % 2013	At peak	at 2013
1967-71	77.0%	15-19	45.1%	74.0%	15-19	51.7%	3.7%	-6.6%
1962-66	72.0%	35-39	49.0%	68.0%	35-39	54.7%	4.0%	-5.7%
1957-61	77.4%	40-44	51.8%	73.9%	40-44	57.3%	3.5%	-5.5%
1952-56	82.1%	40-45	52.7%	79.0%	40-45	59.1%	3.1%	-6.4%
1947-51	85.9%	45-49	52.3%	83.2%	45-49	59.5%	2.7%	-7.2%
1942-46	89.0%	50-54	54.5%	85.1%	50-54	60.0%	3.9%	-5.5%
1937-41	89.2%	55-59	56.9%	86.2%	55-59	59.7%	3.0%	-2.8%
1932-36	89.8%	55-59	58.4%	87.2%	55-59	60.1%	2.6%	-1.7%
1927-31	90.3%	60-64	60.4%	87.7%	60-64	61.8%	2.6%	-1.4%
1922-26	92.4%	60-64	66.7%	87.3%	60-64	66.3%	5.1%	0.4%
1917-21	89.3%	65-69	78.1%	86.6%	65-69	79.7%	2.7%	-1.6%
1912-16	88.8%	70-74	83.2%	85.2%	70-74	80.1%	3.6%	3.1%

Note For the 1947-51 cohort, the peak home ownership rate was 85.9% in the WBOP, compared to 83.2% for total New Zealand. For the same cohort in 2013, home ownership had fallen below the national percentage of 59.5%, to 52.3%. This was 7.2 percentage points lower than the national rate. This drop is shown in the last column as the negative value -7.2%.

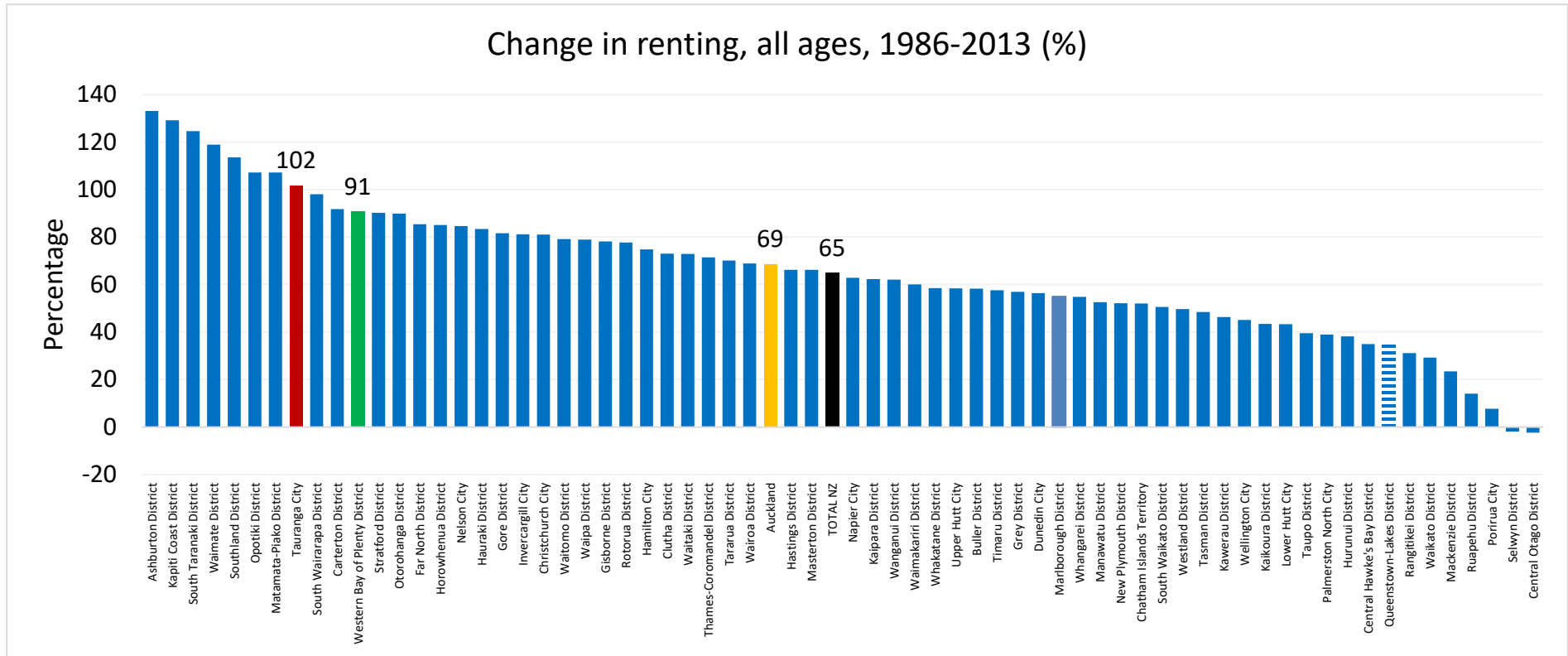
5.3.2 The sub-region sees greater renting increases

Jackson’s analysis shows that Tauranga City and Western Bay of Plenty District have experienced greater increases in renting for all ages over the period 1986-2013, compared to most other territorial authorities. Figure 5.3 shows comparisons between Tauranga (102 percent increase in renting), Western Bay of Plenty (91 percent), Auckland (69 percent), and total New Zealand (65 percent).

Figure 5.4 shows that increases in renting for those 65 and older are even more pronounced. In Western Bay of Plenty District, the increase over the period 1986-2013 was 113 percent, while in Tauranga City it was 110 percent. In comparison, Auckland saw an increase of 57 percent, and New Zealand an increase of 44 percent.



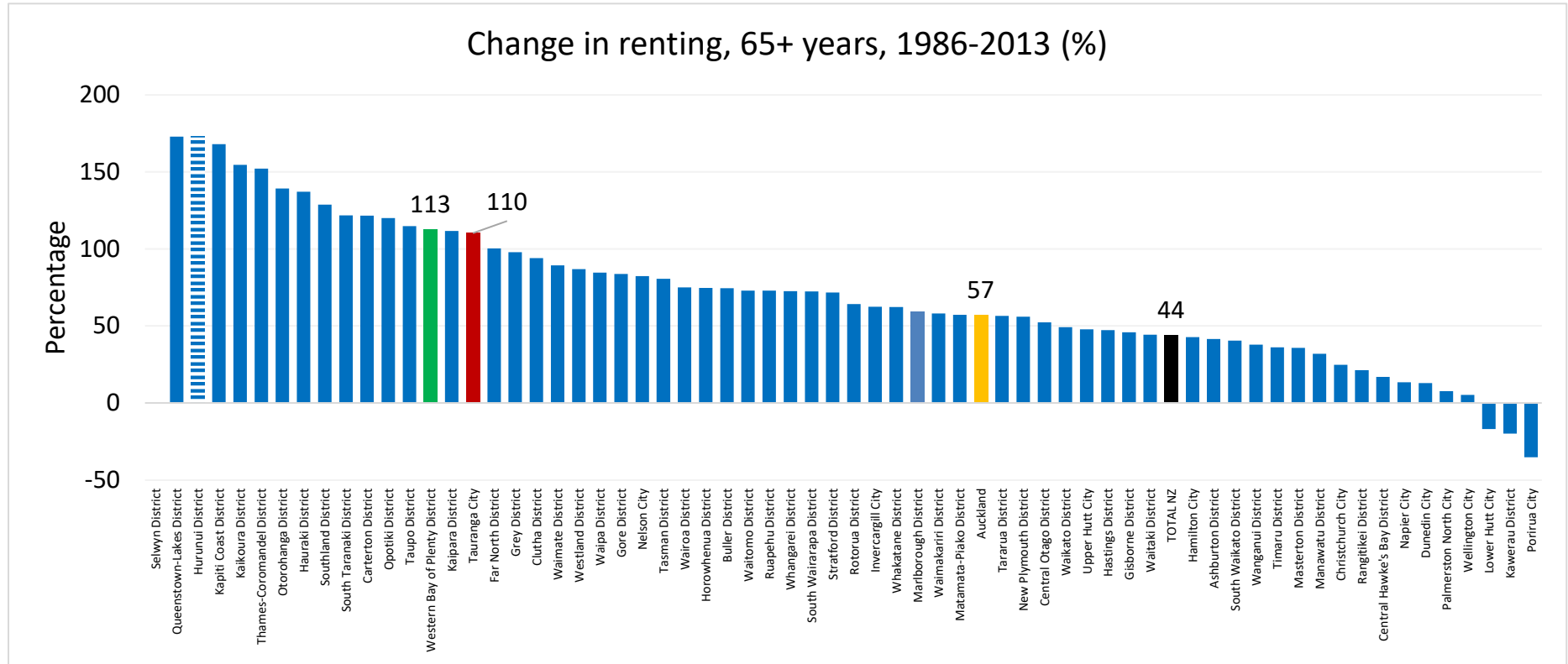
Figure 5.3: Increases in renting, all ages, territorial authorities



Source: N. Jackson, Statistics New Zealand customized census database housing tenure 1986-2013.



Figure 4: Increases in renting, 65+ years, territorial authorities



Source: N. Jackson, Statistics New Zealand customized census database housing tenure 1986-2013.



5.3.3 Renting among older age groups

Table 5.2 provides a 2013 snapshot of the older renter populations in Tauranga City and Western Bay of Plenty District, showing renting is evident across all older age groups. The so-called pre-retirement age groups (55-59, and 60-64) show higher proportions renting, and those proportions are expected to be maintained as those groups age. This is because it is highly unlikely that they will enter homeownership before retirement. The two oldest age groups (80-84, and 85+) also show higher proportions of renting. This suggests homeownership loss at some time over their adult life, since those seniors, born in 1931 and earlier, had peak homeownership rates of around 90 percent in the sub-region (see Table 5.1 above).

Table 5.2: Proportion renting by age group, council area and NZ (2013)

Age	Tauranga City	Western Bay of Plenty District	Total New Zealand
55-59	23.0%	18.2%	21.4%
60-64	19.4%	16.0%	19.2%
65-69	16.2%	13.6%	17.8%
70-74	15.6%	11.6%	17.9%
75-79	16.1%	16.3%	19.2%
80-84	18.5%	17.9%	20.6%
85 and over	21.4%	24.2%	21.8%

Source: 2013 Census

5.3.4 Older tenant profile

The 2013 census provides data on older tenants and the landlord sector in which they live. In the sub-region, the overall number of renters aged 65 and over was 2,820. The majority (60.5 percent) were aged 65-74 years.

More than three-quarters of older tenants (78.5 percent) with a stated sector of landlord, lived in private rental accommodation.²² A higher proportion of older tenants in Western Bay of Plenty District (86.2 percent) lived in private rentals, compared to Tauranga City (76.2 percent). These are higher proportions than for New Zealand as a whole. Nationally, just under two-thirds of older renters lived in private rental accommodation in 2013.

In the sub-region, 9.8 percent of older tenants with a stated sector of landlord lived in council accommodation. Over three-quarters of those lived in Tauranga City. In addition, 10 percent of older tenants with a stated sector of landlord lived in HNZ dwellings (now Kāinga Ora); almost all those tenants resided in Tauranga City. This reflects the small supply of HNZ stock in Western Bay of Plenty District.

²² The census does not differentiate tenants living in community housing provider or other not-for-profit housing provider stock. They are included in the private landlord category.



Council housing has the oldest tenant profile. A majority of those aged 65 years and older living in council accommodation (56.3 percent) in 2013 were aged 75 and over. In the private rental sector, 37 percent of tenants aged 65 years and over were in the 75 years and over age group. Among HNZ tenants aged 65 and over, 38 percent were in the 75 years and over age group.

5.4 Experiences of older renters in WBOP

5.4.1 Introduction

This section is based on qualitative data from two sources:

- Interviews with 26 tenants aged 55 years and over in WBOP sub-region, during 2017-18. Interviews lasted between 1-2 hours and covered a range of topics about housing and tenure.
- Interviews with 12 organizations working with older people. These include information advice and advocacy organizations, as well as housing providers.

5.4.2 Key findings

The key issues that older renters face are:

- Unaffordable rents. Difficulties paying rent prompted moving to cheaper accommodation. Rent stress is indicated by the 11 participants receiving the Accommodation Supplement. In addition, three had an income-related rent.
- Insecure tenure. New Zealand's lightly regulated rental tenure contributes to tenure insecurity of older tenants. The large majority of participants had moved at least once in the five years prior to their interview. Participants found they have to move through necessity, not choice. The two main reasons for moving are: the tenancy is terminated by the landlord (standard 90 day or 42 day notice), and the rent is unaffordable.
- Homelessness risk is associated with insecure tenure and unaffordable rentals.
- There is a lack of supply of suitable homes for an ageing population, particularly homes that are in good repair. Over one-third of participants reported unmet repairs and maintenance. Less than half reported that they were warm enough in winter and just under half reported problems with cold and dampness.
- There is a lack of housing for people who need accessible features and/or modifications installed to maintain their independence. Lack of accessible design and safety issues were identified by participants. Over one-quarter identified specific modifications that they needed to make their home safer and more accessible. The most commonly identified modification needed was a grab rail or handrail. Few had approached their landlord or property manager to request a modification to be installed.
- This study indicates a growing demand for rental accommodation suitable for older people who are moving to the sub-region.



5.4.3 Profile of participants

A total of 26 in-depth interviews were conducted with 16 women and 10 men. The large majority of participants were not lifelong renters. Instead 22 reported that they had owned a home in the past. Table 5.3 shows the age range of participants. Over three-quarters were aged 70 years or older.

Table 5.3: Age of participants

Age	Number of participants
60-64	3
65-69	3
70-74	10
75-79	3
80-84	3
85-89	4
Total	26

Just over half of participants identified as NZ European, while one-third identified as Māori. The remainder identified with an 'other' ethnic group (English or other European) (Table 5.4).

Table 5.4: Ethnicity

Ethnic group	Number of participants
NZ European	14
Māori	9
Other ethnicity	3
Total	26

Most participants lived alone, although five lived with others. Three of those lived with a partner, and two with an adult child or children (Table 5.6).

Table 5.6: Household composition

Household composition	Number of participants
Live alone	21
Live with partner	3
Live with family	2
Total	26



Given the ages of participants, it is not surprising that almost three-quarters were retired (Table 5.7). However, six were employed, either full-time or part-time. Two of those ran their own businesses. One person under 65 years received a government benefit.

Table 5.7: Employment status

Employment status	Number of participants
Retired	19
Full time paid work	2
Part-time paid work	4
Government benefit	1
Total	26

The annual household income was relatively low, as expected given the number of retired participants, and those living alone. Over two-thirds of those reporting an income have a household income below \$30,000 (Table 5.8).

Table 5.8: Household income

Annual household income	Number of participants
Under \$20,000	2
\$20,001 to \$30,000	13
\$30,001 to \$40,000	4
\$40,001 to \$50,000	1
\$50,001 to \$70,000	1
\$70,001 to \$100,000	1
Missing	4
Total	26

Participants lived in housing provided by private landlords, council, HNZ (now Kāinga Ora), and not-for-profit community housing providers (Table 5.9).

Table 5.9: Landlord sector

Landlord	Number of participants
Private landlord	10
Council	8
Community housing provider	5
HNZ	3
Total	26



5.4.4 Unaffordable rents

Almost two-thirds (16) participants lived in council or HNZ housing, or accommodation provided by a not-for-profit housing provider. Given the nature of those landlords, tenants would be expected to pay a rent more affordable than market rent. Excluding the three living in HNZ accommodation (receiving an income-related rent), 11 participants reported that they receive an Accommodation Supplement (AS). They included four people renting from a private landlord, five renting from a council and two renting from a community housing provider. Their receipt of the AS indicated their rent was unaffordable. The AS only assists with rental costs; it does not cover the full unaffordable costs. Furthermore, 17 people reported receiving additional government income support such as a disability allowance or temporary additional income support, which indicates financial stress.

Seven participants reported difficulty with paying their rent. In addition, 14 reported difficulty with some other living costs (Table 5.10).

Table 5.10: Difficulty with rent and other living costs

Difficulty with costs of ...	Number of participants reporting difficulty
Rent	7
Power	2
Food	2
transport	3
Medical/doctor/pharmacy	5
Unexpected bills	4

It was common for participants to talk about ‘managing’ their rent and other living costs, as these comments show:

- It is just manageable, not much left at the end. Before we were paying \$380 but the landlord wanted to increase it to \$430. We don't like paying it, but that's the way it is.
- The rent includes power, it's a cheap rent. Manageable. I don't know how it's going to be when I'm just on super. I'm paying my car off and managing good at the moment.
- What I'm paying is manageable, I can go to WINZ, I have done that in the past for help.
- It's all part of the fine line. I use the heat pump and it's manageable. Things are just manageable. I go to the Māori doctors locally which is all free and I save up for anything I need.

Organisations interviewed as part of this study noted that they routinely received enquiries from seniors, both owner-occupiers and tenants, who were unable to make ends meet. They confirmed that one of the most common problems facing older tenants was unaffordable rents. The upfront costs of renting such as bond, rent in advance and moving fees were also a financial burden for older tenants. One organisation has observed rising debt among seniors, which places additional pressure on household budgets.



Other organisations commented that those seeking rental housing are more diverse compared to the past, when almost all older tenants would have been life-long renters. Now, they work with older tenants who have formerly owned homes, but through divorce or financial crisis have lost their housing asset and are now in financial stress. Many of those in financial stress appear to live alone, or do not have family willing or able to help.

5.4.5 Tenure insecurity

Participants' experiences of tenure insecurity were explored through questions about their residential movement over the five years prior to their interview. Moving was a common experience, with 85 percent of participants moving at least once within the previous five years (Table 5.11). Forty percent had moved within the previous two years.

Table 5.11: Number of moves in the previous five years

Number of moves	Number of participants
0	4
1	12
2	9
3	0
4	1
Total	26

The two main reasons participants had moved over the previous five years were:

- The tenancy was no longer available due to the landlord terminating the tenancy. This was not the fault of the tenant, but due to landlord choice.
- The rent was unaffordable.

Often those reasons were intertwined. Organisations confirmed that these reasons were the most common housing problems among the older tenants they deal with. It was common for the tenancy to be terminated because the landlord wanted to sell the property:

- The house was being sold. The landlord wanted a quick sale so I didn't have a choice to stay ... I couldn't find anything cheaper I didn't have much choice – you virtually take what you can get, so many people looking. I tried the council, but there's a big waiting list.
- I went in under one landlord and it got sold. I was told it was a long-term rental then it got sold again and I had to leave.



Moreover, a rental increase can result in the older tenant having to leave because they can no longer afford to pay the rent:

- Financially I was not able to keep living there so I had to move to somewhere cheaper.
- This was the only immediate choice. It was an opportunity. I couldn't afford anywhere else, I didn't have any money.

The experiences of one person who had moved several times in the previous five years showed how tenure is insecure through no-cause tenancy termination and unaffordable rents, as well as poor house condition:

"The landlord put it on the market - I'd barely moved in. He really did it to get vacancy so he could increase the rent ... [then] I moved to [the next place] because the rent was cheaper but it was very cold - I can't do another winter here I thought, so had to move ... then I went boarding for a while ... then I moved here."

Moving has negative financial, social, and psychological impacts, increasing stress as well as disrupting social networks and access to services such as the GP. Participants talked about the difficulties they face when they must find another property, a move especially challenging for those who become renters after age 55. They found looking for a tenancy a daunting entry into the unfamiliar world of searching and applying for a rental online. While many older people are comfortable with digital technology, others do not have access to the internet; nor do they have the required digital skills. In those circumstances they rely on others, such as friends and family to conduct rental property searches for them. Added to those barriers, participants have encountered property managers with low awareness of the growing number of seniors seeking rentals, and their specific housing needs, such as housing located close to services, a flat section, and a warm home in good repair. Two people recounted their search:

"I was getting stressed out with the time it took. Places I was shown, they were dumps. They weren't showing me what I wanted. The agent was not interested in what I wanted, he didn't ask what type of property I was after. One property, there were 40-50 people waiting on the street and it was small. I couldn't fit my lounge suite in."

"The property manager who showed me the place never listened and she was quite snarky when I wouldn't take the place - it was because I wasn't prepared to pay for a taxi to visit the doctors. And there was no easy access with the door, if there was a fire that could be dangerous. Poor design. They definitely designed them without talking to people."

5.4.6 Homelessness

Tenure insecurity can result in homelessness. The definition of homelessness used in this research is based on the Statistics New Zealand definition, which includes temporary housing, temporarily sharing accommodation, living in uninhabitable dwellings, and being without shelter (see appendix 1 for this definition). Homelessness among older people is growing in New Zealand, although it is often hidden, for example individuals sharing accommodation temporarily with others, or living in improvised dwellings such as sheds, garages or sleepouts may not be visible, or simply because they have some sort of shelter they are not considered to be homeless.



Six of the 26 participants had experienced homelessness within the five years before their interview. This included living in a garage, caravan, bus, or car, sharing accommodation temporarily with others, and living in a building not consented for residential occupation.

Organisations reported that they were aware of older people in homeless situations and expected this to become a bigger problem. The types of situations they encountered included seniors:

- Moving in with family members due to financial hardship. Often this started as a mutual arrangement, but broke down, leaving the older person with nowhere to live.
- After a 90-day notice terminates, the senior is unable to find anything affordable to rent and becomes homeless.
- Living in campgrounds.
- Living in cars.
- Living in garages.
- Rough sleeping, or living on the street.
- In emergency and transitional housing.
- Searching for boarding accommodation or a flatting situation because they cannot find any affordable one- or two-bedroom housing.

5.4.7 House condition

Good house condition is important for older people's health and wellbeing, because homes in poor repair can affect the building's ability to retain heat, and watertightness. Moreover, lack of repairs and maintenance can result in safety hazards. Cold and damp housing is strongly associated with respiratory and cardiovascular conditions. Older people are more likely than younger age groups to be affected by the poor condition of their homes. Fifteen participants reported they had one or more long-term health conditions or mobility impairment, many of which could be made worse by poor house condition. Those included heart conditions, diabetes, respiratory conditions (including asthma and COPD), arthritis, difficulties walking, complications arising from stroke, visual impairment, and deafness.

Less than half (11) reported that they were warm enough in winter, and 12 reported dampness in their homes, especially in bedrooms and living areas. Comments not only described problems with cold and damp, but also indicated landlord reluctance to rectify problems:

"The bedroom gets black mould. I've asked for double glazed windows [landlord] said it was too costly. Mould gets on back of curtains. [landlord] gave me a security screen so I could open the window - but I had to get it installed. But I don't want to complain too much, I'm thankful I'm living here."

"I have put up 3M window treatment to stop water pooling on the windowsills. I told my landlord but she did nothing."

"This place is exposed to the south. I get condensation unless I run the heat pump flat out. [the landlord's] view is that old people don't open their windows and that's what the problem is. Some don't open their



windows because they want to be warm. Others are worried about security here. I've thought about installing security catches and I will when I get a bit of money."

One-third of participants (9) reported that they had worries that the condition of their home could affect their health or safety, and over one-third (10) reported unmet repairs or maintenance, including leaks, mould, appliances not working, faulty lighting and worn out or damaged fittings. These comments showed concerns about dampness as well as un-addressed repairs and maintenance:

"I get one litre [of water] a day from the dehumidifier. I have to have a dehumidifier, it's essential for ease of breathing as I am on oxygen."

"Carpets are disgusting – I never noticed when I went in because you're under pressure, you're not going through it with a fine-tooth comb. No maintenance has been done over the years. Outside lights need fixing. Guttering needs clearing out. Dishwasher doesn't work."

"The porch, water is coming in. The shower needs renewing, it's mouldy. Really old. But I haven't said anything, I don't want to bombard [the landlord]."

Information and advocacy organisations commented that they routinely receive complaints about unmet repairs and maintenance from older tenants. They reported a range of unsafe and suitable housing conditions endured by their clients. One organisation had a case of a tenant waiting for several months for the dwelling to be upgraded. In the meantime, the tenant was living with no shower or basin, and had to wash in the kitchen sink. Another organisation noted common problems seen in older tenants' homes included leaking gutters, lack of door handles, no smoke alarms, mould in the bathroom and kitchen, blocked pipes, and lack of working taps. Organisations also observed trip and fall hazards in rental properties, including poorly maintained paths and steps with no handrails.

5.4.8 Home modifications and accessibility

Participants pointed out shortcomings in dwelling design and accessibility. Managing with a shower over the bath, or a shub²³ was especially difficult. One participant commented that the tenants in the units in which she lives have asked the landlord to replace the shubs, only to be told that it is 'uneconomic' for them to be replaced. Other participants talked about their experiences of poor accessibility:

"The kitchen is tired. The board in the kitchen joinery is turning to weetbix. Functionality is low, the cupboards are too high. The stove is difficult to clean. It needs repairs because of under maintenance. Some redesign is needed to allow people to move around."

"I could do with a wet shower. I have a shower stool and it's almost impossible to fit into the shower. I need extra storage and more power points."

²³ A shub is a built-in shower over a small bathtub, generally used where there is insufficient space for a full-sized bath and separate shower. Shubs can be a hazard as they are difficult for those with impaired mobility to get in and out of.



Participants were asked whether there were any accessibility features in their homes. Seventeen reported an accessibility feature, with a grab or handrail being the most common (Table 5.12). In addition, nine people reported an accessible feature outside of their home, with a level entry being the most common. Almost all reported that those accessible features were present before they moved to the dwelling, i.e. they were not installed to assist them. Only one person reported that a modification had been installed especially for them, a grabrail in the bathroom. One person had installed a small entrance ramp for themselves, without informing the landlord.

Table 5.12: Home modifications

Indoor modification	Number of participants (n=17)
Grab or handrail	13
Widened door or hallway	4
Easy to open doors or windows	3
Lowered switch or power point	1
Wet area shower	5
Easy to access toilet	3
Lever door handles	4
Lever taps	3
Lowered bath	1
External modification	Number of participants (n=9)
Level entry or ramp	6
Easy to access passenger drop-off or pick up area	3
Widened external doorway	1
Handrail at steps or doorway	3
Lever door handle	1
Easy to access garage or carport	2

Seven people said that they needed some sort of modification to help their mobility, such as a wet area shower, level entry, lowered cupboards, lever taps and grab or handrails. Two had asked their landlords for wet area showers to be installed. The others had not asked their landlord for a modification. Comments included:

"[The landlord] is not prepared to replace the shub with an accessible shower. I haven't raised the issue of steps to the front and back door."

"I would like accessible cupboards and to have level entry ... I know that it's not going to happen for me but I hope that they will take notice of these things in the future for others."



"I wouldn't ask [landlord] to do these because I don't need them yet and if I did I'd probably go to a rest home. I might need a wheelchair eventually, but you'd never get a wheelchair into the bathroom through the door here."

Those who had not talked to their landlord about modifications gave various reasons for not doing so. Some did not want to complain, while others noted that tenants' past requests for modifications had not been addressed. Cost and type of modification requested were factors. For example, participants noted that a wet area shower or modification of the toilet would be impossible to install in their dwelling because of limited space. Consequently, they regarded a request as pointless. Others did not suggest a modification because they did not want to put their tenancy in jeopardy by appearing frail or unable to cope.

5.4.9 Movement to the sub-region

As noted above, the large majority of participants had moved at least once in the five years prior to their interview. As well as moving within the WBOP sub-region, they had moved from Auckland, Rotorua, elsewhere in the Bay of Plenty, Coromandel, Hamilton, rural Waikato, Palmerston North, and Australia. The most common reason for moving into the sub-region was for family reasons, including a return home, or a move to live closer to family members. One person in their early 60s had moved to the sub-region for a job. Organizations confirmed that they field enquiries about rental housing from outside the sub-region. One information and advocacy organisation commented that they regularly receive calls from seniors wanting to move to Tauranga, or from their family or behalf of their elder. The two councils reported that they receive enquiries from seniors living outside of the sub-region wanting to move into council accommodation.

5.5 References

Jackson N. and James, B. (2016) *Ownership, Renting and Residence in a Home Owned by a Family Trust for the Western Bay of Plenty and Total New Zealand, by birth cohort for the period 1986-2013*. Report prepared for Population Ageing Technical Advisory Group and SmartGrowth.

Perry, B. (2017) *Household Incomes in New Zealand: Trends in indicators of inequality and hardship 1982 to 2016*, Wellington, New Zealand: Ministry of Social Development.



Appendix 1: Statistics New Zealand Definition of Homelessness

Homelessness is a living situation where people with no other options to acquire safe and secure housing are: without shelter, in temporary accommodation, sharing accommodation with a household, or living in uninhabitable housing i.e.:

Without shelter: living situations that provide no shelter, or makeshift shelter, e.g., living on the street, and inhabiting improvised dwellings.

Temporary accommodation: overnight, or 24-hour accommodation in a non-private dwelling, and accommodation not intended to be lived in long-term e.g., transitional accommodation for the homeless, motor camps, boarding houses.

Sharing accommodation: temporary accommodation through sharing someone else's private dwelling. The usual residents of the dwelling are not considered homeless.

Uninhabitable housing: dilapidated dwellings in an advanced state of deterioration and with inadequate or absent utility services.