



The Determinants of Tenure and Location Choices of 20–40 year old Households in the Auckland Region

PREPARED BY

Beacon Pathway Ltd

FOR THE

**Centre for Housing Research,
Aotearoa New Zealand**

NOVEMBER 2010



ACKNOWLEDGEMENTS

This report was produced for the Centre for Housing Research, Aotearoa New Zealand (CHRANZ), and co-funded by the Ministry for the Environment and the Ministry of Economic Development with funding from the Ministry of Research, Science and Technology's Cross-Departmental Research Pool. The CHRANZ Board gratefully acknowledges the financial and other support provided by Housing New Zealand Corporation.

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**Beacon Pathway Ltd
Prepared for the
Centre for Housing Research Aotearoa New Zealand**

August 2010

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Acknowledgements

We would like to thank the participants in this research for their time and generosity in sharing their experiences with us. We appreciate the feedback provided by many individuals on the draft report.

Research team

- HMA & census comparison data and analyses – Darroch
- Recent Mover Survey – CRESA
- Focus Groups and Workshops – Public Policy & Research and Beacon Pathway.

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Executive Summary

This research is concerned with the patterns and dynamics of housing consumption among Auckland's¹ households and people aged between 20-40 years. That population stretches from those who were born at the tail end of the baby boom through to those who have just left their teens. They are, consequently, a diverse population. However, these younger people and younger households, as we refer to them in this report, have, despite their diversity, four common characteristics. They are most likely to live in the Auckland region. They are also more likely to be raising children. They are going to make up the productive population over the next forty years and will support New Zealand's ageing society. Finally, they are less likely than the generation before them to enter home ownership.

This research has been directed to establishing the pattern of housing consumption among those younger households and exploring the housing demand dynamics that determine those housing consumption patterns. In particular, it examines the way in which housing demand, aspirations and need are articulated in the context of Auckland's housing stock, its neighbourhoods, housing provision and housing price structures. On that basis of that data, the report also considers:

- The likely pattern of housing demand in Auckland in the future.
- Opportunities to meet Auckland's younger households' need for stable, affordable and functional housing that allows them to meet their responsibilities and contribute to Auckland productivity, growth and quality of life.

This research on the locational and tenure choices among these younger households in the Auckland region has been prompted by: significant problems in Auckland of affordability, high house prices, and the emergence of an intermediate housing market in the Auckland region, combined with a trend to lower overall rates of home ownership in younger age cohorts and pressures on the rental market. There are also pressures on Auckland's urban limits, its city infrastructure and services, and an ongoing debate over the relative merits of low density or intensified settlement patterns.

Establishing the patterns of housing consumption, their dynamics and outcomes has involved four primary research methods. Those are: a Housing Market Area analysis (HMA) using Census data; a survey of younger recent mover households in Auckland; focus groups with people aged 20-40 years; and workshops with stakeholders to explore supply-side perceptions and responses to 20-40 year old householders' housing demand and needs.

That methodology recognises that housing consumption patterns are an outcome of housing demand. However, housing demand is not merely a reflection of taste or housing preferences. Instead housing demand consists of three elements. Those are not only the desire or aspiration to consume some form of housing, but *also* a willingness to pay for that housing *and* an ability to pay for that housing.

Because housing demand involves the ability to pay, gaps can arise between housing demand, housing aspiration, and housing need. Sometimes householders are unable to pay for housing because of affordability problems. Sometimes householders are unable to get the housing they want because it is not supplied by the market.

¹ Auckland and Auckland region are used to refer in a common sense way to the broad urban conurbation that is generally made up of those territorial authorities relating to the Auckland Region in the census. For further explanation see Section 1.2.2.

This research has found that while the housing stock in Auckland constitutes the largest single concentration of contiguous housing stock in New Zealand, it is undersupplied with housing particularly in the rental market. It is estimated that an additional 56,000 rental properties will be required over the next decade. However, there is little evidence of a supply-side response in the rental market. In addition, in both owner occupied and rental stock a longstanding under supply of stock in the lower priced segments of the housing market can be expected to continue. Moreover, there is evidence of problems with the condition and thermal performance of Auckland's housing stock including leaky building syndrome.

The housing consumption patterns of Auckland's younger households have been marked by:

- Declining entry to owner occupation. Between 2001 and 2006 the proportion of younger households that were owner occupiers fell from 31 percent to 29.4 percent. Over that period home ownership rates for younger households fell in 11 out of the 14 HMAs.
- Growth of the intermediate housing market. The number of younger households in the intermediate housing market significantly increased from 24,908 in 2001 to 51,866 in 2006.
- Concentration of rental tenure among younger households. The number of younger renter households increased in all HMAs over the 2001 to 2006 period, with the exception of Auckland City North East.
- Housing consumption on the rental market is most concentrated among lower income younger households; and Asian, Maori and Pacific younger households still have lower rates of owner occupation than European households.
- Concentration of children in younger households and children's likely future of growing up in rental housing: 50.5 percent of Manukau City's children and 51.4 percent of Papakura District's children are in rental accommodation. HMAs with less than half the younger households with children in owner occupation are: Auckland CBD; Auckland City South East; and Manukau City North West.
- A shift in dwelling type occupied by younger households with evidence of increasing take-up of multi-units. Between 2001 and 2006, the number of multi-unit dwellings occupied by younger households increased by 20.7 percent.

Those housing consumption patterns raise issues in relation to the dynamics of housing demand and the extent to which younger householders are able to meet their housing needs. The data suggest that these changes in housing consumption patterns among younger households do not reflect a significant cultural shift in preference or taste.

Younger householders want dwellings that are located in places to which they are attached; can accommodate their needs for adequate space, privacy and warmth; are well connected; in safe neighbourhoods; and are available at a price they can afford. They prefer detached dwellings. They prefer home ownership to the rental market, largely because the rental market does not provide them with the amenity and security that they see as necessary to their households' wellbeing. However, most younger households see those housing preferences as unobtainable.

When they move younger householders attempt to improve their housing conditions. But not all residential movement is prompted by such a desire. In the rental market in particular there is a substantial proportion (17.6 percent) of younger recent mover households that are forced to move because their dwelling is not longer available to them. Moreover, while younger householders attempt to make incremental improvements in their housing situation when they move, those improvements can be elusive. Moving house can simply represent a churn around the same market segment or housing class.

When younger householders move in Auckland they are likely to search for dwellings and move to dwellings near to their current dwelling. Lower resourced households, particularly limit movement distances. Location is an important driver of demand and is tied to familiarity, access to schools and connection to existing social and familial networks.

Employment is not, however, strongly associated with housing change: in part because employment change does not necessarily involve significant changes in employment location; and, in part, because household members often have different employment locations. Consequently, employment related changes for one household member is not likely to prompt a residential movement for the household as a whole. Under those circumstances, connectivity becomes important and, particularly, choice of transport mode.

For younger households moving dwellings specifically to improve their housing situation the critical prompts continue to be: desire for owner occupation; a desire to increase dwelling size; and a desire to exit multi-unit dwellings and acquire a detached dwelling. Reducing housing costs is a driver of housing demand among a smaller proportion of households.

Housing consumption patterns likely to continue in Auckland's future are:

- Increasing reliance on the rental market.
- Increased consumption of semi-detached and multi-units.
- Churns within the rental market and owner occupation market respectively, and little movement from rental to home ownership.
- Growth in housing demand is most likely to be in Waitakere, North Shore and Manukau.
- Increasing numbers and proportions of Auckland's children living in rental housing.
- Demand for owner occupation in the following HMAs – Auckland CBD, Auckland City South East, Manukau City North West, and Auckland City South West.
- On-going trade-off between housing performance and price in both the home ownership and rental sectors.

Those housing consumption patterns have implications for both households and city form. It can be expected that there will be:

- Pressure on spatial form and the costs of infrastructure.
- Need for better provision of amenities and services in appropriate places.
- Pressure on those younger households that are least resilient and least resourced to manage their housing needs.
- Pressure on neighbourhoods that are close to major transport corridors and enhance households' ability to choose between alternative transport modes.
- Negative health and productivity impacts associated with inadequate house performance.
- Costs (for households and for Auckland) associated with living in low density, non mixed use suburbs.
- Attenuated and costly city infrastructure.

The problems experienced by younger households in Auckland reflect persistent and prevalent failures in the housing market's ability to meet the needs of its residents. Under supply, unaffordable housing prices for rental and owner occupation, insecurity of rental tenure, and problems in house performance are prevalent. Those problems have been exacerbated by: the leaky building syndrome; the inadequacies around the operation of corporate bodies; the poor design of multi-unit dwellings; and poorly designed and implemented intensification. It is in that context that younger households currently struggle to find housing that allows them to balance the myriad needs of their households.

That struggle is likely to continue unless significant changes are made. In that regard, four key priorities emerge from this research. They are:

1. Establishing a resilient urban structure that:
 - maximises connectivity with work, services and amenities and allows households to maintain the functionality of their dwellings in the context of changing needs; and
 - provides for price and typology diverse developments and redevelopments across the city.
2. Transformation of the rental market to an effective service industry delivering adequately performing stock with diversity in rental prices, locations, and dwelling types, as well as security of occupation. This is a national issue and requires:
 - Review of current incentives to landlords.
 - Evaluation of the performance of the Accommodation Supplement and associated resources.
 - A better understanding of the range of landlords and property investors and their stock provision.
 - A better understanding of renters and their households.

It could be expected that at the very least a transformational strategy would involve:

- Linking landlord incentives and rental assistance to acceptably performing stock, stock diversification, and tenure security.
 - Supporting diversification and expansion of rental housing providers.
 - Ensuring the widespread and effective take up of retrofit among landlords including the rate of Government assistance to landlords directed to improving housing stock performance.
3. Retrofitting the existing housing stock for increased energy efficiency, water efficiency and thermal performance. The household, citywide and national benefits of this are already demonstrated.² To date programmes to encourage retrofit have tended to be directed at householders. This has led to sporadic take-up. A city-wide or placed-based approach to those programmes promises savings through economies of scale but also recognises that housing is a key part of city infrastructure.
 4. Expansion of the housing stock in areas well served by city systems to meet the needs of low and moderate income younger households. This involves four developments:
 - Improved design and delivery of multi-unit housing and medium-density developments. This must involve:
 - addressing issues around unit title and the establishment and operation of corporate bodies;
 - the design and construction of multi-units; and
 - design of medium density and higher density development to optimise the amenity and safety associated with both public and private space.
 - Supporting new housing providers to establish in the Auckland region who deliver additional rental stock, new home ownership products directed to high affordability across the range of under-supplied households.
 - Streamlined planning and development processes.
 - Progressive approach to cross-city integration and connectivity that allows for housing developments and re-development.

² Stroombergen, Brown, Grimmond, Mills, and Sankar, 2007.

1 Introduction

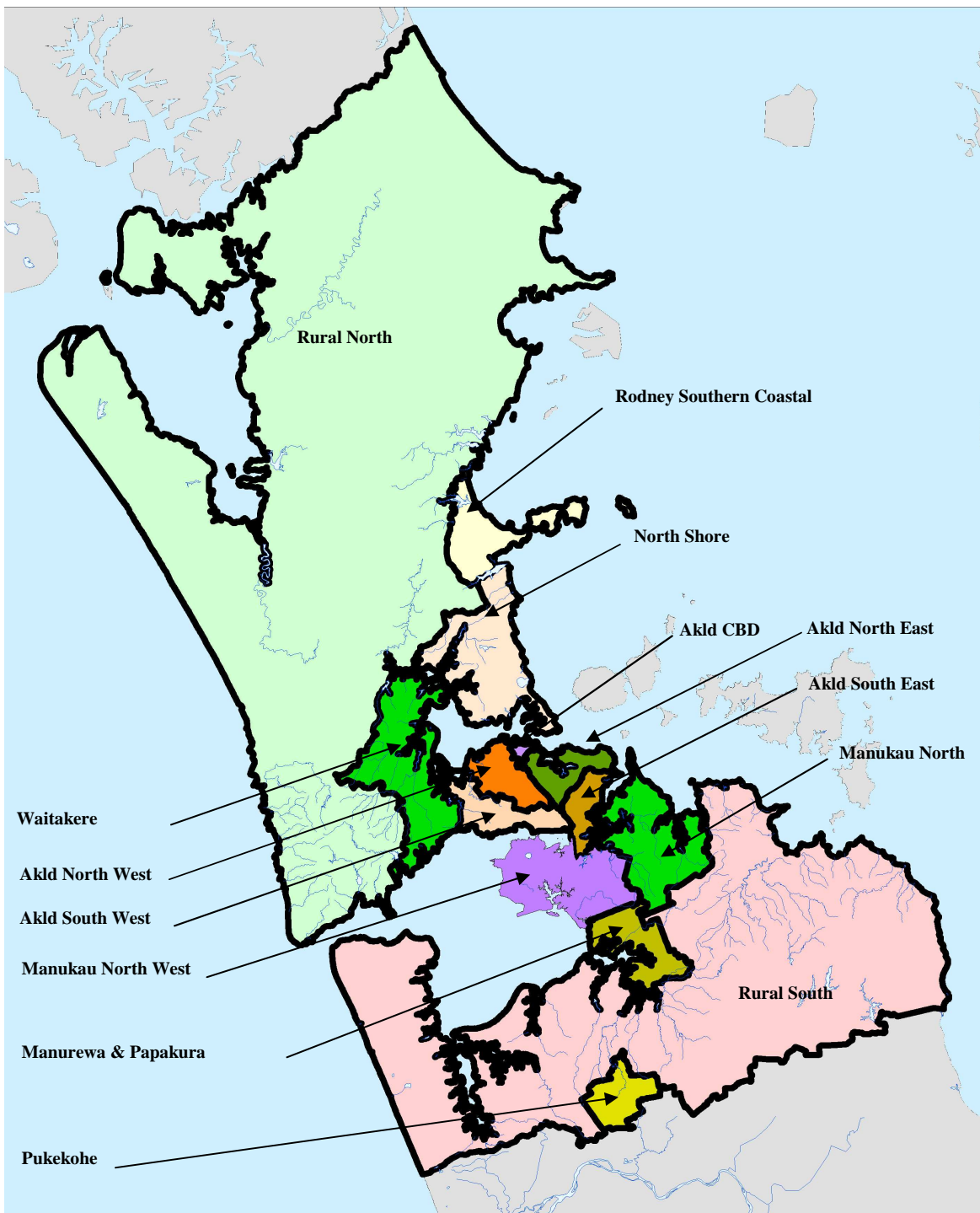
- 1.1 This research is directed at improving New Zealand's ability to plan for, and respond to, changing housing needs among and housing demand of younger people (20-40 years) and their households by:
- Identifying likely patterns of tenure and location demand in the Auckland region³.
 - Establishing the determinants of that tenure and/or location decisions by 20-40 year olds.
 - Assessing the environmental, social and economic implications of those patterns.
 - Considering the implications for spatial planning and urban growth in the region.
- 1.2 The population aged 20-40 years old covers those who were born at the very tail end of the post World War II baby boom through to those who have just left their teens. They are a diverse population in terms of ethnicity, employment status, income and family circumstances.⁴ However, these younger people and younger households, as we refer to them in this report, have, despite their diversity, four common characteristics:
- i. This population and these younger households are of all the regions in New Zealand, most likely to live in the Auckland region.
 - ii. They are more likely to be raising children.
 - iii. They are less likely than the generation before them to enter home ownership.
 - iv. It is this population that is going to make up the productive population over the next forty years and accordingly, provide the resources and support needed for New Zealand's ageing society.
- 1.3 In that context, then, the housing choices these younger households make, and the extent to which they can meet their housing needs, become not merely a personal and private issue but will impact on the quality of life of New Zealand's older people, the life chances of New Zealand's children and the productivity of the New Zealand economy.
- 1.4 The way in which these younger households seek to meet their housing needs across Auckland's array of housing market areas (HMAs) represented in Figure 1.1 will have a profound effect on, and will be affected by, Auckland's urban form, the distribution of services and amenities in Auckland and the effectiveness of its infrastructure. The challenge for the Auckland region is to provide for the housing needs of these younger households in a predominantly urban environment that allows them to lead productive and resilient lives.
- 1.5 This research on the locational and tenure choices among these younger households in the Auckland region has been prompted by: significant problems of affordability, high house prices, and the emergence of an intermediate housing market in the Auckland region, combined with a trend to lower overall rates of home ownership in younger age cohorts and pressures on the rental market. There are also pressures on Auckland's urban limits, its city infrastructure and services, and an ongoing debate over the relative merits of low density or intensified settlement patterns.⁵

³ Auckland region is used in a general sense to refer to the Auckland conurbation broadly covering the seven territorial authority areas current at the time the research was conducted - Rodney District, North Shore City, Waitakere City, Auckland City, Manukau City, Papakura District, and Franklin District.

⁴ Business and Economic Research Limited, 2004:5.

⁵ Mead and McGregor, 2007; Wilkinson, 2006.

Figure 1.1: Housing Market Areas in the Auckland Region



Source: Darroch Ltd.

- 1.6 Those conditions make understanding the housing consumption and demand dynamics of 20-40 year olds critical. They raise a number of questions including:
- What are the housing consumption patterns of 20-40 year olds in the Auckland region both in relation to tenure and in relation to location?
 - What are the determinants of those patterns of housing consumption? In particular, to what extent do they reflect:
 - housing market issues of supply, affordability, tenure and stock distribution? And/or, other considerations including:
 - place attachment?
 - neighbourhood liveability?
 - familial obligations?
 - employment engagement?
 - access to amenities? And,
 - transport provision and conditions.
 - What are the likely impacts of those patterns of housing choice and consumption? Including:
 - infrastructure, transport and amenity demand;
 - urban form and pressure on urban boundaries as well as intensification of existing areas;
 - enterprise investment and business location; and
 - city governance.
- 1.7 To help illuminate those questions, this research has:
- Established the pattern of housing consumption among those younger households.
 - Explored the housing demand dynamics that determine those housing consumption patterns.
 - Examined the way in which housing demand, aspirations and need are articulated for these younger households in the context of Auckland's housing stock, its neighbourhoods, housing provision and housing price structures.
 - Considered the likely pattern of housing demand in Auckland and opportunities to meet Auckland's younger households' need for stable, affordable and functional housing that allows them to meet their responsibilities and contribute to Auckland productivity, growth and quality of life.
- 1.8 The approach to understanding housing demand and the particular methods of data collection used are set out in Part 1 of this report. In summary, quantitative and qualitative data, both existing and new, have been collected and analysed to provide a triangulated empirical foundation for the analysis. The research has: built on previous CHRANZ research; applied a housing market area analysis to census data to explore patterns of housing consumption; held focus groups with younger households and undertaken a survey of 499 younger households recently moving within Auckland. Issues of supply-side response were explored with a series of workshops with housing service providers, developers and planning and policy agencies.

1.1 Report Structure

1.9 This report has been structured into four parts:

- Part 1 (Sections 2 and 3) describes the conceptual framework that underpins housing consumption and housing demand analysis. While terms such as housing demand have become commonly used, they are frequently only partially understood and often not adequately differentiated from concepts such as housing need and housing aspiration. Part 1 then describes the data and methods used to explore the housing consumption patterns and housing dynamics of younger households in Auckland.
- Part 2 (Sections 4-7) describes the context which has prompted this research, and the housing environment in which younger households in Auckland make housing choices as well as the socio-demographic characteristics of Auckland's younger households.
- Part 3 (Sections 8-10) focuses on the core of this research. That is, the housing consumption patterns of Auckland's younger households and, more particularly, the housing demand dynamics that underpin those patterns.
- Part 4 (Sections 11-13) considers the likely housing consumption patterns of the future and their implications and examines opportunities and priorities for improving the provision of housing that will optimise productivity and quality of life in Auckland.

1.2 Terminology

1.10 In this report there are two areas in which a variety of different terms are used. These areas cover the age range with which this report is concerned; and data and commentary relating to the geography and areal coverage.

1.2.1 Age Range

1.11 The focus of this report is on the broad cohort of 20-40 year olds. This reflects the critical situation in relation to housing futures and a set of dynamics and conditions prevailing over early adult life between 20 years and 40 years.

1.12 Those dynamics are captured in statistical data, such as the census, labelled 20-39 years. All census data, therefore, including that for the Housing Market Area (HMA) analysis is confined to those age boundaries i.e. 20-39 years. This allows direct comparison with the age boundaries presented by Statistics New Zealand in their standard statistical data releases. This ensures consistency with the range of already published analysis on Auckland region's census based socio-demographic data. To reflect on the housing life pathways that people reaching 40 years had experienced, those who had turned 40 years of age were included in the Recent Mover Survey and the focus groups.

1.13 The term 'younger households' is used as a generic term to refer to households with a reference person who is 20 years of age through to households with a reference person who is in their fortieth year⁶ as well as those that have a reference person aged 40 years.

1.2.2 Geographical Measures and References

1.14 There are a number of geographic references and units used in this report. They are as follows. Auckland and Auckland region are used to refer in a common sense way to the broad urban conurbation that is generally made up of those territorial authorities relating to the Auckland Region in the census. However this report was written at a time when the definition of Auckland and the boundaries in that area has given rise to considerable debate around the boundaries of the conurbation and a review of governance (the 'Super City').

⁶ That is, aged 39 years.

- 1.15 We have not attempted to place an artificial boundary on the Auckland conurbation. Where we have used specific data in relation to some particular form of Auckland the areal measure is stated in the text.
- 1.16 Most statistical data uses one or other of the following areal boundaries:
- *Regional Council boundary*: Where data is related to Auckland Region this refers to the Auckland Regional Council area bounded as it was at the 2006 Census.
 - *Territorial Authority boundaries either separately or in aggregate*: Territorial authorities are defined by statute. They are local government areas. There are seven territorial authorities in the broader Auckland area – Rodney District, North Shore City, Waitakere City, Auckland City, Manukau City, Papakura District and Franklin District. Because of the changing governance and rethinking of the boundaries around the Auckland region and its urban conurbation only part of the Franklin District was proposed to be included in the super city at the time of surveying for the Recent Mover Survey. That population yielded insufficient numbers to survey. Consequently the Franklin households were not included in the survey. The dwellings and survey numbers from each of the six other territorial authorities are set out in Section 3.3.2.
 - *Housing Market Areas (HMAs)*: There are 14 local housing market areas in Auckland. Housing market areas are geographical areas defined by household demand and preferences for housing (See Figure 1.1 for HMA boundaries). An explanation of the HMA analysis method is presented in Section 3.3.1. The HMA analysis uses 2006 Census data.
 - *Census Area Unit (CAU)*: Some 2006 Census data is presented using CAUs. These are aggregations of meshblocks that are non-administrative areas below the level of a territorial authority. In urban areas they generally contain populations between 3,000 and 5,500 although this can vary.

PART 1: HOUSING CONSUMPTION AND DEMAND: FOCUS AND METHODOLOGY

Part 1 comprises two sections related to the focus and methodology of this report.

The first, Section 2, provides a brief overview of the pattern of falling home ownership, particularly in relation to younger households. Key points are:

- The rate of home ownership has fallen in New Zealand, and further decline is expected.
- Between 1986 and 2006, the largest falls in home ownership have been in the 25-39 age range.
- The decline in home ownership is most pronounced in Auckland.
- The decline in home ownership is only partially a delay of owner-occupation. Evidence suggests that there is a structural shift, where younger age groups are less likely to ever achieve home ownership.
- The 20-40 year olds of today face a very different institutional environment in which to enter home ownership compared to younger age groups 40 years ago.
- The falling rate of home ownership heralds a change in housing consumption – in terms of housing type, location and tenure.
- Given that new patterns of housing consumption appear to be emerging, these may either reflect a change in the desire and/or willingness to pay for certain types of housing type, location and tenure, or an inability to pay for the preferred housing type, location and tenure.

The second (Section 3), sets out the methodology and methods for this study. That methodology and the methods can be replicated in Auckland in the future, or in other regions. In relation to methodology it explains the concept of housing demand, and explores the relationship between housing demand and housing consumption. It also considers the relationship between housing demand and consumption and housing aspirations, tastes and need and sets out the methods used to look at housing demand and housing consumption patterns. Key points are:

- Housing consumption patterns are an outcome of housing demand.
- Housing demand consists of three elements: The desire to consume some form of housing, and a willingness to pay for that housing, and the ability to pay for that housing.
- There are often gaps between housing demand, aspiration and need.
- In some situations households may not be able to get the housing they want because it is not supplied by the market.

In order to explore the determinants of demand, the research approach focuses on the active choices and selections made about housing, levels of housing consumption and the type of housing consumption. Four methods are used and presented: Housing market area analysis (HMA) using census data; a survey of recent movers; focus groups with individuals in the 20-40 year old age group; and workshops with stakeholders to explore supply-side perceptions and responses to younger householders' demand for housing.

2 Changing Consumption, Housing Demand, Aspiration and Need in Auckland

2.1 This research has been prompted by the need to understand an apparently profound shift in housing consumption manifest in New Zealand's falling rate of owner occupation. Home ownership rates⁷ in New Zealand have declined from 67.8 percent of private, occupied dwellings in 2001 to 66.9 percent in 2006.⁸ Among the younger population that decline in home ownership is even more pronounced. This section provides a brief overview of this pattern of falling home ownership rates and the questions that those falls raise about housing demand among younger households.

2.1 Falling Rates of Home Ownership and Younger Households

2.2 Some populations in New Zealand have persistently and predominantly accessed housing in New Zealand through the rental market. Very low income households are one population, young people who are in a transitional life stage of pre-family formation and Pacific peoples are two others. Overall, however, the post-war period New Zealand saw climbing rates of owner occupation from just over half (56 percent) in owner occupation in 1945, peaking in the period 1986-1991 where home ownership was around 72 percent.⁹ Historically, state policy has been directed to encouraging entry into home ownership, for example through subsidised mortgage finance.¹⁰ In the 2006 Census the home ownership rate was 66.9 percent, with the outlook for further falls to 61.9 percent through to 2016.¹¹

2.3 The subsequent decline in home ownership was initially thought to be a matter of deferral associated with delayed entry into employment, family formation and child bearing.¹² More recent analysis suggests that the falling rate of home ownership may only partially be accounted for by deferral. Rather, the falling rate may be a structural shift in which people in the 20-40 year age group are not accessing home ownership at all.

2.4 CHRANZ research shows that New Zealand housing consumption has been marked by a general decline in home ownership rates, with a particular fall among younger households. Between 1986 and 2006, the largest falls in home ownership nationally have been among younger age groups:

- 17.9 percent among 25-29 year olds;
- 17.7 percent among 30-34 years olds; and,
- 15.5 percent among 35-39 year olds.¹³

2.5 This does not appear to be simply a matter of delay in household formation or a delay arising out of later childbearing. Certainly, delay and deferral are important. However, nationally, younger age groups who delay home ownership are finding themselves less likely to reach the same levels of owner occupation as their predecessors. The reality is that if home ownership is likely to occur in the life-course of a householder, it is likely to have occurred by the time a householder is 40 years old.¹⁴

⁷ The home ownership rate is calculated as follows: total owners / total renters + total owners

⁸ Morrison, 2008.

⁹ Morrison, 2008:14.

¹⁰ Thorns, 2000; Business and Economic Research Ltd, 2004.

¹¹ Morrison, 2008:13.

¹² Pool, Dharmalingham and Sceats, 2007.

¹³ DPMC, 2008: 75.

¹⁴ Morrison, 2008.

2.6 There are fundamental questions about what has driven those changing probabilities of owner occupation. Is this a fundamental socio-cultural shift away from home ownership and towards rental housing? Certainly, 20-40 year olds in New Zealand today face a very different institutional environment to the baby boomers who forty years ago entered home ownership (Table 2.1).

Table 2.1: Comparing the Housing Related Conditions of a 25 yr-old in 1968 and a 25 yr old in 2008¹⁵

Indicator	1968	2008
Govt Home Ownership and Other Housing Assistance	<ul style="list-style-type: none"> ▪ State Advances mortgages (56,368 loans approved to 31 March 1967) ▪ Family Benefit capitalisation (5,289 advances 1967-68) ▪ Mortgage Guarantee Scheme for housing ▪ State rental housing (49,424 rentals) ▪ State house building programme (rising; 1,657 units 1968-69) ▪ Sale of state houses to tenants ▪ Housing assistance through Maori Affairs 	<ul style="list-style-type: none"> ▪ Welcome Home Loan (1,070 loans 2006-07) ▪ Accommodation Supplement (income tested, strongly targeted and restricted to payment a portion of the 'unaffordable gap') ▪ Housing-related components of Kiwi Saver ▪ Shared Equity Pilot ▪ State rental housing (approx 66,000) ▪ New state houses (926 units 2006-07)
Average Dwelling size	(1976) House 121m ² ; Apartment 83m ²	House 205m ² ; Apartment 137m ²
Average number of occupants per dwelling	3.52 (1966)	2.7 (2006)
Home Ownership (with and without mortgage)	69% (1966)	66.9% (2006, included family trusts)
Average rate of interest on mortgage	6.74% (Market) 3% (State Advances)	10.6% – 10.9% (floating)
Age of marriage	Bride: 23.29; Groom 26.33 (average)	Bride: 30.2; Groom 32.5 (median)
Age of mother at birth of first child	23.39 (average)	28 (median)
Birth rate	2.61 per woman	2.1 per woman
Life expectancy at birth	Females: 74.30; Males: 68.19	Females: 81.9; Males: 77.9
Tertiary Education Assistance	Scholarships and bursaries providing allowances. Matriculation providing automatic waiver of university fees.	Student loan (average student loan leaving debt \$15,590 in 2005) Student allowance (for under 25 allowance is parental income tested; for 25+ is income tested)
Retirement	Age Benefit from 60 years (income tested) Superannuation from 65 years (not income tested)	Superannuation from 65 years (taxed at higher rate if receiving other income) Kiwi Saver (optional)
% of Population Aged 65 yrs or more	8.3% (1966)	12.3% (2006)

2.7 When the baby boomers were in their 20-40 year stage in the life-course, young people's lives were characterised by early formation of independent nuclear families in the context of full employment and strong support for entry into home ownership. Debt levels were relatively low, and while access to housing finance was surrounded by strongly applied prudential requirements, younger families were supported into home ownership by restrained house prices and funding through a combination of government loans, inheritance and capitalisation of the Family Benefit. All those were facilitated by an environment in which household debt was largely centred on house purchase and credit options for other forms of consumption were limited.

¹⁵ CRESA and Public Policy & Research, 2009:3.

- 2.8 In addition, while the tax regime was complex it was also strongly progressive and health care and education costs were largely funded by the state. Fewer young people accessed tertiary education so they were earning more quickly in their life-course. Indeed, many of the emerging professional qualifications that young people took up such as teaching, nursing and other health ancillary occupations, accountancy and trade apprenticeships were either associated with a wage or salary or were undertaken while in employment. Moreover, many younger people in training were provided with low cost housing as well. Low cost housing, including staying with relatives, and a shortage of housing stock, especially rental stock, contributed to young people entering home ownership in expanding new housing suburbs in the late 1960s and 1970s.
- 2.9 The conditions faced by 25 year olds today are very different. There is very limited assistance associated with entry into home ownership. Levels of personal debt are high and savings until very recently have been relatively low by international standards. House prices were subject to an extended boom through the early part of the first decade in the millennium. Certainly housing prices have pulled back a little in the context of the global financial crisis, however, access to credit has tightened. The building industry is oriented towards providing larger houses at the middle and higher end of the housing market.¹⁶ Household formation and child bearing is delayed. Comparatively high levels of debt are found among young people. Tertiary training is generally supported by loans or grant payments.

2.2 Home Ownership & Auckland

- 2.10 Those dynamics are particularly important in Auckland. In part, because Auckland has so many households with members in the critical period of 20-40 years in which this decision about entering home ownership will or will not be made. In part, because analysis to date suggests that deferred access to home ownership in the Auckland context has the most profound impact on a household's probability of entering owner occupation at all over the long term.
- 2.11 In Auckland between 1991 and 2006 the probability of an owner occupying a detached dwelling dropped to 59.2 percent from 71.7 percent. Despite a commonly expressed perception, that the fall in detached dwelling ownership has been compensated by younger households owning multi-units, the rise in multi-unit owner occupation has been muted. Between 1991 and 2006 in Auckland the probability of an owner occupying a multi-unit increased only slightly from 39 percent to 41 percent.¹⁷
- 2.12 What really makes a difference in terms of owner occupation probabilities is moving out of Auckland. Leaving Auckland and going to Wellington or Christchurch raises the probability of owner occupation considerably. Christchurch residents are a third more likely to access owner occupation than Auckland residents.¹⁸
- 2.13 Those changed institutional conditions raise a number of issues. Two are most immediate. Firstly, the extent to which the patterns of housing consumption are actually different for 20-40 year olds. That is, the extent to which there is continuity with the past or whether a clear new pattern is emerging. Secondly, the determinants of that changing pattern of housing consumption. In particular, whether those patterns reflect a change in the desire and/or

¹⁶ DPMC, 2008.

¹⁷ Morrison, 2008. 'Auckland' is labelled in Morrison's research as 'Auckland Urban Centre'. There is no clear statement of the boundaries of the area.

¹⁸ Morrison, 2008.

willingness to pay for certain types of housing, location or tenure, or whether it reflects an inability to pay.

- 2.14 Three further but separate issues also emerge around these changing patterns of housing consumption. They are:
- Firstly, the extent to which 20-40 year olds consume housing that meets their needs and provides environments that optimise their own and their children's well-being.
 - Secondly, the extent to which the housing provided, and the conditions under which it is supplied in Auckland, is likely to meet younger households' patterns of demand and/or need into the future.
 - Finally, how Auckland can optimise the alignment between housing supply and the housing needs, aspirations and demand of younger households.

2.3 Summary

- 2.15 This section has provided a brief review of the housing trends that have prompted the commissioning of this report. Key points are:
- The rate of home ownership has fallen in New Zealand, and further decline is expected.
 - Between 1986 and 2006, the largest falls in home ownership have been in the 25-39 age range.
 - The decline in home ownership is most pronounced in Auckland.
 - The decline in home ownership is only partially a delay of owner-occupation. Evidence suggests that there is a structural shift, where younger age groups are less likely to ever achieve home ownership.
 - The 20-40 year olds of today face a very different institutional environment in which to enter home ownership compared to younger age groups 40 years ago.
 - The falling rate of home ownership heralds a change in housing consumption – in terms of housing type, location and tenure.
 - Given that new patterns of housing consumption appear to be emerging, these may either reflect a change in the desire and/or willingness to pay for certain types of housing type, location and tenure, or an inability to pay for the preferred housing type, location and tenure.

3 Methodology

- 3.1 This section sets out the methodology used to establish the housing consumption patterns of younger households in Auckland and the demand dynamics that give rise to those patterns.
- 3.2 The methodology consists of two components. Firstly, the conceptual and analytic approach to exploring housing demand and its dynamics, and, secondly, the research methods that have been used to collect the data that operationalises those concepts and approaches.
- 3.3 Sections 3.1 and 3.2 deal with the concepts and approach to housing demand among younger Auckland households. Section 3.3 sets out the methods. Both can be replicated in Auckland in the future and in other regions.

3.1 Housing Consumption Patterns and the Concept of Housing Demand

- 3.4 The falling rate of home ownership shows a change in housing consumption. Some households are choosing to consume rental housing rather than owned dwellings. Households can also, if their supply allows, consume: different types of dwellings – a detached dwelling rather than a multi-unit dwelling; dwellings of different performance, style or amenities such as size, condition, thermal performance, dwellings using particular building materials, or having certain features such as life-time design; and, dwellings in different locations and neighbourhoods. Broadly these patterns of housing consumption reflect a complex interaction between housing supply – the quantum of stock, its location, quality, pricing and tenure – and housing demand.
- 3.5 The concept of housing demand is commonly used but frequently misunderstood. Popular commentary often assumes that housing demand embodies or manifests housing need and/or housing aspirations. The common sense view of housing demand is that households have housing needs and/or aspirations/tastes therefore their housing demand is directly aligned to those needs. This is not necessarily the case.
- 3.6 There are in fact, a number of gaps between housing demand, aspiration and need. For instance, people may have a desire or a taste for housing that is not consistent with their needs. It is well-established, for instance, that very large dwellings impose significant costs on households yet there is a trend to smaller households living in larger dwellings. Similarly, it is clear despite the personal and externalised health costs of cold, damp, dwellings, that New Zealanders have in the past made considerable investments in home renovation without addressing the aspects of their dwelling's performance that would make it a healthier place in which to live.¹⁹
- 3.7 There may also be situations in which housing aspirations and taste are well aligned with housing needs, but a household is unable to transform those into housing demand. For instance, most households, including some of the participants in this research, see crowding as undesirable. That view is consistent with a considerable body of research both here and overseas which shows crowding to have a range of undesirable outcomes and not to the taste of crowded families.²⁰ Nevertheless, some households are persistently vulnerable to crowding. In New Zealand the most vulnerable to crowding are children and larger families. In particular, Maori, Pacific and Asian children are more likely than children in general to be living in crowded households.²¹ For those households either their housing demand and/or the housing supply can not deliver to either their housing tastes or their housing needs.

3.1.1 So What is Housing Demand?

- 3.8 Housing demand is a technical concept that consists of three elements:
- the desire to consume some form of housing; **AND**
 - a willingness to pay for that housing; **AND**
 - the ability to pay for that housing.

¹⁹ See Stroombergen et.al. 2007 for an estimate of the national value to New Zealand of bringing its homes to a High Standard of Sustainability®.

²⁰ Jaine, Baker and Venugopal, 2008; WHO, 2007; Baker et.al. 2000.

²¹ Ministry of Social Development, 2008.

- 3.9 The pattern of housing demand – that is, housing consumption or what some analysts refer to as the outcomes of housing demand – reflects all those three elements coming together and a purchase or a consumption decision being made. If there is a willingness to pay for a certain type, location or tenure of housing but no ability to pay, then the outcomes of an individual’s or household’s housing demand may be significantly different from their housing aspirations, desire or tastes.
- 3.10 In some cases, then, a gap between housing demand and housing need can emerge because (through lack of knowledge or other factors) householders’ housing tastes or desires are misaligned with their housing needs. However, a gap between housing need and housing demand can emerge. While a householder has a desire for housing that meets their household’s needs, they may be unable to ‘buy’ or access that housing.

3.1.2 Housing Demand and Housing Supply

- 3.11 Householders may not be able to ‘buy’ the housing that they want either because the household can not afford the price of the type of housing that they want and/or because the housing product that a household wants is simply not supplied by housing providers. Clearly these two factors are related. A scarcity of a desired housing product is likely to raise its price and in doing so may exclude some householders because they simply can not afford that price. However, housing consumption, because of housing’s long-run life cycle, is strongly driven by the supply-side.
- 3.12 Housing provision is slow to respond to changing demand in part because the housing stock only changes slowly.²² Auckland’s existing dwellings, in their current locations are, largely, the dwellings that will be available or inhabited in the future.
- 3.13 The limits on housing consumption generated through supply side issues have been a repeated theme in housing related research for many years and can not be ignored as a determinant of housing demand patterns. For instance, in the 1960s, it was noted that one of the primary reasons why households moved out of the centre of Auckland to the suburbs was largely because the inner city was dominated by rental dwellings. The desire to be owner occupiers pushed people into locations they did not particularly want because of under-supplied stock available to potential owner occupiers.²³
- 3.14 Similarly, DPMC in its analysis of house prices identified strong drivers that prompt the building industry to concentrate supply of new builds on large dwellings while neglecting entry level housing, which then becomes undersupplied.²⁴ Analysis of consumer desires in relation to house performance and sustainability also shows that the housing industry does not respond easily to consumers although it tends to overwhelm consumers with a multiplicity of products.²⁵ A similar pattern is found in relation to accessible and life time design.²⁶
- 3.15 In short, what is provided at any time in the housing market delimits the choices that consumers have. Unlike other goods, houses are not easily transportable nor are dwellings easily substitutable. Householders will find a housing solution even if it is sub-optimal involving less than desirable dwellings or tenures or accepting crowding or poor tenure security.

²² Muth, 2003.

²³ Royal Commission on Auckland Governance, 2009:59. This process is well established as characteristic of other cities in western societies in the post-war period. See Thorns, 1977.

²⁴ DPMC, 2008.

²⁵ Saville-Smith, 1998; Saville-Smith, Fraser, Buckett, Camilleri, 2010.

²⁶ Saville-Smith et.al. 2007.

3.2 Exploring Housing Demand, Its Outcomes & Dynamics

- 3.16 This research explores those housing consumption patterns through an analysis of census data, using the Housing Market Area analysis, the method of which is described in Section 3.3.1. That analysis focuses particularly on younger households' housing consumption in relation to: housing tenure; housing typology and housing location. The analysis explores housing consumption patterns both over time and across Auckland's fourteen housing market areas.
- 3.17 Housing consumption analysis can highlight changes and variations in the outcomes of housing demand for younger households. It can also highlight whether those patterns are similar or different to other households. However, housing consumption patterns are the outcomes of housing demand and/or supply-demand dynamics. Analysis of housing consumption patterns in themselves can say nothing about their determinants.
- 3.18 Moreover, unless the housing demand dynamics that gave rise to those consumption patterns are understood, future patterns of housing consumption will also be unclear. This is because the patterns of housing consumption evident in census statistics are the outcome of housing demand expressed earlier. If housing demand has changed after that time, then future patterns of housing consumption will also be different.

3.2.1 Why Bother with Housing Consumption Analysis?

- 3.19 Housing consumption patterns are important for two reasons. Firstly, because those patterns expose differences between different groups in relation to housing access. Secondly, and perhaps, more immediately households' housing consumption is directly related to non-housing outcomes such as health, education, economic and social outcomes.
- 3.20 There is a considerable body of research that demonstrates that housing consumption patterns have an impact on children's life chances.²⁷ Similarly, there is considerable research as well as widespread policy acceptance overseas, that older people's housing consumption shapes older people's likelihood of independence, the extent of their participation in social and economic life, and the need and costs of older people's services.²⁸
- 3.21 Indeed, it is because housing consumption has such profound effects on people over their life course as well as the economy through its industry impacts, that understanding why households show the housing consumption patterns that they do becomes important.

3.2.2 Establishing Housing Demand Dynamics & Determinants of Consumption

- 3.22 Changes in housing consumption raise a number of questions about the nature of housing demand and supply. In particular, whether changes in demand patterns reflect a change in taste among younger households and/or a change in the willingness to pay or the ability to pay for desired housing. Or, is a change in the pattern of housing consumption a result in change in supply?

²⁷ See Public Policy & Research and CRESA 2010:54-63 for a discussion on international research examining the impacts of housing consumption on children's health and wellbeing.

²⁸ See for example Bridge et.al. 2006; Blake and Simic, 2005; Communities and Government, 2008; Croucher, Hicks and Jackson, 2006.

- 3.23 Housing supply analysis is beyond the scope of this report, although we do suggest that some focused research on housing supply, particularly in the rental market, is very necessary. There is data presented in this report on housing supply, much of it in Part 2 of this report, but it is limited to providing a broad picture of the environment in which Auckland's younger households exercise their housing demand. The primary research activities for this report were dedicated to establishing housing consumption patterns and the housing demand dynamics that determine that consumption.
- 3.24 Establishing how households select their housing, its type, tenure and location, is by no means a trivial task. It requires teasing out the relative exercise of housing taste, willingness to pay and ability to pay in relation a range of housing parameters – house type, house quality, house size and amenity, house location and housing tenure. That process is complicated by the trade-offs that housing consumers may make between those different housing components and, of course, by the limits of prevailing supply.
- 3.25 The complexity of this task means that housing demand analysis too frequently becomes reduced to processes by which householders are asked to reflect, at a very general level, about what they want out of their housing and the types of houses and tenure to which they aspire. Alternatively, household housing demand analysis becomes reduced to an analysis of house prices and incomes and an estimate of the aggregate level of stock and its location which different household groups have an ability to pay for. Both of those approaches are limited.
- 3.26 The forecasting approach has a number of variations. Fundamentally, however, they are about measuring the difference between the number of households and the number of dwellings available either in aggregate or in relation to prevailing house price/rent price and household incomes. This type of analysis is important and DPMC's aggregate forecasts of undersupply are presented later in this report.²⁹ Similarly, estimates of the size of the intermediate housing market are also of this type of approach and are also important. This report also provides an estimate of the changing size of the intermediate housing market.³⁰
- 3.27 Neither of these approaches, however, clarifies the way in which households actually make choices within those constraints. As this research, and an extensive body of research internationally, shows, the structure of cities, housing classes and housing markets present householders with a variety of locations, building types and price structures which could be considered equivalents. To understand and predict housing consumption patterns of the future requires us to understand what householders broadly see as equivalent 'housing products' or 'housing packages' and what makes them select one housing package over another. This research makes very clear that analysis of housing demand on the basis of house prices and household incomes provides only a very crude indicator of what housing is seen as equivalent by householders.³¹
- 3.28 A research focus on generalised housing aspirations and reported tastes is also problematic. In part because it focuses on one component of housing demand, in part because it fails to differentiate between stated preferences and the processes through which households make real, albeit not always explicitly reckoned, assessments of their housing needs in the context of their complex lives. More importantly because there is evidence that when householders are asked to think about their housing preferences at a general level and an abstracted way, those preferences are largely divorced from their actual selection behaviour. That is, it does not provide a robust mechanism for establishing how households express their housing demand.³²

²⁹ See Section 5.

³⁰ See Section 8.2.

³¹ See Part 3.

³² Jarvis, 2003; Lipman, 2006.

3.2.3 Grasping Actively Expressed Household Demand

- 3.29 Ultimately, understanding the determinants of demand requires a focus on actively expressed housing demand: that is, how households actually make choices to stop consuming one dwelling and acquire another.
- 3.30 The point at which households generate housing demand is when they move. At that point people are actively making choices about: where to live; their level of housing consumption; and the type of housing consumption. It is at that point, that three elements of demand – housing aspiration, willingness to pay, and ability to pay – become highlighted. It is at that point that the extent to which housing and the nature of housing supply in constraining or expanding household choice becomes evident.
- 3.31 For that reason, this research has surveyed householders in Auckland aged 20-40 years who were recent movers. In doing so, the interview instrument focused specifically on establishing the:
- key characteristics of not only their new dwellings but the location and characteristics of their immediately previous dwelling;
 - locations in which they targeted their dwelling search;
 - factors that led them to leave their previous dwellings;
 - criteria used to select their current dwelling; and
 - employment, income and other household circumstances that might impact on selection.
- 3.32 The methods for this and other research activities are set out in Section 3.3.

3.3 Research Activities and Methods

- 3.33 The research activities undertaken in this project are directly aligned to the data requirements for particular aspects of housing demand analysis. The Housing Market Area analysis is directed specifically at the issue of housing consumption change. The Recent Mover Survey is concerned with household demand processes. The focus groups are designed to enrich and triangulate the data emerging from the surveying, but also to explore the nature of housing supply and the alignment of their housing demand with their housing needs and aspirations. Workshops with stakeholders were also used to explore the limits of supply and the implications of the emerging pattern of housing consumption among younger households. In addition, the research team reviewed five other primary datasets for data that might illuminate housing consumption and supply dynamics relevant to Auckland (Table 3.1).

Table 3.1: Datasets Relevant to Auckland Region Housing Demand and Supply Dynamics

Dataset	Dataset Description
2008 National Neighbourhood Survey – Beacon	Random sample of residents in urban neighbourhoods stratified according to use and density characteristics of neighbourhoods. Captures data around past and intended residential movement, satisfaction with neighbourhoods and dwellings, public and private transport use, reasons for intended residential movement.
Recent Mover Survey 2007/08 – Beacon	The Recent Mover Survey involved participants who had made a residential move within the period April 2006 and March 2007. Captures data related to origin, reasons for move, and reasons for dwelling selection. A national data set.
Landlord Survey 2007/08 – Beacon	Captures data on stock type and age, size of rental portfolio, duration of tenancies, tenancy churn, preferred tenants, maintenance investment and dwelling performance.
2005 National Attachment Survey - CRESA	National survey capturing data on residential movement, social and economic participation, family engagement, place attachment, prompts for moving and reasons for selection of current dwelling.
2004 National Landlord Survey – CRESA	A survey of landlords who have tenants with bonds lodged in Department of Building and Housing. Captures data on stock type, stock age, portfolio size, duration as landlord, duration of tenancies, tenancy churn, preferred tenants and maintenance practices.

3.3.1 Housing Market Area Analysis

- 3.34 Housing Market Area (HMA) analysis was undertaken using census data relating to households with a 20-39 year reference person. Reported data from the 2006 Census provides data for 20-39 years. The HMA analysis of census data retains that age span to ensure consistency with the range of already published analysis on Auckland region's census based socio-demographic data. This work is being undertaken by Darroch and is aligned to their current research on HMAs being completed for CHRANZ.
- 3.35 The housing market analysis divided the Auckland region into 14 local housing market areas. Housing market areas are geographical areas defined by household demand and preferences for housing (Figure 1.1)³³. The HMA analysis has been based on a methodology for understanding housing dynamics used in the United Kingdom to establish means by which housing market assessments can be undertaken.
- 3.36 In the United Kingdom three main approaches are used to identify housing market areas.³⁴ They are:
- Labour market areas or travel to work areas. Labour market areas provide information about the areas within which people move without changing other aspects of their lives, primarily work.
 - House price levels and rates of change. This type of analysis uses house prices to provide a market based view of housing market boundaries, typically where households pay comparable costs for comparable dwellings.
 - Household migration and search patterns. Household migration flows reflect a variety of economic, social, and other factors including households' proximity to work, family, friends and recreation. Analysis of migration flow patterns can help to identify these relationships and the extent to which people move house within an area. The findings can identify the areas within which a relatively high proportion of household moves (usually around 70 per cent) are contained. This typically excludes long distance moves reflecting the fact that most people move relatively short distances due to connections to employment, families, friends, and schools.
- 3.37 In order to establish the Auckland HMA areas, the labour market areas (LMA) that have been identified for the Auckland region were reviewed. The LMA analysis undertaken in New Zealand over the last decade has essentially followed the Travel to Work Area methodology developed in the United Kingdom. The most recent work undertaken by James Newell (unpublished), based on 2006 Census data, divides the Auckland region into just two Labour Market Areas; Central and North Auckland and Greater Manukau. It was concluded that the division of the Auckland region into just two areas provided an insufficient level of housing market disaggregation.
- 3.38 Then house price levels, household incomes, and household deprivation measures were looked at to identify areas of housing market commonality across the region. Approximately 20 areas were initially identified through this process. These areas were then tested by looking at the extent to which migration flows between the areas might be considered to be self-contained.

³³ See page 12.

³⁴ Communities and Local Government, 2007.

- 3.39 The migration flow analysis looked at where the people, who lived in each of the 20 areas in 2001, but who shifted residence between the 2001 and 2006 Censuses, lived in 2006. This analysis focused firstly on the extent to which people who shifted between the censuses remained in the same areas and secondly, if they shifted outside their 2001 area, where they shifted to. Based on the flows between adjacent areas the number of discrete areas was refined to 14 areas as previously presented in Figure 1.1.
- 3.40 An HMA area's self-containment was defined as the proportion of all people who moved residence between the 2001 and 2006 Censuses, but remained in the same area. Of the 14 HMA areas all but three had self-containment measures in excess of 60 percent. The three HMA areas with self-containment measures less than 60 percent were: Auckland CBD (22 percent); Rural North (56 percent); and Rural South (54 percent).
- 3.41 Although the Auckland CBD has a self-containment measure of just 22 percent, it has been identified as a distinct area, not on the basis of its self-containment, but because of its location, relatively homogeneous apartment dwelling type and because of the specific functional characteristics of the area, i.e., predominantly non-residential. Auckland CBD does not sit comfortably or logically as part of any other HMA.
- 3.42 Rural North and Rural South are both, in a sense, residual HMA areas. They are the non-urban parts of the region left over once the urban parts of the region have been allocated into a HMA. They are both, however, largely rural/small town in character which would indicate a specific preference for housing located in such areas.

3.3.2 Recent Mover Survey

- 3.43 The survey consisted of telephone interviews with 499 recent mover households from the Auckland region. The survey was designed to take about 10-15 minutes using a structured close-ended questionnaire. A copy of the questionnaire is presented in Annex A. Respondents were asked to respond to up to 45 core questions relating to their:
- Current housing situation including tenure status, location, dwelling type, dwelling condition.
 - Travel modes.
 - Experience of moving including involvement in decision making, reasons for leaving or choosing a house, length of time actively searching for a new house and preferred location(s).
 - Place attachment and past links with the region as a whole and the area they current live in.
 - Intentions to move and desired location.
 - Socio-demographic characteristics including household size, age, income, ethnicity, and labour-force status.
- 3.44 The sample frame was designed to provide a proportional distribution of respondent households across the territorial authorities in the Auckland region similar to the proportional distribution of dwellings across the region. Households for the survey were drawn from a data extract of recent movers generated from the New Zealand Post Household Postal Address Directory. For the purposes of this study a 'recent mover' was defined as someone who had moved between 1 November 2008 and 31 October 2009.
- 3.45 The data extract included some 23,546 households. The New Zealand Post Household Postal Address Directory does not include phone numbers. To facilitate telephone interviewing the data extract from New Zealand Post was telematched to generate a list of phone numbers where available. In all 4,968 households were matched to a telephone number. At the completion of the telematch process it became apparent that the extract of recent movers with

phone numbers in the Franklin District was insufficient to achieve the required number of completed interviews. The Franklin households were removed from the extract and the sample frame recalculated for the remaining local authorities.

- 3.46 Table 3.2 sets out the numbers and proportions of dwellings by territorial authority and the corresponding target sample numbers and proportion.

Table 3.2: Sample frame for 20-40 year old Recent Mover Survey by Territorial Authority in the Auckland Region

Territorial Authority	Dwellings in each Territorial Authority		Target Sample	
	Number	%	Number of Respondents	% of Respondents
Auckland City	143,004	34.1	341	34.1
Manukau City	94,284	22.5	225	22.5
North Shore City	72,114	17.2	172	17.2
Papakura District	14,823	3.5	35	3.5
Rodney District	32,910	7.9	79	7.9
Waitakere City	61,836	14.8	148	14.8
Total	418,971	100.0	1000	100.0

- 3.47 While the data extract enabled targeting of households that were likely to have moved in the previous 18 months, the New Zealand Post dataset does not include an age variable. Consequently screening questions were used to exclude householders who were outside the Auckland region and/or were outside the age boundaries of the study at the time of their most recent residential move.

- 3.48 Surveying began 2 February 2010 and continued through to 23 February 2010. Attempts were made to contact all recent mover households in the sample frame areas where a telephone match was achieved. At the completion of the initial phone surveying a yield of 421 interviews had been achieved – a response rate of 33 percent. As the initial recruitment method yielded considerably fewer interviews than expected one round of supplementary cold calling was added. The cold calling yielded a further 78 interviews. In all 499 telephone interviews were completed.

- 3.49 Table 3.3 sets out the numbers and proportions of respondents in each of the territorial authorities surveyed. The final response rate for this survey was 25.8 percent. There were 499, 20-40 year old householders³⁵ who, as recent movers, participated in the survey.

Table 3.3: Location of 20-40 year old Recent Mover Survey Householders (Recent Mover Survey)

Territorial Authority	Recent Mover Householders	% Recent Mover Householders
Auckland City	167	33.5
Manukau City	91	18.2
North Shore City	108	21.6
Papakura District	15	3.0
Rodney District	43	8.6
Waitakere City	75	15.0
Total	499	100

³⁵ The term householder refers to the person (aged 20-40 years) who responded to the survey.

3.50 The analysis of how the socio-demographic characteristics of Recent Movers determine housing choices is undertaken later in this report. The following data merely provide a descriptive profile of Recent Mover Survey participants.³⁶ That profile data shows that these recent moving households have a relatively high income profile. As Table 3.4 shows, the Household Economic Survey data suggests that 26.6 percent of households with a 20-40 year old reference person in New Zealand have incomes in excess of \$100,000. Among the recent movers in the Auckland region that participated in this survey, 48.9 percent lived in households with a household income in excess of \$100,000.

Table 3.4: Auckland 20-40 Year Old Recent Movers' Household Incomes Compared to 20-40 Year Olds Nationally (Recent Mover Survey and Household Economic Survey)

Annual Household Income (Gross)	% Recent Movers Survey Households	% Household Economic Survey
Under \$20,001	4.1	6.1
\$20,001 - \$30,000	2.5	6.8
\$30,001 - \$40,000	4.7	8.2
\$40,001 - \$50,000	5.4	9.4
\$50,001 - \$70,000	14.5	19.5
\$70,001 - \$100,000	20.1	23.5
\$100,001 - \$130,000	22.1	14.4
\$130,000 and over	26.8	12.2
Total	100.2	100.1

*variance from 100 percent due to rounding

3.51 The majority (75.1 percent) of participant householders are employed. Around a quarter (25.3 percent) of householders do not have partners. Of those that do, 89.2 percent report that their partners are in employment. Table 3.5 sets out the employment status of participant householders and their partners.

Table 3.5: Auckland 20-40 Year Old Recent Movers' Householder and Partner's Employment Status (Recent Mover Survey)

Employment Status	Recent Mover Households	% Recent Mover Households
Unpartnered Householder Employed	101	20.2
Unpartnered Householder Not Employed	25	5.0
Partnered Householder and Partner Employed	246	49.3
Partnered Householder Employed Partner Not Employed	28	5.6
Partnered Householder Not Employed Partner Employed	87	17.4
Neither Householder nor Partner Employed	12	2.4
Total	499	99.9

*variance from 100 percent due to rounding

3.52 There is a preponderance of professional and managerial occupations among employed householders and employed partners (Table 3.6). This is associated with the profile of household incomes reported by participants. Both household incomes and the occupational status of householders and their partners vary across the region. As Table 3.7 shows, Auckland City has a higher proportion of participating households with incomes in excess of \$70,000, while Papakura District has the lowest proportion. Auckland City also has the highest proportion of professionals and managers and Papakura District has the lowest proportion (Table 3.8).

³⁶ Some of this data is presented again later in the report where analysis of the household determinants of residential movement is presented. The repetition of those tables is designed to assist the reader.

Table 3.6: Auckland 20-40 Year Old Recent Movers' Occupation of Householders and Partners (Recent Mover Survey)

Occupation	Recent Mover Householder (n=375)		Recent Mover Partner (n=333)	
	n	%	n	%
Manager	56	14.9	101	30.3
Professional	166	44.3	113	33.9
Technician or Trades Worker	30	8.0	59	17.7
Community and Personal Service Worker	18	4.8	13	3.9
Clerical and Administrative Worker	52	13.9	20	6.0
Sales Worker	39	10.4	14	4.2
Machinery Operator or Driver	3	0.8	5	1.5
Labourer	0	0.0	3	0.9
Other	11	2.9	5	1.5
Total	375	100	333	100

Table 3.7: Percent Auckland 20-40 Year Old Recent Movers' Household Incomes by Territorial Authority (Recent Mover Survey)

Annual Household Income (Gross)	% Auckland City	% Manukau City	% North Shore City	% Papakura District	% Rodney District	% Waitakere City
Under \$20,001	3.9	3.9	4.0	6.7	0.0	5.9
\$20,001 - \$30,000	1.3	1.3	4.0	6.7	0.0	4.4
\$30,001 - \$40,000	4.5	3.9	3.0	13.3	8.6	4.4
\$40,001 - \$50,000	4.5	7.9	1.0	6.7	0.0	13.2
\$50,001 - \$70,000	9.0	14.5	12.1	26.7	20.0	25.0
\$70,001 - \$100,000	14.2	26.3	23.2	26.7	28.6	16.2
\$100,001 - \$130,000	23.9	21.1	24.2	13.3	20.0	19.1
\$130,000 and over	38.7	21.1	28.3	0.0	22.9	11.8
Total	100	100	99.8	100.1	100.1	100

Table 3.8: Percent 20-40 Year Old Recent Mover Householders and Partners by Occupation and Territorial Authority (Recent Mover Survey)

Occupation of Householder	% Auckland City	% Manukau City	% North Shore City	% Papakura District	% Rodney District	% Waitakere City
Manager	12.7	14.5	15.9	9.1	17.1	19.2
Professional	55.5	42.0	41.5	27.3	37.1	32.7
Technician or Trades Worker	7.9	5.8	9.8	18.2	2.9	9.6
Community and Personal Service Worker	4.0	2.9	6.1	0	14.3	1.9
Clerical and Administrative Worker	7.9	26.1	12.2	27.3	14.3	11.5
Sales Worker	9.5	7.2	13.4	9.1	5.7	15.4
Machinery Operator or Driver	0.8	0.0	0	0	2.9	1.9
Labourer	0.0	0.0	0.0	0.0	0.0	0.0
Other	1.6	1.4	1.2	9.1	5.7	7.7
Total	99.9	99.9	100.1	100.1	100	99.9

Table 3.8: Percent 20-40 Year Old Recent Mover Householders and Partners by Occupation and Territorial Authority (Recent Mover Survey) continued

Occupation of Partner	% Auckland City	% Manukau City	% North Shore City	% Papakura District	% Rodney District	% Waitakere City
Manager	36.6	26.2	34.2	57.1	31.3	10.4
Professional	37.5	21.3	42.5	28.6	34.4	29.2
Technician or Trades Worker	8.0	29.5	13.7	14.3	28.1	25
Community and Personal Service Worker	3.6	3.3	1.4	0.0	0.0	12.5
Clerical and Administrative Worker	6.3	8.2	1.4	0.0	3.1	12.5
Sales Worker	5.4	4.9	4.1	0.0	0.0	4.2
Machinery Operator or Driver	0.0	3.3	0.0	0.0	3.1	4.2
Labourer	0.9	1.6	1.4	0.0	0.0	0.0
Other	1.8	1.6	1.4	0.0	0.0	2.1
Total	100.1	99.9	100.1	100	100	100.1

3.53 Table 3.9 shows employment among younger householder recent movers and their partners is spread across a number of sectors with concentrations in education and training and health care and social assistance.

Table 3.9: Percent 20-40 Year Old Recent Mover Householders and Partners by Economic Sector (Recent Mover Survey)

Economic Sector	Recent Mover Householder (n=375)		Recent Mover Partner (n=333)	
	n	%	n	%
Manufacturing	20	5.3	28	8.4
Construction	24	6.4	45	13.5
Wholesale trade	15	4.0	12	3.6
Retail trade and accommodation	38	10.1	30	9.0
Transport, postal , warehousing	16	4.3	22	6.6
Information, media, telecommunications	43	11.5	46	13.8
Financial and/or insurance services	39	10.4	29	8.7
Rental hiring and real estate services	4	1.1	2	0.6
Professional, scientific or technical	23	6.1	30	9.0
Administrative and support services	3	0.8	2	0.6
Public administration and safety	13	3.5	11	3.3
Education and training	55	14.7	22	6.6
Health care and social assistance	54	14.4	31	9.3
Arts, recreation and other services	12	3.2	4	1.2
Agriculture, forestry and fishing	4	1.1	8	2.4
Mining	2	0.5	0	0.0
Electricity, gas and water waste services	6	1.6	7	2.1
Not stated	4	1.1	4	1.2
Total	375	100.1	333	99.9

3.54 There is variation across territorial authorities around the economic sectors in which the householders in the Recent Mover Survey were employed. That variation is also evident in the economic sectors in which partners were employed (Table 3.10). In particular, there is a concentration of manufacturing employment in Papakura District and Manukau City. In contrast Auckland City tends to show higher concentrations in commercial sectors such as information, media, telecommunications and financial and/or insurance sectors.

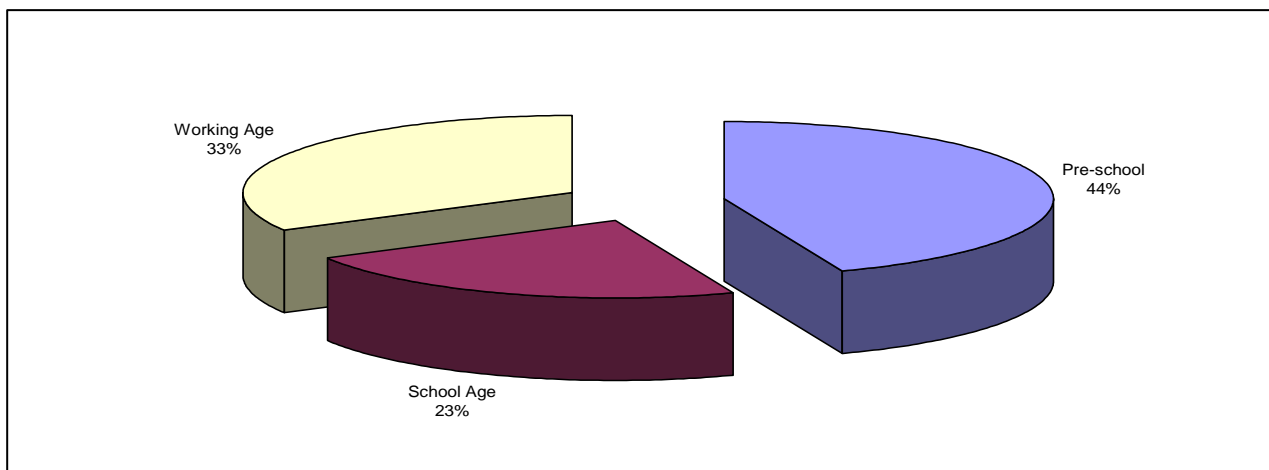
Table 3.10: Percent 20-40 Year Old Householders and Partners Employed in Economic Sector by Territorial Authority (Recent Mover Survey)

Economic Sector of Householder	% Auckland City	% Manukau City	% North Shore City	% Papakura District	% Rodney District	% Waitakere City
Manufacturing	5.6	7.2	2.4	18.2	2.9	5.8
Construction	6.3	4.3	4.9	9.1	8.6	9.6
Wholesale trade	3.2	4.3	3.7	0.0	8.6	3.8
Retail trade and accommodation	5.6	11.6	17.1	18.2	0.0	13.5
Transport, postal , warehousing	4.8	5.8	1.2	18.2	2.9	3.8
Information, media, telecommunications	15.1	4.3	14.6	9.1	20.0	1.9
Financial and/or insurance services	14.3	11.6	9.8	0.0	2.9	7.7
Rental hiring and real estate services	1.6	1.4	0.0	0.0	0.0	1.9
Professional, scientific or technical	7.9	2.9	7.3	0.0	2.9	7.7
Administrative and support services	0.0	2.9	0.0	0.0	0.0	1.9
Public administration and safety	2.4	5.8	2.4	0.0	2.9	5.8
Education and training	12.7	15.9	15.9	18.2	17.1	13.5
Health care and social assistance	13.5	11.6	13.4	9.1	25.7	15.4
Arts, recreation and other services	4.8	2.9	2.4	0.0	0.0	3.8
Agriculture, forestry and fishing	0.0	1.4	2.4	0.0	2.9	0.0
Mining	0.0	0.0	0.0	0.0	2.9	1.9
Electricity, gas and water waste services	1.6	2.9	1.2	0.0	0.0	1.9
Not stated	0.8	2.9	1.2	0.0	0.0	0.0
Total*	100.2	99.7	99.9	100.1	100.3	99.9
Economic Sector of Partner						
Manufacturing	7.1	11.5	6.8	28.6	9.4	6.3
Construction	5.4	24.6	13.7	0.0	25.0	12.5
Wholesale trade	5.4	1.6	4.1	0.0	0.0	4.2
Retail trade and accommodation	10.7	3.3	9.6	14.3	9.4	10.4
Transport, postal , warehousing	8.0	11.5	2.7	0.0	0.0	8.3
Information, media, telecommunications	17.9	8.2	15.1	28.6	12.5	8.3
Financial and/or insurance services	12.5	4.9	11.0	0.0	9.4	2.1
Rental hiring and real estate services	0.9	0.0	1.4	0.0	0.0	0.0
Professional, scientific or technical	8.9	11.5	8.2	0.0	9.4	8.3
Administrative and support services	0.0	1.6	1.4	0.0	0.0	0.0
Public administration and safety	1.8	6.6	0.0	14.3	0.0	8.3
Education and training	6.3	4.9	9.6	0.0	3.1	8.3
Health care and social assistance	8.9	8.2	5.5	0.0	9.4	18.8
Arts, recreation and other services	0.9	0.0	1.4	0.0	3.1	2.1
Agriculture, forestry and fishing	2.7	0.0	4.1	14.3	3.1	0.0
Mining	0.0	0.0	0.0	0.0	0.0	0.0
Electricity, gas and water waste services	1.8	1.6	4.1	0.0	3.1	0.0
Not stated	0.9	0.0	1.4	0.0	3.1	2.1
Total*	100.1	100	100.1	100.1	100	100

* Variations from 100 percent due to rounding

3.55 Figure 3.1 sets out the profile of households in relation to critical life stages associated with the youngest household member. As would be expected given the age screening question none of the respondent households are in the ‘retirement age’ life stage.

Figure 3.1: Life Stage (Age of Youngest Household Member) of Recent Mover Households (Recent Mover Survey)



3.56 Auckland City had the highest proportion of households in the ‘working age’ life stage. Rodney District and Waitakere City had the lowest proportions in the ‘working age’ life stage but the highest proportions of households in the ‘pre-school’ life stage (see Table 3.11).

Table 3.11: Life Stage of Recent Mover Survey Households by Territorial Authority (Recent Mover Survey)

Life Stage of Household	% Auckland City	% Manukau City	% North Shore City	% Papakura District	% Rodney District	% Waitakere City
Pre-School	41.6	44.4	43.5	35.7	47.6	50.7
School Age	15.7	23.3	25.0	35.7	33.3	25.3
Working Age	42.8	32.2	31.5	28.6	19.0	24.0
Total	100.1	99.9	100	100	99.9	100

* Variations from 100 percent due to rounding

3.3.3 Focus Groups with Younger Households

3.57 The focus groups were designed to identify:

- How individuals and households plan and decide on their housing.
- How housing decisions take account of and manage the interface between labour and housing markets.
- How housing decisions reflect and manage the interface between housing and: familial participation; social participation; community participation; educational needs; and, recreational needs.

3.58 The intention was to conduct 11 focus groups to explore the specific housing market experiences of different socio-demographic, housing tenure, life stage and ethnic groups within the 20-40 population, which is very diverse. Some in that broad age group are in education and training or new entrants to the labour force. Some are just starting on their ‘housing career’, while others have lived in many dwellings and experienced both renting and home ownership. Some are partnered while others are single; some have children (spanning from infants to teenagers and older) while others do not have children.

- 3.59 The 11 pre-defined focus groups were:
- Maori;
 - Pacific peoples;
 - Chinese (with a focus on new settlers);
 - tenant families;
 - tenant singles;
 - new owners of less than two years;
 - low income (under \$40,000 household income per annum);
 - medium income (\$40,000 to \$70,000 household income per annum);
 - high income (over \$70,000 household income per annum);
 - twenties (20-29 years); and,
 - thirties (30-40 years).
- 3.60 Recruiting individuals for the focus groups was done through researchers' networks as well as through several organisations, including a primary school, a central Auckland city business, Manukau City Council, Waitakere City Council, four not-for-profit community housing organisations, two union organisations and a Chinese youth trust.
- 3.61 Implementation of the focus groups resulted in 13 focus groups to ensure a spread of participants across all identified socio-demographic categories. Effort was also made to recruit people living in different areas of Auckland region. Some people who were unable to attend focus groups, agreed to be interviewed.
- 3.62 Focus groups and interviews involving 87 younger people and members of younger households were held during March and April 2010 in West Auckland, South Auckland, Auckland City and North Shore. The focus groups ranged in size from three to 15 participants. Most participants were living in Waitakere City, Manukau City, Auckland City and North Shore City. A few were living in Papakura District and Rodney District.
- 3.63 The focus groups and interviews were as follows:
- Maori – three participants: two women and one man. Middle-high income employed. Resident in West Auckland and South Auckland. Renting and home ownership.
 - Pacific – eight participants: six women and two men. Middle-high income employed. Both renting and home ownership. Pacific ethnic backgrounds included Niue, Cook Islands, Tahiti, Samoa, Tonga, Kiribati, and Fiji. Mainly resident in South Auckland.
 - Chinese – seven participants: three men and four women. Three were students, three working, and one seeking work. Two were home owners, two renting, and three living with parents. All resident on the North Shore.
 - Tenant families – 11 participants: eight women and three men. Pacific and Maori. Included recent migrants from islands. Experience of both private rentals and HNZC. Mix of working (permanent and casual employment) and beneficiaries (DPB).
 - Tenant singles – six participants: five men and one woman. All renters in their 20s. Maori and Pacific.
 - New home owners (1) – eight participants: two men and six women. All have been home owners for less than one year. One couple was building a home. Resident in West Auckland and Auckland City.
 - New home owners (2) – five participants: four women and one man. Home ownership less than two years. All have children.
 - New home owners (3) – 15 participants. Chinese, Pacific, Maori, European. All have children. Owning in South Auckland, Auckland City and West Auckland.
 - Low income – four women. All currently looking for accommodation in the rental market. Previously experienced renting, and living with family. All sole parents.

- Medium income – three participants: two women and one man. Living Auckland City and North Shore. Two renters and one owner.
- High income – four participants: two men and two women. Two home owners and two about to enter home ownership.
- Twenties – five single women. Four employed, one student seeking part time work. Resident in Auckland City and South Auckland. Renting.
- Thirties – four women: three partnered and one sole parent. One home owner, three renting. All with children.
- Seven interviews:
 - One woman, sole parent, employed full-time. New home owner, West Auckland
 - One woman, sole parent, employed part-time. New home owner, West Auckland.
 - One woman, sole parent, employed full-time. New home owner, West Auckland.
 - One woman, sole parent, employed full time. New home owner, South Auckland.
 - One man, 30s, employed full-time, new home owner, with partner and children.
 - One man, new home owner, employed full-time, in 20s, resident North Shore with partner.
 - One man, living with parents, partner and child in Manukau, saving to buy a home.

3.64 Although the focus groups were organised around the identified income, ethnic, housing tenure and life stage groupings, the groups were also mixed. For example, Maori and Pacific people participated across almost all focus groups. The focus groups also included a few people of Indian and African ethnicities. Similarly, renters, owner occupiers and individuals living with parents participated across the focus groups. Several focus groups were also mixed in terms of income. At least 40 percent of focus group participants and interviewees had entered home ownership in Auckland within the last two years.

3.65 Focus groups were conducted using a structured, facilitated process. Participants were asked about:

- Factors considered when making decisions about where they live and the type of housing they live in.
- Housing aspirations in comparison to housing expectations.
- Positive and negative aspects of renting and home ownership.
- Trade offs made, or expected to be made, to enter home ownership.
- Future intentions if they cannot get the sort of housing they want in Auckland.
- Their perceptions of major trends and issues affect housing provision for the 20-40 age group in the Auckland region over the next 10 years.
- Changes needed to ensure the best housing provision in Auckland for the 20-40 age group by 2020.

3.66 Interviews covered similar ground, and/or focused on specific issues relating to the interviewee's housing market experiences.

3.3.4 Workshops with Stakeholders

3.67 The workshops explored the current expectations around housing demand that arise from the decision-making of 20-40 year olds, the challenges that decision-making presents and barriers to meeting those challenges. Workshop participants were asked to discuss:

- The housing consumption patterns of 20-40 year olds in the Auckland region.
- Factors that have caused or influenced those patterns.
- Housing issues facing the 20-40 age group.
- Differences between the housing expectations of 20-40 year olds and their actual housing choices.

- How the housing expectations and choices of 20-40 year olds impact on: urban form, amenity provision and infrastructure demand.
 - What improvements are needed to planning and policy settings to meet the housing demand of 20-40 year olds.
 - How housing supply and consumer housing choice contribute to or inhibit Auckland's future as a productive, internationally competitive city.
- 3.68 Three workshops were conducted to learn more about supply-side perceptions and responses to 20-40 year old householders' demand for housing. Those workshops were held in March 2010 with key stakeholders in the following sectors:
- Settlement policy and planning. Fourteen people participated, including representatives from eight Auckland councils, one central government agency and two private sector planning organisations who also had expertise in residential developments.
 - Developers and the building industry. Four people participated from building and development companies.
 - Housing providers. While providers from the private, public and not-for-profit community housing sector were invited, only two providers participated, both from the community housing sector. Those providers noted that the large majority of the people they assist into housing are in the 20-40 age group.
- 3.69 In addition, six interviews were undertaken with people who were unable to attend workshops. Those interviews were with two community housing providers, two developers and two planners. Some workshop participants also fell into the 20-40 age group.

3.4 Summary

- 3.70 This section set out the conceptual approach to: the issue of demand (Section 3.1); and, understanding housing consumption patterns and its determinants (Section 3.2). Section 3.3 detailed the research methods.
- 3.71 The methodology recognises that housing consumption patterns are an outcome of housing demand and that housing demand consists of three elements of desire, willingness to pay and ability to pay. It also recognises that there are often gaps between housing demand, aspiration and need.
- 3.72 In order to explore the determinants of demand, the research approach focuses on the active choices and selections made about housing, levels of housing consumption and the type of housing consumption.
- 3.73 Four primary methods are used and their application is presented in Section 3.3. Those methods are: Housing market area analysis (HMA) using census data; a survey of recent movers; focus groups with younger households; and workshops with stakeholders to explore supply-side perceptions and responses to 20-40 year old householders' demand for housing. The sampling structures and case frames set out in section 3.3 can be replicated. The instrumentation for data collection for surveying is presented in Annex A. For the focus groups and the workshops the topic coverage is presented in Section 3.3.3 and Section 3.3.4 respectively.
- 3.74 In addition data has been drawn from a range of other primary existing datasets and existing analysis referred to in the text.

PART 2: AUCKLAND, ITS HOUSING & ITS YOUNGER HOUSEHOLDS

Part 2 comprises four sections.

Section 4 describes the critical position of the Auckland conurbation in terms of New Zealand's productive future. Key points are:

- Auckland has the largest concentration of people in New Zealand, at 1.3 million.
- Auckland has a younger age structure than the rest of New Zealand.
- Auckland is New Zealand's most ethnically diverse area.
- As the gateway to New Zealand, Auckland will continue to attract new settlers.
- Projected population increases to 1.9 million by 2031 will likely mean an additional 11,800 dwellings per annum are needed.
- Internationally it is agreed that stable and affordable housing connected to services is crucial to attracting and sustaining economic growth in cities.
- The 20-40 year olds of today will make up the bulk of Auckland's labour force over the next twenty to forty years. Younger households are and will be the main child rearers as well as the main carers of older generations.

Section 5 looks at the region's housing stock. Key points are:

- In 2006, there were 471,342 private dwellings.
- There is evidence of problems with the condition and thermal performance of Auckland's housing stock and Auckland has been affected by leaky building syndrome including stigmatisation of non-leaky stock.
- Most Auckland housing is in low density, non-mixed use neighbourhoods. Only Auckland City has any appreciable stock in high density mixed-use neighbourhoods.
- There is an aggregate under supply of dwellings in Auckland, and evidence of a lack of housing supply in the lower priced segments of the housing market.
- The territorial authorities with the largest under supply of dwellings are Auckland City, Manukau City and North Shore City.
- An estimated additional 56,000 rental properties will be needed in the region over the next 10 years.
- Across New Zealand, Auckland region has the highest proportion of the population living in crowded conditions. Within the region, Manukau City has the highest proportion of its residents in crowded housing. Pacific, Maori and Asian ethnic groups are most affected by crowded housing.

Section 6 covers the range of housing providers in owner occupation and rental markets, and the prevailing pricing structures for owner occupation and rental in the 14 HMAs. Key points are:

- Most of Auckland's stock is owner occupied.
- Across all HMA areas, lower quartile house prices experienced their greatest increases over the 2001-2006 period with biggest increases in Auckland City South East, Rural North, Rodney Southern Coastal and Auckland City North West.
- Most of Auckland's rental stock is provided through the private rental market.
- Rents in Auckland region have increased over the period 1996-2009 but at a significantly lower rate than house prices and a lower rate than median household incomes.
- Areas of higher rental are focused in the central HMAs of Auckland City and the coastal areas of North Shore City.

Section 7 presents census data on the 20-39 age group, who are a key component of Auckland as workers, consumers and parents, and most affected by declining home ownership trends. Key points are:

- Auckland has the largest concentration of 20-39 year olds in New Zealand. There were almost 152,000 younger households in the region with a 20-39 year old reference person. The HMA with the highest concentration of younger households is Auckland City CBD.

- The 20-39 year old population is ethnically diverse: by territorial authority Manukau City, Auckland City and Waitakere City have the most ethnically diverse 20-39 year old populations.
- 44 percent of younger households have a non-European ethnic identification.
- The HMAs with the greatest ethnic diversity among younger households are Auckland City CBD, Manukau City North West, Auckland City South East and Waitakere City.
- Younger households have a relatively low proportion of one person households and a relatively high proportion of multi person households.
- North Shore City and Waitakere City have the highest numbers of younger households composed only of parents and their children.
- Younger households tend to be slightly better off in terms of household incomes compared to all households in the region.

4 Auckland

4.1 This section briefly notes the critical position and characteristics of the Auckland conurbation.

4.1 Auckland Characteristics

4.2 The Auckland conurbation is unique in New Zealand. It is New Zealand's most ethnically diverse city and is subject to complex demographic dynamics. Those complexities are accentuated, and demographic trends made more uncertain, by Auckland's position as New Zealand's primary destination for new settlers. In Auckland, 37 percent of the regional population is overseas born.³⁷ Auckland is marked by net inflows of international migrants, a younger age population structure than the rest of New Zealand, natural population increase, and inflows of young people and young households.

4.3 Auckland's capacity to meet the challenge of its expanding population has long been questioned.³⁸ Even before the Auckland conurbation reached a million people, its infrastructure was stretched and stressed by its spatial spread. The late 20th century saw the Auckland conurbation geographically sprawled over an area comparable to international cities such as Tokyo, Los Angeles and New York, cities with many times the population of the Auckland region. Auckland's low density urban form with its multiplicity of territorial authorities have in the last twenty years been characterised by significant social disparities, uncertain water and energy supply, over-burdened roads and limited choice with regard to transport mode, and an overheated housing market. House price inflation in Auckland has not been simply part of the recent housing boom which was felt throughout the country as well as internationally. Auckland's housing affordability problems reach as far back as the mid-1990s.³⁹

4.4 Auckland region is not only the largest concentration of people in New Zealand; it also has the largest single concentration of New Zealand's housing stock. Currently, 29 percent of New Zealand's housing stock is found in Auckland and 30 percent of New Zealand's households are in Auckland. In total, 1.3 million people currently live in the Auckland region. By 2031 it is expected that the population in the Auckland region will have increased to 1.9 million. On current projections the Auckland region is likely to need an additional 11,800 occupied dwellings per annum.⁴⁰ Population growth will be driven by a combination of migration and natural increase. Auckland has, and will continue to attract a disproportionate number of new settlers because of its position as New Zealand's gateway for people coming from the rest of the world.

4.5 The Royal Commission on Auckland Governance recognised that if Auckland's continued growth was to lead to a productive Auckland then it needed a housing market which met the needs of its population. That is, the provision of housing within an easy commute to employment at an appropriate price was an essential component in being able to attract and retain a skilled workforce and drive economic growth. Affordable housing, good urban design and the attributes of place are all critical to delivering Auckland a competitive advantage for attracting talented, productive people and capital.⁴¹

³⁷ Statistics New Zealand, nd. This compares to 22.9 percent for the New Zealand population as a whole.

³⁸ Royal Society of New Zealand, 1999, Saville-Smith, 1999.

³⁹ DPMC, 2008.

⁴⁰ DPMC, 2008.

⁴¹ Royal Commission on Auckland Governance, 2009.

- 4.6 The Royal Commission noted that lack of affordable housing is both a social and economic issue for Auckland with housing costs constraining Auckland's economy by limiting access to housing for low to medium paid workers, as well as determining whether workers move to or stay in the region. Social deprivation, including housing stress, is seen as restraining Auckland's growth, places additional pressure on health and social services, and reduces the desirability of Auckland as a place to live, both for its current residents and for prospective workers and investors.⁴²
- 4.7 The Royal Commission's assessment of the importance of Auckland's housing infrastructure is consistent with international research and policy concerns around the interface between housing and the economic growth and resilience of urban settlements and cities. MacLennan reflects on that body of research and international debate when he concludes that a growing economy depends on a healthy, skilled workforce which, in turn, depends on stable and affordable housing well connected to city systems. Thus the housing system is a critical part of a city's infrastructure and one of the key factors (along with land, planning and other infrastructure) that influences a city's incomes and employment, the cyclical stability of its economy and long term growth and productivity.⁴³
- 4.8 20-40 year olds are central to those aspects of Auckland's resilience and competitive economic growth. It is that population that will make up the bulk of the labour force over the next twenty to forty years. Those younger households are and will be rearing children. It is that part of the population that will be caring for their parents and grandparents. For them, consequently, housing that contributes to their productivity, their well-being, their ability to enter and stay in employment, and their ability to raise children and care for their families is critical.

4.2 Summary

- 4.9 Key points about Auckland relevant to this research are:
- Auckland has the largest concentration of people in New Zealand, at 1.3 million.
 - Auckland has a younger age structure than the rest of New Zealand.
 - Auckland is New Zealand's most ethnically diverse area.
 - As the gateway to New Zealand, Auckland will continue to attract new settlers.
 - Projected population increases to 1.9 million by 2031 will likely mean an additional 11,800 dwellings per annum are needed.
 - Internationally it is agreed that stable and affordable housing connected to services is crucial to attracting and sustaining economic growth in cities.
 - The 20-40 year olds of today will make up the bulk of Auckland's labour force over the next twenty to forty years. Younger households are, and will be, the main child rearers as well as the main carers of older generations.

⁴² Royal Commission on Auckland Governance, 2009: 79-81.

⁴³ MacLennan, 2008.

5 Auckland's Housing and Neighbourhoods

5.1 This section describes Auckland's provision of housing stock, the spatial distribution of dwellings in Auckland and its neighbourhood characteristics.

5.1 Auckland's Dwellings

5.2 In 2006, 471,342 dwellings were situated in Auckland's territorial authorities.⁴⁴ The total stock increased between 2001 and 2006, by 48,423 stock units. Auckland City had the highest growth in terms of numbers of private occupied dwellings, followed by Manukau City (Table 5.1).

Table 5.1: Auckland Private Occupied and Unoccupied Dwellings 2001-2006 (Census)

Area	Private Occupied Dwellings		Unoccupied Dwellings		Total Dwellings		% Dwellings Unoccupied	
	2001	2006	2001	2006	2001	2006	2001	2006
Rodney District	28,536	33,342	5,022	5,760	33,558	39,102	15.0	14.7
North Shore City	66,468	72,654	3,903	3,993	70,371	76,647	5.5	5.2
Waitakere City	56,037	62,268	3,618	3,600	59,655	65,868	6.1	5.5
Auckland City	132,138	145,017	10,506	13,260	142,644	158,277	7.4	8.4
Manukau City	83,595	94,950	4,533	4,569	88,128	99,519	5.1	4.6
Papakura District	13,515	14,904	834	795	14,349	15,699	5.8	5.1
Franklin District	17,673	20,382	1,842	1,956	19,515	22,338	9.4	8.8
Auckland TAs	393,264	437,988	29,655	33,354	422,919	471,342	7.0	7.1
Total New Zealand	1,359,843	1,471,746	147,435	159,273	1,507,278	1,631,019	9.8	9.8

5.3 Rodney District experienced the highest proportional growth in private occupied dwellings over that time at 16.8 percent.⁴⁵ At the same time, of all territorial authorities in the region, Rodney District had the highest proportion of private dwellings unoccupied. Notably, despite the affordability problems and crowding problems in Auckland noted later in this report which suggest under-supply, there are over 30,000 unoccupied dwellings in Auckland.

5.4 Multi-units still make up a minority, albeit a substantial minority of 22.5 percent, of the occupied stock. In 2006, Auckland's private occupied dwellings were made up as follows:⁴⁶

- Separate house – 311,106.
- Multi-unit – 98,454.
- Other occupied dwellings (in earlier censuses called temporary dwellings) – 1,737.
- Occupied private dwelling not further defined (e.g. bach and dwellings adjoined to a business or shop) – 26,688.

5.5 The 1999 and 2004 BRANZ House Condition Surveys showed that Auckland houses have persistently had the lowest average condition of house components of dwellings in New Zealand's main urban areas.

5.6 There are also problems with the thermal performance of the Auckland housing stock. There has been an argument that the warmer climate in the Auckland region means that interventions to increase thermal performance in New Zealand dwellings should be focused on other climate zones. However, HomeSmart Renovation Project monitoring shows Auckland dwellings can be cold.

⁴⁴ Statistics New Zealand, nd.

⁴⁵ Social and Economic Research and Monitoring Team, 2007:16

⁴⁶ Statistics New Zealand, 2006.

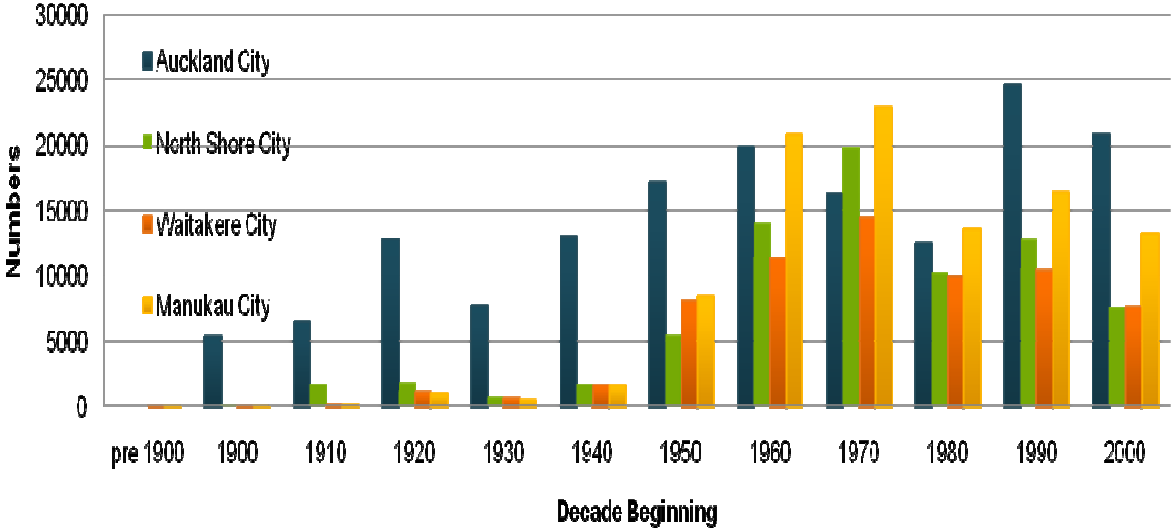
5.7 Twenty-eight of the 32 Auckland dwellings in the HomeSmart Renovation Project in which temperatures were monitored had average living room temperatures in winter below 18°C. Twenty-nine of those 32 dwellings had average winter bedroom temperatures below 18°C. These temperatures are too low by World Health Organisation standards. Overall, 25 of those dwellings were too cold in both the living room and bedroom. Only one household had acceptable temperatures (18° C or more) in both living room and bedroom in the winter. That these homes were cold is not surprising. Like dwellings throughout New Zealand, few were properly insulated. While just over 80 percent of the Auckland dwellings assessed in the HomeSmart Renovation Project had some roof insulation, only 18 percent of dwellings were fully insulated.

5.8 The condition of Auckland’s homes has been the focus of considerable attention in the context of leaky building syndrome. A recent estimate puts the number of homes affected by the leaky building syndrome built between 1992 and 2005 in the range of 22,000 to 89,000 nationwide, with a consensus forecast of 42,000 failures.⁴⁷ An estimated 75 percent of homes currently under claim are in the greater Auckland area.⁴⁸ This suggests that there may be 31,500 leaky homes in Auckland region. Three of the six most affected territorial authorities are in Auckland region – North Shore City, Auckland City and Waitakere City.

5.2 Distribution of Dwellings

5.9 Figure 5.1 shows that considerable numbers of dwellings in the Auckland area have been built in the ‘outer’ cities of Auckland over the last thirty years and increased the spread of Auckland. That spread, as previously noted, presents considerable infrastructural challenges,⁴⁹ and is associated with particular neighbourhood characteristics that impact on residents’ perceptions, expectations and behaviour.

Figure 5.1: Auckland Housing Numbers by Decade⁵⁰



⁴⁷ PriceWaterhouseCoopers, 2009.

⁴⁸ <http://admin.beehive.govt.nz/release/government+announces+leaky+homes+package>

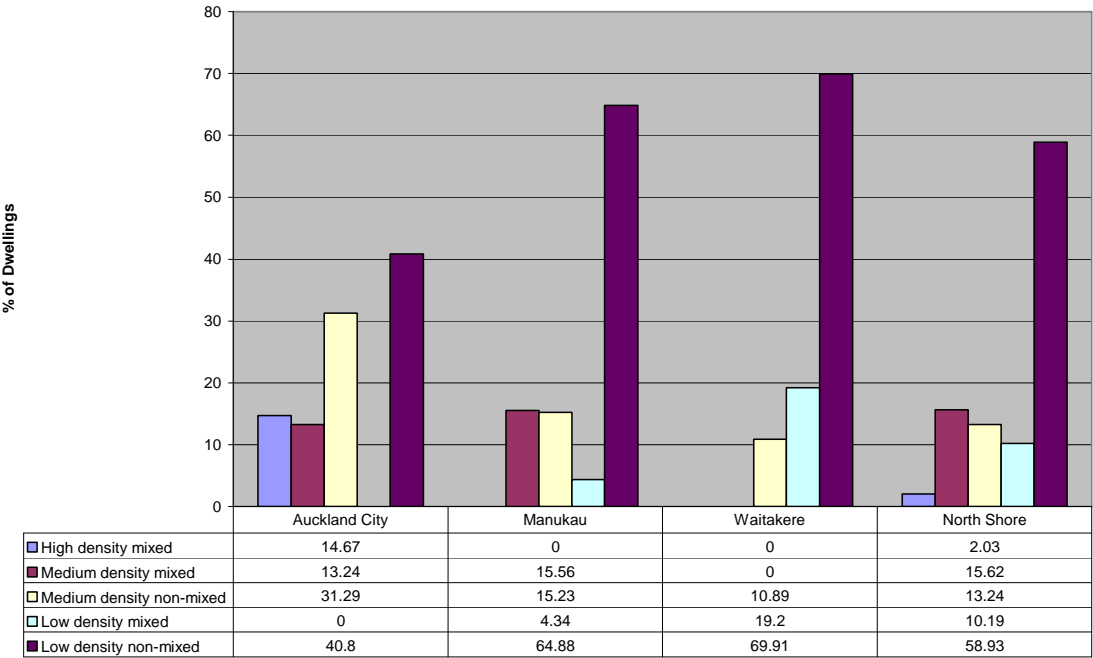
⁴⁹ Section 4.

⁵⁰ Data provided by BRANZ

5.3 Neighbourhood Characteristics

5.10 Low density, non-mixed use neighbourhoods are dominant in New Zealand. Over half of New Zealand dwellings are in low density, non-mixed use neighbourhoods. Manukau, Waitakere and North Shore cities have a comparatively high proportion of dwellings in low density non-mixed use neighbourhoods (Figure 5.2).⁵¹

Figure 5.2: Proportions of Dwellings in Selected Cities by Density/Mix Category (2006 Census)



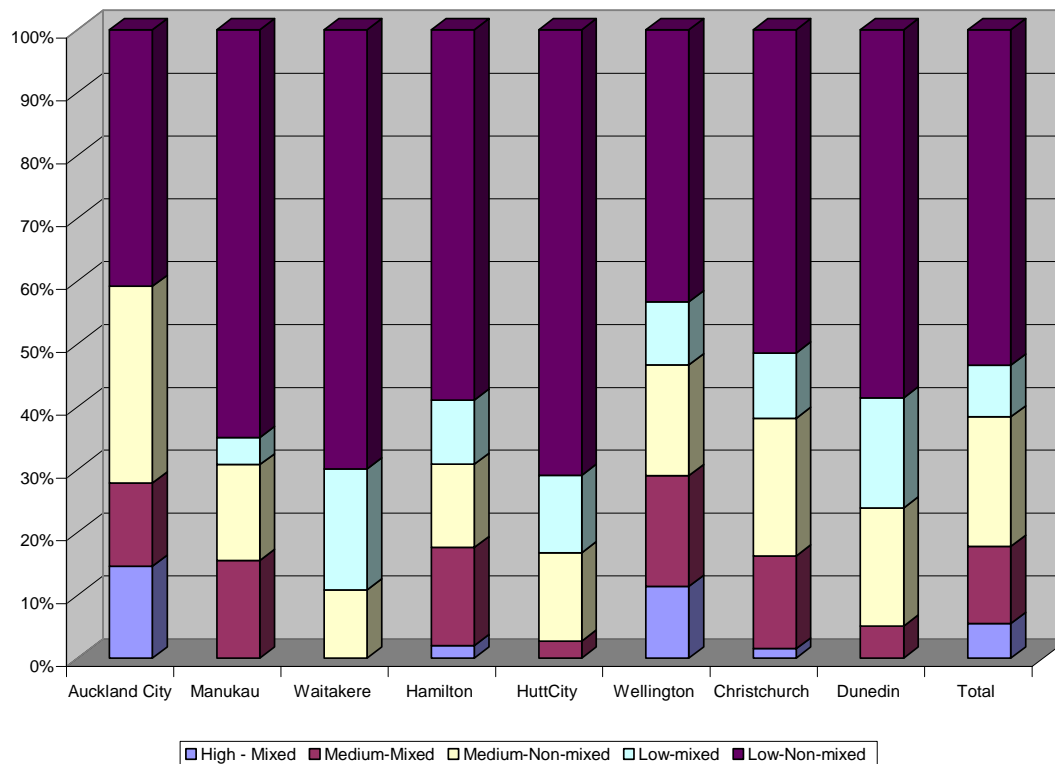
5.11 Comparing Auckland, Manukau, Waitakere and North Shore cities, Auckland City shows a pattern of higher density. In the context of medium density, Auckland City dwellings are more likely to be in non-mixed settings compared to either Manukau City or North Shore City.

5.12 Waitakere City and Manukau City are both dominated by low density non-mixed use neighbourhood environments. By way of contrast, Waitakere shows a greater proportion of dwellings in mixed use settings. This no doubt reflects both the historical development of Waitakere around the small towns that grew up to service its orchard and horticultural activities and subsequent commitment to preserving the character of those town centres (Figure 5.3).⁵²

⁵¹ Saville-Smith, 2009.

⁵² McDonald, and Kerr, (eds), 2009.

Figure 5.3: Proportions of Dwellings in Selected Cities in the Auckland Conurbation (2006 Census)



5.13 The density and mix of neighbourhoods does have an impact on the perceptions, expectations and behaviours of residents. Beacon’s 2008 National Neighbourhood Survey found that:

- Householders are more likely to intend to move in high density mixed use, medium density mixed use, and low density non-mixed use neighbourhoods.
- Medium and high density householders are more likely to move because their dwelling does not meet their needs.
- Higher density and mixed use residents were more likely report problems with noise.
- Living in medium density, non-mixed areas is most likely to generate a positive perception about the condition of local dwellings.
- High density, mixed use areas are reported by residents as being less friendly and a higher proportion of participants in low density, non-mixed areas report a sense of belonging.
- Householders in high density, mixed areas are more likely not to know people in their neighbourhood and/or not know the name of their neighbourhoods but there is very little difference around the propensity to greet or chat with neighbours.
- Residents in high density, mixed use areas have the greatest propensity to use public space.
- Householders living in high density, mixed use environments are less likely to be involved in local, neighbourhood groups.
- Those living in high density, mixed use areas are more likely to report that the neighbourhood reflects their identity.
- Householders in high density, mixed use neighbourhoods have lower engagement in such activities as composting and organic gardening.
- Householders living in high density mixed use areas are more likely to walk or use a bicycle to get to work or study.
- The use of private vehicles is most pronounced in low density, non-mixed use areas.

- The average kilometres travelled in private motor vehicles by households varies significantly depending on the density and use characteristics of the neighbourhood in which their dwelling is situated:
 - 9,960 kilometres annual average in high density, mixed use neighbourhoods.
 - 7,622 kilometres annual average in medium density, mixed use neighbourhoods.
 - 13,788 kilometres annual average in medium density, non-mixed use neighbourhoods.
 - 12,068 kilometres annual average in low density, mixed use neighbourhoods.
 - 12,261 kilometres annual average in low density, non-mixed use neighbourhoods.
- Householders living in higher density, mixed use areas are most likely to feel positive about safety.⁵³

5.4 Demand and Supply Misalignment

- 5.14 In general the housing supply that has been generated through these outer cities over the last three decades has responded to population growth. However, there is a misalignment between housing supply in the lower priced segments of the housing market as well as aggregate under-supply in Auckland over the last decade.⁵⁴ The House Price Unit analysis of occupied dwelling growth and population growth from 1996-2001 found that ten New Zealand areas showed a growth in dwelling numbers less than population growth. The largest areas of under-supply were: Auckland City, Manukau City, and North Shore City.
- 5.15 Over the whole region, the House Price Unit estimates that to maintain average household sizes at their 2001 levels,⁵⁵ the Auckland region requires an additional 4,500 dwellings relative to the numbers actually added to the occupied dwelling stock. An estimated additional 56,000 rental properties will be needed in the region over the next ten years under current market and policy settings.⁵⁶
- 5.16 The Auckland region shows persistent problems with over-crowding since the mid 1980s.⁵⁷ Auckland region has the highest proportion (15.7 percent) of the population living in crowded housing. Within the region some residents are much more crowded than others. About one quarter of Manukau City's residents live in crowded housing; it is about five times the proportion of Rodney District's population in crowded conditions.
- 5.17 In all territorial authority areas in the region, Pacific people are most likely to be living in crowded households. In Manukau City nearly 40 percent of Pacific people are in crowded conditions. Maori have the second highest rate of crowding in almost all the council areas, followed by Asians. Europeans experience the lowest level of crowding, at below 5 percent in most council areas in the region.⁵⁸ Children are especially affected by overcrowding. Nationally, the territorial authority with the most children (and the highest proportion) in crowded housing is Manukau City, with 35 percent of children aged 0-14 years.⁵⁹ Subsequent sections show, ethnic minority groups and children are concentrated in younger households.

⁵³ Saville-Smith, 2009.

⁵⁴ See DPMC (2008) for an extensive discussion of this.

⁵⁵ 2001 household sizes have been used for this analysis because 2001 represents a household/stock equilibrium prevailing before the subsequent house price blow-out and subsequent affordability crisis in Auckland.

⁵⁶ Mitchell, O'Malley, Murphy, Duncan, 2007.

⁵⁷ Statistics New Zealand, 2003.

⁵⁸ Royal Commission on Auckland Governance, 2009:223.

⁵⁹ Ministry of Social Development, 2008. This analysis uses the Canadian National Occupancy Standard.

5.5 Summary

- 5.18 This section shows that Auckland's housing stock is of considerable size. The data suggest:
- There are problems with the condition and thermal performance of Auckland's housing stock and Auckland has been affected by leaky building syndrome including stigmatisation of non-leaky stock.
 - Most Auckland housing is in low density, non-mixed use neighbourhoods. Only Auckland City has any appreciable stock in high density mixed-use neighbourhoods.
 - There is an aggregate under supply of dwellings in Auckland, and evidence of a lack of housing supply in the lower priced segments of the housing market.
 - The territorial authorities with the largest under supply of dwellings are Auckland City, Manukau City and North Shore City.
 - An estimated additional 56,000 rental properties will be needed in the region over the next 10 years.
 - Across New Zealand, Auckland region has the highest proportion of the population living in crowded conditions. Within the region, Manukau City has the highest proportion of its residents in crowded housing. Pacific, Maori and Asian ethnic groups are most affected by crowded housing.

6 Housing Provision, Markets and Prices

- 6.1 Households primarily get access to Auckland conurbation's infrastructure of housing and neighbourhoods either through the home ownership sector or through the rental sector. This section provides a brief overview of housing provision in those sectors, the housing market areas (HMAs) that differentiate Auckland, and the prevailing pricing structures for rental and owner occupation respectively.

6.1 Owner Occupation

- 6.2 Most of the stock built in the Auckland region since the Second World War has been built for owner occupation. That stock comes available for sale in one of four ways: through other owner occupiers; private sector developers selling new builds or on-selling existing stock; landlords selling stock previously tenanted; not-for-profit housing providers supporting owner occupation.
- 6.3 Of those, owner occupiers are the main providers of housing for owner occupation. The implication of this fact is frequently ignored, but is critically important for a number of reasons. In general, owner occupiers sell houses in order to acquire an alternative dwelling. If they can not sell easily or at a price that allows them to purchase a desired alternative dwelling or acquire an alternative dwelling that is desirable to them in a desired location, this impacts on the supply of dwellings available to younger households. This can lead to supply-side deficits for particular dwelling types or particular dwelling locations that are not immediately obvious in aggregate analysis of the match between dwelling quantum and the number of households.
- 6.4 One obvious and longstanding outcome of the influence of owner occupiers as potential housing providers is the influence of owner occupier decisions to sell smaller stock and retain larger stock. This underpins the well established trend associated with an ageing society of an apparent mismatch between the dwellings and the smaller households of older couples and older people living alone. In general, most households do not downsize as children leave home and Coleman's modelling suggests that older people will not become major providers of larger

housing into the market.⁶⁰ This suggests an under-supply of family-size dwellings for younger households and has implications for in-home support needs for older people.

- 6.5 This research shows in later sections that where younger owner occupiers provide housing into the market, that housing tends to be of dwelling types that are seen as less desirable. In particular, some owner occupiers attempt to move from multi-units to detached dwellings. This suggests on-going price pressure on detached dwellings and potential for multi-units to become increasingly concentrated in the rental sector.
- 6.6 Private developers' provision of housing is divided across locations and dwelling types. There has been an increase in the building of multi-units in Auckland over the last decade. It is this part of the housing industry that tends to drive greenfields development as well as brownfields developments for residential purposes.
- 6.7 It is unclear how much dwelling stock is supplied into the owner occupier market by landlords. Given that the rental stock still makes up a minority of all stock in Auckland, the impact of selling into owner occupation previously rented stock is expected to have a relatively limited impact, although this may change in the light of new policy settings around tax and rental housing.
- 6.8 There are some not-for-profit sector providers of owner occupied stock. Those include: Habitat for Humanity which has provided support to owner occupiers to build 67 dwellings for family households; and the New Zealand Housing Foundation through home equity and shared ownership programmes. The New Zealand Housing Foundation is currently constructing 70 dwellings in Glen Eden. It also has 7 dwellings in Takanini.
- 6.9 Homeowners, or potential homeowners are typically dependent on the housing finance industry to fund their acquisition of a dwelling. Prevailing interest rates, availability of finance and the extent to which traditional prudential requirements are applied have a considerable impact on access and/or house prices.⁶¹
- 6.10 It has already been noted that the issues of house pricing and housing affordability have been a persistent anxiety in the Auckland region. Those problems have not only arisen out of the boom in real house prices that affected the whole of New Zealand from around 2002. The Auckland region also experienced a house price boom in the mid 1990s which was largely restricted to Auckland.⁶²
- 6.11 Figure 6.1 illustrates median sale price for three bedroom stand alone dwellings by area unit. The picture for multi-unit dwellings is presented in Figure 6.2. Table 6.1 presents the trend in the sale prices of dwellings in Auckland region by housing market area for stand-alone dwellings between 1996 and 2009. Table 6.2 presents the same analysis for multi-unit dwellings. That data shows that the lower quartile of house prices experienced their greatest increase over the 2001 to 2006 period across all areas.
- 6.12 These lower quartile priced houses are generally assumed to be entry level housing into which first homeowners will enter the owner occupied market. For that reason and because lower quartile housing prices present the lowest price barrier to entry these prices are usually used to estimate affordability and the size of the intermediate housing market. Relatively loose

⁶⁰ See Coleman's modelling in CRESA and Public Policy & Research, 2009.

⁶¹ See Coleman (in Public Policy & Research and CRESA, 2009) and Saville-Smith (2010) for a discussion of the impact of international liquidity and prudential practices on the house price boom and subsequent recession.

⁶² Morrison, 2008.

lending criteria and strong population growth combined with an appetite for investment property led to an average growth rate of 84 percent in house price over the 2001–2006 period.

- 6.13 Auckland City South East experienced the highest level of lower quartile price appreciation, with prices increasing by 97.2 percent between 2001 and 2006, followed by Rodney Southern Coastal (94.7 percent), the Rural North (94.3 percent), and Auckland City North West (89.7 percent). That appreciation slowed to 2.7 percent, 4.4 percent, 10.8 percent and -7.3 percent respectively in the subsequent period of 2006 to 2009.

Figure 6.1: Median Sales Price for Stand Alone (3 bedroom) Dwellings by Census Area Unit (Year ended 30 June 2009)

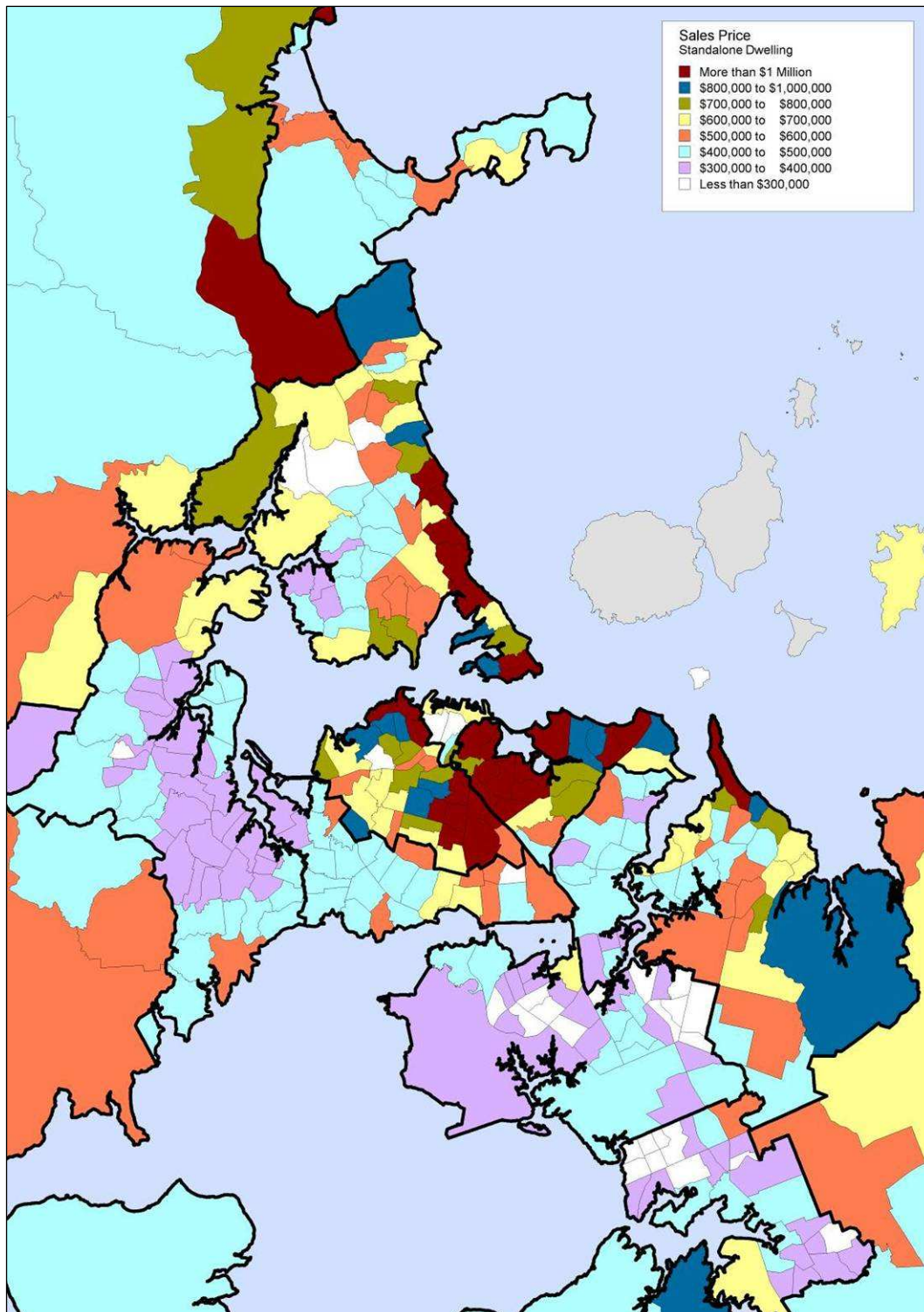


Figure 6.2: Median Sales Price for Multi-unit Dwellings by Census Area Unit (Year ended 30 June 2009)

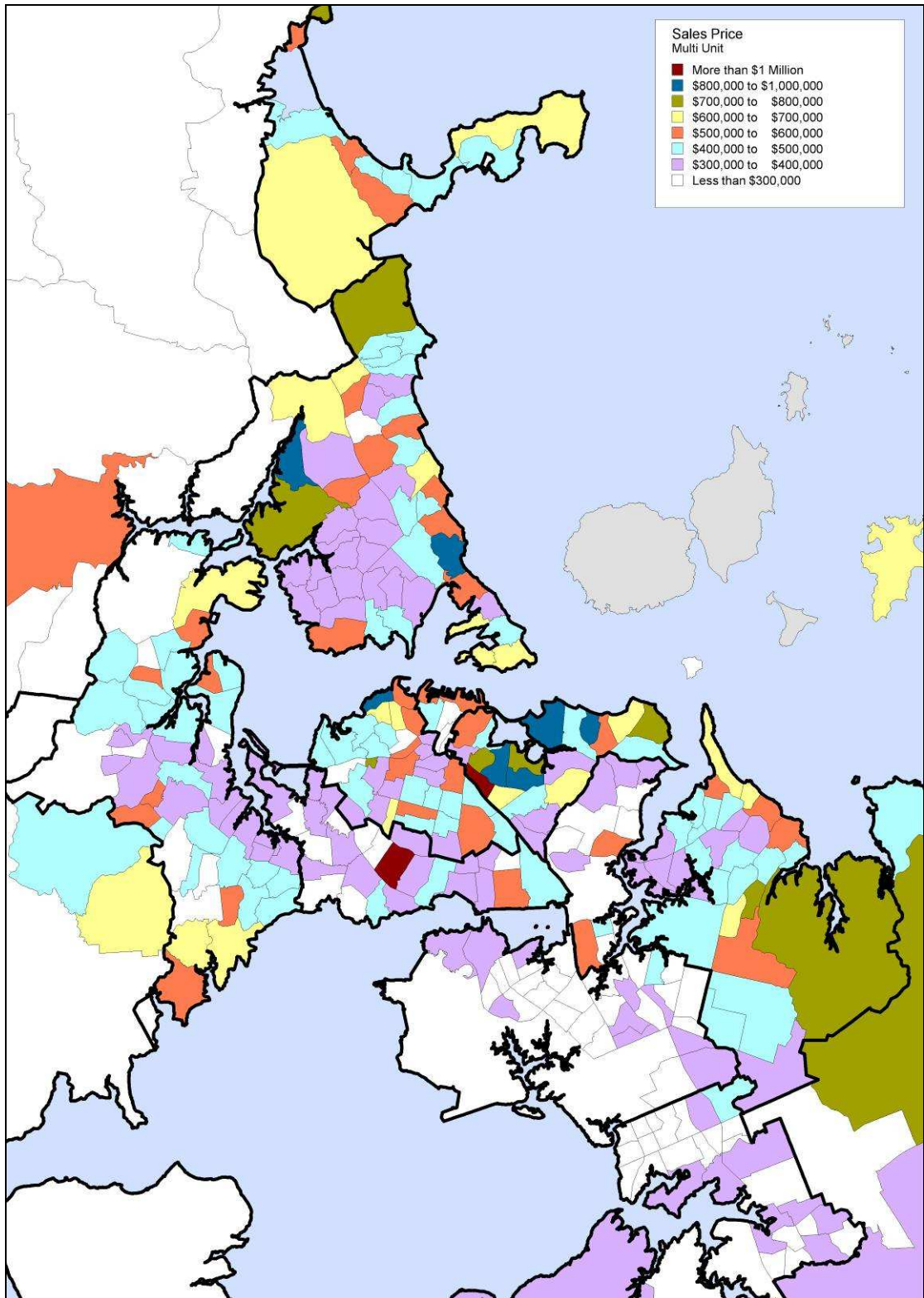


Table 6.1: Lower Quartile and Median Sale Price Trends 1996 -2009 – Stand-alone Dwellings by HMA

	Sale Price		% Chge	Sale Price	% Chge	Sale Price	% Chge	% Annual Average Growth Rate			
	1996	2001	96 to 01	2006	01 to 06	2009	06 to 09	96 to 01	01 to 06	06 to 09	96 to 09
Lower Quartile House Price											
Rural North	\$145,000	\$175,000	20.7	\$340,000	94.3	\$355,000	4.4	3.8	14.2	0.9	7.1
Rodney - Southern Coastal	\$185,750	\$190,000	2.3	\$370,000	94.7	\$410,000	10.8	0.5	14.3	2.1	6.3
North Shore City	\$212,000	\$213,000	0.5	\$392,000	84.0	\$420,000	7.1	0.1	13.0	1.4	5.4
Waitakere City	\$165,000	\$164,000	-0.6	\$309,000	88.4	\$315,000	1.9	-0.1	13.5	0.4	5.1
Auckland City – Central	-	-	-	-	-	-	-	-	-	-	-
Auckland City – North East	\$310,000	\$330,000	6.5	\$575,250	74.3	\$585,000	1.7	1.3	11.8	0.3	5.0
Auckland City – North West	\$260,000	\$290,000	11.5	\$550,000	89.7	\$510,000	-7.3	2.2	13.7	-1.5	5.3
Auckland City - South East	\$155,000	\$158,000	1.9	\$311,500	97.2	\$320,000	2.7	0.4	14.5	0.5	5.7
Auckland City - South West	\$200,000	\$200,000	0.0	\$365,125	82.6	\$375,000	2.7	0.0	12.8	0.5	5.0
Manukau City – North	\$236,000	\$244,250	3.5	\$428,000	75.2	\$470,000	9.8	0.7	11.9	1.9	5.4
Manukau City - North West	\$122,375	\$144,000	17.7	\$260,000	80.6	\$265,000	1.9	3.3	12.5	0.4	6.1
Manukau City - Manurewa & Papakura	\$133,000	\$150,000	12.8	\$260,000	73.3	\$266,000	2.3	2.4	11.6	0.5	5.5
Pukekohe	\$127,450	\$156,000	22.4	\$285,000	82.7	\$340,000	19.3	4.1	12.8	3.6	7.8
Rural South	\$135,000	\$169,000	25.2	\$302,000	78.7	\$328,000	8.6	4.6	12.3	1.7	7.1

Source: Darroch / Headway Systems

Table 6.1: Lower Quartile and Median Sale Price Trends 1996-2009 – Stand-alone Dwellings by HMA Continued

	Sale Price		% Chge	Sale Price	% Chge	Sale Price	% Chge	% Annual Average Growth Rate			
	1996	2001	96 to 01	2006	01 to 06	2009	06 to 09	96 to 01	01 to 06	06 to 09	96 to 09
Median House Price											
Rural North	\$187,000	\$225,000	20.3	\$420,000	86.7	\$430,000	2.4	3.8%	13.3	0.5	6.6
Rodney - Southern Coastal	\$235,000	\$242,000	3.0	\$450,000	86.0	\$495,000	10.0	0.6%	13.2	1.9	5.9
North Shore City	\$255,000	\$275,000	7.8	\$495,000	80.0	\$530,000	7.1	1.5%	12.5	1.4	5.8
Waitakere City	\$192,000	\$202,500	5.5	\$358,000	76.8	\$370,000	3.4	1.1%	12.1	0.7	5.2
Auckland City – Central	-	-	-	-	-	-	-	-	-	-	-
Auckland City - North East	\$400,000	\$438,250	9.6	\$750,000	71.1	\$765,000	2.0	1.8%	11.3	0.4	5.1
Auckland City - North West	\$312,500	\$360,000	15.2	\$680,000	88.9	\$660,000	-2.9	2.9%	13.6	-0.6	5.9
Auckland City - South East	\$185,000	\$189,000	2.2	\$367,000	94.2	\$385,000	4.9	0.4%	14.2	1.0	5.8
Auckland City - South West	\$237,000	\$239,000	0.8	\$427,750	79.0	\$435,000	1.7	0.2%	12.3	0.3	4.8
Manukau City – North	\$285,000	\$290,000	1.8	\$505,000	74.1	\$555,500	10.0	0.3%	11.7	1.9	5.3
Manukau City - North West	\$150,000	\$175,000	16.7	\$320,000	82.9	\$321,000	0.3	3.1%	12.8	0.1	6.0
Manukau City - Manurewa & Papakura	\$157,500	\$190,000	20.6	\$315,000	65.8	\$332,500	5.6	3.8%	10.6	1.1	5.9
Pukekohe	\$168,000	\$190,000	13.1	\$360,000	89.5	\$396,000	10.0	2.5%	13.6	1.9	6.8
Rural South	\$175,000	\$210,000	20.0	\$391,250	86.3	\$404,500	3.4	3.7%	13.3	0.7	6.7

Source: Darroch / Headway Systems

Table 6.2: Lower Quartile and Median Sale Price Trends 1996-2009 – Multi-Unit Dwellings by HMA

	Sale Price		% Chge	Sale Price	% Chge	Sale Price	% Chge	% Annual Average Growth Rate			
	1996	2001	96 to 01	2006	01 to 06	2009	06 to 09	96 to 01	01 to 06	06 to 09	96 to 09
Lower Quartile House Price											
Rural North	\$121,000	\$150,500	24.4	\$200,750	33.4	\$189,000	-5.9	4.5	5.9	-1.2	3.5
Rodney District - Southern Coastal	\$178,500	\$179,000	0.3	\$329,250	83.9	\$380,000	15.4	0.1	13.0	2.9	6.0
North Shore City	\$170,000	\$160,000	-5.9	\$305,000	90.6	\$311,750	2.2	-1.2	13.8	0.4	4.8
Waitakere City	\$130,000	\$129,500	-0.4	\$268,000	106.9	\$286,250	6.8	-0.1	15.7	1.3	6.3
Auckland City – Central	\$180,100	\$145,000	-19.5	\$210,000	44.8	\$139,800	-33.4	-4.2	7.7	-7.8	-1.9
Auckland City – North East	\$188,250	\$198,750	5.6	\$305,162	53.5	\$321,775	5.4	1.1	9.0	1.1	4.2
Auckland City – North West	\$160,000	\$144,875	-9.5	\$258,250	78.3	\$280,500	8.6	-2.0	12.3	1.7	4.4
Auckland City – South East	\$113,875	\$105,000	-7.8	\$172,000	63.8	\$234,250	36.2	-1.6	10.4	6.4	5.7
Auckland City – South West	\$145,750	\$140,750	-3.4	\$260,000	84.7	\$271,500	4.4	-0.7	13.1	0.9	4.9
Manukau City – North	\$195,000	\$200,000	2.6	\$345,000	72.5	\$365,000	5.8	0.5	11.5	1.1	4.9
Manukau City – North West	\$113,868	\$125,000	9.8	\$220,000	76.0	\$215,000	-2.3	1.9	12.0	-0.5	5.0
Manukau City - Manurewa & Papakura	\$112,000	\$106,000	-5.4	\$199,500	88.2	\$200,000	0.3	-1.1	13.5	0.1	4.6
Pukekohe	\$106,000	\$121,312	14.4	\$211,500	74.3	\$271,250	28.3	2.7	11.8	5.1	7.5
Rural South	\$106,125	\$131,375	23.8	\$242,500	84.6	\$240,000	-1.0	4.4	13.0	-0.2	6.5

Source: Darroch / Headway Systems

Table 6.2: Lower Quartile and Median Sale Price Trends 1996-2009 – Multi-Unit Dwellings by HMA Continued

	Sale Price		% Chge	Sale Price	% Chge	Sale Price	% Chge	Annual Average Growth Rate			
	1996	2001	96 to 01	2006	01 to 06	2009	06 to 09	96 to 01	01 to 06	06 to 09	96 to 09
Median House Price											
Rural North	\$157,000	\$205,000	30.6	\$278,000	35.6	\$342,500	23.2	5.5	6.3	4.3	6.2
Rodney - Southern Coastal	\$207,000	\$245,000	18.4	\$397,000	62.0	\$530,000	33.5	3.4	10.1	5.9	7.5
North Shore City	\$208,000	\$210,000	1.0	\$360,500	71.7	\$380,000	5.4	0.2	11.4	1.1	4.7
Waitakere City	\$152,000	\$160,000	5.3	\$336,000	110.0	\$402,500	19.8	1.0	16.0	3.7	7.8
Auckland City – Central	\$232,409	\$217,500	-6.4	\$269,500	23.9	\$200,000	-25.8	-1.3	4.4	-5.8	-1.1
Auckland City – North East	\$260,000	\$282,250	8.6	\$414,500	46.9	\$416,500	0.5	1.7	8.0	0.1	3.7
Auckland City – North West	\$205,500	\$200,000	-2.7	\$335,000	67.5	\$362,250	8.1	-0.5	10.9	1.6	4.5
Auckland City – South East	\$145,500	\$139,000	-4.5	\$247,500	78.1	\$288,400	16.5	-0.9	12.2	3.1	5.4
Auckland City – South West	\$182,000	\$170,000	-6.6	\$305,000	79.4	\$334,500	9.7	-1.4	12.4	1.9	4.8
Manukau City – North	\$230,000	\$242,500	5.4	\$410,000	69.1	\$428,500	4.5	1.1	11.1	0.9	4.9
Manukau City – North West	\$140,000	\$157,500	12.5	\$251,000	59.4	\$278,000	10.8	2.4	9.8	2.1	5.4
Manukau City - Manurewa & Papakura	\$130,000	\$133,000	2.3	\$225,000	69.2	\$235,000	4.4	0.5	11.1	0.9	4.7
Pukekohe	\$138,000	\$149,500	8.3	\$235,000	57.2	\$305,000	29.8	1.6	9.5	5.4	6.3
Rural South	\$127,300	\$153,125	20.3	\$284,000	85.5	\$290,000	2.1	3.8	13.1	0.4	6.5

Source: Darroch / Headway Systems

6.2 Rental Housing

- 6.14 Rental stock is provided predominantly through the private rental market. There is social housing stock which is provided primarily through Housing New Zealand Corporation. Housing New Zealand Corporation currently provides more than 30,000 rental dwellings in the Auckland region. Most Housing New Zealand Corporation dwellings are targeted to families with children. In the 2006 Census, dwellings with Housing New Zealand Corporation as the landlord were distributed across the Auckland region but concentrated in Manukau City.
- 6.15 The provision of housing by way of territorial authorities has fluctuated in Auckland. Research on territorial authority housing provision in 2007 found that 97 percent of council stock is used for pensioner housing.⁶³ The research found that numbers of dwellings were relatively small with:
- Rodney District – 59 dwellings;
 - North Shore City – 495 dwellings;
 - Waitakere City – 336 dwellings;
 - Manukau City – 565 dwellings;
 - Papakura District – 72 dwellings; and
 - Franklin District – 113 dwellings.
- 6.16 In 2009, the Royal Commission on Auckland Governance estimated that there were a total of 1,196 territorial authority dwellings in the region and those dwellings were used almost exclusively by older people.
- 6.17 There are a number of community based housing providers in the Auckland region that provide a range of specialised housing services including some long term rental provision. Much of this community-based provision is, however, directed to emergency housing, transitional housing, and supported housing.
- 6.18 There is little research into the main providers of rental housing in Auckland – private landlords. The 2004 National Landlord Survey provides the most comprehensive data around landlords in New Zealand, their stock, tenant preferences, and stock management.
- 6.19 Of the 818 landlords that participated in the 2004 National Landlord Survey, 268 had rental stock in the Auckland region. Almost a third (30.6 percent) had been landlords for two years or less. Half had been landlords for more than six years and 26.1 percent had been landlords for more than 10 years. The single largest group of landlords (41 percent) were renting only one dwelling and almost two thirds owned their dwellings directly. Only 14.2 percent of landlords placed all their rental dwellings in a company structure. A similar proportion of the Auckland landlords had their rental dwelling in a Family Trust structure.
- 6.20 Overall, 35.8 percent of the Auckland landlords saw rentals as primarily providing a secure and regular income. A similar proportion (34 percent) became landlords because of a desire to make capital gain. The remainder effectively became landlords through changes in circumstances which left them with a dwelling surplus to their requirements.
- 6.21 With 75.4 percent of Auckland landlords providing three or fewer dwellings for rent, it is not surprising that the rental stock provided by participants in the National Landlord Survey was dominated at that time by provision of stand-alone dwellings (57.5 percent of landlords), semi-detacheds and units (23.9 percent of landlords).

⁶³ CRESA and Public Policy & Research, 2007.

6.22 The largest single proportion of landlords provided dwellings in Auckland City (41 percent) followed by North Shore City (19.8 percent of private landlords), Manukau City (14.6 percent of private landlords), and then Waitakere City (11.9 percent of private landlords). Table 6.3 sets out the landlord preferences around certain tenant groups. In general, families, particularly large families, sole parents and refugee/migrant families are not preferred.

Table 6.3: Tenants Explicitly Identified as Preferred and Not Preferred by Auckland Landlords (National Landlord Survey 2004 n=268)⁶⁴

	Tenant Group	% Landlords
Tenants Explicitly Identified as Preferred	Professional Couple	77.2
	Retired Couple	51.5
	Professional Single	49.3
	Retired Single	39.9
	Couple with children	38.8
	Young Single Female	36.9
Tenants Explicitly Identified as Not Preferred	Large Families	74.6
	Students	66.4
	Sole Parent Family	33.2
	Refugee/Migrant Family	28.7

Multiple Response

6.23 Rents in Auckland region have increased but at a significantly lower rate than house prices and a lower rate than median household incomes. Table 6.4 presents the trend in median weekly rents for three bedroom dwellings and two bedroom flats/apartments by HMA between 1996 and 2009.

6.24 Key trends include:

- Rental rates for three bedroom dwellings experienced slower growth over the 2006 to 2009 period compared to the period between 2001 and 2006 across all HMA areas.
- The increase in median rents over each of those periods was respectively 10 percent and 26 percent or 3.4 percent and 4.7 percent per annum.
- Rental rates for two bedroom flats/apartments across all HMA areas also experienced slower growth over the 2006 to 2009 period compared to the 2001 and 2006 period.
- The increase in median rents over each of those periods was respectively 8.1 percent and 26.5 percent or 2.6 percent and 8.1 percent per annum.

6.25 In all HMAs, with the exception of Rural North and Rural South, where the growth in rents has equalled the growth in household income, rents have become more affordable when compared to household incomes. Areas of higher rent are focused in the central HMAs of Auckland City (North East, CBD and North West) as well as the coastal areas of North Shore City. In those areas the average weekly rent for a three bedroom dwelling largely lies between \$400 and \$700 per week, increasing (in general) closer to the CBD.

6.26 Areas of lower rent (under \$400 per week) make up large portions of the Manukau City HMAs as well as Waitakere City, Manurewa and Papakura and the Rural South. In the HMAs of Manukau City North, North Shore City and Rodney, the average weekly rent is between \$400 and \$500. Figure 6.3 presents median three bedroom dwelling rentals by area unit with HMA boundaries shown.

⁶⁴ Saville-Smith, & Fraser, 2004.

Figure 6.3: Three Bedroom Dwelling Rental (Median Price) by Census Area Unit (Year ended 30 June 2009)

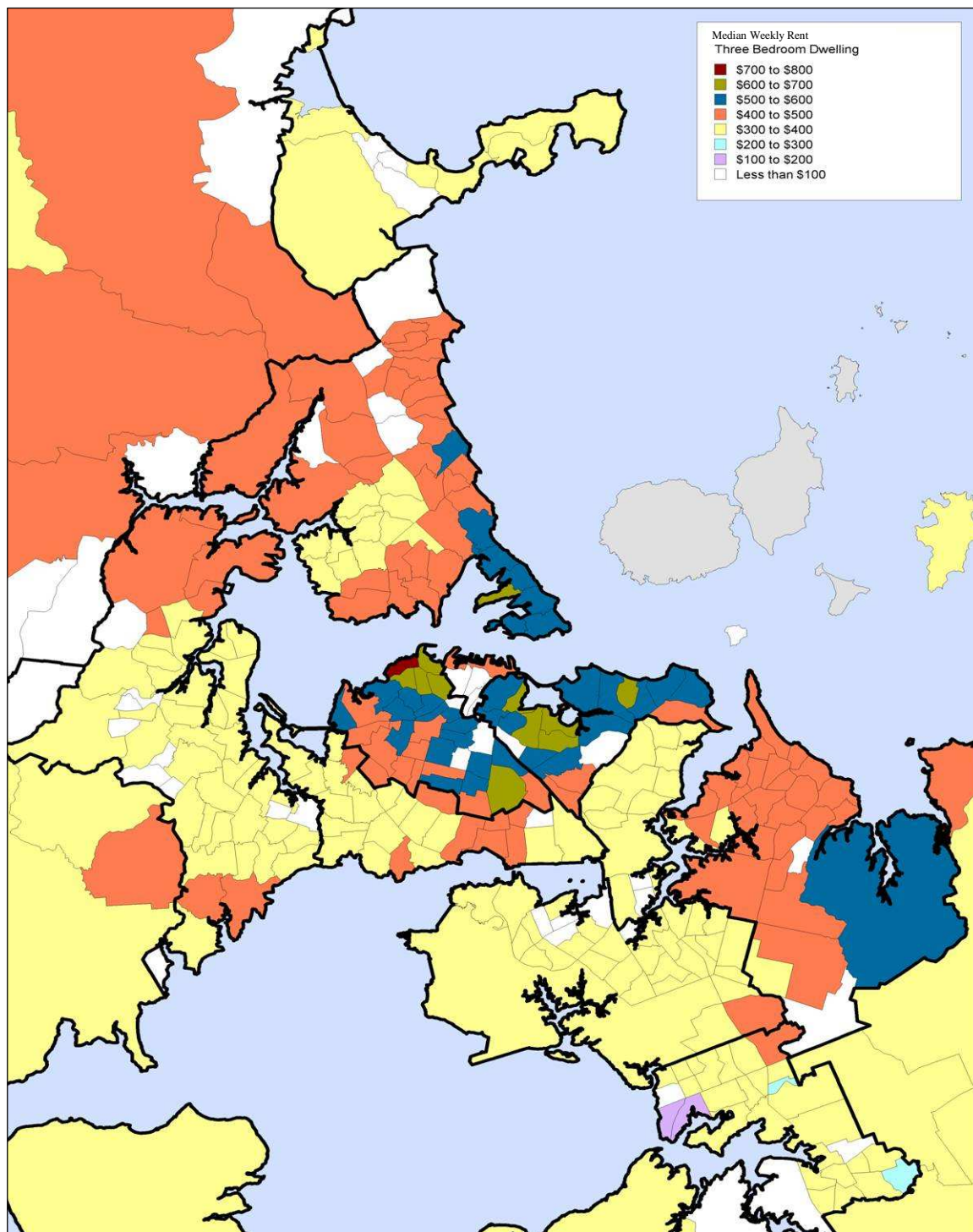


Table 6.4: Market Rental Trends (\$ per Week) 1996-2009 by HMA

Housing Market Area	Median Rent		% Change 96 to 01		Rent	% Change 01 to 06		Rent	% Change 06 to 09		% Change 96 to 09	
	1996	2001	Total	Annual	2006	Total	Annual	2009	Total	Annual	Total	Annual
Three Bedroom Standalone Dwelling												
Rural North	\$231	\$252	9.2	1.8	\$330	31.0	5.6	\$370	12.3	3.9	60.6	2.7
Rodney Southern Coastal	\$265	\$273	3.0	0.6	\$349	27.7	5.0	\$367	5.3	1.7	38.5	1.8
North Shore City	\$312	\$302	-3.4	-0.7	\$401	32.8	5.8	\$440	9.7	3.1	40.8	1.9
Waitakere City	\$271	\$259	-4.3	-0.9	\$331	27.6	5.0	\$362	9.3	3.0	33.4	1.6
Auckland City CBD	-	-	-	-	-	-	-	-	-	-	-	-
Auckland City North East	\$395	\$413	4.8	0.9	\$508	23.0	4.2	\$547	7.6	2.5	38.7	1.8
Auckland City North West	\$369	\$381	3.4	0.7	\$476	24.9	4.5	\$538	13.1	4.2	46.1	2.1
Auckland City South East	\$281	\$265	-5.4	-1.1	\$335	26.3	4.8	\$369	10.1	3.2	31.5	1.5
Auckland City South West	\$304	\$288	-5.2	-1.1	\$357	23.8	4.4	\$388	8.7	2.8	27.6	1.4
Manukau City North	\$322	\$321	-0.2	0.0	\$384	19.6	3.6	\$432	12.5	4.0	34.2	1.6
Manukau City North West	\$259	\$254	-2.2	-0.4	\$310	22.4	4.1	\$343	10.5	3.4	32.3	1.6
Manukau City Manurewa & Papakura	\$251	\$250	-0.6	-0.1	\$299	19.6	3.6	\$331	11.0	3.5	32.0	1.6
Pukekohe	\$223	\$221	-0.6	-0.1	\$284	28.4	5.1	\$320	12.7	4.1	43.8	2.0
Rural South	\$219	\$237	8.2	1.6	\$298	26.0	4.7	\$333	11.9	3.8	52.6	2.4

Source: Department of Building and Housing

Table 6.4: Market Rental Trends (\$ per Week) 1996-2009 by HMA continued

Housing Market Area	Median Rent		% Change 96 to 01		Rent	% Change 01 to 06		Rent	% Change 06 to 09		% Change 96 to 09	
	1996	2001	Total	Annual	2006	Total	Annual	2009	Total	Annual	Total	Annual
Two Bedroom Flat / Apartment												
Rural North	\$177	\$177	0.1	0.0	\$229	29.2	5.3	\$247	7.9	2.6	39.6	1.9
Rodney Southern Coastal	\$210	\$191	-9.1	-1.9	\$250	30.7	5.5	\$297	18.7	5.9	41.0	1.9
North Shore City	\$233	\$228	-2.2	-0.4	\$298	30.6	5.5	\$317	6.5	2.1	35.9	1.7
Waitakere City	\$213	\$197	-7.4	-1.5	\$249	26.0	4.7	\$269	8.1	2.6	26.1	1.3
Auckland City CBD	\$354	\$372	5.0	1.0	\$374	0.5	0.1	\$398	6.3	2.1	12.2	0.6
Auckland City North East	\$272	\$272	-0.2	0.0	\$328	20.5	3.8	\$348	6.3	2.1	27.9	1.4
Auckland City North West	\$262	\$267	1.9	0.4	\$311	16.4	3.1	\$335	7.9	2.6	28.0	1.4
Auckland City South East	\$204	\$192	-6.3	-1.3	\$251	31.3	5.6	\$272	8.2	2.7	33.0	1.6
Auckland City South West	\$225	\$213	-5.3	-1.1	\$271	26.9	4.9	\$294	8.5	2.7	30.3	1.5
Manukau City North	\$242	\$240	-0.7	-0.1	\$292	21.7	4.0	\$321	10.1	3.3	33.1	1.6
Manukau City North West	\$202	\$192	-4.6	-0.9	\$248	29.1	5.2	\$276	11.2	3.6	37.0	1.8
Manukau City Manurewa & Papakura	\$200	\$188	-6.2	-1.3	\$240	27.6	5.0	\$264	10.3	3.3	32.1	1.6
Pukekohe	\$169	\$173	2.6	0.5	\$217	25.0	4.6	\$237	9.2	3.0	40.0	1.9
Rural South	\$140	\$160	14.3	2.7	\$190	18.8	3.5	\$150	-21.1	-7.6	7.1	0.4

Source: Department of Building and Housing

6.3 Summary

6.27 This section has considered the supply of dwellings as owner occupied stock and rental stock respectively with a particular focus on the pricing structures associated with those dwellings. Key points are:

- Most of Auckland's stock is owner occupied.
- Across all HMA areas, lower quartile house prices experienced their greatest increases over the 2001-2006 period with biggest increases in Auckland City South East, Rural North, Rodney Southern Coastal and Auckland City North West.
- Most of Auckland's rental stock is provided through the private rental market.
- Rents in Auckland region have increased over the period 1996-2009 but at a significantly lower rate than house prices and a lower rate than median household incomes.
- Areas of higher rental are focused in the central HMAs of Auckland City and the coastal areas of North Shore City.

7 Auckland's Younger People and Younger Households

7.1 Section 7 provides data on the 20-39 age group and the younger households with a 20-39 year old reference person. Auckland's younger population and households already play an important part in driving the Auckland economy.

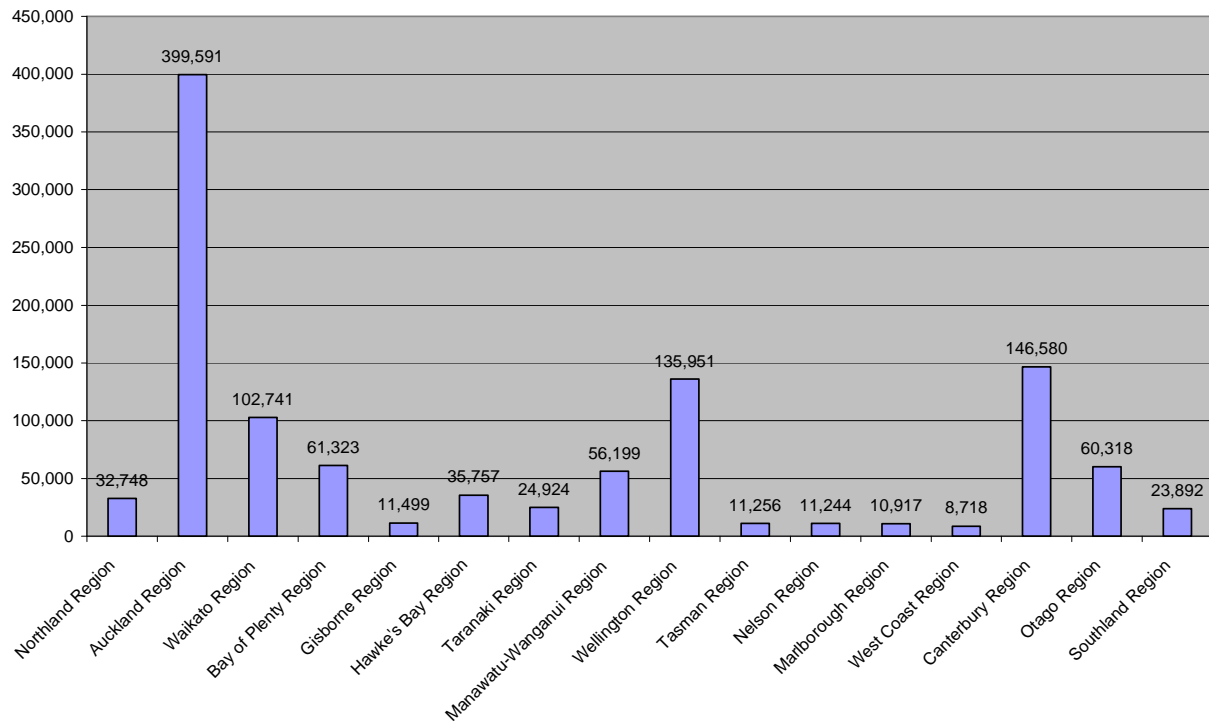
7.1 Auckland's Younger Population and Households

7.2 Auckland Regional Council area had almost 400,000 people aged 20-39 years in 2006, a population considerably in excess of any other region and constituting a higher proportion of the Auckland population compared to other regions (Table 7.1 and Figure 7.1).

Table 7.1: Proportion of Total Regional Population Who are Younger People (20-39 years) (2006 Census)

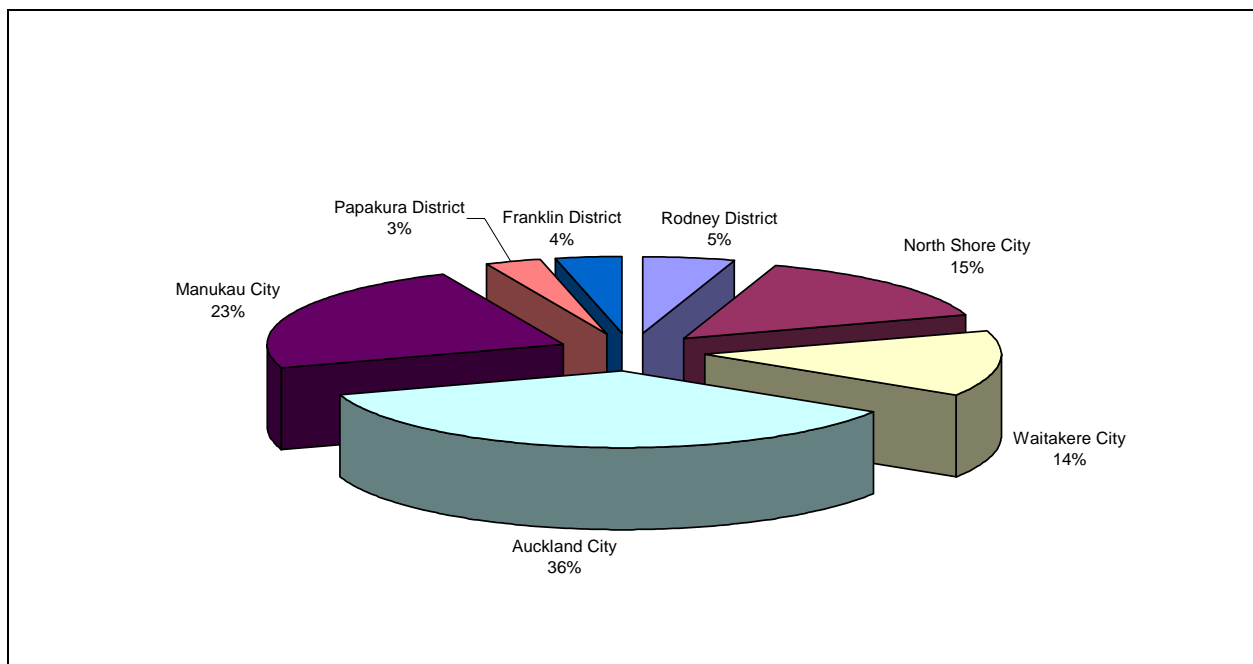
Region	% Younger People in Total Population
Auckland Region	30.2
Wellington Region	29.8
Otago Region	28.7
Canterbury Region	27.1
Waikato Region	26.1
Southland Region	25.1
Manawatu-Wanganui Region	24.9
Nelson Region	24.8
West Coast Region	24.3
Taranaki Region	23.8
Gisborne Region	23.6
Hawke's Bay Region	23.6
Marlborough Region	23.6
Tasman Region	23.3
Bay of Plenty Region	23.2
Northland Region	21.2

Figure 7.1: Number of Younger People (20-39 years) by Region (2006 Census)



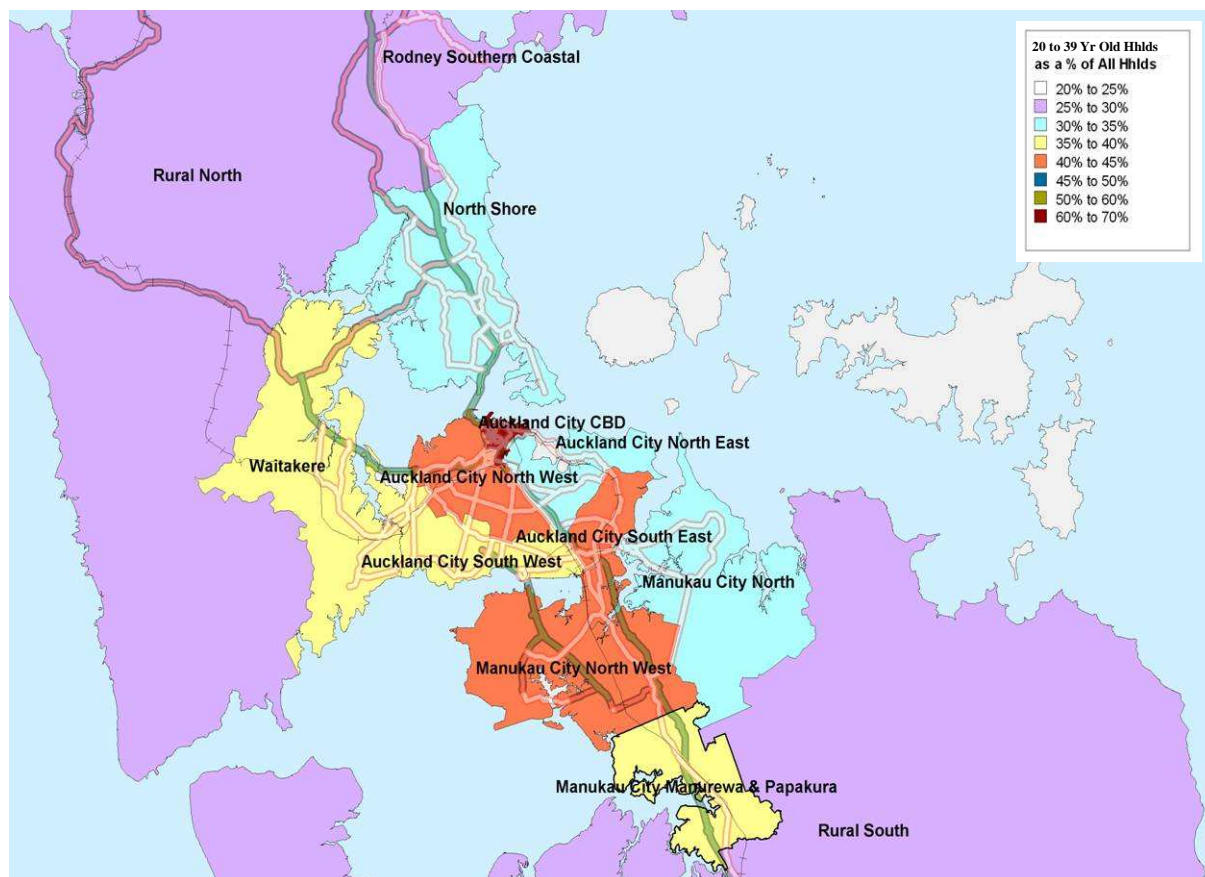
7.3 In the territorial authorities making up Auckland region, there were about 396,000 residents aged 20-39 in 2006. Figure 7.2 shows their distribution across the region by territorial authorities current at the time of the research. Most of the population is found in Auckland City, followed by Manukau City, North Shore City and Waitakere City.

Figure 7.2: Distribution of the Population Aged 20-39 Years in Auckland Territorial Authorities 2006 Census



7.4 Figure 7.3 shows the number of younger households as a percentage of all households by HMA. Note the higher proportions (40-45 percent) in Auckland City (North West and South East) and Manukau City (North and North West) and relatively low percentage contributions in rural HMAs (Rural South and Rural North).

Figure 7.3: Younger Households as a Percentage of All Households across Auckland Region's 14 HMAs 2006



7.2 Ethnic Diversity

7.5 Auckland is ethnically diverse, but some areas are more diverse than others. Rodney District and Franklin District have low levels of ethnic diversity; 93 percent of Rodney's population being 'European' and 'Other', and 85 percent of Franklin's population being 'European' and 'Other'. By way of contrast, Maori residents make up 27 percent of the Papakura District population and 15 percent of Manukau City. The latter also has significant proportions of Pacific people and people with Asian ethnicities. Asians are a growing proportion of Auckland's population (making up 19 percent in 2006) and mostly resident in North Shore, Waitakere, Auckland and Manukau cities.⁶⁵

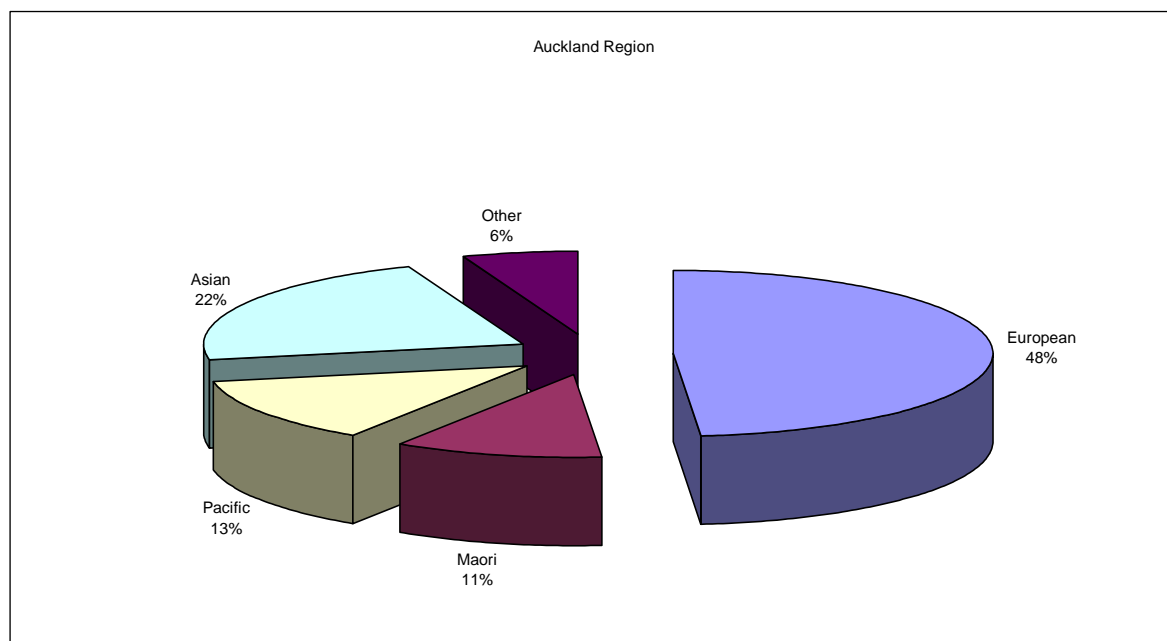
7.6 Pacific and Maori are younger in comparison to European and Asian populations. The median age of the Maori population in Auckland Region is 22.6 years, slightly younger than for all Maori in New Zealand as a whole (22.7 years).⁶⁶ Two thirds of Pacific peoples living in New Zealand

⁶⁵ Statistics New Zealand, 2009:28. European is used to refer to the 'European' and 'Other' ethnic group which includes people identifying as New Zealand European and/or New Zealanders as well as the 'Other' category which includes ethnic identification that does not fall into Asian, Pacific or Maori ethnicities.

⁶⁶ Statistics New Zealand, nd.

live in Auckland, and at least one in three babies born now in Auckland is of a Pacific ethnicity.⁶⁷ The median age of Pacific peoples in New Zealand in 2006 was 21.1 years.⁶⁸ Those different age structures are obvious when examining the ethnic backgrounds of the region's 20-39 age group. Figure 7.4 sets out the ethnic composition of 20-39 year olds in the Auckland Region.

Figure 7.4: Ethnic Composition of 20-39 Year Olds in the Auckland Region 2006 Census



- 7.7 Manukau City, Auckland City and Waitakere City have the most diverse 20-39 year old ethnic populations and the lowest numbers of 20-39 year old Europeans. There is a concentration of Pacific residents aged 20-39 in Manukau and Auckland cities. Pacific 20-39 year olds make up a greater proportion of the Manukau, Auckland and Waitakere populations than Maori (Figure 7.5).
- 7.8 The highest number of people from Asian ethnicities in the 20-39 age group are found in Auckland City. Substantial numbers are also found in Manukau, North Shore and Waitakere cities. There are greater numbers of 20-39 year olds with Asian ethnicities in North Shore, Waitakere and Auckland cities compared to Maori and Pacific people in those areas in the same age group. Asian 20-39 year olds constitute a larger population than Maori 20-39 year olds in Manukau City (Figure 7.5).
- 7.9 The ethnic profile of younger households is not precisely the same as the ethnic profile of the 20-39 year old population. This is partly an artefact of the ethnicity of the younger household's (20-29 year old) reference person being used to define the household ethnicity. Among the almost 64,000 younger households in Auckland the majority of reference people identify as European. There are, however, high proportions that identify with Pacific or Asian ethnicities or as Maori. Overall, 44 percent of these younger households have a non-European ethnic identification (Figure 7.6).
- 7.10 Figure 7.7 shows that the HMAs with the greatest ethnic diversity among younger households are: Auckland City CBD; Manukau City North West; Auckland City South East; and Waitakere City.

⁶⁷ Ministry of Pacific Island Affairs, 2009.

⁶⁸ Statistics New Zealand, 2006b.

Figure 7.5: Ethnic Composition of 20-39 Year Olds by Territorial Authorities in Auckland 2006 Census

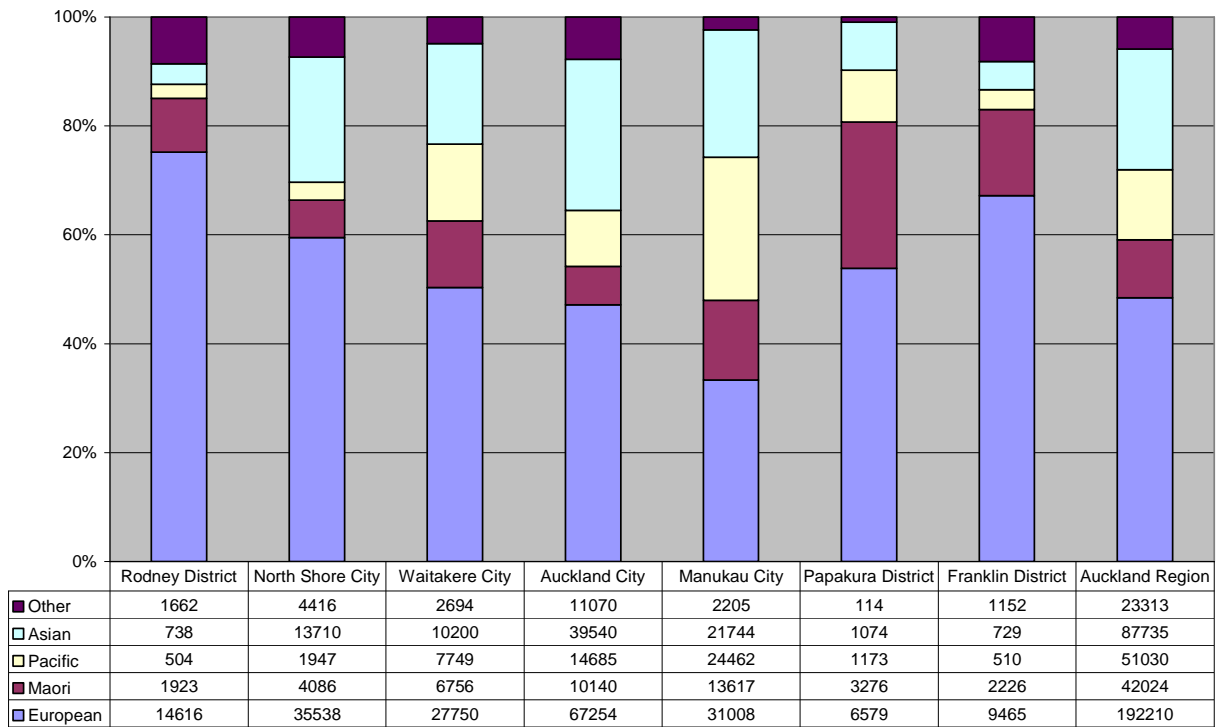
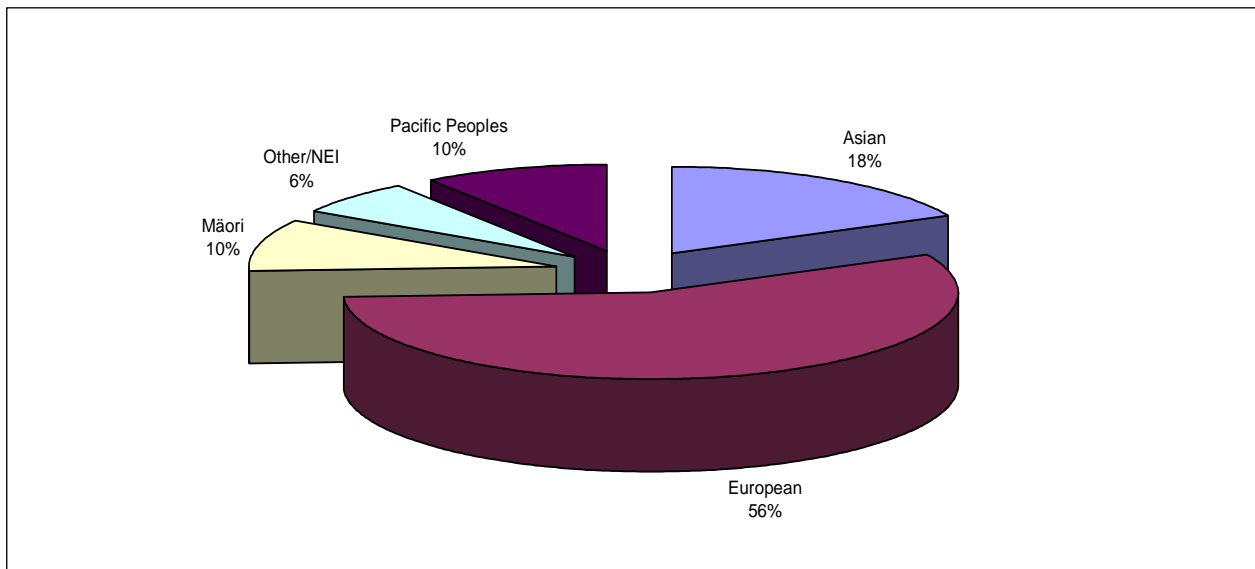
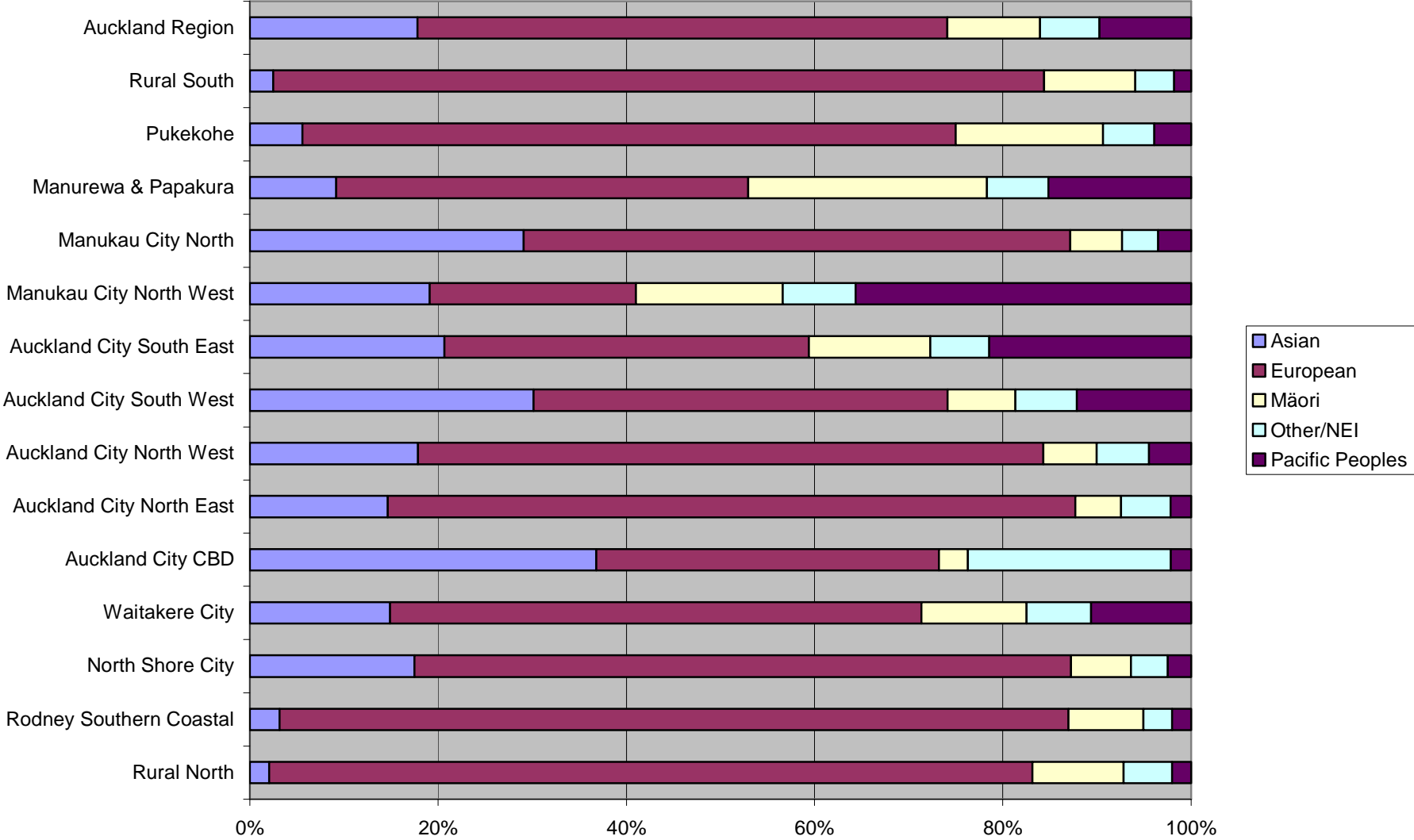


Figure 7.6: Ethnic Composition of Younger Households in Auckland 2006 Census⁶⁹



⁶⁹ NEI refers to those 'not elsewhere included'.

Figure 7.7: Ethnic Composition of Households with a 20-39 Year Old Reference Person by HMA 2006



7.2.1 Composition of Younger Households in Auckland

7.11 In the 2006 Census there were almost 152,000 households in the Auckland region with a 20-39 year reference person. Table 7.2 shows the distribution of those younger households compared to all households over Auckland's 14 HMAs. Auckland City CBD, Waitakere City, and some of the outer areas of Auckland City have higher concentrations of younger households than the overall distribution of households across Auckland region. By way of contrast, rural HMAs, North Shore City and Auckland City North East tend to have lower proportions of these younger households.

Table 7.2: Distribution of Households by HMAs in 2006

Housing Market Area	% Younger Households	% All Households
North Shore City	15.1	16.6
Waitakere City	14.0	13.5
Auckland City North West	12.1	10.1
Manukau City North West	8.9	8.1
Auckland City South West	8.7	8.5
Manurewa & Papakura	7.8	7.3
Manukau City North	7.5	8.6
Auckland City North East	6.3	7.2
Auckland City South East	4.8	4.1
Auckland City CBD	4.3	2.2
Rural North	3.8	4.8
Rodney Southern Coastal	2.4	3.4
Rural South	2.4	3.1
Pukekohe	1.3	1.4
Auckland Region	100.0	100.0

7.12 These younger households have a relatively low proportion of one person households and a relatively high proportion of multi person households – 29 percent of younger households compared to 5.4 percent of all households in Auckland. Among younger households that consist only of immediate family members, 70.8 percent have children. This compares to 65.2 percent of all households in Auckland (Table 7.3).⁷⁰

Table 7.3: Familial Households: Proportion of All Auckland Households and Younger Households 2006 Census

Familial Household Composition	% Younger Households	% All Households
Couple Only	29.2	34.8
Two parent	54.5	46.3
One parent	16.3	18.9
Total	100	100

7.13 North Shore City and Waitakere City have the highest numbers of these younger households with children (Table 7.4) with just over ten thousand households respectively. Together those two HMAs constitute almost a third of these younger households comprising only of parents and their children in Auckland.

⁷⁰ This analysis is restricted to households that have no other household members, parents and children or couples.

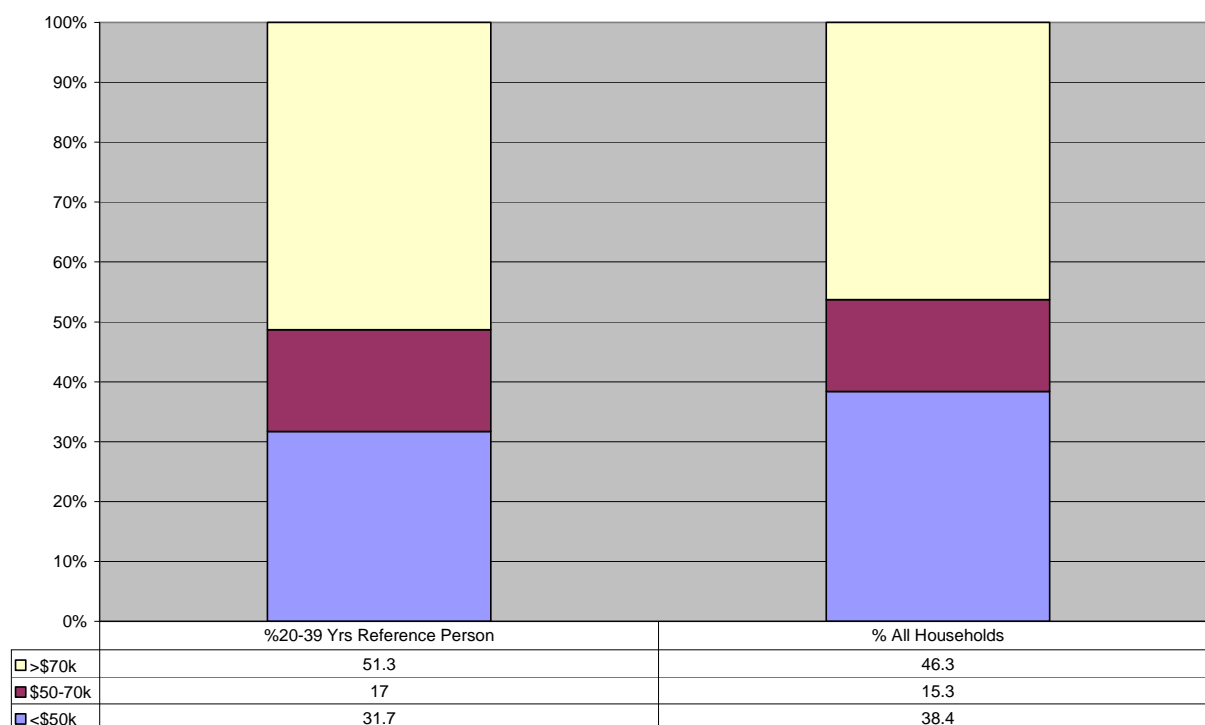
Table 7.4: Younger Familial Households by HMA 2006

Housing Market Area	Number of Younger Households Comprising of Only of Children and Their Parents	% Younger Households Comprising of Only of Children and Their Parents
North Shore City	10,284	16.1
Waitakere City	10,215	16.0
Manukau City North West	6,186	9.7
Manurewa & Papakura	6,024	9.4
Manukau City North	5,916	9.3
Auckland City South West	5,064	7.9
Auckland City North West	4,977	7.8
Auckland City North East	3,411	5.3
Rural North	3,159	4.9
Auckland City South East	2,895	4.5
Rural South	2,193	3.4
Rodney Southern Coastal	2,151	3.4
Pukekohe	1,128	1.8
Auckland City CBD	327	0.5
Auckland Region	63,930	100

7.2.2 Incomes of Younger Households in Auckland

7.14 Households with a reference person aged 20-39 years tend to be slightly better off in terms of household incomes (Figure 7.8). They are likely to have multiple income earners in the household and are less likely to have older members in retirement and no longer earning.

Figure 7.8: Household Income Distribution for Younger and All Households in Auckland 2006 Census



7.3 Summary

7.15 This section has described the characteristics of households with a 20-39 year old reference person and the 20-39 year old population in Auckland. It shows that:

- Auckland has the largest concentration of 20-39 year olds in New Zealand. There were almost 152,000 younger households in the region with a 20-39 year old reference person. The HMA with the highest concentration of younger households is Auckland City CBD.
- The 20-39 year old population is ethnically diverse: by territorial authority Manukau City, Auckland City and Waitakere City have the most ethnically diverse 20-39 year old populations.
- 44 percent of younger households have a non-European ethnic identification.
- The HMAs with the greatest ethnic diversity among younger households are Auckland City CBD, Manukau City North West, Auckland City South East and Waitakere City.
- Younger households have a relatively low proportion of one person households and a relatively high proportion of multi person households.
- North Shore City and Waitakere City have the highest numbers of younger households composed only of parents and their children.
- Younger households tend to be slightly better off in terms of household incomes compared to all households in the region.

PART 3: HOUSING CONSUMPTION & YOUNGER HOUSEHOLDS' HOUSING DEMAND

This part consists of three sections.

Section 8 profiles younger household patterns of housing consumption. Key aspects of the younger household housing consumption patterns in Auckland region are the:

- Declining entry into owner occupation. Between 2001 and 2006 the proportion of younger households that were owner occupiers fell from 31 percent to 29.4 percent. Over that period home ownership rates for younger households fell in 11 out of the 14 HMAs.
- Growth of the intermediate housing market. The number of younger households in the intermediate housing market significantly increased from 24,908 in 2001 to 51,866 in 2006.
- Concentration of rental tenure among younger households. The number of younger renter households increased in all HMAs over the 2001 to 2006 period, with the exception of Auckland City North East.
- Housing consumption on the rental market is most concentrated among lower income younger households; and Asian, Maori and Pacific younger households still have lower rates of owner occupation than European households.
- Concentration of children in younger households and children's likely future of growing up in rental housing: 50.5 percent of Manukau City's children and 51.4 percent of Papakura District's children are in rental accommodation. HMAs with less than half the younger households with children in owner occupation are: Auckland CBD; Auckland City South East; and Manukau City North West.
- A shift in dwelling type occupied by younger households with evidence of increasing take-up of multi-units. Between 2001 and 2006, the number of multi-unit dwellings occupied by younger households increased by 20.7 percent.

Section 9 focuses on the dynamics of housing demand in relation to location, tenure, dwelling type/amenity and price. Key findings are:

- 17.6 percent of the non-owner recent movers had to move because their dwelling was no longer available rather than by choice.
- Householders search for dwellings near to their current dwelling.
- Younger households are more likely to move to another HMA than all households; except in Waitakere and North Shore.
- Low resourced younger households tend to search for housing in a limited range of areas close to their current dwelling.
- Location is an important driver of demand especially access to schools and connection to family and friends.
- Employment change is not strongly associated with housing change.
- Access to public transport is seen as desirable.
- Home ownership is a prompt for moving house.
- Dwelling size is a strong demand factor.
- Desire to exit a multi-unit and acquire a detached dwelling is a strong demand factor.
- Reducing housing costs is a driver of housing demand among a small proportion of households.

Section 10 provides an assessment of the extent to which housing consumption patterns are being driven by changes in housing preferences, willingness to pay or ability to pay. Key findings are:

- Housing demand in Auckland among 20-40 year olds consists of a subtle balancing between taste, willingness to pay and ability to pay.
- House prices are reducing the ability to pay for home ownership.
- There is an unwillingness to pay for multi-units among some households.
- The desire for home ownership reflects a failure of the rental market to meet younger householders needs.
- Householders attempt, not always successfully, to make incremental improvements in their housing by residential movement.
- Residential movement for some younger householders represents churning around the housing market without any clear beneficial housing outcomes.
- Considerable proportions of 20-40 year old households can not access home ownership in areas that meet their locational needs or rental housing that provides a durable housing solution in those places.

8 Patterns of Younger Household Housing Consumption

8.1 This section focuses on the patterns of housing consumption among younger households and presents data on the distribution of housing consumption across Auckland's HMAs among younger households. It considers:

- home ownership and the expanding intermediate housing market;
- rental housing consumption; and
- consumption of detached dwellings and multi-units.

8.1 Home Ownership and the Expanding Intermediate Housing Market

8.2 Home ownership rates in New Zealand have declined from 67.8 percent in 2001 to 66.9 percent in 2006.⁷¹ Auckland home ownership for all households fell from 66.7 percent in 2001 to 65.5 percent in 2006.⁷² Among younger households in Auckland there is a falling rate of home ownership and a widening gap between younger household owner occupier rates and all household owner occupier rates. Between 2001 and 2006 the proportion of households with a reference person aged 20-39 years that were owner occupiers fell from 31 percent to 29.4 percent. This was an absolute as well as a proportional decline. The number of younger households owner occupiers fell by -3.1 percent from 66,411 to 64,359 in that period. In comparison, over the same period the number of all households owning the dwelling they lived in increased 5.8 percent from 233,295 to 246,807.

8.3 In 2006, 47.7 percent of Auckland's younger households owned the dwelling they lived in compared to 65.5 percent of all households who owned the dwelling in which they lived. Home ownership rates by HMA in 2006 for younger households ranged from 19 percent in Auckland CBD to 64 percent in Rural South. In general HMAs in Auckland City had younger household home ownership rates below the regional average (47.7 percent), while non-urban HMAs and fringe HMAs had home ownership rates above regional averages (Table 8.1).

Table 8.1: Home Owner Occupier Rate Trends by HMA 2001-2006

Housing Market Area	% Younger Households			% All Households		
	2001	2006	Change	2001	2006	Change
Rural North	64.9	61.0	-3.9	80.6	79.1	-1.5
Rodney Southern Coastal	57.9	54.3	-3.5	76.0	73.7	-2.3
North Shore City	53.1	53.7	0.6	71.7	71.8	0.1
Waitakere City	56.1	54.5	-1.6	70.6	68.8	-1.8
Auckland City CBD	19.2	19.0	-0.1	27.2	26.5	-0.8
Auckland City North East	43.1	45.9	2.8	67.4	69.8	2.4
Auckland City North West	39.9	37.2	-2.6	57.3	57.3	0.0
Auckland City South West	46.4	45.5	-0.9	59.4	58.8	-0.6
Auckland City South East	31.9	32.2	0.3	43.1	42.1	-1.0
Manukau City North West	42.5	41.4	-1.0	56.0	53.6	-2.4
Manukau City North	65.1	60.5	-4.6	79.5	75.8	-3.7
Manurewa & Papakura	49.8	45.4	-4.4	64.9	61.2	-3.7
Pukekohe	55.7	54.4	-1.3	70.1	67.8	-2.3
Rural South	67.1	64.0	-3.1	81.2	80.3	-1.0
Auckland Region	49.6	47.7	-1.9	66.7	65.5	-1.2

Source: Statistics New Zealand

⁷¹ Morrison, 2008.

⁷² Home ownership includes family trusts.

- 8.4 Over the 2001 to 2006 period home ownership rates for households with a reference person aged 20-39 years fell in 11 out of the 14 HMAs. The only HMAs where the younger home ownership rate did not fall were Auckland City North East (+2.8 percent), North Shore City (+0.6 percent), and Auckland City South East (+0.3 percent). Five HMAs had home ownership rate declines for younger households in excess of three percentage points. Those HMAs were Manukau City North (-4.6 percent), Manurewa and Papakura (-4.4 percent), Rural North (-3.9 percent), Rodney Southern Coastal (-3.5 percent), and Rural South (-3.1 percent).
- 8.5 Because these shifts in home ownership constitute changes in the tenure of stock units and have an implication for the provision of stock it is useful to consider the stock numbers this involves. Table 8.2 sets out the number of younger owner occupier and rental households in each HMA. That data show HMAs with the largest increases in the number of dwellings taken by younger owner occupiers were:
- the Auckland CBD (780 dwellings);
 - North Shore City (492 dwellings); and
 - Manukau City North (410 dwellings).
- 8.6 Table 8.2 also shows that the number of younger renter⁷³ households increased in all HMAs over the 2001 to 2006 period, with the exception of Auckland City North East (-506 renter households). The HMAs with the largest increases in the number of younger renter households were Auckland CBD (3,333 households), Manukau City North (1,018 households), Manurewa and Papakura (650 households) and Waitakere City (410 households). Over Auckland, then, almost 6,000 additional rental dwellings were provided.

Table 8.2: Younger Owner Occupier and Younger Renter Households by HMA 2001-2006

Housing Market Area	Owner Occupier Households			Renter Households		
	2001	2006	Change	2001	2006	Change
Rural North	3,793	3,478	-315	2,054	2,228	174
Rodney Southern Coastal	2,024	1,994	-30	1,474	1,675	201
North Shore City	11,790	12,282	492	10,413	10,605	192
Waitakere City	11,802	11,560	-242	9,240	9,650	410
Auckland City CBD	472	1,252	780	1,991	5,324	3,333
Auckland City North East	4,316	4,399	83	5,695	5,189	-506
Auckland City North West	7,419	6,856	-563	11,187	11,552	365
Auckland City South West	6,154	5,999	-155	7,118	7,183	65
Auckland City South East	2,314	2,345	31	4,931	4,936	5
Manukau City North West	5,706	5,582	-124	7,728	7,888	160
Manukau City North	6,491	6,901	410	3,481	4,499	1,018
Manurewa & Papakura	5,818	5,411	-407	5,861	6,511	650
Pukekohe	972	1,073	101	774	901	127
Rural South	2,652	2,362	-290	1,299	1,328	29
Auckland Region	72,371	72,438	67	73,663	79,533	5,870

Source: Statistics New Zealand

⁷³ Renter households are defined as those who did not own the dwelling they were living in and either paid rent or were living in a dwelling rent free.

- 8.7 The gap between younger household ownership rates and all household home ownership rates is least pronounced in those HMAs with lower average dwelling prices such as:
- Auckland CBD;
 - Auckland City South East;
 - Manukau City North West;
 - Auckland City South West, and
 - Pukekohe.
- 8.8 The fall in owner occupation among younger households is associated with the expansion of the intermediate housing market. The intermediate housing market is a relative measure of housing affordability and provides an estimate of the number of renter households that can not afford to buy a dwelling.
- 8.9 The size of the intermediate housing market in both absolute terms and relative to the total private rental market is one measure of housing affordability for first home buyers. It also measures the relative difficulty for renters of making the transition into home ownership and, consequently, the pressure on the rental market.
- 8.10 The intermediate housing market is defined as those households: currently in the private rental market; have at least one member of the household in paid employment; and, cannot afford to buy a house at the lower quartile house price under standard bank lending criteria. For the purposes of the analysis in this report, the bank lending criteria is assumed to include; a 10 percent deposit, no more than 30 percent of a household's gross income paid in mortgage expenses with the mortgage lent at the one year fixed mortgage interest rate.⁷⁴
- 8.11 Table 8.3 presents the trend in the number of households in the intermediate housing market with a reference person aged 20-39 years by HMA.

Table 8.3: Intermediate Housing Market and Younger Households 1996-2006 Census

Housing Markets	Number of Hhlds in Intermediate Housing Market			Change in Intermediate Younger Hhlds			
	Younger Households			Younger Households		% Change	
	1996	2001	2006	96 to 01	01 to 06	96 to 01	01 to 06
Rural North	722	859	1,756	138	896	19	104
Rodney Southern Coastal	670	644	1,379	-26	736	-4	114
North Shore City	4,355	4,149	8,597	-207	4,449	-5	107
Waitakere City	2,642	2,586	5,405	-56	2,819	-2	109
Auckland City CBD	302	350	2,019	48	1,669	16	477
Auckland City North East	3,763	2,751	4,570	-1,011	1,819	-27	66
Auckland City North West	5,669	5,339	9,968	-329	4,629	-6	87
Auckland City South East	1,197	1,066	2,480	-132	1,415	-11	133
Auckland City South West	2,523	2,272	5,061	-250	2,789	-10	123
Manukau City North	1,383	1,680	3,691	296	2,011	21	120
Manukau City North West	911	1,349	2,945	438	1,596	48	118
Manurewa & Papakura	1,042	1,199	2,687	158	1,487	15	124
Pukekohe	185	231	496	46	265	25	115
Rural South	405	433	812	28	379	7	88
Auckland Region	25,768	24,908	51,866	-860	26,958	-3	108

Source: Statistics New Zealand

⁷⁴ Actual mortgage interest rates used for the intermediate housing market analysis were: 1996 -10.9 percent; 2001 – 7.6 percent; 2006 – 9.6 percent; 2009 – 6.7 percent.

- 8.12 The number of those younger households in the intermediate housing market declined slightly from 25,768 in 1996 to 24,908 in 2001, but then increased significantly to 51,866 in 2006. More than two thirds of the increase in those younger households over the 2001 to 2006 period occurred in six HMAs:
- Auckland City North West (4,629 households or 17.2 percent of the increase);
 - North Shore City (4,449 or 16.5 percent of the increase);
 - Waitakere City (2,819 or 10.5 percent of the increase);
 - Auckland City South West (2,789 or 10.3 percent of the increase)
 - Manukau City North (2,011 or 7.5 percent of the increase); and,
 - Auckland City North East (1,819 or 6.7 percent of the increase).
- 8.13 The proportionate increase in households in the intermediate housing market from 2001 to 2006 was strongest in: Auckland CBD (477 percent); Auckland City South East (133 percent); Manurewa and Papakura (124 percent); Auckland City South West (123 percent), and Manukau City North (120 percent). It was weakest in: Auckland City North East (66 percent); Auckland City North West (87 percent), and, Rural South (88 percent).

8.2 Rental Housing Consumption

- 8.14 The expansion of the intermediate housing market has moved long-term rental consumption beyond the groups that have traditionally been housed in the private or social rental markets. Traditionally, the rental market has been used by three sets of households. First, very low income households who have no choice but to stay in the rental market. They have not been able to move into owner occupation because their incomes are so low that they can not access sufficient mortgage finance. Second, the rental market has been used by households in transition who will eventually enter owner occupation. That transition has in the past been prompted by childbearing. Third, the rental market has been used by households that can afford to enter owner occupation but have no aspiration to enter it. This third set of households has been a minority; most households aspire to home ownership in New Zealand.

8.2.1 Rental Concentration and Middle Income Households

- 8.15 Over half (55.5 percent) of the younger households in the Auckland region who are renting had household incomes in excess of \$50,000 in 2006. This compares with only 49.2 percent of all households in Auckland with household incomes in excess of \$50,000 being in rental accommodation. Does this mean that younger households do not aspire to home ownership? Or, alternatively, that the transition from rental occupation is being delayed because of, for instance, delays in household composition and /or child bearing? Or, alternatively, there is a structural change which has meant that affordability barriers to owner occupation have led to younger households having a lower probability of entering owner occupation irrespective of income and irrespective of whether they have children.
- 8.16 Morrison's (2008) analysis suggests the latter structural change, both nationally and in Auckland. That apparent structural change is most pronounced in: North Shore City; Auckland City North East; Auckland City North West; and, the Manurewa and Papakura HMA in Manukau City (Table 8.4). Rental market housing consumption is most concentrated among lower income households. Overall, 44.5 percent of younger households in rental housing have incomes less than \$50,000 compared to only 17.8 percent of younger households in owner occupation having household incomes below \$50,000.

Table 8.4: Renter and Owner Occupier Households by Age and Household Income by HMAs 2006

Tenure	Younger Households							All Households						
	Number of Households				% of Total			Number of Households				% of Total		
	<\$50k	\$50-70K	>\$70k	Total	<\$50k	\$50-70K	>\$70k	<\$50k	\$50-70K	>\$70k	Total	<\$50k	\$50-70K	>\$70k
Renters														
Rural North	1,122	468	638	2,228	50.4	21.0	28.6	2,411	802	1,152	4,366	55.2	18.4	26.4
Rodney Southern Coastal	769	310	595	1,674	45.9	18.5	35.5	2,116	627	1,170	3,913	54.1	16.0	29.9
North Shore City	4,072	1,965	4,570	10,606	38.4	18.5	43.1	9,084	3,537	7,678	20,299	44.8	17.4	37.8
Waitakere City	5,043	1,843	2,763	9,650	52.3	19.1	28.6	10,348	3,219	4,718	18,285	56.6	17.6	25.8
Auckland City CBD	3,045	782	1,506	5,333	57.1	14.7	28.2	4,048	1,004	1,954	7,005	57.8	14.3	27.9
Auckland City North East	1,343	726	3,123	5,192	25.9	14.0	60.1	3,279	1,311	4,867	9,457	34.7	13.9	51.5
Auckland City North West	3,668	1,811	6,071	11,550	31.8	15.7	52.6	7,759	2,812	8,094	18,665	41.6	15.1	43.4
Auckland City South West	3,386	1,368	2,427	7,181	47.2	19.1	33.8	8,675	2,539	4,059	15,273	56.8	16.6	26.6
Auckland City South East	2,526	928	1,487	4,941	51.1	18.8	30.1	5,998	1,723	2,459	10,180	58.9	16.9	24.2
Manukau City North West	4,458	1,425	2,010	7,893	56.5	18.1	25.5	9,663	2,671	3,941	16,276	59.4	16.4	24.2
Manukau City North	1,729	798	1,970	4,497	38.4	17.8	43.8	3,917	1,511	3,643	9,071	43.2	16.7	40.2
Man City Manurewa & Papakura	3,744	1,192	1,580	6,515	57.5	18.3	24.2	7,267	2,107	2,948	12,322	59.0	17.1	23.9
Pukekohe	484	169	250	903	53.6	18.8	27.7	1,100	325	489	1,913	57.5	17.0	25.6
Rural South	616	246	473	1,335	46.1	18.5	35.4	1,277	473	898	2,648	48.2	17.9	33.9
Auckland Region	35,373	14,013	30,148	79,535	44.5	17.6	37.9	76,062	24,620	49,040	149,722	50.8	16.4	32.8

Source: Statistics New Zealand

Table 8.4: Renter and Owner Occupier Households by Age and Household Income by HMAs 2006 (continued)

Tenure	Younger Old Households							All Households						
	Number of Households				% of Total			Number of Households				% of Total		
	<\$50k	\$50-70K	>\$70k	Total	<\$50k	\$50-70K	>\$70k	<\$50k	\$50-70K	>\$70k	Total	<\$50k	\$50-70K	>\$70k
Owner Occupiers														
Rural North	707	669	2,102	3,478	20.3	19.2	60.4	5,710	2,713	8,128	16,550	34.5	16.4	49.1
Rodney Southern Coastal	301	391	1,302	1,995	15.1	19.6	65.3	4,604	1,660	4,713	10,976	41.9	15.1	42.9
North Shore City	1,907	1,867	8,507	12,281	15.5	15.2	69.3	15,618	7,223	28,974	51,815	30.1	13.9	55.9
Waitakere City	2,380	2,281	6,900	11,560	20.6	19.7	59.7	14,130	7,035	19,223	40,389	35.0	17.4	47.6
Auckland City CBD	597	157	489	1,243	48.0	12.6	39.4	1,091	319	1,115	2,526	43.2	12.6	44.2
Auckland City North East	470	393	3,533	4,396	10.7	8.9	80.4	5,129	2,304	14,421	21,854	23.5	10.5	66.0
Auckland City North West	821	624	5,412	6,858	12.0	9.1	78.9	5,910	2,759	16,374	25,042	23.6	11.0	65.4
Auckland City South West	1,072	927	4,002	6,001	17.9	15.4	66.7	7,630	3,281	10,882	21,792	35.0	15.1	49.9
Auckland City South East	445	429	1,466	2,340	19.0	18.3	62.6	2,703	1,279	3,433	7,415	36.5	17.2	46.3
Manukau City North West	1,192	1,116	3,269	5,577	21.4	20.0	58.6	6,478	3,309	9,007	18,794	34.5	17.6	47.9
Manukau City North	1,181	1,059	4,663	6,903	17.1	15.3	67.5	8,361	3,929	16,099	28,390	29.5	13.8	56.7
Manurewa & Papakura	1,102	1,149	3,156	5,407	20.4	21.3	58.4	6,763	3,349	9,323	19,436	34.8	17.2	48.0
Pukekohe	193	230	648	1,071	18.0	21.5	60.6	1,522	697	1,799	4,018	37.9	17.3	44.8
Rural South	397	401	1,557	2,355	16.9	17.0	66.1	3,133	1,608	6,045	10,786	29.1	14.9	56.0
Auckland Region	12,874	11,790	47,772	72,436	17.8	16.3	66.0	90,406	41,826	151,693	283,925	31.8	14.7	53.4

Source: Statistics New Zealand

8.2.2 Rental Concentration among Maori and Ethnic Minority Households

- 8.17 Of the 164,877 younger households in Auckland, 56.2 percent have a European reference person. However, households with a European reference person make up only 49.3 percent of the younger households in rental dwellings while they constitute 64.6 percent of younger households in owner occupation (Table 8.5).
- 8.18 By comparison, younger owner occupier households with an Asian reference person constitute 19.6 percent of younger owner occupier households in the Auckland Region and 16.3 percent of those in rental dwellings. Maori reference person households make up 6 percent of owner occupier younger households and 13.2 percent of younger households in rented dwellings. Pacific reference person households make up 6.0 percent of owner occupier households and 12.9 percent of younger households in rental dwellings. Other ethnicities make up 3.8 percent of younger owner occupier households and 8.4 percent of younger households in rental dwellings.
- 8.19 Effectively ethnic minorities have become concentrated in the rental market in comparison to their overall representation among Auckland households. The Asian population, which has on a numeric basis slightly more households in owner occupation than in rental, is the only ethnic minority under represented among rental younger households. Even then, it is a slight under representation with Asian households making up 18 percent of all younger households but 16.3 percent of renter households. For Maori and Pacific households there is distinct over representation in rental housing. Ten percent of younger households have a Maori reference person. Similarly 10 percent of younger households have a Pacific reference person. However, of younger households in rental housing, 13.2 percent have a Maori reference person and 12.9 percent have a Pacific reference person.⁷⁵
- 8.20 The rates of rental occupation also reflect this ethnic minority concentration in rental. Even among Asian younger households the rate of occupying rental dwellings is still higher than that found among European younger households. 49.5 percent of Asian younger households are in rental dwellings compared to 47.4 percent of European younger households. High rates of rental are particularly evident among Maori and Pacific younger households – 72.1 percent of Maori younger households are in rental dwellings and 71.8 percent of younger households with a Pacific reference person are in rental housing.

⁷⁵ See Section 7.2 for a discussion of Ethnic Diversity in Auckland. Figure 7.6 shows the ethnic composition of younger households in Auckland.

Table 8.5: Renter and Owner Occupier Younger Households by Household Ethnicity and HMA 2006

Housing Market Area	Number of Younger Households						% of Younger Households					
	Asian	European	Maori	Other/NEI	Pacific Peoples	Total	Asian	European	Maori	Other/NEI	Pacific Peoples	Total*
Owner Occupiers												
Rural North	71	3,160	248	133	48	3,660	1.9	86.3	6.8	3.6	1.3	99.9
Rodney Southern Coastal	61	1,859	95	37	23	2,075	2.9	89.6	4.6	1.8	1.1	100.0
North Shore City	2,251	9,422	543	363	181	12,760	17.6	73.8	4.3	2.8	1.4	99.9
Waitakere City	2,225	7,759	825	537	862	12,208	18.2	63.6	6.8	4.4	7.1	100.1
Auckland City CBD	552	447	37	199	7	1,242	44.4	36.0	3.0	16.0	0.6	100.0
Auckland City North East	726	3,457	144	132	71	4,530	16.0	76.3	3.2	2.9	1.6	100.0
Auckland City North West	1,161	5,205	261	191	267	7,085	16.4	73.5	3.7	2.7	3.8	100.1
Auckland City South West	2,122	3,291	237	182	340	6,172	34.4	53.3	3.8	2.9	5.5	99.9
Auckland City South East	573	1,378	182	89	233	2,455	23.3	56.1	7.4	3.6	9.5	99.9
Manukau City North West	1,670	1,744	624	333	1,661	6,032	27.7	28.9	10.3	5.5	27.5	99.9
Manukau City North	2,418	4,176	223	176	136	7,129	33.9	58.6	3.1	2.5	1.9	100.0
Manurewa & Papakura	820	3,342	837	232	616	5,847	14.0	57.2	14.3	4.0	10.5	100.0
Pukekohe	62	920	88	35	17	1,122	5.5	82.0	7.8	3.1	1.5	100.0
Rural South	61	2,171	154	51	27	2,464	2.5	88.1	6.3	2.1	1.1	100.0
Auckland Region	14,821	48,734	4,547	2,873	4,516	75,491	19.6	64.6	6.0	3.8	6.0	100.0

Source: Statistics New Zealand

* Variance from 100 percent due to rounding

Table 8.5: Renter and Owner Occupier Younger Households by Household Ethnicity and HMA 2006 (continued)

Housing Market Area	Number of Households						% of Younger Households					
	Asian	European	Maori	Other/NEI	Pacific Peoples	Total	Asian	European	Maori	Other/NEI	Pacific Peoples	Total
Renters												
Rural North	58	1,889	355	186	78	2,566	2.3	73.6	13.8	7.2	3.0	100.0
Rodney Southern Coastal	65	1,465	220	83	58	1,891	3.4	77.5	11.6	4.4	3.1	100.0
North Shore City	1,982	7,468	999	585	419	11,453	17.3	65.2	8.7	5.1	3.7	100.0
Waitakere City	1,270	5,492	1,797	1,074	1,625	11,258	11.3	48.8	16.0	9.5	14.4	100.0
Auckland City CBD	1,983	2,055	176	1,286	140	5,640	35.2	36.4	3.1	22.8	2.5	100.0
Auckland City North East	753	3,911	345	396	151	5,556	13.6	70.4	6.2	7.1	2.7	100.0
Auckland City North West	2,361	7,914	861	904	618	12,658	18.7	62.5	6.8	7.1	4.9	100.0
Auckland City South West	2,171	2,970	783	748	1,388	8,060	26.9	36.8	9.7	9.3	17.2	100.0
Auckland City South East	1,086	1,730	853	415	1,486	5,570	19.5	31.1	15.3	7.5	26.7	100.0
Manukau City North West	1,207	1,553	1,722	831	3,700	9,013	13.4	17.2	19.1	9.2	41.1	100.0
Manukau City North	1,080	2,802	437	286	284	4,889	22.1	57.3	8.9	5.8	5.8	100.0
Manurewa & Papakura	434	2,652	2,634	662	1,457	7,839	5.5	33.8	33.6	8.4	18.6	100.0
Pukekohe	58	571	248	82	67	1,026	5.7	55.7	24.2	8.0	6.5	100.0
Rural South	38	1,099	233	114	45	1,529	2.5	71.9	15.2	7.5	2.9	100.0
Auckland Region	14,531	44,050	11,761	7,522	11,522	89,386	16.3	49.3	13.2	8.4	12.9	100.0

Source: Statistics New Zealand

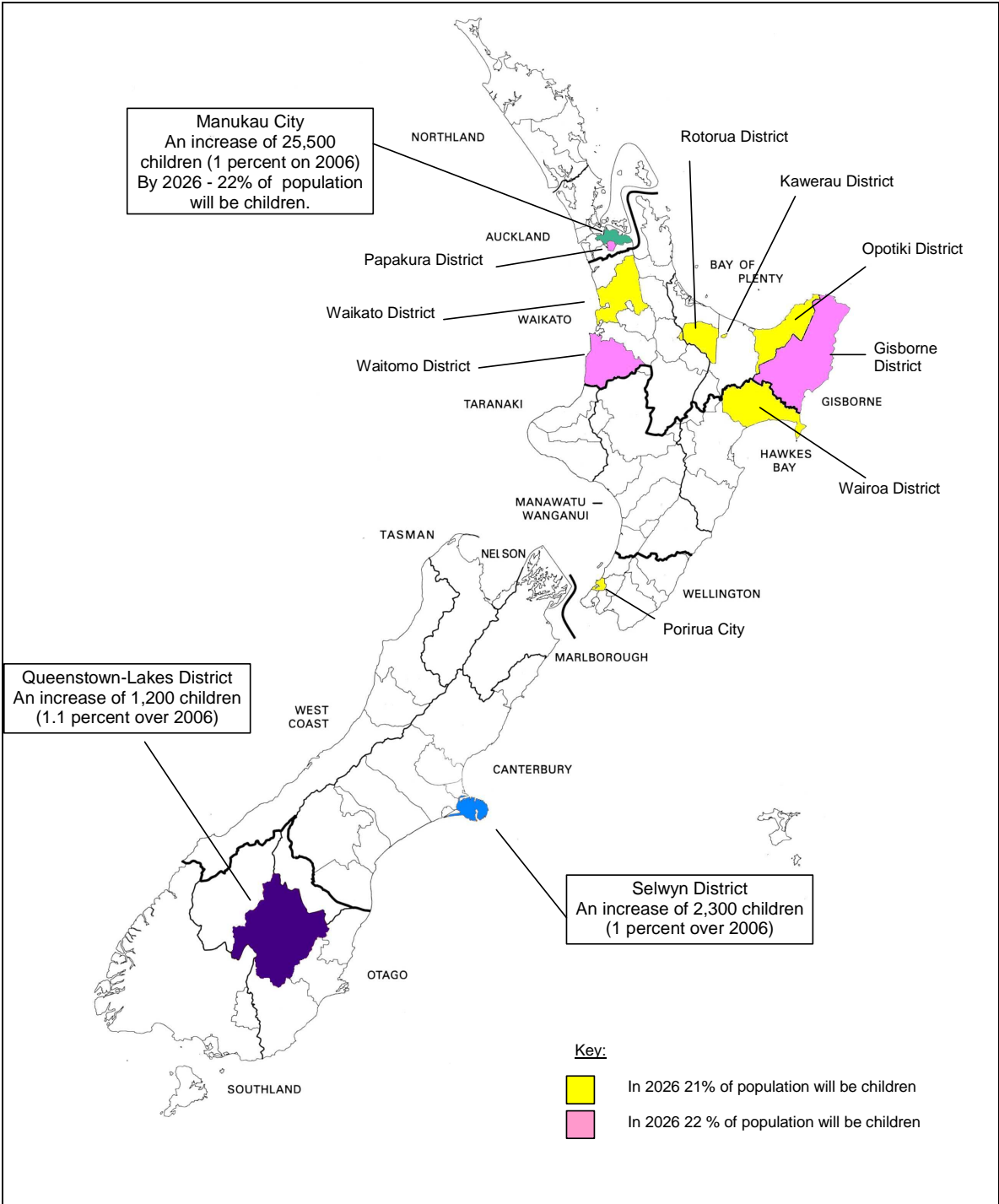
8.2.3 Younger Households, Children and Tenure

- 8.21 Younger households are most likely to be rearing New Zealand's children. Housing access and the housing conditions which these younger households can provide their children will have a profound impact on their children's wellbeing while children, their life chances and their capacity to make successful transitions to productive adult life.⁷⁶
- 8.22 Younger households in New Zealand are increasingly concentrated in rental housing. Consequently, in future more children will be living in rental accommodation. The 2006 Census showed that nationally 39.1 percent of children (0-14 years) were living in rental accommodation. That proportion was the highest proportion of any population age group. Among people aged 65-75 years only 17.3 percent lived in rental accommodation. That comparison accentuates not only the impacts of declining rates of home ownership on children but also the way in which the national pattern of home ownership is actually sustained by the baby boomers who entered home ownership when they were in their twenties.⁷⁷
- 8.23 Auckland region is one of the areas most profoundly affected by the critical interface between the housing situation of younger households and the housing experience of children. As Figure 8.1 shows, Auckland is not the only area in New Zealand that will have to face the challenge of increasing numbers of children and/or significant proportions of children in their population over the next ten to twenty years. Auckland, however, has the most pronounced increase in child numbers.
- 8.24 The recent CHRANZ report on children's housing futures identifies a number of 'hot spots for children' in the future (Figure 8.1). Manukau City is forecast to have an additional 25,500 children in its population by 2031 and 22 percent of its population will be children 14 years or younger. Papakura District can expect to have 23 percent of its population aged 14 years or younger. These children will be born into younger households.
- 8.25 Moreover, because younger households are concentrated in rental accommodation, children are disproportionately being found in rental housing. Two territorial authorities in Auckland region already have more than half of their children in rental accommodation: 50.5 percent of Manukau City's children are in rental accommodation and 51.4 percent of Papakura District's children are in rental accommodation. Those two territorial authorities are two of only four territorial authorities throughout New Zealand that have more than half their children in rental accommodation.
- 8.26 Overall, the four Auckland cities account for almost a third of the 318,330 children found to be living in rental accommodation in the 2006 Census. Manukau City had 39,585 children in rented accommodation. Auckland City had 30,864 children in rental accommodation. Waitakere City had 16,770 of their children in rental accommodation while North Shore City had 12,612 children in rental accommodation. Most of those children are in younger households and most of that rental accommodation is in the private rental market.
- 8.27 As Table 8.6 shows, among younger Auckland households child rearing is still associated with entry into owner occupation for couples. But for one parent families the rate of home ownership is very low. Indeed, what is apparent is the impact of single incomes on access to a home. Neither younger one parent households nor younger one person households have a rate of home ownership comparable to younger couple households whether those couple households have children or not.

⁷⁶ See Public Policy & Research and CRESA (2010) for an extended report on children, their housing status, their housing futures and the impacts of housing on children's wellbeing.

⁷⁷ Public Policy & Research and CRESA, 2010.

Figure 8.1: Growth Areas for New Zealand Children and Child Hotspots in 2031⁷⁸



⁷⁸ Statistics New Zealand, 2006c.

Table 8.6: Home Ownership by Household Composition and HMA for Younger Households 2006⁷⁹

HMA	% Couple Only	% Couple With Child(ren)	% One Parent With Child(ren)	% One Person Household	% Other Hhlds	% Younger Household Owner Occupiers
Rural North	62.2	76.3	27.7	36.4	48.3	60.0
Rodney Southern Coastal	55.7	68.7	24.3	35.0	39.8	53.6
North Shore City	52.4	68.2	33.6	42.8	43.0	53.2
Waitakere City	63.3	65.6	28.4	47.5	47.3	54.0
Auckland City CBD	18.9	33.3	41.5	19.2	15.9	18.7
Auckland City North East	39.0	70.9	40.3	34.4	28.2	45.3
Auckland City North West	34.6	67.0	31.7	28.9	22.6	36.6
Auckland City South West	51.3	56.1	23.5	40.5	39.5	45.1
Auckland City South East	40.3	36.1	14.4	34.0	30.1	32.0
Manukau City North West	48.4	47.1	19.2	40.7	43.3	41.5
Manukau City North	57.8	70.3	39.3	47.5	56.2	60.3
Manurewa & Papakura	61.2	58.3	18.2	46.3	38.0	44.8
Pukekohe	66.0	66.9	21.6	51.9	39.1	54.0
Rural South	64.6	76.7	31.7	46.0	46.8	63.2
Auckland Region	48.6	63.8	26.7	37.0	37.9	47.0

Source: Statistics New Zealand

8.28 The differences among younger households should not obscure the differences between younger households and the pattern of owner occupation among all Auckland households. The 2006 Census shows that 64.9 percent of all households are in owner occupation but only 47 percent of younger households are. In the case of the younger households in which children are residing there are considerable gaps between all households and younger households. All couple with children households have a 74 percent home ownership rate (2006 Census) while among younger couple with children households that rate is 63.8 percent.

8.29 All one parent with children households have a home ownership rate of 47.4 percent compared to 26.7 percent of younger one parent households with children. HMAs with less than half the younger households with children in owner occupation are: Auckland CBD; Auckland City South East; and Manukau City North West.

⁷⁹ This analysis is restricted to households that have no other household members, except immediate family

8.3 Younger Households and Multi-Units

8.30 Of the 12,942 households that became multi-unit dwellers⁸⁰ between 2001 and 2006, over half were younger households.

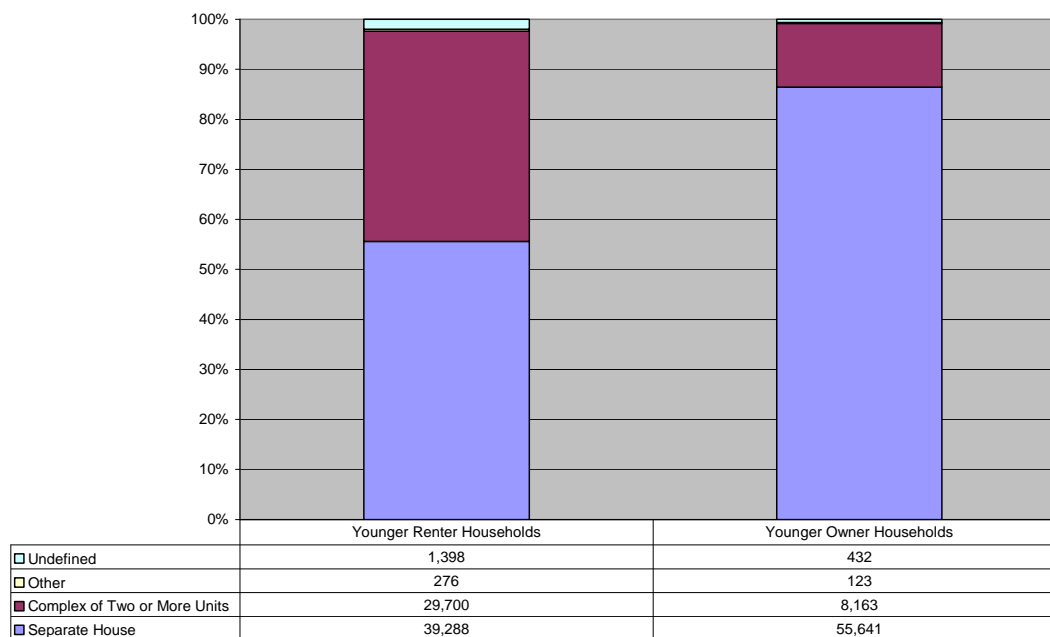
8.31 Table 8.7 shows the considerable relative increase of multi-unit consumption by younger households indicated by a comparison of the 2001 Census and the 2006 Census. Between 2001 and 2006, the number of multi-unit dwellings occupied by younger households increased by 20.7 percent. In addition, younger households are more likely to be in multi-unit dwellings if they are renters rather than owner occupiers with 42 percent of renter younger households in multi-units compares to only 12.7 percent of owner occupier households (Figure 8.2).

Table 8.7: Dwelling Typology by Tenure and Age in 2001 and 2006 (Census)

Dwelling Typology	Renter Households			Owner Occupied		
	2001	2006	Change	2001	2006	Change
Younger Households						
Separate House	37,074	39,288	2,214	56,949	55,641	-1,308
Complex of Two or More Units	23,814	29,700	5,886	7,545	8,163	618
Other	429	276	-153	291	123	-168
Undefined	6,276	1,398	-4,878	1,638	432	-1,206
Total	67,593	70,662	3,069	66,423	64,359	-2,064
All Households						
Separate House	60,933	72,768	11,835	190,926	209,667	18,741
Complex of Two or More Units	41,301	53,136	11,835	32,949	34,056	1,107
Other	861	579	-282	1,029	714	-315
Undefined	13,524	3,663	-9,861	8,391	2,370	-6,021
Total	116,619	130,146	13,527	233,295	246,807	13,512

Source: Statistics New Zealand

Figure 8.2: Younger Households Consumption of Different Dwelling Types in 2006 Census by Tenure



⁸⁰ Multi-unit is defined as two or more units joined together, including townhouses and apartments. Complex of two or more units (Figure 8.2) is the same.

8.32 Table 8.8 shows that the proportions of younger households in multi-units increased while the proportions of younger households in detached dwellings remained relatively static over that period.

Table 8.8: Proportions of Auckland Households in Different Dwelling Types by Tenure and Age 2001-2006 (Census)

Dwelling Typology	% Renter Households		% Owner Occupied	
	2001	2006	2001	2006
Younger Households				
Separate House	55	56	86	86
Complex of Two or More Units	35	42	11	13
Other	1	0	0	0
Undefined	9	2	2	1
Total	100	100	100	100
All Households				
Separate House	52	56	82	85
Complex of Two or More Units	35	41	14	14
Other	1	0	0	0
Undefined	12	3	4	1
Total	100	100	100	100

8.33 Younger households in rentals had a stronger proportional increase in multi-units than younger households in owner occupied dwellings. It is notable that among all households, an increase in the proportion of households in multi-units was restricted to renter households. Among owner occupier households the proportion remained static between 2001 and 2006.

8.4 Summary

8.34 Key aspects of the younger household housing consumption patterns in Auckland region are the:

- Declining entry to owner occupation. Between 2001 and 2006 the proportion of younger households that were owner occupiers fell from 31 percent to 29.4 percent. Over that period home ownership rates for younger households fell in 11 out of the 14 HMAs.
- Growth of the intermediate housing market. The number of younger households in the intermediate housing market significantly increased from 24,908 in 2001 to 51,866 in 2006.
- Concentration of rental tenure among younger households. The number of younger renter households increased in all HMAs over the 2001 to 2006 period, with the exception of Auckland City North East.
- Housing consumption on the rental market is most concentrated among lower income younger households and Maori and Pacific younger households.
- All ethnic minority younger households have lower rates of home ownership than European younger households.
- Concentration of children in younger households and children's likely future of growing up in rental housing: 50.5 percent of Manukau City's children and 51.4 percent of Papakura District's children are in rental accommodation. HMAs with less than half the younger households with children in owner occupation are: Auckland CBD; Auckland City South East; and Manukau City North West.
- A shift in dwelling type occupied by younger households with evidence of increasing take-up of multi-units. Between 2001 and 2006, the number of multi-unit dwellings occupied by younger households increased by 20.7 percent.

9 Younger Households, Housing Demand & Choices

9.1 This section is concerned with dynamics of housing demand that give rise to the consumption patterns among younger households evident from the 2001 and 2006 Censuses and presented in Section 8. It deals with the actual consumption changes that younger households make when they move in relation to four critical aspects of housing and the considerations that drive those choices. Those four aspects of housing demand are the:

- locations that younger households choose;
- tenure that younger households choose;
- dwelling amenity that younger households choose (relating to dwelling typology and size, dwelling quality and performance and, for owners occupiers, investment return); and,
- price of housing that younger households choose.

9.2 The analysis is predominantly based on the Recent Mover Survey and the data emerging from the focus groups with younger households and is augmented by some analysis of the 2001 and 2006 Censuses in relation to HMA movement.

9.1 Location Demand: Younger Households Going and Coming

9.3 The 2001 and 2006 Census data suggest that higher proportions of younger households move house over a five year period than other households, both nationally and in Auckland. In Auckland, the census data suggest that movers in many HMAs are likely to move outside the HMA in which they originally resided. There are two exceptions to this. Firstly, younger households that lived in North Shore City in 2001 and, secondly, younger households that lived in Waitakere City. Younger households living in those HMAs in 2001 are more likely to have moved, if they moved at all, within those HMAs rather than to another HMA. North Shore City retained 69.3 percent of its moving younger households. Waitakere City retained 65.6 percent of its moving younger households.

9.4 The HMAs on the Auckland isthmus retained least of their younger moving households between 2001 and 2006. This seems to be associated with the considerable movement in Auckland City around the inner city suburbs.

9.5 Typically low income households were more likely to stay within the same HMA when moving compared to all younger households. The exceptions in the 2001 to 2006 period were in the following HMAs: North Shore, the Auckland CBD, Auckland City North West and Manukau City North HMAs.

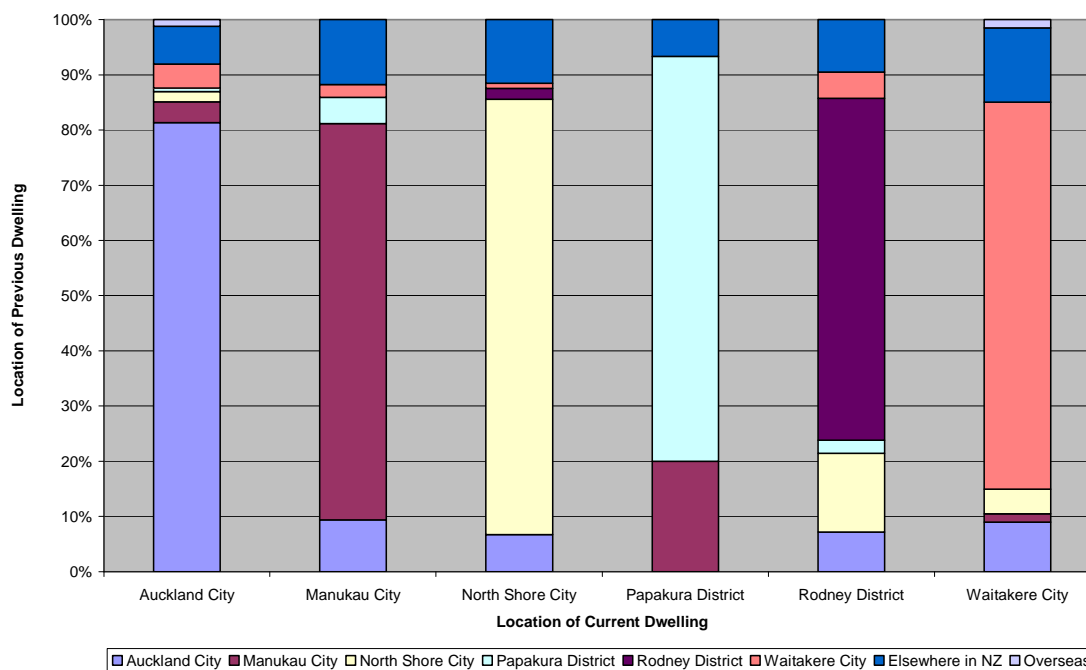
9.6 The most stable HMAs for low income younger households were:

- Pukekohe with 77.3 percent of low income movers staying in the HMA;
- Rodney South Coast with 73 percent of low income movers staying in the HMA;
- Waitakere with 69.8 percent of low income movers staying in the HMA;
- North Shore 68.1 percent of low income movers staying in the HMA; and
- Manurewa and Papakura with 65.7 percent of low incomes movers staying in the HMA.

9.7 Indeed, it appears that low income and under-resourced households are most likely to stay within their existing HMA or in an HMA which is very close by. The importance of local communities, networks and connections for low income and under-resourced younger households may underpin this tendency. Certainly the tendency to stay, or not to move far appears to be characteristic for younger households that could be considered under resourced.

- 9.8 For instance, a younger household with an unemployed reference person is more likely to have moved *within* the same HMA than other younger households. Similarly younger households with a reference person not-in-the-labour-force is more likely to stay *within* the same HMA when moving compared to younger households overall. Typically younger one person households are more likely to stay *within* the same HMA when moving compared to all younger household movers. So too are those households that consist only of couples and their children.
- 9.9 There is a clear exception to this association between low resourced households and locational choice. That is, younger households that are composed only of a parent and their child or children. Many one parent families actually reside in households with other extended family members or non-related people.⁸¹ Those that did not, however, if they moved at all between 2001 and 2006, were more likely to move between HMAs than other younger households. One parent households in that regard appear to have HMA movement patterns more akin to younger couple households without children.
- 9.10 The tendency when moving dwelling to stay close to a place of origin is also evident in the Recent Mover Survey data. Figure 9.1 shows that the majority of recent movers' previous dwellings were situated in the same territorial authority area in which their current residence is located. For example, those who lived in Auckland City tended to stay in Auckland City. Those recent mover households whose current house is in Manukau City were overwhelmingly likely to have had their previous house in Manukau City.

Figure 9.1: Previous Dwelling Location by Location of Current Dwelling for Younger Household Recent Movers (Recent Mover Survey)



⁸¹ Hutton, 2001; Poole, 1996.

9.11 Table 9.1 presents the numbers of Recent Mover Survey participants that stayed or left their territorial authority when moving dwellings.

Table 9.1: Auckland Younger Recent Movers' Location for Previous Dwelling and Current Dwelling (Recent Mover Survey)

Territorial Authority		Current Dwelling					
		Auckland City	Manukau City	North Shore City	Papakura District	Rodney District	Waitakere City
Previous Dwelling	Auckland City	131	8	7	0	3	6
	Manukau City	6	61	0	3	0	1
	North Shore City	3	0	82	0	6	3
	Papakura Dist.	1	4	0	11	1	0
	Rodney Dist.	0	0	2	0	26	0
	Waitakere City	7	2	1	0	2	47
	Elsewhere in NZ	11	10	12	1	4	9
	Overseas	2	0	0	0	0	1
Total		161	85	104	15	42	67

* 25 missing cases. All 25 households previously lived in the Auckland region but did not provide territorial authority information for previous house.

9.12 Table 9.2 shows that three quarters (75.5 percent) of the younger households stayed within their territorial authority of origin.

Table 9.2: Proportion of Auckland Recent Movers Staying within the Territorial Authority (Recent Mover Survey)

Territorial Authority		% Current Dwelling in Same Territorial Authority	% Current Dwelling in Different Territorial Authority
Previous Dwelling	Auckland City	84.5	15.5
	Manukau City	85.9	14.1
	North Shore City	87.2	12.8
	Papakura Dist.	64.7	35.2
	Rodney Dist.	82.8	17.2
	Waitakere City	79.7	20.3

9.1.1 Locations Targeted for Dwelling Search and Search Success

9.13 All recent movers reported that the suburb in which they had their previous dwelling was one of the areas in which they had looked for a dwelling prior to the residential move that brought them to their current dwelling. However, younger renter households considered suburbs in fewer HMAs than owner occupier households. Owner occupier households currently living in the lower socio-economic⁸² HMAs had a much wider spread of locations when they were searching than renters living in the lower socio economic HMAs.⁸³

⁸² Socio-economic status of HMAs was based on the analysis undertaken to define the HMA boundaries including analysis of household incomes, deprivation measures and house prices.

⁸³ This is consistent with other research on residential movement in New Zealand that suggests that when low income households move dwellings they tend to move into areas with a similar level of deprivation from the one they left. See Morrison, 2010. There are obvious reasons for this. In particular the operation of housing classes and housing access limits mean that households moving into other areas are likely to be restricted with regard to housing choice. For analysis of the operation of housing classes see Pearson and Thorns, 1983.

- 9.14 However, there is considerable variation across HMAs as to the extent to which recent movers were successful in acquiring a dwelling in a location in which they searched. As Table 9.3 shows, among those currently living in North Shore City, 91 percent had targeted North Shore City suburbs when seeking their new dwelling.
- 9.15 Similarly high levels of alignment between searched suburbs and location of current residence are found in the following HMAs:
- Rodney Southern Coast HMA – 95 percent;
 - Waitakere City HMA – 89 percent;
 - Manurewa and Papakura HMA – 89 percent;
 - Manukau North HMA – 83 percent; and
 - Rural North HMA – 77 percent.
- 9.16 The lowest alignment between current dwelling and targeting of that HMA for dwelling search are to be found in the spatially smaller HMAs on the Auckland isthmus. For instance, only 49 percent of those recent mover households currently living in the Auckland North West HMA actually targeted that HMA when looking for a new dwelling. A similar pattern may be found in:
- Manukau North West HMA – 46 percent;
 - Rural South HMA – 50 percent;
 - Auckland South West HMA – 52 percent; and,
 - Auckland South East HMA – 53 percent.
- 9.17 Table 9.3 also shows that none of the recent movers moved to or stayed in the Auckland CBD. Many of the recent movers who targeted the Auckland CBD ended up living elsewhere. For instance, 38 percent of the recent movers who eventually settled in the Auckland North West HMA had targeted the Auckland CBD and a similar proportion of the recent movers who took dwellings in the Auckland North East HMA had targeted the Auckland CBD. Pukekohe HMA and the Rural South HMA also showed high levels of interest among recent movers who, ultimately, did not settle there.

Table 9.3: Auckland Younger Recent Movers' Search Locations in Relation to Their Current Dwelling for Previous Dwelling and Current Dwelling (Recent Mover Survey)

Current HMA	Locations Considered by the Households													
	Auck North East	Auck North West	Auck South East	Auck South West	Auck CBD	Man North	Man North West	Man & Papakura	North Shore	Pukekohe	Rodney Southern Coastal	Rural North	Rural South	Waitakere
All Tenure Groups														
Auckland North East	58%	20%	-	6%	38%	-	-	-	2%	-	-	-	-	-
Auckland North West	18%	49%	12%	16%	38%	-	-	-	-	-	-	-	-	1%
Auckland South East	6%	1%	53%	4%	-	-	-	-	1%	-	-	-	-	-
Auckland South West	7%	15%	6%	52%	-	-	15%	-	-	-	-	-	-	3%
CBD	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Manukau North	5%	2%	18%	6%	13%	83%	-	-	1%	-	-	-	-	-
Manukau North West	1%	1%	6%	2%	-	3%	46%	4%	-	-	-	-	-	-
Manurewa & Papakura	-	-	-	-	-	11%	23%	89%	-	100%	-	-	50%	1%
North Shore	4%	4%	-	2%	-	-	-	4%	91%	-	-	5%	-	1%
Pukekohe	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rodney Southern Coastal	-	-	-	-	-	-	-	-	3%	-	95%	9%	-	-
Rural North	-	-	-	-	-	-	-	-	1%	-	5%	77%	-	5%
Rural South	1%	1%	-	-	-	3%	-	-	-	-	-	-	50%	-
Waitakere	-	7%	6%	12%	13%	-	15%	-	2%	-	-	9%	-	89%

9.1.2 Why are Some Locations Left and Some Locations Targeted?

- 9.18 The Recent Mover Survey participants were asked both about why they left their current dwelling and why they selected the suburbs they did in their search for their current dwelling. Few of the participants left their previous dwellings because of locational dissatisfaction. This does not mean that households were satisfied with the locational characteristics of their previous dwelling. Rather it means that any dissatisfaction with locational characteristics were not, in themselves, the driver of residential movement.
- 9.19 Among those who did move because of locational issues, the quality of schools was the most common driver followed by being distanced from family or friends. There is also a cluster of drivers around the quality of the built environment. In that respect, problems around safety, noise and neighbours can prompt movement (Table 9.4).

Table 9.4: Locational Related Drivers of Recent Moves (Recent Mover Survey n=499)

Location Related Drivers	Recent Mover Households	% Recent Mover Households
Poor quality schools in the neighbourhood	29	5.8
Too far from family/friends	20	4.0
Dwelling/Neighbourhood unsafe	19	3.8
Too much traffic/industrial noise	12	2.4
Neighbours disliked	12	2.4
Surrounding dwellings of poor quality	6	1.2
Inadequate public transport	4	0.8
Inadequate services, shops, and facilities	2	0.4
Too close to family/friends	1	0.2

* Multiple response

- 9.20 When these younger households select a location for their next dwelling, connectivity becomes a critical factor. So too does housing quality, housing affordability and familiarity with the location. Recent movers reported searching for dwellings in suburbs that they:
- Believed would provide them with:
 - Good connectivity – 37.5 percent.
 - The range of desired dwelling types, size and performance – 23.4 percent.
 - Lower house or rental prices than other suburbs – 22 percent.
 - Had previous or current connections – 19.6 percent.
- 9.21 Those themes also emerged from the focus groups with younger households. For most focus group participants, location was a major factor in their housing choice. It was mentioned as a significant factor in housing decisions in all focus groups. The main aspects of location that influenced decisions (both about place and the dwelling) concerned access to:
- family and friends;
 - travel routes and public transport;
 - parks, green spaces and recreational facilities; and
 - education.
- 9.22 Being able to access facilities and services such as shops, health services and library were also mentioned. A few participants expressed a preference to live close to their church. A few also mentioned access to broadband as a factor in their location choice. Proximity to employment was not a major driver of decisions about housing, however, the ability to get to work, either by private car or public transport, was a major consideration. The safety and appearance of a place were also identified as factors that householders took into account when choosing the house they currently lived in.

9.1.2.1 Family and friends

- The North Shore. Even though neither of us worked there at the time, it's close to family (High income).
- It's especially hard on the Shore as first home buyers, and it's getting harder and harder. It's where all our family are. There's not as much variety in stock but, but mainly it was price that was the issue. We just moved further north (High income).
- Being close to family is the first thing. I did live in South Auckland but it didn't work, I couldn't see my family a lot (New home owner).
- If you move away from where you know, you feel a sense of isolation. Knowing people, it takes away the loneliness aspect. I lived in Manukau and struggled there because I didn't know anyone (Moderate income).
- More family to help out (Tenant singles).

- 9.23 Participants in all the focus groups except the twenties focus group commented that being close to family was an important factor in their decisions about where to live. The twenties focus group and four other focus groups mentioned the importance of living close to friends, not only for themselves, but also for their children.
- 9.24 Across all focus groups there were participants who spoke of choosing to live in the area of Auckland region where they grew up because of family ties to those areas, or of having moved back to Auckland to live closer to family. Some have returned to Auckland so that their children can get to know grandparents.
- 9.25 A preference for living close to family was expressed as involving companionship, social support and resource sharing. While most of the participants did not currently live in the same household with extended family, a few individuals or couples were currently living with close relatives. A few participants were yet to leave the parental home, while a few others had returned to live in the parental household.
- 9.26 Many examples showed the importance of family factors in location decisions:
- Sharing accommodation expenses by purchasing a home with other family members or boarding or flatting with family members.
 - Couples and families living with parents as a way of saving to buy a home.
 - Young singles returning to live with parents to save money or while between jobs or between flats.
 - Moving to stay with elderly, sick or disabled relatives to support them.
 - Family members providing accommodation when people have housing difficulties.
- 9.27 Those who mentioned a preference for living close to friends, commented on the importance of social networks for those with no family in Auckland.

9.1.2.2 Community/neighbourhood environments and place attachment

- Born and bred in the West, a lot of character here (New home owner).
- There's a lot to be said for inner city Auckland suburbs. It's having a love for the area, there's still a sense of community (Moderate Income).
- I like the diversity, it's a real mix. I would like to see the mix preserved, there's a real charm (Moderate income).
- It's a familiar neighbourhood. Close to whanau. It's friendly, brown faces. Maori, Indians, Islanders (Maori).
- The character of the area is important, as are amenities like established trees. The image of older areas are well known, so you know what you are getting, unlike newer areas where the environment is less known (Pacific).

- 9.28 The importance of the community and neighbourhood environment in housing decisions was identified across most focus groups. These factors were highlighted by the Pacific and Maori focus groups, by those with children as well as singles, by both home owners and renters, and by people in different income groups.
- 9.29 The aspects of community and neighbourhood environments that are considered in housing decisions are: prior knowledge of and familiarity with the area, social and ethnic composition of the area, investment considerations and housing tenure patterns. Intangible aspects such as identification with the area and perceptions of a safe and friendly environment are also important in determining whether the community or neighbourhood is suitable.
- 9.30 For some participants, an important aspect of location is the ethnic mix of the area. Several from non-European backgrounds commented that they preferred to live, and had located in a suburb where other families have a large number of children and relatives visiting. They found that having numbers of people and cars around the home did not cause adverse comment or raise suspicion in neighbours. There were also favourable comments about living in mixed ethnic neighbourhoods from some NZ Europeans, who liked the vibrancy and variety of those areas.
- 9.31 Several focus groups identified certain types of suburbs they preferred. The Pacific focus group preferred older, well established areas with bigger sections that suited their requirements for children's play areas and outdoor entertaining. They considered newer housing subdivisions to be undesirable because of small section sizes, dwellings of similar appearance, higher priced homes, lacking in shops, lack of public transport options and a preponderance of private rentals. In contrast to the newer areas, they perceived the older suburbs to have a more stable population where people "have put down roots".
- 9.32 Several participants had located in inner city suburbs because of the lifestyle offered by a range of facilities, entertainment options, and the "community feel" of the inner city neighbourhoods that they were familiar with.
- 9.33 Comments were made across several focus groups, about the character of the area being an important consideration. This consideration was in part associated with the balance of rental and owner-occupied homes. Several participants said that they would not buy in an area with "too many" rentals because it was perceived that there is no sense of community or stability. Some of those were also concerned that such areas were associated with crime, dilapidated appearance of homes and streets, schools with a poor reputation and an image that was not good for resale.

9.1.2.3 Transport and Travel

- Near a bus or train. I don't know if I'd want to live somewhere without a bus lane, it could double or triple the time home (Twenties).
- I live at home so transport is the main thing really, good transport links for the bus and train. Express buses are a lot faster, I just hop on the motorway. Sometimes the buses are quicker than driving because of the bus lanes (Twenties).

- [I'd like] good public transport at night. I wouldn't catch a bus at night to my place, mainly for safety reasons. I'll usually grab a cab, especially after a certain time (Twenties).

- My husband had to bus before he got a company car. If we move we have to be on a bus or train route. You don't want them [husband] travelling an hour to get home when the kids are excited about seeing them. I like to be within a half hour's drive of any employment. You have to set boundaries around it (Thirties).

- I will look for something further out close to public transport and buy that (Chinese).

- 9.34 All focus groups considered that accessibility to public transport, or to routes that facilitated their driving to work, school and shops, to see family and to access recreation, entertainment and services were critical factors in housing decisions. With regard to public transport, participants mentioned the following factors that had influenced their choice of both location and their current house:
- Close to or on a bus route.
 - Close to a bus lane.
 - Within walking distance of a train station.
 - Availability of a night bus service
 - Bus stops that are safe at night.
 - Close to park and ride.
- 9.35 With regard to using a private vehicle, the following factors were important in their choice of location and of dwelling:
- Easy access to motorway.
 - Ability to access parking at the destination.
 - Travel time.
 - Ability to drive and park easily at shopping centres.
- 9.36 The ability to have choices around the use of public transport was important to many of the younger household participants. While participants reported that they or their partners used a private car, access to public transport provided the household greater flexibility. A number of participants noted that at least one of the adults in their households was not licensed to drive.
- 9.37 Public transport access was seen as an important way for children to be more independent and able to access friends, educational and recreational facilities. A combination of public transport and private transport meant that households could fulfil often complex work, family and social commitments. Public transport availability meant that doing so would not be reliant on acquiring multiple private vehicles.
- 9.38 Accessibility to public transport meant more than simply a train or bus stop within walkable distance. Women participants in particular were concerned that public transport is safe, especially at night. Safety was an issue not only while on board public transport but also while waiting for public transport and walking from bus or train stops to either private cars or to their destination.

- 9.39 When asked about the tradeoffs they made about location, several participants mentioned that they had moved to a less preferred area, or would consider such a move, if the access to public transport was good. Other participants would not consider living in some areas because they were “too far out”; being distant from their work, family or recreational activities. Part of what makes an area undesirable for them are the travel time and costs.
- 9.40 Several participants preferred to use their cars because of what they said was an inconvenient and unreliable public transport service. Participants disliked having to change transport mode, or to travel from their home into the centre and then out to their destination. Those whose travel times to work were over an hour said that relying on public transport would mean even longer travel times for them.
- 9.41 Some participants did not drive, had partners who did not drive or could not afford their own vehicle. For them, easy access to public transport and ability to walk to work (if possible), to shops and other amenities was important in choosing their house.

- It's got to be close to the bus stop, and the shops, walking distance to the shops with the little one (Low income).

- I will aim for Glen Eden or Kelston, close to a petrol station⁸⁴ and shops. I could walk to the shops, wouldn't even have to pay for a taxi, and if I did it would be cheap (Tenant singles).

- No, no particular area. Just walking distance to the shops and public transport (Tenant singles).

9.1.2.4 Education

- 'M' [school] offers better schooling for my kids, so I have kept them at the same school through all our moves. I don't like pulling my kids in and out of school. I think it's important, otherwise it disrupts them. I need to know they will have a good education and they will get through the hard times, that's why I want them to stay at 'M' (New home owner).

- The children are settled and doing well, I don't want to disrupt that, especially for the ones at primary school. They have a friend base and it's hard to start again. Ideally we'd stay in the area where the school is but if we continue to rent that may become difficult because of fluctuating rental prices (Thirties).

- We had to move quite often, every two to three years, the school was the stability (New home owner).

- As a student, location is more important to me than the quality of the house. Close to university and convenient to shops, especially food shops (Chinese).

- 9.42 Living close to their children's school or early childhood centre was mentioned as a key consideration in deciding where to live by many with families. The critical aspects were not only about proximity to school, but also about being able to send their children to, or keep their children at the school they preferred. Some who had moved in the past had decided to move within the same area in order to keep their children at their preferred school, rather than remove them.

⁸⁴ Several of those without access to a vehicle commented that they preferred to be within walking distance of a petrol station as they used the convenience store located there to buy groceries.

9.43 Some home owners without children said that one of the factors in their choice of home was their knowledge of the schools in the area as suitable for their future children. This included a choice to locate in a particular school zone.

9.44 Those participants studying full time or part time also said that proximity to their educational provider was a consideration in the choice of their current dwelling.

9.1.2.5 Safety

- We did look at places in the south, but we're not used to it. We feel safer out west. We didn't know the community in South Auckland (New home owner).

- Our kids all play together. We have an area out the back, it's safer, you don't get traffic concerns. We all look out for each other in the neighbourhood. Everybody sort of knows each other and keep an eye out on each other's kids (Thirties).

- Safety and security. No undesirables. It's important, because my wife's a stay at home mum. We're all working people, young couples and young families. We have a neighbourhood watch scheme and neighbourhood events (New home owner).

9.45 There was also widespread comment about the safety of neighbourhoods as a key factor in the desirable character of an area. Knowing one's neighbours was considered important for safety. Those with children emphasised particular safety aspects in the choice of both location and dwelling, such as:

- A preference for quiet streets away from busy traffic.
- A fully fenced section.
- Ability to survey the street and outdoor play areas from the house.
- Safety of children on shared driveways.
- Managing safety hazards in parks and green spaces, such as drains and streams.

9.1.2.6 Natural areas and recreational facilities

- Within walking distance of a park (Pacific).

- Close to beach and where I grew up. Near where my interests are, where I play sport (New home owner).

- We're right next door to a park. The locations good ... We have dogs, and it'll be good for when we have kids (New home owner).

9.46 Several participants identified features of the Auckland lifestyle; the beaches, outdoor environment, harbours. Others wanted to live close to their sports, or to their children's sports. They wanted to make the most of these in their locational choices.

9.1.2.7 Employment⁸⁵

- It takes an hour to drive to work, but I'm used to it. You've got to plan it really well otherwise you struggle in the congestion (Pacific).
- Affordability, close to work to avoid travel time and travel costs (New home owner).
- Living close to city centre because of work, ease of travel and social life. Rent as close as possible to the city centre. There's no point renting further out (Twenties).

- 9.47 Locating for employment was a factor in deciding where to live, but proximity to work was not as important as other factors such as closeness to family; familiarity, safety and character of the area; and proximity to educational facilities. Some participants had moved to Auckland from other parts of New Zealand or from overseas because of job opportunities and higher wages. In that respect, their location decision had been strongly work related. However, the specific place of residence chosen within Auckland tended to be influenced by a range of factors, with proximity to place of work only one consideration.
- 9.48 While proximity to work was not as important as other factors, the ability to get to work with ease, was a critical consideration. There was widespread concern about accessing the workplace easily from home. A location that allowed easy access to public transport or direct road routes was highly desirable.
- 9.49 Some participants did want to live as close to work as possible and this was clearly the primary factor in choosing their place of residence. Key considerations were travel costs, travel time and convenience of travel. Those who expressed a desire to live close to work were mainly in their 20s, single or with a preference for walking to work.

9.2 Tenure Change

- 9.50 The majority of the participants in the Recent Mover Survey do not have an ownership interest in the dwelling in which they are living. Only 40.7 percent are in owner occupied dwellings. Of those, 94.6 percent have mortgages. Half the participants are now housed in the private rental market (Table 9.5).

Table 9.5: Auckland Recent Movers Tenure Status (Recent Mover Survey)

Tenure of Current Dwelling	Recent Mover Households	% Recent Mover Households
Rented – Private rental market	251	50.3
Owner occupied dwelling	203	40.7
Employer Provided or Other Rent Free	37	7.4
Rented – Social housing	8	1.6
Total	499	100

- 9.51 Table 9.6 sets out the tenure profile of recent movers in their previous dwelling. When that data is compared to the tenure profile of recent movers in their current dwelling it is clear that there is a drop in the proportion of households in rental dwellings and an increase in households in owner occupation.

⁸⁵ See section 10.1.3 for a more detailed discussion of the Recent Mover Survey data in relation to employment and dwelling selection.

Table 9.6: Auckland Recent Movers' Tenure Status in Their Previous Dwelling (Recent Mover Survey)

Tenure of Previous Dwelling	Recent Mover Households	% Recent Mover Households
Rented – Private rental market	286	57.3
Owner occupied dwelling	163	32.7
Employer Provided or Other Rent Free	36	7.2
Rented – Social housing	1	0.2
Not Stated	13	2.6
Total	499	100

9.52 Certainly these recent movers express a desire for owner occupation. Overall, 14.4 percent of all the recent movers reported that they specifically moved dwellings to allow them to move from the rental market to owner occupation. Of all the owner occupiers of current dwellings, 40.3 percent moved to that dwelling as part of the process of leaving the rental market.

9.53 Overall, however, as Table 9.7 shows most younger households tend to stay in the same tenure status when they move dwellings. They churn around the rental market or they churn around the owner occupier market. Of the 286 participants in the private rental market in their previous dwelling, 64.7 percent remained in the private rental market in their new dwelling, while 28.7 percent moved from the private rental market into an owner occupied dwelling. The private rental market was also the largest source of participants who are currently living in social housing.

Table 9.7: Auckland Recent Movers' Tenure Status from Previous Dwelling To Current Dwelling (Recent Mover Survey)

Tenure		Current Dwelling			
		Rented – Private rental market	Owner occupied dwelling	Employer Provided or Other Rent Free	Rented – Social housing
Previous Dwelling	Rented – Private rental market	185	82	12	7
	Owner occupied dwelling	52	105	6	0
	Employer Provided or Other Rent Free	10	8	17	1
	Rented – Social housing	1	0	0	0
	Not stated	3	8	2	0
Total		251	203	37	8

9.54 Among those previously in owner occupation 64.4 percent stayed as owner occupiers. What is clear however, is that a substantial proportion of 20-40 year olds move from owner occupied dwellings into the private rental market. Of the 163 participants who were in owner occupied dwellings in their previous dwelling, 31.9 percent moved to rental accommodation on the private market.

- 9.55 The participants most likely to move from owner occupation to rental are:
- Those who owned their previous dwelling by themselves where 13 of the 25 participants in that situation were no longer in owner occupation.
 - Participants who owned their previous dwelling with a previous partner were also likely to move from owner occupied dwellings to rental dwellings. Four of the 7 participants who owned a dwelling with a previous partner are currently in the rental market.
 - Of those who previously owned a dwelling with a current partner, 24.2 percent are now in the private rental market.
 - Young people moving from their parental home.
- 9.56 It is notable that in the focus groups, most of those who had purchased a dwelling in the last two years had moved from rental dwellings to owner occupation. Those home owners who were in their late 30s when they moved reported that it had taken them many years to save enough money to become a home owner. A number reported that they had been assisted by their family or a housing trust.
- 9.57 By way of contrast, other participants who had owned their dwellings for longer than two years also noted that their shift was due to a desire for home ownership. Owning a home was seen as providing security for themselves and their families, and as a way of acquiring a financial asset. However, most of these younger households found affordability barriers a considerable hurdle. For some it was a hurdle despite seeing themselves on reasonably high incomes and being well-qualified.

There's no way I could have bought a house even though I've got a Masters degree and a job; [through the housing trust] is the only way we could have done it (New home owner).

9.3 Changing Dwelling Amenity

- 9.58 The Recent Mover Survey found that in relation to dwellings, younger householders considered a range of issue:
- dwelling typology and size; and
 - dwelling condition and performance.
- 9.59 A desire to change dwelling size was an issue with almost a third (31.7 percent) of those in the Recent Mover Survey. Of all recent movers, 28.9 percent reported that they had left their previous dwelling because they were seeking a larger dwelling. The desire for a smaller dwelling was reported by 2.8 percent of recent movers. Overall, 15.2 percent of recent movers reported that their move was prompted by a desire to upgrade the quality of their dwellings, and 5.6 percent of all recent movers reported that their move was prompted specifically by a desire for a warmer dwelling.

9.3.1 Dwelling Typology and Size

- 9.60 Table 9.8 sets out the dwelling typology of participants' dwellings prior to moving to their current dwelling. As for the profile of current dwellings, the previous dwelling types are dominated by detached dwellings (74.9 percent of recent movers). There has been a substantial shift associated with residential movement to detached dwellings with 83.2 percent of current dwellings being detached. As Table 9.9 shows, however, the change in dwelling typology was not always a simple movement from multi-unit dwellings to detached dwellings.

Table 9.8: Auckland Recent Movers' Previous Dwelling Typology (Recent Mover Survey)

Dwelling Type	Recent Mover Households	% Recent Mover Households
Detached dwelling	374	74.9
Dwelling attached to 1 other dwelling (semi-detached)	44	8.8
Dwelling attached to 2 other dwellings	19	3.8
Dwelling attached to 3-9 other dwellings	21	4.2
Dwelling attached to 10 other dwellings or more	27	5.4
Dwelling attached to a business or shop	1	0.2
Not stated	13	2.6
Total	499	99.9*

*Due to rounding

- 9.61 Of 374 householders reporting that their previous dwelling was a detached dwelling, 13.1 percent had moved to a multi-unit dwelling of some sort. Most of those moved to a semi-detached dwelling followed by multi-units with three to nine residential units. In contrast, there is a clear desire to stay in detached dwellings; 80.4 percent of those currently in detached dwellings were previously in detached dwellings. Furthermore, 71.4 percent of those previously living in multi-units or semi-detached moved to a detached dwelling.
- 9.62 Among participants in the focus groups there was also a strongly expressed desired to move out of multi-unit dwellings to what they termed 'older style' detached homes. The latter were seen as providing better storage, better and larger living spaces and better outdoor space amenities. Multi-units were also seen as being burdened by corporate body structures and likely to have leaking building syndrome.

High Income focus group discussion:

- We wanted a yard and to be near a park.
- I wouldn't consider an apartment or terrace house because we have animals.
- We briefly considered them [apartments] but no. There's that leaky building anxiety.
- There's no point in buying a terrace house in the suburbs, they're only desirable in the inner city so then you can walk to work. Apartments are targeted to the rental investor, not the home owner. They are far too small, like a shoe box and of poor quality.
- If they are nice and of good size and by the beach they are out of price range.

- 9.63 The desire for increased space was evident in the Recent Mover Survey. As Table 9.10 shows, the broad profile of dwellings dominated by three and four bedroom homes prevails in the dwellings in which participants previously lived.

Table 9.9: Auckland Younger Household Recent Movers' Previous Dwelling Number of Bedrooms (Recent Mover Survey)

Number of Bedrooms	Recent Mover Households	% Recent Mover Households
1 bedroom	27	5.4
2 bedrooms	97	19.4
3 bedrooms	212	42.5
4 bedrooms	122	24.4
5 or more bedrooms	28	5.6
Not stated	13	2.6
Total	499	100

Table 9.10: Auckland Recent Movers' Previous and Current Dwelling Typology (Recent Mover Survey)

Dwelling Type		Current Dwelling						Bach, crib, holiday home
		A detached dwelling	House/flat/ unit/ apartment attached to 1 other	House/flat/unit/ apartment attached to 2 others	House/flat/unit/ apartment attached to 3-9 others	House/flat/unit/ apartment attached to 10 or more others	House/flat joined to a business shop	
Previous Dwelling	A detached dwelling	325	21	8	14	5	0	1
	House/flat/unit/apartment attached to 1 other	34	7	1	1	1	0	0
	House/flat/unit/apartment attached to 2 others	11	3	2	1	2	0	0
	House/flat/unit/apartment attached to 3-9 others	16	3	1	0	0	1	0
	House/flat/unit/apartment attached to 10 or more others	17	4	2	3	1	0	0
	House/flat joined to a business shop	1	0	0	0	0	0	0
	Bach, crib, holiday home	0	0	0	0	0	0	0
	404	38	14	19	9	1	1	

9.64 Recent movers are more likely to live in dwellings with more bedrooms after moving. Almost a quarter (24.8 percent) of households were living in one or two-bedroom dwellings, while only 16 percent of households currently live in one or two bedroom dwellings (Table 9.11).

Table 9.11: Auckland Younger Household Recent Movers' Current Dwelling Number of Bedrooms (Recent Mover Survey)

Number of Bedrooms	Recent Mover Households	% Recent Mover Households
1 bedroom	18	3.6
2 bedrooms	62	12.4
3 bedrooms	221	44.3
4 bedrooms	139	27.9
5 or more bedrooms	59	11.8
Total	499	100

9.65 Like the previously discussed change in dwelling type, change in the number of bedrooms is complex. Over a third (36 percent) of participants who moved chose dwellings with the same number of bedrooms they had in their previous dwelling. However, 22.2 percent of households reduced bedroom numbers. Overall, however, there is a strong trend towards increasing the number of bedrooms available to a household when moving; 41.8 percent of participants did so.

9.66 Table 9.12 sets out the numbers of recent movers moving from previous dwellings with specified bedrooms to current dwellings with specified bedrooms.

Table 9.12: Auckland Recent Movers' Number of Bedrooms Previous Dwelling To Current Dwelling (Recent Mover Survey)

Number of Bedrooms		Current Dwelling				
		1 bed	2 bed	3 bed	4 bed	5+bed
Previous Dwelling	1 bedroom	7	11	9	0	0
	2 bedrooms	5	18	57	14	3
	3 bedrooms	5	22	98	60	27
	4 bedrooms	1	9	42	48	22
	5 or more bedrooms	0	1	9	13	5
	Not stated	0	1	6	4	2
Total		18	62	221	139	59

9.67 Most focus group participants said that when they were looking for a house, they had specific preferences for size and design. The importance of dwelling size and design was discussed by participants in all income bands, twenties, thirties, tenant families, new home owners, Pacific, Chinese, and Maori.

- Storage! Something that can accommodate a growing and returning family. More than one bathroom. Also have to have a backyard, even more important than a big house, so we can have barbeques (Pacific).

Twenties focus group discussion:

- I looked at over 40 places recently, too small, no privacy.
- I won't share a bathroom with too many people. And I need to have a backyard.
- The size of the room. I have a lot of stuff. Town houses are nice and modern but most of them are really small, they're too much like a shoebox.
- I gave up living in a warmer place for more space. I may regret it in winter.

Maori focus group discussion:

- It's got to have space for whanau to visit, enough bedrooms, a large living area, and outside space as well.
- We needed a larger house to care for my grandmother. It was important that she had her own space, she felt independent because she had her own space.
- We are trapped in a model of three bedrooms. If we expand our family we'll need to move, but it will jump another \$100k.
- In West Auckland you can buy older, solid houses that have got storage and a bigger section. There's potential to expand.
- Having a garage and parking space is also important. We need space for cars and kids.

- 9.68 Participants with children expressed particular preferences around the size of house, provision of amenities and safety features. Some of the features preferred by participants with children included: homes with a lot of storage and space, including a large section, a fenced section and windows with safety catches.
- 9.69 Single people also looked for a place that was roomy. No participants wanted single bedroom dwellings. Two bedroom dwellings were regarded as a minimum by people living on their own and sole parents. A second bedroom, if not used by another family member, was regarded as essential for storage, study or for visitors. Some single people noted that, even though they would prefer a two-bedroom dwelling, this was usually unaffordable for them.
- 9.70 The Maori, Pacific and Chinese focus groups, as well as other participants across those ethnic groups in other focus groups, commented that roomy accommodation was needed for large families, relatives coming to stay, and for elderly parents. Many of the participants' comments showed how the spaces of the dwelling are very important in maintaining ties between extended family and whanau. They commented on a need for large kitchens and living areas. More than one bathroom is preferred. There also needs to be different spaces for different age groups, both young and old, to allow for personal space and for different activities such as study and recreation.

- It's not catering for bigger families, I have seven children. I was in a three bedroom house. Now I only have three children with me. My other children live with my parents. I can't afford to go private, but I do want all my children together with me (Tenant family, in emergency accommodation).

- Most important is the room, the size of the house with a big family, but I am limited by money, so I was limited in what I could get in the way of a larger house (New home owner).

9.3.2 Dwelling Condition and Performance

9.71 Just under a third of householders (30.7 percent) in the Recent Mover Survey describe their dwellings as in *Excellent* condition. Almost half (47.5 percent) the householders described their dwellings as in *Good* repair. Only 2.6 percent of recent movers described their dwellings as in *Poor* or *Very Poor* repair. 19.2 percent on dwellings were described as being in *Average* repair (Table 9.13).

Table 9.13: Auckland Recent Movers' Current Dwelling Perceived Dwelling Condition (Recent Mover Survey)

Dwelling Condition	Recent Mover Households	% Recent Mover Households
Excellent – no immediate repair and maintenance needed	153	30.7
Good – minor maintenance needed	237	47.5
Average – some repairs and maintenance needed	96	19.2
Poor – immediate repairs and maintenance needed	10	2.0
Very poor – extensive and immediate repair and maintenance needed	3	0.6
Total	499	100

9.72 Most survey participants (486 of 499 householders) provided information about the condition of their previous as well as their current home. Of those, 32 percent reported that their most recent residential move had no impact on the dwelling conditions to which they were exposed. Over a third (36.2 percent) reported that the condition of the dwelling in which they lived had improved by moving. However, 29.6 percent of householders reported that the condition of the dwelling that they occupied had declined with their recent move.

9.73 Declining housing condition was most evident among householders previously living in dwellings that they considered to be in *Excellent* condition; 66.5 percent of those householders experienced a decline in dwelling condition with a move. By comparison, only 20.5 percent of those previously living in a dwelling in *Good* condition experienced a decline in dwelling condition with their move. All the 39 householders reporting that their dwelling was in *Poor* or *Very Poor* condition reported that their current dwelling was an improvement on their previous dwelling.

9.74 Perceived house condition is associated with perceptions of better dwelling performance in relation to heating. However, the relationship between dwelling condition and heating performance is relatively weak (Table 9.14). While 78.2 percent of the participants described their dwelling as in *Excellent* or *Good* condition, only 63.7 percent of participants reported being usually or always warm in winter. Furthermore, 22.4 percent of participants reported that they were only sometimes or never warm in winter.

9.75 In terms of thermal performance, data is available regarding the comparative thermal performance for 411 recent movers. Of those:

- Over a third (37 percent) reported that their current dwelling provided better warmth than their previous dwelling.
- 35 percent reported that there was no change between their two dwellings.
- Of the, 144 dwellings reporting no change in warmth, 20.1 percent of them reported never or only sometimes being warm in their previous house and never or only sometimes being warm in their current dwelling.
- Over a quarter (28 percent) of participants reported that they were less warm in their current house than they had been in their previous dwelling.

Table 9.14: Perceived Dwelling Condition by Auckland Recent Movers by Warmth of Winter Heating (Recent Mover Survey)

Dwelling Condition	In Winter Heating Keeps House Warm ...					
	% Always	% Most of the time	% Some of the time	% Never	% Unknown	% Total*
Excellent – no immediate repair and maintenance needed	44.4	28.1	7.8	5.2	14.4	99.9
Good – minor maintenance needed	27.4	33.8	13.1	12.2	13.5	100
Average – some repairs and maintenance needed	27.1	30.2	15.6	10.4	16.7	100
Poor – immediate repairs and maintenance needed	30.0	10.0	0.0	40.0	20.0	100
Very poor – extensive and immediate repair and maintenance needed	0.0	0.0	66.6	33.3	0.0	99.9

* Variance from 100 percent due to rounding

9.76 In the focus groups, those who were currently renters, or who had been renters prior to their last move gave a wide variety of examples of having to move because of the dwelling being too small, household crowding, or poor dwelling performance or condition. Tenant singles and tenant families in particular had experience of crowding. Other participants who had been students reported lived in overcrowded flats because of affordability problems. They observed it was common for living rooms to be rented out as bedrooms. Other tenants talked about leaving dwellings because of their poor condition or performance.

- I was living in a garage with the three children. The majority of families in this street live in garages – there are twenty people in a three bedroom house next door (New home owner).
- We were staying with my sister, three families in a three bedroom house. Then we went into a private, but couldn't afford it and it was not good [condition]. So we moved back to my sister's. Then we went to a boarding house for one month, it was a terrible time ... we are desperate, any house, anywhere, we want to settle down (Tenant families).
- I was living in a three bedroom house with my mother, but it was too small for everyone and expensive. I am a student and I needed more space to study, so I went flatting with my brother, but it was too expensive (Low income).
- We've moved because of it. It's especially a factor after you have children. We've moved out because the maintenance wasn't good enough (Thirties).
- The house was making me sick. It was damp, we had to use the humidifier every day, and it cost lots for power. It was very cold in winter. We were getting coughs and colds (Low income).

- 9.77 While house performance was considered an important factor in housing decisions, for many focus group participants, it was not a factor that they had much control over if they were renting, or if they were constrained in what they were able to afford to buy. Like size, house performance appeared to be one of the main factors that participants compromised on in choosing their current home and location.

Thirties focus group discussion:

- When we moved from our first house to our second house I was amazed at how expensive a low maintenance, newer house was to rent. We had to lower our standards, our expectations a bit and still pay around the same price.
- Just about every rental I've ever lived in has had weepy windows, lots of condensation. I don't think I've lived in a rental that isn't damp.
- Our house is falling down around our ears but we don't want to go anywhere else because of the price.
- We live in an old villa. In summer it's just fantastic. In winter we camp out in the lounge.
- I live in a town house, it's so hot. There's not enough windows to open to get a breeze through. There's no window in the bathroom, it's really bad.
- There's a tendency to face houses to the street, regardless of orientation. People building new houses really need to think about sunlight and what will actually benefit a family.

- 9.78 Other participants had made trade offs in the quality of their rental accommodation, to reduce on-going accommodation costs so that they could save enough to buy a home.

I was in a rat infested, cockroach infested, dilapidated place, then I got into Housing Corp, it was fantastic but only two bedrooms. So then I got a five bedroom place [private] but it was so cold and damp, substandard and the ground floor flooded. But it was really cheap rent which helped me save my deposit. I put up with really bad housing to get into home ownership (New home owner).

9.4 House Price/Rental Price Change

- 9.79 A minority of those in the Recent Mover Survey reported that they specifically moved from their previous dwelling because of affordability problems. Five percent of recent movers reported that they could no longer afford the rent of their previous dwelling, while 2.6 percent of recent movers shifted dwellings because they could not afford their mortgage. Two householders (0.4 percent) of the 499 recent movers reported moving house because they were subject to a mortgagee sale and 4 householders (0.8 percent) moved dwellings to release equity.

- 9.80 The Recent Mover Survey data suggest that:

- 15.2 percent of those in the private or social housing rental markets in their previous dwelling moved dwellings because of rent affordability problems.
- 8 percent of owner occupiers of their previous dwelling moved dwellings because they could no longer afford their mortgage.
- 1.2 percent of owner occupiers of their previous dwelling moved dwellings because they were subject to a mortgage sale.
- 2.5 percent of owner occupiers of their previous dwelling moved dwellings because they wanted to release equity.

9.81 Housing affordability was a major consideration across all focus groups, for all income levels and for both owners and renters. For some participants, it was the main driver of their housing decisions. For others, it was a high priority along with other considerations such as location.

- As a working mum with three children [affordability] it's the main factor (New home owner).
- Price is a big one! An investment that will grow in value. Your first home is not your dream home, it's getting into the housing market. Don't worry about what the house looks like (Pacific).
- You can't get the perfect house, you have to compromise. The agent was wasting my time, showing me too many expensive houses (Chinese).
- Affordability, that precluded [buying in] some areas. Also resale, an investment choice (High income).

9.82 Renters said that their choices were often price driven. They gave examples of trading off house condition and performance for a cheaper rental. Around 22 focus group participants were actively looking for accommodation at the time the focus groups were conducted. Some of those were in emergency accommodation, others were staying in camping grounds or with friends. Reasons for their having to move from their previous accommodation varied considerably and included recent movement to Auckland, eviction and incompatibilities with flatmates. However, the two main reasons for moving from their previous accommodation were unaffordable accommodation or the accommodation was no longer available.

- I was flatting with friends and at the time I was working so it was affordable. I've been made redundant twice, there's no work at the moment (Tenant singles).
- The main thing is it's got to be affordable. Most on benefits are struggling to get by, you're only left with a little bit at the end of the week (Tenant singles).
- I have applied for private rental, we looked at them but they were damaged, we wanted the landlord to repair, but then he would put up the rent, so we can't afford that (Tenant families).

9.83 A number of the singles and families in rentals said that their low incomes and debt constrained the amount of rent they were able to afford. They were of the view that the only viable rental options for low income workers and beneficiaries are Housing New Zealand Corporation (HNZC) or housing trust accommodation that offers income related rents. Many cannot afford to rent on the private market. They found that the Accommodation Supplement is insufficient to cover private rentals, and even though the Accommodation Supplement is provided at a higher rate in central Auckland than South Auckland, they have found little difference in rents between the two areas.

9.84 A few participants felt that they were "caught" as they earned over the limit to qualify for Housing New Zealand Corporation housing, however they struggled to find an affordable private rental. Other participants commented that personal and household debt exerts a significant impact on the amount of money they have available for accommodation. Even those middle-to-higher income earners who were renting commented that their highest priority when seeking a house was the amount of rent they could afford.

- There are so many negatives to renting, you're unsure how long you're there for. Is the rent going up? You don't know what your neighbours are like (New home owner).
- Dead money. At the end of the day you have nothing. Choice is a luxury you don't have ... you take what you can get. Beggars can't be choosers (Low income).

- 9.85 Those who were currently flatting, mainly in their twenties or single, talked about leaving flats because of the expense of renting single rooms, overcrowding and lack of privacy (living rooms are commonly rented as bedrooms), difficulties in finding compatible flatmates and flatmates not paying their share of the household expenses. Some participants said they had returned home to live with parents because they could not afford to flat. Tenants raised concern that rents in inner city areas and suburbs close to Auckland's city centre were often unaffordable.

I would like to flat with S but who's he going to bring round? They have to be able to pay their way and not abuse the facilities and the property (Tenant single).

- 9.86 Some participants talked about the financial stress of owning that had forced them to rent out the home to meet mortgage payments. One woman in her 30s, who had been helped with a deposit by her parents, had bought at the top of the housing cycle and was finding it a struggle to pay the mortgage. She now rents out the house and lives with her parents. Other new home owners said they would consider renting out their house and renting somewhere cheap to live if they could not sustain mortgage payments.

- 9.87 The main negative aspect of home ownership that participants identified was the dwelling-related expenses of rates, insurance and maintenance. While rates and insurance are predictable, it was the unpredictable aspects of repairs and maintenance that were especially highlighted. Other costs were associated with servicing the mortgage itself, such as increases in interest rates, and mortgage insurance. Participants thought that the on-going financial commitments and responsibilities of home ownership meant they could not easily move or change their lifestyle. The on-going commitment of housing expenditure was seen as very restricting by some homeowners who were highly geared, precluding spending on anything but essentials.

- Rates. Auckland City rates, regional rates. Unexpected things like water leaks. Cashflow. When you're paying a mortgage you know it's going out regardless (New home owner).
- It's all new and scary ... some days I still think did I do the right thing? (New home owner).
- It's such a pressure ... I actually regret buying it because it takes so much of my salary (Chinese).

- 9.88 Several of the home owners identified the trade offs in the type of dwelling they wanted, in order to afford home ownership. These trade offs revolved around the appearance and physical condition of the house, house performance and house size. Some who now owned a home noted that their home was smaller than ones they had rented; they had traded off a large rented house and section for a smaller owned home, based on affordability. Similarly, others had bought an older home in need of repair, while they had been renting a newer dwelling with more amenities than their owned home had.

- Affordability. There were some quite nice places where we would have liked to live, but we just couldn't afford it (New home owner).
- It's an apartment, not what I thought I would buy, but it was an insane market, way above what I could afford. I reassessed my situation, the purchase was more of an investment, an apartment where I can live but rent out if necessary (New home owner).

9.5 Summary

9.89 The analysis in this section has been predominantly based on the Recent Mover Survey augmented by some additional analysis of the 2001 and 2006 Censuses in relation to HMA movement. It has been concerned with the actual consumption changes that younger households make when they move. Those consumption changes allow us to examine the determinants of those patterns of consumption previously described. Key findings with regard to the determinants of housing consumption among younger households are:

- Housing consumption changes are for a considerable proportion of younger recent mover households driven by external decisions not changes in tastes or preferences. 17.6 percent of the non-owner recent movers had to move because their dwelling was no longer available rather than by choice.
- Householders search for dwellings near to their current dwelling.
- Younger households are more likely to move to another HMA than all households; except in Waitakere and North Shore.
- Low resourced younger households tend to search for housing in a limited range of areas close to their current dwelling.
- Location is an important driver of demand especially access to schools and connection to family and friends.
- Employment change is not strongly associated with housing change.
- Access to public transport is seen as desirable.
- Home ownership is a prompt for moving house.
- Dwelling size is a strong demand factor.
- Desire to exit a multi-unit and acquire a detached dwelling is a strong demand factor.
- Reducing housing costs is a driver of housing demand among a small proportion of households.

10 Aspiration, Housing Need and Housing Demand

10.1 This section provides an assessment of the extent to which housing consumption patterns are driven by changes in housing preferences, willingness to pay or the ability to pay. It considers the key outcomes that younger householders are attempting to achieve through their housing consumption. The section then goes on to consider the extent to which younger households, even with modified expectations, are able to meet their housing needs. It then explores the way in which 20-40 year olds make housing choices and the importance of location in younger households' attempts to optimise suitability of their housing. Finally the discussion concludes that while there are considerable barriers to home ownership, home ownership is seen as desirable not primarily as a cultural ideal but because it is seen as delivering security and value not accessible on the rental market.

10.2 This section responds to the key findings from data and analysis presented earlier in this report. In doing so, it is notable that the three primary datasets that underpin this research – the HMA census data, the Recent Mover Survey and the focus groups – give a remarkably consistent picture of the housing consumption patterns and trends in the Auckland region by this critical set of 20-40 year olds and their households.

10.3 That picture is one of very different conditions and housing demand for these younger households compared to the housing demand of the baby boomers when they were young. There is no evidence of the apparently orderly pattern of housing access and consumption that prevailed among the mainstream baby boomers. These younger households have heightened anxieties about housing access and getting acceptable housing in the locations that they want. Their housing choices are heavily constrained by the pattern of supply. They are frequently dissatisfied with the dwellings available to them, but select dwellings in ways in which they feel they can best optimise their own and their partners and children’s access to work, schooling, amenities and critical social and resource networks. They want home ownership but see house prices as presenting a major barrier to entry that are unlikely to be traversed by family assistance or by different housing ownership options such as shared ownership.

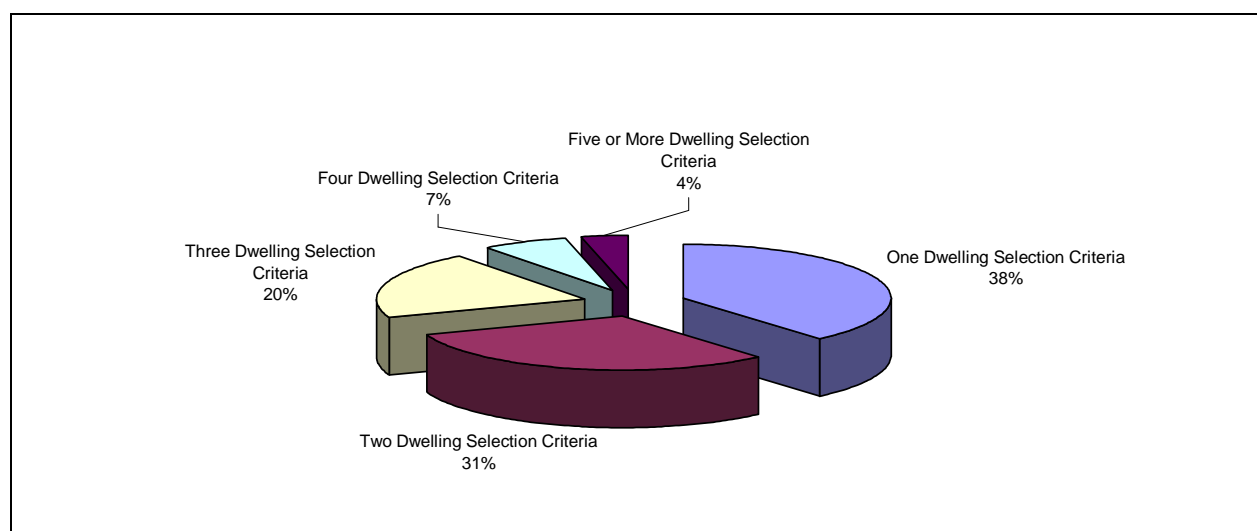
10.1 Modifying Expectations But Not Aspirations

10.4 Younger households largely want what twenty-something year old baby boomers wanted in the 1960s; a detached dwelling with a garden with a size that makes the dwelling flexible, located in a place that connects them to different parts of the city giving access to good quality schools, safe public spaces and services at an affordable price. They want to have choices about whether they go or stay. They want security for themselves and their families. They want to be owner occupiers. Unlike the baby boomers of the 1960s they also want warm homes free of damp. Unlike the baby boomers, they know that under current conditions their chances of accessing home ownership are significantly lower for them than they were for their parents. They still, however, attempt to optimise the functionality of their housing, particularly in relation to dwellings and location.

10.1.1 Dwellings

10.5 Younger households choose, if they can, locations with which they are already connected; locations that connect them to places they need to be; and, safe neighbourhoods. Within that context, younger households then select dwellings according to a multiplicity of selection criteria. The Recent Mover Survey found that 38.7 percent of householders reported that their selection of their current dwelling was based on a single consideration. But as Figure 10.1 shows, 31 percent report that the selection of their current dwelling involved three or more considerations.

Figure 10.1: Number of Selection Criteria Considered by Recent Movers’ In Selecting their Current Dwelling (Recent Mover Survey)



10.6 For all these younger households, the most common selection criterion was the desire for more space (Table 10.1). But other considerations were also important. Of the 259 participants currently in rental housing, 18.9 percent selected their current dwelling because it provided a lower rent. While of the 203 participants currently in owner occupation, 15.8 percent selected their current home because it would improve their mortgage affordability and 5.4 percent because it would allow entry to owner occupation.

Table 10.1: Recent Movers' Selection Criteria for their Current House (Recent Mover Survey n=499)

Selection Reasons	Recent Mover Households	% Recent Mover Households
House provided more space	139	27.9
House had larger section	49	9.8
House needs less repairs and maintenance	48	9.6
House had lower rent	48	9.6
House offered better warmth	34	6.8
House increased mortgage affordability	32	6.4
House has garden	27	5.4
House was available when required	26	5.2
House price allowed owner occupation	12	2.4
House allows easy interior movement	11	2.2
House has good parking	11	2.2
House provided renovation opportunities	10	2.0
House provided opportunities for investment returns	10	2.0
Rental house allowed for pets or other desired conditions	9	1.8
House had smaller section	5	1.0
House has no garden	2	0.4

* Multiple response

10.1.2 Housing for Balanced Lives and Optimising Resources

10.7 As well as the desire for more space, households also want to optimise access to the multiplicity of services, relationships and amenities that the whole household needs. Dwellings are important, but so too is the location of the dwelling.

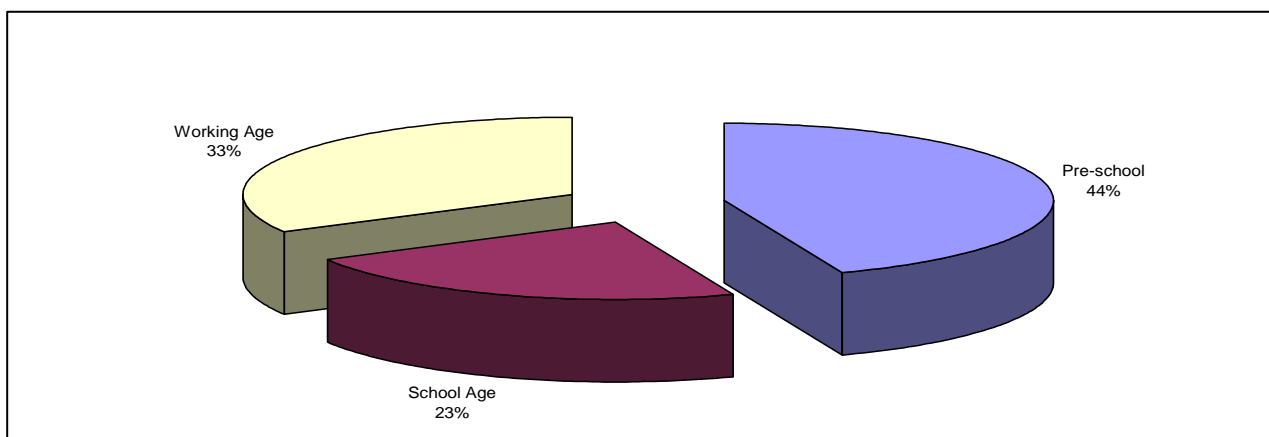
10.8 Table 10.2 sets out the connectivity improvements that recent mover households sought in moving from their previous dwelling to their current dwelling. This desire for balance reflects the very complex lives of younger households and the diversity of younger households. They include households in which the youngest member is of employment age to households that have pre-school children (Figure 10.2).

Table 10.2: Access Improvements Associated with Movement from Previous to Current House (Recent Mover Survey n=499)

Outcome	Recent Mover Households	% Recent Mover Households
Closer to desired primary school/zone	82	16.4
Closer to work for householder or partner	62	12.4
Closer to desired secondary school/zone	29	5.8
Reduced transport and travel costs	17	3.4
Closer to other family members	16	3.2
Closer to education for householder or partner	4	0.8
Closer to early childhood care	3	0.6

* Multiple response

Figure 10.2: Age of Youngest Household Member Recent Mover Households (Recent Mover Survey)



10.1.3 Proximity to Employment

10.9 Interestingly, although younger householders want to be connected to employment and/or education, the proportion of households in the Recent Mover Survey actually moving because of this was relatively low.

10.10 The majority (75.1 percent) of participant householders are employed. Around a quarter (25.3 percent) of householders do not have partners. Of those that do, 89.2 percent report that their partners are in employment. Table 10.3 sets out the employment status of participant householders and their partners.

Table 10.3: Auckland 20-40 Year Old Recent Movers' Householders and Partners Employment Status (Recent Mover Survey)

Employment Status	Recent Mover Households	% Recent Mover Households
Unpartnered Householder Employed	101	20.2
Unpartnered Householder Not Employed	25	5.0
Partnered Householder and Partner Employed	246	49.3
Partnered Householder Employed Partner Not Employed	28	5.6
Partnered Householder Not Employed Partner Employed	87	17.4
Neither Householder nor Partner Employed	12	2.4
Total	499	99.9

* Variance from 100 percent due to rounding

10.11 There is a strong preponderance of professional and managerial occupations among employed participants and employed partners (Table 10.4). This is associated with the relatively high income profile of recent movers (Table 10.5). Both occupations and incomes vary across Auckland. As Table 10.6 shows, Auckland City has a higher proportion of participant's households with incomes in excess of \$70,000, while Papakura District has the lowest proportion. Auckland City also has the highest proportion of professionals and managers and Papakura District has the lowest proportion (Table 10.7).

Table 10.4: Auckland 20-40 Year Old Recent Movers' Occupation of Householders and Partners (Recent Mover Survey)

Occupation	Householder (n=375)		Partner (n=333)	
	N	%	N	%
Manager	56	14.9	101	30.3
Professional	166	44.3	113	33.9
Technician or Trades Worker	30	8.0	59	17.7
Community and Personal Service Worker	18	4.8	13	3.9
Clerical and Administrative Worker	52	13.9	20	6.0
Sales Worker	39	10.4	14	4.2
Machinery Operator or Driver	3	0.8	5	1.5
Labourer	0	0.0	3	0.9
Other	11	2.9	3	1.5
Total	375	100	333	100

Table 10.5: Auckland 20-40 Year Old Recent Movers' Household Incomes Compared to 20-40 Year Olds Nationally (Recent Mover Survey)

Annual Household Income (Gross)	% Recent Mover Households	% Household Economic Survey
Under \$20,001	4.0	6.1
\$20,001 - \$30,000	2.5	6.8
\$30,001 - \$40,000	4.7	8.2
\$40,001 - \$50,000	5.4	9.4
\$50,001 - \$70,000	14.5	19.5
\$70,001 - \$100,000	20.1	23.5
\$100,001 - \$130,000	22.1	14.4
\$130,000 and over	26.8	12.2
Total	100.1	100.1

* Variance from 100 percent due to rounding

Table 10.6: Percent Auckland 20-40 Year Old Recent Movers' Household Incomes by Territorial Authority (Recent Mover Survey)

Annual Household Income (Gross)	% Auckland City	% Manukau City	% North Shore City	% Papakura District	% Rodney District	% Waitakere City
Under \$20,001	3.9	3.9	4.0	6.7	0.0	5.9
\$20,001 - \$30,000	1.3	1.3	4.0	6.7	0.0	4.4
\$30,001 - \$40,000	4.5	3.9	3.0	13.3	8.6	4.4
\$40,001 - \$50,000	4.5	7.9	1.0	6.7	0.0	13.2
\$50,001 - \$70,000	9.0	14.5	12.1	26.7	20.0	25.0
\$70,001 - \$100,000	14.2	26.3	23.2	26.7	28.6	16.2
\$100,001 - \$130,000	23.9	21.1	24.2	13.3	20.0	19.1
\$130,000 and over	38.7	21.1	28.3	0.0	22.9	11.8
Total	100	100	99.8	100.1	100.1	100

* Variance from 100 percent due to rounding

Table 10.7: Percent Occupation of Auckland Recent Mover Survey Householders and Partners by Territorial Authority (Recent Mover Survey)

Occupation of Householder	% Auckland City	% Manukau City	% North Shore City	% Papakura District	% Rodney District	% Waitakere City
Manager	12.7	14.5	15.9	9.1	17.1	19.2
Professional	55.5	42.0	41.5	27.3	37.1	32.7
Technician or Trades Worker	7.9	5.8	9.8	18.2	2.9	9.6
Community and Personal Service Worker	4.0	2.9	6.1	0	14.3	1.9
Clerical and Administrative Worker	7.9	26.1	12.2	27.3	14.3	11.5
Sales Worker	9.5	7.2	13.4	9.1	5.7	15.4
Machinery Operator or Driver	0.8	0.0	0	0	2.9	1.9
Labourer	0.0	0.0	0.0	0.0	0.0	0.0
Other	1.6	1.4	1.2	9.1	5.7	7.7
Total*	99.9	99.9	100.1	100.1	100	99.9
Occupation of Partner	% Auckland City	% Manukau City	% North Shore City	% Papakura District	% Rodney District	% Waitakere City
Manager	36.6	26.2	34.2	57.1	31.3	10.4
Professional	37.5	21.3	42.5	28.6	34.4	29.2
Technician or Trades Worker	8.0	29.5	13.7	14.3	28.1	25
Community and Personal Service Worker	3.6	3.3	1.4	0.0	0.0	12.5
Clerical and Administrative Worker	6.3	8.2	1.4	0.0	3.1	12.5
Sales Worker	5.4	4.9	4.1	0.0	0.0	4.2
Machinery Operator or Driver	0.0	3.3	0.0	0.0	3.1	4.2
Labourer	0.9	1.6	1.4	0.0	0.0	0.0
Other	1.8	1.6	1.4	0.0	0.0	2.1
Total*	100.1	99.9	100.1	100	100	100.1

* Variance from 100 percent due to rounding

10.12 The Recent Mover Survey found that only 12.2 percent of recent mover households left their previous dwelling because of a desire to be closer to a newly acquired job or to be closer to existing work. Only 4.2 percent of recent mover households moved to be closer to education or training opportunities.

10.13 This may be because householders have already selected locations that optimise their access to employment and employment outcomes are not coupled strongly with dwelling location in an urban conurbation such as Auckland. For instance, the Recent Mover Survey showed that 72.9 percent of participant householders reported that they are currently in employment. Overall, 373 householders had partners, and 89.2 percent of those partners were in employment at the time of surveying. Among the households of those in employment, 12 householders (3.3 percent) were previously not in employment prior to their move. Among the 333 partners currently in employment three (0.9 percent) had not been in employment when living at their previous dwelling. Overall then dwelling movement seems to have had little impact on employment status.

10.14 Similarly the Recent Mover Survey found that residential movement has little impact on the proximity that householders or their partners have in relation to their places of work. As Table 10.8 shows, irrespective of place of work, for most households their current dwelling is either in the same or an adjoining HMA to the workplace.

Table 10.8: Auckland Recent Movers' Current Residence Relative to Current & Previous Place of Work (Recent Mover Survey)

Recent Movers	% Same HMA	% Adjoining HMA	% Non Adjoining HMA
Current Residence Relative to Current Place of Work			
Householder	43.5	30.4	26.1
Partner	30.4	33.9	35.7
Combined	36.9	32.2	30.9
Current Residence Relative to Previous Place of Work			
Householder	39.9	33.4	26.7
Partner	28.3	35.2	36.5
Combined	34.1	34.3	31.6

10.15 The reasons for this are clear. As Table 10.9 shows, when householders or their partners changed jobs those new jobs were usually situated in the same HMA as the previous job. In the case of recent mover householders, 85.4 percent of those who had moved job had their new job in the same HMA and a further 4.9 percent acquired a new job in an HMA adjoining the HMA in which their previous employment had been located.

Table 10.9: Auckland Recent Movers Existing Place of Work Relative to Previous Place of Work (Recent Mover Survey)

Recent Movers	% Same HMA	% Adjoining HMA	% Non Adjoining HMA
Householder	85.4	4.9	9.8
Partner	91.8	2.3	5.9
Combined	88.6	3.6	7.8

10.16 That tendency was even higher among the partners of the householders in the Recent Mover Survey. In short, for the majority of households, their existing place of work is in the same HMA as their previous place of work. This trend was the same for both householders and their partners.

10.17 What is also notable is the tendency for householders and their partners to locate their dwellings to optimise access to the employment of both. In previous dwellings, 68.4 percent of partnered householders with both partner and householder in employment reported that their previous place of work was in the same or adjoining HMA to their current dwelling. A similar proportion (69.1 percent) report that their current residence is within the same or an adjoining HMA (Table 10.8 above). When people changed jobs it only marginally increased the proportion of households living and working in the same HMA. For householders the increase was 3.6 percent (from 39.9 percent to 43.5 percent) and for their partners the increase was 2.1 percent (from 28.3 percent to 30.4 percent).

10.2 Modified Expectations and Unmet Need

10.18 There are a number of indicators that there is a gap, not only between younger householders' housing aspirations and their housing demand, but also between their housing demand and their housing needs. There are two critical indicators from the Recent Mover Survey and the focus groups. They are: the proportion of participants whose last residential move was

unwilling; and the proportion of younger households who see themselves as moving within the next two years.

10.2.1 Having to Move

10.19 Table 10.10 shows that 11.4 percent of the recent movers participating in the Recent Mover Survey were tenants who had to leave because they no longer had access to their previous dwelling. Of all tenants and rent free occupiers that proportion is considerably higher, in the region of 17.6 percent of non-owner-occupiers. This data is consistent with the lack of tenure security in the rental market being a persistent theme in both the focus groups and the stakeholder workshops.

Table 10.10: Previous Dwellings No Longer Available (Recent Mover Survey n=499)

Movement Driver	% of All Recent Mover Households	% of All Recent Mover Tenants and Rent Free Occupiers
Dwelling no longer available for rent	8.6	13.3
Dispute with previous landlord/agent	1.8	2.8
Transferred to another dwelling by landlord	0.6	0.9
Asked to leave	0.4	0.6

* Multiple response

10.20 In general owner occupiers are less likely to leave a dwelling in an unmanaged way. There were instances of mortgagee sales among the recent movers. There were also instances in recent mover owner occupiers wanting to release equity. In general, however, where owner occupiers moved unwillingly it tended to be around relationship breakdown.

10.21 Indeed, the household changes most likely to lead to moving from the previous dwelling were generally around changes in household composition. Table 10.11 shows that changes in household size and relationship breakdown were, of all the household circumstances that drove residential movement, the most common.

Table 10.11: Household Change Driving a Recent Move (Recent Mover Survey n=499)

Household Composition and Change	Recent Mover Households	% Recent Mover households
Change in household size	23	4.6
Relationship breakdown	21	4.2
Marriage or cohabitation	9	1.8
Moving from parental home	8	1.6

* Multiple response

10.2.2 Have Moved and Will Move Again

10.22 Over a third (38.9 percent) of participants in the Recent Mover Survey reported that they intend to move within the next two years. In addition, 5.8 percent of householders do not know whether they are likely to move, while 55.3 percent report wanting to stay with their current dwelling.

10.23 Of the 194 households reporting an intention to move, less than a third (30.9 percent) were actively seeking a dwelling at the time that they were surveyed. The majority (77.8 percent) are intending a move within the Auckland region, while 13.4 percent are looking to move outside the Auckland region. A further 8.8 percent do not know where they wish to move to.

10.24 The majority of intending movers were households living in either rental accommodation or in some other non-ownership situation. That group made up 59.3 percent of all the recent movers but 77.8 percent of those intending to move again within the next two years.

10.25 The desire to move within the next two years was prompted by a range of dwelling, locality and household change issues. Table 10.12 sets out the various reasons why intending movers want to move.

10.26 The most common reason for intending to move, was an intention to move from rental to home ownership. That group made up 34.5 percent of all the intended movers, but 44.4 percent of those who were not already in home ownership. Clearly, the desire for home ownership is very strong despite the barriers that younger households feel that they confront.

Table 10.12: Reasons for Auckland Recent Movers Wanting to Move Again in the Next Two Years (Recent Mover Survey n=194)

Reason for Intention to Move	Recent Mover Households Intending to Move	% Recent Mover Households Intending to Move
Buying own house	67	34.5
Bigger dwelling	16	8.2
Upgrade dwelling quality	15	7.7
Changed jobs and need to be closer to work	14	7.2
Unable to afford current rent	12	6.2
Moving from parents home	12	6.2
Dwelling is becoming unavailable (landlord sale etc)	10	5.2
Move for education or training	9	4.6
Local schools are poor quality	9	4.6
Warmer dwelling	7	3.6
Entering or leaving a relationship	7	3.6
Dislike neighbours	6	3.1
Unable to afford the mortgage	4	2.1
Closer to family/friends	4	2.1
Change in household size	4	2.1
Smaller dwelling	3	1.5
Want to release equity	2	1.0
Further from family/friends	2	1.0
In response to children's school needs	2	1.0
Subject to mortgagee sale	1	0.5
Will be transferred by landlord	1	0.5
Inadequate services, shops facilities in neighbourhood	1	0.5
Too much traffic/industrial noise	1	0.5
Surrounding dwellings not satisfactory quality	1	0.5
Area feels unsafe	1	0.5

* Multiple response

10.27 Apart from the desire for home ownership, it is notable that dwelling size and quality is a recurring issue. So too are the amenities and quality of schooling provided by the neighbourhood. There also a substantial proportion of intending movers who are moving as part of a relationship transition: moving from the parental home; entering or leaving a relationship, or adding or reducing the size of the household in which they are living.

10.28 Some people are moving, however, because of tenure security problems. These problems are apparent for a small group. Of the 151 renters intending to move, 7.3 percent report that they can not afford the rent. Others (5.3 percent) have found that the house that they are renting will simply no longer be available despite having only moved to that dwelling within the previous year.

- 10.29 In the focus groups there was a strong preference to stay in areas with which participants were familiar. Often those places were also where participants have family ties. There was also strong identification with particular places. There was a strong desire on the part of most participants to not only stay in Auckland, but to remain in the area where they were brought up or where their family lived. Even if participants could not find a dwelling in a preferred neighbourhood or suburb, they still wanted to live in a district they strongly identified with. Locations which were identified as attracting strong and enduring identification were the West (Waitakere City), the Shore (North Shore City) and Auckland's inner city suburbs.
- 10.30 Those participants least concerned about the area or location in which they would live were single tenants. In contrast, participants who were sole parents expressed strong preferences for living in particular areas. Those preferences were mainly associated with familiarity, friends and presence of family. However, they sought Housing New Zealand Corporation accommodation because of income-related rents. In doing so, they acknowledged that they might be offered a tenancy in a location away from their preferred area of residence. Most reported that they would take up that offer, even though they would prefer to live elsewhere.
- 10.31 For those on low incomes, their housing options were limited. For those who wanted to stay in Auckland, they saw their future housing intentions as coping with their current situation and trying to improve their housing if possible. For some, this meant remaining on the HNZC waiting list, while others expected to live with others to share housing expenses, or they would reduce other expenditure such as on transport in order to spend more on accommodation.
- 10.32 Some participants had decided to move away from Auckland in the past, but had had to revise their plans because they could not afford the moving costs and were uncertain of their work prospects at their intended destination. Some on low incomes said that even a move within Auckland to improve their housing (e.g. into more affordable accommodation) was difficult to achieve because of the expense of a new bond, letting fees, rent in advance and other costs associated with moving house. A few of the participants in their 20s commented that in the past when they had moved they had not sought to get their bond back (often because they were either unaware they could get their bond back or were unsure how to do this); this was another financial cost of moving. In another instance, one sole parent had moved to cheaper accommodation on the outskirts of Auckland, only to find she could not then afford the travel costs to her work.
- 10.33 Those who commented that they would consider a move way from Auckland were likely to be younger, seeking work experience, wanting to travel or interested in moving closer to family who lived elsewhere. A few were intending to move away from Auckland for lifestyle reasons; moving to somewhere with less traffic congestion was mentioned several times. Others were considering a move away from Auckland so that they could buy a more affordable home. This included two people who were aware through relatives of the introduction of assistance to first home buyers in Australia. Some Pacific participants considered a move in the long term to their home island for retirement, while Maori participants commented that some Maori preferred to invest in a property, not in Auckland, but where their whanau are from.

- A migrant mentality, we don't see ourselves in Auckland in the long term (Maori).

- I would never consider Auckland home and if I was to buy in Auckland it would be a temporary thing. Home will always be where my ancestors are (Maori).

- My son may be different, he's born and bred in Auckland, his experience of my home up north is only in the holidays. He loves our house and the area here (Maori).

10.3 Making Choices and Selecting Dwellings

- 10.34 Effectively what census and Recent Mover Survey data suggest is that 20-40 year olds make housing choices and selections, but within a tightly constrained set of parameters. This is confirmed by the experiences of both focus group participants and housing providers. Moreover, while householders do make choices between dwellings and between locations and even between tenures, these are rarely simple trade-offs.
- 10.35 It is tempting to believe that these households trade-off, for instance, the desire for a detached dwelling and accept a multi-unit simply to enter home ownership. Equally it is tempting to believe that householders choose to stay in rental accommodation because it provides greater disposable income. Or alternatively the decision to be “inner city” or “out of city” represents a simple trade off between lower rents or house prices and convenience. But the choices that householders make are much more complex than this.
- 10.36 Households do make tradeoffs. Some make tradeoffs between home ownership and rental in an effort to access dwellings that are bigger, or better located. Tradeoffs are made between desired detached dwellings and not desired semi-detached or multi-unit dwellings. The tradeoffs between detached and semi- or multi-unit dwellings are frequently assumed to be compromises by households seeking to move from rentals to home ownership. They are, however, trade-offs that are made by households moving within the rental market and by households already in home ownership as well as by households moving between the tenures.
- 10.37 For households dwelling selection is not only constrained by their incomes and financial commitments, it is constrained by a multiplicity of considerations around the different places household members need to be for work, for education, for their families and their friends. It is also constrained by what housing is supplied and made available to them. These two factors of household need and resources on one hand, and the stock, price and location of available dwellings on the other hand, make ‘trade-offs’ extraordinarily subtle.
- 10.38 When the data from the HMA analysis, the Recent Mover Survey and the focus groups is considered as a body, what emerges is the importance of location in framing up households’ housing choices. Price is, of course, important but it is not simply price that drives householders’ pronounced tendency to search for housing within or proximate to locations in which they already reside. Instead there seem to be three dynamics that underpin location as the pivotal point for dwelling selection.
- 10.39 First, the operation of housing classes in which house prices are strongly associated with locality means that unless households have had a significant adjustment in their incomes or disposable capital,⁸⁶ affordability constraints are likely to restrict them to certain localities including their current locality. So location does incorporate, in and of itself, recognition of price and housing costs.
- 10.40 Second, where people live already often reflects previous decisions designed to optimise their access to their and their partners’ workplaces in combination with, if they have children, schools, as well as the range of social, recreational, service, familial and friendship networks in which they operate. As a consequence, unless circumstances have significantly changed for a household, those decisions are still likely to be optimal and keep them in their existing area.

⁸⁶ The hoped for Lotto win or other windfall gains such as inheritance.

- 10.41 It is notable that households with the least resources tend to have a smaller range of movement than other households. It is likely that this is because they are both less able to maintain important networks if they move away from them and also use existing networks to substitute for their resource deficits. Significant compensatory benefits would need to be associated with a residential movement that distanced them from current locations.
- 10.42 In this regard, it would be useful to explore why one parent households tend to move further than other low resourced households and the nature of the compensatory benefits associated with that movement. This research would suggest that for one parent beneficiaries longer distance movement across the Auckland region is often associated with attempting to access a Housing New Zealand Corporation tenancy. One parent beneficiaries are prepared to move to areas where that housing is available because of the benefits such tenancies provide including: income-related rents; secure tenure; and a perception of better housing quality.
- 10.43 In relation to other one parent households, the focus groups suggest that longer distance residential movement comes from the process of re-balancing their household in the context of the shock of relationship breakdown and/or household decomposition. This is often associated with sudden falls in household income which necessitates a re-balancing of household costs with household income.
- 10.44 A number of one parent participants in the focus groups talked about how they had to experiment to get that re-balancing right. Housing costs, being frequently the single largest and most regular lump sum expenditure, were often targeted first in those circumstances. An effort to substantially reduce housing costs by moving away from well connected and familiar localities, however, could mean an explosion of other household costs, in particular transport. In one case those costs became so great that staying in employment and retaining this distanced but apparently 'cheap' housing was not financially viable. In that case the individual returned to the locality they had previously resided in.
- 10.45 The third factor that prompts households to search for dwellings more or less in the locations in which they already reside relates to people's strong place attachments. It is a repeated theme in the focus groups and the Recent Mover Survey that previous or current connection to an area is an important driver in dwelling and location selection. There is a strong desire 'to move up' to better or bigger dwellings and 'better' neighbourhoods, but that desire is not the same as 'moving out' of an area entirely.
- 10.46 Clearly, then, householders make decisions about particular dwellings within a location to which they are attached. However, they still undertake micro-scale decisions about a location which relate to perceptions of neighbourhood safety, access to desired schools, ease of access to public transport including whether a bus lane exists, ease of access to commuting routes, and proximity to shops, green spaces and other amenities. At this scale of location, the focus groups and the Recent Mover Survey both show a tendency for greater trade offs between locality and dwelling characteristics. Indeed, it is clear that desired dwelling characteristics, around size, for instance, or even dwelling typology (whether a multi-unit or a detached), and costs become much more situational and explicit. People will choose to reduce costs by accepting a dwelling close to their preferred street as long as that locality is within the wider district to which they have an attachment.
- 10.47 The data shows that once households have framed a set of locations which meet their myriad needs they have preferences for dwellings with the following characteristics:
- Home ownership, particularly for families.
 - A detached dwelling.
 - Comfort and functionality which involves dwelling size as well as winter warmth.
 - Site and dwelling safety, again particularly where children are being housed.

- 10.48 Some households struggle to achieve any of those preferences. Home ownership and detached dwellings are problematic for many. Indeed, some 20-40 year olds will take a multi-unit, preferably semi-detached, to get home ownership or to access locational benefits although there is a deep suspicion of multi-units.
- 10.49 The desire to leave multi-unit housing was clearly evident in the Recent Mover Survey despite the increased provision of that stock type by housing providers over the last decade or so. Analysis of the census data also suggests that renters' exposure to multi-unit housing is greater than owner occupiers. What the focus groups tell us is that while some households are prepared to rent multi-units, they would prefer to avoid them in the context of moving into owner occupation.
- 10.50 Both tenants and owner occupiers have severe reservations about the design, indoor and outdoor space and performance of newer multi-units and semi-detached dwellings. Those issues in themselves make them unattractive for familial households. The major issue with multi-unit housing for owner occupiers, however, is the perception that multi-unit dwellings are leaky buildings. Moreover, that where a corporate body exists that the home owner will have no ability to manage their exposure to costs arising from leaky building repairs demands by other owners. In short, multi-units are seen as marginally acceptable as a tenancy because the liability for repair is with the landlord, but they are seen as a considerable risk for most of those going into owner occupation.
- 10.51 Notable in the focus groups is a belief that what they label as medium density housing is inherently associated with both leaky buildings and what they see as burdensome corporate bodies. While clearly this is not the case, the perception is, however, driven out of exposure to real situations. They are consistent with the age profile of stock affected by leaky building syndrome. Medium density stock, multi-units and apartments have been subject to downward valuation adjustment which affects the equity, resale and leverage potential of some owners.⁸⁷ There is evidence that some corporate bodies of multi-units have been established, often by developers, in ways in which owner occupiers find it difficult to assert their needs and interests in relation to absentee owners who rent their units out but still have decision-making powers within the corporate body.⁸⁸ Finally, there is evidence that higher density dwellings and neighbourhoods are frequently designed and built as if they are low density environments with resultant problems relating to noise, visual amenity, and privacy.
- 10.52 Some 20-40 year olds find that they must compromise on almost all their criteria for housing selection. Compromising at the scale of the dwelling, however, is most common. Depending on circumstances, often around timing, transaction costs of time and stress, householders reported that they would simply take whatever dwelling was available. This was the case both among homeowners and tenants.

10.4 Grasping at Home Ownership as the Housing Solution

- 10.53 There is quantitative and qualitative data emerging from this research and a variety of datasets suggesting that many of these households struggle to meet their housing needs. Persistent over-crowding evident in the Auckland region, accepting housing which is dilapidated or with poor thermal performance, and problems around sustaining tenancies are all evidence of misalignment between the dwellings that these households want and need, the dwellings that are supplied by the housing market, and households' effective demand.

⁸⁷ Rehm, 2009.

⁸⁸ Dupuis and Dixon, 2009.

- 10.54 While it is generally assumed that New Zealanders aspire to home ownership because it has embedded itself as a cultural norm, it could equally be argued that the desire by some of the younger households to move into owner occupation reflects the inability of the rental market to provide the sort of housing and tenure conditions that these younger householders want.
- 10.55 There is no doubt that there is a strong desire for home ownership among 20-40 year olds. It emerges in the focus groups, it emerges in the Recent Mover Survey and it is consistent with a range of housing aspirations. But what also emerges from the focus groups is that there are two different drivers underpinning this desire to buy a home. One driver could broadly be described as the 'pull' of owner occupation. That is owner occupation is associated in people's mind as providing them and their children with: an asset; a sense of place and belonging; and a sense that they have 'made it'. Home ownership in this context is bound up with aspects of upward social mobility, self-improvement and making a long lasting contribution to succeeding generations.
- 10.56 The other driver of the desire for home ownership, however, could broadly be described as a 'push from the rental market.' Owner occupation for many households is a direct response to what they see as negative aspects of rental tenure in the Auckland context: uncertain availability; exposure to rental bidding; the loss of time and costs associated with repeatedly having to search for suitable rental accommodation; the difficulties of finding rental accommodation in neighbourhoods in which they feel comfortable; and deeply embedded anxieties around dealing with landlords and lack of control.
- 10.57 The progressive concentration of households in the rental market then is not so much problematic because aspirations for home ownership have not been achieved. But rather, because so many younger households are neither able to achieve home ownership nor able to access satisfactory and secure rental housing.
- 10.58 Moreover, as the number of households seeking housing on the rental market increases, the pressure on those households which have traditionally been dependent on rental housing increases. Notably the increase in the intermediate housing market has not been restricted to only those areas dominated by owner occupation but also HMAs which have traditionally provided affordable rental stock: Auckland City North West; Waitakere City; Auckland City South West; and the Manukau City HMAs.
- 10.59 Under those circumstances, and with an intermediate housing market among younger households since 2001, there can be no surprise that there is pressure on the social housing stock in Auckland. Housing New Zealand Corporation reports that of those waiting for tenancies, 60 percent are in the Auckland region. Indeed, the inability to meet the demand for rental housing through its own stock has prompted the establishment by Housing New Zealand Corporation of a service to assist households with their search on the private rental market.
- 10.60 It is also evident that there is widespread dissatisfaction with the housing stock. Problems of dilapidation and poor performance in pre-1980 stock were themes in the focus groups, especially in relation to rental housing but also in relation to the costs of maintenance for home owners. But what featured most in relation to the stock was an almost universally expressed dislike and suspicion of multi-units and what was described as medium density housing. Thus, while the supply and consumption of multi-unit dwellings has increased there is a strongly expressed pattern of movement out of multi-units. Moreover, while multi-units have been presented to potential home owners as an affordable entry into owner occupation, there appears an emergent trend for those multi-units to be absorbed into the rental market.

10.5 Taste, Willingness to Pay & Ability to Pay

- 10.61 Overall then, housing demand consists of the subtle balancing of taste, willingness to pay and ability to pay. What is clear in Auckland is that considerable proportions of moderate income households in their 20-40 years find themselves largely priced out of owning dwellings that meet their locational needs but they are also unable to access rental housing that provides for a durable housing solution in the places that they need to be. Low income households have even more precarious experiences in the rental market unless they can access either social housing or are assisted into owner occupation through sweat equity or shared ownership. Opportunities for the latter are extremely limited and are still marginal financially for low income households.
- 10.62 The interaction between taste, willingness to pay and ability to pay is complex and shifting. Younger households have a taste for home ownership but increasingly an inability to pay for it under the current supply conditions in Auckland. Some optimise their ability to pay for home ownership by a willingness to pay for multi-units. However, longstanding concerns with leaky building syndrome, dissatisfaction with the design and size of multi-units, dissatisfaction with space around multi-units and medium density environments, and anxiety around corporate bodies mean that some householders are not willing to pay for this pathway to home ownership. Indeed, the stigmatisation associated with certain building types may mean that households may increasingly have difficulty accessing mortgage finance unless there is a significant downward price shift.⁸⁹
- 10.63 But while younger households want detached dwellings, constraints on their ability to pay mean that they will increasingly source these from a rental market that is uncertain in relation to tenure duration. It is notable that of the Recent Mover Survey non-owners, 17.6 percent had to move house because the dwelling was simply no longer available. Having to move on because rental dwellings were no longer available was a pervasive and persistent theme. In short, younger households are operating in a housing market that is increasingly constraining their choices. Within those some make incremental improvements in the functionality of their housing solutions but others are churning around the housing market without clearly beneficial housing outcomes.

10.6 Summary

- 10.64 Given the consumption patterns and dynamics evident in data presented earlier in this report, two immediate issues arise in relation to younger households in Auckland. Those are, firstly, the key outcomes that younger householders are attempting to achieve through their housing consumption and the extent to which those housing consumption patterns are driven by changes in housing preferences, willingness to pay or the ability to pay. The second issue is the extent to which younger households, even with modified expectations, are able to meet their housing needs.

⁸⁹ Rehm (2009) in his research on leaky homes in Auckland region estimates that nearly 17,000 monolithic-clad dwellings were built in the region over the critical period 1999 to the end of 2003. While not all of those homes may have leaks, nevertheless, the 'leaky building stigma' impacts on all those homes. That research found that the leaky building stigma is affecting the value of Auckland region's homes and their marketability. The leaky building stigma is discounting prices of the region's monolithic-clad single family homes by five percent and multi-unit dwellings by ten percent. Auckland homeowners of monolithic-clad dwellings built since 1992 have suffered an estimated \$1billion reduction in property values due to the leaky building stigma.

10.65 What the data presented in this section shows is that housing demand in Auckland among 20-40 year olds consists of a subtle balancing between taste and preferences, willingness to pay, and, ability to pay. For younger households:

- House prices are reducing the ability to pay for home ownership, although it is an ongoing preference among younger households.
- Considerable proportions of 20-40 year old households can not access home ownership in areas that meet their locational needs or rental housing that provides a durable housing solution in those places.
- There is an unwillingness to pay for multi-units among many younger households.
- The desire for home ownership reflects not simply an abstract desire for home ownership but a real concern among younger households that the rental market fails to meet their needs.
- Householders attempt, not always successfully, to make incremental improvements in their housing by residential movement.
- Residential movement for some younger householders represents churning around the housing market without any clear beneficial housing outcomes.

PART 4: HOUSING FUTURES FOR AUCKLAND

Part 4 comprises three sections.

Section 11 is concerned with future patterns of housing consumption and the implications of those patterns for Auckland and Auckland's households. Key points are:

- Younger households have housing preferences that they see as unobtainable and have modified their expectations.
- Younger households see home ownership as providing use value that cannot be easily purchased on the rental market.
- Younger householders want dwellings that are located in places to which they are attached, can accommodate their needs for adequate space, privacy and warmth, are well connected, in safe neighbourhoods and available at a price that allows them to manage other living costs.
- Housing consumption patterns likely to continue in the Auckland region are:
 - Increasing reliance on the rental market.
 - Increased consumption of semi-detached and multi-units.
 - Churns within the rental market and owner occupation market respectively, and little movement from rental to home ownership.
 - Areas most likely to experience growing housing demand are Waitakere, North Shore and Manukau.
 - Increasing numbers and proportions of Auckland's children living in rental housing.
 - Demand for owner occupation most likely in the following HMAs – Auckland CBD, Auckland City South East, Manukau City North West, and Auckland City South West.
 - On-going trade-off between housing performance and price in both the home ownership and rental sectors.
- Potential implications arising from these likely future housing consumption patterns are:
 - Pressure on spatial form and the costs of infrastructure.
 - Provision of amenities and services in appropriate places.
 - Pressure on those younger households that are least resilient and least resourced to manage their housing needs.
 - Pressure on neighbourhoods that are close to major transport corridors and enhance households' ability to choose between alternative transport modes.
- Possible poor outcomes associated with likely future housing consumption patterns are:
 - Negative health and productivity associated with inadequate house performance.
 - Costs (for households and for Auckland) associated with living in low density, non mixed use suburbs.
 - Attenuated and costly city infrastructure.

Section 12 presents the views of focus group and workshop participants on accessing functional housing. Those views focus on: improving the connectivity of housing; improving the rental market; getting existing stock to work; designing better multi-units and medium density neighbourhoods; and developing new tenures and providers.

Section 13 focuses on the range of solutions to address housing needs, demand and supply. Four key priorities emerge from the research. They are:

- i. Establishing a resilient urban structure that: maximises connectivity with work, services and amenities and allows households to maintain the functionality of their dwellings in the context of changing needs; and, provides for price and typology diverse developments and redevelopments across the city.
- ii. Transformation of the rental market by linking landlord incentives and rental assistance to acceptably performing stock, stock diversification, and tenure security; and, supporting diversification and expansion of rental housing providers.
- iii. Retrofitting the existing housing stock for increased energy efficiency, water efficiency and thermal performance.
- iv. Expanding the housing stock by: improved design and delivery of multi-unit housing and medium-density developments; new housing providers to deliver additional rental stock, new home ownership products directed to high affordability across the range of under-supplied households; streamlined planning and development processes; and, a progressive approach to cross-city integration and connectivity that allows for housing developments and re-development.

11 Housing Futures in Auckland

11.1 This section is concerned with the patterns of housing consumption that are likely to characterise Auckland's future given the housing dynamics identified in the Recent Mover Survey, the focus groups with younger households, and existing housing consumption patterns. It considers the implications of those patterns for the Auckland conurbation and for Auckland households.

11.1 Housing Preferences and Functionality

11.2 This research shows that Auckland's younger households have housing preferences that they see as unobtainable and they have modified their expectations accordingly. Householders have set aside albeit, with regret, some of those preferences, while other housing preferences are pursued. Households make attempts to incrementally improve the functionality of their dwellings but not always successfully.

11.3 It is perhaps worthwhile to reflect on this idea of dwelling function because this research shows very clearly that what younger householders want from their homes is use value. Home ownership is preferred because owner occupation is perceived as providing use value that cannot be easily purchased in the rental market.

11.4 It is true that younger owner occupiers are concerned that their dwellings do not become significantly devalued. Part of the concern about multi-units and leaky buildings, for instance, is undoubtedly associated with an anxiety about a perceived loss in value. Nonetheless the real dislike of multi-units, medium density and rentals arises from a sense of lack of control over their term of residence, problems with inside and outside spaces, and a lack of control over their living conditions. Very few of the participants in the Recent Mover Survey were concerned to enter home ownership to pursue capital gain. Nor did any but a tiny minority of owner occupiers have capital gain on their list of criteria which guided their dwelling selection.

11.5 Rather, younger householders want dwellings that function as a secure base to support and facilitate their everyday lives. That means, dwellings:

- located in places to which householders are attached;
- able to accommodate their needs for space, privacy, and warmth;
- connected to the myriad of places that they need to be;
- in safe neighbourhoods with local schools and services; and
- at a price that allows households to manage their other living costs.

11.6 If those needs could be met through the rental market, there is no doubt that many younger households would not only set aside the desire for home ownership but the desire itself would diminish. The contradiction that younger households currently face is that the rental market is not providing those amenities, so the desire for owner occupation persists while at the same moment the probability of accessing home ownership is increasingly restricted.

11.2 Housing Consumption Patterns & Demand by 20-40 Year Olds

- 11.7 Overall, then, the following housing consumption patterns are likely to continue in the Auckland region:
- Increasing reliance on the rental market for housing solutions arising from falling rates of owner occupation, although among Pacific people and some Asian ethnicities younger households may drive somewhat higher levels of owner occupation than previously apparent in that age group.
 - Increased consumption of semi-detached and multi-dwellings, particularly among tenants as undersupply of dwellings becomes apparent.
 - Residential movement that churns within the rental markets and ownership markets respectively with lower levels of people and households moving from the rental market to owner occupation.
 - Housing demand growth in current territorial authorities and HMAs with higher proportions of younger households, particularly younger familial households, in response to the combined effect of house and rent price drivers and place attachment. The areas most likely to experience this demand are:
 - Waitakere;
 - North Shore; and
 - Manukau.
 - Increasing numbers and proportions of children in the Auckland region being reared in housing provided through the private rental market.
 - Demand for owner occupied housing is likely to be most pronounced in HMAs with lower house prices, highest connectivity and emerging place attachment such as:
 - Auckland CBD;
 - Auckland City South East;
 - Manukau City North West; and
 - Auckland City South West.
 - There is likely to be ongoing trade-off between housing performance and price in both the home ownership sector and, more especially, the rental sector with no improvement of the thermal performance of existing dwellings.

11.3 Implications

- 11.8 There are a number of implications arising from these housing consumption patterns. Some will place particular pressure on Auckland's spatial form and the costs of the infrastructure, as well as the services and amenity provision needed to maintain urban quality of life. These housing consumption patterns evident in this research also have implications for households. The consumption of dwellings with poor performance that are disconnected from services, that require considerable travel time and generate significant travel costs, that are disconnected from their social and economical networks, and have insecure tenure, all impact negatively on households. Those households that are least resilient and least resourced are likely to struggle to cope with those pressures.
- 11.9 The issue for Auckland will be whether those households that have the resources will become so dissatisfied with the use value that they get from Auckland's housing, relative to its price and the inadequacies of design in multi-units, they choose to go elsewhere.
- 11.10 The patterns of housing consumption likely to prevail in Auckland will continue to be confronted by complex spatial pressures. Firstly, there will undoubtedly be growth pressure in the current 'outer cities' of Waitakere, North Shore and Manukau. This will partly reflect the generally lower price structure in those cities both in relation to housing prices and rental prices. However, pricing is only one factor driving housing demand in those areas.

- 11.11 The major growth driver in those areas may arise from place attachment. This research shows that place attachment impacts significantly on younger household housing choices. While some households undoubtedly move for work proximity, many households have multiple members in employment and consequently the notion of work proximity in itself is complex. Household members will and do travel long distance to work if their dwelling provides them with other place-related benefits. Those benefits include a range of affective and instrumental elements. Locational choices are influenced by a sense of familiarity with a place, existing connections of family, friends or services, and, particularly for families, access to satisfactory schools.
- 11.12 Consequently, it can be expected that household growth in those areas will become increasingly self-perpetuating. People brought up in Waitakere, North Shore or Manukau can be expected to eventually establish their own households in those areas. If this is the case, it can be expected that over the medium to long term, decisions will need to be made to either extend the metropolitan limits or to intensify the existing built environment in those 'other cities'.
- 11.13 The second development that can be expected to have a spatial expression is pressure on nodal connections which, if not resolved satisfactorily, will also result in further pressure on urban limits.
- 11.14 This research shows that households attempt to optimise connectivity. It is connectivity that allows these households to balance their multi-faceted lives across demands of work, child-rearing, providing for their families, supporting and enjoying their friends, participating in their communities and recreation.
- 11.15 The dwelling becomes, for households, the pivot by which households optimise their proximity, reduce travel times, and reduce travel costs. While shifting dwellings is not associated with significant changes in travel mode among recent movers⁹⁰, it is clear that the opportunity to choose alternative travel modes is valued. In particular public transport access is seen as critical to many families that have children who are not able or licensed to drive, or in which there are other unlicensed adult household members.

⁹⁰ In the Recent Mover Survey, the pattern of transport use by participants, their partners and their children have shown some change between that prevailing in previous dwellings to those prevailing in their current dwelling. Those changes are complex and muted and all within the margin of error. This suggests that transport mode is strongly dependent on city structure and city form. Given that 20-40 year old households have a strong predilection to move to dwellings within the same HMA, it is likely that similar mixes of transport modes will prevail at the aggregate level although for individual households there may be considerable shift in mode.

Mode of Transport	% Householders		% Partners		% Children	
	Current Dwelling	Previous Dwelling	Current Dwelling	Previous Dwelling	Current Dwelling	Previous Dwelling
Public transport	10.4	10.8	6.8	7.2	5.4	4.5
Private Vehicle driving alone	58.9	55.5	51.1	52.5	1.8	1.6
Private Vehicle household member passenger	17.4	15.6	7.0	6.4	9.2	7.8
Private Vehicle non household member passenger	1.2	2.0	2.0	1.2	0.4	1.2
Passenger Private Vehicle Household Member	1.0	1.8	3.6	2.2	31.3	31.7
Passenger Private Vehicle non-household	0.4	2.6	0.8	0.6	1.0	1.0
Employer Provided	0.2	0.4	0.6	0.6	0	0
Foot	4.6	8.2	1.6	3.2	18.4	15.2
Bicycle	1.0	1.4	1.8	1.4	0.2	0.8
Not Applicable	15.0	8.6	25.5	21.6	41.1	42.3

- 11.16 Under those circumstances, there is likely to be pressure on neighbourhoods proximate to Auckland's major public transport corridors. In turn, price pressure on detached dwellings in those neighbourhoods is almost inevitably likely to be sustained. Indeed, price pressure will be increased if intensification is unsuccessful due to resistance to multi-unit and medium density development. The combination of both price pressure and a desire for different types of dwellings is also likely to push younger households to other parts of the city.
- 11.17 The pressure on the metropolitan urban limit is likely to mount. There is likely to be unaffordable housing within the urban settlement, attenuated and costly demand for infrastructure as the urban form continues to sprawl outward, threats to catchments and remaining productive soils. Those risks are well documented in urban and city research.⁹¹ At the same time avoidance of multi-unit and medium density developments often associated with the transport modes, may see a shelling out of residential areas on transport nodes with the risk of a cycle of decline in those areas with multi-units as they become increasingly occupied by households that have no other choices and/or transient, populations.⁹²
- 11.18 For households, whether on the periphery or in the centre, those spatial developments are costly. For those that become disconnected in peripheral, car dependent developments, travel burden may become a critical issue. The extent of the travel burden on this 20-40 year age group as they become older should not be underestimated.
- 11.19 This group of households is indeed sandwiched between balancing responsibilities associated with child bearing and rearing, with being the labour force that will maintain Auckland's productivity in the next forty years, and the households that will be caring and supporting older people. They, quite literally, are likely to become the chauffeurs of both the young and the elderly. The future is for these households being caught between increasing numbers of older people, often also living in low density suburbs, who are excluded from driving and young people who are also prevented by driving through increasingly stringent licensing requirements and later licensing ages.
- 11.20 The spatial challenges to Auckland arising from housing pressures are already evident. The challenge of Auckland to younger households is also clear. Auckland's housing stock presents persistently high prices, aggregate under supply, multi-unit dwelling typologies that in the popular mind are associated with poor performance and financial risk. Rental housing is seen as social housing that is under-supplied or private rental which is also under-supplied and provides no certainty about length of tenancy. Auckland's younger households actively attempt to improve their housing consumption but they have low expectations that they will be able to find what they need on the market.
- 11.21 Auckland's housing stock is not high performing. There is some gradual stock upgrading through existing retrofit programmes. There is little evidence, however, that opportunities for improving the performance of the rental stock are being adopted by private landlords. This is particularly problematic in a conurbation that has energy supply problems and increasing concentrations of children who are particularly vulnerable to damp, cold dwellings and overcrowding.⁹³

⁹¹ Auckland Regional Growth Forum, 1999.

⁹² Wilkinson, 2006.

⁹³ See Public Policy & Research and CRESA 2010: 53-86 for a review of children's housing vulnerability.

- 11.22 There appear to be a range of less than optimal outcomes associated with Auckland's likely housing consumption patterns into the future. Those include:
- Negative health and productivity impacts associated with inadequate house performance.
 - Considerable direct and indirect costs associated with living in low density, non-mixed use suburbs, particularly associated with dependence on private car use.
 - Potential for the city infrastructure (reticulated electricity, water supply and disposal, communications and roading) to become increasingly attenuated and costly.
- 11.23 In addition, younger householders also identify significant direct and indirect costs (including productivity losses) associated with leaving and entering successive tenancies. Those costs for households have not been subjected to systematic analysis nor have the wider social and economic costs of this apparent churn in the rental market been estimated. Both are critical aspects of the operation of rental markets in New Zealand.

11.4 Summary

- 11.24 Essentially, younger householders want dwellings that are located in places to which they are attached, can accommodate their needs for adequate space, privacy and warmth, are well connected, in safe neighbourhoods and available at a price that allows them to manage other living costs. Currently younger households see their preference for home ownership as largely unobtainable. At the same time, younger householders find it difficult to rent the sort of houses they want in the locations that best suit their household needs at an affordable price.
- 11.25 Future patterns of housing consumption in Auckland are likely to be characterised by:
- Increasing reliance on the rental market.
 - Increased consumption of semi-detached and multi-units.
 - Churns within the rental market and owner occupation market respectively, and little movement from rental to home ownership.
 - Areas most likely to experience growing housing demand are Waitakere, North Shore and Manukau.
 - Increasing numbers and proportions of Auckland's children living in rental housing.
 - Demand for owner occupation most likely in the following HMAs – Auckland CBD, Auckland City South East, Manukau City North West, and Auckland City South West.
 - On-going trade-off between housing performance and price in both the home ownership and rental sectors.
- 11.26 Potential implications arising from these likely future housing consumption patterns are:
- Pressure on spatial form and the costs of infrastructure.
 - Provision of amenities and services in appropriate places.
 - Pressure on those younger households that are least resilient and least resourced to manage their housing needs.
 - Pressure on neighbourhoods that are close to major transport corridors and enhance households' ability to choose between alternative transport modes.
- 11.27 Possible poor outcomes associated with likely future housing consumption patterns are:
- Negative health and productivity associated with inadequate house performance.
 - Costs (for households and for Auckland) associated with living in low density, non mixed use suburbs.
 - Attenuated and costly city infrastructure.

12 Participants' Views on Accessing Functional Housing

12.1 Section 12 presents the views of focus group and workshop participants on accessing housing that is functional to their and their household members' needs. Although the younger households that participated in the focus groups have very different experiences and expertise than the developers, planners and housing providers that participated in the workshops, both sets of participants expressed strong views around the initiatives and actions that would improve access to housing that supports people's complex social and economic obligations. Those views can be broadly categorised as relating to:

- Improving the connectivity of housing.
- Improving the rental market.
- Getting existing stock to work.
- Designing better multi-units and medium density neighbourhoods.
- Developing new tenures and providers.

12.1 Connected housing

12.2 All workshops commented that good housing design needs to include good connectivity to service centres and employment. Access to a reliable public transport system is essential. Workshops pointed out that currently, public transport services are fragmented and do not adequately cover all areas. Consequently, many residents have to rely on cars. Workshops also commented that housing needs to be connected to local amenities; so that residents can easily get to amenities they need daily or weekly, such as shops and recreational areas. One workshop especially noted that low income workers need to be provided with affordable housing near to city and town centres.

12.3 All workshops made extensive comments on the current planning framework in Auckland. There was a widespread view that current district planning tends to focus on minor issues and rules, rather than on good housing and settlement design outcomes. All workshops suggested that the leaky building syndrome has led to a heightened risk adverse culture within the planning system, which has resulted in strict adherence to planning rules.

12.4 All workshops considered that a more consistent, strategic approach to planning is needed across the whole Auckland region, and that the new super council has the opportunity to give housing policy, including affordable housing, high priority within the context of settlement planning. Within this overall strategic approach, one workshop commented on the importance of flexibility so that each area can retain and enhance its own character.

12.5 Specific suggestions for improving the planning framework were:

- Review district plan density, height and parking controls so that smaller, affordable medium and higher density accommodation can be built. Intensification in locations close to public transport nodes should be encouraged.
- Allow minor dwelling units to help relieve some pressures for both young and older householders.
- Introduce developer incentives for affordable planning developments.
- A holistic focus on comprehensive planning, integrated development and transport planning involving local and central government agencies with responsibilities for urban planning, housing, education, transport and other service provision.

12.6 The most debated issue within and across the workshops was reserved for the metropolitan urban limits (MUL). The MUL's aim is to limit urban growth and encourage the development of more efficient settlement while limiting environmental costs and preserving green space. There have been concerns that the MUL has contributed to housing unaffordability by pushing

up residential land prices within the MUL. Some workshop participants were unequivocal in their support for the MUL, citing added infrastructure costs associated with the extension of the MUL and impacts on rural land uses.

- 12.7 A minority of workshop participants were prepared to consider a loosening up of the MUL, provided that other planning changes were made to height, density and parking controls in order to encourage intensification. The developers workshop in particular commented on the MUL. That workshop identified land costs as one of the primary drivers in rising housing prices. The point was also made that almost no brownfields development is available, and that most land available for development is on the outskirts in areas such as Karaka, Takanini and Silverdale. That workshop suggested that developments shown to have desirable public good and settlement outcomes should be given some consideration outside of the MUL.
- 12.8 One workshop considered that public awareness needs to be raised about the financial benefits of well connected housing compared to houses located further away from public transport, which may be of lower value, however transport time and costs are higher. That workshop also suggested that developers could be required to contribute to public transport improvements, in exchange for allowing a greater scale of development (as long as it met appropriate design requirements).

12.2 A Rental Market that Works

- 12.9 Focus group participants expected that Auckland's population increase and the widening need or preference to rent will raise the demand for rentals. It was also considered that a shortage of rental accommodation would increase competition for rentals and drive up rents.
- 12.10 Several focus groups identified what they saw as changing values relating to the home. There was a widespread view that there is still a strong cultural preference in New Zealand for the stand-alone, family home and large section in which many were raised. There was also a general feeling that home ownership is still the ambition of most. However, they also identified changes that they perceived in the ways that people think about their homes and about home ownership. Participants from a range of ethnic backgrounds commented that they expected more young single people in their communities to want the flexibility and fewer responsibilities of renting. In part, they perceived this trend to signal delayed home ownership among young people who are more interested in spending income rather than saving. However, participants also considered that home ownership is beyond the means of an increasing proportion of the population.
- 12.11 Focus groups identified a growing trend of renting couples on middle-to-high incomes that are not prepared to delay having children until they have achieved home ownership. Instead, they are prepared to become part of the growing number of families in the rental market. However, their rental housing needs and preferences are quite different to young singles. Renting families want houses of an adequate size and condition, with amenities suitable for children and in a safe neighbourhood able to service children's and teenagers' needs.
- 12.12 Other participants were concerned that, because of low home ownership rates, in their particular communities children and young people in their communities were not being raised with the experience of home ownership. Renting is the only option that they are familiar with. Consequently, they have no ambition to buy a home, and little understanding of the benefits of home ownership.
- 12.13 The focus groups identified considerable problems with rental housing, including unaffordable rents, poor dwelling condition and performance, uncertain tenure and unsafe neighbourhoods. The focus groups also made a large number of suggestions about how the rental market could

be improved. Their suggestions covered rent levels, tenure protection, incentives to landlords to improve their housing, improvements to HNZC, and provision of more information for tenants on their rights and responsibilities.

- 12.14 Those in the rental market, particularly those on low and middle incomes, considered that the Accommodation Supplement was inadequate, and was not working well in Auckland. Three focus groups suggested that some regulation of private market rents is required to ease housing costs. Some suggested that specific groups should be targeted for rental assistance, such as students or young people.

- Students need a liveable allowance to assist them with housing. That would reduce overcrowding (Moderate income).
- Struggling to get by, only left with a little bit at the end of the week. The Accommodation Supplement doesn't cover it. The amount needs looking at, especially in Auckland, it doesn't cover anywhere near the amount (Tenant single).
- The Accommodation Supplement is higher in Auckland [city] than in South Auckland, but there's not a great difference in the rents [in private rental] (Tenant family).
- It's too much money [in private rental] (Tenant family).
- I have applied to Housing [HNZC] I can't afford private (Tenant family).

- 12.15 With regard to tenure protection, home owners and renters in all income brackets suggested tenure security be strengthened on the private rental market. They felt this would help to stabilise housing for tenants and contribute to more stable communities.

- This is a challenge for rental policies, they need to give long term security and more flexibility so people can make it their home (Maori).
- How do you get stability in a community that's all renting? (Maori).
- Long term leases e.g. at least 50 years. This would provide security in old age and also some freedom of income (Moderate income).
- I did not want to reach 60 or 70 and still renting because of the insecurity of that, you're at the mercy of the landlord ... people get evicted just because the house is sold, it costs a lot for people to move (New home owner).

- 12.16 Three focus groups commented that landlords needed supporting, as well as tenants. They suggested that the quality of rental housing would be improved, and better services provided by landlords if they received training and assistance. One focus group of new home owners called for a stronger focus on professionalising the private landlord and property management sector. Another focus group (in which all were renters) suggested that landlords be incentivised to provide rentals on long term leases, while another focus group (including both tenants and home owners) suggested that landlords be encouraged to keep properties in the rental sector. They also raised concerns about a tax on second properties as they considered such a policy would reduce the supply of rentals.

- 12.17 With regard to improving HNZC services, participants who had been HNZC tenants were generally positive about HNZC's provision of affordable housing and efforts made to maintain the stock. Two broad areas of changes were suggested: increasing the number and type of stock, and improving customer services.

- 12.18 Two focus groups wanted to see more HNZN rental stock built in Auckland. There were also suggestions for building smaller dwellings for older HNZN tenants and freeing up larger dwellings for families. Pacific tenants in particular suggested that more houses be designed for larger families, and to take account of Pacific cultural requirements. Other tenants suggested that more houses should be designed to accommodate people with disabilities, and to enable elderly parents to live with other family members.
- 12.19 Participants also made suggestions for improving customer service, particularly giving applicants more information about the allocation processes. A few participants reported that they had experienced delays while their files were transferred from one office to another within Auckland, and other participants commented that their applications and documentation had been lost, resulting in their having to supply information again, which was an additional cost to them. They considered that office procedures needed to be improved.
- 12.20 Individuals in three focus groups said that they had not liked certain areas where they had been allocated an HNZN rental, and left the dwelling because of the neighbourhood. Others reported conflicts between neighbours. Consequently, those participants asked whether HNZN could review the ways it managed tenants and its practices in matching tenants to neighbourhoods.

- Do I get my bond back? (Tenant single).

- We know of some with less than two years residency and they get a house. Why? (Tenant family)

- I was told if I was in a boarding house, I would be higher priority (Tenant family).

- I see empty houses around, they've been empty two months. Why aren't they available? (Tenant family).

- Why is it hard to get a transfer once you're in a [HNZN] house? (Low income).

- 12.21 Participants who struggled to find affordable and adequate housing in three of the focus groups – the tenant singles, tenant families and low income focus groups – identified a number of questions they had about the rental market. Several young tenants across all focus groups acknowledged that they knew little about their rights and responsibilities as tenants. They commented that they would like more information to help them make better decisions in the housing market. Participants also commented on the need for information that is in a user friendly, easily understandable form.
- 12.22 Requests for information included:
- How the bond system works.
 - Where to go to find out information on private market rentals.
 - Rights and responsibilities of tenants and landlords.
 - How HNZN residency status rules work.
 - How the HNZN allocation system works.
 - HNZN policy about transferring to another HNZN dwelling.
 - Information about accessing home modifications for disabled family members in rental accommodation.
- 12.23 Like those in the focus groups, the workshops also considered that a shift in attitudes is occurring among some with more disposable income, with an expectation that renting can offer a larger house in a more desirable area, with surplus income then available to spend on the household's lifestyle rather than on a mortgage.

- 12.24 The workshops also noted shortcomings in the rental market, particularly the private rental market, in respect of tenure insecurity, rent unaffordability and inadequate housing, including overcrowding. Two workshops noted the widespread use of garages as living space, and the use of non-compliant secondary dwellings for rental purposes. One workshop considered that health problems stemming from poor housing, especially apparent in the private rental market, will limit Auckland's international competitiveness.
- 12.25 The workshops identified the following issues facing people aged 20-40 years in the rental market:
- Difficulties in accessing HNZN accommodation. Community housing providers noted long waiting lists for HNZN accommodation. One housing provider also commented that access was affected by inadequate service.
 - Tenure insecurity in the private rental market as a result of the landlord selling the house. The provider workshop noted frequent movement due to tenure insecurity with a typical pattern of tenants moving within two years. Two workshops considered that the rental market needed to provide opportunities for long term lease arrangements.
 - Another issue is debt servicing, which impacts on the affordability of renting. For renters, unexpected major expenses can lead to default on rental payments and eviction, in which case they do not get their bond back, putting further pressure on their financial situation.
 - Community housing providers also noted that renters need information and advice to help them sustain their tenancies. Those providers suggested that renters are encouraged to develop skills such as budgeting and planning to help them manage their tenant responsibilities more effectively.
 - One workshop commented on areas of Auckland where the majority of households are now tenants. This was seen to be detrimental to the growth and vitality of those areas as prospective owner-occupiers are deterred as they perceive those areas to be less safe and the schools to be of poorer quality. The workshop was of the view that areas with a balance of owner-occupiers and tenants are more likely to develop strong communities.

12.3 Getting Existing Stock to Perform

- 12.26 Four focus groups made various suggestions for improving house design, condition and performance. Some participants, particularly in the Pacific, Chinese and Maori focus groups suggested that planning provisions should encourage a greater diversity of housing stock, allowing more choice of different housing sizes and configurations that better accommodate large families and multi-generations.
- 12.27 Some renters applauded insulation programmes targeted to landlords and HNZN efforts to upgrade stock. They wanted more houses in both the public and private rental markets to be retrofitted and renovated. Some home owners were aware of the insulation and heating schemes for home owners, and saw these as worthwhile programmes to continue.
- 12.28 One focus group suggested a 'warrant of fitness' for houses. Those participants thought this would be especially effective in improving the condition of rental houses as it would encourage landlords to be more active in looking after their properties. They suggested that for the Accommodation Supplement to be used on a rental property, that property would need to meet a certain standard of 'fitness' with regard to warmth, safety and state of repair.
- 12.29 One focus group suggested that the ability to do home maintenance had been lost in many communities, and there needed to be ways of encouraging young people to acquire those skills. This focus group also suggested that there be greater investment in apprenticeships in order to grow the construction sector and increase building skills in the community.

- 12.30 Lifetime design principles were supported in the workshops. One workshop suggested that all (or a percentage of) new housing be accessible. It was pointed out that \$40m-50m is expended per year on house modifications; much of this could be saved with the incorporation of lifetime design principles at the design stage, which would reduce the expenditure needed for later modifications.

12.4 Designing Medium Density and Multi-Units

- 12.31 All workshops commented on residents' perceptions of intensification, especially a resistance to multi-storey intensification in lower-density suburbs. One workshop noted that the prevailing preference for detached housing reflects not only traditional preferences and lack of experience of higher density living, but also a lack of attractive, well designed intensive developments, including those that are suitable for families.
- 12.32 Workshop participants were of the view that a change in mindset to accept smaller units and intensification is only likely to occur if good quality intensive forms of housing are available that are well connected to services. One workshop considered that councils could lead in the provision of impartial information to the public about the sustainable benefits of intensification and the characteristics of good design for intensive housing.
- 12.33 The workshops considered that regulatory approaches could be used to improve the design of high density dwellings and intensification. They argued that settlement planning needs to facilitate a wider choice of dwelling size and density to accommodate stock from one-bedroom units to larger family homes. One workshop called for greater recognition of and provision for a sequential housing choice model that enables residents to access affordable owner-occupied accommodation for one and two person households as a step to eventually owning bigger units as their housing needs and finances change. One developer noted the potential of modular housing that can be added to over time as families grow. This type of design, which accommodates expansion on the same lot rather than requiring the family to move, also allows a degree of intensification.
- 12.34 One workshop suggested that regulation is a limited means of promoting high quality housing design. That workshop suggested the use of peer review groups of builders, architects, planners and developers to promulgate information on high quality housing and urban design.

12.5 Developing New Tenures and Housing Providers

- 12.35 In the focus groups, several participants queried the effectiveness of current assistance to home buyers and owner occupiers and whether prospective home owners were well enough informed about opportunities for home ownership. Overall, participants suggested that more financial assistance be given to first home owners, such as assistance with deposits and low interest loans. Several participants noted that they had looked into the Welcome Home Loan and considered that more flexibility was required in the earnings limits, especially in the Auckland housing market. Others had looked at the possibility of using a KiwiSaver first home buyer deposit subsidy, however they had not been in the scheme for the required three years. Others also noted that people are not aware of the Welcome Home Loan or KiwiSaver provisions. A few home owners were aware of the Accommodation Supplement, but thought they would be ineligible. In one instance the home owner was eligible, but because of a fluctuating income, found it too risky to take-up as they had had to pay back some payments.
- 12.36 Focus group participants made suggestions for improving access to home ownership through greater levels of income assistance. A few participants were aware of financial assistance available to Australian first home buyers and suggested similar support be introduced in New Zealand. Other participants would like to see a scheme similar to the former HNZC home buy

scheme. Several new home owners commented that they had been competing with developers to get their first home, and suggested that there should be some assistance to owner-occupiers such as a tax credit. A few participants were either building their own home, or undertaking major renovations on houses they had bought. They were particularly interested in how building costs and the costs of resource and building consents could be reduced.

- 12.37 Other participants suggested that support through housing trusts be made more widely available to first home buyers. Three focus groups commented that there needs to be support for housing models that can build affordable homes for sale or rent, such as not-for-profit community housing organisations and housing associations. Several participants were aware of housing associations in the United Kingdom that offer affordable rental housing, including to those with specific housing needs such as people with disabilities, and home ownership schemes. They suggested that these models could be considered in Auckland.
- 12.38 Three focus groups suggested that new developments be required to set aside a proportion of the development for affordable housing. Several participants in those focus groups were aware of such initiatives in the United Kingdom and the United States.

- City rents are too expensive ... have certain zones for affordable apartments (Chinese).

- We need to have more schemes through housing organisations. The big issue is not so much mortgage repayments, but the deposit. To get a half decent house, you need \$30,000 or \$40,000 deposit and for most it's way out of reach. I had to come up with a \$10,000 deposit, which was more doable and it made a difference of quite a few years in when I was able to get into home ownership (New home owner).

- 12.39 Many of the new home owners in the focus groups said that they had lots of questions when they were looking for a home. Those participants who were interested in home ownership also identified information that they would like. The range of information included:
- Information about financial products relating to home ownership.
 - Information about mortgage brokers.
 - Information about the process of buying a house.
 - Information on how to deal with real estate agents and auctions.
 - Impartial advice about the condition of specific dwellings they were intending to buy.
 - Impartial advice when building a house, e.g. about products and materials, design, construction processes and energy efficiency.

New home owner discussion:

- Buying a home can be really scary, it's lots of waiting and not knowing what's going on.
- I read a lot of brochures ... I read the material but I couldn't really get a grasp on it.
- You don't know what a lot of this stuff actually means. Things like when you're supposed to do an inspection, and getting a building report. What do you do with a building report once you've got it? Do you need to get quotes for everything?
- I didn't even know how to buy a house. I knew I wanted one, and I knew I had the money. I had to ask my parents, friends, my boss. I was reading material and not taking it in ... I had all these questions, but I wasn't sure what I should be asking.
- Information needs to be more user-friendly. What are LIM reports?
- People I know have the same problem with a building report. What do you do with it? Is this a five-thousand dollar problem or a ten-thousand dollar problem?
- You need to know, is this concerning? Do I need to worry about this?
- I went to the BRANZ website and read some of their stuff. It was too confusing, it sounds like it was written for a tradesperson.

- 12.40 Two of the workshops (policy and providers) suggested the provision of alternative tenure products aimed at increasing the affordability of home ownership. Community housing providers commented that there is an increasing central and local government expectation on the community housing sector to provide housing, both rental and ownership opportunities; however access to funding for those providers is a significant challenge. Current funding sources include private sector sponsorships and donations, commercial lenders and government funding. Providers commented that land prices are very expensive in Auckland, more so than building costs. Most land is out of the price range of community housing organisations. Often less desirable sections, such as sites near motorways, sites distant from employment or services, or former horticultural sites are affordable but not optimal. Less optimal sites can need additional site work, which raises costs. Sites may also not be optimal for sun and orientation and consequently require extra design costs to mitigate those impacts.
- 12.41 Community housing organisations also find that building in response to specific housing needs often means extra costs. Large family dwellings, for which there is a growing demand in Auckland, are more expensive to build. Multi-units and duplexes are more expensive to build, however they are consistent with planning desires for intensification. Community housing organisations often cannot afford to build medium density.
- 12.42 The policy and providers workshops contributed detailed suggestions on how community housing organisations could be assisted to deliver affordable housing, including investment in capacity building for the community housing sector through the establishment of long term funding streams, access to development capital, and access to crown land on deferred payment (the Gateway programme was regarded as useful). Community housing providers also suggested that finance at low interest rates be made available to owner-occupiers in community housing so that they can move on to the open market and their dwelling can be freed up to assist another family.
- 12.43 The workshops also acknowledged that not-for-profit housing providers, as developers, would also benefit from developer incentives to promote affordable housing.

12.6 Summary

- 12.44 Focus group and workshop participants identified a variety of key changes that they believed would provide better access to affordable and secure housing in the places that allow younger householders to balance demands on them. Because of the importance of location to younger householders, they were particularly concerned about increasing the supply of dwellings in locations which allowed them to be connected to the range of amenities, networks, places of employment and training, and services required by all members of their households. They saw planning of the urban form, the distribution of services and amenities and the transport system as particularly important in resolving current problems and optimising housing access.
- 12.45 The rental market, existing stock performance (especially rental dwellings and multi-unit dwellings), and the design of medium density neighbourhoods and multi-units were also the focus of workshop and focus group suggestions. In addition, participants suggested that housing supply need to be stimulated through developing new housing providers and developing intermediate tenures such as shared ownership.

13 Taking the Housing Challenge

13.1 This section notes that current problems in the housing market are not new in Auckland. It considers how these long standing challenges can be met by commenting on the way in which solution development should be approached and sets out four key priorities for addressing Auckland's housing issues.

13.1 Persistent Housing Problems in Auckland

13.2 None of the difficulties with misalignment between housing need, effective demand and housing supply are new to the Auckland region. A house price boom in the 1990s which was largely restricted to the Auckland housing markets triggered affordability problems that were exacerbated by the overheated housing prices in the middle of the new millennium's first decade. There is an aggregate under supply in the Auckland region with particular problems in the supply of lower quartile priced dwellings and an expanding rental market in which Auckland's children will be increasingly concentrated.

13.3 There are longstanding problems with house performance which has been exacerbated by the leaky building syndrome. The latter, combined with persistent problems with unit titles and corporate bodies, have generated a real lack of confidence in multi-unit dwellings and medium density housing despite the very real environmental as well as affordability and other benefits that properly designed and constructed medium density, mixed used housing could deliver.

13.4 The desire for detached dwellings and home ownership is strong. It must be concluded, however, that while that desire is partly driven by deeply embedded cultural expectations, the desire for detached dwellings and home ownership respectively also reflect the:

- failure of the rental market to deliver the secure housing in the locations that households need to be to carry out all aspects of their everyday lives; and
- profound dissatisfaction with the design of multi-units, their titles, and the spaces in which they are sited.

13.5 With regard to medium density and multi-units, this issue is of pressing importance. By 2050 it is estimated that more than 500,000 people could be living in unit-titled property in the Auckland Region and those will typically be managed by a body corporate of owners.⁹⁴ There is a low level of satisfaction with many body corporate ownership/management structures has been identified since the early 2000s. This negative perception has also been transferred to people's impressions of medium and high density housing, as much of this is in unit title and managed through body corporate structures.

13.6 In that regard, the Glaister Ennor and Auckland Regional Council report has already warned that: "Unless body corporate issues are addressed and the management and maintenance of unit title housing is improved, there may be increased pressure for more "traditional" forms of ownership, which are generally associated with lower density forms of habitation. This pressure has the potential to frustrate the Auckland Regional Growth Strategy strategic policy of urban containment and intensification."⁹⁵

13.7 Significant public concerns have been also identified with intensified housing, including an association of that type of housing with poor quality design, low amenity, poor maintenance, insufficient space, and lack of integration of the building with its surroundings. There is also a

⁹⁴ Glaister Ennor and Auckland Regional Council, 2003.

⁹⁵ Glaister Ennor and Auckland Regional Council, 2003.

concern that high density neighbourhoods are associated with poverty and crime. An important implication of those perceptions is low acceptability and resistance to intensified housing. Application of high quality design standards will be critical to gaining acceptance of intensified housing in Auckland.⁹⁶

- 13.8 These problems need to be resolved if Auckland is to retain these younger households who are and will be the productive foundation for Auckland as well critical to rearing Auckland's children and supporting its older people.

13.2 Developing Solutions

- 13.9 It is tempting when confronted with an under-supply of dwellings to attempt to resolve the associated problems of housing affordability and overcrowding to simply expand the housing stock. This typically involves calculations of required house numbers in rental and ownership respectively across HMAs. There are a number of problems with this approach. Three are of most importance.
- 13.10 The first problem is that those estimates are frequently based on patterns of housing consumption. What this and other research has shown is that housing consumption or housing demand is misaligned with the housing needs of younger households in the Auckland region. Under those conditions, determining precisely where and for whom housing should be supplied is fraught. Expressed housing demand patterns are an indicator but are only a loose indicator of need.
- 13.11 The second problem is that New Zealand is not a command and control society. There are neither the levers on the building industry to determine levels of housing construction nor the controls to allocate in any mechanistic way to housing the diversity of households from very low to moderate income that are under supplied. Auckland is a mixed economy and society. To meet the housing needs of Auckland's households requires strategies that both: optimise the ability of households to turn their housing needs into effective demand in the housing market, and encourage the housing industry to meet those demands.
- 13.12 This is by no means easy, in part because much of Auckland's housing stock of the future is already in place. Perhaps the complexity of this process engenders a desire to find a single, 'big hit' solution for Auckland's housing. Various stakeholders in Auckland, including these younger households themselves tend to look at Auckland's housing problems and suggest 'big hits' that they believe will resolve the issues. Some see the solution in a massive expansion of Auckland's social housing stock, particularly that provided by Housing New Zealand Corporation. Others argue that the release of the Metropolitan Urban Limit is the key to delivering to Aucklanders' housing needs. Still others argue for intensification. Still others argue for rent control.
- 13.13 Whatever the relative merits of any of those individual propositions, it is clear that the solution to meeting housing supply, housing demand and housing needs in Auckland must be multi-pronged and involve public, private and not-for-profit sectors. It is also clear that ensuring that Auckland's housing markets meet the housing needs of its diverse population will require a focus not only on dwellings but the neighbourhoods in which they are situated and the connectivity of those neighbourhoods to city amenities, services, workplaces and networks of friends and family.

⁹⁶ Syme, McGregor, and Mead, 2005.

- 13.14 This brings us to the third problem of seeing housing planning and provision simply as a mechanistic problem of aggregate supply and demand at the scale of the dwelling.
- 13.15 What this research highlights is that decisions about dwellings are for most households framed first in terms of location, but not location arising from a preoccupation with capital gains that underpins the old real estate cry of ‘location, location, location’. Rather, for both owners and renters location represents a subtle, complex and often implicit balancing act.
- 13.16 This research has illuminated this balancing act. Householders use location to balance:
- A multiplicity of aspirations not only about housing but also their own and their children’s futures.
 - Household financial and other resources including time.
 - A wide range of household costs and time expenditures.
 - Access and intensity of engagement required in relation to a myriad of services, work places, schools and all the other places that householders and household members need to be.
 - Their affective attachments to place.
- 13.17 In short, household housing requirements do not simply reflect what a household requires or has a taste for in a particular dwelling. Housing requirements are generated out of what households need from the city, how households participate in the city economy, and how they are attached to the city.
- 13.18 Ignoring those issues has posed risks to households’ social and economic well-being and productivity. It is well-established that insecure housing, transience and unaffordable housing exert profound impacts on children’s life chances and the development of their human capital. But it is not simply children who are dependent on 20-40 year old households being adequately housed.
- 13.19 The 20-40 year old households are very much what has become popularly referred to as the ‘sandwich’ generation. It is this group’s productivity that will be pivotal to sustaining an ageing population. But these younger households are more than simply important in an ageing society because they are the productive taxpayers that will fund the retirement and services that older people need.
- 13.20 These younger households are also the daughters, sons, nieces and nephews and grandchildren on whom older people will depend for daily living. These younger households will consist of the households that will provide care, who will help older people to access the services they need, and, possibly, be required to provide accommodation for older people in their own homes. Auckland’s current stock does not accommodate multi-generational living.
- 13.21 Stable and affordable housing in places in which members of these younger households can manage their responsibilities to their children, their parents and their grandparents is, consequently, not simply a matter of constructing more dwellings. It is about designing and managing cities better. Aligning housing needs, effective demand and supply is fundamentally bound up with city form, the effectiveness of city infrastructure and can be facilitated by careful city wide planning of and hierarchies for the distribution of services and amenities across the cityscape.

- 13.22 The Auckland region's new governance structure provides an opportunity to address housing needs, demand and supply in a way previously not possible. Overall, then, dealing with Auckland's current and future housing needs requires:
- A multi-pronged approach.
 - An approach that deals with housing from the micro-level of the dwelling to the neighbourhood scale to sub-city localities, and the city as a whole.
 - An approach that addresses issues arising for owner occupiers and tenants respectively and goes beyond a preoccupation with a linear and straightforward housing career shifting from rental tenure to owner occupation.
 - An approach that recognises that housing is an integral part of city resilience and connectivity.

13.3 Summary and Key Priorities

- 13.23 The problems experienced by younger households in Auckland reflect persistent failures in the housing market's ability to meet the needs of its residents. Under supply, unaffordable housing prices for rental and owner occupation, insecurity of rental tenure, and problems in house performance are prevalent. Those problems have been exacerbated by: the leaky building syndrome; the inadequacies around the operation of corporate bodies; the poor design of multi-unit dwellings; and poorly designed and implemented intensification. It is in that context that younger households struggle to find housing that allows them to balance the myriad needs of their households.

- 13.24 To address those needs, four key priorities emerge from this research. They are:

1. Establishing a resilient urban structure that:
 - maximises connectivity with work, services and amenities and allows households to maintain the functionality of their dwellings in the context of changing needs; and
 - provides for price and typology diverse developments and redevelopments across the city.
2. Transformation of the rental market to an effective service industry delivering adequately performing stock with diversity in rental prices, locations, and dwelling types, as well as security of occupation. This is a national issue and requires:
 - Review of current incentives to landlords.
 - Evaluation of the performance of the Accommodation Supplement and associated resources.
 - A better understanding of the range of landlords and property investors and their stock provision.
 - A better understanding of renters and their households.

It could be expected that at the very least a transformational strategy would involve:

- Linking landlord incentives and rental assistance to acceptably performing stock, stock diversification, and tenure security.
- Supporting diversification and expansion of rental housing providers.
- Ensuring the widespread and effective take up of retrofit among landlords including the rate of Government assistance to landlords directed to improving housing stock performance.

3. Retrofitting the existing housing stock for increased energy efficiency, water efficiency and thermal performance. The household, citywide and national benefits of this are already demonstrated.⁹⁷ To date programmes to encourage retrofit have tended to be directed at householders. This has led to sporadic take-up. A city-wide or placed-based approach to those programmes promises savings through economies of scale but also recognises that housing is a key part of city infrastructure.
4. Expansion of the housing stock in areas well served by city systems to meet the needs of low and moderate income younger households. This involves four developments:
 - Improved design and delivery of multi-unit housing and medium-density developments. This must involve:
 - addressing issues around unit title and the establishment and operation of corporate bodies;
 - the design and construction of multi-units; and
 - design of medium density and higher density development to optimise the amenity and safety associated with both public and private space.
 - Supporting new housing providers to establish in the Auckland region who deliver additional rental stock, new home ownership products directed to high affordability across the range of under-supplied households.
 - Streamlined planning and development processes.
 - Progressive approach to cross-city integration and connectivity that allows for housing developments and re-development.

⁹⁷ Stroombergen, et.al, 2007.

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15 Annex A – Recent Mover Questionnaire

AUCKLAND MOVERS

Research New Zealand #4023

DATE January 2010

Good morning/afternoon/evening, my name is ^I from Research New Zealand. We are conducting sustainability research on behalf of Beacon about the housing choices 20-40 year olds make in the Auckland region.

Is there anyone in your household who moved to this address in the last 18 months? **If not:** Thank and close [code as 'not moved' outcome]

If yes: Were they 20-40 years old when they moved? **If not:** Thank and close [code as 'wrong age' outcome]

If yes: Could I speak with them please? This research takes about 10-15 minutes. When would suit, or is now a good time?

If person not available, ask:

When would be a good time for me to call back to speak to him/her?

Make appointment

Reintroduce as necessary

Good morning/afternoon/evening, my name is ^I from Research New Zealand. We are conducting research on behalf of Beacon about the housing choices 20-40 year olds make in the Auckland region. This research takes about 10-15 minutes. When would suit, or is now a good time?

If loc=7 (omni recruitment panel): Good morning/afternoon/evening, could I please speak to ^2?

Good morning/afternoon/evening, my name is ^I from Research New Zealand. Recently we contacted you about taking part in some research about the housing choices 20-40 year olds make in the Auckland region. This research takes about 10-15 minutes. When would suit, or is now a good time?

If person not available, ask:

When would be a good time for me to call back to speak to him/her?

Make appointment

Background information only if needed:

- ◆ This is genuine market research. I'm not selling anything.
- ◆ Your name and address was obtained from New Zealand Post. If you wish to be removed from the List please contact New Zealand Post on 0800 804 307 and ask to speak to the Customer Liaison Officer.
- ◆ Your phone number was obtained through the white pages telephone directories.
- ◆ Information provided is confidential. We report summary results about groups; we do not identify which individuals have said what.
- ◆ This research is being done on behalf of Beacon Consortium, a private research company whose research focuses on encouraging sustainable homes and neighbourhoods.

Read This interview is being recorded for quality control and training purposes.

Current home or dwelling

The first few questions are about your current home or dwelling.

QA If loc=7 ask:, else skip to 0: First of all, can you tell me which of the following districts you live in?

Read

- 1 North Shore City
- 2 Waitakere City
- 3 Auckland City
- 4 Manukau City
- 5 Papakura City
- 6 Rodney District
- 96 .. Other Specify ****Do not read****

Q1 Is your current home or dwelling...Read

- 1 A detached house or town house (NOT joined to any other)
- 2 A house, flat, unit or apartment joined to ONE other house, flat, unit or apartment
- 3 A house, flat, unit or apartment joined to TWO other houses, flats, units or apartments
- 4 A house, flat, unit or apartment joined to THREE TO NINE other houses, flats, units or apartments
- 5 A house, flat, unit or apartment joined to TEN OR MORE other houses, flats, units or apartments
- 6 A house or flat joined to a business or shop
- 7 Bach, crib or holiday home
- 96 .. Other Specify

Q2 And who owns this dwelling? Probe for clear answer

- 1 I own this dwelling by myself
- 2 I own this dwelling with my partner or other person
- 3 I am in a shared ownership or rent to buy
- 4 Housing New Zealand owns this dwelling, I rent it.
- 5 The local authority owns this dwelling and I rent it
- 6 A private landlord owns it and I rent it.
- 7 A family member, relative or friend owns it and I rent it.
- 8 My employer owns the house
- 9 Its owned by my partner, parent, family trust and I get it rent free
- 96 .. Other Specify

Q2a If 1,2 or 3 coded at 0 ask, else go to 0 Do you have a mortgage on this dwelling?

- 1 Yes
- 2 No

Q3 Including you, how many people usually live at your home or dwelling?

- 1 Answer Specify total people usually living in dwelling

Q3a And how many bedrooms do you have? Please count rooms or sleepouts furnished as bedrooms AND any caravan that this household uses as a bedroom.

- 1 Answer Specify number of bedrooms

- Q4 How would you describe the condition of your home? Would you say it was...**Read**
- 1 Excellent – no immediate repair and maintenance needed
 - 2 Good – minor maintenance needed
 - 3 Average – some repairs and maintenance needed
 - 4 Poor – immediate repairs and maintenance needed
 - 5 Very poor – extensive and immediate repair and maintenance needed
- Q5 During the winter months, do you generally find that your heating keeps you warm enough at home? **Probe for clear answer**
- 1 Yes, always
 - 2 Yes, most of the time
 - 3 Only some of the time
 - 4 No, never
 - 98 .. Don't know
- Q6 Now changing topics slightly, how do you usually travel from home to your main place of work or study? **Code many Probe for clear answer**
- 1 Public transport
 - 2 Driving a car/van alone
 - 3 Driving a car/van with household member as passenger
 - 4 Driving a car/van with a passenger who is not a household member
 - 5 Passenger in car/van driven by a household member
 - 6 Passenger in minibus or transport provided by an employer
 - 7 Passenger in car/van driven by colleague, acquaintance, relative outside the household or friend.
 - 8 On foot
 - 9 By bicycle
 - 96 .. Other **Specify**
 - 97 .. Not applicable - don't travel to work or study ;E
- Q7 If you have a partner living with you, how do they usually travel to their main place of work or study? **Code many Probe for clear answer**
- 1 Public transport
 - 2 Driving a car/van alone
 - 3 Driving a car/van with household member as passenger
 - 4 Driving a car/van with a passenger who is not a household member
 - 5 Passenger in car/van driven by a household member
 - 6 Passenger in minibus or transport provided by an employer
 - 7 Passenger in car/van driven by colleague, acquaintance, relative outside the household or friend.
 - 8 On foot
 - 9 By bicycle
 - 96 .. Other **Specify**
 - 97 .. Not applicable - no partner ;E
 - 99 .. Not applicable - don't travel to work or study ;E

Q8 If you have children at secondary, primary or preschool, how do they usually get to school?
Code many Probe for clear answer

- 1 Public transport
- 2 Driving a car/van alone
- 3 Driving a car/van with household member as passenger
- 4 Driving a car/van with a passenger who is not a household member
- 5 Passenger in car/van driven by a household member
- 6 Passenger in car/van driven by acquaintance, relative outside the household or friend.
- 7 On foot
- 8 By bicycle
- 96 .. Other Specify
- 97 .. Not applicable – no children in pre-tertiary education ;E

Old home or dwelling

The next few questions I have are about your old house or dwelling, the one you recently moved out of.

Q9 Was your last home or dwelling in Auckland, or was it in another part of New Zealand?

- 1 Auckland
- 2 Another part of New Zealand
- 3 Previous home or dwelling was not in New Zealand (overseas)

Q10 **If 0=3 go to 0, else ask** Was your last home or dwelling...**Read**

- 1 A detached house or town house (NOT joined to any other)
- 2 A house, flat, unit or apartment joined to ONE other house, flat, unit or apartment
- 3 A house, flat, unit or apartment joined to TWO other houses, flats, units or apartments
- 4 A house, flat, unit or apartment joined to THREE TO NINE other houses, flats, units or apartments
- 5 A house, flat, unit or apartment joined to TEN OR MORE other houses, flats, units or apartments
- 6 A house or flat joined to a business or shop
- 7 Bach, crib or holiday home
- 96 .. Other **Specify**

Q11 And who owned it? **Probe for clear answer**

- 1 I owned that dwelling by myself
- 2 I owned that dwelling with my current partner
- 3 I owned that dwelling with my previous partner
- 4 I was in a shared ownership or rent to buy
- 5 Housing New Zealand owned this dwelling, I rented it.
- 6 The local authority owned this dwelling and I rented it
- 7 A private landlord owned it and I rented it.
- 8 A family member, relative or friend owned it and I rented it.
- 9 My employer owned the house
- 10 .. It was owned by a relative, partner, parent, family trust and I got it rent free
- 96 .. Other **Specify**

Q11a **If 1, 2, 3 or 4 coded at 0 ask, else go to 0** Did you have a mortgage on that dwelling?

- 1 Yes
- 2 No

Q12 Including you, how many people usually lived at your home or dwelling?

- 1 Answer **Specify total people who usually lived in dwelling**

Q12a And how many bedrooms did you have? Please count rooms or sleepouts furnished as bedrooms AND any caravan that this household used as a bedroom.

- 1 Answer **Specify number of bedrooms**

- Q13 How would you describe the condition of that previous home? Would you say it was...**Read**
- 1 Excellent – no immediate repair and maintenance needed
 - 2 Good – minor maintenance needed
 - 3 Average – some repairs and maintenance needed
 - 4 Poor – immediate repairs and maintenance needed
 - 5 Very poor – extensive and immediate repair and maintenance needed
- Q14 During the winter months, did you generally find that your heating kept you warm enough when you were at home? **Probe for clear answer**
- 1 Yes, always
 - 2 Yes, most of the time
 - 3 Only some of the time
 - 4 No, never
 - 98 .. Don't know
- Q15 Now again changing topic slightly, how did you usually travel from that previous home to your main place of work or study? **Code many Probe for clear answer**
- 1 Public transport
 - 2 Driving a car/van alone
 - 3 Driving a car/van with household member as passenger
 - 4 Driving a car/van with a passenger who is not a household member
 - 5 Passenger in car/van driven by a household member
 - 6 Passenger in minibus or transport provided by an employer
 - 7 Passenger in car/van driven by colleague, acquaintance, relative outside the household or friend.
 - 8 On foot
 - 9 By bicycle
 - 96 .. Other **Specify**
 - 97 .. Not applicable - don't travel to work or study ;E
- Q16 If you had a partner living with you at the time, how did they usually travel to their main place of work or study? **Code many Probe for clear answer**
- 1 Public transport
 - 2 Driving a car/van alone
 - 3 Driving a car/van with household member as passenger
 - 4 Driving a car/van with a passenger who is not a household member
 - 5 Passenger in car/van driven by a household member
 - 6 Passenger in minibus or transport provided by an employer
 - 7 Passenger in car/van driven by colleague, acquaintance, relative outside the household or friend.
 - 8 On foot
 - 9 By bicycle
 - 96 .. Other **Specify**
 - 97 .. Not applicable – no partner ;E
 - 99 .. Not applicable - don't travel to work or study ;E

Q17 If you had children at secondary, primary or preschool, how did they usually get to school?
Code many Probe for clear answer

- 1 Public transport
- 2 Driving a car/van alone [secondary school age only]
- 3 Driving a car/van with household member as passenger
- 4 Driving a car/van with a passenger who is not a household member
- 5 Passenger in car/van driven by a household member
- 6 Passenger in car/van driven by acquaintance, relative outside the household or friend.
- 7 On foot
- 8 By bicycle
- 96 .. Other Specify
- 97 .. Not applicable – no children in pre-tertiary education ;E

Q18 Thinking now about your move into this home you are in currently, taking everything into account, what have been the overall impacts of your last move? Do you think you are now...**Read**

- 1 Much better off
- 2 Somewhat better off
- 3 Neither better off nor worse off
- 4 Somewhat worse off
- 5 Much worse off

Decisions behind recent move

The next few questions are about the decision-making process behind your recent move.

Q19 What were the main reasons you decided to leave your previous home? **Probe to no. Record up to three in each category**

Dwelling

- 1 Wanted a bigger dwelling
- 2 Wanted a smaller dwelling
- 3 Upgrade the quality of the dwelling
- 4 Wanted a warmer dwelling
- 5 Could no longer afford the rent
- 6 Could no longer afford the mortgage
- 7 Mortgagee sale
- 8 Wanted to release equity
- 9 Accused of breaking the lease/tenancy agreement
- 10 .. Dispute with the landlord/agent
- 11 .. Were asked to leave
- 12 .. Dwelling no longer available (house sold, landlord wanted to move in etc)
- 13 .. Transferred by landlord
- 14 .. Did not feel safe in this dwelling

Locality

- 15 .. To be closer to my family/friends
- 16 .. To move further away from family/friends
- 17 .. Dissatisfied with the level of service/shops or other facilities
- 18 .. Dissatisfied with public transport arrangements
- 19 .. There was too much traffic/industrial noise
- 20 .. Dissatisfied with quality of surrounding dwellings
- 21 .. Didn't feel physically safe in the area
- 22 .. Disliked neighbours
- 23 .. I/my partner got a job and needed to move for work/wanted to be closer to work
- 24 .. Moved for education or training opportunities
- 25 .. Poor quality schools in the area (school zones)

Other

- 26 .. Getting married or moving in with partner
- 27 .. Breakdown in previous relationship
- 28 .. Change in household size
- 29 .. Children needed to change schools/left school
- 30 .. To meet children's anticipated needs
- 31 .. Moving away from parents' home
- 32 .. Moving to enter home ownership
- 96 .. Other **Specify**

Q20 And what made you choose the particular house you are living in now? **Probe to no Code many**

Q21 **If more than one response is given at 0 ask, else go to 0** Of those things, what was the most important reason for selecting this house?

Q21a And what was the second most important reason?

Q21b And the third?

	0	0 Most important	0 2 nd most important	0 3 rd most important
a. This house was closer to work for me or my partner	1	1	1	1
b. This house was closer to educational opportunities for me or my partner	2	2	2	2
c. This house let me reduce transport and travel costs	3	3	3	3
d. This house was in a neighbourhood I have always liked	4	4	4	4
e. This house is closer to other family members	5	5	5	5
f. This house is close to primary schools/school zone	6	6	6	6
g. This house is close to secondary schools/school zone	7	7	7	7
h. This house is close to early childhood care	8	8	8	8
i. This house gave us more space	9	9	9	9
j. This house offered better warmth	10	10	10	10
k. This house needs less repairs and maintenance	11	11	11	11
l. This house had lower rent	12	12	12	12
m. It allowed me to own a home	13	13	13	13
n. This house would make our mortgage affordable	14	14	14	14
o. I can move easily around this house	15	15	15	15
p. The section of this house is bigger	16	16	16	16
q. The section of this house is smaller	17	17	17	17
r. This house had a garden	18	18	18	18
s. This house did not have a garden	19	19	19	19
t. This neighbourhood has shops	20	20	20	20
u. This neighbourhood has parks	21	21	21	21
v. This neighbourhood has access to doctors and health care	22	22	22	22
w. This neighbourhood and house have access to public transport	23	23	23	23
x. The parking is good in this house	24	24	24	24
y. This neighbourhood is safe	25	25	25	25
z. The house was chosen by my partner	26	26	26	26
aa. The house was chosen by other family members	27	27	27	27
cr. Other Specify	96	96	96	96

Q22 Who was involved in making the decision to move to this house? **Code many**

- 1 Self
- 2 Partner/wife/husband
- 3 Parent(s)
- 4 Other adult current household member
- 5 Relatives not currently living in this household
- 6 My children
- 7 Friends
- 96 .. Other **Specify**

Q23 How long were you actively searching before you found this house?

- 1 ... Answer **Specify months**

Q23a **If loc=7 ask, else skip to 0:** Which suburb are you currently living in?

- 1 Answer **Specify suburb**

Q24 And which suburbs did you consider when looking to move to your current house?

- 1 Answer **Specify suburb**
- 97 .. None (did not consider any other suburbs)

Q25 **If loc=1-6 and 0=97 ask:** What made you choose [**suburb**]?

Else ask: What made you choose [**suburb**] over the other suburbs you looked at? **Probe for clear answer. Code many**

If loc=7 and 0=97 ask: What made you choose [**insert answer from 0**]?

Else ask: What made you choose [**insert answer from 0**] over the other suburbs you looked at? **Probe for clear answer. Code many**

- 1 Cheaper/lower house price
- 2 House here was more suitable **Explore**
- 3 Nicer neighbourhood
- 4 Close to places we need to be such as employment, schools etc.
- 5 Better amenities **Specify**
- 6 Wanted a single storey
- 7 Wanted a two storey
- 8 Wanted an apartment
- 9 Wanted a semi detached
- 10 .. Wanted a multi-unit
- 11 .. This area had capital gain potential
- 12 .. This area let me release equity in my house
- 13 .. This area has good public transport
- 14 .. This area allows me to walk to....
- 15 .. Family/friends in this area

- 16 .. Houses elsewhere unsuitable **Explore**
- 17 .. Too expensive
- 18 .. Houses in poor condition
- 19 .. Houses too old
- 20 .. Houses too big
- 21 .. Houses too small
- 22 .. Sections/gardens too big
- 23 .. Sections/gardens too small
- 24 .. Neighbourhood has bad reputation
- 96 .. Other **Specify**

Q26 What, if any, links did you have with this area before your most recent move? **Code many**

- 1 Was living in the area
- 2 Friends lived in the area
- 3 Relatives lived in the area at the time
- 4 Family has been associated with the area for generations
- 5 I had lived in the area in the past
- 6 Another household member had lived in the area before
- 7 I had holidayed in the area
- 8 I own or have shares in a house/property/land in the area
- 9 I was working in the area
- 10 .. I have a business interest in the area
- 11 .. I have used services in the area **Specify**
- 96 .. Other **Specify**
- 97 .. None ;E

Now some questions around moving around Auckland and New Zealand.

Q27 In the last 10 years, how many homes or dwellings, in New Zealand, have you lived in (including this one)?

- 1 One (this one)
- 2 More than one **Specify number**

Q28 If **0=1 go to 0** Of the [**insert number for last 10 years**] dwellings you have lived in over the last 10 years, how many have been in...

a. Auckland City	1 Specify
b. Waitakere City	1 Specify
c. Manukau City	1 Specify
d. Papakura District	1 Specify
e. Franklin District	1 Specify
f. Rodney District	1 Specify
g. North Shore City	1 Specify

Intentions to move

Q29 Do you intend to move house again within the next two years?

- 1 Yes - I intend to move
- 2 No - I do not intend to move within the next two years
- 98 .. Don't know

Q30 **If 0=1 ask, else go to 0** Are there any particular reasons for this? **Probe to no** **Record up to three in each category**

Dwelling

- 1 Want a bigger dwelling
- 2 Want a smaller dwelling
- 3 Upgrade the quality of the dwelling
- 4 Want a warmer dwelling
- 5 Can no longer afford the rent
- 6 Can no longer afford the mortgage
- 7 Mortgagee sale
- 8 Want to release equity
- 9 Accused of breaking the lease/tenancy agreement
- 10 .. Dispute with the landlord/agent
- 11 .. Have been asked to leave
- 12 .. Dwelling no longer available (house sold, landlord wanted to move in etc)
- 13 .. Transferred by landlord
- 14 .. Do not feel safe in this dwelling

Locality

- 15 .. To be closer to my family/friends
- 16 .. To move further away from family/friends
- 17 .. Dissatisfied with the level of service/shops or other facilities
- 18 .. Dissatisfied with public transport arrangements
- 19 .. There is too much traffic/industrial noise
- 20 .. Dissatisfied with quality of surrounding dwellings
- 21 .. Don't feel physically safe in the area
- 22 .. Dislike neighbours
- 23 .. I/my partner got a job and needs to move for work/to be closer to work
- 24 .. For education or training opportunities
- 25 .. Poor quality schools in the area/school zone

Other

- 26 .. Getting married or moving in with partner
- 27 .. Breakdown in current relationship
- 28 .. Change in household size
- 29 .. Children need to change schools/ have left school
- 30 .. To meet children's anticipated needs
- 31 .. Moving away from parents' home
- 32 .. Moving to enter home ownership/want to buy own home
- 96 .. Other **Specify**

Q31 **If 0=1 ask, else go to 0** Are you likely to move within the Auckland region or out of it?

- 1 In the Auckland region
- 2 Out of the Auckland region
- 98 .. Don't know

Q32 Are you currently looking for another house or dwelling right now?

- 1 Yes
- 2 No

Q33 **If 0=1 ask, else go to 0** Are you looking to move to any particular suburb? If so, which one/s?

- 1 Yes **Specify suburb(s)**
- 2 No

Household composition and demographics

Now we have some final questions about you and your household.

- Q34 Including yourself, how many people live in your household who are ...? **Read**
- 1 Less than 5 **Specify**
 - 2 5 to 16 years **Specify**
 - 3 17 to 19 years **Specify**
 - 4 20 to 40 years **Specify**
 - 5 41 to 64 years **Specify**
 - 6 65 or over **Specify**
- Q35 Does anyone living in your household need assistance with every day tasks because of a disability?
- 1 Yes
 - 2 No
 - 98 .. Don't know
- Q36 Are you currently employed? If yes: In which suburb do you work?
- 1 Yes **Specify suburb of employment**
 - 2 No, not currently employed
 - 3 Work all over Auckland/job takes me to multiple suburbs **go to 0**
- Q37 **If 0=1 ask, else go to 0** Did you work in that same suburb, before you moved? If no: Which suburb did you used to work in?
- 1 Yes, worked in the same suburb
 - 2 No, worked in suburb outside of Auckland
 - 3 No, worked in a different suburb in Auckland region **Specify Auckland suburb of previous employment**
 - 4 Did not work before I moved
 -
- Q38 Which of the following best describes your current occupation? **Read**
- 1 Manager
 - 2 Professional
 - 3 Technician or Trades worker
 - 4 Community and personal service worker
 - 5 Clerical and administrative worker
 - 6 Sales worker
 - 7 Machinery operator or driver
 - 8 Labourer
 - 96 .. Other **Specify**
 - 98 .. Don't know ****Do not read****
 - 99 .. Refused ****Do not read****

Q39 Which of the following sectors or industries do you work in? **Read**

- 1 Manufacturing
- 2 Construction
- 3 Wholesale trade
- 4 Retail trade and Accommodation
- 5 Transport, Postal, Warehousing
- 6 Information, Media, Telecommunications
- 7 Financial and/or insurance services
- 8 Rental hiring and real estate services
- 9 Professional, scientific, or technical
- 10 .. Administrative and support services
- 11 .. Public administration and safety
- 12 .. Education and training
- 13 .. Health care and social assistance
- 14 .. Arts, recreation and other services
- 15 .. Agriculture, forestry and fishing
- 16 .. Mining
- 17 .. Electricity, gas, water and waste services
- 96 .. Other **Specify**
- 98 .. Don't know ****Do not read****
- 99 .. Refused ****Do not read****

If 0=97 skip to 0, else ask 0

Q40 Is your partner currently employed? **If yes:** In which suburb do they work?

- 1 Yes **Specify suburb of employment**
- 2 No, not currently employed
- 3 Work all over Auckland/job takes him/her to multiple suburbs **go to 0**
-

Q41 **If 0=1 ask, else go to 0** Did they work in that same suburb, before you moved? **If no:** Which suburb did they used to work in?

- 1 Yes, worked in the same suburb
- 2 No, worked in suburb outside of Auckland
- 3 No, worked in a different suburb in Auckland region **Specify Auckland suburb of previous employment**
- 4 Was not working before we moved

Q42 Which of the following best describes your partner's current occupation? Is it... **Read**

- 1 Manager
- 2 Professional
- 3 Technician or Trades worker
- 4 Community and personal service worker
- 5 Clerical and administrative worker
- 6 Sales worker
- 7 Machinery operator or driver
- 8 Labourer
- 96 .. Other **Specify**
- 98 .. Don't know ****Do not read****
- 99 .. Refused ****Do not read****

Q43 And which of the following sectors or industries do they work in... [Read](#)

- 1 Manufacturing
- 2 Construction
- 3 Wholesale trade
- 4 Retail trade and Accommodation
- 5 Transport, Postal, Warehousing
- 6 Information, Media, Telecommunications
- 7 Financial and/or insurance services
- 8 Rental hiring and real estate services
- 9 Professional, scientific, or technical
- 10 .. Administrative and support services
- 11 .. Public administration and safety
- 12 .. Education and training
- 13 .. Health care and social assistance
- 14 .. Arts, recreation and other services
- 15 .. Agriculture, forestry and fishing
- 16 .. Mining
- 17 .. Electricity, gas, water and waste services
- 96 .. Other **Specify**
- 98 .. Don't know ****Do not read****
- 99 .. Refused ****Do not read****

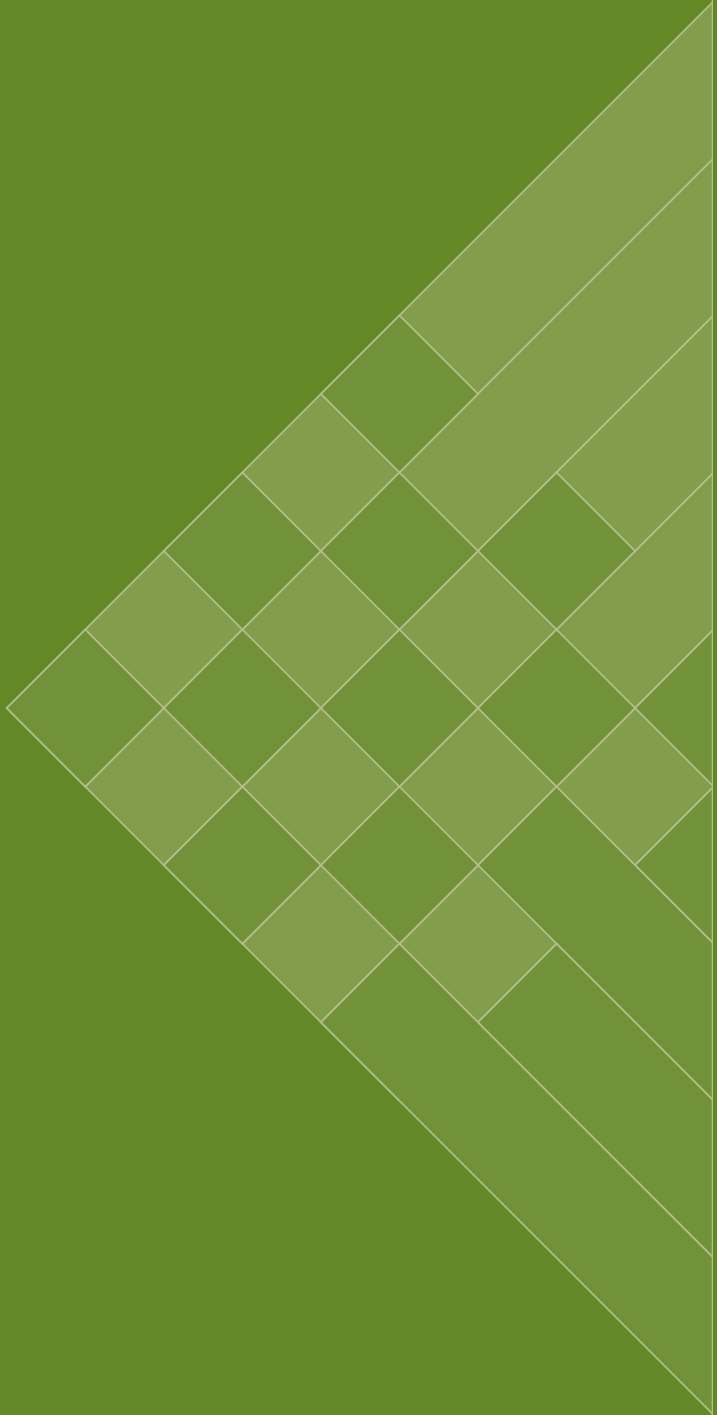
Q44 Can you please tell me what your household's annual total income is? Is it... [Read](#)

- 1 Up to \$15,000
- 2 Between \$15,001 and \$20,000
- 3 Between \$20,001 and \$30,000
- 4 Between \$30,001 and \$40,000
- 5 Between \$40,001 and \$50,000
- 6 Between \$50,001 and \$70,000
- 7 Between \$70,001 and \$100,000
- 8 Between \$100,001 and \$130,000
- 9 More than \$130,000
- 98 .. Don't know ****Do not read****
- 99 .. Refused ****Do not read****

Q45 Can you please tell me what your household's annual total income was when you were living in your previous house just before you moved? Was it... [Read](#)

- 1 Up to \$15,000
- 2 Between \$15,001 and \$20,000
- 3 Between \$20,001 and \$30,000
- 4 Between \$30,001 and \$40,000
- 5 Between \$40,001 and \$50,000
- 6 Between \$50,001 and \$70,000
- 7 Between \$70,001 and \$100,000
- 8 Between \$100,001 and \$130,000 or
- 9 More than \$130,000
- 98 .. Don't know ****Do not read****
- 99 .. Refused ****Do not read****

Those are all the questions I have. Thank you very much for your help. My name is **QOIV** from Research New Zealand. If you have enquiries about this survey, please ring the Project Manager, Emily Calvert on our toll-free number: 0800 500 168. (Wellington respondents 499-3088)



Centre for Housing Research
AOTEAROA NEW ZEALAND

ISBN 978-0-9864505-9-4 (Paperback)
ISBN 978-0-9864660-0-7 (PDF)