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NZ's Tenure Revolution and its Ageing Society

-New Zealand's Renting Revolution-

Address to 'Life when renting' Mid-term Summit,
Tauranga, May 30

Dr Natalie Jackson

Natalie Jackson Demographics Ltd.

Data sources

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- Customised Census database 1986-2013 from Statistics New Zealand
- Tenure by age, sex, major ethnic group, territorial authority area (TA)
- See handout for grouping of tenure categories over time

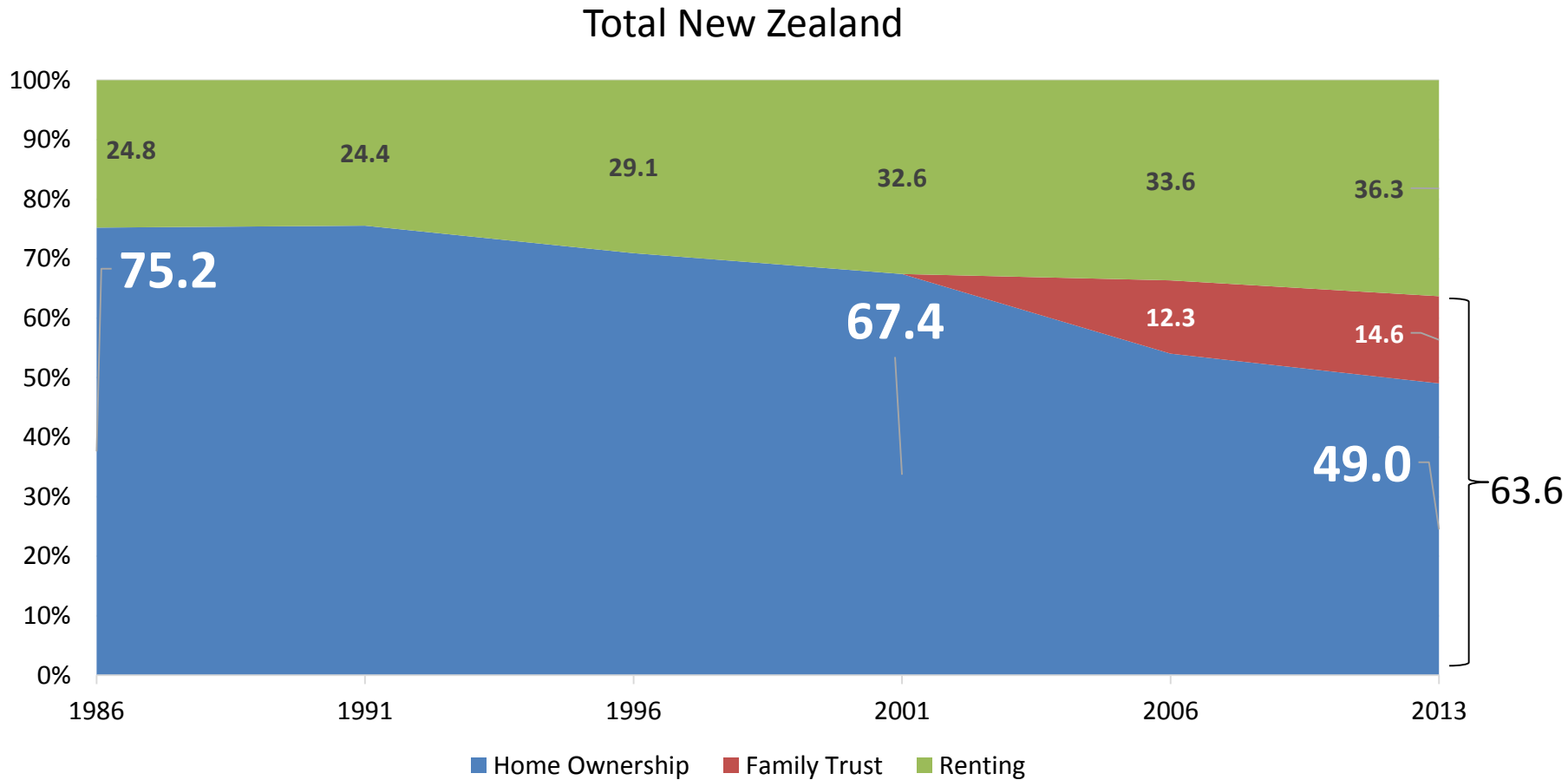
Main methodological notes

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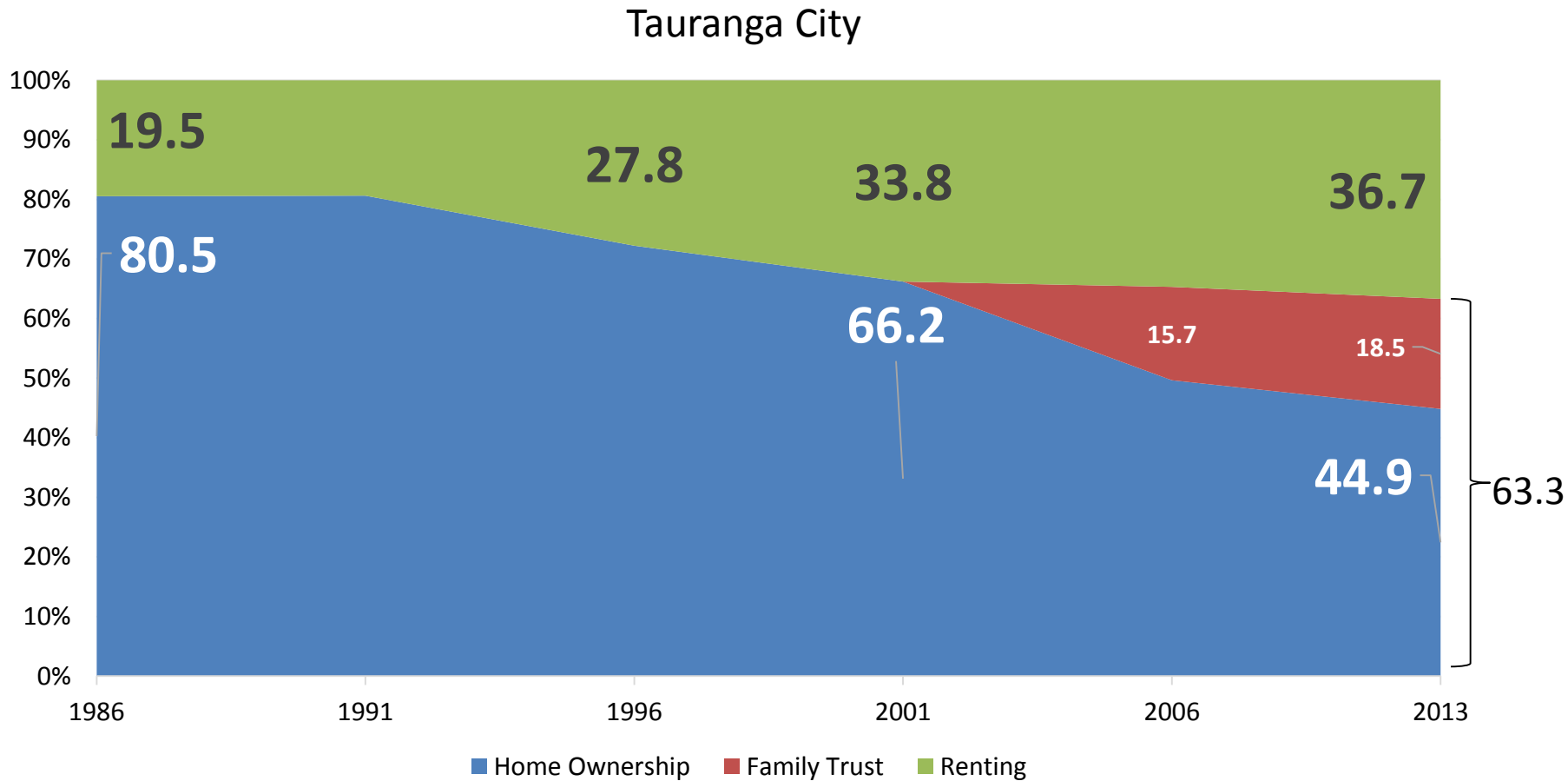
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- The data are based on the age, sex, ethnic group, territorial authority area of usual residence *of each individual in the household, at each census*
 - *thus we have data for children*
 - *thus our data do not account for people moving between areas, only for people living in the particular area at the particular census*

The descent of home ownership

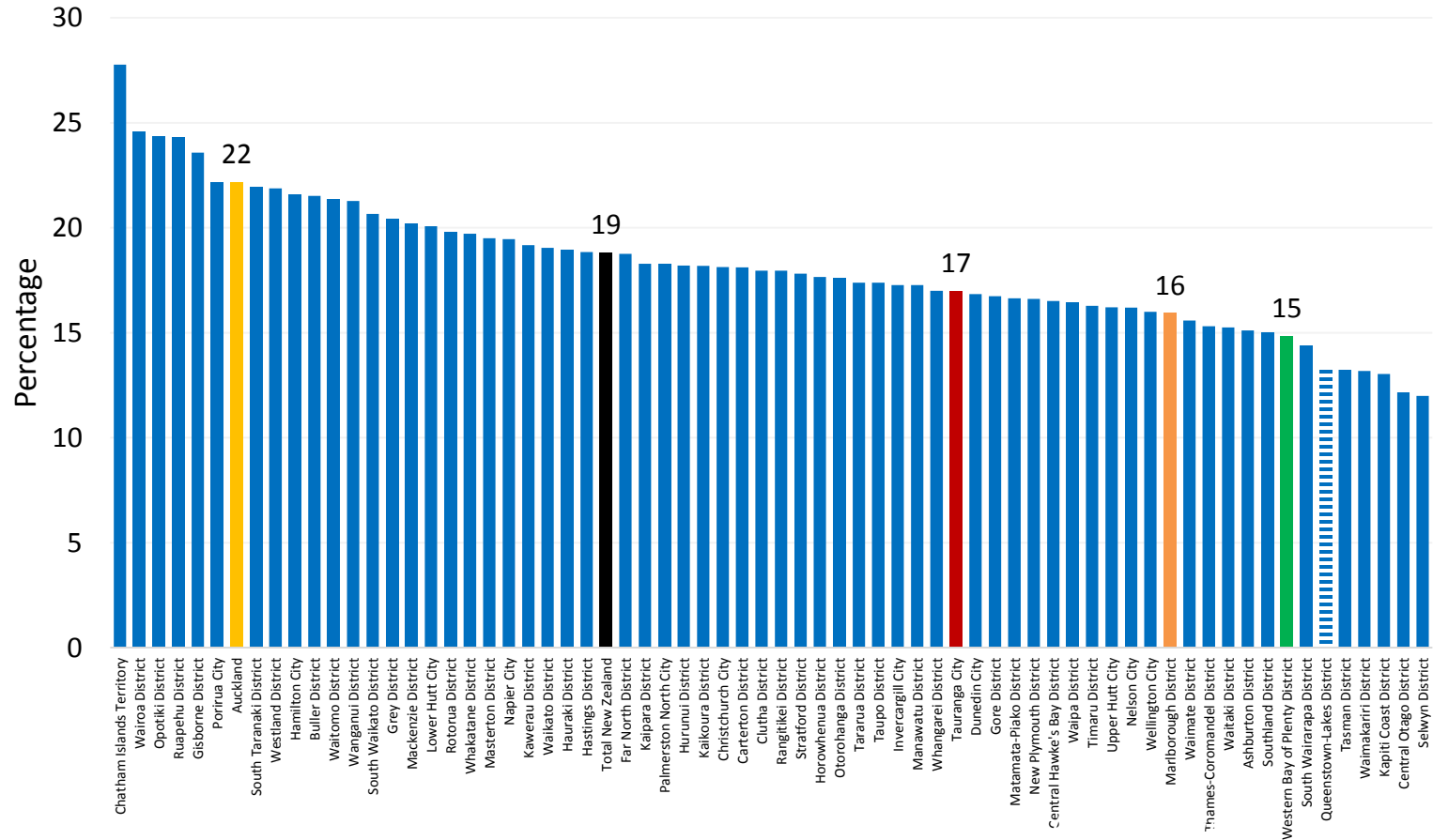


The descent of home ownership/rise in renting is more dramatic in some places than others



However, Tauranga, WBOP among *lowest proportions* renting at 65+ years in 2013

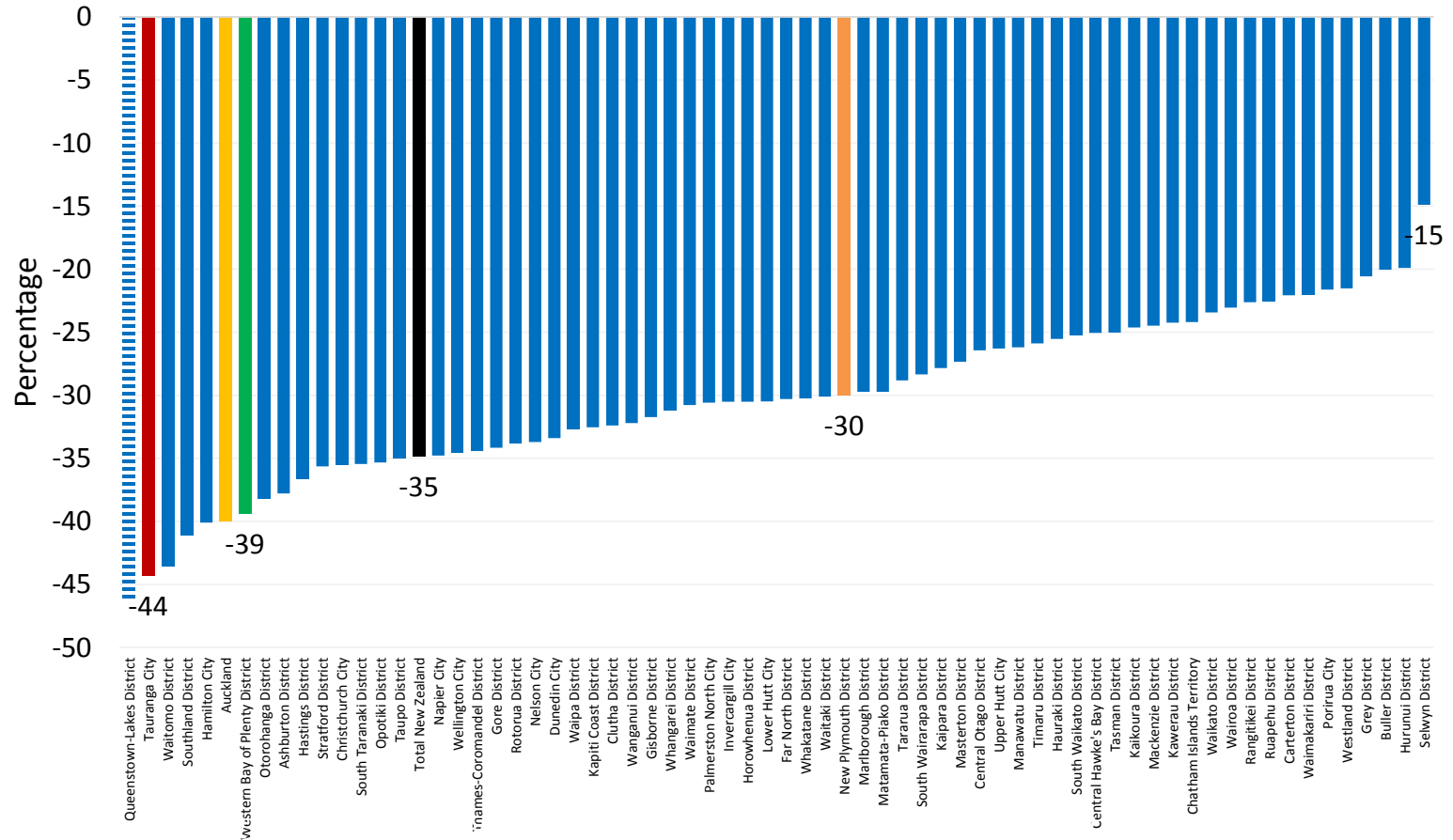
Renting (%) at 65+ years in 2013



Home ownership has declined in every TA.

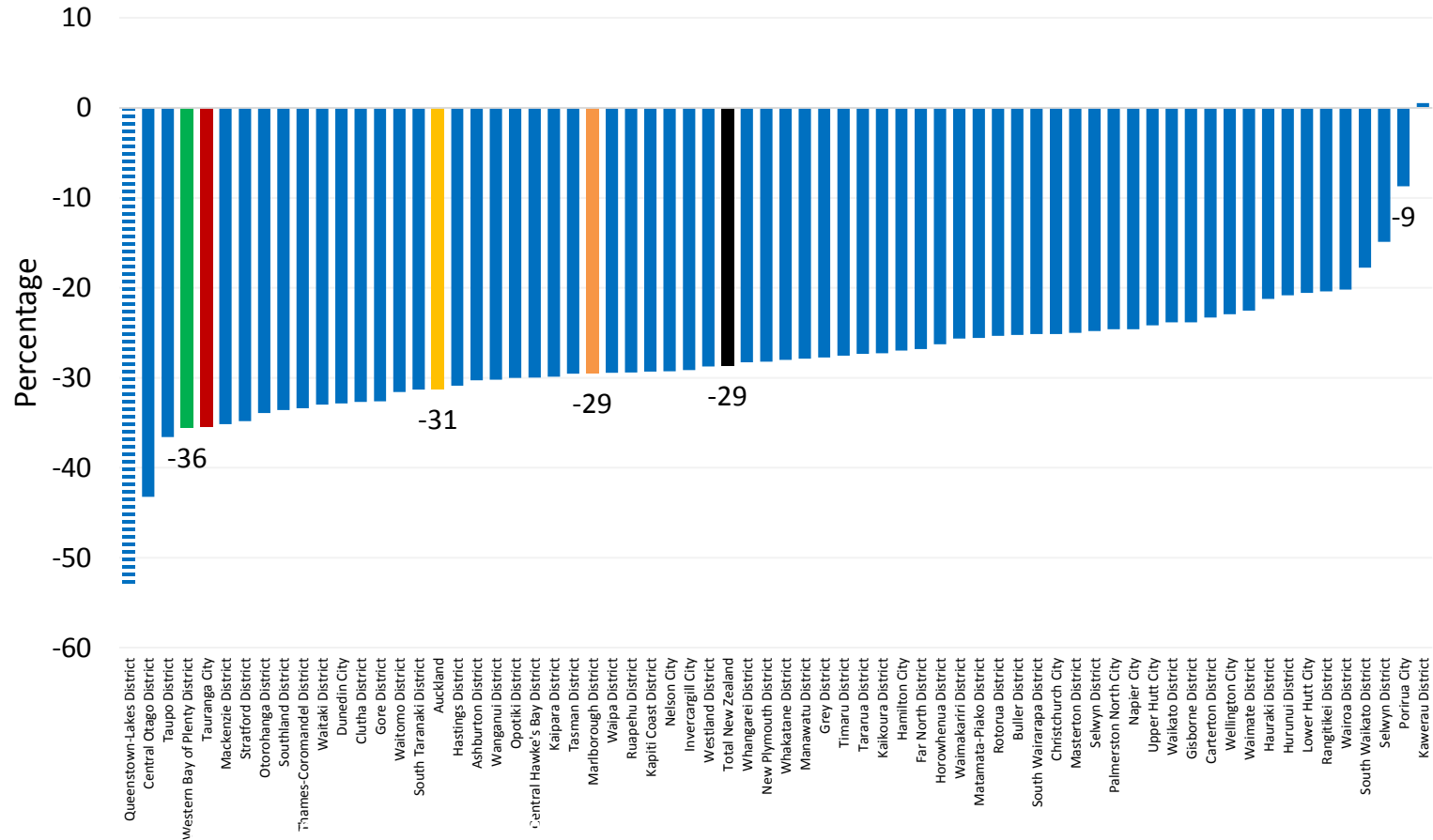
Tauranga, Auckland, WBOP among greatest declines

Change in home ownership, all ages, 1986-2013 (%)

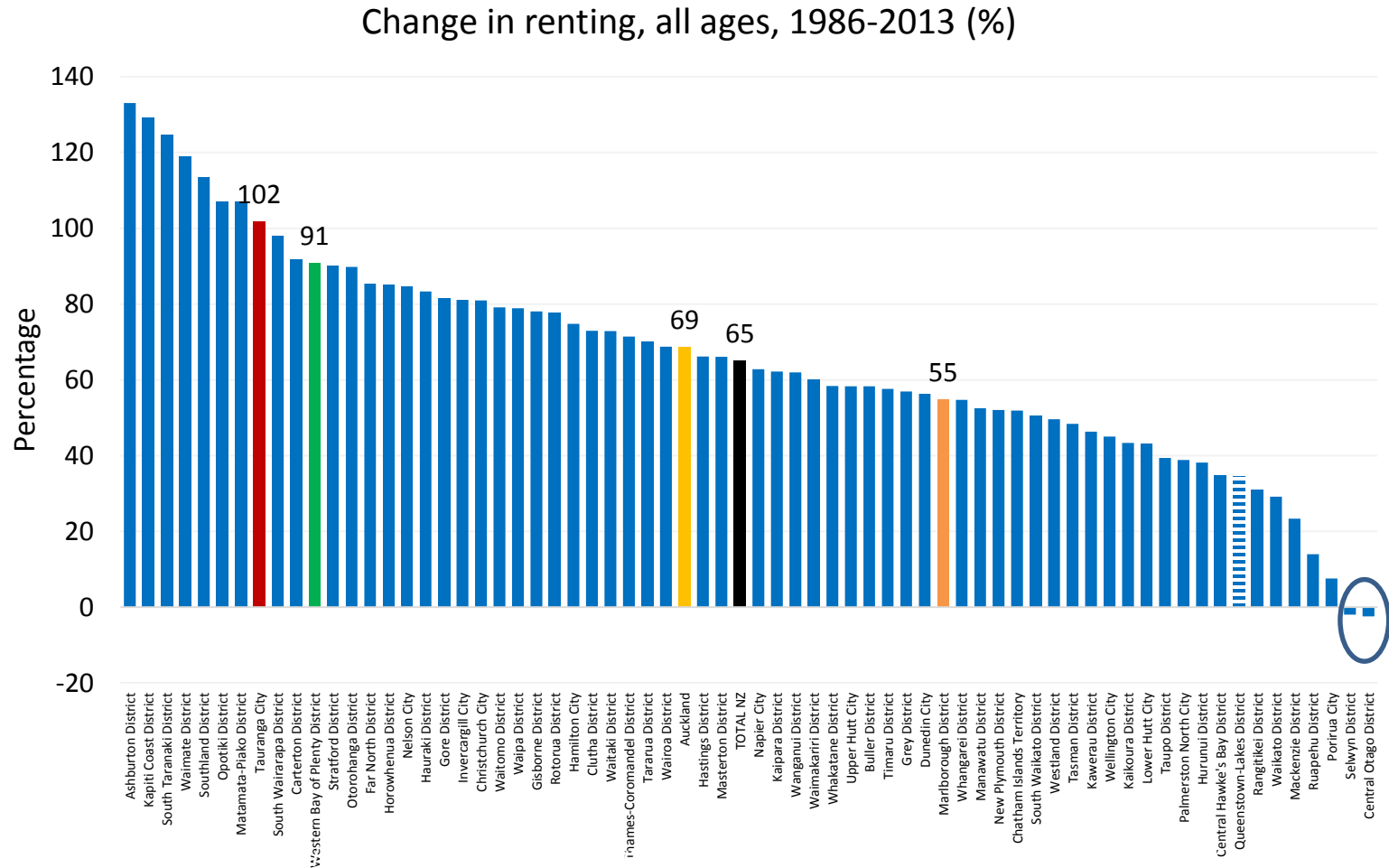


Tauranga, WBOP among *greatest declines* in home ownership at 65+ years

Change in home ownership at 65+ years, 1986-2013 (%)

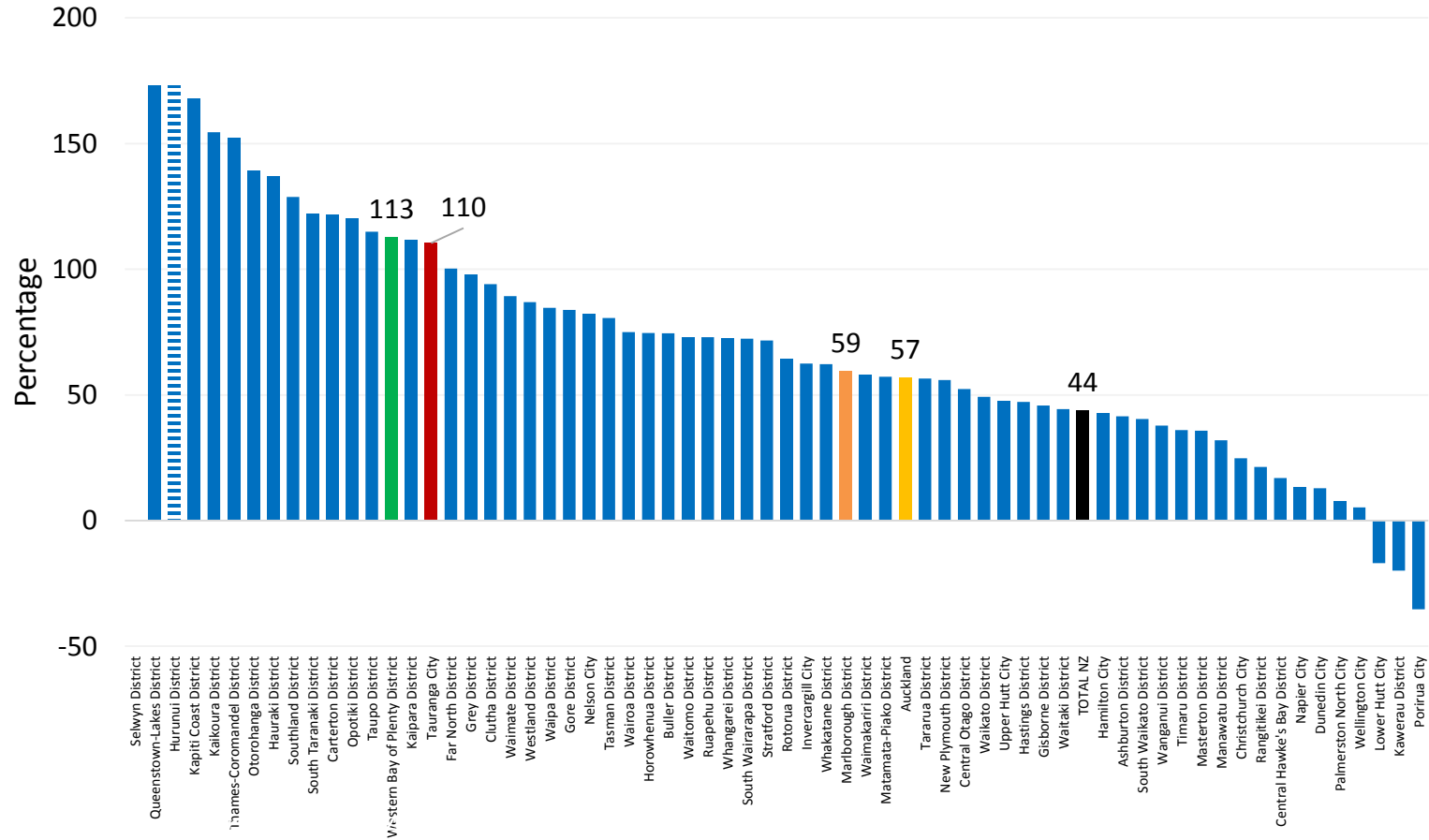


Tauranga, WBOP among greatest *increases* in renting



Tauranga, WBOP among greatest *increases* in renting at 65+ years

Change in renting, 65+ years, 1986-2013 (%)

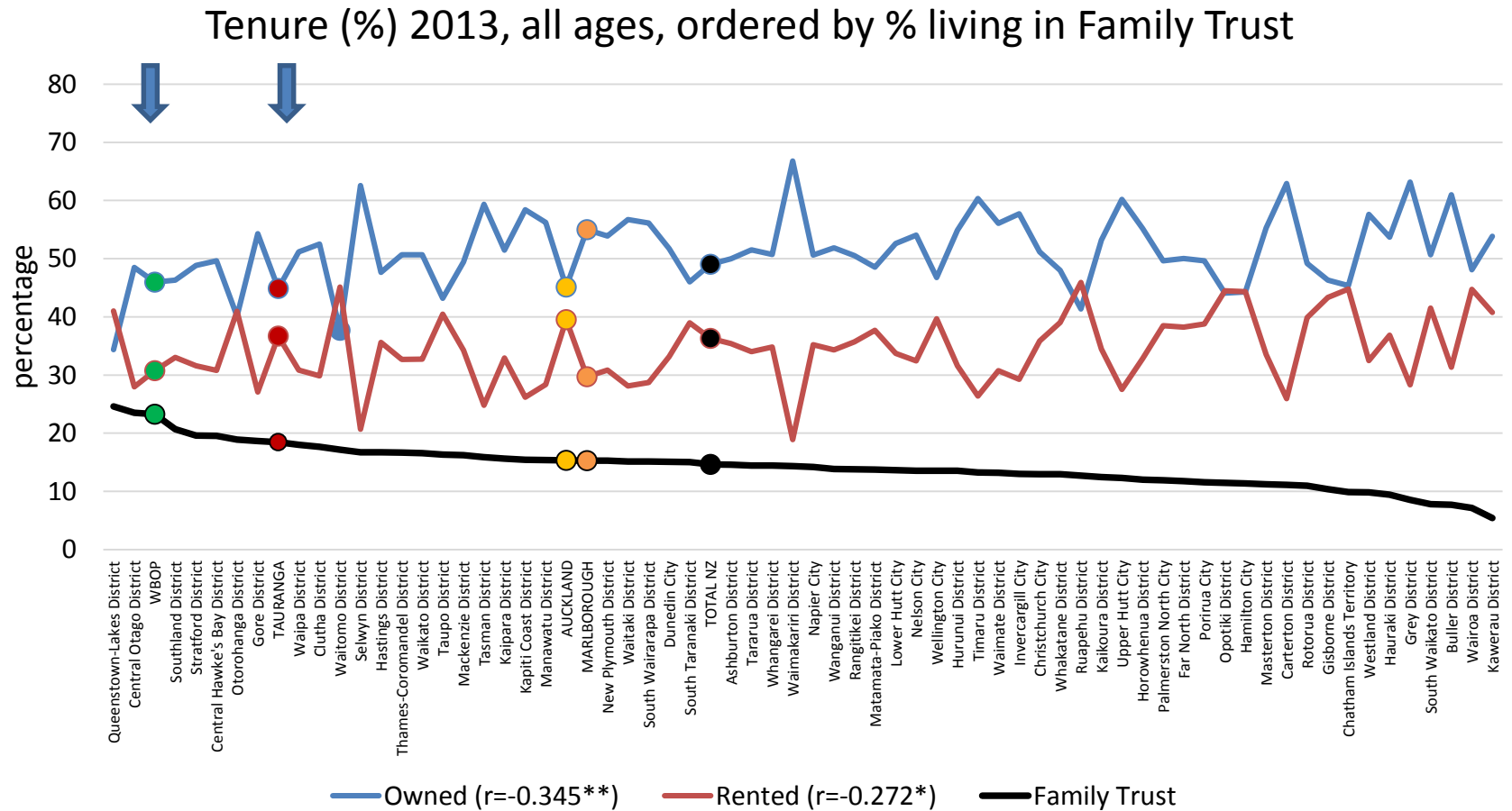


WHY GREATEST INCREASES IN RENTING BUT LOWEST PROPORTIONS?

Is it simply greater increases off lower bases?

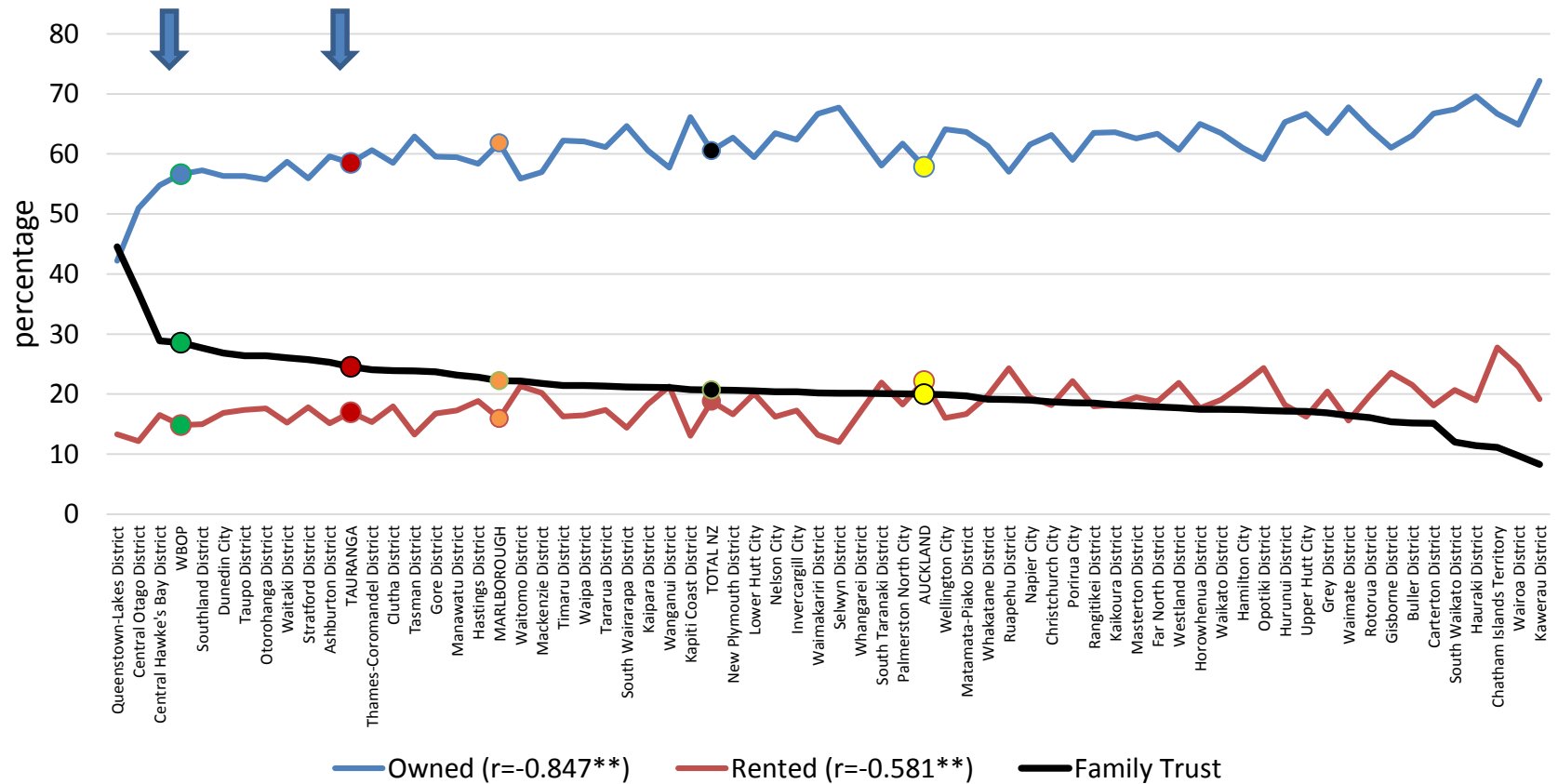
...partly

Proportions living in Family Trust homes relatively high in Tauranga, WBOP



Similar at 65+ years, but correlations much stronger;
the higher the % in family trust, the lower the % home
ownership ($r=-0.847^{**}$) and renting ($r=-0.581^{**}$)

Chart Tenure (%) at 65+ years, 2013



The tenure revolution

- Home ownership is considerably lower than in 1986
 - Nationally 75% >> 49%
- Home ownership + family trust together is considerably lower than home ownership *per se* in 1986
 - Nationally 75% >> 64%
- Renting is considerably higher than in 1986
 - Nationally 25% >> 36%
- The tenure revolution is *accentuated* by [older] people living in homes owned by a Family Trust
 - The higher the % living in home owned by a Family Trust, the lower the home ownership (all ages, pearson's $r = -0.35^{**}$; At 65+ years $r = -0.85^{**}$)
 - The higher the % living in home owned by a Family Trust, the lower the % renting (all ages, pearson's $r = -0.27^*$; At 65+ years $r = -0.58^{**}$)
- Results suggest tenure revolution = growing socio-economic [and ethnic] divide, which increases by age/cohort, and is highly spatially differentiated

RENTING BY BIRTH COHORT

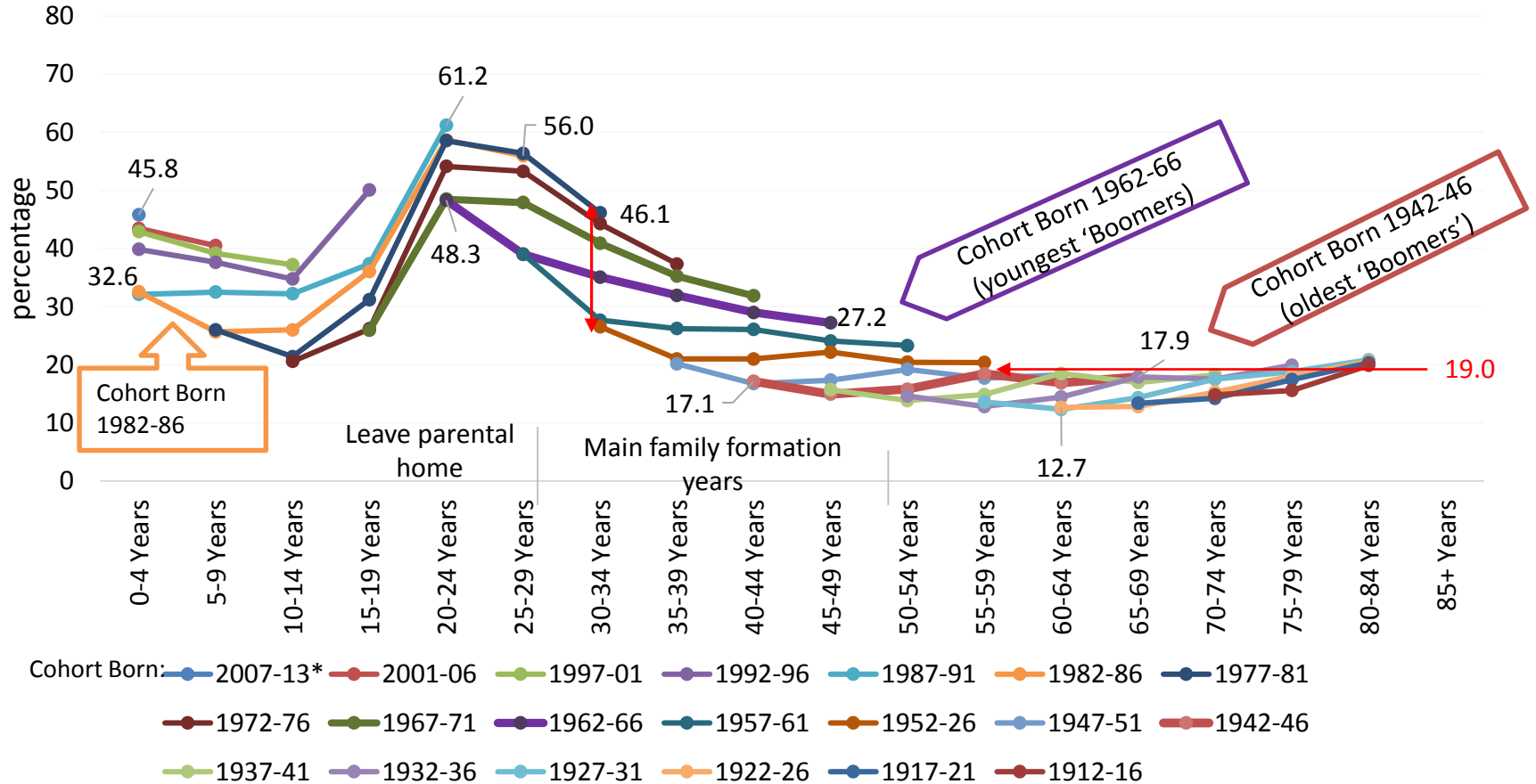
Inter-cohort trends (how each cohort differs by year of birth) = vertical difference between cohorts when at the same age

Intra-cohort trends (eg., how each cohort differs by location) = horizontal difference between same-age cohorts

Renting – Total New Zealand

At 30-34 years, gap = 20 pp (+74%); at 65-69 years 4.5pp (+34%).

Renting by Birth Cohort*, Total NZ

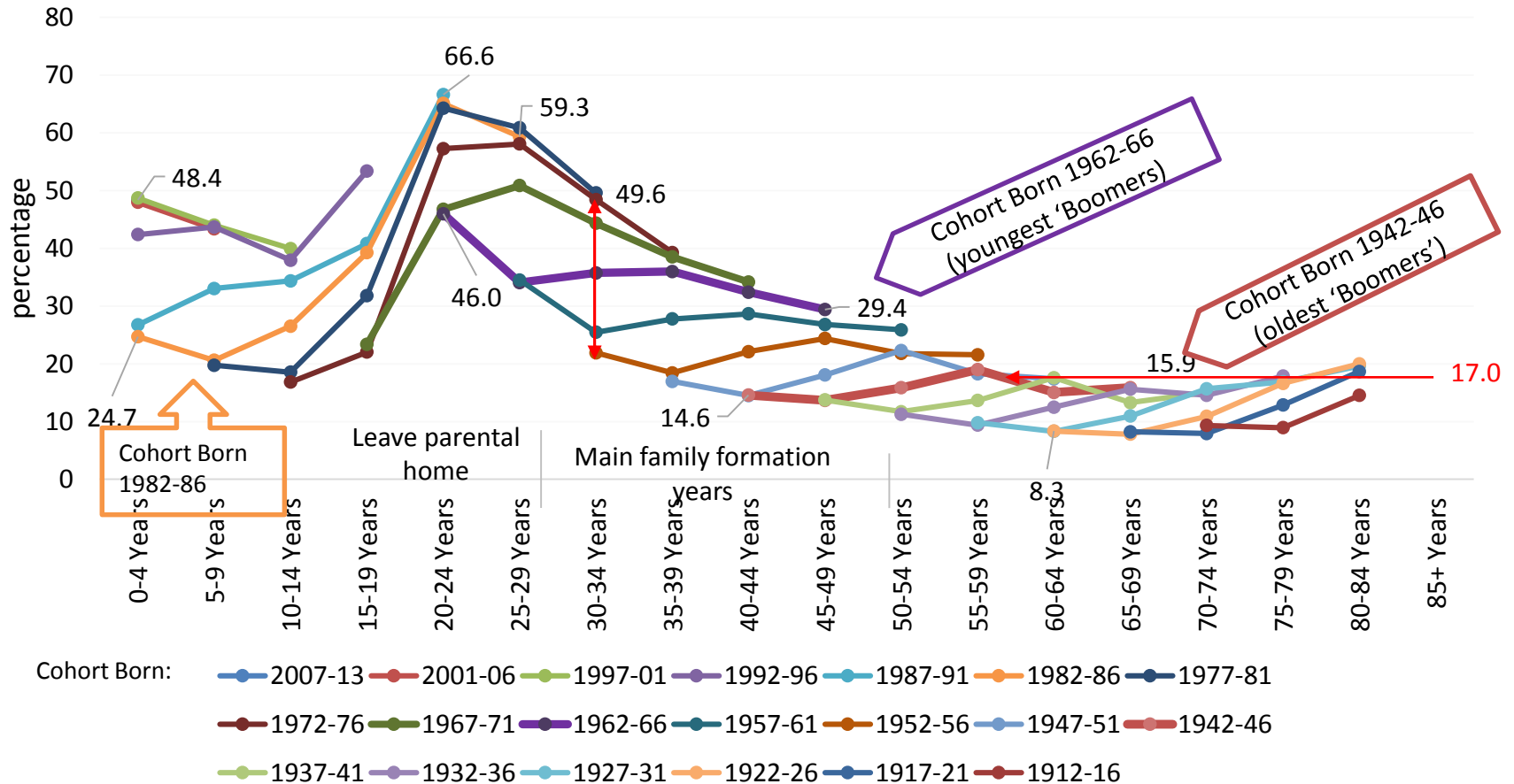


*final observation for each cohort is +2 years, due to 7 year gap between 2006 and 2013 censuses

Renting – Tauranga City

At 30-34 years,
gap = 28 pp
(+126%); 65-69
years 7pp
(+93%)

Renting by Birth Cohort*, Tauranga City

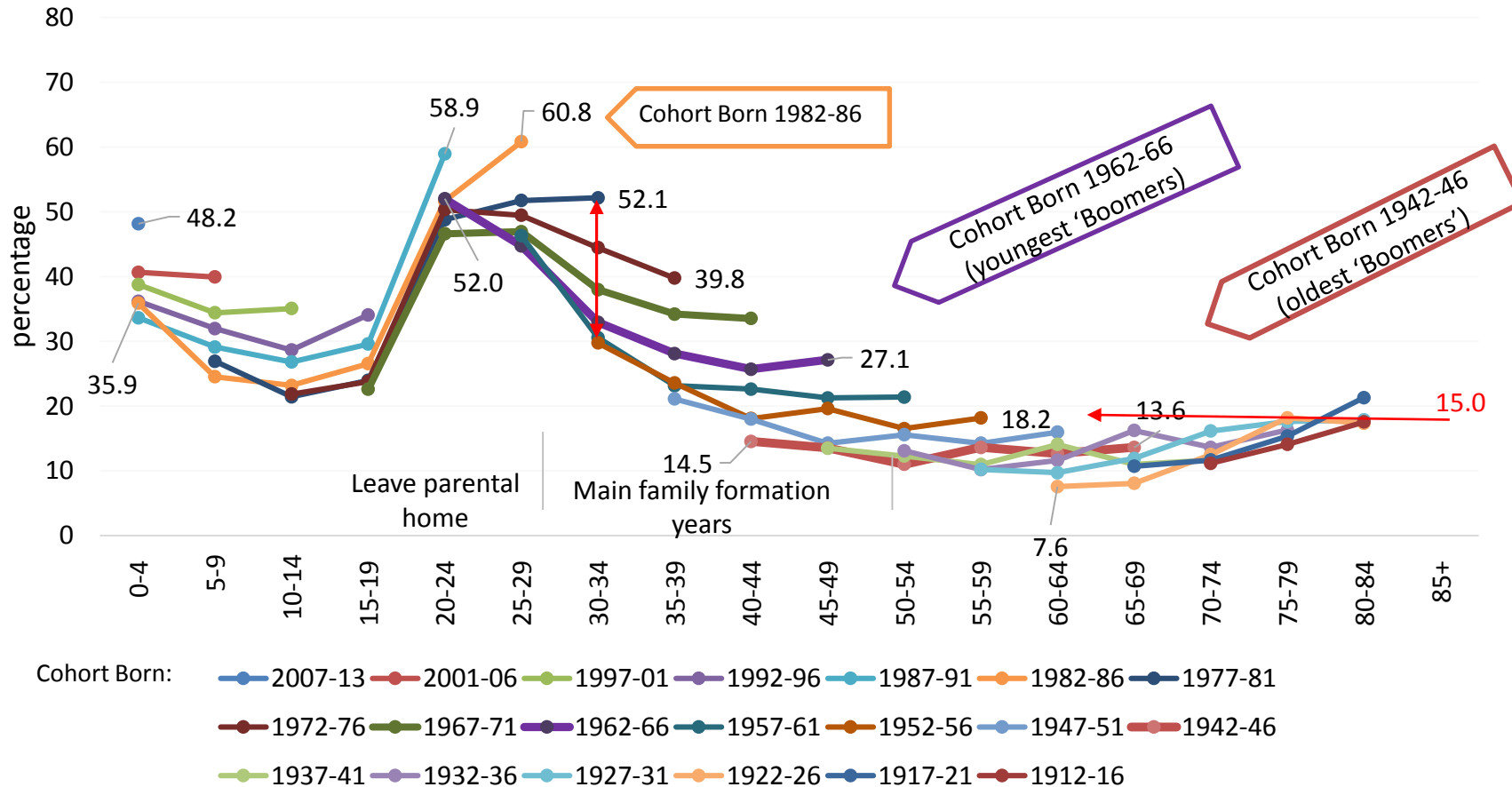


*final observation for each cohort is +2 years, due to 7 year gap between 2006 and 2013 censuses

Renting – Western Bay of Plenty

At 30-34 years,
gap = 22 pp
(+75%); 65-69
3pp (+27%)

Renting by Birth Cohort*, WBOP

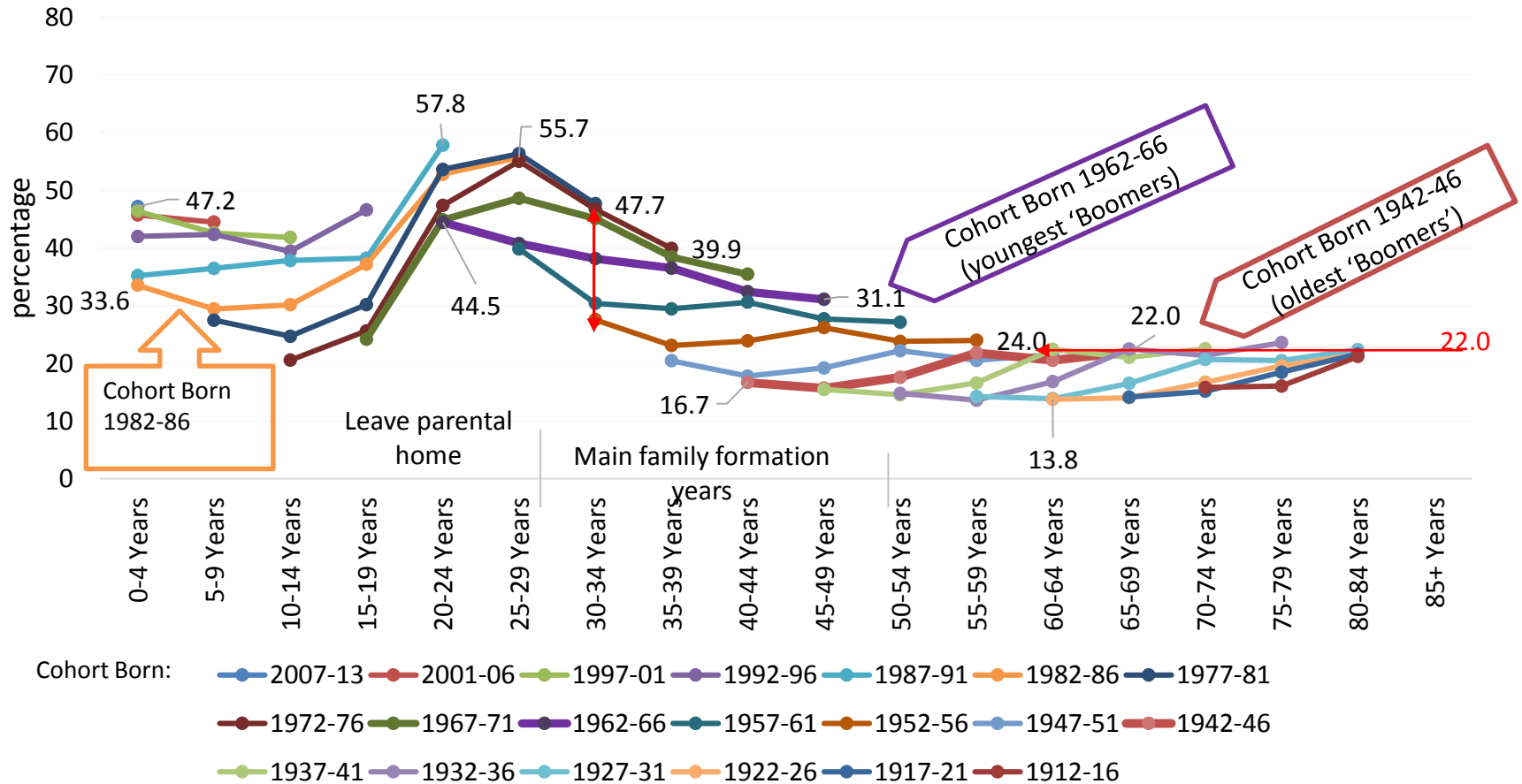


*final observation for each cohort is +2 years, due to 7 year gap between 2006 and 2013 censuses

Renting – Auckland

At 30-34 years,
gap = 20 pp
(+72%); 65-69
8pp (+55%)

Renting by Birth Cohort*, Auckland



*final observation for each cohort is +2 years, due to 7 year gap between 2006 and 2013 censuses

The tenure revolution by cohort

- The fall in home ownership has accelerated since 2001, for almost all cohorts
 - some cohorts at key parenting ages are still increasing their home ownership, but at much lower levels than their predecessors
- The increase in renting is particularly evident among parent and child cohorts
 - much greater vertical gaps than for older cohorts >> unlikely to 'catch up'
 - Younger cohorts are in a vastly different situation to the past
- The trends began with the *oldest* cohorts, and accelerated after the introduction of Family Trusts
 - The most 'advantaged' cohorts were born 1922-26 and 1927-31
 - However some areas experiencing greater shocks than others – eg Tauranga City, and may not be planning appropriate housing stock
- Results suggest growing inter-cohort and spatial divergence
 - By ethnicity, gaps have *closed slightly* due to greater increase in renting by European and Asian cohorts

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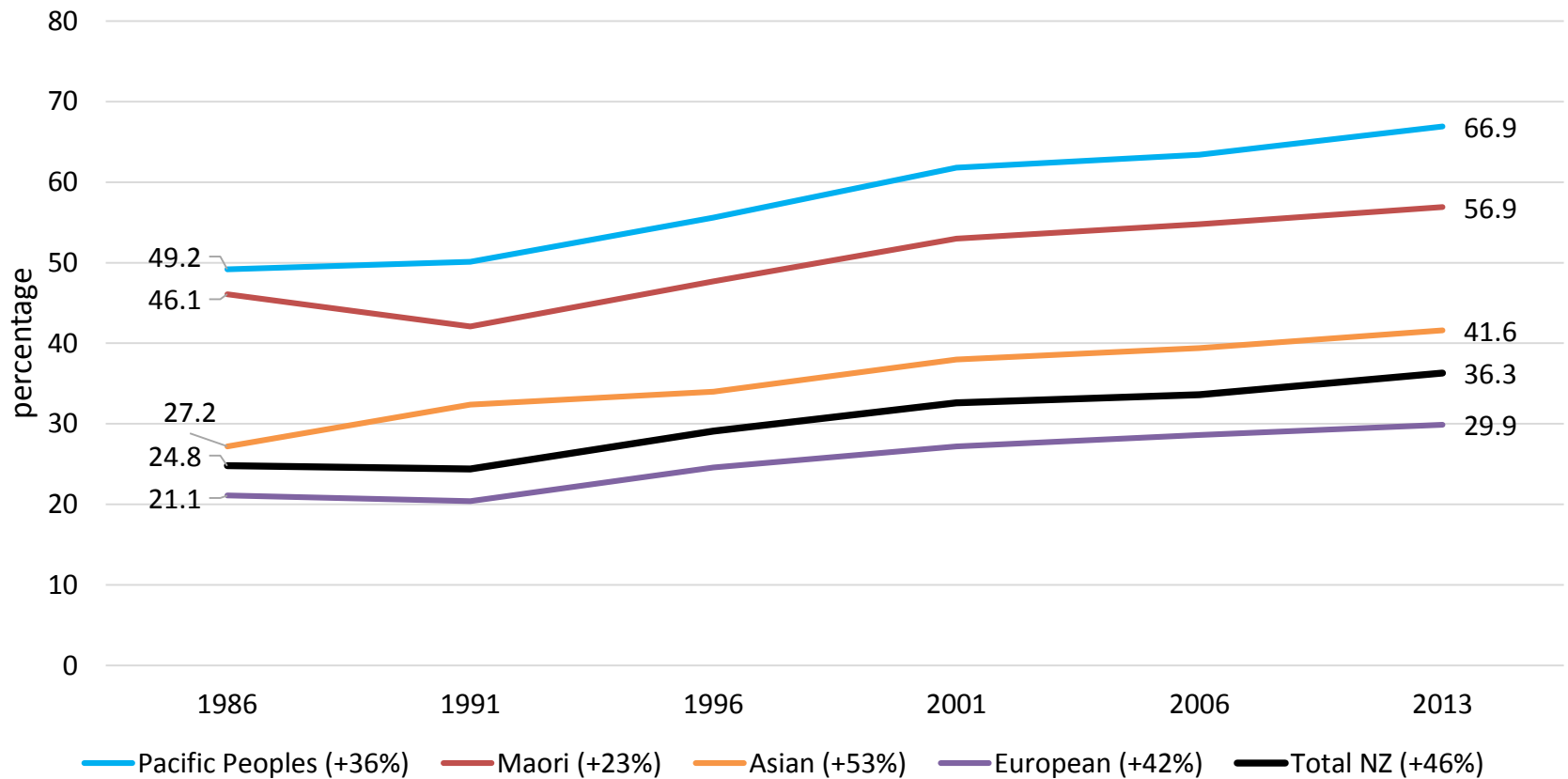
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demographics@nataliejackson.net

THANKYOU

Decline in home ownership, increase in renting common to all ethnic groups. Māori, Pacific Peoples highest RENTING rates, but Asian, European highest % increase

Percentage renting by major ethnic group



Highest Renting levels at older ages by TA

HIGHEST % RENTING in 2013	65+ YEARS	75+ YEARS
	% Renting in 2013	
1	Wairoa 26%	Ruapehu 29%
2	Opotiki 25%	Westland 28%
3	Ruapehu 24%	Buller 28%
4	Gisborne 24%	*Grey 27%
5	Porirua 22%	South Taranaki 26%
6	*Auckland 36%	Opotiki 25%
7	South Taranaki 22%	*Wanganui 25%
8	Westland 22%	Wairoa 24%
9	*Hamilton 22%	Porirua 24%
10	Buller 22%	Gisborne 24%