



Changes in home-ownership patterns 1986–2013: Focus on Māori and Pacific people



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Contents

List of tables and figures	4
Purpose and summary	6
Definitions used in this paper	6
Key findings	6
Structure of the paper	8
Introduction and background	9
Why home ownership is important	9
Māori and Pacific people's tenure aspirations.....	9
Situation differs historically for Māori and Pacific peoples	10
Changes in Māori housing tenure before the 1980s.....	16
Defining an ethnic dwelling	16
Home ownership for Māori and Pacific households after 1986	18
About our approach	18
Greater decline for Māori and Pacific people in owned dwellings than for total population	18
Urban/rural difference shows in changing home-ownership rates for Māori	21
Pacific people have greatest home-ownership falls.....	25
Urban/regional differences affect changing home-ownership rates for Pacific people.....	26
Home-ownership patterns at the individual level	29
Māori and Pacific people have larger proportional falls in home-ownership even when age standardised	30
Home ownership falls for most age groups.....	30
Factors affecting home-ownership falls.....	34
Changing patterns of rental housing	42
More people lived in rent-free dwellings in 1970s/80s	42
Issues associated with falling home-ownership rates.....	44
Greater exposure to private rental market increases housing costs for renters.....	44
Māori and Pacific people have greater household crowding	45
Māori and Pacific people have more problems with housing quality	46
Falling home-ownership may reduce proportion of wealth Pacific people and Māori hold	47
Conclusion	50



List of tables and figures

Tables by chapter

Home ownership for Māori and Pacific households after 1986	18
1. Percentage of Pacific people living in a owner-occupied dwelling, by largest urban areas	28
Home-ownership patterns at the individual level	29
2. Differences in individual home ownership rates and percentage change	30
3. Household composition for people in households, by selected ethnic group	39
Issues associated with falling home-ownership rates	44
4. Mean net worth for selected ethnic groups, 2003–10	49

Figures by chapter

Introduction and background	9
1. Percentage of people with Pacific ethnicity born in New Zealand, 2013 Census.....	11
2. Individual home ownership by years in New Zealand, for people in selected ethnic groups who were born overseas	12
3. Distribution of Pacific people by territorial authority area, 2013 Census	13
4. Pacific people in households in largest urban areas, 1986 and 2013 Censuses	14
5. Distribution of Māori by territorial authority area	15
Changes in Māori housing tenure before the 1980s.....	16
6. Percent of Māori living in urban areas, selected census years, 1926–2013	16
7. Percentage of Māori dwellings and total dwellings owned, selected census years, 1936–81	17
Home ownership for Māori and Pacific households after 1986	18
8. Percentage living in owner-occupied dwelling, Māori and Pacific ethnicity and total population, 1986–2013 Censuses	19
9. Percent living in owner-occupied dwelling and percent change, for selected single/combination ethnic groups, 1991–2013 Censuses.....	19
10. Percentage living in owner-occupied dwelling, by age (single year) for selected ethnic groups and total population, 2013 Census	20
11. Tenure type for Māori living in households, 1986–2013 Censuses	20
12. Unemployment rates for Māori, North Island urban areas	21
13. Percentage change in proportion living in owner-occupied dwellings, for Māori ethnicity and urban/rural area, 1986–2013 Censuses	22
14. Percentage living in owner-occupied dwellings and percentage change, by Māori ethnicity and selected main urban areas.....	22
15. Percentage of Māori living in owner-occupied dwelling in North Island, 1986 Census.....	23
16. Percentage of Māori living in owner-occupied dwelling in North Island, 2013 Census.....	23

17. Percentage change for Māori living in owner-occupied dwellings, 1986–2013 Censuses	24
18. Tenure type for Pacific people living in households, 1986–2013 Censuses	26
19. Percentage change for Pacific people living in owner-occupied dwellings, 1986–2013 Censuses	27
Home-ownership patterns at the individual level	29
20. Median age for selected ethnic groups, 1986 and 2013 Censuses	29
21. Percentage change in proportion of people owning their dwelling, by age group and selected ethnic group	31
22. Median annual personal income for individuals and median annual family income for those who owned/partly owned their dwelling, by age and selected ethnic group ..	32
23. Individual home ownership for people 25–60 years and earning \$70,001+, by selected ethnic group	32
24. Percentage of people that owned/partly owned their home, for selected Pacific ethnicities	33
25. Percentage change in Māori and Pacific people's individual home ownership, for selected territorial areas	33
26. House price index for selected territorial authority areas, 1989–2014	35
27. Percentage change in household price index, by territorial authority area, December 1989–2014	36
28. Unemployment rates (HLFS) by ethnic group, 1992–2009	37
29. Unemployment rates for European, Māori, and Pacific peoples (HLFS), year ended December 2008–15	37
30. Unemployment rate by single year of age, for selected ethnic groups	38
31. Percentage living in owner-occupied dwelling, by household composition type and selected ethnic groups	40
32. Percentage of individuals aged 25+ years who owned/partly owned their dwelling, by household composition and selected ethnic group	41
Changing patterns of rental housing	42
33. Rented dwelling ownership for people in rented dwellings, 1986–2013 Censuses ..	42
34. Rented dwelling ownership, for Māori in rented dwellings, 1986–2013 Censuses ..	43
35. Rented dwelling ownership, for Pacific people in rented dwellings, 1986–2013 Censuses	43
Issues associated with falling home-ownership rates	44
36. Proportion of households with housing cost outgoings-to-income ratio greater than 30 percent, by ethnic group, selected years, 1988–2009	44
37. Housing-cost ratios, 2007–15	45
38. Housing problems by tenure and ethnicity, General Social Survey 2010	46
39. Percentage of people in households who moved in New Zealand after March 2008, by ethnicity and tenure	47
40. Net worth of individuals and couples, by prioritised ethnicity, 2001 Household Savings Survey	48
41. Value of couples' residential property, by ethnicity, 2001 Household Savings Survey	48



Purpose and summary

This paper explores the changes in tenure patterns (home ownership and renting) between 1986 and 2013, but focuses particularly on changes within the Māori and Pacific populations. We also look briefly at tenure patterns for earlier years in order to show the contrasting patterns in home ownership for Māori and the rest of the population. We explore whether the differing age structure of the Māori and Pacific peoples populations may contribute to their lower home-ownership rates, relative to the general population.

While there is some variability within the different Pacific populations, this paper concentrates on tenure at the highest level of the ethnic classification.

See [iwi by tenure holder, 2001, 2006 and 2013 Censuses](#) for more information about iwi and home ownership.

Most of the data on which this report is based comes from the Census of Population and Dwellings but we have also used data from other sources (eg General Social Survey and Quotable Value).

Definitions used in this paper

This paper uses both household and individual home ownership. Although they both measure home ownership, they can be quite different. At the household level, ownership relates to the household in which a person lives (whether the household owns their dwelling or holds it in a family trust). This is the household home-ownership rate – we have gathered statistics on this topic since 1916.

Since 2001 we have also collected information about individual home ownership (whether an individual owns the dwelling in which they live). While a household may own their dwelling, not all people in that household may share ownership of that dwelling. For example, a young person aged 15 years living in a dwelling owned by their parents should write 'Not owned' to the tenure holder question – because they do not own that dwelling themselves.

In census statistics, a household consists of one person usually residing alone, or two or more people usually residing together in a private dwelling; visitors are excluded.

Rather than attempting to define a Māori or Pacific household, we look at the tenure of households in which Māori and Pacific people live. An individual may have more than one ethnicity and there may be people from more than one ethnicity within a household. We also look at individual home ownership for Māori and Pacific people.

Key findings

The proportion of all people in households living in an owner-occupied dwelling fell from 75.2 percent to 63.7 percent between 1986 and 2013, a decline of 15.3 percent.

Conversely, the proportion of the population living in dwellings that were not owned increased from around one-quarter to over one-third of the population (24.8 percent to 36.3 percent), a 46.4 percentage increase.

The proportion of children aged under 15 years living in dwellings that were not owned increased even more between 1986 and 2013, from 26.1 percent of children to 43.1 percent, a 65 percent increase. This occurred at a time when the proportion of children in the population fell from around one-quarter to just over one-fifth of the population.

- For Pacific people and Māori, the proportion of their populations living in an owner-occupied dwelling fell at a faster rate than for the total population (down 34.8 percent and 20.0 percent, respectively).

- In 1986, around half of Pacific and Māori children lived in an owner-occupied dwelling. By 2013, the proportions were 38.5 percent of Māori children and 28.4 percent of Pacific children.
- The greatest fall in home ownership for was in the 1990s, when there was a prolonged recession and unemployment was high.

Home ownership fell in most areas, but differences emerge between rural and urban areas, and some territorial authority areas.

For the overall population, the proportion of people living in an owner-occupied dwelling fell the most in Hamilton and Tauranga cities, Ashburton district, and Auckland.

- The percentage of rural Māori living in an owner-occupied dwelling increased about 10 percent between 1986 and 1991, and was largely unchanged until the 2000s. Between 2001 and 2013, the proportion of rural Māori living in an owner-occupied dwelling fell 11.8 percent, compared with a 7.1 percent drop in urban areas. This is despite a general ageing of the rural population, relative to urban areas. In 1986, the median age of Māori, in urban and rural areas, was 19.2 years and 20.6 years, respectively. By 2001, it was 21.4 years and 24.0 years; by 2013 it was almost a four-year gap (at 23.3 years and 27.1 years, respectively).
- Between 1991 and 2013, the percentage of Māori living in an owner-occupied dwelling declined most in: Whangarei (down 39.5 percent, Rotorua (down 38.6 percent), Hastings (down 38.2 percent), Tauranga (down 37.6 percent), and Southern Auckland (down 37 percent).
- By territorial authority area, the largest falls for Māori between 1986 and 2013 were in Tauranga city (down 38.6 percent), Carterton district (down 31.0 percent), Rotorua district (down 30.8 percent), and Hastings city (down 30.0 percent).
- In contrast, the proportion of Māori living in an owner-occupied dwelling increased in Wellington and Porirua cities and some South Island areas.

Between 1986 and 2013, for Pacific peoples, the proportion living in an owner-occupied dwelling fell almost 40 percent in Auckland and Christchurch urban areas, and around 14 percent in the total Wellington urban area (ie Porirua, Lower and Upper Hutt, and Wellington urban zones).

Even when adjusted for the differing age structure in the populations, large disparities in individual home-ownership rates remain. The age-adjusted individual home-ownership rate for Māori in 2013 was 35.0 percent and the age-adjusted Pacific peoples' rate was 24.4 percent.

As home-ownership rates have fallen, more people are living in rental housing. The proportion of housing occupied rent-free has also fallen since the 1980s. As home-ownership rates declined, Māori and Pacific people were increasingly living in properties rented from private landlords, businesses, or trusts.

- Since 1986, the proportion of Māori living in private rentals increased more than for the total population (up 88.3 percent and 42.7 percent, respectively). The increase for Pacific people was 58.5 percent.
- In 1986, 8 percent of people with Māori ethnicity who did not own their dwelling lived in a dwelling that was either free with a job, or loaned without payment. For Māori in rural areas, this was around one-third of all dwellings that were not owned. At the 2013 Census, just over 5 percent of Māori people in households that did not own their dwelling lived in a rent-free dwelling.

People living in one-parent families have very low home-ownership rates.

- Looking at individual home ownership, the lowest rates were for Māori and Pacific people living in a one-parent family, with or without others, and in multi-person households.

In 2013, even when adjusted by age, disparities remained in home-ownership rates.

In 2013, the unadjusted home-ownership rate for Māori adults in one-parent families was 12.1 percent. When adjusted by age, it rises to 15.7 percent. For Pacific people in one-parent families, the rates were 9.6 percent and 12.1 percent, respectively.

Māori and Pacific people also have lower rates of household wealth.

- Residential property (including family home, holiday homes, and investment property) is the major wealth source for many households/individuals (Thorns, 1998).
- Lower home-ownership rates may affect an individual's ability to accumulate wealth.
- In the 2009/10 Survey of Family, Income and Employment (SoFIE) Māori were 13 percent of the population but owned 5 percent of the net worth. Pacific people owned 1 percent of the nation's wealth through all SoFIE waves but were around 5 percent of the population.

Structure of the paper

The 1980s and 1990s were a period of considerable economic and social change within New Zealand. Home ownership peaked in 1991, but had fallen by the time of the 1996 Census. This decline has continued.

We consider the following questions in this paper.

- Has the change in home-ownership rates for Māori or Pacific people between the 1980s and 2013 been similar to the national pattern?
- Have changing home-ownership rates for Māori and Pacific varied by region or urban/rural location?
- Are the differing tenure patterns related to the different age composition of Māori and Pacific populations?
- How have the types of rented dwellings changed for Māori and Pacific people since the 1980s?
- What are the implications of the fall in home-ownership rates for Māori and Pacific people?



Introduction and background

Why home ownership is important

Housing is a significant part of family wealth in New Zealand, with home-ownership providing a means to pass on resources between generations. Comparative studies show the amount of family wealth tied up in housing in New Zealand is greater than in many other countries, such as the United Kingdom (Thorns, 1995). Information from the 1990 New Zealand Planning Council (in Thorns, 1995), the 2001 Housing Savings Survey (HSS), and the longitudinal Survey of Family, Income and Expenditure (SoFIE), reinforce the importance of property in the net worth of New Zealanders.

For example, the 1990 NZ Planning Council study found that in 1985 around half of all household wealth came from owner occupation (in Thorns, 1995). Evidence from SoFIE (Statistics New Zealand, 2008) shows that family net worth was much higher when property was owned. Property ownership includes holiday homes and investment properties as well as the family home.

Secondly, health research shows that regardless of cost, housing tenure type affects the health and life expectancy of occupants. This may be partly due to an increased sense of agency – having a sense of greater control over one's circumstances – and to factors such as tenure insecurity and housing quality (Howden-Chapman & Wilson, 1999).

Renting is associated with greater residential mobility (Statistics NZ; 2008, 2015) and evidence shows that frequent moves are detrimental to health and well-being (Howden-Chapman & Wilson, 1999). Recent research from the Growing Up in New Zealand study (Morton et al, 2014) found that between birth and nine months, “children born into families residing in private rental accommodation were the most likely to have experienced early mobility, with nearly one in two (49%) having moved at least once, compared to fewer than one in five experiencing mobility if their families were home owners”.

Rental housing in New Zealand tends to be of poorer quality (BRANZ, 2010; Statistics NZ; 2013, 2015). Boston & Chapple (2014) note that living in poor quality housing particularly affects children because they spend much of their time at home. Older people and people who are immune-compromised are also more vulnerable to poor quality housing.

We'll explore evidence on housing quality from the 2010 and 2014 General Social Surveys.

Some renting issues could be overcome. For example, economists Eaquad & Eaquad (2015) cite evidence from Europe where government regulations ensure greater stability of tenure and better quality of rental housing. However, they acknowledge that “unless rental conditions are improved, ever larger numbers of New Zealanders will be living the renter's precarious life of uncertainty and hardship”.

Māori and Pacific people's tenure aspirations

Although different cultural values can be placed around home, and home ownership, research indicates that both Māori and Pacific people aspire to home ownership. However, this would benefit from further investigation as much of the research is from the 1980s and 1990s. Has the overall drop in home ownership since the 1990s, and discussion of the reality of ongoing renting for many people (Eaquad & Eaquad, 2015) affected people's aspirations? In particular, it would be interesting to study the effect of rising house prices in Auckland.

Waldegrave, King, & Walker (2006) looked at research around Māori aspirations for home ownership and found that Māori did aspire to home ownership but faced numerous barriers. These barriers included the difficulties of developing land with multiple owners in rural areas, lack of financial resources, and knowledge and support around the process of purchasing a home.

A recent synthesis report by Beacon Pathways (Berry, 2014) noted similar financial constraints for Pacific families, as well as the difficulty of accessing suitable housing for their larger households.

Situation differs historically for Māori and Pacific peoples

For Māori and Pacific people, the housing tenure situation is complex; we don't discuss this in full here. However, while both groups are characterised by lower-than-average home-ownership rates, their situations currently and historically are quite different.

Māori, as the indigenous inhabitants of Aotearoa New Zealand, owned much of the North Island in the late 19th century. As late as 1910, Māori owned around 27 percent of the North Island, but this fell to 9 percent by 1939 and was around 4 percent by the beginning of the 21st century.

See [Māori land loss, 1860–2000](#) (also see Coleman et al, 2005).

Since the 1990s, there has been an increase in the quantity of land in Māori ownership, and other assets, partly as a result of Treaty of Waitangi settlements (Coleman et al, 2005).

Māori faced challenges in developing land and housing over the 20th century. Since Māori land is communally owned, they experienced issues with obtaining finance for land development and housing, although some government assistance was available (Boston & Chapple, 2014; Schrader, 2013).

[Maori Land Online](#) shows most Māori land is located in rural areas. However, since the mid-20th century, rapid urbanisation has meant that most Māori now live in urban areas and are therefore subject to the effects of rising house prices, particularly in the main metropolitan areas in the 2000s.

In contrast, Pacific peoples have only been present in New Zealand in large numbers since the 1960s. In 1951, the census showed that New Zealand had 4,539 people with one or more Pacific ethnicities. By 1971 there were 31,149 people born in Pacific countries living in New Zealand and 50,434 people of Pacific ethnicities.

Demographics of New Zealand's Pacific Population (Statistics New Zealand, 2007) notes that people from the Cook Islands, Niue, and Tokelau held New Zealand citizenship and therefore had unrestricted right of entry and settlement in New Zealand. However, people from other Pacific nations, particularly Samoa, Tonga, and Fiji, entered New Zealand through temporary permits, quota schemes, and family reunification policies.

A combination of push and pull factors led to an increase in Pacific migration. In the 1960s, New Zealand had full employment and needed labour, particularly in manufacturing, and welcomed Pacific workers. Climatic factors were also influential. For example, tropical cyclones damaged Tokelau and Niue in the 1960s.

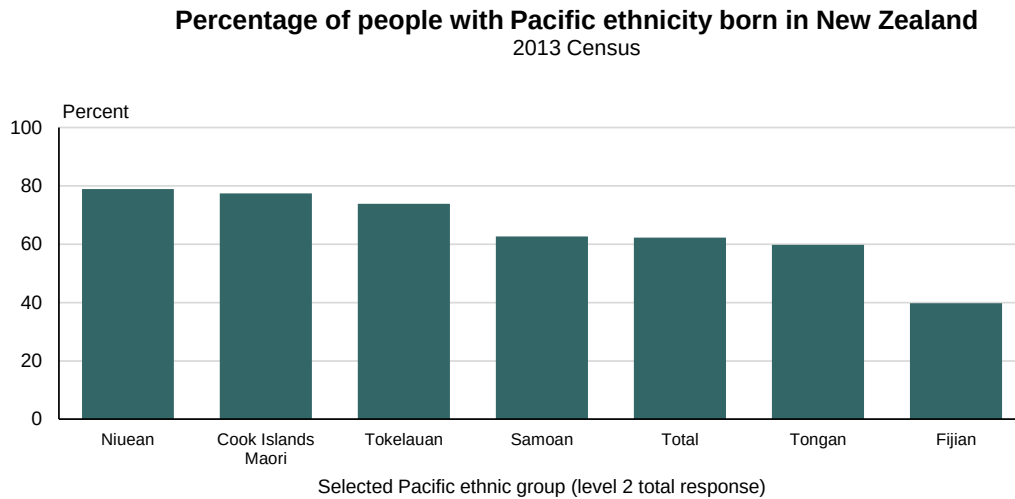
Samoan migrants were the first to arrive in large numbers in the 1950s and they remain the most numerous group today. About half the people with one or more Pacific ethnicities in 2013 identified as Samoan.

Each wave of immigrants arrived and established their own communities and settlement patterns. Some groups settled in close communities, while Walrond (2014) noted that

unlike “many other Pacific peoples Niueans did not group together, but dispersed throughout Auckland’s inner suburbs”.

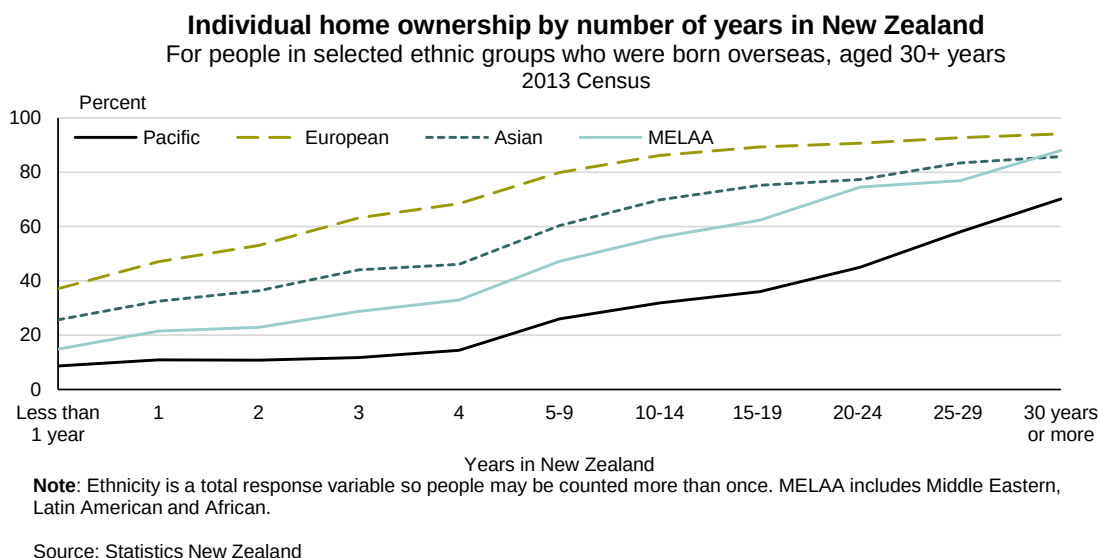
By 2013, almost two-thirds (62.3 percent) of Pacific peoples were born in New Zealand. Figure 1 shows that almost 8 out of 10 Cook Island Maori and Niuean people were born in New Zealand. In contrast, just over 4 of 10 Fijians were born here.

Figure 1



Home ownership is likely to be lower for recent migrants, as people take time to build up their assets. In 2013, for example, 11.2 percent of all overseas-born people (aged 30 and over) who had lived in New Zealand for less than a year owned their dwelling. This compared with 70.6 percent of those who had lived in New Zealand for 20 years or more.

While home ownership for Pacific people increased with length of time in New Zealand, it was much lower than for other ethnic groups and did not increase as much over time.

Figure 2

While tenure patterns varied for Pacific peoples, they are characterised by lower rates of home ownership than for other migrant groups. We explore possible reasons for lower home-ownership rates in 'Factors affecting home ownership falls'.

Māori and Pacific settlement patterns

By the time of the 2013 Census, 84.4 percent of Māori lived in urban areas, although this varied by region. Almost half of Northland Māori (20,760 people or 46.2 percent) and just under one-third in Gisborne region (6,024 people or 30.6 percent) lived in rural areas.

In contrast, Pacific people tended to settle in large urban areas, particularly Auckland and Wellington. In 2013, more than 9 in 10 people with Pacific ethnicity (97.1 percent) lived in urban areas – around 8 out of 10 Pacific people were in the metropolitan areas of Auckland, Wellington, or Christchurch.

Figure 3 shows the distribution of Pacific peoples in New Zealand in 2013 while figure 4 looks at growth of the Pacific population in the largest urban areas for 1986–2013.

Figure 4 shows that in both 1986 and 2013, Pacific people were most numerous in the Southern and Central Auckland zones. However, between 2006 and 2013 the largest population increase occurred in Southern Auckland.

Figure 3

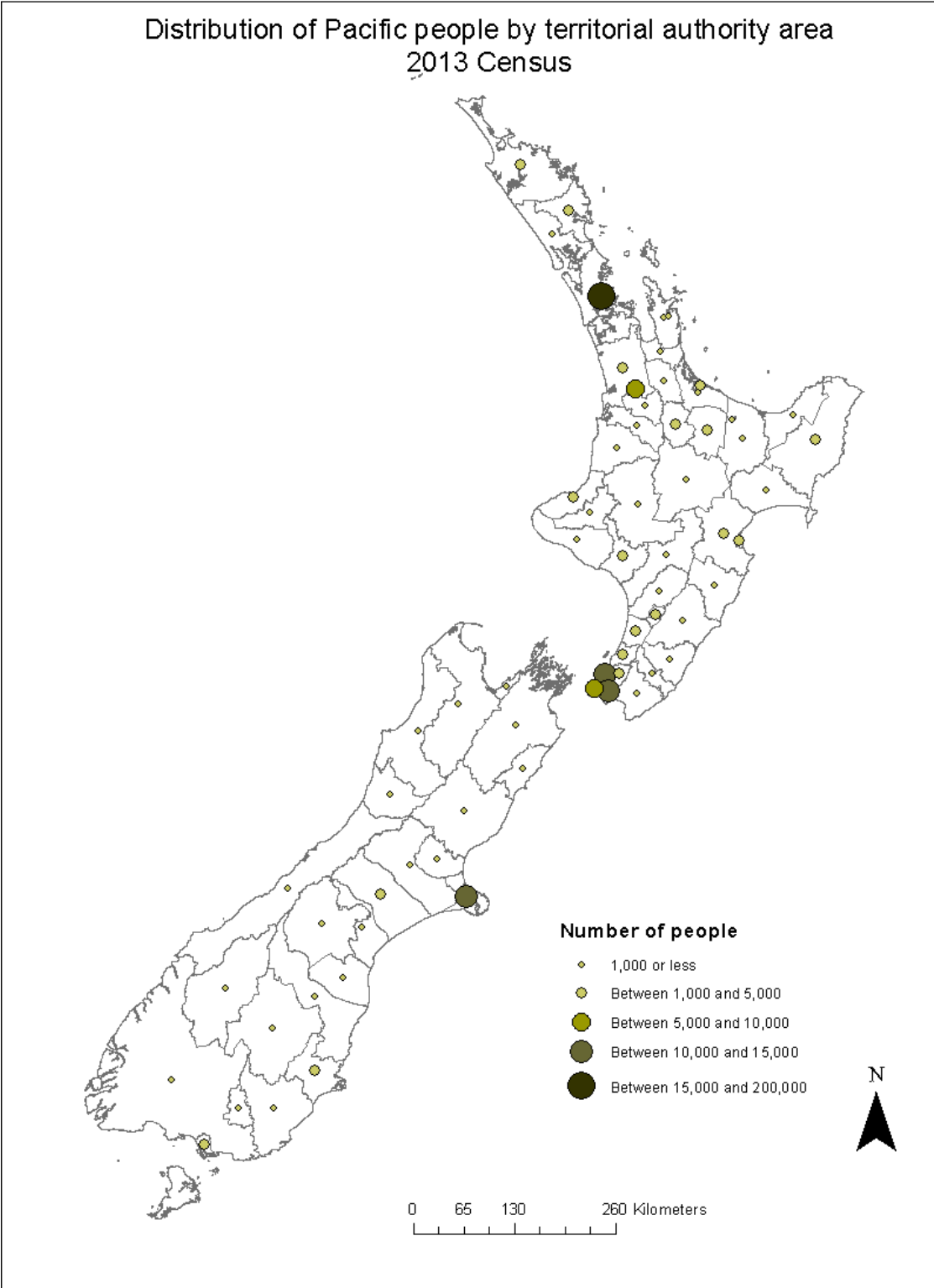
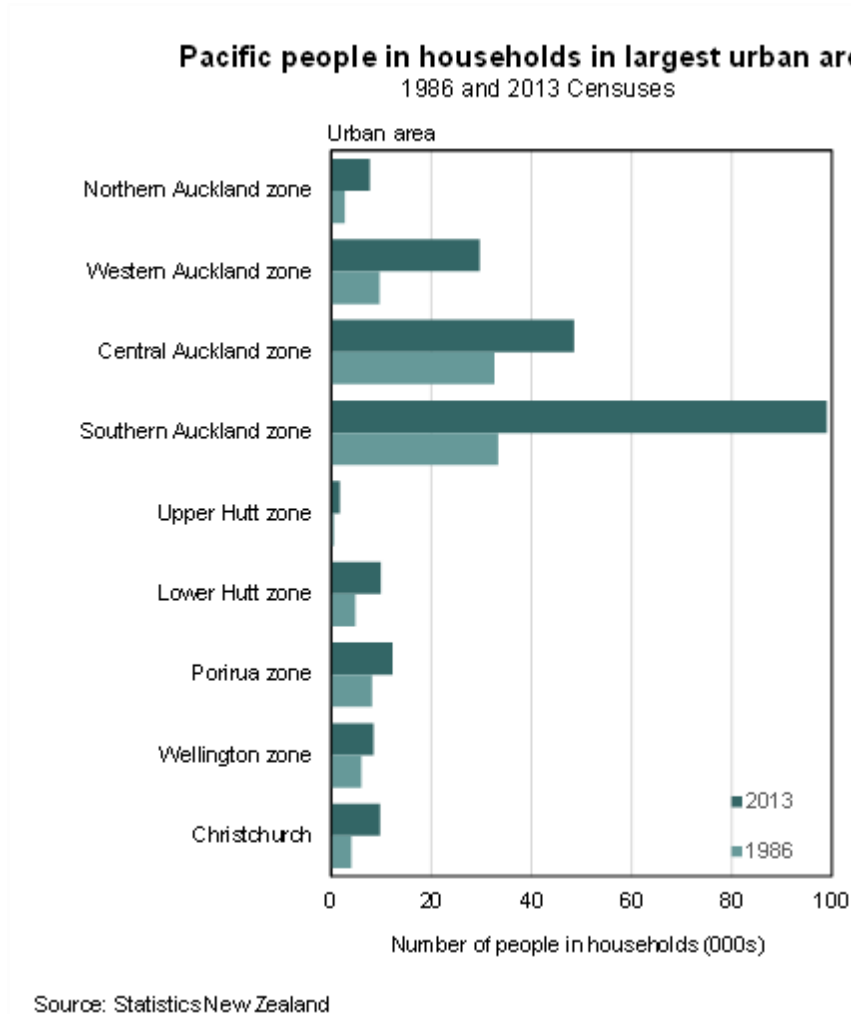


Figure 4

In 2013, Māori made up around 15 percent of New Zealand's population that stated an ethnicity. Before European settlement, most Māori had lived in the North Island, a pattern of population distribution that continues today. Figure 5 shows the largest populations of Māori were in Auckland, Hamilton, and Christchurch in 2013. However, some smaller areas had high proportions of Māori. In Wairoa, Kawerau, and Opotiki districts around 6 out of 10 people identified as Māori.

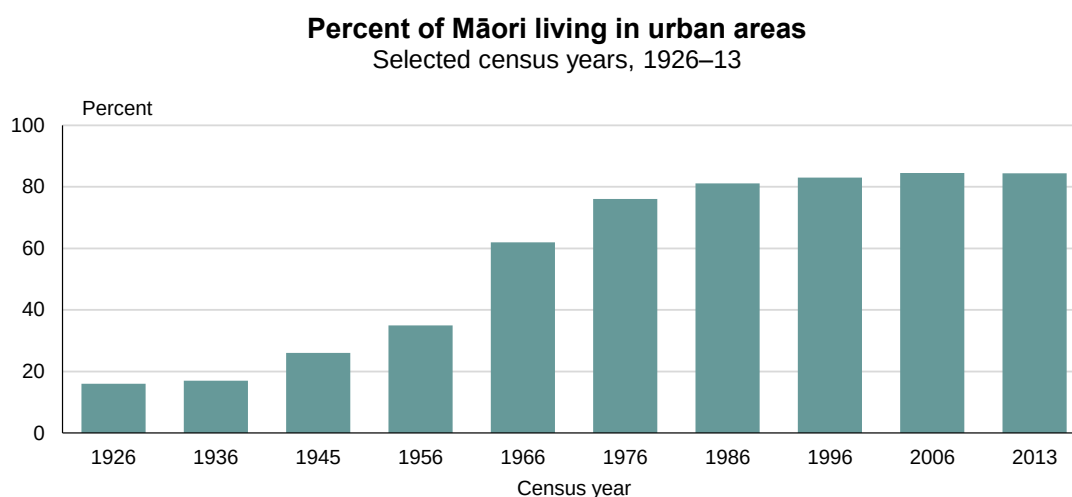
Figure 5



Changes in Māori housing tenure before the 1980s

Thorns (1995) showed that home-ownership rates for Māori were higher in the earlier part of the 20th century and declined once Māori urbanised. Urbanisation occurred rapidly in the mid-20th century. The government encouraged resettlement after World War II as they realised there was insufficient rural land to support the burgeoning Māori population (Pool & Kukatai, 2014). At the time, the census identified differences in tenure through the concept of Māori dwellings (see definition below). The 1951 Census noted that only 9.4 percent of Māori dwellings and 18.7 percent of the Māori population were in urban areas, but by 1961 31.1 percent of Māori dwellings and 33.3 percent of the Māori population were urban.

Figure 6



Source: Statistics New Zealand

Defining an ethnic dwelling

The definition of a Māori dwelling has changed over time. Before the 1960s, there was little information about defining a Māori dwelling. From the 1960s to the 1980s, the Statistics Department defined a dwelling as Māori if the head of the household was 'half or more Māori ancestry', or was 'less than half Māori ancestry' but the majority of the inhabitants were of 'half or more Māori ancestry'. In 1981, a Māori dwelling was defined using the ethnicity of the occupier (head of household). Home ownership for Pacific dwellings was recorded on the same basis in the 1981 Census.

We no longer use the concept of an 'ethnic' dwelling.

The 1936 Census recorded that 70.5 percent of Māori dwellings were owned by occupants, mainly in rural areas. Housing in rural areas tended to be smaller, with almost 40 percent of Māori dwellings having one or two rooms in 1936. The Census and Statistics Office noted in the 1947–49 yearbook that "Many of the Maori dwellings are without household amenities customary in European dwellings; however, the Maori dwells mainly in rural areas, where some of the amenities are not readily available".

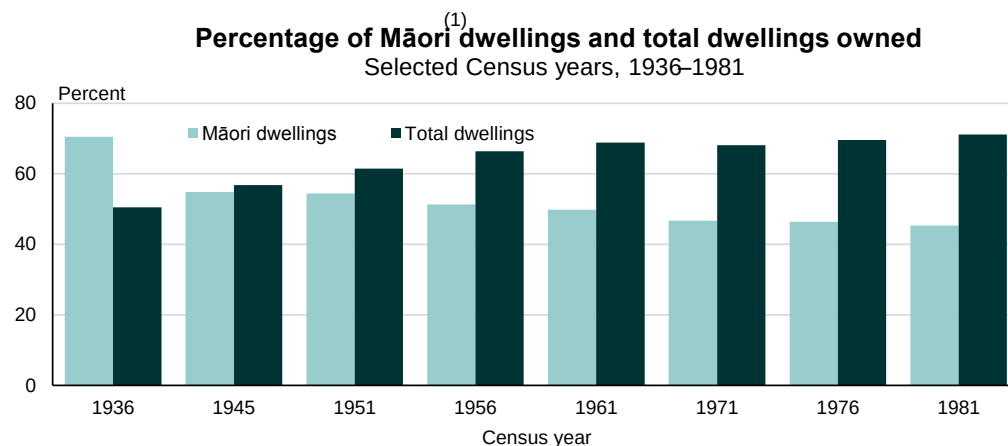
The condition of some rural housing was very poor. Even as late as the 1980s, the Housing Commission reported:

Māori households in the Tai Rawhiti (East Coast), Tai Tokerau (Northland) and Rotorua/Whakatane areas ... have the most serious unmet housing need in the country in terms of the proportion of households suffering acute housing problems and the duration and severity of the problems... Substandard conditions were also widely cited and ranged from houses being condemned, having inadequate sanitation facilities, to lack of power or water connected to the house. Forty years of neglect of Māori housing in rural areas has been compounded by the slowing of the rural urban migration of young Māori and in many places the return of Māori families to their land. (Quoted in Saville-Smith & Wehipeihana (2007)).

With increasing urbanisation the Māori home-ownership rate fell to 54.8 percent by 1945, but housing size had increased. By 1961, home ownership was less than 50 percent. In 1981, 45.3 percent of Māori dwellings were owned by their occupants. This figure compares with a home-ownership rate of around 39 percent for Pacific dwellings.

Because of changes in the classification of ethnicity the figures for Māori are only broadly comparable with Māori data from 1986 onwards.

Figure 7



1. The definition of Māori dwellings varies between census years. Home ownership rates remained higher in rural areas into the 1970s and 1980s.

Source: Statistics New Zealand

Some state support for home ownership was available to Māori – they could obtain low-interest Māori Affairs loans to build their own homes (Schrader, 2013). Non-Māori had access to State Advances loans, also at low interest rates, although as Bassett & Malpass (2013) note, cheap loans to build new housing were largely phased out during the 1980s.

Disparity in home-ownership rates for Māori increases

Thorns (in Forrest, 1995) argues that by the 1970s, home ownership was becoming ethnically segregated, with a growing difference between European and Māori or Pacific people. Census data showed continuing declining home-ownership rates among Māori and Pacific people and rising home-ownership rates for the rest of the population.

By 1971, for example, the percentage of Māori dwellings that were owned by residents had fallen to 46.7 percent, compared with a rise to 68.1 percent in the proportion owned nationally (up from 61.5 percent in 1951). Rates of home ownership for Māori remained slightly higher in rural than urban areas (51.0 percent and 44.8 percent, respectively). Economists Selena and Shamubeel Equab (2015) highlight the risk that increasing housing unaffordability could lead to further inequality.



Home ownership for Māori and Pacific households after 1986

About our approach

From 1986 onwards we look at changing tenure patterns for Māori and Pacific people, rather than attempting to define a Māori or Pacific household. In census statistics, a household consists of one person usually residing alone, or two or more people usually residing together in a private dwelling; visitors are excluded.

However, a person may have more than one ethnicity and households may contain people with different mixes of ethnicity. Māori and Pacific people have high rates of multiple ethnicity, particularly children.

For example, in 2013 fewer than one-third of Māori children under five years (30.7 percent) and fewer than half of Pacific children under five years (41.0 percent) identified with only one ethnicity. Of particular relevance here, of the 292,041 children under five years, who were either Māori or Pacific in the 2013 Census, 1 in 8 (11.9 percent) were both Māori and Pacific. We use the 'tenure in household' variable, which has information about whether dwellings are owned with or without a mortgage, or in a family trust, or are not owned (rented, rent-free, or rental status not specified).

At first we examine home ownership, then people living in dwellings not owned by the household. Finally we look at individual home ownership (whether a person aged 15 or over owned the dwelling in which they lived). Rates for individual home ownership are lower. For example, a young person aged 15 years who lived in a dwelling owned by their parents should write 'Not owned' to the tenure holder question because they did not own that dwelling themselves.

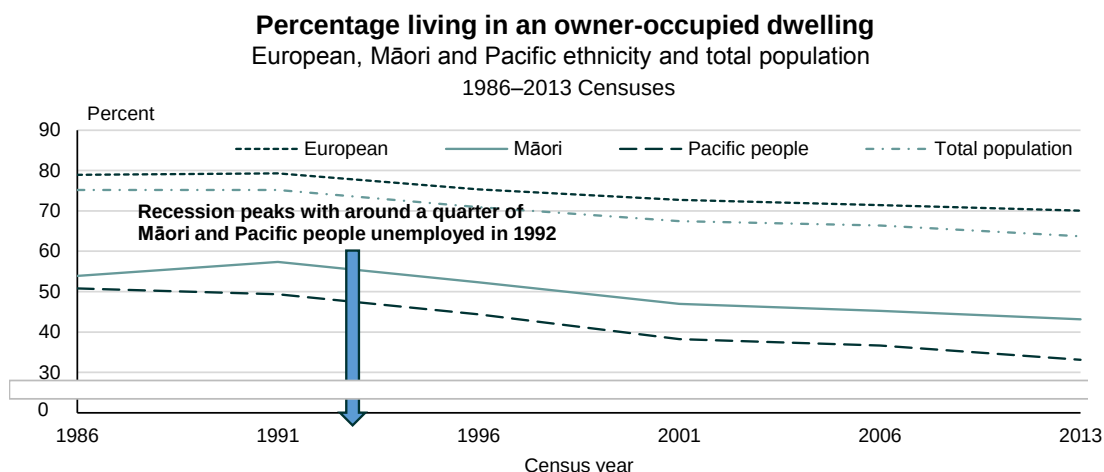
Comparing home ownership over time leads to comparability issues. We have only collected data on family trust ownership since 2006. The 2001 Census had no family trust categories; the 2001 help notes instructed respondents to mark 'No' if the dwelling was in a family trust. Consequently, in the 2001 data, some households whose dwelling was in a family trust may be in the 'owned' categories and others may be in the 'not-owned' categories – depending on how respondents' interpreted ownership and whether they had read the help notes.

Also, because we use 'total response ethnicity', people may be counted more than once. Sometimes we compare Māori and Pacific people with total people in households, but at times we include comparisons with other ethnic groups.

The first question to explore was whether the decline in home ownership occurred at a similar rate for Māori and Pacific people when compared with the total population.

Greater decline for Māori and Pacific people in owned dwellings than for total population

Figure 8 shows the decline in the proportion of people living in a owner-occupied dwelling occurred at a faster rate for Māori and Pacific people than for the total population (all people living in households, including children). While the proportion of people living in an owner-occupied dwelling fell 15.3 percent between 1986 and 2013, the rates of decline were greater for Pacific people (down 34.8 percent) and Māori (down 20.0 percent).

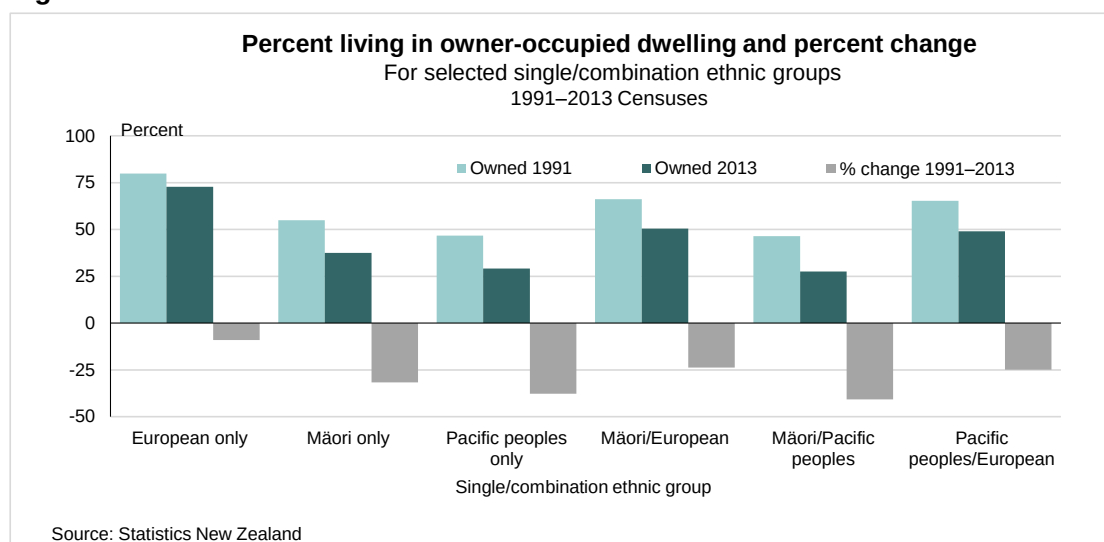
Figure 8

Note: Ethnicity is a total response variable. Owned dwelling relates to the situation of the household and there may be people with more than one ethnicity within a household.

Source: Statistics New Zealand

We were also interested in whether home-ownership rates might have changed more for different combination of ethnicities. Therefore we also consider single combination groups to see any differences in the rates of decline for people of just one ethnicity and people who identified with more than one ethnic group.

Figure 9 shows that the greatest decline in the proportion living in a dwelling the household owned occurred for people identifying with both Māori and Pacific ethnic groups (down 40.8 percent), followed by Pacific only (down 37.8 percent) and Māori only (down 31.7 percent). In contrast, the percent of people with European ethnicity only living in a dwelling owned by the household fell less than 10 percent

Figure 9

Source: Statistics New Zealand

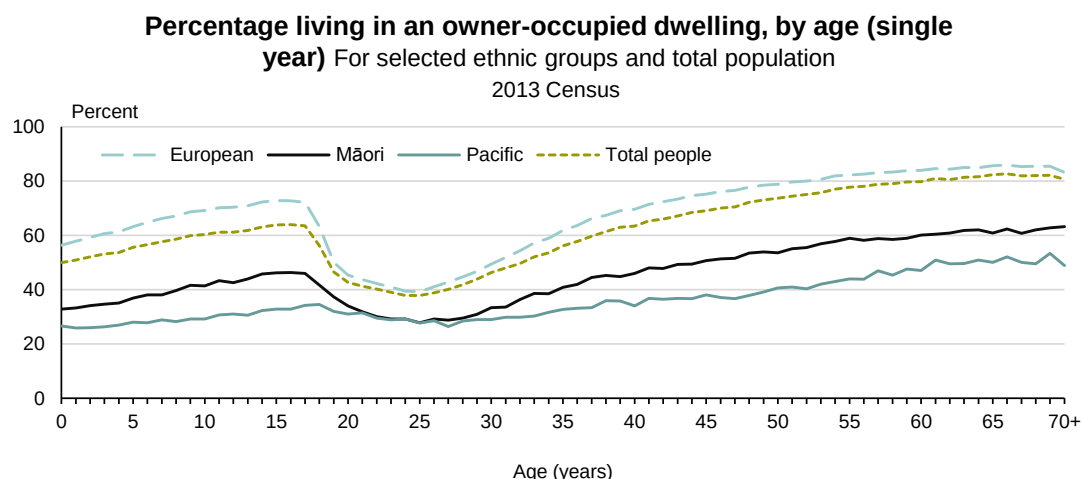
Falls in home ownership affect children

The proportion of children aged under 15 years living in dwellings that were not owned increased even more than for the total population between 1986 and 2013, from 26.1 percent of children to 43.1 percent (up 65 percent). This occurred at a time when the proportion of children in the population fell from around one-quarter to just over one-fifth of the population.

It is likely that falling home-ownership rates had most effect on the youngest people in Māori and Pacific populations. In 1986, around half of Pacific and Māori children lived in an owner-occupied dwelling. By 2013, 38.5 percent of Māori children and 28.4 percent of Pacific children lived in a dwelling the household owned. Rates were even lower for the very young (children under 1 year) with just over one-quarter of Pacific babies and around one-third of Māori babies living in an owner-occupied dwelling.

Figure 10 shows the percentage of people living in an owner-occupied dwelling, by single year of age. Note: for all ethnic groups, young people between 20 and 30 years were the least likely to live in a dwelling owned by the household in which they lived.

Figure 10



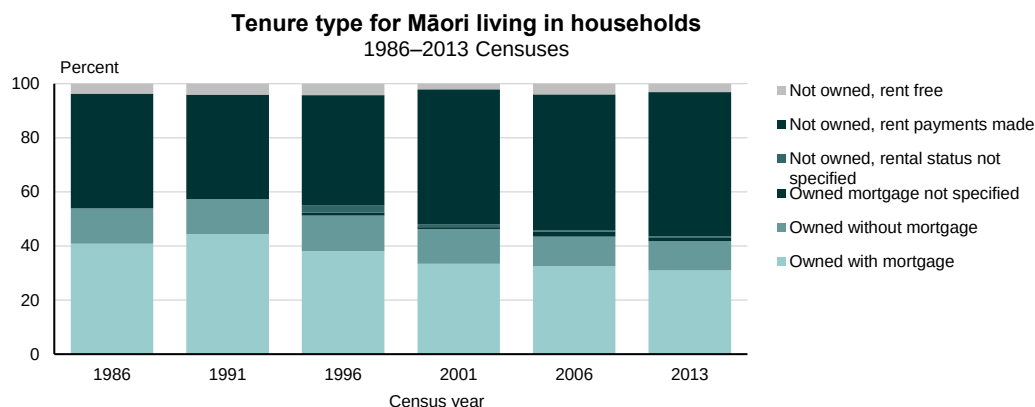
Note: Ethnicity is a total response variable so people may be counted more than once.

Source: Statistics New Zealand

Large fall in Māori living in an owner-occupied dwelling

The proportion of people with Māori ethnicity who lived in an owner-occupied dwelling increased slightly between 1986 and 1991. After 1991, this proportion fell. The greatest fall was in the 1990s, when there was a prolonged recession and high rates of unemployment for Māori and Pacific people. Maré & Dixon (2004) note "Māori economic activity levels were particularly severely affected by the recession and economic reforms of the late 1980s and early 1990s".

Figure 11



Note: In 1986, there were no mortgage status or rental status not specified. In 2006 and 2013, dwellings held in a family trust are combined with owned dwellings.

Source: Statistics New Zealand

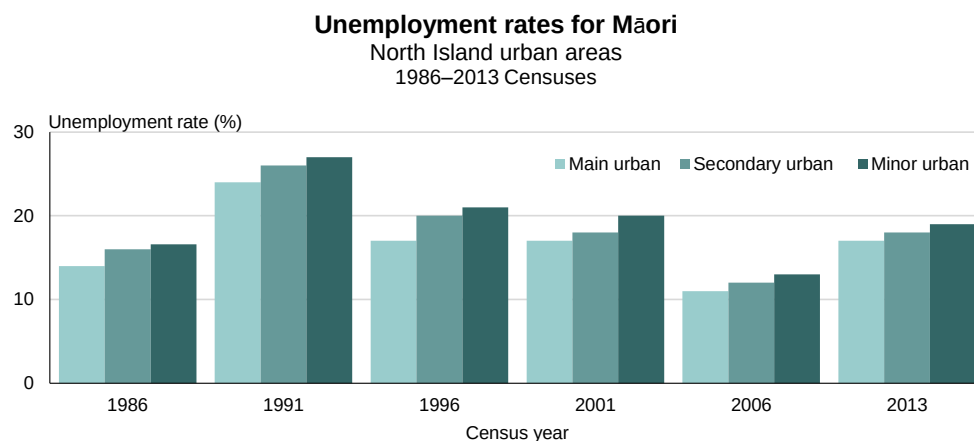
Urban/rural difference shows in changing home-ownership rates for Māori

When we look at the distribution of change in tenure type since 1986, it is clear that urban and rural areas followed different patterns. Between 1991 (the peak in home ownership) and 2013, the proportion of Māori living in an owner-occupied dwelling fell – down 27.6 percent in urban areas and a 9.9 percent decrease in rural areas. The percentage of rural Māori living in a dwelling owned by the household increased about 10 percent between 1986 and 1991, and remained largely unchanged till the 2000s. This contrasts with sharp falls in the proportion in urban areas in the same period. Interestingly, the proportion fell more sharply in smaller urban areas than in the main urban centres.

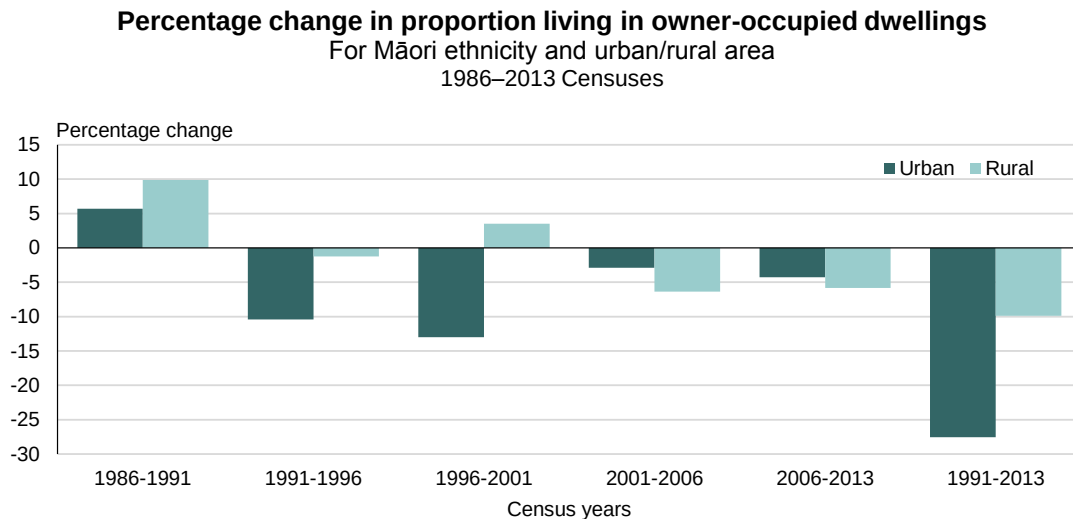
Between 2001 and 2013, the proportion of rural Māori living in an owner-occupied dwelling fell at a faster rate: by 11.8 percent, compared with a 7.1 percent drop in urban areas. This is despite a general ageing of the rural population relative to urban areas. In 1986, the median age of Māori in urban and rural areas was 19.2 years and 20.6 years, respectively; by 2001, it was 21.4 and 24.0 years; by 2013 it was almost a four-year gap (at 23.3 and 27.1 years, respectively).

Māori unemployment rates for 1986 to 2013 were consistently higher in smaller urban centres (those with populations between 1,000 and 29,999), particularly in the North Island.

Figure 12

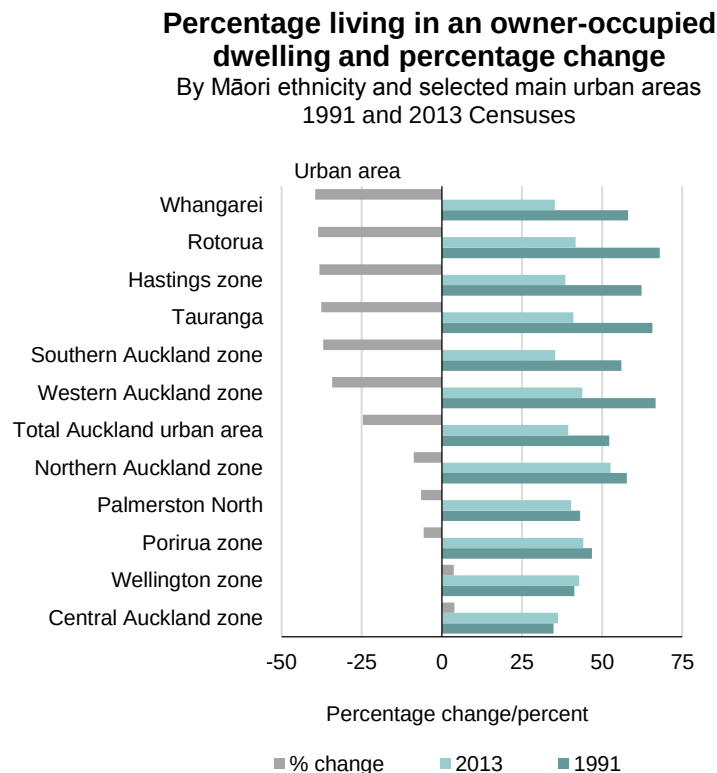


Source: Statistics New Zealand

Figure 13

Source: Statistics New Zealand

Looking at the largest urban areas gives a more nuanced picture. Contrary to expectation (that declining home-ownership rates for Māori were largely due to their exposure to the Auckland housing market), the proportion of Māori living in owner-occupied dwellings fell more in Whangarei, Rotorua, and Tauranga than in the Auckland urban area. However, between 1991 and 2013, home ownership did fall sharply in Southern Auckland (from 56.0 percent to 35.3 percent) and Western Auckland zones (from 66.7 percent to 43.8 percent).

Figure 14

Source: Statistics New Zealand

Figures 15 and 16 show the percentage of North Island Māori living in an owner-occupied dwelling in 1986 and 2013.

Figure 15

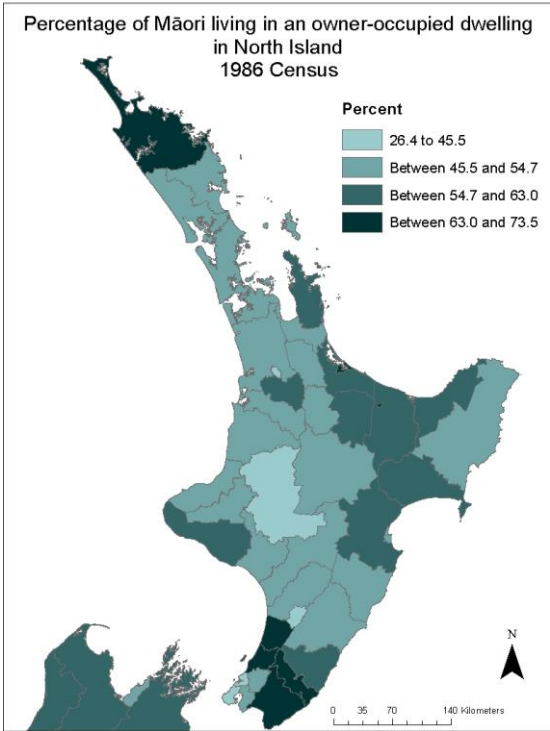
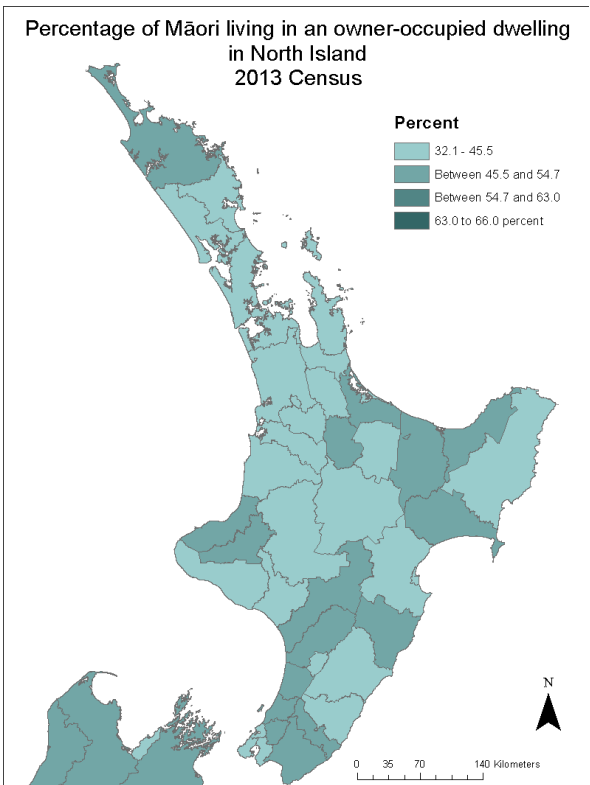


Figure 16



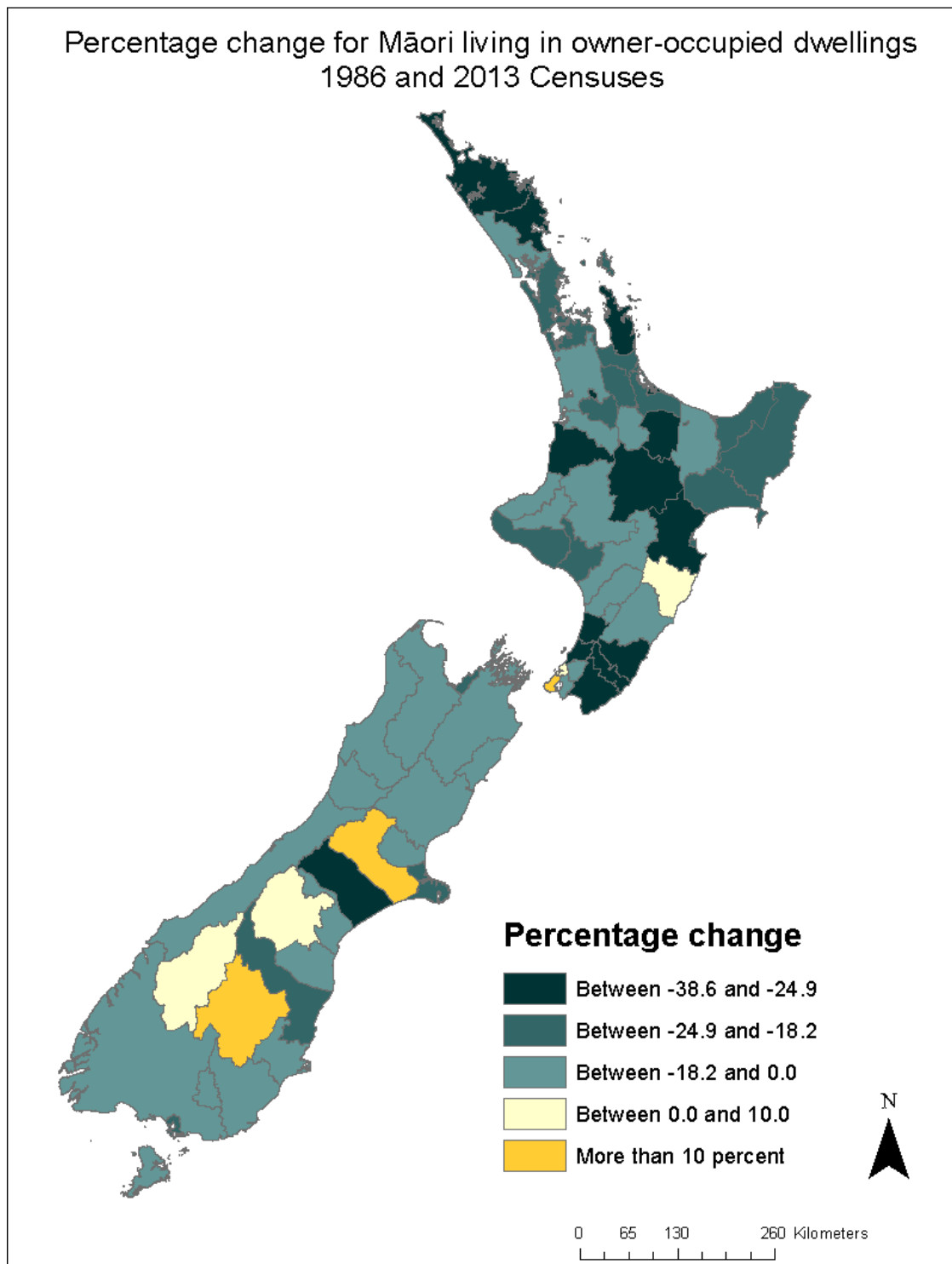
Changes in territorial authority areas vary

Between 1986 and 2013 the percentage of Māori living in an owner-occupied dwelling fell in most territorial authority areas. The largest falls occurred in Tauranga city (down 38.6 percent), Carterton district (down 31.0 percent), Rotorua district (down 30.8 percent), and Hastings (down 30.0 percent). Ashburton, Far North district, and Hamilton all fell just over 28 percent.

In contrast, the proportion of Māori living in an owner-occupied dwelling increased in Wellington and Porirua cities and some South Island areas.

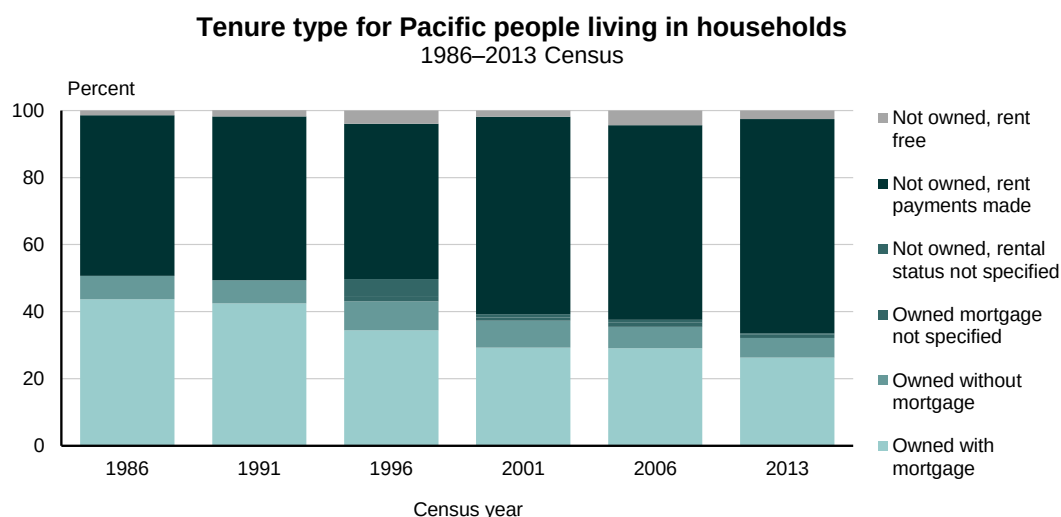
Caution is needed here as some boundaries have changed slightly since 1986. Also, in some territorial authorities, small numbers and higher rates of structural change in populations may skew the data. For example, Selwyn district had 867 people in households with Māori ethnicity in 1986 and 2,706 in 2013.

Figure 17



Pacific people have greatest home-ownership falls

Figure 18 shows the changing tenure patterns for Pacific people between 1986 and 2013. In 'Home-ownership patterns at the individual level' we'll see how this may vary for people of different Pacific ethnicities, such as Samoans or Tongans.

Figure 18

Note: In 2006 and 2013, dwellings held in a family trust are combined with owned dwellings.

Source: Statistics New Zealand

The proportion of Pacific people living in an owner-occupied dwelling fell sharply in the 1990s and then continued to decline, although at a slower rate. Because a high proportion of Pacific people live in Auckland, rising house prices in Auckland have had an impact. However, Pacific people had lower home-ownership rates across New Zealand; in most areas they have fallen over time.

Pacific people tend to live in larger households

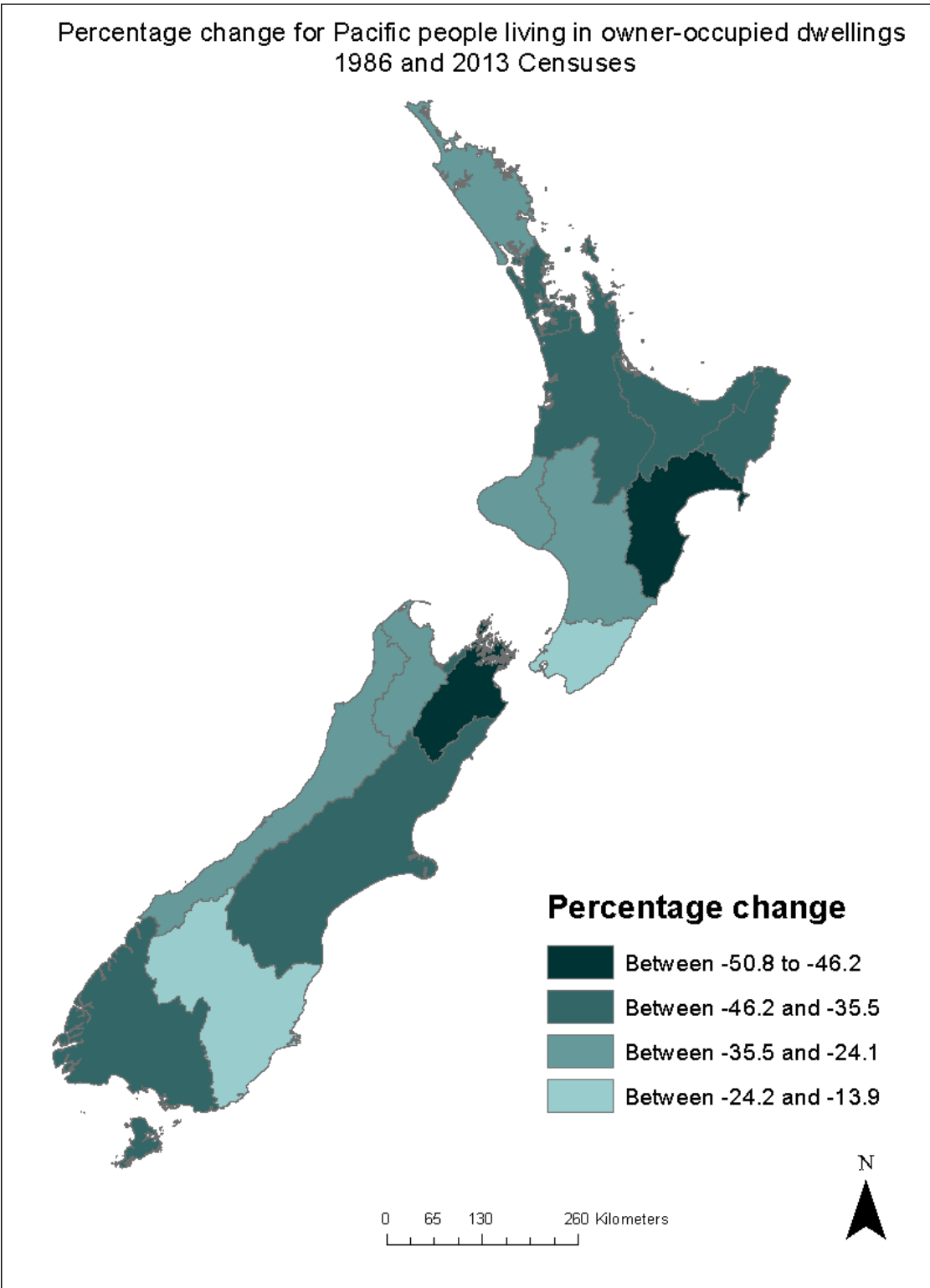
Pacific people are more likely to live in larger households than other ethnic groups. This is due mainly to having larger families, more multi-family households, and more intergenerational households (Statistics NZ, 2012). More than one-quarter of Pacific people (27.9 percent) lived in a household with seven or more people, compared with just 5.6 percent of the total population. The pressure of more people in a household can reduce affordability and the ability to purchase housing.

Urban/regional differences affect changing home-ownership rates for Pacific people

Most Pacific people live in the large metropolitan areas; many other areas have small populations of Pacific people. Therefore, to provide a geographic context, we look briefly at regional change before focusing on the metropolitan centres.

Figure 19 shows the falling home-ownership rates among Pacific people, by region. While rates fell in all areas, the greatest falls were in Hawke's Bay (down 46.2 percent), Bay of Plenty (down 41.1 percent), and Marlborough (down 52.9 percent). While Marlborough had the largest fall, the small number of Pacific people in Marlborough (fewer than 1,000 people in 1986 and 2013) probably contributes to this region standing out. In Auckland, the region with the largest Pacific population, the proportion of Pacific people living in an owner-occupied dwelling fell 38.4 percent.

Figure 19



Because most Pacific people live in large urban centres, we concentrate on Auckland, Wellington, and Christchurch.

Table 1 shows the percentage of Pacific people living in an owner-occupied dwelling fell in all large urban centres, but the greatest falls were in the Western and Southern Auckland zones. Central Auckland consistently had the lowest proportion of Pacific people living in an owner-occupied dwelling in 2013 – just 1 in 4 compared with

approximately half of all people living in Central Auckland. In 2013, just under 50,000 Pacific people lived in a Central Auckland household.

Table 1

Percentage of Pacific people living in a owner-occupied dwelling

By largest urban areas

Selected census years 1986–2013

Urban area	1986	1996	2006	2013	Percentage change 1986–2013
	Percent				
Northern Auckland zone	63.1	48.7	40.7	38.7	-38.6
Western Auckland zone	72.7	57.3	43.5	38.2	-47.4
Central Auckland zone	37.8	32.4	28.0	25.8	-31.8
Southern Auckland zone	58.7	48.1	37.0	32.5	-44.7
Total Auckland urban area	51.9	44.0	35.6	31.9	-38.5
Upper Hutt zone	55.5	54.2	47.2	44.3	-19.9
Lower Hutt zone	46.1	40.9	40.0	38.8	-15.8
Poirirua zone	41.4	39.1	35.8	33.9	-18.1
Wellington zone	39.3	37.2	35.8	35.3	-10.3
Total Wellington urban area	42.4	39.7	37.6	36.4	-14.2
Christchurch	53.8	43.1	35.4	33.0	-38.7
Total New Zealand	50.8	44.4	36.7	33.1	-34.8

Source: Statistics New Zealand

Home-ownership patterns at the individual level

We can also explore changes to tenure patterns at the individual level through the 'tenure holder' variable. This information comes from a census question that asks "do you yourself own, or partly own, the dwelling that you usually live in (with or without a mortgage)?"

Differences in question wording over time may affect comparability of individual home ownership. In 2006 and 2013 we asked respondents to mark 'Yes' if the dwelling was held in a family trust. In 2001 there was no instruction (either on the form or in the help notes) about how to answer the question. In 2001, some people whose home was in a family trust may have answered 'No' instead of 'Yes'. This may have resulted in the data showing a lower percentage for home ownership in 2001 than if this instruction had been included.

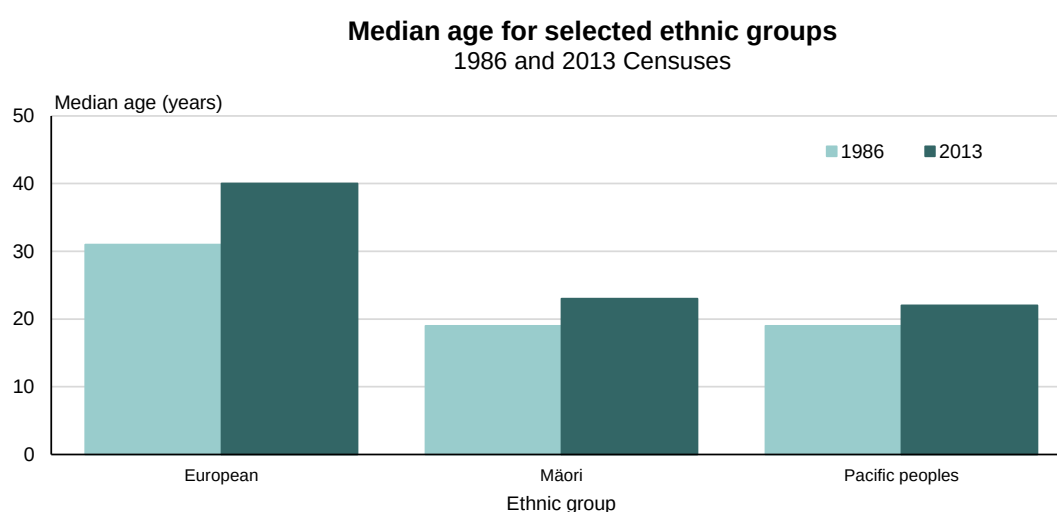
See [Information by variable](#) for more information about tenure holder.

Through the home-ownership variable, we see people's individual tenure status. This enables us to more clearly understand the characteristics of adults who own or do not own their dwelling.

We know that home-ownership rates tend to rise with age. In the total population, in 2013, less than 5 percent of people aged 15–24 years said they owned their dwelling, compared with around three-quarters of people aged 55 and over. When using the home-ownership variable we include an analysis by age – it's possible the much younger age structure of Māori and Pacific peoples could be one factor in their lower home-ownership rates.

This age disparity with the total population has increased slightly over time. Since 1986, the European population has aged at a faster rate than the Māori and Pacific populations. Figure 20 shows the median age for European people rose nine years between 1986 and 2013, compared with just four years for Māori and three years for Pacific people.

Figure 20



Māori and Pacific people have larger proportional falls in home-ownership even when age standardised

Age standardisation of home-ownership rates

One factor that contributes to disparities in measures of home ownership is the wide difference in the age structure of the groups being compared. Both the Pacific and Māori populations have a much younger age structure than the total population, which affects comparison of unadjusted rates for individual home-ownership.

For example, in 2013 a home-ownership rate not adjusted for age is 28.2 percent of Māori adults and 18.5 percent of Pacific adults, contrasting with 50.2 percent for the total adult population. By age standardising, we can show what the rates would be had these populations had the same age structure as the total population. We find the age-adjusted Māori rate is 35.0 percent, and the age-adjusted Pacific rate is 24.4 percent. This shows that the differing age structures of the Māori and Pacific populations accounts for some disparity, but the dominant causes of such disparity lie elsewhere.

Table 2 shows the differences in the home-ownership rates and percentage change for selected ethnic groups – before and after age standardisation.

Table 2
Differences in individual home ownership rates and percentage change

Before and after age standardisation

2001–13

Ethnic group	2001	2001 age adjusted rate	2013	2013 age adjusted rate	% change 2001–13	% change age adjusted 2001–13
European	59.7	58.1	56.8	54.6	-4.9	-6.1
Māori	31.7	40.1	28.2	35	-11.2	-12.8
Pacific peoples	26.0	32.3	18.5	24.4	-28.9	-24.5
Total people who stated an ethnicity	54.9	..	50.2	..	-8.4	..

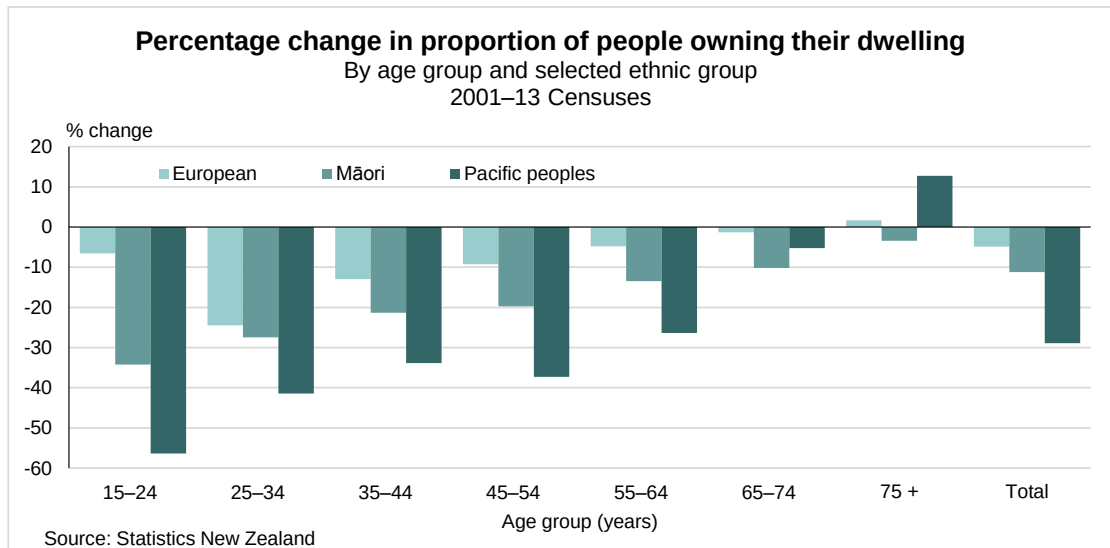
Symbol: .. figure not available

Source: Statistics New Zealand

Home ownership falls for most age groups

There was considerable variability in home ownership by age, with people under 35 years having the greatest falls between 2001 and 2013. Figure 22 shows that individual home ownership for European and Pacific people aged 75+ rose.

Between the two census years, for people aged 25 to 34 years, home-ownership rates fell from 42.4 percent to 32.0 percent for people with European ethnicity, from 22.7 percent to 16.4 percent for Māori, and from 18.7 percent to 10.9 percent for Pacific people. The only group to have experienced an overall increase was people grouped under 'other'. However, as that category has undergone considerable change over time, any change is more likely to be related to change in this group's composition.

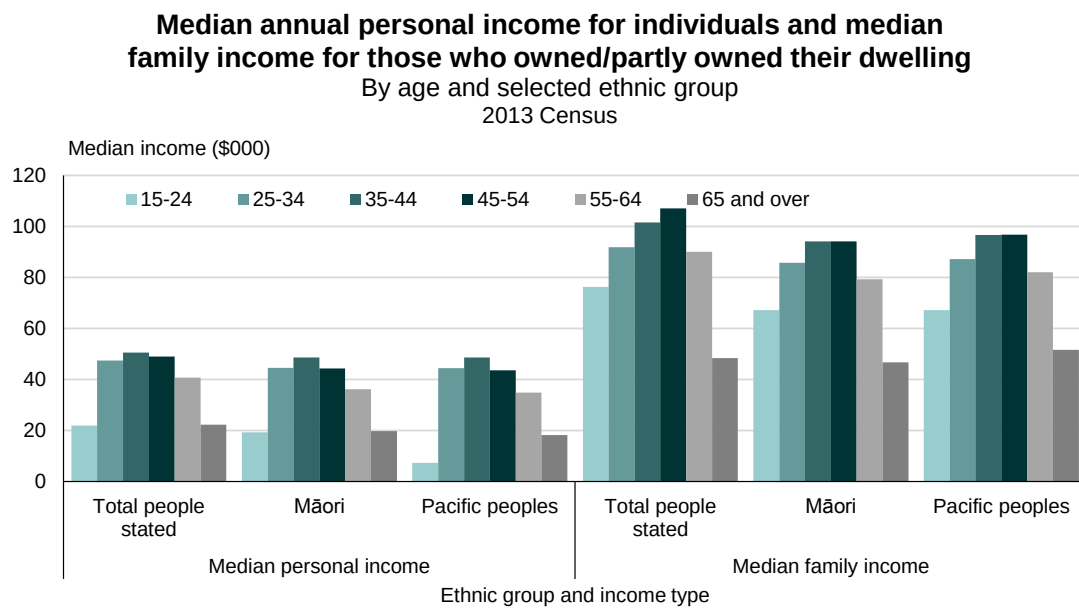
Figure 21

Differences in income between ethnic groups may affect the affordability of home ownership. Past and current income are both important for an individual's ability to access home-ownership, but in the census we only have a measure of current income.

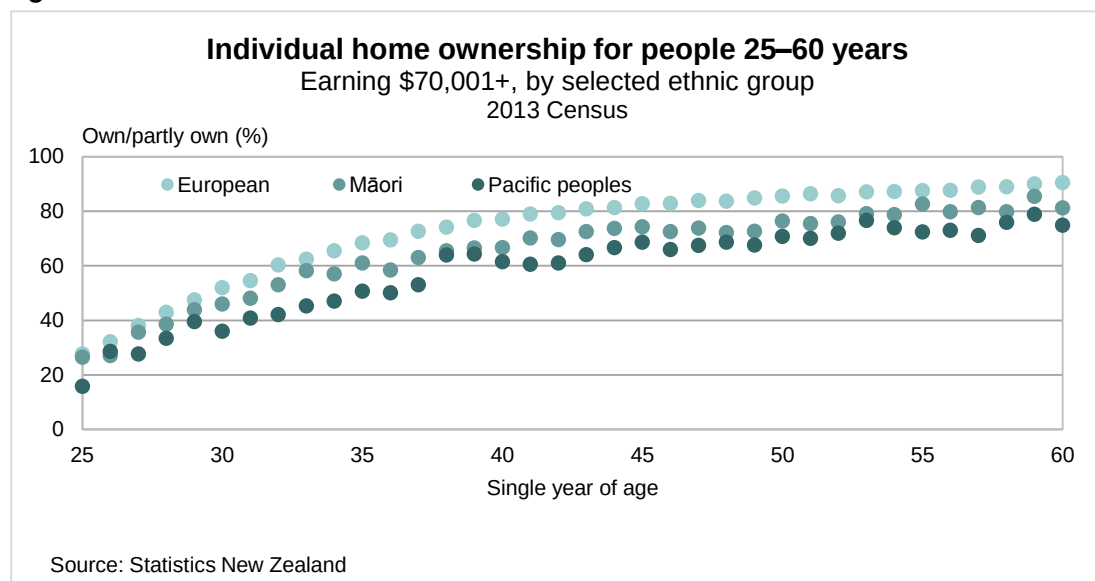
Next we look at the income of an individual and the income of the family in which an individual lives. In 2013, home-owners aged 25 to 54 years generally had higher personal incomes than non-home owners. Māori and Pacific home-owners in this age group received around 1.7 to 1.8 times more income than those who did not own their dwelling. A similar pattern emerges with family income.

When comparing median personal and median family income of home owners by age, much of the income difference between ethnic groups disappears. Figure 22 shows median annual personal income for individuals who owned or partly owned their houses, and compares this with the median annual family income of individuals in families. Family income is important as many people buy a dwelling with a partner.

However, it is important to remember that individuals may have ethnicities in more than one major ethnic grouping. This is especially true of Māori and Pacific people, where multiple ethnic identification is common and, in the case of family income, inter-ethnic partnering will tend to obscure some of the differences.

Figure 22

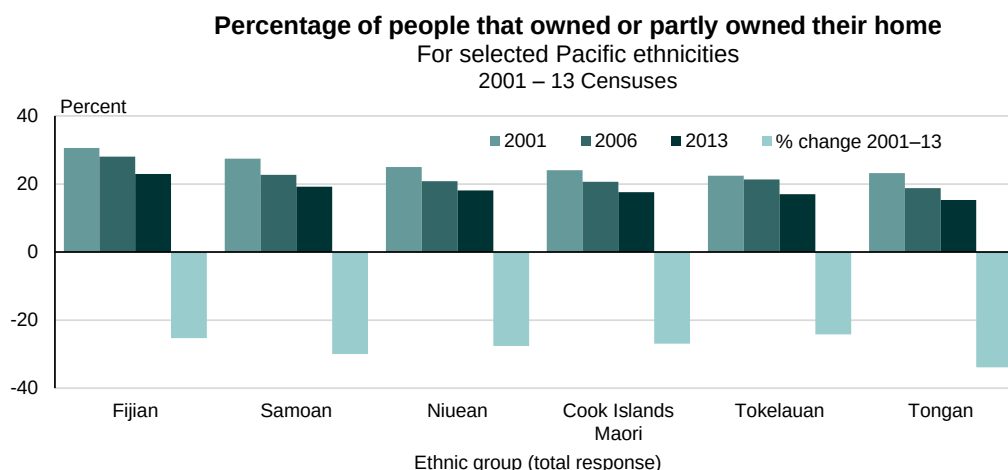
However, home-ownership rates remain lower for Pacific and Māori even when we compare people of the same age who have a similar income level (see figure 23).

Figure 23

Looking at home-ownership rates for different Pacific groups

Using the individual home-ownership variable shows that Pacific people were the ethnic group with the greatest proportional fall in home-ownership rates between 2001 and 2013.

Figure 24 shows more detail. In 2013, people with Fijian and Samoan ethnicity had slightly higher rates of home ownership (22.9 percent and 19.2 percent, respectively) than people of other Pacific ethnicities. Tongan people had the lowest home-ownership rate (15.3 percent) and the greatest decline from 2001 (down 33.9 percent).

Figure 24

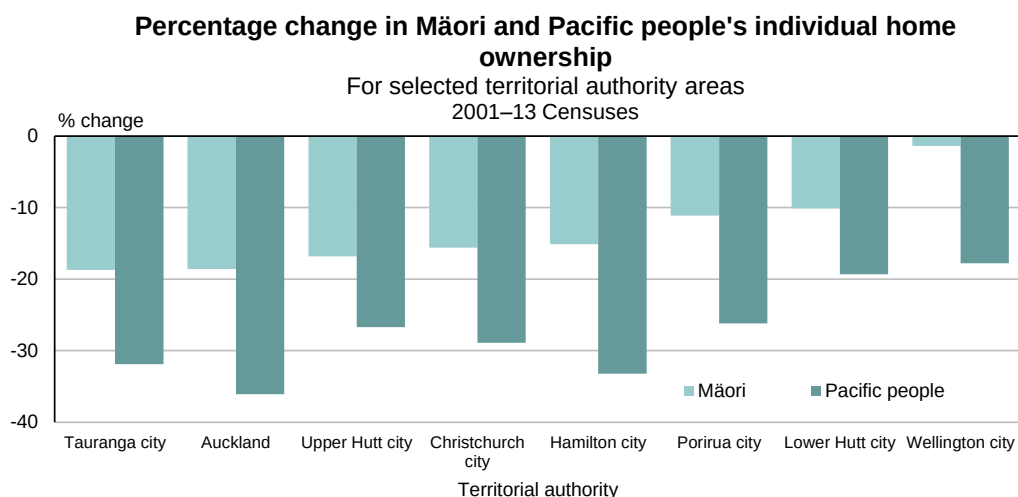
Note: Owned includes dwellings owned with or without mortgage, or held in a family trust (2006 and 2013 only).

Source: Statistics New Zealand

Changes in territorial authority areas vary

As for home ownership at the household level, some regional differences do emerge for individual ownership. In Auckland, home ownership fell 13.5 percent for Māori individuals and 32.3 percent for Pacific people between 2001 and 2013. Figure 25 shows the changes in individual home-ownership rates in the largest urban territorial authority (TA) areas.

See [Housing in Auckland](#) for more information about the Auckland situation.

Figure 25

Source: Statistics New Zealand

Between 2001 and 2013, both Māori and Pacific people experienced declining home-ownership rates in most TA areas.

In the North Island, Māori in the small Kawerau district experienced a sharp fall in individual home-ownership rates, down 23.8 percent.

However, fast-growing TAs such as Selwyn and Queenstown districts provided exceptions to this pattern for Māori – home ownership rose for their small Māori populations. Home ownership also rose in Central Hawke's Bay district.

Factors affecting home-ownership falls

Research (eg Housing New Zealand, 2010) has identified some barriers to home ownership. In *Māori Housing Trends report 2010* (Flynn et al, 2010), the authors attribute the lower home-ownership rates for Māori to: urbanisation, living in higher-cost areas (eg Auckland region), the younger age structure of the population, larger households, lower employment and income levels, intergenerational experience of owning a home, educational achievement, and the wish to live near whanau.

We consider some of these factors for Māori, but many also relate to the Pacific population.

Rising house prices

Since the 1980s house prices have risen substantially, particularly in the housing boom of the early to mid-2000s. The final report of the House Prices Unit (Department of Prime Minister and Cabinet, 2008) notes, “Real house prices increased by close to 80% between March 2002 and March 2007, around the same increase as was recorded across the entire 1962–2002 period”.

At times this has been well above the increase in household incomes (Eaqub & Eaqub, 2015; Productivity Commission 2012). The increase in household incomes has also been uneven.

Between 1982 and 2004, real incomes increased close to 25% for the 90th percentile of earners (the highest 10% of earners), while at the 50th percentile (median income level) real incomes increased around 6%. Real household incomes fell for the lowest 30% of income earners, with the falls coming in the 1982–1996 period. From 1996 to 2004 there were small increases in real household incomes for the lowest 30% of income earners (Perry, 2007; quoted in Department of Prime Minister and Cabinet, 2008)

While this rise in house prices has been associated with a fall in home-ownership rates for all households, Māori and Pacific people have experienced sharper declines.

The following section looks at house prices from Quotable Value New Zealand.

Figure 26 shows the rise in Quotable Value's house price index (HPI) for selected cities and districts, while figure 27 shows the percentage change in the HPI for all TA areas (using pre-2010 boundaries). Auckland in particular has experienced a prolonged rise in house prices in recent years.

Figure 26
House price index for selected territorial authority areas
1989–2014

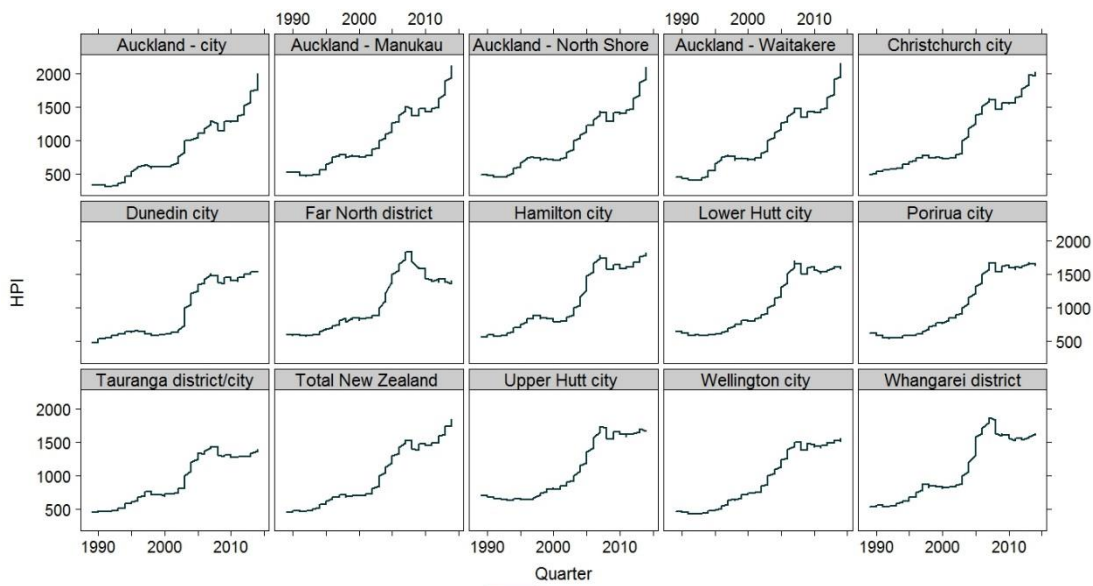
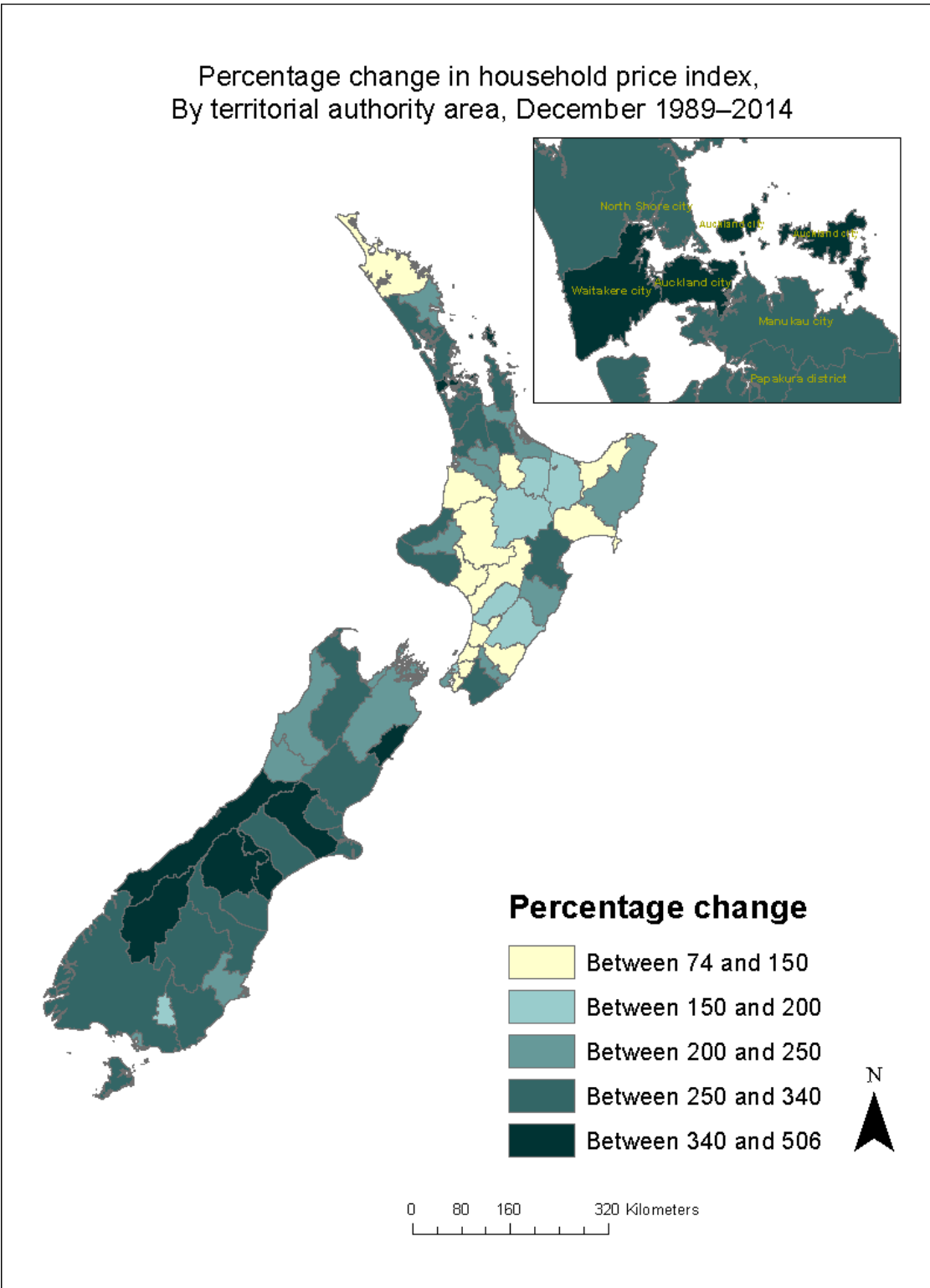


Figure 27



Higher unemployment rates for Māori and Pacific people

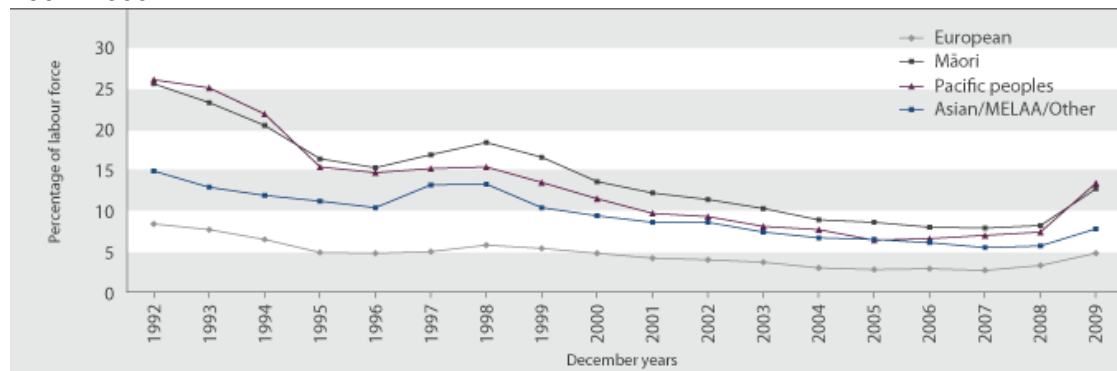
Higher unemployment rates and lower incomes for Māori and Pacific people affect the ability of individuals and households to own a home in the long term. Applicants require ongoing work security and sufficient income to save a deposit and be granted approval for a mortgage.

Data from the Household Labour Force Survey (HLFS) shows unemployment peaked in 1992, with rates for Māori and Pacific people at over 25 percent.

In 2015 unemployment rates were still high for Māori and Pacific people. In the September 2015 quarter of the HLFS, the unemployment rate for Māori was 12.9 percent and 13.1 percent for Pacific people). This compares with a total unemployment rate of 6.0 percent.

Figure 28, from the Ministry of Development's Social Report (2010) shows the disparity in unemployment rates. Since 1992, unemployment rates for Pacific people and Māori have consistently been nearly three times the rate for European people.

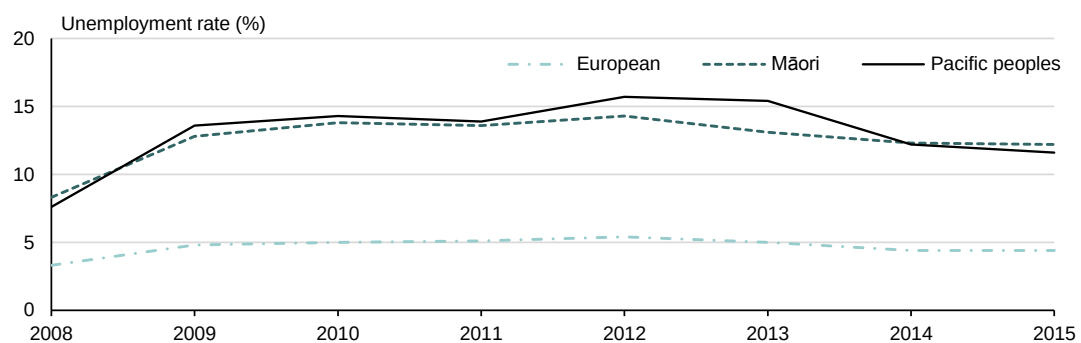
Figure 28
Unemployment rates (HLFS) by ethnic group
1992–2009



Source: The Social Report 2010, Ministry for Social Development.

High rates of unemployment have continued, as the HLFS data in figure 29 shows.

Figure 29
Unemployment rate for European, Māori, and Pacific peoples
Household Labour Force Survey, Year ended December 2008–15



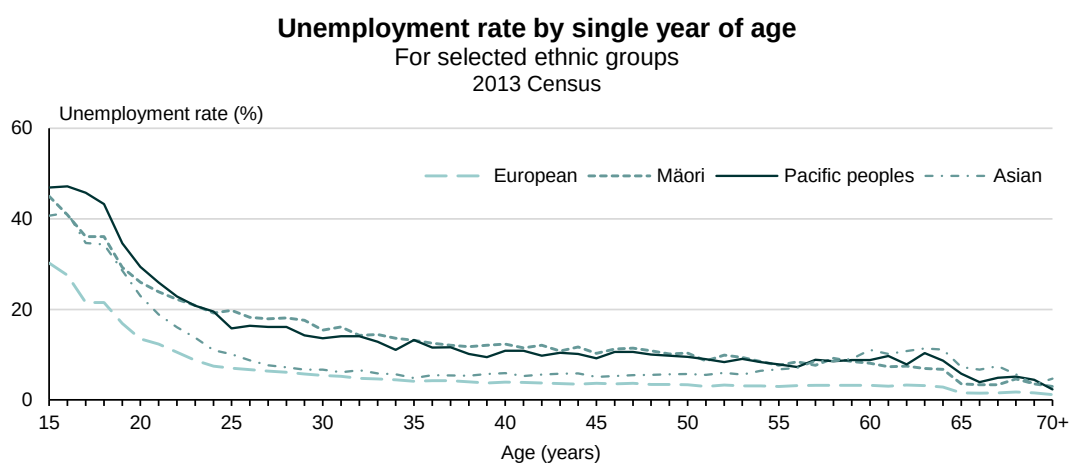
Note: Ethnicity is a total response variable so people may be counted more than once.

Source: Statistics New Zealand

Since unemployment is higher among young people, the younger age structure of Māori and Pacific people contributes to their high unemployment. However, across all age groups, unemployment was still higher for Māori and Pacific people in 2013. When we adjust the unemployment rate to take into account the much younger age structure of the Māori and Pacific peoples populations, the rates were almost double those of the general population (just over 13 percent, compared with 7 percent for the population who stated their ethnicity).

Figure 30 shows unemployment by single year of age for selected ethnic groups (from 2013 Census). Although the census is not New Zealand's official measure of unemployment, it lets us look at unemployment in greater detail than a sample survey.

Figure 30



Note: Ethnicity is a total response variable so people may be counted more than once.

Source: Statistics New Zealand

Māori and Pacific people's median income lower than for population overall

Māori and Pacific people tended to have lower median incomes than the total population – whether we look at personal, family, or household incomes they were more likely to be at the lower end of the income distribution. Perry (2015) shows these populations were proportionately more likely to be income poor, regardless of which measure was used.

For example, on average over the two surveys HES 2013 and 2014, using the After Housing Costs 60% anchored line measure, 12% of European/Pakeha, 26% of Māori, 25% Pacific and 26% 'Other' were in households with incomes below this line.

His figures cover all people in households, including children. Using his figures, smaller proportions of these populations could afford home ownership.

In the 'Home-ownership patterns at the individual level' chapter we compare income groupings for Māori, Pacific, and European ethnic groups. Although the proportion of individuals owning their dwelling rises with income, Pacific and Māori rates were still lower than for the population overall.

One-parent families have lowest home-ownership rates

Home ownership depends on household resources. By household composition, we find a difference in home-ownership rates – households with more than one person in employment are more likely to be able to afford to own a dwelling. Single parents tend to experience the greatest rates of poverty and low income of any household type. The 2013 Census showed that one-parent families, and 'other multi-person households' had the lowest rates of home ownership (37.4 percent and 34.7 percent, respectively).

However, the census is a snapshot and does not indicate the past circumstances of a family or household. Analysing changes in people's movement into (and out of) home ownership over time would be useful future research.

For example, someone in a one-person household may have been part of a couple where, perhaps, one partner has died or moved out. A household with only a couple

could have previously included children. Home ownership could also depend on past resources – a retired couple may have a low income currently but have paid-off their mortgage when their income was higher.

There is considerable variation in household composition and in family type for different ethnic populations. For example, a higher proportion of Māori and Pacific people live in one-parent-with-children households than other ethnic groups.

Table 3

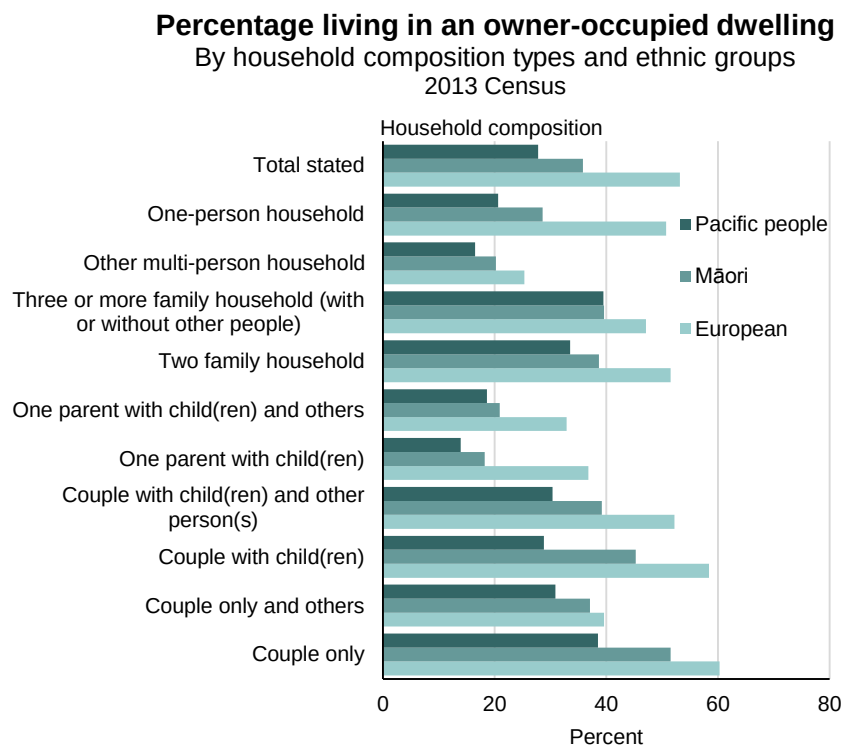
Household composition for people in households

By selected ethnic group

2013 Census

Household composition	Māori		Pacific peoples		Total	
	Number	Percent	Number	Percent	Number	Percent
Couple only	47,820	8.4	11,208	3.9	770,331	19.7
Couple only & other person(s)	13,311	2.3	4,815	1.7	109,023	2.8
Couple with child(ren)	204,966	36.1	105,837	37.2	1,548,702	39.7
Couple with child(ren) & other person(s)	31,110	5.5	28,251	9.9	168,183	4.3
One parent with child(ren)	101,508	17.9	35,649	12.5	354,039	9.1
One parent with child(ren) & other person(s)	45,927	8.1	18,264	6.4	123,576	3.2
Two or more family household	67,995	12.0	67,452	23.7	290,955	7.5
Other multi-person household	24,252	4.3	6,861	2.4	183,006	4.7
One-person household	31,299	5.5	5,868	2.1	354,501	9.1
Total stated	568,185	100.0	284,205	100.0	3,902,325	100.0
Household composition unidentified	399	...	249	...	125,535	...
Total	568,587	...	284,454	...	4,027,860	...
Note: excludes absentees. All cells are randomly rounded to 3. Symbol: ... not applicable Source: Statistics New Zealand						

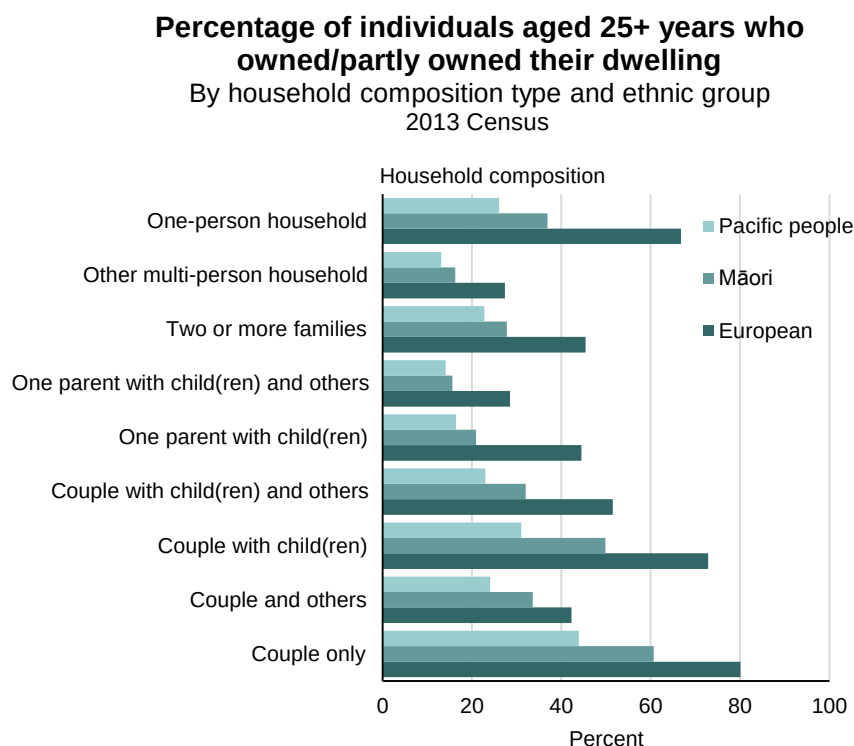
When we look at home-ownership rates for different household composition types we still see an ethnic disparity. For example, 47.4 percent of people with European ethnicity in a one-parent family household (without other people) lived in a dwelling owned, or partly owned, by their household. This compares with 21.9 percent of Māori and 16.4 percent of Pacific people.

Figure 31

Source: Statistics New Zealand

Figure 31 shows that Europeans living in couple-only and couple-with-children households had the highest rates of home ownership in 2013. The lowest rates were for Māori and Pacific people living in a one-parent family, with or without others, and in multi-person households.

Figure 32 excludes people under 25 years for this analysis because of the ethnic populations' differing age structures. When we consider individual home ownership, the ethnic disparity remains. In 2013, 20.9 percent of Māori, and 16.4 percent of Pacific people, aged 25+ and living in a one-parent-with-children household owned their dwelling. This compares with 44.5 percent of people with European ethnicity.

Figure 32

Source: Statistics New Zealand

When we just look at individual home ownership by family type, and adjust for the age structure of the population, again disparities remain. In 2013, the unadjusted home-ownership rate for Māori adults in one-parent families was 12.1 percent. When adjusted by age, it rises to 15.7 percent. For Pacific peoples in one-parent families, the two rates were 9.6 percent and 12.1 percent, respectively.

Non-demographic factors may affect home-ownership

Factors other than household composition may also affect home-ownership rates for Māori and Pacific people. Although research has largely concentrated on difference in home ownership for Māori, factors identified may be common to both groups.

While age, employment, and income level are likely to be influential, these factors alone are not sufficient to explain all the difference in home-ownership rates – some non-demographic influences may also exist. For example, Flynn, Carne, & Soa-Lafoa'i (2010) note that Māori home-ownership rates were lower than those for Europeans across all income levels. They suggest that lack of intergenerational experience of home ownership may influence the rates.

Houkamau & Sibley (2015) modelled the effect of age, household income, and location in Auckland against other factors. They concluded that even when modelling for demographic factors, an increase in 'self-perceived visual appearance as Māori' was matched by a decrease in home-ownership rates. The perceived appearance scale was defined as 'assessing the extent to which the individual subjectively evaluates their appearance as having clear and visible features that signal their ethnicity and ancestry as Māori'.

Changing patterns of rental housing

As well as an ongoing decline in the proportion of people Māori and Pacific people living in owner-occupied dwellings, the types of dwellings that people live in, but do not own, have changed. Increasing exposure to the private rental market and a lower percentage of rent-free dwellings is likely to have increased costs for people and households.

More people lived in rent-free dwellings in 1970s/80s

In the 1970s and 1980s, fewer dwellings were rented and a higher proportion were occupied rent-free. In 1971, for example, 1 in 10 of all Māori dwellings were occupied rent-free. The proportion was much higher in rural areas – just over one-quarter of all Māori dwellings. Over time, the rent-free proportion has decreased, partly due to increased urbanisation but also as the proportion of dwellings available rent-free (eg through an employer) has fallen.

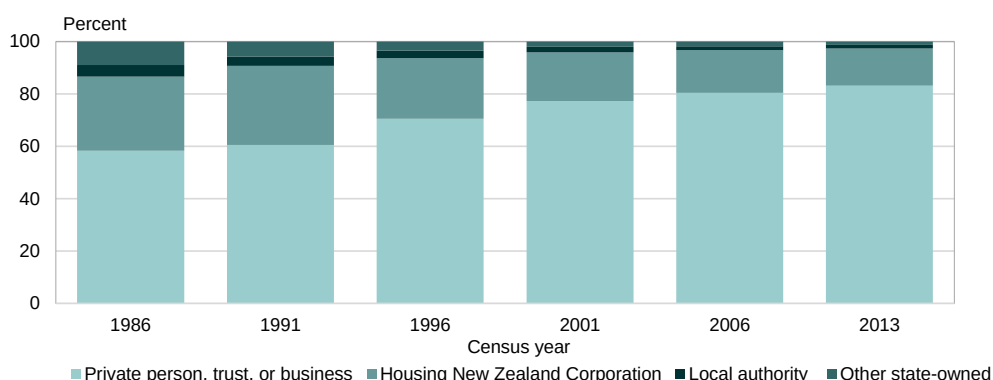
In 1986, around 11 percent of people in households, and 8 percent of people with Māori ethnicity who did not own their dwelling, lived in a dwelling that was rent-free. For Māori in rural areas, this was around one-third of all dwellings that were not owned. By the time of the 2013 Census, just over 5 percent of Māori people living in households that did not own their dwelling, lived in a rent-free dwelling. For the total population of people in households, the proportion of people who did not own and who lived rent-free, had fallen to just under 9 percent.

When we look at people who rent, their mix of landlords in New Zealand has changed over time. The 1986 Census recorded that just under 6 out of 10 people (58.3 percent) in renting households lived in a dwelling rented from a private person, business, or trust; and over one-quarter (28.3 percent) rented from Housing New Zealand Corporation (HNZC). Another 8.9 percent lived in dwellings rented from other government departments.

By 2013, more than 8 out of 10 people in renting households lived in a dwelling rented from a private person, business, or trust. Note: HNZC properties have had substantial undercounts in recent censuses, which affects our ability to look at change over time. The decline in people living in HNZC properties is likely to be overstated.

Figure 33

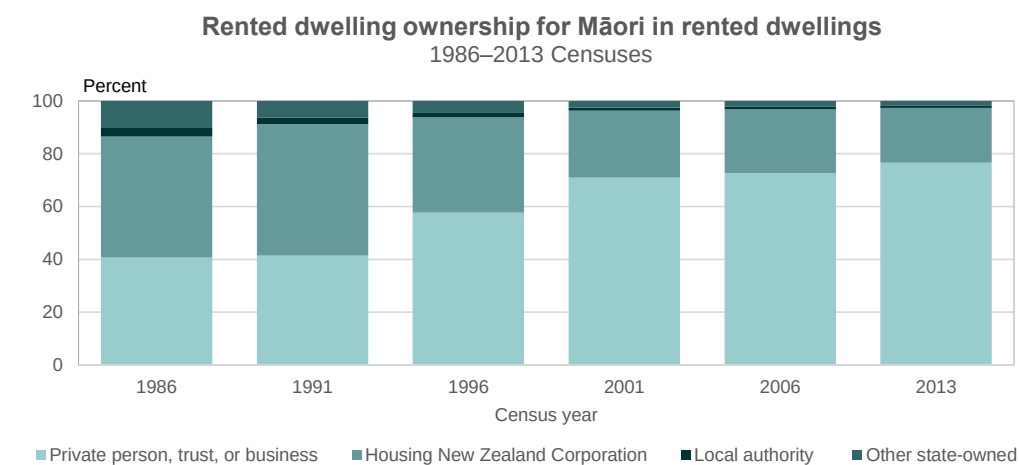
Rented dwelling ownership for people in rented dwellings
1986–2013 Censuses



Source: Statistics New Zealand

Since 1986, the proportion of Māori living in private rentals has increased more than for the total population (up 88.3 percent and 42.7 percent, respectively). The increase for Pacific people was 58.5 percent.

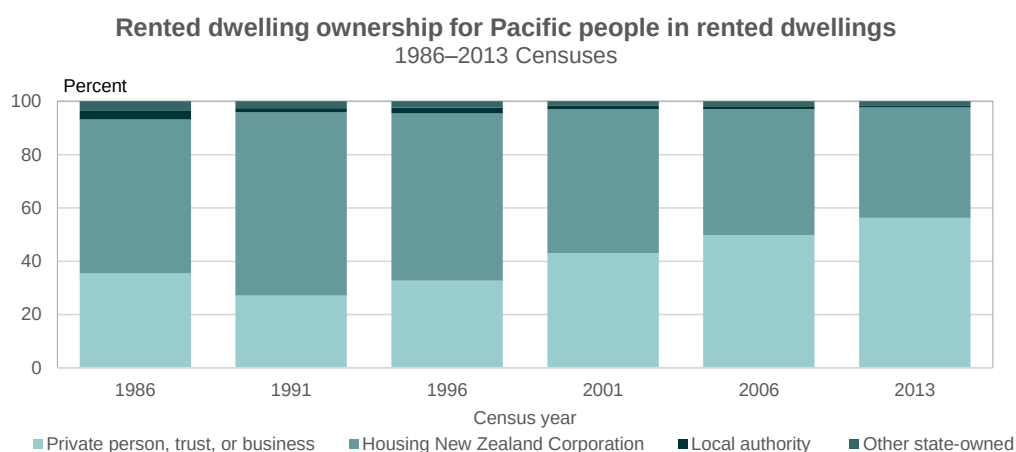
Figure 34



Note: 2006 and 2013 had substantial undercounts of HCNZ dwellings.

Source: Statistics New Zealand

Figure 35



Note: 2006 and 2013 had substantial undercounts of HCNZ dwellings.

Source: Statistics New Zealand

Housing New Zealand noted in their annual report (2014/15) that Māori and Pacific people made up over half of all people in HNZN properties.

[See Annual Report 2013/14](#) from HNZN for more information.

At the 2013 Census, 41.5 percent of Pacific people and 20.7 percent of Māori people in households, where a landlord was specified, lived in an HNZN property.

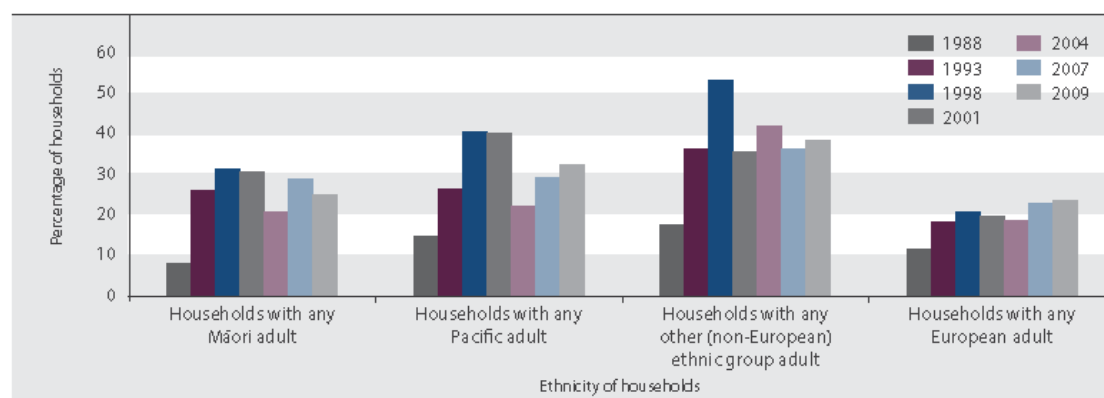
Issues associated with falling home-ownership rates

Greater exposure to private rental market increases housing costs for renters

Greater exposure to the private rental market is likely to have increased affordability issues, especially for people on lower incomes. There is little information on housing affordability by ethnicity, except from the Household Economic Survey (HES). The Ministry of Social Development (MSD)'s *Social Report 2010* noted that households with a Māori or Pacific person were more likely to have housing costs above 30 percent of household income. The biggest increase was between the 1980s and 1990s, probably partly as a consequence of introducing market rents for state housing.

Figure 36

Proportion of households with housing cost outgoings-to-income ratio greater than 30 percent, by ethnic group, selected years, 1988–2009



Source: Derived from Statistics New Zealand's Household Economic Survey (1988–2009) by the Ministry of Social Development
Notes: (1) Data is for March years in 1988, 1993 and 1998 and for June years from 2001. (2) Household ethnicity is defined by the presence, within the household, of an adult of a particular ethnic group. Adults are defined as people aged 18 years and over.

Figure 36 from MSD's *Social Report 2010*, shows housing affordability from HES. Data from HES is for households with at least one Pacific or Māori person and for all households.

Note: the relative sampling error, particularly for Pacific households, is quite high for some years, especially for owned households – the number in the survey was small.

On average over 1988 to 2009, households with at least one Māori or Pacific person spent more on their housing costs than people in all households. This was mainly due to the higher proportion of these households renting (around two-thirds compared with just over one-third for all households).

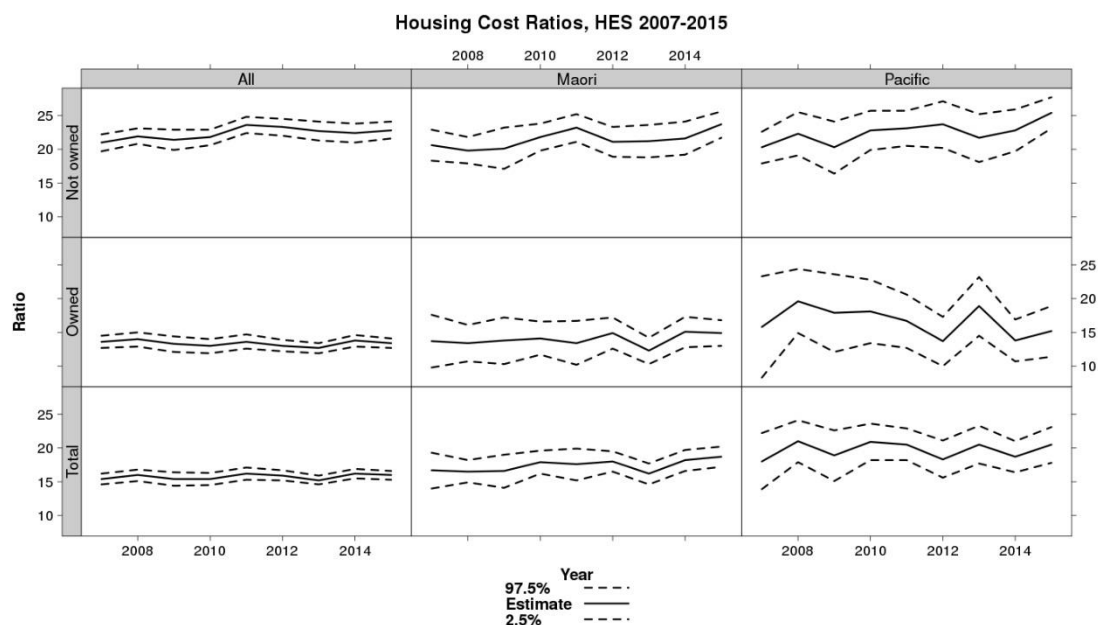
Why is renting less affordable? The figures for owner-occupied dwellings include households that have paid off their mortgage and those with a mortgage. Mortgage outgoings vary considerably. First-home buyers are likely to have low equity in property, while people who bought many years ago (before house prices began rising in the 2000s) have greater equity.

The data seem to indicate a significant increase in housing-cost ratios for Māori and Pacific households that did not own their dwelling between 2007 and 2015. Again the data is for households with at least one Māori or Pacific person. The housing-cost ratio went from an estimated 20.6 percent, to 23.7 percent, for Māori between 2007 and 2015. This figure represents around a 15 percent increase (11.8–18.6 percent depending on

whether the upper and lower confidence intervals are used). The rate for a household with at least one Pacific person was 20.3–25.4 percent, which was around a 25 percent increase (22.6–29.1 percent if lower and upper confidence intervals are used). This compared with around an 8.6 percent increase for all people.

There was no significant change in housing-cost ratios for owner-occupied dwellings during this period. ‘Owned dwellings’ cover those owned with or without mortgage. Relative sampling errors were higher for Pacific people living in an owned dwelling (over 20 percent in each year surveyed). This variation is reflected in the wider confidence intervals for households with at least one Pacific person.

Figure 37



Māori and Pacific people have greater household crowding

Households may alleviate the burden of housing costs through living with other people or families. The measure most commonly used to calculate household crowding in New Zealand is the Canadian National Occupancy Standard. Under this standard there should be no more than two people in a bedroom. A couple, or children of either sex aged under 5 years may reasonably share a bedroom, while children aged 5 to 17 should only share if they are of the same sex. Anyone 18 years or over should have their own bedroom.

While there may be some cultural differences around crowding standards, Goodyear, Fabian, & Hay (2011) determined this crowding definition worked well within the New Zealand context. Household crowding was high in 2013, particularly for Pacific people. Nationally, in 2013, around 2 out of 10 people with Māori ethnicity and 4 out of 10 Pacific people lived in a crowded house. The comparable figure for the total population was around 1 in 10 people.

Crowding was highest in the Auckland region. In 2013, 45.3 percent of Pacific people and 25.4 percent of Māori living there were living in a crowded household.

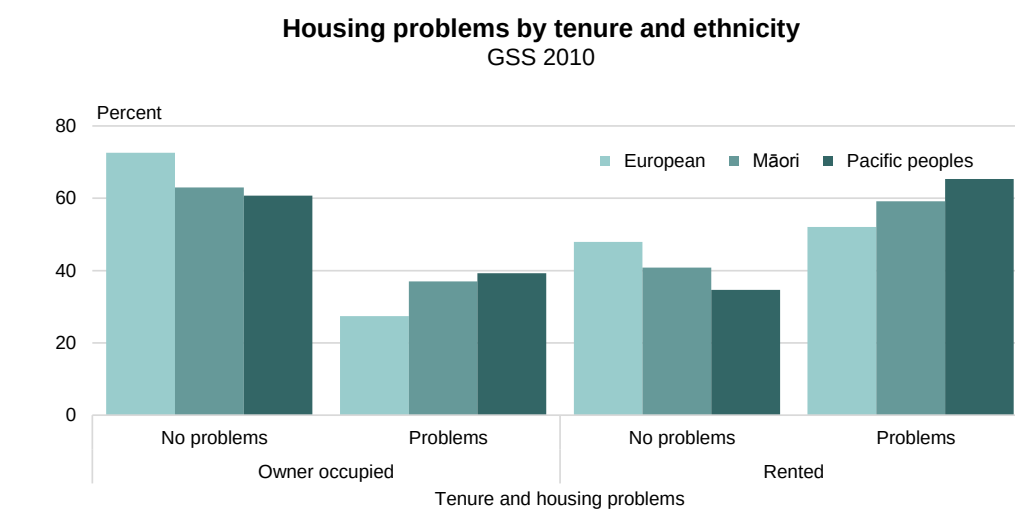
Research from the 1980s suggested (quoted in Bierre et al, 2007) that Māori and Pacific people found it more difficult to access good-quality private rental housing at that time.

Māori and Pacific people have more problems with housing quality

Māori and Pacific people were more likely than the total population to report quality problems with their housing (General Social Survey (GSS), 2010, 2014). This difference is probably related to the higher proportion of Māori and Pacific people in rental housing. Information from BRANZ (2010) and the GSS (2013, 2015) shows that rental housing tends to be of poorer quality.

In the 2014 GSS, a high proportion of Pacific people reported problems with their housing, particularly rental housing. European and Māori had similar rates when broken down by tenure. In the 2010 GSS, over 60 percent of Pacific people in rental housing reported problems with their housing. They also reported more problems with owner-occupied housing.

Figure 38



The 2014 GSS also showed greater likelihood of housing issues for Māori and Pacific people, which again is likely to be related to these groups having higher proportions of renters.

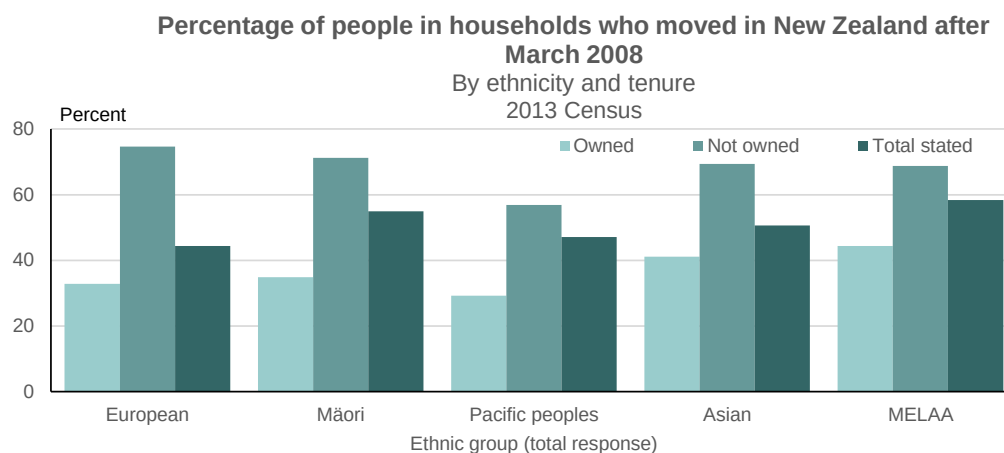
Pacific people were the ethnic group most likely to report a major problem with cold (43 percent) and dampness (15 percent), while Māori were the group most likely to report a need for immediate or extensive repairs on their homes (13 percent).

Renters move more frequently

Evidence from the census and the Growing up in New Zealand study suggests that renters are much more mobile than home owners. Moving frequently can have negative consequences, for example with children's schooling. The 2013 Census showed that renters were much more likely to have had a different address five years earlier than home owners. There were some differences by ethnicity.

The following information refers to all people living in households but excludes children under five years in 2013.

Māori and Pacific people had greater mobility than people with European ethnicity. In 2013, 54.9 percent of Māori and 47.1 percent of Pacific people had moved since 2008, compared with 44.4 percent of Europeans.

Figure 39

Note: Owned includes dwellings owned with or without mortgage or held in a family trust. Excludes people not born five years ago. We have not included people who lived in a household where the tenure status is unknown. MELAA is Middle Eastern, Latin American and African ethnic group.

Source: Statistics New Zealand

However, Pacific people living in dwellings they did not own had less mobility than other ethnic groups in the same situation. In 2013, 56.9 percent of Pacific people living in a dwelling not owned by the household had moved, compared with 71.2 percent of Māori and 74.7 percent of Europeans. One reason for this difference could be that a greater proportion of Pacific people live in social housing.

Mobility rates for people in rented housing were highest for those in privately renting households. For example, 73.8 percent of Pacific people who rented privately had changed address at least once in the five years before the 2013 Census, compared with 35.5 percent of those in HNZC housing.

Rates of mobility for children were slightly higher. Almost three-quarters (71.5 percent) of Māori children aged 5 to 14 years who lived in a dwelling not owned by their household had a different address from five years earlier. For Pacific children, the figure was 58.4 percent.

Falling home-ownership may reduce proportion of wealth Pacific people and Māori hold

New Zealanders have traditionally held a considerable amount of their wealth in property. Residential property (including family home, holiday homes, and investment property) is the major source of wealth for many households or individuals (Thorns, 2008; Statistics NZ, 2007). Therefore we might expect that declining home-ownership rates would affect the amount of wealth held by households. Households owning property would potentially increase their share of the nation's wealth. Thorns (2008) notes:

The impact of 20 years of housing-prices changes from 1980–2001 has been a doubling of net wealth per capita. However, during the latest boom period from 2001–06 this doubled again showing the significant impact of this boom upon wealth transfers and accumulation.

Households that owned property before the 2000s, when house prices took off relative to income, are likely to have benefitted most.

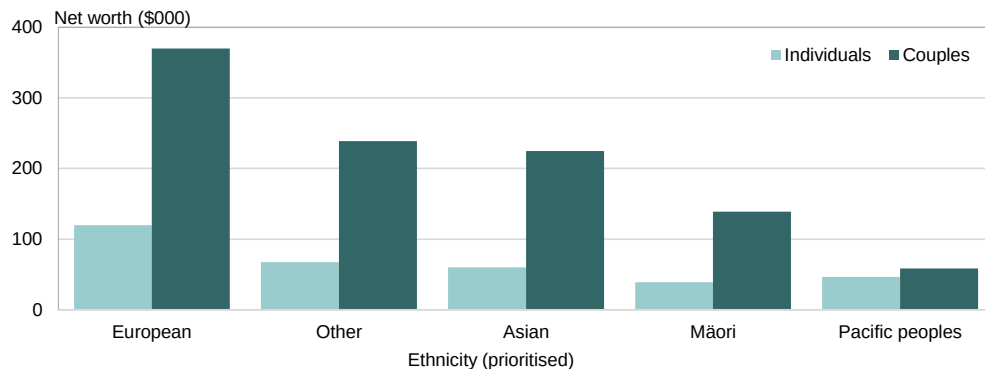
Data on wealth has been collected infrequently in New Zealand: in the 2001 Household Savings Survey (HSS); in 2003/4, 2005/6, 2007/8, and 2009/10 in the Survey of Family, Income and Employment (SoFIE); and in 2014/15 in the Net Worth Survey. Results from the Net Worth Survey will be released in 2016.

These surveys show considerable disparity in wealth, by ethnicity. Figure 39 shows the difference in net worth (assets minus debts) in 2001 for couples and individuals, by ethnicity. Note: prioritised ethnicity was used.

Since wealth is strongly correlated with age, as people build up assets over time, some of the wealth differential is due to the differing age structures of the Māori and Pacific populations.

Figure 40

Net worth of individuals and couples, by prioritised ethnicity⁽¹⁾
2001 Household Savings Survey

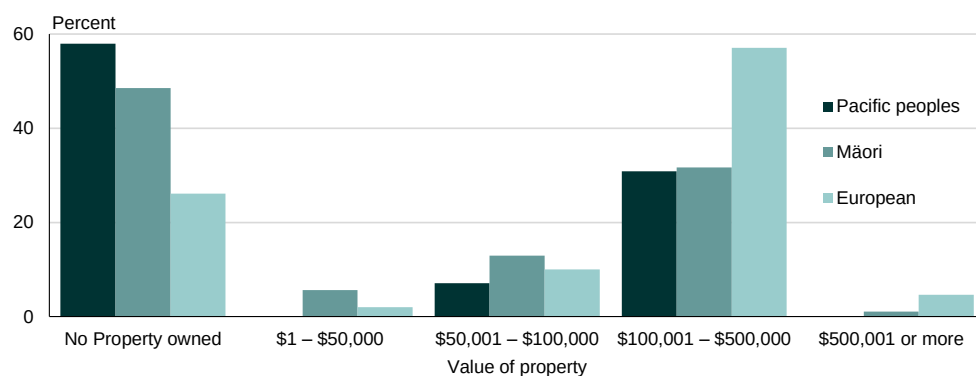


1. Prioritised ethnicity output allocates each respondent to a single ethnic group using the priority recording system.
Source: Statistics New Zealand

Figure 41 shows the breakdown of assets when property is owned at the time of the survey. The value of property owned by Māori and Pacific couples was lower than the value of property owned by Europeans.

Figure 41

Value of couples' residential property, by ethnicity
2001 Household Savings Survey



Source: Statistics New Zealand

Gibson and Scobie (2004) explored the disparity in wealth, by ethnicity, to determine which differences remained once age and income were accounted for. They found that age was the strongest contributing factor for differences in wealth between Māori and other ethnic groups, and expected this should reduce as the age gap reduces.

Information from SoFIE (Statistics NZ, 2007) reinforces the pattern of ethnic disparity in wealth. This longitudinal survey took place in eight waves from 2003. In 2003/4, Māori were 10.4 percent of the population but owned 4.3 percent of net wealth. Pacific people were 4.3 percent of the population but had just 1.3 percent of the nation's wealth. Further SoFIE waves showed that while Māori and Pacific people's share of the nation's

population grew, their share of its wealth did not increase (Rashbrooke, Rashbrooke, & Molano, 2015).

For example, in wave 2, Māori made up 12 percent of the population but owned 6 percent of the net worth. By wave 8, they were 13 percent of the population but owned 5 percent of the total population's net worth.

Pacific peoples owned 1 percent of the nation's wealth through all waves of SoFIE but grew from 4 percent to 5 percent of the population. This would be within the margin of error so may not represent a real change.

Table 4 shows the mean net worth of selected ethnic groups over SoFIE's four waves. Note: the data is for total response ethnicity and so is not directly comparable with the Household Savings Survey (HSS), which used prioritised ethnicity.

Table 4
Mean net worth for selected ethnic groups
2003–10

Ethnicity	Mean net worth (\$)			
	Wave 2 (2003/4)	Wave 4 (2005/6)	Wave 6 (2007/8)	Wave 8 (2009/10)
European	175,861	230,684	261,603	276,096
Māori	78,556	77,908	90,258	98,369
Pacific peoples	34,660	41,508	55,457	56,170
Total population	156,244	199,462	228,837	240,941

Percentage of mean net worth for total population				
European	112.6	115.7	114.3	114.6
Māori	50.3	39.1	39.4	40.8
Pacific peoples	22.2	20.8	24.2	23.3
Total population	100.0	100.0	100.0	100.0

Source: SoFIE, Statistics NZ; Rashbrooke, Rashbrooke, & Molano (2015)

Whether declining home-ownership rates have led to a reduced share of the nation's wealth for Māori and Pacific people is difficult to answer, due to changes in ethnicity reporting and data collection. However, it is clear that the proportion of the nation's wealth held by Māori and Pacific people is low when compared with their population shares.



Conclusion

Since 1991, New Zealand has experienced falling home-ownership rates. However, Māori and Pacific people have had greater falls in home ownership, at both individual and household levels. While the proportion of all people living in a dwelling they own fell 15.3 percent by 2013, the decline was much greater for Pacific people (down 34.8 percent) and Māori (down 20.0 percent). The disparity in home ownership between ethnic groups has therefore increased over time even when rates are standardised by age.

We can attribute the fall in home ownership to factors that include the current high price of housing, which began rising relative to incomes in the 1990s (Eaqub & Eaquib, 2015); lower incomes for Māori and Pacific people; and greater exposure to factors such as higher unemployment for Māori and Pacific people. Social factors might also be influential, such as lack of intergenerational experience of home ownership and, potentially, discrimination.

We thought exposure to Auckland's housing market might be important in the sharp decline in home ownership. However, we found that overall, home ownership for Māori and Pacific people was lower than for most other ethnicities and had declined throughout New Zealand. Very few areas showed an upward trend in home ownership.

This decline in home ownership has occurred alongside a change in the structure of the rental housing market. Before the 1990s, a high proportion of people, particularly Māori, lived in rent-free housing. More Māori and Pacific people also lived in social housing, with income-related rents making this a very affordable option. Since 1990, increasing exposure to the private rental market, with its higher costs, has affected affordability – as data from the Household Economic Survey shows.

Renting is not just a phenomenon of youth; many people rent all their lives. In 2013, much higher proportions of children of Māori and Pacific ethnicity were living in rental housing than in 1986.

Rental housing tends to be of poorer quality and people in rental properties move more frequently. Moving through many schools can affect children's development. As Eaquib & Eaquib (2015) and others suggest, work to improve both the quality and security of rental housing would have tremendous benefit for the population of renters.

What are the consequences of lower home-ownership rates? In New Zealand, much wealth is traditionally held in property. The decline in home ownership among Māori and Pacific people could affect their ability to accumulate wealth and pass it to the next generation. Because home ownership has declined at a greater rate for Māori and Pacific people than for the population as a whole, their existing disparity in wealth may increase.

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