



**TE ARA
AHUNGA ORA**
Retirement Commission

Housing intentions for People living in New Zealand aged 45-64

June 2022

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Executive Summary

N=1017 people aged 45-64

81%

currently in
a standalone
home/townhouse

17%

wish to move to
smaller or 'diverse'
homes (units/
apartments,
granny flats,
moveable
dwellings,
cohousing etc)
~165,000 people
aged 45-64
on basis of NZ
Census 2018

74%

wish to remain
in a standalone
home/ townhouse
(~716,600)

31%

of all participants
believe they
will be renting
after 65, or don't
yet know their
circumstances
(~370,000)

15%

of homeowners
say they will still
have a mortgage
after they turn 65
(~420,000)

33%

not doing
anything currently
to plan for
desirable housing

Planning involves
discussing options
with family,
getting info about
housing options or
moving overseas

Financial growth
activities, (e.g
paying off a
mortgage, saving
money, investing)

Paying off a
mortgage,
paying off debt
in preparation of
a desirable home
situation

- To contribute to terms of reference #9 (how diverse housing options for seniors would have different impacts on preretirement savings and retirement income) we distributed an online self-completion survey to people throughout New Zealand aged 45-64.
 - In total n=1017 surveys were completed, giving a margin of error of +/-3.07% at the 95% confidence level.
- Household sizes are expected to shrink by the age of 65, where focus becomes one of increasing independence and freedom, time with loved ones and an easier/less stressful lifestyle
- Renters are far more likely to feel they are prevented from attaining their ideal home situation because of high rents, the need to pay off debt and expensive houses.
 - Half of Māori participants believe they will rent, or are unsure of where they will be after 65, likely resulting in high degree of uncertainty about the future.
- Future planning needs to ensure there are sufficient smaller (and affordable) homes that suit people older than 65.
- Granny-flats and kaumatua/papakāinga housing are of some interest to Māori (although 55% want to be in a standalone house) and Māori participants are more likely than NZ Europeans to be discussing options with family, consistent with preferences for living close to family.
 - Other research conducted as part of the Review suggests openness to 'retirement' homes situated on the marae, and/or a preference for papakāinga especially if it can be on ancestral whenua (land).
 - Developing mechanisms to enable such options needs to be a priority (e.g. avenues for funding of the building of homes on whenua, 'communal' financing, etc).



Background and Methodology

- The Retirement Commissioner is required by law to carry out a Review of Retirement Income Policies (RRIP) every three years in response to terms of reference set by the Government. For the 2022 RRIP we have been asked to undertake research relating to three broad areas comprising New Zealand Superannuation, housing and private savings including a focus on decumulation and KiwiSaver.
- The current project relates to Terms of Reference #9 (ToR9): *How diverse housing options for seniors would have different impacts on preretirement savings and retirement income.*
- Several projects have been undertaken to address ToR9, including: two case studies with people living in cohousing communities; a series of talanoa with Pacific Peoples (*Report on Housing and Retirement among Pacific Peoples in Aotearoa*) and two hui with Māori aged 65 or older (*Housing and Whenua – Kaumātua Voices*); and a self-completion survey distributed nationally via online with Pacific People aged 45-64 (*Housing Intentions for Pacific People Living in New Zealand Aged 45-64*).
- The current report details the findings from a nationally distributed self-completion online survey of people aged 45-60 living in New Zealand.
- Surveys were distributed using a professional panel supplier, where participants earn points for completing surveys that can be redeemed for payment.
- In total n=1017 surveys were completed, giving a margin of error of +/-3.07% at the 95% confidence level, assuming a population of (1,193,721; NZ Census 2018).
- Weighting:
 - Data at a population level are weighted for ethnicity and gender
 - When looking at differences by age, gender, income or homeownership data are also weighted
 - Māori were slightly over-sampled for this age group (n=146)
 - When looking at differences by ethnicity, data is unweighted
 - Pacific People have been surveyed separately to allow for representation by the individual Pacific ethnicities (see report here). However, Pacific People also took part in the current survey - although sample sizes are very small, where appropriate, significant differences will be noted.



Participant Demographics

Ethnicity*	% weighted	N unweighted	Personal Income	% weighted	N unweighted	Household income	% weighted	N unweighted	Gender	% weighted	N unweighted
	%	n	Under \$10,000	9%	92	Under \$10,000	2%	15	Male	48%	460
NZ European	67%	638	\$10,000 - \$19,999	11%	112	\$10,000 - \$19,999	6%	56	Female	52%	554
NZ Māori	12%	146	\$20,000 - \$29,999	13%	132	\$20,000 - \$29,999	7%	69	Column Population	1017	
Pacific Peoples	4%	31	\$30,000 - \$49,999	12%	125	\$30,000 - \$49,999	13%	126	Age*	% weighted	N unweighted
Cook Islands Māori	1%	11	\$50,000 - \$69,999	15%	154	\$50,000 - \$69,999	12%	124	45 - 49 years	25%	261
Chinese	4%	54	\$70,000 - \$99,999	14%	141	\$70,000 - \$99,999	19%	191	50 - 54 years	25%	261
Indian	3%	38	\$100,000 - \$119,999	5%	56	\$100,000 - \$119,999	7%	73	55 - 59 years	23%	236
Other Asian	5%	70	\$120,000 - \$149,999	3%	35	\$120,000 - \$149,999	11%	117	60 - 64 years	26%	259
Other European	11%	103	\$150,000 - \$199,999	2%	23	\$150,000 - \$199,999	7%	67	Column Population	1017	
Other nationality	4%	34	\$200,000 or more	1%	7	\$200,000 or more	5%	51	*28% of NZ Europeans are aged 60-64 compared to 15% and 16% for Māori and Pacific people respectively meaning the NZ European group is comparatively closer to eligibility for NZ Super.		
Column Population (*multi-select)	1017		Prefer not to say	13%	140	Prefer not to say	12%	128			
			Column Population	1017		Column Population	1017				



Topics of interest

- Where do people intend to live after they turn 65 (and who with)?
 - How do they compare to current arrangements?
- What activities are being undertaken to ensure this housing arrangement is attained (such as how much are people putting into savings or investments)?
- And what barriers to attaining an ideal living situation are present?
- Where do finances come into their intentions or resultant situation?
- What trade-offs did (or will) they make (privacy, noise, access to amenities, size of home, etc)?
- Are people aware of mechanisms for equity release? And if so, what is the appetite for this mechanism?



Implications

- Living in a standalone house/townhouse is typical for 45–64-year-olds (81% do so), and for many (66%) this remains the preferred housing type for life after 65. At the age of 45-64, a third have already paid off their mortgage. Roughly two thirds are in homes with few issues concerning maintenance or dampness/mould.
 - Despite many still living with their children (39%), the vast majority of people aged 45-64 currently live in homes that are ‘under-capacity’ (94%) - that is, there are fewer in the home than would be considered ‘too many’ by the participant. Indeed, number of members in the household shrinks as participants near 65, with children moving out of the home over this timeframe, further increasing capacity (assuming they remain in their current home).
 - While many 45-64 year olds expect to remain in standalone houses/townhouses once they reach 65, for others, there is a transition to smaller homes, with 17% of those currently in standalone houses/townhouses wishing to live in smaller or ‘diverse’ homes (such as units/apartments, granny flats, moveable dwellings) after 65, and 8% wanting to move to older-age facilities (such as retirement villages, rest-homes or Kāumatua housing). The expected focus becomes one of increasing independence and freedom, time with loved ones and an easier/less stressful lifestyle.
 - Future town planning needs to ensure there are sufficient smaller homes that suit people older than 65.
 - A third of people currently in units/apartments wish to transition to a standalone home: 45% of these people are currently renting (sample sizes become very low, n=23).
- In terms of planning for their ideal housing situation, home owners are far more likely to focus on financial growth activities, such as paying off a mortgage, saving money into bank accounts and investing. In contrast, renters are far more likely to feel they are prevented from attaining their ideal home situation because of high rents, the need to pay off debt and expensive houses.



Implications

- Māori in this age group are comparatively more likely to be renting, and 10% are living in ‘other’ housing situations such as granny flats, caravans, or communal housing.
 - Seven percent live in homes with at least three family types, indicating intergenerational living is more common than for NZ Europeans (2%), and this is expected to be a preference for some Māori after they reach 65. Having family close by is comparatively more important when prioritising aspects of their home, and has implications for kaumatua or Papakāinga housing.
 - Māori are more likely to live in homes that need immediate repairs/maintenance, have issues with dampness/mould and are too cold in winter, likely having impacts on health that can be exacerbated with age. These differences disappear when home ownership is taken into consideration. Quality issues are of particular issue for those living in Kāinga Ora housing.
 - Looking to the future, 23% of Māori believe they will rent their home (privately or through Kāinga Ora) and 24% don’t yet know what type of housing they will be in, suggesting that nearly half of Māori may feel unconfident about the security of their tenure.
 - It is our understanding that Kāinga Ora prioritise housing for people with children. If this is so, it has implications for kaumātua who expect to rent through Kāinga Ora in later life. Kaumātua may need to access such housing through their children – those who do not wish to live with their children may not be eligible.
 - Given the prevalence of renting, it is not surprising Māori see more barriers to living in their ideal home situation (such as high rents, and expensive houses). Helping others out financially and family problems are identified as additional barriers for Māori.
 - Granny-flats and kaumatua/papakāinga housing are of some interest to Māori (although 55% want to be in a standalone house) and Māori are more likely than NZ Europeans to be discussing options with family, consistent with preferences for living close to family.
 - Other research conducted as part of the Review (Housing and Whenua – Kaumātua Voices, 2022) suggests openness to ‘retirement’ homes situated on the marae, and/or a preference for papakāinga especially if it can be on ancestral whenua (land). Developing mechanisms to enable those options needs to be a priority (e.g. avenues for funding of the building of homes on whenua, ‘communal’ financing, etc).



Implications

- Homeownership is also lower among Pacific participants, and 24% currently rent through Kāinga Ora/social housing. Twelve percent live in homes with at least three family member types, emphasising the importance of intergenerational living.
 - Additionally Pacific participants have a greater tolerance to homes with many residents (40% believe that more than seven is 'too many'). In contrast to other ethnicities, Pacific households do not shrink as the participant nears 65.
 - Not surprisingly, Pacific participants are more likely to rate sufficient space for family as most important when prioritising aspects of their homes.
 - Matua are therefore likely to have quite different needs to other older people in New Zealand in terms of housing arrangements. For instance, even if family are not always living with the Matua, they are likely to want to have space available for people to visit for extended periods of time.
 - There are consistencies between this survey and the separate Pacific Peoples survey: a preference for intergenerational living, larger households, and prioritising of sufficient space for family.



Implications

- NZ Superannuation payments are based on the assumption that people enter retirement with a house they own without a mortgage. Our results show that 15% will still have a mortgage at age 65, and 14% will be renting (either privately or through Kāinga Ora). A further 17% don't know yet.
- Most people feel they have at least some control over where they are likely to live in future (79%). However, perceptions of control are strongly influenced by homeownership and (to a lesser extent) household income.
 - Indeed, those who feel less in control are more likely to select high rents, expensive house prices, lack of homeownership, and insufficient money as the main barriers to attaining their ideal housing situation.
 - Conversely, those who feel most in control are more likely to be paying off a mortgage and/or putting money into investments/property.
- Of note, when factors such as homeownership and income are controlled for, Māori feel no more or less in control of their future living situation, while sense of control actually increases for Pacific People. The finding highlights the importance of ensuring timely access to affordable homeownership that suits cultural requirements for Māori and Pacific People.



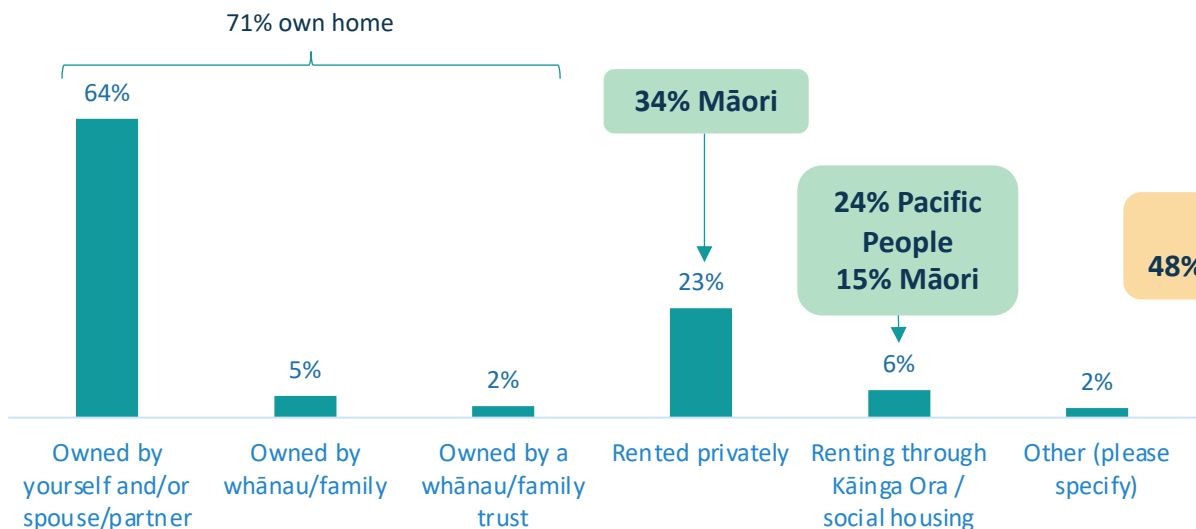
Current living situations



Just over seven in ten participants said they owned their home (self/spouse /family /trust). Age has little impact on ownership.

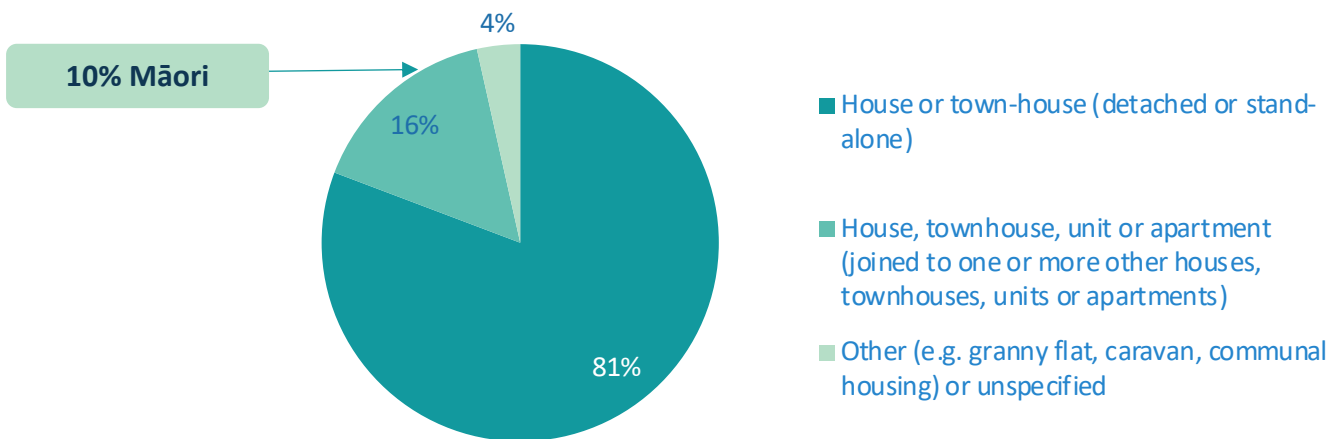
Māori are less likely to own their home (49%) and 10% are living in 'other' housing situations such as granny flats, caravans, communal housing. Pacific participants also have lower homeownership (52%).

Q7 - Which of the following applies to your current housing?



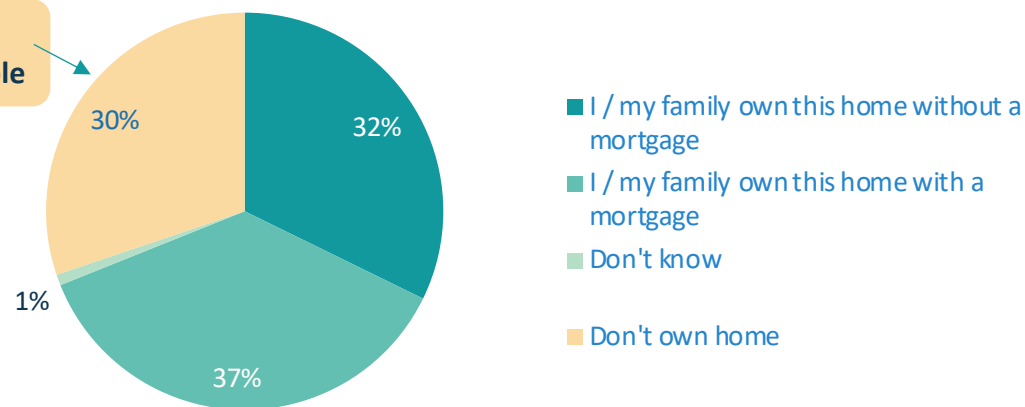
Total sample; Weight: Weight; base n = 1002; total n = 1017; 15 missing; effective sample size = 968 (97%)

Q6 - Which of the following describes where you are currently living?



Total sample; Weight: Weight; base n = 1014; total n = 1017; 3 missing; effective sample size = 992 (98%)

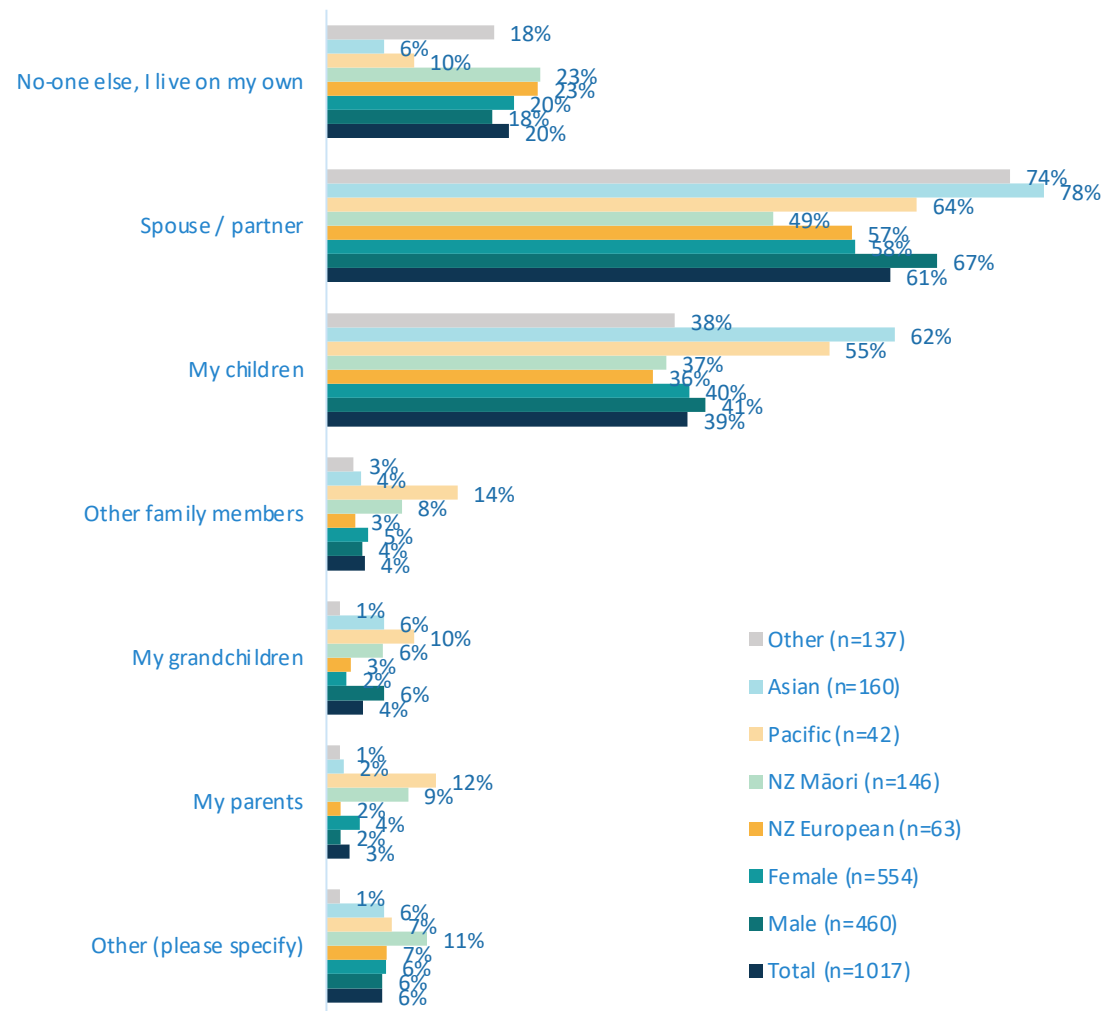
Q8 - Is the home you live in mortgage-free? [those in own home]



Household Members

- Men are more likely to live with a spouse/partner compared to women.
- Having children in the home falls from 58% at 45-49, to 23% for 60-64 year olds.
- Māori participants are the least likely to live with their spouse/partner, but 7% live with at least three family types in their home.
- Pacific people are much more likely than average to live with their children, as well as other family members, parents, and grandchildren. 12% have at least three family member types in the home.
- Asian participants are also much more likely than average to live with their children.

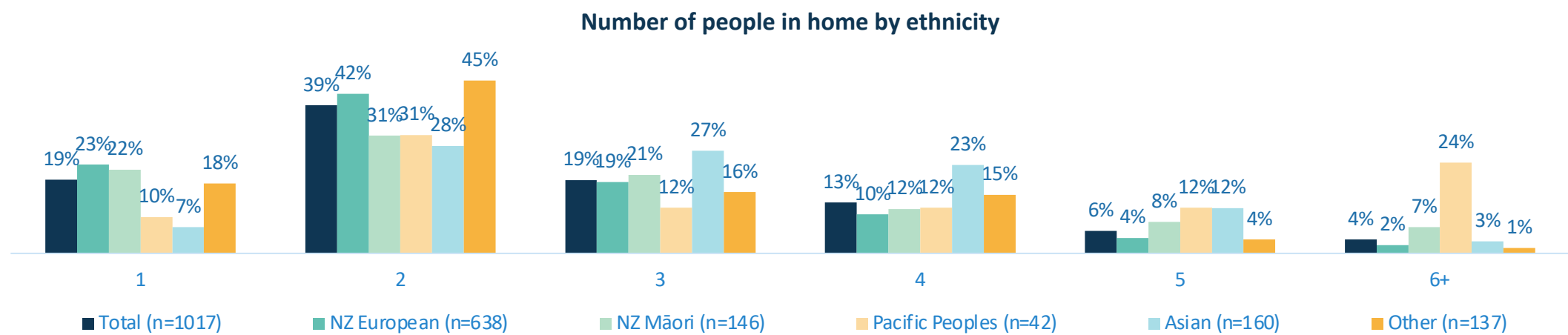
Q9 - Who lives in your home with you at the moment (that is, today)? (select all that apply)



Total sample; Weight: Weight; base n = 1014; total n = 1017; 3 missing

Average number of people in a household is 2.6. Pacific participants are more likely to have larger household sizes, with a quarter residing with at least five other people (5% live in households of 10+). NZ Europeans have the smallest average house sizes.

Average number of members shrinks with age for NZ European and Māori households, but not for Pacific (sample sizes are small*) or Asian households.

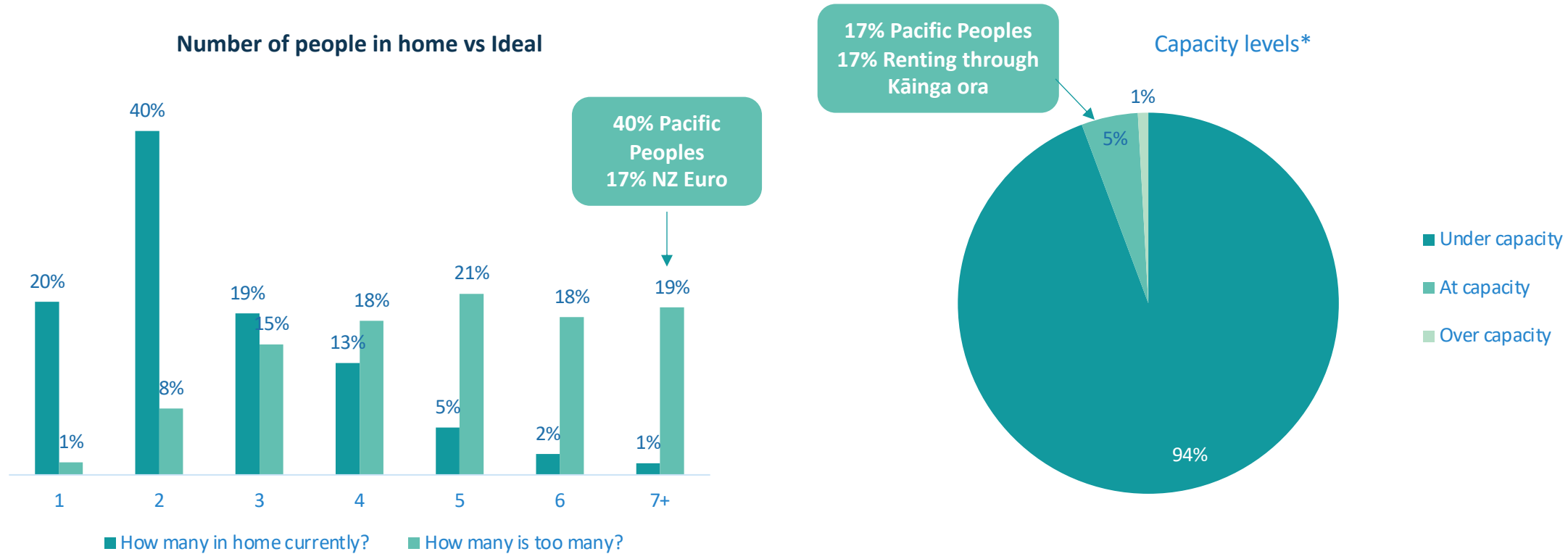


Average number of people in household	Total	45 - 49 years	50 - 54 years	55 - 59 years	60 - 64 years
Total (n=1017)	2.63	3.08	2.75	2.44	2.24
NZ European (n=678)	2.38	2.91	2.42	2.29	2.02
Māori (n=146)	2.81	3.02	3.05	2.74	2.21
Pacific Peoples (n=42)	4.05	3.67	5.44	3.00	4.33
Asian (n=160)	3.14	3.52	2.96	2.92	3.04
Other (n=137)	2.52	2.73	2.66	2.42	2.30

*results show similarly large households in the separate Pacific Peoples survey



60% live in homes with two or fewer people in them. The number of people in the home considered ‘too many’ peaks at five. Tolerance to number of people in the home is greater for Pacific People, and least for NZ European. The vast majority of homes in this age group would be considered ‘under-capacity’ by their occupants (that is, the number considered ‘too many’ is more than is currently residing in the home).



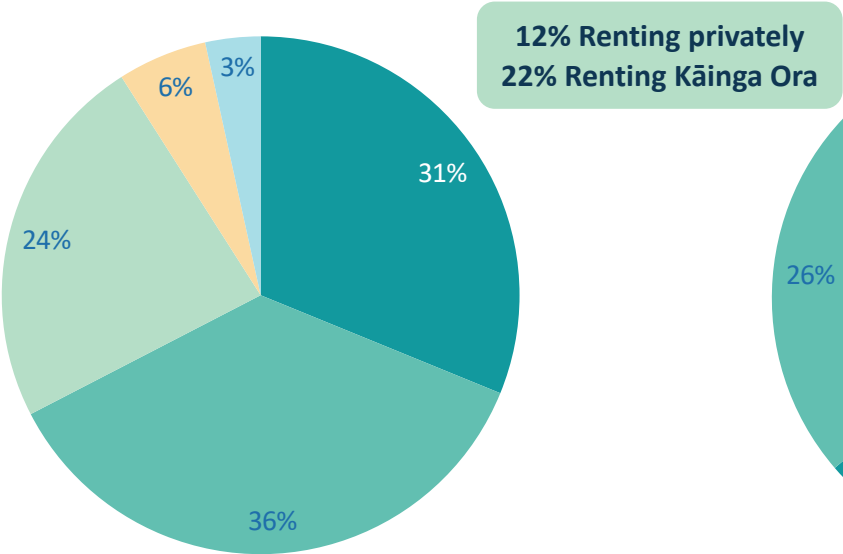
Total sample; base n = 1014; total n = 1017; 3 missing

*Capacity relates to whether actual numbers of members the home is lower or higher than stated ideal



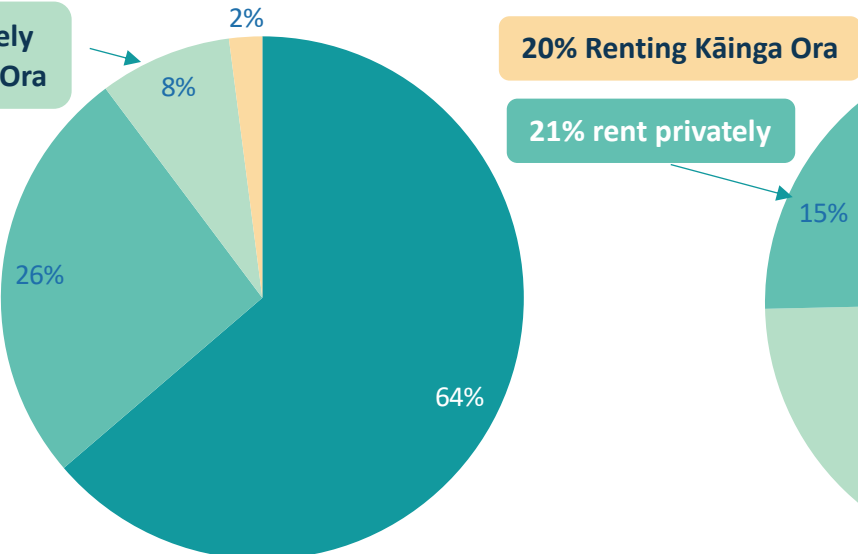
One in ten people are living in homes requiring immediate repairs or maintenance, have at least a moderate problem with dampness/mould and find their home to be colder in winter than they would like. Renters are more likely to agree there are issues with dampness/mould and being too cold.

Q12 - How would you describe the condition of your current home?



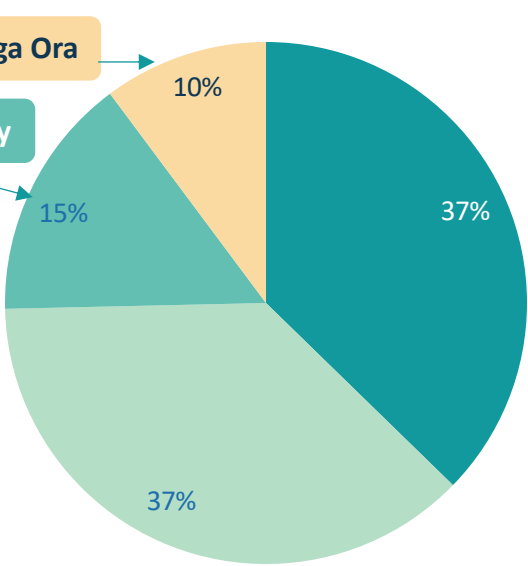
- No repairs or maintenance needed right now
- minor maintenance needed
- some repairs or maintenance needed
- immediate repairs and maintenance needed
- immediate and extensive repairs and maintenance needed

Q13 - Does your current home have a problem with dampness or mould?



- No
- Minor problem
- Moderate problem
- Major problem

Q14 - In winter, is your current home colder than you would like?



- No
- Yes - sometimes
- Yes - often
- Yes - always

Total sample; base n = 1014; total n = 1017; 3 missing



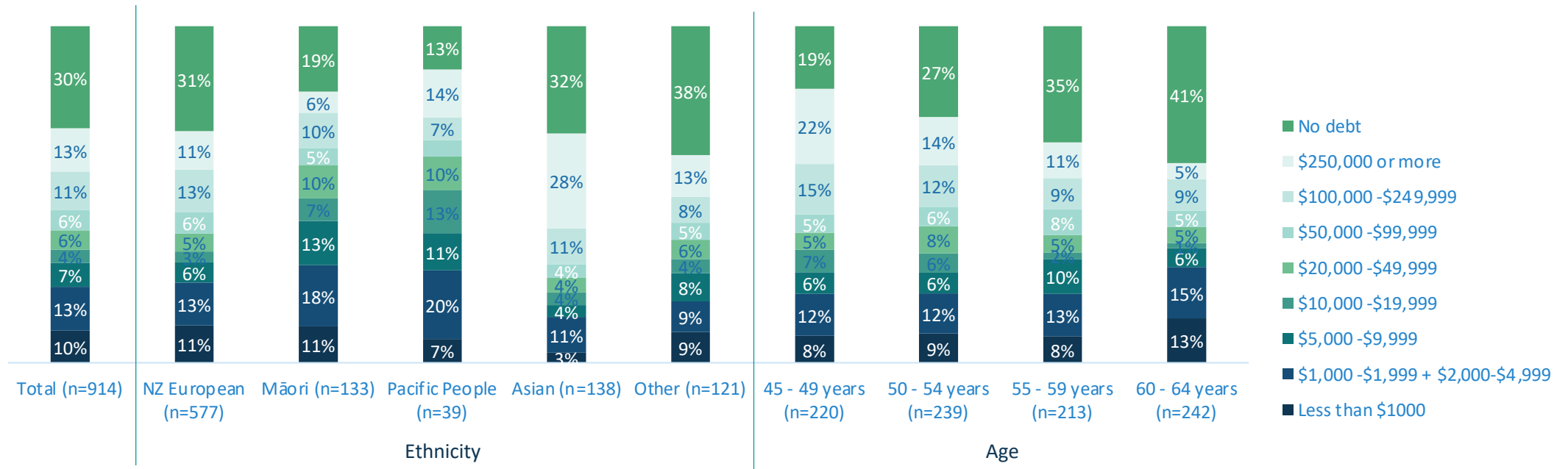
Demographic differences in home quality

- Condition of home (immediate repairs or maintenance + immediate and extensive)
 - 15% of Māori
 - 17% of those with household incomes under \$50k required these compared to 5% with household incomes over \$100k.
- Problems with dampness or mould (moderate-major issues)
 - 19% of Māori
 - 17% of those who had household incomes under \$50k, and 15% of those with a household income between \$50-\$70k
 - 25% of those renting through Kāinga Ora/social housing, and 15% of those renting privately
- Is home in winter colder than preferred? (often or always)
 - 29% Women
 - 38% Māori
 - 33% of those who have household incomes under \$50k, 29% household incomes \$50-\$70k compared to 18% with household incomes over \$100k.
 - 42% of those renting through Kāinga Ora/social housing, and 34% of those renting privately



A quarter of people in the 45-64 age group currently owe at least \$100,000, likely at least some degree to represent a mortgage. Debt levels decrease with age, although 14% of those aged 60-64 still have this level of debt. Māori and Pacific participants are more likely to have debt, although half owe less than \$20k. While a third of Asian participants don't have any debt, one in four owe at least \$100,000.

Q31 - And finally approximately how much debt do you currently have (including mortgage, finance companies, hire-purchase, 'buy now pay later', other bank loans, etc)?

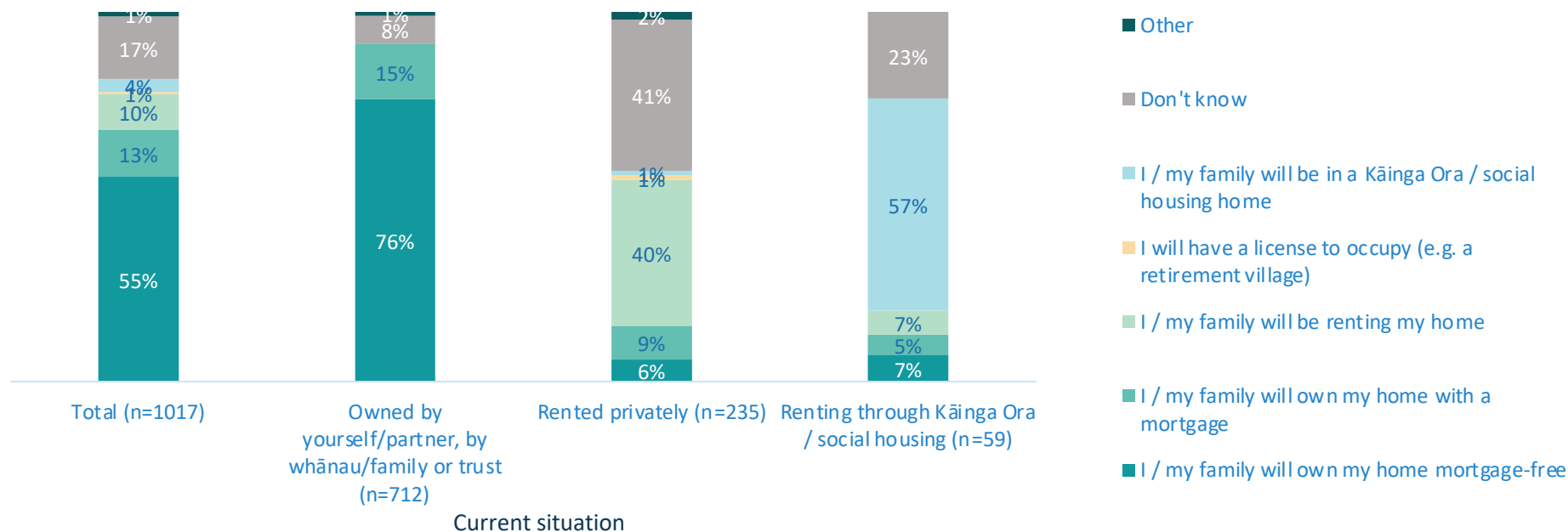


Future living situations



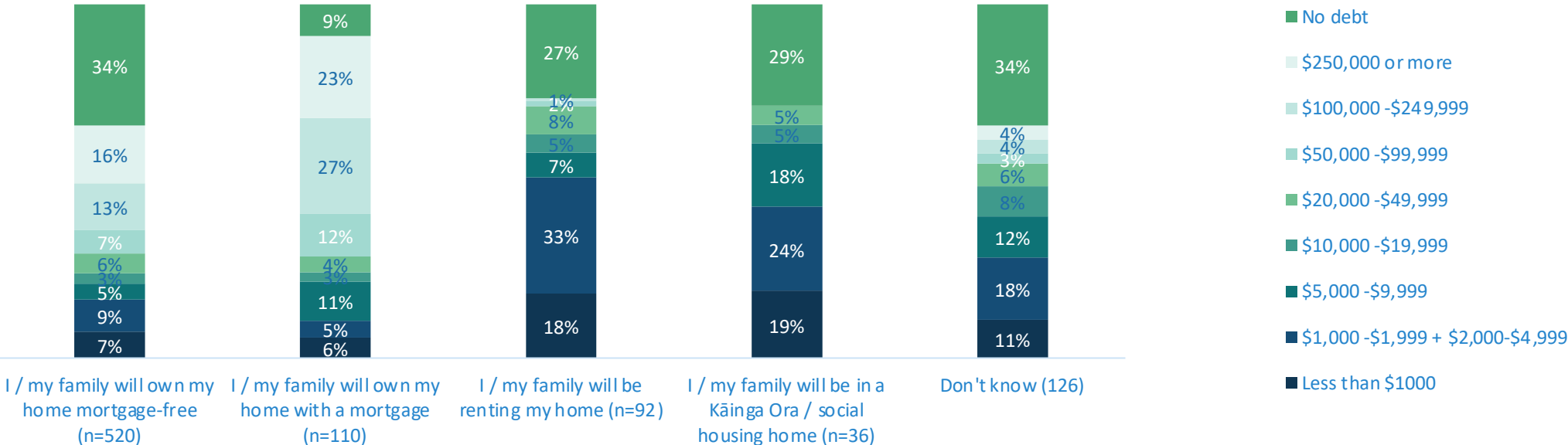
While three quarters of those who currently own their home expect to have paid off their mortgage, another 15% will still have one after they turn 65. Renters are far less likely to know what the future holds for them in terms of housing. Māori living ahi kā are more likely to be uncertain about their housing (living within tribal rohe, 42%) compared to those living taura here / matā waka (17% outside tribal rohe).

Q15 - After you turn 65, what will your homeownership status be? By current tenure



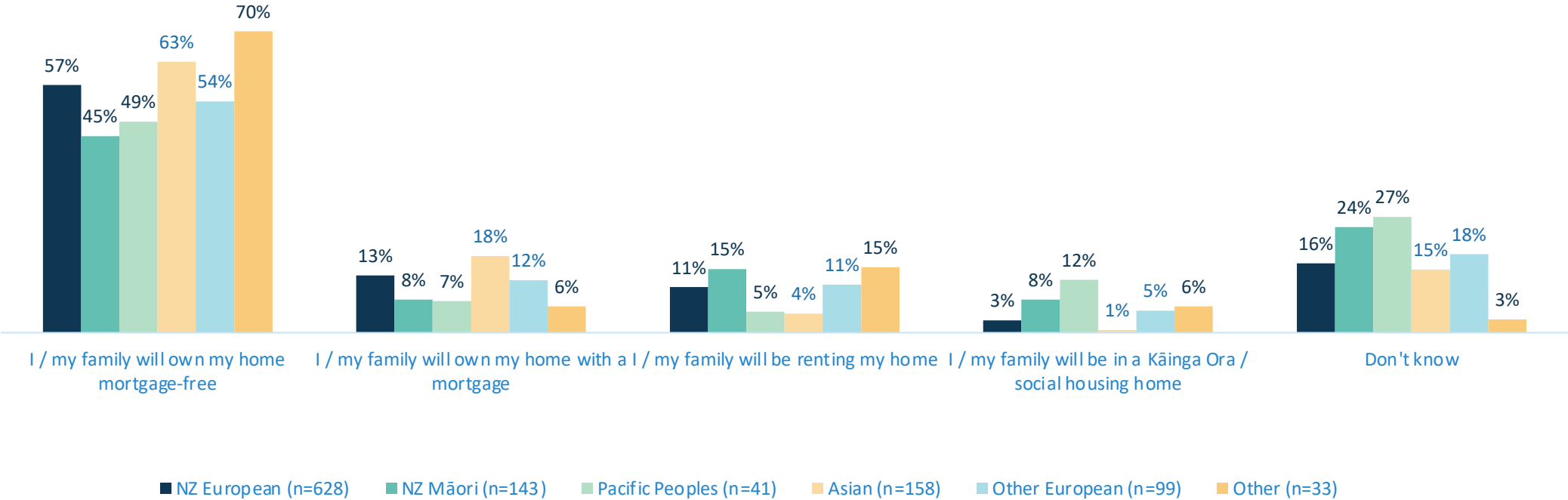
A third of those who believe they will be freehold after they turn 65 are already free of debt. Of those who will still have a mortgage, 23% currently have a debt of at least \$250,000, while 27% owe between \$100,000 and \$250,000. Debt levels are much lower for those who are renting.

Q15 - After you turn 65, what will your homeownership status be? By Q31 - And finally approximately how much debt do you currently have (including mortgage, finance companies, hire-purchase, 'buy now pay later', other bank loans, etc)?



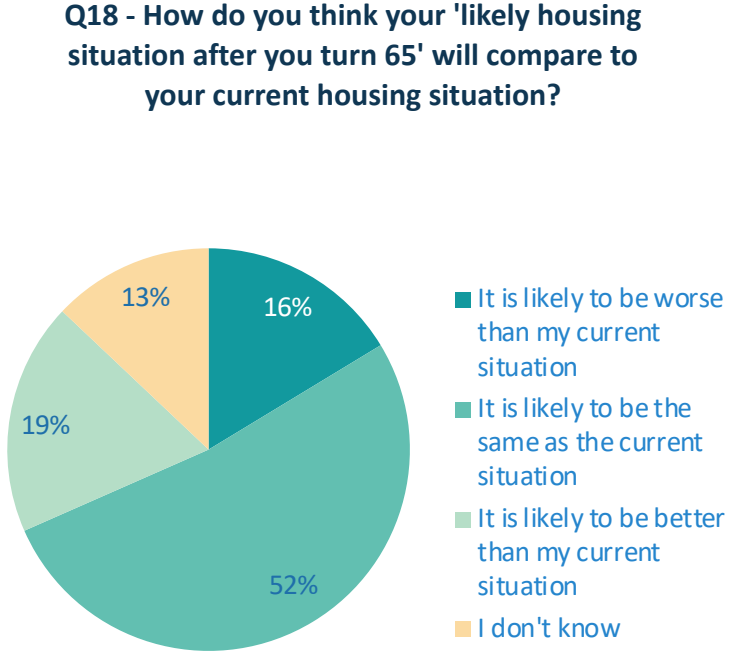
Although nearly half of the Māori participants believe they will own their home mortgage free once they turn 65, this represents the lowest of the ethnicities, followed closely by Pacific Peoples. In contrast, these two groups are more likely than other ethnicities to be uncertain as to where they will live in future.

Q15 - After you turn 65, what will your homeownership status be? By Ethnicity

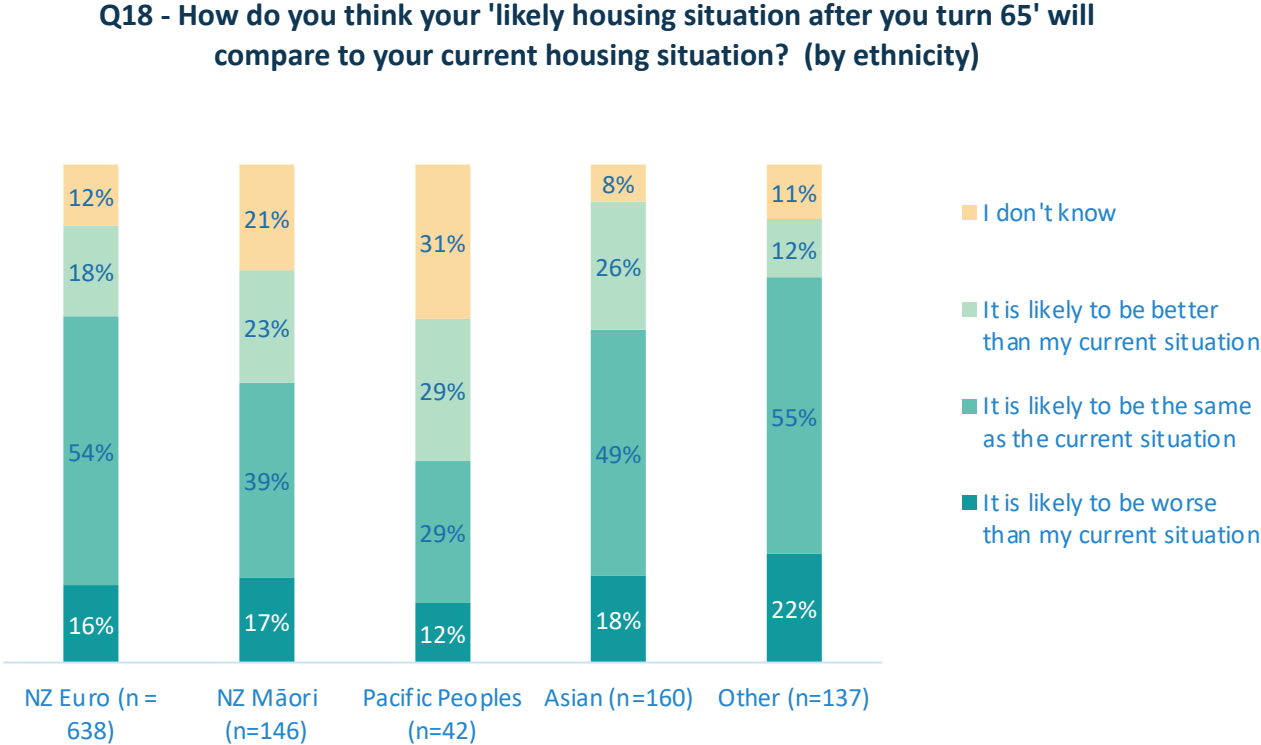


Half of people aged 45-64 believe their living situation after they turn 65 will be about the same as their current situation, but 16% believe it will be worse and 19% believe it will be better.

Pacific Peoples and Māori are less sure than other ethnicities about whether their future housing situation will be better or worse than their current one, while Asian participants are comparatively optimistic.



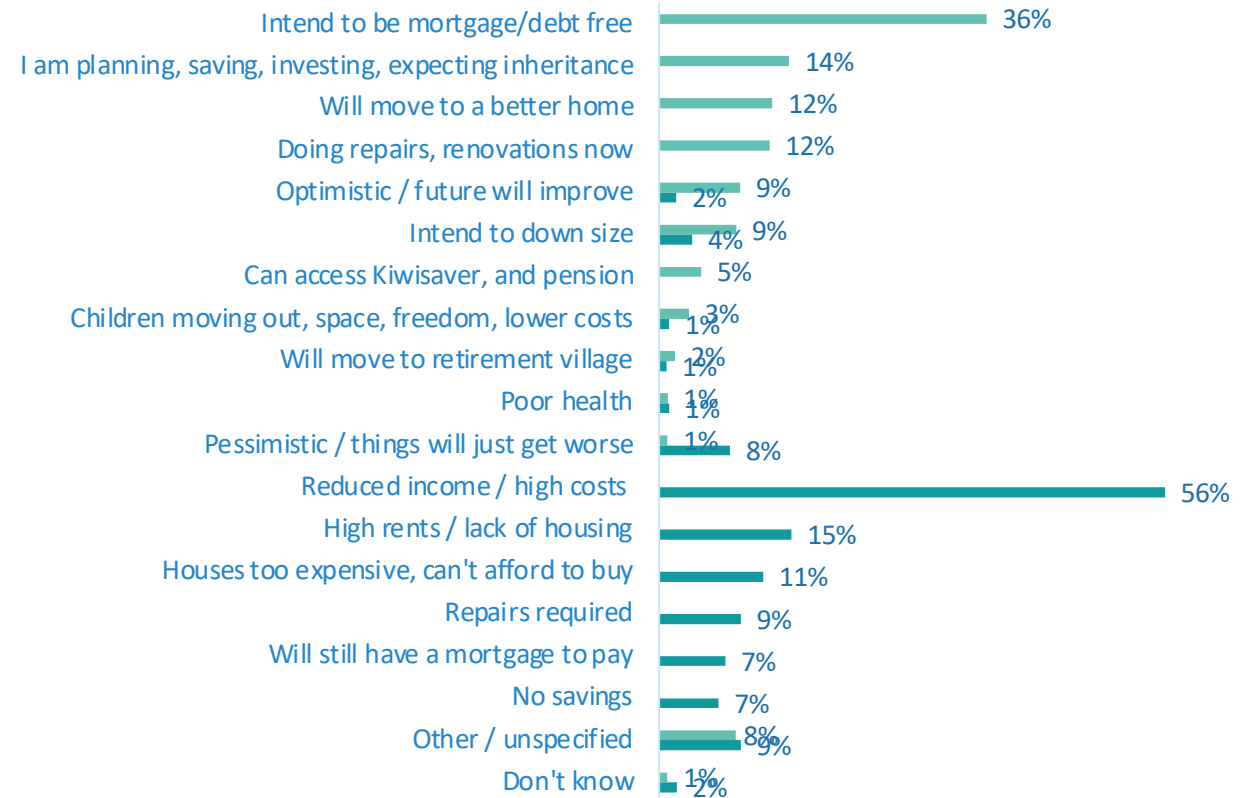
Total sample; base n = 1014; total n = 1017; 3 missing



Reasons for future expectations

- Over half of those who believe their living situation will be worse in the future worry about rising costs and the inability of a reduced income to cover these.
- Housing costs, specifically mortgages and rents are also mentioned among those who believe their living situation will be worse in the future.
- Homeownership provides choice:
 - Those who feel their living situation will be better in the future believe they will no longer have mortgage payments.
 - Others intend to free up equity in their homes by downsizing, moving to better homes, or doing renovations on a current home to ensure its quality in the future.

Q19 - Why did you give this answer? - Coded by Q18 - How do you think your 'likely housing situation after you turn 65' will compare to your current housing situation?



■ Better than my current situation (n=114)

■ worse than my current situation (n=94)



Verbatim comments

Reduced income / high costs

- Financially my wife and I may struggle to pay insurances and rates, because of the reduced income after retirement.
- Because when I retire, my rent goes up and my benefit goes down
- Cost of everything will continue to go up, income not keeping up
- I am expecting inflation to be very high and everything become very expensive as it does now
- I just feel that the cost of living in nz right now is for me week to week in 11years do you really think the cost of living will be down & the wages higher especially for the lower paid people who don't have a education...yep that remains to be seen in 11yrs
- Once I retire my income will be drastically cut
- we will be living on pensions and savings rather than regular wages
- It is potentially likely once I am 65 both my parents (who I live with currently) may no longer be here so I will have to look for alternative accommodation which is unlikely to be as good as what I have currently and will also likely cost far more.
- because I had to start using up my savings before COVID when I lost my job. Now I work part time with minimum wage
- Due to rise in rates unable to sustain mortgage payments and live at same time. Life is unsustainable.

High rents / lack of housing

- Considering how the rents are rising lately, I will not be able to afford something nice. Currently I can afford it because I am working full-time, and I save what I can, but I am not optimistic regarding the housing situation in New Zealand.
- I think with the country and the state of the poverty and lack of housing if things don't get better it will only get worse
- I would imagine the rent will be even more expensive and owning a house won't be possible

Expensive / lack of homes

- Rising rental costs, lack of available properties and Superannuation not keeping pace with cost of living.
- Do not own a home and not likely that I will in the next 15 years. I think renting when retired would be hard as uncertain.
- The future of housing does not look good for middle income families
- the way housing prices are going up and up for low quality on homes
- The way housing prices are going, and the inability to work at 65, we wont be able to afford a simple house

Will have paid off mortgage

- Will have paid off my mortgage and have equity and down sized in house size
- I will try to pay off my mortgage as much as I can before turning 65 and hopefully small amount to pay.
- The mortgage is for a major renovation, and will be completed and paid off by 65
- We would have more funds to fast track our mortgage payments
- I have already paid off my mortgage - as I reach retirement age I would like to purchase a smaller easy care house with only a small section/garden.
- I dont have a large mortgage, so will be paid off soon and when I retire there is the possibility of selling to downsize
- I am already mortgage free on my family home. By the time I'm 65 I will have pd off my investment property
- Because I will be mortgage free by that age and therefore better off financially. My home has also appreciated in value



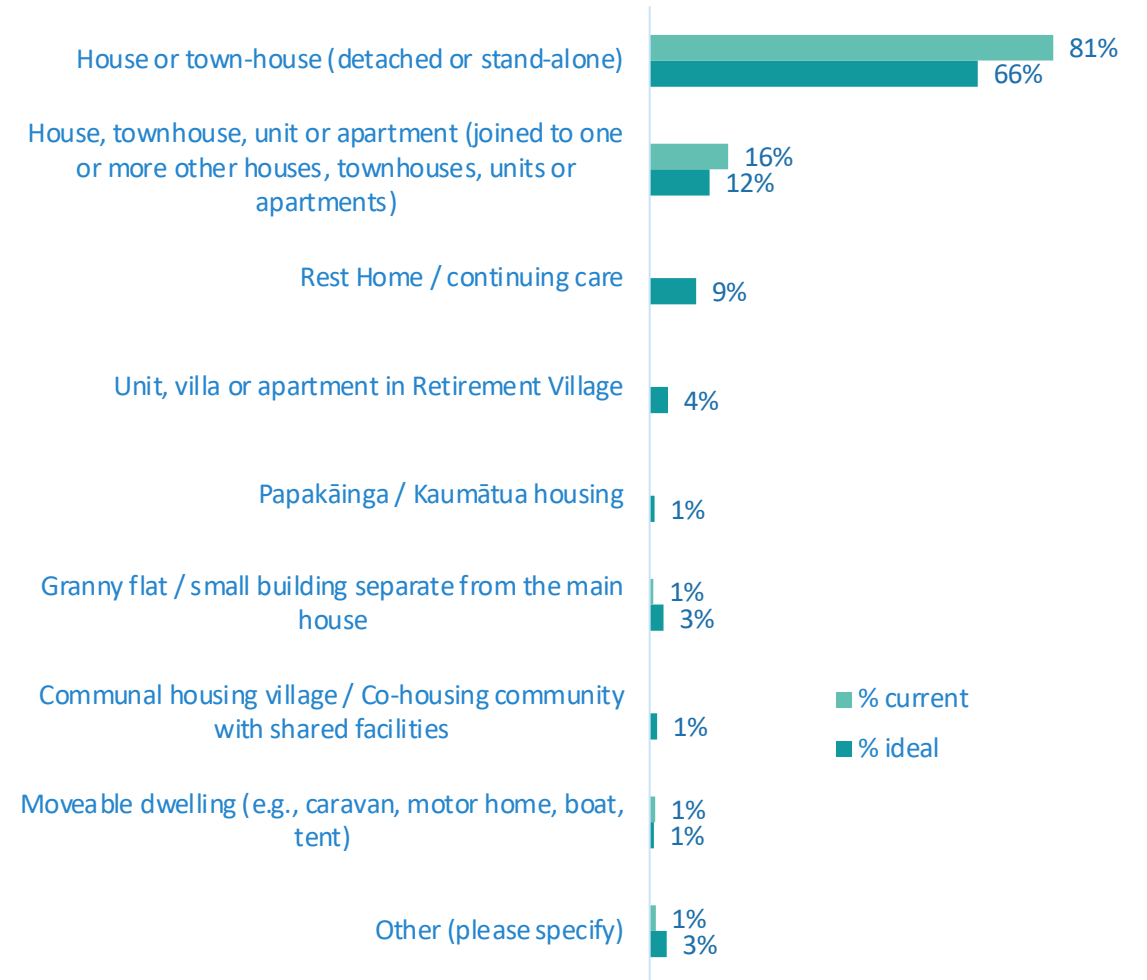
Ideal living situations



Future Housing Ideals

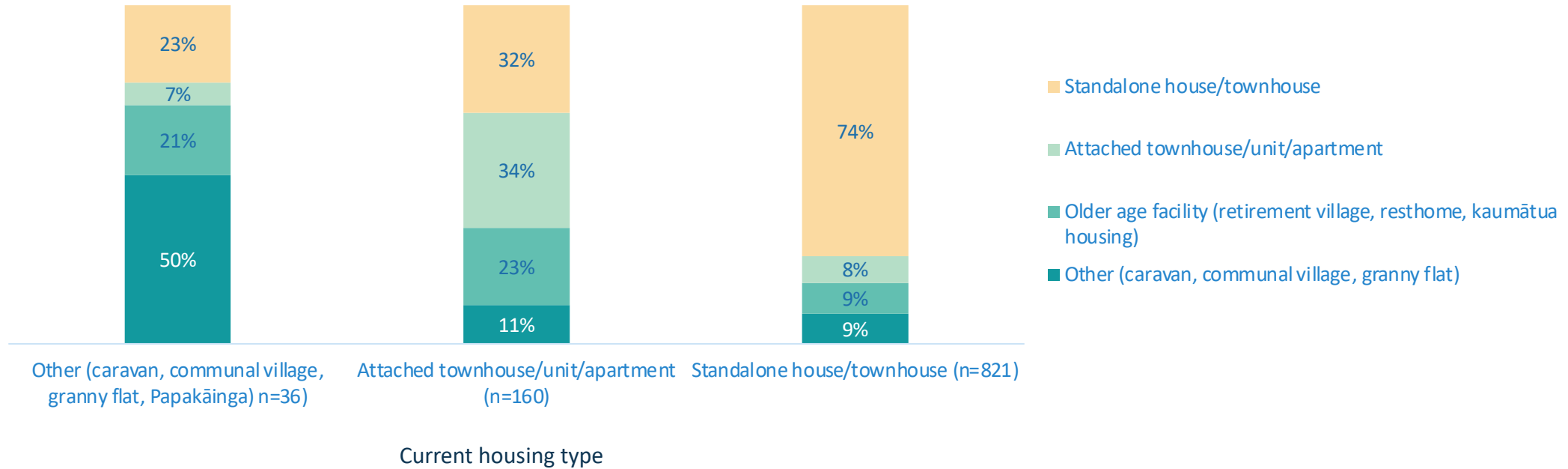
- Standalone houses/townhouses are considered the ideal after the age of 65 for 66% of participants, although older-age facilities such as retirement villages, resthomes or kaumatua housing were desired by 14%.
- Māori are more likely than other ethnicities to name Papakāinga /Kaumātua housing (7%) or granny flats/detached building (8%).
 - Those living taura here/matā waka are more likely to prefer standalone houses (69%).
- Asian participants are more likely than others to select a retirement village unit/villa (22%) as ideal.
- NZ Europeans are more likely than others to prefer a standalone house/townhouse (71%).

Q20 - Again, thinking into the future after you turn 65, where would you MOST like to live? (select all that apply)



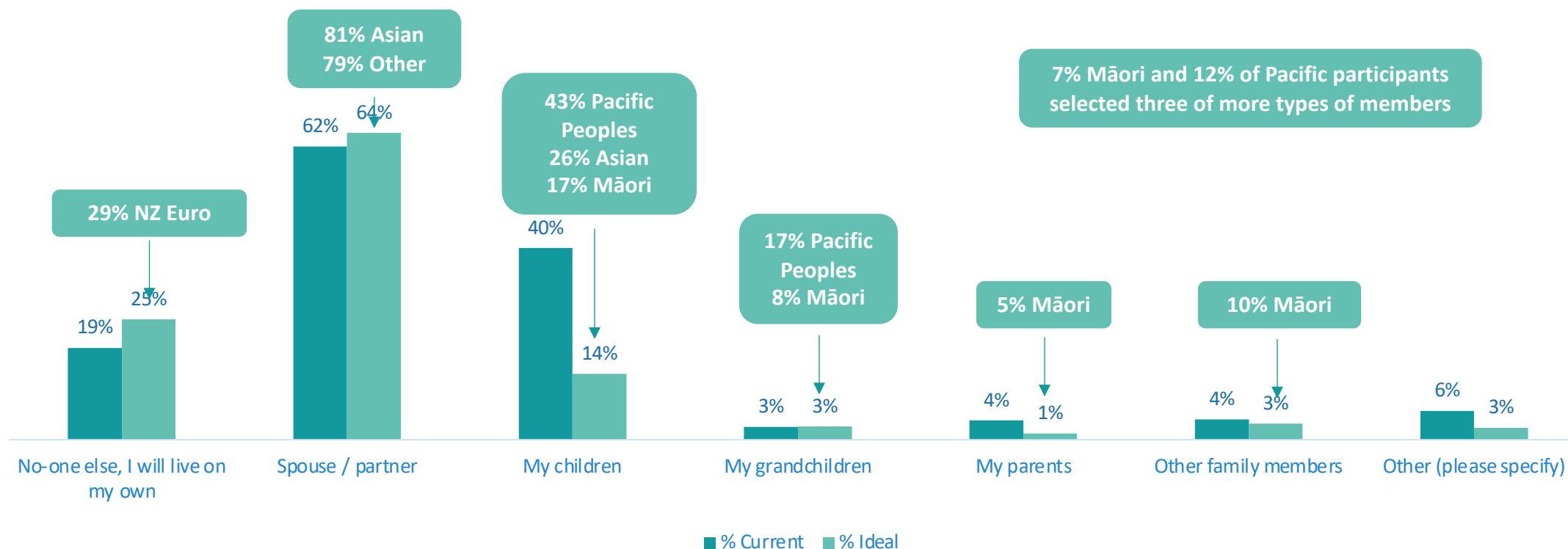
Ideal living situation reflects current situation to some extent, although 17% of those in standalone homes wish to move to smaller or 'diverse' housing types (e.g. granny flats, communal living, caravans etc).

Q20 - Again, thinking into the future after you turn 65, where would you MOST like to live? (select all that apply) by current housing type



The bulk of participants would ideally live with their partner after they turn 65. Living with children is less preferred once participants reach this age. Ethnicity has a large impact on membership preferences, with Māori and Pacific participants in particular selecting a number of family member types.

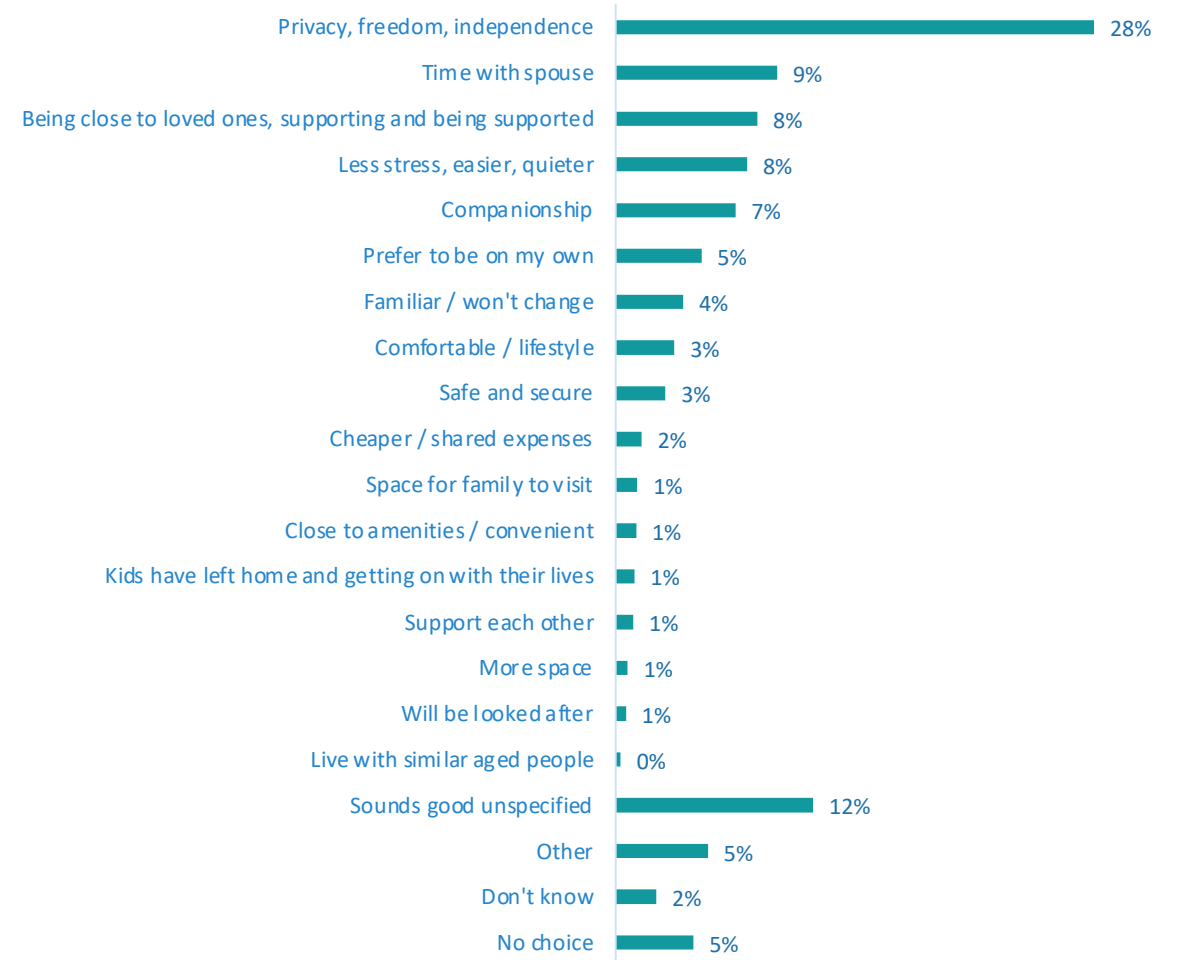
Q21 - And who would you ideally live with after you turn 65? (select all that apply)



Reasons for ideal housing arrangement

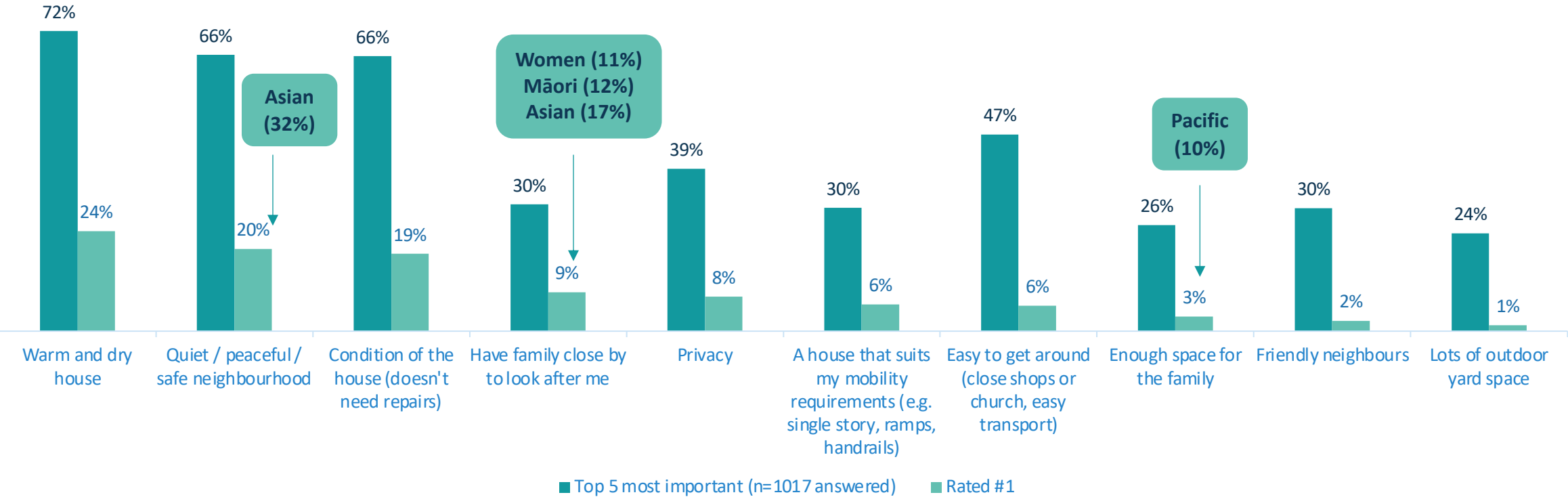
- When describing why they prefer their specified living arrangement, increasing privacy, freedom and independence is most commonly voiced.
 - No significant differences are apparent for age, gender, ethnicity, or type of housing arrangement are apparent.
- However, other reasons are relevant to specific living situations or people:
 - Living closed to loved ones is more important for Pacific People (23%), Māori (12%) and Asian participants (12%) and less important to NZ Europeans (6%)
 - Those preferring older age facilities or attached units/apartments are more likely to say it will be easier and quieter (15%), and safe and secure (8%).
 - 21% of those wanting to live in a granny-flat/detached building from main house like the idea of being close to loved ones, supporting and being supported.

Q22 - What do you like about this living arrangement?



Having a warm and dry house is of paramount importance to participants. However, a quiet, peaceful and safe neighbourhood is nearly of the same importance, as is a home of good quality.

Rank the five MOST important things to get right so that you are happy in your home after you turn 65?



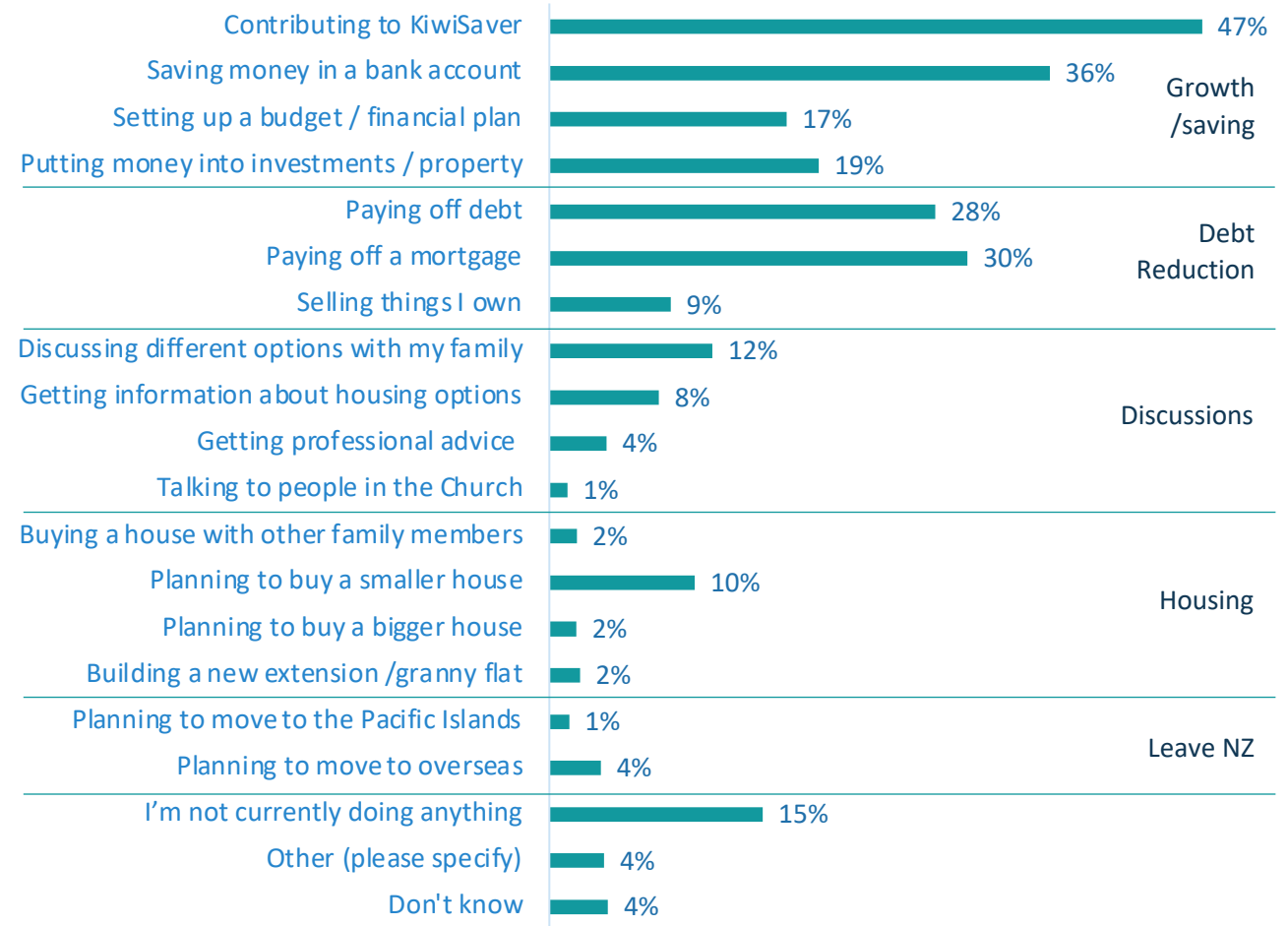
Planning and Barriers



Types of planning activities

- Participants are undertaking on average 2.4 of the listed activities as part of their planning for future housing.
- Nearly half of those aged 45-64 are actively contributing to KiwiSaver, and over a third are currently saving money into banks, while one in five are putting money into investments/property.
- However, 15% say they are not doing anything to ensure they can live in a housing situation they like once they turn 65.
- Those intending to live in a standalone house/townhouse are more likely to be paying off a mortgage (34%) and/or putting money into investments/property (22%)
- Those who want to live in a grannyflat/separate building, 30% are discussion options with family, while 14% are buying a house with other family members.
- Downsizers (from standalone to smaller or diverse options) are more likely to say they are discussing options with family (20%), planning to buy a smaller house (15%), getting information about housing options, and/or planning to move overseas (14%).

Q27 - What are you doing now to make sure you can live in a housing situation that you like once you turn 65? (select all that apply)



Total sample; base n = 1014; total n = 1017; 3 missing



Types of planning activities

Gender:

- Men undertake significantly more planning activities on average (2.6 activities) than women (2.2 activities) and are more likely than women to be putting money into investments/property (24% compared to 15%) and/or paying off a mortgage (33% compared to 27%).

Ethnicity:

- While KiwiSaver contribution is consistent with the average, Māori are more likely to say they are paying off debt (39%) or discussing plans with family (18%).
- Māori living taura here/matā waka undertake more activities on average (2.9) compared to their ahi kā counterparts (1.8), and are more likely to be contributing to KiwiSaver (52%) or saving money (37%), although this may relate to household income more than tribal boundaries (the ahi kā sample have lower household incomes).
- Pacific people are the most likely of the ethnicities to say they are setting up a budget/financial plan (26%), and are more likely to discuss plans with family (21%).
- Asian participants undertake more planning activities (2.8), particularly in terms of saving money in a bank account (46%) and putting money into an investment property (28%).

Household income

- Those on household incomes under \$50k are more likely to say 'I'm not doing anything' (29%).
- Likelihood of paying off a mortgage increases with household income (14% for under \$50k; 48% for over \$100k pa.), as does putting money into investments/property (9% for under \$50k; 34% for over \$100k pa.)

Home ownership:

- Home owners are more likely to be undertaking growth/savings activities such as contributing to KiwiSaver (52%), saving money into a bank account (41%), or putting money into investments/property (25%).
- Mortgage holders are focusing on debt repayment (74% are paying off the mortgage, 43% are paying off other debt)
- 25% of those renting privately, and 37% renting through Kāinga Ora say they are not doing anything.



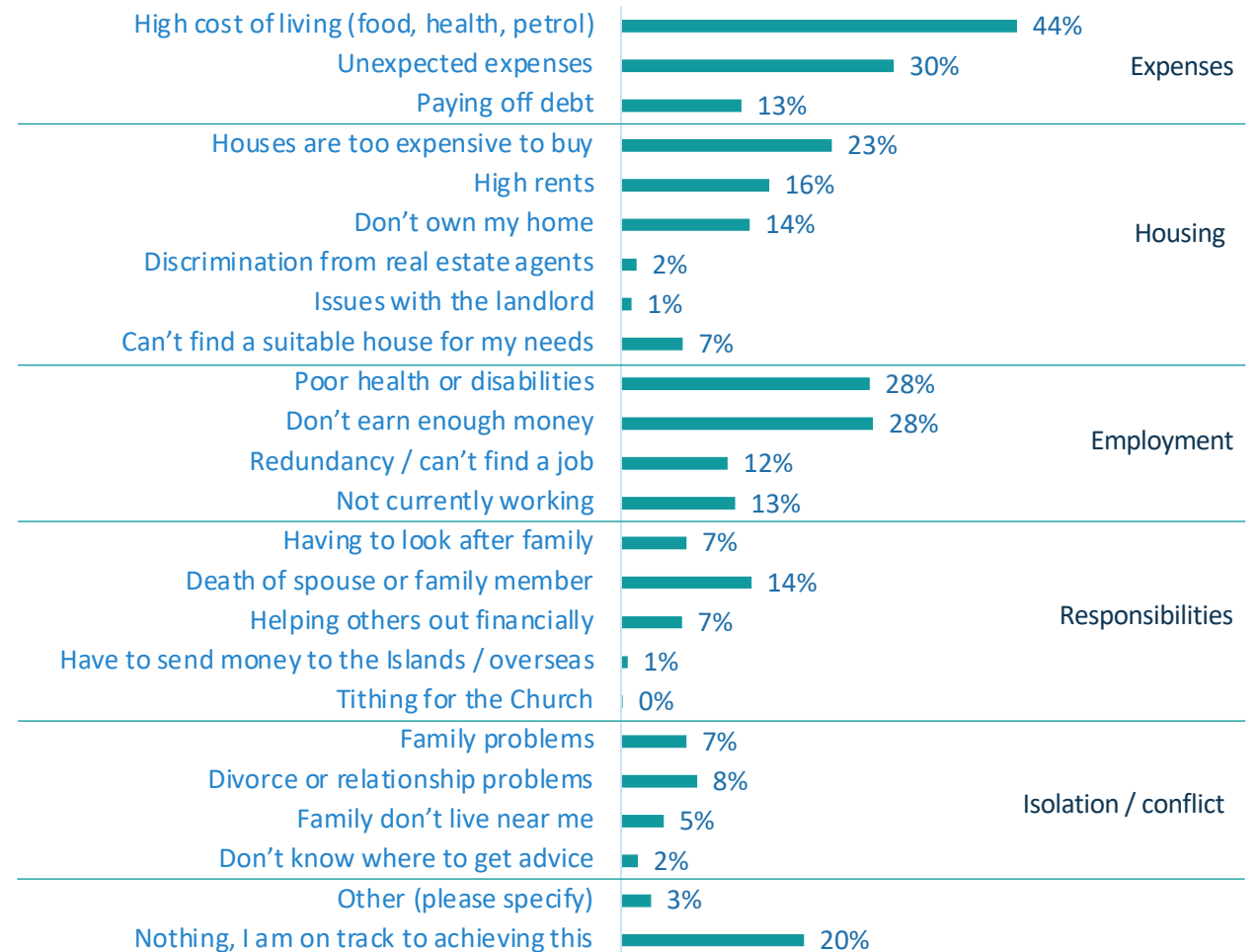
Barriers to achieving an ideal housing situation

Participants select, on average, 2.9 barriers to achieving their ideal future living situation.

The increasing cost of living is creating a barrier for over four in ten participants, while the significant expense of buying a house is an issue for 23%.

One in five however feel on track to achieving their housing goals.

Q28 - What is likely to prevent you from achieving your ideal future housing situation? (select all that apply)



Total sample; base n = 1014; total n = 1017; 3 missing



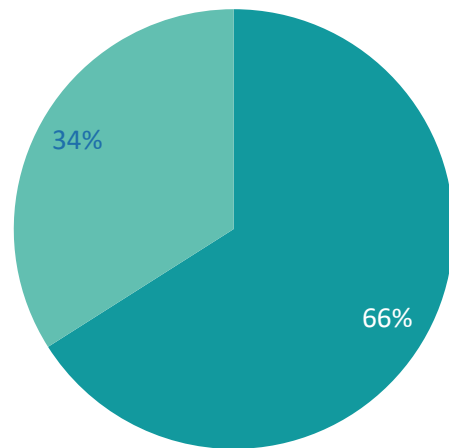
Barriers to achieving an ideal housing situation

- Men are more likely than women to select 'redundancy' as a barrier (16% compared to 8%), as well as divorce or relationship problems (11% compared to 8%).
- Māori select more barriers on average (3.5), and are more likely to select high rents (30%), 'don't own my home' (19%), helping others out financially (14%), or family problems (12%) as barriers
- Pacific People also select more barriers on average (4.1), in particular noting houses being too expensive to buy (44%), paying off debt (36%), and high rents (26%) are barriers.
- For those with household incomes under \$50k, high rents (25%), lack of homeownership (22%), not working (23%), and not earning enough money (35%) are more likely to be selected as barriers (compared to the general population)



Two-thirds of people aged 45-64 are aware of mechanisms for equity release such as reverse mortgages, but only five percent would consider it for their retirement.

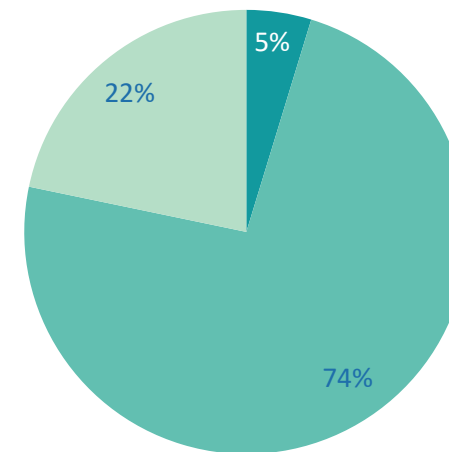
Q29 - Are you aware of mechanisms for equity release (e.g. reverse mortgage)? That is, ways that you can obtain money from assets you own (like a house)?



■ Yes ■ No

Base n= 1014; weighted; total = 1017; 3 missing

Q30 - Are you intending to use equity release to fund your retirement? [aware]



■ Yes ■ No ■ Don't know

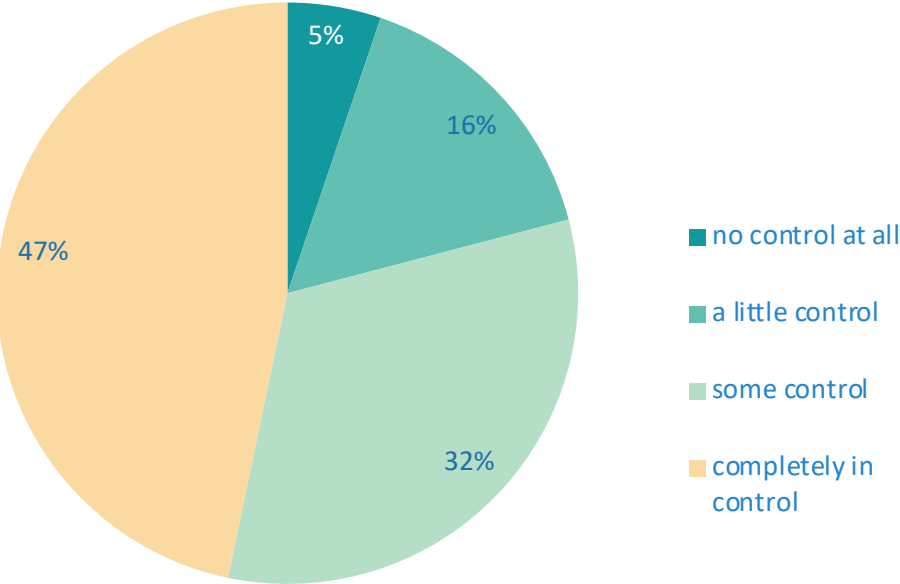
Base n= 659; weighted; total = 1017; 358 missing



Most (79%) people aged 45-64 feel at least somewhat in control over where they live after they turn 65. Household income plays some role in that those with incomes over \$100k are significantly more likely to feel completely in control compared to those in households earning under \$70k p.a.

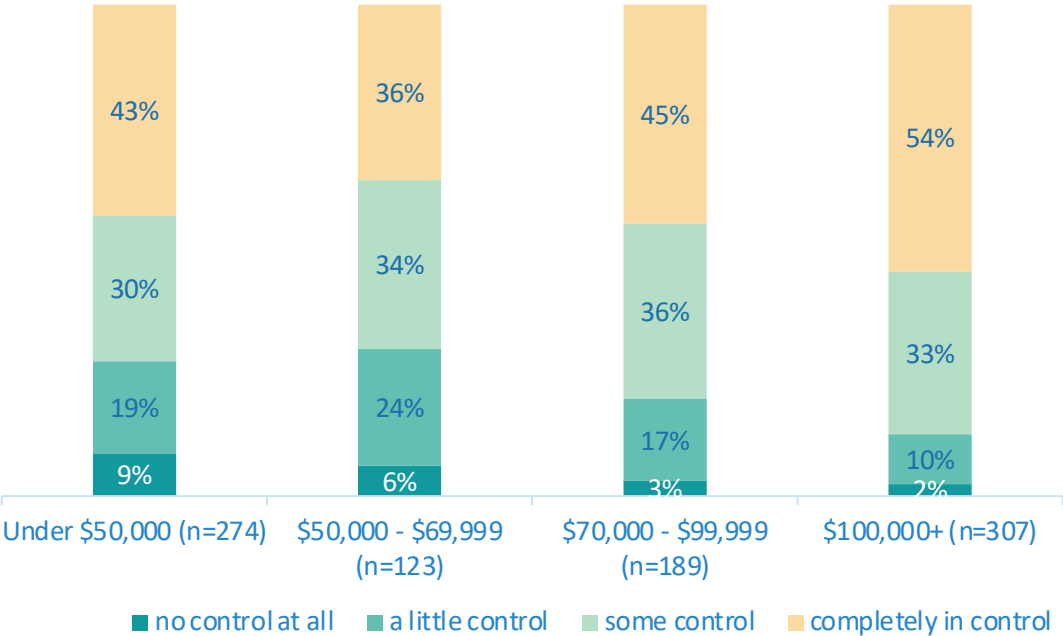
Although not significantly different, Pacific participants give the highest ratings for perceived control (86% feel at least some control, similar to the 85% voiced in the separate Pacific People survey).

Q26 - How much control do you feel you have over where you are likely to live after you turn 65?



Base n= 1014; weighted; total = 1017; 3 missing

Q26 - How much control do you feel you have over where you are likely to live after you turn 65? By annual household income



Understanding important drivers of control

The most important factors when predicting feelings of control over future housing situations are:

- Lack of current home ownership (accounting for -38% of the explainable variance)
- Average number of barriers (-35%)
- Age (12%), and
- Annual household income (9%)

Shapley importance determines what proportion of R-square from a linear regression model can be attributed to each independent variable. The direction of the influence of each independent variable (+/-) is presented in the scores, in addition to the magnitude.

R-Squared (%) = 20.2	Relative Importance (%)	t-Statistic	p
Age	11.8	2.49	0.01
Gender	0.6	0.46	0.64
Current home ownership	-38.0	-4.60	0.00
Capacity*	-2.4	-1.12	0.26
Average number of activities	1.7	1.41	0.16
Average number of barriers	-34.7	-4.38	0.00
Annual household Income p.a.	9.2	2.38	0.02
Current debt	1.6	1.34	0.18

*Capacity relates to whether actual numbers of members the home is lower or higher than stated ideal



Key variables associated with control

Specific relationships between the important variables and control include:

- Control increases with age, so that those aged 60-64 feel the most confident of all the participants
- Pacific People feel more in control, while Asian participants feel less in control.
- Those who perceive more barriers will feel less in control compared to those who see fewer.
- Household incomes have to reach \$100k+ before feelings of control increase.
- Those who rent privately feel less in control over future living situations compared to those who own their home.

*For a one unit increase in the predictor, the response variable level is expected to change by its respective regression coefficient in the ordered log-odds scale while the other variables in the model are held constant.

Ordered Logit regression		Estimate*	Std. Error	t value	p
Age: ref 45-54	50 - 54 years	0.4	0.2	2.0	0.04
	55 - 59 years	0.7	0.2	3.4	0.00
	60 - 64 years	0.9	0.2	4.5	0.00
Gender: ref male	Female	0.2	0.1	1.3	0.19
Ethnicity: ref Euro/Other	Māori	-0.2	0.2	-0.9	0.34
	Pacific	1.1	0.4	2.9	0.00
	Asian	-0.4	0.2	-2.0	0.05
Capacity: ref under	At capacity + Over capacity	-0.5	0.3	-1.6	0.12
Current home ownership: ref owned by self/family/trust	Rented privately	-1.0	0.2	-5.6	0.00
	Renting through Kāinga Ora / social housing	-0.4	0.3	-1.3	0.20
Annual personal income: ref under \$30k	\$30,000- \$49,999	0.0	0.2	-0.2	0.85
	\$50,000 - \$69,999	-0.2	0.3	-0.7	0.50
	\$70,000 - \$99,999	0.2	0.2	0.8	0.41
	\$100,000 +	0.5	0.2	2.2	0.03
Debt: ref no debt	Less than \$4,999	-0.3	0.2	-1.7	0.09
	\$5,000 - \$19,999	-0.4	0.2	-1.4	0.15
	\$20,000-\$99,999	0.0	0.2	0.0	0.99
	\$100,000-249,999	0.2	0.3	0.9	0.36
	\$250,000+	0.0	0.2	-0.1	0.90
	Average number of activities	0.0	0.0	0.5	0.59
	Average number of barriers	-0.2	0.0	-7.0	0.00
	no control at all a little control	-3.5	0.3	-10.8	0.00
	a little control some control	-1.7	0.3	-5.8	0.00
	some control completely in control	0.1	0.3	0.2	0.83

N=840 cases used in estimation of a total sample size of 1017; cases containing missing values have been excluded; R-squared: 0.152; Correct predictions: 54.64%; McFadden's rho-squared: 0.1343; AIC: 1,842.7; multiple comparisons correction: None



Extending the model

- Adding in the specific barriers and activities undertaken increases the r-squared from 0.152 to 0.211*.
- While age, homeownership, and ethnicity continue to play a role, household income is no longer significant, even for those with incomes over \$100k.
- There are a number of specific barriers and activities of note
- Activities:
 - Paying off a mortgage
 - Putting money into investments/property
- Barriers:
 - Don't own a home
 - High rents
 - Houses are too expensive to buy
 - Don't earn enough money
 - Not currently working

*none of the items included in the model have $GVIF^{1/(2*df)}$ values over 2 indicating there is no multit-collinearity



Model 2: Ordered Logit regression [control]

		Estimate	Std. Error	t value	p			Estimate	Std. Error	t value	p	
Activites undertaken (ref 'no')	Planning to move to the Pacific Islands	0.0	0.6	0.0	0.98	Barriers selected (ref 'no')	Can't find a suitable house for my needs	0.1	0.3	0.4	0.66	
	Planning to move to overseas	0.3	0.3	0.9	0.37		Discrimination from real estate agents	-0.9	0.5	-1.9	0.06	
	Setting up a budget / financial plan	-0.1	0.2	-0.6	0.58		Houses are too expensive to buy	-0.4	0.2	-2.3	0.02	
	Selling things I own	-0.3	0.2	-1.4	0.16		Death of spouse or family member	0.0	0.2	0.0	0.98	
	Paying off a mortgage	0.4	0.2	2.6	0.01		Divorce or relationship problems	0.2	0.2	0.9	0.35	
	Paying off debt	0.0	0.2	-0.2	0.81		Helping others out financially	-0.3	0.3	-0.9	0.34	
	Talking to people in the Church	0.9	0.6	1.4	0.15		Unexpected expenses	-0.1	0.2	-0.6	0.52	
	Getting professional advice (lawyer, accountant, bank etc)	0.0	0.3	-0.1	0.91		Issues with the landlord	0.3	0.6	0.5	0.60	
	Getting information about housing options	-0.3	0.3	-1.2	0.25		Paying off debt	0.0	0.2	0.1	0.91	
	Buying a house with other family members	-0.6	0.4	-1.5	0.15		High rents	-0.7	0.2	-2.9	0.00	
	Planning to buy a smaller house	0.0	0.2	0.1	0.90		High cost of living (food, health, petrol)	-0.1	0.1	-0.5	0.65	
	Planning to buy a bigger house	-0.1	0.5	-0.3	0.80		Tithing for the Church	-2.1	1.5	-1.5	0.14	
	Building a new extension or building to an existing house	0.6	0.5	1.4	0.17		Have to send money to the Islands / overseas	0.2	0.7	0.3	0.79	
	Discussing different options with my family	0.0	0.2	-0.2	0.85		Family problems	-0.2	0.2	-0.6	0.54	
	Contributing to KiwiSaver	0.1	0.1	1.0	0.32		Redundancy / can't find a job	-0.3	0.2	-1.3	0.21	
	Putting money into investments / property	0.4	0.2	2.3	0.02		Don't own my home	-0.6	0.2	-2.6	0.01	
	Saving money in a bank account	0.0	0.2	-0.3	0.79		Family don't live near me	0.4	0.3	1.5	0.15	
								Having to look after family	-0.1	0.3	-0.2	0.83
	Age (ref 45-54)	50 - 54 years	0.3	0.2	1.9		0.06	Not currently working	-0.4	0.2	-2.0	0.05
		55 - 59 years	0.6	0.2	3.3		0.00	Poor health or disabilities	-0.2	0.2	-1.3	0.21
60 - 64 years		1.0	0.2	5.0	0.00	Don't know where to get advice	0.1	0.5	0.1	0.92		
Gender (ref male)	Female	0.2	0.1	1.8	0.06	Don't earn enough money	-0.6	0.2	-3.9	0.00		
How ownership (ref owned themselves / family / trust)	Rented privately	-0.5	0.2	-2.4	0.02	Ethnicity	Māori	-0.2	0.2	-1.1	0.27	
	Renting through Kāinga Ora / social housing	-0.5	0.3	-1.4	0.15		Pacific	1.2	0.4	3.0	0.00	
Capacity (ref under)	At capacity + Over capacity	-0.4	0.3	-1.4	0.17		Asian	-0.4	0.2	-1.9	0.06	
n = 1,000 cases used in estimation of a total sample size of 1,017; cases containing missing values have been excluded; R-squared: 0.2111; Correct predictions: 52.4%; McFadden's rho-squared: 0.12; AIC: 2,158.4; multiple comparisons correction: None							no control at all a little control	-3.5	0.3	-13.8	0.00	
							a little control some control	-1.6	0.2	-7.6	0.00	
							some control completely in control	0.2	0.2	1.0	0.33	



Summary



Summary

Where do people aged 45-64 currently live (and who with)?

- Currently, just over seven in ten participants say they currently own (or part own) their home, and a third of owners have already paid their mortgage off at the age of 45-64.
- Having children in the home is still relatively common for 45-64 year olds (39%), and the average number of people in a household at this age is 2.6.
 - Household size tends to decrease at age increases.
- The number of people in a household considered 'too many' peaks at five.
 - Thus the vast majority of homes are well under self-assessed capacity (92%).
- Maori are less likely to currently own their home, and 10% are living in 'other' housing situations such as granny flats, caravans, communal housing.
 - 7% of this age group live in homes with at least three family types, indicating intergenerational living is more common for Māori compared to NZ European participants.
- Pacific People have a greater tolerance for larger homes than other ethnicities and shrinking of household membership with age does not occur for Pacific households.
 - 24% of the Pacific participants in this study rented through Kainga Ora.
 - 12% of households have at least three family member types, again indicating a greater preference for intergenerational living.
 - Nearly one in five Pacific homes could be considered 'at' capacity as assessed by the participant.



Summary

- One in ten people are currently living in homes requiring immediate repairs or maintenance, have at least a moderate problem with dampness/mould and find their home to be colder in winter than they would like.
 - Renters are more likely to agree there are issues in these areas.
 - Given Māori are more likely to rent, it is not surprising that they are more likely to have issues with their home such as need for repairs, dampness and mould, and being too cold in winter.
 - Household income is also a factor in quality of homes, with nearly one in five of those with household incomes under \$50k facing issues (increasing to a third when it comes to being too cold).

Where do people intend to live after they retire (and who with)?

- For around half of all participants aged 45-64, future living situation is likely to be business as usual, but one in five think it is likely to be an improvement on current situation, while a further 16% believe it will be worse. For the latter, cost of living and housing costs combined with a likely drop in income are cause for concern.
- While three quarters of those who currently own their home expect to have paid off their mortgage, this leaves 15% who still have one after they turn 65.
 - Of those who will still have a mortgage, 23% currently have a debt of at least \$250,000, while 27% owe between \$100,000 and \$250,000.
- Although nearly half of the Māori participants believe they will own their home mortgage free once they turn 65, this represents the lowest of the ethnicities, followed closely by Pacific Peoples.
 - A quarter of both ethnicities are unsure where they will live after they turn 65.



Summary

What do people wish for in terms of housing?

- Two thirds of 45-64 year olds wish to live in a standalone house/townhouse after they turn 65, but this represents a shift from the 81% currently living in this type of housing. Nearly one in ten currently in standalone homes wish to downsize to townhouses/units/apartments in the future.
- Two thirds wish to live with their spouse, while living with children becomes much less preferred (only 14% wish to do so).
- Reasons for this preferred living situation typically focus on the ability to be more independent, gaining privacy and freedom.
- In terms of priorities, having a warm and dry house is of paramount importance to participants.
 - However, a quiet, peaceful and safe neighbourhood is nearly of the same importance, as is a home of good quality.
- Although still preferring standalone homes, Māori are more likely to prefer Papkāinga/ Kaumātua housing (7%) or granny flats/detached buildings (8%), and are more likely than NZ Europeans to want to live with children, grandchildren, parents and/or other family members. Indeed, 12% say that having family close by to look after them is of paramount importance.
- Pacific People also have a preference for intergenerational living, particularly when it comes to children or grandchildren living in the home and this is consistent with the findings from the separate Pacific Peoples survey.



Summary

What activities are being undertaken to ensure this housing arrangement is attained?

- Participants were asked to select all the activities they were doing to make sure they could live in a housing situation they liked. On average 2.4 of the listed activities were selected, mainly in terms of savings and debt reduction.
- The most common activity people selected was contributing to KiwiSaver (47%).
- Other common activities include paying off debt (28%), saving money in a bank account (36%), paying off a mortgage (30%).
- However, 15% said they were not doing anything, increasing significantly for renters.
- Income, ethnicity, gender and housing tenure are associated with both the number of activities undertaken, and type.

And what barriers to attaining an ideal living situation are present?

- On average, 2.9 barriers to attaining an ideal living situation are selected.
- The increasing cost of living is creating a barrier for over 40% of participants, while the significant expense of buying a house is an issue for 23%.
- One in five however feel on track to achieving their housing goals.
- Again, gender, ethnicity and household income are all associated with different barriers.



Summary

Feelings of control

- Most (79%) people aged 45-64 feel at least somewhat in control over where they live after they turn 65. Household income plays some role in that those with incomes over \$100k are significantly more likely to feel completely in control compared to those in households earning under \$70k p.a.
- The most important factors when predicting feelings of control over future housing situations are:
 - Lack of current home ownership (accounting for -38% of the explainable variance): those who rent privately feel much less in control
 - Average number of barriers (-35%): control decreases as number of barriers increase
 - Age (12%): sense of control increases with age
 - Annual household income (9%): but household incomes have to reach \$100k p.a. before sense of control improves
 - Ethnicity is also important – while not included in the driver analysis (which is linear), ordered logit regression shows that Pacific and Asian participants have a greater sense of control over their future living situation. The Pacific Peoples survey recorded 85% felt at least some control, while the current survey showed 86% of Pacific participants felt the same way.
- Extending the model by including the specific planning activities and perceived barriers indicates that paying off a mortgage and putting money into investments/property increasing feelings of control. In contrast, not owning a home, facing high rents/expensive houses, not earning enough money, and/or not working all serve to reduce feelings of control over future living circumstances.



Appendices



Participant Demographics

Region of Residence	%	n
Whangarei	0%	1
Auckland	57%	200
Hamilton	6%	20
Tauranga	1%	2
Rotorua + Taupo	3%	9
Gisborne	1%	2
Hastings	1%	2
New Plymouth	1%	3
Whanganui + Palmerston North	2%	7
Wellington + Hutt Valley + Porirua	19%	66
Nelson + Blenheim	2%	7
Christchurch + Ashburton	5%	19
Dunedin	2%	7
Timaru + Invercargill	1%	5
Column Population	350	

