

AGEING
WELL

Kia eke kairangi ki te
talkaumatanga

Life When Renting

Marlborough Summit 2019

Housing and demographics

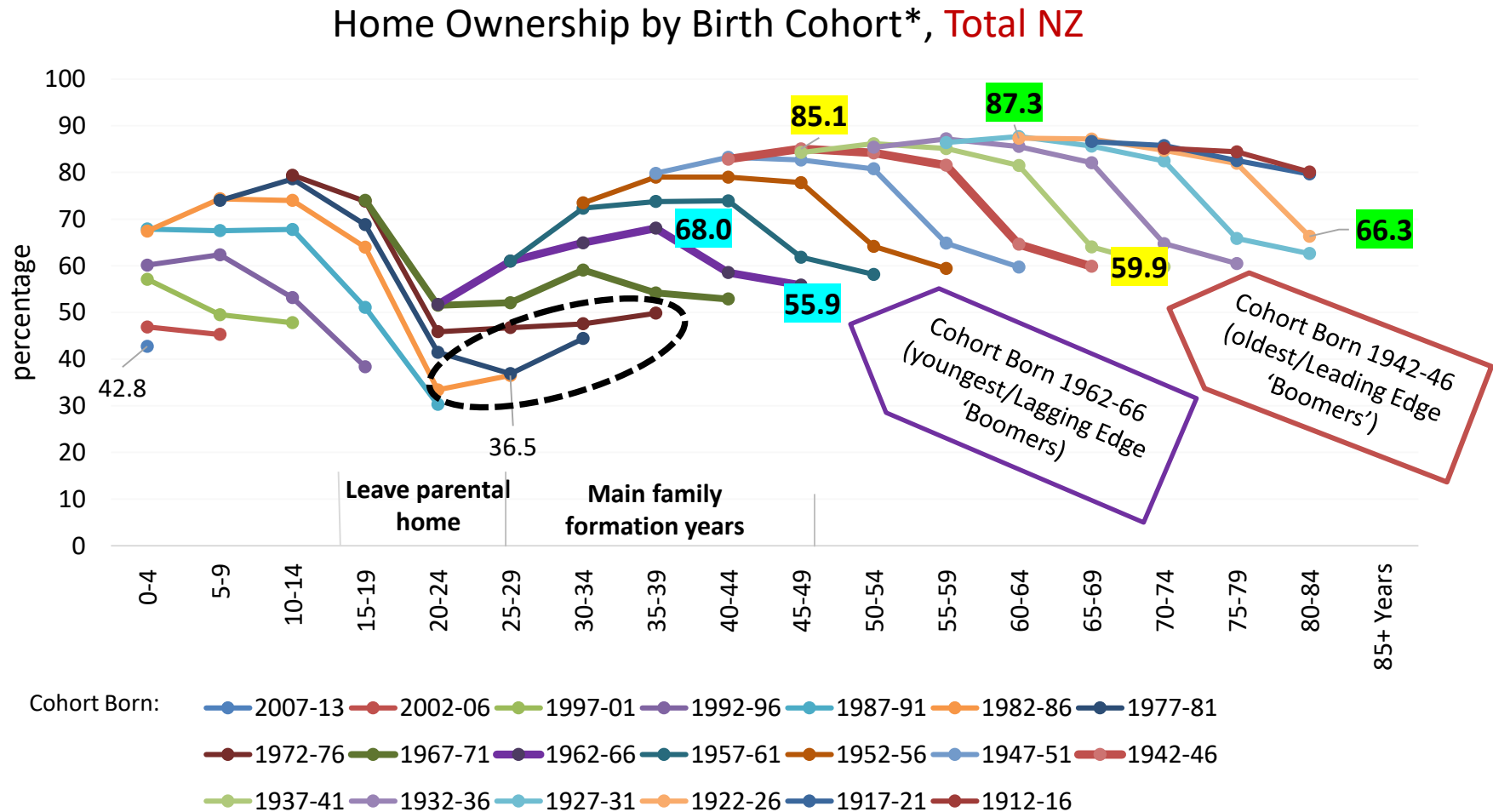
Natalie Jackson Demographics Ltd

Kay Saville-Smith

Key issues 1986-2013

- Home ownership has fallen systematically, for ALL age groups, ALL cohorts, ALL ethnic groups, ALL Territorial Authority Areas.
- Home ownership has declined *least* for the current older population, *most* for the younger and middle-aged population
- Cohort trajectories at both parental age and approaching retirement age suggest there will be little reversal of this situation, leading to very low and further declining ownership/increased renting for the future older population
- Using cohort experience at 55-64 years as the 'canary in the cage' suggests those retiring in the next 10 years will have around 30% lower ownership and 40% higher renting than their predecessors; these proportions will increase for the next wave of retirements

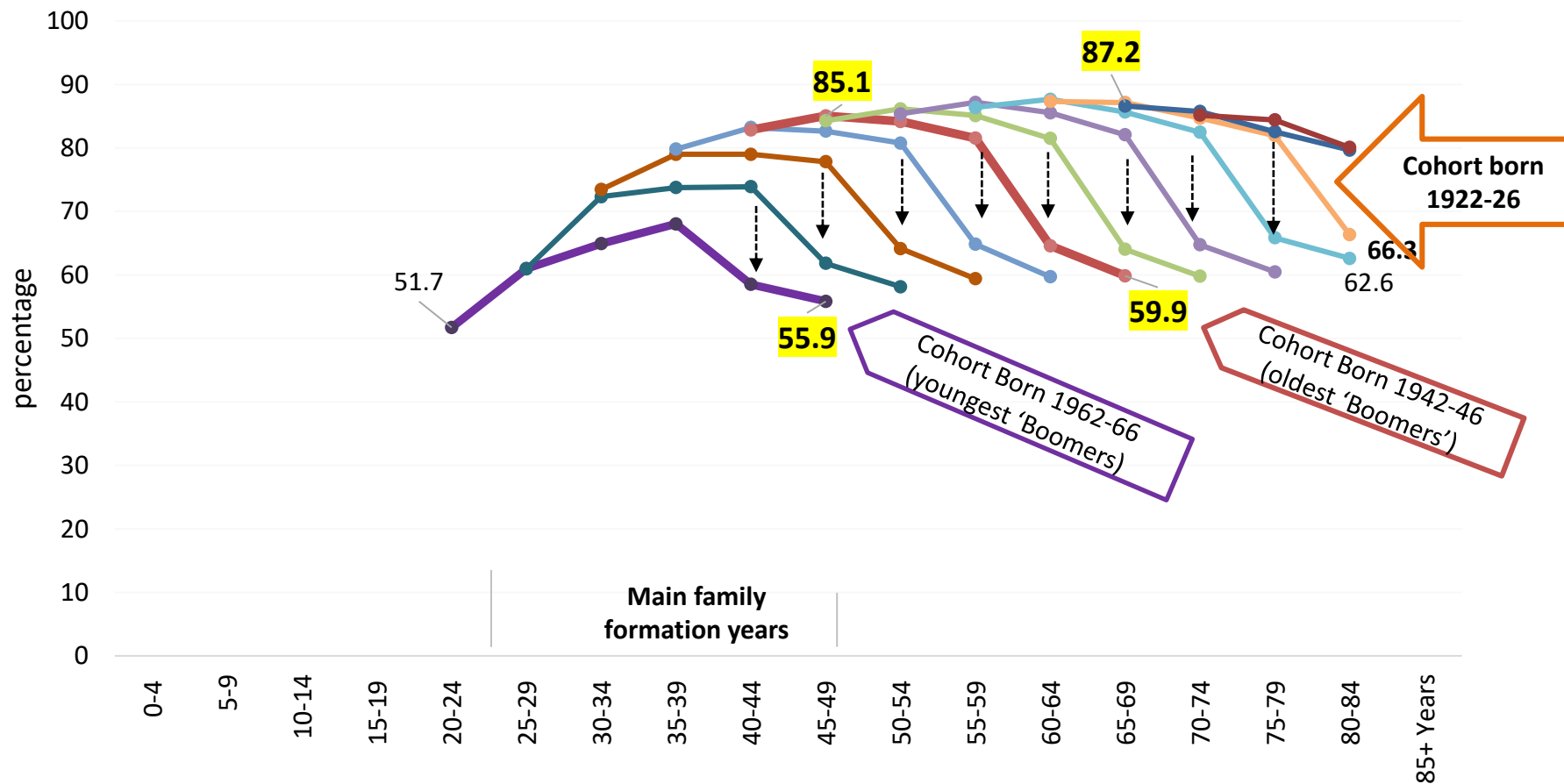
Home Ownership has declined from its peak for all NZ cohorts



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

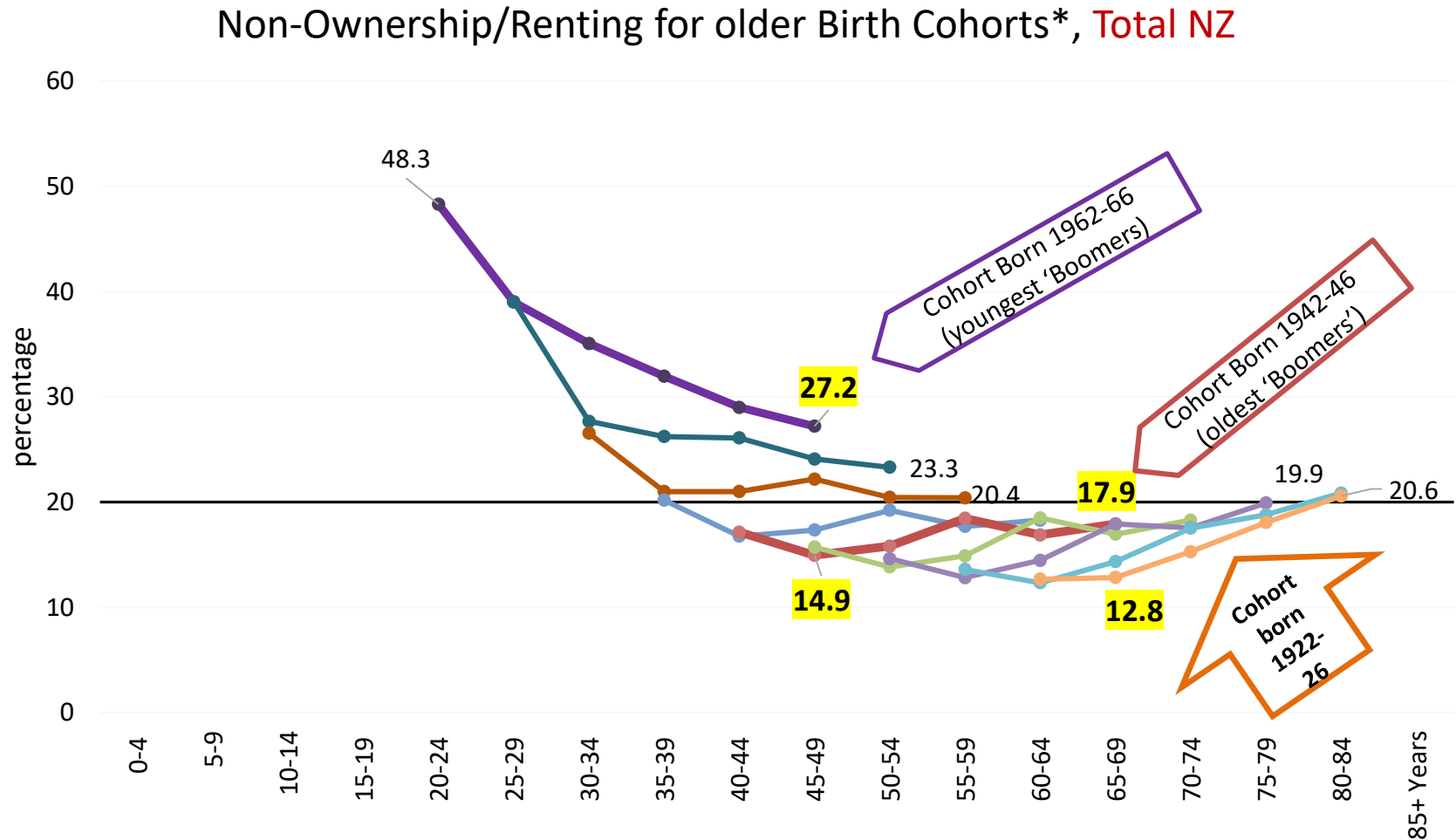
Cohorts in/approaching retirement

Home Ownership for older Birth Cohorts*, Total NZ



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

Renting: Cohorts in/approaching retirement



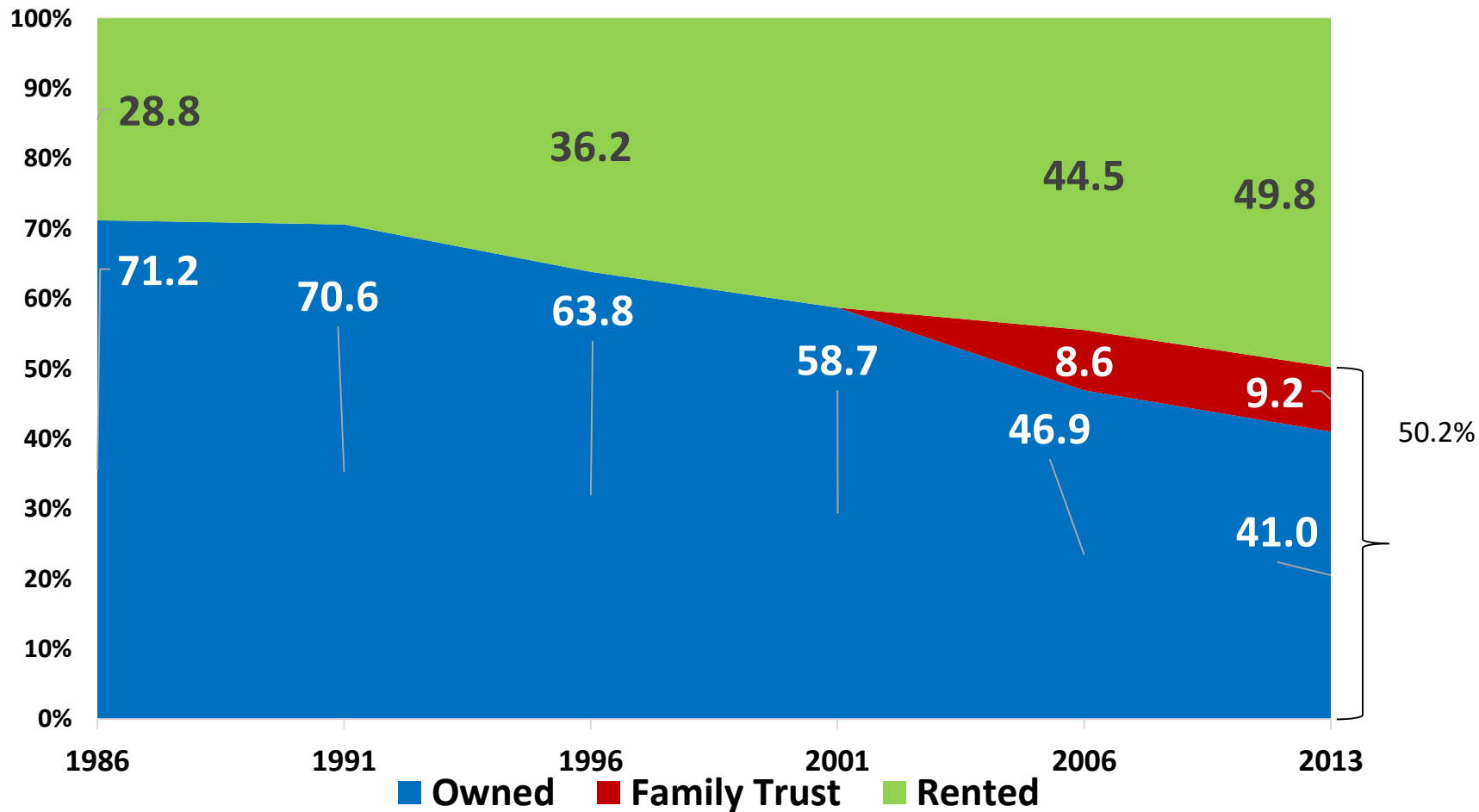
*final observation for each cohort is +2 years, due to 7-year gap between 2006 and 2013 censuses

Renting

- Declining home ownership and rising non-ownership/renting go hand in hand
 - In some cases, the rise of Family Trusts *partially ameliorates*
 - *but does not fully offset* – the shift (Next slides)
- The highest levels and greatest increases in renting are for those at younger and main parental ages (e.g., below age 54), the lowest, for those currently in the older age groups.
- To understand the short-, medium- and long-term impact of these trends, we need to conceptualise how each older/lower renting age group will be successively replaced by each younger/higher renting age group.

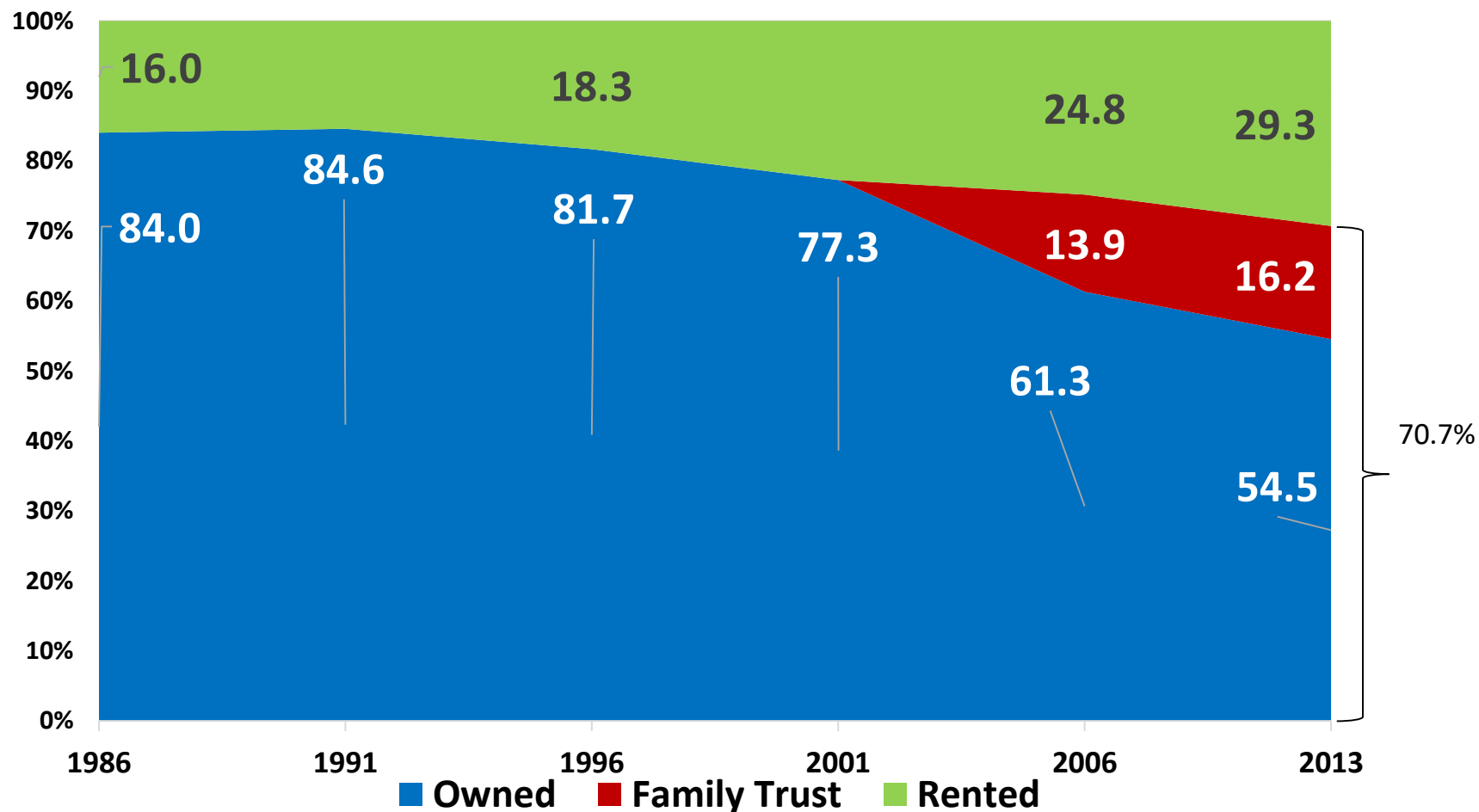
Total aged 25-39 years, 1986-2013

Total NZ 25-39 years 1986-2013



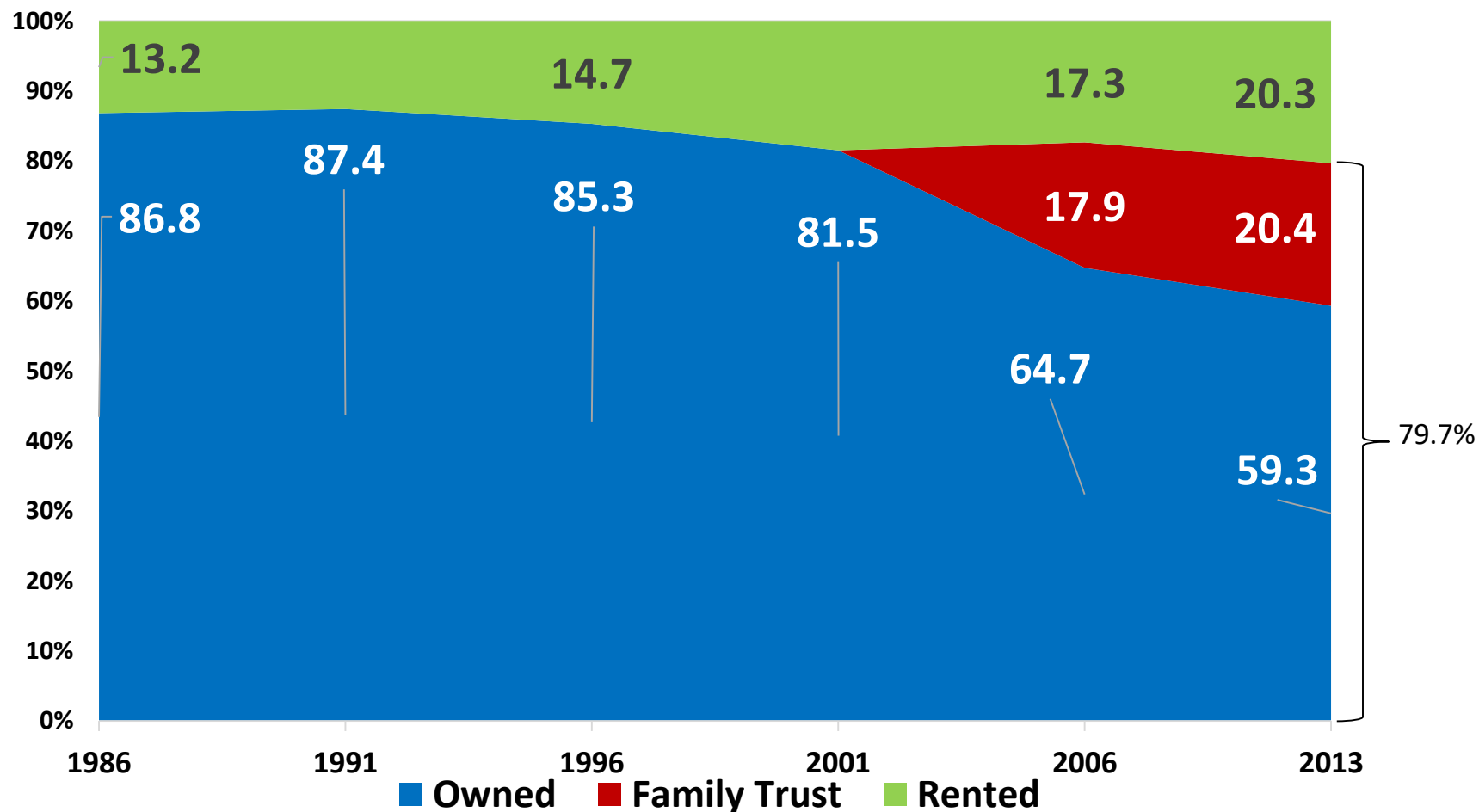
Total aged 40-54 years, 1986-2013

Total NZ 40-54 years 1986-2013



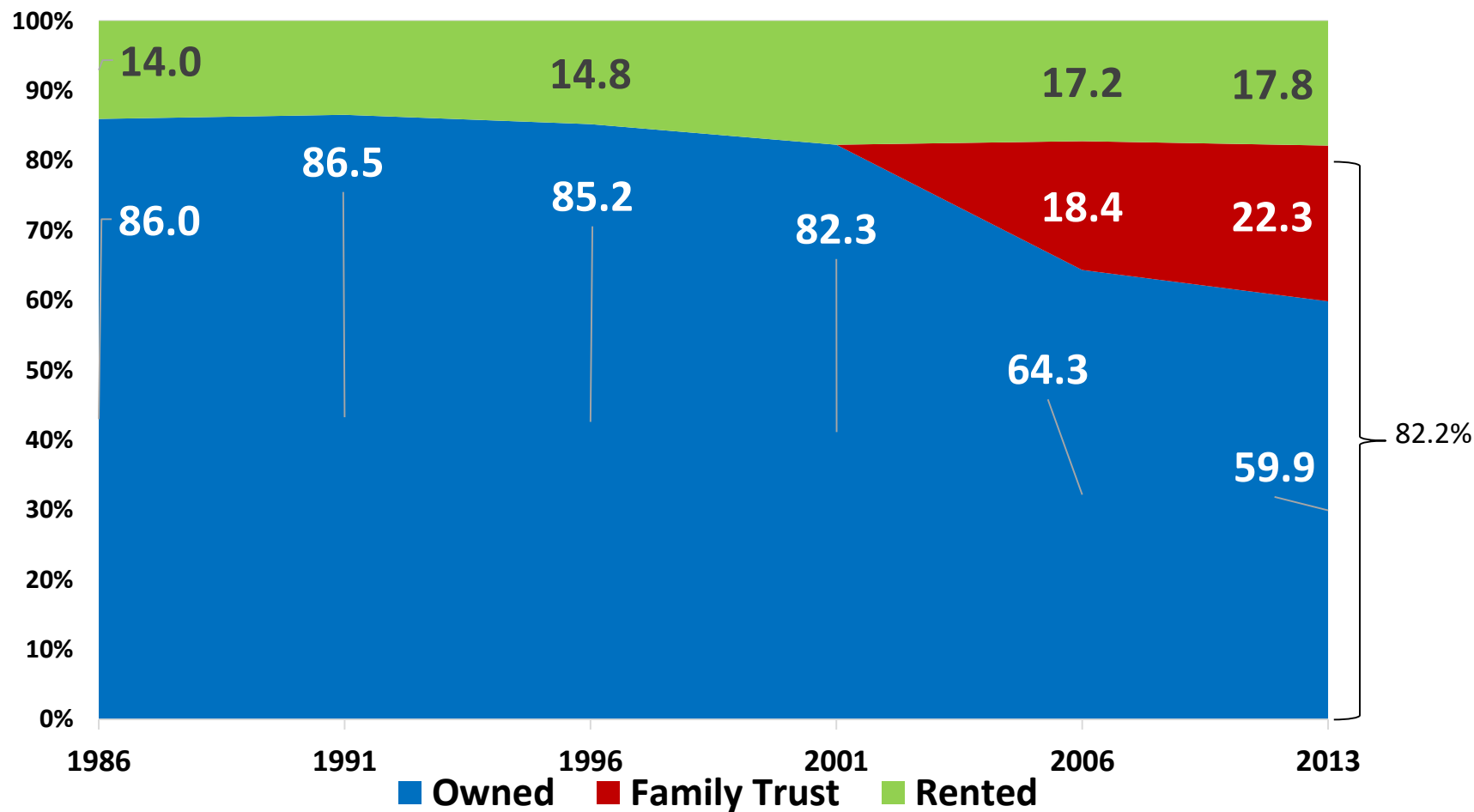
Total aged 55-64 years, 1986-2013

Total NZ 55-64 years 1986-2013



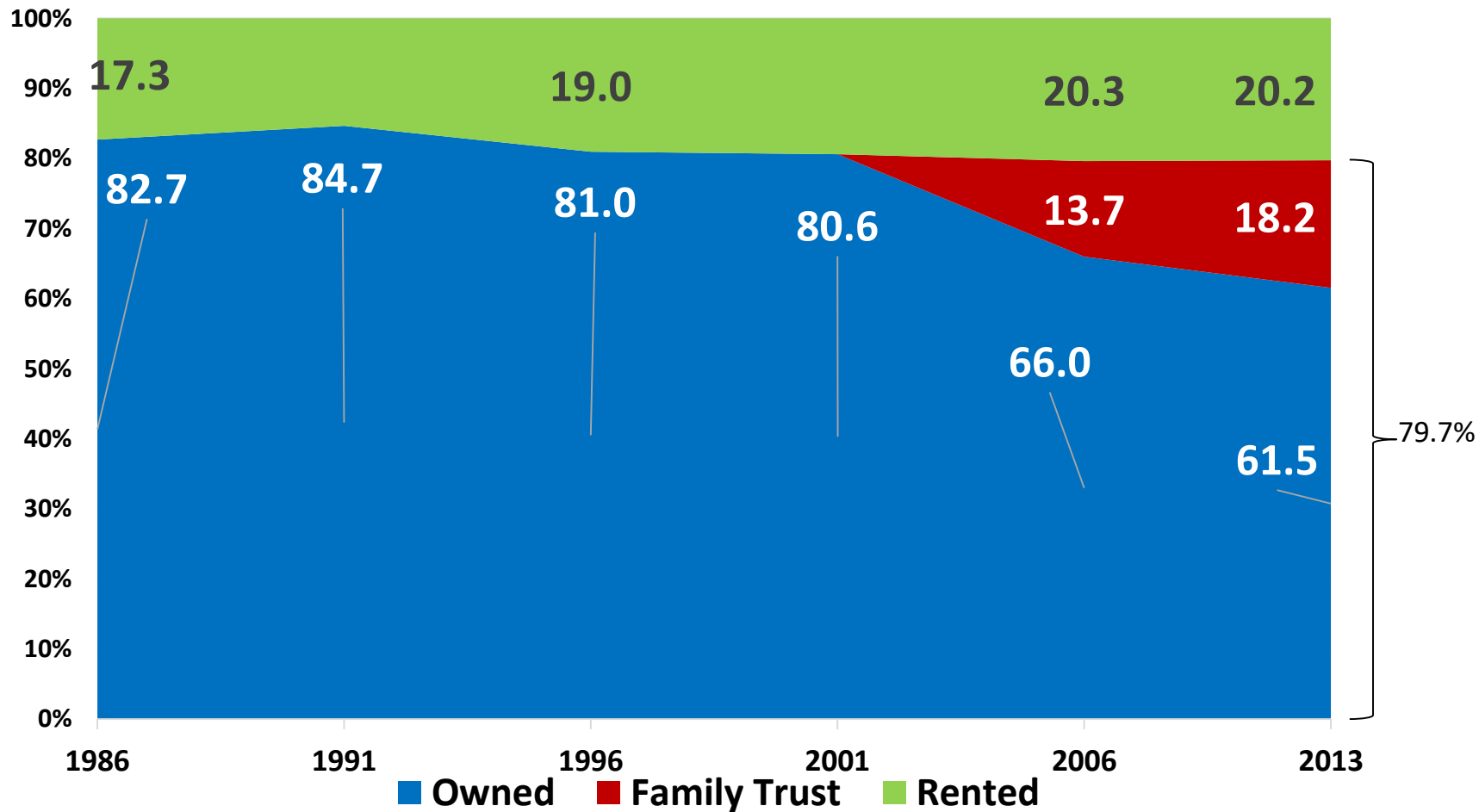
Total aged 65-74 years, 1986-2013

Total NZ 65-74 years 1986-2013



Total aged 75+ years, 1986-2013

Total NZ 75+ years 1986-2013

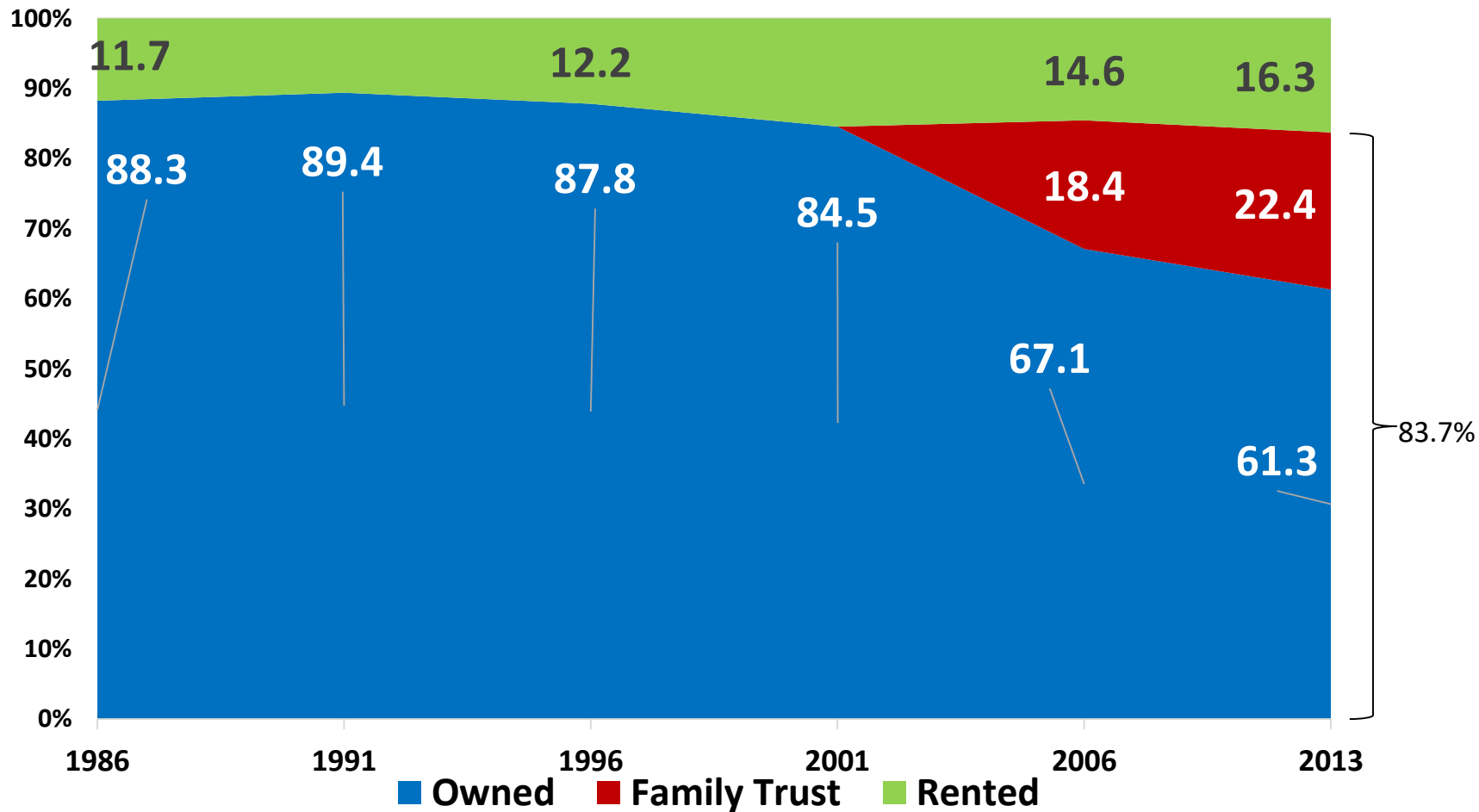


The canary in the cage

- Those aged 55-64 years, approaching retirement, provide a good insight into future ownership and renting levels among the older population.
- The trends differ markedly by ethnic group (next slides)
- The data suggest that ownership at retirement (even with Family Trust involvement) will be well below 50% for current Maori and Pacific People aged 55-64 (**it is already below 40% for Pacific People**), and below 60% for European and Asian, with renting higher than indicated on the following slides.

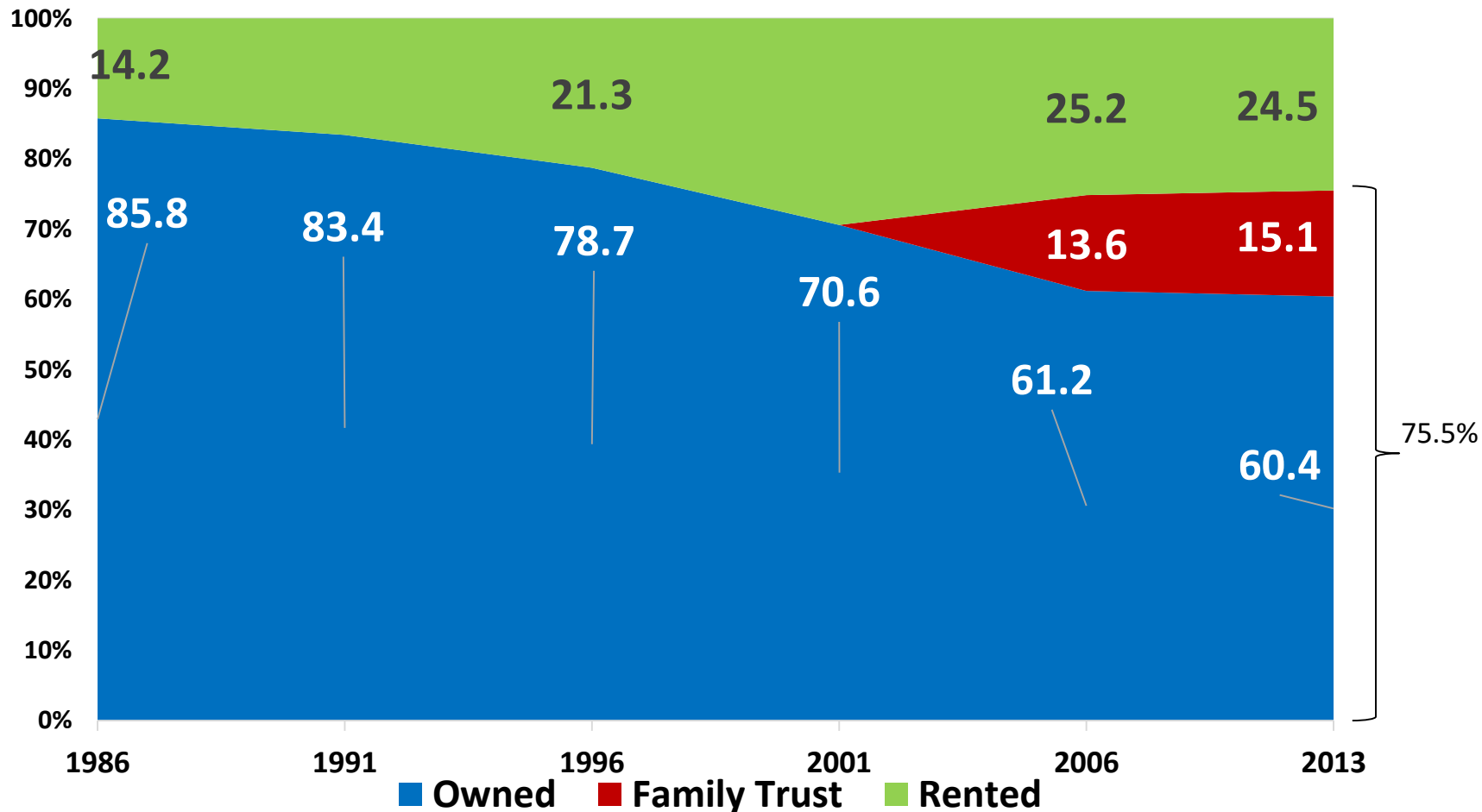
European aged 55-64 years, 1986-2013

European aged 55-64 years 1986-2013



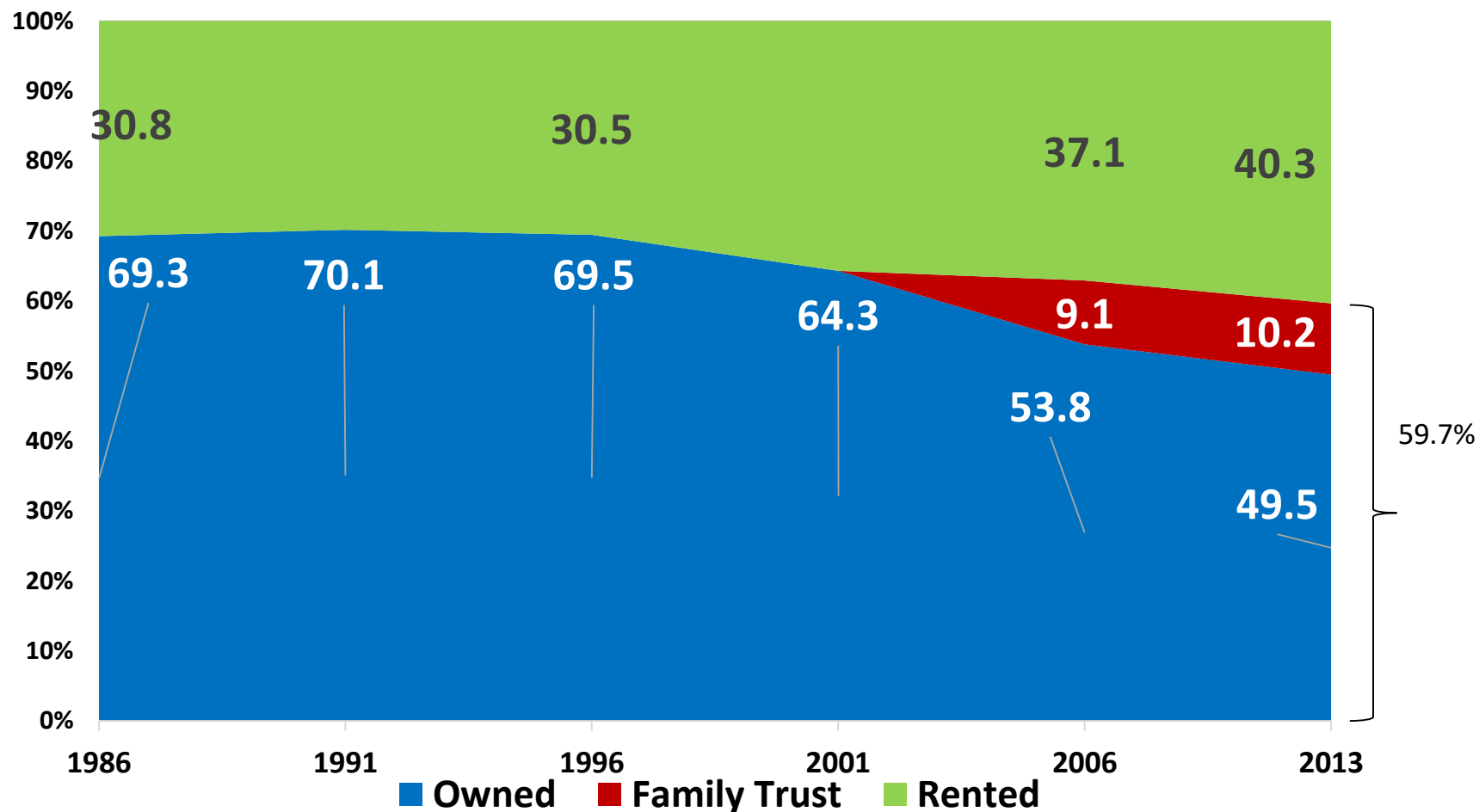
Asian aged 55-64 years, 1986-2013

Asian aged 55-64 years 1986-2013



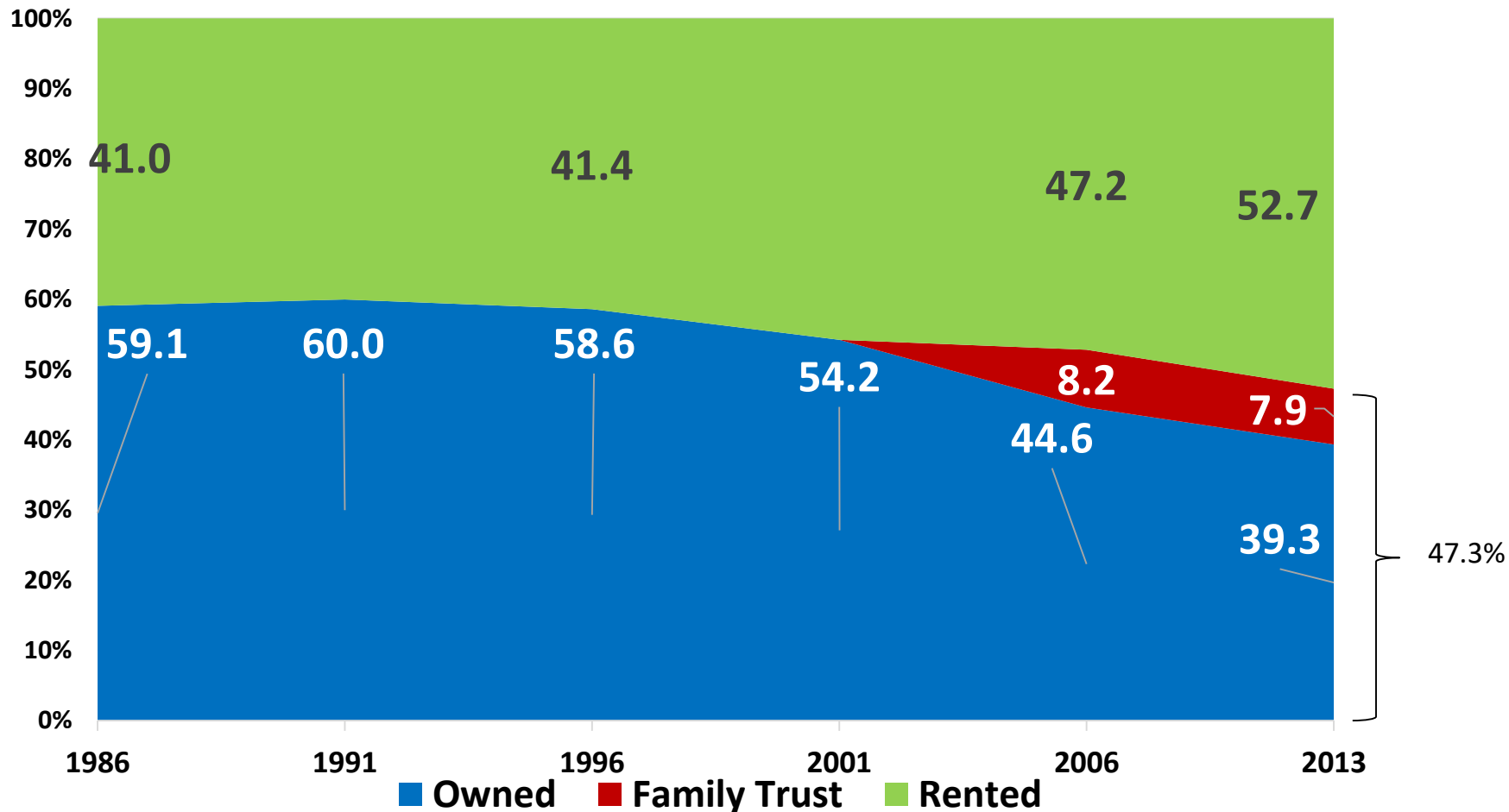
Maori aged 55-64 years, 1986-2013

Maori aged 55-64 years 1986-2013



Pacifica aged 55-64 years, 1986-2013

Pacifica aged 55-64 years 1986-2013



Summary

- Both *inter*-cohort trajectories (tracking and comparing cohorts as they age) and *intra*-cohort comparisons (comparing same-age cohorts by ethnic group) are strong indicators of future trends
- Those currently heading towards retirement (55-64 years) will have much higher renting (around 50% higher) and lower ownership (around 30% lower) than their currently retired, immediate predecessors, when they were at the same age.
- It is unlikely that the youngest/largest 'Lagging Edge' baby boom cohort (which follows those currently aged 55-64), will attain ownership at 'Leading Edge' boomer levels.
- Without a major disruption to the status quo, post baby-boom cohorts will be lucky to achieve peak home ownership levels above 50%, and may be below 30% for Maori and Pacifica.

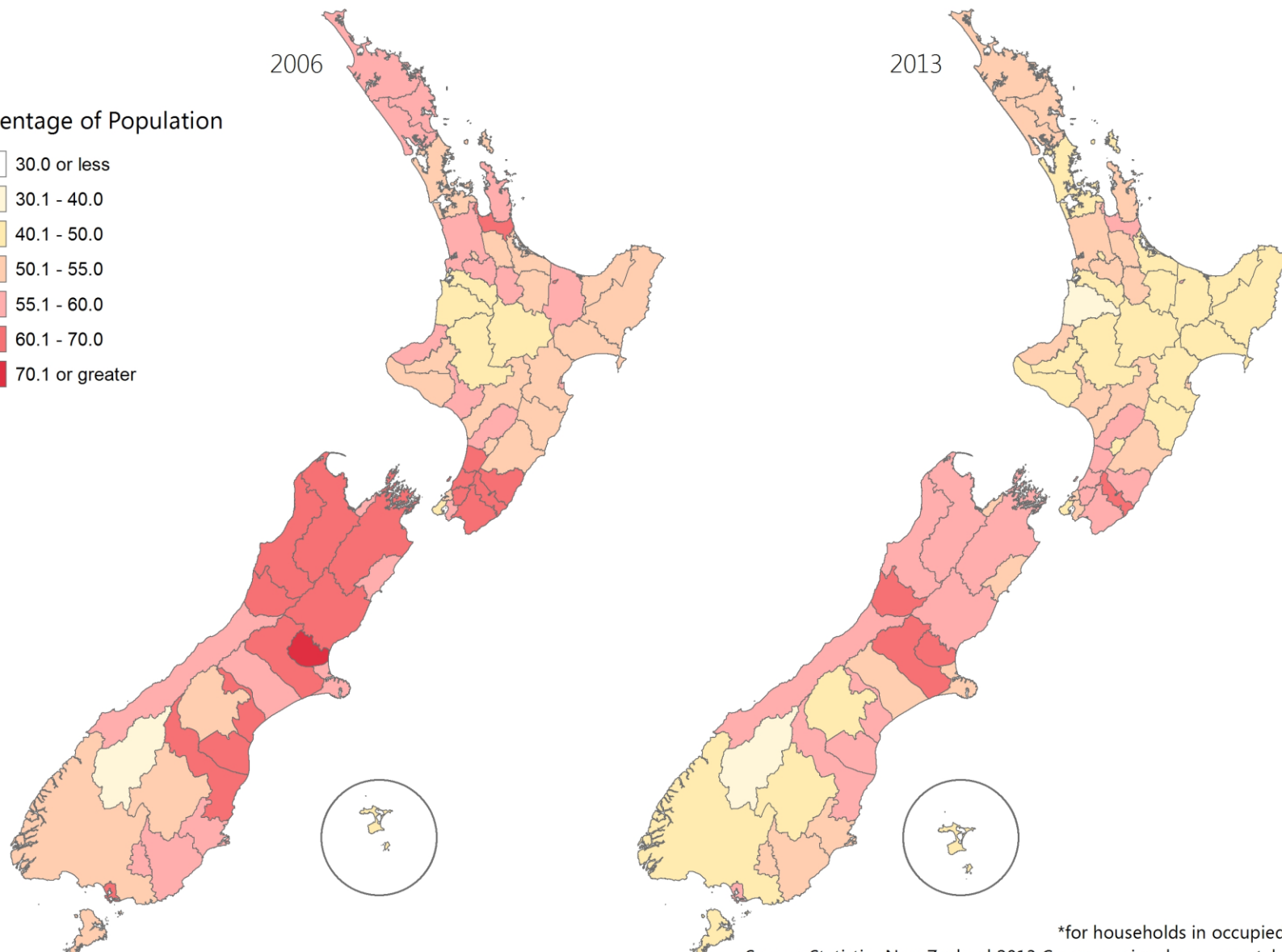
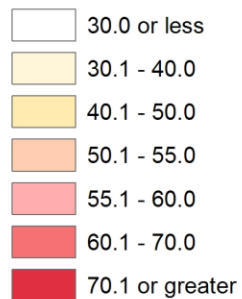
Percentage Living in a Dwelling Owned or Partly Owned

by Territorial Authority Area, 2006 and 2013*

2006

2013

Percentage of Population



*for households in occupied private dwellings

Source: Statistics New Zealand 2013 Census regional summary tables – part 1, Table 2

Overall level of maintenance of houses with an occupant aged 65 or over by tenure (NZ House Condition Survey 2015/16)

