

## Initial indicators for Better Later Life - He Oranga Kaumātua 2019 to 2034



### Key area: Creating diverse housing choices and options Te whakarite kōwhiringa kāinga rerekē

The outcome outlined in this key area of the strategy is “People can age in a place they call home, safely and, where possible, independently”.

The primary focus for this outcome is people aged 65+. [Appendix 1 Graphs and Notes](#) contains more detailed graphs, including data for other age groups.

Proposed indicator	Source	Is it moving in the right direction for those aged 65+? <sup>1</sup>													
Homelessness	IANZ <sup>i</sup> indicator to be developed	—													
Interim indicator (until homelessness indicator developed) – severe housing deprivation: number of people per 1,000 living in severely inadequate housing	Amore K. (2016), Table 5 <sup>ii</sup> based on Population Census data	≈	<table border="1"> <caption>Severe housing deprivation (per 1,000)</caption> <thead> <tr> <th>Year</th> <th>Value</th> </tr> </thead> <tbody> <tr> <td>2001</td> <td>4.8</td> </tr> <tr> <td>2006</td> <td>4.8</td> </tr> <tr> <td>2013</td> <td>4.0</td> </tr> </tbody> </table>	Year	Value	2001	4.8	2006	4.8	2013	4.0				
Year	Value														
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2006	4.8														
2013	4.0														
Housing register numbers: number of people who have applied for, and are eligible for, public housing	MSD, Housing register <sup>iii</sup>	×	<table border="1"> <caption>Housing register numbers</caption> <thead> <tr> <th>Year</th> <th>Value</th> </tr> </thead> <tbody> <tr> <td>Jun-16</td> <td>300</td> </tr> <tr> <td>Jun-17</td> <td>500</td> </tr> <tr> <td>Jun-18</td> <td>700</td> </tr> <tr> <td>Jun-19</td> <td>1,031</td> </tr> </tbody> </table>	Year	Value	Jun-16	300	Jun-17	500	Jun-18	700	Jun-19	1,031		
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Housing affordability: percentage of people who live in a household spending 30 percent or more of its disposable income on housing costs	MSD’s 2019 Household Incomes Report <sup>iv</sup> based on data from the Household Economic Survey	×	<table border="1"> <caption>Housing affordability (%)</caption> <thead> <tr> <th>Year</th> <th>Value</th> </tr> </thead> <tbody> <tr> <td>1988</td> <td>2%</td> </tr> <tr> <td>2000</td> <td>6%</td> </tr> <tr> <td>2005</td> <td>10%</td> </tr> <tr> <td>2010</td> <td>10%</td> </tr> <tr> <td>2018</td> <td>12.0%</td> </tr> </tbody> </table>	Year	Value	1988	2%	2000	6%	2005	10%	2010	10%	2018	12.0%
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Housing quality	IANZ indicator to be developed	—													
Warm and dry housing: percentage of people reporting that the property they live in is warm and dry (interim indicator)	Customised data from Stats NZ, Household Economic Survey	—	<b>79% in 2018</b>												

<sup>1</sup> The assessment is based on statistical significance (where available) or consistent change in recent years.



No trend data



No change or statistically insignificant change

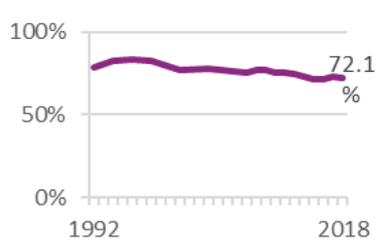


Positive change – good outcome



Negative change – poor outcome

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Suitability of house or flat: percentage of people reporting that their house or flat is suitable or very suitable	Stats NZ, General Social Survey, 2018	–	<b>94% in 2018</b>
Suitability of house or flat location: percentage of people reporting that the location of their house or flat is suitable or very suitable	Stats NZ, General Social Survey, 2018	–	<b>96% in 2018</b>
Security of tenure	Not currently available	–	
Mortgage-free home ownership: percentage of people who own their own house with a mortgage	MSD's 2019 Household Incomes Report	✗	 <p>100% 50% 0%</p> <p>1992 2018</p> <p>72.1%</p>



No trend data



No change or statistically insignificant change



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Negative change – poor outcome

### Commentary

#### Homelessness

Statistics NZ's Indicators Aotearoa New Zealand (IANZ) project has identified homelessness as an indicator still to be developed.

In the interim, census-based severe housing deprivation figures<sup>v</sup> show that older people were least likely to be in severe housing deprivation in 2013 (3,276 people or 4 per 1,000 people).

People aged 65+ are also least likely to be on the public housing register, but numbers more than doubled between June 2016 and June 2019 (as they did for people under 65).

#### Housing costs have become less affordable across all age groups

High outgoings for housing costs relative to income are often associated with financial stress for low to middle-income households. High housing costs (including rent, mortgage, rates, house insurance and fees paid by people with a licence to occupy an independent unit in a retirement village) can also affect people's ability to purchase other goods and services and save for their later years.

Older people are less likely than younger people to live in households that have high housing costs relative to income, reflecting higher rates of mortgage-free home

ownership. However, the proportion has increased significantly since 1988 for all age groups.

In 2017-18, 12.0 percent of people aged 65+ lived in households spending more than 30 percent of their income on housing, up from 3.2 percent in 1988. Over the same period, this indicator increased from 5.1 percent to 27.1 percent for those aged 45-64.

The proportion living in households spending more than 40 percent of their disposable income on housing is also considerably higher than in the late 1980s. For most age groups it has eased since 2015-2016, but for people aged 65+ it has stayed at around 6.5 percent since 2016.

### *Mortgage-free home ownership has fallen*

Older people are more likely to own their own home, and more likely to own it mortgage-free, than younger age groups. Over 2017 and 2018, an average of 86 percent of people aged 65+ lived in owner-occupied homes<sup>vi</sup>. The proportion of older people owning their own home has seen little change in the last 20 years. What has changed is the decline in those who own their home mortgage-free as more people are entering their older years with a mortgage.

We expect more people to enter their later years with a mortgage or renting, reflecting a significant fall in mortgage-free home ownership amongst the next cohort of older people aged 45-64. Mortgage-free home ownership for those aged 45-64 fell from 60 percent in 1992 to 33 percent in 2018, reflecting lower home ownership (down from 85 percent to 77 percent) and a significant increase in the proportion in housing owned with a mortgage (from 25 percent to 44 percent).

### *Older people are more likely to live in housing reported to be warm and dry and suitable*

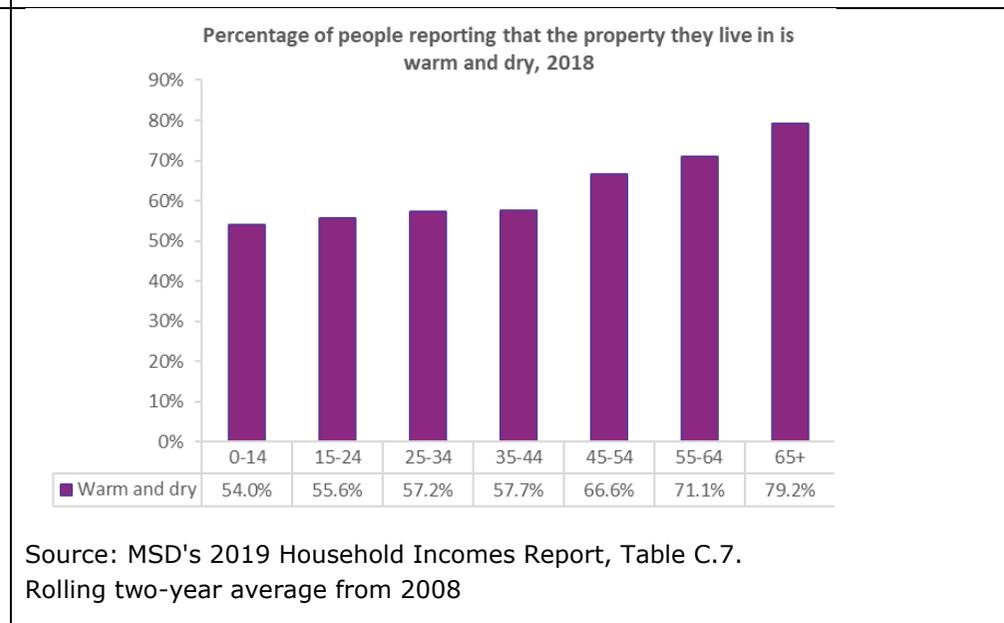
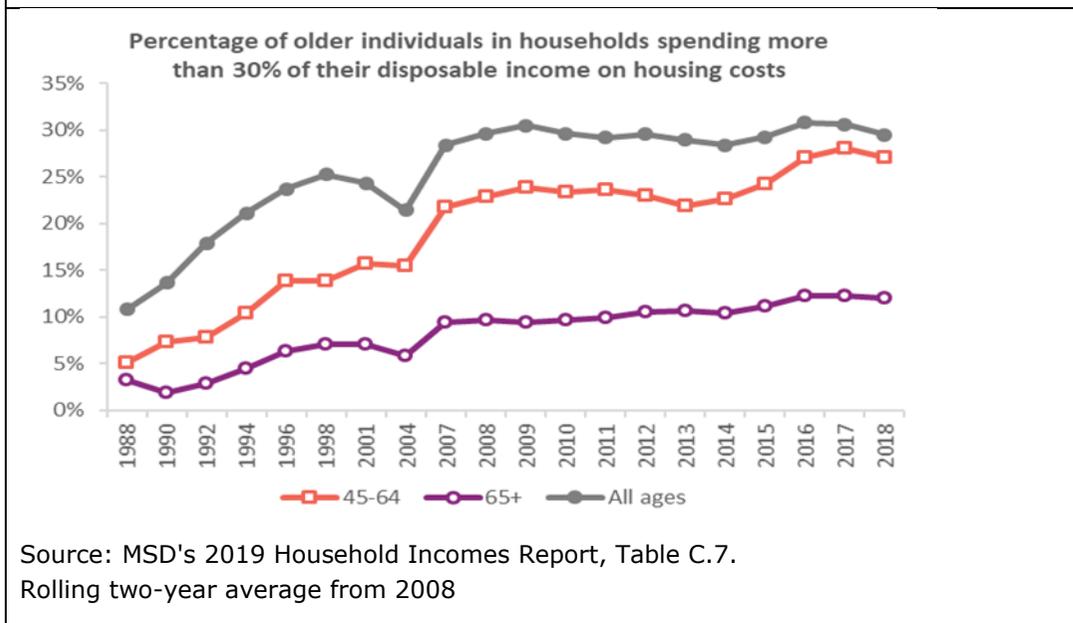
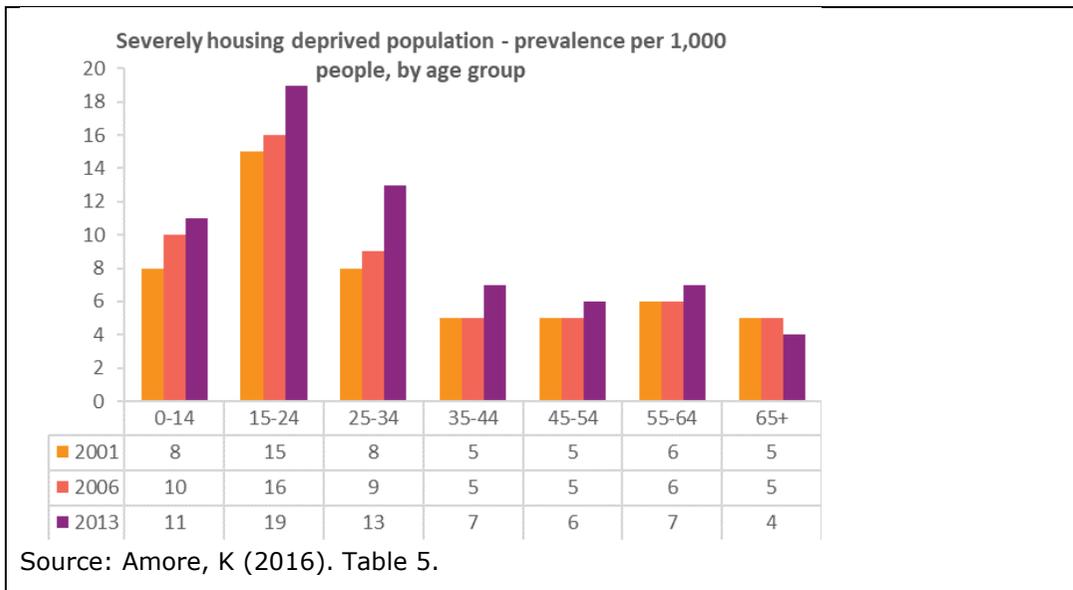
The Ministry of Housing and Urban Development (HUD) is working with Statistics New Zealand to develop an indicator of housing quality.

In the interim, we are tracking the proportion of people living in housing reported to be warm and dry (never too cold in Winter and with no dampness or mould problems). Older people are more likely to live in housing reported to be warm and dry (79.2 percent compared to 62.5 percent for all ages). This is a subjective measure and perceptions of whether a home is warm and dry could differ between older and younger people. There is also evidence that people tend to overestimate the quality of their housing<sup>vii</sup>.

People aged 65+ are also a little more likely to say their house or flat is suitable or very suitable (94.2% in 2018, compared to 89.3% overall) and that the location of their house or flat is suitable (96.4%% in 2018, compared to 93.3% overall).

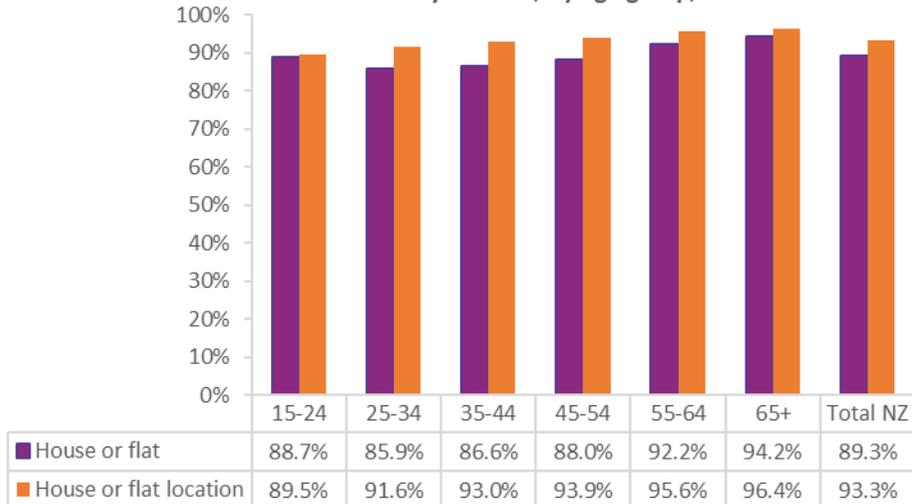
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## Appendix 1 Graphs and notes



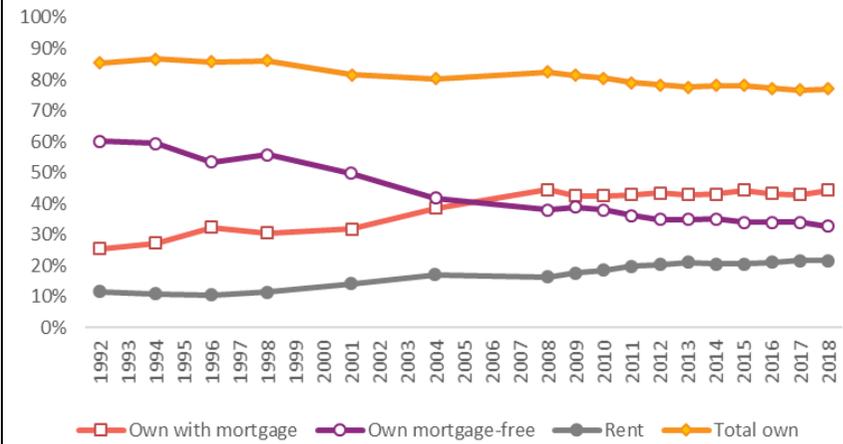
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Percentage of people reporting that their house or flat and its location are suitable or very suitable, by age group, 2018



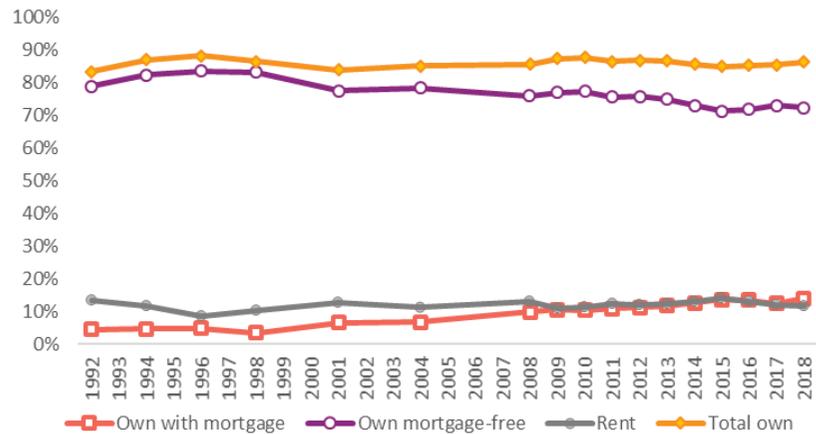
Source: Statistics NZ, General Social Survey 2018

Housing tenure for individuals aged 45-64



Source: MSD's 2019 Incomes Report, data used to produce Figure I.14

Housing tenure for those aged 65+



Source: MSD's 2019 Incomes Report. data used to produce Figure I.13

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### Notes

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<sup>i</sup> Ngā Tūtohu Aotearoa – Indicators Aotearoa New Zealand <https://wellbeingindicators.stats.govt.nz/>

<sup>ii</sup> Amore K. (2016). Severe housing deprivation in Aotearoa/New Zealand: 2001-2013. He Kainga Oranga/Housing & Health Research Programme, University of Otago, Wellington.

<sup>iii</sup> <https://www.msd.govt.nz/about-msd-and-our-work/publications-resources/statistics/housing/index.html>

<sup>iv</sup> <https://www.msd.govt.nz/about-msd-and-our-work/publications-resources/monitoring/household-incomes/household-incomes-1982-to-2018.html>

<sup>v</sup> The data is in this paper <http://www.healthyhousing.org.nz/wp-content/uploads/2016/08/Severe-housing-deprivation-in-Aotearoa-2001-2013-1.pdf>

<sup>vi</sup> This includes housing owned by a family trust and people with a licence to occupy.

<sup>vii</sup> BRANZ 2015 House Condition Survey Study Report, Page 13 - occupant versus assessor rating

[https://www.branz.co.nz/cms\\_show\\_download.php?id=a1efff0a2fd9885ecf878ce475631df7025cf3b8](https://www.branz.co.nz/cms_show_download.php?id=a1efff0a2fd9885ecf878ce475631df7025cf3b8)