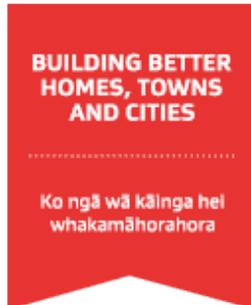


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# **The meaning of home and affordability: Housing trade-offs among Seniors and among 20- 40 year-olds**

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Public Policy & Research Ltd**

Building Better Homes Towns and Cities  
Affordable Housing for Generations: Component C  
Working Paper

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Every effort has been made to ensure the soundness and accuracy of the opinions and information expressed in this report. While we consider statements in the report are correct, no liability is accepted for any incorrect statement or information.

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# Executive Summary

This working paper contributes to Component C of the Affordable Housing for Generations (AHFG) research programme. It examines how ‘making a home’ includes considerations of affordability, and involves trade-offs between dwelling characteristics, dwelling location, and wider considerations of place. To provide an insight into diverse financial and non-financial trade-offs this paper brings together and re-examines survey data relating to two distinct life stages: family formation, and retirement. The family formation stage is examined through research about determinants of tenure and location choices of 20-40 year old households in the Auckland region, conducted in 2010. The retirement stage is represented by three datasets from research conducted in the mid-2000s about the housing decisions of people aged 65 and older.

Research on tenure and location choices of 20-40 year old households in the Auckland region reveals frustration, given that most younger households see their housing preferences as unobtainable, due to the material and structural conditions they encounter. While they aim to improve their housing situation when they move, this is a complex undertaking, hampered by unaffordability or lack of supply of suitable housing, especially in the rental market, and in lower quartile value homes for purchase. This research found that the most common prompts for moving are a desire to: increase dwelling size; improve house condition and amenity; enter homeownership; and to exit multi-unit dwellings and acquire a detached dwelling. Being connected is important and location is a key driver of housing demand. Reducing housing costs is the main driver of housing demand among a smaller proportion of households.

Common themes across the older people’s housing datasets were:

- Most older people do not move and have a preference to stay within their dwellings and communities for as long as possible.
- Although residential movement is often by choice, sometimes older people are forced to move because they experience a shock, such as poor health or loss of a partner.
- The most important features of the home include: sufficient space to carry out desired activities; easy maintenance of home and section; accessibility to the property and the dwelling; warmth; access to services; safety and affordability.
- Few respondents claimed that releasing housing equity was a primary reason for moving, however, other financial considerations were part of the mix of reasons cited for moving.

Householders in the two life stages made housing choices that account for their preferences and needs in relation to attachment to a place, a specific location (such as a neighbourhood or suburb) and the dwelling itself. Actual housing choices are constrained, both by what the household can demand and what the market can supply.

The two life stages have constraints placed on their housing choices in different ways. The 20-40 age group, prospective entrants to homeownership, is constrained by their ability to pay market prices, even at the lower quartile value of housing. The trade-offs made by the 20-40 age group are complex, multi-faceted and vary from household to household. There does not appear to be one criterion that dominates when making a trade-off decision. Although as a population older people are mainly homeowners and as such have substantial housing wealth, there is an increasing proportion of older owner-occupiers with mortgages and older tenants without housing assets. Furthermore, many older people have limited financial resources, since they largely rely on national superannuation. Most older people live in smaller one- and two-person households, and that, combined with retirement and lower income profiles, suggests their trade-offs around house location and travel patterns are less complex than those of the 20-40 age group. However, like younger cohorts, their choices are constrained by the tenure, configuration, design, location, and affordability of housing stock.

At both life stages trade-offs are made around dwelling size and type, dwelling condition and performance, location, tenure, connectivity, and affordability. Both the younger households and the older households placed significant emphasis on dwelling size and expressed strong preferences for a location that enabled them to access transport, amenities, services, and social networks, and for the younger group education and work. Both life stages express a distinct preference for homeownership. Some younger households are willing to trade-off entering homeownership for renting a larger dwelling in a desirable area where they would be unable to buy. Older people are predominantly homeowners and express a strong desire to remain homeowners. The tenure that older people do take-up as a trade-off is license-to-occupy, to access retirement villages, which offer a range of desired features, such as smaller dwellings, security, and access to care services. Regarding trade-off differences between the two life stages, older people are much more focused on house condition, an easy to maintain dwelling and section and dwelling accessibility.

This paper concludes with suggestions for developing research instruments to further explore the meaning of home and dimensions of affordability in Component C:

- Document differences and similarities between reasons for actual housing moves, and reasons for intended moves.
- Identify the full range of financial and non-financial factors influencing housing moves.
- Clearly identify the nature of trade-offs.
- Explicitly focus on aspects of affordability in trade-offs that are made.
- Identify differences in housing choices and trade-offs between owner-occupier, rental households, and other tenures.

# 1 Introduction

Housing not only provides physical shelter, but also holds deeper meaning and significance as the home provides people with a profound feeling of security and identity (Dupuis, 2012). The focus of this working paper is on how ‘making a home’ includes considerations of affordability, and involves trade-offs between dwelling characteristics, dwelling location, and wider considerations of place. This paper provides an informed platform for further research in Component C of the Affordable Housing for Generations (AHFG) research programme, which is concerned with how people in diverse circumstances manage their perceptions, aspirations and practices to balance their desire for home and need for affordability. Component C is one element of a programme of research into Affordable Housing (see Section 2).

This research contributes to a growing body of New Zealand data on the range of trade-offs spanning the financial and non-financial factors involved in housing choices (Yeoman & Akehurst, 2015; Wildish, 2015). Financial factors are concerned not only with the costs of buying or renting a dwelling, but also with ongoing housing costs related to mortgage payments, rates, insurance, maintenance, utilities, rent and fees (e.g., in the case of body corporates). Non-financial factors range from household characteristics (size and composition), to the various place-based activities undertaken by the household, to the features, amenities, and qualities of the dwelling. Underpinning those aspects are a wide array of household members’ housing tastes, preferences, expectations, and aspirations.

To provide an insight into those diverse trade-offs this paper brings together and re-examines survey data relating to two distinct life stages: family formation, and retirement. Those datasets had not explicitly focused on how housing choices involve trade-offs and the nature of those trade-offs. Re-examination draws attention to those dynamics, by exploring how people in different life stages, with different needs and motivations, and at different points of their housing careers, negotiate issues of affordability as they make decisions about housing and home-making. The datasets enable us to increase understanding of the range of housing preferences and aspirations, the factors considered in housing decisions, and of what is foregone when people make choices in affordability-constrained contexts. The datasets also enable us to draw out similarities and divergences in the trade-offs between ‘home’ and affordability in different life stages. This type of research conveys a deeper understanding than a conventional approach that assumes a simple relationship between housing preference, choice and demand.

The family formation stage is examined through research about determinants of tenure and location choices of 20-40 year old households in the Auckland region, conducted in 2010 (Beacon Pathway Ltd, 2010). As a population, the 20-40 age group is diverse, although broadly

individuals experience household formation, childbearing, and rearing. This group makes critical decisions about tenure that will affect their ability to amass and consume housing and non-housing assets in the decades to come. They are a group which, in Auckland as in most other regions in New Zealand, share experiences of high house prices, and a lack of affordable housing for almost all except the highest income earners. Across the country, the number of younger households in the intermediate housing market<sup>1</sup> has grown significantly since 2001. This group, the potential first-home owners, struggle to realise homeownership aspirations because of high house prices, particularly prices at the lower quartile<sup>2</sup> of the market (DTZ New Zealand, 2008; Mitchell, 2015; Saville-Smith, (ed), 2019).

The retirement stage is represented by three datasets from research conducted in the mid-2000s about the housing decisions of people aged 65 and older relating to moving decisions, and home repairs and maintenance. Historically, older New Zealanders have expected to reach retirement as mortgage-free homeowners, enabling them to draw on housing assets to maintain their living standards in later life (Perry, 2017; Saville-Smith, 2019). Increasingly this is not the case, as more people reach retirement with mortgages or, in the case of almost 20 percent of those aged 65 and over currently, as tenants. The latter have lower incomes, fewer financial assets and poorer health compared to older owner-occupiers (Pledger *et al.*, 2019), all factors that reduce their ability to afford housing. Seniors are also much more likely than younger age groups to live in single-person households, which reduces the household income available to be spent on housing (Perry, 2017). Furthermore, house price inflation, although variable across the country, presents barriers for older homeowners wishing to move, as does the inadequate supply of new housing, especially smaller dwellings suitable for downsizing. These market factors constrain older people's ability to select the housing they want and need.

This paper is structured as follows:

- Section 2 is a standard section used in all AHFG reports and papers setting out the AHFG programme components.
- Section 3 sets out this paper's research focus, key questions and data sources reviewed.
- Section 4 discusses the housing choices of 20-40 year old households in the Auckland region.
- Section 5 discusses the housing choices of people aged 65 and older participating in three surveys.
- Section 6 discusses evidence from the surveys about trade-offs made by younger and older households.

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<sup>1</sup> The intermediate housing market is defined as those households: currently in the private rental market; have at least one member of the household in paid employment; and, cannot afford to buy a house at the lower quartile house price under standard bank lending criteria (Beacon Pathway Ltd, 2010:61).

<sup>2</sup> 25% of house sales are below the lower quartile house sale price and 75% of sales are above.

- Section 7 suggests how information from the survey data can help in developing research instruments for Component C.

## 2 Affordable Housing for Generations

The objective of this research is:

*To develop effective and practical approaches to alleviating the crisis of affordable housing and housing affordable to key workers through targeted research-based solutions which will sustain people in their homes and communities over generations and contribute to thriving regions.*

AHFG is directly aligned to the BBHTC NSC Phase 2 Strategy mission (Infobox 1) and seeks to provide robust science and research-based tools to enable Aotearoa/NZ to achieve:

- Affordable stock for diverse people and thriving communities.
- Affordable housing that works over the life cycle of the dwelling and a housing stock able to support multiple generations and people through the life course.
- Solutions that:
  - Address the limits of markets, stigma and exclusionary processes, practices, barriers and opportunities, policy and regulatory settings; and
  - Engage investment in affordable housing.

It responds to: the under-supply of affordable housing and poor housing affordability in all regions; people struggling to sustain acceptable living standards due to housing costs; the emergence of homelessness as owner occupation has fallen and house prices in both rental and owner occupier sectors have increased

Those problems affect young and old, beneficiaries and key workers. Housing costs and under-supply are putting a brake on local economies, provision of vital services (health, policing, education, and infrastructure services), and compromise New Zealand’s pursuit of wellbeing in the short and long terms. Housing costs are driving inequality.

### Infobox 1: Phase 2 BBHTC Strategy objectives

- Establish the characteristics of affordable housing with reference to both capital and operating costs, its build, distribution and consumption.
- Understand the characteristics of housing systems that support or inhibit affordable housing production.
- Understand the impacts of settlement design and amenities, social and transport infrastructures, and spatial configuration for affordable housing supply.
- Explore settlement and rohe change and affordable housing supply in the context of trends impacting on New Zealand’s future:
  - Structural ageing, population diversity and migration
  - Globalisation and uncertainty
  - Climate change
  - Expansion of inequality
  - De-population and re-population dynamics
- Establish the value of affordable housing in the context of regional economies, cultural enrichment and social engagement.

The research components have been developed through many conversations with stakeholders and researchers. They are:

**Component A MARKETS, HOUSING DISTRIBUTION AND WELLBEING:** This builds on findings from the Architecture of Decision-making and Lower Quartile Value research in BBHTC Phase I which established: (a) the decline in affordable housing supply was associated with the removal of supply-side targeted investment in affordable housing new-builds; (b) New Zealand's past investment in affordable, secure housing through pre-1990 state housing and income related mortgage programmes mitigated the effects of inequality and improved life chances; (c) unmet housing need has been couched in terms of pathological deficiencies on the part of individuals in political discourse or failure of Government to target and address homelessness. The latter tendency represents a persistent and widespread narrative that market mechanisms, if uninhibited by land use and industry regulations, are still an effective mechanism to deliver affordable housing.

This component asks:

- Why do prevailing market paradigms struggle to deliver affordable housing and housing affordable to key workers?
- Is housing commodification and financialisation associated with the development of an extractive building and residential property industry in New Zealand and what are its impacts on wellbeing?
- What populations are most vulnerable to the precarity generated by treating housing as a simple consumption good and what are the impacts on wellbeing?
- What array of instruments and housing system configurations are being developed internationally to address crises in affordable housing? What can be demonstrated to be efficacious?
- What needs to change in the political, media and community discourse to take up alternatives to the current narratives?

**Component B PRICE POINTS FOR AFFORDABLE HOUSING & HOUSING AFFORDABLE FOR KEY WORKERS:** This component asks:

- What are the regional and Local Housing Market Price Points (rent and owner occupied) for Affordable Housing for households earning at the 80% of the median or below?
- Do those price points vary between Māori, Pacific and 'Other' populations?
- What is the size in selected regional and Local Housing Markets of the current and forecast unmet need for affordable housing (across tenures) for regional and local populations as a whole and disaggregated by Māori, Pacific and 'Other' populations?
- How should we define key workers and do those definitions vary from region to region and locality?

- What are the price points for housing affordable to key workers in selected regional and Local Housing Markets (rent and owner occupied)?
- Do those price points vary between Māori, Pacific and 'Other' populations of key workers?
- What is the size in selected regional and Local Housing Markets of the current and forecast unmet need for key workers for regional and local populations as a whole, disaggregated by Māori, Pacific and 'Other' populations?
- What are the price points for Māori living within each rohe for both those requiring affordable housing and for Māori key workers including those who tend to ahi kā?

**Component C MEANING OF HOME & DIMENSIONS OF AFFORDABILITY:** This component asks:

- How do people with different cultural attachments, material conditions, place, communities, and personal circumstances manage their perceptions, aspirations, and practices to balance their desire for home and need for affordability?
- How do they define affordability?
- Are there trade-offs that people would make if given the opportunity to optimize their sense of home and its affordability in relation to:
  - Location?
  - Amenity within dwellings and in the places in which they are situated?
  - Dwelling design?
  - Tenure?

**Component D AFFORDABLE HOUSING AND THE IMPACT OF DWELLINGS:** This component will determine the impacts on housing affordability of dwelling performance, establish the efficacy of market and regulatory pathways for change; and develop value cases for change. It explores whether better building design, materials, and systems can reduce the operating costs of dwellings over their life cycles. It focuses on three aspects of building performance and costs: durability of dwellings; the functionality and accessibility of dwellings; and the operating costs of dwellings in relation to energy and water consumption.

Its central question is the REAL COST and therefore the REAL PRICE of dwellings? It responds to the significant pressure to reduce the build costs of dwellings. It asks whether 'price-pressing' reflected in the use of lower cost materials, short-life systems, lack of universal design, and avoidance of whole house heating and solar systems merely shift the price of a dwelling into:

- higher maintenance, repairs, modification and renovation costs later in the life cycle;
- increased energy and water consumption costs for householders; and
- other externalized costs associated with poor dwelling performance.

## **Component E REALISING HOUSING'S PUBLIC GOOD – FUNDING & DEVELOPING FIT FOR**

**PEOPLE HOUSING FUTURES** identifies opportunities to activate investment and sustained funding streams for affordable housing; how to dismantle barriers to affordable housing supply; and how different tenure models promote affordable housing and housing affordable to key workers. It asks:

- What are effective pathways for encouraging investment, sustained funding streams and development for affordable housing?
- How can household and community resources be maximised for affordable housing provision through diversified tenure?
- How can land use planning be harnessed for affordable housing?

The key research activities relate to innovation cases designed to provide exemplars and good practice models for investing in and increasing the supply of affordable housing and housing affordable to key workers. The key innovations are:

- *Co-operatives.*
- *Community land trusts.*
- *Mixed public, private and community collaborations in provincial areas for developing affordable housing and housing affordable for key workers.*
- *Affordable housing innovations with multiply-owned Māori land.*

## **3 Research Focus, Key Questions, Terms & Data Sources**

Two New Zealand research reports and related datasets are re-analysed for insights about the meaning of home and dimensions of affordability, and the choices and trade-offs that people would make if given the opportunity to optimize their sense of home and its affordability. The survey instruments used in these studies were not designed to explicitly investigate the interactions and feedback between the meaning of home and affordability; accordingly this paper explores the data through a lens focused on connections between considerations of affordability and the factors that people see as critical to choosing a home.

The key research question is: *What trade-offs do people make in decisions about their housing to increase their ability to make a home, within affordability constraints?* This question is broken down into four components:

- What is it about the nature of the dwelling itself that makes it 'home'?
- Is tenure a factor in people's perception of their living space as 'home'?
- In what ways are location and place factors in people's home-making?

- How does affordability interact with people's housing preferences to influence their housing choices?

### 3.1 Key terms

Research about why people select the housing that they do uses a proliferation of terms, of which aspiration, preference, expectation, choice, trade-off and demand are central to this analysis. These terms need to be defined as they are used in variety of often inconsistent ways in the literature, contributing to a lack of clarity and specificity.

Our analysis is guided by the following definitions:

- Aspiration is an expression of housing ambitions to be achieved in future. While idealistic and optimistic, aspiration tends to be grounded in an assessment of what can be realised, given favourable conditions (Preece *et al.*, 2020). There is often a gap between housing aspirations, expectations, and choice.
- Preference refers to a desire or want for a certain form of housing (Preece *et al.*, 2020). This preference reflects values and beliefs underpinned by socialisation, culture or ethnicity.
- Expectation refers to the anticipated likely housing outcome. This may be different to the preferred housing outcome (Preece *et al.*, 2020).
- Choice implies autonomy and the ability to select between different alternatives, however choice is not without constraints. Choice is exercised between realistic options, determined by the household's resources, needs and preferences, within housing market conditions. Choices do not always match preferences (Wildish, 2015).
- Trade-off involves a decision between alternatives, each of which has advantages and disadvantages. To select one alternative generally means foregoing another. People express housing preferences and aspirations in relation to various dwelling attributes including design, size, location and tenure, and those desires change over time. At any point, not all those desires can be met. As a consequence, a trade-off must be made (Burke *et al.*, 2007; Rowley & Ong, 2012).

Underpinning all the above concepts is housing demand, which is not simply a reflection of housing preference. Housing demand involves three elements: preference for a certain type of housing; a willingness to pay for that housing, and an ability to pay. The ability to pay is not only determined by the financial resources of the household, but also by the ability of the market to supply the type of housing desired. As a consequence, housing preferences and aspirations may not be fulfilled if the market cannot supply (Beacon Pathway Ltd, 2010).

## 3.2 Home as ontological security

The meaning of home and the ability to make a home are inextricably tied to questions of identity and security, and above all ‘ontological security’, the security of being (Dupuis & Thorns, 1998). Applied to housing, ontological security is expressed as the ability to establish a secure, safe environment, to exert control over the home environment and daily routines, and to construct one’s identity through home-making. Research suggests that tenure affects ontological security, with homeownership most likely to confer strong feelings of ‘home’ and ontological security due to security of tenure. Tenure security is more than simply rights over occupation and use of a property; it also encompasses dimensions of autonomy and control, affordability, condition, and suitability (Hulse & Milligan, 2014). Homeownership has been found to be part of the construction of identity for some people. However, the association of home ownership with ontological security is contested with some research showing that renters as well as owner-occupiers derive psychosocial benefits from their home, particularly those living in affordable rentals with secure tenure (Dupuis, 2012).

Research on the meaning of home and its relationship to ontological security was first conducted in New Zealand with 53 older homeowners (Dupuis and Thorns, 1998). This study was limited in scope, since all respondents were Pākehā, most were women, and most were widowed and living alone. Nevertheless, critical insights from that study are:

- The meaning of home is both a function of life stage and of life experiences.
- The sense of permanency associated with home is created over time.
- There are deep connections between home, ownership and family over the life cycle, with a strong desire for intergenerational housing transmission to protect the next generation from adversity.
- Homeownership, rather than renting is seen as a secure tenancy.
- The home enables daily routines and family rituals to happen.
- The home is a refuge from the outside world.
- Being able to control the home environment and ‘do your own thing’ is important.
- The home is instrumental to identity construction through domestic activities and the way the home is used and decorated.

Our understanding of how the meaning of home is created and how it is fundamental to ontological security is extended by Cram’s interviews with 27 Māori key informants knowledgeable about Māori housing, about what makes a house a home for whānau Māori and how housing supports Whānau Ora (Cram in Saville-Smith, (ed), 2019). For Māori, ontological security encompasses not only the dwelling, but also the wider physical and cultural environment in which people live. It exists within an ontology of collective, interconnected identities through whakapapa, place, and whenua. Critical insights from that research are:

- The home extends beyond the four walls into the whenua, in acknowledgement of the importance of place for a sense of belonging.
- The social environment of the home extends to encompass whānau who may live in multiple dwellings, as well as whakapapa connections with tīpuna who have passed and mokopuna yet to be born.
- The facilitators of a house being a home were identified as collective (social and cultural) capital, financial capital, and structural responsiveness.
- Barriers to creating a home were poverty, poor quality housing and structural resistance.
- Whānau were seen as being under stress from issues related to the security of tenure and affordability of rental accommodation.
- Other important aspects of home relating to location and place were neighbourhoods and living in lwi rohe.

The different research approaches of Cram and Dupuis & Thorns provide important contexts and insights that are built on in the following sections through examination of two research reports and related survey data sources. Although concerned with different cultural contexts, these studies show similarities as well as differences in the construction of the meaning of home. Both studies show the time- and place-related nature of home; its relationships with past experiences, family and personal histories; and its resonance for future relationships. Both studies suggest security of tenure is critical to wellbeing. Cram's research highlights the multi-faceted Māori understanding of home extending beyond a single dwelling, across both time and space. Also evident in Cram's study is the influence and impacts of material and structural constraints, such as income and market barriers to accessing housing, on the ability to create and maintain the ontological security of home.

### 3.3 Data sources used in this paper

The research reports used in this paper are:

- Saville-Smith and James (2016) *The Housing Older People would Choose*. This report summarised New Zealand research about: the characteristics and amenities that older people consider important in their housing and living environment; the reasons older people give for wanting or needing to move; the actual reasons why older people move; and, the patterns of older people's actual housing choices.
- Beacon Pathway Ltd (2010) *The Determinants of Tenure and Location Choices of 20-40 year old households in the Auckland region*. This research examined the housing patterns and consumption of Auckland region's households aged 20-40 years. It included a survey of younger mover households in Auckland; focus groups with people aged 20-40 years; and workshops with stakeholders to explore supply-side perceptions and responses to 20-40 age group householders' housing demand and needs.

Survey data presented in those reports is examined in more detail in the sections below. The surveys provide information about the features, amenities and qualities of the dwelling that are important to people when they are selecting a dwelling or when considering a move.

## 4 Making the House a Home: the 20-40 year olds

In summary, *The Determinants of Tenure and Location Choices of 20-40 year old households in the Auckland region* report found that most younger households see their housing preferences as unobtainable, primarily due to the material and structural conditions they encounter. While they aim to improve their housing situation when they move, this can be hard, because of problems of affordability, or lack of supply of suitable housing. Auckland region was found to lack supply especially in the rental market, and in lower quartile value homes for purchase.

Furthermore, this research found that the most common prompts for moving are a desire to: increase dwelling size; improve house condition and amenity; enter owner-occupation; and to exit multi-unit dwellings and acquire a detached dwelling. Reducing housing costs is the main driver of housing demand among a smaller proportion of households.

Being connected is important for these households. Location is an important driver of housing demand and is tied to familiarity with an area, access to schools and connection to existing social and family networks. Transport connections, to road networks or public transport, are important factors in moving decisions.

### 4.1 Profile of survey respondents

The 20-40 year olds recent movers survey comprised 499 respondents that had moved within the previous 18 months. Respondents were selected to obtain a proportional distribution of households in the 20-40 year old age group across the former territorial authorities in the Auckland region. Only six percent lived alone, while 21 percent were in a two-person household and 73 percent were in households of three or more members. Based on the age of the youngest household member, 44 percent of the households had pre-school children, 23 percent had school-aged children and 33 percent included only working-age members.

The households had a relatively high-income profile for that age group, with 49 percent living in households with a household income in excess of \$100,000 per annum. Forty-one percent of respondents were owner-occupiers, while 52 percent rented. The remainder lived in a house provided by their employer or lived in a dwelling rent-free.

## 4.2 Reasons for moving and selecting a dwelling

The survey identifies features, amenities and qualities of the dwelling that are important to people when they select a dwelling or when considering a future move. These reasons are a complex mix of ‘push’ and ‘pull’ factors that reflect a wide range of motivations for moving. Push factors relate to the features or characteristics of the current dwelling or location that drive a move, whether voluntary or involuntary. Examples include: unaffordable rent, dwelling is too small, or feeling unsafe in the current place. Pull factors are those features of another dwelling or place that attract a person to move. Examples are: entering homeownership, to increase comfort, or to live closer to work or to a desired amenity. Often multiple reasons are given, both for wanting to leave a dwelling or area, and for selecting a specific dwelling or location.

Table 1 presents the 10 main reasons why respondents decided to leave their previous home. These reasons show prevailing concerns about the size of the dwelling, its quality and location. The most common reason for wanting to move, was for a bigger dwelling. The second most important reason for moving was a desire to upgrade the quality of the dwelling. Location reasons focused on moving for work, for schooling, or for the respondent’s or their partner’s education or training. Also apparent are renters’ forced moves due to the tenancy no longer being available, and moving because of unaffordable rents. Life-stage reasons were evident, specifically: moving to enter homeownership, change in household size, moving for education or training, and relationship breakdown.

**Table 1: Recent movers’ ten main reasons for deciding to leave previous home**

Reason	Number	Percent
Wanted a bigger dwelling	144	28.9
Upgrade the quality of the dwelling	76	15.2
Moving to enter home ownership	72	14.4
I/my partner got a job and needed to move for work/wanted to be closer to work	61	12.2
Dwelling no longer available (house sold, landlord wanted to move in etc.)	43	8.6
Poor quality schools in the area (school zones)	29	5.8
Wanted a warmer dwelling	28	5.6
Could no longer afford the rent	25	5.0
Change in household size	23	4.6
Moved for education or training opportunities	21	4.2
Breakdown in previous relationship	21	4.2

\*multiple responses

Source: 20-40 year old recent movers survey, Beacon Pathway Ltd, (2010).

Table 2 presents the criteria for choosing the dwelling that respondents lived in at the time of surveying. Some criteria related to the dwelling itself, with space being the most desirable factor. Dwelling location was important, with selection criteria reflecting connections between the dwelling and other desired locations, particularly primary school, and work.

Affordability considerations were apparent, notably lower rent and increased mortgage affordability. Of the 259 people living in rentals, 18.8 percent selected their current dwelling because of lower rent. Of the 203 owner-occupiers, 15.8 percent selected their dwelling because it increased the affordability of their mortgage.

**Table 2: Recent movers’ ten main selection criteria for their current home**

Selection Reasons Recent Mover	Households	% Recent Mover Households
House provided more space	139	27.9
Closer to desired primary school/zone	82	16.4
Closer to work for householder or partner	62	12.4
House had larger section	49	9.8
House needs less repairs and maintenance	48	9.6
House had lower rent	48	9.6
House offered better warmth	34	6.8
House increased mortgage affordability	32	6.4
Closer to desired secondary school/zone	29	5.8
House has garden	27	5.4

\* Multiple response

Source: 20-40 year old recent movers survey, Beacon Pathway Ltd (2010), Tables p.98

Table 3 compares the top five reasons for leaving the previous dwelling and reasons for choosing the current dwelling. There are some differences in the most common reasons for leaving a dwelling compared to reasons for selecting another dwelling, but there are also strong similarities in the emphasis on dwelling size, a desire to improve dwelling quality, and to improve access to services and amenities. Affordability considerations were apparent in saving on travel costs by locating closer to school or work, selecting a house needing less repairs and maintenance, and a dwelling with lower rent. In addition, tenure was a factor in moving decisions.

**Table 3: Top five reasons for leaving and selecting dwellings**

Categories	Reason for leaving previous dwelling (Ranked 1, highest-5)	Reason for choosing current dwelling (Ranked 1, highest-5)
Dwelling/section size	1.Wanted a bigger dwelling	1. House provided more space 4. House had larger section
Dwelling quality	2. Upgrade the quality of the dwelling	5= House needs less repairs and maintenance
Location	4. Closer to work for householder or partner	2.Closer to desired primary school/zone 3.Closer to work for householder or partner
Tenure	3. Moving to enter homeownership 5. Rental dwelling no longer available	5= House had lower rent

\* Multiple response Source: 20-40 year old recent movers survey, Beacon Pathway Ltd, (2010).

Over one-third of respondents reported they intended to move within the next two years. The majority of those were in rental accommodation or some other form of non-ownership accommodation (such as flatting or living with parents). The top reason cited was the desire to enter homeownership, followed by wanting a bigger dwelling and to upgrade dwelling quality.

**Table 4: Ten main reasons for intending to move in the next two years (n=194)**

Reason for intention to move	Number	Percent
Buying own house	67	34.5
Bigger dwelling	16	8.2
Upgrade dwelling quality	15	7.7
Changed jobs and to be closer to work	14	7.2
Unable to afford current rent	12	6.2
Moving from parents' home	12	6.2
Dwelling is becoming unavailable (e.g., landlord sale)	10	5.2
Move for education or training	9	4.6
Local schools are poor quality	9	4.6
Warmer dwelling	7	3.6
Enter or leaving a relationship	7	3.6

\*multiple responses Source: 20-40 year old recent movers survey, Beacon Pathway Ltd (2010) Table p.104.

The reasons presented in the above tables were themes in both survey respondents' comments and the qualitative data collected as part of the 20-40 study. These themes are described below.

## 4.3 Dwelling and section size

Dwelling size was by far the most important factor driving a previous move, noted by 28.9 percent of those surveyed. Similarly, the most important criterion in selecting the dwelling they moved to was that it provided more space (27.9 percent). Another important selection criterion was that the dwelling had a larger section (9.8 percent), while having a garden was also a consideration (5.4 percent). Wanting a bigger house was the second most common reason for the 194 people wanting to move within the next two years.

Closely aligned with dwelling size is the type of dwelling, with multi-units and semi-detached dwellings generally being smaller properties than stand-alone housing. The survey showed a strong interest among those living in multi-units and semi-detached dwellings to move to detached housing; 71.4 percent living in multi-units or semi-detached dwellings moved to a detached dwelling.

Qualitative data collected as part of the study revealed a desire for larger living spaces, both indoors and outdoors, to benefit children, pets and outdoor entertaining. In some cases that desire for larger living spaces recollected memories of the large family homes and sections in which respondents were raised. Little preference was expressed for new subdivisions with small sections. Survey respondents' comments about dwelling and section size expressed a preference for sufficient space:

*Property with size of rooms I wanted and I like the area.*

*Style of the house we were looking for (aesthetically) and a big back yard.*

*Bigger inside and out.*

## 4.4 Dwelling quality

The second most important factor driving a previous move was to upgrade dwelling quality, and key considerations for respondents when choosing a dwelling was whether it was in good repair and warm. Wanting to upgrade dwelling quality was also a consideration for those intending to move within the next two years.

## 4.5 Location

Location was an important driver of housing demand. Key dimensions of location mentioned by respondents were access to transport networks, preferred schools, work, services, and amenities. Also important were affective aspects, such as familiarity with an area, closeness to parks, beaches and green spaces and connection to existing social and family networks. Survey respondents' comments illustrating these dimensions are presented in Table 5

**Table 5: Location dimensions**

Dimensions	Respondents Comments
Transport connectivity	Close to the city, close to the motorway, close to the university. Good for public transport and easier access to motorway.
Access to schools	Close to beach and park, plus quality of the two local schools.
Access to work	Have always lived there and it's close to work. It is close to my son's school, my school and my partners work.
Access to services and amenities	Safe neighbourhood, close to supermarket, entertainment, close to shops. Mechanics and doctors and service providers and shops.
Connections to locality and networks	The beach and the school and our family. Close to where we both grew up and it is a nice area. The day-care centre is local. Basically all my friends and any activity that we are doing is local, it's safe, close to the beach and very picturesque.

## 4.6 Tenure

One of the critical reasons for moving was to enter homeownership. The third most common reason for leaving their previous home was to enter homeownership (14.4 percent). Of the 194 respondents intending to move within the next two years, 34.5 percent wanted to become homeowners. This was by far the most common reason for wanting to move.

While those moving to enter homeownership had a positive reason for moving, renters were moving due to negative reasons, to do with the tenancy no longer being available or to access a lower rent. Some commented they had moved due to problems with flatmates.

## 4.7 Affordability

Reducing housing costs, whether purchasing a house or renting, was a driver of housing moves among some households, albeit a smaller proportion of households than for reasons of house size, quality, and location. Although not cited frequently as the primary reason for moving, affordability was often mentioned along with other reasons, as noted in these survey respondents' comments:

*Affordable, school zone and access to work.*

*More for our money, convenient for work, like the area.*

*Better value for money. Bigger section. Good for the kids.*

Among the 259 renters in the survey, 15.2 percent had moved from their previous accommodation because of unaffordable rent. In addition, 18.9 percent selected their current dwelling because it provided a lower rent. Among the 203 owner-occupiers, 8 percent moved from their previous housing because they could no longer afford their mortgage, and 15.8 percent selected their current home because it would improve their mortgage affordability.

Home maintenance concerns have an affordability component. In the survey, one of the top ten selection criteria was a dwelling that needed less repairs and maintenance. It was the 5<sup>th</sup> most common selection criterion overall, and the 3<sup>rd</sup> most common dwelling selection criterion. Moreover, focus groups revealed that the main negative aspect of homeownership identified was expenditure on rates, insurance and repairs and maintenance.

Travel also has an affordability component, in terms of time and costs. In the survey, the second most common selection criterion for moving to their current house was to be closer to a desired primary school or zone, and the third reason was to be closer to work.

## 5 Making the House a Home: Older People

*The Housing Older People would Choose* report summarised quantitative and qualitative data from two research programmes that included three surveys. The data from those surveys is examined in more detail below. Common themes across the surveys are that:

- Most older people do not move and have a preference to stay within their dwellings and communities for as long as possible.
- Although residential movement is often by choice, sometimes older people have to move because they experience a shock, such as poor health or loss of a partner.

Across the surveys respondents identified the most important features of the home, including: sufficient space to carry out desired activities in and around the home; easy maintenance of home and section; accessibility, both to the property and inside the dwelling; warmth; access to services; safety and affordability. Few respondents claimed that releasing housing equity was a primary reason for moving, however, other financial considerations were part of the mix of reasons cited for moving.

### 5.1 Profile of survey respondents

The *Stayers and movers survey* surveyed those aged 65 years and older, comprising 445 'stayers' and 126 'movers' who had moved in the preceding five years in the open market (not to a retirement village). Respondents were recruited through cold-calling. The movers comprised one-fifth of those surveyed. The stayers were somewhat older; 44 percent were aged 75 or older, compared to 27 percent of the movers.

The *Movers to retirement villages (RVs) survey* was a telephone survey of 617 retirement village respondents aged 65 and over. Random surveying was conducted in mesh-blocks with retirement village addresses, supplemented by self-selection by residents. Eighty-five percent were aged 75 years or older. Those respondents were more likely to report income in addition to national superannuation than respondents to the stayers and movers survey.

The *Home repairs and maintenance practices survey* comprised 1,600 respondents aged 65 and over. They were selected through random sampling to cover urban, provincial, and rural areas, with age-targeting through use of electoral enrolment data. Almost all respondents (94 percent) were mortgage-free owner-occupiers. One-fifth were considering a move within the next few years.

The scope and focus of those surveys differ and the data needs to be interpreted with caution because the surveys did not use a standard set of methods or measurements. However, similar questions were asked about:

- The most important reasons for choosing their current home.
- The reasons for considering a move within the next few years.

Those questions provide insights into the housing preferences and actual choices respondents made.

## 5.2 Reasons for moving and selecting a dwelling

Across the surveys, the main reasons for the last move and for an intended move are presented in Table 6. It should be noted that a stated intention to move is not necessarily a predictor of actual movement, or of reasons for a move. However, as discussed below, there are commonalities between reasons for actual moves, and stated intentions to move.

There are clear similarities and differences in the reasons for moves, and the important factors when considering future moves. Among older people who moved within the open housing market (not to retirement villages), there was a desire for a smaller home, but almost as common was a desire for less dwelling and section maintenance and for a more functional and accessible dwelling. For those who moved to a village, the most common reason was to be closer to health services and, secondly, a sense of security and safety. There was also interest in less home maintenance. By far the main reason for a future move cited by respondents to both the stayers and movers survey, and the home repairs and maintenance survey was for a smaller home. Then respondents' reasons diverged. The repairs and maintenance survey respondents were concerned about poor health and wanting to be closer to family. Respondents to the stayers and movers survey cited closeness to shops, and dwelling maintenance and functionality as reasons for a future move.

**Table 6: Most important reasons for moves – actual and intended**

Most important reasons	Survey Respondents		
	Stayers and movers survey	Movers to RVs survey (n=617)	Repairs & Maintenance survey (n=1600)
For choosing their current home (Actual Move)	<b>Movers (n=126)</b> Smaller home (27%) Less maintenance of the section (23.5%) Less maintenance of the home (22.6%) Closeness to shops (13.0%) A more functional and accessible home (12.2%)	Closeness to health services (29.3%) Security and safety (26.1%) Less maintenance of the home (21.4%) Closeness to aged care services (18.8%) Lifestyle improvement (16.0%)	
For considering a move in future (Intended Move)	<b>Stayers (n=445)</b> Smaller home (28.3%) Closeness to shops (17.7%) Less maintenance of the section (17.2%) Less maintenance of the home (13.6%) A more functional and accessible home (10.4%)		Smaller home (38.9%) Poor health (22.5%) Want to be closer to family (9.1%)

\*All questions allowed multiple responses

Retirement village residents emphasised being close to health and aged care services, and safety and security as key reasons for their moves. This is likely to reflect the older age profile of those respondents. Other movers were less likely than retirement village movers to emphasise closeness to health services, aged care services and safety/security. Both movers and stayers were interested in being close to shops. Across both the movers in the open market, and movers to retirement villages, connections to friends and family were not major drivers of moving; nor were financial reasons as apparent as other drivers.

## 5.3 Dwelling and section size

Across the surveys, the desire for a smaller home was a strong driver in dwelling selection. Even so, the main themes in the comments from survey respondents were, that although they wanted a smaller dwelling, it still needed to include enough storage, room for visitors and for the things they wanted to do such as hobbies. Notably, there is a preference for (at least) two-bedroom dwellings. There was also a strong interest in maintaining and enjoying a garden. Comments about dwelling and section size are presented in Table 7.

**Table 7: Dwelling and section size themes**

Themes	Respondents Comments		
	Stayers (n=445)	Movers (n=126)	Movers to RVs (n=617)
Small, but enough space	<p>Storage as most older people have a lot of physical memorabilia that they like around them.</p> <p>A separate room to set my computer up in.</p> <p>Something with a bit of space, not feeling too hemmed in - not crowded by other homes - with a bit of space between my walls and the next door neighbour's walls.</p>	<p>Big enough to accommodate my antique dining table</p> <p>It had to be big enough to accommodate the grandchildren when they came to visit.</p>	<p>I thought it would be easier as it is a smaller house and I have help with housework.</p> <p>I was looking for a smaller stand-alone unit with 2 bedrooms. Also, my wife wasn't well so I was looking for a place that I could look after easily.</p>
Garden	<p>It would have to have a medium garden, and a lot of sunlight, facing north-east.</p> <p>Space for a vegetable garden.</p>	<p>Nice, quiet location, with an interesting garden.</p>	<p>I think it was the fact that all the grounds would be looked after for me.</p> <p>I liked the openness and space. The houses and gardens are lovely.</p>

The extent to which older people see smaller homes as desirable is shown in the movers to retirement village survey. Overall, 104 of 617 respondents reported that they had looked at dwellings on the open market. Of those, one third reported that their choice to eventually settle in a retirement village was driven in part by being unable to find a suitable dwelling on the open market. This was the most common reason cited, followed by a desire to have less responsibility for home management (22 percent) and the availability of onsite care for oneself or one's partner (22 percent). These respondents, who considered other dwellings on the open

market, commented on the importance of dwelling size, as well as other factors in their housing choice:

*There were very few suitable houses of the size we wanted in Titirangi so we decided on a new retirement village going up in our area and we had some friends moving in there at the time (Mover to retirement village survey).*

*Looking ahead and thought it was time to downsize.*

*Well we had a big house, the cost of the town houses and they're usually two stories. My health reasons.*

## 5.4 Dwelling quality

The desire for a better performing, more functional dwelling is seen in respondents' comments about accessibility, a warm home and one that is easy to maintain. There was also interest in living in a newer home with modern appliances and features, particularly among those who moved to a retirement village. Comments on these themes are presented in Table 8 below.

**Table 8: Dwelling quality themes**

Themes	Respondents Comments		
	Stayers (n=445)	Movers (n=126)	Movers to RVs (n=617)
Accessible home	A flatter section. Right now I have to walk up a bit to put out the laundry.	All flat and one level and no stairs to climb. No climbing into the bath for the shower it's a walk-in shower.  The other one was two storey. We moved because of my husband's health and I was having problems with my knee and I had a knee surgery	Because we had to have the house built for my disability needs.  Impossible to find a home on one level so I moved to this village.
Warmth	A house with good insulation and good heating.  I would like a warm house/sun.	We wanted a new house because of the new building technology we wanted it warmer.	Double glazed and warm, surrounded by people, and security.

Easy to maintain	It would have to be tidy, not need to be repaired.  Less maintenance of both the home and section.	Smaller section and easy care house.	Again, the maintenance ... When my husband died it made it easier to carry on. You don't have to make any arrangements.  That we didn't have to do repairs and maintenance and we got to the stage where our house was too big and did a lot of cleaning and the garden was too big.
New, modern	Condition and age of the building, neighbourhood appearance are important.	Everything has to be well maintained, up to date as far as cooking, the stove, the bathrooms, as well as the kitchen.	Because it was new and modern, easy upkeep.  Company or companionship and brand new house and the cost was manageable.

### 5.5 Location and place

Comments on location and place are presented in Table 9 below. One of the recurring themes was the importance of having an outlook or view whilst at the same time maintaining privacy. Moving to be closer to amenities including shops, services, recreation, and entertainment was a common reason for moving. Moving to be closer to family was also a consideration. Some respondents commented on the local community or neighbourhood as being important for them, while others said they had moved, or would move to return to a place meaningful to them, where they had been brought up, were currently living or had lived before.

**Table 9: Location and place themes**

Themes	Survey Respondents Comments		
	Stayers (n=445)	Movers (n=126)	Movers to RVs (n=617)
An outlook	<p>We also value a view of a mountain, and we wouldn't want to be low down anywhere.</p> <p>Spacious outlook, big windows, enable you to see outside when you are sitting down.</p>	<p>Wonderful view, lots of sun.</p> <p>Larger section that had a bit of an outlook.</p>	<p>New house, security, and the view.</p>
Close to amenities	<p>Closeness to the city and activities.</p> <p>I want accessibility to shops, transport and medical services.</p>	<p>Being closer to the doctor, chemist, library, theatre, swimming pool, cinema because we are ageing and not able to drive.</p> <p>I wanted to live close to town.</p>	<p>The realisation that as I get older I would need extra support. There are tasks that are not safe for people who are older and have arthritis/other illness. Not having to worry about lawns and maintenance as well of course. The support if I was to get ill, there is always someone there and available until your family are there. Those are all very important.</p>
Close to family	<p>Something near family and a smaller 2 bedroom flat, something near the shops so I wouldn't have to drive, and a little bit of garden.</p>	<p>Closeness to relative if I need help.</p>	<p>It was close to family.</p>
Feeling of Community	<p>That it was a caring community.</p> <p>Stand-alone home and good neighbourhood.</p>	<p>Friendly neighbourhood, compact section.</p>	<p>Somewhere I felt comfortable with. Somewhere I could relate to.</p> <p>For security, comfort and company.</p>
Attachment to place	<p>Closeness to where I am now, where I was brought up.</p>	<p>Already owned it and always planned to move back.</p> <p>Closeness to the beach.</p>	<p>It's the same area where we used to live.</p> <p>We knew the area well and the village was willing to accommodate our campervan.</p>

## 5.6 Tenure

The survey data show a strong preference for homeownership among older people. This was particularly apparent in the stayers and movers survey among those who had considered retirement villages and the reasons they did not eventually choose to live in one. By far the most common tenure in retirement villages is a license to occupy. Overall, 14 percent of movers had considered a retirement village in their previous move, and the highest proportion of those cited 'I like to own my own home' as a reason for their deciding not to move to a village. Of the stayers, 70 percent reported they would not contemplate living in a retirement village. Again, the highest proportion of those cited 'I like to own my own home' as a reason for not wanting to move to a retirement village.

## 5.7 Affordability

Table 10 shows financial drivers that figured in survey respondents' reasons for moving. That these are less significant than other moving reasons (see Table 6 above), likely reflect that respondents are predominantly mortgage-free. As a consequence they have financial resources for changing their housing, as well as for expenditure on housing and other living costs.

**Table 10: Financial reasons for moving**

Financial reasons	Stayers and movers survey		Movers to RVs survey (n=617)
	Movers (n=126)	Stayers (n=445)	
Reduce cost of living	0.9%	2.1%	5.2%
Better investment	1.7%	0.7%	0.8%
Discharge or reduce a mortgage	0.0%	0.2%	0.5%
Cheaper housing costs	4.3%	2.8%	-
Financial security	1.7%	2.1%	-

A minority of movers, either within the open market, or to retirement villages, were concerned primarily with capital realisation. In the village residents' survey, 17 percent said they had wanted to move in order to release capital. In the stayers and movers survey, 21 percent of movers had planned to sell their home to release capital. Among those who had not moved, only 14.6 percent said they would consider moving in future to release capital.

Although financial considerations do not rank highly in respondents' reasons for moving, comments about affordability were often made in conjunction with other considerations. Key themes about affordability covered: affordable purchase price; managing home running costs

and the opportunity to release equity through moving to a different house. A selection of survey respondents' comments is presented in Table 11 below.

**Table 11: Affordability themes**

Themes	Survey Respondents Comments		
	Stayers (n=445)	Movers (n=126)	Movers to RVs (n=617)
Purchase price	Location, affordability, city attractions.  Location, value for money and garden.  Value for money; would not want to pay a fortune for a house, which is why we would not go to Auckland for example.	I think the most important consideration is whether you can afford it.  Realistic cost.	Because we had moved a lot in our lives, we were ready to stay in one place for the rest of it. And we were able to afford it.  Couldn't find anything as nice that I could afford.  Wanted to bite the bullet before the house prices went up and health deteriorated.
Home running costs	Lower power bills.	Just general living costs. We made sure they went down.	Everything was covered under one fee. Rates, insurance, maintenance of section and the medical alarm.
Equity release	Warmth/insulation, and perhaps releasing some cash.	Health problems, free up money.  To free up a bit of capital.	I had a little bit of money left over from selling my house then buying this one.

## 6 Life Stage Trade-offs in Housing Choices

Householders of all ages make housing choices that take into account their preferences and needs in relation to attachment to a place, a specific location (such as a neighbourhood or suburb) and the dwelling itself. These choices represent trade-offs, since their ideal or dream home may be unobtainable. Trade-offs involve three aspects:

- The housing preferences that reflects the household's needs, wants, tastes and aspirations.
- The housing that the household can demand, i.e., what they can purchase or rent, based on their financial resources.
- What the market can supply, i.e., the types of housing available at a particular price.

Actual housing choices are constrained, both by what the household can demand and what the market can supply. The two life stages focused on in this paper have constraints placed on their housing choices in different ways. The 20-40 age group encompasses a wide range of incomes, financial commitments, and the complex dynamics of movement between home and work, schooling, study, and other activities that must be considered in housing choices. That age group, as prospective entrants to homeownership, is constrained by their ability to pay market prices, even at the lower quartile value of housing.

Many older people have limited financial resources too. Typically, they have low incomes and limited access to credit. The large majority are wholly or mostly reliant on national superannuation for their incomes (Perry, 2017). Although as a population older people are mainly homeowners and as such have substantial housing wealth, there is an increasing proportion of older owner-occupiers with mortgages and older tenants without housing assets. Most older people live in smaller one- and two-person households, and that, combined with retirement and lower income profiles, suggests their trade-offs around house location and travel patterns are less complex than those of the 20-40 age group. However, like younger cohorts, their choices are constrained by the tenure, configuration, design, and location of housing stock.

## 6.1 Trade-offs made by the 20-40 age group

The trade-offs made by the 20-40 age group are complex, multi-faceted and vary from household to household. There does not appear to be one criterion that dominates when making a trade-off decision. Affordability trade-offs are evident in the range of trade-offs listed below:

- **Dwelling size:** Some households continued to rent in order to live in a bigger house in a desired location. They traded off ownership for both house size and location.
- **House type:** While the survey showed a strong preference for detached dwellings, focus groups revealed some movement from rental to an owned semi-detached or multi-unit dwelling. There was also movement between housing types by those within the rental or ownership markets, based on other trade-offs such as living in a desired location or more affordable housing.
- **House condition:** Trade-offs between house condition and price were evident among both homeowners and renters, with some households prepared to live in poorer condition but cheaper housing.
- **Tenure:** While house size and location were critical for some renting households, there was also evidence of some households prioritizing ownership over dwelling size, in their move from a large rented house to a smaller owned one that they could afford.

- **Location:** Both quantitative and qualitative data showed that participants were not necessarily prepared to forego a preferred location to achieve other desired factors, such as a larger house or a more affordable one. Location factors, such as a preferred school, neighbourhood safety, and for a few, re-sale value, were considered key priorities for some households, over other factors.
- **Connectivity:** Travel time and costs are part of what makes a location attractive or unattractive. Closeness to public transport is critical for some households that would consider moving to a less-preferred location with good public transport. Closeness to key road networks is also a priority for some.

## 6.2 Trade-offs made by older householders

In their comments about past and potential moves, survey respondents revealed four factors that are important in making trade-offs. Those are:

- **Dwelling size:** Moving to a smaller home was a dominant theme across the surveys. While this move was often hard to achieve because of lack of available stock, there is evidence that some traded off location or tenure for a smaller dwelling.
- **House condition and performance:** This appeared to be a priority for movers, both within the open market and movers to retirement villages.
- **Location:** Moving to be close to services, to social networks and to a meaningful place are all key considerations that can override dwelling-related factors.
- **Tenure:** There is some evidence from the retirement villages survey that those respondents were prepared to move from homeownership to a license to occupy tenure in order to access a smaller and more accessible home that was also close to services they needed or anticipated they would need in future.

## 6.3 Comparing trade-offs

Trade-offs made by households in the two different life stages revolve around considerations of dwelling size and type, dwelling condition and performance, location, tenure, and affordability. Both the younger households and the older households placed significant emphasis on dwelling size in their housing choices. Both groups had a strong preference for a location that enabled them to access transport, amenities, and services. Both groups include people who cannot or choose not to drive and are therefore reliant on public transport and living close to facilities and services they need. For the younger age group this is around access to education, work, recreational amenities, services, and social networks. Older households are concerned to access the services, supports and social networks they need in later life. In their narratives there is a particular emphasis on living close to shops and health services.

Both age groups express a distinct preference for homeownership. Some younger households are willing to trade-off entering homeownership for being able to rent a larger dwelling in a desirable area where they would be unable to afford to buy. Older people are predominantly homeowners and express a strong desire to remain homeowners. The tenure that older people do take-up as a trade-off is license to occupy, in order to access retirement villages, which offer a range of desired features, such as smaller dwellings, security and access to care services.

With regard to differences between the two life stages, older people are much more focused on house condition. That the house is warm, and preferably north facing are strong preferences. There is a preoccupation with having an easy to maintain dwelling and section. Older householders are also much more focused on dwelling accessibility. There is a clear preference for a single-storey dwelling with no or few steps, on a flat section. Other New Zealand studies have also found that older people are more likely than those under 65 years to express a preference for no stairs, easy-to-maintain sections and universal design features such as easy access from car parking into the dwelling, level entry and open plan design (Saville-Smith and James, 2016). Finally, a dominant theme in older people's narratives was the desire for an outlook or a view.

## 7 Implications for Research

This paper posed a question about the trade-offs people make in their housing decisions and choices. This question included consideration of the roles of dwelling characteristics, tenure, location, and place in making a home, and the extent to which affordability interacts with those factors in influencing housing choices. Reviewing the data from the surveys has shown the range of needs and motivations affecting housing choices, as well as the kinds of trade-offs made. It has suggested that actual housing choices do not necessarily reflect preferences or aspirations, due to constraints of incomes, house prices, design, and location.

These insights, although focused on two life stages, propose approaches for exploring the meaning of home and dimensions of affordability across the diverse groups identified in Component C. Those groups are: low income workers; users of mental health services; disabled people; households with young children; older people; key workers in the intermediate housing market; refugees; Māori; Pacific people; low and middle income renters. Kaupapa Māori work will focus particularly on young mothers, kaumātua and their whānau.

The following suggestions are made:

**1. Document differences and similarities between reasons for actual housing moves, and reasons for intended moves**

While the survey data showed some similarities and differences between reasons for past moves, reasons for selecting a property, and reasons for intended moves, those reasons need to be carefully differentiated to gain a nuanced understanding of housing choices. Actual housing choices do not necessarily reflect tastes or aspirations because of constraints such as limited incomes and access to credit, house and rental prices, and the configuration, design and location of housing stock.

This exploration requires questions and analysis that:

- Differentiate between the push and pull factors influencing actual housing moves. For example, reasons for leaving a property may differ from reasons for selecting another property.
- Compare the range of influencing factors for past moves and for future moves. Reasons can change over time as circumstances change.
- Identify the most influential decision-making factors and highest priority criteria for selecting a property. Are there differences between them?

**2. Identify the full range of financial and non-financial factors influencing housing moves**

The range of financial and non-financial factors influencing housing moves may be wider than those identified in the survey data. In the survey data the financial factors identified include: house price, rental price, house running costs and housing as investment. Non-financial factors include: household characteristics (size and composition), service access needs based on the various activities undertaken by the household (e.g., schooling, employment), and dwelling characteristics (type, amenities, condition, performance).

Other factors that could be explored are:

- social and cultural capital
- intergenerational housing aspirations
- family and whānau expectations, aspirations, and drivers for moving
- wellbeing considerations
- how identity is expressed through housing choice.

### **3. Clearly identify the nature of trade-offs**

This point closely links to the following point, which expands on how affordability concerns may be interwoven with other considerations. Some central questions are:<sup>3</sup>

- How do people define and describe a trade-off?
- How do people evaluate a trade-off? Do they see benefits or costs associated with a trade-off, and for whom?
- How do housing perceptions and aspirations shape trade-offs?
- What are the actual trade-offs made?
- What trade-offs are people willing and unwilling to make, and why?
- To what extent is the trade-off a real choice, or is it a compromise?
- How do trade-offs differ according to a household's life stage, socio-demographic status, and wider housing and labour market contexts?
- Trade-offs are time-bound. With regard to past trade-offs, what did people emphasise and chose? Are those factors different compared to the trade-offs in the most recent move, and if so why? In what ways will future trade-offs be different?

### **4. Explicitly focus on aspects of affordability in trade-offs that are made**

Even though the reviewed survey data does not explicitly show connections between the meaning of home and affordability, it does indicate that affordability considerations interact with housing needs and preferences in multiple ways to influence housing choices. Affordability factors are not just those apparent ones associated with house purchase price, mortgage or rent payments. Housing affordability is also embedded within key priorities and criteria people use when selecting their housing, such as location and dwelling-related factors. This is evident in the way that younger households make trade-offs to improve transport connectivity, which has ongoing impacts on travel costs. Similarly, house size, one of the most important priorities for both the younger and older households, has financial implications for house purchase and rental prices. House running costs are another fundamental concern of owner-occupiers since those costs can reduce the ongoing affordability of the property. Those concerns especially figured in older respondents' preferences for selecting housing that promised less maintenance. Tenure is clearly a factor in creating a home, with homeownership the preferred tenure among both older and younger groups. But being unable to afford to enter or retain homeownership can result in remaining in or moving to a non-ownership tenure.

It is important to identify the circumstances and conditions in which different types of trade-offs are prioritised in housing choices. The survey data does not provide information on the circumstances or conditions in which one factor is privileged over affordability, whether that is

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<sup>3</sup> See Burke *et. al.*, (2007) for questions for elucidating lower-income households' experiences, understandings and impacts of housing decisions and trade-offs.

location, a dwelling characteristic or affective and relational aspects (such as living close to family or attachment to an iwi rohe). Nor is there enough data to understand the circumstances and conditions where affordability becomes the overriding factor determining housing choice.

Some questions that tease out the interactions between affordability and other factors are:

- How do people define affordability for their household?
- Is there an affordability constraint that led to the trade-off being made?
- In what circumstances are higher housing costs accepted in return for other benefits? What type of housing costs are they? What is the rationale for this trade-off?
- In what circumstances does a housing need override housing cost considerations?
- If a trade-off made has unaffordability implications, why is it accepted?

#### **5. Identify differences in housing choices and trade-offs between owner-occupier, rental households, and other tenures**

While the data on younger households revealed insights into similarities and differences in the housing choices and trade-offs among renters and owner-occupiers, the surveys conducted with older householders were focused on owner-occupiers. Research for component C should examine trade-offs in relation to current tenure status, and how affordability intersects with the meaning of home for different tenure groups.

The range of possible tenures across the diverse groups focused on in component C could include:

- Owner-occupation
- Renting
- Living with others as boarder or flatmate
- Living with family members in various tenures
- Intermediate tenure such as shared-ownership, rent-for-buy, license-to-occupy.

In addition, some research participants are likely to be in a 'homeless' category as defined by Statistics New Zealand (2015).

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