

Māori Housing Trends 2008

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1 Executive summary

1.1 Background

In recent interviews with Māori, Waldegrave et al, (2006) found that conceptions of land and housing held by individual Māori whānau ranged widely from culturally traditional views whereby Māori associate strongly with whakapapa and tribal land, to those viewing housing as a resource that meets certain security, status and economic needs, without being linked to ancestry. Waldegrave argued that the research revealed a clear cultural basis for the different housing needs of Māori, including, references to the purpose served by their homes, in terms of accommodating visiting whānau during events such as tangi, attachment to the land, and the view of the house as a inter-generational asset. There is a need for policy models to take into account Māori views, conceptions and values about housing and land.

1.2 Research purpose

The purpose of the Māori Housing Trends Report 2008 is to provide an evidence base to inform the development of housing policy. The research provides an overview of Māori population dynamics, examines current Māori housing trends and considers the implications of likely population change for future Māori housing needs.

1.3 Overview

Māori Housing Trends 2008 is structured around the six key action areas in the New Zealand Housing Strategy: housing supply; assistance and affordability, home ownership, rental tenure and housing quality. The report begins with an overview of Māori population dynamics that have the potential to impact on housing need. The housing supply analysis focuses on household crowding as an indicator of housing supply stress. The section on housing assistance and affordability begins with an analysis of Māori uptake of the Accommodation Supplement and provides an overview of trends in Māori access to Corporation housing. The sections which follow examine the decline in home ownership and increase in Māori rental tenure. The quality of Māori housing is the focus of the following section. The concluding sections of the report consider likely changes in the size and profile of the Māori population in the future and the implications of the findings of the research for housing policy.

Key points

- In 2004, 1 in 5 Māori households had housing costs in excess of 30 percent of income.
- there were 67,000 Māori recipients of the Accommodation Supplement (AS) in 2007.
- Māori are the Corporation's second largest occupant (73,757) and applicant group 3,042.
- Since 1991 the proportion of Māori who own their own home has fallen from 61.4 percent to 45.2 percent.
- The proportion of Māori in rental tenure has increased from 38.6 percent to 54.8 percent.
- By 2021, the Māori population is expected to have grown by 29 percent and is likely to result in increased demand from Māori particularly in regions such as Gisborne, Northland and Bay of Plenty.
- Māori are likely to make up a growing proportion of the Corporation's customer base.
- The Corporation can anticipate: on-going demand from Māori for larger houses; demand for housing appropriate for single parent families; growth in demand for housing for kaumatua and increased Māori housing demand in rural areas.

1.4 Findings

Key features of the Māori population

Māori currently make up 15 percent of the total population. Most Māori live in a one family household, with children, however Māori are far more likely than other ethnic groups to have a households that include more than one nuclear family. The majority of Māori live in urban areas with almost one quarter of Māori living in Auckland.

Māori have relatively high rates of mobility and rates have been increasing over time. Māori, most commonly identify social reasons (mainly to be closer to family) as the main motivation for moving. Economic and housing reasons were the next most common motivations for Māori migration. For European economic considerations followed by environment and social reasons were the most common motivations for moving.

Between 2001 and 2006 the socio-economic status of Māori improved. Increasing proportions of the Māori population obtained higher educational qualifications, Māori unemployment fell (to almost 8 percent) and the proportion of Māori with an income of more than \$30,000 increased. Notwithstanding these improvements, some 40 percent of Māori population still do not hold a formal qualification, the Māori unemployment rate is three times the European rate and the median income for Māori is \$20,900.

Housing supply

Household crowding is a key indicator of housing supply. The overall trend in Māori household crowding since the early 1990s has been a decline in the proportion of Māori households living in crowded households.

Housing assistance and affordability

Housing is fundamental to the health and well-being of families and communities. In line with trends for the total population, Māori housing is less affordable than it was 20 years ago. While the housing costs to income ratio has improved recently, housing affordability remains an issue with 1 in 5 Māori households recording housing costs in excess of 30 percent of income. Some 67,000 Māori in 2007 were receiving housing support through the Accommodation Supplement (AS). There has been a recent decline in the number of Māori recipients of the AS and this aligns with increased strength of the labour market and improvements in Māori employment status.

Māori make up a significant portion of the Corporation's customer base. In June 2007, Māori customers represented the Corporation's second largest occupant and applicant group (73,757 occupants and 3,042 applicants).

Home ownership and rental tenure

Over the past 15 years, the most striking trend in Māori housing has been the on-going decline of home ownership rates. Since 1991 the proportion of Māori who own their own home has fallen from 61.4 percent to 45.2 percent. Over the same period, there has been a corresponding increase in the proportion of Māori in rental tenure (from 38.6 percent to 54.8 percent). Improving access to home ownership is the third area of action within the New Zealand Housing Strategy. In addition, the Strategy specifically identifies increasing opportunities for Māori home ownership in rural and urban areas as a primary initiative for meeting Māori housing needs.

Future population scenarios

By 2021, the Māori population is expected to have grown by 29 percent (from 2001). The younger age structure of the Māori population means that there is built in momentum for further growth. Combined with higher levels of fertility, the Māori population is expected to grow at a faster rate than the European population. The Māori population will age in the coming decades with the median age of the Māori population projected to increase by five years between 2001 and 2021.

Implications for policy development

Over the next 10 years Māori housing needs will differ from the needs of the European population. The Māori population will remain youthful (with 30 percent of the population under the age of 15 years). There will be significant growth in the number of the population at key working ages. The gradual aging of the population will see a three-fold increase in the number of Māori over the age of 65 years. This contrasts with trends for the European population which will grow slowly, and have a decreasing proportion of children, an ageing labour force and rapid growth in the size of the elderly age group.

The key demographic drivers of Māori housing need will be: projected growth in the size of the Māori population, the expected continuation of larger Māori family sizes; potential growth in the number of single parent families; growth in the number of kaumatua and internal migration.

Housing supply

Demand from Māori for housing can be expected to increase as the Māori population expands. Growth in the number of Māori will accentuate pressure on housing supply, (especially in Auckland where one quarter of the Māori population is expected to continue to reside). Housing supply stress is also likely to increase in regions such as Gisborne, Northland and Bay of Plenty where the Māori share of the population is already high and projected to increase. As a result of the larger size and lower incomes of many Māori households, combined with high rents, high house prices and pressures on housing stock (particularly in urban areas), levels of Māori household crowding are likely to remain relatively high and this could be compounded by the growth in the number of elderly Māori.

Assistance and affordability

Over the next 10 years, Māori are likely to make up a growing proportion of the Corporation's customer base and this will be more pronounced in some regions. This will have implications for Corporation's capability, staffing and approaches to service delivery. The findings of this research suggest that Corporation can expect:

- on-going demand from Māori for larger houses
- demand for housing appropriate for single parent families
- growth in demand for housing for kaumatua (either as primary tenants or as part of extended family households)
- increased housing demand in rural areas.

Home ownership and rental tenure

The increase in the proportion of Māori in rental tenure from 38.6 percent in 1991 to 54.8 percent in 2006 has been striking. Consultation and research has found while many Māori still strongly aspire to own their home, this aspiration is difficult to realise because a high proportion of Māori live in urban areas where housing pressure is most intense or in coastal areas where land and real estate prices are premium. Consequently in the short term at least, home ownership will continue to be beyond the reach of many Māori.

Trends in fertility suggest that Māori will continue to start families earlier than European and have larger families. This means that in the earlier stages of family formation Māori will be less likely to be able to accumulate sufficient resources to buy a house and in the later stages, the costs associated with larger families means that they will have less disposable income to save for home ownership.

While there have been gradual improvements in the educational, employment and income status of Māori over the past 10 years, the level of improvement is unlikely to offset the challenges presented by the current housing market. Future policies designed to arrest the decline in Māori home ownership will need to will need to address the following recognised barriers to Māori home ownership: financial barriers, aspirations, knowledge and information/support, impediments to Māori utilising multiply owned land for housing.

2 Introduction

2.1 Purpose

The purpose of this paper is to provide an evidence base to inform the development of Māori Housing policy. The paper seeks to:

- provide an overview of Māori population dynamics
- examine current housing trends and outcomes for Māori
- consider the implications of likely population change for future Māori housing needs.

Although all care and diligence has been used in extracting, processing, and analysing data, the Corporation gives no guarantee that the data or information supplied in this report is error free. This document is for internal planning purposes only. It should not be distributed to external parties.

2.2 Structure of the report

The New Zealand Housing Strategy (the Housing Strategy) provides a useful framework within which to explore Māori housing trends. This paper is structured around the six key action areas in the Housing Strategy: housing supply; assistance and affordability, home ownership, rental tenure and housing quality. Where possible, the paper draws on the key indicators that have been identified by the Housing New Zealand Corporation (the Corporation) to measure progress towards the objectives of the Housing Strategy.

The report begins with an overview of key Māori population dynamics. It provides an overview of growth in the Māori population, the geographical distribution of the Māori population, Māori life expectancy, Māori mobility and recent changes in Māori educational, employment and income status.

The section on housing supply focuses specifically on the issue of household crowding as an indication of housing supply stress. It considers the prevalence of household crowding among Māori communities in recent years and identifies the key factors associated with household crowding.

Assistance and affordability analyses trends in affordability over the past two decades and considers housing assistance to Māori through the Accommodation Supplement. This section also provides an overview of trends in Māori access to Corporation housing, a profile Māori of tenants and a profile of Māori applicants for Corporation housing.

The next two sections examine trends in home ownership and rental tenure respectively. Both these sections provide an overview of trends over the past two decades and explore the impact of age, income and geography on housing tenure.

The section which follows focuses on the quality of housing occupied by Māori. Because of the scarcity of quantitative data on the quality of Māori housing, this section draws on the findings of qualitative research on housing quality.

The final section of the paper sets out future scenarios for the Māori population beginning with an overview of population projections out to 2021. It then outlines the likely changes in the demographic profile of the Māori population. It draws on projections for Māori housing which provide an indication of likely Māori demand in the future.

2.3 Māori conceptions of housing

A recent study of Māori housing experiences Waldegrave (2006) noted that the meaning that an individual holds about housing will shape their housing experiences. The report contrasts the predominant Western view of housing primarily as a material resource, with the Māori view of land ownership which recognises a social, spiritual and emotional value associated with land¹. Further, the report identifies the importance of the concept of guardianship in relation to Māori land. It notes Mead (2003) who depicts the Māori relationship with the land as a bond that has little to do with ownership, but instead has more to do with guardianship to be handed on the future generations.

In recent interviews with Māori, Waldegrave (2006) found that conceptions of land and housing held by individual Māori whānau ranged widely from traditional views whereby Māori associate strongly with whakapapa and tribal land, to those viewing housing as a resource that meets certain security, status and economic needs, without being linked to ancestry. The study stressed the need for policy models to take into account Māori views, conceptions and values about housing and land.

In addition, Waldegrave argued that a clear cultural basis for the different housing needs of Māori was revealed in respondent references to the purpose served by their homes, in terms of accommodating visiting whānau during events such as tangi, attachment to the land, and the view of the house as a inter-generational asset for example.

2.4 Technical notes and definitions

Definition of Māori

Māori are counted in two ways in the Census: through ethnicity (referred to as the *Māori ethnic group*) and through descent (sometimes referred to as Māori ancestry). Māori ethnicity and Māori descent are different concepts – the former refers to cultural affiliation, while the latter is about ancestry. In 2006, there were 565,329 people who identified with the Māori ethnic group, and 643,977 people who recorded that they were of Māori descent. With the exception of iwi statistics, all data presented in this report is based on the Māori ethnic group.

Ethnicity 2005 Standard

There have been some recent changes to the way in which government agencies are required to collate ethnicity data. In the past, individuals who identified with more than one ethnic group had one response recorded and this was referred to as the New Zealand Standard Classification of Ethnicity². As a result of the 2005 Ethnicity Standard, standard ethnicity data is now based on multiple responses, referred to as “total response data”.

This means that individuals who have reported more than one ethnic group will be counted once in each group reported. Therefore, the total number of responses for all ethnic groups may be greater than the total number of people who stated their ethnicities (and may add to more than 100 percent).

Data about the Corporation’s customers (from RENTEL, the Corporation’s administrative dataset) and home ownership and rental tenure data (derived from the Census) are based on total responses. As a result, there is now greater comparability between the two data sets and in turn the quality of statistical comparison contained in this report has been enhanced. In addition, the Survey of Dynamics and Motivation for Migration in New Zealand March 2007 (DAMM) is also based on total response data. Unless otherwise stated in the footnotes, all other data is based on the New Zealand Standard Classification of Ethnicity.

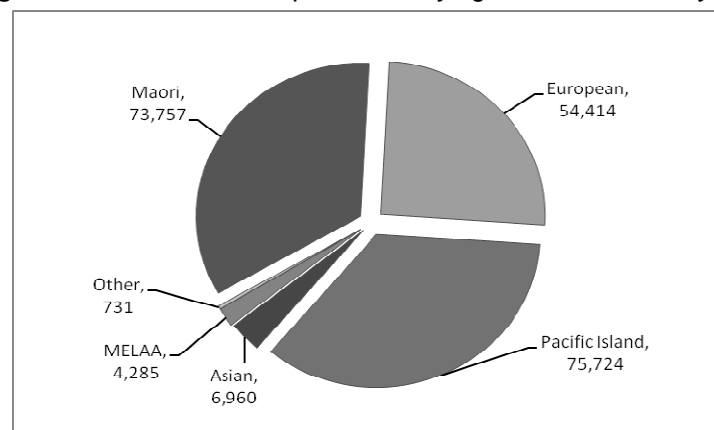
¹ Cloher (2004)

² Under this system, Māori had priority coding, followed by Pacific peoples, then Asian, other ethnic groups besides European, followed by “Other European” and, finally, New Zealand European.

Comparative Analysis

In order to enable readers to consider Māori housing trends within a broader context, this report compares Māori housing trends to those of other ethnic groups. A preliminary analysis was undertaken which compared all Level one ethnic groups (European; Māori; Pacific People; Asian; Middle Eastern, Latin American, African (or MELAA) and Other). The detail and complexity of the resulting analysis detracted from the readability of the report and therefore it was considered preferable to limit the number of ethnic groups to be compared. An analysis of Corporation data showed that Māori, Pacific Island and European customers, together, account for almost 95 percent of the Corporation's customer base (Figure 1). Therefore, for the purpose of this report, the comparative analysis presented focuses on these three ethnic groups. For consistency purposes, this approach is applied to both RENTEL and Census data.

Figure 1 Number of occupants identifying with each ethnicity 2007³



Source: Housing New Zealand Corporation, Administrative Data, June 2007

Household ethnicity - Ethnicity for households can either be based on the reference person (the person who fills out the dwelling form at the time of the census) or the usual occupants of the household. Unless otherwise stated, the analysis presented in this paper is based on the reference persons.

Usually resident population – The Census data presented in this report is on usually resident population counts. It excludes New Zealand residents who were temporarily overseas on Census night.

Home ownership - For the purpose of this report, home ownership data (that is those who own their own home) includes those who live in a home held in a Family Trust.

Data consistency - Readers should note that, different data sources and reference points have been used and therefore the trends presented are not always directly comparable. Data source and issues of comparability are highlighted in the footnotes of the relevant sections.

³ This figure is based on Total Response Data therefore occupants who identify with more than one ethnicity are counted once in each ethnic group they identify with. The total number of responses 215,871 presented in Figure 1 was given by 197,687 occupants.

3 The Māori Population

3.1 Introduction

In order to provide context for the consideration of trends in Māori housing, this section presents an overview of the demographic profile of the Māori population. It begins by reviewing growth in the Māori population over the past 15 years and then considers the profile of Māori households, the geographical distribution of the Māori population, patterns of Māori fertility and trends in Māori life expectancy. The next section provides: an overview of patterns of Māori mobility, a profile of Māori who have moved recently and an analysis of Māori motivations for migration. The final section in this chapter provides an overview of recent changes in Māori social and economic outcomes, with a particular focus on the changes in the employment, education and income status of the Māori population in the past five years.

3.2 Population growth⁴

Over the past 15 years, the Māori ethnic group population living in New Zealand has increased by 30 percent, from 434,847 in 1991 to 565,329 in 2006 (Table 1). Despite immigration of other ethnic groups and emigration of Māori, Māori continue to make up a growing proportion of the New Zealand population, accounting for 15 percent of the total population in 2006.

Table 1 *Growth in the Māori ethnic group and descent populations 1991-2006*

Census year	Māori ethnic group#	Māori descent [^]
1991	434,847	511,278
1996	523,371	579,714
2001	526,281	604,110
2006	565,329	643,977

Source: *Statistics New Zealand (2007a) Quick Stats about Māori*

Includes people who stated Māori as their sole ethnic group or one of several ethnic groups.

[^] Includes those people that identify they are of Māori ancestry

In line with the growth in the Māori ethnic group population, the number of people who claim Māori ancestry has increased by 25.9 percent since 1991. In 2006, 643,977 people identified as having Māori ancestry accounting for 17.7 percent of the total population.

Table 2 shows the 10 largest iwi with which Māori affiliate. With the exception of Waikato, the number of people identifying with each of the 10 largest iwi has grown over the past 5 years.

Table 2 *Ten largest iwi 2006*

Iwi	2001#	2006 [^]	Percent growth
Ngāpuhi	102,984	122,211	18.7
Ngāti Porou	61,701	71,910	16.5
Ngāti Kahungunu	51,552	59,946	16.2
Ngai Tahu/Kai Tahu	39,180	49,185	25.5
Te Arawa	39,165	42,159	7.6
Ngati Tuwharetoa	29,298	34,674	18.3
Ngati Maniapoto	27,168	33,627	23.2
Waikato	35,781	33,429	-6.6
Tuhoe	29,256	32,670	11.7
Ngati Awa	13,044	15,258	17.0

Source: [^] *Statistics New Zealand (2007a) Quick Stats about Māori*

Statistics New Zealand (2001) 2001 Census: Iwi Statistics, Table 1

⁴ The data presented in sections 3.2 and 3.3 are based on the New Zealand Standard Classification of Ethnicity.

3.3 Demographic profile

3.3.1. Household composition

The most common living arrangements for Māori households are one family households with children led by a couple or a single parent, reflecting the younger demographic of the Māori population. However, Māori sole parent households are more than double the rate of other households.⁵ Māori are much more likely than other ethnic groups to have a family composition that included more than one nuclear family, although these are a small proportion of all households.

3.3.2. Geographical distribution

A key feature of the Māori demographic transition in the 1960s was the rapid rural to urban migration. In 1956, nearly two thirds of Māori lived in rural areas. The majority of Māori today live in urban areas. Almost one quarter of Māori live in Auckland. Waikato, Bay of Plenty and Northland regional councils also have large sizeable Māori populations. Table 3 shows that the rate of Māori population growth has been largest in some of the South Island regions (Otago, Canterbury, West Coast Tasman, Nelson). However because relatively small numbers are involved, the geographical distribution of the Māori population has changed little over the last 5 years.

Table 3 Māori by regional council area 2001 and 2006

Regional council	Number of Māori		Percent of the Māori population		Percent change 2001-2006
	2001	2006	2001	2006	
Northland	40,734	43,527	7.7	7.7	6.9
Auckland	127,626	137,136	24.3	24.3	7.5
Waikato	72,822	76,572	13.8	13.5	5.1
Bay of Plenty	63,654	67,662	12.1	12.0	6.3
Gisborne	19,362	17,758	3.7	3.5	2.0
Hawke's Bay	32,088	33,555	6.1	5.9	4.6
Taranaki	14,562	15,801	2.8	2.8	8.5
Manawatu-Wanganui	39,267	42,288	7.5	7.5	7.7
Wellington	51,120	55,434	9.7	9.8	8.4
<i>North Island</i>	<i>461,235</i>	<i>491,733</i>	<i>87.6</i>	<i>87.0</i>	<i>6.6</i>
Tasman	2,778	3,063	0.5	0.5	10.3
Nelson	3,219	3,615	0.6	0.6	12.3
Marlborough	3,894	4,275	0.7	0.8	9.8
West Coast	2,547	2,916	0.5	0.5	14.5
Canterbury	31,632	36,669	6.0	6.5	15.9
Otago	10,542	12,270	2.0	2.2	16.4
Southland	10,038	10,422	1.9	1.8	3.8
<i>South Island</i>	<i>64,650</i>	<i>73,230</i>	<i>12.3</i>	<i>13.0</i>	<i>13.3</i>
Area Outside Region	393	366	0.1	0.1	-6.9
New Zealand	526,281	565,329	100.0	100.0	7.4

Source: Statistics New Zealand (2007a) Quick Stats about Māori

⁵ Waldegrave et al (2006)

3.3.3. Māori fertility patterns⁶

Despite a trend towards childbearing at older ages, half of Māori women giving birth in 2005 were younger than 26 years. This is about 4 years younger than the median age of European mothers.

Most of the difference between Māori and non-Māori fertility rates occurs at ages under 30 years. Māori teenage fertility rates are four times that of non-Māori. Among women aged 20-24 years, Māori fertility rates are 2.7 times that of non-Māori. In contrast, non-Māori fertility rates are higher than Māori among women in their thirties. These differences partly reflect differences in labour force participation as well as cultural attitudes towards family size and timing of births.

3.3.4. Changing age structure of the Māori population⁷

From an annual growth rate of 3-4 percent in the 1960s, the Māori population is currently growing at about 1.4 percent and is projected to slow to 1.2 percent in 2021. The Māori population is characterised by a youthful age structure. In 2006, more than a third (37 percent) of the Māori population was under the age of 15 years. However, a gradual ageing of the Māori population is occurring. In 2006, the median age of the Māori population increased to 22.7 years (up from 21.9 years in 2001).

The largest increase in the Māori population since 2001 has been in the working-age population (15-64 years) which grew by 9.7 percent. The proportion of Māori aged 65 years and over has increased from 3.4 percent in 2001 to 4.1 percent in 2006.

3.3.5. Māori life expectancy⁸

While the past two decades have seen gradual improvements in Māori life expectancy, Māori continue to experience higher than average death rates at all ages. Table 4 shows that in 2000-2002 a newborn Māori girl could expect to live to 73 years and a newborn Māori boy to 69 years. Compared to the total population, this expected life span is 9 years shorter for girls and 8 years shorter for boys.

Table 4 Life expectancy for the Total population and the Māori population 1995-97 and 2000-02⁹

	Māori population		Total population		Difference in life expectancy (years)	
	1995-97	2000-02	1995-97	2000-02	1995-97	2000-02
Girls	71.3	73.2	79.7	81.1	8.4	7.9
Boys	66.6	69.0	74.4	76.3	7.8	7.3

Source: Statistics New Zealand (2007b) Demographic Trends 2006

3.4 Māori mobility¹⁰

The Māori population is characterised by relatively high rates of mobility and rates of mobility have been increasing over time. Figure 2 shows that over the past 15 years, Māori have become more mobile with 52.9 percent of people having lived elsewhere in New Zealand five years ago (up from 45.5 percent). Conversely, the proportion living at the same usual residence has declined with the proportion living overseas remaining fairly constant (Figure 2).

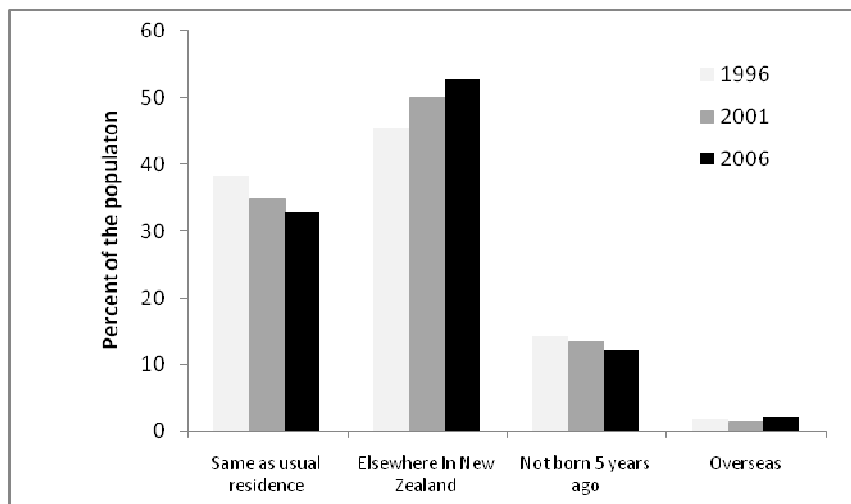
⁶ Statistics New Zealand (2005)

⁷ Statistics New Zealand (2005); Updated statistics from Statistics New Zealand (2006)

⁸ Life expectancy data is based on the Māori ethnic group.

⁹ Statistics New Zealand only produces life tables for the Total population and the Māori population.

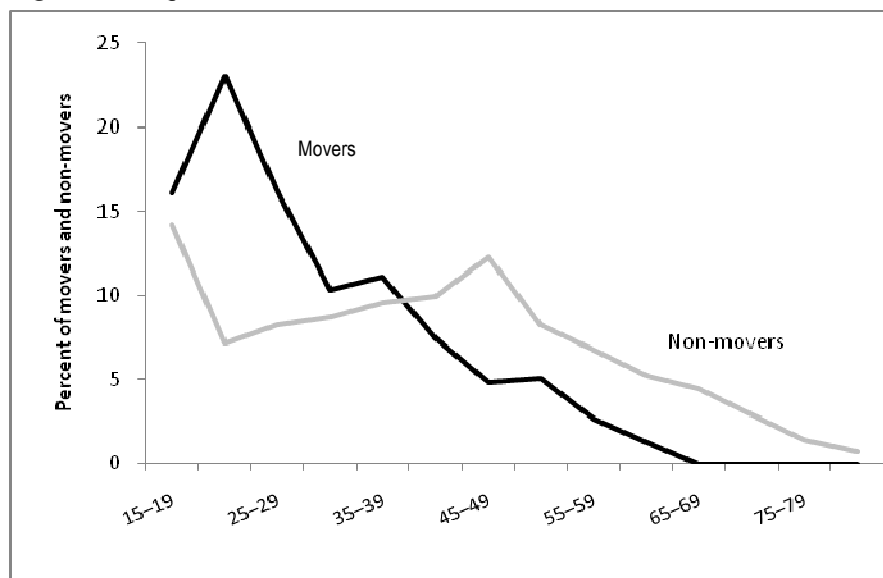
¹⁰ Data in this section has been derived from the *Survey of Dynamics and Motivation for Migration in New Zealand March 2007* (DAMM). This data is derived from the Household Labour Force Survey and each respondent can provide up to three ethnic groups. The estimate for the Māori ethnic group is based on total response data.

Figure 2 Usual residence of the Māori Census population 5 years ago 1996, 2001 and 2006

Source: Statistics New Zealand (2007) Survey of Dynamics and Motivations for Migration in New Zealand

3.4.1. Profile of Māori movers and non-movers

The recent *Survey of Dynamics and Motivation for Migration in New Zealand March 2007* (DAMM) found that more than one third (35.8 percent) of Māori had moved within the previous 2 years. As a group, Māori movers¹¹ were more youthful than Māori who did not move. Figure 3 shows that 40% of movers were between 20-29 years compared to only 15 percent of non-movers.

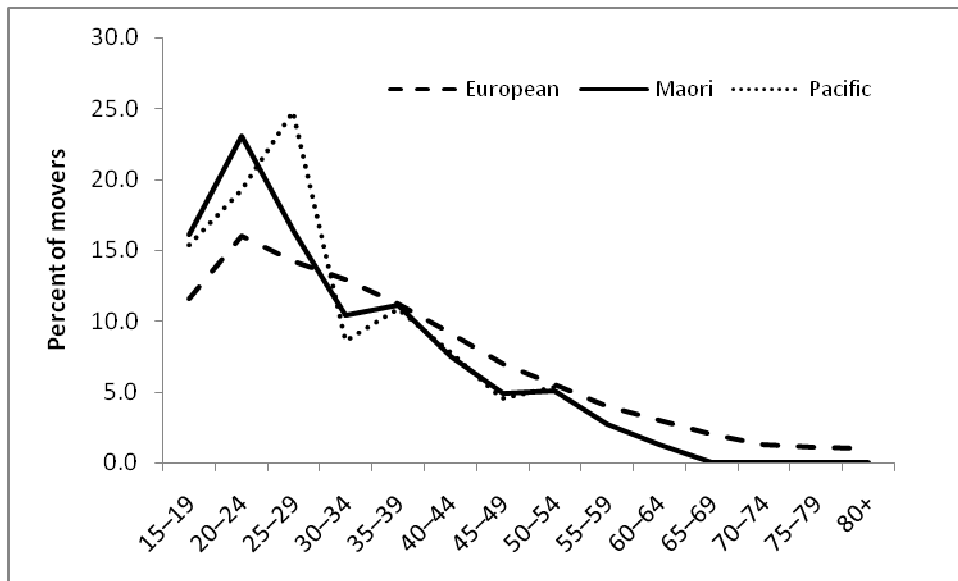
Figure 3 Age distribution of the Māori movers and non movers March 2007

Source: Statistics New Zealand (2007) Survey of Dynamics and Motivations for Migration in New Zealand

Māori had higher levels of mobility than the European and Pacific Islands populations (with 35.8 percent, 33.5 percent and 26.5 percent respectively, having moved within the previous 2 years). Māori and Pacific Island movers were also more youthful than their European counterparts. Figure 4 shows that young Māori adults (under the age of 24 years) accounted for 39.1 percent of all movers compared to 27.6 percent for European.

¹¹ For the purpose of this survey movers were defined as being people who moved in the previous two-year period.

Figure 4 Age distribution of the movers by selected ethnicity March 2007

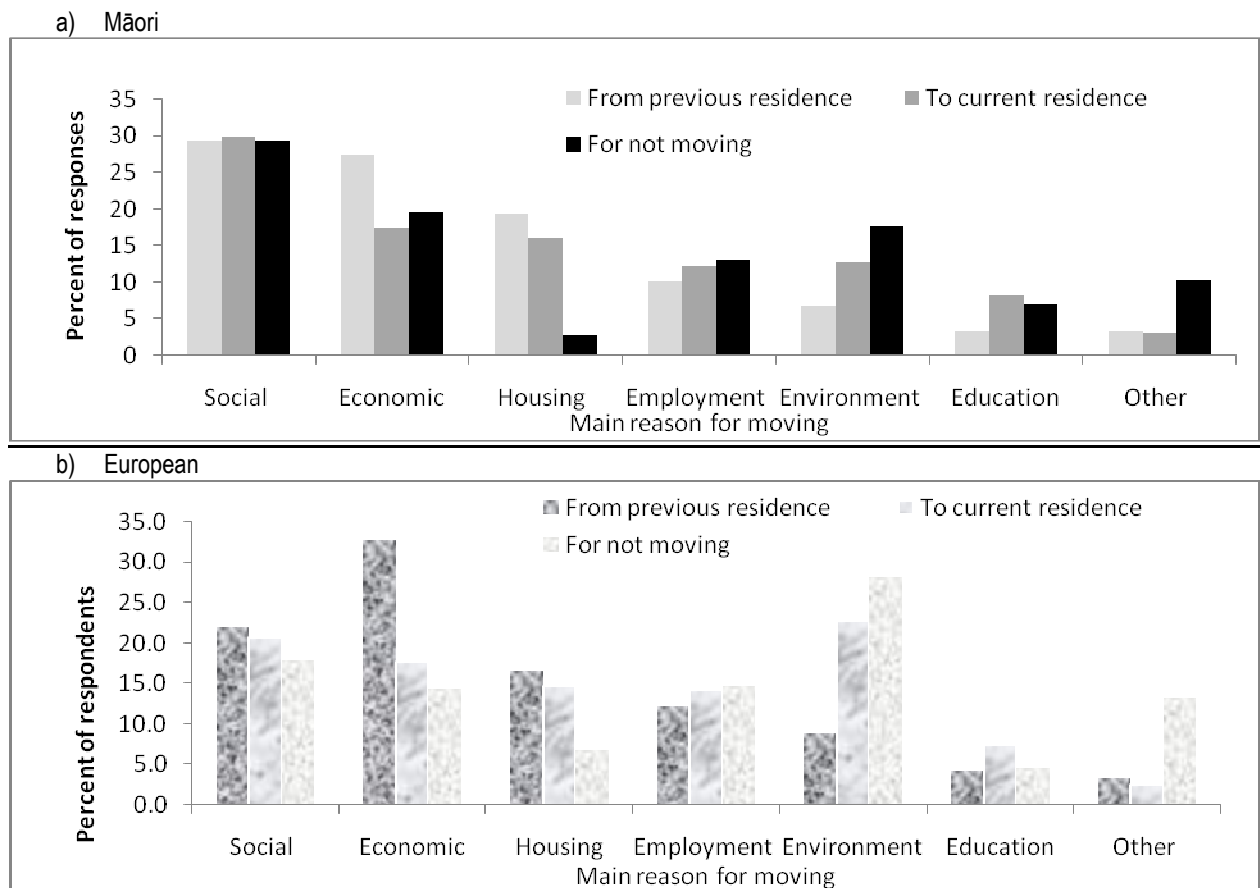


Source: Statistics New Zealand (2007) Survey of Dynamics and Motivations for Migration in New Zealand

3.4.2. Motivations for Migration

The survey identified that Māori, most commonly identified social reasons as the main reason for moving (either from their previous residence or to their current residence), or for not moving. Economic and housing reasons were the next most common motivations for Māori migration (Figure 5a). This contrasts with the European experience where economic reasons tended to be the most important consideration, followed by environment and social reasons (Figure 5b).

Figure 5 Main reasons for Māori moving or not moving March 2007



Source: Statistics New Zealand (2007) Survey of Dynamics and Motivations for Migration in New Zealand

Social reasons

Within the category of “social reasons” proximity to family was an important consideration for Māori. Māori identified wanting to live close to, or with family, as the main reason for leaving a previous residence or for moving to a current residence. In addition, wanting/needing to live with or close to family was the single largest social reason reported by Māori for not moving (17.4 percent). Fewer European identified family as the key driver for decisions about moving and European were less likely to identify proximity to family as the main reason for moving (Table 5).

Table 5 *Percent who identified to family as the main reason for moving or not moving by selected ethnicity March 2007*

Type of move	Māori	European
From previous residence	8.6	2.8
To current residence	16.7	8.5
Not moving	17.4	11.5

Source: Statistics New Zealand (2007) *Survey of Dynamics and Motivations for Migration in New Zealand*

Economic reasons

Māori cited economic considerations as the next most common reason for migrating and Table 6 shows that these were mainly housing related. For example, 9.1 percent of movers indicated that they had moved from their previous residence because they had been given notice by landlord or their lease had expired. Affordable housing was a key driver for moving to a current residence with 9.7 percent of movers indicating that the main reason they had moved was to secure more affordable housing.

The most striking difference between the economic reasons cited by Māori and European was the higher proportion of European who had moved because they purchased or built a dwelling (14.8 percent compared to 7.5 percent for Māori).

Table 6 *Key economic reasons given for moving or not moving March 2007*

Type of move/main reason	Māori	European
<i>From previous residence</i>		
Notice given by landlord	9.1	7.1
Purchased/built a dwelling	7.5	14.8
<i>To current residence</i>		
Moved to more affordable housing (cheaper to own / rent)	9.7	10.5
<i>Not moving</i>		
Satisfied with current financial commitments	6.6	5.8
Affordable housing in general	5.0	1.8

Source: Statistics New Zealand (2007) *Survey of Dynamics and Motivations for Migration in New Zealand*

Housing reasons

Housing was the third most common reason reported by Māori as a driver for moving from a previous residence or to their current residence. Some 9.3 percent of movers indicated that they were moving from their previous residence because the dwelling was too small (compared to 7.7% for European). Interestingly, housing was the least common reason for Māori not moving (only 2.9 percent of people identified their housing situation as a reason for not moving compared to 6.8 percent of European).

Environment reasons

Environment reasons were cited most often by European for moving or not moving. Environment reasons included factors like proximity to services/facilities, natural environment, satisfaction with the area of

residence and lifestyle/quality of life. Table 7 shows that relatively fewer Māori cited environment reasons as the main motivation for migration. For Māori environmental reasons were less significant drivers of migration for Māori than social, economic and housing considerations.

Table 7 Key environment reasons given for moving or not moving March 2007

Type of move#/main reason	Māori	European
<i>To current residence</i>		
Moved to a place with better services and facilities/better proximity to services and facilities	4.5	6.3
Moved to a better natural environment	0	3.4
<i>Not moving</i>		
Satisfied with availability/proximity of services and facilities	4.1	6.6
Satisfied with suburb/town/city/region	4.3	6.3
Satisfied with current lifestyle/quality of life	2.7	5.4
Satisfied with natural environment	1.1	3.0

Source: Statistics New Zealand (2007) Survey of Dynamics and Motivations for Migration in New Zealand

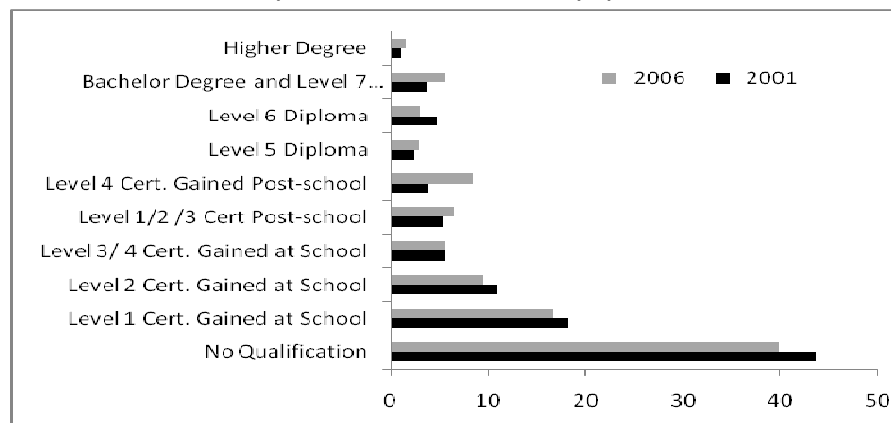
Does not include moving from previous residence as the numbers were not statistically reliable

3.5 Social and economic outcomes

3.5.1. Educational status

Figure 6 shows that between 2001 and 2006 there was a gradual improvement in the educational status of the Māori population. There has been a shift in the qualification distribution for Māori towards higher educational qualifications. However, in 2006, some 40 percent of the Māori population still did not hold a formal qualification.

Figure 6 Educational qualifications of the Māori population 2001 and 2006



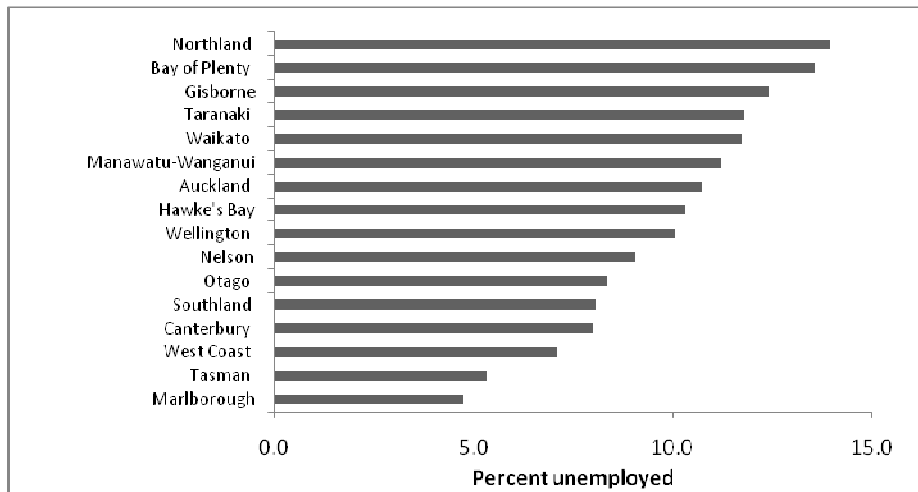
Source: Statistics New Zealand (2007a) Quick Stats about Māori

3.5.2. Employment status

Employment indicators suggest that Māori have benefited from the strong performance of the economy over the past decade. Unemployment figures from the Household Labour Force Survey showed that in March 2007, the Māori unemployment rate was 7.9 percent. However, the disparity between Māori and European persists with the Māori unemployment rate being three times the European rate (2.7 percent).

Figure 7 shows the regional variation in Māori unemployment status with 14 percent of the labour force in Northland unemployed in 2006 compared to 5 percent of the Māori labour force in the Marlborough and Tasman regions.

Figure 7 Percent of unemployed Māori by regional council area 2006

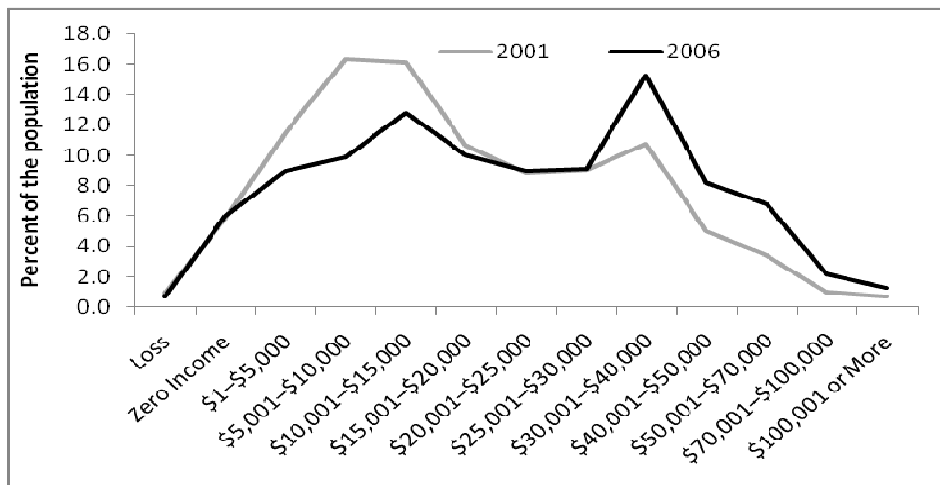


Source: Statistics New Zealand (2007a) Quick Stats about Māori

3.5.3. Income status

Figure 8 shows a shift in the income distribution of Māori between 2001 and 2006 with higher proportions of the Māori population earning \$30,000 or more in 2006. Despite this positive trend, the median income for Māori in 2006 was only \$20,900 up from \$14,800 in 2001.

Figure 8 Total personal income of Māori 2001 and 2006



Source: Statistics New Zealand (2007a) Quick Stats about Māori

3.6 Summary

The Māori population continues to grow as a proportion of the total New Zealand population with Māori currently make up approximately 15 percent of the total population. For Māori the most common living arrangement is a one family household, with children, however Māori are far more likely than other ethnic groups to have a family composition that includes more than one nuclear family. The majority of Māori now live in urban areas with almost one quarter of Māori living in Auckland.

The Māori population is characterised by relatively high rates of mobility and rates of mobility have been increasing over time. Māori, most commonly identify social reasons as the main reason for moving (either from their previous residence or to their current residence), or for not moving. Economic and housing reasons were the next most common motivations for Māori migration. This contrasts with the European experience, where economic reasons tend to be the most important consideration, followed by environmental and social reasons.

Between 2001 and 2006 there have been discernible improvements in the educational, employment and income status of Māori. Increasing proportions of the population are obtaining higher educational qualifications, Māori unemployment has fallen to almost 8 percent and increasing proportions Māori have a personal income of more than \$30,000.

Notwithstanding these improvements, some 40 percent of the Māori population still do not hold a formal qualification, the Māori unemployment rate is three times the European rate and the median income for Māori is \$20,900.

4 Housing Supply

4.1 Introduction

The New Zealand Housing Strategy notes that the Government has an interest in ensuring that there is a sufficient supply of new housing to meet future demand and help stabilise market conditions. It identifies a role for Government in encouraging the growth of social housing in areas of high demand.

In order to consider the adequacy of housing supply for Māori, this section begins with an overview of Māori housing need. These findings were part of a broader study into Māori housing experiences undertaken by Waldegrave (2006) and were based on qualitative fieldwork with Māori householders and key informants in six localities through New Zealand.

The section then focuses on trends in Māori household crowding as a key indicator of housing. It considers trends in household crowding over the past two decades and identifies the key factors associated with household crowding. The analysis is based on a report by Statistics New Zealand (2003). At the time this report was compiled, updated crowding data for 2006 was not available. The overall trend in Māori household crowding is that the proportion of Māori households living in crowded households has declined.

4.2 Māori housing needs

Based on qualitative fieldwork, Waldegrave (2006) found that there was overall agreement that the housing needs of Māori differed from those of others, to the extent that Māori tended to need to accommodate a larger number of people than was usually the case with the general population. This was usually associated with larger family size and the practice of receiving and accommodating visiting whānau and other visitors on a relatively frequent basis for short periods, for example for tangihanga, and other whānau gatherings. All respondents unequivocally stated that being able to accommodate guests was important.

In addition, many participants identified the desirability of being able to accommodate another whānau member or members, usually a parent (s) or grandparent(s) on a permanent basis. This sentiment was expressed by rural and urban respondents.

4.3 Household crowding¹²

The Corporation has identified household crowding as a key indicator of housing supply. According to research in New Zealand and internationally, crowding is concentrated disproportionately among some ethnic groups, is associated with low income, high numbers of dependent children, two or more families living in a household, one-parent families (living with others) and extended family living¹³.

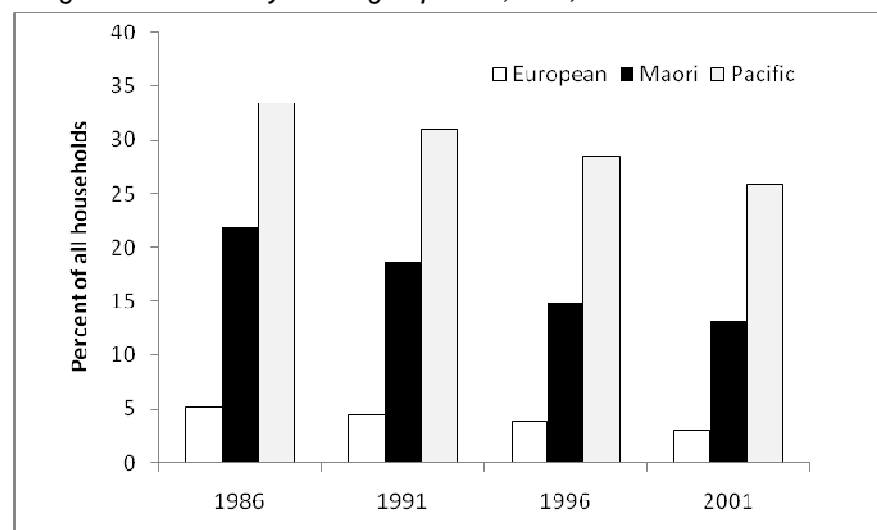
Between 1986 and 2001, the number of crowded Māori households declined from almost 29,000 to 26,500. As a proportion of all Māori households this represents a decline from 21 percent to 13 percent. Figure 9 shows that there has been some narrowing of the difference between the prevalence of crowding in Māori and European households. However, Māori households are still four times as likely as European households to be crowded.

¹² This data is based on individual ethnicity responses of household members which were used to compile ethnicity data for a household with at least one usual resident of a particular ethnic group. The ethnicity data has been output using the New Zealand Standard Classification of Ethnicity for up to three responses per person.

¹³ Statistics New Zealand (2003)

Statistics New Zealand suggested that the larger size and lower incomes of many Māori households combined with high rents, high house prices and pressures on housing stock, particularly in urban areas contribute to the issue of crowding for Māori.

Figure 9 Crowding in households by ethnic group 1986, 1991, 1996 and 2001



Source: Statistics New Zealand (2003)

Statistics New Zealand found that crowding was essentially an urban issue, with 90 percent of crowded households in 2001, located in urban areas. Waldegrave's (2006) research suggests in addition to the factors identified above, the hosting and accommodating of visitors and the accommodation of whānau members on a permanent basis are also likely to contribute to crowding in urban areas.

While fewer crowded households are located in rural areas, Statistics New Zealand identified that some rural areas, in particular in Northland, Bay of Plenty, Gisborne and Hawke's Bay had high levels of crowding prevalence. In 2001, almost 10 percent of crowded households were located in these regions.

Waldegrave's (2006) research identified that overcrowding in Northland and the East Coast was the result of migration of whānau back to hometown communities and a lack of housing to accommodate them. The availability of housing in those areas was described as limited, which required families to live in overcrowded environments in order to live within the desired areas they were returning to. In addition, the demand for larger houses, by some Māori families, did not match the available housing in rural areas. Standard house design was also associated with overcrowding, in that it was not well suited to extended whānau living.

4.3.1. Profile of crowded households

People who own their own homes are less likely to be living in crowded circumstances compared to people who rent. In 2001, of all Māori who lived in crowded households, two thirds did not own their own dwelling. By comparison, Māori who lived in their own dwelling accounted for only one third of crowded households. In 2001, most Māori crowded households were renting from private landlords. Around 30 percent of crowded households were Housing New Zealand tenants. Table 8 shows that crowded households:

- contain younger residents and a higher number of dependent children
- experience lower incomes than non-crowded households (in 2001, just over \$10,000 less)
- pay a higher proportion of their rent in income.

Table 8 *Key indicators of household crowding 2001*

Indicator	Māori	European
<i>Annual household income#</i>		
Crowded	23,871	28,176
Non-crowded	33,884	38,364
<i>Difference in annual income</i>	10,013	10,185
<i>Proportion of median weekly rent^</i>		
Crowded	33.1	32.4
Non-crowded	28.3	23.5
<i>Median age of residents</i>		
Crowded	16	19
Non-crowded	23	37
<i>Number of dependent children</i>		
Crowded	2.8	2.3
Non-crowded	1.2	0.8

Source: Statistics New Zealand (2003)

Based on the Median Jensen Equivalised Annual Household Income

^ As a proportion of the Median Jensen Equivalised Annual Household Income

5 Assistance and Affordability

5.1 Introduction

The New Zealand Housing Strategy recognises that housing is fundamental to the health and well-being of families and communities. One of the key objectives of the Strategy is for all New Zealanders to have access to quality, affordable housing.

The Corporation has identified three key measures of assistance and affordability:

- the proportion of low income households paying more than 30 percent of their income on housing costs (affordability)
- the number of Accommodation Supplement recipients
- the number of Corporation households receiving Income Related Rent.

This section begins with an overview of trends in affordability over the past two decades. It identifies the number of Māori who are accessing housing assistance through the Accommodation Supplement (AS). A profile of AS recipients is presented and potential reasons for the recent decline in the number of Māori receiving the AS are identified.

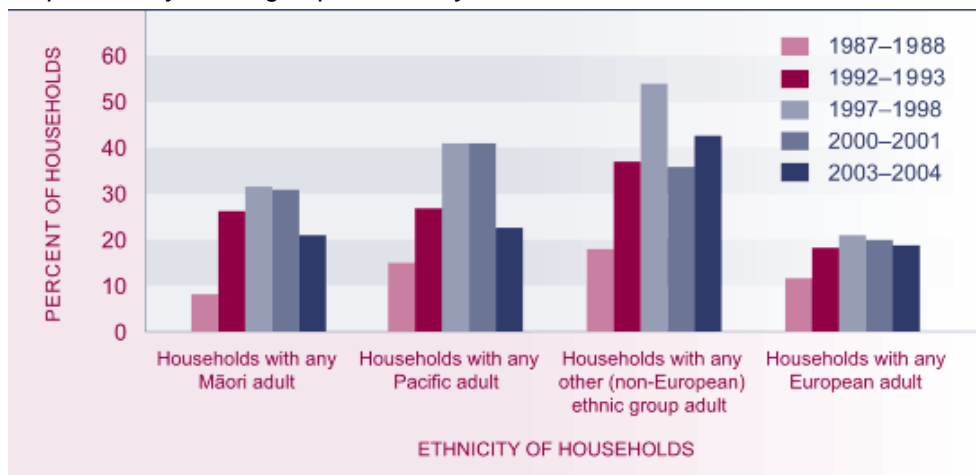
The focus then moves on to Māori access to Corporation housing. The supply of state housing by the Corporation is one of Government's key housing assistance strategies. Māori make up a sizeable portion of the Corporation's customer base. In June 2007, those who indicated that at least one of their ethnicities was Māori were the Corporation's second largest occupant group (73,757 occupants). Further, Māori were the largest group of applicants for state housing (8,981 Māori applicants). This section provides a profile of tenants identifying as Māori and a profile of applicants identifying as Māori for Corporation housing.

5.2 Affordability¹⁴

In line with trends for the total population, housing for Māori has become less affordable over the past 20 years. In 1988, only 8 percent of Māori households were paying more than 30 percent of their income in housing costs. By 1997, this figure had increased to 32 percent. Since that time this figure has declined (partly as a result of the introduction of market rents and of income-related rents). Figure 10 shows that for the first time since the mid 1980's, housing affordability for Māori was comparable to that for European. Housing affordability remains an issue for Māori with 1 in 5 Māori households recording housing costs in excess of 30 percent of income in 2004.

¹⁴ The data presented in this section have been derived from Statistics New Zealand's Household Economic Survey (1988–2004), for the Ministry of Social Development, MSD draft Social Report 2006. Household ethnicity is defined in this indicator by the presence of an adult of a particular ethnic group. The figures for households defined in this way are not mutually exclusive.

Figure 10 Proportion of households with housing cost outgoings-to-income ratio greater than 30 percent, by ethnic group, selected years, 1988–2004



Source: Derived from Statistics New Zealand's Household Economic Survey (1988–2004), by the Ministry of Social Development, MSD draft Social Report 2006.

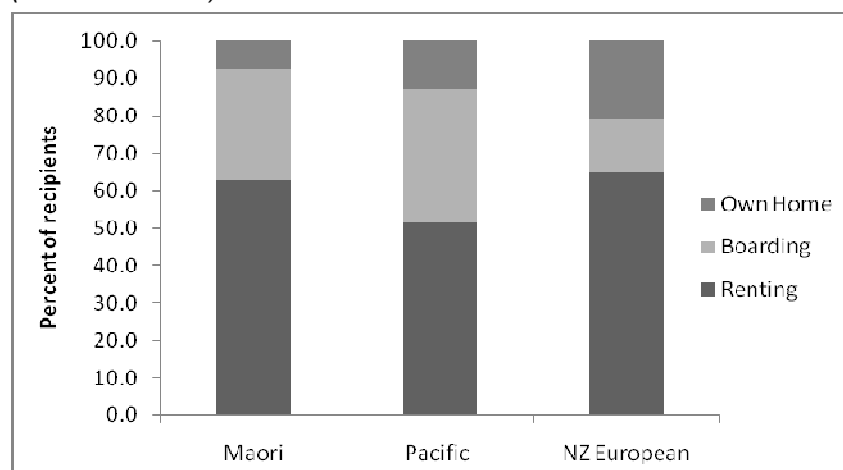
5.3 Accommodation Supplement¹⁵

In 1993, the Accommodation Supplement (AS) was introduced to supplement housing costs for low to modest income earners in the private sector. The AS is a non-taxable income and asset-tested supplement that provides assistance towards accommodation costs, including rent, board and the cost of owner-occupied homes. Recipients do not have to be receiving a benefit to qualify.

5.3.1. Profile of AS recipients

In 2007, just over 67,000 Māori were receiving the AS, accounting for 26.9 percent of all AS recipients. The most striking difference between the profile of Māori AS recipients and other ethnic groups is the higher proportion of recipients who are boarding. Figure 11 shows that in 2007, the proportion of Māori recipients (30% percent) who were boarding was twice that of European recipients (15 percent).

Figure 11 Distribution Accommodation Supplement recipients by tenure and selected ethnicity (December 2007)



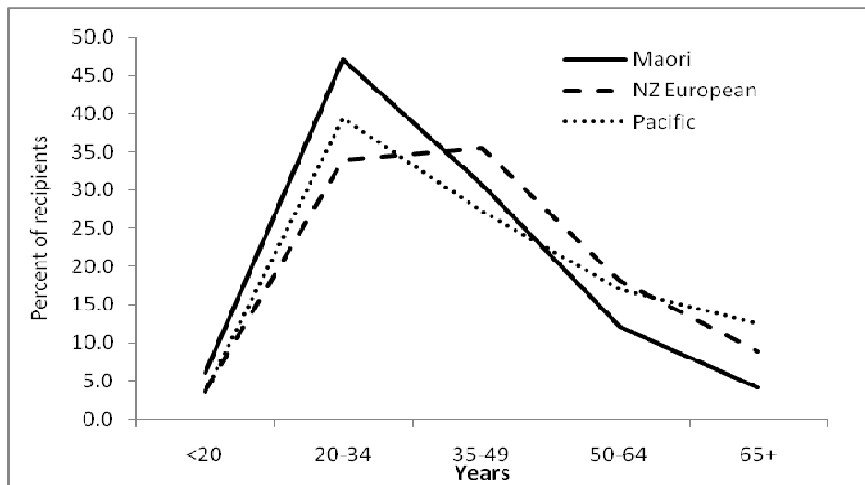
Source: MSD Administrative data, Extracted by HNZA, December 2007

By comparison, the proportion of Māori recipients who own their own home is relatively small. This may signal low levels of awareness among Māori homeowners about their potential eligibility for the

¹⁵ The data presented in this section are based on the New Zealand Standard Classification of Ethnicity.

Accommodation Supplement. Consistent with the Māori demographic profile, Māori Accommodation Supplement recipients have a younger age profile (Figure 12).

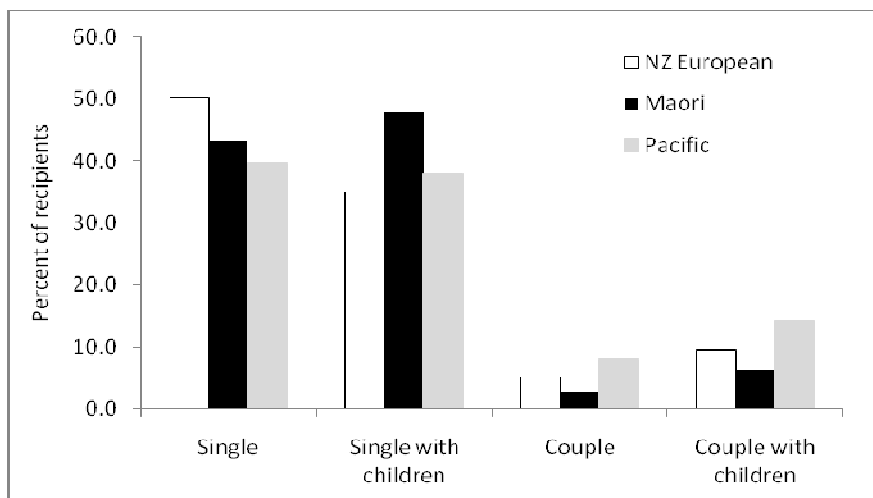
Figure 12 Age distribution of Accommodation Supplement recipients by selected ethnicity (December 2007)



Source: MSD Administrative data, Extracted by HNZA, December 2007

Relative to other customer groups, Māori have the highest proportion of single parent AS recipients. By comparison, the European customer group has the largest proportion of single recipients (Figure 13).

Figure 13 Accommodation Supplement recipients by family status and selected ethnicity (December 2007)



Source: MSD Administrative data, Extracted by HNZA, December 2007

5.3.1. Decline in the number of Māori AS recipients

Between 2003 and 2007, there has been a slight decline (4.3 percent) in the number of AS recipients. Table 9 shows that the number of Māori AS recipients declined at a faster rate (by 11.6 percent over the same period) and has been more pronounced than the fall in numbers of European and Pacific recipients.

Table 9 Accommodation Supplement recipients by selected ethnicity 2003-2007 (December 2007)

Year	Māori	European	Pacific	Total
2003	76,048	119,312	16,927	261,533
2004	72,068	117,549	16,017	254,289
2005	70,848	119,391	16,238	256,086
2006	70,301	120,782	16,511	258,416
2007	67,251	116,602	16,032	250,397
Percent change 2003-2007	-11.6	-2.3	-5.3	-4.3

Source: MSD Administrative data, Extracted by HNZC, December 2007

Nearly 80 percent of the decline came from the number of boarders receiving the AS (Table 10). This is consistent with trends for total recipient numbers and has been attributed to the strong labour market and the ability of boarders to find employment and increase their incomes to a level where they are no longer eligible for the AS at the amount that they are paying for board. In addition, the recent introduction of policies such as Working for Families may have impacted on eligibility for the AS.

Table 10 Accommodation Supplement recipients by tenure 2003-2007 (December 2007)

Tenure	2005	2006	2007	Change
Boarders	22,637	21,933	19,834	-2,803
Home owners	5,575	5,378	5,042	-533
Private renters	42,059	42,367	41,785	-274
Council renters	555	613	586	31
Unknown	22	10	4	-18
Total	70,848	70,301	67,251	-3,579

Source: MSD Administrative data, Extracted by HNZC, December 2007

Other broad trends include:

- a decrease in the number of Māori on the unemployment benefit receiving the AS
- an increase in the number of Māori non-beneficiaries receiving the AS reflecting the general decrease in housing affordability (Table 11)
- decreasing housing affordability reflecting the increasingly high costs of accommodation relative to disposable incomes.

Table 11 Accommodation Supplement recipients by Income Support type 2003-2007 (December 2007)

Tenure	2005	2006	2007	Change
Unemployment related	15,347	12,845	8,342	-7,005
DPB related	28,017	26,644	26,380	-1,637
Widow's Benefit	675	636	567	-108
Independent Youth Benefit, Emergency Benefit	1,724	1,616	1,626	-98
N Z Superannuation/ Veterans pension	2,366	2,630	2,812	446
Invalid's Benefit	8,275	8,660	9,126	851
Sickness Benefit	8,385	9,071	9,603	1,218
Non-beneficiaries	6,059	8,199	8,795	2,736
Total	70,848	70,301	67,251	-3,579

Source: MSD Administrative data, Extracted by HNZC, December 2007

5.4 Social housing

Table 12 shows the number of Māori and non-Māori in the Corporation's housing and Local Authority housing between 1981 and 2001. It shows that over the years, around 9 percent of Māori in social housing have been housed through local authorities compared to around 25 percent for non-Māori. This could be a reflection of the younger age structure of the Māori population with much of local authority housing designed for pensioners.

Table 12 *Number of Māori and non-Māori in social housing 1981-2001*¹⁶

	1981	1986	1991	1996	2001
Māori					
HNZC	12,522	14,520	18,324	16,632	15,216
Local Authority	1,254	1,491	1,446	1,605	1,581
<i>Total Social Housing</i>	13,776	16,011	19,770	18,237	16,797
Māori in local authority housing as a percent of total social housing	9.1	9.3	7.3	8.8	9.4
Non-Māori					
HNZC	44,457	41,478	45,156	35,889	36,534
Local Authority	14,907	15,144	13,968	13,164	12,495
<i>Total Social Housing</i>	59,364	56,622	59,124	49,053	49,029
Māori in local authority housing as a percent of total social housing	25.1	26.7	23.6	26.8	25.5

Source: CHRANZ (2004) *Changes in the Structure of the New Zealand Housing Market Vol 1*, pp 339-340

5.5 The Corporation's customers¹⁷

Definitions

When interpreting the data presented in this section, readers should note that tenant numbers are counted in two ways: as the primary tenant and as total tenants. The term primary tenant refers to the individual who assumes prime responsibility for the Corporation's tenancy. The term total tenants, refers to the total number of occupants within the state house. Table 13 shows that in June 2007, 22,272 primary tenants identified as Māori, while there was a total of 73,757 Māori occupants living in the housing provided by the Corporation.

Table 13 *Number of Māori tenants and applicants for state housing*

	Tenants	Applicants
Primary	22,272	3,042
Total	73,757	8,981

Source: *Housing New Zealand Corporation, Administrative Data, June 2007*

Similarly, the term primary applicant refers to the individual person who applied for a state house. The term total applicants, refers to the total number of individuals included on the tenants application for housing.

¹⁶ Readers should note that these figures are derived from the Census which consistently under count state owned (Corporation) owned or manager rental properties.

¹⁷ The Housing New Zealand data presented in this section is based on the Māori ethnic group. The analysis is based on total response data therefore Māori who also identified as European or Pacific will be counted in those ethnic groups as well as the Māori ethnic group.

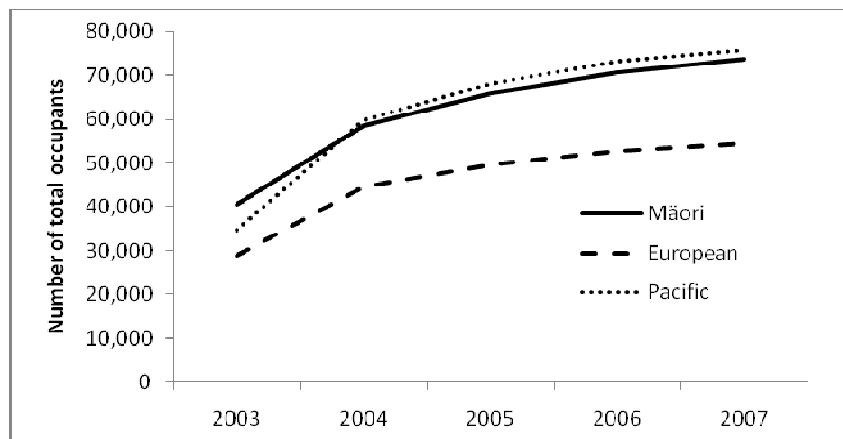
Table 13 shows that in June 2007, there were 3,042 Māori who applied for state housing while there was a total of 8,981 Māori who would reside in those households. All data presented in this section is as at June 2007.

5.5.1. Profile of the Corporation's Māori tenants

In line with the increase in state housing stock, the number of Māori occupying a state house who indicated that at least one of their ethnicities was Māori increased from 40,621 to 73,757 between 2003 and 2007.

Figure 14 shows that the Pacific Island and European customer bases have increased at a similar rate. As at June 2007, Māori accounted for 34 percent of primary tenants and 36 percent of total occupants.

Figure 14 Number of total occupants by selected ethnicity 2003-2007



Source: Housing New Zealand Corporation, Administrative Data, June 2007

Age profile

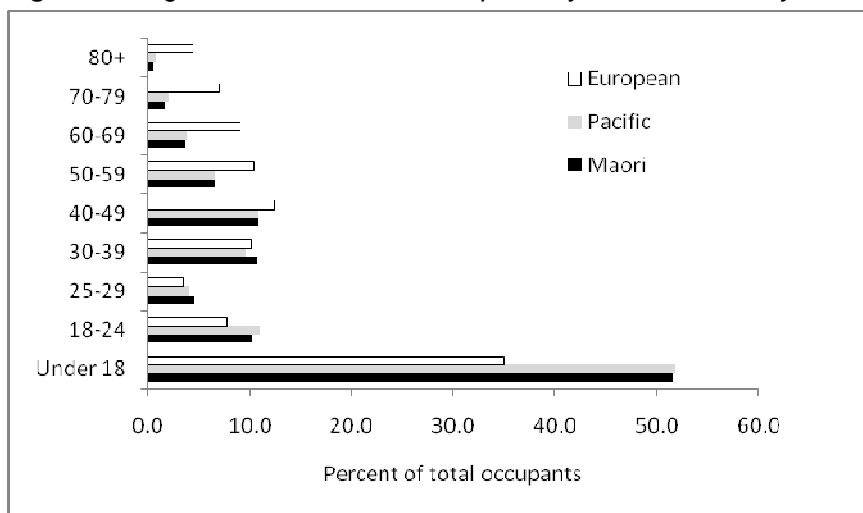
For Māori, the majority of primary tenants are aged between 30-59 years (71.7%). When compared to other customer groups, the key difference is the low proportion of Māori primary tenants in the older age groups. In 2007, 37.6 percent of European primary tenants were aged 60 years or over compared to only 14.5 percent of Māori primary tenants (Table 14).

Table 14 Percent of primary tenants by age and selected ethnicity

Age	Māori	European	Pacific Island
18-29	13.7	7.4	8.5
30-59	71.7	55.0	73.1
60+	14.5	37.6	18.4

Source: Housing New Zealand Corporation, Administrative Data, June 2007

The more youthful profile of the Māori customer group is even more pronounced for the total number of occupants of state housing. Figure 15 highlights the greater number of Māori than European occupants in the younger age groups with 51.6 percent of Māori total occupants under the age of 18 years in 2007, compared to 35.1 percent of European total occupants. Conversely, only 5.7 percent of Māori occupants were over the age of 60 years compared to 20.6 percent of European occupants. By comparison, the age profile of Māori occupants almost mirrors that of Pacific reflecting the younger age structures and larger family sizes of the Māori and Pacific populations.

Figure 15 Age distribution of total occupants by selected ethnicity

Source: Housing New Zealand Corporation, Administrative Data, June 2007

Gender profile

Māori women have primary responsibility for three quarters of all Māori tenancies. Māori women are more likely than both European and Pacific women to be primary tenants (Table 15). This is likely to reflect the differences in family type and in particular the high proportion of Māori women single parents.

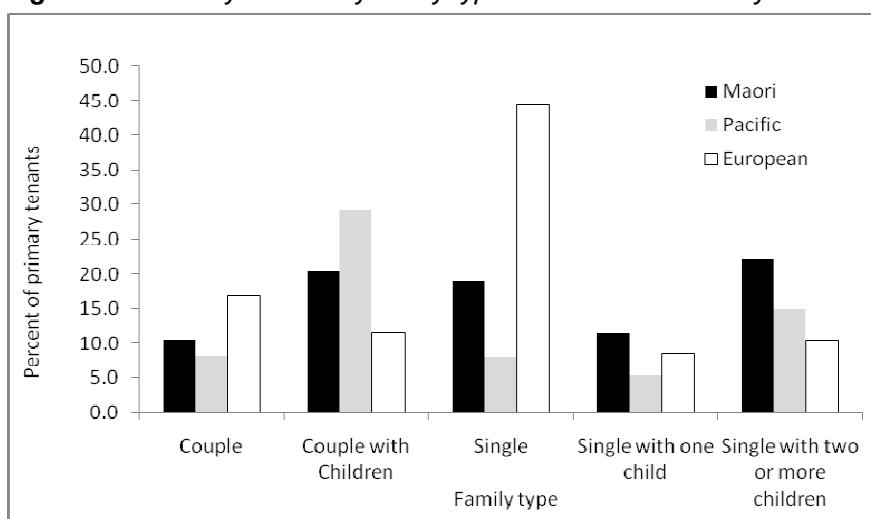
Table 15 Percent of Māori primary tenants by gender and selected ethnicity

Ethnic group	Women	Men
Māori	74.7	25.2
Pacific	66.5	33.5
European	67.2	32.8

Source: Housing New Zealand Corporation, Administrative Data, June 2007

Family type

In 2007, almost one in three Māori primary tenants were single parents. Relative to other customer groups, Māori customers are more likely than both Pacific and European customers to be single parents (Figure 16).

Figure 16 Primary tenants by family type and selected ethnicity

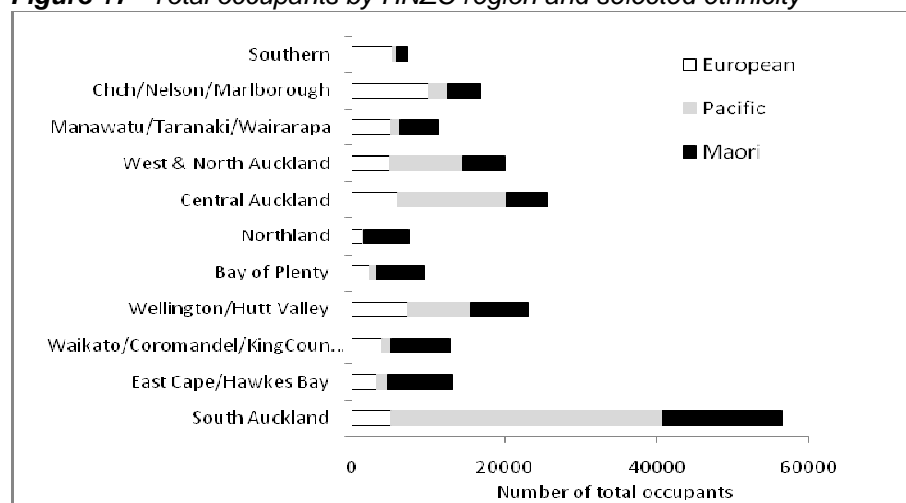
Source: Housing New Zealand Corporation, Administrative Data, June 2007

By comparison, only 19 percent of Māori customers were single, compared to 44 percent of European customers. This is likely to reflect the differences in the age profiles of the two customer groups with a higher proportion of European being in the older age groups and therefore, likely to be living alone.

5.5.2. Geographical distribution of Māori occupants

Figure 17 shows the distribution of the Corporation's customers across regions with the largest numbers of Māori customers in South Auckland, Waikato/Coromandel/King Country, and East Cape/Hawkes Bay.

Figure 17 Total occupants by HNZC region and selected ethnicity



Source: Housing New Zealand Corporation, Administrative Data, June 2007

Just over two thirds of the Corporation's Māori occupants are concentrated in three regions. Almost 36 percent of Māori occupants in June 2007 were living in the Auckland region with 21.4 percent of these occupants in South Auckland. The East Cape/Hawkes Bay, Wellington/Hutt Valley and Waikato/Coromandel/King Country regions were each home to around 10 percent of the Corporation's Māori occupants (Table 16a).

Table 16 Total Māori occupants by HNZC region (June 2007)

HNZC Region	Percent of all Māori occupants (a) (n=73,757)	Māori as a percentage of all occupants (b)
Northland	7.8	85.0
West and North Auckland	7.3	26.7
Central Auckland	7.3	20.1
South Auckland	21.4	30.1
Bay of Plenty	8.7	74.6
Waikato, Coromandel, King Country	10.6	63.0
East Cape, Hawkes Bay	11.6	67.9
Manawatu-Taranaki Wairarapa	6.9	48.9
Wellington, Hutt Valley	10.2	32.9
Christchurch, Nelson, Marlborough	6.1	25.5
Southern	2.1	22.0
Total	100.0	37.3

Source: Housing New Zealand Corporation, Administrative Data, June 2007

5.5.3. Regional representation of Māori occupants

At the national level, in June 2007 Māori customers accounted for 37.3 percent of all the Corporation's occupants. However, at a regional level, the Māori customer base varies widely (Table 16b). In Northland,

85 percent of the Corporation's occupants were Māori. Other regions where Māori are highly represented include Bay of Plenty, Waikato/Coromandel/King Country, and East Cape/Hawkes Bay (with proportions of Māori occupants of between 60-75 percent).

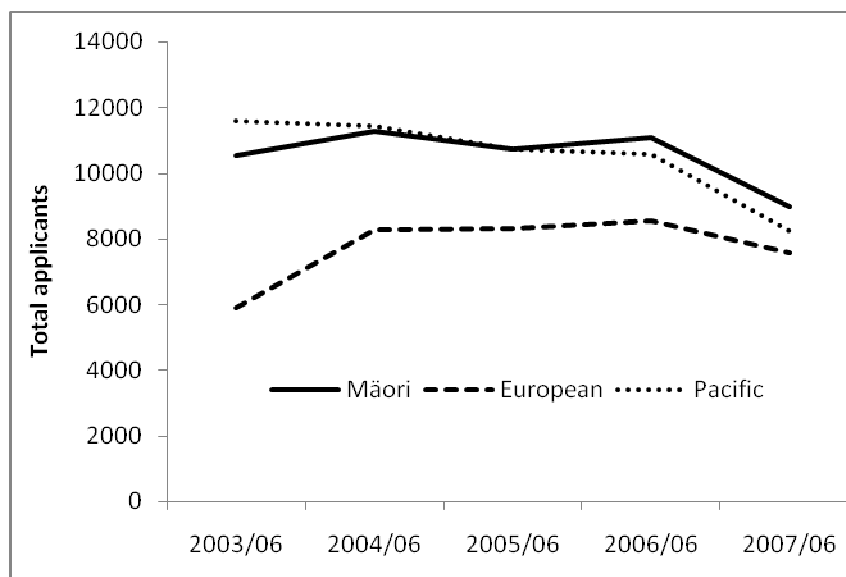
By comparison, European occupants are most highly represented in the South Island and Lower North Island regions. Pacific Island customers are heavily concentrated in Auckland (particularly South Auckland) and Wellington/Hutt Valley.

5.6 Profile of applicants for State housing

5.6.1. HNZC waiting list

In numerical terms, Māori were the largest customer group on the waiting list (8,981 total applicants and 3,042 primary applicants as at June 2007). The current number of Māori housing applicants is down on the previous four years where there were around 11,000 Māori on the Corporation's waiting list. Figure 18 shows that figures in 2007 declined for all customer groups although the decline in total applicants was slightly sharper for Māori and Pacific than the European ethnic group.

Figure 18 Number of total applicants by ethnicity 2003-2007



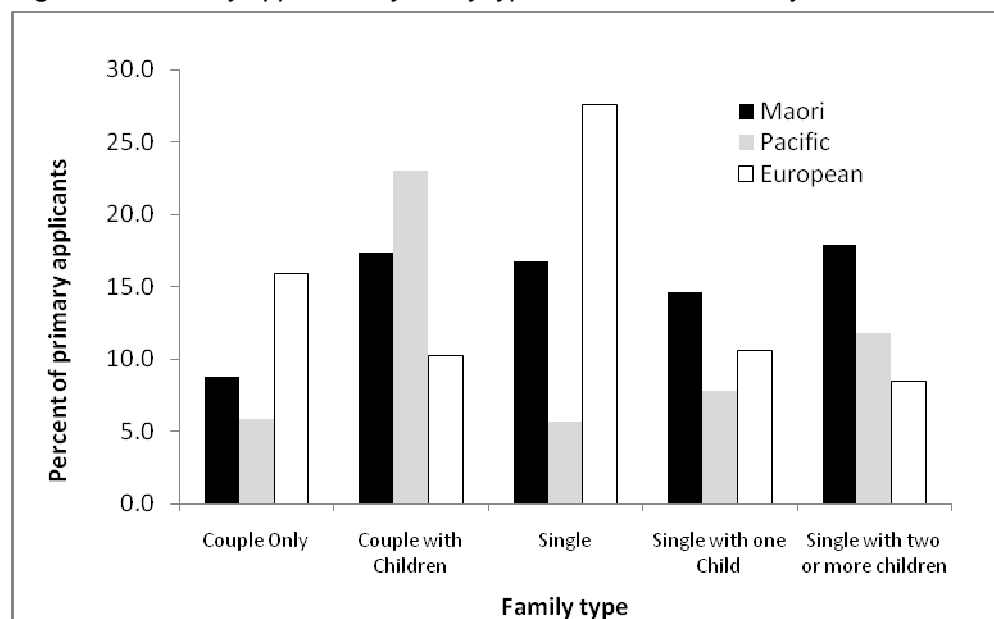
Source: Housing New Zealand Corporation, Administrative Data, June 2007

As at June 2007, there were 3,042 Māori primary applicants for state housing representing 33.9 percent of all primary applicants.

5.6.2. Family type

In terms of family type, the profile of Māori primary applicants mirrors that of Māori primary tenants with a relatively high proportion of single parents (32.5 percent) and lower proportions of single and couple only families applying for state housing (Figure 19).

Figure 19 Primary applicants by family type and selected ethnicity

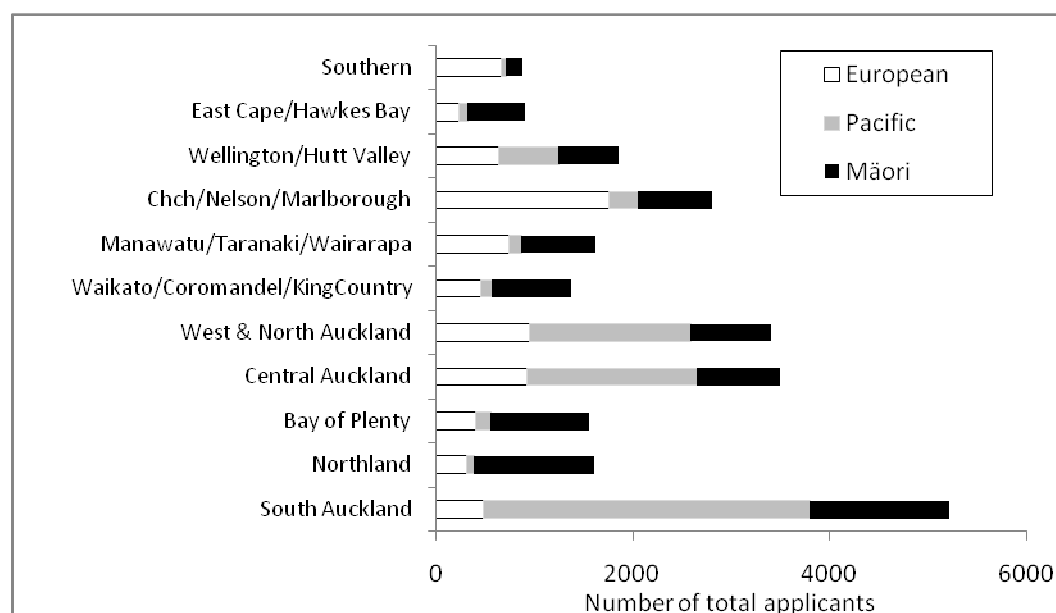


Source: Housing New Zealand Corporation, Administrative Data, June 2007

5.6.3. Geographical distribution of Māori housing applicants

Figure 20 shows that when the number of occupants in applicant's households are included, the largest numbers identifying as Māori on the waiting list for housing were in South Auckland, Northland and Bay of Plenty (1,410, 1,228 and 1,004 respectively). The Southern region has the smallest number of Māori applicants for state housing.

Figure 20 Number of all applicants by region and selected ethnicity



Source: Housing New Zealand Corporation, Administrative Data, June 2007

Table 17 shows the areas of highest demand by Māori for state housing was in South Auckland (15.7 percent), Northland (13.7 percent) and Bay of Plenty (11.2 percent) regions. Only 2 percent of Māori applicants for state housing were in the Southern region.

Table 17 All Māori applicants for HNZN houses by region

HNZN region	Percent of all Māori applicants (n=8,981)	Percent of all applicants who identify as Māori
Northland	13.7	77.2
West and North Auckland	9.1	19.8
Central Auckland	9.3	16.8
South Auckland	15.7	26.3
Bay of Plenty	11.2	66.9
Waikato, Coromandel, King Country	9.0	52.6
East Cape, Hawkes Bay	6.6	63.9
Manawatu-Taranaki Wairarapa	8.4	49.4
Wellington Hutt Valley	6.8	27.9
Christchurch, Nelson, Marlborough	8.4	23.2
Southern	1.9	18.8
Total	100.0	32.2

Source: Housing New Zealand Corporation, Administrative Data, June 2007

5.6.4. Regional representation of Māori housing applicants

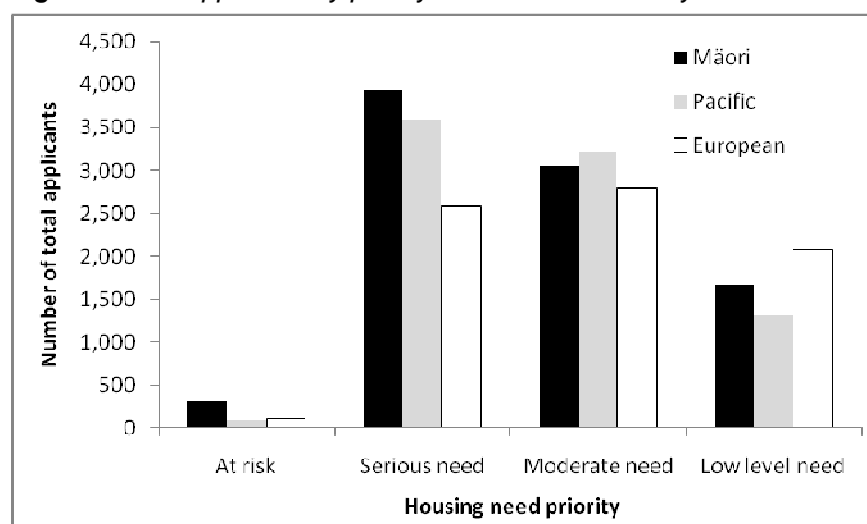
Across the regions, Māori accounted for 77 percent of all applicants in Northland, and between almost half and two thirds of applicants in Manawatu-Taranaki/Wairarapa, Waikato, Coromandel and King Country, East Cape/Hawkes Bay and the Bay of Plenty.

5.6.5. Priority of housing need

Applicants for housing are assessed according to their housing need. The Social Allocation System (SAS) is used to assess eligibility and priority for a state house as follows:

Priority	Type of need	Description of need
A	At risk	Households with a severe and persistent housing need that must be addressed immediately
B	Serious housing need	Households with a significant and persistent need
C	Moderate need	Households with a moderate housing need
D	Low level need	Low level of housing need

Figure 21 shows that while the number of households assessed as being at risk was relatively low, Māori made up the majority of those households (313 out of 437 at risk applicants).

Figure 21 All applicants by priority and selected ethnicity

Source: *Housing New Zealand Corporation, Administrative Data, June 2007*

5.7 Summary

In line with trends for the total population, housing for Māori has become less affordable¹⁸ since the late 1980's peaking in 1997. Since then the rates of affordability have improved (partly as a result of the introduction of market rents and of income-related rents) but are still twice the rates experienced in the mid 1980's. Most recent figures indicate that one in four Māori households record housing costs in excess of 30 percent of household income.

Significant housing support is provided to Māori through the Accommodation Supplement with some 67,000 Māori recipients in 2007. The recent decline in the number of Māori AS recipients aligns with the increased strength of the labour market recently and improvements in Māori employment status.

The supply of state housing by the Corporation is one of Government's key housing assistance strategies. Māori make up a sizeable portion of the Corporation's customer base. In June 2007, with almost 74,000 occupants, Māori were the Corporation's second largest customer group. Further, Māori were the largest group of applicants for state housing (almost 9,000 applicants).

The profile of Māori occupants and Māori applicants highlights some key differences between Māori customers and other customer groups. Most significantly, there are a lower proportion of Māori primary tenants in the older age groups and Māori customers have a younger age profile. A distinctly higher proportion of Māori primary tenants are women, reflecting differences in family type. Lastly, relative to other customer groups, Māori customers are more likely than both Pacific and European customers to be single parents.

¹⁸ Based on housing affordability ratio: Proportion of housing cost outgoings-to-income ratio greater than 30 percent (refer Figure 10).

6 Home Ownership

6.1 Introduction

Across New Zealand home ownership rates are declining and private renting is growing. Home ownership rates have fallen for all levels of income, across all ethnic groups and most dramatically for the 20 and 30 year old age groups. The Corporation recognises that a number of factors may be contributing to declining home ownership including:

- changing labour market patterns
- changing social dynamics, resulting in more fluid family arrangements
- increased competition between first home buyers and residential property investors
- house prices rising faster than housing incomes, resulting in a diminishing supply of homes that first home buyers can afford
- increased uptake of tertiary education and student loans along with people having families later in life
- increased levels of consumer debt
- the removal of specific assistance for entry into home ownership.

Improving access to home ownership is the third area of action within the New Zealand Housing Strategy. In addition, the Strategy specifically identifies increasing opportunities for Māori home ownership in rural and urban areas as a primary initiative for meeting Māori housing needs. The Corporation has identified the following indicators and measures contributing to this objective:

- the proportion of households that are owner occupied versus the proportion of households renting in the private sector
- length of time at current residence (as a measure of security of tenure for both homeowners and renters).

This section begins with an overview of key trends in Māori home ownership over the last 15 years. The most striking trend is the on-going decline of home ownership rates since the early 1990's from just under two thirds (61.4 percent) to just under half (45.2 percent) of the population. This section also explores the impact of age, income and region on home ownership rates. It then compares patterns of Māori home ownership to those of European and Pacific Islands groups. This section also explores the impact of age, income, and region. Trends in rental tenure are set out in the following chapter.

6.2 Changes over time¹⁹

Over the past 15 years, the proportion of Māori owning their own home has fallen from 61.4 percent in 1991 to 45.2 percent in 2006. Recent consultation by the Corporation found that while the aspirations of Māori to own their home remain strong, these aspirations are becoming harder to realise especially as a high proportion live in urban areas (especially Auckland) where housing pressure is the most intense.²⁰

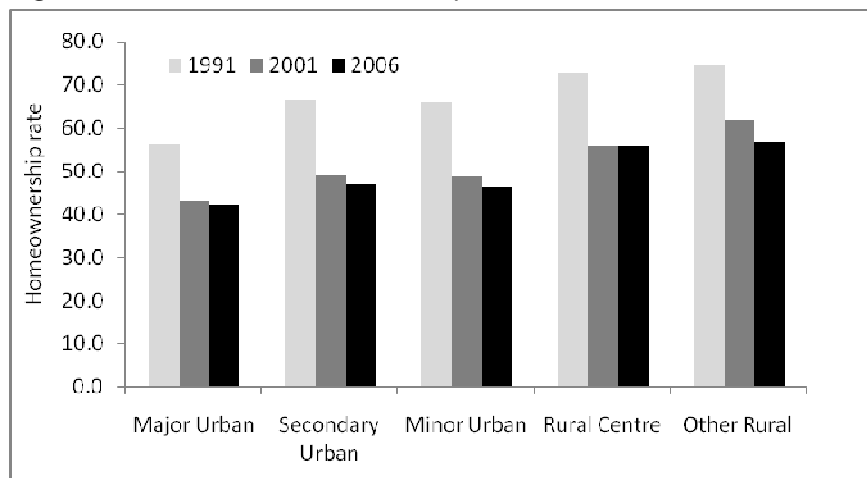
Figure 23 shows that over the past 15 years, home ownership rates have both declined across urban and rural areas. In the past, Māori home ownership rates have tended to be higher in rural areas, a feature which has been attributed in part to the urbanisation of Māori in the 50's and 60's. Prior to urbanisation, the majority of Māori in rural areas owned homes or land. Bathgate (1987) argued that with the increasing urbanisation of Māori to the cities in search of employment, many Māori who moved to cities changed tenure from home ownership to rental accommodation.

¹⁹ The Census data presented in this section has been derived from a customised dataset prepared for the Corporation. The data presented for each of the Census years is based on the Māori ethnic group and Total Response Data.

²⁰ Housing Corporation New Zealand (2004)

While rural areas still record the highest home ownership levels, Figure 22 shows that the difference between urban and rural rates of Māori home ownership are not as marked as they were in the early 1990s.

Figure 22 Māori home ownership in rural and urban areas 1991, 2001 and 2006



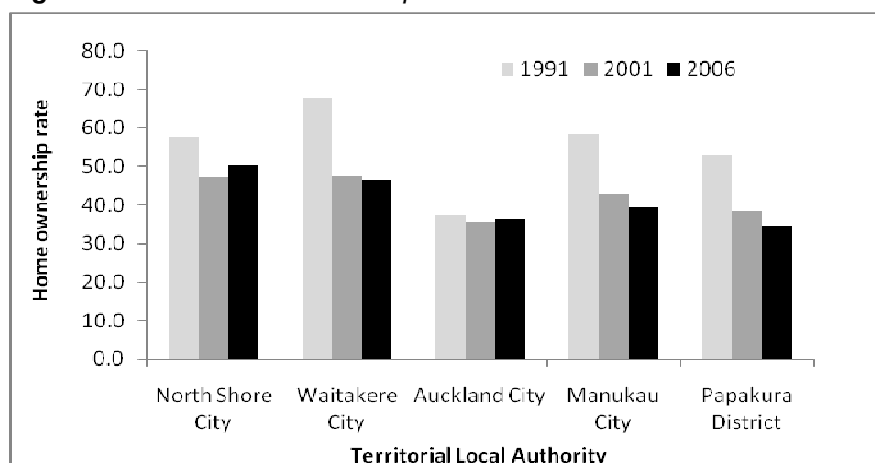
Source: Census 1991, 2001 and 2006, Customised data prepared for HNZC

While rates of Māori home ownership in rural areas are higher than urban areas, a range of research has identified concerns about the quality of Māori homes in rural areas. Bathgate (1988) found that areas that had high Māori home ownership rates, Northland, Taranaki and the East Coast, also had a high number of substandard houses. Further, the Social Services Committee (1999) found significant health issues and overcrowding due to inadequate housing in these regions.

More recently, Waldegrave (2006) identified that the rural sector faces particular problems in terms of the quality and availability of housing for purchase and rent by Māori, higher rental rates the cost and lack of services for maintenance and development and the reported lack of responsiveness and co-ordination on the parts of many local and regional councils and central government agencies. In addition, in rural areas, the large amount of Māori land with multiple-title ownership restricted Māori ability to purchase housing, as private sector lenders did not recognise multiple ownership for land for leveraging finance.

Waldegrave also identified that in urban areas, the key issue faced by prospective homeowners was escalating property prices. Within the Auckland region (where nearly one quarter of the Māori population reside) home ownership rates have fallen across all Territorial Local Authorities (except for Auckland City). Figure 23 shows that Waitakere City and Manukau City recorded the biggest decline in Māori home ownership between 1991 and 2006.

Figure 23 Māori home ownership in Auckland Territorial Local Authorities 1991, 2001 and 2006



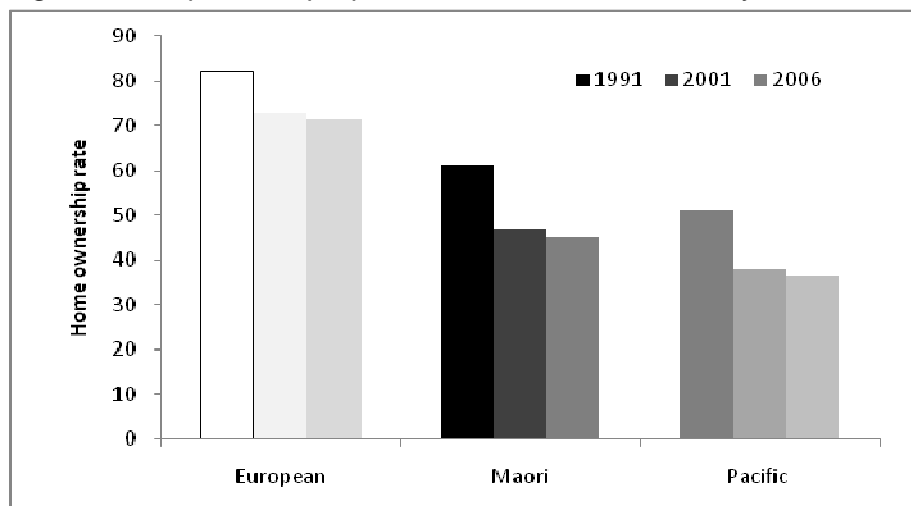
Source: Census 1991, 2001 and 2006, Customised data prepared for HNZC

Figure 24 also shows the degree to which Māori home ownership can vary within a region (in this case from 35 percent in the Papakura local authority to 50 percent in the North Shore local authority).

6.3 Disparities in home ownership

Māori continue to have much lower rates of home ownership than European. In 2006 less than half of Māori (45.2 percent) owned their own home compared to 71.4 of European. Because the rates of home ownership among Māori have declined more quickly than for other ethnic groups²¹, the differential between Māori and European home ownership is more marked now than 15 years ago (Figure 24).

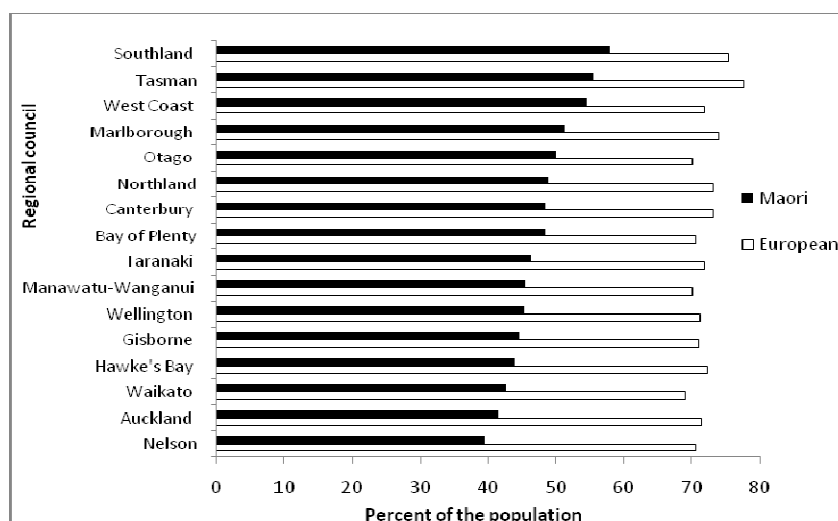
Figure 24 Proportion of people who owned their own home by selected ethnicity 1991, 2001 and 2006



Source: Census 1991, 2001 and 2006, Customised data prepared for HNZA

Figure 25 shows that across regions, there is far greater variation in the Māori home ownership rates (ranging from 38.3 percent to 57.8 percent) than European (ranging from 68.8 percent to 77.6 percent). It also highlights the differences between Māori and European home ownership at a regional level. For example, in Nelson where more than 70 percent of European owned their home compared to only 39 percent of Māori.

Figure 25 Māori and European home ownership by regional council 2006



Source: Census 2006, Customised data prepared for HNZA

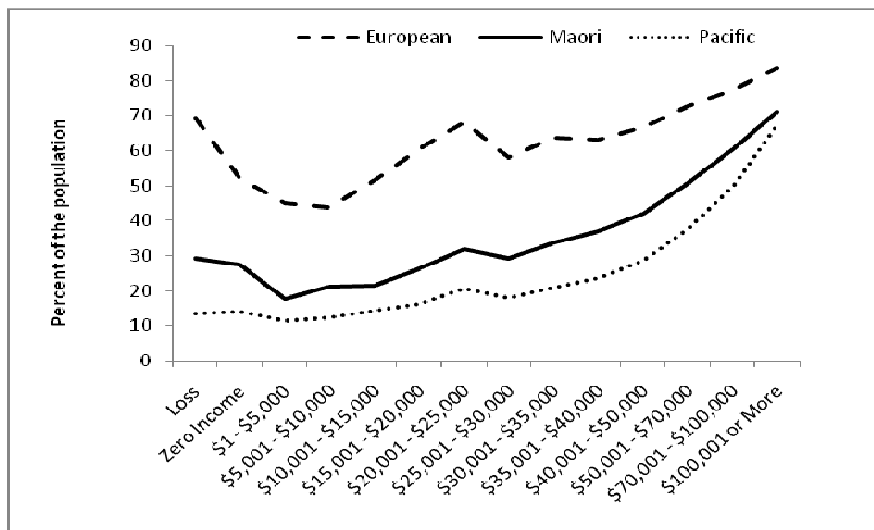
21 Housing Corporation New Zealand (2004)

6.3.1. Reasons for disparities in home ownership

The Corporation has identified that the persistent disparities home ownership are due to a number of factors including: higher levels of unemployment, lower personal incomes, strong urbanisation and concentration of Māori in high cost housing markets like Auckland.

Figure 26 suggests that lower home ownership rates are not purely a function of the lower income levels of Māori. It shows that even when income is controlled for, Māori home ownership rates are lower than European across all income levels. For example, Māori with incomes between \$50,001 and \$70,000 in 2006 had a home ownership rate of 51 percent. For European in the same income bracket, the comparable figure was 73 percent.

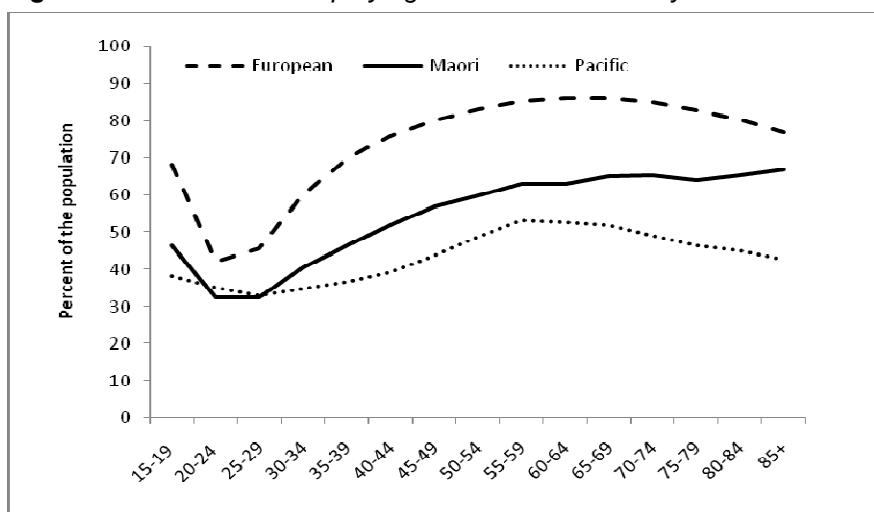
Figure 26 Home ownership by income for selected ethnicity 2006



Source: Census 2006, Customised data prepared for HNZC

Similarly, Figure 27 suggests that the younger age structure of the Māori population does not in itself account for disparities between Māori and European home ownership. It shows that when age is controlled for, Māori home ownership rates are lower than European across all age groups. For example, Māori aged between 45 and 49 years in 2006 had a home ownership rate of 57 percent. For European in the same age group, the comparable figure was 80 percent.

Figure 27 Home ownership by age for selected ethnicity 2006



Source: Census 2006, Customised data prepared for HNZC

The findings above suggest that in addition to the lower socio-economic status and age structure of Māori population, there are other factors operating that impede Māori access to home ownership. Waldegrave (2006) identified the following barriers to home ownership: high debt levels, poor access to finance, the inability to get and use information about home ownership.

He also suggested that inter-generational experience helped to explain lower Māori home ownership rate. That is, that some Māori may not aspire to own a home, because their parents did not own their own home and therefore they have not experienced the benefits of home ownership.

7 Rental Sector

7.1 Introduction

The Housing Strategy identifies that Government has an interest in ensuring that housing is of good quality and caters for diverse housing needs. Of particular interest, is the quality and security of tenure. The Corporation has identified the following indicators and measures contributing to this objective:

- the proportion of households that are owner occupied versus the proportion of households in the rental sector
- length of time at current residence (as a measure of security of tenure for both homeowners and renters).

Over the last 10 years, the characteristics and circumstances of those who rent have changed. Proportionately fewer young people are living away from home, more older people and families with children are renting and there is a greater cultural diversity within the renting population reflecting the changing nature of the population.²²

This section highlights key trends in Māori rental tenure. The most striking trend is the on-going increase in Māori in rental tenure. Between 1991 and 2006, the proportion of Māori who did not own their own home increased significantly from (38.6 percent to 54.8 percent). This section also explores the impact of age, income, and region on rental tenure.

7.2 Growth in the rental sector²³

With home ownership increasingly seen as unattainable for people on low incomes, the rental sector has become important. Over the past 15 years, the proportion of Māori who did not own their own home has increased from 38.6 percent in 1991 to 54.8 percent in 2006.

On a day to day basis, renters within the residential market in New Zealand face a number of challenges including: competition for limited housing stock, a lack of security of tenure (creating instability for families) affordability and quality of rental stock. In the long term, Māori who are reliant on the rental housing market will not have the same opportunity to increase personal equity, financial wealth and security as those who own their own home.

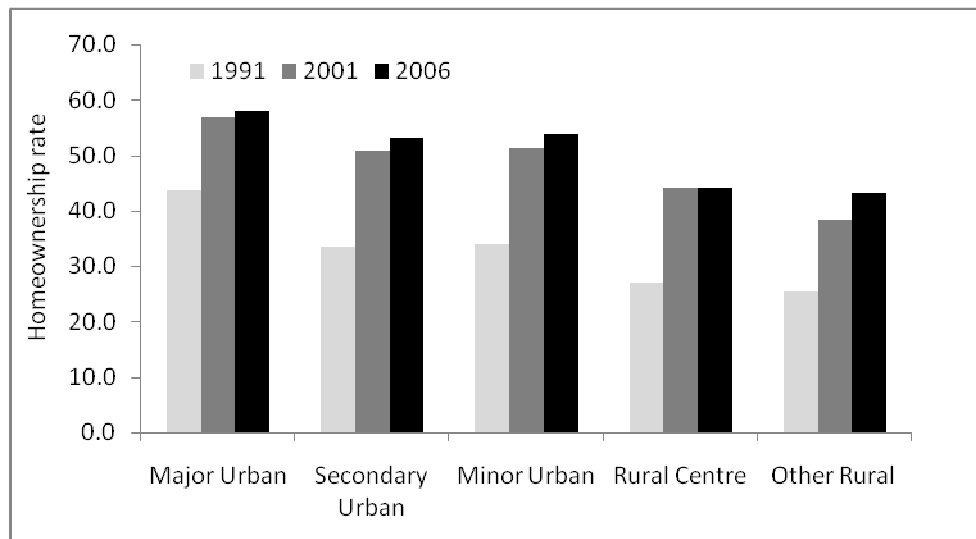
Figure 28 shows that over the past 15 years, the proportion of Māori in rental tenure has increased across urban and rural areas. Earlier studies have found that in rural areas, demand for rental accommodation far outstrips supply. For many, rental accommodation is the only affordable option but studies have found that frequently rural communities have few, if any, properties available.²⁴ More recently, Waldegrave (2006) found that rural renters experienced more properties in poor condition with low levels of maintenance and that they had less choice and higher rents than urban dwellers. Some considered that rural landlords did not show the same level of care as those in urban environment while tenants often did not complain for fear that the landlord might evict them. The lack of alternative housing options in rural areas is one likely reason for the poor standard of rural rental housing. In this environment, landlords have a captive market and do not have to compete for tenants as their urban counterparts do. Also the relative isolation might make it more difficult for tenants to lodge complaints with the tenancy tribunal with the result that landlords have little motivation for improving their houses.

²² Ministry of Housing (2004)

²³ The Census data presented in this section has been derived from a customised dataset prepared for the Corporation. The data presented for each of the Census years is based on the Māori ethnic group and total response data.

²⁴ Houia et al (1987), Social Services Committee (1991)

Figure 28 Proportion of Māori who did not own their own home by rural/urban location 1991, 2001 and 2006



Source: Census 1991, 2001 and 2006, Customised data prepared for HNZA

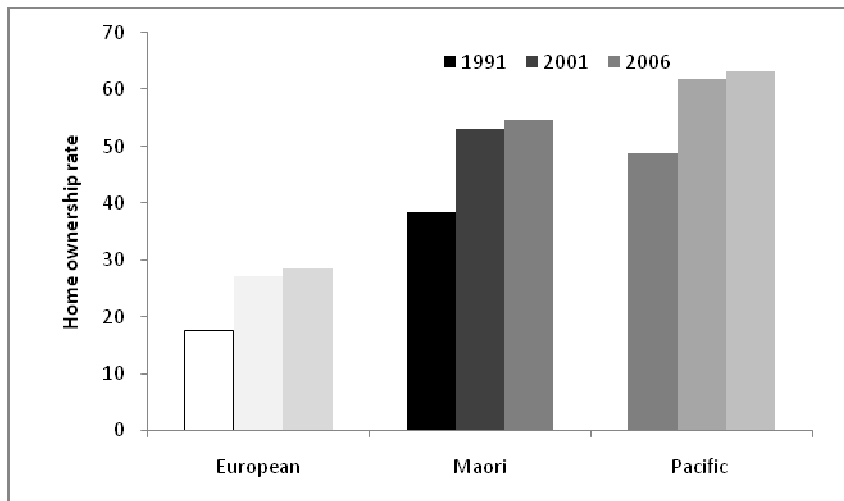
In urban areas, Friersen et al (2000) found that types of tenure were concentrated within certain geographic locations. Lower levels of home ownership for example in Mangere and Otara, were associated with high levels of private and/or state owned rentals. Furthermore, private rental properties tended to be concentrated in distinct geographical locations away from concentrations of state rental properties.

Literature and qualitative research undertaken by Waldegrave (2006) has shown that proximity to whānau is extremely important for Māori urban and rural dwellers. This is supported by the recent survey of Dynamics and Motivations for Migration (Statistics New Zealand, 2007) identified proximity to family as one of the main reasons influencing decisions about whether to move or not. Waldegrave (2006) found that Māori living in cities, often accepted lower grade housing to be close to their families rather than living in better houses further away from family members. In terms of supply, Waldegrave found that supply fell short of demand by Māori for rental housing both in terms of numbers of housing availability, size and the number of bedrooms required.

7.3 Disparities in rental tenure

In 2006, Māori were almost twice as likely as European not to own their own home (54.8 percent compared to 28.6 percent). Because the proportion of Māori in rental tenure has grown at a faster rate, the difference between Māori and European in rental tenure is greater now than in the early 1990s (Figure 29).

Figure 29 Proportion of people who did not own their own home by selected ethnicity 1991, 2001 and 2006

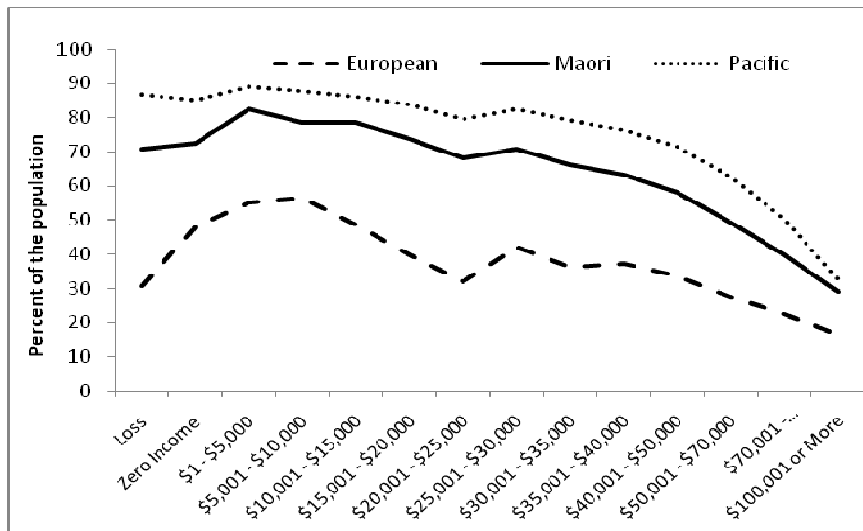


Source: Census 1991, 2001 and 2006, Customised data prepared for HNZC

7.3.1. Reasons for disparities in rental tenure

Figure 30 shows that Māori are more likely than European not to own their home regardless of income. For example, Māori with incomes between \$20,001 and \$25,000 in 2006 had 68 percent who did not own their own home. For European in the same income bracket, the comparable figure was 32 percent.

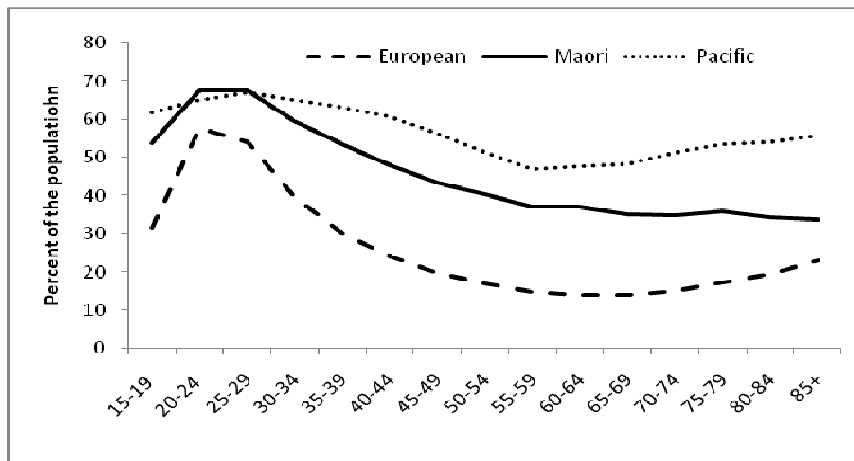
Figure 30 Proportion of people who did not own their own home by income and selected ethnicity 2006



Source: Census 2006, Customised data prepared for HNZC

Similarly, Figure 31 shows that Māori are more likely than European not to own their own home regardless of their age. For example, Māori aged between 45 and 49 years in 2006 had 43 percent who did not own their own home. For European in the same income bracket, the comparable figure was 20 percent.

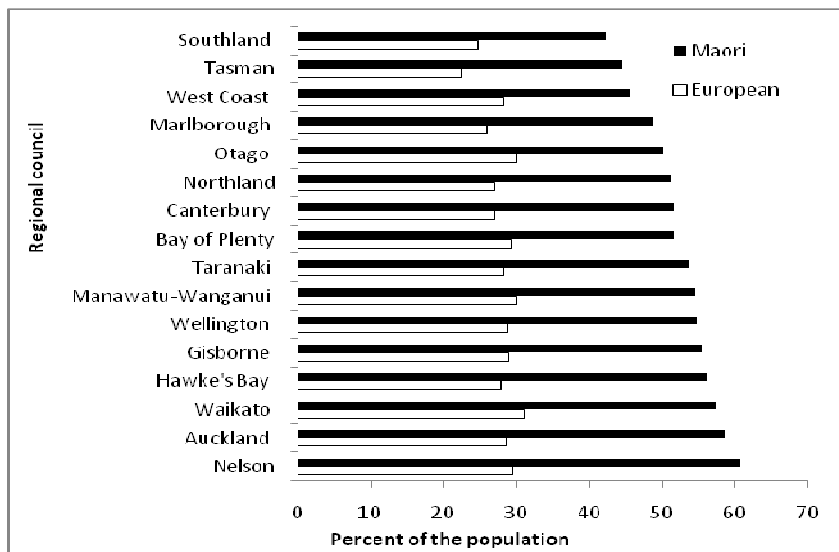
Figure 31 Proportion of people who did not own their own home by age and selected ethnicity 2006



Source: Census 2006, Customised data prepared for HNZC

Figure 32 shows the variation in the proportion of people in rental tenure varies across regions with 61 percent of Māori in Nelson living in rental accommodation. The rate of Māori rental tenure was lowest in Southland with 42 percent of Māori living in rental accommodation.

Figure 32 Proportion of Maori and European who did not own their own home by regional council 2006



Source: Census 2006, Customised data prepared for HNZC

8 Housing Quality

8.1 Introduction

One of the outcomes sought by the Housing Strategy is to improve the quality of housing in New Zealand. The Housing Strategy identifies raising the quality of New Zealand's new and older stock as important for Government.

Currently the key source of information on housing quality is a housing survey undertaken by BRANZ. Based on this survey, the Corporation has identified three key indicators housing quality: average component condition, percentage of houses with moderate-severe dampness and percentage of houses with moderate-severe insulation. Unfortunately the survey does not identify the ethnicity of households. However a number of studies have examined the issues of Māori housing quality. This section draws on the key findings of those studies to highlight the key issues Māori face in terms of housing quality.

8.2 Housing quality in rural areas

This issue of substandard Māori housing in rural areas has been recognised for some time. Many of the houses in rural areas such as the Urewera, East Cape and rural Northland were built under the guidelines established by the Department of Māori Affairs or State Advances Corporation of New Zealand and were well constructed of good-quality material. However, over the decades the low incomes of successive occupants meant that basic maintenance on these houses was deferred. During the process of urbanisation, many houses in these areas were abandoned as their occupants sought better work opportunities in the towns.

Since the 1980's there has been a change in migration trends with Māori moving from urban settings to the country. The motivation for this shift seems to be a desire by Māori to return to their place of origin²⁵. The return migration of many Māori families to these rural areas and the lack of available housing led to a trend of re-occupation of the previously abandoned houses. The paucity of houses, combined with the inability to get planning permission to build, or acquire finance for a house on multiple-owned land has led to the construction of makeshift dwellings and these houses have been occupied for long periods of time.

Across many of these rural areas the standard of housing is further compromised because of the lack of power, water and sewerage services. These substandard houses have adverse outcomes on the health and well-being of their occupants. Households living in rural locations are often at a disadvantage due to a lack of services or infrastructure. Isolation, lack of skilled trades' people, infrastructure deficiencies and poor housing stock are all issues that result in substandard housing and make improvements to housing difficult.

In terms of the rental market in rural areas, there are particular problems in terms of quality and availability of housing for rent, higher rental rates, the cost of and lack of services for maintenance and development and the reported lack of responsiveness and co-ordination on the part of many local and regional councils and central government agencies. Waldegrave (2006) found rural renters were more exposed to poor property conditions, lower levels of maintenance and less choice. Further, Māori with traditional roots in coastal areas felt they were disadvantaged by the high cost of coastal properties and many were forced inland away from traditional areas of residence.

²⁵ Douglas (1986), Minister of Women's Affairs (2001), Social Services Committee (1999)

8.3 Housing quality in urban areas

Research has identified a number of issues concerning substandard or poor quality housing in urban areas. Percy (1982) found that Māori were over represented among the homeless in Auckland. A Māori Women's Housing Research Project (1991) found that Māori women in urban areas frequently resided in unsatisfactory housing situation. The report identified substandard housing, lack of appropriate housing, the expense of adequate accommodation, overcrowding and the poor quality of state housing as issues effecting Māori women. More recently the Ministry of Women's Affairs noted that Māori were more likely than non-Māori to live in housing without heating or in housing that heated water by burning wood. Waldegrave (2006) found that proximity to whānau was a crucial determinant of where people preferred to live in both rural and urban areas. In the cities, participants in the study often accepted lower grade housing to be close to their families rather than better housing in a suburb further away.

8.4 Future information sources

The General Social Survey, to be implemented by Statistics New Zealand in 2008, may provide an alternative source of information on Māori satisfaction with their housing. The housing questions that are currently being trialled include: satisfaction with housing, problems with housing, sector of landlord, number of bedrooms and tenure of household.

9 Future Māori Population

9.1 Introduction

This section provides an overview of the projected growth in the Māori population through to 2021. It then considers likely changes to the age structure of the Māori population. The final part of this section looks at the way in which population growth will impact at a regional level.

9.2 Growth of the Māori population²⁶

Conservative projections²⁷ indicate that the Māori population will increase by 29.4 percent to 758,000 by 2021. By comparison, a 19 percent increase is projected for the non-Māori population, most of which will be driven by the growth of the Asian and Pacific populations (Table 18). The non-Māori population is projected to increase by 702,000. Of this, the Asian population will grow by 395,000, and the Pacific Island population by 155,000. The European population is projected to increase by only 152,000 over the 20 year period (a decrease in share from 79 percent to 69 percent of the New Zealand population).

Table 18 *Projected growth in the Māori and non-Māori populations 2001-2021*

Year	Māori	European	Pacific	Asian
2001	586,000	3,074,000	262,000	272,000
2006	630,000	3,159,000	299,000	392,000
2011	674,000	3,198,000	337,000	476,000
2016	716,000	3,218,000	376,000	573,000
2021	758,000	3,226,000	417,000	667,000
Growth in numbers	172,000	152,000	155,000	395,000
Percent growth	29.4	4.9	59.1	145.2

Source: *Statistics New Zealand (2007b) Demographic Trends 2006, Statistics New Zealand*

9.3 Changing structure of the Māori population

The next two decades will see a gradual aging of the Māori population. However, the Māori population will continue to be youthful with those under the age of 15 years accounting for 30 percent of the Māori population (down from 37 percent in 2001). Projections indicate that by 2021, the median age of the Māori population will increase from 23 to 27 years. The comparable increase for the non-Māori population will be from 36 to 43 years.

²⁶ Projection data is based on the Māori ethnic group.

²⁷ Demographic projections depend on assumptions about fertility, mortality and migration. Projections used here are based on the Statistics New Zealand medium series of assumptions, using medium levels of fertility mortality and migration. The projections use 2001 Census figures as a base.

Table 19 Projected growth in the Māori population by age 2001-2021

	Key age groups			Total
	< 15 years	15-64 years	65+ years	
<i>Māori Population</i>				
2001 (actual)	216,000	350,000	20,000	586,000
2021 (projected)	225,000	468,000	57,000	749,000
Percent growth (percent)	4	34	185	28
<i>Percent of the Māori population</i>				
2001	37	60	3	100
2021	30	62	8	100
<i>Percent of the Total population</i>				
2001	25	14	4	15
2021	28	16	7	17

Source: Statistics New Zealand, (2005) *The Māori Population: Looking out to 2021*

The key driver for Māori population growth will be the growth in the working age groups. The Māori population is expected to grow by 172,000. Of this 118,000 (or 68 percent of the growth) will be in those at working ages who will account for 62 percent of the Māori population (compared to 60 percent in 2001). By comparison, more than half the growth in the non-Māori population will be people in the 65+ plus age group (Table 19).

Perhaps the most striking trend, in terms of rate of growth, is the projected three-fold increase in the number of Māori aged 65+ years (from 2,000 in 2001 to 57,000 in 2006 - 185 percent growth). As a proportion of the total Māori population, this age group is projected to grow from 3 to 8 percent.

9.4 Projections of housing demand for the elderly

A report entitled Accommodation Options for Older People in New Zealand signalled that there will be growing rental demand from the older population on the Corporation's housing stock along with growing demand on local authorities and private landlords²⁸. Based on projections prepared by Statistics New Zealand, the report indicated that by 2051, approximately 81,000 Māori aged over 65 are were projected to be home owners, 5,000 would potentially rent from a TLA and 11,000 from the Corporation (Table 20).

Table 20 Projected housing tenure for people aged 65+ years 2001-2021 and 2001-2051#

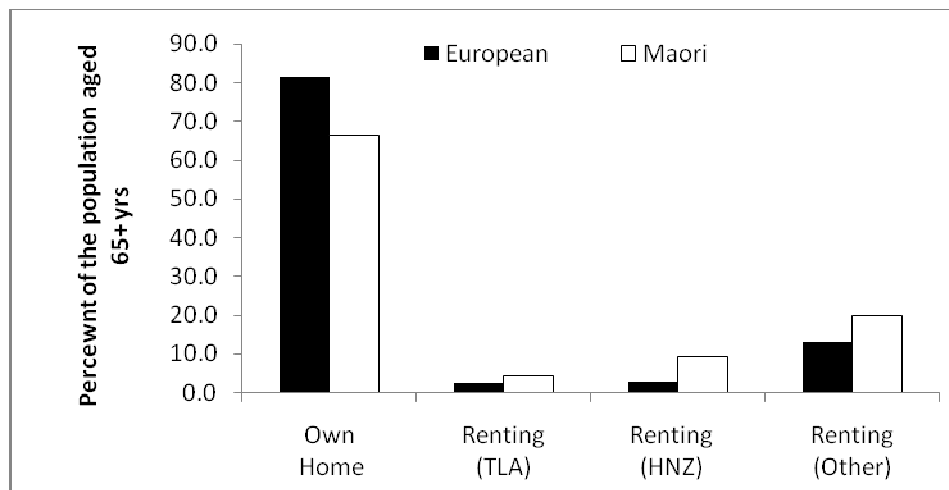
	Own house	Renting			Total private dwellings
		TLA	HNZC	Other	
<i>2001-2021</i>					
65+	25,907	1,683	3,639	7,661	38,890
85+	1,631	87	187	536	2441
<i>2001-2051</i>					
65+	71,101	4,621	9,966	21,017	106,705
85+	10,108	542	1,173	3,339	15,162

Source: Statistics New Zealand (2001), *New Zealand Population Projections, Accommodation Options for Older People in Aotearoa/New Zealand*, Report prepared for CHRANZ by Davey, de Joux, Nana and Arcus, June 2004, pp.118-120.
Assumes current tenure patterns

²⁸ Housing tenure projections used here presume that there will be no changes in current tenure patterns, given the current decline in levels of owner-occupiers and continued problems of affordability, these projections may be considered as somewhat conservative in their estimates of future rental housing demand.

Figure 33 compares the projected housing tenure for Māori and European over 65 years in 2021. It highlights that there will be a higher demand from Māori than European for rental housing. It is estimated that one third of Māori aged 60+ years will require rental housing (of which 9 percent will be from the Corporation). The comparable figure for European is 19 percent.

Figure 33 Projected housing tenure for Māori and European aged 65+ years in 2021

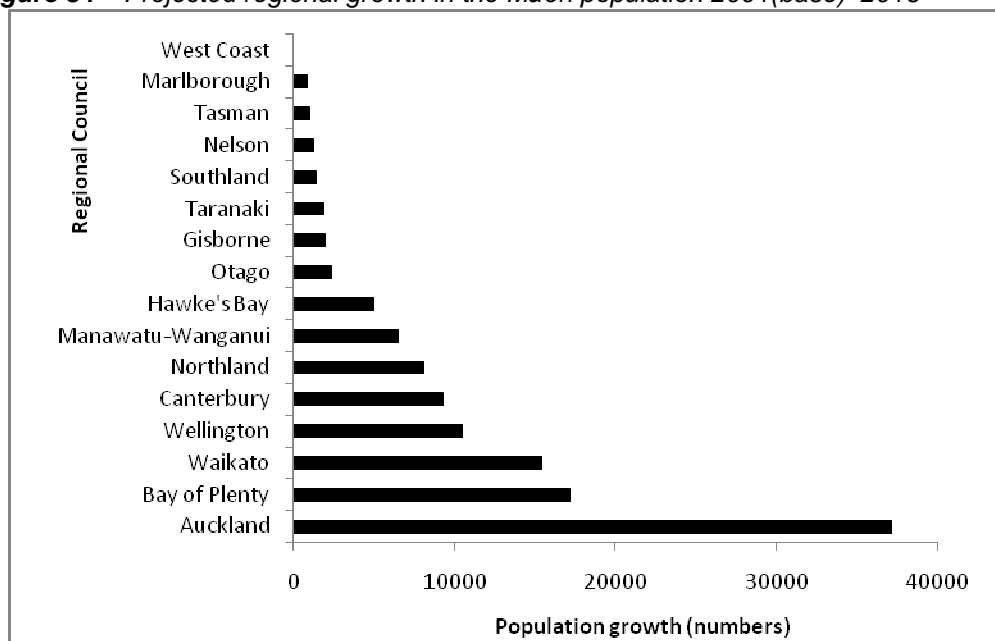


Source: Statistics New Zealand (2001), *New Zealand Population Projections, Accommodation Options for Older People in Aotearoa/New Zealand*, Report prepared for CHRANZ by Davey, de Joux, Nana and Arcus, June 2004, pp.118-120.

9.5 Regional growth in the Māori population

Projections out to 2016, prepared by Statistics New Zealand (2005), indicate that the Māori population in all 16 regions and most territorial authorities is projected to increase. However, growth rates will vary between areas. Figure 34 shows that the largest Māori population growth will in the Auckland region up 37,000 from 144,000 to 181,000 in 2016. Further, Auckland will continue to house one quarter of the Māori population. The Bay of Plenty and Waikato regions (up 17,000 and 15,000 respectively) are also expected to experience significant growth in Māori numbers.

Figure 34 Projected regional growth in the Māori population 2001(base)-2016



Source: Statistics New Zealand: *Sub-national Māori population projections 2001(base)-2016*

In regions where Māori currently make up a high proportion of the population, the Māori share is projected to increase over the next decade, (for example, from 47 to 54 percent in Gisborne, from 33 to 36 percent in Northland and from 29 to 30 percent in the Bay of Plenty).

Like the total New Zealand population, the Māori population will age in all regions during 2001–2016. The median age is projected to range between 24.6 years (for Otago) and 28.0 years (for Marlborough) in 2016 (Table 21).

Table 21 Projected Māori share of regional council areas 2001(base)–2016

Regional Council	Projected Māori Share (%)		Median Age#	
	2001 (base)	2016	2001 (base)	2016
Gisborne	47	54	23.7	27.6
Northland	33	36	22.8	27.1
Bay of Plenty	29	30	22.5	25.7
Hawke's Bay	24	28	21.7	25.3
Waikato	22	24	21.8	25.4
Manawatu- Wanganui	19	22	21.5	25.4
Taranaki	15	18	21.1	25.3
Southland	12	15	20.8	24.9
Wellington	13	14	22.6	25.6
Auckland	12	12	22.6	25.2
Marlborough	11	12	22.7	28.0
Nelson	8	10	21.2	26.3
West Coast	9	10	20.7	24.9
Tasman	7	8	21.2	25.8
Canterbury	7	8	22.0	25.1
Otago	6	7	21.5	24.6

Source: Statistics New Zealand: Sub-national Māori population projections 2001 (base-2016)

(1) The age at which half of the population is younger, and half older, than this age.

At the territorial authority level, Tauranga District is projected to have the largest percentage increase in the Māori population up by 53 percent during 2001-2016. Kapiti Coast, Rodney and Queenstown are also projected to grow by more than 40 percent. The largest numerical increases in the Māori population are projected for Manukau City, Tauranga Districts, Waitakere City, Hamilton City and Christchurch City.

9.6 Summary

By 2021, the Māori population is expected to have grown by 29 percent (from 2001). The younger age structure of the Māori population means that there is built in momentum for further growth. Combined with higher levels of fertility, the Māori population is expected to grow at a faster rate than the European population. The Māori population will age in the coming decades with the median age of the Māori population projected to increase by five years between 2001 and 2021. However, even two decades on, the Māori population will still have a younger age structure than the European population. At the regional level, growth will occur across all regions and be most pronounced in Auckland, Bay of Plenty and the Waikato.

10 Implications for Housing Policy

10.1 The future Māori population

In the future, Māori housing needs will differ from the needs of the non-Māori population. Over the next 20 years, the non-Māori population will be characterised by a slow rate of growth overall, a decreasing proportion of children, an ageing labour force and rapid growth in the size of the elderly age group.

By comparison, the Māori population will remain youthful (with 30 percent of the population under the age of 15 years). There will be significant growth in the number of the population at key working ages. The gradual aging of the population will see a three-fold increase in the number of Māori over the age of 65 years.

The key demographic drivers of Māori housing need will be:

- projected growth in the size of the Māori population
- the expected continuation of larger Māori family sizes
- potential growth in the number of single parent families
- growth in the number of kaumatua
- internal migration.

This section discusses the implications of these trends for housing supply, home ownership and rental tenure and assistance and affordability in the future.

10.2 Housing supply

10.2.1. Increase in demand for housing

Over the next 10 years, demand from Māori for housing can be expected to increase as the Māori population expands. Growth in the number of Māori will accentuate pressure on housing supply, especially in Auckland (where one quarter of the Māori population is expected to continue to reside). Housing supply stress is also likely to increase in regions such as Gisborne, Northland and Bay of Plenty where the Māori share of the population is already high and projected to increase.

In terms of the Corporation's customer base, current demand from Māori for state housing is highest in Auckland, Bay of Plenty and the Waikato. These are also the regions expected to experience the highest level of population growth over the next decade. Therefore the Corporation can anticipate increased demand from Māori for state housing in these regions.

10.2.2. Household crowding

The data presented in this report have shown a steady decline in Māori household crowding since the mid 1980's. Notwithstanding this decline, Māori continue to experience much higher levels of crowding than European households.

The larger size and lower incomes of many Māori households, combined with high rents, high house prices and pressures on housing stock, (particularly in urban areas) levels of Māori household crowding are likely to remain relatively high. In the future, the incidence of Māori household crowding may increase in line with increases in the number of elderly Māori.

With some 30 percent of Māori households residing in Corporation housing, the Corporation has the potential to impact directly on the incidence of Māori household crowding. In the future, the expected reduction in demand for larger houses from the non-Māori population is likely to be offset by demand from Māori families who will continue to be larger, and more likely to house extended family members.

10.3 Affordability and assistance

The poor state of Māori social outcomes (lower incomes, lower levels of employment and lower levels of education) coupled with larger family sizes and the prevalence of single parent families place Māori among the most at risk families and households in New Zealand.

The gradual improvements in Māori social and economic outcomes over the past decade are unlikely to be sufficient to offset the affordability issues that Māori currently face. With the working age Māori population projected to grow by 118,000 by 2021, current demand for housing assistance from Māori will continue and potentially increase.

In line with the increasing Māori share of the total population, Māori are likely to make up a growing proportion of the Corporation's customer base and this will be more pronounced in some regions. This will have implications for Corporation's capability, staffing and approaches to service delivery. This report suggests that over the next 10 years the Corporation can expect:

- on-going demand from Māori for larger houses
- demand for housing appropriate for single parent families
- growth in demand for housing for kaumatua (either as primary tenants or as part of extended family households)
- increased housing demand in rural areas.

10.3.1. Demand for larger houses

Research has highlighted that the supply of Corporation households does not currently meet demand from Māori both in terms of the number and size of houses required²⁹. With the aging of the non-Māori population, the Corporation is anticipating that there will be less demand for stock standard three bedroom homes and increased demand for smaller homes. In contrast, trends in Māori fertility suggest that the demand from Māori for larger homes will continue for some time yet. As the Māori population ages, an increase in extended family living could heighten the demand from Māori for larger Corporation houses.

10.3.2. Single parent families

Statistics New Zealand has projected overall increases in the number of female single parent families over the next 15-20 years. Single parents currently make up half the Corporation's Māori customer base. With the aging of the non-Māori population and the continued youthfulness of the non-Māori population, Māori single parents are likely to account for an increasing proportion of the Corporation's customer base in the future. For these tenants housing needs to be appropriate to their needs, for example, safe, close to schools, public transport and amenities. In addition, unless efforts to encourage tenants into affordable private sector renting or home ownership are designed to meet the needs of this group – then the Corporation faces the prospect of a long term relationship with this customer group.

10.3.3. Growth in the number of kaumatua

The projected growth in the number of kaumatua over the next 20 years (from 20,000 to 57,000) will result in increased housing demand from elderly Māori. Research shows that a large proportion of older Māori have little or no savings or assets with superannuation being their sole source of income³⁰. As a result,

²⁹ Waldegrave (2006)

³⁰ Cunningham, et al 2002

Māori will have fewer housing options available to them in retirement. There is likely to be a sizeable increase in the number of kaumatua experiencing housing stress and potentially requiring assistance. Anecdotal evidence suggests that Māori kaumatua, who are in need of care and support, are more likely to live with their whānau than reside in retirement villages/rest homes. This is consistent with the findings of Waldegrave et al (2006) who identified a key need within Māori households to house a parent(s) or grandparent(s) on a permanent basis. This need was found to be common in both rural and urban areas. This could reflect in part affordability issues but also cultural values. The likely continuation of this trend could increase the incidence of crowding and compound issues of affordability for Māori households. The proportion of Māori currently living in housing provided by local authorities (much of which is pensioner housing) and in state housing is low. Local authorities and the Corporation should anticipate an increase in the demand for housing from elderly Māori.

10.3.4. Increased housing demand in rural areas

The growth in the size of the Māori population aged over 65 years, could impact heavily in rural areas if Māori choose to return to their tribal regions in retirement years. Many Māori reaching retirement age over the next two decades have grown up in their tribal areas. Given the importance of whakapapa, and the social, spiritual and emotional connection of many Māori to their tribal land, it is conceivable that a number of Māori will want to move “back home”. This is supported by the findings of a recent qualitative study by Nikora (undated) into the social consequences of migration by Tuhoe away from traditional iwi regions. Nikora found that most people interviewed anticipated moving back to Tuhoe lands “for retirement and wished to die there”.

This would accentuate housing supply stress in some rural areas. This is supported by studies³¹ which have found that housing demand in rural areas was under sustained pressure due to increased migration from the cities to the country. In areas characterised by sub-standard housing, the emergence of this trend could have implications for health and social service provision.

With many Māori living outside of New Zealand the potential for increased “return migration” should also be considered. Anecdotal evidence suggests that a number of Māori, who have lived away from New Zealand for some time, are choosing to return to their tribal areas. While they may not be in need of housing assistance, the growth in this trend could place further pressure on housing supply and infrastructure within rural areas.

Monitoring migration trends

While there is currently no quantitative analysis which specifically examines the migration of Māori to and from tribal areas, this type of analysis would be possible using a special Census data run. In order to inform policy about the degree to which movement into and out of tribal areas is impacting on housing supply and demand (particularly in rural areas) it recommended that the Corporation commission some research in this area.

10.4 Rental tenure

One of the most striking trends in Māori housing in recent years has been the decline in Māori home ownership and subsequent increase in the proportion of Māori in rental tenure from 38.6 percent in 1991 to 54.8 percent in 2006. Consultation and research has found while many Māori still strongly aspire to own their home, this aspiration is difficult to realise because a high proportion of Māori live in urban areas where housing pressure is most intense or in coastal areas where land and real estate prices are premium³². Consequently in the short term at least, home ownership will continue to be beyond the reach of many Māori.

³¹ For example Douglas (1986)

³² Waldegrave (2006)

Currently around two thirds of Māori find themselves in the rental market and this trend can be expected to continue into the future. The on-going increase in the number of Māori in rental tenure has implications for housing stability, retirement incomes, the accumulation of wealth, as well as creating pressure on social housing. The short duration of many tenancies can make it difficult for tenants to maintain schooling contact with health professionals and to participate in the community.

In terms of quality of housing, it is recognised that many New Zealand rental properties are older homes and that rental properties are not always well-maintained or equipped with modern features. Many are poorly insulated and inefficient and expensive to heat. Significant upgrading may not be economically viable for landlords³³. Therefore access to affordable, secure, quality rental tenure is likely the most pressing housing need for Māori families in the short term.

Given the high concentration of Māori in Auckland (particularly in South Auckland), future increases in market rents have the potential to impact disproportionately on Māori, thereby compounding issues of affordability and crowding. This in turn could lead to increased mobility by Māori (if Māori are unable to afford rent increases) and increases number of Māori on the Corporation's waiting lists. Thus, Māori housing in Auckland may require a targeted policy response.

10.5 Home ownership

Since the early 1990's there has been an on-going decline in Māori home ownership rates from just under two thirds (61.4 percent) to just under half (45.2 percent) of the Māori population. While this is part of a broader trend in home ownership in New Zealand, the Māori rates have declined more quickly than for other ethnic groups, particularly European.

Through the Housing Strategy, the government is responding to declining levels of home ownership by expanding programmes to help people become and remain home owners.³⁴ This response aligns well with on-going, and well documented, Māori aspirations for home ownership. Future policies designed to arrest the decline in Māori home ownership will need to address the following recognised barriers to Māori home ownership:

- financial barriers
- aspirations, knowledge and information/support
- impediments to Māori utilising multiple-owned land for housing.

10.5.1. Financial barriers

Trends in fertility suggest that Māori will continue to start families earlier than non-Māori and have larger families. This means that in the earlier stages of family formation they will be less likely to be able to accumulate sufficient resources to buy a house and in the later stages, the costs associated with larger families means that they will have less disposable income to save for home ownership.

While there have been gradual improvements in the educational, employment and income status of Māori over the past 10 years, the level of improvement is unlikely to offset the challenges presented by the current housing market.

10.5.2. Knowledge, information and support

The findings presented in this report showed that Māori home ownership rates were relatively low, regardless of age or income. This indicates that in addition to demographics and socio-economic status, there are other factors operating that impede Māori access to home ownership.

³³ Ministry of Housing (2004)

³⁴ Housing New Zealand Corporation (2005)

This is consistent with Waldegrave's research which suggested that inter-generational experience helped to explain lower Māori home ownership rates. That is, that some Māori may not aspire to own a home, because their parents did not own their own home and therefore they have not experienced the benefits of home ownership.

Beyond home ownership aspirations and lack of income, lack of knowledge about how to go about buying a home, and lack of information about existing home ownership programmes and the ability to access them could impede Māori taking advantage of home ownership opportunities. This has implications for the way in which agencies that deliver housing assistance engage with and deliver services to Māori and in particular, the effectiveness of engaging and sharing information with Māori.

10.6 Effectiveness of Māori housing policy

The Housing Strategy identifies the following primary initiatives for Māori housing:

- increasing opportunities for Māori home ownership in rural and urban areas
- building housing on multiply-owned land in parameters with iwi, hāpu and Māori organisations as primary initiatives for Māori housing.

Given the high and growing concentration of Māori in rental tenure, in both urban and rural areas, it could be argued that the range of primary initiatives needs to be expanded to include initiatives which promote the movement of Māori families into affordable, secure, and quality rental tenure.

While initiatives targeted specifically at Māori have the potential to improve Māori housing outcomes, successes are likely to have limited impact on indicators of Māori housing outcomes until such time as they are implemented on a large scale.

The effectiveness of generic housing policies, programmes and services will be an equally important determinant of improved Māori housing outcomes. Systematic monitoring and evaluation of both existing and new generic initiatives will be required to provide assurance that they are being designed and implemented in a way is effective for Māori and that they are contributing to improved Māori housing outcomes.

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