

# Housing stress: the impact of rising house prices and changing access to rental properties on the community of Raglan

A summary report for the Whaingaroa Raglan Affordable Housing Project



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## Executive summary

A small group of Whaingaroa Raglan community leaders, concerned about rapidly changing housing affordability, came together with representatives from the Raglan Community House in late 2017 to express interest in the WEL Energy Impact Grant (Housing). A project group, the Whaingaroa Raglan Affordable Housing Project (WRAP), formed as a sub-committee of the Raglan Community House, were subsequently successful applicants to that fund for the purpose of conducting research into the perceived housing problem.

The Raglan community housing survey, designed to extract qualitative information related to the impact of changing affordability of housing on the residents of Raglan is one of two pieces of research completed in late 2018.

The Raglan Housing Study 2018<sup>1</sup> focused on housing costs and availability of housing and is available on the Waikato District Council website.

This report relates to the outcomes from the householder survey. Design, distribution and collection of the survey was conducted by the WRAP project team; data extraction, analysis and original report development was managed by Professor Chris Ryan from the University of Waikato Management School.

The project was supported also by Waikato District Council, the Raglan Chamber of Commerce, the Raglan Community Board, the Raglan Destination Management Organisation and many community organisations and businesses who acted as collection points for the survey itself.

A total of 395 respondents completed the questionnaire, representing about 21% of the total households and 29% (979) of the estimated population of Whaingaroa Raglan (3240).

97% of all respondents were either New Zealand citizens (82%) or permanent residents (15%).

Of the total, 262 provided details about the rents they were paying, and 100 provided information about the mortgages. Most of the remainder owned their property but had no outstanding mortgage payments.

Housing stress was more noticeable among those paying rents than others. Of these, approximately 16.4% (54) indicated that they were “anxious” or “very worried” about finding a place to live. A further 12.5% stated they were either ‘a little’ or ‘mildly’ stressed. In total, 29% (85) of all respondents who rent, stated they experience stress related to housing.

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<sup>1</sup> Norgrove K. Strateg.Ease Ltd.Raglan Housing Study. Aug 2018 for the Whaingaroa Raglan Affordable Hosuing Project.

For those respondents who are paying mortgages (329), 55% declared they were not suffering any stress related to housing, but 30% of respondents (101) reported being stressed at some level with 14.6% (48) stating they were very stressed i.e. either anxious or worried, about housing.

Lack of security in relation to housing was highest among those who rent (62%) with 34% stating they were very stressed, worried or anxious. Most common reasons offered were the rising cost of living, rising cost of rent and short term contracts.

Of those paying a mortgage or owning their own home outright, 22% stated they did not feel secure about their housing situation indicating the cost of mortgage and the risks of interest rates and property rates rising as key causes for concern.

About 8.7% of respondents who rent housing, suffered stress primarily due to the existence of short-term rental contracts and/or requests to leave a property before the Christmas/summer period. It is likely that such contracts are in place to facilitate either owner occupier use as a holiday home or short term seasonal renting through peer-to-peer transaction apps such as Bookabach and Airbnb.

For those paying rents, it was estimated that the rents were accounting for about 44 to 47% of household weekly income.

For those paying mortgages, payments were accounting for approximately one-third of household income.

Of the total, 10% were living in other than a conventional house, examples included vehicles, sheds, garages and other.

There is also evidence that some older members of the community are expressing concerns about the possibility of increasing rates and an increase in the cost of living if they are very dependent on New Zealand superannuation as their primary source of income.

## 1. Introduction

Raglan is a small seaside community of approximately 1,800 households and an estimated population of 3240. It is famed among surfers as possessing the longest left-hand breaks in the southern hemisphere, and among many who live and visit the town, it is known for its relaxed lifestyle and a strong sense of community. Like many summer destinations, the population grows significantly during December to February every year, imposing the need for water, sewage, and waste disposal facilities that exceed that required to serve the permanent population's needs. However, the local economy gains significantly from tourism, and various local initiatives exist to extend the summer season into the spring and autumn periods. Despite economic gains, problems are associated with the popularity of the town as a place to live and visit. A key issue is the costs of renting and buying property.

Consequently, this report was commissioned by the Whaingaroa Raglan Affordable Housing Project (WRAP) to assess the levels of housing stress in Raglan. For this report, housing stress is defined as:

Concerns arising over an ability to continue paying existing rents or mortgages

Concerns over a home not having sufficient facilities for the number of people residing in it to the point that that over-crowding is occurring

Significant concerns over the future ability to purchase a home

Concerns arising over rental agreements that create uncertainty as to the length of a tenancy.

Concerns about growing numbers forced to use alternative forms of accommodation not normally thought suitable for family or personal needs.

Questions related to stress used the rating levels of 'very stressed', 'anxious or worried', 'mildly stressed', 'a little stressed' and no stress. 'Very stressed' was defined as stress that is directly affecting mental or physical health.

While stress related to housing encompasses many and varied elements including but not limited to, quality of housing, the impact of poor housing quality on health due to allergens, moulds, dampness, and other poor housing conditions, accessibility to services including schools, health facilities and employment, this survey sought only to explore the impact of costs and availability of housing on the community of Raglan.

The study was initiated due to the following initial concerns:

Anecdotal evidence of growing numbers of people living in marginal accommodation such as garages, sleep outs and buses due to the increasing level of rents being charged.

Concerns by those seeking to enter the housing market of being priced out of that opportunity due to sudden increase in house prices in Raglan during 2016 – 2018 (see Raglan Housing Study 2018).

Concerns by those in the business community that, during the peak summer tourist demand, when additional seasonal staff are sought, it was not possible for such staff to obtain housing at rents that were affordable.

An awareness by the local administrative authority, the Waikato District Council, that these issues existed, but that they lacked empirical data on which to make planning decisions.

## 2. Population growth and housing supply

In the period from 2007 to 2017, it is estimated that Raglan's population had increased from 2,670 to 3,240. Corelogic (2018) data indicates that the number of residential properties available in 2018 numbered 1,834 with an additional 201 being vacant. Of the total, 715 were "non-locally" owned, that is rates demands were being sent to owners whose addresses were outside of Raglan. One immediate cause of the increase in house prices and rentals is quickly made evident by the fact that while in the period 2007 to 2017 the population had increased by 21%, the numbers of available houses had increased by only 5% (Strateg.Ease, 2018)<sup>1</sup>. Not surprisingly, house and section values recorded by QV.co.nz had reached record levels by 2018 with a median level of NZ\$580,000. Assessments of rents can be found by assessing rentals on sites such as trademe.co.nz. Strategease (2018, p.5) note "The number of rental properties listed on "Trade Me" has declined markedly in recent years and the median rent has risen by 30% (from NZ\$340 to NZ\$440 per week) since 2016"

thereby exceeding the average rent of NZ\$354 per week for the whole of the Waikato District Council region. To add to the problem, projections for population growth to 2046 would seem to imply a need for a further 1,284 dwellings, representing an increase of 63% over the current numbers of homes (Strategise, 2018, p.5).

Informal conversations with the local house and rental agents reported high demand for properties and a lack of advertising for rental properties; it is reported that they retain a waiting list of those wanting such properties and any that become available are immediately “snapped up.” Property managers also estimate a loss of rental stock from the market during the 2016 – 2018 period of 25 – 30% alongside the 30% rise in rent price in the same period.

### 3. Summer demand for tourist accommodation and peer-to-peer apps

In common with many other tourist destinations, Raglan has experienced the growing use of apps whereby those seeking holiday accommodation can have internet access to those supplying rental properties. Data on the levels of Airbnb data are available from Airdna.com, and such data reveal a significant increase in listings for the Raglan area. Infometrics (2018), drawing on Airdna data, estimated that the numbers of listings on Airbnb as at February 2017 (the peak summer tourist month) were 119. In February 2018, that number had grown to 186 (a 56% increase). The increase in demand was accompanied by a higher number of stay nights in the respective months. In February 2017 this was 3,418, and a year later it was 6,658. This rise in bookings was despite an increase in tariffs.

### 4. Research method

- 4.1 The questionnaire used was the outcome of meetings held between the WRAP group, representatives of the Raglan Chamber of Commerce, the Raglan Community House, representatives of the Waikato District Council and Professor Chris Ryan (University of Waikato). Three such meetings were held, and in addition, various initial proposed questionnaires were tested to assess the ease of answering questions and the pertinence of these questions. As perhaps was inevitable, the original list of items considered important needed to be culled to avoid potential issues of respondent fatigue, to retain brevity and focus and meet the budgetary constraints for printing, delivery and collection.
- 4.2 A copy of the questionnaire is appended to the report. The first section of the questionnaire sought information on the current property being occupied as to the number of occupants and facilities. It then moved to ask about whether the home was rented or subject to a mortgage, and sought information as to the value of payments being made. In addition, it also asked about levels of household income remaining after rent or mortgage had been accounted for. A series of questions based on perceived levels of stress relating to meeting housing costs and possible future purchase of a home followed and finally socio-demographic data were obtained.
- 4.3 Considerable effort was spent on trying to make the community aware of the research project, and the network of the Raglan Community House was used extensively. Questionnaires were distributed into letterboxes via the local pamphlet delivery service, included as a printed form in the local newspaper – *The Raglan Chronicle* - and then for three



subsequent weeks, printed into the newspaper as a cut-out . About 10% of the completed questionnaires were completed via the form distributes via the newspaper. Access to an online version was made available via the WRAP Facebook page and the Raglan Chamber of Commerce website. Information about the survey was disseminated via articles in– *The Raglan Chronicle* and through local social media.

- 4.4 A total of 395 completed responses were received. This number represented 21.5% of the total households. However, of the total households, as noted above, 201 are generally unoccupied. Hence of the regularly occupied properties, the response rate was approximately 24%. The total number of people covered by the survey was estimated as being 979. There were 752 adults involved in households that ranged from 105 households with one occupant to one home with ten people. The numbers of children between the ages of 12 to 18 years totaled 66, and additionally, there were 161 children under the age of 12 years. Based on an estimated population size of about 3,240 (the 2018 census data are not currently available) this means the survey covered approximately 30% of the population. For simple statistical tests assuming the probability level of significance of 0.05 at the desired power level of 0.8, this sample size is sufficiently rigorous (Ellis, 2010) for analysis at a general level. However, it must be noted that there does appear to be a skew toward the older members of the population.

## 5. Nature of the sample

- 5.1 Initial results indicate a skew toward older respondents, but finally those over the age of 64 years accounted for 29% of the sample, only marginally lower than the number recorded in the 2013 Census (32%). Table One, does indicate that by the age of the respondent completing the questionnaire, sub-samples by age are generally sufficient in number to permit analysis by age group.

Table One Age Profile of Respondents

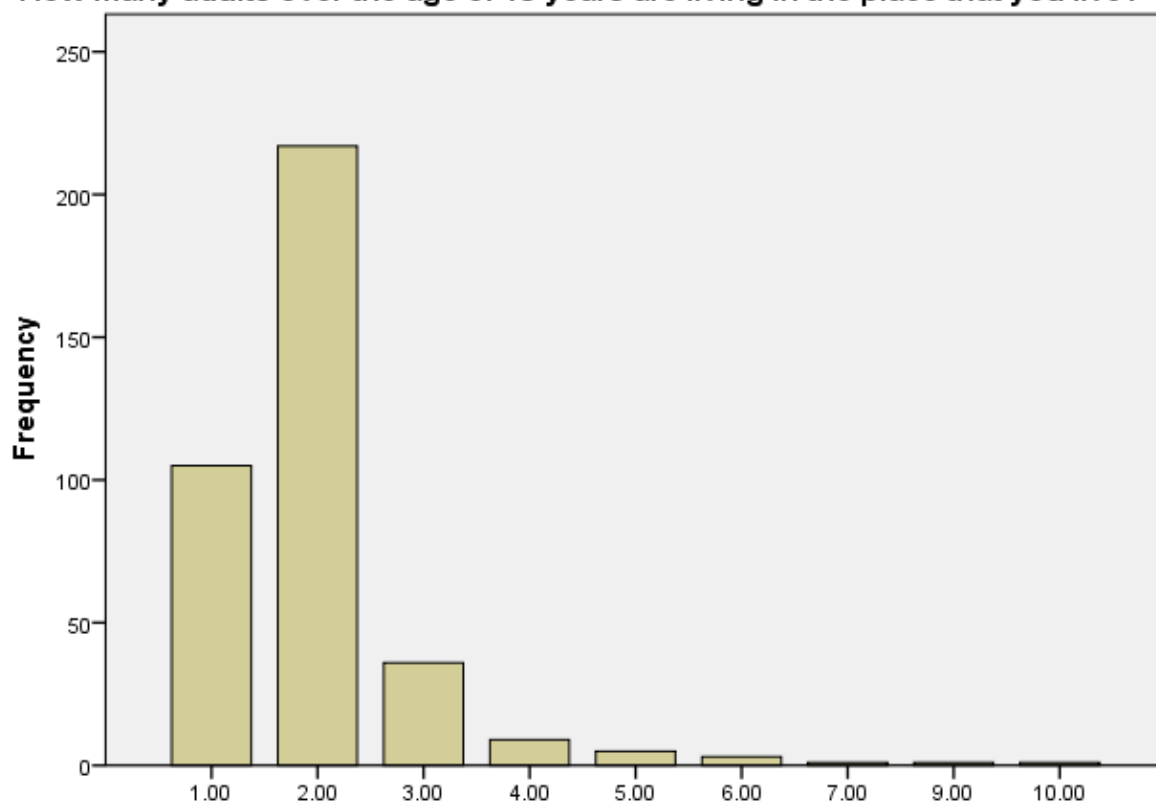
	Frequency	Percent	Valid Percent	Cumulative Percent
18 to 24 years	11	2.8	2.9	2.9
25 to 34 years	41	10.4	10.6	13.5
35 to 44 years	82	20.8	21.3	34.8
45 to 54 years	61	15.4	15.8	50.6
55 to 64 years	77	19.5	20.0	70.6
65 to 74 years	75	19.0	19.5	90.1
75 to 85 years	30	7.6	7.8	97.9
86 years and more	8	2.0	2.1	100.0

Total	385	97.5	100.0	
Missing	10	2.5		
Total	395	100.0		

- 5.2 Of possible particular interest is that the sample does contain sufficient numbers of those between the ages of 25 to 44 years (n=123, 31.9% of those providing data about age) who may have responsibilities for young children.
- 5.3 Regarding ethnicity, approximately two-thirds of the sample are of European ethnic background, while 12.7% identified as being Maori. Pasifika peoples made up the majority of the remainder with those of Asian ethnicity accounting for less than 1% of the sample.
- 5.4 Ethnicity data from the 2013 census suggests that the survey sample may underrepresent Maori however the census figures are no longer reliable. Anecdotal evidence of migration out of the area related to rising housing costs may have had a significant impact on the population ethnicity composition for Raglan.

*Figure One Numbers of Adults living in a Property*

**How many adults over the age of 18 years are living in the place that you live?**



- 5.5 At the time of writing (November 11th, 2018) the total number of completed surveys inputted into the database was 395. Of the households, 105 (27% of those who provided data) were



occupied by one person, while 57% (n=217) stated they had two adults over the age of 18 years occupying the property. A further 9.5% stated there were three adults present, and the total picture is shown in Figure One.

- 5.6 Of the total, 89% stated they lived in a house (n=347). An additional 11 indicated they lived in a “tiny house,” a further eight indicated they used a cabin or sleep out, while 15 indicated they were respectively using a car, bus, caravan or shed/garage, and seven reported using another form of accommodation.

## 6. Level of stress being experienced

- 6.1 Of those who responded to the questions “did they feel stress about finding a place to live,” 54 stated that they were either “anxious” or “very stressed” about being unable to find accommodation in which to live (see Figure Two). This represents 16.5% of those who responded to the question. Of the total, 68% (n=222) indicated that they did not feel stressed. Of those who are stressed, many are renting accommodation, and this is demonstrated in Figure Three. Of the respondents, 136 renters responded to the question as to how secure they felt when they were renting their property. Of these, 84 replied in the negative to this question, and of these, 23 indicated they were anxious or worried about their situation and an additional 23 admitted to being very stressed. The definition of ‘very stressed’ provided as a decision cue was that the level of stress was affecting either or both of physical or mental health.
- 6.2 Of the 395 respondents a total of 53 adults (defined as being 18 years or older) were living alone. Of these single people: 34% (18) indicated they were anxious/very worried/stressed about finding a place to live; 28% (15) indicated they were anxious/very worried/stressed about the cost of rent or a mortgage; 34% (18) indicated they were anxious/very worried/stressed about a future opportunity to buy or build a house
- 6.3 Figures two to four provide reasons for the feelings of insecurity. The principal rationales are fear of a rent rise, followed by general concern about the rising costs of living which might impose strains on disposable income. These reasons were followed closely by the cost of rent, short term contracts and ‘other’ unspecified reasons.
- 6.4 It must be emphasised that respondents had the option of selecting more than one reason for the perceived lack of housing security if renting a property, and the data in Figure four is therefore not to be aggregated. In short, it might be stated that out of the total 389 respondents, and out of those who rent their accommodation, about 30 are significantly concerned about the security of their living arrangements. The horizontal axis in Figure Four indicates the numbers who express concern about the sources of stress listed on the vertical axis. Short-term contracts are a concern to 27 respondents (7% of the total number of respondents). Being asked to move over the Christmas period (the commencement of the summer tourism season) affects 16 respondents (4% of the sample). Having checked to assess whether the two classifications are independent (9 people selected both short-term contract concerns and the need to move over Christmas) indicates that 34 respondents (8.7% of the sample) are being negatively impacted by the factors allegedly created by the peer-to-peer

apps in tourism accommodation or owner occupation of housing over the peak tourism season.

Figure Two Levels of Stress in Finding a Place to live

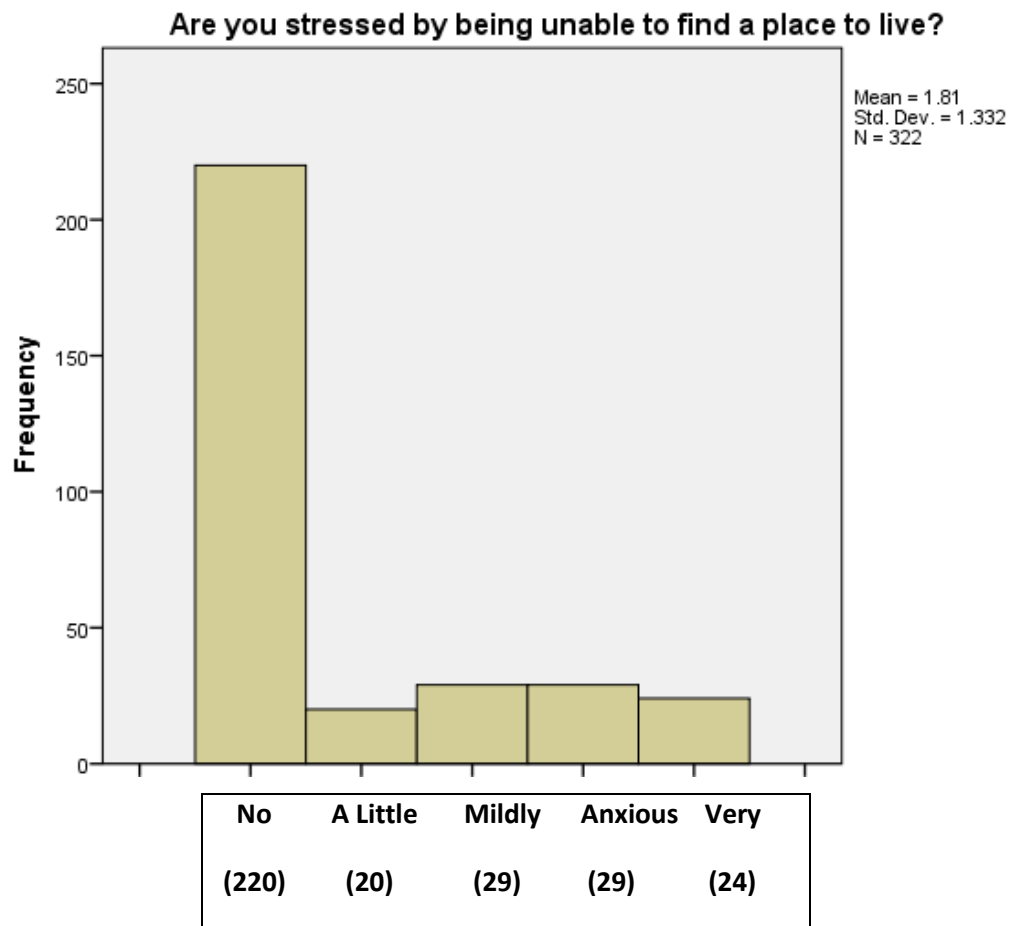


Figure Three Stress and renting a property.

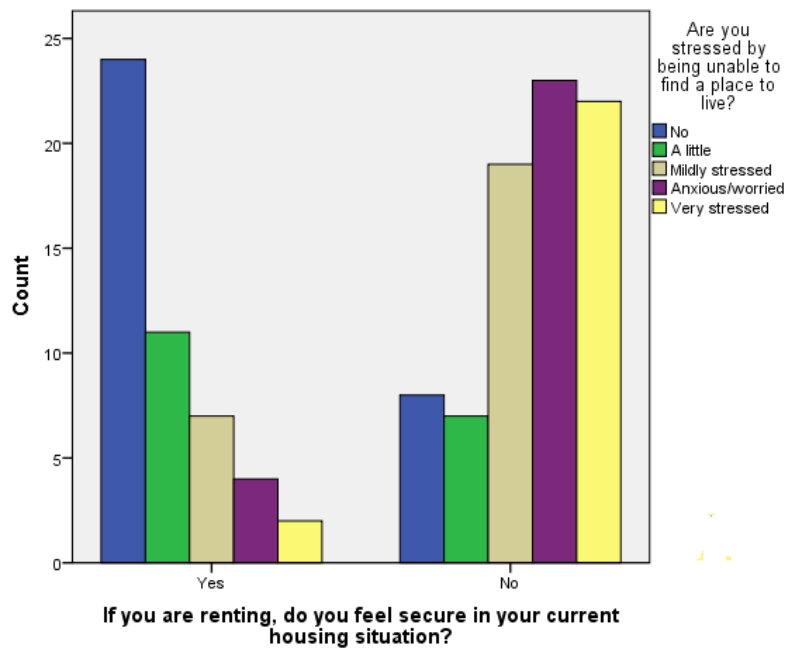
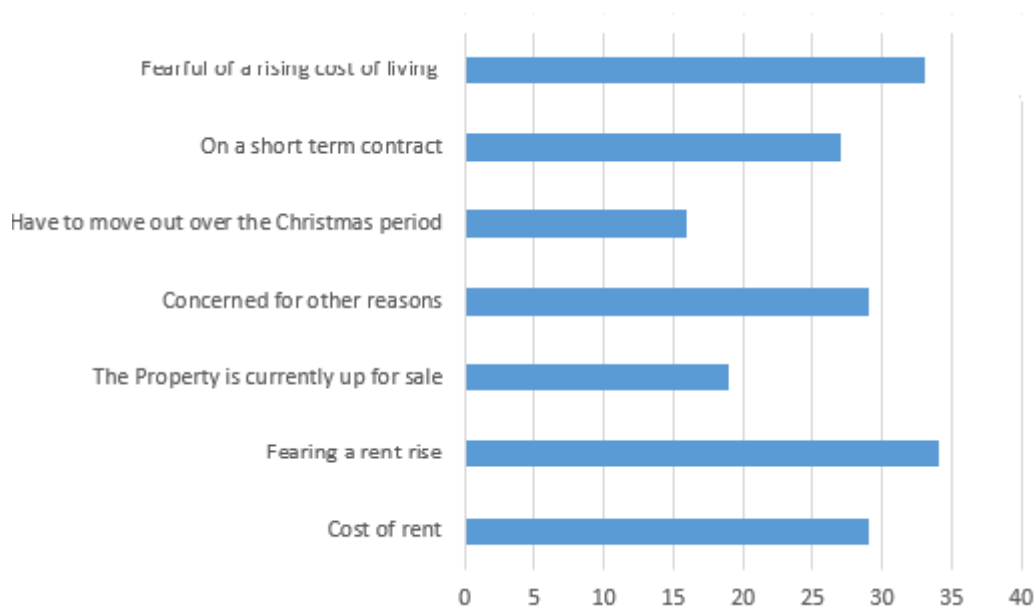


Figure Four Sources of concern over the security of rented accommodation



6.5 It should not be thought that stress is restricted to those who rent their properties. Another question asked if the costs of rent or a mortgage were a source of stress. Of the 395 respondents, 329 replied to the question. Of these, 55% (n=179) stated that they felt no stress, as shown in Table Two. An additional 53 responded that they felt “a little stress,” while 48 respondents (14.6%) indicated levels of worry or high stress about the costs of rents and mortgages.

Table Two Levels of Stress due to Rent and Mortgage Costs

	Frequency	Percent	Valid Percent	Cumulative Percent
No	179	45.3	54.4	54.4
A little	53	13.4	16.1	70.5
Mildly stressed	49	12.4	14.9	85.4
Anxious/worried	29	7.3	8.8	94.2
Very stressed	19	4.8	5.8	100.0
<b>Total</b>	<b>329</b>	<b>83.3</b>	<b>100.0</b>	
Missing	66	16.7		
<b>Total</b>	<b>395</b>	<b>100.0</b>		

**6.6** It was also noted that some experienced some stress even if they owned their own property and indeed had even paid off the mortgage. Many of these may be solely dependent on their State pensions.

Table Three Those owning or having a mortgage and not feeling secure

Age		Feel secure	Not secure	Total
25 to 34 years	Count	12	2	14
	% within Age	85.7%	14.3%	100.0%
35 to 44 years	Count	33	16	49
	% within Age	67.3%	32.7%	100.0%
45 to 54 years	Count	30	9	39
	% within Age	76.9%	23.1%	100.0%
55 to 64 years	Count	46	8	54
	% within Age	85.2%	14.8%	100.0%
65 to 74 years	Count	46	14	60
	% within Age	76.7%	23.3%	100.0%
75 to 85 years	Count	21	5	26
	% within Age	80.8%	19.2%	100.0%
86 years and more	Count	8	0	8
	% within Age	100.0%	0.0%	100.0%
<b>Total</b>	<b>Count</b>	<b>196</b>	<b>54</b>	<b>250</b>
	<b>% within Age</b>	<b>78.4%</b>	<b>21.6%</b>	<b>100.0%</b>

- 6.7 Appendix One also provides further details by breaking down the levels of concern by those renting property by their age groups. This indicates a statistically significant relationship in that those between the ages of 35 to 44 years seem to be the most sensitive to fears about finding somewhere to live. Cross-tabulating the data with the numbers of children living at home, it was this age group that had the highest number of children between the ages of 12 to 18 years living with them (accounting for about one-third of the total of such children). While consistent with notions of life stage again the sub-sample is small in number (n=16 out of 47).
- 6.8 Table Three is based on the responses of 250 respondents who had a mortgage or owned their homes and who responded to the question about feeling secure in their homes. Of the total 22% indicated that they did not feel secure and 78% did feel secure. In part, life-stage may account for their answers. Younger mortgage holders are potentially paying a higher proportion of their income as mortgages, those having young children (probably in their 30s) may feel vulnerable because of additional costs related to supporting children (possibly on a reduced household income if previously both parents were working) while those over the age 65 years may have reduced income due to having retired from work. The reasons given by these respondents included costs of the mortgage (n=13), a fear of increasing interest rates (n=14), 47 respondents felt some degree of vulnerability to the general increase in the cost of living, and 54 cited an increase in property rates. The effect of increases in rates particularly effected the more elderly. Of the 54 not feeling secure, 19 were over the age of 65 years (accounting also for about 25% of these property owning respondents who fell into this age bracket). In interpreting these data respondents could tick as many of the reasons as they wished, and multiple responses were common, and hence the cells are not additive, but confirm the approximation that some **20% of owners have, at the least, some sense of unease as to the security of their home.**

## 7. Stress due to overcrowding

- 7.1 One potential source of stress may be due to a feeling that the current property being occupied is simply not large enough in terms of providing facilities for those occupying it. The sample showed that 14% of the sample were living in households that contained more than 4 people. Hence one method of assessing potential inadequacy of housing conditions is to divide the number of bedrooms by the number of occupants to assess to what degree three or more people need to share a bedroom. Consequently a five-fold classification was created as shown in Table Four. This shows that 11.1% of the homes contain more than 2 people sleeping in the same bedroom.
- 7.2 However, the tests of statistical significance revealed little pattern of stress between this measure of over-crowding and feelings of stress. Indeed there was an indication (albeit at statistically non-significant levels) that one possible factor was older people between 65 years and 75 years who had concerns about rising costs when living on superannuation, and among some having younger children who would be aspiring to have a larger home to own or move to. However the sub-samples are not sufficiently large enough to confirm this with any degree of certainty. A counter argument might be that these groups might be among those who were having to come to terms with reductions in income.

Table Four      Index of crowding

	Frequency	Percent	Valid Percent	Cumulative Percent
Very low (<0.5 person per room)	31	8.0	21.4	21.4
Low (1 person per room)	85	21.9	58.6	80.0
Moderate (<2 people per room)	13	3.3	9.0	89.0
High (2-3 people per room)	12	3.1	8.3	97.2
Crowded (3+ people per room)	4	1.0	2.8	100.0
<b>Total</b>	<b>145</b>	<b>36.7</b>	<b>100.0</b>	
Missing	250	63.3		
<b>Total</b>	<b>395</b>	<b>100.0</b>		

## 8. Income and housing stress

- 8.1 Of those paying rent, 127 respondents provided some data about the rents that they were paying. The rents ranged from one person paying NZ\$1 per week to one other paying NZ\$590 per week. The lowest levels were found to be associated with those living in buses or garages and the payments seemed to be linked to having access to washroom and similar facilities. Using the SPSS feature of “trimmed means” when the top and bottom 2.5% of the sample are used to calculate a mean score, the mean rent being paid by respondents was NZ\$267 per week. The median rent was NZ\$300. NB. The \$1 outlier was removed from the ‘trimmed means’ calculation.
- 8.2 However, to simply ask for a the level of personal income of the respondent in the New Zealand context is to invite high levels of non-response, and also to obtain a figure that is potentially misleading. Personal incomes are arguably insufficient when seeking to analyse at a household level. Again, it may not be assumed that the person completing the survey on behalf of others in the household would necessarily be aware of others incomes and may estimate that figure. For others with variable incomes at different times, especially those who are self-employed, simply calculating an average income may be challenging. Consequently respondents were asked to approximate their discretionary household income after rent or mortgage payments are met. This approach is not wholly reliable, but does tend to increase response rates and does permit an estimation of rents paid as a percentage of income that remains as discretionary.
- 8.3 Of those providing information, 233 responded to the question by providing details of household income, of whom 109 were paying rent. A proxy for total household income was calculated by adding rents or mortgages to the discretionary income. It must be noted that this is little more than a proxy and by definition excluded those who own houses and have no mortgages. Excluding monies paid on rent the mean weekly discretionary household income was NZ\$383 (the median was NZ\$300) and rents as a percentage of mean income was 47% and of median income 44%. This highlights that many households are not in a position to save significant sums after the cost of living in order to pay the required deposits on homes.

- 8.4 Consequently it was found that the aspiration to buy a home in Raglan is uncommon among those renting properties. Of those who rent property in Raglan, only 21 stated they would hope to buy or build a home in Raglan, and only 9 stated they would definitely do this. Additionally 31 respondents who rented property felt they might have to leave Raglan due to the high level of rents and an equal number indicated a fear that they might have to leave because they might not earn enough. These figures represent about 28% of those who rent property in Raglan.

## 9. Peer-to-peer accommodation supply and Raglan tourism

- 9.1 While evidence exists that peer-to-peer accommodation supply is a factor causing some stress for approximately 10% of those who rent property, the primary reasons for high rents and property prices is the growth of population exceeding the growth of housing supply, with a consequent increase in property prices. Another contributory cause lies in the proportion of housing stock owned by those not normally resident in Raglan (approximately 28%) <sup>1</sup>, and for whom property ownership is an investment on which rates of return are sought. On the other hand it must also be recognised that the supply of holiday accommodation during the summer helps to contribute to the economic well-being of Raglan

## 10. Mortgaged and property owners.

- 10.1 One hundred and two respondents provided details relating to their mortgage payments. The mean mortgage was NZ\$385 per week and the median NZ\$355. The standard deviation was large, at NZ\$265, reflecting the varied periods of payments and the date when a mortgage was first taken out. It was again possible to estimate what proportion of household disposable incomes the mortgages accounted for in the same way as that done for rents.
- 10.2 The mortgage holders tended to have much higher incomes than their counterparts who rented properties. Excluding payments on mortgages the weekly median discretionary incomes were NZ\$1000 and the mean was NZ\$1039. As a percentage of weekly household disposable income the mortgages were approximately one-third – confirming that much of the difference between those renting and those having mortgages is effectively explained by their levels of income. Consequently when it comes to the reasons for possibly leaving Raglan only 6 respondents having a mortgage might consider leaving, primarily because the right type of property might not be available.
- 10.3 While these estimates of income appear high, it should be noted that the sample is primarily comprised of those between the ages of 35 to 64 years, and hence it can be assumed that many are at peak income levels.

## 11. Summary of findings

- 11.1 There appear to be a number of key factors operating in the housing market in Raglan. First there is the growth of population exceeding the growth of numbers of houses being built. In itself, this would increase the prices of houses, and by extension one would expect rents to increase. Like many seaside towns there is the additional factor of a high level of ownership of



properties by people with addresses outside of Raglan. In this case it is estimated that just over a third of all properties are so owned. This leads to properties being vacant for much of the year or available for marketing as online nightly rental accommodation as noted in paragraph 2.1.

- 11.2 The 2013 Census reveals significant discrepancies in the distribution of personal incomes in Raglan with 22% earning more than NZ\$50,000 and 43% earning less than NZ\$20,000. It is suspected this discrepancy may have grown in the intervening years.
- 11.3 Life stage also plays a role. Among those who rent, the presence of children can be a contributory factor toward feeling stressed. It is thought that factors might include the need to adjust to lower incomes through loss of a job induced by the need to provide childcare might be a factor, while having children also requires taking on additional costs. Together the data indicate that these may contribute to stress. This is particularly the case if the wage is already low. Unfortunately because of small sub-sample sizes the data is not conclusive.

## 12. Summary and recommendations

- 12.1 The purpose of this study was to assess the level of impact that housing affordability is exerting on the population of Raglan.
- 12.2 While the sample size allows for statistical analysis, it does not reflect the whole population of Raglan and can only be seen as reflecting the views of the respondents.
- 12.3 395 survey forms were completed with ~75% (296) ,representing two or more persons in the household. It can be assumed that the person completing the survey is likely to be someone of the household with a position of influence and if that person is expressing stress related to housing then it is likely that stress levels expressed will be transferred to or impact on others in the household.
- 12.4 Despite the small absolute numbers, it is likely that those expressing housing-related difficulty of one kind or another have an impact that is much wider than themselves.
- 12.5 While recent property developments have and will continue to release access to new land for building homes for the foreseeable future, the price of offering of those sections and the cost of building a dwelling is beyond the affordability of many in the community of Raglan.
- 12.6 Those adversely affected by lack of affordability in housing are faced with choices of leaving the area to secure more affordable housing, living in smaller spaces some of which do not meet healthy living standards or securing further employment or income to attempt to meet the current costs of accommodation in Raglan.
- 12.7 While it is not the purpose of this report to make recommendations, it is apparent that partnerships between the local community, funders, housing networks and land owners could be initiated to attempt to find affordable housing solutions that provide for those who are not able to access the more highly priced green field developments available.

- 12.8 This report and the Raglan Housing Study 2018, should be of interest to community leaders who seek to lead the development of affordable housing solutions and are made available in partnership with the Waikato District Council for that purpose and for general public information and interest.

## References

Informetrics (2018). Measuring the scale and scope of Airbnb in Waikato District. Report for Waikato District Council, April

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Strateg.ease (2018). Housing Study: report for Whaingaroa-Raglan housing affordability project. August.

## Appendix One

Post codes from which the sample is drawn

Post Code	Frequency	Percent	Valid Percent	Cumulative Percent
3225	232	58.7	71.2	71.2
3255	1	0.3	0.3	71.5
3295	38	9.6	11.7	83.1
3296	18	4.6	5.5	88.7
3297	32	8.1	9.8	98.5
3298	1	0.3	0.3	98.8
3325	1	0.3	0.3	99.1
3894	3	0.8	0.9	100.0
<b>Total</b>	<b>326</b>	<b>82.5</b>	<b>100.0</b>	
Missing	69	17.5		
<b>Total</b>	<b>395</b>	<b>100.0</b>		

Stress experienced by renters by age

	No	A little	Mildly stressed	Anxious/worried	Very stressed	Total
18 to 24 years	2	3	4	1	1	11
25 to 34 years	15	6	11	6	3	41
35 to 44 years	44	6	2	12	11	76
45 to 54 years	39	1	3	6	5	54
55 to 64 years	51	1	1	4	4	61
65 to 74 years	50	3	6	0	0	59
75 to 85 years	16	0	1	0	1	18
86 years and more	4	0	0	0	0	4
<b>Total</b>	<b>221</b>	<b>20</b>	<b>28</b>	<b>29</b>	<b>25</b>	<b>324</b>

## Appendix Two - The questionnaire

### Raglan community housing survey

The team at Raglan Community House are deeply concerned about the rising cost of housing in Raglan and have set up a group to investigate the problem known as the Whaingaroa/Raglan Affordability (Housing) Project (WRAP).

To be able to get investment to build housing solutions, we need to get a clear understanding of what is happening in our community. No-one knows for sure how much stress our households are under because of housing.

**We need every household to complete this survey even if you feel you are not affected**, so we have a clear idea of the percentage of our community who are suffering.

We have asked for your name and address only to be sure we don't record any duplicate surveys. The only people who will see the survey forms will be the team at Waikato University who will enter the data and analyse it. Only one person at the University will have access to the final data. The data will not be shared outside of the university with any other organisation. No individual will be able to be identified from the final report. Once the research is complete – the names and addresses will be erased from any files and the original forms shredded to preserve your privacy.

**Full name:** \_\_\_\_\_ **Address:**

\_\_\_\_\_

**Please return questionnaire to Raglan Community House (45 Bow St), Raglan Library or Raglan Information Centre by Saturday September 22<sup>nd</sup> 2018.**

If you live on your own or in a household where you combine your incomes to pay costs, tick the "answering for my household" box below.

If you live in a situation where you share costs (e.g. a flat or other), tick the "answering for myself box" below.

**I am answering for my household** ☐

**I am answering for myself** ☐

1. How many adults over the age of 18 years are living in the place that you live? \_\_\_\_\_
2. How many children aged from 12 – 18 years are living in the place that you live?  
\_\_\_\_\_
3. How many children younger than 11 years are living in the place that you live? \_\_\_\_\_
4. Where are you currently living? **Please circle one option**  
House   Shed   Caravan   Tent   Bus   Tiny House   Sleep-out/cabin   Car  
Other
5. In the place that you live, how many bedrooms do you have? \_\_\_\_\_
6. Please state the number of facilities you have access to in the place you live.  
Toilet \_\_\_\_\_ Shower \_\_\_\_\_ Bath \_\_\_\_\_ Shower over bath  
\_\_\_\_\_

7. If you have answered None/Zero above, do you have access in a nearby building or house?  
YES ☐ NO ☐

**Your cost of living:**

8. After you pay rent or mortgage payment, how much do you have left each week for all other living costs?  
\$ \_\_\_\_\_ (If answering for your household, estimate the amount left from all combined incomes)
9. If you pay rent, what is your cost of rent for a week \$ \_\_\_\_\_
10. If you are paying a mortgage, what is the cost of your weekly mortgage payments  
\$ \_\_\_\_\_

**Stress related to housing:** "Very stressed" = affecting your physical and/or mental health

11. Are you stressed by being unable to find a place to live?  
No ☐ A little ☐ Mildly stressed ☐ Anxious/worried ☐  
Very stressed ☐
12. Are you stressed by the cost of your rent or mortgage?  
No ☐ A little ☐ Mildly stressed ☐ Anxious/worried ☐  
Very stressed ☐
13. How likely are you to be able to buy or build a home in Raglan in the next 5 years?  
Never ☐ Unlikely ☐ Hope to buy or build ☐ Will definitely buy or build ☐
14. Are you stressed by your view of your future opportunity to buy or build a house?  
No ☐ A little ☐ Mildly stressed ☐ Anxious/worried ☐  
Very stressed ☐

**Security in your housing situation:**

15. **If you are renting**, do you feel secure in your current housing situation? (Leave blank if not renting)
- a. YES ☐ NO ☐
- b. If you answered NO, **please tick as many options below that apply to you.**
- Cost of rent ☐ Likelihood of rent rise ☐ Property is for sale ☐ Other ☐
- Have to move over Xmas ☐ Short term rent contract ☐ Rising cost of living ☐
16. **If you own your home, or you are paying a mortgage**, do you feel secure in your current housing situation?
- a. YES ☐ NO ☐
- b. If you answered NO, **please tick as many below that apply to you.**

Cost of mortgage ☐ Likelihood of interest rate rise ☐ Rising cost of living ☐  
Rising cost of rates ☐

17. If you are thinking of leaving Raglan, **please tick all the reasons that apply to you.**

High cost of rent ☐ High cost of buying a house ☐ Can't find a place to live ☐  
The right type of house isn't available ☐ Can't earn enough in Raglan to afford to live here ☐  
Other (please state reason)

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**Demographic information:**

18. **Ethnicity.** Please let us know which ethnic group you identify with **by ticking the box that applies to you.**

Maori ☐ Pasifika ☐ European/Pakeha ☐ Asian ☐ Indian ☐  
Other ☐

19. **Age.** Please let us know what age band you fit into **by ticking the box that applies to you.**

Less than 18 years ☐ 18 – 24 years ☐ 25 – 34 years ☐ 35 – 44 years ☐  
45 – 54 years ☐  
55 – 64 years ☐ 65 – 74 years ☐ 75 – 84 years ☐ 85 years or older ☐

20. **Residency status.** Please **tick the box that applies to you.**

NZ citizen ☐ NZ resident ☐ Residency application in progress ☐  
Visitor less than 1 year ☐ Working visa 1 – 2 years ☐

Thank for completing the questionnaire – your information will contribute to helping solve our housing problems in Raglan and may help other communities like ours understand how to understand their housing problems.

**Please return questionnaire to Raglan Community House (45 Bow St), Raglan Library or Raglan Information Centre by Saturday September 22<sup>nd</sup> 2018.**



## Appendix Three

### **Dimensions of Housing – Habitat for Humanity November, 2018.**

#### **Adequate Shelter**

Adequate food, shelter and clothing are the basis of the hierarchy of human needs.<sup>1</sup> The Universal Declaration of Human Rights affirms access to adequate housing as a vital part of human rights.<sup>2</sup> Housing fulfils the basic human physical need for shelter but also satisfies social requirements. A house provides a centre for an individual and the basis for family life, emerging as an important symbol of social standing and aspirations. Thus the fulfilment of housing needs is a complex process. Where inadequacies exist in housing, they manifest themselves via readily recognisable elements; Statistics New Zealand describes six interrelated dimensions of housing adequacy:

#### **Affordability**

Housing affordability relates to the ability of households to rent or purchase housing in a locality of choice at a reasonable price, the capacity of households to meet ongoing housing costs, and the degree that discretionary income is available to achieve an acceptable standard of living. Affordable housing should leave enough residual income to cover other basic living costs, as well as allowing households to save for irregular but unavoidable costs such as medical and dental care.

#### **Suitability**

Housing suitability relates to the ability of households to access:

- housing that is appropriate to their current needs
- housing that is sufficiently flexible to cater for future requirements and long-term goals
- preferred tenure and dwelling type
- local opportunity (such as employment and education)
- local infrastructure and public amenities.
- Infrastructure includes the components of network utilities (gas, electricity, telecommunications, water supply), transportation (including sea and air ports, roading (bridges, footpaths) and parking space), and solid and liquid waste management (such as water treatment plants, sewer, garbage services and recycling).

#### **Habitability**

Housing habitability relates to:

- the physical condition of the dwelling (structurally, internally and externally)
- the existence of basic household amenities (such as cooking, washing and heating facilities)
- the condition of the environment surrounding the home.
- The essential components of habitability are that the house (and environment where relevant) is healthy to live in, is energy efficient (takes less energy to build and operate), and is resource efficient (uses fewer non-renewable resources and makes efficient use of renewable resources).

## **Tenure Security**

Tenure security is one of the six dimensions of housing adequacy.

Security of tenure offers dwelling occupants the confidence that their tenure is guaranteed for a specified period of time to which they have agreed. Tenure is subject to preference and aspiration. For example not everyone aspires to own their own home and many people are quite content to rent and invest their money in other areas. However the concept of tenure “security” is defined in terms of well-being and independence as opposed to preference and aspiration.

In the model of tenure security below, owning a home without a mortgage is considered the pinnacle of the hierarchy, while chronic homelessness is considered the least desirable tenure situation. While the stages at each extreme of the model are considered absolutes in terms of tenure “security”, the phases between are subject to debate.

### **Model of Tenure Security**

- Dwelling owned without a mortgage
- Dwelling owned with mortgage
- Dwelling provided rent free
- Dwelling rented (state)
- Dwelling rented (private)
- Transitionally and episodically homeless
- Chronically homeless
- Freedom from Crowding Dimension

### **Freedom from crowding**

Crowding in dwellings relates to situations where the number of people residing in a household exceeds the ability of the household to provide adequate shelter and services to its members.

Crowding in dwellings may arise for a number of reasons including cultural preference, social cohesion and accepting high occupant density as a means of containing cost.

There is no contemporary official statistic or index of household crowding in New Zealand. In its legal statutes however, New Zealand does have an official definition of crowding. The Housing Improvement Regulations of 1947 specify an approved number of people per bedroom, taking into account their age, sex and relationship, relative to bedroom size. These regulations provide for a precise measure of what constitutes crowding and can be applied on a case-by-case basis. However census information cannot be used to measure crowding levels on this basis as bedroom size is not collected.

Generally, the simplest measures of crowding based on official statistics involve comparisons between numbers of bedrooms per household and number of people per bedroom. However, it is more useful to apply a crowding index that is sensitive to both household size and composition. There are a number of crowding indexes available that incorporate these concepts, these are useful not only for ascertaining crowding levels but also to identify the extent of bedroom underutilisation.

## **Freedom from discrimination**

To discriminate is to act on the basis of a difference between one person or group from another person or group, to make a distinction unjustly on the grounds of race, colour or sex. (Oxford University Press (1982), "The Concise Oxford Dictionary", Oxford, p.274)

## **REFERENCES**

<sup>1</sup> Abraham Maslow, a noted American psychologist, developed a hierarchy of needs that comprises five levels. Level (1) is physiological, consisting of those things that keep us alive, food, water and shelter. These lower needs must be satisfied before the following higher needs can be achieved: (2) Safety and Security, (3) Belonging and Social, (4) Esteem and Status, (5) Self Realisation.

<sup>2</sup> Article 25. 1. Everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing and medical care and necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his control. Article 17. 1. Everyone has the right to own property alone as well as in association with others. 2. No one shall be arbitrarily deprived of his property.

## **Assisted Home Ownership**

### **Home ownership changes every aspect of a family's life.**

Owning a home is different from renting. With the home purchase comes the pride of ownership, a sense of belonging and most of all stability. Secure housing improves a family's well-being and allows the family to stay in a neighbourhood for as long as they want and become an on-going contributor to their community.

### **For those who otherwise would never have been able to buy their own home**

In New Zealand home ownership numbers are decreasing and the costs for owning a home are going up. For many kiwi families an own home remains out of reach. Through the Assisted Home Ownership programme from Habitat, owning a home becomes a reality.

### **A hand up – not a hand out**

Habitat's Assisted Home Ownership programme is not a give-away programme. Families invest 500 hours of their time to build their own home or those of others. Once their home is completed the family makes affordable regular repayments to Habitat at a no profit basis. Our rent-then-buy model helps families build up a deposit which they can use when seeking independent finance and buy their home from Habitat.

Partner families' monthly payments go into a revolving fund held by Habitat. This fund is reinvested into the community, as it is used to build more homes for families in housing need.

### **Ongoing family support**

The partnership with Habitat doesn't stop when the house is finished. Habitat works with the family from the time of selection and during the repayment period to provide assistance in the move towards home ownership. This covers areas such as home maintenance, monitoring repayments and other assistance as needed.



### **‘Revolving Fund’**

Families invest 500 hours of their time to build their home or that of others alongside Habitat and volunteers. The family makes regular repayments to pay for their home. These payments are reinvested through a revolving fund allowing Habitat to build more homes.



## **A Brush With Kindness**

**Many low income home owners can't pay for their house maintenance, because they can hardly afford their weekly expenses.**

Owning a home can be a costly business. What once was affordable may have become unaffordable over time due to reasons such as unemployment, expanding family or rising costs.

Habitat's home repair programme 'A Brush With Kindness' (ABWK), helps low income families back on track with their home maintenance. For affordable repayments to the home owner, Habitat carries out most urgent home repair projects, such as fixing a leaky roof, painting the outside or renovating a bathroom or kitchen.

ABWK-projects may also involve creating a more suitable place for the occupants when life situations have changed; such as building a wheelchair ramp or installing bathroom aids for less mobile people.

## **Social Rental**

**Having a place to live is a basic need for everyone. For some people this remains out of reach.**

A decent and affordable place to live is a basic need for everyone. Owning a home is not always the most suitable option. Habitat for Humanity provides rental accommodation to low income individuals and families. The rent is based on a tenant's income and subsidised by Habitat for Humanity.

## **More than a landlord**

Just like partner families from our Home Assisted Ownership programme, tenants receive ongoing support from Habitat for Humanity to help them improve their living situation. This may include budgeting courses, but also assistance when there is a social need. We partner with social service agencies to support Habitat families where needed.



## Appendix Four - Comments written on the questionnaire

### **Respondent 10**

A dilemma for us is that we live outside the house in the warm on a single rural property. Will the survey have the flexibility

He papkainga Maori tenei. Kateqa tenei. ? tanga terei Tuahua te tatau,

### **Respondent 26**

We would leave Raglan is a rental was to become unavailable and we could not find another one is not available.

### **Respondent 27**

We used the lounge and study as bedroom in area for the kids the property is owned by a family trust and other family members

### **Respondent 30**

Rates are a big concern plus maintenance on the property for fixed income pensioners

### **Respondent 37**

Income is not enough

### **Respondent 22**

Mortgage finishes in 2021

### **Respondent 25**

We use a barn with a sleep out

### **Respondent 28**

I am concerned about higher rates

### **Respondent 29**

We are going backwards spending retirement funds

### **Respondent 34**

We are thinking of leaving Raglan due to possible retirement and downsizing



**Respondent 39**

I am privileged position owned in my own house with a partner. I have compassion for those who do not. Thank you for doing this project. I would like to see solutions for affordable and social housing in Raglan.

**Respondent 80**

We desperately want to buy but cannot afford to do so at the moment. Never knowing if or when the owners will want their house back is a cause of stress. We might have to leave the do not want to.

**Respondent 74**

A poorly worded question. I can build or buy a house but I have no intention to.

**Respondent 75**

I am retired and have no debt and live on my pension.

**Respondent 74a**

We would like to have a larger house (ours is 70 m<sup>2</sup>) to have children in that we cannot afford one in Raglan.

**Respondent 72**

We feel some mild stress for friends who do not own their own homes

**Respondent 84**

Our house is mortgage free

**Respondent 90**

Thank you for being aware of this issue and initiating a response to it.

**Respondent 92**

I am mortgage free and my own house so I have my total income available other than what I plan to put into savings and a retirement plan plus I need to pay rates and insurance

**Respondent 97**

We might leave Raglan to downsize our house or if we become too old or sick to keep up our home

**Respondent 99**

Our house is part of our farming business so it is hard to work out the cost of housing. We are currently doing OK but not every year.

**Respondent 105**

I am not likely to build a house now. Possibly five years ago.

**Respondent 104**

I am mortgage free

**Respondent 101**

We do not want to leave. The kids are settled in Raglan so we live in whatever is available!

**Respondent 111**

There are changing demographics in the town - the influx of wealthy people related to the cost of housing changes the culture of the community to one I no longer want to live in.

**Respondent 265**

I am building a one bedroom house because it is all I can afford.

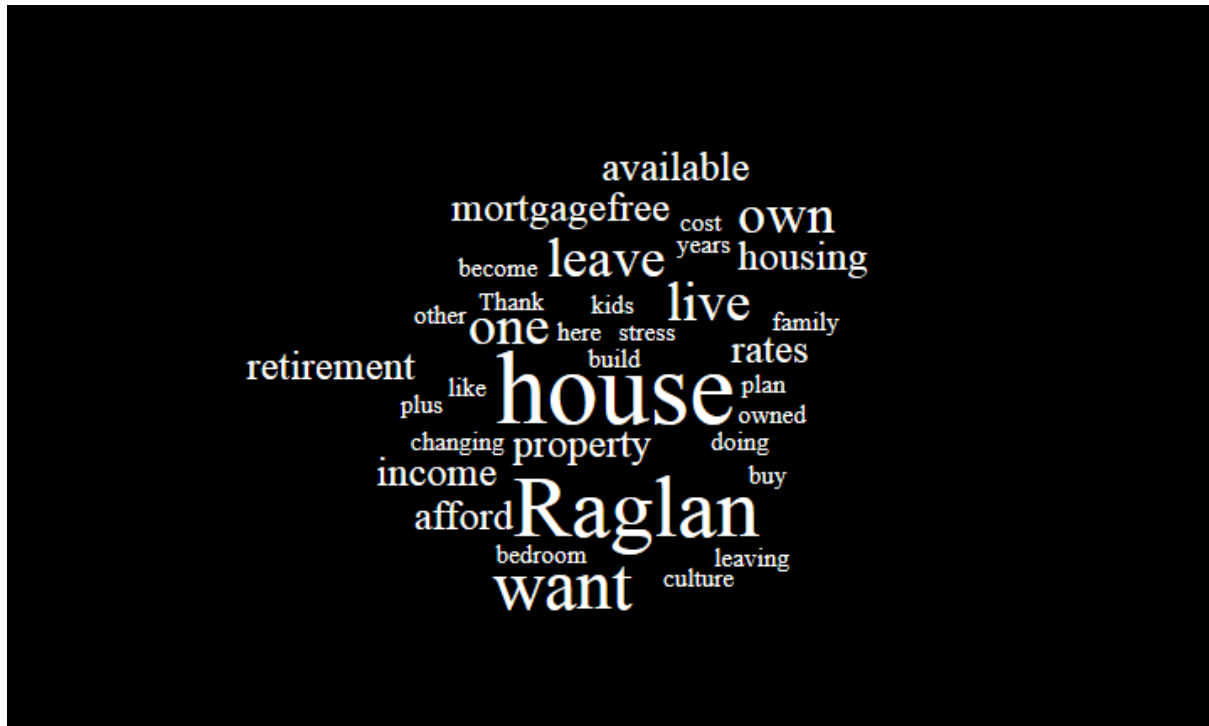
**Respondent 269**

The culture is changing and there are Aucklanders keeping up with the Joneses/ and more non local Maori and are able to be here.

**Respondent 288**

I am not leaving I have lived here 22 years as a resident

## Word cloud



Is based on ranked words, when those words are used more than twice. All single words deleted.