

Finding the Best Fit: Housing Downsizing and Older People in a Changing Society.

House Price Dynamics

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From 'Home' to Financial Asset

Owner-occupation has assumed an important position in housing systems in a number of countries

- “Ontological Security” (?)
- Favoured policy position
- Liberalisation of mortgage markets

Homeownership & Ageing

Consumption of housing services (reduced poverty in old age)
&
financial asset (the potential to extract equity)

Homeownership & Asset based welfare

Issues

Traditional Welfare Systems challenged by expected Ageing Population

Policy makers considering new welfare models

Asset Based Welfare

Citizen as 'actuarial subject' assessing lifetime risks over life-course

(Homeownership as financial asset & Possible pension)

Housing as a pension: A Problematic Narrative

Homeownership- Fragmented and Differentiated

Increased dynamics of liberalised mortgage markets promoting HEW and extending debt into old age

Ageing and Downsizing

“... a decrease in dwelling size (i.e. number of rooms and/or spatial dimensions), and/or garden/yard area and or monetary value”
(Judd et al 2014.p1).

Possible Movements

Property

- Large to small house (+ equity release)

- Large to large house (+ equity release) move to different housing market

Tenure

- HO to HO, HO to Rental or License to occupy

Research

Decision-making process & Financial Scenarios

NZ Issues

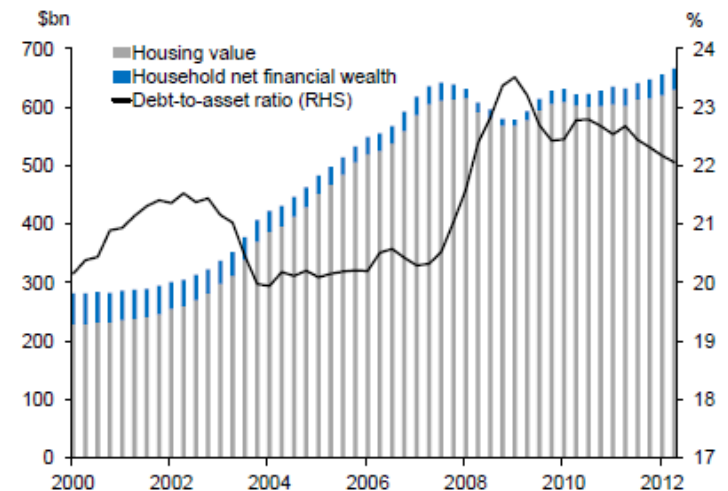
Home Ownership major tenure but declining

1991 = 74%
2006 = 66.9%
2013 = 64.8%

Housing the major component of Household wealth

Figure 3.5

Household wealth and debt-to-asset ratio



Source: RBNZ Household Financial Assets and Liabilities Statistics.

RBNZ (2012) FSR

Releasing Housing Wealth?

House prices and value of housing stock



1990= \$123bn
2000= \$229bn
2010= \$609bn
2013= \$719bn
2014= \$768bn

RBNZ 2015 (http://www.rbnz.govt.nz/statistics/key_graphs/house_prices_values/)



National House Price Appreciation
Spatial Patterns

Regional Housing
Typologies

Submarket Case
Studies

The Geography of House Prices

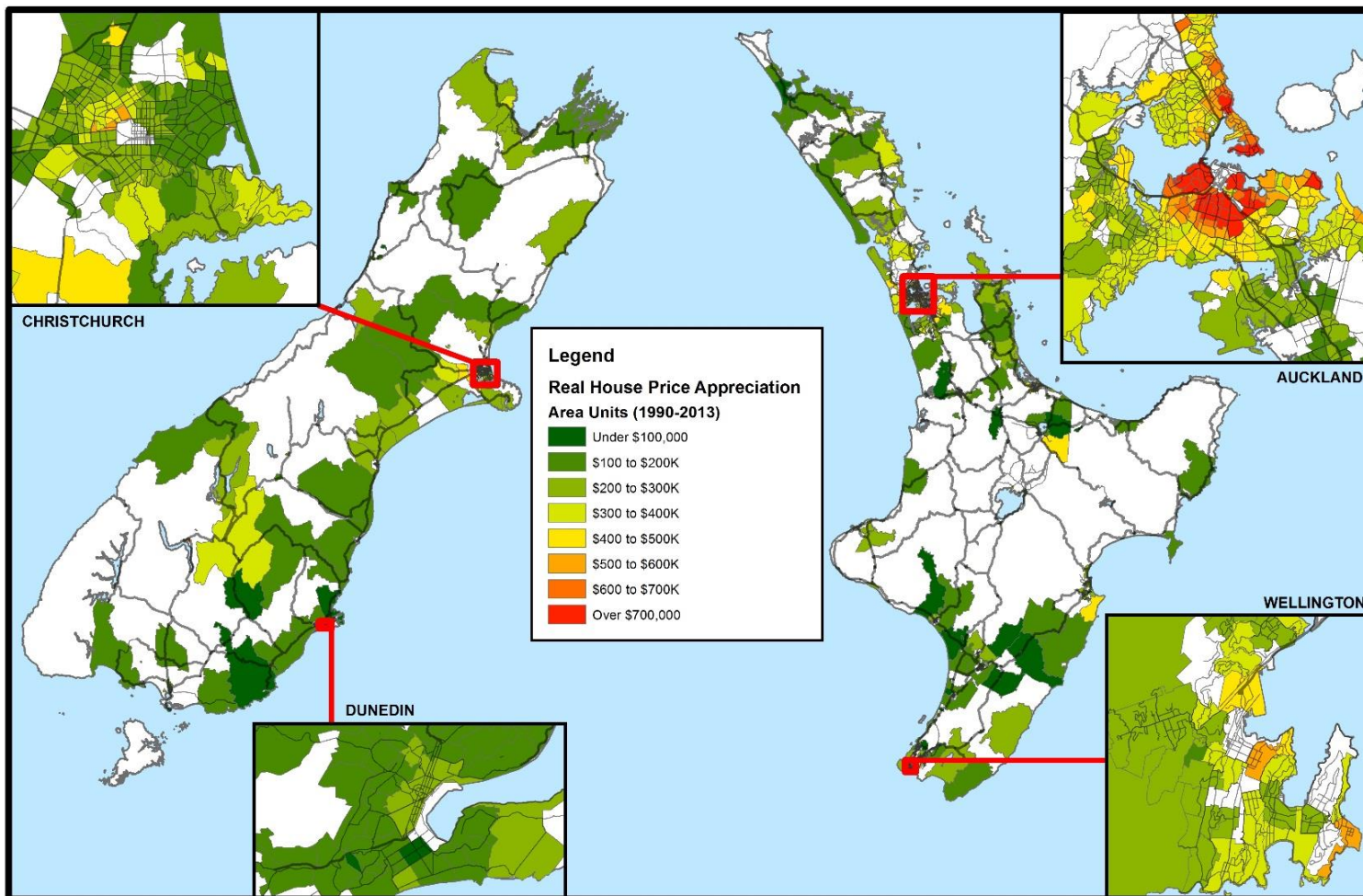
Simple 'First-cut' at mapping price dynamics

Median house price data 1990-2013

Purchase price expressed in 2013 dollars (real gain)

First Cut: Median House Prices

Real House Price Appreciation



Low capital
growth
widespread

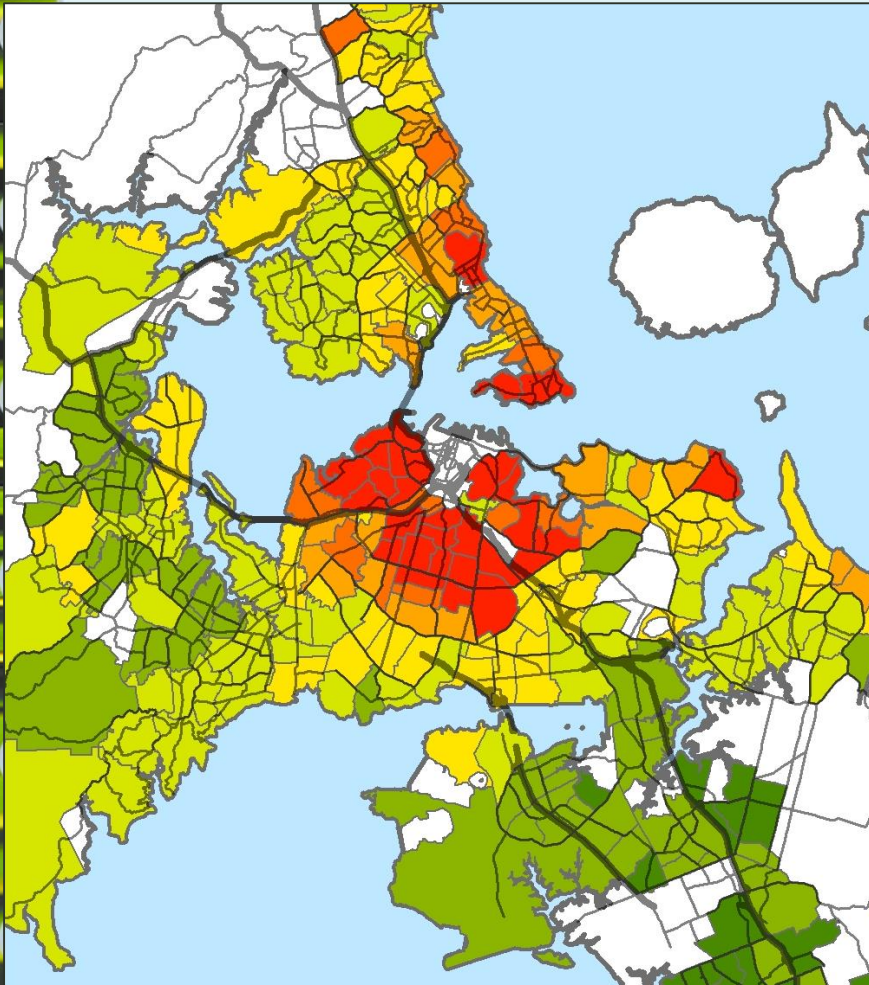
High growth
concentrated
in key
markets

Auckland

**Considerable intra-urban
variation**

Implications:

Variation in
'Equity release'
potential
&
possible
'Downsizing
strategies'



Legend

**Real House Price Appreciation
Area Units (1990-2013)**





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Regional House Price Typologies

Prices graphically depicted to identify patterns

Median house price data 1990-2013

Purchase prices expressed in 2013 dollars (real)

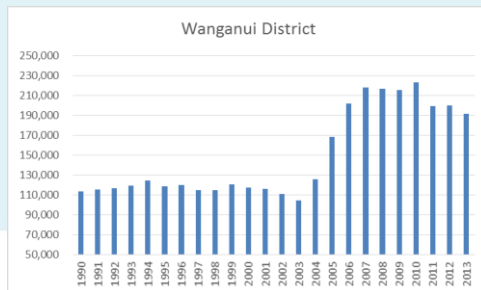
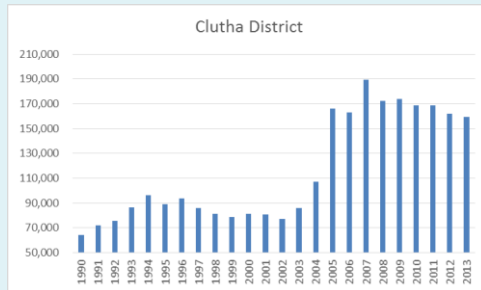
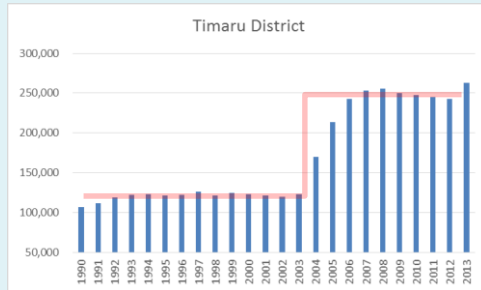


Housing Market Typologies

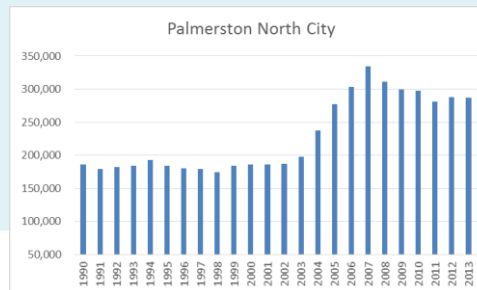
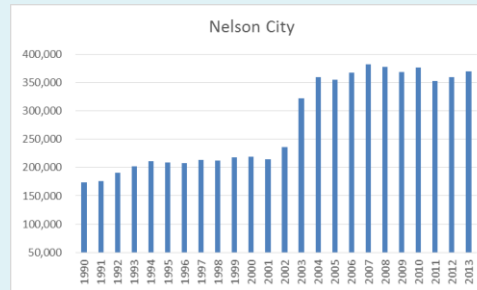
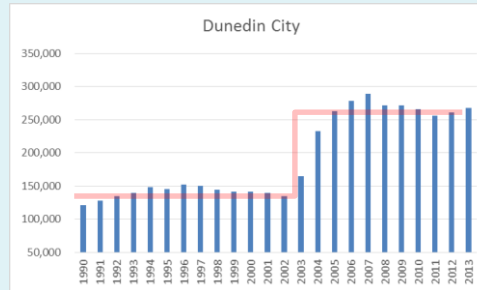
Step-Change

Steady Appreciation

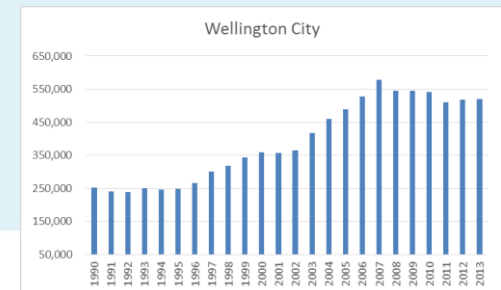
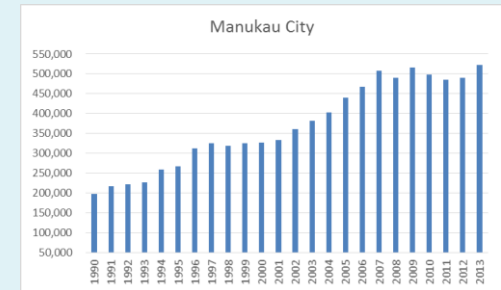
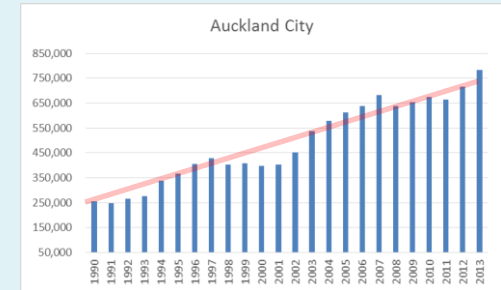
Rural Areas



Small Cities



Large Cities





National House Price Appreciation

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Submarket-level Price Appreciation

Capital gains determined at individual property level

Paired house price data 1997-1999 & 2011-2013

Purchase prices expressed in 2013 dollars (real gain)




1998

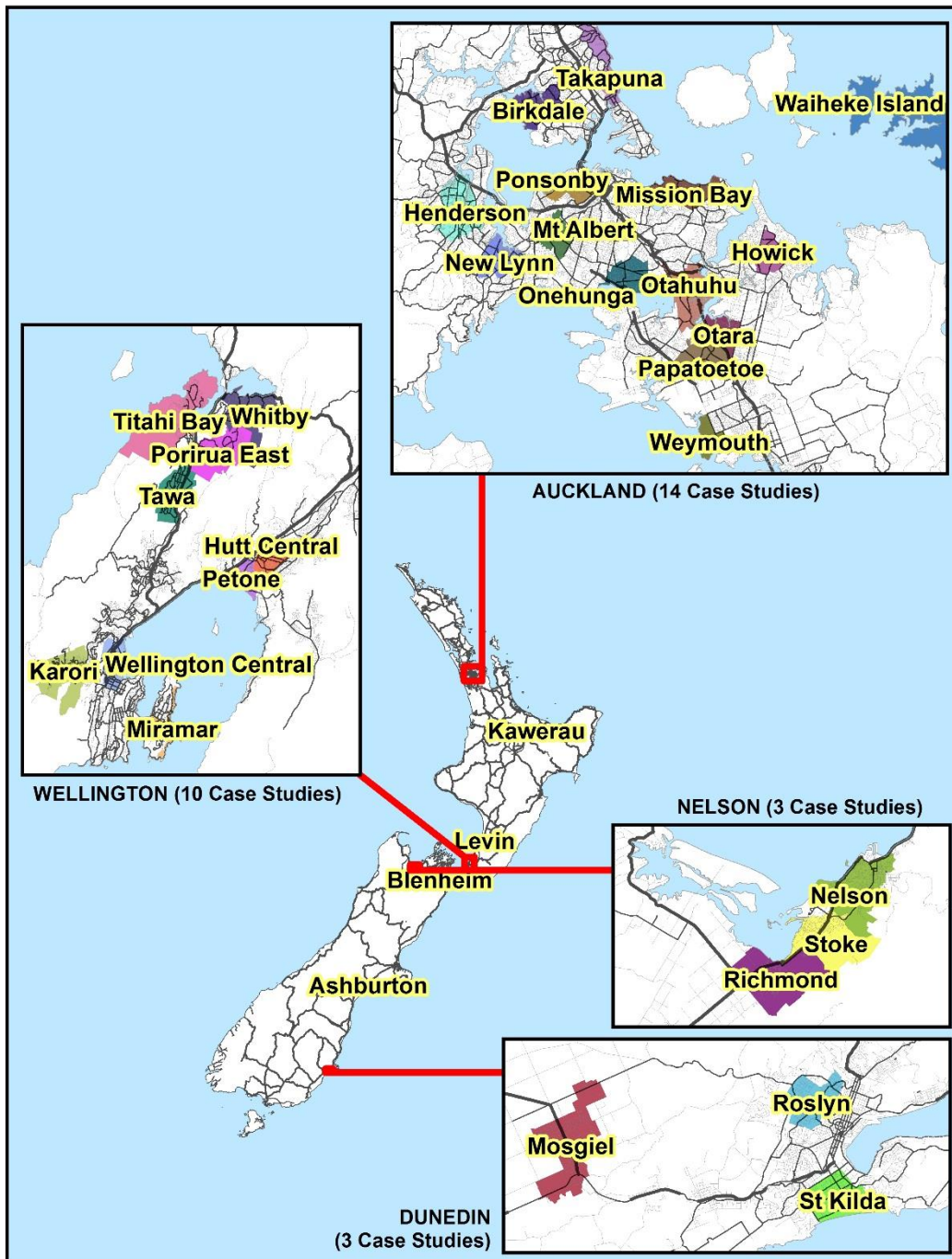
Real
Capital
Gain/Loss



2011

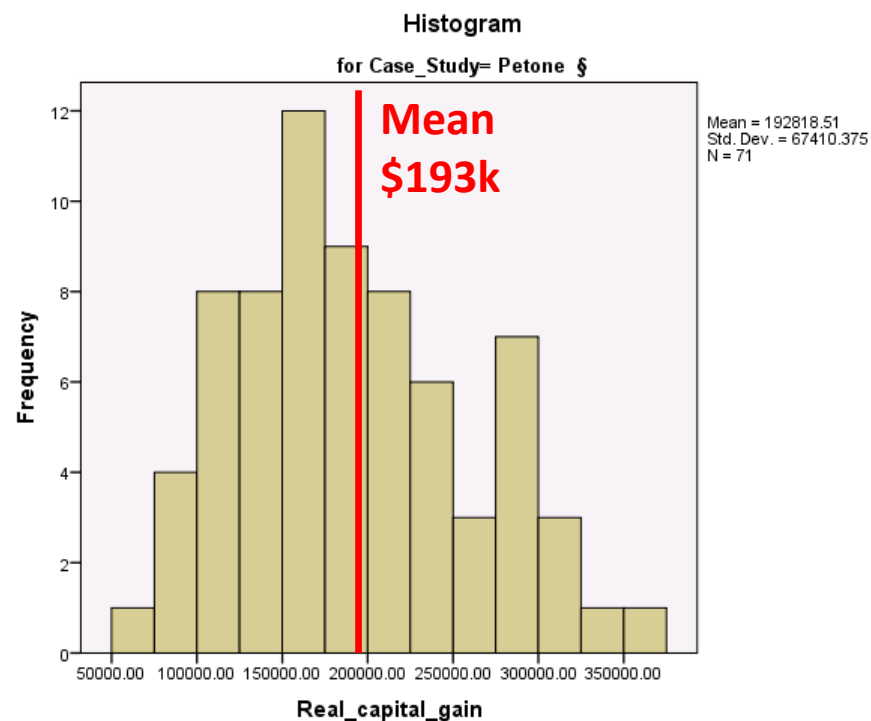
	Address	Floor area	Land area
	Cladding	Condition	Vintage

Submarket case studies identified (33 in total)

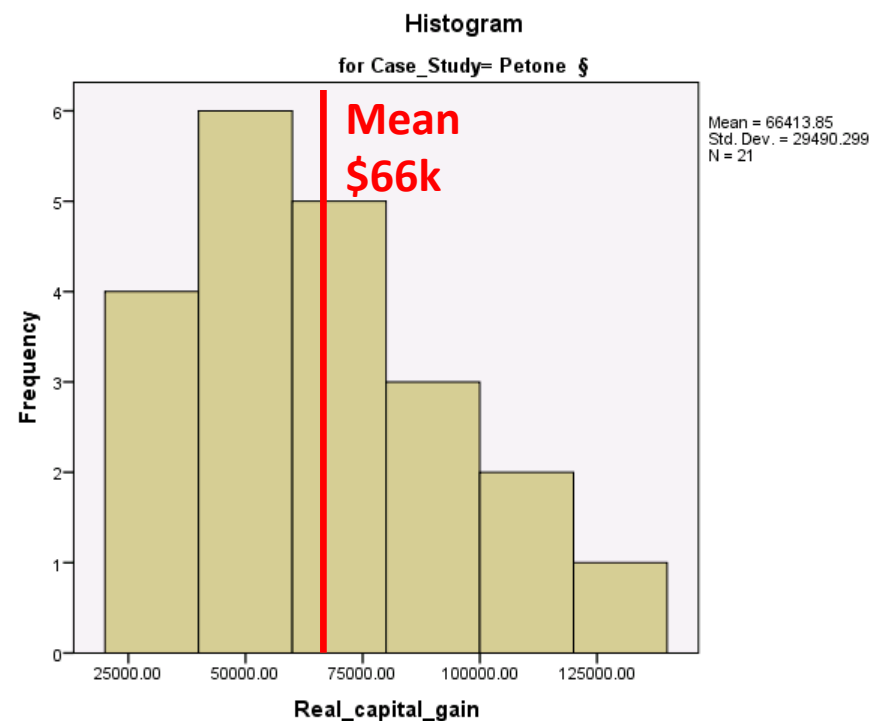


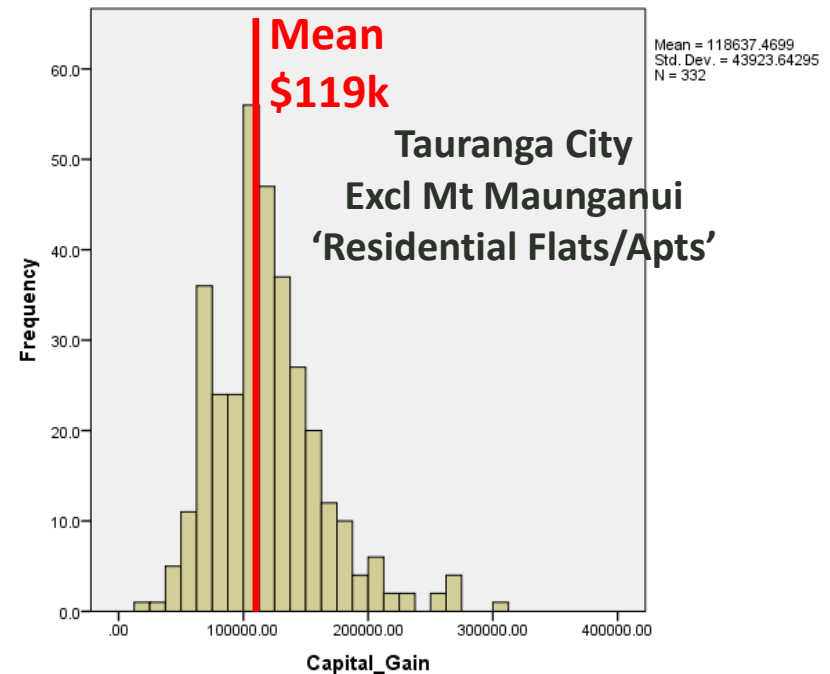
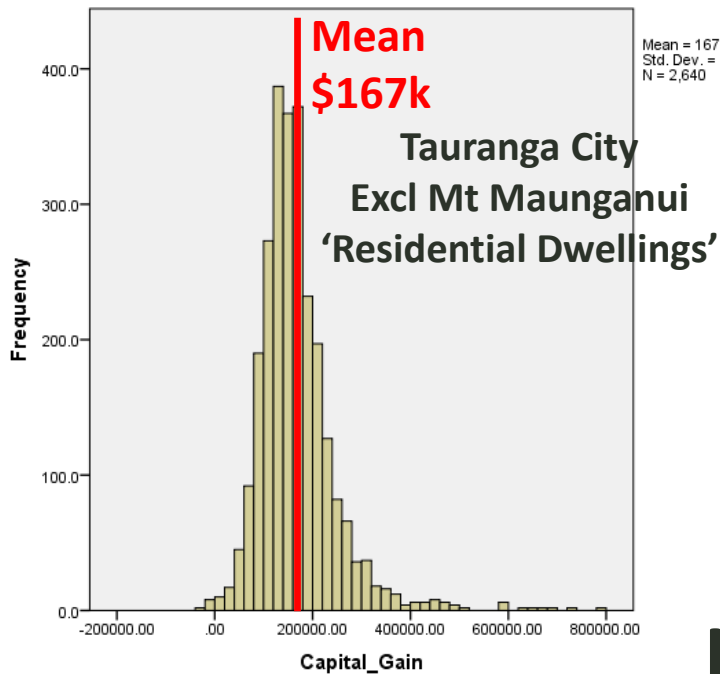
Capital gains experienced by individual properties

Petone
'Residential Dwellings'

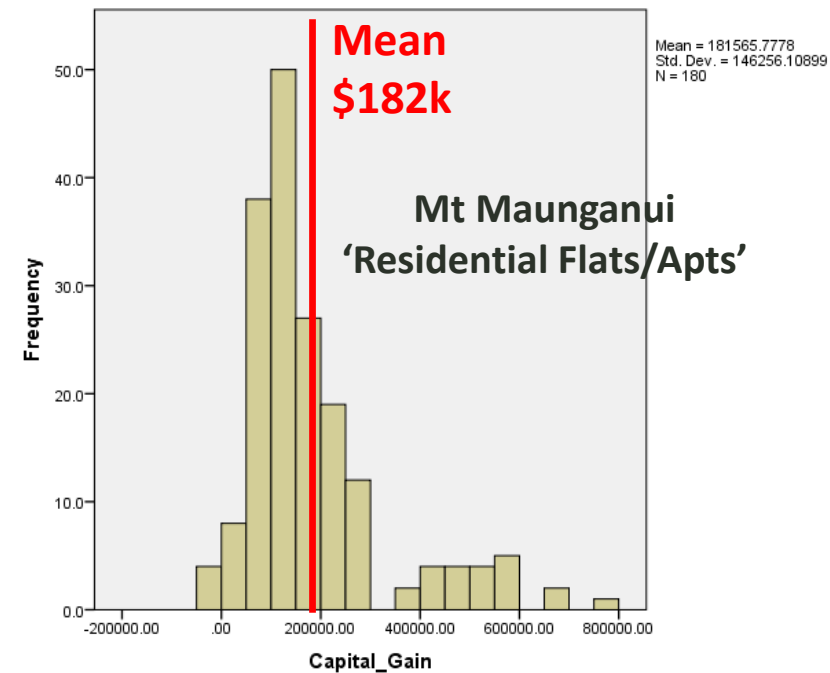
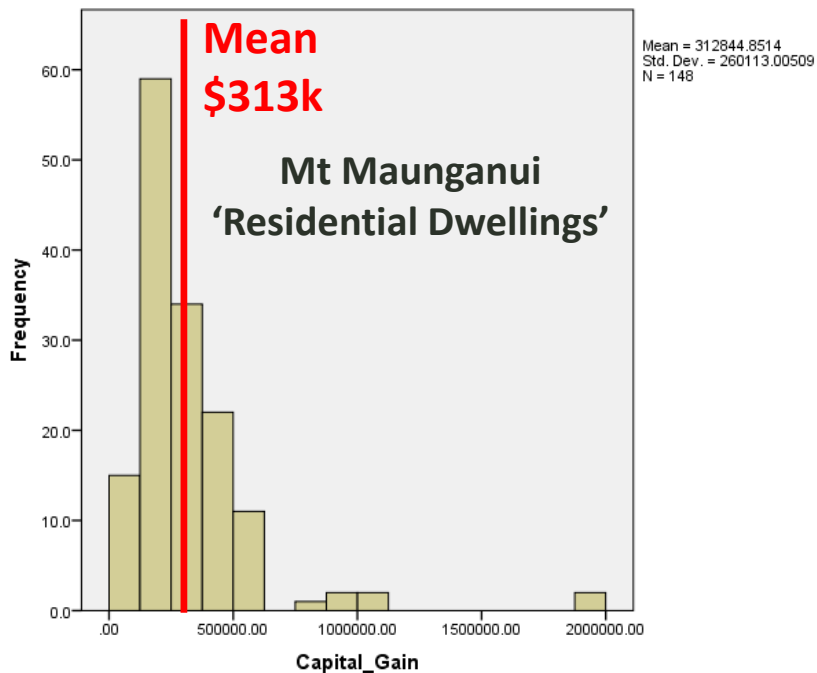


Petone
'Residential Flats/Apts'



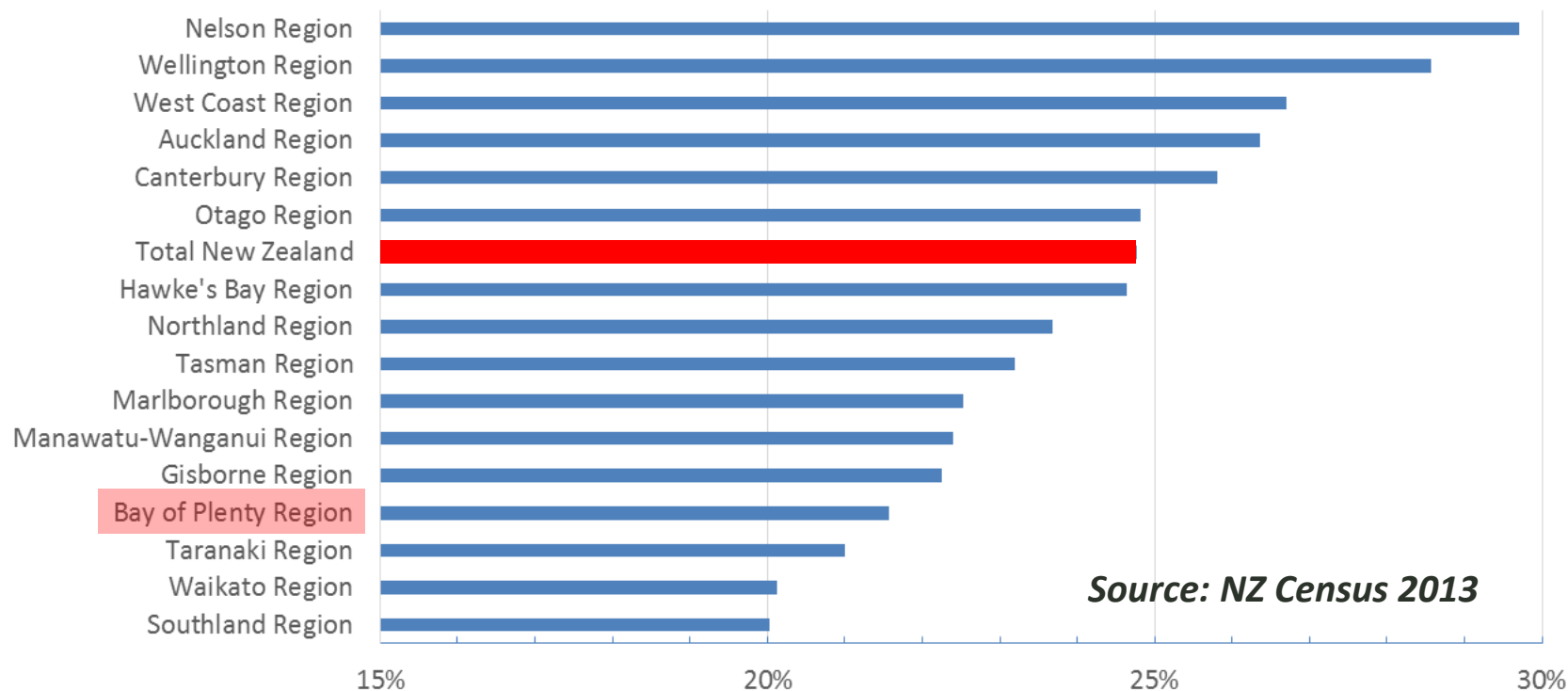


**Some
local data**



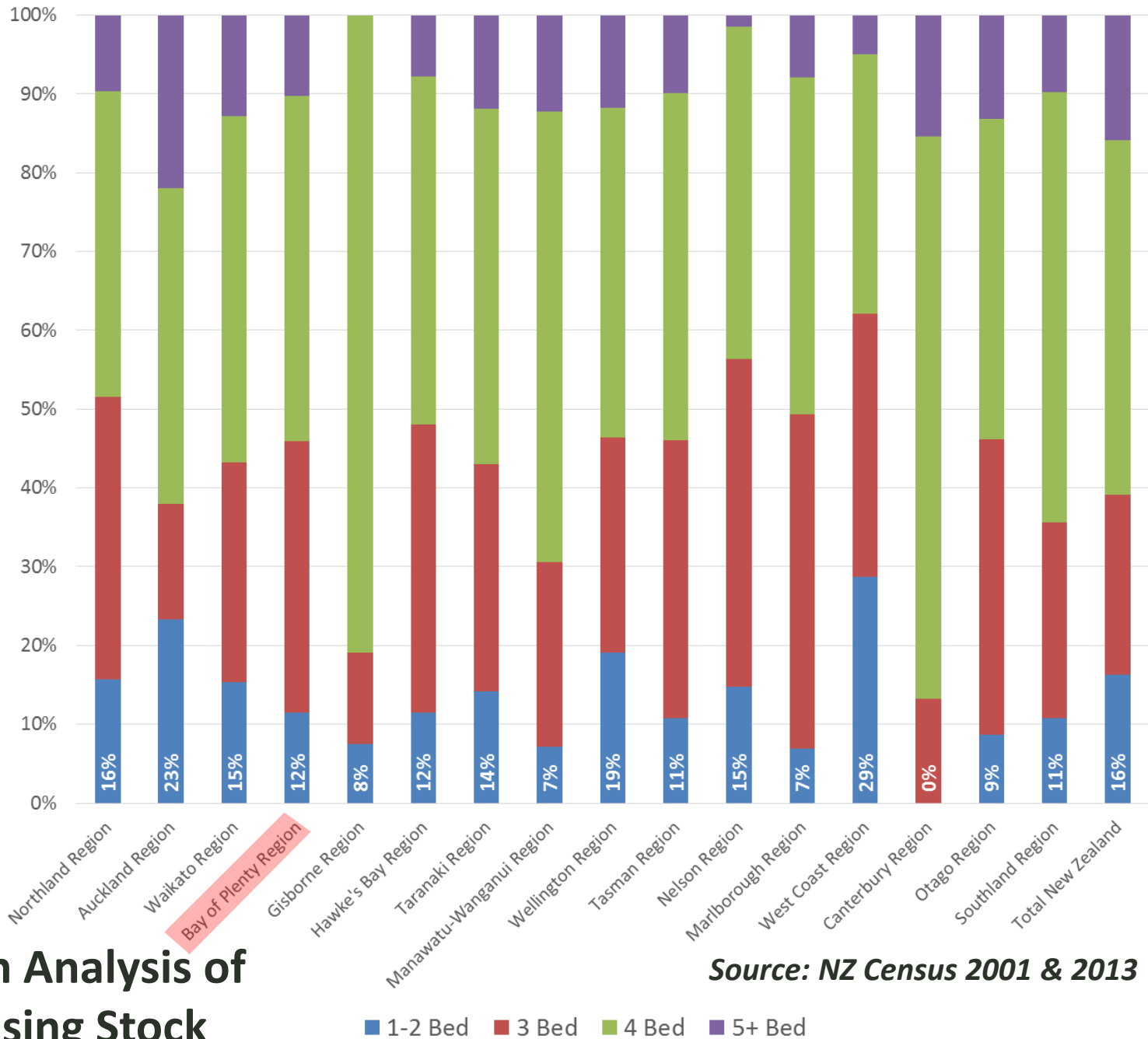
Preliminary Analysis of Housing Stock

Approximate Proportion of 1-2 Bedroom Dwellings in Housing Stock





Approximation of Additional Housing Stock by Bedrooms Since 2001



Prelim Analysis of Housing Stock

Source: NZ Census 2001 & 2013

Conclusions

Emerging Dynamics

- i) in Housing and Welfare Systems (Wealth/Equity Release/Pension processes)
- ii) in opportunities for housing 'downsizing'

House Price dynamics shape individual household's opportunity space

Need to examine the impacts of housing markets (sub-markets) on households' downsizing decisions & opportunities.