



Progress report for the 2009 Review of Housing Statistics: December 2011



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Purpose of progress report

This is the first two-yearly report on progress with implementing recommendations from the 2009 Review of Housing Statistics. It informs the Government Statistician, housing-sector chief executives, and others with an interest in housing statistics, about progress with implementing the review's recommendations, and highlights any issues that have come to light since the review was published.

Overview of progress

Since the report from the Review of Housing Statistics was published in 2009, two of the 12 recommendations have been fully completed. They are:

- 3. Determinants of tenure and location choices by young people
- 5. Sharing costs and access for Quotable Value data

Steady progress is being made on several of the other recommendations, with some nearing completion. However, three of the more complex recommendations (1. Sources of information on the demand for housing, 6. Information about land available for residential housing, and 11. Information on the physical quality of the national housing stock) require more work to determine the best way forward.

Background information

What is the review of housing statistics?

The objectives of the 2009 Review of Housing Statistics were to:

- develop a long-term picture of information needs, rather than react to short-term issues
- develop a coordinated plan to address issues, rather than tackle them on a piecemeal basis
- work with other agencies to agree on overarching priorities, rather than take a single agency view.

The previous review of housing statistics was undertaken in 1979. Since then, there have been important shifts in focus, which are reflected in the demand for statistics in this domain. For example, there is now a greater focus on the physical condition, habitability, environment, and sustainability aspects of housing. Affordability and the economic impacts of housing on inflation are also of increased interest.

As a result of these shifts in focus, some of the gaps and deficiencies in official housing statistics identified by the previous review remain today, while others are no longer relevant.

The 12 recommendations identified in the 2009 review aim to improve the quality of existing statistics, explore options for filling information gaps, develop new statistics, and reinforce initiatives that are already underway. The recommendations were grouped into six enduring research and policy topics.

Housing demand – what are the key factors driving housing demand in New Zealand and how are they changing?

Housing supply – what are the characteristics of the existing (and emerging) stock of housing? How is the housing stock changing and what factors affect housing supply in New Zealand?

Housing affordability – do people living in New Zealand have access to affordable housing?

Housing habitability – what is the physical condition of New Zealand dwellings and how do these conditions affect people's health and lives? How many people live in housing where physical problems exist? How many do not have access to basic household amenities such as cooking, washing, and heating? How do sustainable and energy-efficient improvements affect the habitability of New Zealand dwellings?

Housing suitability – how many people live in housing unsuitable for their needs? How do people access housing that is suitable for their needs? How does crowded housing affect health and education?

Tenure security – how does the nature of tenure (home ownership or rental) affect security? What is the value of secure housing tenure?

Why is the review important?

Housing statistics play an important role in New Zealand society and the economy. They:

- support operational and strategic decision making that enables the delivery of effective and efficient housing services
- provide an understanding of the wider social, economic, health, and environmental outcomes associated with housing
- support the development of appropriate housing policy and legislation
- provide information on the quality of buildings and the built environment so the national housing stock can be monitored and evaluated.
- contribute to evaluating and understanding the way housing-related interventions affect the environment, energy use, social cohesion, and health
- allow the housing supply and demand to be monitored, and housing trends and issues to be understood
- show how much of society's resources support the production and consumption of housing, and the contribution the housing sector makes to the macro-economy.

Statistical reviews are an important aspect of Statistics New Zealand's role in leading, strengthening, and coordinating the development and ongoing integrity of the Official Statistics System. The review of housing statistics has reinforced this leadership role by promoting shared responsibility, the cooperation of other agencies, and by developing a coordinated plan to address issues.

How will progress be monitored?

In February 2010 the Review of Housing Statistics Implementation Steering Group began meeting. The group is chaired by Statistics NZ and includes representatives from the Department of Building and Housing, and Housing New Zealand Corporation. A key deliverable for this group is to provide two-yearly progress reports to the Government Statistician and housing-sector chief executives. The reports will:

- summarise progress on each recommendation
- note significant issues for housing-sector agencies arising from implementing the 2009 Review of Housing Statistics
- note the impact of significant housing sector changes on the recommendations contained in the 2009 review.

Issues arising from implementing recommendations

Since the Review of Housing Statistics was published in November 2009, there have been important changes in the responsibilities and structures of the two key housing agencies – the Department of Building and Housing, and Housing Corporation New Zealand Ltd. From 1 July 2011, Housing New Zealand Corporation has a tighter focus around its core function of managing state houses and tenancies for those in greatest need. Meanwhile, the Department of Building and Housing has expanded its focus, to cover the social aspects of housing as well as the built environment.

In addition, the Centre for Housing Research Aotearoa New Zealand (CHRANZ) no longer exists. The centre had been responsible for providing housing research funding, and attracting co-funding, to support housing research focused on the New Zealand housing system and linking housing to social, cultural, economic, and environmental outcomes.

As a result of these changes in focus and responsibilities, the agencies responsible for implementing recommendations from the 2009 Review of Housing Statistics have also changed. The Department of Building and Housing has taken over primary responsibility for implementing all recommendations formerly led by Housing New Zealand Corporation.

There have also been changes in responsibility for the Department of Building and Housing in response to the Christchurch earthquakes in 2010 and 2011. The department is playing a key role in the Christchurch recovery by leading the assessment of critical buildings in the central city and organising house inspections in the worst-hit suburbs. The department is also leading the supply of short, medium, and long-term temporary housing for those in need.

These developments have affected progress with implementing recommendations from the 2009 Review of Housing Statistics.

Summary of progress

Topic 1: Housing demand

Information is needed on the non-demographic factors driving the demand for housing, including first-time homebuyers, holiday homebuyers, and property investors (including New Zealand and foreign property investors).

Ref #	Recommendation	Current and completed activities
1	<p>The Department of Building and Housing and Housing New Zealand Corporation should undertake research into potential data sources (including administrative data) that will help to inform the demand for housing from:</p> <ul style="list-style-type: none"> • first-time homebuyers • holiday homebuyers • property investors (including New Zealand and foreign property investors). 	<p>Work on exploring possible data sources is progressing as resourcing allows.</p> <p>The proposed Net Worth Survey (2013/14) should help to partly inform this recommendation (eg holiday homes and property investors).</p>
2	<p>The Department of Building and Housing and Housing New Zealand Corporation should analyse and publish tenancy bond data on the characteristics and distribution of private landlords.</p>	<p>This recommendation is progressing in association with recommendation 9 (rental availability).</p>
3	<p>The Centre for Housing Research, Aotearoa New Zealand (CHRANZ) should undertake qualitative research into the determinants of tenure and location choices by people aged 20–40 years living in households in the Auckland metropolitan area.</p>	<p>This recommendation is completed. CHRANZ published The determinants of tenure and location choices of 20-40 year old households in the Auckland region in August 2010.</p>

Topic 2: Housing supply

New Zealand needs an official house price index that measures the rate of change in the prices of the stock of houses and land.

Ref #	Recommendation	Current and completed activities
4	Recommendation 4: Statistics NZ, with input from Quotable Value/PropertyIQ, the Treasury, the Reserve Bank, the Department of Building and Housing, and Housing New Zealand Corporation, should lead an investigation into different methodologies and data sources for quality adjusted house and land price indexes, with a view to confirming or upgrading existing measures, or developing new measures.	Work is progressing on assessing PropertyIQ's Sales Price Appraisal Ratio (SPAR) methodology for their house-price index. This involves developing and refining hedonic indexes as a benchmark against which to assess the SPAR index's performance. Statistics NZ and PropertyIQ are meeting regularly to discuss progress and exchange ideas for useful investigations.
5	Quotable Value/PropertyIQ should consider addressing sharing costs and access arrangements among government agencies, where a dataset is required across multiple government agencies, and should consider the possibility of making some public good statistics available free of charge on their website.	Recommendation 5 is complete – QV/Property IQ no longer publishes a quarterly hard copy report – results are available on their website. The QV House Price Index is available back to 1987. QV has indicated it is open to discussing cost sharing arrangements with agencies on a case-by-case basis.

There is a need to develop data sources on the supply of land for housing (including serviced and unserviced lots).

Ref #	Recommendation	Current and completed activities
6	The Department of Building and Housing should investigate potential sources of information about land available for residential housing (including serviced and unserviced lots).	Progress is underway with a scan of existing data sources. Further progress depends on developments with the Auckland super-city, and the Christchurch earthquake recovery work.

Improved information is needed on housing additions and demolitions.

Ref #	Recommendation	Current and completed activities
7	The Department of Building and Housing (DBH) and Statistics NZ should work with territorial authorities to improve the quality of official statistics available from the building consent form.	There are several strands of work to this recommendation. The first is a review of the building classification, which is underway. Other strands include Statistics NZ moving building consents production to a standard IT platform, and DBH investigating possibilities for standardising the building consents form and for online consents. DBH is currently scoping this work.

There is a lack of information on the size, structure, and productivity of the residential construction industry (and the many organisations and services that are part of it).

Ref #	Recommendation	Current and completed activities
8	The Department of Building and Housing, as part of its Sector Productivity Taskforce work, should develop proposals to both measure and improve the productivity of the residential construction industry.	This recommendation is progressing through the Building and Construction Productivity Partnership Research Committee, which is chaired by the Department of Building and Housing. The committee is shortly expected to agree on a set of key indicators of productivity measurement in the building sector.

There is a need for more information on the level of availability of private rental units at a regional level.

Ref #	Recommendation	Current and completed activities
9	Housing New Zealand Corporation and the Department of Building and Housing (DBH), with input from Statistics NZ, should investigate potential data sources that could provide a regular estimate of private rental availability at a regional level.	<p>This recommendation is progressing alongside recommendation 2 (characteristics of landlords). DBH is now responsible for progressing this recommendation and has produced trial estimates using tenancy bond data. A methodological report has also been produced.</p> <p>In addition, HNZC are developing a housing model with a particular focus on supply and demand for social housing. There may be future potential to expand this model beyond social housing.</p>

Topic 3: Housing affordability

There is a need for investigation of affordability measures.

Ref #	Recommendation	Current and completed activities
10	<p>Statistics NZ, with input from the Department of Building and Housing, Housing New Zealand Corporation, and the Ministry of Social Development, should investigate the feasibility of developing a suite of affordability measures that will cover the ability of:</p> <ul style="list-style-type: none"> • households to meet the cost of buying their first home • home-owners to meet ongoing housing costs • renters to meet housing costs. 	<p>A report looking at different affordability measures is being drafted. Statistics NZ has determined it can best add value by producing regular and methodologically transparent measures of affordability.</p> <p>Also of note: the Productivity Commission is investigating housing affordability as one of its first inquiries. See Housing affordability draft report on the commission's website (www.productivity.govt.nz).</p>

At a national level, there is little information available on the physical attributes of the housing stock, including facilities such as baths and toilets, materials of roof/floor/walls, whether the dwelling is insulated or not, and state of repair of the dwelling (ie quality of the dwelling).

Ref #	Recommendation	Current and completed activities
11	<p>The Department of Building and Housing, the Building and Research Association of New Zealand (BRANZ), and Statistics NZ should work together to investigate improvements to existing data sources (survey or administrative) on the physical quality of the national housing stock.</p>	<p>Implementing this recommendation will not be straightforward. Some scoping work is needed to determine the best way to achieve this recommendation.</p> <p>Currently, BRANZ's five-yearly House Conditions Survey helps to inform the topic of housing quality in New Zealand. However, the survey has a very small sample size, and BRANZ has struggled to attract co-funding to improve the survey. However, in 2010 (the latest available), BRANZ received funding assistance from DBH that enabled it to expand the coverage of the survey to include rental and non-urban properties. The results were released early in 2011.</p>

Topic 5: Housing suitability

There is a lack of information on the numbers and characteristics of households living in dwellings that do not meet their needs (including the homeless), and the barriers that prevent these households from accessing suitable housing.

Ref #	Recommendation	Current and completed activities
12	<p>The following agencies should continue housing suitability research related to the following specific areas:</p> <ul style="list-style-type: none"> • Statistics NZ – measures and statistics on crowding • University of Otago Wellington (UOW), and Housing New Zealand Corporation (HNZC), with input from Statistics NZ – enumerating the homeless. 	<p>Part 1 (crowding) – Finding the crowding index that works best for New Zealand, a research report on different measures of crowding has been published on the Statistics NZ website. Several shorter thematic reports are about to be published.</p> <p>Part 2 (homelessness) – there are several strands to this research. Both UOW and HNZC investigated collecting administrative data on homelessness from agencies that provide services for homeless people. They found that few agencies kept good records, and trying to collect meaningful information was harder than anticipated. Another strand to this research, which involves exploring census data, is nearing completion.</p>

Topic 6: Tenure security

Statistical information is needed to monitor changes in tenure status among different groups in the population, including Māori people's housing experiences compared with those of the total population, and the reasons for changes in tenure status.

CHRANZ produced several thematic reports on tenure in general, and tenure for particular population groups.

- Housing Tenure Aspirations and Attainment (2005)
- Māori Housing Experiences (2006)
- Housing and Disability (2007)
- Children and Young People's Housing Experiences (2007)
- Pacific Island Housing Experiences (2007)
- 2006 Census and Housing in New Zealand (2007)

Apart from focused studies, the population census provides the best source of data about trends in tenure for population subgroups. Consequently, no further reports are likely to be produced before the next census in 2013. However, with the demise of CHRANZ, it is no longer clear where such research might come from.

Future progress reports

The next progress report for the 2009 Review of Housing Statistics is due in November 2013.

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