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Home Ownership - An Increasingly Elusive Goal

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Abstract:

Over the last 15 years the rate of home ownership in New Zealand has declined from 73% to 67%. The reasons for this decline are not clear because there has been a lack of up-to-date research focusing on the determinants of housing tenure choice. This paper reports on a comprehensive survey of private sector renters carried out by the author in 2002. Respondents were asked to identify perceived impediments to ownership and then rank these in order of importance. Analysis of the completed questionnaires showed that financial considerations were the main reason for renters not switching to home ownership. Difficulties in saving for a deposit on a house and the need to pay off existing debt were the main financial reasons cited by respondents. Lack of job security and the conflict between work and raising a family were also reported as being important reasons for people continuing to rent. The survey showed that 60% of renters aspire to ownership within the next 10 years and of these half expect to own within 3 years. Renters most likely to switch to ownership came from the higher income groups and younger people up to age 39.

Introduction

When faced with the decision of whether to rent or buy housing most New Zealanders select the ownership option. According to Christiansen (1991), in 1986 New Zealand had possibly the highest rate of ownership in the world (73.7%). Statistics New Zealand (1998) figures from the 1996 census showed home ownership at 70.5%. Final results from the 2001 census show the ownership rate at 67%, a level last seen in 1956. Clearly renting has become the preferred option for an increasing number of households.

A search of various government websites and the release of EU ownership statistics by Haffner & Dol (2000) shows New Zealand has slipped down the international rankings and is now only just in the top ten. Singapore (90%) is the leader in owner occupied housing, followed by Taiwan (85%), Spain (80%) and Ireland (79%). While, New Zealand has been slowly going backwards in the home ownership stakes, a number of other countries have been making rapid progress in increasing the percentage of home owners. This raises a number of interesting research questions and is what prompted this project.

A variety of reasons have been suggested for the decline in home ownership in New Zealand. Some of these reasons are unique to New Zealanders while others are common across most western countries. They include labour market and societal changes as well as financial considerations. For example the corporate down sizing and global competition identified by Knight & Eakin (1997) has resulted in shorter employment contracts and reduced job security. Research by Green and Hendershott (1999) showed renters are more flexible than owners in being able to move quickly to take advantage of new job opportunities, although according to Fisher (2002) there is some debate about generalising this finding. Societal changes favouring renting relate to the tendency of families to form later and delay marriage and having children.

Researchers such as Goodman (1988) (2002), Bourassa (1995)(2000) and Kan (2000) have developed theoretical tenure choice models using a variety of variables and modelling techniques. Income variability is normally one of the key drivers in these models. According to Hargreaves (2002) the most important financial variables influencing the rent versus buy decisions are thought to be duration of ownership, house price appreciation and affordability. In New Zealand student debt repayment is also likely to be a consideration for first homeowners when both saving for a deposit and servicing a mortgage.

Research Objective

While many reasons have been put forward for the decline in home ownership rates, there is a lack of up-to-date research focusing on the determinants of housing tenure choice in New Zealand.

The first objective of this project was to survey a comprehensive sample of renter households by mail questionnaire and obtain information from them regarding tenure choice. Respondents were asked to identify perceived impediments to ownership (if any) and rank these in order of importance. The mail questionnaire was to be followed up by phone interviews with a selected group of respondents so that some of the key issues could be explored in greater depth.

The second objective of the research was to relate the findings from the questionnaire to data from Census 2001, which shows demographic, household tenure and household income data down to an area unit (neighbourhood) level.

Methodology

The random sample of 2,000 renter households was drawn from the Ministry of Housing Tenancy Bond Centre (2002) data base of private sector renters. If a landlord takes a bond from a tenant there is a legal requirement under the Residential Tenancies Act for the bond money to be lodged with the Ministry of Housing. Since it makes good business sense to take a bond the Tenancy Bond Centre data base is very comprehensive and records over 100,000 new tenancies per year. The random sample provided coverage of the main cities as shown in Table 1.

Table 1:

	Population	Percent	sample size
North Shore	184,821	11.6	231
Waitakere	168,750	10.6	211
Auckland	367,734	23.0	460
Manukau	283,200	17.7	354
Wellington	163,824	10.2	205
Christchurch	316,227	19.8	396
Dunedin	114,342	7.2	143
Total	1,598,898	100	2000

The questionnaire and covering letter were reviewed by members of the property studies group at Massey and agreed to by the Ministry of Housing who also arranged for the mail out. To protect the privacy of the individuals being surveyed the mail out was done through a third party. This meant the researcher had no idea who received the questionnaires unless respondents choose to identify themselves.

The questionnaire is included in this paper in Appendix 1. It was in a semi-structured format listing the most obvious variables under the main headings, Lifestyle, Career and Financial. Respondents were given room to add variables. They were then asked to rank the variables under each main heading and also rank the main headings. Since tenure choice was thought to be a function of age, income, family size, location and stage in the family cycle, respondents were asked to supply these details within broad categories. Questionnaires were mailed to the head of the household. For analysis of the questionnaires the author utilised the SPSS computer package as described by Norusis (1996).

Data Collection

Of the 2000 questionnaires that were mailed out a total of 360 usable responses had been received by June 14, 2002, representing an 18% response rate. Approximately 20 questionnaires were returned either due to a wrong address or because the tenant had moved without providing a forwarding address. No doubt the response rate would have been improved if a reminder letter had been sent out. However, there were some logistical problems with the timing of a reminder letter, due to the complex way the mailings had to be done, and in the end a reminder was not sent out.

Questionnaire Results

The descriptive statistics for the first 16 questions are shown in Appendix 2. This part of the questionnaire used a Likert scale and respondents were asked to agree or disagree with a statement on a 1-5 scale where 1 represented strong agreement, 5 strong disagreement and 3 a neutral position of neither agreeing or disagreeing.

Section 1

Q1. Buying a house is a priority for me/us. There was quite strong agreement with this statement in question 1 that buying a house was a priority. 45% of respondents agreed, 25% were neutral and the rest disagreed to some extent. The timing of when the respondents might be able to buy was covered later in the survey at question 21.

Q2. Paying rent is money down the drain when I/we could be paying off a mortgage. The majority of respondents (60%) agreed with this statement. Clearly, renting was not the preferred option for most respondents.

Q3. I/we don't want to be tied down by owning a house. Only 21% of respondents agreed with this statement, 18% were neutral and 61% disagreed.

Q4. I/we would rather spend time on recreational activities than maintaining a house. There was little support for this statement. Only 23% of respondents agreed, 24% were neutral and 53% disagreed.

Q5. Renting provides me/us with more money to spend on myself/ourselves. There was general disagreement here as 57% disagreed, 21% were neutral and the balance (22%) agreed.

Q6. I/we do not have sufficient job security to commit to buying a house. Lack of job security is clearly an important issue with 51% of respondents agreeing with the statement, 14% being neutral and 35% disagreeing.

Q7. It is not worth buying a house because I/we change addresses so often. In this case 83% of respondents disagreed with the statement, 8% were neutral and only 9% agreed.

Q8. I/we have accommodation provided as part of our employment package. Only 2% of respondents had accommodation provided as part of their employment package.

Q9. I/we now have sufficient income and other assets to save the necessary money for a deposit to purchase a house. The deposit barrier is clearly an issue here with 59% of respondents disagreeing, 9% neutral and 32% agreeing.

Q10. I/we now have sufficient income to be confident of securing a mortgage to assist with the purchase of a house.

The responses to question 10 were similar to question 9 since servicing a mortgage is a barrier to ownership. Only 26% of respondents thought they could manage mortgage payments, 11% were neutral and 63% had insufficient debt servicing capacity.

Q11. If I/we bought a house now I/we would be a cash buyer and not require a mortgage.

As might be expected from the answers to questions 9 and 10 very few respondents were likely to be cash buyers. Overall 86% of respondents disagreed with the statement and only 10% agreed.

Q12. I/we are unlikely to buy a house until existing debts are repaid. Existing debt is clearly an impediment to ownership since it is hard to save for a house whilst repaying car loans etc. 52% of respondents agreed that existing debt was an issue, 16% were neutral and 32% disagreed.

Q13. Student debt is the largest component of my/our existing debt. Although there has been a lot of media attention devoted to the growing problem of student debt it turns out that people with student debt are only a small proportion of the total number of private sector renters. Only 20% agreed with the statement, 5% were neutral and 75% disagreed.

Q14. I/we can afford to buy a house now but choose not to because there are better returns to be made elsewhere. There was strong disagreement with this statement (74%), 11% were neutral and 14% agreed. This response was not surprising given most people had difficulty saving for a deposit and were unlikely to be investing in the financial markets.

Q15. My/our income level and ability to service a mortgage is likely to increase substantially within the next 3 years. There was appreciable agreement with this statement with 37% agreeing, 21% neutral and 42% disagreeing. The main driver here is likely to be the number of people working in the household.

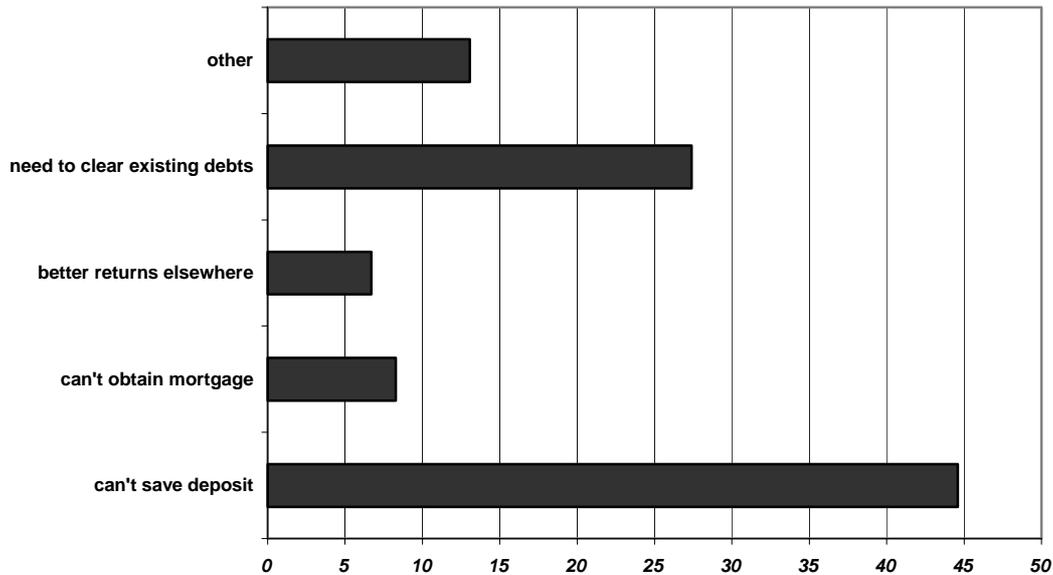
Q16. To make it worthwhile buying the annual average rate of increase for the value of houses in my area would need to be in the following range.

Respondents were given four options, <1%pa, 1 to 2.5%pa, 2.5 to 5%pa and >5%pa. This was seen as a difficult question to answer and not too much can be read into the responses as most people tend not to think much about this issue. The spread of responses was fairly even 26%, 23%, 30% and 21%.

Section 2

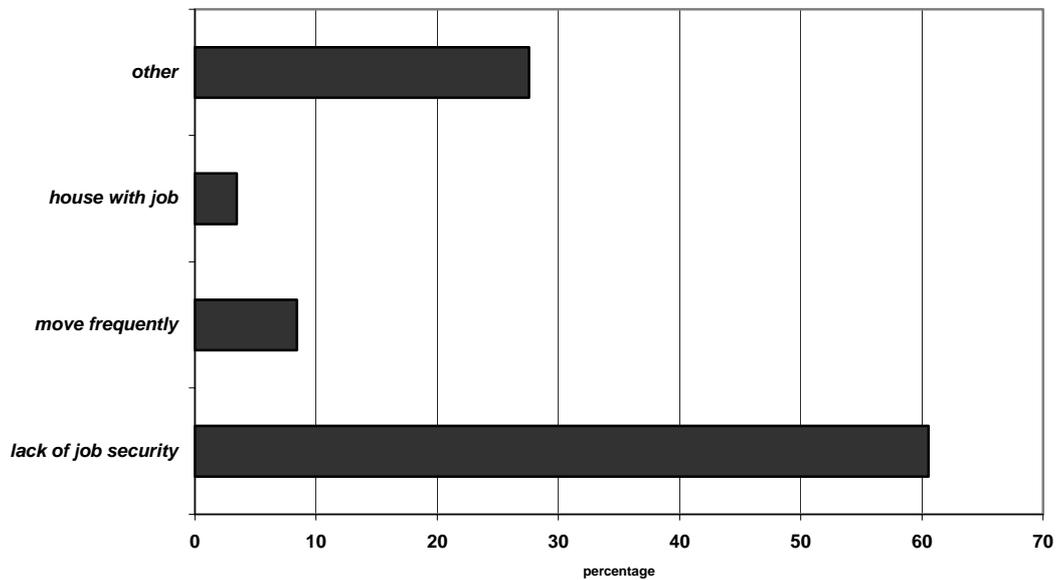
This section of the questionnaire asked the respondents to rank the sub-factors causing them to rent rather than own a house under the headings of financial constraints, job constraints and lifestyle constraints. The descriptive statistics for questions 17 to 19.4 are shown in Appendix 3 and the descriptive statistics for questions 20.1 to 20.4 in Appendix 4.

Figure 1:(Q17) Financial Constraints Ranking (1-5)



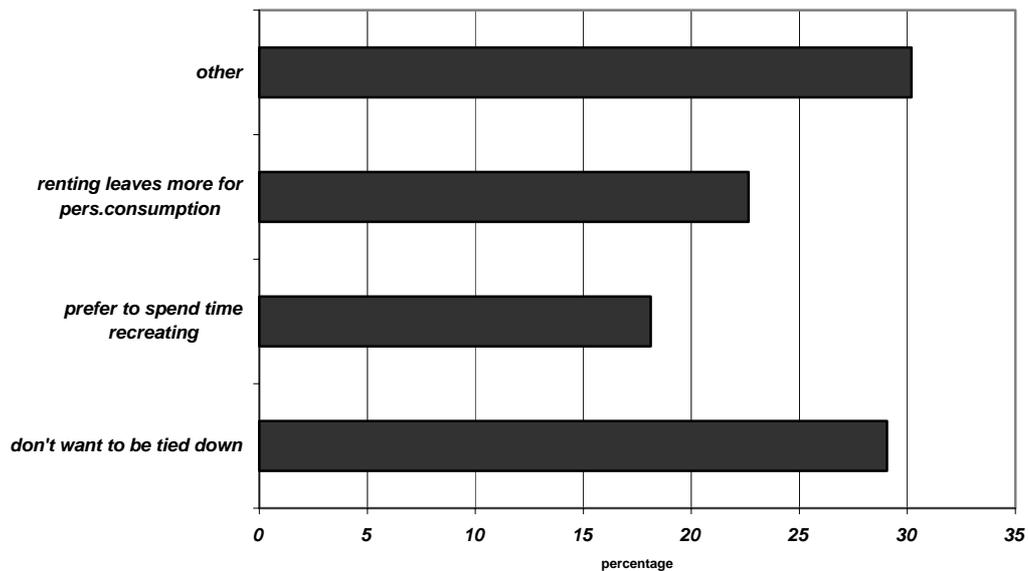
The data in Figure 1 represents the percentage of respondents ranking each item as the first constraint. Thus the responses sum to 100%. The responses are clearly linked in some cases. For example, the deposit barrier is the number one financial constraint and is linked to the second ranked constraint, the need to clear existing debts. Reasons that respondents placed under “other” included people being currently in training or transition, presently buying or selling a house, owning a house at another location, aversion to mortgage debt, renting as a better deal and placing a higher priority on spending on other items.

Figure 2:(Q18) Job Constraints Ranking (1-4)



Lack of job security dominated the responses to this question with 61% of respondents ranking this as the number 1 job constraint. Reasons recorded under “other” were age related issues such as being near retirement, those on various welfare or unemployment benefits or undecided where to put their roots down.

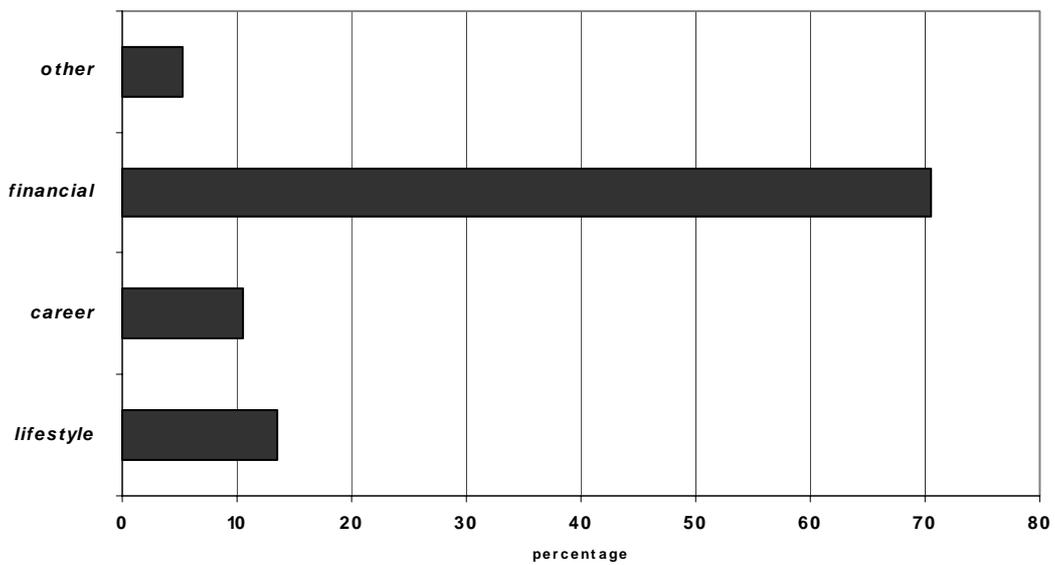
Figure 3:(Q19) Lifestyle Constraints Ranking (1-4)



The big issue under “other” was the perceived conflict between family time and home ownership. A number of respondents said that in order to maximum their time with the children only one partner could work, usually the male. This meant that ownership

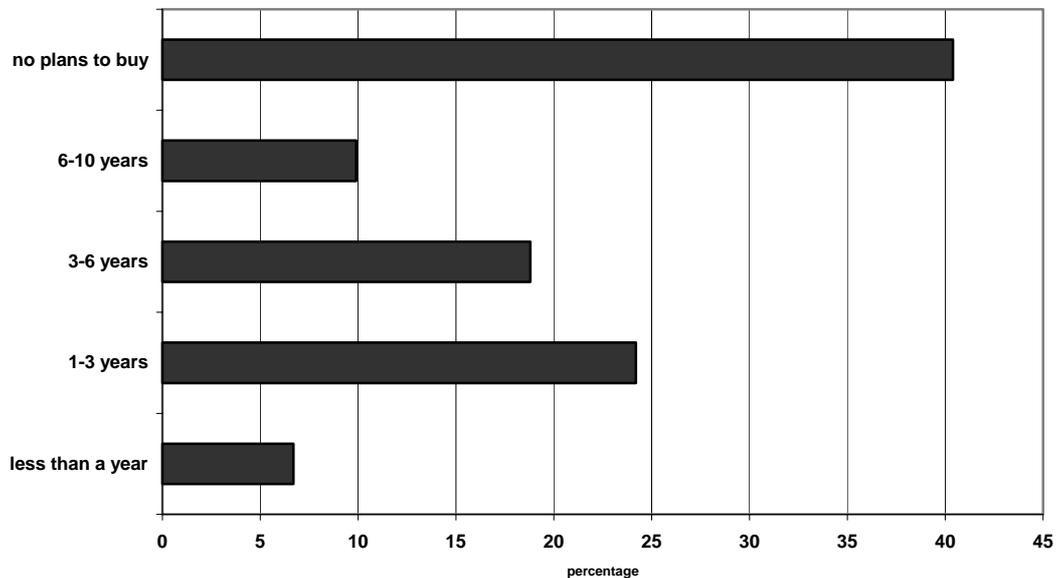
was out of reach for single income families, except those on high incomes. Other reasons were people not ready to settle down with a partner and those who did not want to take in flat mates in order to pay the mortgage.

Figure 4:(Q20) Overall Ranking (1-4)



When the respondents were asked to give an overall ranking of the constraints to buying financial constraints were ranked the most important (70%). Next came lifestyle at 14%, followed by career 11% and other 5%. These results are quite stark. The affordability barrier to home ownership is clearly the most important constraint on the population of private sector renters. The descriptive statistics for the rankings under question 20 are summarised in appendix 4.

Figure 5:(Q21) Please indicate the most likely time when you will switch from renting to owning your own home.



Although 40% of respondents had no plans to buy the remaining 60% did plan to buy within the next 10 years and of these half planned to buy in 3 years or less. These responses give some credence to the premise that home ownership is still a very important part of the “kiwi dream”, at least for most renters.

This question was cross-tabulated against the age of the respondents. Peak time to buy appears to be in the 25-39 age bracket. As might be expected there was a strong correlation between the respondents income level and the time to buy. Clearly an affordability gap exists in the lower income brackets and purchase decisions normally require more than one earner in the household.

Section 3: Demographic

This section asked a number of questions about the personal circumstances of the respondents following a similar format to the used in the 5 yearly census.

Q22. What is your gender?

Female responses dominated the replies at 62%.

Q23. Please select your age range.

Respondents were fairly evenly spread across the 25-49 age groups with 26% being aged 50 and over.

Q24. Please indicate the suburb and city where you usually live.

Responses here were Auckland 52%, Christchurch 25%, Wellington 15% and Dunedin 8%.

Q25. How long have you lived at your present address?

Approximately 60 % of respondents had been at their present address for 3 years or less. This confirms the mobility of the population of renters.

Q26. Where did you live 5 years ago?

Most respondents had lived elsewhere in New Zealand 5 years ago (56%), 13% were overseas and the 31% at their present address.

Q27. Have you previously owned a house?

Somewhat surprisingly 36% of respondents had previously owned a house. When this data was analysed in more depth it was found that a significant number of these respondents had either been overseas or moved into a more expensive housing market. The other main group was people who had had a marital problem and had lost the family home.

Q28. Please indicate the ethnic group(s) you belong to.

New Zealand Europeans dominated at 67%, followed by Maori 14 % and Pacific Islander 9%.

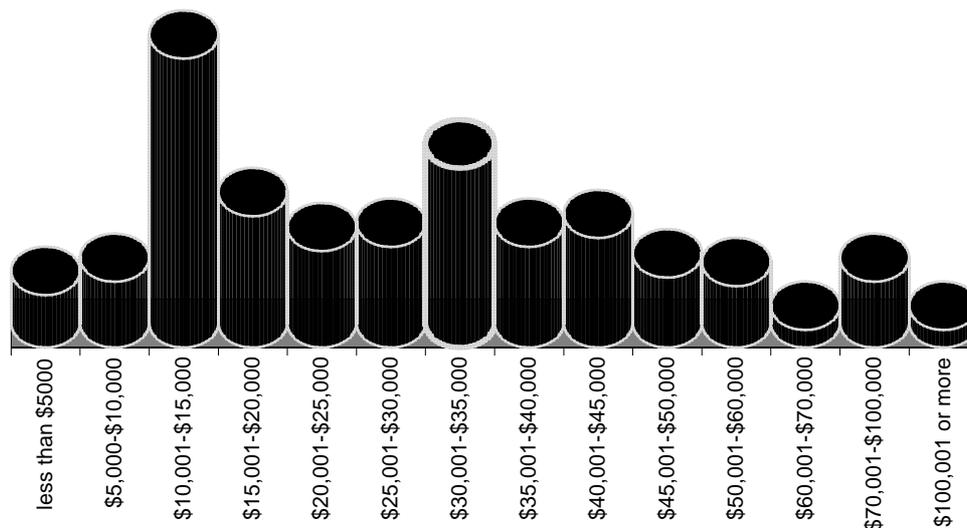
Q29. Please tick as many spaces as you need to show all the people who live in the same household as you.

As expected the typical household was one or two adults living with their children.

Q30. Apart from secondary school qualification do you have another higher qualification?

The majority of respondents (58%) answered yes to this question.

Figure 6:(Q31) My annual income is:



The large group in the \$10,000-\$15,000 category is largely a function of the number of recipients of various forms of government assistance including for solo parents, unemployed, pensioners and sickness beneficiaries. The sample also included people in training and university students. The net result is a lot of people on below average incomes.

Q33. Number of incomes available to assist with house purchase:

This is an important question as it is very difficult for single income families on average or below average incomes to purchase a house, particularly in the Auckland region. 64% of respondents only had one income, 31% two incomes and 5% more than two incomes.

Q33. Number of residents in household

There were 22% one person households, 29% two person households, 18 % three person households, 17 % four person households and the balance were larger than four.

Q34. I am on the waiting list for Housing Corp rental house

Only 3% of the respondents were on the Housing Corporation waiting list.

Summary of Conclusions from Questionnaire

The clear message that comes out of this survey is that financial considerations dominate the reason why more renters aren't switching to ownership. The main financial problem is the deposit barrier. In particular single income householders have difficulties saving for a deposit. There is a real conflict between householders spending time away from the work force rearing their children and the need to accumulate savings. The deposit gap is most difficult in Auckland because wage rates in Auckland do not offset Auckland house prices. It is therefore no surprise that Auckland has the highest percentage of rental houses.

Lack of job security also showed up as an important tenure choice issue.

Validation of Questionnaire Results

The pivotal importance of household income in determining tenure choice decisions can also be independently verified from Statistics New Zealand (2001) (2002) data from the 2001 census. Figures 7, 8 and 9 map the percentage of houses rented against median household income for neighbourhoods (area units) in the cities of Auckland, Wellington and Christchurch. (Area units are established by Statistics New Zealand and typically comprise 1000-3000 household units). A trend line has been added to each graph to show that as household income decreases the percentage of houses rented increases. This confirms the findings of Chapman (1981) who used survey data from Auckland to show that the main barrier to ownership was lack of financial resources. O'Dea (2000) analysed New Zealand income data over the period 1981-1996 and found the proportion of middle income earners had fallen with the proportion of both high income and low income earners increasing. Pahl (1998) says this type of income inequality can lead to social polarisation.

The relatively low response rate from the mail questionnaire raised questions about the non-respondents. In an effort to remedy this problem follow up work was done using telephone interviews of private sector renters in Auckland. The results of 45 telephone interviews confirmed the overall findings from the mail questionnaire as reported above.

Figure 7:

Auckland City % Rented v Median Household Income

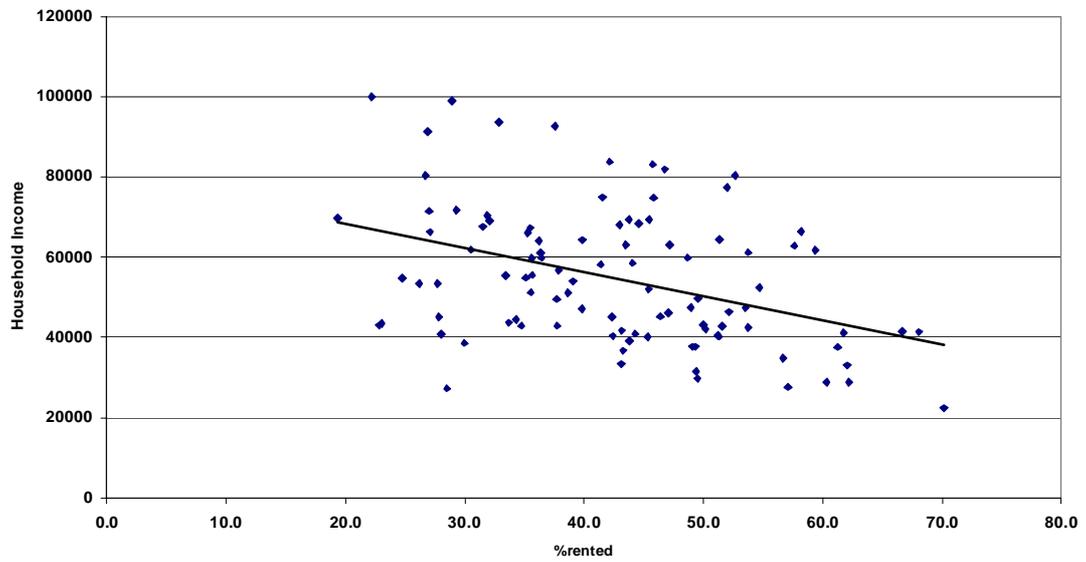


Figure 8:

Wellington City % Rented v Median Household Income

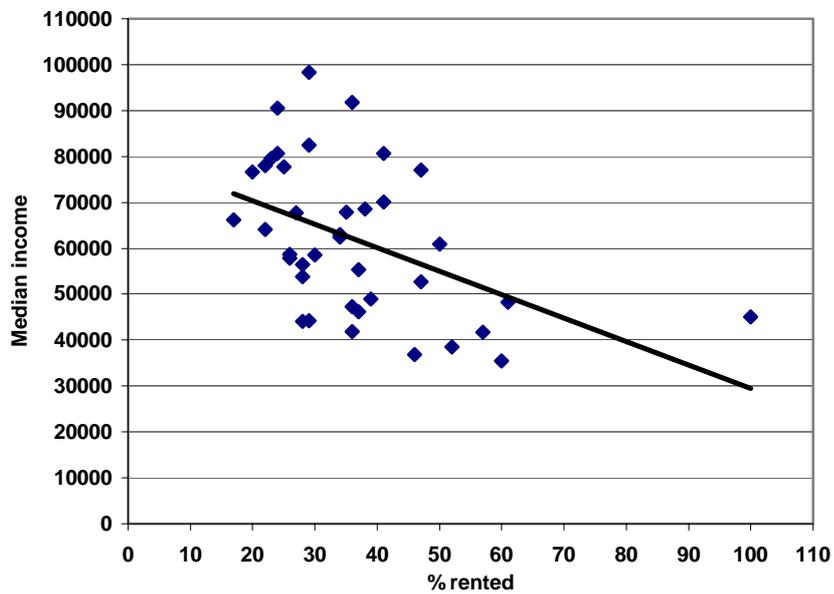
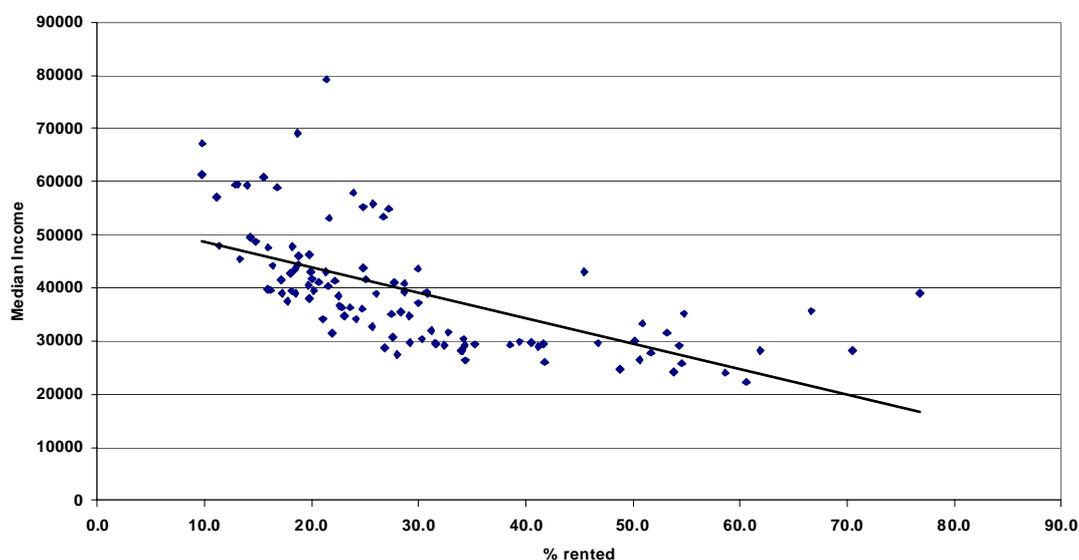


Figure 9:

Christchurch-% Rented v Median Household Income



The Massey University Real Estate Analysis Unit (MUREAU) has developed a long run Home Mortgage Affordability Series as reported by Crews and Hopkins (1999) and now published under the auspices of AMP Banking (2002). The variables used in this index are median house prices, average wage rates and mortgage interest rates. Over the period February 1989 to May 2002, on average, affordability worsened in New Zealand by 32%.

Interest rates in New Zealand have been very volatile over the last 20 years and this can distort short run affordability considerations. Another way of looking at affordability is to use the Auckland Regional Council's (1999) approach, using the ratio of incomes to house prices. Their study showed the long run ratio of average wages to median house prices in Auckland has continued to decline. This work is extended below to include selected areas outside Auckland. Figure 10 graphs the wages house prices ratio for all New Zealand from 1989-2002. The ratio increased by 34% over this period which is very similar to the AMP series. Figure 11 shows regional data from 1992-2002 for Auckland, Wellington and Christchurch. Over this period the Auckland ratio increased by 46%, followed by Wellington 28% and Christchurch 7%. Affordability is most difficult in Auckland which has the highest percentage of rental housing amongst the main cities. The main reason behind the deterioration in the purchase ratio is that house prices have continued to increase faster than wages and salaries. By June 2002 the Quotable Value NZ (2002) house price index for Auckland had increased to 2082, compared with Wellington 1640, Christchurch 1580, Invercargill 1252 and all New Zealand 1701. The index was set at 1000 in December 1989.

Figure 10:

Number of Years Income to Buy a House 1979-2002

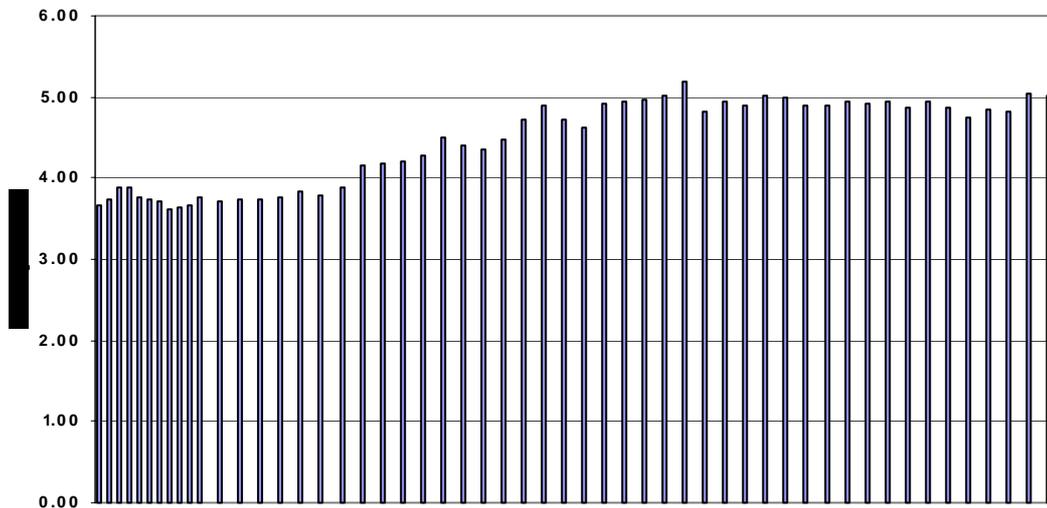
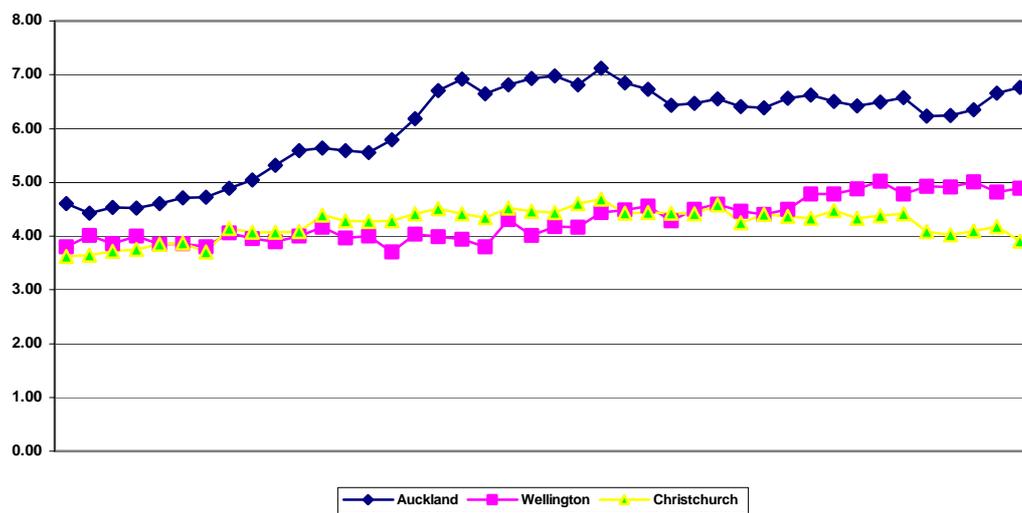


Figure 11:

Years Purchase Ratios 1992-2002



Overall Conclusions

The snap shot of private sector renters provided by the survey reveals that difficulties with housing affordability are the main reason why more people aren't switching to ownership. The decline in home ownership rates in New Zealand since 1986 is mostly a reflection of the decline in home affordability since wages and salaries have not kept up with increases in house prices, particularly in the Auckland region. The survey showed most renters still aspire to ownership.

There are no easy answers to reversing the decline in the rate of home ownership in New Zealand. Increased wages and salaries can only be sustained by real increases in productivity. On the international scene New Zealand's wages and salaries are seen as relatively high in comparison with our competitors, so there may be little room to move here. Families can increase their ability to raise a deposit and service a mortgage when both partners have jobs, but the trade off is generally less family time. The time when the extra salary is needed is often just when the children need a large amount of parental involvement.

Will the increase in house prices continue? Most probably they will! The taxation system currently favours investment in housing and there are strong political pressures for the retention of the status quo in this area. Also, demand pressures, particularly in Auckland, will be likely to keep increases in house prices ahead of the general rate of inflation. In addition building costs have a history of increasing at about the rate of inflation and the current controversy about poor quality "leaky homes" is likely to result in stricter building regulations and more costly new houses. In the past a variety of government incentives have been used to make it possible for lower income families to purchase their own houses. These included, subsidised low interest loans, sweat equity programmes, mortgage repayment guarantees, suspensory loans, capitalisation of the family benefit and the use of the accommodation supplement for making mortgage payments. It seems clear that the government does have a vital role to play in the mortgage area that could go well beyond traditional direct subsidies as previously described. However, the topic of government intervention in housing finance is beyond the scope of this paper and will need to be the subject of a future research study.

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Appendix 1

Tenure Choice Questionnaire

Section 1

Please indicate your level of agreement or disagreement with the following statements by circling the appropriate number on a 1-5 scale. Strong agreement is given a 1 and strong disagreement is given a 5. If you would like to add some comments about a question please do so in the space provided. The questionnaire should be completed by the head of the household.

1. Buying a house is a priority for me/us.

Strongly agree 1 2 3 4 5 Strongly disagree

Comments: _____

2. Paying rent is money down the drain when I/we could be paying off a mortgage.

Strongly agree 1 2 3 4 5 Strongly disagree

Comments: _____

Lifestyle Considerations

3. I/we don't want to be tied down by owning a house.

Strongly agree 1 2 3 4 5 Strongly disagree

Comments: _____

4. I/we would rather spend time on recreational activities than maintaining a house.

Strongly agree 1 2 3 4 5 Strongly disagree

Comments: _____

5. Renting provides me/us with more money to spend on myself/ourselves.

Strongly agree 1 2 3 4 5 Strongly disagree

Comments: _____

Section 2

This section asks you to rank the importance of the factors causing you to rent rather than own a house. Please enter your first choice as a 1 followed by your sequent choices 2, 3,4, 5 etc.

17. Financial Constraints Ranking (1-5)

- inability to save for a deposit
- inability to obtain a mortgage
- better investment returns elsewhere
- need to repay existing debts before taking on more debt
- other (specify)_____

18. Job Constraints Ranking (1-4)

- lack of job security
- change address frequently
- accommodation provided with job
- other(specify)_____

Comments: _____

19. Lifestyle Constraints Ranking (1-4)

- don't want to be tied down
- prefer spending time on recreational activities rather than on house maintenance
- renting leaves more money for personal consumption
- other(specify)_____

20. Overall Ranking (1-4)

- lifestyle constraints
- career constraints
- financial constraints
- other (specify) _____

Comments: _____

21. Please indicate the most likely time when you will switch from renting to owning your own home. (Please tick appropriate box)

- less than 1 year
- 1-3 years
- 3-6 years
- 6-10 years
- Not likely to own in the foreseeable future

Section 3: Demographic Questions

Please tick the box, where applicable, that represents the most appropriate response to the following questions.

22. What is your gender?

- female male

23. Please select your age range

- Under 20 20-24 25-29 30-34 35-39
 40-44 45-49 50 & over

24. Please indicate the suburb and city where you usually live

Suburb _____
City _____

25. How long have you lived at your present address

- less than 1 year number of years

26. Where did you live 5 years ago

- at the present address elsewhere in NZ
 overseas

27. Have you previously owned a house?

- yes no

28. Please indicate the ethnic group(s) you belong to

- NZ European Maori Pacific Islander
 Chinese Indian Other

29. Please tick as many spaces as you need to show all the people who live in the same household as you.

- my husband or wife my partner or
defacto boyfriend/girlfriend
 my son(s) or daughter(s) my father or mother
 my sister(s) or brother(s) my flatmates
 grandparent(s) other (please specify)

30. Apart from secondary school qualification do you have another higher qualification?

- yes no

31. My annual income is:

- | | |
|--|---|
| <input type="checkbox"/> less than \$5000 | <input type="checkbox"/> \$5,000 - \$10,000 |
| <input type="checkbox"/> \$10,001 - \$15,000 | <input type="checkbox"/> \$15,001- \$20,000 |
| <input type="checkbox"/> \$20,001-\$25,000 | <input type="checkbox"/> \$25,001-\$30,000 |
| <input type="checkbox"/> \$30,001- \$35,000 | <input type="checkbox"/> \$35,001-\$40,000 |
| <input type="checkbox"/> \$40,001-\$45,000 | <input type="checkbox"/> \$45,001-\$50,000 |
| <input type="checkbox"/> \$50,001-\$60,000 | <input type="checkbox"/> \$60,001-\$70,000 |
| <input type="checkbox"/> \$70,001-\$100,000 | <input type="checkbox"/> \$100,001 or more |

32. Number of incomes available to assist with house purchase.

- just my income income from more than 2 persons
 income from 2 persons

33. Number of residents in household

- | | | |
|--------------------------------------|----------------------------|----------------------------|
| <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 |
| <input type="checkbox"/> 4 | <input type="checkbox"/> 5 | <input type="checkbox"/> 6 |
| <input type="checkbox"/> More than 6 | | |

34. I am on the waiting list for Housing Corp rental house

- yes no

Please supply your e-mail address if you wish to receive an e-mail copy of the summarised results from this questionnaire

My email address is _____

Thank you for your time and participation.

Please place the completed questionnaire in the enclosed freepost envelope.

Appendix 2

Descriptive Statistics (Q1-Q16)

	Minimum	Maximum	Mean	Std. Deviation
Q1. Buying a house is a priority for me/us	1	5	2.72	1.432
Q2. Paying rent is money down the drain when I/we could be paying off a mortgage	1	5	2.32	1.382
Q3. I/we don't want to be tied down by owning a house	1	5	3.66	1.388
Q4. I/we would rather spend time on recreational activities than maintaining a house	1	5	3.50	1.306
Q5. Renting provides me/us with more money to spend on myself/ourselves	1	5	3.66	1.339
Q6. I/we do not have sufficient job security to commit to buying a house	1	5	2.68	1.595
Q7. It is not worth buying a house because I/we change addresses so often	1	5	4.34	1.142
Q8. I/we have accommodation provided as part of our employment package	1	2	1.98	.146
Q9. I/we now have sufficient income and other assets to save the necessary money for a deposit to purchase a house	1	5	3.53	1.614
Q10. I/we now have sufficient income to be confident of securing a mortgage to assist with the purchase of a house	1	5	3.70	1.516
Q11. If I/we bought a house now I/we would be a cash buyer and not require a mortgage	1	5	4.45	1.189
Q12. I/we are unlikely to buy a house until existing debts are repaid	1	5	2.66	1.591
Q13. Student debt is the largest component of my/our existing debt	1	5	4.09	1.547
Q14. I/we can afford to buy a house now but choose not to because there are better returns to be made elsewhere	1	5	4.15	1.302
Q15. My/our income level and ability to service a mortgage is likely to increase substantially within the next 3 years	1	5	3.18	1.482
Q16. Annual average rate of increase for house values for worthwhile buying	1	5	2.45	1.099

Appendix 3

Descriptive Statistics-(Q17.1-19.4)

	Minimum	Maximum	Mean	Std. Deviation
Q17.1. rank: inability to save for a deposit	1	5	1.83	1.112
Q17.2. rank: inability to obtain a mortgage	1	5	2.75	1.037
Q17.3. rank: better investment returns elsewhere	1	5	3.36	1.211
Q17.4. rank: need to repay existing debts before taking on more debt	1	5	2.14	1.191
Q17.5. rank: other financial constraint	1	5	3.03	1.714
Q18.1. rank: lack of job security	1	4	1.32	.651
Q18.2. rank: change address frequently	1	4	2.25	.788
Q18.3. rank: accommodation provided with job	1	5	3.12	.911
Q18.4. rank: other job constraint	1	4	1.75	1.101
Q19.1. rank: don't want to be tied down	1	5	2.01	1.052
Q19.2. rank: prefer recreational activities to house maintenance	1	4	2.13	.883
Q19.3. rank: renting leaves more money for personal consumption	1	4	2.05	.924
Q19.4. rank: other lifestyle constraint	1	4	1.80	1.286

Appendix 4

Descriptive Statistics (Q 20.1-20.4)

	Minimum	Maximum	Mean	Std. Deviation
Q20.1. overall rank: lifestyle constraints	1	4	2.27	.836
Q20.2. overall rank: career constraints	1	4	2.24	.728
Q20.3. overall rank: financial constraints	1	4	1.32	.675
Q20.4. overall rank: other	1	4	3.16	1.236