

Sally Keeling

Later Life in Rental Housing

current New Zealand issues

Historically, New Zealand has had relatively high rates of home ownership, with widely held aspirations for mortgage-free tenure in later life. As a consequence, examination of the small but growing numbers of older renters has been limited (Nana et al., 2009, p.20). This article draws together local research, commissioned policy development work and comparative evidence to identify the characteristics of older people in rental accommodation, current and projected issues and potential policy issues.

Owners and renters

Housing tenure patterns in New Zealand have become increasingly complicated in the last 20 years through the growth of family trust ownership and the addition of options such as licence to occupy (LTO) arrangements in retirement

villages (Retirement Villages Association of New Zealand, 2014). Table 1 shows the percentage of household heads in various age groups over 60 whose home is owned, with or without a mortgage. This data is mostly constructed in a binary manner (home owned/not owned), with the 'not

owned' group dominated by those who rent (Statistics New Zealand, 2013b), but it also includes the even smaller minority of those in residential care.

In 2013 home ownership was highest for those aged 65–74, but rates have fallen since 2001 for age groups under 80. Releases from the 2013 census to date provide only a limited breakdown of the

Table 1: Home ownership by age of household head, 2001, 2006, 2013

	2001 %	2006 %	2013 %
60–64 years	79.3	79.1	74.9
65–69	80.2	79.3	77.3
70–74	80.6	79.5	77.5
75–79	78.7	78.4	75.9
80–84	72.6	74.5	73.1
85+	55.4	59	60.4

Source: based on Statistics New Zealand, 2013a and 2013c (Note: the time series is interrupted, because the 2011 census was cancelled after the Canterbury earthquakes. Statistics New Zealand advises caution, as changes between 2006 and 2013 took place over a period longer than the usual five-year gap between censuses.)

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characteristics of rental households by age, meaning that detailed analysis must depend on 2006 data, which was presented in a BERL report to the then Department of Building and Housing (Nana et al., 2009). At that time, 19% of households which had a reference person aged 65 or over were renting, 54,220 households in total (ibid., p.19). Between 1996 and 2006 there had been a rise of nearly 30% in older renter households in private sector and central government housing. This was alongside a fall in the proportions with local authority landlords, as some major territorial authorities were reducing their commitment to housing. While increases in renting among older people were widespread, Auckland showed the

with the simple statement that 'housing serves many functions' (p.98), providing shelter, a store of wealth with both use and exchange value, and a place of safety and security, as well as psychological and physical well-being and health and a nexus of social relationships. Thorns makes it clear that gender and ethnic inequality in late-life housing tenure reflects lifetime experiences in the job and property markets.

The association of renting in later life with low income, social disadvantage, economic insecurity and housing mobility is noted in many housing reports (Davey et al., 2004; Howden-Chapman, Signal and Crane, 1999). Disadvantages for older renters include reduced security of tenure;

older people. *Enhancing Wellbeing in an Ageing Society* (Koopman-Boyden and Waldegrave, 2009) provided a nationally representative sample of independent-living adults in the 65–84 age band (King and Waldegrave, 2009). Housing tenure is here 'collapsed' into owners (over 76% of all participants), renters and others. Freehold home ownership was reported by 69.3% of participants (Waldegrave and Cameron, 2009, p.103). There were strong correlations between housing tenure and other assets: 70% of renters reported no other assets, compared to 37.3% of owners. Two-thirds of renters were satisfied with their economic standard of living, compared to over 90% of owners. Physical health scores were significantly higher for owners than for renters, but mental health levels showed no significant relationship with tenure (Waldegrave and Cameron, 2009, p.104).

Two waves of data on housing tenure (from 2010 and 2012) are available from the New Zealand Longitudinal Study of Ageing (NZLSA), based on a national sample of 3,317 participants aged between 50 and 84 years (Waldegrave, 2014). These showed rates of home ownership over 90%. The NZLSA study confirmed that those who rent have lower incomes and fewer assets, and score lower on quality of life and well-being scales.

Piecing together the situation of current and future older people in New Zealand who are renters shows that they are likely to be a growing minority, given the delayed entry to home ownership which is already evident. They can be expected to have lower incomes, and fewer assets, again following trends of life course patterns of socio-economic inequality (Povey and Harris, 2005). Unless there are significant shifts in public investment in social housing, their security of tenure, control over housing costs and the suitability of their housing to their needs are also likely to be limited when compared to home owners.

Renting and housing security

The association of renting with lower levels of 'housing security' has several components. The policy context is influential. In some European countries 'sitting tenants' are protected from

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highest numerical increase, followed by Bay of Plenty and Waikato.

The BERL report presented three scenarios based on population projections to 2051. They assumed only a moderate ongoing decline in home ownership, which could be considered as conservative (ibid., p.13). By 2051 the projected numbers of older renter households are estimated to rise (beyond the doubling of demand estimated by Davey et al. in 2004) to a range between 136,400 and 168,840 in the three scenarios (see Table 5.1 in Nana et al., 2009, p.57).

Characteristics of older renters

Home ownership has long been the preferred type of housing tenure for older New Zealanders, and most achieved it. In 1993 Peggy Koopman-Boyden's book exploring the implications of New Zealand's ageing society included housing tenure and wealth, income support and care services as the central areas for policy investigation (Koopman-Boyden, 1993). David Thorns' chapter in the book opens

less control over housing costs, repairs, maintenance and adaptations; and the lack of an asset against which funds may be borrowed for special needs. This can be summarised as the availability, affordability, suitability and quality of rental housing. Davey (2006, p.260) identified further issues for older renters, including the risk of a lower standard of accommodation and a reduced ability to adapt or modify housing to deal with changing health maintenance requirements. There are also concerns regarding the management of rental housing, with relatively limited development of a robust social housing sector in New Zealand which could promote choice and autonomy in rental housing, and improved and equitable access to care and support services for older renters. On the other hand, there are some advantages of renting: it can relieve older people of repair and maintenance costs, the upkeep of grounds and insurance payments.

For the period 2006–2013 relevant data is available from national studies of

eviction and price rises and in some cases offered lifetime tenancies. In contrast to New Zealand, renting in Europe is a statistical and cultural norm.

There are also subjective and psycho-social components of the relationship between housing tenure and family and household development (Hiscock et al., 2001). Keeling (1998) and Thorns (1993) discuss interpretative approaches to how older people understand the 'meaning of home' as distinct from a 'bricks and mortar' interpretation conjured by the use of the word 'house'.

In the same way, 'ageing in place' as a social and policy concept draws on theories of place attachment and ontological security, even though analysis rarely makes explicit comparisons between owners and renters (Schofield et al., 2006; Wiles et al., 2011). Decisions about moving house in later life are shown to involve highly complex processes of 'residential reasoning' (Granbom et al., 2014), within which tenure (owning or renting), location, household and social context are evaluated.

Qualitative explorations of 'ontological security' among older people (Mansveldt, Breheny and Stephens, 2013) make explicit distinctions between the circumstances of older renters and home owners. These draw on Sen's capability and functioning approach and include material and subjective evaluations of living conditions. This enabled Mansveldt, Breheny and Stephens to conclude: 'Surprisingly, those with most and least access to economic resources expressed the strongest sense of security, albeit in different ways, while those in the midrange of economic living standards expressed the highest sense of insecurity' (ibid., p.8). Thus, they argue that a high sense of security may be consistent with home ownership or, for renters, secure dwelling tenure. 'Our analysis suggests that what older people are seeking is not so much the purchasing power of economic resources, but the management of later life unpredictability' (p.17). Those who are lifetime renters, or have long experience in managing close to a poverty threshold, appear to derive security from their adaptive experience (see also Morris,

2009 and 2012 for comparisons with Australian older renters).

Although some older people are lifelong renters due to personal choice or socio-economic circumstances, others move from owning to renting following a change in personal circumstances. Such changes include the break-up of a family at the time of divorce, separation or bereavement; or an unplanned or radical change in employment status, such as redundancy or involuntary retirement. Even long-term renters are disadvantaged without a housing or other asset base to cushion such 'life shocks' (Fergusson et al., 2001).

Housing affordability cycles also influence housing career pathways and

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tenure choices. For instance, relocation to an area with more expensive housing can result in a change from home ownership to renting that may not be quickly reversed (Nana et al., 2009, p.20).

Housing stability over time is a part of security, but is not synonymous with it. While older people who rent housing are outnumbered in the New Zealand context by home owners, and the preference for home ownership may partly relate to its association with well-being, there is some evidence (e.g. Jatrana and Blakely, 2008 and 2014) that renting cannot be simplistically linked to disadvantage.

Policy and politics

An Office for Senior Citizens report subtitled *Healthy, independent, connected, respected* provides a framework for policies aimed at older New Zealanders. Housing options feature primarily in the section on independence (Office for Senior Citizens, 2013, pp.22-5). Approximately 20% of Housing New Zealand tenants are aged 65 and over, with almost half housed in Auckland. Most local authority rental

housing is occupied by older people. There has been some consideration of the relationship between rental housing and the delivery of community-based health and care services, in terms of design features, the feasibility of home modifications, and responsibility for 'healthy housing', including heating and insulation (Croucher, Hicks and Jackson, 2006; Howden-Chapman, Signal and Crane, 1999; Nana et al., 2009). If entry into residential care is discouraged through 'ageing in place' policy settings, then providers of rental housing (whether private, state or local authority landlords) need to recognise the need for home-based services and investment in appropriate housing to cater for growing numbers of

frail and disabled older people.

There is also a policy relationship between housing tenure and access to the residential care subsidy for those assessed as requiring admission to a rest home, hospital or specialist dementia care facility. For more than 20 years the asset and income test applied to the residential care subsidy has effectively favoured older renters (Ashton, 2000; Mays, Marney and King, 2013; Thorns, 1993). Renters without a housing asset are typically well below the threshold for eligibility for the residential care subsidy, particularly as this has been raised significantly since 2005 (see Work and Income New Zealand, 2014 and Ministry of Social Development, 2014).

Saville-Smith (2013) reviewed the intersection between housing assets and retirement income. She asserts that there are significant issues for health and well-being in later life arising from insecurity for those who are not home owners. Older renters are less able to keep housing costs under control in terms of rent rises. Growing numbers of very

low income older renters present policy challenges in their need for financial and practical support, including a more responsive housing benefit system and/or accommodation supplements.

Nana et al. (2009, pp.14-15) called for greater integration of social support, health care and housing, taking into account changing expectations, values and standards concerning the quality and appropriateness of housing. Innovative approaches to planning and design and increased engagement of users in the development of housing models and advocacy services are required for all sectors of the housing market, and it is vital that the needs of renters are not obscured by the needs of the majority home owners.

Regional issues relating to supply and demand in the rental market are dominated by current distortions arising in Auckland and Christchurch (Waldegrave, King and Rowe, 2012). The housing consequences for older people

in post-earthquake Christchurch have been illustrated by Davey and Neale (2013) and Keeling (2013), including the relocation of low-income renters outside greater Christchurch and pressure on the short-term rental market. Housing issues for older people in rural areas – whether owners or renters – are complex, and not unique to New Zealand (Keating, 2008).

The dominant policy position has been premised on the centrality of home ownership (both normative and aspirational) to support ageing in place, over at least the last 20 years. This dominance may have obscured policy awareness of the consequences for older people unable to attain or retain home ownership, who are accordingly subjected to the economic and social costs of the rental market. The empirical studies of older people in New Zealand emerging in the last decade, and reviewed here, support the projections and predictions presented in the report by Nana et al. (2009), that falling levels of home

ownership in New Zealand are already beginning to affect older people, and may well accelerate into the future. This will require policies to increase the supply of affordable rental housing designed with older households in mind, particularly single tenants. Innovative mixtures of private and public rental developments, including central and local government, private sector and ‘third sector’ landlords, have a role in this.

The inexorable ageing of New Zealand’s population has reached a critical point in terms of planning to match rental housing supply and demand. Policy settings surrounding entry to, security within and exit from home ownership in New Zealand have clearly dominated housing policy for many years. The predicted growing numbers of older renters suggests that more detailed policy attention should be given to this so-called ‘secondary sector’.

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