

## Pacific Housing Experiences: Developing Trends and Issues

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**Pacific people share the same aspirations for home ownership as other New Zealanders, valuing the security, privacy and opportunity to adapt homes to suit their lifestyle that home ownership brings. The cultural factors that underpin these aspirations are very strong, and Pacific people face some particular challenges in achieving them. The challenges revolve around matching requirements for size of house and area with income levels, cultural expectations and difficulties in accessing information.**

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Based on research by Koloto & Associates Ltd, in collaboration with the New Zealand Institute of Economic Research, and Gray Matter Research Ltd. The research investigates the housing experiences and aspirations of Pacific people in New Zealand, links the findings to other relevant studies, identifies developing trends and issues for Pacific Housing, and identifies potential solutions to current and future housing problems. The research was commissioned by CHRANZ and the Ministry of Pacific Island Affairs.

Pacific households are larger than average, and many include extended family members. The pressure for household space is compounded by cultural traditions of hospitality, regular family meetings and rituals, and the expectation to provide accommodation for extended family and new arrivals.

The Pacific population in New Zealand is, on average, younger, poorer and growing faster than for the New Zealand population as a whole.

Financial factors include Pacific Islanders' relatively low household income, the lack of availability of affordable, larger houses that suit their needs, and their desire to live close to their own cultural communities. These have largely developed in industrialised urban areas (eg, Auckland and Wellington), which have become higher-cost housing areas.

Cultural factors provide both opportunity and constraint. The strong expectation that Pacific people will contribute financially to family, church and community can be offset by opportunities to call on family for financial support.

Research participants said they found it hard to access housing information. Language and unfamiliarity with the processes associated with buying a house were among the reasons given. Many were unaware of the support that is currently provided by government agencies in general, and by Housing New Zealand in particular.

## Key Points

- Pacific people have distinct aspirations for home ownership, and the New Zealand Housing Strategy includes a number of initiatives relevant to Pacific people.
- New Zealand house prices have escalated, outstripping average household income, and home ownership rates have declined, particularly for younger age groups.
- The Pacific population is, on average, younger and poorer than the population as a whole, and Pacific households are larger than average.
- Census data reveals declining home ownership ratios from 1991–2006, with Pacific home ownership ratios well below those for other groups.
- Participants identified the main barriers to achieving housing aspirations as financial factors, cultural factors, and difficulty in accessing information.
- Pacific people have specific needs that influence the size and layout of the house they would prefer to live in. Poor information and lack of “critical mass” may be factors in the lack of market response to Pacific people’s housing preferences.
- Quality of rental housing was of greater immediate concern to research participants than affordability.
- The challenges faced by Pacific home owners included lack of knowledge about financial services and house-buying processes, discrimination by real estate agents, and the cost of rates and maintenance.
- Most government-initiated schemes to assist Pacific people to buy or improve their homes are well-designed and well-intentioned. However, while some have been very successful, others have been somewhat limited in their implementation.

## Findings

### The Housing Market and Policy Framework

Pacific people have distinct aspirations for home ownership and for specific characteristics of the dwellings they own or rent in terms of locality, size and amenities.

Poor information and lack of “critical mass” may be factors in the lack of market response to Pacific people’s housing preferences.

The Housing Strategy includes a number of initiatives relevant to Pacific people. They relate to education, advocacy and support, policy development, promoting partnerships with Pacific communities, improving the supply of state housing for larger Pacific households, and income support.

### General Housing Trends

New Zealand house prices have escalated, rising faster (8.2% per annum) in the last 10 years than the average household income (4.6% per annum). Home ownership rates have declined, particularly for younger age groups. The growth in rental stock has largely been in the private sector.

### Economic and Social Profile of Pacific People

The Pacific population is expected to grow from 6.6% of the New Zealand population as at 2006 to 9% by 2021. It comprises seven main groups: Samoan, Cook Island, Tongan, Niuean, Fijian, Tokelauan, and Tuvaluan, as well as other smaller groups.

Almost all Pacific people live in urban areas, with two-thirds living in greater Auckland, where housing costs are higher than the national average.

#### FINDINGS CONTINUED

The projected median age for Pacific people (24 in 2021) is well below the median age (41) for the total population, and Pacific people's average weekly income is significantly lower than the non-Pacific average – partly due to the younger age structure, and partly due to the types of industries in which Pacific people have traditionally worked.

Pacific households are larger than average. In 2006, nearly 60% of Pacific households comprised more than three people, compared with only 35% of non-Pacific households.

A significant proportion of the Pacific community was born outside New Zealand, are less familiar with New Zealand housing patterns, and are more committed to replicating housing and living patterns they were accustomed to in the Pacific Islands.

### **Pacific Housing Trends**

Census data reveals:

- declining home ownership ratios from 1991–2006, with Pacific home ownership ratios well below those for other groups
- rising ratios of mortgage-holders to non-mortgage-holders among home owners, especially among Pacific people
- in 2006, just over 35,000 (67% of Pacific households) were renting, of which 43% had private sector landlords, and 37% rented through Housing New Zealand
- in 2006, the proportion of renting Pacific households paying less than \$125 per week was much higher than for non-Pacific households, reflecting the proportion on income-related rents.

### **Pacific Housing Aspirations**

Pacific people share similar aspirations of home ownership to other New Zealanders, but they have specific needs that influence the size and layout of the house they would prefer to live in, including larger than average families, extended families, hosting responsibilities for regular family meetings and other visitors, and a wish to live close to their own cultural community.

### **Pacific Experiences of Renting and Home Ownership**

Overall, participants who were renting were more likely to mention the appropriateness and quality of housing, rather than affordability, and they raised concerns about the reluctance or slowness of many landlords, including Housing New Zealand, to fix notified problems.

Participants who were home owners were satisfied the benefits outweighed the sacrifices. The challenges they faced included lack of knowledge about financial services and house-buying processes, discrimination by real estate agents, and the cost of rates and maintenance.

### **Barriers to Achieving Housing Aspirations**

Participants identified the main barriers as financial factors, cultural factors and difficulty in accessing or knowing how to access information. Cultural factors can be both a barrier and an opportunity. Expectations on Pacific people to provide financial support to the extended family and community could work negatively against, or positively in favour of, aspiring home owners.

### **Policy and Programme Responses**

The New Zealand Housing Strategy recognises the need to develop and promote targeted schemes for Pacific people in its two primary initiatives to:

- support Pacific people into home ownership
- educate and prepare Pacific people for home ownership.

Government, including Housing New Zealand, initiatives include the Healthy Housing Programme (HHP), the Welcome Home Loan, which includes multi-borrower provisions, the Pacific Peoples' Home Ownership (PPHO) programme, home improvement loans and the availability of information in Samoan and Tongan. Some of these schemes, especially HHP and PPHO, have been very successful. However, other schemes have been somewhat limited in their implementation. This was particularly evident with the Welcome Home Loan, where it appeared that the product was not actively marketed to Pacific families.

# RESEARCH BULLETIN

## Policy Implications

A key recommendation by the authors is that Housing New Zealand vigorously pursues the primary and supporting initiatives set out in the New Zealand Housing Strategy for Pacific people and works to establish stronger links with Pacific groups to:

- improve access to housing information, services and finance
- market the range of services and programmes already provided
- develop initiatives to allow Pacific people to benefit from Pacific cultural practices, including income sharing among extended families.

The authors also recommend that Housing New Zealand:

- continues to improve the supply of state housing in terms of quality and design for larger Pacific households
- improves its services as a landlord, particularly in addressing notified problems
- explores ways to encourage developers and others to provide affordable rental housing suited to Pacific families
- works with other government agencies to develop initiatives to encourage developers to supply purpose-designed, affordable housing for Pacific families.

## Further Information

This bulletin is based on the report *Pacific Housing Experiences: Developing Trends and Issues*. A copy of the report and this bulletin can be found on the CHRANZ website under “Our Publications”.

Other useful reports include:

- Centre for Housing Research Aotearoa New Zealand (2006) *Affordable Housing in New Zealand*. Prepared for the National Summit – Affordable Housing, 30 October 2006, Wellington.
- DTZ New Zealand (2007) *The Future of Homeownership and the Role of the Private Rental Market in the Auckland Region*. Prepared for CHRANZ and Auckland Regional Council.
- DTZ New Zealand (2005) *Housing tenure aspirations and attainment*. Prepared for CHRANZ and Building Research.
- Family Centre Social Policy Research Unit/Research Centre for Māori Health and Development, Massey University (2006) *Māori Housing Experiences: Emerging Trends and Issues*. Prepared for CHRANZ and Te Puni Kōkiri.

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