

# Residential Rental Property Market Survey

## Queenstown



Client	Queenstown Lakes Community Housing Trust
Author	Katherine Davies (independent researcher)
Phone	0221077353
Date	June 2012
Version	Final

## **Key Findings**

- 86% of respondents expect housing costs to be a barrier to any long term commitment to Queenstown
- 68% of respondents earned between just \$30,000 and \$50,000
- 80% of respondents were citizens or had permanent residency
- 80% said quality of housing did not compare favourably with other places
- Overwhelming aspiration for home ownership (95%)
- 39% renters in housing stress now
- Gratitude amongst renters that the issue is receiving some attention

## **About the survey**

- Independent
- Largest ever survey of renters in Queenstown
- Verified the number of rental properties in the range 2000-2100
- With 2-3 renters per property suggests a total market of around 5000 or 30% of the population

## **Contents**

1. Executive Summary .....	6
2. Purpose.....	8
3. Aims and objective .....	8
4. Context .....	8
4.1 Summary of current rental provision.....	9
4.2 Past research .....	9
4.3 Affordable housing policy .....	10
5. Methodology .....	10
6. Findings.....	10
6.1 Overview .....	10
6.2 Survey section 1: About you.....	11
6.3 Survey section 2: Your accommodation.....	12
6.4 Survey Section 3: Your future plans .....	13
6.5 Survey section 4: Other .....	15
7. Further analysis: Identifying ‘Housing Stress’ .....	16
8. Conclusions .....	19
9. About the researcher.....	21
Appendix 1: Survey.....	22
Appendix 2: Feedback from Survey Participants.....	27

## **List of Tables**

- Table 1: 'How does renting in the Queenstown district compare to your previous renting experiences in New Zealand?'
- Table 2: 'Do you aspire to buy a property in the Queenstown district either now or in the future?'
- Table 3: Cross tabulation analysis of aspirations to buy (maybe and no answers) and housing affordability a barrier to long term commitment to Queenstown.
- Table 4: Cross tabulation analysis of aspirations to buy and affordability as a barrier to long term commitment to Queenstown.

## **List of Figures**

- Figure 1: Queenstown Lakes District Council Rates Database 2009. Rental property location summary.
- Figure 2: Age profile of respondents.
- Figure 3: Wage profile of respondents.
- Figure 4: Immigration profile of respondents.
- Figure 5: Joint Income profile of respondents.
- Figure 6: 'Why do you aspire to own your own home?'
- Figure 7: Housing stress versus age.
- Figure 8: Housing stress versus individual earnings.
- Figure 9: Housing stress versus time renting.
- Figure 10: Affordability a barrier to long term commitment versus joint household income.

## **Acknowledgments**

Thank you to all the renters who took the time to complete the online survey. It is due to your time and effort that this research has been able to achieve a number of significant findings. A special thank you is extended to all the accommodation providers who emailed a link to the survey to their renters and supplied invaluable information on their rental databases – they are;

- *Bayleys*
- *Executive Accommodation*
- *Hoamz*
- *Housemart*
- *Professionals*
- *Queenstown Accommodation Centre*
- *Ray White*
- *Resort Rentals.*

Thank you also to Queenstown Lakes District Council for providing the vital data on the District's rating system.

## **1. Executive Summary**

The purpose of the research was to examine the need for increased housing support in the rental population with three specific aims; to determine where people are on the continuum from renting to buying and identify where 'housing stress' exists, to determine whether the current housing products offered by the Trust are sufficient to meet the demands of the market and determine how aware renters are of the Community Housing Trust and the products it offers. This information will allow direct comparison to previous research conducted by Ascari.

An online survey was utilised to capture data from people renting in the Queenstown Lakes District, with newspaper, radio advertising and a leaflet drop used to promote participation. The survey ran for four weeks and an incentive was offered.

A total of 569 people logged onto the survey and 523 of those responses were deemed usable. Based on a population size of 2050, taken from an aggregation of the Queenstown Lakes District Council (QLDC) 2009 rental database and figures from accommodation providers, a sample of 464 was required to obtain a margin of error of +/- 4 at the 95% confidence level.

## **Findings**

The first section of the survey established demographic information about renters and in terms of age 60% were between 26 and 40, with 19% under 25. Only 21% of respondents were over 41 and 1% were retired. The majority earned below \$50,000 per annum and only a small percentage earned over \$110,001.

Respondents were mainly New Zealand citizens and 21% had residency or work to residency visas. A very small percentage of respondents were on work visas with some of them specifying plans to stay longer. The respondents who selected 'other' were either Australian citizens, on student visas or parent/guardian visas

Most respondents live in Queenstown with 18% residing in Frankton and 15% in Fernhill. Under 10% live in both Arrowtown and Goldfield Heights and a small percentage in other outlying areas. Renters also responded from Glenorchy, Closeburn and Dalefield. 38% of respondents were living with between two and five flatmates and 27% with their partner/spouse. Only 10% of respondents were renting by themselves and a small percentage from a range of other household makeup's including one parent families, as well as families who are renting a room to help cover the rent.

Respondents were asked how their experience of renting in Queenstown compares to their experiences of renting elsewhere in New Zealand. There was roughly a four to one ratio of negative to positive comments, meaning that for every four renters who perceive renting in Queenstown negatively, only one renter views their experience as positive.

Renters were asked about their aspirations to buy and 43% of people suggested that they aspire to buy a property in Queenstown, 30% said maybe depending on their finances and 13% said that they could not afford to buy here. Small percentages said that they were not staying in Queenstown long term, did not want the inflexibility, responsibility, cost or hassle of repairs. People who said that they aspire to own property were asked whether they will be buying with someone. The majority of respondents (64%) will be buying with a partner

or spouse and a small percentage (28%) said that they aspire to buy a property alone. Fewer than 10% of people said that they wish to buy with friends or family. For the majority, \$70,000 per annum will be their joint income, with only a small percentage earning over \$110,000. Financial reasons such as needing to save for a bigger deposit was the main rationale cited as stopping people buying sooner. Financial security and something that is their own were given as reasons for aspiring to buy.

The question, 'Is affordability a barrier to your long term commitment to Queenstown?' was posed. Astonishingly, 86% of renters believe that affordability is or could be a barrier to their long term commitment to the Queenstown district.

People were asked whether they are aware of the Queenstown Lakes Housing Trust and its products. 56% of respondents said that they are aware of the Trust and when asked about specific products the Shared Ownership programme was the product most respondents were aware of (22%). 20% of respondents were aware of the Nerin Square development, 8% of the Rent Saver scheme and only 6% were aware of Starter Loans. 44% of people were not aware of any of the Trust's products.

### **Further analysis**

The research utilised cross tabulation analysis to understand where housing stress is occurring within communities. Further analysis of the questions, 'do you aspire to buy a property in Queenstown?' and 'is housing affordability a barrier to your long term commitment to Queenstown?' demonstrated that housing stress could be apparent in 39% of renters. Profiling of these people showed that stress was most likely to occur around age 26 to 35 but was still apparent in people in their 40's. People with individual incomes of \$30,000 to \$50,000 were most likely to feel housing stress and, as expected, the more people earned the less likely they were to feel stress. Looking at length of time renting showed that people renting 6 months to a year showed the most housing stress, which decreased the longer people had been renting for.

Even though people aspire to buy in Queenstown, further analysis showed that they still perceive affordability as a barrier to them achieving their goals. When joint incomes were taken into account only salaries over \$90,000 appeared adequate to reduce people's perceptions of affordability.

### **Conclusions**

Although a larger sample was targeted, the research concluded that the numbers achieved were sufficient to be confident that the results reflect the general population. It was summarised that the continuum from renting to buying could be thought of in three distinct bands, the 56% who are renting until they buy, the 5% who are happy renting and have no intention to buy and the 39% who aspire to buy but cannot due to affordability. However, the fact that 86% believed that affordability is or could be a barrier to their long term commitment to Queenstown showed that aspirations and reality do not necessarily correspond.

Large numbers of people were shown to fall within the earnings criteria for the Trusts Shared Ownership and Renter Saver schemes. However, as there are a number of

eligibility criteria it was difficult to specify the exact numbers of renters appropriate for these schemes.

It was concluded that awareness of the Trust has increased from 32% in 2009 to 56% for this survey. However, awareness of actual products is still low suggesting that further marketing work needs to be done.

## **2. Purpose**

The purpose of this report is to present the findings from an online renters' survey which ran at the end of April 2012. Queenstown Lakes Community Housing Trust (QLCHT) commissioned an independent researcher to conduct this work on their behalf.

## **3. Aims and objective**

The objective of the research was to identify the need for increased housing support with three specific aims:

- To determine where people are on the continuum from renting to buying and identify where 'housing stress' exists.
- To determine whether the current housing products offered by the Trust are sufficient to meet the demands of the market.
- Determine how aware renters are of the Community Housing Trust and the products it offers. This information will allow direct comparison to previous research conducted by Ascari.

## **4. Context**

According to June 2011 estimates the Queenstown Lakes district has a resident population of 28,700<sup>1</sup> with the townships of Queenstown, Arrowtown and the Wakatipu Basin containing around 18,000 people. In addition the population swells seasonally with migrant workers who meet the requirements of the tourism industry in both the summer and winter months. Accommodation providers Harcourts suggest that this translates into low vacancy and high demand for rentals, with an increased demand for lifestyles rentals i.e. up to three months at a time.

Queenstown is reportedly one of the least affordable places to live in New Zealand, with median house prices in March 2012 at \$445,000, compared to the New Zealand median of \$370,000<sup>2</sup>. With house prices above average, the Area Median Income of \$62,006<sup>3</sup> means that a person purchasing alone would roughly require a \$150,000 deposit to achieve an affordable mortgage of 30% of their annual income. However, research suggests that New Zealanders on average pay around 40% of their annual household income, 10% above that of other developed counties.

---

<sup>1</sup> Subnational population estimate at 30 June 2011 (boundaries at 1 July 2011). Statistics New Zealand.

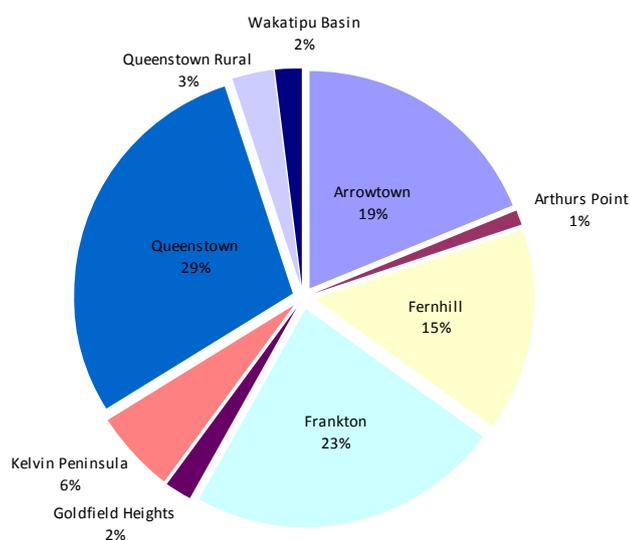
<sup>2</sup> <http://www.queenstownproperty.com/>

<sup>3</sup> Income and Household worksheet 2012, provided by QLCHT

#### 4.1 Summary of current rental provision

A total of 2483 rental properties in the Wakatipu area are detailed on the Queenstown Lakes District Council (QLDC) rates database 2009. Figure 1 shows how these properties are dispersed through this area.

**Figure 1: QLDC Rates Database 2009. Rental property location summary.**



A quick survey of 100 properties in Arrowtown, selected at random from the QLDC database, suggested that 18 properties were either empty (curtains closed, backlog of newspapers and post), for sale or demolished. The database is therefore used as a guide to the number of properties potentially being rented in the district.

Accommodation providers were contacted to ascertain the number of rental properties currently held on their databases. The total number of long term rentals currently under management in the Queenstown district was found to be 1639. Based on the assumption that these agencies manage around 80% of the market, and using the QLDC database as a guide, it is reasonable to assume that there are around 2050 rental properties.

#### 4.2 Past research

QLCHT commissioned rental market research in 2009 and surveyed a total of 120 renters. The research found that it is common for people to move rental properties at least once a year due to poor maintenance and difficulties in heating their current residence. Most respondents to the survey could not afford to live independently and a high percentage were living with at least one flatmate. 78% of those surveyed in 2009 would prefer to own a home but financial barriers prevented them from doing so. As a result of this research QLCHT developed a rent saver programme for eligible households whose needs are not being met by the market.

Although rental research has been conducted in the past, this research project is to be considered stand alone. The only comparison that will be made relates to awareness of QLCHT and its products.

### **4.3 Affordable housing policy**

QLDC is currently debating its legal position with regards to Plan Change 24, which would where appropriate see the requirement for affordable housing considered as part of plan changes and resource consents. Affordable housing would therefore fall under the umbrella of the district plan and enable the council to marry up affordability and housing need for local people. The timing of this research is therefore pertinent in light of such changes.

## **5. Methodology**

An online survey with closed ended questions and multiple choice answers was utilised for ease and speed of response. Where appropriate an option of 'other' and a text box were also provided. At the start of the survey people were asked to indicate whether they owned or rented their current property. Where they selected 'own' the survey took them to the final page so that they could complete their details therefore safeguarding against false results.

The survey was split into four sections:

- Section 1: About you
- Section 2: Your Accommodation
- Section 3: Your future plans
- Section 4: Other (awareness of the Trust and feedback).

Posted on the QLCHT website for four weeks, people were directed to the survey through advertising in the local press. Additional radio advertising and a leaflet drop were undertaken in the final week of the survey. Five \$150 New World shopping vouchers were offered as an incentive.

Basic analysis has been used as the method for processing the survey data and where appropriate cross tabulation analysis has been used to compare how respondents answered across questions. This analysis has been used to understand peoples' future plans for buying in the district.

## **6. Findings**

For the purpose of this report the findings will be presented using the four section format of the survey. Within each section the primary findings have been presented with further detailed analysis presented in a separate section.

### **6.1 Overview**

A total of 569 people responded to the online survey. Of these responses 28 of these were from people who own their property and were therefore disregarded. 18 people logged on to the survey but did not complete any information. Therefore the **true total response to the survey is 523**. To obtain a margin of error +/-4 at the 95% confidence level a sample size of 464 was required (based on a population of 2050 rental properties). Therefore we can be

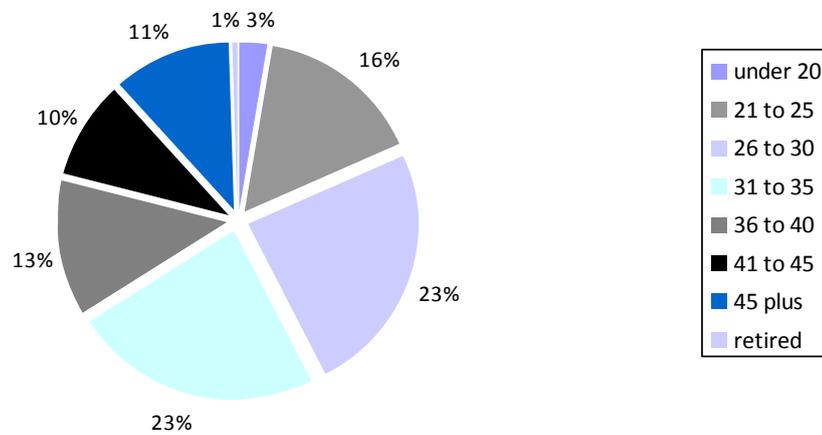
confident that the results from this survey are representative of the number of renter households in the Queenstown district<sup>4</sup>.

### 6.2 Survey section 1: About you

This section of the survey asked basic demographic information about people, their age, earnings and immigration status. This information enabled profiling of renters' for further analysis, which is presented later on in this report.

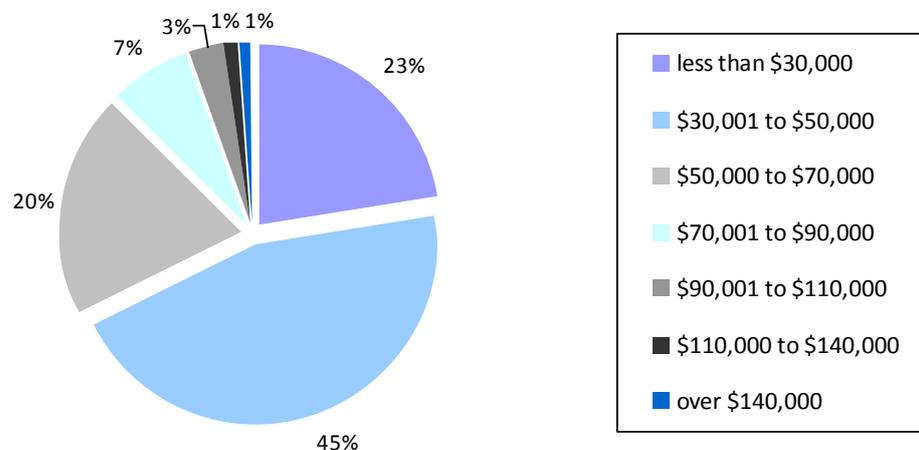
In relation to respondents' age, 60% were between 26 and 40, with 19% under 25. Only 21% of respondent were over 41 and 1% were retired. Figure 2 shows the breakdown of respondent by age.

**Figure 2: Age profile of respondents**



Respondents were asked how much they earn per annum. The majority earned below \$50,000 per annum and only a small percentage earned over \$110,001. Figure 3 shows the breakdown of respondents by wage banding.

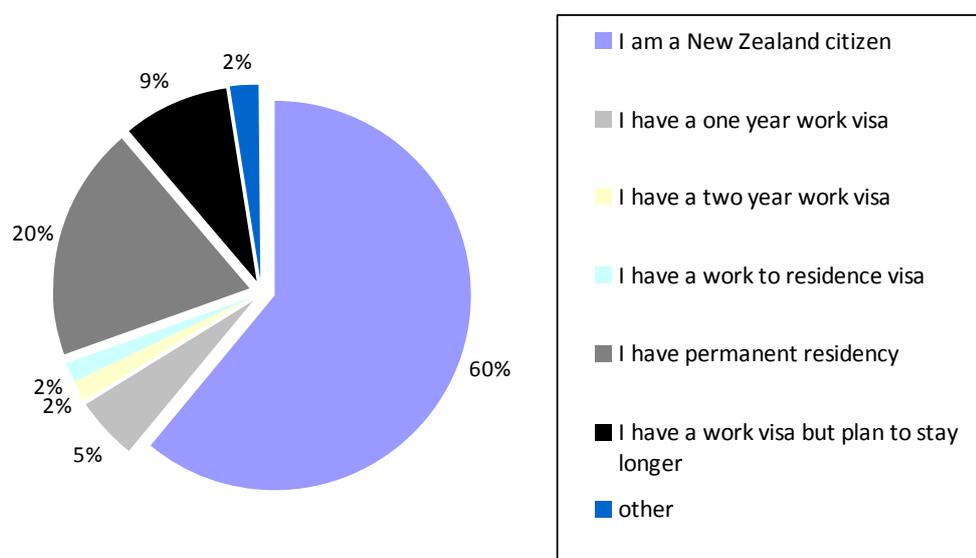
**Figure 3: Wage profile of respondents**



<sup>4</sup> This is based on the assumption that we received only one response per household and as only 38% were in a flatting situation the error in this assumption is believed to be low.

To gain a sense of how many people from the sample are New Zealand citizens, the survey asked people to state their immigration status. This data therefore gives us a picture of how many renters are likely to be committed to the district. It was decided not to discount renters who are on work visas to ascertain their intentions and perceptions of affordability in Queenstown. The majority of respondents were New Zealand citizens and 21% had residency or work to residency visas. A very small percentage of respondents were on work visas with some of them specifying plans to stay longer. The respondents who selected 'other' were either Australian citizens, on student visas or parent/guardian visas. Figure 4 shows the breakdown of respondents by immigration status.

**Figure 4: Immigration profile of respondents**



### 6.3 Survey section 2: Your accommodation

This section of the survey asked people about their current rental, the location, how many people they rent with, how long they have been renting and how it compares to their other experiences of renting in New Zealand.

In terms of location, the majority of respondents live in Queenstown with 18% residing in Frankton and 15% in Fernhill. Under 10% live in both Arrowtown and Goldfield Heights and a small percentage in other outlying areas. Renters also responded from Glenorchy, Closeburn and Dalefield.

38% of respondents were living with between two and five flatmates and 27% with their partner/spouse. Only 10% of respondents were renting by themselves and a small percentage from a range of other household makeup's including one parent families, as well as families who are renting a room to help cover the rent.

Respondents were asked how their experience of renting in Queenstown compares to their experiences of renting elsewhere in New Zealand. Multiple choice answers were

allowed for this question. Table 1 shows how these comments are split between negative, positive and passive statements.

There is roughly a four to one ratio of negative to positive comments. That means that for every four renters who perceive renting in Queenstown negatively, only one renter views their experience as positive.

**Table 1: 'How does renting in the Queenstown district compare to your previous renting experiences in New Zealand?'**

<b>Negative statements</b>	<b># of statements</b>	<b>%</b>
Less affordable	327	25
More costly to heat	257	19
Less choice/variety of properties	149	11
Poorer quality properties	124	9
Less secure tenancies	72	6
Less space	66	5
Letting fees too high	2	less than 1%
Letting agent unpleasant	1	less than 1%
poor choice for single parent families	1	less than 1%
Landlords store their personal possessions	1	less than 1%
<b>Total</b>	<b>1000</b>	<b>75</b>

<b>Positive statements</b>	<b># of statements</b>	<b>%</b>
More choice/variety of properties	60	5
Better quality properties	62	5
More space	42	3
More secure tenancies	27	2
More affordable	23	2
Less costly to heat	10	1
Awesome views	1	less than 1%
<b>Total</b>	<b>224</b>	<b>17</b>

<b>Passive statements</b>	<b># of statements</b>	<b>%</b>
First time renting in New Zealand	95	7
Only ever rented in Queenstown	10	1
Similar to Auckland and Wellington	1	less than 1%
<b>Total</b>	<b>106</b>	<b>8</b>

<b>Total number of statements</b>	<b>1330</b>	<b>100</b>
-----------------------------------	-------------	------------

#### **6.4 Survey Section 3: Your future plans**

In this section people were asked about their future plans and whether they intend to commit to the area long term by purchasing a property. Firstly, respondents were asked whether they have aspirations to purchase a property and what their timescale is. Respondents were able to give multiple choice answers in response to this question. Table 2 shows the breakdown of responses.

It is suggested that housing stress is apparent in the 13% of people who said. 'No, I cannot afford to buy a property in Queenstown', however it may also be evident for the 30% of people who answered 'Maybe, depending on finances'. Further analysis of this question provides insight into these responses (see section 7).

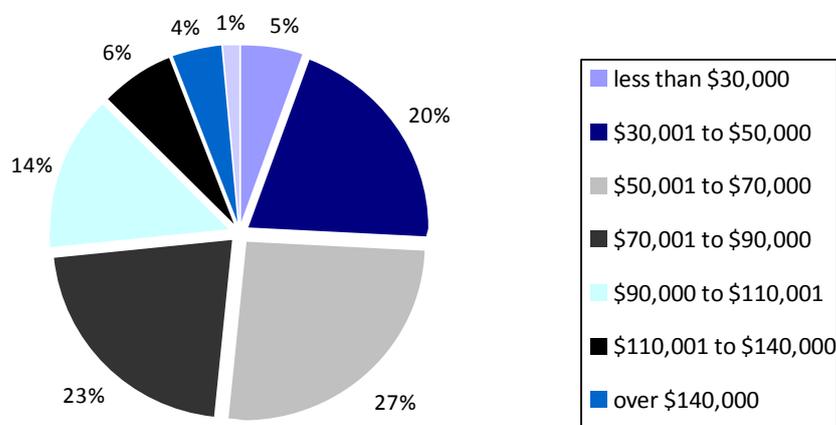
**Table 2: 'Do you aspire to buy a property in the Queenstown district either now or in the future?'**

	# of responses	%
Maybe, depending on finances	166	30
Yes, in the next 2 to 5 years	93	17
Yes, in the longer term	98	17
No, I cannot afford to buy in Queenstown	72	13
Yes, in the next 6 months to a year	53	9
No, I am not staying in Queenstown long term	35	6
Other	12	2
No, I don't want the inflexibility	8	2
No, I don't want the cost of buying	12	2
No, I don't want the responsibility of owning a property	7	1
No, I don't want the hassle of repairs and maintenance	7	1
<b>TOTAL</b>	<b>563</b>	<b>100</b>

People who said that they aspire to own property were asked whether they will be buying with someone. The majority of respondents (64%) will be buying with a partner or spouse and a small percentage (28%) said that they aspire to buy a property alone. Fewer than 10% of people said that they wish to buy with friends or family.

Respondents were asked what their joint income will be. Figure 5 shows the breakdown of responses by joint income and shows that the majority will jointly earn below \$70,000 per annum, with only a small percentage earning over \$110,000.

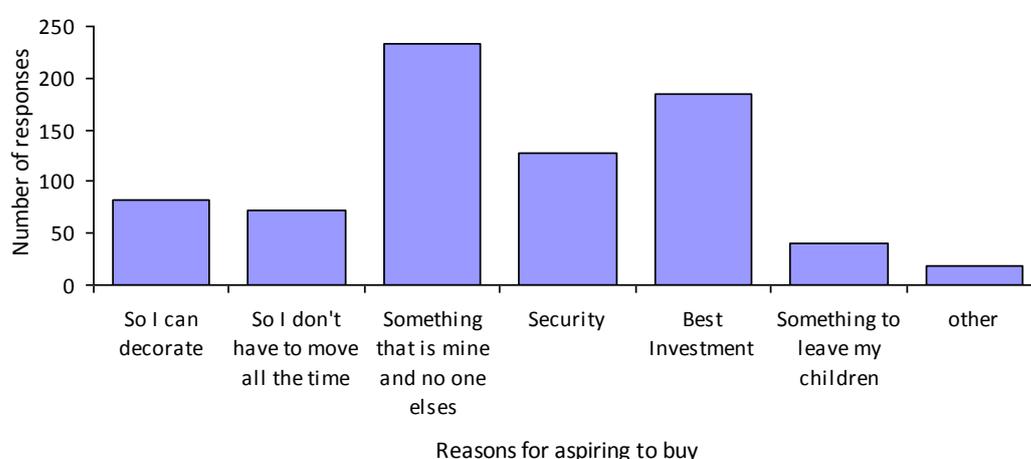
**Figure 5: Joint Income profile of respondents**



When asked what is stopping them purchasing sooner a small percentage said they were between properties and renting until they find the right property to purchase. For the majority financial restraints are the biggest reason with 50% needing to save for a large enough deposit, 17% need to clear debt and 9% are awaiting a pay rise. This question enabled multiple choice answers so reasons were often a combination of factors.

People were asked to give the two main reasons why they aspire to own their own home with the main reason cited as ‘something that is mine and no one else’s’. Financial reasons were the second and third most cited reason for aspiring to buy. Figure 6 shows how people responded to this question.

**Figure 6: ‘Why do you aspire to own your own home?’**



The question, ‘Is affordability a barrier to your long term commitment to Queenstown?’ was posed. Astonishingly, **86% of renters believe that affordability is or could be a barrier to their long term commitment to the Queenstown district.** Only 13% said affordability was not a barrier, and 1% ticked ‘other’ but did not provide further insight. A couple of respondents also provided additional comments suggesting that ‘Cromwell seems more affordable’ and ‘we may have to move away from Queenstown’.

Respondents were asked their preference for affordable housing provision in the district and the majority (66%) would like to see two and three bedroom affordable houses made available in the district, with only 10% specifying four bedroom houses. A small percentage would like to see apartments.

### **6.5 Survey section 4: Other**

In this section people were asked whether they are aware of the Queenstown Lakes Housing Trust and its products. 56% of respondents said that they are aware of the Trust and when asked about specific products the Shared Ownership programme was the product most respondents were aware of (22%). 20% of respondents were aware of the Nerin Square development, 8% of the Rent Saver scheme and only 6% were aware of Starter Loans. 44% of people were not aware of any of the Trust’s products.

## 7. Further analysis: Identifying 'Housing Stress'

Cross tabulation analysis was conducted on a number of questions to understand the continuum from renting to buying and identify where housing stress exists. Cross tab analysis enables comparisons across questions to identify trends and consider possible conclusions.

On face value the continuum from renting to buying is simple (see table 2) and assumes that 72 respondents (13%) are showing housing stress because they answered, 'no, I cannot afford to buy in Queenstown'. However, further analysis demonstrates that it is not quite this simple. Analysis of the question, 'Do you aspire to buy a property in Queenstown?' looked at people who answered:

- No, I cannot afford to buy in Queenstown
- Maybe, depending on finances
- No, I do not want the cost
- No, I do not want the inflexibility
- No, I do not want the hassle of maintenance and repairs
- No, I will not be staying in Queenstown long term

and compared these answers to whether they said 'yes' or 'possibly' to the question, 'Is housing affordability a barrier to your long term commitment to Queenstown?'. The comparison therefore looked at the aspiration of buying versus the reality of buying. This enables an understanding, for example, of the impact of housing affordability on peoples' intentions to stay longer term.

However, some people will have made a conscious decision not to buy so where they said affordability is not a barrier we discounted these responses from further analysis. The 29 discounted responses are highlighted grey on Table 3.

**Table 3: Cross tabulation analysis of aspirations to buy (maybe and no answers) and housing affordability a barrier.**

Count of Respondents	<i>Is housing affordability a barrier to your long term commitment to Queenstown?</i>				
<i>Do you aspire to buy a property in Queenstown?</i>	Yes	Possibly	No	Other	Grand Total
Maybe, depending on my finances	83	40	15	1	139
No, I cannot afford to buy in QT	37	14	6	0	57
No, I don't want the cost	8	2	1	0	11
No, I don't want the hassle of repairs etc	2	1	1	0	4
No, I don't want the inflexibility	0	0	1	1	2
No, I don't want the responsibility	0	1	1	0	2
No, I will not be staying long term	15	12	9	0	36
Grand Total	145	70	34	2	251

It is therefore considered that the number of people under housing stress is actually:

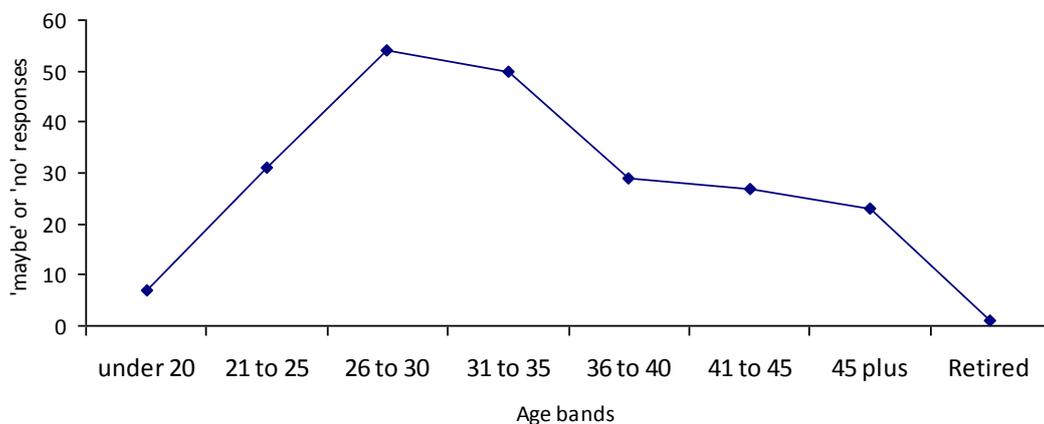
- **222**
- Or **39% of renters** who responded to this survey (percentage is based upon the total responses for this question)

## 7.1 Profile of 'Housing stress'

To understand why people are under housing stress further analysis was conducted to compare the 222 renters identified as under housing stress, as shown in Table 3, their age, individual earnings and length of time renting. These comparisons enable us to profile where housing stress is occurring in the community.

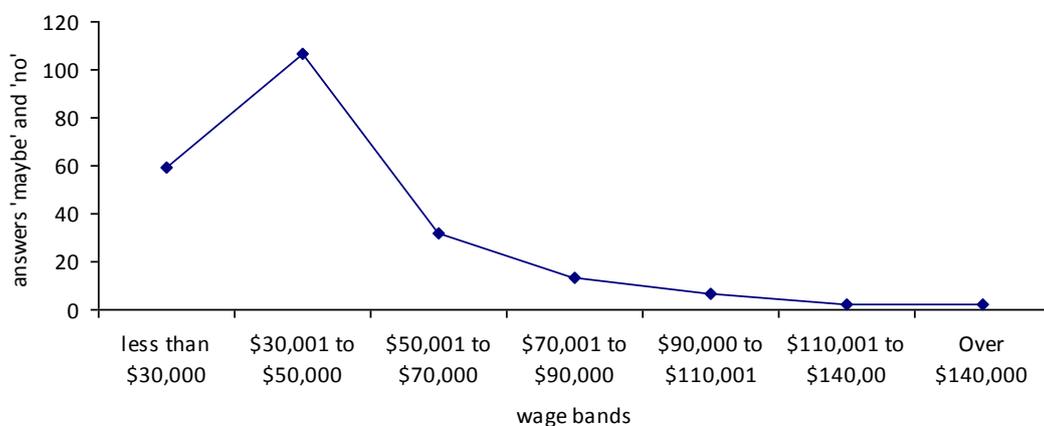
Figure 7 shows the age profile of renters under 'housing stress' and age and clearly shows how this increases up to the '26 to 35' banding and then declines as people get older. This suggests that people in the middle aged group are most likely to be under housing stress but even as people reach their 40's there is still an unachievable aspiration to buy.

**Figure 7: Housing stress versus age**



Looking at individual income, there is a very clear and obvious trend. The more you earn the less likely you will feel housing stress. It is interesting nonetheless to pinpoint the earning band, \$30,001 to \$50,000, most susceptible to housing stress. In fact 68% of respondents to the survey earned below \$50,000 per annum, so to be able to afford a property in Queenstown they would either have to buy jointly or have saved a hefty deposit.

**Figure 8: Housing stress versus. Individual earnings**



A similar trend can be observed when looking at aspirations to buy and the length of time a person has been renting. Housing stress appears to occur mostly frequently in people have been renting 6 months to a year and decreases the longer people have been renting.

This may suggest that once you have been renting over two years that your aspirations to buy diminish.

**Figure 9: Housing stress versus time renting**



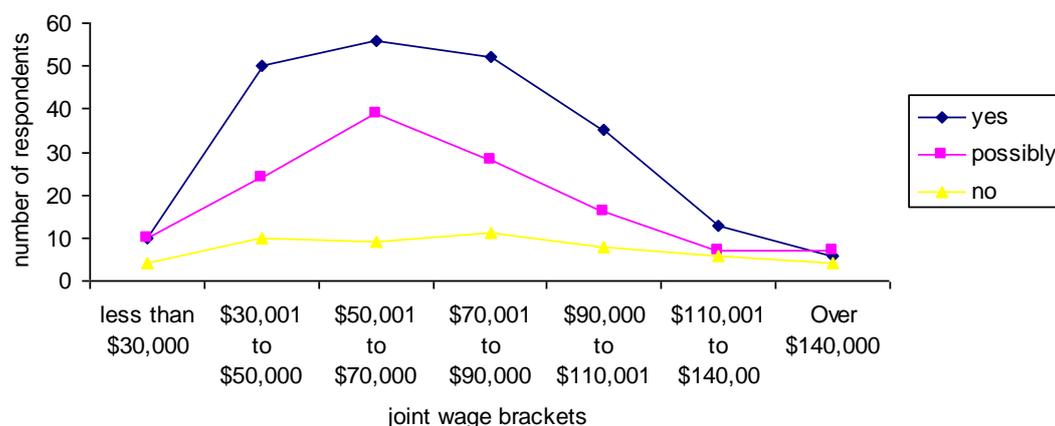
Even people who do aspire to buy a property still perceive affordability as a barrier to their long term commitment to Queenstown. A cross tab analysis of the responses to these two questions revealed that 200 renters aspire to buy but perceive affordability as a barrier. This suggests that aspiring to buy and the reality of buying are very different.

**Table 4: Cross tabulation analysis of aspirations to buy and affordability as a barrier to commitment.**

Count of Respondents	Is Housing Affordability a barrier to your long term commitment to QT?				Grand Total
	Yes	Possibly	No	Other	
<b>Aspire to buy</b>					
yes	122	88	30	1	241
maybe	83	40	15	1	139
no	62	30	19	1	112
other	2	4	2		8
Grand Total	269	162	66	3	500

For many people the reality of buying means that only a joint income will enable them to realise their aspirations. Figure 10 compares affordability as a barrier and joint household income. This suggests that affordability is still a barrier when joint income is taken into account and as expected becomes less of a barrier as income increases. It seems to be the middle income bracket of \$50,001 to \$70,000 that provides the biggest barrier to long term commitment to Queenstown, and only salaries over \$90,000 seem adequate to reduce the affordability problem. Please note that this graph only shows those who said they aspire to buy as where people said that they could not afford to buy they were directed to the later questions in the survey.

**Figure 10: Affordability a barrier to long term commitment versus joint household income.**



## **8. Conclusions**

The three specific aims of this research were to determine where people are on the continuum of renting to buying and identify housing stress; to determine whether the current housing products offered by the Trust are sufficient to meet the demands of the market; and to determine how aware renters are of the Housing Trust and the products it offers. Conclusions will therefore be made under the heading of each aim.

### ***8.1 General conclusions***

Although a larger sample size was aimed for, we can be satisfied that the sample gathered is large enough for us to be confident that it reflects the general population of renters in the Queenstown district. This means that we can be confident that any result reflects how the general population would respond within a range of +/-4. The QLDC rates database used as one of the measures of the rental population for this survey may need updating to reflect the numbers of holiday homes and empty properties in the district.

The online survey was very well received and a number of additional comments were provided suggesting that people welcomed a succinct and valuable survey. Some of these additional comments asked for further information regarding certain schemes so the survey also acted as a mechanism for increasing awareness.

### ***8.2 To determine where people are on the continuum from renting to buying and identify where 'housing stress' exists.***

In terms of a continuum the population of renters can be thought of in three distinct bands:

- The 56% who are renting until they buy.
- The 5% who are happy renting and have no intention to buy.
- The 39% who aspire to buy but cannot due to affordability. These people are identified as under housing stress and could potentially receive support from the Community Housing Trust.

However, even for those who do aspire to buy, affordability could still be an issue. The fact that 86% of respondents, whether they aspire to buy or not, believe that housing affordability is or could be a barrier to their long term commitment to Queenstown is a

significant finding, which will undoubtedly have an impact on the sustainability of local communities, possibly denting the ability of Queenstown to grow economically due to a decreased likelihood of retaining residents.

People identified as under housing stress were most likely to be aged between 26 and 35, have been renting for 6 months to a year and have an individual income of below \$50,000 per annum. However, housing stress is still apparent in those in their 40's so although housing stress decreases with age it does not diminish altogether. There does appear to be a downward trend in terms of housing stress and income, as well as housing stress and the length of time renting.

### ***8.3 To determine whether the current housing products offered by the Trust are sufficient to meet the demands of the market.***

Eligibility criteria for the Shared Ownership programme states that the household income for a person wishing to purchase alone will not exceed the 140% band level of \$90,000 or \$135,000 for a six person household. Based on these criteria, 95% of respondents fall into the wage bracket for individual earnings. 72% of respondents said that they aspire to buy a property with someone else and 94% of these would jointly earn under \$135,000. There are a number of other eligibility criteria that applicants are required to meet, for example a 5% deposit, so it is difficult to determine the exact numbers of renters who would be eligible for the Shared Ownership Programme. However, it is clear that a significant number of renters earn the within the threshold required for consideration by the Trust.

Eligibility criteria for the Rent Saver programme stipulates that an individual's earnings must not exceed the 100% band level of the Area Median Income. 88% of respondents fall into this criteria and earn below \$62,006. However, it must be noted that the multiple choice wage bandings for the survey (\$50,000 to \$70,000) mean that this is not an exact figure. As with other Trust products, applicants would need to meet a range of criteria to be eligible for support, so this figure provides a guide for the number of potential renters appropriate for this programme.

The survey also asked people's preference for affordable housing, with the majority (48%) preferring three bedroom homes. However, 18% would like to see more two bedroom houses and a small percentage (11%) four bedroom houses. 15% of respondents preferred apartments to houses. The Trust's development at Nerin Square comprises predominantly three bedroom houses and therefore meets the demands of the majority of renters. However, the Trust may wish to consider a combination of housing options when looking at future schemes.

### ***8.4 Determine how aware renters are of the Community Housing Trust and the products it offers. This information will allow direct comparison to previous research conducted by Ascari.***

Previous research by Ascari identified that 32% of respondents had not heard of the Trust. This survey showed that 56% of respondents had heard of the Trust, which is a considerable increase from 2009. However, awareness of actual products is still fairly low with only 8% being aware of the Rent Saver Scheme. This suggests that there is further marketing work to be done to ensure information is reaching those who are eligible for support.

## **9. About the researcher**

Katherine Davies is an independent researcher who works on both social and market research projects. She obtained a degree in Psychology from the University of Essex (UK) and subsequently developed a varied career working for local councils, charities and private organisations. She has worked in research and development for a national housing and care provider in the UK specialising in dementia care and housing for the elderly. Katherine began working on a freelance basis in 2010 and has completed a number of projects including the value of the voluntary sector and impact of financial cuts of faith and belief groups. Katherine moved to Queenstown with her husband in September 2011.

## Appendix 1: Survey

### **Renters' Survey – Queenstown Lakes Community Housing Trust**

The following survey should take **no more than five minutes** to complete and multiple choice questions are used throughout. Some questions also have an 'other' option and it would be helpful if you could provide some further information when opting for this.

Please also remember to add your contact details at the end so that we can add you into the draw to **win one of five \$150 New World Vouchers**. Your details will not be held on a database or used for any other purposes unless you state otherwise.

Before you begin the survey we firstly need to know whether you rent or own your property.

- Rent
- Own

#### **Section 1: About you**

1. How old are you?

- under 20
- 21 to 25
- 26 to 30
- 31 to 35
- 36 to 40
- 41 to 45
- 45 plus
- Retired

2. How much do you earn in a year (before tax)?

- less than \$30,000
- \$30,001 to \$50,000
- \$50,001 to \$70,000
- \$70,001 to \$90,000
- \$90,000 to \$110,001
- \$110,001 to \$140,00
- Over \$140,000

3. What is your immigration status?

- I have a one year work visa
- I have a two year work visa

- I have a work visa but plan to stay longer i.e. apply for another work visa or work to residency
- I have a work to residence visa
- I have permanent residency
- I am a New Zealand citizen
- Other, please specify.....

**Section 2: Your accommodation**

4. Where do you currently rent?

- Arrowtown
- Arthurs Point
- Fernhill
- Frankton
- Goldfield Heights
- Jacks Point
- Kelvin Peninsula
- Lake Hayes Estate
- Lakeside Estate
- Sunshine Bay
- Queenstown
- Quail Rise
- Wakatipu Basin
- Other, please specify.....

5. How many people do you rent with?

- I rent by myself
- With my partner/spouse
- With my partner/spouse and 1 child
- With my partner/spouse and 2 children
- With my partner/spouse and 3 children
- With my partner/spouse and 4 children
- With my partner/spouse and more than 4 children
- With one other
- With two others
- With three others
- With four others
- With five or more others
- Other, please specify.....

6. How long have you been renting in the Queenstown district?

- less than 6 months
- 6 months to 1 year
- 1 to 2 years
- 2 to 3 years
- 3 to 4 years
- 4 to 5 years
- 5 or more years

7. How does renting in the Queenstown district compare to your previous renting experiences in New Zealand? (tick all that apply)

- More affordable
- Less affordable
- More choice/variety of properties
- Less choice/variety of properties
- Better quality properties
- Poorer quality properties
- More costly to heat
- Less costly to heat
- Less secure tenancy (e.g. owner returning, etc.)
- More secure tenancy
- More space
- Less space/overcrowded
- This is the first time I have rented in New Zealand so cannot comment
- Other, please specify

### Section 3: Your future plans

8. Do you aspire to buy a property in the Queenstown district either now or in the future? (tick all that apply)

- Yes, I will be buying in the next 6months to a year
- Yes, I will be buying in the next 2 to 5 years
- Yes, in the longer tem
- Maybe, depending on my finances
- No, I will not be staying in Queenstown long term (go to Q12)
- No, I do not want the cost of buying a property (go to Q12)
- No, I cannot afford to buy a property in Queenstown (go to Q12)
- No, I do not want the responsibility (go to Q12)
- No, I do not want the inflexibility (go to Q12)
- No, I do not want the hassle of maintenance and repairs (go to Q12)
- Other, please specify

9. What is stopping you from buying sooner?

- I need to save a bigger deposit
- I need to clear some debt
- I haven't found the right property yet
- I have another property to sell first
- I have sold my property and am renting until I find something to buy
- I am waiting for a pay rise at work
- Other, please specify

10. Will you be buying a property alone or with someone else?

- Alone
- With my husband/wife/partner
- With a friend/s
- With parents
- With my brother/sister
- Other, please specify

11. What will you combined household income be?

- less than \$30,000
- \$30,001 to \$50,000
- \$50,001 to \$70,000
- \$70,001 to \$90,000
- \$90,000 to \$110,001
- \$110,001 to \$140,00
- Over \$140,000

12. Why do you aspire to own your own home? (please tick your main two reasons only)

- It is the best place to invest my money
- To have something that is mine not someone else's
- So that I can decorate and change a property as I want
- Something to leave my children
- Greater security
- So that I don't have to move all the time
- Other, please specify.....

13. Is housing affordability a barrier to your long term commitment to the Queenstown district?

- Yes
- No
- Possibly

Other, please specify

14. What sort of affordable housing would you like to be made available, now and in the future?

- 1 bedroom apartments/units
- 2 bedroom apartments/units
- 2 bedroom houses
- 3 bedroom houses
- 4 bedroom houses
- I don't know
- Other, please specify.....

**Section 4: Other**

15. Are you aware of the Community Housing Trust?

- Yes
- No

16. Are you aware of any of the following Community Housing Trust programmes?

- Rent Saver
- Shared Ownership
- Starter Loans
- "Nerin Square" development (Lake Hayes Estate)

Thank you for completing this survey. To enter the draw to win one of five \$150 vouchers please add your name and contact details below:

Name.....  
Telephone/Mobile Number.....  
Email.....

If you would like to be added to the email database and receive updates from the Community Housing Trust, please tick this box

If you have any further comments or feedback regarding this survey or any of the issues raised please feel free to do so here.

.....  
.....

## Appendix 2: Feedback from Survey Participants

- A lot of decisions made due to not renting certain houses is due to poor insulation. My current house is good, but there are plenty of houses in QTWN that are cold, damp and un-insulated. Especially the houses that don't see the sun during Winter.
- Can you please send me info on community housing trust options...
- Great info. Thanks
- great survey thank you
- Having lived here since I was 8 means that all my family and now my own wee family live in the district. We don't want to have to leave but in the next few years when my partner finishes his apprenticeship we may have to just to be able to get some savings together to be able to buy here. We pay so much rent to pay off someone else's mortgage when we could be paying off our own and living week to week with the low wages is not ideal. Queenstown is home but it's very expensive to live so we miss out.
- hello! I wish it had some English schools closest to Frakton to facilitate studying English. THANK YOU FOR CONTACT
- Hi there, I would really appreciate some more information on what is available through the Housing Trust as we have currently found a section of land we wish to buy and looking at all our options towards our next steps. Much appreciated :)
- Hi there, interested in shared ownership, just so we can get into the market and have a place of our own. Interested in other help and advise you can offer.
- I am already on the database. Do you have any options coming up in Arrowtown?
- I do wish that renting or owning a home was more affordable in Queenstown, however given the current market and its location, I know there will have to be a major economical change that may not happen for a very long time, in the mean time I am happy renting. I have been with 2 property managers and both have been very excellent to deal with. Queenstown is a very great place to live.
- I don't expect to be able to live in the most amazing area in the world, have an amazing job AND be able to afford a house here... renting sucks but I think it's an acceptable compromise.
- I don't think I will ever be granted a mortgage because of my age. So I'm a bit stuck between a rock and a hard place.
- I find it quite concerning the quality of rentals and affordability in the area. High end rentals are of good quality but from what I saw when I was looking landlords take advantage of the shortage of rentals here and the fact they do not need to provide quality houses to rent them. When we moved into our property we had to clean, including carpets, get rid of vermin, and everything we ask to be done - blocked spouting, broken windows are met with silence or a rental inspection. This is why we bought so soon. I am pleased we will not be renting for much longer and feel sorry for those who have the huge task of looking for reasonable and affordable rentals. Our rental was private via Mountain Scene and not through a letting agency.
- I hope this info helps!
- I owned a house with an ex partner around 4 years ago and we decided to take in a rescued dog. Now, finding a good quality rental property that allowed dogs is virtually impossible. This is another reason I would like to buy again, but it is much harder on your own.
- I really liked renting from QAC, they made everything easy and were supportive when my problems arose.
- I think a lot of houses in Queenstown are over priced for the quality of the house and what they are. I also think a lot of people are out of touch with what tenancy agreements actually entail.

- I think every major business in the city that employs 50 or more employees under \$30,000 pa should collectively sponsor an affordable home. That way if commerce / business increases then there is a likelihood of affordable housing increasing too.. not the current market rate development which is not affordable to workers. Also Jardine Park in Kelvin heights should be developed by the affordable housing trust... especially up the back of the park. Council built Broadview pump station to service a few houses so they could build infrastructure for Jardine park.
- I think leasehold land at an affordable rate, the ability to contribute to the construction and completion of the building to cut costs and rent to buy may make an otherwise difficult financial choice, become possible.
- I think QAC (rental Company) are the worst people to deal with when renting a property. They turn up for inspections willy nilly with no notice, they try everything they can to take your bond money when you move out for example I was charged \$50 per light bulb that wasn't going including installing fees, I had already told them there was a electrical problem months before moving out and the lights kept blowing, but they did nothing about it, then I get charged for light bulbs, and also for patched over holes in doors that were already there when I moved in which I did not mark down on the problems with the house as it was already patched over and fixed.... I have heard alot of bad storys about QAC.
- I would like to see more rent to buys, as trying to save a depoist for a home is very hard.
- I'd like to learn more about the Housing Trust & what services they offer. I am single so buying a house is more difficult. Thank you for this opportunity.
- It would be brilliant if there were low cost sections made available on condition of people building 'affordable' housing. Many of the new builds at Lake Hayes Estate built way too large floor areas and are now unable to sell for a price anyone wants to pay. Perhaps also if there was incentive to build 'green' or 'eco' homes that would be brilliant. Or units whereby two or more families could live together. Some of us dont want to live on Nerin Square, or in houses designed by the Housing trust - so this could give more options. Basically it would be good to lobby council for more affordable developments, high quality housing, and development in areas that are well served by public transport and facilities.
- Many rentals that we could afford are disgusting, there should be more control of the prices, the types and conditions of properties that people are expected to live in, it evens seems the agents take no pride in the properties they present to you. At present after many years living in QT, we have managed to secure a lovely stand alone home although we couldn't afford it if our family, including a grandchild weren't living with us. The Landlord is fantastic and no agents involved!!
- Nice, brief, and to the point.
- Regarding which house we would consider; I have just seen a 2 bedroom house that is well placed in Arrowtown to have my children going to school without having the expense to take the car. An extension can be built to this house, and so, for this i would consider it. Thank you for the opportunity
- Renting long term in Queenstown is very expensive for what you get. Finding decent affordable options if you are single living alone is even more difficult if you want something better than a shoebox.
- Someone has to do something about rental prices! our incomes do not even come close to what rent is!.....at this point it looks as if i will never own my own home...
- Struggling with the cost of living in Queenstown makes it a less happy place to be and I have seen many many good hardworking folk who give a lot back to the community leave because pretty much everywhere else in NZ you can have a better quality of life; better cheeper food produce, doctors, dentists, entertainment. You have to be here for one thing: the mountains & the sports therein. Having to live in rental properties

for so long even though I have a good amount of deposit from the sale of a house in the UK which I long to invest here is disheartening & frustrating. Unless you are prepared to buy an old shitter you absolutely must have a very substantial deposit. As saving in this town is so hard with wages being the same as everywhere else in the country but costs of living so much higher, saving the disproportionately large deposit takes a long long time. It'll be worth it in the end but in the mean time we have to look at living in places where landlords will not fix windows with gaps in their frames letting the wind straight through or fitting a heatpump let alone insulating the place or putting in double glazing so maintaining high wood/heating bills ... Landlords very rarely care about the tenant in this town. They just want their money & put nothing back into the houses in return. I have seen property after property go to rack & ruin then just get sold off to have a makeover & the process start over again without the main issues being addressed. Eventually the land will be sold, house will be knocked down & an expensive holiday place built pushing house prices further out of the reach of the honest hardworking average person living in Queenstown. Basically; it sucks but the time in the hills just makes it worth it, just...

- Thank you
- Thanks
- Thanks
- Thanks :)
- Thanks, I would like to know more about the investment and possibility of becoming a home owner in Queenstown, to start planning for the future and have a little slice of Queenstown to call home.
- The conditions of a lot of rental properties in Queenstown are in a very poor state, comparing with rental properties overseas.
- The rental properties here are so expensive compared to the equivalent our family was renting in Christchurch. I was born and raised here so returned because of the earthquakes and wanted to raise my children where I was raised. We have been here for over a year and are coming to the realisation we may need to move elsewhere soon, everything in Queenstown costs more and it sucks that because Queenstown has a 'tourist' status it means everywhere can charge more 'just because'. It's sad, Queenstown is a beautiful place to live but it's beginning to be not worth it. There is also not enough middle level 3 bedroom section houses to rent here, anything nice is \$450 plus and anything below that is rentals that are pretty sub standard! Sorry for the rant! )
- Very informative, thank you.
- very sad to hear the rent saver will not be happening.
- We already approached the Community Housing Trust - is that the Queenstown one? They have policies which were discriminatory in the sense that their 'arbitrary' rules dropped the context, i.e. the spirit of the rules, in terms of the policy they profess to serve. We also believe their house/land packages are over-priced. We genuinely want to live in Queenstown; having lived in Wanganui before, and travelled all over; I think Queenstown is the only place we could live in NZ; maybe Nelson area if it was more developed. We are deciding whether to go to Australia or the Philippines in June. Sadly, the more we move, the more disruptive because we have to close a business, we have to wait 1-2 years for a housing loan. Our other problem is we have several properties around the world to consolidate....not recognised by banks.
- we need cheaper housing for families because we live in a wonderful place with lots of history good job prospects for us and our children
- Worthwhile. Thanks