

MEDIA RELEASE

HOME OWNERSHIP DREAM IS FADING FOR MANY KIWIS

New report uncovers elevated levels of stress and anxiety amongst New Zealanders with financial concerns the biggest cause.

Auckland, JULY 2021 – The global health crisis has had a major effect on every part of daily life, from social distancing and lockdowns to the way we work and what we perceive as the new normal. As life in New Zealand slowly returns to normal, the impact of the pandemic is still being felt with one in two (51.2%) Kiwi families indicating that current levels of stress and anxiety are now higher compared to the start of last year, with financial concerns (50.6%) topping the list of things that keep Kiwis awake at night.

The new *Kiwi Families in 2021* report, commissioned by OneChoice, explores what makes Kiwi Families unique, and takes a deep-dive into values and concerns, as well as how the events of 2020 have impacted them. The research found that the rising cost of living (67.9%) are the biggest financial worry, with saving enough money for emergencies (53.9%) and the cost of property (52.7%) also rated as very high concerns.

The extreme surge in property prices and median house prices at an all-time high is causing worry amongst many (78.9%). New Zealanders feel it has become impossible to get on the property ladder, with eight in 10 (83.4%) believing the dream of home ownership is no longer attainable for the average Kiwi.

According to the data, four in five (79.1%) house hunters are feeling locked out of the property market. In general, seven in 10 (71.5%) are losing hope that they will ever be able to buy their own home.

Graham Squires, Professor with expertise in Property and Housing at Massey University, says that housing affordability as a tenure issue is becoming an increasingly debated area.

“We can argue that there has been an increasing income gap between renting and owning, where homeownership is increasingly out of reach for low-income households. Stretching to the point that many young people see themselves as a generation of renters rather than owners.

“The ideals of homeownership are in reality unattainable for the majority of young people without support. Adding to the pressure is the social normalising that homeownership will increase social well-being,” Professor Squires added.

But house hunters are still keen to get on the property ladder, as the overwhelming majority (93.8%) feel the cost of rent is overpriced in New Zealand and seven in 10 (69.9%) indicating their biggest motivator to buy a property is to stop paying rent.

First home buyers are under no illusion that they will be purchasing their dream home straight off the bat. Over three-quarters (83.1%) agree that it doesn't matter if their first property isn't necessarily their 'dream' or 'ideal' property as long as they own a property. In order to break into the property market over half (58.7%) are cutting back on their lifestyle expenses and a third (33.7%) are pooling resources with their family or friends to buy a home together.

Despite low expectations in the house department, first home buyers are generally wanting the same thing when it comes to buying a property. Seven in 10 (70.5%) said that good value was the number one consideration when looking at a property, closely followed by living in a safe neighbourhood (67.5%).

The study also found Kiwis are finding it difficult to get by, with some concerned about living pay cheque to pay cheque (43.4%) and covering day to day expenses (44.7%). There is also concern about the money they need, the ability to putting away enough for retirement (46.5%) and emergencies (53.9%).

The instability of the job market post-COVID-19 doesn't help to put minds at ease and the situation is frightening amongst Kiwis, with about two-fifths (41.1%) concerned about the future job market security and stability. Even more (51.7%) feel this level of concern about wages not keeping pace with the cost of living.

Founder and Director of National Capital, Clive Fernandes, says, "When you are living pay cheque to pay cheque it's very easy to become short-sighted about your money. However, it's really important that even when you have money concerns to balance these short-term pressures with longer term concerns, such as having enough come retirement or having some money set aside in case of emergency.

"For all Kiwis, putting money into your KiwiSaver fund is a good way to make sure you are setting yourself up well for the future. This is money that is often not missed because it's taken away, alongside income tax, before it even gets to your bank account. When invested in the right fund, it will be a nice nest egg come retirement."

The new Kiwi family in 2021

According to the report, the challenging events of 2020 have also seen a positive impact on families, with over two-thirds (68.9%) saying that relationships between family members have improved despite COVID-19. Over six in 10 (67.6%) believe they had become much closer as a family and a similar amount (66.0%) said that they now spend more quality time together.

People with children at home agree that the pandemic has improved their teamwork skills with three-quarters (75.0%) saying as parents, they have become dynamic duos.

For those without children, the pandemic only made an impact on 18.3 per cent of those actively planning a family. Most respondents said there was no change to their plans to have a baby but for one in seven, they saw a need to delay starting a family due to COVID-19 related safety (33.3%) and economic reasons (29.6%).

However, there is less hesitation to start a family with a fur baby. Almost a third of those with children (32.5%) had either bought/adopted a pet, or plan to do this, in order to test the waters before having a child.

Further insights:

- New Zealanders ranked financial concerns as their top (50.6%) greatest overall concern, with family second (24.5%), and environmental (17.2%) and education/work (7.7%) following.
- Over four in 10 (41.2%) said that they had children without being married first, with two-thirds (65.7%) of Gen Y respondents having children before marriage. This highlights a societal shift from traditional norms, especially when considering that this proportion is just one in five (20.3%) for Baby Boomers.
- Close to three in five (58.6%) of those who currently live with their parents say the uncertainty of the pandemic has led them to stay at home longer.
- These concerns aren't just limited to the major metropolitan hubs. Those in Wellington (66.4%), Auckland (69.4%) and Canterbury (65.2%) are just as likely to be considerably concerned with the rising cost of living as those in Otago/Southland (76.2%) and those in Waikato/Northland/BoP (65.9%).

- A major concern for the younger generations is the job market after they graduate. Gen Z (85.6%) and Gen Y (70.6%) are both overwhelmingly at least reasonably concerned about the jobs that will be available after they graduate.
- Currently, just over a quarter (26.6%) say they've been working from home. Those who are working from home overwhelmingly enjoy it (82.7%), and think it's improved their family life (48.4%). More than half (53.3%) have a dedicated home office, but most (57.0%) still agree that the lines between home and work life are blurred.
- When asked what differentiates Kiwi families from the rest, the most common answer was that they're more easy going and relaxed (51.7%). Respondents also like that they're not as fussed about marriage before kids (32.6%), and that Kiwi families spend more time together (33.1%) and often live close by (24.9%).

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About the OneChoice Kiwi Family Report

The report is compiled based on research commissioned by OneChoice and conducted by CoreData between 22 and 24 March 2021. The research was conducted via a quantitative online survey, gathering 503 responses from New Zealanders aged 18 years and above. This research explores what makes Kiwi families unique with a deep-dive into values, concerns and living arrangements along with how events in 2020 have impacted them.

About OneChoice

We're all about helping Kiwis through trusted insurance products that take the stress and confusion out of the buying process. Backed by award-winning partners, OneChoice launched in 2020 with the goal of bringing simple life insurance to New Zealand. We set out to be different by providing cover that's easy to understand, easy to manage, and even easier to rely on.