



## Home Ownership and Wellbeing among Older New Zealanders

### Findings from the Health, Work and Retirement Study.

#### Summary

Housing is an important current focus of the needs of the ageing population in New Zealand. By understanding how homeownership affects the physical health and life quality of older New Zealanders, we can design more effective housing solutions and programmes facilitating owner-occupancy. Using data from the Health, Work and Retirement Study (HWR), we examine the characteristics of older homeowners and investigate the long-term impact of housing tenure on quality of life.

- On an average, 87.6% of older New Zealanders in the HWR sample were homeowners between 2010 and 2014.
- Homeowners are generally wealthier and more likely to be working, living with their spouse, and of non-Māori descent. They also have a stronger sense of security and greater mobility.
- Owner-occupants report higher levels of quality of life and lower levels of depression compared to tenants.
- Quality of life increases, while depression decreases, over time for homeowners. For tenants low levels of quality of life and high levels of depression remain stable over time.
- Above and beyond other population demographics, housing tenure turns out to be a significant protective factor against the harmful effects of loneliness.
- Social loneliness predicts physical health decline for tenants, but not for homeowners.
- Emotional loneliness is associated with increased levels of depression and decrements in quality of life for tenants, but not for homeowners.
- In sum, findings suggest that homeownership contributes to better quality of life over time and promotes healthy ageing among young-old people in New Zealand.

## Introduction

New Zealand's population is rapidly ageing. The number of people aged 65 and over doubled from 1980 to 2012, accounting for approximately 14% of the total population, and it continues to grow. The likelihood of developing mental and physical health problems increases by age. As population ageing can present significant fiscal pressures on economic and social support systems (e.g., health care and pension systems), quality of life in older age has become a focal issue of ageing policy.

One factor that has been found to contribute to better quality of life among older people and at the same time offer a cost-effective solution to some of the problems posed by this demographical change is 'ageing in place'. Empirical evidence suggests that being able to remain in one's home not only increases general life quality and physical health but can also reduce the financial costs for health services. Owning the home one stays in has also been shown to have important impacts on stability and quality of life.

## Research Objectives

This research aimed at understanding the long-term impact of housing tenure on health and wellbeing outcomes for older people in New Zealand as they transition to retirement.

## Research Methods

### Procedure

Data presented in the current report were collected between 2010 and 2014 as part of the longitudinal Health, Work and Retirement study. A population sample was randomly selected from the New Zealand Electoral Roll. Māori were oversampled using the Māori descent indicator. Post-stratified weighting was used to compensate for over-sampling, age, sex, and ethnicity based on population estimates by Statistics New Zealand. Individuals living in institutions were excluded from the study.

Paper-based surveys and consent forms were mailed to participants. The questionnaire included eight main domains:

- 1) health, wellbeing, quality of life;
- 2) social support, family and friends;
- 3) caring commitments;
- 4) work and retirement status/attitudes;
- 5) financial wellbeing;
- 6) neighbourhood characteristics
- 7) socio-demographic information;
- 8) Whakapapa/Whanaungatanga.

### Sample characteristics

The 2010 sample (aged from 50-90 years) comprised 3301 participants (55% female). Nearly half of the participants (47.6%) were 65 years old or older. Approximately one third of the sample (37.5%) identified as Māori or indicated Māori descent. The majority (52.6%)

had active employment; however, the proportion of 65+ employed was substantially smaller (24.9%). Most people were living with their partners (under 65: 73%; 65 and above: 67%). The demographic composition of the sample approximates national benchmarks.

### Data analytic approach

The constructs of interest are housing tenure (homeowners vs. tenants), social and emotional loneliness, quality of life, and depression in older people. First, we investigated changes in quality of life and depression from 2010 to 2014. Trajectories of change for homeowners and tenants were estimated, separately.

Next, we examined the impact of social and emotional loneliness reported in 2010 on physical health and quality of life four years later. The long-term influence of loneliness on health was evaluated for those who were homeowners vs. tenants in 2010, separately.

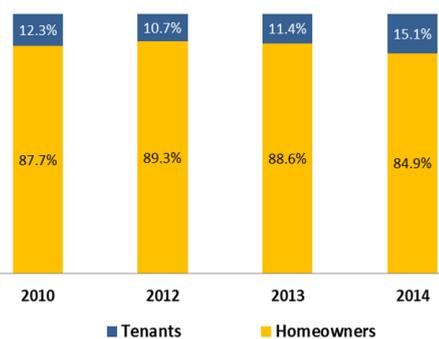
Analyses controlled for demographic characteristics (age, sex, residence, working status, household composition, and Māori descent) as well as physical health and quality of life scores (in 2010, 2012, and 2013). This allowed us to examine whether loneliness and housing tenure contributed to mental and physical health decline over time.

## Main Findings

### Most older people are homeowners

In 2010, 87.7% of older adults were homeowners. The proportion of homeownership fluctuated slightly over time. In 2012, 89.3% of the sample were owner-occupants, whereas in 2013, 88.6% owned their home. By 2014, the percentage of homeowners dropped to 84.9% (Figure 1).

Figure 1. Change in housing tenure over time



These percentages are slightly higher than the national average; however, data show a similar trend to census

data reported by Statistics New Zealand.

### Population characteristics vary between tenure types

Homeowners were more likely to be employed, living with a spouse and of non-Māori descent. They reported a greater sense of security and safety, fewer incidents of threats experienced in their neighbourhoods and homes, and fewer difficulties with getting to medical centres, church, and visiting friends and family.

Homeowners also had a higher annual income compared to those who were not owner-occupants.

There were no differences based on sex, age, and urban vs. rural residency between tenants and homeowners.

### Housing tenure impacts mental health outcomes over time

To elucidate the long-term relationship between housing and health outcomes, we examined how types of

tenure impacted changes in quality of life and depression over a four-year period. Findings consistently showed the positive impact of homeownership (Figures 2 and 3).

Specifically, those who were homeowners in 2010 reported decreased levels of depression over time as well as increments in quality of life. Owner-occupants experienced fewer negative feelings, such as sadness, across time. Furthermore, they were more likely to live independent and self-fulfilled lives, were able to exert control over their environments when needed, and found greater joy in everyday activities.

In contrast, tenants/renters indicated much higher levels of initial depression, which remained stable over time. In addition, they had lower levels of quality of life, which slightly decreased further over time.

Figure 2. Change in depression over time

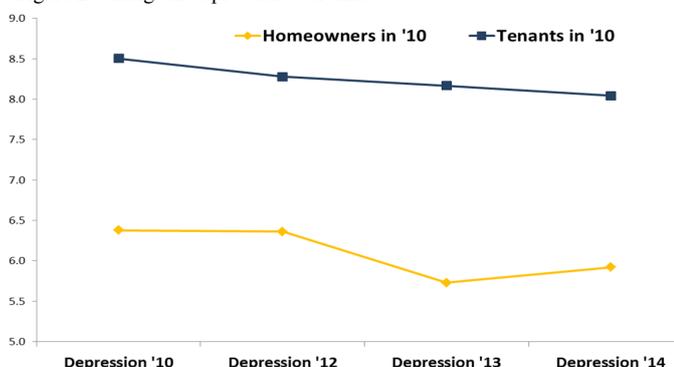
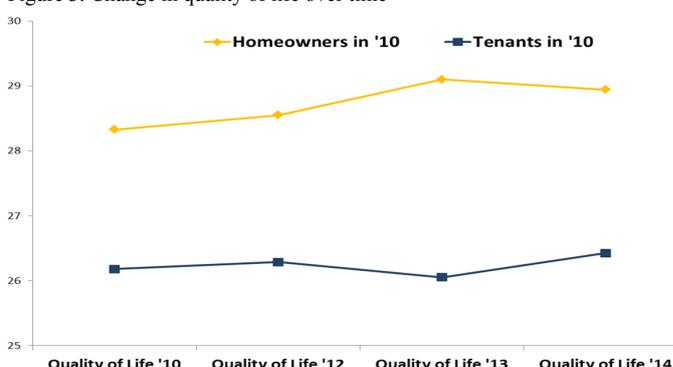


Figure 3. Change in quality of life over time



The policy report was written collaboratively by: Agnes Szabo, Joanne Allen, Fiona Alpass, Christine Stephens

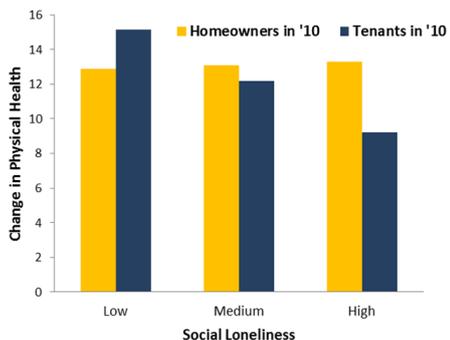
Funding for this project was provided by: Ministry of Business, Innovation and Employment

### Housing tenure is a protective factor against the negative effects of loneliness

Not only is homeownership linked to positive mental health and wellbeing over time, but our findings suggest that housing tenure also buffers the long-term harmful effects of social and emotional loneliness.

After taking into account the impacts of population demographics, such as age, sex, Māori descent, working status, urban vs. rural residence, and household composition, housing tenure was found to be a protective factor for physical health, mental health and quality of life for older people in New Zealand.

Figure 4. The relationship between social loneliness and physical health by housing tenure



Social isolation can have detrimental effects on physical health over time. However, in our sample social loneliness was related to health decline only for tenants and renters but not for homeowners (Figure 4).

Similarly, emotional loneliness was

associated with increased levels of depression and decrements in quality of life over time only for those who were not homeowners (Figures 5 and 6).

Figure 5. The relationship between emotional loneliness and depression by housing tenure

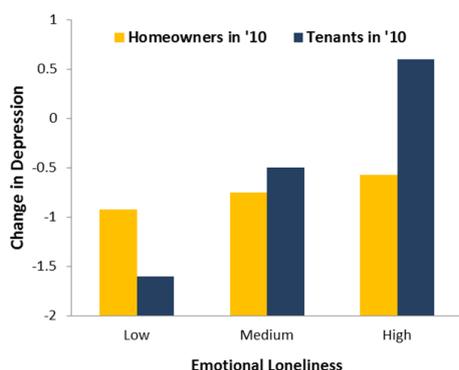
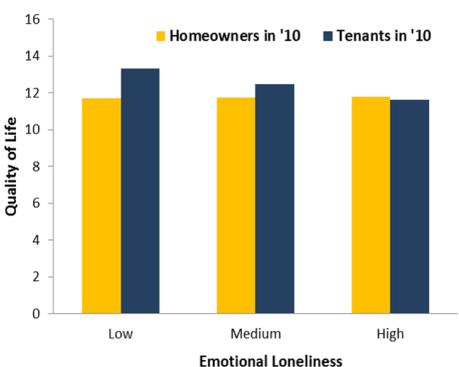


Figure 6. The relationship between emotional loneliness and quality of life by housing tenure



### Implications for public policies on ageing

Homeownership contributes to better quality of life over time, thus promoting healthy ageing. Older people in New Zealand who do not own their homes are at greater risk of mental health decline. Furthermore, social isolation and emotional loneliness have more detrimental effects for

those who are not owner-occupants leading to more physical and mental health problems in the long-term.

Our findings as well as the international literature on housing and healthy ageing highlight the economic benefits of homeownership by promoting quality of life and reducing costs for health care services. In addition, there is growing evidence indicating that secure housing tenure can also function as a protective factor against the negative impact of social and emotional isolation.

Homeowners generally experience a stronger sense of security and belonging. They are also more likely to engage with the community and participate in social activities. Consequently, increasing people's ability to become homeowners as well as creating more opportunities for older people to get access to secure and stable housing have both economic and social benefits.

In addition, there are marked demographic differences in housing tenure based on ethnicity and socio-economic status. Policy should pay particular attention to the development of housing solutions for the most vulnerable and disadvantaged.