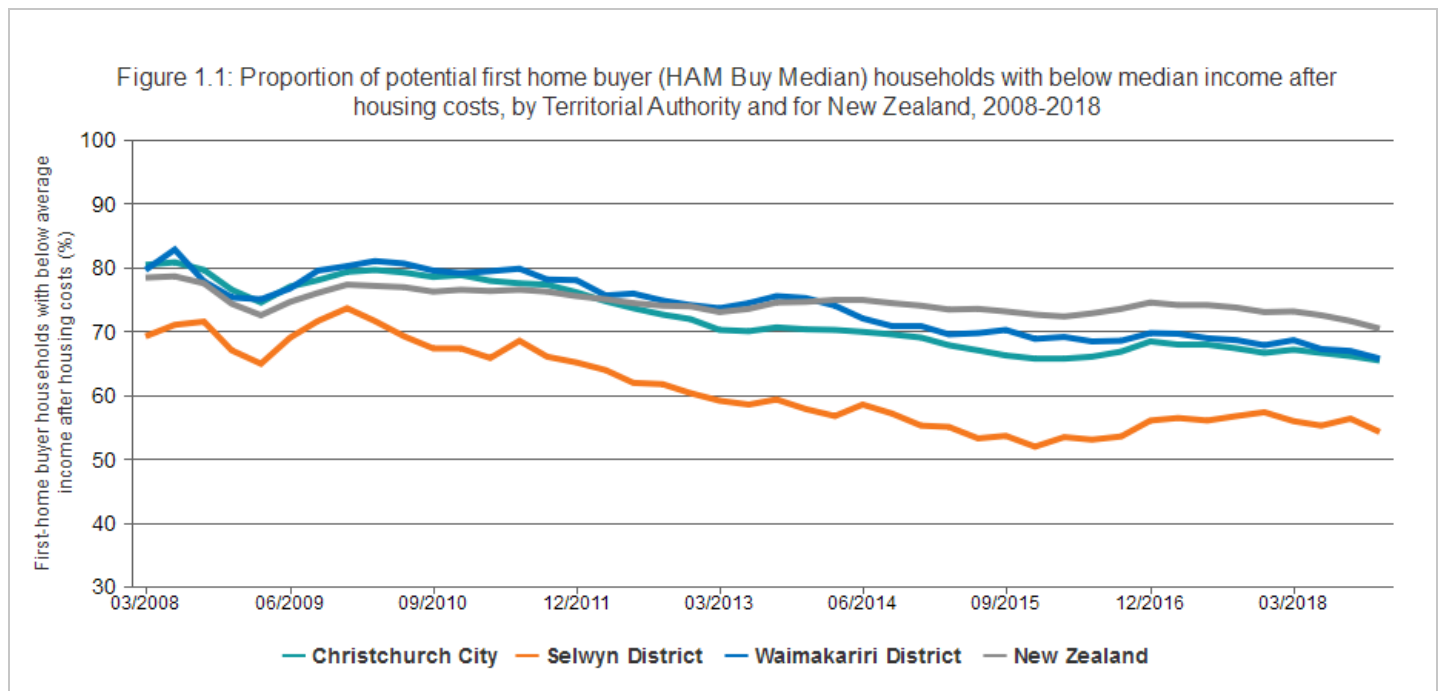


## Housing: Housing affordability

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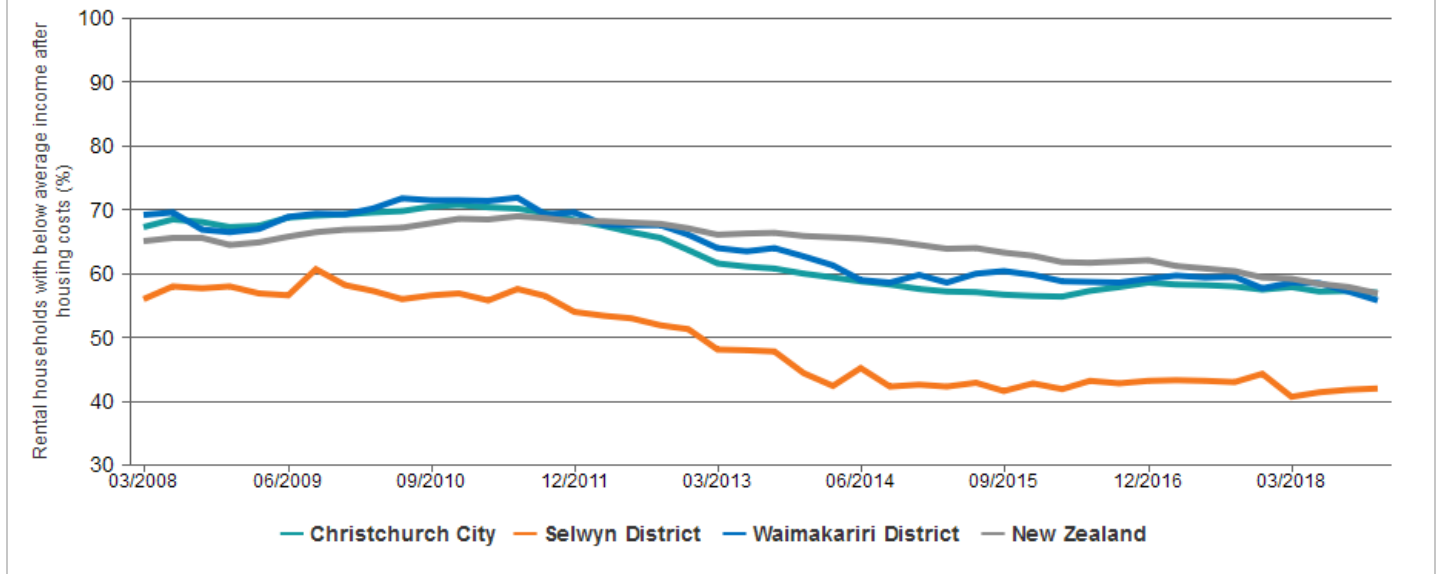
The Housing Affordability Measure (HAM) provides a picture of how much New Zealanders spend on housing, and tracks whether housing is becoming more or less affordable over time for renters and potential first home buyers (based on income data, rent/mortgage payments, rates and insurance; adjusted for household size). The HAM Buy Median indicator addresses whether a household that is currently renting can feasibly afford to own a home (i.e., hypothetically, if they bought a lower quartile-valued dwelling in their Territorial Authority). The HAM Rent Median indicator addresses whether a household that rents can feasibly afford to live in their current accommodation [10]. The HAM does not set a level at which housing is or is not affordable. Determining affordability depends on each household's circumstances and expectations of what qualifies as a socially accepted standard of living [10] (i.e. rating what goods and services are necessary is subjective).

This indicator presents the proportion of households with below the median New Zealand household income after deducting housing costs. This measure is presented separately for potential first homeowners (HAM Buy Median), and for renters (HAM Rent Median), for each Territorial Authority in greater Christchurch and for New Zealand, from 2008 to 2018, inclusive. Higher numbers on the HAM measure indicate less affordable housing (these data report version 1.4 of HAM). Note that the full back series of data is updated whenever HAM is re-released.



The figure shows that the proportion of potential first home buyer households in Christchurch City with below the median income after housing costs decreased by just over one percentage point from 66.7 percent in December 2017 to 65.5 percent in December 2018. This finding indicates that housing (ownership) became marginally more affordable over this period. The proportion in December 2018 was slightly higher in Waimakariri District (65.8%) and substantially lower in Selwyn District (54.3%). At a national level, the proportion of potential first home buyer households with below the median income after housing costs also decreased between December 2017 and December 2018; 73.1 percent and 70.5 percent, respectively. Overall, the HAM Buy Median indicates that home ownership affordability for potential first home buyer households in greater Christchurch has improved from early 2017 to the current time point (December 2018).

Figure 1.2: Proportion of renter (HAM Rent Median) households with below median income after housing costs, by Territorial Authority and for New Zealand, 2008–2018



The figure shows that the proportion of renter households in Christchurch City with below the median income after housing costs remained relatively stable between December 2017 (57.5%) and December 2018 (57.0%). The proportion in December 2018 was slightly smaller in Waimakariri District (55.8%) and substantially smaller in Selwyn District (42.0%), which indicates comparatively affordable renting in Selwyn District. For New Zealand overall, the proportion of renter households with below the median income after housing costs declined between December 2017 (59.4%) and December 2018 (56.9%). This decline continues the general pattern of increasing affordability for renters for New Zealand overall, apparent since mid-2011.

Overall, affordability for renter households in Christchurch City and Waimakariri District has improved, with the HAM Rent Median converging towards that for New Zealand overall between March 2016 and December 2018. HAM Rent Median in Selwyn District has remained consistently lower than in Christchurch City and Waimakariri District throughout the time series presented. Taken together, the data for HAM Buy Median and HAM Rent Median illustrate that housing costs take a smaller proportion of household income for renters than for first home buyers.

### Data Sources

**Source:** Ministry of Housing and Urban Development.

**Survey/data set:** Data set (HAM version 1.4) created for research purposes from the Integrated Data Infrastructure (IDI), managed by Statistics New Zealand. Access publicly available data from the Ministry of Housing and Urban Development website [www.hud.govt.nz/news-and-resources/statistics-and-research/housing-affordability-measure-ham](http://www.hud.govt.nz/news-and-resources/statistics-and-research/housing-affordability-measure-ham).

**Source data frequency:** Quarterly.

Metadata for this indicator is available at <https://www.canterburywellbeing.org.nz/our-wellbeing/index-data>

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