

Does Home Ownership affect Neighbourhood Wellbeing?

Motu Economic and Public Policy Research has been awarded a three-year Marsden Fund research grant from the Royal Society of New Zealand to explore the relationship between home ownership and neighbourhood wellbeing.

Motu researchers, Dr Arthur Grimes and Dr Steven Stillman, are heading the Marsden-funded project which primarily looks at whether or not homeowners are better citizens, parents and neighbours than renters.

New Zealand public policy tends to promote home ownership and this, according to Dr Grimes, indicates that we believe home owners do make better citizens.

But this might not necessarily be the case. “There are a number of reasons to question the claimed virtues of home ownership.

“By examining the direct and indirect effects of home ownership, we will be able to give the debates about its virtues firmer foundations.”

To do this, the study will look at how changes in home ownership patterns affect employment, education, health, wealth, crime, and voting.

The research will be divided into three stages.

Using new methods, stage one will uncover the true trend in homeownership rates in New Zealand.

The second stage will use data from the longitudinal Survey of Family, Income and Employment (SoFIE) to estimate the impact of home ownership on labour market outcomes, health status, wealth, educational status and employment for youth.

“Examining longitudinal data is crucial because it allows us to control for unobservable differences in individuals that are related to both home ownership and particular outcomes by examining the relationship between changes in homeownership and changes in outcomes.”

The third stage of this study will examine the relationship between home ownership, local area characteristics and measures of societal well being.

Dr Grimes hopes that this research will provide concrete evidence for policymakers about the importance of homeownership for individuals and society as a whole.