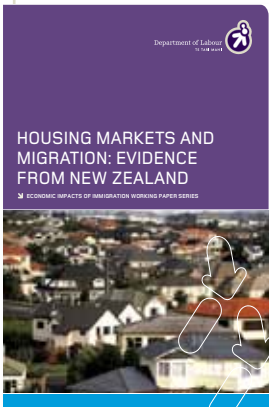


➤ At a glance

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PUBLICATION:

ECONOMIC



RESEARCH EXAMINES ECONOMIC IMPACT OF MIGRATION ON HOUSING

Research commissioned by IMSED Research as part of the Economic Impacts of Immigration Research Programme (EII) shows that while population growth and house price increases between 1986 and 2006 are associated, no evidence was found that the in-flow of immigrants has had a significant impact on house prices.

Overall, the research found that population growth and house prices were associated. For example, a one percent increase in an area's population is associated with a 0.2 to 0.5 percent increase in house prices.

The source of population growth was broken down to separate types. Although immigration inflows are an important contributor to population change no evidence was found that the flow of immigrants has impacted upon house prices.

Local house price increases were found to be associated with where returning New Zealanders settle rather than new migrants. However, it is unclear what is driving this association; whether returning New Zealanders are increasing house prices or whether they are moving back to areas that have tended to have higher than average price increases.

Although a relationship between migration inflows and house prices exists the link may not be causal; rather migration flows and house prices may both be impacted similarly by other factors such as the strong economy and expectations.

Another EII research paper The Economic Impact of Immigration on Housing in New Zealand 1991-2016 found that household status (single/couple) and not birthplace (migrant/New Zealand-born) was the major determinant of housing behaviour.

The report found that recent migrants were more likely to rent homes than the New Zealand-born population, but that longer-term, rent/ownership levels were similar to the New Zealand-born population. It also found that the capacity of the building industry appeared to be adequate to meet the level of housing demand to 2016, even under a high immigration scenario, as long as the type of accommodation built changed to meet changed demand; that there would be a growing demand for private rental market dwellings; and that the proportion of people living in flats or apartments was likely to increase.

PACIFIC

YOUTH

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SETTLEMENT

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GLOBAL MOBILITY

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CRIME

To obtain papers from the Economic Impacts of Immigration Working Paper Series please go to <http://www.immigration.govt.nz/migrant/general/generalinformation/research/impacts.htm>

➤ For further information, contact research@dol.govt.nz, or visit www.immigration.govt.nz/research