

Evaluation of the Home Ownership Education Programme

Final report for Housing New Zealand
Corporation

June 2007

Robyn Bailey & Mathea Roorda

Acknowledgements

Robyn Bailey and Mathea Roorda thank all those who helped to make this evaluation possible. They especially acknowledge:

- the 32 course graduates and their partners who shared their home ownership journeys
- the course facilitators who participated in the evaluation
- Te Raina Gunn, Christine Chong and Faamata Laumalili who assisted with the fieldwork
- Anna Pasikale and James Swindells for their assistance with all aspects of the evaluation
- Housing New Zealand staff Sherry Carne and Tina Simcock for their assistance with the enrolment data.

Contents

Acknowledgements 1

Executive summary 3

Introduction 5

Background 5

 Evaluation objectives 6

 Evaluation design..... 6

 Limitations..... 7

Results 9

 Profile of participants 9

 What difference does the HOEP course make? 13

 Journeys to home ownership – what helps and what hinders? 16

 Emerging patterns..... 21

 Provider support 25

Summary 29

Appendix one: enrolment data 33

Appendix two: survey of provider support 43

Appendix three: home ownership journeys 50

Appendix four: top-line findings, October 2006 80

Appendix five: evaluation methodology..... 82

Executive summary

This report presents the findings of the evaluation of Housing New Zealand Corporation's (Housing New Zealand) Home Ownership Education Programme (HOEP).

The purpose of the evaluation was to assess the effectiveness of HOEP in helping first home buyers to access home ownership, and to better understand the barriers for low to middle income households to accessing home ownership.

What aspects of the design / delivery work well, not so well and why'

The course and its delivery style continues to meet people's needs for comprehensive, introductory information about home ownership and what is involved in working towards and buying a house. Participants value the independence and trustworthiness of the information and its delivery by knowledgeable and personable facilitators and speakers. The course also meets needs of a wider group of people who may or may not be first home buyers, i.e. migrants new to the New Zealand housing market, people who already own a home or rental property as a step towards home ownership, and people exploring papakainga.

While there were a few suggested improvements by participants, no substantive problems with the design or delivery of the HOEP course were identified.

What difference does the HOEP course make?

The course achieves its aim, which is to increase people's knowledge base to help them make informed house purchasing decisions and increase the sustainability of home ownership.

It also helps participants in their journey towards home ownership. In a few cases, attendance on the course significantly contributes to the achievement of home ownership. More commonly the course increases people's knowledge, instigates actions towards home ownership, provides participants with links to mortgage brokers and confidence to work with real estate agents and banks, and provides valued information about participants' local housing market.

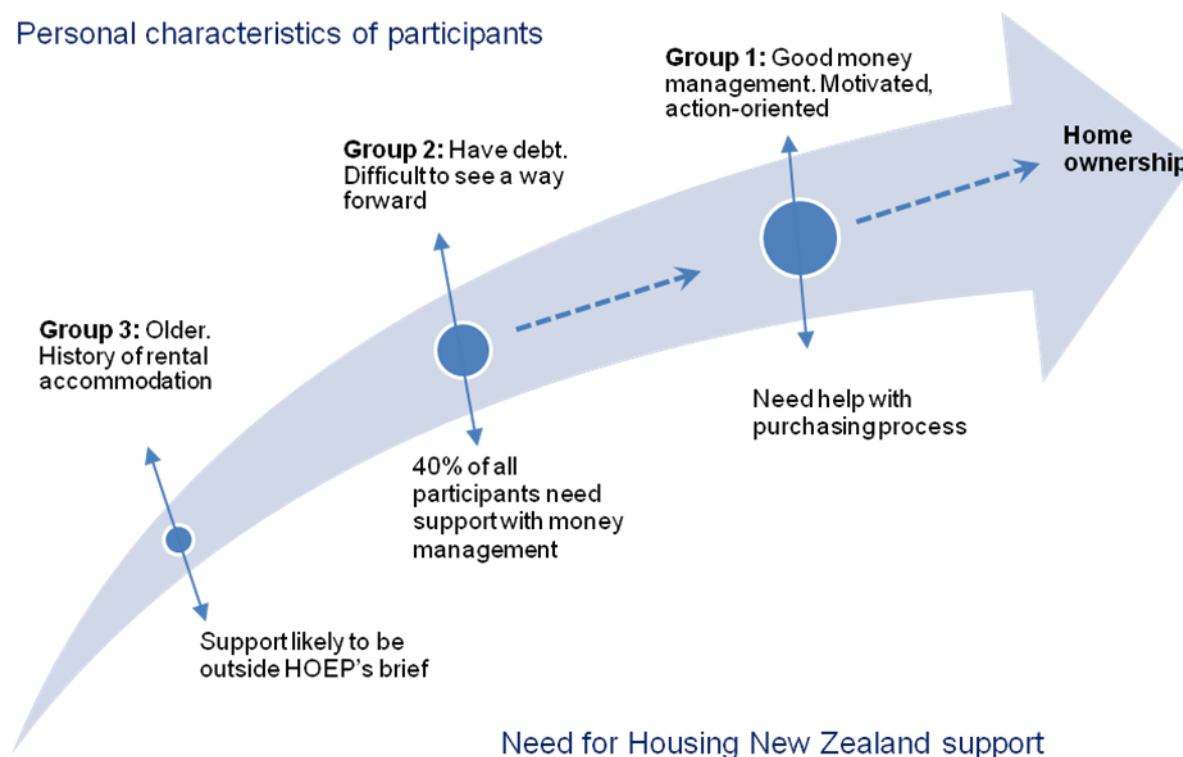
What are the barriers to accessing home ownership?

The evaluation found three barriers to home ownership: debt, affordability and participants' own attitudes, confidence and motivation. The evaluation identified that participants with substantial debt are not necessarily those with the lowest incomes. Affordability was also an issue for all respondents, though more acute for those living in Auckland. Despite these barriers, the evaluation identified a number of personal characteristics that can assist people to achieve home ownership. These include living within one's means (ability to save and manage debt); staying committed and actively working towards home ownership; being flexible and realistic about purchase location and size of property; actively seeking out information and receiving support from family (either financially or in-kind).

What is the need for home ownership education and support?

Irrespective of ethnicity, income or whether people already own property, there is a need for home ownership education. The evaluation identified three groups of participants with different needs for information and support, as illustrated in the diagram below. Group one, likely to be a small group, includes motivated, committed participants who have few barriers. They may require information and support during the pre-purchase phase and are likely to require a moderate to high level of support during the purchasing of their property. Group two, likely to include a larger proportion of participants, have substantial but not insurmountable barriers. The evaluation identified a number of respondents who had difficulty saving and managing debt. The survey identified that 40 percent of participants receive support with financial management. Participants in group two also require support to help them 'see a way forward'. Group three may require other assistance from Housing New Zealand that is outside the brief of the HOEP.

Diagram 1: Participants' characteristics and needs along the home ownership journey



Introduction

This report presents the findings of an evaluation of the Home Ownership Education Programme (HOEP). The purpose of the evaluation was to assess the effectiveness of HOEP in helping first home buyers to access home ownership, and to better understand the barriers for low to middle income households to accessing home ownership.

Background

The New Zealand Housing Strategy 'Building the Future' sets out the Government's priorities for housing and a programme of action for the sector over the period 2005 – 2010. The strategy consists of seven areas of action, one of which is home ownership.

While New Zealand's home ownership level is high by international standards, home ownership rates are falling. Between 1991 and 2001, the rate of home ownership fell from 74 to 68 percent¹. While rates fell across all population groups, the decrease was particularly significant for Pacific peoples (from 51 percent in 1986 to 36 percent in 2001) and Maori (from 52 percent in 1991 to 44 percent in 2001).

The New Zealand Housing Strategy identifies home ownership education as one of five primary initiatives to promote home ownership among low and middle income earners.

Until early 2006, Housing New Zealand had two home ownership education and support initiatives: the Low Deposit Rural Lending Programme (LDRL) and the Pacific Peoples' Home Ownership Programme (PPHOP). These initiatives focused on assisting rural Māori (via LDRL) and urban Pacific (via PPHOP) low to modest income households to achieve and sustain home ownership where this is a desired and viable option. Low to modest income households of any ethnicity could also attend both of the programmes.

Both of these programmes included delivery of a module based education course and the option of intensive follow-up support and advice to people who wanted to proceed with buying a house within three years of completing the education course. LDRL participants could also access a LDRL loan². These programmes were the focus on an evaluation completed by Bailey and Roorda in May 2006³.

In early 2006 Housing New Zealand extended the delivery of HOEP to include other areas with concentrations of low to middle income renting households. While HOEP is open and

¹ It has not been possible to update these figures as the 2006 Census uses different criteria.

² To be considered for an LDRL loan, applicants must meet the Corporation's affordability criteria, complete a home ownership education course, be a low to modest income earner, meet the Corporation's lending criteria and intend to purchase or build in a designated LDRL area. The Corporation's LDRL can be drawn down for properties on multiply-owned Maori land. The LDRL loan is still available to participants attending the generic home ownership education initiative.

³ Hereon referred to as the LDRL/PPHOP evaluation.

free to all who attend, it is targeted to first home buyers with a household income range of \$40,000 to \$100,000.

The goal of HOEP is to inform prospective first home buyers about the process and cost of house purchase, and responsibilities of home ownership. The programme aimed to increase people's knowledge base to help them make informed house purchasing decisions and increase the sustainability of home ownership.

Seven providers who had not previously delivered either LDRL or PPHOP⁴ started delivering the module based education course in the first half of 2006. The existing 13 LDRL and 2 PPHOP providers came under the umbrella of HOEP in July 2006. These 15 providers continued to deliver both the education course and the option of intensive follow-up support and advice.

Evaluation objectives

The evaluation objectives were to:

- identify the needs of the target group (and sub groups) in respect of home ownership education
- investigate what aspects of the design and delivery of the HOEP courses work well, do not work well, and why
- identify what difference participation in a HOEP course makes for participants
- assess the impact of the programme in improving the sustainability of home ownership⁵
- identify any unintended effects of the programme
- identify barriers for the target group (and sub groups) to accessing (including progress toward accessing) and sustaining home ownership that could be addressed by Housing New Zealand.

Following the first stage of fieldwork the evaluators were asked to investigate the types and level of support being provided to participants by the 15 existing LDRL and PPHOP providers.

Evaluation design

The evaluation used a mixed method approach as follows.

First half of evaluation: focus on needs assessment and programme improvement

⁴ These providers are referred to as those "new to the HOEP" in the rest of the report.

⁵ This evaluation objective was to be the focus of another stage of evaluative activity in 2007/2008 which is now not proceeding. The evaluation focused on participants who had attended HOEP courses during the 2006 year which meant the timeframe between buying a home and contact by the evaluators was too short to assess sustainability.

- qualitative, phone interviews with seven new providers⁶
- quantitative analysis of provider enrolment data
- reporting and discussion of top-line findings in a workshop with Housing New Zealand evaluation stakeholders
- qualitative, story and information gathering from provider hui.

The interviews with the seven providers new to the HOEP and discussions with Housing New Zealand staff confirmed the LDRL/PPHOP evaluation findings, that is, the design of the HOEP is fundamentally sound and meets people's learning needs. Some programme improvement issues regarding the short implementation lead-in time, marketing and data collection, were identified and reported to Housing New Zealand in October 2006. A summary of these findings are reported in Appendix four.

Second half of evaluation: focus on participant home ownership journeys and survey of provider support to participants

- qualitative, face-to-face interviews with 32 participants (from now on called respondents) from three providers' courses
- qualitative, face-to-face interviews with three providers
- quantitative survey of 14 providers who delivered support as part of their HOEP contract with Housing New Zealand. Providers were asked about support given to 433 participants.
- quantitative analysis of provider enrolment data
- watching brief of relevant research reports
- discussion with an urban housing issues informant
- reporting and discussion of top-line findings in a workshop with Housing New Zealand evaluation stakeholders.

The findings from the second half of the evaluation are the primary focus of this report. A detailed methodology is provided in Appendix five.

Limitations

The findings from 32 qualitative interviews with HOEP participants provide rich, detailed information about HOEP participants who have either purchased or are interested in home ownership. While it is not possible to generalise these findings to the larger population of HOEP participants, triangulation of this data with the quantitative survey of support provided

⁶ These are the providers who started delivering the HOEP education course in the first half of 2006 and who had not previously been a LDRL or PPHOP provider (refer Background).

to 433 participants and other data (i.e. interviews with key informants, HOEP facilitators, Housing New Zealand's HOEP enrolment data and findings from the LDRL/PPHOP evaluation), provide a solid base from which to extrapolate the findings to the wider programme.

Results

This section includes the findings from the evaluation of the HOEP. The results are divided into four sections:

- **profile of participants** (a description of who is participating in the programme based on the HOEP enrolment data)
- **what difference the HOEP course made** (including unintended effects and a comment on sustainability)
- **journeys to home ownership: what helps and hinders**
- **provider support** (what assistance providers give participants; what support participants need).

Quotes from respondents are used throughout this section to provide illustrations of findings. A summary of each respondent's 'home ownership journey' is included in Appendix three. The respondents have been given pseudonyms and some details have been changed to protect their anonymity.

Profile of participants

The evaluation included two six-month analyses of the enrolment data⁷ for the first year of the HOEP. The first analysis included the seven new providers⁸ over the period January to June 2006. This was reported to Housing New Zealand in October 2006. The second analysis included all 22 providers who were participating in the programme from July to December 2006⁹. The later analysis provides a more accurate description of who is participating in HOEP. A full report, including a comparison of the two data sets is included in Appendix One.

Table 1: Key features of participants attending HOEP course July – December 2006

Demographic category	Key features
Age	76 percent are between 20 and 49 years
Gender	66 percent are female
Ethnicity	46 percent are Māori
Employment status	62 percent are in full or part-time employment

⁷ All participants attending a HOEP course are required to fill out an enrolment form, which includes the collection of information on age, gender, ethnicity, employment status, income range, number of children living at home, and current housing situation. This information is referred to as 'enrolment data' and entered by the providers onto a Housing New Zealand database.

⁸ Refer footnote 4.

⁹ Refer Background for a description of the 22 providers.

Income	60 percent have income below \$40,000
Children	58 percent have dependent children living at home
Accommodation status	18 percent are Housing New Zealand tenants

Source: Housing New Zealand enrolment data

Differences in the enrolment profile of participants between the two periods are explained by improved data collection systems and the inclusion of data for the existing 15 providers following their integration into the HOEP.

Reasons why participants attend a HOEP course

The stated goal of the HOEP is to inform *prospective first home buyers* about the process and cost of house purchase and responsibilities of home ownership. Findings from the survey and in-depth interviews provide a more detailed understand of why participants attend a HOEP course.

The survey of provider support identified that 88 percent of participants attended a course because they were exploring purchasing a house and 12 percent attended for other reasons such as supporting other participants, getting information on behalf of others e.g. whanau (Table 2). Others were interested in refinancing their existing properties, were thinking about selling or buying an investment property or had just bought a house but wanted to find out more about home ownership. Several participants were also thinking about a career in real estate and thought the course would provide useful information.

Table 2: Reasons why participants attended a HOEP course¹⁰

Main reason for attending course	Number	Percent
Exploring buying a house	342	88
Supporting other participants	9	2
Getting information on behalf of others	10	3
Attending for another reason	28	7
Reason unknown	1	0
Total	390	100

Source: survey of provider support

¹⁰ As per the information collected by providers from participants.

Interview respondents' key drivers for home ownership were to provide a home and/or security for their children, to be putting their income towards building an asset for the family (rent seen as "dead money") and to have a place of their own¹¹.

Existing home or property owners

The researchers' criteria for selecting interview respondents were that they were either interested in purchasing a house in the future, or had bought one. It was assumed that if participants owned a house, this purchase had happened since attending the HOEP course. This assumption proved to be incorrect. Six interview respondents owned houses prior to participating in the course (Table 3)

Table 3: Types of homes owned by interview respondents

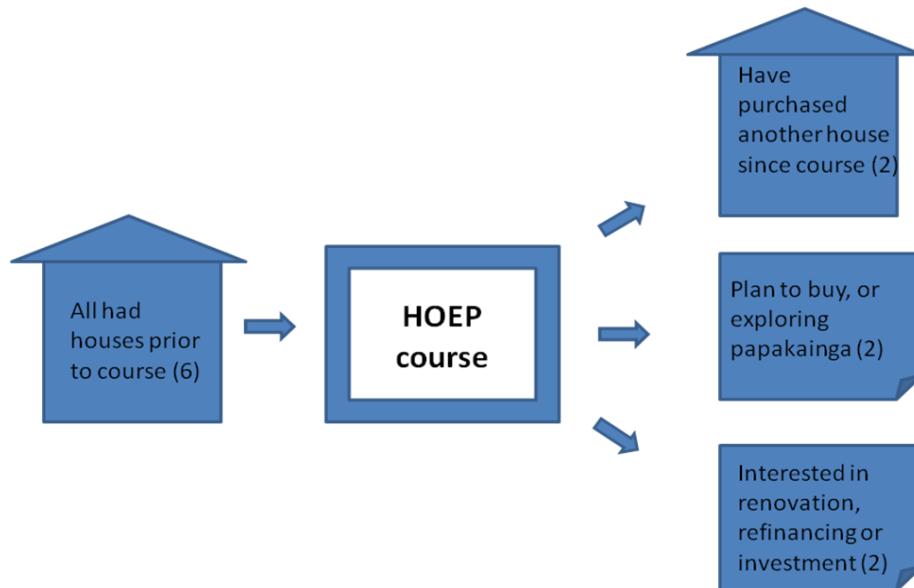
Type of home ownership	Number
Own home (one with other family members)	3
Own rental properties (One owns two rental properties with a sibling - one of which is rented to a family member)	2
Own home and rental property (rented to family member)	1

Since attending the course, two of these respondents had bought additional properties (one as a home with other siblings, the other a rental with a view to it becoming a home); one family plans to buy a home for themselves (they currently own a half share in a rental property which they are using as step towards home ownership) and one is exploring papakainga¹² on behalf their immediate and extended family. The other two are exploring refinancing, one for renovation and the other refinancing, investment property and possibly a larger house to accommodate the family. This is illustrated in Diagram 2.

¹¹ These three categories were identified by DTZ New Zealand's research as the three main benefits behind the dominance of NZ home ownership ethos: "use value, the ability of home owners to 'do what they want' with their property; exchange value, which refers to the investment and wealth dimensions of home ownership; and symbolic value, which captures the security and social kudos dimensions of home ownership" ('Housing Tenure Aspirations and Attainment.' Report prepared for CHRANZ and Building Research, July 2005: 15).

¹² Land utilised for housing for an iwi/hapu or whanau (family) group.

Diagram 2: Existing home or property owners



These findings suggest the following:

- HOEP provides useful information to existing home or property owners.
- A 'first home buyer', if interpreted literally as those who buy a house to live in (i.e. a 'home'), may be people who already own property. This may become an increasing phenomena if more people buy rental property as a step towards home ownership.
- Care needs to be taken when exploring impact of the course on home ownership that only those participants who have bought since the course are counted. Housing New Zealand also needs to consider identifying whether participants have bought 'homes' or rental property.

What difference does the HOEP course make?

The HOEP course helped almost all of the interview respondents on their journey towards home ownership. The following stories illustrate how the course helped two participants achieve home ownership, the first by motivating a family already well on the way to home ownership, and the second by showing the participant that home ownership was feasible. Both stories illustrate the place of the course in these participants' journeys, i.e. complementing people's own resources and determination.

Clare's story

Although they were already budgeting, Clare found recapping this information useful and identified further things they could do. They had become used to living on two incomes when she was teaching. As a result of the course, they did not touch her part-time income other than cover the children's before and after school care costs.

The course covered home maintenance which made them think about how much extra they would have to budget for urgent work. Between the course information and a workmate of her partner's who had brought a lot of houses, they knew the things to look out for. Clare also had knowledge from her parents who owned a house, and she was part of a large family where all her cousins had bought houses. When they got a builder's report on the house they eventually bought, they found they had only missed two things found by the builder.

Clare said there were no gaps in the course. The tutors ran the course so everyone was able to express their opinions. She was able to learn from other people's stories.

While they were looking to buy, they were doing it half-heartedly as they were not sure if they wanted to stay in Auckland. As a result of the course, Clare felt motivated and they made the decision to buy.

Audrey's story

Audrey had wanted to own a house for about 15 years – ever since she started renting a Housing New Zealand rental property and her youngest child was still a baby. Buying a house was about having something “for the children” and a place where she could make changes to the interior without having to ask the landlord. She also didn't like going to Housing New Zealand every time she had extended family members staying with her.

She had talked to her parents about purchasing a house, but they were not supportive. They said that because she was a sole parent, she would not be able to afford her own house. She had been to one bank to see if she could get a loan but was advised that she needed to reduce her debt.

Audrey heard about the course from a work colleague. She said the course opened opportunities for her. She learnt that she was entitled to family assistance which helped in her saving for her deposit and increased her family's income.

She found all parts of the course useful, especially the motivation and personal experience of some of the speakers that presented at the course. She commented that the course could be improved by allowing for more time for different sessions to enable participants' better understanding of the information. She believes the course and materials offered were appropriate for the people that attended the course.

She received some post-course support from the HOEP facilitator, but said it was mainly her own determination that made the difference. As a result of the course she decided to reduce her debt and live within her means. This meant not buying any luxury items, shopping once a month, buying clothes from 'op' shops or sewing them herself. She gave up her rental property and boarded with her brother for \$200 a fortnight. She was studying and working part-time. Family members gave her \$50 a week towards a deposit. Within two months of the course she had reduced her debts and built up a good credit rating.

She went to see a mortgage broker, something she would not have had the confidence to do before the course. The mortgage broker advised her that she could get a loan of \$248,000.

Audrey took four weeks off work to look at houses within her price range. She said she looked at 78 houses. During that process she didn't see anything suitable, but she was not discouraged. She got help from her sister-in-law who had just started at a real estate firm. She purchased property within three months of the course and was elated.

She is currently renovating her place. She says family members can stay without her asking someone else and she has proved her parents wrong about her not been able to afford a place. She has encouraged her family and workmates to attend the course and shared her story to encourage others that they can do what she has done. Her advice to others has been to clear debts as soon as possible, live within their means and increase their income through education.

The key impact of the course was an increase in people's knowledge about the process of looking for, buying and owning a house. In particular the course helped with:

- the realisation that home ownership is feasible
- instigating action (clearing debt, saving and making lifestyle, employment and money management changes in order to save) or re-motivating those already on the pathway to home ownership
- providing confidence to deal with real estate agents and banks
- links to expert advice (mortgage brokers) and assistance with budgeting and goal setting
- information about the local housing market.

These findings are confirmed by the findings of the LDRL/PPHOP evaluation.

Aspects of the HOEP course that were particularly valued by participants included:

- facilitators / guest speakers sharing their own stories / experience

- knowledgeable facilitators
- learning from other participants' experiences / ideas
- the HOEP workbook (particularly the check-lists of what to look for when looking through a house).

One participant described the course as:

well-researched, developed by someone with a lot of common sense and good judgment.

Most interview respondents had or were very happy to recommend the course to others and did not identify many improvements.

Suggested improvements reinforced the need for non-judgmental facilitators (i.e. open to and inclusive of a wide range of people, their circumstances and approaches to home ownership), knowledgeable facilitators, and the option of a course in specific Pacific languages. Some wanted shorter rather than longer courses, whereas others wanted more time to learn the information. Some wanted more in-depth information, e.g. financial, legal and on papakainga.

Unintended effects

The evaluation found three unintended effects of the HOEP courses:

- the HOEP courses helped migrants unfamiliar with the New Zealand housing market, purchasing and real estate practices
- the HOEP attracted and helped people who already own houses
- a few interview respondents had expected that attendance at a HOEP course would enable them to access Housing New Zealand / government assistance with a deposit.

Sustainability

An objective of the evaluation was to assess the impact of the HOEP in improving the sustainability of home ownership. While this will not be addressed (refer to footnote 3), the evaluation found a number of interview respondents were unwilling to put themselves in unsustainable financial situations. Nine respondents said they were concerned about balancing the commitment of a mortgage with their other living and family expenses (e.g. costs associated with children's education) or not prepared to over-commit financially. Some of these respondents said they did not want to pay "huge interest" on a mortgage by starting with a small deposit, taking out a 100 percent mortgage or taking a long time to pay off a mortgage. It is not known whether this was a result of attending a HOEP course or whether participants already held these attitudes.

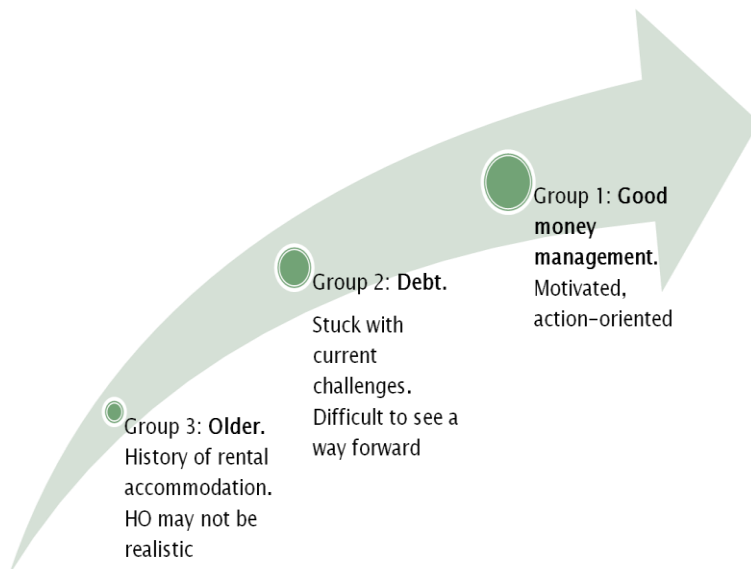
Journeys to home ownership – what helps and what hinders?

The evaluators analysed the demographic characteristics of interview respondents as well as their stories to identify factors that distinguished those who had brought since the course from those who had yet to buy¹³. This also included an analysis of any differences between those who appeared closer or more likely to buy, with those who appeared further away or less likely to buy.

The data identified that those who appeared closer or more likely to buy had similar characteristics to those who had brought. In Diagram 3 these interview participants are labeled 'group one'. Among those who appeared further away or less likely to buy, two groups emerged in the analysis (groups two and three).

The three groups and their key characteristics are illustrated in Diagram 3. The arrow signifies home ownership, and working towards home ownership, as a journey. It also illustrates that participants have the potential to move forward.

Diagram 3: Characteristics affecting home ownership



Group one – ‘Good money management. Motivated, action oriented’

Group one respondents had several or all of the following characteristics:

- managing finances so they were living within their means, saving and no debt (termed ‘good money management’)
- commitment, focus, action-oriented

¹³ This analysis included 30 of the 32 interview respondents. It did not include the two respondents who attended the course for other reasons (i.e. refinancing in order to renovate and exploring refinancing and investment property for family).

- flexibility and realism about where they could buy
- actively sought information and researched the housing market
- received support from family (either financially or in-kind, e.g. living with family while saving), and
- looked to themselves, family or friends, rather than to government resources to make home ownership possible.

Nineteen interview respondents formed this group. This included six who had brought since the course (four new and two previous property/home owners¹⁴), 11 respondents who appeared well on their way towards achieving home ownership and two existing home owners who planned to buy in the near future.

The two characteristics that stood out in group one were good money management and people being committed and focused on achieving their home ownership goal. Almost all respondents in group one did not have debt (the exception received support from family in the form of a lump sum 'handout').

Two income families or financial support from family were a feature of those who had brought since the course (Table 4).

Table 4: Features of group one

Interviewees who had purchased since course (n=6)		Number
In partnerships	Family has two incomes	2
	Family has one and a half incomes	2
Single	Bought with other family members	1
	Bought with family support (financial and in-kind)	1

Source: face to face interviews with respondents

Of the 11 respondents who appeared likely to get into home ownership, one was a two-income family and six were in partnerships currently on one income, of which five spoke of having access to a second income in the future (i.e. their partners were at home with young children or studying).

All four respondents who had purchased their first property since the course had done so by actively looking at properties in more affordable locations. Three brought homes in small rural towns (one brought in a semi-rural location in the southern most boundary of Auckland) and one in an affordable southern suburb in Auckland.

¹⁴ A fuller description and discussion re property/home owners who owned prior to attending a course is included in the previous section.

Group one respondents actively sought out housing market and mortgage information. Respondents were already assertive, or became more assertive as a result of the course. They were not easily put off by unhelpful bank staff or real estate agents which were a feature of some of groups two and three respondents' stories.

All of group one respondents who had brought or previously owned (8) had had support from others, for example, lived with family members while saving for a deposit, brought with other family or friends, family contributed towards a deposit, brought the family home or parents acted as guarantors.

The following respondent's story illustrates some of group one's factors:

Clare's story

Clare, her husband and children had been saving to buy a house for two years when they got a job transfer to a large urban centre. They took on a rental lease and started looking at houses. They immediately noticed a huge difference in the housing market – the quality of housing was poor and there was only a small land area compared with houses of a similar price in their previous location. They had arrived in their new city with a deposit but found it was not sufficient.

Halfway through their rental lease Clare attended the home ownership education course. Her husband was unable to attend due to work.

Clare wanted to learn about the local housing market and about good areas to buy in. The course tutors were from a real estate training centre which she found helpful. They talked about the areas where the land was contaminated and areas that were good for raising children.

They started looking in the areas near where they were living and found there was nothing they could afford on one wage. (Her husband was working full-time. Clare worked part-time on a casual basis.)

They were looking at houses in the \$300,000 price range. Real estate agents showed them houses that were tiny or were not liveable for humans – everything was broken, some did not have insulation.

Her husband's workmates then sent them local newspapers for a rural district near the city. There they found houses that were more affordable, were of a reasonable quality, had land and a garage, and townships with everything they needed, including the type of schooling they wanted for the children.

After five months of looking every weekend, they found their home: a four bedroom house with a separate kitchen, two living spaces and a family room on a quarter acre section in a small rural town which they were able to buy for less than \$300,000. There were buses to a larger centre and a nearby state high school with a 'good name'. The house is located 30 minutes drive from her husband's workplace. This was manageable as he has a company car.

Their biggest hurdle was the banks. Their bank, which they had both been with since

they were young, offered them the worst deal. In the end they researched mortgage deals at four banks. She worked out the figures herself and was able to tell the bank clerk to change a figure which meant they would be able to pay off their mortgage over a shorter period.

Group two – ‘Debt. Stuck with current challenges. Difficult to see a way forward’

Seven interview respondents formed group two. The key characteristics of this group were debt and difficulties living within their income.

Debt was an issue for group two respondents across the range of income brackets. The five respondents who reported debt being a challenge to achieving home ownership were on incomes ranging from \$20,000 to \$99,999.

Those in group two had a similar range of incomes to those ‘yet-to-buy’ in group one. There were also no differences in the make-up of family incomes (i.e. one or two incomes). Group two also included participants who were looking to access a second income in the future.

A characteristic of group two was that these respondents could not see ‘a way forward’. Some wanted the government to step in and make home ownership possible for them.

Analysis of the data suggests group two respondents face substantial but not insurmountable challenges. Many were starting to make some changes and drawing on strengths available to them (e.g. support from family and finding ways to increase their income), yet their action did not appear have the focus and commitment of group one. Further changes were needed to make home ownership a reality.

The following respondent’s story illustrates a number of the above factors:

Hemi’s story

Hemi and his family live in a state rental property. They say they are tired of paying rent to someone else. They want their money to go towards their own home and long term, benefiting their three children. They started thinking about owning their own home about 10 years ago. Before then we hadn’t thought of it really. “We had debts. It seemed to be out of reach.”

The saw the home ownership course advertised in a Housing New Zealand pamphlet. The course was great; the tutors were thorough and clear and able to answer any questions they had. Everything was helpful, including basic things like budgeting, they would not have known about the hidden costs involved in purchasing if they hadn’t attended the course. They learnt about home maintenance, brick and tile houses are good, wood requires higher maintenance; it’s important to decide what you want and need in your own home before you go looking. Hemi still has the information from the course.

He went to see a mortgage broker after the course. But Hemi said it can get disheartening “as it’s always the same response ‘you have too many bills, it’s going to be

a long wait'. We took a step but you get knocked back all the time."

They say there were really interested (in home ownership) at the time of the course, but when it didn't happen it was "like a big drop". Their expectation was that they would get some support with financial management, and a government 'subsidy' for a deposit. This didn't happen.

Hemi says no-one has come to help financially. They needed a new car. "It's a debt but something we needed. It's like banging your head against a brick wall. We pay our bills. Most of the time we try and pay more than we have to, but the mortgage broker says our payments are too high and we won't get there. It's disheartening."

Hemi says they are watching as the price of houses goes up. "Because we're a family of five, we need four bedrooms, but we may not be able to afford a house that accommodates this.

Group three – 'Older. History of rental accommodation. Home ownership may not be realistic'

A third group (four interview respondents) faced similar challenges to group two but appeared to have the least ability to move forward because they were older and had no or little asset base. All these respondents were aged 50 or older. Three had lived in subsidised private or public rental accommodation for all of their adult lives. The fourth respondent was a migrant who was finding it difficult to find a well-paying job in his area of expertise. Being near retirement they had little ability to increase their income and were concerned about servicing a mortgage. Though interested in purchasing a home, analysis of the interview data suggests that it is unlikely these respondents will be able to service a mortgage unless they receive significant financial support from family (which was one of the key factors in group one respondents' ability to purchase) or the government. Like group two, some were looking to government for support. While there was some action, these respondents did not have the focus and commitment of group one.

Sifaole's story

Sifaole first thought about home ownership when National was in power but was late in doing something about it. He has been renting from Housing New Zealand for almost 20 years.

About seven years ago he got more serious about owning a house. He wants to own a house for his children and for his retirement (he and his wife are in their late 50s). He stopped dreaming about home ownership when one of his children moved out of home (he had told his child they could stay at home and help with saving for a house but they wanted to move out). Also he has been overspending and can't save.

He heard about the course on the radio and went to it to find out about home ownership. He found the information about banks and mortgages helpful. He now has a better understanding of home ownership and believes that nothing about the course needs

improving. He would recommend the course to family and friends.

They live on one income and there are still two children at school. He is worried he is getting older and will not be able to pay the mortgage when he retires. He is also afraid that he might be made redundant once he gets a loan. He would rather just rent and still save for a few luxuries than have a loan which he may not be able to pay off.

Emerging patterns

The above section describes the characteristics which were helping or hindering these interview respondents to achieve home ownership. Some of the emerging patterns identified for those who do buy include people:

- buying in affordable areas
- changing (lowering) their expectations
- buying rental property as a step towards home ownership (and building wealth)
- purchasing with family / friends or with family support.

An Auckland housing issues informant¹⁵ also listed the above as innovative strategies that people are using to get into home ownership in Auckland. She commented that those working in the real estate industry refer to those who are buying property with others as ‘puppi’s – people unable to purchase property independently (this is explained more fully below).

Buying in affordable areas

All four respondents who had purchased their first house since the course had done so by actively looking at properties in more affordable locations. One was very clear about not wanting to “drown” in a mortgage. They moved away from Auckland to a more affordable location, where they could also both get employment. One Auckland-based respondent took four weeks off work to look at 78 houses until they found one they could afford in a suburb where they wanted to live, which ended up being on the outskirts of the city.

Two brought in small rural towns near a city where at least one partner was employed. One had started out hoping to be able to buy a lifestyle block but the course information helped them to become realistic about what they could afford to buy. Purchasing in a smaller town meant they could afford a cheaper house and it was not too far to commute to work. The other respondent had moved from to a large urban centre due to a work transfer. They rented while looking for a house to buy and immediately noticed a huge difference in the housing market – they noticed the quality of houses was “poor” and sections were small compared with houses of a similar price where they had previously lived. They bought a house within

¹⁵ Sue Matehaere, Manager of the Auckland Open Polytechnic Real Estate Centre.

their budget by moving to a semi-rural location on the outskirts of the city which had good access to the motorway system.

One of those in group one who had yet to buy, also spoke of needing to move to the outskirts of the city in order to buy.

Changing expectations

This pattern overlaps with 'moving to affordable areas' and 'buying a rental as a step towards home ownership'. The four respondents referred to above had made decisions to trade location so they could own their home with an affordable mortgage and/or a house with the features they wanted. Other respondents (both those who had yet to buy in group one, and group two) wanted to stay in locations close to work, schools, and/or the support of family and friends. For one respondent, this meant looking for a three instead of a four bedroom home. For two others, this meant buying or considering buying an affordable rental as a step towards home ownership.

Buying rental property

There were examples of interview respondents who had brought rental property prior to attending the HOEP course (n= 3), brought a rental property since the course (n= 1) or intended to (n= 2), and one which had brought a house from which they intended buy and shift to another home soon and keep the first one as a rental.

People using or intending to use rental property to build their wealth / asset base are not the target group of the HOEP. However, the following examples illustrate that some respondents are buying rental property to assist them achieve home ownership as they are unable to afford the type of home they want for their family circumstances (Example 1 and 2). Others have brought property for family or with family assistance (Examples 3 - 5). The last example is of a first home buyer with property investment intentions.

Buying rental as step towards home ownership

Example one

- A couple brought a rental property with a friend in a more affordable area as they were unable to afford a home in an area with the schooling they wanted for their children. They will be using the equity to help them either purchase a modest home in an area they want to be in (or they may purchase another rental property before finding a home). They attended the course as, even though they had already brought a property, they identified they had limited knowledge about buying a house. They have put their learnings and the confidence they gained from the course into practice in their dealings with real estate agents.

Example two

- A respondent who has yet to buy said they were unable to afford a big house so plans to buy a small rental which can then lead to helping buy a house for the family.

Mix of family support to buy and buying property to support family

Example three

- A couple owned a home and a rental property for family members. They brought their home back in early 80's with family support - they lived with family while saving, put a maternity leave lump sum towards a deposit, received a top-up from Housing New Zealand and bought in an affordable area. They took family members who were living in their rental property to the course to learn about home ownership and found the course beneficial themselves. "It would have been useful for us to have done the course when we were first buying and later when we were purchasing second house. We would have done things differently ... this could have been in the options of loans with the banks and type of property to purchase." Since the course they've talked to IRD about their rental, looked at refinancing and how they can utilise family income to buy a large family home.

Example four

- A person had a mother who encouraged two of her children to buy rental property together. The second rental property they bought was for a family member. This person, along with other siblings bought their parents home to assist with their parents' retirement plans. He and the parents continue to live in the family home.

Mix of family support to buy and buying property

Example five

- A young person had been initially assisted into home ownership by buying a home with her parents when the children were tertiary students, which they all lived in. The parents bought her share when she bought a rental property with her partner, with the intention of moving into it when they can afford to. The partner already owned property which they currently live in. She attended the course as she did not have knowledge of purchasing property from buying the home with her parents. She found the course helpful and it gave her confidence to work with real estate agents and banks.

Buying an affordable first home with intention of buying further property

Example six

- A young couple moved to a small rural town where they both had employment and could afford to buy their first home. They intend to buy and shift to another home soon, keeping the first one as a rental and plan to continue to buy other property.

These respondents included new migrants, Pacific, Māori and NZ European people. The two respondents who bought property to support family members with accommodation were both Pacific peoples. The participants had household incomes from \$40,000 - \$100,000 plus.

Purchasing with family / friends or with family support

Family support was a factor in people's ability to purchase, both for those who owned a home prior to attending the course and those who had bought post-the course. Two Pacific Island respondents described how they moved in with other family members to save for a home deposit. Three respondents had purchased with other family members. One Pacific Island respondent had bought property with siblings. This respondent was on a modest income (\$40,000 - \$59,000) and now owned three houses with siblings in a central Auckland suburb.

One young respondent, aged 20 – 29 purchased her first home when she was a student, with support from her parents:

When I was about 20 my parents wanted to help me out so we all (brother, parents and herself) bought a house together. Dad did it all (he) said, 'put this amount into an account each week'. We all moved in and we each paid off our third of the mortgage.

Another Auckland respondent bought a rental property with friends, prior to the course. They plan to use the equity in this property to either purchase a family home for themselves, or another investment property.

Two respondents had received money from family members which they were able to use as a deposit. One received a lump sum; the other received a weekly sum of money which they put towards a deposit.

Two Pacific Island families had purchased family-owned homes.

Table 5: Type of family support provided to participants

Type of family support	Number
Lived with family while saving for deposit (all PI)	2
Bought with other family members (or with friends)	3
Family members contributed money towards deposit	2
Able to buy family home	2
Parents acted as guarantors	1

Source: face to face interviews with respondents

Provider support

Introduction

After the first stage of the fieldwork, the evaluators were asked to explore the types of support services (both formal and informal) that providers were providing to participants.

This section draws on findings from the survey of provider support and the in-depth interviews with 32 HOEP participants. Appendix two includes a more detailed report on the survey findings.

Delivery of 'support' services was included in the contracts of 15 providers and specified as:

- pre-purchase support (e.g. fostering and supporting HOEP participants' general interest in home ownership, papakainga and identifying / supporting participants likely to meet the eligibility requirements for the LDRL)
- purchase support (i.e. for purchasing, building or relocating a house (relevant to papakainga))
- post purchase support.

What does provider support look like?

Just over half (56 percent) of all participants exploring home ownership received support from a HOEP facilitator. There is some variation between providers, with one facilitator supporting all participants, while at the other end of the scale, a facilitator provided support to 17 percent of participants exploring home ownership. This variation may indicate that some providers deliver support in-house, while others direct participants to specialist providers, e.g. budget advisory services. The LDRL/PPHOP evaluation also indicates that providers have different approaches to following up participants once a HOEP course has ended. Some facilitators initiate contact and actively stay in touch with participants while others adopt a more hands-off approach so that if participants want support, they must make the first step to contact the provider.

Pre-purchase support

Most participants (86 percent) who received pre-purchase support sought information about home loan products, e.g. information about their eligibility criteria. Seventy one percent received help with developing a budget. Support around papakainga was the other main area.

Facilitators were asked to rate the level of support they had provided to participants at each of the three stages (pre-purchase, purchase and post-purchase). A 'low level' of support was defined as occasional chats with a participant, e.g. giving them contact details for a lawyer or tradesperson. A 'medium level' of support referred to facilitators spending time with a participant to set up a budget, providing them with some encouragement through the process and perhaps contacting 'experts' on behalf of participants. A 'high level' of support was defined as 'handholding' participants all the way through the process, e.g. going with them to

an appointment with a lawyer. A small number (12 percent) require a high level of support at the pre-purchase stage, while 88 percent required a low to medium level of support.

Purchase support

The survey identified 23 participants who had purchased or were in the process of purchasing since completing a HOEP course¹⁶. Just over half of these participants (13) received purchase-related support. This included help with identifying potential homes; advice on research required, referrals to council, trades people or other experts, help with the papakainga process, negotiating for the house seller to fix up aspects of the property being purchased and support with finding a mortgage broker.

Of the 13 who received support, nearly half (six) required a high level of support and the other seven required a medium level of support. None received a low level of support, indicating the more intensive nature of support required at this stage of people's home ownership journeys.

Post purchase support

The survey data indicates that few people access post purchase-related support, at least in their first year of home ownership. Only two of the 14 participants who had bought a house were provided with support. Both required help with problems related to the condition of their new home. One participant required a high level of support while dealing with a dispute involving a neighbour. This person's partner was away and the facilitator said their client could not deal with the issue on their own.

Support to other participants

The HOEP facilitators identified a small number of participants (48) who attended the course for reasons other than exploring home ownership. They included participants who:

- wanted information about refinancing so they could do home improvements
- had just bought (or built) a house (e.g. one participant had already signed a rent-to-buy agreement, was feeling 'uneasy' and wanted to find out more information
- were thinking about selling their home
- were interested in buying an investment property
- wanted information about managing money
- were thinking about a career in real estate.

Of these, about half received pre-purchase-type support. Nineteen participants received support with information about loan eligibility. Other types of support included information

¹⁶ It should be noted that the survey sample was drawn from participants who attended a course between July and November 2006. Facilitators were asked about participants' status in March 2007 (allowing between three to seven months for participants to have completed a course and then purchased a house).

about managing finances, help with accessing information on Te Ture Whenua Māori and other papakainga-related issues.

What is the need for provider support?

Money management is a key area of need identified by both the interview respondents and course facilitators. This is evidenced by 40 percent of all surveyed participants interested in home ownership who received support with budgeting. A small number (17 percent) required a high level of support.

I helped them work through a budget; (they had) two girls who ruled the roost. Visited (them) a lot - to try to get them to understand if they did not act like parents they would not get into their own home. Had the money but choices in spending weren't conducive to getting into a house.

Even though they had a large amount of savings, they didn't want to go to their savings to pay debt. They had a language difference. I asked them to talk to the bank. I (also) prepared their budget.

They had six children, he had just been released from prison. He was thinking about putting himself into bankruptcy. (I did) a lot of work around making sure the family had food.

Eight (25 percent) of the participants interviewed who had yet to purchase identified that they needed help with budgeting. Seven of these were Pacific Island families. Two had sought budgeting advice from sources other than the HOEP provider.

Fifty four (28 percent) of the survey participants interested in exploring home ownership received support with papakainga. Of these, 17 (31 percent) received a high level and 28 (52 percent) received a moderate level of pre-purchase support as they worked through the land ownership issues. Two interview respondents interested in papakainga said the course, on its own, did not provide enough information about papakainga. One respondent had worked for an iwi authority so knew “quite a bit” about the process but felt the course facilitator did not know much. The other provider said they would have appreciated follow up support to help their family “come home in their thinking”. They are keen to promote the idea of younger family members returning to work on the land.

The interview data identified five respondents who explicitly or implicitly indicated they could benefit from support to keep their ‘home ownership dream’ alive. One family had planned a meeting with a mortgage broker but it did not happen. They said they were really interested in home ownership at the time (of the course) but when it did not happen “it was like a big drop”. Two said their “own mindsets” had blocked them from moving forward. Other respondents also said they had come to a ‘standstill’:

When you walk out of the course, it's over. It doesn't tell you where to go afterwards.

The in-depth interviews identified only a small number of people whose home ownership stories indicated they needed no or very little support from a HOEP facilitator. These respondents tended to be ‘on to it’, which is also the comment made by providers about those

surveyed participants only needing a low level of support. One interview respondent had received initial follow-up support from a facilitator but said they relied mainly on their own determination, the course notes and assistance from a family member who worked in real estate. Others felt the course information was comprehensive and they were working on their own to increase savings or were waiting until they moved into more secure employment.

Summary

The purpose of this evaluation was to assess the effectiveness of Housing New Zealand's HOEP in helping first home buyers to access home ownership and to better understand the barriers for low to middle income households to accessing home ownership.

The evaluation used a mixed methods approach, including qualitative interviews with 32 course participants from three locations and a quantitative survey of support provided to 433 participants (48 percent) who attended courses ran by one of 14 providers. Triangulation of these two sets of information with other data collected from interviews with key informants, HOEP facilitators, Housing New Zealand's HOEP enrolment data and findings from the 2006 evaluation, provide a solid base from which to extrapolate the findings to the wider programme.

What aspects of the design / delivery work well, not so well and why?

Extending the focus and delivery of the programme to all first home buyers has worked. The course and its delivery style continues to meet people's needs for comprehensive, introductory information about home ownership and what is involved in working towards and buying a house. Participants value the independence and trustworthiness of the information and its delivery by knowledgeable and personable facilitators and speakers. They particularly value learning from others' personal experiences. While there were a few suggested improvements by participants, there were no substantive problems with the design or delivery of the HOEP course.

The course is also meeting the needs of a wider group of people who may or may not be first home buyers, i.e. migrants new to the New Zealand housing market, people who already own a home or rental property as a step towards home ownership, and people exploring papakainga. Whether in home ownership or not, respondents did not have a good understanding of the processes involved in purchasing and owning a house. Around half of participants need the financial management information and support offered by the programme.

What difference does the HOEP course make?

The course achieves its aim, which is to increase people's knowledge base to help them make informed house purchasing decisions and increase the sustainability of home ownership.

It also helps participants in their journey towards home ownership. In a few cases, attendance on the course significantly contributes to the achievement of home ownership. Mostly the course increases people's knowledge, instigates actions towards home ownership,

provides participants with links to mortgage brokers and confidence to work with real estate agents and banks, and provides valued information about participants' local housing market.

What are the barriers to accessing home ownership?

The evaluation found three barriers to home ownership: debt, affordability and participants' own attitudes, confidence and motivation. The evaluation identified that participants with substantial debt are not necessarily those with the lowest incomes. Affordability was also an issue for all respondents, though more acute for those living in Auckland. Despite these barriers, the evaluation identified a number of personal characteristics that can assist people to achieve home ownership. These include living within one's means (ability to save and manage debt); staying committed and actively working towards home ownership; being flexible and realistic about purchase location and size of property; actively seeking out information and receiving support from family (either financially or in-kind).

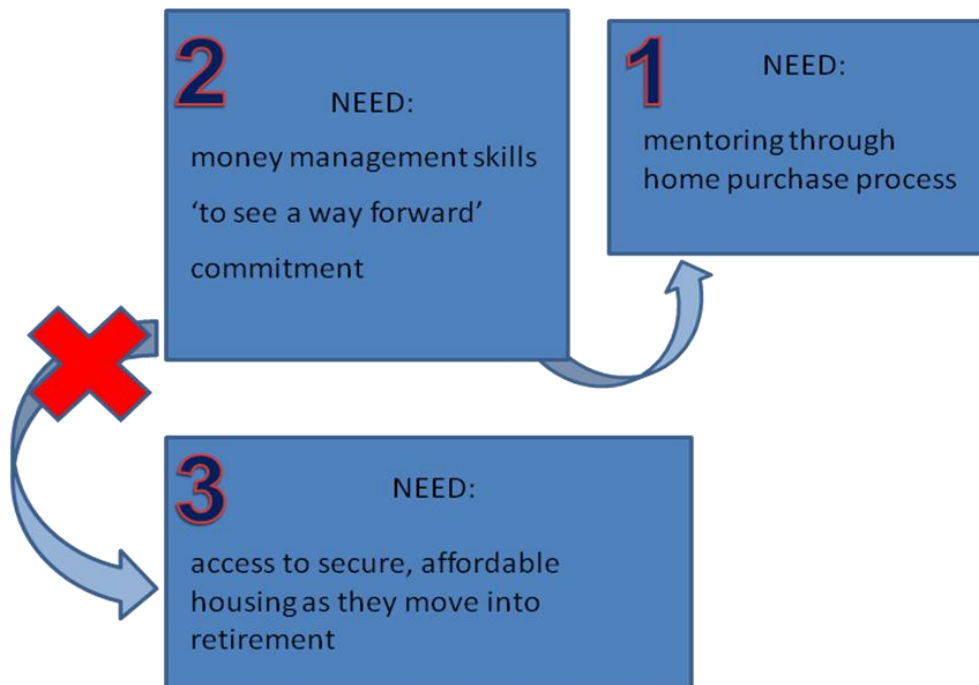
What is the need for home ownership education and support?

Irrespective of ethnicity, income or whether people already own property, this evaluation highlights the need for home ownership education. The evaluation identified three groups of participants with different needs for information and support, as illustrated in the diagram below.

Group one, likely to be a small group, includes motivated, committed participants who have few barriers. They may require information and support during the pre-purchase phase and are likely to require a moderate to high level of support during the purchasing of their property.

Group two, likely to include a larger proportion of participants, have substantial but not insurmountable barriers. A number of group two interview respondents had difficulty saving and managing debt. The survey of support identified that 40 percent of participants receive assistance with financial management. Interview respondents in group two also required support to help them 'see a way forward'.

Diagram 4: Range of needs for information and support



Group three require assistance that is outside the brief of the HOEP. The CHRANZ Research Bulletin, October 2005 Housing Tenure Aspirations and Attainment states that older households headed by persons aged 65 years and over will increase in both number and as a proportion of total households. This report identifies the housing requirements of older New Zealanders as a policy priority which requires a focused and specific response in conjunction with the provision of other services for and affecting older people (e.g. health, social service, transport and other infrastructure).

The findings raise a number of questions for policy and programme staff. How can the needs of the three groups be best met? Given Housing New Zealand's current mix of policies / programmes is there anything else the agency can do to assist those with financial management and other issues find a way forward (from group two to group one)? What is Housing New Zealand's role in assisting people to improve their financial wellbeing? Can the existing range of government and non-government programmes and products that assist people to acquire financial management knowledge and skills be more effectively utilised? What is Housing New Zealand's role in making sure that linkages are recognised and maximised? What is Housing New Zealand's role in relation to group three participants?

These questions are about policy and programme responses that could make a difference. However, a key finding of this evaluation is that people themselves can make a difference to whether or not they achieve home ownership, irrespective of income. This suggests that as well as government achieving the right mix of policy and products supporting home ownership, change is needed among people themselves.

Furthermore, the home ownership education programme already assists participants with barriers such as information, confidence, motivation, and in those areas where support is provided, ongoing assistance including financial management, addressing debt and saving. Given that many participants appear to not achieve home ownership, this would suggest there is knowledge, skills, cultural values, lifestyle choices and other challenges considerably more substantial and complex than can be addressed by Housing New Zealand's HOEP alone.

Some people buy rental property as a step towards achieving home ownership. This has a range of implications beyond the brief of this evaluation. People buying rental property as a way of building equity, i.e. a new way of saving for a deposit on a home, may become more common in areas where the local housing market means it is not possible to buy a first home that addresses family needs (e.g. family size, location near work, schools, family and friends). Housing New Zealand may need to re-visit the implications of this for their target group of first home buyers between \$40,000 and \$100,000. It would also be useful to consider how the content of the HOEP course can further address the increasing reality of the unaffordability of home ownership for its target group, and the implications of the different strategies being adopted by first home buyers, e.g. buying of rental property as a step towards home ownership.

Conclusion

The home ownership education programme continues to be a very effective, information product which is part of a wider package of government policies and programmes supporting New Zealanders to achieve home ownership. By itself, the HOEP does not address New Zealand's falling home ownership rates, nor should it be expected to. However, it does 'punch above its weight'. A few achieve home ownership, others are helped on their journey towards home ownership and it motivates people to make changes that support the general well-being of their family and whanau.

The programme works because there is a match between an underlying need (housing), people's aspirations (home ownership), their needs (lack of knowledge re purchasing a home and lack of financial management skills) and the programme (both content and delivery style). It also works because of its holistic nature (it addresses aspects such goal setting and financial management which are important components of home ownership but not necessarily the brief of Housing New Zealand) and its strengths-based approach.

Appendix one: enrolment data

This appendix profiles the July to December 2006 enrolment data for the HOEP.

Total enrolments, July – December 2006

The first section graphs the characteristics of all participants for the six month period July – December 2006 in terms of:

- age
- gender
- ethnicity
- income source
- income range
- number of children at home
- current housing situation.

Comparison with January – June 2006 enrolments

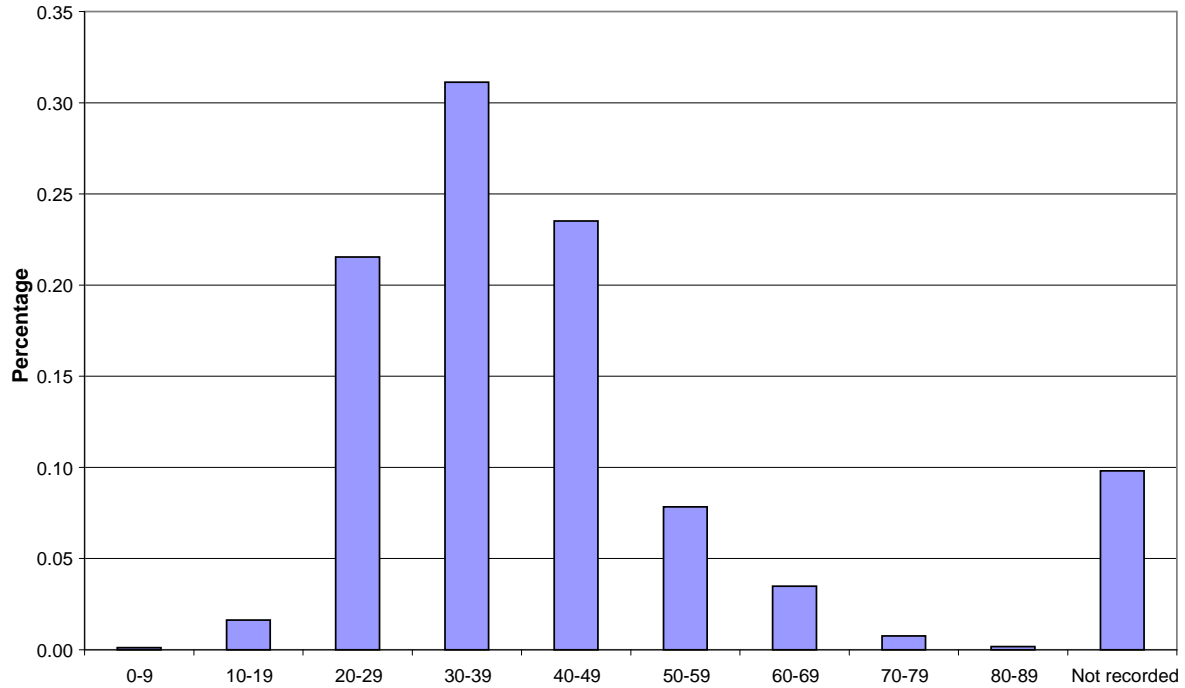
The second section provides a comparison with the six-month period Jan – Jun 2006.

It is important to note that the January – June 2006 six month period includes enrolment data for only the seven providers who commenced delivering HOEP during this time. The July – December 2006 six month period includes enrolment data for 22 providers, that is, the seven ‘new’ providers and the 15 existing LDRL and PPHOP providers who became part of HOEP as of July 2006. The inclusion of the 15 existing providers is likely to explain any significant differences between the two six month periods.

Enrolment data for all participants, July – December 2006

N=1722 for all graphs in this section (unless otherwise stated)

Age



Mean 37.6 years

Median Age = 36.1

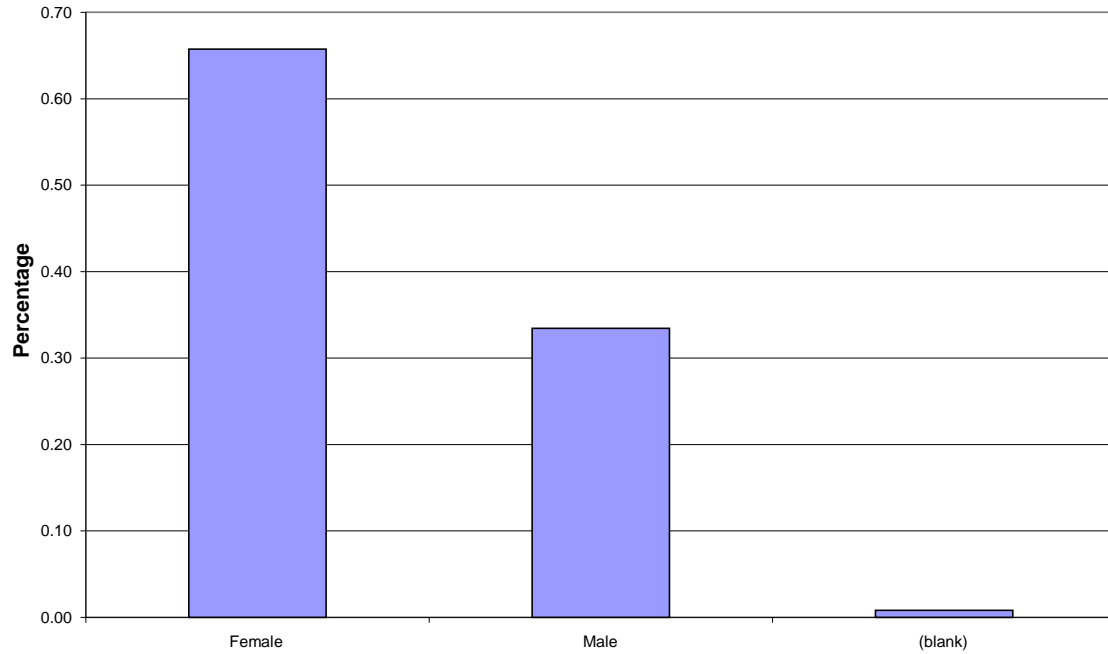
Standard deviation =11.4 years

Range 1 to 80 years

Three quarters of participants are aged between 20 and 49 years.

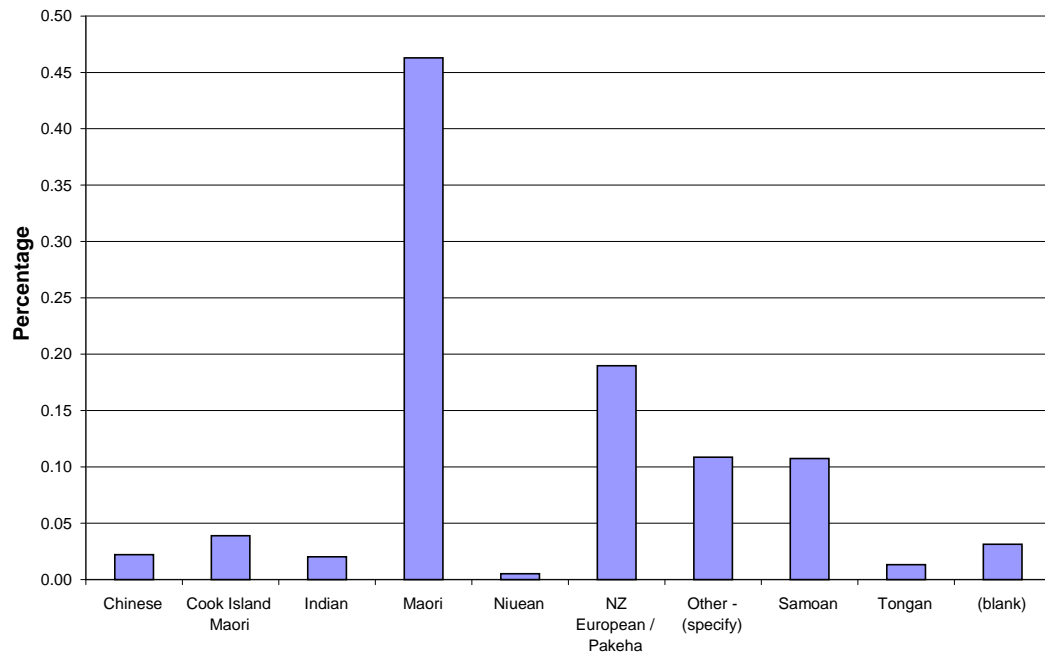
Gender

Most participants (around two-thirds) are female.



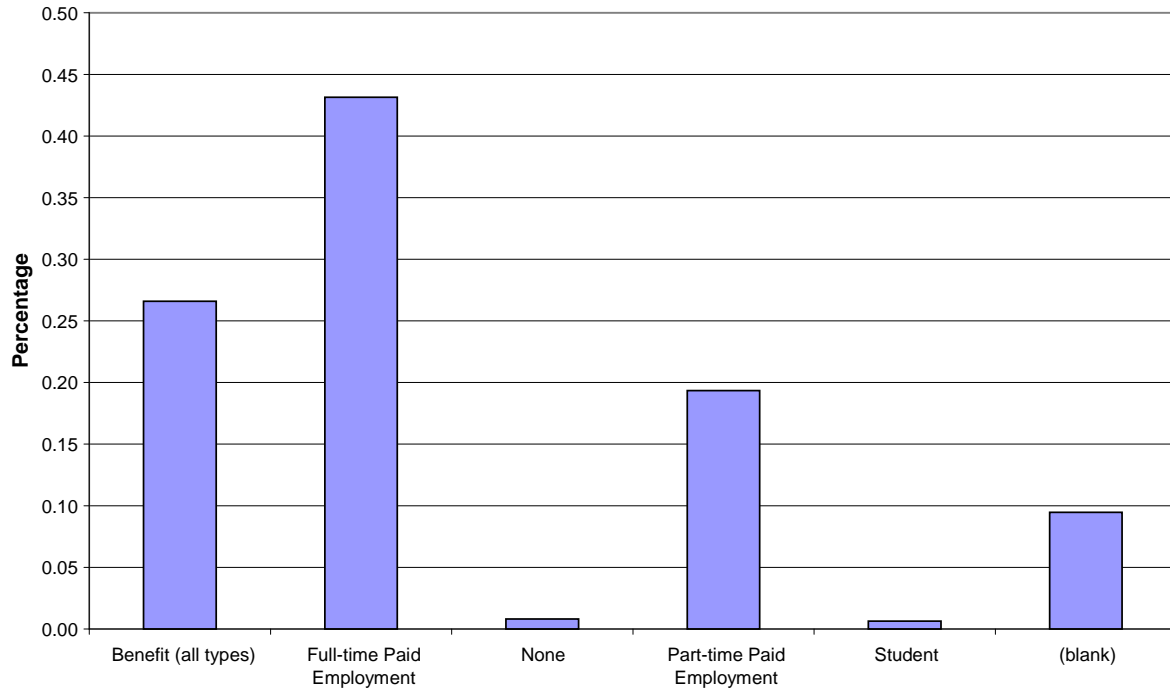
Ethnic distribution

Almost half (47 percent) of all participants in this period are Māori.



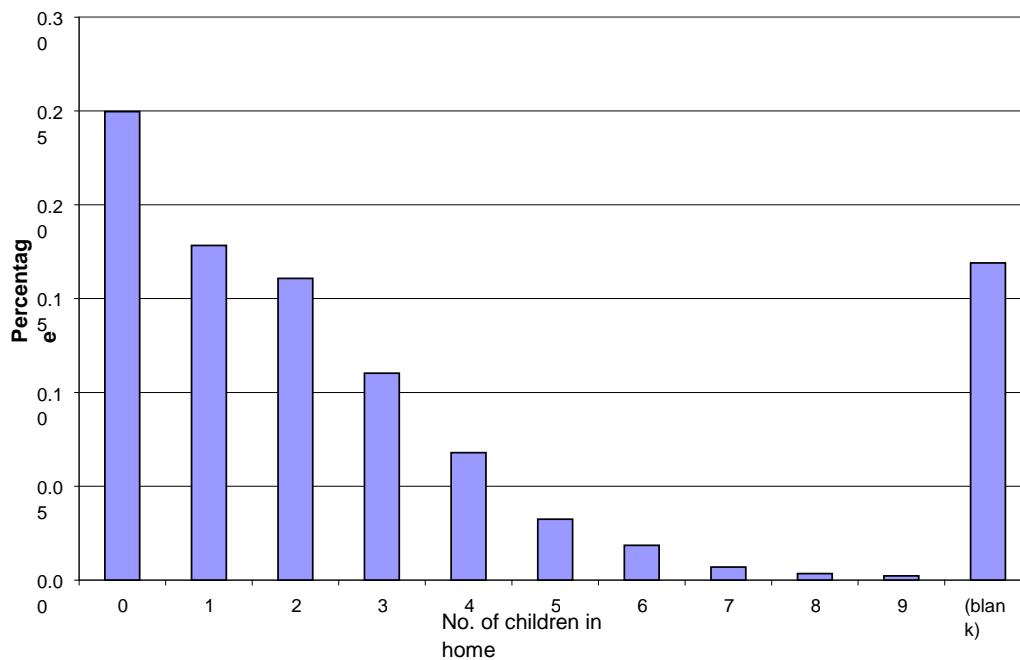
Income source

Over half (62 percent) of participants were in full or part-time employment.



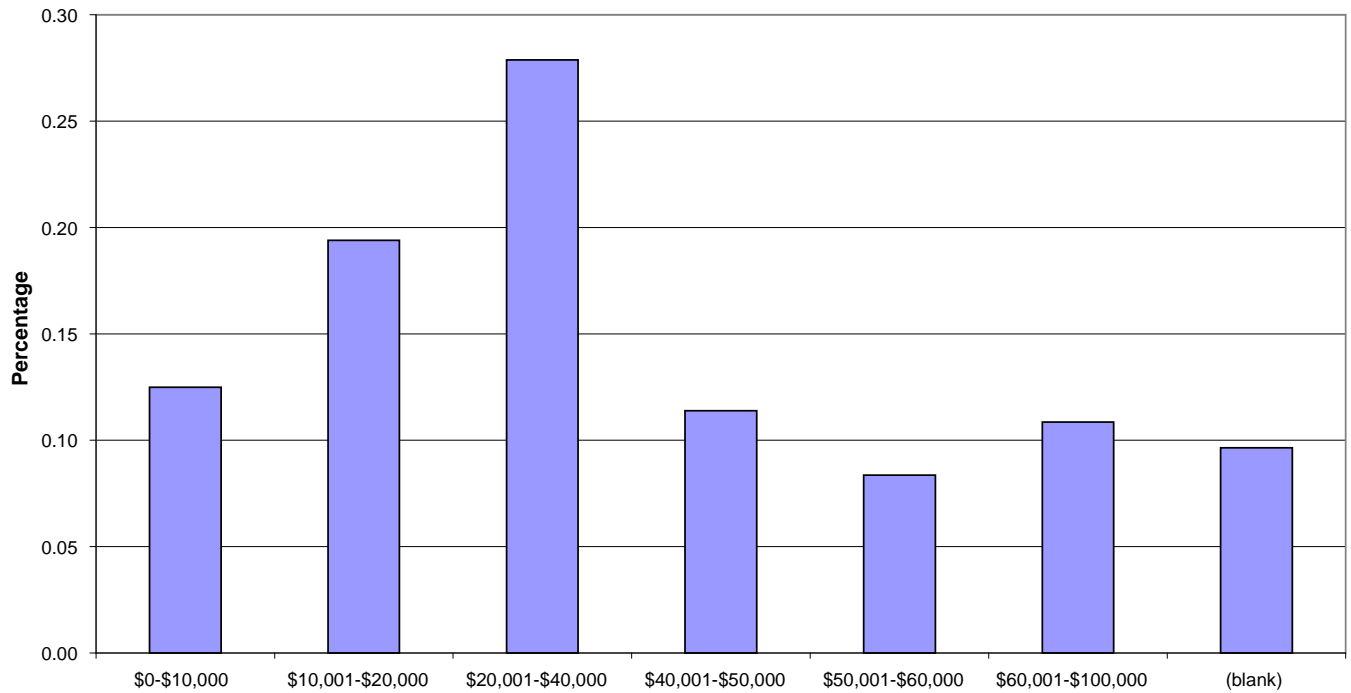
Numbers of children at home

Over half (58.1%) of participants said they had at least one child at home. There was a large proportion of blank responses to this question.



Income range

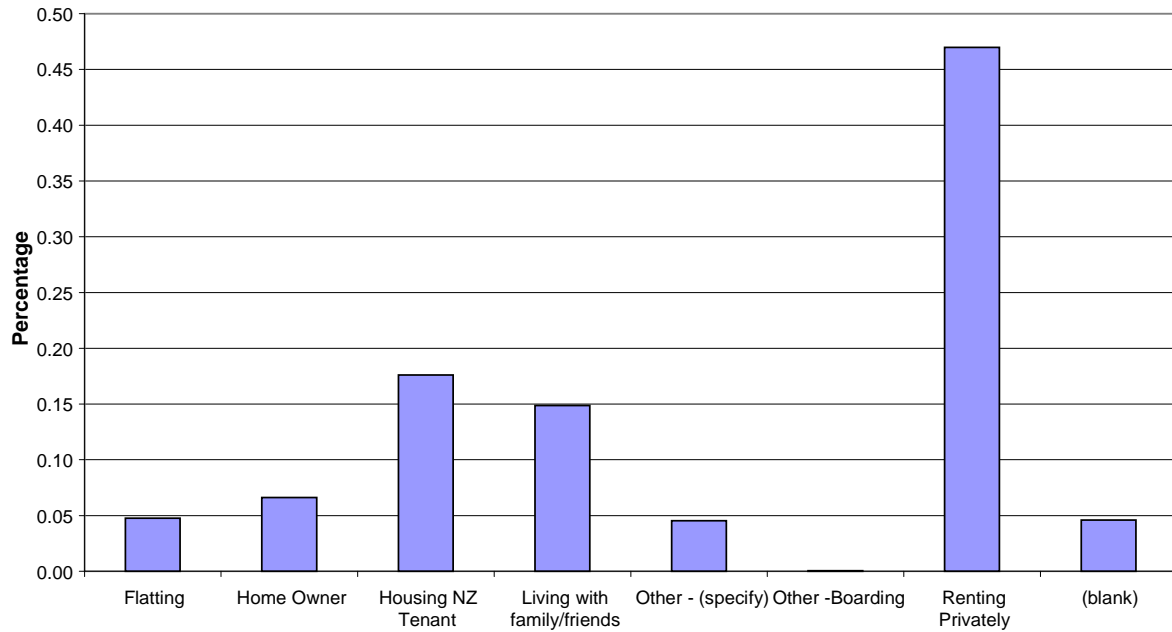
Sixty percent of participants had an income of less than \$40,000.



Income Range	Cumulative frequency
\$0-\$10,000	0%
\$10,001-\$20,000	12%
\$20,001-\$40,000	60%
\$40,001-\$50,000	71%
\$50,001-\$60,000	80%
\$60,001-\$100,000	90%
(blank)	100%

Current housing situation

Almost half of all people in the HOEP course are renting private accommodation at the time they enrolled. The next largest group are current Housing New Zealand clients.



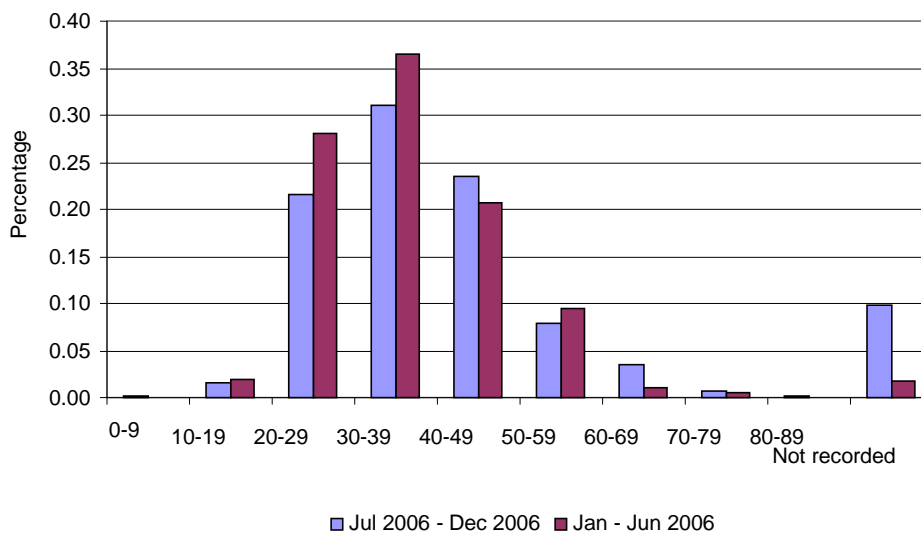
Comparison with previous six month enrolment period

These tables compare enrolments in the HOEP programme between January to end of June 2006 and those enrolments in the period July to end of December 2006.

The January – June 2006 six month period includes enrolment data for the seven providers who commenced delivering HOEP during this time (total of 556 enrolments). The July – December 2006 six month period includes enrolment data for 22 providers, that is, the seven ‘new’ providers and the 15 existing LDRL and PPHOP providers who became part of HOEP as of July 2006 (total of 1722 enrolments). The inclusion of the 15 existing providers is likely to explain any significant differences between the two six month periods.

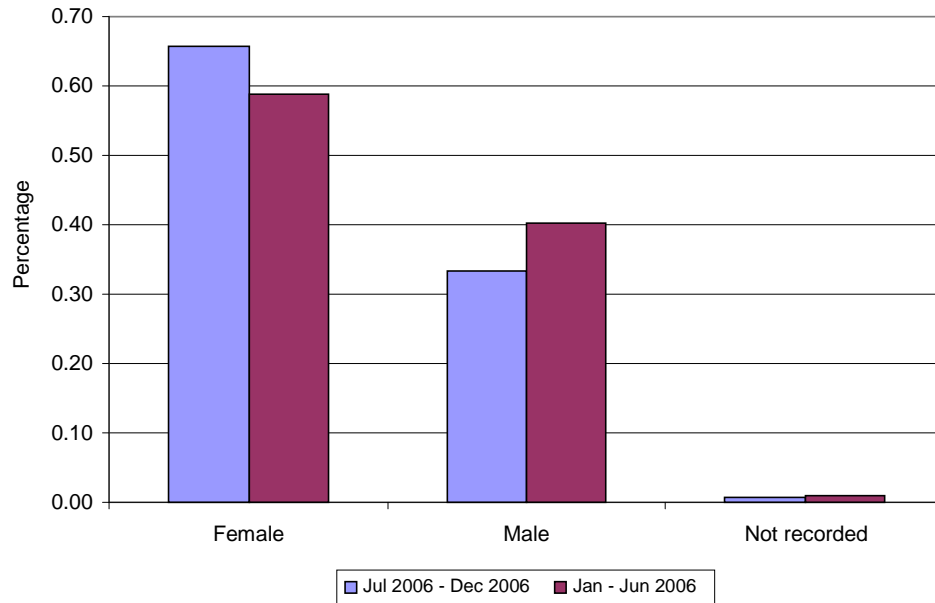
Age (excluding not recorded)

The distribution of participants across age ranges is very similar for both periods when the proportion of “not recorded” responses for are excluded. This was done because there was a particularly large difference in the “not recorded” proportions between periods (10 percent for Jul – Dec 2006 and only two percent for Jan – Jun 2006).

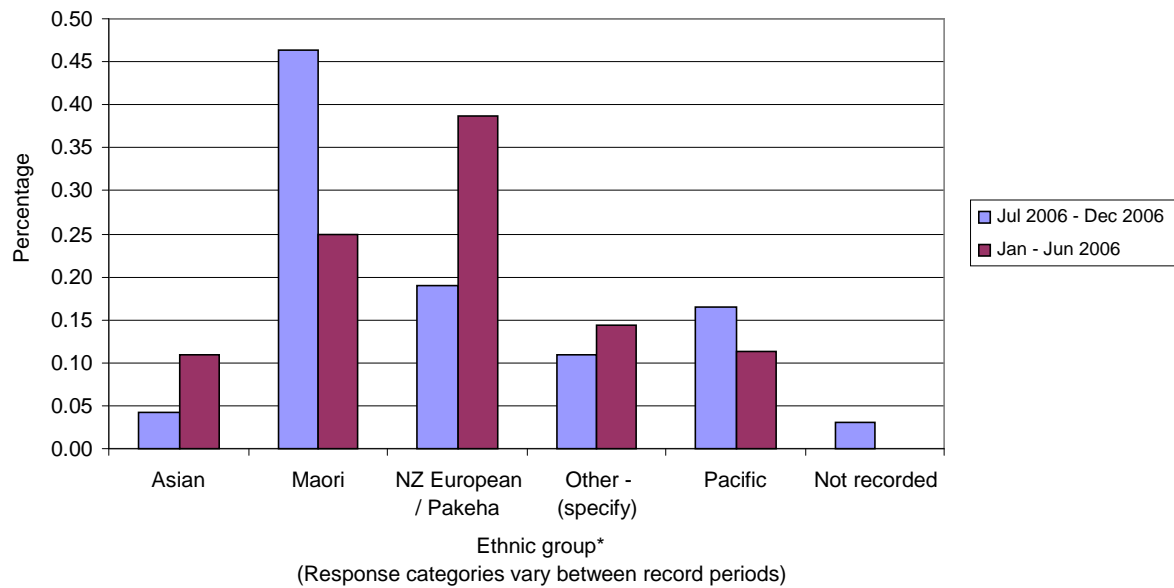


Gender distribution

For both periods females represent the majority of participants though the difference is more pronounced for the period Jul – Dec 2006.



Ethnic distribution

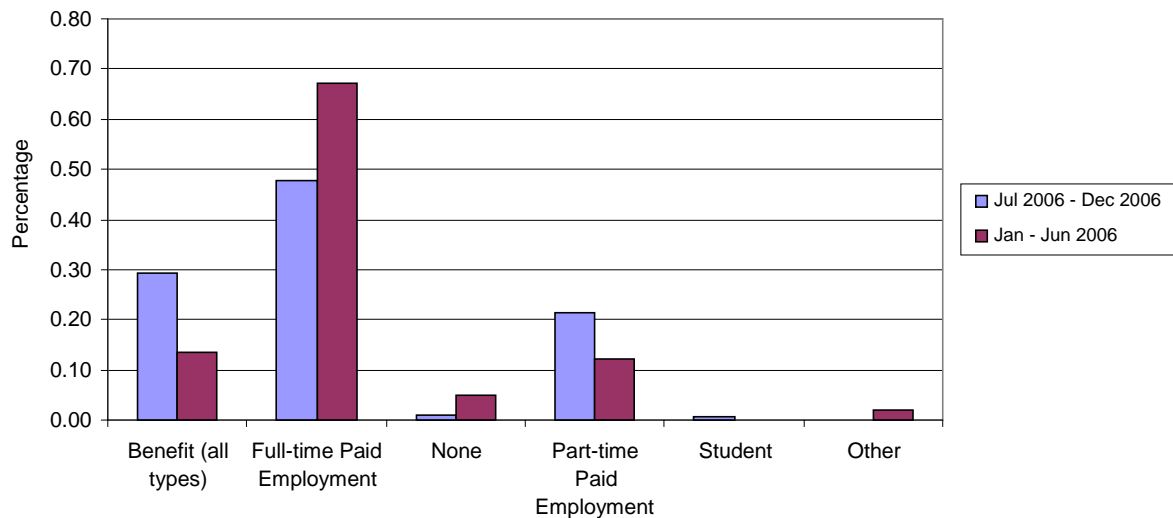


There has been a marked redistribution of participants based on ethnicity owing to a significant increase in the proportion of Maori.

The data collection systems were improved between measurement periods, hence the group to group comparison of ethnicities must be treated with caution. However, given the size of the increase in Maori participation, this is unlikely to have been caused solely by improved categorisation and data collection.

It is more likely that this is the result of the inclusion of enrolment data for the 15 existing providers, 13 of which are iwi or Maori service delivery organisations who were contracted to deliver LDRL (the former version of HOEP) to rural Maori and others. The other 2 providers are Pacific organisations who were contracted under PPHOP (which was based on LDRL) to deliver to urban Pacific peoples and others.

Income source (excluding not recorded)

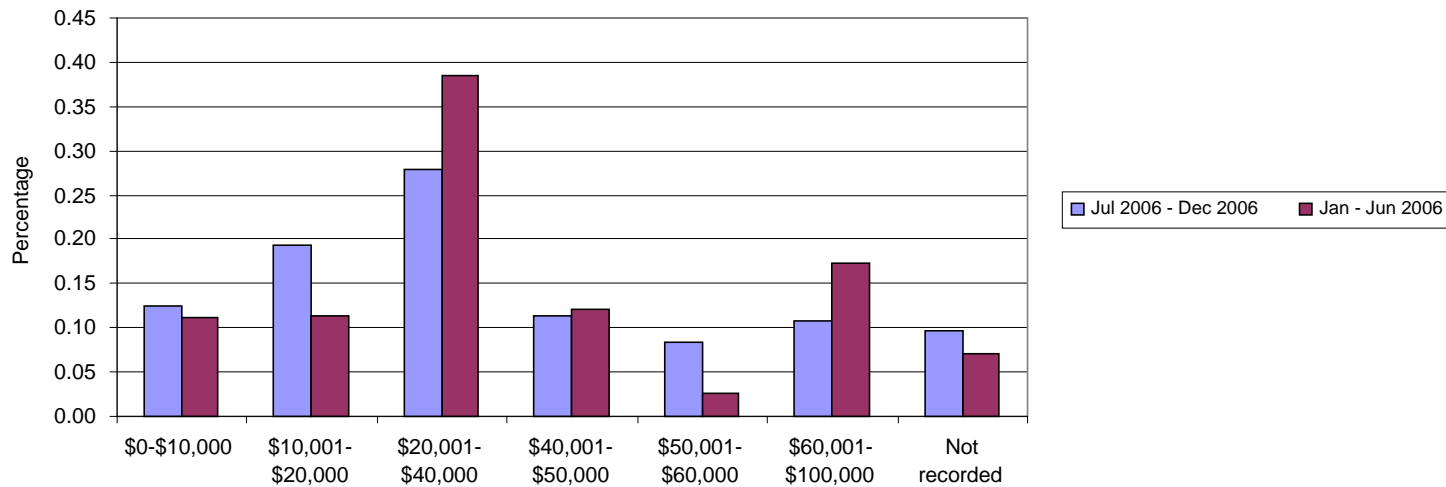


(response categories vary between record periods)

As with the previous graph, it must be noted that data collection improvements make precise category to category comparisons problematic. However there appears to have been a clear shift to a greater proportion of beneficiary participants in the second half of the year with fewer full time employed participants. Again, this is likely to be the result of inclusion of enrolment data for the 15 existing providers.

As with the comparison for age the “not recorded” category was excluded from this comparison because of a large difference between periods.

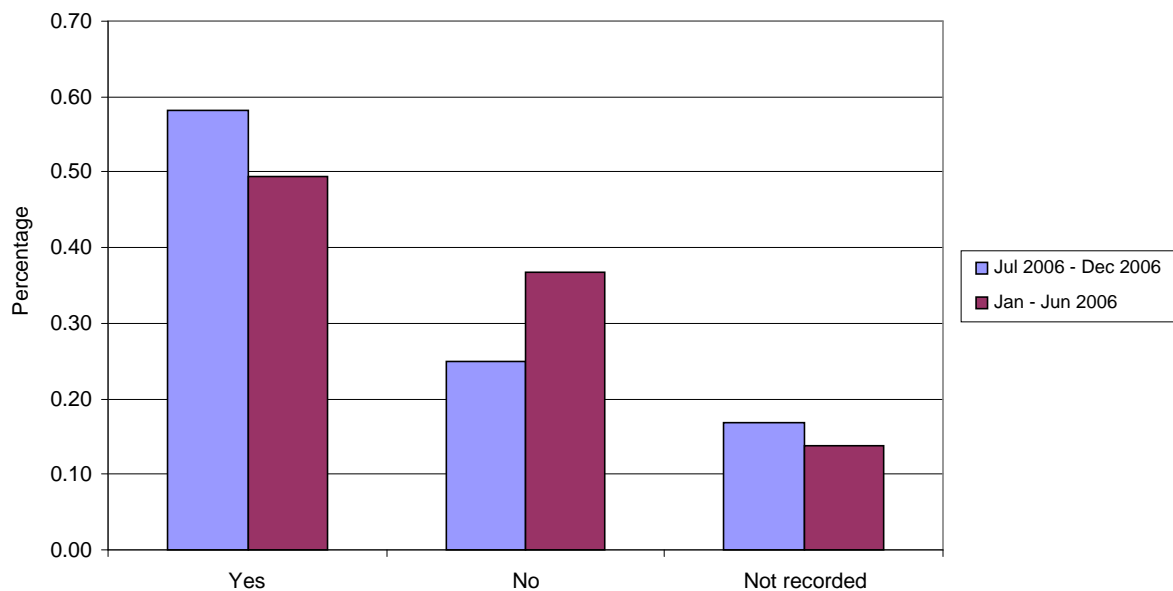
Income range



(Response categories varied between record periods)

The major point of overall difference is more even distribution of participants in the second period (January – June 2006). The flatter and more even distribution of income is likely to be the result of more precisely recorded data because of standard categories (income ranges) being used in the collection process in the second half of the year and the increased sample of participants in the second period of the year widening the distribution.

Children living at home



A greater proportion of participants in the most recent period said they had children at home.

Appendix two: survey of provider support

Introduction

A key focus of the evaluation was to identify the needs of the target group¹⁷ (and sub groups) in respect of support. Delivery of 'support' was included in the contracts of 15 providers and specified as:

- **pre-purchase support** (e.g. fostering and supporting HOEP participants' general interest in home ownership, papakainga and identifying / supporting participants likely to meet the eligibility requirements for the LDRL)
- **purchase support** (i.e. for purchasing, building or relocating a house (relevant to papakainga), and
- **post purchase** support.

Housing New Zealand requested quantitative data about support provided to participants during the first year of the HOEP course as one measure of identifying the needs of the target group. Fourteen¹⁸ HOEP facilitators were interviewed by telephone about the support they had provided to a sample¹⁹ of participants during 2006 (i.e. in the first year of the HOEP). Each facilitator was asked a series of questions, including the reasons why participants attended the course; whether they provided them with support and if so, the type and level of support provided.

Results

The survey identified that the majority (88 percent) of participants attend a HOEP course because they want to explore buying a house. A number of participants attend as couples or family groups, as they are exploring buying a house together. The survey identified 86 participants who attended with a partner or a family member. They have been counted as 43 participants to provide a more accurate indication of support provided to family units (which provides a more accurate description of the number of participants likely to be buying a house). In total, there were 342 participants (or family units) included in the survey who were exploring home ownership. Another 48 (12 percent) attended the HOEP course for other reasons i.e. to support potential house buyers (two percent) to gather information on behalf of others (three percent) or for another reason(seven percent).

Support provided to the two groups of participants is discussed separately in the next two sections.

¹⁷ Housing New Zealand defines the target group for the HOEP as 'first home buyers in low to middle income households'.

¹⁸ The survey required respondents (in general HOEP facilitators) to recall the support they had provided to participants. As one facilitator was on extended sick leave, only 14 of the 15 providers were included in the survey.

¹⁹ Detailed information about the survey is included in Appendix xxx.

Section One: Support provided to participants exploring home ownership

The HOEP facilitators said they had provided support to 194 (57 percent) participants in the survey sample who were exploring home ownership.

There was some variation between providers, with one indicating all of their participants in the sample received support, while at the other end of the scale, 17 percent of another provider's HOEP participants received support. This variation may indicate that some providers deliver support in-house, while others direct participants to specialist providers, e.g. budget advisory services. The 2006 evaluation of the LDRL/PPHOP evaluation (Bailey & Roorda, 2006) also indicates that providers have different approaches to following up participants once a HOEP course has ended. Some facilitators initiate contact and actively stay in touch with participants while others may adopt a more hands-off approach so that if participants want support, they must make the first step to contact the provider.

Table one identifies the numbers of people supported at different stages of their home ownership journeys.

Table 1: Support provided to participants exploring home ownership

Type of support	Number	Support provided	
		number	percent
Pre-purchase support	342	191	56
In the process of buying (9 participants) or have purchased (14 participants)	23	13	57
Not known ²⁰	14	1	7

Source: Survey on provider support (n= >194 as some participants had pre-purchase, purchase and post purchase support)

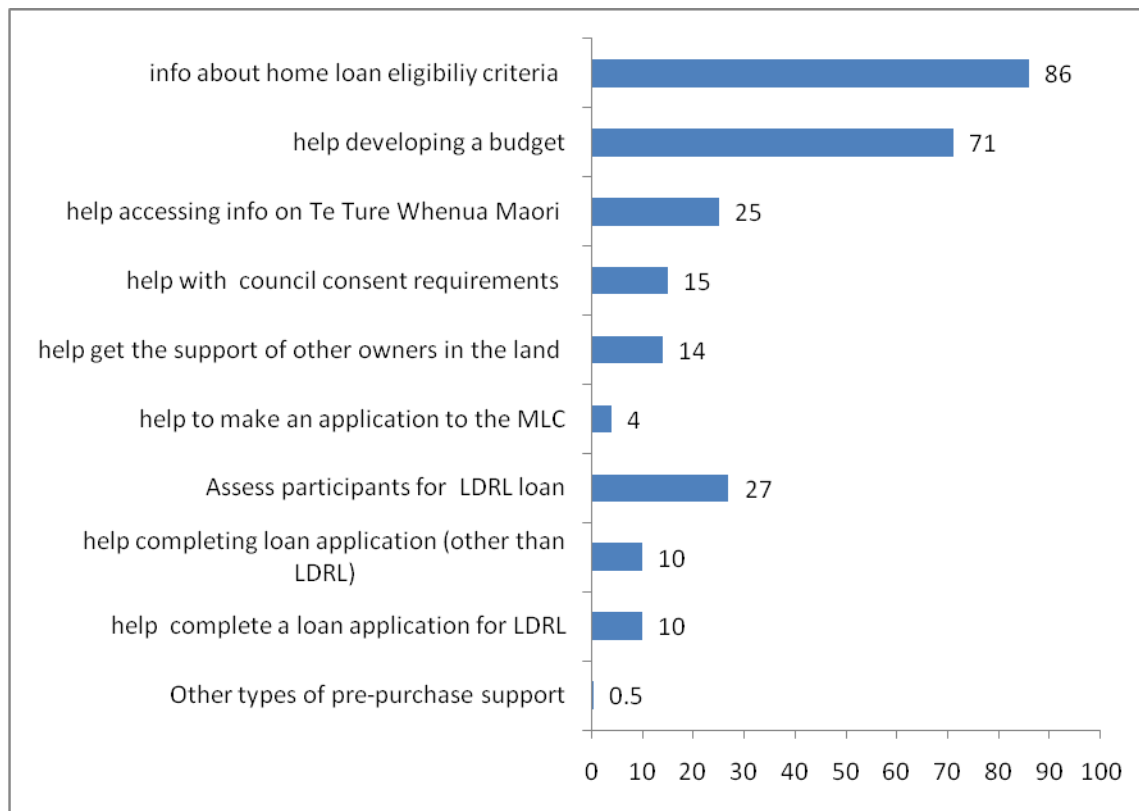
'Pre-purchase' support

The facilitators provided 'pre-purchase' support to 191 participants once they had completed the HOEP course (three other participants received 'purchase' or 'post purchase' support only).

Figure 1 shows that most (86 percent) participants received information about home loan products, e.g. information about their eligibility criteria. Seventy one percent received help with developing a budget. Money management was a key area of need identified by the respondents and course facilitators in both this evaluation and the LDRL/PPHOP evaluation (Bailey & Roorda, 2006).

²⁰ Facilitator does not remember participant / what type of support was provided.

Figure 1: Types of pre-purchase support provided



Source: Survey of provider support. N = 191.

Note 1: participants may have received more than one type of support.

Note 2: 'help with council consent requirements' refers to the papakainga process.

Note 3: MLC is an abbreviation for Maori Land Court.

Level of support at pre-purchase stage

Facilitators were asked to rate the level of support they had provided to participants at each of the three stages (pre-purchase, purchase and post-purchase). A 'low level' of support was defined as occasional chats with a participant, e.g. giving them contact details for a lawyer or tradesperson. A 'medium level' of support referred to facilitators spending time with a participant to set up a budget, providing them with some encouragement through the process and perhaps contacting 'experts' on behalf of participants. A 'high level' of support was defined as 'handholding' participants all the way through the process, e.g. going with them to an appointment with a lawyer.

Facilitators stated that 23 (12 percent) participants had been provided with a high level of pre-purchase support (Table 2).

Table 2: Level of support provided to people exploring home ownership

	Number	Percent
High	23	12
Medium	85	45
Low	83	43
Total	191	100

Source: Survey of provider support

'Purchase' support

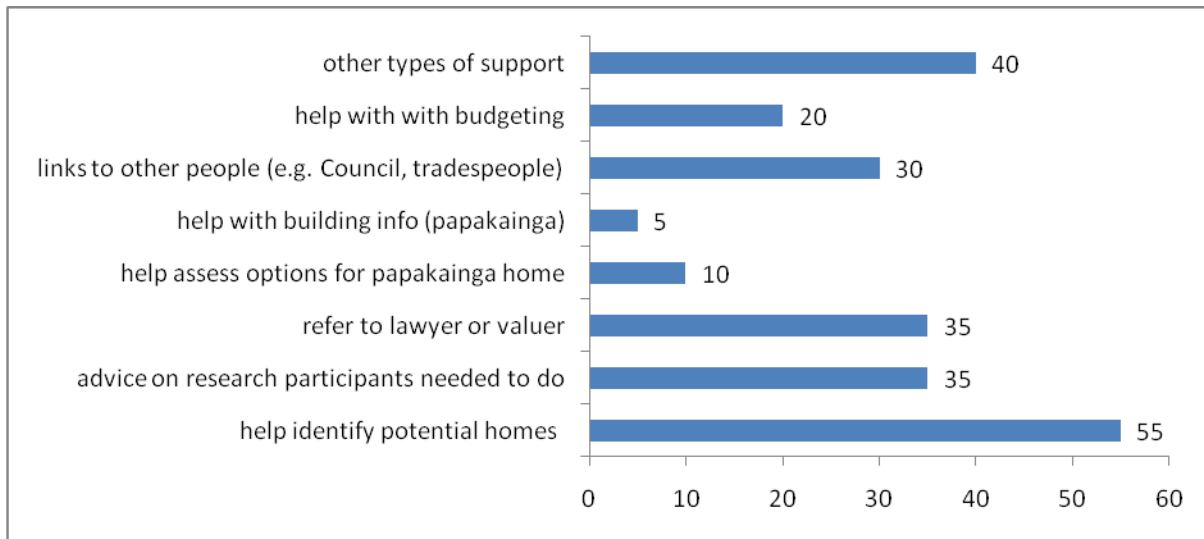
The survey identified 23 participants who had purchased or were in the process of purchasing since completing a HOEP course. Of the 23 home purchasers, 18 were Maori; three were NZ European and two were Samoan. Two were aged less than 20 years; four were aged 20 – 29; and 10 aged 30 – 39 years. Six were aged 40 – 49 and one was between 60 – 69 years.

They had a range of income levels:

Annual income	Number	Percent
\$0-\$10,000	2	9
\$10,001-\$20,000	3	13
\$20,001-\$40,000	6	26
\$40,001-\$50,000	6	26
\$50,001-\$60,000	2	9
\$60,001-\$100,000	4	17

Thirteen (57 percent) participants received purchase-type support. It should be noted that the sample was drawn from participants who attended a course between July and December 2006. Facilitators were asked about participants' home ownership status in March 2007 (allowing between three to seven months for participants to have completed a course and then bought a house).

Figure 2: Types of support provided during purchase (%)



Source: Survey of provider support (n = 13)

Of the 13 participants who received purchase-related support, 46 percent received a high level of support and 54 percent received a medium level of support. None received a low level of support, indicating the more intensive nature of support required at this stage of people's home ownership journeys.

Section Two: Support provided to participants who attended for 'other reasons'

The HOEP facilitators identified 48 people who they said attended the HOEP course for reasons other than exploring home ownership. Nine people were supporting other participants (who were exploring home ownership), 10 were gathering information on behalf of others and 29 were attending for another reason. The latter group included participants who:

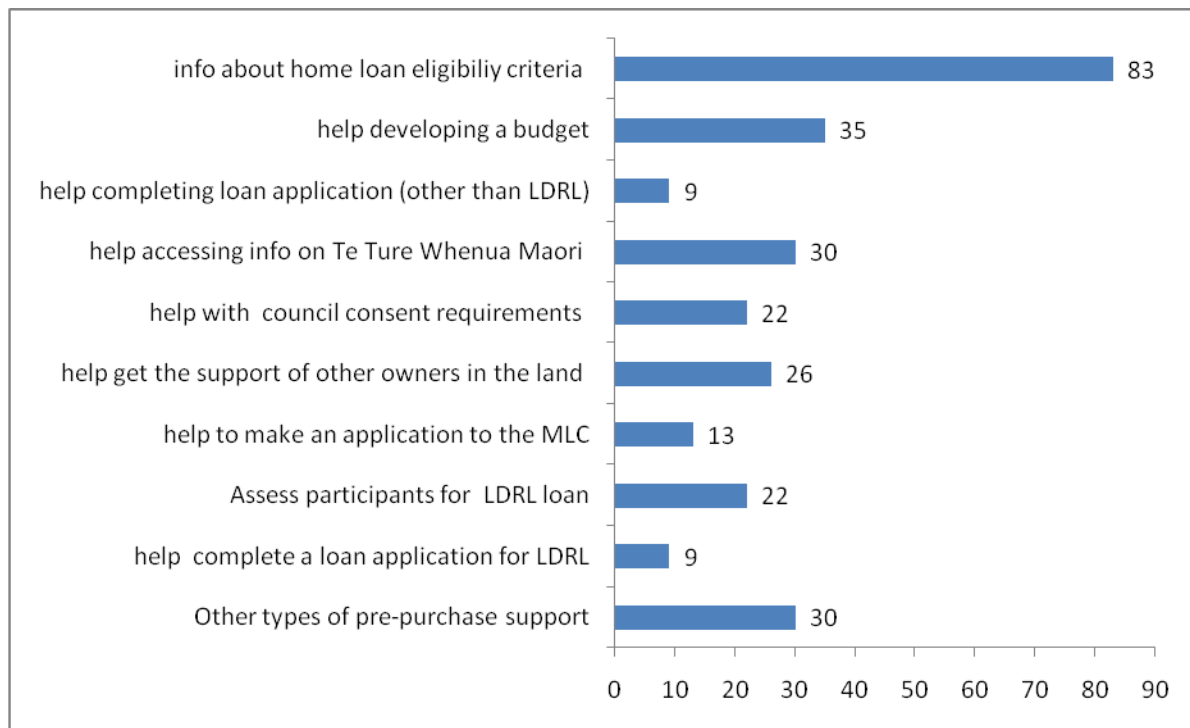
- wanted information about refinancing so they could do home improvements
- had just bought (or built) a house (e.g. one participant had already signed a rent-to-buy agreement, was feeling 'uneasy' and wanted to find out more information
- were thinking about selling their home
- were interested in buying an investment property
- wanted information about managing money
- were thinking about a career in real estate.

The survey identifies that the HOEP course has wider appeal than for just those who are thinking about purchasing their first home and reflects other findings that suggest people (even those who already own) do not know this information. In short, the HOEP meets a need for independent, accessible information about all aspects of home ownership.

Of the 48 participants, facilitators said they had provided support to almost half (23). Of these, 21 received support with 'pre-purchase' type support.

Figure 3 identifies that 19 (83 percent) participants received support gaining access to information about home loan products, e.g. information about their eligibility criteria. Seven participants received help to access information on Te Ture Whenua Maori requirements.

Figure 3: Types of pre-purchase support provided to participants who attended HOEP course for 'other reasons' (%)



Source: Survey of provider support (n= 23)

A smaller number of people received 'purchase' type support. Four participants were referred to other people (e.g. lawyer or valuer), three were given advice on research they needed to do; one person was given support related to papakainga. Other types of support provided included help with refinancing (two people) and advising a participant to hold back on a payment until some maintenance work on their property had been completed.

Table 5 identifies the level of support provided to participants who attended for reasons other than exploring home ownership. Two people required a high level of support. One was seeking information about papakainga (on behalf of whanau members). The other had English as their second language. Despite having owned a house for 16 years, this family did not understand how mortgages and interest rates worked, or as the facilitator said, "this had never been explained to them in a way they could understand". The facilitator used a translator to help them understand this information.

One person was provided with a low level of ‘post purchase’ support in the form of “occasional chats”. This person had recently bought a house through a ‘rent to buy’ scheme and the facilitator said they required “emotional support”.

Table 5: Level of support provided to participants who attended the HOEP course for reasons other than exploring home ownership

Level of support	Pre	During	Post
High	1	1	0
Medium	10	3	0
Low	11	1	1
Total no.	22	5	1

Source: Survey of provider support

Appendix three: home ownership journeys

Below is a summary of participants' home ownership journeys. Respondents were asked to talk about their 'home ownership journey', from the time they first started thinking about buying a house, what they had done since and what had helped and hindered.

Key identifying features, such as the geographic location of a participant, have been edited and pseudonyms used to protect the identify of participants.

The stories are loosely arranged from Group one to Group three.

Miriama and Joe

Miriama would have bought earlier, but went on overseas volunteer work that took up a substantial amount of her savings. She and partner Joe got married and started to get serious about buying their own place. Joe hadn't grown up in a house owned by his family. It was Miriama that taught him about home ownership being a long term investment. Her parents had owned their home and it seemed a normal thing for her to grow up and buy a house too.

Miriama looked at houses on the internet and when she saw a house she liked, she would use the online calculator to see how much a mortgage repayment would be. She didn't know about the actual process of purchasing, but they would "experiment" by ringing up real estate agents. It would make her nervous because they had no money so couldn't take the process any further, but she just wanted to know how it worked. She would also get pamphlets about mortgages from different banks. However, she was "too scared" to talk to anyone at the bank. Instead, she and Joe would talk to friends. One couple they knew had a portfolio of investment properties and they were quite willing to share their experience. These friends are Maori: "we feel comfortable asking them questions; they come from the same sort of background and we see them achieve things. We see that they can do it; they are role models for us. We don't feel embarrassed asking them questions."

A real estate agent took them to see a few properties in the large urban centre which they lived. They could only afford only something less than \$200,000. They looked over places in this price range and thought: "oh my goodness, the quality is not good for the price. They refused to go outside this budget as they didn't want to drown themselves in a mortgage. At the time they were gathering information "casually". They were also in a transitional period from university to fulltime work. But they were also very aware that house prices were going up and that they needed "to get in soon, or we would miss out".

The opportunity to buy came when they moved to a small rural town. The move was partly to do with a new career opportunity for Joe, and partly because of affordability. House prices were in the low \$100,000s and they thought: "we can do that".

They rented for a while when they first moved, "but we really wanted to get into a house a lot earlier than that". Miriama again started collecting bank pamphlets, seriously looking at them, continually taking notes. Joe worked with a woman whose husband had a brokering business. The broker came to see them, "to get an idea about where we were at". He put forward applications to various institutions but banks were not comfortable about giving them a loan

because Miriama had a history of temping (even though she could produce pay slips from her last two years of casual work).

Their view was that the broker didn't have faith in them – but in the meantime houses were going up by thousands of dollars. They heard a rumour that the new valuations would come out by a certain date and that there would be another significant jump in prices, so they had that date in mind. “We thought, we've got to get in before the valuations come out.”

Miriama went onto the Kiwibank website, and that is where she found out about the home ownership course. She read the information which said they would get a certificate which could be presented to the bank. They decided to do the course because they wanted to increase their chances of getting a loan any way they could.

The course

Miriama said the course was good because it wasn't a sales pitch. It was a government initiative, not biased. She wanted to know if what she'd found out through her own research married up with the information on the course. It did. The resources are “awesome”; you can always refer to them. It's a step-by-step guide, it answers every question you have in simple terms; it's not academic. It made us more cautious when went through the process of buying, ticking the little boxes, getting a builder's report.

She found the mortgage broker who spoke at the course particularly good. From what I could see he tried to make it work for whoever he had. After the course they engaged his services.

There were also a couple of things the budgeting person brought out that she didn't know. But neither Miriama nor Joe have difficulty with budgeting. They had savings by the time they bought.

Post course

They didn't need to use the course certificate. It gave them the choice to go to Kiwibank as a last resort. But they found the Kiwibank loan quite limiting. There were a lot of conditions. They looked for a mortgage that had the most flexibility.

They hadn't realised how much those 'hidden' costs would be – they went with a 100 percent loan and used their savings to pay for the costs associated with buying, e.g. the lawyer's fees. They realised a 100 percent loan could be detrimental but in weighing it up, “we were prepared”.

They say their Christian faith also helped them when it came to making a decision about purchasing. We analysed the information and then prayed to find out if buying this house was the right thing to do. It was. They say buying the house “has been a blessing for us”.

Josh and Heeni

Josh and Heeni had just had their first baby and were living in a rental property on a lifestyle block owned by a friend. It was an old, draughty villa. They were keen to get into their own

place and out of that cold house. They saw buying a home as an asset that would appreciate in value and something that would be “ours”.

They had been looking at house prices but had done nothing towards home ownership prior to attending the HOEP course. With Heeni at home with a baby, they had gone down to one income. They had “some bills, and no savings”. They had no money for a deposit.

The course

The course was good, although Josh said he already knew a bit as he’d worked in real estate for a while. The budgeting module was most useful. They looked at the figures, and thought about what they could afford to buy on one income. They hadn’t been very realistic about the type of property they could purchase as their first home. They had been looking at purchasing a lifestyle block but the course helped them realise they couldn’t afford that.

After the course they went through the HOEP resource book they had been given and thought “we can do this”. They were now “a bit more motivated” about purchasing.

Post course

When Josh’s parents found out they were seriously looking, they offered the young couple a sum of money for a deposit. Their motivation was even more heightened and they knew “we were definitely going to get a house”.

They started checking out small towns in the area. House prices in one town were “getting up” while another town was too far to get to travel to work.

After the course, they went to Kiwibank because it was advertising the Welcome Home Loan. But they found the service to be “disgraceful, shocking”. They said the Kiwibank official was not very knowledgeable about loans; and didn’t get back to them. They kept shifting the goal post and not telling them why. In the end they found a mortgage broker who went to another bank. This person took care of all the paper work. They described him as “efficient, no mucking around”. After they had purchased, he called back to check on them.

Within a couple of months of the course they had purchased. Their house is across the road from a childcare centre and a large park, and around the corner from the local school. Heeni is now back working part-time, which has helped financially.

Clare

Clare, her husband and children, had been saving to buy a house for two years when they got a job transfer to a large urban centre. They took on a rental lease and started looking at houses. They immediately noticed a huge difference in the housing market – the quality of housing was poor and there was only a small land area compared with houses of a similar price in their previous location. They had a deposit but found it was insignificant in their new city.

Halfway through their rental lease Clare attended the home ownership education course. Her husband was unable to attend due to work.

The course

Clare wanted to learn about the local housing market and about good areas to buy in. The course tutors were from a real estate training centre which she found helpful. They talked about the areas where the land was contaminated and areas that were good for raising children. Although they were already budgeting, she found recapping this information useful and identified further things they could do. They had become used to living on two incomes when she was teaching. As a result of the course, they did not touch her part-time income other than cover the children's before and after school care costs.

The course covered home maintenance which made them think about how much extra they would have to budget for urgent work. Between the course information and a workmate of her partner's who had bought a lot of houses, they knew the things to look out for. Clare also had knowledge from her parents who owned a house, and she was part of a large family where all her cousins had bought houses. When they got a builder's report on the house they eventually bought, they found they had only missed two things identified by the builder.

Clare said there were no gaps in the course. The tutors ran the course so everyone was able to express their opinions. She was able to learn from other people's stories.

While they were looking to buy, they were doing it half-heartedly as they were not sure if they wanted to stay in the new city. As a result of the course, Clare felt motivated and they made the decision to buy.

Post course

They started looking in the areas near where they were living and found there was nothing they could afford on one wage (Clare was working part-time on a casual basis).

They were looking at houses in the \$300,000 price range. Real estate agents showed them houses that were tiny or were not liveable for humans – everything was broken, some did not have insulation.

Her husband's workmates then sent them local newspapers for a rural district near the city. There they found houses there were more affordable, were of a reasonable quality, had land and a garage, and townships with everything they needed, including catholic schools for the children.

After five months of looking every weekend, they found their home: a four bedroom house with a separate kitchen, two living spaces and a family room on a quarter acre section in a small rural town which they were able to buy for less than \$300,000. There were buses to a larger centre and a nearby state high school with a 'good name'. The house is located 30 minutes drive from her husband's workplace. This was manageable as he has a company car.

Their biggest hurdle was the banks. Their bank, which they had both been with since they were young, offered them the worst deal. In the end they researched mortgage deals at four

banks. She worked out the figures herself and was able to tell the bank clerk to change a figure which meant they would be able to pay off their mortgage over a shorter period.

Leota

Before doing the home ownership course, Leota already owned two rental properties with another sibling. He grew up in a household where home ownership was considered important. Leota's parents bought their house when they came to New Zealand in the mid-1960s. They had firm ideas about proportioning their income so that only what they could afford went on fa'alavelave²¹. Their attitude was "we don't want to live day by day, week by week".

It was his mother who had pushed him into his first purchase. She had been out driving and saw a local house for sale. She got a LIM report and talked to the real estate agent. Leota describes his mother as "nosey" and not shy about asking questions. Leota says she wants her children to do really well. She used the equity out of their family home to purchase the first rental property. A relative found the second rental property. This relative had been involved in helping bring them up when they were younger and she now lives in that property.

His family don't see themselves as "house hoppers" - they see themselves staying or returning to the same area they were brought up in.

The course

Leota read about the course in a local newspaper. He did the course because it was free. Although he already owned properties, he wanted to know if "we were on the same wave length", i.e. how to purchase a house, the positives and negatives of owning property. He talked to the facilitator about the two properties they already had. He learnt that you shouldn't rush into a purchase. "You get a bit excited, (but you have to) just play it cool with real estate agent". In his previous purchases he had tended to rush things, "not dot the i's and t's".

He described the course as "a big melting pot" of participants, including Asians, Indians, Pacific Islanders, Kiwis". As he said: "it's everyone's dream to have a house".

The course resource book was particularly useful, as he says he has a short attention span so needed to bring the course information home and read it at his own pace.

Post course

After the course Leota and his siblings brought their parent's house with the plan that their mother will eventually retire back to the Pacific.

²¹ "Fa'alavelave" is a Samoan concept that may refer to a problem, difficulty or some other issue which may occupy one's time or incur financial obligations for both immediate and extended family members (e.g. 21st birthdays, weddings, funerals, contributing to church related activities). At times, people can incur considerable expense in order to meet fa'alavelave specific obligations depending on their relationship to the family or chiefly status. [Source: Vanessa Moe and Perenise Ropeti, Housing New Zealand staff, 2006]

Leota would not have bought without the involvement of his brothers and sisters. They know the area has a good infrastructure as they were born and bred there. If he has children in the future, it would be important to make sure they are living in a good area.

Anna

When Anna was about 20 and a university student, her parents' bought a third house (they already owned a family home and a beach house) in partnership with their two children. Their approach was not to give their children money, but to get them involved in paying off a mortgage from a young age. Anna's father instructed her to 'put this amount into an account each week'.

Around the time she did the course she had started looking at properties with her boyfriend. He owned a one bedroom apartment which they were living in but they were looking at purchasing a rental property with the view to moving into it at some point in the future. They had an offer accepted on a two bedroom townhouse, conditional to a building inspection. The property ended up being a leaky home. The wording in their conditional offer said the owner could make right anything wrong with it. Fortunately the house owner pulled out of the purchase agreement as they said 'we can't make it right'.

The course

Anna's brother was going to the course and asked her to go with him. She said she found the course useful because the facilitator used to be a real estate agent and she gained information about what to ask when going to an open home.

Prior to the course she had felt quite intimidated phoning real estate agents. They would never return her calls. She thinks it was because of her age (she's in her mid 20s) and perhaps estate agents did not believe she was a serious buyer. Only one agent ever called her back.

What she got from the course was the confidence to talk to real estate agents. Now we'd always ask up front, "do you know if it is a leaky home"? With that property, the agent said they did not know of any water issues. "After we found out it did have water issues, we went to another open home at same property. We were in another room and overheard the agent saying there were no leaky home issues they knew of. We thought 'surely our solicitor would have told the agent about that'. It made us more wary. That whole experience was very stressful. The leaky home drama had massive impact on us."

The course helped them weigh up what was important to them. It made Anna realise that in this day and age, you'll never get everything you want. "When my partner and I both wanted something, we had to negotiate amongst ourselves. We wanted to buy something which would bring a good rental return and we could move into later when we could afford to."

Post course

She and her partner spent a year looking before they purchased their rental property. They bought their property before it went on the market through a real estate agent with whom they had had prior contact. “She was the first one to phone us back. So many (real estate agents) are useless. I’m sure it’s the age thing. If agent was rude, we did not go back to them.”

Her parents bought her out of their jointly-owned property so she had “a bit of a deposit”. Anna describes the family support which had helped set her up in the first place was very important. Having the deposit also gave her confidence when she met with the bank “because again, given my age, banks were not that helpful”. The banks did not return her calls. She sent emails to five different banks (and rang them). One replied by email; all the others all wanted to meet.

They have bought in an inner-city location. They said they have put themselves in a hard position financially “because we want to live in the central city”.

Kofi and Naraini

Kofi and his wife Naraini are both from other countries. They have always wanted to buy a house because it’s the “Kiwi dream rather than pay rent”. A few years ago, Kofi went to a bank to see what size mortgage they could get given their income and savings, and found that the loan they were offered “wouldn’t even buy a car”. Since then, house prices have been going up, while their income has stayed the same. None of his family owns a house in the New Zealand sense of ‘home ownership’. Naraini has a sibling who owns a house in New Zealand. They learnt from them that you have to “give up many things”.

Kofi is currently the only income earner. Naraini cares for their children. It is important to them that she stays home with the children until they start school.

The course

Although they are Housing New Zealand tenants’ they didn’t hear about the course through Housing New Zealand. Instead, Kofi read about the course in a local newspaper and decided to “give it a go”. He found the course “pretty good”. He had thought home ownership only involved finding a house and paying for it. But he found out there were many things you needed to think about before you bought, for example finding out about the area. As a result he feels more prepared for home ownership. Other participants’ sharing their stories during the course also “helped a lot”. Most of all he learnt that buying a house will take a long time.

He came home and explained the information to Naraini.

Post course

Kofi is determined not to go backwards. Because of what he learnt on the programme he is going to buy a house. The course gave him the motivation to find out if they qualified for a Welcome Home Loan. He contacted Housing New Zealand and a housing coordinator visited to see if they qualified. They found their income level was a “bit short” to qualify. Kofi understands that the key to a Welcome Home Loan is their income level. He says the

conditions for a Welcome Home Loan mean you don't need as much for a deposit; the emphasis is on your income level.

Their plan now is for Kofi to look for a second job to increase their annual income. Kofi will go back to work once the youngest child goes to school. They should be able to qualify for a Welcome Home Loan then.

They are currently saving. They were saving before the course but it was not enough to get a mortgage. They had been discussing whether to keep renting and have a good time (like many others) and have no money in the bank; or work to save money. Their plan is the latter. Every day they look at newspapers and house prices (and sometimes they look on the internet). They compare prices between the different suburbs.

Their rent is going up. They will also be moving to a market rent if their income increases which means that they can't get ahead. So they are thinking about moving to a private rental where the rent will not increase in response to him getting another job or Naraini returning to work.

While Kofi says he is committed to buying a house he does not want to put the family in a financially risky situation. They don't do hire purchases; they save for things. Naraini is keen to buy a house but does not want to pressure her husband. When she works, then his income will go to paying the mortgage and hers to cover their food and living costs. She feels some despair when their money could be going towards a mortgage. She loves being a home maker. He can do home maintenance and garden development and does this for others. She would like him to be doing that for their own place.

They have been living in the same area for 10 years. House prices have almost doubled in their area for a three bedroom house. They would like to stay there but are focused on getting a place to "stand in with two feet". His work involves traveling to a range of locations within the city. They've been weighing up work travel and schools regarding where they want to buy.

While his work company has other sites around New Zealand, he is unable to do his well-paying job elsewhere within the company. It is important that they stay where he has good work.

Senarath

Senarath came to New Zealand about six years ago. He found it easy to find a job in his area of expertise as he had received a British-based education, spoke English and his university was recognised by NZQA. He chose to come to New Zealand because "the people are friendly". When he studied the Treaty of Waitangi, he saw that New Zealand is "more accommodating" of indigenous peoples. He sees there is "family unity and diversity".

After he had been here for several years he decided New Zealand was a good place and that he would stay. He started saving about two years ago. He has two accounts - one is a

savings account into which he deposits \$50 a pay. He currently doesn't have enough for a deposit. If he went for a loan now, he says the interest would be very high.

Back in his country of origin, the family home belongs to the family. His brother now lives in the family home. The housing market there is different compared to New Zealand, it's not that expensive. An ordinary, average income person can afford a small house with one or two bedrooms. The government has a minimum of housing where they build housing schemes and flats that middle income people can apply. A certain amount is deducted from one's salary.

The course

He saw an advertisement for the course in a local free newspaper. He views buying a house as a big investment and a risk. "I must make a calculated risk, so I thought first and foremost I will do the course". The course identified he had some obstacles, primarily saving for the deposit. He also learnt to check whether a property has any legal hitches and to always question the real estate agent.

He says his main barrier to home ownership is economic. "In New Zealand you get people on high and low incomes who benefit, but the hardworking middle class do not benefit. If you are extremely poor you can get a Housing New Zealand house. Senarath believes New Zealand should have a system to help the average middle class person: "some mechanism to help people into their first house".

Post course

From the course he gained confidence. He had been wondering "how am I going to do this, can this person cheat me?" Now he can refer to the course reference material. He knows these are the questions he needs to ask, and that he can get help from the city council. He says he now has a positive outlook about home ownership because he has the information and knows where to go for help if he needs it.

He hasn't seriously looked at houses yet. He wants to get a deposit of \$50,000. This will take him two or three years and then he plans to buy a two or three bedroom house.

It's important to Senarath that his home is within reach of his workplace and the neighbourhood environment must be safe. If there was a lot of gang activity, he would be scared. He's not very fussy where he lives but if there was too much noise he would find it difficult. A quiet environment is very important to him.

He doesn't want to be financially overcommitted – "you need to have money for other things." A location close to work (up to half an hour's drive). These are the two main important things.

Audrey

Audrey had wanted to own a house for about 15 years – ever since she started renting a Housing New Zealand rental property and her youngest child was still a baby. Buying a house was about having something "for the children" and a place where she could make changes to

the interior without having to ask the landlord. She also didn't like going to Housing New Zealand every time she had extended family members staying with her.

She had talked to her parents about purchasing a house, but they were not supportive. They said that because she was a sole parent, she would not be able to afford her own house. She had been to one bank to see if she could get loan but was advised that she needed to reduce her debt.

The course

Audrey heard about the course from a work colleague. She said the course opened opportunities for her. She learnt that she was entitled to family assistance which helped in her saving for her deposit and increased her family's income.

She found all parts of the course useful, especially the motivation and personal experience of some of the speakers that presented at the course. She commented that the course could be improved by allowing for more time for different sessions to enable participants' better understanding of the information. She believes the course and materials offered were appropriate for the people that attended the course.

She received some post-course support from the HOEP facilitator, but said it was mainly her own determination that made the difference. As a result of the course she decided to reduce her debt and live within her means. This meant not buying any luxury items, shopping once a month, buying clothes from 'op' shops or sewing them herself. She gave up her rental property and boarded with her brother. She was studying and working part-time. Family members gave her a weekly contribution towards a deposit. Within two months of the course she had reduced her debts and built up a good credit rating.

She went to see a mortgage broker, something she would not have had the confidence to do before the course. The mortgage broker advised her how much of a loan she could access.

Post course

Audrey took four weeks off work to look at houses within her price range. She said she looked at 78 houses. During that process she didn't see anything suitable, but she was not discouraged. She got help from her sister-in-law who had just started at a real estate firm. She purchased property within three months of the course and was elated.

She is currently renovating her place. She says family members can stay without her asking someone else and she has proved her parents wrong about her not been able to afford a place.

She has encouraged her family and workmates to attend the course and shared her story to encourage others that they can do what she has done. Her advice to others has been to clear debts as soon as possible, live within their means and increase income through education.

Sankar

Sankar grew up with a high standard of living. As a child, and through his working life, he has lived in a number of countries around the world. He, his wife and children are now living in New Zealand and keen to buy a house. However, the bank told them they could not afford to purchase on his income even though they had some savings at the time. In retrospect he is pleased he did not buy as he was never comfortable in the city they were living in at the time. He did not like the concentration of one ethnicity in each suburb: "it's not a healthy way of living". Sankar prefers communities that have a multi-cultural mix of people.

When his job ended they moved to another city and he got a much better paying job. He didn't see the concentration of one ethnicity in a suburb. Within one week he wanted to buy a house: "Here was a place I could call home".

The course

Through a New Zealand friend, who was his previous boss and whom he calls his 'mentor' Sankar heard about the home ownership education course. Both he and his friend attended together. The course information was useful as it provided a broad overview of information about the positives and negatives of purchasing. Sankar thought it was a "well researched and outlined course – it has been developed by someone with a lot of common sense with good judgement".

He does believe more information could have been provided about mortgages. In retrospect, the course could also discuss what would happen if people's circumstances change: "what happens tomorrow if you lose your job".

Post course

After the course he built on his knowledge by talking to "experts" (e.g. building inspectors and valuers) getting detailed information about mortgages, what to look for in a house etc. "I like to ponder things... especially when it involves an investment, I'm very careful".

After the course he got pre-approval for a house loan from Kiwibank. He and his wife put offers on several houses, had building reports done on a couple but always other people put forward a higher offer.

Sankar then got the news that his company was moving off-shore and his position was being made redundant. He describes this as "a very unpleasant experience". His wife wasn't working, she had been caring for their young children so he was the only breadwinner. His wife has since found a fixed term position.

Buying a house is not an option at the moment. He does not want to buy until he has a solid income. He does not want to live on charity, "I rely on my own funds". His focus at the moment is to find a job. When he gets the right job he will start looking again.

Kiriana

Kiriana has always wanted her own home although she really started to think about it when she turned 40. For a long time the family lived overseas. They've been back in New Zealand for a while now. Part of the reason they have never bought is because her husband is from overseas "and buying a house here would mean a commitment to staying in New Zealand". They also have a young child, and childcare costs have been expensive. It's easier now this child is at school. They are also still trying to get their feet financially back on the ground after spending lots when they were younger.

The course

She saw the course advertised on TV. Both she and her husband did it. She said the course was really good as they didn't know the steps involved in buying a house – "how to go about getting a mortgage, for example that you could go through a broker". All that information was useful.

Post course

Kiriana said the course definitely helped them to get more focused. They started a savings programme and have a set amount set aside a fortnight from her pay – it goes straight out to another account so they don't miss it. Their childcare costs have halved now their child is five years old and at school. They have stopped smoking, partly for health reasons (she doesn't want to die of lung cancer) and partly to save money (they save \$100 a week from not smoking).

They're going to overseas for a month at end of the year to visit his family, and have pulled money out of their savings account for airfares, accommodation and spending.

They'd like to buy in the area where they live, or in a neighbouring suburb, but they're not in the market to buy so they don't look at house prices. They are aware that some people have \$500 a week mortgage repayments, whereas their rental is only half this a week.

They plan to start looking for a house when they have \$20,000 in the bank, which Kiriana estimates will take another year and a half.

Nigel

Nigel has been interested in buying a house for about five years, but then his father died and he and his family moved back to the family farm. They recently moved back into town.

They looked at some houses to buy, but did not like the locations and prices were high in other areas. His wife especially is keen to have her own house "so can do her own things to it". He's keen to buy because he sees property as an investment "rather than paying dead money into a rental property".

Next year, a sibling may buy half the farm and then Nigel plans to retire from farming. This will give them money to purchase. They need to have a decent deposit to be able to purchase. His aim is to pay at least half the mortgage off straight away and he wants to be able to pay the rest off in a short time. "I'm [getting older] – I still have children to educate". He knows of others who are his age and who have finished paying off their mortgages. He's also aware he has to save for their retirement.

In the meantime, his view is that renting is cheaper than buying, it is saving them money and they are able to put some money aside for the future. "It's a big step to buy a house, renting you don't have to pay insurance or rates or maintenance, you're able to save money."

They are currently in a position where they don't have any debt and Nigel says they work hard to stay that way. "That is my main thing; to stay out of debt."

The course

Nigel says the course was quite good as he didn't know much about the housing market. He learnt about whether it was a good time to buy, that there was a reasonable supply and choice of houses.

Post course

He has talked to a few real estate agents who let him know what the market is doing. "Every house we've looked at we've learnt something about what we don't want". They would prefer a bungalow house that is insulated, that is close to the kids' school. They looked at four bedroom houses but they were too expensive, so have now set their sights on a three bedroom place. They want a "bit of a back yard". From the course they have learnt that it's important to look at the neighbours "to see if it looks all right".

In the long term they would like to buy a block of land, build a home and do some of the finishing work themselves. Nigel has building skills: he has helped a neighbour to build his house and in the process learnt about how a house is constructed.

Sandra

Sandra recently returned to New Zealand to settle after an extended period overseas. After she had been back a few months, she started thinking about whether she wanted to own a home or look at other options. She decided to do the HOEP course to find out what was involved in buying a house as she had never been a home owner.

The course

The course was run by two facilitators – one who Sandra said was inclusive and sensitive to people's needs and one who less sensitive and negative about the Welcome Home Loan saying it was a government handout which people would probably not get. This facilitator was also disparaging of apartments. She thought the course would be more focused on the Welcome Home Loan and how to make it easier to get into a home. Sandra ended up feeling bad asking the facilitators about the Welcome Home Loan, as did others.

She'd had access to mortgage information through her work in a bank. However the course gave her a lot of new information. While she said budgeting is "definitely an essential element of home ownership" and it was good to go over this in the course, her view is that there are other places where you can get this information. What was useful for her was the buying and selling terminology, the information on maintenance and reselling was interesting. What to look for when looking through a house is something she already considers when taking on a rental.

After the course, she felt much better informed. She was surprised by the other costs associated with owning a home – this was new information to her.

She also said it was useful hearing other people's stories. A lot of migrants had quite different experiences; someone was exploring a kitset or modular house. It was useful to hear other people's ideas.

Even though she is not in home ownership, or has yet to make a decision about whether she will go down this track, she said the course was valuable. Prior to course, she thought owning a home wasn't doable. Now it's a possibility.

She would and has recommended the course to others.

Post course

After the course, she re-evaluated what she wanted to do. She moved into a cheaper rental. She had been working at her job for a while and decided to up-skill. Her study is her short-term goal. Home ownership, if she decides to go that way, is a longer-term goal.

She has been reading about home ownership but has mostly put all the course information to the side as her study is very intensive. The reading she has done suggests that it will be better to buy in a few years. She may go overseas again to save for a bigger deposit. She doesn't want a 100 percent loan. She had some savings but that went on car, furniture, re-settlement costs.

Once she has her qualification, she will see what opportunities are available here in New Zealand. Her only motivation to go overseas is to earn money without paying huge taxes. She's not sure if she wants to do this and how it would work if she was a first homebuyer. She knows of some people who rent out their places while working overseas. She has family here and long term wants to stay in New Zealand.

She will also explore options such as sharing and buying property with others. She still has mixed feelings about home ownership as she doesn't have others to leave property to. Her main interest in owning a home is security in the future and a place where her extended family can stay.

Louisa

Louisa and her family have owned their home for about 18 years. They were able to purchase with assistance from a Housing New Zealand 'top up' deposit, a lump sum payment she got

from her employer when she went on maternity leave, and assistance from family who they lived with for a short time while saving. At the time they sought help from a nun in their church who advised them about which real estate agents and others they should approach. They wanted to buy near their workplace, but they were forced to buy further away where houses were cheaper. They view this home as their security.

Five years ago they bought a second house, also in the same area. They bought this house because of pressure to accommodate family members. Their children rented a Housing New Zealand house but because they were so many family members to accommodate and they were embarrassed to keep telling Housing New Zealand of the extra people living at the rental property, Louisa and her husband decided to use their first home as equity to purchase the second house. They approached a bank and got a loan to buy a four bedroom house. Rent from the family members is not enough and they have to top it up to pay the mortgage. They are doing this for family and not as an investment.

The course

Louisa heard about the course through a newsletter and email at work and decided to take her brother, sister-in-law and other family members to the course to learn about owning property. She said that the course was very helpful and that it would have been useful for them to have done the course when they were first buying and also when they were purchasing the second house. They said they might have done things differently as they learnt about options for loans different types of houses to purchase.

Post course

The HOEP facilitator has been in touch since the course and has offered support to link them to an accountant to help the family do an IRD claim for their rental property. They are also looking at different bank offers and options to refinance. They have learnt to shop around for mortgages.

They would like to see the government bring back the scheme whereby first home buyers, such as their family members, are supported into home ownership with a deposit.

Their future plan is to combine all the family's income and buy a bigger property.

Padma and Govind

Padma and Govind are migrants living in a large urban centre. They want to buy a home "because it becomes your asset and for your children; you are paying into your own mortgage not someone else's pocket". They already own a rental property with another couple.

The course

They read about the home ownership course in their local newspaper. They wanted to learn about buying a property in New Zealand. The co-owner of their rental property knows a lot about the New Zealand housing market, but they came to the course with little knowledge about how the market operates locally.

They learnt what to demand from a real estate agent. Previously when they had enquired about properties, agents would say: “go and look at the outside of the place, and if you are interested then phone back and get further information. Now they get the information first rather than wasting their time going to look at a property that is not suitable. They ask about the Government Valuation, the number of bedrooms, etc.

The course also helped with form filling (for tenders and auctions); what happens if they change their mind when they have sign documents; knowing they can demand information from agents; what their rights are; and how to read a LIM report.

Govind said he found the course information “useful but too basic”. He would have liked to learn how a real estate agent’s mind works. “To know about real estate is to then know what to buy”. He is interested in becoming a real estate agent and thought the course would be like a real estate agent course. Padma said she didn’t know much about buying a house so found it useful and a “good experience sharing ideas”.

Post course

Padma and Govind don’t want to sacrifice their children’s education, so they want to buy in an area with good schools. Their current home (which has been a secure, long-term rental) is close to their work and fits the criteria of good schooling. Their rental is in a good area but does not have a good school. Their plan (since doing the course) is to look for a house in the area where they rent (which is expensive) and other areas which have decile 10 schools (some of which have cheaper house prices).

In the short-term, Govind would like to buy an investment property; get capital gain and tax benefits and then buy their own house at a later stage. However, Padma would like to settle into a home soon “as the children are growing up”.

Alice

Alice first started looking at buying a house in the late 1990s. She got a payout from her employer which gave her a deposit. She investigated one property but it had a covenant on it. The bank would have refused a loan. About a year later, she moved from a flat to live with two other family members in a house owned by her mother. The house, which was freehold, had been put into a trust with the three family members as beneficiaries.

Alice then developed a chronic, work-related health issue. She kept working until it got too bad. She then retrained. In terms of committing to a mortgage, she realised something could go wrong at any time, and thought “is it viable to sign up for a 20 year loan when I don’t know if my health is going to be a major problem or not?”. The health issue has come and gone over the years.

The course

She saw the course advertised in a free local newspaper. She’s always interested in information about her legal rights; she has read different books and watches the television

programme Fair Go. She learnt things that a lot of people who think they are savvy don't know. She has been able to tell people what to look out for in leaky houses. "Look out for a musty smell, and lumpy wallpaper at bottom of wall. It will break if you kick it. Little things like that. Tips like how to keep inspectors out of the house."

Her view is that this is a practical course for everyone. "It's not to do with wealth but whether people have access to this information. You get a reference book you can go back to."

The course facilitator was very good, except for the budgeting. She felt the course facilitator looked down on them, was very patronising in her tone and attitude. She also thinks the course could provide more information about buying apartments and shopping around different banks, what to say to the banks and how to negotiate a good deal at a bank.

Post course

Earlier this year she looked at a one bedroom property. She used information from the course to look at the house. The course made her realise that there are "lots of pitfalls, you need to check out everything before you sign on the dotted line." She was able to inspect the property using a checklist from the course resources, saying: "I was like a pro walking around." She had a list of questions to ask the agent. "He didn't know what had hit him. I wrote down all the answers on a sheet. I picked up some hesitance (when he answered questions) about the plumbing. He said: 'as far as knew they had consents'. (I asked for) the background about the situation – why were they selling, how long the property had been on the market. I started to realise it was a slow seller when he told me it had been on the market before." An accountant friend told her one bedroom units are not high sellers so she might not be making a good investment.

She rang the bank who offered her a mortgage even though she is on a benefit. It seemed she could buy provided the other family members agreed to buy her out of the family property, which they were not keen to do. In retrospect she didn't think she could afford to take on the mortgage with her health condition.

She would like to get a two bedroom unit or house. It doesn't need to be in the area she is currently living though she has lived here since she was young. It would be ideal as her friends and family are here. She does not drive so needs to be on a bus route to get to employment.

Sefa

Sefa's home used to be his wife's family house. It was left to his wife and sister-in-law. Sefa and his wife bought the sister-in-law out a few years ago. Buying the house was important to his wife. It's also security for the children.

The course

His wife heard about the course and made him attend. At the course he learnt about refinancing and as a result they decided to renovate their home which was fairly run down.

Sefa said the course was important and helpful as he was able to talk to a mortgage broker. He found that the course gave him the confidence to deal with the banks to get the best refinancing deal.

From the course he got a good basic understanding of home ownership. He enjoyed the life experiences shared by the speakers. He thought the course could be better improved by changing the start time (6.30pm was bit tight for some people) He has recommended the course to a few people.

Post course

There was follow up by the provider after the course and on-going support when needed. They have refinanced and at the time of the interview, renovations were underway.

Hemi

Hemi and his family live in a Housing New Zealand house. They say they are tired of paying rent to someone else. They want their money to go towards their own home and long term, benefit their three children. They started thinking about owning their own home about 10 years ago. Before then we hadn't thought of it really. "We had debts. It seemed to be out of reach."

The course

They saw the home ownership course advertised in a Housing New Zealand pamphlet. The course was great; the tutors were thorough and clear and able to answer any questions they had. Everything was helpful, including basic things like budgeting, they would not have known about the hidden costs involved in purchasing if they hadn't attended the course. They learnt about home maintenance, brick and tile houses are good, wood requires higher maintenance; it's important to decide what you want and need in your own home before you go looking. Hemi still has the information from the course.

Post course

He went to see a mortgage broker after the course. But Hemi said it can get disheartening "as it's always the same response 'you have too many bills, it's going to be a long wait'. We took a step but you get knocked back all the time."

They say there were really interested (in home ownership) at the time of the course, but when it didn't happen it was "like a big drop". Their expectation was that they would get some support with financial management, and a government 'subsidy' for a deposit. This didn't happen.

Hemi says no-one has come to help financially. They needed a new car. "It's a debt but something we needed. It's like banging your head against a brick wall. We pay our bills. Most of the time we try and pay more than we have to, but the mortgage broker says our payments are too high and we won't get there. It's disheartening."

Hemi says they are watching as the price of houses goes up. “Because we’re a family of five, we need four bedrooms, but we may not be able to afford a house that accommodates this.

Rangimarie

Rangimarie has wanted to buy a house “for a long time”. She has wanted to ensure her children always have a roof over their heads. They currently live in a private rental property.

The course

She heard about the course from a cousin who had attended a previous course. Her sister was staying, so baby sat the children so she could attend. She liked the module on budgeting, finances and spreadsheets. She also found the information on where to look for a home useful. She also liked the personal experiences shared. She believes that the course offers a lot of good advice and common sense knowledge. She is now able to approach people and ask them about things as she is more confident after attending the course. In the past she would not have been able to do that.

Post course

The HOEP facilitator has visited her at home to see if there was anything that they could help her with. Since the course she has tried to clear outstanding debts. Once these are paid off, she believes she can start saving. But she says it is financially hard to save with one income.

After the course she went to a budget adviser for assistance with budgeting. Wanting something for her children and security for the family is motivating her on her journey.

Tevita

Tevita had been thinking about buying a house for a long time and did the home ownership course because he wanted to know the “pros” and “cons” of owning a house. If they had a deposit they would look straight away. They want security for children. They also think that renting is wasting money when it can go towards a mortgage.

The course

Tevita saw the course advertised in the newspaper. He had thought that the course was about giving out deposits for home ownership, but soon realised this was not the case. Tevita said the information was still useful, especially when there are news stories about people losing money and been tricked when buying homes. He wanted to make sure he did not get into that situation. He has kept the course notes and will revisit them when the time gets closer to buying. He believes the course is good for those ready to buy. He has gained knowledge to know what to do and the right people to approach.

He particularly liked the information on how to get debt free, the home buying process and about financing a home. He believes the course could be improved by allowing for more time on each module

Post course

There has been follow-up from the HOEP facilitator via a few phone calls to ask how they are and if they can help. They have been provided with a few names of people they recommend who can help them.

Since the course they haven't done anything as there is only one income earner at the moment. But once they have two incomes they will be motivated and start saving for a deposit and getting rid of debts. At present it is hard to save with only one income. They checked with a mortgage broker to see if they could get a loan but were advised to clear their debts and save.

They believe that hard working people are penalised and stated that they should be an assistance programme like that in Australia. They said they have family in Australia who earn less than them but have brought a house because of the assistance the Australian government has provided.

Jia

Jia is a migrant. He decided to buy after he attended the course. He wants something for his children. He says there is no privacy in rental property as the landlord can visit when they want to, and they're not able to do anything to the property (without asking the landlord first).

The course

He found out about the course through the newspaper and rang the free phone number to get information. He wanted to know about the housing market in New Zealand and which people he could get reliable information from.

He enjoyed the course and has found it very useful to know how to go about buying a house in New Zealand. He found the information about contracts, what to look out for when buying a house and where to look within your price range. He would definitely recommend the course to others.

Post course

Since the course he has followed up with the provider to get more information. He is ready to buy but the prices keep going up in the areas he wants to buy in. He can get a deposit when he has found a suitable place. Since the course he has spoken to the mortgage broker and done calculations for mortgage repayments. They are only living on one income at the moment as his wife is studying so things are a bit tight. This will change when his wife finishes her studies at the end of this year and they have two incomes.

Jono

Jono and his wife decided to buy their own home a couple of years ago when the house they were renting came up for sale. They currently rent from Housing New Zealand who lease it from a private owner. The property was for sale and they had indicated to the Housing New Zealand tenancy manager that they were interested but Jono said the tenancy manager didn't advise the real estate agent of the couple's interest in buying and the property was sold to someone else.

The family is tired of renting. They want a base for the family and security. Their rent goes up regularly. They want a bigger house and something that they can expand.

They have a deposit although it is difficult at the moment as they are living on one income. They looked at the Welcome Home Loan but it's not sufficient for the place that they are looking at.

The course

Jono found the course very helpful. It answered his questions about how to apply for loan. He's now more knowledgeable about the 'ins' and 'outs' of home ownership. He especially liked the part of the course that advised them that home ownership was possible, and that there was ongoing support from the provider. He would recommend the course to others especially those that are looking for their first home.

Post course

Jono's wife is looking for employment. They are getting budget advice; they have spoken to a mortgage broker and are looking at the market. All these actions are a direct result of attending the course. They believe that they are nearing home ownership as "things" fall into place. They believe they will be reaching their goal in a year's time as they are saving and living within their means. It could happen sooner if Jono's wife gets employment sooner.

Peter

Peter has been thinking about home ownership for several years. He wants a home "for the children and as an investment".

He started weekly savings but his wife is pregnant and so it has been harder to save. He is still slowly saving, but this stops when money is needed for other things. His uncle owns a few properties and gives him encouragement and emotional support to keep up his savings. His uncle has been a good source of information.

The course

He learnt about the course from a workmate who recommended it. He contacted Housing New Zealand and asked to do the course. Has gained knowledge in things to look for when buying, speaking to lawyers, bank and mortgage brokers. Enjoyed the parts of the course

that looked at saving for a deposit, clearing debt and getting a clear credit rating. It would have been helpful if the course was available in Tongan or other Pacific Island languages so people can better understand. He said lots of people attended the course: “it would have been better to limit numbers”. But he enjoyed the course as it was free and very helpful for first home buyers.

Post course

Peter says he can't afford a big house but would like to buy something small and have it rented out so it can pay for the mortgage and later it can lead to him buying a house for himself.

Tia

Tia first thought about home ownership “way back in 1997” when the government was asking if they wanted to buy their rental property. They would like to own a house because it's “something for the children, and also to stop the rent from going up all the time”.

They have been to Kiwi Bank but were told they could get finance only for a small, cheaper house. So they have been saving to get a better deposit to buy a bigger house. They haven't been able to save much as Tia's wife has only a part-time job. If she got a full time job they would be able to save more.

They had thought that by attending the course Housing New Zealand would give them a deposit for purchasing a house. They were disappointed that this was not the case²². The evaluators are not sure why participants had this impression. Financially home ownership will not be possible for a long time.

They have tried hard to save but it is a struggle as they have six children. They have one and a half incomes. They are saving but every time there is an emergency, their savings have to be used. Last year they paid for a family member's funeral, then another family member died ...then a month ago, three family members died and they had to give money towards these.

The course

He heard about the course on the radio. He found that the experiences shared by the speakers were helpful and inspiring (as role models to the Pacific Island community - they were running their own businesses and owning several properties).

Post course

He is looking at five to 10 years to have enough for a deposit and buy a house big enough for the family. He wants to see a mortgage broker who can advise him on how much he needs to save for a deposit and give him the different scenarios so that he can realistically set his goal.

²² Note: all those who thought Housing New Zealand would give them a deposit had attended a course with the same provider.

Tia said he needs assistance with budgeting and will approach the HOEP facilitator to help out.

Lesieli

Lesieli thought about buying a house 19 years ago when she moved out of her family home. She dreamt about it but realised that to achieve her dream she needed to get a better paying job (at the moment she is in her final year of a tertiary degree). She believes that education is the key to her obtaining her dream.

She wants a home for her children and “to own something”. She grew up in a state house and when her mother passed away a few years ago she had to go and clean up and clear her mother’s things out which was a sad experience.

Prior to the course she had saved a deposit. She saw a mortgage broker who told her that with that amount she would not be able to get a loan to purchase a house in the area where she grew up. She decided to use the money to pay for her education and to get a job which paid better. She used some of the money for her education and with a better job and pay she will be able to save up again for the deposit needed.

She has had bad experiences dealing with banks and does not like going to a bank to get credit. She believes that the reality of owning a home in a large city is slim and she knows that she would have to go outside the region to own a house. She believes that when she is working and if she works in one of the outer regions she would be able to buy something. At the moment she is still living within her means. She has no debts or hire purchases. Because of her history of no debt the mortgage broker said she had a poor history of credit.

The course

She found out about the course through the newspaper and also from her brother. She mainly did the course to get handy hints about owning a house. She thought the course was good but very basic for her needs. There was follow up from the provider and when she needs any support she approaches them.

She liked the descriptive account of home ownership (from start to end). She would advise others to attend the course and learn not be intimidated by banks like she had been. She said the jargon used by some of the speakers was a bit hard to understand. The examples shared by speakers could also be simplified.

Post course

She has not been able to save much while she has been studying. The savings will happen when she starts working again. She believes that she will be able to save for a deposit in five years. She has a fear of debt and about having a mortgage and is scared of the sacrifices she has to give up to get there, but is taking small steps at the moment to get there.

Mike

Mike and his wife have been thinking about home ownership for the past seven or eight years. The incentive is something for the children and security. Also the rent keeps going up.

They started saving regularly before they went to the HOEP course. They have a lot of debt. They believe there is no entry level for bad creditors; the banks are not interested in them only in semi well off people. They think that getting a 100 percent loan is not a good thing as it means a high rate for the mortgage and it will mean that one person's income will go directly into paying off the loan. They believe there should be financial assistance from the government to help families like them. They feel disadvantaged as they have lots of debt to clear and can't see a way forward. There has been no financial support from family or others.

The course

They heard about the course on the radio. They wanted to know more about how to buy their first home and as bad creditors how they would be able to get a loan. The course was good as it provided firsthand accounts from home owners, awareness on who to see and where to go. Mike found the legal and LIM report information valuable. His belief is that that they are in the "too hard basket" so the provider has not bothered with them. They took their older daughter to the course so that she can learn something but believes that the participants should be only those that are ready to buy. For them it was helpful but a waste of time as there was no financial assistance for them. Believed that the course should be run by ethnicity and not have everybody together (at the course he attended it was mainly Samoans and the speakers tended to focus only on the Samoans and in their language, which made others feel left out).

Post course

They would like to think that they can buy a house in one to three years but it will be a hard task to save. Mike feels motivated since attending the course. He is watching how the house market is reacting, clearing debt and saving hard (their 12 month plan is to see how much they can save).

Rangi and Hine

Rangi and Hine bought their own home in the late 1960s. Their focus now is to develop a large block of whanau-owned land, a process they have been involved in for the past few years. It involves several families looking at papakainga to bring their people back to live on the land. They have plans for work opportunities from the land.

In the 60s when they were purchasing their first home they went "door to door" to find a cheap loan. They bought their kids up from a garden, but say times have changed. Their daughter's 'garden' is Pak n'Save. She says: "dad you're old fashioned".

Rangi believes that today's Māori have a different perspective about homeownership. They feel qualified speaking about this as they have lived in a Māori environment all their lives. "To

understand why Māori are not going into home ownership, you need to understand the wider context. Young people don't want to get a job; they would rather stay on the dole. There are serious problems with the system, e.g. social welfare and justice. Many are unemployed because the work they have traditionally been involved in has disappeared – e.g. building roads, working on the railway, in the freezing works. In terms of education, Māori have the biggest failing rate. Parents want their kids to have a good education, but most of the time it doesn't happen because people can't afford it. There are pressures on marriages for which we blame Work and Income as it's too easy to leave a relationship and go on a benefit.

“Housing New Zealand make good landlords – it's too easy for people to rent rather than buy. That's the reality of what we've got. In a small rural town like this one, there are big numbers of unemployed Māori. There are two Māori businesses - we are one of them. House prices vary from \$100,000 upwards. While people may be able to buy a house on their income they are unlikely to be able to maintain their properties – they would need to earn more than what they are earning now and it's likely both partners would need to work. If they have a family it's hard for the wife to work.”

Rangi and Hine want to get their whanau back on the land “where they belong”. They see other models where this is happening throughout the country. Their own land is currently just sitting there, “with some drugs and gorse growing on it”. Part of the process is to get their whanau back to “knowing who they are”. Then people will have “a sense of identity, to be proud of themselves”. They say all of this is related to the land.

Rangi and Hine admit this might not happen in their lifetime. It may take their own “passing” for their kids to step up. In the meantime, they are quietly working on their kids, supporting and sharing information with them.

The course

The course provided them with contacts, but not much more. Papakainga was covered only briefly in the course, though they understand the course had a broader kaupapa.

Rangi and Hine believe the course should “plant the idea of home ownership”, but not sell the idea, which is the approach the facilitator took, e.g. they used a business approach including terms such as SWOT²³.

How could Housing New Zealand / the home ownership education course help them? They say they need models where papakainga has worked for others. They also need counsellors to help the people to “come home in their thinking”.

Pikiora

Why do I want to buy? I'm sick of paying all this money in rent and I've got access to Māori land with nothing on it. Owning a home would mean independence and something to leave

²³ Strengths, Weaknesses, Opportunities, Threats (SWOT) Analysis.

my child. Ideally I want to go back home and build on the land. But I need to stay here and look after a family member at the moment.

She has owned a house before, so she knows about the stress involved.

The course

Pikiora said there was nothing she didn't already know. A lot of the information was useful but I already knew it so it was boring. "Oh, one interesting thing, I don't have to have thousands (of dollars for a deposit). The budgeting information wasn't relevant for her. "I don't have any hire purchases. So a lot of the workshop discussions I couldn't get involved in. I don't have payments on my card, I bought a car with cash. My only bill is my rent every week and my son, and power."

There was not enough information in the course about papakainga "although a lot I knew already because I've worked for iwi authorities. But the facilitators didn't know enough about it". Pikiora was also put off by the fact that in some areas money was available (through LDRL), but in other areas you're not eligible. I thought: "why am I sitting here?"

Post course

Buying a house is a five year goal. Her main barrier is money and approaching a bank: "how to go to the bank (and ask about mortgages) without them making me feel like a piece of shit". Half of her weekly income goes on rent and there's not much left to live on. She works voluntarily.

She is "keen as" to own her own home, but doesn't want to be struggling, "it's bad enough on a benefit but to be struggling with work and a home...". It's important to her that her child's needs are taken care off and that they can "play around with the wants". Pikiora's aim is to get a loan and then pay it back: "I don't want to feel like a dole bludging Māori". She doesn't want to pay back three times what the (original) loan was. She says it would be easier if she had a partner to help out.

Tama

Tama owned a house many years ago but the relationship came to nothing and he "lost" it. At the time he was pretty young and making a lot of money, but he didn't know anything about home ownership.

Since then he has had a family and lived in the same rental property for quite a long time. But his "own mindset" has stopped him from buying his own home.

The course

Tama found about the course from the local paper, and was interested because he realises paying rent to a landlord is 'dead money'.

He thought he might be too old to purchase, but when he saw the notice about the course he thought he'd go and look, but still didn't think he'd be able to get a house. After the course, "I got more positive about it (purchasing) but have to get rid of a few bills first".

He found all the information to do with buying a house helpful. "Don't take no for an answer – don't let that stop you". The only drawback to the course was the time – he thinks a one day course would be better than two days.

Post course

Recently he has been talking to someone who says he can help Tama get into home ownership "a bit quicker". He's planning a meeting with this guy in the next week or so. "The idea is to set up family trust and by the looks of it you buy investment properties mostly, buying and selling until at a point when you can freehold".

Tama is also trying to 'bang' the bills. He'd like to be purchasing a house within the next 12 months. "Better to buy your own place and build up equity or buy a rental".

Matafetu

Matafetu and her family have lived in a Housing New Zealand rental for 40 years and want to see if they can buy it. She has "always dreamt about" home ownership but there is only one income and six children to look after. They want something to own and also for the children. Her husband has retired because of poor health so she says they can't afford to own a house.

Her hope is that the children will save to buy a place of their own. The children think it is a good idea but nothing been done about it. She believes that people renting in Housing New Zealand houses for a long time should qualify for assistance to own their rental properties without a deposit. She would like to stay in her current home as it was renovated by Housing New Zealand as a 'healthy house'. She also believes the government should encourage \$50 a week savings towards a deposit.

The course

Matafetu learnt about the course on the Samoan radio station. She thought the course was about how they could buy the Housing New Zealand property they are living in without having a deposit. She thought the course was good. It was helpful for them to know about home ownership, and about where to go for a loan. She has recommended the course to her sister and friends to attend.

Post course

She hasn't done anything to work towards home ownership as her and husband are nearing their 60s.

Sifaole

Sifaole first thought about home ownership when National was in power but was late in doing something about it. He has been renting from Housing New Zealand for almost 20 years.

About seven years ago he got more serious about owning a house. He wants to own a house for his children and for his retirement (he and his wife are in their late 50s). He stopped dreaming about home ownership when one son moved out of home (he had told his son he could stay at home and help with saving for a house but the son wanted to move out). Also he has been overspending and can't save.

The course

He heard about the course on the radio and went to it to find out about home ownership. He found the information about banks and mortgages helpful. He now has a better understanding of home ownership and believes that nothing about the course needs improving. He would recommend the course to family and friends.

Post course

They live on one income and there are still two children at school. He is worried he is getting older and will not be able to pay the mortgage when he retires. He is also afraid that he might be made redundant once he gets a loan. He would rather just rent and still save for a few luxuries than have a loan which he may not be able to pay off.

Aditya

Aditya, his wife and their two teenage children emigrated to New Zealand in the early 2000s. Aditya was offered employment opportunities in other countries but chose New Zealand for the educational opportunities it offered his children. They are permanent residents and recently received citizenship. In his country of origin he was a university lecturer and the family lived in his father's home.

Since moving to New Zealand Aditya has not been able to find permanent employment as he had expected. He feels he is over qualified and this is a barrier. He is also in his 50s.

The course

He heard about the course through a local free newspaper and attended the first two evenings. He was not able to complete it due to work commitments. He intends to go back to day-time classes.

The course helped him to analyse the various opportunities so he could decide wisely. He did find out some things that he didn't know such as considering security issues within different localities (e.g. whether drunkenness was a problem in the area). He would like to live near the children's schools and church. He has the folder from the course which he still refers to.

Post course

He wants to buy a house but can't do this until he has permanent employment. He had intended to save for a house deposit but has needed to use the savings for other things. A bank has said they will give him a 100 percent loan but he says it would be a big challenge to cover mortgage payments and keep up with his children's needs (i.e. paying for their tertiary education) on his current income. Financial "integrity" is important to him. Recently he reassessed his financial situation and "started spending money wisely, thinking twice before spending".

Roger and Mere

Roger and Mere have lived on farms for most of their working lives and a house comes with the job. They pay a small rental: "it's a perk thing". However, when they retire they will not have their own home. Mere said they have always lived "in everybody else's houses but never our own". Ideally they would like to buy a small house in town and rent it out until they retire.

The course

They did the course together after reading about it in the local paper. Mere said she was "so excited to go to it (the course). (Home ownership) was always in the back of my mind". They wish they'd had the information 10 or 15 years ago.

They appreciated the information about home ownership. The one big thing that sticks out for Mere is that home ownership is possible. They went in not really sure they could do it but realised they could. Roger said he knew a fair bit, "but things change all the time". They learnt that "you don't need to aim for the bigger house, don't get in over your head. But don't buy a heap of rubbish either".

Prior to the course, they had considered building their own home, although Roger has always been a bit sceptical about building. At the course they became aware that there are additional costs that are not covered by the original quote: "you don't realise you have all that outlay in gardens – garage, they quote you \$200,000 – by time it's finished it costs another \$50,000 finishing the section. It's also a lot of hard work". Mere disagrees: "that's the fun of it".

Post course

They have spoken to other people who did the same course "everyone had a lot of ideas, but got to certain point and couldn't move". At the course they were introduced to a mortgage broker who came to their home to talk about loans. They could get a 100 percent loan but said "it's a lot easier if you have the first \$10,000. It would have cost us \$246 a week, that's a lot in repayments".

Roger believes that the bank will not lend them money for a rental property. "If you borrow that money they expect you go and live in the house". That would not suit them as they'd have to travel to and from the farm.

Mere said she'd still like to buy, "if we can cut the amount of mortgage you borrow". They are saving - they would have gone down south for a holiday but decided to save the money instead.

They have also considered papakainga as they have land they could build on. However, Roger's view is: "A papakainga house wouldn't be your own. You could put a house on it, but the land would never be yours. There are too many traps".

Appendix four: top-line findings, October 2006

Background

The first component of the evaluation focused on addressing the following two objectives:

- identify the needs of the target group (and sub groups) in respect of home ownership education, and
- investigate what aspects of the design and delivery of the Home Ownership Education courses work well; do not work well, and why.

The evaluators undertook telephone interviews with staff from the seven new HOEP providers in September 2006. These providers had run courses between March and June 2006. The interviews explored provider marketing strategies, approach to course delivery, facilitator experience, participant needs and course content, participant feedback and data collection, and programme improvements. The evaluators also talked with Housing New Zealand staff responsible for HOEP.

A Housing New Zealand analyst and evaluation team member produced a statistical summary of the enrolment data for participants who attended HOEP courses with the seven new providers between March and June 2006. Database difficulties were identified and subsequently remedied by Housing New Zealand. The statistics were examined in relation to factors affecting home ownership as identified by other research. Individual provider statistical reports were prepared and sent to providers.

The following is a summary from the 'top-line' power point report presented to Housing New Zealand staff in October 2006. The statistical component of this report was presented to all the providers at a hui in November 2006.

Summary of top-line findings

Discussion with new providers confirms previous evaluation findings:

- programme design is fundamentally sound
- programme continues to meet a need
- good facilitation is key (content knowledge, e.g. real estate background, is a valuable bonus)

Continues to be three areas of need (as found in the 2006 evaluation):

- People don't know about home ownership. "The course has been a huge eye opener: it's amazing how many people don't know how to go about owning or purchasing a home".
- People need to know about budgeting, goal setting. "(We've) found that budgeting is a good example of connecting with wider issues."

- People have had problems with banks. “There is a strong sense of rejection when you’re turned down the first time you approach a bank”.

Three implementation issues:

- Lead-in time - A number of the providers commented on set-up and marketing challenges posed by the short lead-in time to implementing the first contract.
- Marketing – The programme needs a high level of marketing to become known. Is this because it’s a new programme and/or new providers, or do existing providers also experience this? Housing New Zealand has complemented the start of the next contract (Sep 2006) with a national marketing campaign. It may be useful to explore with providers at the hui whether this has helped, or whether other marketing support would be valuable.
- Data collection system – important that this be actioned quickly and thoroughly by experienced staff.

Diversity of participants

- programme assisting some new migrants (unintended outcome)
- some surprise about higher than expected proportion of ‘working’ participants and low proportion of Housing New Zealand tenants
- diversity both an opportunity (means explaining terms which benefits everybody) and a challenge (managing people with different experiences and needs)

Programme reach

- Māori – 25 percent of total enrolments. The three Māori providers had the highest proportion of Māori participants. Māori do not seem to be being reached in Dunedin and Auckland (i.e. these two providers have the smallest proportions of Māori participants).
- Pacific – 11percent of total enrolments. The highest proportion of Pacific participants was reached in Dunedin by a non-Pacific provider. The provider ran a course specifically for Pacific People’s at the request of the Dunedin Pacific Resource Centre. Both Christchurch and Auckland providers (non-ethnic based) appear to be reaching some Pacific peoples. Not so on the West Coast of the South Island, Wairarapa, Manawatu – Horowhenua - Kapiti, (all 3 were Māori providers) and Invercargill (education provider). This may be a reflection of small numbers in these areas.
- Other (New Zealand European, Asian and other) – 64 percent of enrolments.
- Issue - The new HOEP is targeted to all low-modest income first homebuyers. The past programme (LDRL and PPHOP) was targeted at rural Māori, urban Pacific and others and was delivered by Māori, iwi and Pacific providers. The new providers were a mix of Māori, service and education provider organisations. There is a need to keep a watching brief on whether the providers reach the range of ethnicities (i.e. Māori, Pacific and other) within their areas.

Appendix five: evaluation methodology

Overview

The evaluation was initially designed to be carried out over two years, with the first year focusing on needs assessment and programme improvement and the second year exploring what was happening (and why) for participants post-course. It quickly became apparent that there were no significant programme improvement issues and the planned foci of the second year became the focus of the second half of the first year of the evaluation. In addition, the evaluators were also asked to investigate the types and level of support being provided to participants by the 15 existing LDRL and PPHOP providers.

The evaluation used a mixed method approach as follows:

First half of evaluation: needs assessment and programme improvement

- qualitative, phone interviews with seven new providers
- quantitative analysis of provider enrolment data
- reporting top-line findings and discussion
- qualitative, story and information gathering from provider hui

Second half of evaluation: participant home ownership journey's and survey of provider support to participants

- qualitative, face-to-face interviews with 32 participants from three providers' courses
- qualitative, face-to-face interviews with three providers
- quantitative telephone survey of 14 providers who had 'support' as part of their contracts with Housing New Zealand
- quantitative analysis of provider enrolment data
- watching brief of relevant research reports
- discussion with a urban housing issues informant
- reporting top-line findings and discussion.

More detailed information about each of the above follows in the section on methods.

Scope

The evaluation focused on:

- programme content and delivery of the HOEP courses and support by providers
- programme support provided by Housing New Zealand

- programme participants (their needs, experiences of the course, what happened post-course and their socio-economic and housing context).

The evaluation did not focus on lending products or organisations, although this information was recorded when reported by providers and/or interview respondents.

Ethnic focus and findings

Approach

The evaluation team comprised of four principals: one Maori, one Pacific and two Pakeha. All members of the team had a sound understanding of issues in undertaking evaluations within Maori and Pacific communities. The two Pakeha members undertook most of the work, with the other two principals involved in design and analysis discussions and review of the final report. The Pacific member was responsible for training and managing the Pacific field staff.

The evaluation included data on course enrolments, a survey of the new providers, support provided to course participants (from the perspective of providers) and face-to-face interviews with a selection of course participants. The evaluation ensured Maori and Pacific HOEP participants were included in the interview sample, and the survey of provider support included a representative sample of participants.

In almost all interviews with Maori and Pacific participants, a Maori or Pacific interviewer was part of the interview team.

Findings

The evaluation did not find any significant differences between the different ethnic groups interviewed, i.e. Maori, Pacific and other ethnic groups were spread across the three groups reported in the section on home ownership journeys.

It was also unknown how the HOEP programme would affect Maori and Pacific participation. The previous evaluation found the LDRL and PPHOP programmes provided a Maori / Pacific oriented environment which was important for meeting the learning needs of some participants. The inclusion of the 15 existing providers (13 of which are iwi or Maori service delivery organisations and two Pacific organisations) mid-way through the first year of the HOEP unsurprisingly almost doubled the proportion of Maori participants and increased the proportion of Pacific participants by about one-third (refer Appendix one – enrolment data). Detailed enrolment data for each provider was supplied to Housing New Zealand in order to monitor attendance by Maori and Pacific peoples.

Limitations

The findings from 32 qualitative interviews with HOEP participants provide rich, detailed information about HOEP participants who have either purchased or are interested in home ownership. While it is not possible to generalise these findings to the larger population of HOEP participants, triangulation of this information with the quantitative survey of support

provided to participants and other data (i.e. interviews with key informants, HOEP facilitators, Housing New Zealand's HOEP enrolment data and findings from the LDRL/PPHOP evaluation), provide a solid base from which to extrapolate the findings to the wider programme.

The demographic patterns found among the interview respondents and survey participants, and the absence of other patterns, may be a result of the type of samples²⁴, small sample sizes²⁵ and the small number of those who have brought a house since the course²⁶.

²⁴ Participants sampled in the survey on provider support had attended courses with the 14 (of the 22) providers who provided support, between three to eight months ago. Interview respondents were from three providers purposively selected to cover new / old providers, providers providing / not providing support, rural / urban and a Maori / Pacific / other ethnicity mix.

²⁵ Total number of course enrolments were 1722, 433 participants were sampled in the survey on provider support, and 32 participants interviewed.

²⁶ Twenty three (7%) of participants in the survey on provider support and six interview respondents (18%) had brought a house (or were in the process of buying) since attending a course. Information was not available on the total numbers of participants who had brought a house since attending a course.

Methods

First half of evaluation – Jun – Dec 2006

Qualitative interviews with providers

The evaluators undertook telephone interviews with staff from the seven new HOEP providers in September 2006. These providers had run courses between March and June 2006. The interviews explored provider marketing strategies, approach to course delivery, facilitator experience, participant needs and course content, participant feedback and data collection, and programme improvements. A thematic analysis was undertaken (i.e. interview data was coded into emerging themes under key research questions).

Quantitative analysis of participant enrolment data

Two analysts – one from Housing New Zealand and the other an evaluation team member - produced a statistical summary of the enrolment data for participants who attended HOEP courses with the seven providers new to HOEP, between March and June 2006. Database difficulties were identified and subsequently remedied by Housing New Zealand. The statistics were examined in relation to factors affecting home ownership as identified by other research. Individual provider statistical reports were prepared and sent to providers.

Reporting top-line findings and discussion

A 'top-line' power point report was presented to Housing New Zealand staff in October 2006 as part of a workshop to discuss the results to date. The statistical component of this report was presented to all the providers at a Housing New Zealand HOEP provider hui in November 2006.

Qualitative gathering of stories and information from provider hui

Providers were asked to tell a 'real life' story illustrating what made the MOST difference to participants buying a house. They were then asked to select the story they thought best demonstrated what makes the MOST difference and identify why they thought this was the best story. Providers were also asked to brainstorm 'what gets in the way of participants buying a house; what are the barriers that participants are experiencing?'

Second half of evaluation – Jan – Jun 2007

Qualitative interviews with participants

In-depth, face to face qualitative interviews were conducted over March – April 2007, with 32 participants who had either brought a house or were interested in home ownership. The interview respondents had attended a HOEP course with one of three providers. The three providers were selected to get a mix of new/old providers, providers contracted to provide support/not, urban/rural and ethnicity of participants (Maori, Pacific peoples and other).

Table 6: Ethnicity of participants included in the qualitative interviews

Ethnicity	No.
Māori	10
Pacific Island	9
NZ European	6
Other	6
Not known	1

Potential interviewees were sampled from HOEP courses held between January to June 2006 for two of the three providers. This meant that at least nine months had lapsed since participants had attended a course. The sampling timeframe for the third provider also included participants who had been on PPHOP courses held between September 2005 and October 2006 to achieve the required number of interviews. This meant that up to 18 months may have lapsed since these participants had attended a course.

Participants who were not contactable or who told the HOEP provider they were not interested in home ownership were deleted from the sample. The researchers worked through the remaining list of names, telephoning participants to invite them to participate in the evaluation.

Three fieldwork teams undertook the interviews: a team of Pacific interviewers (two Fijian and one Samoan) interviewed respondents who had attended a course run by the Pacific provider; a New Zealand European and Maori interviewer interviewed respondents who had attended a course run by the Maori provider; and two New Zealand European interviewers interviewed respondents who had attended a course run by the third provider (an urban-based, educational provider). A member of the evaluation team was part of each fieldwork team.

A semi-structured interview guide, a guide detailing the background to the questions and an analysis specification were prepared for each fieldwork team. Interviewers were briefed and conducted the interview (e.g. asked the questions) in a manner they considered appropriate to each situation.

A summary of each respondent's story has been included in the appendix. This enables each person's story to be read 'in context' and allows the reader to test and draw their own conclusions. Key identifying features, such as the geographic location of a participant, were edited and pseudonyms used to protect the identify of participants.

Qualitative interviews with three providers

Face to face qualitative interviews were conducted with each of the three providers referred to above. The interviews explored the profile of participants attending their courses, housing issues faced by their participants, helps and hinders to participants' achieving home ownership, suggestions for what could help, and participant outcomes.

Quantitative survey of provider support

Housing New Zealand requested quantitative data about support provided to participants during the first year of the HOEP course as one measure of identifying the needs of participants. Delivery of 'support' is included in the contracts of 15 HOEP providers. As one facilitator was on extended sick leave, this provider was unable to be included in the survey. Fourteen of the HOEP facilitators were interviewed by telephone about the support they had provided to a random sample of participants during 2006. The survey required the facilitators to recall the support they had provided to participants.

Sample

In pre-testing the survey, it was decided that the sample for each provider be reduced to a maximum of 40 participants so the telephone survey would take no more than one hour of a facilitator's time. The evaluators created a random sort of the list of total participants and then selected every 'nth'²⁷ participant to create a sample. Where a provider had less than 40 participants the interviewer asked about support provided to each person.

A total of 917 participants attended a HOEP course with one of the 14 providers during 2006. The survey asked about 433 (48 percent) participants. The random quota selection of participants has ensured that any bias in the selection of participants has been controlled for. The random selection allows us to generalise the findings to the total HOEP population who had access to support with a maximum sampling error, at the 95 percent confidence level, of + or – 3.4 percent.

Table 7: Ethnicity of participants included in the provider survey

Ethnicity	%	No.
Maori	73	318
Pacific Island	10	43
NZ European	10	45
Other	5	23
Not known	1	4

A number of participants attend the course as couples or family groups. The survey identified 86 participants who attended with a partner or family member. They were counted as 43 participants to provide a more accurate indication of support provided to family units. In total there were 390 family units in the survey.

²⁷ 'Nth' depended on the size of the total sample, e.g. if the list had 120 names we selected every third name to get a sample size of approximately 40.

Questionnaire

The survey was developed in an Excel spreadsheet. Each HOEP facilitator was asked the same questions about each of the participants in their sample and responses recorded as 'yes' or 'no' or options from a pull down list of categories. The questions included why participants had attended the course; whether they had bought a house since the course; whether they did the course with someone else (these people were then included as 'one family unit'); types of pre, purchase and post purchase support provided (using categories in the provider contracts) and level of support provided at each stage. A 'low' level of support was defined as occasional chats with a participant; 'medium' referred to facilitators spending time with a participant to set up a budget or provide encouragement or set up support and a 'high' level of support was defined as 'handholding' participants all the way through the process. Where facilitators indicated that a participant has received a low or high level of support, they were asked to provide more information and this recorded verbatim. The survey was pretested, modified slightly and then conducted by two members of the evaluation team.

Analysis

The data was analysed initially by each question (e.g. how many people did the course to explore home ownership and how many did the course for other reasons). The analysis then focused in on sub-questions (e.g. how many people who were exploring home ownership received pre-purchase support related to budgeting). The qualitative comments were read and sorted into emerging themes, to help make sense of the 'high' and 'low' levels of support provided.

Quantitative analysis of participant enrolment data

A Housing New Zealand analyst and evaluation team member produced a statistical summary of the enrolment data for participants who attended HOEP courses between July and December 2006. This included data for all 22 providers (i.e. the 15 LDRL and PPHOP providers became part of HOEP as of 1 July 2006).

The summary provided:

- graphs of the characteristics of all participants for the July-December 2006 period in terms of age, gender, ethnicity, income source, income range, number of children at home and housing situation at time of enrolment
- comparisons of the July - December 2006 data with the previous six month period January – June 2006
- graphs of the enrolment data for each provider for each of the categories listed in the first bullet.

The evaluation had intended to report on and analyse the six month follow-up data collected by providers. This would have provided potentially useful information on participants' intentions and numbers who had brought since the course. This was unable to occur as the relevant data had not been collected systematically and inputted into a database.

Socio-economic and housing data

We had proposed to supplement the quantitative analysis of participants with an analysis of socio-economic and housing data for each of the provider areas. It was decided to not undertake this activity given the difficulties matching the provider's target areas with statistical units of analysis and the complexity of analysis required in order to reach any meaningful conclusions which was beyond the current evaluation resource.

Instead providers were provided with a link to the Statistics NZ website from which they could construct relevant community profiles according to the factors they were interested in, links to the following CHRANZ research bulletins and alerted to a soon-to-be released report on Pacific People's housing experiences and issues.

The Future of Home Ownership and the Role of the Private Rental Market in the Auckland Region, March 2007

<http://www.chranz.co.nz/pdfs/future-of-home-ownership-and-the-role-of-the-private-rental-market-in-auckland-bulletin.pdf>

Maori Housing Experiences: Emerging Trends and Issues, October 2006

<http://www.chranz.co.nz/pdfs/maori-housing-experiences-bulletin.pdf>

Discussion with an urban housing issues informant

The emerging findings and housing issues facing Auckland participants were discussed with Sue Matehaere in May 2007. Sue is the manager of the Auckland Open Polytechnic Real Estate Centre, responsible for the tutors delivering the LifeWorks HOEP, works closely with the real estate industry and is an associate of the Real Estate Institute.

Reporting

A 'top-line' power point report was presented to Housing New Zealand staff in May 2007 as part of a workshop to discuss the findings. This was followed by the current report which focuses primarily on findings from the second half of the evaluation.

Analysis

As already outlined, the evaluation undertook two analyses and reporting. The first analysis and reporting in October 2006 addressed the following two objectives of the evaluation:

- identify the needs of the target group (and sub groups) in respect of home ownership education
- investigate what aspects of the design and delivery of the HOEP courses work well, do not work well, and why.

The second analysis, which is the primary focus of this report, addresses the following evaluation objectives and the two key foci Housing New Zealand requested for the second half of the evaluation:

- identify what difference participation in the HOEP makes for participants
- identify any unintended effects of the programme
- identify barriers for the target group (and sub groups) to accessing (including progress toward accessing) and sustaining home ownership that could be addressed by Housing New Zealand.

Key foci

- what helps/hinders people on their home ownership 'journeys'
- what does provider support look like? (and who is most likely to benefit).

A sixth objective of the evaluation - to assess the impact of the programme in improving the sustainability of home ownership – was not addressed given the decision to focus on participants who had attended the HOEP course during the 2006 year (rather than LDRL and PPHOP participants from earlier years). This meant the timeframe between buying a home and contact by the evaluators was too short to assess sustainability.

In order to address the above objectives and first foci - to identify what helps and hinders course participants achieve home ownership – the evaluators undertook a thematic analysis of the qualitative participant interviews. Each of the interviews were analysed in terms of:

- What helped / was helping respondents work towards home ownership? Strengths, information, support
- What were the challenges? Individual, family, contextual challenges
- HOEP course: What was the place of the course (and HOEP support if provided) in people's home ownership journey? What difference did the course / support make?
- Issues: HOEP course and support; wider housing issues; wider issues.

Each of the interviews were edited to elicit the essential story. Where respondents are quoted in the report, readers are able to refer to the person's story by pseudonym in Appendix three to confirm (or otherwise) the researchers' analysis. The above analytical framework and inclusion of the respondents' stories were an adaptation of Robert Brinkerhoff's Success Case Method analysis and reporting approach²⁸.

The evaluators analysed the demographic characteristics of interview respondents' as well as their stories to identify factors that distinguished those who had brought since the course from those who had yet to buy. This included an analysis of any differences between those who appeared closer or more likely to buy, with those who appeared further away or less likely to buy.

The evaluators also looked at standard demographic information (e.g. ethnicity, age, income) of participants in the survey on provider support, along with the interview respondents, to see if there were any patterns in terms of who had brought a house and who had not. For interview respondents, the evaluation looked at factors that other research had found to

²⁸ Brinkerhoff, Robert O (2003) *The Success Case Method*, Berrett-Koehler Publishers

influence the desire for and achievement of home ownership, such as income, dual income households, relationship status, presence of children, age and location.