

## What is on a [local] demographer's mind – Natalie Jackson/NIDEA

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**1) Ageing-driven growth.** Except for a handful of TAs (only Hamilton City in the Waikato), all foreseeable growth in New Zealand's TA's will be at 65+ years, and most will see decline at most other ages. Ageing-driven growth will significantly alter local demand and consumption patterns, affecting the provision and location of services (particularly schools, supermarkets, health, leisure, and transport).

**2) Transiting the cusp from growth to decline:** The sub-national end of growth/onset of absolute decline now affecting 36 per cent of NZ TA's will become increasingly intractable as structural ageing progresses and natural increase diminishes. By contrast, international migration and urbanisation will slow ageing and continue to grow major urban areas. The trends mean that Hamilton City will increase its share of the region's population from 36 per cent in 2011 to around 40 per cent in 2031. Waikato District will also increase its share, from 16 to 17 per cent, while all other Waikato TA's are projected to experience relative decline, and four, absolute decline. Housing prices in declining TA's are likely to be negatively affected.

**3) The population of Hamilton City will age—albeit more slowly than elsewhere, with the more youthful Maori, Pacific Island and Asian populations becoming more visible.** The European population will remain the city's single-largest ethnic group but will decrease its share from 65 per cent in 2011 to around 59 per cent in 2021. Maori will increase their share from 19 to 20 per cent, and Pacific Island, from 5 to 6 per cent. The greatest growth will be for those of Asian origin, increasing from 12 to 15 per cent. By 2021 the city's Asian population will be almost three-quarters the size of the Maori population, up from two-thirds in 2011, and almost three times as large as the Pacific Island population, similar to today. Similar shifts will be notable for all age groups, with Maori, Pacific Island and Asian children increasing their collective share from 45 to 52 per cent.

**4) The low fertility/smaller family sizes, increasing longevity, and mobility driving these trends will alter housing demand/type.** Smaller family sizes will not necessarily correlate with smaller house sizes, because fertility trends are strongly associated with increasing affluence. More people living longer and more widowed elderly will be associated with diminishing average household size and increasing demand for smaller units and/or

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retirement villages. Student migration (both international and internal) is likely to sustain demand for student accommodation in Hamilton City, but this demand may not grow appreciably because it will only offset diminishing domestic student numbers (but see also points 5 & 6).

**5) Population waves and troughs passing through the educational system will cause oscillating demand and supply, not only for education but also related services.** Over the next 5 years, the number of Waikato school leavers (15-19 years) will decline by around 1,800, and between 2016 and 2021 by a further 1,600 (nationally by 28,000); between 2021 and 2026 numbers will increase by approximately the same margin, as the recently born baby blip arrives at those ages. Numbers are then again projected to decline. By then over half of the baby boomer teacher/lecturer cohort will have either retired or reduced their participation levels, driving oscillating demand for education staff. It will be necessary to keep a careful planning eye on this moving horizon.

**6) How 'tight' will the New Zealand (and Waikato) labour market get?**

Every year for the next 15 years a successively larger cohort will retire (or reduce its participation) and will be 'replaced' by a successively smaller cohort at labour market entry age, driving an increase in competition for labour and presumably labour costs. This shift is likely to be felt across most industries, particularly those that already have relatively 'old' age structures (like teaching, nursing, health care). Hamilton City's relative youth may not resolve this problem, as a disproportion is engaged in post-school education. There will be labour market advantages for the relatively youthful Maori and Pacific Island populations as disproportions of the older European population retire.

**7) Will the region's elderly 'age in place'?** Hamilton City is presently home to the region's single-largest share of 65+ year olds (28 per cent), Waipa second-largest (13.3 per cent), and Waikato third (12.6 per cent). These shares are projected to increase to 29.1, 13.6 and 15.4 per cent respectively by 2031, seeing Waikato District shift from third to second position. The shares held by all other Waikato TA's are projected to decline, suggesting age-related movement toward services.