

One in five Aucklanders plan to leave city for retirement

Friday Feb 10, 2017 Tamsyn Parker Money Editor for NZ Herald



One in five Aucklanders surveyed say they would wave goodbye to the city and move elsewhere in retirement, according to research by ANZ. Photo/Brett Phibbs.

One in five Aucklanders plan to leave the city as they head into retirement - a higher rate than those living outside the city.

Research by the ANZ Retirement Savings Barometer found 20 per cent of the Aucklanders it surveyed plan to leave the city, while just 12 per cent of those living in the North Island outside of Auckland plan to move.

In the South Island 16 per cent would move out of their current town or city in retirement.

Ana-Marie Lockyer, general manager funds and insurance at the ANZ, said it was no surprise the number of Aucklanders wanting to move out was higher given the higher cost of housing in the city.

"We already know Auckland housing costs more than other places."

By moving out she said many would be able to buy at a cheaper place in the provinces.

But Lockyer warned that people may also need to think about their increased need and access to healthcare in retirement.

Nearly half of those surveyed said they were unsure where they would be living in retirement.

Lockyer said that view did not change much through the different age-groups and even those close to retirement were uncertain.

"I thought at a later age-group people would know where they want to live."

Lockyer said while people didn't need to know the exact location, they needed to know they would have a home to live in at retirement and those in their 50s should have a good think about it.

Of the 555 people surveyed, 24 per cent said they would downsize.

But Lockyer said that may not be as easy as some expected or free up as much cash as people would like, especially in Auckland.

"Small brick and tile low-maintenance units are in high demand for a number of different reasons.

"While they aren't the price of a family home, it may not leave you with as much as you think you will have."

Lockyer said that while many people were planning to downsize or move, just 14 per cent were intending to use the equity in their homes to help fund their retirement.

Instead the vast majority of people - 75 per cent - expected KiwiSaver to fund their retirement, as well as some contribution from NZ Super and other savings.

"It's clear that home ownership remains at the heart of people's retirement plans."

"After years of saving and paying down a mortgage, people are clearly reluctant to use the equity in their home to fund their retirement."

But she said that underlined the need to make sure people were contributing enough to KiwiSaver to generate enough income in retirement.

Where people will live in retirement

- 49 per cent don't know where they will live
- 15 per cent intend to stay in their current home
- 16 per cent plan to move to another town or city
- 6 per cent plan to move to a retirement village
- Less than 1 per cent of people intend to sell their current home and rent

Source: ANZ Retirement Savings Barometer

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