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Assessment of the Helensville Housing Market to Inform Proposed Development

Prepared for: **Hounslow Holdings Limited**

Authorship

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1. Introduction

1.1 Background

Hounslow Holdings Limited owns land in Helensville, which is earmarked for future urbanisation under the Auckland Unitary Plan (AUP). To ensure that future uses of the site best meet likely future needs, we were engaged to assess the Helensville housing market, and to recommend a mix of section sizes that would help optimise development outcomes while also best responding to local housing needs. This report presents our key findings.

1.2 Summary of Recommendations

We recommend that:

1. A range of section sizes be provided, especially smaller ones. Based on the adjacent Parkview subdivision, we foresee strong demand for sections of (say) 200m² to 400m².
2. These are likely best suited within the site's interior, where the resulting higher density is most appropriately located and most readily managed.
3. Equally, there will be some demand for larger sections. This should be met by a range of lots of (say) 600m² to 1,000m², located mainly on the site's edges where it interfaces with the surrounding rural environment.
4. Finally, we also expect good demand for sections sized (say) 400m² to 600m², which should naturally also be provided for to maximise the development's future target market.
5. Smaller dwellings (on smaller sections) should be strongly encouraged and enabled to support the delivery of more affordable, right-sized housing for Helensville's future households.

1.3 Structure of Report

The remainder of this report is structured as follows:

- Section 2 delineates a study area to guide the assessment;
- Section 3 briefly profiles Helensville locals and their dwellings using the 2018 census;
- Section 4 summarises 30-year trends in dwellings prices and weekly rental values;
- Section 5 profiles the current local dwelling stock using Core Logic property data;
- Section 6 analyses the adjacent Parkview development to better understand current housing trends (and thus likely future demands);
- Section 7 builds a statistical model to predict property prices and applies it to the subject site to estimate potential future property prices based on different property attributes; and
- Section 8 recaps the recommendations above.

2. Study Area

This section delineates a study area to guide the rest of the assessment.

2.1 Map & Description

The map below identifies the study area adopted for this assessment, which is defined by Statistics New Zealand's SA2 boundaries. It includes the broader Helensville township, plus recent development on the southeastern edge at the Parkview subdivision. It also includes the subject site.

Figure 1: Study Area Adopted for the Assessment



3. Census 2018 Snapshot

This section uses the latest (2018) census data to profile local demographics and dwelling attributes.

3.1 Demographics

Table 1 summarises the demographics of Helensville and Auckland residents. It shows that, compared to the regional average, Helensville locals in 2018:

- Lived in smaller households (avg. of 2.81 vs 3.17 people), but were more likely to have three or more children (32% vs 23%);
- Were much less likely to be born overseas (18% vs 41%);
- Were far less likely to identify as Asian (4% vs 25%) or Pacific Peoples (6% vs 14%) but more likely to identify as European (71% vs 48%) or Maori (17% vs 10%); and
- Had lower average qualifications, with 22% having no qualifications (vs 15% regionally), and only 16% having a tertiary qualification or higher (vs 31% regionally).

Table 1: Demographic Summary (as at Census 2018)

Summary	Helensville	Auckland
Households	990	493,100
Usual Residents	2,790	1,560,900
Average Household Size	2.81	3.17
Age Groups		
Under 15 years	23%	20%
15-29 years	18%	23%
30-64 years	44%	45%
65 years and over	15%	12%
Birthplace		
New Zealand	82%	59%
Overseas	18%	41%
Ethnic group		
Asian	4%	25%
European	71%	48%
Māori	17%	10%
Pacific Peoples	6%	14%
Other	2%	4%
Highest Qualification		
No qualification	22%	15%
Overseas secondary school qualification	4%	9%
Level 1, 2, 3 or 4 certificate	47%	36%
Level 5 or 6 diploma	11%	10%
Bachelors degree and Level 7 qualification	9%	19%
Post graduate or higher	7%	12%
Number of Children		
No children	27%	35%
One child	15%	15%
Two children	26%	26%
Three (or more) children	32%	23%

3.2 Dwellings

Next, Table 2 profiles dwelling attributes. It shows that, compared to the regional average, Helensville dwellings in 2018 were:

- More likely to be detached (92% vs 80%);
- More likely to be owned by their occupiers (73% vs 59%);
- More likely to have 3 bedrooms (55% vs 39%) and less likely to have 1 or 2 (19% vs 27%); and
- Less likely to have more than two motor vehicles (18% vs 23%).

Table 2: Dwelling Summary

Dwelling type - private dwelling	Helensville	Auckland
Separate house	92%	80%
Joined dwelling	7%	19%
Other private dwelling	0%	0%
Tenure of household		
Dwelling not owned or held in family trust	27%	41%
Dwelling held in a family trust	8%	14%
Dwelling owned or partly owned	65%	45%
Number of bedrooms		
One bedroom	6%	7%
Two bedrooms	13%	20%
Three bedrooms	55%	39%
Four bedrooms	23%	24%
Five or more bedrooms	4%	10%
Motor vehicles		
No motor vehicle	6%	7%
One motor vehicle	33%	30%
Two motor vehicles	42%	40%
Three (or more) motor vehicles	18%	23%

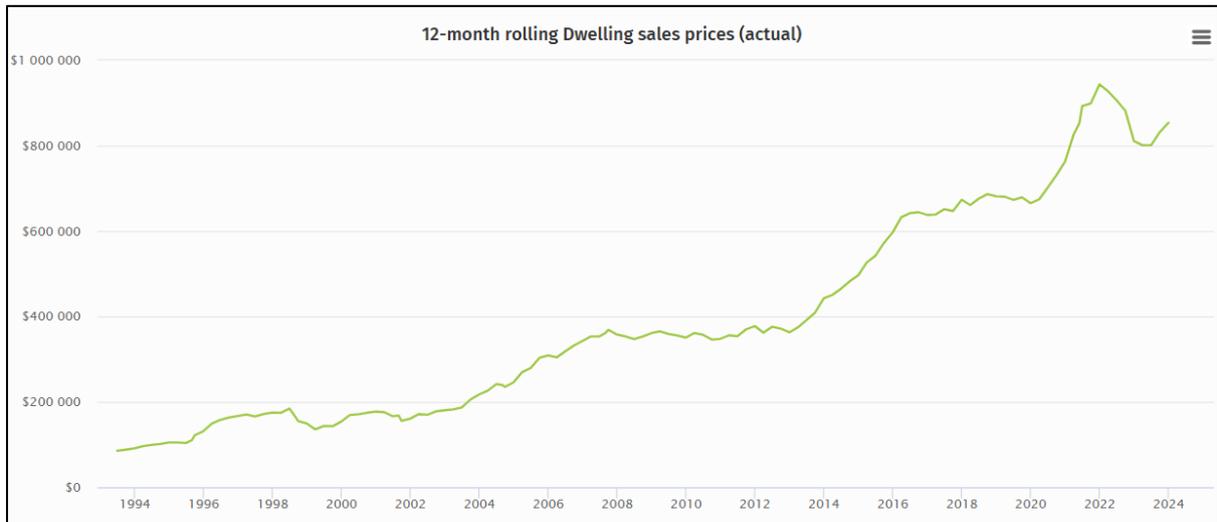
4. Price & Rental Trends

This section briefly reviews trends in house prices and weekly rental values using data published under the National Policy Statement on Urban Development 2020 (NPS UD).

4.1 Price Trend

Figure 2 presents the trend in Helensville's house prices over the last 30 years. These rose from \$85k in 1994 to \$853k in 2024. This tenfold increase translates to a compound annual growth rate (CAGR) of 8%. With average incomes growing about half as fast during that period, Helensville's housing has become increasingly unaffordable over time.

Figure 2: Helensville House Price Trend from 1994 to 2024



4.2 Rental Trend

Figure 3 presents the corresponding trend in weekly rental values, which rose from \$146 in 1994 to \$555 this year. This represents a CAGR of 4.6%, which has also outpaced income growth for many. Consequently, Helensville housing has become less affordable for both buyers and renters.

Figure 3: Helensville Weekly Rental Trend from 1994 to 2024



5. Property Snapshot

This section uses Core Logic’s Property Guru tool to provide a snapshot of current Helensville dwellings in the AUP Single House Zone.¹

5.1 Summary Statistics

To begin, Table 3 presents summary statistics for the 1,000 or so dwellings in our dataset. Three values are provided for each attribute. They are defined as follows:

- The **bottom 25%** means that only a quarter of properties have values lower than reported;
- The **upper 25%** means that only a quarter have values higher than reported; and
- The **median** represents the midpoint, with half having higher values, and half having lower.

For example, only 25% of sections are smaller than 570m², while only 25% are larger than 885m². Half are than smaller 660m², while half are larger.

Table 3: Summary Statistics for Dwellings in AUP Single House Zone

Measure/Statistic	Bottom 25%	Median	Top 25%
Land Area m ²	570	660	885
GFA m ²	99	130	165
Floor Area Ratio (FAR) ²	0.13	0.19	0.26
Year Built	1950	1980	2007
Land Value	\$400k	\$430k	\$495k
Capital Value	\$800k	\$880k	\$970k
Last Sale (yrs ago)	3.2	6.3	15.2

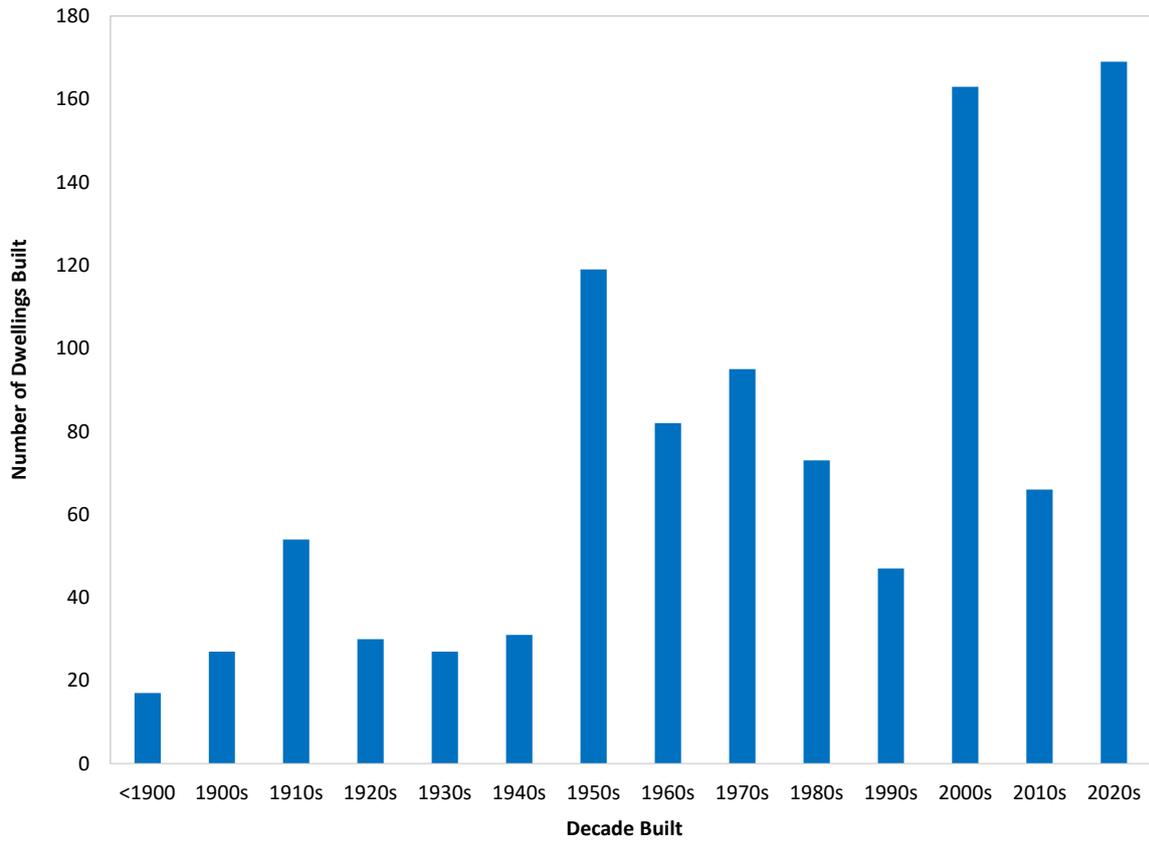
Some observations include that:

- Currently, Helensville properties are not very intensively developed, as reflected by the relatively low Floor Area Ratios (or FARs).
- Property values seem quite tightly clustered. For example, half of all land values fell between \$400k and \$495k, while half of capital values fell between \$800k and \$970k.
- Half of all dwellings were built before 1980, with 25% built before 1950 (the earliest ones date back to the 1880s). However, conversely, a quarter were built in just the last 17 years, which indicates a strong recent surge of activity.
- This is confirmed in the chart below, which plots the number of dwellings built per decade. It reveals that more dwellings were built so far this decade – in just 4.5 years – than in any prior.

¹ We initially included dwellings from other zones too, such as Countryside living, but these had average section sizes of nearly 2 hectares so were not considered relevant and hence excluded.

² FAR = dwelling size divided by section size.

Figure 4: Number of Dwellings by Decade Built in AUP Single House Zone



6. Parkview Case Study

6.1 Introduction

The previous section identified a recent surge of development activity. We consider this to provide the most relevant and timely information to assess current and likely future housing demand for the subject site. Accordingly, this section drills into the Property Guru data summarised above to analyse the most recent development in Helensville – named Parkview – which abuts the subject site.

6.2 Location Map

The blue markers in the map below identify the properties within Parkview included in our analysis.

Figure 5: Parkview Subdivision (Blue Markers = Properties Analysed)



6.3 Section Sizes

Figure 6 summarises the distribution of section sizes within Parkview, which range from just under 200m² to just over 1,000. Two-thirds are sized between 500 and 700 m².

To better understand the range of section sizes, Figure 7 plots them from smallest to largest. It reveals that many (51, to be precise) are exactly 600m², presumably to comply with planning rules. Similarly, 20 sections are exactly sized 500m².

Figure 6: Section Size Distribution (m²)

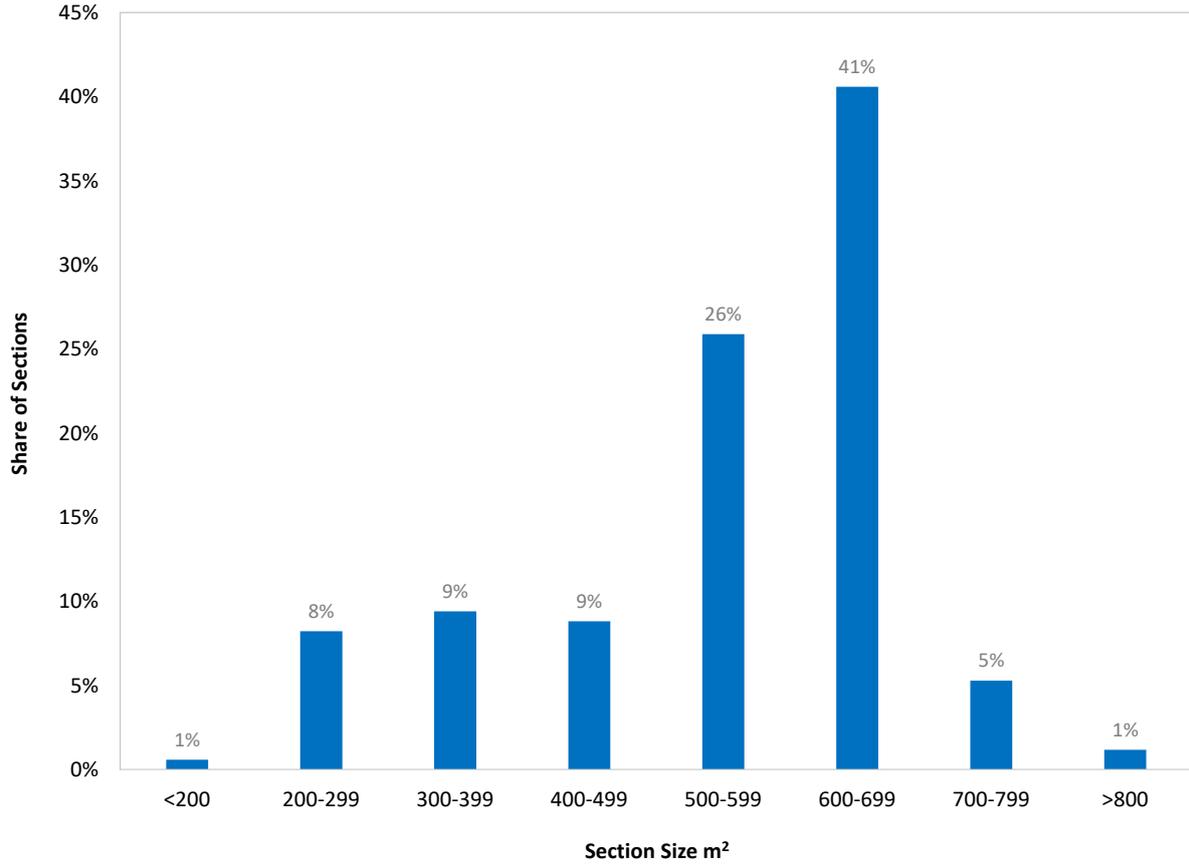
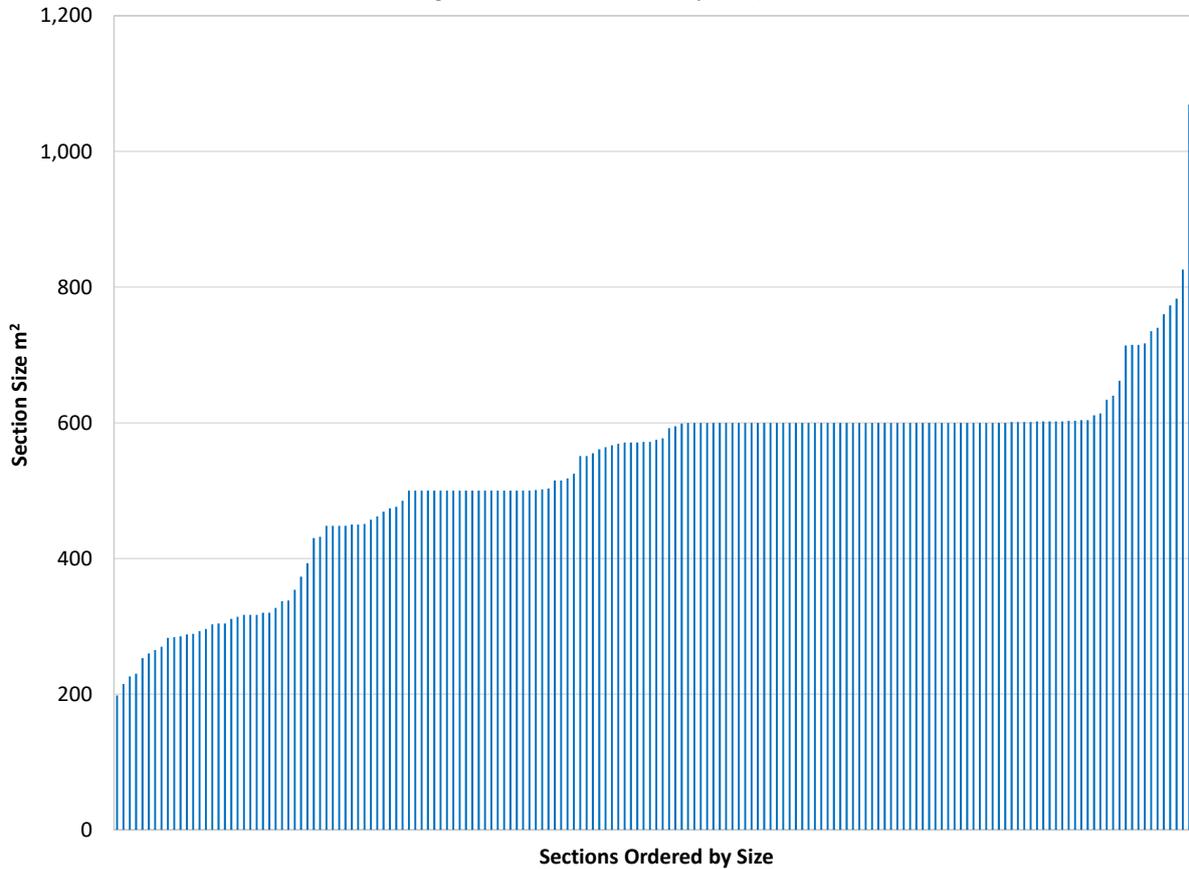
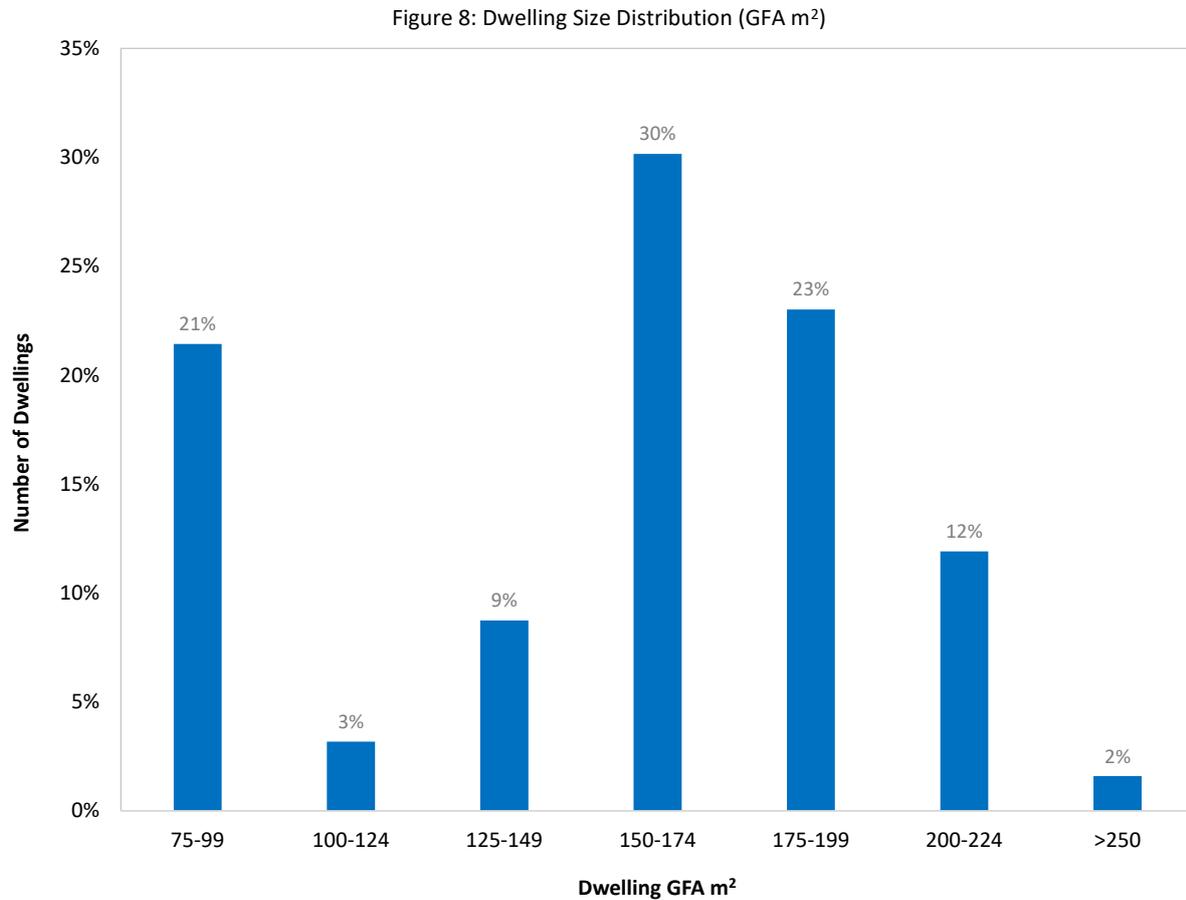


Figure 7: Sections Ordered by Size (m²)



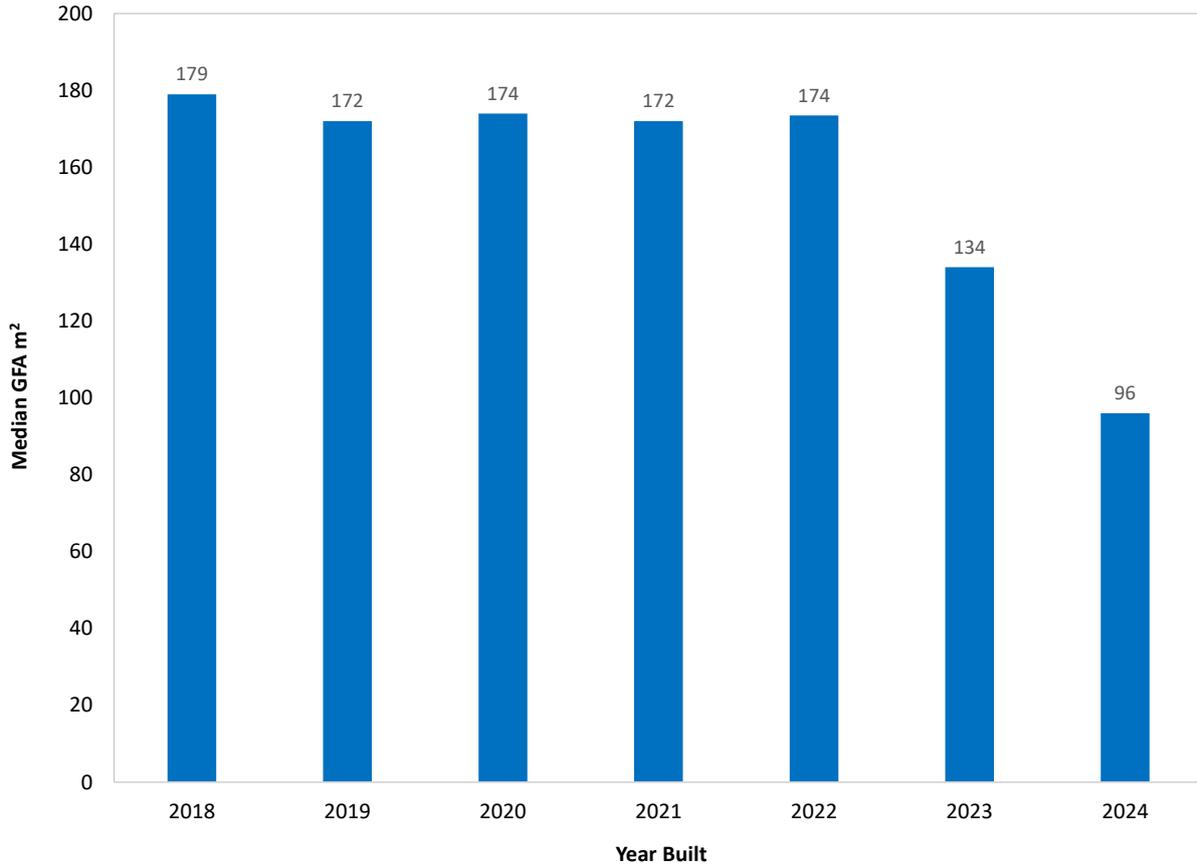
6.4 Building Sizes

Next, Figure 8 plots the distribution of dwelling sizes, which range from 75 to 260m².



Digging deeper into the data, we discovered that the size of new dwellings had fallen markedly over the last two years. This is demonstrated in Figure 9, which plots the median size of new dwellings by the year of construction. Between 2018 and 2022, the median size hovered between 170 and 180m², but then it suddenly fell to 134m² in 2023 and then 96m² in 2024. This signals an increasing acceptance of – and likely market for – smaller dwellings on smaller sections, particularly to improve affordability.

Figure 9: Median GFA by Year Built



6.5 Number of Bedrooms

We also analysed the number of bedrooms in each dwelling. Nearly 70% had three bedrooms, while the remainder were split evenly between two or four bedrooms. One property had five bedrooms.

6.6 Floor Area Ratios (FARs)

Interestingly, FARs vary little despite the wide range of section sizes. For example, the median FAR is just over 0.3, but 90% have FARs between 0.26 and 0.36.

6.7 Land Values vs Section Sizes

Having set the scene by briefly profiling new sections and the dwellings built on them, we then sought to understand how land values varied with section size within Parkview. Figure 10 presents the results, where the dashed line represents a non-linear trendline, and the R^2 value attached to it indicates how well the trend line fits the data. The closer the R^2 value is to 1 the better the fit, and vice versa. In general, R^2 values greater than 0.9 indicate very good statistical fits.

Of particular interest here is the non-linear nature of the trend line in Figure 10. It means that land values do not increase one-for-one with section size. Instead, larger sections are worth less per square metre than smaller ones. This is confirmed by Figure 11, which plots land values per square metre against section size. Clearly, larger sections have much lower land values per square metre than smaller sections.

Figure 10: Total Land Value vs Section Size

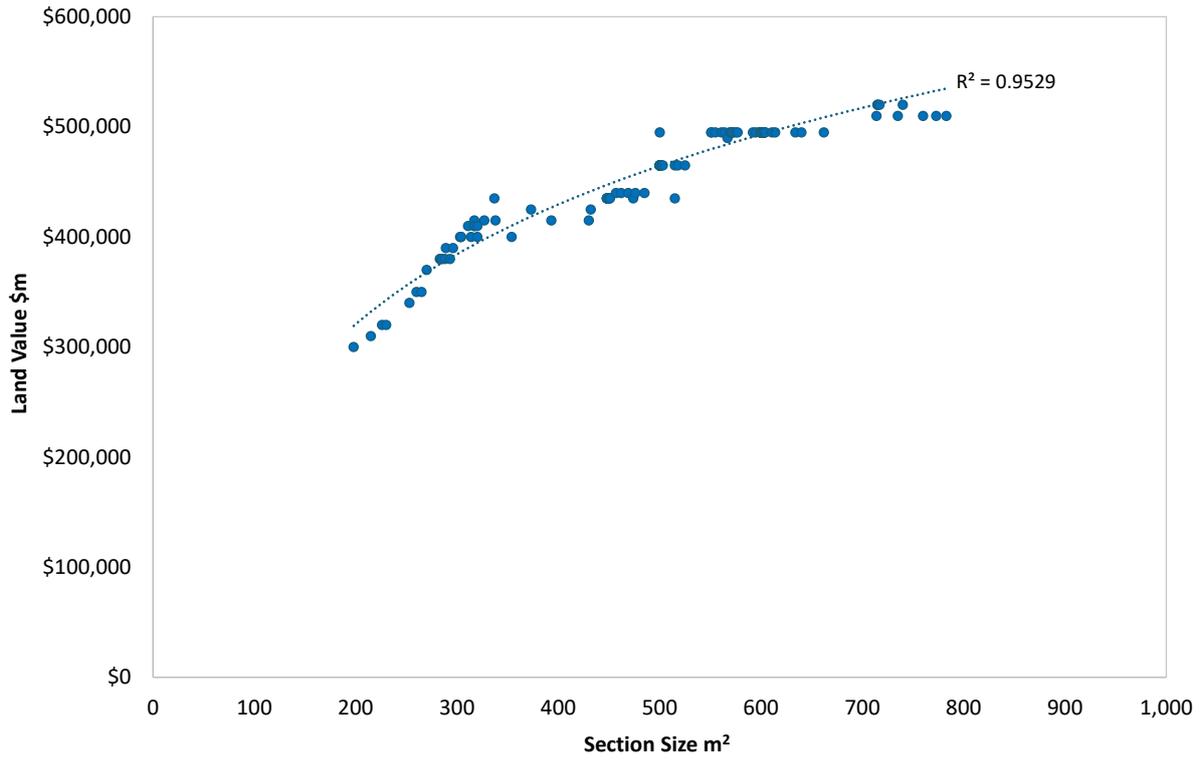
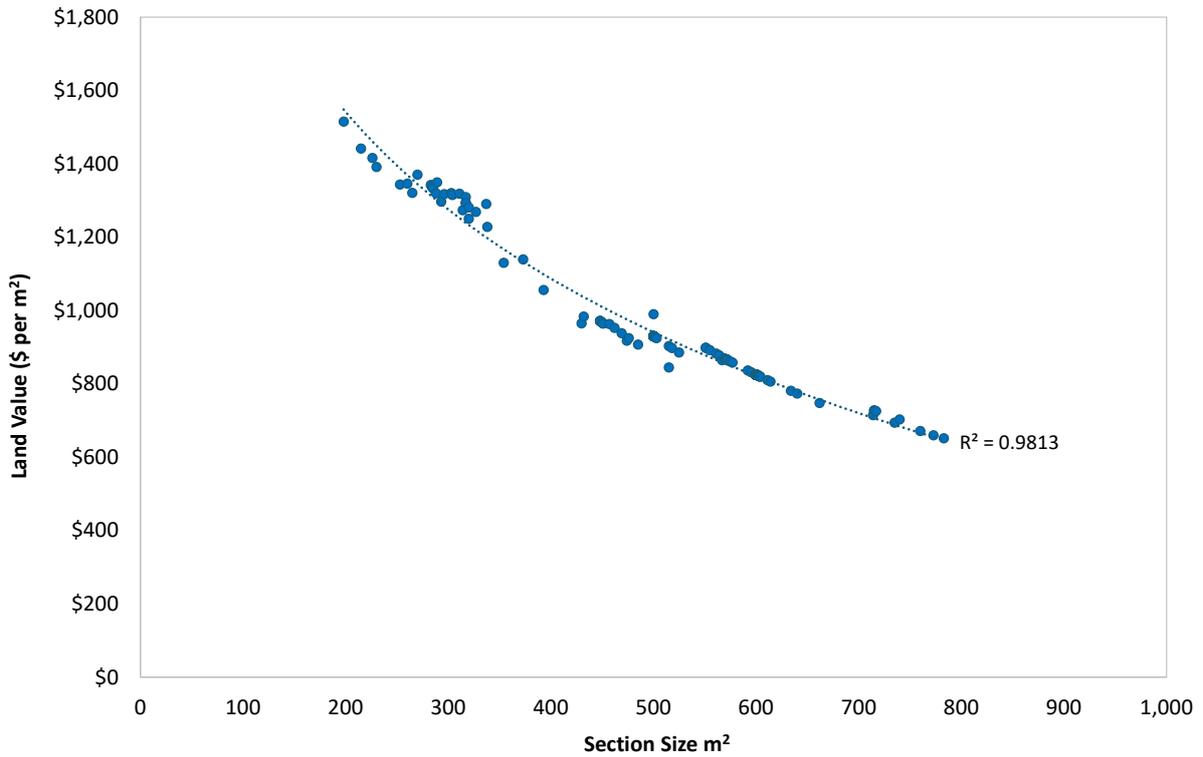
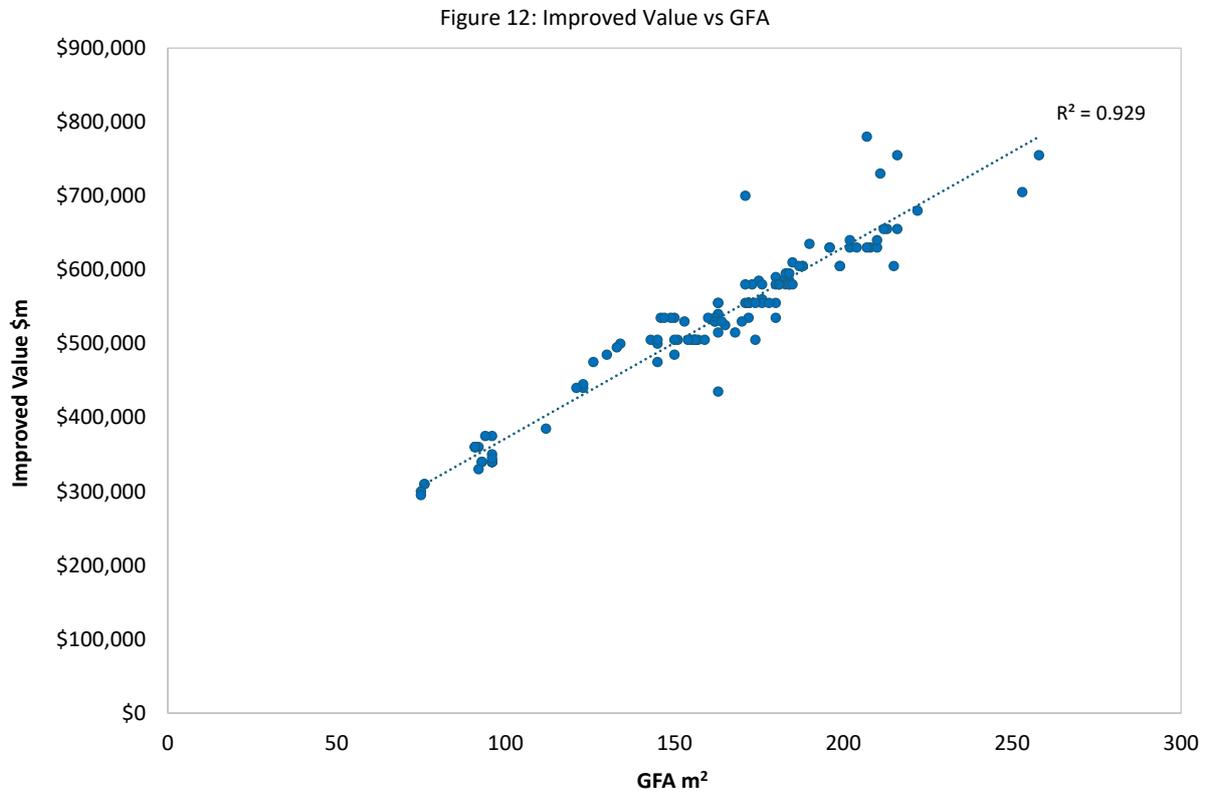


Figure 11: Land Value Rate (\$/m²) vs Section Size



6.8 Capital Values vs GFA

We also analysed how improved values vary with dwelling size, as measured by gross floor area (GFA). Figure 12 presents the results, with a linear trend line overlaid. Despite a few outliers, there is a strong linear relationship between dwelling size and improved value, as (again) measured by the R^2 of 0.929.



7. Statistical Model of Parkview Properties

7.1 Introduction

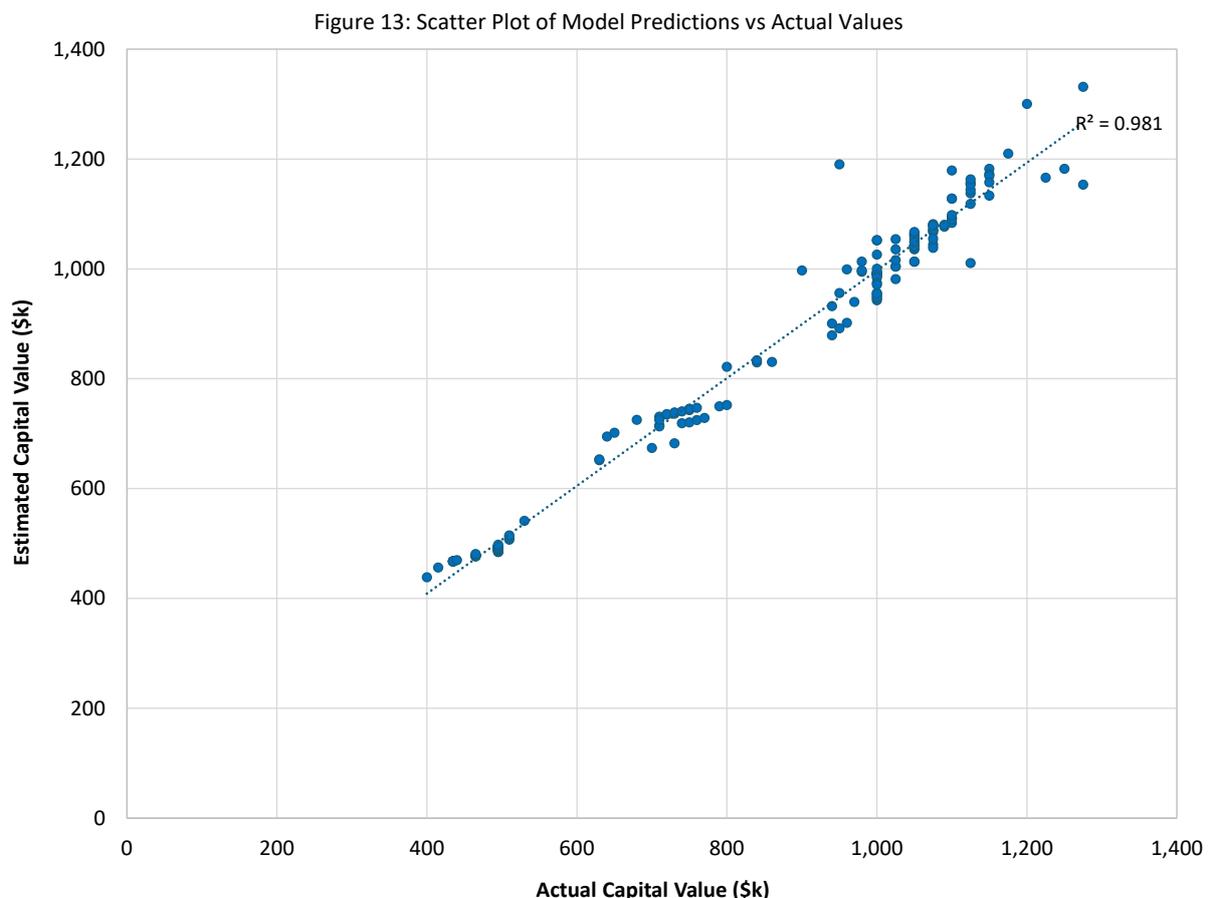
The previous section showed that land and building values within Parkview are closely correlated with section and dwelling size, respectively. This led us to explore statistical models that can “explain” the value of new homes in Helensville based on section and dwelling attributes, from which predictions could then be made (in today’s dollars) about the indicative prices of potential future homes within the subject site.

7.2 Approach

We used a common analytical technique called multiple regression to model relationships between property values and their attributes for the 170 or so properties within Parkview for which data were available. After trying many different candidate models, we finally settled on a relatively simple one, where property values were explained (statistically) just by their section sizes and dwelling sizes.

7.3 Goodness of Fit

The final model was surprisingly accurate despite its relative simplicity. This is shown in the chart below, which plots actual capital values against our model’s estimates of them. Clearly, there is a strong correlation despite the odd outlier. This is confirmed by the R^2 value of more than 0.98.



7.4 Price Predictions

The purpose of fitting the regression model above was to derive an equation from which we could then predict the prices of new homes within the subject site based on their section sizes and dwelling sizes. Table 4 shows the prices (in today’s dollars) estimated by the model for a range of section and dwelling sizes. For this exercise, a maximum FAR of 0.5 was assumed.³

Table 4: Price Predictions by Section Size & Dwelling Size (\$000s)

Section Size m ²	Dwelling Size m ²					
	75	100	125	150	175	200
200	\$638	\$718				
300	\$673	\$753	\$832	\$912		
400	\$697	\$777	\$857	\$937	\$1,017	\$1,097
500	\$716	\$796	\$876	\$956	\$1,036	\$1,116
600	\$732	\$812	\$892	\$971	\$1,051	\$1,131
700	\$745	\$825	\$905	\$985	\$1,064	\$1,144
800	\$756	\$836	\$916	\$996	\$1,076	\$1,156
900	\$766	\$846	\$926	\$1,006	\$1,086	\$1,166
1000	\$775	\$855	\$935	\$1,015	\$1,095	\$1,175

Table 4 shows that there are significant affordability benefits from enabling smaller dwellings to be built on smaller sections (as contemplated by the proposed development).

For example, a 100m² home on a 200m² section is estimated to cost \$718k in today’s dollars, while a 200m² home on an 800m² section is estimated to cost about \$1.15 million. Naturally, these values will increase over time, but the differential between them will remain in roughly similar proportions.

In our view, this analysis provides compelling evidence of the need to enable much smaller sections on the subject site than are normally allowed by default under the future zoning that that will likely be sought for most of it, which we understand is likely to be the AUP Single House Zone.

³ For context, the maximum FAR achieved thus far in Parkview is 0.48.

8. Recommendations

Based on our analysis, we recommend that:

1. A range of section sizes be provided, especially smaller ones. Based on the adjacent Parkview subdivision, we foresee strong demand for sections of (say) 200m² to 400m².
2. These are likely best suited within the site's interior, where the resulting higher density is most appropriately located and most readily managed.
3. Equally, there will be some demand for larger sections. This should be met by a range of lots of (say) 600m² to 1,000m², located mainly on the site's edges where it interfaces with the surrounding rural environment.
4. Finally, we also expect good demand for sections sized (say) 400m² to 600m², which should naturally also be provided for to maximise the development's future target market.
5. Smaller dwellings (on smaller sections) should be strongly encouraged and enabled to support the delivery of more affordable, right-sized housing for Helensville's future households.